

**OFFICE OF THE STATE
TREASURER**

**Program Evaluation
Report**

November 2023



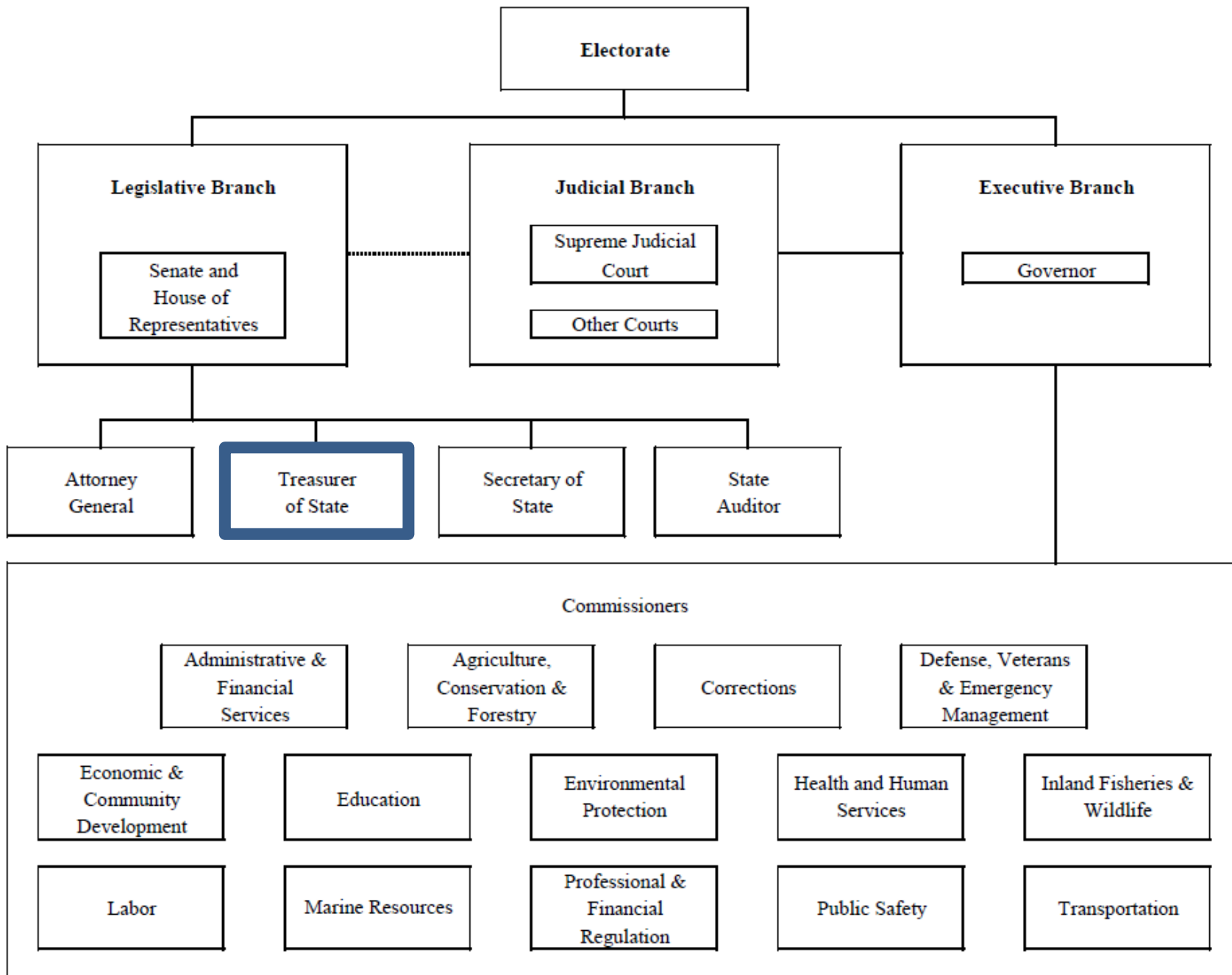
Maine State Treasurer Henry E.M. Beck

Contents

Mission Statement:.....	4
State Government Organizational Chart	5
Treasury Organizational Chart	5
Executive Summary	6
A. Enabling and Authorizing Law Citations with Synopses	9
B. Program Descriptions	19
Treasury Administration: 010-28A-002201.....	19
Treasury Debt Service: 010, 017 & 018-28A-002101	26
Municipal Revenue Sharing: 014-28A-002001	30
Disproportionate Tax Burden Fund: 010-28A-047201	30
Unclaimed Property: 071-28A-002201	31
Cash Management Improvement Act.....	33
C. Organizational Structure	34
D. Financial Summary	35
E. Coordinated Efforts	36
F. Constituencies.....	37
G. Alternative Delivery	39
H. Emerging Issues.....	39
I. Other Information	40
K. Comparison of Federal Laws and Regulations to State Laws and Rules	41
M. Agency Reports, Applications, and Required Filings	42
N. Reports Required by the Legislature.....	42
Appendix I – Treasurer’s Cash Pool Summary 6.30.23	43
Appendix II – Investment Advisor Cash Flow Projection.....	44

Mission Statement:

At Treasury, we support all State banking and investment functions, remembering every day that the people of Maine and the agencies of state government are our valued customers.



OFFICE OF THE STATE TREASURER



Henry Beck
State Treasurer



Gregory Olson
Deputy Treasurer



Laura Hudson
Director of Internal Operations



Jeff Chetkauskas
Assistant Director of
Internal Operations

Treasury Services



Michelle Kimball
Accounting Analyst



Amber Griffin
Treasury Services
Specialist



Beth Vieta
Office Specialist I



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Office Specialist I

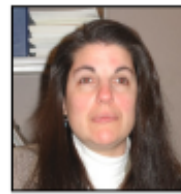
Accounting



Alma Hazzard
Managing Staff
Accountant



Hannah Ruff
Staff Accountant



Sherry Belka
Senior
Staff Accountant



Carrie Lacasse
Staff Accountant

Unclaimed Property



Amanda Barbieri
Senior UP Specialist



Candace Rioux
UP Specialist



Amy Donohue
UP Specialist



Natasha West
UP Associate

Executive Summary

Treasurer of State – A Constitutionally Established Office

The Office of the Treasurer of State is established in Article V, Part Third of the Constitution of the State of Maine. The position is filled biennially, at the first session of the Legislature, by joint ballot of the Senators and Representatives in convention, with a limit of four consecutive terms in office. Once elected, Treasurers are constitutionally prohibited from engaging in any business of trade, commerce, brokerage, or of agency for any merchant or trader. The Treasurer, as are all candidates for Treasurer, is barred from involvement with any political action committee.

Vacancy, Succession, Absence and Disability

In the event that the Office of State Treasurer becomes vacant, and whenever the Treasurer is absent or is disabled from performing the obligations of the office, the Deputy Treasurer of State acts as the Treasurer until a new Treasurer is elected by the Legislature. In practice, the Deputy Treasurer regularly acts as the Treasurer at board meetings as scheduling conflicts arise amongst the many boards upon which the Treasurer sits as an ex officio member. In those situations, the Treasurer will cover one board while the Deputy Treasurer covers another.

Organizational Structure, Management and Staffing

The Office of the State Treasurer has sixteen (16) employees, with funding allocated in FY24 to expand to eighteen (18). These employees are arranged in four work clusters with broadly similar responsibilities and with moderately flexible schedules. Each work cluster must have someone available to answer inquiries between 8:00 a.m. and 5:00 p.m. every business day. Cross-training and a willingness by employees to help as needed in areas outside their normal tasks has been critical to achieving the combined goals of increased office efficiency and individual work-day flexibility.

Management functions have been divided into two areas roughly described as internal and external operations. External operations include investment strategies, trust administration, banking and underwriting relationships, bond counsel coordination, rating agency relationships, board service, legislative and gubernatorial affairs, and debt management policy with accompanying publications and projections. These duties are shared by the Treasurer and Deputy Treasurer with minimal support from other Treasury employees. Internal operations include management of personnel, office structure, accounting practices, budgeting and planning, controls and security, cash management systems and unclaimed property systems. These duties are shared by the Treasurer and the Director of Internal Treasury Operations, with additional help from the Assistant Director of Internal Operations.

Staffing is governed by state law. No Treasury employees serve at the pleasure of the Treasurer. Three positions, Deputy Treasurer, Director of Internal Operations, and Assistant Director of Internal Operations may be hired directly by the Treasurer if the position opens. Other staff openings are filled from civil service lists provided through the State's Bureau of Human Resources.

Workforce stability is important. Several senior employees have been with Treasury for 20+ years. Excluding the Treasurer, the average length of service for Treasury employees is 10 years.

Duties

The four core duties of the Treasurer's Office are debt management, cash management, trust fund administration and unclaimed property administration. Other major tasks assigned to the Treasurer are directorships on many of Maine's quasi-governmental debt issuing agencies, administration of the Municipal Revenue Sharing Program, and the ABLE Maine Program. These seven duties may be summarized as follows:

Cash Management: Providing centralized cash collection processes, cash management, and coordination of banking services for all state agencies; Actively investing cash reserves to generate earnings; Reconciling bank records with the accounting records of the State; Providing revenue projections on cash pool earnings and tobacco settlement fund payments.

Debt Management: Managing the issuance of both Bond Anticipation Notes (BANs) and Bonds; Assuring timely debt payments; Managing credit rating agency relationships; Collecting and publishing state debt statistics; Providing debt service projections for legislative and executive budgeting efforts; Preparing the Treasurer’s Statement for publication on ballots whenever general obligation debt proposals are sent out to voters; Determining annually the need for Tax Anticipation Notes (TANs), Lines of Credit, (LOCs) or other short-term debt vehicles to cover cash flow needs within a fiscal year; Arranging for short-term debt if necessary; and Coordinating with cash pool management to maximize cash pool support for General Fund cash flow needs as an alternative to issuing debt.

Unclaimed Property Administration: Collecting unclaimed financial assets held by Maine entities and companies doing business in Maine; Cataloging and preserving those assets; Arranging for legislative outreach to claimants in each legislative district; Maintaining a permanent record of all received properties; Developing and supporting easy and efficient claim-making processes; Processing claims made by rightful owners; and educating holders on Maine’s unclaimed property law.

State-Held Trust Administration: Managing the investments, records and distribution of assets held

in trust by the State of Maine pursuant to the terms of nearly eighty (80) active state-held trusts with an aggregate value of approximately \$86 million; Engaging and overseeing independent investment advisors to professionally manage the funds; Allocating investment earnings amongst the beneficiaries pursuant to the directive of each separate trust.

Directorships: The Treasurer is a voting member on the board of the Maine Public Employees Retirement System, (MainePERS), the Finance Authority of Maine, (FAME), the Maine Retirement Savings Board, and the Maine State Housing Authority, (MaineHousing), the Maine Educational Loan Authority, (MELA), the Maine Municipal Bond Bank, (MMBB), the Adaptive Equipment Loan Board, (AELB), the Maine Health and Higher Education Facilities Authority, (MHJHEFA), the Maine Governmental Facilities Authority, (MGFA), the Lifelong Learning Accounts Committee, (LILA), the NextGen College Investment Plan Investment Advisory Committee, and is a non-voting member of the Dirigo Health Board. *Note: the capacity of the Deputy Treasurer to participate at board meetings as a voting substitute for the Treasurer has been critical to meaningful Treasury participation on these boards.*

Municipal Revenue Sharing: Accepting the transfer of 5.0% of all state income, sales and corporate tax revenues received each month into the Revenue Sharing account. Calculating the pro-rata share for each of the 487 municipalities and distributing those funds by the 20th day of the following month; maintaining the historical record of payments issued; providing projections and sharing information in response to written, phone, and website requests.

ABLE: The Treasurer works with its banking partner, Bangor Savings Bank, to offer the ABLE ME Savings Program to Mainers with disabilities. Accounts first began being offered in October of 2021. Account growth has been consistent from the start – with most recent reporting showing 634 accounts with a total deposits of \$3,240,750.

Long-term Trends and Challenges

Technology: Technology across industries continues to change, possessing costs and adaptation challenges to the Office of the State Treasurer. Sustaining top-level computer hardware, software and electronic transaction capacities on par with financial industry standards, as well as training to staff on new processes will be a challenge for future Treasury budgets.

Outsourcing: The ever-increasing complexity of financial management systems presents another critical trend. We now engage and oversee several private entities that provide the state with banking services, trust fund investment management, bond underwriting services, legal counsel for bond issuances, audits for unclaimed property reports, custodianships for unclaimed property assets and information technology. Creating strong procedures and continually allocating Treasury staff time and resources sufficient to “manage the managers” will be an ongoing challenge under this outsourcing approach to governance.

Employee Retention/Compensation: The integrity of a “managing the managers” approach to outsourced governance rests on the knowledge, skills, judgment and honesty of the civil servants who remain in the civil service system. Compensation and prerequisites sufficient to respect the skills of those civil servants will remain as a challenging goal in the Treasurer’s Office. Retaining rough parity with other executive branch agencies is also important, so that the Treasurer’s office is able to retain within its independent operations a nucleus of skilled and experienced professionals.

A. Enabling and Authorizing Law Citations with Synopses

MAINE CONSTITUTION

Article V, Part Third

Establishes the Office of State Treasurer and establishes election biennially by joint action of Senate and House; Provides for succession in the event of vacancy; Creates a surety bond requirement; Prohibits engaging in any business activity outside of the office; Prevents drawing Treasury funds for any reason other than for appropriations or allocations authorized by law; and Bars the use of bond proceeds for paying current expenditures.

REVISED MAINE STATUTES

3 M.R.S.A. § 162-B - Salary of Treasurer of State

The Treasurer of State shall be within salary range 88, but shall not be less than Step C in that range.

3 M.R.S.A. § 959 - Scheduling guideline for review of Office of the State Treasurer

The joint standing committee of the Legislature having jurisdiction over state and local government matters shall review the performance of the Office of the State Treasurer in 2023.

4 M.R.S.A. § 163 - Judicial Receipts

All court revenues not specifically provided for accrue to the state. The Treasurer of State on a monthly basis, shall credit them to the General Fund.

4 M.R.S.A. § 1602 - Maine Governmental Facilities Authority; members; compensation

The Treasurer serves as an ex-officio voting member of the Maine Governmental Facilities Authority.

5 M.R.S.A. § 18 - Disqualification from participation in certain matters

The Treasurer of State commits a civil violation if, in official capacity, he participates in any proceeding which, to his knowledge, any of the following have a direct and substantial financial interest:

- The Treasurer, his spouse, or dependent children
- Partners
- A person or organization with whom the Treasurer is negotiating or has agreed to an arrangement concerning prospective employment
- An organization in which the Treasurer has a direct and substantial financial interest
- Any person with whom the Treasurer has been associated as a partner or a fellow shareholder in a professional service corporation in the preceding year

In addition, the Treasurer commits a civil violation if he participates in the legislative process while in official capacity concerning any legislation in which any person described above has any direct and substantial financial interest unless the Treasurer discloses that interest at the time of his participation.

The Treasurer will work to avoid the appearance of a conflict of interest by disclosure or by abstention. "Conflict of interest" includes receiving remuneration, other than reimbursement for reasonable travel expenses, for performing functions that a reasonable person would expect to perform as part of that person's official responsibility as Treasurer of State.

5 M.R.S.A. § 19 - Financial disclosure by Treasurer

The Treasurer must disclose all sources of income from the full calendar year prior to election to Office within 30 days of election. The Treasurer commits a civil violation if he or she does not submit the report, which is a public record. Liabilities incurred in office must be reported.

5 M.R.S.A. § 121 - Office; bond; salary; deputy; fees

The Treasurer will keep office at the seat of government and will give the bond required in the Constitution. The Treasurer may not receive any other fee, emolument or perquisite in addition to salary. The chief clerk in the office of the Treasurer of State is the "deputy treasurer of state" and assumes the role of Treasurer in the case of vacancy.

5 M.R.S.A. § 121-A - Transition period

The Treasurer takes oath of office after 30 days of his election.

5 M.R.S.A. § 122 - Conditions of bond; filing

The Treasurer's bond is for the faithful discharge of all the duties of his office, and assures that during the Treasurer's continuance in office he will not engage in trade or commerce, nor act as broker, agent or factor for any merchant or trader, and that he will produce a just and true account of his office's transactions when required, including to his successor.

5 M.R.S.A. § 123 - Bond premiums to be paid by state

The premiums for the bond given by the Treasurer of State shall be paid out of the State Treasury.

5 M.R.S.A. § 124 - Governor may require a new bond

The Governor may require a new bond when it appears to the Governor that the Treasurer of State's bond is not sufficient for the full security of the State.

5 M.R.S.A. § 125 - Personal use or receipt of state money credit prohibited

The Treasurer may not use money or credit from the Treasury for personal use.

5 M.R.S.A. § 126 - Attorney General to prosecute violations

The Attorney General is authorized to prosecute the Treasurer for violations.

5 M.R.S.A. § 127 - Removal from Office

The Governor may remove the Treasurer from office if found to be mentally ill or insolvent, or has absconded or concealed himself to avoid creditors, or is absent from the State and neglecting his duties to the hazard of the trust reposed in him, or has violated any provision regarding the personal use of state funds, or has failed faithfully to perform the duties of the Treasurer.

5 M.R.S.A. § 129 - Inventory

The State Auditor will take inventory of all moneys, notes, books of account and other property belonging to the State for the deputy treasurer whenever the deputy assumes the role of Treasurer.

5 M.R.S.A. § 130 - Payment of receipts to State Treasury

The Treasurer collects receipts of payments to the State and transmits those receipts daily to the State Controller. Any person who makes payment of an amount due to any state department, agency, board, commission, authority or other state entity is liable, if the payment fails as a result of insufficient Office of the State Treasurer – 2023 Program Evaluation Report

funds, a closed account, no account or a similar reason, for a penalty of \$20, which must be reported and paid to the Treasurer of State as undedicated revenue to the General Fund.

5 M.R.S.A. § 131 - Departmental collections

Every department and agency of the State, wherever located, shall deposit state revenues into the State Treasury without any deductions, except that the Bureau of Parks and Lands shall be allowed to refund daily use and camping fees based on the Bureau of Parks and Lands standard refund policies. Every department or agency shall send to the Treasurer of State a statement of the deposits certified by the bank receiving it.

5 M.R.S.A. § 131-A - Payment priority

Payments made for Temporary Assistance for Needy Families (TANF) and for foster care have priority over other payments and must be made without delay, and the Treasurer must cooperate with other state agencies to achieve this result.

5 M.R.S.A. § 131-B - Interfund transfers

State obligations may be paid as they come due, and the State Treasurer may request the State Controller to reallocate various funds in the cash pool of State Government in order to best manage available funds to meet obligations.

5 M.R.S.A. § 133 - Payments to be withheld and applied to accounts

If any town or county unreasonably fails to pay its bill to any state agency, the Treasurer of State may withhold and apply to the outstanding bill any state payments owed to the town or county.

5 M.R.S.A. § 134 - Money in depositories

All state money in any depository of the State Government shall stand on its books to the credit of the State. The Treasurer shall not withdraw any monies except upon the authority of the State Controller.

5 M.R.S.A. § 135 - Deposit of state funds; limitations; allocation of interest; Component unit accounts;

The Treasurer of State may deposit state funds in financial institutions organized under Maine law. Limits are set of these deposits, including deposits only with institutions with favorable ratings. When there is excess money in the State Treasury that is not needed to meet current obligations, the Treasurer of State may invest those funds through competitive bids. Up to \$8,000,000 in linked investment agreements may be used to provide short-term low interest commercial and agricultural loans. Directs how interest earnings are allocated. Allows for deposits from component units.

5 M.R.S.A. § 135-A - Special Revenue Accounts

Trust and escrow accounts are allowed only upon a finding by the Treasurer that compelling and documented reasons support the establishment of such an account. Trusts for named beneficiaries and for the Baxter State Park Authority may be established without compelling and documented reasons.

5 M.R.S.A. § 136 - Monthly exhibits

At the expiration of each month, the Treasurer shall prepare an exhibit showing the banks and places in which moneys of the State have been kept or deposited during the preceding month, and the amounts kept or deposited.

5 M.R.S.A. § 137 - Purchase of unmaturing Maine bonds

The Treasurer may use state funds to purchase unmaturing bonds of the State.

5 M.R.S.A. § 138 - Custody and servicing of State Held Trusts

Funds held in trust by the State may be invested in such securities as are legal investments for savings banks. Each trust fund must be maintained separately. The Treasurer has the power to enter into contracts approved by the Governor with any national bank, trust company or safe deposit company located in New England or New York City for the custodial care and servicing of the securities belonging to the permanent trust funds of this State. The Treasurer is empowered to arrange for the payment for such services, either by cash payments to be charged pro rata to the income of such trust funds, or by an agreement for a compensating deposit balance with the bank in question, in lieu of such cash payment, or by some combination of both methods of payment. The Treasurer of State is empowered to withdraw or deposit securities.

5 M.R.S.A. § 139 - Disposal of money and securities for the Lands Reserved Trust

The Treasurer of State shall invest and reinvest the principal of all funds derived from the sale or lease of lands reserved for public uses.

5 M.R.S.A. § 139-A - Deposit of Guaranty funds

The Treasurer has the power to enter into contracts with any national bank, trust company or safe deposit company located in New England or New York City, for custodial care and servicing of securities deposited with the treasurer as a guaranty fund required by statutes.

5 M.R.S.A. § 142 - Investment of sinking funds

Office of the State Treasurer – 2023 Program Evaluation Report

This states that funds appropriated for any sinking funds will be invested by the Treasurer in the bonds of Maine, of any other New England state or in the bonds of the United States.

5 M.R.S.A. § 143 - Register of investments and State Treasurer's report

The Treasurer of State shall keep a register of all sinking fund investments, showing the date, amount and number of each bond, by whom it was issued and the time when it will mature.

5 M.R.S.A. § 144 - Form of unregistered bonds

Unregistered state bonds must bear the signature, or the facsimile of the signature, of the Governor, and must be signed by the Treasurer of State or the Treasurer of State's deputy. The seal of the State may be a facsimile.

5 M.R.S.A. §145 - Registered bonds

The Treasurer may issue registered bonds in pieces of not less than \$1,000, and of any multiple of 1,000, in exchange for, and in place of, any coupon bonds issued under the laws of this State, bearing the same rate of interest and maturing at the same time as the bonds that the Treasurer may receive in exchange.

5 M.R.S.A. § 145-A - Minibonds

The Treasurer may issue bonds in denominations of less than \$5000, but not more than \$1,000,000 in minibonds shall be sold in any one fiscal year and no minibond shall mature more than 5 years after its date. No one sale to a purchaser of minibonds shall be in an aggregate principal amount equal to or greater than \$5,000, and each minibond shall be redeemable upon due presentation at such price as the Treasurer shall have determined prior to sale.

5 M.R.S.A. § 145-B - Issuance of registered bonds

- 1. Issuance.** The Treasurer may issue the bonds in registered form.
- 2. Signatures.** Registered bonds must bear the facsimile signatures of the Governor and the Treasurer or Deputy Treasurer, and must be attested by the facsimile signature of the Commissioner of the Department of Administrative and Financial Services or such agent as the commissioner may designate. Whenever signatures on registered bonds of other state officials are required, their facsimile signatures may be used.

3. **Seal.** The seal of the State on registered bonds may be by facsimile.
4. **Agents.** The Treasurer of State may appoint, for such terms as may be agreed upon, including for as long as a registered bond may be outstanding, corporate or other authenticity, agents, transfer agents, registrars, paying or other agents, and specify the terms of their appointments, including their rights, compensation and duties. None of the agents need have an office or do business within this State.
5. **Storage and transfer.** The Treasurer may make agreements with custodial banks and financial intermediaries for the storage of transferable certificates and the transfer of registered bonds.

5 M.R.S.A. § 145-C - College Savings Bonds

General obligation bonds issued after July 30, 1991 may be issued and sold by the Treasurer of State as college savings bonds. An advisory committee on college savings bonds is established to advise the Treasurer. The bonds may be sold by competitive or negotiated sale and may be issued in certificate or book entry form in face amounts as low as \$1,000.

5 M.R.S.A. § 146 - Equivalent bond to be issued on assignment

Upon assignment and delivery of any registered bond to the Treasurer, an equivalent substitute bond shall be issued to the assignee.

5 M.R.S.A. § 147 - Cancellation and registry of old bonds

All bonds received by the Treasurer of State for exchange must be canceled and retained.

5 M.R.S.A. § 148 - Cremation of old bonds

The Treasurer may cremate any state bonds and coupons that have matured and have been paid after the paid certification has been received by the Treasurer and the State Auditor. A cremation certificate must be filed in the office of the Treasurer.

5 M.R.S.A. § 149 - Signature of outgoing Treasurer of State valid

The facsimile signature of the Treasurer leaving office shall be valid until signature plates have been obtained for the new Treasurer.

5 M.R.S.A. § 150 - Bond Anticipation Notes

The Treasurer may negotiate temporary loans in anticipation of the issuance of bonds authorized but not yet issued. Such temporary loans shall be repaid from bond proceeds within one year from the date of the loan.

5 M.R.S.A. § 150-A - Short term transportation debt.

The Treasurer may negotiate temporary loans in anticipation of the receipt of federal transportation funds.

5 M.R.S.A. § 151 - Funds of professional licensing boards

All money received by the Treasurer from professional licensing boards constitutes a fund for each board, which is a continuous carrying account for the payment of the compensation and expenses of the members and the expenses of the board and for executing the law relating to each board and as much of the fund as may be required is appropriated for these purposes.

5 M.R.S.A. § 151-A - Income from temporary investment of bonds

Net income from the temporary investment of bond proceeds on General Fund bond issues is credited to the Debt Service Account and may be used only for the retirement of bonds and notes.

5 M.R.S.A. § 152 - Treasurer's Ballot Statement

The Treasurer of State shall prepare a signed statement to accompany any bond issue submitted to the electors setting forth the total amount of bonds of the State outstanding and unpaid, the total amount of bonds of the State authorized and unissued and the total amount of bonds of the State contemplated to be issued if the enactment submitted to the electors should be ratified. The Treasurer shall also set forth in that statement an estimate of costs involved, including an explanation of, based on such factors as interest rates which may vary, the interest cost contemplated to be paid on the amount to be issued, the total cost of principal and interest that will be paid at maturity and any other substantive explanatory information relating to the debt of the State as he may deem appropriate.

5 M.R.S.A. § 153 - Rules

The Treasurer of State may adopt and amend rules necessary to carry out Title 5 statutes.

5 M.R.S.A. § 154 - Maine Military Authority

The State Controller may establish an account within Other Special Revenue funds for the Treasurer to recover the cost of providing administrative services to the Maine Military Authority.

5 M.R.S.A. § 155 - State Liabilities

By July 31 of each year, the Treasurer shall publish the latest information regarding all liabilities of the State as of June 30th of that same year.

5 M.R.S.A. § 156 - ABLE ME Savings Program

Authorizes the Treasurer of State to establish the ABLE ME Savings program, in accordance with the federal Achieving a Better Life Experiences Act of 2014. ABLE ME Savings accounts permit disabled persons to save without jeopardizing benefits tied to asset-based eligibility tests.

5 M.R.S.A. § 157 - Loan Guarantee Program Fund

Authorizes establishes fund for Loan Guarantee Program at FAME which has been repealed.

5 M.R.S.A. § 172 - Maine Retirement Savings Board

The Treasurer serves as an ex-officio member of the Maine Retirement Savings Board, and the office of the Treasurer provides administrative support to the board.

5 M.R.S.A. § 200-C - State Fraud Division

The Office of the State Treasurer, as with all other state agencies, must cooperate with the fraud division of the Attorney General's office in the case of a fraud investigation.

5 M.R.S.A. § 286-B - Irrevocable Trust Fund

The Treasurer serves as a trustee of the Irrevocable Trust Fund for Other Post-Employment Benefits.

5 M.R.S.A. § 286-M - Firefighters and Law Enforcement Officers Health Insurance Fund (FFLEO)

Authorizes the Treasurer to invest surplus proceeds from insurance premiums in accordance with trust statute.

5 M.R.S.A. § 1516 - Bureau of General Services Capital Construction Reserve Fund

Establishes the BGS Capital Construction Reserve Fund.

5 M.R.S.A. § 1532 - Maine Budget Stabilization Fund

Establishes and creates procedures for the Maine Budget Stabilization Fund.

5 M.R.S.A. § 1543 - Disbursements; exceptions

Money may not be drawn from the State Treasury except in accordance with appropriations duly authorized by law. Every disbursement from the State Treasury must be upon the authorization of the State Controller and the Treasurer of State, as evidenced by their facsimile signatures, except that
Office of the State Treasurer – 2023 Program Evaluation Report

the Treasurer of State may authorize interbank and intrabank transfers for purposes of pooled investments. Disbursements must be in the form of a check or an electronic transfer of funds against a designated bank or trust company acting as a depository of the State Government.

The State Controller and the Treasurer of State are authorized to issue rules, policies or procedures to limit the number of disbursements made for less than \$5.

5 M.R.S.A. § 1543 - A - Direct Deposit of Certain Disbursements

Directs the Treasurer and State Controller to establish an electronic fund transfer system.

5 M.R.S.A. § 1957 - Limitation on investment in fossil fuels

Directs Treasurer to divest from fossil fuel investments in the Cash Pool and Trust Funds. Reports to Appropriations Committee required.

5 M.R.S.A. § 6203 - Land for Maine's Future

Establishes and creates procedures for the Land for Maine's Fund and associated funds.

5 M.R.S.A. § 17102 - Board of Trustees

The Treasurer serves as a trustee of the Maine Public Employees Retirement System.

5 M.R.S.A. § 17154 - Administration of State Retirement System Funds

The Treasurer of State shall be the custodian of the funds of the retirement system. Upon receipt of vouchers signed by persons designated by the board, the State Controller shall draw a warrant on the Treasurer of State for the amount authorized.

5 M.R.S.A. § 19005 - Social Security Contribution Fund

The Treasurer shall be ex officio treasurer and custodian of the Contribution Fund for extending the benefits of the Federal Old Age and Survivors Insurance System to employees of any political subdivision of the State and to the civilian employees of the Maine National Guard.

7 M.R.S.A. § 441-B - Federal-State Inspection Fund

Establishes and creates procedures for the Federal-State Inspection Fund.

7 M.R.S.A. § 1332 - Animal Industry Fund

The Treasurer must establish a separate non-lapsing account known as the Animal Industry Fund.

7 M.R.S.A. § 2107 - Certified Seed Fund

Establishes and creates procedures for the Certified Seed Fund.

7 M.R.S.A. § 3154 - New Milk Pool

Establishes and creates procedures for the New Milk Pool Fund.

7 M.R.S.A. § 3910-B - Companion Animal Sterilization Fund

Establishes and creates procedures for the Companion Animal Sterilization Fund.

8 M.R.S.A. § 287 - Creation of harness racing accounts

The Treasurer of State administers several harness racing related accounts.

8 M.R.S.A. § 386 - State Lottery Fund

State Lottery Funds shall be deposited where the Treasurer directs.

9-B M.R.S.A. § 226 - Confidential Financial Institution Information

The Treasurer is authorized to receive confidential information from the superintendent of financial institutions.

10 M.R.S.A. § 363 - Allocation of state ceiling

The Treasurer must be allotted a portion of the State's tax-exempt bond capacity, but may reallocate that share to other bonds.

10 M.R.S.A. § 373 - Board

The Treasurer serves as a member of the Kim Wallace Adaptive Equipment Loan Program Board.

10 M.R.S.A. § 965 - Membership, Finance Authority of Maine

This states that the Treasurer serves as a director on the FAME board.

12 M.R.S.A. § 544-C - Natural Areas Conservation Fund

Establishes and creates procedures for the Natural Areas Conservation Fund.

12 M.R.S.A. § 609 - Maine State Park & Recreation Facilities Development Fund

Establishes and creates procedures for the Maine State Park & Recreation Facilities Development Fund.

Office of the State Treasurer – 2023 Program Evaluation Report

12 M.R.S.A. § 1849 - Public Reserved Lands Management Fund

Establishes and creates procedures for the Public Reserved Lands Management Fund.

12 M.R.S.A. § 1850 - Public Reserved Lands Acquisition Fund

Establishes and creates procedures for the Public Reserved Land Acquisition Fund.

12 M.R.S.A. § 1854 - Lands Reserved Trust administration

The Treasurer is directed to invest the proceeds from reserved lands income and to provide investment earnings to school districts in communities where land is located.

12 M.R.S.A. § 1862 - Submerged Lands Fund

Establishes and creates procedures for the Submerged Lands Fund.

12 M.R.S.A. § 1863 - Shore and Harbor Management Fund

Establishes and creates procedures for the Shore and Harbor Management Fund.

12 M.R.S.A. § 1863-A - Renewable Ocean Energy Trust

Directs the Treasurer to administer the Renewable Ocean Energy Trust.

12 M.R.S.A. § 6030 - Maine Resources Educational Fund

Establishes and creates procedures for the Maine Resources Educational Fund.

12 M.R.S.A. § 6032-A - Marine Recreation Fishing Conservation and Management Fund

Establishes and creates procedures for the Marine Recreation Fishing and Conservation Management Fund.

12 M.R.S.A. § 6039 - Halibut Fund

Establishes and creates procedures for the Halibut Fund.

12 M.R.S.A. § 6040 - Watercraft Fund

Establishes and creates procedures for the Watercraft Fund.

12 M.R.S.A. § 6072-D - Aquaculture Management Fund

Establishes and creates procedures for the Aquaculture Management Fund.

12 M.R.S.A. § 10251 - Lifetime License Fund

Directs the Treasurer to administer the Lifetime License Fund and trust.

12 M.R.S.A. § 10253 - Nongame Endangered Species Fund

Establishes and creates procedures the Nongame Endangered Species Fund.

12 M.R.S.A. § 10254 - Visitor's Center Fund

Establishes and creates procedures for the Visitor's Center Fund.

12 M.R.S.A. § 10255 - Maine Environmental Trust Fund

The Treasurer administers the Maine Environmental Trust Fund and credits earnings back to the fund.

13 M.R.S.A. § 3169 - Administration of municipal ministerial and school funds

Ministerial and school funds held in trust by any town may be turned over to the Treasurer and that the Treasurer shall then administer the funds.

14 M.R.S.A § 1 - Treasurer may bring action in own name

The Treasurer may maintain civil actions in his own name on contracts given to him or his predecessors and prosecute civil actions pending in the name of his predecessors.

20-A M.R.S.A. § 19251 - Digital Literacy Fund

Establishes and creates procedures for the Maine Environmental Protection Fund.

21-A M.R.S.A §1063 - Political Action Committees

The Treasurer may not form a political action committee nor be involved in decision making for nor solicit contributions to a political action committee.

22 M.R.S.A. § 2054 - Health Facilities Authority

The Treasurer serves as an ex-officio member of the Health and Higher Education Facilities Authority.

22 M.R.S.A. § 2076 - Authority to intercept federal and state aid

When an entity eligible to use the Health Facilities Authority is in default, the Treasurer shall withhold any funds that are due or payable to said entity until the amount has been paid to the authority or arrangements made. If the authority notifies the Treasurer in writing that no arrangements are satisfactory, the Treasurer of State shall deposit in the General Fund and Office of the State Treasurer – 2023 Program Evaluation Report

make available to the authority any funds withheld from the eligible entity under this section.

22 M.R.S.A. § 5405 - Maine Health Insurance Marketplace Trust Fund

Establishes and creates procedures for the Maine Health Insurance Marketplace Trust Fund.

23 M.R.S.A. § 1854 - State infrastructure bank

Establishes and creates procedures for the state infrastructure bank fund.

23 M.R.S.A. § 4210-B - Multimodal Transportation Fund

Establishes and creates procedures for the Multimodal Transportation Fund.

24-A M.R.S.A. § 6904 - Dirigo Health Board of Directors

The Treasurer of State is an ex-officio non-voting member of the Dirigo Health Board of Trustees.

26 M.R.S.A § 632 - Fund for unpaid wages

Moneys in the Fund for Unpaid Wages not needed to meet claims against the fund shall be deposited with the Treasurer of State to be credited to the fund and may be invested in such manner as is provided for by statute. Interest received on that investment shall be credited to the Maine Wage Assurance Fund.

26 M.R.S.A. § 1161 - Unemployment Compensation Fund

The Treasurer serves as an ex-officio treasurer and custodian of the Unemployment Compensation Fund.

26 M.R.S.A. § 1411-F - Receipt and disbursement of funds

The Treasurer is the appropriate officer of the State to receive and administer federal grants for rehabilitation programs as contemplated by the Federal Rehabilitation Act.

27 M.R.S.A. § 38, Compliance with federal law

The Treasurer of State is custodian for monies allotted by the Federal Government for general public library services.

30-A M.R.S.A. § 4723 - Appointment, qualifications, tenure and meetings of advisory board members, commissioners and directors

The Treasurer serves as an ex-officio commissioner of the Maine State Housing Authority.

30-A M.R.S.A. § 5681 - State-municipal revenue sharing

The Treasurer shall distribute the balance in the Local Government Fund (REV-I) on the 20th day of each month. The Treasurer shall distribute any balance in the Disproportionate Tax Burden Fund (REV-II) on the 20th day of each month.

30-A M.R.S.A. § 5683 - Property tax relief

The Treasurer of State shall distribute the appropriation balance in the Property Tax Relief Fund no later than 30 days after the legislation appropriating funds for this purpose has been enacted by the Legislature and signed into law by the Governor.

30-A M.R.S.A. § 5951 - Creation of bank and membership

The Treasurer serves as an ex-officio commissioner of the Maine Municipal Bond Bank.

30-A M.R.S.A. § 6006-A - State Revolving Fund

Creates and established procedures for the State Revolving Loan Fund within the MMBB.

33 M.R.S.A. Chapter 45 §- 2051 - 2223 Maine Revised Unclaimed Property Act

Authorizes the unclaimed property program and names Treasurer as the administrator. Describes processes for the transfer of unclaimed property, types of property covered, terms for presumption of abandonment, rules for taking custody of property presumed abandoned, reports required by property holders, required notice to apparent owners of property presumed abandoned, process for taking custody of property by administrator, process for sale of property by administrator, administration of property, process for making claims to recover property from administrator, describes required reports from property holders and authorizes administrator to examine records, outlines penalties and liabilities for putative holders, allows for enforcement by the administrator, and describes confidential information responsibility of administrator.

34-B M.R.S.A § 1231 - Self-sufficiency trust funds

The State Treasurer is the custodian of the Self-Sufficiency Trust Fund created for the purpose of providing the care or treatment of one or more developmentally disabled persons otherwise eligible for state services.

35-A M.R.S.A. § 2904 - Maine Public Utility Financing Bank

The Treasurer serves as an ex-officio commissioner of the Maine Public Utility Financing Bank.

36 M.R.S.A. § 251 - Warrants for town assessment of state tax

When a state tax is properly imposed and assessed, the Treasurer shall send such warrants as he is, from time to time, ordered to issue for the assessment thereof to the assessors, requiring them forthwith to assess the sum apportioned to their town or place, and to commit their assessment to the constable or collector for collection.

36 M.R.S.A. § 505 - Delinquent Tax Rate

The Treasurer shall set the maximum rate of interest to be adopted by a municipality for the delinquent payment of property taxes.

36 M.R.S.A. § 752 - Payment of state tax

On or before the first day of September in each year, the Treasurer shall issue his warrant to the treasurer of each municipality requiring transmittal of that municipality's proportion of the state tax for the current year.

36 M.R.S.A. § 1815 - Tax from sales occurring on tribal land

The Passamaquoddy, Penobscot, and Maliseet Sales Tax Funds are dedicated accounts administered by the Treasurer for the purpose of returning sales tax revenue to the Passamaquoddy, Penobscot and Maliseet Tribes. By the end of each month, the Treasurer shall make payments to the tribes from the respective sales tax funds.

37-B M.R.S.A. § 504 - Maine Veterans Memorial Cemetery Maintenance Fund and Flag Placement Fund

Creates and establishes procedures for the Maine Veterans Memorial Cemetery Maintenance Fund.

37-B M.R.S.A. § 745 - Disaster Relief Fund

Creates and establishes procedures for the Disaster Relief Fund.

38 M.R.S.A. § 341-G - Maine Environmental Protection Fund

Establishes and creates procedures for the Maine Environmental Protection Fund.

38 M.R.S.A. § 420-D - Storm Water Compensation Fund

Establishes and creates procedures for the Storm Water Compensation Fund.

38 M.R.S.A. § 424-B - Water Quality Improvement Fund

Establishes and creates procedures for the Water Quality Improvement Fund.

38 M.R.S.A. § 551 - Maine Coastal and Inland Surface Oil Clean-Up Fund

Money in the Maine Coastal and Inland Surface Oil Clean-up Fund not needed to meet current obligations must be deposited with the Treasurer with earnings credited to the fund.

38 M.R.S.A. § 1319-D - Hazardous Waster Fund

Establishes and creates procedures for the Hazardous Waste Fund.

38 M.R.S.A. § 1364 - Uncontrolled Sites Fund

Funds in the Uncontrolled Sites Fund shall be deposited with the Treasurer with earnings credited to the fund.

38 M.R.S.A. § 2213 - Revenue Obligations

Authorizes the Treasurer to serve as the agent for the sale of solid waste revenue bonds.

39-A M.R.S.A. § 154 - Creation Workers Compensation Board Administrative Funds

The Treasurer administers the Workers Compensation Board fund.

39-A M.R.S.A. § 355 - Employment Rehabilitation Fund The Treasurer is the custodian of the Employment Rehabilitation Fund.

FEDERAL LAWS AND MANDATES

Internal Revenue Code, §103 & 141-150

Tax-exempt bonds issued by the State through the Treasurer's Office are subject to Internal Revenue Code Section 103 and Sections 141-150, and the regulations promulgated thereunder.

Internal Revenue Code, §529A

The Achieving a Better Life Experience Act authorizes states to create 529-A, tax-advantage savings vehicles for persons with disabilities – and gives favorable treatment to these funds for the purposes of means tested Federal programs.

31 CFR Part 205 The Office of the State Treasurer will act as the liaison between the State of Maine and the Financial Management Service (FMS), a department of the United States Treasury, by carrying out the rules and procedures for efficient Federal-State funds transfers mandated by the Cash Management Improvement Act of 1990. The Office of the State Treasurer will negotiate an annual contract, monitor state-wide agency compliance, and calculate interest liability owed to or from FMS.

B. Program Descriptions

Treasury Administration: 010-28A-002201

GOAL 1: Provide for the banking needs of state agencies.

OBJECTIVE: To ensure efficient, accessible, accurate and coordinated banking services for state agencies.

PROGRAM STRATEGIES:

1. Authorize, establish and provide reconciliation services for all bank accounts used by state agencies and administered through a procured banking services relationship managed by the Treasurer.
2. Establish and support credit card accounts for state agencies.
3. Address all banking-related issues encountered by state agencies.
4. Procure banking services to efficiently and effectively meet the needs of state agencies.

PERFORMANCE MEASURES:

Met (Y/N)

1	Provide sufficient bank accounts to state agencies	Y
2	Employ cost effective credit card acceptance software, hardware and processes.	Y
3	Provide sufficient, secure avenues for receipt of state funds.	Y
4	Provide sufficient avenues for disbursement of state funds.	Y

RELATED STATISTICS:

	2020-21	2021-22	2022-23
Number of bank accounts used by State Agencies and reconciled by Treasury staff	41	41	40
Percentage of Bank accounts reconciled within 45 days	100%	100%	100%
Banking services costs*	\$282K	\$387K	\$478K
ACH Payments Issued	6.3M	3.113M	2.578M
Checks Issued	452K	1.350M	1.934M
Methods for receipt of funds	6	6	6
Methods for disbursement of funds	4	4	4

*Includes value of credits earned and redeemed for compensating balances.

GOAL 2: Ensure that all cash transactions are secure, properly tracked and accounted for.

OBJECTIVE: To efficiently track, record and reconcile the cash transactions of state agencies through the use of bank statement reconciliation.

PROGRAM STRATEGIES:

1. Accurately track all cash receipts of state agencies through the State’s accounting system (AdvantageME).
2. Track all disbursements of state agencies through AdvantageME.
3. Prevent fraud, mistake, and misuse of state funds through traditional and innovative means (currently includes internal controls, check stock security features, positive pay, bank account debit blocks, full-reconciliation banking services, internal segregation of duties, and external segregation of duties with the State Controller).
4. Control the number of bank accounts to which state funds are deposited.

PERFORMANCE MEASURES:

Met (Y/N)

1	Track, monitor and reconcile all cash receipts.	Y
2	Track, monitor and reconcile all disbursements.	Y
3	Identify fraud attempts and implement additional prevention methods, if warranted.	Y
4	Ensure adequate accounts and services are provided to each agency.	Y

RELATED STATISTICS:

	2020-21	2021-22	2022-23
Number of Cash Receipt Statement Transactions from State Agencies processed during fiscal year	117,943	120,895	122,022
Dollars lost to fraud attempts	\$0	\$0	\$0
Number of bank accounts provided for use by State Agencies	41	41	40

GOAL 3: Ensure that every State of Maine issuance is backed by sufficient funds while implementing an investment program that benefits the State and cash pool participants.

OBJECTIVE: To use bank account balances to ensure adequate backing of state-issued payments and generating investment income from cash pool investments.

PROGRAM STRATEGIES:

1. Maintain an investment portfolio with sufficient liquidity to ensure funding of all state expenses.
2. Utilize cash flow projections to plan investment timelines.
3. Make appropriate bank account transfers and cash concentration wires to cover all daily disbursements.
4. Enhance cash pool earnings via daily investment of excess cash-on-hand.
5. Distribute cash pool investment earnings to programs and participants as mandated by statute and policy.

PERFORMANCE MEASURES:

Met (Y/N)

1	Maintain an appropriate level of liquidity in the Treasurer’s Cash Pool (See appendices I & II).	Y
2	Ensure current cash flow projections from the Office of the State Controller (OSC) and investment advisor are being used in liquidity planning.	Y
3	Review bank account balances daily to ensure sufficient balances exist to disbursements.	Y
4	Periodic review of investment strategy and market conditions; adjust strategy as needed.	Y
5	Distribute earnings by the 25 th of each month; add/remove accounts as needed.	Y

RELATED STATISTICS:

	2020-21	2021-22	2022-23
Average month-end balance of cash & equivalents	\$1.330 B	\$1.406 B	\$1.288 B
Number of payments returned for insufficient funds	0	0	0
Average Cash Pool balance/earnings distributed	\$2.91 B/ \$19.5 M	\$4.02 B/ \$20.8 M	\$4.38 B/ \$95.6 M
Number of cash pool participants/programs*	115	117	114
Number of failed cash pool earnings distributions	0	0	0

*Participants include more than 100 state funds as well as quasi-governmental agencies like UMaine, FAME and Maine Community College.

GOAL 4: To diligently perform all trust and safekeeping obligations.

OBJECTIVES:

- To maintain escrowed state held funds as required by statute.
- To prudently invest, manage, disburse and account for funds held in trust.

PROGRAM STRATEGIES:

1. Work cooperatively with agencies in a custodial and reporting capacity in maintaining guaranty deposits as required by statute.
2. Forecast, monitor, invest, and safeguard the Tobacco Master Settlement Agreement Funds.
3. Review the status of funds held in trust and distribute assets as appropriate.
4. Use professional investment managers to grow the corpus and increase the distribution capacities of state-held trusts.

PERFORMANCE MEASURES:

Met (Y/N)

1	Respond timely to agency custodial requests.	Y
2	Coordinate ongoing legal developments with most current econometric-based payment projections in time for use by the Revenue Forecasting Committee.	Y
3	Distribute earnings and assets according to intent of state held trusts.	Y
4	Employ professional investment managers, review performance at least quarterly.	Y

RELATED STATISTICS:

	2020-21	2021-22	2022-23
Guaranty deposits for the Bureau of Insurance, Treasurer’s Safekeeping, Worker’s Compensation, and Unemployment Compensation maintained by Treasurer’s office	\$ 37.6 M	\$ 38.9 M	\$ 38.8 M
Tobacco Settlement payments received	\$ 48.5 M	\$ 49.8 M	\$ 52.2 M
Value of assets distributed from state-held trusts	\$1,389,648	\$1,472,320	\$1,510,825
Value of funds held in Several Trusts	\$75.43 M	\$62.75 M	\$68.95 M
Value of FFLEO Trust	\$16.11 M	\$13.89 M	\$17.19 M

GOAL 5: To participate in the decision-making of quasi-governmental agencies having the capacity to implicate the credit of the State of Maine.

OBJECTIVE: The State Treasurer, or in the event the Treasurer is unavailable, the Deputy Treasurer, serves on the following boards:

- Adaptive Equipment Loan Program (AELP) Board
- Board of Emergency Municipal Finance
- Finance Authority of Maine (FAME) Board
- Indian Housing Mortgage Insurance Committee
- Maine Governmental Facilities Authority (MGFA) Board
- Maine Health and Higher Education Facilities Authority (MHHEFA) Board
- Maine Municipal Bond Bank (MMBB)
- Maine Public Utility Financing Bank Board
- Maine Retirement Savings Board
- Maine State Housing Authority (MaineHousing) Board
- Maine Public Employees Retirement System (MainePERS) Board
- Maine Vaccine Board
- NextGen College Investing Plan Investment Advisory Committee (chair)

PROGRAM STRATEGIES:

1. Serve to keep boards connected with the Legislature.
2. Facilitate the distribution of the private activity bond cap.
3. Monitor liabilities and report to ratings agencies.
4. Monitor investments and debt issuances.

PERFORMANCE MEASURES:

Met (Y/N)

1	Provide the Legislature with updates on board activities, as requested.	Y
2	Have authorities met jointly to discuss the private activity bond cap?	Y
3	Have bond rating agencies been updated on the moral obligation debt, UAL, and OPEB?	Y
4	Debt reserves confirmed and presented to bond rating agencies	Y

GOAL 6: Ensure proper resources exist for all OST programs.

OBJECTIVE: To ensure personnel and financial resources are available and accessible to manage the programs within the umbrella of the Office of the State Treasurer. While budgetary “programs” may exist, those specific budgets do not provide for the personnel resources and rarely provide funds for the other necessary resources required to effectively manage the programs. These programs currently include Debt Service, Unclaimed Property, Municipal Revenue Sharing and the associated Disproportionate Tax Burden Fund and tribal sales tax funds.

PROGRAM STRATEGIES:

1. Effectively assess personnel and non-personnel resources needed to provide required services.
2. Dedicate budgetary resources to fund professional staff
3. Dedicate budgetary resources to ensure services provided are sufficient, efficient, and promote the agency’s mission.

PERFORMANCE MEASURES:**Met (Y/N)**

1	Introduce change packages into the biennial budget to reflect savings and spending initiatives in line with assessments.	Y
2	Maintain a professional, experienced accounting, financial, and administrative staff	Y
3	Invest in technology and software that increases service while reducing the cost of providing those services.	Y

RELATED STATISTICS:

	2020-21	2021-22	2022-23
Number of Treasury Personnel	16	16	16
Number of professional accounting staff	4	4	4
Total budget	\$1,994,787	\$2,106,996.14	\$1,795,222

GOAL 7: To establish and grow the ME ABLE Savings Program**OBJECTIVE:** To offer a low cost, easily accessible ABLE ME Savings account for eligible Maine residents**PROGRAM STRATEGIES:**

1. Partner with a trusted local institution, with extensive branch network.
2. Offer basic product banking product for ease of access and use.
3. Grow account base organically with advocacy community.

PERFORMANCE MEASURES:

1	Contracted with local bank with statewide presence.	Y
2	Establish necessary agreements with Social Security Administration	Y
3	Product available to eligible Mainers	Y
4	Account numbers and deposit amounts growing	Y

RELATED STATISTICS:

	2020-21	2021-22	2022-23
Total Accounts	N/A	188	459
Average Account Balance	N/A	\$4,527	\$4,624
Total deposits	N/A	\$851 K	\$2.1 M

Treasury Debt Service: 010, 017 & 018-28A-002101

GOAL 1: To efficiently finance Maine’s general obligation debt.

OBJECTIVES:

- To issue state general obligation debt in compliance with applicable state and federal law.
- To efficiently sell bonds at the lowest interest rate available to the state at the time of sale.
- To incur debt-service costs no sooner and in no greater amount than is necessary.
- To efficiently finance Maine’s cash-flow requirements.
- To efficiently sell BANs at the lowest rate available to the state at the time of sale.
- To utilize the State’s own resources when advantageous.

PROGRAM STRATEGIES:

1. Manage relationships with bond rating agencies.
2. Coordinate with applicable executive branch officials to create an annual bond rating agency presentations.
3. Structure, price, and promote in-state retail and institutional bond sales to minimize the burden on state finances.
4. Establish cash flow monitoring systems with the State Controller’s Office to closely calibrate cash flow needs and understand internal borrowing capacity.

PERFORMANCE MEASURES:

Met (Y/N)

1	Are bond rating agencies satisfied that their information requests are answered accurately and in a timely manner?	Y
2	Are the presentation materials complete, accurate, integrated and as persuasive as possible? Are the rating agency interviews effective, with clear and agreed-upon logistics?	Y
3a	Was the spread to MMD and treasuries similar to other deals in the market?	Y
3b	Are debt service payments scheduled at times when the State is expected to have strong cash flow?	Y
4a	Were cash pool assets used to reduce external borrowing costs?	Y
4b	Is cash flow information exchanged regularly between the Controller and the Treasurer?	Y
4c	Are internal borrowing guidelines established and followed?	Y
4d	Have Tax Anticipation Notes been avoided?	Y

GOAL 2: To oversee compliance with general obligation bond responsibilities.

OBJECTIVES:

- To oversee the use of bond and note proceeds in compliance with state and federal law.
- To ensure compliance with all applicable general obligation debt indentures.
- To ensure continued disclosure of facts and information important to investors.

PROGRAM STRATEGIES:

1. Counsel state agencies on the management of bond proceeds and the cash flow requirements.
2. Work with bond counsel and the Attorney General’s Office to assure legal compliance and proper tax characterization.
3. Generate and publish Preliminary Official Statements and Official Statements setting forth disclosing information pertinent to bond sales.
4. Track the use of borrowed funds to assure their proper use pursuant to authorization requirements.
5. Track and make debt service payments on time.

PERFORMANCE MEASURES:

Met (Y/N)

1a	Did agencies use proceeds in accordance with authorization?	Y
1b	Were 100% of tax certificates signed and vetted by bond counsel?	Y
1c	Do unspent proceed balances indicate that borrowing is occurring efficiently?	Y
2	Is there consistent compliance with state or federal law? Are fines avoided?	Y
3	Were the POS and OS accurate, published on time, and available to the public?	Y
4	Is adequate documentation provided by recipient agencies? Are funds used properly?	Y
5	Was the annual bond sale completed in time to make all BAN debt service payments?	Y

GOAL 3: To assist state policy makers and voters as they explore debt structures and anticipate debt service costs.

OBJECTIVES:

- To inform the Governor and the Legislature of all general obligation debt service budget requirements.
- To provide the Governor and the Legislature with advice and information on proposed borrowing packages.

PROGRAM STRATEGIES:

1. Explore hypothetical financing structures early in the bond authorization process to assure market and legal feasibility.
2. Provide fiscal notes on bond bills to reflect the cost of borrowing.
3. Identify for state budget-makers the amount of funding needed to make debt service payments.
4. Prepare the Treasurer’s Statement for publication on ballots whenever general obligation debt proposals are sent to the voters.

PERFORMANCE MEASURES:

Met (Y/N)

1	Provide detailed and rapid responses to debt service questions and projection requests.	Y
2	Fiscal notes submitted within 2 days of receiving request from OFPR.	Y
3	Provide accurate and detailed debt service projections to OFPR and Maine voters.	Y
4	Accurate and timely Treasurer’s Statement provided to the Secretary of State.	Y

GOAL 4: To maximize earnings on unspent bond and note proceeds.

OBJECTIVE: To maximize earning on unspent bond and note proceeds while minimizing borrowing costs and meeting IRS arbitrage requirements.

PROGRAM STRATEGY:

1. Invest bond proceeds and track arbitrage.

PERFORMANCE MEASURE:

Met (Y/N)

1a	Have arbitrage penalties been avoided?	Y
1b	Have bond proceed earnings been maximized and are they in compliance with arbitrage requirements?	Y

GOAL 5: To oversee compliance with all internal borrowing, lines of credit, and note responsibilities.

OBJECTIVES:

- To oversee the use of proceeds in compliance with state and federal law.
- To ensure compliance with all applicable debt indentures.
- To ensure continued disclosure of facts and information important to investors.

PROGRAM STRATEGIES:

1. Work with bond counsel and Attorney General’s Office to assure legal compliance.
2. Track and make debt service payments on time.
3. Track the use of borrowed funds to assure their proper use pursuant to authorization requirements.

PERFORMANCE MEASURES:

Met (Y/N)

1	Are all state and federal laws complied with? Fines avoided?	Y
2	Were debt service payments anticipated and made on time? Are checks and balances in place to assure payments are made?	Y
3	Are the borrowed funds being properly tracked in the State’s accounting system?	Y

Municipal Revenue Sharing: 014-28A-002001
Disproportionate Tax Burden Fund: 010-28A-047201

GOAL: To apportion and distribute to local governments a share of the State’s sales tax, individual and corporate income tax and service provider tax revenues.

OBJECTIVES:

- To monitor the State Controller’s timely transfers into the Revenue Sharing account.
- To allocate and distribute revenue sharing funds in an accurate and timely manner.
- To publish and maintain records of revenue sharing distributions.
- To generate and publish distribution projections for each municipality.

PROGRAM STRATEGIES:

1. Monitor transfer of tax revenues to the appropriate Revenue Sharing accounts.
2. Monitor Local Government Fund (REVI) distributions, confirm funds available through the Disproportionate Tax Burden Fund (REVII), and distribute appropriately.
3. Timely acquisition of the tax assessment, population, mil-rate and REVI cap information needed to complete the revenue sharing distribution formulas.
4. Issue monthly municipal payments quickly and efficiently.
5. Timely publish revenue sharing projections for each municipality.

PERFORMANCE MEASURES:

Met (Y/N)

1	Request/receive and review journal vouchers from the State Controller’s Office monthly.	Y
2	Calculate and tally transfers to the Revenue Sharing funds to ensure compliance with statute for Disproportionate Tax Burden Fund.	Y
3	Request all statistical data from sources in order to receive in time to publish projections.	Y
4	Ensure checks are issued to municipalities on or before the 20 th of each month.	Y
5	Update website annually for projections and monthly for distributions.	Y

RELATED STATISTICS:

	2020-21	2021-22	2022-23
1. Total distributions	\$156.05 M	\$232.36 M	\$263.39 M
2. Number of municipalities	488	488	487
3. Timely processing of monthly payments to municipalities.	20 th of month	20 th of month	20 th of month
4. Date of projection publication	March 5, 2020	March 26, 2021	March 16, 2022

Unclaimed Property: 071-28A-002201

GOAL 1: To receive and safeguard lost or unclaimed financial assets from holders.

OBJECTIVE: To ensure timely receipt by the State of all unclaimed properties from holders.

PROGRAM STRATEGIES:

1. Receive and record reports of unclaimed property remitted by business entities to the State.
2. Streamline reporting processes and make online filing available.
3. Provide holder education and facilitate convenient filing of holder reports.
4. Provide compliance information for businesses subject to Maine’s Revised Unclaimed Property Act. Contract out for audits of large national companies holding property from Maine residents.
6. Provide secure and accessible storage for permanent, confidential records.

PERFORMANCE MEASURES:

Met (Y/N)

1	Timely process holder reports to ensure accuracy and availability to claimants.	Y
2	Provide efficient and convenient filing processes to holders.	Y
3	Accept multiple forms of holder reports.	Y
4	Maintain up-to-date website and provide adequate holder outreach staff.	Y
5	Participate in as many contracted audits as possible to increase revenues and compliance.	Y
6	Ensure adequate storage is available for all confidential documents.	Y

RELATED STATISTICS:

	2020-21	2021-22	2022-23
Number of unclaimed property annual reports filed by business entities	6,310	7,904	6,832
Value of unclaimed property remitted to the state	\$27.4 M	\$29.9 M	\$33.02 M
Value of property received from contract auditor efforts	\$1.7 M	\$2.3 M	\$876 K

GOAL 2: To reunite Maine citizens with lost or unclaimed financial assets.

OBJECTIVE 2: Efficiently and effectively return unclaimed financial assets to rightful owners.

PROGRAM STRATEGIES:

1. Facilitate prompt claims processing systems.
2. Providing a centralized search location for owners of unclaimed property.
3. Maintain a permanent and current database documenting properties received and returned.
4. Streamline the claim process to create efficiencies while not jeopardizing the integrity of the return.
5. Locate property owners through their state Legislators.
6. Participate in responsible national search location efforts.
7. Provide secure and accessible storage of confidential, long-term documents.

PERFORMANCE MEASURES:

Met (Y/N)

1	Timely process claims to reunite lost property with rightful owner.	Y
2	Provide searchable online database of unclaimed property.	Y
3	Ensure integrity of data received and processed through the use of state-of-the-art systems.	Y
4	Constantly review and enhance claims process to simplify for claimants and claims processors.	Y
5	Provide Legislators with district-specific listings of property available.	Y
6	Extend owner outreach efforts beyond state boundaries to locate former Maine residents.	Y
7	Ensure adequate storage is available for all confidential documents.	Y

RELATED STATISTICS:

	2020-21	2021-22	2022-23
Number of claims paid to property owners	28,601	31,668	129,797
Value of property returned to owners	\$16.7 M	\$16.8 M	\$26.8 M
Number of claims initiated on web	41,788	45,941	43,032
Value of claims paid as % of property received	53%	50%	76%
Average Days to a claim	68	68	70

Cash Management Improvement Act

GOAL: To ensure State-wide compliance with the federal Cash Management Improvement Act of 1990.

OBJECTIVE: To enforce compliance and carry out the administrative functions prescribed in 31 CFR Part 205.

PROGRAM STRATEGIES:

- Negotiate annual Cash Management Improvement Act contract between state agencies and the Federal Government. Calculate and forward liability to U.S. Dept. of Treasury as appropriate.
- Monitor state agencies for compliance with the Cash Management Improvement Act
- Provide informational resources and guidance to federal program administrators
- Ensure check clearance patterns are current and accurate
- Report annual liability statistics

PERFORMANCE MEASURES:

Met (Y/N)

1	Annual contract negotiated and executed.	Y
2	Sample state agency draw downs for compliance with clearance pattern prescribed.	Y
3	Review and update clearance patterns as required by the Federal Government.	Y
4	Compile and forward liability statistics annually.	Y

RELATED STATISTICS:

	2020-21	2021-22	2022-23
1. Number of federal programs included in Treasury-State Agreement (TSA)	14	12	12
2. Amount of liability to Federal Government <i>*State has been paid interest</i>	-\$611*	-\$129*	<i>pending*</i>

C. Organizational Structure

The Office of the State Treasurer has sixteen (16) budgeted positions. In addition to the State Treasurer and Deputy Treasurer, the following positions comprise the Treasury staff:

Director of Internal Operations & Asst. Director of Internal Operations	Manage the daily operations of all programs within the office
Managing Staff Accountant	Responsible for accounting systems internal and external to the Treasurer's office; Handles debt service, arbitrage, and the Treasury operations budget.
Treasury Services Specialist	Develops agency RFPs, contracts. Serves state agencies as Treasury Services coordinator.
Sr. Unclaimed Property Specialist	Maintains ongoing communication with and provides services to the unclaimed property holder community
Senior Staff Accountant Staff Accountant (2)	Ensures all state funds are accounted for appropriately and timely
Unclaimed Property Specialist (2) Unclaimed Property Associate	Processes complex and general unclaimed property claims, handle safekeeping, holder refunds, and unclaimed property customer service.
Office Specialist II (2) Office Specialist I	Records, reconciles, and reports daily investment and check processing activities. Coordinates the post-processing of all outgoing state-issued checks; processes returned checks; records and reconciles automatic processing of financial institutions; administrative support services.

D. Financial Summary

The Office of the Treasurer’s budget structure consists of four primary programs: Treasury Department Operations, Unclaimed Property, Debt Service, and Municipal Revenue Sharing. There are two other programs, the tribal sales tax funds and the Kim Wallace AELP. (Property Tax Relief Fund has ended).

Office of the State Treasurer											
Total Expenses for the last 10 years											
ACCOUNT Level	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	
010-28A-0022-01 Treasury Department Operations Total:	1,569,252.06	1,613,133.34	2,025,278.25	1,673,855.74	1,510,657.99	1,752,991.39	1,670,903.29	1,994,787.24	2,106,996.14	1,795,222.66	
Personal Services	1,029,403.78	1,098,728.80	1,245,422.70	1,264,189.96	1,233,908.64	1,265,717.57	1,323,602.93	1,415,387.06	1,455,626.87	1,509,139.22	
All-Other	539,848.28	514,404.54	779,855.55	409,665.78	276,749.35	487,273.82	347,300.36	579,400.18	651,369.27	286,083.44	
071-28A-0022-01 Unclaimed Property	180,854.82	202,810.15	195,906.60	181,532.26	281,463.06	299,346.21	298,095.14	309,328.40	340,914.29	393,080.54	
010-28A-0021-01 Debt Service Payments	77,711,894.57	77,477,976.27	74,668,279.97	75,187,059.50	84,340,292.75	93,479,701.88	102,432,530.73	104,260,694.25	110,605,603.49	125,063,209.90	
Municipal Revenue Sharing Total:	66,062,806.92	63,600,937.12	67,355,730.32	65,228,806.04	69,338,499.98	74,095,531.03	113,613,228.93	156,047,741.13	232,362,958.36	263,395,937.24	
014-28A-0020-01 State Municipal Revenue Sharing-Rev I	50,270,815.69	47,680,737.85	50,684,613.01	48,983,047.37	52,270,794.31	56,076,424.60	87,690,556.74	121,638,195.25	182,690,372.49	207,516,745.47	
014-28A-0472-01 MRS Disproportionate Tax Burden Fund-Rev II	15,791,991.23	15,920,199.27	16,671,117.31	16,245,758.67	17,067,705.67	18,019,106.43	25,922,672.19	34,409,545.88	49,672,585.87	55,879,191.77	
014-28A-Z285-02 Property Tax Relief Fund for ME Residents							32,593,974.98	65,745.84	29.04	-	
014-28A-0915-01 Passamaquoddy Sales Tax Fund	-	-	-	-	-	-	2,135.43	-	-	-	
014-28A-Z359-01 Maliseet Sales Tax Fund	-	-	-	-	-	-	-	-	-	-	
014-28A-Z360-01 Penobscot Sales Tax Fund	-	-	-	-	-	-	-	-	-	-	
014-28A-Z278-01 Kim Wallace EALP Fund	-	-	-	-	-	-	250,000.00	300,000.00	150,000.00	720,000.00	
Umbrella Level TOTAL	145,524,808.37	142,894,856.88	144,245,195.14	142,271,253.54	155,470,913.78	169,627,570.51	250,860,868.50	262,978,296.86	345,566,501.32	391,367,450.34	

Treasury Department Operations – This budget line funds all the operation of the Office of the State Treasurer, included salaries, benefits, technology, contracts and all other expenses related to departmental operations. This amount has slowly grown over ten years, with personnel increasing with longevity and all other fluctuating year to year, mostly related to the costs of banking services, which vary with the needs of the state. Higher bank expenses were experienced during the large payment programs initiated during the COVID pandemic.

Unclaimed Property – The budget line funds the annual cost of administering the Unclaimed Property Program. Recent years have seen an increase in technology like data matching, to identify rightful claimants. This technology has increased the success of returning property to owners and increasing transfers to the General Fund but does increase up front expenses.

Debt Service – This budget line funds the annual payments for general obligation bond debt service. These lines have seen growth over the last ten years, mostly due to increased issuance and authorization in the latter years.

Municipal Revenue Sharing – This budget line funds the state’s revenue sharing with municipalities. The budget line has grown over ten years because of the overall increase in state revenues, as well fluidity in the percentage of revenue that is applicable to the program. This varied from a low of 2% of state revenues to the current statutory rate of 5%.

Tribal Sales Tax Funds – These funds are to reimburse sales taxes collected on the tribal territory. There has historically been limited activity in these accounts.

Kim Wallace AELP -This is a revolving loan fund, used to make adaptive equipment loans to persons with disabilities. The board may request funds to cover expense and replenish loan capital.

E. Coordinated Efforts

The Treasurer's Office coordinates and participates regularly in several projects and efforts that require collaboration with other departments. Being a financial services agency that serves the entire state, many of our functions directly impact other departments. This makes many improvements a joint venture.

- The Cash Management Improvement Act (CMIA) began in 1990. Every year the Treasurer's Office writes a contract between *all State of Maine agencies* receiving federal funds that exceed a certain threshold and the *U.S. Department of Treasury*. At the end of the year, a report is filed to show the liability, if any, the state has for the federal government. Each year the Treasurer's Office works with the involved state agencies to enter into this contract and then report on it.
- The Treasurer's Office works collaboratively with the Executive Branch and other state agencies to provide adequate funding, through the issuance of bonds, for capital projects.
- The Treasurer's Office works closely with the **Department of Administrative and Financial Services'** Commissioner, Budget Officer, and State Controller in an ongoing commitment to provide relevant and timely information to the bond rating agencies and our bond holders through the periodic and constant disclosure of the state's financial position.
- The Treasurer's Office regularly exchanges information with the *Bureau of the Budget* regarding unspent bond proceeds prior to issuing additional bonds in an effort to reduce the overall cost of arbitrage to the state.
- Collaborative efforts with *OIT and OSC* resulted in the implementation of new automated processes for Daily Cash Management. This process and improved efficiency and accuracy in daily operations.
- The Treasurer's Office recently completed a collaborative effort with stakeholders from the **Office of the State Controller, Department of Labor, Bureau of Purchases, and Department of Health and Human Services** to procure services for a statewide payment card product. The works completed provides the opportunity for all state agencies to use the product as a means to issue single or recurring payments to customers as a safe and cost-effective alternative to costly check issuance.

F. Constituencies

The Office of the State Treasurer is a central service agency with constituencies and services as set for below:

Constituency	Service(s) Provided		
Maine Citizens	Serves the public interest through trustworthy and competent management of the State’s cash, general obligation debt, and unclaimed properties.	Quasi-State Agencies	The Treasurer serves on the board of quasi-governmental agencies having the capacity to implicate the credit of the State of Maine.
Legislature	Reports on bonded indebtedness, tobacco funds, and investment earnings. Provides information, text, charts, and graphs on debt and cash pool earnings. Provides annually a personalized pre-advertisement unclaimed property list to each Legislator.		<ul style="list-style-type: none"> • Adaptive Equipment Loan Program • Finance Authority of Maine • Lifelong Learning Accounts Committee • Maine Governmental Facilities Authority • Maine Health and Higher Education Facilities Authority • Maine Municipal Bond Bank • Maine Public Utility Financing Bank Board • Maine Retirement Savings Board • Maine State Housing Authority • Maine Public Employees Retirement System • NextGen College Investing Plan Investment Advisory Committee
Revenue Forecasting Committee	Provides projections on cash pool earnings, unclaimed property fund transfers, and other information as requested.		
State Agencies	Banking services; cash pool management and reporting; bond issuance and debt service; custodial and trust fund services; investment of and earnings distribution dedicated funds; safekeeping management and reporting; reconciliation management; returned check processing and maintenance; credit card acceptance set-up and maintenance; cash receipt training and guidance; disbursement maintenance, processing and recordkeeping; unclaimed property law compliance; Cash Management Improvement Act training, sampling, guidance and compliance liaison services; and Land Use Planning Commission (LUPC) assessment withholding.	Municipal Governments	Published State-Municipal Revenue Sharing projections, distributions, and delinquent tax rates and information; offers payment management and LUPC assessment withholding services.
		Unclaimed Property Holders	Provides assistance to all holders of unclaimed property to ensure compliance with Title 33, chapter 41 of M.R.S.A.
		Unclaimed Property Claimants	Assists apparent owners (claimants) of unclaimed property with their claim(s) and ensures protection of the assets for the true owner.

Rating Agencies Provide Official Statement of the State's financial condition to investors; provide information to Bond Rating Agencies as requested.

Heirfinders Provide list of unclaimed properties to private investigators to assist in their search for owners of unclaimed property.

Cash Pool Participants Provide investment earnings on funds invested and provide same-day liquidity for entire balance held.

Bond holders Pay debt service and maintain investment credit rating

ABLE Account holder Provide suitable and efficient 529-A accounts to eligible Mainers through partnership with Bangor Savings Bank.

G. Alternative Delivery

Alternative deliveries, including technologically advanced methods and outsourcing, have been or will soon be implemented in the following areas:

Program/Service	Alternative Delivery	Unclaimed Property Audits	The Treasurer’s Office outsources the auditing of national corporations to multiple firms that specialize in unclaimed property auditing and do so for several states. This provides Maine leverage with large corporations and saves each state the cost of doing an independent audit. This also allows us to audit without passing the cost of the audit back to the holder.
Unclaimed Property Holder Reports	Unclaimed property holders are now offered the ability to use a third-party vendor for their national unclaimed property reporting that includes electronic remittance processing to the State of Maine. Since several states contract with this vendor that was endorsed by the National Association of Unclaimed Property Administrators, this enables holders to more effectively and efficiently respond to and manage their reporting responsibilities to Maine and other states.	Delinquent Tax Rate	The Treasurer’s Office provides the annual delinquent tax rate established by statute to municipalities online. In addition, a history of the rates is provided online.
Unclaimed Property Claims	The Treasurer’s Office is working with a third-party vendor to improve the online unclaimed property claim process. The new process will allow us to process more claims with fewer personnel resources, thereby reducing the backlog that exists from time to time. In addition, this new process will allow us to implement user authentication for claims submitted online, a process that prevents most electronic fraud activity.	Investment Reporting	The Treasurer’s Office contracts with an investment advisor that provides customized and GASB compliant investment reporting services for the Treasurer’s Cash Pool. Improvements were made in balancing the portfolio, tracking maturities, and asset allocation as a result of the services provided.
Unclaimed Stock Certificates	The Treasurer’s Office outsources custodial and accounting services for the unclaimed property stock portfolio.	Municipal Revenue Sharing	The Treasurer’s Office has provided monthly distribution details and annual projections on the web for several years to assist agencies with identifying electronic deposit of funds.

H. Emerging Issues

Uncertain Markets/Federal Governance/Interest Rates – We are in a unique period in the market for money. We have endured an extended period of ultra-low interest rates, which were unfavorable for the state’s investment earnings and beneficial for borrowing rates. That dynamic is now in reverse as the Federal Reserve has raised interest rates at an accelerated pace. This has created opportunity for the state’s investments and risk for state borrowing. The aggressive pace has created uncertainty and volatility in the markets. This combined with dysfunction at the Federal level of government has created an environment of great uncertainty for the management of the state’s cash flow and liquidity. To date we have managed by increasing liquidity and investing a significant portion of state funds in cash or cash equivalents.

ACH Payments – More and more vendors seek to pay the state via ACH (automated clearing house). While there are benefits, ACH payments are largely unregulated and undocumented, meaning that vendors can send funds to the state without attribution, leaving our office to investigate potentially dozens if not hundreds of payments. We understand this need is growing and we requested and received an additional accounting position in the 2024-2025 budget to begin addressing this issue.

Technology – Technology in the financial industry continues to expand, leaving Treasury in a perpetual game of catch up to ensure we maintain compatibility with our banking partners and customers.

Cryptocurrency – Our office does not currently handle cryptocurrency, but programs like Unclaimed Property may need to address the emerging situation of abandoned cryptocurrency accounts. While our current statutes and precedent elsewhere leave us without clear authority to hold or recover crypto assets, we may want to do so in the future.

I. Other Information

Contracts:

Type of Contract	Vendor	Term
Audit & Recovery Services: Unclaimed Property	EECS LLC	04/01/20 to 03/31/25
Audit & Recovery Services: Unclaimed Property	Innovative Advocate Group	04/01/20 to 03/31/25
Audit & Recovery Services: Unclaimed Property	Kelmar Associates	04/01/20 to 03/31/25
Audit & Recovery Services: Unclaimed Property	Specialty Audit Services, LLC	04/01/20 to 03/31/25
Audit & Recovery Services: Unclaimed Property	Kroll	04/01/20 to 03/31/25
Audit & Recovery Services (self-audit): Unclaimed Property	Kelmar Associates	3/30/30 to 3/31/25
Banking Services	US Bank	07/01/19 to 06/30/26
Branch Deposit Services	T.D. Banknorth	07/01/19 to 06/30/26
Bond Counsel	Locke Lord LLP	10/23/17 to 10/31/23
Bond Underwriting Services	Raymond James/Goldman Sachs	12/31/22 to 12/31/25
Custody Management Services: Cash Pool	Principal Bank	06/30/22 to 06/30/26
Custody Management Services: Bureau of Insurance	US Bank	03/01/19 to 02/28/25
Debt Management Financial Advisor	Hilltop Securities	03/01/15 to 02/28/25
Electronic Payment Card	US Bank	07/01/14 to 12/31/23
Investment Consultant	PFM Asset Management	07/01/22 to 06/30/25
Merchant Services	Elavon	07/01/19-01/31/2026
Securities Custody Services: Unclaimed Property	Avenu	01/01/17 to 12/31/23
Trusts Investments	Harpwell Capital Advisors, LLC	04/01/17 to 03/31/25
Database Management Systems: Unclaimed Property	Kelmar	07/01/22 to 06/30/27

K. Comparison of Federal Laws and Regulations to State Laws and Rules

The federal laws relating to the Treasurer's Office mostly come from Title 26 of the *Internal Revenue Code*. One important duty of the Treasurer's Office is to track and report to the Federal Government any liabilities of the state with respect to federal money and tax-exempt borrowing. Proper reporting to the Federal Government keeps Maine's tax-exempt status safe.

State statutes dealing with bond issues, taxable wage withholding, NextGen, and the *Cash Management Improvement Act* follow the form of the federal laws. The Treasurer's Office has not gone through the Rulemaking process to make any procedural adjustments to these laws.

L. Agency Policies for Collecting, Managing, and Using Personal Information

The Office of the State Treasurer requires each employee to review, understand, and execute a standard confidentiality policy and an email usage and management policy. A complete copy of each policy, including the employee acknowledgement, is provided in Appendix III.

Responsibility for unclaimed property records containing personal information are governed by Title 33, Chapter 45, §2212.

M. Agency Reports, Applications, and Required Filings

Holder Reports

Unclaimed Property holders are required to submit annual holder reports per Title 33, chapter 45, § 2091 last amended in 2019.

To reduce the burden of this filing on holders, the Treasurer provides several methods for the reports to be filed.

N. Reports Required by the Legislature

Tobacco Settlement Report – Annually, the Treasurer reports to the Appropriations Committee the value and activities from the Fund for a Healthy Maine and the Tobacco Settlement Proceeds.

Government Evaluation Report expected every 8 years.

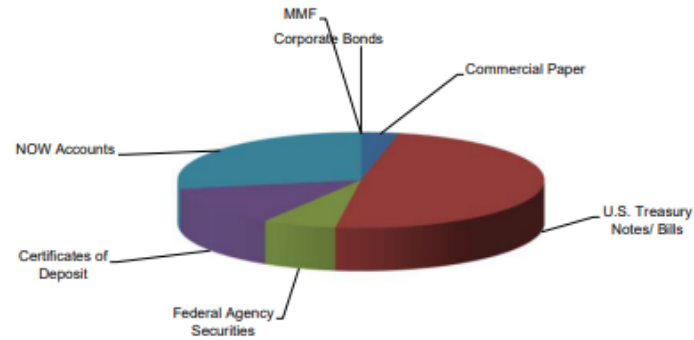
Appendix I – Treasurer’s Cash Pool Summary 6.30.23

Treasurer's Cash Pool Summary

Friday, June 30, 2023

Name	Previous Day Bal	Bal Today	Investment Today	% of TCP	Type	Collateral	Maturity	Rate
U.S. Treasury Notes / Bills	2,172,722,539.31	2,113,292,031.49	(59,430,507.82)	48.9%	U.S. Treasury Notes/ Bills	NA	Various	Various
CDs - Various Banks	575,000,000.00	575,000,000.00	0.00	13.3%	Certificates of Deposit	FDIC, Ginnie Maes, FHLB LOC	Various	Various
TD Bank	400,000,000.00	400,000,000.00	0.00	9.3%	Money Market Deposit Account	FHLB LOC	NA	5.10%
Federal Agency Securities	280,098,588.75	280,098,588.75	0.00	6.5%	Federal Agency Securities	NA	Various	Various
US Bank MMDA	335,000,000.00	276,000,000.00	(59,000,000.00)	6.4%	Money Market Deposit Account	FHLB LOC	NA	5.05%
NorthEast	125,000,000.00	125,000,000.00	0.00	2.9%	Money Market Deposit Account	FHLB LOC	NA	5.07%
Camden National NOW	122,000,000.00	122,000,000.00	0.00	2.8%	Money Market Deposit Account	FHLB LOC	NA	5.07%
Citizens Bank	100,000,000.00	100,000,000.00	0.00	2.3%	Money Market Deposit Account	FHLB LOC	NA	5.08%
Bangor Savings Bank NOW	50,000,000.00	50,000,000.00	0.00	1.2%	Money Market Deposit Account	FHLB LOC	NA	5.06%
First National NOW	50,000,000.00	50,000,000.00	0.00	1.2%	Money Market Deposit Account	FHLB LOC	NA	5.07%
Androscogin Bank NOW #2	50,000,000.00	50,000,000.00	0.00	1.2%	Money Market Deposit Account	FHLB LOC	NA	5.09%
Natixis NY Branch	48,166,666.67	48,166,666.67	0.00	1.1%	Commercial Paper	NA	1/31/2024	5.71%
Credit Agricole	47,993,916.67	47,993,916.67	0.00	1.1%	Commercial Paper	NA	2/26/2024	5.66%
MUFG Bank LTD/NY	47,982,833.33	47,982,833.33	0.00	1.1%	Commercial Paper	NA	2/26/2024	5.69%
Bath Savings NOW	25,000,000.00	25,000,000.00	0.00	0.6%	Money Market Deposit Account	Ginnie Maes (105%-Fed Res	NA	5.09%
Biddeford Savings	10,000,000.00	10,000,000.00	0.00	0.2%	Money Market Deposit Account	FHLB LOC	NA	5.07%
US Bank Gov MMF (FGXXX)	-	-	0.00	0.0%	Money Market Funds	NA	NA	5.01%
Total Cash Pool:	4,438,964,544.73	4,320,534,036.91	(518,430,507.82)					

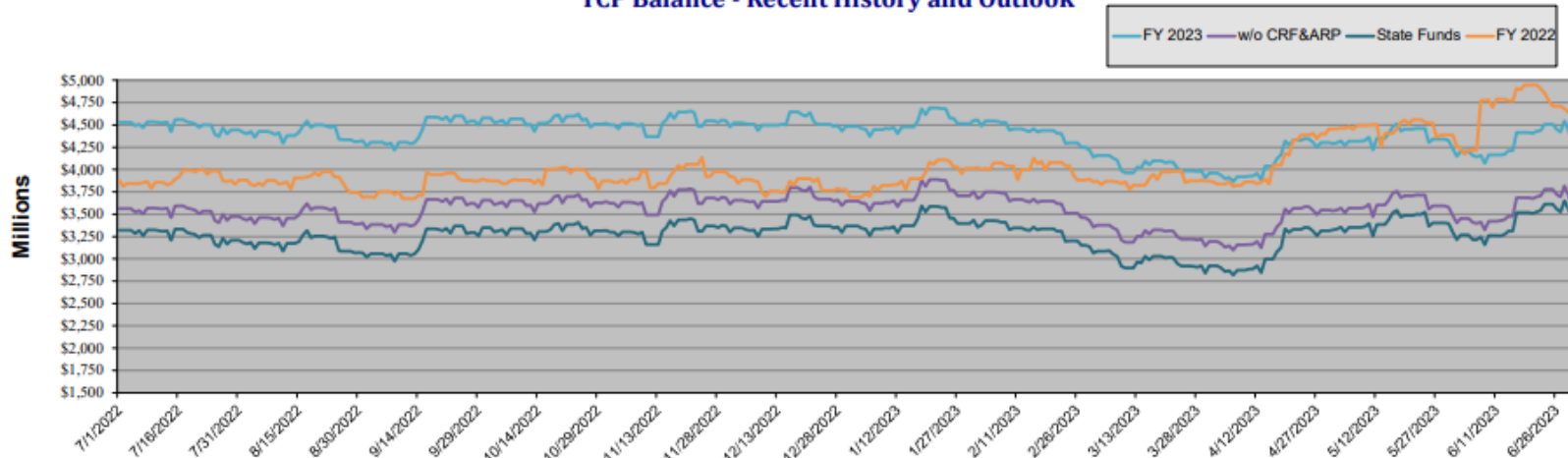
Cashpool Diversity		
Type	Total	% of TCP
Commercial Paper	\$ 144,143,416.67	3.3%
U.S. Treasury Notes/ Bills	\$ 2,113,292,031.49	48.9%
Federal Agency Securities	\$ 280,098,588.75	6.5%
Certificates of Deposit	\$ 575,000,000.00	13.3%
Money Market Deposit Account	\$ 1,208,000,000.00	28.0%
Money Market Funds	\$ -	0.0%
Corporate Bonds	\$ -	0.0%
	\$ 4,320,534,036.91	100%



Cash Pool Notes

1. Approx \$79M in available balances, including \$11M from MRS ACH.
2. Approx \$195M in disbursements - including \$168M in OPEB Trust transfers.
3. Redeemed \$62M US Treasury Note.

TCP Balance - Recent History and Outlook

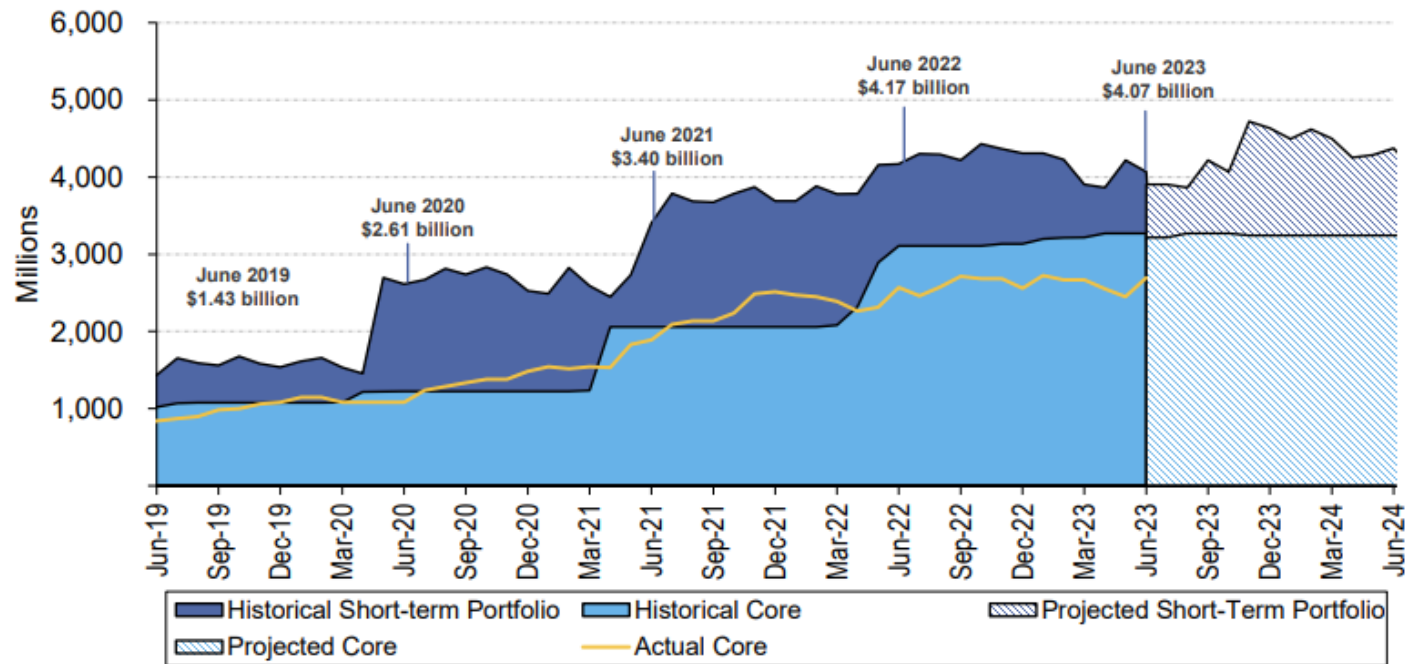


Appendix II – Investment Advisor Cash Flow Projection

Cash Flow Analysis

- ▶ During the 2nd quarter, the average monthly balance was \$4.25 billion – a decrease of approximately \$156 million or 3.5% from last year.

**State of Maine Cash Flow Analysis
(Monthly Minimum Balance)
June 2019 – June 2024 (Projected)**



Source: The cash flow model analyzes the minimum daily aggregate balance for the cash pool each month. The output from the model is utilized to compute the growth of the pool over a historical period, project future balances, determine the cash pool's seasonality, and identify an appropriate allocation to short- and long-term investments.