

April 15, 2019

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

RE: TAM FY 2020 Budget and Surcharge Recommendations  
Docket No. P999/M-19-151

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 2020 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 2020 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 2019 budgeted amount for TAM program administration was \$142,500. The FY 2020 budget recommendation is \$142,050.
- The FY 2019 budgeted amount for Minnesota Relay was \$1,449,500. The FY 2020 budget recommendation is \$1,315,500.
- The FY 2019 budgeted amount for the Department of Human Services – Telephone Equipment Distribution Program was \$1,479,765. The FY 2020 budget recommendation is \$1,545,640.
- The FY 2019 budgeted amount for the Department of Human Services – Rural Real-Time Captioning program was \$297,032. The FY 2020 budget recommendation is \$295,051.

- The FY 2019 budgeted amount for the Department of Employment and Economic Development – Accessible News for the Blind program was \$100,000. The FY 2020 budget recommendation remains at \$100,000.
- The FY 2020 appropriation for the Minnesota Commission of the Deaf, DeafBlind and Hard of Hearing (MNCDHH) is \$1,170,000.
- The FY 2020 appropriations for Minnesota IT Services are \$290,000 and \$50,000.
- The FY 2020 appropriation for the Legislative Coordinating Commission is \$100,000.

TAM recommends that the surcharge be increased to \$0.06, which will support all TAM Fund programs in FY 2020, and should enable TAM to distribute the anticipated funding payments necessary at the start of FY 2021.

As the charts below indicate, a surcharge of \$0.06 and the budgets proposed for the various programs is anticipated to result in a projected fund balance of approximately \$1.4 million at the close of fiscal year 2020. It is anticipated that the fund will need approximately \$1.3 million at the start of fiscal year 2021, which provides for two months operating expenses for TAM administration, Minnesota Relay, and the Telephone Equipment Distribution (TED) Program, as well as funding 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, 2019	Projected TAM Fund Expenditures	Projected Fund Balance on June 30, 2020
\$ 0.01	5,816,043	\$ 697,925	1,176,398	\$ 134,194	\$ (10,374)	\$ 1,388,358	\$ (5,008,241)	\$ (2,798,137)
\$ 0.02	5,816,043	\$ 1,395,850	1,176,398	\$ 268,388	\$ (3,663)	\$ 1,388,358	\$ (5,008,241)	\$ (1,959,307)
\$ 0.03	5,816,043	\$ 2,093,775	1,176,398	\$ 402,582	\$ 3,047	\$ 1,388,358	\$ (5,008,241)	\$ (1,120,478)
\$ 0.04	5,816,043	\$ 2,791,701	1,176,398	\$ 536,776	\$ 9,758	\$ 1,388,358	\$ (5,008,241)	\$ (281,648)
\$ 0.05	5,816,043	\$ 3,489,626	1,176,398	\$ 670,970	\$ 16,469	\$ 1,388,358	\$ (5,008,241)	\$ 557,182
\$ 0.06	5,816,043	\$ 4,187,551	1,176,398	\$ 805,165	\$ 23,179	\$ 1,388,358	\$ (5,008,241)	\$ 1,396,012
\$ 0.07	5,816,043	\$ 4,885,476	1,176,398	\$ 939,359	\$ 29,890	\$ 1,388,358	\$ (5,008,241)	\$ 2,234,842
\$ 0.08	5,816,043	\$ 5,583,401	1,176,398	\$ 1,073,553	\$ 36,601	\$ 1,388,358	\$ (5,008,241)	\$ 3,073,672
\$ 0.09	5,816,043	\$ 6,281,326	1,176,398	\$ 1,207,747	\$ 43,311	\$ 1,388,358	\$ (5,008,241)	\$ 3,912,501
\$ 0.10	5,816,043	\$ 6,979,251	1,176,398	\$ 1,341,941	\$ 50,022	\$ 1,388,358	\$ (5,008,241)	\$ 4,751,332

Estimated funding needed on July 1, 2021 (based on FY 2020 budgeted amounts):

TAM Administration (2 months)	\$23,675
Minnesota Relay (2 months)	\$219,250
TED Program (2 months)	\$257,607
Rural Real-Time Captioning (1st quarter)	\$73,763
Accessible News for the Blind (1st quarter)	\$25,000
Minnesota Commission of the Deaf, DeafBlind & Hard of Hearing (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
	\$1,294,294

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TAM respectfully requests Commission approval of TAM Fund budgets and of the surcharge recommendation of \$0.06 per wired and post-paid wireless customer access line and prepaid wireless retail transaction.

If the Commission determines that an increase in the TAM Fund surcharge amount is reasonable, TAM recommends that the effective date of the change to the surcharge amount be the first billing cycle on or after July 1, 2019, or such date that any change to the 9-1-1 and/or TAP surcharge is implemented, provided that the effective date accommodates the required minimum notice of fee change. (Prepaid wireless retail transaction fee changes are effective 60 days after the first day of the first calendar month after the Public Utilities Commission changes the fee. Telecommunications companies and carriers must be provided 45 days' notice of fee change.)

If any party has reply comments on the Budget and Surcharge Recommendations, they should be filed within 30 days of these recommendations.

If you have questions regarding TAM's FY 2020 Budget and Surcharge Recommendations, please contact me at 651-539-1878 or [rochelle.garrow@state.mn.us](mailto:rochelle.garrow@state.mn.us).

Sincerely,



Rochelle Garrow  
TAM Program Administrator

Attachments

c: All parties of record

## Telecommunications Access Minnesota (TAM) Fund

	FY 2018 Actual	FY 2019 Budgeted	FY 2019 Projected	FY 2020 Budgeted	2020 Budgeted vs. 2019 Budgeted	% Change
<b>REVENUE</b>						
Revenue Per Wired/Post-Paid Wireless Customer Access Line (FY 2018=\$0.05; FY 2019=\$0.05; FY 2020=\$0.06;)	\$ 3,495,224.73	\$ 3,571,887.00	\$ 3,530,810.83	\$ 4,187,550.78	\$ 615,663.78	17.2%
Revenue on Prepaid Wireless Retail Transactions	\$ 696,374.54	\$ 744,316.00	\$ 714,868.03	\$ 805,164.53	\$ 60,848.53	8.2%
TAM Fund Interest	\$ 24,486.84	\$ 24,705.00	\$ 22,000.00	\$ 23,179.00	\$ (1,526.00)	-6.2%
<b>Total TAM Fund Revenue</b>	<b>\$ 4,216,086.11</b>	<b>\$ 4,340,908.00</b>	<b>\$ 4,267,678.86</b>	<b>\$ 5,015,894.31</b>	<b>\$ 674,986.31</b>	<b>15.5%</b>

<b>EXPENDITURES</b>						
TAM Program Administration Funding	\$ (115,527.67)	\$ (142,500.00)	\$ (127,750.00)	\$ (142,050.00)	\$ (450.00)	-0.3%
TRS (Minnesota Relay) Funding	\$ (1,469,109.13)	\$ (1,449,500.00)	\$ (1,275,549.15)	\$ (1,315,500.00)	\$ (134,000.00)	-9.2%
TED Program Funding	\$ (1,314,955.96)	\$ (1,479,765.00)	\$ (1,378,975.26)	\$ (1,545,640.00)	\$ 65,875.00	4.5%
Rural Real-Time Captioning Funding	\$ (297,638.12)	\$ (297,032.00)	\$ (297,032.00)	\$ (295,051.00)	\$ (1,981.00)	-0.7%
Accessible News for the Blind Funding	\$ (97,072.50)	\$ (100,000.00)	\$ (100,000.00)	\$ (100,000.00)	\$ -	0.0%
MN Commission of the Deaf, DeafBlind & Hard of Hearing	\$ (1,170,000.00)	\$ (1,170,000.00)	\$ (1,170,000.00)	\$ (1,170,000.00)	\$ -	0.0%
Minnesota IT Services (1)	\$ (290,000.00)	\$ (290,000.00)	\$ (290,000.00)	\$ (290,000.00)	\$ -	0.0%
Minnesota IT Services (2)	\$ (50,000.00)	\$ (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%
<b>Total TAM Fund Expenditures</b>	<b>\$ (4,904,303.38)</b>	<b>\$ (5,078,797.00)</b>	<b>\$ (4,789,306.41)</b>	<b>\$ (5,008,241.00)</b>	<b>\$ (70,556.00)</b>	<b>-1.4%</b>

<b>TAM FUND REVENUE VS. EXPENDITURES</b>	<b>\$ (688,217.27)</b>	<b>\$ (737,889.00)</b>	<b>\$ (521,627.55)</b>	<b>\$ 7,653.31</b>
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STATEMENT OF TAM FUND BALANCE	FY 2018 Actual	FY 2019 Budgeted	FY 2019 Projected	FY 2020 Budgeted
TAM Fund Balance at Beginning of Fiscal Year	\$ 2,598,203.16	\$ 1,913,001.69	\$ 1,909,985.89	\$ 1,388,358.34
TAM Fund Revenue & Interest	\$ 4,216,086.11	\$ 4,340,908.00	\$ 4,267,678.86	\$ 5,015,894.31
TAM Fund Expenditures	\$ (4,904,303.38)	\$ (5,078,797.00)	\$ (4,789,306.41)	\$ (5,008,241.00)
<b>TAM Fund Balance at Close of Fiscal Year</b>	<b>\$ 1,909,985.89</b>	<b>\$ 1,175,112.69</b>	<b>\$ 1,388,358.34</b>	<b>\$ 1,396,011.65</b>

# Department of Commerce

## Telecommunications Access Minnesota (TAM) Fund

### FY 2020 Budget Line Item Justifications

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## Revenue

### *Surcharge Recommendation*

TAM recommends that the surcharge be increased to \$0.06, which will support all TAM Fund programs in FY 2020, and should enable TAM to distribute the anticipated funding payments necessary at the start of FY 2021.

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Minnesota IT Services 1 (1st Quarter)	\$72,500
Minnesota IT Services 2 (2nd quarter)	\$12,500
Legislative Coordinating Commission (1st quarter)	\$25,000
	\$1,294,294

TAM sought permission from Rural Real-Time Captioning, Accessible News for the Blind, Minnesota Commission of the Deaf, DeafBlind & Hard of Hearing, Minnesota IT Services, and Legislative Coordinating Commission to make quarterly payments to these programs. All programs agreed to allow quarterly payments except for the Minnesota Commission of the Deaf, DeafBlind and Hard of Hearing, 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	\$0.05
1999	\$0.12	2006	\$0.07	2013	\$0.06	2020	\$0.06
2000	\$0.12	2007	\$0.03	2014	\$0.06		

### *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 2019 was \$3,571,887 and was based on a monthly surcharge amount of \$0.05 per customer access line. The FY 2019 projected amount is \$3,605,828.

TAM estimates that approximately 1,367,355 wired and 4,448,687 post-paid wireless telephone access lines will remit TAM surcharge revenue each month in FY 2020; this estimate is based on wire lines decreasing 10.5 percent overall for the year, and post-paid wireless lines increasing 3.3 percent overall.

FY 2020 surcharge revenue for wired and post-paid wireless access lines, based on the surcharge increasing to \$0.06 on July 1, 2019, is anticipated to be approximately \$4,187,551.

### *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 2019 budgeted amount was \$744,316. The FY 2019 projected amount is \$696,375. 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 2020 pre-paid wireless fee revenue, based on the surcharge increasing to \$0.06 on July 1, 2019, is anticipated to be approximately \$805,165, and is based on an overall annual decrease of 2.7 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 2019 budgeted amount was \$24,705. The projected amount is \$22,000. The FY 2020 proposed budgeted amount is \$23,179.

# Expenditures

## *TAM Program Administration Funding*

The FY 2019 budgeted amount for this line item was \$142,500. The FY 2020 proposed budgeted amount is \$142,050. The TAM Administration budget and line item justifications are included as **Attachment B**.

## *Telecommunications Relay Services (Minnesota Relay) Funding*

Minnesota Relay is a federally mandated Telecommunications Relay Services (TRS) program that allows an individual who is deaf, hard of hearing, deafblind, 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 contracts with Sprint Communications Company, L.P. for the provision of relay services. The contracted rates for FYs 2018 and 2019 are \$1.78 per conversation minute for TTY and Speech-to-Speech relay services, plus a monthly recurring charge of \$12,400, and \$1.89 per conversation minute for CapTel relay service. The FY 2020 contracted rates are \$2.16 per conversation minute for TTY and Speech-to-Speech relay services, plus a monthly recurring charge of \$16,000, and \$2.06 per conversation minute for CapTel relay service.

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 Internet Protocol Captioned Telephone Service (IP CTS), are internet-based relay services and they are paid for through the Interstate TRS Fund<sup>1</sup>.

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.

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<sup>1</sup> 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 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 2019 budgeted amount was \$1,449,500. The FY 2019 projected amount is \$1,275,549. The FY 2020 proposed budgeted amount is \$1,315,500.

### *Telephone Equipment Distribution (TED) Program Funding*

The TED Program is provided under an interagency agreement with the Department of Human Services, 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.

The FY 2019 budgeted amount was \$1,479,765. The FY 2019 projected amount is \$1,378,975. The FY 2020 proposed budgeted amount is \$1,545,640.

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 2019 budgeted amount was \$297,032. The FY 2020 proposed budgeted amount is \$295,051.

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 2019 budgeted amount was \$100,000. The FY 2020 proposed budgeted amount remains at \$100,000.

The Accessible News for the Blind budget and line item justifications are included as **Attachment E**.

### *Minnesota Commission of the Deaf, DeafBlind & Hard of Hearing*

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

Legislation was introduced this session (H.F. 0975/S.F. 1107) to increase the MNCDHH annual appropriation by \$450,000, beginning in FY 2020. If passed, MNCDHH's annual direct appropriation from the TAM Fund would total \$1,620,000. Commerce has not incorporated the possible increased allocation into the FY 2020 TAM fund proposed budget. If the legislation passes, a surcharge of \$0.06 should be sufficient to support the increase in FY 2020, with an adjustment to payment distribution for this allocation from fifty percent of the budgeted amount distributed at the start of the fiscal year, to twenty-five percent distributed at the start of the fiscal year.

The FY 2020 proposed budgeted amount remains at \$1,170,000.

### *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.

## Telecommunications Access Minnesota (TAM) Program Administration

	FY 2018 Actual	FY 2019 Budgeted	FY 2019 Projected	FY 2020 Budgeted	2020 Budgeted vs. 2019 Budgeted	% Change
<b>TOTAL COMPENSATION</b>						
Full Time Salary & Fringe - 1.10 FTE (41000)	\$ 97,822.85	\$ 103,700	\$ 101,500	\$ 109,500	\$ 5,800	5.6%
Other Employee Costs (41070)		\$ -	\$ -	\$ -	\$ -	0%
<b>Total Salaries and Fringe</b>	<b>\$ 97,822.85</b>	<b>\$ 103,700</b>	<b>\$ 101,500</b>	<b>\$ 109,500</b>	<b>\$ 5,800</b>	<b>5.6%</b>

<b>STATE OPERATIONS</b>						
Space Rental and Utilities (41100)	\$ -	\$ 500	\$ -	\$ 500	\$ -	0%
Printing and Advertising (41110)	\$ -	\$ 5,500	\$ 3,000	\$ 6,000	\$ 500	9%
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)	\$ 4,878.71	\$ 2,500	\$ 2,050	\$ 5,000	\$ 2,500	100%
Employee Development (41180)	\$ 580.00	\$ 1,000	\$ 700	\$ 1,000	\$ -	0%
Supplies (41300)	\$ 464.42	\$ 750	\$ 300	\$ 500	\$ (250)	-33%
Agency Indirect Costs (42000)	\$ 11,007.45	\$ 17,950	\$ 16,400	\$ 13,500	\$ (4,450)	-25%
Statewide Indirect Costs (42010)	\$ 774.24	\$ 1,600	\$ 700	\$ 1,550	\$ (50)	-3%
Attorney General Costs (42020)	\$ -	\$ 250	\$ -	\$ 250	\$ -	0%
Other Operating Costs (43000)	\$ -	\$ 5,500	\$ 3,000	\$ 1,000	\$ (4,500)	-82%
<b>Total State Operations</b>	<b>\$ 17,704.82</b>	<b>\$ 38,800</b>	<b>\$ 26,250</b>	<b>\$ 32,550</b>	<b>\$ (6,250)</b>	<b>-16.1%</b>

<b>TOTAL PROGRAM EXPENSES</b>	<b>\$ 115,527.67</b>	<b>\$ 142,500</b>	<b>\$ 127,750</b>	<b>\$ 142,050</b>	<b>\$ (450)</b>	<b>-0.3%</b>
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Department of Commerce  
Telecommunications Access Minnesota (TAM)  
Program Administration  
FY 2020 Budget Line Item Justifications

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## Total Compensation

The salary line item request adheres to collectively bargained guidelines.

### *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 2019 budgeted amount was \$103,700. The FY 2020 proposed budgeted amount is \$109,500.

### *Other Employee Costs*

No funds are budgeted for this line item in FY 2020.

## State Operations

### *Space Rental and Utilities*

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

The FY 2019 budgeted amount was \$500. The FY 2020 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 2019 budgeted amount was \$5,500. The FY 2020 proposed budgeted amount is \$6,000.

## *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 2019 budgeted amount was \$2,500. FY 2020 proposed budgeted amount remains at \$2,500.

## *Communications*

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

The FY 2019 budgeted amount was \$250. The FY 2020 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 2019 budgeted amount was \$500. The FY 2020 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), State Telecommunications Administrators for Relay by Sprint (STARS) conferences, and other disability access related meetings or conferences.

The FY 2019 budgeted amount of \$2,500 included attending the STARS conference and a Federal Communications Commission Disability Advisory Committee (DAC) meeting. The NASRA conference was held in Minnesota in FY 2019, so there were no out-of-state travel costs. The FY 2020 proposed budgeted amount is \$5,000.

## *Employee Development*

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

The FY 2019 budgeted amount was \$1,000. The FY 2020 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 2019 budgeted amount was \$750. The FY 2020 proposed budgeted amount is \$500.

## *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 2019 budgeted amount was \$17,950, and was based on 14.9 percent of included line item expenses. The FY 2020 proposed budgeted amount of \$13,500 is based on 10.8 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 2019 budgeted amount was \$1,600. The FY 2020 proposed budgeted amount is \$1,550.

### *Attorney General Costs*

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

The FY 2019 budgeted amount was \$250. The FY 2020 proposed budgeted amount remains at \$250.

### *Other Operating Costs*

This line item is for miscellaneous services and charges.

The FY 2019 budgeted amount was \$5,500. In FY 2019, TAM hosted the National Association for State Relay Administration conference, and the Telephone Equipment Distribution Program hosted the Telecommunications Equipment Distribution Program Association conference. TAM contributed \$2,900 towards the cost for American Sign Language interpreters for the conferences. The FY 2020 proposed budgeted amount is \$1,000.



## Telephone Equipment Distribution (TED) Program

	FY 2018 Actual	FY 2019 Budgeted	FY 2019 Projected	FY 2020 Budgeted	2020 Budgeted vs. 2019 Budgeted	% Change
<b>TOTAL COMPENSATION</b>						
Division Director	\$ 14,841.06	\$ 15,550	\$ 24,635.00	\$ 38,500	\$ 22,950	147.6%
Program Coordinator	\$ 81,536.00	\$ 84,000	\$ 83,366.00	\$ 121,000	\$ 37,000	44.0%
Assistant Coordinator	\$ 63,126.78	\$ 65,500	\$ 65,051.98	\$ 99,500	\$ 34,000	51.9%
Program Specialists	\$ 391,478.03	\$ 413,000	\$ 404,554.47	\$ 613,500	\$ 200,500	48.5%
Clerical Support (Central Office)	\$ 35,842.89	\$ 39,000	\$ 38,872.04	\$ 56,000	\$ 17,000	43.6%
Program Support	\$ 38,684.71	\$ 61,600	\$ 20,785.96	\$ 29,000	\$ (32,600)	-52.9%
Regional Managers	\$ 62,413.37	\$ 78,000	\$ 20,550.97	-	\$ (78,000)	-100%
Management Analyst (Central Office)	\$ -	\$ -	\$ 9,355.00	\$ 19,500	\$ 19,500	19500%
Communication Coordinator (Central Office)	\$ -	\$ -	\$ 11,934.00	\$ 21,500	\$ 21,500	21500%
Information & Referral Specialists	\$ -	\$ -	\$ 20,196.00	\$ 46,000	\$ 46,000	46000%
Achievement Awards	\$ -	\$ 2,000	\$ 1,000.00	\$ 2,000	\$ -	0%
Fringe	\$ 296,287.57	\$ 303,000	\$ 307,051.00	\$ -	\$ (303,000)	-100%
<b>Total Salaries and Fringe</b>	<b>\$ 984,210.41</b>	<b>\$ 1,061,650</b>	<b>\$ 1,007,352.42</b>	<b>\$ 1,046,500</b>	<b>\$ (15,150)</b>	<b>-1.4%</b>

<b>STATE OPERATIONS</b>						
Space Rental and Utilities (41100)	\$ 28,139.65	\$ 25,500	\$ 25,372.84	\$ 32,200	\$ 6,700	26.3%
Outreach Booths (411006)	\$ 1,646.10	\$ 3,000	\$ 2,900.00	\$ 4,000	\$ 1,000	33.3%
Printing & Advertising (41110)	\$ 19,098.25	\$ 30,000	\$ 29,500.00	\$ 40,000	\$ 10,000	33.3%
Outside Vendor (411325)	\$ -	\$ 5,000	\$ 5,000.00	\$ 5,000	\$ -	0%
Postal Mailing-Shipping Service (411551)	\$ 16,575.74	\$ 14,500	\$ 13,400.00	\$ 15,000	\$ 500	3.4%
Wireless Communications (411554)	\$ 7,659.61	\$ 12,500	\$ 10,400.00	\$ 21,500	\$ 9,000	72.0%
Travel: In State (41160)	\$ 17,775.67	\$ 32,315	\$ 26,000.00	\$ 26,500	\$ (5,815)	-18.0%
Travel: Out-of-State (41170)	\$ 920.31	\$ -	\$ -	\$ 2,000	\$ 2,000	2000%
Employee Development (41180)	\$ 2,165.00	\$ 7,050	\$ 6,250.00	\$ 4,300	\$ (2,750)	-39.0%
Supplies for Staff (41300)	\$ 1,417.32	\$ 4,500	\$ 3,200.00	\$ 4,100	\$ (400)	-8.9%
Supplies - Equipment Distributed (41300)	\$ 94,992.32	\$ 127,000	\$ 102,000.00	\$ 181,000	\$ 54,000	42.5%
Computer Related Parts and Supplies (413002)	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000	1000%
Equipment Rental (414004)	\$ 4,954.25	\$ 4,600	\$ 4,200.00	\$ 4,825	\$ 225	4.9%
Repair to Equipment & Furniture (41500)	\$ 5,708.58	\$ 8,500	\$ 6,500.00	\$ 7,200	\$ (1,300)	-15.3%
Agency & Statewide Indirect Costs (42000 & 42010)	\$ 123,956.00	\$ 138,000	\$ 131,500.00	\$ 140,515	\$ 2,515	1.8%
Other Operating Costs (43000)	\$ 4,673.68	\$ 5,650	\$ 5,400.00	\$ 8,500	\$ 2,850	50.4%
Equipment Non-Capital (47160)	\$ 1,063.07	\$ -	\$ -	\$ -	\$ -	0%
Computer Peripheral (471603)	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500	1500%
<b>Total State Operations</b>	<b>\$ 330,745.55</b>	<b>\$ 418,115</b>	<b>\$ 371,622.84</b>	<b>\$ 499,140</b>	<b>\$ 81,025</b>	<b>19.4%</b>

<b>TOTAL PROGRAM EXPENSES</b>	<b>\$ 1,314,955.96</b>	<b>\$ 1,479,765</b>	<b>\$ 1,378,975.26</b>	<b>\$ 1,545,640</b>	<b>\$ 65,875</b>	<b>4.5%</b>
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# Department of Human Services

## Telephone Equipment Distribution Program

### FY 2020 Budget Line Item Justifications

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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. In FY 2020, DHHSD will also have cowork location sites in Grand Rapids and Rochester.

Based on current trends, the TED Program anticipates serving over 1,382 individuals in fiscal year 2019, 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 82,088 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, dual sensory, 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 2019 TED Program budgeted amount was \$1,479,765. The FY 2020 proposed budget is \$1,545,640.

## **Total Compensation (11.72 FTE)**

Salary line item requests adhere to collectively bargained guidelines. In FY 2020, contract negotiations will occur for Minnesota Association of Professional Employees (MAPE), American Federation of State County and Municipal Employees (AFSCME) and Middle Management Association (MMA). Proposed salaries include a cushion of 2.5 percent.

In the past, employee salary line items included the base salary, and employee fringe benefit expense were included as a separate line item. In FY 2020, the base salary and fringe benefit expenses will be combined into one line item representing total compensation.

### ***Division Director (.25 FTE)***

This line item had previously included 15 percent of the salary of the DHHSD director. The director supervises the TED Program coordinator. Additional time is being used to supervise the TED Program coordinator because the TED Program is making organizational changes. As such, 25 percent of this position will now be allocated to the TED Program.

The FY 2019 budgeted amount was \$15,500 (plus \$2,926 fringe). The FY 2019 projected amount is \$24,635. The FY 2020 proposed budgeted amount is \$38,500.

### ***Program Coordinator (1.0 FTE)***

The FY 2019 budgeted amount was \$84,000 (plus \$30,330 fringe). In FY 2019, the TED Program coordinator started supervising the seven program specialists because of the DHHS redesign. There was no change in salary. The FY 2020 proposed budgeted amount is \$121,000.

### ***Assistant Coordinator (1.0 FTE)***

The FY 2019 budgeted amount was \$65,500 (plus \$28,180 fringe). The FY 2020 proposed budgeted amount is \$99,500.

### ***Program Specialists (7.0 FTE)***

The FY 2019 budgeted amount was \$413,000 (plus \$165,897 fringe). The program specialist in Mankato resigned February 2019. DHS intends to fill the vacancy. The FY 2020 proposed budgeted amount is \$613,500.

### ***Clerical Support - Central Office (.80 FTE)***

The FY 2019 budgeted amount was \$39,000 (plus \$25,056 fringe) for 1.0 FTE. In FY 2020, 80 percent of this position will be allocated for TED Program work and 20 percent allocated for DHHS work. The FY 2020 proposed budgeted amount is \$56,000.

### ***Program Support (.45 FTE)***

This line item had included funding for 35 percent of four full-time clerical support staff salaries in four DHHS regional offices. It also included funding for 10 percent of one full-time clerical support staff in St. Paul. There are vacancies in this position for the St. Cloud, Mankato, and Duluth offices, and DHS does not intend to fill these positions.

As part of the DHHS redesign, this line item will include funding for 35 percent of one full-time clerical program support staff in Moorhead, and 10 percent of one full-time clerical support staff in St. Paul.

The FY 2019 budgeted amount was \$61,600 (plus \$20,476 fringe). The FY 2020 proposed budgeted amount is \$29,000.

### ***Regional Managers (0 FTE)***

This line item had included funding for 20 percent of five full-time regional manager salaries in five DHHS regional offices. The FY 2019 budgeted amount was \$78,000 (plus \$30,134 fringe).

As part of the division's redesign, the regional managers will no longer supervise the TED Program specialist (they will be supervised by the TED Program coordinator). All of the regional manager positions were phased out January 1, 2019. The FY 2020 proposed budgeted amount is \$0.

### ***Management Analyst (.20 FTE)***

This line item is responsible to perform fiscal analysis as a central function for DHHS. Other responsibilities include assessing program expenditures against projections, developing annual and quarterly program budget forecasts, and providing financial recommendations and support to programs. As part of the DHHS redesign, 20 percent of this position will now be allocated to the TED Program. This would be a new expense for the TED Program.

The FY 2020 proposed budgeted amount is \$19,500.

### ***Communication Coordinator (.34 FTE)***

The communications coordinator is one of DHHS' new positions as a result of the division's organizational redesign. This will be a dedicated position for internal and external communications, including management of the division's new website, social media, brochures and other documents, and promotion the division's services. The communication coordinator will help the division, including the TED Program, to expand its outreach services to make it easier for individuals to contact staff. The position will be tasked to work closely with the TED Program's assistant coordinator in expanding advertising and marketing materials and resources for individuals with hearing loss statewide, providing TED Program updates through the website, and providing new brochures and any graphic-design related materials promoting the TED Program's services to individuals, organizations, and communities statewide. For internal communications, the communications coordinator will work with TED Program staff on communication-related materials for DHS' monthly Newswire and Assistant Commissioners' updates and reports.

Thirty-four percent of this position will be allocated to the TED Program, and would be a new expense for the program. The proposed FY 2020 budgeted amount is \$21,500.

## ***Information & Referral Specialist (.68 FTE)***

As a result of DHHS's organizational redesign, the division intends to hire two full-time information and referral (I&R) specialist in March 2019.

The I&R specialists will provide information and referral services to individuals with inquiries that are general and straightforward client requests (i.e. customers asking for resource suggestions, information on telephone equipment devices for people with hearing loss, and the like). I&R specialists will be the first staff members to review emails and take calls, and will directly help customers to identify the resources they seek. The objective of these positions is to ensure consistency of responses and allow TED Program specialists to focus on more complex and longer-term work.

The allocation of the two new I&R specialist positions will be 68 percent DHHS and 34 percent TED Program. This would be a new expense for the TED Program. The proposed FY 2020 budgeted amount is \$46,000.

## ***Achievement Awards***

This line item includes achievement awards for MMA, MAPE, and ASCFME union employees. The FY 2019 budgeted amount was \$2,000. The FY 2020 proposed budgeted amount remains at \$2,000.

## ***Fringe***

The FY 2019 budgeted amount was \$303,000. This line item will no longer exist in FY 2020 because base salary and fringe will be included in each salary line item, reflecting total compensation.

## **State Operations**

The line items listed below reflect the proportion of 11.72 FTE positions included in the TED Program budget.

## ***Space Rental and Utilities***

This line item includes a portion of office space rental for TED Program staff located in Duluth, Mankato, Moorhead, and St. Cloud. A percentage of these costs are shared within DHHS and are split across three programs based on FTE's.

The FY 2019 budgeted amount was \$25,500. The FY 2020 proposed budgeted amount is \$32,200.

## ***Outreach Booths***

This line item includes both booth registration fees and attending conferences to network to conduct outreach. In FY 2020, it is anticipated that the Communication Coordinator will expand outreach in the division by increasing requests for booths. The FY 2019 budgeted amount was \$3,000. The FY 2020 proposed budgeted amount is \$4,000.

## ***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 2019 budgeted amount was \$30,000. It is anticipated that the Communication Coordinator will expand outreach in the division by expanding on updated brochures and advertisements. The FY 2020 proposed budgeted amount is \$40,000.

## ***Outside Vendor***

This line item includes a web designer to enhance the TED Program website, including producing accessible videos. The FY 2019 budgeted amount was \$5,000. The FY 2020 proposed budgeted amount is remains at \$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, DHHS regional offices, and equipment vendors.

The FY 2019 budgeted amount was \$14,500. The FY 2020 proposed budgeted amount is \$15,000.

## ***Wireless Communications***

This line item includes staff wireless telephone service (\$6,360), sim card service for demonstration cell phones (\$1,656), purchase of cell phone products from Great Call to distribute to clients (\$4,500), and leasing laptops for seven TED Program staff (\$8,710). The TED Program developed a new database in FY 2019 and staff will be accessing it from their laptop while on the road. MN.IT services has changed their policy and is requiring divisions to lease desktops and laptops for employees. This cost is included in this line item.

The FY 2019 budgeted amount was \$12,500. The FY 2020 proposed budgeted amount is \$21,500.

## ***Travel: In State***

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

The FY 2019 budgeted amount was \$32,315, and included funding for 10 TED Program staff to attend the Telecommunications Equipment Distribution Program Association national conference in Minnesota (meals, lodging, and ground transportation).

The FY 2019 projected amount is \$26,000. The FY 2020 proposed budgeted amount is \$26,500.

## ***Travel: Out-of-State***

This line item includes travel for two staff to attend the Telecommunications Equipment Distribution Program Association national conference (airfare, meals, ground transportation, and lodging).

No funds were budgeted in this line item for FY 2019 because the Telecommunications Equipment Distribution Program Association conference was held in Minnesota. In FY 2020, the conference will be out of state. The FY 2020 proposed budgeted amount is \$2,000.



## ***Employee Development***

This line item includes funding for the Telecommunications Equipment Distribution Program Association membership, registration fees for two staff to attend the annual Telecommunications Equipment Distribution Program Association conference, organizational memberships, and attendance in networking groups. In addition, TED Program staff are able to use up to \$300 per year for professional development opportunities.

The FY 2019 budgeted amount was \$7,050, and included registration fees for 10 TED Program staff to attend the Telecommunications Equipment Distribution Program Association conference in Minnesota. The FY 2020 proposed budgeted amount is \$4,300.

## ***Supplies for Staff***

This line item includes general office supplies, shipping materials/boxes and office equipment for staff. The FY 2019 budgeted amount was \$4,500. The FY 2020 proposed budgeted amount is \$4,100.

## ***Supplies-Equipment Distributed***

The TED Program expects to distribute approximately 2,500 pieces of equipment to new and existing clients in FY 2020 (new and refurbished). 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 March 2019, the TED Program implemented a second iPhone/iPad pilot program. A report that summarizes the pilot results will be submitted to the Department of Commerce July 2019.

The FY 2019 budgeted amount for equipment purchases was \$127,000. The FY 2019 projected amount is \$102,000. Some of the devices distributed during the second pilot were available in current inventory so the total budget allocated was not needed. If the Department of Commerce approves a full distribution of iPads and iPhone, the cost of the devices have been included in the FY 2020 budget.

In FY 2019, the TED Program has a proposal at the Legislature to modernize the TED Program. The FY 2020 proposed budget includes the estimated cost for multi-functional devices and interconnectivity devices. The FY 2020 proposed budgeted amount is \$181,000.

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:

- 8 TTYs at a total cost of \$2,400. 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, email, smartphones, and tablets; all of which have expanded the communication options available for persons who are deaf or speech disabled.
- 175 captioned telephones at a total cost of \$14,875. There are currently two different models for distribution. The estimated budgeted amount is based on a cost of \$85.00 per unit.
- 350 specialized *corded* telephones with built-in amplifiers and amplified ringers, at a total cost of \$22,750. This estimate is based on two amplified telephone units commonly distributed, averaging \$65.00 per unit.
- 325 *cordless* amplified telephones at a cost of \$27,000. This estimate is based on two commonly distributed cordless phones, which average \$83.00 per unit.
- 75 auxiliary devices such as amplified and visual ringers and amplified answering machines at a total cost of \$3,750. Three auxiliary ringer units are commonly distributed, meeting varying needs of clients, at an average price of \$50.
- 35 hands-free speakerphones at a total cost of \$14,455. 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.
- 20 iPhones at a total cost of \$38,000. 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 \$1,900.
- 20 tablets (Apple or Android) at a total cost of \$25,600. Each device will include asset management services, a three-year warranty through Apple/Teltex Care, 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 \$1,280.

- 20 multifunctional safety devices at a total of \$4,000. This will include an alerting system that notifies a consumer that the telephone is ringing. It will also include notification for doorbells, smoke alarms, carbon detectors, and/or baby criers. The estimate is based on an average cost of \$200.
- 20 interconnectivity products at a total of \$10,000. This includes Bluetooth neckloops, steamers or cell phone amplifiers, or other Bluetooth wireless accessories that connect with a consumer's current wireless device. The estimate is based on an average cost of \$500.
- Telephone accessories including y-jacks, phone line cords, power strips, DSL filters, and adapters at a total cost of \$500.
- 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 \$5,000.

### ***Computer Related Parts and Supplies***

The TED Program will be leasing laptops so that program specialists will be able to access the Agile Apps database while on the road. This new line item includes staff computer accessories, such as a wireless mouse, keyboard, and/or computer case. The FY 2020 proposed budgeted amount is \$1,000.

### ***Equipment Rental***

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

The FY 2019 budgeted amount was \$4,600. The FY 2020 proposed budgeted amount is \$4,825.

### ***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 2019 budgeted amount was \$8,500. The FY19 projected budgeted amount is \$6,500.

The FY 2020 proposed budgeted amount is \$7,200.

## ***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 2020. However, the statewide indirect cost cap has not been determined yet.

The FY 2019 budgeted amount was \$138,000. The FY 2020 proposed budgeted amount of \$140,515 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 FY 2019 budgeted amount for this line item was \$5,650. In FY 2020, The TED Program will begin development of phase two of Agile Apps (database). It is anticipated that interpreters will be needed for the meetings. The FY 2020 proposed budgeted amount is \$8,500.

## ***Computer Peripheral***

In FY 2020, the TED Program will replace desktop computers with laptops for four program specialist. The TED Program developed a new database in FY 2019, and staff will be accessing it from their laptop while on the road. MN.IT services has changed their policy and is requiring divisions to lease desktops and laptops for employees. This new line item includes an upcharge from MN.IT services for replacing the desktop computers with laptops before the scheduled computer replacement date. The FY 2020 proposed budgeted amount is \$1,500.

## Department of Human Services — Rural Real-Time Captioning

	FY 2018 Actual	FY 2019 Budgeted	FY 2019 Projected	FY 2020 Budgeted	2020 Budgeted vs. 2019 Budgeted	% Change
<b>COMPENSATION &amp; STATE OPERATIONS</b>						
Contract Management (.20 FTE)	\$ 30,478.04	\$ 28,000	\$ 28,000	\$ 28,000	\$ -	0.0%
Statewide & Agency Indirect Costs	\$ 3,696.00	\$ 3,153	\$ 3,153	\$ 3,153	\$ -	0.0%
<b>Total State Operations</b>	<b>\$ 34,174.04</b>	<b>\$ 31,153</b>	<b>\$ 31,153</b>	<b>\$ 31,153</b>	<b>\$ -</b>	<b>0%</b>
<b>GRANT CONTRACTS</b>						
Commercial Stations	\$ 218,572.00	\$ 218,572	\$ 218,572	\$ 218,572	\$ -	0.0%
Non-Commercial Stations	\$ 44,892.08	\$ 47,307	\$ 47,307	\$ 45,326	\$ (1,981)	-4.19%
<b>Total Grant Contracts</b>	<b>\$ 263,464.08</b>	<b>\$ 265,879</b>	<b>\$ 265,879</b>	<b>\$ 263,898</b>	<b>\$ (1,981)</b>	<b>-0.75%</b>
<b>TOTAL PROGRAM EXPENSES</b>	<b>\$ 297,638.12</b>	<b>\$ 297,032</b>	<b>\$ 297,032</b>	<b>\$ 295,051</b>	<b>\$ (1,981)</b>	<b>-0.67%</b>

# Department of Human Services

## Rural Real-Time Captioning

### FY 2020 Budget Line Item Justifications

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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 2019 budget for the Rural Real-Time Captioning program was \$297,032. The Fiscal Year 2019 proposed budgeted amount is \$295,051.

## **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 2019 budgeted amount was \$28,000. The FY 2020 proposed budget amount remains at \$28,000.

## ***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 2019 budgeted amount was \$3,153. The FY 2020 proposed budgeted amount remains at \$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 2019 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 2019 grant amount for this contract is \$79,000.

The FY 2019 budgeted amount was \$218,572. The FY 2020 proposed budgeted amount remains at \$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 2019 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 2019 grant amount for this contract is \$28,149.

The FY 2019 budgeted amount was \$47,307. The FY 2020 proposed budgeted amount is \$45,326.

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

	FY 2018 Actual	FY 2019 Budgeted	FY 2019 Projected	FY 2020 Budgeted	2020 Budgeted vs. 2019 Budgeted	% Change
<b>NATIONAL FEDERATION OF THE BLIND (NFB) NEWSLINE SERVICE</b>						
Contract	\$ 50,000.00	\$ 48,500	\$ 48,500	\$ 65,000	\$ 16,500	34%
Usage Fee	\$ 5,082.50	\$ 6,600	\$ 6,600	\$ -	\$ (6,600)	-100%
<b>Total NFB Newsline Service</b>	<b>\$ 55,082.50</b>	<b>\$ 55,100</b>	<b>\$ 55,100</b>	<b>\$ 65,000</b>	<b>\$ 9,900</b>	<b>18.0%</b>
<b>DIAL-IN NEWS SERVICE</b>						
Contract	\$ 32,640.00	\$ 32,000	\$ 32,000	\$ -	\$ (32,000)	-100%
Phone Lines	\$ 3,850.00	\$ 3,500	\$ 3,500	\$ -	\$ (3,500)	-100%
<b>Total Dial-In News Service</b>	<b>\$ 36,490.00</b>	<b>\$ 35,500</b>	<b>\$ 35,500</b>	<b>\$ -</b>	<b>\$ (35,500)</b>	<b>-100.0%</b>
<b>RADIO TALKING BOOK SATELLITE</b>						
Contract	\$ 5,500.00	\$ 9,400	\$ 9,400	\$ 35,000	\$ 25,600	100%
<b>Total Radio Talking Book Satellite</b>	<b>\$ 5,500.00</b>	<b>\$ 9,400</b>	<b>\$ 9,400</b>	<b>\$ 35,000</b>	<b>\$ 25,600</b>	<b>100.0%</b>
<b>TOTAL PROGRAM EXPENSES</b>	<b>\$ 97,072.50</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>0.0%</b>



# Department of Employment and Economic Development

## Accessible News for the Blind

### FY 2020 Budget Line Item Justifications

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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 2019 total budgeted amount for the Accessible News for the Blind program was \$100,000. The FY 2020 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 2019 budgeted amount was \$48,500. After an analysis of the NFB-Newsline service and the Minnesota Dial-In News service, a decision was made to only provide the NFB-Newsline service, and add the publications unique to Dial-In-News to the NFB Newsline.

The FY 2020 proposed budgeted amount is \$65,000, which includes usage fees that had previously been a separate line item, and adds additional publications.

## ***NFB – Newsline® Usage Fee***

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

The FY 2019 budgeted amount was \$6,600. The FY 2020 proposed budgeted amount is \$0.00. The usage fees are not separated on the NFB invoice, so the usage fee cost has been combined with the Contract line item.

## **Minnesota Dial-In News**

This service has been discontinued.

### ***Dial-In News Contract***

The FY 2019 budget amount was \$32,000. The FY 2020 proposed budgeted amount is \$0.00.

### ***Dial-In News Phone Lines***

The FY 2019 budgeted amount was \$3,500. The FY 2020 proposed budgeted amount is \$0.00.

## **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 over 2,000 users 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.

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 NFB Newsline uses. DEED contracts with National Public Radio for subcarrier fees.

The FY 2019 budget amount was \$9,400. The FY 2020 proposed budgeted amount is \$35,000. The \$25,600 increase in funding would come from the discontinued Dial-In-News service.

## **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 FY 2020 Budget and Surcharge Recommendations**

**Docket No. P999/M-19-151**

Dated this **15<sup>th</sup>** day of **April 2019**

**/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_19-151_M-19-151
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_19-151_M-19-151
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_19-151_M-19-151
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_19-151_M-19-151
Greg	Doyle	greg.doyle@state.mn.us	Department of Commerce	Suite 50085 Seventh Place East  St. Paul, MN 551012198	Electronic Service	No	OFF_SL_19-151_M-19-151
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_19-151_M-19-151
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_19-151_M-19-151
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_19-151_M-19-151
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_19-151_M-19-151
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_19-151_M-19-151

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Daniel	Millikin	daniel.millikin@state.mn.us	Department of Human Services	540 Cedar Street St. Paul, MN 55155	Electronic Service	No	OFF_SL_19-151_M-19-151
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_19-151_M-19-151
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_19-151_M-19-151
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_19-151_M-19-151