

BUDGET LETTER

SUBJECT: RESCINDING OF BUDGET LETTER 09-05	NUMBER: 09-06
REFERENCES: BL 08-33; BL 09-02; BL-09-05	DATE ISSUED: February 19, 2009
	SUPERSEDES: 09-05

TO: Secretary of State
State Controller
State Treasurer
Superintendent of Public Instruction
Administrative Office of the Courts
Agency Secretaries
Office of the President, University of California
Chancellor's Office, California State University
Board of Governors, California Community Colleges

Department Directors
All GO Bond Financing Committees
California Institute for Regenerative Medicine
Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

Budget Officers are requested to forward this Budget Letter (BL) to their Department Facilities, Construction, and Contract Managers.

RESCINDING EXEMPT PROJECT SHUTDOWNS

With the Legislature reaching agreement this morning on a budget solution for the current and budget years, and with the expectation that the Governor will sign the agreement shortly, this is to notify you that the BL issued on February 17, 2009 is rescinded.

While this will allow the 276 projects listed in the previous BL to continue, the Department of Finance—in consultation with the State Controller's Office and the State Treasurer's Office—has much work to do over the next month. The cash flow results of the solutions adopted in this budget agreement need to be analyzed. After this process, the State Treasurer's Office will begin to proceed with bond sales. But, it will be some time before we know the amount of cash available to address past and future obligations for these projects, as well as past obligations for the nearly 5,400 projects and grants that have been stopped.

It will be some time before the projects and grants that have already shut down will be able to restart. In addition, it will also take time to determine when any new projects will be able to start.

If you have any questions, please contact your Finance Budget Analyst.

/s/ Michael C. Genest

MICHAEL C. GENEST
Director