Meeting Minutes

California Teleconnect Fund (CTF) Administrative Committee (AC) Meeting
California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, Courtyard Room

June 3, 2019

Meeting called to order at 10:10 am.

1. Introductions

Committee Members Present: Sean McLaughlin-Access Humboldt (Chairperson, CBOs), Ravneet Kaur (Public Advocates Office), Jeffrey Mondon-AT&T (LEC), Calvin Chang-UC Davis (Government Hospitals and Health Clinics), Eric Brown-Rural Clinics (OCHIN)

CPUC Staff Present: Lisa-Marie Clark (Legal), Karo Serle (CTF), Amy Lau (CTF), Andrew Aliabadi (CTF), Eric Van Wambeke (CTF), Adam Clark (CTF), Joanne Leung (CTF), Wylen Lai (CTF), Chasel Lee (CTF), Shelly Lyser (Public Advocates Office), Michael Minkus (Commissioner Guzman Aceves's office), Ben Menzies (Commissioner Guzman Aceves' office)

Public Participants Present: Geoff Belleau (CDE), Alison Dias (CDE), and Kim Lewis via phone (CENIC), Jim Dolgonas (Consultant)

Absent Members: Jarrid Keller-Sacramento County Library (Vice-Chairperson, Libraries), Sonya Edwards-CDE (Education sector) – Retired, Deaf/hearing impaired or disabled community – Seat Vacant, and Ana Montes-TURN (CBO)

2. Public Comments on Non-Agenda Items

None.

3. Review Agenda

Approved.

4. Review and Approve Prior Meeting Minutes

Approved March 11, 2019 meeting notes

Approved April 2, 2019 meeting minutes

5. Update Action Items from last Committee Meeting

Action Item: CTF Staff will continue to work on how to display addresses for CBOs, Committee Member Mondon will continue to monitor AT&T instances of CBO address queries.

   Status: Staff will post CBO addresses on website after recertification.

Action Item: Chair McLaughlin will draft a template letter for member recruitment.

> **Status:** Ongoing

Action Item: Chair McLaughlin to submit Eric Brown, Geoff Belleau, Alison Dias, and Oscar Menjivar's application to Executive Director and copy CTF Staff.

> **Status**: Eric Brown appointed to the AC on March 28, 2019. Chair McLaughlin submitted Belleau and Dias' applications to Executive Director and cc'd CTF Staff.

Action Item: Committee member Mondon to send revised 17/18 Annual Report to CTF staff to share with AC.

> **Status**: AC approved 17/18 Annual Report. (Committee member Brown abstain.)

6. Status of CTF

a. Applications

CTF Staff handed out Application counts to attendees. (attached)

b. Claims and Program Finances

CTF Staff handed out Claim status to attendees. (attached)

c. Order Instituting Rulemaking

CTF Staff handed out flyer (attached) to attendees regarding upcoming rule changes per D.19-04-013.

Action: CTF staff to report on the development of a screening process for CTF discounts on mobile broadband data plans.

d. Goals and Metrics

CTF Staff presented goals/metrics, and results. (Power Point attached)

Staff members Aliabadi and Leung discussed Goal #1: Achieve full participation by all eligible entities.

Staff members Serle and Lau discussed Goal #2: Migrate all CTF participants to advanced services.

Staff member Lee discussed Goal #3: Address inequality issues by prioritizing rural, low-income, inner-city, and disabled Californians.

Committee member McLaughlin suggests SHLB.org as a resource and Committee member Brown also volunteer to facilitate / help.

7. Report on CPUC 's En Banc (The Future of California's Communications Grid)

En Banc attendees described the En Banc as follows. Is a good example of how important to help educate/inform the Commission; Agenda was well laid out; To hear from Commissioners and their priorities; Fantastic opportunity to share with Commissioners real life issues around the State; Topics were wide ranging; Need leadership, things are moving in rapid pace, and difficult for government to keep up; Interesting to see what's next.

CTF Staff recommends and AC affirms it is important to plan and have cooperative efforts to develop solutions/regulatory structure.

8. Annual Work Plan

AC decided on the following work plans to be covered in upcoming AC meetings. For the September meeting, discuss the roll out of recertification and implementation of rules and share update on mobile wireless rollout. For the December meeting, involvement with Commission Staff on meeting the goals/metrics. In year 2020, Commission Staff to provide an update on metrics in relation to the goals.

9. Annual Report

Chair McLaughlin and committee member Mondon volunteered committee members Keller and Pasha, respectively, as subcommittee to prepare 18/19 annual report. Committee members voted in favor.

Annual report is due October 1st of each year, and includes significant program changes and summary of AC meetings

> **Action**: Sub-committees members Keller and Pasha to prepare 18/19 annual report and present at September AC meeting.

10. Discuss Model to Prepare Mission Statement

CTF staff recommend establishing and integrating a mission statement to be part of charter.

> **Status:** Discuss with charter review.

11. Review Proposed Red Lined Charter Changes

> **Action:** Chair McLaughlin reaffirm Sub-committee members McLaughlin and Mondon will do red-line charter changes and forward to CTF staff to distribute to AC for next meeting.

12. Pending Legislation

AB 1409 - Bill died in committee.

Bill proposed: (a) Add homework gap projects to CTF eligible services, and recognize the use of excess capacity and (b) paid for by the Digital Divide Account.

Public participant Belleau comments on LTE solutions: requires schools to have Educational Broadcast Service. If you don't have a channel, need to buy it if you don't have it. On a school bus,

who maintains it? Is that the mission of the school? Need more holistic solutions. Some schools don't want fiber because they don't want on-going costs. Choose to live off the grid; how do we navigate that? Staff is open to further discussions on solutions on homework gap.

AB1366 – Gonzalez bill – Extends prohibition on VOIP regulation.

13. Nominate Representatives for Vacancies

Larry Ortega submitted his resume and cover letter for Community Advocate/CBO vacancy seat. Discussion of a report on CPUC's pending action against Larry Ortega. Committee members passed on the nomination. Committee members McLaughlin and Chang abstained.

Deaf/Hearing Impaired or Disabled Representative vacancy seat– Committee members reviewed resume and cover letter of Kenneth Rothschild, and approved Kenneth Rothschild as primary Deaf/Hearing Impaired or Disabled Representative. No members oppose nor abstain.

> **Action**: Chair McLaughlin to submit Kenneth Rothschild's application to Executive Director and copy CTF Staff.

14. Identify Items for next Agenda

-Nominate/vote members for vacancies
-Speakers/presentation
> September AC meeting – Education sector speaker
> **Action:** AC to submit questions to cover in presentation to Geoff Belleau
>
> December AC meeting – Healthcare sector speaker
> **Action:** AC to submit questions to cover in presentation to Committee member Brown.

-Website review and feedback.
-Outreach –Staff member Serle handles outreach, includes sending letters to communities, interfacing, and recruiting participants.

2019 Meeting Dates:

September 9, 2019 at 10am (Sacramento)

December 9, 2019 at 10am (San Francisco)

AC meeting adjourned at 2:40pm.

CTF Administrative Committee Meeting

San Francisco
June 3, 2019

California Teleconnect Fund Application Count March 9 through May 29, 2019

	CBO	Healthcare CBO	Hospitals	Libraries	Private Schools	Public Schools	Total
Approved	25	20	1	1	8	28	83
Deficient	4	14					18
Duplicate	3	6			8	1	18
Rejected	40	16			3	3	62
Total	72	56	1	1	19	32	181

California Teleconnect Fund Administrative Committee Meeting June 3, 2019. San Francisco, Ca.

California Teleconnect Fund
Fund Status Report as of April 30, 2019

Cash Balance = $134,775,079

CTF Local Assistance Budget Allocation Compared to FY Claims and Projections					
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Local Assistance Budget	$ 145,065,000	$ 145,065,000	$ 145,065,000	$ 125,000,000	$ 105,000,000
Claim Projections*	$ 103,826,426	$ 93,534,237	$ 99,607,774	$ 104,606,304	$ 103,720,642
Claims Paid (through April 30, 2019)	$ 103,794,022	$ 93,089,029	$ 90,978,422	$ 24,998,475	$ -
Budget to Actual Claims Paid Variance	$ 41,270,978	$ 51,975,971	$ 54,086,578	$ 100,001,525	$ 105,000,000

* Derived from forecasted budgets submitted by CTF carriers.

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Claims Paid in Fiscal Year	$ 101,636,158	$ 83,285,487	$ 88,511,679	$ 76,423,837	$ -

California Teleconnect Fund
Fund Status Report as of April 30, 2019

	Schools	Libraries	Hospitals	CBOs	CCC	CTN
FY 16-17	$ 1,391,557	$ 1,446	$ 7,577	$ 180,504	$ 37,221	$ -
FY 17-18	$ 20,483,959	$ 1,234,867	$ 1,680,053	$ 22,239,230	$ 4,009,670	$ 159,277
FY 18-19	$ 7,326,736	$ 1,762,637	$ 398,056	$ 12,742,332	$ 2,586,202	$ 182,514

Paid in Fiscal Year 2018-2019

California Teleconnect Fund

OFFICIAL NOTICE TO PARTICIPANTS

CHANGES TO CTF DISCOUNTS EFFECTIVE JULY 1, 2019

The California Public Utilities Commission (CPUC), a state government agency, has identified your organization as currently participating in the California Teleconnect Fund (CTF) program. As a participant in the CTF program, your organization receives discounts on your communications and broadband services. The CPUC recently adopted new rules for the CTF program, which may end or change your discounts.

The following are changes to the CTF program that might impact your discounts:

- As of July 1, 2019, the CTF program will no longer provide discounts for voice services.
- As of July 1, 2020, the CTF program will no longer provide discounts on taxes and surcharges.

WHAT YOU NEED TO DO

You will continue to receive discounts on all CTF eligible services; however, please check your statement for billing cycles after July 1, 2019 to ensure your CTF discounts are applied correctly.

The CPUC will contact you in the coming months regarding the Application Renewal Process required for all CTF participants. It is important that in order to retain eligibility for CTF discounts, that you please notify the CPUC (via email at CTFHelp@cpuc.ca.gov) of any changes in your organization's name, address or contact information. Failure to do so may cause a delay or cancellation of your discounts.

Please see the CPUC's website (www.cpuc.ca.gov/ctf) for further changes to CTF.

CTF Goals and Metrics

AC Meeting Presentation

June 3, 2019

California Teleconnect Fund

Adam Clark ◆ Andrew Aliabadi ◆ Joanne Leung ◆ Amy Lau

Karo Serle ◆ Chasel Lee ◆ Wylen Lai ◆ Ligia Serpas

CTF Overview and Background

PU Code Section 709 -

Improve access to advanced telecommunications services for:

- Community institutions (schools, hospitals, etc.)

- Rural, inner-city, low-income, and disabled Californians.

CTF Overview and Background

PU Code 884 -

- Address inequality of access to high-speed broadband services

- Discounted rates for schools, libraries, community tech programs

- Expand access for rural, inner-city, low-income, and disabled Californians

CTF Overview and Background

Program Goals:

1. Advance Universal Service

2. Direct Access to Advanced Communications Services

3. Connectivity at Reasonable Rates

4. Direct Access for Communities in Need

Goal #1

Achieve full participation by all eligible entities.

Metrics

- CTF participation rate of each qualifying category

- CTF program awareness level

- Percentage of participants meeting the CTF advanced services benchmark

Definitions

- Qualifying categories
  - Schools
  - Libraries
  - Community Colleges
  - Community-based Organizations (CBOs)
    - CBO Healthcare
  - Government-owned Hospitals and Clinics
  - California Telehealth Network
- Advanced services

CTF Participation Rates

Schools

Entities	Total Number of Potentially Eligible Entities *Source: California Department of Education, March 2019*	Total Number of Approved and Active Applicants *Source: Oracle, March 2019*	Participation Rate
Public Schools	10,675	1,083	10%
Private Schools	3,614	1,440	40%
Not eligible per CTF application rule requiring a separate application for each site at which CTF discount is applied.			
School Districts*	1,113	1,033	93%

Community Colleges

Entities	Total Number of Potentially Eligible Entities *Source: California Community Colleges Chancellor's Office, March 2019*	Total Number of Approved and Active Applicants *Source: Oracle, March 2019*	Participation Rate
Community Colleges	114	46	40%
Not eligible per CTF application rule requiring a separate application for each site at which CTF discount is applied.			
Community College Districts	72	50	69%

CTF Participation Rates

Libraries

Entities	Total Number of Potentially Eligible Entities	Total Number of Approved and Active Applicants* *Source: Oracle, March 2019*	Participation Rate
Public Libraries	1,119 *Source: California State Library, March 2019*	361	32%
Other libraries includes academic, government, law, medical, military, religious and special libraries.			
Other Libraries	925 *Source: American Library Directory published by Information Today, Inc.*	32	34%
Not eligible per CTF application rule requiring a separate application for each site at which CTF discount is applied.			
Library Consortia/Systems	17 *Source: American Library Directory published by Information Today, Inc.*	11	65%

CTF Participation Rates

Non-Healthcare CBOs

Entities	Total Number of Potentially Eligible Entities *Source: IRS tax exempt organization database for California, April 2019, National Taxonomy of Exempt Entities (NTEE)*	Total Number of Approved and Active Applicants *Source: Oracle, April 2019*		Participation Rate
Non-healthcare CBO	13,426*	Eligible		
		3,359 (Revenue less than $5 mil)		25.0%
		Not eligible per $5 mil revenue cap adopted in D.15-07-007		
		3,367 (Revenue over $5 mil)		25.1%

*Potentially eligible entities are in the following NTEE categories:

- Education Institutions and Related Activities (e.g., vocational schools, adult educations);
- Employment and Job Related (e.g. employment preparation and procurement, vocational counseling, job training);
- Food Banks and Pantries;
- Housing and Shelters (e.g., senior housing, independent housing for disabled, housing assistance, homeless shelters);
- Youth Development (e.g., Boys and Girls Clubs, Big Brothers and Big Sisters); and
- Human Services Multipurpose (e.g., Red Cross, Salvation Army, YMCA, YWCA, childcare centers, family violence shelters)

CTF Participation Rates

Healthcare CBOs

Entities	Total Number of Potentially Eligible Entities *Source: IRS tax exempt organization database for California, April 2019, National Taxonomy of Exempt Entities (NTEE)*	Total Number of Approved and Active Applicants *Source: Oracle, April 2019*		Participation Rate
Healthcare CBO	4,696*	Eligible		
		2,315 (Revenue less than $50 mil)		49%
		Not eligible per $50 mil revenue cap adopted in D.18-01-006		
		47 (Revenue over $50 mil)		1%

*Potentially eligible entities are in the following NTEE categories:

- Health General and Rehabilitative
- Mental Health Crisis Intervention
- Human Services Multipurpose

CTF Participation Rates

Government-owned Hospitals and Clinics

| Entities	Total Number of Potentially Eligible Entities *Source: California Department of Health and Human Services, April 2019*	Total Number of Approved and Active Applicants *Source: Oracle, April 2019*	Participation Rate
Government-owned Hospitals and Clinics	265	172	65%

California Telehealth Network

Entities	Number of California Telehealth Network Sites *Source: California TeleHealth Network*	California Telehealth Network Members with CTF Approved Application Numbers *Source: CTF Data Request FY 2019*	Penetration Percentage
California Telehealth Network	178	60	34%

CTF Program Awareness Level
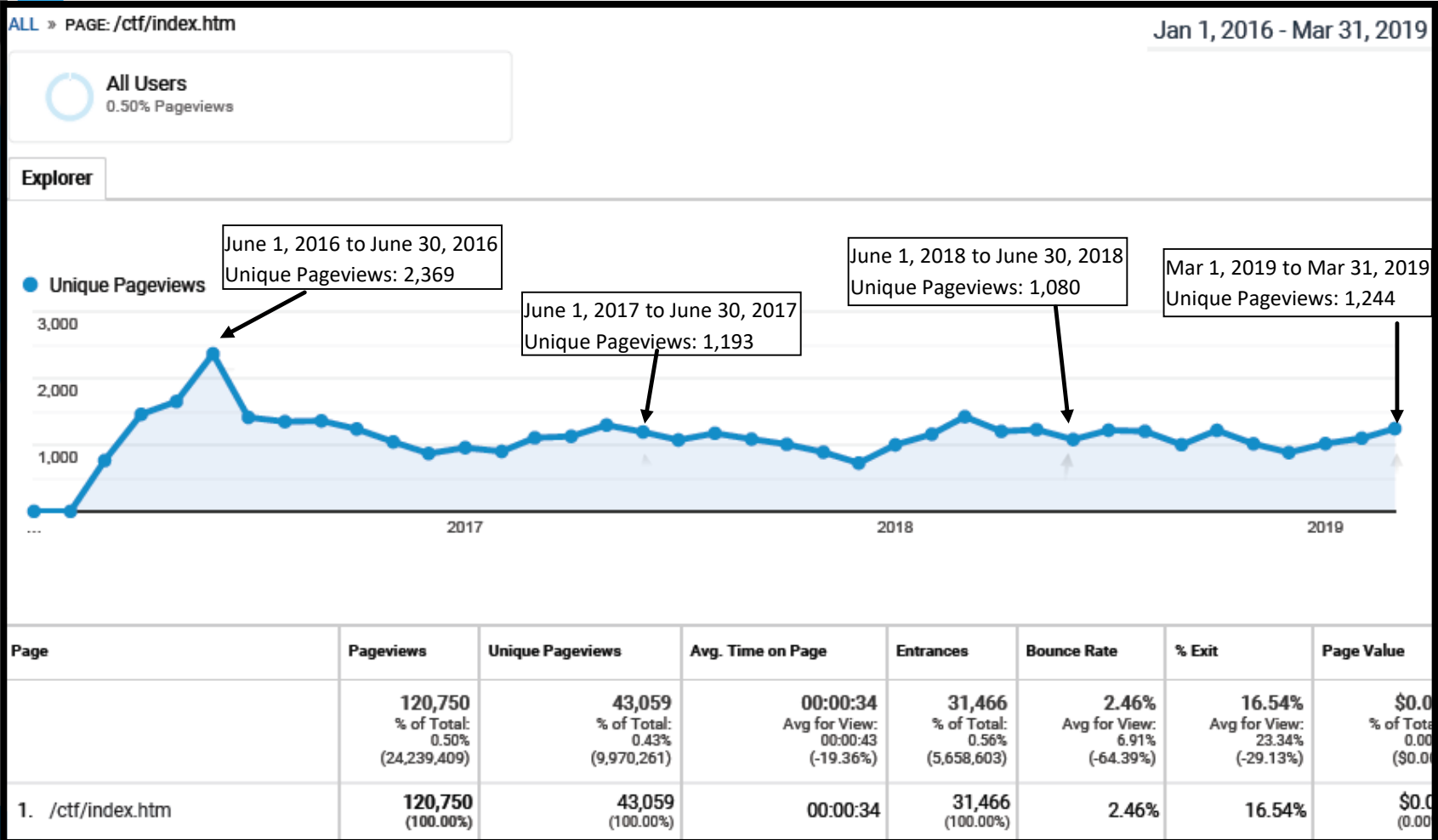
Participant level of products in comparison with CTF-defined advanced services for each qualifying category

Based on FCC's 2018 Broadband Definition: 25Mbps Download/ 3Mbps Upload Speeds

Entity	Total Services	Advanced Services	Nonadvanced Services	Unknown Services
Schools	59	40%	44%	16%
Libraries	35	23%	40%	37%
Community Colleges	65	28%	34%	38%
Hospitals	107	32%	41%	27%
CBOs	202	4%	39%	57%
CTN	1	100%	-	-

Goal #2

Migrate all CTF participants to advanced services.

Metrics

- Percentage of CTF support for advanced vs. non-advanced services per participant category.

  - Participants' change in service level (speed) over time.

  - Number of participants subscribing to all advanced services vs. number of participants subscribing to only non-advanced services.

  - Number of CTF-eligible products the carrier offers in comparison to the number of products offered by the carrier with the CTF discount.
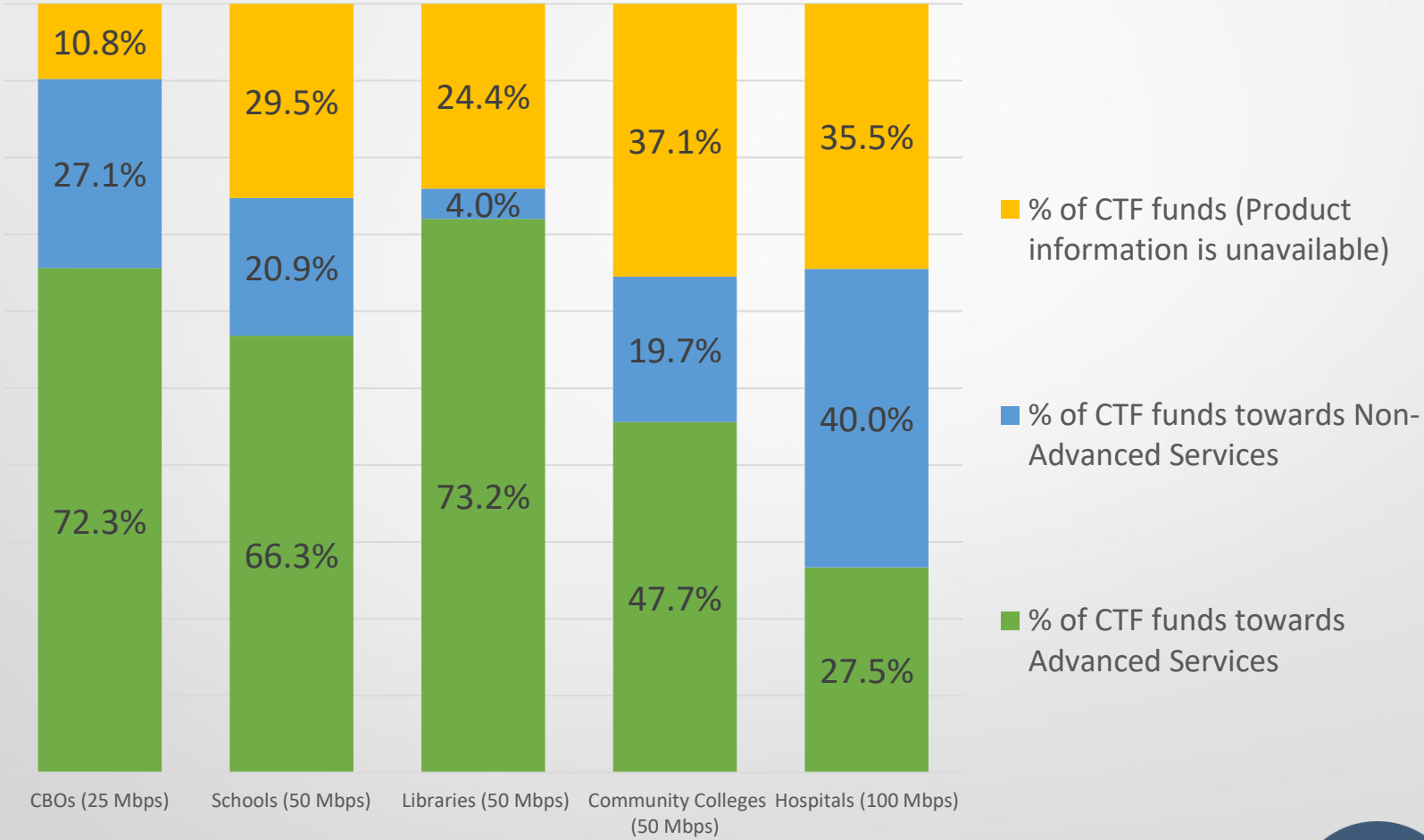
Proposed Minimum Speeds by Entity Group

Entity Groups	Proposed Minimum Speed Needed
CBOs Healthcare CBOs	At least 25 Mbps for downloads and 3 Mbps for uploads.
Schools Libraries Community Colleges	At least 50 Mbps for downloads and 6 Mbps for uploads. At least 1.5/ 100 users
Government Hospitals	At least 100 Mbps for downloads and 12 Mbps for uploads. At least 10 Mbps/User

Percentage of claimed CTF funds on Products/Speed by Entity Group

Chart legend:
- % of CTF funds (Product information is unavailable)
- % of CTF funds towards Non-Advanced Services
- % of CTF funds towards Advanced Services

Entity Group	% Advanced Services	% Non-Advanced Services	% Product info unavailable
CBOs (25 Mbps)	72.3%	27.1%	10.8%
Schools (50 Mbps)	66.3%	20.9%	29.5%
Libraries (50 Mbps)	73.2%	4.0%	24.4%
Community Colleges (50 Mbps)	47.7%	19.7%	37.1%
Hospitals (100 Mbps)	27.5%	40.0%	35.5%

* Services/Speed: Minimum speed proposed varies by Entity Group. Data gathered from top 20 carriers' most recent claims in 2018-2019. Top 20 carriers constitutes approx. 80% of CTF claim funds.

Goal #3

Address inequality issues by prioritizing rural, low-income, inner-city, and disabled Californians.

Metrics

- CTF participation rate of participants in rural areas vs. urban areas

- CTF participation rate of participants in low-income areas vs. non-low-income areas

- CTF participation rate of participants in inner-city areas vs. non-inner-city areas

Definitions

- Rural vs. urban

- Low-income areas

  - Federal: 2018 weighted average poverty threshold; based on the USDA's "economy food plan"; uniform across the country

  - Statewide: 2018 Census Quick Facts; 5-year ACS figures (2013-2017); Extremely low income threshold at 30% of median household income

  - County: 2018 State Income Limits (CA Dept of Housing & Comm Dev); Extremely low income threshold at 30% of median household income

- Inner-city

- Disabled

Rural vs. Urban

Urban / Rural status of California (2010 Census)

	Population	% to Total
Urban	35,373,606	95%
Rural	1,880,350	5%
Grand Total	**37,253,956**	**100%**

Urban / Rural status of CTF participants' Census Block location

.	PUB	PRIV	LIB	CCC	HOSP	CTN	CBO	Total
Urban	67%	89%	80%	79%	78%	100%	86%	83%
Rural	13%	3%	3%	8%	12%	0%	3%	4%
N/A	20%	8%	18%	12%	10%	0%	11%	13%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Low-income areas

Income status of Census Block Groups

	Count	% to Total
Low-income areas (Y)	685	3%
Non-low-income areas (N)	22,513	97%
Grand Total	**23,198**	**100%**

Income status of CTF participants' Census Block Group

All low-income thresholds	PUB	PRIV	LIB	CCC	HOSP	CTN	CBO	Total
Low-income (Y)	2%	1%	4%	0%	2%	0%	5%	4%
Non-low-income (N)	78%	91%	79%	88%	88%	100%	84%	83%
N/A	20%	8%	18%	12%	10%	0%	11%	13%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Inner City and disabled

Inner City

- Combination of urban and low income

- Population density can be an additional factor

Disabled

- Based on self-identification of end users

- Can be determined from survey data or other analysis

Thank You!

For additional information:

www.cpuc.ca.gov
www.cpuc.ca.gov/ctf/