



**THE OFFICE OF
STATE TREASURER
DENISE L. NAPPIER**

STATEMENT

FOR IMMEDIATE RELEASE
January 6, 2012

Statement of State Treasurer Denise L. Nappier

The House Republicans' press release of earlier today, *State Treasurer Admits to Borrowing for Operating Expenses*, is unfortunate evidence that they value political gamesmanship over the facts, or even professional courtesy. Before issuing their inflammatory press release, it would have been appropriate for them to check the facts. As of today, the transferred funds, that House Republican Leader Cafero referred to as borrowing, have been fully returned before his press statement was issued.

Temporary transfers are conducted in accordance with a formal and structured process that is part of the State's longstanding, cost-effective and sanctioned practice for managing fluctuations in the State's flow of cash to and from separate funds. As always, those monies are returned to the bond proceeds accounts when other cash balances improve.

While the State's budget is in balance, and the timing mismatches in receipts and disbursements are commonplace in both the public and private sectors, temporary transfers cover these predictable ebbs and flows. In other words, while this practice is part of our arsenal of cash management tools, it has, nevertheless, been used fairly infrequently. Prior to December 2011, we last temporarily transferred bond proceeds to the common cash pool for one month in 2009. Before that, we had not used the internal transfer process since 2003.

Let me be clear: future temporary transfers may be necessary until final income tax revenues are scheduled to arrive in April of this year. If Representative Cafero wants to be constructive, rather than misleading the public with inartful rhetoric, he may want to take the lead in filing his taxes early.

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