



CALIFORNIA STATE TREASURER BILL LOCKYER

# NEWS RELEASE

**FOR IMMEDIATE RELEASE**

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## **Treasurer Lockyer Stresses Need for Timely, Credible State Spending Plan**

SACRAMENTO – State Treasurer Bill Lockyer today issued the following statement about the State Budget:

“It’s absolutely critical that the Governor and Legislature quickly adopt a budget that’s free of hope-and-a-prayer math and legal clouds. Every day without a credible plan brings us closer to deterioration of the State’s credit rating and the humiliation of IOUs. Our taxpayers shouldn’t have to pay the higher borrowing costs that come with a ratings downgrade. If we let that happen, we will saddle Californians with a multi-billion dollar Debt Surtax.

“A lengthy delay would create other problems, too. It could jeopardize thousands of jobs by reducing or even eliminating the time we’ll have available this year to sell bonds that finance infrastructure projects. It would make it harder and more expensive, maybe even impossible, to obtain \$10 billion in short-term loans the State will need this summer to maintain adequate cash flow and protect vital services. And each day that passes without a budget deepens the fiscal hole by more than \$50 million.

“A protracted budget delay would benefit no one except California bashers and Wall Street speculators who profit from bad headlines and political dysfunction. I don’t envy the Governor and Legislature. The challenges they face and the obstacles to their success are formidable. I’m ready to do everything I can to help them pass the test.”

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