

STATE TREASURER

| Budget Summary | | | | | | | | |
|-----------------------|------------------|------------------|------------------|------------------|------------------|--------------------|-----------------|-------------|
| Fund | 2020-21 Base | 2021-23 | 2021-23 | 2021-23 | 2021-23 | Act 58 Change Over | | |
| | Year Doubled | Governor | Jt. Finance | Legislature | Act 58 | Base Year Doubled | Amount | Percent |
| GPR | \$0 | \$437,900 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0% |
| PR | <u>240,200</u> | <u>437,900</u> | <u>253,600</u> | <u>253,600</u> | <u>253,600</u> | <u>13,400</u> | <u>13,400</u> | 5.6 |
| TOTAL | \$240,200 | \$875,800 | \$253,600 | \$253,600 | \$253,600 | \$13,400 | \$13,400 | 5.6% |

| FTE Position Summary | | | | | | |
|-----------------------------|--------------|-------------|-------------|-------------|-------------|-------------------|
| Fund | 2020-21 Base | 2022-23 | 2022-23 | 2022-23 | 2022-23 | Act 58 Change |
| | | Governor | Jt. Finance | Legislature | Act 58 | Over 2020-21 Base |
| GPR | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| PR | <u>1.00</u> | <u>2.00</u> | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> | <u>0.00</u> |
| TOTAL | 1.00 | 4.00 | 1.00 | 1.00 | 1.00 | 0.00 |

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

| | |
|----|----------|
| PR | \$13,400 |
|----|----------|

Governor/Legislature: Provide adjustments to the base totaling \$6,700 PR annually for full funding of continuing position salaries and fringe benefits.

2. INCREASED RESOURCES FOR THE OFFICE

| | Governor | | Jt. Finance/Leg. | | Net Change | |
|--------------|-----------------------|------------------|-------------------------|------------------|--------------------------|------------------|
| | (Chg. to Base) | | (Chg. to Gov) | | Funding Positions | |
| | Funding | Positions | Funding | Positions | Funding | Positions |
| GPR | \$437,900 | 2.00 | -\$437,900 | - 2.00 | \$0 | 0.00 |
| PR | <u>184,300</u> | <u>1.00</u> | <u>- 184,300</u> | <u>- 1.00</u> | <u>0</u> | <u>0.00</u> |
| Total | \$622,200 | 3.00 | -\$622,200 | - 3.00 | \$0 | 0.00 |

Governor: Create a GPR appropriation for general program operations within the Office of the State Treasurer. Provide \$212,300 GPR and \$85,400 PR in 2021-22 and \$225,600 GPR and

\$98,900 PR in 2020-21 and 2.0 GPR and 1.0 PR positions annually.

| | 2021-22 | | 2022-23 | | 2021-23 |
|----------------------------|--------------|--------------|------------|-----------|--------------|
| | <u>GPR</u> | <u>PR</u> | <u>GPR</u> | <u>PR</u> | <u>Total</u> |
| Salary and Fringe Benefits | \$164,000 | \$58,100 | \$181,500 | \$75,700 | \$479,300 |
| Supplies and Services | 43,600 | 22,500 | 44,100 | 23,200 | 133,400 |
| Office Move Costs | <u>4,700</u> | <u>4,800</u> | <u>0</u> | <u>0</u> | <u>9,500</u> |
| Total | \$212,300 | \$85,400 | \$225,600 | \$98,900 | \$622,200 |

The bill would provide funding for two appropriations, one funded by GPR and the other by PR funds generated by the sale of unclaimed property. The bill would create three positions: a chief of staff, a financial specialist, and an office manager. The administration indicates that each position would be funded by 50% GPR and 50% PR. The bill would also modify funding and position authority for the State Treasurer such that the position would be funded by 50% GPR and 50% PR. Under current law, the Treasurer's compensation is funded entirely by program revenue.

In addition, the bill would provide a supplies and services allocation of \$43,600 GPR and \$22,500 PR in 2021-22 and \$44,100 GPR and \$23,200 PR in 2022-23 for costs associated with travel, membership in national organizations, and the promotion of unclaimed property. The bill would also provide a one-time allocation of \$4,700 GPR and \$4,800 PR in 2021-22 for costs associated with the new positions and moving the office.

Joint Finance/Legislature: Provision not included.

3. SMALL BUSINESS RETIREMENT SAVINGS BOARD

Governor: Specify that the State Treasurer serve as one of nine members on the Small Business Retirement Savings Board, administered by the Department of Financial Institutions. The Board would be responsible for establishing and overseeing the Small Business Retirement Savings Program for certain privately-employed individuals who are not offered an employer-sponsored retirement plan.

The Board would be required to design the program to: (a) allow eligible employees to contribute to their accounts through payroll deductions and require participating employers to withhold employee wages, through payroll deductions, employees' account contributions, and remit those contributions directly to the investment administrator; (b) allow the investment administrator to pool accounts as the trustee of account contributions and earnings; (c) limit the investment advisor fee to a fixed monthly amount approved by the Board and keep the administrative costs of the program low; (d) not require a minimum account balance, if the employee makes contributions each pay period; (e) allow account consolidation and rollover; and (f) allow an account owner to continue the account after separating from employment with a participating employer, if the account owner has a positive balance. [See "Financial Institutions."]

Joint Finance/Legislature: Provision not included.

4. ADMINISTRATIVE ATTACHMENT TO DOA

Governor: Specify that the Office of the State Treasurer is administratively attached to the Department of Administration for budgeting, program coordination, and related management purposes. While DOA currently provides such services to the Office of the State Treasurer, the Office is not statutorily attached to DOA. The bill would formalize current practice in statute. [See "Administration -- General Agency Provisions."]

Joint Finance/Legislature: Provision not included.