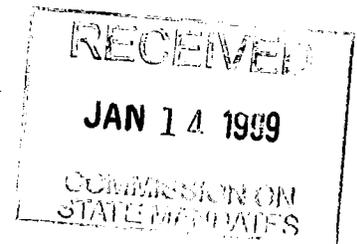


STATE OF CALIFORNIA

GRAY DAVIS, Governor

DEPARTMENT OF FINANCE

915 L STREET
SACRAMENTO, CA 95814-3706

January 13, 1999

Ms. Paula Higashi
Executive Director
Commission on State Mandates
1300 I Street, Suite 950
Sacramento, CA 95814

Dear Ms Higashi:

In a letter dated September 3, 1998, you requested the Department of Finance to review the test claim submitted by the Brentwood Union School District (claimant) asking the Commission to determine whether specified costs incurred under Chapter No. 509, Statutes of 1996, (AB 1724, McPherson), are reimbursable state mandated costs (Claim No. CSM-98-TC-04 "Acquisition of Agricultural Land for a School Site"). As the result of that review, we concluded that we would not be able to provide a recommendation on the merits of the claim within the specified amount of time. Accordingly, we requested an extension of time to file our position on the claim.

In your letter of response dated October 15, 1998, you approved our request and extended the due date to December 31, 1998. Unfortunately, Department of Finance staff have been engaged full-time in the process of developing the 1999-2000 Governor's Budget and other budget-related documents up until this week. As a result, we have been unable to complete a thorough analysis of this case and respectfully request an additional extension of time for good cause to file our position on this claim. We believe the fact that staff have been wholly consumed with the task of meeting the January 10 constitutional deadline for submission of the Governor's Budget satisfies the "good cause" criterion in Section 1181.1(g) of the Commission's regulations. It is our intent to file our position by January 22, 1999.

As required by the Commission's regulations, we are including a "Proof of Service" indicating that the parties included on the mailing list which accompanied your September 3, 1998, letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

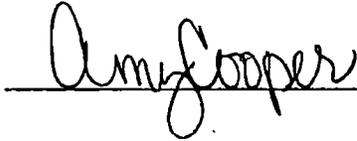
E-8
State Board of Education
Attention: Bill Lucia, Executive Director
721 Capitol Mall, Room 532
Sacramento, CA 95814

California Teachers Association
Attention: Steve DePue
2921 Greenwood Road
Greenwood, CA 95635

Girard & Vinson
Attention: Paul Minney
1676 N. California Blvd., Suite 450
Walnut Creek, CA 95496

Brentwood Union School District
Mr. Paul C. Minney, Esq.
Girard & Vinson
1676 North California Blvd., Ste. 450
Walnut Creek, CA 94596

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on January 13, 1998, at Sacramento, California.



Amy Cooper