



Agenda Date: 8/16/23  
Agenda Item: 1B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

AUDITS

|  |   |                       |
|--|---|-----------------------|
| IN THE MATTER OF THE DEPARTMENT OF         | ) | ORDER APPROVING DCA   |
| COMMUNITY AFFAIRS' STATE FISCAL YEAR 2022  | ) | FISCAL YEAR 2022 USF  |
| UNIVERSAL SERVICE FUND ADMINISTRATIVE COST | ) | ADMINISTRATIVE        |
| BUDGET                                     | ) | EXPENSES              |
|  | ) |                       |
|  | ) | DOCKET NO. EO21070993 |

**Parties of Record:**

**Fidel Ekhelar, Director**, New Jersey Department of Community Affairs  
**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

**BACKGROUND/PROCEDURAL HISTORY**

The Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. ("EDECA" or "Act"), established a non-lapsing Universal Service Fund ("USF"). The Act directed the New Jersey Board of Public Utilities ("Board"), inter alia, to determine the level of funding for the USF, the appropriate administration, and the purposes and programs to be funded. N.J.S.A. 48:3-60(b).

By Order dated April 30, 2003, in Docket No. EX00020091, the Board approved a permanent USF program to ensure that low-income customers have access to affordable energy.<sup>3</sup> In the April 2003 Order, the Board directed that the program be operated on a State-wide basis and funded through uniform charges on customers' electric and natural gas bills and determined that initial administrative expenses would be capped at 10% of the program costs. Such charges are collected through the Societal Benefits Charge pursuant to the directives set forth in N.J.S.A. 48:3-60(a). The Board also stated that the USF would be an ongoing, evolving program that would be subject to review and amended as necessary.

By Order dated July 16, 2003, in Docket No. EX00020091, the Board clarified that the cap would total \$3 million, and any administrative costs (excluding one-time start-up costs) exceeding this

---

<sup>3</sup> 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").

amount must be approved in advance by the Board.<sup>4</sup> In the July 2003 Order, the Board designated the Department of Human Services (“DHS”) as the USF program administrator. The Board further stated that all expenses incurred by DHS would be subject to review by the Board.

The USF program was intentionally linked to the federal Low Income Home Energy Assistance Program (“LIHEAP”) in order to take advantage of the existing infrastructure already in place to administer LIHEAP. Through a shared application, and eventually a shared database system that was funded via USF, repetition of administrative resources was reduced, and applicants were able to conveniently apply for both programs simultaneously. LIHEAP was jointly administered by DHS and the New Jersey Department of Community Affairs (“DCA”) when the permanent USF program was authorized by the Board.

On August 31, 2006, DCA was designated as the State’s administrator of LIHEAP. Subsequently, the DCA Commissioner sent a letter dated September 21, 2006, requesting that the Board designate DCA as the USF program administrator. By Order dated November 22, 2006, the Board changed the USF program administrator from DHS to DCA.<sup>5</sup> By December 2006, DCA assumed full responsibility as the USF program administrator.

By Order dated August 18, 2021, the Board approved the State Fiscal Year 2022 (“FY22”) DCA USF administrative cost budget in the amount of \$8,005,013.<sup>6</sup>

On June 23, 2023, DCA submitted a detailed USF administrative report for FY22, which listed expenditures of \$6,957,039.

As provided by DCA, the FY22 actual administrative expenses are broken down as follows:

|                               |              |
|-------------------------------|--------------|
| DCA                           | \$ 1,290,858 |
| Subgrantees-                  |              |
| County Welfare Organizations  | 194,919      |
| Community Based Organizations | 5,471,262    |
| Total                         | \$ 6,957,039 |

Board Staff (“Staff”) has reviewed DCA’s FY22 expenses and finds that the costs listed therein appear appropriate and necessary for the administration of the USF program by DCA. Therefore, Staff recommends the Board find that DCA has adequately justified its FY22 USF administrative expenditures.

### **DISCUSSION AND FINDINGS**

The Board **HEREBY FINDS** DCA has adequately justified its FY22 USF administrative cost expenditures in the amount of \$6,957,039. Accordingly, the Board **HEREBY AUTHORIZES**

---

<sup>4</sup> 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”).

<sup>5</sup> 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.

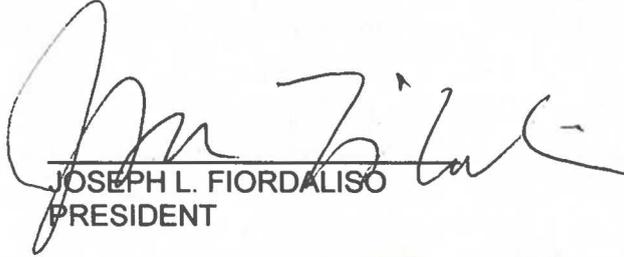
<sup>6</sup> In re the Department of Community Affairs’ State Fiscal Year 2022 Universal Service Fund Administrative Cost Budget, BPU Docket No. EO21070993, Order dated August 18, 2021.

reimbursement of \$6,957,039 to the New Jersey Department of Treasury for the DCA FY22 USF administrative expenses. The amount appears reasonable, subject to audit. The DCA FY22 USF administrative cost budget summary is attached hereto as "Schedule A."

This Order will be effective on August 23, 2023.

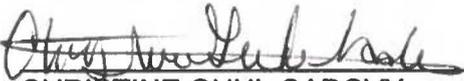
DATED: August 16, 2023

BOARD OF PUBLIC UTILITIES  
BY:

  
JOSEPH L. FIORDALISO  
PRESIDENT

  
MARY ANNA HOLDEN  
COMMISSIONER

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
CHRISTINE GUHL-SADOVY  
COMMISSIONER

  
MARIAN ABDOU  
COMMISSIONER

ATTEST:   
SHERRIL L. GOLDEN  
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  
2022 UNIVERSAL SERVICE FUND ADMINISTRATIVE COST BUDGET  
DOCKET NO. EO21070993

SERVICE LIST

|   |  |
|---|--|
| <p><b><u>DEPARTMENT OF COMMUNITY AFFAIRS</u></b><br/>Office of Low Income Energy Assistance<br/>101 South Broad Street<br/>Post Office Box 811<br/>Trenton, NJ 08624-0811</p> <p>Fidel Ekhelar<br/><a href="mailto:fidel.ekhelar@dca.nj.gov">fidel.ekhelar@dca.nj.gov</a></p> <p>Safiyah Abdus-Salaam<br/><a href="mailto:safiyah.abdus-salaam@dca.nj.gov">safiyah.abdus-salaam@dca.nj.gov</a></p> <p>Janel Winter<br/><a href="mailto:janel.winter@dca.nj.gov">janel.winter@dca.nj.gov</a></p> <p>Sheri Malnak-Renn<br/><a href="mailto:sheri.malnak@dca.nj.gov">sheri.malnak@dca.nj.gov</a></p> <p>Rita Leszcynski<br/><a href="mailto:rita.leszcynski@dca.nj.gov">rita.leszcynski@dca.nj.gov</a></p> <p><b><u>NEW JERSEY DIVISION OF RATE COUNSEL</u></b><br/>140 East Front Street, 4<sup>th</sup> Floor<br/>Trenton, NJ 08625-0003</p> <p>Brian O. Lipman, Esq., Director<br/><a href="mailto:blipman@rpa.nj.gov">blipman@rpa.nj.gov</a></p> <p><b><u>DIVISION OF LAW</u></b><br/>NJ Department of Law and Public Safety<br/>Richard J. Hughes Justice Complex<br/>Public Utilities Section<br/>25 Market Street, P.O. Box 112<br/>Trenton, NJ 08625</p> <p>Paul Youchak, Deputy Attorney General<br/><a href="mailto:paul.youchak@law.njoag.gov">paul.youchak@law.njoag.gov</a></p> | <p><b><u>BOARD OF PUBLIC UTILITIES</u></b><br/>44 South Clinton Avenue, 1<sup>st</sup> Floor<br/>Post Office Box 350<br/>Trenton, NJ 08625-0350</p> <p>Sherri L. Golden, Board Secretary<br/><a href="mailto:board.secretary@bpu.nj.gov">board.secretary@bpu.nj.gov</a></p> <p>Robert Brabston, Executive Director<br/><a href="mailto:robert.brabston@bpu.nj.gov">robert.brabston@bpu.nj.gov</a></p> <p>Stacy Peterson, Deputy Executive Director<br/><a href="mailto:stacy.peterson@bpu.nj.gov">stacy.peterson@bpu.nj.gov</a></p> <p>Ian Oxenham, Legal Specialist<br/><a href="mailto:ian.oxenham@bpu.nj.gov">ian.oxenham@bpu.nj.gov</a></p> <p><u>Division of Audits</u></p> <p>Alice Bator, Director<br/><a href="mailto:alice.bator@bpu.nj.gov">alice.bator@bpu.nj.gov</a></p> <p>Paul Buhagiar, Bureau Chief<br/><a href="mailto:paul.buhagiar@bpu.nj.gov">paul.buhagiar@bpu.nj.gov</a></p> |
|---|--|

**STATE OF NEW JERSEY**  
**DEPARTMENT OF COMMUNITY AFFAIRS**  
**DCA USF BUDGET - EXPENSE SUMMARY SFY 2022**

Address: Department of Community Affairs  
101 S. Broad Street  
Trenton NJ, 08625  
PO BOX 811  
Phone: 609 633-6204  
Chief Executive Officer: Janel Winter  
  
Prepared By: Fidel Ekhelar

| BUDGET CATEGORIES COSTS              | TOTAL              | HEA                | USF                | ACTUAL USF SFY22 | (OVER) UNDER/BUDGET |
|--------------------------------------|--------------------|--------------------|--------------------|------------------|---------------------|
| A. PERSONNEL AND FRINGE              | \$2,170,577        | \$1,308,382        | \$862,194          | \$669,807        | \$192,387           |
| B. CONSULTANTS AND PROFESSIONAL FEES | \$2,053,461        | \$1,281,263        | \$772,198          | \$289,376        | \$482,821           |
| C. MATERIALS and SUPPLIES            | \$123,000          | \$73,800           | \$49,200           | \$23,442         | \$25,758            |
| D. OTHER                             | \$1,016,293        | \$605,006          | \$411,287          | \$308,232        | \$103,055           |
| E. EQUIPMENT                         | \$250,000          | \$150,000          | \$100,000          | \$0              | \$100,000           |
| <b>DCA SUB TOTAL COST</b>            | <b>\$5,613,331</b> | <b>\$3,418,452</b> | <b>\$2,194,879</b> | \$1,290,858      | \$904,022           |

|   |                     |                     |                    |                    |                    |
|---|---------------------|---------------------|--------------------|--------------------|--------------------|
| County Welfare Agencies                   | \$568,000           | \$340,800           | \$227,200          | \$194,919          | \$32,281           |
| Community Based Organizations (CBO's)     | \$14,854,300        | \$9,271,366         | \$5,582,934        | \$5,471,262        | \$111,671          |
| <b>Subgrantees SUB TOTAL COST</b>         | <b>\$15,422,300</b> | <b>\$9,612,166</b>  | <b>\$5,810,134</b> | <b>\$5,666,181</b> | <b>\$143,952</b>   |
| <b>TOTAL COST (DCA &amp; Subgrantees)</b> | <b>\$21,035,631</b> | <b>\$13,030,618</b> | <b>\$8,005,013</b> | <b>\$6,957,039</b> | <b>\$1,047,974</b> |