

Liquefied Petroleum Gas Research, Marketing, and Safety Commission

Lead Administrator: Richard Hess

Lead Financial Officer: Reji Varghese

FY'15 Projected Division/Program Budget By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Admin./Support Service			\$359,130			
Safety			\$182,706			
Consumer/Public Educ.			\$352,660			
Research			\$25,000			
Total	\$0	\$0	\$919,496	\$0	\$0	\$919,496

*Source of "Other" and % of "Other" total for each.

FY'14 Carryover by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'14 Carryover	\$0	\$0	\$669,359	\$0	\$0	\$669,359

*Source of "Other" and % of "Other" total for each.

What Changes did the Agency Make between FY'14 and FY'15	
<p>1.) Are there any services no longer provided because of budget cuts? The LP Gas Research, Marketing and Safety Commission receives no state appropriation. Therefore, the Commission has not been directly affected by recent agency-wide cuts in appropriations and budgets. The Commission is almost entirely funded by a one-half cent per gallon assessment paid by propane marketers on the first sale of odorized propane in this state. Due to last winter's (2013-2014) supply and pricing issues, the Commission did approve several new programs designed to explain these issues and to restore consumer confidence in propane as a residential, commercial and industrial fuel. The Commission's budget in 2014-2015 was \$906,910.00. The budget for 2015-2016 is \$626,252.00 meaning \$283,658.00 had to be cut from last year's budget. However, the Commission does not anticipate any appreciable cuts in service. Instead, the Commission reduced some marketing and public outreach initiatives, and arranged for alternate funding for its Safe Appliance Installation Water Heater Rebate Program in the 2015-2016.</p>	
<p>2.) What services are provided at a higher cost to the user?</p>	N/A
<p>3.) What services are still provided but with a slower response rate?</p>	N/A
<p>4.) Did the agency provide any pay raises that were not legislatively/statutorily required?</p>	N/A

FY'16 Expected Division/Program Budget By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Admin./Support Service			\$327,732			-8.74%
Safety			\$219,360			20.06%
Consumer/Public Educ.			\$79,160			-77.55%
Research						-100.00%
Total	\$0	\$0	\$626,252	\$0	\$0	-31.9%

*Source of "Other" and % of "Other" total for each.

FY'16 Top Five Budget Adjustments/Needs (if applicable)	
	\$ Amount
<p>The largest adjustment (cut) is in the LP Gas Commission's Safe Appliance Installation Water Heater Rebate Program. In FY'15, the rebate amount was increased from \$250.00 to \$350.00 primarily to discourage propane consumers from replacing propane water heaters with those which use another fuel. This increased the overall cost of this program by approximately \$90,000 in FY'15 over FY'14. Because substantial budget cuts were needed this year, the Commission reduced the Water Heater Rebate amount back to \$250.00, and in 2015-2016 this entire program will be administered and funded outside of the L P Gas Commission. This will account for \$175,000.00 of the budget cut. Additionally, marketing and advertising activities will be reduced in FY'16 which will save an additional \$98,500. Other cuts were made based on what the Commission hopes is a probability that it will be privatized in 2015. If that occurs, one temporary, part-time financial consultant will no longer be needed, commission members will no longer receive travel reimbursement for attending meetings, and this Commission's contract with the Office of Attorney General will be terminated as the Commission will no longer be a state agency.</p>	-\$300,000

Total Increase above FY-15 Budget -300,000

How would the agency handle a 3% appropriation reduction in FY'16?

How would the agency handle a 5% appropriation reduction in FY'16?

Is the agency seeking any fee increases for FY'16?

N/A

\$ Amount

\$0

What are the agency's top 2-3 capital or technology (one-time) needs, if applicable?

N/A

Federal Government Impact

- 1.) How much federal money received by the agency is tied to a mandate by the Federal Government? N/A
- 2.) Are any of those funds inadequate to pay for the federal mandate? N/A
- 3.) What would the consequences be of ending all of the federal funded programs for your agency? N/A
- 4.) How will your agency be affected by federal budget cuts in the coming fiscal year? N/A
- 5.) Has the agency requested any additional federal earmarks or increases? N/A

Division and Program Descriptions

Administration This budget category includes several contractors to the L P Gas Commission as well as the Administrative Contract through which all personnel, office and storage space, computers, printers, telephones and telephone service, general postage, etc., are provided. This contract is competitively bid by the State of Oklahoma. This budget category also includes monthly review and reconciliation of the Commission's bank account, the cost of one or two mid-year audits, the cost of the annual audit, the cost of employing a temporary, part-time financial advisor employee who is also a Certified Purchasing Officer with the State of Oklahoma, travel reimbursement for Commission members and the cost of the contract with the Attorney General's Office, etc.

Safety The principal safety budget items are the cost of the Safe Installation Regulator Rebate Program and the contract with the Commission's safety and training advisor. To date, this Commission has provided nearly 50,000 regulator rebates to propane consumers at a cost of just over \$4 million. Other activities include the annual cost to maintain the Commission's website, the cost to print and mail consumer education/safety materials etc. The cost to broadcast Management/Safety Seminars to CareerTech campuses outside of Oklahoma City is also a general Safety cost as are other associated expenses including promotional costs, speakers' fees and accommodations, etc. State law requires that a Safety Check or Form 4 be conducted for every new propane customer and anytime there is a propane service interruption including the installation of new appliances/equipment. To encourage compliance with this requirement, the L P Gas Commission provides pre-printed Form 4s in triplicate without charge to propane marketing companies and to plumbers licensed in L P gas. The cost to print and distribute tens of thousands of Form 4s each year also falls within this category. Additionally, this Commission provides individual assistance on an as needed basis to propane marketing companies regarding their DOT, OSHA and other requirements, and the Commission offers four three-day prep classes for persons who have registered to take the Class 1 Owners Exam or the Class X Managers Exam.

Consumer/ Public Education The major activities in this budget category have traditionally been the cost of radio/newspaper advertising, and the cost of the Commission's Safe Appliance Installation Water Heater Rebate Program. In FY'15, the Commission spent approximately \$200,000.00 on radio advertising. Approximately one-half of that was with Learfield Sports Properties (Sooner Sports Network and Cowboy Sports Network). The Commission has advertised on the Sooner and Cowboys Sports Network for almost 20 years but because of budget concerns does not anticipate advertising in FY'16. Since this Commission was created in 1994, it has provided nearly 20,000 water heater rebates to Oklahoma propane consumers with a total program cost of approximately \$4 million. Because of budget concerns, the Commission has also made arrangements for this program to be continued in FY'16 but with a different funding source. Other activities include sponsorship of FFA and 4-H awards ceremonies and citizenship activities, participation in the Tulsa Farm Show and the cost to print and distribute promotional banners directed at propane autogas customers, etc.

Research The L P Gas Commission has now eliminated this budget category. Instead, the Commission defers to the Propane Education & Research Council (PERC) on all research related matters as PERC is a national organization with substantially more funding. PERC is also in a better position to enter into contracts with national and international companies which are involved in propane research. Conducting research was anticipated when the L P Gas Research, Marketing and Safety Commission was created in 1994. However no expenditures on research are budgeted or anticipated in FY'16.

FY'16 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Admin./Support Service			0.5	1		
Safety						
Consumer/Public Educ.						
Research						
Total	0	0	0.5	1	0	0

FTE History					
	2015 Budgeted	2014	2010	2009	2004
Admin./Support Service	0.50	0.50	0	0	0
Safety					
Consumer/Public Educ.					
Research					
Total	0.50	0.50	0	0	0

Performance Measure Review					
	FY'13	FY'12	FY'11	FY'10	FY'09
Measure I					
Measure II					

Revolving Funds (200 Series Funds)			
	FY'12-14 Avg. Revenues	FY'12-14 Avg. Expenditures	June '14 Balance
Revolving Fund 205			
LP Gas Research, Marketing, & Safety Rev. Fund	\$576,196	\$658,495	\$669,359