

TECHNOLOGY

Millions of Californians weigh options after losing an affordable internet subsidy


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Illustration by Adriana Heldiz, CalMatters; iStock

IN SUMMARY

A federal affordable internet subsidy is going away and 3 million Californians must decide whether to end access largely considered a human right.

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Alfredo Camacho and his three daughters started a new routine last week: Every evening they go to the parking lot outside a nearby library to get Wi-Fi access. The kids do homework and download YouTube videos, while Alfredo checks his email and searches job listings.

Camacho and his daughters ages 9, 12, and 15 live in Guadalupe, a town of roughly 9,000 on the Central Coast of California. They used to rely on the Affordable Connectivity Program, a \$30 to \$75 monthly credit for high-speed internet, but that ends this month.

“This takes away grocery money,” he told CalMatters. “Being a single father, \$30 goes a long way.”

Camacho is one of roughly three million Californians deciding whether to keep home internet access or give it up and deepen the digital divide.

Congress allocated \$14.2 billion to the Affordable Connectivity Program in 2021, when the COVID-19 pandemic was still top of mind and underscored people’s need for online access to do school and work. But since Congress failed to allocate more funding, that money runs out later this month. And since the subsidy only covers part of the bill, the onus is on subsidy recipients to cut the cord or it could end up costing them money.

Nationwide, more than 23 million Americans benefited from the program. An additional 30 million eligible people never received the subsidy.

Four out of five households enrolled in the program cite affordability as the reason why they had inconsistent or no internet access, according to a Federal Communications Commission survey released two months ago. Roughly the same amount said the end of the subsidy will force them to find cheaper service or get rid of home internet service.

The Federal Communications Commission, which [stopped accepting affordable internet applications in February](#), said internet service providers are required to inform recipients three times before charging consumers full price, with the final notification this month, the last billing cycle that includes a full subsidy. The federal agency said some people may receive partial affordable internet funding in May. People who haven’t received such notifications yet are encouraged to call their internet service provider.

In a letter urging leaders in Congress to [pass a law](#) extending funding last month, more than 150 members of Congress [note that](#) roughly half of Affordable Connectivity Program recipients are military families, one in four live in rural communities, and one in five are households with people who are 65 or older. The letter called internet service essential to education, health, and the economy, and warned that ending the program could reduce trust in government and internet service providers.

Camacho agrees that ending the program breaks public trust. “You gave everybody hope and then you dropped the ball,” he said.

‘Things are going to get worse’

Winnie Aguilar lives in senior housing in Imperial Beach and called the affordable internet subsidy important to her and many of her neighbors.

“For us who have very low income and cannot work anymore it’s hard to lose that \$30,” she said.

The digital divide for students from poor families and rural areas can and should end, said Mary Nicely, the California Department of Education chief deputy superintendent of public instruction. “Our students and families deserve a greater investment, not less, to ensure they have a level playing field to succeed academically,” she wrote in a statement. “We have a long way to go to ensure that all students in this state have the resources they need to thrive academically.”

State officials offered no estimates for the number of students affected by the end of the Affordable Connectivity Program.

The pandemic led to the development of many online tools that still get used, Public Policy Institute of California researcher Joe Hayes told CalMatters. “So it stands to reason that households from historically underserved populations are going to be harder hit by the disappearance of the Affordable Connectivity Program,” he said.

A record [95% of Californians have access to the internet](#) today, according to a report Hayes published earlier this month. In recent years, access has increased the most among low-income Black and Latino households headed by people who didn’t graduate from college, the report said. The [digital divide has narrowed for grade-school students](#) as well, but still persists, the institute found in February.

Despite years of progress that made him optimistic, Hayes expects the end of the Affordable Connectivity Program to widen the digital divide for students and low-income households.

“Things are going to get worse for people on the margins,” he told CalMatters. “Even if you’re in a place with fiber in the ground, if you suddenly can’t afford it, I do expect that that gap to widen.”

Still, Hayes notes that a number of federal programs continue to fund efforts to end the digital divide, including the Department of Treasury’s coronavirus projects fund and the broadband equity and access deployment program. There’s also a [\\$6 billion state program](#) to fund broadband infrastructure projects, and earlier this month the state of California received a \$70 million federal grant to implement a digital equity plan. But he said these programs don’t address a key issue at the heart of the matter: [high monthly costs](#) charged by internet service providers.

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— JOE HAYES, RESEARCHER, PUBLIC POLICY INSTITUTE OF CALIFORNIA

The average cost of home internet is \$83 a month, according to a [2023 survey](#) by the California Department Of Technology. Latino households, people who live in rural areas, and low-income households are amongst those most in need of internet service, said the survey released in summer 2023. Roughly 3.5 million Californians still lack internet access due to lack of infrastructure, affordability, or other issues, according to the survey.

Sunne McPeak works to end the digital divide as the president and CEO of the California Emerging Technology Fund, which is [informing people who received Affordable Connectivity Program money about low-cost options available from internet service providers](#).

She said there are two important next steps for California to close the digital divide despite the end of the program:

- The Federal Communications Commission needs to keep sharing data with state agencies that administer federal assistance programs like Medi-Cal; groups attempting to bridge the digital divide use this data to reach households
- Do as [AB 1588](#) and [SB 1179](#) propose and require internet service providers extend affordable offers to people who were eligible for the Affordable Connectivity Program. She said companies like AT&T, Comcast, Cox, and Frontier already do so.

“It’s a total political problem,” McPeak said about the digital divide. “They could solve it tomorrow with the right will.”

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