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AB-1426 California Advanced Services Fund: Broadband Adoption Account. (2021-2022)

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Assembly Bill No. 1426

CHAPTER 946

An act to amend Section 281 of the Public Utilities Code, relating to communications.

[Approved by Governor September 30, 2022. Filed with Secretary of State September 30, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1426, Mathis. California Advanced Services Fund: Broadband Adoption Account.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law requires the commission to develop, implement, and administer the California Advanced Services Fund (CASF) program to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies. Existing law establishes 5 accounts, including the Broadband Adoption Account, within the CASF. Existing law provides that moneys in the Broadband Adoption Account are available to the commission to award grants to increase publicly available or after school broadband access and digital inclusion, such as grants for digital literacy training programs and public education to communities with limited broadband adoption, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption. Existing law provides that eligible applicants for moneys from the Broadband Adoption Account are local governments, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations with programs to increase publicly available or after school broadband access and digital inclusion.

This bill would expressly include nonprofit religious organizations as being within the nonprofit organizations that are eligible applicants for moneys from the Broadband Adoption Account.

This bill would incorporate additional changes to Section 281 of the Public Utilities Code proposed by AB 2749 to be operative only if this bill and AB 2749 are enacted and this bill is enacted last.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 281 of the Public Utilities Code is amended to read:

281. (a) The commission shall develop, implement, and administer the California Advanced Services Fund to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies, consistent with this section and with the statements of intent in Section 2 of the Internet for All Now Act (Chapter 851 of the Statutes of 2017).

(b) (1) (A) The goal of the Broadband Infrastructure Grant Account is, no later than December 31, 2032, to approve funding for infrastructure projects that will provide broadband access to no less than 98 percent of California households in each consortia region, as identified by the commission. The commission shall be responsible for achieving the goals of the program.

(B) For purposes of the Broadband Infrastructure Grant Account, both of the following definitions apply:

(i) "Mbps" means megabits per second.

(ii) (I) Except as provided in subclause (II), "unserved area" means an area for which there is no facility-based broadband provider offering at least one tier of broadband service at speeds of at least 25 mbps downstream, 3 mbps upstream, and a latency that is sufficiently low to allow realtime interactive applications, considering updated federal and state broadband mapping data.

(II) For projects funded, in whole or in part, from moneys received from the federal Rural Digital Opportunity Fund, "unserved area" means an area in which no facility-based broadband provider offers broadband service at speeds consistent with the standards established by the Federal Communications Commission pursuant to In the Matter of Rural Digital Opportunity Fund, WC Docket No. 19-126, Report and Order, FCC 20-5 (adopted January 30, 2020, and released February 7, 2020), or as it may be later modified by the Federal Communications Commission.

(2) In approving infrastructure projects funded through the Broadband Infrastructure Grant Account, the commission shall do both of the following:

(A) Approve projects that provide last-mile broadband access to households that are unserved by an existing facility-based broadband provider.

(B) (i) Prioritize projects in unserved areas where internet connectivity is available only at speeds at or below 10 mbps downstream and 1 mbps upstream or areas with no internet connectivity.

(ii) This subparagraph does not prohibit the commission from approving funding for projects outside of the areas specified in clause (i).

(3) Moneys appropriated for purposes of this section may be used to match or leverage federal moneys for communications infrastructure, digital equity, and adoption, including, but not limited to, moneys from the United States Department of Commerce Economic Development Administration, the United States Department of Agriculture ReConnect Loan and Grant Program, and the Federal Communications Commission for communications infrastructure, digital equity, and adoption.

(4) The commission shall transition California Advanced Services Fund program methodologies to provide service to serviceable locations and evaluate other program changes to align with other funding sources, including, but not limited to, funding locations.

(5) The commission shall maximize investments in new, robust, and scalable infrastructure and use California Advanced Services Fund moneys to leverage federal and non-California Advanced Services Fund moneys by undertaking activities, including, but not limited to, all of the following:

(A) Providing technical assistance to local governments and providers.

(B) Assisting in developing grant applications.

(C) Assisting in preparing definitive plans for deploying necessary infrastructure in each county, including coordination across contiguous counties.

(6) Moneys appropriated for purposes of this section may be used to fund projects that deploy broadband infrastructure to unserved nonresidential facilities used for local and state emergency response activities, including, but not limited to, fairgrounds.

(c) The commission shall establish the following accounts within the fund:

(1) The Broadband Infrastructure Grant Account.

(2) The Rural and Urban Regional Broadband Consortia Grant Account.

(3) The Broadband Public Housing Account.

(4) The Broadband Adoption Account.

(5) The Federal Funding Account.

(d) (1) The commission shall transfer the moneys received by the commission from the surcharge the commission may impose pursuant to paragraph (4) to fund the accounts to the Controller for deposit into the California Advanced Services Fund.

(2) All interest earned on moneys in the fund shall be deposited into the fund.

(3) The commission may make recommendations to the Legislature regarding appropriations from the California Advanced Services Fund and the accounts established pursuant to subdivision (c).

(4) For the period described in Section 281.1, the commission may collect a sum not to exceed one hundred fifty million dollars (\$150,000,000) per year.

(e) All moneys in the California Advanced Services Fund, including moneys in the accounts within the fund, shall be available, upon appropriation by the Legislature, to the commission for the California Advanced Services Fund program administered by the commission pursuant to this section, including the costs incurred by the commission in developing, implementing, and administering the program and the fund.

(f) In administering the Broadband Infrastructure Grant Account, the commission shall do all of the following:

(1) The commission shall award grants from the Broadband Infrastructure Grant Account on a technology-neutral basis, taking into account the useful economic life of capital investments, and including both wireline and wireless technology.

(2) The commission shall consult with regional consortia, stakeholders, local governments, existing facility-based broadband providers, and consumers regarding unserved areas and cost-effective strategies to achieve the broadband access goal through public workshops conducted at least annually no later than April 30 of each year.

(3) The commission shall identify unserved rural and urban areas and delineate the areas in the annual report prepared pursuant to Section 914.7.

(4) An existing facility-based broadband provider may, but is not required to, apply for funding from the Broadband Infrastructure Grant Account to make an upgrade pursuant to this subdivision.

(5) Projects eligible for grant awards shall deploy infrastructure capable of providing broadband access at speeds of a minimum of 100 mbps downstream and 20 mbps upstream, or the most current broadband definition speed standard set by the Federal Communications Commission from time to time, as determined appropriate by the commission, whichever broadband access speed is greater, to unserved areas or unserved households.

(6) (A) An individual household or property owner shall be eligible to apply for a grant to offset the costs of connecting the household or property to an existing or proposed facility-based broadband provider. Any infrastructure built to connect a household or property with funds provided under this paragraph shall become the property of, and part of, the network of the facility-based broadband provider to which it is connected.

(B) (i) In approving a project pursuant to this paragraph, the commission shall consider limiting funding to households based on income so that funds are provided only to households that would not otherwise be able to afford a line extension to the property, limiting the amount of grants on a per-household basis, and requiring a percentage of the project to be paid by the household or the owner of the property.

(ii) The aggregate amount of grants awarded pursuant to this paragraph shall not exceed five million dollars (\$5,000,000).

(7) An entity that is not a telephone corporation shall be eligible to apply to participate in the program administered by the commission pursuant to this section to provide access to broadband to an unserved area if the entity otherwise meets the eligibility requirements and complies with program requirements established by the commission.

(8) The commission shall provide each applicant, and any party challenging an application, the opportunity to demonstrate actual levels of broadband service in the project area, which the commission shall consider in reviewing the application.

(9) The commission shall establish a service list of interested parties to be notified of any California Advanced Services Fund applications. Any application and any amendment to an application for project funding shall be served to those on the service list and posted on the commission's internet website at least 30 days before publishing the corresponding draft resolution.

(10) A grant awarded pursuant to this subdivision may include funding for the following costs consistent with paragraph (5):

(A) Costs directly related to the deployment of infrastructure.

(B) Costs to lease access to property or for internet backhaul services for a period not to exceed five years.

(C) Costs incurred by an existing facility-based broadband provider to upgrade its existing facilities to provide for interconnection.

(11) The commission may award grants to fund all or a portion of the project. The commission shall determine, on a case-by-case basis, the level of funding to be provided for a project and shall consider factors that include, but are not limited to, the location and accessibility of the area, the existence of communication facilities that may be upgraded to deploy broadband, and whether the project makes a significant contribution to achievement of the program goal.

(g) (1) Moneys in the Rural and Urban Regional Broadband Consortia Grant Account shall be available for grants to eligible consortia to facilitate deployment of broadband services by assisting infrastructure applicants in the project development or grant application process. An eligible consortium may include, as specified by the commission, representatives of organizations, including, but not limited to, local and regional government, public safety, elementary and secondary education, health care, libraries, postsecondary education, community-based organizations, tourism, parks and recreation, agricultural, business, workforce organizations, and air pollution control or air quality management districts, and is not required to have as its lead fiscal agent an entity with a certificate of public convenience and necessity.

(2) Each consortium shall conduct an annual audit of its expenditures for programs funded pursuant to this subdivision and shall submit to the commission an annual report that includes both of the following:

(A) A description of activities completed during the prior year, how each activity promotes the deployment of broadband services, and the cost associated with each activity.

(B) The number of project applications assisted.

(h) (1) All remaining moneys in the Broadband Infrastructure Revolving Loan Account that are unencumbered as of January 1, 2018, shall be transferred into the Broadband Infrastructure Grant Account.

(2) All repayments of loans funded by the former Broadband Infrastructure Revolving Loan Account shall be deposited into the Broadband Infrastructure Grant Account.

(i) (1) For purposes of this subdivision, "low-income community" includes, but is not limited to, publicly supported housing developments, and other housing developments or mobilehome parks with low-income residents, as determined by the commission.

(2) Moneys in the Broadband Public Housing Account shall be available for the commission to award grants and loans pursuant to this subdivision to a low-income community that otherwise meets eligibility requirements and complies with program requirements established by the commission.

(3) Moneys deposited into the Broadband Public Housing Account shall be available for grants and loans to low-income communities to finance projects to connect broadband networks that offer free broadband service that meets or exceeds state standards, as determined by the commission, for residents of the low-income communities. A low-income community may be an eligible applicant if the low-income community does not have access to any broadband service provider that offers free broadband service that meets or exceeds state standards, as determined by the commission, for the residents of the low-income community.

(4) To the extent feasible, the commission shall approve projects for funding from the Broadband Public Housing Account in a manner that reflects the statewide distribution of low-income communities.

(5) In reviewing a project application under this subdivision, the commission shall consider the availability of other funding sources for that project, any financial contribution from the broadband service provider to the project, the availability of any other public or private broadband adoption or deployment program, including tax credits and other incentives, and whether the applicant has sought funding from, or participated in, any reasonably available program. The commission may require an applicant to provide match funding, and shall not deny funding for a project solely because the applicant is receiving funding from another source.

(j) (1) Moneys in the Broadband Adoption Account shall be available to the commission to award grants to increase publicly available or after school broadband access and digital inclusion, such as grants for digital literacy training programs and public education to communities with limited broadband adoption, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption.

(2) Eligible applicants are local governments, senior centers, schools, public libraries, nonprofit organizations, including nonprofit religious organizations, and community-based organizations with programs to increase publicly available or after school broadband access and digital inclusion, such as digital literacy training programs.

(3) Payment pursuant to a grant for digital inclusion shall be based on digital inclusion metrics established by the commission that may include the number of residents trained, the number of residents served, or the actual verification of broadband subscriptions resulting from the program funded by the grant.

(4) The commission shall give preference to programs in communities with demonstrated low broadband access, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption. The commission shall determine how best to prioritize projects for funding pursuant to this paragraph.

(5) Moneys awarded pursuant to this subdivision shall not be used to subsidize the costs of providing broadband service to households.

(k) The commission shall post on the home page of the California Advanced Services Fund on its internet website a list of all pending applications, application challenge deadlines, and notices of amendments to pending applications.

(l) (1) The commission shall require each entity that receives funding or financing for a project pursuant to this section to report monthly to the commission, at minimum, all of the following information:

(A) The name and contractor's license number of each licensed contractor and subcontractor undertaking a contract or subcontract in excess of twenty-five thousand dollars (\$25,000) to perform work on a project funded or financed pursuant to this section.

(B) The location where a contractor or subcontractor described in subparagraph (A) will be performing that work.

(C) The anticipated dates when that work will be performed.

(2) The commission shall, on a monthly basis, post the information reported pursuant to this subdivision on the commission's California Advanced Services Fund internet website.

(m) The commission shall notify the appropriate policy committees of the Legislature on the date on which the goal specified in subparagraph (A) of paragraph (1) of subdivision (b) is achieved.

(n) (1) Upon the deposit of state or federal infrastructure moneys into the Federal Funding Account, the commission shall implement a program using those moneys to expeditiously connect unserved and underserved communities by applicable federal deadlines.

(2) Projects funded pursuant to this subdivision shall be implemented consistent with Part 35 of Title 31 of the Code of Federal Regulations and any conditions or guidelines applicable to these one-time federal infrastructure moneys.

(3) Of the two billion dollars (\$2,000,000,000) appropriated to the commission to fund last-mile broadband infrastructure in the Budget Act of 2021, the commission shall allocate those moneys to applicants for the construction of last-mile broadband infrastructure as follows:

(A) The commission shall initially allocate one billion dollars (\$1,000,000,000) for last-mile broadband projects in urban counties as follows:

(i) The commission shall first allocate five million dollars (\$5,000,000) for last-mile broadband projects in each urban county.

(ii) The commission shall allocate the remaining moneys based on each urban county's proportionate share of the California households without access to broadband internet access service with at least 100 megabits per second download speeds, as identified and validated by the commission pursuant to the most recent broadband data collection, as of July 1, 2021, as ordered in commission Decision 16-12-025 (December 1, 2016), Decision Analyzing the California Telecommunications Market and Directing Staff to Continue Data Gathering, Monitoring and Reporting on the Market.

(B) The commission shall allocate at least one billion dollars (\$1,000,000,000) for last-mile broadband projects in rural counties as follows:

(i) The commission shall first allocate five million dollars (\$5,000,000) for last-mile broadband projects in each rural county.

(ii) The commission shall allocate the remaining moneys based on each rural county's proportionate share of the California households without broadband internet access service with at least 100 megabits per second download speeds, as identified and validated by the commission pursuant to the most recent broadband data collection, as of July 1, 2021, as ordered in commission Decision 16-12-025 (December 1, 2016), Decision Analyzing the California Telecommunications Market and Directing Staff to Continue Data Gathering, Monitoring and Reporting on the Market.

(4) Until June 30, 2023, applicants may apply for and encumber moneys allocated pursuant to this subdivision for last-mile broadband projects. Any moneys allocated pursuant to this subdivision that are not encumbered on or before June 30, 2023, shall be made available to the commission to allocate for the construction of last-mile broadband infrastructure anywhere in the state.

SEC. 1.5. Section 281 of the Public Utilities Code is amended to read:

281. (a) The commission shall develop, implement, and administer the California Advanced Services Fund to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies, consistent with this section and with the statements of intent in Section 2 of the Internet for All Now Act (Chapter 851 of the Statutes of 2017).

(b) (1) (A) The goal of the Broadband Infrastructure Grant Account is, no later than December 31, 2032, to approve funding for infrastructure projects that will provide broadband access to no less than 98 percent of California households in each consortia region, as identified by the commission. The commission shall be responsible for achieving the goals of the program.

(B) For purposes of the Broadband Infrastructure Grant Account, both of the following definitions apply:

(i) "Mbps" means megabits per second.

(ii) (I) Except as provided in subclause (II), "unserved area" means an area for which there is no facility-based broadband provider offering at least one tier of broadband service at speeds of at least 25 mbps downstream, 3 mbps upstream, and a latency that is sufficiently low to allow realtime interactive applications, considering updated federal and state broadband mapping data.

(II) For projects funded, in whole or in part, from moneys received from the federal Rural Digital Opportunity Fund, "unserved area" means an area in which no facility-based broadband provider offers broadband service at speeds consistent with the standards established by the Federal Communications Commission pursuant to In the Matter of Rural Digital Opportunity Fund, WC Docket No. 19-126, Report and Order, FCC 20-5 (adopted January 30, 2020, and released February 7, 2020), or as it may be later modified by the Federal Communications Commission.

(2) In approving infrastructure projects funded through the Broadband Infrastructure Grant Account, the commission shall do both of the following:

(A) Approve projects that provide last-mile broadband access to households that are unserved by an existing facility-based broadband provider.

(B) (i) Prioritize projects in unserved areas where internet connectivity is available only at speeds at or below 10 mbps downstream and 1 mbps upstream or areas with no internet connectivity.

(ii) This subparagraph does not prohibit the commission from approving funding for projects outside of the areas specified in clause (i).

(3) Moneys appropriated for purposes of this section may be used to match or leverage federal moneys for communications infrastructure, digital equity, and adoption, including, but not limited to, moneys from the United States Department of Commerce Economic Development Administration, the United States Department of Agriculture ReConnect Loan and Grant Program, and the Federal Communications Commission for communications infrastructure, digital equity, and adoption.

(4) The commission shall transition California Advanced Services Fund program methodologies to provide service to serviceable locations and evaluate other program changes to align with other funding sources, including, but not limited to, funding locations.

(5) The commission shall maximize investments in new, robust, and scalable infrastructure and use California Advanced Services Fund moneys to leverage federal and non-California Advanced Services Fund moneys by undertaking activities, including, but not limited to, all of the following:

(A) Providing technical assistance to local governments and providers.

(B) Assisting in developing grant applications.

(C) Assisting in preparing definitive plans for deploying necessary infrastructure in each county, including coordination across contiguous counties.

(6) Moneys appropriated for purposes of this section may be used to fund projects that deploy broadband infrastructure to unserved nonresidential facilities used for local and state emergency response activities, including, but not limited to,

fairgrounds.

(c) The commission shall establish the following accounts within the fund:

- (1) The Broadband Infrastructure Grant Account.
- (2) The Rural and Urban Regional Broadband Consortia Grant Account.
- (3) The Broadband Public Housing Account.
- (4) The Broadband Adoption Account.
- (5) The Federal Funding Account.

(d) (1) The commission shall transfer the moneys received by the commission from the surcharge the commission may impose pursuant to paragraph (4) to fund the accounts to the Controller for deposit into the California Advanced Services Fund.

(2) All interest earned on moneys in the fund shall be deposited into the fund.

(3) The commission may make recommendations to the Legislature regarding appropriations from the California Advanced Services Fund and the accounts established pursuant to subdivision (c).

(4) For the period described in Section 281.1, the commission may collect a sum not to exceed one hundred fifty million dollars (\$150,000,000) per year.

(e) All moneys in the California Advanced Services Fund, including moneys in the accounts within the fund, shall be available, upon appropriation by the Legislature, to the commission for the California Advanced Services Fund program administered by the commission pursuant to this section, including the costs incurred by the commission in developing, implementing, and administering the program and the fund.

(f) In administering the Broadband Infrastructure Grant Account, the commission shall do all of the following:

(1) The commission shall award grants from the Broadband Infrastructure Grant Account on a technology-neutral basis, taking into account the useful economic life of capital investments, and including both wireline and wireless technology.

(2) The commission shall consult with regional consortia, stakeholders, local governments, existing facility-based broadband providers, and consumers regarding unserved areas and cost-effective strategies to achieve the broadband access goal through public workshops conducted at least annually no later than April 30 of each year.

(3) The commission shall identify unserved rural and urban areas and delineate the areas in the annual report prepared pursuant to Section 914.7.

(4) (A) An existing facility-based broadband provider may, but is not required to, apply for funding from the Broadband Infrastructure Grant Account to make an upgrade pursuant to this subdivision.

(B) An otherwise eligible wireless broadband service provider may, but is not required to, apply for and receive funding from the Broadband Infrastructure Grant Account.

(5) Projects eligible for grant awards shall deploy infrastructure capable of providing broadband access at speeds of a minimum of 100 mbps downstream and 20 mbps upstream, or the most current broadband definition speed standard set by the Federal Communications Commission from time to time, as determined appropriate by the commission, whichever broadband access speed is greater, to unserved areas or unserved households.

(6) (A) An individual household or property owner shall be eligible to apply for a grant to offset the costs of connecting the household or property to an existing or proposed facility-based broadband provider. Any infrastructure built to connect a household or property with funds provided under this paragraph shall become the property of, and part of, the network of the facility-based broadband provider to which it is connected.

(B) (i) In approving a project pursuant to this paragraph, the commission shall consider limiting funding to households based on income so that funds are provided only to households that would not otherwise be able to afford a line extension to the property, limiting the amount of grants on a per-household basis, and requiring a percentage of the project to be paid by the household or the owner of the property.

(ii) The aggregate amount of grants awarded pursuant to this paragraph shall not exceed five million dollars (\$5,000,000).

(7) An entity that is not a telephone corporation shall be eligible to apply to participate in the program administered by the commission pursuant to this section to provide access to broadband to an unserved area if the entity otherwise meets the eligibility requirements and complies with program requirements established by the commission.

(8) The commission shall provide each applicant, and any party challenging an application, the opportunity to demonstrate actual levels of broadband service in the project area, which the commission shall consider in reviewing the application.

(9) The commission shall establish a service list of interested parties to be notified of any California Advanced Services Fund applications. Any application and any amendment to an application for project funding shall be served to those on the service list and posted on the commission's internet website at least 30 days before publishing the corresponding draft resolution.

(10) A grant awarded pursuant to this subdivision may include funding for the following costs consistent with paragraph (5):

(A) Costs directly related to the deployment of infrastructure.

(B) Costs to lease access to property or for internet backhaul services for a period not to exceed five years.

(C) Costs incurred by an existing facility-based broadband provider to upgrade its existing facilities to provide for interconnection.

(11) The commission may award grants to fund all or a portion of the project. The commission shall determine, on a case-by-case basis, the level of funding to be provided for a project and shall consider factors that include, but are not limited to, the location and accessibility of the area, the existence of communication facilities that may be upgraded to deploy broadband, and whether the project makes a significant contribution to achievement of the program goal.

(g) (1) Moneys in the Rural and Urban Regional Broadband Consortia Grant Account shall be available for grants to eligible consortia to facilitate deployment of broadband services by assisting infrastructure applicants in the project development or grant application process. An eligible consortium may include, as specified by the commission, representatives of organizations, including, but not limited to, local and regional government, public safety, elementary and secondary education, health care, libraries, postsecondary education, community-based organizations, tourism, parks and recreation, agricultural, business, workforce organizations, and air pollution control or air quality management districts, and is not required to have as its lead fiscal agent an entity with a certificate of public convenience and necessity.

(2) Each consortium shall conduct an annual audit of its expenditures for programs funded pursuant to this subdivision and shall submit to the commission an annual report that includes both of the following:

(A) A description of activities completed during the prior year, how each activity promotes the deployment of broadband services, and the cost associated with each activity.

(B) The number of project applications assisted.

(h) (1) All remaining moneys in the Broadband Infrastructure Revolving Loan Account that are unencumbered as of January 1, 2018, shall be transferred into the Broadband Infrastructure Grant Account.

(2) All repayments of loans funded by the former Broadband Infrastructure Revolving Loan Account shall be deposited into the Broadband Infrastructure Grant Account.

(i) (1) For purposes of this subdivision, "low-income community" includes, but is not limited to, publicly supported housing developments, and other housing developments or mobilehome parks with low-income residents, as determined by the commission.

(2) Moneys in the Broadband Public Housing Account shall be available for the commission to award grants and loans pursuant to this subdivision to a low-income community that otherwise meets eligibility requirements and complies with program requirements established by the commission.

(3) Moneys deposited into the Broadband Public Housing Account shall be available for grants and loans to low-income communities to finance projects to connect broadband networks that offer free broadband service that meets or exceeds state standards, as determined by the commission, for residents of the low-income communities. A low-income community may be an eligible applicant if the low-income community does not have access to any broadband service provider that offers free broadband service that meets or exceeds state standards, as determined by the commission, for the residents of the low-income community.

(4) To the extent feasible, the commission shall approve projects for funding from the Broadband Public Housing Account in a manner that reflects the statewide distribution of low-income communities.

(5) In reviewing a project application under this subdivision, the commission shall consider the availability of other funding sources for that project, any financial contribution from the broadband service provider to the project, the availability of any other public or private broadband adoption or deployment program, including tax credits and other incentives, and whether the applicant has sought funding from, or participated in, any reasonably available program. The commission may require an applicant to provide match funding, and shall not deny funding for a project solely because the applicant is receiving funding from another source.

(j) (1) Moneys in the Broadband Adoption Account shall be available to the commission to award grants to increase publicly available or after school broadband access and digital inclusion, such as grants for digital literacy training programs and public education to communities with limited broadband adoption, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption.

(2) Eligible applicants are local governments, senior centers, schools, public libraries, nonprofit organizations, including nonprofit religious organizations, and community-based organizations with programs to increase publicly available or after school broadband access and digital inclusion, such as digital literacy training programs.

(3) Payment pursuant to a grant for digital inclusion shall be based on digital inclusion metrics established by the commission that may include the number of residents trained, the number of residents served, or the actual verification of broadband subscriptions resulting from the program funded by the grant.

(4) The commission shall give preference to programs in communities with demonstrated low broadband access, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption. The commission shall determine how best to prioritize projects for funding pursuant to this paragraph.

(5) Moneys awarded pursuant to this subdivision shall not be used to subsidize the costs of providing broadband service to households.

(k) The commission shall post on the home page of the California Advanced Services Fund on its internet website a list of all pending applications, application challenge deadlines, and notices of amendments to pending applications.

(l) (1) The commission shall require each entity that receives funding or financing for a project pursuant to this section to report monthly to the commission, at minimum, all of the following information:

(A) The name and contractor's license number of each licensed contractor and subcontractor undertaking a contract or subcontract in excess of twenty-five thousand dollars (\$25,000) to perform work on a project funded or financed pursuant to this section.

(B) The location where a contractor or subcontractor described in subparagraph (A) will be performing that work.

(C) The anticipated dates when that work will be performed.

(2) The commission shall, on a monthly basis, post the information reported pursuant to this subdivision on the commission's California Advanced Services Fund internet website.

(m) The commission shall notify the appropriate policy committees of the Legislature on the date on which the goal specified in subparagraph (A) of paragraph (1) of subdivision (b) is achieved.

(n) (1) Upon the deposit of state or federal infrastructure moneys into the Federal Funding Account, the commission shall implement a program using those moneys to expeditiously connect unserved and underserved communities by applicable federal deadlines.

(2) Projects funded pursuant to this subdivision shall be implemented consistent with Part 35 of Title 31 of the Code of Federal Regulations and any conditions or guidelines applicable to these one-time federal infrastructure moneys.

(3) Of the two billion dollars (\$2,000,000,000) appropriated to the commission to fund last-mile broadband infrastructure in the Budget Act of 2021, the commission shall allocate those moneys to applicants for the construction of last-mile broadband infrastructure as follows:

(A) The commission shall initially allocate one billion dollars (\$1,000,000,000) for last-mile broadband projects in urban counties as follows:

(i) The commission shall first allocate five million dollars (\$5,000,000) for last-mile broadband projects in each urban county.

(ii) The commission shall allocate the remaining moneys based on each urban county's proportionate share of the California households without access to broadband internet access service with at least 100 megabits per second download speeds, as identified and validated by the commission pursuant to the most recent broadband data collection, as of July 1, 2021, as ordered in commission Decision 16-12-025 (December 1, 2016), Decision Analyzing the California Telecommunications Market and Directing Staff to Continue Data Gathering, Monitoring and Reporting on the Market.

(B) The commission shall allocate at least one billion dollars (\$1,000,000,000) for last-mile broadband projects in rural counties as follows:

(i) The commission shall first allocate five million dollars (\$5,000,000) for last-mile broadband projects in each rural county.

(ii) The commission shall allocate the remaining moneys based on each rural county's proportionate share of the California households without broadband internet access service with at least 100 megabits per second download speeds, as identified and validated by the commission pursuant to the most recent broadband data collection, as of July 1, 2021, as ordered in commission Decision 16-12-025 (December 1, 2016), Decision Analyzing the California Telecommunications Market and Directing Staff to Continue Data Gathering, Monitoring and Reporting on the Market.

(4) Until June 30, 2023, applicants may apply for and encumber moneys allocated pursuant to this subdivision for last-mile broadband projects. Any moneys allocated pursuant to this subdivision that are not encumbered on or before June 30, 2023, shall be made available to the commission to allocate for the construction of last-mile broadband infrastructure anywhere in the state.

(5) The commission shall administer the Federal Funding Account consistent with all of the following requirements:

(A) The commission shall review each application and notify the applicant of its decision on or before 180 days from the application deadline. Upon mutual agreement, the commission and the applicant may extend this review period.

(B) When the commission denies an application, the commission shall document the basis for that denial.

(C) The commission shall authorize an applicant whose application was denied to amend and resubmit the application for consideration in a future review period.

(D) A completed application shall be deemed approved if the commission does not deny the application, or extend the 180-day review period, on or before 180 days from the application deadline.

(6) The commission shall periodically establish an application deadline by which applications submitted pursuant to this subdivision are due.

(7) An otherwise eligible wireless broadband service provider may apply for and receive funding from the Federal Funding Account.

(8) The commission may adopt affordability requirements for a recipient of a grant awarded pursuant to this subdivision.

SEC. 2. Section 1.5 of this bill incorporates amendments to Section 281 of the Public Utilities Code proposed by this bill and Assembly Bill 2749. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2023, (2) each bill amends Section 281 of the Public Utilities Code, and (3) this bill is enacted after Assembly Bill 2749, in which case Section 281 of the Public Utilities Code, as amended by Assembly Bill 2749, shall remain operative only until the operative date of this bill, at which time Section 1.5 of this bill shall become operative, and Section 1 of this bill shall not become operative.