



February 11, 2022

Honorable Nancy Skinner, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Chris R. Holden, Chair
Assembly Appropriations Committee

California Military Department General Fund Cash Flow Loan

Pursuant to the provision 8 of Item 8940-001-0001, 2021 Budget Act, the following report is respectfully submitted.

The Department of Finance has received a request from the Military Department for a \$30 million General Fund loan for the purpose of alleviating a temporary cash flow shortage due to delays in reimbursements from the federal government. As part of the Master Cooperative Agreement with the federal government, the Military Department pays for costs up front and then seeks reimbursement for the federal government's share of the costs. As a result of paying costs up front and the delayed reimbursement periods, which generally take 60 to 120 days, the Military Department projects it will exhaust its General Fund resources by the end of February.

We concur with the necessity of this loan and request a waiver of the 30-day review period so the Department has sufficient cash available by the end of February. Upon approval, funding will be provided as a General Fund cash flow loan to Item 8940-001-0001, 2021 Budget Act, in the amount of \$30 million.

If you have any questions or need additional information regarding this matter, please call Emma Jungwirth, Assistant Program Budget Manager, at (916) 445-8913.

KEELY MARTIN BOSLER

Director

By:

ERIKA LI

Chief Deputy Director

cc: On following page

cc: Honorable Cristina Garcia, Chair, Assembly Budget Subcommittee No. 5
Honorable Sydney K. Kamlager, Chair, Senate Budget and Fiscal Review
Subcommittee No. 4
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst (3)
Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office (2)
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and
Budget
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
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Jason Sisney, Assembly Speaker's Office (2)
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Major General Stephen S. Baldwin, Adjutant General, California Military Department
Lieutenant Colonel Adam Rix, Comptroller, California Military Department