

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 2013	ACTUAL FY 2014	BUDGETED FY 2015	REQUESTED FY 2016	GOVERNOR'S RECOMMENDED FY 2016	RECOMMENDED INC/(DEC) FY 2016
FUNDING SOURCE:						
General Funds	\$ 488,592	\$ 499,451	\$ 522,864	\$ 522,864	\$ 522,864	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	11,741,614	19,831,876	19,793,693	22,610,739	22,610,739	2,817,046
Total	\$ 12,230,206	\$ 20,331,327	\$ 20,316,557	\$ 23,133,603	\$ 23,133,603	\$ 2,817,046
EXPENDITURE DETAIL:						
Personal Services	\$ 7,023,776	\$ 8,307,711	\$ 14,448,936	\$ 15,717,593	\$ 15,717,593	\$ 1,268,657
Operating Expenses	5,206,430	12,023,616	5,867,621	7,416,010	7,416,010	1,548,389
Total	\$ 12,230,206	\$ 20,331,327	\$ 20,316,557	\$ 23,133,603	\$ 23,133,603	\$ 2,817,046
Staffing Level FTE:	36.2	35.8	39.0	41.3	41.3	2.3

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 2013	ACTUAL FY 2014	BUDGETED FY 2015	REQUESTED FY 2016	GOVERNOR'S RECOMMENDED FY 2016	RECOMMENDED INC/(DEC) FY 2016
FUNDING SOURCE:						
General Funds	\$ 488,592	\$ 499,451	\$ 522,864	\$ 522,864	\$ 522,864	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	4,000,237	10,803,979	4,294,775	5,797,117	5,797,117	1,502,342
Total	\$ 4,488,829	\$ 11,303,430	\$ 4,817,639	\$ 6,319,981	\$ 6,319,981	\$ 1,502,342
EXPENDITURE DETAIL:						
Personal Services	\$ 600,915	\$ 634,186	\$ 648,444	\$ 648,444	\$ 648,444	\$ 0
Operating Expenses	3,887,914	10,669,243	4,169,195	5,671,537	5,671,537	1,502,342
Total	\$ 4,488,829	\$ 11,303,430	\$ 4,817,639	\$ 6,319,981	\$ 6,319,981	\$ 1,502,342
Staffing Level FTE:	9.0	9.2	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 2013	ACTUAL FY 2014	BUDGETED FY 2015	REQUESTED FY 2016	GOVERNOR'S RECOMMENDED FY 2016	RECOMMENDED INC/(DEC) FY 2016
FUNDING SOURCE:						
General Funds	\$ 488,592	\$ 499,451	\$ 522,864	\$ 522,864	\$ 522,864	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0
Total	\$ 488,592	\$ 499,451	\$ 522,864	\$ 522,864	\$ 522,864	\$ 0
EXPENDITURE DETAIL:						
Personal Services	\$ 353,263	\$ 368,482	\$ 380,263	\$ 380,263	\$ 380,263	\$ 0
Operating Expenses	135,330	130,968	142,601	142,601	142,601	0
Total	\$ 488,592	\$ 499,451	\$ 522,864	\$ 522,864	\$ 522,864	\$ 0
Staffing Level FTE:	5.0	5.1	5.2	5.2	5.2	0.0

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
PERFORMANCE INDICATORS				
Cash Receipt Vouchers Processed	27,012	27,264	28,000	28,000
Checks Received from State Agencies	757,683	716,535	750,000	725,000
Wire Transfers - In and Out	1,883	1,975	2,000	2,000
ACH Volume	1,234,715	1,299,568	1,300,000	1,300,000

Cash Receipts	\$4,621,725,094	\$4,883,828,832	\$4,700,000,000	\$4,900,000,000
Warrants Paid from Treasurer's Account	\$950,554,654	\$922,099,760	\$950,000,000	\$900,000,000
ACH Out	\$3,766,305,322	\$3,936,195,527	\$3,800,000,000	\$4,000,000,000
Warrants Cleared	317,307	304,918	350,000	300,000
Returned Items	622	550	750	550
Interest Earned	\$2,529	\$2,119	\$2,000	\$2,000
Certificates of Deposit	\$20,977,000	\$23,657,000	\$22,000,000	\$24,000,000
Banks/S&L/Credit Unions in CD Program	48/1/6	47/2/4	48/1/6	47/2/4
Public Deposits: All Current Collateral	\$1,891,188,740	\$2,175,370,528	\$1,800,000,000	\$2,200,000,000
Pledged Securities: On File	8,686	9,909	8,700	10,000
Veterinary Student Grants - Total Outstanding	\$355,517	\$220,598	\$160,000	\$88,000

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 2013	ACTUAL FY 2014	BUDGETED FY 2015	REQUESTED FY 2016	GOVERNOR'S RECOMMENDED FY 2016	RECOMMENDED INC/(DEC) FY 2016
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	4,000,237	10,803,979	4,294,775	5,797,117	5,797,117	1,502,342
Total	\$ 4,000,237	\$ 10,803,979	\$ 4,294,775	\$ 5,797,117	\$ 5,797,117	\$ 1,502,342
EXPENDITURE DETAIL:						
Personal Services	\$ 247,653	\$ 265,704	\$ 268,181	\$ 268,181	\$ 268,181	\$ 0
Operating Expenses	3,752,584	10,538,275	4,026,594	5,528,936	5,528,936	1,502,342
Total	\$ 4,000,237	\$ 10,803,979	\$ 4,294,775	\$ 5,797,117	\$ 5,797,117	\$ 1,502,342
Staffing Level FTE:	4.0	4.0	3.8	3.8	3.8	0.0

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
Cash Receipts	35,292,333	124,549,086	64,230,300	64,230,300
Total	35,292,333	124,549,086	64,230,300	64,230,300
PERFORMANCE INDICATORS				
Claims Submitted	8,782	26,950	10,000	10,000
Properties Received	114,423	314,511	150,000	150,000
Properties Paid	9,815	22,035	10,000	10,000
Avg # of Days to Intial Processing of Claim	1.1	1.4	1.1	1.1
Amount of Claims Paid	\$3,481,325	\$10,098,890	\$10,000,000	\$7,500,000
Claims Paid	3,973	10,024	4,500	6,000
Records in Unclaimed Property Database	482,277	796,741	832,277	900,000
Stock Portfolio Valuation	\$4,231,197	\$8,562,604	\$8,000,000	\$8,000,000

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 2013	ACTUAL FY 2014	BUDGETED FY 2015	REQUESTED FY 2016	GOVERNOR'S RECOMMENDED FY 2016	RECOMMENDED INC/(DEC) FY 2016
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	5,482,121	5,876,506	7,152,436	7,670,336	7,670,336	517,900
Total	\$ 5,482,121	\$ 5,876,506	\$ 7,152,436	\$ 7,670,336	\$ 7,670,336	\$ 517,900
EXPENDITURE DETAIL:						
Personal Services	\$ 4,163,605	\$ 4,522,133	\$ 5,454,010	\$ 5,925,863	\$ 5,925,863	\$ 471,853
Operating Expenses	1,318,516	1,354,373	1,698,426	1,744,473	1,744,473	46,047
Total	\$ 5,482,121	\$ 5,876,506	\$ 7,152,436	\$ 7,670,336	\$ 7,670,336	\$ 517,900
Staffing Level FTE:	27.2	26.6	30.0	32.3	32.3	2.3

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
--	-------------------	-------------------	----------------------	----------------------

REVENUES

Investment Management Fees:				
Retirement System (SDRS)	3,934,307	4,847,155	5,759,141	6,176,154
Cement Plant	24,033	28,749		
Cash Flow Fund (CFF)	574,333	681,478	738,847	792,346
School and Public Lands (S&PL)	94,793	119,197	140,903	151,106
Dakota Cement Trust (DCT)	123,364	147,478	169,513	181,787
Education Enhancement Trust (EET)	192,389	232,685	270,362	289,938
Health Care Trust (HCT)	53,029	64,296	73,670	79,004
Total	4,996,248	6,121,038	7,152,436	7,670,335

Estimated revenues for fiscal years 2015 and 2016 will be reduced by the prior years' ending cash balances per SDCL 4-5-30.

PERFORMANCE INDICATORS

SDRS Yr-End Assets/Inv Income (Millions)	\$9,077/\$1,503	\$10,602/\$1,729
SDRS Total Fund Return/Capital Mkt	19.53%/12.73%	18.90%/17.49%
S&PL Yr-End Assets/Invest Income (Millions)	\$222.3/\$33.6	\$256.7/\$36.0
S&PL Total Fund Return/Benchmark Return	17.6%/10.9%	16.1%/15.8%
DCT Yr-End Assets/Invest Income (Millions)	\$268.8/\$42.0	\$302.4/\$44.1
DCT Total Fund Return/Benchmark Return	17.8%/10.9%	16.3%/15.8%
EET Yr-End Assets/Invest Income (Millions)	\$441.0/\$64.6	\$503.3/\$70.0
EET Total Fund Return/Benchmark Return	17.3%/11.3%	16.1%/15.9%
HCT Yr-End Assets/Invest Income (Millions)	\$121.1/\$18.4	\$136.0/\$19.1
HCT Total Fund Return/Benchmark Return	17.9%/10.9%	16.1%/15.8%
CFF Average Amount Invested (Millions)	\$1,188	\$1,271
CFF Investment Income Received (Millions)	\$18.3	\$13.5
CFF Average Yield/Benchmark Yield	1.5%/0.1%	1.0%/1%

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 2013	ACTUAL FY 2014	BUDGETED FY 2015	REQUESTED FY 2016	GOVERNOR'S RECOMMENDED FY 2016	RECOMMENDED INC/(DEC) FY 2016
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	2,259,256	3,151,392	8,346,482	9,143,286	9,143,286	796,804
Total	\$ 2,259,256	\$ 3,151,392	\$ 8,346,482	\$ 9,143,286	\$ 9,143,286	\$ 796,804
EXPENDITURE DETAIL:						
Personal Services	\$ 2,259,256	\$ 3,151,392	\$ 8,346,482	\$ 9,143,286	\$ 9,143,286	\$ 796,804
Operating Expenses	0	0	0	0	0	0
Total	\$ 2,259,256	\$ 3,151,392	\$ 8,346,482	\$ 9,143,286	\$ 9,143,286	\$ 796,804
Staffing Level FTE:	0.0	0.0	0.0	0.0	0.0	0.0

	ACTUAL FY 2013	ACTUAL FY 2014	ESTIMATED FY 2015	ESTIMATED FY 2016
REVENUES				
Investment Management Fees:				
Retirement System (SDRS)	1,779,057	2,462,839	6,720,587	7,362,174
Cement Plant	10,867	14,607		
Cash Flow Fund (CFF)	259,708	346,259	862,192	944,501
School & Public Lands (S&PL)	42,865	60,564	164,426	180,123
Dakota Cement Trust (DCT)	55,784	74,934	197,811	216,696
Education Enhancement Trust (EET)	86,997	118,227	315,497	345,616
Health Care Trust (HCT)	23,979	32,669	85,969	94,176
Total	2,259,257	3,110,099	8,346,482	9,143,286

Estimated revenues for fiscal years 2015 and 2016 will be reduced by the prior years' ending cash balances per SDCL4-5-30.

PERFORMANCE INDICATORS		
SDRS 1yr / 4yr / 10yr annualized returns	19.5%/16.2%/9.2%	18.9%/16.2%/9.4%
Since inception 40 yrs FY 13 / 41 yrs FY 13	10.6%	10.8%
SDRS vs Capital Market Benchmark		
Added Value 1yr / 4yr / 10yr annualized	6.8%/4.8%/1.9%	1.4%/2.9%/1.9%
Added Value Since Inception 40 yrs / 41	1.0%	1.0%
SDRS vs State Fund Universe (prelim)		
Added Value 1yr / 4yr / 10yr annualized	7.3%/4.2%/1.9%	1.5%/3.3%/1.9%
Added Value Since Inception 40 yrs / 41	1.5%	1.5%
SDRS Investment Income (millions)		
1 year /4 years /10 years	\$1503/4350/5937	\$1729/5029/6880
SDRS Add'l Income vs Capital Mkts Bench		
1 year /4 years /10 years	\$532/1200/1330	\$128/897/1403