



CALIFORNIA TELECONNECT FUND APPLICANT & PARTICIPANT GUIDEBOOK

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Communications Division
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1. Introduction

This guidebook contains information and instructions on the California Teleconnect Fund (CTF) Program for current participants and potential applicants.

The CTF program is a government program administered by the California Public Utilities Commission. The program aims to bring every Californian direct access to advanced communications services in their local communities, particularly those with lower rates of internet adoption and greater financial need. The CTF program provides participants with discounted rates on broadband and advanced communication services. The program's participants include schools, libraries, schools and libraries annexes, community colleges, government hospitals/clinics, community-based organizations (CBOs), healthcare CBOs, and 2-1-1 providers.

2. Program Overview

The California Public Utilities Commission implemented the CTF program in 1996 pursuant to Public Utilities Code § 280(a). Decision 96-10-066 created the CTF program to promote innovation in the delivery and use of advanced communication services, encourage the diversity of choices among services and providers, and ensure for affordable and widespread access to California's broadband networks and technology.

The CTF program provides a 50 percent discount on monthly recurring charges of eligible services.

The CTF program is funded by California ratepayers through a surcharge assessed on revenues collected by telecommunications companies for intrastate telecommunications products and services.

Within the California Public Utilities Commission, the Communications Division manages the CTF program in coordination with the CTF Administrative Committee. The Communications Division administers the program, which includes processing applications, processing claims for reimbursement from carriers, preparing annual budgets, proposing changes to the surcharge, and other administration tasks. The CTF Administrative Committee advises the Commission regarding the development, implementation, and administration of the program.

3. Eligibility Criteria

The CTF program categorizes applicants (and participants) into distinct groups: Public Schools and School Annexes, Private Schools, Libraries and Library Annexes,

Community Colleges, Government Hospitals/Clinics, Community-Based Organizations (including 2-1-1 Providers), and Healthcare CBOs. Each category has different eligibility requirements, see below.

Prior to participation in the CTF program, entities must apply to and receive approval. Please refer to Section 4 for instructions on how to apply to the program.

The CTF program requires all participants to periodically recertify eligibility; refer to Section 6. **Participants are not required to recertify until they receive a Recertification Notice from the CTF program.**

A. Schools

Both public and private schools can qualify for the CTF program. Eligibility is limited to California school addresses with an active [County District School](#) (CDS) code in the California Department of Education's [School Directory](#). Eligible schools must provide elementary or secondary education (grades K–12), or preschool services that meet E-rate eligibility criteria.

Additional requirements for *private* schools include:

- Possess current total endowments less than \$50 million.
- Be classified as a nonprofit tax-exempt entity by the Internal Revenue Service either directly or indirectly via a head or central organization if the school is a subordinate organization controlled by a central organization.

An individual school can apply to request eligibility at its location. Alternatively, a School District, Board of Education, or County Offices of Education can submit an application on behalf of a school within its jurisdiction to request eligibility at the school location.

Pre-schools that do not meet the criteria under the schools category may apply under the CBO category. However, religious organizations offering pre-school curriculum can only qualify under the schools category.

School Annexes

The CTF program defines annexes as an offsite location (in addition to the approved location) that offers qualifying services provided that the offsite location is in California and serves the entity's intended communities. See, Decision (D.) [19-04-013](#) at 19.

For schools, annexes are locations, other than the school campus, where instruction occurs. This may include, but is not limited to, outdoor education/camps, court schools, school farm/agricultural programs, CTE/Vocational training, Pre-K, extended

campuses, and special education locations.

Eligibility for school annexes will be limited to:

- Must be linked to an existing school or district account in eCAP.
- Must have an active CDS code in the California Department of Education's School Directory.
- Must provide K–12 or preschool education that meets E-rate eligibility.

B. Libraries

To qualify for the CTF program, a library must be eligible to participate in state-based plans for funds under the federal Library Services and Technology Act. Eligibility is further limited to library outlet locations (which are the locations where library services are provided to the community) in California. Locations that do not provide library services directly to the community, such as administrative sites, are not eligible to participate in the CTF program.

A library can apply for eligibility at one of its library outlet locations. Alternatively, a library district or other aggregator can apply on behalf of one its affiliated library outlet locations.

Library Annexes

The CTF program defines annexes as an offsite location (in addition to the approved location) that offers qualifying services provided that the offsite location is in California and serves the entity's intended communities. See, Decision (D.) [19-04-013](#) at 19.

For libraries, annexes are locations, other than the library campus, where instruction/public services occur. This may include, but is not limited to, offsite community rooms, book kiosks, book lockers, and book mobiles.

Eligibility for library annexes will be limited to:

- Must be linked to an existing library account in eCAP.
- Must have a valid service address.
- Library-Book Mobiles must provide VIN and license plate details. A library can apply for eligibility at one of its library outlet locations. Alternatively, a library district or other aggregator can apply on behalf of one its affiliated library outlet locations.

C. Community Colleges

To qualify for the CTF program, a community college must be a California Community College (as determined by California Education Code Section 70900) and possess a [Management Information System](#) (MIS) code.

D. Government Hospitals/Clinics

Hospitals and health clinics that are owned and operated by a municipal government, county government, or a hospital district may qualify for the CTF program as a Government Hospital/Clinic.

Government Hospitals/Clinics that participate in the CTF program must have a valid healthcare license and identification number from the California Department of Public Health and/or the Centers for Medicare & Medicaid Services. To verify license status and licensee type, the CTF Program references the California Department of Public Health's [Cal Health Find Database](#) and the California Health and Human Service's [Licensed and Certified Healthcare Facility Listing](#).

Only locations within California that provide healthcare services to the community can participate in the CTF program. Administrative-only sites are not eligible to participate in the CTF program.

Hospitals, health clinics, and healthcare facilities that are not owned and operated by the government can apply to the CTF program as a "Healthcare CBO," which is a subgroup of the CBO category. See below for the eligibility criteria applicable to Healthcare CBO.

E. Community-Based Organizations

To participate in the CTF program, all CBOs (except Head Start Programs, Healthcare CBOs, and 2-1-1 Service Providers) must provide community members with access to the internet/broadband and technology devices/applications. The CTF discount applies only to charges for internet/broadband services used primarily by community members. Internet/broadband services used primarily by the CBO staff for administrative purposes are not eligible for the CTF discount.

To participate in the CTF program, a CBO must offer one or more Qualifying Services to individuals and/or families in the community. The CBO must offer the Qualifying Service(s) as their **primary function** directly to individuals at a specific geographic

location (within California) **without charge or at a minimal fee**. Qualifying Services for CBOs include:

- **Educational Instruction:** Regular, ongoing, preschool or K-12 academic educational or instructional programs, including English as a Second Language (ESL) and language education, literacy, job training, technology instruction, and information on public benefit and social services programs eligibility and access. Eligible educational instruction must include community members using internet/broadband services and technology devices/applications.
- **Head Start Program:** Refer to the Head Start Center Locator at <https://eclkc.ohs.acf.hhs.gov/center-locator>.
- **Job Placement:** These services provide community members with assistance in obtaining employment, including activities related to job recruiting and placement. Eligible job placement services must include community members using internet/broadband services and technology devices/applications.
- **Job Training:** These services provide community members with training or skill-building for the purpose of obtaining employment. Job Training services do not include a CBO's work to train its own workforce or volunteers. The subject matter of eligible Job Training includes trade and vocational education and Community College curriculum but excludes training exceeding the level of an Associate of Arts or equivalent degree from a California Community College. Eligible job training services must include community members using internet/broadband services and technology devices/applications.
- **Community Technology Center:** To qualify, a community technology center must provide the community access to internet/broadband services and technology devices/applications. In addition, the community technology center must also provide community members with assistance or training on the use of internet/broadband services and technology devices/applications. Co-working, shared office, and event spaces do not fall under the definition of a community technology center and are generally disallowed as a qualifying service.

In addition, to participate in the program, a CBO must:

- File taxes with the Internal Revenue Service as a 501(c)(3) organization.
- Possess annual revenues less than \$5 million. (The CTF program assesses annual revenue per entity Federal Employer Identification Number. For CBO

applicants, if an entity's Internal Revenue Service Form 990 shows annual revenues of more than \$5 million, the applicant is not eligible to participate in the CTF program irrespective of how many locations it operates.)

- Have a board of directors with a majority of the board members residing in California.

F. Healthcare Community-Based Organizations.

To qualify for the CTF program, a Healthcare CBO must:

- File taxes with the Internal Revenue Service as a 501(c)(3) organization.
- Offer licensed healthcare services *as their primary function* directly to individuals at a specific geographic location. The CTF program defines "healthcare services" as including only the healthcare services covered by [Medicare](#), [Medi-Cal](#), and/or the [Department of Veteran Affairs](#). To verify license status and licensee type, the CTF Program references the California Department of Public Health's [Cal Health Find Database](#) and the California Health and Human Service's [Licensed and Certified Healthcare Facility Listing](#).
- Have licensed medical personnel on site providing healthcare services to individuals and/or families within the community.
- Accept medical plans such as Medi-Cal, Medicare, Department of Veterans Affairs insurance, and/or provide services without charge or at a minimal fee.
- Possess annual revenues less than \$50 million. (The CTF program assesses annual revenue per entity Federal Employer Identification Number. For Healthcare CBO applicants, if an entity's Internal Revenue Service Form 990 shows annual revenues of more than \$50 million, the applicant is not eligible to participate in the CTF program irrespective of how many locations it operates.)
- A majority of the Healthcare CBO's board members must reside in California.

Critical Access Hospitals may apply to the CTF program as a Healthcare CBO if they meet the applicable eligibility criteria and are not owned and operated by the government.

Locations that primarily or exclusively conduct administrative work for an organization are not eligible to participate in the CTF program.

G. 2-1-1 Providers

To qualify for the CTF program, a 2-1-1 Service Provider must:

- Offer 2-1-1 referral services as their primary function, such that provision of 2-1-1 referral services is the organization's primary activity.
- Be designated as a 2-1-1 service provider by the California Public Utilities Commission via an adopted Resolution.
- File taxes with the Internal Revenue Service as a 501(c)(3) organization.
- A majority of the organization's board members must reside in California.

Please note, entities that receive referrals from 2-1-1 Service Providers, but are not themselves designated as a 2-1-1 Service Provider via a Resolution adopted by the California Public Utilities Commission, are not eligible to participate in the CTF program as a 2-1-1 Service Provider.

4. Application Instructions

Prospective applicants should first review the eligibility criteria within Section 3 prior to completing or submitting an application.

School and library annexes are encouraged to contact their school or school district and library regarding their interest in the CTF program before creating a new eCAP account. This is to ensure school and library annexes are linked to the proper school and library on eCAP portal and to avoid duplicate accounts.

To submit an application to the CTF program, organizations must first log into (or create an account at) the CPUC's [eCAP](https://ecap.cpuc.ca.gov/s/) (electronic Claim and Application Portal) website: <https://ecap.cpuc.ca.gov/s/>. Please refer to the following for information on using the eCAP website:

- General eCAP Help and FAQ: <https://ecap.cpuc.ca.gov/s/help-faqs>
- CTF program Help and FAQ for eCAP: <https://ecap.cpuc.ca.gov/s/help-faqs?tabset-139ec=1>
- Contact ctfhelp@cpuc.ca.gov for additional help or inquiries regarding eCAP.

After submitting an application, applicants will receive one or more of the following letters via e-mail:

- **Received Notice.** Confirming the program received your application.
- **Request for Additional Information.** This notice is a request for additional documents, clarification, or other information. A Request for Additional Information effectively returns the application to the applicant. The notice will provide a due date for the applicant to respond. To respond, Applicants must edit their application within eCAP to provide the requested information or documents, and then resubmit their application by the due date. Failure to resubmit the application by the due date will result in the program rejecting the application.
- **Approval Letter.** The Approval Letter informs the applicant of approved locations, provides an ID number (called the CTF-ID), and contains instructions on how to obtain the CTF discount. CTF participants present their Approval Letter to a participating service provider to obtain CTF discounts.
- **Rejection/Ineligible Letter.** The Rejection/Ineligible Letter informs applicants of an unsuccessful application and explains the reason(s) for the rejection/ineligibility. Rejected or ineligible applicants whose circumstances later change can reapply at any point in time.

Applicants and participants must keep their contact information current and up to date with the CTF program. Applicants and participants with an eCAP account can update their contact information within their eCAP profiles. Participants without an eCAP account can update their contact information by contacting CTFhelp@cpuc.ca.gov. Maintaining accurate contact information helps ensure receipt of important notices and information. Failure to respond to an inquiry or request from the CTF program may result in the suspension of CTF discounts and/or revocation of eligibility.

Can I appeal the decision of my application?

Applicants whose CTF applications have been revoked or denied may request a case evaluation. A formal letter requesting a case evaluation must be postmarked **within ten calendar days** of application revocation/denial and sent to CTFhelp@cpuc.ca.gov. The letter must set forth all facts that form the basis for the case evaluation request. If the only basis for a case evaluation request is that the applicant disagrees with the policies set forth in the CTF program rules and/or the CTF Application and Participation Guidebook, then there is no basis for a case evaluation request, the case evaluation will be closed, and the Administrator's original decision will stand.

5. The CTF Discount

The CTF discount is 50% of the monthly recurring charge for Eligible Services. Service providers provide the discount within monthly recurring invoices as a separate line items and the total amount payable is net of CTF discounts for the billing period.

Approved applicants should give their service provider a copy of the Approval Notification to request the CTF discount. Please note that not all service providers participate in the CTF program. A list of service providers that participate in the CTF program is [available for download via this link](#). Refer to the California Interactive Broadband Map (<http://www.broadbandmap.ca.gov/>) to see the service providers that offer broadband service in the Applicant's area (by clicking on the icon of the house, entering the service address, and clicking the "Load Location" button).

A. Eligible Services

Eligible Services are categories of advanced communication services that are eligible to receive the CTF discount. In practice, participants purchase services that have unique product names depending on the marketing practices of the services provider. The CTF program works with service providers to identify which of its products qualify as Eligible Services and can receive the CTF discount.

Eligible Services categories generally correspond to E-rate Category One services. Effective July 1, 2019, Eligible Services include:

- Asynchronous Transfer Mode (ATM)
- Broadband Over Power Lines (BPL)
- Cable Modem
- Digital Subscriber Line (DSL)
- Digital Signal (DS) / Trunk Level (T) – DS1 (T-1), DS-3 (T-3), and Fractional T-1 or T-3
- Ethernet
- Fiber Optics, including Leased Dark Fiber, Leased Lit Fiber
- Fixed Wireless (e.g. Microwave)
- Frame Relay
- Integrated Services Digital Network (ISDN), excluding dedicated voice channels
- Multi-Protocol Label Switching (MPLS)
- Optical Carrier (OC) – OC-1, OC-3, OC-12, OC-n
- Satellite
- Switched Multimegabit Data Service (SMDS)
- Wide Area Network (WAN)¹

In addition to the Eligible Service categories listed above, Mobile Broadband Services are also eligible in specific instances for certain participants. Mobile broadband service refers to cellular and/or mobile internet access or broadband services. Both “onsite” and “offsite” mobile broadband services are eligible in specific instances for certain participants.

- “Onsite” mobile broadband services are used exclusively at participant’s approved street address as a substitute for fixed broadband services. For the CTF program, onsite mobile broadband services are only eligible on a case-by-case basis where onsite fixed broadband services are not available at the participant’s service address and/or when mobile broadband service is the most cost-effective broadband service available at the participant’s service address.
- “Offsite” mobile broadband services are used exclusively at locations *other than* the participant’s service address. For the CTF program, offsite mobile broadband services are only eligible on a case-by-case basis for non-E-rate CTF participants that demonstrate mobile broadband services are the only means of broadband service available to provide qualifying services at offsite locations.

¹ WAN connections that form a data network between multiple Participants are eligible for the CTF discount. Local Area Network (LAN), Managed Internal Broadband Services, and other connections that form a data network between or among multiple buildings of a single participant service address, campus, or branch are not eligible for CTF.

Eligibility for CTF discounts on Mobile Broadband Services requires a participant's Approval Letter explicitly state that the participant is eligible to receive discounts on Mobile Broadband Services. If the participant's Approval Letter includes restrictions on the extent of eligibility for Mobile Broadband Services (for example, restrictions on the number of lines or on the types of services/products), the service provider can only apply the CTF discount in accordance with those restrictions.

B. Ineligible Services

Ineligible service categories include:

- All voice including voice over internet protocol (VoIP)
- Equipment / Maintenance
- Construction / Infrastructure
- Local Area Network (LAN)
- Other services (contact CTF staff to inquire eligibility)

C. Eligible Service Charges/Fees

The CTF discount applies only to the *monthly recurring charge* of Eligible Services. Usage fees and service "add-ons" are ineligible and do not receive the CTF discount. For bundled services and services sold with ancillary features, service providers cost allocates to determine the appropriate CTF discount.

D. Taxes, Fees, & Surcharges

Taxes, fees, and surcharges are generally ineligible and do not receive the CTF discount. However, participants can submit a "Verification of Non-Exemption from Taxes Form" to the California Public Utilities Commission's Communication Division to request the CTF discount apply to certain taxes and fees.

Effective July 1, 2020, all taxes, fees, and surcharges will be ineligible to receive the CTF discount, irrespective of the "Verification of Non-Exemption from Taxes Form." Service providers cannot apply the CTF discount to any taxes, fees, or surcharges after June 30, 2020.

E. Discount Start Date

A participant's Approval Letter includes the date a service provider should begin to apply the discount for a CTF eligible customer. Depending upon when the participant provides the Approval Letter to the service provider, the service provider should apply the discount (a) retroactively to the date indicated within the Approval Letter, or (b)

beginning on the date the participant provides the Approval Letter to the service provider. Approval Letters will contain instructions on when to start a customer's discount and indicate whether a retroactive application of the discount (to prior service periods) is necessary.

Participants switching service providers must provide a copy of their Approval Letter to the new service provider.

F. E-rate Support

E-rate is a federal program administered by the Schools and Libraries Division of the Universal Service Administrative Company at the direction of the Federal Communications Commission. Like the CTF program, E-rate provides funding for connectivity to schools and libraries. Most CTF Eligible Services are also eligible for support from E-rate (for qualifying entities). E-rate provides discounts ranging from 20% to 90% of the costs of eligible services.

Many participants in the CTF program are also eligible for support from the E-rate program. Moreover, the support a participant receives from the CTF program depends in part on the level of support the participant receives from the E-rate program. Thus, to receive the CTF discount, entities that also receive support from the E-rate program must submit their E-rate Funding Commitment Decision Letter² to their service provider within 75 days of filing their Receipt of Service Confirmation Form (Form 486) with the School and Library Division of the Universal Service Administrative Company.

If a participant is eligible for E-rate, the CTF discount that a participant receives for a service cannot exceed the E-rate support the participant may receive for that service.

Further, if a participant is eligible for E-rate, the CTF discount applies only to the balance of eligible costs remaining after the application of any discounts or support the participant may receive from E-rate. For example, if the monthly recurring cost of an Eligible Service is \$120 and the participant's E-rate support level is 80%, the CTF discount of \$12 is calculated as follows:

$$\text{CTF Discount} = 50\% * (\$120 * (100\% - 80\%))$$

If a participant is considered eligible for E-rate support by the CPUC and (a) has not applied for E-rate support *or* (b) has applied for E-rate but has not yet received a

² Funding Commitment Decision Letters are letters that applicants and service providers receive from the E-rate program when E-rate approves an application for support. Funding Commitment Decision Letters contain information on the level of support that an applicant will receive from E-rate.

Funding Commitment Decision Letter, service providers must impute the [statewide average E-rate support](#) level when calculating the CTF discount. For example, if the monthly recurring cost of an Eligible Service is \$80 and the statewide average E-rate support level is 60%, the CTF discount of \$16 is calculated as follows:

$$\text{CTF Discount} = 50\% * (\$80 * (100\% - 60\%))$$

Please refer to the [CTF Participant Report](#) to see which CTF participants are considered eligible for E-rate by the CPUC.

The CTF program determines the statewide average E-rate support level prior to the beginning of each fiscal year and informs service providers of the figure via email notice and a [website posting](#). If the statewide average E-rate support level is imputed to calculate the CTF discount, the participant is responsible for paying the carrier the “imputed E-rate amount.”

When E-rate assigns a support level to the participant (via a Funding Commitment Letter), the service provider must “true up” the CTF discounts from prior periods that relied on the statewide average E-rate support level. The “true up” process may require a nonrecurring adjustment to a participant’s account to ensure that the cumulative CTF discounts for the funding year incorporate the participant’s E-rate support level and not the statewide average.

The E-rate program allows participants to choose one of two methods to receive support: Billed Entity Applicant Reimbursement (BEAR)³ or Service Provider Invoice (SPI).⁴ Service providers cannot give CTF discounts to participants that receive E-rate support via the BEAR method during service periods that coincide with the use of the BEAR method. Service providers can give CTF discounts to participants that receive E-rate support via the SPI method during service periods that coincide with the use of the SPI method.

G. Rural Health Care Program

The Rural Health Care Program (RHCP) is a federal program administered by the Universal Service Administrative Company at the direction of the Federal Communications Commission. The RHCP provides support for high-capacity broadband connectivity to eligible health care providers. The RHCP provides support via the

³ With the BEAR method, the E-rate program provides support directly to participants.

⁴ With the SPI method, service providers apply E-rate discounts within participants’ invoices and subsequently request reimbursement of those discounts from the E-rate program.

Healthcare Connect Fund wherein eligible health care providers can receive a 65 percent discount on eligible expenses.

If the participant receives support from the RHCP, the CTF discount applies only to the balance of eligible costs remaining after the application of any discounts or support the participant receives from the RHCP. This requirement mirrors the process for E-rate support discussed in the section above, except service providers need not apply a RHCP statewide average if an RHCP application is pending.

For participants who are awaiting approval for RHCP support, service providers apply CTF discounts without regard to possible RHCP support. If the RHCP approves retroactive support to a participant for prior service periods, the service provider must “true up” the CTF discounts from those prior service periods. The “true up” process may require a nonrecurring adjustment to a participant’s account to ensure that the cumulative CTF discounts for the funding year incorporate the participant’s RHCP support for prior service periods.

6. Recertification

The California Public Utilities Commission requires all CTF participants to periodically recertify their eligibility. To recertify eligibility, participants must submit a Recertification Application via eCAP prior to their Eligibility End Date. Refer to the [CTF Participant Report](#) for participants’ Eligibility End Dates. Participants have the option to submit a Recertification Application beginning three months prior to their Eligibility End Date.

To submit a Recertification Application, participants must access their eCAP account and click the “Recertification Application” button for the appropriate service address. [Click here](#) for an instructional video on how to complete the Recertification process within eCAP. Refer also to Section 4 for additional application information.

Failure to recertify will result in revocation of eligibility and a termination of discounts.

7. Contacting the CTF Program

For general application inquiries, please direct them to CTFHelp@cpuc.ca.gov.

If you have submitted an application and are inquiring about its status, please direct them to CTFHelp@cpuc.ca.gov.

For participant recertification inquiries, please direct them to CTFHelp@cpuc.ca.gov.