

AMENDED IN ASSEMBLY AUGUST 23, 1999

AMENDED IN ASSEMBLY AUGUST 16, 1999

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, ~~and to add Sections 381.5 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.

(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 advisory board to submit an annual budget to the commission for approval, and a report describing the activities of the advisory 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 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: 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
12 Communications Officers, the Emergency Medical
13 Services Authority, the Department of the California
14 Highway Patrol, and the Department of Forestry and
15 Fire Protection. These agencies shall provide all
16 necessary assistance and consultation to the
17 Communications Division to enable it to perform its
18 duties specified in this article.

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

4
5 CHAPTER 1.5. ADVISORY BOARDS
6

7 270. (a) The following funds are hereby created in
8 the State Treasury:

9 (1) The California High-Cost Fund-A Administrative
10 Committee Fund.

11 (2) The California High-Cost Fund-B Administrative
12 Committee Fund.

13 (3) The Universal Lifeline Telephone Service Trust
14 Administrative Committee Fund.

15 (4) The Deaf and Disabled Telecommunications
16 Program Administrative Committee Fund.

17 (5) The Payphone Service Providers Committee
18 Fund.

19 (6) The California Teleconnect Fund Administrative
20 Committee Fund.

21 (b) Moneys in the funds may only be expended
22 pursuant to this chapter.

23 (c) Moneys in each fund may not be appropriated, or
24 in any other manner transferred or otherwise diverted,
25 to any other fund or entity.

26 (d) Notwithstanding Section 7550.5 of the
27 Government Code, on or before July 1, 2000, the Public
28 Utilities Commission, in consultation with the
29 Department of Finance, shall report to the Governor and
30 the Legislature regarding a transition plan designed to
31 protect the efficiency and effectiveness of programs
32 associated with funds to be established within the State
33 Treasury, as specified in subdivision (a). Advisory
34 committees created by Sections 275, 276, 277, 278, 279, and
35 280 shall provide information and input to the
36 commission in development of the specified transition
37 plan.

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

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

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

14 (c) A majority of the number of members of each
15 board constitutes a quorum.

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

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

21 (f) The commission shall determine for each board
22 whether the board members shall receive expense
23 reimbursement pursuant to Section 19820 of the
24 Government Code and a per diem allowance, as specified
25 in Section 11564.5 of the Government Code, or as
26 established by the commission. Each member of a board
27 who is not a commission or public utility employee, or
28 who is not otherwise compensated by an employer for
29 service on the board, shall be entitled to make a claim for
30 and to receive a per diem allowance, if authorized by the
31 commission. Each member of a board who is not a public
32 utility employee, or who is not otherwise reimbursed by
33 an employer for expenses incurred when serving on the
34 board, shall be entitled to make a claim for and to receive
35 expense reimbursement, if authorized by the
36 commission. The commission shall allow all reasonable
37 expense and per diem claims. The payments in each
38 instance shall be made only from the fund that supports
39 the activities of the board and shall be subject to the

1 availability of money in that fund. The claims shall be filed
2 by the board with the commission.

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

5 (a) Submit an annual budget to the commission.
6 Within 90 calendar days after receiving a board's annual
7 budget, the commission shall either accept, accept with
8 conditions, or reject the submitted budget.

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

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

38 275. (a) There is hereby created the California
39 High-Cost Fund-A Administrative Committee, which is
40 an advisory board to advise the commission regarding the

1 development, implementation, and administration of a
2 program to provide for transfer payments to small
3 independent telephone corporations providing local
4 exchange services in high-cost rural and small
5 metropolitan areas in the state to create fair and equitable
6 local rate structures, as provided for in Section 739.3, and
7 to carry out the program pursuant to the commission's
8 direction, control, and approval.

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

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

32 (b) All revenues collected by telephone corporations
33 in rates authorized by the commission to fund the
34 program specified in subdivision (a) shall be submitted to
35 the commission pursuant to a schedule established by the
36 commission. The commission shall transfer the moneys
37 received to the Controller for deposit in the California
38 High-Cost Fund-B Administrative Committee Fund. All
39 interest earned by moneys in the fund shall be deposited
40 in the fund. Any unexpended revenues collected prior to

1 the operative date of this section shall be submitted to the
2 commission, and the commission shall transfer those
3 moneys to the Controller for deposit in the California
4 High-Cost Fund-B Administrative Committee Fund.

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

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

29 278. (a) (1) There is hereby created the Deaf and
30 Disabled Telecommunications Program Administrative
31 Committee, which is an advisory board to advise the
32 commission regarding the development,
33 implementation, and administration of programs to
34 provide specified telecommunications services and
35 equipment to persons in this state who are deaf or
36 disabled, as provided for in Sections 2881, 2881.1, and
37 2881.2, and to carry out the programs pursuant to the
38 commission's direction, control, and approval.

39 (2) In addition to the membership qualifications
40 established by the commission pursuant to subdivision

(a) of Section 271, the commission shall establish qualifications for persons to serve as members of the Deaf and Disabled Telecommunications Program Administrative Committee to achieve appropriate representation by the consumers of telecommunications services for the deaf and disabled.

(b) All revenues collected by telephone corporations in rates authorized by the commission to fund the programs specified in subdivision (a) shall be submitted to the commission pursuant to a schedule established by the commission. The commission shall transfer the moneys received to the Controller for deposit in the Deaf and Disabled Telecommunications Program Administrative Committee Fund. All interest earned by moneys in the fund shall be deposited in the fund. Any unexpended revenues collected prior to the operative date of this section shall be submitted to the commission, and the commission shall transfer those moneys to the Controller for deposit in the Deaf and Disabled Telecommunications Program Administrative Committee Fund. In addition, those revenues that are collected pursuant to subdivision (d) of Section 2881 shall be accounted for separately, as required by subdivision (b) of Section 2881.2, and deposited in the fund created by the commission pursuant to subdivision (b) of Section 2881.2.

279. (a) There is hereby created the Payphone Service Providers Committee, which is an advisory board to advise the commission regarding the development, implementation, and administration of programs to educate payphone service providers, ensure compliance with the commission's requirements for payphone operations, and educate consumers on matters related to payphones, as provided for in commission Decision 90-06-018, and to provide for the placement of telecommunications devices capable of servicing the needs of the deaf or the hearing impaired in existing buildings and public accommodations, as specified in subdivision (a) of Section 2881.2.

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

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

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

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

1 ~~SEC. 3. Section 381.5 is added to the Public Utilities~~
2 ~~Code, to read:~~

3 ~~381.5. It is the intent of the Legislature to protect and~~
4 ~~strengthen the current network of community service~~
5 ~~providers by doing all of the following:~~

6 ~~(a) Establishing criteria for the selection of service~~
7 ~~delivery providers that recognizes the value of local~~
8 ~~public and private nonprofit organizations that have~~
9 ~~established relationships with low income communities~~
10 ~~across the state.~~

11 ~~(b) Directing any evaluation of the effectiveness of~~
12 ~~low-income energy efficiency programs shall be based~~
13 ~~not solely on cost criteria, but also on the degree to which~~
14 ~~the provision of services allows maximum program~~
15 ~~accessibility to quality programs to low income~~
16 ~~communities by agencies that have demonstrated~~
17 ~~performance in effectively delivering services to those~~
18 ~~communities.~~

19 ~~(c) Ensuring that high-quality low-income energy~~
20 ~~efficiency programs are delivered to the maximum~~
21 ~~number of eligible participants at the minimum cost.~~

22 ~~SEC. 4. Section 382.7 is added to the Public Utilities~~
23 ~~Code, to read:~~

24 ~~382.7. (a) If the commission requires low income~~
25 ~~energy efficiency programs to be subject to competitive~~
26 ~~bidding, the commission as part of its bid evaluation~~
27 ~~criteria, shall consider both cost-of-service and~~
28 ~~quality-of-service criteria. The quality-of-service criteria~~
29 ~~shall include a recognition of an entity's experience and~~
30 ~~effectiveness in doing similar work, its knowledge of the~~
31 ~~targeted communities, and its ability to reach the~~
32 ~~targeted communities.~~

33 ~~(b) The commission may modify its existing policies~~
34 ~~and procedures, and the entities with which it contracts,~~
35 ~~with regard to low-income energy efficiency programs,~~
36 ~~based on public input from a variety of sources, including,~~
37 ~~but not limited to, representatives from low-income~~
38 ~~communities.~~

39 ~~SEC. 5.—~~

1 *SEC.* 3. No reimbursement is required by this act
2 pursuant to Section 6 of Article XIII B of the California
3 Constitution because the only costs that may be incurred
4 by a local agency or school district will be incurred
5 because this act creates a new crime or infraction,
6 eliminates a crime or infraction, or changes the penalty
7 for a crime or infraction, within the meaning of Section
8 17556 of the Government Code, or changes the definition
9 of a crime within the meaning of Section 6 of Article
10 XIII B of the California Constitution.

