

# 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 2011	ACTUAL FY 2012	BUDGETED FY 2013	REQUESTED FY 2014	GOVERNOR'S RECOMMENDED FY 2014	RECOMMENDED INC/(DEC) FY 2014
<b>FUNDING SOURCE:</b>						
General Funds	\$ 457,852	\$ 446,935	\$ 468,626	\$ 468,626	\$ 469,304	\$ 678
Federal Funds	0	0	0	0	0	0
Other Funds	9,711,673	11,296,456	11,686,759	12,992,304	13,010,709	1,323,950
<b>Total</b>	<b>\$ 10,169,526</b>	<b>\$ 11,743,391</b>	<b>\$ 12,155,385</b>	<b>\$ 13,460,930</b>	<b>\$ 13,480,013</b>	<b>\$ 1,324,628</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 6,278,790	\$ 6,468,158	\$ 7,800,969	\$ 9,106,514	\$ 9,124,161	\$ 1,323,192
Operating Expenses	3,890,735	5,275,233	4,354,416	4,354,416	4,355,852	1,436
<b>Total</b>	<b>\$ 10,169,526</b>	<b>\$ 11,743,391</b>	<b>\$ 12,155,385</b>	<b>\$ 13,460,930</b>	<b>\$ 13,480,013</b>	<b>\$ 1,324,628</b>
Staffing Level FTE:	36.6	36.9	37.0	39.0	39.0	2.0

# 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 2011	ACTUAL FY 2012	BUDGETED FY 2013	REQUESTED FY 2014	GOVERNOR'S RECOMMENDED FY 2014	RECOMMENDED INC/(DEC) FY 2014
<b>FUNDING SOURCE:</b>						
General Funds	\$ 457,852	\$ 446,935	\$ 468,626	\$ 468,626	\$ 469,304	\$ 678
Federal Funds	0	0	0	0	0	0
Other Funds	2,743,148	4,126,981	2,901,441	2,901,441	2,902,199	758
<b>Total</b>	<b>\$ 3,201,000</b>	<b>\$ 4,573,917</b>	<b>\$ 3,370,067</b>	<b>\$ 3,370,067</b>	<b>\$ 3,371,503</b>	<b>\$ 1,436</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 601,639	\$ 589,192	\$ 596,003	\$ 596,003	\$ 596,003	\$ 0
Operating Expenses	2,599,360	3,984,724	2,774,064	2,774,064	2,775,500	1,436
<b>Total</b>	<b>\$ 3,201,000</b>	<b>\$ 4,573,917</b>	<b>\$ 3,370,067</b>	<b>\$ 3,370,067</b>	<b>\$ 3,371,503</b>	<b>\$ 1,436</b>
Staffing Level FTE:	8.7	9.0	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 2011	ACTUAL FY 2012	BUDGETED FY 2013	REQUESTED FY 2014	GOVERNOR'S RECOMMENDED FY 2014	RECOMMENDED INC/(DEC) FY 2014
<b>FUNDING SOURCE:</b>						
General Funds	\$ 457,852	\$ 446,935	\$ 468,626	\$ 468,626	\$ 469,304	\$ 678
Federal Funds	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0
<b>Total</b>	<b>\$ 457,852</b>	<b>\$ 446,935</b>	<b>\$ 468,626</b>	<b>\$ 468,626</b>	<b>\$ 469,304</b>	<b>\$ 678</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 338,231	\$ 345,133	\$ 349,228	\$ 349,228	\$ 349,228	\$ 0
Operating Expenses	119,622	101,802	119,398	119,398	120,076	678
<b>Total</b>	<b>\$ 457,852</b>	<b>\$ 446,935</b>	<b>\$ 468,626</b>	<b>\$ 468,626</b>	<b>\$ 469,304</b>	<b>\$ 678</b>
Staffing Level FTE:	4.9	5.0	5.5	5.5	5.5	0.0

	ACTUAL FY 2011	ACTUAL FY 2012	ESTIMATED FY 2013	ESTIMATED FY 2014
<b>PERFORMANCE INDICATORS</b>				
Warrants Paid from Treasurer's Account	\$1,010,692,821	\$970,694,815	\$1,100,000,000	\$1,000,000,000
Warrants Cleared	431,695	399,695	450,000	400,000
Cash Receipts	\$4,435,683,766	\$4,667,075,601	\$4,400,000,000	\$4,700,000,000
Cash Receipt Vouchers Processed	27,275	26,731	30,000	30,000
Checks Received from State Agencies	787,239	769,677	820,000	800,000
Wire Transfers - In and Out	1,875	1,824	2,200	2,000
Returned Items	693	687	750	750
Interest Earned	\$2,378	\$1,054	\$2,000	\$1,500
ACH Out	\$3,468,632,529	\$3,701,661,977	\$3,400,000,000	\$3,800,000,000
ACH Volume	1,123,263	1,196,552	1,300,000	1,300,000
Certificates of Deposit	\$24,262,000	\$22,452,000	\$32,000,000	\$25,000,000
Banks/S&L/Credit Unions in CD Program	58/2/6	52/1/5	52/1/5	52/1/5
Public Deposits: All Current Collateral	\$1,572,946,375	\$1,690,116,010	\$1,700,000,000	\$1,700,000,000
Pledged Securities: On File	6,672	7,950	8,000	8,000
Veterinary Student Grants - Since 1995	\$6,137,325	\$6,669,548	\$6,700,000	\$6,700,000

# 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 2011	ACTUAL FY 2012	BUDGETED FY 2013	REQUESTED FY 2014	GOVERNOR'S RECOMMENDED FY 2014	RECOMMENDED INC/(DEC) FY 2014
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	2,743,148	4,126,981	2,901,441	2,901,441	2,902,199	758
<b>Total</b>	<b>\$ 2,743,148</b>	<b>\$ 4,126,981</b>	<b>\$ 2,901,441</b>	<b>\$ 2,901,441</b>	<b>\$ 2,902,199</b>	<b>\$ 758</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 263,409	\$ 244,059	\$ 246,775	\$ 246,775	\$ 246,775	\$ 0
Operating Expenses	2,479,739	3,882,922	2,654,666	2,654,666	2,655,424	758
<b>Total</b>	<b>\$ 2,743,148</b>	<b>\$ 4,126,981</b>	<b>\$ 2,901,441</b>	<b>\$ 2,901,441</b>	<b>\$ 2,902,199</b>	<b>\$ 758</b>
Staffing Level FTE:	3.7	4.0	3.5	3.5	3.5	0.0

	ACTUAL FY 2011	ACTUAL FY 2012	ESTIMATED FY 2013	ESTIMATED FY 2014
<b>REVENUES</b>				
Cash Receipts	15,961,434	17,734,247	32,500,000	70,500,000
<b>Total</b>	<b>15,961,434</b>	<b>17,734,247</b>	<b>32,500,000</b>	<b>70,500,000</b>
<b>PERFORMANCE INDICATORS</b>				
Amount of Claims Paid	\$2,068,686	\$3,669,205	\$2,500,000	\$2,500,000
Claims Paid	4,619	3,018	3,500	4,000
Records in Unclaimed Property Database	225,238	370,794	400,000	450,000
Stock Portfolio Valuation	\$1,556,741	\$1,709,320	\$1,700,000	\$1,700,000
Outreach Presentations	7	9	10	10

# STATE TREASURER

## 3210 Investment of State Funds

### MISSION:

To professionally manage the South Dakota Retirement System and South Dakota Cement Plant Retirement Fund portfolios in order to obtain long-term maximum total returns consistent with prudent risk; to professionally 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 professionally 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 oversee the Higher Education Savings Plan per SDCL 13-63-1 to 13-63-31 by establishing the program and monitoring the selected program manager, Allianz Global Investors Distributors LLC; comply with SDCL 3-13-51.2 regarding Section 457 deferred compensation plan investment options; and, to comply with the requirements of SDCL 4-5-12 to 4-5-39, "Investment of State Funds Law".

	ACTUAL FY 2011	ACTUAL FY 2012	BUDGETED FY 2013	REQUESTED FY 2014	GOVERNOR'S RECOMMENDED FY 2014	RECOMMENDED INC/(DEC) FY 2014
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	5,176,562	5,354,294	5,879,097	7,184,642	6,398,804	519,707
<b>Total</b>	<b>\$ 5,176,562</b>	<b>\$ 5,354,294</b>	<b>\$ 5,879,097</b>	<b>\$ 7,184,642</b>	<b>\$ 6,398,804</b>	<b>\$ 519,707</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 3,885,187	\$ 4,063,785	\$ 4,298,745	\$ 5,604,290	\$ 4,818,452	\$ 519,707
Operating Expenses	1,291,375	1,290,509	1,580,352	1,580,352	1,580,352	0
<b>Total</b>	<b>\$ 5,176,562</b>	<b>\$ 5,354,294</b>	<b>\$ 5,879,097</b>	<b>\$ 7,184,642</b>	<b>\$ 6,398,804</b>	<b>\$ 519,707</b>
Staffing Level FTE:	27.9	27.9	28.0	30.0	30.0	2.0

	ACTUAL FY 2011	ACTUAL FY 2012	ESTIMATED FY 2013	ESTIMATED FY 2014
--	-------------------	-------------------	----------------------	----------------------

### REVENUES

Investment Management Fees:				
Retirement System (SDRS)	4,071,410	4,130,830	4,630,372	5,039,881
Cement Plant	25,129	24,263	28,465	30,983
Cash Flow Fund (CFF)	651,583	598,121	675,946	735,726
School and Public Lands (S&PL)	100,151	98,649	111,564	121,431
Dakota Cement Trust (DCT)	138,024	133,298	145,190	158,031
Education Enhancement Trust (EET)	215,622	205,933	226,427	246,452
Health Care Trust (HCT)	58,834	56,695	62,411	67,930
<b>Total</b>	<b>5,260,753</b>	<b>5,247,789</b>	<b>5,880,375</b>	<b>6,400,434</b>

Estimated revenues for fiscal years 2013 and 2014 will be reduced by the prior years' ending cash balances per SDCL 4-5-30.

### PERFORMANCE INDICATORS

SDRS Yr-End Assets/Inv Income (Millions)	\$7,926/\$1,654	\$7,835/\$143
SDRS Total Fund Return	25.84%	1.91%
SDRS Capital Mkt Benchmark/Mellon Corp	22.06%/19.68%	2.02%/4.35%
CPRF Yr-End Assets/Inv Income (Millions)	\$49.4/\$10.1	\$47.6/\$1.0
CPRF Total Fund Return/Benchmark Return	24.78%/21.86%	2.42%/2.09%
CFF Average Amount Invested (Millions)	\$1,070	\$1,114
CFF Investment Income (Millions)	\$36.4	\$26.6
CFF Average Yield/Benchmark Yield	3.4%/0.08%	2.4%/0.01%
S&PL Yr-End Assets/Invest Income (Millions)	\$184.1/\$31.8	\$188.4/\$4.9
S&PL Total Fund Return/Benchmark Return	20.4%/18.4%	2.6%/3.8%
DCT Yr-End Assets/Invest Income (Millions)	\$242.7/\$44.3	\$236.7/\$6.6
DCT Total Fund Return/Benchmark Return	21.0%/18.4%	2.8%/3.8%
EET Yr-End Assets/Invest Income (Millions)	\$391.6/\$66.6	\$386.9/\$10.9
EET Total Fund Return/Benchmark Return	20.4%/18.8%	2.9%/3.9%
HCT Yr-End Assets/Invest Income (Millions)	\$107.9/\$18.5	\$106.8/\$3.0
HCT Total Fund Return/Benchmark Return	20.7%/18.4%	2.9%/3.8%

# STATE TREASURER

## 3211 Performance Based Compensation

### MISSION:

To allow the Investment Council to link a portion of total compensation to investment return relative performance; to motivate investment team members and retain those who add value; to focus on long-term investing; to encourage adding value in all financial market conditions.

	ACTUAL FY 2011	ACTUAL FY 2012	BUDGETED FY 2013	REQUESTED FY 2014	GOVERNOR'S RECOMMENDED FY 2014	RECOMMENDED INC/(DEC) FY 2014
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	1,791,964	1,815,181	2,906,221	2,906,221	3,709,706	803,485
<b>Total</b>	<b>\$ 1,791,964</b>	<b>\$ 1,815,181</b>	<b>\$ 2,906,221</b>	<b>\$ 2,906,221</b>	<b>\$ 3,709,706</b>	<b>\$ 803,485</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 1,791,964	\$ 1,815,181	\$ 2,906,221	\$ 2,906,221	\$ 3,709,706	\$ 803,485
Operating Expenses	0	0	0	0	0	0
<b>Total</b>	<b>\$ 1,791,964</b>	<b>\$ 1,815,181</b>	<b>\$ 2,906,221</b>	<b>\$ 2,906,221</b>	<b>\$ 3,709,706</b>	<b>\$ 803,485</b>
<b>Staffing Level FTE:</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

	ACTUAL FY 2011	ACTUAL FY 2012	ESTIMATED FY 2013	ESTIMATED FY 2014
<b>REVENUES</b>				
Investment Management Fees:				
Retirement System (SDRS)	931,974	1,182,421	2,287,434	2,919,843
Cement Plant	5,752	6,945	14,062	17,950
Cash Flow Fund (CFF)	149,152	171,208	333,922	426,241
School & Public Lands (S&PL)	22,925	28,237	55,113	70,351
Dakota Cement Trust (DCT)	31,595	38,156	71,725	91,555
Education Enhancement Trust (EET)	49,357	58,947	111,856	142,781
Health Care Trust (HCT)	13,467	16,229	30,831	39,355
<b>Total</b>	<b>1,204,222</b>	<b>1,502,143</b>	<b>2,904,943</b>	<b>3,708,076</b>

Estimated revenues for fiscal years 2013 and 2014 will be reduced by the prior years' ending cash balances per SDCL4-5-30.

<b>PERFORMANCE INDICATORS</b>		
SDRS 1 yr/4 yr/10 yr annualized returns	25.8%/2.1%/7.0%	1.9%/4.9%/7.8%
Added Value Since Inception 38 yrs/ 39 yrs	10.57%	10.33%
SDRS vs Mellon Billion Dollar Corporate Plan		
Added Value 1 yr/4 yr/10 yr annualized	6.2%/1.1%/1.1%	-2.4%/0.6%/0.7%
SDRS vs Capital Market Benchmark		
Added Value 1 yr/4 yr/10yr annualized	3.8%/1.5%/1.3%	-0.1%/1.7%/1.2%
Added Value Since Inception 38 yrs/39 yrs	.89%	.85%
SDRS vs State Fund Universe		
Added Value 1 yr/4 yr/10yr annualized	4.1%/1.3%/1.4%	0.5%/1.7%/1.4%
Added Value Since Inception 38 yrs/ 39 yrs	1.42%	1.38%
SDRS Investment Income (millions)		
1 year/4 years/10 years	\$1,654/533/4,275	\$143/1,369/4,656
SDRS Add'l Income vs Capital Mkts Bench		
1 year/4 years/10 years	\$245/139/828	\$-9/493/773
Cash Flow Fund Proration Income (millions)		
1 year/4 years/10 years	\$36/174/350	\$26/155/334