

# Joint Legislative Budget Committee

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April 11, 2022

Ms. Keely Martin Bosler, Director  
Department of Finance  
1021 O Street, Suite 3110  
Sacramento, California 95814

Dear Ms. Bosler:

In a March 11, 2022 letter, you notified the Joint Legislative Budget Committee, pursuant to subdivision (n) of Control Section 11.96 of the *2021-22 Budget Act*, of a request from the Public Utilities Commission (CPUC) to transfer funds appropriated in the Coronavirus Fiscal Recovery Fund (CFRF) for broadband activities from local assistance to state operations. Specifically, the CPUC is requesting the transfer of \$29,135,000 from Item 8660-162-8506 to Item 8660-062-8506 and the establishment of 46 permanent and six limited-term positions to implement the provisions of SB 156 (2021).

The 2021-22 budget included \$6 billion (\$1.7 billion General Fund) over three years for broadband infrastructure, and SB 156 was adopted to implement the projects and programs. According to the CPUC, the new positions are necessary to administer grant programs and comply with federal State Fiscal Recovery Fund reporting and monitoring requirements. I believe the new personnel hired at the CPUC will be instrumental in assisting local communities and tribal government entities with establishing and deploying high-speed broadband networks throughout California.

Forty-six of the employees must be classified as permanent because state statute prohibits limited-term appointments from exceeding two years, despite the fact they are supported by funds that must be fully expended by Dec. 31, 2026. The CPUC has indicated that it might seek future federal funds to support these jobs without seeking General Fund dollars. I request the CPUC provide updates to the two Budget Subcommittees during the annual budget process on the status of securing federal funding for these positions.

Furthermore, due to the tight deadline on spending the CFRF, the new staff should focus on ensuring timely expansion of services as required by SB 156. To that end, I want assurances that the two limited-term appointments within the Public Advocate's Office (PAO) will work on implementation of high-speed internet access and will not be diverted to other activities. Because broadband does not require any ratemaking cases, the two positions should

work collaboratively with their CPUC colleagues and concentrate on the expeditious expansion of affordable and reliable internet.

In conclusion, I have reviewed the request and concur that the CPUC should be authorized to transfer the \$29 million and establish the new positions with the understanding that the two limited-term positions at the PAO will only work on broadband services and the CPUC will provide updates during the annual budget process on identifying federal funding to support the permanent jobs.

Sincerely,

A handwritten signature in black ink that reads "Nancy Skinner". The signature is written in a cursive, flowing style.

Nancy Skinner  
Chair

cc: Members of the Joint Legislative Budget Committee