

February 19-20, 2019

Joint Committee on Ways & Means  
General Government Subcommittee

# Treasury Overview and Priorities

2019-2021 Biennium



OREGON  
STATE  
TREASURY



**PROTECTING PUBLIC TRUST FUNDS**



**HELPING FAMILIES SAVE FOR HIGHER EDUCATION**



**HELPING GOVERNMENTS SUCCEED**



**PROTECTING RETIREMENT SECURITY**



# Financial Empowerment

## Vision Statement

Leading the way for Oregonians to achieve long-term financial security.

## Mission Statement

To provide financial stewardship for Oregon.

## Protecting Oregon's Finances

**\$100 B**

Assets under management

December 2018

**\$265 B**

Bank transactions supported annually

In 2018

**\$3.1 B**

Oregon College Savings assets

December 2018

**\$14 B**

State debt issued and tracked

In 2018



# 2017-2019 Highlights

- Launched the first-in-the nation state-based retirement savings program, OregonSaves.
- Inaugural sale of Oregon Sustainability Bonds.
- Added internal investment capacity to better manage risks and reduce costs.
- Exceeded goals for holdings in renewable-related investments.
- Replaced obsolete Local Government Investment Pool systems with improved modern, user-friendly system.

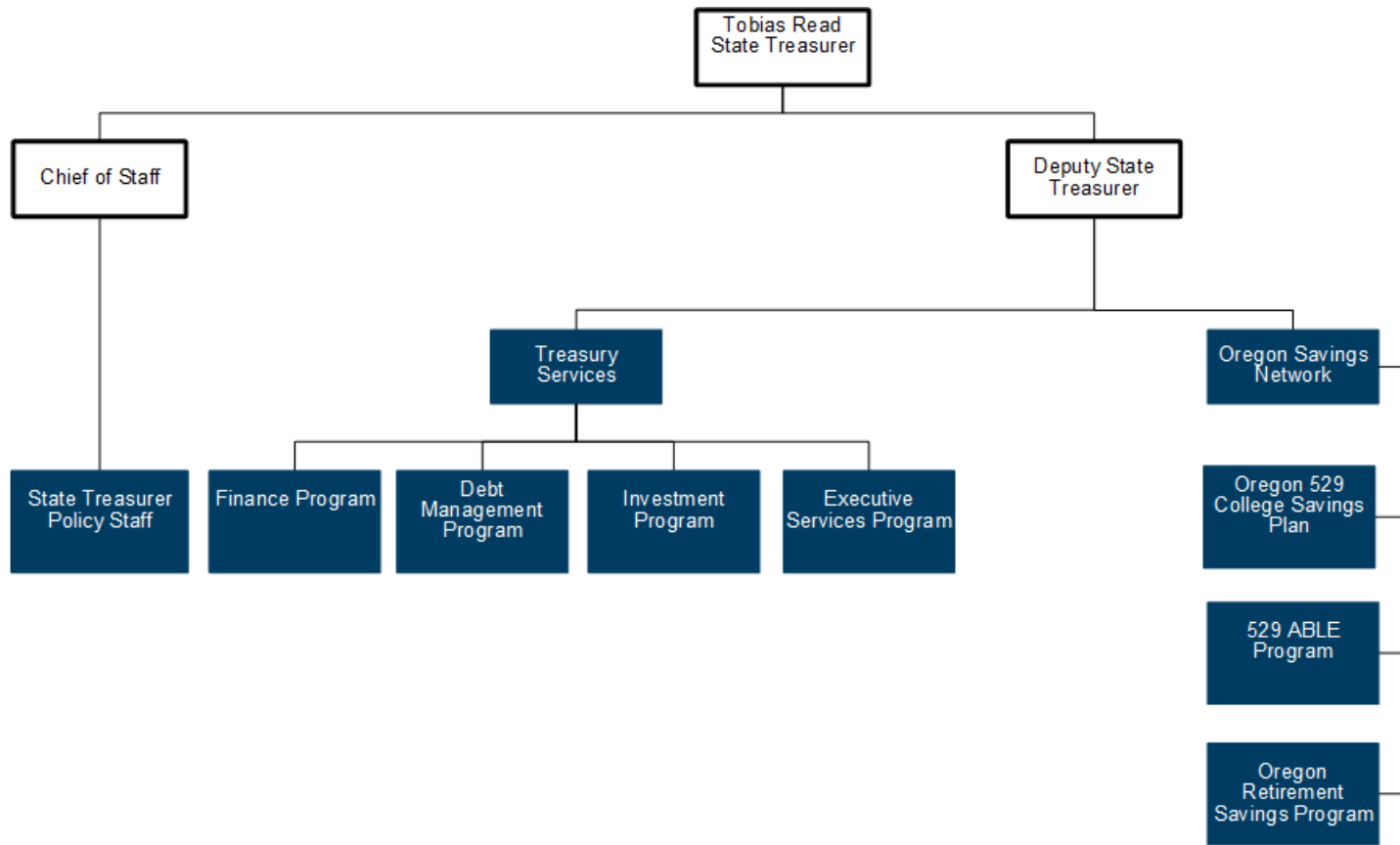


# 2019-21 Budget Priorities

- Continuation of a multi-phase expansion of investment capacity toward industry standards. (POP 101, 102)
- Insourcing of investment trade operations and dedicated oversight positions. (POP 101)
- Continued modernization and renewal project for cash management systems. (POP 108)
- Protect Oregon's critical financial resources from information security threats. (POP 103)
- Insourcing accounting and payroll functions and perform class and compensation study. (POP 105, 106)
- Eliminated reliance on General Fund by creating operating efficiencies in Oregon Savings Network programs. (POP 104)



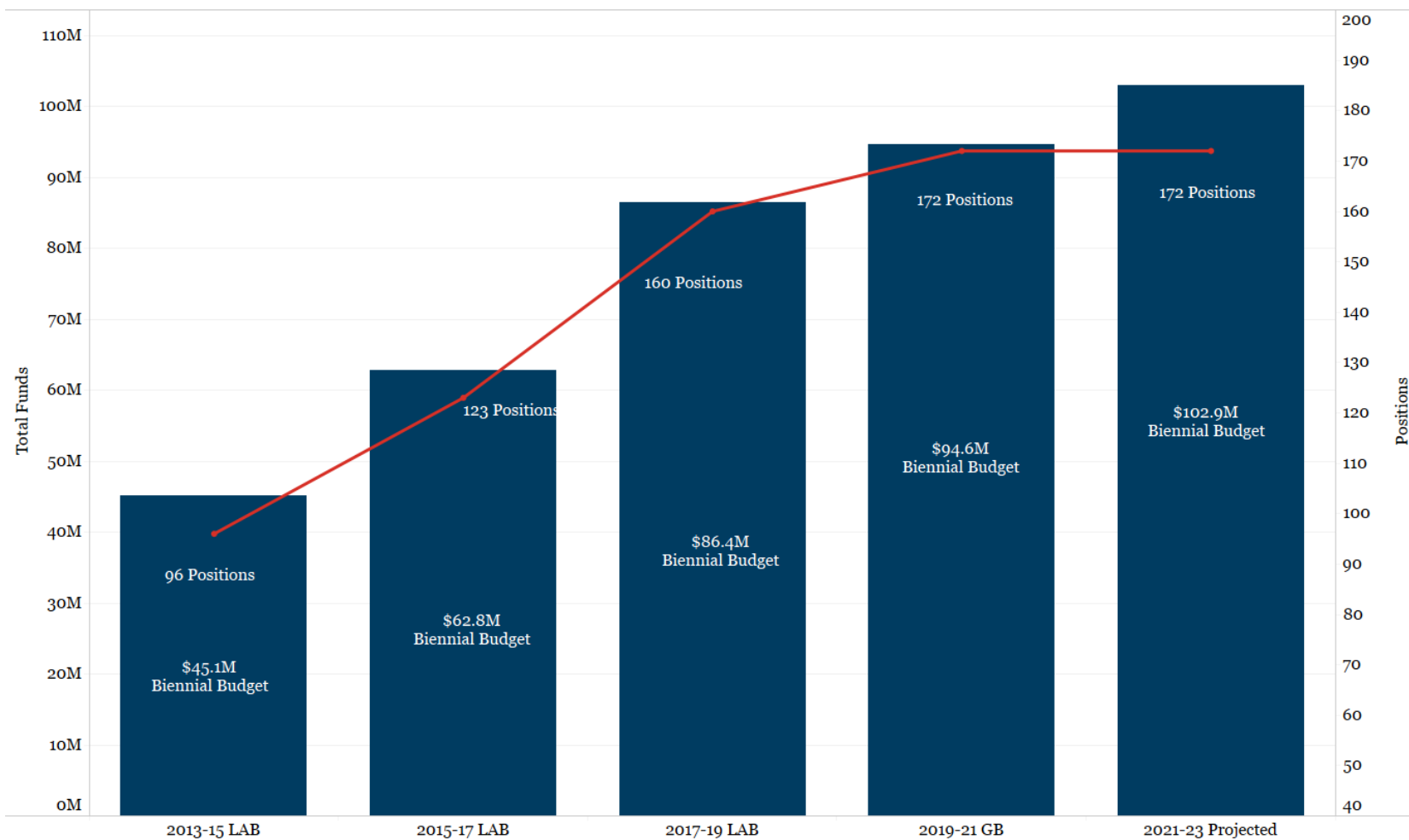
# Oregon's Financial Services Hub



# Agency History 2013-2019

- 2013-15
  - Began Cash Management Improvement and Renewal Program.
- 2015-17
  - Investment Division began first-phase capacity expansion.
  - Oregon ABLE Saving Plan development and launch.
- 2017-19
  - Second –phase capacity expansion in the Investment Division.
  - Launched OregonSaves.
  - Established ESG risk function.
  - Replaced Local Government Investment Pool banking system.

# Treasury Historical Snapshot

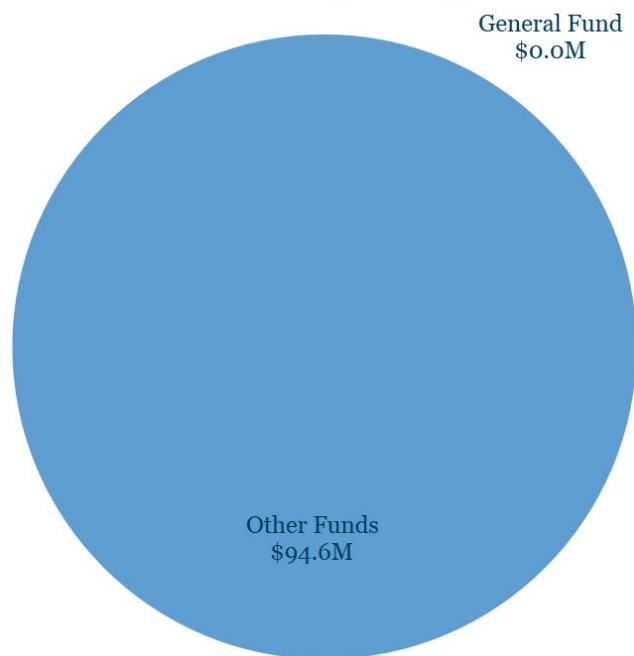




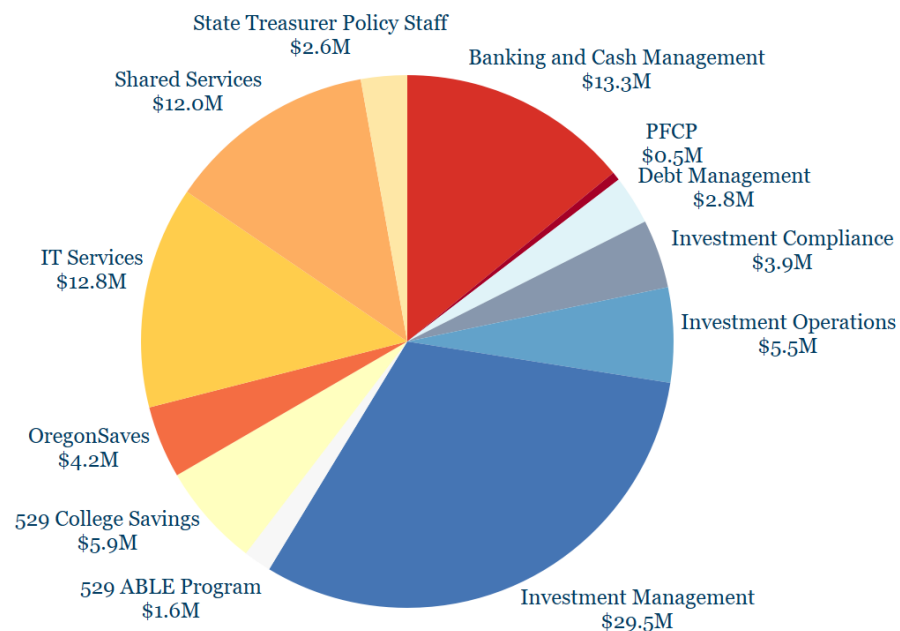
# 2019-21 Budget Blueprint

All of Treasury costs will be covered with fees charged for services provided to customers

### 2019-21 GB by Fund Type



### Treasury Budget by Program



# Key Performance Measures

5-Year OPERF Investment  
Performance

**9.35%**

Benchmark 9.87% (Dec. 2018)

5-Year Common School Fund  
Performance

**9.46%**

Benchmark 9.21% (Dec. 2018)

Annual Short Term  
Fund Performance

**1.34%**

Benchmark 0.86% (Dec. 2018)

Short Term Fund  
Expense Ratio

**0.05%**

Target 0.18% (Dec. 2018)

Local Government Participation in the  
Short Term Fund

**64%**

Target 75% (Jun. 2018)

Average Cost per  
Banking Transaction

**\$0.04**

Target \$0.10 (Dec. 2018)



# Key Performance Measures

Outstanding Oregon School Bond  
Guaranty Program Bonds

**\$6.85 B**

No Target (2018)

Positive Customer  
Service Rating

**97%**

Target 100% (Dec. 2018)

Oregon 529 Saving  
Network Accounts

**215,955**

Target 200,000 (Dec. 2018)

Percent of Minors with 529 College  
Savings Accounts

**9.70%**

Target 20% (Dec. 2018)

State Outstanding Debt

**\$10.9 B**

No Target (Jun. 2018)

Local Outstanding Debt Tracked

**\$23.1 B**

No Target (Jun. 2018)



# Key Performance Measures

- In the 2017 Session, LFO recommended in the Treasury budget bill (SB 5541):
  - An overall review of the existing Treasury KPMs, and
  - For Treasury to propose for the legislature in 2019
    - New measures for the OregonSaves and ABLE programs
    - New standard measures for the 529 Savings Plan Board and the Oregon Retirement Savings Board regarding Board of Directors Best Practices.
- Treasury has completed the overall review of KPMs and will present both the results of that review and the proposed new KPMs for the Oregon Savings Network (OSN) programs at the Phase 2 Ways & Means Presentation.
  - Any proposed changes and new KPMs will be discussed in detail with LFO prior to the Phase 2 presentation.



# Investing in Oregon's Future

- Investments
  - Saving money by creating capacity and insourcing investment functions.
- Debt Management
  - Investing in Oregon's financial and environmental future through sustainability bonds.
  - Centralized debt issuances to save government money.
- Finance
  - Strengthen and diversify cash management services to improve protection of public funds.
  - Embrace faster payment solutions to better serve Oregonians.
- Oregon Savings Network
  - Eliminated general fund loan need ahead of schedule.



# Budget Drivers and Risks

- Drivers

- Increasing demand for Treasury-facilitated investing, bonding, banking, and financial empowerment services.
- System and infrastructure modernization focusing on financial industry best practices and emerging trends.
- Volatile global markets require nimble response, capacity, up-to-date research tools and internal technical knowledge to achieve investment goals.

- Risks

- Shifting federal landscape creates instability for private sector partners, state agencies, and other partners throughout the state.
- Increasing pace of cybersecurity requirements, standards and evolving technologies.
- Staffing and resource concerns within state and local government.



# Proposed Legislation

- [HB 2387](#) – Education Savings Credit (full reform)
- [HB 2388](#) – Closing the rollover loophole
- [HB 2389](#) – CSA task force bill
- [HB 2390](#) – Public Funds Work Group placeholder
- [HB 2391](#) – MDAC bill (withdrawn)
- [HB 2392](#) – OSTF/MDAC bill
- [SB 161](#) – Education Savings Credit (hybrid credit/subtraction)
- [SB 162](#) – Set up 529 account through tax form
- [SB 163](#) – ABLE fee authority
- [SB 164](#) – Full Participation
- [SB 165](#)– Employer exemption through tax form check box
- [SB 166](#) – OregonSaves partnerships
- [SB 454](#)– Unclaimed property program administration transfer



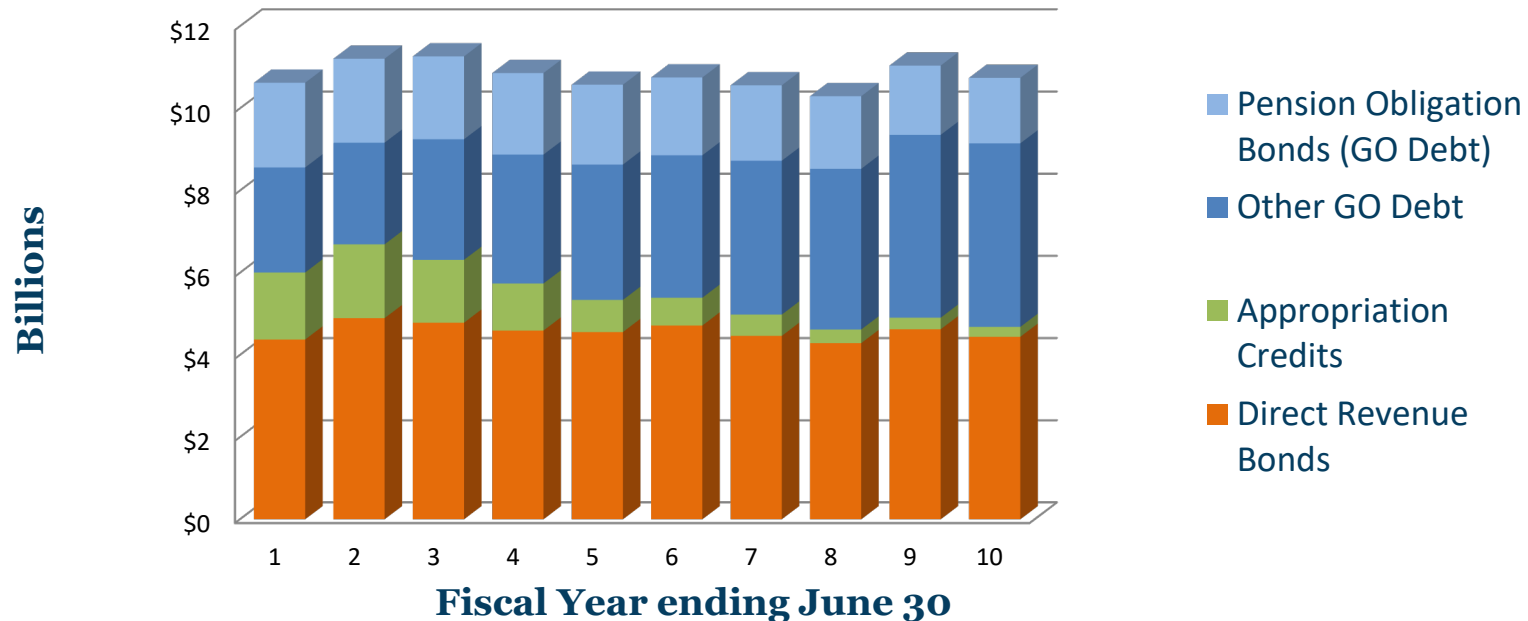
# Debt Management Division

- State Debt Oversight
  - Centrally coordinates issuance of all Oregon agency and authority bonds.
  - Liaison to bond rating agencies.
  - Staffs the Debt Policy Advisory Commission and Private Activity Bond Committee.
- Budget Snapshot
  - Self supporting with revenues from bond issuance, tracking, and other fees.
  - 2019-21 Recommendation: \$2.8 million, 7 positions.
- Local Governments and Nonprofits
  - Staffs the Municipal Debt Advisory Commission, Oregon Facilities Authority, and the Oregon School Bond Guaranty Program.
  - Tracks and reports on all state and local bond issued and published Oregon Bond Calendar to ensure orderly sales and better marketability.





# Total State-Backed Indebtedness



- State-backed, long-term debt outstanding was roughly \$10.9 billion (June 30, 2018).
- SDPAC recommended debt limits : \$1.15 billion General Obligation, \$305 million Lottery.

# Helping Oregon Nonprofits Save

- With expertise from the Debt Management Division, the Oregon Facilities Authority (OFA) connects nonprofits large and small statewide with tax-exempt “conduit” bonds.
- Interest saving allow nonprofits to better achieve their missions.
- OFA has issued more than \$4 billion for Oregon’s nonprofit community since 1989.



# Finance Division

- Cash Management

- Provides banking services for agencies and participating public universities.
- Protects data and generates account statements and reports.
- Facilitates use of Local Government Investment Pool.
- Oversees Public Funds Collateralization Program.

- Budget Snapshot

- Revenues primarily from banking service charges (ORS 293.353) and OSTF management fees (293.718).
- 2019-21 request: \$13.3 million, 18 positions.
- Includes placeholder POP 108 related to modernization of core cash management infrastructure.

**\$265 B**

Total transaction volume

**15.5 M**

Total transactions in 2018



# Local Government Services

- 1,007 cities, counties, school districts and other local government participate in the Local Government Investment Pool, which is part of the Oregon Short Term Fund (OSTF).
- We recently replaced obsolete systems with a modern, user-friendly system that strengthened security while increasing functionality and access.
- Manage the Oregon Intermediate Term Pool (OITP) for State of Oregon agencies and the Oregon Local Government Intermediate Fund (OLGIF) for local governments. These pools are for funds that do not need to be used within a year timeframe and can be moved out of the OSTF.



Fund	Size	Rate/ Return
OSTF	\$ 20.5 B	2.75%
OITP	\$ 115.7 M	0.89%
OLGIF	\$ 223.6 M	1.15%



# Public Funds Collateralization

- Safeguarding Public Funds
  - Public entities with balances above insurance thresholds can bank with qualified public funds depositories.
  - Pledged collateral protects public funds deposits against participating depositories failing.
- Budget Snapshot
  - Revenues entirely from program participation charges (ORS 295.106).
  - Organizationally staffed within the Finance Division.

**\$1.7 B**

Public funds held by banks (Sept. 2018)

**\$19.8 M**

Public funds held by credit unions (Sept. 2018)

**\$1.6 B**

Total Pledged Collateral (Sept. 2018)



# Public Funds Work Group

In 2017, House Bill 2779 directed the State Treasurer to convene a work group to review provisions of state law relating to depositories of public funds (ORS chapter 295) and to consider changes to state law to improve processes for transfer and deposit of public funds or to better protect public funds against loss.

- Public bodies are increasingly pursuing partnerships with third party vendors to provide governmental services.
- Public funds law first enacted in the 1930s can create challenges that increase costs, reduce services, and lead to poorer customer experiences.
- Recommending statutory changes to protect public funds while supporting modern and efficient business practices.
- House Bill 2390.

79th OREGON LEGISLATIVE ASSEMBLY--2017 Regular Session

## Enrolled House Bill 2779

Sponsored by Representative SMITH WARNER (at the request of State Treasurer Tobias Read)

CHAPTER .....

AN ACT

Relating to administration of public funds; creating new provisions; amending ORS 293.265, 295.013, 295.015, 295.018, 295.031, 295.048 and 295.061; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

**SECTION 1.** ORS 293.265 is amended to read:  
293.265. (1)(a) Except as provided in paragraph (b) of this subsection and subsection (5) of this section, it is the duty of the officer or other person or agent collecting, receiving, in possession of, or having the control of any state moneys or other funds, contributions or donations collected or received by, and to be expended by or on behalf of the state under the approval or supervision of any state agency, recognized by the laws of this state and having the power to collect and disburse state funds, to turn over all the moneys described in this section collected or received by or on account of the state agency, to the State Treasurer not later than one business day after collection or receipt of the moneys.

(b) The state agency, or other person or agent collecting state moneys or other funds on account of the state agency, may comply with paragraph (a) of this subsection by using a reasonable, longer period for the transmittal of particularly identified funds or categories of funds if [it] the agency documents and maintains in its official files information that:

(A) A valid business reason exists for using a longer transmittal period [and that];  
(B) The period is no longer than necessary to satisfy that business reason; and  
(C) Any person or agent collecting state moneys or other funds on account of the state agency has complied with any applicable procedures, principles, standards or requirements for cash management prescribed by the State Treasurer under ORS 293.875.

(c) Upon request of the Division of Audits of the Secretary of State, the state agency shall submit a copy of the documentation required under this subsection to the division.

(2) The deposit by or on behalf of the state under the approval or supervision of any state agency of a check marked "paid in full," "payment in full," "full payment of a claim" or words of similar meaning does not establish an accord and satisfaction that binds the state or prevents the collection of the remaining amount owed upon the obligation unless an officer or employee with actual authority to settle claims has agreed in writing to accept the check as full payment of a disputed obligation.

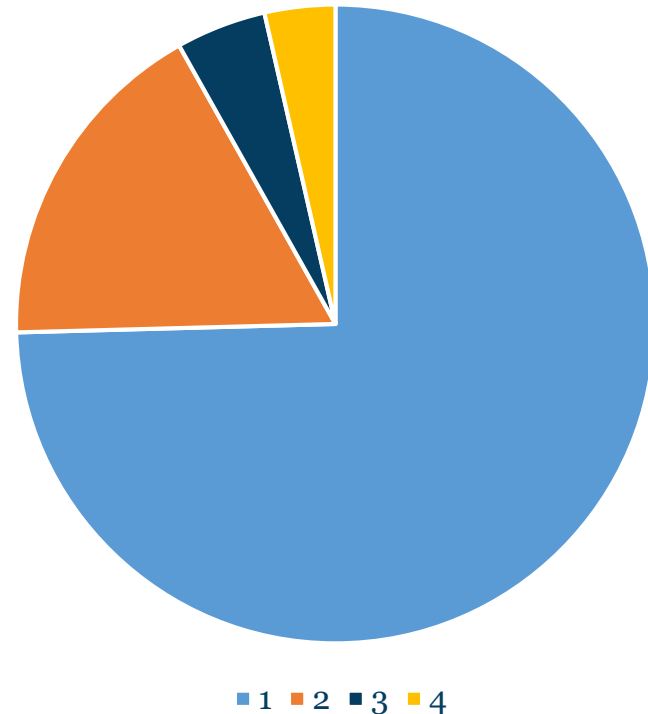
(3) Notwithstanding the provisions of subsection (1) of this section, subject to limits on amount adopted pursuant to subsection (4) of this section, a state agency may return any bank check or money order received by the state agency whenever such bank check or money order is incomplete



# Investment Management - OIC

- The Oregon Investment Council (OIC) oversees the investment and allocation of all State of Oregon trust funds by establishing policy.
  - Oregon Public Employees Retirement Fund.
  - Common School Fund.
  - State Accident Insurance Fund.
- The Oregon Investment Council sets policy for all State of Oregon agency and public trust funds.

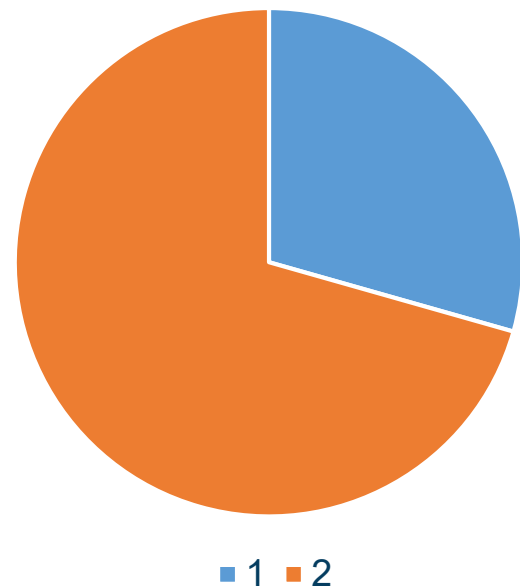
Assets Under Management in 2018  
\$100.7 Billion



# Investment Management - Treasury

- Continued multiyear plan to increase capacity to adequately manage one of the nation's largest public investment operations.
- Budget Snapshot
  - Self supported with fees associated with portfolio management (ORS 293.718)
  - 2019-21 Recommendation: \$38.9 million, 68 positions
  - Includes 5 positions for Investment Solutions POP 101

\$100.7 Billion Total Funds Under Management



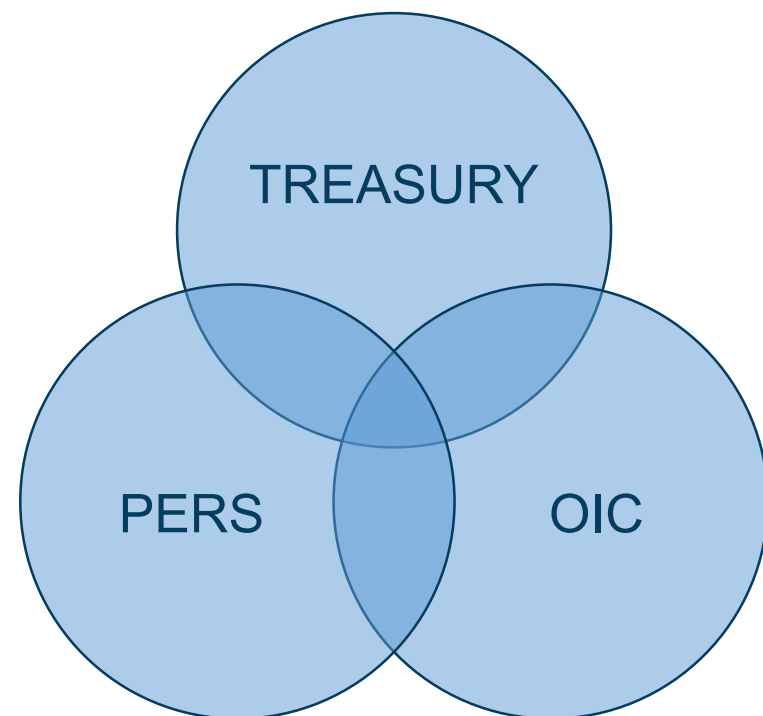


# Roles and Responsibilities

**OIC** – Fiduciary for Oregon trust funds, responsible for setting investment policies for all state-managed accounts.

**Treasury** – Responsible for investing all state-managed accounts consistent with the investment policies set by the OIC.

**PERS** – Responsible for administering public employee benefit trusts.



# IAP Target Date Fund Policy

- Prior to 2018, IAP accounts were invested exclusively in OPERF. While diversified, its asset allocation does not vary in response to risk/return profile changes among workers it supports. I.e., OPERF is “age invariant” with respect to individual PERS members, and the fund can and does lose value in bear market cycles.
- Unlike the defined-benefit nature of OPERF, IAP uses a defined-contribution structure. In OPERF, market volatility risks are born by employers and ultimately by the state, whereas in IAP, individual participants bear all market volatility risks.



# IAP Target Date Fund Policy

- In September 2017, the OIC approved a new policy and directed Treasury to transition IAP assets from exclusive investment in OPERF to a contemporary Target Date Fund structure.
- This change conforms with investment best practices by systematically adjusting each participant's asset allocation relative to his/her age and corresponding risk tolerance.
- **The new system worked.** Participants at or nearing retirement age were protected from the negative returns realized last year in global equity markets, including the especially acute drawdown last quarter. For the year, the S&P 500 recorded a -6.2 % return in 2018.



# Corporate Engagement



- Corporate governance efforts include a range of ESG factors (Environmental, Social, and Governance) such as climate risk disclosure and transparency, shareholder access, board diversity, and executive compensation.
- Treasury engages with companies and regulatory bodies to enhance long-term value and promote sustainable market conditions.
- Oregon is part of a high-profile, international effort to create uniform ESG reporting standards, led by the Sustainability Accounting Standards Board.
- In 2018, we cast 9,500 ballots and \$2.8M was recouped in securities litigation.
- These standards will lead to better-informed investment decisions. Oregon is poised to capitalize on the new data with a formal ESG risk function.



# Oregon Savings Network

Oregon State Treasury offers a suite of programs to help Oregonians save for education, retirement and disability-related expenses. The Oregon 529 Network and OregonSaves merged to create the Oregon Savings Network to contain costs and efficiently use our resources.



# Oregon Savings Network

In planning for 2019-21, we consolidated the 529, ABLE, and OregonSaves programs to more effectively utilize the 9 positions. Staff were cross trained on the programs, making them more effective in their outreach and customer service.

This change eliminated the need for additional General Fund loans in 2019-21.

## Budget Snapshot

- Revenues derived from account administration fees and payments from plan providers (ORS 348.857)
- Oregon 529 2019-21 Request: \$7.5 million, 5 positions. OregonSaves 2019-21 Request: \$4.2 million, 4 positions
- Includes a fund shift for ABLE and OregonSaves in POP 104 from General Fund to Other Funds.





# OregonSaves

Providing access for every Oregonian to save for their retirement

- Open to all Oregonians through employer-facilitated or individual accounts.
- Launched in July 2017 with phased deployment plans reaching all Oregon employers by May 2020.





# Oregon College Savings Plan

- Launched “Be College Ready” statewide.
- Be College Ready brings college savings information directly into classrooms, homes and communities.
- Oregon College Savings Plan was upgraded by Morningstar and identified as a Bronze “best-in-class option” for savers.







# Oregon ABLÉ Savings Plan

- Oregon ABLÉ launched in December of 2016 to help people with disabilities save money without losing their critical government benefits.
- We have partnered with Washington State and are looking for other states to join our efforts.

## The Oregonian

Savings plan helps Oregonians with disabilities save money and keep benefits



Joseph Lowe, 42, oversees advisory councils across the state that help other with disabilities. Thanks to the ABLÉ Savings Plan, he can save his earnings without losing important benefits. (Provided by Joseph Lowe )



# 10% Reduction Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
(WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	(DESCRIBE THE EFFECTS OF THIS REDUCTION. INCLUDE POSITIONS AND FTE IN 2019-21 AND 2021-23)	(GF, LF, OF, FF. IDENTIFY REVENUE SOURCE FOR OF, FF)	(RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
<b>GENERAL FUND (5% TARGET \$73,180      10% TARGET \$146,361)</b>			
1. Reduction – Reduce Employer Outreach for the Oregon Retirement Savings Program	This reduction would reduce staffing dedicated to employer outreach in the Oregon Retirement Savings Program. Treasury has proposed shifting funding to Other Funds in Policy Option Package 104 that would achieve this GF reduction.	The 5% and 10% targets would be achieved by reducing the GF portion of FTE allocated to Oregon Retirement Savings Program.	1
<b>OTHER FUND (5% TARGET \$4,421,110      10% TARGET \$8,842,219)</b>			
1. Reduction – Eliminate Public Funds Collateralization Program	This reduction would eliminate the public funds collateralization program (ORS Chapter 295). Statutory changes would be required to affect this elimination, as program is required by Oregon law.	Other Funds expenditure reduction of \$501,858. Commercial Banks and Credit Unions that participate in the program reimburse OST for 100% of the cost of the program.	1
2. Reduction – Eliminate the Oregon Retirement Savings Program	This reduction would eliminate the Oregon Retirement Savings Program (ORS 178.200 o 178.245). Statutory would be required to implement this elimination, as well as changes to Oregon’s tax law. All current accounts would be liquidated and the proceeds returned to the account holders. Reduction would have absolutely no impact on the state budget as the Program is funded by administrative fees paid	Additional Other Funds expenditure reduction of \$3,589,543. All revenue supporting this program is received from Plan Managers.	2



# 10% Reduction Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
	by the investors and the Program Managers. Funds cannot be used for any other purpose.		
3. Reduction – Eliminate the Oregon 529 ABLE Savings Program	This reduction would eliminate the Oregon 529 ABLE Savings Network Program (ORS 178.375 to 178.385). Statutory would be required to implement this elimination, as well as changes to Oregon’s tax law. All current accounts would be liquidated and the proceeds returned to the account holders, creating a potential tax liability for the account holders. Reduction would have absolutely no impact on the state budget as the Network is funded by administrative fees paid by the investors and the Program Managers. Funds cannot be used for any other purpose.	Additional Other Funds expenditure reduction of \$648,021. All revenue supporting this program is received from Plan Managers.	3
4. Reduction – Eliminate the Oregon 529 College Savings Program	This reduction would eliminate the Oregon 529 College Savings Network Program (ORS 178.335 to 178.355). Statutory would be required to implement this elimination, as well as changes to Oregon’s tax law. All current 529 accounts would be liquidated and the proceeds returned to the account holders, creating a potential tax liability for the account holders. Reduction would have absolutely no impact on the state budget as the Network is funded by administrative fees paid by the investors and the Program Managers. Funds cannot be used for any other purpose.	Additional Other Funds expenditure reduction of \$5,945,401. All revenue supporting this program is received from 529 Network Plan Managers.	4





# OREGON STATE TREASURY

Tobias Read  
Oregon State Treasurer

350 Winter St NE, Suite 100  
Salem, OR 97301-3896

[oregon.gov/treasury](https://oregon.gov/treasury)

# Supplemental Reports

Treasury has not received any reportable findings from Secretary of State Audits in the last three years.

Treasury does not have any capital projects or IT projects that are over the reporting threshold.



# Span of Control

The agency actual supervisory ratio as of 12/31/2018 is 1:3.3.

While Oregon State Treasury is exempted from the statute requiring supervisory ratio reporting, we want to be transparent and voluntarily agree to provide our ratios, with context. As you are aware, Treasury is the state's professional financial services center, manages statewide processes including debt management and manages a complex portfolio with third-party investment firms that requires expertise, attention to detail and a manageable work scope. All Treasury supervisors are responsible for the day-to-day work of the agency, meaning they are truly working supervisors. As we are in the process of building out and growing our team, the supervisory/employee ratios may shift in the future.

# Other Funds Ending Balance

UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2017-19 & 2019-21 BIENNIA									
Agency: Oregon State Treasury (OST)									
Contact Person (Name & Phone #): Matt Smith - (503)378-3562									
(a)	(b)	(c)	(d)	(e)	(f)		(g)		(j)
Other Fund Type	Program Area (SCR)	Treasury Fund #/Name	Category/Description	Constitutional and/or Statutory reference	2017-19 Ending Balance		2019-21 Ending Balance		Comments
					In LAB	Revised	In CSL	Revised	
Limited	17000-001-00-00-00000 (Treasury Services)	0401 / 'Miscellaneous Receipts Account Established in the General Fund'	Operations	ORS 286A.014, 293.353, 293.718, 294.865, 295.106	9,938,456	10,426,732	11,967,018	12,455,294	The column (g) amount reflects the latest projections for AY19 based on actuals through the most recently closed month (Nov18). Assumptions regarding revenue and expenditure trends in AY21 remain materially unchanged, and therefore Column (i) is only increased to reflect the updated carryforward from AY19. The revised estimated AY19 ending balance provides a 3.14 month working capital reserve, based on AY21 CSL total expenditures divided by 24 months, which is within the approximate 3-4 month minimum need for cashflow purposes.
Limited	17000-002-00-00-00000 (Oregon 529 Savings Network)	1128 / 'Oregon 529 Savings Network Fund'	Operations	ORS 178.320	403,902	423,289	1,942,578	562,896	The column (g) amount reflects the latest projections for AY19 based on actuals through the most recently closed month (Nov18). The revised estimated AY19 ending balance provides a 1.35 month working capital reserve, based on AY21 GB (see explanation below re why utilizing GB instead of CSL) total expenditures divided by 24 months, which is likely below the minimum need for cashflow purposes (estimated working capital need will be refined as the new ABLE program matures).
Limited	17000-003-00-00-00000 (Oregon Retirement Savings Program)	1543 / 'Oregon Retirement Savings Plan Administrative Fund'	Operations	ORS 178.225	-	1,038,765	1,811,998	193,880	The column (g) amount reflects the latest projections for AY19 based on actuals through the most recently closed month (Nov18). The revised estimated AY19 ending balance provides a 5.96 month working capital reserve, based on AY21 GB (see explanation below re why utilizing GB instead of CSL) total expenditures divided by 24 months, which is likely in the range of the minimum need for cashflow purposes (estimated working capital need will be refined as the new ORSB program matures).
<b>Note re Reported Treasury Funds:</b>					<b>Additional Materials (re Revised Ending Balance Variances):</b>				
<p>In the last OF Ending Balance Form update in 2016, the <b>Non-Limited</b> portion of the <b>0401 Treasury Fund</b> was included, but it had zero values since "The legislature removed the nonlimited for the current budget. All expenditures for the 2013-15 biennium are now limited." Now that we are well beyond the 'closure' of the Non-Limited portion of the fund, we have removed it from this report.</p> <p>Additionally, the <b>1543 / ORSB Treasury Fund</b> has been established since the last reporting period, and it has been accordingly added to the report above.</p>					<p>In reference to the variances in the (i) column for the 529 and ORSB funds in <b>2019-21</b>, this form compares the revised update in (i) against the CSL ending balance for 2019-21 in column (h), and while we have entered the CSL balance as directed in (h), we wanted to note that the fund shift for ABLE and ORSB from GF to OF was only partially completed (for S&amp;S only) in the 2019-21 CSL, with the remainder (for staffing expenses) completed in the 2019-21 GB.</p> <p>Accordingly, we suggest the GB ending balance is the more appropriate comparative value for the 529 and ORSB treasury funds in this exercise, and we have incorporated the GB value in column (i) for both funds. The GB value entered is unchanged from our original submittal since there have been no substantive changes in revenue and expenditure assumptions in the intervening months.</p> <p>As for the material variance in <b>2017-19</b> in ORSB only (the 529 fund increase was marginal) where the balance increased from zero to just over \$1m, this reflects the results of negotiations with the program contracted Plan Administrator to provide \$500,000 per fiscal year to participate in supporting the costs of our mutually beneficial outreach and marketing efforts for the program.</p>				