

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Agenda ID #23514

COMMUNICATIONS DIVISION

RESOLUTION T-17884

June 26, 2025

R E S O L U T I O N

Resolution T-17884. Approval of Fiscal Year 2025-26 Budget Allocations for California Advanced Services Fund.

PROPOSED OUTCOME:

- Approves Fiscal Year (FY) 2025-26 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), Line Extension Program (LEP), Broadband Infrastructure Grant Account (Infrastructure), Broadband Public Housing Account (Public Housing), and Tribal Technical Assistance Program (TTA).

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.

ESTIMATED COST:

- This Resolution allocates CASF's \$136.211 million FY 2025-26 budget across six accounts.¹

¹ CASF's accounts are funded through a surcharge whereby revenues are deposited to CASF Fund 3141 with the State's Treasury. The surcharge mechanism is a flat rate for each active access line that telephone corporations service in California, levied at the surcharge rate of \$0.90. The flat surcharge is divided among the six Universal Service Programs, of which CASF receives a 28.50% share. 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.

SUMMARY

This Resolution approves Fiscal Year (FY) 2025-26 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), Line Extension Program (LEP), Broadband Infrastructure Grant Account (Infrastructure), Broadband Public Housing Account (Public Housing), and Tribal Technical Assistance Program (TTA). The approved FY 2025-26 budget allocations are presented in Table 1.

Table 1 - FY 2025-2026 Allocation of CASF Budget (\$000's)							
	Adoption	Consortia	LEP	Infrastructure	Public Housing	TTA	Total
Allocation (%)	22.02%	7.21%	0.95%	44.39%	22.13%	3.3%	100.00%
Allocation (\$000s)	\$30,000	\$9,818	\$1,294	\$60,458	\$30,141	\$4,500	\$136,211

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.

D.22-05-029 deferred establishing allocations beyond FY 2022-2023 so that Communication Division (CD) staff (Staff) could later propose allocations that were responsive to the most recent trends in funding applications.² In the decision, the Commission directed Staff to propose, via Resolution, future CASF budget allocations and any changes to allocations for Commission approval.³

On June 20, 2024, the Commission approved Resolution T-17825 establishing FY 2024-25 budget allocations as shown in Table 2.

² D.22-05-029 at 67-68.

³ Id. at 66 & Ordering Paragraph 6.

Table 2 - FY 2024-2025 Allocation of CASF Budget (\$000's), Approved							
	Adoption	Consortia	LEP	Infrastructure	Public Housing	TTA	Total
Allocation (%)	26.71%	2.52%	0.95%	44.38%	22.12%	3.3%	100.00%
Allocation (\$000s)	\$36,385	\$3,433	\$1,294 ⁴	\$60,458	\$30,141	\$4,500	\$136,211 ⁵

For FY 2025-26 and ongoing, the Commission proposed to maintain the local assistance budget authority at \$136.211 million. This budget augmentation request was approved and included in the 2025-26 Governor's Budget released on January 10, 2025.

DISCUSSION

CASF's Adoption, Consortia, LEP, Infrastructure, Public Housing, and TTA accounts are funded through a surcharge whereby 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 Act⁶ used by CASF to fund awards.⁷ This Resolution addresses allocations of CASF's \$136.211 million Local Assistance budget for FY 2025-26.⁸ Staff's proposed FY 2025-26 allocation of CASF budget is presented in Table 1.

Adoption

For the last three fiscal years (FY 2022-23, 2023-24, and 2024-25), the Adoption Account had two rounds per year of open application windows with a deadline of July 1 and January 1. The Commission received an average of 146 applications per year requesting an average (for all FYs) of \$25.9 million annually, with approximately 70.3% of the amount being funded (\$18.2 million). Given that funding requests are relatively stable,

⁴ The Commission acknowledges the aggregate statutory limit of \$5 million to be allocated to the Line Extension Program. See Pub. Util. Code, § 281, subd. (f)(6)(B)(ii). As of March 13, 2025, the Commission has awarded \$2.071 million in the Line Extension Program, with approximately \$2.929 million remaining.

⁵ <https://ebudget.ca.gov/2024-25/pdf/Enacted/GovernorsBudget/8000/8660.pdf> at GG6.

⁶ <https://www.dgs.ca.gov/Resources/SAM/TOC/6800/6803> at Character of Appropriation.

⁷ Resolution T-17665 at 5.

⁸ <https://ebudget.ca.gov/2025-26/pdf/GovernorsBudget/8000/8660.pdf> at GG6.

but to allow for possible funding growth, Staff recommends a budget of \$30 million for FY 2025-26.

Consortia

On January 12, 2023, the Commission adopted Resolution T-17778, awarding a total amount of \$10.333 million to the 15 regional consortia. These 15 consortia grants commenced on February 1, 2023, or thereafter and covered a period ranging from three to five years.

For FY 2025-26, Staff requests the budget of \$9.818 million, to be made available to newly formed Tribal Consortia as proposed in the current CASF proceeding (Rulemaking R.20-08-021), the renewal of existing consortia grants, and funding for unrepresented regions.

LEP

In FY 2023-24, the Line Extension Program approved grant funding in the amount of up to \$1.771⁹ million for the grant application of South Valley Internet, Inc., for the Southside Road Project. The Southside Project will provide high-speed internet service to 194 households. Based on the recent trends in funding application and an increased budget, Staff recommends a budget of \$1.294 million for FY 2025-26. As noted above, the Commission acknowledges the statutory limit on funds to be allocated to the Line Extension Program. This allocation does not exceed the statutory limit.

Infrastructure

On June 1, 2023, the Commission received 74 infrastructure applications requesting approximately \$527 million in funding. As of June 15, 2024, the Commission approved six applications awarding a total sum of \$47.312 million.¹⁰

⁹ On September 5, 2023, the Commission adopted Resolution T-17792 awarding a grant of \$1,770,748 to South Valley Internet, Inc.

¹⁰ They include \$688,431 to Anza Electric Cooperative, Inc. for the Anza Electric Cooperative Connect Anza Phase 3 Project, \$889,083 to Kwikbit Internet, Inc for the Kwikbit Internet Mobile Home Park 1 Project, \$5,650,000 to Cruzio Media, Inc. for the Cruzio Media Equal Access Summits to the Sea Project, 10,083,005 to Surfnets for the Three County Fiber Project, \$29,482,766 to LCB for the Aromas-San Juan Project and \$519,260 to CalNeva for the Rural Fresno Project. These grants were approved in FY 2023-24 and within CASF 2023-24 \$72.611 million budget.

Staff requests a budget of \$60.458 million. To adequately fund outstanding applications, Staff will continue to use the multi-funding year approach using all available budgets, including FY 2024-25, FY 2025-26 and beyond, if necessary.

Public Housing

For FY 2023-24, the Public Housing Account had two rounds of open applications with deadlines of July 1, 2023, and January 1, 2024. For these two rounds of open applications, 35 applications were received requesting a total funding of \$2.184 million. Of these, 16 applications were approved, with \$1.348 awarded.

For FY 2024-25, the Public Housing Account had two rounds with deadlines of July 1, 2024, and January 1, 2025. For these two rounds of open applications, 68 applications were received requesting a total funding of \$6.196 million.

On March 7, 2024, the Commission issued D.24-03-041, which modified the Public Housing Account Rules and Guidelines by expanding eligibility to non-publicly supported housing developments and for project costs. The expanded account eligibility may increase the number of applications and funding requests. Therefore, Staff recommends the FY 2025-26 budget of \$30.141 million.

TTA

For FY 2023-24, the TTA Program received 11 applications from the October 1, 2023, January 1, 2024, and April 1, 2024 application cycles, requesting a total funding of \$2.041 million. On March 7, 2024, the Commission adopted D.24-03-041, which increased the amount of funding available for each Tribe per fiscal year from \$150,000 to \$250,000, an increase of 66%. For FY 2024-25, the TTA Program received 10 applications from the July 1, 2024, October 1, 2024, January 1, 2025, and April 1, 2025 application cycles, requesting a total funding of \$2.33 million. During the most recent April 1, 2025 application cycle, the TTA Program received 6 applications for \$1.47 million.

Therefore, for FY 2025-26, Staff recommends a budget of \$4.5 million,¹¹ which is derived from 4 applications cycles per fiscal year (July 1, October 1, January 1, and April 1) and a 66% increase in funding.

¹¹ Formula used: \$2.041 divided by 3, multiplied by 4 for the application cycles, and multiplied by 1.66% to account for the funding increase.

Staff's proposed FY 2025-26 budget allocations are reasonable and should be adopted.

COMMENTS

Public Utilities Code section 311, subd. (g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review. Any comments are due within 20 days of the date of its mailing and publication on the Commission's website and in accordance with any instructions accompanying the notice. Section 311, subd. (g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS AND CONCLUSIONS

1. On May 19, 2022, the Commission adopted D.22-05-029 establishing FY 2022-23 budget allocations for the six CASF accounts including Adoption Account, Consortia Account, Infrastructure Line Extension, Infrastructure Account, Public Housing Account, and Tribal Technical Assistance Program.
2. D.22-05-029 deferred establishing allocations beyond FY 2022-2023 so that staff could later propose allocations based on actual activity for each account, via Resolution.
3. Pursuant to Public Utilities Code section 270, subd. (b), monies 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 \$136.211 million Local Assistance budget for FY 2025-26.
6. Based on recent activities and events, Communications Division staff propose budget allocations of \$30 million for the Adoption Account, \$9.818 million for the

Consortia Account, \$1.294 million for the LEP, \$60.458 million for the Infrastructure Account, \$30.141 million for the Public Housing Account, and \$4.5 million for the TTA Program.

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, subd. (g), a notice letter was emailed on May 20, 2025 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/>. The letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at the same website.

THEREFORE, IT IS ORDERED THAT:

Fiscal Year 2025-26 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	\$30,000	22.02%
Rural and Urban Regional Broadband Consortia Grant Account	\$9,818	7.21%
Line Extension Program	\$1,294	0.95%
Broadband Infrastructure Grant Account	\$60,458	44.39%
Broadband Public Housing Account	\$30,141	22.13%
Tribal Technical Assistance Program	\$4,500	3.3%
Total	\$136,211	100.00%

This Resolution is effective today.

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on June 26, 2025; the following Commissioners voting favorably thereon:

Dated June 26, 2025, at Sacramento, California