



Controller Betty T. Yee

California State Controller's Office

300 Capitol Mall
Sacramento, CA 95814
916.445.2636
www.sco.ca.gov

PR09:020
For Immediate Release:
6/10/2009

Contact: Jacob Roper
916-445-2636

Controller Releases May Cash Flow Figures

SACRAMENTO – State Controller John Chiang today released his monthly report detailing California's cash balance, receipts and disbursements in May and through the first 11 months of the fiscal year. In May, revenue was \$827 million below the latest projections found in the Governor's May Budget Revision.

"Without immediate solutions from the Governor and Legislature, we are less than 50 days away from a meltdown of State government. This presents a terrible threat to California's economy and to the State's delivery of basic public services," said Chiang. "A truly balanced budget is the only responsible way out of the worst cash crisis since the Great depression."

Personal income taxes were \$475 million below (-23.0%) estimates in the May Revision. Corporate taxes were down \$84.4 million (-25.8%), and sales taxes fell by \$109 million (-3.3%).

The Controller has met with Governor Schwarzenegger and Legislators in the past week to brief them on the State's immediate cash problem. He also sent a [letter](#) to State leaders this morning with new cash projections – updated to reflect May actuals and final May Revision numbers from the Department of Finance – that continue to show the State exhausting all available cash by late July. The State is now projected to run \$2.78 billion into the red on July 31.

The State started the fiscal year with a \$1.45 billion cash deficit, which grew to \$19.8 billion on May 31, 2009. That deficit is being covered by a combination of Revenue Anticipation Notes (RANs) and internal borrowing from special funds. Borrowing from special funds is expected to provide enough cash to fund State operations through the end of the fiscal year on June 30.

May 2009's and the can be found on the Controller's Web site at www.sco.ca.gov.

###