
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**

Senator Ben Hueso, Chair

2021 - 2022 Regular

| | | | |
|--------------------|-------------------|----------------------|-----------|
| Bill No: | AB 1349 | Hearing Date: | 6/14/2021 |
| Author: | Mathis | | |
| Version: | 4/19/2021 Amended | | |
| Urgency: | No | Fiscal: | Yes |
| Consultant: | Sarah Smith | | |

SUBJECT: California Advanced Services Fund: Broadband Adoption Account

DIGEST: This bill adds religious organizations to the list of groups eligible for grant funding from the California Advanced Services Fund (CASF) broadband adoption account.

ANALYSIS:

Existing law:

- 1) Establishes the CASF, which is administered by the California Public Utilities Commission (CPUC) to fund broadband infrastructure deployment in unserved areas through December 31, 2022. (Public Utilities Code §281(a-b)).
- 2) Establishes various accounts within the CASF, including the Broadband Adoption Account, which provides organizations with grants to increase broadband access, digital inclusion, and digital literacy in communities with limited broadband adoption. Existing law specifies that these communities include low-income communities, senior communities, and communities experiencing socioeconomic barriers to broadband adoption. (Public Utilities Code §281(j))
- 3) Specifies that the following organizations are eligible for grants from the Broadband Adoption Account: local governments, senior centers, schools, public libraries, nonprofit organizations, certain and community-based organizations with public and after school digital inclusion programs. (Public Utilities Code §281(j))

This bill adds religious organizations to the list of groups eligible for grant funding from the CASF broadband adoption account

Background

CASF and the Adoption Account. The CASF is financed through an end user surcharge on in-state telecommunications services, and it provides grants for broadband infrastructure deployment and broadband adoption projects. While the majority of CASF funding is allocated to broadband infrastructure deployment, the CASF includes a Broadband Adoption Account to provide grants for digital literacy programs and access to broadband-equipped resources such as computer labs. Under existing law, the Broadband Adoption Account receives \$20 million of the CASF revenues; however, existing law sunsets the CASF on December 31, 2022, and the CPUC has indicated that limited funds exist for the broadband adoption grant applications submitted in January 2021.

What is a religious organization? This bill adds religious organizations to the list of entities eligible for grant funding from the Broadband Adoption Account; however, this bill does not define a religious organization. Additionally, existing law already authorizes CASF grants to nonprofit organizations, which may include nonprofit religious organizations that offer publicly available adoption services. While existing tax and corporations code may help identify religious organizations that comply with nonprofit corporation laws, this bill does not specify that a religious organization must meet the definition of a nonprofit corporation. Without a clear definition of what constitutes a religious organization for the purposes of this bill, the CPUC may need to adopt additional criteria to identify organizations that provide digital inclusion support that supports the goal of the CASF. However, it is unclear if the CPUC has sufficient resources and experience to distinguish between groups that identify themselves as religious organizations.

Prior/Related Legislation

SB 4 (Gonzalez, 2021) would extend the CASF and make various changes to the program, including increasing the minimum speed of CASF-funded infrastructure to 100/20 mbps, expanding the definition of an unserved area, updating the program's funding mechanism, and eliminating the right of first refusal. The bill is currently pending in the Assembly.

AB 14 (Aguiar-Curry, 2021) would make various modifications to the CASF, including eliminating the right of first refusal, increasing the minimum speed standards for CASF-funded infrastructure, expanding the definition of an unserved area eligible for grants, and expanding the types of projects eligible for CASF funding to include projects that deploy broadband to specified "anchor institutions." The bill is currently pending in the Senate.

AB 1426 (Mathis, 2021) would eliminate an incumbent internet service provider's (ISP) ability to block a CASF grant to projects in areas where the ISP intends to extend or upgrade its service. The bill is currently pending consideration in the Senate Committee on Energy, Utilities and Communications.

SB 1130 (Gonzalez, 2020) would have extended and modified the CASF, including increasing minimum speed standards for CASF-funded infrastructure, expanded the communities eligible for the CASF, and set open access requirements for certain infrastructure projects. The bill died in the Assembly.

AB 570 (Aguiar-Curry, 2020) would have extended and modified the CASF, including increasing the minimum speed standards for CASF-funded infrastructure, expanding the communities eligible for CASF monies, allowing the CPUC to collect additional CASF revenue, and authorizing the issuance of up to \$1 billion in bonds secured by the CASF. The bill died in the Senate.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

None received

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the author:

For many small communities, especially within rural areas, the building of a religious organization is not simply a place of worship, but a building that is central to the wellbeing and functioning of the community.

These buildings are commonly used for numerous non-religious activities and events, including after-school clubs and programs, a place where elderly groups meet, and as the venue for organizations that provide emotional support and addiction recovery services.

In allowing religious organization to be eligible for funds within the Broadband Adoption Account, AB 1349 will increase broadband access and digital inclusion for the most vulnerable and remote regions of California.