

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 10/20)

Fiscal Year 2023-24	Business Unit 7502	Department California Department of Technology	Priority No. 11
Budget Request Name 7502-032-BCP-2023-GB		Program 6230	Subprogram N/A

Budget Request Description
 State Digital Equity Plan (AB 2750)

Budget Request Summary

In support of Assembly Bill 2750 State Digital Equity Plan (AB 2750), The California Department of Technology (CDT) requests 9.0 positions and \$2.5 million General Fund, including \$1 million for consulting, in Fiscal Year (FY) 2023-24 and on-going to develop a state digital equity plan and obtain anticipated federal funding to develop, oversee and monitor the implementation of the State Digital Equity Plan (SDEP).

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed N/A	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, the departmental Chief Information Officer must sign.</i>	Department CIO N/A	Date N/A

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. N/A **Project Approval Document:** N/A

Approval Date: N/A

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Scott Adams	Date 12/20/2022	Reviewed By Miles Burnett	Date 12/20/2022
Department Director Liana Bailey-Crimmins	Date 12/20/2022	Agency Secretary Amy Tong	Date 12/20/2022

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

PPBA Danielle Brandon	Date submitted to the Legislature 1/10/2023
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A. Budget Request Summary

In support of Assembly Bill 2750 State Digital Equity Plan (AB 2750), The California Department of Technology (CDT) requests 9.0 positions and \$2.5 million General Fund, including \$1 million for consulting, in Fiscal Year (FY) 2023-24 and ongoing to:

- a) Develop a State Digital Equity Plan (SDEP) in accordance with federal Digital Equity Act grant guidelines
- b) Oversee, and monitor the implementation of the SDEP through additional National Telecommunications and Information Administration (NTIA) funding from Capacity and Competitive Grant Programs over the subsequent 5-year implementation period.

Additional funds are needed to build capacity within CDT's Office of Broadband and Digital Literacy (OBDL) to ensure all available federal funding is obtained so that the development and implementation of the plan are in accordance with AB 2750 are consistent with federal and state policies.

B. Background/History

Access to affordable and reliable broadband can transform the lives of all Californians. It is key to creating equity and impacts: (1) Education; (2) Workforce Development; (3) Economic Development; (4) Healthcare; and (5) Public Safety. The COVID-19 pandemic deepened California's persistent digital divide. The digital divide is a lack of available broadband or issues related to a lack of affordability, devices, or digital skills. Many Californians still don't have the access they need for full-service healthcare, education, and employment.

The California Broadband Council (CBC) was established in 2010 by SB 1462 (Chapter 338, Statutes of 2010) and currently consists of 12 members. The goal of the CBC is to promote broadband deployment in unserved and underserved areas of the state, as defined by the California Public Utilities Commission, and broadband adoption throughout the state. Currently, CDT's Director is serving as the Chair of the CBC.

In August 2020, Governor Newsom signed Executive Order N-73-20 to improve digital connectivity across the state. The order directed the Broadband Council to develop a statewide Broadband Action Plan and promote digital equity throughout California.

Within four months of the Executive Order, the Broadband Council released the Action Plan.

The Plan's three long-term goals are that all Californians have:

- High-performance broadband available at home, schools, libraries, and businesses.
- Access to affordable broadband and necessary devices.
- Access to training and support to enable digital inclusion.

The Governor's 2020-21 Budget included a "Broadband for All Initiative" to focus the state's efforts to ensure that every community in California has access to affordable, high-speed internet. This State initiative is composed of four principal elements: 1) Mapping the state of connectivity; 2) Investing in new resources; 3) Optimizing use of existing resources; and 4) Coordinating government entities to prioritize and increase connectivity across the State of California. This initiative was implemented pursuant to Executive Order N-73-20.

In accordance with these established principal elements, BBDL is building a statewide open-access, middle-mile broadband network pursuant to SB 156 (Chapter 112, Statutes of 2021). Among other things, SB 156 created a Middle-Mile Advisory Committee (MMAC) to monitor

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the acquisition and management of contracts for developing, constructing, maintaining and operating a statewide middle-mile network.

However, additional resources are required to support statewide efforts that are currently underway.

Specifically, approving this request would support the development of the SDEP beyond the one-time federal funding from the NTIA. Additional funds would support: 1) overseeing the SDEP implementation; 2) monitoring additional grant programs identified and established during the plan development; 3) continuing ongoing stakeholder and community engagement; 4) reporting and complying with federal requirements; and 5) securing additional NTIA funding through the Capacity Grant Program and the Competitive Grant Program.

C. State Level Consideration

This request aligns with the goals of Broadband for All. The SDEP will build on and expand the state's Broadband for All program and align with the state's Equity Initiative.

The SDEP process will identify and collaborate with state agencies as planning partners to support the development of the SDEP. There are five key components designed to meet the goals of the SDEP while supporting California's vision, objectives, and strategies for digital equity. These five components are: 1) Statewide Planning Group, 2) Outcome Area Working Groups, 3) Statewide Survey(s), 4) Local and Regional Outreach and 5) Statewide Public Engagement.

The development and implementation of the SDEP programs will contribute to more equitable access to broadband and broadband-related services for individuals throughout California, including unserved and underserved communities.

Equity Statement

This request is in line with CDT's goal of addressing equity, diversity, or accessibility by developing and implementing a digital equity plan. Additionally, the request aligns with Executive Order N-16-221 (signed September 13, 2022), which directs state agencies and departments to embed policies and practices to further advance equity and opportunity and address disparities in access and outcome. The SDEP will achieve these goals and incorporate an inclusive public engagement process to identify and understand barriers to digital equity.

D. Justification

CDT is the state's administering entity for the SDEP Grant Program and will utilize grant funding until it expires in November 2023 to produce the SDEP.

The SDEP will build on the state's Broadband for All programs and will identify the digital equity barriers for eight covered populations:

- Individuals who live in covered households (as defined by Infrastructure Investment and Jobs Act)
- Aging individuals
- Incarcerated individuals other than individuals who are incarcerated in a Federal correctional facility
- Veterans
- Individuals with disabilities
- Individuals with a language barrier, including individuals who:

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- Are English learners
- Have low levels of literacy
- Individuals who are members of a racial or ethnic minority group
- Individuals who primarily reside in a rural area

The SDEP will also identify the state's plan to address outcomes in key priority areas, including education, healthcare, digital equity and inclusion, economic and workforce development, and civic participation and access to essential services.

Contracted resources will be secured to support the SDEP process through June 2023. Afterward, additional funds are needed to build capacity within CDT's Office of Broadband and Digital Literacy to ensure the plan is consistent with federal and state policies. Additional funding would also support: (1) overseeing the SDEP implementation; (2) monitoring additional grant programs identified and established during the plan development; (3) continuing ongoing stakeholder and community engagement; (4) reporting and complying with federal requirements; and (5) securing additional NTIA funding through the Capacity Grant Program and the Competitive Grant Program.

This request includes the following personnel:

- 3 - Staff Services Manager I
- 5 - Associate Governmental Program Analyst
- 1 – Staff Service Manager III

E. Outcomes and Accountability

Approving CDT's request for additional resources will enable CDT to build capacity beyond the one-time federal funding and will implement the SDEP. The SDEP will achieve California's vision, objectives, and strategies for digital equity detailed in the new requirements of AB 2750.

F. Analysis of All Feasible Alternatives

Alternative 1: Approve the General Fund appropriation request for 9.0 positions and \$2.5 million in the fiscal year 2023-24 and ongoing.

Pros:

- Will provide ongoing support for the development and implementation of the SDEP in alignment with Executive Order N-73-20
- Will improve advance equity and opportunity through digital connectivity across the state.
- Will provide ongoing support for the development and implementation of the SDEP beyond the one-time federal funding from the NTIA
- Will support securing additional NTIA funding through the Capacity Grant Program and the Competitive Grant Program, building expertise for ongoing program support through civil service classifications to build expertise for sustainable program support.

Cons:

- This alternative will result in ongoing General Fund appropriations.

Alternative 2: Approve \$6.2 million GF to contract resources in FY 2023-24 and ongoing, with anticipated increases in annual costs for Leveraged Procurement Agreements.

Pros:

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- Accomplishes the Governor's goals and satisfies the requirements of AB 2750.
- It uses one-time consultants, which expedites access to industry experts.

Cons:

- This alternative will result in ongoing General Fund appropriations.
- Requires significantly greater General Fund appropriation than hiring within civil service.
- Does not develop skills and expertise in civil service for sustainable program support.
- Does not align with Government Code requiring proposed contracts to demonstrate an overall cost saving to the state, and the services performed cannot be accomplished by utilizing employees within the regular civil service system.

Alternative 3: Take no action

Pros:

- This alternative does not require General Fund resources.

Cons:

- Significantly impedes the state's ability to develop and implement the SDEP, as well as secure California's share of the \$1.44 billion State Capacity Grant Program funding and support California's entities' efforts to obtain a portion of the \$1.25 billion State Competitive Grant Funds to develop and implement digital inclusion activities.

G. Implementation Plan

Upon approval of this proposal, the CDT will begin the hiring process to onboard the 9.0 positions.

H. Supplemental Information

N/A

I. Recommendation

The California Department of Technology recommends adopting a General Fund appropriation in the amount of \$2.5 million in the fiscal year 2023-24 and ongoing to provide 9.0 positions for the ongoing support of the development and implementation of the SDEP beyond the one-time federal funding from the NTIA. This best ensures that CDT can develop and implement the necessary steps to address matters of digital equity, diversity, and accessibility for all Californians.

BCP Fiscal Detail Sheet

BCP Title: AB 2750: State Digital Equity Plan

BR Name: 7502-032-BCP-2023-GB

Budget Request Summary

	FY23					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Personal Services						
Positions - Permanent	0.0	9.0	9.0	9.0	9.0	9.0
Total Positions	0.0	9.0	9.0	9.0	9.0	9.0
Salaries and Wages						
Earnings - Permanent	0	751	751	751	751	751
Total Salaries and Wages	\$0	\$751	\$751	\$751	\$751	\$751
Total Staff Benefits	0	405	405	405	405	405
Total Personal Services	\$0	\$1,156	\$1,156	\$1,156	\$1,156	\$1,156
Operating Expenses and Equipment						
5301 - General Expense	0	18	18	18	18	18
5304 - Communications	0	9	9	9	9	9
5320 - Travel: In-State	0	9	9	9	9	9
5322 - Training	0	27	27	27	27	27
5340 - Consulting and Professional Services - External	0	1,000	1,000	1,000	1,000	1,000
5342 - Departmental Services	0	226	226	226	226	226
5346 - Information Technology	0	45	45	45	45	45
Total Operating Expenses and Equipment	\$0	\$1,334	\$1,334	\$1,334	\$1,334	\$1,334
Total Budget Request	\$0	\$2,490	\$2,490	\$2,490	\$2,490	\$2,490
Fund Summary						
Fund Source - State Operations						
0001 - General Fund	0	2,490	2,490	2,490	2,490	2,490
Total State Operations Expenditures	\$0	\$2,490	\$2,490	\$2,490	\$2,490	\$2,490
Total All Funds	\$0	\$2,490	\$2,490	\$2,490	\$2,490	\$2,490
Program Summary						
Program Funding						
6230 - Department of Technology	0	2,490	2,490	2,490	2,490	2,490
Total All Programs	\$0	\$2,490	\$2,490	\$2,490	\$2,490	\$2,490

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Personal Services Details

Positions	Salary Information			<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
	Min	Mid	Max						
4800 - Staff Svcs Mgr I				0.0	3.0	3.0	3.0	3.0	3.0
4802 - Staff Svcs Mgr III				0.0	1.0	1.0	1.0	1.0	1.0
5393 - Assoc Govtl Program Analyst				0.0	5.0	5.0	5.0	5.0	5.0
Total Positions				0.0	9.0	9.0	9.0	9.0	9.0
Salaries and Wages	CY	BY	BY+1	BY+2	BY+3	BY+4			
4800 - Staff Svcs Mgr I	0	264	264	264	264	264			
4802 - Staff Svcs Mgr III	0	112	112	112	112	112			
5393 - Assoc Govtl Program Analyst	0	375	375	375	375	375			
Total Salaries and Wages	\$0	\$751	\$751	\$751	\$751	\$751			
Staff Benefits									
5150350 - Health Insurance	0	114	114	114	114	114			
5150450 - Medicare Taxation	0	11	11	11	11	11			
5150500 - OASDI	0	47	47	47	47	47			
5150600 - Retirement - General	0	233	233	233	233	233			
Total Staff Benefits	\$0	\$405	\$405	\$405	\$405	\$405			
Total Personal Services	\$0	\$1,156	\$1,156	\$1,156	\$1,156	\$1,156			