



FLOOR ALERT

Date: August 25, 2004
Re: SB 1276 (Bowen)
Position: Support
Location: Senate Floor, Concurrence with Assembly Amendments

Dear Senator Bowen:

The California Community Technology Policy Group is a collaborative of over 200 community-based organizations throughout the state, many of which provide technology access and training to low-income and rural communities. Our goal is to advocate for policies that assure underserved communities reap the economic, educational, health, and civic benefits offered by computers, the Internet, and new digital innovations. Our community-based organizations need your support to authorize the CPUC to fund the telecommunications discounts in 2004-05 by allowing surcharge revenues in the amount of \$18 million to fund discount claims. This authorization is included in the recently amended version of SB 1276.

The California Teleconnect Fund (CTF) program has provided schools, libraries, community based organizations and hospitals with a discount on their telecommunications services since its inception in 1997. As you may know, the California Public Utilities Commission administers the California Teleconnect Fund, which has been funded by a surcharge on telephone bills.

In the 2004-05 budget process, the Governor's proposed \$5.3 million in his January Budget for the CTF and the Legislature placed a \$12.7 million augmentation for a total of \$18 million in authorization authority in the Budget. Both were deleted in the final days of budget negotiations and by the Governor. This action had no impact on the General Fund since these funds are provided through a surcharge on the telephone bill. The loss of the \$18 million was unanticipated and will affect community based organization's ability to fund ongoing telecommunications services.

It should be noted that the CPUC approved Resolution T-16833 on July 8, 2004 to reinstitute the surcharge, which had been at the 0.0% level in 2003; to a 0.16% beginning August 1, 2004 in order to fund outstanding claims from 2002-03 and 2003-04. The revenue necessary to pay current claims is estimated to be \$21.74 million. **This resolution will NOT provide any CTF funds for the 2004-05 fiscal year.**

At a time when community organizations face severe budget constraints, this program will help us continue to serve their residents by allowing savings for telecommunications expenses and shift funds into other needed services. In addition, CTF will make a high-speed connection to the Internet affordable for community-based organizations and allow their constituents to use

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effective educational materials and other on-line resources, many of which require a fast connection in order to accommodate increasingly interactive and graphic-intensive programs and websites.

SB 1276 was amended to include the authorization for the California Public Utilities Commission to fund \$18 million for the discount applications expected to be filed under the CTF program in 2004-05. We urge you to support SB 1276 so that the CTF telecommunications discounts for schools, libraries, community technology programs and hospitals can be restored. SB 1276 received overwhelming bi-partisan support in the Assembly.

Thank you for your consideration and please feel free to call me at (909) 234-1768 if you have any questions regarding the importance of the CTF to the community based organizations in your District.

Sincerely,

Richard Chabrán, Chair
California Community Technology Policy Group