

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 2015	ACTUAL FY 2016	BUDGETED FY 2017	REQUESTED FY 2018	GOVERNOR'S RECOMMENDED FY 2018	RECOMMENDED INC/(DEC) FY 2018
FUNDING SOURCE:						
General Funds	\$ 493,019	\$ 496,969	\$ 541,831	\$ 541,831	\$ 541,831	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	27,995,197	32,561,569	35,249,669	40,310,270	40,217,406	4,967,737
Total	\$ 28,488,216	\$ 33,058,538	\$ 35,791,500	\$ 40,852,101	\$ 40,759,237	\$ 4,967,737
EXPENDITURE DETAIL:						
Personal Services	\$ 10,875,341	\$ 11,511,452	\$ 17,215,380	\$ 18,216,869	\$ 18,124,005	\$ 908,625
Operating Expenses	17,612,875	21,547,086	18,576,120	22,635,232	22,635,232	4,059,112
Total	\$ 28,488,216	\$ 33,058,538	\$ 35,791,500	\$ 40,852,101	\$ 40,759,237	\$ 4,967,737
Staffing Level FTE:	35.9	39.1	41.3	43.3	43.3	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 2015	ACTUAL FY 2016	BUDGETED FY 2017	REQUESTED FY 2018	GOVERNOR'S RECOMMENDED FY 2018	RECOMMENDED INC/(DEC) FY 2018
FUNDING SOURCE:						
General Funds	\$ 493,019	\$ 496,969	\$ 541,831	\$ 541,831	\$ 541,831	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	16,361,521	20,182,086	16,921,357	20,920,157	20,920,157	3,998,800
Total	\$ 16,854,540	\$ 20,679,055	\$ 17,463,188	\$ 21,461,988	\$ 21,461,988	\$ 3,998,800
EXPENDITURE DETAIL:						
Personal Services	\$ 632,482	\$ 638,021	\$ 691,333	\$ 691,333	\$ 691,333	\$ 0
Operating Expenses	16,222,059	20,041,034	16,771,855	20,770,655	20,770,655	3,998,800
Total	\$ 16,854,540	\$ 20,679,055	\$ 17,463,188	\$ 21,461,988	\$ 21,461,988	\$ 3,998,800
Staffing Level FTE:	8.8	8.9	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 2015	ACTUAL FY 2016	BUDGETED FY 2017	REQUESTED FY 2018	GOVERNOR'S RECOMMENDED FY 2018	RECOMMENDED INC/(DEC) FY 2018
FUNDING SOURCE:						
General Funds	\$ 493,019	\$ 496,969	\$ 541,831	\$ 541,831	\$ 541,831	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0
Total	\$ 493,019	\$ 496,969	\$ 541,831	\$ 541,831	\$ 541,831	\$ 0
EXPENDITURE DETAIL:						
Personal Services	\$ 373,796	\$ 367,805	\$ 394,755	\$ 394,755	\$ 394,755	\$ 0
Operating Expenses	119,224	129,164	147,076	147,076	147,076	0
Total	\$ 493,019	\$ 496,969	\$ 541,831	\$ 541,831	\$ 541,831	\$ 0
Staffing Level FTE:	5.1	4.8	5.2	5.2	5.2	0.0

	ACTUAL FY 2015	ACTUAL FY 2016	ESTIMATED FY 2017	ESTIMATED FY 2018
PERFORMANCE INDICATORS				
Cash Receipt Vouchers Processed	29,281	29,950	30,000	30,000
Checks Received from State Agencies	693,917	714,953	700,000	700,000
Wire Transfers - In and Out	2,221	2,264	2,500	2,500
ACH Volume	1,363,161	1,395,504	1,500,000	1,500,000

Cash Receipts	\$4,917,575,368	\$4,955,107,398	\$5,000,000,000	\$5,500,000,000
Warrants Paid from Treasurer's Account	\$851,866,024	\$861,460,010	\$850,000,000	\$850,000,000
ACH Out	\$4,169,639,534	\$4,361,172,268	\$4,500,000,000	\$5,000,000,000
Warrants Cleared	295,783	267,715	250,000	225,000
Returned Items	508	420	400	400
Interest Earned	\$1,033	\$2,669	\$2,000	\$2,000
Certificates of Deposit	\$35,000,000	\$30,554,000	\$30,000,000	\$30,000,000
Banks/S&L/Credit Unions in CD Program	49/2/6	42/2/4	42/2/4	42/2/4
Public Deposits: All Current Collateral	\$2,261,335,532	\$2,303,707,247	\$2,300,000,000	\$2,300,000,000
Veterinary Student Grants Repayment Balance	\$148,282	\$103,046	\$200,000	\$200,000
Number of Veterinary Students Repaying Grants	5	4	5	4

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 2015	ACTUAL FY 2016	BUDGETED FY 2017	REQUESTED FY 2018	GOVERNOR'S RECOMMENDED FY 2018	RECOMMENDED INC/(DEC) FY 2018
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	16,361,521	20,182,086	16,921,357	20,920,157	20,920,157	3,998,800
Total	\$ 16,361,521	\$ 20,182,086	\$ 16,921,357	\$ 20,920,157	\$ 20,920,157	\$ 3,998,800
EXPENDITURE DETAIL:						
Personal Services	\$ 258,686	\$ 270,216	\$ 296,578	\$ 296,578	\$ 296,578	\$ 0
Operating Expenses	16,102,835	19,911,870	16,624,779	20,623,579	20,623,579	3,998,800
Total	\$ 16,361,521	\$ 20,182,086	\$ 16,921,357	\$ 20,920,157	\$ 20,920,157	\$ 3,998,800
Staffing Level FTE:	3.7	4.1	3.8	3.8	3.8	0.0

	ACTUAL FY 2015	ACTUAL FY 2016	ESTIMATED FY 2017	ESTIMATED FY 2018
REVENUES				
Cash Receipts	69,275,794	75,262,672	65,000,000	65,000,000
Total	69,275,794	75,262,672	65,000,000	65,000,000

PERFORMANCE INDICATORS

Claims Submitted	12,625	20,530	20,000	20,000
Properties Received	142,928	119,294	120,000	120,000
Properties Paid	81,322	15,713	20,000	20,000
Avg # of Days to Intial Processing of Claim	1.1	1.2	1.1	1.1
Amount of Claims Paid	\$15,712,105	\$19,407,853	\$20,000,000	\$20,000,000
Claims Paid	4,500	5,127	5,500	6,000
Claimable Properties in Database	939,669	846,673	950,000	1,000,000
Stock Portfolio Valuation	\$10,083,195	\$9,732,142	\$9,000,000	\$9,000,000

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 2015	ACTUAL FY 2016	BUDGETED FY 2017	REQUESTED FY 2018	GOVERNOR'S RECOMMENDED FY 2018	RECOMMENDED INC/(DEC) FY 2018
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	6,254,143	6,907,849	8,175,588	8,623,123	8,530,259	354,671
Total	\$ 6,254,143	\$ 6,907,849	\$ 8,175,588	\$ 8,623,123	\$ 8,530,259	\$ 354,671
EXPENDITURE DETAIL:						
Personal Services	\$ 4,863,327	\$ 5,401,796	\$ 6,371,323	\$ 6,758,546	\$ 6,665,682	\$ 294,359
Operating Expenses	1,390,816	1,506,053	1,804,265	1,864,577	1,864,577	60,312
Total	\$ 6,254,143	\$ 6,907,849	\$ 8,175,588	\$ 8,623,123	\$ 8,530,259	\$ 354,671
Staffing Level FTE:	27.2	30.3	32.3	34.3	34.3	2.0

	ACTUAL FY 2015	ACTUAL FY 2016	ESTIMATED FY 2017	ESTIMATED FY 2018
REVENUES				
Investment Management Fees:				
Retirement System (SDRS)	5,204,466	4,170,849	4,481,091	7,564,694
Cash Flow Fund (CFF)	667,687	269,248	267,055	451,790
School and Public Lands (S&PL)	127,332	102,938	112,296	189,829
Dakota Cement Trust (DCT)	153,187	121,256	129,615	219,166
Education Enhancement Trust (EET)	244,323	195,909	212,042	358,087
Health Care Trust (HCT)	66,575	52,847	56,583	95,777
Total	6,463,570	4,913,047	5,258,682	8,879,343

PERFORMANCE INDICATORS		
SDRS Yr-End Assets/Inv Income (Millions)	\$10,766/\$457	\$10,502/\$56
SDRS Total Fund Return/Capital Mkt Benchmark	4.18%/2.09%	0.30%/2.88%
S&PL Yr-End Assets/Invest Income (Millions)	\$264.0/\$10.7	\$259.8/\$0.1
S&PL Total Fund Return/Benchmark Return	4.20%/2.89%	-0.01%/4.30%
DCT Yr-End Assets/Invest Income (Millions)	\$305.4/\$14.1	\$294.6/\$1.3
DCT Total Fund Return/Benchmark Return	4.56%/2.89%	0.21%/4.30%
EET Yr-End Assets/Invest Income (Millions)	\$514.2/\$21.6	\$507.9/\$1.0
EET Total Fund Return/Benchmark Return	4.30%/2.92%	-0.09%/4.33%
HCT Yr-End Assets/Invest Income (Millions)	\$137.5/\$6.0	\$133.2/\$0.6
HCT Total Fund Return/Benchmark Return	4.43%/2.89%	0.23%/4.30%
CFF Average Amount Invested (Millions)	\$1,346	\$1,335
CFF Investment Income Received (Millions)	\$18.2	\$18.0
CFF Average Yield/Benchmark Yield	1.3%/0.02%	1.4%/0.13%

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 2015	ACTUAL FY 2016	BUDGETED FY 2017	REQUESTED FY 2018	GOVERNOR'S RECOMMENDED FY 2018	RECOMMENDED INC/(DEC) FY 2018
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	5,379,533	5,471,634	10,152,724	10,766,990	10,766,990	614,266
Total	\$ 5,379,533	\$ 5,471,634	\$ 10,152,724	\$ 10,766,990	\$ 10,766,990	\$ 614,266
EXPENDITURE DETAIL:						
Personal Services	\$ 5,379,533	\$ 5,471,634	\$ 10,152,724	\$ 10,766,990	\$ 10,766,990	\$ 614,266
Operating Expenses	0	0	0	0	0	0
Total	\$ 5,379,533	\$ 5,471,634	\$ 10,152,724	\$ 10,766,990	\$ 10,766,990	\$ 614,266
Staffing Level FTE:	0.0	0.0	0.0	0.0	0.0	0.0

	ACTUAL FY 2015	ACTUAL FY 2016	ESTIMATED FY 2017	ESTIMATED FY 2018
REVENUES				
Investment Management Fees:				
Retirement System (SDRS)	6,271,033	4,935,509	5,543,721	9,434,618
Cement Plant				
Cash Flow Fund (CFF)	804,518			
School & Public Lands (S&PL)	153,427	121,817	138,926	236,753
Dakota Cement Trust (DCT)	184,579	143,495	160,351	273,342
Education Enhancement Trust (EET)	294,393	231,840	262,325	446,603
Health Care Trust (HCT)	80,218	62,539	70,001	119,453
Total	7,788,168	5,495,200	6,175,324	10,510,769

PERFORMANCE INDICATORS		
SDRS 1yr / 4yr / 10yr annualized returns	4.2%/10.8%/8.5%	.3%/10.4%/7.2%
Since inception 42 yrs FY 15 / 43 yrs FY 16	10.6%	10.3%
SDRS vs Capital Market Benchmark		
Added Value 1yr / 4yr / 10yr annualized	2.1%/2.5%/1.8%	-2.6%/1.8%/1.2%
Added Value Since Inception 42 yrs / 43yrs	1.0%	.9%
SDRS vs State Fund Universe (prelim)		
Added Value 1yr / 4yr / 10yr annualized	.3%/2.4%/1.6%	-.8%/2.1%/1.5%
Added Value Since Inception 42 yrs / 43 yrs	1.4%	1.3%
SDRS Investment Income (millions)		
1 year /4 years /10 years	\$457/3832/6610	\$56/3745/5867
SDRS Add'l Income vs Capital Mkts Bench		
1 year /4 years /10 years	\$221/873/1420	\$-278/608/995