## Summary by Program

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>FY 2017 Enacted</th>
<th>FY 2017 Gov. Rev.</th>
<th>FY 2018 Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Treasury</td>
<td>$3.4</td>
<td>$11.4</td>
<td>$11.3</td>
</tr>
<tr>
<td>Unclaimed Property</td>
<td>22.3</td>
<td>24.4</td>
<td>23.9</td>
</tr>
<tr>
<td>Retirement System</td>
<td>9.8</td>
<td>11.3</td>
<td>10.9</td>
</tr>
<tr>
<td>Crime Victim Comp.</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$37.6</strong></td>
<td><strong>$49.1</strong></td>
<td><strong>$48.0</strong></td>
</tr>
</tbody>
</table>
## Summary by Program

<table>
<thead>
<tr>
<th>Change to Enacted</th>
<th>FY 2017 Gov. Rev.</th>
<th>FY 2018 Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Treasury*</td>
<td>$8,045,846</td>
<td>$7,910,463</td>
</tr>
<tr>
<td>Unclaimed Property</td>
<td>2,095,225</td>
<td>1,554,772</td>
</tr>
<tr>
<td>Retirement System</td>
<td>1,440,277</td>
<td>1,008,706</td>
</tr>
<tr>
<td>Crime Victim Comp.</td>
<td>5,116</td>
<td>(8,928)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11,586,464</strong></td>
<td><strong>$10,465,013</strong></td>
</tr>
</tbody>
</table>

*Includes $8.0 million based on audit finding to show tuition savings fees used for state scholarships in Office of Postsecondary Commissioner’s budget as operating transfer.*
FY 2018 Summary by Source

Restricted Receipts 74.7%
Federal 1.9%
Other 17.8%
General Revenue 5.6%
Target Budget

- Budget Office provided a general revenue target of $2.5 million
  - Current service adjustments of $18,271
  - 8.0% reduction of $220,360
- Request $174,197 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>88.0</td>
<td>-</td>
</tr>
<tr>
<td>FY 2018 Request</td>
<td>87.0</td>
<td>(1.0)</td>
</tr>
<tr>
<td>FY 2018 Governor</td>
<td>87.0</td>
<td>(1.0)</td>
</tr>
<tr>
<td>FY 2016 Average Filled</td>
<td>76.0</td>
<td>(12.0)</td>
</tr>
<tr>
<td>Filled as of April 1</td>
<td>83.5</td>
<td>(4.5)</td>
</tr>
</tbody>
</table>
CollegeBoundSaver

- 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
CollegeBoundSaver

- $0.1 million for one-time costs related to transition to new plan manager in FY 2017
- FY 2018 - $0.3 million; $23,363 more than enacted
  - Fully funds 1.8 positions
    - Enacted budget authorized 2.0 positions and funded 1.0
  - Partially offset by reductions to computers, software, dues, fees
  - Consistent with FY 2017 recommendation
$8.0 million to show state grant programs funded from tuition savings fees
Based on Auditor General’s advice that GASB standards require revenue transferred to be matched by expenditure in Office’s budget
Showing transfer double counts expenditure
  - Also appears in OPC’s budget
Office of Debt Management

- $0.4 million from general revenues
  - $47,565 less than enacted
- 2016 Assembly funded a new Office responsible for monitoring & managing the process by which governmental units issue & manage public debt
  - 1.9 positions
  - Contracted services
  - Technology upgrades
    - public web portal to track public debt
    - Enhancements to debt management system
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 2017
  - $9.6 million for FY 2018
  - Same as November estimate

- Claims Payments
  - $12.5 million for FY 2017
  - $12.5 million for FY 2018
  - Same as November estimate

- Will be updated in May
Unclaimed Property

- Claims
- Transfer
Unclaimed Property

- Audits - $0.4 million for FY 2017 & FY 2018
  - Based on previous years’ activity
  - Auditors identify accumulated property which is then remitted as revenues

- IT System
  - Existing system is 16 years old
    - On obsolete platform & limited vendor support
  - New system will have on-line holder reporting, imaging platform, on-line claims filing, real time status updates
  - $85,000 for FY 2017; $170,000 for FY 2018
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 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 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</td>
<td>$0.9</td>
<td>$0.3</td>
<td>$1.2</td>
</tr>
<tr>
<td>FY 2016</td>
<td>$0.8</td>
<td>$0.4</td>
<td>$1.2</td>
</tr>
<tr>
<td>FY 2017 Gov.</td>
<td>$0.9</td>
<td>$0.6</td>
<td>$1.5</td>
</tr>
<tr>
<td>FY 2018 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.

- $10.9 million for FY 2018; $11.3 million for FY 2017
  - $1.0 million more than enacted for FY 2018
  - $1.4 million more than enacted for FY 2017
    - Personnel
    - Experience Study
    - Computer Upgrades
    - E-Board Books
    - Governance Study
Retirement System Personnel

- $5.8 million for 35.0 positions for FY 2018
  - $0.3 million more than enacted
    - $0.2 million to upgrade several positions
      - Includes $0.1 million for chief investment officer based on compensation analysis
  - $0.1 million more for FY 2017
    - Funds 2.0 vacant positions for part of the year
      - Account manager & legal counsel filled in Q2 of FY 2017
    - 2016 Assembly increased authorization by 2.0 as requested but did not include funding
      - Junior accountant & customer experience manager both filled during FY 2016
Retirement Experience Study

- $0.1 million for FY 2017 only
  - System conducts study every 3 years
  - Evaluates appropriateness of assumptions
    - Based on system’s own experience
    - Population or general economic data such as inflation
  - Assumption changes incorporated in future annual valuations that determine rate required to support defined benefit portion of pension system
Retirement Computer System

- Major overhaul of membership database
  - Additional $1.3 million for FY 2017
    - Revisions to original contract based on pension settlement changes
    - Hold back payment until full implementation
  - $2.8 million for FY 2018
    - $0.9 million more than enacted
      - Data conversion & enhancements to allow members to perform more “self-service” functions
    - New system will go live by end of 2017
Retirement E-Board Books

- Implementation of electronic board for Retirement Board
- $17,500 for FY 2017; $55,000 for FY 2018
  - Will provide additional security of confidential financial and medical information on active & retired members
  - Based on recommendation from consultant reviewing Board governance procedures
Retirement Governance Study

- $119,000 for FY 2017 to review Board governance
  - Goal is to improve effectiveness of Board and its committees
    - Review Board structure
    - Identify key policy & process issues
    - Conduct workshops with Board members & staff
    - Developed draft policies for Board review
  - Began in late 2016
Salaries and Benefits

- $3.7 million for the remaining 48.3 positions for FY 2018
  - $25,792 less than enacted; $35,333 more from general revenues
    - Current service adjustments
    - Position upgrades
    - Revisions to cost allocations
    - Turnover savings equal to a 0.6 vacant position
    - Statewide benefit savings
Statewide Savings

- Assessment to salaries that funds workers’ comp., unemployment & unused leave
  - Lowered from enacted based on experience
    - Savings of $1.2 million in FY 2017
    - Savings of $1.5 million in FY 2018

- Medical benefit cost growth
  - Lower than initial estimates
    - Savings of $2.6 million in FY 2018

- Total impact to Office
  - $3,187 in FY 2017; $9,647 in FY 2018
FY 2017 Issues

- **Business Processing Performance Analysis**
  - $15,000 from general revenues for analysis of business processing & investment units
    - Streamline cash management & reconciliation functions to be fraud resistant & meet GASB standards

- **DC Plan Administration Rebid**
  - $30,000 from general revenues for consultant to assist in RFP for new plan administrator
    - TIAA’s 5 year contract ends on June 30, 2017
      - Plan’s administrator since inception
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 2017 Revised and FY 2018 Budgets

Staff Presentation
April 5, 2017