

OFFICE OF THE GENERAL TREASURER

FY 2014 Revised and FY 2015 Budgets

Staff Presentation
March 5, 2014

SUMMARY BY PROGRAM

(in millions)	FY 2014 Enacted	FY 2014 Gov. Rev.	FY 2015 Governor
General Treasury	\$3.0	\$2.9	\$2.8
Unclaimed Property	18.6	23.2	19.5
Retirement System	11.7	11.1	10.8
Crime Victim Comp.	2.1	1.9	2.0
Total	\$35.4	\$39.3	\$ 35.2

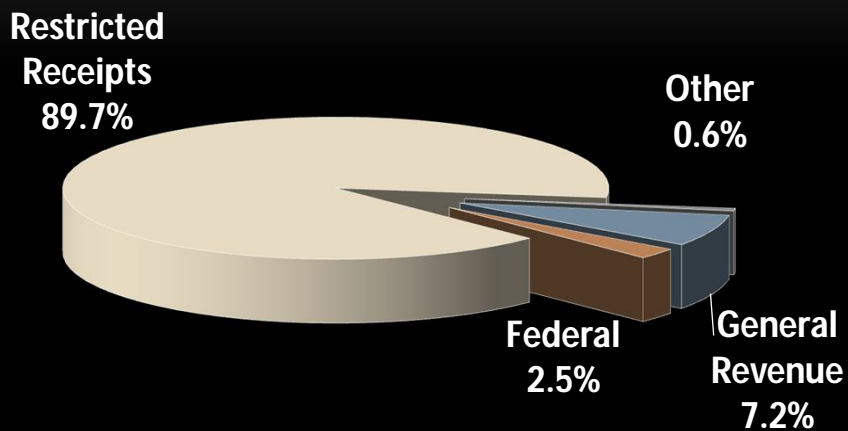
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SUMMARY BY PROGRAM

	FY 2014 Gov. Rev.	FY 2015 Governor
Change to Enacted		
General Treasury	(\$92,245)	(\$197,629)
Unclaimed Property	4,688,073	965,139
Retirement System	(525,305)	(829,020)
Crime Victim Comp.	(217,878)	(192,024)
Total	\$3,852,645	(\$253,534)

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FY 2015 SUMMARY BY SOURCE



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TARGET BUDGET

- Budget Office provided a general revenue target of \$2.5 million
 - Current service adjustments of \$19,453
 - 7% reduction of \$187,190
- Request \$51,315 above target
 - reduced several non-discretionary expenses
 - Bank fees, fees on bonds and notes
 - Unanticipated activity could reduce savings

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SALARIES AND BENEFITS

Governor recommends \$8.6 million for 83.0 FTEs

- \$0.2 million less than enacted
- \$37,433 more from general revenues
- Statewide benefit savings
 - \$8,800 for FY 2014
 - \$11,165 for FY 2015

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Salaries and Benefits

Full-Time Equivalent Positions

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	83.0	-
FY 2015 Request	83.0	-
FY 2015 Governor	83.0	-
FY 2013 Average Filled	74.7	(8.3)
Filled as of February 9	78.5	(4.5)

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UNCLAIMED PROPERTY

- Holders of unclaimed property file it with the Treasurer, who attempts to find owners
- Amount remaining after expenses and returns to owners are transferred to state general revenues
 - A portion is set aside in case people claim money before the new revenues come in

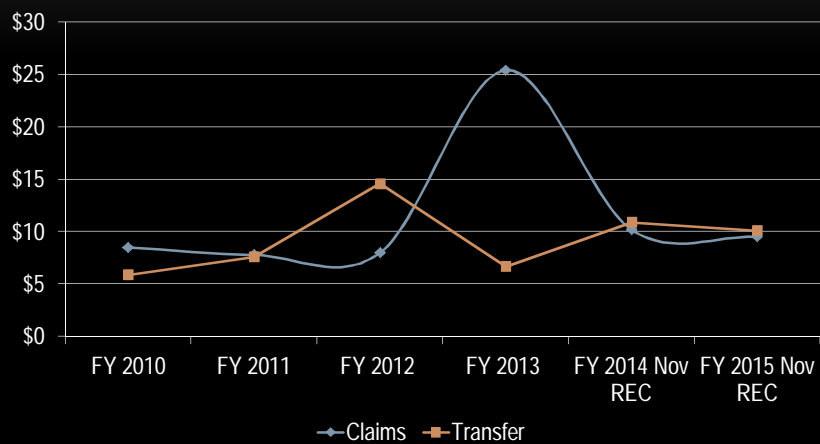
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UNCLAIMED PROPERTY

- Transfer to the General Fund
 - \$10.9 million for FY 2014
 - \$10.1 million for FY 2015
- Claims Payments
 - \$10.2 million for FY 2014
 - \$9.5 million for FY 2015
- Same as November revenue estimates

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UNCLAIMED PROPERTY



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CRIME VICTIM COMPENSATION

- Criminal Injuries Compensation Act of 1996 enables state to compensate innocent victims of violent crimes for certain expenses
 - Medical, dental and hospital expenses
 - Mental health counseling expenses
 - Funeral and burial expenses
 - Loss of earnings (victim only)
 - Loss of support (dependents of homicide victim)

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CRIME VICTIM FUNDING

- Restricted Receipts
 - Court fees
- Federal Funds
 - 60% match of claims paid by state
- General Revenues
 - \$2.2 million in FY 2000 through FY 2002
 - \$0.5 million in FY 2003; None for reg. claims since
 - \$0.5 million for Station Fire in FY 2005

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CRIME VICTIMS CLAIMS

(in millions)	Court Fines	Federal	Total
FY 2009	\$0.9	\$0.5	\$1.4
FY 2010	\$0.4	\$0.8	\$1.2
FY 2011	\$0.6	\$0.8	\$1.4
FY 2012	\$0.8	\$0.8	\$1.7
FY 2013	\$0.8	\$0.8	\$1.5
FY 2014	\$0.9	\$0.6	\$1.5
FY 2015	\$0.9	\$0.6	\$1.5

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RETIREMENT SYSTEM

- Administrative costs are funded from 0.175% of average total investments
- Supports 47.0 positions
- Governor recommends \$10.8 million
 - \$0.8 million less than enacted

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RETIREMENT SYSTEM – ACTUARIAL EXPENSES

- Removes \$0.2 million in enacted budget for experience study as part of the 6/30/13 valuation
- System conducts experience study every 3 years to evaluate assumptions
- Assumption changes are incorporated in future valuations that determine rate required to support the defined benefit portion of system

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RETIREMENT SYSTEM – MUNICIPAL PAYROLL AUDIT

- \$140,000 to audit payroll contributions from municipal plans
 - State is administrative agent for these plans but has no funding responsibility
 - Separate actuarial valuations are performed for each plan

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RETIREMENT SYSTEM – LEGAL EXPENSES

- \$400,000 for legal expenses based on current legal challenge to the changes made by the 2009 and 2011 Assemblies
 - \$0.2 million less than enacted
 - Reflects anticipated wind-down
 - \$0.5 million spent since 7/1/10

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RETIREMENT– COMPUTER SYSTEM

- \$3.8 million for major overhaul of membership database for FY 2014 & FY 2015
 - Final vendor contract agreed to in June 2013
 - Total cost - \$21.4 million over 12 years
 - DOA has until 6/30/14 to decide if it wants to link retiree health system
 - Cost \$5.0 million - \$6.0 million not included in total

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TRANSITION COSTS

- Rhode Island General Law entitles all newly elected general officers to space and funds
 - Transition staff, office supplies, equipment
- FY 2015 budget includes \$25,000 from general revenues

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ANNUAL REPORTING REQUIREMENTS

- 2013 Assembly enacted legislation requiring OMB to prepare, review and inventory all reports filed with Assembly
 - Report to be presented to Assembly as part of budget submission annually
- Office is required to submit 14 reports
- Currently submitting all
 - 1 appears to be obsolete

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