



2021 Finance Committee Budget Hearing Report

West Virginia State Treasurer's Office
Riley Moore, State Treasurer

304.558.5000

www.wvtreasury.com



Cash Management

The Cash Management Division manages the state's operating fund and processes all state receipts and disbursements. The collection and distribution methods include electronic commerce and paper-based transactions.

Highlights

- Implemented and currently maintaining a functional banking vendor for medical cannabis funds
- Implementing a new statewide merchant services program for credit card processing
 - Lower processing rate of 1.70%
 - Enhanced security for online and in-person payments
 - Additional options to meet agency business needs
 - Standardized card brand processing and invoicing
- Continued to provide seamless cash management functionality and assist state agencies during the COVID 19 pandemic to maximize revenue collections for the state
- Facilitated receiving CARES Act moneys from the federal government and the subsequent disbursing and investing of these funds



Debt Management

The Debt Management Division serves as a central information source concerning the incurrence, recording and reporting of debt issued by the state, its agencies, boards, commissions and authorities.

Highlights

- \$2.74 billion net tax supported debt outstanding
 - Approximately \$1.56 billion consists of General Obligation (GO) bonds (Examples: Roads to Prosperity Bonds, State Road Bonds and Infrastructure Bonds)
 - Approximately \$826 million consists of revenue bonds (Examples: Lottery Revenue Bonds issued by School Building Authority, Economic Development Authority and Higher Education)
- \$8.95 billion non-tax supported debt outstanding (Examples: Projects related to housing, hospitals, economic development, universities, highways, etc.)
- Approximately \$1.93 billion in bonds issued during FY2020

The annual Debt Position Report and Debt Capacity Report are available online at: <https://www.wvsto.com/Banking-Services/Debt-Management>



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

The West Virginia Board of Treasury Investments (BTI) manages approximately \$6.2 billion in short-term, fixed income investments. It provides investment opportunities to state agencies, local governments and other political entities.

Highlights

- Maintained Standard and Poor's AAAM rating for the WV Money Market and WV Government Money Market pools
- Certificate of Achievement for Excellence in Financial Reporting by the GFOA for 14th straight year
- Innovative CD auctions surpassed \$2.3 billion invested in West Virginia financial institutions
- The WV Money Market Pool ranked first out of 207 peer group funds for the 3- and 5-year periods ending 12/31/2020
- The WV Short Term Bond Pool return for the year ended 12/31/2020 was 4.11%, exceeding its benchmark by 66 basis points



SMART529[®]

West Virginia's Education Savings Solution

The West Virginia College Prepaid Tuition and Savings Program provides options for individuals to save for the cost of higher education and K-12 tuition.

Highlights

- Nearly \$3.0 billion in assets
- 36,226 West Virginians invested in program
- 116,280 total accounts
- Program grew with 8,544 new accounts; 3,298 of those new accounts are West Virginia residents



WVABLE (Achieving a Better Life Experience)

Allows individuals with disabilities to save and invest up to \$15,000 annually (\$482,000 lifetime limit) without jeopardizing federal benefits such as Medicaid or Supplemental Security Income (SSI)* (Must have developed the disability prior to age 26)

Highlights

- Earnings grow tax-free
- Contributions qualify for West Virginia state income tax deduction
- Funds can be spent on qualified disability expenses at any time
- 326 active accounts (as of 2/7/2021)
- \$1,944,158 in assets (as of 2/7/2021)
- Average account balance of \$5,963 (as of 2/7/2021)

*WVABLE account balances over \$100,000 are considered a resource for individuals receiving SSI; see WVABLE.com for complete plan details.



The West Virginia Retirement Plus Plan is a 457 supplemental retirement opportunity for state, county, city and other political subdivision employees.

Highlights

- More than \$310 million in total assets (as of 12/31/2020)
- Membership of 307 political subdivisions including 54 county commissions and 110 municipalities
- 18,212 participants



UNCLAIMED PROPERTY

Pursuant to the West Virginia Uniform Unclaimed Property Act, the State Treasurer's Office is responsible for preserving and protecting the property rights of owners of unclaimed property in the state.

Highlights

- \$18 million returned to rightful owners in FY2021
- \$35.8 million holder remittances in FY2021
- \$21,250,000 transferred to state general revenue fund in FY2021
- Transferred more than \$167 million to various funds since 1997
- The Unclaimed Property Fund has \$308 million in long-term liability



The State's Bank

Summary

- Cash Management: approximately \$18 billion in state cash receipts processed annually
- Assets Under Management:
 - Board of Treasury Investments: \$6.2 billion
 - SMART529: \$3.0 billion
 - Retirement Plus: \$310 million
 - Safekeeping: \$94 million
- Unclaimed Property: \$308 million in long-term liability
- State Treasury General Revenue Budget: \$3.4 million



Current Level Impact Statement

The State Treasurer's Office respectfully requests reappropriation language for any unexpended balances remaining in the appropriation of Current Expenses (Fund 0126, Appropriation 13000) at the close of FY2021 be reappropriated for expenditure during FY2022.

Operating FY2022 with 5% budget cut from base FY2021 level for General Revenue should pose no problem for the State Treasurer's Office.



Base Budget

General Revenue Appropriations (5-year trend)

Fund/Appropriation	FY21	FY20	FY19	FY18	FY17	% change FY2017 - FY2021
0126-001 (Pay/Benefits/Increment)	2,570,242	2,561,063	2,480,419	2,424,551	2,432,357	5.67%
0126-118 (Unclaimed Property)	41,794	41,794	41,794	41,794	96,600	-56.73%
0126-69201 (ABLE)	150,000	150,000	150,000	150,000	-	
0126-913 (BRIM)	59,169	59,169	59,169	54,409	30,809	92.05%
0126-099 (Current Expenses/others)	814,147	823,326	515,515	513,340	488,374	66.71%
Total	3,635,352	3,635,352	3,246,897	3,184,094	3,048,140	19.26%



Budget Appropriations

Summary Request

General Revenue Funds

<u>Fund #-Approp.</u>	<u>Fund Name</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22-Requested</u>	<u>FY22-Governor</u>
0126-00100	Personal Services	\$ 2,561,063	\$ 2,570,242	\$ 2,570,242	\$ 2,570,242
0126-09900	Unclassified	\$ 30,415	\$ 31,463	\$ 31,463	\$ 31,463
0126-13000	Current Expenses	\$ 782,911	\$ 772,684	\$ 572,684	\$ 572,684
0126-69000	Other Assets	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
0126-11800	Abandoned Property Program	\$ 41,794	\$ 41,794	\$ 41,794	\$ 41,794
0126-69201	ABLE Program	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
<u>0126-91300</u>	<u>BRIM Premium</u>	<u>\$ 59,169</u>	<u>\$ 59,169</u>	<u>\$ 59,169</u>	<u>\$ 59,169</u>
	Total General Revenue	\$ 3,635,352	\$ 3,635,352	\$ 3,435,352	\$ 3,435,352



Budget Appropriations

Summary Request

Special Revenue Funds

<u>Fund #-Approp.</u>	<u>Fund Name/Line-Item</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22-Requested</u>	<u>FY22-Governor</u>
1301-00100	College Prepaid Tuition & Savings Adm. Acct. (Pers. Serv.)	\$ 810,372	\$ 810,372	\$ 810,372	\$ 810,372
1301-13000	College Prepaid Tuition & Savings Adm. Acct. (Current Exp.)	\$ 619,559	\$ 897,559	\$ 897,559	\$ 897,559
1301-09900	College Prepaid Tuition & Savings Adm. Acct. (Unclassified)	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
9152-00100	Board of Treasury Investments (Pers. Serv.)	\$ 782,889	\$ 832,889	\$ 832,889	\$ 832,889
9152-13000	Board of Treasury Investments (Current Expenses)	\$ 650,714	\$ 605,714	\$ 605,714	\$ 605,714
9152-91300	Board of Treasury Investments (BRIM)	\$ 36,547	\$ 31,547	\$ 31,547	\$ 31,547
9152-09900	Board of Treasury Investments (Unclassified)	\$ 14,850	\$ 14,850	\$ 14,850	\$ 14,850
9152-93800	Board of Treasury Investments (Adv. & Custod. Fees)	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000



Budget Appropriations

Summary Request

Non-Appropriated Special Revenue Funds

<u>Fund #-Approp.</u>	<u>Fund Name/Line-Item</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22-Requested</u>
1308-09900	Roads to Prosperity Debt Service Fund	\$ 55,930,032	\$ 85,427,882	\$ 85,430,107
1321-09900	Federal Cash Management Administration	\$ 12,000	\$ 12,000	\$ 12,000
1322-09900	Banking Services Fund	\$ 6,230,150	\$ 6,230,150	\$ 6,230,150
1323-09900	Federal Cash Management Interest	\$ 175,000	\$ 399,000	\$ 399,000
1324-09900	Unclaimed Property Fund	\$ 13,524,604	\$ 13,524,604	\$ 13,524,604
1326-09900	Pre-Paid Tuition Trust Fund	\$ 13,900,000	\$ 11,000,000	\$ 11,000,000
1333-09900	Safe Road Bond Debt Service Fund	\$ 23,195,400	\$ 23,194,450	\$ 23,196,100
1342-09900	Unclaimed Property Trust Fund	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
1345-09900	Treasurer's Financial Electronic Commerce	\$ 4,434,148	\$ 4,434,148	\$ 4,434,148
1346-09900	Treasurer's Safekeeping Fund	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
1350-09900	Deferred Compensation Administrative Fund	\$ 436,542	\$ 436,542	\$ 436,542
1362-09900	WV ABLE Savings Expense Fund	\$ 150,000	\$ 150,000	\$ 150,000



Improvement Requests

No improvement requests for FY 2022.



FY 2021 Improvement

The Treasurer's Office was granted a spending authority increase for an appropriated special revenue fund (Fund 1301) of \$278,000 for FY 2021; no General Revenue monies were involved.

This increased authority is being utilized to pay for contractual services for the Prepaid College Tuition and Savings Program.



Additional Information Requested

Fiscal Year 2021

- COVID Expenses: \$29,802
- CVRF Aid (CARES/Federal/State): \$12,045
- No anticipated additional COVID expenses for FY2021
- The Office hasn't realized any new efficiencies due to COVID 19; however, could see future cost savings in office space consolidation if telework were fully utilized



Treasurer's Office Efficiencies

- Return of approximately \$15 million to General Revenue due to the closure of the Prepaid College Savings Program
- Modernizing unclaimed property code will result in approximate annual savings of \$250,000
- Since taking office, we have reduced field staff operations by 50% saving just over \$300,000 annually
- Enabling us to operate under a 5% general revenue budget cut from FY 2021



Future Financial Costs

- The State Treasurer's Office is required to perform a "technology infrastructure refresh" approximately every five years
- The next refresh is anticipated during calendar year 2025-2026 which, along with other technology costs of maintaining Payment Card Industry (PCI) standards, could be an expense of approximately \$1 million within the next five years



Unfilled FTE

Position Number	Position Description	Annual Position Salary	Fund
1300P00006	DEPUTY TREASURER, UNCLAIMED PROPERTY	50,004.00	1324
1300P00012	ADMINISTRATIVE ASSISTANT	38,002.00	0126
1300P00032	REGIONAL MARKETING MANAGER	48,000.00	0126
1300P00050	BTI INTERNAL AUDITOR	70,008.00	1322
1300P00064	STOP PAYMENT SUPERVISOR	44,100.00	1322
1300P00097	COURIER SPECIALIST	35,640.00	1324
1300P00105	CHECK PROCESSING SPECIALIST	26,000.00	1322
1300P00129	DIRECTOR	50,916.00	1324
		362,670.00	

Broken out for Budget Presentation

Salary Range	Unfilled FTEs
<\$32K	1
\$32K-64K	6
\$64K-100K	1
>\$100K	0



Fiscal Year 2022

West Virginia State Treasurer's Office

GENERAL REVENUE APPROPRIATED			SPECIAL REVENUE APPROPRIATED				FEDERAL REVENUE APPROPRIATED			
Fund #	Fund Name	Approp. Amount	Fund #	Fund Name	Spending Authority	Cash Balance 01/31/2021	Fund #	Fund Name	Spending Authority	Cash Balance
	2021		1301	Prepaid/Coll Savings	\$ 1,721,931	\$ 3,149,363				
0126	Treasurer's Office	\$ 3,635,352								
	TOTAL	\$ 3,635,352								
	<i>(Unexpended Cash as of January 31, 2021)</i>									
		\$ 1,895,652								
	TOTAL	\$ 1,895,652	TOTAL		\$ 1,721,931	\$ 3,149,363	TOTAL		\$ -	\$ -
			SPECIAL REVENUE NON-APPROPRIATED							
			Fund #	Fund Name	Spending Authority	Cash Balance 01/31/2021				
			1308	Roads to Prosp. DS	\$ 85,427,882	\$ -	(investment bal: \$17,100,677)			
			1321	Fed Cash Mgm/Adm	\$ 12,000	\$ -				
			1322	Banking Services	\$ 6,230,150	\$37,895,498				
			1323	Fed Cash Mgm/Int.	\$ 399,000	\$ 705,558				
			1324	Unclaimed Property	\$ 15,524,604	\$41,226,348				
			1326	Prepaid Tuition Trust	\$ 11,000,000	\$ -	(investment bal: \$2,241,086)			
			1333	Safe Roads DS	\$ 23,194,450	\$ -	(investment bal: \$10,821,719)			
			1342	Unclaim Prop Trust	\$ 10,000,000	\$ -				
			1343	Flood Ins. Tax	\$ -	\$ 1,497,990				
			1345	Financial Commerce	\$ 4,434,148	\$ 1,873,665				
			1346	Safekeeping	\$ 10,000,000	\$ 500	(investment bal: \$94,141,298)			
			1350	Def. Comp. Admin	\$ 436,542	\$ 2,663				
			1362	WV ABLE Exp.	\$ 150,000	\$ 102,151				
			TOTAL		\$ 166,808,776	\$83,304,373				
			<u>West Virginia State Treasurer's Office</u>			<u>SPENDING AUTHORITY</u>		<u>CASH BALANCE AS OF 01/31/2021</u>		
GENERAL REVENUE ANNUAL			\$ 3,635,352			\$ 1,895,652				
SPECIAL REVENUE:										
APPROPRIATED			\$ 1,721,931			\$ 3,149,363				
NON-APPROPRIATED			\$ 166,808,776			\$ 83,304,373				
FEDERAL REVENUE			\$ -			\$ -				
GRAND TOTAL			\$ 172,166,059			\$ 88,349,388				



West Virginia Board of Treasury Investments										
GENERAL REVENUE APPROPRIATED			SPECIAL REVENUE APPROPRIATED				FEDERAL REVENUE APPROPRIATED			
Fund #	Fund Name	Approp. Amount	Fund #	Fund Name	Spending Authority	Cash Balance 01/31/2021	Fund #	Fund Name	Spending Authority	Cash Balance
			9152	Bd of Tr Invest Fee	\$ 4,985,000	\$ 402,432				
TOTAL		\$ -								
TOTAL		\$ -	TOTAL		\$ 4,985,000	\$ 402,432	TOTAL		\$ -	\$ -
			SPECIAL REVENUE NON-APPROPRIATED							
Fund #	Fund Name		Fund #	Fund Name	Spending Authority	Cash Balance				
			TOTAL		\$ -	\$ -				
			<u>West Virginia Board of Treasury Investments</u>		<u>SPENDING AUTHORITY</u>	<u>CASH BALANCE AS OF 01/31/2021</u>				
			GENERAL REVENUE ANNUAL		\$ -	\$ -				
			SPECIAL REVENUE:							
			APPROPRIATED		\$ 4,985,000	\$ 402,432				
			NON-APPROPRIATED		\$ -	\$ -				
			FEDERAL REVENUE		\$ -	\$ -				
			GRAND TOTAL		\$ 4,985,000	\$ 402,432				
DEPARTMENT & AGENCY GRAND TOTALS										
			<u>[ALL DEPARTMENT/AGENCY NAMES HERE]</u>		<u>SPENDING AUTHORITY</u>	<u>CASH BALANCE AS OF 01/31/2021</u>				
			GENERAL REVENUE ANNUAL		\$ 3,635,352	\$ 1,895,652				
			SPECIAL REVENUE:							
			APPROPRIATED		\$ 6,706,931	\$ 3,551,795				
			NON-APPROPRIATED		\$ 166,808,776	\$ 83,304,373				
			FEDERAL REVENUE		\$ -	\$ -				
			GRAND TOTAL		\$ 177,151,059	\$ 88,751,820	\$ 88,399,239		Spending Authority in Excess of Cash:	



Thank you!

West Virginia State Treasurer's Office
1900 Kanawha Blvd. East | Room E-145
Charleston, West Virginia 25305

304.558.5000 | 1.800.422.7498

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