



WELCOME!

California LifeLine Program

Workshop Day 1

April 25, 2016

9 a.m. to 5 p.m.

The logo for the California LifeLine program. It features three overlapping orange circles on the left. To the right of the circles, the word "California" is written in a bold, dark blue sans-serif font. Below "California", the word "LIFELINE" is written in a bold, sans-serif font, with "LIFE" in orange and "LINE" in dark blue. Below "LIFELINE", the word "program" is written in a smaller, grey, lowercase sans-serif font.

California LIFELINE program

California LifeLine Team
April 25-26, 2016
www.californialifeline.com



California LifeLine Program Budget and Expenses





State of California Budget Process

MONTH	ACTIVITY
July	Communications Division forecasts a program budget
October	CPUC votes on program budgets
January	Governor's Budget gets submitted to Legislature
June	Legislature enacts the Governor's Budget

LOCAL ASSISTANCE

- Consists of Claims from Service Providers

STATE OPERATIONS

- Consists of Program Costs, Staff Costs, Contracts Costs, other Program Costs
- The key driver of state operations is the Administrator Expenses





California LifeLine Program Budget

Fiscal Year	Actuals	Forecast	Other Expenses	Total
2014-15	\$295,727,290			\$295,727,290
2015-16	\$190,306,767	\$240,018,912	\$53,204,069*	\$483,529,748
2016-17		\$627,262,000		\$627,262,000

* Fiscal Year 2014-15 claims





Fiscal Year 2015-16 California LifeLine Budget for Expenditures

LOCAL ASSISTANCE	<u>ACTUALS</u>	<u>PROJECTED</u>	<u>TOTAL</u>
Wireless Service Providers	\$120 million*	\$175 million	\$296 million
Wireline Service Providers	\$ 56 million*	\$ 57 million	<u>\$113 million</u>
			\$409 million
Fiscal Year 2014-15 Claims	\$ 53 million		<u>\$ 53 million</u>
			\$462 million
STATE OPERATION	<u>ACTUALS**</u>	<u>PROJECTED</u>	<u>TOTAL</u>
Administrator	\$11,475,103	\$5,460,035	\$ 16,935,138
Salaries & Benefits	\$ 442,640	\$ 686,628	\$ 1,129,268
Surcharge Audit	\$ 550,031	\$ 275,066	\$ 825,097
Pro-Rata/Cost Allocation	\$ 1,178,450	\$1,094,395	\$ 2,272,845
Other	\$ 234,570	\$ 85,992	<u>\$ 320,562</u>
			\$ 21,482,980
TOTAL Fiscal Year 2015-16 Budget			<u>\$483,529,748</u>

6 *Payments from July 2015 - December 2015

**Payments from July 2015 - February 2016





Fiscal Year 2015-16 California LifeLine Budget for Local Assistance is About \$409 million

<u>Wireless</u>	<u>July – December</u>	<u>Projected</u>	<u>Total</u>
Specific Support Amount	\$116,384,711	\$116,513,877	\$232,898,588
Administrative Cost	\$ 3,336,297	\$ 3,177,651	\$ 6,513,948
Connection	\$ 783,120	\$ 54,502,177	\$ 55,285,297
Surcharges & Taxes	\$ 0	\$ 1,412,289	<u>\$ 1,412,289</u>
			\$296,110,122

<u>Wireline</u>	<u>July – December</u>	<u>Projected</u>	<u>Total</u>
Specific Support Amount	\$ 50,449,363	\$ 49,362,374	\$ 99,811,737
Administrative Cost	\$ 823,117	\$ 747,915	\$ 1,571,032
Non-Recurring	\$ 745,085	\$ 1,573,830	\$ 2,318,915
Surcharges & Taxes	\$ 3,904,280	\$ 5,126,592	<u>\$ 9,030,872</u>
			\$112,732,556

Fiscal Year 2015-16 Budget for Local Assistance **\$408,842,678**





Local Assistance Wireless Projection Methodology Fiscal Year 2015-16

Communications Division estimates by the end of Fiscal Year 2015-16, there will be approximately 1,991,478 California LifeLine participants

Wireless

- Specific Support Amount – applied \$13.20
- Administrative Cost – applied \$0.36 (average of wireless administrative costs paid in Fiscal Year 2014-15 through December 2015)
- Connection – average connection charges per month in 2015
- Surcharge & Taxes – applied 16% (California LifeLine 5.5%, DDTP 0.50%, CTF 1.08%, CASF 0.46% CHCF-A 0.35%, 8% tax)





Local Assistance Wireline Projection Methodology Fiscal Year 2015-16

Communications Division estimates by the end of Fiscal Year 2015-16, there will be approximately 1,991,478 California LifeLine participants

Wireline

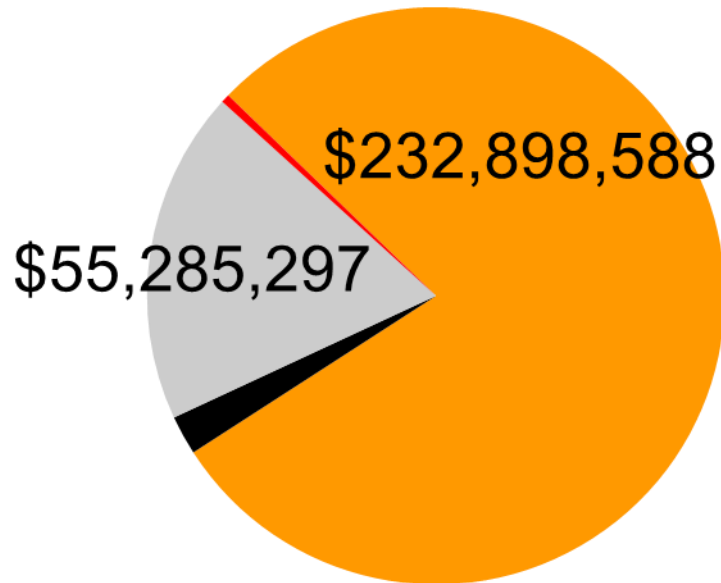
- Specific Support Amount – applied \$13.20
- Administrative Cost – applied \$0.20 (average of wireline administrative costs paid in Fiscal Year 2014-15 through December 2015)
- Non-recurring – applied service providers' projections
- Surcharge & Taxes – applied service providers' projections





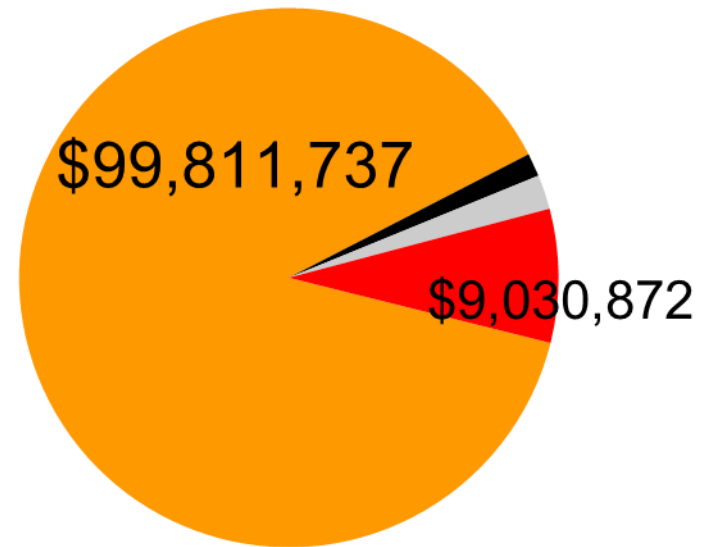
Fiscal Year 2015-16 Forecasted Subsidies

Wireless



- Specific Support Amount
- Administrative Cost
- Connection
- Surcharges & Taxes

Wireline

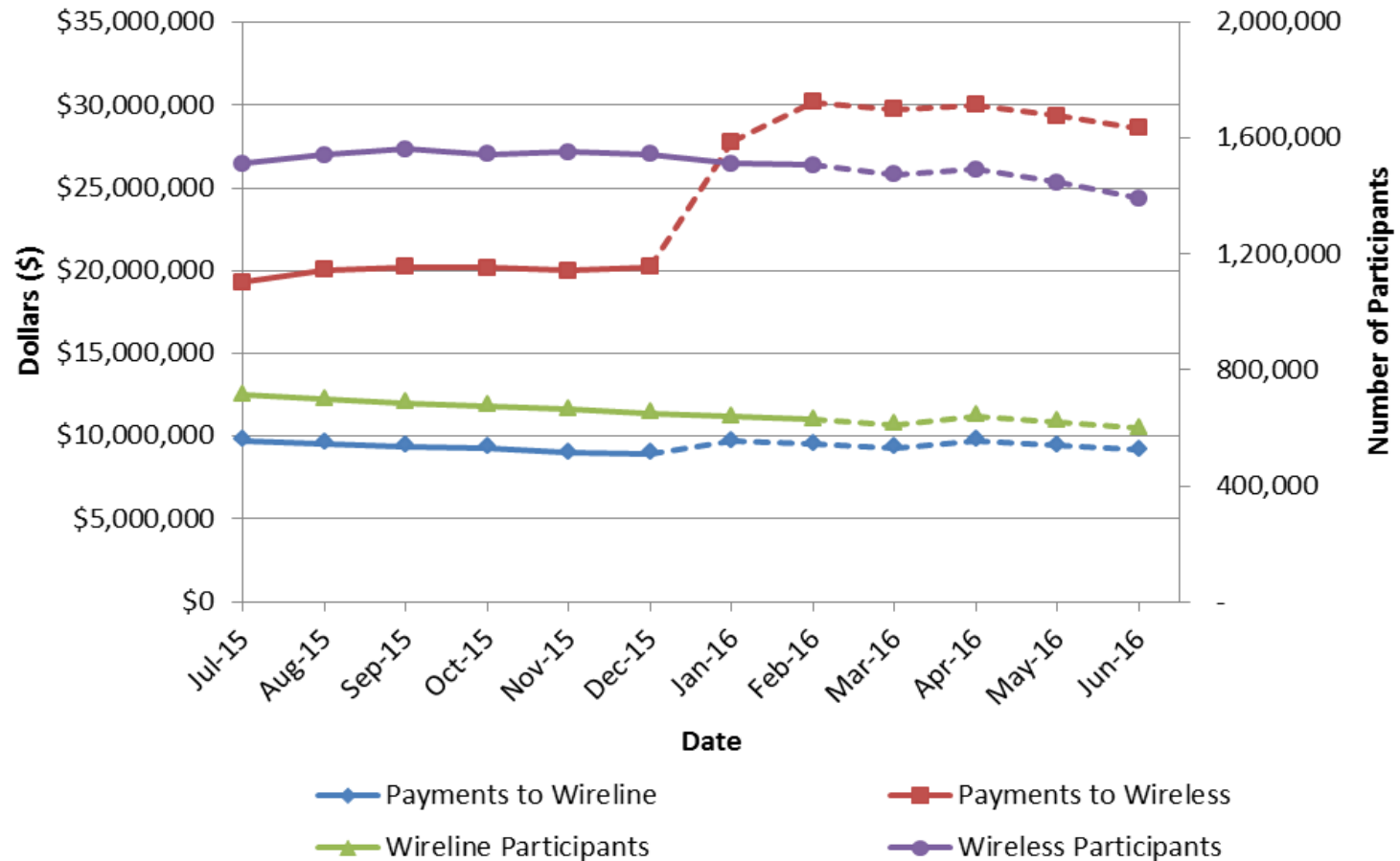


- Specific Support Amount
- Administrative Cost
- Non-recurring
- Surcharge & Taxes





FY 2015-16 Participation and Payments

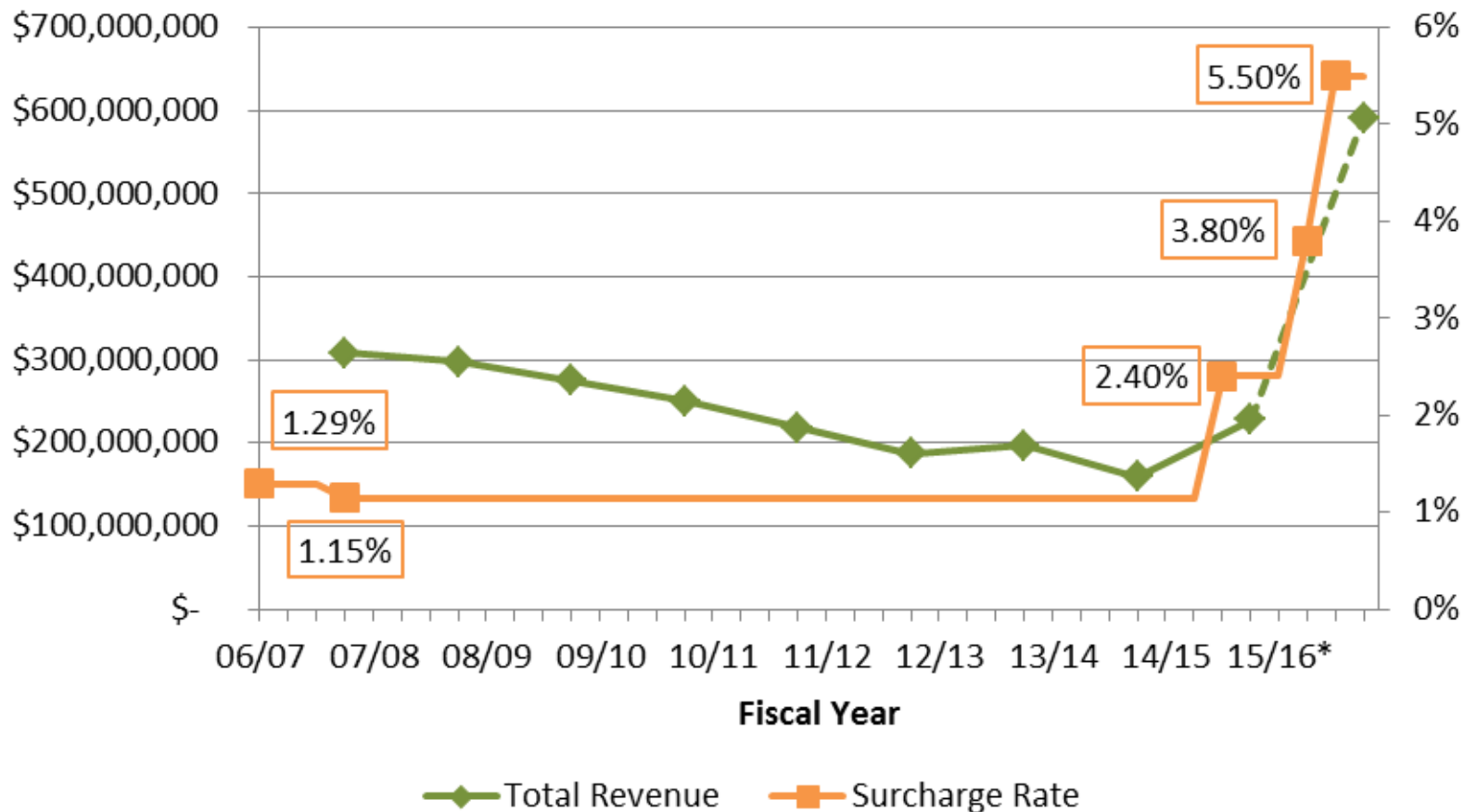


*dashed lines are projected values





Revenues and Surcharge Rates, FY 2006-07 to 2015-16



* FY 15/16 revenue is projection





California LifeLine Program Statistics





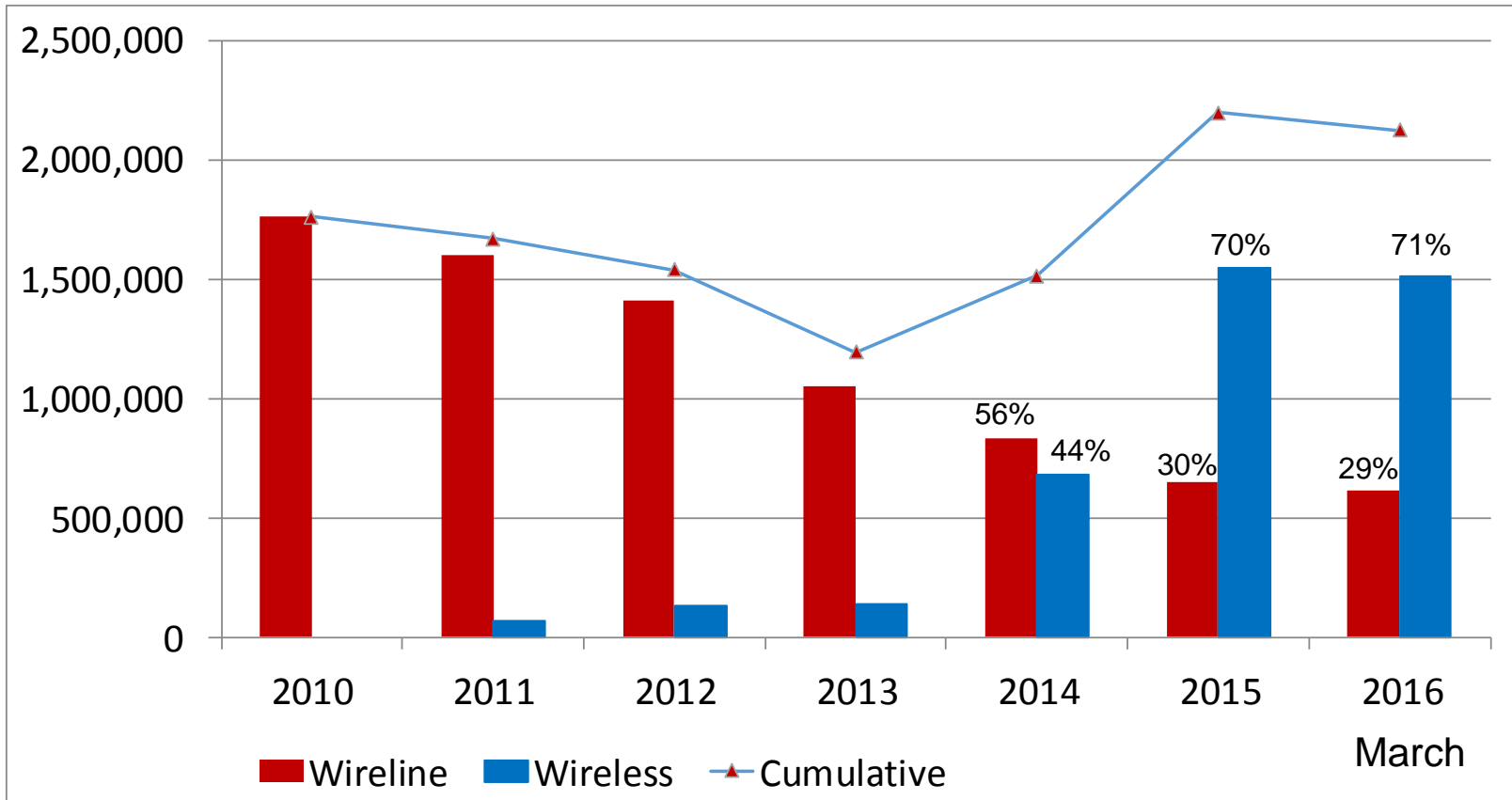
Participation Milestones

March 2011	Launched federal-only Lifeline wireless telephone services
March 2014	Launched California LifeLine wireless telephone services
April 2014	Reversed trend of 81 consecutive month-to-month decreases in program participation dating back to June 2007
February 2015	Number of participants with California LifeLine wireless telephone services (52%) surpassed the number of participants with California LifeLine wireline telephone services
May 2015	More than doubled the California LifeLine Program's participation
Year-over-year growth (2014) = 39.50%	
Year-over-year growth (2015) = 49.50%	





Year-End Participation Numbers



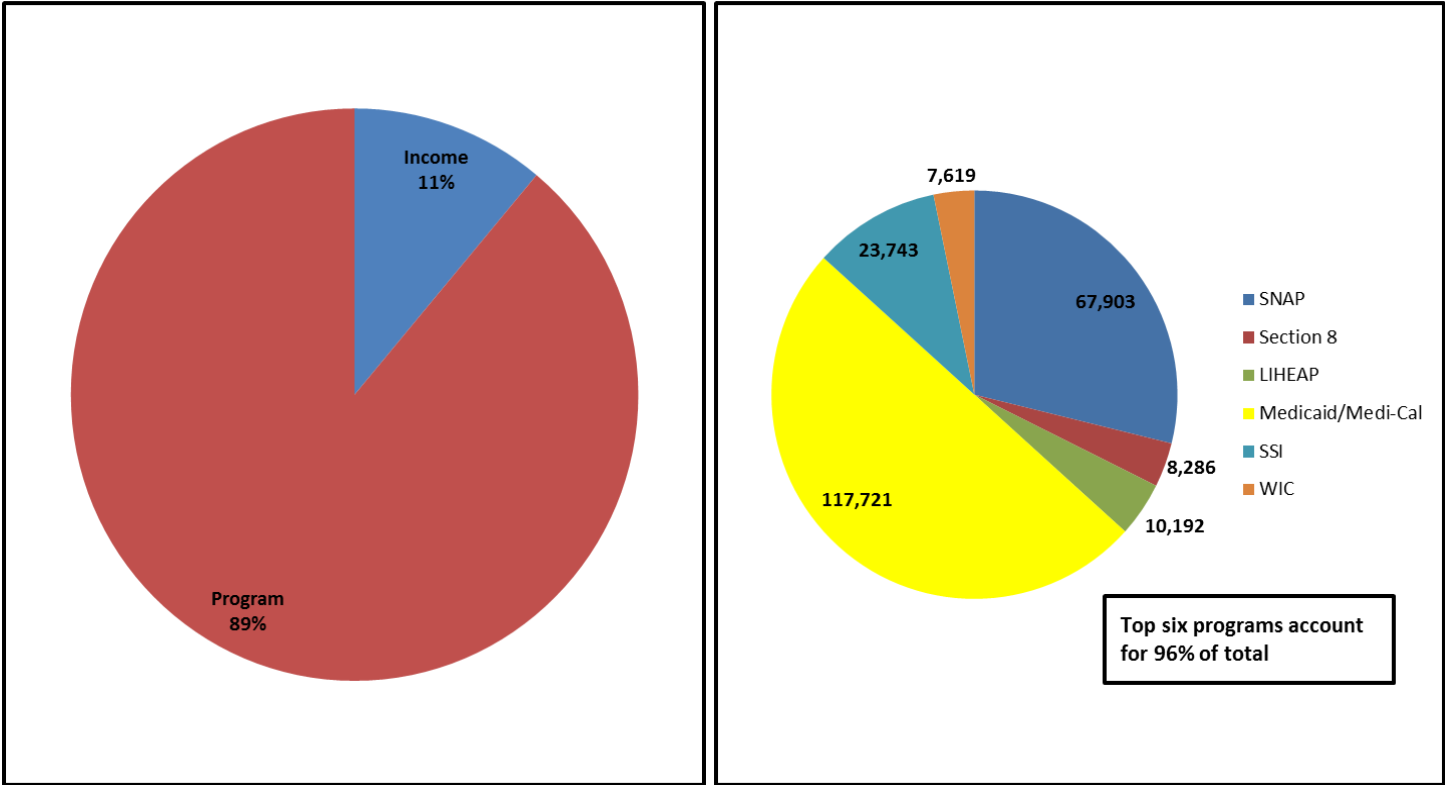


March 2016 Participation Numbers

	Number of Participants	Rate of Change
California LifeLine Program	2,124,120	-10,784 or -0.5%
California LifeLine Wireline	614,804	-12,578 or -2.0%
California LifeLine Wireless	1,509,316	+1,794 or +0.1%

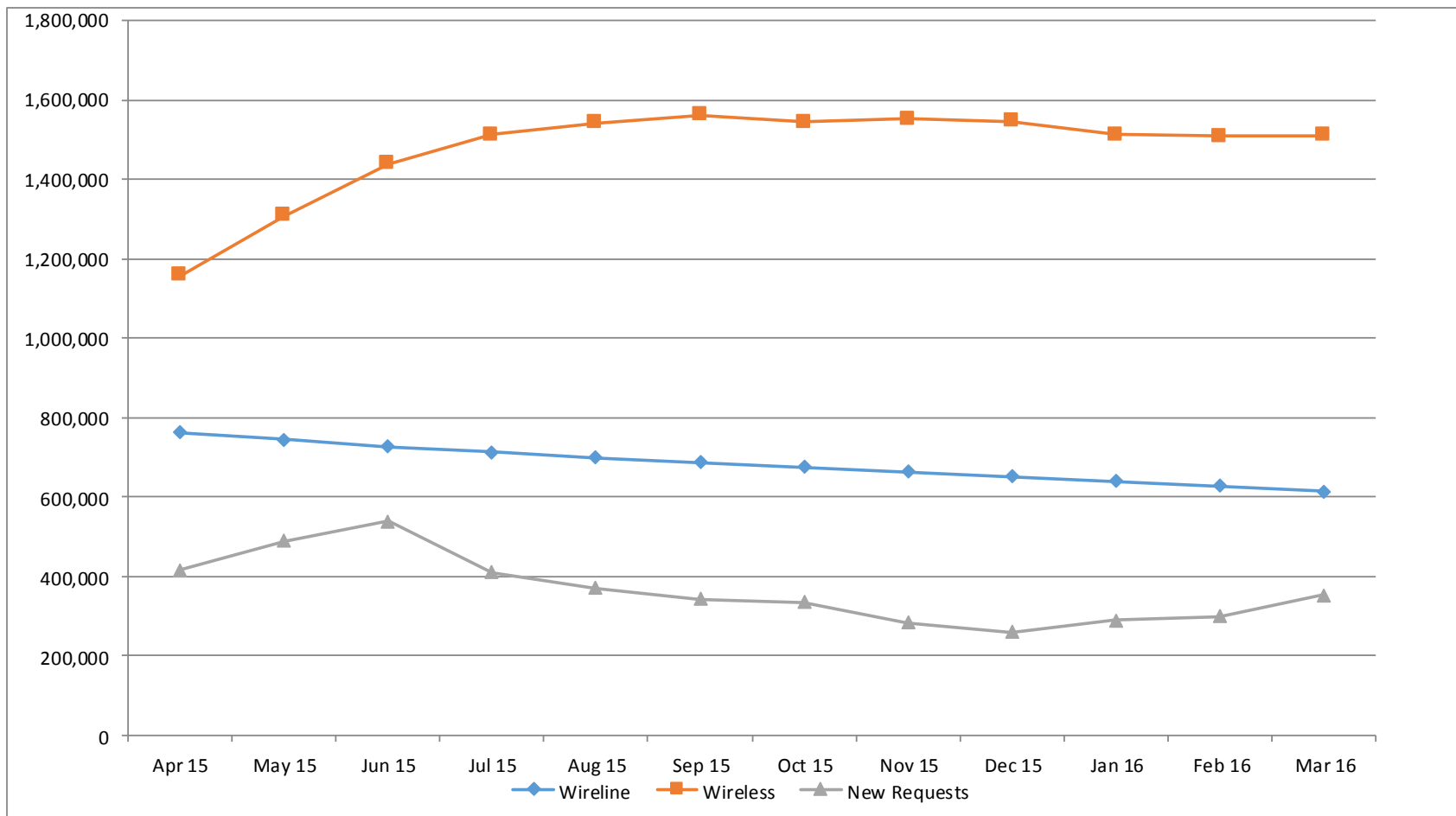


Eligibility Method Chosen by Participants (March 2016)





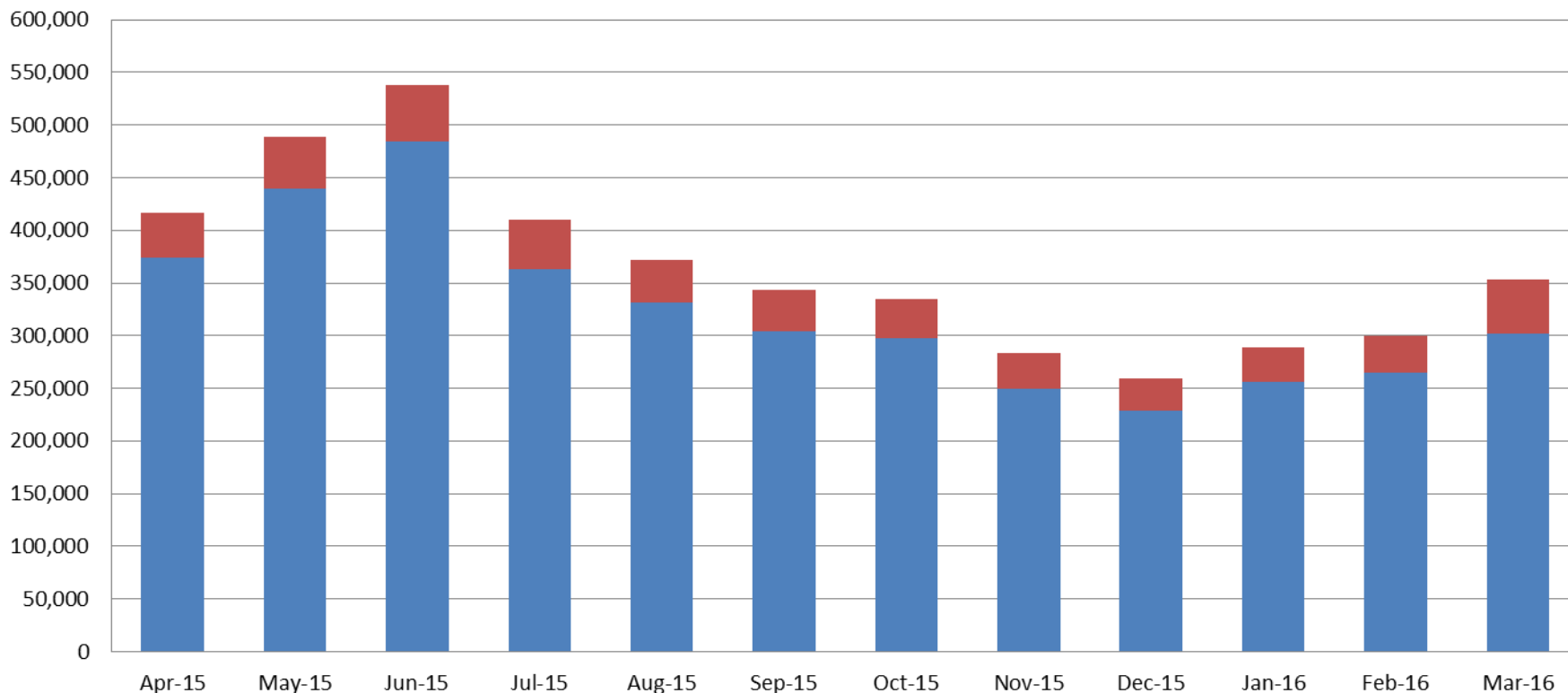
Recent Program Participation Trends



Drop of 36,000 or 1% over the last three months



Volume of New Requests per Month



	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
■ FTP	41,981	49,479	53,424	46,823	39,960	38,674	36,580	33,492	30,536	32,898	34,392	51,985
■ DAP	374,534	439,548	484,690	363,698	331,437	304,511	298,050	249,571	229,103	255,996	265,385	301,647

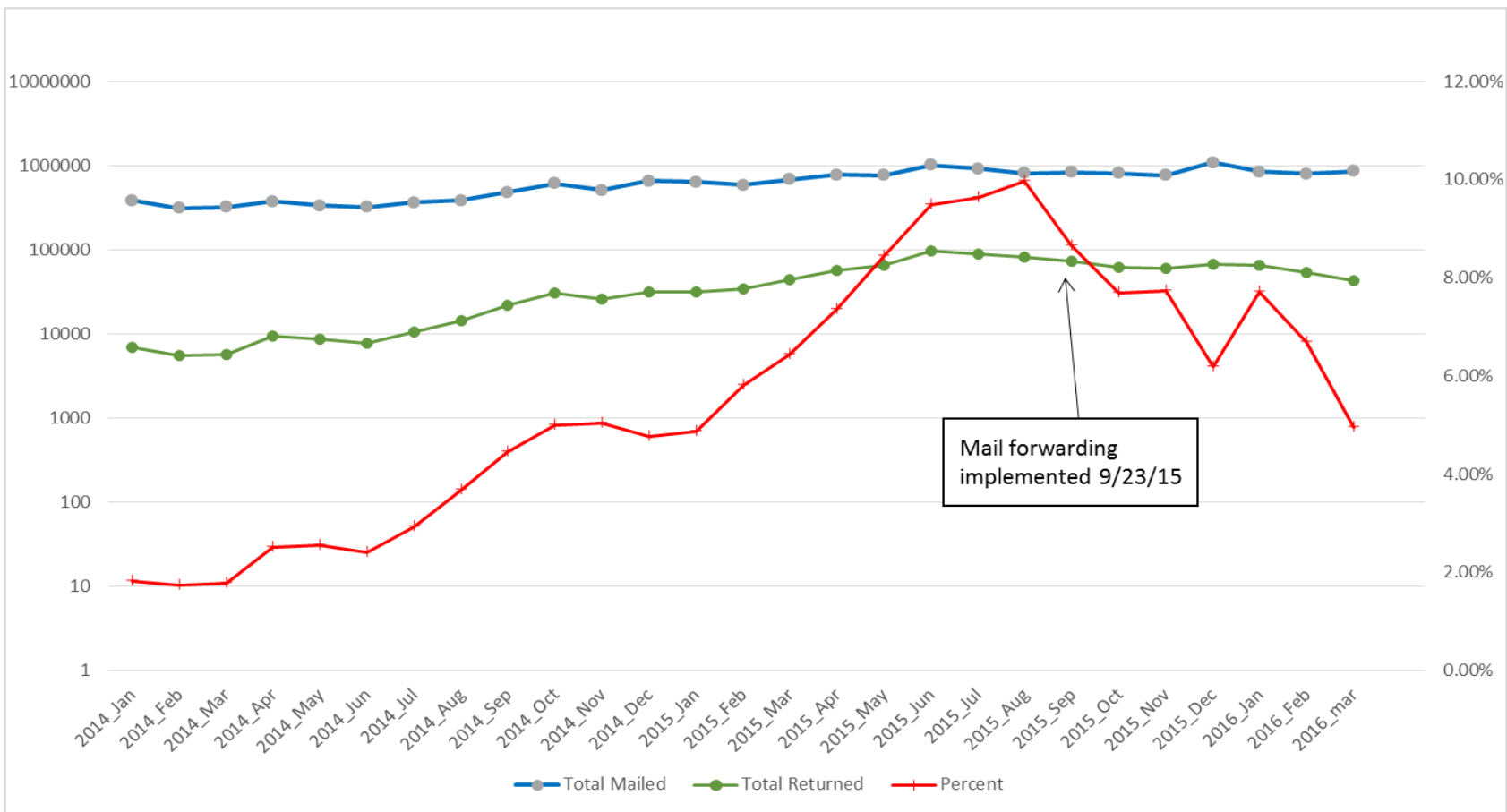


Volume and Passing Rate of Consumers Undergoing the Identity Authentication Process (ID Check)

- Launched May 1, 2014
- Three-step ID Check:
 - 1) Query LexisNexis
 - 2) Review the included documentation
 - 3) Mail the Identity Authentication Form
- Volume of ID Checks = **5,204,129**
- Pass Rate = **96%**
- Fail Rate = 4%
- Majority (**95%**) pass during the first step, which is the LexisNexis query
- Stats cover May 1, 2014 to March 31, 2016

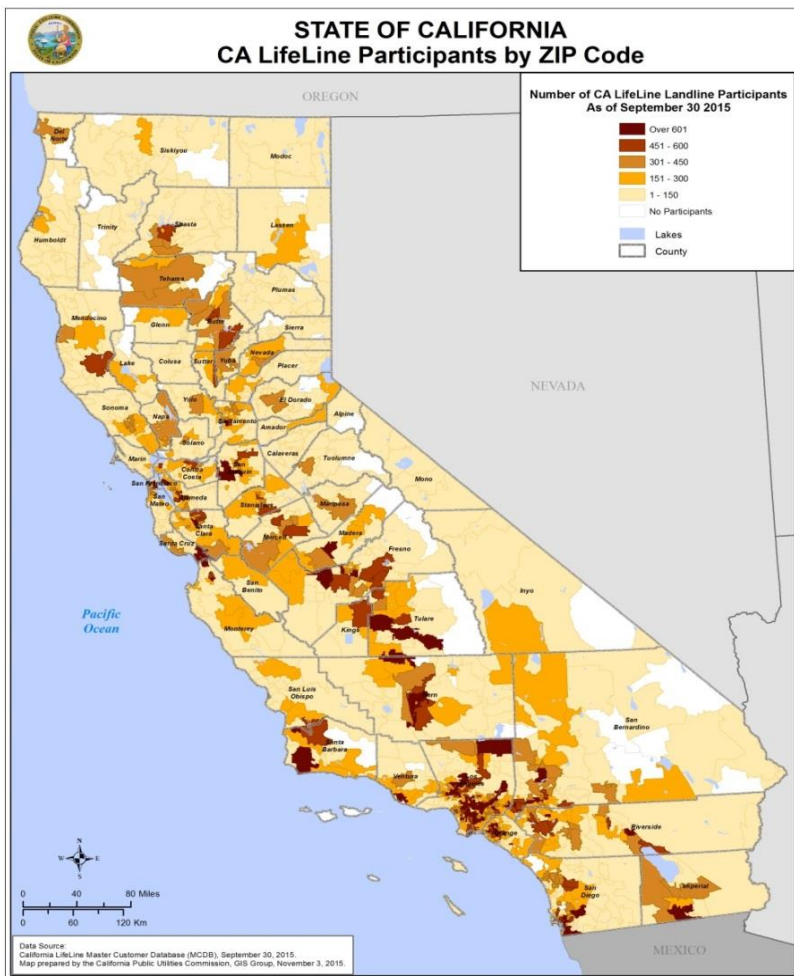


Returned Mail Trends

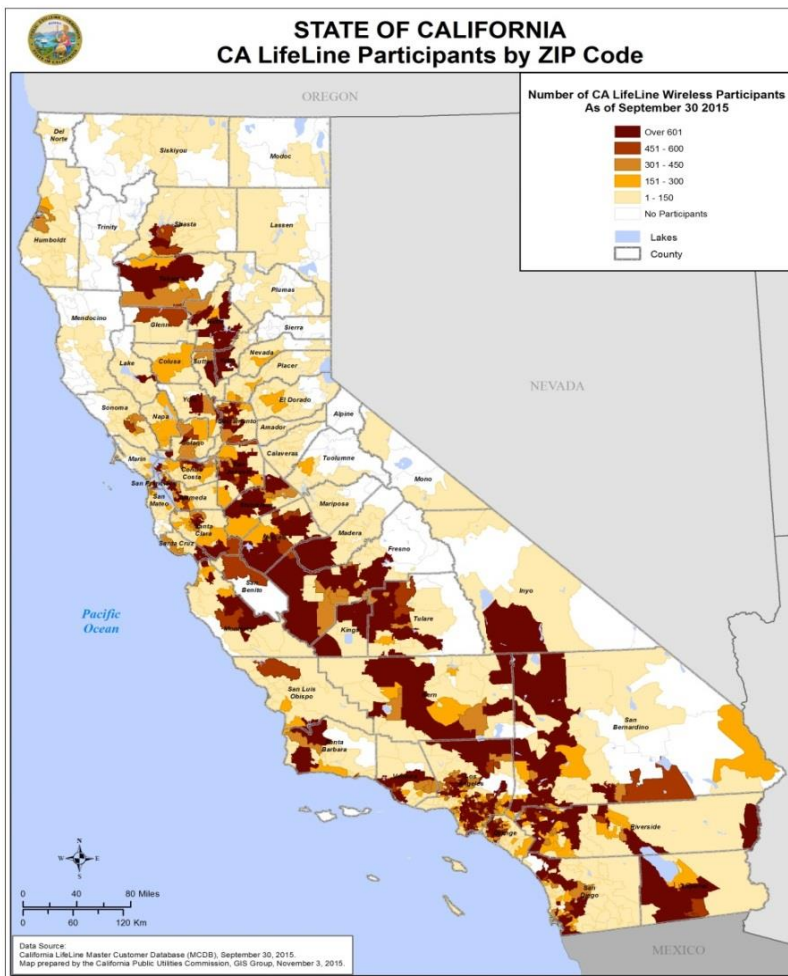




Mapping California LifeLine Participants



WIREFINE



WIRELESS





Quality Assurance of Eligibility Decisions

Form Auditing Categories

- Quality assurance (QA) conducted monthly & on an ongoing basis
- Assess process accuracy
- 23 audit fields

Form Review

- Name Match
- Initials, last four of Social Security Number, Date of Birth
- Signature Match

Supporting Documentation Review

- Acceptable and current
- Program-based eligibility
- Income-based eligibility

Accuracy of Eligibility Decision

- Accurately processed (Approval or Denial)
- Accurate Correctable Denial/Denial codes

Form Auditing Results (February 2016)

- UCL = 95%
- Confidence Interval = 2.5
- Total February 2016 Forms Population = 237,925
- February 2016 Forms Audit Population = 1,524

- February 2016 QA Audit Score = **99.02%**

- February 2016 Eligibility Decision Audit Score = **98.20%**

- March 2015 to February 2016 average Eligibility Decision Audit Score = **97.36%**



California LifeLine Program Renewal Process



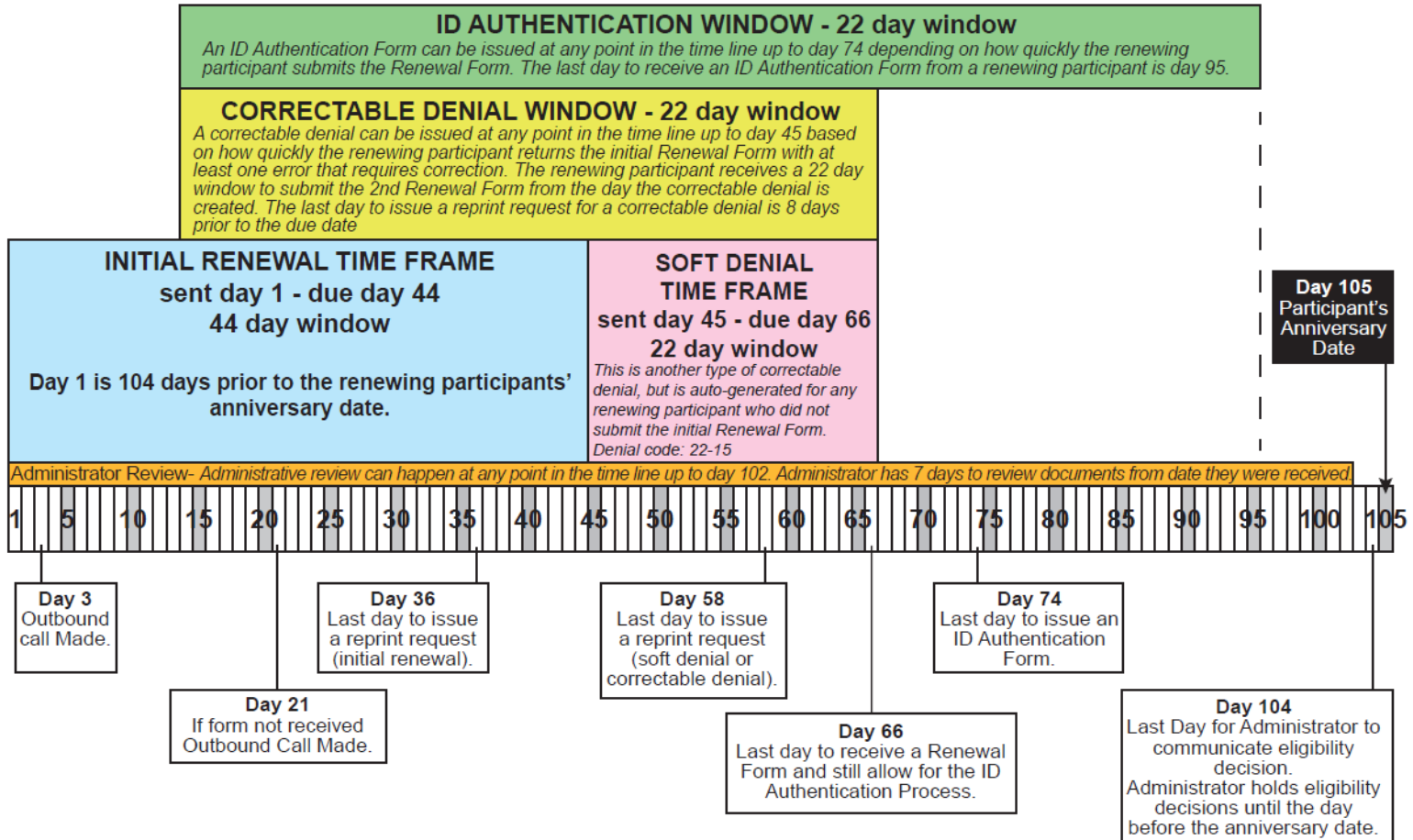
Recent Improvements by the California LifeLine Administrator

- Year 2010: began researching the possible reasons for decreasing volumes of renewals
- Directed the California LifeLine Administrator to implement the following strategies to improve the renewal rates:
 - i. Modify the envelopes
 - ii. Implement mail forwarding
 - iii. Share more information in the expanded return feed with California LifeLine providers about renewing participants by 1) providing the correctable denial codes and 2) developing new status codes
 - iv. Conduct a survey of renewing participants
 - v. Implement a pilot SMS campaign for renewing California LifeLine wireless participants
 - vi. Modify the content of the outbound call campaign for renewals
 - vii. Augment capability of existing Interactive Voice Response (IVR) system's capability to accept renewal forms
 - viii. Redesign online renewal form, i.e., Web Enrollment System (WES) Phase 1 launching by **April 1, 2016**



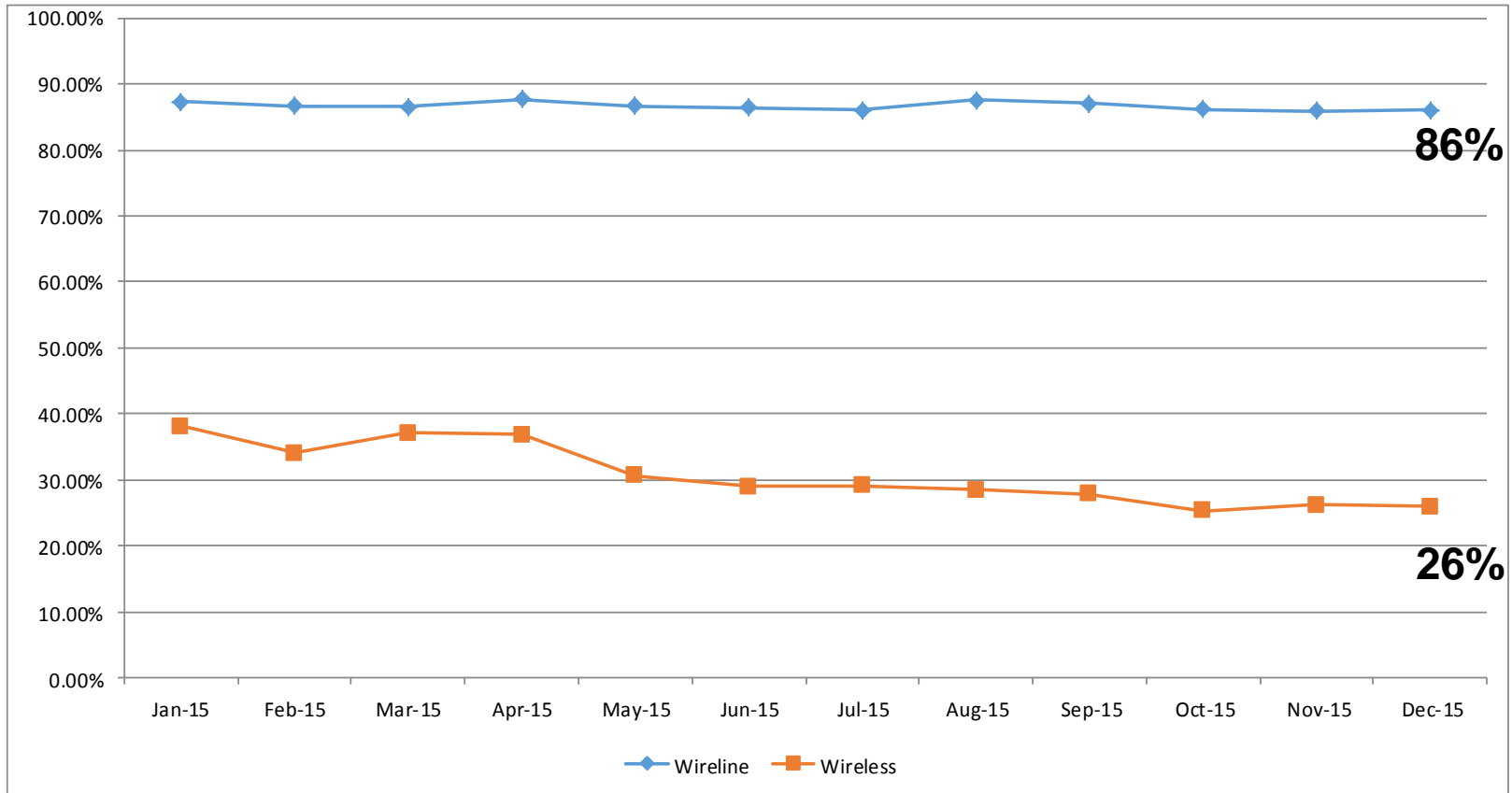


California LifeLine Renewal Process





Renewal Rates (Year 2015)





California LifeLine Wireline Renewals

Year	Month	Service Provider Type	Responded to the Renewal Packet	Approved to Renew	Entered Renewal Process	Response Rate to Renewal	Approval Rate of Renewal Respondents	Renewal Rate
2014	January	Wireline	83,554	78,680	93,004	90%	94%	85%
2014	February	Wireline	68,985	64,617	76,856	90%	94%	84%
2014	March	Wireline	74,693	70,421	83,246	90%	94%	85%
2014	April	Wireline	80,590	76,708	88,853	91%	95%	86%
2014	May	Wireline	67,268	63,910	75,094	90%	95%	85%
2014	June	Wireline	63,070	60,391	70,243	90%	96%	86%
2014	July	Wireline	57,444	54,848	64,172	90%	95%	85%
2014	August	Wireline	76,917	73,794	84,466	91%	96%	87%
2014	September	Wireline	74,230	71,212	81,293	91%	96%	88%
2014	October	Wireline	73,378	70,441	81,078	91%	96%	87%
2014	November	Wireline	76,566	73,477	84,808	90%	96%	87%
2014	December	Wireline	66,453	63,823	73,719	90%	96%	87%
2015	January	Wireline	65,194	62,838	71,979	91%	96%	87%
2015	February	Wireline	54,481	52,295	60,333	90%	96%	87%
2015	March	Wireline	56,015	53,779	62,103	90%	96%	87%
2015	April	Wireline	63,160	60,884	69,422	91%	96%	88%
2015	May	Wireline	52,320	50,255	57,970	90%	96%	87%
2015	June	Wireline	49,418	47,451	54,898	90%	96%	86%
2015	July	Wireline	44,414	42,482	49,397	90%	96%	86%
2015	August	Wireline	59,619	56,934	65,055	92%	95%	88%
2015	September	Wireline	57,653	54,767	62,960	92%	95%	87%
2015	October	Wireline	58,470	55,440	64,350	91%	95%	86%
2015	November	Wireline	57,252	54,166	63,192	91%	95%	86%
2015	December	Wireline	52,708	49,963	58,042	91%	95%	86%

California LifeLine Wireless Renewals

Year	Month	Service Provider Type	Responded to the Renewal Packet	Approved to Renew	Entered Renewal Process	Response Rate to Renewal	Approval Rate of Renewal Respondents	Renewal Rate
2014	January	Wireless	8,484	8,067	15,100	56%	95%	53%
2014	February	Wireless	4,643	4,414	9,699	48%	95%	46%
2014	March	Wireless	6,449	6,128	13,326	48%	95%	46%
2014	April	Wireless	6,547	6,211	14,032	47%	95%	44%
2014	May	Wireless	6,244	5,902	14,354	44%	95%	41%
2014	June	Wireless	6,585	6,300	13,017	51%	96%	48%
2014	July	Wireless	6,975	6,672	12,639	55%	96%	53%
2014	August	Wireless	6,601	6,321	11,933	55%	96%	53%
2014	September	Wireless	5,593	5,344	10,392	54%	96%	51%
2014	October	Wireless	6,145	5,768	11,107	55%	94%	52%
2014	November	Wireless	6,170	5,910	10,915	57%	96%	54%
2014	December	Wireless	8,201	7,729	17,457	47%	94%	44%
2015	January	Wireless	13,215	12,377	32,494	41%	94%	38%
2015	February	Wireless	13,547	12,612	37,060	37%	93%	34%
2015	March	Wireless	16,473	15,325	41,382	40%	93%	37%
2015	April	Wireless	19,804	18,595	50,394	39%	94%	37%
2015	May	Wireless	25,849	23,931	78,255	33%	93%	31%
2015	June	Wireless	29,350	26,696	92,153	32%	91%	29%
2015	July	Wireless	34,345	30,790	105,996	32%	90%	29%
2015	August	Wireless	26,995	24,149	84,967	32%	89%	28%
2015	September	Wireless	24,023	21,407	76,982	31%	89%	28%
2015	October	Wireless	34,290	30,218	119,634	29%	88%	25%
2015	November	Wireless	34,981	30,455	116,759	30%	87%	26%
2015	December	Wireless	36,461	31,805	124,403	29%	87%	26%















Renewal Response Rates and Methods (January 2015 to April 2016)

	MAIL	WEB	IVR
Program	68%	32%	1%
Wireline	70%	30%	0%
Wireless	63%	35%	2%



Types and Frequency of Reminders Sent by the Administrator to Consumers

TYPE OF REMINDER	WIRELINER	WIRELESS
Day 3 Outbound Call Reminder for Applicants		
Day 21 Outbound Call Reminder for Applicants		
Day 21 Reminder Postcard for Applicants		
Day 3 Outbound Call Reminder for Renewing Participants		
Day 21 Outbound Call Reminder for Renewing Participants		
Day 3 SMS Reminder for Renewing Participants (<i>pilot</i>)		
Day 21 SMS Reminder for Renewing Participants (<i>pilot</i>)		



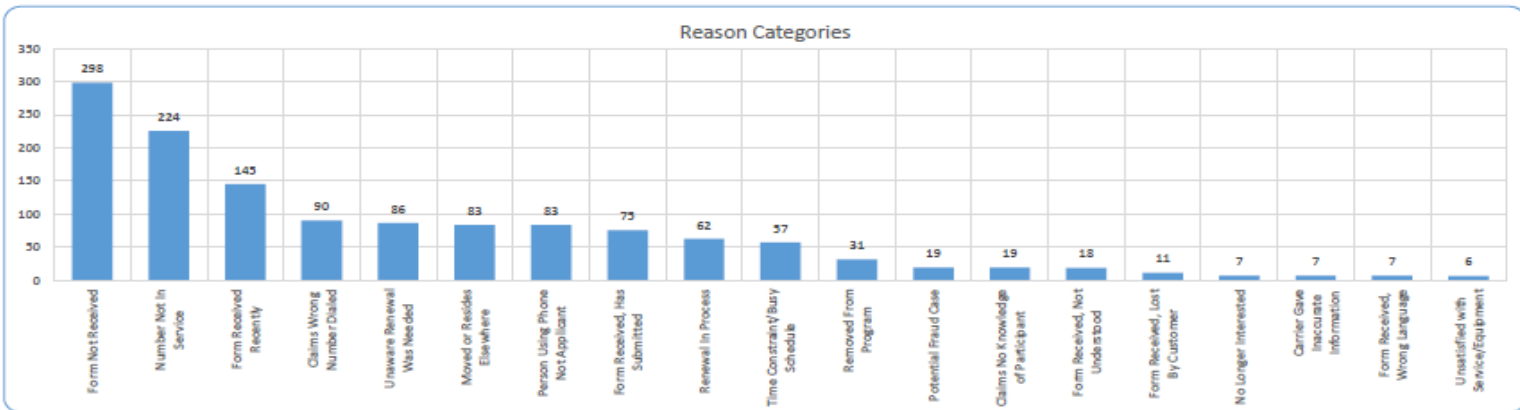
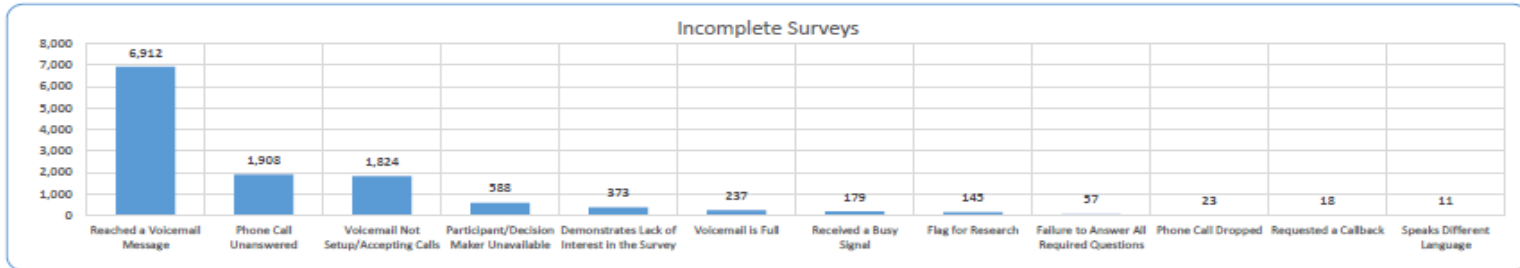
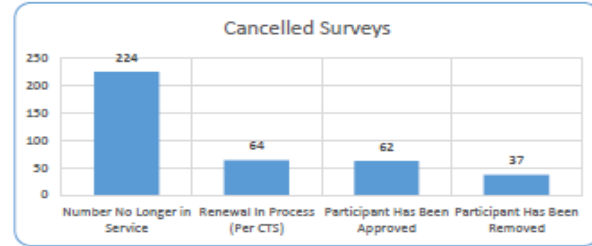
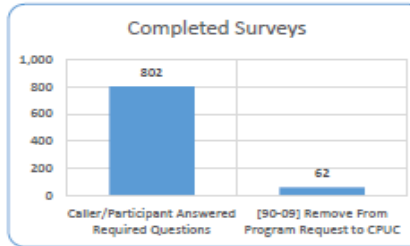
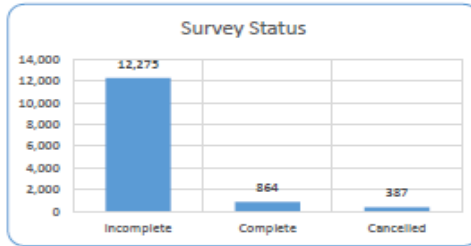
Renewal Survey Responses

Run: #1 - #19

Week: 11/29/15 to 4/10/2016

Target: 864 of 1,500

% of Target: 58%



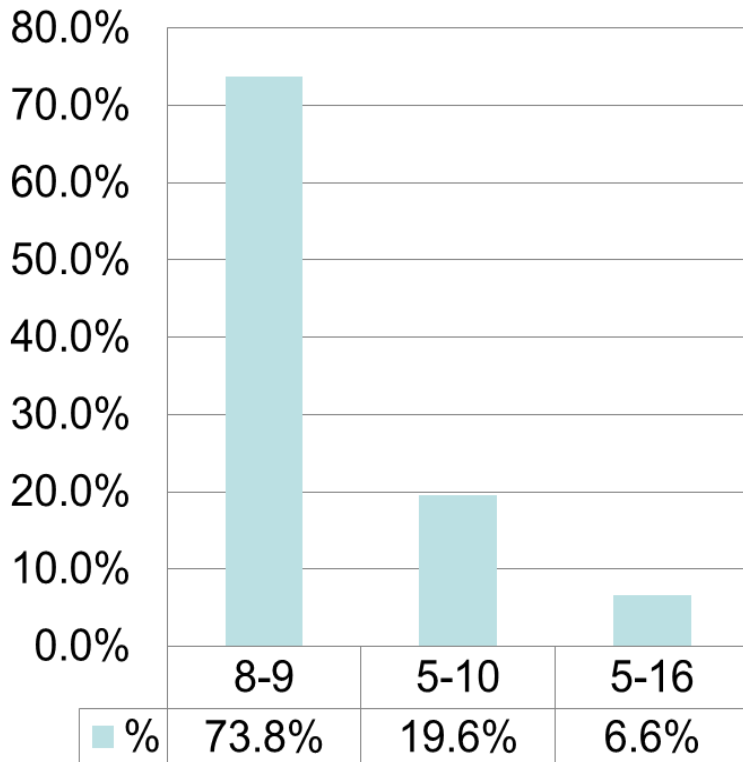
Renewal Survey Responses (Continued)

REASON CATEGORIES	CANCELLED				COMPLETE		INCOMPLETE											TOTALS	
	Number No Longer in Service	Participant Has Been Approved	Participant Has Been Removed	Renewal In Process (Per CTS)	[90-09] Remove From Program Request to CPUC	Caller/Participant Answered Required Questions	Demonstrates Lack of Interest in the Survey	Failure to Answer All Required Questions	Flag for Research	Participant/Decision Maker Unavailable	Phone Call Dropped	Phone Call Unanswered	Reached a Voicemail Message	Received a Busy Signal	Requested a Callback	Speaks Different Language	Voicemail is Full		Voicemail Not Setup/Accepting Calls
Carrier Gave Inaccurate Information						7													7
Claims No Knowledge of Participant					4				15										19
Claims Wrong Number Dialed					4				86										90
Form Not Received						292	1	2	1			1		1					298
Form Received Recently						144		1											145
Form Received, Has Submitted						75													75
Form Received, Lost By Customer						11													11
Form Received, Not Understood						17							1						18
Form Received, Wrong Language						7													7
Moved or Resides Elsewhere					3	80													83
No Longer Interested					3	2		1	1										7
Number Not In Service	224								1	1									225
Person Using Phone Not Applicant					37	6			34				6						83
Potential Fraud Case					11	2			6										19
Removed From Program			31																31
Renewal In Process			1	51		10													62
Time Constraint/Busy Schedule						57													57
Unaware Renewal Was Needed						86													86
Unsatisfied with Service/Equipment						6													6
(No Reason Found)							372	53	1	588	23	1907	6905	178	18	11	237	1824	12197
Grand Total	224	62	37	64	62	802	373	57	145	588	23	1908	6912	179	18	11	237	1824	13526

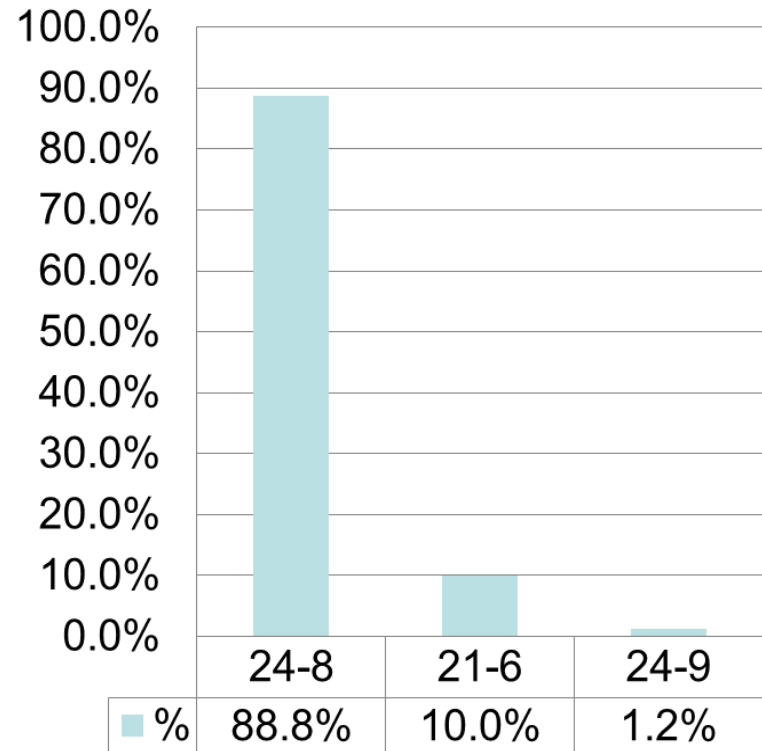


Top Denial Codes – Wireless (March 2016)

Applications



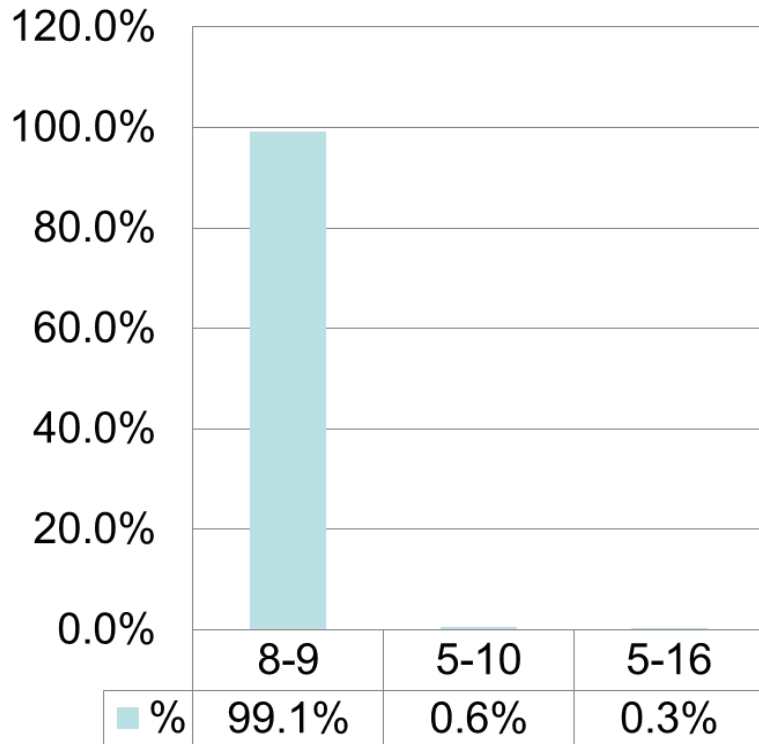
Renewals



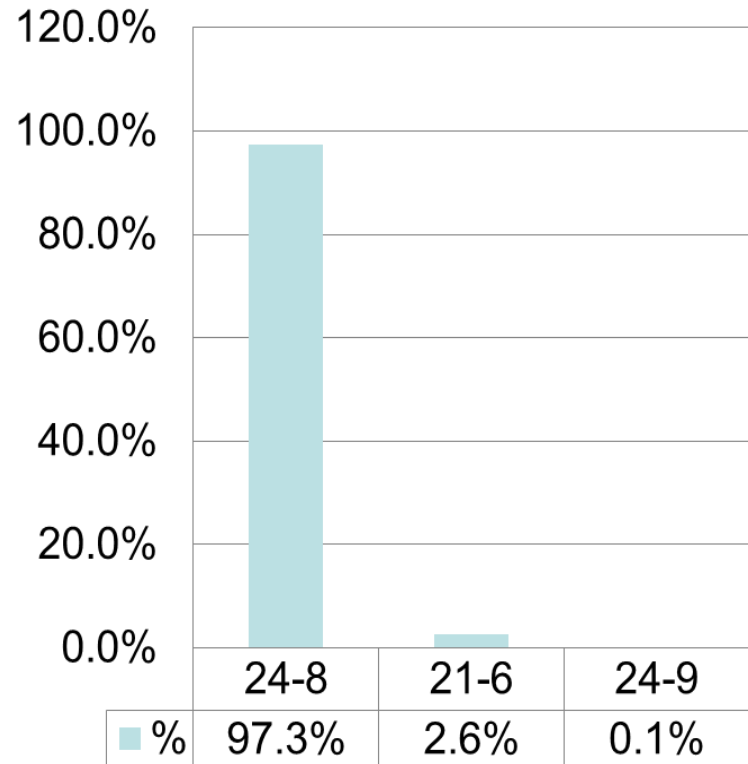


Top Denial Codes – Wireline (March 2016)

Applications



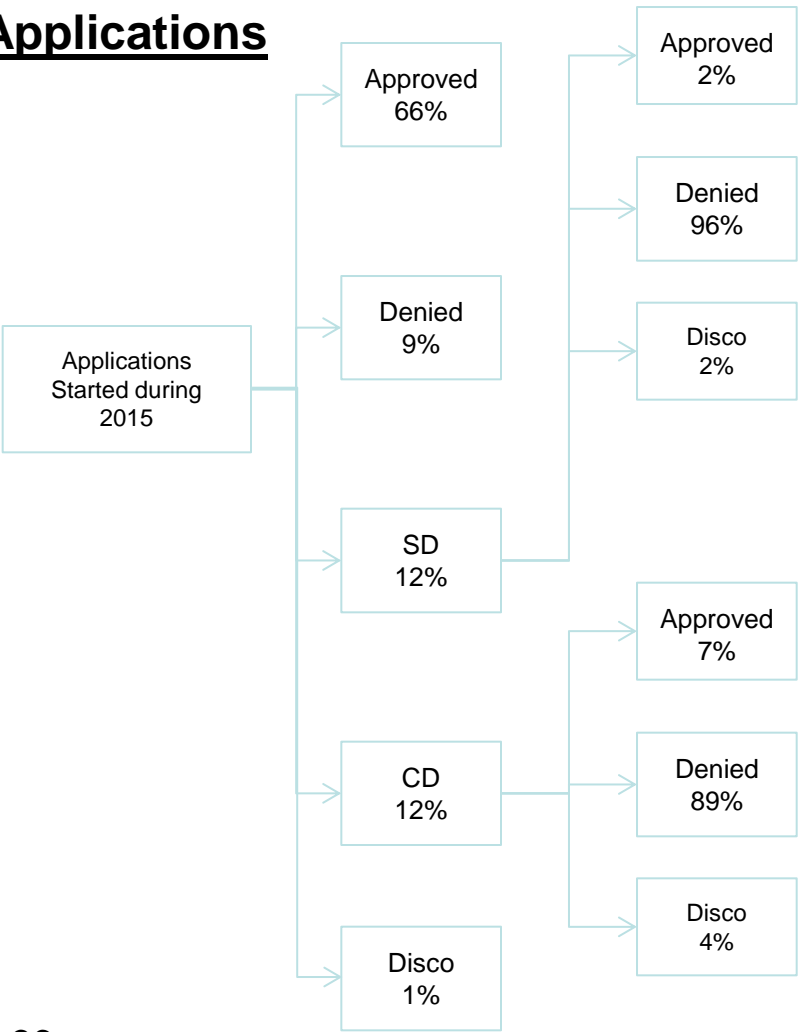
Renewals



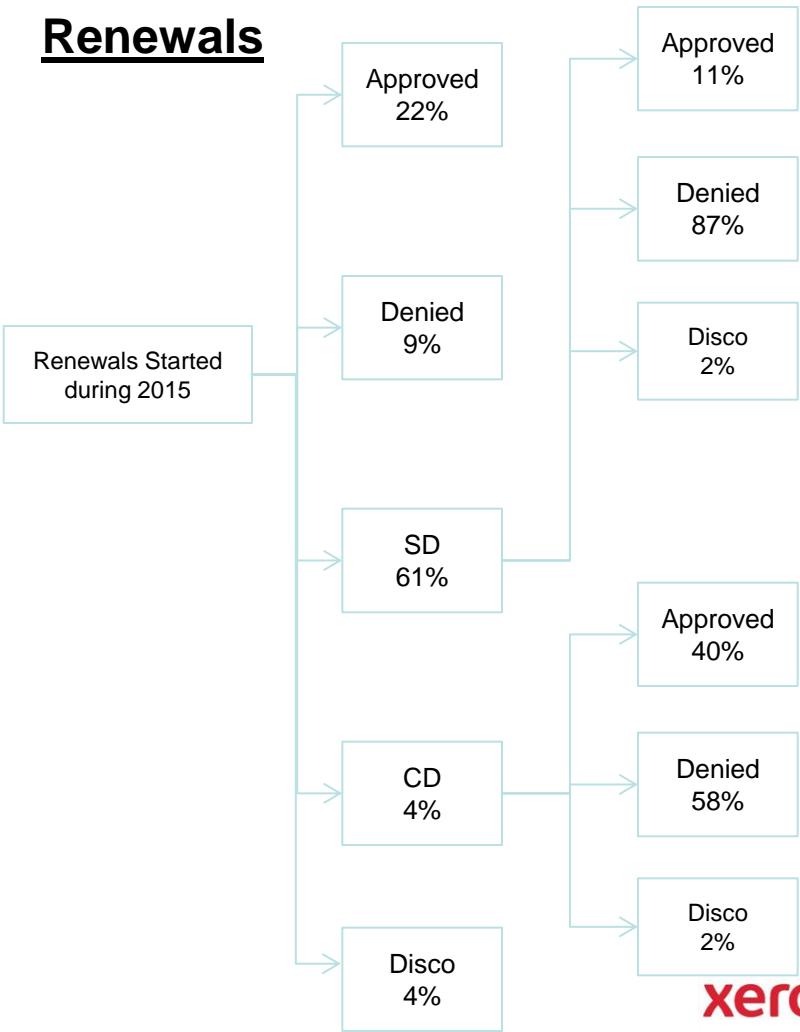


Eligibility Decisions – Wireless (Year 2015)

Applications



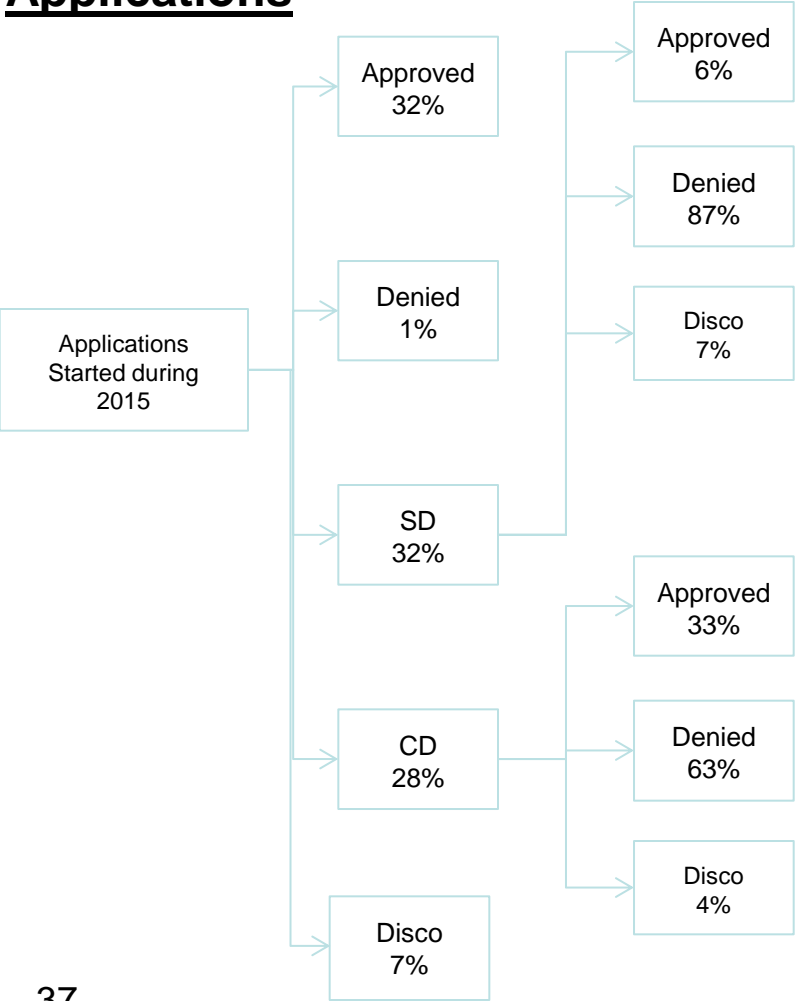
Renewals



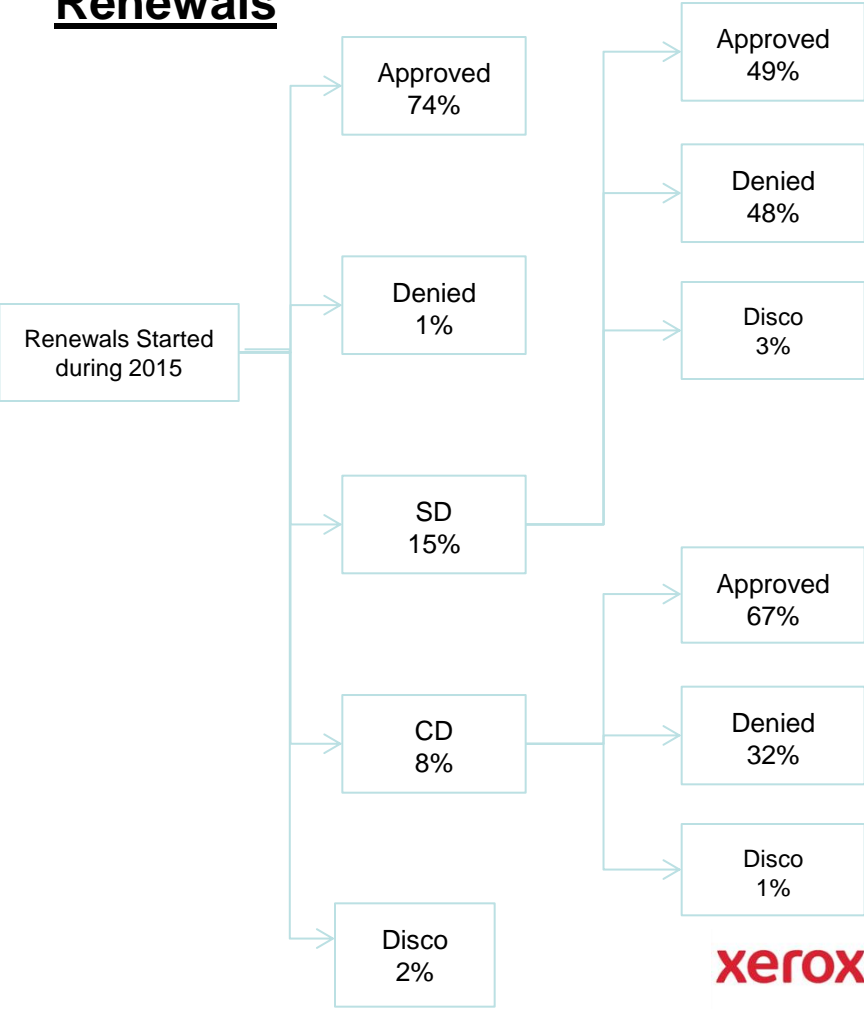


Eligibility Decisions – Wireline (Year 2015)

Applications

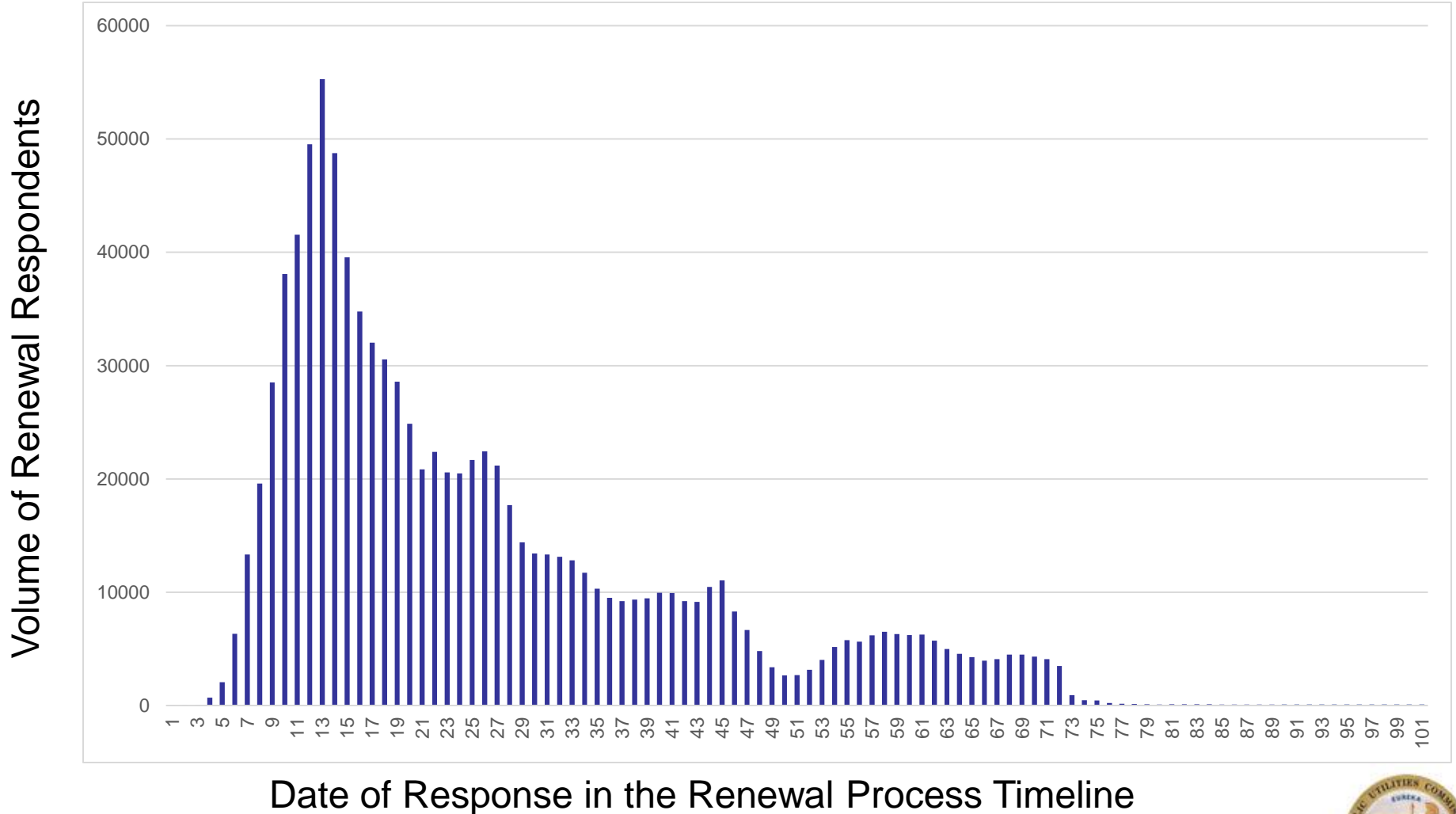


Renewals





Renewal Response Dates (Year 2015)





Communications Division's Proposed Changes to the Renewal Process

- Reduce the timeline from 105 days to 45 days
 - Renewing participants may submit renewals up to Day 38
 - Response date will be fixed at Day 38
- Consumer would not need to wait until after the Anniversary Date to submit an application
 - Eligibility decision = Denial → Consumer may immediately submit an application
- The California LifeLine Administrator will send the approval (*possibly denial also*) notification for a renewal to both the renewing participant and the California LifeLine provider as soon as the eligibility decision is ready





Possible Improvements by the California LifeLine Administrator

- i. Implement SMS campaign for all renewing California LifeLine wireless participants
- ii. Implement WES Phase 2
- iii. Implement WES Phase 3
- iv. Augment responsibilities of the California LifeLine Administrator's call center staff to accept renewal forms
- v. Develop geocoding system for enhanced Lifeline participants
- vi. Implement Helpdesk Ticketing System (pilot test is in progress)
- vii. Disseminate a California LifeLine Participant Number to each participant



Parties' Proposed Changes to the Renewal Process

Seeking
Your
Input





Consumer Protection





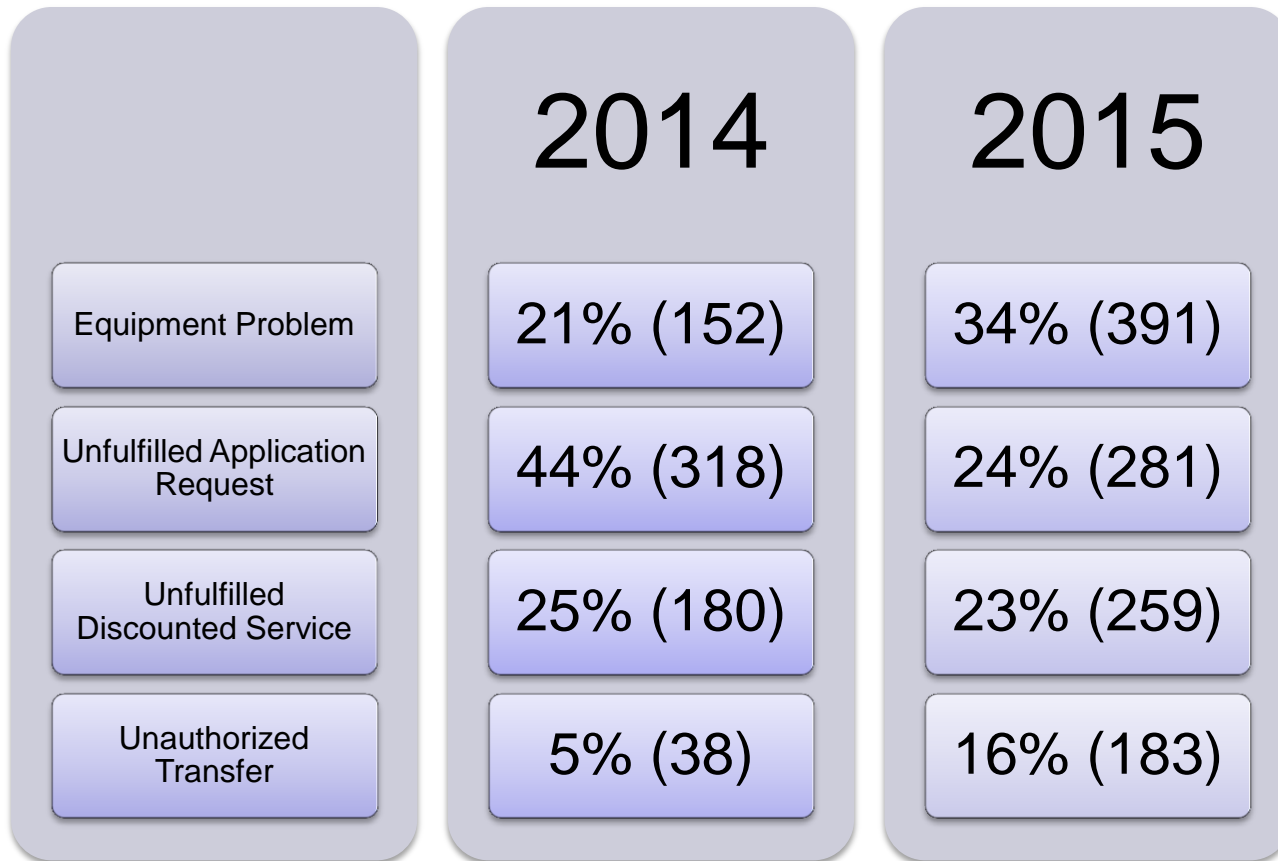
Possible Sources for Information Regarding Consumers' Experiences

1. Consumer Affairs Branch
 2. California LifeLine Administrator
 3. Federal Communications Commission (FCC)
 4. Consumer Groups
 5. California LifeLine Providers
- Currently, complaint processes encourage consumers to contact California LifeLine providers first, CPUC second, and FCC last
 - CPUC has incomplete picture of consumers' experiences





Consumer Affairs Branch Data

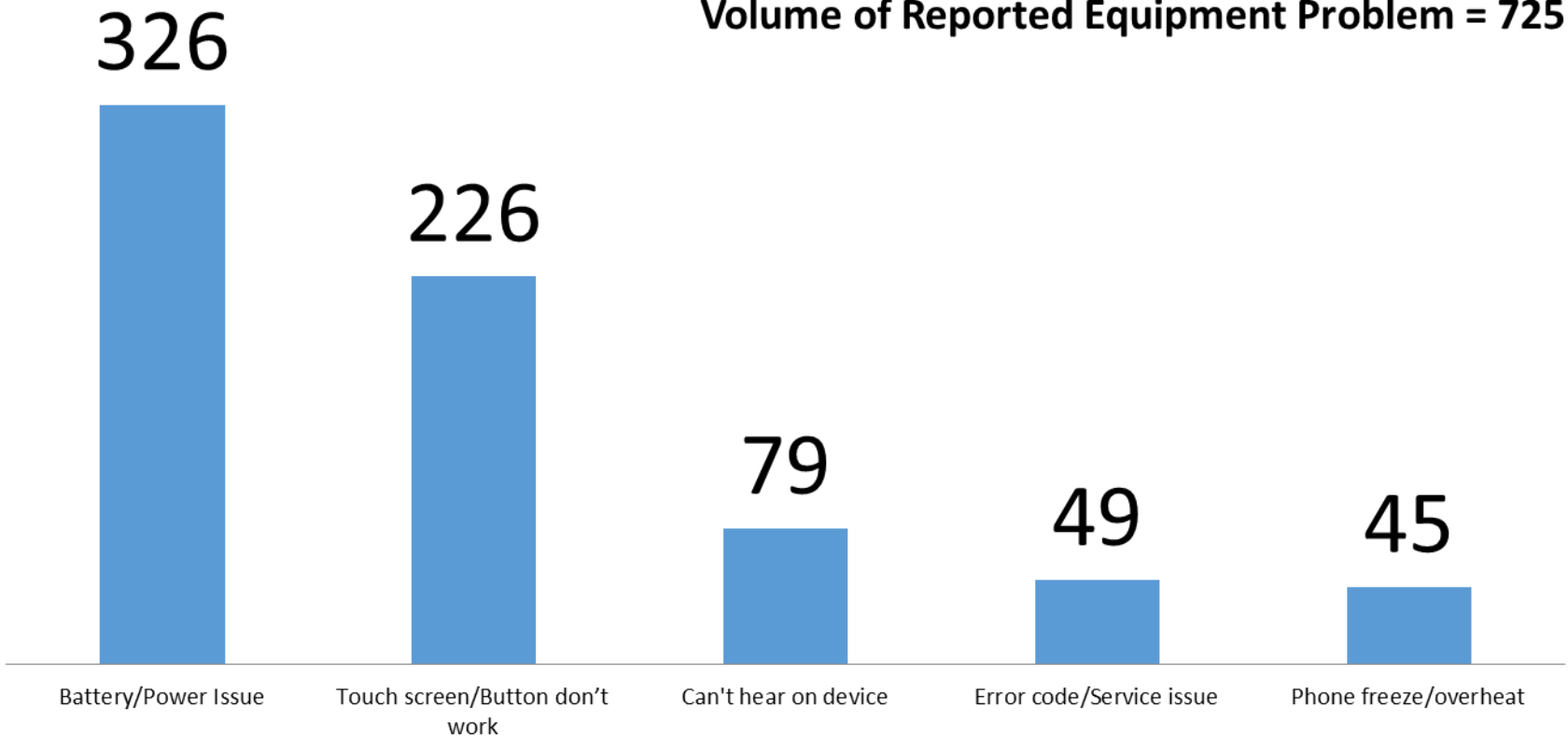




California LifeLine Administrator Data

(Three Months: January 18 to April 18, 2016)

Volume of Reported Equipment Problem = 725





Federal Communications Commission Data

- California had the most number of complaints = more than 52,000
- Florida was the next state with about 35,000 complaints
- Time frame = December 29, 2014 to April 17, 2016
- Published charts do not indicate the types of complaints by state
- Top phone service related problems experienced *nationwide* are:
 - 1) billing
 - 2) availability
 - 3) number portability
 - 4) equipment
 - 5) privacy

Source: <https://consumercomplaints.fcc.gov/hc/en-us/articles/2045377> and <https://consumercomplaints.fcc.gov/hc/en-us>





Consumer Groups Data

Seeking
Your
Input





Data from ALL California LifeLine Providers



ANNUAL
REPORT

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Degree of Involvement of Service Providers in the Enrollment Process

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Some Existing Disclosures

California LifeLine Wireline and Wireless Service Elements

disclose to each participant before activating service that they are entitled to a voice-grade connection and the conditions under which the participant may terminate service without penalty if one cannot be provided

California LifeLine Wireless Service Element #9

disclosures must include the charges or fees associated with using operator services and the impact of terminating wireless service for contracts lasting more than one year, e.g., the consumer will be subject to the retail rates charged by the service provider and any applicable early termination fees





Some Existing Disclosures

California LifeLine Wireless Service Element #9

prominently disclose and disseminate terms and conditions, including:

- their rates and fees
- the charges, terms, and conditions associated with purchasing additional minutes
- 911 emergency services location accuracy and reliability standards as required in basic service element number I.2.(d) in Appendix A of Decision 12-12-038
- potential service coverage and service quality issues
- safety related considerations when handsets are removed from the home and when there is poor mobile reception
- any charges associated with calling 800 or 800-like toll-free services
- the device's condition if refurbished
- the device's applicability on other provider's wireless networks
- power back-up requirements, including limitations due to power for equipment on towers or other facilities, e.g. that wireless telephone service may not work if the tower the wireless handset is trying to reach loses commercial or backup power





Disclosures and Examples of Issues with Existing Disclosures

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Oversight of California LifeLine Providers' Sales Reps

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California LifeLine Program N11 Obligation





N11 Obligation

California LifeLine Wireline and Wireless Service Elements #2

provide free, unlimited access to 911 emergency services, in compliance with current state and federal laws and regulations

California LifeLine Wireline and Wireless Service Elements #18

provide free access to the California Relay Service via the 711 abbreviated dialing code





N11 Obligation

California LifeLine Wireless Service Element #19

provide free, unlimited access to public safety N11s (211, 311, 511, 711, and 811) for California LifeLine eligible plans with 1,000 or more voice minutes

calls to these special service N11s shall not count against the participant's allotted voice minutes or number of calls

offering these features on plans with 1,000 or more minutes, or by offering at least one plan with unlimited voice minutes that conform to this Decision, and which may include text, but not video or data





N11 Obligation

California LifeLine Wireless Service Element #20

provide free, unlimited access to 611 for service provider billing and repair services

California LifeLine Wireless Service Element #21

provide access to 411, and disclose charges and conditions associated with 411 access and information





N11 Obligation

Consider whether service suspension for non-payment may serve as another trigger for ending the N11 obligation

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