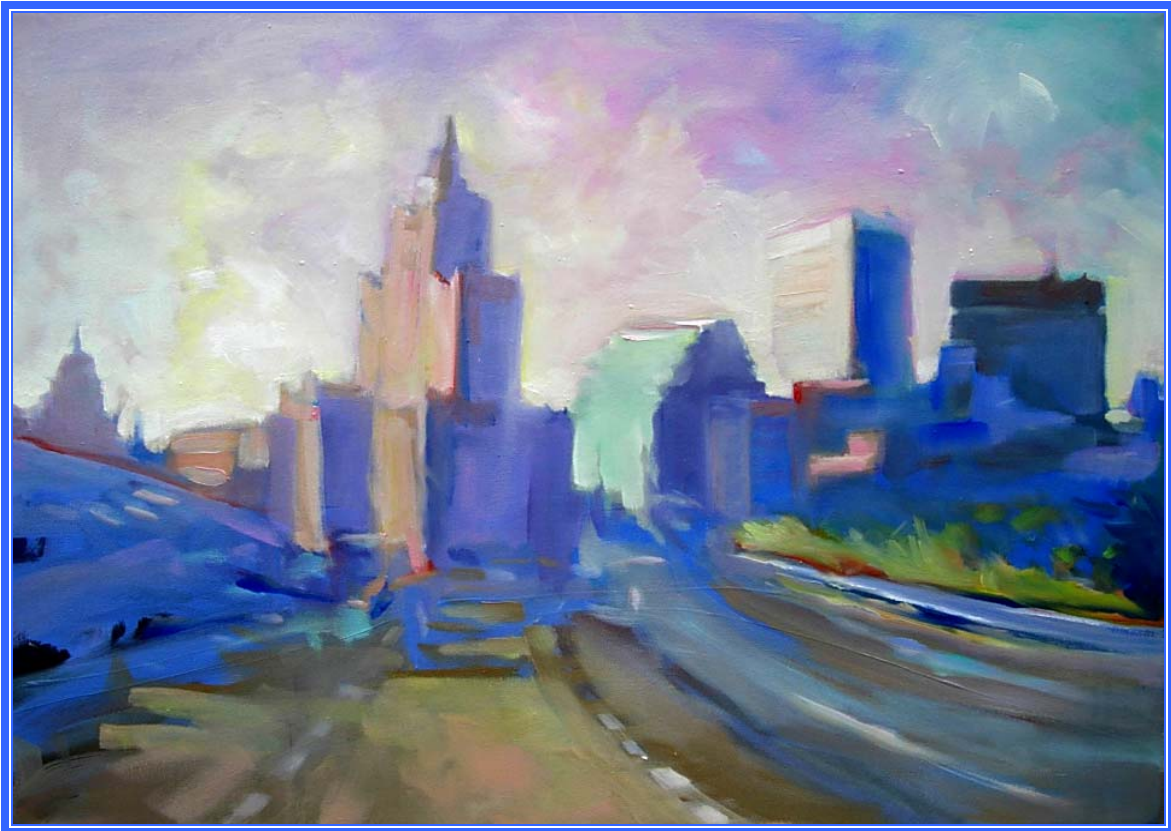


State of Rhode Island and Providence Plantations

Budget



Fiscal Year 2009

Donald L. Carcieri, Governor

The Agency

Office of the General Treasurer

Agency Operations

The Office of the General Treasurer is established under the Rhode Island Constitution as one of the five general officers subject to election by the voters. The General Treasurer is the custodian of State funds, charged with the safe and prudent management of the State's finances. The General Treasurer serves on the State Investment Commission, the State Retirement Board, the Public Finance Management Board, the Rhode Island Housing and Mortgage Finance Corporation, the Rhode Island Refunding Bond Authority, the College Savings Plan Board, and the Rhode Island State Board of Banking, the Unclassified Pay Board and the Clean Water Board.

Programs and Sub-Programs are defined to streamline the administration of various functions and resources. Under the control and guidance of the General Treasurer include: the Employees' Retirement System, the Administrative Unit for participating public employee groups including state, teacher and municipal employees; the Unclaimed Property Program which collects both tangible and intangible abandoned property for the purpose of returning the property to its rightful owner; the Investments Division and Finance provide investment and cash management services to state government and issues and manages the State's general obligation debt; the Business Office validates and distributes the State's imprest/benefit check payments, laser prints vendor and non-vendor checks, and reconciles the majority of the State accounts to the financial institutions and the State Controller's records; and the Crime Victim Compensation Program which compensates crime victims for financial losses suffered as a result of a violent crime including victims and/or families of victims of the "The Station" nightclub fire. Other areas under the Treasurer's responsibility include the care and management of the Abraham Touro Fund and the Childhood Disease Fund.

Agency Objectives

The Treasurer's Office will continue to focus its efforts and activities on enhancing the office's services to the public. Through restructuring and consolidation of job functions already in place, the Treasurer will provide leadership and direction to enable Treasury to perform its functions in the most cost effective manner possible.

Statutory History

Article IV of the Rhode Island Constitution and Title 42 Chapter 10 of the Rhode Island General Laws establishes the Office of the General Treasurer. Chapter 35 gives the guidelines for the investment of state funds. The Employees' Retirement System is governed by Chapters 16, 21, 36 and 45 of the Rhode Island General Laws. The sections that cover the Retirement System also cover the investing of the funds of the plan. Payments of funds by the Treasury Business Office are covered by 42-10 of the Rhode Island General Laws. Chapter 28 includes the Treasurer's responsibilities for the DET Program. Title 12 Chapter 25 of the Rhode Island General Laws governs the victims of Crime Victim Compensation Program. Title 33, Chapter 21 and 21.1 of the General Laws govern the Unclaimed Property Program.

The Budget

Office of the General Treasurer

	FY 2006 Actual	FY 2007 Actual	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
Expenditures by Program					
General Treasury	2,863,816	2,873,799	3,183,847	2,984,389	3,026,336
State Retirement System	5,692,545	5,826,392	7,009,236	7,246,336	7,621,061
Unclaimed Property	26,774,620	14,480,523	23,095,200	24,586,673	18,294,560
Rhode Island Refunding Bond Authority	34,392	31,717	40,349	36,496	38,075
Crime Victim Compensation	1,978,699	1,562,924	3,561,491	2,503,697	2,468,036
Total Expenditures	\$37,344,072	\$24,775,355	\$36,890,123	\$37,357,591	\$31,448,068
Expenditures By Object					
Personnel	8,229,521	8,510,213	10,187,466	9,952,347	9,733,443
Operating Supplies and Expenses	12,990,560	14,960,127	8,878,276	9,045,330	9,431,115
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	1,664,904	1,240,300	3,038,052	2,150,350	2,150,350
Subtotal: Operating Expenditures	\$22,884,985	\$24,710,640	\$22,103,794	\$21,148,027	\$21,314,908
Capital Purchases and Equipment	215,904	64,715	186,329	209,564	733,160
Debt Service	-	-	-	-	-
Operating Transfers	14,243,183	-	14,600,000	16,000,000	9,400,000
Total Expenditures	\$37,344,072	\$24,775,355	\$36,890,123	\$37,357,591	\$31,448,068
Expenditures By Funds					
General Revenue	2,748,742	2,636,773	2,908,550	2,773,767	2,563,767
Federal Funds	594,151	476,081	1,916,146	1,150,186	1,170,081
Restricted Receipts	28,150,156	21,474,116	31,772,287	33,193,653	27,460,845
Other Funds	5,851,023	188,385	293,140	239,985	253,375
Total Expenditures	\$37,344,072	\$24,775,355	\$36,890,123	\$37,357,591	\$31,448,068
FTE Authorization	87.5	86.5	88.0	88.0	86.0
Agency Measures					
Minorities as a Percentage of the Workforce	13.6%	13.3%	13.3%	13.3%	13.3%
Females as a Percentage of the Workforce	65.4%	61.5%	61.5%	61.5%	61.5%
Persons with Disabilities as a Percentage of the Workforce	1.2%	1.2%	1.2%	1.2%	1.2%

The Program

Office of the General Treasurer General Treasury

Program Operations

The General Treasury Program provides administrative support to the entire agency to ensure its operational efficiency and fiscal integrity. It is comprised of these functional areas: Policy, Administration, Investments, and the Business Office.

Policy Division: This division provides media and public relations for the Treasurer, and directs policy and legislative activity of the office.

Administration Division: This division provides the administrative support to the entire department including the Retirement System in terms of overall leadership for matters dealing with personnel, budgeting, financial controls, and management information systems.

Investment Division: This division manages the state's borrowing and investments, provides daily fiduciary services to all state government, monitors investment managers for compliance with state guidelines, acts as day to day interface between custodians, consultants, and fund managers on administrative matters and fund transfers, provides reports to the Investment Commission on investment performance, and implements commission policy. Furthermore, this division is proactive in debt issuance and debt management and has hired a professional to do the bond arbitrage calculations and ensure that the state is in compliance with I.R.S. requirements.

Business Office: This division validates and distributes imprest/benefit checks along with replacement of checks and the internal transfer of State funds for necessary payroll taxes and retirement contributions. This division is responsible for the reconciliation of a majority of state bank accounts both to the bank statement balances and to the controller's records. Additionally, this division laser prints vendor and non-vendor checks and electronically transmits issues to the appropriate banking institutions.

Program Objective

To continue to focus on improving services to the public and to provide leadership and direction to enable Treasury to perform its functions more effectively and efficiently. To expand the use of technology with more effective utilization of banking services; and to improve the management of cash collection, investment and disbursement of systems.

Statutory History

Chapter 35 gives the guidelines for the investment of State funds. Payments of funds by the Treasury Business Office are covered by 42-10 of the RIGL. Chapter 28 includes the Treasurer's responsibilities for the Department of Labor and Training Program.

The Budget

Office of the General Treasurer General Treasury

	FY 2006 Actual	FY 2007 Actual	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
Expenditures by Subprogram					
Policy	659,145	688,754	733,659	702,154	678,875
Administrative Operations	67,416	69,172	70,044	104,502	109,870
Business Office	1,468,885	1,473,143	1,640,856	1,499,975	1,521,059
Treasury Miscellaneous	283	-	-	-	-
Investments	668,087	642,730	739,288	677,758	716,532
Total Expenditures	\$2,863,816	\$2,873,799	\$3,183,847	\$2,984,389	\$3,026,336
Expenditures By Object					
Personnel	2,332,955	2,288,483	2,615,828	2,402,727	2,454,626
Operating Supplies and Expenses	511,174	548,866	546,742	555,568	555,820
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	10,700	350	350
Subtotal: Operating Expenditures	\$2,844,129	\$2,837,349	\$3,173,270	\$2,958,645	\$3,010,796
Capital Purchases and Equipment	19,687	36,450	10,577	25,744	15,540
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$2,863,816	\$2,873,799	\$3,183,847	\$2,984,389	\$3,026,336
Expenditures By Funds					
General Revenue	2,494,719	2,408,192	2,589,641	2,464,677	2,477,685
Federal Funds	210,619	263,856	291,066	279,727	295,276
Restricted Receipts	-	-	10,000	-	-
Other Funds	158,478	201,751	293,140	239,985	253,375
Total Expenditures	\$2,863,816	\$2,873,799	\$3,183,847	\$2,984,389	\$3,026,336
Program Measures					
Short Term Investment Return	0.01%	0.18%	0.20%	0.20%	0.20%
Business Days Required to Issue Replacement Check	6	6	4	3	3

The Program

Office of the General Treasurer State Retirement System

Program Operations

The Employees' Retirement System of Rhode Island provides retirement, disability, survivor, and death benefits to eligible state employees, and public school teachers. Participating municipal employees belong to the Municipal Employees' Retirement System. The system also administers the Judicial Retirement Plan, the State Police Retirement Plan and the Teacher Survivor Benefit Program for those teachers who are not covered by Social Security.

The system is divided into three main areas: Member Services, Finance and Administration. Member services is responsible for the coordinated delivery of services to the membership. It counsels members on a daily basis, provides outreach counseling from October to May at various sites across the state, and is responsible for group benefit presentations. A new call center is expected to be staffed in FY 2008, further increasing this area's responsiveness to ERSI members.

Finance is responsible for the accounting of the system's assets and is responsible for member bookkeeping. It calculates all retirement allowances and purchase requests and maintains the system's retiree pension payroll. The retiree unit within the Finance department handles all retiree inquiries. Finally, the Data Processing unit within that same division tracks all participant information and prepares yearly information for periodic actuarial valuations.

Administration includes the Executive Director, Assistant Executive Director and The Communications unit. It is responsible for all relations with the system's 15-member retirement board. It also oversees the delivery of communication to the system's active and retired membership and all other interested parties.

Program Objectives

In addition to statutory mandates, the major program objectives of Employees' Retirement System of Rhode Island are the continued delivery of services to the active and retired membership. The investment objective for the State Pension Fund is to meet or exceed an annual rate of return of 8.25 percent.

Statutory History

The Employees' Retirement System of Rhode Island is governed by Titles 16, 36 and 45 of the Rhode Island General Laws.

The Budget

Office of the General Treasurer State Retirement System

	FY 2006 Actual	FY 2007 Actual	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
Expenditures By Object					
Personnel	4,649,137	5,049,038	6,090,060	6,110,568	5,814,683
Operating Supplies and Expenses	752,786	627,265	872,956	932,548	954,358
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	97,770	137,269	-	150,000	150,000
Subtotal: Operating Expenditures	\$5,499,693	\$5,813,572	\$6,963,016	\$7,193,116	\$6,919,041
Capital Purchases and Equipment	192,852	12,820	46,220	53,220	702,020
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$5,692,545	\$5,826,392	\$7,009,236	\$7,246,336	\$7,621,061
Expenditures By Funds					
Restricted Receipts	-	5,839,758	7,009,236	7,246,336	7,621,061
Other Funds	5,692,545	(13,366)	-	-	-
Total Expenditures	\$5,692,545	\$5,826,392	\$7,009,236	\$7,246,336	\$7,621,061
Program Measures					
Return on Pension Portfolio	12.60%	15.84%	8.25%	8.25%	8.25%

The Program

Office of the General Treasurer Unclaimed Property

Program Operations

The Unclaimed Property Program is responsible for the collection of abandoned property and acts as custodian for both tangible and intangible abandoned property. The mission of the division is to return this property to its rightful owners. This division maintains data on all escheated properties by the State since the inception of the program. The program monitors compliance with the law via an internal review of reports filed, and an audit program that audits financial institutions, corporations, businesses, insurance companies, and municipalities. Beginning in FY 2008, the program enlists field auditors from the Department of Revenue to assist in identifying and recouping unclaimed property during the regular course of their audit functions.

Program Objectives

This program will continue its efforts to ensure holder compliance with the law, resulting in more property being received by the State and being returned to their rightful owners.

Statutory History

Title 33 Chapter 21 and 21.1 of the General Laws govern the Unclaimed Property Program and were most recently updated during the 1992-93 legislative sessions.

The Budget

Office of the General Treasurer Unclaimed Property

	FY 2006 Actual	FY 2007 Actual	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
Expenditures By Object					
Personnel	862,282	779,606	1,002,283	981,133	1,041,998
Operating Supplies and Expenses	11,667,275	13,690,158	7,366,917	7,479,540	7,841,562
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-	-
Subtotal: Operating Expenditures	\$12,529,557	\$14,469,764	\$8,369,200	\$8,460,673	\$8,883,560
Capital Purchases and Equipment	1,880	10,759	126,000	126,000	11,000
Debt Service	-	-	-	-	-
Operating Transfers	14,243,183	-	14,600,000	16,000,000	9,400,000
Total Expenditures	\$26,774,620	\$14,480,523	\$23,095,200	\$24,586,673	\$18,294,560
Expenditures By Funds					
Restricted Receipts	26,774,620	14,480,523	23,095,200	24,586,673	18,294,560
Total Expenditures	\$26,774,620	\$14,480,523	\$23,095,200	\$24,586,673	\$18,294,560
Program Measures					
Claims Paid	65.0%	40.0%	60.0%	60.0%	60.0%
Timeliness of Payments	32	32	25	25	20

The Program

Office of the General Treasurer Rhode Island Refunding Bond Authority

Program Operations

The Authority was created in 1987 as a public corporation, having a distinct legal existence from the State and not constituting a department of State government. It was created for the purpose of providing a means to advance refund two series of general obligation bonds (1984 and 1985) of the State of Rhode Island. The Authority is authorized to issue bonds and notes, secured solely by its revenues, derived from payments pursuant to a loan and trust agreement with the State of Rhode Island, subject to annual appropriation. In 1988, the State entered into a loan and trust agreement with the Rhode Island Refunding Bond Authority, which issued \$20.6 million of bonds for the advance refunding of \$18.6 million of the State's general obligation bonds.

In 1993, the Rhode Island Refunding Bond Authority (RIRBA) issued \$161.8 million the proceeds of which were used to effect the complete or partial refunding of six of the Rhode Island Public Buildings Authority's (RIPBA) revenue bonds.

On July 1, 1997, the RIPBA was merged into the Authority. Prior to the merger, RIPBA issued debt to finance the acquisition and construction of certain facilities to be leased by state agencies. Debt service payments are secured by the lease payments made by the State, subject to annual appropriations.

In June 1998, the Rhode Island Refunding Bond Authority refunded portions of four series of RIPBA Bonds with the issuance of the 1998 Series A State Public Project Revenue Bonds in the amount of \$39.9 million. The payment of such loans by the State is subject to and dependent upon annual appropriations being made by the General Assembly. As of June 30, 2004, two bonds in the amount of \$84.7 million were outstanding.

In April 2003, the authority issued \$67.6 million State Public Projects Revenue Bonds, Series 2003 A to refund the outstanding principal of State Public Projects Revenue Bonds, 1993 Series A. The Authority completed the advance refunding to reduce its total debt service payments by \$2.8 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$2.9 million.

Final redemption of one of RIRBA's bond issues was accomplished during FY 2003. All amounts have been redeemed for the original Refunding Bond Authority's 1988 Series A Bonds.

Program Objectives

To ensure prompt payment of outstanding debts of the Authority.

Statutory History

Title 35 Chapter 8.1 of the Rhode Island General Laws created the Authority.

The Budget

Office of the General Treasurer Rhode Island Refunding Bond Authority

	FY 2006 Actual	FY 2007 Actual	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
Expenditures By Object					
Personnel	26,861	24,193	29,359	28,413	29,585
Operating Supplies and Expenses	7,531	7,524	10,990	8,083	8,490
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-	-
Subtotal: Operating Expenditures	\$34,392	\$31,717	\$40,349	\$36,496	\$38,075
Capital Purchases and Equipment	-	-	-	-	-
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$34,392	\$31,717	\$40,349	\$36,496	\$38,075
Expenditures By Funds					
General Revenue	34,392	31,717	40,349	36,496	38,075
Total Expenditures	\$34,392	\$31,717	\$40,349	\$36,496	\$38,075
Program Measures	NA	NA	NA	NA	NA

The Program

Office of the General Treasurer Crime Victim Compensation

Program Operations

The Criminal Injuries Compensation Act of 1996, amended in 1999, enables the State of Rhode Island, through the Office of the General Treasurer, to compensate innocent victims of violent crimes for certain expenses directly attributable to the crime. The process includes, but is not limited to, the filing of claim forms, verification of medical bills and other documentation supporting the claim, and proof of dependency or lost wages where necessary. The program's staff reviews each application, gathers information relating to eligibility, and investigates the documentation offered in support of the application. The Program administrator makes an eligibility determination and awards or denies compensation under the applicable statute.

Victims and/or families of victims of "The Station" nightclub fire may apply for assistance through the Rhode Island Crime Victim Compensation Program (RI CVC). Applicants can receive compensation up to \$25,000 to help pay expenses incurred in the aftermath of this tragedy. Covered expenses include those not already covered by insurance, such as lost wages and loss of support, medical bills for those injured, burial and funeral costs, and counseling expenses for victims and the immediate family of those lost in this tragedy.

Program Objectives

The Program instituted a pay-as-you go system under the 1999 amendment to the Act, has shortened claim processing times. The debt reduction plan, targeting the accumulated unfunded liability of unpaid claims, concluded in FY 2005. The program completed final payments to Station Fire victims during FY 2006.

Statutory History

Title 12 Chapter 25 of the RIGL governs the victims of Violent Crimes Compensation Program, the most recent amendments going into effect on September 1, 1999.

The Budget

Office of the General Treasurer Crime Victim Compensation

	FY 2006 Actual	FY 2007 Actual	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
Expenditures By Object					
Personnel	358,286	368,893	449,936	429,506	392,551
Operating Supplies and Expenses	51,794	86,314	80,671	69,591	70,885
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	1,567,134	1,103,031	3,027,352	2,000,000	2,000,000
Subtotal: Operating Expenditures	\$1,977,214	\$1,558,238	\$3,557,959	\$2,499,097	\$2,463,436
Capital Purchases and Equipment	1,485	4,686	3,532	4,600	4,600
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$1,978,699	\$1,562,924	\$3,561,491	\$2,503,697	\$2,468,036
Expenditures By Funds					
General Revenue	219,631	196,864	278,560	272,594	48,007
Federal Funds	383,532	212,225	1,625,080	870,459	874,805
Restricted Receipts	1,375,536	1,153,835	1,657,851	1,360,644	1,545,224
Total Expenditures	\$1,978,699	\$1,562,924	\$3,561,491	\$2,503,697	\$2,468,036
Program Measures					
Number of Business Days Required to Process and Pay Claims to Victims of Violent Crimes from Award Notice	35	21	14	14	14