



California Cuts \$2 Billion in Broadband Funding. Here's What It Means

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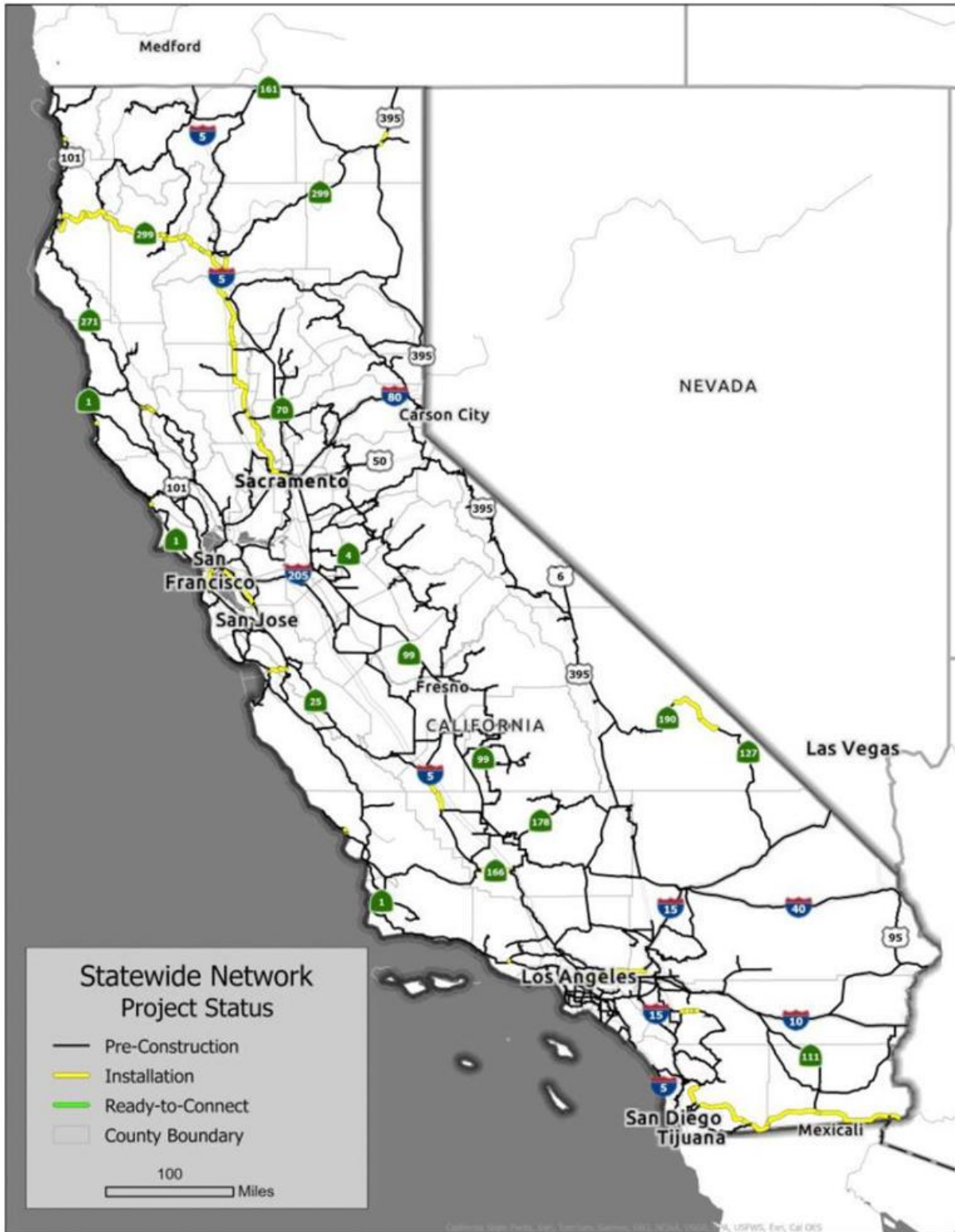
The [digital divide](#) just grew a little wider in California, as Gov. Gavin Newsom [announced](#) on Friday that he would be slashing \$2 billion for broadband from the state budget.

“These are programs, propositions that I’ve long advanced -- many of them,” Newsom said as he began outlining his budget. “But you’ve got to do it. We have to be responsible. We have to be accountable.”

Newsom is attempting to balance a budget deficit of \$27.6 billion for the fiscal year that starts July 1. The move comes at a difficult moment for internet consumers. The [Affordable Connectivity Program](#), which provides \$30 to \$75 monthly to help low-income families pay for internet, will officially be out of money by the end of May. [California](#) has more residents enrolled in the ACP than any other state, at [2.9 million](#).

What broadband initiatives will be impacted?

Newsom’s new budget plan will [cut \\$1.5 billion](#) from the state’s Middle-Mile Broadband Initiative, a [\\$5 billion project](#) signed into law in 2021 that aims to install more than 10,000 miles of fiber-optic cable to areas that have little or no high-speed internet coverage. This would make it more attractive for internet providers to connect in rural, tribal and minority urban communities, where they’ve often been hesitant to build infrastructure to themselves.



California has installed 747 out of a planned 9,817 miles of the Middle-Mile Broadband Initiative. California Middle-Mile Broadband Initiative© Provided by CNET

Some 91% of California households have internet service -- significantly higher than the 80% for the US as a whole - but an estimated [3.5 million people](#) [CETF

Website: <https://www.cetfund.org/more-than-3-million-californians-cant-afford-or-access-the-internet/>] remain disconnected in the state. All projects in the Middle-Mile Broadband Initiative were required to be completed by December 2026.

Another program impacted by the budget cuts is the [Broadband Loan Loss Reserve Fund](#), which helps local governments, tribes and nonprofits secure financing for building last-mile projects.

The state legislature has until June 15 to pass the budget, which gives digital equity advocates just over a month to negotiate the spending cuts.

Low-income internet options in California

While California's budget cuts will largely affect *access* to high-speed internet in the state, cost is actually the main barrier for most residents. According to a survey conducted by the California Emerging Technology Fund, residents spend an average of \$83.60 per month on home internet -- about [\\$9 more](#) than the country as a whole. As the ACP expires this month, here are some other low-income internet options available in California:

- **Access from AT&T:** AT&T is one of the largest internet providers in California, with service available to 57% of residents, according to [data from the Federal Communications Commission](#). It offers discounted internet plans to low-income residents of \$30 per month for speeds up to 100Mbps. It has the same eligibility requirements as the ACP: income at or below 200% of the [Federal Poverty Guidelines](#), or participation in a federal program like the Supplemental Nutrition Assistance Program, Supplemental Security Income or the National School Lunch program.

- **Cox:** Cox has two discounts available for low-income households. Its Connect2Compete plan is for families with at least one K-12 student, while its ConnectAssist plan is open to anyone who participates in a qualifying government assistance program.
- **Lifeline:** This federal program provides a discount of \$9.25 per month on home internet, or \$34.25 for families living on tribal lands. Your household will qualify if your income is less than or equal to 135% of the Federal Poverty Guidelines.
- **Spectrum Internet Assist:** This discounted internet plan from Spectrum gets you speeds up to 50Mbps for \$25 per month. You must participate in one of three programs to qualify for the discount: National School Lunch Program, Community Eligibility Provision or Supplemental Security Income (for applicants age 65 or older only).
- **Verizon Forward:** Verizon offers wireless internet service to a little over 30% of California households. Discounted internet is available for as low as \$20 per month, but you may have to bundle with a cellphone plan to get that price.
- **Xfinity Internet Essentials:** Xfinity has one of the most generous discounts around, with plans starting at \$10 per month for low-income customers and speeds up to 50Mbps. There are a number of programs that will qualify you for Xfinity Internet Essentials, including the ACP.