

ASSEMBLY BILL

No. 1391

Introduced by Assembly Member Cardoza

February 23, 2001

An act to add Section 63051 to, and to add and repeal Article 4 (commencing with Section 15350) of Chapter 1 of Part 6.7 of Division 3 of Title 2 of, the Government Code, relating to telecommunications, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1391, as introduced, Cardoza. San Joaquin Valley: Communications and Leadership Information Center.

Under the Bergeson-Peace Infrastructure and Economic Development Bank Act, the California Infrastructure and Economic Development Bank is established within state government to make secured loans and undertake related activities for the purpose of financing projects that relate to infrastructure improvements.

This bill would require the Technology, Trade, and Commerce Agency to establish, until January 1, 2007, the Communications and Leadership Information Center (CLIC) in the Technology, Trade, and Commerce Agency for the purposes of promoting the expansion of the telecommunications infrastructure in the San Joaquin Valley, facilitating the creation of a technology leadership team in the 8 counties within the San Joaquin Valley, acting as a liaison on communications infrastructure matters with state and local entities, championing private sector telecommunications investments in the San Joaquin Valley, and overseeing a grant and loan program for public investments in the telecommunications infrastructure of the San Joaquin Valley.

This bill would require the Secretary of the Technology, Trade, and Commerce Agency to oversee CLIC and would require CLIC to be administered by a 15-member board of directors to be appointed or selected, as specified. The bill would prescribe the duties and responsibilities of the board of directors with respect to communications infrastructure and related economic development.

This bill would establish the San Joaquin Valley Communications and Leadership Information Center Grant and Loan Program as a 5-year program to provide \$22,250,000 in grants to eligible entities, as described, including small cities and rural communities and \$100,000,000 in loans to eligible entities, as described, including large cities. The grant portion of the program would include a local match component.

This bill would establish the Communications and Leadership Information Center Account as an account within the California Infrastructure Bank Fund. The bill would authorize the sale of a sufficient amount of revenue bonds to generate \$100,000,000 of bond proceeds. The bond proceeds would be deposited into the account and would be used for the purposes of funding the loan portion of the program established by these provisions. The bill would require the Infrastructure and Economic Development Bank to administer the financial aspects of the loan program in accordance with this bill.

This bill would appropriate \$27,250,000 from the General Fund for the 2001–02 fiscal year to the Technology, Trade, and Commerce Agency for allocation to CLIC to fund the grants authorized by these provisions and the operational expenses of CLIC. The bill would allocate \$5,450,000 for these purposes for each of 5 fiscal years. Up to \$1,000,000 from the annual allocation each fiscal year would be made available for the operation of CLIC, including staffing, equipment and supplies, travel and expenses, with the remaining funds allocated each fiscal year to be used to fund grants.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 4 (commencing with Section 15350) is
2 added to Chapter 1 of Part 6.7 of Division 3 of Title 2 of the
3 Government Code, to read:
4



1 Article 4. Communications and Leadership Information
2 Center
3

4 15350. The Legislature finds and declares as follows:

5 (a) The San Joaquin Valley is a large and complex region that
6 is undergoing tremendous growth and change. These pressures are
7 compounded by geographic separation and daunting social and
8 economic forces.

9 (b) Current data indicate significant challenges must be
10 overcome if the area is to reduce unemployment and increase
11 wages. The region's response to these challenges will determine
12 the future of the San Joaquin Valley, its economic sustainability,
13 and the quality of life for its residents. The San Joaquin Valley, in
14 turn, will affect the entire State of California, either as a positive
15 contributor or as an economic drain.

16 (c) The eight-county region that includes the Counties of
17 Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus,
18 and Tulare, which has been historically dependent on the
19 mono-culture of agriculture, is increasingly recognizing the
20 necessity for economic diversification, the opportunities
21 presented by the new economy, and the enabling prospects that
22 technology offers. The region is beginning a process of long-term
23 systemic change that goes to solving long-existing issues.

24 (d) However, as our society becomes increasingly
25 information-based and knowledge-driven, opportunities for equal
26 participation through education, jobs, and community become
27 skewed among socioeconomic and geographically distributed
28 groups. Enhancing the number and diversity of those who have
29 access to and a motivation for using the new technology will help
30 the region as a whole.

31 (e) The "digital divide" is particularly evident in the San
32 Joaquin Valley, where access to technology and computer use is
33 significantly lower than in the high tech centers of Los Angeles,
34 the San Francisco Bay area, and Sacramento.

35 (f) The project seeks to put in place the enabling infrastructure
36 that will support new and better paying jobs and close the digital
37 divide in the San Joaquin Valley.

38 (g) The project will increase the utilization of information and
39 advanced communications technologies across the diversity of the



1 San Joaquin Valley and focus on encouraging and facilitating the
2 use of and access to those technologies in all its communities.

3 (h) The grant and loan program will encourage and enable
4 communities to determine and implement their own course of
5 technology utilization, a course consistent with locally driven
6 priorities and requirements while coordinated with regional
7 initiatives and a nonduplicative and nonredundant structure.

8 (i) A new and more comprehensive process of regional
9 collaboration and information sharing based on a coordinated and
10 cooperative overall telecommunications strategy can be
11 accomplished through the establishment of a regional
12 Communications Leadership Information Center (CLIC) and
13 creating a CLIC Board of Directors for the purposes of providing
14 a long-term strategy, structure, and coordination for
15 telecommunications infrastructure with a focus on regional
16 communications technologies, policy, and applications.

17 15350.1. This article shall be known and may be cited as the
18 San Joaquin Valley Communications and Leadership Information
19 Project.

20 15350.2. (a) The Technology, Trade, and Commerce Agency
21 shall establish a Communications and Leadership Information
22 Center (CLIC) in accordance with this article.

23 (b) CLIC is created for the following purposes:

24 (1) To promote the expansion of the telecommunications
25 infrastructure in the San Joaquin Valley by acting as a
26 clearinghouse for technical information.

27 (2) To facilitate the creation of a technology leadership team in
28 the eight counties within the San Joaquin Valley that include the
29 counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin,
30 Stanislaus, and Tulare.

31 (3) To act as a liaison on communications infrastructure
32 matters with state and local entities.

33 (4) To champion private sector telecommunication
34 investments in the San Joaquin Valley.

35 (5) To oversee a grant and loan program for public investments
36 in the telecommunications infrastructure of the San Joaquin
37 Valley, including programs that bridge the digital divide, in order
38 to expand the availability of broadband services in furtherance of
39 economic development.



1 (c) The Secretary of the Technology, Trade, and Commerce
2 Agency shall oversee CLIC.

3 15350.3. (a) CLIC shall be administered by a board of
4 directors comprised of the following 15 members:

5 (1) The Secretary of Technology, Trade, and Commerce.

6 (2) Fourteen members who shall be appointed as follows:

7 (A) Six members shall be appointed by the Governor.

8 (B) Four members shall be appointed by the Senate Committee
9 on Rules.

10 (C) Four members shall be appointed by the Speaker of the
11 Assembly.

12 (b) The appointing authority shall seek recommendations for
13 nominations of potential members for the board of directors from
14 local governments, universities, economic development
15 organizations, nonprofit organizations, and businesses, including
16 agriculture.

17 15350.4. The board of directors shall do all of the following:

18 (a) Set regional goals for communication infrastructure
19 projects and related economic development issues and activities.

20 (b) Design and administer a grant program focused on
21 attracting advanced communications services to the San Joaquin
22 Valley.

23 (c) Assist in coordinating local and regional initiatives
24 pertaining to communications infrastructure and connectivity.

25 (d) Approve the allocation and dissemination of funds
26 appropriated or allocated to CLIC.

27 15350.5. CLIC shall do all of the following:

28 (a) Act as a clearinghouse for information related to
29 telecommunications infrastructure and advanced
30 telecommunications services and provide a library of technical
31 information including resources for identifying and applying for
32 grants.

33 (b) Facilitate the creation of a technology leadership team in
34 each of the eight counties in the San Joaquin Valley with
35 responsibility for encouraging local implementation of local
36 initiatives that support their communications objectives and
37 strategies.

38 (c) Create a regional forum for public and private sector and
39 regional technology leaders providing opportunities to share best
40 practices and stay up to date on new technologies and policies.



- 1 (d) Assist local economic development corporations, work
2 force training boards, and others charged with job creation.
 - 3 (e) Act as liaison on communications infrastructure matters
4 between local entities and the state, as represented by the
5 Technology, Trade, and Commerce Agency.
 - 6 (f) Oversee the implementation and coordination of projects
7 such as those designed to make the San Joaquin Valley a
8 world-recognized center for research and development of
9 communications technologies to enhance the productivity of
10 growers, processors, and distributors.
 - 11 (g) Encourage and support mechanisms such as community
12 technology centers and computer recycling programs that make
13 information technologies, equipment, and the acquisition of
14 related skills more accessible to disadvantaged and low-income
15 communities.
 - 16 (h) Encourage and support technology training programs to
17 build an information literate work force.
 - 18 (i) Encourage community technology assessment efforts.
 - 19 (j) Partner with appropriate agencies and organizations to
20 develop a distributed network of centers to assist local small
21 business to adopt electronic commerce.
- 22 15350.6. (a) There is hereby established the San Joaquin
23 Valley Communications and Leadership Information Center Grant
24 and Loan Program. The program shall provide during its five-year
25 duration an aggregate of twenty-two million two hundred fifty
26 thousand dollars (\$22,250,000) in grants to eligible entities,
27 including small cities and rural communities and one hundred
28 million dollars (\$100,000,000) in loans to eligible entities,
29 including large cities.
- 30 (b) In addition to the amount of bonds authorized to be
31 outstanding at any one time pursuant to Section 63071 and
32 notwithstanding any other provision of law, the California
33 Infrastructure and Economic Development Bank may issue
34 revenue bonds in an amount sufficient to generate one hundred
35 million dollars (\$100,000,000) in bond proceeds for the purposes
36 of funding the loan portion of the program established in
37 subdivision (a).
 - 38 (c) From the General Fund appropriation made by the act
39 enacting this article, the sum of twenty-seven million two hundred
40 fifty thousand dollars (\$27,250,000) shall be available for the



1 purposes of funding the grants authorized by this article and the
2 operational expenses of CLIC and allocated over a period of five
3 fiscal years. The sum of five million four hundred fifty thousand
4 dollars (\$5,450,000) shall be allocated to CLIC from the amount
5 appropriated for each of the following fiscal years:

- 6 (1) The 2001-02 fiscal year.
- 7 (2) The 2002-03 fiscal year.
- 8 (3) The 2003-04 fiscal year.
- 9 (4) The 2004-05 fiscal year.
- 10 (5) The 2005-06 fiscal year.

11 (d) From the money allocated each fiscal year to CLIC
12 pursuant to subdivision (b), up to one million dollars (\$1,000,000)
13 shall be made available to fund the operational expenses of CLIC,
14 including staffing, equipment and supplies, travel, and expenses
15 and the remaining allocated funds shall be used to fund grants for
16 the development of infrastructure and economic development
17 projects and community technology programs to address the
18 digital divide.

19 15350.7. (a) For the purposes of the San Joaquin Valley
20 Communications and Leadership Information Center Grant and
21 Loan Program, the following entities shall be eligible for grants:

- 22 (1) Cities in the San Joaquin Valley with fewer than 60,000
23 residents.
- 24 (2) Counties serving unincorporated communities in the San
25 Joaquin Valley with fewer than 40,000 residents.
- 26 (3) Nonprofit organizations with telecommunications
27 expertise serving the San Joaquin Valley.
- 28 (4) Public educational institutions serving the San Joaquin
29 Valley.

30 (b) Under the program, the following entities shall be eligible
31 for loans:

- 32 (1) Cities in the San Joaquin Valley with greater than 60,000
33 residents.
- 34 (2) Nonprofit organizations with telecommunications
35 expertise serving the San Joaquin Valley.
- 36 (3) Public educational institutions.

37 (c) Except as otherwise provided in this subdivision, projects
38 with a public purpose and that are eligible for a grant under this
39 article shall provide at least 50 percent cash or in-kind local
40 contributions as matching funds. However, projects in



1 low-income areas, as determined by the board of directors of
2 CLIC, shall be subject to a reduced local matching requirement
3 and shall be required to provide at least 10 percent cash or in-kind
4 local contributions as its share of matching funds.

5 (d) Grants shall be awarded and loans shall be made based on
6 both the actual and potential size and demonstrated need of the
7 community or organization as well as leadership and
8 implementation capacity, community support, and collaborative
9 efforts.

10 15350.8. This article shall remain in effect only until January
11 1, 2007, and as of that date is repealed, unless a later enacted
12 statute, that is enacted before January 1, 2007, deletes or extends
13 that date.

14 SEC. 2. Section 63051 is added to the Government Code, to
15 read:

16 63051. (a) There is hereby established as an account within
17 the California Infrastructure Bank Fund, the Communications and
18 Leadership Information Center Account. Proceeds from the sale
19 of revenue bonds authorized by subdivision (b) of Section 15350.5
20 shall be deposited into this account and may be used for the
21 purposes of funding loans authorized and issued pursuant to
22 Article 4 (commencing with Section 15350) of Chapter 1 of Part
23 6.7 of Division 3 of Title 2.

24 (b) The Infrastructure and Economic Development Bank shall
25 administer the financial aspects of the loan portion of the San
26 Joaquin Valley Communications and Leadership Information
27 Center Grant and Loan Program as established and described in
28 Sections 15350.5 and 15350.6.

29 SEC. 3. The sum of twenty-seven million two hundred fifty
30 thousand dollars (\$27,250,000) is hereby appropriated from the
31 General Fund for the 2001–02 fiscal year to the Technology,
32 Trade, and Commerce Agency for allocation to the
33 Communications and Leadership Information Center established
34 pursuant to Section 15350.1 of the Government Code over a
35 five-year period as specified in subdivisions (c) and (d) of Section
36 15350.4 of that code.

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