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CALIFORNIA LEGISLATURE

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February 23, 2026

Mr. Joe Stephenshaw, Director
Department of Finance
1021 O Street, Suite 3110
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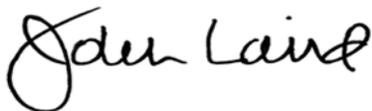
Dear Mr. Stephenshaw:

In a letter dated February 13, 2026, you notified the Joint Legislative Budget Committee (JLBC), pursuant to Control Section 28.00 in the *2025 Budget Act*, of a request from the California Military Department (CMD) to increase Federal Trust Fund (FTF) authority by \$31,752,000. You also requested JLBC waive the 30-day review period.

The unanticipated federal funds were awarded to the CMD by the federal National Guard Bureau (NGB) for the purpose of maintenance and repairs of Army National Guard facilities throughout the state. As your letter states, the NGB typically obligates funds for the CMD's Facilities and Infrastructure program at the beginning of the federal fiscal year which begins in October, three months after the start of the state's fiscal year. This difference in timing can span multiple state fiscal years and can prevent the enacted annual state budget from accurately reflecting the actual amount of federal funds received. Over the past few years, the CMD has submitted Section 28 applications because it has received federal funding that exceeded its spending authority. To help mitigate the need for similar requests in the future, the 2026-27 Governor's Budget proposes an additional \$25 million in baseline FTF authority.

To address this year's insufficient spending authority, I concur with the request and waive the remainder of the 30-day review period which will allow the CMD to encumber the federal dollars and ensure the funding does not revert.

Sincerely,



John Laird
Chair

cc: Members of the Joint Legislative Budget Committee

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