

September 25, 2026

Honorable John Laird, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review Committee

Honorable Jesse Gabriel, Chair  
Assembly Budget Committee

Honorable Sabrina Cervantes, Chair  
Senate Appropriations Committee

Honorable Buffy Wicks, Chair  
Assembly Appropriations Committee

### **Section 11.94—Administrative Adjustments to Coronavirus Capital Projects Fund**

Pursuant to subdivision (f) of Control Section 11.94 of the 2026 Budget Act (Chapter 19, Statutes of 2026), the following notification is respectfully submitted.

Control Section 11.94 allows the Director of Finance to make administrative adjustments to fully spend the \$540.2 million in federal funds allocated from the Coronavirus Capital Projects Fund (CPF) as authorized by the federal American Rescue Plan Act of 2021. Specifically, Control Section 11.94 authorizes the Director of Finance to use the CPF to fund costs incurred by the state for completed middle mile broadband infrastructure projects that support CPF-funded Last-Mile broadband projects, rather than for future costs related to Last-Mile broadband infrastructure projects that may not reach substantial completion by the December 31, 2026, federal expenditure deadline.

To date, California has drawn down approximately \$138 million, or 25 percent of its CPF allocation, due to various project and programmatic delays. Based on estimates received from the California Public Utilities Commission (CPUC) and the California Department of Technology (CDT), Finance has determined that an adjustment of \$221 million must be made to ensure federal funds are fully spent by the federal deadline.

Accordingly, the Director of Finance will reduce the amount originally appropriated from the General Fund to CDT to expand Middle-Mile broadband infrastructure by \$221 million and increase CDT's expenditure authority from CPF by the same amount. Likewise, the Director of Finance will reduce the amount originally appropriated from the CPF to CPUC to expand Last-Mile broadband infrastructure by \$221 million and increase CPUC's expenditure authority from the General Fund by the same amount. As such, this augmentation has no net impact on the General Fund nor any net impact to the funding levels for any of these programs and projects.

Due to upcoming federal expenditure and reporting deadlines, Finance requests an expedited review of the submission and a waiver of the 30-day waiting requirement to ensure California maximizes its use of federal funds.

If you have any questions or need additional information regarding this matter, please call Sara Swan, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW

Director

By:



ERIKA LI

Chief Deputy Director

cc: Honorable Sharon Quirk-Silva, Chair, Assembly Budget Subcommittee No. 5  
Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4  
Honorable Melissa Hurtado, Chair, Senate Budget and Fiscal Review Subcommittee No. 4  
Honorable Eloise Gómez Reyes, Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee  
Honorable David Tangipa, Vice Chair, Assembly Budget Committee  
Gabriel Petek, Legislative Analyst  
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office  
Christian Griffith, Chief Consultant, Assembly Budget Committee  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget  
Paul Dress, Chief of Staff, Assembly Republican Caucus  
Nghia Nguyen, Chief of Staff, Assembly Republican Leader's Office  
Jason Sisney, Budget Director, Assembly Speaker's Office  
Mark McKenzie, Staff Director, Senate Appropriations Committee  
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee  
Chris Givens, Director, California Department of Technology  
Jared Johnson, Chief Deputy Director, California Department of Technology  
Mark Monroe, Deputy Director, California Department of Technology  
Miles Burnett, Chief Administrative Officer, California Department of Technology  
Nick Maduros, Secretary, Government Operations Agency  
Justyn Howard, Deputy Secretary, Fiscal Policy and Administration, Government Operations  
Leuwam Tesfai, Executive Director, California Public Utilities Commission  
Pat Tsen, Interim Chief Deputy Executive Director, California Public Utilities Commission  
Angie Williams, Deputy Director, California Public Utilities Commission  
June Landry, Director Administrative Services, California Public Utilities Commission