

Presentation to the Administration and Regulation Appropriations Sub-Committee

Michael L. Fitzgerald, Treasurer of State
February 7, 2017

FY18/19 Budget Request

General Fund \$1,078,807

– Same amount as was appropriated for FY17*

Road Use Tax \$ 93,148

– To cover DAS state accounting system costs associated with distribution of RUT funds

*FY17 cut by DOM is not yet known

Treasury Stats

<u>TREASURY OPERATIONS</u>	FY16	FY15	FY14	FY13
1) Receipts	\$22.8 B	\$22.5 B	\$21.5 B	\$21.4 B
2) Disbursements	\$22.4 B	\$21.5 B	\$20.5 B	\$19.9 B
3) Warrants redeemed (#)	1.3 M	1.6 M	1.4 M	1.4 M
4) Electronic payments made (#)	6.4 M	6.3 M	6.5 M	6.8 M
5) Investment pool average balance	\$3.0 B	\$3.3 B	\$3.7 B	\$3.3 B
6) State money in Iowa bank CDs 6/30	\$245 M	\$246 M	\$150 M	\$90 M
7) Interest earned	\$16.5 M	\$13 M	\$9.7 M	\$9.2 M
8) Interest credited to General Fund	\$3.8 M	\$3.8 M	\$3.5 M	\$2.7 M
9) Outstanding bonds 6/30	\$848 M	\$887 M	\$921 M	\$1,040 M

Treasury Stats

<u>CONSUMER PROGRAMS</u>	FY16	FY15	FY14	FY13
Unclaimed Property				
1) Reports received (#)	6,265	6,314	6,336	6,398
2) Unclaimed property received	\$35 M	\$33 M	\$34 M	\$32 M
3) Claims paid (#)	16,200	14,600	17,600	18,300
4) Returned to owners	\$19 M	\$15 M	\$16 M	\$14 M
College Savings				
5) Asset Value 6/30	\$4.5 B	\$4.4 B	\$4.2 B	\$3.5 B
6) Beneficiaries 6/30 (#)	225,000	214,000	207,000	189,000
7) Contributions	\$373 M	\$372 M	\$363 M	\$353 M
8) Distributions	\$325 M	\$302 M	\$263 M	\$226 M

Highlights from the Past Year

- **Lease-purchase financing** for ISICS
(Iowa Statewide Inter-operable Communications System)
 - Acquisition cost originally expected to be \$50M
 - Treasurer's financing plan lowered cost to \$44M
 - Savings of \$6M over nine years

State paid \$8.4M in cash and borrowed \$32.8M at 1.64% for nine years (\$2.8M in interest).

Highlights from the Past Year

- **Bond refinancing**
 - Issuance of IJOBS 2016A to defease IJOBS 2009A
 - produced \$3M in annual savings
 - savings go to RIIF

 - Issuance of Corrections 2016 to defease Corrections 2010
 - produced average annual savings of about \$850K
 - savings go to the General Fund

 - Decreased outstanding debt by \$30M

Highlights from the Past Year

- **Price reduction** for participants of College Savings Iowa

Seventh price reduction

- **2017: Now 20 basis points (.20%)**
- 2015: .26%
- 2012: .28%
- 2010: .34%
- 2009: .50%
- 2007: .52%
- 2006: .62%
- 2002: .65%

Highlights from the Past Year

- **IAble**: Iowa ABLE Savings Plan Trust launch
 - Tax-advantaged savings accounts for people with disabilities
 - Iowa partnered with 13 other states to form the “National ABLE Alliance”
 - Account owners may save for qualified disability expenses without losing their eligibility for certain assistance programs, like SSI and Medicaid
 - Tax benefits, including Iowa tax deduction
 - www.iable.gov

Looking Ahead

- **Retirement Savings Iowa**
 - Very few workers save for retirement unless their employer offers them a plan
 - About 42% of Iowa workers in the private sector work for businesses that do not offer a retirement plan (AARP Aug 2015)
 - 511,000 workers in Iowa do not have access to a retirement plan through their employers (AARP Aug 2015)
 - **Retirement Savings Iowa** will be a plan for employees of businesses that don't offer a retirement saving option
 - Voluntary payroll deduction
 - No employer contribution
 - No State contribution; No State liability
 - Modeled after College Savings Iowa: Making it easy to save
 - HF80