

Office of the General Treasurer

FY 2018 Revised and FY 2019
Budgets

Staff Presentation
March 27, 2018

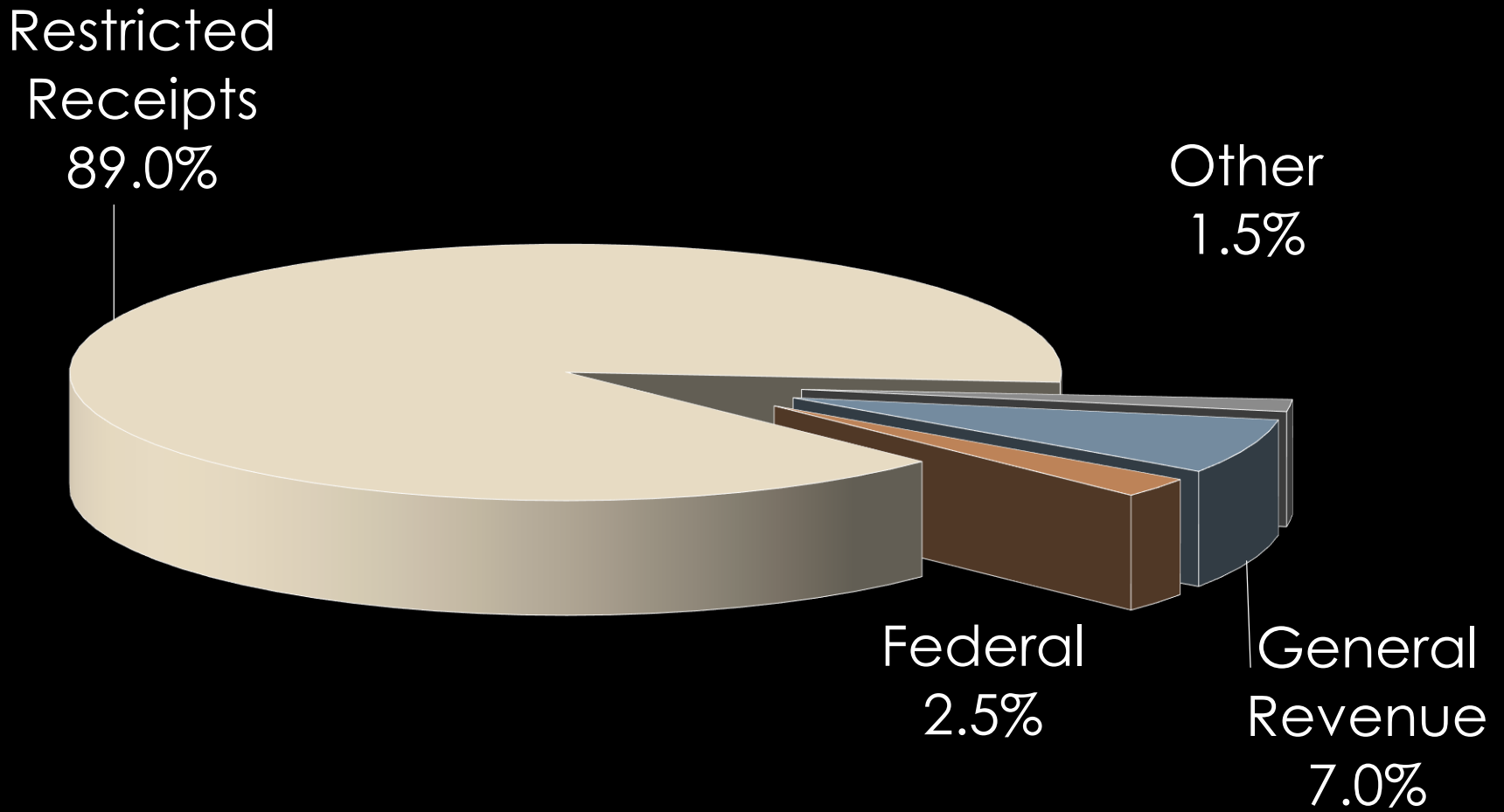
Summary By Program

	FY 2018 Enacted	FY 2018 Gov. Rev.	FY 2019 Governor
General Treasury	\$3.3	\$3.6	\$3.6
Unclaimed Property	26.3	26.5	25.6
Retirement System	11.0	11.3	11.4
Crime Victim Comp.	2.2	1.9	2.1
Total	\$42.8	\$43.3	\$42.7
\$ In millions			

Summary By Program

Change to Enacted	FY 2018 Gov. Rev.	FY 2019 Governor
General Treasury	\$258,383	\$346,327
Unclaimed Property	211,948	(736,504)
Retirement System	341,211	390,694
Crime Victim Comp.	(235,962)	(90,796)
Total	\$575,580	(\$90,279)

FY 2019 Summary By Source



Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
 - Information technology, capital asset management & maintenance, & HR
- Costs previously budgeted in DOA
 - Methodology on distribution needs review
 - Long term impacts and transparency concerns

Centralized Services

- Governor's budget allocates costs to user agencies

All Sources	FY 2018	FY 2019
Information Technology	\$179,090	\$180,476
Facilities	207,548	212,044
Total	\$386,638	\$392,520



General Revenues	FY 2018	FY 2019
Information Technology	\$176,892	\$178,255
Facilities	51,691	53,581
Total	\$228,583	\$231,836

Summary By Fund Source

Change to Enacted <i>Excl. Centralized Services</i>	FY 2018 Gov. Rev.	FY 2019 Governor
General Revenues	\$(50,594)	\$37,104
Federal Funds	(64,525)	(23,874)
Restricted Receipts	220,601	(590,942)
Other Funds	83,460	94,913
Total	\$188,942	\$(482,799)

Target Budget

- Budget Office provided a general revenue target of \$2.4 million
 - Current service adjustments of \$16,426
 - 10.0% reduction of \$271,512
- No constrained budget submitted
- Governor's recommendation is \$205,095 more than target
 - Adjusted for centralized services

Undistributed Savings

- FY 2018 enacted budget includes \$25.0 million of statewide savings
 - Undistributed in DOA's budget
- Governor's revised budget has proposals that total \$25.0 million
 - Not all repeat in FY 2019
- None attributable to the Office

Staffing

Full-Time Equivalent Positions

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	89.0	-
FY 2018 Gov. Rev.	89.0	-
FY 2019 Request	89.0	-
FY 2019 Governor	89.0	-
FY 2019 Funded FTE	86.3	(2.7)
Filled as of March 17	83.5	(5.5)
FY 2017 Average Filled	82.5	(6.5)

Staffing

FY 2019 Governor Recommendation		
	Office	Statewide
Gross Salaries (in millions)	\$6.7	\$1,117.1
Turnover (in millions)	(0.2)	(42.9)
Turnover %	3.0%	3.8%
Turnover FTE	2.7	592.2
FY 2019 FTE recommended	89.0	15,426.5
Funded FTE	86.3	14,834.3
Filled as of March 17	83.5	13,875.0
Funded but not filled	2.8	959.3

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 2019 - \$0.4 million
 - \$55,850 more than enacted
 - \$0.2 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 program
 - \$7.4 million

Office of Debt Management

- 2016 Assembly funded new Office
 - Monitor/manage process by which governmental units issue/manage public debt
- FY 2019 - \$0.4 million from general revenues; \$53,141 more than enacted
 - \$0.3 million for 1.9 positions
 - \$0.1 million for contracted services
 - \$30,000 for PFMB legal
 - \$36,000 to run debt portal
 - \$40,000 for next bi-annual debt affordability study

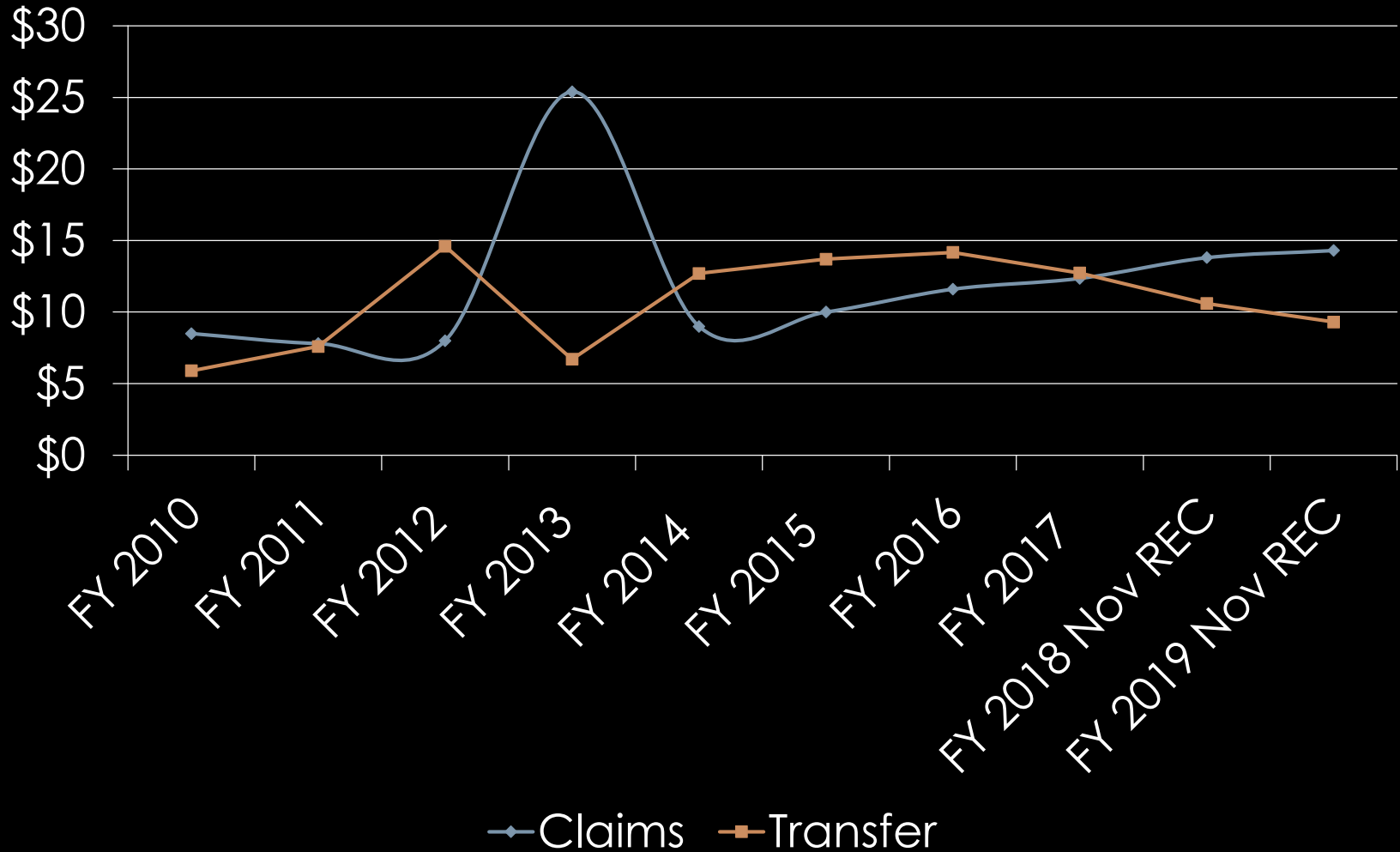
Unclaimed Property

- 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
 - \$10.1 million for FY 2018
 - Adopted transfer was \$10.6 million
 - \$9.3 million for FY 2019
 - Same as November estimate
- Claims Payments
 - \$14.3 million for FY 2018 and FY 2019
- Will be updated in May

Unclaimed Property



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

(in millions)	Court Fines	Federal	Total
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	\$1.0	\$0.6	\$1.6
FY 2015	\$0.9	\$0.3	\$1.2
FY 2016	\$0.8	\$0.4	\$1.2
FY 2017	\$1.0	\$0.7	\$1.7
FY 2018 Gov.	\$0.7	\$0.7	\$1.4
FY 2019 Gov.	\$0.8	\$0.8	\$1.6

Retirement System

- Administrative costs are funded from 0.175% of average total investments
- \$11.4 million for FY 2019; \$11.3 million for FY 2018
 - \$0.3 million more than enacted for FY 2019
 - \$0.2 million more than enacted for FY 2018
 - Excludes \$0.1 million for centralized services
 - MERS Public Safety Reimbursements
 - Computer Upgrades
 - IT Cybersecurity
 - Personnel

MERS Public Safety Reimbursement

- \$0.1 million in new funding for possible reimbursements to Municipal Employees Retirement System
 - For employers of police & fire employees that are on injured on duty status and successfully win a disability appeal
- Current law: municipal police & fire employees can appeal a denial of a disability pension in workers' compensation court

MERS Public Safety Reimbursement

- If employee wins appeal, System must reimburse municipality for any salary & wages paid during appeal
- 2017 Assembly added *illness sustained while in the performance of duty* as occurrence that entitles member to accidental disability retirement
 - For injuries/illnesses occurring on or after 7/1/11
 - As of 12/2017, System has not had to reimburse a municipality under this provision

Retirement Computer System

- Major overhaul of membership database
- \$2.5 million for FY 2019
 - \$0.2 million less than enacted

Item	FY 2019 Cost
Data Validation	\$250,000
System Enhancements	150,000
Quality Review & Contract Management	75,000
Payment of Contract Holdback	350,000
Annual Service Agreement	1,700,000
Total	\$2,525,000

Retirement IT Cybersecurity

- \$150,000 for new contract for security review and assessment
- Based on recent national data breaches, Board has voiced concern over safety of members' private information
- Office will hire national firm that specializes in this work

Retirement System Personnel

- \$6.1 million for 37.0 positions for FY 2019
 - \$0.3 million more than enacted
 - \$45,000 in overtime based on extended counseling hours related to voluntary retirement incentive program
 - \$0.1 million to restore enacted turnover
 - \$0.1 million for current service adjustments
- \$0.2 million more for FY 2018
 - \$0.1 million in overtime
 - \$0.1 million to restore enacted turnover

Salaries and Benefits

- \$3.6 million for the remaining positions for FY 2019
 - \$2,156 more than enacted; \$11,673 more from general revenues
 - Current service adjustments
 - Revisions to cost allocations
 - Turnover savings
 - Statewide benefit adjustments

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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