



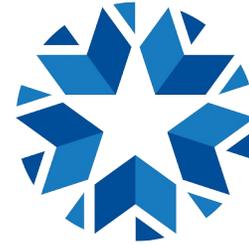
OKLAHOMA
State Treasurer

Oklahoma State Treasurer

FY 2023 Budget Hearing Presentation

Submitted by: Hon. Randy McDaniel, Oklahoma State Treasurer

Hon . Randy McDaniel Oklahoma State Treasurer



OKLAHOMA State Treasurer

The Oklahoma State Treasurer's Office provides for safe and efficient operation of state government through effective banking, investment, and cash management. The state treasurer has the following specific statutory and constitutional responsibilities:

1. Receiving, depositing, and disbursing all state funds;
2. Investing temporary surplus funds;
3. Investing specific funds for other state agencies where authorized;
4. Requiring banks to furnish collateral sufficient to secure deposits of state and other public funds;
5. Paying of interest on the state's bonded debt and the redeeming of the debt at maturity;
6. Maintaining a safekeeping operation for securities owned by various state agencies, and those securities pledged as collateral to other state agencies;
7. Processing and distributing all State checks (known as warrants);
8. Administering the Business Link and Agricultural Link Programs;
9. Administering the Unclaimed Property Program; and
10. Debt Management and State Bond Advisory Services.

Founded at statehood in 1907, this agency now encompasses the following divisions:

- Banking & Treasury Services
- Investment Office
- Link Deposit
- Portfolio Accounting & Reporting
- State Bond Advisory Services
- Unclaimed Property
- College Savings Plan
- OK STABLE program

Agency Vision, Mission and Core Values

Vision: The vision of the State Treasurer's Office is to remain a state agency that is among the national leaders for the delivery of basic treasury services and innovative programs; improves on programs through more efficient and effective delivery of financial services; demonstrates leadership through the use of technology and the introduction of new or enhanced programs and services that meet the needs of Oklahoma citizens; provides public education and information as to the availability of programs and services, as well as the roles and responsibilities of the Treasurer's office; and, achieves and maintains public confidence in the State Treasurer's Office.

Mission: The mission of the Office of State Treasurer is to serve the people of Oklahoma by providing sound banking and investment services, reuniting individuals and businesses with their unclaimed property, and promoting economic opportunities in a fiscally responsible and efficient manner while adhering to the highest professional and ethical standards.

Core Values: Values are the service delivery parameters within which internal culture is developed and operations maintained. Core values include but are not limited to honesty, ethical conduct and trustworthiness; fiscal responsibility; customer and public service; internal teamwork and staff development; communication – internal and external; state agency and financial institution collaboration; risk management; innovation; and, operational balance.



Accomplishments & Challenges

Top accomplishments for FY 2021

- 1) Successfully completed the project to upgrade the software for a banking application (for Webseries) utilized for remote check printing and certain NACHA debits.
- 2) Successfully implemented an online portal for holders to report Unclaimed Property.
- 3) Exceeded expectations (Over \$43MM) in returning unclaimed property to rightful owners.
- 4) Implemented a hybrid work schedule for employees without experiencing any disruption in banking, accounting, investments, and debt management services.
- 5) For the first time in state history, assets in the 529 college savings plan have exceeded \$1.2 billion, resulting in lowered fees paid by account owners.

Challenges (current & upcoming years)

- 1) Transition Banking and Unclaimed Property operations to upgraded platforms
- 2) Effectively manage ARPA funds to accommodate the State's disbursement schedule



Goals & Projects for FY 2023

Goals

- 1) Update and replace outdated agency legacy systems critical to core banking operations.
- 2) Upgrade Unclaimed Property holder reporting platform.
- 3) Ensure the receipt of adequate funding, while evaluating and implementing industry best practices.

Projects

- 1) Develop and execute a plan to replace outdated, unsupported applications used for processing statewide deposits and disbursements with sustainable, adaptable, secure and cost-effective applications.
- 2) Grow the Oklahoma 529 College Savings Plan to decrease student loan debt and expand the number of Oklahomans with degrees.
- 3) Increase use of the Oklahoma STABLE Program for people with disabilities to improve quality of life.
- 4) Continue the high productivity of the State Treasurer's Unclaimed Property division in reuniting Oklahomans with their lost money.

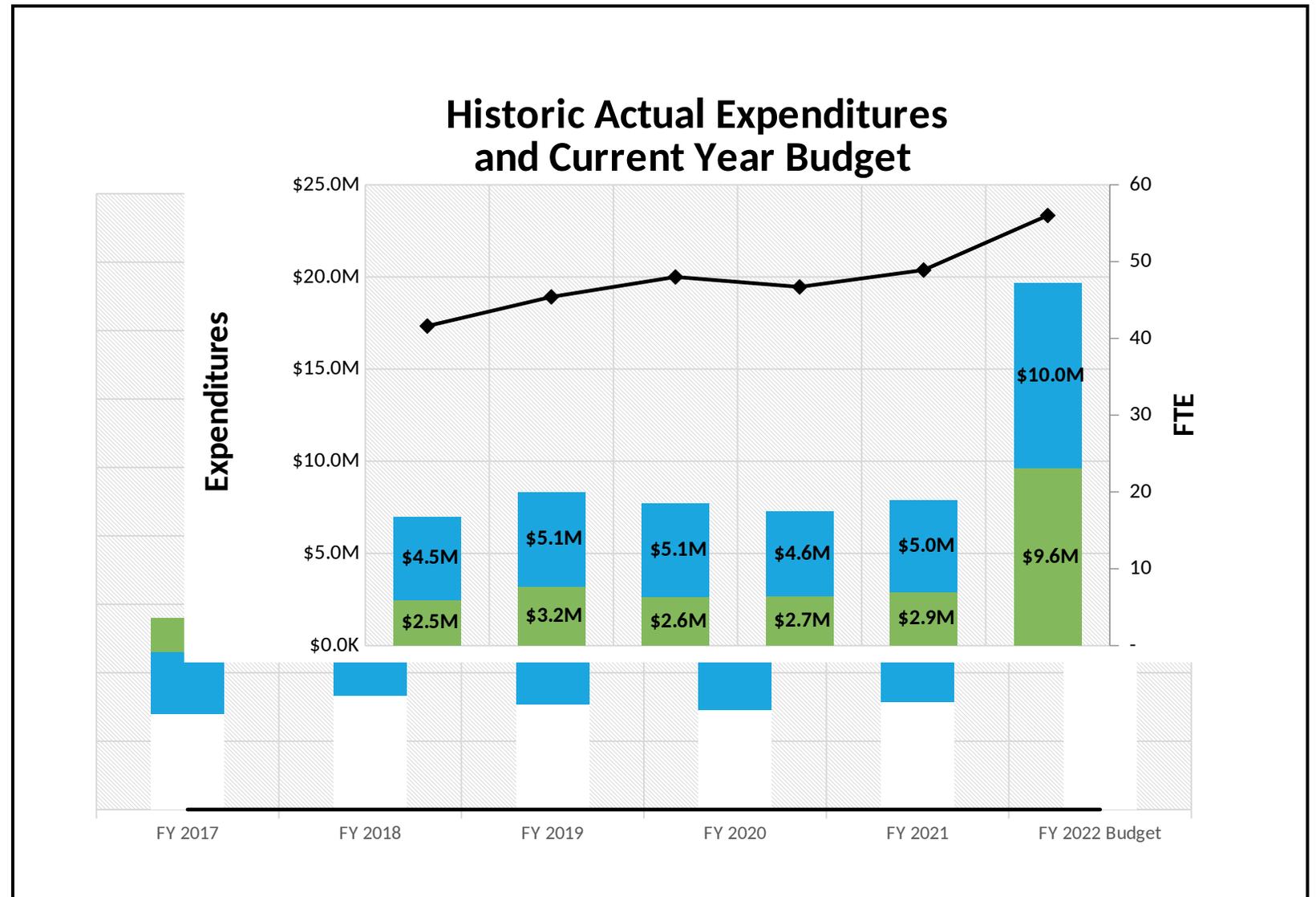


Savings & Efficiencies

- Utilization of shared services for legal counsel, information systems, purchasing, payables and payroll processing;
- Providing banking and treasury services statewide minimizing costs and leveraging economies of scale;
- Invest over \$10 billion including funds in more than 355 accounts on behalf of participating state agencies



Historic Actual Expenditures (FY 17-21) and Current Year Budget (FY 22)



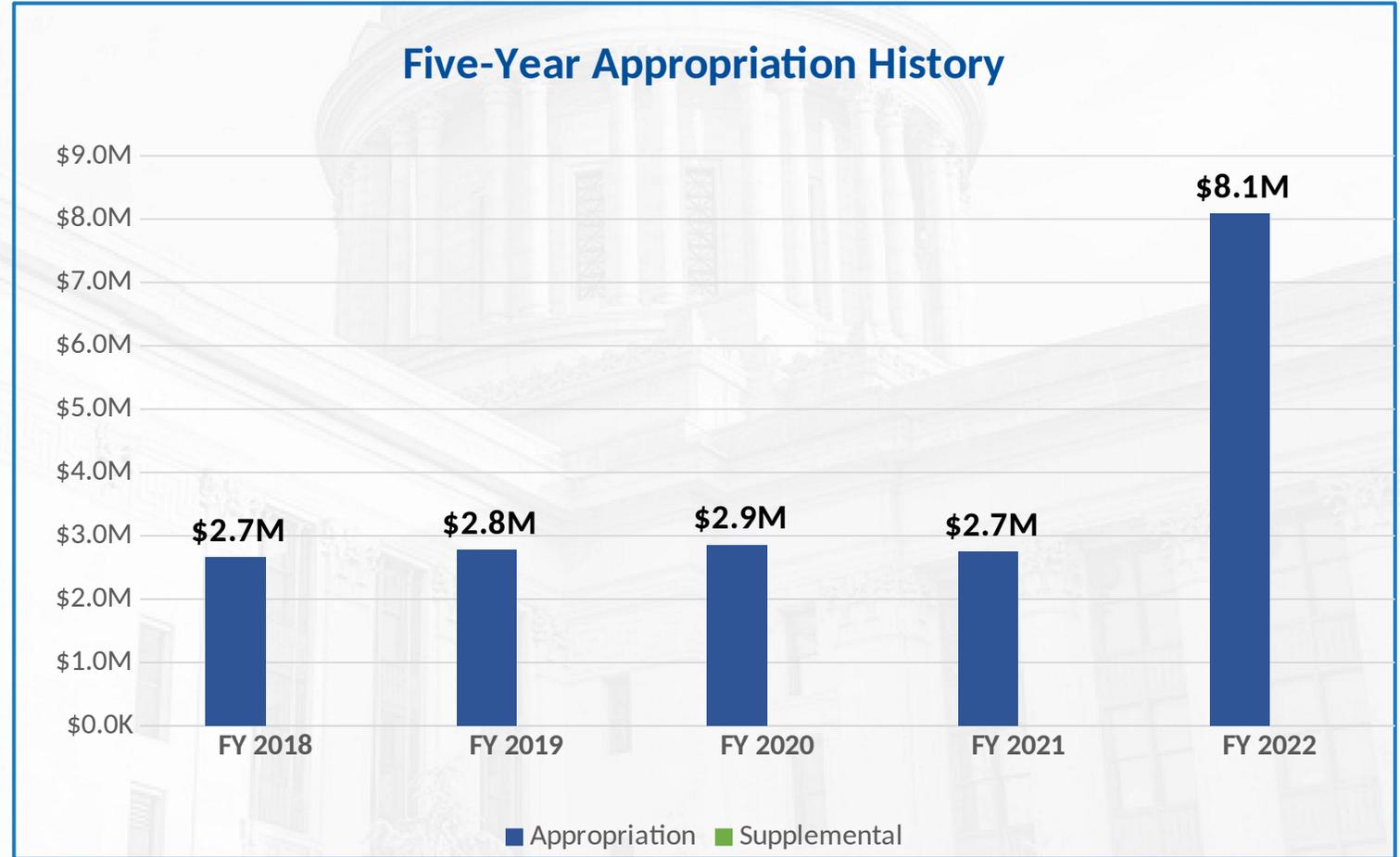


**FY 2022
Budgeted
Full Time Equivalents
(FTE)**

	FY 2022 Budgeted FTE
Total FTE	56
Supervisor FTE	13
Supervisors to Total FTE Ratio (%)	23%

Appropriation History

Fiscal Year	Appropriation (\$) <i>(include supplemental if applicable)</i>
FY 2018	\$2,660,567
FY 2019	\$2,779,268
FY 2020	\$2,856,928
FY 2021	\$2,742,651
FY 2022	\$8,079,823



Appropriated Carryover History and Justification

	FY 2017 (Actuals)	FY 2018 (Actuals)	FY 2019 (Actuals)	FY 2020 (Actuals)	FY 2021 (Actuals)	FY 2022 (Planned)
Total appropriated carryover amount expended (\$)	\$1,631,900	\$1,290,795	\$1,934,091	\$1,253,405	\$1,434,283	\$1,218,228

Fiscal Year of the original appropriation	Projected amount carried over to FY 2023 (\$)	Describe how projected carryover will be used in FY 2023
FY 2022	Approx. \$800,000	Any available carryover funds will be redirected towards the multi-year legacy banking system replacement project.
FY 2021		
Total projected FY 23 Carryover (\$)	Approx. \$800,000	



Available Cash Description and Justification

Class Fund #	Available Cash amount (\$)
19912	\$1,218,228
Total Available Cash:	\$1,218,228

Available cash is unbudgeted cash that is not restricted by federal partners, statute, or contractual obligations.

Fiscal Year	Agency's plan to deploy available cash (include amounts):
FY 2023	Carryover funds available after satisfying any operational needs will be directed towards the legacy banking system replacement project.
FY 2024	
FY 2025	



Agency Key Performance Metrics

Metric		Goal	FY 20 Actuals	FY 21 Actuals	FY 22 Target	FY 23 Target
1	Warrants Processed - %	To achieve more efficiency and process via secure payment methods, reducing the overall costs to state agencies and OST	13%	*12%	11%	10%
2	ROI v. Benchmark - 95% goal	Measure the investment portfolio performance compared to the benchmark adopted by the Cash Management Investment Oversight Commission. The goal is to reach 95% of the ICE 1-year Treasury Note Index - D0200 (Revenues & Expenditures)	77%	414%	95%	95%
3	Provide accurate projected estimates of investment earnings - Actual earnings within + or - 10% of final projection.	Invest public funds in a manner which will safeguard the funds, maintain sufficient liquidity to meet the obligations of the State and agencies and earn the highest possible return - D0200 (Revenue & Expenditures)	98.33	95.28	90 - 110	90 - 110
4	Unclaimed Property - Amount of Claims Paid	To reunite as many missing rightful owners as possible with their unclaimed property - D0201 (Debts & Obligations)	\$33,600,000	\$43,847,910	\$44,000,000	\$44,300,000
5	Unclaimed Property - Number of Claims Paid	To reunite as many missing rightful owners as possible with their unclaimed property - D0201 (Debts & Obligations)	10,330	12,426	13,000	13,200



Budget & Supplemental Request Summary

	Request Name	FY 23 Appropriated Request Amount (\$)	Type of Request: Operating, One-time, or Supplemental
1	No increase over the FY22 general revenue appropriation level is requested.		
2			
3			
4			
5			

