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STATE OF VERMONT
OFFICE OF THE STATE TREASURER

MICHAEL S. PIECIAK
STATE TREASURER

To: Chair and Members, Senate Appropriations Committee
From: Office of the State Treasurer
Re: Treasurer's Omnibus (H.567) and Appropriations Requests

The Office of the Treasurer respectfully presents the following information on the Treasurer's Office budgetary requests.

- All but one are contained in the Treasurer's Omnibus, H.567, which passed unanimously out of House Government Operations, House Ways and Means, House Appropriations, and ultimately passed the full House without objection on a voice vote.
- One request is contained in the Vermont Prescription Drug Discount Card Program bill, H.577, which passed out of House Health Care unanimously, out of Ways and Means with bipartisan support, 9-2, out House Appropriations with bipartisan support, 8-2-1, and ultimately out of the full House on an overwhelming voice vote.

Contents:

1. **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.
2. **H.567, Non-General Fund:** \$214,478 for two Unclaimed Property Division positions.
3. **H.567, Non-General Fund:** \$141,704 for one Retirement Division position.
4. **H.577, General Fund:** \$50,000 to support Vermonters in taking up usage of the Drug Discount Card
5. **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.

1. **Transfer to Retirement Security Fund (H.567, Non-General Fund, up to \$300,000)**

- This proposal reconfigures an existing transfer from the Unclaimed Property Fund to the Higher Education Endowment Trust (HEETF) to allow for an additional transfer to the Vermont Retirement Security Fund (which supports the VT Saves Program). The total of the transfers is capped at \$300,000. This will support the VT Saves Program until it becomes self-sustaining, which is projected to occur by FY33.

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- This will not impact the General Fund. [The JFO Fiscal Note has helpful detail here.](#)
- [This model shows anticipated revenues from the VT Saves Program](#) and projects the impact of this transfer on the Retirement Security Fund and the Higher Ed Endowment Trust Fund.
- In the short term, funds shift from the HEETF to the Retirement Security Fund, but over time increasing VT Saves revenue reduces the transfer and boosts HEETF funding above the levels it currently enjoys.
- This proposal increases the total amount of money that will be transferred. As a result, by FY29 the HEETF is projected to receive more money each year than it currently does as the VT Saves revenue increases and offsets the need to receive transfers.
- [By FY33, VT Saves is projected to be self-sustaining](#) and the full amount of the transfer will go to HEETF.
- The provision is projected to ultimately provide the HEETF with greater revenues over the duration of this provision than it would have received otherwise. The provision would sunset in 2040.

2. Unclaimed Property Division Position Requests (2 FTE) (H.567, Non-General Fund, \$214,478)

The Vermont Unclaimed Property Division has operated with **essentially the same staffing level for well over 20 years**, with four full-time employees responsible for administering the entire program. During that time the workload has risen dramatically.

The Unclaimed Property Division is entirely self-funding.

- In FY2006: the office processed 7,641 claims, returning \$4.48 million to Vermonters. During that same year, the office received 2,181 holder deposits totaling \$6.99 million.
 - **In FY2006, the staff handled 2,456 transactions per employee.**
- In FY2025: the office processed 31,593 claims, returning \$9.45 million to Vermonters. The office also received 3,334 holder deposits totaling \$27 million.
 - **In FY2025, the staff handled 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. The increase represents a 313% increase in claims processed and a 286% increase in the value of property received, all while operating with the same staffing level.

- Proposal: The two additional positions, at a total cost of \$214,478, 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.

Staff must manage not only higher volumes but also increasingly complex deposits from financial institutions, businesses, and other reporting entities, while facing a growing risk of fraud as Unclaimed Property programs become more targeted. The workload reflects both program growth and rising expectations to locate owners, process claims efficiently and return funds to Vermonters in a timely manner.

Adding positions will strengthen holder outreach and compliance, improving reporting accuracy, increasing remittances, and generating additional revenue by capturing previously unreported property.

3. Retirement Division Position Request (1 FTE) (H.567, Non-General Fund, \$141,704)

The Vermont Retirement Division is among the leanest in the country. It does not draw from the General Fund for its staffing costs. The retirement funds pay for their administrative costs.

- 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.

Extraordinary work to save the State of Vermont—and retirees—money has stretched an already hard-working division:

- In the last 6 months of 2025, the division scrambled and executed on transitioning to a new healthcare provider for retirees.
 - **These actions will save the state of Vermont 20 million per year going forward.**
 - They will also save retirees premium expenses.
- In addition, Empower Fund changes save members approx. \$100k/year in total.

Proposed Policy and Research Manager position:

- Management of the retiree health insurance plans requires affirmatively monitoring an increasingly complex health insurance landscape. There is need for additional expertise in plan administration at the staff level around member outreach (particularly in wellness activities), monitoring of claims history and performance, and increased market awareness. With appropriate staff oversight, **this has the potential to be an area of substantial savings.**

4. Vermont Prescription Drug Discount Card Program (H.577, General Fund, \$50,000)

- This funding will allow the Treasurer's Office to ensure Vermonters are aware of the opportunity for considerable savings in utilizing the proposed Drug Discount Card Program.
- H.577 has the potential to save Vermonters more than **\$20 million annually** in prescription drug costs. If just 1% of Vermonters (approximately 6,480 residents) enroll, we estimate they would collectively save \$20,139,840 per year if Vermonters gain the same savings as Connecticut residents, where ArrayRx card users are saving an average of \$259 per month.

5. Pension and Benefits Funding Task Force (H.567, General Fund, \$75,000)

- \$75,000 is requested for the Pension and Benefits Funding Task Force, a stakeholder group to review our funding policies for the State and Teachers Retirement Systems. This is not a wholesale review of our pension commitments. It is narrowly focused on mitigating potential volatility in funding requirements.
- As we approach 2038, annual funding requirements are subject to greater volatility. This could result in very high payments being required. There are ways to maintain our commitment to full funding while mitigating volatility, and the Treasurer's office believes it will be important to discuss these options with stakeholders. The task force will ensure stakeholders have full insight into our options and that we have broad consensus on any solution.