

State of Rhode Island and Providence Plantations

Budget



Fiscal Year 2012

Lincoln D. Chafee, 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 (ended as of June 30, 2010), the Higher Education Assistance Board, the Rhode Island Student Loan Authority, 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 and Finance Division provides 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, 37, 38 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 Temporary Disability and Unemployment Insurance 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 2009 Actual	FY 2010 Actual	FY 2011 Enacted	FY 2011 Revised	FY 2012 Recommended
Expenditures by Program					
General Treasury	2,621,561	2,433,959	2,663,619	2,659,813	2,623,476
State Retirement System	6,630,841	6,254,227	12,121,419	7,130,899	12,121,251
Unclaimed Property	14,339,074	16,482,981	15,789,173	15,131,150	15,508,524
Rhode Island Refunding Bond Authority	24,696	25,801	-	-	-
Crime Victim Compensation	1,862,428	1,564,608	2,444,147	2,430,988	2,424,422
Total Expenditures	\$25,478,600	\$26,761,576	\$33,018,358	\$27,352,850	\$32,677,673
Expenditures By Object					
Personnel	9,399,204	8,768,863	10,377,317	9,664,407	10,668,517
Operating Supplies and Expenses	14,444,697	16,584,213	15,917,334	15,444,736	15,285,449
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	1,595,592	1,326,036	2,163,000	2,163,000	2,163,000
Subtotal: Operating Expenditures	\$25,439,493	\$26,679,112	\$28,457,651	\$27,272,143	\$28,116,966
Capital Purchases and Equipment	39,107	82,464	4,560,707	80,707	4,560,707
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$25,478,600	\$26,761,576	\$33,018,358	\$27,352,850	\$32,677,673
Expenditures By Funds					
General Revenue	2,353,049	2,072,608	2,270,649	2,253,614	2,240,128
Federal Funds	783,113	1,072,595	1,108,180	1,115,608	1,117,483
Restricted Receipts	22,183,336	23,407,229	29,420,614	23,756,475	29,103,041
Other Funds	159,102	209,144	218,915	227,153	217,021
Total Expenditures	\$25,478,600	\$26,761,576	\$33,018,358	\$27,352,850	\$32,677,673
FTE Authorization	83.0	79.5	82.0	82.0	82.0
Agency Measures					
Minorities as a Percentage of the Workforce	13.3%	9.2%	9.2%	9.2%	9.2%
Females as a Percentage of the Workforce	61.5%	59.2%	59.2%	59.2%	59.2%
Persons with Disabilities as a Percentage of the Workforce	1.2%	1.3%	1.3%	1.3%	1.3%

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, legal advice 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 utilizes bond arbitrage professionals to 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 implementation and monitoring of the Treasury's 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 2009 Actual	FY 2010 Actual	FY 2011 Enacted	FY 2011 Revised	FY 2012 Recommended
Expenditures by Subprogram					
Policy	611,627	551,178	650,765	618,969	651,120
Administrative Operations	123,668	108,322	37,264	143,082	113,093
Business Office	1,338,803	1,267,807	1,353,991	1,285,097	1,310,038
Investments	547,463	506,652	621,599	612,665	549,225
Total Expenditures	\$2,621,561	\$2,433,959	\$2,663,619	\$2,659,813	\$2,623,476
Expenditures By Object					
Personnel	2,174,844	2,050,703	2,178,134	2,072,479	2,248,299
Operating Supplies and Expenses	437,807	377,223	472,813	564,662	362,505
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-	-
Subtotal: Operating Expenditures	\$2,612,651	\$2,427,926	\$2,650,947	\$2,637,141	\$2,610,804
Capital Purchases and Equipment	8,910	6,033	12,672	22,672	12,672
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$2,621,561	\$2,433,959	\$2,663,619	\$2,659,813	\$2,623,476
Expenditures By Funds					
General Revenue	2,241,272	1,961,668	2,183,087	2,162,949	2,137,282
Federal Funds	221,187	263,147	261,617	269,711	269,173
Other Funds	159,102	209,144	218,915	227,153	217,021
Total Expenditures	\$2,621,561	\$2,433,959	\$2,663,619	\$2,659,813	\$2,623,476
Program Measures					
Business Days Required to Issue					
Replacement Check	3	2	3	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, staffed in FY 2008, further increases this area's responsiveness to ERSRI 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 the 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, 38 and 45 of the Rhode Island General Laws.

The Budget

Office of the General Treasurer State Retirement System

	FY 2009 Actual	FY 2010 Actual	FY 2011 Enacted	FY 2011 Revised	FY 2012 Recommended
Expenditures By Object					
Personnel	5,755,904	5,376,065	6,689,040	6,098,821	6,808,573
Operating Supplies and Expenses	703,375	658,421	735,959	835,658	616,258
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	147,103	147,935	163,000	163,000	163,000
Subtotal: Operating Expenditures	\$6,606,382	\$6,182,421	\$7,587,999	\$7,097,479	\$7,587,831
Capital Purchases and Equipment	24,459	71,806	4,533,420	33,420	4,533,420
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$6,630,841	\$6,254,227	\$12,121,419	\$7,130,899	\$12,121,251
Expenditures By Funds					
Restricted Receipts	6,630,841	6,254,227	12,121,419	7,130,899	12,121,251
Other Funds	-	-	-	-	-
Total Expenditures	\$6,630,841	\$6,254,227	\$12,121,419	\$7,130,899	\$12,121,251
Program Measures					
Return on Pension Portfolio	-19.10%	13.46%	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, with the mission of returning this property to its rightful owners. This division maintains data on all escheated properties by the State since the inception of the program. This 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 locating 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. The program also holds periodic auction of tangible property.

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 2009 Actual	FY 2010 Actual	FY 2011 Enacted	FY 2011 Revised	FY 2012 Recommended
Expenditures By Object					
Personnel	1,089,997	985,432	1,131,194	1,136,241	1,222,296
Operating Supplies and Expenses	13,245,053	15,494,531	14,646,979	13,973,909	14,275,228
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-	-
Subtotal: Operating Expenditures	\$14,335,050	\$16,479,963	\$15,778,173	\$15,110,150	\$15,497,524
Capital Purchases and Equipment	4,024	3,018	11,000	21,000	11,000
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$14,339,074	\$16,482,981	\$15,789,173	\$15,131,150	\$15,508,524
Expenditures By Funds					
Restricted Receipts	14,339,074	16,482,981	15,789,173	15,131,150	15,508,524
Total Expenditures	\$14,339,074	\$16,482,981	\$15,789,173	\$15,131,150	\$15,508,524
Program Measures					
Number of Days to Process Valid Claims	10	7	7	7	7

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.

Program Objectives

The Program instituted a pay-as-you go system under the 1999 amendment to the Act, has shortened claims 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. Recent amendments to the statute allow for psychiatric care for parents, spouses, siblings and children of crime victims. Other compensation includes funeral, medical and counseling payments to victims and their families. The maximum award for each crime incident victim is \$25,000.

Statutory History

Title 12 Chapter 25 of the RIGL governs the victims of Violent Crimes Compensation Program, the most recent amendments going into effect as of September, 2009.

The Budget

Office of the General Treasurer Crime Victim Compensation

	FY 2009 Actual	FY 2010 Actual	FY 2011 Enacted	FY 2011 Revised	FY 2012 Recommended
Expenditures By Object					
Personnel	357,359	333,256	378,949	356,866	389,349
Operating Supplies and Expenses	54,866	51,644	61,583	70,507	31,458
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	1,448,489	1,178,101	2,000,000	2,000,000	2,000,000
Subtotal: Operating Expenditures	\$1,860,714	\$1,563,001	\$2,440,532	\$2,427,373	\$2,420,807
Capital Purchases and Equipment	1,714	1,607	3,615	3,615	3,615
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$1,862,428	\$1,564,608	\$2,444,147	\$2,430,988	\$2,424,422
Expenditures By Funds					
General Revenue	87,081	85,139	87,562	90,665	102,846
Federal Funds	561,926	809,448	846,563	845,897	848,310
Restricted Receipts	1,213,421	670,021	1,510,022	1,494,426	1,473,266
Total Expenditures	\$1,862,428	\$1,564,608	\$2,444,147	\$2,430,988	\$2,424,422
Program Measures					
Average Number of Business Days to Pay Claims to Victims from Award Notice	9	9	9	9	9