



# Air Resources Board



Linda S. Adams  
Secretary for  
Environmental Protection

Mary D. Nichols, Chairman  
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Sacramento, California 95812 • [www.arb.ca.gov](http://www.arb.ca.gov)

Arnold Schwarzenegger  
Governor

## URGENT NOTICE: PROPOSITION 1B GRANTS FOR GOODS MOVEMENT AND SCHOOL BUS PROGRAMS

December 23, 2008

TO: Local Air Districts and Seaports Implementing Proposition 1B Grants

Due to the delay in enacting solutions to the current fiscal year budget crisis, the State Treasurer's Office has been unable to access the bond market to generate funds for General Obligation (GO) bond programs such as the Proposition 1B: Goods Movement Emission Reduction Program and the Lower Emission School Bus Program. As a result, until there is an effective resolution to this crisis, and a restoration of the State's ability to access the bond market, all State agencies and departments must cease entering into grants or agreements that commit the expenditure of GO bond funds.

In addition, as a grant recipient of GO bond funds, we must instruct you to suspend entering into any new equipment project or other contracts that would be funded from Proposition 1B grant monies or expending funds for contracts that you have already signed. The Air Resources Board is not authorized to approve any payments for expenditure requests until such time as we have access to funds to cover the Proposition 1B programs.

We understand and appreciate that you have been working hard to implement the grants and have deadlines that are required by program guidelines or by the grant agreements that might not be met due to the suspension of funding for these programs. We are prepared to extend the deadlines for the early grants and for contract execution under the main grants. If needed, we will also reduce the six-month "early" period for truck retrofits.

Once Proposition 1B funds can be generated, program implementation and expenditures can continue without further disruption. Rest assured we will be keeping you informed of progress as it unfolds.

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.*

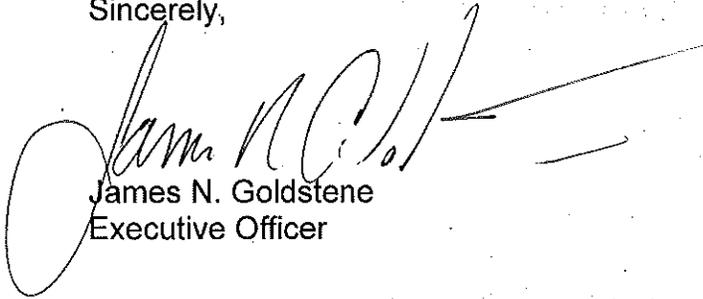
California Environmental Protection Agency

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If you have questions, please contact Ms. Cynthia Marvin, Assistant Division Chief, Planning and Technical Support Division, at (916) 322-7326 for the Goods Movement Program or Mr. Jack Kitowski, Chief, On-Road Control Regulations Branch, at (916) 323-6169 for the School Bus Program.

Sincerely,



James N. Goldstene  
Executive Officer

- cc: Cynthia Marvin  
Assistant Division Chief  
Planning and Technical Support Division
  
- Jack Kitowski, Chief  
On-Road Control Regulations Branch  
Mobile Source Control Division