

# OFFICE OF THE GENERAL TREASURER

FY 2012 Revised and FY 2013  
Budgets

Staff Presentation  
March 13, 2012

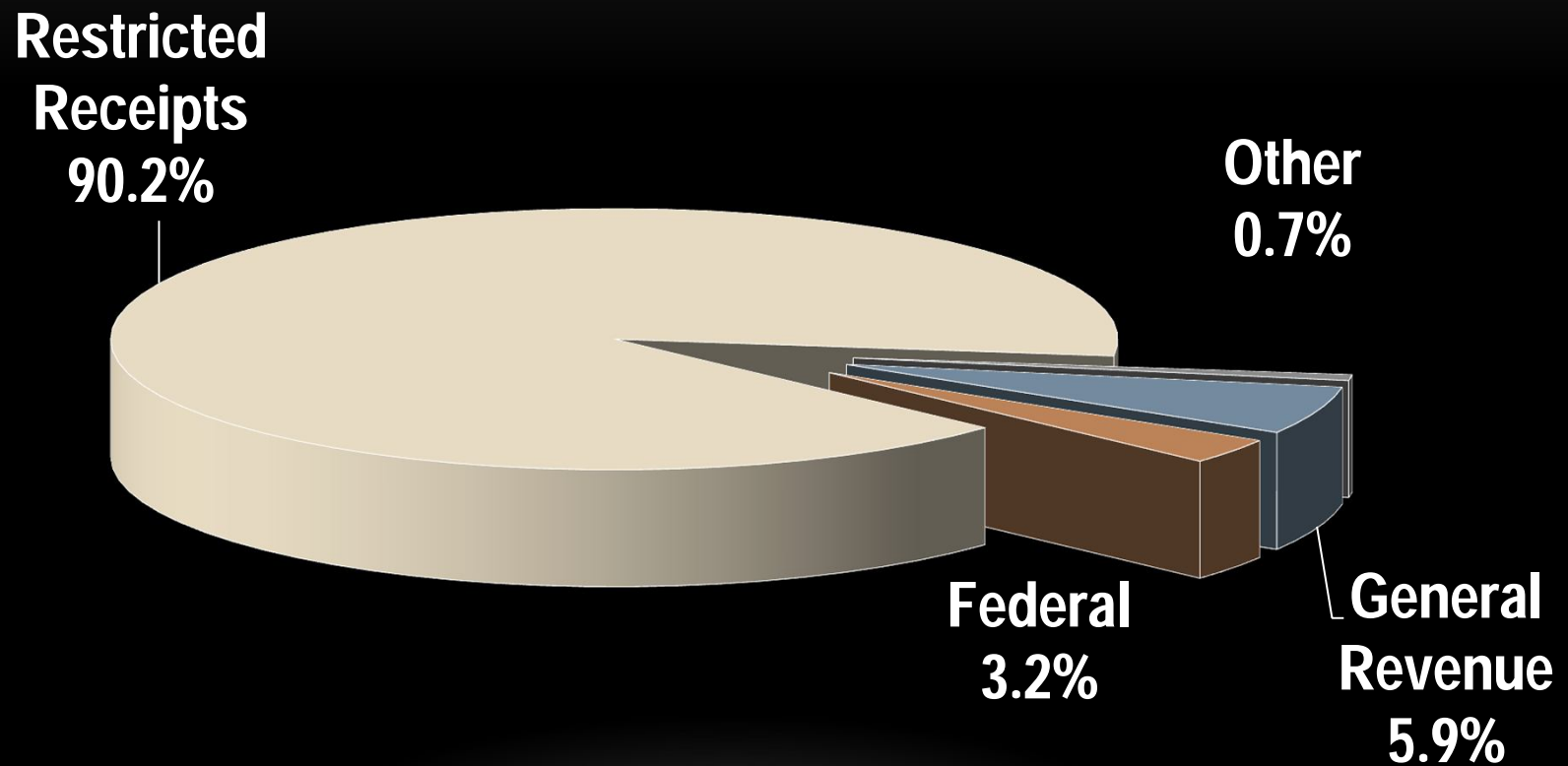
# FY 2013 SUMMARY BY PROGRAM

(in millions)	FY 2012 Enacted	FY 2012 Gov. Rev.	FY 2013 Governor
General Treasury	\$2.7	\$2.9	\$2.7
Unclaimed Property	15.9	23.7	20.2
Retirement System	12.1	12.7	12.6
Crime Victim Comp.	2.4	2.2	2.1
Total	\$33.2	\$41.4	\$ 37.6

# FY 2013 SUMMARY BY PROGRAM

Change to Enacted	FY 2012 Gov. Rev.	FY 2013 Governor
General Treasury	\$175,655	\$13,306
Unclaimed Property	7,801,335	4,242,463
Retirement System	537,084	470,072
Crime Victim Comp.	(281,334)	(292,819)
Total	\$8,232,740	\$4,433,022

# FY 2013 SUMMARY BY SOURCE



# STATEWIDE SAVINGS

- Unidentified statewide general revenue savings in cabinet level departments and certain other agencies
- FY 2012 budget includes \$40,679
  - Reductions of 3.0% to salaries and benefits and 1.0% to operating costs
- Savings were achieved

# SALARIES AND BENEFITS

- Governor recommends \$8.5 million for 82.0 FTEs
  - \$0.3 million more than enacted
    - \$4,719 less from general revenues
  - Includes \$0.4 million for personnel for administration of new defined contribution plan

# SALARIES AND BENEFITS

- Agencies used pre-reform retirement rates when preparing their budgets
  - Governor's budget adjusts rates to reflect new, lower costs and reduces general revenues expenses
  - Savings from other sources shifted to unidentified operating expenses
    - For Office these total approx. \$0.6 million
    - Some may be available to offset state costs

# SEC INVESTIGATION

- Securities and Exchange Commission opened investigation in February 2011
- \$26,773 reappropriated from FY 2011 to FY 2012
- Adds \$138,000 for total of \$164,773 for FY 2012
- Remaining cost in Governor's Office budget



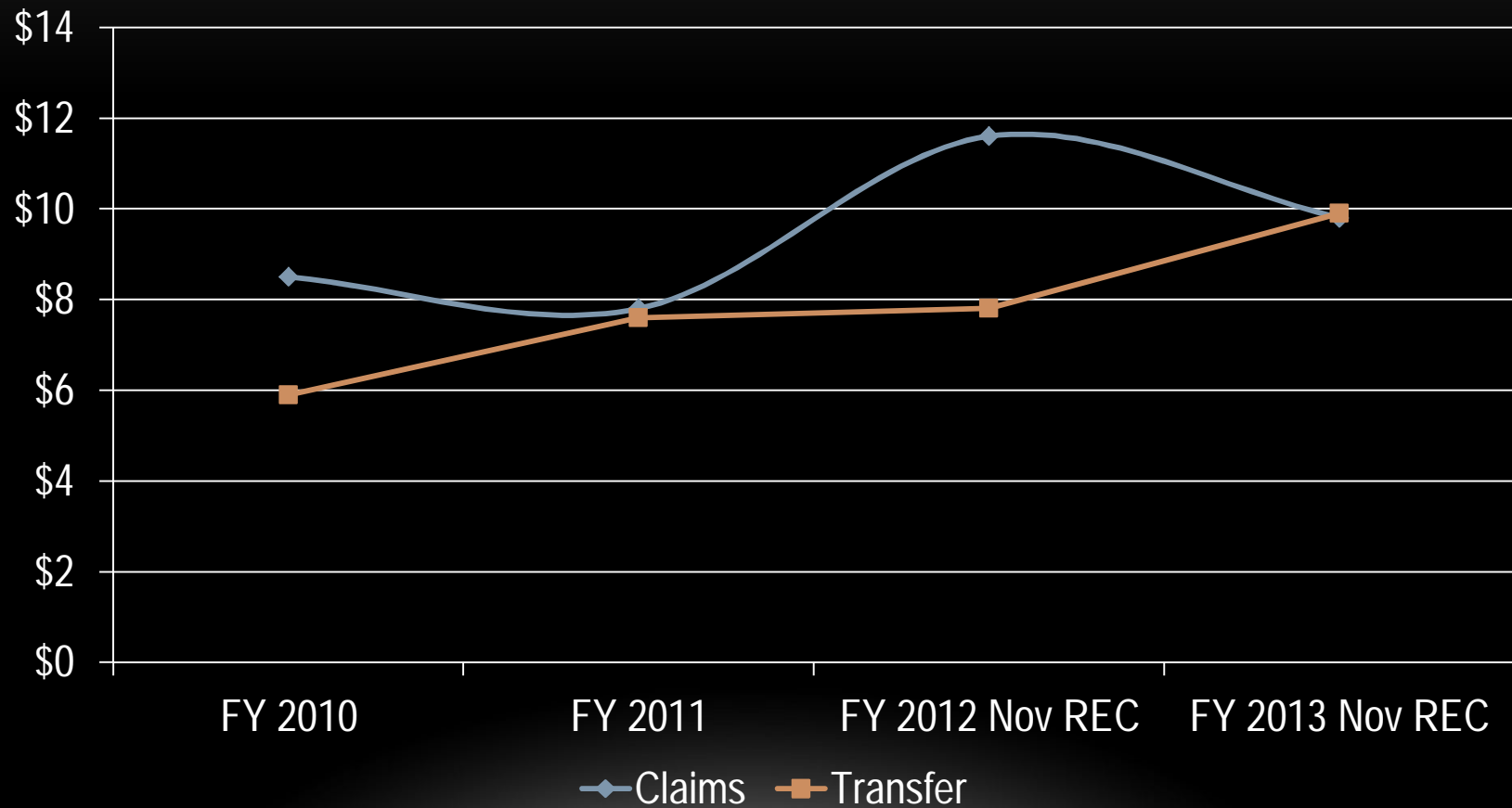
# UNCLAIMED PROPERTY

- 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
  - \$7.8 million for FY 2012
  - \$9.9 million for FY 2013
- Claims Payments
  - \$11.6 million for FY 2012
  - \$9.9 million for FY 2013
- Same as November revenue estimates

# UNCLAIMED PROPERTY



# UNCLAIMED PROPERTY - AUDITORS

- Program contracts with audit firms to recover unclaimed property from insurance companies, banks, etc.
- Increase related to one-time revenue from a multi-state examination of large life insurance companies
- \$0.6 million for FY 2012
- \$0.4 million for FY 2013

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

# CRIME VICTIMS CLAIMS

(in millions)	Court Fines	Federal	Total
FY 2008	\$1.1	\$0.5	\$1.6
FY 2009	\$0.9	\$0.5	\$1.4
FY 2010	\$0.4	\$0.8	\$1.2
FY 2011	\$0.6	\$0.8	\$1.4
FY 2012	\$0.9	\$0.8	\$1.7
FY 2013 Gov.	\$0.9	\$0.8	\$1.7

# RETIREMENT SYSTEM

- Administrative costs are funded from 0.175% of average total investments
- Supports 46.5 positions
- Governor recommends \$12.6 million
  - \$0.5 million more than enacted



# RETIREMENT SYSTEM

- Fiduciary insurance for Retirement System board members
  - \$127,500 for FY 2012 and FY 2013
- Legal expenses based on current legal challenge to the changes made by the 2009 Assembly
  - Adds \$200,000 for FY 2012 and FY 2013

# RETIREMENT– ANCHOR SYSTEM

- \$4.0 million for major overhaul of membership database for FY 2012
  - \$0.5 million less than enacted
- Additional \$115,000 for FY 2013
  - Additional support and disaster recovery testing
  - Allow for transition costs associated with upgrading to new system

# RETIREMENT – DC PLAN ADMINISTRATION

- Major component of new system is a defined contribution plan for all non-public safety state employees, teachers and municipal general employees
- Governor creates new restricted receipt account to pay expenses related to state's administration of the new defined contribution plan

# RETIREMENT – DC PLAN ADMINISTRATION

- Anticipates that the vendor chosen to administer plan will include state's admin costs into its fee structure
- Adds funding for costs of administering new plan
  - \$0.4 million for FY 2012
  - \$0.6 million for FY 2013

# MOVE

- Moved to state owned property in Warwick in December
- FY 2012 revised budget includes additional \$0.5 million, \$0.1 million from general revenues for build out costs, moving expenses, etc.
- FY 2013 budget includes savings of \$0.3 million in lease payments, renovations, furniture partially offset by grounds and record center storage

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