

**FY22 Budget Performance Review
Oklahoma State Treasurer - 740**

Lead Administrator: Hounarable Randy McDaniel

Agency Mission

The mission of the Office of State Treasurer is to serve the people of Oklahoma by providing sound banking and investment services and promoting economic opportunities in a fiscally responsible and efficient manner while adhering to the highest professional standards.

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

40 - Banking and Treasury Services

Warrant printing, clearing and imaging, electronic receipt and disbursement processing including ACH transactions, wire transfer, return item processing, lockbox, image cash letter and remote deposit capture, cashier services including deposit processing, activity statements, manage earnings credits and banking fees

40 - Portfolio Accounting & Reporting/ - Investment Services

Bank account reconciliation, correction processing, cash management including daily cash position, initiate, settle, record and manage relationships with master custody bank, securities lending agent and authorized financial institutions, issue and receive collateralization of state funds on deposit, investment performance reporting, prepare annual financial statements

50 - Bond Advisor

The Debt Management Division of the Office of the State Treasurer is headed by the statutory position of State Bond Advisor and administrative staff to the Council of Bond Oversight and is responsible for the oversight and management of state debt issues.

60 - Unclaimed Property

The objective of this program is to secure and return unclaimed property to its rightful owner. Activities include: identifying and last known addresses, initiating, reviewing and approving documentation provided in support of claims, processing payments.

30 - State Land Reimbursement

This program passes funds to counties based on state owned land.

88 -Data Processing

OST contracts with OMES ISD for information technology services including desktop, network and application support. Includes internal applications used exclusively by OST and hosted applications used statewide such as for disbursements and deposits.

92 - College Savings and STABLE program

Oklahoma's qualified tuition savings program under Section 529 of the federal tax code. The STABLE program provides protection from assets limits for government benefit programs.

93 - Statewide Circuit Engineering

By statute, the State Treasurer serves as chair of the Oklahoma College Savings Plan Board of Trustees, which offers tax-qualified savings under Section 529 of the federal tax code.

99 - Bonds and Coupons

Pass through program

FY'21 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal
4002001	Banking Fees		
4002006	Banking & Treasury Services	610,036	
4004001	General Administration	508,552	
4004003	Public Information	132,044	
4005003	Investment Office		
4005004	Link Deposit (dormant program)	2,549	
4005005	Portfolio Accounting and Reporting	772,719	

5005001	Bond Advisory Services		
6000001	Unclaimed Property		
6000002	UP - Audit & Publication		
8800060	UP - Data Processing		
8801040	Data Processing	621,751	
9200007	College Savings Plan		
3000001	State Land Reimbursement	95,000	
9300000	Statewide Circuit Engineering		
Total		\$2,742,651	\$0

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

FY'20 Carryover by Funding Source		
Carryover	Appropriations	Federal
	\$1,704,368	#VALUE!
	\$0	

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable:

What changes did the agency make between FY'20 and FY'21?

1.) Are there any services no longer provided because of budget cuts?

No services were discontinued between FY20 and FY21 due to budget cuts.

2.) What services are provided at a higher cost to the user?

The costs of services provided to TSET pursuant to Title 74 O.S. Section 581 increased by \$1,000 (from FY20 to FY21)

3.) What services are still provided but with a slower response rate?

Due to continuing turnover and the associated training of new employees, the agency struggled to meet administrative deadlines.

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?

Yes.

FY'22 Requested Funding By Department and Funding Source

Dept. #	Department Name	Appropriations	Federal
4002001	Banking Fees	\$0	\$0
4002006	Banking & Treasury Services	\$610,036	\$0
4004001	General Administration	\$508,552	\$0
4004003	Public Information	\$132,044	\$0
4005003	Investment Office	\$0	\$0
4005004	Link Deposit (dormant program)	\$2,549	\$0
4005005	Portfolio Accounting and Reporting	\$772,719	\$0
5005001	Bond Advisory Services	\$0	\$0
6000001	Unclaimed Property	\$0	\$0
6000002	UP - Audit & Publication	\$0	\$0
8800060	UP - Data Processing	\$0	\$0
8801040	Data Processing	\$621,751	\$0
9200007	College Savings Plan	\$0	\$0
3000001	State Land Reimbursement	\$95,000	\$0
9300000	Statewide Circuit Engineering	\$0	\$0

Total	\$2,742,651	\$0
--------------	--------------------	------------

1. Please describe source(s) and % of total of "Other" funding for each department:

FY'22 Top Five Operational Appropriation Funds

Request by Priority	Request Description
Request 1:	Increased IT Support costs
Request 2:	
Request 3:	
Request 4:	
Request 5:	
Total Increase above FY-21 Budget (including all requests)	
Difference between Top Five requests and total requests:	

Does the agency have any costs associated with the Pathfinder retirement

Yes

How would the agency be affected by receiving the same appropriation for FY '22

Critical system's replacement projects would be adversely affected since budgeted funds would have to be redirected to pay

How would the agency handle a 2% appropriation reduction

The Treasurer's Office has already initiated numerous cost-cutting measures which have allowed the agency to absorb a 2% reduction the agency would have to cut important services, utilize earnings credits to offset banking fees as economic conditions

Is the agency seeking any fee increases for

Increase 1
Increase 2
Increase 3

What are the agency's top 2-3 capital or technology (one-time)

Description of request in order of priority	
Priority 1	Replacement of COBOL based mainframe applications using carryover and revolving funds. These outdated treasury applications place state financial transactions at continued risk of failure.
Priority 2	Updated outdated investment trading platform
Priority 3	

Federal Funds			
CFDA	Federal Program Name	Agency Dept. #	FY 21 budgeted

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?
N/A

2.) Are any of those funds inadequate to pay for the federal mandate?

N/A

3.) What would the consequences be of ending all of the federal funded programs for your agency?

N/A

4.) How will your agency be affected by federal budget cuts in the coming fiscal year?

N/A

5.) Has the agency requested any additional federal earmarks or increases?

N/A

FY'21 Budgeted FTE			
Division #	Division Name	Supervisors	Classified
40	General Operations	6	
50	Bond Advisory Services	0.8	
60	Unclaimed Property	5.2	
Total		12	0

FTE History			
Division #	Division Name		2021 Budgeted
40	General Operations		21.5
50	Bond Advisory Services		5.3
60	Unclaimed Property		29.2
88	Data Processing		
Total			56.0

Performance Measure Review		FY 20
Banking Services		
	Warrants Processed	13%
Portfolio Accounting/Investments		
	Earnings (Goal within 10% of projection)	98.33
	ROI v. Benchmark (95% goal)	77
	% Investments (CD and Repo) Collateralized	100
	Transactions Audited (within 90 days)	100
	Certificates of Deposit Issued: Total (in millions)	341
Unclaimed Property		
	Amount of Claims Paid	\$33,600,000
	# of Claims Paid	10,330

Revolving Funds (200 Series Funds)

<i>Please provide fund number, fund name, description, and revenue source</i>	FY'18-20 Av
State Treasurer's Revolving Fund (200)	
This fund receives payments from state agencies for managing investments, processing stop payments, returned check collection and fines for late payment records.	\$918
Securities Lending & Custodian Fee Revolving Fund (215)	
This fund receives securities lending revenue and is restricted to paying banking fees.	\$127
Unclaimed Property Administrative Revolving Fund (260)	
This fund receives 4% of amounts deposited to the Unclaimed Property Fund and is restricted to program administration.	\$4,083
Unclaimed Property Clearinghouse Fund (265)	
This fund pays for contract property location services, publication, auction and custodial services from the Unclaimed Property Fund (This is a clearing account, any ending balance is due to timing of payments).	\$1,770
Bond Oversight Revolving Fund (285)	
This fund is authorized to charge and collect a fee, in accordance with the rules of the Council, derived from proceeds of bond issues approved by the Council and any other monies provided for by law. (2018 totals are for a partial year. This function transferred to OST in Nov'17)	\$434

ew
000

Lead Financial Officer: Kiranmaye Nallayahgari

ent services, reuniting individuals and businesses with their unclaimed property,
ional and ethical standards.

transfers and credit and debit card processing, depository bank services including
ing, check cashing, and change order processing, stop payment services, agency

and reconcile investment transactions, monitor and record investment income,
deem CDs, manage investment portfolio, record bond sinking fund transactions,

visor which serves at the pleasure of the State Treasurer. The division serves as
suance.

ing and entering owner, property and holder information, publishing owner names
lyments and promoting public awareness of the program.

Application support includes both server and mainframe processes and both
sits processing.

a savings vehicle for people with disabilities to save for quality of life expenses

deductible investment savings options for post-secondary educational expenses

Source

Revolving	Local ¹	Other ²	Total
450,000			\$450,000
			\$610,036
			\$508,552
			\$132,044
167,034			\$167,034
			\$2,549
			\$772,719

437,259			\$437,259
63,283,123			\$63,283,123
4,865,000			\$4,865,000
667,854			\$667,854
2,085,844			\$2,707,595
29,900			\$29,900
			\$95,000
5,120,000			\$5,120,000
			\$0
\$77,106,014	\$0	\$0	\$79,848,665

Revolving	Local ¹	Other ²	Total
#VALUE!	#VALUE!	#VALUE!	#VALUE!
			\$0

20 and FY'21?

dlines

d Source

Revolving	Other ¹	Total	% Change
\$450,000	\$0	\$450,000	0.00%
\$0	\$0	\$610,036	0.00%
\$0	\$0	\$508,552	0.00%
\$0	\$0	\$132,044	0.00%
\$167,034	\$0	\$167,034	0.00%
\$0	\$0	\$2,549	0.00%
\$0	\$0	\$772,719	0.00%
\$437,259	\$0	\$437,259	0.00%
\$63,283,123	\$0	\$63,283,123	0.00%
\$4,865,000	\$0	\$4,865,000	0.00%
\$667,854	\$0	\$667,854	0.00%
\$2,085,844	\$0	\$2,707,595	0.00%
\$29,900	\$0	\$29,900	0.00%
\$0	\$0	\$95,000	0.00%
\$5,120,000	\$0	\$5,120,000	0.00%

\$77,106,014	\$0	\$79,848,665	0.00%
--------------	-----	--------------	-------

ing Requests

	Appropriation Request Amount (\$)
	\$132,383
Top Five Request Subtotal:	\$132,383
	\$ 132,383
	\$0

ent system and federal employees?

2 as was received in FY '21? (Flat/ 0% change)

ly increased IT support costs.

duction in FY '22?

5% cumulative reduction over the last 10 years. To absorb an additional 2% ditions permit, and consider increasing the charge for services rendered

FY '22?

	Fee Increase Request (\$)	Statutory change required? (Yes/No)

e) requests, if applicable?

	Appropriated Amount (\$)	Submitted to LRCPC? (Yes/No)
d and unsupported banking and	\$0	
	\$0	

FY 20	FY 19	FY 18	FY 17

Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
21.5	2	14	5.5
5.3	1	3.5	0.8
29.2	5.5	20	3.7
56	8.5	37.5	10

2020	2019	2017	2012
21.7	19.00	22.0	41.0
2.5	2.50		
28.9	30.00	19.0	19.0
53.1	51.5	41.0	60.0

FY 19	FY 18	FY 17	FY 16
12%	12%	12%	12%
112	110	99	96
89	214	390	248
100	100	100	100
100	100	100	95
160	210	232	207
\$51,685,045 13,452	\$42,769,653 15,222	\$34,550,861 12,458	\$31,144,764 12,925



g. Revenues	FY'18-20 Avg. Expenditures	June '20 Balance
,016	\$199,324	\$4,450,064
,236	\$161,502	\$614,103
3,889	\$3,328,535	\$7,613,880
0,240	\$1,754,695	\$53,073
,885	\$192,420	\$169,085