

AMENDED IN ASSEMBLY SEPTEMBER 7, 1999

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~~ for 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 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:

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

29 (2) The California High-Cost Fund-B Administrative
30 Committee Fund.

31 (3) The Universal Lifeline Telephone Service Trust
32 Administrative Committee Fund.



1 (4) The Deaf and Disabled Telecommunications
2 Program Administrative Committee Fund.

3 (5) The Payphone Service Providers Committee
4 Fund.

5 (6) The California Teleconnect Fund Administrative
6 Committee Fund.

7 (b) Moneys in the funds may only be expended
8 pursuant to this chapter and upon appropriation in the
9 annual Budget Act.

10 (c) Moneys in each fund may not be appropriated, or
11 in any other manner transferred or otherwise diverted,
12 to any other fund or entity.

13 (d) Notwithstanding Section 7550.5 of the
14 Government Code, on or before July 1, 2000, the Public
15 Utilities Commission, in consultation with the
16 Department of Finance, shall report to the Governor and
17 the Legislature regarding a transition plan ~~designed to~~
18 ~~protect the efficiency and effectiveness of~~ for programs
19 associated with funds to be established within the State
20 Treasury, as specified in subdivision (a). *The transition*
21 *plan report shall include information regarding the*
22 *annual revenue to be deposited in, and the annual*
23 *estimated expenditure for, each fund specified in*
24 *subdivision (a).* Advisory committees created by
25 Sections 275, 276, 277, 278, 279, and 280 shall provide
26 information and input to the commission in development
27 of the specified transition plan.

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

30 (a) The commission shall establish the number of, and
31 qualifications for, persons to serve as members of each
32 board, and shall appoint the members of each board. In
33 determining the qualifications of persons who will serve
34 as members of each board, the commission shall consider
35 the purpose of the program, and shall attempt to achieve
36 balanced public participation, for each board. The
37 membership of each board shall reflect, to the extent
38 possible, and consistent with existing law, the ethnic and
39 gender diversity of the state.

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

4 (c) A majority of the number of members of each
5 board constitutes a quorum.

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

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

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

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

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

38 (b) Notwithstanding Section 7550.5 of the
39 Government Code, submit, in accordance with
40 procedures established by the commission, a report that

1 shall describe the activities of the board during the prior
2 reporting period. The report shall be submitted on an
3 annual or more frequent basis, as ordered by the
4 commission.

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

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

39 (b) All revenues collected by telephone corporations
40 in rates authorized by the commission to fund the

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

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

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

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

1 moneys to the Controller for deposit in the California
2 High-Cost Fund-B Administrative Committee Fund.

3 (c) Moneys appropriated from the California
4 High-Cost Fund-B Administrative Committee Fund to
5 the commission shall be utilized exclusively by the
6 commission for the program specified in subdivision (a),
7 including all costs of the board and the commission
8 associated with the administration and oversight of the
9 program and the 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 (c) Moneys appropriated from the Universal Lifeline
35 Telephone Service Trust Administrative Committee
36 Fund to the commission shall be utilized exclusively by
37 the commission for the program specified in subdivision
38 (a), including all costs of the board and the commission
39 associated with the administration and oversight of the
40 program and the fund.

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

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

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

39 (c) Moneys appropriated from the Deaf and Disabled
40 Telecommunications Program Administrative

1 Committee Fund to the commission shall be utilized
2 exclusively by the commission for the program specified
3 in subdivision (a), including all costs of the board and the
4 commission associated with the administration and
5 oversight of the program and the fund.

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

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

32 (c) Moneys appropriated from the Payphone Service
33 Providers Committee Fund to the commission shall be
34 utilized exclusively by the commission for the program
35 specified in subdivision (a), including all costs of the
36 board and the commission associated with the
37 administration and oversight of the program and the
38 fund.

39 280. (a) There is hereby created the California
40 Teleconnect Fund Administrative Committee, which is

1 an advisory board to advise the commission regarding the
2 development, implementation, and administration of a
3 program to advance universal service by providing
4 discounted rates to qualifying schools, libraries, hospitals,
5 health clinics, and community organizations, consistent
6 with Chapter 278 of the Statutes of 1994, and to carry out
7 the program pursuant to the commission's direction,
8 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 Teleconnect Fund 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 Teleconnect Fund Administrative Committee Fund.

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

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

32 SEC. 3. No reimbursement is required by this act
33 pursuant to Section 6 of Article XIII B of the California
34 Constitution because the only costs that may be incurred
35 by a local agency or school district will be incurred
36 because this act creates a new crime or infraction,
37 eliminates a crime or infraction, or changes the penalty
38 for a crime or infraction, within the meaning of Section
39 17556 of the Government Code, or changes the definition

- 1 of a crime within the meaning of Section 6 of Article
- 2 XIII B of the California Constitution.

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