

AMENDED IN SENATE AUGUST 23, 2006

AMENDED IN SENATE JUNE 28, 2005

AMENDED IN ASSEMBLY MAY 27, 2005

AMENDED IN ASSEMBLY MAY 2, 2005

AMENDED IN ASSEMBLY APRIL 21, 2005

AMENDED IN ASSEMBLY APRIL 7, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 1388

Introduced by Assembly Member Ridley-Thomas

February 22, 2005

An act to add and repeal Section 280.1 of the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 1388, as amended, Ridley-Thomas. Telecommunications: California Teleconnect Fund Administrative Committee Fund: ~~Community Based Supplemental Education Demonstration Grant Program and Telemedicine Demonstration Grant Program~~ *grant programs*.

(1) Existing law establishes the California Teleconnect Fund Administrative Committee to advise the Public Utilities Commission regarding the commission's responsibilities for the development, implementation, and administration of a program to advance universal telephone service by providing discounted rates to qualifying schools, libraries, hospitals, health clinics, and community organizations. Existing law establishes the California Teleconnect Fund

Administrative Committee Fund in the State Treasury, and provides that moneys in the fund, collected by telephone corporations in utility rates authorized by the commission and deposited into the fund, may only be expended for the purposes authorized, upon appropriation in the annual Budget Act. The annual Budget Act for 2003 provided for a loan of \$150,000,000 to the General Fund from the California Teleconnect Fund Administrative Committee Fund. Existing law provides for the repayment of that loan.

This bill would authorize the commission to establish, until January 1, 2013, a Community Based Supplemental Education Demonstration Grant Program and a Telemedicine Demonstration Grant Program, meeting certain requirements, with all funding for the programs coming from the moneys repaid to the fund from the moneys loaned by the fund to the General Fund in the annual Budget Act of 2003. Awards under the grant programs would be for the ~~use of~~ *purpose of providing advanced telecommunications networks to network services to community technology programs and to public libraries, as defined, that deliver supplemental education services to pupils, to and to health care facilities, as defined, that provide telemedicine services, to local educational agencies, as defined, and to California Community College off-campus centers, as defined.*

Under existing law, a violation of the Public Utilities Act or an order or direction of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 280.1 is added to the Public Utilities
- 2 Code, to read:

1 280.1. (a) Moneys ~~repaid~~ *paid* to the California Teleconnect
2 Fund Administrative Committee Fund ~~pursuant to Section 16320~~
3 ~~of the Government Code~~, *in repayment of the one hundred fifty*
4 *million dollar (\$150,000,000) loan to the General Fund made*
5 *pursuant to Item 8660-011-0493 of Section 2.00 of the Budget*
6 *Act of 2003 (Chapter 157 of the Statutes of 2003)* shall be
7 deposited into the fund and, upon appropriation by the
8 Legislature, may be expended for the purpose of providing
9 advanced telecommunication network services to community
10 technology programs *and to public libraries*, that deliver
11 supplemental education services to pupils in grades 6 to 12,
12 inclusive, *and to health care facilities that offer telemedicine*
13 ~~services, or to local educational agencies and California~~
14 ~~Community College off-campus centers.~~ *services. Moneys repaid*
15 *to the fund shall not be expended for any purpose other than as*
16 *authorized by this section or Section 280.*

17 (b) For purposes of this section, the following terms have the
18 following meanings:

19 (1) “Administering entity” means the entity selected pursuant
20 to subdivision (c).

21 (2) “Community College ~~off-campus~~ *off-campus* center”
22 means a center providing services and functions pursuant to
23 Chapter 5 (commencing with Section 88530) of Part 52 of the
24 Education Code.

25 (3) “Community technology program” means a program that *is*
26 *provided by a community-based organization that has tax-exempt*
27 *status pursuant to Section 501(c)(3) of the Internal Revenue*
28 *Code and is engaged in diffusing telecommunications technology*
29 *in local communities and training local communities in the use of*
30 *telecommunications technology, that otherwise would have no*
31 *access, or only limited access, to the Internet and other advanced*
32 *telecommunications technologies.*

33 (4) “Health care facility” means a facility that has tax-exempt
34 status pursuant to Section 501(c)(3) of the Internal Revenue Code
35 and that provides health care services directly to patients,
36 including, but not limited to, a hospital, as defined in subdivision
37 (a) of Section 124840 of the Health and Safety Code, or located
38 in a rural Medical Study Area, as defined by the Office of
39 Statewide Health Planning and Development and in accordance
40 with the most recent census, a licensed primary care clinic, as

1 defined in paragraph (1) of subdivision (a) of Section 1204 of the
 2 Health and Safety Code, a hospital outpatient department located
 3 in a health care shortage area and certified as a Rural Health
 4 Clinic by the Secretary of Health and Human Services, a tribal
 5 health clinic exempt from state licensing pursuant to subdivision
 6 (c) of section 1206 of the Health and Safety Code, a diagnostic or
 7 treatment center, a neuropsychiatric or mental health facility, a
 8 hospice, or a nursing home.

9 (5) “Local educational agency” means a school district~~or~~,
 10 *including each school within the district, or a county office of*
 11 *education.*

12 (6) “Online learning resources” means community
 13 ~~telecommunications~~ technology programs involved in activities
 14 that include one or more of the following:

15 (A) Providing pupils with access to online courses in subject
 16 areas required for graduation from middle school or high school.

17 (B) Providing pupils with access to online tutoring or to
 18 support pupils’ work in subject areas required for graduation
 19 from middle school or high school.

20 (C) Providing pupils with a tutor that provides assistance with
 21 accessing online information and digital resources for use as part
 22 of homework assignments.

23 (D) Providing pupils with a tutor who will provide remedial
 24 instruction using online resources.

25 (E) Preparing pupils for employment using online courses or
 26 materials, or by enabling online collaboration with industry
 27 professionals.

28 (F) Online coaching provided by high school or college
 29 counselors or financial aid experts.

30 (7) *“Public library” means one or more libraries that are*
 31 *operated by a single public jurisdiction and that serve the*
 32 *general public without discrimination.*

33 ~~(7)~~

34 (8) “Telemedicine” means the practice of health care delivery,
 35 diagnosis, consultation, treatment, transfer of medical data, and
 36 education using interactive audio, video, or data
 37 communications.

38 (c) The commission, in consultation with the California
 39 Teleconnect Fund Administrative Committee, may appoint a
 40 third-party administrator, or more than one administrator, to

1 administer the grant programs that may be established under this
2 section, ~~upon the repayment of moneys from the General Fund to~~
3 ~~the California Teleconnect Fund Administrative Committee Fund~~
4 ~~pursuant to Section 16320 of the Government Code. Any~~ *section.*
5 *Any* third-party administrator appointed by the commission shall
6 demonstrate all of the following:

7 (1) Experience working with low-income or underserved
8 communities.

9 (2) Knowledge about, and experience in, community
10 technology programs.

11 (3) The ability to implement a process for applying for and
12 recommending the awarding of grants that results in grants being
13 awarded based upon merit.

14 (4) Experience and responsibility in managing and
15 administering public trust or charitable funds.

16 (d) (1) ~~Not more than the lesser of 5 percent of the moneys~~
17 ~~appropriated pursuant to this section or five hundred thousand~~
18 ~~dollars (\$500,000) per fiscal year; may be expended for the~~
19 ~~state's administration, including the costs of the commission and~~
20 ~~the administering entity. pursuant to this section.~~

21 (2) Upon notification by the commission, the Controller shall
22 pay all grant awards, for the purposes enumerated in this section
23 from the moneys appropriated pursuant to this section. The
24 eligibility of each award shall be determined by the ~~administering~~
25 ~~entity~~ *commission*, consistent with any procedures or rules
26 adopted by the commission in consultation with the California
27 Teleconnect Fund Administrative Committee. ~~The commission~~
28 ~~shall award grants based on the commission's review of the~~
29 ~~recommendations of the administering entity.~~

30 (e) (1) Upon the appropriation of moneys ~~pursuant to~~ *in the*
31 *annual Budget Act for the purposes of* this section, the
32 commission may establish the Community Based Supplemental
33 Education Demonstration Grant Program to demonstrate the
34 benefits of community technology programs *and public libraries*
35 that use the advanced telecommunications networks of
36 California's educational entities to deliver supplemental
37 educational services to pupils.

38 (2) Consistent with any procedures or rules established by the
39 commission, in consultation with the California Teleconnect
40 Fund Administrative Committee, the commission may provide

1 community technology programs; and public libraries with grants
2 pursuant to the Community Based Supplemental Education
3 Demonstration Grant Program. Grants shall be awarded on the
4 basis of competitive merit, for a ~~three-year~~ *five-year* period,
5 subject to criteria to be established by the commission, in
6 consultation with the California Teleconnect Fund
7 Administrative Committee. The criteria shall ensure that funds
8 are widely disbursed, and available to both urban and rural areas.
9 Grants shall be awarded to qualifying community-based
10 ~~nonprofit~~ organizations that are exempt from taxation under
11 Section 501(c)(3) of the Internal Revenue Code, and public
12 libraries, for the purpose of funding projects that demonstrate the
13 capacity for community technology programs *and public*
14 *libraries* to increase the academic achievement of pupils in
15 grades 6 to 12, inclusive, through the use of online learning
16 resources. Grants may be renewed on an ongoing basis, every
17 ~~three~~ *five* years, provided that the community technology
18 program *or public library* can demonstrate that the program has
19 contributed to the academic achievement of pupils served.

20 (3) A community technology program *or public library* may
21 apply for and receive grants pursuant to the Community Based
22 Supplemental Education Demonstration Grant Program, to pay
23 costs associated with all of the following:

24 (A) All of the one-time costs for installing circuits, *including*
25 *special construction charges that may be required by a service*
26 *provider*, that transmit data at or above 1.54
27 ~~megabytes-per-second between the~~ *megabits-per-second between*
28 *the site of a community technology program's site program or*
29 *public library* and a county office of education, a campus of the
30 California Community Colleges, *a Community College*
31 *off-campus center*, a campus of the California State University,
32 or a campus of the University of California.

33 (B) Up to an additional 30 percent ~~of the amount that the~~
34 *discount for the costs of the qualifying services the public library*
35 *or community technology program* is otherwise eligible to
36 receive pursuant to Section 280.

37 (C) Up to 50 percent of the estimated ~~amount~~ *cost of the*
38 *qualifying services* that a campus of the California Community
39 Colleges, *a Community College off-campus center*, a campus of
40 the California State University, or a campus of the University of

1 California would otherwise be eligible to receive if the campus
2 were eligible to receive discounts pursuant to Section 280 and
3 had a 155 megabit-per-second connection from the campus to the
4 backbone network used by local educational agencies and the
5 higher education segments, not including any costs related solely
6 to telephone service.

7 (4) Recipients of grants under the Community Based
8 Supplemental Education Demonstration Grant Program shall be
9 required, as a condition for the receipt of moneys under the
10 program, to annually report to the commission by January 1 of
11 each year, that information required by the commission to
12 evaluate the effectiveness of the program.

13 (5) The commission shall report to the Governor and the
14 Legislature by April 1 of each year, on the results of the
15 Community Based Supplemental Education Demonstration Grant
16 Program, including the effect of the program on broadband
17 subscription.

18 (6) The procedures and rules for awarding grants shall ensure
19 that the grants awarded do not exceed annual moneys available to
20 support the program and that no one applicant receive more than
21 25 percent of the designated program funds in a single fiscal
22 year.

23 (7) Any costs associated with the Community Based
24 Supplemental Education Demonstration Grant Program shall
25 only be paid from the California Teleconnect Fund
26 Administrative Committee Fund.

27 (f) (1) Upon appropriation of moneys ~~pursuant to~~ *in the*
28 *annual Budget Act for the purposes of* this section, the
29 commission may establish the Telemedicine Demonstration
30 Grant Program to demonstrate the benefits of health care
31 facilities that use advanced telecommunications networks of
32 California educational entities or other public networks to deliver
33 telemedicine services.

34 (2) Consistent with any procedures or rules established by the
35 commission, in consultation with the California Teleconnect
36 Fund Administrative Committee, the commission may provide
37 health care facilities with telemedicine grants pursuant to the
38 Telemedicine Demonstration Grant Program. Grants shall be
39 awarded on the basis of competitive merit, for a ~~three-year~~
40 *five-year* period, subject to criteria to be established by the

1 commission, in consultation with the California Teleconnect
2 Fund Administrative Committee. The criteria shall ensure that
3 funds are widely disbursed, and available to both urban and rural
4 areas. Grants shall be awarded to a qualifying health care facility
5 approved for discounts pursuant to Section 280. Grants may be
6 renewed on an ongoing basis every ~~three~~ *five* years, provided that
7 the health care facility can demonstrate effective utilization of
8 telemedicine resources by the local community.

9 (3) A qualifying health care facility may apply for and receive
10 grants pursuant to the Telemedicine Demonstration Grant
11 Program, to pay costs associated with all of the following:

12 (A) All of the one-time costs for installing circuits, *including*
13 *special construction charges that may be required by a service*
14 *provider*, that transmit data at or above 1.54
15 ~~megabytes-per-second~~ *megabits-per-second* between the health
16 care facility and a county office of education, a campus of the
17 California Community Colleges, *a Community College*
18 *off-campus center*, a campus of the California State University,
19 or a campus of the University of California that agrees to provide
20 a gateway to the education network or to provide telemedicine
21 services as defined in Section 2290.5 of the Business and
22 Professions Code. The purpose of providing the gateway is to
23 provide the eligible health care facility access to
24 telecommunications services needed to provide telemedicine
25 services and to provide access to high-speed Internet services.

26 (B) Up to an additional 30 percent ~~of the amount that~~ *discount*
27 *for the costs of the qualifying services* the health care facility is
28 otherwise eligible to receive pursuant to the higher of this section
29 or Section 280.

30 (C) Up to 50 percent of the estimated ~~amount~~ *cost of the*
31 *qualifying services* that a campus of the California Community
32 Colleges, *a Community College off-campus center*, a campus of
33 the California State University, or a campus of the University of
34 California would otherwise be eligible to receive if the campus
35 were eligible to receive discounts pursuant to Section 280 and
36 had a 155 megabit-per-second connection from the campus to the
37 backbone network used by local educational agencies and the
38 higher education segments, not including any costs related solely
39 to telephone service.

1 (4) Recipients of grants under the Telemedicine
2 Demonstration Grant Program shall be required, as a condition
3 for receipt of moneys under the program, to annually report to
4 the commission by January 1 of each year, that information
5 required by the commission to evaluate the effectiveness of the
6 program.

7 (5) The commission shall report to the Governor and the
8 Legislature by April 1 of each year, on the results of the
9 Telemedicine Demonstration Grant Program.

10 (6) The procedures and rules for awarding grants shall ensure
11 that the grants awarded do not exceed annual moneys available to
12 support the program and that no one applicant receives more than
13 25 percent of the designated program funds in a single fiscal
14 year.

15 (7) Any costs associated with the Telemedicine Demonstration
16 Grant Program shall only be paid from the California
17 Teleconnect Fund Administrative Committee Fund.

18 ~~(g) Upon the appropriation of moneys pursuant to this section,~~
19 ~~the commission may~~ *The commission may, when necessary to*
20 *provide network access pursuant to subdivision (e) or (f),*
21 *reimburse local educational agencies and California Community*
22 *Colleges for the one-time costs of installing new or enhancement*
23 *of existing circuits that transmit data at or above 1.54*
24 ~~megabytes-per-second between the school district, county office~~
25 ~~of education, or California Community College off-campus~~
26 *megabits-per-second between the local educational agency or*
27 *California Community College off-campus center and the*
28 *appropriate access point to the backbone network used by local*
29 *educational agencies and the higher education segments.*

30 (h) The commission shall not increase the rates authorized by
31 the commission to fund the California Teleconnect Fund
32 Administrative Committee Fund above the rates in effect as of
33 June 30, 2005, in order to fund the programs authorized by this
34 section.

35 (i) This section shall remain in effect only until January 1,
36 2013, and as of that date is repealed, unless a later enacted
37 statute, that is enacted before January 1, 2013, deletes or extends
38 that date.

39 *SEC. 2. No reimbursement is required by this act pursuant to*
40 *Section 6 of Article XIII B of the California Constitution because*

1 *the only costs that may be incurred by a local agency or school*
2 *district will be incurred because this act creates a new crime or*
3 *infraction, eliminates a crime or infraction, or changes the*
4 *penalty for a crime or infraction, within the meaning of Section*
5 *17556 of the Government Code, or changes the definition of a*
6 *crime within the meaning of Section 6 of Article XIII B of the*
7 *California Constitution.*

O