



CALIFORNIA STATE TREASURER BILL LOCKYER

NEWS RELEASE

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Treasurer Lockyer Comments on California Impact of US Credit Rating Downgrade

SACRAMENTO – State Treasurer Bill Lockyer today issued the following statement on the US credit rating downgrade:

“The US downgrade is unfortunate but the impact on California remains to be seen. Since the downgrade seems to be more a statement about the federal government’s partisan political gridlock in solving its long-term deficit than about the nation’s ability to pay its debts, California needs to be more immediately concerned about the continuing effects of the economic recession on jobs and the stock market. These are the issues that affect individual Californians, their families, and state and local government with the threat of more revenue losses.

“Fortunately, the recently-enacted state budget includes budgetary triggers to prevent overspending if our projected revenues don’t pan out. We have balanced our state budget this year, we have cut our need for cash borrowing in half since last year, and we have greatly reduced our structural budget deficit problem for the future, so there is no reason to expect adverse ratings for the state.”

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