



# Controller Betty T. Yee

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## Controller Releases September 2010 Cash Figures

**SACRAMENTO** – State Controller John Chiang today released his monthly report covering California's cash balance, receipts and disbursements in September.

Receipts for the month were above the Governor's May Revision estimates by \$1.1 billion, or 15.3 percent. Corporate taxes were up \$378.7 million (46.1%), and sales taxes came in \$60 million above (2.9%) estimates. Personal income tax revenues came in above estimates by \$732.9 million (22%), although that increase is likely the result of accelerated revenues due to recent changes to the tax deadlines, rather than a sign of significant upturn in the economy.

"It's difficult to celebrate a budget deal that does so little after so long," said Chiang. "The latest casualties of this historically-late budget include the many schools, taxpayers, and daycare providers whose payments will now be delayed so that long-suffering Californians who received nothing from the State for the past 100 days will finally get some financial relief."

The outstanding bills from this year's budget delay total \$8.3 billion, with amounts owed to small businesses, community clinics, and local governments that have gone without payment since July 1. After accounting for September's cash receipts and expenditures, the State's available cash to make all payments dips to just \$3.5 billion at the end of October, creating a need for at least \$4.8 billion in this month alone.

Controller Chiang has repeatedly warned that the State faces large cash-flow problems in October. To confront this cash problem and avoid the danger of IOUs, the Legislature approved AB 1624, which defers some payments until the State Treasurer can secure an external cash flow borrowing through the sale of Revenue Anticipation Notes (RANs). For 27 of the past 28 years, RANs have been used to smooth over cash shortfalls during the early "revenue-dry" months of the fiscal year until the bulk of annual revenues are received in the last third of the year. Usually obtained by September or October, this year's RANs have not yet been sold due to the absence of a spending plan.

CalWorks funding, local education apportionments, tax refunds, and community college payments are among those temporarily deferred by AB1624. These deferrals provide the cash necessary to pay back small businesses that contract with the State, community clinics, local programs and most other entities that went without payment during the three-month budget delay. The Controller's website includes [a chart showing the cash problem that follows enactment of the budget](#), a breakdown of the budget's payment deferrals, and a page of frequently asked questions and answers.

September 2010's and the can be found on the Controller's website at [www.sco.ca.gov](http://www.sco.ca.gov).

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