



Agenda Date: 6/18/25
Agenda Item: 7B

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CUSTOMER ASSISTANCE

IN THE MATTER OF THE DEPARTMENT OF)	ORDER APPROVING
COMMUNITY AFFAIRS' STATE FISCAL YEAR 2025)	BUDGET ADJUSTMENT
UNIVERSAL SERVICE FUND ADMINISTRATIVE COST)	
BUDGET)	DOCKET NO. EO24090718

Parties of Record:

Fidel Ekhehar, Universal Service Fund Program Manager, New Jersey Department of Community Affairs

Brian Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities ("Board") considers the New Jersey Department of Community Affairs' ("DCA"), the program administrator for the Board's Universal Service Fund ("USF") program, proposed USF administrative cost budget adjustment for the State's Fiscal Year 2025 ("FY 2025").

BACKGROUND/PROCEDURAL HISTORY

The Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 *et seq.* ("Act"), established the USF. The Act directed the Board to establish a USF program and determine its level of funding, appropriate program administration, and the purposes and programs to be funded. N.J.S.A. 48:3-60(b).

By Order dated April 30, 2003, the Board approved a permanent USF program to ensure that low-income customers have access to more affordable energy.¹ By the April 2003 Order, the Board directed that the USF program be operated on a Statewide basis and funded through uniform charges on customers' electric and natural gas bills through the Societal Benefits Charge collected pursuant to N.J.S.A. 48:3-60(a). The Board also determined that initial administrative expenses would be capped at ten percent (10%) of the program costs, or \$3 million. Further, the Board noted that it must grant prior approval for additional expenses above \$3 million.

¹ In re the Establishment of a Universal Service Fund Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999, BPU Docket No. EX00020091, Order dated April 30, 2003 ("April 2003 Order").

By the April 2003 Order and subsequent action, the Board linked the USF program to the Federal Low Income Home Energy Assistance Program (“LIHEAP”) to take advantage of the existing infrastructure already in place to administer LIHEAP. When the Board established the USF Program, LIHEAP was jointly administered by DHS and the DCA. By employing a shared application and database system, the Board reduced repetition of administrative resources and allowed applicants to apply for both programs simultaneously.

By Order dated July 16, 2003, the Board clarified that the USF Program administrative expense cap would total \$3 million and any administrative costs, excluding one (1)-time start-up costs, exceeding this amount must be approved in advance by the Board.² By the July 2003 Order, the Board further directed that the USF would be an ongoing, evolving program, subject to review and amended as necessary. Also, by the July 2003 Order, the Board designated the Department of Human Services (“DHS”) as the USF program administrator.

On August 31, 2006, Governor Jon Corzine designated the DCA as the State’s LIHEAP administrator. Subsequently, by letter dated September 21, 2006, the DCA Commissioner requested the Board designate the DCA as the USF program administrator. By Order dated November 22, 2006, the Board designated the DCA as the USF program administrator, thereby removing the responsibility from the DHS.³ By Memorandum of Understanding between the Board and the DCA dated December 22, 2006 (“MOU”), the DCA assumed full responsibility as USF program administrator.

By Order dated October 23, 2024, in accordance with the prior approval requirements contained in the April 2003 Order and the July 2003 Order, the Board approved the DCA’s most recent projected USF program administrative cost budget for FY 2025 in the amount of \$11,945,245.⁴

FY 2025 ADJUSTED ADMINISTRATIVE COST BUDGET

On April 22, 2025, the DCA submitted its adjusted USF administrative cost budget for FY 2025 (“Adjusted Budget”) to the Board, in the amount of approximately \$12,433,925, as outlined in the table below. The Adjusted Budget represents a \$488,680, or 4.09 percent (4.09%), increase from the current FY 2025 budget and covers the twelve (12)-month period from July 1, 2024 through June 30, 2025.

² In re the Establishment of a Universal Service Fund Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999, BPU Docket No. EX00020091, Order dated July 16, 2003 (“July 2003 Order”).

³ In re the Establishment of a Universal Service Fund Pursuant to Section 12 of the Electric Discount and Energy Competition Act of 1999, BPU Docket No. EX00020091, Order dated November 22, 2006.

⁴ In re the Department of Community Affairs’ State Fiscal Year 2025 Universal Service Fund Administrative Cost Budget, BPU Docket No. EO24090718, Order dated October 23, 2024.

	FY25 Original Approved Budget	FY25 Proposed Adjusted Budget	Difference
Personnel and Fringe	\$1,326,629	\$1,326,629	\$0.00
Consultants and Professional Fees	\$3,404,591	\$3,720,041	\$315,450
Materials and Supplies	\$0	\$0	\$0.00
Other	\$187,604	\$187,604	\$0.00
Equipment	\$12,000	\$12,000	\$0.00
County Welfare Agencies	\$227,200	\$400,429	\$173,229
Community Based Organizations	\$6,787,221	\$6,787,221	\$0.00
Total Cost	\$11,945,245	\$12,433,925⁵	\$488,680

The DCA identified that it requested the Adjusted Budget due to the following:

1. “Consultants and Professional Fees” had a net increase of \$315,450 due to an increase of \$315,450 in funding for International Business Machines, due to new work required for the USF database system and online application portal, necessary to effectuate changes required by the Board for the next program year, beginning October 1, 2025.⁶
2. “County Welfare Agencies” (“CWA”) had a net increase of \$173,229 due to payment for some 2024 CWA costs being made in FY 2025 caused by contract issues with certain CWAs that were not resolved prior to the end of State Fiscal Year 2024.

The FY 2025 adjusted budget is broken down as follows and further detailed in “Attachment A” hereto:

DCA	\$5,246,275
Subgrantees	
County Welfare Agencies	\$400,429
Community Based Organizations	\$6,787,221
TOTAL	\$12,433,925

DISCUSSION AND FINDINGS

By the April 2003 Order, the Board created the permanent USF program and administrative costs for the USF program have remained low in relation to yearly program costs, despite the fact that the overall cost of the program has increased from \$30 million in 2003 to \$236.5 million for the 2024-2025 program year. The Adjusted Budget presents administrative costs above the \$3

⁵ Numbers may not sum due to rounding.

⁶ In re Addressing New Jersey Energy Affordability for Low- and Moderate- Income Households, BPU Docket No. QO24110853, Order dated June 18, 2025.

million cap instituted in the April 2003 Order, which accordingly requires Board approval prior to such expenditures.

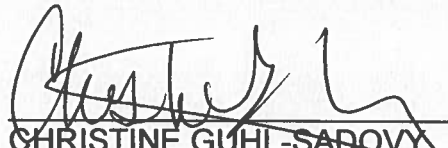
Accordingly, the Board **HEREBY FINDS** that the DCA has adequately justified the Adjusted Budget and **FURTHER FINDS** the Adjusted Budget to be reasonable in light of this justification. As such, the Board **HEREBY APPROVES** the Adjusted Budget in the amount of \$12,433,925.

The Board **HEREBY DIRECTS** the DCA to file with the Board an updated accounting of all FY 2025 USF program expenditures on or before April 30, 2026 for review, in accordance with the 2024 MOU. The Board **FURTHER DIRECTS** Staff to subsequently propose, for Board approval, a final disposition of all DCA USF FY 2025 program expenditures.

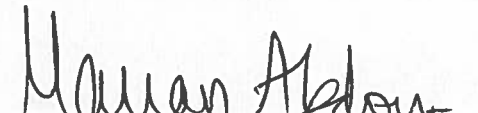
This Order shall be effective on June 25, 2025.

DATED: June 18, 2025

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRI L. LEWIS
BOARD SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE DEPARTMENT OF COMMUNITY AFFAIRS' STATE FISCAL YEAR 2025 UNIVERSAL
SERVICE FUND ADMINISTRATIVE COST BUDGET

DOCKET NO. EO24090718

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ATTACHMENT A

STATE OF NEW JERSEY			
DEPARTMENT OF COMMUNITY AFFAIRS			
DCA FISCAL YEAR 2025 USF BUDGET - EXPENSE SUMMARY*			
Address:		Department of Community Affairs	
		101 S. Broad Street	
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Chief Executive Officer:		Janel Winter	
Prepared By:		Fidel Ekhelar	
BUDGET CATEGORIES COSTS	TOTAL	HEA	USF
A. PERSONNEL AND FRINGE	\$2,759,370	\$1,432,740	\$1,326,629
B. CONSULTANTS AND PROFESSIONAL FEES	\$7,463,715	\$3,743,674	\$3,720,041
C. MATERIALS AND SUPPLIES	\$58,000	\$58,000	\$0.00
D. OTHER	\$390,587	\$202,982	\$187,604
E. EQUIPMENT	\$25,000.00	\$13,000.00	\$12,000.00
DCA SUB TOTAL COST	\$10,696,672	\$5,450,397	\$5,246,275
County Welfare Agencies	\$741,229	\$340,800	\$400,429
Community Based Organizations (CBO's)	\$17,756,910	\$10,969,689	\$6,787,221
Subgrantees SUB TOTAL COST	\$18,498,139	\$11,310,489	\$7,187,650
TOTAL COST (DCA & Subgrantees)	\$29,194,811	\$16,760,886	\$12,433,925
* Numbers may not sum due to rounding			