

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. 12
Budget Request Name 7502-033-BCP-2023-GB		Program 6230	Subprogram N/A

Budget Request Description
 Broadband Communication Report (SB 717)

Budget Request Summary

To support the mandates set forth under Senate Bill 717 Department of Technology: Broadband Communication: Report (SB 717), the California Department of Technology (CDT) requests \$840,000 in Fiscal Year (FY) 2023-24 and \$660,000 in FY 2024-25 from the General Fund (GF). The requested funding is required to fund both professional and consulting services contracts that will be utilized to establish the Broadband Access Point Investment Acceleration Study Act of 2022.

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 No	Code Section(s) to be Added/Amended/Repealed N/A	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, 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 12/20/2022
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Analysis of Problem

A. Budget Request Summary

To support the mandates set forth under Senate Bill 717 Department of Technology: Broadband Communication: Report (SB 717), the California Department of Technology (CDT) requests \$840,000 in Fiscal Year (FY) 2023-24 and \$660,000 in FY 2024-25 from the General Fund (GF). The requested funding is required to fund both professional and consulting services contracts that will be utilized to establish the Broadband Access Point Investment Acceleration Study Act of 2022.

B. Background/History

SB 717 is the latest in a long line of efforts to enhance California's Broadband expansion efforts by creating the Broadband Access Point Investment Acceleration Study Act of 2022. This statute mandates a report that generates the information needed to provide a crucial statewide benefit by enhancing internet access for both unserved and underserved California communities. As California has already invested over \$6 billion dollars to expand its respective broadband infrastructure, is it imperative that the state continues to support this initiative to expedite the current statewide effort to increase internet accessibility for all residents.

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. At present, CDT's Director is serving as the current 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 initiative was implemented pursuant to Executive Order N-73-20. This state initiative is composed of four (4) 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.

C. State Level Consideration

This request specifically aligns with the goals of the Broadband Action and middle and last mile broadband infrastructure investments set forth in Senate Bill 156 and contributes to the expeditious deployment of broadband infrastructure equitable access to broadband and broadband related services for individuals throughout California, and especially in underserved communities.

Equity Statement

This request is in line with CDT's goal addressing matters of equity, diversity, or accessibility by working to extend broadband internet to at-risk or previously marginalized populations throughout California. Additionally, the request aligns with Executive Order N-16-22 (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.

D. Justification

CDT requests \$1.5 million split over two years (\$840,000 in FY 2023-24 and \$660,000 in FY 2024-25) to create the Broadband Access Point Investment Acceleration Study Act of 2022, consistent with the guidelines of SB 717. With these resources, CDT will complete and submit the necessary reporting by May 1, 2024, to the legislative committees that review and identify barriers to, and opportunities for, investment in and efficient building of broadband access points on government-owned structures and property, private and public lands and buildings, and public rights of way; the identification of barriers to, and opportunities for, access to mobile and fixed broadband internet service infrastructure by low-income tribal, urban, and rural customers and undeserved communities; and recommendations about how to accelerate deployment of broadband access points to serve specified populations.

Specifically, CDT's efforts would be focused primarily on identifying barriers to and opportunities for the investment in and efficient building of broadband access points on government-owned structures and property, private and public lands and buildings, and public rights of way. In addition, the departmental efforts within the report would also be centered around finding barriers to, and opportunities for, access to mobile and fixed broadband internet service infrastructure by low-income tribal, urban, and rural customers, and to underserved communities.

If this request is approved, the report's findings will be utilized to provide recommendations on how California's government could accelerate the deployment of broadband access points to disadvantaged or underserved communities. Please see below for some of the factors that will be studied as potential barriers in providing broadband internet to potentially underprivileged communities.

- The processes for and cost of obtaining electric service to broadband access points.
- Processes for obtaining state, county, or local permits to deploy broadband access points.
- Regulatory and legal obstacles in deploying fiber to transport broadband traffic from broadband access points.
- The lack of legal limitations on the price for leasing private or public property to deploy broadband access points on public and private property and buildings.
- The cost of leasing access to middle-mile broadband networks.
- California Coastal Commission permitting policies.
- Local coastal plans that use California Coastal Commission policies.
- The permitting policies and processes to deploy on property governed by port authorities.
- Air quality management district permitting requirements.
- Noise abatement regulations that result in delay or block investment in and deployment of broadband access points.
- The income of households in the area and the economic feasibility for internet service providers to deploy in areas.

E. Outcomes and Accountability

These resources will allow CDT to complete the report required by SB 717, which is in alignment with workload efforts the Office of Broadband and Digital Literacy is currently undertaking. The proposed deadline of May 1, 2024, would enable the department to execute the procurement protocol to select an appropriate contractor to perform the requisite work,

successfully onboard the contractor, and have the contractor both research and draft the appropriate documents within the established timeframe.

F. Analysis of All Feasible Alternatives

Alternative 1: Approve the GF request of \$840,000 in FY 2023-24 and \$660,000 in FY 2024-25 to fund consulting services contracts to establish the Broadband Access Point Investment Acceleration Study Act of 2022.

Pros:

- Hiring Consultant experts provides a strategic approach, that accelerates delivery and statewide outcomes while transferring knowledge once the one-time work is completed.
- The field of expertise for fiber network construction is further reaching within consultants
- The solicitation process requires a shorter turnaround time from advertisement to onboarding
- The duration of the contract may include the entire length of the project timeline and has the flexibility to be extended if additional time is necessary

Cons:

- Increased cost to GF
- The cost of hiring consultant staff comes at a premium
- The institutional knowledge will be lost at the end of the contract

Alternative 2: Hire five state staff (five positions), limited term for two years, costing \$1.14 million in FY 2023-24 and 2024-25 to complete the Broadband Access Point Investment Acceleration Study Act of 2022.

Pros:

- Some long-term benefit to the culture and institutional knowledge for the State
- The cost of hiring staff is lower

Cons:

- The time to hire and train staff may impact timeline and success
- Limited Term positions are difficult to recruit and retain
- The potential to hire staff with experience in the field of Fiber network construction is low

Alternative 3: Deny the request.

Pros:

- No impact to GF

Cons:

- The workload will not be complete
- Additional funding may be contingent on this project. The loss of the additional funding and the opportunity for investment in digital equity is greater than the cost of soliciting or hiring staff

G. Implementation Plan

Develop statement of work and release the solicitation to multiple vendors on the CMAS list for appropriate services. The process will follow standard procurement processes and timelines. The procurement team understands this is a time sensitive request and has proposed an approximate 45-day process from beginning to end, concluded with an executed contract to begin onboarding the required staff.

H. Supplemental Information

N/A

I. Recommendation:

Approve the GF request of \$840,000 in FY 2023-24 and \$660,000 in FY 2024-25 to fund consulting services contracts to establish the Broadband Access Point Investment Acceleration Study Act of 2022.

BCP Fiscal Detail Sheet

BCP Title: SB 717: Broadband Communication Report

BR Name: 7502-033-BCP-2023-GB

Budget Request Summary

		CY	BY	BY+1	FY23	BY+2	BY+3	BY+4
Operating Expenses and Equipment								
5340 - Consulting and Professional Services - Interdepartmental		0	840	660		0	0	0
Total Operating Expenses and Equipment		\$0	\$840	\$660		\$0	\$0	\$0
Total Budget Request		\$0	\$840	\$660		\$0	\$0	\$0

Fund Summary

Fund Source - State Operations								
0001 - General Fund		0	840	660		0	0	0
Total State Operations Expenditures		\$0	\$840	\$660		\$0	\$0	\$0
Total All Funds		\$0	\$840	\$660		\$0	\$0	\$0

Program Summary

Program Funding								
6230 - Department of Technology		0	840	660		0	0	0
Total All Programs		\$0	\$840	\$660		\$0	\$0	\$0