

AMENDED IN ASSEMBLY APRIL 19, 2001

AMENDED IN ASSEMBLY APRIL 5, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1391

Introduced by Assembly Member ~~Cardoza~~ Members *Cardoza, Cogdill, Cohn, Diaz, Oropeza, and Reyes*

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 amended, Cardoza. San Joaquin Valley: Communications Leadership and 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 Leadership and 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 Leadership and 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 Leadership and 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: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.



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

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

Article 4. Communications and Leadership Information
Center

15350. The Legislature finds and declares as follows:

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

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

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

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

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

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

4 (g) The project will increase the utilization of information and
5 advanced communications technologies across the diversity of the
6 San Joaquin Valley and focus on encouraging and facilitating the
7 use of and access to those technologies in all its communities.

8 (h) The grant and loan program will encourage and enable
9 communities to determine and implement their own course of
10 technology utilization, a course consistent with locally driven
11 priorities and requirements while coordinated with regional
12 initiatives and a nonduplicative and nonredundant structure.

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

22 15350.1. This article shall be known and may be cited as the
23 San Joaquin Valley Communications Leadership and Information
24 Project.

25 15350.2. (a) The Technology, Trade, and Commerce Agency
26 shall establish a Communications Leadership and Information
27 Center (CLIC) in accordance with this article.

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

29 (1) To promote the expansion of the telecommunications
30 infrastructure in the San Joaquin Valley by acting as a
31 clearinghouse for technical information.

32 (2) To facilitate the creation of a technology leadership team in
33 the eight counties within the San Joaquin Valley that include the
34 counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin,
35 Stanislaus, and Tulare.

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

38 (4) To champion private sector telecommunication
39 investments in the San Joaquin Valley.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

15350.5. CLIC shall do all of the following:

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

(b) Facilitate the creation of a technology leadership team in each of the eight counties in the San Joaquin Valley with responsibility for encouraging local implementation of local

1 initiatives that support their communications objectives and
2 strategies.

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

6 (d) Assist local economic development corporations,
7 workforce training boards, and others charged with job creation.

8 (e) Act as liaison on communications infrastructure matters
9 between local entities and the state, as represented by the
10 Technology, Trade, and Commerce Agency.

11 (f) Oversee the implementation and coordination of projects
12 such as those designed to make the San Joaquin Valley a
13 world-recognized center for research and development of
14 communications technologies to enhance the productivity of
15 growers, processors, and distributors.

16 (g) Encourage and support mechanisms such as community
17 technology centers and computer recycling programs that make
18 information technologies, equipment, and the acquisition of
19 related skills more accessible to disadvantaged and low-income
20 communities.

21 (h) Encourage and support technology training programs to
22 build an information literate workforce.

23 (i) Encourage community technology assessment efforts.

24 (j) Partner with appropriate agencies and organizations to
25 develop a distributed network of centers to assist local small
26 business to adopt electronic commerce.

27 15350.6. (a) There is hereby established the San Joaquin
28 Valley Communications Leadership and Information Center Grant
29 and Loan Program. The program shall provide during its five-year
30 duration an aggregate of twenty-two million two hundred fifty
31 thousand dollars (\$22,250,000) in grants to eligible entities,
32 including small cities and rural communities and one hundred
33 million dollars (\$100,000,000) in loans to eligible entities,
34 including large cities.

35 (b) In addition to the amount of bonds authorized to be
36 outstanding at any one time pursuant to Section 63071 and
37 notwithstanding any other provision of law, the California
38 Infrastructure and Economic Development Bank may issue
39 revenue bonds in an amount sufficient to generate one hundred
40 million dollars (\$100,000,000) in bond proceeds for the purposes

1 of funding the loan portion of the program established in
2 subdivision (a).

3 (c) From the General Fund appropriation made by the act
4 enacting this article, the sum of twenty-seven million two hundred
5 fifty thousand dollars (\$27,250,000) shall be available for the
6 purposes of funding the grants authorized by this article and the
7 operational expenses of CLIC and allocated over a period of five
8 fiscal years. The sum of five million four hundred fifty thousand
9 dollars (\$5,450,000) shall be allocated to CLIC from the amount
10 appropriated for each of the following fiscal years:

11 (1) The 2001–02 fiscal year.

12 (2) The 2002–03 fiscal year.

13 (3) The 2003–04 fiscal year.

14 (4) The 2004–05 fiscal year.

15 (5) The 2005–06 fiscal year.

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

24 15350.7. (a) For the purposes of the San Joaquin Valley
25 Communications Leadership and Information Center Grant and
26 Loan Program, the following entities shall be eligible for grants:

27 (1) Cities in the San Joaquin Valley with fewer than 60,000
28 residents.

29 (2) Counties serving unincorporated communities in the San
30 Joaquin Valley with fewer than 40,000 residents.

31 (3) Nonprofit organizations with telecommunications
32 expertise serving the San Joaquin Valley.

33 (4) Public educational institutions serving the San Joaquin
34 Valley.

35 (b) Under the program, the following entities shall be eligible
36 for loans:

37 (1) Cities in the San Joaquin Valley with greater than 60,000
38 residents.

39 (2) Nonprofit organizations with telecommunications
40 expertise serving the San Joaquin Valley.

1 (3) Public educational institutions.

2 (c) Except as otherwise provided in this subdivision, projects
3 with a public purpose and that are eligible for a grant under this
4 article shall provide at least 50 percent cash or in-kind local
5 contributions as matching funds. However, projects in
6 low-income areas, as determined by the board of directors of
7 CLIC, shall be subject to a reduced local matching requirement
8 and shall be required to provide at least 10 percent cash or in-kind
9 local contributions as its share of matching funds.

10 (d) Grants shall be awarded and loans shall be made based on
11 both the actual and potential size and demonstrated need of the
12 community or organization as well as leadership and
13 implementation capacity, community support, and collaborative
14 efforts.

15 15350.8. This article shall remain in effect only until January
16 1, 2007, and as of that date is repealed, unless a later enacted
17 statute, that is enacted before January 1, 2007, deletes or extends
18 that date.

19 SEC. 2. Section 63051 is added to the Government Code, to
20 read:

21 63051. (a) There is hereby established as an account within
22 the California Infrastructure Bank Fund, the Communications
23 Leadership and Information Center Account. Proceeds from the
24 sale of revenue bonds authorized by subdivision (b) of Section
25 15350.5 shall be deposited into this account and may be used for
26 the purposes of funding loans authorized and issued pursuant to
27 Article 4 (commencing with Section 15350) of Chapter 1 of Part
28 6.7 of Division 3 of Title 2.

29 (b) The Infrastructure and Economic Development Bank shall
30 administer the financial aspects of the loan portion of the San
31 Joaquin Valley Communications Leadership and Information
32 Center Grant and Loan Program as established and described in
33 Sections 15350.5 and 15350.6.

34 SEC. 3. The sum of twenty-seven million two hundred fifty
35 thousand dollars (\$27,250,000) is hereby appropriated from the
36 General Fund for the 2001–02 fiscal year to the Technology,
37 Trade, and Commerce Agency for allocation to the
38 Communications Leadership and Information Center established
39 pursuant to Section 15350.1 of the Government Code over a

- 1 five-year period as specified in subdivisions (c) and (d) of Section
- 2 15350.4 of that code.

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