

PUBLIC SERVICE COMMISSION

| Budget Summary | | | | | | | |
|-----------------------|------------------------------|----------------------|------------------------|--------------------------|----------------|--------------------|-------------|
| Fund | 2022-23 Base Year Doubled | 2023-25 Governor | 2023-25 Jt. Finance | Joint Finance Change to: | | | |
| | | | | Governor | | Base | |
| | | | | Amount | Percent | Amount | Percent |
| GPR | \$0 | \$755,250,000 | \$0 | -\$755,250,000 | - 100.0% | \$0 | N.A. |
| FED | 6,043,600 | 7,074,600 | 7,074,600 | 0 | 0.0 | 1,031,000 | 17.1 |
| PR | 43,150,800 | 45,992,300 | 43,401,400 | - 2,590,900 | - 5.6 | 250,600 | 0.6 |
| SEG | <u>17,067,200</u> | <u>17,164,400</u> | <u>17,160,600</u> | <u>- 3,800</u> | 0.0 | <u>93,400</u> | 0.5 |
| TOTAL | \$66,261,600 | \$825,481,300 | \$67,636,600 | -\$757,844,700 | - 91.8% | \$1,375,000 | 2.1% |

| FTE Position Summary | | | | | |
|-----------------------------|---------------|---------------------|------------------------|--------------------------|--------------|
| Fund | 2022-23 Base | 2024-25 Governor | 2024-25 Jt. Finance | Joint Finance Change to: | |
| | | | | Governor | 2022-23 Base |
| GPR | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FED | 18.75 | 18.75 | 18.75 | 0.00 | 0.00 |
| PR | 139.00 | 146.50 | 140.00 | - 6.50 | 1.00 |
| SEG | <u>4.00</u> | <u>4.00</u> | <u>4.00</u> | <u>0.00</u> | <u>0.00</u> |
| TOTAL | 161.75 | 169.25 | 162.75 | - 6.50 | 1.00 |

Budget Change Items

Broadband Provisions

1. BROADBAND EXPANSION GRANT PROGRAM [LFB Paper 660]

| | Governor <u>(Chg. to Base)</u> | | Jt. Finance <u>(Chg. to Gov)</u> | | <u>Net Change</u> | |
|--------------|-----------------------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------|
| | Funding Positions | Funding Positions | Funding Positions | Funding Positions | Funding Positions | Funding Positions |
| GPR | \$750,000,000 | 0.00 | -\$750,000,000 | 0.00 | \$0 | 0.00 |
| PR | <u>183,200</u> | <u>1.00</u> | <u>- 183,200</u> | <u>- 1.00</u> | <u>0</u> | <u>0.00</u> |
| Total | \$750,183,200 | 1.00 | -\$750,183,200 | - 1.00 | \$0 | 0.00 |

Governor: Provide one-time funding of \$750,000,000 GPR in 2023-24 for the broadband expansion grant program in a new, continuing appropriation. The program has base funding through the state segregated universal service fund (USF) budgeted at \$2,000,000 each year. Combined, the total amount budgeted for broadband expansion grants would be \$754,000,000 during the 2023-25 biennium. In addition, provide \$80,300 PR in 2023-24 and \$102,900 PR in 2024-25 with 1.0 position to support administration of the program.

The broadband expansion grant program supports projects that increase broadband access and capacity in unserved and underserved areas of the state. Since its inception in 2013, through February of 2023, approximately \$300 million in grants has been awarded, supporting 434 projects statewide. In the 2021-23 biennium, \$125 million in general fund-supported bonding, \$140 million in one-time federal coronavirus relief funding, and \$14 million in USF SEG funding was provided for state broadband expansion grants.

In addition, the federal Infrastructure Investment and Jobs Act (IIJA) created the Broadband, Equity, Access and Deployment (BEAD) Program. \$42.45 billion is provided for broadband deployment under BEAD, consisting of a minimum of \$100 million for each state, with the remainder allocated based on the state's proportion of unserved locations, determined by maps created by the Federal Communications Commission (FCC), and 10% set aside for certain high-cost unserved locations. The National Telecommunications (NTIA), the administrator for BEAD, has indicated BEAD's first allocations to states will be made by June 30, 2023. Wisconsin is anticipating a total allocation of approximately \$700 million to \$1.1 billion.

The bill would require PSC to award no less than 10% of the 2023-24 appropriation amount (\$75 million) in each fiscal year beginning in 2023-24. The bill specifies that if PSC does not receive sufficient applications to meet the minimum required allocation, the Commission must award the maximum amount possible in that fiscal year based upon grant applications received. If the appropriation balance is less than 10% of the total amount, PSC must award the entire remaining balance in that fiscal year.

Joint Finance: Provision not included.

2. CHANGES TO THE BROADBAND EXPANSION GRANT PROGRAM *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

| | Governor | | Jt. Finance | | Net Change | |
|----|-----------------------|------------------|----------------------|------------------|--------------------------|------------------|
| | (Chg. to Base) | | (Chg. to Gov) | | Funding Positions | |
| | Funding | Positions | Funding | Positions | Funding | Positions |
| PR | \$197,900 | 1.00 | -\$197,900 | - 1.00 | \$0 | 0.00 |

3. **BROADBAND LINE EXTENSION GRANTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

| | Governor (Chg. to Base) | Jt. Finance (Chg. to Gov) | Net Change |
|-----|------------------------------------|--------------------------------------|-------------------|
| GPR | \$5,250,000 | -\$5,250,000 | \$0 |

4. **DIGITAL EQUITY PROGRAM** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

5. **MUNICIPAL BROADBAND FACILITIES IN UNSERVED AREAS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. **BROADBAND CONSUMER PROTECTIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

Departmentwide and Utility Regulation

1. **STANDARD BUDGET ADJUSTMENTS** [LFB Paper 105]

| | Governor (Chg. to Base) | Jt. Finance (Chg. to Gov) | Net Change |
|-------|------------------------------------|--------------------------------------|-------------------|
| FED | \$1,031,000 | \$0 | \$1,031,000 |
| PR | 114,800 | - 402,200 | - 287,400 |
| SEG | <u>93,400</u> | <u>0</u> | <u>93,400</u> |
| Total | \$1,239,200 | - \$402,200 | \$837,000 |

Governor: Provide adjustments to the agency base budget for the following: (a) reductions for staff turnover (-\$301,600 PR annually); (b) full funding of continuing position salaries and fringe benefits (\$369,900 PR, \$519,000 FED, and \$48,300 SEG annually); (c) reclassifications and semi-automatic pay progression (\$26,800 PR annually); and (d) full funding of lease and directed moves costs (-\$37,700 PR, -\$3,500 FED, and -\$1,600 SEG annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$201,100 PR annually.

2. **WATER UTILITY TRAINING AND DATA REPORTING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

| | <u>Governor</u> <u>(Chg. to Base)</u> | | <u>Jt. Finance</u> <u>(Chg. to Gov)</u> | | <u>Net Change</u> | |
|----|--|-----------|--|-----------|-------------------|-----------|
| | Funding | Positions | Funding | Positions | Funding | Positions |
| PR | \$1,385,900 | 2.00 | -\$1,385,900 | - 2.00 | \$0 | 0.00 |

3. **CYBERSECURITY POSITIONS** [LFB Paper 665]

| | <u>Governor</u> <u>(Chg. to Base)</u> | | <u>Jt. Finance</u> <u>(Chg. to Gov)</u> | | <u>Net Change</u> | |
|-----|--|-----------|--|-----------|-------------------|-----------|
| | Funding | Positions | Funding | Positions | Funding | Positions |
| GPR | \$395,900 | 2.00 | -\$197,900 | - 1.00 | \$198,000 | 1.00 |

Governor: Provide \$173,400 in 2023-24 and \$222,500 in 2024-25 with 2.0 positions in the Division of Business Operations and Office Management for supporting cybersecurity activities at PSC. The positions would document and implement processes and procedures for securing PSC's users, applications, computers and servers in compliance with state and national standards. In addition, the positions would focus on data governance to protect agency and utility data.

Joint Finance: Modify provision to provide \$86,700 in 2023-24 and \$111,300 in 2024-25 with 1.0 position in PSC's Office of Business and Information Technology Services to support cybersecurity activities.

4. **ENGINEERING MODELING SOFTWARE** [LFB Paper 666]

| | |
|----|-----------|
| PR | \$340,000 |
|----|-----------|

Governor/Joint Finance: Provide \$170,000 each year in ongoing budget authority for licensing and associated costs of advanced engineering modeling software. PSC intends to use the software to improve review of application materials from utilities applying for various construction projects or rate changes. The software would also be used to review long-term transmission planning projects and resource shifts to renewable energy or battery systems, and to perform independent studies.

5. **FOCUS ON ENERGY CONTRIBUTION RATE AND ENERGY EFFICIENCY PROGRAMS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

6. **LEAD SERVICE LINE GRANT ASSISTANCE** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

7. **LOW-INCOME ADVOCATE INTERVENOR COMPENSATION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

8. **EQUITY OFFICER POSITION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

| | Governor (Chg. to Base) | | Jt. Finance (Chg. to Gov) | | Net Change | |
|----|------------------------------------|------|--------------------------------------|-------|--------------------------|------|
| | Funding Positions | | Funding Positions | | Funding Positions | |
| PR | \$81,900 | 0.50 | -\$81,900 | -0.50 | \$0 | 0.00 |

9. **TRIBAL LIAISON POSITION** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

| | Governor (Chg. to Base) | | Jt. Finance (Chg. to Gov) | | Net Change | |
|----|------------------------------------|------|--------------------------------------|-------|--------------------------|------|
| | Funding Positions | | Funding Positions | | Funding Positions | |
| PR | \$141,900 | 1.00 | -\$141,900 | -1.00 | \$0 | 0.00 |

10. **STATE OPERATIONS ADJUSTMENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

| | Governor (Chg. to Base) | Jt. Finance (Chg. to Gov) | Net Change |
|-----|------------------------------------|--------------------------------------|-------------------|
| SEG | \$3,800 | -\$3,800 | \$0 |

11. **TRANSFER ADMINISTRATION OF HIGH-VOLTAGE IMPACT FEES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

12. **INCREASE PIPELINE SAFETY PENALTY** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

13. **SOCIAL COST OF CARBON** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

14. **FINANCING FOR RETIREMENT OF NONRENEWABLE GENERATING FACILITIES** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

15. **UTILITY RATE SETTING** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

16. **NONUTILITY ELECTRIC VEHICLE CHARGING STATIONS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

17. **UTILITY FINANCING OF ENERGY IMPROVEMENTS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*

18. **ELECTRIC UTILITY INTEGRATED RESOURCE PLANS** *(Removed from budget consideration pursuant to Joint Finance Motion #10)*