Office of the General Treasurer

FY 2016 Revised and FY 2017 Budgets

Staff Presentation
March 29, 2016
## Summary by Program

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>FY 2016 Enacted</th>
<th>FY 2016 Gov. Rev.</th>
<th>FY 2017 Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Treasury</td>
<td>$3.0</td>
<td>$3.1</td>
<td>$3.5</td>
</tr>
<tr>
<td>Unclaimed Property</td>
<td>22.4</td>
<td>22.0</td>
<td>21.1</td>
</tr>
<tr>
<td>Retirement System</td>
<td>11.8</td>
<td>12.7</td>
<td>10.0</td>
</tr>
<tr>
<td>Crime Victim Comp.</td>
<td>2.0</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$39.1</strong></td>
<td><strong>$39.9</strong></td>
<td><strong>$36.8</strong></td>
</tr>
</tbody>
</table>
## Summary by Program

<table>
<thead>
<tr>
<th>Change to Enacted</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Treasury</td>
<td>$100,415</td>
<td>$531,755</td>
</tr>
<tr>
<td>Unclaimed Property</td>
<td>(338,791)</td>
<td>(1,234,277)</td>
</tr>
<tr>
<td>Retirement System</td>
<td>951,060</td>
<td>(1,742,222)</td>
</tr>
<tr>
<td>Crime Victim Comp.</td>
<td>85,067</td>
<td>121,206</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$797,751</strong></td>
<td><strong>($2,323,538)</strong></td>
</tr>
</tbody>
</table>
FY 2017 Summary by Source

- Restricted Receipts: 87.8%
- General Revenue: 7.8%
- Federal: 2.6%
- Other: 1.8%
Target Budget

- Budget Office provided a general revenue target of $2.3 million
  - Current service adjustments of $21,521
  - 7.5% reduction of $183,133
- Request $152,638 above target
  - No constrained budget submitted
### 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>84.0</td>
<td>-</td>
</tr>
<tr>
<td>FY 2017 Request</td>
<td>87.0</td>
<td>3.0</td>
</tr>
<tr>
<td>FY 2017 Governor</td>
<td>88.0</td>
<td>4.0</td>
</tr>
<tr>
<td>FY 2015 Average Filled</td>
<td>73.8</td>
<td>(10.2)</td>
</tr>
<tr>
<td>Filled as of March 5</td>
<td>74.5</td>
<td>(9.5)</td>
</tr>
</tbody>
</table>
CollegeBoundFund

- 2015 Assembly transferred administrative responsibility for state’s tuition savings program to the Office from HEAA
- FY 2016 enacted budget
  - 1.0 FTE – customer service/Fund promotion
  - $300,000 for costs of administering Fund
- Investments managed by Fund manager
  - New manager as of June 2016
- State Investment Commission responsible for oversight and plan selection
CollegeBoundfund

- Request and Governor’s recommendation for FY 2016 and FY 2017 includes: 1.0 new FTE and $0.1 million
  - Program director to assist with monitoring investments and developing strategy to grow program
  - Position hired in January
Office of Debt Management

- Based on subsequent request from Office, Governor recommends $0.3 million and 1.0 new FTE for new office of debt management
  - Responsible for monitoring and managing process by which public debt is issued
  - Technology upgrades
    - Public web portal
    - Enhancements to internal debt management software
Article 2 – Public Finance Management Board

- Governor recommends Article 2 heard on March 2 related to Public Finance Management Board
  - Article 2 requires Board to advise and assist
    - Municipalities
    - Authorities, Board, Commissions
    - Public and Quasi-public corporations
- Currently, advice to municipalities is given upon request
Article 2 – Public Finance Management Board

- Notice of Debt Issue
  - Article 2 adds requirement for a report of final sale within 30 days after a sale
    - Notice of proposed sale is still required
  - Institutes a daily fine of $250 for any issuer failing to submit either report by the deadline
    - Currently no penalty for failure to submit notice or missed deadline
      - Notices are currently submitted but sometimes there are issues with timing
As recommended by the Governor, Article 2 does not include elements. Treasurer testified he would like to see included:

- PFMB approval of any borrowing greater than $1.0 million
  - For that not approved by either General Assembly or voters
- Staff authority to approve/deny debt deemed “low risk” or “time sensitive”
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
  - $10.0 million for FY 2016
    - $0.1 million less than November estimate
  - $8.8 million for FY 2017
    - Same as November estimate

- Claims Payments
  - $11.5 million for FY 2016
    - $1.0 million less than November estimate
  - $11.1 million for FY 2017
    - $1.4 million less than November estimate
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>Gen. Rev.</th>
<th>Court Fines</th>
<th>Federal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010</td>
<td>-</td>
<td>$0.4</td>
<td>$0.8</td>
<td>$1.2</td>
</tr>
<tr>
<td>FY 2011</td>
<td>-</td>
<td>$0.6</td>
<td>$0.8</td>
<td>$1.4</td>
</tr>
<tr>
<td>FY 2012</td>
<td>-</td>
<td>$0.8</td>
<td>$0.8</td>
<td>$1.7</td>
</tr>
<tr>
<td>FY 2013</td>
<td>-</td>
<td>$0.8</td>
<td>$0.8</td>
<td>$1.5</td>
</tr>
<tr>
<td>FY 2014</td>
<td>-</td>
<td>$1.0</td>
<td>$0.6</td>
<td>$1.6</td>
</tr>
<tr>
<td>FY 2015</td>
<td>-</td>
<td>$0.9</td>
<td>$0.3</td>
<td>$1.2</td>
</tr>
<tr>
<td>FY 2016 Gov.</td>
<td>-</td>
<td>$0.9</td>
<td>$0.6</td>
<td>$1.5</td>
</tr>
<tr>
<td>FY 2017 Gov.</td>
<td>$0.1</td>
<td>$0.9</td>
<td>$0.6</td>
<td>$1.6</td>
</tr>
</tbody>
</table>
Crime Victim Compensation

- $120,000 in new general revenue support for relocation benefits and transportation
  - Currently no waitlist or backlog for benefits
- Article 23 would expand eligibility to any minor in state care identified as a victim of sex trafficking or sexual exploitation
  - Individuals currently eligible for benefits and have been recipients
Retirement System

- Administrative costs are funded from 0.175% of average total investments
- Governor recommends $10.0 million for FY 2017
  - $1.7 million less than enacted
    - New positions - $0.2 million
    - Legal – ($0.8 million)
    - Computer upgrades – ($1.4 million)
Retirement System Positions

- $0.2 million and 2.0 new FTEs
  - Junior Accountant
    - Financial reporting as required by new GASB requirements
  - Customer Experience Manager
    - Assist in implementation of new computer system
    - Develop strategies to improve member interactions with System
Retirement System Legal Expenses

- $0.2 million for FY 2016 and FY 2017
  - $0.8 million less than enacted based on resolution of challenge to the changes made by the 2009 and 2011 Assemblies
  - 2015 Assembly enacted legislation to codify pension settlement agreement signed by all parties in April 2015
    - Except municipal police and Cranston fire
- $2.4 million spent in total
Retirement – Computer System

- Major overhaul of membership database
  - Additional $1.7 million for FY 2016 to make revisions to original contract based on pension settlement changes
    - Delay in full implementation
  - $1.9 million for FY 2017
    - $1.4 million less than enacted
    - Completion of upgrades and not having to run a parallel system
    - New system will go live at the end of May
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 15 reports.
- Currently submitting 14.
  - 1 appears to be obsolete.
    - No data to file since 1987.
Office of the General Treasurer

FY 2016 Revised and FY 2017 Budgets

Staff Presentation
March 29, 2016