

County of Monterey



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May 22, 2023

The Honorable Governor Gavin Newsom
State of California
State Capitol
Sacramento, CA 95814

The Honorable Nancy Skinner
California State Senate
1021 O Street, Room 8630
Sacramento, CA 95814

The Honorable Philip Ting
California State Assembly
1021 O Street, Room 8230
Sacramento, CA 95814

RE: Broadband Funding Reduction Proposal, FY 2023-24 State Budget – CONCERNS

Dear Governor Newsom, Senator Skinner, and Assemblymember Ting:

On behalf of the County of Monterey, we write to respectfully express our concerns regarding the proposed reduction in funding in the Governor's January FY 2023-24 State Budget for last-mile broadband infrastructure projects.

The 2021 Budget provided \$6 billion over three years as part of a statewide plan to expand broadband infrastructure, increase affordability, and enhance access. Monterey County was supportive of this critical investment and was used as an example during debate and discussion of why broadband infrastructure is so desperately needed – especially in unserved households and disadvantaged communities, like several areas of Monterey County.

The Governor's proposed FY 2023-24 Budget maintains the same level of funding for broadband middle-mile, last-mile and the Loan Loss Reserve Fund activities. However, the Budget proposes critical funding deferrals for last-mile infrastructure. It proposes a deferral of \$550 million at the California Public Utilities Commission (CPUC) for last-mile infrastructure grants in 2023-24 to future years - \$200 million in 2024-25, \$200 million in 2025-26, and \$150 million in 2026-27.

A major impediment to business attraction in the County of Monterey is the lack of reliable broadband coverage. Digital access is also linked with social equity, connecting with services, and democratic participation. Expanding broadband service throughout the region is important to the County's social and economic health – and supports the education, medical, military, and research industries. Additionally, the COVID-19 pandemic underscored the critical utility of broadband infrastructure and showed us where our service gaps exist. A lack of internet access disproportionately affects some County residents because internet access is not available in their area or is unaffordable. Expansion of broadband services through

the funding allocated in the 2021 Budget will benefit economic activities, access to healthcare (e.g.: telehealth); and education (e.g.: distance learning).

It is for these reasons that the County of Monterey urges continued state investment in the expansion of broadband services to better connect Californians, especially those in unserved households like many areas of Monterey County. We request that the Governor and Legislature consider fully funding the last-mile infrastructure investments, and not deferring any of those critical funds.

Should you have any questions, please feel free to contact the County of Monterey's Public Policy Advisor, Ashley Walker of Nossaman LLP at 916-442-8888.

Sincerely,

A handwritten signature in blue ink, appearing to read "Luis A. Alejo".

Luis A. Alejo, Chair
Board of Supervisors

Cc: The Honorable Anna Caballero, 14th Senate District
The Honorable John Laird, 17th Senate District
The Honorable Robert Rivas, 29th Assembly District
The Honorable Dawn Addis, 30th Assembly District
California State Association of Counties (CSAC)
Rural County Representatives of California (RCRC)