

Decision 23-01-003 January 12, 2023

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Update the California Universal
Telephone Service (California
LifeLine) Program.

Rulemaking 20-02-008

**DECISION EXTENDING CALIFORNIA LIFELINE
FOSTER YOUTH PILOT PROGRAM**

Summary

This decision extends the California Universal Telephone Service Program foster youth pilot program to July 31, 2024, without increasing the total budget for the pilot. This decision provides the Commission's Communications Division staff with more flexibility to approve foster youth pilot expenditures and adopts additional reporting requirements.

1. Background

In Decision (D.) 18-12-019, the Commission established criteria for pilot programs and partnerships within the California Universal Telephone Service Program (California LifeLine).

In D.19-04-021, the Commission authorized a foster youth pilot program to be administered by iFoster, Inc. (iFoster) and directed the Commission's Communications Division staff to prepare an evaluation of the pilot program. In D.21-07-008, the Commission extended the pilot program through January 31, 2023 without increasing the pilot program budget authorized in

D.19-04-021. The Commission concluded in D.21-07-008 that the Commission's Communications Division should develop a plan to enable California's foster youth to participate in California LifeLine on a permanent basis beginning no later than February 1, 2023. The decision authorized California LifeLine to provide a monthly service plan subsidy of up to \$25 per pilot participant during the extension period.

The Commission's staff held a workshop on October 22, 2021, to seek stakeholder input on how to develop a plan to enable foster youth to participate in California LifeLine on a permanent basis. On January 24, 2022, the assigned Administrative Law Judge (ALJ) issued a ruling to request comments on the workshop report. The Center for Accessible Technology, the Greenlining Institute, and The Utility Reform Network (together, the Joint Consumers), T-Mobile West LLC and Sprint Spectrum, LLC (together, T-Mobile), and iFoster filed comments on March 18, 2022. The Utility Reform Network and the Greenlining Institute (together, TURN/GLI) and iFoster filed reply comments on April 1, 2022.

On October 6, 2022, the assigned ALJ issued a ruling to request comments on a Commission staff proposal (Staff Proposal). The Staff Proposal recommended (a) extending the pilot duration to July 31, 2024, without increasing the total budget for the pilot program, and (b) providing staff with additional flexibility to approve pilot expenditures. TURN/GLI, iFoster, and T-Mobile filed opening comments on October 24, 2022. No party filed reply comments.

2. Issues Before the Commission

The issues before the Commission are as follows:

- a. Whether to extend the duration of the foster youth pilot program until July 31, 2024 without increasing the total budget for the pilot program; and
- b. Whether to provide the Commission's staff with additional flexibility to approve pilot program expenditures.

3. Extension of the Pilot Duration

In D.21-07-008, the Commission extended the foster youth pilot program authorized under D.19-04-021 through January 31, 2023, and concluded that the Commission's staff should develop a plan to enable California's foster youth to participate in California LifeLine on a permanent basis beginning no later than February 1, 2023.

The Staff Proposal recommended extending the pilot duration through July 31, 2024 without increasing the total pilot budget authorized in D.19-04-021. The Staff Proposal reported that the pilot program budget has a remaining balance of \$12,585,891 and included estimated costs that indicated that this remaining balance would be sufficient to cover projected pilot program expenses through July 31, 2024.

In the Staff Proposal, the Commission's staff explained the need for the proposed extension of the pilot program as follows:

- Staff needs more time to propose new guidelines for a permanent program to address the needs of foster youth;
- Staff needs more time to determine how to transition existing pilot customers to a permanent program without interruption of service; and
- Staff needs more time to consider how to select a program administrator through the state's contracting process.

TURN/GLI, T-Mobile, and iFoster filed opening comments on the Staff Proposal on October 24, 2022. Each of the comments supported extension of the pilot duration through July 31, 2024. No party filed reply comments.

TURN/GLI supported the extension of the pilot program, noting their continued support for participation of foster youth in California LifeLine and the need to avoid disruption in service to pilot participants. However, TURN/GLI urged the Commission to address the following concerns when extending the pilot: (i) confirm that T-Mobile will agree to continue to be the service provider for the pilot during the extension period to avoid a disruption of service to foster youth participants, (ii) determine what caused the dramatic decline in pilot participation in Quarter 4 of 2021, and (iii) require regular reporting on lessons learned from the pilot and pilot usage data.¹

T-Mobile's opening comments addressed TURN/GLI's first concern. T-Mobile commented that it continues to support the goal of providing service to foster youth and supports the proposed extension of the pilot through July 31, 2024. T-Mobile asserted that an extension is warranted to ensure that foster youth continue to have access to smartphones and phone service plans at no charge while the Commission establishes a program that addresses the operational challenges that are unique to serving foster youth.²

TURN/GLI's second concern stemmed from data in the Staff Proposal showing that foster youth pilot participation dropped from a historical high of 11,957 in Quarter 3 of 2021 to a historical low of 3,630 in Quarter 4 of 2021.

iFoster asserted that the precipitous drop in participation was due to changing participants' handsets as part of the transition in pilot carrier partners during the pandemic. iFoster stated that, despite outreach starting in August 2021, only 24 percent of participants successfully transitioned from Boost

¹ TURN/GLI opening comments on October 24, 2022.

² T-Mobile opening comments on October 24, 2022.

Mobile to T-Mobile service during the handset and carrier provider swap period prior to termination of Boost Mobile services on January 1, 2022. iFoster asserted that the majority of youth did not understand the need to swap handsets and did not receive support with swapping handsets due to pandemic limitations on meeting in person.³

No other party addressed the third concern of TURN/GLI regarding the need for reporting on pilot usage data and lessons learned during the next extension period. We agree that pilot usage data and lessons learned from the next extension period would be valuable for informing the design of the permanent foster youth program within California LifeLine.

It is reasonable to extend the foster youth pilot program through July 31, 2024. The Commission previously determined that California LifeLine should serve foster youth on a permanent basis in D.21-07-008. This extension is necessary to ensure uninterrupted service to foster youth while the Commission's Communications Division develops a plan to enable foster youth to participate in California LifeLine on a permanent basis.

iFoster shall serve a report to the service list within 30 days after the end of each calendar month through July 31, 2024 with the following information:

- a. Total number of participants at the end of the month;
- b. Unique identification number of the participant, age, usage data, and the device linked to the participant;
- c. Number of new participants enrolled during the month;
- d. Number of participants removed from the program during the month with the reason for leaving;
- e. Number of phone replacements linked to each participant's unique identification number;

³ iFoster opening comments on October 24, 2022.

- f. Number of marketing and outreach events and the cost per event;
- g. Summary of pilot expenditures for the month, with a line-item for each category of program activity and program cost;
- h. Anonymized monthly participant data showing service plan usage for voice minutes, text (SMS & MMS), and total megabytes of data; and
- i. Lessons learned from program administration, if any.

The Commission's Communications Division staff may modify the iFoster monthly reporting requirements by administrative letter if needed to inform the development of the permanent foster youth program design.

4. Flexibility to Approve Pilot Expenses

In D.19-04-021, the Commission approved a total budget of \$22,294,200 for the foster youth pilot program. The Commission specified amounts of pilot expenses that staff could approve by budget category in D.19-04-021. The authorized pilot budget categories include monthly service plan costs, phone devices, device setup, distribution, and pilot administration. The Commission modified the authorized amounts for monthly service plans in D.20-11-006 and D.21-07-008.

The Staff Proposal recommended providing the Commission's staff with flexibility to approve pilot budget expenditures within the total budget authorized in D.19-04-021 without limitations for specific budget categories. In the Staff Proposal, the Commission's staff expressed concern that restricting pilot expenses based on prior budget category estimates from 2019 would prevent the pilot service provider and pilot administrator from responding to the needs of foster youth during the next extension period.

No party opposed the staff recommendation to provide the Commission's staff with flexibility to approve pilot budget expenditures within the total budget authorized in D.19-04-021 without limitations for specific budget categories.

T-Mobile strongly supported this element of the Staff Proposal. T-Mobile commented that the permanent program should provide the foster youth program administrator with the operational flexibility required to effectively and efficiently administer the program. T-Mobile asserted that the staff recommendation to increase flexibility for staff to approve pilot expenses is a step in the right direction for making the program more efficient.⁴

TURN/GLI did not oppose the staff recommendation for budget flexibility but asserted that the Commission should require additional safeguards to protect the ratepayer interest. TURN/GLI recommended that the Commission add the following pilot program reporting requirements: (1) a budget breakdown by category, (2) current spending outlay by category, and (3) proposed set of categories that need additional funding.⁵ We agree that additional safeguards are needed to protect the ratepayer interest.

It is reasonable to authorize the Commission's staff to approve pilot budget expenditures within the total budget authorized in D.19-04-021 without limitations for specific budget categories.

iFoster shall file a Tier 2 Advice Letter within 30 days after the effective date of this decision with (i) a proposed budget for each calendar quarter between January 1, 2023 through July 31, 2024, with a line-item for each category of program administration activity and program cost, and (ii) a summary of

⁴ T-Mobile opening comments on October 24, 2022.

⁵ TURN/GLI opening comments on October 24, 2022.

actual expenditures between October 1, 2022 and December 31, 2022, with a line-item for each category of program administration activity and program cost.

5. Comments on Proposed Decision

The proposed decision of Commissioner Genevieve Shiroma in this matter was mailed to the 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. Comments were filed on December 22, 2022 by iFoster, Inc. to support the proposed decision without modifications. No other party filed comments on the proposed decision.

6. Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner and Stephanie Wang is the assigned ALJ in this proceeding.

Findings of Fact

1. The Commission's Communications Division staff need additional time to develop a full proposal to transition foster youth from the pilot program to a permanent program without disrupting service for foster youth.
2. The remaining balance of the foster youth pilot program budget authorized by D.19-04-021 is sufficient to cover projected pilot program expenses through July 31, 2024.
3. The Commission's Communications Division staff need flexibility to approve pilot budget expenditures within the total budget authorized in D.19-04-021 without limitations for specific budget categories.

Conclusions of Law

1. It is reasonable to extend the foster youth pilot program through July 31, 2024 without increasing the total pilot program budget authorized by D.19-04-021.

2. The Commission should require iFoster to serve a report to the service list within 30 days after the end of each calendar month through July 31, 2024 with the following information:

- a. Total number of participants at the end of the month;
- b. Unique identification number of the participant, age, usage data, and the device linked to the participant;
- c. Number of new participants enrolled during the month;
- d. Number of participants removed from the program during the month with the reason for leaving;
- e. Number of phone replacements linked to each participant's unique identification number;
- f. Number of marketing and outreach events and the cost per event;
- g. Summary of pilot expenditures for the month, with a line-item for each category of program activity and program cost;
- h. Anonymized monthly participant data showing service plan usage for voice minutes, text (SMS & MMS), and total megabytes of data; and
- i. Lessons learned from program administration, if any.

3. The Commission's Communications Division staff should be authorized to modify the iFoster monthly reporting requirements by administrative letter if needed to inform the development of the permanent foster youth program design.

4. It is reasonable to authorize the Commission's Communications Division staff to approve pilot budget expenditures within the total budget authorized in D.19-04-021 without limitations for specific budget categories.

5. The Commission should direct iFoster to file a Tier 2 Advice Letter within 30 days after the effective date of this decision with (i) a proposed budget for

each calendar quarter between January 1, 2023 through July 31, 2024, with a line-item for each category of program administration activity and program cost, and (ii) a summary of actual expenditures between October 1, 2022 and December 31, 2022, with a line-item for each category of program administration activity and program cost.

O R D E R

IT IS ORDERED that:

1. The California Universal Telephone Service Program foster youth pilot program is extended through July 31, 2024.
2. The Commission's Communications Division staff may approve California Universal Telephone Service Program foster youth pilot program expenditures within the total budget authorized in Decision 19-04-021 without limitations for specific budget categories.
3. iFoster, Inc. shall serve a report to the service list of Rulemaking 20-02-008 within 30 days after the end of each calendar month through July 31, 2024 with the following information:
 - a. Total number of participants at the end of the month;
 - b. Unique identification number of the participant, age, usage data, and the device linked to the participant;
 - c. Number of new participants enrolled during the month;
 - d. Number of participants removed from the program during the month with the reason for leaving;
 - e. Number of phone replacements linked to each participant's unique identification number;
 - f. Number of marketing and outreach events and the cost per event;
 - g. Summary of pilot expenditures for the month, with a line-item for each category of program activity and program cost;

- h. Anonymized monthly participant data showing service plan usage for voice minutes, text (SMS & MMS), and total megabytes of data; and
 - i. Lessons learned from program administration, if any.
- 4. The Commission's Communications Division staff may modify the iFoster, Inc. reporting requirements by administrative letter if needed to inform the development of the permanent foster youth program design.
- 5. iFoster, Inc. shall file a Tier 2 Advice Letter within 30 days after the effective date of this decision with (i) a proposed budget for each calendar quarter between January 1, 2023 through July 31, 2024, with a line-item for each category of program administration activity and program cost, and (ii) a summary of actual expenditures between October 1, 2022 and December 31, 2022, with a line-item for each category of program administration activity and program cost.
- 6. Rulemaking 20-02-008 remains open.

This order is effective today.

Dated January 12, 2023, at San Francisco, California.

ALICE REYNOLDS

President

GENEVIEVE SHIROMA

DARCIE L. HOUCK

JOHN REYNOLDS

Commissioners