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CALIFORNIA STATE CONTROLLER BETTY T. YEE



Central Valley Regional Newsletter



Universal Broadband Access: Essential for Economic Growth

While California is home to Silicon Valley, Silicon Beach, and the Inland Empire hub for e-commerce and logistics, technology is not reaching everyone equally – or at all. A [2016 Field Poll survey](#) showed 30 percent of Californians still do not have access to reliable, high-speed broadband on home computers. Access is even lower in the state's rural and border areas.

The digital boom and the vast connectivity of the internet have forever changed our lives. Today, people can access their medical records, conduct research for school and work, or search for jobs with a few keystrokes. Yet 16 percent of Californians do not have any broadband access at home. Another 14 percent are considered underserved, with access only through a smartphone and no means to fully navigate websites and print related paperwork.

Even when a region has sufficient broadband capability, there are high costs, language barriers, and disabilities that can prevent full access. Only 43 percent of families with a household income under \$22,000 have broadband access at home, while another 25 percent are underserved. In the Central Valley, approximately 20 percent of households live at or below poverty level, making computers and broadband service contracts difficult to afford.

California has become the world's sixth largest economy due in no small part to tiny bits of silicon. Expanding access to broadband would provide tools to help low-income families access education and workforce opportunities. An investment in closing the digital divide is an investment in a stronger California economy.

Audits Team Shines Light on Use of Public Funds

State Controller Betty Yee's [audits team](#) has uncovered more than \$3 billion in misuse, waste, and fraud involving taxpayer money since January 2015.

In her team's [most recent report](#) on the Panoche Water District, the Controller discovered an "egregious lack of spending oversight"—76 percent of internal control measures were found to be inadequate. The district lacked written policies; ignored administrative procedures; and made \$86,000 in interest-free loans to employees, who also used district credit cards to purchase tickets to concerts and sporting events.

The California Controller has the only state audit authority independent of the Governor and the Legislature. Her team offers trainings and webinars for local government leaders wanting to adapt best practices.



State Cash Report Findings for February

California revenues of \$6.52 billion for February fell short of projections in the governor's proposed 2017-18 budget by 10.6 percent, just one month after beating expectations, Controller Yee reported. Fluctuating revenues have not developed a clear pattern. The variance can often be as simple as one large payment due on the first of the month being recorded on the last day of the prior month.

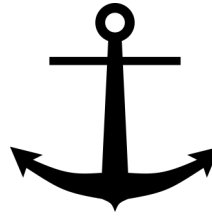
For the first eight months of the 2016-17 fiscal year that began in July, total revenues of \$73.28 billion are \$663.9 million below last summer's budget estimates, and \$888.1 million short of January's revised fiscal year-to-date predictions.

February personal income tax (PIT) receipts of \$3.12 billion was shy of projections in the governor's proposed budget by 0.2 percent. In the current fiscal year, California has collected total PIT receipts of \$50.97 billion, or 0.9 percent less than January's revised estimate.

Corporation tax receipts of \$168.2 million for February were 35.0 percent short of assumptions in the proposed 2017-18 budget. Fiscal year-to-date corporation tax receipts of \$3.82 billion are 3.3 percent above projections in the proposed budget.

February sales tax receipts of \$3.06 billion missed expectations in the governor's proposed 2017-18 budget by 18.8 percent. For the fiscal year to date, sales tax receipts of \$16.29 billion are 3.6 percent below the revised estimates released in January.

California's Ports Pack Economic Punch



If the Golden State were a country, its annual gross domestic product would be about \$2.46 trillion, making it the sixth largest economy in the world after the United Kingdom and ahead of France.

Trade accounts for nearly 25 percent of the state's economic activity, which is especially critical to the industrial, retail, and agricultural sectors.

From Humboldt Bay in the north to San Diego in the south, 12 ports serve as key links between the United States and the rest of the world. Three of the nation's five busiest ports are in California. More than 40 percent of the total containerized cargo entering the country and nearly 30 percent of U.S. exports flow through our ports. Top exports include airplane parts, circuits, and almonds; top imports include cars and electronics.

Port activities directly employ more than half a million people in California and generate \$9 billion in state and local tax revenue each year. The logistics and shipping industry and other port-related activities employ millions of workers, and generate hundreds of billions of dollars of economic activity. As economies in Asia and the Pacific Rim continue to grow, California port activity will grow too.

In addition to their vital functions in trade and commerce, ports serve as entertainment and recreation destinations and as terminals for cruise lines and other ships.

The [State Lands Commission](#) oversees many California ports. As a member of the commission, Controller Betty Yee is leading efforts to ensure the ports operate responsibly and provide benefits for Californians, including a call for ports to integrate cleaner freight technologies to reduce pollution impacts on nearby communities.

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