Office of the General Treasurer

FY 2015 Revised and FY 2016 Budgets

Staff Presentation
April 15, 2015

Summary by Program

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>FY 2015 Enacted</th>
<th>FY 2015 Gov. Rev.</th>
<th>FY 2016 Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Treasury</td>
<td>$2.7</td>
<td>$2.7</td>
<td>$2.8</td>
</tr>
<tr>
<td>Unclaimed Property</td>
<td>19.7</td>
<td>19.6</td>
<td>18.0</td>
</tr>
<tr>
<td>Retirement System</td>
<td>10.8</td>
<td>11.4</td>
<td>11.8</td>
</tr>
<tr>
<td>Crime Victim Comp.</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>$35.2</td>
<td>$35.7</td>
<td>$34.4</td>
</tr>
</tbody>
</table>
## Summary by Program

<table>
<thead>
<tr>
<th>Change to Enacted</th>
<th>FY 2015 Gov. Rev.</th>
<th>FY 2016 Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Treasury</td>
<td>($54,472)</td>
<td>($55,722)</td>
</tr>
<tr>
<td>Unclaimed Property</td>
<td>(82,568)</td>
<td>(1,725,845)</td>
</tr>
<tr>
<td>Retirement System</td>
<td>529,759</td>
<td>945,450</td>
</tr>
<tr>
<td>Crime Victim Comp.</td>
<td>31,565</td>
<td>25,002</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$424,284</strong></td>
<td><strong>$1,478,072</strong></td>
</tr>
</tbody>
</table>

## FY 2016 Summary by Source

- **Restricted Receipts**: 89.7%
- **Federal**: 2.6%
- **General Revenue**: 7.0%
- **Other**: 0.6%
Target Budget

- Budget Office provided a general revenue target of $2.3 million
  - Current service adjustments of $70,089
  - 7.5% reduction of $187,665
- Request $25,371 above target
  - reduced several non-discretionary expenses
    - Bank fees, fees on bonds and notes
  - Unanticipated activity could reduce savings

Salaries and Benefits

- Governor recommends $9.0 million for FY 2016 for 83.0 FTEs
  - $0.4 million more than enacted
    - $3,495 from general revenues
- Includes funding for investigative and compliance officer to monitor annual disability medical certifications for the Retirement System
### Salaries and Benefits

#### Full-Time Equivalent Positions

<table>
<thead>
<tr>
<th>Full-Time Positions</th>
<th>FTEs</th>
<th>Chg. To Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enacted Authorized</td>
<td>83.0</td>
<td>-</td>
</tr>
<tr>
<td>FY 2016 Request</td>
<td>83.0</td>
<td>-</td>
</tr>
<tr>
<td>FY 2016 Governor</td>
<td>83.0</td>
<td>-</td>
</tr>
<tr>
<td>FY 2014 Average Filled</td>
<td>78.0</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Filled as of April 4</td>
<td>74.5</td>
<td>(8.5)</td>
</tr>
</tbody>
</table>

### 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
  - $11.0 million for FY 2015
  - $8.1 million for FY 2016

- Claims Payments
  - $8.9 million for FY 2015
  - $8.8 million for FY 2016

- Same as November revenue estimates

Unclaimed Property

![Graph showing Unclaimed Property for FY 2010 to FY 2016, with categories for Claims and Transfer.](image)
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)

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 Victims Claims

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Court Fines</th>
<th>Federal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2009</td>
<td>$0.9</td>
<td>$0.5</td>
<td>$1.4</td>
</tr>
<tr>
<td>FY 2010</td>
<td>$0.4</td>
<td>$0.8</td>
<td>$1.2</td>
</tr>
<tr>
<td>FY 2011</td>
<td>$0.6</td>
<td>$0.8</td>
<td>$1.4</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$0.8</td>
<td>$0.8</td>
<td>$1.7</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$0.8</td>
<td>$0.8</td>
<td>$1.5</td>
</tr>
<tr>
<td>FY 2014</td>
<td>$1.0</td>
<td>$0.6</td>
<td>$1.6</td>
</tr>
<tr>
<td>FY 2015 Rev.</td>
<td>$0.9</td>
<td>$0.6</td>
<td>$1.5</td>
</tr>
<tr>
<td>FY 2016 Gov.</td>
<td>$0.9</td>
<td>$0.6</td>
<td>$1.5</td>
</tr>
</tbody>
</table>

Administrative costs are funded from 0.175% of average total investments
Supports 47.2 positions
Governor recommends $11.8 million
  $0.9 million more than enacted
Retirement System – Actuarial Expenses

- $0.4 million
- $0.1 million more than enacted
  - Associated with the implementation of new Government Accounting Standards Board (GASB) standards
  - Valuation of the teachers’ survivors benefit plan
    - Does not occur every year unlike the other plans

Retirement System – Legal Expenses

- $1.3 million for legal expenses based on current legal challenge to the changes made by the 2009 and 2011 Assemblies
  - $0.9 million more than enacted
    - For both FY 2015 and FY 2016
  - $0.8 million spent since 7/1/10 through 1/31/14
Retirement System – Disability Determination

- $0.4 million for FY 2016 - $0.2 million more than enacted
  - $60,000 for independent medical examiners fees used to determine eligibility for disability pensions
    - System pays cost of independent medical examinations as part of evaluation process
  - $90,000 related to contracted investigations to vet potential and current cases and thwart fraudulent activity

Retirement – Computer System

- $3.3 million for major overhaul of membership database for FY 2016
  - Final vendor contract agreed to in June 2013
  - Total cost - $21.4 million over 12 years
  - The Office anticipates the new system being up and running in FY 2016
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