

California High-Cost Fund-B Administrative Committee (CHCF-B-AC)

October 1, 2021

Rachel Peterson
Executive Director
California Public Utilities Commission
505 Van Ness; 5th Floor
San Francisco. CA 94102

CHCF-B ANNUAL REPORT- 2020-21

This CHCF-B Annual Report for 2020-21 is submitted to the California Public Utilities Commission by the CHCF-B-AC in compliance with California Public Utilities Code Section 273(b).

INTRODUCTION

The California High-Cost Fund-B (CHCF-B) provides subsidies to carriers of last resort (COLRs) for providing basic local telephone service to residential customers in high-cost areas that are currently served by AT&T California and Frontier Communications of California. The purpose of the subsidies is to keep basic telephone service affordable and to meet the Commission's universal service goal.

The CHCF-B-AC's purpose is to function as an advisory board to advise the Commission regarding the development, implementation, and administration of the California High Cost Fund-B (CHCF-B). The Committee discussed the program budget, potential impacts of new requirements to address wildfires and disasters, and Committee charter issues related to Committee membership and the frequency of Committee meetings.

In D.14-06-008, the Commission adopted methodologies and algorithms necessary to remap 1990 households from their 1990 Census Block Groups (CBGs) to CBGs based on the more recent 2010 census which resulted in changes to the level of B-fund support payments.

CHCF-B FUND BALANCE

Due to high CHCF-B account balances and continually decreasing claims, the CHCF-B customer surcharge was reduced on March 24, 2011, from 0.45% to 0.30%. It was reduced again, effective February 1, 2014, in Resolution T-17417, to 0.00%. The Fund balance for FY 2020-21 was \$34,717,000¹. At the end of FY 2019-20 the Fund balance was \$97,195,000. Fund balances may increase when loans are repaid, as noted in the next section.

¹ All fund balance amounts have been rounded to the nearest thousand.

CHCF-B FUND LOANS

The outstanding loans total \$80.0 million. In FY 20-21 an additional loan of \$60 million was made to the State of California General Fund. \$10 million was transferred from the CHCF-B Fund on June 26, 2015, to the Railroad Accident Prevention and Response Fund (RAPR). Repayment is expected June 30, 2022. Another \$10 million loan was made in late June 2016, also to RAPR. Repayment of this loan is expected on June 30, 2023. \$7.4 million was transferred to the Safety Energy Infrastructure and Excavation Fund on March 6, 2018. Repayment of this loan was made in June 2021.

CARRIER CLAIM PAYMENTS

Carrier claim payments (Local Assistance), the Fund's most significant variable expense, were \$10,924,000 in FY 2020-21 and budgeted to be \$20,777,000 million for FY 2021-22. State operations actual expenses were \$292,000 for FY 2020-21 and are budgeted to be \$1,602,000 for FY 2021-22. Total program budgeted expenditures for FY 2021-2022 are \$22,379,000 million as summarized in the table below.

California High Cost Fund-B (\$ in thousands)								
Expense Items	FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22	FY 2022-23
	Appropriation, as adjusted, in Enacted Budget ¹	Actuals ²	Appropriation, as adjusted, in Enacted Budget ²	Actuals ³	Appropriation, as adjusted, in Enacted Budget ³	Forecasted (Actuals Annualized) ⁴	Proposed ³	Proposed
State Operations	\$ 1,556	\$ 276	\$ 1,535	\$ 347	\$ 1,518	\$ 292	\$ 1,602	\$ 1,602
Local Assistance	\$ 20,777	\$ 10,537	\$ 20,777	\$ 8,309	\$ 20,777	\$ 10,924	\$ 20,777	\$ 20,777
TOTALS	\$ 22,333	\$ 10,813	\$ 22,312	\$ 8,656	\$ 22,295	\$ 11,216	\$ 22,379	\$ 22,379
Reference								
	1. http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/8000/8660RWA.pdf - middle column							
	2. http://www.ebudget.ca.gov/2020-21/pdf/Enacted/GovernorsBudget/8000/8660RWA.pdf							
	3. http://www.ebudget.ca.gov/2021-22/pdf/GovernorsBudget/8000/8660RWA.pdf							
	4. State Operations determined by annualizing year-to-date March 2021 actual expenditures. Local Assistance projected by averaging year-to-date March 2021 actual claims, except for AT&T projected by averaging year-to-date Nov 2020 actual claims.							

SUPPORTED LINES

Total supported lines as of December 31, 2020, were 74,897 across 57 counties. The number of total supported lines continues to decrease as demand for landline subscriptions continues to decline from its peak in 2000. The recent trend is shown below:

	CHCF-B			
Supported Lines December 31, 2017	Supported Lines December 31, 2018	Supported Lines December 31, 2019	Supported Lines December 31, 2020	
107,110	94,719	83,016	74,897	

The number of supported lines has declined 30% since just 2017 and actual Local Assistance expenditures declined 25% compared to FY 2017-18. Currently, actual expenditures are about 50% of the budget appropriation.

Finally, this report includes the CHCF-B-AC-adopted minutes of the Administrative Committee meetings for:

- August 13, 2020 - Adopted
- November 5, 2020 – Adopted
- February 11, 2021 – Adopted
- May 13, 2021 - Adopted

Sincerely,

Patrick E. Hoglund, P.E., Chairperson
CHCF-B-Administrative Committee

cc: Michael Foreman, AT&T
Charlie Born, Frontier Communications
Commissioner Marybel Batjer
Commissioner Martha Guzman-Aceves
Commissioner Darcie Houck
Commissioner Clifford Rechtschaffen
Commissioner Genevieve Shiroma
Sindy Yun, Legal Division
Lalaine Semana, Administrative Services Division
Felix Robles, Communications Division

Attachments

California High Cost Fund-B Administrative Committee (CHCF-B AC)

Meeting Minutes for *Thursday August 13, 2020 at 11 am*

Venues:

As authorized by Governor Newsom's Executive Order, N-29-20, dated March 17, 2020, the meeting will be held via teleconferencing with members of the CHCF-B AC attending from separate remote locations. This altered format observes recent recommendations by local officials that certain precautions be taken, including social distancing, to address the threat of COVID-19.

Important Notice to the Public Regarding COVID-19:

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 virus, please note the following:

- There is no physical location of the meeting open to the public.
- The public is invited to call in and provide public comments during the meeting.

Telephone Conference Phone Bridge:

Access: 415-655-0002

Participant/Access Code: 146 064 0300

Attendees

Primary Members

Patrick Hoglund, CPUC – Public Advocates Office

Michael Foreman, AT&T

Charlie Born, Frontier Communications

Others

Felix Robles, CPUC – Communications Division

Hannah Steiner, CPUC – Communications Division

Danny Tse, CPUC – Communications Division

Nancy Lee, CPUC – Communications Division

Sindy Yun, CPUC – Legal Division

Lalaine Semana, CPUC – Fiscal Office

Ashnita Lal, CPUC – Fiscal Office

Bixia Ye, CPUC – Public Advocates Office

Amy Warshauer, Frontier Communications

Minutes:

1. **Introductions** – Patrick Hoglund

Attendees introduced themselves.

2. **Announcements** – No announcement.

3. **Public Comments** – None.

4. **Review and Approval of Meeting Minutes**

The May 20th, 2020 meeting minutes remained unchanged. Michael Foreman made a motion to approve and adopt the meeting minutes. Charlie Born seconded the motion to approve and adopt the May 20th, 2020 meeting minutes.

5. **Liaison Staff Reports**

a. **Fiscal Report**

Lalaine Semana presented the following provisional quarterly financial information as of June 30, 2020 – we have a total budget of \$41M, total revenue of \$1.5M, program expenditures of \$10.8M, and the appropriation balance is \$30.4M. As of today, August 13, 2020, SCO cash balance is \$96,512,408.43. Lalaine stated there is no new update regarding CHCF-B Fund loaning \$60M to the General Fund in the next fiscal year.

b. **Legal Division Report**

Sindy Yun went over the Telecommunications Public Purpose Program Administrative Committee vacancy nomination and confirmation guidelines and processes. The CHCFA-AC, CHCFB-AC, CTF-AC, and ULTSAC charters all have the same following provision regarding member vacancies:

3.6 Vacancies. The organizations or constituencies whose seat is vacated shall nominate individuals to fill that vacancy, and the selection and approval of the individual to fill that vacancy shall be made by the Commission's Executive Director. If the Committee is unable to identify a suitable candidate to fill the vacancy for any reason, the Commission or Executive Director may appoint a member of the class from which the vacancy occurs.

Based on Section 3.6 Vacancies provision, process for filling the CHCF-A, CHCF-B, CTF and LifeLine administrative committee member vacancies is as follows:

1. The Administrative Committee (AC) shall request the organization or the constituency whose seat is vacant to nominate an individual by submitting a letter of interest and resume to CD to present to the AC to fill the vacancy.
2. At the AC meeting, the AC shall discuss and vote on the nomination.
3. If the nomination is approved by a majority of the AC members, the AC Chairperson will prepare and submit a letter of nomination to the Executive Director (ED) for approval and appointment.
4. Once the letter has been reviewed and approved by the ED, the ED will provide a letter of approval to the AC Chairperson.

Patrick Hoglund asked if the revised process may be inconsistent with the Charter? In response Sindy Yun stated that Legal Division's opinion was that the revised process was compatible with the Charter.

c. Communications Division

Felix Robles had no update to present at his time. Patrick Hoglund requested CD to update the web page for the Committee with last year's annual reports, adopted meeting minutes, and fact page. Felix will have CD staff update it.

6. COVID-19 Issues

a. Frontier Communications

Charlie Born stated Frontier Communications continues to practice social distancing for employees that work in the field while the rest of their employees continue to telework. They provided 5,000 free Chrome Books to students of need identified by the school district due to distance learning.

b. AT&T

Michael Foreman stated AT&T is in similar position to Frontier with regards to maintaining the health and safety of the public and their employee due to COVID-19. They are also involved very heavily in providing support to the schools, students, and low-income individuals for broadband services, WiFi Hotspots to keep everyone connected. They have a plan that provides qualifying households with broadband for \$10 per month and have expanded eligibility it to include households with students who qualify for the National School Lunch Program.

7. Other Administrative Matters

a. Alternate member nominations

- i. Amy Warshauer (Frontier)
- ii. Brenda Clark (AT&T)
- iii. Bixia Ye (Public Advocates Office)

All three alternate member nominations were voted on and approved by all three AC members (Patrick Hoglelund, Charlie Born, Michael Foreman). Charlie Born motioned to approve Amy Warshauer's nomination and Michael Foreman seconded. Michael Foreman motioned to approve Brenda Clark's nomination and Patrick Hoglelund seconded. Patrick Hoglelund motioned to approve Bixia Ye's nomination (pending formal nomination letter from Public Advocates Office) and Michael Foreman seconded. The committee voted unanimously to approve all three nominations. Patrick Hoglelund (the AC Chairperson) will prepare and submit the three letters of alternate member nomination to the Executive Director for approval and appointment.

b. Annual Report (due October 1)

Patrick sent a draft report which has been shared with the committee. Since Patrick is still waiting for some data and numbers to finalize the annual report and it is due on October 1 before our next AC meeting is in November, the committee agreed that Patrick Hoglelund will complete and submit the annual report before the next AC meeting. Michael Foreman made a motion to delegate Patrick Hoglelund to finalize the annual report for CD's review before he submits it to the Executive Director on behalf of the committee. Patrick Hoglelund seconded the motion. All committee members in favor and the motion carried unanimously.

8. New agenda items for next meeting

- Annual Report
- Add Update/status of \$60M loan as subtopic in Fiscal Report
- COVID updates, committee agreed to keep this on the agenda in case the companies have anything new to share

9. Date and time for next meeting:

The next meeting will be held on Thursday, November 5, 2020 at 11:00 am via WebEx if the Shelter-in-Place order has not been lifted.

10. Adjournment:

Patrick Hoglelund made a motion to adjourn the meeting and Michael Foreman seconded. All Committee members voted in favor and the motion carried unanimously. The meeting was adjourned at 12:17pm.

California High Cost Fund-B Administrative Committee (CHCF-B AC) Meeting Minutes for *Thursday November 5, 2020 at 11 am*

Venues:

As authorized by Governor Newsom's Executive Order, N-29-20, dated March 17, 2020, the meeting will be held via teleconferencing with members of the CHCF-B AC attending from separate remote locations. This altered format observes recent recommendations by local officials that certain precautions be taken, including social distancing, to address the threat of COVID-19.

Important Notice to the Public Regarding COVID-19:

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- There is no physical location of the meeting open to the public.
- The public is invited to call in and provide public comments during the meeting.

Telephone Conference Phone Bridge:

Access: 415-655-0002

Participant/Access Code: 146 499 9228

Attendees

Primary Members

Patrick Hoglund, CPUC – Public Advocates Office

Michael Foreman, AT&T

Charlie Born, Frontier Communications

Others

Felix Robles, CPUC – Communications Division

Hannah Steiner, CPUC – Communications Division

Danny Tse, CPUC – Communications Division

Nancy Lee, CPUC – Communications Division

Sindy Yun, CPUC – Legal Division

Lalaine Semana, CPUC – Fiscal Office

Bixia Ye, CPUC – Public Advocates Office, attending meeting as member of the public

Amy Warshauer, Frontier Communications (left Webex meeting after Introductions)

Minutes:

1. **Introductions** – Patrick Hoglund

Attendees introduced themselves.

2. **Announcements** – No announcement.

3. **Public Comments** – None.

4. **Review and Approval of Meeting Minutes**

Michael Foreman asked for clarification regarding Item 5a Fiscal Report on the August 13, 2020 AC Meeting Minutes. Revision made: Lalaine Semana presented the following provisional quarterly financial information as of June 30, 2020 – we have a total budget of \$41M, total revenue of \$1.5M, program expenditures of \$10.8M, and the appropriation balance is \$30.4M.

Michael Foreman motioned to approve and adopt the minutes as revised. Accordingly, the August 13, 2020 meeting minutes have been revised to reflect the Fiscal Report clarification. Patrick Hoglund seconded the motion. The committee voted unanimously to approve and adopt the August 13, 2020 minutes.

5. **Liaison Staff Reports**

a. **Fiscal Report**

Lalaine Semana presented this quarter's provisional financial report which also included information about the cash balance now compared to the previous two

fiscal years. In FY 20-21 CHCF-B extended a loan of \$60M to General Fund per Executive Order 20/21 - 26. The \$60M will be repaid in two installments of \$30M in FY 23/24 and FY 24/25.

- b. **Legal Division Report** – Cindy Yun stated nothing to report.
- c. **Communications Division** – Felix Robles stated nothing to report.

6. **COVID-19 Issues** – Michael Foreman and Charlie Born both stated nothing new to report.

7. **Other Administrative Matters**

a. **Alternate member nominations update**

- i. Amy Warshauer (Frontier)
- ii. Brenda Clark (AT&T)
- iii. Bixia Ye (Public Advocates Office)

Patrick Hogleund has prepared Amy Warshauer and Brenda Clark's letters of alternate member nomination to the Executive Director for approval and appointment. However, Public Advocates Office's management team has concerns that the revised nomination process may be inconsistent with the Charter. Public Advocates' Office will be raising the issue with the Executive Director's Office before preparing and submitting Bixia Ye's nomination. Cindy Yun asked Michael Foreman and Charlie Born if they have any concerns with the revised nomination process. Michael Foreman and Charlie Born both stated they do not have any concerns and would like their respective nominations to move forward. Patrick Hogleund will submit Amy Warshauer and Brenda Clark's letter of alternate member nomination to the Executive Director for approval and appointment while Bixia Ye's nomination is on hold until Public Advocates Office resolve their understanding of the updated nomination process with the Executive Director. As a result, Bixia Ye attended the meeting as a member of the public.

b. **Annual Report (due October 1)**

Patrick Hogleund submitted the annual report to the Executive Director prior to the due date.

8. **New agenda items for next meeting**

- Alternate member nominations update

9. **Date and time for next meeting:**

The next meeting will be held on Thursday, February 11, 2021 at 11:00 am via WebEx if the Shelter-in-Place order has not been lifted.

10. **Adjournment:**

The meeting was adjourned at 12:00pm.

California High Cost Fund-B Administrative Committee (CHCF-B AC) Meeting Minutes for *Thursday February 11, 2021 at 11 am*

Venues:

As authorized by Governor Newsom's Executive Order, N-29-20, dated March 17, 2020, the meeting will be held via teleconferencing with members of the CHCF-B AC attending from separate remote locations. This altered format observes recent recommendations by local officials that certain precautions be taken, including social distancing, to address the threat of COVID-19.

Important Notice to the Public Regarding COVID-19:

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- There is no physical location of the meeting open to the public.
- The public is invited to call in and provide public comments during the meeting.

Telephone Conference Phone Bridge:

Access: 415-655-0002

Participant/Access Code: 146 838 3536

Attendees

Primary Members

Patrick Hoglund, CPUC – Public Advocates Office

Michael Foreman, AT&T

Charlie Born, Frontier Communications

Others

Felix Robles, CPUC – Communications Division

Hannah Steiner, CPUC – Communications Division

Danny Tse, CPUC – Communications Division

Nancy Lee, CPUC – Communications Division

Sindy Yun, CPUC – Legal Division

Lalaine Semana, CPUC – Fiscal Office

Ashnita Lal, CPUC – Fiscal Office

Bixia Ye, CPUC – Public Advocates Office

KieuChinh Tran, CPUC – Public Advocates Office

Minutes:

1. **Introductions – Patrick Hoglund, Chairperson**

Attendees introduced themselves. A quorum was present, and the meeting commenced at 11:03 am.

2. **Announcements** – No announcement.

3. **Public Comments** – None.

4. **Review and Approval of the November 5, 2020 Meeting Minutes**

The meeting minutes remained unchanged. Michael Foreman made a motion to approve and adopt the meeting minutes. Charlie Born seconded the motion. The committee voted unanimously to approve the November 5, 2020 minutes. Nancy Lee will post the adopted minutes on the CHCF-B AC webpage.

5. **Liaison Staff Reports**

a. **Fiscal Report**

Lalaine Semana presented the fiscal report. Lalaine Semana gave a summary of the funds that were transferred and their new repayment dates. On 6/26/2015 \$10M was transferred to the Railroad Accident Prevention & Immediate Response (RRAPIR) Fund. New expected repayment date is 6/30/2022 (changed from 6/30/2021). On 8/23/2016, an additional \$10M was transferred to the RRAPIR. New expected repayment date is 6/30/2023 (changed from 6/30/2022). On 3/6/2018 \$7.4M was transferred to the Safety Energy Infrastructure and Excavation Fund, estimated repayment date is 6/30/2021. Felix Robles asked if the repayment date of 6/30/2021 for the \$7.4M is certain because the two repayment dates for the RRAPIR Fund were moved back a year and CD did not receive notification of this change. Lalaine stated as of today they have not heard any changes on the repayment date for the \$7.4M from the Department of Finance, it remains scheduled for repayment on 6/30/2021.

Patrick Hoglund stated for our next AC meeting we will be reviewing the proposed budget for FY 22-23.

b. Legal Division Report

Sindy Yun reminded the primary and alternate committee members to complete the annual Conflict of Interest Form 700 electronically if they have not already done so, due date is April 1, 2021.

c. Communications Division – Felix Robles stated nothing to report.

6. COVID-19 Issues – Michael Foreman and Charlie Born both stated nothing new to report.

7. Other Administrative Matters

Alternate member nominations update – Patrick Hoglund stated he will submit Amy Warshauer (Frontier) and Brenda Clark's (AT&T) letters of alternate member nomination to the Executive Director for approval and appointment. Public Advocates Office has not formally submitted Bixia Ye's nomination for Patrick's alternate as they are still evaluating views on process and roles. Patrick will keep us posted.

8. New agenda items for next meeting

- a. Review upcoming annual budget proposal.
- b. Possible new legislation or Commission Decision that could impact the B Fund.
- c. Election of Chair and Vice Chair.
- d. Recruitment/nominations for fourth and fifth primary member.

9. Date and time for next meeting:

The next meeting will be held on Thursday, May 13, 2021 at 11:00 am via WebEx if the Shelter-in-Place order has not been lifted.

10. Adjournment:

The meeting was adjourned at 11:23pm.

California High Cost Fund-B Administrative Committee (CHCF-B AC) Meeting Minutes for *Thursday May 13, 2021 at 11 am*

Venues:

As authorized by Governor Newsom's Executive Order, N-29-20, dated March 17, 2020, the meeting will be held via teleconferencing with members of the CHCF-B AC attending from separate remote locations. This altered format observes recent recommendations by local officials that certain precautions be taken, including social distancing, to address the threat of COVID-19.

Important Notice to the Public Regarding COVID-19:

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 virus, please note the following:

- There is no physical location of the meeting open to the public.
- The public is invited to call in and provide public comments during the meeting.

Telephone Conference Phone Bridge:

Access: 415-655-0002

Participant/Access Code: 187 352 7903

Attendees

Primary Members

Patrick Hoglund, CPUC – Public Advocates Office

Michael Foreman, AT&T

Charlie Born, Frontier Communications

Others

Dorris Chow, CPUC – Communications Division

Hannah Steiner, CPUC – Communications Division

Danny Tse, CPUC – Communications Division

Nancy Lee, CPUC – Communications Division

Sindy Yun, CPUC – Legal Division

Lalaine Semana, CPUC – Fiscal Office

Minutes:

1. **Introductions – Patrick Hoglund, Chairperson**

Attendees introduced themselves. A quorum was present, and the meeting commenced at 11:07 am.

2. **Announcements** – No announcement.

3. **Public Comments** – None.

4. **Review and Approval of the February 11, 2021 Meeting Minutes**

The meeting minutes remained unchanged. Charlie Born made a motion to approve and adopt the meeting minutes. Michael Foreman seconded the motion. The committee voted unanimously to approve the February 11, 2021 minutes. Nancy Lee will post the adopted minutes on the CHCF-B AC webpage.

5. **Liaison Staff Reports**

a. **Fiscal Report**

Lalaine Semana presented the fiscal report. Charlie Born asked if we have a rough estimate of what the surplus amount will be for next year, including loans and what

will happen to the surplus funds if the Program is not extended and it sunsets next year? Charlie Born stated he can figure out what the estimated surplus amount is if we don't have that info available right now. Hannah Steiner suggested that Charlie can use the projected number of what the claims will be for this current fiscal year that Nancy Lee will present in FY 2022-23 Budget Proposal as an estimate for next year's claims amount to determine the estimated surplus amount for next year. Lalaine Semana stated according to the Department of Finance, if the Program sunsets, the remaining amount in the B Fund will be transferred to the General Fund.

b. Legal Division Report

Sindy Yun stated nothing to report.

c. Communications Division Report

Hannah Steiner stated the claims have been submitted mostly on time and are up to date. In the A Fund proceeding there was an issue that was brought up that potentially could include the B Fund. In the last scoping memo, the Commissioner was considering using either the A or B Fund to assist low-income customers in rural areas in getting access to broadband and voice service. That issue is still outstanding, if the Commission chooses to address it with either the A or B Fund, it may be a new proceeding.

6. COVID-19 Issues, updates from AT&T and Frontier on response

Michael Foreman stated AT&T is beginning the process of opening up their facilities in their Dallas Headquarter and they are looking on a case-by-case basis for their nationwide facilities. They are preparing the offices to open up but currently there is no definitive plan for staff to return to work in the office.

Charlie Born stated Frontier staff are still working from home. Frontier launched the FCC's Emergency Broadband Benefit (EBB) Program last week. Charlie Born gave us an overview of Frontier's three low-income broadband programs.

Michael Foreman stated AT&T began participating in the FCC's EBB Program yesterday. Customers who are subscribed to the AT&T Connect plan (the current low-income program) can apply the EBB to their existing \$10 plan and get that service for free.

Patrick Hogleund asked if Frontier and AT&T have noticed the uncollectible rate changed noticeably since last year. Both Charlie Born and Michael Foreman stated they will review this issue further and will report back to us in the next meeting.

7. Other Administrative Matters:

a. Alternate member nominations update

Public Advocates – nomination of alternate member: Patrick Hogleund stated there is no change at this time, they have not moved forward with a formal nomination. Nothing new to update at this time.

Patrick Hogleund stated he will submit Amy Warshauer (Frontier) and Brenda Clark's (AT&T) letters of alternate member nomination to the Executive Director for approval and appointment.

b. FY 2022-2023 budget recommendations

Nancy Lee presented the budget spreadsheet and explained the projections and proposed appropriation for FY 2022-23. Nancy recommended that the CHCF-B local assistance and state operations appropriations for FY 2022-23 remain the same for FY 2021-22. The proposed appropriation is higher than projected expenditures.

Charlie Born and Michael Foreman abstained, they are not permitted to vote because they represent companies that are receiving funds from CHCF-B. Patrick Hogleund voted to approve the proposed budget of \$22.379 million for FY 2022-23.

- c. Possible new legislation or Commission Decision that could impact the B Fund**
Hannah Steiner stated CD staff is unclear at this point about AB 1128. It has been in committee but hearings have not been held. Charlie Born stated that this has become a two-year bill and that the purpose was to use the surplus money to fund broadband.
- d. Election of Chair and Vice Chair**
For the CHCF-B AC Chairperson, Michael Foreman nominated Patrick Hogle and Charlie Born seconded the motion. Patrick Hogle accepted the nomination. The committee voted unanimously to approve the nomination of Patrick Hogle for the Chair. For the Vice Chair, Patrick Hogle nominated Michael Foreman and Charlie Born seconded the motion. Michael Foreman accepted the nomination. The committee voted unanimously to approve the nomination of Michael Foreman for Vice Chair.
- e. Recruitment/nominations for fourth and fifth primary member**
Two CBO seats are currently vacant and the committee does not have any nominations. Sindy Yun said that LifeLine is currently having difficulties filling their vacant CBO seats also. Patrick Hogle suggested that we can advertise the vacancies on the CPUC CHCF-B webpage.

8. New agenda items for next meeting

- a. Update on the FCC's Emergency Broadband Benefit Program – Charlie Born and Michael Freeman
- b. Data on Uncollectibles – Charlie Born and Michael Foreman
- c. FY 20/21 Annual report approval and submittal. Patrick Hogle will prepare report and share in advance of the next meeting.
- d. Standard agenda items

9. Date and time for next meeting:

The next meeting will be held on Thursday, August 19, 2021 at 11:00 am via WebEx.

10. Adjournment:

The meeting was adjourned at 12:12 pm.