



# 2021 ANNUAL REPORT

*OFFICE OF RHODE ISLAND  
GENERAL TREASURER SETH MAGAZINER*





*The mission of the Office of the Rhode Island General Treasurer is to promote economic growth, protect the State's assets with sound investments, strengthen the State's financial position, operate with transparency and accountability, and ensure that Rhode Islanders benefit from exceptional performance across all programs.*





# MESSAGE FROM RHODE ISLAND GENERAL TREASURER SETH MAGAZINER



Fellow Rhode Islander,

As Treasurer, my mission is to promote economic growth and expand financial opportunity for all Rhode Islanders.

Over the last year our Office has made significant progress towards our vision of building a stronger, more resilient economy by fixing school buildings, putting Rhode Islanders to work on clean energy projects, supporting small businesses, and growing the State's pension fund that thousands of Rhode Islanders and their families rely on for retirement security.

High quality public education is the bedrock of a strong economy, and the condition of school facilities has a direct impact on attendance, reading levels, career readiness and health outcomes. Our statewide school construction program has now invested more than \$1.7 billion to help repair or replace 189 school buildings, creating more than 28,000 jobs and benefitting over 100,000 Rhode Island students annually. In 2021, voters in Central Falls and Portsmouth overwhelmingly approved additional school construction projects in their communities, while numerous other Rhode Island communities finished the construction of new schools and the modernization of dozens more.

Our Office is continuing to help small businesses recover from the lingering effects of the COVID-19 pandemic through BankLOCAL, a program that has moved millions of dollars of the State's cash to community banks and credit unions and helped 350 local businesses secure \$47 million in loans. We are also working hard to build a clean energy economy in Rhode Island through the Rhode Island Infrastructure Bank. The clean energy programs we launched at the Infrastructure Bank continue to help municipalities and small businesses fund energy efficiency, renewable energy and climate resiliency projects across Rhode Island, creating good paying jobs in the process.

Strong investment performance for the pension system is important, not only for Rhode Island teachers, nurses, and first responders who depend on the State pension fund for their retirement security, but also for the taxpayers who help fund the system. I am pleased to report that the State pension fund finished 2021 at an all-time high of \$10.79 billion.

Over the past year our Office has continued to deliver on our goal of ensuring that every Rhode Islander has access to economic opportunity. It is an honor to serve as your General Treasurer and to fight for a better and fairer economy for all Rhode Islanders.

A handwritten signature in blue ink that reads "Seth Magaziner". The signature is written in a cursive, flowing style.

**Seth Magaziner**  
General Treasurer

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## *PART II:* **TREASURER MAGAZINER'S INITIATIVES**

*Treasurer Magaziner's priority initiatives include making a once-in-a-generation investment to repair Rhode Island's public school buildings, helping small businesses by moving millions of dollars of the State's cash to local community banks and credit unions, and launching programs at the Rhode Island Infrastructure Bank that are putting Rhode Islanders to work on clean energy projects.*



# FINANCIAL LITERACY EDUCATION



Treasurer Magaziner with Rep. Mia Ackermann (left) and Sen. Sandra Cano (right) during the signing of financial literacy legislation.

All students can benefit from high quality financial education in school, to gain the knowledge and confidence to make sound financial decisions when entering adulthood.

In 2018, Treasurer Magaziner published a report which highlighted the need for personal finance education in all Rhode Island public high schools. *Fallen Behind: Rhode Island's Personal Finance Crisis and the Urgent Need for Stronger Personal Finance Education in Public Schools* found that, unlike most states, Rhode Island has not historically guaranteed all students access to financial education despite clear evidence that financial education in school leads to better financial outcomes later in life.

Responsible and informed use of financial services can help people finance higher education, home ownership and retirement security, while avoiding the dangers of high fee financial services that trap borrowers in cycles of debt.

In early 2021, legislation guaranteeing personal finance education for all students in Rhode Island was introduced at the request of Treasurer Magaziner with the support and close collaboration of Senate Education Chair Sandra Cano, House Deputy Whip Mia Ackerman, House Education Chair Joseph McNamara, as well as community partners across public and private sectors. In June 2021, the bill was signed into law at Tolman High School in Pawtucket and will be incorporated into curricula across the state during the 2022-2023 school year.



“Guaranteeing personal finance education for all students will have a tremendous impact on the long term financial security of every Rhode Islander, while increasing economic opportunity across the state.”

-Treasurer Magaziner



# SCHOOL CONSTRUCTION

Every student deserves to attend a school that is warm, safe, dry and equipped for 21st century learning.

Modern school buildings make it easier for teachers to teach and students to learn. The research shows that high-quality school facilities also lead to better attendance, reading levels and test scores. The COVID-19 pandemic has also underscored the importance of high-quality school buildings on the health of students and staff.

As co-chair of the Rhode Island School Building Task Force, Treasurer Magaziner led the development of a once-in-a-generation plan to repair or replace Rhode Island's crumbling public school buildings.

The statewide school construction program was approved overwhelmingly by voters in 2018 and has already allocated \$1.7 billion to repair or replace more than 180 school buildings in communities across the state, directly creating 28,000 jobs and benefitting over 100,000 Rhode Island students annually.

In January 2022, Treasurer Magaziner announced a proposed \$300 million bond proposal for voters to consider in the November 2022 election. The proposed bond would extend funding available to Rhode Island school districts as well as incentive funding for early childhood education facilities, career and technical education facilities, and science, technology, engineering, arts, and math facilities.

New incentives for energy efficiency and renewable energy improvements as well as bonuses for school districts that employ local contractors and minority business enterprises on school construction projects will also be included in the legislation.

The full impact of the program will last for many years to follow, as generations of Rhode Island students enter the workforce better equipped to enter the 21st century economy, improving the state's productivity, wealth, and quality of life.

## BY THE NUMBERS:

**\$1.7B**

*allocated for school construction since 2018 enactment of state school construction program*

**189**

*school buildings repaired or replaced*

**28,000+**

*jobs created*

**100,000+**

*students benefitting annually*



Treasurer Magaziner announces a \$300 million school construction bond proposal.

# SCHOOL CONSTRUCTION (CONTINUED)

School construction activity is well distributed across both urban and suburban school districts. East Providence has a brand new, state of the art high school with 116 science labs and expanded facilities for career and technical education.

Pawtucket's new Winters Elementary School, currently under construction, will feature sinks in every classroom for science experiments, an open ceiling so students can see how the building works, Wi-Fi and wireless speakers in classrooms, and a water filtration garden.

Smithfield added pre-K classrooms to the Raymond C. LaPerche Elementary School, and updated the music room, media center, cafeteria, and gym at Pleasant View Elementary.

Voters in Central Falls and Portsmouth approved school construction measures in 2021 to upgrade and replace schools throughout their districts. This Portsmouth school construction bond will be used to finance up to \$21.4 million in Portsmouth public school projects, including air quality improvements, renovated bathrooms, improved accessibility, and other repairs at Melville Elementary School, Hathaway Elementary School, Portsmouth Middle School, and Portsmouth High School.

The new Central Falls High School will have better STEAM facilities and career and technical education programs to help prepare students for the future workforce. The new building will be a neighborhood hub, benefitting the entire community. The Central Falls school construction bond will also create better learning environments for students and teachers at Captain Hunt Preschool, Ella Risk Elementary School, Veterans Memorial Elementary School, the Raices Dual Language Academy at Robertson, and Calcutt Middle School.



Treasurer Magaziner attends a groundbreaking ceremony for Pell Elementary School's new building expansion in Newport.



The brand new state-of-the-art East Providence High School has 116 science labs and expanded facilities for career and technical education.



Students help break ground for Pell Elementary School's new building expansion in Newport.



# RECENTLY APPROVED/PENDING SCHOOL CONSTRUCTION PROJECTS

Achievement First - Providence	\$71,500,000
Burrillville	\$7,214,000
Central Falls	\$7,665,597
Compass	\$3,850,000
Coventry	\$89,384,022
Cranston	\$146,822,931
Cranston	\$13,497,432
Cumberland	\$79,093,500
East Providence	\$145,722,003
Exeter/West Greenwich	\$17,800,000
Foster	\$1,000,000
Foster/Glocester	\$4,485,000
Jamestown	\$6,835,711
Johnston	\$215,000,000

Narragansett	\$8,311,372
Newport	\$106,334,967
North Kingstown	\$11,829,325
North Smithfield	\$8,308,623
Paul Cuffee	\$12,746,540
Pawtucket	\$ 234,053,860
Portsmouth	\$16,000,000
Providence	\$278,430,300
RISE Prep Mayoral Academy - Cumberland	\$11,406,248
Smithfield	\$47,708,164
Trinity Academy for the Performing Arts (TAPA) - Providence	\$11,298,705
Warwick	\$101,215,944
West Warwick	\$2,704,200

# RHODE ISLAND INFRASTRUCTURE BANK

Treasurer Magaziner has made clean infrastructure finance a priority since first taking office, recognizing the opportunity to put thousands of Rhode Islanders to work in good-paying jobs that would improve the state's natural environment, reduce carbon emissions, help municipalities and businesses save money on energy costs, and make Rhode Island more economically competitive.

In 2015, Treasurer Magaziner proposed legislation to expand and transform the Rhode Island Clean Water Finance Agency into a full state Infrastructure Bank, with a goal of providing low-cost financing to a broad variety of infrastructure-based projects, including energy efficiency and renewable energy projects for public, commercial, and residential properties.

As a result, the Rhode Island Infrastructure Bank was created. Since 2015, the Infrastructure Bank has significantly increased the availability of capital and invested more than \$734 million in green infrastructure projects, including energy efficiency, renewable energy, and resiliency improvements, in 32 communities across the state while reducing the state's carbon footprint, saving Rhode Island communities millions on utility bills and creating over 17,250 jobs.

In 2021, the municipalities, agencies, small businesses, and nonprofits that participated in Infrastructure Bank programs received nearly \$100 million in loans and grants for clean energy,

energy efficiency, resiliency, water quality and other improvements.

McQuade's Ace Hardware in Westerly received \$448,750 to install rooftop solar panels through the C-PACE program, saving the business over \$1.1 million in energy costs.

The City of Warwick received \$3.2 million for citywide LED streetlight retrofits, saving taxpayers more than \$32,000 in debt service payments and \$17 million in additional cash savings. The City of East Providence also received \$24 million for energy efficiency upgrades at the new East Providence High School, saving taxpayers nearly \$1 million.

In total, Infrastructure Bank programs helped beneficiaries save \$169,894,038.58 on energy and financing costs from FY2016-FY2021, reducing costs to Rhode Island cities and towns and residents, as well as small business owners, making it easier for Rhode Islanders to keep up with the rising cost of living.



Treasurer Magaziner (center right) joined state and local officials to tour \$45 million in upgrades to the Warren Wastewater Treatment facility.



“High-quality infrastructure and a clean environment are vital to Rhode Island’s economic prosperity. When I took office in 2015, I made investing in clean energy a priority, recognizing that we could put thousands of Rhode Islanders to work in good-paying jobs that would improve our natural environment, reduce carbon emissions, and help municipalities, businesses, and residents save money on energy costs all at once. The Rhode Island Infrastructure Bank is delivering on those goals while making our state more economically competitive.”

- Treasurer Magaziner



# INFRASTRUCTURE BANK BY THE NUMBERS:

**\$734M+**

*in loans and grants  
since 2015*

**\$60.9M**

*in loans from the  
Efficient Buildings Fund*

**\$169M**

*million saved on energy  
and financing costs*

**17,250**

*jobs created*

**32** small businesses and nonprofits received **\$84M** for energy efficiency and renewable energy upgrades through C-PACE

Borrower	Entity Type	Program	Project Description	Loan/ Grant Amount	Debt Service Savings	Additional Cash Savings	Jobs Created
City of Warwick	Municipality	EBF	Citywide LED streetlight retrofits	\$3,200,000	\$32,714	\$17,000,000	48
Green Line Apothecary	Small Business	C-PACE	Energy efficiency retrofits	\$327,584		\$118,168	4
McQuade's Ace Hardware	Small Business	C-PACE	Rooftop solar installation	\$448,750		\$1,147,243	3
Our Lady of Fatima Hospital (North Providence)	Business	C-PACE	Energy efficiency retrofits	\$18,000,000		\$1,369,420	265
Providence Water Supply Board	Municipality	DWSRF	Water distribution improvements	\$19,100,000	\$10,386,082		544
City of Newport	Municipality	DWSRF	Finance water distribution main	\$4,131,000	\$234,132		118
Providence Redevelopment Agency	Municipality	SW	Charlotte Hope Plaza stormwater project	\$2,700,000	\$2,194,651		77
Town of Cumberland	Municipality	DWSRF	Franklin Farm Well project	\$2,500,000	\$229,000		71
Hillsdale Housing Cooperative, Inc.	Small Business	DWSRF	Water distribution system replacement	\$1,230,919			35
Town of Tiverton	Municipality	CWSRF CSSLP	Septic System Repair/ Replacement	\$600,000			17
Lawrence Sunset Cove Association (Tiverton)	Small Business	DWSRF	Improvements to public water supply, treatment, and distribution system	\$576,100	\$576,100		16
Town of Glocester	Municipality	CWSRF CSSLP	Septic System Repair/ Replacement	\$500,000			14
Town of Scituate	Municipality	CWSRF CSSLP	Septic System Repair/ Replacement	\$300,000			9
Harmony Hill School, Inc.	Non-profit Organization	DWSRF	Water distribution pumping system improvements and corrosive control	\$99,377	\$99,377		3
City of East Providence	Municipality	EBF	New high school construction - EE (insulation, HVAC, lighting, controls)	\$24,000,000	\$967,631		360
South County Investments, LLC	Small Business	C-PACE	Water conservation, LED lighting, HVAC upgrades, insulation, and solar system	\$715,000		\$613,677	7
Providence Water Supply Board	Municipality	DWSRF	Water distribution improvements	\$21,000,000	\$2,247,000		599
St. Francis de Sales Parish (North Kingstown)	Non-profit Organization	C-PACE	Ground mounted solar installation	\$538,244.78		1,273,642	4
<b>FY2021 Total</b>				<b>\$99,966,974.78</b>	<b>\$16,966,687</b>	<b>\$21,522,150</b>	<b>2,195</b>

# BankLOCAL

In 2017, Treasurer Magaziner launched BankLOCAL, a program that helps small businesses get loans to grow and hire, by moving millions of dollars of the State's cash to local banks and credit unions. BankLOCAL puts the State's money in local financial institutions that lend to small businesses in Rhode Island, supporting job creation and expanding economic growth and opportunity in the Ocean State.

After the COVID-19 pandemic essentially shut down the New England Humane Society's fundraising activities, the small nonprofit had to pause renovations to their headquarters in Cumberland. Initially denied funding by traditional lenders, the nonprofit was able to secure a \$20,600 loan backed by BankLOCAL.

"That was when things began moving forward," said Susan Joseph, Director of the New England Humane Society. Now, 120 active Humane Society volunteers and five full-time employees manage the 17 brand new pet suites in the facility and help place dogs with adoptive owners. "I would just love for more people to know about the program. I don't know if we could've finished and placed the dogs without it," said Joseph.

So far, BankLOCAL has invested \$47 million in over 350 local Rhode Island businesses. Loans made to first-time business owners, veteran-owned businesses, and women- and minority-owned businesses are eligible for a 2-to-1 matching deposit into the lending bank or credit union - up to \$250,000 per loan. One third of current BankLOCAL-backed loans are to women-owned, minority-owned, and veteran owned businesses.



Treasurer Magaziner (right) with Cumberland Mayor Jeffrey J. Mutter (left) and New England Humane Society Director Susan Joseph.





## BankLOCAL BY THE NUMBERS:

**\$47M**

*invested in Rhode  
Island businesses  
since 2016*

**350**

*local businesses received  
BankLOCAL loans*

**1/3**

*of BankLOCAL businesses  
identify as first-time,  
veteran, women, or  
minority-owned*



“BankLOCAL is another way that we use the resources of the Treasurer’s Office to encourage economic growth and job creation in Rhode Island. By partnering with local banks and credit unions, we are helping hundreds of Rhode Island small businesses and keeping more of our taxpayer money here in the state.”

*-Treasurer Magaziner*

# SHAREHOLDER ADVOCACY

Rhode Island's pension fund holds shares in thousands of companies in its investment portfolio and Treasurer Magaziner uses the influence of the state's \$10.79-billion pension fund to compel companies to adopt more responsible corporate practices by introducing resolutions at the companies' annual meetings for the consideration and approval of other shareholders.

Companies that responsibly manage their environmental impact, customer safety, workers' rights, corporate diversity, and social responsibility are best positioned to deliver long-term financial value to investors – including the 60,000 members of the pension system and all Rhode Island taxpayers.

## HIGHLIGHTS OF RHODE ISLAND'S RECENT SHAREHOLDER ENGAGEMENT INCLUDE:

### Corporate Diversity:

Studies have shown that diversity in the workplace improves productivity, creativity and innovation and ultimately benefits customers, employees and other stakeholders. Cultivating a diverse and inclusive workplace is incredibly important and companies with diverse and multicultural leadership structures are better positioned to succeed in the 21st century economy.

In December 2020, Treasurer Magaziner sent a letter to the U.S. Securities and Exchange Commission (SEC) supporting NASDAQ's proposed "Board Diversity" rule for companies listed on its exchange. In August 2021, the SEC approved the rule, which requires all companies listed on Nasdaq's U.S. exchanges to publicly disclose board-level diversity statistics.

While there is still much more work to be done to improve corporate diversity, directors who are from underrepresented groups now occupy 4,500 board seats among companies in the Russell 3000 stock index, 25% more than they did at the end of 2020 and nearly 50% more than at the end of 2019, according to an analysis by ISS Corporate Solutions.



**“The long-term sustainability of companies in the pension fund is vital to the Retirement System and to our members and retirees who spend their careers in public service. Shareholder engagement allows us to advocate on behalf of our members and hold corporate management and boards accountable.”**

-Treasurer Magaziner



## Student Loan Crisis:

There are more than 44 million borrowers nationally with an estimated \$1.5 trillion in student loan debt, including more than 130,000 Rhode Islanders who owe more than \$4.5 billion.

Student loan debt has become a crisis for thousands of Rhode Islanders and prevents them from forgoing buying homes, saving for retirement, having children, seeking critical medical treatment, and catching up on other bills. Student loans can impact borrowers over time by increasing debt, lowering credit scores, and ultimately, limiting the purchasing power of those with student debt. Young people are disproportionately burdened by student debt and are less able to help grow the economy over time as a result.

In 2017, Treasurer Magaziner filed a shareholder proposal at Navient Corporation, one of the largest student loan collection companies in the country, requesting that the company publicly disclose the measures it was taking to mitigate the risks associated with the student loan debt crisis. In 2018, over 40% of Navient shareholders supported Treasurer Magaziner's proposal, voting against Navient Management.

Treasurer Magaziner worked with Attorney General Peter F. Neronha, Senator Dawn Euer and Representative Joseph McNamara to pass the Rhode Island Student Loan Bill of Rights, which provides student loan borrowers with enhanced legal protections from predatory loan servicing practices.

The law gives the Attorney General the authority to enforce violations of the law and gives borrowers a place to go for assistance if they suspect they have been mistreated by their student loan servicer. Student loan borrowers who have questions about their rights or the obligations of their servicers, or who believe they have been mistreated by their servicer, are encouraged to contact the Attorney General's Consumer Protection Unit at 401-274-4400 or by emailing [studentloans@riag.ri.gov](mailto:studentloans@riag.ri.gov).

## Opioid Epidemic:

The opioid crisis has devastated our state and nation, with 50,000 Americans dying of opioid-related deaths in 2019 alone. This profound loss of life has left heartbroken families and has cost the U.S. economy more than \$1 trillion over the last two decades. Treasurer Magaziner, in collaboration with other investors, has highlighted the need to hold companies accountable for actions that have devastated communities across the country.

AmerisourceBergen proposed a multi-million-dollar payouts for their CEO despite exposing the company to at least \$6.6 billion of liability related the opioid epidemic, at shareholder expense. Treasurer Magaziner sent a letter expressing his concern with the lack of accountability at AmerisourceBergen in March 2021 with the U.S. Securities and Exchange Commission, urging fellow AmerisourceBergen shareholders to vote "no" on the CEO's proposed \$14.3 million executive compensation package. Over 70% of independent AmerisourceBergen shares voted with Treasurer Magaziner in opposition to the board's proposed executive compensation package.

Treasurer Magaziner also filed a letter with the U.S. Securities and Exchange Commission (SEC) urging Cardinal Health shareholders to reject the board's proposed \$2.5 million bonus for its CEO, Mike Kaufmann, following an announcement that the company had agreed to pay \$5.6 billion to settle legal claims related to its role in the opioid epidemic. The say-on-pay initiative resulted in 38% of shares voting against the board's proposed pay package for Kaufmann, and, in response, the board significantly lowered Kaufman's final pay package, sending the message that accountability matters.

# CLIMATE ACTION

Clean energy is central to the future of the global economy, and those who are slow to transition are at risk of being left behind. Treasurer Magaziner is positioning Rhode Island to benefit financially from this trend by moving the State's investments away from legacy fossil fuels.

On Earth Day 2021, Treasurer Magaziner announced that the pension fund's exposure to companies that engage in the production and distribution of fossil fuels has already been reduced by half during his time in office, and that Rhode Island is on a course to a fossil fuel free investment portfolio within the next decade.

This announcement builds on the work that Treasurer Magaziner has done to use the influence of the state's \$10.79 billion pension fund to compel companies to adopt more sustainable and climate-resilient policies by introducing resolutions at the companies' annual meetings for the consideration and approval of other shareholders.

In 2021, Treasurer Magaziner submitted a first-of-its-kind shareholder proposal requesting that Walmart's board of directors publicly disclose plans to reduce the amount of the powerful greenhouse gas hydrofluorocarbon used by the company, and to layout plans to transition to cost, and energy-efficient alternatives.

Treasurer Magaziner also helped lead a coalition of concerned JPMorgan investors in organizing a "vote no" campaign against former Exxon-Mobil CEO Lee Raymond's re-appointment to JP Morgan's board of directors. Investors were concerned about Mr. Raymond's ongoing influence and aggressive denial of the science of climate change. Mr. Raymond stepped down as JP Morgan's lead independent director in May 2020 and resigned from the board last December.

Following shareholder engagement led by Treasurer Magaziner, Archer Daniels Midland (ADM), one of largest agricultural processors in the world, agreed to assess the feasibility of adopting quantitative, company-wide goals for reducing the company's greenhouse gas emissions, including increasing its use of renewable energy

Treasurer Magaziner filed and co-filed successful lobbying disclosure shareholder proposals at Chevron, ConocoPhillips and Devon Energy requesting that the companies disclose to shareholders how and where they are spending corporate funds on lobbying and membership fees to climate-denying organizations.

Treasurer Magaziner is also a founding member of Climate Jobs RI, a coalition of labor and environmental groups committed to building a clean economy in Rhode Island, and a winner of Clean Water Action RI's Elected Official of the Year award.



**“To continue delivering on the promise of retirement security for all 60,000 members of the Rhode Island pension system, and for all taxpayers, we must invest in the economy of the future. Over the course of the next decade, the pension fund’s exposure to fossil fuels can approach zero as the world shifts toward cleaner and more sustainable energy sources.”**

-Treasurer Magaziner



# GUN SAFETY

Treasurer Magaziner has long been an advocate for common-sense gun safety legislation. Gun violence not only threatens the safety of Rhode Island communities, but also costs the state millions of dollars annually in costs to the medical and criminal justice systems. Under his leadership, Rhode Island was the fourth state in the country to divest its pension fund from companies that manufacture assault-style weapons for civilian use.

In 2021, Treasurer Magaziner testified in favor of four pieces of common-sense gun safety legislation introduced at the request of his Office and other state leaders including legislation preventing the illegal sale and purchasing of firearms by people prohibited from possessing them; requiring the locked storage of firearms when they are not in use; and laws that ban military-style assault weapons; magazines capable of holding more than 10 rounds of ammunition; and the concealed carry of firearms on school grounds.

Despite a 2020 Rhode Island law banning undetectable and untraceable firearms, multiple ghost guns have been recovered by local law enforcement, including from the scene of a gang-related shooting that wounded nine people on Carolina Avenue in Providence in May 2021.

In December 2021, Treasurer Magaziner announced that he filed a shareholder proposal with Mastercard, which presses the board to act on the company's involvement with the sale and purchase of firearm kits, components, and/or accessories used to assemble undetectable and untraceable firearms known as "ghost guns."

When made for personal use, ghost guns are not required to have a serial number, making it difficult for law enforcement to determine where, by whom, or when they were manufactured, and to whom they were sold or otherwise distributed. Ghost guns are routinely seized from individuals who are prohibited by law from possessing firearms.



**“As a former public-school teacher, I know the dread that parents and teachers feel every time news of another mass shooting is reported. We must take common sense action to protect Rhode Island students and minimize the chances of a mass shooting happening here in Rhode Island.”**

**-Treasurer Magaziner**



# PART III: DEPARTMENT UPDATES

## STATE RETIREMENT SYSTEM

The Employees' Retirement System of Rhode Island provides retirement, disability, and survivor benefits to state employees, public school teachers, judges, state police, participating municipal police and fire employees, and employees of participating municipalities in Rhode Island.

During 2021, the financial position of the Retirement System improved dramatically. The total unfunded liability of the Employees' Retirement System of Rhode Island decreased by \$408,597,654, the largest decline in a single year ever, in the fiscal year ended June 30, 2021, and the funded status grew to 63.9%, the highest level since 2008. Among the 117 municipal plans managed by the state pension system, 37 are more than 100% funded (up from 30 last year), and 81 are at least 80% funded (up from 76 last year).

Under Treasurer Magaziner's leadership, Rhode Island became the first state in the country to require that new investments be placed only with fund managers who publicly disclose performance, fees, expenses, and liquidity. Treasurer Magaziner's "Transparent Treasury" initiative requires pension investment managers to publicly report fees and performance. The policy became required after legislation was passed by the Rhode Island General Assembly at the request of Treasurer Magaziner just months after he took office in 2015.

Due to Treasurer Magaziner's commitment to transparent and open government, Rhode Island's Pension System was recognized by the Government Finance Officers Association of the United States and Canada (GFOA) with the GFOA Certificate of Achievement for the fourth year in a row. The GFOA Certificate of Achievement is the highest form of recognition in governmental accounting and financial regulation and recognizes the Pension Fund's commitment to a "spirit of full disclosure" for all Rhode Islanders.

### BY THE NUMBERS:

**63.9%**

*total system funded status  
(up from 60.5% last year)*

**\$408.59M**

*unfunded liability decrease  
(largest decline in a single year ever)*



**“My administration has prioritized making Rhode Island the most transparent state treasury in the country and I’m pleased that GFOA has recognized our commitment to transparency for the fourth year in a row. All Rhode Islanders can get the information they need about our Pension System anytime through our accessible Transparent Treasury initiative including information about how the Fund is invested, returns, and much more.”**

*-Treasurer Magaziner*



# RETIREMENT SYSTEM DEMOGRAPHICS

## STATE EMPLOYEES

<b>ACTIVE MEMBERS:</b>	<b>11,198</b>
<b>AVERAGE SALARY:</b>	<b>\$66,977</b>
<b>AVERAGE AGE:</b>	<b>49</b>
<b>AVERAGE LENGTH OF SERVICE:</b>	<b>14 YEARS</b>
<b>RETIREES &amp; BENEFICIARIES:</b>	<b>11,215</b>
<b>AVERAGE ANNUAL BENEFIT:</b>	<b>\$31,729</b>
<b>AVERAGE RETIREE AGE:</b>	<b>74</b>

## PUBLIC SAFETY

<b>ACTIVE MEMBERS:</b>	<b>1,707</b>
<b>AVERAGE SALARY:</b>	<b>\$71,028</b>
<b>AVERAGE AGE:</b>	<b>40.5</b>
<b>AVERAGE LENGTH OF SERVICE:</b>	<b>12.6 YEARS</b>
<b>RETIREES &amp; BENEFICIARIES:</b>	<b>1,015</b>
<b>AVERAGE ANNUAL BENEFIT:</b>	<b>\$36,377</b>
<b>AVERAGE RETIREE AGE:</b>	<b>62.4</b>

## TEACHERS

<b>ACTIVE MEMBERS:</b>	<b>13,474</b>
<b>AVERAGE SALARY:</b>	<b>\$80,957</b>
<b>AVERAGE AGE:</b>	<b>47</b>
<b>AVERAGE LENGTH OF SERVICE:</b>	<b>16 YEARS</b>
<b>RETIREES &amp; BENEFICIARIES:</b>	<b>11,274</b>
<b>AVERAGE ANNUAL BENEFIT:</b>	<b>\$43,701</b>
<b>AVERAGE RETIREE AGE:</b>	<b>74</b>

## MUNICIPAL EMPLOYEES

<b>ACTIVE MEMBERS:</b>	<b>5,936</b>
<b>AVERAGE SALARY:</b>	<b>\$44,085</b>
<b>AVERAGE AGE:</b>	<b>52</b>
<b>AVERAGE LENGTH OF SERVICE:</b>	<b>12 YEARS</b>
<b>RETIREES &amp; BENEFICIARIES:</b>	<b>4,880</b>
<b>AVERAGE ANNUAL BENEFIT:</b>	<b>\$16,298</b>
<b>AVERAGE RETIREE AGE:</b>	<b>74</b>

# COLLEGEBOUND 529 PLANS

The strength of our state's economy depends on Rhode Islanders being able to get an affordable, quality education and skills to secure good paying jobs.

CollegeBound, Rhode Island's 529 tuition savings plan, offers tax-advantaged savings plans designed to encourage every family in Rhode Island, regardless of their income, to affordably save for higher education expenses.

Treasurer Magaziner recently announced that CollegeBound accounts can now be used to pay for expenses related to apprenticeship programs, which provide valuable job training for workers who are at the beginning of their career or are considering a career change. Apprenticeships provide practical hands-on training for workers through paid, relevant workplace experience. Through apprenticeships, Rhode Islanders can access stable careers in a variety of fields including health care, where workers are currently in high demand.

In addition, savings can also be used at accredited colleges, universities, vocational schools and trade schools worldwide. Qualified expenses include not only tuition and fees, but also computers, books, and supplies.

CollegeBound has emerged as a nationally recognized program to help families save for the cost of education since Treasurer Magaziner updated and reformed the program in 2016. Rhode Island's CollegeBound Saver is now one of the highest-ranking saving plans of its kind in the country, with nearly 200,000 accounts and over \$5.2 billion in assets. In 2021, CollegeBound Saver, the program's flagship account offering achieved a 39% increase in new accounts from the previous year.

Rhode Islanders can open a CollegeBound savings account online with no minimum deposit in as little as ten minutes by visiting [CollegeBoundSaver.com](http://CollegeBoundSaver.com).



**“A CollegeBound Saver 529 savings plan can make it easy for Rhode Islanders to begin saving for the rising cost of higher education. When looking for a gift that will continue to grow as the children in your life grow up, consider opening or gifting a contribution to a CollegeBound Saver account for a child you care about.”**

-Treasurer Magaziner



# RI'S ABLE

RI's ABLE was launched by Treasurer Magaziner in 2016 to provide tax-advantaged savings accounts for individuals with disabilities and their families. Prior to ABLE, people living with disabilities risked losing Social Security Disability and Medicaid benefits if they had more than \$2,000 in savings. With ABLE, Rhode Islanders with disabilities can save up to \$100,000 tax-free without penalty. RI's ABLE also offers a cash account option with a debit card, to allow individuals with disabilities a higher level of financial autonomy when appropriate.

As of December 2021, over 200 Rhode Islanders have saved \$1.5 million in their ABLE accounts. Money saved in ABLE accounts can be used for any qualified disability expense, including mobility equipment, education, and transportation.

**\$5.2B+**

*in CollegeBound assets*

Nearly  
**200,000**

*CollegeBound accounts*

**200+**

*Rhode Islanders saving*

**\$1.5M**

*with ABLE*



**“Living with, or raising a child with a disability can be costly. Rhode Island’s ABLE marks the first time that the families of young Rhode Islanders living with disabilities will be able to save for future disability related expenses in an easy, tax-advantaged program without sacrificing critical benefits.”**

*-Treasurer Magaziner*

# CRIME VICTIM COMPENSATION PROGRAM

The Crime Victim Compensation Program is administered by the Office of the General Treasurer and helps hundreds of victims of violent crimes with up to \$25,000 to meet medical costs, relocation expenses, lost wages, and other expenses related to the fallout of a violent act.

Eligible beneficiaries include victims who suffered personal, physical, or emotional injury as a result of a violent crime in Rhode Island, as well as dependents and immediate family members of homicide victims.

Under Treasurer Magaziner's administration, the Crime Victim Compensation Program was expanded to provide victims of domestic violence up to \$5,000 toward the cost of relocating when they need to find a safe place to live.

Treasurer Magaziner has also worked to expand the Crime Victim Compensation Program to include children who witness crimes, Rhode Islanders who were victims of terrorism anywhere, and to allow victims additional time to file a claim. Treasurer Magaziner also successfully fought for increased funding for the program in the state's budget in 2021.

The program has provided more than \$8.3 million to victims of violent crime since 2015 including \$933,592 paid to 1,022 claimants in 2021 alone. While no amount of money can erase the impact of a violent crime, the program can help victims of violent acts get back on their feet by reimbursing expenses for:

- Medical, dental, and counseling treatment
- Relocation costs
- Funeral and related expenses
- Loss of earnings



Treasurer Magaziner (center left) meets with Natacha Legein (center), owner of Crepe Corner in Cranston, after she was nearly killed during a crime committed outside her restaurant.

## Almost killed by a car outside her new bakery, Natacha Legein fights back while giving back

Mark Patinkin  
The Providence Journal

Published 1:18 p.m. ET Aug. 27, 2021

View Comments



Natacha Legein's recovery detailed in *The Providence Journal*.

If you or a loved one has been a victim of violent crime in Rhode Island and you need assistance, the Crime Victim Compensation Program may be able to help. More information about the program can be found at [RICVCP.com](http://RICVCP.com) or by calling (401) 462-7655 Monday – Friday from 8:30 a.m. until 4:00 p.m.



# CRIME VICTIM COMPENSATION FUND BY THE NUMBERS:

**\$8.3M**

*total paid to crime  
victims since 2015*

**\$933,592**

*paid to claimants in 2021*

**1,022**

*claims in 2021*



“We want every Rhode Islander who is the victim of a violent act to know that this resource is here to help them through some of the most difficult times in their life. The financial impacts of violent crime on victims can be significant; we are asking everyone to help us spread awareness of this program so those burdens don’t solely lie on the shoulders of those who experienced a traumatic event.”

*Treasurer Magaziner*



# INVESTMENTS

The investment division of the Office of the General Treasurer is tasked with prudently investing the state's assets, most notably the \$10.79-billion defined benefit pension system, which is the primary source of retirement security for more than 60,000 active and retired teachers, first responders, and other state and municipal employees. Investment policy is set by the State Investment Commission, chaired by the General Treasurer, and executed by the investment division staff.

Rhode Island's pension fund finished 2021 with an all-time year-end high. During the calendar year, the fund also significantly outperformed its own plan benchmark, earning 17.27% annualized return, the highest annual return in over a decade, and significantly outperforming a traditional 60% stock / 40% bond portfolio return of 10.2%.

Rhode Island has achieved strong performance relative to other pension funds since Treasurer Magaziner launched the 'Back to Basics' strategy, which prioritizes growth and stability over the long term, in 2017. According to the InvMetrics Public DB Database, which tracks the performance of 594 public pension plans, Rhode Island outperformed a majority of public pension funds in three of the last four full fiscal years, and also started the 2022 fiscal year ahead of most other plans.

Rhode Island's performance among funds in the database was in the 8th percentile for 2021. In 2021, the Rhode Island pension plan achieved an annualized return of 17.3%, the highest in over a decade and significantly ahead of the median large public pension plan performance of 13.9%.

## BY THE NUMBERS:

**\$10.79B**

*in Pension Defined Benefit Fund assets (all-time high)*

**17.27%**

*annualized return (highest since 2009)*

**Outperformed**

**92%**

*of similar pension funds in 2021*



**“My mission as Treasurer is to support economic opportunity and financial stability in Rhode Island by strengthening the pension fund that thousands of Rhode Island families rely on for retirement security.”**

*-Treasurer Magaziner*



# BUSINESS OFFICE

The Business Office is responsible for ensuring the State of Rhode Island's financial operations remain secure, efficient, and effective. The office is responsible for printing and distributing all checks on behalf of the state of Rhode Island, including state payroll checks, vendor payments, pension payments, and associated reporting.

The Business Office processes and distributes more than 12,000 vendor checks each year, and also serves as a liaison between state agencies and financial institutions. The Business Office is also in charge of approving and posting cash receipts to the state's general ledger on behalf of all state agencies.

The office reconciliation unit approves, posts, and reconciles all cash receipts for the State, and works to provide early detection of fraud for State agencies. In Fiscal Year 2021, the Business Office reconciled approximately 58,000 transactions totaling \$81.16 billion.

The Business Office also distributed more than \$260 millions of dollars of stimulus funds from with the American Rescue Plan Act in 2021, to help states and municipalities recover from the economic and health effects of the COVID-19 pandemic.



**“With the federal stimulus funds provided by the American Rescue Plan Act, Rhode Island has an opportunity to spur a broad-based economic recovery for all Rhode Islanders. Rhode Island cities and towns can use this funding for a variety of purposes, including supporting small businesses, helping students make up for learning loss, upgrading infrastructure and improving public health systems.”**

**-Treasurer Magaziner**

# UNCLAIMED PROPERTY

## Magaziner: Unclaimed property can be more than just cash



Treasurer Magaziner provided WPRI reporter Gina Marini with a look at some of the unclaimed heirlooms and other tangible property in the state's possession.

Each year, the Treasurer's office recovers millions of dollars of Rhode Islanders' unclaimed money and assets from businesses, banks, landlords, safe deposit boxes and utility companies. The property is kept safe by the Office of the General Treasurer until it can be returned to its rightful owner.

In 2021, The Office of the General Treasurer returned more than \$13.7 million to over 21,000 people. The program has returned more than \$86 million in unclaimed property to over 100,000 people since 2015.

Unclaimed property can sometimes include more than just cash. Unclaimed valuables including jewelry, trading cards, silverware and other are also kept safe.

**100,000+**

*Rhode Islanders have been reunited with Unclaimed Property since 2015*

**70,000+**

*people automatically reunited with Unclaimed Property through the new YOUR MONEY system*

**\$86M** returned

**320** tangible items returned

Since 2015, more than 320 tangible items have been reunited with their owners.

In 2017, Treasurer Magaziner launched YOUR MONEY, an automated program through which unclaimed property checks are sent to Rhode Islanders, businesses, and non-profits automatically, with no paperwork required. Under YOUR MONEY, over 70,000 Rhode Islanders, in every city, town and zip code, have automatically gotten back their missing money, without filling out any paperwork. Many of whom don't even know they were owed money until they received a check in the mail.

Although the system is now automated for many people, Rhode Islanders are still encouraged to check the state unclaimed property database to submit claims for any money that is owed to them. Searching for and claiming your missing money is easy and always free.

Visit [www.FindRIMoney.com](http://www.FindRIMoney.com) regularly to see if your money is waiting to be returned to you or your loved ones.



**“As General Treasurer, I’m committed to doing everything possible to put money back into the pockets of hardworking Rhode Islanders. Particularly during these tough economic times, every bit of money helps, and I’m proud to provide this relief on behalf of the Office of the General Treasurer.”**

-Treasurer Magaziner



# OFFICE OF THE GENERAL TREASURER

**Carol Aguasvivas** | Unclaimed Property Administrator

**Jexsy Armstrong** | Controller

**Thelma Augusto** | Wage & Contribution Analyst

**Jarvis Batista** | Senior Accountant

**LeeAnn Byrne** | Deputy Chief of Staff

**Claudia Cardona** | Sr. Retirement Counselor

**Courtney Carter-DeJesus** | Deputy Communications Director

**Christopher Civittolo** | Director, 529 Savings, Grants & Scholarship Programs

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**Brian Conklin** | Chief Fiscal Manager

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**Erica Kwiatkowski** | Accounting Manager

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**Kevin Li** | Investment Analyst

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**Regina Pimental** | Principal Auditor

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