

# CONTROLLER JOHN CHIANG

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## Chiang Describes August Impact of Budget Delay

**SACRAMENTO** – State Controller John Chiang today outlined more than \$3 billion in payments his office will not be able to make if a State Budget is not adopted by the end of August. The [list of payments](#) is available at the [Controller's web site](#). The website also details at least \$1.25 billion in other payments that could not be made in July without a budget in place.

“The longer we go without a budget, the more we force schools, rural hospitals, health clinics, nursing homes and small businesses to raid their own savings accounts, take out loans, or limit their services by closing their doors,” said Chiang. “The only remedy for the situation is a solid budget in place.”

Without a budget in August, payments the Controller cannot pay include:

- School districts for “categorical” programs such as special education and remedial summer school, community colleges, and local governments.
- Vendors for services provided after July 1.
- Salaries and per diem of state elected officials and their appointed staff.

While \$2 billion in contingency funding was available to institutional Medi-Cal providers and Regional Developmental Service centers, the state estimated that funding would not last into the month of August. Payments to both groups stopped on July 28, and they will not be reimbursed for additional services until after the budget is signed.

The Controller will continue to make the following payments:

- Federally-mandated services such as Supplemental Security Income/State Supplementary Payment (SSI/SSP), and In-Home Supportive Services.
- Payroll for state employees covered by the Federal Fair Labor Standards Act.
- Vendor payments for services provided in the previous fiscal year ending June 30.
- Expenses with ongoing appropriations from the Legislature, including Medi-Cal (payments to non-institutional providers), CalWORKs, income tax refunds and payments on claims for unclaimed property.
- Debt service and other financial obligations authorized by the State Constitution.

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