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Controller Releases February Cash Update

SACRAMENTO – State Controller John Chiang today released his monthly report covering California's cash balance, receipts and disbursements in February, showing monthly revenues came in \$146.3 million below (-3.2 percent) the latest projections contained in the Governor's proposed 2012-13 Budget. That shortfall was likely caused by a large increase in early tax refunds going out during the month of February.

"While revenues continue to track below projections, the cash conservation measures that were quickly and decisively adopted last month will ensure that the State will be able to pay its bills for the remainder of this fiscal year," said Controller John Chiang.

The Controller's Office had warned that General Fund cash could dip below the minimum safety level of \$2.5 billion on February 29, and slip into the red in March. That shortfall was avoided by a series of short-term cash solutions developed by the Controller's Office, the Department of Finance and the Treasurer's Office.

The solutions included some internal and external borrowing, and a small number of delayed payments. Today's report shows disbursements being \$1.7 billion below projections, but at least \$533 million of that amount is due to the delayed payments intended to conserve cash.

The State ended last fiscal year with a cash deficit of \$8.2 billion. The combined current-year cash deficit stands at \$21.6 billion. Those deficits are being covered with \$15.2 billion of internal borrowing (temporary loans from special funds) and \$6.4 billion of external borrowing.

For more details, read February 2012's and .

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