

State Treasurer

Mission and philosophy

The mission of the Wyoming State Treasurer's office is to serve the people of Wyoming by receiving, safeguarding and investing all funds of Wyoming and any other funds in the possession of the state for purposes of safekeeping or investment in a prudent manner while complying with directives of Wyoming's constitution and statutes.

The philosophy of the state treasurer's office is to carry out all functions required of the office with the highest degree of ethical, personal and professional behavior.

Results of outcomes

Goal 1: perform the best possible investment management and revenue accounting services for Wyoming.

Objective A: work to expand investment opportunities for externally and internally managed funds.

The treasurer worked with the Legislature in a futile attempt to set up a one-time funding source for the state spending policy reserve accounts. Work on this will continue for the upcoming legislative session.

No clarifying legislation for the Tobacco Trust Permanent Fund corpus was passed by the FY01 Legislature in spite of requests by the treasurer.

Through the prudent investor rule, which was adopted during the 1999 legislative session, the treasurer, with the approval of the Wyoming State Loan and Investment Board, is authorized to invest in international fixed income and equity investments.

Two international equity managers were selected in June 2000, but, because of market conditions, are not yet funded. A convertible bond manager was funded in FY01.

During the 2000 legislative session, authorization was received to increase the equity allocation from 25 percent to 55 percent (W.S. 9-4-834). The treasurer has been, as market conditions permit, gradually moving funds from fixed income investment securities to equity investments in an effort to reach the 55 percent equity allocation. At the end of FY01, 13.55 percent of the permanent funds are in equity investments. The treasurer will continue to work toward increasing the state's equity exposure in a prudent manner.

The fourth series of General Fund Tax and Revenue Anticipation Notes were issued in July 2000 and redeemed in June 2001, netting \$1.88 million for the state coffers. In addition, the state's first issue of Education Fund Tax and Revenue Anticipation Notes was also closed in July 2000 and redeemed in June 2001. These allowed longer term investments and a higher rate of return for the Wyoming School Foundation Fund, benefiting the state and the local school districts by providing monies that would not have

General information

Cynthia Lummis, state treasurer

Agency contact

Sharon Garland, deputy state treasurer
State Capitol
Cheyenne, WY 82002
307/777-7408
sgarla@state.wy.us

Other locations

Unclaimed Property Division
Hansen Building
Cheyenne, WY 82002

Year established

1869

Statutory references

W.S. 9-1-401 through 9-1-413

Authorized personnel

18 full-time

Organization structure

Administrative Operations, Investment Management, Unclaimed Property

Clients served

All state agencies, federal government and the public.

Budget information

Administrative Operations

General fund	\$870,759
Other	\$238,140

Unclaimed property

General Fund	0
Other	\$281,005

Investment managers (from investment income)

General Fund	0
Other	\$10,547,244

been earned if the TRANS had not been issued.

In prior fiscal years, the treasurer was instrumental in getting legislative changes passed which authorized "returning" a portion of income to the corpus of the permanent land funds to compensate for inflation {W.S. 9-4-305(b)}. The amount returned is based on the beginning balance of each permanent land fund account multiplied by a portion of that year's inflation rate (in FY01 that portion was 10 percent of the inflation rate). The transfer made at the end of FY01 totaled \$2,969,815. Since this procedure will increase the investable corpus, it is expected that additional investment income will accrue to the state in succeeding years.

FY01 was the first year the investment income spending policy for earnings on permanent fund investments {W.S. 9-4-712} was in effect. The purpose of a spending policy is to provide a consistent, sustainable flow of earnings for expenditure over time, protect the permanent fund corpus against inflation, and increase earnings available for expenditure to offset the effects of inflation.

This first year saw no "excess" income flowing to the state spending policy reserve accounts, so the treasurer will continue to work on an alternative, one-time funding source for those reserve accounts.

In FY01, total investments increased, but because of market conditions, actual earnings recognized and distributed decreased by 0.1 percent compared to the prior year. The treasurer's recognized and distributed yield for the fiscal year was calculated to be 6.20 percent. When Total Portfolio Performance Return (which included unrealized gains) is compared to the Total Fund Custom Index, the treasurer's portfolio performed at 8.43 percent versus the Index of 7.93 percent.

The treasurer's office continued expanding Internet banking this year, enabling staff to quickly check demand account balances, deposits and withdrawals, and to easily transfer funds between accounts.

Goal 2: provide for statutory and constitutional responsibilities of the office of the state treasurer.

Objective A: improve administration of treasurer's additional statutory programmatic responsibilities.

Wyo-STAR, the local government investment pool, has continued to provide participants with a rate of return higher than other pools available to Wyoming's local municipalities. As of June 30, 2001, Wyo-STAR had 133 participants with an ending invested balance of \$188.0 million. These local political entities earned \$10.1 million in interest in FY01. Wyo-STAR had an average monthly rate of return of 5.86 percent; a 66/100 percent increase over the FY00 estimated average return. This compares acceptably with other states' similar programs: Idaho's FY01 average monthly yield was 5.979 percent, and Utah's average monthly yield was 5.975 percent for year

ending June 30, 2001.

In response to legislation {W.S.21-16-809 through 21-16-818}, the state treasurer's office, as program administrator, launched the Wyoming College Achievement Plan in May 2000. This college savings program is a qualified state tuition program, established under Section 529 of the Internal Revenue Code, designed to assist Wyoming residents in financing higher education costs for their families. The plan is available to any U.S. citizen and can be used at any accredited college or vocational institution in the country that is eligible to participate in federal student financial aid programs.

Contributions are invested in one of four investment options selected by the participant, each holding a different mix of stocks, bonds and/or money market mutual funds. Earnings attributed are subject to federal income tax upon withdrawals for qualified higher education expenses; however, they are taxed federally at the beneficiary's rate, which is usually a lower rate than the contributor's rate.

At the end of FY01, Wyoming's program had a total of 680 accounts with a total asset value of \$5.1 million, which compares favorably to other states offering college savings programs that were launched within the last few years, according to the National Association of State Treasurers' compilation.

The state treasurer continues to attempt to convince the legislature of the feasibility of moving a number of state and local programs administered by the treasurer (but not related to the office's normal activities) to other agencies where they could be better administered. The programs include the Veteran's Tax Exemption, Police Officers' Retirement, and Indian Motor Vehicle Exemption programs.

In May 2000, under direction from the Legislative Management Audit Committee, the Legislative Services Office staff began conducting a program evaluation regarding the proper placement of the Wyoming Deferred Compensation Program within state government.

The state treasurer was instrumental in obtaining legislation in the 2001 session to move the Deferred Compensation Program to the Wyoming Retirement System, where it will be integrated into a full retirement assistance program for state employees.

The program was transferred as of July 1, 2001, at which time the program had an asset market value of \$190.9 million.

Objective B: expand Uniform Unclaimed Property program operations.

The public list of owners is available on the state treasurer's Website, and the information is updated monthly. This site received approximately 406,500 inquiries during FY01, an increase of 10 percent from FY00. Name searches increased 135 percent and claims decreased 19 percent during the same period.

In FY01, unclaimed property personnel attended

the National Association of Unclaimed Property Administrators' annual conference. As of October 2000, NAUPA became an affiliate of the National Association of State Treasurers. Four interviews were given to radio stations, holders of unclaimed funds were advised of filing requirements by written and oral instructions, and numerous claimants were instructed on how to claim their funds.

When the annual Wyoming Windfall list is published, the entire list of names is printed in one newspaper of general circulation, as per law. Ads are placed in all newspapers in the state to advise residents where to check for their names. Unclaimed property consumer protection brochures are included with mailings of name search results, claim payments, and general information. An alphabetical list of owners is mailed each month to Wyoming county clerks.

Due to an extremely heavy workload, requesting tangible unclaimed property from holders has not been accomplished. Inventorying tangible property is time consuming and additional staff may be warranted to proceed with this process.

Total unclaimed funds turned over to the state in FY01 were more than \$2,763,000 and almost \$1,050,000 was returned to the original owners or their heirs. Wyoming's record of return of funds to owners is consistently 10 percent higher than the national average (47 percent as opposed to the national average of 35 percent).

Strategic plan changes

While a number of objectives were achieved in this year, the focus of the goals of the treasurer's office will not change substantially in the new strategic plan to be filed in September 2001. However, a substantially expanded situation analysis and several new strategies will be included.

Office of the Treasurer organization chart

