

# The Agency

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## Office of the General Treasurer

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### 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 Rhode Island Clean Water Finance Agency.

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, judicial, state police 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. 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 protecting the State's assets through sound financial investments and providing leadership and direction to strengthen the State's financial position. The Treasurer's Office assists families in investing funds for their children's higher education, and ensures that Rhode Islanders receive superior public service through all Treasury Programs,

### 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 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
<b>Expenditures by Program</b>					
General Treasury	2,873,799	2,830,435	3,026,336	2,771,509	2,819,654
State Retirement System	5,826,392	6,520,387	7,666,061	7,948,050	10,206,869
Unclaimed Property	14,480,523	28,252,979	18,290,775	15,063,114	15,475,548
Rhode Island Refunding Bond Authority	31,717	35,792	38,075	41,105	41,641
Crime Victim Compensation	1,562,924	2,022,502	2,468,036	2,425,288	2,617,423
<b>Total Expenditures</b>	<b>\$24,775,355</b>	<b>\$39,662,095</b>	<b>\$31,489,283</b>	<b>\$28,249,066</b>	<b>\$31,161,135</b>
<b>Expenditures By Object</b>					
Personnel	8,510,214	9,742,870	9,778,443	10,116,975	9,949,065
Operating Supplies and Expenses	14,960,125	28,144,722	9,627,330	15,444,059	15,809,628
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	1,240,300	1,734,995	2,150,350	2,158,000	2,344,000
<b>Subtotal: Operating Expenditures</b>	<b>\$24,710,639</b>	<b>\$39,622,587</b>	<b>\$21,556,123</b>	<b>\$27,719,034</b>	<b>\$28,102,693</b>
Capital Purchases and Equipment	64,716	39,508	733,160	530,032	3,058,442
Debt Service	-	-	-	-	-
Operating Transfers	-	-	9,200,000	-	-
<b>Total Expenditures</b>	<b>\$24,775,355</b>	<b>\$39,662,095</b>	<b>\$31,489,283</b>	<b>\$28,249,066</b>	<b>\$31,161,135</b>
<b>Expenditures By Funds</b>					
General Revenue	2,636,773	2,668,892	2,563,767	2,465,934	2,500,299
Federal Funds	476,081	799,601	1,170,081	1,100,489	1,293,540
Restricted Receipts	21,474,117	35,987,392	27,502,060	24,486,449	27,165,006
Other Funds	188,384	206,210	253,375	196,194	202,290
<b>Total Expenditures</b>	<b>\$24,775,355</b>	<b>\$39,662,095</b>	<b>\$31,489,283</b>	<b>\$28,249,066</b>	<b>\$31,161,135</b>
<b>FTE Authorization</b>	<b>86.5</b>	<b>88.0</b>	<b>86.0</b>	<b>83.0</b>	<b>83.0</b>
<b>Agency Measures</b>					
Minorities as a Percentage of the Workforce	13.3%	13.3%	13.3%	13.3%	11.0%
Females as a Percentage of the Workforce	61.5%	61.5%	61.5%	61.5%	61.0%
Persons with Disabilities as a Percentage of the Workforce	1.2%	1.2%	1.2%	1.2%	1.2%

# The Program

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## Office of the General Treasurer General Treasury

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### 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 improvement of services to the public and provide leadership and direction including preparation of a Strategic Plan, 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 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
<b>Expenditures by Subprogram</b>					
Policy	688,757	707,350	728,875	682,416	696,271
Administrative Operations	69,172	142,785	109,870	157,307	161,297
Business Office	1,473,142	1,401,622	1,483,464	1,300,991	1,313,231
Investments	642,728	578,678	704,127	630,795	648,855
<b>Total Expenditures</b>	<b>\$2,873,799</b>	<b>\$2,830,435</b>	<b>\$3,026,336</b>	<b>\$2,771,509</b>	<b>2,819,654</b>
<b>Expenditures By Object</b>					
Personnel	2,288,482	2,332,891	2,454,626	2,231,177	2,278,222
Operating Supplies and Expenses	548,866	467,074	555,820	526,070	528,760
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	12,000	350	-	-
<b>Subtotal: Operating Expenditures</b>	<b>\$2,837,348</b>	<b>\$2,811,965</b>	<b>\$3,010,796</b>	<b>\$2,757,247</b>	<b>\$2,806,982</b>
Capital Purchases and Equipment	36,451	18,470	15,540	14,262	12,672
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$2,873,799</b>	<b>\$2,830,435</b>	<b>\$3,026,336</b>	<b>\$2,771,509</b>	<b>\$2,819,654</b>
<b>Expenditures By Funds</b>					
General Revenue	2,408,192	2,387,117	2,477,685	2,335,968	2,367,841
Federal Funds	263,856	236,524	295,276	239,347	249,523
Other Funds	201,751	206,794	253,375	196,194	202,290
<b>Total Expenditures</b>	<b>\$2,873,799</b>	<b>\$2,830,435</b>	<b>\$3,026,336</b>	<b>\$2,771,509</b>	<b>\$2,819,654</b>
<b>Program Measures</b>					
Short Term Investment Return	0.18%	0.20%	0.87%	0.87%	0.87%
Business Days Required to Issue Replacement Check	4	4	3	3	3

# The Program

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## Office of the General Treasurer State Retirement System

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### 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, staffed in FY 2008, further increases 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 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
<b>Expenditures By Object</b>					
Personnel	5,049,040	5,708,635	5,859,683	6,425,361	6,198,821
Operating Supplies and Expenses	627,263	667,427	954,358	864,869	820,228
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	137,269	126,950	150,000	158,000	158,000
<b>Subtotal: Operating Expenditures</b>	<b>\$5,813,572</b>	<b>\$6,503,012</b>	<b>\$6,964,041</b>	<b>\$7,448,230</b>	<b>\$7,177,049</b>
Capital Purchases and Equipment	12,820	17,375	702,020	499,820	3,029,820
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$5,826,392</b>	<b>\$6,520,387</b>	<b>\$7,666,061</b>	<b>\$7,948,050</b>	<b>\$10,206,869</b>
<b>Expenditures By Funds</b>					
Restricted Receipts	5,839,759	6,520,971	7,666,061	7,948,050	10,206,869
Other Funds	(13,367)	(584)	-	-	-
<b>Total Expenditures</b>	<b>\$5,826,392</b>	<b>\$6,520,387</b>	<b>\$7,666,061</b>	<b>\$7,948,050</b>	<b>\$10,206,869</b>
<b>Program Measures</b>					
Return on Pension Portfolio	15.84%	-5.27%	-20.80%	-20.80%	8.25%

# The Program

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## Office of the General Treasurer Unclaimed Property

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### 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. The program recently engaged dozens of field auditors from the Division of Taxation to assist in identifying and recouping unclaimed property during the regular course of business audits.

### 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

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## Office of the General Treasurer Unclaimed Property

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	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
<b>Expenditures By Object</b>					
Personnel	779,606	1,299,286	1,041,998	1,079,356	1,081,456
Operating Supplies and Expenses	13,690,158	26,951,651	8,037,777	13,972,758	14,383,092
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-	-
<b>Subtotal: Operating Expenditures</b>	<b>\$14,469,764</b>	<b>\$28,250,937</b>	<b>\$9,079,775</b>	<b>\$15,052,114</b>	<b>\$15,464,548</b>
Capital Purchases and Equipment	10,759	2,042	11,000	11,000	11,000
Debt Service	-	-	-	-	-
Operating Transfers	-	-	9,200,000	-	-
<b>Total Expenditures</b>	<b>\$14,480,523</b>	<b>\$28,252,979</b>	<b>\$18,290,775</b>	<b>\$15,063,114</b>	<b>\$15,475,548</b>
<b>Expenditures By Funds</b>					
Restricted Receipts	14,480,523	28,252,979	18,290,775	15,063,114	15,475,548
<b>Total Expenditures</b>	<b>\$14,480,523</b>	<b>\$28,252,979</b>	<b>\$18,290,775</b>	<b>\$15,063,114</b>	<b>\$15,475,548</b>
<b>Program Measures</b>					
Timeliness of Payments	32	30	27	27	25



# The Program

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## **Office of the General Treasurer Rhode Island Refunding Bond Authority**

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### **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.

### **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

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## Office of the General Treasurer Rhode Island Refunding Bond Authority

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	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
<b>Expenditures By Object</b>					
Personnel	24,193	27,743	29,585	32,115	32,651
Operating Supplies and Expenses	7,524	8,049	8,490	8,990	8,990
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-	-
<b>Subtotal: Operating Expenditures</b>	<b>\$31,717</b>	<b>\$35,792</b>	<b>\$38,075</b>	<b>\$41,105</b>	<b>\$41,641</b>
Capital Purchases and Equipment	-	-	-	-	-
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$31,717</b>	<b>\$35,792</b>	<b>\$38,075</b>	<b>\$41,105</b>	<b>\$41,641</b>
<b>Expenditures By Funds</b>					
General Revenue	31,717	35,792	38,075	41,105	41,641
<b>Total Expenditures</b>	<b>\$31,717</b>	<b>\$35,792</b>	<b>\$38,075</b>	<b>\$41,105</b>	<b>\$41,641</b>
<b>Program Measures</b>	NA	NA	NA	NA	NA

# The Program

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## Office of the General Treasurer Crime Victim Compensation

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### 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.

### 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 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
<b>Expenditures By Object</b>					
Personnel	368,893	374,315	392,551	348,966	357,915
Operating Supplies and Expenses	86,314	50,521	70,885	71,372	68,558
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	1,103,031	1,596,045	2,000,000	2,000,000	2,186,000
<b>Subtotal: Operating Expenditures</b>	<b>\$1,558,238</b>	<b>\$2,020,881</b>	<b>\$2,463,436</b>	<b>\$2,420,338</b>	<b>\$2,612,473</b>
Capital Purchases and Equipment	4,686	1,621	4,600	4,950	4,950
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$1,562,924</b>	<b>\$2,022,502</b>	<b>\$2,468,036</b>	<b>\$2,425,288</b>	<b>\$2,617,423</b>
<b>Expenditures By Funds</b>					
General Revenue	196,864	245,983	48,007	88,861	90,817
Federal Funds	212,225	563,077	874,805	861,142	1,044,017
Restricted Receipts	1,153,835	1,213,442	1,545,224	1,475,285	1,482,589
<b>Total Expenditures</b>	<b>\$1,562,924</b>	<b>\$2,022,502</b>	<b>\$2,468,036</b>	<b>\$2,425,288</b>	<b>\$2,617,423</b>
<b>Program Measures</b>					
Number of Business Days Required to Process and Pay Claims to Victims of Violent Crimes from Award Notice	21	14	12	12	10