State Treasurer

Agency Description

The State Treasurer, elected for a term of four years as prescribed by the state constitution, is responsible for the safe custody of the property and money of the state and makes disbursements on warrants drawn and presented by the Comptroller.

The Treasurer invests the state's General Fund as well as the assets of the state’s pensions, trusts and other funds. The Treasurer administers the issuance of state bonds and the payment of principal and interest thereon. The Treasurer also manages the process of the borrowing of those funds, the repayment of which is a limited or contingent liability of the state.

The Treasurer serves as the custodian for all unclaimed property remitted to the state. The Treasurer safeguards these assets, publicizes the names of the rightful owners and returns those assets to the owners as they come forward.

The Second Injury Fund, a workers’ compensation fund financed by assessments on businesses, is also under the jurisdiction of the Treasurer.

Debt Management

## Statutory Reference

C.G.S. Chapter 32, Part I.

## Statement of Need and Program Objectives

Administer the state’s bond and debt financing program, including the sale of state bonds. Monitor the bond markets, financing structures and economic trends that affect interest rates in order to realize favorable bond issuances. Oversee the issuance of bonds to finance state capital projects, refinance outstanding debt when appropriate, manage debt service payments and cash flow borrowing, and provide information and data to private credit rating agencies.

## Program Description

The State of Connecticut finances a wide array of capital projects and programs through the issuance of general obligation bonds backed by the general taxing power of the state. The projects include construction or repair of state offices, institutions, colleges and universities and prisons. The programs include loans or grants for housing, school construction, economic development, venture capital, community care facilities, development rights for farmland and open space acquisition.

Special tax obligation bonds, backed by a dedicated stream of gasoline tax and motor vehicle fines, fees and related charges, are issued to fund the non-federal share of the Transportation Infrastructure Renewal Program including mass transit facilities and highway projects.

The division manages the issuance of the general and special obligation bonds of the University of Connecticut under a capital investment program to rebuild and refurbish the University of Connecticut. That program, which began in 1995, now extends to 2017.

The division has developed several revenue bonding programs to meet other state financing needs. The Clean Water Fund bonding program enhances the state’s Clean Water Fund, which provides grants and loans to finance the planning, design and construction of water quality projects throughout the state including projects to improve water quality in Long Island Sound. Other specialized bonding programs include the Bradley International Airport bonding program.

Elements of the bond issuance process include: preparing an official statement to disclose all pertinent information regarding the state’s economy and fiscal condition to underwriters and bond investors; making presentations with the Office of Policy and Management to credit rating agencies to obtain a credit rating on each issue; reviewing with bond and tax attorneys individual projects that may be included in a bond issue to assure that each qualifies for the federal tax exemption; structuring the issue for market acceptance; pricing the issue by competitive bid or negotiated sale and investing and releasing bond proceeds in accordance with bond indenture and federal tax requirements.

investment services

## Statutory Reference

C.G.S. Chapter 32, Part I.

## Statement of Need and Program Objectives

To maximize the long-term investment return on pension assets with an acceptable degree of risk so that beneficiary benefit payments are made when due and contributions required from the State and municipal plan sponsors are minimized.

## Program Description

Under the direction of the Treasurer and with the advice of the Investment Advisory Council, the Pension Funds Management Division manages the Connecticut Retirement Plans and Trust Funds (CRPTF) for the benefit of six pension funds and eight trust funds involving approximately 194,000 active and retired participants. The pension funds are the Teachers' Retirement Fund, State Employees' Retirement Fund, Municipal Employees' Retirement Fund, Probate Court Retirement Fund and the State Judges’ and State Attorneys’ Retirement Funds.

The Combined Investment Funds in which the CRPTF’s cash flow is invested include:

* Liquidity Fund - includes money market instruments and short-term debt,
* Mutual Equity Fund,
* Developed Markets International Stock Fund,
* Emerging Markets International Stock Fund,
* Core Fixed Income Fund,
* Inflation Linked Bond Fund,
* Emerging Markets Debt Fund,
* High Yield Debt Fund,
* Real Estate Fund – including core, Real Estate Investment Trusts (REITs), value added and opportunistic real estate funds,
* Private Investment Fund – including venture capital, corporate finance and other private equity fund investments,
* Commercial Mortgage Fund – which includes commercial and Yankee Mac mortgages,
* Alternative Investment Fund – involving strategies which do not fall into traditional classes.

The investment funds are externally managed with performance oversight maintained by the Pension Funds Management Division.

Cash Management

## Statutory Reference

C.G.S. Chapter 32, Part I.

## Statement of Need and Program Objectives

To protect state deposits through effective internal operations that maximize investment balances, while meeting the state’s financial obligations, by speeding deposits, controlling disbursements, minimizing banking costs and balances and providing accurate cash forecasts. To achieve as high a level of income in the Treasurer’s Short-Term Investment Fund (STIF), which is an investment pool for the operating cash of state and local governments.

## Program Description

The Cash Management Division is responsible for managing the state’s cash, banking relationships and its short-term investment programs, such as the Short-Term Investment Fund (STIF), the Medium-Term Investment Fund (STIF Plus), and other portfolios of permissible investments.

The Bank Control and Reconciliation Unit tracks the state’s internal and external cash flow. The unit is also responsible for the reconciliation of treasury bank accounts, the administration of stop payments and check reissues and the release of state payroll and vendor checks.

The Cash Control Unit forecasts daily and long-term cash availability, funds disbursement accounts, concentrates cash from depository banks, sweeps idle cash into short-term investment vehicles to maximize investment balances and executes electronic transfers.

The Short-Term Investments Unit invests STIF assets, monitors custodian activity and prepares quarterly and annual reports. The unit also administers STIF accounts for state agencies and authorities and municipal and local entities. In addition, the unit manages the Grant Express program, the Debt Express program, and the Clean Water program, which enable municipalities to transfer funds associated with these programs directly into and out of their STIF accounts.

The Client Services Unit consults with state agencies on initiatives to speed the deposit of funds, identifies mechanisms to reduce banking costs, reviews requests by state agencies for new bank accounts, maintains records of the state’s bank accounts, and reviews bank invoices and compensation.

Second Injury Fund

## Statutory Reference

C.G.S. Chapter 568, Part E; Sections 31-349 and 31-354.

## Statement of Need and Program Objectives

To relieve employers from liabilities under the Workers’ Compensation Act by providing benefits for certain types of workers’ compensation claims. The fund is charged with providing indemnity and/or medical benefits to claimants assigned to it by order of the workers’ compensation commissioners, and to negotiate settlements of appropriate claims to offset long-term costs to the businesses that pay annual assessments to the Fund.

## Program Description

The Second Injury Fund, administered by the Treasurer, is a state-run workers’ compensation insurance fund that pays lost wages and medical benefits to qualified injured workers. The fund manages and has liability for workers’ compensation claims which involve: an uninsured employer or a bankrupt employer who fails to secure workers’ compensation insurance; a pro rata liability for indemnity payments paid to any worker who had more than one employer at the time of injury; benefits to widows and dependents when the deceased died as a result of a work-related injury; and COLA payments for certain types of claims.

The Second Injury Fund operations are financed by assessments on Connecticut employers. Insured employers pay a surcharge on their workers’ compensation insurance policies based on annual standard premiums. The assessment for self-insured employers is based on paid losses for medical and indemnity benefits incurred in the prior calendar year.

Unclaimed Property and Escheats

## Statutory Reference

C.G.S. Chapter 32, Part III; Section 3-56a through 3-76

## Statement of Need and Program Objectives

To locate and reunite rightful owners with their unclaimed property and ensure that all unclaimed property, as defined by statute, is rendered to the state for safeguarding. To administer Connecticut's unclaimed property and escheats statutes.

## Program Description

Under the Connecticut General Statutes, the Treasurer is custodian of all unclaimed property remitted to the state. A primary activity of the division is to reunite owners with their property, administered through outreach efforts and advertising of its *CTBigList* program. Another core activity of the division is its *Holder Outreach* program. Targeted to businesses and organizations, this program promotes compliance with the statutory obligation to report and remit unclaimed property to the state by the annual March 31st deadline.

Management Services

## Statutory Reference

C.G.S. Chapter 32 and Article Fourth of the State Constitution.

## Statement of Need and Program Objectives

To direct and support the operations of the Office of the State Treasurer by establishing long and short-term goals and objectives and coordinating and providing management services.

## Program Description

The Executive Office is responsible for overall policy, planning and general administration designed to: enhance the financial integrity and soundness of treasury operations; provide direction and leadership in carrying out Treasury functions and foster economic well-being of the state and its citizens and businesses within the confines of fiduciary standards. Specific activities include legislative affairs and public information, responsible investment relations, management services, legal services, community outreach and development of financial literacy programs.

The Policy Unit administers the state’s corporate governance program.

The Management Services Unit includes the personnel, information services and business office services.

Personnel Services establishes and implements personnel standards and procedures; processes and maintains personnel records and administers the treasury's training and employee assistance programs.

Information Services furnishes overall local area network (LAN) system management and support; maintains all electronic data processing equipment; formulates system standards and controls and provides analysis, application development and program support services.

Business Office Services performs the accounting, purchasing, payroll and property requirements of the treasury; prepares the agency budget; oversees allocation of resources to meet operational requirements and establishes and maintains business control over internal operations of all treasury divisions.