



# Controller Betty T. Yee

## California State Controller's Office

300 Capitol Mall  
Sacramento, CA 95814  
916.445.2636  
[www.sco.ca.gov](http://www.sco.ca.gov)

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**Contact: Jacob Roper**  
**916-445-2636**

## Controller Releases August Cash Update

**SACRAMENTO** – State Controller John Chiang today released his monthly report covering California's cash balance, receipts and disbursements in August, showing revenues came in \$134.9 million above (2.1 percent) projections from the recently passed state budget.

"While August revenues did not fully offset last month's shortfall, we are fortunate that the recent market upheaval, sluggish job growth and continued weakness in key segments of our economy did not lead to a third straight month of slipping revenues," said Chiang. "We now look to September and its \$7.6 billion of projected revenue – making it the largest cash month between now and December 15, when a decision must be made on whether to pull the trigger to cut more program funding."

After accounting for August revenues, total general fund revenues are now behind the budget's estimates by \$403.8 million.

While sales taxes initially looked more robust in August, it was discovered that the Board of Equalization mistakenly allocated \$343 million of local government dollars to the State. The 2011-12 Budget enacted a major shift or "realignment" of state responsibilities and revenues to local criminal justice, mental health, and social service programs. The \$343 million of sales tax should have been allocated locally as part of the new realignment program. The error will be corrected this month.

Income taxes were above projections by \$127.4 million (4.1 percent) in August. Sales taxes were up \$8.6 million (0.3 percent), and corporate taxes were up \$46.7 million (51.4 percent) in the same month.

For more details, read August 2011's and [summary analysis](#).

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