

February 27, 2024

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Attn: Executive Director

RE: FY 2022-2023 California Teleconnect Fund Administrative Committee Annual Report

I am pleased to submit the California Teleconnect Fund Administrative Committee Annual Report for the period July 1, 2022, through June 30, 2023. This report provides an overview of our accomplishments, goals, issues, and challenges during the past fiscal year.

Throughout the reporting period, the California Teleconnect Fund Administrative Committee made significant strides in advancing its mission to promote access to telecommunications services for eligible organizations across the state. We are proud to have achieved several key milestones and initiatives aimed at expanding connectivity and bridging the digital divide in underserved communities.

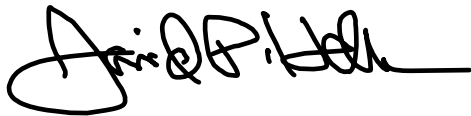
Our accomplishments in FY 2022-2023 are as follows:

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. Adopted a quarterly presentation schedule by which each segment presents issues from their segment that is pertinent to the CTF program.
3. Provided a presentation to 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. Developed a recruitment template letter to assist with the recruitment of committee alternates to ensure continuity in the absence of the primary representative.
6. Alternated meeting locations between Sacramento and San Francisco to enhance participation and explored hybrid meeting options to accommodate both in-person and virtual attendance.

These accomplishments have significantly contributed to fostering increased participation and engagement across various sectors and have addressed barriers to participation and empowered stakeholders to leverage telecommunications resources to their fullest potential.

Thank you for the opportunity to serve as the Committee Chair for the California Teleconnect Fund Administrative Committee. I am proud of what we have accomplished together and look forward to our continued progress in the coming year.

Sincerely,



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

**California Teleconnect Fund Administrative Committee
Annual Report**

For the Period July 1, 2022 through June 30, 2023

Submitted

February 27, 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) 2022-2023, 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.

Summary of CTF-AC duties

According to 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 CTF-AC’s duties also include submission of a proposed CTF budget to CD before June 1 of each year. The proposed budget shall include estimated program expenditures and the Committee's projected expenses for the fiscal year (July 1 to June 30) of the following year. The Commission adopted the below budget resolution during the report period:

- In Resolution T-17665 issued on November 1, 2019, the Commission adopted a budget of \$107 million for Fiscal Year (FY) 2019-20.

In addition, the CTF-AC must submit a report to the Commission describing the Committee’s activities during the prior fiscal year, on or before October 1 of each year, and advise the Commission regarding the development, implementation and administration of the CTF program.

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.

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. Adopted a quarterly presentation schedule by which each segment presents issues from their segment that is pertinent to the CTF program.
3. Provided a presentation to 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. Developed a recruitment template letter to assist with the recruitment of committee alternates to ensure continuity in the absence of the primary representative.
6. Alternated meeting locations between Sacramento and San Francisco to enhance participation and explored hybrid meeting options to accommodate both in-person and virtual attendance.

Significant Program Changes During FY 2022-2023 Report Period

Digital Divide Grant Program

The CTF program recently concluded its evaluation of applications for the Digital Divide Grant program, with awards slated for August 2023. This initiative aims to address the digital divide by offering four grants, each totaling up to \$250,000. These grants will support projects specifically designed to bridge the digital gap, particularly in urban or rural low-income small school districts.

To qualify, beneficiary schools must have a free lunch participation rate of at least 50 percent. Eligible projects have the flexibility to tackle various aspects of the digital divide, including physical gaps in local broadband networks, affordability issues, access to personal devices, and digital skills training.

Projects under consideration were required to offer comprehensive solutions, encompassing student home broadband connections, necessary hardware (such as laptops, notebooks, and hotspots), technology-focused curriculum for students, software facilitating distance learning, and training programs for teachers to effectively utilize technology in distance learning environments. These initiatives aim to provide a holistic approach to addressing the challenges posed by the digital divide in education.

Grant recipients for the Digital Divide Grant program are non-profit community-based organizations (CBOs) recognized for their efforts in tackling the digital divide. These organizations collaborate closely with partner public schools or districts to implement their projects, with the public school or district serving as the primary beneficiary of the initiatives. This collaborative approach ensures that the projects effectively address the needs of the school community and contribute to bridging the digital gap in education.

CTF Webinars

The CTF program has initiated the development of content for conducting 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

1. 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.
2. Federal E-Rate program
 - Federal E-rate program linkage continues to be a complex issue, especially with regard to reconciliation of telecommunication bills.
3. Community Colleges
 - Should representation from community colleges be included on the committee?
4. 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.
5. 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.
6. 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.

7. 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.

8. 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.

9. 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, 2022, 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