

## Joint Legislative Budget Committee

# CALIFORNIA LEGISLATURE

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April 13, 2023

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

Dear Mr. Stephenshaw:

In a letter dated March 14, 2023, you notified the Joint Legislative Budget Committee (JLBC) of a request from the California Military Department (CMD) to increase its federal funds expenditure authority by a total of \$4.4 million in 2022-23. This includes \$2.1 million to establish new STARBASE programs at Camp San Luis Obispo and Porterville Military Academy and \$2.3 million for repairs, maintenance, and improvements to existing facilities that support the Youth ChalleNGe and California Jobs ChalleNGe programs. Your letter was issued pursuant to the provisions of Section 28.00 in the *2022-23 Budget Act*.

My issue is not with the specific activities proposed, more accurately I am not pleased that the department did not follow the requirement of Section 28.00, specifically that augmentations that exceed either (1) \$400,000 or (2) 10 percent of the amount available for expenditure in the affected program, project, or function must be authorized not sooner than 30 days after written notification to the JLBC.

According to the Legislative Analyst's Office, CMD expended a portion of the unanticipated federal funds prior to the 30-day notification period. The department should have waited until after the Legislature had the opportunity to review the department's request for increased federal fund expenditure authority.

In the future, the administration should follow the requirements of Section 28.00 and notify the Legislature prior to expending funds that it is requesting expenditure authority for under the annual budget act.

Sincerely,

  
Nancy Skinner  
Chair

cc: Members of the Joint Legislative Budget Committee