



Air Resources Board



Linda S. Adams
Secretary for
Environmental Protection

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Arnold Schwarzenegger
Governor

URGENT NOTICE: PROPOSITION 1B GRANTS FOR SCHOOL BUS PROGRAMS

December 23, 2008

TO: Local Air Districts with Proposition 1B School Bus Grants Implemented by ARB

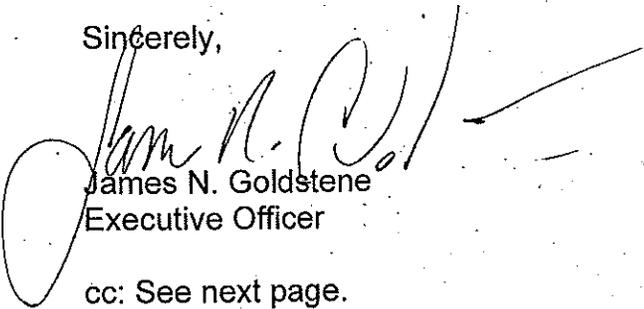
This letter is an urgent notice regarding the Proposition 1B grants for the Lower Emission School Bus Program. Due to the delay in enacting solutions to the current fiscal year budget crisis, the State Treasurer's Office has been unable to access the bond market to generate funds for General Obligation (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.

As a grant recipient of GO bond funds, ARB must suspend entering into any new equipment project or other grant agreements that would be funded from Proposition 1B grant monies or expending funds for grant agreements that have already been signed. In addition, 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.

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.

If you have questions, please contact Mr. Jack Kitowski, Chief, On-Road Control Regulations Branch, at (916) 323-6169.

Sincerely,


James N. Goldstene
Executive Officer

cc: See next page.

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