

**DEPARTMENT OF TREASURY
FY 2009-10 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Wednesday, November 19, 2008
1:30 pm – 3:00 pm**

1:30-2:10 INTRODUCTIONS AND OPENING COMMENTS

2:10-2:30 QUESTIONS COMMON TO ALL DEPARTMENTS (*TREASURER KENNEDY*)

1. How do your department's requested decision items tie to your department's goals?
 - a) **Decision Item #1 (Great Colorado Payback Promotion) directly relates to the Department's mission of reuniting as many citizens as possible with their lost or abandoned property. Through the use of diverse and far-reaching media, the Department is better able to notify potential property owners.**
 - b) **Decision Item #2 (Conversion of UP Temporary Positions to FTE) also relates to the Department's focus on the mission stated above. These temporary staff members, who are part of the "compliance" team, work with holders/remitters of unclaimed property. Property becomes available to be claimed by owners once holder reports are received and processed; and the property is added to the Unclaimed Property database.**
2. Could your department shift to a four day work week that begins on Wednesday and ends on Saturday? If not, why not? If only a portion of the department can go to a four day week, what portion can and what portion can't and why?

No.

- 1) **The Accounting Division, which handles cash management, works directly with several financial institutions every day, and these institutions only move funds Monday through Friday.**
- 2) **The Investment Division works directly with numerous brokerage firms, open weekdays only, to promptly invest state funds while providing the moneys necessary to fund the state's daily operations.**
- 3) **The Unclaimed Property Division's audit team is limited to performing audits according to the holder's work schedule, typically Monday through Friday.**

Under a four day work week, the State of Colorado would lose potential investment income, and would be less timely at collecting and remitting unclaimed property.

3. What are your department's three top goals for the current year? How will they be achieved?

1) **To provide cash management services to all state agencies, and to manage investments with the primary objectives of legality, safety, liquidity and yield.**

- **The Department has been able to expand its abilities to do thorough research on appropriate investments through advances in technology. Those advancements have allowed a limited number of FTE to meet the ever more complex challenges of investing in what is an increasingly global marketplace.**

2) **To reunite all owners (or heirs) with their unclaimed or abandoned property.**

- **The Unclaimed Property program continues to grow and to push new methods (both in terms of publication and in higher levels of automation) to find and identify owners, and to increase compliance with holders of unclaimed property throughout the state.**

3) **To provide more open and transparent financial information for the state.**

- **Working with other state agencies, the Department began publication of an annual State Taxpayer Accountability Report in June 2007 that allows the average citizen access to the state budget, revenues, assets and liabilities. The goal of greater accessibility and ease of access for information on how state taxpayer dollars are used extends to a technological overhaul of the Department's website, with the ultimate goal of being able to serve as the source of information for the entire state on how taxpayer dollars are utilized.**

4. Has your department been able to fill new or vacant positions? Can your department quantify the benefits it has seen as a result of adding additional FTE or filling vacant positions?

In FY 2007-08 the Department filled four vacant positions. Through the FY 2008-09 budget process, the Unclaimed Property Division added 3.5 FTE (2.5 of which were conversions) to its budget; however, the Department has yet to fill those positions. The Department plans to complete the conversions of 2.5 temporary workers to FTE as soon as possible. The other, newly added position will not be filled until the Governor's hiring freeze is lifted.

By continuing to fill vacant positions, the Department maintains its ability to achieve its stated objectives in spite of its limited size.

5. What is the status of your department's implementation of S.B.08-155, Centralize IT Management in OIT? Is your department experiencing any difficulties?

By definition, SB 08-155 does not apply to the Department of Treasury.

2:30-2:45 UNCLAIMED PROPERTY PROGRAM (TREASURER KENNEDY & PROGRAM DIRECTOR, PATTY WHITE)

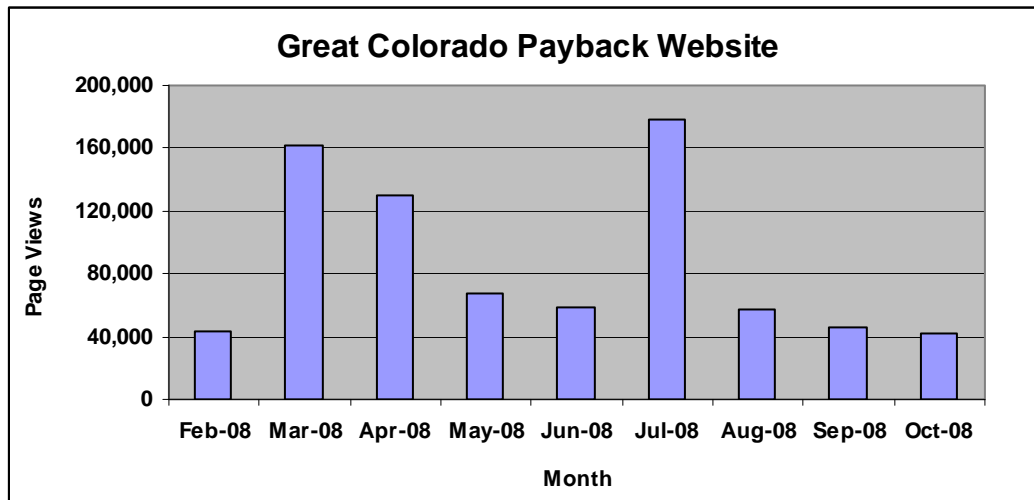
6. Can you provide an estimate of how many people will get their property back as a result of the increase in promotional dollars for the “Great Colorado Payback?”
- **Since FY 2005-06 appropriated promotional dollars have increased 55%. From FY 2005-06 to FY 2007-08 claims paid increased 69%.**
 - **Through mid-November of this fiscal year, claims paid are 60% higher than during the same period of time last year.**
7. Could an outside group be hired, based on commission, to increase the amount of property returned to the rightful owner?

The Unclaimed Property Division already works with “locater” companies that privately solicit their services to individuals for a percentage of the value of the property recovered.

Since locater companies have a financial reward incentive, the potential for fraud increases because these companies tend to find people by the same, or similar, name as the owner/heir but who are not actually entitled to the property. Locaters generally create more work for the Unclaimed Property Division to maintain proper legal review.

8. How many people, on average, respond to the different types of advertising each year?

It is difficult to break down the exact numbers for each group of inquiries since the level of inquiries has increased throughout the year during each of the past two years; however, the response to the publication of the Denver Post insert (March) varies from 20,000 to 30,000 telephone calls and e-mails during the following month. Website hits have been 80,000 to 100,000 per day during the week or two following publication. The Website registers extreme hits following TV specials about unclaimed property (i.e. Colorado Rockies promotion in July) or special events. More than once during the past year; the Division has received as many as 8,000 web generated claims in just a few days.



9. What is the status of the program that is supposed to intercept property for people who owe child support?

This program was fully implemented in the spring of 2008. To date, in the current fiscal year, six claims have been intercepted for a total of \$3,931.

2:45-2:50 COVERCOLORADO

10. What is the percentage of people in the program who are using the most services of the program?

To be provided by CoverColorado.