

State of Rhode Island and Providence Plantations

Fiscal Year 2019 Budget



Volume I – General Government and Quasi-Public Agencies

Gina M. Raimondo, Governor

Agency Summary

TREASURY DEPARTMENT

Agency Mission

The Office of the General Treasurer's mission is to protect the state's assets with sound financial investments, strengthen the state's financial position, encourage economic growth, operate with transparency and accountability, and ensure Rhode Islanders benefit from exceptional service through all the programs the Office manages.

Agency Description

The Office of the General Treasurer is established under the Rhode Island Constitution as one of the five general offices 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 Higher Education Assistance Board, the Rhode Island Student Loan Authority, the State Properties Commission and the Rhode Island Infrastructure Bank. 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 of Rhode Island, the administrative unit for participating public employee groups for both defined benefit and defined contribution plans; the Unclaimed Property Program which collects tangible and intangible abandoned property for the purpose of returning the property to its rightful owner; the Investments and Finance Division which provides investment and cash management services to state government, and issues and manages the State's general obligation debt; the CollegeBound Program (new to Treasury in 2016) and its contribution of fee revenue for state college assistance programs; the Business Office, which validates and distributes the State's imprest/benefit check payments, prints vendor and non-vendor checks, and reconciles a majority of the State's 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 cooperation with the Executive Office of Health and Human Services in the ABLE savings program (Achieving A Better Life Experience Accounts) for tax free income growth for certain qualified disability expenditures; the care and management of the Abraham Touro Fund; and, the Childhood Disease Fund.

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 Crime Victim Compensation Program. Title 33, Chapter 21 and 21.1 of the General Laws govern the Unclaimed Property Program. Title 16, Chapter 16-57, transferred responsibility for the CollegeBound program to Treasury. Title 42, Chapter 7.2 was amended in 2015 to include the State Investment Commission in the oversight of the new ABLE savings program.

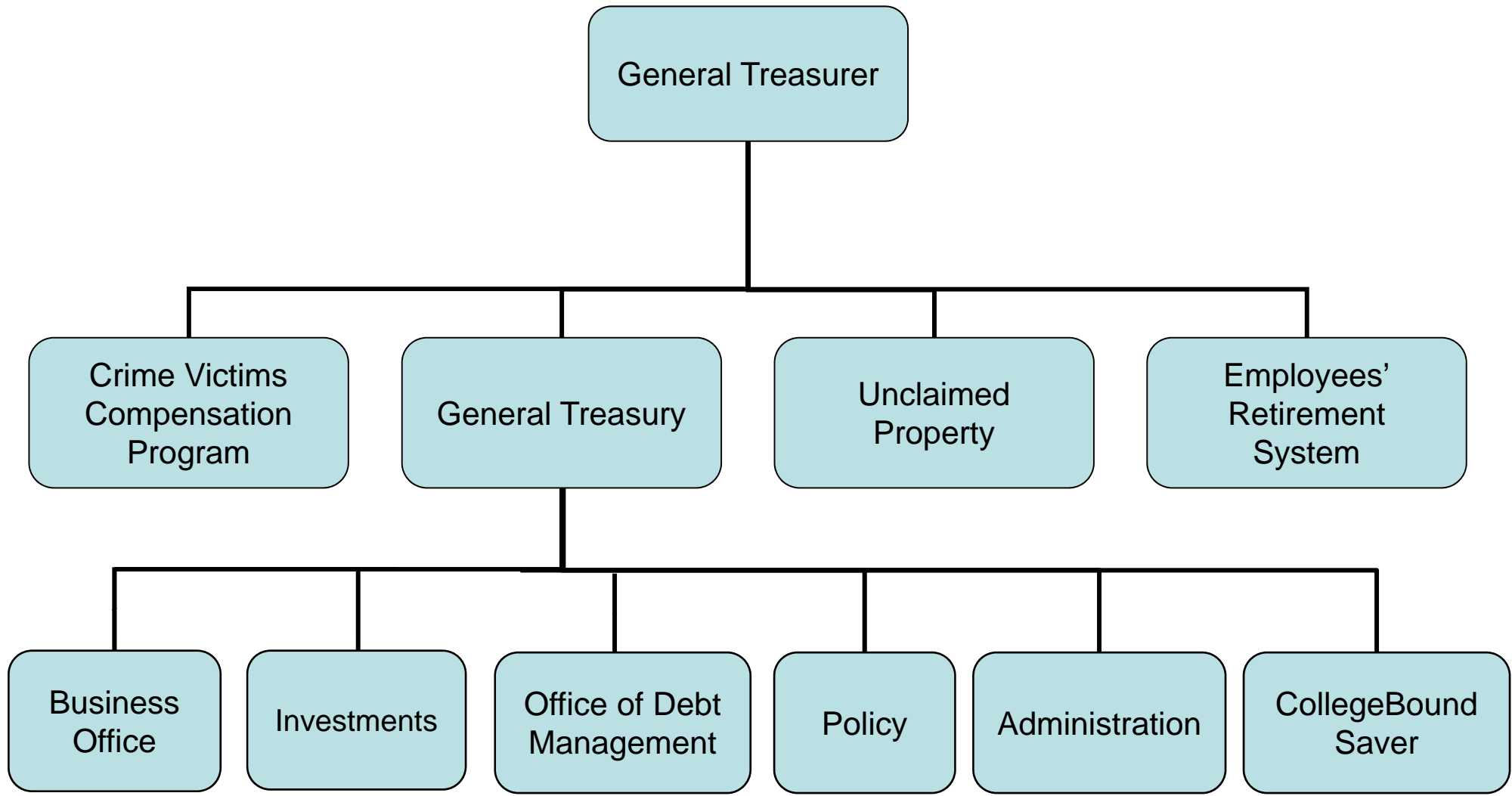
Budget

TREASURY DEPARTMENT

	2016 Actuals	2017 Actuals	2018 Enacted Budget	2018 Revised Budget	2019 Recommended
Expenditures by Program					
General Treasurer	10,878,721	3,384,364	3,297,246	3,555,629	3,643,573
State Retirement System	9,123,466	10,076,889	10,968,526	11,309,737	11,359,220
Unclaimed Property	27,634,370	26,348,524	26,324,334	26,536,282	25,587,830
Crime Victim Compensation Program	1,640,761	2,192,363	2,174,344	1,938,382	2,083,548
Total Expenditures	49,277,318	42,002,140	42,764,450	43,340,030	42,674,171
Expenditures by Object					
Salary And Benefits	8,735,147	9,629,386	9,995,925	10,233,238	10,329,650
Contract Professional Services	4,077,580	4,584,503	4,853,850	4,849,143	4,805,842
Operating Supplies And Expenses	27,069,624	25,771,787	25,820,400	26,383,224	25,578,404
Assistance And Grants	1,307,005	1,985,721	1,988,000	1,708,000	1,860,000
Subtotal: Operating	41,189,356	41,971,396	42,658,175	43,173,605	42,573,896
Capital Purchases And Equipment	60,195	30,743	106,275	166,425	100,275
Operating Transfers	8,027,767	0	0	0	0
Subtotal: Other	8,087,962	30,743	106,275	166,425	100,275
Total Expenditures	49,277,318	42,002,140	42,764,450	43,340,030	42,674,171
Expenditures by Source of Funds					
General Revenue	2,271,575	2,653,651	2,698,692	2,876,681	2,967,632
Federal Funds	741,266	1,087,203	1,090,337	1,034,011	1,074,874
Restricted Receipts	37,730,574	37,596,085	38,425,179	38,785,988	37,976,981
Other Funds	8,533,903	665,201	550,242	643,350	654,684
Total Expenditures	49,277,318	42,002,140	42,764,450	43,340,030	42,674,171

The Agency

Office of the General Treasurer



Program Summary

Agency: TREASURY DEPARTMENT

General Treasurer

Mission

Continue to deliver superior service to the public, state agencies, and state vendors in all of its activities; to increase operational efficiency and expand the use of technology to improve the management of cash collection, investment and disbursement systems.

Description

The General Treasury Program provides the administrative support to the entire agency to ensure its operational efficiency and fiscal integrity. It is comprised of four sub-programs: 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. Administrative Division: This division provides the administrative support to the entire office, including the Retirement System in terms of overall leadership in 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 of 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 transfers of funds. It also provides reports to the State Investment Commission on investment performance, and implements SIC policy. This division is actively involved in both the issuance and servicing of state debt obligations. The division is also responsible for investment policy for the Defined Contribution and Deferred Compensation programs, administration of the State's tax-deferred 529 plan for college savings called the Collegebound (formerly, Collegeboundfund) and the ABLE tax-free savings program for disabled residents. 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 to bank statement balances and to the Controller's records. Additionally, this division prints and disburses vendor and non-vendor checks and electronically transmits payment instructions to the appropriate banking institutions.

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. Chapter 16-57 includes the Treasurer's responsibilities for the management of the CollegeboundSaver Program. Chapter 42-7.2 of Title 42 creates the ABLE savings account program, which Treasury is implementing in conjunction with the Executive Office of Health and Human Services.

Budget

Agency: TREASURY DEPARTMENT

General Treasurer

Expenditures by Sub Program	2016 Actuals	2017 Actuals	2018 Enacted Budget	2018 Revised Budget	2019 Recommended
Administration Operations	8,497,920	610,304	507,125	763,047	841,408
Business Offices	1,215,225	1,280,887	1,212,093	1,316,608	1,316,424
Investments	582,608	912,784	981,108	878,198	904,150
Policy	582,968	580,388	596,920	597,776	581,591
Total Expenditures	10,878,721	3,384,364	3,297,246	3,555,629	3,643,573
Expenditures by Object					
Salary and benefits	2,268,648	2,554,727	2,551,241	2,563,014	2,602,636
Contract Professional Services	175,661	373,314	170,150	202,910	266,000
Operating supplies and Expenses	401,507	447,005	552,430	745,130	751,512
Subtotal: Operating	2,845,816	3,375,046	3,273,821	3,511,054	3,620,148
Capital Purchases And Equipment	5,138	9,318	23,425	44,575	23,425
Operating Transfers	8,027,767	0	0	0	0
Subtotal: Other	8,032,905	9,318	23,425	44,575	23,425
Total Expenditures	10,878,721	3,384,364	3,297,246	3,555,629	3,643,573
Expenditures by Source of Funds					
General Revenue	2,050,780	2,419,681	2,456,017	2,604,936	2,684,347
Federal Funds	294,038	299,482	290,987	307,343	304,542
Other Funds	8,533,903	665,201	550,242	643,350	654,684
Total Expenditures	10,878,721	3,384,364	3,297,246	3,555,629	3,643,573

Program Summary

Agency: TREASURY DEPARTMENT

State Retirement System

Mission

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, including assurance of data integrity and security, and member counseling in individual or group settings. The investment objective for the State Pension Fund, set by the Retirement Board, is to meet or exceed an annual rate of return of 7.0%. The Investments sub-program within the General Treasurer program provides investment management and custody services under the auspices of the State Investment Commission.

Description

The Employees' Retirement System of Rhode Island provides retirement, disability, survivor, and death benefits, and a defined contribution retirement plan 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.

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 Rhode Island Retirement Security Act of 2011 (RIRSA) made substantial changes to all administered retirement plans. These changes provided increased retirement security for plan members, saved \$4 billion dollars over 20 years, immediately reduced the unfunded liability of the plan by \$3 billion, re-amortizing over 25 years, suspended cost-of-living adjustments and created a hybrid defined- benefit/defined contribution plan designed to share investment risk fairly among all stakeholders. Several public employee unions and retiree groups filed suit. Litigation related to the implementation of RIRSA was ultimately settled in June, 2016 and the provisions of the settlement agreement were enacted into law effective for FY 2016. The settlement agreement retained greater than 95% of the savings related to RIRSA while providing enhancement to benefits of active employees and retirees.

Budget

Agency: TREASURY DEPARTMENT

State Retirement System

Expenditures by Sub Program	2016 Actuals	2017 Actuals	2018 Enacted Budget	2018 Revised Budget	2019 Recommended
Defined Benefit	9,059,263	9,987,851	10,790,288	11,209,807	11,243,784
Defined Contribution	64,203	89,038	178,238	99,930	115,436
Total Expenditures	9,123,466	10,076,889	10,968,526	11,309,737	11,359,220
Expenditures by Object					
Salary and benefits	5,020,596	5,477,912	5,874,526	6,081,424	6,155,890
Contract Professional Services	3,470,288	3,789,581	4,072,900	4,072,900	3,918,592
Operating supplies and Expenses	443,339	507,898	668,100	773,413	935,738
Assistance And Grants	145,633	291,303	283,000	283,000	285,000
Subtotal: Operating	9,079,856	10,066,693	10,898,526	11,210,737	11,295,220
Capital Purchases And Equipment	43,610	10,196	70,000	99,000	64,000
Subtotal: Other	43,610	10,196	70,000	99,000	64,000
Total Expenditures	9,123,466	10,076,889	10,968,526	11,309,737	11,359,220
Expenditures by Source of Funds					
Restricted Receipts	9,123,466	10,076,889	10,968,526	11,309,737	11,359,220
Total Expenditures	9,123,466	10,076,889	10,968,526	11,309,737	11,359,220

Program Summary

Agency: TREASURY DEPARTMENT

Unclaimed Property

Mission

The core mission of the program is to return unclaimed property to its rightful owner and maintain custody of the property within the general fund until it can be returned. To fulfill this mission, the program maintains an active enforcement effort, ensuring that holders of unclaimed property are compliant with the law. This effort results in more property being received the State and being returned to their rightful owners. The program also maintains an active outreach through print and digital media along with live events to advertise unclaimed property and raise awareness about the program.

Description

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.

Statutory History

Title 33 Chapter 21 and 21.1 of the General Laws govern the Unclaimed Property Program and were updated during the 2011 legislative session to amend the advertising requirements of the program and to establish procedures for the disposal of 'de minimus' property. Amendments to Chapter 28-42-38 and 33-21.1-17, passed by the 2017 Legislature, facilitate the sharing of data between the Unclaimed Property Program and data banks of other state agencies to unite property holders using pre-qualified identity matches.

Budget

Agency: TREASURY DEPARTMENT

Unclaimed Property

Expenditures by Sub Program	2016 Actuals	2017 Actuals	2018 Enacted Budget	2018 Revised Budget	2019 Recommended
Operations	27,634,370	26,348,524	26,324,334	26,536,282	25,587,830
Total Expenditures	27,634,370	26,348,524	26,324,334	26,536,282	25,587,830
Expenditures by Object					
Salary and benefits	1,058,586	1,148,775	1,155,079	1,151,645	1,148,115
Contract Professional Services	431,631	418,605	593,000	566,333	593,000
Operating supplies and Expenses	26,143,002	24,769,915	24,565,255	24,797,304	23,835,715
Subtotal: Operating	27,633,219	26,337,294	26,313,334	26,515,282	25,576,830
Capital Purchases And Equipment	1,151	11,229	11,000	21,000	11,000
Subtotal: Other	1,151	11,229	11,000	21,000	11,000
Total Expenditures	27,634,370	26,348,524	26,324,334	26,536,282	25,587,830
Expenditures by Source of Funds					
Restricted Receipts	27,634,370	26,348,524	26,324,334	26,536,282	25,587,830
Total Expenditures	27,634,370	26,348,524	26,324,334	26,536,282	25,587,830

Program Summary

Agency: TREASURY DEPARTMENT

Crime Victim Compensation Program

Mission

The Program was created to help victims recover costs associated with violent crime. The program provides up to \$25,000 in compensation to crime victims for expenses such as medical bills, loss of earnings, crime scene cleaning, and funeral expenses. While no amount of compensation can erase the painful memories of violent crime, the program aims to lessen the financial burdens victims face during challenging difficult times.

Description

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 were necessary. Program staff reviews each application, gathers information relating to eligibility, and investigates the documentation offered in support of the application. The Program Administrator awards or denies requests according to the evidence presented and eligibility rules under the applicable statute.

Statutory History

Title 12 Chapter 25 of the RIGL governs the victims of Violent Crimes Compensation Program. In 2011 the chapter was amended to increase the reimbursement limits for funeral expenses and to add crime-scene clean-up costs as an eligible expense. The statute was further amended in 2013 to add emergency compensation for relocation costs. More recently, payment for psychiatric care and counseling for minor witnesses who witness violent crimes was passed by the 2017 Legislature.

Budget

Agency: TREASURY DEPARTMENT

Crime Victim Compensation Program

Expenditures by Sub Program	2016 Actuals	2017 Actuals	2018 Enacted Budget	2018 Revised Budget	2019 Recommended
Operations	1,640,761	2,192,363	2,174,344	1,938,382	2,083,548
Total Expenditures	1,640,761	2,192,363	2,174,344	1,938,382	2,083,548
Expenditures by Object					
Salary and benefits	387,317	447,972	415,079	437,155	423,009
Contract Professional Services	0	3,003	17,800	7,000	28,250
Operating supplies and Expenses	81,776	46,970	34,615	67,377	55,439
Assistance And Grants	1,161,372	1,694,418	1,705,000	1,425,000	1,575,000
Subtotal: Operating	1,630,465	2,192,363	2,172,494	1,936,532	2,081,698
Capital Purchases And Equipment	10,296	0	1,850	1,850	1,850
Subtotal: Other	10,296	0	1,850	1,850	1,850
Total Expenditures	1,640,761	2,192,363	2,174,344	1,938,382	2,083,548
Expenditures by Source of Funds					
General Revenue	220,795	233,970	242,675	271,745	283,285
Federal Funds	447,228	787,721	799,350	726,668	770,332
Restricted Receipts	972,738	1,170,673	1,132,319	939,969	1,029,931
Total Expenditures	1,640,761	2,192,363	2,174,344	1,938,382	2,083,548