

0950 State Treasurer

The State Treasurer, a constitutionally established office, provides banking services for state government with goals to minimize interest and service costs and to maximize yield on investments. The Treasurer is responsible for the custody of all monies and securities belonging to or held in trust by the state; investment of temporarily idle state monies; administration of the sale of state bonds, their redemption and interest payments; and payment of warrants or checks drawn by the State Controller and other state agencies.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
10 Investment Services	17.2	18.0	18.0	\$2,985	\$3,159	\$3,291
20 Cash Management	34.6	59.7	59.7	7,284	12,154	12,839
30 Public Finance	46.1	57.0	57.0	7,285	8,548	8,955
35 Securities Management	26.0	-	-	4,331	-	-
50.01 Administration and Information Services	90.5	96.9	97.7	12,683	12,409	12,655
50.02 Distributed Administration	-	-	-	-9,202	-9,051	-9,450
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	214.4	231.6	232.4	\$25,366	\$27,219	\$28,290
FUNDING				2011-12*	2012-13*	2013-14*
0001 General Fund				\$2,723	\$4,530	\$4,736
0995 Reimbursements				20,306	20,336	21,167
9740 Central Service Cost Recovery Fund				2,337	2,353	2,387
TOTALS, EXPENDITURES, ALL FUNDS				\$25,366	\$27,219	\$28,290

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

California Constitution Article XVI, Sections 1.5 and 7; and Government Code Sections 12300-12333, 16300-16600, 53661.

DETAILED BUDGET ADJUSTMENTS

	2012-13*			2013-14*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation	-\$128	-\$671	-	\$26	\$138	-
• Retirement Rate Adjustment	57	302	-	57	302	-
• Reduction in Bond Administration Costs	-	-477	-	-	-477	-
• Miscellaneous Adjustments	-	149	-	52	206	0.8
Totals, Other Workload Budget Adjustments	-\$71	-\$697	-	\$135	\$169	0.8
Totals, Workload Budget Adjustments	-\$71	-\$697	-	\$135	\$169	0.8
Totals, Budget Adjustments	-\$71	-\$697	-	\$135	\$169	0.8

PROGRAM DESCRIPTIONS

10 - INVESTMENT SERVICES

The Investment Division is responsible for investment of state monies from the date of receipt through the date of redemption. During the 2011-12 fiscal year, this Division handled 6,811 security investment transactions totaling \$257.3 billion. The Pooled Money Investment Board program accounted for 4,384 of these transactions totaling \$217.8 billion; time deposits accounted for 1,375 transactions totaling \$29.7 billion. The remaining \$9.8 billion is invested on behalf of the state's special funds, such as those associated with the California Housing Finance Agency, the Department of Fish and Game, the state's retirement system, etc. The Division also administers the Local Agency Investment Fund (LAIF), a voluntary investment program created to offer California local agencies greater access to the financial markets through the Pooled Money Investment Board program. In the 2011-12 fiscal year, 2,729 local agencies participated in LAIF, with deposits averaging \$22.3 billion for the fiscal year.

* Dollars in thousands, except in Salary Range.

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20 - CASH MANAGEMENT

In 1949, the California Legislature amended Government Code Section 16305 to create the Centralized Treasury System (CTS) thereby requiring agencies of the State to deposit their money in trust with the Treasurer. The legislation also requires the Treasurer to safeguard the money and make safe and prudent investments. In 1955, the Legislature created the Pooled Money Investment Board (PMIB), giving the Board the responsibility to designate the amount of money available for the investment in securities, bank deposits, and loans to the General Fund.

The Centralized Treasury and Securities Management Division (CTSMD) oversees all banking aspects of the CTS. The goal of the CTSMD is to maximize the earning of interest consistent with safe and prudent treasury management, and to ensure that the depository banks provide the state with proper and adequate security for the deposit of state monies. The State Treasurer maintains demand bank accounts with eight banks for the purpose of providing necessary statewide depository coverage for the remittance of funds collected by the various state agencies.

The CTSMD 1) monitors the cash flow of all state funds, forecasts cash balances, revenue, expenditures, and the amounts available for daily investments, 2) ensures accurate and timely agency deposits, 3) administers and executes the wire transfer of funds, and 4) reconciles state accounts with depository banks and redeems all state items submitted by presenting banks for payments.

The Division is also responsible for 1) executing the clearance and income collection for state investments (excluding PERS and STRS) and securities pledged to the state, 2) the clearance and settlement of securities pledged to the state for the time, demand, and other state agency programs, and 3) the safekeeping of securities and other personal property owned by or pledged to the state.

30 - PUBLIC FINANCE

The Public Finance Division is responsible for selling State of California general obligation bonds, commercial paper notes, revenue anticipation notes, revenue bonds, and any other indebtedness for all state agencies. The Division provides debt administration services for most state bonds and is responsible for disseminating information to bondholders through the Investor Relations Program.

The Division also assures compliance with federal tax laws applicable to state debt. The post-issuance tax compliance for various state debt includes monitoring the use of bond proceeds, monitoring use of bond financed property, tracking expenditures, managing rebate and yield restriction compliance, and ensuring proper record keeping.

50 - ADMINISTRATION AND INFORMATION SERVICES

The Administration Division, Executive Office, and the Information Services Division provide executive direction and support services to programs in the State Treasurer's Office. Services include budgeting, personnel, accounting, information systems, business services, technical support, and production operations.

DETAILED EXPENDITURES BY PROGRAM

		<u>2011-12*</u>	<u>2012-13*</u>	<u>2013-14*</u>
PROGRAM REQUIREMENTS				
10	INVESTMENT SERVICES			
State Operations:				
0001	General Fund	\$536	\$412	\$434
0995	Reimbursements	2,197	2,497	2,602
9740	Central Service Cost Recovery Fund	<u>252</u>	<u>250</u>	<u>255</u>
Totals, State Operations		\$2,985	\$3,159	\$3,291
PROGRAM REQUIREMENTS				
20	CASH MANAGEMENT			
State Operations:				
0001	General Fund	-\$250	\$2,136	\$2,242
0995	Reimbursements	6,754	8,730	9,298
9740	Central Service Cost Recovery Fund	<u>780</u>	<u>1,288</u>	<u>1,299</u>
Totals, State Operations		\$7,284	\$12,154	\$12,839
PROGRAM REQUIREMENTS				
30	PUBLIC FINANCE			
State Operations:				
0001	General Fund	\$960	\$1,253	\$1,330
0995	Reimbursements	5,681	6,481	6,792
9740	Central Service Cost Recovery Fund	644	814	833

* Dollars in thousands, except in Salary Range.

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		2011-12*	2012-13*	2013-14*
Totals, State Operations		\$7,285	\$8,548	\$8,955
PROGRAM REQUIREMENTS				
35	SECURITIES MANAGEMENT			
State Operations:				
0001	General Fund	\$913	\$-	\$-
0995	Reimbursements	2,756	-	-
9740	Central Service Cost Recovery Fund	662	-	-
Totals, State Operations		\$4,331	\$-	\$-
PROGRAM REQUIREMENTS				
50	ADMINISTRATION AND INFORMATION SERVICES			
State Operations:				
0001	General Fund	\$563	\$730	\$730
0995	Reimbursements	2,918	2,628	2,475
Totals, State Operations		\$3,481	\$3,358	\$3,205
ELEMENT REQUIREMENTS				
50.01	Administration and Information Services	12,683	12,409	12,655
50.02	Distributed Administration	-9,202	-9,051	-9,450
TOTALS, EXPENDITURES				
State Operations		25,366	27,219	28,290
Totals, Expenditures		\$25,366	\$27,219	\$28,290

EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	214.4	231.6	231.6	\$14,302	\$14,988	\$15,988
Total Adjustments	-	-	0.8	-	-	63
Net Totals, Salaries and Wages	214.4	231.6	232.4	\$14,302	\$14,988	\$16,051
Staff Benefits	-	-	-	5,499	5,872	6,000
Totals, Personal Services	214.4	231.6	232.4	\$19,801	\$20,860	\$22,051
OPERATING EXPENSES AND EQUIPMENT				\$5,565	\$6,359	\$6,239
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS				\$25,366	\$27,219	\$28,290
(State Operations)						

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$4,721	\$4,601	\$4,736
Allocation for employee compensation	8	15	-
Adjustment per Section 3.60	28	57	-
Adjustment per Section 3.90	-50	-143	-
Adjustment per Section 3.91 (b) Rental Rate Reductions	-18	-	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-142	-	-
Totals Available	\$4,547	\$4,530	\$4,736
Unexpended balance, estimated savings	-1,824	-	-
TOTALS, EXPENDITURES	\$2,723	\$4,530	\$4,736

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1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
0467 State Notes Expense Account			
APPROPRIATIONS			
Government Code Section 17311	\$1,990	\$-	\$-
TOTALS, EXPENDITURES	\$1,990	\$-	\$-
Less Funding Provided by the General Fund	-1,990	-	-
NET TOTALS, EXPENDITURES	\$-	\$-	\$-
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$20,306	\$20,336	\$21,167
9740 Central Service Cost Recovery Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$2,353	\$2,392	\$2,387
Allocation for employee compensation	4	9	-
Adjustment per Section 3.60	13	32	-
Adjustment per Section 3.90	-24	-80	-
Adjustment per Section 3.91 (b) Rental Rate Reductions	-9	-	-
TOTALS, EXPENDITURES	\$2,337	\$2,353	\$2,387
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$25,366	\$27,219	\$28,290

FUND CONDITION STATEMENTS

	2011-12*	2012-13*	2013-14*
0467 State Notes Expense Account ^s			
BEGINNING BALANCE	-	\$250	\$250
Prior year adjustments	\$250	-	-
Adjusted Beginning Balance	\$250	\$250	\$250
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0950 State Treasurer (State Operations)	1,990	-	-
Expenditure Adjustments:			
0950 State Treasurer			
Less Funding Provided by the General Fund (State Operations)	-1,990	-	-
Total Expenditures and Expenditure Adjustments	-	-	-
FUND BALANCE	\$250	\$250	\$250
Reserve for economic uncertainties	250	250	250
3059 Fiscal Recovery Fund ^s			
BEGINNING BALANCE	\$205,556	\$536,817	\$539,800
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
115100 Retail Sales and Use Tax-Fiscal Recovery	1,312,362	1,399,700	1,496,100
150300 Income From Surplus Money Investments	2,601	2,000	2,000
Total Revenues, Transfers, and Other Adjustments	\$1,314,963	\$1,401,700	\$1,498,100
Total Resources	\$1,520,519	\$1,938,517	\$2,037,900
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee			
State Operations	13,392	13,791	14,961
Unclassified	970,310	1,384,926	1,481,183
Total Expenditures and Expenditure Adjustments	\$983,702	\$1,398,717	\$1,496,144
FUND BALANCE	\$536,817	\$539,800	\$541,756

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	2011-12*	2012-13*	2013-14*
Reserve for economic uncertainties	536,817	539,800	541,756
Includes Senior Coverage Account			
3090 Deficit Recovery Bond Retirement Sinking Fund Subaccount, Budget			
Stabilization Account ^s			
BEGINNING BALANCE	-	\$1,453	\$1,454
Prior year adjustments	<u>\$928</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$928	\$1,453	\$1,454
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	22	1	20
160400 Sale of Fixed Assets	<u>41,789</u>	<u>62</u>	<u>46,691</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$41,811</u>	<u>\$63</u>	<u>\$46,711</u>
Total Resources	\$42,739	\$1,516	\$48,165
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee (Unclassified)	<u>41,286</u>	<u>62</u>	<u>46,691</u>
Total Expenditures and Expenditure Adjustments	<u>\$41,286</u>	<u>\$62</u>	<u>\$46,691</u>
FUND BALANCE	\$1,453	\$1,454	\$1,474
Reserve for economic uncertainties	1,453	1,454	1,474

CHANGES IN AUTHORIZED POSITIONS

	<u>Positions</u>			<u>Expenditures</u>		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Totals, Authorized Positions	214.4	231.6	231.6	\$14,302	\$14,988	\$15,988
Workload and Administrative Adjustments:				Salary Range		
Proposed New Positions:						
FISCAL Project:						
Staff Programmer Analyst Specialist	<u>-</u>	<u>-</u>	<u>0.8</u>	5,065-6,466	<u>-</u>	<u>63</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>0.8</u>	<u>\$-</u>	<u>\$-</u>	<u>\$63</u>
TOTALS, SALARIES AND WAGES	214.4	231.6	232.4	\$14,302	\$14,988	\$16,051

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