

APPENDIX 2

Broadband Adoption Account Application Requirements and Guidelines

I. Background

Pursuant to Public Utilities (Pub. Util.) Code section 281, 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. Moneys in the Broadband Adoption Account shall not be used to subsidize the costs of providing broadband service to households.¹

II. Preference

Pub. Util. Code section 281 requires the Commission to 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.

Applicants must complete a “Preference Checklist,” and the Commission will prioritize projects for funding based on preferences met.

III. Definitions

Communities with demonstrated “low broadband access” for the Adoption Account are defined as communities or areas having low broadband subscription rates (a.k.a., low broadband adoption) relative to the statewide average,² including communities facing socioeconomic barriers to broadband and adoption.

¹ Pub. Util. Code, § 281(j)(5).

² According to the annual survey conducted for the California Emerging Technology Fund (CETF), as of July 2021, California has an overall adoption rate of 91% (<https://www.cetfund.org/wp-content/uploads/2021/03/Statewide-Survey-on-Broadband-Adoption-CETF-Report.pdf>). <http://www.cetfund.org/node/9318>).

“Communities facing socioeconomic barriers to broadband adoption” include low-income communities, communities with a high percentage of community members with limited English Proficiency, communities with a high percentage of community members with limited educational attainment, or communities with some other demonstrated disadvantage which affects broadband adoption.³

“Low-income communities,” for the purposes of the Adoption Account, include those communities with a median household income at or below the California Alternate Rates for Energy (CARE) program income limits for a household of four.⁴ “Communities” can be geographically defined by a political or US Census geographic extent (such as a city or county boundary, or a census tract/block or designated place), by location (such as a public housing complex or senior center) or by the class or category of people served (such as disadvantaged youth). Income information provided by the applicant must be for the designated community.

A project is located in a "rural" area if it is located in one of the following:

- a. an area that is eligible for federal program under the United States Department of Agriculture (USDA) Section 515 program;
- b. a city with a population of 40,000 or less or in a non-urban area; or
- c. an unincorporated area of a county and is not in an urban area.

IV. Eligible Applicants

For the purposes of the Adoption Account, eligible applicants 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, such as digital literacy training programs.⁵

No adoption grant recipient can charge for classes (funded by a grant) or make a profit of any kind from the grant funds.

³ California Broadband Report, A Summary of Broadband Availability and Adoption in California as of June 30, 2011, Pages 22-28, show correlation of factors relative to adoption. See <http://www.cpuc.ca.gov/General.aspx?id=5753>

⁴ CARE income limits can be found here: <http://consumers.cpuc.ca.gov/lowincomerates/>.

⁵ Pub. Util. Code, § 281 (j)(2).

V. Eligible Projects

Digital Literacy & Broadband Access Projects

Digital inclusion projects may include 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.

Broadband Access projects may include those that provide free broadband access in community training rooms or other public space, such as local government centers, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations. The Commission may also fund community outreach, such as analysis, comparison of Internet plans within the community, and call centers that will increase broadband access and adoption.

Broadband access project applicants must make such broadband access available within six months of submitting a consent form accepting an offered Adoption Account grant and Digital Literacy projects must commence instruction within six months of submitting a consent form accepting an offered Adoption Account grant.

Digital literacy project applicants must commit to providing at least 8 hours of digital literacy training to each participant through digital literacy classes, one on one tutoring or self-paced instruction.

The Commission may fund up to 85 percent of the eligible program costs and may reimburse the following:

- a. Education and outreach efforts (including travel, up to 10% of approved grant amount) and materials;
- b. Acceptable computing devices (does not include smartphones) within budgetary limits and inclusive of computer warranty;
 - In-classroom computing devices
 - Take-home computing devices (for Digital Literacy Projects only)
- c. Software (inclusive of licensing for online platforms);
- d. Printers
- e. Network routers, switches, modems, and cabling deployed for the purpose of establishing a space for broadband access or digital literacy that connects to an existing in-building broadband network such as Wi-Fi (inside network);

- f. Mobile hotspots, only when no inside network is available;
- g. Provision of technical support for the computing devices subsidized through this program;
- h. Desks and chairs to furnish a designated space for digital literacy or broadband access;
- i. For Digital Literacy Projects, gathering, preparing, creating, and distributing digital literacy curriculum;
- j. Staff including digital literacy instructors, staff for monitoring the designated space, or staff for administering call centers (if applicable); and
- k. Reimbursement for administrative costs,⁶ (other than for excluded items, listed below) is limited to administrative costs representing 15% or less of the overall proposed budget.

Device technical support must be able to respond either by phone or in person within 24 hours. Refurbished devices must have at least a six-month warranty. New devices must have at least a 30-day warranty.

Facility rent, utilities, internet service costs, food costs, lodging, marketing incentives for participation (gift cards, giveaways, etc.), certain classroom supplies and accessories, and other items not listed above are not eligible for reimbursement. All funding requests will be assessed for reasonableness and may be adjusted accordingly at the discretion of the Commission. Any remaining project costs not authorized for funding by the CASF Adoption grant must be funded by other sources (leveraged or self-funding).

VI. Subsidy Levels

The Commission may fund up to 85 percent of the total eligible program costs listed above.

Reimbursement for computing devices used in community training rooms or other public space, such as local government centers, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations (i.e., in-classroom computers) is capped at \$11,250 per project, and limited to \$750 per device (device software costs will be considered a separate expense).

⁶ “Administrative costs” are defined here as “indirect overhead costs attributable to a project per generally accepted accounting principles (GAAP) and the direct cost of complying with Commission administrative and regulatory requirements related to the grant itself,” consistent with other CASF program rules.

Reimbursement for mobile hotspots used in community training rooms or other public spaces such as local government centers, senior centers, schools, public libraries nonprofit organizations, and community-based organizations or used by individuals in locations where no inside network exists, is limited to a cap of \$300 per device and \$20,000 per project.

For Digital Literacy Projects, only households with incomes at or below the thresholds required to participate in, or that participate in, the California Alternative Rates for Energy (CARE),⁷ the Supplemental Nutritional Assistance Program, the National School Lunch Program, or the Women, Infants, and Children Program are eligible to receive computing devices to take home after completing digital literacy training courses (take-home computers). Reimbursement for take-home computing devices is capped at \$300 per device, limited to two computing devices per eligible household, and limited to \$40,000 per project. Grantees should ensure proof of eligibility in their distribution of computing devices for households.

Overall costs for such computing devices and hotspots may exceed these caps; however, any portion not approved for grant funding must be funded by other sources (leveraged or self-funding).

VII. Information Required from Applicants

Applicants must complete and submit a project application form for each project, along with a signed affidavit, which will be available on the Commission's website. Separate applications must be submitted for locations which have both a digital literacy and broadband access component. Staff will post the application descriptions submitted by each deadline on the CASF webpage. Applicants must submit the required information requested to the Commission for each proposed project. All applications will be reviewed and evaluated for completeness and overall quality. Incomplete applications will be rejected.

Digital Literacy Projects & Broadband Access Projects

a. Project Description

⁷ CARE income thresholds are set pursuant to D.16-11-022 at 18 and Pub. Util. Code, § 739.1(a). For a household of four, the income threshold is \$53,000 through May 31, 2022. The threshold is updated regularly in the CARE proceeding, A.19-11-003, et. al. As of July 15, 2021, current CARE income guidelines are available at <https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/california-alternate-rates-for-energy>

- i. Applicant's name, description of organization
- ii. Nonprofit applicants must submit an IRS letter approving the applicant's status as a 501(c)(3) entity, which must include the applicant's Tax Identification Number, along with the most recently submitted IRS Form 990, if required to file, and documentation showing good standing with the U.S. Internal Revenue Service, the California Secretary of State, or the California Department of Justice.
- iii. Applicant's experience in providing digital literacy instruction or broadband access, indicating satisfaction of applicant eligibility experience requirements;
- iv. Contact person, title, address, e-mail, phone;
- v. Project title;
- vi. Proposed Project Area/Community/ Location (Community / County / Census Block(s)) including address (if applicable);
- vii. CASF Funding Requested (Amount of Grant);
- viii. Efforts to leverage funds from other sources (non-CASF moneys);
- ix. Area/ Community/ Location's (by census tract or other delineation), adoption levels, income, demographics;
- x. Needs Assessment. Description of the need for this project: Does the community have low broadband adoption relative to the statewide average? Does the community face socioeconomic barriers to broadband access and adoption? For example, *see* NTIA Toolkit "Understand Community Needs and Opportunities"⁸
- xi. Completed Preferences Checklist;
- xii. Demonstration of community support: examples could include letters of endorsements should be obtained from community-based organizations, schools, hospitals, libraries, businesses and consumers;
- xiii. Description of partnerships with local Community Based Organizations (CBOs), Internet Service Providers, media groups, for-profit companies and other applicable organizations;
- xiv. Description of planned outreach efforts, including sample promotional material, planned community events, volunteer recruitment or any other relevant materials;
- xv. Projected number of participants reached through outreach activities;

⁸ "NTIA Broadband Adoption Toolkit," published May 2013, draws on the experience of the recipients of grants from the Broadband Technology Opportunities Program and provides examples of grants. Available at https://www2.ntia.doc.gov/files/toolkit_042913.pdf.

- xvi. Description of partnership with carriers and any existing affordable plans that will be offered in the community; and
- xvii. Projected number of new residential broadband subscriptions resulting from the project (including documentation of all assumptions and data sources used to compile estimates);
- xviii. Description of any planned improvements to an existing space or the creation of a new space, for the purposes of digital literacy training or broadband access, including the purchase of computing devices, modems, routers, switches, and cabling to connect these devices and any installation or set-up activities. Note that the Adoption Account does not pay for any inside network setup other than to connect computers and required network devices (i.e., switches and routers) purchased with fund money to an existing inside network.

Additional Information Required for Digital Literacy Projects Only

- i. Curriculum for training;
- ii. Description of the type of training to be provided (group and/or individual tutoring);
- iii. Description of the modality of the training, i.e., whether it will be onsite, virtual, or a hybrid of the two, and, if virtual or hybrid, what digital learning platform will be used;
- iv. Projected number of participants to be trained by the project; and
- v. Projected number of participants who will receive tutoring or other digital literacy instruction (such as the assistance of knowledgeable volunteers during open computer lab hours) outside of the 8-hour training for each project.

Additional Information Required for Broadband Access Projects Only

- i. Projected number of participants to be served by the project and the projected number of hours of access to be provided; and
- ii. Projected number of participants who will receive information regarding broadband plans in the community.

b. Work Plan

- i. The Work Plan should include detailed functions, activities, and deliverables related to implementing the adoption program.
- ii. The Work Plan should include a timeline identifying milestone dates for completion of key Work Plan activities and deliverables

proposed to be funded; the timeline should describe each of the monthly milestones, including performance metrics to be accomplished;

- iii. The schedule may incorporate a ramp-up period (a maximum of six months), followed by project deployment (a maximum of 24 months);
- iv. The ramp-up period will incorporate any training room, or computer room, or online platform set-up activities as well as community outreach;
- v. The project deployment period is where activities to increase digital inclusion occur or where broadband access will be monitored; community outreach may be ongoing.

c. Performance Metrics Plan

- i. A detailed description of how outcomes will be measured and tracked for reporting requirements (“milestone/completion” reports). Outcomes include but are not limited to:
 - The total number of participants trained or provided access;
 - The total number of hours that training or access has been provided to the community and the number of participants served;
 - The number of participants that subsequently subscribe to a broadband Internet service provider to use a device in their home.
- ii. Methods of tracking such as verification of subscription online, such as through ISPs, bill, surveys, sign-in sheets, etc.

d. Budget

- i. A detailed breakdown of cost elements for the proposed project, including a designation of administrative costs;
- ii. A calculation of the proposed reimbursement-dollar amount per participant (exclusive of in-person and take-home computer or hot spot reimbursements);
- iii. A detailed breakdown of the instructor/staff pay rate relative to projected number of training or access hours and prep time; and
- iv. Availability of matching funds to be supplied by applicant and/or other sources.

e. Affidavit

- i. All applicants must submit an affidavit, under penalty of perjury,

containing at minimum, the following attestations, the final form of which will be made available on the Commission's website. At minimum, the form will require applicants to attest to the following:

- Applicant agrees that no officer, director, or partner of the Applicant or its Fiscal Agent has: 1) filed for bankruptcy; 2) was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order; nor 3) has been found either civilly or criminally liable by a court of appropriate jurisdiction for violation of § 1700 et. seq. of the California Business and Professions Code, or for any action which involved misrepresentations to consumers, nor is currently under investigation for similar violations.
- Applicant agrees that to the best of their knowledge all the statements and representations made in the application information submitted is true and correct.
- Applicant must also agree to abide by the Commission's Rules of Practice and Procedure, be subject to Public Utilities Commission Sections 2108 and 2111. The Commission may impose the maximum penalties allowed under Public Utilities Code Sections 2108 and 2111 for failure to meet the program and project compliance requirements, as determined by the Commission.

VIII. Evaluation Criteria

Applications will be evaluated based on meeting all the requirements in the Information Required from Applicants and Preference Checklist. Applicants are also required to conduct a pre and post implementation survey or report, and may submit endorsements or letters of support from the state or local government, community groups, and anchor institutions supporting their proposed adoption project. All applications will be reviewed, prioritized, and awarded based on completeness, overall quality, and project costs reasonableness.

IX. Submission and Timelines

Applications may be submitted at any time. However, staff will consider applications submitted on or before each deadline listed below as a batch, until all funds have been awarded.

Deadlines:

- July 1, 2022
- January 1, 2023
- July 1, 2023

And every January 1 and July 1 thereafter, until funds are exhausted.

Any deadline falling on a holiday or a weekend will be extended to the following business day.

Please refer to the Commission's CASF Adoption Account website:
<https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-adoption-account> for applications instructions and package for the Adoption Account and for any updates to applications submission windows and schedule.

Staff will post a list of applicants and projects submitted by the deadline on the CASF webpage. Further, where possible, staff will post regular updates on applications on the CASF webpage.

X. Ministerial Review

The Commission assigns to Communications Division staff the task of reviewing and approving applications that meet all of the following criteria:

- a. Applicant requests a grant of \$150,000 or less.
- b. Nonprofit organizations may submit applications eligible for Ministerial Review if the nonprofit organization has existed for more than one year.
- c. Digital literacy project applicants may submit applications eligible for Ministerial Review if they have at least one year's experience conducting digital literacy training or if they have completed at least one digital literacy training project.
- d. Broadband access project applicants may submit applications eligible for Ministerial Review if that have at least one year's experience conducting broadband access projects or if they have completed at least one broadband access project.
- e. Applicants have a designated in person or virtual space for trainings or public computer access, or provides detailed information on how such in person or virtual space will be obtained;
- f. For digital literacy projects, the proposed project costs \$477 per participant

- or less (exclusive of in-person and take-home computer or hot spot reimbursements, if applicable);
- g. For broadband access projects, the proposed project costs \$42 per participant or less (exclusive of in-person and take-home computer or hot spot reimbursements);
- h. For call center projects, the proposed project costs \$205 per subscription or less;
- i. The application meets all other Adoption Account application requirements included in Sections IV, V, VI, and VII of these Guidelines.

The Commission further assigns to staff the task of rejecting applications that meet any of the following criteria:

- a. The applicant submitted an incomplete application and has not responded to a follow-up request for the missing material, sent to the designated contact on the application.
- b. The applicant is a non-profit organization that that failed to provide documentation showing good standing with the U.S. Internal Revenue Service and the California Secretary of State.
- c. The applicant has previously had a Commission grant award rescinded for violation of Commission or program rules;
- d. The applicant has made false statements to the Commission or to the Federal Communications Commission (FCC).

XI. Resolution Review

Applications that do not meet the above Ministerial Review Criteria may be approved by Commission resolution.

XII. Staff Review

Staff shall notify an applicant by letter specifying reasons for rejection should an application fail to meet the Commission criteria or other factors.

XIII. Reporting

Staff will provide a template for all necessary reports in the Administrative Manual which will be posted on the CPUC CASF website, along with the Adoption Account Instructions and Application forms. Up to three reports will be required throughout the course of the project:

Ramp-up period report: A “ramp-up period report” is required (if applicable), after completion of the ramp up activities and when deployment is set to begin. This report must be submitted by no later than 3 months after the completion of the ramp up activities. In this report, recipients will report on the completion of the ramp up activities per the work plan, milestones met, as well as request payment for relevant expenses to date. The ramp up period may not exceed 6 months from the time the application is approved.

Year 1 Progress Report: The Year 1 progress report is required at the end of the first year of deployment. This report must be submitted by no later than 3 months after the end of the first year of deployment. In this report, recipients will report on the status of Year 1 milestones per the work plan, as well as request payment for relevant expenses to date.

Year 2 Completion Report: The Year 2 completion report is required at the end of the 24-month period, or after the work plan milestones/deliverables have been accomplished if earlier than the 24-month period. This report must be submitted by no later than 3 months after completion of the project. In this report, recipients will report on the completion of the overall project, milestones met per the work plan, as well as request payment for final and remaining relevant expenses.

The completion report shall include:

- a. A summary of all work done including an itemized list of materials purchased and money spent;
- b. A description of each milestone in the period and how that milestone was met;
- c. The total number of participants trained or hours of access provided, (if applicable); and
- d. The number of participants that subsequently subscribe to a broadband Internet service provider to use a device in their home.

Grantees must maintain files, invoices, and other related documentation for three years after final payment. Grantees shall make these records available to the Commission upon request and agree that these records are subject to audit and review by the Commission at any time within three years after the Grantee incurred the expense being audited.

XIV. Payment

- a. Grantees may submit up to three payment requests throughout the project period. Payment requests may accompany the 3 reports required above (Ramp Up Period (if applicable), Year 1, Year 2). Payment requests may also be submitted separately from and in addition to the Calendar Year reporting described above, provided that each payment request includes the information provided on the most recently submitted Calendar Year report and any additional information or costs incurred since the most recent Calendar Year report was submitted. Whether tied to Calendar Year reporting or outside of that reporting schedule, no more than three payment requests may be submitted.
- b. Payment request for the ramp-up period, if requested, may not exceed 25% of grant amount.
- c. No more than 90% of the grant amount will be reimbursed before the completion report and final payment request;
- d. All payments requests require documentation of project participation (number of participants trained or provided access and the number of participants that subsequently subscribe to a broadband Internet service provider to use a device in their home).
- e. Grantees shall submit final requests for payment no later than 3 months after completion of the project.
- f. Payment will be based upon receipt and approval of invoices and other supporting documents showing the expenditures incurred for the project are in accordance with their approved application and budget.
- g. Grantees must notify the Director of the Communications Division as soon as they become aware that they may not be able to meet project deadlines. The Commission may withhold or reduce payment if the grantee fails to notify the Director of the Communications Division of such changes.
- h. Payment will be made in accordance with, and within the time specified in California Government Code § 927 et seq.
- i. The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation to ensure that CASF funds are spent in accordance with the terms of approval granted by the Commission.
- j. The recipient's invoices will be subject to audit by the Commission at any time within three years of final payment.

XV. Execution and Performance

Grantees must start the project within six months after submitting a consent form

accepting the terms stated in the Adoption Account Award Letter or Resolution (after the ramp-up time if applicable) and complete the project within a 24-month timeframe or earlier. The Commission may withhold, reduce, or terminate grant payments if the grantee does not comply with any of the requirements set forth in its application and compliance with the CASF. In the event that the grantee fails to complete the project in accordance with the terms of approval granted by the Commission, the grantee must reimburse some or all the CASF funds that it has received.

The CASF grant recipient must complete all performance under the award on or before the termination date of the award.

Grantees may make modifications to line items within an approved project budget without prior authorization, so long as those modifications do not cause the project budget to exceed the overall adopted project budget and so long as the proposed budget modifications are unrelated to the budgets for classroom or take-home devices, including hotspots. Grantees may change milestone/activity timelines without prior authorization, so long as those modifications do not cause the project timeframe to exceed the overall adopted project timeframe. While prior approval is not required for these modifications, the applicant must notify the Communications Division by e-mailing CASF_Adoption@cpuc.ca.gov within 30 days of making such changes.

Material changes in the entries for this application, such as discontinuing operation or bankruptcy, or change of name (DBA), change of address, telephone, fax number or e-mail address should be reported by a letter to the California Public Utilities Commission, Director of the Communications Division, 505 Van Ness Avenue, San Francisco, CA 94102 and CDCompliance@cpuc.ca.gov.

XVI. Consent Form

All grantees are required to sign a consent form within 30 days from the date of the award, agreeing to the terms stated in the resolution or award letter authorizing the CASF award. The consent agreement will provide the name of the grantee, names of officers, and must be signed by the grantee. Should the grantee not accept the award through failure to submit the consent form within 30 calendar days from the date of the award, the Commission will deem the grant null and void. The proposed wording of the consent form is available on the CASF website.

(End of Appendix 2)

Attachment 1
Preference Checklist

Project is serving a low-income community.

The community with a median household income at or below the CARE income limits for a household of four¹

Project is serving a community with a high percentage of community members with limited English proficiency.

More than 50% of residents have limited English proficiency

Project is serving a community with a high percentage of community members with limited educational attainment.

More than 50% of residents have only a high school diploma or less.

Project is serving a rural community.

A project is located in a "rural" area if it meets one of the following criteria:

- 1) It is in area that is eligible for federal program under the United States Department of Agriculture (USDA) Section 515 program;
- 2) It is in a city with a population of 40,000 or less or in a non-urbanized area; or
- 3) It is in an unincorporated area of a county and is not in an urbanized area.

Project has community support, endorsements and/or partnerships.

Project is serving a community with some other demonstrated disadvantage which affects broadband adoption, documented by applicant.

Project considers coordination with other public purpose programs and funding sources.

(END OF ATTACHMENT)

¹ CARE income limits can be found here: <http://consumers.cpuc.ca.gov/lowincomerates/>.