

Office of the State Treasurer

FY 2026 Budget Presentation



Senate Appropriations Committee

February 21, 2025

Office of the Vermont Treasurer

Budget Overview

Budget meets Governor's recommend target

Primary drivers of increases are salary and benefits increases for existing staff

Carryforward:

- Administrative expenses through Q2 FY25 equal 47.5% of FY25 appropriation. We anticipate little if any carryforward amounts from FY25
- \$254,106 was carried forward from FY24 to FY25 and the entire amount is expected to be expended, primarily on prior-year invoices and third-party consultant expenses for legislatively directed studies

Vacancy savings: we expect low turnover based on prior years, and any vacancy savings to be offset by overtime paid to staff covering extra workloads resulting from turnover, or double-filling

Office of the Vermont Treasurer

Invested in Vermont

Our mission is to help Vermont and Vermonters invest in their future, to safeguard the State's assets, and to improve Vermonters' financial lives. We do this by providing services via four divisions:

Treasury Operations Division

- Annually processes over three million disbursements amounting to over \$8.5 billion
- Managing ~\$1.7 billion cash balance earning \$109 million in FY 2024
- Investing \$290 million in OPEB funds earning \$32 million in FY 2024
- Issued \$113 million in bonds - including a refinancing that will save \$3.7 million

Retirement Division

- Over 65,000 individuals across the three public pension systems
- Over \$500 million in annual benefit payments

Unclaimed Property Division

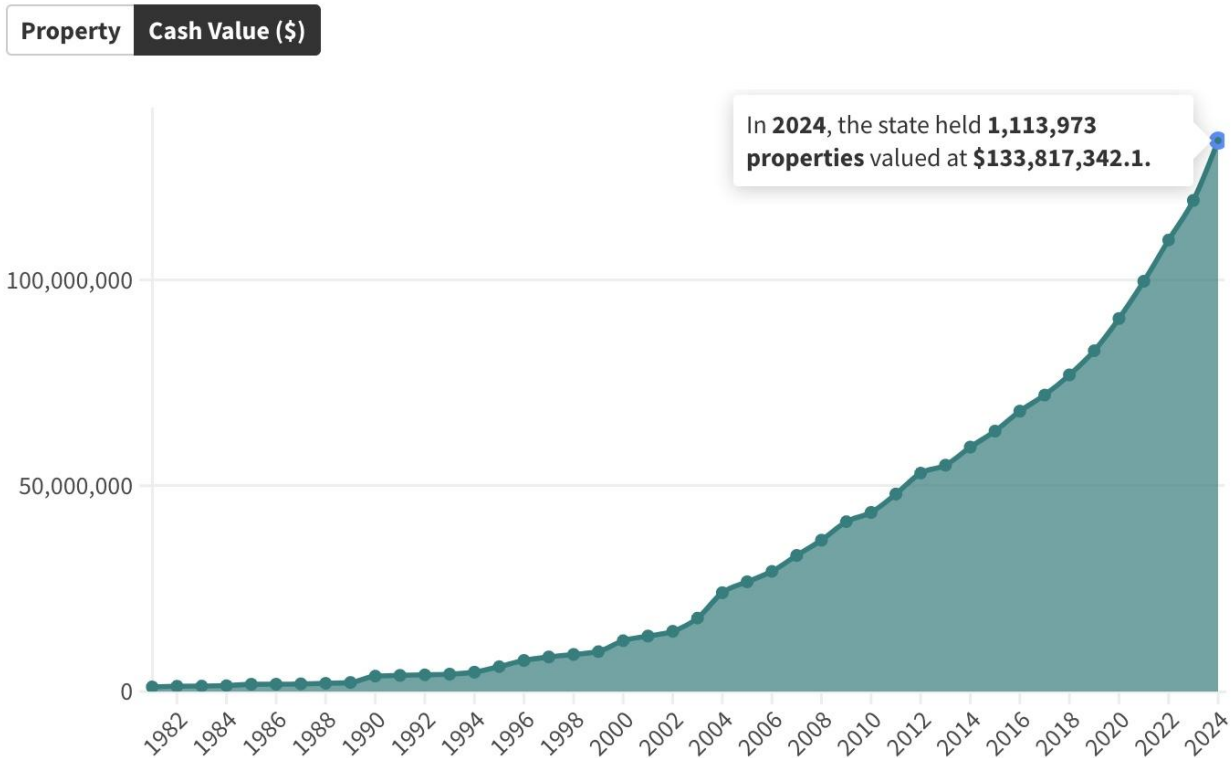
- Record 19,000+ claims paid in FY 2024 amounting to \$5.8 million returned to Vermonters
- Received over \$18 million in unclaimed property in FY 2024 - highest in two decades

Economic Empowerment Division

- Launched Vermont Saves providing access to retirement to tens of thousands of Vermonters

The amount and value of property has only ever risen

In August 2024, the division held over \$130 million in unclaimed property



Source: [Vermont Office of the State Treasurer, Unclaimed Property Division](#) • Note: Cash value is not adjusted for inflation. Years are calendar years.

Corey Dockser / Vermont Public

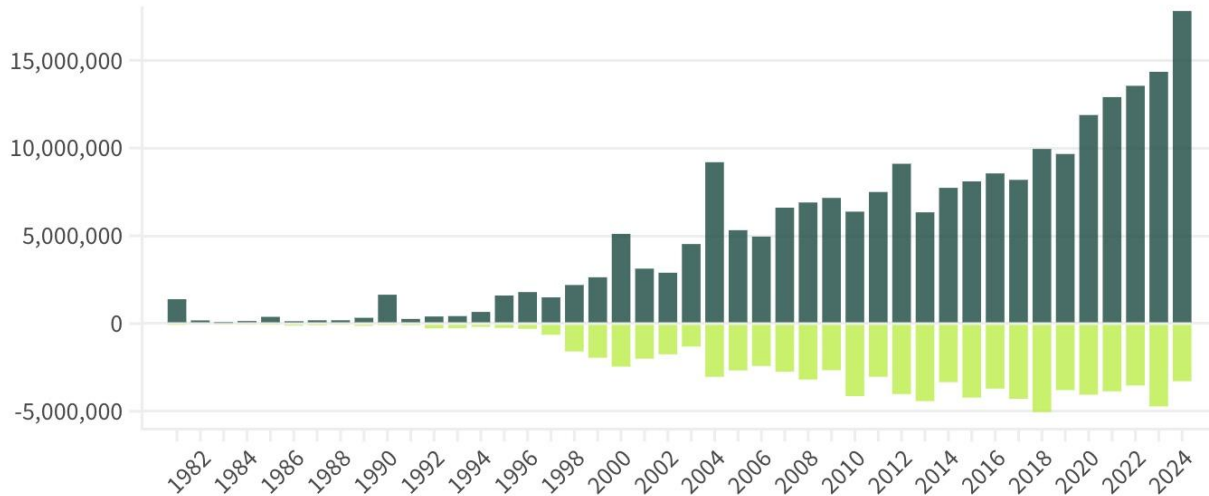
Every year, the state receives far more property than it returns



Record levels of returns in 2023 were matched with record levels of new property

Properties **Cash value (\$)**

Added Returned



Source: [Vermont Office of the State Treasurer, Unclaimed Property Division](#) • Note: Cash value is not adjusted by inflation. Years are calendar years. 2024 data cuts off August 13.

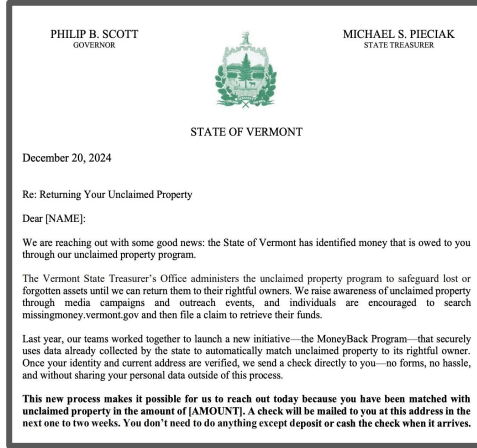
Corey Dockser / Vermont Public

Unclaimed Property

Recent Initiatives



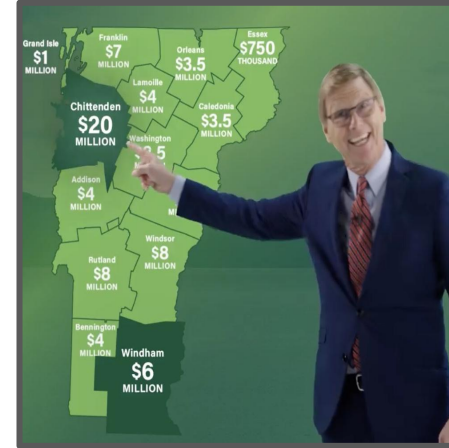
Pilot with Secretary of State to return \$150,000 to 250 Vermont Nonprofits



MoneyBack Program with the Tax Department automatically returning \$1.3M to over 5,000 Vermonters



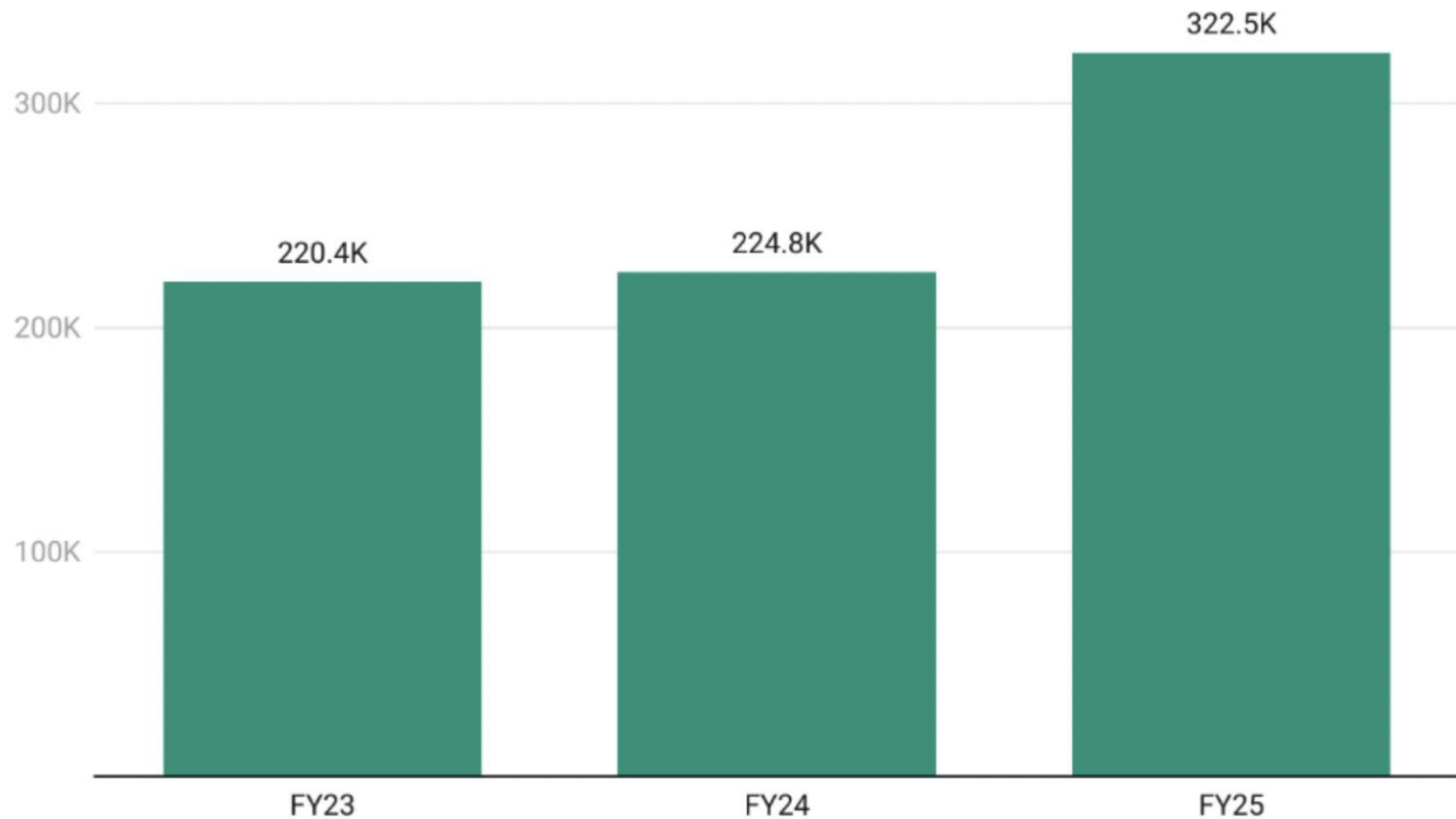
Unclaimed Property Roadshow returned \$150,000 to organizations in all 14 counties over two days



Partnered with Tom Messner on annual TV ad campaign

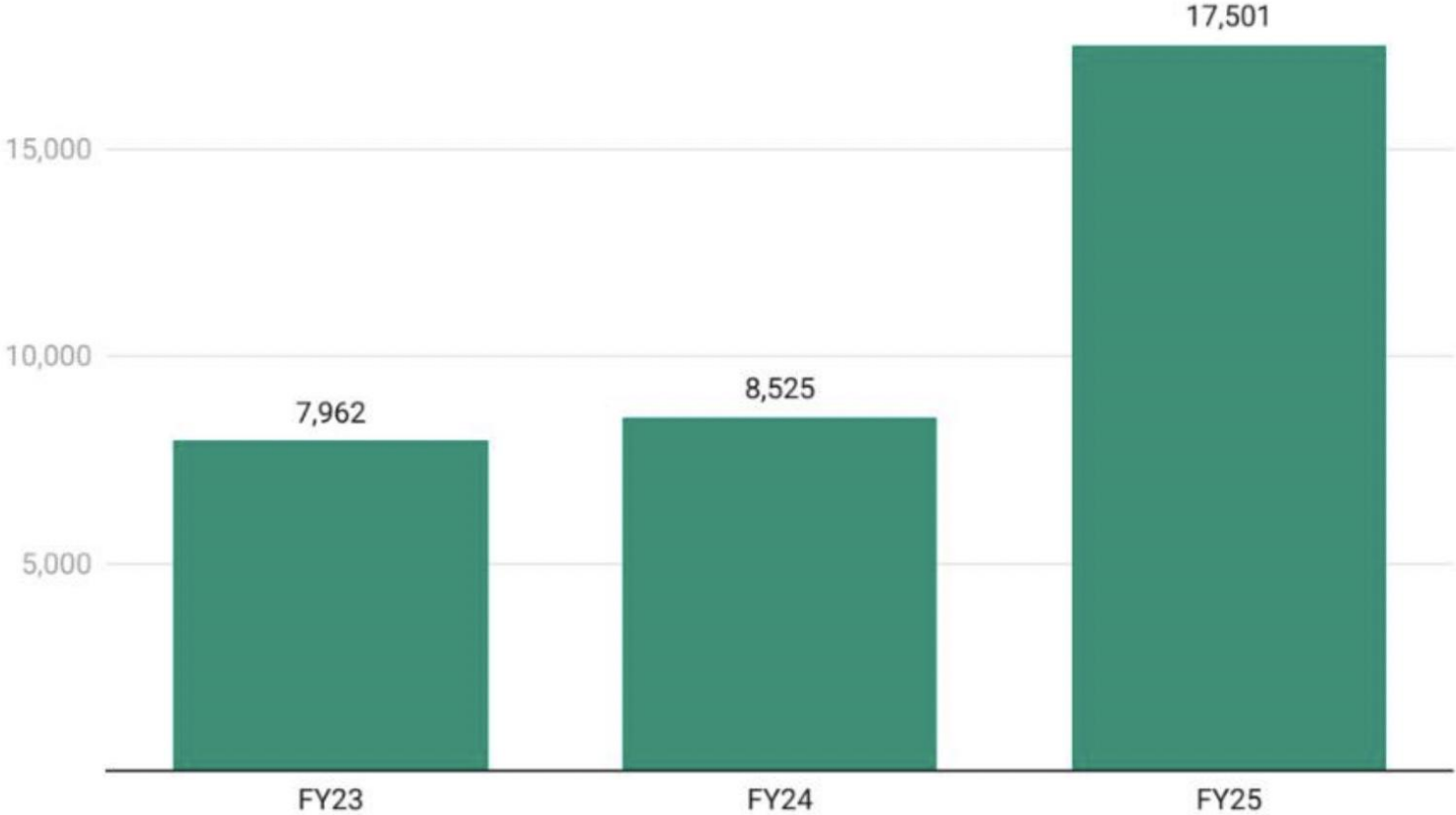
Almost 50% Increase in Web Searches

(first six months of fiscal year)



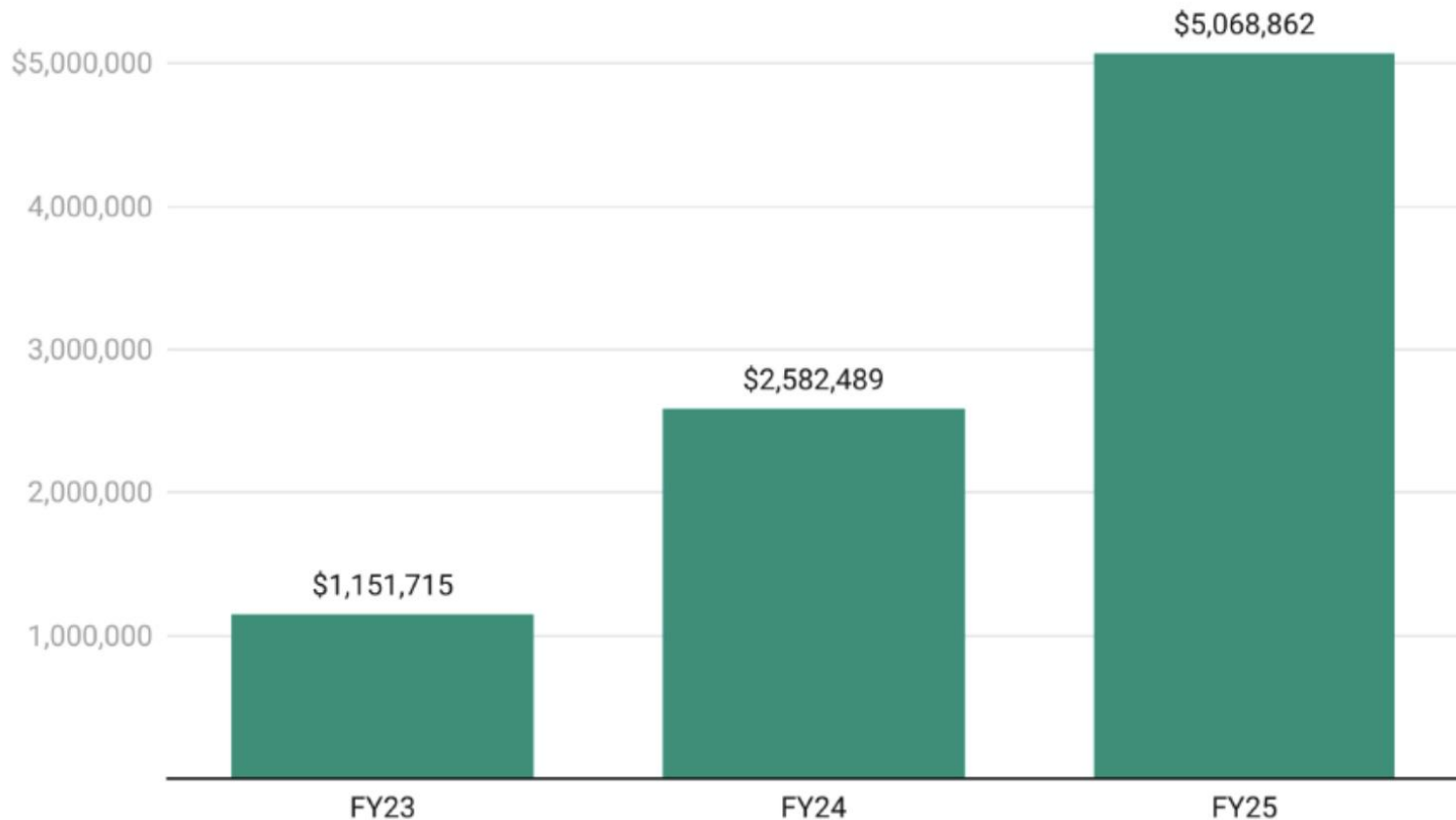
Dramatic Increase in Properties Paid Out

(first half of each fiscal year)



Dramatic Increase in Dollars Returned

(first half of each fiscal year)



Unclaimed Property - Position Request

No General Fund Impact

Requesting Two Program Technician III Positions

- Current staff of four, no new positions in last 25 years
- Properties paid have grown from 2,464 in FY05, to 14,044 in FY15 to over 19,000 in first half of FY25 (and climbing)
- Properties paid per staff member has gone up **7x** in last 20 years
- Growing fraud concerns: fake IDs more accessible and affordable, fraudsters employing AI, staff must keep up with evolving fraud tactics and landscape
- Total cost of \$201,216, annually, 100% from Unclaimed Property Fund

“10% in Vermont” Housing Investments FY24 &

Project Name	Town	County	Amount Awarded
Armistice House	Vergennes	Addison	\$1,095,000.00
Stonecrop Meadows	Middlebury	Addison	\$5,000,000.00
Stonecrop Apts	Middlebury	Addison	\$1,350,000.00
Benn High (VHFA)	Bennington	Bennington	\$4,170,649.00
Willows MHP	Bennington	Bennington	\$285,000.00
Cambrian Building H	Burlington	Chittenden	\$1,360,000.00
Winooski Falls East	Winooski	Chittenden	\$8,000,000.00
Milton Cooperative	Milton	Chittenden	\$3,198,636.00
Reid Commons	St. Albans	Franklin	\$300,000.00
Fonda Property	St. Albans	Franklin	\$8,000,000.00
61 N Pleasant St.	Bradford	Orange	\$325,000.00
Chapman's Place	Fairlee	Orange	\$464,000.00
Salisbury Square	Randolph	Orange	\$364,247.00
Newport Crossing	Newport	Orleans	\$2,425,000.00
133 Forest Street	Rutland	Rutland	\$1,300,000.00
Winooski Falls Hotel	Winooski	Chittenden	\$5,000,000

Project Name	Town	County	Amount Awarded
East Creek Commons	Castleton	Rutland	\$246,915.00
Mahoney Grove	Rutland	Rutland	\$300,000.00
Mahoney Grove	Rutland	Rutland	\$550,000.00
Marble Village	West Rutland	Rutland	\$750,000.00
Fox Run	Berlin	Washington	\$1,200,000.00
Marsh House	Waterbury	Washington	\$768,292.00
Alice Holway Drive	Putney	Windham	\$700,000.00
Delta Campus	Brattleboro	Windham	\$900,000.00
Tri-Park Cooperative	Brattleboro	Windham	\$3,016,364.00
Renew Windsor Co	Springfield	Windsor	\$2,025,000.00
Vergennes Grand	Vergennes	Addison	\$5,000,000.00
560 Railroad St.	St. Johnsbury	Caledonia	\$500,000.00
Rutland / Heritage	Rutland	Rutland	\$8,000,000.00
Benn High (VEDA)	Bennington	Bennington	\$5,400,000.00
MHG project	Orange	Orange	\$7,000,000.00
Northern Stage	WRJ	Windsor	\$500,000.00

“10% in Vermont ” Housing Investments



\$8 Million partnership with City of Rutland, Heritage Family Credit Union and Treasurer’s Office (150 units)



\$5 Million investment through Vermont Economic Development Authority into Vergennes Grand (65 units)



\$300,000 invested into Reid Commons (33 units) with an additional \$8 Million investment into St. Albans Fonda Site (87 units)

2.5% Climate Facility

Partnered with Bond Bank to provide \$20 million of bridge funding to municipalities impacted by '23 and '24 flooding



Vermont
Bond Bank

[Our Vision](#)

[Loan Programs](#)

[Borrowers](#)

[Investors](#)

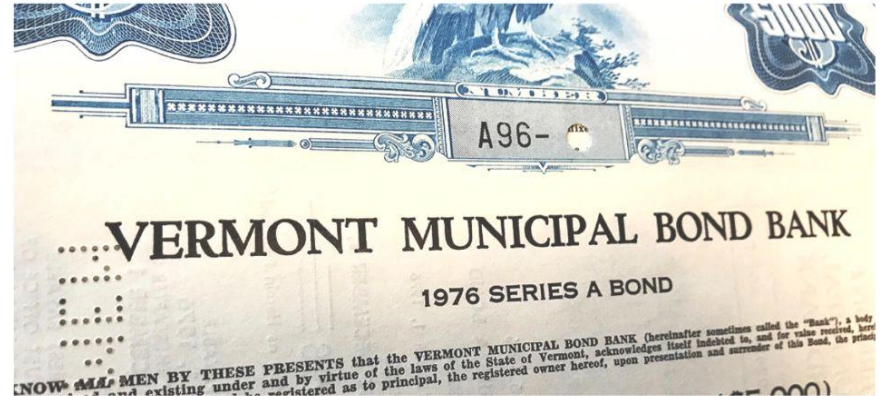
[Infrastructure Data](#)

Municipal Climate Recovery Fund

News & Events

The Municipal Climate Recovery Fund (MCRF) is designed to provide municipal budgetary relief in the flood recovery effort by lowering the costs of borrowing to bridge FEMA reimbursement or otherwise pay for the many unexpected costs of the flood.

The MCRF is funded in partnership with the Vermont State Treasurer's Office that is providing the Vermont Bond Bank (Bond Bank) with a \$15 million loan through the 10% in Vermont Program. The Bond Bank is relying on this source to make MCRF loans to Vermont municipalities. The Bond Bank is passing through the rate of the 10% in Vermont Program at no additional cost to borrowers.





ABLE - Achieving a Better Life Experience

In 2017, Vermont joined a multi-state partnership headed by the Ohio State Treasurer's Office STABLE program, to offer 529-A ABLE accounts to Vermonters with disabilities. They enable these Vermonters to have assets without endangering their eligibility for means-tested programs.

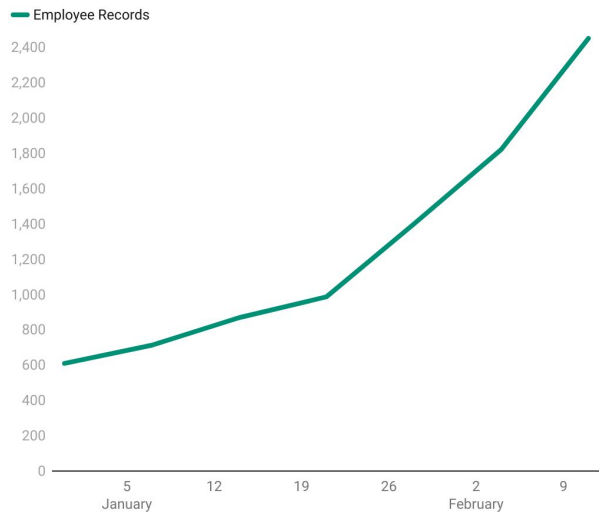
- 1,198 active Vermont ABLE accounts.
- Average account balance: \$10,056.
- Assets under management: \$12,046,800.
- Almost \$3 million in YOY growth in AUM.

213 Vermont ABLE account participants are using the STABLE card: a reloadable debit card that makes it easier to track qualified expenses and implement spending protections. The Treasurer's Office currently subsidizes 100% of the monthly fee for this feature.

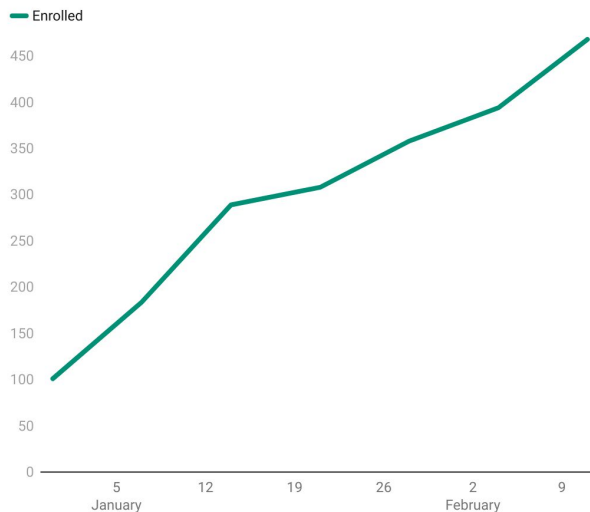


Vermont Saves Open Enrollment

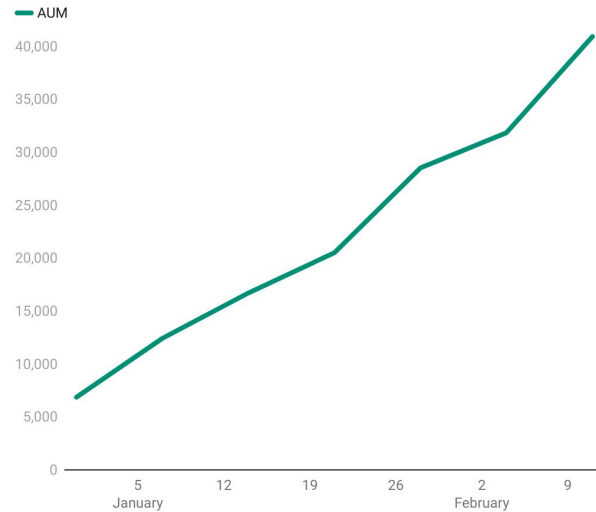
Total Employee Records During Open Enrollment



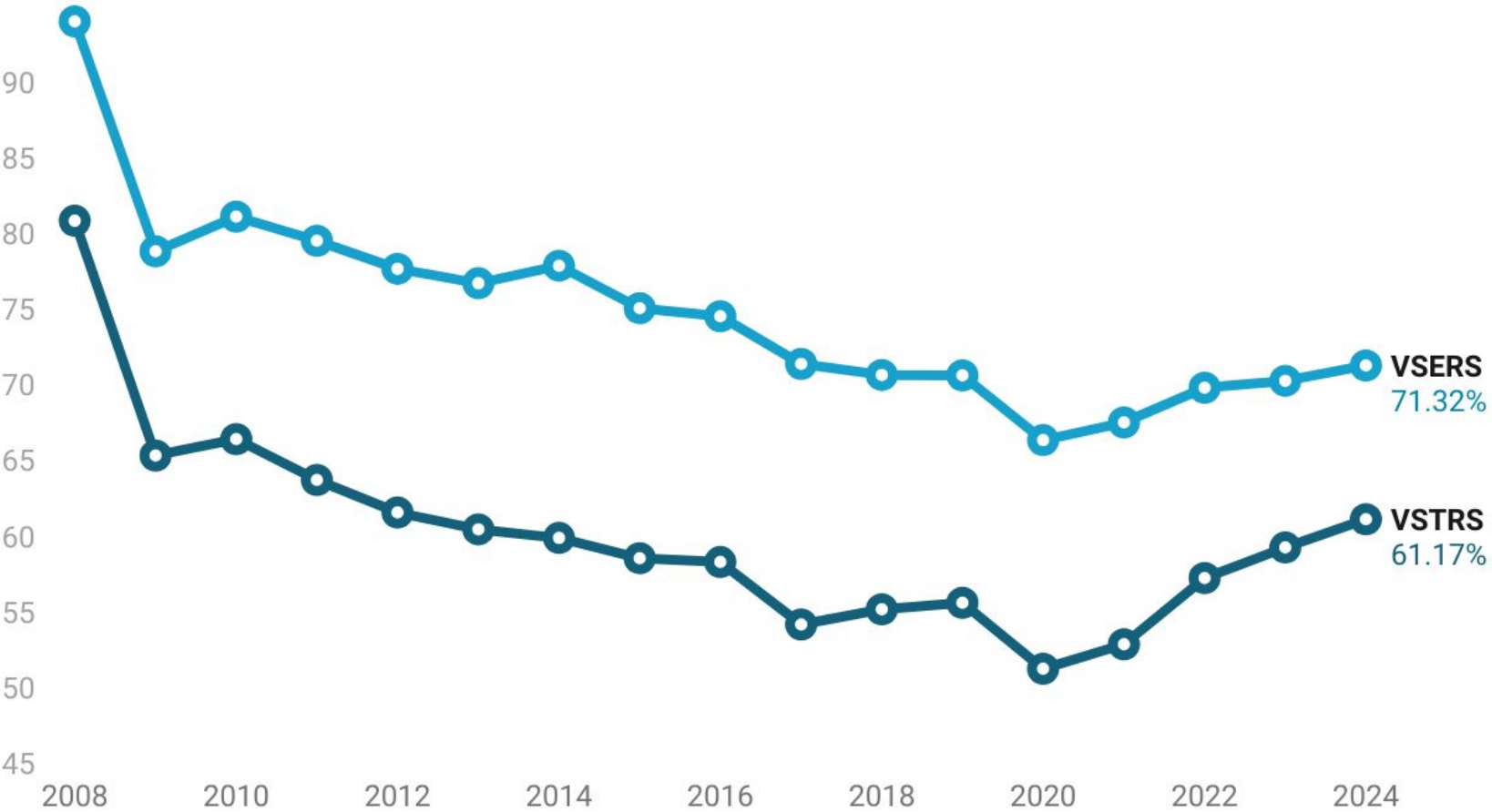
Total Employees Enrolled During Open Enrollment



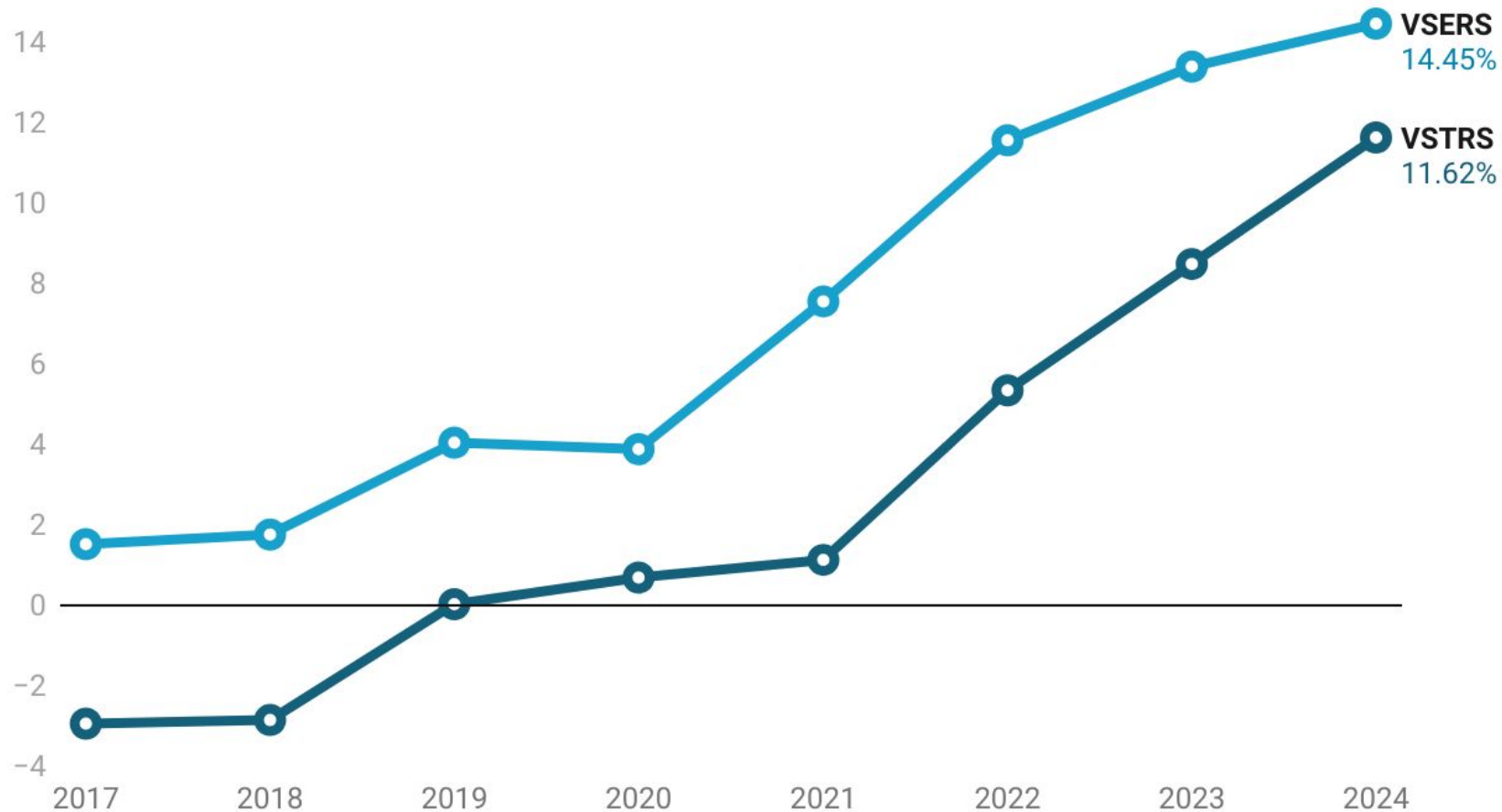
Total Assets Under Management



Funding Ratio: Pension Systems



Funding Ratio: Other Post-Employment Benefits



Act 114 Pension Reform Savings

Recent analysis by the Treasurer's Office estimates **\$6 billion in savings** to taxpayers as a result of Act 114:

- **\$1 billion** - in State and Teacher savings resulting from benefit changes and additional employee contribution rates (and associated investment returns)
- **\$5 billion** - in State and Teacher savings through additional investment returns due to accelerating funding, including:
 - Accelerated one-time and ongoing payments to the Pension System
 - Pre-funding OPEB Benefits

Medical Debt Relief (H. 112 & S. 27)



Proposal to eliminate \$100 million of older medical debt for moderate and low income Vermonters

Requires one-time \$1 million appropriation

Prohibits the reporting of medical debt on an individual's credit report

Task Force on Federal Transition

- Will advise Treasurer on federal policy, legal changes, and the opportunities or challenges they create for the Vermont economy, future state fiscal or financial policy, or for Vermonters' households and businesses.
- 600+ participants on 2/6 Webinar: Immigration and ICE Rights, Responsibilities, and Support for VT Businesses and Non-Profits (collaboration with VBSR and VT Chamber of Commerce)
- Other potential topics - tariffs, disaster recovery reserve, Office of New Americans, public health
- Safe Harbor Fund bill

Monetary Budget Requests

- **Medical Debt Relief** (H.112 and S.27, seeking \$1M one-time funds)
- **New Unclaimed Property Positions** (see previous slides)
- **Baby Bonds Pilot Administrative Funding** (\$500,000)
- **Climate Superfund** (1 FTE and \$700,000 total in BAA plus FY26 budget; 1 FTE and \$350,000 sought in BAA)

Budget Language Requests

Vermont Saves

- Clarify that account holders can have Traditional and Roth IRAs simultaneously
- Auto-escalation cap modification from 8% to 10% (as in Maine & Delaware)
- Change name to “Vermont Saves” for consistency

Baby Bonds Pilot

- Clarify pilot language and create special fund for pilot and admin expenses

Municipal Equipment & Vehicle Loan Fund

- Broadens scope to “vehicles” as well as equipment
- Hardship allowance waiver for amounts/percentage

CDAAC

- Changes to a biennial report
- Adds in liability metrics and capital asset depreciation ratio

Unclaimed Property

- Increase threshold from \$250.00 to \$1,000.00