

Joint Legislative Session

December 8, 2008

Presentation by

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Delay in Enacting Solutions Reduces their Budgetary Value in the Current Year

If enacted by...

December 1, 2008	\$9.2 Billion
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February 1, 2009	\$7.2 Billion
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June 1, 2009	<i>Less Than</i> \$3.0 Billion
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Quick Action Now — Is Key to Making Next Year's Budget Problem Manageable

(Dollars in Billions)

December Special Session Proposals...	Impact on Budget Deficit	
	2008-09	2009-10
if fully adopted by February 1, 2009	-\$2.3	-\$3.6
if not adopted	-\$9.5	-\$25.2

Quick Action Now — Makes Cash Situation Manageable

(Dollars in Billions)

	December	January	February	March	April	May	June	July
Beginning Balance	\$3.8	\$2.2	\$2.9	\$4.2	\$1.8	\$4.1	\$5.2	\$8.0
Receipts	7.6	8.7	7.4	5.5	13.1	8.8	12.4	5.1
Disbursements	-9.2	-8.0	-6.1	-7.8	-10.8	-6.5	-5.8	-10.9
RANs Repayment	0.0	0.0	0.0	0.0	0.0	-1.2	-3.8	0.0
Ending Balance	\$2.2	\$2.9	\$4.2	\$1.8	\$4.1	\$5.2	\$8.0	\$2.2

Failure to Act Now — Would Create Financial Disaster

(Dollars in Billions)

	December	January	February	March	April	May	June	July
Beginning Balance	\$3.8	\$2.2	\$2.9	\$0.3	-\$2.4	-\$1.0	-\$1.5	-\$0.3
Receipts	7.6	8.7	5.4	5.4	12.7	7.6	11.4	4.2
Disbursements	-9.2	-8.0	-8.0	-8.1	-11.3	-7.0	-6.4	-11.4
RANs Repayment	0.0	0.0	0.0	0.0	0.0	-1.2	-3.8	0.0
Ending Balance	\$2.2	\$2.9	\$0.3	-\$2.4	-\$1.0	-\$1.5	-\$0.3	-\$7.6

Who Won't Get Paid?

(Amounts reflect July of 2008 Payments, for Illustrative Purposes)
(Dollars in Billions)

Schools	\$5.1
GO Debt Service <i>(None scheduled in July)</i>	0.0
Pension Contribution	1.0
Payroll	0.9
County Social Services and Mental Health Programs	1.8
Medi-Cal	1.5
Regional Centers	0.4
Trial Courts	0.2
Others	0.5
Typical Disbursements in July	\$11.4