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Chiang Releases January Cash Figures

SACRAMENTO – State Controller John Chiang today released his monthly report detailing the State of California's cash balance, receipts and disbursements for January 2009.

"The State's major revenue sources are simply unable to support the programs and services provided in California's budget," said Controller Chiang. "While reconciling these funding issues will be painful, only a sound budget with cash solutions will guide us out of this fiscal sinkhole."

January's totals were \$2.18 billion below the same month of last year, with personal income tax alone dropping by \$1.62 billion (-19.5%). But the decline in revenue was expected, and January's totals were actually \$223 million stronger (3.0%) than those estimated in the Governor's 2009-10 budget projections.

The State of California continues to face a severe cash crisis, forcing the State Controller to delay several categories of payments for 30 days in February.

"Right now the State has only \$6 to pay for every \$10 worth of bills, and the State's Constitution and Federal Law are both clear on which payments have first claim to available funds. In order to save the State from defaulting on those payments, I have no choice but to delay some payments," said Controller Chiang. "With receipts running this short, the Legislature and Governor must move with all haste to craft a new budget with sound solutions."

By the end of January, the State had only \$2.7 billion remaining in special funds available for internal borrowing. Without delaying payments, the State would deplete those borrowable funds and drop \$346 million into the red by the end of February.

The State's [financial statement](#) and [summary analysis](#) for the month of January 2009 is available on the Controller's Web site at www.sco.ca.gov.

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