

Administrative Manual

FEDERAL FUNDING ACCOUNT

October 20, 2023

An introduction to the Federal Funding Account and guide to post-award reporting and payment requirements



**California Public
Utilities Commission**

To Federal Funding Account Applicants and Recipients:

The California Public Utilities Commission (CPUC or the Commission) thanks you for your interest in promoting broadband access in California. We welcome you to the Federal Funding Account (FFA) Program and look forward to working with you.

Respectfully,

The FFA Team
CPUC Communications Division

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I. Introduction

This Administrative Manual is intended to provide guidance to grant recipients regarding the requirements and processes for requesting project fund reimbursements for projects already approved from the Federal Funding Account and for the Communications Division's (CD) oversight of the operations applicable to grant recipients.¹

This Administrative Manual also provides the templates for project reporting and outlines CD's expectations for performance oversight of the individual programs applicable to grant recipients.

We encourage each recipient to review the pertinent information under which the [Federal Funding Account](#) program operates, including Commission Decision [22-04-055](#), which establishes the guidelines for applying, selecting, and administering the Federal Funding Account. For more information, please visit the [Federal Funding Account](#) website, or send an email to FederalFundingAccount@cpuc.ca.gov.

Recipients should familiarize themselves with the aspects of the Federal Funding Account including:

- [Broadband Implementation for California](#)
- [Application Resources](#)
- [FFA Public Map](#)

A. About the Federal Funding Account

The Federal Funding Account, administered by the California Public Utilities Commission (CPUC), is a \$2 billion grant program for last mile broadband infrastructure projects to expeditiously connect unserved and underserved Californians. The program was established in accordance with [Senate Bill 156](#) (Chapter 112, Statutes of 2021).

Decision [22-04-055](#) and Appendix A provides information about what areas and recipients are eligible for grants. Federal rules require investments in eligible “projects designed to provide service to households and businesses with an identified need for additional broadband infrastructure investment.”² Consistent with federal guidelines, eligible projects must be designed to reliably offer, upon completion, speeds at or above 100 Mbps for both download and upload.

General questions may be directed to the following: FederalFundingAccount@cpuc.ca.gov

¹ This Administrative Manual was prepared by California Public Utilities Commission (CPUC) CD staff. It does not change, replace, or waive any of the rules or guidelines adopted in Decision 22-04-055 on April 22, 2022. The contents of the manual are for information only.

² Department of the Treasury, Final Rule, Coronavirus State and Local Fiscal Recovery Funds, 31 C.F.R. Part 35, 87 FR 4338-4454 (January 27, 2022) (Final Rule), available at: <https://www.federalregister.gov/documents/2022/01/27/2022-00292/coronavirus-state-and-local-fiscal-recovery-funds>.

B. Applying for Grant Funds

How to apply for the FFA program:

1. Review the [Federal Funding Account website](#)
2. Explore the [Public Map](#)
3. Review resources available on the [Application Resources page](#)
4. [Register](#) for the Applicant Tool
5. Design and save your project in the Applicant Tool and obtain a Plan ID.
6. Apply in the Broadband Grant Portal

All applications will be uploaded via the Broadband Grand Portal. The CPUC may take up to six months from the end of an application window to make a final determination on an application.

For more information on how to apply for Federal Funding Account, please visit the program’s [Application Resources webpage](#) for instructions, a checklist, and informational links.

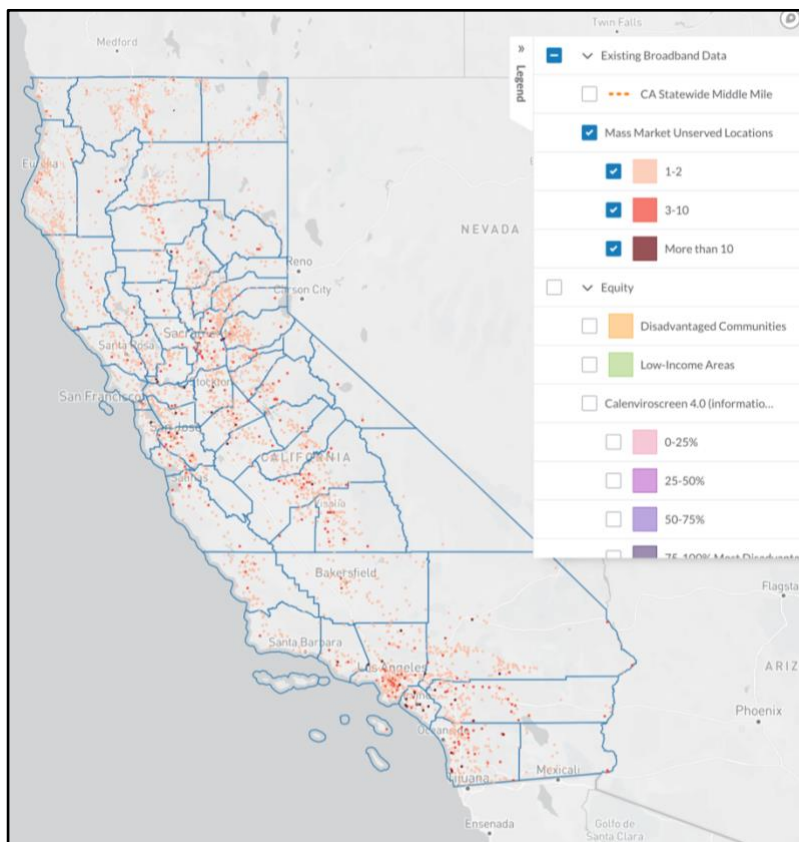


Figure 1 — Screenshot of the Public Map

II. Objections

Interested parties may review submitted grant application summaries and file written comments objecting to an application under review within 28 calendar days following the CPUC’s posting of applications. The CPUC will consider these comments and applicants’ responses to objections in reviewing applications.

A. Objection and response process

Objections must meet the criteria in [Decision 22-04-05](#), Appendix A, section 12. An objection must identify and discuss an error of fact, or policy or statutory requirement that the application has contravened. Any party that objects to a proposed area as being already served must provide definitive evidence that the area is in fact already served.

Objections and responses to objections must be filed through the [Broadband Grant Portal](#). First time users must be registered as an “Objector” to comment on another party’s application. Applicants may use their existing login credentials to file an objection against another application. When logged in, Objectors will select the application in question from the list of applications on the Objection page (click on the Public Applications tab at top to access), then follow a series of prompts which will allow them to upload documents supporting their objection, and click submit.

The Broadband Grant Portal will serve submitted objections via email to the CASF Distribution List.

Applicants will be able to respond to objections by logging into the Broadband Grant Portal, selecting the affected application(s), and following prompts. Responses to objections should follow the same standards as the original objection: identifying and discussing errors of fact, policy, or statutory requirements in the objection. The Broadband Grant Portal will serve submitted responses to the CASF Distribution List. Any responses to objections are due no later than 28 days after the objection is served.

See the [Broadband Grant Portal User Guide](#) for information how to file objections and responses on the portal.

B. Basis for objections

As noted above, an objection must meet the criteria in Appendix A, section 12 including identifying and discussing errors of fact, policy, or statutory requirements the application has contravened. An application is *not* disqualified simply by proposing to provide service to served locations.³

C. Elements of an objection

All objections (and responses) must include an attestation that all information provided is true and accurate in accordance with Rule 1 of the Commission's Rules of Practice and Procedure.

An objection asserting existing wireline communications infrastructure meets or exceeds the 25 download/3 Mbps upload unserved definition may still be provided. As noted above, an application is *not* disqualified simply by proposing to provide service to served households or locations. Such objections must include the following to be considered:

- An attestation that the households or locations identified are offered service and have the capability to reliably receive minimum speeds of 25 Mbps download and 3 Mbps upload.
- An attestation as to whether the households or locations identified are offered service and have the capability to reliably receive speeds of at least 100 Mbps download and 100 Mbps upload (or at least 100 Mbps download and 20 Mbps upload and information on why provision of 100 Mbps upload is not practicable).
- The geographic location of all households or locations it serves in the area(s) for which the objection is filed. This information must be provided in a plain-text, comma-separated values (CSV) file that contains geo-located street address information, including latitude and longitude coordinates.
- The number of subscribers and the level of service subscribed to in the area being disputed, including billing statement information to verify subscribership. This information shall be submitted unredacted to the Commission under seal; and
- At least two of the following: (1) permits, (2) easements, or (3) pole attachment applications submit and approved when infrastructure was built, and (4) pictures of provider

³ D.22-05-055, Appendix A, Section 12 (page A-22).

infrastructure in the area (i.e., wires, huts, vaults, etc.). For example, street-view pictures of poles on which the attached communications infrastructure can be identified.

Comments that do not meet these requirements will be deemed denied.

Responses to objections are due no later than 28 days after the objection is served via the Broadband Grant Portal. The process for responding to an application is very similar to the objection process.

D. After objection and response submission

Communications Division staff will review information provided by objectors and responders, along with the applicant's documentation, as it develops its recommendations to the Commission for the disposition of each application. Staff may or may not ask parties for supplemental information to verify information in the application, objections, or responses. If the objection is accepted, staff will request that the applicant revise its application.

After completing review of applications, staff will recommend approval or denial. Staff will draft a resolution that will discuss the disposition of the objection and the recommendation to approve or deny the application. The Commission will then vote on the draft resolution at a regular voting meeting.

III. Post-Award Steps

A. Consent and Payment Forms

Upon an application's approval, the grantee will need to complete and submit multiple forms. These forms include:

- A [Consent Form](#), agreeing to the terms of the award letter or resolution; and,
- A [Payee Data Record \(STD 204\)](#) form, for private organizations, or
- A [Government Agency Taxpayer ID form](#), for governmental entities

The Consent Form binds the grant recipient to the terms, conditions, and requirements of both the authorizing decision and the approval document (either a Commission resolution awarding the grant or the award letter, if approved by CD staff). The Consent Form details the goals and metrics set forth by the grantee in their application; all reimbursements will be made based on the grantee meeting these goals and metrics.

A completed and executed consent form must be uploaded to the Broadband Grant Portal within 30 calendar days from the date of the adoption of the Resolution or the date of the award letter. Failure to submit the consent form within the stated timeframe will deem the grant null and void.

For individuals or private businesses, a completed STD 204 is required when receiving payment from the State of California. Information provided in this form will be used by the CPUC to prepare Information Returns (*i.e.* Internal Revenue Service, Form 1099). Similarly, governmental entities

awarded grants will fill out the Government Agency Taxpayer ID form. Both forms will be uploaded to the Broadband Grant Portal.

B. Performance

All tasks, performances, and milestones specified under the terms of any award shall be completed on or before the completion of the project. Grantees must notify the Commission as soon as they become aware that they may not be able to meet project deadlines. The Commission may withhold or terminate grant payments if the grantee does not comply with any of the requirements set forth in its application and compliance with the FFA rules. Should the grantee fail to commence work by the end of the ramp up period (six months from grant approval) or fail to complete the project within the 24-month period after the ramp up period, the Commission may terminate the award.

If the grantee fails to complete the project, in accordance with the terms of approval ordered by the Commission, the grantee will be required to reimburse some or all of the FFA funds that it has received.



Figure 2 — A marker for a CPUC-funded fiber line in Mono County.

C. Changes to a Grantee’s Project Work Plan or Budget

Any changes to the entries of the application underlying Commission approval of the grant (as set forth in the Resolution or Approval Letter) must be communicated in writing to the Director of the Communications Division. Grantees are expected to report at least 30 days before the anticipated change and may be subject to approval by the Director or by Commission resolution before becoming effective.

IV. Reporting and Payment requirements

A. Types of Reports

The grantee must provide the Commission with multiple reports after a project is approved. These include contractor, quarterly, completion, and payment reports.

Full reporting requirements are in [Decision 22-04-055, Appendix A](#), section 14.

B. Monthly Contractor Reports

Pursuant to Public Utilities Code 281(I) grantees must report monthly to the Commission all of the following information throughout the construction phase:

- The name and contractor's license number of each licensed contractor and subcontractor undertaking a contract or subcontract related to this grant of more than \$25,000.
- The location where a contractor or subcontractor described in subparagraph (A) will be performing that work.
- The anticipated dates when that work will be performed.

The Commission will post the information reported pursuant to this subdivision on the Commission's FFA internet website on a monthly basis.

C. Quarterly Progress Reports

Progress reports are required each quarter and must contain the following:

- Description of project accomplishments during this period.
- Identification of project milestones and the percent complete to date. If the percent completed is different from the estimated target milestones from the FFA application, it is necessary to provide a narrative description explaining what occurred.
- Major construction milestones (including a reporting on all California Environmental Quality Act mitigation implementation and monitoring activities, if CEQA review was required), date of completion of each task/milestone as well as problems/issues encountered, and actions taken to resolve these issues/problems during construction (including CEQA compliance, if applicable).
- Description of any challenges or issues and any risks faced during this past quarter in achieving planned progress on the project, including environmental compliance and permitting challenges if applicable.
- Description of significant project milestones or accomplishments planned for the following reporting period
- Subscribership information to date.
- Certification that each progress report is true and correct, under penalty of perjury.

In addition, grant recipients are required to report speed, pricing, and any data allowance information, consistent with the US Department of the Treasury's Final Rule, for locations with connections funded by federal money in the quarter when the location is funded. Grantees will be provided with additional information to meet Treasury reporting rules soon.

D. Payment Reports

Requests for payments may be submitted as the project is progressively deployed. The prerequisite for first payment is the submittal of a progress report to the Commission showing that at least 10 percent of the project has been completed. Subsequent payments are made at the following deadlines: 35 percent completion, 60 percent completion, 85 percent completion and 100 percent completion.

The final 15 percent payment request (from 85 to 100 percent) will not be paid without an approved completion report (see below). Payments are based on submitted receipts, invoices and other supporting documentation showing expenditures incurred for the project in accordance with the approved FFA funding budget included in the FFA grantee's application.



Figure 3 – Crews installing CPUC-funded fiber infrastructure in Quincy (Plumas County).

E. Completion Reports

Grantees also must submit completion reports prior to receiving the final payment. Completion reports must contain the following information:

- Comparison of approved versus actual costs of construction.
- Description of the project, including any changes in the project construction and alignment, if applicable.
- Milestones and completion dates for each milestone.
- Number of paying subscribers enrolled in the service provided by the funded construction, number of low-income customers enrolled in ACP, number of customers enrolled in any low-income plans, and the number of low-cost broadband plan customers enrolled.
- Final date of completion of the project, problems/issues encountered since last report and actions taken to resolve these issues/problems during construction (and comprehensive reporting on CEQA mitigation compliance, if applicable).
- Speed test data at the address level for the project area, including:
 - Test results for download and upload speeds;
 - A representative sample of speed test results at dispersed locations in the project area, including locations at the edge of the project area; number of tests will vary based on project;
 - Maps and associated data of speed test locations and results in a .kmz/ .kml file, shapefile, or .csv spreadsheet.
 - A screenshot of results of CalSPEED speed tests, which can be accessed at <http://www.calspeed.org/>

- An attestation that all locations within the project area are offered service at minimum speeds of 100 Mbps download and 100 Mbps upload or higher (or 100 Mbps download and 20 Mbps if applicable).
- Maps and associated data of all locations served:
 - The geographic coordinates of all locations that are served. This information will be provided in a plain-text, comma-separated values (.csv) file, or .kmz/.kml file or shapefile that contains geo-located street address information, including latitude and longitude, as well as census block code (GEOID);
 - Projected subscribers versus actual subscribers (by subscriber type), as of the date of the completion report
 - The actual number of current subscribers by subscriber type and subscriber speed;
 - The potential number of subscribers of each type that could be served using the FFA project's existing facilities at the same minimum defined speed;
 - The estimated number of low-income customers in the project area as well as the number of low-income customers subscribing to low-income plans;
 - Identification of the number of served locations in the project area that have broadband availability at or above the aforementioned minimum speeds.
- Documentation of advertisements, billing inserts and marketing information, by speed tier and prices.
- Open access interconnections (if applicable).
 - The number of interconnection requests and executed service agreements.

F. Payment Processing

CPUC staff will review the payment requests, as compared to the grantee's approved budgets, as well as the milestones met as set out in the application and work plans. Additional information may be requested regarding the report, expenses, and/or supporting documentation if needed, which may include evidentiary exhibits.

Upon approval, the Adoption Grant Administrator will submit payment voucher documents to the Commission's Fiscal Office. The Fiscal Office will review all payment voucher submissions in accordance with the State Administrative Manual (SAM); and upon satisfactory review, will schedule payment with the State Controller's Office (SCO), which is responsible for issuing and distributing the check to the grantee.

V. Post-completion Items

A. Record Retention

Grantees must maintain files, invoices, and other related documentation for three years after final payment. Grantees shall make these records available to the Commission upon request and agree that these records are subject to audit, verification and discovery by the Commission at any time within three years after the grantee incurred the expense being audited.

B. Audit Compliance

The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation to ensure that FFA funds are spent in accordance with the terms of approval granted by the Commission. Per Federal rules, all recipients of federally funded grants exceeding \$750,000 will need to include a budget for a federal audit.⁴

C. Annual Reporting

Recipients must report annually to the Communications Division the speed, pricing, subscription data (including number of customers enrolled in ACP, low-cost, and low-income broadband plans), and any data allowance information on all offered plans. The report must also include a weblink with information on the recipient's income-qualified and affordable plans. The associated webpage should provide all plan information, ways to subscribe, and any necessary forms.⁵

D. Notification of sale or transfer

For three years after project completion, a grantee must notify the Director of the Commission's Communications Division within five days of determining that the grantee is planning to sell or transfer its assets. The grantee shall also provide documentation, including an affidavit, stating that the new entity will take full responsibility and ownership to comply with the requirements of the FFA grant and requirements of the U.S. Treasury Department. The new entity shall agree in writing to such.

Additionally, grant recipients must file a Tier 2 Advice Letter with the following information:

- Purchase price;
- Copy of the agreement;
- Binding agreement from the purchaser or lessee to fulfill the terms and conditions relating to the project after such sale or lease; and,
- An explanation how the transaction would be in the best interests of those served by the project.

E. Publicity and Acknowledgment

Any publications, studies, or reports made possible or derived in whole or in part from the project, and any news articles, brochures, seminars, or other promotional materials or media through which the grantee publicizes the Project should acknowledge the Federal Funding Account program in the following manner: "Funding for this project has been provided in part through a grant by the Last Mile Federal Funding Account, a program administered by the California Public Utilities Commission."

⁴ Treasury, Compliance and Reporting Guidance State and Local Fiscal Recovery Funds (November 15, 2021 Version 2.1), available at <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>

⁵ Appendix A, Section 14 (p. A-26).