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LETTER NO. _____

October 21, 1994

COMPTROLLER'S MEMORANDUM NO. 1994-28

TO: Heads of Departments and Agencies

FROM: Robert P. Takushi, State Comptroller

SUBJECT: Office Space Leases In Non-State Owned Buildings

The Leasing Services Program has been greatly impacted by recent budget cuts, along with 1994 legislation which required a 10% reduction of all office lease expenses (to include Federal and Special funded leases).

In attempts to comply with these restrictions on the Leasing Services Branch, the following steps will be taken effective immediately:

1. No new leases or expansion of existing office space shall be authorized unless one of the following conditions apply:

   A. A new program or expansion of an existing program is necessary to accommodate governmental mandates imposed upon the department. The department shall have the additional leasing funds.

   B. Additional leasing funds were appropriated by the Legislature specifically for this purpose.

   C. The Governor approves of the new program or the expansion, and the department has the additional leasing funds.

2. Office space consolidations are anticipated and shall be considered by all departments. This will include the sharing of space with other departments. The intent is to fill available space within an existing office which has downsized or relocated part of its original staff. The Leasing Services Branch will negotiate reasonable provisions for a shared office arrangement to include demising walls.

These restrictions will continue until the 10% office lease expenditure reduction is achieved, and/or all criteria for restaffing due to early retirement is determined by the Budget and Finance Department and reorganizational plans are established.

We appreciate your understanding and cooperation and look forward to working together to achieve these reductions.

Should you have any questions, please call our Leasing Services Branch at 586-0505.

ROBERT P. TAKUSHI