

HB 3148 B BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Marsh

Joint Committee On Ways and Means

Action Date: 06/18/25

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

House Vote

Yeas: 7 - Bowman, Evans, Gomberg, Levy E, Ruiz, Sanchez, Valderrama

Nays: 3 - Breese-Iverson, Cate, Drazan

Exc: 2 - Owens, Smith G

Senate Vote

Yeas: 9 - Anderson, Broadman, Campos, Frederick, Girod, Lieber, Manning Jr, McLane, Sollman

Nays: 1 - Bonham

Exc: 1 - Smith DB

Prepared By: Kendra Beck, Department of Administrative Services

Reviewed By: Michael Graham and Ben Ruef, Legislative Fiscal Office

Public Utility Commission

2025-27

Budget Summary*

| | 2023-25 Legislatively Approved Budget ⁽¹⁾ | 2025-27 Current Service Level | 2025-27 Committee Recommendation | Committee Change from 2023-25 Leg. Approved | |
|---------------------|---|----------------------------------|-------------------------------------|--|----------|
| | | | | \$ Change | % Change |
| Other Funds Limited | \$ - | \$ - | \$ 1,977,012 | \$ 1,977,012 | 100.0% |
| Total | \$ - | \$ - | \$ 1,977,012 | \$ 1,977,012 | 100.0% |

Position Summary

Public Utility Commission

| | | | | |
|--------------------------------------|------|------|------|------|
| Authorized Positions | 0 | 0 | 1 | 1 |
| Full-time Equivalent (FTE) positions | 0.00 | 0.00 | 0.92 | 0.92 |

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

House Bill 3148 increases Other Funds expenditure limitation for the Public Utility Commission (PUC) by \$2 million for adjustments to the Oregon Telephone Assistance Program, which the measure renames the Oregon Lifeline Plan. Funding will come from surcharge-subject lines and instruments in the Residential Service Protection Fund (RSPF), which are projected to remain at five million lines and instruments per month over the next two biennia.

Summary of Capital Construction Subcommittee Action

House Bill 3148 makes adjustments to PUC's low-income telecommunications assistance plan, renamed in the measure as the Oregon Lifeline Plan. Originally called the Oregon Telephone Assistance Program, the program is the state counterpart to a federal lifeline program and provides telecommunication services for low-income and physically challenged citizens in conjunction with other RSPF programs. In early 2024, the Federal Communications Commission ended the Affordable Connectivity Program (ACP) due to a lack of funding. ACP offered eligible households with low incomes a one-time device discount of \$100 toward the purchase of a laptop, tablet, or desktop computer. The measure proposes to fill the gap left at the federal level by creating a one-time computing device benefit of up to \$100 for eligible low-income customers to purchase a new or used internet-enabled computing device. Customers who are eligible for the Oregon Lifeline benefit in the form of a discount, will also be eligible for the one-time personal computing device of up to \$100.

This measure increases RSPF Other Funds expenditure limitation by \$2 million total, in detail below:

- \$1.2 million to implement the device allowance for a projected 12,132 customers by the end of the 2025-27 biennium. Approximately \$0.1 million of this funding is anticipated to be ongoing for new customers in the 2027-29 biennium.
- \$0.5 million to cover the \$5 Oregon Lifeline Program reimbursement increase to the current \$10 rate, likely effective September 2025, as well as the estimated monthly growth resulting from program expansion.
- \$43,216 for regular audits to provide accountability for the increase in funding and activity.
- \$0.2 million for a permanent, full-time Program Analyst 3 position to administer and recommend priorities and strategies for the Oregon Lifeline Plan.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Public Utility Commission
Kendra Beck – 503-400-4747

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE | |
|---|--------------|---------------|--------------|------------|---------------|------------|-----------------|-----|------|--|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | | |
| Public Utility Commission | | | | | | | | | | |
| <u>SUBCOMMITTEE ADJUSTMENTS</u> | | | | | | | | | | |
| SCR 003 - Residential Service Protection | | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 222,695 | \$ - | \$ - | \$ - | \$ 222,695 | 1 | 0.92 | |
| Services and Supplies | \$ - | \$ - | \$ 1,754,317 | \$ - | \$ - | \$ - | \$ 1,754,317 | | | |
| TOTAL ADJUSTMENTS | \$ - | \$ - | \$ 1,977,012 | \$ - | \$ - | \$ - | \$ 1,977,012 | 1 | 0.92 | |
| SUBCOMMITTEE RECOMMENDATION * | \$ - | \$ - | \$ 1,977,012 | \$ - | \$ - | \$ - | \$ 1,977,012 | 1 | 0.92 | |

*Excludes Capital Construction Expenditures