

STATE TREASURER

32 STATE TREASURER

Mission:

To offer financial management in an expedient and cost-effective manner as a working partner throughout state government on matters, in whole or in part, relating to accounting, administration and support services, banking, bond management, budget, cash management, data processing, supervision and regulation of public funds insurance, investment receipts, state agency requests, state allocations, warrants, and unclaimed property; to accurately and legally account for South Dakota citizens and taxpayers all monies received, kept, and allocated of their state's treasury according to the Constitution and as directed by law; to authorize, supervise, perform, and coordinate all responsibilities vested in the Office of the State Treasurer; to exercise state leadership on finance and accounts; to maintain the stability of the state's banking; to direct the wire transfer of funds of the state treasury; to coordinate in a central, effective, and as efficient way as possible the electronic transfer of funds by state agencies when appropriate; and, to influence the state money available by monitoring the investment of state public funds and managing cash for use by the State Investment Council.

LEGAL CITATION: South Dakota Constitution, Articles IV, XI, and XVIII, 1-10, 1-18, 1-30, 3-4, 3-5, 3-8, 3-12, 4-1, 4-3, 4-4, 4-5, 4-6, 4-6A, 4-8, 4-9, 4-10, 5, 12-5, 22-11, 23-3, 23A-40, 26-8A, 28-9, 28-11, 38-6, 43-41B, 46A-7A, 49-28, and 61-3.

	ACTUAL FY 2014	ACTUAL FY 2015	BUDGETED FY 2016	REQUESTED FY 2017	GOVERNOR'S RECOMMENDED FY 2017	RECOMMENDED INC/(DEC) FY 2017
FUNDING SOURCE:						
General Funds	\$ 499,451	\$ 493,019	\$ 532,895	\$ 535,195	\$ 532,895	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	19,831,876	27,995,197	22,738,509	39,086,847	35,084,847	12,346,338
Total	<u>\$ 20,331,327</u>	<u>\$ 28,488,216</u>	<u>\$ 23,271,404</u>	<u>\$ 39,622,042</u>	<u>\$ 35,617,742</u>	<u>\$ 12,346,338</u>
EXPENDITURE DETAIL:						
Personal Services	\$ 8,307,711	\$ 10,875,341	\$ 15,842,275	\$ 17,049,501	\$ 17,049,501	\$ 1,207,226
Operating Expenses	12,023,616	17,612,875	7,429,129	22,572,541	18,568,241	11,139,112
Total	<u>\$ 20,331,327</u>	<u>\$ 28,488,216</u>	<u>\$ 23,271,404</u>	<u>\$ 39,622,042</u>	<u>\$ 35,617,742</u>	<u>\$ 12,346,338</u>
Staffing Level FTE:	35.8	35.9	41.3	41.3	41.3	0.0

STATE TREASURER

320 State Treasurer

Mission:

To publicly manage and offer financial services in an expedient and cost-effective manner as a working partner throughout state government on matters, in whole or in part, relating to accounting, administration and treasury support services, banking, bond management and debt service, cash management, data processing, and collateral supervision; to insure state and local public deposits and fund transfers, including the earnings on the tuition subaccount, receipts, custody of securities for safekeeping, state agency requests and state allocations, warrants, and unclaimed property; to legally account for South Dakota citizens and taxpayers of all monies received, kept, and allocated of their state treasury according to the Constitution and as directed by law; to exercise state leadership on finance and accounts that include selecting depositories for the collection of instruments and maintaining the stability of state government's banking; to jointly determine the justification for state agencies to have local accounts; to direct the wire transfer of funds of the state treasury; to coordinate in a central, effective, and as efficient way as possible the electronic remission and disbursement of funds by state agencies when appropriate; to influence the state money available by monitoring the investment of state public funds and managing cash for use by the State Investment Office; to keep an accurate account of the principal and interest of outstanding REDI Fund loans; to oversee, for collection, veterinary student tuition assistance awards; to authorize, supervise, perform, and coordinate all responsibilities vested in the Office of the State Treasurer; and, to effectively carry out the duties of the State Treasurer, a statewide elected Constitutional Officer, to include serving as a member of the Board of Finance and the Public Deposit Protection Commission, and ex-officio voting member of the State Investment Council.

LEGAL CITATIONS: Election, terms of office, and general provisions, Constitution of South Dakota, Article IV. Duties, generally, SDCL Chapter 1-10. Accountability, SDCL 4-3-4.2. Accounts and accounting, SDCL 4-10-5. Custody and investment of state funds, SDCL Chapter 4-5. Related duties and references, Constitution of South Dakota, Article XI, Article XVIII, and SDCL Chapter 1-9, 1-16B, 1-27, 1-18, 1-30, 3-2, 3-4, 3-5, 3-8, 3-12, 4-1, 4-3, 4-4, 4-5, 4-6, 4-6A, 4-8, 4-9, 4-10, 4-12, Title 5, 9-22, 11-7, 12-5, 13-49-20, 13-51A, 13-39-68 to 71, 22-11, 23-3, 23A-40, 26-8A, 28-9, 28-10, 28-11, 38-6, 46A-7A, 47-7, 49-28, 50-14, 51A-4, 51A-10, 52-5-20, and 61-3. Unclaimed Property, SDCL 43-41B-1 to 43-41B-39.

	ACTUAL FY 2014	ACTUAL FY 2015	BUDGETED FY 2016	REQUESTED FY 2017	GOVERNOR'S RECOMMENDED FY 2017	RECOMMENDED INC/(DEC) FY 2017
FUNDING SOURCE:						
General Funds	\$ 499,451	\$ 493,019	\$ 532,895	\$ 535,195	\$ 532,895	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	10,803,979	16,361,521	5,804,895	20,916,595	16,914,595	11,109,700
Total	\$ 11,303,430	\$ 16,854,540	\$ 6,337,790	\$ 21,451,790	\$ 17,447,490	\$ 11,109,700
EXPENDITURE DETAIL:						
Personal Services	\$ 634,186	\$ 632,482	\$ 659,478	\$ 678,178	\$ 678,178	\$ 18,700
Operating Expenses	10,669,243	16,222,059	5,678,312	20,773,612	16,769,312	11,091,000
Total	\$ 11,303,430	\$ 16,854,540	\$ 6,337,790	\$ 21,451,790	\$ 17,447,490	\$ 11,109,700
Staffing Level FTE:	9.2	8.8	9.0	9.0	9.0	0.0

STATE TREASURER

3201 Treasury Management

Mission:

To have charge of and safely keep all public monies paid into the state treasury, and properly pay out the same as directed by law; to accurately account for the receipts and disbursements of all monies due the State Treasurer and remitted to the treasury by state officers and employees; to receipt federal payments for rent, or in lieu of taxes, and remit the same to county treasurers as directed by law; to allocate available monies entitled to various entities and agencies of state government and to political subdivisions for purposes specified by statute; and, to perform all other duties legally required of the State Treasurer.

	ACTUAL FY 2014	ACTUAL FY 2015	BUDGETED FY 2016	REQUESTED FY 2017	GOVERNOR'S RECOMMENDED FY 2017	RECOMMENDED INC/(DEC) FY 2017
FUNDING SOURCE:						
General Funds	\$ 499,451	\$ 493,019	\$ 532,895	\$ 535,195	\$ 532,895	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0
Total	\$ 499,451	\$ 493,019	\$ 532,895	\$ 535,195	\$ 532,895	\$ 0
EXPENDITURE DETAIL:						
Personal Services	\$ 368,482	\$ 373,796	\$ 386,957	\$ 386,957	\$ 386,957	\$ 0
Operating Expenses	130,968	119,224	145,938	148,238	145,938	0
Total	\$ 499,451	\$ 493,019	\$ 532,895	\$ 535,195	\$ 532,895	\$ 0
Staffing Level FTE:	5.1	5.1	5.2	5.2	5.2	0.0

	ACTUAL FY 2014	ACTUAL FY 2015	ESTIMATED FY 2016	ESTIMATED FY 2017
PERFORMANCE INDICATORS				
Cash Receipt Vouchers Processed	27,264	29,281	29,500	30,000
Checks Received from State Agencies	716,535	693,917	675,000	650,000
Wire Transfers - In and Out	1,975	2,221	2,000	2,500
ACH Volume	1,299,568	1,363,161	1,400,000	1,500,000

Cash Receipts	\$4,883,828,832	\$4,917,575,368	\$4,900,000,000	\$5,000,000,000
Warrants Paid from Treasurer's Account	\$922,099,760	\$851,866,024	\$850,000,000	\$825,000,000
ACH Out	\$3,936,195,527	\$4,169,639,534	\$4,100,000,000	\$4,200,000,000
Warrants Cleared	304,918	295,783	285,000	275,000
Returned Items	550	508	500	450
Interest Earned	\$2,119	\$1,033	\$2,000	\$2,000
Certificates of Deposit	\$23,657,000	\$35,000,000	\$35,000,000	\$35,000,000
Banks/S&L/Credit Unions in CD Program	47/2/4	49/2/6	49/2/6	49/2/6
Public Deposits: All Current Collateral	\$2,175,370,528	\$2,261,335,532	\$2,300,000,000	\$2,300,000,000
Pledged Securities: On File	9,909	10,967	10,500	11,000
Veterinary Student Grants Repayment Balance		\$148,282	\$100,000	\$100,000
Number of Veterinary Students Repaying Grants		5	5	5

STATE TREASURER

3202 Unclaimed Property - Info

Mission:

To carry out the duties and responsibilities of the South Dakota Uniform Unclaimed Property Act; to have charge of and custodial responsibility for all property and monies received under this chapter; to maintain unclaimed property monies in a separate trust fund, and to pay rightful owners as directed by law; to keep an accurate record of the unclaimed property accounts and disbursements of the funds; and, to reimburse various entities, holders, and service providers as directed by statute.

	ACTUAL FY 2014	ACTUAL FY 2015	BUDGETED FY 2016	REQUESTED FY 2017	GOVERNOR'S RECOMMENDED FY 2017	RECOMMENDED INC/(DEC) FY 2017
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	10,803,979	16,361,521	5,804,895	20,916,595	16,914,595	11,109,700
Total	\$ 10,803,979	\$ 16,361,521	\$ 5,804,895	\$ 20,916,595	\$ 16,914,595	\$ 11,109,700
EXPENDITURE DETAIL:						
Personal Services	\$ 265,704	\$ 258,686	\$ 272,521	\$ 291,221	\$ 291,221	\$ 18,700
Operating Expenses	10,538,275	16,102,835	5,532,374	20,625,374	16,623,374	11,091,000
Total	\$ 10,803,979	\$ 16,361,521	\$ 5,804,895	\$ 20,916,595	\$ 16,914,595	\$ 11,109,700
Staffing Level FTE:	4.0	3.7	3.8	3.8	3.8	0.0

	ACTUAL FY 2014	ACTUAL FY 2015	ESTIMATED FY 2016	ESTIMATED FY 2017
REVENUES				
Cash Receipts	124,549,086	69,275,794	72,660,000	65,431,127
Total	124,549,086	69,275,794	72,660,000	65,431,127

	ACTUAL FY 2014	ACTUAL FY 2015	ESTIMATED FY 2016	ESTIMATED FY 2017
PERFORMANCE INDICATORS				
Claims Submitted	26,950	12,625	12,000	12,000
Properties Received	314,511	142,928	145,000	140,000
Properties Paid	22,035	81,322	30,000	30,000
Avg # of Days to Intial Processing of Claim	1.4	1.1	1.1	1.1
Amount of Claims Paid	\$10,098,890	\$15,712,105	\$14,000,000	\$14,000,000
Claims Paid	10,024	4,500	4,500	4,500
Records in Unclaimed Property Database	796,741	939,669	1,100,000	1,300,000
Stock Portfolio Valuation	\$8,562,604	\$10,083,195	\$10,000,000	\$10,000,000

STATE TREASURER

3210 Investment of State Funds

Mission:

To manage the South Dakota Retirement System assets in order to obtain long-term maximum total returns consistent with prudent risk; to manage the state's cash flow fund in order to obtain long-term maximum total returns consistent with the liquidity needs of the fund, the legal list and prudent risk; to manage the investment portfolios of the School and Public Lands Fund, the Dakota Cement Trust, the Health Care Trust and the Education Enhancement Trust to obtain the highest risk adjusted return over the long term and to provide income payouts; to determine investment options for the 457 deferred compensation savings plan; and to establish and oversee the Higher Education Savings Plan.

	ACTUAL FY 2014	ACTUAL FY 2015	BUDGETED FY 2016	REQUESTED FY 2017	GOVERNOR'S RECOMMENDED FY 2017	RECOMMENDED INC/(DEC) FY 2017
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	5,876,506	6,254,143	7,781,598	8,017,528	8,017,528	235,930
Total	\$ 5,876,506	\$ 6,254,143	\$ 7,781,598	\$ 8,017,528	\$ 8,017,528	\$ 235,930
EXPENDITURE DETAIL:						
Personal Services	\$ 4,522,133	\$ 4,863,327	\$ 6,030,781	\$ 6,218,599	\$ 6,218,599	\$ 187,818
Operating Expenses	1,354,373	1,390,816	1,750,817	1,798,929	1,798,929	48,112
Total	\$ 5,876,506	\$ 6,254,143	\$ 7,781,598	\$ 8,017,528	\$ 8,017,528	\$ 235,930
Staffing Level FTE:	26.6	27.2	32.3	32.3	32.3	0.0

	ACTUAL FY 2014	ACTUAL FY 2015	ESTIMATED FY 2016	ESTIMATED FY 2017
REVENUES				
Investment Management Fees:				
Retirement System (SDRS)	4,847,155	5,204,466	6,747,252	6,959,153
Cement Plant	28,749			
Cash Flow Fund (CFF)	681,478	667,687	269,248	269,248
School and Public Lands (S&PL)	119,197	127,332	166,524	171,754
Dakota Cement Trust (DCT)	147,478	153,187	196,158	202,319
Education Enhancement Trust (EET)	232,685	244,323	316,925	326,879
Health Care Trust (HCT)	64,296	66,575	85,491	88,175
Total	6,121,038	6,463,570	7,781,598	8,017,528

PERFORMANCE INDICATORS

SDRS Yr-End Assets/Inv Income (Millions)	\$10,602/\$1,729	\$10,766/\$457
SDRS Total Fund Return/Capital Mkt Benchmark	18.90%/17.49%	4.18%/2.09%
S&PL Yr-End Assets/Invest Income (Millions)	\$256.7/\$36.0	\$264.0/\$10.7
S&PL Total Fund Return/Benchmark Return	16.1%/15.8%	4.20%/2.89%
DCT Yr-End Assets/Invest Income (Millions)	\$302.4/\$44.1	\$305.4/\$14.1
DCT Total Fund Return/Benchmark Return	16.3%/15.8%	4.56%/2.89%
EET Yr-End Assets/Invest Income (Millions)	\$503.3/\$70.0	\$514.2/\$21.6
EET Total Fund Return/Benchmark Return	16.1%/15.9%	4.3%/2.92%
HCT Yr-End Assets/Invest Income (Millions)	\$136.0/\$19.1	\$137.5/\$6.0
HCT Total Fund Return/Benchmark Return	16.1%/15.8%	4.43%/2.89%
CFF Average Amount Invested (Millions)	\$1,271	\$1,346
CFF Investment Income Received (Millions)	\$13.5	\$18.2
CFF Average Yield/Benchmark Yield	1.0%/1%	1.3%/0.2%

STATE TREASURER

3211 Performance Based Compensation

Mission:

To focus on adding value over the long term in all financial market conditions and to motivate and retain successful investment team members by linking a portion of total compensation to investment return performance relative to benchmarks.

	ACTUAL FY 2014	ACTUAL FY 2015	BUDGETED FY 2016	REQUESTED FY 2017	GOVERNOR'S RECOMMENDED FY 2017	RECOMMENDED INC/(DEC) FY 2017
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	3,151,392	5,379,533	9,152,016	10,152,724	10,152,724	1,000,708
Total	\$ 3,151,392	\$ 5,379,533	\$ 9,152,016	\$ 10,152,724	\$ 10,152,724	\$ 1,000,708
EXPENDITURE DETAIL:						
Personal Services	\$ 3,151,392	\$ 5,379,533	\$ 9,152,016	\$ 10,152,724	\$ 10,152,724	\$ 1,000,708
Operating Expenses	0	0	0	0	0	0
Total	\$ 3,151,392	\$ 5,379,533	\$ 9,152,016	\$ 10,152,724	\$ 10,152,724	\$ 1,000,708
Staffing Level FTE:	0.0	0.0	0.0	0.0	0.0	0.0

	ACTUAL FY 2014	ACTUAL FY 2015	ESTIMATED FY 2016	ESTIMATED FY 2017
REVENUES				
Investment Management Fees:				
Retirement System (SDRS)	2,462,839	6,271,033	8,219,925	9,118,716
Cement Plant	14,607			
Cash Flow Fund (CFF)	346,259	804,518		
School & Public Lands (S&PL)	60,564	153,427	202,870	225,052
Dakota Cement Trust (DCT)	74,934	184,579	238,972	265,102
Education Enhancement Trust (EET)	118,227	294,393	386,099	428,316
Health Care Trust (HCT)	32,669	80,218	104,150	115,538
Total	3,110,099	7,788,168	9,152,016	10,152,724

PERFORMANCE INDICATORS

SDRS 1yr / 4yr / 10yr annualized returns	18.9%/16.2%/9.4%	4.2%/10.8%/8.5%
Since inception 41 yrs FY 14 / 42 yrs FY 15	10.8%	10.6%
SDRS vs Capital Market Benchmark		
Added Value 1yr / 4yr / 10yr annualized	1.4%/2.9%/1.9%	2.1%/2.5%/1.8%
Added Value Since Inception 41 yrs / 42yrs	1.0%	1.0%
SDRS vs State Fund Universe (prelim)		
Added Value 1yr / 4yr / 10yr annualized	1.5%/3.3%/1.9%	.3%/2.4%/1.6%
Added Value Since Inception 41 yrs / 42 yrs	1.5%	1.4%
SDRS Investment Income (millions)		
1 year /4 years /10 years	\$1729/5029/6880	\$457/3832/6610
SDRS Add'l Income vs Capital Mkts Bench		
1 year /4 years /10 years	\$128/897/1403	\$221/873/1420