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March 23, 2026

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

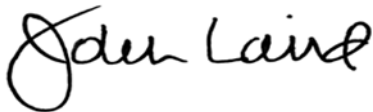
Dear Mr. Stephenshaw:

In a letter dated March 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 Department of Health Care Access and Information (HCAI) to increase federal fund expenditure authority by a total of \$107,276,000. You also requested JLBC waive the 30-day review period.

In late February, the unanticipated funds were awarded by the Centers for Medicare and Medicaid Services to HCAI for the federal Rural Health Transformation Program. The department will use the money to strengthen health care in rural communities where access, workforce shortages, and infrastructure gaps create unique challenges. Federal guidance requires the funding to be encumbered by October 30, 2026.

In order to meet the federal government's deadline, I concur with the request and waive the remainder of the 30-day review period which will allow HCAI to encumber the dollars and ensure the funding is not clawed back.

Sincerely,



John Laird
Chair

cc: Members of the Joint Legislative Budget Committee