

State Treasurer

As the state's chief financial officer, the **Treasurer** provides for the banking, financial and investment needs of state government. Revenues and other funds collected by state agencies are transmitted to the Treasurer daily. The Treasurer is responsible for distributing these funds to state agencies, counties, cities and school districts. As the state's disbursement officer, the Treasurer signs more than 5.4 million warrants annually. But, increasingly, the transactions are made electronically.

Treasury receipts, including investment transactions, average more than \$310 million daily. Early every morning the Treasurer invests all cash in excess of the state's daily needs in short-term securities. In fiscal year 1995 the Treasurer's cash management investments averaged nearly \$1.9 billion daily and earned taxpayers \$128 million in interest.

The Treasurer is custodian for all state-owned investments (securities, bonds, stocks, etc.), including \$30 billion in state pension and accident insurance funds managed by the State Investment Board. The Treasurer is one of nine members of the State Investment Board.

The Treasurer, on behalf of the State Finance Committee, issues state bonds to finance state construction projects and pays interest and principal to the state's bondholders.

The Treasurer chairs the Public Deposit Protection Commission which ensures the safety of all public deposits held in qualified commercial banking institutions in the state.

Washington Citizen’s Commission on Salaries for Elected Officials
Official Position Description for Executive Branch Position

Name: Mike Pellicciotti
Position Title: State Treasurer
Date: July 31, 2024

Position Objective

The State Treasurer is Washington’s chief financial officer and manages the Office of the State Treasurer (OST), which is the state agency that serves as the bank for Washington state government. OST operates divisions which manage public investments, debt, and cash for the state of Washington and leads policy initiatives affecting the State Treasury and the state’s long-term fiscal health.

Financial Dimensions

- Number of approved FTE’s (budgeted for fiscal years 2024 and 2025):
 - 68.50
- Annual budget (fiscal years 2024 and 2025):
 - \$11.68 million
- Snapshot of funds managed by the Office of the State Treasurer:
 - \$42 billion of state and local government investments
 - \$21.4 billion of outstanding state debt
 - \$456 billion of annual cash transactions (inclusive of receipts, disbursements, and transfers) in fiscal year 2023

Principal Responsibilities

- Investments
 - OST manages about \$42 billion of state government operating cash and local government surpluses (cities, school districts, counties, and other local districts) through OST’s Local Government Investment Pool.
 - OST manages the State Treasury/Trust Portfolio comprised of hundreds of operating accounts in the State Treasury or custody of the State Treasurer. These are pooled for banking and investment purposes where the state benefits from substantially lower banking fees and the ability to earn hundreds of millions of dollars in annual investment interest.
 - The Local Government Investment Pool (LGIP) is a short-term investment vehicle similar to a money market fund. Over 540 local governments in Washington state have participated in the pool since its inception in 1986.
 - The Separately Managed Accounts program is a medium-term investment option for local governments that mirrors the state's core portfolio.
 - The Statewide Custody Program is available to local governments needing securities custody services. This is a custody contract that is put out for bid and negotiated by the Office of the State Treasurer on behalf of local governments and institutions of higher education in Washington.
- Debt
 - OST manages state debt from legislatively approved bond sales that finance local infrastructure, major state capital and transportation projects, and lower costs for voter-approved bond initiatives through OST’s School Bond Guarantee Program.

- OST provides staff support to the State Finance Committee as the authorized body to supervise and control the issuance of all state debt and other financial obligations authorized by the legislature.
 - OST manages financial programs that include the Bond Program and the Lease Purchase Program that issue debt using three primary financing vehicles: Various Purpose (VP) General Obligation (GO) Bonds, Motor Vehicle Fuel Tax and Vehicle Related Fees (MVFT/VRF) GO Bonds, and Certificates of Participation (COPs).
 - OST provides, through its COP program, local governments and state agencies with alternatives to finance real estate and equipment over multi-year periods. The program allows these entities to benefit from economies of scale and the state's low tax-exempt financing rates.
 - OST offers other avenues for local governments and state agencies to find and secure financing for major projects, property acquisitions, or to pay for essential upgrades through the School Bond Guarantee Program, Tax Increment Financing, and the Washington Fund Directory.
 - OST publishes an annual *Debt and Credit Analysis* for the Legislature and all state-wide elected officials, which presents information to guide policymakers' decisions about the amounts, types, and uses of debt financings undertaken by the state.
- Accounting and Banking Services
 - OST manages the daily cash records for more than 600 Treasury and Treasury Trust funds, calculates and distributes investment earnings to funds, and processes fund transfers as directed by a state agency or by the Legislature.
 - OST maintains the official records of ownership and accounting for investment transactions, including purchases, sales, maturities, income, and gains and/or losses for the Treasury / Treasurer's Trust, LGIP and SMA portfolios.
 - OST distributes state and federal revenues to cities, towns, counties, public transportation districts, universities, community colleges, water districts, fire districts, health districts, and various other governmental entities, as directed.
 - For activities within OST, the Office processes payroll, accounts payable, travel reimbursements, credit card and travel card purchases, fixed assets, supply ordering, and mail processing.
 - OST provides the state's bank account for all Treasury and Treasury Trust funds, and includes all banking services needed for the collection and disbursement of state money.
 - OST maintains a merchant services contract with a bank that provides state agencies with services related to the acceptance of credit / debit cards.
 - OST manages the printing and release of most warrants (i.e., checks) as directed by state agencies for payments to vendors and other payees. OST maintains the records of all warrants that bear the signature of the State Treasurer and authorizes payment for warrants presented from the state's bank account.
 - Policy and Education
 - OST leads state and national policy initiatives affecting the State Treasury and the state's long-term fiscal health through legislation and through representation on several state boards and commissions.
 - The Treasurer formally requests legislation for consideration by the Legislature.
 - OST works with key stakeholders, agency partners, and community organizations to expand financial education opportunities.

- OST offers financial education workshops to Washington organizations, schools, and groups located across the state.
- The State Treasurer represents the people of Washington on important state policy committees, councils, boards and commissions. These independent financial policy-making bodies address critical and important issues regarding our state’s economy, pensions, banking regulation, housing, education, and other public finance and personal investments. They include the following:
 - State Finance Committee (SFC): The State Treasurer chairs the three-member State Finance Committee, which includes the Governor and Lieutenant Governor. It is administered by the Office of the State Treasurer. This Committee approves the issuance of all bonds and other financial obligations for the state of Washington.

This financing supports capital projects authorized in the legislature’s capital and transportation budgets, including major infrastructure, school, environmental improvement, and transportation-related projects like ferries, bridges and roads.

- Public Deposit Protection Commission (PDPC): The State Treasurer chairs the three-member PDPC, which includes the Governor and Lieutenant Governor. It is administered by the Office of the State Treasurer. The PDPC ensures that public government funds held by certain financial institutions, known as qualified public depositaries, are protected.

The PDPC works to ensure that these public funds – money collected by local and state government – are properly collateralized and that these banking and credit union institutions follow regulations that protect against the loss of public funds due to financial institution insolvency.

- The Economic and Revenue Forecast Council (ERFC): The State Treasurer is the elected executive branch member on the ERFC, which is comprised of legislative budget leaders and appointed executive branch members.

The ERFC adopts revenue forecasts used for state budgeting. The ERFC also provides the state budget outlook to increase financial transparency and to promote fiscal stability. The ERFC combines statistical models and the best available data quarterly to forecast economic activity and state revenue for the state of Washington. The forecasts are prepared by non-partisan professional staff and approved by the bi-partisan ERFC.

- Washington Economic Development Finance Authority Board (WEDFA): The State Treasurer is the elected executive branch member on the WEDFA, which is comprised of legislative, executive, and public members. WEDFA is a financial conduit to businesses through the issuance of “non-recourse revenue bonds,” also known as Industrial Revenue Bonds.

WEDFA is authorized to issue these bonds on both a taxable and tax-exempt basis in support of qualifying projects — primarily connecting manufacturing, processing, and waste disposal facilities with low-interest loans.

- Washington State Investment Board (WSIB): The State Treasurer is an ex-officio member of the WSIB, which includes a total of 10-voting members of legislators, state agency leaders, and representatives of public pensioners. WSIB is independent from the Office of the State Treasurer and follows a legally directed fiduciary duty to maximize investment returns at a prudent level of risk.

WSIB manages investments of 17 retirement plans for public sector workers including teachers and other school workers, law enforcement, firefighters, and judges, and manages 18 more public investment funds for programs in industrial insurance, higher education, and developmental disabilities.

- Committee on Advanced Tuition Payment and College Savings (WA529 Committee): The State Treasurer is the elected member on the WA529 Committee, which includes members from the public and the Office of Financial Management. The WA529 Committee sets the Guaranteed Education Tuition (GET) unit price, program policies and manages investments to allow Washingtonians to save for higher education.

WA529 offers two programs to help Washington families save for educational expenses, the GET and DreamAhead college investment programs.

- Washington State Housing Finance Commission (WSHFC): The State Treasurer is an ex-officio member of the WSHFC, which includes 10 other members.

WSHFC creates policies to meet the housing needs of low to moderate-income people and families. WSHFC works to increase housing access and affordability and to expand the availability of quality community services for the people of Washington.

- Washington Achieving a Better Life Experience (ABLE): The State Treasurer is the elected member on the ABLE Governing Board. ABLE manages the Washington State ABLE Savings Plan, a Qualified ABLE Program. It is administered by the Department of Commerce.

ABLE is designed to provide eligible individuals with a means to save for disability-related expenses, allowing participants tax-free savings for education, job training, assistive technology, transportation, and more, without affecting federal and state benefits.

Knowledge and Skills

- Education: State law does not provide education requirements to hold the office of State Treasurer, though a diverse educational background in economics, public finance, accounting, law or business administration is beneficial. The current Treasurer has a Bachelor's Degree in Business Administration, received his Master's in Rural Development as a United States Fulbright Scholar where he studied economic development, and earned a Juris Doctor from Gonzaga University.
- Experience, including management experience: Experience in public finance, legislative and government relations, public policy analysis and development, and business management and

leadership is highly desirable. Prior to taking office, the current Treasurer was elected to the State House of Representative for two terms, serving on the Capital Budget Committee and as vice chair of the State Government Committee. Before representing the 30th Legislative District of South King and North Pierce Counties, the current Treasurer managed a state financial fraud unit as an assistant attorney general.

- Specialized (job content) knowledge and skills: The Treasurer must create and maintain excellent relations with the Legislature, other executive branch agencies, the judiciary, local government, colleges and universities, and many other diverse communities throughout the state.

Nature and Scope

- Organization - Please see the attached organization chart for the Treasurer's Office.
- Importance to the state's mission: As the State's Chief Financial Officer, the Treasurer handles a wide variety of financial, banking, investment and state and national legal/policy issues critical to the long-term financial health of the State of Washington. The Treasurer's Office addresses complex issues regarding financial regulations, fluctuating bond markets, investment strategy, and effective cash management.
- Management Environment: The Treasurer works on behalf of the people of the state, within the bounds of the state constitution, as directed by the Legislature, and in partnership with other agencies, entities, and institutions in the executive branch. Key participants in this work include:
 - The Governor
 - The Lieutenant Governor
 - The Legislature
 - The Office of Financial Management
 - Other separately elected local, state, federal, and tribal officials
 - Credit rating agencies
 - Investors/bond buyers
 - Washington State Investment Board staff and member organizations
 - Local governments
 - National and regional trade associations
 - Financial advisors and bond counsel
 - Banks, brokers, and underwriters
 - State agency directors
 - Boards and commissions
 - Higher Education institutions

The State Treasurer is third in the line of succession of Gubernatorial powers.

- Problem solving/decision making requirements: As the manager of the state's long-term debt, investment programs, cash management, and public deposit protection operations, it is important to actively engage with financial markets, examine and adjust practices, and move quickly – and safely – to produce the best possible results for the people of the state.

Staying ahead of economic developments, evolving markets, and challenging regulatory, policy, legal and financial environments is an ongoing focus for the Treasurer's Office. This is especially

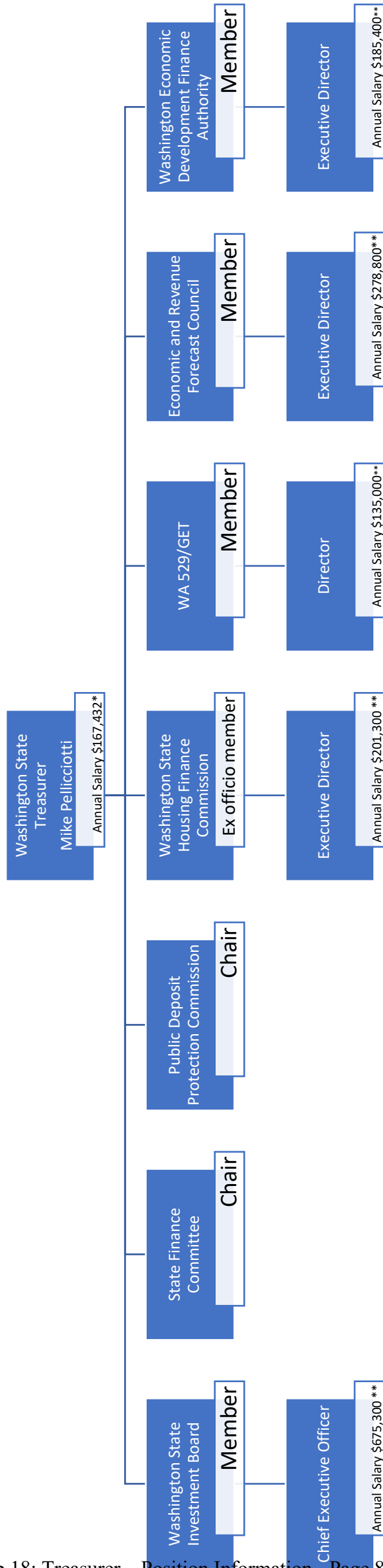
important as the Treasurer implements legal and financial policies and procedures for the state.

- Accountability: The public rightfully expects its hard-earned tax dollars to be protected and invested with a long-term outlook. The Treasurer is expected to get the lowest possible borrowing costs when bonds are sold to pay for capital and transportation projects.

In addition to constituents, rating agencies and investors closely scrutinize the state's financial operations and activities. Because credit ratings and investor interest are key determinants of borrowing costs, it is imperative the state's good standing be maintained and enhanced, whenever possible.

- Planning: Planning is a central task at the Treasurer's Office – whether managing the state's investments, preparing for bond sales, seeking savings through refinancing outstanding obligations or modernizing the technology that supports the state's core financial systems.

Washington State Treasurer Boards and Commissions

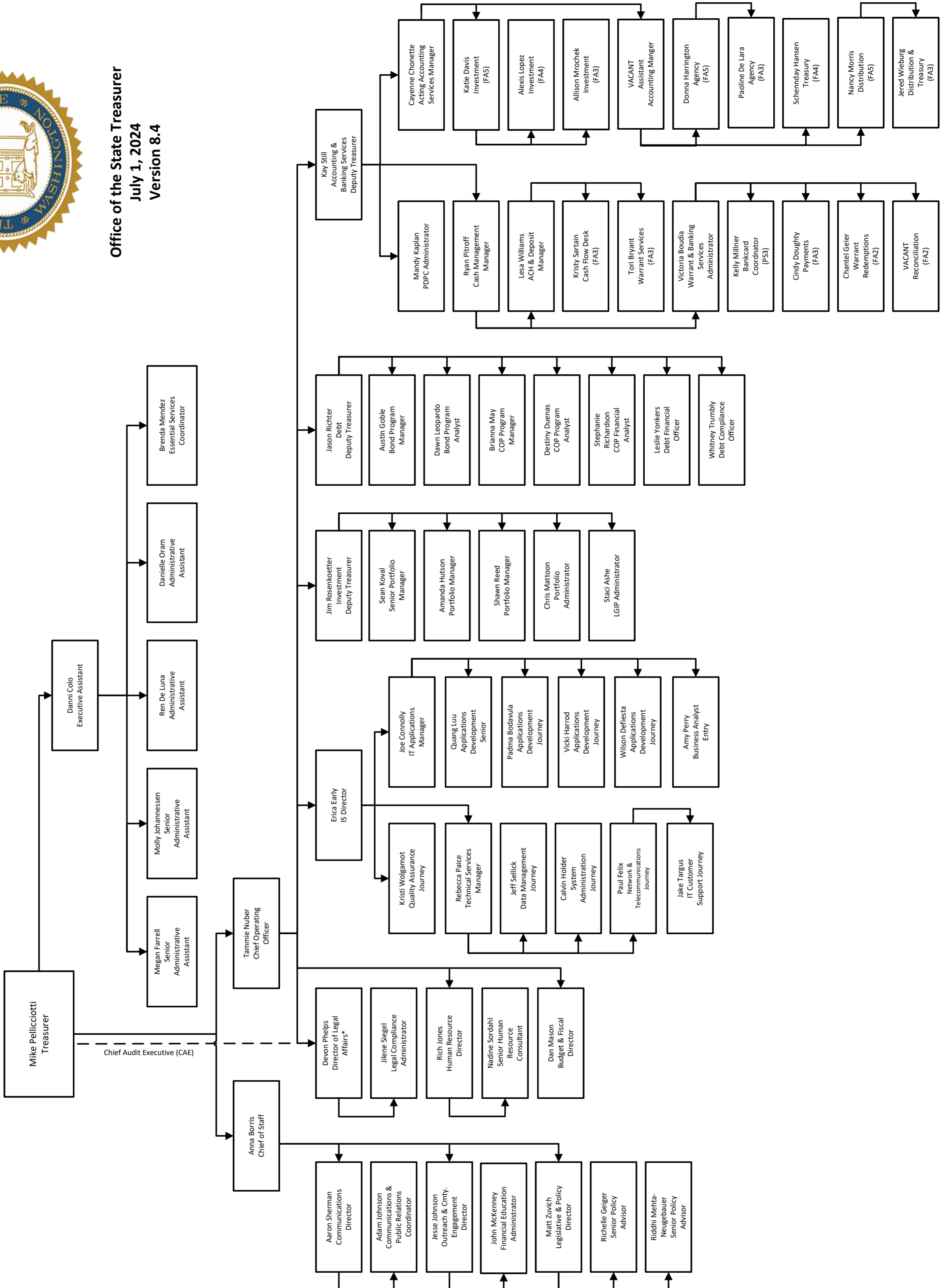


* Treasurer's salary listed as of July 1, 2024 per salary increase approved by Commission

** Salaries listed for board and commission Director's reflect 2023 salaries posted on the OFM's state employee salary report



Office of the State Treasurer
July 1, 2024
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*The Director of Legal Affairs also serves as the CAE and reports directly to the Treasurer for all CAE related activities

July 1, 2024

This addendum to the position description for State Treasurer identifies the positions within the Treasurer's Office that are currently paid a salary that is greater than that of the State Treasurer.

Job Title	Annual Salaries
Treasurer	\$167,432
Assistant State Treasurer/Chief Operating Officer	\$208,859
Chief of Staff	\$208,859
Deputy State Treasurer (Investments)	\$276,504
Deputy State Treasurer (Debt)	\$228,864
Deputy State Treasurer (Operations)	\$190,962
Senior Portfolio Manager	\$208,656
Director of Legal Affairs	\$167,874