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

Senator Ben Hueso, Chair

2021 - 2022 Regular

Bill No:	AB 2750	Hearing Date:	6/27/2022
Author:	Mia Bonta		
Version:	6/16/2022 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Sarah Smith		

SUBJECT: Department of Technology: state digital equity plan

DIGEST: This bill requires the California Department of Technology (CDT) establish a digital equity plan by January 1, 2024. This bill also specifies the contents the plan must include and the stakeholders that must be consulted in the plan's development.

ANALYSIS:

Existing law:

- 1) Establishes the Office of Broadband and Digital Literacy within the CDT and requires the office to oversee contracts to construct a state-owned, open-access middle mile broadband network. (Government Code §11549.50 et seq.)
- 2) Requires CDT to establish the Middle Mile Advisory Committee (MMAC) to monitor the construction of the statewide open-access middle-mile broadband network. Existing law specifies the membership of MMAC, including the appointment of two ex officio members of the Assembly and two ex officio members of the Senate. (Government Code § 11549.58)
- 3) Establishes the California Broadband Council to promote broadband deployment in underserved and unserved portions of the state and encourage broadband adoption throughout the state. Existing law specifies the membership of the Broadband Council and assigns duties to the Council, including coordinating communication among state agencies regarding California's participation in proceedings related to the National Broadband Plan. (Government Code §8885 et. seq.)

This bill:

- 1) Requires CDT to work with the California Public Utilities Commission (CPUC) and the California Broadband Council to develop a state digital equity plan by January 1, 2024.
- 2) Requires CDT to obtain all available federal funding for the purposes of developing and implementing the equity plan.
- 3) Requires the state digital equity plan to include the following contents:
 - a) The identification of barriers to digital equity faced by underserved demographic groups in California.
 - b) Measurable objectives for documenting and promoting digital equity among covered populations located in the state.
 - c) An assessment of how the objectives described will impact essential services, economic, educational, health, civic, and social outcomes.
 - d) A description of how CDT plans to collaborate with key specified stakeholders.
 - e) A list of organizations with which the department collaborated in developing and implementing the state digital equity plan.
 - f) The creation of a California Connect Corps to promote digital inclusion and literacy through community outreach to underserved populations. This bill specifies that members of the California Connect Corps will receive paid compensation, free IT career training, and supportive services during their term of service.
- 4) This bill defines an unserved population as any of the following:
 - a) Households with an income of 150 percent of the federal poverty level or less for the prior calendar year.
 - b) Individuals 65 years of age or older.
 - c) Incarcerated individuals, other than individuals who are incarcerated in a federal correctional facility.
 - d) Veterans.
 - e) Individuals with disabilities.

- f) Individuals with language barriers, such as English learners and individuals with low literacy levels.
- g) Members of a racial or ethnic minority group.
- h) Residents of rural areas.

Background

Infrastructure Investment and Jobs Act (IIJA) will support digital equity programs. This bill requires CDT to develop plans for state digital equity efforts and specifies various things that must be included in a state digital equity plan. The IIJA was signed by President Biden in 2021, and it includes \$65 billion for broadband expansion. Of this \$65 billion, \$42.25 billion is allocated for the Broadband Equity, Access, and Development (BEAD) program to provide funding for last-mile broadband infrastructure deployment. In addition to the BEAD program, the IIJA also provides \$2.75 billion for digital equity programs that help close the digital divide and promote equitable digital inclusion. These digital equity programs include three different components:

- \$60 million to support state-level digital equity plans.
- \$1.14 billion to support state capacity grants that help fund the implementation of state digital equity plans.
- \$1.25 billion to fund competitive grants to state to further support digital equity plans.

Only states that participate in the state digital equity planning phase and complete a state plan will be eligible for capacity and competitive digital equity grants.

Under the IIJA, each state's allocation of federal broadband funds will be based the state's proportionate share of unserved households. The Federal Communications Commission (FCC) is in the process of collecting data from each state to map the unserved households. Once California's share of the funds is determined, the state may apply for funding. On May 15, 2022, the Governor designated the CPUC as the lead state agency for verifying broadband access at the household level to support this FCC mapping effort.

Is CDT the best administrator of digital equity plans and funds? This bill tasks CDT with developing a state digital equity plan by January 1, 2024, and obtaining all available federal funding for developing and implementing the plan. While this bill requires CDT to work with the CPUC and California Broadband Council to develop this plan, it designates CDT as the agency responsible for creating and implementing the plan. This bill would designate CDT as the primary agency responsible for administering digital equity plans and programs. However, it is

unclear whether CDT would be able to obtain certain federal funds for digital equity program administration if it creates the state digital equity plan. The IJA prohibits the United States Department of Commerce from awarding digital equity competitive grants to the state-level entity that administers the digital equity plan and capacity grant. As a result, if CDT develops the digital equity plan, CDT will be ineligible to help the state draw grants from the competitive digital equity program, which is the program with the greatest digital equity funding capacity.

It is also unclear whether CDT has sufficient resources to administer digital equity plans in the manner envisioned by the National Telecommunications and Information Administration (NTIA) and Department of Commerce. The Notice of Funding Opportunity (NOFO) issued by NTIA and the Department of Commerce indicates that these federal agencies expect that the state entity developing a digital equity plan will have staff that also administer BEAD program funds and closely align equity outcomes with BEAD infrastructure deployment. The NOFO states:

Each state and territory should, therefore, ensure that those tasked with developing the State Digital Equity Plan, the Five-Year Action Plan, and the Initial and Final Proposals for the BEAD Program are working closely to meet the programs' shared objectives. As part of that coordination, States and territories should consider overlap in personnel between State Digital Equity planning teams and BEAD Program planning teams.

While CDT is in the process of supervising the third-party administrator for the creation of a state-owned, open access middle mile broadband network, CDT does not have any staff or duties associated with planning and deploying last mile infrastructure. Additionally, only the CPUC has sufficient data collection authority to compel information needed to identify unserved households and prior experience deploying last-mile networks.

Bill's underserved population definition likely includes a majority of Californians. This bill identifies a number of demographic groups that can be considered underserved for the purposes of internet access and digital literacy. This bill's list of underserved populations aligns with those groups listed as underserved in the IJA; however, in California, the total population covered by these groups may be significantly more than the majority of the state's population. According to 2020 census data, California's non-white population comprised 58.8 percent of the total state population. A significant subset of the California population that is neither an ethnic or racial minority still likely meets other underserved population criteria, including being 65 years or older, living in rural areas of the state, having an income below 150 percent of the federal poverty level, and having a disability. While all the groups listed in this bill may be underserved, data regarding

broadband adoption shows that some underserved groups experience significantly greater disparities in broadband access. Disparities for lower income groups are significantly higher than those experienced by other underserved populations. According to recent data on California broadband access, approximately 25 percent of California households with annual incomes below \$50,000 lack access to any form of broadband. To meaningfully achieve digital equity goals, digital equity plans may need to consider prioritizing underserved groups with the greatest disparities in digital adoption.

Bill requires the creation of a new outreach program, but its duties are unclear. Under this bill, the state digital equity plan must include the creation of a California Connect Corps, which would be comprised of workers that conduct outreach to underserved populations to advance digital inclusion. Corps members would receive paid compensation, free IT career training, and supportive services during their term of service. While this bill requires the establishment of the Corps, it does not specify how Corps members will be recruited, compensated, or assigned to outreach activities. It is possible that Corps members could serve as digital navigators to help increase awareness about broadband affordability assistance programs, digital literacy classes, and other relevant services. The Washington State Department of Commerce administers Washington's Digital Navigator Program, which partners with various nonprofits in the state to provide help enrolling in broadband affordability subsidies, technical help with broadband connected devices, and digital literacy classes. It is unclear if members of the Corps established by this bill would be nonprofit employees in a partnership with CDT or workers in an economic and employment development program administered by CDT.

Need for Amendments. *To the extent that the author and committee wish to more closely align this bill with the Department of Commerce's instructions for linking digital equity plans to broadband infrastructure deployment staff, the author and committee may wish to amend this bill to assign the digital equity plan development to the CPUC.*

Double Referral. This bill was heard by the Senate Committee on Governmental Organization on June 14, 2022 and passed 14-0.

Prior/Related Legislation

AB 2256 (Quirk-Silva, 2022) adds two local elected officials to the MMAC, including one local government elected official appointed by the Speaker of the Assembly and one local government elected official appointed by the Senate Rules Committee. The bill is currently in the Senate Committee on Appropriations.

SB 156 (Committee on Budget, Chapter 112, Statutes of 2021) implemented broadband infrastructure spending approved in the 2021 Budget Act. The bill also established the Office of Broadband and Digital Literacy and required the office to oversee the construction of a state-owned, open-access middle mile broadband network.

AB 488 (Aguiar-Curry, Chapter 426, Statutes of 2019) expanded the membership of the California Broadband Council to include the State Librarian and the Governor's Tribal Advisor.

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

SUPPORT:

Alameda County Board of Supervisors
AT&T
California Cable & Telecommunications Association
California School Boards Association
Common Sense Media
LeadingAge California
NextGen California

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the author:

All communities across our state deserve available, affordable, accessible, broadband-speed internet. However, the reality is that rural communities, poor communities, and people of color have the lowest levels of reliable access to broadband. AB 2750 will make California eligible for millions of federal dollars to implement digital equity and expand meaningful, universal access to the web.