

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 2016	ACTUAL FY 2017	BUDGETED FY 2018	REQUESTED FY 2019	GOVERNOR'S RECOMMENDED FY 2019	RECOMMENDED INC/(DEC) FY 2019
FUNDING SOURCE:						
General Funds	\$ 496,969	\$ 516,850	\$ 542,533	\$ 542,533	\$ 542,533	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	32,561,569	40,240,357	40,220,364	49,111,808	49,020,867	8,800,503
Total	\$ 33,058,538	\$ 40,757,208	\$ 40,762,897	\$ 49,654,341	\$ 49,563,400	\$ 8,800,503
EXPENDITURE DETAIL:						
Personal Services	\$ 11,511,452	\$ 10,869,049	\$ 18,127,325	\$ 18,888,257	\$ 18,797,316	\$ 669,991
Operating Expenses	21,547,086	29,888,159	22,635,572	30,766,084	30,766,084	8,130,512
Total	\$ 33,058,538	\$ 40,757,208	\$ 40,762,897	\$ 49,654,341	\$ 49,563,400	\$ 8,800,503
Staffing Level FTE:	39.1	39.5	43.3	43.3	43.3	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 2016	ACTUAL FY 2017	BUDGETED FY 2018	REQUESTED FY 2019	GOVERNOR'S RECOMMENDED FY 2019	RECOMMENDED INC/(DEC) FY 2019
FUNDING SOURCE:						
General Funds	\$ 496,969	\$ 516,850	\$ 542,533	\$ 542,533	\$ 542,533	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	20,182,086	28,374,997	20,920,743	28,920,743	28,920,743	8,000,000
Total	\$ 20,679,055	\$ 28,891,847	\$ 21,463,276	\$ 29,463,276	\$ 29,463,276	\$ 8,000,000
EXPENDITURE DETAIL:						
Personal Services	\$ 638,021	\$ 674,928	\$ 692,080	\$ 692,080	\$ 692,080	\$ 0
Operating Expenses	20,041,034	28,216,919	20,771,196	28,771,196	28,771,196	8,000,000
Total	\$ 20,679,055	\$ 28,891,847	\$ 21,463,276	\$ 29,463,276	\$ 29,463,276	\$ 8,000,000
Staffing Level FTE:	8.9	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 2016	ACTUAL FY 2017	BUDGETED FY 2018	REQUESTED FY 2019	GOVERNOR'S RECOMMENDED FY 2019	RECOMMENDED INC/(DEC) FY 2019
FUNDING SOURCE:						
General Funds	\$ 496,969	\$ 516,850	\$ 542,533	\$ 542,533	\$ 542,533	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0
Total	\$ 496,969	\$ 516,850	\$ 542,533	\$ 542,533	\$ 542,533	\$ 0
EXPENDITURE DETAIL:						
Personal Services	\$ 367,805	\$ 385,271	\$ 395,182	\$ 395,182	\$ 395,182	\$ 0
Operating Expenses	129,164	131,579	147,351	147,351	147,351	0
Total	\$ 496,969	\$ 516,850	\$ 542,533	\$ 542,533	\$ 542,533	\$ 0
Staffing Level FTE:	4.8	4.8	5.2	5.2	5.2	0.0

	ACTUAL FY 2016	ACTUAL FY 2017	ESTIMATED FY 2018	ESTIMATED FY 2019
PERFORMANCE INDICATORS				
Cash Receipt Vouchers Processed	29,950	30,935	30,000	31,000
Checks Received from State Agencies	714,953	645,501	700,000	625,000
Wire Transfers - In and Out	2,264	1,787	2,500	2,000
ACH Volume	1,395,504	1,433,389	1,500,000	1,500,000
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Cash Receipts	\$4,955,107,398	\$5,197,293,409	\$5,500,000,000	\$5,500,000,000
Warrants Paid from Treasurer's Account	\$861,460,010	\$809,462,964	\$850,000,000	\$825,000,000
ACH Out	\$4,361,172,268	\$4,594,508,272	\$5,000,000,000	\$5,000,000,000
Warrants Cleared	267,715	250,666	225,000	250,000
Returned Items	420	496	400	450
Interest Earned	\$2,669	\$3,818	\$2,000	\$3,000
Certificates of Deposit	\$30,554,000	\$29,211,000	\$30,000,000	\$30,000,000
Banks/S&L/Credit Unions in CD Program	42/2/4	40/1/5	42/2/4	40/1/5
Public Deposits: All Current Collateral	\$2,303,707,247	\$2,220,832,602	\$2,300,000,000	\$2,300,000,000
Veterinary Student Grants Repayment Balance	\$103,046	\$207,078	\$200,000	\$200,000
Number of Veterinary Students Repaying Grants	4	5	4	0

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 2016	ACTUAL FY 2017	BUDGETED FY 2018	REQUESTED FY 2019	GOVERNOR'S RECOMMENDED FY 2019	RECOMMENDED INC/(DEC) FY 2019
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	20,182,086	28,374,997	20,920,743	28,920,743	28,920,743	8,000,000
Total	\$ 20,182,086	\$ 28,374,997	\$ 20,920,743	\$ 28,920,743	\$ 28,920,743	\$ 8,000,000
EXPENDITURE DETAIL:						
Personal Services	\$ 270,216	\$ 289,657	\$ 296,898	\$ 296,898	\$ 296,898	\$ 0
Operating Expenses	19,911,870	28,085,340	20,623,845	28,623,845	28,623,845	8,000,000
Total	\$ 20,182,086	\$ 28,374,997	\$ 20,920,743	\$ 28,920,743	\$ 28,920,743	\$ 8,000,000
Staffing Level FTE:	4.1	4.2	3.8	3.8	3.8	0.0

	ACTUAL FY 2016	ACTUAL FY 2017	ESTIMATED FY 2018	ESTIMATED FY 2019
REVENUES				
Cash Receipts	75,262,672	72,688,128	72,130,000	73,360,000
Mandatory Stock Sale		12,714,729	800,000	750,000
Total	75,262,672	85,402,857	72,930,000	74,110,000

	ACTUAL FY 2016	ACTUAL FY 2017	ESTIMATED FY 2018	ESTIMATED FY 2019
PERFORMANCE INDICATORS				
Claims Submitted	20,530	10,597	15,000	15,000
Properties Received	119,294	133,499	120,000	120,000
Properties Paid	15,713	10,894	15,000	15,000
Avg # of Days to Intial Processing of Claim	1.2	1.1	1.1	1.1
Amount of Claims Paid	\$19,407,853	\$27,558,407	\$27,000,000	28,000,000
Claims Paid	5,127	3,162	5,000	5,000
Claimable Properties in Database	846,673	965,473	980,000	1,000,000
Stock Portfolio Valuation	\$9,732,142	\$3,253,115	\$800,000	\$750,000

STATE TREASURER

3210 Investment of State Funds

Mission:

To manage the South Dakota Retirement System assets in order to obtain maximum long-term total returns consistent with prudent risk; to manage the state's cash flow fund in order to obtain maximum long-term 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 2016	ACTUAL FY 2017	BUDGETED FY 2018	REQUESTED FY 2019	GOVERNOR'S RECOMMENDED FY 2019	RECOMMENDED INC/(DEC) FY 2019
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	6,907,849	7,468,101	8,532,631	8,889,009	8,798,068	265,437
Total	\$ 6,907,849	\$ 7,468,101	\$ 8,532,631	\$ 8,889,009	\$ 8,798,068	\$ 265,437
EXPENDITURE DETAIL:						
Personal Services	\$ 5,401,796	\$ 5,796,862	\$ 6,668,255	\$ 6,894,121	\$ 6,803,180	\$ 134,925
Operating Expenses	1,506,053	1,671,240	1,864,376	1,994,888	1,994,888	130,512
Total	\$ 6,907,849	\$ 7,468,101	\$ 8,532,631	\$ 8,889,009	\$ 8,798,068	\$ 265,437
Staffing Level FTE:	30.3	30.5	34.3	34.3	34.3	0.0

	ACTUAL FY 2016	ACTUAL FY 2017	ESTIMATED FY 2018	ESTIMATED FY 2019
REVENUES				
Investment Management Fees:				
Retirement System (SDRS)	4,170,849	5,785,808	5,014,624	7,873,062
Cash Flow Fund (CFF)	269,248	267,055	259,845	302,866
School and Public Lands (S&PL)	102,938	144,993	123,811	194,561
Dakota Cement Trust (DCT)	121,256	167,353	139,906	219,436
Education Enhancement Trust (EET)	195,909	273,780	234,243	367,800
Health Care Trust (HCT)	52,847	73,058	61,131	95,948
Total	4,913,047	6,712,047	5,833,560	9,053,673

PERFORMANCE INDICATORS				
SDRS Yr-End Assets/Inv Income (Millions)	\$10,502/\$56	\$11,632/\$1,465		0
SDRS Total Fund Return/Capital Mkt Benchmark	0.30%/2.88%	13.81%/10.96%		0
S&PL Yr-End Assets/Invest Income (Millions)	\$259.8/\$0.1	\$286.4/\$30.7		0
S&PL Total Fund Return/Benchmark Return	-0.01%/4.30%	11.68%/9.96%		0
DCT Yr-End Assets/Invest Income (Millions)	\$294.6/\$1.3	\$316.5/\$34.6		0
DCT Total Fund Return/Benchmark Return	0.21%/4.30%	11.55%/9.96%		0
EET Yr-End Assets/Invest Income (Millions)	\$507.9/\$1.0	\$554.5/\$57.9		0
EET Total Fund Return/Benchmark Return	-0.09%/4.33%	11.52%/10.01%		0
HCT Yr-End Assets/Invest Income (Millions)	\$133.2/\$0.6	\$143.0/\$15.1		0
HCT Total Fund Return/Benchmark Return	0.23%/4.30%	11.58%/9.96%		0
CFF Average Amount Invested (Millions)	\$1,335	\$1,299		0
CFF Investment Income Received (Millions)	\$18.0	\$16.4		0
CFF Average Yield/Benchmark Yield	1.4%/1.13%	1.3%/1.46%		0

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 2016	ACTUAL FY 2017	BUDGETED FY 2018	REQUESTED FY 2019	GOVERNOR'S RECOMMENDED FY 2019	RECOMMENDED INC/(DEC) FY 2019
FUNDING SOURCE:						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	5,471,634	4,397,259	10,766,990	11,302,056	11,302,056	535,066
Total	\$ 5,471,634	\$ 4,397,259	\$ 10,766,990	\$ 11,302,056	\$ 11,302,056	\$ 535,066
EXPENDITURE DETAIL:						
Personal Services	\$ 5,471,634	\$ 4,397,259	\$ 10,766,990	\$ 11,302,056	\$ 11,302,056	\$ 535,066
Operating Expenses	0	0	0	0	0	0
Total	\$ 5,471,634	\$ 4,397,259	\$ 10,766,990	\$ 11,302,056	\$ 11,302,056	\$ 535,066
Staffing Level FTE:	0.0	0.0	0.0	0.0	0.0	0.0

	ACTUAL FY 2016	ACTUAL FY 2017	ESTIMATED FY 2018	ESTIMATED FY 2019
REVENUES				
Investment Management Fees:				
Retirement System (SDRS)	4,935,509	4,657,889	6,330,679	10,020,260
School & Public Lands (S&PL)	121,817	116,727	156,304	247,623
Dakota Cement Trust (DCT)	143,495	134,729	176,623	279,283
Education Enhancement Trust (EET)	231,840	220,408	295,719	468,109
Health Care Trust (HCT)	62,539	58,816	77,174	122,116
Total	5,495,200	5,188,569	7,036,499	11,137,391

	ACTUAL FY 2016	ACTUAL FY 2017	ESTIMATED FY 2018	ESTIMATED FY 2019
PERFORMANCE INDICATORS				
SDRS 1yr / 4yr / 10yr annualized returns	.3%/10.4%/7.2%	13.8%/9.1%/6.1%		0
Since inception 43 yrs FY 16 / 44 yrs FY 17	10.3%	10.4%		0
SDRS vs Capital Market Benchmark				0
Added Value 1yr / 4yr / 10yr annualized	-2.6%/1.8%/1.2%	2.9%/ .9%/1.2%		0
Added Value Since Inception 43 yrs / 44yrs	.9%	1.0%		0
SDRS vs State Fund Universe (prelim)				0
Added Value 1yr / 4yr / 10yr annualized	-.8%/2.1%/1.5%	1.5%/ .8%/1.3%		0
Added Value Since Inception 43 yrs / 44 yrs	1.3%	1.3%		0
SDRS Investment Income (millions)				0
1 year /4 years /10 years	\$56/3745/5867	\$1465/3706/5886		0
SDRS Add'l Income vs Capital Mkts Bench				0
1 year /4 years /10 years	\$-278/608/995	\$299/370/1033		0