

## 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 PERSONNEL YEARS

	Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
10 Investment Services	16.2	17.1	17.1	\$2,724	\$3,069	\$3,119
20 Cash Management	35.8	44.9	44.9	6,980	8,127	8,270
30 Public Finance	46.7	51.3	51.3	7,083	7,579	7,730
35 Securities Management	27.2	28.1	28.1	4,682	4,943	5,023
50.01 Administration and Information Services	85.6	89.2	89.2	10,871	12,510	12,677
50.02 Distributed Administration	-	-	-	-7,982	-8,750	-8,907
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>211.5</b>	<b>230.6</b>	<b>230.6</b>	<b>\$24,358</b>	<b>\$27,478</b>	<b>\$27,912</b>
<b>FUNDING</b>				<b>2010-11*</b>	<b>2011-12*</b>	<b>2012-13*</b>
0001 General Fund				\$272	\$4,547	\$4,601
0995 Reimbursements				21,948	20,594	20,919
9740 Central Service Cost Recovery Fund				2,138	2,337	2,392
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$24,358</b>	<b>\$27,478</b>	<b>\$27,912</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

	2011-12*			2012-13*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
<b>Workload Budget Adjustments</b>						
<b>Other Workload Budget Adjustments</b>						
• Employee Compensation Adjustments	-\$42	-\$207	-	\$13	\$64	-
• Retirement Rate Adjustment	28	138	-	28	138	-
• Operational Efficiency Plan	-142	-129	-3.8	-142	-129	-3.8
• Rental Rate Reductions	-18	-89	-	-	-	-
• Miscellaneous Adjustments	-	-	-	-19	19	-
<b>Totals, Other Workload Budget Adjustments</b>	<b>-\$174</b>	<b>-\$287</b>	<b>-3.8</b>	<b>-\$120</b>	<b>\$92</b>	<b>-3.8</b>
<b>Totals, Workload Budget Adjustments</b>	<b>-\$174</b>	<b>-\$287</b>	<b>-3.8</b>	<b>-\$120</b>	<b>\$92</b>	<b>-3.8</b>
<b>Totals, Budget Adjustments</b>	<b>-\$174</b>	<b>-\$287</b>	<b>-3.8</b>	<b>-\$120</b>	<b>\$92</b>	<b>-3.8</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 2010-11 fiscal year, this Division handled 8,841 security investment transactions totaling \$348.3 billion. The Pooled Money Investment Board program accounted for 6,209 of these transactions totaling \$306.1 billion; time deposits accounted for 1,469 transactions totaling \$31.9 billion. The remaining \$10.3 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 2010-11 fiscal year, 2,783 local agencies participated in LAIF, with deposits averaging \$22.7 billion for the fiscal year.

\* Dollars in thousands, except in Salary Range.

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### 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 Treasury'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 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: (1) administers the Electronic Fund Transfer (EFT) and Pre-Sort Deposit Contracts, both of which involve the collection of approximately \$136 billion in state revenues, (2) administers the Remote Site Deposits and Image Cash Letter Programs, and (3) advises state agencies and departments on all banking related matters.

### 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

		2010-11*	2011-12*	2012-13*
<b>PROGRAM REQUIREMENTS</b>				
<b>10</b>	<b>INVESTMENT SERVICES</b>			
	<b>State Operations:</b>			
0001	General Fund	\$381	\$413	\$419
0995	Reimbursements	2,113	2,405	2,444
9740	Central Service Cost Recovery Fund	230	251	256
	<b>Totals, State Operations</b>	<b>\$2,724</b>	<b>\$3,069</b>	<b>\$3,119</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>20</b>	<b>CASH MANAGEMENT</b>			
	<b>State Operations:</b>			

\* Dollars in thousands, except in Salary Range.

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	2010-11*	2011-12*	2012-13*
0001 General Fund	-\$2,946	\$1,234	\$1,252
0995 Reimbursements	9,213	6,114	6,221
9740 Central Service Cost Recovery Fund	713	779	797
<b>Totals, State Operations</b>	<b>\$6,980</b>	<b>\$8,127</b>	<b>\$8,270</b>
<b>PROGRAM REQUIREMENTS</b>			
<b>30 PUBLIC FINANCE</b>			
<b>State Operations:</b>			
0001 General Fund	\$950	\$1,001	\$1,017
0995 Reimbursements	5,546	5,938	6,056
9740 Central Service Cost Recovery Fund	587	640	657
<b>Totals, State Operations</b>	<b>\$7,083</b>	<b>\$7,579</b>	<b>\$7,730</b>
<b>PROGRAM REQUIREMENTS</b>			
<b>35 SECURITIES MANAGEMENT</b>			
<b>State Operations:</b>			
0001 General Fund	\$1,482	\$1,168	\$1,183
0995 Reimbursements	2,592	3,109	3,159
9740 Central Service Cost Recovery Fund	608	666	681
<b>Totals, State Operations</b>	<b>\$4,682</b>	<b>\$4,943</b>	<b>\$5,023</b>
<b>PROGRAM REQUIREMENTS</b>			
<b>50 ADMINISTRATION AND INFORMATION SERVICES</b>			
<b>State Operations:</b>			
0001 General Fund	\$405	\$730	\$730
0995 Reimbursements	2,484	3,030	3,040
<b>Totals, State Operations</b>	<b>\$2,889</b>	<b>\$3,760</b>	<b>\$3,770</b>
<b>ELEMENT REQUIREMENTS</b>			
50.01 Administration and Information Services	10,871	12,510	12,677
50.02 Distributed Administration	-7,982	-8,750	-8,907
<b>TOTALS, EXPENDITURES</b>			
State Operations	24,358	27,478	27,912
<b>Totals, Expenditures</b>	<b>\$24,358</b>	<b>\$27,478</b>	<b>\$27,912</b>

EXPENDITURES BY CATEGORY

	1 State Operations			Expenditures		
	Positions/Personnel	Years		2010-11*	2011-12*	2012-13*
	2010-11	2011-12	2012-13			
<b>PERSONAL SERVICES</b>						
Authorized Positions (Equals Sch. 7A)	211.5	246.8	246.8	\$13,422	\$15,928	\$16,499
Total Adjustments	-	-4.0	-4.0	-	-174	-174
Estimated Salary Savings	-	-12.2	-12.2	-	-788	-816
<b>Net Totals, Salaries and Wages</b>	<b>211.5</b>	<b>230.6</b>	<b>230.6</b>	<b>\$13,422</b>	<b>\$14,966</b>	<b>\$15,509</b>
Staff Benefits	-	-	-	5,296	5,781	5,564
<b>Totals, Personal Services</b>	<b>211.5</b>	<b>230.6</b>	<b>230.6</b>	<b>\$18,718</b>	<b>\$20,747</b>	<b>\$21,073</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>						
				\$5,640	\$6,731	\$6,839
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$24,358</b>	<b>\$27,478</b>	<b>\$27,912</b>

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

\* Dollars in thousands, except in Salary Range.

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1 STATE OPERATIONS	2010-11*	2011-12*	2012-13*
<b>0001 General Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$4,334	\$4,721	\$4,601
Allocation for employee compensation	14	8	-
Adjustment per Section 3.60	77	28	-
Adjustment per Section 3.90	-	-50	-
Adjustment per Section 3.91	-214	-	-
Adjustment per Section 3.91 (b) Rental Rate Reductions	-	-18	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-	-142	-
Adjustment per Section 4.30	475	-	-
Chapter 11, Statutes of 2011, Rental Rate Reduction	<u>-56</u>	<u>-</u>	<u>-</u>
<b>Totals Available</b>	<b>\$4,630</b>	<b>\$4,547</b>	<b>\$4,601</b>
Unexpended balance, estimated savings	<u>-4,358</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$272</b>	<b>\$4,547</b>	<b>\$4,601</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	\$21,948	\$20,594	\$20,919
<b>9740 Central Service Cost Recovery Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$2,227	\$2,353	\$2,392
Allocation for employee compensation	7	4	-
Adjustment per Section 3.60	38	13	-
Adjustment per Section 3.90	-	-24	-
Adjustment per Section 3.91	-109	-	-
Adjustment per Section 3.91 (b) Rental Rate Reductions	-	-9	-
Chapter 11, Statutes of 2011, Rental Rate Reduction	<u>-25</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$2,138</b>	<b>\$2,337</b>	<b>\$2,392</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$24,358</b>	<b>\$27,478</b>	<b>\$27,912</b>

## FUND CONDITION STATEMENTS

	2010-11*	2011-12*	2012-13*
<b>3059 Fiscal Recovery Fund<sup>s</sup></b>			
BEGINNING BALANCE	\$328,001	\$205,556	\$205,187
Prior year adjustments	<u>-67,556</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$260,445	\$205,556	\$205,187
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
115100 Retail Sales and Use Tax-Fiscal Recovery	1,216,641	1,311,000	1,394,000
150300 Income From Surplus Money Investments	2,803	2,000	2,000
161900 Other Revenue - Cost Recoveries	<u>167</u>	<u>-</u>	<u>-</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$1,219,611</u>	<u>\$1,313,000</u>	<u>\$1,396,000</u>
Total Resources	\$1,480,056	\$1,518,556	\$1,601,187
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee			
State Operations	13,223	13,015	13,942
Unclassified	<u>1,261,277</u>	<u>1,300,354</u>	<u>1,382,302</u>
Total Expenditures and Expenditure Adjustments	<u>\$1,274,500</u>	<u>\$1,313,369</u>	<u>\$1,396,244</u>

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	<u>2010-11*</u>	<u>2011-12*</u>	<u>2012-13*</u>
FUND BALANCE	\$205,556	\$205,187	\$204,943
Reserve for Debt Service	205,556	205,187	204,943
<b>3090 Deficit Recovery Bond Retirement Sinking Fund Subaccount, Budget</b>			
<b>Stabilization Account <sup>s</sup></b>			
BEGINNING BALANCE	-	-	-
Prior year adjustments	<u>-\$6,764</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	-\$6,764	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	4	\$4	\$4
160400 Sale of Fixed Assets	<u>8,617</u>	<u>40,395</u>	<u>82,793</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$8,621</u>	<u>\$40,399</u>	<u>\$82,797</u>
Total Resources	\$1,857	\$40,399	\$82,797
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee (Unclassified)	<u>1,857</u>	<u>40,399</u>	<u>82,797</u>
Total Expenditures and Expenditure Adjustments	<u>\$1,857</u>	<u>\$40,399</u>	<u>\$82,797</u>
FUND BALANCE	-	-	-

**CHANGES IN AUTHORIZED POSITIONS**

	<u>Positions/Personnel Years</u>			<u>Expenditures</u>		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
Totals, Authorized Positions	211.5	246.8	246.8	\$13,422	\$15,928	\$16,499
<b>Workload and Administrative Adjustments:</b>				<b>Salary Range</b>		
Reductions in Authorized Positions:						
Cash Management Division:						
Program Technician II	-	-1.0	-1.0	2,638-3,209	-48	-48
Program Technician	<u>-</u>	<u>-3.0</u>	<u>-3.0</u>	<u>2,280-2,975</u>	<u>-126</u>	<u>-126</u>
<b>Total Adjustments</b>	<u>-</u>	<u>-4.0</u>	<u>-4.0</u>	<u>\$-</u>	<u>-\$174</u>	<u>-\$174</u>
<b>TOTALS, SALARIES AND WAGES</b>	<b>211.5</b>	<b>242.8</b>	<b>242.8</b>	<b>\$13,422</b>	<b>\$15,754</b>	<b>\$16,325</b>

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