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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 5, 2026, you notified the Joint Legislative Budget Committee pursuant to Item 9840-001-0001, Provisions 3 and 6 in the *2025-26 Budget Act*, of a request from the State Controller's Office (SCO) to provide \$1,105,000 for unanticipated costs associated with the terms of a recent legal settlement.

A district court found that the SCO failed to accommodate the religious objections of an individual who was denied a job opportunity when she refused to pledge "true faith and allegiance" to the California and U.S. Constitutions without an amendment. The court entered summary judgment against the SCO and ordered payment to the plaintiff.

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, in order to allow the Treasurer to pay the settlement as soon as possible.

Sincerely,



John Laird
Chair

cc: Members of the Joint Legislative Budget Committee