



# Office of the State Treasurer

FY 2027 Budget Presentation



*Presentation to Senate Appropriations*

April 7, 2026



# Office of the State Treasurer

## FY 2027 Budget Presentation

### Contents:

1. **H.567, Non-General Fund:** \$214,478 for two Unclaimed Property Division positions.
2. **H.567, Non-General Fund:** \$141,704 for one Retirement Division position.
3. **H.567, Non-General Fund:** Temporarily reconfigure a transfer of up to \$300,000 from Unclaimed Property to the Higher Education Endowment Trust Fund so the Vermont Retirement Security Fund (VT Saves Program) is included in the transfer.
4. **H.567, General Fund:** \$75,000 for the Pension and Benefits Funding Task Force, a stakeholder group to review our funding policies for the State and Teachers Retirement Systems.

# TRE Position Requests (Not Impacting the General Fund)



**Office of the State Treasurer**  
**March 17th, 2026**

# Two Positions in the Unclaimed Property Division

# Unclaimed Property Division Position Context

The Unclaimed Property Division has operated with **essentially the same staffing level of 4 FTEs for well over 20 years**, but their workload has risen dramatically

## FY 2006

- 7,641 claims
- \$4.48 million to Vermonters
- 2,181 holder deposits
  - totaling \$6.99 million

**2,456 transactions per employee**

## FY 2025

- 31,593 claims
- \$9.45 million to Vermonters
- 3,334 holder deposits
  - totaling \$27 million

**8,732 transactions per employee**

Staff are now handling more than **3.5 times the volume of transactions they were 20 years ago**, with the same number of employees

# Unclaimed Property Positions Impact

- The two additional positions would allow for a reduction to **5,821 transactions per employee** if the number of transactions processed stays flat in the coming years, though the trend has been rising sharply.
  - This would mean that **staff would *still* be handling more than twice the number of transactions per employee** as compared to FY2006.
- The Unclaimed Property Division is entirely self-funding.

# Positions are an Investment

- These positions will also assist in holder outreach and compliance efforts, enhancing our ability to ensure timely and accurate reporting from holders, as well as detect and defeat fraud. Increased compliance leads directly to improved remittance levels, which supports program operations, owner returns, and state income.
- Better compliance oversight has the additional benefit of generating more income for the State, as previously unreported or underreported property is brought into the Unclaimed Property Fund

# **Policy and Research Manager in the Retirement Division**

# Retirement Division Position Context

The Vermont Retirement Division is among the leanest in the country.

- Vermont has **2,860 members/staff**.
- The national median ratio is **1,367 members/staff** for all systems.
- The national median for comparably sized systems is **1,200 members/staff**.

The state's high member/staff ratio is more remarkable considering the number of plans administered, including Defined Benefit, Defined Contribution, deferred compensation, and retiree health insurance plans. Most peer systems do not support as many varied plans.

# Policy and Research Manager Position Impact

- The Policy and Research Manager would provide the additional support that is required for the management of **retiree health insurance** and **Supplemental plans** (defined contribution, deferred compensation, etc.) while supporting the **necessary increase in staff capacity** given the extremely high ratio of participants to administrative staff.
- The Retirement Division is funded through administrative fees from the managed funds, not through the General Fund.

# Positions are an Investment

- Although stretched, current Retirement Division staff worked extremely hard to save the state considerable funds through a rapid switch of health care insurers during calendar year 2025.
  - This will save the state **\$20 million per year going forward.**
- The Policy and Research Position is expected to support operation of the existing systems while providing new expertise to the office. It will have a particular focus on healthcare, an area of significant and growing cost to the retirement systems.

# **Unclaimed Property Transfer to Vermont Retirement Security Fund**

# Current Relationship Between Unclaimed Property & HEETF

- Unclaimed property accounts that are more than 10 years old and less than \$100 are transferred into the HEETF
  - (That money does still belong to the rightful owner who is encouraged to claim their property, but those accounts often remain unclaimed)
- Each year when unclaimed accounts age from being 9 years to 10 years old they are transferred into the HEETF
- This makes up a small portion of the annual contributions into the HEETF
  - The largest portion of contributions comes from the windfall from the estate tax

# Scale of Annual Contributions

Annual Contributions to The Higher Education Trust Fund

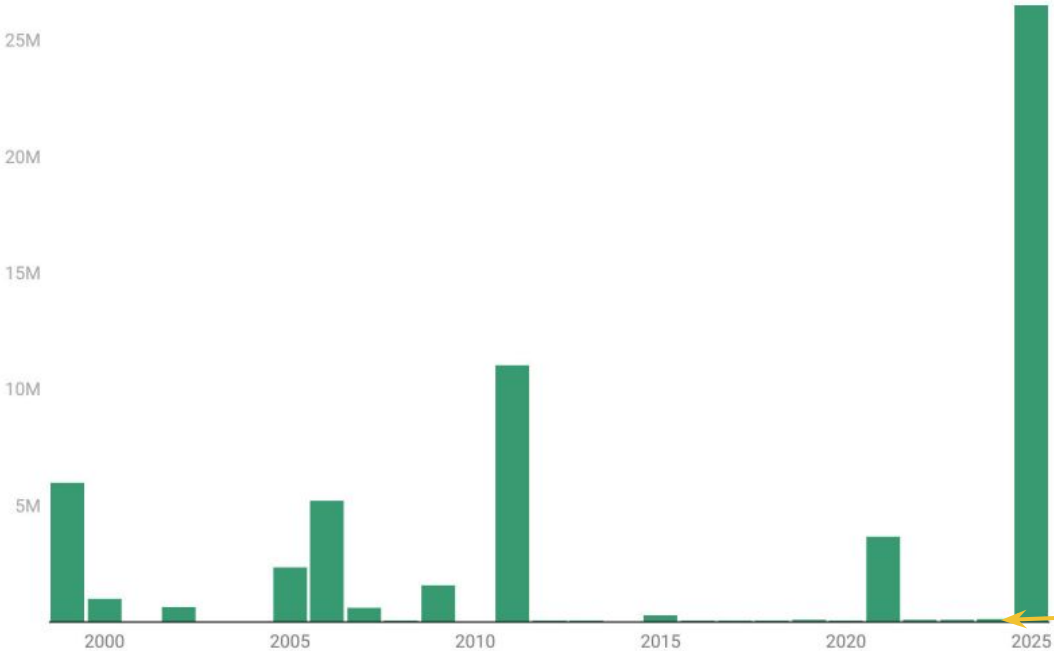


Table 1: Unclaimed Property Revenues Available to Higher Education Trust Fund

Fiscal Year	Unclaimed Property Funds to Higher Education Trust Fund Under Status Quo (\$100)
2021	\$ 128,343
2022	\$ 109,960
2023	\$ 103,353
2024	\$ 134,747
2025	\$ 147,582

# Proposed UP Transfer Changes

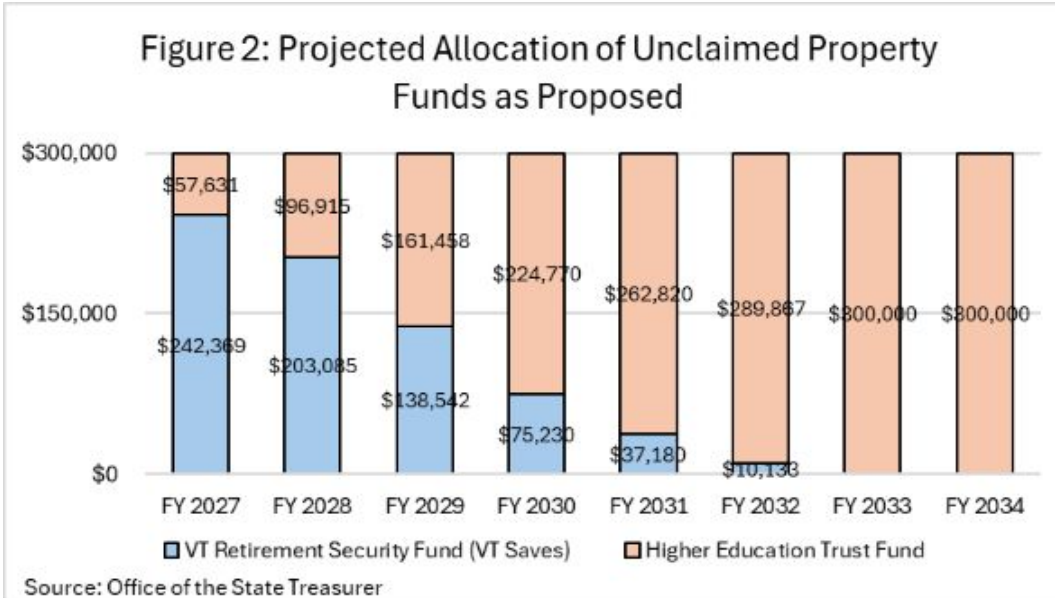
- **Inclusion of unclaimed property that is more than 10 years old and less than \$150**
  - (property <\$100 was previously swept into the HEETF)
- **\$300,000 cap on total annual transfer**
  - Although previous revenue has not risen to this level the increased threshold for sweep eligibility raises the revenue potential. This cap smooths the transfers
- **Transfer of annually decreasing amount to support VT Saves Program**

# Funding the VT Saves Program to Self Sufficiency

- This change to existing funding mechanisms will fund the VT Saves program until it reaches self-sufficiency
  - VT Saves requires additional revenue but will have decreasing needs until it is self sufficient in FY 2033
- The projections show that under this proposal there would soon be more revenue flowing towards the Higher Education Endowment Trust Fund than there would under current law

# Overall Impacts to the HEETF

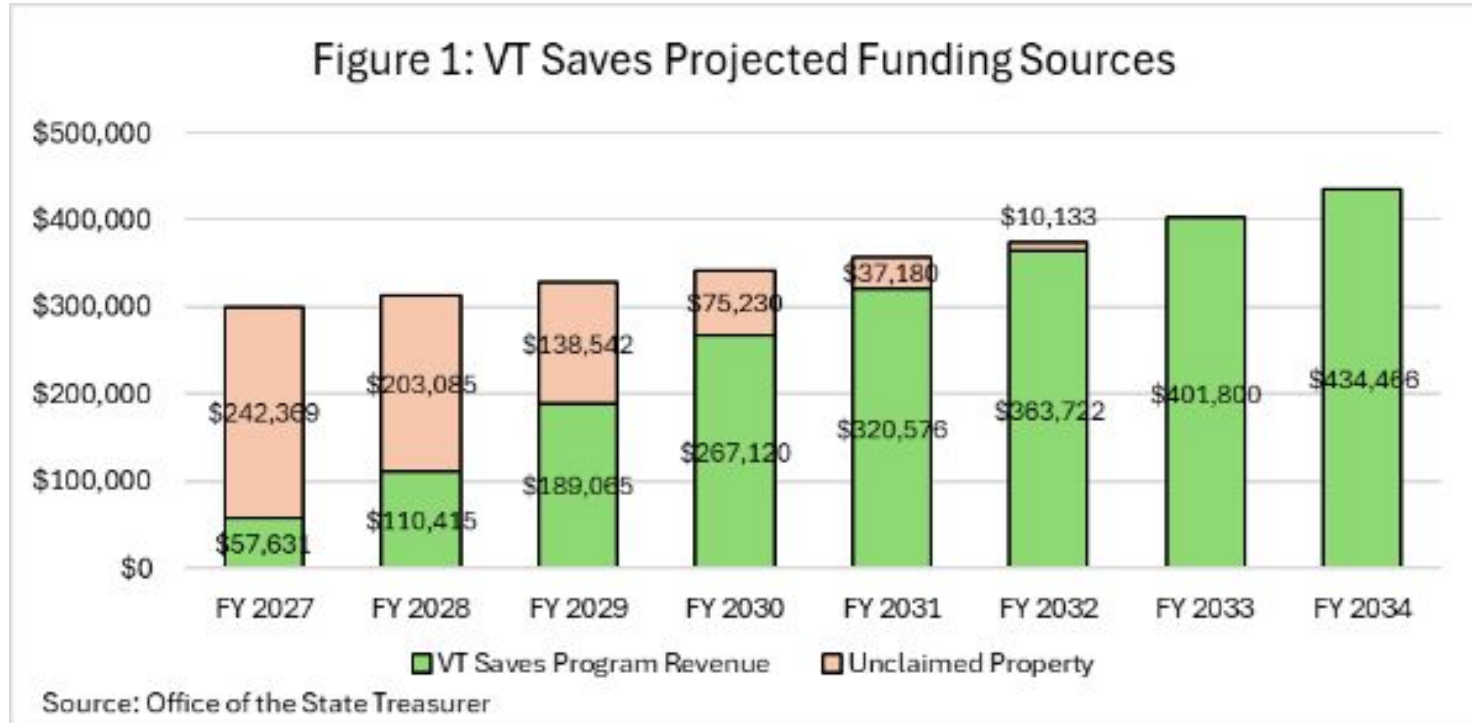
- Initial decrease in the amount being transferred to the HEETF
- Subsequent increase in transfer as a result of increased threshold for sweep



**Table 1: Unclaimed Property Revenues Available to Higher Education Trust Fund**

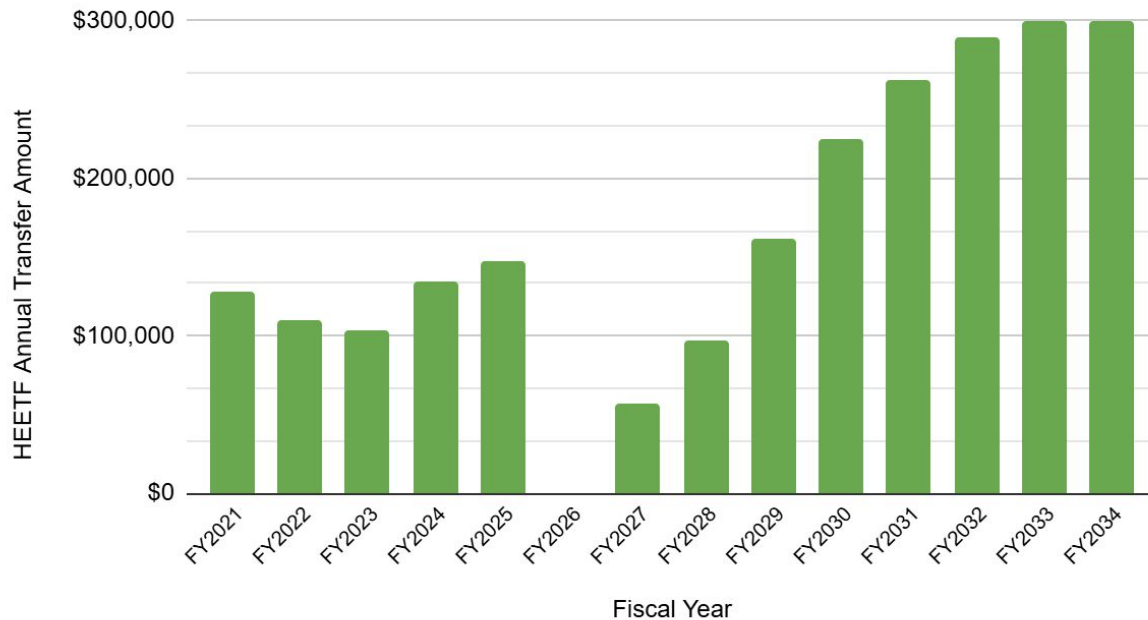
Fiscal Year	Unclaimed Property Funds to Higher Education Trust Fund Under Status Quo (\$100)	Unclaimed Property Funds Available to Higher Education Trust Fund if Threshold Was \$150
2021	\$ 128,343	\$ 295,488
2022	\$ 109,960	\$ 270,511
2023	\$ 103,353	\$ 301,753
2024	\$ 134,747	\$ 317,664
2025	\$ 147,582	\$ 342,458

# Funding the VT Saves Program to Self Sufficiency



# Impact on HEETF

Annual HEETF Transfer from UP with H.567



**With this change, shortly after implementation there will be more money transferred from Unclaimed Property to HEETF**

# Office of the State Treasurer

## *Treasurer's Omnibus Bill (H. 567)*

### **Amortization Task Force**

**Request:** One-time general fund of \$75,000

**Reason:** Support actuarial services and task force per diem

**Goals:**

- Pensions are on a closed end 2038 amortization schedule (OPEB 2048)
- The last years of a closed end amortization approach are the most volatile because there is less time to absorb large losses (*or gains*)
- The Task Force will review alternative amortization approaches and make recommendations that focus on the long-term sustainability of the plans, the total cost of funding over time, the stability of State contributions, and the impact on the State's credit rating

# Questions?

**Read the full attached memo**

Or reach out to Deputy Treasurer  
David Scherr

[david.scherr@vermont.gov](mailto:david.scherr@vermont.gov)

802-793-8970