



Alabama Public Service Commission cuts staff, office space by more than one-third

PSC President Twinkle Andress Cavanaugh in her office.jpg

Alabama Public Service Commission President Twinkle Andress Cavanaugh in her office at the RSA Union building in Montgomery, Ala., on June 17, 2015. (Mike Cason/mcason@al.com)

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Alabama Public Service Commission President Twinkle Andress Cavanaugh said belt-tightening at the agency will help it turn over a record amount next year to the state's needy General Fund.

The PSC funds its operations with fees it collects from the industries it regulates.

What it doesn't spend goes to the General Fund, a main source of state money for prisons, courts, state troopers, Medicaid and many state agencies that faces a projected shortfall of \$200 million or more next year.

Since 2010, the PSC has reduced its staff from 120 to 75, almost all by attrition.

"I think we've right-sized our commission," Cavanaugh said.

The \$12.5 million the PSC expects to send to the General Fund is a small piece in the puzzle lawmakers will try to assemble during a special session this summer.

Still, Sen. Arthur Orr, R-Decatur, the Senate's General Fund budget chairman, said that since 2010 the PSC "has done a lot of significant restructuring that saves taxpayers millions of dollars of costs and expenses."

The PSC reduced its state car fleet from 59 to 24, cut transportation expenses and travel costs and consolidated office space, according to the agency.

Cavanaugh said she was stunned by the spaciousness of the commission's offices when she was elected in 2010.

Under a new lease entered last year, the space was reduced from about 67,000 square feet to about 42,000. The annual lease payment dropped from \$1.1 million to \$693,490.

The president's office, which became Cavanaugh's after she was elected to that seat in 2012, was reduced by two-thirds.

She said it went from "cavernous" to "normal."

Cavanaugh said the budget shortfall points out the need to "examine every dime," in state spending.

"Right now we're at a time where we need to decide what it is that state government needs to be doing," she said. "If it's not a necessary expense, it needs to be cut."

Budget chairman Orr said state government overall has a mixed record of cutting costs.

Orr said some state agencies that operate on earmarked fees or taxes tend to spend as much as they take in.

Others have limited ability to control costs. For example, Medicaid's costs are tied largely to the number of people enrolled, which is close to 1 million in Alabama.

Others, including the Department of Mental Health, have made major strides in cutting costs, Orr said.

"As far as across state government, I think it's a mix," Orr said.

Numbers from the PSC:

Transfers to the General Fund (fiscal years, which run Oct. 1-Sept. 30)

2009 -- \$3.8 million

2010 -- \$5 million

2011-- \$12.4 million

2012 -- \$6.3 million

2013 -- \$8.8 million

2014 -- \$6.5 million

2015 -- \$5 million (budgeted)

2016 -- \$12.5 million (projected)

Operating expenditures:

2010 -- \$9.9 million

2011 -- \$9.6 million

2012 -- \$8.4 million

2013 -- \$8.3 million

2014 -- \$8.4 million (includes one-time payment of \$234,000 for state accounting system upgrade)

2015 -- \$5.2 million (first eight months of fiscal year)

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