

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 drawn by the State Controller and other state agencies.

3-YR EXPENDITURES AND PERSONNEL YEARS

	Personnel Years			Expenditures		
	2009-10	2010-11	2011-12	2009-10*	2010-11*	2011-12*
10 Investment Services	16.8	17.1	17.1	\$2,718	\$2,994	\$3,109
20 Cash Management	41.5	48.7	48.7	7,737	8,035	8,364
30 Public Finance	48.9	51.3	51.3	7,097	7,350	7,697
35 Securities Management	27.1	28.2	28.2	4,918	4,821	5,006
50.01 Administration and Information Services	86.3	84.4	84.4	10,984	11,929	11,930
50.02 Distributed Administration	-	-	-	-8,248	-8,682	-8,678
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	220.6	229.7	229.7	\$25,206	\$26,447	\$27,428
FUNDING				2009-10*	2010-11*	2011-12*
0001 General Fund				\$1,819	\$4,678	\$4,721
0995 Reimbursements				21,701	19,609	20,354
9740 Central Service Cost Recovery Fund				1,686	2,160	2,353
TOTALS, EXPENDITURES, ALL FUNDS				\$25,206	\$26,447	\$27,428

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

	2010-11*			2011-12*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation Adjustments	-\$200	-\$1,057	-	-\$44	-\$232	-
• Retirement Rate Adjustment	69	364	-	69	364	-
• Central Services Cost Recovery Fund Adjustment	-	-	-	-113	113	-
• Miscellaneous Adjustments	475	-	-	475	-	-
Totals, Other Workload Budget Adjustments	\$344	-\$693	-	\$387	\$245	-
Totals, Workload Budget Adjustments	\$344	-\$693	-	\$387	\$245	-
Totals, Budget Adjustments	\$344	-\$693	-	\$387	\$245	-

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 2009-10 fiscal year, this Division handled 10,074 security investment transactions totaling \$345.1 billion. The Pooled Money Investment Board program accounted for 5,960 of these transactions totaling \$292.8 billion; time deposits accounted for 1,720 transactions totaling \$38.1 billion. The remaining \$14.2 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 2009-10 fiscal year, 2,779 local agencies participated in LAIF, with deposits averaging \$23.7 billion for the fiscal year.

* Dollars in thousands, except in Salary Range.

0950 State Treasurer - Continued

20 - CASH MANAGEMENT

The Cash Management Division is responsible for managing the state's cash resources as mandated by the Pooled Money Investment Board and Government Code Sections 16500 through 16510. The Division is also responsible for administering the Centralized Treasury System (CTS), which encompasses the Treasurer's demand bank accounts. The State Treasurer maintains demand bank accounts with eight statewide banks for the purpose of providing the necessary depository coverage for the remittance of funds collected by various state agencies.

The goal of the CTS is to have all idle State money invested each day. This goal is accomplished by: (1) completing daily, weekly and monthly forecasts of agency revenue collections and disbursements and analyzing their impact on the Treasurer's Pooled Money Investment Portfolio, (2) maintaining balances with each demand account bank to compensate the banks for banking services and to meet warrant redemption requirements, and (3) using compensating balances to allow for the variances in cash flow that are a natural consequence when forecasting the movement of cash.

The Division is also responsible for processing, redeeming, and reconciling state warrants and agency checks presented by the banks for payment, processing stop payment and forgery items, and reconciling all of the state's deposits within the Treasury System. The Division also administers the Electronic Fund Transfer (EFT) and Pre-Sort Deposit Contracts, both of which involve the collection of approximately \$136 billion in state revenue.

30 - PUBLIC FINANCE

The Public Finance Division is responsible for selling all State of California general obligation bonds, revenue anticipation notes, commercial paper notes, revenue bonds, and any other indebtedness including securitization of assets. The Division also provides trust 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 by investing and reinvesting bond sale proceeds as needed to meet federal yield restriction requirements, tracking expenditures, and computing and rebating arbitrage profit or other payments to the federal government.

35 - SECURITIES MANAGEMENT

The Securities Management Division consists of the Securities Clearance Section and the Debt and Collateral Management Section.

The Division is responsible for the clearance, settlement, income collection, and accountability of all securities: (1) purchased or sold for investment by the State Treasurer, (2) pledged to the State Treasurer to secure the performance of an act or duty, and (3) held as collateral for the Treasurer's Time and Demand Deposit Programs. Securities are held in outside depositories as well as the State Vault.

The Division manages the State's fiscal agent accounts, including debt service payments on Book-Entry bonds to the Trust Depository and certificated bonds to the fiscal agent bank, payments for Revenue Anticipation Notes (RANs) and Warrants (RAWs), and performs the accountability and reconciliation on Debt Service Reporting, Un-presented Accountability and Cash Accountability.

The Division is also responsible for: (1) safekeeping personal property and other items in the State Vault at the request of State Agencies, (2) providing custody and protection of securities inside the Vault, and (3) providing Vault tours for students, dignitaries and legislators.

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>2009-10*</u>	<u>2010-11*</u>	<u>2011-12*</u>
PROGRAM REQUIREMENTS				
10	INVESTMENT SERVICES			
	State Operations:			
0001	General Fund	\$427	\$432	\$435
0995	Reimbursements	2,061	2,331	2,422
9740	Central Service Cost Recovery Fund	<u>230</u>	<u>231</u>	<u>252</u>
	Totals, State Operations	\$2,718	\$2,994	\$3,109
PROGRAM REQUIREMENTS				
20	CASH MANAGEMENT			
	State Operations:			
0001	General Fund	-\$1,718	\$1,278	\$1,290

* Dollars in thousands, except in Salary Range.

0950 State Treasurer - Continued

	<u>2009-10*</u>	<u>2010-11*</u>	<u>2011-12*</u>
0995 Reimbursements	8,759	6,035	6,290
9740 Central Service Cost Recovery Fund	696	722	784
Totals, State Operations	\$7,737	\$8,035	\$8,364
PROGRAM REQUIREMENTS			
30 PUBLIC FINANCE			
State Operations:			
0001 General Fund	\$980	\$1,044	\$1,061
0995 Reimbursements	5,566	5,713	5,990
9740 Central Service Cost Recovery Fund	551	593	646
Totals, State Operations	\$7,097	\$7,350	\$7,697
PROGRAM REQUIREMENTS			
35 SECURITIES MANAGEMENT			
State Operations:			
0001 General Fund	\$1,402	\$1,195	\$1,206
0995 Reimbursements	2,793	3,012	3,131
9740 Central Service Cost Recovery Fund	723	614	669
Totals, State Operations	\$4,918	\$4,821	\$5,006
PROGRAM REQUIREMENTS			
50 ADMINISTRATION AND INFORMATION SERVICES			
State Operations:			
0001 General Fund	\$213	\$730	\$731
0995 Reimbursements	2,523	2,517	2,521
Totals, State Operations	\$2,736	\$3,247	\$3,252
ELEMENT REQUIREMENTS			
50.01 Administration and Information Services	10,984	11,929	11,930
50.02 Distributed Administration	-8,248	-8,682	-8,678
TOTALS, EXPENDITURES			
State Operations	<u>25,206</u>	<u>26,447</u>	<u>27,428</u>
Totals, Expenditures	\$25,206	\$26,447	\$27,428

EXPENDITURES BY CATEGORY

	1 State Operations			Expenditures		
	<u>Positions/Personnel Years</u>			<u>2009-10*</u>	<u>2010-11*</u>	<u>2011-12*</u>
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>			
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	220.6	241.8	241.8	\$14,114	\$15,618	\$15,971
Total Adjustments	-	-	-	-	-1,344	-
Estimated Salary Savings	-	-12.1	-12.1	-	-714	-798
Net Totals, Salaries and Wages	220.6	229.7	229.7	\$14,114	\$13,560	\$15,173
Staff Benefits	-	-	-	4,957	5,951	5,319
Totals, Personal Services	220.6	229.7	229.7	\$19,071	\$19,511	\$20,492
OPERATING EXPENSES AND EQUIPMENT				<u>\$6,135</u>	<u>\$6,936</u>	<u>\$6,936</u>
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS				\$25,206	\$26,447	\$27,428
(State Operations)						

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

* Dollars in thousands, except in Salary Range.

0950 State Treasurer - Continued

1 STATE OPERATIONS	2009-10*	2010-11*	2011-12*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session	\$4,964	-	-
Adjustment per Section 3.60	8	-	-
Reduction per Section 3.90	-142	-	-
Adjustment per Section 4.04	-77	-	-
Adjustment per Section 4.30	140	-	-
Reduction per Section 15.30	-2	-	-
Adjustment per Section 3.55	-3	-	-
001 Budget Act appropriation	-	\$4,334	\$4,721
Allocation for employee compensation	-	14	-
Adjustment per Section 3.60	-	69	-
Adjustment per Section 4.30	-	475	-
Reduction per Control Section 3.91	-	-214	-
Totals Available	\$4,888	\$4,678	\$4,721
Unexpended balance, estimated savings	-3,069	-	-
TOTALS, EXPENDITURES	\$1,819	\$4,678	\$4,721
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$21,701	\$19,609	\$20,354
9740 Central Service Cost Recovery Fund			
APPROPRIATIONS			
001 Budget Act appropriation as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session	\$1,742	-	-
Adjustment per Section 3.60	3	-	-
Reduction per Section 3.90	-58	-	-
Adjustment per Section 3.55	-1	-	-
001 Budget Act appropriation	-	\$2,227	\$2,353
Allocation for employee compensation	-	7	-
Adjustment per Section 3.60	-	35	-
Reduction per Control Section 3.91	-	-109	-
TOTALS, EXPENDITURES	\$1,686	\$2,160	\$2,353
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$25,206	\$26,447	\$27,428

FUND CONDITION STATEMENTS

	2009-10*	2010-11*	2011-12*
3059 Fiscal Recovery Fund ^s			
BEGINNING BALANCE			
Prior year adjustments	\$339,809	\$328,001	\$318,601
Adjusted Beginning Balance	-26,331	-	-
	\$313,478	\$328,001	\$318,601
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
115100 Retail Sales and Use Tax-Fiscal Recovery	1,172,329	1,201,000	1,301,000
150300 Income From Surplus Money Investments	3,981	4,000	2,000
Transfers and Other Adjustments:			
FO6045 From Economic Recovery Fund per Government Code Section 99060(c)	12	-	-
Total Revenues, Transfers, and Other Adjustments	\$1,176,322	\$1,205,000	\$1,303,000
Total Resources	\$1,489,800	\$1,533,001	\$1,621,601
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			

* Dollars in thousands, except in Salary Range.

0950 State Treasurer - Continued

	2009-10*	2010-11*	2011-12*
Expenditures:			
9618 Economic Recovery Financing Committee			
State Operations	11,853	13,400	13,014
Unclassified	<u>1,149,946</u>	<u>1,201,000</u>	<u>1,288,407</u>
Total Expenditures and Expenditure Adjustments	<u>\$1,161,799</u>	<u>\$1,214,400</u>	<u>\$1,301,421</u>
FUND BALANCE	\$328,001	\$318,601	\$320,180
Funds Available to Redeem Bonds	328,001	318,601	320,180

3090 Deficit Recovery Bond Retirement Sinking Fund Subaccount, Budget

Stabilization Account ^s

BEGINNING BALANCE	\$4	-	-
Prior year adjustments	<u>-4</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	8	\$4	\$4
160400 Sale of Fixed Assets	<u>2,954</u>	<u>46,426</u>	<u>105,948</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$2,962</u>	<u>\$46,430</u>	<u>\$105,952</u>
Total Resources	\$2,962	\$46,430	\$105,952
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee (Unclassified)	<u>2,962</u>	<u>46,430</u>	<u>105,952</u>
Total Expenditures and Expenditure Adjustments	<u>\$2,962</u>	<u>\$46,430</u>	<u>\$105,952</u>
FUND BALANCE	-	-	-

CHANGES IN AUTHORIZED POSITIONS

	<u>Positions/Personnel Years</u>			<u>Expenditures</u>		
	2009-10	2010-11	2011-12	2009-10*	2010-11*	2011-12*
Totals, Authorized Positions	220.6	241.8	241.8	\$14,114	\$15,618	\$15,971
Furlough Adjustments	-	-	-	-	-712	-
PLP Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-632</u>	<u>-</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$-</u>	<u>-\$1,344</u>	<u>\$-</u>
TOTALS, SALARIES AND WAGES	220.6	241.8	241.8	\$14,114	\$14,274	\$15,971

* Dollars in thousands, except in Salary Range.