

INAUGURAL ANNUAL SURVEY

OVERALL FINDINGS - 2008

- Californians are similar to adults nationwide in computer and broadband use.
- Latinos lag far behind other groups.
- Computer and Internet use has increased in some groups, but not others.

	U.S.	California
Overall Computer Use	74%	75%
Internet At Home	62%	63%
Broadband At Home	55%	55%

CALIFORNIA'S DIGITAL DIVIDE

	Computer Use	Internet Use	Broadband Use
All Californians	75%	70%	55%
Under \$40,000 AHI	58%	49%	33%
Latinos	58%	48%	34%
With Disability	60%	57%	36%
Los Angeles	70%	61%	48%
Rural	66%	63%	51%

CALIFORNIA IS KEY TO CLOSING THE DIGITAL DIVIDE IN AMERICA

Kentucky
44,000 Square Miles
Unserved

Maine
1.4 M Rural Residents
without Access

Illinois
17 M Californians
Not Connected

New Mexico
2.4 M People with Disabilities

Alaska
.68 M Native Americans

The Digital Divide in California is the equivalent of having an Illinois, New Mexico, Maine, Kentucky and Alaska all inside the state.

STATE CONSULTATION

- ❑ California recommends NTIA/RUS consult with each State's Governor's office or agency designed by the Governor as having the authority to rank broadband applications for ARRA grants. The State Chief Information Officer Teri Takai is coordinating broadband ARRA grants for California.
- ❑ California has done extensive broadband mapping and established baseline through Broadband Task Force, and has two major broadband funding programs: the California Emerging Technology Fund (CETF), the California Advanced Services Fund (CASF).
- ❑ Governor Schwarzenegger's office is prepared to endorse a package of ARRA applications for NTIA and RUS under processes set forth by those agencies. He will do so after consultation from various state agencies and broadband organizations.
- ❑ California is ready to collect applications, rank and submit them to NTIA and RUS.

HOW CAN CETF HELP?

- ❑ In 2005, CPUC created the California Emerging Technology Fund (CETF), a non profit organization with \$60 million in seed money over five years donated by AT&T and Verizon.
- ❑ Mission: CETF provides leadership statewide to minimize the Digital Divide by accelerating the deployment and adoption of broadband and other advanced communication services to unserved and underserved communities.
- ❑ One major set of grants by CETF so far to grantees who have track record of success in communities of focus.
- ❑ Large “needle moving” projects to bring digital literacy to the three focus groups of consumers:
 - Rural
 - Urban Disadvantaged
 - People With Disabilities

CATEGORIES OF STRATEGIC ACTION

❑ Civic Leadership Engagement

- Fact Finding Conversations – Listen and Learn
- Regional Roundtables – Technology Collaboratives

❑ Venture Philanthropy Grantmaking

- Partner with Trusted Messengers, Honest Brokers
- Build Capacity, Promote Collaboration

❑ Public Policy Promulgation

- Digital Literacy – School2Home
- Telehealth – Telemedicine – Health IT
- Smart Housing – Smart Infrastructure and Growth

❑ Public Awareness and Education Program



CALIFORNIA'S FAIR SHARE

- 13% of Overall ARRA Funds for Broadband deployment and adoption at least \$1 billion
 - \$7.2B \$936M USDA-RUS, NTIA-BTOP.
 - \$715M \$ 93M Native Americans
 - \$1.04B \$131M Housing
 - \$3.5B \$454M Education
 - \$513M \$ 67M Labor
 - \$702M \$ 91M Health IT and Telemedicine
 - \$375M \$ 49M Law Enforcement

CETF APPROACH TO ARRA FUNDING

- ❑ Speak with unified position (CIO, CPUC, CETF).
- ❑ Secure California's fair share for BB at least \$1B.
- ❑ Develop strategic, coherent, consolidated proposals.
 - CETF is willing engage grant writer.
 - CETF is willing act as fiscal agent.
 - CETF is willing provide some match funds.
- ❑ Submit proposals early in process.
- ❑ Dedicate CETF, CASF, other funds to leverage ARRA:
 - CETF: \$15M for NTIA and RUS, Native American Lands.
 - CTN: Use CETF \$1M to seek \$10M total.
 - CASF: Consider how to leverage most ARRA funds.



CETF 2009 ARRA & INFRASTRUCTURE GRANT PLANS

- ❑ \$15 million to leverage ARRA funding through 2009-2010.
- ❑ CETF Staff and the Board of Directors will further define the ARRA match criteria and requirements.
- ❑ Under consideration are:
 - NTIA and RUS matching funds (up to 10%).
 - Grants for new, existing, and past CETF grantees for projects aligned with CETF's mission.
 - Collaborating with CPUC to use CASF and CETF funds optimum leverage for infrastructure including WISPs.

CETF 2009 GRANT PLANS

- ❑ Based on current dialog, CETF will likely:
 - Develop a grant proposal submission and review process consistent with ARRA applications for California broadband projects.
 - Jointly review with the CPUC, the state applications in a way that is consistent with the 2008 proposal review process for CETF's broadband projects.
 - Fund Capital Expense and COGS (Cost of Goods Sold) expense for deployment.
 - Require project proposal plans with a scalable and self-sustainable end-result over a reasonable time frame.
 - Award the \$15 million over the three rounds (2009-2010).
- ❑ Subject to change as discussions continue.

POTENTIAL SHOVEL-READY PROJECTS

- ❑ Below are potential impacts of the investments in these Shovel-Ready Projects.
- ❑ **The total costs and impacts below are PRELIMINARY CONSERVATIVE ESTIMATES.**

Number of Projects		Number of Broadband Infrastructure Jobs	Number of New Customers	Initial Projected Cost
Rural	34	757	79,457	\$164,210,181
Urban	16	11,450	32,760	\$23,990,470
Telehealth- Telemedicine	7			\$108,800,000

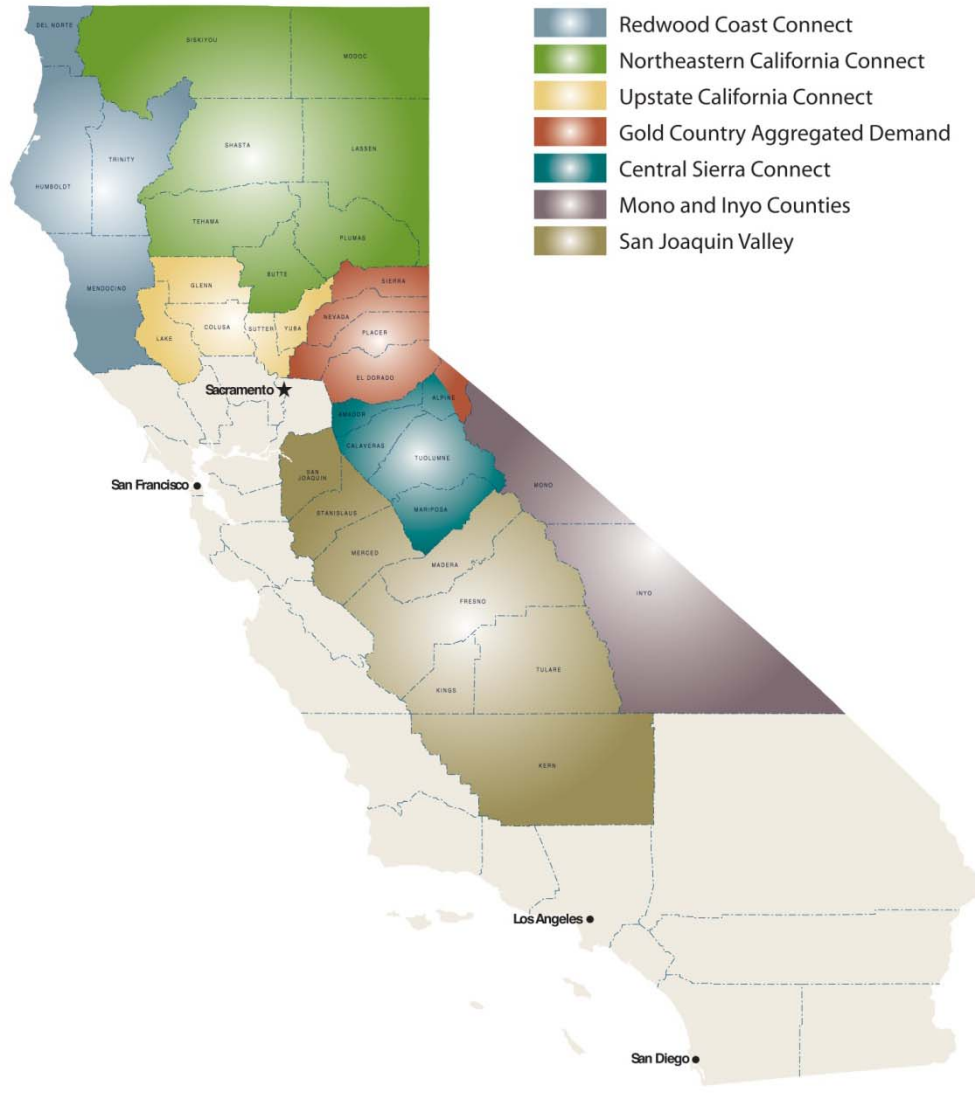
OPTIONS FOR APPLYING FOR ARRA FUNDS

- ❑ Apply Alone.
- ❑ Sub-contract with an Applicant.
- ❑ Apply with CETF Umbrella Grant.
- ❑ Apply with Local or Regional Collaborative.

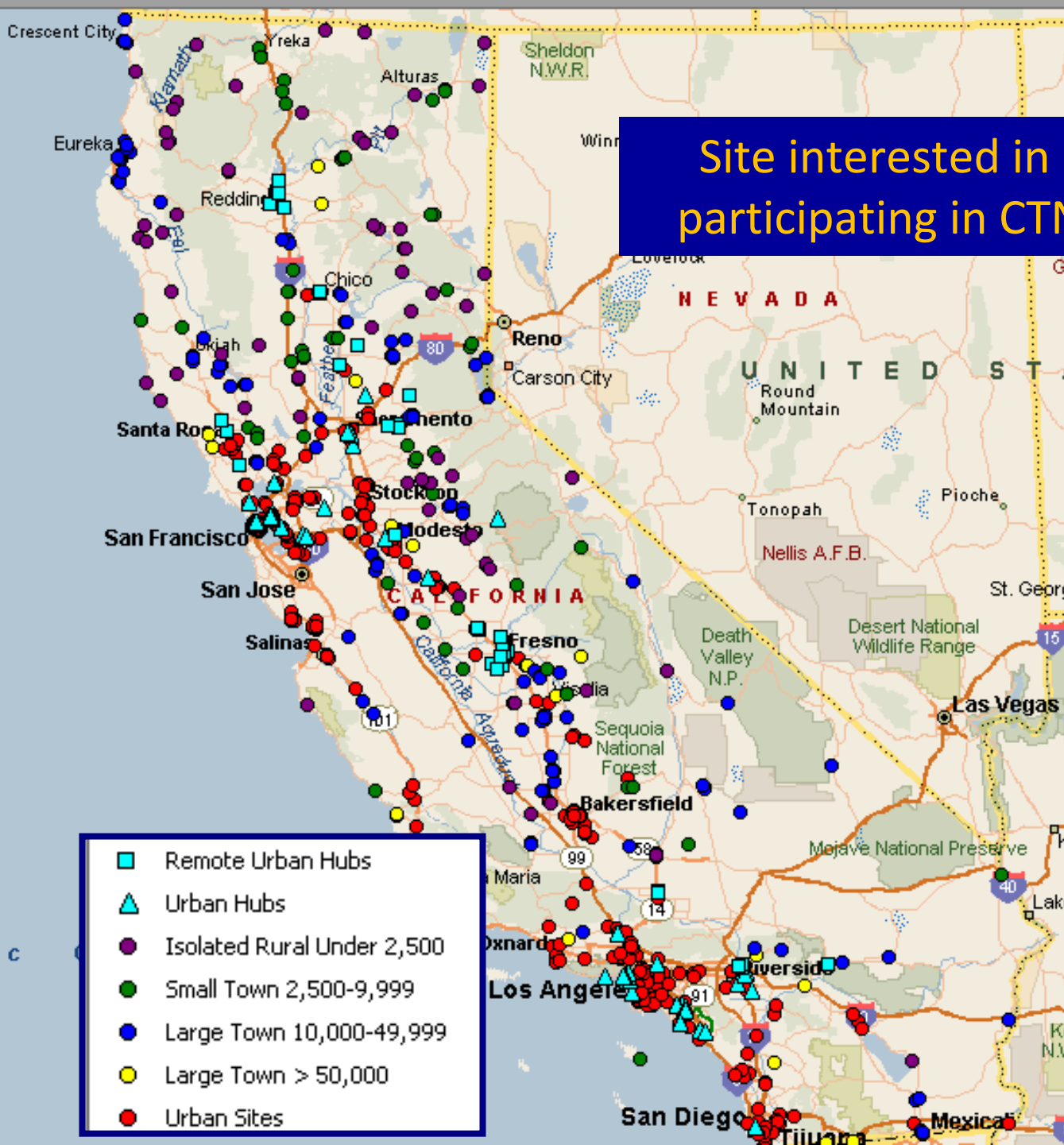
SOURCES FOR MATCHING FUNDS

- ❑ CETF
- ❑ CASF
- ❑ Foundations, Local Governments.

Demand Aggregation Projects CETF's Rural Region Collaboratives



Site interested in participating in CTN



THE 5 A'S OF DIGITAL INCLUSION

Access
pplications
ffordability = Adoption
ccessibility
ssistance

MAJOR POLICY INITIATIVES

- ❑ Digital Literacy
 - Official State Policy
 - School2Home
- ❑ Telehealth and Telemedicine
 - California Telehealth Network (CTN)
- ❑ Smart Housing
- Smart Infrastructure
 - Integrated Infrastructure Construction
- Smart Land Use Policies
 - Model Land use Policies and Ordinances

CETF DESIRED OUTCOMES 2008 - 2010*

The CETF board approved \$20 million in seed capital and leveraged \$80 million as of Dec 2008.

Telemedicine sites (California Telehealth Network matching funds)	500
Housing units connected to broadband	30,000
People trained for digital workforce	1,300
Youth becoming digitally literate	2,800
Adults becoming digitally literate	5,600
Computers refurbished	22,000
People reached through distance learning	30,000
* Conservative estimates	

LIKELY CRITERIA FOR NTIA APPLICATION RANKING CONSISTENT WITH ARRA REQUIREMENTS

- ❑ Priority on broadband access to unserved or underserved areas (in that order).
- ❑ Non-infrastructure projects that provide broadband education, awareness, training, access, equipment and support to institutions that facilitate greater broadband use.
- ❑ Non-infrastructure projects that reach low-income, unemployed, aged and otherwise vulnerable populations (e.g. non-English speaking, people with disabilities, very rural) to increase broadband use.
- ❑ Projects likely to be ranked higher if they improve access to, and use of broadband service, by public safety agencies.
- ❑ Projects will need to stimulate demand for broadband, economic growth and job creation within short time frame after grant.
- ❑ Priority given to projects that can begin before September 2010 and achieve outcomes within 2 years of grant award.

CRITERIA FOR CETF EVALUATION OF PROGRAMS

Criterion	Scoring (points)
Alignment with CETF mission and approach	15
Understanding and incorporation of broadband technology	10
Organization management and leadership capacity	10
Quality and clarity of work plan	15
Quality and clarity of accessibility plan	10
Ability to leverage CETF funds	10
Prudence and transparency of budget & cost effectiveness	10
Quality of monitoring and evaluation component	5
Depth and breadth of collaboration and support	10
Prospects for long term sustainability	5
Total	100 points

Full Past Criteria:

<http://www.cetfund.org/node/208>

Full Past Eligibility:

<http://www.cetfund.org/node/206>



CETF ENDORSES DIGITAL INCLUSION

“Digital Inclusion” means everyone, regardless of who they are or where they live, can participate in and take advantage of the economic, educational, health, and civic opportunities afforded by broadband technologies. More than just access to the Internet, Digital Inclusion means all potential users know how to use it to improve their lives through increased access to information and services.”



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