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May 13, 2026

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

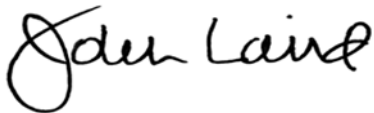
Dear Mr. Stephenshaw:

In a letter dated May 4, 2026, you notified the Joint Legislative Budget Committee pursuant to Control Section 28.00 in the *2025-26 Budget Act* of a request from the Department of Rehabilitation (DOR) to increase its Federal Trust Fund authority by \$250 million for the Vocational Rehabilitation program.

This augmentation is necessary to update DOR's expenditures authority and accurately account for the available federal fund balances. Historically, DOR received Vocational Rehabilitation grant funds and allocated 75 percent of the award to the current fiscal year and the remaining 25 percent to the subsequent fiscal year. When the department migrated its budgeting and accounting system to FISCAL, the system would not recognize that accounting practice. The requested augmentation simply aligns DOR's spending authority with the amount received during the current state fiscal year.

I have reviewed the notification letter and concur with the request. In addition, I approve your request to waive the remainder of the 30-day review period.

Sincerely,



John Laird
Chair

cc: Members of the Joint Legislative Budget Committee