

March 19, 2018

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: TAM FY 2019 Budget and Surcharge Recommendations
Docket No. P999/M-18-194

Dear Mr. Wolf:

Pursuant to Minnesota Statutes section 237.52, subdivision 2, the Minnesota Department of Commerce (Commerce) – Telecommunications Access Minnesota (TAM) program respectfully submits its fiscal year 2019 Budget and Surcharge Recommendations to the Minnesota Public Utilities Commission (Commission) for approval.

The following proposed line item budget and line item justification attachments are included for your reference:

- Attachment A: TAM Fund
- Attachment B: TAM Program Administration
- Attachment C: Telephone Equipment Distribution Program
- Attachment D: Rural Real-Time Captioning
- Attachment E: Accessible News for the Blind

TAM is submitting the FY 2019 proposed budgets on behalf of the other programs supported by the TAM Fund, but has not analyzed the costs proposed by these programs.

- The FY 2018 budgeted amount for TAM program administration was \$138,900. The FY 2019 budget recommendation is \$142,500.

- The FY 2018 budgeted amount for Minnesota Relay was \$1,523,500. The FY 2019 budget recommendation is \$1,449,500.
- The FY 2018 budgeted amount for Minnesota Relay Outreach was \$1,000. This line item has been eliminated in FY 2019, as it has been incorporated into the TED Program interagency agreement.
- The FY 2018 budgeted amount for the Department of Human Services – Telephone Equipment Distribution Program was \$1,705,000. The FY 2019 budget recommendation is \$1,479,765.
- The FY 2018 budgeted amount for the Department of Human Services – Rural Real-Time Captioning program was \$300,000. The FY 2019 budget recommendation is \$297,032.
- The FY 2018 budgeted amount for the Department of Employment and Economic Development – Accessible News for the Blind program was \$100,000. The FY 2019 budget recommendation remains at \$100,000.
- The FY 2019 appropriation for the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans (MNCDHH) is \$1,170,000.
- The FY 2019 appropriations for Minnesota IT Services are \$290,000 and \$50,000.
- The FY 2019 appropriation for the Legislative Coordinating Commission is \$100,000.

TAM recommends that the surcharge remain at \$0.05, which will support all TAM Fund programs in FY 2019, and should enable TAM to distribute the anticipated funding payments necessary at the start of FY 2020.

As the charts below indicate, a surcharge of \$0.05 and the budgets proposed for the various programs is anticipated to result in a projected fund balance of approximately \$1.18 million at the close of fiscal year 2019. It is anticipated that the fund will need approximately \$1.31 million at the start of fiscal year 2020, which provides for approximately two months operating expenses for TAM administration, Minnesota Relay, and the TED Program, as well as the funding necessary to distribute initial biannual and quarterly payments to the other TAM Fund programs.

Surcharge Amount	Projected Number of Wired & Post-Paid Wireless Customer Access Lines	Wired and Wireless Access Lines Surcharge Revenue	Projected Number of Pre-Paid Wireless Transactions	Pre-Paid Wireless Surcharge Revenue	Projected TAM Fund Interest	Projected Fund Balance on July 1, 2018	Projected TAM Fund Expenditures	Projected Fund Balance on June 30, 2019
\$ 0.01	5,953,146	\$ 714,377	1,304,994	\$ 148,863	\$ (3,142)	\$ 1,913,002	\$ (5,078,797)	\$ (2,305,696)
\$ 0.02	5,953,146	\$ 1,428,755	1,304,994	\$ 297,727	\$ 3,820	\$ 1,913,002	\$ (5,078,797)	\$ (1,435,494)
\$ 0.03	5,953,146	\$ 2,143,132	1,304,994	\$ 446,590	\$ 10,782	\$ 1,913,002	\$ (5,078,797)	\$ (565,291)
\$ 0.04	5,953,146	\$ 2,857,510	1,304,994	\$ 595,453	\$ 17,743	\$ 1,913,002	\$ (5,078,797)	\$ 304,911
\$ 0.05	5,953,146	\$ 3,571,887	1,304,994	\$ 744,316	\$ 24,705	\$ 1,913,002	\$ (5,078,797)	\$ 1,175,113
\$ 0.06	5,953,146	\$ 4,286,265	1,304,994	\$ 893,180	\$ 31,667	\$ 1,913,002	\$ (5,078,797)	\$ 2,045,316
\$ 0.07	5,953,146	\$ 5,000,642	1,304,994	\$ 1,042,043	\$ 38,628	\$ 1,913,002	\$ (5,078,797)	\$ 2,915,518
\$ 0.08	5,953,146	\$ 5,715,020	1,304,994	\$ 1,190,906	\$ 45,590	\$ 1,913,002	\$ (5,078,797)	\$ 3,785,721
\$ 0.09	5,953,146	\$ 6,429,397	1,304,994	\$ 1,339,770	\$ 52,551	\$ 1,913,002	\$ (5,078,797)	\$ 4,655,923
\$ 0.10	5,953,146	\$ 7,143,775	1,304,994	\$ 1,488,633	\$ 59,513	\$ 1,913,002	\$ (5,078,797)	\$ 5,526,125

Estimated funding needed on July 1, 2020 (based on FY 2019 budgeted amounts):

TAM Administration (2 months)	\$23,750
Minnesota Relay (2 months)	\$241,583
TED Program (2 months)	\$246,628
Rural Real-Time Captioning (1st quarter)	\$74,258
Accessible News for the Blind (1st quarter)	\$25,000
Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans (1st & 2nd quarter)	\$585,000
Minnesota IT Services 1 (1st Quarter)	\$72,500
Minnesota IT Services 2 (2nd quarter)	\$12,500
Legislative Coordinating Commission (1st quarter)	\$25,000
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	\$1,306,219

TAM respectfully requests Commission approval of TAM Fund budgets and of the surcharge recommendation of \$0.05 per wired and post-paid wireless customer access line and prepaid wireless retail transaction.

If any party has reply comments on the Budget and Surcharge Recommendation, they should be filed within 30 days of this recommendation.

If you have questions regarding TAM's FY 2019 Budget and Surcharge Recommendations, please contact me at 651-539-1878 or rochelle.garrow@state.mn.us.

Sincerely,



Rochelle Garrow
TAM Program Administrator

Attachments

c: All parties of record

Telecommunications Access Minnesota (TAM) Fund

	FY 2017 Actual	FY 2018 Budgeted	FY 2018 Projected	FY 2019 Budgeted	2019 Budgeted vs. 2018 Budgeted	% Change
REVENUE						
Revenue Per Wired/Post-Paid Wireless Customer Access Line (FY 2017=\$0.05; FY 2018=\$0.05; FY 2019=\$0.05)	\$ 3,706,642.20	\$ 3,688,437.00	\$ 3,590,345.46	\$ 3,571,887.00	\$ (116,550.00)	-3.2%
Revenue on Prepaid Wireless Retail Transactions	\$ 642,341.07	\$ 837,141.00	\$ 701,446.08	\$ 744,316.00	\$ (92,825.00)	-11.1%
TAM Fund Interest	\$ 21,472.09	\$ 19,624.00	\$ 23,000.00	\$ 24,705.00	\$ 5,081.00	25.9%
Total TAM Fund Revenue	\$ 4,370,455.36	\$ 4,545,202.00	\$ 4,314,791.55	\$ 4,340,908.00	\$ (204,294.00)	-4.5%

EXPENDITURES						
TAM Program Administration Funding	\$ (115,498.49)	\$ (138,900.00)	\$ (122,636.92)	\$ (142,500.00)	\$ 3,600.00	2.6%
TRS (Minnesota Relay) Funding	\$ (1,661,314.79)	\$ (1,523,500.00)	\$ (1,519,212.10)	\$ (1,449,500.00)	\$ (74,000.00)	-4.9%
Minnesota Relay Outreach Funding	\$ -	\$ (1,000.00)	\$ -	\$ -	\$ (1,000.00)	-100.0%
TED Program Funding	\$ (1,553,470.00)	\$ (1,705,000.00)	\$ (1,348,144.00)	\$ (1,479,765.00)	\$ (225,235.00)	-13.2%
Rural Real-Time Captioning Funding	\$ (295,939.55)	\$ (300,000.00)	\$ (300,000.00)	\$ (297,032.00)	\$ (2,968.00)	-1.0%
Accessible News for the Blind Funding	\$ (99,216.48)	\$ (100,000.00)	\$ (100,000.00)	\$ (100,000.00)	\$ -	0.0%
Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans	\$ (800,000.00)	\$ (1,170,000.00)	\$ (1,170,000.00)	\$ (1,170,000.00)	\$ -	0.0%
Minnesota IT Services (1)	\$ (275,582.21)	\$ (290,000.00)	\$ (290,000.00)	\$ (290,000.00)	\$ -	0.0%
Minnesota IT Services (2)	\$ (49,276.97)	\$ (50,000.00)	\$ (50,000.00)	\$ (50,000.00)	\$ -	0.0%
Legislative Coordinating Commission	\$ (100,000.00)	\$ (100,000.00)	\$ (100,000.00)	\$ (100,000.00)	\$ -	0.0%
Total TAM Fund Expenditures	\$ (4,950,298.49)	\$ (5,378,400.00)	\$ (4,999,993.02)	\$ (5,078,797.00)	\$ 299,603.00	-5.6%

TAM FUND REVENUE VS. EXPENDITURES	\$ (579,843.13)	\$ (833,198.00)	\$ (685,201.47)	\$ (737,889.00)
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STATEMENT OF TAM FUND BALANCE				
	FY 2017 Actual	FY 2018 Budgeted	FY 2018 Projected	FY 2019 Budgeted
TAM Fund Balance at Beginning of Fiscal Year	\$ 3,178,046.29	\$ 2,603,742.14	\$ 2,598,203.16	\$ 1,913,001.69
TAM Fund Revenue & Interest	\$ 4,370,455.36	\$ 4,545,202.00	\$ 4,314,791.55	\$ 4,340,908.00
DHS-TED Program Cash Advances (July)	\$ (200,000.00)	\$ (200,000.00)	\$ -	\$ -
DHS-Minnesota Relay Outreach Cash Advance (July)	\$ (500.00)	\$ (500.00)	\$ -	\$ -
Return of DHS-TED Program Cash Advance (June)	\$ 200,000.00	\$ 200,000.00	\$ -	\$ -
Return of DHS-Minnesota Relay Outreach Cash Advance (June)	\$ 500.00	\$ 500.00	\$ -	\$ -
TAM Fund Expenditures	\$ (4,950,298.49)	\$ (5,378,400.00)	\$ (4,999,993.02)	\$ (5,078,797.00)
TAM Fund Balance at Close of Fiscal Year	\$ 2,598,203.16	\$ 1,770,544.14	\$ 1,913,001.69	\$ 1,175,112.69

Department of Commerce

Telecommunications Access Minnesota (TAM) Fund

FY 2019 Budget Line Item Justifications

Revenue

Surcharge Recommendation

TAM recommends that the surcharge remain at \$0.05, which will support all TAM Fund programs in FY 2019, and should enable TAM to distribute the anticipated funding payments necessary at the start of FY 2020.

As the charts below indicate, a surcharge of \$0.05 and the budgets proposed for the various programs is anticipated to result in a projected fund balance of approximately \$1.18 million at the close of fiscal year 2019. It is anticipated that the fund will need approximately \$1.31 million at the start of fiscal year 2020, which provides for two months operating expenses for TAM administration, Minnesota Relay, and the TED Program, as well as funding to distribute initial biannual and quarterly payments to the other TAM Fund programs.

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Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans (1st & 2nd quarter)	\$585,000
Minnesota IT Services 1 (1st Quarter)	\$72,500
Minnesota IT Services 2 (2nd quarter)	\$12,500
Legislative Coordinating Commission (1st quarter)	\$25,000

\$1,306,219

TAM sought permission from Rural Real-time Captioning, Accessible News for the Blind, Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans, Minnesota IT Services, and Legislative Coordinating Commission to make quarterly payments to these programs. All programs agreed to allow quarterly payments except for Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans, which requested payment of 50 percent of the budgeted amount in the first quarter, 25 percent in the second quarter, and 25 percent in the third quarter.

TAM Surcharge Amounts Since the Inception of the Fund

Fiscal Year	Amount	Fiscal Year	Amount	Fiscal Year	Amount	Fiscal Year	Amount
1994	\$0.17	2001	\$0.12	2008	\$0.06	2015	\$0.08
1995	\$0.17	2002	\$0.10	2009	\$0.06	2016	\$0.07
1996	\$0.17	2003	\$0.10	2010	\$0.06	2017	\$0.05
1997	\$0.17	2004	\$0.13	2011	\$0.10	2018	\$0.05
1998	\$0.17	2005	\$0.10	2012	\$0.06	2019	
1999	\$0.12	2006	\$0.07	2013	\$0.06	2020	
2000	\$0.12	2007	\$0.03	2014	\$0.06	2021	

Surcharge Revenue on Wired and Post-Paid Wireless Customer Access Lines

This line item shows surcharge revenues collected from wired and post-paid wireless customer access lines in Minnesota.

The budgeted surcharge revenue for FY 2018 was \$3,688,437 and was based on a monthly surcharge amount of \$0.05 per customer access line. The FY 2018 projected amount is \$3,590,345.

TAM estimates that approximately 1,669,941 wired and 4,283,205 post-paid wireless telephone access lines will remit TAM surcharge revenue each month in FY 2019; this estimate is based on wire lines decreasing 5.4 percent overall for the year, and post-paid wireless lines increasing 1.8 percent overall.

FY 2019 surcharge revenue for wired and post-paid wireless access lines, based on the surcharge remaining at \$0.05, is anticipated to be approximately \$3,571,887.

Fee Revenue on Prepaid Wireless Retail Transactions

This line item shows the TAM fee revenue remitted on each retail transaction for prepaid wireless telecommunications service. Retailers remit the collected fees to the Department of Revenue (Revenue), and Revenue deposits the fees into the TAM Fund. Retailers may deduct and retain three percent of fees collected and Revenue may deduct and retain two percent.

The FY 2018 budgeted amount was \$837,141. The FY 2018 projected amount is \$701,446. TAM does not receive reports from Revenue on remittances from retailers. Therefore, TAM has no trend information detailing which retailers are remitting, the fee amount remitted by each retailer, the number of retail transactions, whether the retailer is retaining three percent of fees collected, and so forth. TAM's projections are based solely on the dollar amount transferred from Revenue into the TAM account once per month.

FY 2019 pre-paid wireless fee revenue, based on the surcharge remaining at \$0.05, is anticipated to be approximately \$744,316, and is based on an overall annual increase of 11.6 percent in pre-paid wireless retail transactions.

TAM Fund Interest

This line item is the interest earned on funds in the TAM, TED Program, Rural Real-Time Captioning, and Accessible News for the Blind dedicated accounts.

The FY 2018 budgeted amount was \$19,624. The projected amount is \$23,000. The FY 2019 proposed budgeted amount is \$24,705.

Expenditures

TAM Program Administration Funding

The FY 2018 budgeted amount for this line item was \$138,900. The FY 2019 proposed budgeted amount is \$142,500. The TAM Administration budget and line item justifications are included as [Attachment B](#).

TRS (Minnesota Relay) Funding

Minnesota Relay is a federally mandated Telecommunications Relay Services (TRS) program that allows an individual who is deaf, hard of hearing, deaf-blind, or speech disabled to communicate over the telephone in a manner that is functionally equivalent to the ability of an individual who does not have hearing loss or a speech disability.

TAM currently contracts with Sprint Communications Company, L.P. for the provision of relay services. The current contracted rates are \$1.78 per conversation minute for TTY and Speech-to-Speech relay services, and \$1.89 per conversation minute for CapTel relay service. This contract expires on June 30, 2019.

In recent years consumers have been migrating from relay services under the state's jurisdiction (analog-based) to relay services under the Federal Communications Commission's jurisdiction (internet-

based). Video Relay Service (VRS), Internet Protocol (IP) Relay, and IP Captioned Telephone Service (IP CTS), are internet-based relay services and they are paid for through the Interstate TRS Fund¹.

VRS, IP Relay, and IP CTS are fully accessible to Minnesota consumers, free of charge, through a number of providers who offer these services nationwide. Internet-based relay services tend to be easier to use have additional features, and provide a more natural conversation flow than analog-based relay services. In addition, free relay applications that can be downloaded to wireless devices, such as smartphones and tablets, allow relay users to make calls from anywhere.

The shift to internet-based relay services continues to grow as more and more consumers gain access to high-speed internet; this results in a decrease in costs to the TAM Fund.

The FY 2018 budgeted amount was \$1,523,500. The FY 2018 projected amount is \$1,519,212. The FY 2019 proposed budgeted amount is \$1,449,500.

Minnesota Relay Outreach Funding

Minnesota Relay outreach is provided under an interagency agreement with the Department of Human Services – TED Program. TED Program staff are responsible for providing a statewide outreach program to educate people about Minnesota Relay services. Staff distribute informational pamphlets, train consumers and businesses, make presentations, staff exhibitions, and perform other similar forms of consumer contacts.

TED Program staff combine Minnesota Relay outreach into their TED Program presentations, mailings, and other activities; as such, they do not typically need to conduct separate outreach for Minnesota Relay. These combined efforts result in very little (if any) additional costs for Minnesota Relay outreach activities.

The FY 2018 budgeted amount was \$1,000. The FY 2018 projected amount is \$0. In FY 2019, Minnesota Relay Outreach responsibilities will be incorporated into Commerce's interagency agreement with the Department of Human Services (DHS) for the provision of TED Program services, instead of a separate interagency agreement. The FY 2019 proposed budgeted amount is \$0.

TED Program Funding

The TED Program is provided under an interagency agreement with DHS, and is responsible for distributing specialized telecommunications devices to income eligible Minnesotans, informing the public of services available through the program, and providing training for the use of distributed equipment. The TED Program also provides outreach services for Minnesota Relay.

¹ The Interstate TRS Fund is funded by contributions from all carriers providing interstate telecommunications services (including interconnected VoIP service providers pursuant to 47 C.F.R. § 64.601(b)) and every provider of non-interconnected VoIP service, and is currently administered by Rolka Loube Associates, LLC.

The FY 2018 budgeted amount was \$1,705,000. The FY 2018 projected amount is \$1,348,144. The FY 2019 proposed budgeted amount is \$1,479,765.

The TED Program budget and line item justifications are included as [Attachment C](#).

Rural Real-Time Captioning Funding

The Rural Real-time Captioning program provides real-time, closed-captioning of certain local television news programs for people who are deaf, hard of hearing, or deafblind. This program is administered by the commissioner of the Department of Human Services, and has a maximum annual budget of \$300,000.

The FY 2018 budgeted amount was \$300,000. The FY 2019 proposed budgeted amount is \$297,032.

The Rural Real-Time Captioning budget and line item justifications are included as [Attachment D](#).

Accessible News for the Blind Funding

The Accessible News for the Blind program provides accessible electronic information (news and other timely information) for people who are blind and disabled. This program is administered by the commissioner of the Department of Employment and Economic Development, and has a maximum annual budget of \$100,000.

The FY 2018 budgeted amount was \$100,000. The FY 2019 proposed budgeted amount remains at \$100,000.

The Accessible News for the Blind budget and line item justifications are included as [Attachment E](#).

Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans

The Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans (MNCDHH) receives an annual direct appropriation of \$1,170,000 from the TAM Fund to supplement their ongoing operational expenses.

Minnesota IT Services

Minnesota IT Services receives an annual direct appropriation of \$290,000 from the TAM Fund to coordinate technology accessibility and usability.

Minnesota IT also receives an annual direct appropriation of \$50,000 for a consolidated access fund to provide grants to other state agencies related to accessibility of their web-based services.

Legislative Coordinating Commission

The Legislative Coordinating Commission receives an annual direct appropriation of \$100,000 from the TAM Fund to caption live streaming of legislative activity on their website.

TAM Fund Revenue vs. Expenditures

This line item compares TAM Fund revenue to TAM Fund expenditures.

Statement of TAM Fund Balance

This section represents the total TAM Fund balance for each fiscal year, and is calculated based on the fund balance at the beginning of the fiscal year, TAM Fund revenue and interest, and TAM Fund expenditures.

In the past, for cash flow purposes, TAM had provided DHS with a \$200,000 cash advance for the TED Program and a \$500 cash advance for Minnesota Relay Outreach. It has been determined that the cash advances are not necessary and they are no longer provided.

Telecommunications Access Minnesota (TAM) Program Administration

	FY 2017 Actual	FY 2018 Budgeted	FY 2018 Projected	FY 2019 Budgeted	2019 Budgeted vs. 2018 Budgeted	% Change
TOTAL COMPENSATION						
Full Time Salary & Fringe - 1.10 FTE (41000)	\$ 96,960.05	\$ 102,500	\$ 99,000	\$ 103,700	\$ 1,200	1.2%
Other Employee Costs (41070)	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Total Salaries and Fringe	\$ 96,960.05	\$ 102,500	\$ 99,000	\$ 103,700	\$ 1,200	1.2%

STATE OPERATIONS						
Space Rental and Utilities (41100)	\$ -	\$ 500	\$ -	\$ 500	\$ -	0%
Printing and Advertising (41110)	\$ -	\$ 10,000	\$ 5,000	\$ 5,500	\$ (4,500)	-45%
Prof-Tech Services - Outside Vendor (41130)	\$ -	\$ 2,500	\$ -	\$ 2,500	\$ -	0%
Communications (41155)	\$ -	\$ 250	\$ -	\$ 250	\$ -	0%
Travel: In-State (41160)	\$ -	\$ 500	\$ 100	\$ 500	\$ -	0%
Travel: Out-of-State (41170)	\$ 3,991.44	\$ 5,500	\$ 5,000	\$ 2,500	\$ (3,000)	-55%
Employee Development (41180)	\$ 580.00	\$ 1,000	\$ 500	\$ 1,000	\$ -	0%
Supplies (41300)	\$ 1,291.50	\$ 500	\$ 300	\$ 750	\$ 250	50%
Agency Indirect Costs (42000)	\$ 11,828.17	\$ 12,900	\$ 11,687	\$ 17,950	\$ 5,050	39%
Statewide Indirect Costs (42010)	\$ 827.16	\$ 2,000	\$ 800	\$ 1,600	\$ (400)	-20%
Attorney General Costs (42020)	\$ -	\$ 250	\$ -	\$ 250	\$ -	0%
Other Operating Costs (43000)	\$ 20.17	\$ 500	\$ 250.00	\$ 5,500	\$ 5,000	1000%
Total State Operations	\$ 18,538.44	\$ 36,400	\$ 23,637	\$ 38,800	\$ 2,400	6.6%

TOTAL PROGRAM EXPENSES	\$ 115,498.49	\$ 138,900	\$ 122,637	\$ 142,500	\$ 3,600	2.6%
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Department of Commerce

Telecommunications Access Minnesota (TAM)

Program Administration

FY 2019 Budget Line Item Justifications

Total Compensation

The salary line item request adheres to collectively bargained guidelines. The salary line item incorporates pay increases included in the proposed biennial contract for Minnesota Association of Professional Employees (MAPE). At this time, the contract has not been approved by the legislature.

Full-Time Salaries and Fringe

The TAM administrative staff consists of a 1.0 FTE program administrator. The TAM program is part of the Telecommunications unit and approximately 10 percent of the unit manager's salary and fringe are allocated to TAM.

The FY 2018 budgeted amount was \$102,500. The FY 2019 proposed budgeted amount is \$103,700.

Other Employee Costs

No funds are budgeted for this line item in FY 2019.

State Operations

Space Rental and Utilities

This line item includes fees for program booths at fairs, conferences, and conventions.

The FY 2018 budgeted amount was \$500. The FY 2019 proposed budgeted amount remains at \$500.

Printing and Advertising

This line item includes photocopy and printing charges for program brochures, public relations materials, reports, and so forth. It also includes program advertising.

The FY 2018 budgeted amount was \$10,000. In FY 2019, the TAM program will assist in hosting the National Association for State Relay Administration (NASRA) conference in Minnesota. The FY 2019

proposed budgeted amount of \$5,500 includes \$300 for photocopying conference materials for attendees.

Professional and Technical Services – Outside Vendor

This line item includes funding for captioning, transcript services, and American Sign Language interpreters, as well as for department-wide professional and technical services contracts. It also includes design for artwork, graphics, brochures, pamphlets, and media production. TAM develops and designs program materials in-house whenever feasible, which allows for considerable savings over contracting for these services.

The FY 2018 budgeted amount was \$2,500. FY 2019 proposed budgeted amount remains at \$2,500.

Communications

This line item includes postage, shipping, delivery services, and telecommunications services.

The FY 2018 budgeted amount was \$250. The FY 2018 proposed budgeted amount remains at \$250.

Travel: In-State

This line item includes travel costs incurred by the TAM administration to attend meetings, trainings, seminars, conferences and so forth.

The FY 2018 budgeted amount was \$500. The FY 2019 proposed budgeted amount remains at \$500.

Travel: Out-of-State

This line item enables the TAM administration to attend the annual National Association for State Relay Administration (NASRA) and State Telecommunications Administrators for Relay by Sprint (STARS) conferences.

The NASRA conference offers attendees the opportunity to meet with other state Telecommunications Relay Services (TRS) administrators, TRS providers, representatives from the Federal Communications Commission, and the administrator of the TRS Interstate Fund. This conference also provides access to a wide variety of seminars, demonstrations, and exhibits that would otherwise not be made available to an individual state TRS administrator.

Attendance at the STARS conference is available only to state TRS administrators that contract with Sprint, and it affords administrators the opportunity for face-to-face communications regarding current TRS issues, future TRS developments, contract issues, and demonstrations of relay platform enhancements.

In January 2017, the TAM Administrator was appointed to serve a two-year term as a member of the Federal Communications Commission Disability Advisory Committee's(DAC) subcommittee on Relay and Equipment Distribution. The TAM administrator was also invited serve as co-chair this subcommittee. This appointment entails traveling to Washington D.C. three times per year to attend meetings.

The FY 2018 proposed budgeted amount was \$5,500. In FY 2019, out-of-state travel will include attending the STARS conference and the final DAC meeting. The NASRA conference will be held in Minnesota in FY 2019, so there are no out-of-state travel costs. The FY 2019 proposed budgeted amount is \$2,500.

Employee Development

This line item is used to pay conference fees, organization membership dues, and tuition for TAM related seminars and training.

The FY 2018 budgeted amount was \$1,000. The FY 2019 proposed budgeted amount remains at \$1,000.

Supplies

This line item includes miscellaneous office equipment, furnishings, and supplies. The line item also includes certain outreach and public relations materials.

The FY 2018 budgeted amount was \$500. The FY 2019 proposed budgeted amount of \$750 includes \$250 for supplies related to hosting the NASRA conference.

Agency Indirect Costs

Minnesota Statutes section 16A.127 allows agencies to allocate all general support costs within the agency that cannot be directly charged to any agency program. The Department of Commerce's methodology for allocating agency indirect costs is based on a percentage of certain program line item expenses. The exact percentage is not known when the TAM proposed budget is prepared.

The FY 2018 budgeted amount was \$12,900, and was based on 10.61 percent of included proposed line item expenses. The FY 2019 proposed budgeted amount of \$17,950 is based on 14.9 percent of included proposed line item expenses.

Statewide Indirect Costs

Minnesota Statutes section 16A.127 requires the Department of Finance to allocate all statewide general support costs to the agencies that consume them. Agencies pass these costs on to all non-state funding sources in proportion to their consumption, and reimburse the general fund with the recoveries. The intent is to recover a proportional share of the general fund appropriations used to provide administrative support to funds whose costs are wholly or partially paid from non-general funding sources (federal or fee-based programs).

The FY 2018 budgeted amount was \$2,000. The FY 2019 proposed budgeted amount is \$1,600.

Attorney General Costs

This line item is for services provided by the Office of the Attorney General.

The FY 2018 budgeted amount was \$250. The FY 2019 proposed budgeted amount remains at \$250.

Other Operating Costs

This line item is for miscellaneous services and charges.

The FY 2018 budgeted amount was \$500. In FY 2019, TAM will assist in hosting the NASRA conference, and the Telephone Equipment Distribution (TED) Program will assist in hosting the Telecommunications Equipment Distribution Program Association (TEDPA) conference. TAM will contribute \$5,000 towards the cost for American Sign Language interpreters for the conferences. The FY 2019 proposed budgeted amount is \$5,500.

Telephone Equipment Distribution (TED) Program

	FY 2017 Actual	FY 2018 Budgeted	FY 2018 Projected	FY 2019 Budgeted	2019 Budgeted vs. 2018 Budgeted	% Change
TOTAL COMPENSATION						
Division Director	\$ 16,576.22	\$ 17,000	\$ 17,907	\$ 15,550	\$ (1,450)	-8.5%
Program Coordinator	\$ 78,729.42	\$ 80,000	\$ 82,245	\$ 84,000	\$ 4,000	5.0%
Assistant Coordinator	\$ 60,407.00	\$ 61,000	\$ 63,264	\$ 65,500	\$ 4,500	7.4%
Program Specialists	\$ 383,231.51	\$ 394,000	\$ 394,448	\$ 413,000	\$ 19,000	4.8%
Clerical Support (Central Office)	\$ 28,213.83	\$ 36,500	\$ 36,865	\$ 39,000	\$ 2,500	6.8%
Program Support	\$ 46,227.82	\$ 59,500	\$ 42,231	\$ 61,600	\$ 2,100	3.5%
Regional Managers	\$ 64,951.14	\$ 84,000	\$ 59,605	\$ 78,000	\$ (6,000)	-7.1%
Staff Interpreter	\$ 397.80	\$ -	\$ -	\$ -	\$ -	0.0%
Achievement Awards	\$ -	\$ 2,000	\$ 1,000	\$ 2,000	\$ -	0.0%
Fringe	\$ 285,014.71	\$ 311,000	\$ 295,505	\$ 303,000	\$ (8,000)	-2.6%
Total Salaries and Fringe	\$ 963,749.45	\$ 1,045,000	\$ 993,070	\$ 1,061,650	\$ 16,650	1.6%

STATE OPERATIONS						
Space Rental and Utilities (41100)	\$ 27,328.67	\$ 29,000	\$ 28,169	\$ 25,500	\$ (3,500)	-12.1%
Outreach Booths (411006)		\$ 2,000	\$ 1,900	\$ 3,000	\$ 1,000	50.0%
Printing & Advertising (41110)		\$ 40,000	\$ 30,000	\$ 30,000	\$ (10,000)	-25.0%
Public Relations (old category)	\$ 15,319.39					
Outside Vendor (411325)		\$ -	\$ -	\$ 5,000	\$ 5,000	5000.0%
Postal Mailing-Shipping Service (411551)		\$ 17,500	\$ 13,521	\$ 14,500	\$ (3,000)	-17.1%
Wireless Communications (411554)		\$ 7,850	\$ 7,661	\$ 12,500	\$ 4,650	59.2%
Communications (old category)	\$ 15,921.59					
Shipping (old category)	\$ 14,204.17					
Travel: In State (41160)	\$ 25,102.63	\$ 28,500	\$ 14,965	\$ 32,315	\$ 3,815	13.4%
Travel: Out-of-State (41170)		\$ 1,500	\$ 921	\$ -	\$ (1,500)	-100.0%
Employee Development (41180)	\$ 1,845.00	\$ 3,500	\$ 2,400	\$ 7,050	\$ 3,550	101.4%
Professional & Technical Services (old category)	\$ 1,621.70					
Supplies (old category)	\$ 2,324.35					
Supplies for Staff (41300)		\$ 2,000	\$ 1,900	\$ 4,500	\$ 2,500	125.0%
Supplies - Equipment Distributed (41300)		\$ 340,000	\$ 105,673	\$ 127,000	\$ (213,000)	-62.6%
Equipment Rental (414004)		\$ 7,850	\$ 5,040	\$ 4,600	\$ (3,250)	-41.4%
Repair to Equipment & Furniture (41500)		\$ 5,300	\$ 5,724	\$ 8,500	\$ 3,200	60.4%
Agency & Statewide Indirect Costs (42000 & 42010)	\$ 164,220.00	\$ 155,000	\$ 130,000	\$ 138,000	\$ (17,000)	-11.0%
Other Operating Costs (43000)	\$ 250.00	\$ 10,000	\$ 6,300	\$ 5,650	\$ (4,350)	-43.5%
Equipment Non-Capital (47160)	\$ 1,295.66	\$ 10,000	\$ 900	\$ -	\$ (10,000)	-100.0%
Total State Operations	\$ 269,433.16	\$ 660,000	\$ 355,074	\$ 418,115	\$ (241,885)	-36.6%

EQUIPMENT FOR DISTRIBUTION (old category)	\$ 317,882.39					
EQUIPMENT REPAIR (old category)	\$ 2,405.00					

TOTAL PROGRAM EXPENSES	\$ 1,553,470.00	\$ 1,705,000	\$ 1,348,144	\$ 1,479,765	\$ (225,235)	-13.2%
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Department of Human Services

Telephone Equipment Distribution Program

FY 2019 Budget Line Item Justifications

The Telephone Equipment Distribution (TED) Program is responsible for distributing specialized telecommunications devices to eligible Minnesotans who are deaf, deafblind, hard of hearing, speech disabled, and physically disabled. The TED Program is also responsible for providing training in the use of the telecommunications devices available through the program.

TED Program staff is housed through five of the Department of Human Services (DHS), Deaf and Hard of Hearing Services Division (DHHSD) regional offices: Duluth, Mankato, Moorhead, St. Cloud, and St. Paul.

Based on current trends, the TED Program anticipates serving over 1,850 individuals in fiscal year 2018, including individuals receiving equipment for the first time and individuals who have received equipment in the past, but require additional services. Consumers will return for additional services due to the following circumstances:

- Their communication needs have changed making it necessary for different or additional equipment.
- They require additional training.
- Their equipment is no longer working and they need a replacement.
- They need assistance in resolving an equipment problem.

The TED Program has distributed over 80,500 pieces of equipment since its inception in 1987. Each year, a number of these devices are returned because they are no longer working properly. The TED Program evaluates returned equipment and determines whether it should be tested and cleaned, replaced, or recycled.

The TED Program also provides information on other assistive telecommunications technologies and services to individuals with communication disabilities that may assist them in leading more independent and productive lives. If an individual does not meet the program's income eligibility criteria, program staff provides referrals and information on where specialized equipment may be purchased.

In addition, the Department of Commerce (Commerce) contracts with DHS' TED Program to provide outreach services for Minnesota Relay. TED Program staff is responsible for providing a comprehensive statewide outreach program to educate all people about, and promote, Minnesota Relay services. Staff distribute informational pamphlets, train consumers and businesses, make presentations, staff booths at exhibitions, and perform other similar forms of consumer contacts.

Outreach efforts are tailored to effectively target appropriate demographics, including consumers who are deaf, deafblind, hard of hearing, late deafened, speech disabled, hearing consumers, and businesses. Staff combines information on both the TED Program and Minnesota Relay when conducting outreach, which provides significant cost savings versus having two independent outreach programs.

The FY 2018 TED Program budgeted amount was \$1,705,000. The FY 2019 proposed budget is \$1,479,765.

Total Compensation (12.65 FTE)

Salary line item requests adhere to collectively bargained guidelines. Applicable salary line items include pay increases included in the proposed biennial contracts for Minnesota Association of Professional Employees (MAPE) and American Federation of State, County and Municipal Employees (AFSCME). At this time, the contracts have not been approved by the legislature.

Division Director (.15 FTE)

This line item is for a portion of the salary of the DHHS director. The director supervises the TED Program coordinator. The FY 2018 budgeted amount was \$17,000. In FY 2018, the director retired, and a division staff member worked out-of-class in the position through April 2018. A new division director was hired and will start in April 2018. The FY 2019 proposed budgeted amount is \$15,550.

Program Coordinator (1.0 FTE)

The FY 2018 budgeted amount was \$80,000. The FY 2018 projected amount is \$82,245. The FY 2019 proposed budgeted amount is \$84,000.

Assistant Coordinator (1.0 FTE)

The FY 2018 budgeted amount was \$61,000. The FY 2018 projected amount is \$63,264. The FY 2019 proposed budgeted amount is \$65,500.

Program Specialists (7.0 FTE)

The FY 2018 budgeted amount was of \$394,000. The FY 2018 projected amount is \$394,448. The FY 2019 proposed budgeted amount is \$413,000.

Clerical Support - Central Office (1.0 FTE)

The FY 2018 budgeted amount was \$36,500. The FY 2018 projected amount is \$36,865. The FY 2019 proposed budgeted amount is \$39,000.

Program Support (1.50 FTE)

This line item includes funding for 35 percent of four full-time clerical support staff salaries in four DHHS regional offices. It also includes funding for 10 percent of one full-time clerical support staff in St. Paul.

Currently, two clerical support positions are vacant. The division intends to fill the two positions in FY 2019. The FY 2018 budgeted amount was \$59,500. The FY 2018 projected amount is \$42,231 because of two position vacancies. The FY 2019 proposed budgeted amount is \$61,600.

Regional Managers (1.0 FTE)

This line item includes funding for 20 percent of each of the five DHHS regional office managers' salaries. The regional managers supervise the TED Program specialists.

The FY 2018 budgeted amount was \$84,000. In FY 2018, one vacant manager position was filled by a division staff member working out-of-class. Two other managers resigned, and one of those positions was filled by a division staff member working out-of-class. The program coordinator supervising the TED Program specialist temporarily filled the remaining position. Due to the many staff changes, the FY 2018 projected amount is \$59,605. The division intends to permanently fill the three regional manager positions in FY 2019. The FY 2019 proposed budgeted amount is \$78,000.

Achievement Awards

This line item includes achievement awards for MMA, MAPE, and ASCFME union employees. The FY 2018 budgeted amount was \$2,000. The FY 2019 proposed budgeted amount remains at \$2,000.

Fringe

The FY 2018 budgeted amount was \$311,000. The FY 2018 projected amount is \$295,505 due to several changes in staff positions. The FY 2019 proposed budgeted amount is \$303,000, which represents 40 percent of staff base salaries.

State Operations

The line items listed below reflect the proportion of 12.65 FTE positions included in the TED Program budget.

For FY 2018, the TED Program modified the line item categories under *State Operations* to be consistent with the State's accounting system (SWIFT) line items. During FY 2018, DHS paid some invoices out of different line items than were budgeted. These changes are reflected below to help improve budget management.

Space Rental and Utilities

This line item includes a portion of office space rental for TED Program staff located in DHHSD regional offices.

The FY 2018 budgeted amount was \$29,000. The FY 2019 proposed budgeted amount is \$25,500.

Outreach Booths

This line item includes booth registration fees for TED Program staff to conduct outreach at conferences, expos, fairs, etc. The FY 2018 budgeted amount was \$2,000. The FY 2019 proposed budgeted amount is \$3,000.

Printing and Advertising

This line item includes professional printing charges for public relations materials such as applications, envelopes, business cards, posters, and so forth. It also includes program media advertising.

The FY 2018 budgeted amount was \$40,000. The FY 2018 projected amount is \$30,000. The FY 2019 proposed budgeted amount is \$30,000.

Outside Vendor

This line item includes a web designer to enhance the TED Program website, including producing accessible videos. The FY 2019 proposed budgeted amount is \$5,000.

Postal Mailing - Shipping Service

This line item includes postage (central mail, stamps, and bulk fulfillment services) for mailings. It also includes costs associated with shipping equipment to and from clients, DHHSD regional offices, and equipment vendors.

The FY 2018 budgeted amount was \$17,500. The FY 2018 projected amount is \$13,521. The FY 2019 proposed budgeted amount is \$14,500.

Wireless Communications

This line item includes staff wireless telephone service (\$5,900) sim cards for demonstration cell phones (\$1,875), and cell phones from Great Call to distribute to clients (\$4,500).

The FY 2018 budgeted amount was \$7,850. In FY 2018, Great Call cell phones were budgeted under the *Supplies- Equipment Distributed* line item. However, DHS paid all of the Great Call invoices out of the *Wireless Communications* line item.

For FY 2019, the TED Program has budgeted the Great Call cell phones under the *Wireless Communications* line item to assist in budget management. The FY 2019 proposed budgeted amount is \$12,500.

Travel: In State

This line item includes costs for state car fleet services, rental cars, and travel expenses for staff.

The FY 2018 budgeted amount was \$28,500. In FY 2019, the leased state cars will be replaced and fuel costs will be charged to the divisions. In addition, in FY 2019, the Telecommunications Equipment Distribution Program Association (TEDPA) national conference is being held in Minnesota (rather than out of state). Ten TED Program staff will attend the conference and expenses will include meals, lodging, and ground transportation. The FY 2019 proposed budgeted amount is \$32,315.

Travel: Out-of-State

This line item includes travel for two staff to attend the TEDPA national conference (airfare, meals, ground transportation, and lodging).

The FY 2018 budgeted amount was \$1,500. As the TEDPA conference will be held in Minnesota in FY 2019, there is no proposed budget for this line item.

Employee Development

This line item includes funding for various professional development trainings, organizational memberships, and to attend networking groups. TED Program staff are able to use up to \$300 per year for professional development opportunities. In addition, this line item includes registration fees for 10 TED Program staff to attend the TEDPA conference in Minnesota.

The FY 2018 budgeted amount was \$3,500. The FY 2019 proposed budgeted amount is \$7,050.

Supplies for Staff

This line item includes general office supplies and shipping materials/boxes. In FY 2018, office equipment for staff was budgeted under the *Equipment Non-Capital* line item. However, DHS charged these items under the *Supplies for Staff* line item. For budget management purposes, office equipment for staff will now be budgeted under the *Supplies for Staff* line item.

The FY 2018 budgeted amount was \$2,000. The FY 2019 proposed budgeted amount is \$4,500.

Supplies- Equipment Distributed

The TED Program expects to distribute approximately 3,200 pieces of equipment to new and existing clients in FY 2019. This includes amplified cordless and wired telephones, hands-free speakerphones, wireless phones, devices for clients with speech and physical disabilities, and accessories.

The TED Program strives to keep pace with telecommunications advancements. Current industry trends show that landline phones continue to be disconnected and replaced with wireless devices. In April 2016, the TED Program conducted an iPad and iPhone pilot. The pilot concluded in February 2017, and a report was submitted to Commerce. Commerce recommended that the TED Program conduct a second pilot in order to enforce stronger controls to ensure participants fulfill their responsibilities in the pilot. The goal is to collect more accurate data to produce better measurable outcomes. The TED Program intends to conduct the second pilot in the third quarter of FY 2018.

The FY 2018 budgeted amount for equipment purchases was \$340,000. The FY 2018 projected amount is \$105,673. The FY 2019 proposed budgeted amount is \$127,000.

The TED Program uses various methods to distribute equipment to new and existing clients. Refurbished (on the shelf) equipment is available to use for returning clients. Equipment that malfunctions under warranty is exchanged for a new device to be added as additional inventory. The remaining equipment distributed is purchased new. The proposed budgeted amount for new equipment includes:

- 10 TTYs at a total cost of \$3,000. The cost of each TTY is \$300. The demand for TTYs has decreased due to new technology such as Video Relay Service, WebCapTel, Internet Protocol (IP) Relay, e-mail, smartphones, and tablets; all of which have expanded the communication options available for persons who are deaf or speech disabled.
- 200 captioned telephones at a total cost of \$17,750. There are currently two different models for distribution. The estimated budgeted amount is based on a cost of \$85.00 per unit.
- 400 specialized **corded** telephones with built-in amplifiers and amplified ringers, at a total cost of \$26,000. This estimate is based on two amplified telephone units commonly distributed, averaging \$65.00 per unit.
- 300 **cordless** amplified telephones at a cost of \$24,900. This estimate is based on two commonly distributed cordless phones, which average \$83.00 per unit.
- 80 auxiliary amplified and visual ringers at a total cost of \$1,600. Three auxiliary ringer units are commonly distributed, meeting varying needs of clients, at an average price of \$20.
- 50 auxiliary amplified answering machine and large number Caller ID displays at a total cost of \$3,750. The average cost per unit is \$75.00.
- 40 hands-free speakerphones at a total cost of \$16,520. This estimate is based on the average cost of \$413 per unit.

- 20 simple unlocked cell phones at a total cost of \$2,000. The devices are unlocked and can be used with a sim card. The average cost of each device is \$100.
- 10 iPhones at a total cost of \$13,000. Each device includes asset management services, a three-year warranty through Apple/Teltex Care, pre-installed accessible applications, security etching, enrollment into a server, shipping, and standard accessories. The average cost of the device is \$1,300.
- 10 tablets (Apple or Android) at a total cost of \$10,000. Each device will include asset management services, a three-year warranty, pre-installed accessible applications, security etching, shipping, enrollment into a server, and standard accessories. All iPads will have Wi-Fi capability with the option of 4G service. The average cost of each device is \$1,000.
- 20 wireless accessories for cell phones and smartphones at total cost of \$1,300. This includes Bluetooth neckloops, Bluetooth headsets, streamers, cell phone amplifiers, and light flashers for smartphones. The average cost of each device is \$65.00.
- Telephone accessories including y-jacks, phone line cords, power strips, DSL filters, and adapters at a total cost of \$200.
- Specialized equipment for consumers who are deafblind, speech disabled, or physical disabled are selected and distributed on a case-by-case basis. This category includes special switches, electrolarynx connected to a cell phone, wireless and wired headsets, wireless voice amplifiers, and gooseneck mounts. These types of devices are the highest cost equipment the TED Program purchases. Given current trends and inventories, the total expense for specialized equipment is estimated to be \$1,500.

Equipment Rental

This line item includes office water services and multi-function device (copy machine) rental.

The FY 2018 budgeted amount was \$7,850. The FY 2019 proposed budgeted amount is \$4,600.

Repair to Equipment and Furniture

This line item includes services from equipment vendors and maintenance service of the multi-function devices (copy machines).

The FY 2018 budgeted amount was \$5,300. The maintenance cost for the copy machines will increase in FY 2019. The FY 2019 proposed budgeted amount is \$8,500.

Agency and Statewide Indirect Costs

Minnesota Statutes section 16A.127 requires the Department of Finance to allocate all statewide general support costs to the agencies that consume them. Agencies pass these costs on to all non-state funding sources in proportion to their consumption, and reimburse the general fund with the recoveries. Minnesota Statutes section 16A.127 also allows agencies to allocate all general support costs within the agency that cannot be directly charged to any agency program.

The Department of Human Services (DHS) may annually file for a waiver from the Department of Finance that would cap the agency and statewide indirect costs allocated to the TED Program. The DHS financial office has indicated that they expect the waiver to be granted for agency indirect costs in FY 2019. However, the statewide indirect cost cap has not been determined yet.

The FY 2018 budgeted amount was \$155,000. The FY 2018 projected amount is \$130,000 due to salary savings from vacant staff positions. The FY 2019 proposed budgeted amount of \$138,000 represents 10 percent of the total TED Program proposed budgeted amount.

Other Operating Costs

This line item includes American Sign Language interpreter costs, spoken and written translation services, employee service awards, and other minor, unexpected costs.

The original FY 2018 budgeted amount for this line item was \$5,000. However, in FY 2018, the TED Program began development of a new program database and had unanticipated interpreting costs for the many meetings. The TED Program requested and received an amendment to the interagency agreement with Commerce in order to increase this line item by \$5,000. The FY 2018 projected amount is \$6,300. The FY 2019 proposed budgeted amount is \$5,650.

Equipment Non-Capital

In FY 2018, the TED Program anticipated replacing defective office equipment and staff computers/laptops. MNIT Services now pays for the rental of staff laptops. In addition, DHS billed the replacement office equipment that was budgeted under this line item to the *Supplies for Staff* line item. The FY 2018 budgeted amount was \$10,000. The FY 2019 proposed budgeted amount is \$0.

Department of Human Services — Rural Real-Time Captioning

	FY 2017 Actual	FY 2018 Budgeted	FY 2018 Projected	FY 2019 Budgeted	2019 Budgeted vs. 2018 Budgeted	% Change
COMPENSATION & STATE OPERATIONS						
Contract Management (.20 FTE)	\$ 30,167.47	\$ 30,478	\$ 30,478	\$ 28,000	\$ (2,478)	-8.1%
Statewide & Agency Indirect Costs	\$ 3,220.00	\$ 3,387	\$ 3,387	\$ 3,153	\$ (234)	-6.9%
Total State Operations	\$ 33,387.47	\$ 33,865	\$ 33,865	\$ 31,153	\$ (2,712)	-8%

GRANT CONTRACTS						
Commercial Stations	\$ 217,033.00	\$ 218,572	\$ 218,572	\$ 218,572	\$ -	0.0%
Non-Commercial Stations	\$ 45,519.08	\$ 47,563	\$ 47,563	\$ 47,307	\$ (256)	-0.5%
Total Grant Contracts	\$ 262,552.08	\$ 266,135	\$ 266,135	\$ 265,879	\$ (256)	0%

TOTAL PROGRAM EXPENSES	\$ 295,939.55	\$ 300,000	\$ 300,000	\$ 297,032	\$ (2,968)	-1.0%
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Department of Human Services

Rural Real-Time Captioning

FY 2019 Budget Line Item Justifications

The Rural Real-Time Captioning program is responsible for entering into grant agreements with television stations to make live local news programming accessible to persons who are deaf, persons who are hard of hearing, and persons who are deafblind as defined in Minnesota Statutes section 256C.23.

Pursuant to Minnesota Statutes section 256C.30, subdivision (b), the grant agreements are limited to the following:

1. real-time captioning services for broadcasting that is not emergency broadcasting subject to Code of Federal Regulations, title 47, section 79.2;
2. real-time captioning services for commercial broadcasters in areas of Minnesota where commercial broadcasters are not subject to the live programming closed-captioning requirements of Code of Federal Regulations, title 47, section 79.1(d); and
3. real-time captioning for large-market noncommercial broadcasters who produce live news programming.

This program is administered by the commissioner of the Department of Human Services (DHS), and has a maximum annual budget of \$300,000.

The Fiscal Year 2018 budget for the Rural Real-Time Captioning program was \$300,000. The Fiscal Year 2019 proposed budgeted amount is \$297,032.

Compensation & State Operations

Contract Management (.20 FTE)

This line item reimburses DHS for staff salary and fringe to administer contracts for this program.

The FY 2018 budgeted amount was \$30,478. The FY 2019 proposed budget amount is \$28,000, which is a decrease from last year's amount as the FTE percentage is changing from .25 to .20.

Statewide & Agency Indirect Costs

Minnesota Statutes section 16A.127 requires the Department of Finance to allocate all statewide general support costs to the agencies that consume them. Agencies pass these costs on to all non-state funding sources in proportion to their consumption, and reimburse the general fund with the recoveries.

Minnesota Statutes section 16A.127 also allows agencies to allocate all general support costs within the agency that cannot be directly charged to any agency program. Indirect costs are based on total salary compensation; 10 percent is for agency indirect costs and 1.26 percent is for statewide indirect costs.

The FY 2018 budgeted amount was \$3,387. The FY 2019 proposed budgeted amount is \$3,153.

Grant Contracts

Grant Contracts with Commercial Stations

DHS has entered into a grant contract with KBJR Television, Inc. of Duluth to provide real-time captioning of live local news in the northeast region of the state. The FY 2018 grant amount for this contract is \$139,572.

DHS has entered into a grant contract with KAAL-TV, LLC in Rochester, Minnesota to provide real-time captioning of live local news in the southeast and southwestern region of the state. The FY 2018 grant amount for this contract is \$79,000.

The FY 2018 budgeted amount was \$218,572. The FY 2019 proposed budgeted amount is \$218,572.

Grant Contracts with Noncommercial Stations

DHS has entered into a grant contract with Twin Cities Public Television, Inc. to provide real-time captioning for weekly news programming. The FY 2018 grant amount for this contract is \$17,177.

DHS has entered into a grant contract with Lakeland Public Television of Bemidji to provide real-time captioning of live local news in the northwest region of the state. The FY 2018 grant amount for this contract is \$30,386.

The FY 2018 budgeted amount was \$47,563. The FY 2018 proposed budgeted amount is \$47,307.

Department of Employment and Economic Development — Accessible News for the Blind

	FY 2017 Actual	FY 2018 Budgeted	FY 2018 Projected	FY 2019 Budgeted	2019 Budgeted vs. 2018 Budgeted	% Change
NATIONAL FEDERATION OF THE BLIND (NFB) NEWSLINE SERVICE						
Contract	\$ 50,000.00	\$ 50,000	\$ 50,000	\$ 48,500	\$ (1,500)	-3%
Usage Fee	\$ 6,575.00	\$ 9,000	\$ 9,000	\$ 6,600	\$ (2,400)	-27%
Contract Administration	\$ 3,193.17	\$ -	\$ -	\$ -	\$ -	0%
Total NFB Newsline Service	\$ 59,768.17	\$ 59,000	\$ 59,000	\$ 55,100	\$ (3,900)	-6.6%

DIAL-IN NEWS SERVICE						
Contract	\$ 32,499.16	\$ 32,000	\$ 32,000	\$ 32,000	\$ -	0%
Phone Lines	\$ 3,775.99	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	0%
Contract Administration	\$ 3,173.16	\$ -	\$ -	\$ -	\$ -	0%
Total Dial-In News Service	\$ 39,448.31	\$ 35,500	\$ 35,500	\$ 35,500	\$ -	0.0%

RADIO TALKING BOOK SATELLITE						
Contract	\$ -	\$ 5,500	\$ 5,500	\$ 9,400	\$ 3,900	100%
Total Radio Talking Book Satellite	\$ -	\$ 5,500	\$ 5,500	\$ 9,400	\$ 3,900	100.0%

TOTAL PROGRAM EXPENSES	\$ 99,216.48	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	0.0%
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Department of Employment and Economic Development

Accessible News for the Blind

FY 2019 Budget Line Item Justifications

The Accessible News for the Blind program is responsible for providing, or entering into agreements with qualified entities to provide, an accessible electronic information service (news and other timely information) for eligible individuals pursuant to Minnesota Statutes section 248.061 to 248.062. This program is administered by the commissioner of the Department of Employment and Economic Development (DEED), and has a maximum annual budget of \$100,000.

The FY 2018 total budgeted amount for the Accessible News for the Blind program was \$100,000. The FY 2019 proposed budgeted amount is \$100,000.

National Federation of the Blind (NFB) – Newsline®

DEED contracts with the National Federation of the Blind to provide on-demand access, 24 hours per day, seven days per week, to over 300 newspapers and magazines from all over the nation. The NFB – Newsline® provides access to daily newspapers and magazines for anyone who cannot read printed newspapers due to vision loss, dyslexia, or a physical disability.

NFB – Newsline® Contract

The FY 2018 budgeted amount was \$50,000. The FY 2019 proposed budgeted amount is \$48,500.

NFB – Newsline® Usage Fee

Telephone access charges incurred by NFB – Newsline. NFB charges each state a fee based on usage.

The FY 2018 budgeted amount was \$9,000. The FY 2019 proposed budgeted amount is \$6,600. The decrease in this line item is due to a reduction in the contracted monthly charges and usage fees.

NFB – Newsline Contract Administration

This line item was eliminated in FY 2018 in order to move funding to the Radio Talking Book contract.

Minnesota Dial-In News

Minnesota Dial-In News is a local service provided by State Services for the Blind. Dial-In News provides access to three local newspapers (Minneapolis Star Tribune, St. Paul Pioneer Press, and City Pages), and one Greater Minnesota newspaper, for anyone who cannot read printed newspapers due to vision loss, dyslexia, or a physical disability. Access to Dial-In News is available 24 hours per day, seven days per week.

DEED contracts with TR Office Services, Inc. (Michael Scot Mullins) of Avon Park, Florida, to download and make targeted publications available via the telephone.

Dial-In News Contract

The FY 2018 budget amount was \$32,000. The FY 2019 proposed budgeted amount remains at \$32,000.

Dial-In News Phone Lines

This line item is for telephone lines to permit callers access to requested newspapers without having to wait for service.

The FY 2018 budgeted amount was \$3,500. The FY 2019 proposed budgeted amount remains at \$3,500.

Dial-In News Contract Administration

This line item was eliminated in FY 2018 in order to move funding to the Radio Talking Book contract.

Radio Talking Book Satellite

Radio Talking Book is a free news and information service that broadcasts 24 hours per day, seven days per week, to thousands of subscribers throughout Minnesota who have vision or other disabilities that make it difficult for them to read print. The service, with reading that is done by trained staff and volunteers, broadcasts national, regional, and local newspapers, magazines, and the latest best-selling books.

This service uses special sub-carrier frequencies of radio stations (primarily Minnesota Public Radio). Consumers are either loaned a special closed-circuit radio that only picks up the closest Radio talking Book signal, or they may listen online. Many older customers prefer Radio Talking Book because they can listen to a human voice instead of synthesized speech, which Dial-In News and NFB Newline use. DEED contracts with National Public Radio for subcarrier fees.

The FY 2018 budget amount was \$5,500. The FY 2019 proposed budgeted amount is \$9,400, with the \$3,900 line item increase coming from the reduction in National Federation of the Blind contract monthly charges and usage fees.

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
TAM 2019 Budget and Surcharge Recommendations**

Docket No. P999/M-18-194

Dated this 19th day of March 2018

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Linda	Chavez	linda.chavez@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 55101-2198	Electronic Service	No	OFF_SL_18-194_M-18-194
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-194_M-18-194
Emory David	Dively	emory.david.dively@state.mn.us	Commission of Deaf, DeafBlind & Hard of Hearing Minnesotans	Golden Rule Building 85 E 7th Place, Ste 105 Saint Paul, MN 55101	Electronic Service	No	OFF_SL_18-194_M-18-194
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_18-194_M-18-194
Greg	Doyle	greg.doyle@state.mn.us	Department of Commerce	Suite 50085 Seventh Place East St. Paul, MN 551012198	Electronic Service	No	OFF_SL_18-194_M-18-194
Beth	Fraser	Beth.Fraser@state.mn.us	Commission of Deaf, DeafBlind & Hard of Hearing Minnesotans	Golden Rule Building 85 E 7th Place Ste 105 Saint Paul, MN 55101	Electronic Service	No	OFF_SL_18-194_M-18-194
Rochelle	Garrow	rochelle.garrow@state.mn.us	Department of Commerce	85 7th Place East, Suite 280 Saint Paul, MN 55101	Electronic Service	No	OFF_SL_18-194_M-18-194
Mary	Hartnett	Mary.Hartnett@state.mn.us	Commission of Deaf, DeafBlind & Hard of Hearing Minnesotans	Golden Rule Bulding 85 7th Place Ste 106 Saint Paul, MN 55101	Electronic Service	No	OFF_SL_18-194_M-18-194
Sarah	Maheswaran	sarah.maheswaran@state.mn.us	Telephone Equipment Dist. Program	Dept. of Human Services 444 Lafayette Road North St. Paul, MN 551553814	Electronic Service	No	OFF_SL_18-194_M-18-194
Amy	McQuaid Swanson	Amy.mcquaid-swanson@state.mn.us	Department of Human Services	PO Box 64969 St. Paul, MN 55164-0969	Electronic Service	No	OFF_SL_18-194_M-18-194

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Carol	Pankow	carol.pankow@state.mn.us	Services for the Blind	Suite 240 2200 University Avenue W St. Paul, MN 55104	Electronic Service	No	OFF_SL_18-194_M-18-194
Dana	Wahlberg	dana.wahlberg@state.mn.us	Department of Public Safety	Town Square Ste 137 444 Cedar St St. Paul, MN 551015126	Electronic Service	No	OFF_SL_18-194_M-18-194
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_18-194_M-18-194