

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		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
0740010 Investment Services	16.4	18.0	18.0	\$3,351	\$3,419	\$3,422
0740019 Centralized Treasury & Securities Management	59.1	67.5	67.5	11,812	13,267	13,274
0740028 Public Finance	50.4	61.0	57.0	9,247	10,484	9,429
9900100 Administration	85.8	89.9	89.9	12,593	13,455	13,468
9900200 Administration - Distributed	-	-	-	-9,760	-9,909	-9,909
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	211.7	236.4	232.4	\$27,243	\$30,716	\$29,684
FUNDING				2013-14*	2014-15*	2015-16*
0001 General Fund				\$2,953	\$4,816	\$4,815
0995 Reimbursements				21,871	23,257	22,217
9740 Central Service Cost Recovery Fund				2,419	2,643	2,652
TOTALS, EXPENDITURES, ALL FUNDS				\$27,243	\$30,716	\$29,684

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

	2014-15*			2015-16*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Retirement Rate Adjustments	\$79	\$412	-	\$79	\$411	-
• Salary Adjustments	52	268	-	52	268	-
• Benefit Adjustments	21	111	-	26	128	-
• Miscellaneous Baseline Adjustments	-	-	-	-7	7	-
Totals, Other Workload Budget Adjustments	\$152	\$791	-	\$150	\$814	-
Totals, Workload Budget Adjustments	\$152	\$791	-	\$150	\$814	-
Totals, Budget Adjustments	\$152	\$791	-	\$150	\$814	-

PROGRAM DESCRIPTIONS

0740010 - INVESTMENT SERVICES

The Investment Division is responsible for investment of state monies from the date of receipt through the date of redemption. During the 2013-14 fiscal year, this Division handled 6,493 security investment transactions totaling \$270.6 billion. The Pooled Money Investment Board (PMIB) program accounted for 4,704 of these transactions totaling \$234.5 billion; time deposits accounted for 1,104 transactions totaling \$25.2 billion. The remaining \$11.0 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 PMIB program. In the 2013-14 fiscal year, 2,617 local agencies participated in LAIF, with deposits averaging \$20.2 billion for the fiscal year.

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

† Past year appropriations are net of subsequent budget adjustments.

0950 State Treasurer - Continued

0740019 - 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, 4) reconciles state accounts with depository banks and redeems all state items submitted by presenting banks for payments, 5) executes the clearance and income collection for state investments (excluding PERS and STRS) and securities pledged to the state, 6) fulfills the clearance and settlement of securities pledged to the state for the time, demand, and other state agency programs, and 7) is responsible for the safekeeping of securities and other personal property owned by or pledged to the state.

0740028 - 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 so there is no adverse consequences to bondholders or increased borrowing costs to the state. 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.

9900 - 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>2013-14*</u>	<u>2014-15*</u>	<u>2015-16*</u>
PROGRAM REQUIREMENTS				
0740	STATE TREASURER'S OFFICE			
	State Operations:			
0001	General Fund	\$2,536	\$4,023	\$4,020
0995	Reimbursements	19,455	20,529	19,479
9740	Central Service Cost Recovery Fund	<u>2,419</u>	<u>2,618</u>	<u>2,626</u>
	Totals, State Operations	\$24,410	\$27,170	\$26,125
SUBPROGRAM REQUIREMENTS				
0740010	Investment Services			
	State Operations:			
0001	General Fund	\$446	\$437	\$437
0995	Reimbursements	2,646	2,702	2,704
9740	Central Service Cost Recovery Fund	<u>259</u>	<u>280</u>	<u>281</u>
	Totals, State Operations	\$3,351	\$3,419	\$3,422
SUBPROGRAM REQUIREMENTS				
0740019	Centralized Treasury & Securities Management			
	State Operations:			

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

† Past year appropriations are net of subsequent budget adjustments.

0950 State Treasurer - Continued

		2013-14*	2014-15*	2015-16*
0001	General Fund	\$647	\$2,246	\$2,244
0995	Reimbursements	9,758	9,598	9,602
9740	Central Service Cost Recovery Fund	1,407	1,423	1,428
	Totals, State Operations	\$11,812	\$13,267	\$13,274
SUBPROGRAM REQUIREMENTS				
0740028	Public Finance			
	State Operations:			
0001	General Fund	\$1,443	\$1,340	\$1,339
0995	Reimbursements	7,051	8,229	7,173
9740	Central Service Cost Recovery Fund	753	915	917
	Totals, State Operations	\$9,247	\$10,484	\$9,429
PROGRAM REQUIREMENTS				
9900	ADMINISTRATION - TOTAL			
	State Operations:			
0001	General Fund	\$417	\$793	\$795
0995	Reimbursements	2,416	2,728	\$2,738
9740	Central Service Cost Recovery Fund	-	25	26
	Totals, State Operations	\$2,833	\$3,546	\$3,559
SUBPROGRAM REQUIREMENTS				
9900100	Administration			
	State Operations:			
0001	General Fund	\$10,177	\$10,702	\$10,704
0995	Reimbursements	2,416	2,728	2,738
9740	Central Service Cost Recovery Fund	-	25	26
	Totals, State Operations	\$12,593	\$13,455	\$13,468
SUBPROGRAM REQUIREMENTS				
9900200	Administration - Distributed			
	State Operations:			
0001	General Fund	\$-9,760	\$-9,909	\$-9,909
	Totals, State Operations	\$-9,760	\$-9,909	\$-9,909
TOTALS, EXPENDITURES				
	State Operations	27,243	30,716	29,684
	Totals, Expenditures	\$27,243	\$30,716	\$29,684

EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	211.7	236.4	232.4	\$14,792	\$16,582	\$16,247
Total Adjustments	-	-	-	-	319	320
Net Totals, Salaries and Wages	211.7	236.4	232.4	\$14,792	\$16,901	\$16,567
Staff Benefits	-	-	-	6,343	6,979	6,879
Totals, Personal Services	211.7	236.4	232.4	\$21,135	\$23,880	\$23,446
OPERATING EXPENSES AND EQUIPMENT				\$6,108	\$6,836	\$6,238
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS				\$27,243	\$30,716	\$29,684
(State Operations)						

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

† Past year appropriations are net of subsequent budget adjustments.

0950 State Treasurer - Continued

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2013-14*†	2014-15*	2015-16*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$4,806	\$4,665	\$4,815
Allocation for employee compensation	-	52	-
Allocation for staff benefits	-	20	-
Section 3.60 pension contribution adjustment	-	79	-
Totals Available	\$4,806	\$4,816	\$4,815
Unexpended balance, estimated savings	<u>-1,853</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$2,953	\$4,816	\$4,815
0467 State Notes Expense Account			
APPROPRIATIONS			
Government Code Section 17311	<u>\$1,262</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$1,262	\$-	\$-
Less funding provided by General Fund	<u>-1,262</u>	<u>-</u>	<u>-</u>
NET TOTALS, EXPENDITURES	\$-	\$-	\$-
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	<u>\$21,871</u>	<u>\$23,257</u>	<u>\$22,217</u>
TOTALS, EXPENDITURES	\$21,871	\$23,257	\$22,217
9740 Central Service Cost Recovery Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$2,420	\$2,564	\$2,652
Allocation for employee compensation	-	27	-
Allocation for staff benefits	-	11	-
Section 3.60 pension contribution adjustment	-	41	-
Totals Available	\$2,420	\$2,643	\$2,652
Unexpended balance, estimated savings	<u>-1</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$2,419	\$2,643	\$2,652
Total Expenditures, All Funds, (State Operations)	\$27,243	\$30,716	\$29,684

FUND CONDITION STATEMENTS

	2013-14*	2014-15*	2015-16*
0467 State Notes Expense Account ^s			
BEGINNING BALANCE	<u>\$250</u>	<u>\$250</u>	<u>\$250</u>
Adjusted Beginning Balance	<u>\$250</u>	<u>\$250</u>	<u>\$250</u>
Total Resources	\$250	\$250	\$250
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0950 State Treasurer (State Operations)	1,262	-	-
Expenditure Adjustments:			
Less funding provided by General Fund (State Operations)	<u>-1,262</u>	<u>-</u>	<u>-</u>
FUND BALANCE	\$250	\$250	\$250
Reserve for economic uncertainties	250	250	250
3059 Fiscal Recovery Fund ^s			
BEGINNING BALANCE	\$657,072	\$645,638	-

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

† Past year appropriations are net of subsequent budget adjustments.

0950 State Treasurer - Continued

	2013-14*	2014-15*	2015-16*
Prior Year Adjustments	25,060	-	-
Adjusted Beginning Balance	\$682,132	\$645,638	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4117200 Retail Sales and Use Tax - Fiscal Recovery	1,506,867	1,593,000	\$988,000
4163000 Investment Income - Surplus Money Investments	2,673	2,000	2,000
Total Revenues, Transfers, and Other Adjustments	<u>\$1,509,541</u>	<u>\$1,595,000</u>	<u>\$990,000</u>
Total Resources	\$2,191,672	\$2,240,638	\$990,000
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9210 Local Government Financing (Local Assistance)	-	-	845,000
9618 Economic Recovery Financing Committee (State Operations)	15,591	15,934	12,800
9618 Economic Recovery Financing Committee (Unclassified)	1,530,443	2,224,704	132,200
Total Expenditures and Expenditure Adjustments	<u>\$1,546,035</u>	<u>\$2,240,638</u>	<u>\$990,000</u>
FUND BALANCE	\$645,638	-	-
Reserve for economic uncertainties	645,638	-	-

3090 Deficit Recovery Bond Retirement Sinking Fund Subaccount, Budget

Stabilization Account ^s

BEGINNING BALANCE	\$7,777	57,666	-
Adjusted Beginning Balance	\$7,777	\$57,666	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4163000 Investment Income - Surplus Money Investments	14	21	-
4170400 Capital Asset Sales Proceeds	57,832	41,894	-
Transfers and Other Adjustments			
Revenue Transfer from Budget Stabilization Account (1011) to Deficit Recovery Bond Retirement Sinking Fund Subaccount, Budget Stabilization Account (3090) per Article XVI, Sec. 20 of the California Constitution	-	1,606,422	-
Total Revenues, Transfers, and Other Adjustments	<u>\$57,846</u>	<u>\$1,648,337</u>	-
Total Resources	\$65,623	\$1,706,003	-
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee (Unclassified)	7,957	1,706,003	-
Total Expenditures and Expenditure Adjustments	<u>\$7,957</u>	<u>\$1,706,003</u>	-
FUND BALANCE	\$57,666	-	-
Reserve for economic uncertainties	57,666	-	-

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
Totals, Authorized Positions	211.7	236.4	232.4	\$14,792	\$16,582	\$16,247
Salary and Other Adjustments	-	-	-	-	319	320
Totals, Adjustments	-	-	-	\$-	\$319	\$320
TOTALS, SALARIES AND WAGES	<u>211.7</u>	<u>236.4</u>	<u>232.4</u>	<u>\$14,792</u>	<u>\$16,901</u>	<u>\$16,567</u>

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

† Past year appropriations are net of subsequent budget adjustments.

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.
† Past year appropriations are net of subsequent budget adjustments.