

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		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
0740010 Investment Services	13.0	18.0	18.0	\$3,644	\$3,481	\$3,489
0740019 Centralized Treasury & Securities Management	62.5	63.5	65.5	12,644	13,528	13,731
0740028 Public Finance	56.1	53.3	50.3	9,949	11,251	9,874
9900100 Administration	84.9	90.9	92.9	13,967	15,770	15,728
9900200 Administration - Distributed	-	-	-	-11,079	-9,935	-9,926
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	216.5	225.7	226.7	\$29,125	\$34,095	\$32,896
FUNDING				2014-15*	2015-16*	2016-17*
0001 General Fund				\$3,358	\$4,939	\$4,708
0995 Reimbursements				23,124	26,431	25,228
9740 Central Service Cost Recovery Fund				2,643	2,725	2,960
TOTALS, EXPENDITURES, ALL FUNDS				\$29,125	\$34,095	\$32,896

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

	2015-16*			2016-17*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Expenditure by Category Redistribution	\$1,850	\$-	-	\$1,499	\$-	-
• Salary Adjustments	66	368	-	65	366	-
• Benefit Adjustments	35	192	-	44	243	-
• Retirement Rate Adjustments	24	128	-	24	128	-
• Lease Revenue Debt Service Adjustment	-1	-	-	-2	-	-
• Miscellaneous Baseline Adjustments	-	-	-	-245	441	1.0
• Budget Position Transparency	-1,850	-	-22.7	-1,499	-	-18.7
Totals, Other Workload Budget Adjustments	\$124	\$688	-22.7	-\$114	\$1,178	-17.7
Totals, Workload Budget Adjustments	\$124	\$688	-22.7	-\$114	\$1,178	-17.7
Totals, Budget Adjustments	\$124	\$688	-22.7	-\$114	\$1,178	-17.7

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 2014-15 fiscal year, this Division handled 7,436 security investment transactions totaling \$324.3 billion. The Pooled Money Investment Board (PMIB) program accounted for 5,774 of these transactions totaling \$287.8 billion; time deposits accounted for 1,247 transactions totaling \$27.8 billion. The remaining \$8.7 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

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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 2014-15 fiscal year, 2,531 local agencies participated in LAIF, with deposits averaging \$20.2 billion for the fiscal year.

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

		2014-15*	2015-16*	2016-17*
PROGRAM REQUIREMENTS				
0740	STATE TREASURER'S OFFICE			
	State Operations:			
0001	General Fund	\$2,902	\$4,090	\$3,855
0995	Reimbursements	20,691	21,445	20,279
9740	Central Service Cost Recovery Fund	<u>2,644</u>	<u>2,725</u>	<u>2,960</u>
	Totals, State Operations	\$26,237	\$28,260	\$27,094
SUBPROGRAM REQUIREMENTS				
0740010	Investment Services			
	State Operations:			
0001	General Fund	\$429	\$444	\$420
0995	Reimbursements	2,933	2,751	2,757
9740	Central Service Cost Recovery Fund	<u>282</u>	<u>286</u>	<u>312</u>
	Totals, State Operations	\$3,644	\$3,481	\$3,489
SUBPROGRAM REQUIREMENTS				

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		2014-15*	2015-16*	2016-17*
0740019	Centralized Treasury & Securities Management			
	State Operations:			
0001	General Fund	\$1,119	\$2,281	\$2,153
0995	Reimbursements	10,087	9,740	9,947
9740	Central Service Cost Recovery Fund	1,438	1,507	1,631
	Totals, State Operations	\$12,644	\$13,528	\$13,731
	SUBPROGRAM REQUIREMENTS			
0740028	Public Finance			
	State Operations:			
0001	General Fund	\$1,354	\$1,365	\$1,282
0995	Reimbursements	7,671	8,954	7,575
9740	Central Service Cost Recovery Fund	924	932	1,017
	Totals, State Operations	\$9,949	\$11,251	\$9,874
	PROGRAM REQUIREMENTS			
9900	ADMINISTRATION - TOTAL			
	State Operations:			
0001	General Fund	\$456	\$849	\$853
0995	Reimbursements	2,433	4,986	4,949
9740	Central Service Cost Recovery Fund	-1	-	-
	Totals, State Operations	\$2,888	\$5,835	\$5,802
	SUBPROGRAM REQUIREMENTS			
9900100	Administration			
	State Operations:			
0001	General Fund	\$11,535	\$10,784	\$10,779
0995	Reimbursements	2,433	4,986	4,949
9740	Central Service Cost Recovery Fund	-1	-	-
	Totals, State Operations	\$13,967	\$15,770	\$15,728
	SUBPROGRAM REQUIREMENTS			
9900200	Administration - Distributed			
	State Operations:			
0001	General Fund	-\$11,079	-\$9,935	-\$9,926
	Totals, State Operations	-\$11,079	-\$9,935	-\$9,926
	TOTALS, EXPENDITURES			
	State Operations	29,125	34,095	32,896
	Totals, Expenditures	\$29,125	\$34,095	\$32,896

EXPENDITURES BY CATEGORY

	1 State Operations			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
PERSONAL SERVICES						
Baseline Positions	236.4	248.4	244.4	\$16,901	\$17,812	\$17,461
Budget Position Transparency	-	-22.7	-18.7	-	-1,850	-1,499
Total Adjustments	-19.9	-	1.0	-1,210	434	509
Net Totals, Salaries and Wages	216.5	225.7	226.7	\$15,691	\$16,396	\$16,471
Staff Benefits	-	-	-	7,036	10,260	9,910
Totals, Personal Services	216.5	225.7	226.7	\$22,727	\$26,656	\$26,381
OPERATING EXPENSES AND EQUIPMENT				\$6,398	\$7,439	\$6,515

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1 State Operations	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$29,125	\$34,095	\$32,896

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2014-15*	2015-16*	2016-17*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$4,665	\$4,815	\$4,708
Allocation for employee compensation	52	66	-
Allocation for staff benefits	20	35	-
Budget Position Transparency	-	-1,850	-
Expenditure by Category Redistribution	-	1,850	-
Section 3.60 pension contribution adjustment	79	24	-
Tenant Rent Adjustment	-	-1	-
Totals Available	\$4,816	\$4,939	\$4,708
Unexpended balance, estimated savings	-1,458	-	-
TOTALS, EXPENDITURES	\$3,358	\$4,939	\$4,708
0467 State Notes Expense Account			
APPROPRIATIONS			
Government Code 17311	\$779	-	-
TOTALS, EXPENDITURES	\$779	\$-	\$-
Less funding provided by General Fund	-779	-	-
NET TOTALS, EXPENDITURES	\$-	\$-	\$-
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$23,124	\$26,431	\$25,228
TOTALS, EXPENDITURES	\$23,124	\$26,431	\$25,228
9740 Central Service Cost Recovery Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$2,564	\$2,652	\$2,960
Allocation for employee compensation	27	39	-
Allocation for staff benefits	11	20	-
Section 3.60 pension contribution adjustment	41	14	-
TOTALS, EXPENDITURES	\$2,643	\$2,725	\$2,960
Total Expenditures, All Funds, (State Operations)	\$29,125	\$34,095	\$32,896

FUND CONDITION STATEMENTS

	2014-15*	2015-16*	2016-17*
0467 State Notes Expense Account ^s			
BEGINNING BALANCE	\$250	\$250	\$250
Adjusted Beginning Balance	\$250	\$250	\$250
Total Resources	\$250	\$250	\$250
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0950 State Treasurer (State Operations)	779	-	-
Expenditure Adjustments:			
Less funding provided by General Fund (State Operations)	-779	-	-

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	<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
FUND BALANCE	\$250	\$250	\$250
Reserve for economic uncertainties	250	250	250
3059 Fiscal Recovery Fund ^s			
BEGINNING BALANCE	\$645,638	\$998,127	\$156,941
Prior Year Adjustments	<u>-1,061</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$644,577	\$998,127	\$156,941
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4117200 Retail Sales and Use Tax - Fiscal Recovery	1,584,475	999,000	-
4163000 Investment Income - Surplus Money Investments	<u>1,689</u>	<u>800</u>	<u>-</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$1,586,164</u>	<u>\$999,800</u>	<u>-</u>
Total Resources	\$2,230,741	\$1,997,927	\$156,941
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9210 Local Government Financing (Local Assistance)	-	845,000	-
9618 Economic Recovery Financing Committee (State Operations)	16,577	-	-
9618 Economic Recovery Financing Committee (Unclassified)	<u>1,216,037</u>	<u>995,986</u>	<u>-</u>
Total Expenditures and Expenditure Adjustments	<u>\$1,232,614</u>	<u>\$1,840,986</u>	<u>-</u>
FUND BALANCE	\$998,127	\$156,941	\$156,941
Reserve for economic uncertainties	998,127	156,941	156,941

3090 Deficit Recovery Bond Retirement Sinking Fund Subaccount, Budget

Stabilization Account ^s

BEGINNING BALANCE	\$115,641	\$1,260	-
Prior Year Adjustments	<u>-57,975</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$57,666	\$1,260	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4163000 Investment Income - Surplus Money Investments	61	-	-
4170400 Capital Asset Sales Proceeds	1,260	-	-
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>\$1,607,743</u>	<u>-</u>	<u>-</u>
Total Resources	\$1,665,409	\$1,260	-
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee (Unclassified)	<u>1,664,149</u>	<u>1,260</u>	<u>-</u>
Total Expenditures and Expenditure Adjustments	<u>\$1,664,149</u>	<u>\$1,260</u>	<u>-</u>
FUND BALANCE	\$1,260	-	-
Reserve for economic uncertainties	1,260	-	-

CHANGES IN AUTHORIZED POSITIONS

	<u>Positions</u>			<u>Expenditures</u>		
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
Baseline Positions	236.4	248.4	244.4	\$16,901	\$17,812	\$17,461
Budget Position Transparency	-	-22.7	-18.7	-	-1,850	-1,499
Salary and Other Adjustments	<u>-19.9</u>	<u>-</u>	<u>1.0</u>	<u>-1,210</u>	<u>434</u>	<u>509</u>
Totals, Adjustments	-19.9	-22.7	-17.7	-\$1,210	-\$1,416	-\$990

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	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
TOTALS, SALARIES AND WAGES	216.5	225.7	226.7	\$15,691	\$16,396	\$16,471

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