



NEWS RELEASE

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Treasurer Lockyer Pledges Maximum Effort to Revive Infrastructure Financing *Cautions Restoration of Bond-Funded Projects Will Take Time*

SACRAMENTO – State Treasurer Bill Lockyer issued the following statement on today’s enactment of a plan to close California’s \$41 billion budget shortfall:

“This budget paves a major segment of the State’s road back into the bond market. To thaw the freeze on financing for bond-funded infrastructure projects, my office needed a credible budget fix. We’re still assessing all the short-term and longer-term ramifications of the final product, but I believe investors will conclude this plan passes the credibility test.

“Our return to full speed will not happen overnight. We’re still faced with a tight credit market. And the State has incurred billions of dollars in unreimbursed project costs since we were last able to access the market in June 2008. We’ll have to start clearing that backlog with bond sales before our infrastructure development program can move forward.

“We should have a much clearer sense of the State’s cash situation in a few weeks. With that information, my office will be better able to decide how fast, and to what extent, we can restore the flow of bond money so vital to our economy. But after spending eight months shut out of the market, I will do everything I can to resume sales as soon as possible. The livelihoods of thousands of workers, businesses and nonprofits depend on these projects. We cannot have a strong California comeback without a strong infrastructure financing program.”

To help the State conserve cash during its protracted budget crisis, the Pooled Money Investment Board (PMIB) last Dec. 17 imposed a freeze on infrastructure financing. The action halted or delayed 5,300 projects with a combined value of \$18.1 billion. The jobs of 326,000 workers, and billions of dollars in revenues for the businesses which build the projects, have been lost or threatened. The freeze affects projects throughout California, including highways, bridges, schools, levees, housing, hospitals, environmental restoration, fire stations, veterans homes and others.

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