

# 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 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 516,850	\$ 512,480	\$ 547,449	\$ 547,449	\$ 547,449	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	40,240,357	41,454,205	49,107,585	49,597,350	49,597,350	489,765
Total	<u>\$ 40,757,208</u>	<u>\$ 41,966,685</u>	<u>\$ 49,655,034</u>	<u>\$ 50,144,799</u>	<u>\$ 50,144,799</u>	<u>\$ 489,765</u>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 10,869,049	\$ 11,222,866	\$ 18,882,955	\$ 19,122,421	\$ 19,122,421	\$ 239,466
Operating Expenses	29,888,159	30,743,819	30,772,079	31,022,378	31,022,378	250,299
Total	<u>\$ 40,757,208</u>	<u>\$ 41,966,685</u>	<u>\$ 49,655,034</u>	<u>\$ 50,144,799</u>	<u>\$ 50,144,799</u>	<u>\$ 489,765</u>
Staffing Level FTE:	39.5	40.0	43.3	44.3	44.3	1.0

# 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 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 516,850	\$ 512,480	\$ 547,449	\$ 547,449	\$ 547,449	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	28,374,997	29,227,280	28,924,562	28,924,562	28,924,562	0
Total	\$ 28,891,847	\$ 29,739,759	\$ 29,472,011	\$ 29,472,011	\$ 29,472,011	\$ 0
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 674,928	\$ 688,723	\$ 699,412	\$ 699,412	\$ 699,412	\$ 0
Operating Expenses	28,216,919	29,051,037	28,772,599	28,772,599	28,772,599	0
Total	\$ 28,891,847	\$ 29,739,759	\$ 29,472,011	\$ 29,472,011	\$ 29,472,011	\$ 0
Staffing Level FTE:	9.0	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 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 516,850	\$ 512,480	\$ 547,449	\$ 547,449	\$ 547,449	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0
Total	<u>\$ 516,850</u>	<u>\$ 512,480</u>	<u>\$ 547,449</u>	<u>\$ 547,449</u>	<u>\$ 547,449</u>	<u>\$ 0</u>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 385,271	\$ 389,115	\$ 399,386	\$ 399,386	\$ 399,386	\$ 0
Operating Expenses	131,579	123,365	148,063	148,063	148,063	0
Total	<u>\$ 516,850</u>	<u>\$ 512,480</u>	<u>\$ 547,449</u>	<u>\$ 547,449</u>	<u>\$ 547,449</u>	<u>\$ 0</u>
Staffing Level FTE:	4.8	4.8	4.8	4.8	4.8	0.0

	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>PERFORMANCE INDICATORS</b>				
Cash Receipt Vouchers Processed	30,935	30,654	31,000	31,000
Checks Received from State Agencies	645,501	603,753	625,000	605,000
Wire Transfers - In and Out	1,787	2,497	2,000	2,500
ACH Volume	1,433,389	1,458,869	1,500,000	1,500,000
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Cash Receipts	\$5,197,293,409	\$5,205,063,550	\$5,500,000,000	\$5,500,000,000
Warrants Paid from Treasurer's Account	\$809,462,964	\$830,575,396	\$825,000,000	\$830,000,000
ACH Out	\$4,594,508,272	\$4,636,489,652	\$5,000,000,000	\$5,000,000,000
Warrants Cleared	250,666	249,127	250,000	245,000
Returned Items	496	456	450	450
Interest Earned*	\$3,818	\$37,771	\$40,000	\$40,000
Certificates of Deposit	\$29,211,000	\$23,478,000	\$30,000,000	\$25,000,000
Banks/S&L/Credit Unions in CD Program	40/1/5	36/1/4	40/1/5	36/1/4
Public Deposits: All Current Collateral	\$2,220,832,602	\$2,231,183,652	\$2,300,000,000	\$2,300,000,000
Veterinary Student Grants Repayment Balance	\$207,078	\$260,200	\$200,000	\$200,000
Number of Veterinary Students Repaying Grants	5	6	5	5

\*New bank contract requires use of collected funds when maintaining the balance. Increase in interest paid is a result of leaving a higher balance in the account.

# 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 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	28,374,997	29,227,280	28,924,562	28,924,562	28,924,562	0
<b>Total</b>	<b>\$ 28,374,997</b>	<b>\$ 29,227,280</b>	<b>\$ 28,924,562</b>	<b>\$ 28,924,562</b>	<b>\$ 28,924,562</b>	<b>\$ 0</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 289,657	\$ 299,608	\$ 300,026	\$ 300,026	\$ 300,026	\$ 0
Operating Expenses	28,085,340	28,927,672	28,624,536	28,624,536	28,624,536	0
<b>Total</b>	<b>\$ 28,374,997</b>	<b>\$ 29,227,280</b>	<b>\$ 28,924,562</b>	<b>\$ 28,924,562</b>	<b>\$ 28,924,562</b>	<b>\$ 0</b>
Staffing Level FTE:	4.2	4.2	4.2	4.2	4.2	0.0

	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>REVENUES</b>				
Cash Receipts	72,688,128	79,629,985	75,200,000	75,200,000
Mandatory Stock Sale	12,714,729	2,412,353	2,500,000	2,500,000
<b>Total</b>	<b>85,402,857</b>	<b>82,042,338</b>	<b>77,700,000</b>	<b>77,700,000</b>

<b>PERFORMANCE INDICATORS</b>				
Claims Submitted	10,597	16,169	16,000	16,000
Properties Received	133,499	188,139	150,000	150,000
Properties Paid	10,894	14,072	15,000	15,000
Avg # of Days to Initial Processing of Claim	1.1	1.1	1.1	1.1
Amount of Claims Paid	\$27,558,407	\$27,207,055	\$27,500,000	\$27,500,000
Claims Paid	3,162	5,822	6,000	6,000
Claimable Properties in Database	965,473	1,142,806	1,250,000	1,500,000
Stock Portfolio Valuation	\$3,253,115	\$890,052	\$500,000	\$500,000

# 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 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	7,468,101	7,727,966	8,880,967	9,344,060	9,344,060	463,093
<b>Total</b>	<b>\$ 7,468,101</b>	<b>\$ 7,727,966</b>	<b>\$ 8,880,967</b>	<b>\$ 9,344,060</b>	<b>\$ 9,344,060</b>	<b>\$ 463,093</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 5,796,862	\$ 6,035,183	\$ 6,881,487	\$ 7,094,281	\$ 7,094,281	\$ 212,794
Operating Expenses	1,671,240	1,692,782	1,999,480	2,249,779	2,249,779	250,299
<b>Total</b>	<b>\$ 7,468,101</b>	<b>\$ 7,727,966</b>	<b>\$ 8,880,967</b>	<b>\$ 9,344,060</b>	<b>\$ 9,344,060</b>	<b>\$ 463,093</b>
<b>Staffing Level FTE:</b>	<b>30.5</b>	<b>31.0</b>	<b>34.3</b>	<b>35.3</b>	<b>35.3</b>	<b>1.0</b>

	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>REVENUES</b>				
Investment Management Fees:				
Retirement System (SDRS)	10,443,697	11,235,502	9,864,781	12,243,265
Cash Flow Fund (CFF)	267,055	259,845	268,437	270,000
School and Public Lands (S&PL)	261,720	277,404	245,974	304,656
Dakota Cement Trust (DCT)	302,082	313,465	270,683	336,052
Education Enhancement Trust (EET)	494,188	524,835	463,868	575,007
Health Care Trust (HCT)	131,874	136,966	117,933	146,572
<b>Total</b>	<b>11,900,616</b>	<b>12,748,017</b>	<b>11,231,676</b>	<b>13,875,552</b>

### PERFORMANCE INDICATORS

SDRS Yr-End Assets/Inv Income (Millions)	\$11,632/\$1,465	\$12,222/\$957.1
SDRS Total Fund Return/Capital Mkt Benchmark	13.81%/10.96%	7.94%/7.33%
S&PL Yr-End Assets/Invest Income (Millions)	\$286.4/\$30.7	\$302.2/\$20.3
S&PL Total Fund Return/Benchmark Return	11.68%/9.96%	6.80%/6.82%
DCT Yr-End Assets/Invest Income (Millions)	\$316.5/\$34.6	\$325.5/\$22.5
DCT Total Fund Return/Benchmark Return	11.55%/9.96%	6.78%/6.82%
EET Yr-End Assets/Invest Income (Millions)	\$554.5/\$57.9	\$602.6/\$38.8
EET Total Fund Return/Benchmark Return	11.52%/10.01%	6.82%/6.90%
HCT Yr-End Assets/Invest Income (Millions)	\$143.0/\$15.1	\$147.1/\$9.8
HCT Total Fund Return/Benchmark Return	11.58%/9.96%	6.76%/6.82%
CFF Average Amount Invested (Millions)	\$1,299	\$1,345
CFF Investment Income Received (Millions)	\$16.4	\$16.2
CFF Average Yield/Benchmark Yield	1.3%/ .46%	1.26%/1.20%

# 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 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	4,397,259	4,498,960	11,302,056	11,328,728	11,328,728	26,672
<b>Total</b>	<b>\$ 4,397,259</b>	<b>\$ 4,498,960</b>	<b>\$ 11,302,056</b>	<b>\$ 11,328,728</b>	<b>\$ 11,328,728</b>	<b>\$ 26,672</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 4,397,259	\$ 4,498,960	\$ 11,302,056	\$ 11,328,728	\$ 11,328,728	\$ 26,672
Operating Expenses	0	0	0	0	0	0
<b>Total</b>	<b>\$ 4,397,259</b>	<b>\$ 4,498,960</b>	<b>\$ 11,302,056</b>	<b>\$ 11,328,728</b>	<b>\$ 11,328,728</b>	<b>\$ 26,672</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 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>PERFORMANCE INDICATORS</b>				
SDRS 1yr / 4yr / 10yr annualized returns	13.8%/9.1%/6.1%	7.94%/6.44/8.26		
Since inception 43 yrs FY 16 / 44 yrs FY 17	10.4%	10.36%		
SDRS vs Capital Market Benchmark				
Added Value 1yr / 4yr / 10yr annualized	2.9%/.9%/1.2%	.61%/.68%/1.75%		
Added Value Since Inception 43 yrs / 44yrs	1.0%	.98%		
SDRS vs State Fund Universe (prelim)				
Added Value 1yr / 4yr / 10yr annualized	1.5%/.8%/1.3%	-.61%/.07%/1.35%		
Added Value Since Inception 43 yrs / 44 yrs	1.3%	.82%		
SDRS Investment Income (millions)				
1 year /4 years /10 years	\$1465/3706/5886	\$957/2,935/7,535		
SDRS Add'l Income vs Capital Mkts Bench				
1 year /4 years /10 years	\$299/370/1033	\$71/313/1,466		