

OFFICE OF THE GENERAL TREASURER

FY 2013 Revised and FY 2014
Budgets

Staff Presentation
March 13, 2013

SUMMARY BY PROGRAM

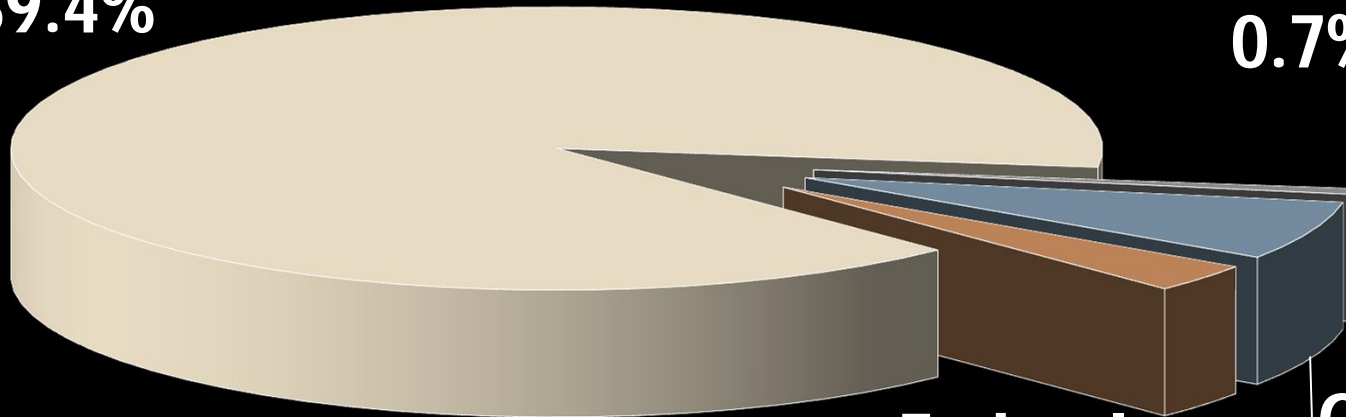
(in millions)	FY 2014 Enacted	FY 2013 Gov. Rev.	FY 2014 Governor
General Treasury	\$2.7	\$2.6	\$2.7
Unclaimed Property	20.7	30.4	18.6
Retirement System	12.0	10.0	11.7
Crime Victim Comp.	2.1	2.1	2.1
Total	\$37.6	\$45.2	\$ 35.1

SUMMARY BY PROGRAM

Change to Enacted	FY 2013 Gov. Rev.	FY 2014 Governor
General Treasury	(\$23,929)	\$29,161
Unclaimed Property	9,671,116	(2,181,814)
Retirement System	(2,049,895)	(357,986)
Crime Victim Comp.	(17,734)	(436)
Total	\$7,579,558	(\$2,511,075)

FY 2014 SUMMARY BY SOURCE

**Restricted
Receipts
89.4%**



**Other
0.7%**

**Federal
3.2%**

**General
Revenue
6.7%**

TARGET BUDGET

- Budget Office provided a general revenue target of \$2.5 million
 - Current service adjustments of \$105,829
 - 7% reduction of \$185,356
- Request met target by recognizing availability and use of restricted receipts to fund administration of DC plan and removed \$0.3 million from general revenues

SALARIES AND BENEFITS

Governor recommends \$8.8 million for 83.0 FTEs

- \$0.4 million more than enacted
- \$0.2 million less from general revenues
- Statewide benefit savings
 - \$6,614 for FY 2013
 - \$11,244 for FY 2014

Salaries and Benefits

Full-Time Equivalent Positions

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	82.0	-
FY 2014 Request	85.0	3.0
FY 2014 Governor	83.0	1.0
FY 2012 Average Filled	71.6	(10.4)
Filled as of February 9	75.7	(6.3)

RETIREMENT SYSTEM POSITIONS

- Requests 3.0 new FTEs and \$0.4 million for 4.0 new positions
 - Includes transfer of 1.0 position from treasury operations to the Retirement System
 - New operations manager, junior counselor and 2 staff accountants
- Governor recommends 1.0 new position and funding – intends other new positions be filled within existing authorization based on current vacancies

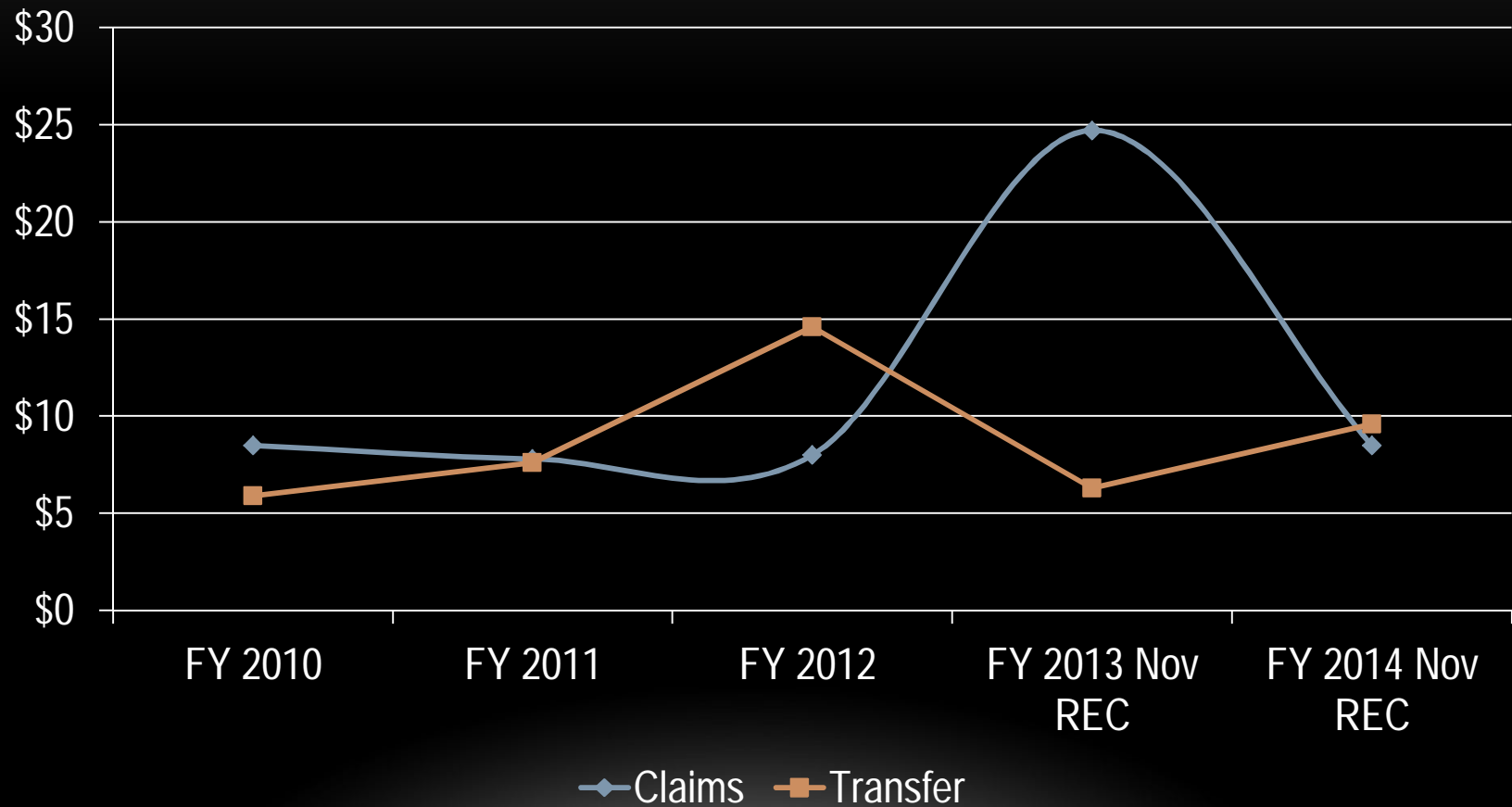
UNCLAIMED PROPERTY

- 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
 - \$6.3 million for FY 2013
 - \$9.6 million for FY 2014
- Claims Payments
 - \$24.7 million for FY 2013
 - \$8.5 million for FY 2014
- 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 in FY 2013 related to one-time revenue from a multi-state examination of large life insurance companies
- \$0.4 million for FY 2013
- \$0.1 million for FY 2014

UNCLAIMED PROPERTY – IMAGING SYSTEM

- FY 2013 revised budget includes \$75,000 to purchase an imaging system
- Program required to maintain all records
- Physical records are deteriorating because of their age
- Provide better customer service as staff will be able to immediately retrieve files

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	\$0.9	\$0.8	\$1.7
FY 2014	\$0.9	\$0.8	\$1.7

RETIREMENT SYSTEM

- Administrative costs are funded from 0.175% of average total investments
- Supports 47.9 positions
- Governor recommends \$11.7 million
 - \$0.4 million less than enacted

RETIREMENT SYSTEM – ACTUARIAL EXPENSES

\$0.5 million, \$0.2 million more than enacted for experience study as part of the 6/30/13 valuation

- System conducts experience study every 3 years to evaluate assumptions
- Assumption changes are incorporated in future valuations that determine rate required to support the defined benefit portion of system

RETIREMENT– COMPUTER SYSTEM

- \$2.0 million for major overhaul of membership database for FY 2013
 - \$2.0 million less than enacted
- \$3.0 million for FY 2014
- Budget also includes \$130,000 for additional IT support for current system
 - As existing system ages, cost of maintaining it increases

RETIREMENT SYSTEM

- Removes \$154,500 for fiduciary insurance for board members from FY 2013 and FY 2014
- Adds \$140,000 for FY 2013 for legal expenses based on current legal challenge to the changes made by the 2009 and 2011 Assemblies
- Adds \$0.1 million to audit payroll contributions from municipal plans

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
- New restricted receipt account to pay expenses related to state's administration of the new defined contribution plan – exempts from state's 10% indirect cost recovery

RETIREMENT – DC PLAN ADMINISTRATION

State's admin costs are part of fee structure for plan participants

- \$0.2 million for FY 2014 for costs of administering new plan

FY 2013 budget includes \$0.3 million from general revenues

- Assembly committed general revenues for FY 2012 and FY 2013 until fees were able to generate enough revenue to support admin costs

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