



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: September 24, 1998
TO: Blanca Bayo, Director, Division of Records and Reporting
FROM: Dan Hoppe, Director, Division of Research and Regulatory Review *DH*
RE: Special Project No. 980000C-SP - Determination of the Amount of Support Necessary to Provide Residential Basic Local Telecommunications Service to Low-Income Customers who Qualify for Lifeline Service

Attached is a copy of the staff workshop agenda and draft Executive Summary of the report to the legislature to be distributed via facsimile to all interested persons, including participating state and federal agencies, in the above-mentioned Special Project and made a part of the file for anyone requesting the information. The draft report will be available for all interested persons to obtain a copy after 1:00 p.m. on Friday, September 25, 1998.

If you have questions, you may contact Yiwen Yu at (850) 413-6852, Bill McNulty at (850) 413-6443 or Anne Marsh at (850) 413-6554.

DMH:YYU:tfm-liflin

cc: Mary Andrews Bane
 Division of Communications
 Division of Legal Services

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AGENDA STAFF WORKSHOP

Project No. 980000C-SP

Determination of the Amount of Support Necessary to Provide
Residential Basic Local Telecommunications Service
to Low-Income Customers who Qualify for Lifeline Service

Wednesday, September 30, 1998
9:30 a.m.
Room 148
Betty Easley Conference Center
4027 Esplanade Way
Tallahassee, Florida

- I. Call to Order and Introductions
- II. Estimate Of Participants Enrolled in Lifeline-Qualifying Programs
 1. Current Eligible Households
 2. Projected Eligible Households
- III. Other Issues Related to Determining the Amount of Support Necessary to Provide Residential Basic Local Telecommunications Service to Low Income Customers Who Qualify for Lifeline Service
- IV. Adjournment

EXECUTIVE SUMMARY

DRAFT

Project 980000C-SP

Amount of Support Necessary to Provide Residential Basic Local Telecommunications Service to Low-Income Customers

The purpose of this study is to determine the amount of support necessary to provide residential basic local telecommunications service to low-income customers. In response to Chapter 98-277, Section 1, (4)(d), Laws of Florida, the FPSC is required to report this information to the legislature no later than February 15, 1999.

The data for this study was obtained from the various state and federal agencies that administer the Lifeline-qualifying programs. These programs include Temporary Assistance to Needy Families (TANF), Medicaid, Supplemental Security Income (SSI), food stamps, Federal Public Housing Assistance (Section 8), and Low-Income Home Energy Assistance Program (LIHEAP).

The agencies which administer the Lifeline-qualifying programs are the Department of Children and Families (DCF), the U.S. Department of Housing and Urban Development (HUD), the Agency for Health Care Administration (AHCA), and the Florida Department of Community Affairs (DCA). DCF administers Medicaid, TANF, and food stamps; HUD administers Public Housing Assistance, including Section 8; AHCA administers SSI; and DCA administers LIHEAP.

Staff conclusions regarding the amount of support necessary to provide residential basic local telecommunications service to low-income customers are as follows:

- ◆ **The estimated number of customers currently eligible to receive Lifeline Assistance in Florida is 816,278. The estimated annual amount of support necessary to fund Lifeline Assistance for 816,278 participants at the current level of \$3.50 is \$34,283,676.**
- ◆ **The number of customers projected to be eligible to receive Lifeline Assistance in Florida for 1999 is 851,556. The projected annual amount of support necessary to fund Lifeline Assistance for 851,556 participants at the current level of \$3.50 is \$35,765,352.**

- ◆ **The number of customers projected to be eligible to receive Lifeline Assistance in Florida for 2000 is 868,574. The projected annual amount of support necessary to fund Lifeline Assistance for 868,574 participants at the current level of \$3.50 is \$36,480,108.**

The complexity of this issue necessitated that staff make a number of assumptions regarding the project objective and methodology. For example, the legislation was silent as to the time frame for which eligibility for Lifeline-qualifying programs is to be measured, therefore, staff considered both current and projected data.

The task of counting the number of qualified households was complicated by the fact that many individuals and households participate in more than one qualifying program. The confidential nature of the program participation data, the format in which the various agencies maintain their data, and the limited time and resources of the agencies which administer the qualifying programs resulted in some difficulty in eliminating the duplicative participation by individuals and households among the programs.

Staff relied on the agencies administering the qualifying programs to provide data and assumptions as to the number of households, as opposed to individuals or caseloads, participating in the programs. In addition, staff relied on the administering agencies to identify and eliminate, to the extent possible, those households participating in more than one qualifying program.

Medicaid enrollment forecasts, including TANF and SSI, were projected based on staff's estimate of the 1998 participating households and the August 1998 Florida Revenue Estimating Conferences caseload forecasts. Medicaid participation is expected to increase by 5.6% in 1999 and by 2.5% in 2000. DCF estimated decreases in food stamp enrollment for 1999 of 1.7% and a further decrease of 1.1% in 2000. DCA indicated a zero growth rate in LIHEAP participation because of the limited funding available. HUD indicated expected growth of about 1,000 units per year for Section 8 certificate and voucher programs and no growth for any other Public Housing and Section 8 programs.

DRAFT

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