

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: May 27, 2020

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Curtis J. Williams, Public Utility Analyst IV, Office of Industry Development & Market Analysis CH

RE: Docket No. 20200073-TP - Commission Approval of Florida Telecommunications Relay, Inc.'s Fiscal Year 2020/2021 Proposed Budget

Attached are FTRI's data request responses. Please add to docket file. If you have questions please contact me at 413-6924.



March 2, 2020

Mr. Curtis Williams, Regulatory Analyst IV
Office of Industry Development & Market Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Approved FTRI FY 2021 Budget

Mr. Williams:

Pursuant to FS 427.704(4)(e), the FTRI FY 2021 budget as approved by the Board of Directors on February 24, 2020 is hereby provided in support of the Commission's annual review of the TASA surcharge. The approved budget:

- Maintains the \$0.10 /line/month TASA surcharge
- Reflects a 5.4% reduction in year-over-year budgeted operating expenses
- Utilizes \$480,289 of the \$17.2M reserve fund to offset surcharge revenue shortfall

As the administrator of the telecommunications access system which consists of the Florida Relay Service and the specialized equipment distribution program, FTRI continues to effectively manage reasonable administrative costs in the fulfillment of the duties defined in FS 427.705.

FTRI looks forward to working with the Commission, the TASA Advisory Committee, and interested community groups to modernize FS 427 for the purposes of:

- Aligning with the ADA, CVAA of 2010, and Federal Title 47, CFR 64.604
- Providing services and equipment to >2.5M unserved qualifying Florida residents
- Developing a sustainable funding model that evolves with technology advancements

Thanks to the Commission, TASA Advisory Committee members, Regional Distribution Centers, and certifiers across the state for supporting this critical Title XXX Social Welfare service.

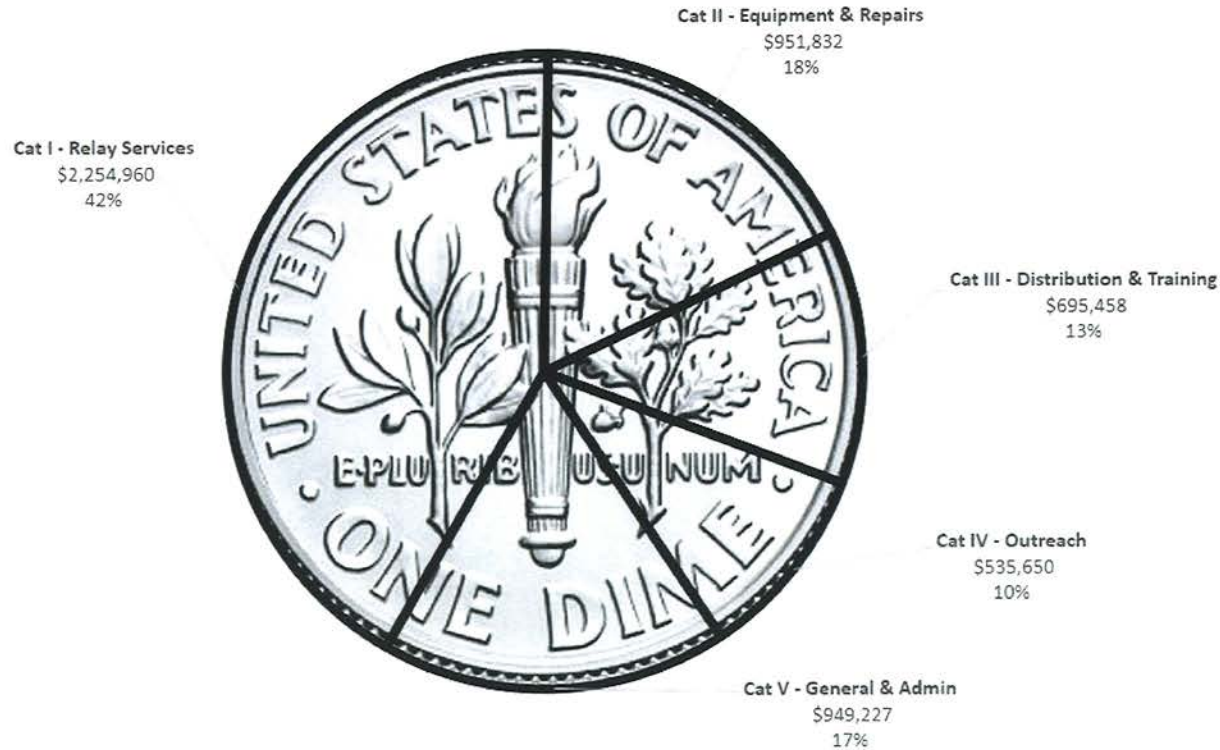
Regards,

A handwritten signature in blue ink, appearing to read "Sean Bankston".

Sean Bankston
FTRI Executive Director

Enclosures

BUDGET HIGHLIGHTS | FY 2020 - 2021



- Maintains \$0.10 /line/month TASA surcharge
- Reflects 5.4% reduction in year-over-year budgeted operating expenses
- Utilizes \$480,289 from \$17.2M reserve fund to offset surcharge revenue shortfall

Approved Budget

Fiscal Year Ended
June 30, 2021

Florida Telecommunications Relay, Inc.
Fiscal Year 2020/2021 Budget @ .10 cents surcharge

	2019/2020 APPROVED BUDGET	2019/2020 ESTIMATED REV & EXPEND	2020/2021 APPROVED BUDGET	Estimated to Budget VARIANCE 2019/2020 2020/2021	Budget to Budget VARIANCE 2019/2020 2020/2021	
OPERATING REVENUE						
1	5,315,788	5,098,137	4,792,249	(305,888)	(523,539)	
2	93,921	111,674	114,589	2,915	20,668	
	TOTAL OPERATING REV	5,409,709	5,209,811	4,906,838	(302,973)	(502,871)
OTHER REVENUE/FUNDS						
3	16,957,128	17,353,184	17,222,460	(130,724)	265,332	
	TOTAL REVENUE	22,366,837	22,562,995	22,129,298	(433,697)	(237,539)
OPERATING EXPENSES						
CATEGORY I - RELAY SERVICES						
4	2,556,170	2,556,170	2,254,960	(301,210)	(301,210)	
	SUBTOTAL-CATEGORY I	2,556,170	2,254,960	(301,210)	(301,210)	
CATEGORY II - EQUIPMENT & REPAIRS						
5	0	0	96,000	96,000	96,000	
6	16,875	0	0	0	(16,875)	
7	813,659	646,535	635,800	(10,735)	(177,859)	
8	0	0	24,000	24,000	24,000	
9	15,480	31,215	32,760	1,545	17,280	
10	0	28,625	34,950	6,325	34,950	
11	0	1,520	2,592	1,072	2,592	
12	7,733	7,246	16,400	9,154	8,667	
13	1,499	150	518	368	(981)	
14	83,148	91,239	108,812	17,573	25,664	
	SUBTOTAL-CATEGORY II	938,394	806,530	951,832	145,302	13,438
CATEGORY III - EQUIPMENT DISTRIBUTION & TRAINING						
15	42,793	28,229	30,862	2,633	(11,931)	
16	664,128	535,647	664,128	128,481	0	
17	468	468	468	0	0	
	SUBTOTAL-CATEGORY III	707,389	695,458	131,114	(11,931)	

Florida Telecommunications Relay, Inc.
Fiscal Year 2020/2021 Budget @ .10 cents surcharge

	2019/2020 APPROVED BUDGET	2019/2020 ESTIMATED REV & EXPEND	2020/2021 APPROVED BUDGET	Estimated to Budget VARIANCE 2019/2020 2020/2021	Budget to Budget VARIANCE 2019/2020 2020/2021	
CATEGORY IV - OUTREACH						
18 Outreach Expense	535,650	535,650	535,650	0	0	
SUBTOTAL-CATEGORY IV	535,650	535,650	535,650	0	0	
CATEGORY V - GENERAL & ADMINISTRATIVE						
19 Advertising	1,247	0	0	0	(1,247)	
20 Accounting/Auditing	21,221	20,768	20,823	55	(398)	
21 Legal	33,500	28,776	28,776	0	(4,724)	
22 Computer Consultation	6,710	5,037	5,020	(17)	(1,690)	
23 Dues & Subscriptions	2,307	2,482	2,482	0	175	
24 Office Equipment Purchase	9,131	8,551	7,131	(1,420)	(2,000)	
25 Office Equipment Lease	1,751	1,751	1,751	0	0	
26 Leasehold Improvements			6,000	6,000	6,000	
27 Insurance-Hlth/Life/Dsblty	165,266	153,475	181,893	28,418	16,627	
28 Insurance-Other	9,609	9,717	9,741	24	132	
29 Office Expense	11,914	12,235	12,248	13	334	
30 Postage	4,527	4,139	4,139	0	(388)	
31 Printing	1,216	1,323	1,323	0	107	
32 Rent	91,317	91,611	91,715	104	398	
33 Utilities	5,250	5,408	5,408	0	158	
34 Retirement	80,909	75,436	77,030	1,594	(3,879)	
35 Employee Compensation	456,961	404,000	431,510	27,510	(25,451)	
36 Taxes - Payroll	33,478	31,741	31,979	238	(1,499)	
37 Taxes - Unemplmt Comp	63	63	56	(7)	(7)	
38 Taxes - Licenses	61	61	61	0	0	
39 Telephone	15,615	15,329	17,030	1,701	1,415	
40 Travel & Business	4,055	4,859	8,111	3,252	4,056	
41 Equipment Maint.	762	854	855	1	93	
42 Employee Training/Dev	950	225	4,145	3,920	3,195	
SUBTOTAL-CATEGORY V	957,820	877,841	949,227	71,386	(8,593)	
 TOTAL EXPENSES	 5,695,423	 5,340,535	 5,387,127	 46,592	 (308,296)	 -5.41%
REVENUE LESS EXPENSES	16,671,414	17,222,460	16,742,171	(480,289)	70,757	
				-480,289		

Line Item Information
FTRI FY 2020/2021 Board Approved Budget
Submitted to the FPSC Staff on Monday, March 2, 2020

Definitions:

YE Estimate:

FTRI projects the YE (Year End) Estimate based on Year-to-Date December of the current fiscal year plus calculated projections based on available historical data combined with planned operational requirements and projected demand.

Common Industry Acronyms Used:

DPR – Dual Party Relay
AIMS – Automated Information Management System-FTRI uses this computer software to maintain information for the Equipment Distribution System.
TRS – Telecommunications Relay Service
FPSC – Florida Public Service Commission
FTRI – Florida Telecommunications Relay, Inc.
IP-CTS – Internet Protocol Captioned Telecommunications Service
CTS – Captioned Telecommunications Service
TDD – Texting Device for the Deaf, also known as a TTY
TTY – Text Telephone, also known as a TDD
VCO – Voice Carry-Over phone
HCO – Hearing Carry-Over phone
VCO/HCO – A Combined Voice Carry-Over and Hearing Carry-Over phone.
NDBEDP – National Deaf Blind Equipment Distribution Program.
NDBEDP is also known as iCanConnect
VCP or VCPH – Volume Control Phone
VCPS – Volume Control Phone for Speech Impaired
GEWA – brand name of the Jupiter Speaker Phone
ARS – Audible Ring Signaling device
TRS – when used to describe equipment- Tactile Ring Signaling Device
TRS can also be used to describe Telecommunications Relay Service
VRS – when used to describe equipment – Visual Ring Signaling Device
VRS can also be used to describe Video Relay Service
RDC – Regional Distribution Center (contracted with FTRI)

Line Item Notes:

1. GL# 3050 Surcharge Revenue

FTRI is showing a decrease of \$305,888 in surcharges from FY 2019/2020 Estimated Revenue. As we do each year, actual access lines reported to us by the telephone companies are logged into a spreadsheet (Attachment A). For the months remaining in the current fiscal year-end, an estimate is made on expected access lines to be reported using a conservative estimate based on previous years. FTRI has conservatively selected a decrease of 6 percent for this estimate, although historically over the past 5 years the decrease has been more than 6 percent. Additionally, FTRI applies the conservative estimated decrease of 6 percent to actual to date and year end estimated access lines to calculate the budget year estimated access lines. FTRI applies the current surcharge rate to those estimated access lines for the budget year and the corresponding administrative allowance of 1 percent. FTRI is recommending that we maintain the surcharge at 10 cents per access line.

2. GL#3450 Interest Income.

Interest Income is estimated to increase \$2,915 from FY 2019/2020 Estimated Revenue. FTRI earns interest from Regions Bank Non-Profit Public Funds Money Market account. Our Regions Bank Public Funds checking is not an interest-bearing account and requires maintaining a \$500,000 minimum balance. Interest rate from July 2019 to December 2019 was 0.65% and is currently 0.75% as of January 2020. A RIM Government Only enhanced Cash recommendation by Regions Bank could increase the yield to 1.63% (reported yield as of January 2020). Working with FTRI, Regions Bank remains available to the Commission to provide additional information on the recommended public funds solution for FTRI's surplus funds.

4. GL# 5110 Dual Party Relay Provider

The DPR Provider account year end estimate is the same as budgeted for 2019/2020. No year-end estimate was provided by SPRINT. March 1, 2018 began a new contract with SPRINT and the FPSC with higher rates. Traditional TRS minutes are billed at \$1.35 per minute. while CapTel minutes are billed at \$1.69 per minute. Each year FTRI receives a budget estimate from the DPR provider. Attachment B is the spreadsheet provided by Sprint. Sprint provided a budget of only minutes, see attached. As FTRI did last year FTRI completed the spreadsheet by copying the minutes down to the dollar cell on the spreadsheet to arrive at the dollar amounts SPRINT is suggesting with the minutes budgeted. No year-end estimate was provided by Sprint, therefore FTRI used the budgeted amounts from the prior year.

5. GL# 5210 TTY/TDD Equipment.

Telecommunications Devices for the Deaf have traditionally been TTY (text telephones for the Deaf). Over the past decade or more, these units have become less preferred by Deaf consumers and replaced by newer technology. Smart Phones, Tablets, Captioning services are some of the new technology that may be piloted.

6. GL# 5226 CapTel Equipment.

The CapTel Equipment, 840 Plus is budgeted at \$0. Under the 2015 agreement, Sprint provided FTRI with CapTel 840 Plus units at \$0. That agreement has ended with Sprint's 2018 contract. FTRI has enough inventory on hand and is refurbishing returned units.

7. GL# 5240 (corded) and 5241 (cordless) VCP Hearing Impaired

The VCP Hearing Impaired line item shows a \$10,735 decrease from FY 2019/2020 Estimated Expenditures. The trailing 12-month data at the time of budget preparation, January 2019 to December 2019 units purchased, have been used to estimate FYE 2020 purchases. A detailed analysis was used considering the year over year decrease of 19.9% and the difference in business cycle between the first half of the fiscal year and the second half of the fiscal year.

8. GL# 5250 VCP Speech Impaired

FTRI is including \$24,000 in the budget to pilot newer technology equipment. Over the past decade or more, new technology has become available to assist speech impaired to connect with the communications systems everyone uses. Smart Phones, Tablets, Captioning services are some of the new technology that may be piloted.

9. GL# 5253 TeliTalk Speech Aid

The TeliTalk Speech Aid line item shows a \$1,545 increase from FY 2019/2020 estimated expenditures. During 2018, ATOS Medical purchased and merged with Griffin Labs, the manufacturer of the TeliTalk. Budget is determined by using the TTM (trailing twelve month) historical consumer demand.

10. GL# 5255 In-Line Amplifier

The In-Line Amplifier YE estimate is based on recent demand and inclusion of new technology (SA-40 bluetooth unit). The HA-40 and SA-40 bluetooth units are budgeted.

11. GL#5261 ARS Signaling Equipment (Audible Ring Signaling)

The ARS Signaling Equip line item shows a \$1,072 increase from FY 2019/2020 Estimated Expenditures. Specifically, the CR200 signaling device that is both audible and visual (flashing light) and the audible SR200 device have been included in this line item.

12. GL# 5262 VRS Signaling Equipment (Visual Ring Signaling)

The VRS Signaling Equip line item shows a \$9,154 increase from FY 2019/2020 Estimated Expenditures. The Bellman-Symfon Visual flashing unit and the Sonic Alert TR-75 are budgeted.

13. GL# 5265 Accessories & Supplies

The Accessories & Supplies line item shows a \$368.00 increase from FY 2019/2020 Estimated Expenditures. Actual and estimated costs for FY 2019/2020 to include specific purchases for line filters and dual line adapters.

14. GL#5270-5274 Telecom Equipment Repair

The Telecom Equip Repair line item shows an \$17,573 increase from FY 2019/2020 Estimated Expenditures. The trailing 12-month average at the time of budget preparation, January 2019 to December 2019, is used to calculate the budget estimate.

15. GL# 5310 Freight-Telecom Equipment

The Freight-Telecomm Equip line item shows a \$2,633 increase from FY 2019/2020 Estimated Expenditures. As XLC7-BT, XLC-3.4, Alto, Alto-Plus units warranty expire these units are shipped back for repair. New units are shipped to RDCs and various clients as ordered. The trailing 12-month average is used in projecting the budget resulting in a slightly higher projection than year-end estimate for 2019/2020. The year-end estimate used year-to-date actual plus the trailing 12-month average.

16. GL# 5320-5327 Regional Distribution Centers

The Regional Distribution Centers line item shows a \$128,481 increase from FY 2019/2020 Estimated Expenditures. Most of the increase is for costs associated with the regional distribution centers RDC contracts for distribution services. The trailing 12-month data at the time of budget preparation, January 2019 to December 2019, of RDC activity is used to calculate the budget estimate. It is estimated that over the past several years the decrease in RDC services is approximately 6.5% per year. FTRI is considering new contracts and payment models based on feedback from Regional Distribution Centers (RDCs) to fully support the distribution program. Additionally, the below breakdown shows the additional costs included in this line item. These include air card connectivity and laptops for access to FTRI's client database and maintenance and modifications to AIMS. All costs are specifically related to RDC fulfillment of the agreement to provide FTRI services.

	FY 2019-2020 (estimated)	FY 2020-2021 (proposed)
RDC contracts	\$ 471,319	\$ 599,931
AIMS air card \$675 per month	\$ 7,527	\$ 7,768
RDC AIMS Hardware	\$ 794	\$ 720
AIMS Project for RDC	\$ 52,620	\$ 52,280
Auditing	<u>\$ 3,387</u>	<u>\$ 3,429</u>
	\$ 535,647	\$ 664,128

17. GL# 5340 Training Expense

The Training Expense line item shows a \$0 increase from FY 2019/2020 Estimated Expenditures. FTRI plans to hold smaller regional trainings via webinars and, when possible face-to-face meetings when in area for audits or other purposes, to enhance the FTRI program and its relationship with RDCs. Cost budgeted is for Go-To-Meeting web access.

18. GL# 5410-5417 Outreach Expense

The Outreach Expense account shows a \$0 increase from FY 2019/2020 Estimated Expenditures. FTRI plans to continue advertising the program using newspaper insert ad (FSI) and Social Media.

19. GL# 5501 Advertising

Line item shows a \$0 increase from FY 2019/2020 Estimated Expenditures. FTRI budgeted to actual for advertising of possible open positions due to staff turnover. FTRI advertises using low cost employment ads, usually Craigslist at \$15 per placement, or free ad placements such as INDEED on-line service.

20. GL# 5504 Accounting

The Accounting/Auditing line item shows a \$55 increase from FY 2019/2020 Estimated Expenditures. FTRI's CPA firm provided a quote for our annual audit of the 2019/2020 fiscal year at \$17,000 in line with last year. This line item also includes expenses for payroll processing and payroll tax reporting. FTRI is budgeting 8 employees for payroll expenses.

21. GL# 5507 Legal

The Legal account shows a \$0 increase from FY 2019/2020 Estimated Expenditures. FTRI is billed for legal services monthly at \$250 per hour for the first 12 hours of service per month with hours over 12 billed at \$225 per hour.

22. GL# 5510 Computer Consultation

The Computer Consultation line item shows a decrease of \$17 for the budget year end 2021. YE estimate for FY ending 2020 is the average of the first six months and extrapolated for the full 12 months. FTRI was quoted 44 hours of technical support, network administration, and desktop troubleshooting.

23. GL# 5519 Dues & Subscriptions

The Dues & Subscriptions expense account shows a \$0 increase from FY 2019/2020 Estimated Expenditures. Dues and subscriptions to organizations that we partner with and are directly involved in the communities we serve allowing staff and management to be informed about those communities.

24. GL# 5530-5531 Office Equipment and Computer Software

The Office Equipment Purchase line item shows a \$1,420 decrease from FY 2019/2020 Estimated Expenditures. FTRI expects replacement of two (2) workstations. Purchase of Office 365 software, renewing Firewall support, antivirus software is also budgeted.

25. GL# 5541 Office Equipment Lease

Office Equipment Lease shows an increase of \$0 from FY 2019/2020 estimated expenditures. FTRI leases a copier and the Pitney Bowes postage equipment.

26. GL# 5542 Leasehold Improvements

FTRI is including the first year of amortized expense for replacing the flooring in the office which was originally installed in 2001. Total cost \$30,000 amortized over 5 years.

27. GL# 5544 Insurance-Hlth/Life/Dsblty

The amount budgeted for 2020/2021 Insurance-Hlth/Life/Dsblty account shows a \$28,418 increase from FY 2019/2020 estimated expenditures. FTRI estimated a 10% increase in premium based on response from insurance agency. Employees contribute 5% of the premium for single coverage and 10% of the difference between single and dependent coverage. Employee turnover impacted 2019/2020 Health Care cost for the period. During the budget year 2020/2021 FTRI anticipates staff of 8 employees. FTRI has an insurance renewal date of June 1.

28. GL# 5547 Insurance-Other

The Insurance-Other line item shows a \$24 increase from FY 2019/2020 Estimated Expenditures due to a slight increase in premium. FTRI estimates that insurance will remain close to the actual 2019/2020 estimated amount for the budget year 2020/2021.

29. GL# 5551 Office Expense

The Office Expense line item shows a \$13 increase from FY 2019/2020 estimated expenditures due to a slight increase in the security system service. This line item includes office supplies, paper, office cleaning, pest control, security system service, shredding services.

30. GL# 5554 Postage Expense

The Postage line item shows no change from FY 2019/2020 estimated expenditures. Application request mailings in addition to business reply mail permit fees and postage deposits \$500 each and supplies for the meter.

31. GL# 5557 Printing expense

The Printing line item shows \$0 increase from FY 2019/2020 estimated expenditures. This line item includes printing of FTRI's annual report, business cards, letterhead, envelopes.

32. GL# 5560 Rent expense

The Rent line item shows a \$104 increase from FY 2019/2020 estimated expenditures. FTRI renewed its lease in 2017 at the same rate as the previous lease. This rate has remained steady for the past 5 years and is not expected to increase. The slight increase is due to FTRI's offsite storage facility, Secure Records Solutions.

33. GL# 5561 Utility expense

The Utilities line item shows \$0 increase from FY 2019/2020 estimated expenditures.

34. GL# 5563 Retirement

The Retirement line item shows a \$1,594 increase from FY 2019/2020 estimated expenditures. FY 2019/2020 estimate is lower than anticipated due to employee turnover. James Forstall retirement in October 2019 and Sean Bankston hired in December 2019. Retirement is based on salary, budgeted salary increases, and related pension costs for administration of the program through FTRI's plan administrator NTCA. The Data Entry person terminated employment in February 2019. FY 2020/2021 budget includes 8 employees' projected salary.

35. GL# 5566 Employee Compensation

Employee Compensation line item shows a \$27,510 increase from FY 2019/2020 estimated expenditures. FY 2019/2020 estimate is lower than anticipated due to employee turnover. FTRI started July 2017 with 10 employees out of 15 authorized positions and cut back to 9 positions during 2018. The Data Entry position experienced a turnover in February 2019. Eight (8) employees are budgeted for FY 2020/2021 with an estimated 3% merit increase pool.

36. GL # 5572 Taxes-Payroll

The Taxes-Payroll line item shows a \$238 increase from FY 2019/2020 estimated expenditures. Taxes are budgeted at 7.65% of payroll expense. FTRI has pre-tax section 125 benefits that lower taxable income for employees paying Health Premiums as well as our 403b fully employee funded retirement program that is pre-tax. Eight (8) employees are budgeted for 2020/2021 budget year.

37. GL# 5575 Taxes-Unemployment Compensation

The Taxes-Unemployment Compensation line item shows a \$7 decrease from FY 2019/2020 estimated expenditures. Taxes Unemployment Compensation is budgeted close to the year-end estimate. The tax is on the first \$7,000 of income for each employee, therefore the more turnover the higher the cost both in annual rate and number of employee accounts charged. Currently FTRI has been assigned the lowest rate of .0010.

38. GL# 5578 Taxes-Licenses

The Taxes-Licenses line item shows \$0 increase from FY 2019/2020 YE estimated. Taxes-Licenses fee is for FTRI's annual report to the department of state corporate filing.

39. GL# 5581 Telephone Expense

The Telephone line item shows a \$1,701 increase from FY 2019/2020 estimated expenditures.

40. GL# 5584 Travel & Business Expense

The Travel & Business line item shows a \$3,252 increase from FY 2019/2020 estimated expenditures. Travel is based on six trips for staff or managers to meet with RDCs and/or vendors and one trip to TEDPA (For the Telecommunications Equipment Distribution Program Association) annual conference.

41. GL# 5591 Equipment Maintenance

Equipment Maintenance line item shows a \$1 increase from FY 2019/2020 estimated expenditures. FTRI budgeted close to the estimated YE 2019/2020 amount.

42. GL# 5592 Employee Training

The Employee Training/Dev line item shows a \$3,920 increase from FY 2019/2020 estimated expenditures. FTRI budgeted for two staff retreats that may be held off-site. FTRI included for 2 staff to attend training sessions as they become available as needed. Professional development training through the LinkedIn program is included for all staff.



May 19, 2020

Mr. Curtis Williams, Public Utility Analyst
Office of Industry Development & Market Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Commission Staff Data Request dated May 18, 2020

Mr. Williams:

In support of the Commission staff's annual review of the TASA surcharge, the following information includes the May 18 data request pertaining to the FTRI FY 2021 Board-approved budget as well as FTRI's correlating response.

1. Are the proposed budgeted iPads Wi-Fi capable only, or Wi-Fi and Long-Term Evolution (LTE) capable?

FTRI Response: During FY 2021, FTRI will utilize documented pilot program parameters to distribute Wi-Fi iPads that enable access to the telecommunications system for Florida residents who are deaf, hard-of-hearing, or speech impaired. As the pilot program progresses, feedback will be gathered to determine if additional accessibility benefits may be available via the Wi-Fi+Cellular iPad model. Currently, the cost difference between the two models is \$130/unit.

Thanks for your continued support of FTRI as the administrator of these vital Title XXX Social Welfare services.

Regards,

A handwritten signature in black ink that reads "Sean A. Bankston".

Sean Bankston
FTRI Executive Director



April 15, 2020

Mr. Curtis Williams, Regulatory Analyst IV
Office of Industry Development & Market Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Staff Data Request Email dated March 25, 2020

Mr. Williams:

In support of the Commission staff's annual review of the TASA surcharge, the following information includes the March 25th Commission staff data request pertaining to the FTRI FY 2021 Board-approved budget and FTRI's correlating response to each question/request.

1. Line Item 1-Surcharges - Please provide the access line analysis (Attachment A) referenced in your budget filing to support the \$305,888 decrease in surcharge revenue.
FTRI Response: Attachment A is enclosed.
2. Line Item 4-Dual Party Relay Provider - Please provide Attachment B referenced in your filing.
FTRI Response: Attachment B is enclosed.
3. Please submit FTRI's Q3 Financial Report (Quarter Ending March 31, 2020) ASAP, but no later than April 24, 2020.
FTRI Response: The Q3 Financial Report for the QE March 31, 2020 will be submitted by April 24, 2020 unless the COVID-19 national emergency causes delays in processing of RDC paperwork and vendor invoices. Upon completion, FTRI will email the report to Commission staff.
4. Line Item 8-VCP Speech Impaired - FTRI's 2019-2020 proposed budget included \$0 for this Line Item. However, FTRI is requesting a \$24,000 increase in its 2020-2021 proposed budget. Please address the items below regarding this request:
 - a. Please provide additional support for the requested \$24,000 increase.
FTRI Response: Utilizing documented pilot program parameters, FTRI will distribute 20 iPads configured with applications that enable speech impaired Florida residents to access the telecommunications system.
 - b. Please provide the legal citation and statutory authority that would grant FTRI the authority to distribute Smart Phones and Tablets.
FTRI Response: Florida Statutes Title XXX. Chapter 427.702(3)(g) documents the Legislative intent that state-of-the-art technology will be used for specialized telecommunications devices and encourages the incorporation of new

developments in technology. Chapter 427.705(5)(b) defines administrator (FTRI) duties as including the establishment of characteristics and performance standards for specialized telecommunications devices. Administrator (FTRI) duties also include the selection of equipment that is distributed to qualified residents. In accordance with these defined duties, device characteristics and standards will continue to be modified as equipment technology advances.

- c. Specifically identify all equipment FTRI is seeking approval to distribute in this Line Item.

FTRI Response: Utilizing documented pilot program parameters, FTRI will distribute 20 iPads configured with applications that enable speech impaired Florida residents to access the telecommunications system.

- d. If approved, what criteria will FTRI use to distribute the limited newer technology equipment in an equitable manner?

FTRI Response: FTRI will utilize the documented pilot program parameters that were provided to Commission staff via email on January 28, 2020.

5. Line Item 10-In-Line Amplifier - Please provide additional support for the requested \$6,325 increase, including client demand and technology application.

FTRI Response: Line item 10 includes in-line amplifiers for both land lines and cellular smart phones. FTRI will purchase and distribute 510 in-line amplifiers during FY 2021. Of these, 500 units will enable Florida residents who are hard-of-hearing to access the telecommunications system by amplifying the audio of their cellular smart phones via Bluetooth connection.

6. Line Item 12-Visual Ring Signaler Signaling Equipment - Please provide additional support for the requested \$9,154 increase, including client demand and technology application.

FTRI Response: Line item 12 reflects that FTRI will purchase and distribute 100 Bellman Symfon visual ring signalers (VRS) during FY 2021. These devices enable Florida residents who are deaf or hard-of-hearing to be visually alerted to an incoming call.

7. Line Item 14-Telecom Equipment Repair - Please provide additional support for the requested \$17,573 increase. What factors contributed to more equipment needing repair?

FTRI Response: Line item 14 reflects that FTRI will continue to refurbish volume control phone (VCPH) units that are at the end of the warranty period, restoring them to "like new" condition. Distributing refurbished units in like-new condition is an efficiency when compared to purchasing an equivalent quantity of new VCPH devices.

8. Line Item 16-Regional Distribution Centers (RDC) - Provide additional detail on the requested \$128,481 expense increase from FY 2019/2020. Specifically, please address the following:

- a. FTRI explains that most of the cost increase is associated with RDC contracts for distribution services. However, FTRI states that RDC services have decreased by

approximately 6.5% per year over the past several years. Please explain further why RDC related expense should increase, if services provided to FTRI by the RDCs are declining.

FTRI Response: Line item 16 is flat to the FY 2020 budget and reflects that FTRI will expand the quantity of Regional Distribution Centers (RDCs) while working with existing RDCs to evaluate and implement a business model that enables them to provide FTRI services at break-even. Based on feedback from multiple organizations that serve as RDCs, including Florida Association of Centers for Independent Living (FACIL) members and members of the Deaf Service Center Association (DSCA), the current fee per service structure is not performing at break-even for their organizations.

- b. Why does FTRI believe it is prudent to enter into new more expensive contracts and payment models with the RDCs if services provided have been declining?

FTRI Response: Line item 16 is flat to the FY 2020 budget and reflects that FTRI will expand the quantity of Regional Distribution Centers (RDCs) while working with existing RDCs to evaluate and implement a business model that enables them to provide FTRI services at break-even. Based on feedback from multiple organizations that serve as RDCs, including Florida Association of Centers for Independent Living (FACIL) members and members of the Deaf Service Center Association (DSCA), the current fee per service structure is not performing at break-even for their organizations.

- c. How many laptops are currently being provided to the RDCs? Do the RDCs own the laptops, or are they on loan?

FTRI Response: Each RDC is issued one (1) laptop and one (1) portable printer. Laptops and printers remain the property of FTRI and are issued on loan to the RDCs.

- d. Does the expense increase include the distribution of new laptops for FY 2020/2021? If so, how many?

FTRI Response: Each year, FTRI budgets to replace a percentage of the loaned equipment based on projected end-of-life (EOL). For FY 2021, FTRI will replace three (3) laptops and one (1) portable printer.

9. Line Item 27-Insurance-Hlth/Life/Dsblty - Please provide additional support for the \$28,418 expense increase. Specifically, please address the following:

- a. Did FTRI receive quotes from multiple providers?

FTRI Response: Quotes will be obtained from multiple providers 30 days in advance of FTRI's June 2020 renewal.

- b. Identify the name of the provider associated with the 10% premium increase. Is this FTRI's current provider?

FTRI Response: Acentria Benefits, FTRI's current provider, stated that FTRI should plan for a projected premium increase of between 8 – 12%.

10. Line Item 35-Employee Compensation - Please provide additional support for the \$27,510 increase.

FTRI Response: Line item 35 reflects a reduction of \$25,451 as compared to the FY 2020 budget and includes a three percent (3%) merit increase pool based on current employee salaries. For reference, the average FTRI employee tenure and salary are 11.11 years of service and \$52,273.92 respectively. A schedule of current employee salaries is enclosed.

As the administrator of the telecommunications access system which consists of the Florida Relay Service (FRS), the specialized equipment distribution program (EDP), and outreach for both the FRS and EDP, FTRI continues to effectively fulfill its duties with reasonable administrative costs.

FTRI looks forward to working with the Commission, the TASA Advisory Committee and interested community groups to modernize FS 427 for the purposes of:

- Aligning with the ADA, CVAA of 2010, and Federal Title 47, CFR 64.604
- Providing services and equipment to >2.5M unserved qualifying Florida residents
- Developing a sustainable funding model that evolves with technology advancements

Thanks for your continued support of this critical Title XXX Social Welfare service.

Regards,



Sean Bankston
FTRI Executive Director

Enclosures

Attachment A

Access Line Analysis

Access Line History Analysis

Updated: 1/21/2020

Actual	Actual	Actual	Actual	Actual	Actual/Estimates	Actual/Estimates
FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
6,037,538	5,663,980	5,434,653	5,106,749	4,692,126	4,301,940	4,043,824
6,058,064	5,763,787	5,382,161	5,198,631	4,647,590	4,410,631	4,145,993
5,996,476	5,677,509	5,483,982	4,652,845	4,625,981	3,126,032	2,938,470
6,008,217	5,669,304	5,451,714	5,119,770	4,599,385	4,316,793	4,057,785
6,008,230	5,582,548	5,382,897	5,066,772	4,554,597	5,416,403	5,091,419
5,998,176	5,626,389	5,411,053	5,026,677	4,603,406	4,220,107	3,966,901
5,947,106	5,680,962	5,333,032	5,021,265	4,724,755	4,535,765	4,263,619
5,979,789	5,683,945	5,358,156	4,978,308	4,545,659	4,363,833	4,102,003
5,963,739	5,640,987	5,267,429	4,968,714	4,464,100	4,285,536	4,028,404
5,908,286	5,623,961	5,469,947	4,907,157	4,308,972	4,136,613	3,888,416
5,833,538	5,598,573	5,203,327	4,807,765	4,379,513	4,204,332	3,952,073
5,732,312	5,512,584	5,156,204	4,725,778	4,352,451	4,178,353	3,927,652
-----	-----	-----	-----	-----	-----	-----
71,471,471	67,724,529	64,334,555	59,580,431	54,498,535	51,496,338	48,406,558
-----	-----	-----	-----	-----	-----	-----
5,955,956	5,643,711	5,361,213	4,965,036	4,541,545	4,291,362	4,033,880
-----	-----	-----	-----	-----	-----	-----
71,471,471	67,724,529	64,334,555	59,580,431	54,498,535	51,496,338	48,406,558
-5.23%	-5.24%	-5.01%	-7.39%	-8.53%	-5.51%	-6.00%
-----	-----	-----	-----	-----	-----	-----
-5.23%	-5.24%	-5.01%	-7.39%	-8.53%	-5.51%	-6.00%
\$7,783,243.19	\$8,045,674.05	\$7,006,033.04	\$5,898,462.67	\$5,395,354.97	\$5,098,137.46	\$4,792,249.21
11 cents	12 cents	11 cents	10 cents	10 cents	10 cents	10 cents
2015	2016	2017	2018	2019	2020	2021

Access Lines	Revenue
Estimates	FYE 2021
FYE 2021 w/ 6% decrease	estimate @ .10 w/ 6% decrease
-----	-----
4,043,824	\$400,339
4,145,993	\$410,453
2,938,470	\$290,909
4,057,785	\$401,721
5,091,419	\$504,050
3,966,901	\$392,723
4,263,619	\$422,098
4,102,003	\$406,098
4,028,404	\$398,812
3,888,416	\$384,953
3,952,073	\$391,255
3,927,652	\$388,838
-----	-----
48,406,558	\$4,792,249
-----	-----
FYE 2021 Lines	FYE 2021 Revenue

July
August
September
October
November
December
January
February
March
April
May
June

-11.18%

\$5,098,137.46 FYE 2019 Budget rev
\$4,792,249.21 FYE 2020 est. rev
\$305,888.25

6.00% % Change

\$479,224.92 Revenue loss from
1 cent of surcharge

Attachment B

Florid Relay Traffic Forecast

Florida Relay Traffic Forecast

July 1, 2020 - June 30, 2021

Florida TRS	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Total
Forecast Minutes of Use	91,253	97,188	94,676	99,306	98,987	97,378	95,890	87,770	90,875	82,272	85,559	84,763	1,105,917
Forecasted Minutes of Use used to apply cost per minute	91,253	97,188	94,676	99,306	98,987	97,378	95,890	87,770	90,875	82,272	85,559	84,763	1,105,917
Cost of Service (\$1.35 per Session Minute)	\$ 123,192	\$ 131,204	\$ 127,813	\$ 134,063	\$ 133,632	\$ 131,460	\$ 129,452	\$ 118,490	\$ 122,681	\$ 111,067	\$ 115,505	\$ 114,430	\$ 1,492,988
Florida CapTel	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Total
Forecast Minutes of Use	37,771	38,979	36,620	35,323	35,383	37,743	37,222	31,833	42,666	39,622	40,065	37,644	450,871
Forecasted Minutes of Use used to apply cost per minute	37,771	38,979	36,620	35,323	35,383	37,743	37,222	31,833	42,666	39,622	40,065	37,644	450,871
Cost of Service (\$1.69 per Session Minute)	\$ 63,833	\$ 65,875	\$ 61,888	\$ 59,696	\$ 59,797	\$ 63,786	\$ 62,905	\$ 53,798	\$ 72,106	\$ 66,961	\$ 67,710	\$ 63,618	\$ 761,972
Grand Total	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Total
	\$ 187,025	\$ 197,078	\$ 189,700	\$ 193,759	\$ 193,430	\$ 195,246	\$ 192,357	\$ 172,287	\$ 194,787	\$ 178,028	\$ 183,215	\$ 178,048	\$ 2,254,960

FTRI Staff Salaries

FY2021 Schedule

2020 - 2021

2020-2021

Accounts Payable
 Accounts Receivable
 DPC-Customer Svc
 DPC-Customer Svc
 Outreach Manager
 Business Manager
 Equipment Dept Mgr
 Exec Dir

Staff	Annual Salary	Years of service
Palma	\$30,966.21	1.90
Arias	\$42,127.50	4.33
Lurry-Smith	\$36,950.16	13.16
Tucker	\$37,922.53	15.75
Moran	\$59,083.82	3.58
Bascom	\$70,418.72	19.75
Mauldin	\$56,722.42	25.00
Bankston	\$84,000.00	5.42

\$418,191.36

average salary
 \$52,273.92

average years
 11.11

Average Staff (all staff and managers)

Overtime	30 hours @ \$773	\$773
	increase of 3%	\$12,546

total budgeted

\$431,510.36

May 15, 2020

Mr. Curtis Williams, Public Utility Analyst
Office of Industry Development & Market Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Commission Staff Data Requests – May 8 and May 13, 2020

Mr. Williams:

In support of the Commission staff's annual review of the TASA surcharge, the following information includes the May 8 and May 13 data requests pertaining to the FTRI FY 2021 Board-approved budget as well as FTRI's correlating response to each question/request.

May 8th Data Request

1. Line Item 5-TTY/TDD - Please provide budget detail for equipment budgeted. Specifically, please list each device category (i.e. smartphone, tablet, etc.) separately, along with the associated proposed expense.
FTRI Response: Utilizing documented pilot program parameters, FTRI will distribute 80 iPads priced at \$1200/unit and configured with applications that enable Florida residents who are deaf or severely hard-of-hearing to access the telecommunications system.
2. Line Item 7-VCP Hearing Impaired – Please provide the budget detail for this line item. Through the first three quarters, \$291,242 has been spent. Does FTRI anticipate spending \$355,293 in Q4 to arrive at the 2019/2020 estimated amount of \$646,535?
FTRI Response: Through the end of Q3 of the current fiscal year, total reported VCPH expense is \$432,902. The overall impact of COVID-19 will continue to be monitored for the duration of the pandemic and its correlating risk mitigation measures.
3. Line Item 8-VCP Speech Impaired – FTRI's FY 2019/2020 Q1 Quarterly Report shows \$141,660 expense amount and an annual budget amount of \$760,786. FTRI's FY 2020/2021 budget filing shows \$0. Please explain.
FTRI Response: The FY 2020 Q1 report contained an error for this line item. Year-to-date totals were corrected in subsequent quarterly reports, and the corrected Q1 report is also enclosed for reference. The FY 2021 approved budget for this line item is \$24,000.
4. Line Item 16-RDC – Please provide budget detail for this line item, including RDC cost analysis and break-even analysis if available. Please include more detail on the factors contributing to the 6.5% decline in RDC services to FTRI, and why FTRI believes it needs to increase

spending to improve results. RDC spending has declined during the first three quarters. Please explain why FTRI believes Q4 will increase.

FTRI Response: Over the last 10 years, the FTRI operating budget has consistently been reduced. Budget reductions to an ADA-based, legislatively mandated Title XXX social welfare service inherently limit the quantity of Florida residents that can utilize available technology and services. A direct correlation also exists between the outreach/educational marketing budget reductions and the services provided by RDCs. Within the last 10 years, the outreach budget has been reduced by more than 35%. During that same period, RDCs experienced an equivalent percentage decline in FTRI client services. With approximately 3 million qualifying Florida residents, there is ample opportunity to conduct outreach and educational marketing to promote the specialized devices available through the FTRI Equipment Distribution Program (EDP) and the support services provided by RDCs. As such, the FY 2021 approved budget for this line item remains unchanged from the FY 2020 budget.

May 13th Data Request

Commission staff has another follow-up to Line Item 12-Visual Ring Signaler Signaling Equipment, and FTRI's response to Question 6 in our April 15, 2020 data request.

Please provide detailed responses to the items below:

1. During FY 2019/2020, how many Bellman-Symfon visual ring signalers did FTRI purchase?
FTRI Response: During FY 2020, twenty (20) Bellman-Symfon visual ring signalers (VRS) priced at \$164/unit were purchased and distributed to qualifying Florida residents.
2. What was the unit price spent for the Bellman-Symfon visual ring signaler in FY 2019/2020?
FTRI Response: During FY 2020, twenty (20) Bellman-Symfon visual ring signalers (VRS) priced at \$164/unit were purchased and distributed to qualifying Florida residents.
3. During FY 2019/2020, how many Bellman-Symfon visual ring signalers did FTRI distribute?
FTRI Response: During FY 2020, twenty (20) Bellman-Symfon visual ring signalers (VRS) priced at \$164/unit were purchased and distributed to qualifying Florida residents.
4. Please provide analysis and conclusions resulting from FTRI's piloting of the Bellman-Symfon device during FY 2019/2020.
FTRI Response: Based on the limited quantity distributed, 95% of clients benefitted from the device. One client (5%) shared negative feedback; however, the client opted to retain the device. All 20 units remain in use by the original recipients.

Thanks for the opportunity to share additional insight regarding FY 2021 FTRI services. The Commission's commitment and support of FTRI and the Florida Relay exemplifies public service.

Regards,



Sean Bankston
FTRI Executive Director

Enclosures

FLORIDA TELECOMMUNICATIONS RELAY, INC.
STATEMENT OF REVENUE AND EXPENSES
As of September 30, 2019

	Quarter Actual	YTD-Actual	FY 2019-2020 Budget
1	REVENUE		
2	1,293,575	1,293,575	5,315,788
3	29,212	29,212	93,921
4	1,322,787	1,322,787	5,409,709
5	OPERATING EXPENSES		
	CATEGORY I		
	Relay Service		
6	570,107	570,107	2,556,170
	570,107	570,107	2,556,170
	SUBTOTAL CATEGORY I		
	CATEGORY II		
	Equipment & Repairs		
7	0	0	0
8	0	0	0
9	0	0	0
10	0	0	0
11	0	0	16,875
12	0	0	0
13	142,109	142,109	813,659
14	0	0	0
15	7,740	7,740	15,480
16	0	0	0
17	0	0	0
18	(100)	(100)	0
19	4,360	4,360	7,733
20	50	50	1,499
21	14,669	14,669	83,148
	168,828	168,828	938,394
	SUBTOTAL CAT II		
	CATEGORY III		
	Equip Dist & Training		
22	7,466	7,466	42,793
23	151,913	151,913	664,129
24	0	0	0
25	468	468	468
	159,847	159,847	707,390
	SUBTOTAL CAT III		

	Quarter Actual	YTD-Actual	FY 2019-2020 Budget	
CATEGORY IV				
Outreach				
26	Outreach Expense	116,570	116,570	535,650
	SUBTOTAL CAT IV	116,570	116,570	535,650
CATEGORY V				
General & Admin				
27	Advertising	0	0	1,247
28	Accounting/Audit	17,899	17,899	21,221
29	Legal	3,529	3,529	33,500
30	Consultation-Computer	1,192	1,192	6,710
31	Dues /Subscriptions	1,596	1,596	2,307
32	Office Furniture	0	0	0
33	Office Equipment	2,379	2,379	9,131
34	Depreciation	0	0	0
35	Office Eqpt Lease	422	422	1,751
36	Insurance-Hlth/Life	35,529	35,529	165,266
37	Insurance-Other	2,670	2,670	9,609
38	Office Expense	2,933	2,933	11,914
39	Postage	250	250	4,527
40	Printing	0	0	1,216
41	Rent	22,778	22,778	91,317
42	Utilities	1,409	1,409	5,250
43	Retirement	17,858	17,858	80,909
44	Employee Compensation	99,449	99,449	456,961
45	Temp Employment	0	0	0
46	Taxes - Payroll	7,892	7,892	33,478
47	Taxes - Unemp comp	0	0	63
48	Taxes - licenses	0	0	61
49	Telephone	3,707	3,707	15,615
50	Travel & Business Exp	2,446	2,446	4,055
51	Equipment Maintenance	238	238	762
52	Employee Training	0	0	950
53	Meeting Expense	0	0	0
54	Miscellaneous	0	0	0
	SUBTOTAL CAT V	224,176	224,176	957,820
55	TOTAL EXPENSES	<u>1,239,528</u>	<u>1,239,528</u>	<u>5,695,424</u>
56	REV less EXP	<u><u>83,259</u></u>	<u><u>83,259</u></u>	<u><u>(285,715)</u></u>