



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

CUSTOMER ASSISTANCE

IN THE MATTER OF THE DEPARTMENT OF	)	ORDER APPROVING
COMMUNITY AFFAIRS' STATE FISCAL YEAR 2026	)	BUDGET
UNIVERSAL SERVICE FUND ADMINISTRATIVE COST	)	
BUDGET	)	DOCKET NO. EO25110585

**Parties of Record:**

**Fidel Ekhelar, 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") proposed Universal Service Fund ("USF") administrative cost budget for the State Fiscal Year 2026 ("FY 2026"). The DCA is the Program Administrator for the Board's USF program.

**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, *inter alia*, to determine the level of USF funding, 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, the Board approved a permanent USF program to ensure that low-income customers have access to more affordable energy.<sup>1</sup> By the April 2003 Order, the Board ordered 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.

By Order dated July 16, 2003, the Board clarified that the cap on administrative expenses would not exceed \$3 million, and any administrative costs, excluding one (1)-time start-up costs,

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<sup>1</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").

exceeding this amount must be approved in advance by the Board.<sup>2</sup> The Board also identified 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.

The USF program was linked to the Federal Low Income Home Energy Assistance Program (“LIHEAP”) to take advantage of the existing infrastructure already in place to administer LIHEAP. Through a shared application and database system, repetition of administrative resources was reduced and applicants became able to apply for both programs simultaneously. LIHEAP was jointly administered by DHS and the DCA when the Board authorized the permanent USF program.

On August 31, 2006, Governor Jon Corzine designated the DCA as the State’s administrator of LIHEAP. By letter dated September 21, 2006, the DCA Commissioner requested that the Board designate the DCA as the USF program administrator. On October 23, 2006, the Board changed the USF program administrator from DHS to DCA.<sup>3</sup> By December 2006, the DCA assumed full responsibility as USF program administrator.

By Order dated October 23, 2024, the Board approved the projected State Fiscal Year 2025 (“FY 2025”) DCA USF administrative cost budget in the amount of \$11,945,245.<sup>4</sup> Subsequently, by Order dated June 18, 2025, pursuant to the April 2003 Order, the Board approved a FY 2025 budget adjustment for a total budget amount of \$12,433,925.<sup>5</sup>

### **FY 2026 ADMINISTRATIVE COST BUDGET**

On November 3, 2025, the DCA submitted its USF administrative cost budget for FY 2026, attached hereto as “Schedule A,” in the amount of \$11,560,199. The FY 2026 USF administrative cost budget represents a \$873,726, or seven percent (7%), decrease from the FY 2025 budget and covers the twelve (12)-month period of July 1, 2025 through June 30, 2026.

Due to shared program infrastructure, each year the DCA submits a joint USF/LIHEAP budget with costs broken down between the programs. The majority of costs in the FY 2026 budget were broken down according to a fifty-two percent (52%) LIHEAP and forty-eight percent (48%) USF ratio.

The FY 2026 budget decreased compared to the FY 2025 budget because:

1. “Personnel and Fringe” had a net decrease of \$147,979 due to:<sup>6</sup>

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<sup>2</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>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 October 23, 2006.

<sup>4</sup> 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.

<sup>5</sup> In re the Department of Community Affairs’ State Fiscal Year 2025 Universal Service Fund Administrative Cost Budget, BPU Docket No. EO24090718, Order dated June 18, 2025.

<sup>6</sup> Numbers may not sum due to rounding

- a decrease of \$121,928 in salary costs; and
  - a decrease of \$26,052 in fringe costs.
2. "Consultants and Professional Fees" had a net decrease of \$680,119 due to:<sup>7</sup>
    - a decrease of \$148,594 in "Office of Information Technology" costs;
    - a decrease of \$591,864 for International Business Machines due to contract changes; and
    - an increase of \$60,340 for software costs.
  3. "Materials and Supplies" increased by \$60,000 due to an increase in "Printing" costs.
  4. "Other" had a net increase of \$79,601 due to:
    - an increase of \$72,000 in "Annual Conference" costs;
    - a decrease of \$7,200 in "Travel" costs;
    - an increase of \$295 in "Telephone" costs;
    - an increase of \$3,120 in "Postage" costs; and
    - an increase of \$11,386 in indirect costs.
  5. "Equipment" decreased by \$12,000 due to a reduction in necessary purchases for the upcoming year.
  6. "County Welfare Agencies" ("CWA") decreased by \$173,229.<sup>8</sup>

The FY 2026 budget is as follows:

DCA	\$4,545,778
Subgrantees-	
County Welfare Agencies	\$227,200
Community Based Organizations	<u>\$6,787,221</u>
Total	\$11,560,199

## **DISCUSSION AND FINDINGS**

The Board created the permanent USF program in its April 2003 Order, and the administrative costs for the program have remained relatively low in relation to the yearly program costs. This proposed administrative budget represents approximately four percent (4%) of the total USF program budget, which is \$329 million for FY 2026.<sup>9</sup> The DCA's proposed FY 2026 administrative cost budget presents administrative costs above the \$3 million cap instituted in the April 2003 Order, which accordingly requires Board approval prior to such expenditures.

<sup>7</sup> Numbers may not sum due to rounding.

<sup>8</sup> In the FY 2025 adjusted budget there was a net increase of \$173,229 due to DCA's 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. Therefore, the FY 2026 decrease returns funding to normal levels.

<sup>9</sup> In re the 2025/2026 Annual Compliance Filings for a Change in the Statewide Electric and Gas Permanent Universal Service Fund Program Factors within the Electric and Gas Societal Benefits Charges Rates Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, BPU Docket No. ER25060371, Order dated September 25, 2025.

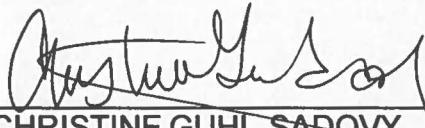
Following thorough review of the budget submission and based upon the size and complexity of the program, as well as the efforts made for the betterment of the public, the Board **HEREBY FINDS** that the proposed FY 2026 budget request is reasonable and appropriate. The Board **FURTHER FINDS** that the costs listed therein appear to be appropriate and necessary for the administration of the USF program by the DCA. Accordingly, the Board **HEREBY FINDS** that the DCA has adequately justified its FY 2026 USF administrative cost budget and **HEREBY APPROVES** the FY 2026 administrative cost budget in the amount of \$11,560,199.

The Board **HEREBY NOTES** that the FY 2026 budget is an estimate and that the DCA will provide the Board with an accounting of all expenditures after the close of FY 2026. After reviewing the DCA's final accounting of the FY 2026 USF expenditures, the Board will consider approval of any such adjustments, as appropriate.

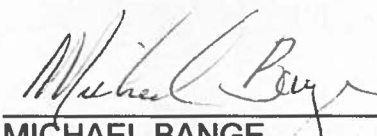
This Order shall be effective on November 28, 2025.

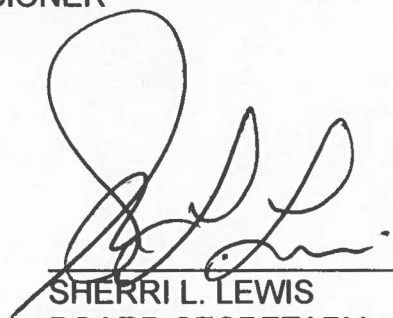
DATED: November 21, 2025

BOARD OF PUBLIC UTILITIES  
BY:

  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
DR. ZENON CHRISTODOULOU  
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  
2026 UNIVERSAL SERVICE FUND ADMINISTRATIVE COST BUDGET

DOCKET NO. EO25110585

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**Schedule A: DCA FY 2026 Budget Summary\***

<p style="text-align: center;"><b>STATE OF NEW JERSEY  DEPARTMENT OF COMMUNITY AFFAIRS  DCA USF BUDGET - EXPENSE SUMMARY</b></p> <p style="text-align: center;"><b>Phone:</b> 609 633-6204  <b>Chief Executive Officer:</b> Janel Winter  <b>Prepared By:</b> Fidel Ekhelar</p>			
<b>BUDGET CATEGORIES COSTS</b>	<b>TOTAL</b>	<b>HEA</b>	<b>USF</b>
<b>A. PERSONNEL AND FRINGE</b>	\$2,451,238	\$1,272,587	\$1,178,650
<b>B. CONSULTANTS AND PROFESSIONAL FEES</b>	\$6,874,231	\$3,834,309	\$3,039,922
<b>C. MATERIALS AND SUPPLIES</b>	\$125,000	\$65,000	\$60,000
<b>D. OTHER</b>	\$564,477	\$297,272	\$267,205
<b>E. EQUIPMENT</b>	\$0.00	\$0.00	\$0.00
<b>DCA SUB TOTAL COST*</b>	<b>\$10,014,946</b>	<b>\$5,469,168</b>	<b>\$4,545,778</b>
County Welfare Agencies	\$568,000	\$340,800	\$227,200
Community Based Organizations (CBOs)	\$16,109,296	\$9,322,075	\$6,787,221
<b>Subgrantees SUB TOTAL COST</b>	<b>\$16,677,296</b>	<b>\$9,662,875</b>	<b>\$7,014,421</b>
<b>TOTAL COST (DCA &amp; Subgrantees)</b>	<b>\$26,692,242</b>	<b>\$15,132,043</b>	<b>\$11,560,199</b>
<p>* Numbers may not sum due to rounding.</p>			