

State Treasurer

Lead Administrator: Ken Miller, State Treasurer

| FY'15 Projected Division/Program Funding By Source | | | | | | |
|--|--------------------|------------|--------------------|------------|------------|---------------------|
| | Appropriations | Federal | Revolving | Local | Other* | Total |
| General Operations | \$2,539,437 | | \$807,884 | | | \$3,347,321 |
| Unclaimed Property | | | \$5,182,602 | | | \$5,182,602 |
| Data Processing | \$715,000 | | \$1,202,000 | | | \$1,917,000 |
| State Land Reimbursements | \$100,000 | | | | | |
| Total | \$3,354,437 | \$0 | \$7,192,486 | \$0 | \$0 | \$10,546,923 |

*Source of "Other" and % of "Other" total for each.

| FY'14 Carryover by Funding Source | | | | | | |
|-----------------------------------|----------------|---------|-------------|-------|--------|-------------|
| | Appropriations | Federal | Revolving | Local | Other* | Total |
| FY'14 Carryover | \$1,456,000 | \$0 | \$5,322,000 | \$0 | \$0 | \$6,778,000 |

*Source of "Other" and % of "Other" total for each.

| What Changes did the Agency Make between FY'14 and FY'15 | |
|--|--|
| 1.) Are there any services no longer provided because of budget cuts? | There were no services discontinued between FY14 and FY15 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 \$3,000. |
| 3.) What services are still provided but with a slower response rate? | No service levels were reduced due to budget cuts between FY14 and FY15. |
| 4.) Did the agency provide any pay raises that were not legislatively/statutorily required? | Yes. |

| FY'16 Requested Division/Program Funding By Source | | | | | | |
|--|--------------------|------------|--------------------|------------|---------------------|----------|
| | Appropriations | Federal | Revolving | Other | Total | % Change |
| General Operations | \$2,534,437 | | \$807,788 | | \$3,342,225 | |
| Unclaimed Property | | | \$5,297,263 | | \$5,297,263 | |
| Data Processing | \$720,000 | | \$1,196,000 | | \$1,916,000 | |
| State Land Reimbursements | \$100,000 | | | | \$100,000 | |
| Total | \$3,354,437 | \$0 | \$7,301,051 | \$0 | \$10,655,488 | |

*Source of "Other" and % of "Other" total for each.

| FY'16 Top Five Appropriation Funding Requests | | \$ Amount |
|---|--|-------------------|
| Due to continued efficiencies from operations the funding available for administration of the unclaimed property program has exceeded operational costs. The Treasurer has identified an additional \$1 million that could be transferred from the Unclaimed Property Administrative Revolving Fund to the Legislature for appropriation. | | -\$1,000,000 |
| The Treasurer is not seeking any increases. | | |
| Total Increase above FY-15 Request | | -1,000,000 |

| How would the agency handle a 3% appropriation reduction in FY'16? | |
|---|--|
| The Treasurer's Office has already initiated numerous cost-cutting measures which has allowed the agency to absorb a 17.38% cumulative reduction since Treasurer Miller took office and a 34% cumulative reduction over the last 10 years. To absorb an additional 3% reduction the agency would have to consider increasing the charge for expenses incurred in managing the state blended portfolio from 1.25 basis points to 2 basis points. | |

| How would the agency handle a 5% appropriation reduction in FY'16? | |
|---|--|
| The Treasurer's Office has already initiated numerous cost-cutting measures which has allowed the agency to absorb a 17.38% cumulative reduction since Treasurer Miller took office and a 34% cumulative reduction over the last 10 years. To absorb an additional 5% reduction the agency would have to consider increasing the charge for expenses incurred in managing the state blended portfolio from 1.25 basis points to 2.5 basis points. | |

| Is the agency seeking any fee increases for FY'16? | | \$ Amount |
|--|------------------|-----------|
| Increase 1 | No fee increases | \$0 |
| Increase 2 | | \$0 |
| Increase 3 | | \$0 |

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

Except for the cumulative \$5.5 million dollars of revolving funds which have been identified as excess and transferred to the legislature during the last three years, the agency continues to use carryover and revolving funds to upgrade computer systems.

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

Division and Program Descriptions

Banking and Treasury Services

Warrant printing, clearing and imaging, electronic receipt and disbursement processing including ACH transactions, wire transfers and credit and debit card processing, depository bank services including return item processing, lockbox, image cash letter and remote deposit capture, cashier services including deposit processing, check cashing, and change order processing, stop payment services, agency activity statements, manage earnings credits and banking fees

Portfolio Accounting and Reporting/Investment Services

Bank account reconciliation, correction processing, cash management including daily cash position, initiate, settle, record and reconcile investment transactions, monitor and record investment income, manage relationships with master custody bank, securities lending agent and authorized financial institutions, issue and redeem CDs, manage investment portfolio, record bond sinking fund transactions, monitor collateralization of state funds on deposit, investment performance reporting, prepare annual financial statements

Unclaimed Property

The objective of this program is to secure and return unclaimed property to its rightful owner. Activities include: importing and entering owner, property and holder information, publishing owner names and last known addresses, initiating, reviewing and approving documentation provided in support of claims, processing payments and promoting public awareness of the program.

Data Processing

OST contracts with OMES ISD for information technology services including desktop, network and application support. Application support includes both server and mainframe processes and both internal applications used exclusively by OST and hosted applications used statewide such as for disbursements and deposits processing.

State Land Reimbursement

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

FY'16 Budgeted FTE

| | Supervisors | Classified | Unclassified | \$0 - \$35 K | \$35 K - \$70 K | \$70 K - \$\$\$ |
|--------------------|-------------|------------|--------------|--------------|-----------------|-----------------|
| General Operations | 5.15 | | 24.7 | 7.85 | 8.75 | 8.1 |
| Unclaimed Property | 2.85 | | 22.8 | 6.65 | 13.25 | 2.9 |
| Data Processing | | | | | | |
| Total | 8 | 0 | 47.5 | 14.5 | 22 | 11 |

FTE History

| | 2015 Budgeted | 2014 | 2010 | 2009 | 2004 |
|--------------------|---------------|-----------|-----------|-----------|-----------|
| General Operations | 29 | 31 | 33 | 35 | 42 |
| Unclaimed Property | 19 | 18 | 19 | 19 | 19 |
| Data Processing | | | 9 | 9 | 14 |
| Total | 48 | 49 | 61 | 62 | 75 |

| Performance Measure Review | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| | FY'13 | FY'12 | FY'11 | FY'10 | FY'09 |
| Banking Services | | | | | |
| Certificates of Deposit Issued: Total (in billions) | \$0.57 | \$0.85 | \$0.91 | \$1.12 | \$1.34 |
| Early Deposits: Added Interest Earned | \$126,587 | \$167,520 | \$172,220 | \$185,294 | \$307,480 |
| Warrants Processed | 26.5% | 34.0% | 39.8% | 40.8% | 51.0% |
| Portfolio Accounting/Investments | | | | | |
| Earnings (Goal within 10% of projection) | 84.00% | 99.20% | 64.30% | 85.74% | 107.30% |
| ROI v. Benchmark (95% goal) | 100% | 93% | 40% | 375% | 188% |
| % Investments (CD and Repo) Collateralized | 100% | 100% | 100% | 100% | 100% |
| Transactions Audited (within 60 days) | 44% | 40% | 29% | 80% | 73% |
| Unclaimed Property | | | | | |
| Amount of Claims Paid | \$22,890,000 | \$18,859,000 | \$15,936,394 | \$19,333,417 | \$16,831,267 |
| # of Claims Paid | 15,503 | 13,932 | 12,148 | 14,978 | 16,544 |

| Revolving Funds (200 Series Funds) | | | |
|--|------------------------|----------------------------|------------------|
| | FY'12-14 Avg. Revenues | FY'12-14 Avg. Expenditures | June '14 Balance |
| 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. | \$601,000 | \$353,000 | \$1,488,072 |
| Securities Lending & Custodian Fee Revolving Fund (215) - This fund receives securities lending revenue and is restricted to paying banking fees. | \$366,000 | \$142,000 | \$762,514 |
| Unclaimed Property Administrative Revolving Fund (260) - This fund receives 4% of amounts deposited to the Unclaimed Property Fund and is restricted to program administration. | \$2,992,000 | \$1,736,000 | \$3,071,307 |
| Unclaimed Property Clearinghouse Fund (265) - This fund pays for contract property location services, publication, auction and custodial services from the Unclaimed Property Fund | \$1,077,000 | \$1,056,000 | \$315 |