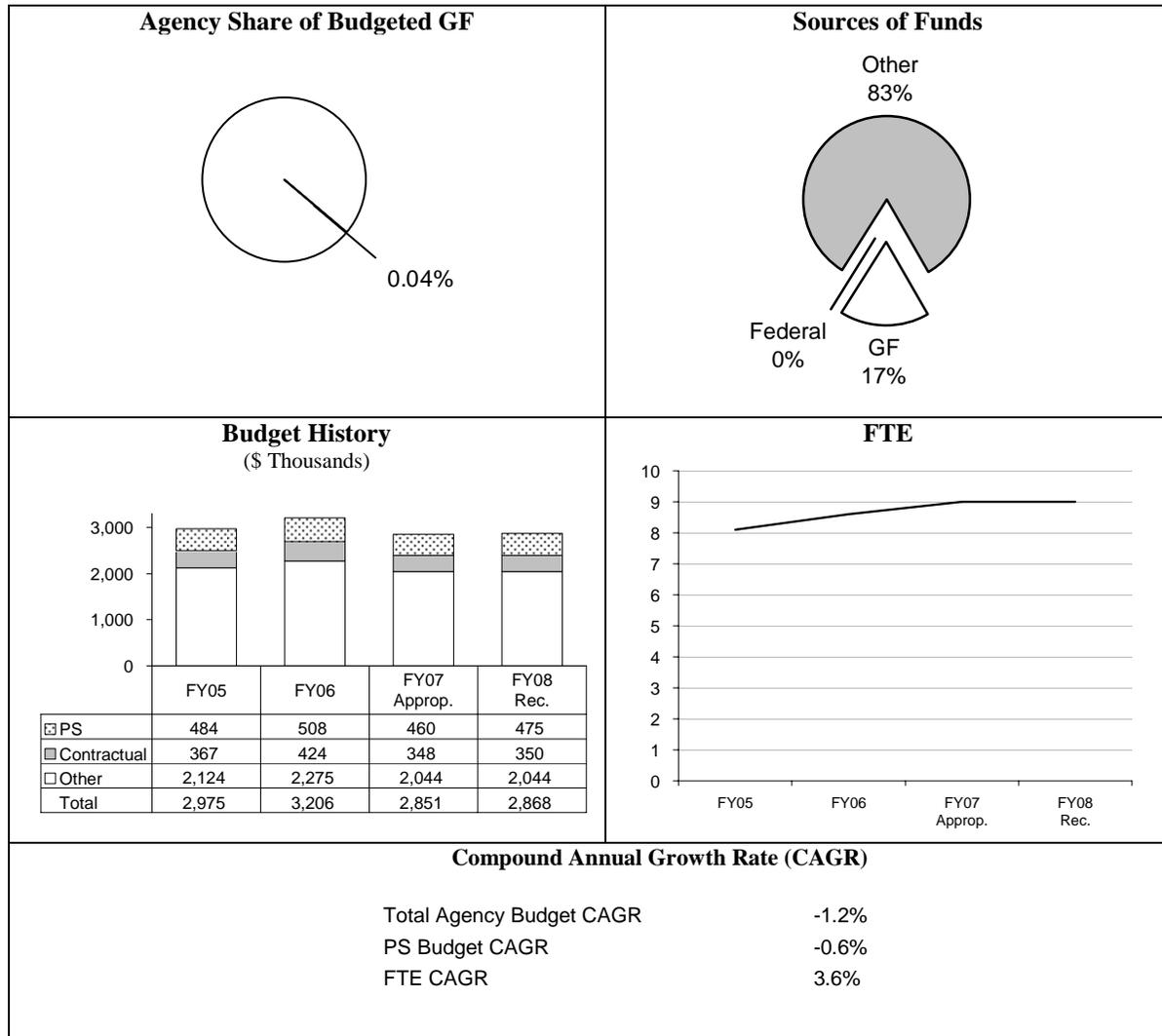


FY 2008 Budget Briefing

State Treasurer

Excluding the Investment Council



Key Responsibilities

The State Treasurer is responsible for the management of the state's treasury. Duties include accounting, support of other state agencies, banking, bond management, data processing, supervision and regulation of public funds insurance, coordination with the State Auditor for payment of warrants, and unclaimed property management. The State Treasurer also is a member of the State Investment Council, monitoring the investment of public funds.

Key Personnel

- Vern Larson, State Treasurer
- Mike Mehlhaff, Deputy State Treasurer
- Sandra Tillman, Cash Manager
- Claudean Hluchy, Finance Officer

Department Total (excluding the Investment Council)

The State Treasurer requests \$2,851,488 (\$486,866 from the State General Fund) and 9.0 FTEs. This is the same amount as the Legislature approved for FY2007. The Governor recommends \$2,868,010 (\$497,568 from the State General Fund) and 9.0 FTEs. This is an increase of \$16,522 (0.6%) from FY2007 and the agency's request. The increase recommended by the Governor reflects the allowance for salary, health insurance, and space allocation costs as discussed below.

Item	Actual	Budgeted	Agency Req.	Gov Rec.	Inc/Dec	% Change
	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2008</u>	<u>FY2008</u>	<u>From FY07</u>
Personal Services	507,978	460,140	460,140	474,628	14,488	3.1%
Travel	27,289	16,395	16,395	16,395	0	0.0%
Contractual Services	423,589	347,647	347,647	349,681	2,034	0.6%
Supplies & Materials	17,217	18,646	18,646	18,646	0	0.0%
Capital Outlay	7,066	8,660	8,660	8,660	0	0.0%
Other	2,223,338	2,000,000	2,000,000	2,000,000	0	0.0%
Total	3,206,477	2,851,488	2,851,488	2,868,010	16,522	0.6%
Funding Types						
General	457,099	486,866	486,866	497,568	10,702	2.2%
Federal	0	0	0	0	0	0.0%
Other	2,749,378	2,364,622	2,364,622	2,370,442	5,820	0.2%
Total	3,206,477	2,851,488	2,851,488	2,868,010	16,522	0.6%
FTE	8.6	9.0	9.0	9.0	0.0	0.0%

The Governor's recommendation throughout this analysis also includes funding for Performance And Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 3% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan. The recommended amounts for each segment of the compensation package are as follows:

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total</u>
2.5% PACE Movement	-	-	-	-
3% Across-the-Board	8,532	-	4,173	12,705
Health Insurance	1,153	-	630	1,783
Total	9,685	-	4,803	14,488

In addition, the Governor's recommendation includes an increase of \$2,034 to offset a recalculation in the method of recovering maintenance and repair funding for the Capitol complex.

Division of Treasury Management

The mission of the Division of Treasury Management is to have charge of and keep all public monies paid into the state treasury, and pay out the same as directed by law; to 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.

The State Treasurer requests \$486,866 from the State General Fund and 5.5 FTEs. This is the same amount as what the Legislature approved for FY2007. The Governor recommends \$497,568 from the State General Fund and 5.5 FTEs. This is an increase of \$10,702 (2.2%) from FY2007 and the agency's request which is the unit's share of allocated salary, health insurance, and space allocation costs.

Item	Actual	Budgeted	Agency Req.	Gov Rec.	Inc/Dec	% Change
	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2008</u>	<u>FY2008</u>	<u>From FY07</u>
Personal Services	287,064	307,803	307,803	317,488	9,685	3.1%
Travel	13,548	8,332	8,332	8,332	0	0.0%
Contractual Services	148,629	158,425	158,425	159,442	1,017	0.6%
Supplies & Materials	4,561	8,646	8,646	8,646	0	0.0%
Capital Outlay	3,297	3,660	3,660	3,660	0	0.0%
Total	457,099	486,866	486,866	497,568	10,702	2.2%
Funding Types						
General	457,099	486,866	486,866	497,568	10,702	2.2%
Federal	0	0	0	0	0	0.0%
Other	0	0	0	0	0	0.0%
Total	457,099	486,866	486,866	497,568	10,702	2.2%
FTE	4.7	5.5	5.5	5.5	0.0	0.0%

Selected Performance Indicators

	Difference Over					Change in Estimate	Estimate
	Original Estimate	Actual	(Under) Estm.	Original Estimate	Revised Estimate		
Warrants Paid from Treasurer's Account	\$1,600,000,000	\$1,336,727,457	(\$263,272,543)	\$1,450,000,000	\$1,400,000,000	(\$50,000,000)	\$1,400,000,000
Warrants Cleared	800,000	620,411	(179,589)	750,000	650,000	(100,000)	650,000
Cash Receipts	\$3,800,000,000	\$3,625,843,829	(\$174,156,171)	\$3,600,000,000	\$3,650,000,000	\$50,000,000	\$3,850,000,000
Cash Receipt Vouchers Processed	24,000	23,629	(371)	23,500	24,000	500	25,000
Checks Received from State Agencies	925,000	916,579	(8,421)	975,000	930,000	(45,000)	950,000
Wire Transfers - In and Out	1,500	2,005	505	2,100	2,100	0	2,200
Returned Items	1,000	810	(190)	1,000	1,000	0	1,000
Interest Earned	\$2,000	\$8,245	\$6,245	\$4,000	\$5,000	\$1,000	\$5,000
ACH Out	\$1,950,000,000	\$2,280,130,937	\$330,130,937	\$2,100,000,000	\$2,300,000,000	\$200,000,000	\$2,500,000,000
ACH Volume	7,500	6,990	(510)	7,500	7,500	0	8,000
Certificates of Deposit	\$35,000,000	\$34,191,000	(\$809,000)	\$34,500,000	\$34,500,000	\$0	\$34,500,000
Banks/S&L	38	37	(3)/0	37	37	0/0	37
Credit Unions in CD Program	9	11	2	11	11	0	11
Public Deposits: All Current Collateral	\$1,400,000,000	\$1,478,891,724	\$78,891,724	\$1,200,000,000	\$1,500,000,000	\$300,000,000	\$1,550,000,000
Pledged Securities: On File	5,700	4,334	(1,366)	5,500	4,500	(1,000)	4,500
REDI Fund Port. (Principal Loan Bal.)	\$40,000,000	\$38,191,493	(\$1,808,507)	\$35,000,000	\$40,000,000	\$5,000,000	\$41,000,000
Vet. Student Grants - Since 1995	\$3,500,000	\$3,494,569	(\$5,431)	\$3,600,000	\$3,900,000	\$300,000	\$4,400,000

Division of Unclaimed Property—Informational

The mission of the Division of Unclaimed Property is 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.

The State Treasurer requests \$2,364,622 from other funds and 3.5 FTEs. This is the same amount as what the Legislature approved for FY 2007. The Governor recommends \$2,370,442 from the other funds and 3.5 FTEs. This is an increase of \$5,820 (0.2%) from FY2007 and the agency's request which is the unit's share of allocated salary, health insurance, and space allocation costs.

Item	Actual	Budgeted	Agency Req.	Gov Rec.	Inc/Dec	% Change
	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2008</u>	<u>FY2008</u>	<u>From FY07</u>
Personal Services	220,914	152,337	152,337	157,140	4,803	3.2%
Travel	13,741	8,063	8,063	8,063	0	0.0%
Contractual Services	274,960	189,222	189,222	190,239	1,017	0.5%
Supplies & Materials	12,656	10,000	10,000	10,000	0	0.0%
Capital Outlay	3,769	5,000	5,000	5,000	0	0.0%
Other	2,223,338	2,000,000	2,000,000	2,000,000	0	0.0%
Total	2,749,378	2,364,622	2,364,622	2,370,442	5,820	
Funding Types						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	2,749,378	2,364,622	2,364,622	2,370,442	5,820	0.2%
Total	2,749,378	2,364,622	2,364,622	2,370,442	5,820	
FTE	4.0	3.5	3.5	3.5	0.0	0.0%

Revenues

	FY06		Difference Over (Under) Estm.	FY07		Change in Estimate	FY08 Estimate
	Original Estimate	Actual		Original Estimate	Revised Estimate		
Cash Receipts	3,200,000	7,428,116			5,000,000		5,500,000

Selected Performance Indicators

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estm.	Original Estimate	Revised Estimate	Change in Estimate	Estimate
Amount of Claims Paid	\$2,100,000	\$2,223,337	\$123,337	\$2,000,000	\$2,300,000	\$300,000	\$2,400,000
Value of Stocks Returned to Owners	\$44,000	\$211,132	\$167,132	\$40,000	\$50,000	\$10,000	\$75,000
Claims Paid	4,400	6,138	1,738	8,000	8,000	0	8,500
Records in Unclaimed Property Data	119,000	132,198	13,198	135,000	152,000	17,000	175,000
Stock Portfolio Valuation	\$439,000	\$1,373,004	\$934,004	\$1,000,000	\$1,500,000	\$500,000	\$1,600,000
Outreach Presentations	8	9	1	10	9	(1)	9