

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-YEAR EXPENDITURES AND POSITIONS

		Positions			Expenditures		
		2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
0740010	Investment Services	15.7	19.0	19.0	\$5,107	\$5,487	\$5,522
0740019	Centralized Treasury & Securities Management	44.9	64.5	64.5	13,162	18,346	18,454
0740028	Public Finance	50.1	60.0	60.0	14,688	15,675	15,790
0740035	Administration	82.6	107.9	107.9	8,733	6,395	6,430
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		193.3	251.4	251.4	\$41,690	\$45,903	\$46,196

FUNDING		2022-23*	2023-24*	2024-25*
0001	General Fund	\$13,934	\$12,480	\$13,330
0995	Reimbursements	20,373	25,883	26,019
9740	Central Service Cost Recovery Fund	7,383	7,540	6,847
TOTALS, EXPENDITURES, ALL FUNDS		\$41,690	\$45,903	\$46,196

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

California Constitution Article XVI, Sections 1.5 and 7; and Government Code Sections 5700-5703, 12302-12333, 16300, 16650-16857.

DETAILED BUDGET ADJUSTMENTS

		2023-24*			2024-25*		
		General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments							
Workload Budget Change Proposals							
	• Additional Funding for Banking Operations Item Processing Software Service	\$-	\$-	-	\$81	\$54	-
Totals, Workload Budget Change Proposals		\$-	\$-	-	\$81	\$54	-
Other Workload Budget Adjustments							
	• Other Post-Employment Benefit Adjustments	-24	-61	-	-33	-80	-
	• Miscellaneous Baseline Adjustments	-	-	-	799	-799	-
	• Salary Adjustments	273	722	-	306	810	-
	• Benefit Adjustments	149	378	-	195	497	-
Totals, Other Workload Budget Adjustments		\$398	\$1,039	-	\$1,267	\$428	-
Totals, Workload Budget Adjustments		\$398	\$1,039	-	\$1,348	\$482	-
Totals, Budget Adjustments		\$398	\$1,039	-	\$1,348	\$482	-

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 2022-23 fiscal year, this Division handled 11,347 security investment transactions totaling \$546.5 billion. The Pooled Money Investment Board (PMIB) program accounted for 10,197 of these transactions totaling \$507.5 billion; time deposits accounted for 848 transactions totaling \$27.6 billion. The remaining \$11 billion is invested on behalf of the state's special funds,

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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 2022-23 fiscal year, 2,361 local agencies participated in LAIF, with deposits averaging \$28.7 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 PMIB 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 Treasurer maintains demand bank accounts with seven 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, 5) redeems all state items submitted by presenting banks for payment, 6) executes the clearance and income collection for state investments (excluding PERS and STRS) and securities pledged to the state, 7) fulfills the clearance and settlement of securities pledged to the state as collateral for the time, demand, and other state agency programs, and 8) 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, lease revenue bonds, 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 certain state debt so there is no adverse consequences to bondholders or increased borrowing costs to the state. The post-issuance tax compliance includes monitoring the use of bond proceeds, managing rebate and yield restriction compliance, coordinating necessary financial disclosure, and ensuring proper record keeping.

0740035 - 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>2022-23*</u>	<u>2023-24*</u>	<u>2024-25*</u>
	PROGRAM REQUIREMENTS			
0740	STATE TREASURER'S OFFICE			
	State Operations:			
0001	General Fund	\$13,934	\$12,480	\$13,330
0995	Reimbursements	20,373	25,883	26,019
9740	Central Service Cost Recovery Fund	7,383	7,540	6,847
	Totals, State Operations	\$41,690	\$45,903	\$46,196
	SUBPROGRAM REQUIREMENTS			
0740010	Investment Services			
	State Operations:			
0001	General Fund	\$447	\$786	\$880
0995	Reimbursements	3,414	3,901	3,925
9740	Central Service Cost Recovery Fund	1,246	800	717

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		2022-23*	2023-24*	2024-25*
	Totals, State Operations	\$5,107	\$5,487	\$5,522
	SUBPROGRAM REQUIREMENTS			
0740019	Centralized Treasury & Securities Management			
	State Operations:			
0001	General Fund	\$4,132	\$5,939	\$6,375
0995	Reimbursements	6,213	8,456	8,508
9740	Central Service Cost Recovery Fund	2,817	3,951	3,571
	Totals, State Operations	\$13,162	\$18,346	\$18,454
	SUBPROGRAM REQUIREMENTS			
0740028	Public Finance			
	State Operations:			
0001	General Fund	\$4,229	\$3,909	\$4,248
0995	Reimbursements	7,139	9,013	9,073
9740	Central Service Cost Recovery Fund	3,320	2,753	2,469
	Totals, State Operations	\$14,688	\$15,675	\$15,790
	SUBPROGRAM REQUIREMENTS			
0740035	Administration			
	State Operations:			
0001	General Fund	\$5,126	\$1,846	\$1,827
0995	Reimbursements	3,607	4,513	4,513
9740	Central Service Cost Recovery Fund	-	36	90
	Totals, State Operations	\$8,733	\$6,395	\$6,430
	TOTALS, EXPENDITURES			
	State Operations	41,690	45,903	46,196
	Totals, Expenditures	\$41,690	\$45,903	\$46,196

EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
PERSONAL SERVICES						
Baseline Positions	251.4	251.4	251.4	\$23,806	\$23,682	\$23,682
Other Adjustments	-58.1	-	-	-4,474	995	1,116
Net Totals, Salaries and Wages	193.3	251.4	251.4	\$19,332	\$24,677	\$24,798
Staff Benefits	-	-	-	10,188	13,646	13,783
Totals, Personal Services	193.3	251.4	251.4	\$29,520	\$38,323	\$38,581
OPERATING EXPENSES AND EQUIPMENT				\$12,172	\$7,580	\$7,615
SPECIAL ITEMS OF EXPENSES				-2	-	-
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$41,690	\$45,903	\$46,196

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2022-23*	2023-24*	2024-25*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$13,346	\$12,082	\$13,330
Allocation for Employee Compensation	-	273	-
Allocation for Other Post-Employment Benefits	-	-24	-
Allocation for Staff Benefits	-	149	-

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1 STATE OPERATIONS	2022-23*	2023-24*	2024-25*
Prior Year Balances Available:			
Item 0950-001-0001, Budget Act of 2021 as reappropriated by Item 0950-490, Budget Act of 2022	588	-	-
Totals Available	\$13,934	\$12,480	\$13,330
TOTALS, EXPENDITURES	\$13,934	\$12,480	\$13,330
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$20,373	\$25,883	\$26,019
TOTALS, EXPENDITURES	\$20,373	\$25,883	\$26,019
9740 Central Service Cost Recovery Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$7,383	\$7,265	\$6,847
Allocation for Employee Compensation	-	191	-
Allocation for Other Post-Employment Benefits	-	-18	-
Allocation for Staff Benefits	-	102	-
Totals Available	\$7,383	\$7,540	\$6,847
TOTALS, EXPENDITURES	\$7,383	\$7,540	\$6,847
Total Expenditures, All Funds, (State Operations)	\$41,690	\$45,903	\$46,196

FUND CONDITION STATEMENTS

	2022-23*	2023-24*	2024-25*
<u>0467 State Notes Expense Account^s</u>			
BEGINNING BALANCE	\$250	\$250	\$250
Adjusted Beginning Balance	\$250	\$250	\$250
Total Resources	\$250	\$250	\$250
FUND BALANCE	\$250	\$250	\$250
Reserve for economic uncertainties	250	250	250

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2022-23	2023-24	2024-25	2022-23*	2023-24*	2024-25*
Baseline Positions	251.4	251.4	251.4	\$23,806	\$23,682	\$23,682
Salary and Other Adjustments	-58.1	-	-	-4,474	995	1,116
Totals, Adjustments	-58.1	-	-	\$-4,474	\$995	\$1,116
TOTALS, SALARIES AND WAGES	193.3	251.4	251.4	\$19,332	\$24,677	\$24,798

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