



State of California

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ARNOLD SCHWARZENEGGER
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GLEN W. THOMAS
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March 24, 2009

The Honorable George Miller
Chairman
House Education and Labor Committee
2205 Rayburn House Office Building
Washington, DC 20515

The Honorable Zoe Lofgren
Chairwoman
California Democratic Delegation
102 Cannon HOB
Washington, D.C. 20515

Dear Representative Miller, Representative Lofgren, and members of the California Delegation:

On behalf of Governor Arnold Schwarzenegger, I would like to respond to your recent letter regarding funds allocated through the American Recovery and Reinvestment Act (ARRA).

First, let me assure you it is the intent of the Governor that State Fiscal Stabilization funds allocated to the state will be dispersed quickly to local educational agencies (LEAs) and will be spent according to local needs. It is the hope that these funds will immediately help prevent teacher layoffs in our LEAs. The Governor encourages LEAs to use these funds wisely, with transparency and accountability, and in accordance with federal law.

Since the ARRA was signed into law last month, the California State Legislature has conducted several hearings to discuss how the federal stimulus funds would impact California. Many experts testified on their interpretation of how the funds can and should be spent. Included among these experts is the Legislative Analysts Office (LAO), which has historically provided fiscal and policy advice to the State Legislature. In March, the LAO published a report detailing its interpretation of the ARRA as well as recommendations to the State Legislature on how the state should spend federal funds, including the potential for the Governor to use education funds from the State Fiscal Stabilization Fund to mitigate future reductions.

However, as I indicated above, the Governor is committed to releasing the funds to the local school districts as soon as they are available from the U.S. Department of

Education. I share your desire to get these critical dollars to our LEAs as soon as possible so that our local leaders, teachers and parents can begin utilizing them.

Thank you for your letter. Our partnership with you in this work is important.

Please let me know if I can provide further information or assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Glen W. Thomas', with a long horizontal flourish extending to the right.

Glen W. Thomas