

## 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		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
10 Investment Services	20.6	18.0	18.0	\$3,387	\$3,344	\$3,346
20 Centralized Treasury and Securities Management	56.9	67.5	67.5	11,073	13,020	13,027
30 Public Finance	51.3	58.0	61.0	8,138	9,855	10,242
50.01 Administration and Information Services	87.0	89.9	89.9	12,064	13,064	13,071
50.02 Distributed Administration	-	-	-	-9,104	-9,903	-9,909
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>215.8</b>	<b>233.4</b>	<b>236.4</b>	<b>\$25,558</b>	<b>\$29,380</b>	<b>\$29,777</b>
<b>FUNDING</b>				<b>2012-13*</b>	<b>2013-14*</b>	<b>2014-15*</b>
0001 General Fund				\$2,727	\$4,806	\$4,666
0995 Reimbursements				20,478	22,154	22,547
9740 Central Service Cost Recovery Fund				2,353	2,420	2,564
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$25,558</b>	<b>\$29,380</b>	<b>\$29,777</b>

### 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

	2013-14*			2014-15*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Workload Budget Adjustments</b>						
<b>Workload Budget Change Proposals</b>						
• Debt Management System Project	\$-	\$-	-	\$-	\$1,056	4.0
<b>Totals, Workload Budget Change Proposals</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>	<b>\$1,056</b>	<b>4.0</b>
<b>Other Workload Budget Adjustments</b>						
• Employee Compensation Adjustment	\$52	\$252	-	\$55	\$267	-
• Retirement Rate Adjustment	18	91	-	18	91	-
• One-Time Cost Reductions (DMS II)	-	-	-	-	-677	-1.0
• Central Service Cost Recovery Fund Adjustment	-	-	-	-143	143	-
<b>Totals, Other Workload Budget Adjustments</b>	<b>\$70</b>	<b>\$343</b>	<b>-</b>	<b>-\$70</b>	<b>-\$176</b>	<b>-1.0</b>
<b>Totals, Workload Budget Adjustments</b>	<b>\$70</b>	<b>\$343</b>	<b>-</b>	<b>-\$70</b>	<b>\$880</b>	<b>3.0</b>
<b>Totals, Budget Adjustments</b>	<b>\$70</b>	<b>\$343</b>	<b>-</b>	<b>-\$70</b>	<b>\$880</b>	<b>3.0</b>

### 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 2012-13 fiscal year, this Division handled 6,778 security investment transactions totaling \$269.3 billion. The Pooled Money Investment Board (PMIB) program accounted for 4,693 of these transactions totaling \$233.9 billion; time deposits accounted for 1,166 transactions totaling \$27.4 billion. The remaining \$8.0 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 Wildlife, 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

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PMIB program. In the 2012-13 fiscal year, 2,626 local agencies participated in LAIF, with deposits averaging \$20.8 billion for the fiscal year.

### 20 - CENTRALIZED TREASURY AND SECURITIES 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 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, coordinating necessary financial disclosure, 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>2012-13*</u>	<u>2013-14*</u>	<u>2014-15*</u>
<b>PROGRAM REQUIREMENTS</b>				
<b>10</b>	<b>INVESTMENT SERVICES</b>			
	<b>State Operations:</b>			
0001	General Fund	\$464	\$442	\$427
0995	Reimbursements	2,671	2,644	2,645
9740	Central Service Cost Recovery Fund	<u>252</u>	<u>258</u>	<u>274</u>
	<b>Totals, State Operations</b>	<b>\$3,387</b>	<b>\$3,344</b>	<b>\$3,346</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>20</b>	<b>CENTRALIZED TREASURY AND SECURITIES MANAGEMENT</b>			
	<b>State Operations:</b>			
0001	General Fund	\$439	\$2,278	\$2,200
0995	Reimbursements	9,265	9,426	9,431
9740	Central Service Cost Recovery Fund	<u>1,369</u>	<u>1,316</u>	<u>1,396</u>
	<b>Totals, State Operations</b>	<b>\$11,073</b>	<b>\$13,020</b>	<b>\$13,027</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>30</b>	<b>PUBLIC FINANCE</b>			
	<b>State Operations:</b>			

\* Dollars in thousands, except in Salary Range.

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	<u>2012-13*</u>	<u>2013-14*</u>	<u>2014-15*</u>
0001 General Fund	\$1,335	\$1,357	\$1,310
0995 Reimbursements	6,071	7,652	8,038
9740 Central Service Cost Recovery Fund	<u>732</u>	<u>846</u>	<u>894</u>
<b>Totals, State Operations</b>	<b>\$8,138</b>	<b>\$9,855</b>	<b>\$10,242</b>
<b>PROGRAM REQUIREMENTS</b>			
<b>50 ADMINISTRATION AND INFORMATION SERVICES</b>			
<b>State Operations:</b>			
0001 General Fund	\$489	\$730	\$730
0995 Reimbursements	<u>2,471</u>	<u>2,431</u>	<u>2,432</u>
<b>Totals, State Operations</b>	<b>\$2,960</b>	<b>\$3,161</b>	<b>\$3,162</b>
<b>ELEMENT REQUIREMENTS</b>			
50.01 Administration and Information Services	12,064	13,064	13,071
50.02 Distributed Administration	-9,104	-9,903	-9,909
<b>TOTALS, EXPENDITURES</b>			
State Operations	<u>25,558</u>	<u>29,380</u>	<u>29,777</u>
<b>Totals, Expenditures</b>	<b>\$25,558</b>	<b>\$29,380</b>	<b>\$29,777</b>

**EXPENDITURES BY CATEGORY**

	<b>1 State Operations</b>			<b>Expenditures</b>		
	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2012-13*</u>	<u>2013-14*</u>	<u>2014-15*</u>
<b>PERSONAL SERVICES</b>						
Authorized Positions (Equals Sch. 7A)	215.8	233.4	233.4	\$13,799	\$15,851	\$16,106
Total Adjustments	<u>-</u>	<u>-</u>	<u>3.0</u>	<u>-</u>	<u>-</u>	<u>476</u>
<b>Net Totals, Salaries and Wages</b>	<b>215.8</b>	<b>233.4</b>	<b>236.4</b>	<b>\$13,799</b>	<b>\$15,851</b>	<b>\$16,582</b>
Staff Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,117</u>	<u>6,720</u>	<u>6,358</u>
<b>Totals, Personal Services</b>	<b>215.8</b>	<b>233.4</b>	<b>236.4</b>	<b>\$19,916</b>	<b>\$22,571</b>	<b>\$22,940</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>				<u>\$5,642</u>	<u>\$6,809</u>	<u>\$6,837</u>
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS</b>				<b>\$25,558</b>	<b>\$29,380</b>	<b>\$29,777</b>
<b>(State Operations)</b>						

**DETAIL OF APPROPRIATIONS AND ADJUSTMENTS**

<b>1 STATE OPERATIONS</b>	<b>2012-13*</b>	<b>2013-14*</b>	<b>2014-15*</b>
<b>0001 General Fund</b>			
<b>APPROPRIATIONS</b>			
001 Budget Act appropriation	\$4,601	\$4,736	\$4,666
Allocation for employee compensation	15	52	-
Adjustment per Section 3.60	57	18	-
Adjustment per Section 3.90	<u>-143</u>	<u>-</u>	<u>-</u>
<b>Totals Available</b>	<b>\$4,530</b>	<b>\$4,806</b>	<b>\$4,666</b>
Unexpended balance, estimated savings	<u>-1,803</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$2,727</b>	<b>\$4,806</b>	<b>\$4,666</b>
<b>0467 State Notes Expense Account</b>			
<b>APPROPRIATIONS</b>			
Government Code Section 17311	<u>\$2,040</u>	<u>\$-</u>	<u>\$-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$2,040</b>	<b>\$-</b>	<b>\$-</b>
Less funding provided by General Fund	<u>-2,040</u>	<u>-</u>	<u>-</u>
<b>NET TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>

\* Dollars in thousands, except in Salary Range.

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1 STATE OPERATIONS	2012-13*	2013-14*	2014-15*
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	\$20,478	\$22,154	\$22,547
<b>9740 Central Service Cost Recovery Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$2,392	\$2,387	\$2,564
Allocation for employee compensation	9	24	-
Adjustment per Section 3.60	32	9	-
Adjustment per Section 3.90	-80	-	-
<b>TOTALS, EXPENDITURES</b>	<b><u>\$2,353</u></b>	<b><u>\$2,420</u></b>	<b><u>\$2,564</u></b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b><u>\$25,558</u></b>	<b><u>\$29,380</u></b>	<b><u>\$29,777</u></b>

## FUND CONDITION STATEMENTS

	2012-13*	2013-14*	2014-15*
<b>0467 State Notes Expense Account <sup>s</sup></b>			
BEGINNING BALANCE	\$250	\$250	\$250
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0950 State Treasurer (State Operations)	2,040	-	-
Expenditure Adjustments:			
0950 State Treasurer			
Less funding provided by General Fund (State Operations)	-2,040	-	-
Total Expenditures and Expenditure Adjustments	-	-	-
FUND BALANCE	\$250	\$250	\$250
Reserve for economic uncertainties	250	250	250
<b>3059 Fiscal Recovery Fund <sup>s</sup></b>			
BEGINNING BALANCE	\$536,817	\$657,072	\$658,949
Prior year adjustments	207	-	-
Adjusted Beginning Balance	\$537,024	\$657,072	\$658,949
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
115100 Retail Sales and Use Tax-Fiscal Recovery	1,443,386	1,514,000	1,616,000
150300 Income From Surplus Money Investments	2,181	2,000	2,000
Transfers and Other Adjustments:			
FO0749 From Refunding Escrow Fund per Government Code section 16784	107	-	-
Total Revenues, Transfers, and Other Adjustments	\$1,445,674	\$1,516,000	\$1,618,000
Total Resources	\$1,982,698	\$2,173,072	\$2,276,949
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee			
State Operations	14,544	15,260	16,158
Unclassified	1,311,082	1,498,863	1,599,630
Total Expenditures and Expenditure Adjustments	\$1,325,626	\$1,514,123	\$1,615,788
FUND BALANCE	\$657,072	\$658,949	\$661,161
Reserve for economic uncertainties	657,072	658,949	661,161
Includes Senior Coverage Account			
<b>3090 Deficit Recovery Bond Retirement Sinking Fund Subaccount, Budget</b>			
<b>Stabilization Account <sup>s</sup></b>			
BEGINNING BALANCE	\$1,453	\$7,777	\$7,797

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	2012-13*	2013-14*	2014-15*
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	1	20	21
160400 Sale of Fixed Assets	8,037	39,735	41,325
Transfers and Other Adjustments:			
FO1011 From Budget Stabilization Account Article XVI, Sec. 20 of the California Constitution	-	-	1,591,412
Total Revenues, Transfers, and Other Adjustments	<u>\$8,038</u>	<u>\$39,755</u>	<u>\$1,632,758</u>
Total Resources	\$9,491	\$47,532	\$1,640,555
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee (Unclassified)	<u>1,714</u>	<u>39,735</u>	<u>1,632,737</u>
Total Expenditures and Expenditure Adjustments	<u>\$1,714</u>	<u>\$39,735</u>	<u>\$1,632,737</u>
FUND BALANCE	\$7,777	\$7,797	\$7,818
Reserve for economic uncertainties	7,777	7,797	7,818

**CHANGES IN AUTHORIZED POSITIONS**

	<u>Positions</u>			<u>Expenditures</u>		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
Totals, Authorized Positions	215.8	233.4	233.4	\$13,799	\$15,851	\$16,106
Salary Adjustments	-	-	-	-	-	216
<b>Workload and Administrative Adjustments:</b>				<b>Salary Range</b>		
Proposed New Positions:						
Public Finance Division, DMS II Section						
Data Processing Manager III	-	-	1.0	7,118-8,486	-	94
Treasury Program II	-	-	1.0	5,857-7,276	-	79
Treasury Program II	-	-	-1.0	5,857-7,064	-	-77
Sr. Programmer Analyst	-	-	1.0	5,850-7,465	-	82
System Software Specialist II	-	-	1.0	5,839-7,435	-	82
<b>Total Adjustments</b>	<u>-</u>	<u>-</u>	<u>3.0</u>	<u>\$-</u>	<u>\$-</u>	<u>\$476</u>
<b>TOTALS, SALARIES AND WAGES</b>	<b>215.8</b>	<b>233.4</b>	<b>236.4</b>	<b>\$13,799</b>	<b>\$15,851</b>	<b>\$16,582</b>

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