

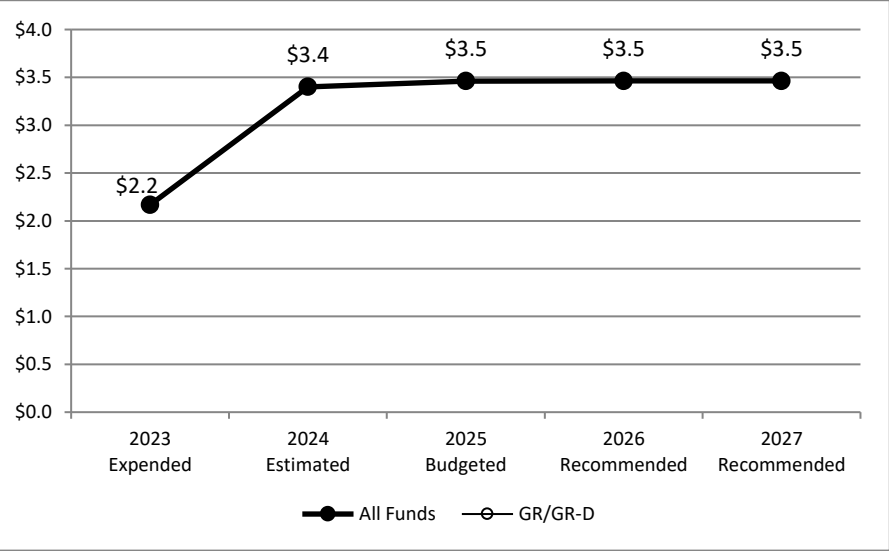
**Office of Public Utility Counsel
Summary of Budget Recommendations - House**

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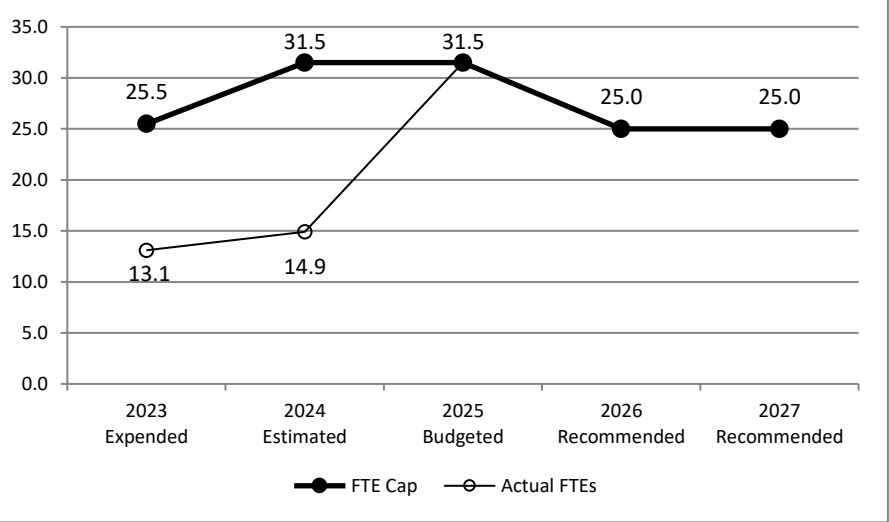
Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$5,252,871	\$5,288,140	\$35,269	0.7%
GR Dedicated Funds	\$1,609,730	\$1,638,388	\$28,658	1.8%
<i>Total GR-Related Funds</i>	<i>\$6,862,601</i>	<i>\$6,926,528</i>	<i>\$63,927</i>	<i>0.9%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$6,862,601	\$6,926,528	\$63,927	0.9%

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	31.5	25.0	(6.5)	(20.6%)

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

**Office of Public Utility Counsel
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Increase in funding to biennialize the statewide salary adjustments included in the 2024-25 appropriations.	\$35,269	\$28,658	\$0.0	\$0.0	\$63,927	A.1.1, B.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations		\$35,269	\$28,658	\$0.0	\$0.0	\$63,927	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$35,269	\$28,658	\$0.0	\$0.0	\$63,927	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed

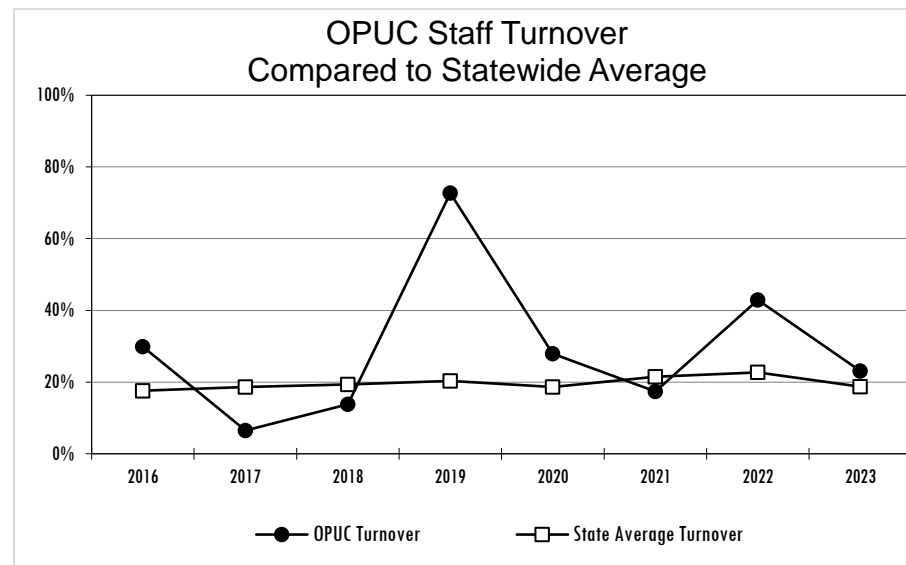
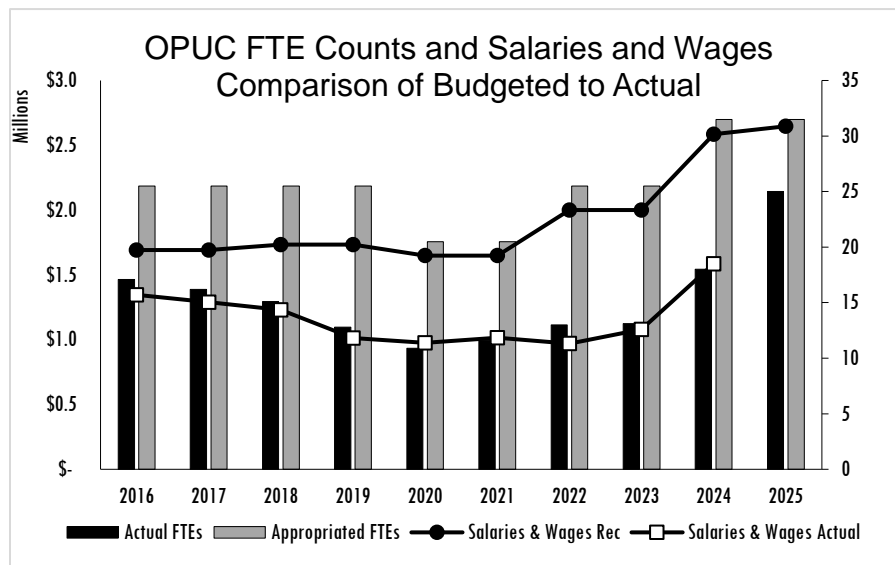
NOTE: Totals may not sum due to rounding.

**Office of Public Utility Counsel
Selected Fiscal and Policy Issues – House**

- Staff Turnover.** The agency has historically been unable to retain a full staff to conduct its work and overall agency operations. Over the past four biennia the agency has employed fewer FTEs than what they were appropriated with lapsed FTE amounts varying from a low of 8.4 FTEs in fiscal year 2016 to a high of 13.5 for fiscal year 2024. Amounts budgeted for salaries and wages follow the same pattern as the agency has traditionally spent less than what was budgeted each year. For fiscal year 2024 the agency reported lapsing 13.5 FTEs and expending \$999,809 less in salaries and wages than the originally anticipated \$2,585,387 in the 2024–25 General Appropriations Act (see left table below).

Agency turnover peaked at its highest in fiscal year 2019 at 73 percent while the average among state agencies for that same fiscal year was 20 percent (see right table below). By fiscal year 2021 the agency’s turnover rate of 17 percent was lower than the state agency average of 22 percent. The agency reported using several strategies to reduce its turnover, such as, paying employees merit increases, flexible work schedules and trainings, and implementing recruiting strategies to improve retention. However, in the following fiscal year, the turnover rate spiked again at 43 percent while the average for the state was 23 percent. The appointment of a new Public Counsel saw the staff receiving salaries increases in January 2023 ahead of the statewide salary increase. The agency has requested \$508,000 in General Revenue and General Revenue – Dedicated appropriations to help retain and recruit new staff for the 2026-2027 biennium.

Due to this continuing trend, recommendations include reducing the agency’s appropriated FTEs by 6.5 FTEs to 25.0 each year to better align the cap with operations. Recommended funding for fiscal years 2026-27 remains level with 2024-2025 biennial expenditure levels.



Not included in recommendations is an exceptional item the agency requested to address the staff turnover issue:

- A request of \$508,000 in General Revenue and General Revenue – Dedicated Water Resource Management Fund No.153 to fund an additional 10 percent salary increase to improve recruitment and retention. See also, Items Not Included in Recommendations #2.

Office of Public Utility Counsel
Rider Highlights - House

Deleted Riders

4. **Sunset Contingency.** Recommendations delete the rider as House Bill 1500, Eighty-eighth Legislature, 2023 was enacted, continuing the agency until September 1, 2029.

**Office of Public Utility Counsel
Items Not Included in Recommendations - House**

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items Not Included (in agency priority order)							
1)	General Revenue funding to increase the Public Counsel exempt position's salary from \$165,000 to \$185,000 in fiscal years 2026 and 2027 and increase the position's salary group from Group 4 to Group 5.	\$40,000	\$40,000	0.0	No	No	\$40,000
2)	General Revenue and GR-Dedicated funding for a 10 percent salary increase for all agency positions.	\$508,000	\$508,000	0.0	No	No	\$508,000
3)	General Revenue and GR-Dedicated funding for contracting expenses for legal expert witnesses fees.	\$1,200,000	\$1,200,000	0.0	No	No	\$1,200,000
TOTAL Items Not Included in Recommendations		\$1,748,000	\$1,748,000	0.0			\$1,748,000

**Office of Public Utility Counsel
Appendices - House**

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* Appendix is not included - no significant information to report

**Office of Public Utility Counsel
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
PARTICIPATION IN CASES A.1.1	\$4,853,338	\$4,898,088	\$44,750	0.9%	Increase in funding to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
Total, Goal A, EQUITABLE UTILITY RATES	\$4,853,338	\$4,898,088	\$44,750	0.9%	
PARTICIPATION IN UTILITY PROJECTS B.1.1	\$2,009,263	\$2,028,440	\$19,177	1.0%	Increase in funding to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
Total, Goal B, CONSUMER PROTECTION	\$2,009,263	\$2,028,440	\$19,177	1.0%	
Grand Total, All Strategies	\$6,862,601	\$6,926,528	\$63,927	0.9%	

**Office of Public Utility Counsel
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2023	Estimated 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	25.5	31.5	31.5	25.0	25.0
Actual/Budgeted	13.1	14.9	31.5	NA	NA

Schedule of Exempt Positions (Cap)					
Public Counsel, Group 4	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000

Notes:

- a) The Public Counsel salary was increased from \$143,630 to \$165,000 in December 2022 as authorized by the Governor.
- b) b) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 25-702, October 2024), indicates an average market salary of \$159,308 for the Public Counsel position at the Office of Public Utility Counsel and Salary Group 5. The agency is requesting that the salary cap for this position be increased to \$185,000 in fiscal years 2026 and 2027 and moved to Group 5.
- c) Recommendations include reducing the appropriated FTE cap to 25.0.