

Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 1191 (Ochoa Bogh) – As Amended June 8, 2026

Policy Committee: Communications and Conveyance

Vote: 9 - 0

Urgency: Yes

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill extends the California High-Cost Fund A and B programs (CHCF-A and CHCF-B) by five years, from January 1, 2028, to January 1, 2033.

FISCAL EFFECT:

This bill results in ongoing annual costs, through 2033 at least, for the CPUC to continue to administer the high-cost fund programs. The CPUC reports it dedicates two regulatory analysts to the programs, at a combined annual cost of \$419,000 (California High-Cost Fund A and California High-Cost Fund B).

COMMENTS:

Statute establishes a number of programs to further the goal of universal telephone service, that is, high-quality basic telephone service at affordable rates to the greatest number of people. Two such programs are CHCF-A and CHCF-B. Each program is funded from a portion of a CPUC-approved flat-rate charge on each telephone access line in the state. In the case of the CHCF-A program, the portion is \$0.03 per line, whereas the CHCF-B program portion is \$0.00 in recognition of a substantial unexpended program fund balance.

Though the programs vary in their specifics, each provides subsidies to telecommunications companies that provide telecommunications service in areas of the state that are expensive to service—generally, areas that are sparsely populated and feature rugged terrain or that lack competition. Statute also declares funding for the CHCF-A program to be critical to public health and safety. This is because, according to statute, such funding pays for maintenance of universal public telephone service throughout the state.

According to the CPUC, in fiscal year 2025-26, the CHCF-A program supported 40,838 lines in remote, rural areas of the state at a total program cost of \$49.5 million. The average monthly CHCF-A subsidy was \$57.90 per line. The CPUC also reports the CHCF-B, during fiscal year 2025-26, supported 30,780 lines at a total program cost of \$22.5 million to subsidize lines that each cost more than \$36 to service. The average monthly CHCF-B subsidy was \$13.32 per line.

The Legislature has repeatedly extended both programs over the years. There is no opposition registered against this bill.

Analysis Prepared by: Jay Dickenson / APPR. / (916) 319-2081