



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to the availability of residential telecommunication services for low-income customers; declaring an emergency.

Government Unit(s) Affected: Public Utility Commission

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 1,977,012	\$ -	\$ 1,977,012	1	0.92
Total Fiscal Impact	\$ -	\$ -	\$ 1,977,012	\$ -	\$ 1,977,012	1	0.92

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 1,327,711	\$ -	\$ 1,327,711	1	1.00
Total Fiscal Impact	\$ -	\$ -	\$ 1,327,711	\$ -	\$ 1,327,711	1	1.00

Measure Description

The measure renames the Public Utility Commission's (PUC) low-income telecommunications plan of assistance the "Oregon Lifeline plan." The measure expands the Oregon Lifeline plan to include a one-time personal computing device benefit of \$100 for eligible low-income customers to purchase a new or used Internet-enabled computing device (i.e., desktop, laptop, or tablet). PUC may contract with third parties to assist in providing computing device benefits, including bulk purchasing of personal computing or ancillary devices. In addition, the measure removes the January 1, 2030, sunset date for the Oregon Lifeline plan; repeals the Oregon Telephone Assistance Program (OTAP) Advisory Committee and its oversight responsibilities; and repeals the requirement that PUC spend funds in the Residential Service Protection Fund (RSPF) on marketing and outreach for the Oregon Lifeline plan. The measure increases PUC's expenditure limitation for RSPF by \$1,977,012 Other Funds in the 2025-27 biennium for the Oregon Lifeline plan.

Fiscal Analysis

The fiscal impact of the measure is \$1,977,012 Other Funds and one position (0.92 FTE) in the 2025-27 biennium, and \$1,327,711 Other Funds and one position (1.00 FTE) in the 2027-29 biennium.

To implement the measure, PUC will need additional Other Funds expenditure limitation to cover four cost drivers: The OTAP reimbursement increase to providers; the device allowance for discount OTAP customers; biennial auditing of program costs; and the addition of a Program Analyst 3 position (0.92 FTE).

To support the planned \$5 increase to the current \$10 OTAP reimbursement rate, effective September 2025, and to accommodate anticipated program growth, the PUC will require an additional \$490,660 in Other Funds expenditure limitation in the 2025-27 biennium. Discount OTAP enrollment is projected to grow by 0.5% per

month. For 2027-29, the PUC will require an additional \$895,103 in Other Funds to continue funding the increased reimbursement rate.

To support the device allowance for discount OTAP customers, the PUC will require an additional \$1,213,158 in Other Funds expenditure limitation in the 2025-27 biennium. This estimate assumes monthly customer growth of 0.5%, increasing from 10,817 at the start of the biennium to 12,132 by its end. A portion of this cost will be ongoing and tied to the number of new customers entering the program. For the 2027-29 biennium, the PUC will require an additional \$141,200 in Other Funds, based on a projected increase to 12,426 customers by the end of the biennium.

With the influx of funding and activity, RSPF will benefit from regular biennial audits of the Oregon Lifeline plan. To conduct these audits, PUC will need an additional \$43,216 Other Funds expenditure limitation for professional services, which will be an ongoing expense every biennium, beginning in the 2025-27 biennium.

The remaining cost is for a permanent, full-time Program Analyst 3 position (0.92 FTE) to administer and recommend priorities and strategies for the Oregon Lifeline plan to achieve state goals. The estimated cost of this position, including position-related services and supplies, is \$229,978 Other Funds in the 2025-27 biennium and \$248,192 Other Funds in the 2027-29 biennium.

Funding for the Oregon Lifeline plan comes from surcharge-subject lines and instruments, which are estimated to remain at five million lines and instruments per month over the 2025-27 and 2027-29 biennia. Each month, a RSPF monthly surcharge is applied to each paying retail subscriber who has telephone, cellular, or interconnected voice over internet protocol service with access to the Oregon Telecommunication Relay Service. In statute, PUC can assess an amount not to exceed \$0.35 per month. Currently, the RSPF monthly surcharge is \$0.27 per month. This fiscal impact statement assumes the RSPF monthly surcharge rate will be \$0.10-\$0.15 in the 2025-27 biennium to ensure RSPF has adequate resources to sustain projected operating costs, while maintaining a sufficient ending balance.

Relevant Dates

The measure declares an emergency and takes effect on passage.