



## APPENDIX 2

### Broadband Adoption Account Application Requirements and Guidelines

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#### I. Background

Pursuant to Public Utilities (Pub. Util.) Code section 281, moneys in the Broadband Adoption Account are available to the Commission to award grants to increase publicly available or after-school broadband access and digital inclusion, such as grants for digital literacy training programs and public education to communities with limited broadband adoption, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption. Moneys in the Broadband Adoption Account shall not be used to subsidize the costs of providing broadband service to households.<sup>1</sup>

#### II. Preference

Pub. Util. Code section 281 requires the Commission to give preference to programs in communities with demonstrated low broadband access, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption.

Applicants must indicate if the proposed project will meet the following preferences and, if so, how the proposed project will do so. Preferences must be supported by documentary evidence, such as census data and similar data sources. If such documentary evidence does not exist for the target community for the specific preference, applicants must provide justification for how each preference is met. Specific to community support and endorsements, the applicant must show actual support for the proposed projects through letters and named references. The Commission will evaluate and prioritize projects for funding based on preferences met (see Section III for definitions).

- The project is serving a low-income community.
- The project is serving a community with a high percentage of community members with limited English proficiency.
- The project is serving a community with a high percentage of community members with limited educational attainment.
- The project is exclusively serving a rural community.
- The project has community support, endorsements and/or partnerships.
- The project is serving a community with some other demonstrated disadvantages which affects broadband adoption which is being addressed by the proposed project.
- The project considers coordination with other public purpose programs and

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<sup>1</sup> Pub. Util. Code, § 281(j)(5).

funding sources.

### III. Definitions

Communities with demonstrated “low broadband access” for the Adoption Account are defined as communities or areas having low broadband subscription rates (a.k.a., low broadband adoption) relative to the statewide average,<sup>2</sup> including communities facing socioeconomic barriers to broadband and adoption.

“Communities facing socioeconomic barriers to broadband adoption” include low-income communities, communities with a high percentage of community members with limited English Proficiency, communities with a high percentage of community members with limited educational attainment, or communities with some other demonstrated disadvantage which affects broadband adoption.

“Low-income communities,” for the purposes of the Adoption Account, include those communities with a median household income at or below the California Alternate Rates for Energy (CARE) program income limits for a household of four.

Communities with a high percentage of community members with limited English proficiency (LEP). LEP means individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand the English language.<sup>3</sup>

Communities with a high percentage of members with limited educational attainment are defined as communities where more than 50% of the residents have taken no college classes and attained a high school diploma or less.

“Communities” can be geographically defined by a political or US Census geographic extent (such as a city or county or tribal community boundary, or a census tract/block or designated place), by location (such as a public housing complex or senior center) or by the demographic served (such as disadvantaged youth). Income information provided by the applicant must be for the designated community.

For the purposes of the Adoption Account, local governments can include a Tribal government, which is a California Tribe with or without federal recognition, that demonstrates tribal leadership support. Staff shall consider Tribal support to be

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<sup>2</sup> According to the annual survey conducted for the California Emerging Technology Fund (CETF), as of December 2023, California has an overall adoption rate of 91% <https://www.cetfund.org/action-and-results/statewide-surveys/2023-statewide-survey/>.

<sup>3</sup> Smith, Kevin (March 22, 2023). *Limited English Proficiency (LEP)*. US Department of Agriculture. <https://www.ers.usda.gov/help/limited-english-proficiency-lep/>

established, for example by furnishing statements from applicants with endorsement(s) and/or an official letter from the Tribal Chairmen's Association, the Tribal administrator, chair or council.

Digital literacy is defined as the measurement of an individual's ability to use the Internet and modern technologies, such as computers and smart phones.<sup>4</sup> Digital fluency is defined as the ability to discover, evaluate, and use information and technology effectively and ethically.<sup>5</sup> Digital literacy projects funded through the Adoption Account program assist participants in becoming both digitally literate and fluent through short term training.

Broadband access is defined as the availability of high-speed and reliable Internet and the equipment used to access the available Internet in community institutions and/or public locations (e.g., local government centers, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations). Broadband access project participation is the number of participants provided access to the Internet through equipment funded through the grant when the project is implemented.

A call center is defined as a centralized department that handles inbound and outbound calls from current and potential customers. Call centers are located either within an organization or outsourced to another company that specializes in handling calls.<sup>6</sup> For the purposes of program eligibility, call centers must focus on broadband adoption by promoting and facilitating the adoption of broadband internet services.

A project is located in a "rural" area if it is located in one of the following:

- a. an area that is eligible for federal program under the United States Department of Agriculture (USDA) Section 515 program;
- b. a city with a population of 40,000 or less in a non-urban area;
- c. an unincorporated area of a county and is not in an urban area;
- d. or Tribal trust land within the state of California

A computer warranty, as defined for this program, is the replacement or repair of devices due to manufacturing defects and defects in materials and workmanship.

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<sup>4</sup> *What does Digital Inclusion mean?* (ND). NTIA. <https://broadbandusa.ntia.doc.gov/about-us/frequently-asked-questions/what-does-digital-inclusion-mean>

<sup>5</sup> *Defining Digital Fluency* (ND). Ursinus College. <https://www.ursinus.edu/library/teaching-learning/digital-fluency/defining-digital-fluency/>

<sup>6</sup> Goss, Michaela (2021). *Definition Call Center*. TechTarget. <https://www.techtarget.com/searchcustomerexperience/definition/Call-Center>

For the purposes of this program, a curriculum is a planned sequence of instruction set forth to meet the goals and information stated in the project description.

For the purposes of this program, public space is defined as an indoor or outdoor area, whether privately or publicly owned, to which the public have access by right or by invitation, expressed or implied, whether by payment of money or not, but not a place when used exclusively by one or more individuals for a private gathering or other personal purpose.<sup>7</sup>

An application submission will be considered complete if the application is submitted to the correct location stated in Section X (Submissions and Timelines), is submitted using application forms provided by the Commission for the specific project proposed (digital literacy, broadband access, or call center), is submitted with a signed and notarized affidavit, submitted with a cover letter, is submitted with a contact name and contact information (email and/or phone number), and, if the applicant is a nonprofit organization, is submitted with the organization's IRS form 990 or 990-EZ.

For the purposes of the Adoption Account, a desktop computer is composed of a monitor, keyboard, mouse, and a case that houses the power supply, motherboard (a printed circuit board with a microprocessor as the central processing unit, memory, bus, certain peripherals and other electronic components). This includes cabling to connect the monitor to the case, and a USB port extender. A desktop computer does not include any external camera, microphones, speakers, or external disk drives.

A local area network (LAN) is a group of computers and other devices dispersed over a relatively limited area and connected by a communications link that enables any device to interact with any other on the network.<sup>8</sup> For purposes of the Adoption Account a LAN established within a single building may be considered.

#### **IV. Eligible Applicants**

Public Utilities Code section 281, subdivision (j)(2) states that eligible applicants are local governments, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations with programs to increase publicly available or after school broadband access and digital inclusion, such as digital literacy training programs.

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<sup>7</sup> *Public Place Law and Legal Definition* (ND). US Legal, Inc. <https://definitions.uslegal.com/p/public-place/>

<sup>8</sup> *Glossary: Local Area Network (LAN)* (ND). National Institute of Standards and Technology (NIST) US Department of Commerce. [https://csrc.nist.gov/glossary/term/local\\_area\\_network](https://csrc.nist.gov/glossary/term/local_area_network)

For a nonprofit organization required to file IRS form 990 (as stated in their IRS 501(c)(3) determination letter) to be eligible for funds:

- A nonprofit organization not incorporated within the last tax-year must provide IRS form 990 or if applicable, 990-EZ for the last tax year with gross receipts greater than \$50,000 and must have a current-account ratio of 1 or higher.
- If an organization has not filed IRS form 990 or 990-EZ or has filed a form 990 or 990-EZ but has gross receipts at \$50,000 or less, it must apply under a fiscal sponsor.
- Organizations acting as fiscal sponsors must submit form 990 and have a current-account ratio of 2 or higher.

If an organization was incorporated within the last tax-year and has not yet filed an IRS form 990, has annual gross receipts greater than \$50,000 (supported by a Statement of Financial Position and a Statement of Cash Flows) and a current-account ratio of 1 or greater, the organization is eligible to apply for funds under its own tax ID.

No adoption grant recipient can charge for classes or make a profit of any kind from the Adoption Account grant funds.

## **V. Eligible Projects**

Only projects providing digital literacy, broadband access, and call center services as defined in Section III are eligible.

Broadband access projects must make broadband access available or Digital Literacy projects must begin instruction, within six months of submitting a Consent Form accepting the Adoption Account grant.

Digital literacy project applicants must commit to providing at least 8 hours of digital literacy training to each participant through combination of digital literacy classes, one-on-one tutoring or self-paced instruction. Up to 4 hours of self-paced instruction can be provided and only if participation is monitored.<sup>9</sup>

Applicants cannot request funds greater than 50% of their total revenue or net assets (whichever is greater) for the last tax year.

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<sup>9</sup> For self-paced instruction, grantees are required to provide participation logs, subject matter, date and time, and per module test-results.

## VI. Eligible Project Costs

The Commission may fund up to 85 percent of project costs<sup>10</sup>. Only eligible project costs can be funded. Eligible program costs are the following:

### Labor

- Digital Literacy instructors
- Community outreach
- Direct costs for program/project operational functions (an operational function could be for activities such as managing project deliverables, computer room monitoring, direct administration of a Call Center, etc.)
- Direct costs for equipment and/or software installation
- Direct costs for technical support for equipment/software subsidized through the grant not inclusive of repairs provided under warranty (as defined in Section II)

### Computer Equipment and Software

- a. Desktop computers (as defined in Section III) and laptop computers and computer pads and tablets within budgetary limits and including computer warranty (as defined in Section III) and device covers;
  - In-classroom computing devices including devices for use in call centers and used by instructors for remote instruction
  - Take-home computing devices (for Digital Literacy Projects only)
- Software (inclusive of licensing for online platforms)
- Printers (not inclusive of 3-D printers)
- Mobile hotspots (only when no inside network is available); mobile hotspots are reimbursable for use in residential locations only for the duration of the project (reimbursement does not include Internet Service Provider or ISP service plans).
- Any kind of network equipment and cabling deployed inside a single building for the purpose of establishing an indoor public space (as defined in Section III) for broadband access or digital literacy that connects to an already existing broadband network accessible within that building.<sup>11</sup> This includes the expansion of a LAN (as defined in Section III) deployed inside a building for such reasons. This does not include any kind of site rehabilitation, demolition or construction or any kind of network expansion and/or deployment to residences or installation of a network outside of a building.

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<sup>10</sup> Project costs are determined for the project as a whole, not for individual budget line items.

<sup>11</sup> An example of such a deployment is the installation of network switches, computers, routers, and wireless access points to service a public space such as a library. These switches would connect to an already existing router.

### Audiovisual (AV) Equipment

- Projectors and projector screens, televisions, or classroom displays, or touchscreen devices used for in-classroom digital literacy classes
- Microphone, camera, and similar equipment needed for the provision of remote instruction but not inclusive of a conference-room AV installation

### Miscellaneous Equipment and Supplies

- Monitors and keyboards can be supplied separately from computers
- Power strips and cabling for powering a space for broadband access or digital literacy
- Laptop carts/charging stations for laptops when laptops are funded as in-classroom computers
- Office supplies used during the implementation of the funded project
- Desks, chairs, and tables to furnish a designated space for digital literacy or broadband access

Reimbursement for administrative costs,<sup>12</sup> are limited up to 15% of the total grant amount. Grantees must submit an itemized accounting of any portions of an award used to reimburse for administrative costs associated with the project; the itemized accounting must demonstrate that the total requested for reimbursement does not exceed 15% of the total authorized award.

Device technical support must be able to respond either by phone or in person within 24 hours. Devices must have at least a one-year warranty as defined in Section III.

Facility rent, utilities, internet service costs, food costs, lodging, marketing incentives for participation (gift cards, giveaways, etc.), and other items not listed in this section are not eligible for reimbursement. All funding requests will be assessed for reasonableness and may be adjusted accordingly at the discretion of the Commission.

At least 15% of the provided grant amount must be funded by other sources (leveraged or self-funding) and provided as a match. Volunteer hours can be provided as a match only at no more than \$35 per hour.

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<sup>12</sup> “Administrative costs” are defined here as “indirect overhead costs attributable to a project per generally accepted accounting principles (GAAP) and the direct cost of complying with Commission administrative and regulatory requirements related to the grant itself,” consistent with other CASF program rules.

## **VII. Subsidy Levels**

The Commission may fund up to 85 percent of the total program costs. Only eligible program costs listed Section VI will be funded.

Reimbursement for computing devices used in community training rooms or other public space, such as local or tribal government centers, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations or used in call centers or for the provision of remote instruction is capped at \$11,250 per project and limited to \$750 per device (device software costs will be considered a separate expense).

Reimbursement for mobile hotspots used in community training rooms or other public spaces such as local or tribal government centers, senior centers, schools, public libraries nonprofit organizations, and community-based organizations or used by individuals in locations where no inside network exists, is limited to a cap of \$300 per device and \$20,000 per project. Mobile hotspots may be used in residential locations for the duration of the project only; reimbursement does not include ISP service plans.

For Digital Literacy Projects, only households with incomes at or below the thresholds required to participate in, or that participate in, the California Alternative Rates for Energy (CARE),<sup>13</sup> the Supplemental Nutritional Assistance Program, the National School Lunch Program, or the Women, Infants, and Children Program are eligible to receive computing devices to take home after completing digital literacy training courses (take-home computers). Reimbursement for take-home computing devices is capped at \$300 per device, limited to two computing devices per eligible household, and limited to \$40,000 per project. Grantees should ensure proof of eligibility in their distribution of computing devices for households.

Overall costs for such computing devices and hotspots may exceed these caps; however, any portion not approved for grant funding must be funded by other sources (leveraged or self-funding).

## **VIII. Information Required from Applicants**

Applicants must complete and submit a project application form for each project, along with a signed notarized affidavit, which will be available on the Commission's website. Applications must satisfy all the requirements in Sections III, IV, V, VI, VIII and XI. Separate applications must be submitted for locations which have both a digital literacy

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<sup>13</sup> CARE income thresholds are set pursuant to D.16-11-022 at 18 and Pub. Util. Code, § 739.1(a). For a household of four, the income threshold is \$53,000 through May 31, 2022. The threshold is updated regularly in the CARE proceeding, A.19-11-003, et. al. As of June 13, 2024, current CARE income guidelines are available at <https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/california-alternate-rates-for-energy>.



and broadband access component. Staff will post a list of applications submitted by each deadline on the CASF webpage.

*Digital Literacy Projects & Broadband Access Projects*

**a. Project Description**

- i. Applicant's name, description of organization
- ii. Nonprofit applicants or the designated fiscal sponsor acting as the applicant must submit a copy of the IRS letter approving the applicant's status as a 501(c)(3) entity (IRS determination letter), which must include the applicant's Tax Identification Number along with IRS Form 990 or 990-EZ from the last tax-year, and documentation showing good standing with the California Secretary of State.
- iii. Local government applicants must submit their most recent audited financial documents, if available; if none, must provide total assets, liabilities, and revenue for the past fiscal year, referencing a source document.
- iv. Applicant's experience in providing digital literacy instruction or broadband access; the dates, locations, training content, and number of participants served must be provided.
- v. Contact person, title, address, e-mail, phone number(s);
- vi. Project title;
- vii. Proposed Project Area/Community/ Location (Community / County / Census Block(s)) including address (if applicable);
- viii. CASF Funding Requested (Amount of Grant);
- ix. Efforts to leverage funds from other sources (non-CASF moneys);
- x. Area/ Community/ Location's (by census tract or other delineation), adoption levels, income, demographics;
- xi. Needs Assessment: A project description detailing the problem(s) the project is meant to address and the method(s) applied in addressing the problem(s);
- xii. Responses regarding preferences met and documentation to support assertions made (see Section II);
- xiii. Demonstration of community support: examples could include letters of endorsements obtained from Community Based Organizations (CBO), schools, hospitals, libraries, businesses and consumers;
- xiv. Description of partnerships with local CBOs, Internet Service Providers, media groups, for-profit companies and other applicable organizations;
- xv. Description of planned outreach efforts, including sample promotional material, planned community events, volunteer recruitment or any other relevant materials;
- xvi. Projected number of participants reached through outreach activities;
- xvii. Description of partnership with carriers and any existing affordable plans that will be offered in the community; and

- xviii. Projected number of new residential broadband subscriptions resulting from the project (including documentation of all assumptions and data sources used to compile estimates);
- xix. Description of any planned improvements to an existing space or the creation of a new space, for the purposes of digital literacy training or broadband access, including the purchase of computing devices, network equipment, and cabling to connect these devices and any installation or set-up activities.
- xx. Note that the Adoption Account does not pay for any inside network setup other than to connect computers and required network devices purchased with the grant award to an already existing broadband network accessible within that building.

*Additional Information Required for Digital Literacy Projects Only*

- i. Curriculum (as defined in Section III) for training;
- ii. Description of the type of training to be provided (group and/or individual tutoring and any adjunct self-paced instruction);
- iii. Description of the modality of the training, i.e., onsite, virtual, or a hybrid of the two, and, if virtual or hybrid, what digital learning platform will be used;
- iv. Projected number of participants to be trained by the project; and
- v. Projected number of participants who will receive tutoring or other digital literacy instruction (such as the assistance of knowledgeable volunteers during open computer lab hours) outside of the 8-hour training for each project.

*Additional Information Required for Broadband Access Projects Only*

- i. Projected number of participants to be served by the project and the projected number of hours of access to be provided; and
- ii. Projected number of participants who will receive information regarding broadband plans in the community.

**b. Work Plan**

- i. The Work Plan must include detailed functions, activities, and deliverables related to implementing the adoption program.
- ii. The Work Plan must include a timeline identifying milestone dates for completion of key Work Plan activities and deliverables proposed to be funded; the timeline describing each of the monthly milestones, including performance metrics to be accomplished;
- iii. The schedule may incorporate a ramp-up period (a maximum of six months following the submission of a signed Consent Form), followed by project deployment (a maximum of 24 months);
- iv. The ramp-up period will incorporate any training room, or computer

- room, or online platform set-up activities as well as community outreach;
- v. The project deployment period is where activities to increase digital inclusion occur or where broadband access will be monitored; community outreach may be ongoing.

**c. Performance Metrics Plan**

- i. A detailed description of how outcomes will be measured and tracked for reporting requirements (“milestone/completion” reports). Outcomes include but are not limited to:
  - The total number of participants trained or provided access;
  - The total number of hours that training or access has been provided to the community and the number of participants served;
  - The number of participants that subsequently subscribe to a broadband Internet service provider to use a device in their home.
- ii. Methods of tracking such as verification of subscription online, such as through ISPs, bill, surveys, sign-in sheets, etc.

**d. Budget**

- i. A detailed breakdown of cost elements for the proposed project, including a designation of administrative costs and what those costs consist of;
- ii. A calculation of the proposed reimbursement-dollar amount per participant (exclusive of in-person and take-home computer or hot spot reimbursements);
- iii. A detailed breakdown of the instructor/staff pay rate relative to projected number of training or access hours and prep time; and
- iv. Availability of matching funds to be supplied by applicant and/or other sources. (Section VI)

**e. Affidavit**

- i. All applicants must submit a notarized affidavit with an official notary seal, under penalty of perjury, containing at minimum, the following attestations, the final form of which will be made available on the Commission’s website.
  - Applicant agrees that no officer, director, or partner of the Applicant or its Fiscal Agent has: 1) filed for bankruptcy; 2) was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order; nor 3) has been found either civilly or criminally liable by a court of appropriate jurisdiction for violation of § 1700 et. seq. of the California Business and Professions Code, or for any action which involved misrepresentations to consumers, nor is currently under investigation for similar violations.

- Applicant agrees that by receiving a CASF grant, the grantee agrees to comply with the terms, conditions and requirements of the grant and thus submits to the jurisdiction of the Commission with respect to the disbursement and administration of the grant.
- Applicant agrees to abide by the CASF program rules the Commission established as well as all other applicable state and federal rules and regulations regarding broadband services.
- Applicant agrees to abide by the Commission's Rules of Practice and Procedure, Rules 1, 1.11 and 2.2, applicable statutes and be subject to Public Utilities Commission sections 2108 and 2111 for failure to meet program and project compliance requirements as the Commission determines.
- Affirmation under penalty of perjury that, to the best of their knowledge, all the statements and representations made in the application are true and correct.

#### **IX. Evaluation Criteria**

Applications will be evaluated based on meeting all the requirements in the Information Required from Applicants in Section III, IV, V, VI, VIII and X.

All applications will be reviewed, and awarded based on completeness, overall quality, and project costs reasonableness, and will be prioritized based on preferences met.

#### **X. Submission and Timelines**

Applicants must submit the Commission-staff application materials available on the Commission's CASF Adoption Account website: <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-adoption-account>.

Applicants must electronically submit the completed applications using the Commissions FTP file server (<https://kwftp.cpuc.ca.gov>). Applications not submitted to this address will not be considered and will be rejected.

Applications may be submitted at any time. However, staff will consider applications submitted on or before each deadline listed below as a batch, until all funds have been awarded. Applications not submitted according to the application instructions will not be considered and will be rejected.

Deadlines:

- July 1, 2025
- January 1, 2026
- July 1, 2026

And every January 1 and July 1 thereafter, until funds are exhausted. Any deadline falling on a legal holiday, or a weekend will be extended to the following business day.

The Commission delegates to staff the option to set additional application windows and review timelines for the CASF Adoption Program. Revisions to the application window and review timelines will be issued via Communications Division Director letter through the CASF Distribution list.

Staff will post a list of applications and notices of amendments pending applications submitted by the deadline on the CASF webpage.

## **XI. Ministerial Review**

The Commission authorizes Communications Division staff to approve applications that meet all of the following criteria:

- a. Applicant requests a grant of \$150,000 or less.
- b. Eligible nonprofit organizations (see Section IV) may submit applications eligible for Ministerial Review if the nonprofit organization has existed for more than one year.<sup>14</sup>
- c. Digital literacy project applicants may submit applications eligible for Ministerial Review if they have at least one year's experience conducting digital literacy training or if they have completed at least one digital literacy training project<sup>15</sup> and have provided documentation supporting this experience.
- d. Broadband access project applicants may submit applications eligible for Ministerial Review if that have at least one year's experience conducting broadband access projects or if they have completed at least one broadband access project and have provided documentation supporting this experience.
- e. Applicants have a designated in person or virtual space for trainings or public computer access, or provides detailed information on how such in person or virtual space will be obtained;
- f. For digital literacy projects, the proposed project costs \$477 per participant or less (exclusive of in-person and take-home computer or hot spot reimbursements, if applicable);
- g. For broadband access projects, the proposed project costs \$42 per participant or less (exclusive of in-person and take-home computer or hot spot reimbursements);

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<sup>14</sup> A nonprofit organization would have existed more than one year if more than one year has passed from the effective date of exemption as listed on IRS determination letter on the date of the project submission.

<sup>15</sup> A completed digital literacy training project is a project where the applicant planned for, executed, and completed a digital literacy project of at least 192 hours of instruction.

- h. For call center projects, the proposed project costs \$205 per subscription or less;
- i. The application meets all other Adoption Account application requirements included in Sections IV, V, VI, VII and VIII of these Guidelines.

The Commission further assigns to staff the task of rejecting applications that meet any of the following criteria:

- a. An application submission is not complete (as defined in Section III).
- b. The applicant submitted an incomplete application specific to other items than above and does not respond, by a stated deadline, to follow-up requests for clarification and/or supplemental materials, sent to the designated contact on the application.
- c. The applicant is not a fiscal sponsor and has a current-account ratio of less than 1 based on the last two tax years of the 990/990-EZ submissions (if Form 990/990-EZ submission is required for the last two tax years) or the last tax year (if Form 990/990-EZ submission is required for the last tax year only) or if the applicant is a fiscal sponsor and the current-account ratio is less than 2 for the same period.
- d. The application requests funding for the construction of a network of any kind outside of a building.
- e. The applicant has previously had a Commission grant award rescinded for violation of Commission or program rules;
- f. The applicant has made false statements to the Commission or to the Federal Communications Commission (FCC).

Staff shall notify an applicant by letter specifying reasons for rejection should an application fail to meet the Commission criteria or other factors.

## **XII. Resolution Review**

Applications not meeting the above ministerial review criteria may only be approved by the Commission via Resolution.

The Commission assigns staff the task to propose administrative changes to the Adoption Account program via Resolution for Commission review and approval of those changes.

## **XIII. Reporting**

Staff will provide forms for all necessary reporting in the Administrative Manual which will be posted on the CASF Adoption website, along with the instructions and application forms.

A ramp-up report may be submitted after completion of the ramp-up activities and when deployment is set to begin.

A progress report must be submitted with every payment request. If a payment

request is submitted without a progress report, the payment request will not be considered until the progress report is submitted.

A progress report must be submitted whether or not payment is requested no later than six months after the end of the first year of deployment (year 1 progress report). A final report must be submitted no later than six months after the end of the 24-month program implementation period (or the end of any approved time-extension). If these reports are not submitted within the respective six-month periods, the grantee will be notified of the reporting deficiency. If the grantee fails to submit the necessary reporting within two-weeks of this notice, the project may be rescinded, unless the Commission provides an authorized extension for reporting.

A final report may be submitted once the project has met its participation goals; if the final report is submitted within the first year and six months of deployment there is no requirement to submit a progress report for the first year of deployment.

**Ramp-up Period Report:** In this report, recipients will report on the completion of the ramp-up activities per the work plan, milestones met, as well as request payment for relevant expenses to date. **The ramp-up period shall not exceed six months from the submission of the Consent form.**

**Progress Report:** In this report, grantees will report on activities and accomplishments during the stated reporting period and the status of milestones met to date per the work plan and may choose to request payment for relevant expenses to date.

**Final Report:** Grantees will report on the completion of the overall project, milestones met per the work plan, as well as request payment for final and remaining relevant expenses.

The completion report shall include:

- a. A summary of all work done including an itemized list of materials purchased and money spent;
- b. A description of each milestone in the period and how that milestone was met;
- c. The total number of participants trained for minimum of 8 hours, or hours of access provided, (if applicable); and
- d. The number of participants that subsequently subscribe to a broadband Internet service provider to use a device in their home.

#### **XIV. Payment**

The disbursement of funds at any time is subject to Commission discretion, including a review-and-approval process of each grantee through regular site visits, progress reports on a bi-annual basis, and supporting documentation, invoices and

receipts showing expenditures incurred in accordance with the approved CASF budget included in the application. All requests for progress payments and reimbursements must be supported by documentation, e.g., receipts, invoices, quotes, etc.

- a. Grantees may submit up to three payment requests throughout the project period. Payment requests may accompany the ramp-up report, the year 1 progress report and the final report described above. Payment requests may also be submitted separately from these three reports, provided that a progress report is submitted with each payment request. No more than three payment requests may be submitted.
- b. All payment requests for the ramp-up period only (ramp-up report) may not exceed 25% of the grant amount.
- c. No more than 80% of the grant amount will be reimbursed before the final report and payment request.
- d. Payments requests (except for a payment request submitted with the ramp-up report) require documentation of project participation (number of participants trained or provided access and the number of participants that subsequently subscribe to a broadband Internet service provider to use a device in their home) and devices reimbursed for.
  - a. Specific to digital literacy projects, grantees are required to provide the name or a unique identifier for each participant trained, location trained at or virtual, dates of classes, hours trained, and notification if a device was provided (with the serial number of the device listed).
  - b. Specific to call center projects, grantees are required to provide an account number of the new subscription, the address (in part or full), zip code, and the ISP providing the service.
  - c. For any in-classroom computer reimbursed through a grant, grantees must provide the computing device brand and model, the computing device serial number, and the date and location of where the device was installed.
- e. Payments are based on submitted invoices, forms, completion form, final report and supporting documentation showing expenditures incurred and work done on the project is in accordance with the approved CASF grant budget included in the application.
- f. Matching funds must be supported by documentation for each payment request
- g. All reimbursements for activities and costs incurred outside of the ramp-up period are contingent upon the grantee fulfilling its obligation to provide digital literacy training/broadband access as described in its application. The grant award for program implementation costs (not including computers and/or hot spots) is based on a specific per participant cost as stated in the provided award letter or authorizing resolution; the grantee will be reimbursed for program implementation costs based on the number participants served, if supported by



sufficient documentation as defined above.

- h. Any labor performed, whether direct or indirect, by organizational staff or contracted out, must be supported by information showing monthly activity during the reporting period for each employee/contractor, including hours worked and rate of pay and must be supported by either payroll documentation showing proof of employment or contractor billing (as appropriate).
- i. All payment requests must be submitted using the approved forms available on the CASF Adoption Account website.
- j. Grantees shall submit final requests for payment no later than 6 months after the end of the 24-month period (or the end of any approved time-extension); if no request is submitted, available funds may be returned to the CASF.
- k. Payment will be made in accordance with, and within the time specified in California Government Code § 927 et seq.
- l. The Commission has the right to conduct any necessary audit, quality check, verification, and discovery during project implementation to ensure that CASF funds are spent in accordance with Commission rules and the terms of approval granted by the Commission.
- m. The grantees are required to maintain records such as files, invoices, and other related documentation for five years after final payment. Invoices will be subject to audit by the Commission at any time within five years of final payment.
- n. If any portion of reimbursement is found to be out of compliance, the grantee will be responsible for refunding any disallowed amount along with appropriate interest rates determined in accordance with the applicable Commission decisions.
- o. Payment will not exceed the approved grant amount. Any additional costs above the approved grant amount are the responsibility of the grantee.

## **XV. Execution and Performance**

Grantees must start the project within six months after submitting a Consent Form accepting the terms stated in the Adoption Account Award Letter or Resolution (after the ramp-up time if applicable) and complete the project within a 24-month timeframe. The CASF grant recipient must complete all performance under the award on or before the termination date of the award. If the grantee is unable to complete the proposed project within the 24-month required timeframe, it must notify the Commission or Director of Communications Division as soon as it becomes aware of this prospect (no later than at the end of the 24-month program implementation period or the end of any approved time-extension. The Commission reserves the right to reduce or withhold payment or terminate the grant for failure to satisfy this requirement.

Grantees must use the grant funds solely for the approved project as described in the Grantee's application affirmed by the signed notarized Affidavit. Each grantee must complete the project in accordance with and within the project performance period set forth in the Commission-approved Resolution or Award Letter.

The Commission may withhold, reduce, or terminate grant payments if the grantee does not comply with any of the requirements set forth in its application and compliance with the CASF. In the event that the grantee fails to complete the project in accordance with the terms of approval granted by the Commission, the grantee must reimburse some or all the CASF funds that it has received.

Grantees may make modifications to line items within an approved project budget (not including matching fund budget line items) without prior authorization, so long as those modifications do not cause the project budget to exceed the overall approved project budget and so long as the proposed budget modifications are unrelated to the budgets for classroom or take-home devices, including hotspots. Grantees may change milestone/activity timelines without prior authorization, so long as those modifications do not cause the project timeframe to exceed the overall adopted project timeframe. While prior approval is not required for these modifications, the applicant must notify the Communications Division by e-mailing [CASF\\_Adoption@cpuc.ca.gov](mailto:CASF_Adoption@cpuc.ca.gov) within 30 days of making such changes.

Material changes in the entries for this application, such as discontinuing operation or bankruptcy, or change of name (DBA), change of address, telephone, fax number or e-mail address should be reported by a letter to the California Public Utilities Commission, Director of the Communications Division, 505 Van Ness Avenue, San Francisco, CA 94102 and <mailto:CDCompliance@cpuc.ca.gov>.

All grantees must communicate in writing to the Communications Division Director any changes to the substantive terms and conditions underlying Commission approval of the grant (such as a requested reallocation of funds from the device award to the program implementation budget) at least 30 days before the anticipated change is to be effective; Substantive changes require approval by either the Communications Division Director or by Commission Resolution before becoming effective.

**XVI. Consent Form**

All grantees are required to sign a Consent Form within 30 days from the date of the award, agreeing to the terms stated in the Resolution or Award Letter authorizing the CASF award. The agreement will provide the name of the grantee, names of officers, and must be signed by the grantee. Should the grantee not accept the award through failure to submit the Consent Form within 30 calendar days from the date of the award, the Commission may deem the grant null and void. The proposed wording of the Consent Form is available on the CASF website.

**XVII. Penalties**

As noted above, grantees that are non-telephone corporations must agree to the following language in an affidavit:

If [Grantee Name] violates the terms and conditions of a CASF award or other program and project compliance requirements, it shall be subject to Pub. Util. Code sections 2108 and 2111. The Commission may impose the maximum penalties allowed under Pub. Util. Code sections 2108 and 2111 for failure to meet the program and project compliance requirements, as determined by the Commission.

(End of Appendix 2)