



November 30, 2012

Honorable Mark Leno, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Honorable Christine Kehoe, Chair
Senate Appropriations Committee

Honorable Mike Gatto, Chair
Assembly Appropriations Committee

Reduction in Intra-Year Payment Deferrals in 2012-13

Government Code (GC) sections 16325.5 and 16326 authorize the deferral of specified payments due to potential shortage of cash available to the General Fund. In the event the Controller, Treasurer, and Director of Finance jointly determine there will be sufficient cash available to the General Fund, existing deferred payments may be paid earlier than scheduled, or future deferrals may be avoided.

On November 21, 2012, pursuant to paragraphs (c) and (d) of GC section 16325.5, the Controller, Treasurer, and the Director of Finance jointly determined there will be sufficient cash in the General Fund to make the following payments that had been deferred or are scheduled to be deferred:

Accelerate from January 2013 to December 2012 to make these deferred payments:

- K-12 schools (\$1.57 billion)
- California Community Colleges (\$150 million)
- Social Services Programs (\$142 million)

Will not proceed with these planned deferrals in March 2013:

- K-12 schools (nearly \$800 million)
- Social Services Programs (\$142 million)

The Department of Education, California Community Colleges, and the Department of Social Services have been notified of the joint determination.

If you have any questions or need additional information, please contact one of our offices.

Sincerely,


JOHN CHIANG
Controller


BILL LOCKYER
Treasurer


ANA J. MATOSANTOS
Director of Finance

cc: On following page

cc: Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
Mr. Mac Taylor, Legislative Analyst (3)
Ms. Keely Bosler, Staff Director, Senate Budget and Fiscal Review Committee
Mr. Mark McKenzie, Staff Director, Senate Appropriations Committee
Mr. Seren Taylor, Staff Director, Senate Republican Fiscal Office
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christian Griffith, Chief Consultant, Assembly Budget Committee
Mr. Geoff Long, Chief Consultant, Assembly Appropriations Committee
Mr. Eric Swanson, Staff Director, Assembly Republican Fiscal Committee
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Collin Wong-Martinusen, Chief of Staff, State Controller's Office
Mr. Steve Coony, Chief Deputy Treasurer, State Treasurer's Office