

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband Video & Market Branch**

**RESOLUTION T-17782
June 8, 2023**

RESOLUTION

RESOLUTION T-17782: Approval of Fiscal Year 2023-24 Budget Allocations for California Advanced Services Fund

SUMMARY

This Resolution approves Fiscal Year (FY) 2023-24 budget allocations for six California Advanced Services Fund (CASF) accounts, including the Broadband Adoption Account (Adoption), Rural and Urban Regional Broadband Consortia Grant Account (Consortia), Infrastructure Line Extension Pilot Program (Line-Ext), Broadband Infrastructure Grant Account (Infrastructure), Broadband Public Housing Account (Public Housing), and Tribal Technical Assistance Program (Tribal Tech). The approved FY 2023-24 budget allocations are presented in Table 1:

Table 1 - FY 2023-2024 Allocation of CASF Budget (\$000's)							
	Adoption	Consortia	Line-Ext	Infrastructure	Public Housing	Tribal Tech	Total
Allocation (%)	27.58%	2.52%	0.95%	45.13%	20.66%	3.17%	100.00%
Allocation (\$000s)	\$20,024	\$1,830	\$688	\$32,769	\$15,000	\$2,300	\$72,611

BACKGROUND

On May 19, 2022, the California Public Utilities Commission (Commission) adopted Decision (D.) 22-05-029 establishing FY 2022-23 budget allocations for CASF as presented in Table 2.

Table 2 - Fiscal Year 2022-2023 Allocation of CASF Budget¹							
\$000s	Adoption	Consortia	Line-Ext	Infrastructure	Public Housing	Tribal Tech	Total
Allocation (%)	27.6%	14.8%	0%	34.2%	20.7%	2.8%	
Allocation (\$000s)	\$20,024	\$10,710	\$0	\$24,860	\$15,000	\$2,000	\$72,611 ²

¹ D.22-05-029 at 67.

² Ibid, Footnote 175 states "This proposal assumes that \$13.746 million of the total \$86.357 million are State Operations Funds the CPUC uses to administer the program." The net amount of \$72.611 million is the amount appropriated for Local Assistance.

D.22-05-029 also deferred establishing allocations beyond FY 2022-2023 so that Staff may later propose allocations based on actual activity for each account.³ In the Decision, the Commission directed Staff to propose, via Resolution, CASF budget allocations and any changes to allocations for Commission approval.

DISCUSSION

CASF’s Adoption, Consortia, Line-Ext, Infrastructure, Public Housing, and Tribal Tech accounts are funded through a surcharge which revenues are deposited to CASF Fund 3141 with the State’s Treasury. Pursuant to Public Utilities (Pub. Util.) Code section 270, subd. (b), money in the funds may only be expended upon appropriation in the annual Budget Act or upon supplemental appropriation. Local Assistance is an expense category specified in the annual Budget Act⁴ used by CASF to fund awards.⁵ This Resolution addresses allocations of CASF’s \$72.611 million Local Assistance budget for FY 2023-24.⁶

Table 3 summarizes FY 2022-23 budget utilization and FY 2023-24 budget allocations for the six CASF accounts proposed by Commission Communications Division staff (Staff).

Table 3 – FY 2022-23 Budget Utilization and Proposed Budget Allocations (\$000s)						
	FY 2022-23 Budget	Applications Approved, Jul 2022-Jan 2023	Applications Pending	Projected Applications, Feb-Jun 2023	Total FY 2022-23 Budget Utilization	Proposed FY 2023-24 Budget Allocations
Adoption	\$20,024	\$5,922	\$12,887	\$0	\$18,809	\$20,024
Consortia	\$10,710	\$10,333	\$0	\$0	\$10,333	\$1,830
Line-Ext	\$0	\$3		\$1,771	\$1,773	\$688
Infrastructure	\$24,860	\$205	\$0	\$36,115 ⁷	\$36,320	\$32,769
Public Housing	\$15,000	\$1,399	\$0	\$1,738	\$3,137	\$15,000
Tribal Tech	\$2,000	\$1,638	\$300	\$300	\$2,238	\$2,300
Total	\$72,611 ⁸	\$19,500	\$13,187	\$39,924	\$72,611	\$72,611

Adoption

For FY 2022-23, the Adoption account had two rounds of open applications with deadlines of July 2, 2022, and January 1, 2023. As of March 1, 2023, Staff awarded 74 projects totaling \$5.922 million and there are 48 outstanding applications totaling \$12.887 million pending approval. Altogether, total funding awarded is projected to be \$18.809 million. Based on recent activities, Staff recommends a similar budget of \$20.024 million for FY 2023-24. Staff’s proposal is reasonable and should be adopted.

³ D.22-05-029 at 67-68.

⁴ <https://www.dgs.ca.gov/Resources/SAM/TOC/6000/6899> at Character of Appropriation.

⁵ Resolution T-17665 at 5.

⁶ <https://ebudget.ca.gov/2023-24/pdf/GovernorsBudget/8000/8660.pdf> at GG7

⁷ Staff intends to apply the remaining FY 2022-23 budget to the upcoming application cycle.

⁸ The sum of above is not \$72.611 million but \$72.594 million.

Consortia

There are seventeen regional consortia representing various counties in California. On June 1, 2022, Staff issued a solicitation for Consortia grant applications, of which 15 applications from 15 regional consortia were received. On January 12, 2023, the Commission adopted Resolution T-17778⁹ awarding a total amount of \$10.333 million to the 15 regional consortia. These 15 consortia grants commenced on February 1, 2023 or thereafter¹⁰ covering a period ranging from 3 years to 5 years. For FY 2023-24, Staff seeks a budget of \$1.830 million¹¹ to be made available to the remaining unrepresented regional consortia. Staff's proposal is reasonable and should be adopted.

Line-Ext

In FY 2021-22, the Line-Ext account approved a grant in the amount of \$292,578¹² connecting 53 households. In FY 2022-23, a grant to an individual in the amount of \$2,575 was approved and an application requesting funding of \$1.771 million to provide broadband to the unserved residents of the San Benito County Farm Bureau Southside Road Labor Camp, the San Benito County Health and Human Services Migrant Center and the Community Services Development Corporation Housing was received on March 14, 2023.¹³ Based on the average of the three recent activities, Staff recommends a budget of \$688,000 for FY 2023-24. Staff's proposal is reasonable and should be adopted.

Infrastructure

As there has not been an application cycle since May 2020, there is demand by stakeholders for funding infrastructure projects. Since the adoption of D.22-11-023¹⁴ multiple potential applicants have contacted Staff, and expressed interest in applying for CASF funding as soon as a new application cycle becomes available.

In the May 2020 application cycle, the Infrastructure account received a total funding request in excess of \$500 million, of which \$111 million were approved funded by FY 2020-21 and FY 2021-22 budgets. Consistent with this multi-funding year approach, Staff will apply all available budgets for the upcoming application cycle¹⁵ including the remaining FY 2022-23 budget of \$36.115 million and a proposed budget of \$32.769 million for FY 2023-24.¹⁶

⁹ <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/casf-adoption-and-access/consortia/t17778-documents/t17778.pdf>

¹⁰ Ibid at 35.

¹¹ This includes a reserve of \$0.900 million for each of the two grants plus a reserve of \$0.030 for workshop attendance.
¹² On September 9, 2021, the Commission adopted Resolution T-17745 awarding a grant of \$292,548 to Cruzio Media Inc. for the San Jerardo Housing Cooperative project.

¹³ <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/casf-infrastructure-and-market-analysis/line-extension-program/lep-applications-received-list.pdf>

¹⁴ On November 17, 2022, the Commission adopted D.22-11-023 modifying the Infrastructure program rules regarding project eligibility and other proposed modifications, including performance criteria and project challenges.

¹⁵ A notice letter was issued by the Executive Director of the CPUC authorizing the deadline for Broadband Infrastructure Grant Project Proposals for 2023 be changed from April 4th to May 1st. This notice letter was emailed on March 21, 2023 to people on the CASF Distribution List and is available on the website at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund>.

¹⁶ Available budget beyond FY 2023-24 will be addressed in subsequent resolution(s).

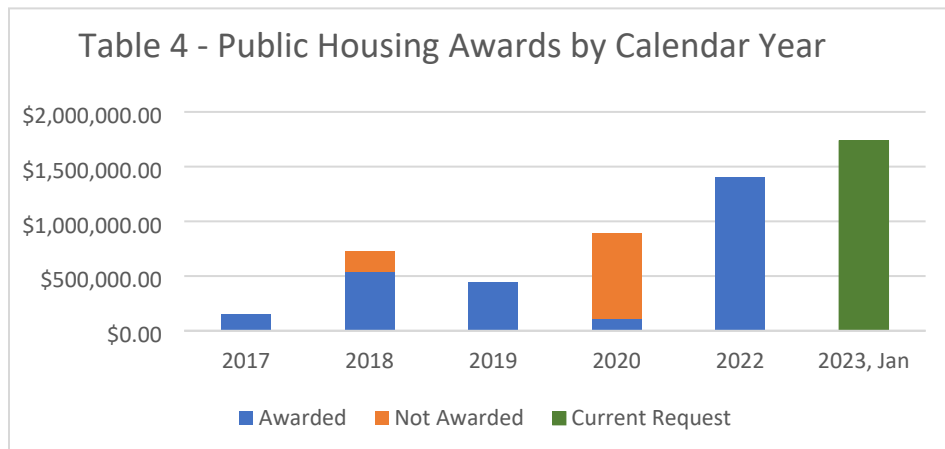
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Infrastructure applications often involve multimillion dollar projects and have a long review and approval period. For the May 2020 application cycle, the average grant awarded was more than \$4.6 million and the average review and approval period was 16 months. Thus, Staff’s proposal of using all available budgets for the upcoming application cycle is appropriate. Staff’s proposed budget of \$32.769 million for FY 2023-24 is reasonable and should be adopted.¹⁷

Public Housing

For FY 2022-23, the Public Housing account had 2 rounds of open applications with deadlines of July 1, 2022, and January 1, 2023. For the July 2022 application cycle, the Commission adopted Resolution T-17775 on December 15, 2022 awarding grant funding of \$1.398 million to 19 public housing projects. In the January 2023 application cycle, Staff received 31 applications amounting to \$1.738 million. The funding request of these two application cycles totaled \$3.136 million.

Recent requests and approvals by calendar year for the Public Housing account are presented in Table 4.



As demonstrated in Table 4, there has been a steady growth for Public Housing funding in recent years. Staff anticipate this growth for eligible applicants will continue through FY 2023-24. Additionally, D.22-05-029 directed Staff to submit a proposal for establishing eligibility, verification of eligibility, and protections for tenants of non-publicly supported housing developments tribal communities, and low-income communities, as specified in Section 3.1 of the decision.¹⁸ Staff’s proposal may expand account eligibility, which will further increase the number of applications and funding requests. Therefore, Staff propose a FY 2023-24 budget of \$15 million for the Public Housing account, i.e., the same budget as approved for FY 2022-23. Staff’s proposal is reasonable and should be adopted.

Tribal Tech

For FY 2022-23, the Tribal Tech account had 4 rounds of open applications with deadlines of July 1, 2022, October 1, 2022, January 1, 2023, and April 1, 2023. For the July 2022 and October 2022 application cycles, Staff approved 17 grants amounting to \$1.638 million. Staff received a total

¹⁷ Available budget beyond FY 2023-24 will be addressed in subsequent resolution(s).

¹⁸ At Ordering Paragraph 1.

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funding request of \$0.300 million in the January application cycle, and project requests of \$0.300 million would be received in the April 2023 application cycle. The funding requests for the four application cycles totaled \$2.238 million. Based on recent activities, Staff propose a budget of \$2.300 million for FY 2023-24. Staff's proposal is reasonable and should be adopted.

Staff proposed budget allocations for FY 2023-24 are summarized in Table 1. Staff's proposals are consistent with D.22-05-029 and should be adopted.

SAFETY CONSIDERATIONS

The CASF provides subsidies for the deployment of high-quality advanced broadband infrastructure throughout the state of California. Broadband infrastructure is vital to the operation and management of critical infrastructure and public safety and emergency response networks.

COMMENTS

In compliance with Public Utilities Code, section 311, subd., (g), a notice letter was emailed on May 5, 2023 informing parties on the CASF Distribution List of this draft Resolution, and of the opportunity for comment, at the Commission's website <https://www.cpuc.ca.gov/documents/>. The letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at the same website. The Commission received no public comments.

FINDINGS

1. On May 19, 2022, the California Public Utilities Commission (Commission) adopted Decision (D.) 22-05-029 establishing Fiscal Year (FY) 2022-23 \$72.611 million budget allocations million for the six California Advanced Services Fund (CASF) accounts including Broadband Adoption Account (Adoption), Rural and Urban Regional Broadband Consortia Grant Account (Consortia), Infrastructure Line Extension (Line-Ext), Broadband Infrastructure Grant Account (Infrastructure), Broadband Public Housing Account (Public Housing), and Tribal Technical Assistance Account (Tribal Tech).
2. D.22-05-029 deferred establishing allocations beyond FY 2022-2023 so that staff may later propose allocations based on actual activity for each account.
3. Pursuant to Public Utilities Code section 270, subd. (b), moneys in CASF may only be expended upon appropriation in the annual Budget Act or upon supplemental appropriation.
4. Local Assistance is an expense category specified in the annual Budget Act used by CASF to fund awards.
5. This Resolution addresses allocations of CASF's \$72.611 million Local Assistance budget for FY 2023-24.

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6. Based on recent activities and events, Commission Communications Division staff propose budget allocations of \$20.024 million for the Adoption account, \$1.830 million for the Consortia account, \$0.688 million for the Line-Ext account, \$32,769 for the Infrastructure account, \$15.000 million for the Public Housing account, and \$2.300 million for the Tribal Tech account.
7. Staff's proposed budget allocations are consistent with D.22-05-029 and should be adopted.
8. In compliance with Public Utilities Code section 311, subdivision (g), a notice letter was emailed on May 5, 2023 informing parties on the CASF Distribution List of this draft Resolution, and of the opportunity for comment, at the Commission's website <http://www.cpuc.ca.gov/documents/>. The letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at the same website.
9. The Commission received no public comments.

THEREFORE, IT IS ORDERED that:

Fiscal Year 2023-24 Local Assistance budget allocations for the six California Advanced Services Fund accounts, as identified and summarized below, are adopted.

Account	Allocation (\$000s)	Allocation (%)
Broadband Adoption Account	\$20,024	27.58%
Rural and Urban Regional Broadband Consortia Grant Account	\$1,830	2.52%
Infrastructure Line Extension	\$688	0.95%
Broadband Infrastructure Grant Account	\$32,769	45.13%
Broadband Public Housing Account	\$15,000	20.66%
Tribal Technical Assistance Account	\$2,300	3.17%
Total	\$72,611	100.00%

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This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a meeting of the Public Utilities Commission of the State of California held on June 8, 2023, the following Commissioners voting favorable thereon:

/s/RACHEL PETERSON

Rachel Peterson
Executive Director

ALICE REYNOLDS
President
GENEVIEVE SHIROMA
DARCIE L. HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
Commissioners