

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, the Rhode Island State Board of Banking, and the Unclassified Pay 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 are the Employees' Retirement System, the Administrative Unit for participating public employee groups including state, teacher and municipal employees; the Unclaimed Property Program collects both tangible and intangible abandoned property for the purpose of returning the property to its rightful owner; the Investments Division and Finance 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; the Crime Victim Compensation Program compensates crime victims for financial losses suffered as a result of a violent crime, including victims and/or families of victims of 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, provide leadership and direction to enable the Treasury to perform its functions in the most cost effective and efficient 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 section that covers the Retirement System also covers the investing of the funds of the plan. 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 DET Program. Title 12 Chapter 25 of the RIGL governs the Crime Victims Compensation Program.

The Budget

Office of the General Treasurer

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Expenditures by Program				
General Treasury	3,161,388	2,958,562	3,033,816	3,141,458
State Retirement System	7,489,397	4,593,274	7,482,284	5,224,764
Unclaimed Property	14,775,425	22,195,396	19,129,019	15,444,382
Rhode Island Refunding Bond Authority	53,610	31,053	52,351	53,011
Crime Victim Compensation Program	2,473,641	2,017,342	4,753,304	3,232,253
Total Expenditures	\$27,953,461	\$31,795,627	\$34,450,774	\$27,095,868
Expenditures By Object				
Personnel	10,329,957	7,398,052	10,091,574	8,235,614
Other State Operations	15,576,072	22,830,548	20,073,506	16,112,595
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	2,047,432	1,567,027	4,285,694	2,747,659
Subtotal: Operating Expenditures	\$27,953,461	\$31,795,627	\$34,450,774	\$27,095,868
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$27,953,461	\$31,795,627	\$34,450,774	\$27,095,868
Expenditures By Funds				
General Revenue	3,497,996	2,731,438	3,605,979	2,898,672
Federal Funds	329,090	2,372,573	2,188,724	1,499,239
Restricted Receipts	16,478,403	21,878,943	20,909,834	17,198,483
Other Funds	7,647,972	4,812,673	7,746,237	5,499,474
Total Expenditures	\$27,953,461	\$31,795,627	\$34,450,774	\$27,095,868
FTE Authorization	84.5	84.5	87.5	87.5
Agency Measures				
Minorities as a Percentage of the Workforce	14.6%	15.4%	15.0%	15.0%
Females as a Percentage of the Workforce	65.9%	65.4%	65.0%	65.0%
Persons with Disabilities as a Percentage of the Workforce	1.2%	1.3%	1.1%	1.1%

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, the Business Office, and Investments.

The Administration 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.

The Investment Division manages the State's borrowing and investments, provides daily fiduciary services to all of state government so that funds are managed in a careful and prudent manner, and maximizes the return on state investments. The division also monitors investment managers for compliance with state guidelines, acts as the day to day interface between custodians, consultants, and fund managers on administrative matters and the transfer of funds. The division also provides reports to the Investment Commission on investment performance, implements commission policy, and plays a role in debt issuance and debt management. The unit has hired a professional to do the bond arbitrage calculations and ensure that the State is in compliance with U.S. Internal Revenue Code requirements.

The Business Office validates and distributes imprest/benefit checks along with replacements of checks and the internal transfer of state funds for necessary payroll taxes and retirement contributions. This division is also responsible for the reconciliation of a majority of state bank accounts both to the bank statement balances and to the Controller's records. Additionally, the division prints vendor and non-vendor checks and electronically transmits issues to the appropriate banking institutions. Pension, payroll and benefit checks are also printed in the Business Office. The Treasury-DET Unit performs services on behalf of the State Temporary Disability Insurance Program and the Federal Unemployment Insurance Program. This section receives and records daily notification of the amount of Unemployment Insurance benefit funds and the amount of TDI benefit funds requisitioned by the Department of Labor and Training.

Program Objective

To continue to focus on improving our services to the public and to provide leadership and direction to enable the Treasury to perform its functions more effectively and efficiently. Also, 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

Rhode Island General Law Title 35 provides the investment guidelines for state funds. Payments of funds by the Business Office are governed by Rhode Island General Law 42-10. R.I.G.L. Title 28 includes the Treasurer's responsibilities for the DET Program.

The Budget

Office of the General Treasurer General Treasury

	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Expenditures by Subprogram				
Policy	731,621	640,728	711,045	783,781
Administrative Operations	122,890	71,821	57,633	56,150
Business Office	1,559,749	1,613,382	1,566,772	1,585,387
Treasury Miscellaneous	91,120	108	-	-
Investments	656,008	632,523	698,366	716,140
Total Expenditures	\$3,161,388	\$2,958,562	\$3,033,816	\$3,141,458
Expenditures By Object				
Personnel	2,523,040	2,365,078	2,423,634	2,538,694
Other State Operations	638,348	593,484	599,482	592,064
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	10,700	10,700
Subtotal: Operating Expenditures	\$3,161,388	\$2,958,562	\$3,033,816	\$3,141,458
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$3,161,388	\$2,958,562	\$3,033,816	\$3,141,458
Expenditures By Funds				
General Revenue	2,761,412	2,446,898	2,502,582	2,587,681
Federal Funds	241,401	292,265	257,281	269,067
Restricted Receipts	-	-	10,000	10,000
Temporary Disability Insurance Fund	158,575	219,399	263,953	274,710
Total Expenditures	\$3,161,388	\$2,958,562	\$3,033,816	\$3,141,458
Program Measures				
Short Term Investment Return	0.16%	0.09%	0.20%	0.40%
Business Days Required to Issue				
Replacement Check	7	7	6	6

The Program

Office of the General Treasurer State Retirement System

Program Operations

The Employees' Retirement System of Rhode Island (ERSRI) 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. The Member Services Department is responsible for the coordinated delivery of service 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.

The Finance Department is responsible for the accounting of the system's assets and 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 and the Data Processing Unit tracks all participant information and prepares yearly information for periodic actuarial valuations.

The Administration Unit 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 ERSRI are the continued delivery of services to the active and retired membership. The system is also in the preliminary stages of implementing a line of business automation project.

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 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Expenditures By Object				
Personnel	6,762,390	3,833,377	6,459,057	4,435,157
Other State Operations	722,315	754,928	1,018,727	785,107
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	4,692	4,969	4,500	4,500
Subtotal: Operating Expenditures	\$7,489,397	\$4,593,274	\$7,482,284	\$5,224,764
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$7,489,397	\$4,593,274	\$7,482,284	\$5,224,764
Expenditures By Funds				
State Retirement Fund	7,489,397	4,593,274	7,482,234	5,224,764
Total Expenditures	\$7,489,397	\$4,593,274	\$7,482,234	\$5,224,764
Program Measures				
Return on Pension Portfolio	3.87%	19.48%	8.25%	8.25%

The Program

Office of the General Treasurer Unclaimed Property

Program Operations

The Unclaimed Property Program (UPP) is responsible for the collection of abandoned property with the mission of returning this property to its rightful owners. The UPP acts as the custodian for both tangible and intangible abandoned property. This division maintains data on all escheat 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.

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.

This unit will also continue to implement an aggressive outreach program by “searching high and low to give Rhode Islanders their money back”. The State Unclaimed Money List is effectively included in the new RI Treasury Internet Home Page.

Our Internet address is: <http://www.state.ri.us/treas/treas.htm>

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 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Expenditures By Object				
Personnel	632,435	778,374	768,187	799,974
Other State Operations	14,142,990	21,417,022	18,360,832	14,644,408
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-
Subtotal: Operating Expenditures	\$14,775,425	\$22,195,396	\$19,129,019	\$15,444,382
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$14,775,425	\$22,195,396	\$19,129,019	\$15,444,382
 Expenditures By Funds				
Restricted Receipts	14,775,425	22,195,396	19,129,019	15,444,382
Total Expenditures	\$14,775,425	\$22,195,396	\$19,129,019	\$15,444,382
 Program Measures				
Claims Paid	58.0%	40.0%	65.0%	60.0%
Timeliness of Payments	23	28	28	21

The Program

Office of the General Treasurer Rhode Island Refunding Bond Authority

Program Operations

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

On July 1, 1997, the Rhode Island Public Buildings Authority was merged into RIRBA. 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 by issuing the 1998 Series A, State Public Project Revenue Bonds in the amount of \$39.8 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 \$2.8 million.

Final redemption of one of the authority's bond issues was accomplished during fiscal 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 Rhode Island Refunding Bond 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 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Expenditures By Object				
Personnel	36,541	21,771	34,541	35,201
Other State Operations	17,069	9,282	17,810	17,810
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-
Subtotal: Operating Expenditures	\$53,610	\$31,053	\$52,351	\$53,011
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$53,610	\$31,053	\$52,351	\$53,011
Expenditures By Funds				
General Revenue	53,610	31,053	52,351	53,011
Total Expenditures	\$53,610	\$31,053	\$52,351	\$53,011
Program Measures	NA	NA	NA	NA

The Program

Office of the General Treasurer Crime Victim Compensation

Program Operations

The federal Criminal Injuries Compensation Act of 1996, (“the Act”) 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 (RICVC). 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 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, which has shortened claim processing times. The debt reduction plan, targeting the accumulated unfunded liability of unpaid claims, is expected to conclude in FY 2005. In addition, the program is projecting final payment to The Station fire victims during FY 2007.

Statutory History

Title 12 Chapter 25 of the Rhode Island General Laws 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 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Recommended
Expenditures By Object				
Personnel	375,551	399,452	406,155	426,588
Other State Operations	55,350	55,832	76,655	73,206
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	2,042,740	1,562,058	4,270,494	2,732,459
Subtotal: Operating Expenditures	\$2,473,641	\$2,017,342	\$4,753,304	\$3,232,253
Capital Improvements	-	-	-	-
Capital Debt Service	-	-	-	-
Total Expenditures	\$2,473,641	\$2,017,342	\$4,753,304	\$3,232,253
Expenditures By Funds				
General Revenue	682,974	253,487	1,051,046	257,980
Federal Funds	87,689	2,080,308	1,931,443	1,230,172
Restricted Receipts	1,702,978	(316,453)	1,770,815	1,744,101
Total Expenditures	\$2,473,641	\$2,017,342	\$4,753,304	\$3,232,253
Program Measures				
Number of Business Days Required to Process and Pay Claims	185	170	150	140