

INTRODUCTORY

The State Treasurer is a constitutional officer elected every two years in a joint session of the Tennessee General Assembly. The Treasurer is charged with various responsibilities, most relating to the financial operations of state government, including managing over \$56 billion in assets through its various investment programs. The Tennessee Treasury Department is responsible for receiving, investing and disbursing public funds, and managing all state investments, including the pension fund. The Treasurer is a member of more than 30 Boards and Commissions.

The Treasury Department directs multiple state programs with a staff of approximately 260 employees, and a department budget of approximately \$35 million.

Treasury Divisions include:

- Financial Empowerment
- Program Services
- Investments
- Legal, Compliance and Internal Audit
- Support Services

Treasury operates services to the state, and programs for Financial Empowerment. These programs are supported by the work of Treasury Investments, Treasury Legal, Compliance, and Internal Audit, and Support Services. Treasury staff includes many highly-skilled employees with professional certifications in their fields, including Certified Public Accountants (CPA), Chartered Financial Analysts (CFA), Chartered Alternative Investment Analysts (CAIA), Certified Treasury Professionals (CTP), Certified Financial Planners (CFP), Certified Fraud Examiners (CFE), and Certified Employee Benefit Specialists (CEBS).



David H. Lillard, Jr.
State Treasurer



Vision Statement

To be faithful stewards of the state's financial and human resources. To be passionate about achieving our mission and living by our core values.

Mission Statement

We will be a leader by providing exceptional service to our customers honestly, efficiently, and effectively.

Treasury Team Commitment

In order for us to provide exceptional service, both management and employees will foster an environment that respects, challenges, motivates, and rewards each team member. Each of us has a responsibility to develop and maintain this environment so that, together, we can achieve our mission and live by our core values.

Department Core Values

Impeccable Honesty: We will develop relationships and interact with one another and with our customers in a manner that fosters and encourages trust. We will maintain the highest ethical and professional standards in everything that we do.

Mutual Respect: We will treat everyone equitably and with honor. We will communicate in a manner that promotes open dialogue with our customers, within the department, and with our peers in state government.

Continuous Improvement: We will continually challenge ourselves to improve the level of service that we provide by being innovative, collaborative, creative, and efficient. We will work to be the best at what we do.

Shared Accountability: We will work as a team and will purposely strive to leverage the strengths and overcome the weaknesses of each team member. We will accept responsibility individually and collectively for the service that we provide to our customers.

Exceptional Service: We will be innovative in how we provide services to our customers and in how we do our work. We will be relentless in our pursuit of quality and excellence in everything that we do. We will focus not only on solving customers' problems, but also anticipating their needs.

Exemplary Leadership: We will be visionary leaders and positive role models for our peers. We strive to be highly respected both inside and outside state government.

**TREASURY NUMBERS AT A GLANCE
FISCAL YEAR 2015**

ADMINISTRATIVE	Number of Filled Positions	245
	Payroll Expenditures	\$ 22,166,900
	Other Expenditures	\$ 8,321,300
	Total Operating Expenditures	\$ 30,488,200
CASH MANAGEMENT PROGRAM	General Fund Earnings	\$ 3,809,995
	LGIP Earnings	\$ 3,583,442
	Restricted Fund Earnings	\$ 3,732,275
	Total Cash Management Earnings	\$ 11,125,712
RETIREMENT PROGRAM	Retirement Benefits Paid During 2015	\$ 2,195,813,991
	Number of Retirees	138,975
	Number of Active Members	231,778
	Retirement Contributions Received	\$ 1,286,361,016
	Retirement Net Investment Income	\$ 1,311,261,631
	Deferred Compensation Contributions	\$ 181,450,549
	Deferred Compensation Accounts	91,560
CLAIMS ADMINISTRATION PROGRAM	Workers' Compensation Payments	\$ 26,548,645
	Workers' Compensation Claims Filed	2,679
	Employee Property Damage Payments	\$ 18,276
	Employee Property Damage Claims Filed	77
	Tort Payments	\$ 3,977,897
	Tort Claims Filed	2,821
	Criminal Injury Fund Payments	\$ 11,451,576
Criminal Injury Fund Claims Filed	3,709	
RISK MANAGEMENT PROGRAM	Estimated Gross Property Losses Incurred	\$ 4,726,370
	Total Property Values Insured	\$ 20,566,483,500
CHAIRS OF EXCELLENCE PROGRAM	Chairs of Excellence Investment Income	\$ 9,443,435
	Chairs of Excellence Expenditures	\$ 7,733,849
	Number of Chairs of Excellence	99
OTHER PROGRAMS	Aggregate Deferred Compensation Balances	\$ 2,328,756,848
	Flexible Benefits Plan Payments	\$ 6,054,494
	Unclaimed Property Revenues	\$ 91,864,596
	Unclaimed Property Payments	\$ 40,448,059
	Optional Retirement Plan Contributions	\$ 99,954,066
Optional Retirement Plan Participants	11,588	
FAIR VALUE OF ASSETS UNDER MANAGEMENT AT JUNE 30, 2015	Retirement Trust Fund	\$ 43,243,940,586
	Chairs of Excellence Trust Fund	\$ 296,264,116
	State Pooled Investment Fund	\$ 9,297,043,253
	Deferred Compensation (outside managers)	\$ 2,328,756,848
	Optional Retirement Plan Assets (outside managers)	\$ 3,301,314,161
	BEST Educational Services Plan	\$ 79,503,147
	TNStars College Savings Program	\$ 32,852,360
	Tennessee Promise Scholarship Endowment Fund	\$ 377,295,134
Total Assets Under Management	\$ 58,956,969,605	

Treasurer's Office

Treasurer
Chief Operating Officer
First Deputy Treasurer
Manager of Government and Legislative Affairs
Director of Communications
Director of Human Resources
Executive Assistant to the Treasurer

David H. Lillard, Jr., JD, LL.M. in Taxation
Mary Jo Price
Steve Curry, CPA-inactive, CEBS, CCM
Whitney Goetz
Shelli King
Greg Cason
Heather Sczepczenski

Financial Empowerment

Assistant Treasurer
Senior Director
Director of Deferred Compensation
Director of Employer Reporting and Customer Service
Director of Treasury Outreach
Director of College Savings

Joy Harris
Ashley Humphrey
Kaci Lantz, CFP®
Mary Beth Franklyn
Drew Freeman
LaKasha Page

Investments

Chief Investment Officer
Deputy Chief Investment Officer
Assistant CIO and Director of Cash Management
Director of Equity
Director of Fixed Income
Director of Private Equity
Director of Real Estate

Michael Brakebill, CFA, CAIA
Derrick Dagnan, CFA
Tim McClure, CTP, CGFM
Michael Keeler, CFA
Thomas Kim, CFA
Daniel Crews, CFA, CAIA
J.P. Rachmaninoff

Legal, Compliance and Internal Audit

Assistant Treasurer
Director of Internal Audit

Christy Allen
Earle Pierce, CPA, CIA, CRMA

Program Services

Assistant Treasurer
Director of TCRS
Assistant Director of TCRS
Assistant Director of TCRS Concord Systems
Director of Unclaimed Property
Director of Claims Administration and Risk Management
Assistant Director of Claims Administration and Risk Management

Steve Summerall
Jill Bachus, CPA
Jamie Wayman, CPA, CEBS
Fred Marshall, CPA
John Gabriel
Rodney Escobar
Amy Dunlap

Support Services

Second Deputy Treasurer
Director of Accounting
Deputy Director of Accounting
Assistant Director of Accounting
Director of Management Services
Acting Director of Information Systems

Rick DuBray, CPA
Kim Morrow, CPA
Brian Derrick, CPA
Kevin Bradley, CPA, CGFM, AAP
Kerry Hartley, CPA
David Bauer

STATUTORY DUTIES OF THE STATE TREASURER

BOARDS AND COMMISSIONS

TENNESSEE CODE ANNOTATED SECTION

Advisory Board to Establish Compensation for Use of the Right-of-Way for Underground Fiber Optic Cable Facilities	54-16-112
Advisory Committee to the Trustees of the Fisk University Stieglitz Collection Art Endowment Fund*	4-20-201
Advisory Council on Workers' Compensation*	50-6-121
Appeals from Gift Tax Appraisals Board	67-8-116
Baccalaureate Education System Trust Board*	49-7-804
Board of Claims*	9-8-101
Catastrophic Injuries Fund Commission*	29-20-408
Chairs of Excellence Endowment Trust*	49-7-501
Collateral Pool Board	9-4-506
Commission to Purchase Surplus Federal Property	12-1-103
Council on Pensions & Insurance	3-9-101
Employee Misclassification Advisory Task Force	50-6-919
Governor's Commission on Crime Victims Assistance	Ex. Order 10 of 2003
Local Education Insurance Committee	8-27-301
Local Government Insurance Committee	8-27-207
Public Records Commission	10-7-302
Sick Leave Bank Board	8-50-903
State Board of Equalization	4-3-5101
State Building Commission	4-15-101
State Capitol Commission	4-8-301
State Funding Board	9-9-101
State Insurance Committee	8-27-101
State Protest Committee	4-56-103
State Trust of Tennessee*	9-4-806
Tennessee Consolidated Retirement System Board of Trustees*	8-34-302
Tennessee Financial Literacy Commission*	49-6-1703
Tennessee Higher Education Commission	49-7-204
Tennessee Housing Development Agency	13-23-106
Tennessee Local Development Authority	4-31-103
Tennessee State School Bond Authority	49-3-1204
Tennessee Student Assistance Corporation	49-4-202
Tuition Guaranty Fund Board*	49-7-2018
Volunteer Public Education Trust*	49-3-401, et seq.
Workers Compensation Insurance Fund Board	50-6-604

**Treasurer David H. Lillard, Jr., Chair*

STATUTORY DUTIES OF THE STATE TREASURER (CONTINUED)

TREASURY ADMINISTRATION

TENNESSEE CODE ANNOTATED SECTION

Advisory Council on Workers' Compensation*	50-6-121, et seq.
Baccalaureate Education System Trust*	49-7-801, et seq.
Board of Claims*	9-8-101, et seq.
Chairs of Excellence Trust*	49-7-501—49-7-503
Collateral Pool	9-4-501—9-4-523
Collateral Program	9-4-101—9-4-108
Council on Pensions and Insurance	3-9-101—3-9-104
Criminal Injury Compensation Fund	29-13-101, et seq.
Deferred Compensation*	8-25-101, et seq.; 8-25-301, et seq.
Escheat	31-6-101, et seq.
Flexible Benefits Plan	8-25-501—8-25-502
Intermediate-Term Investment Fund	9-4-608
Investment Advisory Council	8-37-108
Investment of State Idle Cash Funds	9-4-602
Local Government Investment Pool	9-4-704—9-4-707
Old Age and Survivors Insurance Agency	8-38-101, et seq.
Pooled Investment Fund	9-4-603
Receipt and Disbursement of Public Funds	8-5-106—8-5-111; 9-4-301, et seq.
Small and Minority-Owned Business Assistance Program	65-5-113
State Cash Management	9-4-106—9-4-108; 9-4-401—9-4-409
State Treasurer's Office	4-3-2401, et seq.; 8-5-101, et seq.
State Trust of Tennessee*	9-4-801, et seq.
Tennessee Claims Commission	9-8-301, et seq.
Tennessee Consolidated Retirement System and Miscellaneous Systems*	Title 8, Chptrs. 34, 35, 36, 37 & 39
Tennessee Interagency Cash Flow Committee	9-4-610
Tennessee Financial Literacy Program*	49-6-1701, et seq.
Unclaimed Property	66-29-101, et seq.
Victims of Drunk Drivers Compensation Fund	40-24-107

*Treasurer David H. Lillard, Jr., Chair