



Controller Betty T. Yee

California State Controller's Office

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

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Contact: Jacob Roper
916-445-2636

Controller Releases August 2010 Cash Figures

SACRAMENTO – State Controller John Chiang today released his monthly report covering California's cash balance, receipts and disbursements in August. The month brought welcome news for California's ability to continue to meet its payment obligations in the near term, with revenues rising above the Governor's May Revision estimates by \$264.6 million, or 3.9 percent.

Total disbursements for the fiscal year were also running behind projections. After adjusting the Governor's May Revision to reflect the absence of a spending plan in July and August, disbursements through August 31 were \$1.2 billion below estimates.

"For the time being, Californians will be spared the pain and expense of a second round of IOUs," said Controller Chiang. "But the budget gridlock continues to harm thousands of Californians while hampering our economic recovery. The Governor and Legislature should not view this short reprieve as an invitation to break the budget deadlock record."

Earlier projections showed the State without enough cash on hand to cover all of its bills in late October 2010, which could have forced the Controller to begin issuing IOUs in early September.

But August cash totals were high enough to remove the immediate threat of IOUs. The Controller will continue to monitor cash on a daily basis, and may still have to issue IOUs for state payments in early October.

Personal income tax revenues came in above estimates by \$119.5 million (4.1%). Corporate taxes were down \$151 million (-117%), and sales taxes came in \$124.8 million above (3.8%) estimates.

August 2010's and the can be found on the Controller's website at www.sco.ca.gov.

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