

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband Video & Market Branch**

**RESOLUTION T-17825
June 20, 2024**

RESOLUTION

RESOLUTION T-17825: Approval of Fiscal Year 2024-25 Budget Allocations for California Advanced Services Fund

SUMMARY

This Resolution approves Fiscal Year (FY) 2024-25 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 (Line-Ext), Broadband Infrastructure Grant Account (Infrastructure), Broadband Public Housing Account (Public Housing), and Tribal Technical Assistance Program (Tribal Tech). The approved FY 2024-25 budget allocations are presented in Table 1.

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

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) may later propose allocations that are responsive to the most recent trends in funding applications.³ In the Decision, the Commission directed Staff to propose, via Resolution, future CASF budget allocations and any changes to allocations for Commission approval.

¹ The Commission acknowledges the aggregate statutory limit of \$5 million to be allocated to the Line Extension Program. See Cal. Pub. Util. Code § 281(f)(6)(B)(ii). As of April 24, 2024, the Commission has awarded \$2.076million in the Line Extension Program, with approximately \$2.924 million remaining.

² Final approval of these budgets will be determined when the Budget Act of 2024 is approved by the Legislature and the Governor. These budgets will be subject to final appropriations adopted in the Budget Act of 2024. To the extent that appropriations adopted in the Budget Act differ from the FY 2024-25 budget adopted in this Resolution, the appropriations adopted in the Budget Act will supersede the budget adopted in this resolution.

³ D.22-05-029 at 67-68.

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On June 8, 2023, the Commission approved Resolution T-17782 establishing FY 2023-24 budget allocations as shown in Table 2.

Table 2 - Fiscal Year 2023-2024 Allocation of CASF Budget							
\$000s	Adoption	Consortia	Line-Ext	Infrastructure	Public Housing	Tribal Tech	Total
Allocation (%)	27.58%	2.52%	0.95%	45.13%	20.66%	3.17%	100%
Allocation (\$000s)	\$20,024	\$1,830	\$688	\$32,769	\$15,000	\$2,300	\$72,611 ⁴

For FY 2024-25 and ongoing, the Commission proposed to increase the local assistance budget authority from \$72.611 million to \$136.211 million. This budget augmentation request was approved and included in the 2024-25 Governor's Budget released on January 10, 2024.

DISCUSSION

CASF's Adoption, Consortia, Line-Extension, Infrastructure, Public Housing, and Tribal Tech 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 Act⁵ used by CASF to fund awards.⁶ This Resolution addresses allocations of CASF's \$136.211 million Local Assistance budget for FY 2024-25.⁷ For FY 2024-25, Communications Division staff maintains and applies FY 2023-24 allocation percentages from Table 2 for the allocation of the \$136.211 million Local Assistance budget. Staff's proposed FY 2024-25 allocation of CASF budget is presented in Table 1.

Adoption

For FY 2023-24, the Adoption account had two rounds of open applications with deadlines of July 1, 2023, and January 1, 2024. The Commission received 147 applications requesting a total funding of \$22.874 million. Based on recent trends in funding applications, and an increased budget, Staff recommends a budget of \$36.385 million for FY 2024-25.

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.

⁴ 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.

⁵ <https://www.dgs.ca.gov/Resources/SAM/TOC/6000/6899> at Character of Appropriation.

⁶ Resolution T-17665 at 5.

⁷ <https://ebudget.ca.gov/2024-25/pdf/GovernorsBudget/8000/8660.pdf> at GG7

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For FY 2024-25, Staff requests the budget of \$3.433 million be made available to the remaining unrepresented consortia regions.

Line-Extension Program

In FY 2023-24, the Line-Extension program approved grant funding in the amount of up to \$1.771⁸ 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 2024-25. 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 February 15, 2024, the Commission approved three applications awarding a total sum of \$7.227 million.⁹ The entire amount of these three grants were funded through FY 2023-24 \$32.769 million budget thus leaving an available budget of \$25.541 million for the remaining 71 applications.

Staff requests a budget of \$60.458 million, i.e. the remaining \$136.211 million after other account allocations. To adequately fund outstanding applications, Staff will continue to use the multi-funding year approach using all available budgets, including FY 2023-24, FY 2024-25, 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.

On March 7, 2024, the Commission issued D.24-03-021, which modifies the CASF Broadband 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 2024-25 budget of \$30.141 million.

Tribal Tech

For FY 2023-24, the Tribal Tech program received 11 applications from 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

⁸ On September 5, 2023, the Commission adopted Resolution T-17792 awarding a grant of \$1,770,748 to South Valley Internet, Inc.

⁹ They include \$688,431 to Anza Electric Cooperative, Inc. for the Anaz Electric Cooperative Connect Anza Phase 3 Project, \$889,083 to Kwikbit Internet, Inc for the Kwikbit Internet Mobile Home Park 1 Project, and \$5,650,000 to Cruzio Media, Inc. for the Cruzio Media Equal Access Summits to the Sea Project.

each Tribe per fiscal year from \$150,000 to \$250,000, an increase of 66%. Therefore, for FY 2024-25, Staff recommends a budget of \$4.5 million,¹⁰ 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.

Staff's proposed FY 2024-25 budget allocations are reasonable 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 16, 2024 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/about-cpuc/divisions/news-and-public-information-office/public-advisors-office/providing-public-comments-at-the-cpuc>. 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 Commission adopted D.22-05-029 establishing FY 2023-24 budget allocations for the six California Advanced Services Fund CASF accounts including Broadband Adoption Account, Rural and Urban Regional Broadband Consortia Grant Account, Infrastructure Line Extension, Broadband Infrastructure Grant Account, Broadband Public Housing Account, and Tribal Technical Assistance Account.
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 2024-25.

¹⁰ Formula used is: \$2.041 divided by 3 times 4 for the application cycles, and times by 1.66% to account for the funding increase.

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6. Based on recent activities and events, Communications Division staff propose budget allocations of \$36.385 million for the Adoption account, \$3.433 million for the Consortia account, \$1.294 million for the Line-Ext account, \$60.458 million for the Infrastructure account, \$30.141 million for the Public Housing account, and \$4.5 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 16, 2024 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/about-cpuc/divisions/news-and-public-information-office/public-advisors-office/providing-public-comments-at-the-cpuc>. 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 2024-25 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	\$36,385	26.71%
Rural and Urban Regional Broadband Consortia Grant Account	\$3,433	2.52%
Line Extension	\$1,294	0.95%
Broadband Infrastructure Grant Account	\$60,458	44.38%
Broadband Public Housing Account	\$30.141	22.12%
Tribal Technical Assistance Program	\$4,500	3.3%
Total	\$136,211	100.00%

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 20th, 2024, the following Commissioners voting favorable thereon:

/s/ RACHEL PETERSON

Rachel Peterson
Executive Director

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

Commissioners

Commissioner Matthew Baker recused
himself from this agenda item and was
not part of the quorum in its
consideration.