

AMENDED IN ASSEMBLY JULY 13, 1999

AMENDED IN SENATE APRIL 20, 1999

SENATE BILL

No. 669

Introduced by Senator Polanco

February 24, 1999

An act to amend Section 53114.1 of the Government Code, ~~relating to communications~~ and to add Sections 381.5, 382.5, and 382.7 to, and to add Chapter 1.5 (commencing with Section 270) to Part 1 of Division 1 of, the Public Utilities Code, relating to service.

LEGISLATIVE COUNSEL'S DIGEST

SB 669, as amended, Polanco. Local emergency telephone systems: *Public Utilities Commission*.

~~Existing~~

(1) *Existing* law, the Warren-911-Emergency Assistance Act, directs the Communications Division of the Department of General Services to consult regularly with specified agencies, officials, and entities to accomplish its responsibilities with respect to the establishment by local agencies of 911 telephone service.

This bill would direct the Communications Division also to consult for that purpose with a local representative from a city and a local representative from a county.

(2) *Existing* law provides for various programs relating to telephone corporations to be administered by the Public Utilities Commission, and paid for in the utility rates authorized by the commission.

This bill would, under the Public Utilities Act, create 6 advisory boards to advise the commission regarding the implementation, development, and administration of specified programs, and to carry out the programs pursuant to the commission's direction, control, and approval. The bill would require the commission to determine the number and qualifications of the members of each advisory board, as specified, and would prescribe certain matters of organization and procedure for each advisory board. The bill would require each board to submit an annual budget to the commission for approval, and a report describing the activities of the board, as prescribed. The bill would create a fund in the State Treasury for each advisory board, and would require the commission, on or before July 1, 2000, to report to the Governor and the Legislature regarding a transition plan designed to protect the efficiency and effectiveness of programs associated with those funds. The bill would require telephone corporations to submit to the commission approved rate revenues for transfer by the commission to the Controller for deposit in the appropriate fund as created by the bill. The bill would require any unexpended revenues collected prior to the operative date of the bill to be deposited in the appropriate fund, as specified. The bill would require the commission to conduct financial audits of the revenues for each of the funds, and to conduct compliance audits with regard to each program, as specified. Because, under the act, a violation of those provisions would be a crime, the bill would impose a state-mandated local program by creating new crimes.

(3) The act requires the commission to order specified electrical corporations to collect and spend certain funds for prescribed public benefit programs. The act specifically requires cost-effective energy efficiency and conservation activities to be funded by San Diego Gas and Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company at specified levels, commencing January 1, 1998, through December 31, 2001.

The bill would require the Bureau of State Audits to conduct a performance and financial audit of the administration by the Department of Community Services



and Development of existing federal programs and assessing the operational and fiscal capacity of the Department of Community Services and Development to assume the administration of specified low-income energy efficiency programs. The bill would require the bureau, on or before July 1, 2000, to prepare and submit to the Governor and the chairs of specified legislative committees a report of its audit findings. The bill would require the commission, if it requires low-income energy efficiency programs to be subject to competitive bidding, to consider as part of its bid evaluation criteria both cost-of-service and quality-of-service criteria. The bill would authorize the commission to modify its existing policies and procedures, and the entities with which it contracts, with regard to low-income energy efficiency programs, based on public input from a variety of sources, including, but not limited to, representatives from low-income communities. The bill would make related statements of legislative intent.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: ~~no~~ yes.

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

1 SECTION 1. Section 53114.1 of the Government
2 Code is amended to read:
3 53114.1. To accomplish the responsibilities specified
4 in this article, the Communications Division is directed to
5 consult at regular intervals with the State Fire Marshal,
6 the State Department of Health Services, the Governor's
7 Office of Traffic Safety, the Office of Emergency
8 Services, the California Council on Criminal Justice, a
9 local representative from a city, a local representative
10 from a county, the public utilities in this state providing
11 telephone service, the Associated Public Safety

1 Communications Officers, the Emergency Medical
2 Services Authority, the Department of the California
3 Highway Patrol, and the Department of Forestry and
4 Fire Protection. These agencies shall provide all
5 necessary assistance and consultation to the
6 Communications Division to enable it to perform its
7 duties specified in this article.

8 *SEC. 2. Chapter 1.5 (commencing with Section 270)*
9 *is added to Part 1 of Division 1 of the Public Utilities Code,*
10 *to read:*

11
12 *CHAPTER 1.5. ADVISORY BOARDS*
13

14 270. (a) *The following funds are hereby created in*
15 *the State Treasury:*

16 (1) *The California High-Cost Fund-A Administrative*
17 *Committee Fund.*

18 (2) *The California High-Cost Fund-B Administrative*
19 *Committee Fund.*

20 (3) *The Universal Lifeline Telephone Service Trust*
21 *Administrative Committee Fund.*

22 (4) *The Deaf and Disabled Telecommunications*
23 *Program Administrative Committee Fund.*

24 (5) *The Payphone Service Providers Committee*
25 *Fund.*

26 (6) *The California Teleconnect Fund Administrative*
27 *Committee Fund.*

28 (b) *Moneys in the funds may only be expended*
29 *pursuant to this chapter.*

30 (c) *Moneys in each fund may not be appropriated, or*
31 *in any other manner transferred or otherwise diverted,*
32 *to any other fund or entity.*

33 (d) *Notwithstanding Section 7550.5 of the*
34 *Government Code, on or before July 1, 2000, the Public*
35 *Utilities Commission, in consultation with the*
36 *Department of Finance, shall report to the Governor and*
37 *the Legislature regarding a transition plan designed to*
38 *protect the efficiency and effectiveness of programs*
39 *associated with funds to be established within the State*
40 *Treasury, as specified in subdivision (a). Advisory*

1 committees created by Sections 275, 276, 277, 278, 279, and
2 280 shall provide information and input to the
3 commission in development of the specified transition
4 plan.

5 271. For each advisory board created pursuant to this
6 chapter all of the following are applicable:

7 (a) The commission shall establish the number of, and
8 qualifications for, persons to serve as members of each
9 board, and shall appoint the members of each board. In
10 determining the qualifications of persons who will serve
11 as members of each board, the commission shall consider
12 the purpose of the program, and shall attempt to achieve
13 balanced public participation, for each board. The
14 membership of each board shall reflect, to the extent
15 possible, and consistent with existing law, the ethnic and
16 gender diversity of the state.

17 (b) Each board shall determine, subject to approval by
18 the commission, the time, location, and number of
19 monthly meetings for each board.

20 (c) A majority of the number of members of each
21 board constitutes a quorum.

22 (d) A board cannot act at a meeting without the
23 presence of a quorum.

24 (e) The affirmative vote of a majority of those
25 members present at the meeting of a board is necessary
26 in order to pass any motion, resolution, or measure.

27 (f) The commission shall determine for each board
28 whether the board members shall receive expense
29 reimbursement pursuant to Section 19820 of the
30 Government Code and a per diem allowance, as specified
31 in Section 11564.5 of the Government Code, or as
32 established by the commission. Each member of a board
33 who is not a commission or public utility employee, or
34 who is not otherwise compensated by an employer for
35 service on the board, shall be entitled to make a claim for
36 and to receive a per diem allowance, if authorized by the
37 commission. Each member of a board who is not a public
38 utility employee, or who is not otherwise reimbursed by
39 an employer for expenses incurred when serving on the
40 board, shall be entitled to make a claim for and to receive

1 expense reimbursement, if authorized by the
2 commission. The commission shall allow all reasonable
3 expense and per diem claims. The payments in each
4 instance shall be made only from the fund that supports
5 the activities of the board and shall be subject to the
6 availability of money in that fund. The claims shall be filed
7 by the board with the commission.

8 273. Each advisory board created pursuant to this
9 chapter shall do both of the following:

10 (a) Submit an annual budget to the commission.
11 Within 90 calendar days after receiving a board's annual
12 budget, the commission shall either accept, accept with
13 conditions, or reject the submitted budget.

14 (b) Notwithstanding Section 7550.5 of the
15 Government Code, submit, in accordance with
16 procedures established by the commission, a report that
17 shall describe the activities of the board during the prior
18 reporting period. The report shall be submitted on an
19 annual or more frequent basis, as ordered by the
20 commission.

21 274. The commission may, whenever it determines it
22 to be necessary, conduct financial audits of the revenues
23 required to be collected and submitted to the commission
24 for each of the funds specified in Section 270. The
25 commission may, whenever it determines it to be
26 necessary, conduct compliance audits on the compliance
27 with commission orders with regard to each program
28 subject to this chapter. The commission shall conduct a
29 financial and compliance audit at least once every three
30 years. The first three-year period for a financial and
31 compliance audit commences on January 1, 2000. The
32 second and subsequent three-year periods for financial
33 audits commence three years after the completion of the
34 prior financial audit. The second and subsequent
35 three-year periods for compliance audits commence
36 three years after the completion of the prior compliance
37 audit. The commission may contract with the Bureau of
38 State Audits or the Department of Finance for all
39 necessary auditing services. All costs for audits shall be
40 paid from the fund that supports the activities of the

1 board audited and shall be subject to the availability of
2 money in that fund.

3 275. (a) There is hereby created the California
4 High-Cost Fund-A Administrative Committee, which is
5 an advisory board to advise the commission regarding the
6 development, implementation, and administration of a
7 program to provide for transfer payments to small
8 independent telephone corporations providing local
9 exchange services in high-cost rural and small
10 metropolitan areas in the state to create fair and equitable
11 local rate structures, as provided for in Section 739.3, and
12 to carry out the program pursuant to the commission's
13 direction, control, and approval.

14 (b) All revenues collected by telephone corporations
15 in rates authorized by the commission to fund the
16 program specified in subdivision (a) shall be submitted to
17 the commission pursuant to a schedule established by the
18 commission. The commission shall transfer the moneys
19 received to the Controller for deposit in the California
20 High-Cost Fund-A Administrative Committee Fund. All
21 interest earned by moneys in the fund shall be deposited
22 in the fund. Any unexpended revenues collected prior to
23 the operative date of this section shall be submitted to the
24 commission, and the commission shall transfer those
25 moneys to the Controller for deposit in the California
26 High-Cost Fund-A Administrative Committee Fund.

27 276. (a) There is hereby created the California
28 High-Cost Fund-B Administrative Committee, which is
29 an advisory board to advise the commission regarding the
30 development, implementation, and administration of a
31 program to provide for transfer payments to telephone
32 corporations providing local exchange services in
33 high-cost areas in the state to create fair and equitable
34 local rate structures, as provided for in Section 739.3, and
35 to carry out the program pursuant to the commission's
36 direction, control, and approval.

37 (b) All revenues collected by telephone corporations
38 in rates authorized by the commission to fund the
39 program specified in subdivision (a) shall be submitted to
40 the commission pursuant to a schedule established by the

1 commission. The commission shall transfer the moneys
2 received to the Controller for deposit in the California
3 High-Cost Fund-B Administrative Committee Fund. All
4 interest earned by moneys in the fund shall be deposited
5 in the fund. Any unexpended revenues collected prior to
6 the operative date of this section shall be submitted to the
7 commission, and the commission shall transfer those
8 moneys to the Controller for deposit in the California
9 High-Cost Fund-B Administrative Committee Fund.

10 277. (a) There is hereby created the Universal
11 Lifeline Telephone Service Trust Administrative
12 Committee, which is an advisory board to advise the
13 commission regarding the development,
14 implementation, and administration of a program to
15 ensure lifeline telephone service is available to the people
16 of the state, as provided for in Article 8 (commencing
17 with Section 871) of Chapter 4 of Part 1 of Division 1, and
18 to carry out the program pursuant to the commission's
19 direction, control, and approval.

20 (b) All revenues collected by telephone corporations
21 in rates authorized by the commission to fund the
22 program specified in subdivision (a) shall be submitted to
23 the commission pursuant to a schedule established by the
24 commission. The commission shall transfer the moneys
25 received to the Controller for deposit in the Universal
26 Lifeline Telephone Service Trust Administrative
27 Committee Fund. All interest earned by moneys in the
28 fund shall be deposited in the fund. Any unexpended
29 revenues collected prior to the operative date of this
30 section shall be submitted to the commission, and the
31 commission shall transfer those moneys to the Controller
32 for deposit in the Universal Lifeline Telephone Service
33 Trust Administrative Committee Fund.

34 278. (a) (1) There is hereby created the Deaf and
35 Disabled Telecommunications Program Administrative
36 Committee, which is an advisory board to advise the
37 commission regarding the development,
38 implementation, and administration of programs to
39 provide specified telecommunications services and
40 equipment to persons in this state who are deaf or

1 disabled, as provided for in Sections 2881, 2881.1, and
2 2881.2, and to carry out the programs pursuant to the
3 commission's direction, control, and approval.

4 (2) In addition to the membership qualifications
5 established by the commission pursuant to subdivision
6 (a) of Section 271, the commission shall establish
7 qualifications for persons to serve as members of the Deaf
8 and Disabled Telecommunications Program
9 Administrative Committee to achieve appropriate
10 representation by the consumers of telecommunications
11 services for the deaf and disabled.

12 (b) All revenues collected by telephone corporations
13 in rates authorized by the commission to fund the
14 programs specified in subdivision (a) shall be submitted
15 to the commission pursuant to a schedule established by
16 the commission. The commission shall transfer the
17 moneys received to the Controller for deposit in the Deaf
18 and Disabled Telecommunications Program
19 Administrative Committee Fund. All interest earned by
20 moneys in the fund shall be deposited in the fund. Any
21 unexpended revenues collected prior to the operative
22 date of this section shall be submitted to the commission,
23 and the commission shall transfer those moneys to the
24 Controller for deposit in the Deaf and Disabled
25 Telecommunications Program Administrative
26 Committee Fund. In addition, those revenues that are
27 collected pursuant to subdivision (d) of Section 2881 shall
28 be accounted for separately, as required by subdivision
29 (b) of Section 2881.2, and deposited in the fund created
30 by the commission pursuant to subdivision (b) of Section
31 2881.2.

32 279. (a) There is hereby created the Payphone
33 Service Providers Committee, which is an advisory board
34 to advise the commission regarding the development,
35 implementation, and administration of programs to
36 educate payphone service providers, ensure compliance
37 with the commission's requirements for payphone
38 operations, and educate consumers on matters related to
39 payphones, as provided for in commission Decision
40 90-06-018, and to provide for the placement of

1 telecommunications devices capable of servicing the
2 needs of the deaf or the hearing-impaired in existing
3 buildings and public accommodations, as specified in
4 subdivision (a) of Section 2881.2.

5 (b) All revenues collected by telephone corporations
6 in rates authorized by the commission to fund the
7 programs specified in subdivision (a) shall be submitted
8 to the commission pursuant to a schedule established by
9 the commission. The commission shall transfer the
10 moneys received to the Controller for deposit in the
11 Payphone Service Providers Committee Fund. All
12 interest earned by moneys in the fund shall be deposited
13 in the fund. Any unexpended revenues collected prior to
14 the operative date of this section shall be submitted to the
15 commission, and the commission shall transfer those
16 moneys to the Controller for deposit in the Payphone
17 Service Providers Committee Fund.

18 280. (a) There is hereby created the California
19 Teleconnect Fund Administrative Committee, which is
20 an advisory board to advise the commission regarding the
21 development, implementation, and administration of a
22 program to advance universal service by providing
23 discounted rates to qualifying schools, libraries, hospitals,
24 health clinics, and community organizations, consistent
25 with Chapter 278 of the Statutes of 1994, and to carry out
26 the program pursuant to the commission's direction,
27 control, and approval.

28 (b) All revenues collected by telephone corporations
29 in rates authorized by the commission to fund the
30 program specified in subdivision (a) shall be submitted to
31 the commission pursuant to a schedule established by the
32 commission. The commission shall transfer the moneys
33 received to the Controller for deposit in the California
34 Teleconnect Fund Administrative Committee Fund. All
35 interest earned by moneys in the fund shall be deposited
36 in the fund. Any unexpended revenues collected prior to
37 the operative date of this section shall be submitted to the
38 commission, and the commission shall transfer those
39 moneys to the Controller for deposit in the California
40 Teleconnect Fund Administrative Committee Fund.

1 281. Any revenues that are deposited in funds created
2 pursuant to this chapter shall not be used by the state for
3 any purpose other than as specified in this chapter.

4 SEC. 3. Section 381.5 is added to the Public Utilities
5 Code, to read:

6 381.5. It is the intent of the Legislature to do all of the
7 following:

8 (a) To protect and strengthen the current network of
9 community service providers by doing both of the
10 following:

11 (1) Establishing criteria for the selection of service
12 delivery providers that recognizes the value of local
13 public and private nonprofit organizations that have
14 established relationships with low-income communities
15 across the state.

16 (2) Directing any evaluation of the effectiveness of
17 low-income energy efficiency programs shall be based
18 not solely on cost criteria, but also on the degree to which
19 the provision of services allows maximum program
20 accessibility to quality programs to low-income
21 communities by agencies that have demonstrated
22 performance in effectively delivering services to those
23 communities.

24 (b) To determine the feasibility of transferring the
25 administration of low-income energy efficiency
26 programs to the Department of Community Services and
27 Development, thereby preventing the creation of an
28 additional administrative entity, which would contribute
29 to the needless growth of government.

30 (c) To ensure that high quality low-income energy
31 efficiency programs are delivered to the maximum
32 number of eligible participants at the minimum cost.

33 SEC. 4. Section 382.5 is added to the Public Utilities
34 Code, to read:

35 382.5. (a) The Bureau of State Audits shall conduct a
36 performance and financial audit of the Department of
37 Community Services and Development, including both
38 of the following:

39 (1) Evaluating the quality and efficiency of the
40 administration by the Department of Community

1 Services and Development of services presently
2 delivered to low-income households using federal
3 Low-Income Home Energy Assistance program funds or
4 federal Department of Energy Low-Income
5 Weatherization Assistance program funds. The
6 evaluation shall include, but not be limited to, all of the
7 following:

8 (A) The efficiency of program expenditures,
9 including, but not limited to, an assessment of
10 administrative costs.

11 (B) Procedures for handling complaints, including,
12 but not limited to, an inventory of inspection failures.

13 (C) An assessment of the ratio of services delivered to
14 the population of those persons eligible to receive
15 services, including, but not limited to, an assessment of
16 barriers to the receipt of service under the federal
17 Low-Income Home Energy Assistance program or
18 federal Department of Energy Low-Income
19 Weatherization Assistance program.

20 (2) Assessing the operational and fiscal capacity of the
21 Department of Community Services and Development
22 to assume the administration of the low-income energy
23 efficiency programs, including, but not limited to,
24 weatherization, appliance repair and replacement,
25 energy education, and the California Alternative Rates
26 for Energy Program.

27 (b) Notwithstanding Section 7550.5 of the
28 Government Code, on or before July 1, 2000, the Bureau
29 of State Audits shall prepare and submit to the Governor
30 and the Chairs of the Senate Committee on Energy,
31 Utilities, and Communications, the Assembly Committee
32 on Utilities and Commerce, and the Senate and Assembly
33 Appropriations Committees, a report of its audit findings,
34 including, but not limited to, recommendations on the
35 feasibility of transferring the low-income energy
36 efficiency programs to the Department of Community
37 Services and Development.

38 SEC. 5. Section 382.7 is added to the Public Utilities
39 Code, to read:

1 382.7. (a) If the commission requires low-income
2 energy efficiency programs to be subject to competitive
3 bidding, the commission as part of its bid evaluation
4 criteria, shall consider both cost-of-service and
5 quality-of-service criteria. The quality-of-service criteria
6 shall include a recognition of an entity's experience and
7 effectiveness in doing similar work, its knowledge of the
8 targeted communities, and its ability to reach the
9 targeted communities.

10 (b) The commission may modify its existing policies
11 and procedures, and the entities with which it contracts,
12 with regard to low-income energy efficiency programs,
13 based on public input from a variety of sources, including,
14 but not limited to, representatives from low-income
15 communities.

16 SEC. 6. No reimbursement is required by this act
17 pursuant to Section 6 of Article XIII B of the California
18 Constitution because the only costs that may be incurred
19 by a local agency or school district will be incurred
20 because this act creates a new crime or infraction,
21 eliminates a crime or infraction, or changes the penalty
22 for a crime or infraction, within the meaning of Section
23 17556 of the Government Code, or changes the definition
24 of a crime within the meaning of Section 6 of Article
25 XIII B of the California Constitution.

