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CALIFORNIA LEGISLATURE

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February 14, 2025

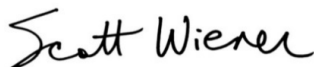
Mr. Joe Stephenshaw, Director
Department of Finance
1021 O Street, Suite 3110
Sacramento, California 95814

Dear Mr. Stephenshaw:

In two letters dated January 17, 2025, you notified the Joint Legislative Budget Committee (JLBC) of two requests from the California Military Department (CMD) to increase its federal fund expenditure authority by \$2.5 million in 2023-24 and \$28 million in 2024-25. These unanticipated federal funds were provided for CMD's Facilities and Infrastructure program, for the purpose of maintenance and repairs of Army National Guard facilities throughout the state. CMD both received and obligated these unanticipated federal funds prior to notifying the JLBC. Your letter was issued pursuant to the provisions of Section 28.00 of the *2023-24 Budget Act* and *2024-25 Budget Act*.

While I do not have concerns with the specific activities proposed, I am concerned that the department did not follow the requirement of Section 28.00. Section 28.00 requires any augmentation that exceeds either (1) \$400,000 or (2) 10 percent of the amount available for expenditure in the affected program, project, or function may be authorized not sooner than 30 days after written notification to the JLBC. According to the Legislative Analyst's Office, CMD expended the unanticipated federal funds prior to notifying the Legislature in January. This is particularly concerning as the LAO informs me this is the second time in as many years that CMD has failed to notify the JLBC before it received and obligated unanticipated federal funding. In the future, the administration should follow the law and notify the Legislature prior to expending funds that it is requesting expenditure authority for under the annual budget act.

Sincerely,



Scott Wiener
Chair

cc: Members of the Joint Legislative Budget Committee