



California  
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# California Teleconnect Fund (CTF) Program Overview

Presented by CTF Staff



California Public  
Utilities Commission



# California Teleconnect Fund

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. – *California Teleconnect Fund*

# Agenda Items

- ❖ CTF Background
- ❖ CTF Program Eligibility
- ❖ CTF Funding, Subsidies, and Source of CTF Budget
- ❖ Services Covered by CTF
- ❖ CTF Program Impact and Participants
- ❖ Challenges and Future Developments
- ❖ Conclusion



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# CTF Background

# California Teleconnect Fund Goals and Objectives:

- 1) Advance universal service by providing discounted rates to qualifying schools, maintaining pre-school, kindergarten or any of the grades 1 to 12, inclusive, community colleges, libraries, hospitals, health clinics and community organizations;
- 2) Bring every Californian direct access to advanced communications services in their local communities;
- 3) Ensure high-speed internet connectivity for community CTF-eligible institutions at reasonable rates; and
- 4) Increase direct access to high-speed internet in communities with lower rates of internet adoption and greater financial need.

# Program History

- ❖ Assembly Bill 3643 (1994)
- ❖ Public Utilities Section 280
- ❖ Decision 96-10-010 (1996)
- ❖ Decision 08-06-020 (2008)
- ❖ Decision 15-07-007 (2015)
- ❖ Decision 16-04-021 (2016)
- ❖ Decision 18-01-006 (2018)
- ❖ Decision 19-04-013 (2019)

## **The California Teleconnect Fund (CTF) provides discounts of 50% for advanced telecommunications services to help bridge the “digital divide” to the following entities:**

- ☐ Schools
- ☐ Libraries
- ☐ Community Colleges
- ☐ Government Owned and Operated Health Facilities
- ☐ Community Based Organizations (CBOs)
- ☐ Healthcare Community Based Organizations
- ☐ California Telehealth Network (CTN)

The CTF Program is funded by ratepayer surcharges on telephone access lines. Currently the surcharge rate is \$0.18 per access line. The appropriated CTF budget for 2023-2024 is \$108.34 million.



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# CTF Program Eligibility

# Eligibility

## ❖ **Community Based Organizations:**

- ☐ Non-profit 501c3
- ☐ Provides educational instruction, job training/placement on site to community
- ☐ Annual revenues below \$5 million

## ❖ **Healthcare Community Based Organizations:**

- ☐ Non-profit 501c3
- ☐ Provides on site outpatient healthcare services through licensed practitioners
- ☐ Annual revenues below \$50 million
- ☐ Accepts government health insurance, sliding scale/no fee for service
- ☐ Licensed by the California Department of Public Health

# Eligibility (cont.)

## ❖ **Public and Private K-12 Schools**

- ☐ California Department of Education District School Code (CDS)

## ❖ **Libraries**

- ☐ Letter from State Librarian

## ❖ **California Community Colleges**

- ☐ Management Information System (MIS) code

## ❖ **Government Owned and Operated Hospitals:**

- ☐ Hospital Districts, letter from county

## ❖ **California Telehealth Network (CTN)**

- ☐ Listed as a member on CTN website



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# CTF Funding, Subsidies, & Source of CTF Budget

# CTF Funding & E-RATE

## E-Rate

- 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.
  - ❖ *E-Rate percentages vary depending on the funding commitment to the participant by the federal E-Rate program.*
  - ❖ *E-Rate statewide average- PUC Code 884.5*
    - *07/02/2023-06/30/2024 E-Rate Statewide Avg is 72%.*

## How is the CTF subsidy impacted after E-Rate?

- If the participant has a Funding Commitment Decision Letter from E-rate, the CTF discount of 50% applies to only the balance remaining after its E-rate support.



# CTF Funding Sources

## Funding Sources

- The CTF program is funded by California ratepayers through surcharges based on the number of active access lines that a telephone corporation operates in California
  - Previous Surcharge Mechanism- assessed on telecommunications intrastate service revenue
  - Updated Surcharge Mechanism- Effective April 1, 2023, assessed on a per access line basis (D. 22-10-021)



# CTF Funding Limits & Activities

## Funding Limits

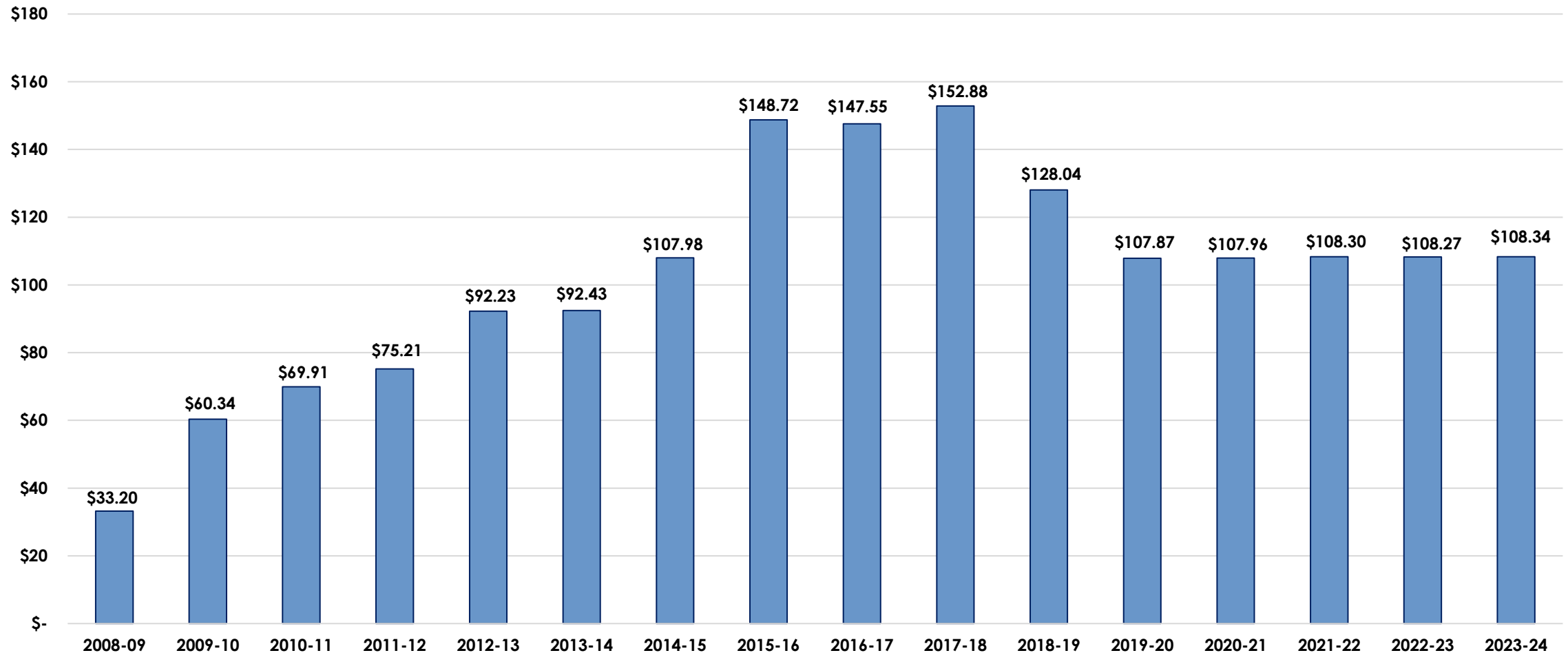
- Standard Budgetary appropriation limits per year (Annual CA Budget Act)
- Continuous annual Funding is based on first come, first served until funding runs out

## CTF Activities

- Aside from the main goal of the CTF program, which is to administer a program to advance universal service by providing 50% discounts to qualifying entities, CTF funding was also used for various sub-programs and projects such as
  - ❖ Distance Learning Project
  - ❖ Senate Bill (SB)1212 / 2-1-1 project
  - ❖ Digital Divide Grant Program (DDGP)



## California Teleconnect Fund Approved Budgets by Fiscal Year (Dollars in Millions)



❖ Pre 2016 figures are obtained from CPUC resolutions approving PPP fund annual budgets. Post 2016 figures are from the CA Annual Budget Act.



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## Services Covered by CTF

# Telecommunications Services Eligible

The CTF discount applies only to the monthly recurring charge of the following eligible services:

- ☐ Asynchronous Transfer Mode
- ☐ Broadband Over Power Lines
- ☐ Cable Modem
- ☐ Digital Subscriber Line
- ☐ Digital Signal, DS1, DS2, etc.
- ☐ Ethernet
- ☐ Fiber Optics, including leased dark fiber and leased lit fiber
- ☐ Fixed Wireless Internet Access

# Telecommunications Services Eligible (Cont.)

- ☐ Frame Relay
- ☐ Integrated Services Digital Network
- ☐ Mobile Broadband Service – with certain restrictions\*
- ☐ Multi-Protocol Label Switching
- ☐ Optical Carrier, OC1, OC2, etc.
- ☐ Satellite Internet Access
- ☐ Switched Multimegabit Data Service
- ☐ Trunk Level, T1, T2, etc.
- ☐ Wide Area Network (WAN)<sup>1</sup>

\*Restrictions on Mobile Broadband Services: Mobile Broadband Services may be eligible for certain participants. In these instances, the participant's Approval Letter must explicitly state that the participant is eligible to receive discounts on Mobile Broadband Services. If the participant's Approval Letter includes restrictions on the eligibility of Mobile Broadband Services (for example, restrictions on the number of lines or on the types of eligible services), the service provider can only apply the CTF discount in accordance with those restrictions.

<sup>1</sup> Wide Area Network connections that form a data network between multiple participants are eligible for the CTF discount. Local Area Network, Managed Internal Broadband Services, and other connections that from a data network for a single participant service address or campus are not eligible for the CTF discount.

# Internet Access and Broadband Services

The CTF was designed to support various internet access and broadband services for eligible entities. D.15-07-007 adopts the USAC Fiscal Year 2014-2015 Eligible Services List and the definitions as guidance for CTF eligible services. D.15-07-007 provides the following eligible list categories and definitions:

- ❖ Digital Transmission Services
- ❖ Internet Access
- ❖ Wireless Internet Access

# Special Services for Schools and Libraries

The CTF program aims to support eligible schools and libraries by offering discounted telecommunications services to facilitate their access to the internet and other essential communication tools. These services are designed to enhance the educational and informational capabilities of schools and libraries throughout the state.

- ❖ Distance Learning Discounts Program
- ❖ Broadband Internet Access
- ❖ E-Rate Match
- ❖ Telecommunications Services
- ❖ Managed Services



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# CTF Program Impact & Participants

# CTF Program Impact

- **The CTF Program Facilitated:**

- ❖ Access & innovation in the delivery and use of advanced communication services
- ❖ Diversity & affordability of choices among California services and providers
- ❖ Bridges the digital divide and enhanced connectivity for entities that serve the public interest and may have limited resources
- ❖ Facilitated better communication and internet access for schools, libraries, and healthcare institutions
- ❖ The program has had a positive impact on promoting digital inclusion and equitable access to information and resources
- ❖ Improved access to affordable and reliable telecommunications services for eligible institutions

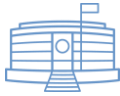


# CTF Program Impact

## Number of participants that went through CTF program by category:



Private Schools: **1,498** / Public Schools: **2,438**



Libraries: **522**



Community Colleges: **97**



Government Hospitals: **225**



Community Based Organizations (CBOs): **9,075**



Healthcare CBOs: **329**

❖ Total: Over **14,184** participants were/are impacted by the CTF program.





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# Challenges and Future Developments

# Challenges and Limitations

- ❖ Recertifications
  - ❖ CTF participants' outdated contact information
- ❖ Switching to paperless
- ❖ eCAP system
- ❖ Limited awareness of the CTF program
- ❖ Adapting to emerging technology
- ❖ Ongoing review of program rules and changes



# Collaboration with Service Providers and Stakeholders

- ❖ Quarterly Administrative Committee meetings
- ❖ Participant Outreach
- ❖ Increase program participation





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# Conclusion

# Conclusion

- ❖ The CTF program promotes broadband adoption and bridges the digital divide by providing a 50% discount for eligible broadband services.
- ❖ The CTF program has a significant impact on communities in need of broadband services.
- ❖ A range of entities are eligible for the CTF program. Eligible entities can file applications and receive the CTF discount upon CTF staff review and approval.
- ❖ The CTF program is funded by California ratepayers through surcharges on telephone corporations' active access lines in California.
- ❖ The CTF program is expanding its collaboration efforts and outreach, encouraging eligible entities to apply.



# Questions?



# Resources

For more information:

<https://www.cpuc.ca.gov/CTF>

CTF Applicant & Participant Guidebook

Available on our website in English,  
Spanish, and Chinese

E-CAP Frequently Asked Questions:

[Help - FAQs \(ca.gov\)](#)





# California Public Utilities Commission

For questions regarding the CTF program and application process, please reach out to us at [CTFHelp@cpuc.ca.gov](mailto:CTFHelp@cpuc.ca.gov).