

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		
		2023-24	2024-25	2025-26	2023-24*	2024-25*	2025-26*
0740010	Investment Services	17.8	19.0	19.0	\$5,557	\$5,488	\$5,501
0740019	Centralized Treasury & Securities Management	45.5	64.5	64.5	13,242	18,003	18,311
0740028	Public Finance	53.8	60.0	60.0	15,035	15,676	15,717
0740035	Administration	88.4	107.9	104.9	11,102	6,619	9,997
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		205.5	251.4	248.4	\$44,936	\$45,786	\$49,526

FUNDING		2023-24*	2024-25*	2025-26*
0001	General Fund	\$15,380	\$13,448	\$15,203
0995	Reimbursements	22,016	25,611	26,802
9740	Central Service Cost Recovery Fund	7,540	6,727	7,521
TOTALS, EXPENDITURES, ALL FUNDS		\$44,936	\$45,786	\$49,526

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

	2024-25*			2025-26*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments			-			-
Workload Budget Change Proposals			-			-
• CalAccount Blue Ribbon Commission	\$-	\$-	-	\$1,000	\$-	-
• Jesse Unruh Building Relocation Costs	-	-	-	735	-	-
• Jesse Unruh Building Rent Increase	-	-	-	512	-	-
• Personal Services True-up	-	-	-	322	214	-
• Operating Expenses and Equipment True-up	-	-	-	312	208	-
• Support Application Development	-	-	-	-	869	-
Totals, Workload Budget Change Proposals	\$-	\$-	-	\$2,881	\$1,291	-
Other Workload Budget Adjustments			-			-
• Section 4.05 Government Efficiencies Reductions	-427	-	-	-	-	-
• Section 4.12 Vacancy Savings and Position Elimination Adjustment	-114	-350	-	-114	-	-
• Central Service Function Cost Realignment	-	-	-	-264	264	-
• Salary Adjustments	204	493	-	204	493	-
• Benefit Adjustments	109	258	-	136	324	-
• Retirement Rate Adjustments	-383	-929	-	-383	-929	-
Totals, Other Workload Budget Adjustments	\$-611	\$-528	-	\$-421	\$152	-
Totals, Workload Budget Adjustments	\$-611	\$-528	-	\$2,460	\$1,443	-
Totals, Budget Adjustments	\$-611	\$-528	-	\$2,460	\$1,443	-

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

0950 State Treasurer - Continued**PROGRAM DESCRIPTIONS****0740010 - INVESTMENT SERVICES**

The Investment Division is responsible for investment of state monies through the Pooled Money Investment Account (PMIA), from the date of receipt through the date of redemption. During the 2023-24 fiscal year, this Division handled 11,772 security investment transactions totaling \$575.1 billion. Investments through the PMIA accounted for 10,952 of these transactions totaling \$542.2 billion; time deposits accounted for 721 transactions totaling \$23.8 billion. The remaining \$9.1 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 2023-24 fiscal year, 2,341 local agencies participated in LAIF, with deposits averaging \$21.8 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

		2023-24*	2024-25*	2025-26*
	PROGRAM REQUIREMENTS			
0740	STATE TREASURER'S OFFICE			
	State Operations:			
0001	General Fund	\$15,380	\$13,448	\$15,203
0995	Reimbursements	22,016	25,611	26,802
9740	Central Service Cost Recovery Fund	7,540	6,727	7,521

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

0950 State Treasurer - Continued

		<u>2023-24*</u>	<u>2024-25*</u>	<u>2025-26*</u>
	Totals, State Operations	\$44,936	\$45,786	\$49,526
	SUBPROGRAM REQUIREMENTS			
0740010	Investment Services			
	State Operations:			
0001	General Fund	\$535	\$874	\$847
0995	Reimbursements	3,740	3,902	3,911
9740	Central Service Cost Recovery Fund	1,282	712	743
	Totals, State Operations	\$5,557	\$5,488	\$5,501
	SUBPROGRAM REQUIREMENTS			
0740019	Centralized Treasury & Securities Management			
	State Operations:			
0001	General Fund	\$3,574	\$6,265	\$6,142
0995	Reimbursements	6,901	8,247	8,475
9740	Central Service Cost Recovery Fund	2,767	3,491	3,694
	Totals, State Operations	\$13,242	\$18,003	\$18,311
	SUBPROGRAM REQUIREMENTS			
0740028	Public Finance			
	State Operations:			
0001	General Fund	\$4,376	\$4,212	\$4,125
0995	Reimbursements	7,168	9,012	9,034
9740	Central Service Cost Recovery Fund	3,491	2,452	2,558
	Totals, State Operations	\$15,035	\$15,676	\$15,717
	SUBPROGRAM REQUIREMENTS			
0740035	Administration			
	State Operations:			
0001	General Fund	\$6,895	\$2,097	\$4,089
0995	Reimbursements	4,207	4,450	5,382
9740	Central Service Cost Recovery Fund	-	72	526
	Totals, State Operations	\$11,102	\$6,619	\$9,997
	TOTALS, EXPENDITURES			
	State Operations	44,936	45,786	49,526
	Totals, Expenditures	\$44,936	\$45,786	\$49,526

EXPENDITURES BY CATEGORY

1 State Operations	<u>Positions</u>			<u>Expenditures</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2023-24*</u>	<u>2024-25*</u>	<u>2025-26*</u>
PERSONAL SERVICES						
Baseline Positions	251.4	251.4	248.4	\$24,677	\$24,798	\$24,514
Other Adjustments	-45.9	-	-	-4,328	249	937
Net Totals, Salaries and Wages	205.5	251.4	248.4	\$20,349	\$25,047	\$25,451
Staff Benefits	-	-	-	11,303	12,573	12,967
Totals, Personal Services	205.5	251.4	248.4	\$31,652	\$37,620	\$38,418
OPERATING EXPENSES AND EQUIPMENT				\$13,284	\$8,166	\$11,108
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$44,936	\$45,786	\$49,526

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

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

0950 State Treasurer - Continued

1 STATE OPERATIONS	2023-24*	2024-25*	2025-26*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$15,380	\$14,059	\$15,203
Allocation for Employee Compensation	-	204	-
Allocation for Staff Benefits	-	109	-
Section 3.60 Pension Contribution Adjustment	-	-383	-
Section 4.05 Government Efficiencies Reductions	-	-427	-
Section 4.12 Vacancy Savings and Position Elimination Adjustment	-	-114	-
Totals Available	\$15,380	\$13,448	\$15,203
TOTALS, EXPENDITURES	\$15,380	\$13,448	\$15,203
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$22,016	\$25,611	\$26,802
TOTALS, EXPENDITURES	\$22,016	\$25,611	\$26,802
9740 Central Service Cost Recovery Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$7,540	\$6,847	\$7,521
Allocation for Employee Compensation	-	117	-
Allocation for Staff Benefits	-	62	-
Section 3.60 Pension Contribution Adjustment	-	-221	-
Section 4.12 Vacancy Savings and Position Elimination Adjustment	-	-78	-
TOTALS, EXPENDITURES	\$7,540	\$6,727	\$7,521
Total Expenditures, All Funds, (State Operations)	\$44,936	\$45,786	\$49,526

FUND CONDITION STATEMENTS

	2023-24*	2024-25*	2025-26*
<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		
	2023-24	2024-25	2025-26	2023-24*	2024-25*	2025-26*
Baseline Positions	251.4	251.4	248.4	\$24,677	\$24,798	\$24,514
Salary and Other Adjustments	-45.9	-	-	-4,328	249	616
Totals, Adjustments	-45.9	-	-	\$-4,328	\$249	\$937
TOTALS, SALARIES AND WAGES	205.5	251.4	248.4	\$20,349	\$25,047	\$25,451

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