



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 3, 2011

Joint Committee on Finance

Paper #620

Office of State Treasurer -- Agency Budget Reductions, and Transfer of College Savings Programs, Local Government Investment Pool, and Management Functions to DOA (State Treasurer and DOA -- Transfers)

[LFB 2011-13 Budget Summary: Page 32, Item #41; Page 33, Item #2; Page 33, Item #3; Page 412, Item #3; Page 414, #5; Page 415, Item #6; and Page 417, Item #7]

CURRENT LAW

College Savings Programs. The Office of the State Treasurer (OST) operates two ongoing college savings programs: (a) EdVest; and (b) Tomorrow's Scholar.

Funds invested in the college savings programs can be used for tuition, fees, room and board, and educational supplies. Investment earnings and distributions from an account established through a section 529 qualified program, including Wisconsin's EdVest and Tomorrow's Scholar, programs of other states, and private institutions, are exempt from both federal and Wisconsin income taxes if the withdrawals are used for qualified higher education expenses.

The College Tuition and Expenses Program (also known as the tuition units purchase program) allowed individuals to purchase units of tuition. The value of each unit is equal to an estimate of 1% of weighted UW System tuition at the time of expected enrollment of the beneficiary. The funds can be used for any U.S. higher education institution. The program was available from July, 1997, through December, 2002, although some invested funds will remain in the program, through approximately 2024.

Local Government Investment Pool. An officer or employee of a local unit of government may deposit funds through the State Treasurer into an investment fund that is the pooled assets of the various local governments that have authorized deposits. The funds are invested by the State of Wisconsin Investment Board (SWIB) and managed along with cash balances of state agencies and excess cash of the retirement funds managed by SWIB. The local units of government can specify the period in which the funds are invested. The State Treasurer may prescribe the mechanisms and procedures for deposits and withdrawals. In cooperation with DOA, SWIB must

provide information to the State Treasurer on the status of the fund. The Treasurer must make a monthly report to each local unit of government that has invested in the fund. The State Treasurer must deduct monthly from the earnings of the fund an amount sufficient to cover the actual and necessary expenses of administering the fund.

Stenographer Position. Each elected executive officer may appoint a stenographer. The stenographer is appointed under unclassified service with salaries set by the appointing authority, subject to other statutory restrictions and the compensation plan

GOVERNOR

College Savings Programs. Delete \$688,500 SEG and 1.6 SEG positions in the Office of State Treasurer and provide \$58,800 PR and 0.6 PR positions annually in OST related to transferring 1.0 SEG position responsible for college savings plan administration to the Department of Administration (DOA). The additional program revenue funding and position authority would allow the partial funding of the State Treasurer and the Deputy State Treasurer from the unclaimed property administrative appropriation rather than the college savings program administrative appropriation.

Specify that the College Savings Board would be attached to DOA rather than the State Treasurer and that the DOA Secretary or the Secretary's designee would serve as a member of the Board rather than the State Treasurer or the Treasurer's designee. Transfer the various appropriations, currently in OST, to DOA's supervision and management functions. The bill makes no change to either college savings program.

Transfer the College Tuition and Expenses program from the Office of the State Treasurer to the DOA.

Specify that the assets, liabilities and tangible property of the Office of the State Treasurer related to the college savings programs and the College Tuition and Expenses program, as determined by the DOA Secretary, would become assets, liabilities and tangible property of DOA on the effective date of the bill.

Specify that all pending matters of the college savings programs and the College Tuition and Expenses program, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill. Materials submitted to, or actions taken by, the Office of the State Treasurer related to these programs would be considered to or taken by DOA.

All contracts entered into by the Office of the State Treasurer, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contracts unless modified or rescinded by DOA, to the extent allowed under the contract.

Administrative rules promulgated by the Office of the State Treasurer, relating to the college savings programs and the College Tuition and Expenses program, would remain in effect until the expiration date of the rule or until amended or repealed by DOA. All orders issued by

the Office of the State Treasurer related to the college savings programs and the College Tuition and Expenses program would remain in effect until the end of their effective date or until modified or rescinded by DOA. The DOA Secretary would determine which rules and orders are related to the college savings programs.

On the effective date of the bill, 1.0 SEG position from the Office of the State Treasurer, who is the incumbent employee for these programs, would be transferred to DOA. Specify that the DOA Secretary would identify the position to transfer. The transferred person would retain their earned rights and status under the state employment relations laws. Any person transferred would not have to go through a probationary period, if he or she has already obtained permanent status.

Transfer Local Government Investment Pool. Delete \$223,200 PR and 1.4 PR classified position annually related to the transfer of the local government pooled-investment fund from OST to DOA. Within OST, provide \$40,800 PR and 0.4 PR unclassified position, related to partial funding of salaries and fringe benefits of the State Treasurer and the Deputy State Treasurer, from unclaimed property revenues rather than from the investment fund.

The duties of the State Treasurer related to the Local Government Investment Pool would be transferred to DOA. There would be no programmatic changes to the program under the bill.

Specify that the assets, liabilities, and tangible property (including records) of the Office of the State Treasurer related to the local government pooled-investment fund, as determined by the DOA Secretary, would become assets, liabilities and tangible property of DOA on the effective date of the bill.

Specify that all pending matters of the local government pooled-investment fund, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill. Materials submitted to or actions taken by the Office of the State Treasurer related to this program would be considered to or taken by DOA.

All contracts entered into by the Office of the State Treasurer, related to the local government pooled-investment fund, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contacts unless modified or rescinded by DOA, to the extent allowed under the contract.

Administrative rules promulgated by the Office of the State Treasurer, relating to the local government pooled-investment fund would remain in effect until the expiration date of the rule or until amended or repealed by DOA. All orders issued by the Office of the State Treasurer related to the local government pooled-investment fund would remain in effect until the end of their effective date or until modified or rescinded by DOA. The DOA Secretary would determine the rules and orders that are related to the local government investment pool.

On the effective date of the bill, 1.0 PR position from the Office of the State Treasurer, who is the incumbent employee for the program, would be transferred to DOA. Specify that the DOA Secretary would identify the position to transfer. The transferred person would retain their

earned rights and status under the state employment relations laws. Any person transferred would not be required to serve a probationary period, if he or she has already obtained permanent status.

Transfer of State Treasurer Management Functions to DOA. Delete \$108,900 PR and 1.2 PR positions and \$140,800 SEG and 1.55 SEG positions annually associated with: (a) deleting salaries and fringe benefits related to 1.0 SEG financial officer position for the college investment programs (EdVest, Tomorrow's Scholar, and the College Tuition and Expenses program); (b) deleting salaries and fringe benefits related to 0.75 senior accountant position (0.50 PR and 0.25 SEG position); (c) deleting salaries and fringe benefits related to 1.0 unclassified stenographer position (0.7 PR and 0.3 SEG position); (d) the deletion of \$13,100 PR and \$32,700 SEG in supplies and services; and (e) the deletion of \$8,500 PR in unallotted reserves.

Delete statutory language allowing an unclassified stenographer under State Treasurer and delete the specific stenographer position and related salary and fringe benefits.

Transfer the assets, liabilities, and tangible property (including records) of the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, to DOA.

Specify that all pending matters of the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill. Materials submitted to or actions taken by the Office of the State Treasurer that are primarily related to management services would be considered to or taken by DOA.

All contracts entered into by the Office of the State Treasurer that are primarily related to management services, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contracts unless modified or rescinded by DOA, to the extent allowed under the contract.

The administrative rules promulgated by the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would remain in effect until the expiration date of the rule or until amended or repealed by DOA. All orders issued by the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would remain in effect until the end of their effective date or until modified or rescinded by DOA.

DISCUSSION POINTS

1. Under current law, OST administers three major programs: (a) the college savings programs; (b) the local government investment pool; and (c) the unclaimed property program. Under the bill, the college savings programs and the local government investment pool would be transferred to DOA. The bill also transfers "management functions" of the Office to DOA. These modifications would affect staff that are specifically dedicated to these programs, as well as staff that are split funded between the various programs.

2. In the case of the positions of State Treasurer and the Deputy State Treasurer, portions of the salary and fringe benefits that are currently supported from the college savings programs and the local government investment pool would be transferred to the unclaimed property program, which would then fully fund these positions.

3. In the case of a 0.75 senior accountant position and an unclassified stenographer currently in OST, the positions and funding would be deleted. As discussed later, the cost savings related to the deletion of the senior accountant would be partially offset by the transfer of administrative duties to DOA.

4. In determining whether to transfer various functions from OST, the Committee may wish to consider the following points regarding the office.

5. Under the State Constitution (Article VI, section 3), the duties of the State Treasurer and Attorney General are to be prescribed by law. Further, the Constitution specifies that the Treasurer, the Secretary of State and the Attorney General constitute the Board of Commissioners of Public Lands (for the sale of school and university lands) and are responsible for the investment of funds earned from those sales (Article X, sections 7 and 8).

6. Based on constitutional provisions allowing the duties of OST to be prescribed by law, the Governor and the Legislature may modify the programs for which the Treasurer is responsible. The salary of the Treasurer is specified by statute and fixed, at least for the term of the current Treasurer, at \$68,556, regardless of the programs assigned to the Office.

7. The current State Treasurer has requested the drafting of a constitutional amendment that would eliminate the Office of the State Treasurer.

8. Given current constitutional provisions and the requested constitutional amendment, it could be argued that the proposals under the bill represents the initial statutory changes necessary to accomplish the current State Treasurer's policy initiative. The argument could be further made that given DOA's general administrative functions, the Department of Administration would be an appropriate location for any programs transferred from the Office.

9. Alternatively, the State Treasurer has stated that it is his desire to allow the public to decide the future of the Office, and that if the public believes that the Office should remain then that will become evident through any vote on a constitutional amendment. In the meantime, according to the Treasurer, the Office should not be diminished, stating "I do not agree with making pre-emptive moves that make the office a shell of what it was when I campaigned. Stacking the deck in favor of elimination virtually assures a pre-ordained outcome. It doesn't give voters a real choice in the matter, and that is not what I ran on or what state government is about. We shouldn't eliminate the people's voices in this matter. This is a Constitutional office, and should be eliminated with all the respect it deserves."

10. Although the budget reflects modest savings in the transfer of functions from the Treasurer to DOA, it is not known if DOA would seek additional resources (either funding or positions) following enactment of the budget to supervise these activities.

11. The remainder of this paper describes each of the transferred programs as well as the positions that would be deleted.

College Savings Programs

12. Under current law, the Office of the State Treasurer operates two ongoing college savings programs: (a) EdVest; and (b) Tomorrow's Scholar. In addition, OST operates the College Tuition and Expenses Program which currently does not allow new investments, but continues to administer the funds that were previously invested.

13. Both EdVest and Tomorrow's Scholar are available nationwide. These plans represent two of more than 80 qualified state tuition plans under section 529 of the U.S. Internal Revenue Code (IRC 529), designed as a savings vehicle for higher education expenses with certain tax advantages. They are administered by the Office of the State Treasurer under the authority of the College Savings Program Board.

14. The College Savings Program Board is composed of 11 members (the State Treasurer, the President of the University of Wisconsin Board of Regents, the President of the Wisconsin Association of Independent Colleges and Universities, the President of the Wisconsin Technical College System, the Chair of the State Investment Board (or their designees), and six public members appointed by the Governor to four year terms). Day-to-day management of the program is contracted to Wells Fargo Funds Management, LLC, which is responsible for the program's investment management, marketing activities, account administration, and record-keeping.

15. The EdVest and Tomorrow's Scholar program was created in the Office of State Treasurer under 1999 Act 44.

16. The Tuition Unit Purchasing program (also referred to as the College Tuition and Expenses Program) was created under 1995 Act 403. The College Tuition and Expenses Program was available from July, 1997, to December, 2002. Individuals could purchase tuition units, which were equal to the estimated costs of 1% of tuition at the expected date of student need. The payments from individuals are invested on behalf of the investors, who receive the invested value of the returns (investment plus earnings minus administrative costs), while receiving certain tax advantages. Administration of the College Tuition and Expenses Program was transferred from DOA to OST under 1999 Act 9.

17. Base funding for EdVest and Tomorrow's Scholar includes \$763,100 SEG and 3.15 SEG positions (2.25 classified and 0.9 unclassified). An additional \$63,300 SEG of supplies and services (base funding) was allocated to the College Tuition and Expenses Program.

18. There are currently 2.0 classified positions allotted for investment advisors for EdVest funds, 1.0 of these positions has been vacant since August, 2009, and would be deleted under the bill. The State Treasurer indicates that he supports the deletion of this position. The other 1.0 investment advisor would be transferred to the DOA to administer the college savings programs at DOA rather than OST. The remaining position authority and funding would be either deleted (those portions related to 0.25 classified senior accountant position and 0.3 unclassified stenographer position) or transferred to the unclaimed property program (0.3 position related to the State Treasurer and 0.3 position related to the Deputy State Treasurer). The following table provides details on the amounts deleted and transferred under the bill.

**Transfer of College Savings Program
(Annual Amounts)**

	<u>Salary</u>	<u>Fringe</u>	<u>Supplies and Services</u>	<u>Total</u>	<u>Classified Positions</u>	<u>Unclassified Positions</u>	<u>Total Positions</u>
OST - EdVest							
Base Funding	\$183,200	\$78,200	\$501,700	\$763,100	2.25	0.90	3.15
Standard Budget Adjustments	-7,900	20,400	1,700	14,200			0.00
Increase Employee Contributions		-14,300		-14,300			0.00
Agency Budget Reductions	-72,900	-35,200	-32,700	-140,800	-1.25	-0.30	-1.55
Transferred to DOA	-63,500	-29,200	-470,700	-563,400	-1.00	0.00	-1.00
Transferred to Unclaimed Property	<u>-38,900</u>	<u>-19,900</u>	<u>0</u>	<u>-58,800</u>	<u> </u>	<u>-0.60</u>	<u>-0.60</u>
Total	\$0	\$0	\$0	\$0	0.00	0.00	0.00
<i>Transferred To</i>							
DOA - EdVest	\$62,400	\$30,300	\$470,700	\$563,400	1.00	0.00	1.00
OST - Unclaimed Property	<u>38,900</u>	<u>19,900</u>	<u> </u>	<u>58,800</u>	<u> </u>	<u>0.60</u>	<u>0.60</u>
Total	\$101,300	\$50,200	\$470,700	\$622,200	1.00	0.60	1.60
OST - College Tuition and Expenses							
Base Funding			\$66,300	\$66,300			0.00
Transferred to DOA			<u>-66,300</u>	<u>-66,300</u>			<u>0.00</u>
Total			\$0	\$0			0.00
<i>Transferred To</i>							
DOA - Tomorrow's Scholar			\$118,300	\$118,300			0.00

19. Under the bill, the reductions to employee contributions for pensions and health care and the agency budget reductions could occur with or without the transfer to DOA. The State Treasurer argues that OST has efficiently managed the college savings program and that the transfer represents no savings to the state. If the program remained in OST, programmatic reductions recommended under the bill could still occur.

20. The Committee could choose to delete the Governor's recommendation to transfer the college savings programs to DOA [Alternative #A2]. Under this alternative, \$629,700 SEG (\$563,400 SEG for EdVest and \$66,300 SEG for the College Tuition and Expenses Program) and 1.0 SEG position would be deleted from DOA and restored to OST. Subsequently, portions of the State Treasurer and Deputy State Treasurer could be provided from the college savings programs appropriation, as under current law, (\$58,800 SEG and 0.6 SEG position annually) and deleted from the unclaimed property program appropriation (-\$58,800 PR and -0.6 PR position annually).

Local Government Investment Pool

21. Chapter 164 Laws of 1975 created the Local Government Investment Pool (LGIP), which authorizes units of local government to transfer funds to the State Treasurer for deposit into the program revenue local government fund. Under Chapter 29 Laws of 1977, the Legislature first authorized the OST to collect fees from the fund for the costs of administering the fund.

22. The funds are invested by the State of Wisconsin Investment Board (SWIB) and managed along with cash balances of state agencies and excess cash of the retirement funds managed by SWIB. The local units of government can specify the period in which the funds are invested. The State Treasurer may prescribe the mechanisms and procedures for deposits and

withdrawals. In cooperation with DOA, SWIB must provide information to the State Treasurer on the status of the fund.

23. The Treasurer must make a monthly report to each local unit of government that has invested in the fund. The State Treasurer must deduct monthly from the earnings of the fund an amount sufficient to cover the actual and necessary expenses of administering the fund.

24. Base funding for the LGIP program is \$253,400 PR and 1.8 PR positions annually (1.2 classified and 0.6 unclassified). Under the bill, \$181,300 PR and 1.0 position annually would be provided to DOA for administration of the program at DOA. Portions of the State Treasurer and Deputy State Treasurer that are currently funded under LGIP (\$40,800 PR and 0.4 PR unclassified position annually) would be transferred to OST's unclaimed property program. A portion of the state stenographer dedicated to LGIP would be deleted (\$11,700 PR and 0.2 PR unclassified position annually). A portion of a classified senior accountant (\$19,600 PR and 0.2 PR position annually) would be deleted. The following table shows the base level funding and the Governor's recommended changes.

**Transfer of Local Government Investment Pool
(Annual Amounts)**

	<u>Salary</u>	<u>Fringe</u>	<u>Supplies</u>	<u>Unallotted Reserves</u>	<u>Total</u>	<u>Classified Positions</u>	<u>Unclassified Positions</u>	<u>Total Positions</u>
OST - Local Gov. Inv. Pool								
Base Funding	\$97,100	\$47,400	\$100,400	\$8,500	\$253,400	1.20	0.60	1.80
Standard Budget Adjustments	16,000	16,200			32,200			0.00
Increase Employee Contributions		-9,400			-9,400			0.00
Agency Budget Reductions	-21,100	-10,300	-13,100	-8,500	-53,000	-0.20	-0.20	-0.40
Transferred to DOA	-66,100	-29,000	-87,300		-182,400	-1.00		-1.00
Transferred to Unclaimed Property	<u>-25,900</u>	<u>-14,900</u>	<u> </u>	<u> </u>	<u>-40,800</u>	<u> </u>	<u>-0.40</u>	<u>-0.40</u>
Total	\$0	\$0	\$0	\$0	\$0	0.00	0.00	0.00
<i>Transferred To</i>								
DOA - LGIP	\$65,300	\$28,700	\$87,300		\$181,300	1.00		1.00
OST - Unclaimed Property	<u>25,900</u>	<u>14,900</u>	<u> </u>	<u> </u>	<u>40,800</u>	<u> </u>	<u>0.40</u>	<u>0.40</u>
Total	\$91,200	\$43,600	\$87,300	\$0	\$222,100	1.00	0.40	1.40

25. As with the college savings programs, the reductions to employee contributions for pensions and health care and the agency budget reductions under the LGIP could occur with or without the transfer to DOA. The State Treasurer argues that OST has efficiently managed the LGIP and that the transfer represents no savings to the state. If the program remained in OST, programmatic reductions recommended under the bill could still occur.

26. The Committee could choose to delete the Governor's recommendation to transfer the LGIP to DOA [Alternative #B2]. Under this alternative, \$181,300 PR and 1.0 PR position would be deleted from DOA and restored to OST. Subsequently, portions of the State Treasurer and Deputy State Treasurer could be restored to the LGIP appropriation (\$40,800 PR and 0.4 PR annually) and deleted from the unclaimed property program appropriation (-\$40,800 PR and -0.4 PR position annually).

Senior Accountant and Management Services Function

27. The Office currently has 0.75 classified senior accountant that is allocated between the State Treasurer's three major programs: college savings programs, unclaimed property, and the local government investment pool. This position would also be deleted under the bill. The State Treasurer has objected to the deletion of this position, stating that the accountant provides administrative support that includes purchasing and general accounting reconciliation. The reconciliation of the unclaimed property cash and security accounts total approximately \$400 million.

28. Some of the duties currently provided by the accountant position relate to the transfer of management functions to DOA. Although the bill does not specify what would be transferred in relation to "management functions" currently within OST, the State Budget Office indicates that the transferred duties would include budgeting, accounting, procurement, and human resources and that the accountant position would be eliminated due to the transfer of management functions. As a result, management functions (determined by the Secretary of DOA) would be preformed by DOA for OST.

29. After inclusion of standard budget adjustments and reductions due to increased employee contributions on pension and health insurance, a total of \$72,800 SEG for salary and fringe benefits would be deleted from OST related to the senior accountant position. The Department of Administration indicates that it would assess OST \$52,000 annually for administrative services to OST. The State Budget Office indicates that this assessment could be modified (higher or lower) once DOA better understands the agencies need for services and resulting workload.

30. The overall expenditures on management services would be decreased by \$20,800 annually based on DOA's initial assessment. Therefore, could be argued that the Committee should approve the transfer of the management services and the related 0.75 senior accountant deletion.

31. The DOA assessment for \$52,000 could, however, be viewed as less efficient than the current services provided by the OST, since OST would pay \$52,000 for administrative services related to one program (unclaimed property) while OST currently has these services performed for \$72,800 for three programs (unclaimed property, college savings programs, and local government investment pool).

32. Given that "management services" is undefined under the bill and that DOA indicates that assessments for services could vary in the future once DOA determines the extent of services, it can be argued that the transfer of management service functions should be deleted. Further, since the term management services is relatively vague, the DOA Secretary could transfer management functions from a constitutional officer, at the Secretary's discretion, further diminishing the authorities that remain at OST. Under this alternative, \$72,800 PR and 0.75 PR positions annually could be restored to OST. This restoration could occur independent of the Committee's decision on EdVest and LGIP.

Stenographer

33. Under the bill, 1.0 unclassified stenographer would also be deleted. The position is currently funded from the unclaimed property program (0.5 PR position), the LGIP program (0.2 PR position), and the college savings programs (0.3 SEG position). Full funding of the position, if it were restored would total \$40,800 PR and \$17,600 SEG annually.

34. The Treasurer has objected to the deletion of the stenographer position, stating, "the stenographer position provides necessary administrative support duties to the State Treasurer identical to the duties that legislative aides provide legislators. The stenographer duties include scheduling, issue research, constituent relations, drafting of correspondence, media relations and other various agency support responsibilities."

35. Under s. 230.08(2)(g) of the statutes, each elected executive officer may have an unclassified stenographer. The pay range for these stenographers is set by the appointing authority. Provisions of the bill would delete this authority for the Office of the State Treasurer and the Secretary of State. The authority would be retained for the Governor's Office, the Attorney General, and the State Superintendent of Public Instruction.

36. The Committee could choose to restore the stenographer position and the statutory authority related to the setting of salary. This restoration could occur independent of the Committee's decision on EdVest and LGIP.

ALTERNATIVES

A. College Savings Programs

1. Approve the Governor's recommendation to transfer the college savings programs of the State Treasurer to the Department of Administration. Delete salaries and fringe benefits related to the deletion of 1.0 SEG financial officer position for the college investment programs. Transfer portions of the State Treasurer and Deputy State Treasurer's salary and fringe benefit costs from the college savings programs to the unclaimed property program within the Office of the State Treasurer.

2. Delete the Governor's recommendation to transfer the college savings programs to the Department of Administration (DOA). Restore funding and position authority that would have been transferred to DOA (transfer funding of \$629,700 SEG and 1.0 SEG position from DOA to the Office of the State Treasurer) and restore portions of the State Treasurer's and Deputy State Treasurer's funding and position authority that would have been transferred to the Office of the State Treasurer's unclaimed property program (-\$58,800 PR and -0.6 PR position and \$58,800 SEG and 0.6 SEG position annually).

ALT A2	Change to State Treasurer		Change to DOA		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$117,600	- 0.60	\$0	0.00	-\$117,600	- 0.60
SEG	<u>1,377,000</u>	<u>1.60</u>	<u>- 1,259,400</u>	<u>- 1.00</u>	<u>117,600</u>	<u>0.60</u>
Total	\$1,259,400	1.00	-\$1,259,400	- 1.00	\$0	0.00

B. Local Government Investment Pool

1. Approve the Governor's recommendation to transfer the Local Government Investment Pool to the Department of Administration. Transfer portions of the State Treasurer and Deputy State Treasurer's salary and fringe benefit costs from the Local Government Investment Pool to the unclaimed property program within the Office of the State Treasurer.

2. Delete the Governor's recommendation to transfer the Local Government Investment Pool to the Department of Administration. Restore funding and position authority that would have been transferred to DOA (transfer funding of \$181,300 PR and 1.0 PR position from DOA to the Office of the State Treasurer) and restore portions of the State Treasurer's and Deputy State Treasurer's funding and position authority that would have been transferred to the Office of the State Treasurer's unclaimed property program (transfer \$40,800 PR and 0.4 PR position annually from the unclaimed property appropriation to the local government investment pool appropriation).

ALT B2	Change to State Treasurer		Change to DOA		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$181,300	1.00	- \$181,300	- 1.00	\$0	0.00

C. Senior Accountant and Management Services Function

1. Approve the Governor's recommendation to transfer the management services duties of the Office of the State Treasurer to the Department of Administration, delete \$72,800 (\$48,700 PR and \$24,100 SEG) and 0.75 (0.50 PR and 0.25 SEG) position annually for a senior accountant position in the Office of the State Treasurer, and provide \$52,000 SEG annually from the Administrative expenses.

2. Delete the transfer of management services from the Office of the State Treasurer to the Department of Administration. Retain the senior accountant position in the Office of the State Treasurer by restoring \$72,800 (\$48,700 PR and \$24,100 SEG) and 0.75 (0.50 PR and 0.25 SEG) position annually for a senior accountant position in the Office of the State Treasurer and delete \$52,000 SEG annually from the Administrative expenses; college tuition and expenses program under the Department of Administration. [This alternative assumes that the college savings program and the local government investment pool are restored to the Office of the State Treasurer.]

ALT C2	Change to State Treasurer		Change to DOA		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$97,400	0.50	\$0	0.00	\$97,400	0.50
SEG	<u>48,200</u>	<u>0.25</u>	<u>- 104,000</u>	<u>0.00</u>	<u>- 55,800</u>	<u>0.25</u>
Total	\$145,600	0.75	- \$104,000	0.00	\$41,600	0.75

3. Delete the transfer of management services from the Office of the State Treasurer to the Department of Administration. Retain the senior accountant position in the Office of the State Treasurer by restoring \$72,800 PR and 0.75 PR position annually for a senior accountant position in the Office of the State Treasurer and delete \$52,000 SEG annually from the Administrative

expenses; college tuition and expenses program under the Department of Administration. [This alternative assumes that the college savings program and the local government investment pool are not restored to the Office of the State Treasurer.]

ALT C3	Change to State Treasurer		Change to DOA		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$145,600	0.75	\$0	0.00	\$145,600	0.75
SEG	<u>0</u>	<u>0.00</u>	<u>- 104,000</u>	<u>0.00</u>	<u>- 104,000</u>	<u>0.00</u>
Total	\$145,600	0.75	- \$104,000	0.00	\$41,600	0.75

D. Stenographer

1. Delete authorization for an unclassified stenographer position in the Office of State Treasurer and \$58,400 (\$40,800 PR and \$17,600 SEG) and 1.0 stenographer (0.70 PR and 0.30 SEG) position annually.

2. Retain the stenographer position in the Office of State Treasurer by restoring \$58,400 (\$40,800 PR and \$17,600 SEG) and 1.0 stenographer (0.70 PR and 0.30 SEG) position annually. Restore statutory language authorizing this position under the unclassified service. [This alternative assumes that the college savings program and the local government investment pool are restored to the Office of the State Treasurer.]

ALT D2	Change to Bill	
	Funding	Positions
PR	\$81,600	0.70
SEG	<u>35,200</u>	<u>0.30</u>
Total	\$116,800	1.00

3. Retain the stenographer position in the Office of State Treasurer by restoring \$58,400 PR and 1.0 PR position annually. Restore statutory language authorizing this position under the unclassified service. [This alternative assumes that the college savings program and the local government investment pool are not restored to the Office of the State Treasurer.]

ALT D3	Change to Bill	
	Funding	Positions
PR	\$116,800	1.00

Prepared by: Darin Renner