

STATE TREASURER

EXECUTIVE OFFICES & CRIMINAL JUSTICE APPROPRIATIONS SUBCOMMITTEE
STAFF: ZACKERY KING

BUDGET BRIEF

SUMMARY

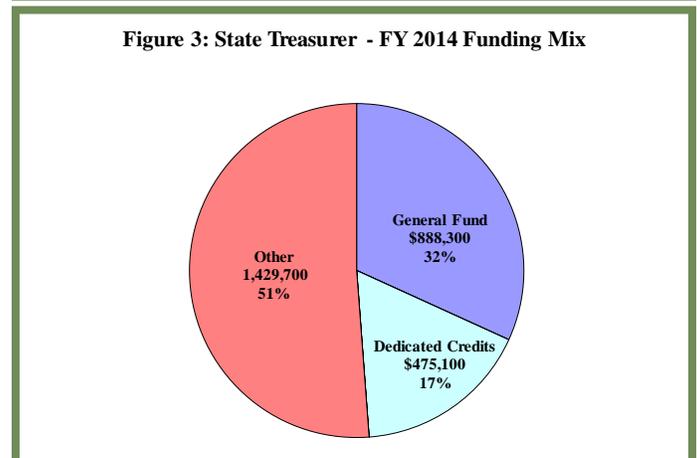
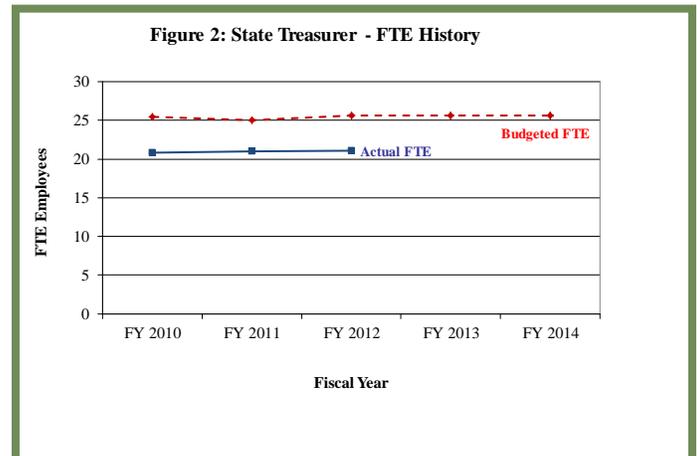
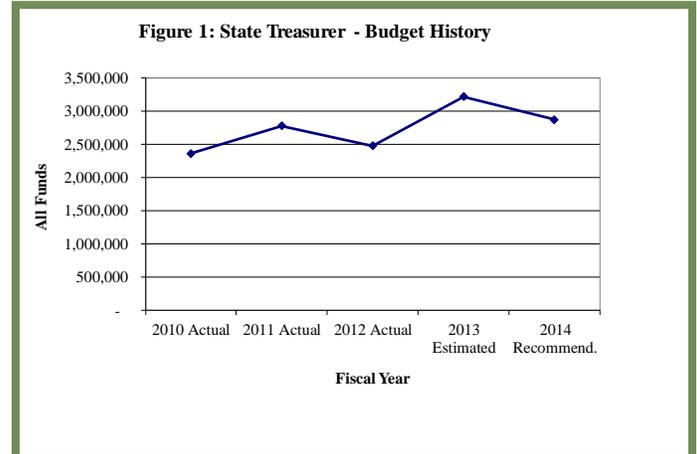
The State Treasurer is responsible for all state funds. The Office controls the receipt and deposit of state monies, manages the banking relationships for all bank accounts, invests all funds at the highest market rates and provides liquidity for all state disbursements, subject to the Money Management Act. The Treasurer also manages the investments of the Permanent State School and Institutional Trust Land Fund, the Permanent State Trust Fund (Tobacco Settlement), and the Other Post Employment Benefit (OPEB) Trust Fund.

The Treasurer coordinates the sale of all debt authorized by the Legislature, operates the Public Treasurers' Investment Fund (PTIF) for the benefit of all public entities and reconciles bank accounts. The office also administers the Unclaimed Property program in behalf of the state.

The State Treasurer line item is comprised of four programs:

Treasury and Investment. Coordinates and oversees the state's banking operations and administers financial services contracts. Daily manages the state's cash, concentrating collections, securely funding disbursements and investing available liquidity. Works with agencies on treasury technology initiatives which enhance efficiency and security while controlling or reducing costs. Invests state and local government funds according to the Money Management Act and rules of the Money Management Council. Uses investment research tools to maximize the safety of funds invested and to earn competitive yields. Maintains a Public Treasurers' Investment Fund (PTIF) so that other governmental entities can pool their idle money together for professional management, high liquidity and the best possible return. The majority of the line item's general funds are in this program.

Unclaimed Property. Is responsible for reuniting lost or abandoned property with its rightful owners. Property types include savings accounts, life insurance policies, payroll checks, safe deposit box contents, stocks and mutual funds, and other types of property. Any amount not returned to rightful owners is deposited in the Uniform School Fund. This program is funded entirely by the Unclaimed Property Trust Fund.



Money Management Council. Is responsible for the oversight of bank deposits and investments maintained by all Utah public treasurers. This involves overseeing and supporting over 500 public treasurers from municipalities of all types, large and small, urban and rural. Additionally, the council must oversee and monitor the degree to which over 60 financial institutions which hold public funds comply with the Money Management Act and Rules of the Money Management Council. The State Treasurer's Office provides staff to the council.

Financial Assistance. When operational, the program evaluates proposals for water and other infrastructure development submitted to the Community Impact Board, the Board of Water Resources, the Water Pollution Control Committee and the Safe Drinking Water Committee.

ISSUES AND RECOMMENDATIONS

Base Budget

For the State Treasurer, the Fiscal Analyst recommends a FY 2014 base budget of \$2,793,100. This amount includes a \$78,700 reduction in dedicated credits from the Financial Assistance Program; this is the sole revenue source to the program and would effectively discontinue it.

In consultation with the State Treasurer, it is recommended that the Legislature discontinue appropriations to the Financial Assistance Program. The program has not developed into what was intended by the Legislature due to lack of demand from the applicable boards for the services described in statute. The program is not, and has not been, operational.

Intent Language

A report on intent language passed by the Legislature during the 2012 General Session for the Governor is included in the issue brief entitled *Governor Follow-up on Previous Intent Language*.

The Analyst recommends the following intent language to make the State Treasurer's FY 2013 unexpended appropriations nonlapsing at the end of FY 2013 (recommended by the Governor):

Under section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the State Treasurer in Item 10 of Chapter 11 Laws of Utah 2012 not lapse at the close of fiscal year 2013.

BUDGET DETAIL TABLE

State Treasurer						
Sources of Finance	FY 2012 Actual	FY 2013 Appropriated	Changes	FY 2013 Revised	Changes	FY 2014* Recommended
General Fund	870,500	888,300	0	888,300	0	888,300
Dedicated Credits Revenue	440,600	553,800	0	553,800	(78,700)	475,100
Unclaimed Property Trust	1,408,100	1,429,700	0	1,429,700	0	1,429,700
Beginning Nonlapsing	250,000	0	350,000	350,000	(350,000)	0
Closing Nonlapsing	(350,000)	0	0	0	0	0
Lapsing Balance	(143,500)	0	0	0	0	0
Total	\$2,475,700	\$2,871,800	\$350,000	\$3,221,800	(\$428,700)	\$2,793,100
Programs						
Treasury and Investment	1,175,200	1,276,100	100,000	1,376,100	(100,000)	1,276,100
Unclaimed Property	1,220,400	1,429,700	250,000	1,679,700	(250,000)	1,429,700
Money Management Council	80,100	87,300	0	87,300	0	87,300
Financial Assistance	0	78,700	0	78,700	(78,700)	0
Total	\$2,475,700	\$2,871,800	\$350,000	\$3,221,800	(\$428,700)	\$2,793,100
Categories of Expenditure						
Personnel Services	1,810,700	2,091,000	20,300	2,111,300	(73,700)	2,037,600
In-state Travel	1,200	2,800	(700)	2,100	0	2,100
Out-of-state Travel	15,700	16,400	400	16,800	0	16,800
Current Expense	404,700	561,800	179,200	741,000	(274,100)	466,900
DP Current Expense	223,800	199,800	120,800	320,600	(50,900)	269,700
DP Capital Outlay	19,600	0	30,000	30,000	(30,000)	0
Total	\$2,475,700	\$2,871,800	\$350,000	\$3,221,800	(\$428,700)	\$2,793,100
Other Data						
Budgeted FTE	26	26	(1)	26	0	26
Actual FTE	22	0	0	0	0	0
Vehicles	1	1	0	1	0	1

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

SUMMARY OF RECOMMENDATIONS

The Analyst recommends the Legislature:

1. Approve a FY 2014 base budget of \$2,793,100 as shown in the budget detail table. This includes the recommendation to discontinue ongoing appropriations in the Financial Assistance Program as outlined on page 2.
2. After review and adjustment, approve the intent language on page 2.