

090 - Office of State Treasurer

A001 Accounting and Fiscal Services for Treasury and Trust Funds

The State Treasurer maintains a correct and current account of all monies received and disbursed, classified by fund or account, as well as agency level accounting for investments, distributions, and debt management activity. All cash activity is accounted for and electronically interfaced to the statewide Agency Financial Reporting System (AFRS). (State Treasurer's Service Account)

	FY 2006	FY 2007	Biennial Total
FTE's	15.2	13.7	13.7
GFS	\$0	\$0	\$0
Other	\$1,443,000	\$1,322,000	\$2,765,000
Total	\$1,443,000	\$1,322,000	\$2,765,000

*FTE is second year only

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Provide state financial services and resources

Expected Results

Provide quality services.

Cash in-balance between the state accounting document records and treasury bank transactions.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	95%	100%	5%
	4th Qtr	95%	100%	5%
<p><i>OST is responsible for receiving and disbursing all public monies of the state not required by law to be managed by other state agencies. OST has no control over the volume of transactions; however, we do control the cash and treasury bank transactions. Our goal is to maintain, at least 95 percent of the time, a cash in-balance condition within two days of the close of business throughout the entire fiscal year. We expect to meet or exceed our goal.</i></p>				

A002 Administration

Appropriation Period: 2005-07 Activity Version: 81 - 2007 Enacted Supplemental Budget

The State Treasurer, a constitutional officer elected to serve a four-year term, is the state’s chief fiscal officer. The Treasurer’s Office provides banking, investment, debt management, and accounting services for state government, keeping the books and managing taxpayers’ money from the time it is collected in taxes until it is spent on programs by the Legislature. The office receives the state’s cash resources, invests the money each business day to earn interest, and disburses funds to numerous entities, including agencies, local governments, and active and retired state employees. Office business functions are supported by a fully functional information processing environment. (State Treasurer's Service Account)

	FY 2006	FY 2007	Biennial Total
FTE's	10.0	10.0	10.0
GFS	\$0	\$0	\$0
Other	\$831,000	\$854,000	\$1,685,000
Total	\$831,000	\$854,000	\$1,685,000

**FTE is second year only*

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Provide state financial services and resources

Expected Results

Promote and maintain public trust and confidence.

A003 Banking Services

The State Treasurer receives and deposits monies remitted to the state, and manages the disbursement of funds to state and local governments, vendors, beneficiaries, claimants, and employees. These banking services are provided to state agencies through the Cash and Warrant Management Division. The division promotes responsible financial practices to ensure the unimpeded inflow of monies to the state’s bank accounts and the timely outflow of monies to payees. The warrant management section releases, redeems, and maintains the records of warrants that bear the signature of the State Treasurer. The division also is responsible for the negotiation and management of numerous financial contracts and agreements, and works in cooperation with other state agencies in support of Digital Government initiatives. (State Treasurer's Service Account)

	FY 2006	FY 2007	Biennial Total
FTE's	24.1	24.1	24.1
GFS	\$0	\$0	\$0
Other	\$2,243,000	\$2,333,000	\$4,576,000
Total	\$2,243,000	\$2,333,000	\$4,576,000

**FTE is second year only*

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Provide state financial services and resources

Expected Results

Promote prudent financial practices and provide quality services.

Appropriation Period: 2005-07 Activity Version: 81 - 2007 Enacted Supplemental Budget

State payment transaction average cost.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	\$0.12	\$0.13	\$0.01
	7th Qtr	\$0.12	\$0.13	\$0.01
	6th Qtr	\$0.12	\$0.13	\$0.01
	5th Qtr	\$0.12	\$0.13	\$0.01
	4th Qtr	\$0.12	\$0.13	\$0.01
	3rd Qtr	\$0.12	\$0.13	\$0.01
	2nd Qtr	\$0.12	\$0.13	\$0.01
	1st Qtr	\$0.12	\$0.12	\$0
2003-05	8th Qtr	\$0.13	\$0.13	\$0
	7th Qtr	\$0.13	\$0.13	\$0
	6th Qtr	\$0.13	\$0.13	\$0
	5th Qtr	\$0.13	\$0.13	\$0
	4th Qtr	\$0.13	\$0.13	\$0
	3rd Qtr	\$0.13	\$0.13	\$0
	2nd Qtr	\$0.13	\$0.14	\$0.01
	1st Qtr	\$0.13	\$0.14	\$0.01
2001-03	8th Qtr	\$0.11	\$0.1	\$(0.01)
	7th Qtr	\$0.11	\$0.1	\$(0.01)
	6th Qtr	\$0.11	\$0.1	\$(0.01)
	5th Qtr	\$0.11	\$0.1	\$(0.01)
	4th Qtr	\$0.11	\$0.1	\$(0.01)
	3rd Qtr	\$0.11	\$0.1	\$(0.01)
	2nd Qtr	\$0.11	\$0.1	\$(0.01)
	1st Qtr	\$0.11	\$0.1	\$(0.01)

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State receipt transaction average cost.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	\$0.21	\$0.25	\$0.04
	7th Qtr	\$0.21	\$0.24	\$0.03
	6th Qtr	\$0.21	\$0.26	\$0.05
	5th Qtr	\$0.21	\$0.27	\$0.06
	4th Qtr	\$0.22	\$0.26	\$0.04
	3rd Qtr	\$0.22	\$0.25	\$0.03
	2nd Qtr	\$0.22	\$0.26	\$0.04
	1st Qtr	\$0.22	\$0.26	\$0.04
2003-05	8th Qtr	\$0.24	\$0.25	\$0.01
	7th Qtr	\$0.24	\$0.25	\$0.01
	6th Qtr	\$0.24	\$0.26	\$0.02
	5th Qtr	\$0.24	\$0.27	\$0.03
	4th Qtr	\$0.24	\$0.26	\$0.02
	3rd Qtr	\$0.24	\$0.25	\$0.01
	2nd Qtr	\$0.24	\$0.25	\$0.01
	1st Qtr	\$0.24	\$0.25	\$0.01
2001-03	8th Qtr	\$0.24	\$0.25	\$0.01
	7th Qtr	\$0.24	\$0.25	\$0.01
	6th Qtr	\$0.24	\$0.26	\$0.02
	5th Qtr	\$0.24	\$0.27	\$0.03
	4th Qtr	\$0.24	\$0.26	\$0.02
	3rd Qtr	\$0.24	\$0.25	\$0.01
	2nd Qtr	\$0.24	\$0.25	\$0.01
	1st Qtr	\$0.24	\$0.25	\$0.01
<p><i>Cost per item estimates have increased due to our reviewing the methodology used to calculate estimates. Also note, that new projection estimates include purchase of new scanner for warrant processing/position reallocation and salary adjustments/bank fee charges due to renegotiation of contract extension with concentration bank.</i></p>				

A004 Debt Management Services

Bond Retirement and Interest, Agency 010, is part of the Office of the State Treasurer, and is commonly referred to as Debt Management. The major functions of this activity include support to the State Finance Committee, debt issuance, the State/Local Lease Purchase Program, the School Bond Guarantee program, and payments to bondholders. (State Treasurer's Service Account)

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	FY 2006	FY 2007	Biennial Total
FTE's	14.7	14.8	14.8
GFS	\$0	\$0	\$0
Other	\$1,527,000	\$1,587,000	\$3,114,000
Total	\$1,527,000	\$1,587,000	\$3,114,000

*FTE is second year only

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Provide state financial services and resources

Expected Results

Promote prudent financial practices and provide quality services.

Ratio of the net present value of the savings (after discounts and cost of issuance) compared to the total par value of the bond issue.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	5%	6.7%	1.7%
	4th Qtr	5%	7.8%	2.8%
2003-05	8th Qtr	5%	9.1%	4.1%
	4th Qtr	5%	7.7%	2.7%
2001-03	8th Qtr	5%	8.2%	3.2%
	4th Qtr	5%	6.4%	1.4%

The Savings/Issue Size performance measure provides a way to assess savings from refundings. A refunding is a procedure whereby an outstanding bond issue is refinanced by a new issue.

Ratio of the true interest cost (internal rate of return) of an issue to the Bond Buyer Index*. This ratio compares the price performance of the State of Washington General Obligation Bonds with the prices achieved by other municipal market issues.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	98.5%	102.4%	3.9%
	4th Qtr	98.5%	101.2%	2.7%

** The Bond Buyer index is a weekly municipal bond price index published in the Bond Buyer, a daily publication featuring news, statistics, index figures and other items of interest for the municipal bond market.*

A005 Investment Services

Appropriation Period: 2005-07 Activity Version: 81 - 2007 Enacted Supplemental Budget

The Investment Division invests a pool of the state’s operating and capital cash reserves for maximum return under defined risk parameters, while still providing sufficient liquidity to meet agency cash requirements. The Investment Division also separately invests and administers the Local Government Investment Pool (LGIP), a pooled investment program which serves more than 400 local government cash managers. Pooled investments and other services allow state and local governments to share in the expertise of the State Treasurer and its investment staff, and reap the benefits of the economies of scale. (State Treasurer's Service Account)

	FY 2006	FY 2007	Biennial Total
FTE's	8.8	8.9	8.9
GFS	\$0	\$0	\$0
Other	\$998,000	\$1,036,000	\$2,034,000
Total	\$998,000	\$1,036,000	\$2,034,000

**FTE is second year only*

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Provide state financial services and resources

Expected Results

Promote prudent financial practices and provide quality services.

Local Government Investment Pool (LGIP)-Incremental value of LGIP compared to comparable privately managed money funds (dollars in thousands).				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	\$13,200	\$24,930	\$11,730
	4th Qtr	\$13,200	\$20,595	\$7,395
2003-05	8th Qtr	\$13,200	\$19,176	\$5,976
	4th Qtr	\$15,400	\$21,678	\$6,278
2001-03	8th Qtr	\$9,900	\$20,009	\$10,109
	4th Qtr	\$11,000	\$30,048	\$19,048

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Treasury and Trust Funds - Incremental value of active internal investment compared to overnight investment of all available funds (dollars in thousands).				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	\$0	\$(9,713)	\$(9,713)
	4th Qtr	\$264	\$(15,211)	\$(15,475)
2003-05	8th Qtr	\$6,050	\$1,508	\$(4,542)
	4th Qtr	\$6,250	\$27,271	\$21,021
2001-03	8th Qtr	\$9,029	\$45,741	\$36,712
	4th Qtr	\$4,650	\$67,639	\$62,989

The incremental value of an active investment program is subject to wide variation due to the shape of the yield curve, the direction of interest rates, treasury cash flow patterns and the investment strategies employed. It may even be negative, as was the case during FY 2006. However, over the last 10 years the value added has averaged over \$16 million per year.

Grand Total

	FY 2006	FY 2007	Biennial Total
FTE's	72.8	71.5	71.5
GFS	\$0	\$0	\$0
Other	\$7,042,000	\$7,132,000	\$14,174,000
Total	\$7,042,000	\$7,132,000	\$14,174,000

*FTE is second year only