

ASSEMBLY BILL

No. 1503

Introduced by Assembly Member Perea

February 27, 2015

An act to amend Section 280 of the Public Utilities Code, relating to communications.

LEGISLATIVE COUNSEL'S DIGEST

AB 1503, as introduced, Perea. Telecommunications universal service programs: teleconnect fund.

Existing law, the federal Telecommunications Act of 1996, establishes a program of cooperative federalism for the regulation of telecommunications to attain the goal of local competition, while implementing specific, predictable, and sufficient federal and state mechanisms to preserve and advance universal service, consistent with certain universal service principles. The federal universal service principles include the principle that elementary and secondary schools and classrooms, health care providers, and libraries should have access to advanced telecommunications services. The act authorizes each state to adopt regulations to provide for additional definitions and standards to preserve and advance universal service within the state, only to the extent that they adopt additional specific, predictable, and sufficient mechanisms that do not rely on or burden federal universal service support mechanisms.

Existing law requires the Public Utilities Commission to develop and implement a program funded by the California Teleconnect Fund Administrative Committee Fund to advance universal service by providing discounted rates to qualifying schools maintaining

kindergarten or any of grades 1 to 12, inclusive, community colleges, libraries, hospitals, health clinics, and community organizations.

This bill would require the commission to include auxiliary organizations of the California State University in the program funded by the California Teleconnect Fund Administrative Committee Fund.

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

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

1 SECTION 1. Section 280 of the Public Utilities Code is
2 amended to read:

3 280. (a) The commission shall develop, implement, and
4 administer a program to advance universal service by providing
5 discounted rates to qualifying schools maintaining kindergarten
6 or any of grades 1 to 12, inclusive, community colleges, libraries,
7 hospitals, health clinics,—and community organizations, and
8 *auxiliary organizations of the California State University*,
9 consistent with Chapter 278 of the Statutes of 1994.

10 (b) There is hereby created the California Teleconnect Fund
11 Administrative Committee, which is an advisory board to advise
12 the commission regarding the development, implementation, and
13 administration of a program to advance universal service by
14 providing discounted rates to qualifying schools maintaining
15 kindergarten or any of grades 1 to 12, inclusive, community
16 colleges, libraries, hospitals, health clinics,—and community
17 organizations, and *auxiliary organizations of the California State*
18 *University*, consistent with Chapter 278 of the Statutes of 1994,
19 and to carry out the program pursuant to the commission’s
20 direction, control, and approval.

21 (c) All revenues collected by telephone corporations in rates
22 authorized by the commission to fund the program specified in
23 subdivision (a) shall be submitted to the commission pursuant to
24 a schedule established by the commission. The commission shall
25 transfer the moneys received to the Controller for deposit in the
26 California Teleconnect Fund Administrative Committee Fund. All
27 interest earned by moneys in the fund shall be deposited in the
28 fund.

29 (d) Moneys appropriated from the California Teleconnect Fund
30 Administrative Committee Fund to the commission shall be utilized

1 exclusively by the commission for the program specified in
2 subdivision (a), including all costs of the board and the commission
3 associated with the administration and oversight of the program
4 and the fund.

5 (e) Moneys loaned from the California Teleconnect Fund
6 Administrative Committee Fund in the Budget Act of 2003 are
7 subject to Section 16320 of the Government Code. If the
8 commission determines a need for moneys in the California
9 Teleconnect Fund Administrative Committee Fund, the commission
10 shall notify the Director of Finance of the need, as specified in
11 Section 16320 of the Government Code. The commission ~~may~~
12 *shall* not increase the rates authorized by the commission to fund
13 the program specified in subdivision (b) while moneys loaned from
14 the California Teleconnect Fund Administrative Committee Fund
15 in the Budget Act of 2003 are outstanding unless both of the
16 following conditions are satisfied:

17 (1) The Director of Finance, after making a determination
18 pursuant to subdivision (b) of Section 16320 of the Government
19 Code, does not order repayment of all or a portion of any loan
20 from the California Teleconnect Fund Administrative Committee
21 Fund within 30 days of notification by the commission of the need
22 for the moneys.

23 (2) The commission notifies the Director of Finance and the
24 Chairperson of the Joint Legislative Budget Committee in writing
25 that it intends to increase the rates authorized by the commission
26 to fund the program specified in subdivision (a). The notification
27 required pursuant to this paragraph shall be made 30 days in
28 advance of the intended rate increase.

29 (f) Subdivision (e) shall become inoperative upon full repayment
30 or discharge of all moneys loaned from the California Teleconnect
31 Fund Administrative Committee Fund in the Budget Act of 2003.