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May 31, 2023


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

Dear Mr. Stephenshaw:

In a letter dated May 24, 2023, you notified the Joint Legislative Budget Committee, pursuant to Provisions 3 and 6 of Item 9840-001-0494 in the *2022-23 Budget Act*, of a request from the Department of Consumer Affairs to increase special fund spending authority for unanticipated litigation costs associated with a lawsuit filed against the California State Athletic Commission. The case, *Gilbert W. Hedgpeth, et al. v. California State Athletic Commission, et al.*, which was dismissed in February 2023, cost \$383,000 in Attorney General legal service fees during the current fiscal year. After accounting for the \$68,000 in the Commission's budget for litigation support, there is a need to increase the special fund appropriation authority by \$315,000 to cover the remaining expenditures. No General Fund will be used for this case.

I have reviewed the request and concur with the increase in spending authority. In addition, I waive the remainder of the 30-day review period, in order to allow the Commission to reimburse the Attorney General's office before the end of the fiscal year.

Sincerely,



Nancy Skinner
Chair

cc: Members of the Joint Legislative Budget Committee