

AMENDED IN ASSEMBLY AUGUST 30, 1999
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 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 limit the expenditure of moneys appropriated from the specified funds, as prescribed.* 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.~~

(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.

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

22
23 CHAPTER 1.5. ADVISORY BOARDS
24

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

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

3 (2) The California High-Cost Fund-B Administrative
4 Committee Fund.

5 (3) The Universal Lifeline Telephone Service Trust
6 Administrative Committee Fund.

7 (4) The Deaf and Disabled Telecommunications
8 Program Administrative Committee Fund.

9 (5) The Payphone Service Providers Committee
10 Fund.

11 (6) The California Teleconnect Fund Administrative
12 Committee Fund.

13 (b) Moneys in the funds may only be expended
14 pursuant to this chapter *and upon appropriation in the*
15 *annual Budget Act.*

16 (c) Moneys in each fund may not be appropriated, or
17 in any other manner transferred or otherwise diverted,
18 to any other fund or entity.

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

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

33 (a) The commission shall establish the number of, and
34 qualifications for, persons to serve as members of each
35 board, and shall appoint the members of each board. In
36 determining the qualifications of persons who will serve
37 as members of each board, the commission shall consider
38 the purpose of the program, and shall attempt to achieve
39 balanced public participation, for each board. The
40 membership of each board shall reflect, to the extent

1 possible, and consistent with existing law, the ethnic and
2 gender diversity of the state.

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

6 (c) A majority of the number of members of each
7 board constitutes a quorum.

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

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

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

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

36 (a) Submit an annual budget to the commission.
37 Within 90 calendar days after receiving a board's annual
38 budget, the commission shall either accept, accept with
39 conditions, or reject the submitted budget.

1 (b) Notwithstanding Section 7550.5 of the
2 Government Code, submit, in accordance with
3 procedures established by the commission, a report that
4 shall describe the activities of the board during the prior
5 reporting period. The report shall be submitted on an
6 annual or more frequent basis, as ordered by the
7 commission.

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

31 275. (a) There is hereby created the California
32 High-Cost Fund-A Administrative Committee, which is
33 an advisory board to advise the commission regarding the
34 development, implementation, and administration of a
35 program to provide for transfer payments to small
36 independent telephone corporations providing local
37 exchange services in high-cost rural and small
38 metropolitan areas in the state to create fair and equitable
39 local rate structures, as provided for in Section 739.3, and

1 to carry out the program pursuant to the commission's
2 direction, control, and approval.

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

16 (c) *Moneys appropriated from the California*
17 *High-Cost Fund-A Administrative Committee Fund to*
18 *the commission shall be utilized exclusively by the*
19 *commission for the program specified in subdivision (a),*
20 *including all costs of the board and the commission*
21 *associated with the administration and oversight of the*
22 *program and the fund.*

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

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

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

6 *(c) Moneys appropriated from the California*
7 *High-Cost Fund-B Administrative Committee Fund to*
8 *the commission shall be utilized exclusively by the*
9 *commission for the program specified in subdivision (a),*
10 *including all costs of the board and the commission*
11 *associated with the administration and oversight of the*
12 *program and the fund.*

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

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

37 *(c) Moneys appropriated from the Universal Lifeline*
38 *Telephone Service Trust Administrative Committee*
39 *Fund to the commission shall be utilized exclusively by*
40 *the commission for the program specified in subdivision*

1 *(a), including all costs of the board and the commission*
2 *associated with the administration and oversight of the*
3 *program and the fund.*

4 278. (a) (1) There is hereby created the Deaf and
5 Disabled Telecommunications Program Administrative
6 Committee, which is an advisory board to advise the
7 commission regarding the development,
8 implementation, and administration of programs to
9 provide specified telecommunications services and
10 equipment to persons in this state who are deaf or
11 disabled, as provided for in Sections 2881, 2881.1, and
12 2881.2, and to carry out the programs pursuant to the
13 commission's direction, control, and approval.

14 (2) In addition to the membership qualifications
15 established by the commission pursuant to subdivision
16 (a) of Section 271, the commission shall establish
17 qualifications for persons to serve as members of the Deaf
18 and Disabled Telecommunications Program
19 Administrative Committee to achieve appropriate
20 representation by the consumers of telecommunications
21 services for the deaf and disabled.

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

1 by the commission pursuant to subdivision (b) of Section
2 2881.2.

3 *(c) Moneys appropriated from the Deaf and Disabled*
4 *Telecommunications Program Administrative*
5 *Committee Fund to the commission shall be utilized*
6 *exclusively by the commission for the program specified*
7 *in subdivision (a), including all costs of the board and the*
8 *commission associated with the administration and*
9 *oversight of the program and the fund.*

10 279. (a) There is hereby created the Payphone
11 Service Providers Committee, which is an advisory board
12 to advise the commission regarding the development,
13 implementation, and administration of programs to
14 educate payphone service providers, ensure compliance
15 with the commission's requirements for payphone
16 operations, and educate consumers on matters related to
17 payphones, as provided for in commission Decision
18 90-06-018, and to provide for the placement of
19 telecommunications devices capable of servicing the
20 needs of the deaf or the hearing impaired in existing
21 buildings and public accommodations, as specified in
22 subdivision (a) of Section 2881.2.

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

36 *(c) Moneys appropriated from the Payphone Service*
37 *Providers Committee Fund to the commission shall be*
38 *utilized exclusively by the commission for the program*
39 *specified in subdivision (a), including all costs of the*
40 *board and the commission associated with the*

1 *administration and oversight of the program and the*
2 *fund.*

3 280. (a) There is hereby created the California
4 Teleconnect Fund Administrative Committee, which is
5 an advisory board to advise the commission regarding the
6 development, implementation, and administration of a
7 program to advance universal service by providing
8 discounted rates to qualifying schools, libraries, hospitals,
9 health clinics, and community organizations, consistent
10 with Chapter 278 of the Statutes of 1994, and to carry out
11 the program pursuant to the commission's direction,
12 control, and approval.

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

26 (c) *Moneys appropriated from the California*
27 *Teleconnect Fund Administrative Committee Fund to*
28 *the commission shall be utilized exclusively by the*
29 *commission for the program specified in subdivision (a),*
30 *including all costs of the board and the commission*
31 *associated with the administration and oversight of the*
32 *program and the fund.*

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

36 SEC. 3. No reimbursement is required by this act
37 pursuant to Section 6 of Article XIII B of the California
38 Constitution because the only costs that may be incurred
39 by a local agency or school district will be incurred
40 because this act creates a new crime or infraction,

1 eliminates a crime or infraction, or changes the penalty
2 for a crime or infraction, within the meaning of Section
3 17556 of the Government Code, or changes the definition
4 of a crime within the meaning of Section 6 of Article
5 XIII B of the California Constitution.

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