Sacramento Public Library

828 I Street, Sacramento, CA 95814　　　　　www.saclibrary.org

DATE:　　　September 4, 2024

TO:　　　California Public Utilities Commission
　　　　　505 Van Ness Avenue
　　　　　San Francisco, CA 94102

FROM:　　　Jarrid P. Keller
　　　　　Deputy Director

SUBJECT:　　　2023-2024 California Teleconnect Fund Administrative Committee Annual Report

On behalf of the California Teleconnect Fund Administrative Committee, I am pleased to submit the Annual Report for Fiscal Year 2023-2024. This report highlights the Committee's activities and accomplishments, along with insights into our continued efforts to support affordable telecommunications services for schools, libraries, hospitals, and other eligible institutions.

We remain committed to ensuring that the California Teleconnect Fund continues to effectively serve Californians, and we look forward to advancing our work in the coming year. If you have any questions or need further information, please feel free to contact me at jkeller@saclibrary.org.

Thank you for your continued support.

Sincerely,

Jarrid P. Keller
Deputy Director, Sacramento Public Library
Chair, California Teleconnect Fund Administrative Committee

California Teleconnect Fund Administrative Committee
Annual Report

For the Period July 1, 2023 through June 30, 2024

Submitted September 4, 2024

Executive Summary

The California Teleconnect Fund Administrative Committee (CTF-AC or Committee) hereby submits to the California Public Utilities Commission (CPUC or Commission) this annual report describing the Committee's activities for fiscal year (FY) 2023-2024, pursuant to Public Utilities (P.U.) Code section 273(b). In FY 2021/2022, a total of 13,324 qualified entities received CTF discounts on eligible telecommunications services through 77 participating carriers. These entities include 3,584 K-12 schools, 505 libraries, 97 community colleges, 8,965 community-based organizations, 172 health clinics and government-owned hospitals, and 1 telemedicine network.

Program History

The CPUC established the California Teleconnect Fund (CTF) with CPUC Decision 96-10-066 on October 25, 1996. The CTF provides discounts on eligible telecommunications services for qualifying schools, libraries, municipal and county government-owned and operated hospitals and health clinics, and community-based organizations (CBOs). On May 8, 2003, the CPUC expanded the list of eligible entities to include district-owned and operated hospitals and health clinics (CPUC Resolution T-16742).

In Decision 02-04-059 (April of 2002) the CTF-AC was re-established with nine primary members. The new nine-member CTF-AC includes representatives of diverse constituencies interested in improving the access of underserved California communities to advanced telecommunications services. The CTF-AC functions, pursuant to Public Utilities Code Section 280(a), to advise the Commission regarding the development, implementation, and administration of a program to advance universal service by providing discounted rates for telecommunications services to qualifying schools, libraries, hospitals, health clinics, and community organizations, and to carry out the program under the Commission's direction, control, and approval.

The roster of AC members is provided in Appendix A. The members represent the K-12 education sector; public libraries; public hospitals/clinics; rural clinics/telemedicine; consumer or community-based organizations involved in public access Internet; a local exchange carrier; the Division of Ratepayer Advocates; and deaf/hearing impaired or disabled communities.

The Commission's approval of Resolution T-16742 modified the CTF program rules in significant ways. The resolution expanded eligibility, specifically to community technology centers and hospital districts. It equalized the discount levels and services for all categories of eligible recipients, and specifically included Digital Subscriber Line (DSL) as an eligible service. The resolution also streamlined the application process so that applicants apply for CTF directly through the CPUC Communications Division (CD) rather than through the carrier. Additionally, carriers must now file annual estimates of anticipated program expenditures.

Senate Bill 1102 (Statutes of 2004, Chapter 227) added Section 884.5 to the Public Utilities Code. The section, which became operative on January 1, 2006, requires the Commission apply the CTF discount

after applying the federal E-rate discount. As a result, CD released Administrative Letter 10B on June 1, 2006, which requires carriers to apply the CTF discounts as follows:

(a) CTF participant with pending E-rate application – apply the statewide average E-rate discount before applying the CTF discount to CTF-eligible services until the customer presents the new E-rate discount to the carrier. The E-rate and CTF discounts will be trued-up.

(b) CTF participant that has not filed for E-rate – apply the statewide average E-rate discount before applying the CTF discount to CTF-eligible services.

(c) CTF participant that applied for E-rate discount, but denied – apply the 0% E-rate discount documented in the funding commitment letter and 50% CTF discount on CTF-eligible services.

(d) CTF Participant that is a necessary small school as defined in Section 42283 of the Education Code – apply the 50% CTF discount to CTF-eligible services unless the customer presents the actual E-rate discount. In that case, apply the actual E-rate discount before applying the CTF discount to CTF-eligible services.

(e) CTF Participant that has been approved for E-rate for the entire fiscal year, but the dollar amount granted is not sufficient to cover all the CTF-eligible services for the entire fiscal period – apply the actual E-rate discount documented in the funding commitment decision letter even if the E-rate funding has been depleted prior to the end of the fiscal period, before applying the 50% CTF discount to CTF-eligible services.

Senate Bill 1716 (Statutes of 2007, Chapter 70) amended certain subsections of Section 884.5 to change the exception for small necessary school to instead make the exception applicable to certain small school district, pursuant to Section 42280 of the Education Code.

In Decision 08-06-020 (June of 2008), the Commission (1) expanded the CTF program to include community colleges, California Telehealth Network and non-profit CBOs providing 2-1-1- Information and Referral Services; (2) expanded the CTF-eligible services to include Internet access via PDA/cell phone, laptop card, or satellite/microwave frequency; (3) allowed broadband providers to provide discounted advanced services if those broadband providers partnered with an entity certificated by or registered with the Commission (i.e. a registered wireless service provider); (4) established the Office of CTF Outreach and Assistance; and (5) removed the CTF tariffing requirements for providers that offer CTF services on a detariffed or non-regulated basis. On November 20, 2008, CD released Administrative Letter No. 16 to implement certain changes set forth in Decision 08-06-020.

In Decision 15-07-007 (July of 2015) the Commission made significant changes to the program, which included restated CTF program goals; created a new eligible subcategory and requirements for Health Care / Health Service CBOs; set new eligibility criteria for participants, service providers and CTF services; established a discount cap for E-rate schools; and retained the percent discount structure. It also reduced CTF discounts on basic voice services from 50% to 25% starting in fiscal year 2016-17.

In Decision 16-04-021 (April of 2016) the Commission set a deadline for implementation of the discount cap for E-rate schools and established a process for exemption from the reduced support for voice

services for those entities in unserved and underserved areas.

In Decision 19-04-013 (April 2019) the Commission addressed a number of program changes addressing Phase 3 issues in CTF proceeding which impacts both service providers and program participants. To note some of key items are: Eliminating CTF support for voice services effective of July 1, 2019, expanding CTF eligible services to include all mobile data services, elimination of CTF support on taxes, fees and surcharges and authorizing Commission staff to develop an annual data request from service providers key program aspects and positively technology advancements that will make the application and claims website portal more streamlined.

Budget History

The budgets for the California Teleconnect Fund were sanctioned through resolutions by the California Public Utilities Commission (CPUC) before State fiscal year 2020. Commencing from State fiscal year 2020 and onwards, all budget allocations have been integrated into the State of California Annual Budget Act. Past and present budget allocations are as follows:

Fiscal Year	Budget	Change +/-	Resolution / DOF Approved Budget
2023-2024	$108,344,000	$75,000	DOF Approved Budget 2023-2024
2022-2023	$108,269,000	-$34,000	DOF Approved Budget 2022-2023
2021-2022	$108,303,000	$347,000	DOF Approved Budget 2021-2022
2020-2021	$107,956,000	$84,000	DOF Approved Budget 2020-2021
2019-2020	$107,872,000	-$20,169,000	Resolution T-17665
2018-19	$128,041,000	-$19,504,000	Resolution T-17615
2017-18	$147,545,000	-$1,255,000	Resolution T-17572
2016-17	$148,800,000	$713,286	Resolution T-17496
2015-16	$148,086,714	$40,103,714	Resolution T-17456
2014-15	$107,983,00	$15,554,000	Resolution T-17414
2013-14	$92,429,000	$195,000	Resolution T-17377
2012-13	$92,234,000	$17,027,000	Resolution T-17333
2011-12	$75,207,000	$5,300,000	Resolution T-17290
2010-11	$69,907,000	$9,567,000	Resolution T-17214
2009-10	$60,340,000	$27,138,000	Resolution T-17162
2008-09	$33,202,000	-	Resolution T-17104

Summary of CTF-AC Duties

As per Section 4.1 of the Charter of the CTF-AC, the Committee shall act in an advisory capacity to the Commission, which shall have all policy and program decision-making authority. The Committee is tasked with the following responsibilities:
   a) Proposed Budget-On or before June 1 of each year the CTF-AC will submit a proposed budget to the Commission's Telecommunications Division that includes estimated program expenditures and the Committee's projected expenses for the fiscal year (July 1 to June 30).
   b) Annual Report-On or before October 1 of each year, the CTF-AC will submit a report to the

Commission describing Committee activities during the prior fiscal year.

c) Advisory Functions-The CTF-AC advises the Commission regarding the development, implementation and administration of the CTF program, within the context of the Committee's purpose.

Goals During the Report Period:

1. Provide input on problems, changes, and advances on technology issues for telecommunications/internet services particularly in underserved communities.
2. Continue to review claim disbursement dollars at all meetings and to assess trends that could be of concern to committee members relative to segment needs and the ability of the fund to support those needs.
3. Advise the CPUC in fiscal, strategic, tactical, technical, and operational items related to the CTF program.
4. Provide analysis and comments on proposed changes and modifications to the CTF program.
5. Monitor legislative, CPUC and FCC activities that may impact the CTF program.
6. Define and clarify the roles of CTF-AC members and Commission Staff to accurately reflect and delineate the roles and responsibilities of its members and Commission Staff, ensuring clarity and effectiveness in guiding the program towards success.
7. Revise the CTF-AC charter to accurately list member organizations and adjust committee responsibilities in alignment with changes in the Commission's budgetary and program structures. These adjustments will ensure the continued relevance and effectiveness of the committee in supporting the Commission's goals and objectives.
8. Continue recruitment efforts to fill primary and alternate vacancies within the CTF-AC to maintain a diverse and skilled membership roster.
9. Link CTF initiatives to broader statewide digital divide and equity issues by emphasizing their role in bridging access gaps and promoting equitable telecommunications services for all Californians.
10. Connect CTF member presentations to CTF initiatives by highlighting how their insights and expertise contribute to the development and implementation of key initiatives aimed at enhancing telecommunications accessibility and equity across California.

Accomplishments During the Report Period:

1. Dedicated considerable effort to orienting new members of the CTF-AC with program details, administration procedures, and available data for comprehensive program analysis. This initiative aimed to equip members to effectively fulfill their role as advisors to the Commission, providing guidance on the implementation and administration of the program.
2. Implemented quarterly presentation schedule, and presentations provided by the following segments:
   - California Public Libraries
   - Deaf and Hard of Hearing
   - Carriers
3. Met with Commission staff regarding the ramifications of excluding Annexes as eligible entities for

the CTF program and discussed the potential consequences of such a decision.

4. Advocated for clarification of the CTF-AC's role in supporting and budgeting for the CTF program to ensure alignment with program goals and objectives.
5. Promoted the use of recruitment template letter to assist with the recruitment of committee alternates to ensure continuity in the absence of the primary representative.
6. Proposed amendments to the CTF-AC Charter, with the aim of updating and aligning it with the present status of the program.7. Alternated meeting locations between Sacramento and San Francisco to enhance participation and implemented hybrid meeting options to accommodate both in-person and virtual attendance.

Recipients of the $1M CPUC Digital Divide Grant delivered presentations on the status of their grant programs. This funding initiative, led by the California Public Utilities Commission (CPUC), aims to address the digital divide in California by providing grants totaling $1 million to organizations and projects. These efforts seek to bridge the gap in internet access and digital literacy among underserved communities in the state. The grants support a range of initiatives, including expanding broadband infrastructure, providing affordable internet services, and offering digital literacy programs. The ultimate goal is to ensure equitable access to technology and its benefits for all Californians.

Significant Program Changes During FY 2023-2024 Report Period

CTF Webinars
The CTF program conducted webinars centered around its California Teleconnect Fund (CTF), which offers discounted rates on select telecommunications and broadband services to eligible organizations. As part of its comprehensive outreach strategy, the CTF program will be organizing and holding a series of engaging public webinars. These webinars serve as a platform for the program to connect with a broader audience and disseminate valuable information regarding the CTF program. Topics covered include the program's history, applicant eligibility criteria, and various program rules. Through these webinars, the CTF program seeks to raise awareness and facilitate access to discounted telecommunications and broadband services for eligible organizations.

eCAP
The CTF program recently introduced eCAP (electronic Claim and Application Portal), a new website designed to streamline program participation for organizations. Through eCAP, organizations can manage their involvement in the CTF program, including the submission of applications, updating contact information, and completing eligibility recertifications. Service providers are also required to use eCAP for submitting claims for reimbursement and managing their program enrollment details.

In addition, the CTF program has published an updated version of the California Teleconnect Fund Applicant and Participant Guidebook. This guidebook provides comprehensive information and instructions on the CTF program, catering to both current participants and potential applicants. It serves as a valuable resource to navigate the program's requirements, guidelines, and procedures effectively.

Issues and Concerns
- Conflict of Interest
  - Conflict of interest issues regarding the applicability and interpretation of California Government Code section 1090 prevented certain Committee members from voting on proposed budgets during this timeframe.
- Federal E-Rate program
  - Federal E-rate program linkage continues to be a complex issue, especially with regard to reconciliation of telecommunication bills.
- Community Colleges
  - Should representation from community colleges be included on the committee?
- Outreach
  - Outreach to all eligible entities continued to be a Committee concern. The Committee believes work is needed in the coming year once the new eligibility and recertification requirements are implemented.
- Staffing
  - There should be an adequate level of CD staffing to ensure the goals of the program are met for the work of audits, application and claim processing, and outreach.
- Program Documentation
  - The roles and responsibilities within the CTF-AC (are essential components that require thorough documentation and integration into an operations manual. By consolidating these details into a comprehensive manual, the organization ensures smooth transitions when staff turnover occurs. This manual serves as a valuable resource, providing clear guidelines and expectations for each role within the committee. It outlines the specific duties, accountabilities, and expectations associated with various positions, enabling new staff members to quickly familiarize themselves with their responsibilities and contribute effectively to the committee's objectives.

    Moreover, the operations manual serves as a repository of institutional knowledge, capturing best practices, standard operating procedures, and key contacts relevant to the CTF-AC. It provides a centralized reference point for all stakeholders, promoting consistency and coherence in decision-making processes and operations. Additionally, the manual can include information on communication protocols, reporting structures, meeting schedules, and other pertinent details necessary for effective collaboration and coordination within the committee.

    By documenting roles and responsibilities in an operations manual, the CTF-AC enhances organizational resilience, mitigates risks associated with staff turnover.
- Program Automation
  - Program automation deficiencies hinders CD's ability to provide information to ad-hoc requests from the Administrative Committee and thus impacts the Committee's ability to provide meaningful input to assist the Commission in the development, implementation and administration of the program. However, the Commission has made progress with the future development of the Program Claims Management System (PCMS) which will manage claims reimbursements for six Public Purpose Programs overseen by the CPUC and automate the

electronic intake, routing, tracking, disposition, and status of documents –including CTF claims & applications. In the absence of PCMS, staff have been able to expand reporting capabilities and provide the CTF-AC reports regarding Applications Received (count, approved, ineligible, pending) Recertification status, CTF Local Assistance Budget vs. Claim Projections and Payments, and Fund Reconciliation.

- Public Participation
    - Lack of public participation at Administrative Committee meetings is an on-going concern, and efforts are needed to encourage public participation and provide input.
- OIR Phase 3
    - As a result of OIR Phase 3 decisions, outreach will need to be done to all sectors to effectively communicate program changes to ensure eligible participants remain enrolled in the program, and understand requirements for eligible services.
- CTF-AC Charter
    - CTF-AC Charter needs to continue to be updated to more accurately reflect goals, values, and mission of the program.

Appendix A

Changes in CTF Administrative Committee Representatives

During this timeframe, the Committee saw the addition of several new representatives, enhancing its diversity and expertise. Moreover, there are a notable number of alternative committee representative positions that remain vacant, which primary members are diligently trying to fill. As of July 1, 2023, the committee representatives are as follows:

Sector	Primary Members	Affiliation	Alternate Members	Affiliation
Education	Geoff Belleau	CA Department of Education, (Committee Co-Chair)	Alison Dias	CA Department of Education
Public Libraries	Jarrid Keller	Sacramento Public Library. (Committee Chair)	Josh Chisom	California State Library
Public Hospitals/Clinics	Vacant		Vacant	
Rural Clinics/Telemedicine	Max Perrey, Aliados Health		Vacant	
Consumer Organizations	Vinhcent Le	Green Lining	Casey McFall	Campaign for Social Justice
CBO Involved in Public Access Internet	Sean McLaughlin	Access Humboldt	Carolyn Siegel Singh	The Greenlining Institute
LECs	Saira Pasha	AT&T		
Public Advocates Office	Joshua Cooper	CPUC	Madison Alcalay	CPUC
Deaf/Hearing Impaired or Disabled	Kenneth Rothschild		Vacant	Vacant