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October 9, 2026

Mr. Joe Stephenshaw, Director
Department of Finance
1021 O Street, Suite 3110
Sacramento, California 95814

Dear Mr. Stephenshaw:

In a letter dated September 25, 2026, you notified the Joint Legislative Budget Committee (JLBC), pursuant to Control Section 11.94 in the *2026-27 Budget Act* of a request from the Department of Finance (DOF) to use Coronavirus Capital Projects Fund (CPF) to pay for costs incurred by the state for completed middle-mile broadband infrastructure projects that support last-mile broadband, rather than for future costs related directly to last-mile broadband. This accounting change is necessary to ensure California meets the December 31, 2026 federal spending deadline placed on CPF expenditures and will not have an impact on the overall amount of money the state has committed to middle-mile and last-mile broadband infrastructure.

More specifically, the Administration is proposing to reduce the amount originally appropriated from the General Fund to the Department of Technology (CDT) to expand middle-mile broadband infrastructure by \$221 million and increase CDT's expenditure authority from the CPF by the same amount. This will be offset by reducing the amount originally appropriated from the CPF to the California Public Utilities Commission (CPUC) to expand last-mile broadband infrastructure by \$221 million and increase the CPUC's expenditure authority from the General Fund by the same amount. These changes will not result in any change in the total amount allocated to middle-mile or last-mile infrastructure respectively, it simply changes the source of funds supporting the two programs.

Responses to questions submitted by the JLBC about the current administration of the program merit further discussion and the Legislature would appreciate continued engagement with DOF and the CPUC as we continue oversight of this critical program. The need to administer the last-mile broadband program in an efficient, timely and consistent manner remains unchanged. In the

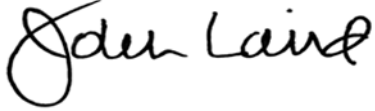
Mr. Joe Stephenshaw

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meantime, to ensure California expends all of the CPF dollars by the federal deadline, I concur with the request and waive the remainder of the 30-day review period.

Sincerely,

A handwritten signature in black ink that reads "John Laird". The signature is written in a cursive, slightly slanted style. The first name "John" is written with a large, looping 'J' and the last name "Laird" follows in a similar cursive script.

John Laird
Chair

cc: Members of the Joint Legislative Budget Committee