

**Report on the Response of the
Department of the Treasury
to the Impact of the Aging of
Virginia's Population**

Submitted: November 15, 2007

Pursuant to legislation enacted by the Virginia General Assembly of Virginia, the Department of the Treasury submits this report of its progress in addressing the impact of the aging of Virginia's population.

Approved: _____ Date _____

**J. Braxton Powell
State Treasurer**

Executive Summary

The Virginia Department of Treasury serves as a primary support agency for other state agencies. Of its six divisions, only the Division of Unclaimed Property has identifiable and calculable services provided to the elderly. Issues and statistics regarding this division's constituents are discussed in more detail in the report that follows. The Department of Treasury also issues retiree payments for the Virginia Retirement System (VRS). The infrastructure in place to issue VRS payments is not affected by the volume of payments, so an increase in the number of payments caused by our aging state work force taking retirement will not affect the way we deliver this service.

As far as the Department of Treasury's own work force is concerned, age is a very big concern. In a relatively small agency of 110 employees, nearly half are 50 years or older and more than three quarters are 40 years or older. Six employees, including three senior level executive positions, are eligible for full retirement within the next two years. Several others are eligible to take early retirement within the same time period. We are enacting a number of different strategies to 1) retain the experienced professionals at the agency and 2) do succession planning to fill key positions that will remain following the retirements.

With the amount of institutional knowledge, experience, and leadership this close to retirement, the Department of Treasury is proactively planning to ensure a smooth transition.

Agency Description

The Department of the Treasury is dedicated to serving the Commonwealth by providing excellent financial management and outstanding customer service. The vision for the Treasury is to excel as a national leader in fiscal management, fiduciary oversight and customer service in a manner that ensures the trust and confidence of our citizens, customers and the financial community. Treasury provides a variety of financial services to the Commonwealth through its six divisions: Debt Management, Cash Management and Investments, Operations, Risk Management, Unclaimed Property and General Management.

The Debt Management Division is responsible for the issuance and management of debt for the Commonwealth. The Cash Management and Investments Division is responsible for the investment of state funds and the administration of banking and cash management services. The Operations Division provides centralized services to the Commonwealth's agencies and institutions for the following functions: check processing and distribution, stop

payments and forgeries, bank reconciliation, investment accounting, and trust accounting. The Division of Risk Management provides liability and property insurance services and fidelity bonding for all state agencies, institutions, boards, commissions, their officials, employees, agents and volunteers as well as all constitutional officers and their employees. The Division of Unclaimed Property is charged with monitoring compliance with the Uniform Disposition of Unclaimed Property Act and the Escheats Generally Statute, thereby enabling the return of unclaimed property to the rightful owners and the return of abandoned real property to an active tax status. The General Management Division is responsible for procurement and serves as the primary support division for the agency.

Data Requested

1. To the extent such data is available, the number of persons who received services from the agency in the past fiscal year who fell into each of the following age ranges: 65-74; 75-84; and 85 and older. If the agency can provide data that compares such numbers to numbers of senior citizens served in the past, please do so. If the agency lacks specific information about the numbers of senior citizens it serves, but has other evidence indicating that it is serving more or fewer senior citizens than it has in the past, please describe the basis for that estimation.

The only program where Treasury can pinpoint the age of our customers is our Unclaimed Property (UCP) program. In FY07, UCP serviced 2,637 customers in the 65-74 age range, 3,463 customers in the 75-84 age range, and 5,727 customers in the 85 or older age range. These figures are up in all areas from FY06. In FY06, UCP serviced 2,339 65-74 age range customers, 1,804 75-84 age range customers and 1,888 85 or older age range customers. These figures do not include customers who did not provide their birth dates.

2. Identify the agency services that are utilized by senior citizens 65 and older in significant numbers. Indicate whether the agency has the capacity at present to serve all interested seniors or whether the demand for certain services exceeds the agency's capacity. If so, does the agency maintain waiting lists for services?

Unclaimed Property. Treasury has the capacity to serve all interested seniors.

3. Identify current agency programs, specifically designed to serve seniors 65 and older, that fall into any of the following six categories: Health Care/Wellness; Education; Public Safety; Recreation; Financial Security (including Housing); and Transportation.

Treasury does not have any programs specifically designed to serve seniors. It's Division of Unclaimed Property has reached out to senior-related organizations in an effort to reconnect unclaimed property to the rightful owners.

4. Identify the extent to which your agency provides "consumer-oriented" publications and websites online that are designed to be "senior-friendly." If the information you currently provide is not readily accessible to seniors, identify any steps your agency is taking to improve accessibility.

Treasury does not provide publications specifically designed to be senior-friendly. Treasury's website is in compliance with the state web accessibility standards. A public relations specialist hired in FY 2007 to provide outreach and promote the Unclaimed Property program throughout the state has conducted outreach at assisted and independent living complexes and with other senior-related organizations. The outreach program will continue to approach senior-related facilities.

5. Describe the effect that the aging of the agency's own workforce will have on its ability to deliver services. Consider the number of retirements expected in the next two years, the effect these retirements might have (e.g., loss of leadership or institutional knowledge in certain programs), how losses might be replaced (e.g., promotions or transfers, recruitment, use of wage staff, including retirees, re-engineering, outsourcing), and the costs or savings from the replacements (e.g., staff development cost, salary savings). This item might be addressed by summarizing relevant portions of the agency's workforce plan.

Treasury is facing serious consequences with regard to the its aging workforce. With nearly half of the workforce 50 years or older and more than three-quarters 40 years or older, the loss of leadership and institutional knowledge is a serious concern. Six employees are eligible for full retirement within the next two years, three of whom are senior level executives. Treasury foresees these positions likely being filled through a succession of promotions. With the fierce competition for financial professionals today, salary, training and recruitment costs will make these retirements costly to Treasury from a financial, as well as knowledge and experience, perspective.

6. Describe any other services or programs that the agency has implemented or plans to implement in the future to address the impact of the aging of Virginia's population.

Because Unclaimed Property is Treasury's only program directly servicing the general public, outside of the aforementioned outreach, Treasury has no additional programs or plans which address the impact of the aging of Virginia's population.