



CTF Administrative Committee Meeting

September 01, 2021





California Teleconnect Fund

Application received from
April 21, 2021 through August 16, 2021

	CBO	Healthcare CBO	Hospitals	Libraries	Private Schools	Public Schools	Total
Count of Intake Number	15	22	5	0	8	13	63
Approved	0	11	2	0	1	1	15
Rejected	5	1	0	0	1	0	7
Pending	10	10	3	0	6	12	41
Percent	23.8%	34.9%	7.9%	0.0%	12.7%	20.6%	100%





California Teleconnect Fund

Recertification

- Recertification of participants' eligibility against new/updated program rules was placed on hold by the CPUC president due to the pandemic.
- CTF Program has requested to reinitiate recertification efforts as many non-qualified entities are continuing to receive program funding.
- About 300 CBOs receive the CTF discount at about 1500 locations that have not been approved by the Program. The estimated impact is about \$10 million annually for just those locations.
- What does the AC want to do?





California Teleconnect Fund

Fund Status Report as of August 27, 2021

Cash Balance = \$69,456,839

CTF Local Assistance Budget Allocation Compared to Funding Year (FY) Claims and Projections			
	FY 18-19	FY 19-20	FY 20-21
Local Assistance Budget	\$ 126,500,000	\$ 105,000,000	\$ 105,000,000
Claim Projections	\$ 95,000,000	\$ 73,000,000	\$ 67,000,000
Claims Paid	\$ 94,175,517	\$ 69,651,072	\$ 47,753,667
Budget to Actual Claims Paid Variance	\$ 32,324,483	\$ 35,348,928	\$ 57,246,333

FY 20-21 Local Assistance Expenditures per Entity Type Estimates					
CBO and HCCBO	Community Colleges	Government Hospitals	Libraries	Private Schools	Public Schools
\$ 19,579,004	\$ 6,685,513	\$ 955,073	\$ 4,297,830	\$ 1,432,610	\$ 14,803,637





California Teleconnect Fund

Discounts per Participant Category

	Participants	% of Total Participants	Annual Discounts	% of Total Discounts
CBO + Healthcare CBO	2,939	54%	\$ 27,697,692	41%
Community College	94	2%	\$ 9,300,387	14%
Gov Hospital	107	2%	\$ 1,375,248	2%
Library	281	5%	\$ 6,136,046	9%
Private School	798	13%	\$ 2,013,764	3%
Public School	1,462	27%	\$ 20,676,376	31%
TOTAL	5,479		\$ 67,199,513	

* Estimates based on 55% of claimed dollars for three service periods of FY 2020-21 discounts.





California Teleconnect Fund

Support to CBO participants

\$650

Average Monthly Discount

\$280

Median Monthly Discount

The top one percent of CBO participants receive approx. 25% of all CBO support





California Teleconnect Fund

CBO participants support

CBOs who receive the greatest amount of annual support :

- City of Hope
- Planned Parenthood Mar Monte, Inc.
- Clinica Sierra Vista
- Planned Parenthood of San Diego
- Omni Family Health
- Borrego Community Health Foundation
- Turning Point of Central California, Inc.
- Clinicas del Camino Real, Incorporated
- Community SeniorServ, Inc.

Top CBO **services** by support

47% - Ethernet
44% - Fiber Optics
9% - Other

Top CBO recipients are all Healthcare CBO,
and not community Internet access CBOs.

The program will continue to reclassify
Healthcare CBO during Recertification.





California Teleconnect Fund

CTF Distance Learning Initiative April 2020 – June 2021

- 337 Small, Medium, and Rural School Districts, and 76 charter schools participated
- Subsidized over 175 thousand individual connections to aid students
- Total CTF Distance Learning Initiative subsidy: \$8 million





California Teleconnect Fund

CTF Distance Learning Initiative April 2020 – June 2021

Carrier	Claim Estimate
Verizon Wireless	\$ 1,259,113
U.S. Cellular	\$ 55,897
T-Mobile	\$ 3,965,003
AT&T Mobility	\$ 528,761
Sprint	\$ 683,731
Kajeet	\$ 1,532,413
Grand Total	\$ 8,024,918





California Teleconnect Fund

CTF Technology Enhancements

CTF-Oracle enhancements:

- To create a paperless application process where applicants can apply directly through a web portal.
- Upgrading the current legacy system to reflect changes in CTF program eligibility.
- Creating efficiencies in the application process for applicants and staff.

Program Claims Management System (PCMS)

- To manage claims reimbursements to six Public Purpose Programs overseen by the CPUC.
- To automate the electronic intake, routing, tracking, disposition, and status of documents.
- To facilitate the electronic submission of financial payments by regulated entities





California Teleconnect Fund

Violation of CTF Rules-Los Angeles County Office of Education (LACOE)

Staff Findings:

- LACOE was approved for CTF in 1997 as a Public School.
- LACOE CTF subsidy is approximately \$400, 000 annually, and is reselling or sharing services to over 60 entities in other school districts since 2016.

Staff Actions:

- Notice was sent to carriers that CTF will not pay carrier claims associated with LACOE.
- A Notice of Violation and Opportunity to Cure was sent to LACOE to cease reselling or sharing CTF eligible services with entities.





California Teleconnect Fund

LACOE – Invoice Analysis

1) **Montague Charter Academy E-rate Information**

FRN	471 Application Number	Billed Entity Name	Cmtd Discount	Cmtd Funding Request
1999005593	191000507	MONTAGUE CHARTER ACADEMY	90%	\$ 14,399.96

2) **Quarterly Service Rates for Montague Charter Academy**

LACOE	Quarterly Rate	Frontier	Annual Rate
	\$400.01		\$2,076.00

3) **Annual Frontier Service Rates and CTF discount**

Frontier MRC- Cost of Service Annually	\$8,304.00
CTF Annual Discount (50%)	\$4,152.00
Annual cost of Services to LACOE for Montague after CTF Discount	\$4,152.00

4) **LACOE Rate: Montague Charter Academy E-rate discount**

	Quarterly Rate	Annual Rate
Service Rate without E-rate Discount	\$4,000.00	\$16,000.00
Montague Charter Academy E-rate Discount (\$ amount)	\$3,600.00	\$14,400.00
Service Invoice	\$400.01	\$1,600.00





California Teleconnect Fund

LACOE – Invoice Analysis

5)

LACOE Annual Profit Margin	
Service from Frontier after CTF discount	\$4,152.00
LACOE charge for service	\$16,000.00
LACOE Yearly Profit	\$11,848.00
LACOE Profit Margin %	385%

6)

TOTAL COST OF SERVICE TO ALL ENTITIES	
Montague	\$1,600.04
E-rate	\$14,400.00
CTF	\$4,152.00
Total	\$20,152.04

7)

Quarterly Service Cost Comparison: Frontier vs. LACOE			
		Quarterly Service From Frontier	Quarterly Service From LACOE
Cost of Service		\$2,076.00	\$400.01
E-rate Discount	90%	\$1,868.40	NA
Remainder after E-rate		\$207.60	NA
CTF Discount	50%	\$103.80	NA
Remainder after CTF		\$103.80	NA
Cost to School		\$103.80	\$400.01





California Teleconnect Fund

R.21-03-002-Universal Service Public Purpose Programs

Order Instituting Rulemaking to address the need for sustainable and cost-effective methods to fund Universal Service Public Purpose Programs.

Proceeding Scope:

- Are the telecommunications carriers that currently remit surcharges doing so and is the current level appropriate?
- What specific adjustments to the current surcharge collection mechanism, if any should be explored, changed or revised?
- What are the impacts, effects and consequences, if any of a flat-fee surcharge on residential and business customers?
- Data requests to carriers for subscription and revenue data.

