

Office of the General Treasurer

Governor's FY 2025 Revised and FY 2026
Budgets

Staff Presentation to the House Subcommittee
on General Government
March 27, 2025

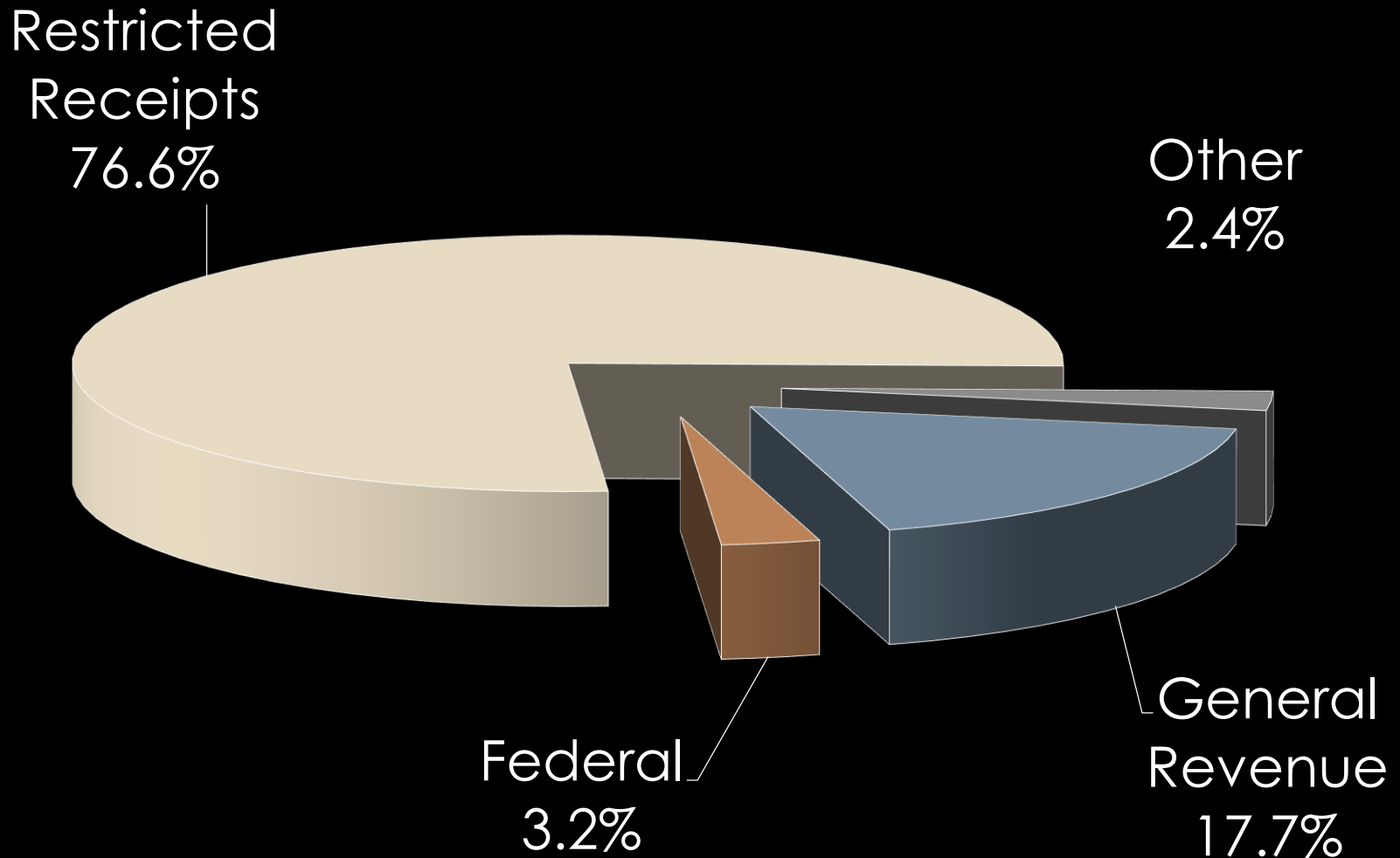
Summary By Program

| | FY 2025 Enacted | FY 2025 Revised | FY 2026 Governor |
|---------------------------|----------------------------|----------------------------|-----------------------------|
| General Treasury | \$5.0 | \$5.1 | \$4.7 |
| Unclaimed Property | 3.0 | 3.1 | 3.3 |
| Retirement System | 14.2 | 14.7 | 16.3 |
| Crime Victim Compensation | 1.7 | 1.6 | 1.7 |
| Total | \$23.9 | \$24.6 | \$26.0 |
| FTE | 91.0 | 91.0 | 92.0 |

\$ in millions

- One new Cybersecurity position

FY 2026 Summary By Source



Crime Victim Compensation

- Criminal Injuries Compensation Act of 1996 enables state to compensate innocent victims of violent crimes for certain expenses
 - Medical, dental and hospital expenses
 - Mental health counseling expenses
 - Funeral and burial expenses
 - Relocation expenses
 - Loss of earnings (victim only)
 - Loss of support (dependents of homicide victim)

Crime Victim Compensation

| Offense Charged | Fine |
|---------------------------------|---------------------------------|
| Felony w/ max penalty 5 > years | Greater of \$150 or 15% of fine |
| Felony w/ max penalty < 5 years | Greater of \$90 or 15% of fine |
| Misdemeanor | Greater of \$30 or 15% of fine |

- Amounts unchanged since 1996
- Multiple counts may be capped at 2

Crime Victim Funding

- Restricted Receipts
 - Court fees
- Federal Funds
 - 75% match of claims paid by state
 - Increased from 60% in 2021
- General Revenues
 - \$2.2 million in FY 2000 through FY 2002
 - \$0.5 million in FY 2003
 - \$0.5 million for Station Fire in FY 2005
 - General revenue support for regular claims resumed in FY 2019

Crime Victim Funding

- Receipts began declining in FY 2013
 - As restricted receipts decrease, so do federal funds
- Large increase in claims in FY 2017
 - Office began implementing changes in FY 2018 about how relocation claims are handled
 - Limiting rent reimbursements to market rates

| | Total | Claims | Avg. Value | Chg. to Prior Avg. |
|---------|--------------|---------------|-------------------|---------------------------|
| FY 2020 | \$1,015,404 | 349 | \$2,909 | 31.0% |
| FY 2021 | \$908,843 | 287 | \$3,167 | 8.7% |
| FY 2022 | \$834,806 | 242 | \$3,450 | 8.9% |
| FY 2023 | \$803,544 | 244 | \$3,293 | -4.6% |
| FY 2024 | \$720,175 | 215 | \$3,350 | 1.7% |

Unclaimed Property

- Unclaimed property holders file it with Treasurer
 - Attempts to find owners
- Amounts remaining after expenses & returns to owners are sent to state general revenues
 - Portion is set aside in case people claim money before new revenues come in
- Baby Bonds proposal reduces transfer in FY 2027

| November Revenue Estimate Conference | | |
|---|----------------|----------------|
| | FY 2025 | FY 2026 |
| Claims | \$15.0 | \$15.0 |
| Transfer to GR | \$21.3 | \$20.5 |

\$ in millions

Article 10, Secs. 3 & 4 – Baby Bonds

- Article 10 creates the Rhode Island Baby Bond Trust
 - \$3,000 trust for each Rhode Island child
 - Born on or after January 1, 2026
 - Born to a family enrolled in RI Works Program
 - Within the first twelve months of their life
 - Authorizes General Treasurer to manage, invest, and administer funds
 - Shall accrue interest until child's 18th birthday

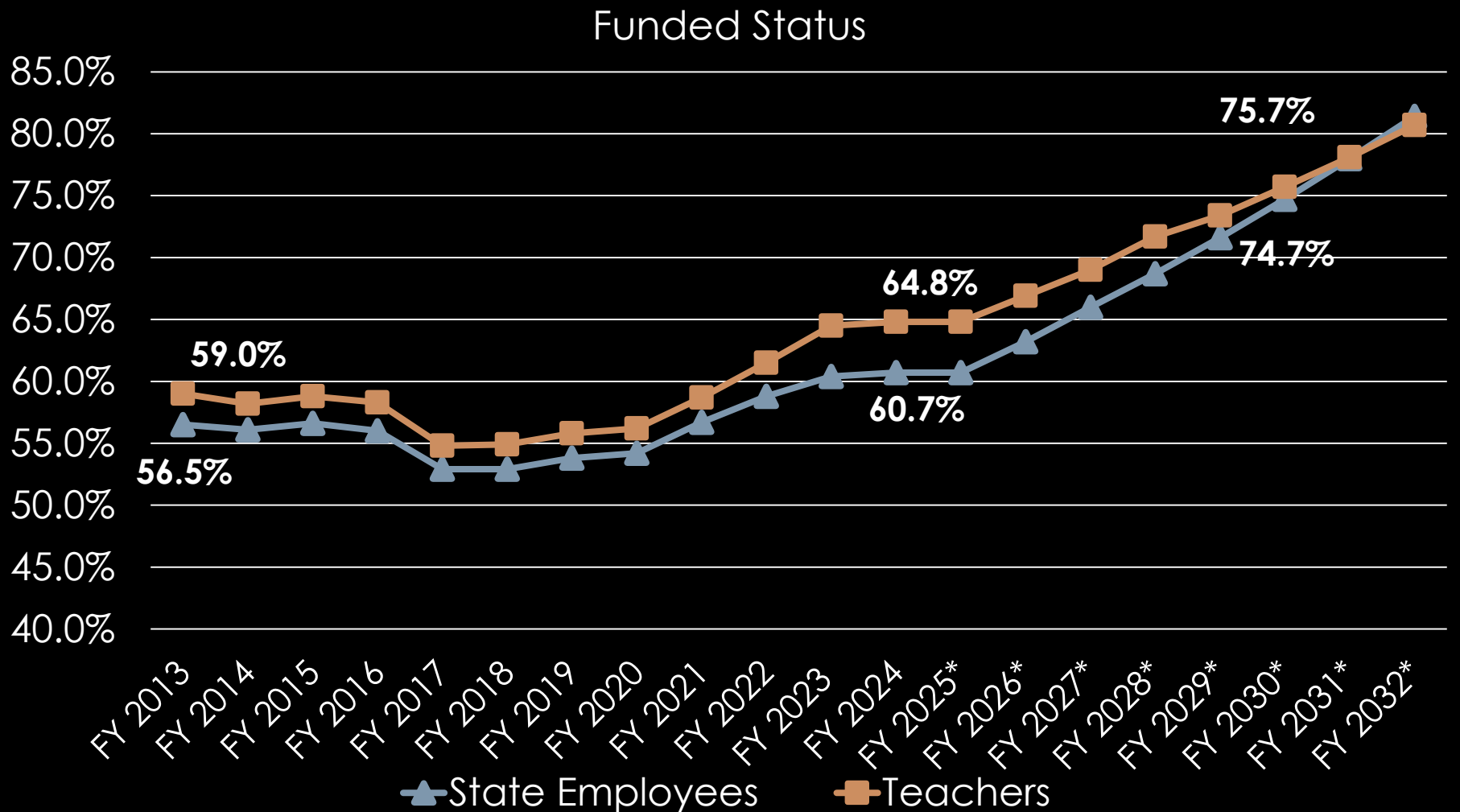
Retirement System

- Administrative costs are funded from 0.175% of average total investments
 - \$14.7 million for FY 2025
 - \$16.3 million for FY 2026

| FY 2026 Changes to Enacted Budget | |
|--|--------------|
| New Cybersecurity FTE * | \$0.1 |
| Other personnel | 1.0 |
| Computer system | 1.0 |
| Other expenses | (0.0) |
| Total | \$2.1 |

\$ in millions; *50% of cost

Retirement System



CollegeBound Saver

- Admin responsibility for the state's tuition savings program transferred in FY 2016
 - From HEAA to Treasurer's Office
- Investments managed by Fund manager
 - State Investment Commission responsible for oversight & plan selection
- Fees support program & state scholarship programs

CollegeBound Saver

- Fees generate \$3M to \$4M annually
 - CollegeBound Saver fees funded (whole or partially)
 - Dual Enrollment
 - Last Dollar Scholarship
 - OPC also receives fees for operations
- Fees have been declining
 - Governor includes \$3.4 million for Last Dollar only

| Fiscal Year | 2019 | 2020 | 2021 | 2022 | 2023 | 2024* | 2025* | 2026* |
|--------------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Fees | \$6.2 | \$5.7 | \$5.6 | \$4.9 | \$4.1 | \$3.9 | \$3.8 | \$3.8 |

\$ in millions, *estimated

Office of Debt Management

- 2016 Assembly funded new Office
 - Monitor/manage process by which governmental units issue/manage public debt
- \$160,000 from general revenues for next debt affordability study
 - Study required at least every two years
 - 4th affordability study issued Dec. 14, 2023
 - Recommendations for debt capacity of state, municipal, & quasi-public entities

Cash Management Assessment

- FY 2022 & FY 2023 financials finding
 - Operations complexity has increased without necessary investments in technology & staff to ensure internal control best practices
 - Deputy cash manager hired during FY 2024 to address the finding
- Office also issued RFP in FY 2024 seeking
 - Assessment cash-related activities & recommendations
 - Efficiencies and improvements
 - Best practices

Cash Management Assessment

- FY 2026 Budget Request
 - Office requests funding for selected vendor in current year
 - Phase I – \$140K GR for FY 2025 revised
 - \$140,000 GR for assessment/recommendations
 - Also requests Phase II RFP
 - Banking services & proposal evaluation
 - \$150K GR for FY 2026
 - Governor recommends funding as requested for both items

Medical Debt

- FY 2025 budget has one-time \$1.0 million to discharge certain medical debt
 - Treasurer's Office has contracted with Undue Medical Debt
- FY 2026 request includes \$1.0 million for an additional year
 - Governor does not recommend
 - Unspent funds reappropriate to FY 2026

Move

- Request - \$350,000 for possible move
 - DCAMM notified Office that ERSRI would need to move from Warwick location
 - DCAMM made later decision not to move tenants during renovations
- Governor adds \$31M RICAP for FY 2026
 - Acquire & renovate 115 Tripps Lane in E.P.
 - Administration's plan is to move 50 Service Avenue operations to new facility

Current Locations

| Entity | # Staff/ Workstations | Current location | Sq. Feet |
|--|--------------------------|--------------------------------|----------------|
| DEM | 300 | Foundry | 126,184 |
| Statewide Planning* | 24 | | |
| DHS | 424 | DOA, Hazard & Louis Pasteur | 74,719 |
| ETSS (Mailroom, Data Center & Telecom.) | 61 | 50 Service Avenue | 45,928 |
| Treasury (?) | 83 | | 20,481 |
| State Police | 66 | | 13,591 |
| Energy Resources | 16 | DOA | 860 |
| Total | 974 | | 281,763 |

*Would go to Powers Building

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