

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: August 1, 2022

1. Position Objective

The Washington State Treasurer safely and securely manages public funds for the state and many of its local governments. This requires maximizing returns through careful investments, managing state debt to obtain the lowest possible borrowing costs, paying state employees and vendors, and balancing the state's books every day.

2. Financial Dimensions

- a. Number of approved FTE's (budgeted for fiscal years 2022 and 2023): 69
- b. Annual budget (fiscal years 2022 and 2023): \$11 million
- c. Other annualized dollar amounts controlled or influenced include:
 - \$350 billion of Annual cash flow
 - \$22 billion of outstanding State debt
 - \$30 billion of Treasury/Treasurer's Trust and local government investments
 - \$180 billion of State Investment Board assets under management

3. Principal Responsibilities

- Oversee cash management for all major state accounts with deposits, withdrawals, and transfers of nearly \$350 billion in fiscal year 2021.
- Manage short-term investment portfolio, which contains on average more than \$30 billion in state and local government funds in a manner that focuses on ensuring the safety, security, and accessibility of the assets.
- Structure, issue and manage the state's approximate \$22 billion debt portfolio, which provides funding for transportation projects and general government capital improvements. This includes selling more than \$2.5 billion of new money bonds to finance projects on an annual basis and refinancing outstanding issues for debt service savings as market conditions permit.
- Oversees the State's General Obligation Bond (GO) program which has recently received its highest rating of Aaa from the Moody's rating agency.
- Structure, issue and manage the State's \$1.1 billion certificates of participation program, which provides lease financing for state agencies and local governments for real estate and equipment purchases.

- Manage the State’s constitutionally authorized school district general obligation bond guaranty programs, which helps reduce borrowing costs for school districts, due to the security provided by the State guaranty.
- Chair the State Finance Committee, which is comprised of the Treasurer, Governor, and Lt. Governor.
- Chair the Public Deposit Protection Commission, which is comprised of the Treasurer, Governor, and Lt. Governor.
- Protect \$9.6 billion in public funds deposited by state and local governments in qualified public depositories throughout the state.
- As the only statewide elected official serving on the State Investment Board, the Treasurer helps set policies and practices to guide investments and the management of over \$180 billion in assets.
- The Treasurer serves as a voting member of the state’s seven person Economic and Revenue Forecast Council, which produces the official quarterly economic and revenue forecasts for the state.
- As Secretary of the Washington State Housing Finance Commission, the Treasurer has a policy and oversight role in increasing the supply of affordable multi-family housing units and helping new homeowners achieve the dream of home ownership throughout the state.
- As a board member of the Washington Economic Development Finance Authority, the Treasurer is actively involved in the conduit issuance of private activity bonds to support qualifying projects throughout the state, such as manufacturing, processing, renewable energy, and waste disposal facilities.
- As member of the Guaranteed Education Tuition Board and Achieving a Better Life Experience Board the Treasurer lends his expertise to policy development, management and implementation of their investment, finance, and economic development issues, as appropriate.
- The Treasurer is committed to providing support and guidance to local governments for their access to funding resources offered through state programs, along with providing financial and technical assistance related to local infrastructure necessities. Information on these funding sources is available on the OST web site.
- Oversees and promotes the continued development, enhancement and implementation of a statewide Financial Literacy Program aimed at educating both children and adults about banking, budgeting, and managing finances.

In addition, the State Treasurer’s Office:

- Obtains banking and lock box services, manages contracts for fiscal agent and custody banking services, and engages bond counsel, financial advisors, investment advisors, underwriters, and merchant bankcard services on behalf of state government.
- Distributes state and federal revenue to cities, towns, counties, public transportation districts, universities, community colleges, water districts and fire districts.
- Deploys and operates financial processing systems to pay, record, and account for all warrants (checks) that bear the signature of the Treasurer.

- Implements and operates modern, secure, and effective information technology systems and procedures that keep public funds safe and available to support government operations.

4. Knowledge and Skills

Education: State law does not provide education requirements for the office of State Treasurer, though an 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. Before he became Washington's 24th State Treasurer, Mike Pellicciotti 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, Treasurer Pellicciotti managed the 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. The Washington State Treasurer is a member of the following:

- State Finance Committee
- Public Deposit Protection Commission
- Economic and Revenue Forecast Council
- Washington Economic Development Finance Authority
- Washington State Investment Board
- Guaranteed Education Tuition Program; and the
- Washington State Housing Finance Commission.

The Treasurer's leadership in these positions requires extensive interaction and relations with executive leaders, local government officials, the Legislative Officers, staff, and other diverse groups. Please see attached charts.

5. Nature and Scope

Organization - Please see the organization chart for the Treasurer's Office (attached).

Importance to the state's mission: As the State's Chief Financial Officer, the Treasurer deals with a wide variety of financial, banking, investment and legal/policy issues that require thorough preparation, planning, and effective engagement. The Treasurer's Office deals with complex issues regarding financial regulations, fluctuating bond markets, investment strategy,

and effective cash management to offset variations in state revenue collections, all of which combine at times to challenge both state and local governments.

The need for effective and timely action is vital for getting the best possible results for taxpayers. The Treasurer's Office has continued to reengineer its debt management program, revised statutes and operations that protect public deposits, modernize the State's cash management practices, and expand local government investment opportunities. These actions continue to curb risk for public depositors, helped save millions in borrowing costs for taxpayers, increased cash liquidity for the State, and are providing local governments with a safe option for their investments at a low cost. In fiscal year 2021 debt refinancing saved over \$188 million in future debt payments.

As well as providing a safe and affordable investment option for local governments, the Treasurer acts as an advocate around the state to promote the prudent investment of public funds. The Treasurer's Office is a recognized resource for local governments as they seek to identify and implement best practices in their own management of funds. Staff from the office directly deliver and organize formal training opportunities at several annual conferences attended by county, city, and other officials, and have developed written resources available on the Treasurer's Office website.

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 Office of Financial Management
- The Lieutenant Governor and staff
- The Legislature – leadership, members, & staff
- Other separately elected officials
- Credit rating agencies
- Investors/bond buyers
- Washington State Investment Board staff and member organizations
- Local governments
- Financial advisors and bond counsel
- Banks, brokers, and underwriters
- State agency directors
- Boards and commissions
- Higher Education institutions

Other management responsibilities include serving in the capacity of Acting Governor during times when the Governor absents from the state and following line of succession as described within article III, § 10.

Problem solving/decision making requirements: As the manager of the State's long-term debt, investment programs, cash management, and public deposit protection operations, a broad

and sophisticated view is required by the Treasurer. Active engagement with the marketplace, willingness to examine and adjust past practices, and agility to move quickly – but safely – are all needed to produce the best possible results for the people of the State.

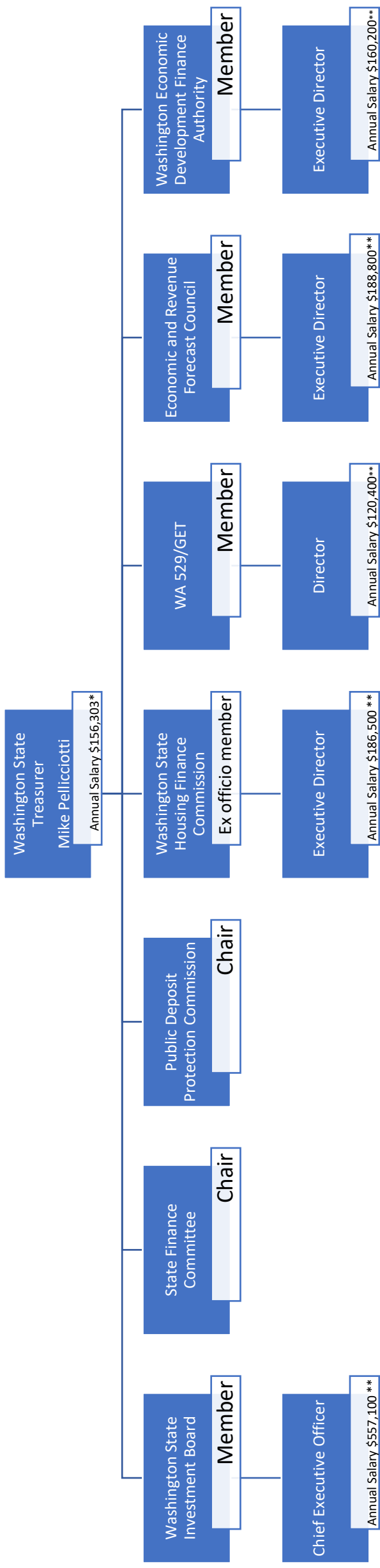
Staying ahead of economic developments, evolving markets, and challenging regulatory, policy, legal and financial environments is a big challenge for the Treasurer’s Office. This is especially important as the Treasurer implements policies and procedures for the State’s financing programs. These policy and procedure requirements include compliance with State and Federal regulations, structuring parameters for bond financings, credit requirement for participants in the local program, and criteria related to financings that are repaid from toll revenues.

Accountability: The public rightfully expects its hard-earned tax dollars to be protected, accounted for, and put to good use. They expect the Treasurer to get the lowest possible borrowing costs when bonds are sold to pay for construction and transportation projects. Moreover, the public properly insists that the State make prudent investments, so that funds are not placed at risk.

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. The Treasurer’s office carefully manages its relationships with rating agencies and investors and work diligently to ensure that the State’s bills are always paid on time and in full, and that treasury services are uninterrupted.

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. Moreover, coordination among business lines in the Treasurer’s Office and effective partnerships with others throughout the government is required to maximize the effectiveness and positive impact of the office.

Washington State Treasurer Boards and Commissions

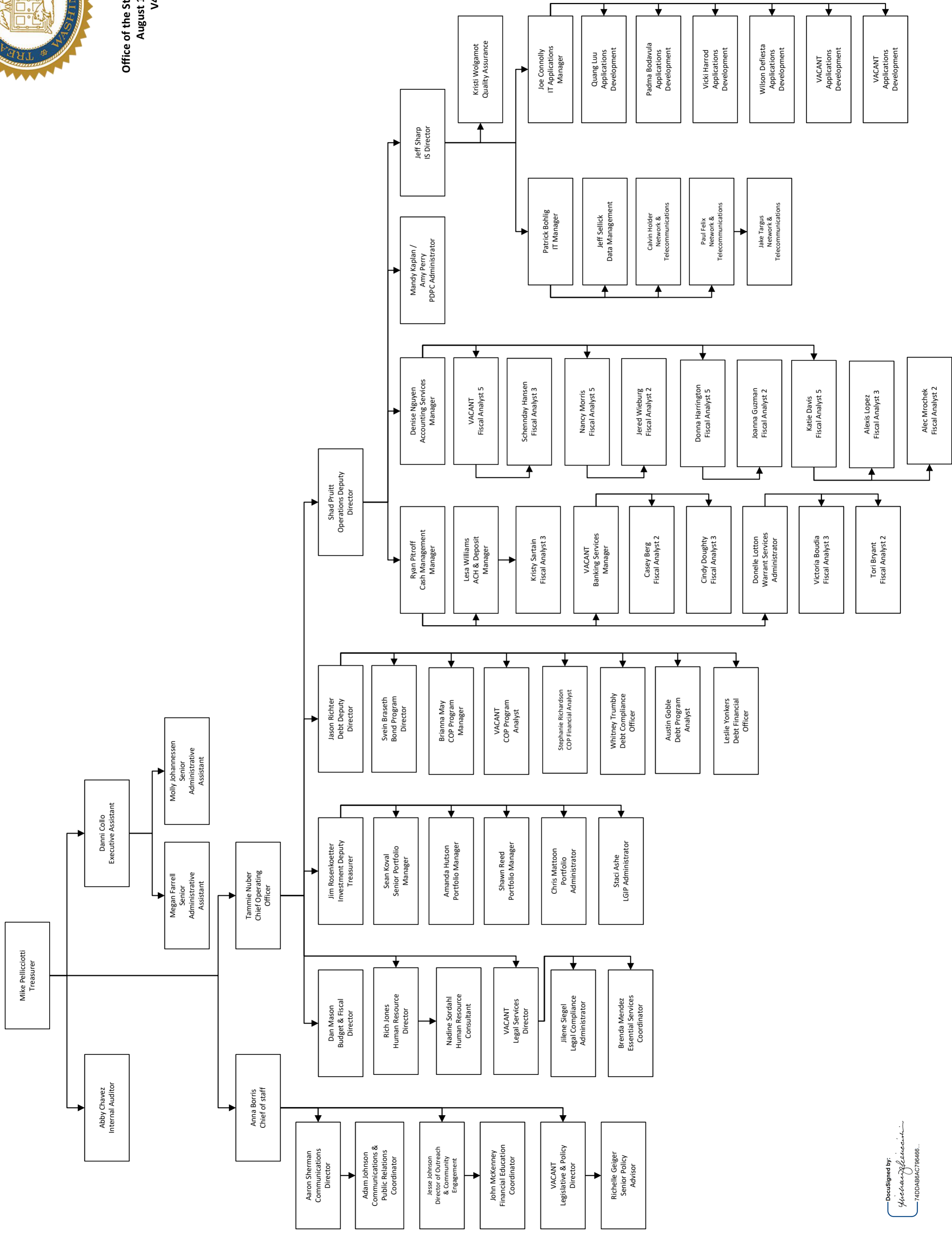


* Treasurer's salary listed as of July 1, 2022 per salary increase approved by Commission

** Salaries listed for board and commission Director's reflect 2021 salaries posted on the OFM's state employee salary report



Office of the State Treasurer
August 1, 2022
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August 1, 2022

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	\$156,303
Assistant State Treasurer/Chief Operating Officer	\$182,900
Chief of Staff	\$182,900
Deputy State Treasurer (Investments)	\$209,580
Deputy State Treasurer (Debt)	\$182,676
Deputy State Treasurer (Operations)	\$181,896
Senior Portfolio Manager	\$164,160