



Office of the State Treasurer

FY 2027 Budget Presentation

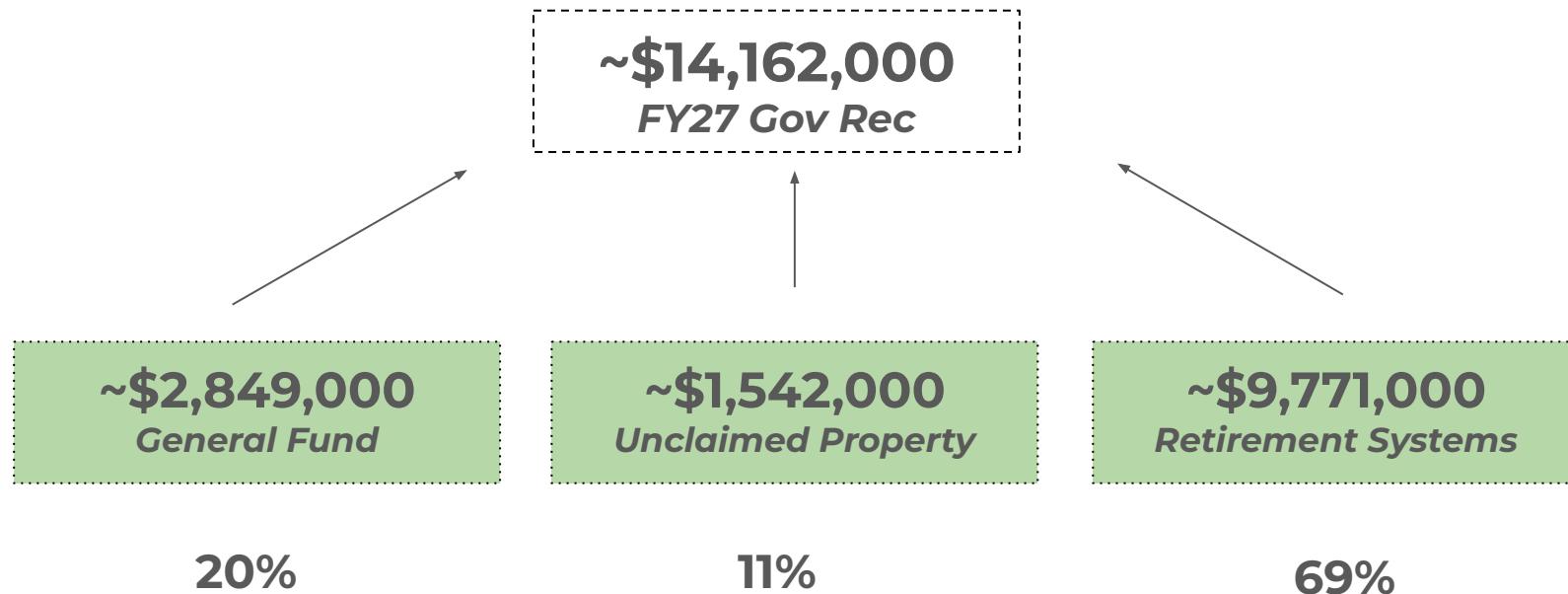


Presentation to Senate Appropriations

January 30, 2026

Office of the State Treasurer

FY27 Governor Recommend



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FY27 Governor Recommend

45 Positions Treasurer's Office Staff

- 7 Staff - Front Office
- 11 Staff - Treasury Operations
- 18 Staff - Retirement
- 4 Staff - Unclaimed Property
- 3 Staff - IT
- 2 Staff - Economic Empowerment

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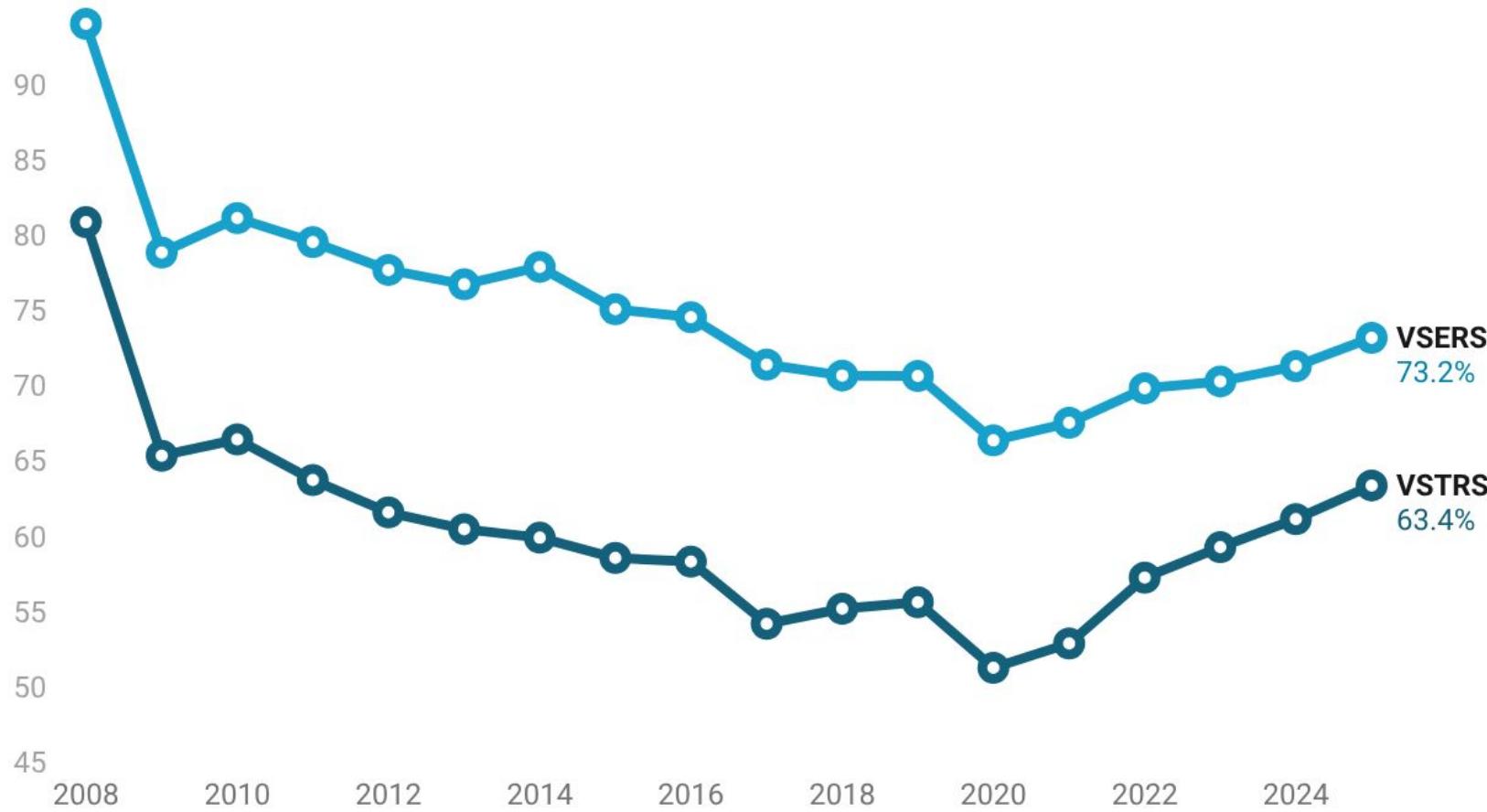
FY27 Governor Recommend

~14,162,000 FY27 Governor Recommend

Governor recommend represents an 7.0% increase over last year:

- Total proposed dollar increase of ~\$927,000
- 4.4% General Fund (~\$120,000)
- 9.4% Retirement (~\$647,000)
- 11.5% Unclaimed Property (~\$159,000)

Funding Ratio: Pension Systems



ADEC: Pension and OPEB

Pension

- VSERS \$155,459,108 total FY27 VSERS contribution **(2.63% increase over FY26)**
- VSTRS \$235,905,084 total FY27 VSTRS contribution **(3.58% increase over FY26)**

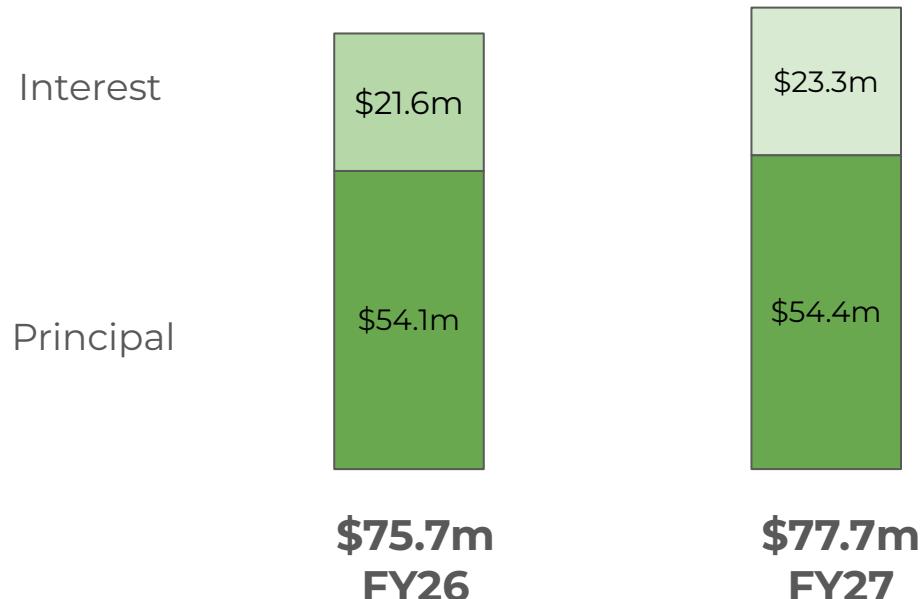
OPEB

- VSERS \$105,405,207 total FY27 VSERS contribution **(11.99% increase over FY26)**
- VSTRS \$99,834,595 total FY27 VSTRS contribution **(24.87% increase over FY26)**

Transition to HealthSpring saved ~\$22 million in additional VSTRS OPEB costs for FY 27 and going forward

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FY27 Governor Recommend



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Treasurer's Omnibus Bill (H. 567)

- Mechanism to Temporarily Fund Vermont Saves
- Pension Task Force: \$75,000 one-time request
- Retirement Division: 1 position request
- Unclaimed Property Division: 2 position requests

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Treasurer's Omnibus Bill (H. 567)

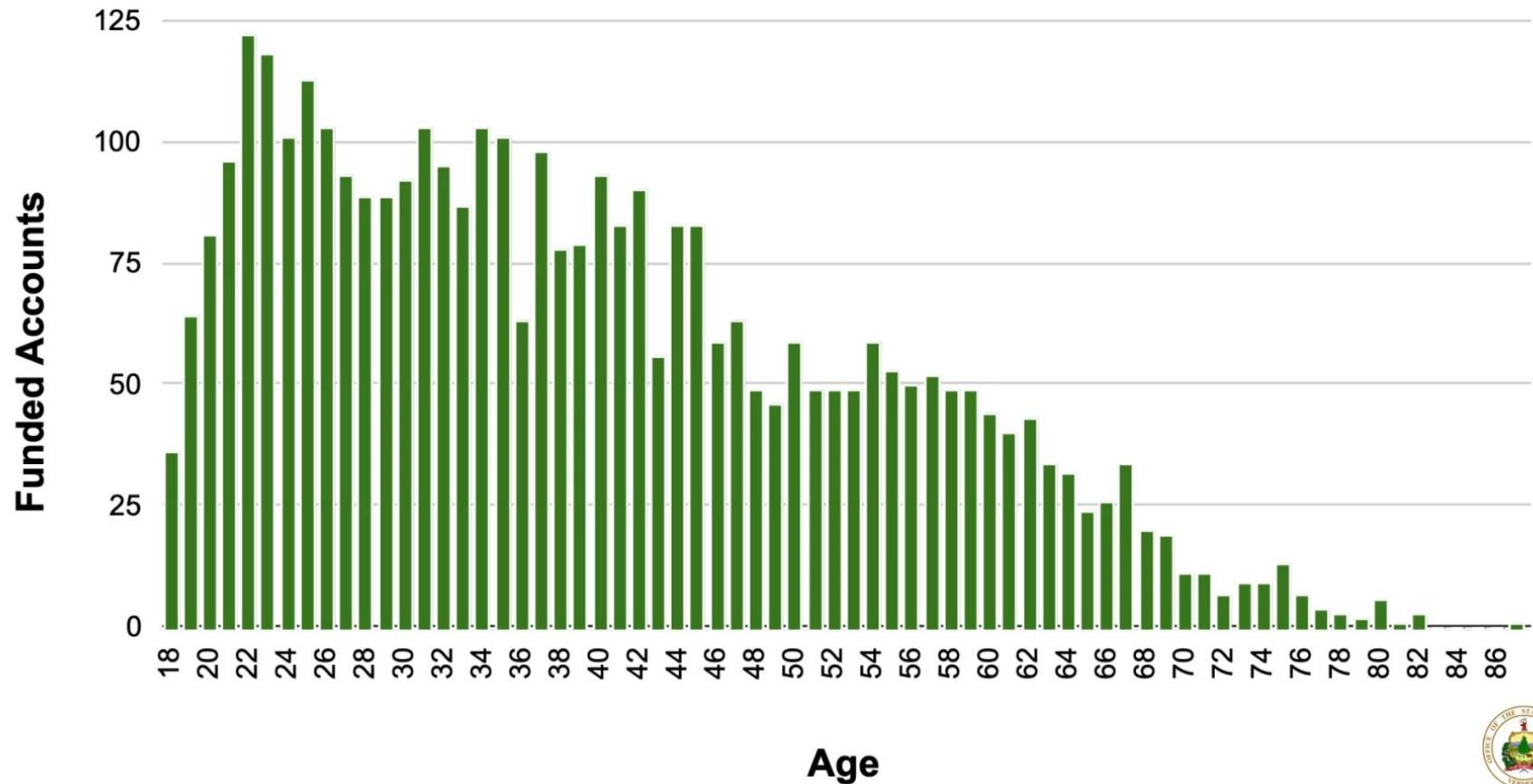


- Fully launched less than one year ago
- 5,420 funded accounts
- \$5,172,939.53 collectively saved
- 55% of savers are under the age of 40
- 30% of savers are under the age of 30
- Employers view as valuable employee benefit



Vermont Saves - Funded Accounts by Age

July 1, 2025



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Treasurer's Omnibus Bill (H. 567)

Vermont Saves

- Passed the Legislature in 2023 with \$750,000 one-time appropriation, authority to establish program and 2 positions.
- Program fully launched in March 2025 in partnership with Colorado, Maine, Delaware, Nevada and Minnesota.
- One-time appropriation exhausted in FY26; ~\$300,000 in program expenses expected in FY27 with ~\$57,631 in expected fee revenue leaving a gap of \$242,369.

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Vermont Saves Projections

Fiscal Year	Revenue	Expense	Net
FY2027	\$57,631	\$300,000	-\$242,369
FY2028	\$110,415	\$313,500	-\$203,085
FY2029	\$189,065	\$327,608	-\$138,542
FY2030	\$267,120	\$342,350	-\$75,230
FY2031	\$320,576	\$357,756	-\$37,180
FY2032	\$363,722	\$373,855	-\$10,133
FY2033	\$401,800	\$390,678	\$11,122
FY2034	\$434,466	\$408,259	\$26,208

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Vermont Saves

To Temporarily Cover Program Costs: *Proposal to expand and transfer older / smaller properties from Unclaimed Property away from the Higher Education Trust Fund to the Vermont Saves program and then sunset when no longer necessary.*

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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

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Treasurer's Omnibus Bill (H. 567)

Unclaimed Property - 2 Positions

Request: Ongoing unclaimed property special fund of \$214,478

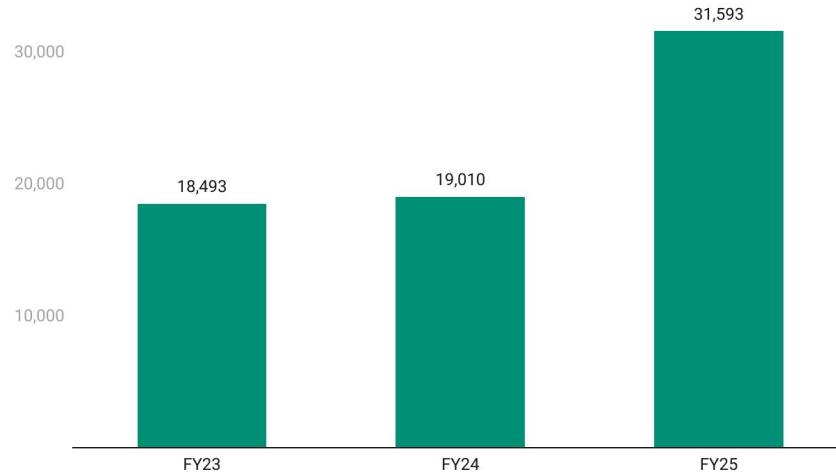
Reason: Fund 2 unclaimed property positions

Goals:

- Effectively manage the significant increase in claims, payments and holder revenue to ensure timely and accurate payments
- These positions will also assist in holder outreach and compliance efforts, enhancing our ability to ensure timely and accurate reporting from holders
- 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

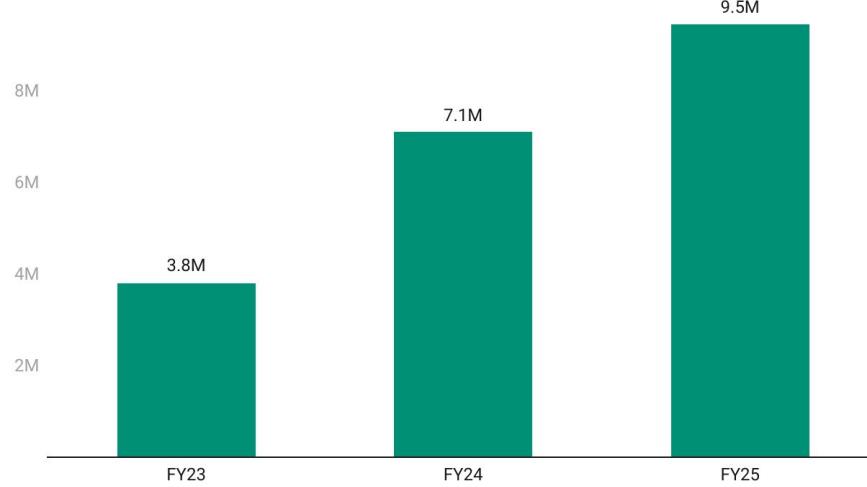
Unclaimed Property - 2 Positions

Unclaimed Property Claim Volume



**66% increase from
FY 24 to FY 25**

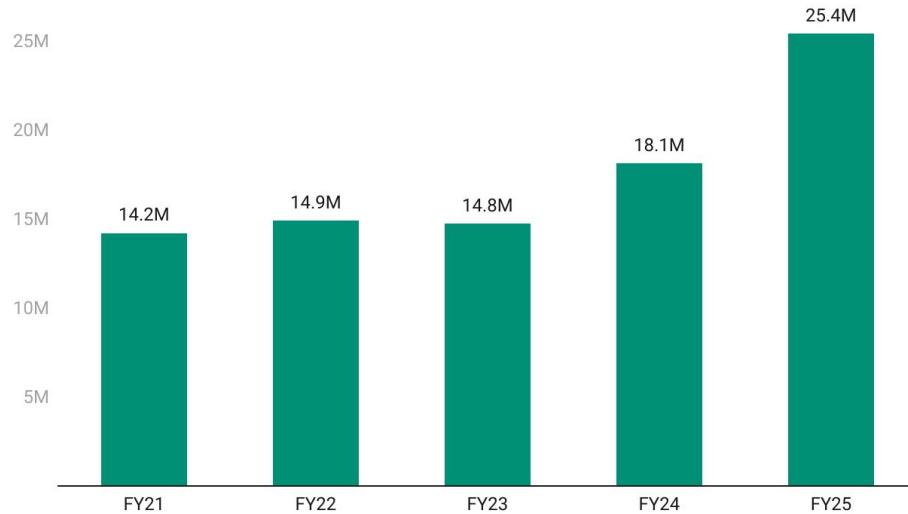
Unclaimed Property Dollars Returned



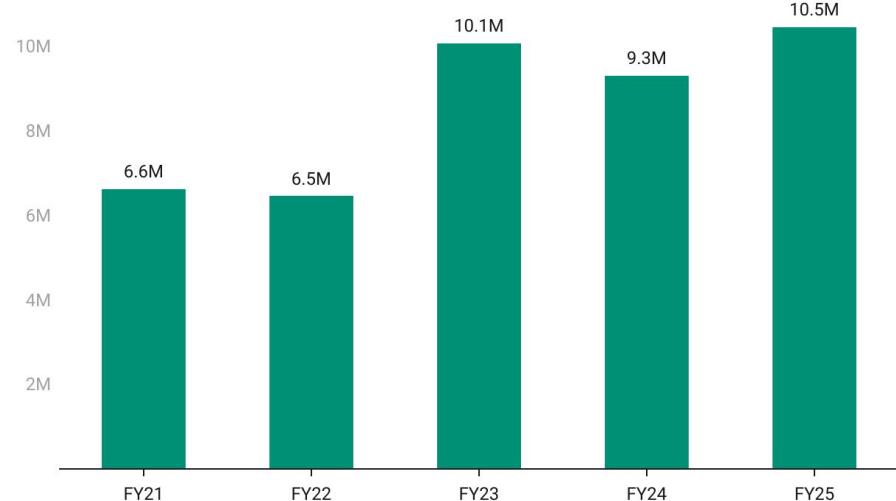
**34% increase from
FY 24 to FY 25**

Unclaimed Property - 2 Positions

Unclaimed Property Revenue



Unclaimed Property GF Transfer



**40% increase from
FY 24 to FY 25**

**51% increase from
FY 21/22 to FY 24/25**

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Retirement - 1 Position

Request: Ongoing retirement funds of \$141,704

Reason: Fund 1 retirement position (a Research and Policy Manager)

Goals:

- Ensure sufficient retirement staff to effectively manage changing and added responsibilities.
- Vermont's retirement system runs very lean — with about 2,860 participants for every staff member, it has one of the highest participant-to-staff ratios among similar-sized systems.
- Build out administrative oversight of retiree supplemental and health insurance plans
- Support Division leadership in overall management

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Treasurer's Omnibus Bill (H. 567)

1 employee **per** 1,367 members National Median

1 employee **per** 1,200 members Similar System

1 employee **per** 2,860 members Vermont

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Array Rx (H. 577)

Request: One-time general fund of \$50,000

Reason: Support marketing outreach for Pharmacy Discount Card Program

Goals:

- Join Array RX State Collaborative that will allow Vermonters to access their Pharmacy Discount Card.
- Discount card program saves 80% on generic drugs and 20% on name brand drugs - average person saves \$200 per month.
- No cost to state to join and not cost to Vermonters for signing up.
- \$50,000 will be used to help market the card to improve uptake - along with partnerships and earned media.