

Don Stenberg
State Treasurer
www.treasurer.org



State Capitol, Room 2005
Lincoln, NE 68509
(402) 471-2455

January 14, 2011

VIA HAND DELIVERY

Mr. Patrick J. O'Donnell
Clerk of the Legislature
State Capitol, Room 2018
Lincoln, NE 68509

RE: 2010 ANNUAL STATE TREASURER'S REPORT

Dear Mr. O'Donnell:

I am honored to serve as Nebraska's State Treasurer. The following report is respectfully submitted to the Legislature as required by State Statute.

College Savings Plan

The College Savings Plan has a new name, NEST (Nebraska Educational Savings Trust). The enhanced 529 plan offers an improved investment lineup and substantially reduced fees, compared to the previous plan. First National Bank was selected to manage NEST, previously known as the College Savings Plan of Nebraska (CSPN). The parties have entered into a seven-year contract in which First National Bank will provide program management for NEST Direct, NEST Advisor, and TD Ameritrade Plans. Oppenheimer Funds remains the distributor for the State Farm College Savings Plan. As of December 31, 2010, there were \$2.395 billion in assets and 182,706 accounts in all four plans.

Treasury Management

In calendar year 2010, the Treasury Management Division processed \$9,948,133,519.43 in state agency receipt transactions (this included incoming ACH, wires, credit cards, checks, cash & coin). In addition the Treasury Management division worked with state agencies to improve the State's banking contracts for the state-wide purchasing card, credit cards, and Visa branded stored value card services. The Treasurer's Office worked with agencies to implement e-commerce solutions, complete annual credit card data security compliance, and implement an ACH Security program.

State Disbursement Unit

The State Disbursement Unit (SDU) processed 1,489,429 transactions, totaling \$285,150,452.17. 66.84% of all payments were made electronically, which is the 3rd most in the country. The State Disbursement Unit is expecting nearly a 2.5% increase on the electronic payments as the Social Security Administration is getting close to converting the more than 3,000 monthly checks received by the SDU to an electronic payment in the coming months.

In addition, the SDU disbursed 1,343,578 payments, totaling \$282,257,047.58. 96.68% of these payments were disbursed electronically. This is within the top five in the country.

The SDU has worked on a number of special projects and regular business items over the last year to include:

- Implemented two new OPEX scanners reducing staffing needs, equipment maintenance charges, and improving the overall workflow.
- Fully recovering 493 bank returned items totaling \$233,807.55.
- Processed 56,390 customer service calls with the average call lasting less than 3 minutes.

Unclaimed Property

This past calendar year the Unclaimed Property Division returned \$10.4 million in unclaimed property. In 2010, nearly 15,000 claims were paid by the Unclaimed Property Division.

Long-Term Care Savings Plan

The Long-Term Care Savings Plan has 28 Participating Financial Institutions, with 369 accounts and \$465,948 in all of the accounts combined. The Government, Military and Veterans' Affairs Committee has recommended that this Plan be eliminated as a money saving measure. As the Administrator of the Plan, I support eliminating the Plan. The policy objectives of the Plan can be achieved without the need for administration of a plan by the State Treasurer.

Nebraskaspending.gov

The Treasurer's office has been working to make changes and updates to the content that is currently on-line. In addition to the 2008-09 expenditures, 2009-10 expenditures are now on the website in a searchable format. Other expenditure data and sources of funding for prior fiscal years have been updated, and the design of many pages has been changed. Easier to read charts, graphs and tables have been added to the site.

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In accordance with Neb. Rev. Stat. Section 84-602 (6) (Reissue 2008) the Treasurer's Office submits the following link references for information relating to the condition of the Treasury:

- (1) State of Nebraska Comprehensive Annual Financial Report for the year ended June 30, 2010.

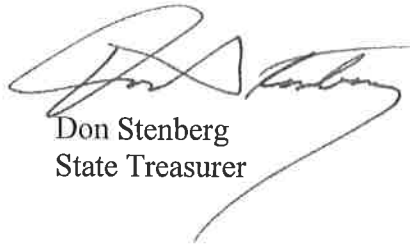
<http://www.das.state.ne.us/accounting/cafr/cafrcon.htm>

- (2) State of Nebraska Annual Budgetary Report for the year ended June 30, 2010.

<http://www.das.state.ne.us/accounting/budrept/contents.htm>

If you have any questions, or need additional information, please feel free to contact my office at 402-471-2455.

Respectfully,



Don Stenberg
State Treasurer

cc: The Honorable Dave Heineman
Governor of Nebraska