

Decision 19-02-008 February 21, 2019

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Consider Modifications to the California
Advanced Services Fund.

Rulemaking 12-10-012

**DECISION REVISING THE CALIFORNIA ADVANCED SERVICES FUND
BROADBAND ADOPTION ACCOUNT PROVISIONS**

Summary

This decision makes modifications and clarifications to the California Advanced Services Fund Broadband Adoption Account Application Requirements and Guidelines as set forth in Appendix 1. Specifically, these revisions include: 1) setting a \$7.5 million award cap for each application cycle; 2) clarification on the types of reimbursable project costs and the 85% funding cap; and 3) modification to the application submission deadlines. This proceeding remains open.

1. Background

On October 15, 2017, Governor Brown signed Assembly Bill (AB) 1665 (Garcia)¹ into law. This legislation amended the statutes governing the California Advanced Services Fund program (CASF), Public Utilities Code, §§ 281, 912.2, and 914.7. AB 1665 added the Broadband Adoption Account

¹ AB 1665 is codified at Public Utilities (Pub. Util.) Code section 281.

(Adoption Account) which provides grants to increase publicly available or after school broadband access and digital inclusion. Eligible applicants for digital inclusion 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. AB 1665 also 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. In June 2018, the Commission issued Decision (D). 18-06-032² which implemented provisions of AB 1665 and adopted new rules for administering the CASF Adoption Account. The first round of applications, under the new rules, were due on August 31, 2018 with an award cap of \$5 million.³ The Commission received applications for 66 projects requesting over \$8.4 million in grant funding.

Based on the Commission's experience with the first round of applications, assigned Commissioner Guzman Aceves issued an Assigned Commissioner's Ruling (ACR) on December 7, 2018 in order to solicit comments on proposed revisions to the program. Specifically, the ACR requested comment on the following proposed changes: 1) Should the program set a \$5 million award cap for each application cycle; 2) How should the program clarify the types of

² Decision Implementing the California Advanced Services Fund Broadband Adoption, Public Housing and Loan Accounts [D.18-06-032] (2018), Appendix 1, at 14. In D.18-06-032, the Commission also implemented provisions of AB 1665 relating to the Broadband Public Housing Account and Broadband Infrastructure Revolving Loan Account.

³ *Ibid.*

reimbursable project costs and the 85% funding cap; and 3) Should the program modify the application submission deadlines. Comments were due on December 27, 2018 and reply comments due on January 07, 2019.

Comments on the proposed modifications and clarifications to the Adoption Account Application Requirements and Guidelines (Appendix 1) were filed by the California Emerging Technology Fund (CETF) on December 27, 2018. Reply comments were jointly filed by The Utility Reform Network and The Greenlining Institute (Joint Consumers) on January 07, 2019.

2. Revisions to the California Advanced Services Fund Broadband Adoption Account

In this decision, we modify the application submission deadlines, and adopt revisions to the rules, application requirements and guidelines for the CASF Broadband Adoption Grant Account, as summarized below and set forth in Appendix 1.

2.1. \$7.5 Million Award Cap per Application Cycle

To ensure that funds would be allocated throughout the state, D.18-06-032 specified that only \$5 million of the \$20 million authorized funds would be awarded in the first application window (August 2018). This award limit would serve as a pilot to determine the effectiveness of the Adoption Account strategy and assess demand for adoption funds. D.18-06-032 further stated that the Commission may revisit this application window amount and assess the effectiveness of the Adoption Account after analyzing applications submitted in the first application window.⁴

⁴ D.18-06-32 at 12-13.

2.1.1. Parties' Comments

In its comments, CETF opposes implementing a \$5 million award cap per cycle citing reasons that “there is no time to waste” and if there are viable projects, they should be funded.⁵ Additionally, CETF suggests that the Commission should ensure geographical balance to funds so that each region of the state benefits, and proposes that staff look at regions in need, and conduct outreach in those areas if no applications are received for those areas. CETF also notes that the Commission should prioritize applications that will achieve actual verified adoptions.⁶

In reply comments, the Joint Consumers state that they do not agree with CETF, and support implementation of the \$5 million award cap per cycle because they believe it will incent organizations to put forth the best plan, push Commission staff to be more judicious in approving projects, and give stakeholders more time to evaluate the success of the adoption program and make minor adjustments while funding still exists.⁷ The Joint Consumers also disagree with CETF’s proposal to prioritize applications that will achieve actual verified adoptions due to existing barriers to residential broadband adoptions.⁸

2.1.2. Discussion

We agree with the Joint Consumers that maintaining a per-cycle cap will incent organizations to put forth better plans, as well as allow Commission staff to be more judicious in approving projects. This would also allow time for

⁵ CETF Comments at 2.

⁶ CETF Comments at 2-3.

⁷ Joint Consumers Reply comments, at 1-2.

⁸ Joint Consumers Reply comments, at 2-4.

parties and the Commission to evaluate the success of these programs and make minor adjustments as needed. At the same time, CETF's arguments have some merit: a viable project should not go unfunded simply because other viable projects have already been funded.

We therefore find it appropriate to cap awards at \$7.5 million per application cycle. This will continue to ensure that funds from the Adoption Account are allocated throughout the state, and that not all funds would be allocated within the first year, as well provide the Commission an opportunity to continually assess the effectiveness of the Adoption Account strategy and propose any changes in future cycles if needed. Accordingly, Appendix 1 has been revised to reflect this change.

2.2. Clarification on Reimbursable Project Costs and the 85% Funding Cap

D.18-06-032 states that the Commission may fund up to 85 percent of the program cost and requires that 15 percent of the approved project costs must be supported or matched by other funds.⁹ Other funds may include funding via leveraged funds from other entities, public purpose programs or self-funding from the applicant themselves. This decision clarifies that the Commission may fund up to 85 percent of the total eligible CASF program costs, as opposed to total program cost which could include facilities rent, utilities, and other non-eligible reimbursable costs. The "up to 85 percent reimbursement cap" shall apply to the total eligible program cost after any disallowances for ineligible expense grant requests. This decision further clarifies and elaborates on some of

⁹ D.18-06-32, at 19, Appendix 1 at 6.

the reimbursable categories so to better assist applicants in their budget proposal and planning.

2.2.1. Parties' Comments

In their comments, CETF did not oppose any of these clarifications. No other comments were received on this issue.

2.2.2. Discussion

We believe that these clarifications will better assist applicants in their budget proposal and planning, and therefore Appendix 1 has been revised to reflect these modifications.

2.3. New Application Cycle and Submission Deadlines

D.18-06-032 provides the following application windows and deadlines:

- August 31, 2018
- January 1, 2019
- July 1, 2019
- January 1, 2020
- July 1, 2020
- January 1, 2021
- July 1, 2021
- January 1, 2022
- July 1, 2022¹⁰

Due to the timing of the ACR and this decision, a new application deadline was proposed to change the January 1, 2019 date to March 1, 2019 in order for these modifications and clarifications to be implemented in the upcoming cycle. As a result, the ACR also proposed new application cycle and submission deadlines.

2.3.1. Parties' Comments

¹⁰ D.18-06-032 Appendix 1, at 10.

In their comments, CETF did not oppose the new application cycle and submission deadlines. No other comments were received on this issue.

2.3.2. Discussion

The attached Appendix 1 has been updated to incorporate the following new application cycle and submission deadlines:

- a. March 1, 2019
- b. August 1, 2019
- c. January 1, 2020
- d. July 1, 2020
- e. January 1, 2021
- f. July 1, 2021
- g. January 1, 2022
- h. July 1, 2022

2.4. Process for Staff to Update Future Broadband Adoption Account Rules by Resolution

The ACR included a clarification to allow Communications Division Staff the authority to prepare Resolutions that propose purely administrative changes to the CASF Adoption rules, and to present these Resolutions to the full Commission for a vote. The Commission may also consider whether to expand the scope of Staff's authority in a future Decision.

2.4.1. Parties' Comments

In their comments, CETF did not oppose this clarification. No other comments were received on this issue.

2.4.2. Discussion

We believe that this process will be more efficient in implementing and administering the CASF Adoption Account, and therefore assign the Communications Division Staff the task of making such administrative changes to the CASF Adoption rules via Resolution for Commission review and approval of those changes.

2.4.2. Discussion

We believe that this process will be more efficient in implementing and administering the CASF Adoption Account, and therefore assign the Communications Division Staff the task to make such administrative changes to the CASF Adoption rules via Resolution for Commission review and approval of those changes.

3. Comments to the Proposed Decision

The proposed decision of Commissioner Guzman-Aceves in this matter was mailed to parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. There were no comments or reply comments filed. Minor non-substantive modifications have been made to the Proposed Decision to clarify the intent.

4. Assignment of Proceeding

Martha Guzman Aceves is the assigned Commissioner and Brian Stevens is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. On December 7, 2018, Assigned Commissioner Guzman Aceves issued an ACR soliciting comments on the proposed modifications and clarifications to the CASF Broadband Adoption Account Application Requirements and Guidelines (Appendix 1).

2. The proposed modifications and clarifications to Appendix 1 include: 1) setting a \$7.5 million award cap for each application cycle; 2) clarifying the types of reimbursable project costs and the 85% funding cap; 3) modifying the application submission deadlines; and 4) setting a process for Staff to make administrative changes to the Adoption Account Rules by Resolution.

3. Appendix 1 of this decision has been revised and updated in response to parties' comments and reply comments.

Conclusions of Law

1. The modifications and clarifications to the CASF Broadband Adoption Account Application Requirements and Guidelines as set forth in Appendix 1 attached hereto should be adopted.

2. A \$7.5 million award cap per cycle should be implemented.

3. Clarifications around the reimbursable project costs and the 85% funding cap should be incorporated in the attached Appendix 1.

4. Updates to the new application deadlines are incorporated in the attached Appendix 1 and should be adopted by this Commission.

5. The Communications Division Staff should have the authority to prepare resolutions that propose administrative changes to the CASF Adoption Account rules and present these resolutions to the full Commission for a vote.

6. It is reasonable to consider whether to expand the scope of Staff's tasks in a future Decision.

O R D E R

IT IS ORDERED that:

1. The modifications and clarifications to the California Advanced Services Fund Broadband Adoption Account Application Requirements and Guidelines as set forth in Appendix 1 attached hereto are adopted.

2. A \$7.5 million award cap per cycle for the California Advanced Services Fund Broadband Adoption Account will be implemented.

3. Clarifications around the reimbursable project costs and the 85% funding cap for the California Advanced Services Fund Broadband Adoption Account are incorporated in the attached Appendix 1 and are adopted.

4. Updates to the new application deadlines for California Advanced Services Fund Broadband Adoption Account are incorporated in the attached Appendix 1 and are adopted.

5. The Communications Division Staff is assigned the task to make administrative changes to the California Advanced Services Fund Broadband Adoption Account rules via Resolution for full Commission review and approval of those changes.

6. The Commission may also consider whether to expand the scope to Communications Division Staff's authority over the California Advanced Services Fund Broadband Adoption Account in a future Decision.

This order is effective today.

Dated February 21, 2019, at San Francisco, California.

MICHAEL PICKER

President

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

Commissioners

Appendix 1

APPENDIX 1
California Advanced Services Fund
Broadband Adoption Account
Application Requirements and Guidelines

1.1. Background

On October 15, 2017, Governor Brown signed AB 1665, directing the Commission to create the new Broadband Adoption Account within the California Advanced Services Fund (CASF). 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.¹¹

1.2. Amount Available for Grants

Twenty million dollars will be available through the Broadband Adoption Account, although some may be used for publicly supported communities (PSCs) otherwise eligible to apply for funding from the Broadband Public Housing Account (BPHA) if all monies in that account are exhausted.

No more than \$7.5 million will be awarded in each application window. Applicants that are not awarded a grant in the application window they applied for may reapply in any future application window.

1.3. Preference

AB 1665 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.

¹¹ Pub. Util. Code, § 281 (j)(6).

Applicants must complete a “Preference Checklist,” and the Commission will prioritize projects for funding based on preferences met (e.g. number of preferences checked).

1.4. Definitions

“Basic Internet Skills”¹² may include the following:

- a. Computer Basics
 - i. How to use the mouse and keyboard
 - ii. How to use the operating system and important services such as email
- b. Internet Basics
 - i. How to use the browser
 - ii. How to search the internet
 - iii. How to evaluate information sources
- c. Internet Safety Basics
 - i. How to identify a scam
 - ii. How to maintain online privacy
 - iii. How to protect your online identity

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 average¹³ 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 residents with limited English Proficiency, communities with a high percentage of residents with limited educational attainment, or communities with some other demonstrated disadvantage which affects broadband adoption.¹⁴

¹² “NTIA Broadband Adoption Toolkit,” published May 2013, draws on the experience of the recipients of grants from the Broadband Technology Opportunities Program and provides examples of grants. Available at https://www2.ntia.doc.gov/files/toolkit_042913.pdf.

¹³ According to the annual survey conducted for the California Emerging Technology Fund (CETF), as of July, 2016, California has an overall adoption rate of 84% (<http://www.cetfund.org/node/9318>).

¹⁴ California Broadband Report, A Summary of Broadband Availability and Adoption in California as of June 30, 2011, Pages 22-28, show correlation of factors relative to adoption. See <http://www.cpuc.ca.gov/General.aspx?id=5753>

“Low-income communities” 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.¹⁵ “Communities” can be geographically defined by a political or US Census geographic extent (such as a city or county boundary, or a census tract/block or designated place), by location (such as a public housing complex or senior center) or by the class or category of people served (such as disadvantaged youth). Income information provided by the applicant must be for the designated community.

A project is located in a "rural" area if it meets one of the following criteria; 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 or in a non-urban area; or
- c. an unincorporated area of a county and is not in an urban area.

1.5. Eligible Applicants

Pursuant to AB 1665, 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.

Further, AB 1665 authorizes Publicly supported communities (PSCs) to be eligible to submit an application for funding from the Broadband Adoption Account only after all funds available for adoption projects from the BPHA have been awarded.¹⁶

No adoption grant recipient can charge for classes (funded by a grant) or make a profit of any kind from the grant funds.

1.6. Eligible Projects

Digital Literacy Projects & Broadband Access Projects

¹⁵ CARE income limits can be found here: <http://consumers.cpuc.ca.gov/lowincomerates/>.

¹⁶ Pub. Util. Code, § 281 (i)(4)(A).

Digital inclusion projects may include 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, consistent with the adoption projects of the Public Housing Account.

Broadband Access projects may include those that provide free broadband access in community training rooms or other public space, such as local government centers, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations. The Commission may also fund community outreach, such as analysis, comparison of Internet plans within the community, and call centers that will increase broadband access and adoption.

The Commission may fund up to 85 percent of the eligible program costs¹⁷ and may reimburse the following:

- a. Education and outreach efforts (including travel, up to 10% of approved grant amount) and materials;
- b. Acceptable Computing devices (does not include smartphones) within limits;
 - o In-Classroom computing devices
 - o Take-home computing devices (For Digital Literacy Projects only).
- c. Software;
- d. Printers;
- e. Routers;
- f. Provision of technical support for the computing devices subsidized through this program;
- g. Desks and chairs to furnish a designated space for digital literacy or broadband access;
- h. For Digital Literacy Projects, gathering, preparing, creating and distributing digital literacy curriculum; and
- i. Staff including digital literacy instructors, staff for monitoring the designated space, or staff for administering call centers (if applicable).

Facility rent, utilities, internet service costs, food costs, lodging, marketing incentives for participation (gift cards, giveaways, etc.), certain classroom supplies and

¹⁷ The 85 percent cap applies to both individual budget line items as well as the overall budget.

accessories, and other items not listed above are not eligible for reimbursement. All funding requests will be assessed for reasonableness and may be adjusted accordingly at the discretion of the Commission. Any remaining project costs not authorized for funding by the CASF Adoption grant must be funded by other sources (leveraged or self-funding).

1.7. Subsidy Levels

The Commission may fund up to 85 percent of the total eligible program costs listed above.

Reimbursement for computing devices used in community training rooms or other public space, such as local government centers, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations, are limited to \$750 per device, with a cap of 15 devices per designated space or project (device software costs will be considered a separate expense). Overall costs for such computing devices may exceed these caps, however, any portion not approved for grant funding must be funded by other sources (leveraged or self-funding).

For Digital Literacy Projects, only households that participate in 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. Reimbursement for take-home computing devices are capped at \$150 per device, limited to one computing device per eligible household, and limited to \$10,000 per application/project location. Grantees should ensure proof of eligibility in their distribution of computing devices for households

1.8. Information Required from Applicants

Applicants must complete and submit a project application form for each project location, along with a signed affidavit, which will be available on the Commission's website. Staff will post the application descriptions submitted by the deadline on the CASF webpage. Applicants must submit the required information requested to the Commission for each proposed project. All applications will be reviewed and evaluated for its completeness and overall quality. Incomplete applications will be rejected.

Digital Literacy Projects & Broadband Access Projects

a. Project Description

- i. Applicant's name, description of organization;
- ii. Applicant's non-profit designation, if applicable;
- iii. Applicant's experience in providing digital literacy instruction or broadband access;
- iv. Contact person, title, address, e-mail, phone;
- v. Project title;
- vi. Proposed Project Area/Community/ Location (Community / County / Census Block(s)) including address (if applicable);
- vii. CASF Funding Requested (Amount of Grant);
- viii. Efforts to leverage funds from other sources (non-CASF moneys);
- ix. Area/ Community/ Location's (by census tract or other delineation), adoption levels, income, demographics;
- x. Needs Assessment. Description of the need for this project: Does the community have low broadband adoption relative to the statewide average? Does the community face socioeconomic barriers to broadband access and adoption? For example, see NTIA Toolkit "Understand Community Needs and Opportunities"¹⁸
- xi. Completed Preferences Checklist;
- xii. Demonstration of community support: examples could include letters of endorsements should be obtained from community-based organizations, schools, hospitals, libraries, businesses and consumers;
- xiii. Description of partnerships with local Community Based Organizations (CBOs)s, Internet Service Providers, media groups, for-profit companies and other applicable organizations;
- xiv. Description of planned outreach efforts, including sample promotional material, planned community events, volunteer recruitment or any other relevant materials;
- xv. Projected number of participants reached through outreach activities;
- xvi. Description of partnership with carriers and any existing affordable plans that will be offered in the community; and

¹⁸ "NTIA Broadband Adoption Toolkit," published May 2013, draws on the experience of the recipients of grants from the Broadband Technology Opportunities Program and provides examples of grants. Available at https://www2.ntia.doc.gov/files/toolkit_042913.pdf.

- xvii. Projected number of new residential broadband subscriptions resulting from the project for each location (including documentation of all assumptions and data sources used to compile estimates).

Additional Information Required for Digital Literacy Projects only

- i. Curriculum for training;
- ii. Description of the type of training to be provided (on-site instructor and/or tutoring);
- iii. Projected number of participants to be trained by the project for each location; and
- iv. 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 location.

Additional Information Required for Broadband Access Projects only

- i. Description of any planned improvements to an existing space for broadband access, including the purchase of computing devices and any installation or set-up activities;
- ii. Description of any set up of a new space for broadband access, including the purchase of computing devices and any installation or set-up activities. Note that the Adoption Account does not pay for any inside network setup other than to connect computers purchased with fund money to an existing inside network (inclusive of any required routers);
- iii. Projected number of participants served by the project and the projected number of hours of access to be provided; and
- iv. Projected number of participants who receive information regarding broadband plans in the community.

b. Work Plan

- i. The Work Plan should include detailed functions, activities, and deliverables related to implementing the adoption program.
- ii. The Work Plan should include a timeline identifying milestone dates for completion of key Work Plan activities and deliverables proposed to be funded; the timeline should describe 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), followed by project deployment (a maximum of 24 months);

- iv. The ramp-up period will incorporate any training room or computer room 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;
 - ii. A detailed breakdown of the instructor/staff pay rate relative to projected number of training or access hours and prep time; and
 - iii. Availability of matching funds to be supplied by applicant and/or other sources.
- e. Affidavit
- i. All applicants must submit an affidavit, under penalty of perjury, that to the best of their knowledge all the statements and representations made in the application information submitted is true and correct. Additionally, an Applicant must also agree to abide by the Commission’s Rules of Practice and Procedure, be subject to Public Utilities Commission sections 2108 and 2111. The Commission may impose the maximum penalties allowed under Public Utilities Code sections 2108 and 2111 for failure to meet the program and project compliance requirements, as determined by the Commission.

1.9. Evaluation Criteria

Applications will be evaluated based on meeting all the requirements in the Information Required from Applicants and Preference Checklist. Applicants are

also required to conduct a pre and post implementation survey or report, and may submit endorsements or letters of support from the state or local government, community groups, and anchor institutions supporting their proposed adoption project. All applications will be reviewed, prioritized, and awarded based on completeness, overall quality, and project costs reasonableness.

1.10. Submission and Timelines

The Commission will begin accepting applications for grants from the Broadband Adoption Account on July 1, 2018. Please refer to the Commission's CASF website: <http://www.cpuc.ca.gov/casf/> for the application instructions and package for the Adoption Account.

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. Note that these application deadlines will also be posted, and updated (if needed), on the Commission's CASF website:

<http://www.cpuc.ca.gov/casf/>

Deadlines:

- a. March 1, 2019
- b. August 1, 2019
- c. January 1, 2020
- d. July 1, 2020
- e. January 1, 2021
- f. July 1, 2021
- g. January 1, 2022
- h. July 1, 2022

Any deadline falling on a holiday or a weekend will be extended to the following business day.

Staff will post a list of applicants and projects submitted by the deadline on the CASF webpage. Further, where possible, staff will post regular updates on applications on the CASF webpage.

1.11. Expedited Review

Projects meeting the below criteria may be eligible for expedited review.

The Commission assigns to staff the task of approving applications that meet all of the following criteria:

- a. Applicant is proposing to serve a low-income population;
- b. Applicant is a local government, senior center, school, public library, nonprofit organization, or community-based organization with programs to increase publicly available or after-school broadband access and digital inclusion, such as digital literacy training programs;
- c. Applicant requests a grant of \$100,000 or less;
- d. Applicant agrees to perform education and outreach to educate the community of available broadband Internet services;
- e. Applicant's requested reimbursement for computing devices for community training rooms or other public space, is no more than \$750 per device, with a maximum of 15 devices per location;
- f. Project provides device technical support responses within 24 hours.
- g. Device technical support (not network), either by phone or in person, will be able to respond within 24 hours. Refurbished devices will have at least a six-month warranty. New devices will have at least a 30-day warranty.
- h. Applicant has identified a designated space for digital literacy training or broadband access;
- i. Applicants must be ready to provide classes within six months of being selected for a CASF grant and must submit a work plan with major milestones showing how they propose to meet this deadline; and
- j. Applicants must complete the adoption project within 24 months from the ramp up period, or earlier if work plan milestones/deliverables have been accomplished.

Additional Criteria for Digital Literacy Projects only

- a. Applicant or partner organization possesses at least one-year experience in digital literacy training or has previously carried out at least one digital literacy project;
- b. Applicant must provide at least eight hours of digital literacy training to each participant, through digital literacy classes, one on one tutoring or self-paced instruction; and

Applicant's requested reimbursement for take-home computing devices is no more than \$150 per device, limited to one computing device per eligible household, and no more than \$10,000 per application/project location.

1.12. Resolution Review

An application that does not meet the above expedited review criteria may still be considered for a grant via the traditional Commission Resolution approval process.

1.13. Staff Review

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

1.14. Reporting

Staff will provide a template for all necessary reports in the Administrative Manual which will be posted on the CPUC CASF website, along with the Adoption Account Instructions and Application forms. Up to three reports will be required throughout the course of the project:

Ramp-up period report: A “ramp-up period report” is required (if applicable), after completion of the ramp up activities and when deployment is set to begin. This report must be submitted by no later than 3 months after the completion of the ramp up activities. 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 may not exceed 6 months from the time the application is approved.

Year 1 Progress Report: The Year 1 progress report is required at the end of the first year of deployment. This report must be submitted by no later than 3 months after the end of the first year of deployment. In this report, recipients will report on the status of Year 1 milestones per the work plan, as well as request payment for relevant expenses to date.

Year 2 Completion Report: The Year 2 completion report is required at the end of the 24-month period, or after the work plan milestones/deliverables have been accomplished if earlier than the 24-month period. This report must be submitted by no later than 3 months after completion of the project. In this report, recipients 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 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.

Grantees must maintain files, invoices, and other related documentation for three years after final payment. Grantees shall make these records available to the Commission upon request and agree that these records are subject to audit and review by the Commission at any time within three years after the Grantee incurred the expense being audited.

1.15. Payment

- a. Grantees may submit up to three payment requests throughout the project period. Payment requests will accompany the 3 reports required above (Ramp Up Period (if applicable), Year 1, Year 2).
- b. The relevant project report must be submitted in order for a payment request to be granted.
- c. Payment request for the ramp-up period, if requested, may not exceed 25% of grant amount.
- d. All payments requests require documentation of outcome in “milestone” report.
- e. Grantees shall submit final requests for payment no later than 3 months after completion of the project.
- f. Payment will be based upon receipt and approval of invoices and other supporting documents showing the expenditures incurred for the project are in accordance with their approved application and budget.
- g. Grantees must notify the Commission as soon as they become aware that they may not be able to meet project deadlines.
- h. Payment will be made in accordance with, and within the time specified in California Government Code § 927 et seq.
- i. The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation to ensure that CASF funds are spent in accordance with the terms of approval granted by the Commission.
- j. The recipient’s invoices will be subject to audit by the Commission at any time within three years of final payment.

1.16. Execution and Performance

Grantees must start the project within six months after the grant approval (after the ramp-up time if applicable) and complete the project within a 24-month timeframe

or earlier. The Commission may withhold 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.

The CASF grant recipient must complete all performance under the award on or before the termination date of the award.

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 CDCompliance@cpuc.ca.gov.

Attachment 1
Preference Checklist

☐ **Project is serving a low-income community.**

The community with a median household income at or below the CARE income limits for a household of four¹⁹

☐ **Project is serving a community with a high percentage of residents with limited English proficiency.**

More than 50% of residents have limited English proficiency

☐ **Project is serving a community with a high percentage of residents with limited educational attainment.**

More than 50% of residents have only a high school diploma or less.

☐ **Project is serving a rural community.**

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

- 1) It is in area that is eligible for federal program under the United States Department of Agriculture (USDA) Section 515 program;
- 2) It is in a city with a population of 40,000 or less or in a non-urbanized area;
or
- 3) It is in an unincorporated area of a county and is not in an urbanized area.

☐ **Project has community support, endorsements and/or partnerships.**

☐ **Project is serving a community with some other demonstrated disadvantage which affects broadband adoption, documented by applicant.**

☐ **Project considers coordination with other public purpose programs and funding sources.**

¹⁹ CARE income limits can be found here: <http://consumers.cpuc.ca.gov/lowincomerates/>.



Attachment 2

Consent Form

Name of Grantee: _____

The Grantee identified above hereby acknowledges receipt of the California Public Utilities Commission Resolution T-_____ or Approval Letter Dated _____ and agrees to comply with all grant terms, conditions, and requirements set forth in the Resolution or Approval Letter.

Undersigned representative of _____ [Name of Grantee] is duly authorized to execute this Consent Form on behalf of the Grantee and to bind the Grantee to the terms, conditions, and requirements set forth in California Public Utilities Commission Resolution T-_____.

Dated this ____ day of _____, 20__.

Signature

Printed Name

Title:

Organization or Name of Company

Business Address (include street address, suite/apt. number, city, state, and ZIP Code):

Telephone Number (include area code):

Email Address:

(End of Appendix 1)