

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98



Fiscal Year 2017-18 Agency Budget Plan

FORM A – SUMMARY

RECURRING FUNDS (FORM B DECISION PACKAGES)	My agency is submitting the following recurring decision packages listed in <u>priority order</u> (Form B): 10043, 10049, & 10046 11712
	For FY 2017-18, my agency is (mark "X"):
	<input checked="" type="checkbox"/> Requesting a net increase in recurring General Fund appropriations.
	<input type="checkbox"/> Not requesting a net increase in recurring General Fund Appropriations.

CAPITAL & NON-RECURRING FUNDS (FORM C DECISION PACKAGES)	My agency is submitting the following one-time decision packages listed in <u>priority order</u> (Form C):
	For FY 2017-18, my agency is (mark "X"):
	<input type="checkbox"/> Requesting capital and/or non-recurring funds.
	<input checked="" type="checkbox"/> Not requesting capital and/or non-recurring funds.

PROVISOS (FORM D)	For FY 2017-18, my agency is (mark "X"):
	<input type="checkbox"/> Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/> Only requesting technical proviso changes (such as date references).
	<input checked="" type="checkbox"/> Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
PRIMARY CONTACT:	Paul J. Ham	(803) 734-9871	Paul.Ham@sto.sc.gov
SECONDARY CONTACT:	Jessica Franklin	(803) 734-9811	Jessica.Franklin@sto.sc.gov

I have reviewed and approved the enclosed FY 2017-18 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:	 <i>Agency Director</i>	 <i>Board or Commission Chair</i>
TYPE/PRINT NAME:	Curtis M. Loftis, Jr.	

This form must be signed by the department head – not a delegate.

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	10043
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Pay Plan Allocation (3.25%)-General Funds with Employer Insurance and Retirement Increase
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Provide a brief, descriptive title for this request.

AMOUNT	\$56,187
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	FY16-17 Appropriation Act 117.118 (Employee Compensation).
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input checked="" type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	State Treasurer's Office General funded employees who were eligible for the FY17 employee pay plan allocation of 3.25% and the related employer contribution increases.
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

ACCOUNTABILITY OF FUNDS	<p>This increase in funds will allow the Agency to fulfill its goals, strategies and objectives as defined in its fiscal year 2016 Accountability Report.</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	<p>N/A</p>
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	<p>N/A</p>
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	<p>The State Treasurer's Office is utilizing all fund sources authorized.</p>
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

SUMMARY	<p>To allocate General Funds for the employee pay plan increase authorized in FY16-17 Appropriation Act and the associated employer fringe cost. Also included in this General Fund increase is the associated costs for the SCRS and PORS 0.50% rate increase, as well as the employer health and dental insurance increase effective 1/1/17.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	<p>The State Treasurer's Office computed the additional employer contribution costs based on the employer retirement contribution rate table provided by PEBA and Executive Budget Office.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>No maintenance-of-effort or any other obligations would be incurred by adopting this decision package.</p> <p>Approving general funds for the employee pay plan allocation is critical in order to maintain the State Treasurer's Office programs and services at the current operating levels.</p> <p>The source of funds has been identified as noted under "Enabling Authority."</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

identified and/or obtained by your agency?

PRIORITIZATION	The budget request is for an increase in general funds and is considered critical to carry out the statutorily mandated functions of the State Treasurer's Office.
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	The State Treasurer's Office provides statewide banking, investment, and debt services, as well as manages the state's unclaimed property program and college savings plans. Therefore, all state government agencies, college and universities, local governments, and the citizens of South Carolina are served by this program.
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	Performance measures and results may be found in the State Treasurer's Office FY16 Accountability Report.
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	11712
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Department of Health & Human Services FTE Transfer
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Provide a brief, descriptive title for this request.

AMOUNT	\$150,000
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	The duties of the Agency are defined in Title 11 Chapter 5 of the Code of Laws of South Carolina. This decision package was not prompted by the establishment of or revision to that authority.
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input checked="" type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	This increase in funds is associated with the payment of personal services amounts associated with the addition of 2 FTE's as outlined in this request.
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

ACCOUNTABILITY OF FUNDS	<p>This increase in funds will allow the Agency to fulfill its goals, strategies and objectives as defined in its fiscal year 2016 Accountability Report.</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	<p>This increase in General Funds will be offset by an equal decrease submitted by the Department of Health and Human Services (decision package number 11290) associated with the transfer of the two FTE's.</p>
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	<p>N/A</p>
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	<p>The State Treasurer's Office is utilizing all fund sources authorized.</p>
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

SUMMARY	<p>The Department of Health and Human Services (DHHS) currently manages a separate composite bank account from the State's general deposit account for all of the agency Medicaid provider payments. The Agency is currently working on a new payment interface between its existing MMIS legacy system and SCEIS. The State Treasurer's Office (STO) has agreed to assume control over the Medicaid bank account as part of this new payment interface. This will allow for the bank account to be on the State's books and provide for greater transparency. The STO will be responsible for the day to day monitoring of the bank account, provider payments, resolving any failed electronic funds transfers and reconciling account balances. DHHS has agreed to transfer two (2) full time equivalent positions to the STO to assist them in administering the Medicaid bank account.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	<p>This amount represents the base pay amount of the two FTE's that are being transferred from Department of Health & Human Services (J02) State Funds amount.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>No maintenance-of-effort or any other obligations would be incurred by adopting this decision package.</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

PRIORITIZATION	<p>The budget request is for an increase in general funds and is considered critical to administer the duties of managing the Medicaid bank account.</p>
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	<p>The State Treasurer's Office provides statewide banking, investment, and debt services, as well as manages the state's unclaimed property program and college savings plans. Therefore, all state government agencies, college and universities, local governments, and the citizens of South Carolina are served by this program.</p>
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	<p>Performance measures and results may be found in the State Treasurer's Office FY16 Accountability Report.</p>
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	10049
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Employee Pay Plan Allocation (3.25%)-Earmarked Funds with Employer Insurance and Retirement Increase.
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Provide a brief, descriptive title for this request.

AMOUNT	\$167,104
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	<p>This program's functions are statutorily mandated:</p> <p>As required by SC Code of Laws, Title 11, Chapters 5 & 13, Accounting and Banking provides statewide services to all agencies and institutions by receipt and distribution of funds from all sources, reconciliation of account balances and bank account balances, financial reporting, management of court revenue and by providing input on budgetary and legislative matters related to statewide banking and accounting issues.</p> <p>As required by SC Code of Laws, Title 11, Chapters 5 & 13, Investments provides statewide investment services to state agencies and institutions through investment of all state funds, management of cash liquidity, cash flow, and collateral, and through management of a local government investment pool for municipalities, counties, and local districts of the state.</p> <p>As required by SC Code of Laws, Title 11, Chapters 5 & 29, Debt Management provides statewide debt management services for the State, its agencies and institutions by management of debt issues including debt structure and payments, communication with bond-rating agencies, and by ensuring compliance with legal requirements including Arbitrage Rebate and Constitutional Debt Limit.</p> <p>As required by SC Code of Laws, Title 27, Chapter 18, Unclaimed Property Program provides a statewide service to the citizens of South Carolina by returning various forms of property or money to the rightful owners.</p> <p>As required by SC Code of Laws, Title 59, Chapters 2 & 4, South Carolina Tuition Prepayment Program (SCTPP) / South Carolina College Investment Program (Future Scholar) are college savings plans that allow families the option of saving now at great advantage for their children's college education.</p>
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

RECIPIENTS OF FUNDS	SC State Treasurer's Office Earmarked (other) funded employees who were eligible for the FY17 employee pay plan allocation of 3.25% and related employer contribution increases.
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

ACCOUNTABILITY OF FUNDS	This increase in funds will allow the Agency to fulfill its goals, strategies and objectives as defined in its fiscal year 2016 Accountability Report.
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	N/A
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

MATCHING FUNDS	N/A
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	The State Treasurer's Office is utilizing all Earmarked (other) fund sources authorized.
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

SUMMARY	The State Treasurer's Office is requesting additional authorization for the employee pay plan increase (3.25%) authorized in FY16-17 Appropriation Act and the associated employer fringe cost. Also included in this request for additional appropriation increase is the associated costs for the SCRS and PORS 0.50% rate increase, as well as the employer health and dental insurance increase effective 1/1/17.
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

METHOD OF CALCULATION	<p>The State Treasurer's Office computed the employee pay plan allocation based on the Earmarked (Other) funds budgeted personal services. The additional employer contribution costs were computed based on the employer retirement and insurance rate table provided by PEBA and Executive Budget Office.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>No maintenance-of-effort or any other obligations would be incurred by adopting this decision package.</p> <p>Approving budget authorization for the employee pay increase is critical in order to maintain the State Treasurer's Office programs and services at the current operating levels.</p> <p>The source of funds has been identified as noted under "Enabling Authority."</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

PRIORITIZATION	<p>The budget request is for an increase in Earmarked (Other) funds authorization and is considered critical to carry out the statutorily mandated functions of the State Treasurer's Office.</p>
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	<p>The State Treasurer's Office provides statewide banking, investment, and debt services, as well as manages the state's unclaimed property program and college savings plans. Therefore, all state government agencies, college and universities, local governments, and the citizens of South Carolina are served by this program.</p>
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AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	<p>Performance measures and results may be found in the State Treasurer's Office FY16 Accountability Report.</p>
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

FORM E – 3% GENERAL FUND REDUCTION

DECISION PACKAGE	11482
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	Agency General Fund Reduction Analysis
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Provide a brief, descriptive title for this request.

AMOUNT	-\$54,669
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What is the General Fund reduction amount (minimum based on the FY 2016-17 recurring appropriations)? This amount should correspond to the decision package's total in PBF.

METHOD OF CALCULATION	N/A
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Describe the method of calculation for determining the reduction in General Funds.

ASSOCIATED FTE REDUCTIONS	0
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM/ACTIVITY IMPACT	The State Treasurer's Office General Funds provide the Agency with the ability to support statewide treasury management and banking services, as well as support services for the investment, debt, unclaimed property and college savings programs. Therefore, all state government agencies, college and universities, local governments, and the citizens of South Carolina are served by the use of these Funds.
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What programs or activities are supported by the General Funds identified?

AGENCY NAME:	SC State Treasurer's Office		
AGENCY CODE:	E16	SECTION:	98

SUMMARY	<p>Any reduction in General Funds to the State Treasurer's Office would negatively impact the Agency's ability to provide essential treasury management and banking services to state government agencies, college and universities, local governments, and the citizens of South Carolina. A General Fund reduction would also negatively affect the ability to deliver essential support services that the Agency provides for its five major program areas: Treasury Management and Banking, Investment Management, Debt Management, Unclaimed Property and College Savings Plans.</p>
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations.