

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband Video & Market Branch**

**RESOLUTION T-17665
October 24, 2019**

RESOLUTION

RESOLUTION T-17665: Approval of the California Telecommunications Public Purpose Programs Budgets for the 2019-20 Fiscal Year.

SUMMARY

This Resolution proposes Fiscal Year 2019-20 budgets for California's six telecommunications Public Purpose Programs that the California Public Utilities Commission administers. The programs and their proposed budgets are as follows:

• California Advanced Services Fund	\$81,072,000
• California High Cost Fund-A	\$49,228,000
• California High Cost Fund-B	\$22,300,000
• California LifeLine Program	\$453,731,000
• California Teleconnect Fund	\$107,872,000
• Deaf and Disabled Telecommunications Program	<u>\$64,495,000</u>
Total	\$778,698,000

BACKGROUND

The California Public Utilities Commission (Commission or CPUC) is responsible for the administration of six state-mandated Public Purpose Programs (PPP) and their respective end user surcharges, with each surcharge required to be assessed on intrastate telecommunications service revenue in California.

The Commission's six telecommunications PPPs and their respective surcharges are set forth in Public Utilities (Pub.Util.) Code sections 270 to 281.¹

¹ All section references hereafter are to the California Public Utilities Code unless otherwise stated.

This resolution complies with Pub. Util. Code section 273(a) which requires PPP budgets be approved by the Commission, and Decision (D.)02-04-059, which requires PPP budget proposals be subject to public notice and comment.

1. California Advanced Services Fund

Section 281 (amended by Assembly Bill (AB) 1665, Stats. 2017, Ch. 851) provides up to \$645 million² for the CPUC to develop, implement, and administer the California Advanced Services Fund (CASF). The fund was created to advance broadband adoption, deploy access and infrastructure in unserved areas with a goal of providing broadband access to no less than 98% of California households in each consortia region.

The appropriation in the enacted state budget for Fiscal Year (FY) 2018-19 is \$81.023 million. The current CASF program surcharge rate is 0.56%, established in Resolution T-17593.

2. California High Cost Fund-A

Section 275.6 requires the Commission to implement a program for universal service support to reduce rate disparity in rural areas. The California High Cost Fund-A (CHCF-A) program provides a source of supplemental revenue to Small Incumbent Local Exchange Carriers, whose basic residential telephone service rates may otherwise need to be increased to levels that would threaten universal service goals.³

The appropriation in the enacted state budget for FY 2018-19 is \$49.256 million. The current CHCF-A program surcharge rate is 0.35%, established in Resolution T-17453. The CHCF-A program was extended to January 1, 2023 per AB 1959, sponsored by Assembly member Wood.

3. California High Cost Fund-B

The California High Cost Fund-B (CHCF-B) program was established pursuant to Section 276.5, which requires the Commission to implement and maintain a program for universal telephone service support to reduce rate disparity in high cost areas. The program provides subsidies to Carriers of Last Resort who provide basic residential telephone service to customers in high-cost areas.⁴

² This includes the additional \$330 million authorized by AB 1665.

³ See the CHCF-A webpage for program information at (<http://www.cpuc.ca.gov/General.aspx?id=991>).

⁴ See the CHCF-B webpage for program information at (<http://www.cpuc.ca.gov/General.aspx?id=989>).

The appropriation in the enacted state budget for FY 2018-19 is \$22.333 million. The CHCF-B program surcharge rate is set at 0.00% in Resolution T-17417 due to the fund balance currently being sufficient to make payments without the need for program collections. The CHCF-B program was extended to January 1, 2023 per AB 1959, sponsored by Assembly member Wood.

4. California LifeLine Program

The Commission implemented the California LifeLine Program (LifeLine), also known as Universal LifeLine Telephone Service (ULTS) Trust Administrative Committee Fund in 1984, pursuant to Sections 277 and 871. The LifeLine program provides discounted basic residential wireless and wireline telephone service to qualified low-income households. As of February 28, 2019, approximately 1.7 million Californians participated in the program. Of the total number of LifeLine participants, approximately 1.4 million had wireless services.⁵

The appropriation in the enacted state budget for FY 2018-19 is \$392.279 million. The current LifeLine program surcharge rate is 4.75% established in Resolution T-17519.

5. California Teleconnect Fund

The California Teleconnect Fund (CTF) was established by D.96-10-066 and is governed by Sections 280 and 884. In the Decision, the Commission reaffirmed its commitment to universal service, and in accordance with state and federal directives, created the CTF to provide discounted rates for a host of telecommunications services for schools, libraries, government-owned health care providers and qualifying community-based organizations (CBOs).⁶

The appropriation in the enacted state budget for FY 2018-19 is \$128.041 million. The current CTF program surcharge rate is 0.78% established in Resolution T-17606.

6. Deaf and Disabled Telecommunications Program

The legislative mandates governing the Deaf and Disabled Telecommunications Program (DDTP) are as follows: Section 2881(a), which authorized the provision of Teletypewriters to deaf or hard of hearing individuals; Section 2881(b), which authorized third-party intervention, also known as the California Relay Service, to

⁵ Go to <http://cpuc.ca.gov/General.aspx?id=1100> for more information about program participation.

⁶ See the CTF webpage for program information at (<http://www.cpuc.ca.gov/ctf/>).

connect by telephone, consumers who are deaf, hard of hearing, or speech-impaired with other parties; Section 2881(c), which authorized the provision of other specialized telecommunications equipment to consumers with hearing, vision, mobility, speech, and/or cognitive disabilities; and Section 2881(d) which authorized, the provision of speech-generating devices to any subscriber who is certified as having a speech disability.⁷

The appropriation in the enacted state budget for FY 2018-19 is \$64.403 million. The current DDTP program surcharge rate is 0.50%, established in Resolution T-17458.

DISCUSSION

Staff proposes to maintain the approved FY 2018-19 State Operations and Local Assistance state budgetary funding levels for FY 2019-20 for the various public purpose programs unless otherwise noted in the discussion below. State Operations expenses include Commission staff, administrative overhead, Administrative Committees, consultant contracts, and/or other expenses related to administration of the programs. Local Assistance includes the grants, claims and/or subsidies paid to utilities and grantees who are PPP participants.

The following discussion and tables provide an overview of the budget appropriation, and actual/projected expenditures by program for FY 2016-17 through FY 2018-19 as well as the FY 2019-20 budgets enacted in the Budget Act of 2019.⁸

1. California Advanced Services Fund

California Advanced Service Fund							
(In Millions)							
	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20
Expense Items	Enacted Budget ¹	Actuals ²	Enacted Budget ²	Actuals ³	Enacted Budget ³	Projected ⁴	Enacted Budget ³
State Operations	\$3.729	\$3.271	\$4.489	\$2.352	\$8.412	\$3.588	\$8.461
Local Assistance	\$94.011	\$93.094	\$72.611	\$66.268	\$72.611	\$8.681	\$72.611
TOTALS	\$97.740	\$96.365	\$77.100	\$68.620	\$81.023	\$12.269	\$81.072
1. http://www.ebudget.ca.gov/budget/publication/#/e/2017-18/Department/8660							
2. http://www.ebudget.ca.gov/2018-19/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
3. http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
4. FISCAL Pre Year-End Closing Budget Report as of June 30, 2019							

⁷ See the DDTP website for program information at (<http://www.cpuc.ca.gov/General.aspx?id=3422>).

⁸ <http://www.ebudget.ca.gov/>.

State Operations for CASF

Staff recommends adoption of a budget of \$8.461 million for State Operations for FY 2019-20, which is the same amount as approved in the Budget Act of 2019.

State Operations include, but are not limited to, staff salaries and benefits, travel, training, consultant services, and administrative overhead costs. The budget of \$8.461 million for FY 2019-20 is similar to the FY 2018-19 funding level. The proposed budget includes \$2.5 million for consultant services for the statutorily required California Environmental Quality Act (CEQA) review of CASF projects in the program.

Local Assistance for CASF

Staff recommends adoption of a budget of \$72.611 million for Local Assistance for FY 2019-20, which is the same amount as approved in the Budget Act of 2019.

Local Assistance funds awards granted by the Commission for CASF accounts including the Infrastructure Grant Account, the Rural and Regional Urban Consortia Grant Account, Line Extension, the Public Housing Account, and the Broadband Adoption Account. As of July 1, 2019, CASF has nearly 150 applications under review totaling approximately \$70 million. Therefore, Staff proposes to maintain the FY 2019-20 Local Assistance budget at the FY 2018-19 level. Staff projects a budget of \$72.611 million would be adequate to fund grants and awards approved by the Commission during FY 2019-20.

2. California High Cost Fund-A

California High Cost Fund-A							
(In Millions)							
	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20
Expense Items	Enacted Budget ¹	Actuals ²	Enacted Budget ²	Actuals ³	Enacted Budget ³	Projected ⁴	Enacted Budget ³
State Operations	\$1.267	\$0.750	\$1.334	\$0.657	\$1.343	\$0.847	\$1.315
Local Assistance	\$41.813	\$36.130	\$47.913	\$39.498	\$47.913	\$35.163	\$47.913
TOTALS	\$43.080	\$36.880	\$49.247	\$40.155	\$49.256	\$36.010	\$49.228
1. http://www.ebudget.ca.gov/budget/publication/#/e/2017-18/Department/8660							
2. http://www.ebudget.ca.gov/2018-19/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
3. http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
4. Fi\$Cal Pre Year-End Closing Budget Report as of June 30, 2019							

State Operations for CHCF-A

Staff recommends adoption of a budget of \$1.315 million for State Operations for FY 2019-20, which is the same amount as approved in the Budget Act of 2019.

State Operations consist of the administrative expenses necessary to support the CHCF-A program. These expenses include employee salary and travel, consultant, and administrative committee costs. The State Operations expenditure for FY 2016-17 was \$750,000; for FY 2017-18 it was \$657,000; and for FY 2018-19 it was \$847,000. Although these prior expenditure levels have fluctuated, they are not substantially different from FY 2016-17 through FY 2018-19 budgeted levels. Hence, Staff proposes to maintain State Operations expense for FY 2019-20 at \$1.315 million.

Local Assistance for CHCF-A

Staff recommends adoption of a budget of \$47.913 million for Local Assistance for FY 2019-20, which is the same amount as approved in the Budget Act of 2019. CHCF-A fiscal year funding is determined annually, pursuant to D. 91-05-016 and D.91-09-042. The governor's enacted budget for Local Assistance was \$47.913 million for FY 2017-18 and \$47.913 million for FY 2018-19. Given the FY 2018-19 actuals expenditure of \$35.163, but with potential local assistance increases resulting from the outcome of future general rate cases combined with forecasted decreases in federal subsidy changes, Staff has determined that the FY 2018-19 budget level is still a reasonable estimate. Hence, Staff proposes a Local Assistance budget for FY 2019-20 of \$47.913 million.

3. California High Cost Fund-B

California High Cost Fund-B							
(In Millions)							
	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20
Expense Items	Enacted Budget ¹	Actuals ²	Enacted Budget ²	Actuals ³	Enacted Budget ³	Projected ⁴	Enacted Budget ³
State Operations	\$1.525	\$0.429	\$1.553	\$0.317	\$1.556	\$0.238	\$1.523
Local Assistance	\$20.777	\$16.612	\$20.777	\$14.728	\$20.777	\$10.537	\$20.777
TOTALS	\$22.302	\$17.041	\$22.330	\$15.045	\$22.333	\$10.775	\$22.300
1. http://www.ebudget.ca.gov/budget/publication/#/e/2017-18/Department/8660							
2. http://www.ebudget.ca.gov/2018-19/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
3. http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
4. FISCAL Pre Year-End Closing Budget Report as of June 30, 2019							

State Operations for CHCF-B

Staff recommends adoption of a budget of \$1.523 million for State Operations for FY 2019-20, which is the same amount as approved in the Budget Act of 2019.

State Operations consist of the administrative expenses necessary to support the CHCF-B program. These expenses include employee salary and administrative committee costs. The actual State Operations expenditure for FY 2016-17 was \$429,000; for FY 2017-18 the expenditure was \$317,000, and for FY 2018-19 it was \$238,000. Although there has been some noted decline in the expenditure levels, Staff proposes to maintain the FY 2019-20 State Operations budget at the FY 2018-19 level, and recommends adoption of a budget of \$1.523 million for FY 2019-20.

Local Assistance for CHCF-B

Staff recommends adoption of a budget of \$20.777 million for Local Assistance for FY 2019-20, which is the same amount as approved in the Budget Act of 2019.

The California High Cost Fund-B table shows that for FY 2016-17 and 2017-18, the Local Assistance actual claim amounts paid to carriers summed to \$16.612 million and \$14.728 million, respectively. Carrier claims paid FY 2018-19 decreased to \$10.537 million, resulting in a total expense of \$10.775 million. Staff notes that Local Assistance claims have gradually decreased between FY 2016-17 and FY 2018-19, due to the decline in landline subscriptions. The decline may be continuous; however, Staff believes that the proposed Local Assistance budget for FY 2018-19 of \$20.777 million is still reasonable and should be adopted. Staff will monitor Local Assistance expenditures closely and will pursue making recommendations to the program when necessary.

4. California LifeLine Program

California LifeLine Program							
(In Millions)							
	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20
Expense Items	Enacted Budget ¹	Actuals ²	Enacted Budget ²	Actuals ³	Enacted Budget ³	Projected ⁴	Enacted Budget ³
State Operations	\$25.874	\$22.680	\$23.386	\$20.179	\$30.855	\$25.038	\$27.681
Local Assistance	\$457.345	\$407.004	\$358.099	\$351.911	\$361.424	\$361.424	\$426.050
TOTALS	\$483.219	\$429.684	\$381.485	\$372.090	\$392.279	\$386.462	\$453.731
1. http://www.ebudget.ca.gov/budget/publication/#/e/2017-18/Department/8660							
2. http://www.ebudget.ca.gov/2018-19/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
3. http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
4. State Operations were based FISCAL Pre Year-End Closing Budget Report as of June 30, 2019, and Local Assistance is based on May Revised Budget Change Proposal (https://esd.dof.ca.gov/Documents/bcp/1920/FY1920_ORG8660_BCP3136.pdf)							

State Operations for LifeLine

Staff recommends adoption of a budget of \$27.681 million for State Operations for FY 2019-20, which is the same amount as approved in the Budget Act of 2019.

State Operations consist of the following categories: staff salaries and benefits, California LifeLine Third Party Administrator (TPA), Office of State Publishing, and other costs such as Administrative Committee-related costs, Program needs assessment, travel, advertising, goods, training, and office equipment. Staff proposes a State Operations budget of \$27.681 million for FY 2019-20.⁹ This proposed budget includes funding for the outreach of a pilot program allowing California Alternate Rates for Energy program participants to participate in California LifeLine under the Boost Pilot program.¹⁰

Local Assistance for LifeLine

Staff recommends adoption of a budget of \$426.050 million for Local Assistance for FY 2019-20, which is the same amount as approved in the Budget Act of 2019.

Local Assistance consists of reimbursement to carriers (claims) for providing California LifeLine Services to program participants. California LifeLine service providers provide subsidies directly to consumers by deducting the subsidy amounts from the monthly bills. The carriers then receive reimbursements for the subsidies. The subsidies consist of surcharges and taxes, connection or conversion charges, untimed calls and a Specific Support Amount for the monthly recurring charge. Participating service providers recover administrative costs and implementation costs on a limited basis.

The proposed increase in Local Assistance budget to \$426.050 million is primarily due to pilot costs that will explore potential redesign of California LifeLine through partnerships with government (state and local) agencies, non-profit organizations, and facilities-based communications service providers.¹¹ On April 25, 2019, the Commission approved two pilots, Boost Pilot Program and iFoster Pilot Program,¹² to increase participation. These two pilot programs resulted in a projected increase of \$64 million or eighteen percent (18%) from the 2018 Budget Act Appropriation.

⁹ California LifeLine-Local Assistance and State Operations Update, May Revision Estimate, May 7, 2019.

¹⁰ Boost Mobile Presentation of Boost Mobile/CPUC Pilot Program at 5 (September 14, 2018).

¹¹ California LifeLine-Local Assistance and State Operations Update, May Revision Estimate, May 7, 2019.

¹² D.19-04-021 authorized the Boost Pilot Program and iFoster Pilot Program within the California LifeLine.

5. California Teleconnect Fund

California Teleconnect Fund							
(In Millions)							
	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20
Expense Items	Enacted Budget ¹	Actuals ²	Enacted Budget ²	Actuals ³	Enacted Budget ³	Projected ⁴	Enacted Budget ³
State Operations	\$2.536	\$1.512	\$7.936	\$1.445	\$3.041	\$1.497	\$2.872
Local Assistance	\$145.065	\$92.757	\$145.065	\$79.541	\$125.000	\$113.511	\$105.000
TOTALS	\$147.601	\$94.269	\$153.001	\$80.986	\$128.041	\$115.008	\$107.872
1. http://www.ebudget.ca.gov/budget/publication/#/e/2017-18/Department/8660							
2. http://www.ebudget.ca.gov/2018-19/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
3. http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
4. FI\$Cal Pre Year-End Closing Budget Report as of June 30, 2019 plus projected accruals for Local Assistance of \$68.575 million							

State Operations for CTF

Staff recommends adoption of a budget of \$2.872 million for State Operations for FY 2019-20, which is the same amount as approved in the Budget Act of 2019.

State Operations expenses include categories such as CPUC direct staff costs, staff travel, administrative committee per diem and travel, marketing and outreach, audits, data processing automation, and cost allocation expenses. The actual State Operations expenditure was \$1.512 million for FY 2016-17 and \$1.445 million for FY 2017-18. The State Operations expenditure is forecasted to be \$1.497million for FY 2018-19 based on the Fi\$cal Pre Year-End Closing Budget Report as of June 30, 2019. The historical State Operations expenditures indicate that the proposed FY 2019-20 State Operations budget of \$2.872 million will adequately fund the program's administrative needs.

Local Assistance for CTF

Staff recommends adoption of a FY 2019-20 Local Assistance budget of \$105 million, which is the same amount as approved in the Budget Act of 2019.

Staff proposed budget represents a \$20 million reduction from the FY 2018-19 level of \$125 million. The reduction is due to a declining trend of CTF applications and CTF participant recertification that is projected to continue into FY 2019-20 as a result of program changes that were implemented in D.15-07-007, D.18-01-006, and D.19-04-013.

The CTF Local Assistance budget is comprised of carrier claim payments. Carriers are reimbursed for discounts given to CTF participants. The carrier claims payment projections are based on several factors, including carriers' claim forecasts, historical claim data, and program changes adopted by the Commission.

CTF application rates have fallen since FY 2016-17 due to significant program changes that were implemented by the Commission in D.15-07-007, D.18-01-006, and D.19-04-013. Program changes include the elimination of voice service discounts, discounts capped for schools at the level equal to the Federal E-rate discount, more stringent eligibility requirements, and the recertification process for participants. Program changes have caused a general flattening of total claim payment amounts, therefore a Local Assistance budget level of \$105 million for FY 2019-20 is reasonable.

6. Deaf and Disabled Telecommunications Program

Deaf and Disabled Telecommunications Program							
(In Millions)							
	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20
Expense Items	Enacted Budget ¹	Actuals ²	Enacted Budget ²	Actuals ³	Enacted Budget ³	Projected ⁴	Enacted Budget ³
State Operations	\$64.096	\$50.997	\$64.218	\$54.617	\$64.193	\$60.078	\$64.285
Local Assistance	\$0.210	\$0.185	\$0.210	\$0.169	\$0.210	\$0.000	\$0.210
TOTALS	\$64.306	\$51.182	\$64.428	\$54.786	\$64.403	\$60.078	\$64.495
1. http://www.ebudget.ca.gov/budget/publication/#/e/2017-18/Department/8660							
2. http://www.ebudget.ca.gov/2018-19/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
3. http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
4. FISCAL Pre Year-End Closing Budget Report as of June 30, 2019							

State Operations for DDTP

Staff recommends adoption of a budget of \$64.285 million for State Operations for FY 2019-20, which is the same amount as approved in the Budget Act of 2019.

State Operations consists of payments to contractors such as the DDTP administrator, relay provider and marketing vendor; rents and leases for DDTP service centers and headquarters; equipment provided to DDTP constituents; and CPUC staff and administrative costs. The proposed budget of \$64.285 million includes increased expenditures for the speech generating devices to adjust for the increased number of applications each year. Staff is conducting outreach with community-based organizations to highlight the devices. Through its vendor, the DDTP distributed over 300 iPads to those with speech disabilities. An evaluation is being developed which will analyze the iPad distribution process. This iPad portion of the DDTP will be transitioning in FY 2019-20 to Department of Rehabilitation (DoR) through an InterAgency Agreement between DoR and the CPUC. Lastly, the DDTP's rental costs for its service centers and headquarter space will increase.

Local Assistance for DDTP

Staff recommends adoption of a budget of \$0.210 million for Local Assistance for FY 2019-20, which is the same amount as approved in the Budget Act of 2019.

Local Assistance consists of claims by landline carriers to provide calling features, such as three-way calling and speed dialing, etc., for the deaf and disabled. While landline subscribership has gone down, the rates and charges for these calling features have increased.¹³ Staff proposes a budget of \$0.210 million for FY 2019-20, the same funding level as approved for FY 2018-19, is reasonable.

SAFETY CONSIDERATIONS

The six PPPs facilitate universal service and access for all Californians to the communications network and emergency 911/E911 services.

CONCLUSION

The Commission has reviewed the FY 2019-20 proposed budgets for California's six telecommunications Public Purpose Programs. Final approval of these budgets will be determined when the Budget Act of 2019 is approved by the Legislature and the Governor. These budgets will be subject to final appropriations adopted in the Budget Act of 2019. To the extent that appropriations adopted in the Budget Act differ from the FY 2019-20 budget adopted in this Resolution, the appropriations adopted in the Budget Act will supersede the budget adopted in this resolution.

COMMENTS

Public Utilities Code section 311(g)(1) requires that a draft resolution be served on all parties and be subject to a public review and comment period of 30 days or more, prior to a vote of the Commission on the resolution. A draft of today's resolutions was distributed for comment to the utilities and other interested parties.

¹³ Staff has approved payments for Local Assistance in excess of \$140,000 for FY 2018-19. These payments are yet to be recorded in FISCAL as of June 30, 2019.

FINDINGS

1. The Commission is responsible for the administration of the six state-mandated PPPs.
2. The Commission is required to prepare a resolution or other public document to provide public notice and adopt the proposed budgets of the PPP.
3. Section 281 requires the Commission to develop, implement, and administer the CASF program to encourage the deployment of high-quality advanced communications services to all Californians, which will promote the economic and social benefits of advanced information and communications technologies.
4. Staff proposed CASF FY 2019-20 expense budget of \$81.072 million, composed of \$8.461 million for State Operations and \$72.611 million for Local Assistance, is reasonable and should be adopted.
5. Section 275.6 requires the Commission to implement the CHCF-A program for universal service support to reduce rate disparity in rural areas.
6. Staff's proposed CHCF-A FY 2019-20 expense budget of \$49.228 million, composed of \$1.315 million for State Operations and \$47.913 million for Local Assistance, is reasonable and should be adopted.
7. Section 276.5 requires that the Commission implement and maintain the CHCF-B program for universal telephone service support to reduce rate disparity in high cost areas.
8. Staff's proposed CHCF-B FY 2019-20 expense budget of \$22.300 million, composed of \$1.523 million for State Operations and \$20.777 million for Local Assistance, is reasonable and should be adopted.
9. The California LifeLine Program, also known as Universal LifeLine Telephone Service Trust Administrative Committee Fund, was implemented by the Commission in 1984, pursuant to Sections 277 and 871.
10. Staff's proposed California LifeLine Budget of \$453.731 million for FY 2019-20, composed of State Operations of \$27.681 million and Local Assistance of \$426.050 million, is reasonable and should be adopted.

11. The CTF program is governed by Sections 280 and 884 to promote universal service by providing discounted rates for a host of telecommunications services for schools, libraries, community colleges, government-owned health care providers, and qualifying community-based organizations.
12. Staff's proposed CTF budget of \$107.872 million for FY 2019-20, composed of State Operations of \$2.872 million and Local Assistance of \$105 million, is reasonable and should be adopted.
13. The Commission established DDTP to provide specialized equipment to consumers with hearing, vision, mobility, speech and/or cognitive disabilities through Decisions issued in the 1980s.
14. The Legislature codified the DDTP program through passage of several statutory provisions contained in Section 2881.
15. Staff's proposed DDTP budget of \$64.495 million for FY 2019-20, composed of State Operations of \$64.285 million and Local Assistance of \$210 thousand, is reasonable and should be adopted.
16. The FY 2019-20 budgets adopted today are consistent with the final appropriations adopted in the Budget Act of 2019.

THEREFORE, IT IS ORDERED that:

1. The expense budget for the California Advanced Services Fund for Fiscal Year 2019-20 of \$81,072,000, composed of \$8,461,000 for State Operations and \$72,611,000 for Local Assistance, is adopted.
2. The expense budget for the California High Cost Fund-A for Fiscal Year 2019-20 of \$49,228,000, composed of \$1,315,000 for State Operations and \$47,913,000 for Local Assistance, is adopted.
3. The expense budget for the California High Cost Fund-B for Fiscal Year 2019-20 of \$22,300,000, composed of \$1,523,000 for State Operations and \$20,777,000 for Local Assistance, is adopted.

4. The expense budget for the California LifeLine Program of \$453,731,000 for Fiscal Year 2019-20, composed of State Operations of \$27,681,000 and Local Assistance of \$426,050,000 is adopted.
5. The expense budget for the California Teleconnect Fund for Fiscal Year 2019-20 of \$107,872,000, composed of \$2,872,000 for State Operations and \$105,000,000 for Local Assistance, is adopted.
6. The expense budget for the Deaf and Disabled Telecommunications Program for Fiscal Year 2019-20 of \$64,495,000, composed of \$64,285,000 for State Operations and \$210,000 for Local Assistance, is adopted.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on _____. The following Commissioners voting favorable thereon:

ALICE STEBBINS
Executive Director