

# Office of the General Treasurer

FY 2019 Revised and FY 2020  
Budgets

Staff Presentation  
April 3, 2019

# Summary By Program

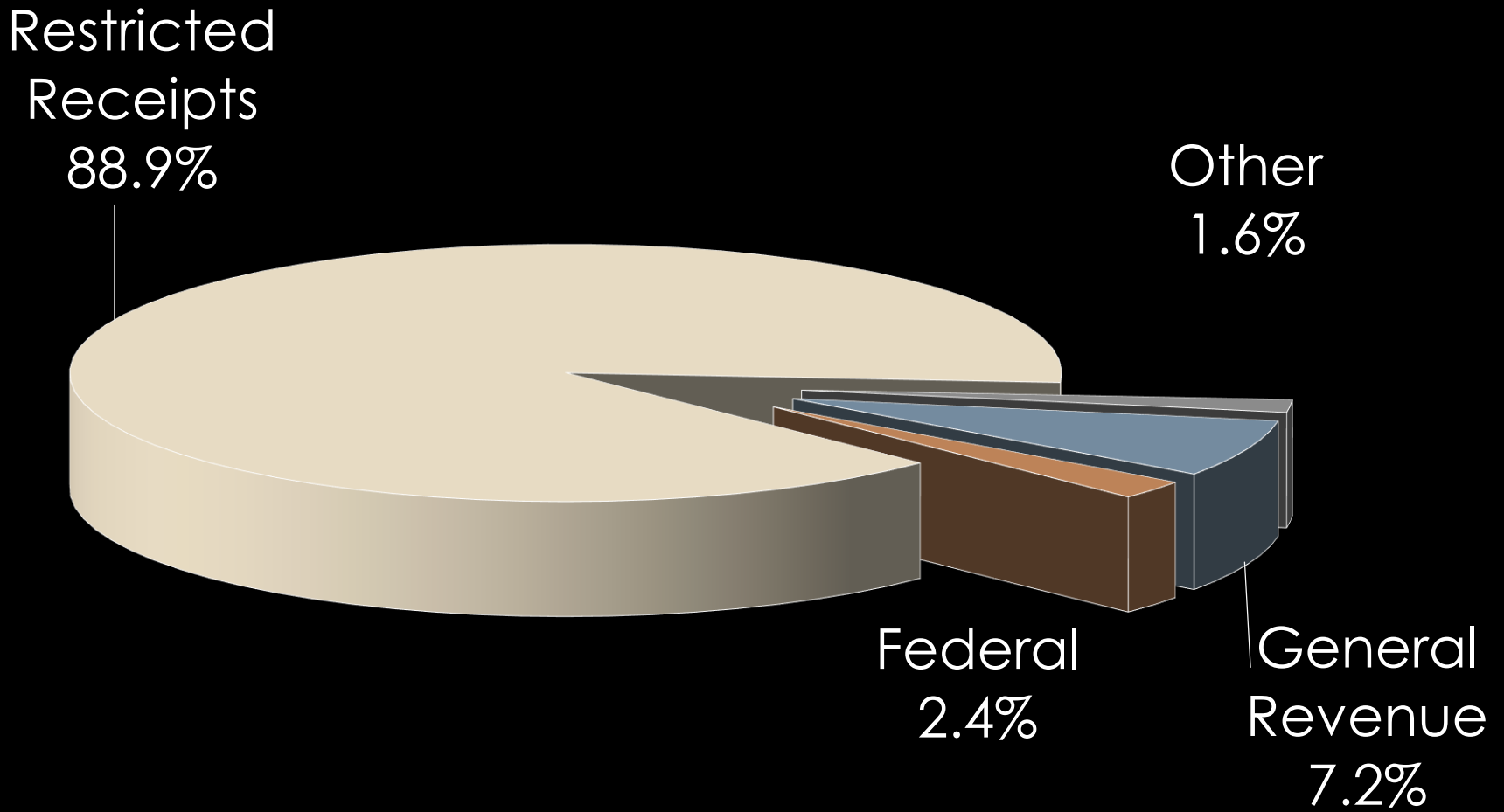
	<b>FY 2019 Enacted</b>	<b>FY 2019 Revised</b>	<b>FY 2020 Governor</b>
General Treasury	\$3.6	\$3.5	\$3.6
Unclaimed Property	26.0	25.7	24.9
Retirement System	11.4	11.5	12.0
Crime Victim Comp.	2.1	1.7	1.7
<b>Total</b>	<b>\$43.1</b>	<b>\$42.4</b>	<b>\$42.2</b>

\$ in millions

# Summary By Program

<b>Change to Enacted</b>	<b>FY 2019 Gov. Rev.</b>	<b>FY 2020 Governor</b>
General Treasury	\$(120,042)	\$(48,383)
Unclaimed Property	(349,212)	(1,117,251)
Retirement System	136,593	608,993
Crime Victim Comp.	(372,105)	(347,554)
<b>Total</b>	<b>\$(704,766)</b>	<b>\$(904,195)</b>

# FY 2020 Summary By Source



# Target Budget

- Budget Office provided a general revenue target of \$2.9 million
  - Current service adjustments of \$84,468
  - 5% reduction of \$141,320
    - Adjusted for certain exclusions
- No constrained budget submitted
- Governor's recommendation is \$0.1 million more than target

# Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
  - Information technology, capital asset management & maintenance, & human resources
- Costs previously budgeted in DOA
  - 2018 Assembly included costs in user agency budgets
  - Final FY 2018 & FY 2019 budget

# Centralized Services

All Sources	FY 2019 Enacted	FY 2019 Revised	Chg to Enacted	FY 2020	Chg to Enacted
IT	\$180,476	\$212,968	\$32,492	\$212,968	\$32,492
Facilities	212,044	182,122	(29,922)	338,000	125,956
<b>Total</b>	<b>\$392,520</b>	<b>\$395,090</b>	<b>\$2,570</b>	<b>\$550,968</b>	<b>\$158,448</b>
IT - GR	\$178,255	\$210,747	\$32,492	\$210,747	\$32,492
Facilities - GR	53,581	31,710	(21,871)	31,710	(21,871)
<b>Total GR</b>	<b>\$231,836</b>	<b>\$242,457</b>	<b>\$10,621</b>	<b>\$242,457</b>	<b>\$10,621</b>

- Appears to be some disconnect w/ amounts showing as spent & budget expectation
  - Charges to non-general revenue sources are not occurring to same extent

# Statewide Savings Initiatives

- Governor distributes statewide general revenue savings enacted for FY 2019 in the Department of Administration
  - Prompt Payment - \$0.4 million
    - Vendors voluntarily offer a discount if payments are received within an agreed upon date
  - Contracts - \$3.0 million
    - Effort to reduce costs of certain commodities
      - Food, maintenance, office equipment, telecommunications
  - Insurance - \$0.5 million
    - Reductions in policies for property & crime



# Statewide Savings Initiatives

<b>Initiative</b>	<b>FY 2019 Revised</b>	<b>FY 2020</b>
Prompt Payment	\$(135)	\$(135)
Contract	(11,993)	(11,892)
Insurance	(2,466)	(2,448)
<b>Total</b>	<b>\$(14,574)</b>	<b>\$(14,475)</b>

- Non general revenue savings are not reflected

# Staffing

## *Full-Time Equivalent Positions*

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	89.0	-
FY 2019 Gov. Rev.	89.0	-
FY 2020 Request	89.0	-
FY 2020 Governor	89.0	-
FY 2020 Funded FTE	84.8	(4.2)
Filled as of March 30	84.5	(4.5)
FY 2018 Average Filled	84.0	(5.0)

# Staffing

<b>FY 2020 Governor Recommendation</b>		
	Office	Statewide
Gross Salaries (in millions)	\$7.3	\$1,249.1
Turnover (in millions)	(0.3)	(42.9)
Turnover %	4.7%	3.4%
Turnover FTE	4.2	529.0
FY 2020 FTE recommended	89.0	15,413.1
Funded FTE	84.8	14,884.1
Filled as of March 30	84.5	14,131.4
Funded but not filled	0.3	752.7

# 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
  - Relocation expenses
  - Loss of earnings (victim only)
  - Loss of support (dependents of homicide victim)

# Crime Victim Compensation

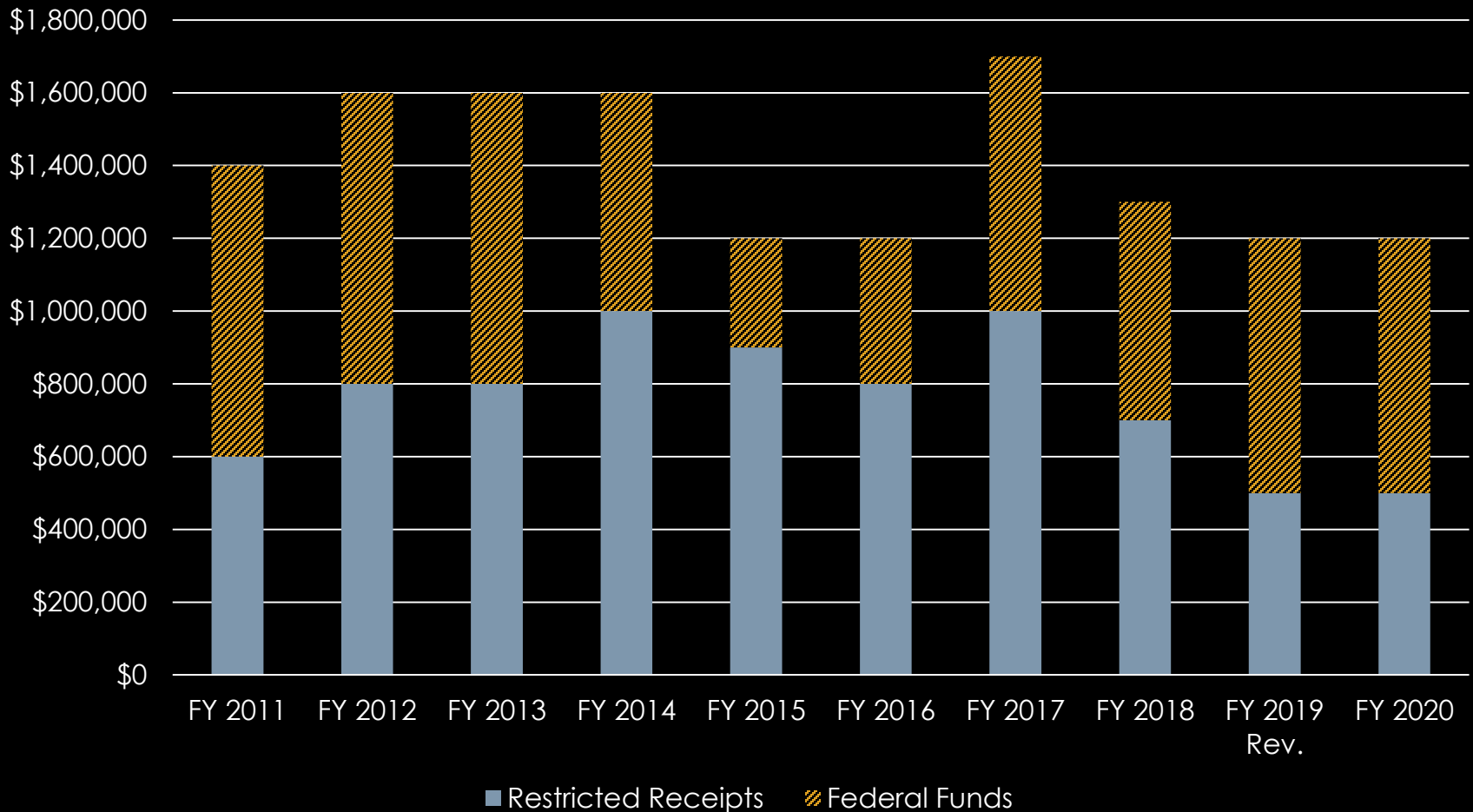
Offense Charged	Fine
Felony w/ max penalty of 5 or more years	Greater of \$150 or 15% of fine
Felony w/ max penalty < 5 years	Greater of \$90 or 15% of fine
Misdemeanor	Greater of \$30 or 15% of fine

- Amounts unchanged since 1996
- Multiple counts may be capped at 2

# 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 regular claims since
  - \$0.5 million for Station Fire in FY 2005

# Crime Victim Claims



# Recent Legislative Changes

- 2011 Assembly – heard in Finance
  - Added burial, crime scene clean up
  - Added claim limit of \$25,000
- 2013 Assembly – heard in Judiciary
  - Added relocation costs with \$2,500 limit
- 2016 Assembly – heard in Judiciary
  - Increased limit on burial
    - \$8,000 to \$10,000
  - Increased max award for relocation
    - \$2,500 to \$5,000



# Crime Victim Funding

- Receipts began declining in FY 2013
  - As restricted receipts decrease, so do federal funds
- Large increase in claims in FY 2017
  - Office began implementing changes in FY 2018 about how relocation claims are handled
    - Limiting rent reimbursements to market rates

	<b>Claims</b>	<b>Avg. Claim</b>	<b>Total Claims</b>	<b>Avg. Claim Chg to Prior Year</b>
FY 2015	552	\$2,199	\$1,213,604	-16.2%
FY 2016	572	\$2,046	\$1,170,203	-6.9%
FY 2017	608	\$2,778	\$1,689,202	35.8%
FY 2018	530	\$2,554	\$1,353,453	-8.1%

# Crime Victim Compensation

- Request for additional general revenues based on declining receipts
- In October, Office awarded \$0.3 million federal grant
- Governor's recommendation uses the grant over 2 years

<b>General Revenue Request</b>	
FY 2019 Enacted	\$0.3
FY 2019 Rev. Req.	\$0.7
FY 2019 Gov. Rev.	\$0.4
FY 2020 Request	\$0.7
FY 2020 Governor	\$0.4

\$ in millions

# Crime Victim Compensation

	Federal Funds	Restricted Receipts
FY 2019 Enacted	\$0.8	\$1.0
FY 2019 Revised Request	\$0.6	\$0.5
FY 2019 Governor Revised	\$0.7	\$0.6
FY 2019 Anticipated	\$0.7	\$0.5
<b>Chg to Gov Rev</b>	<b>\$ -</b>	<b>\$(0.1)</b>
FY 2020 Request	\$0.6	\$0.5
FY 2020 Governor	\$0.7	\$0.6
FY 2020 Anticipated	\$0.7	\$0.5
<b>2- Year Chg to Gov</b>	<b>\$ -</b>	<b>\$(0.2)</b>

\$ in millions

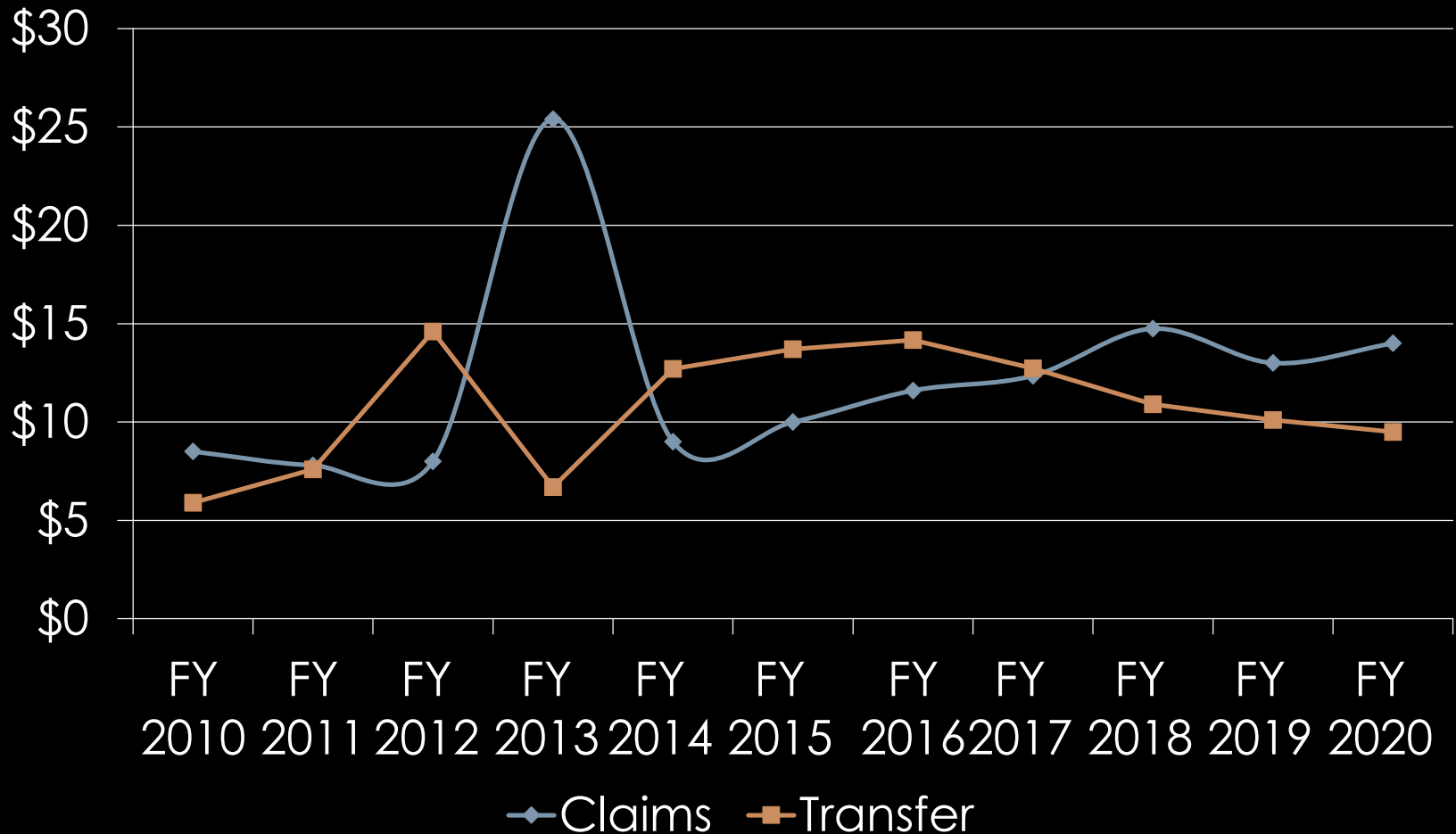
# Unclaimed Property

- 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

# Unclaimed Property

- Transfer to the General Fund
  - \$9.7 million for FY 2019
    - Adopted transfer was \$10.1 million
  - \$8.8 million for FY 2020
    - Adopted transfer was \$9.5 million
- Claims Payments
  - \$14.3 million for FY 2019 and FY 2020
- Will be updated in May

# Unclaimed Property



FY 2019 and FY 2020 are November REC

# Retirement System

- Administrative costs are funded from 0.175% of average total investments
  - \$11.5 million for FY 2019; \$12.0 million for FY 2020
    - \$0.5 million more than enacted for FY 2020
    - Experience Study
    - Computer System
    - Personnel

# Experience Study

- \$76,000 for System experience study
  - Every 3 years to evaluate appropriateness of assumptions
    - Mortality, years of service, investment returns
      - System experience, population, general economic data
    - Changes incorporated in future valuations that determine rate required to support pension system



# Retirement Computer System

- Major overhaul of membership database
- \$2.5 million for FY 2020
  - Additional \$50,000 in FY 2019 for validation project

Item	FY 2020 Cost
Data Validation	\$200,000
System Enhancements	150,000
Quality Review & Contract Management	75,000
Payment of Contract Holdback	350,000
Annual Service Agreement	1,700,000
<b>Total</b>	<b>\$2,475,000</b>

# Retirement System Personnel

- \$6.5 million for 43.0 positions for FY 2020
  - \$0.4 million more than enacted
    - \$20,000 in overtime for data validation project
    - \$0.1 million to restore enacted turnover
    - \$0.1 million for current service adjustments
      - Does not include statewide benefit savings
- \$0.1 million more for FY 2019
  - Mostly to restore turnover savings
  - Does not include statewide benefit savings

# Salaries and Benefits

- \$3.9 million for the remaining positions for FY 2020
  - \$0.1 million more than enacted; \$2,660 less from general revenues
    - Current service adjustments
    - Revisions to cost allocations
    - Turnover savings
    - Statewide benefit adjustments
      - Savings from non-general revenue sources not taken

# CollegeBound Saver

- 2015 Assembly transferred administrative responsibility for state's tuition savings program from HEAA
- Investments managed by Fund manager
  - New manager as of July 12, 2016
  - Name change from *CollegeBoundfund*
- State Investment Commission responsible for oversight & plan selection
- Fees support program & state scholarship programs

# CollegeBound Saver

- FY 2020 - \$0.4 million
  - \$34,706 more than enacted
  - \$0.3 million to support 2.0 FTE & cost allocations of 1.7 other positions
    - Program administrator & Associate director
- Office of Postsecondary Commissioner runs 2 programs funded in whole or in part by CollegeBound Saver fees
  - Dual Enrollment - \$2.3 million
  - Last Dollar Scholarship - \$2.5 million

# Office of Debt Management

- 2016 Assembly funded new Office
  - Monitor/manage process by which governmental units issue/manage public debt
- FY 2020: \$0.4 million from general revenues
  - \$40,107 less than enacted
  - \$0.2 million for 1.9 positions
- \$56,000 for next bi-annual debt affordability study in FY 2019
  - Last study issued May 3, 2017
    - State, quasi, and municipal debt

# Cash Reconciliation Software

- Implementation of automated reconciliation software
  - Based on FY 2016 & FY 2017 audit report finding that certain duties are not sufficiently segregated resulting in control deficiencies
- \$34,000 in FY 2019 and FY 2020
  - Ten licenses - \$22,000
  - Annual license fee & tech support - \$12,000

# 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 14



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