



STATE OF NEBRASKA

Don Stenberg, State Treasurer

State Capitol, Suite 2005 | P.O. Box 94788 | Lincoln, NE 68509 | 402-471-2455 | www.treasurer.org

January 10, 2012

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

Dear Mr. O'Donnell:

For the past year, I have been honored to serve as Nebraska's State Treasurer. The following Report to the Legislature is respectfully submitted as required by Nebraska State Statute.

College Savings Plan

The College Savings Plan celebrated its first anniversary as NEST (Nebraska Educational Savings Trust) with First National Bank of Omaha serving as Program Manager. As of November 30, 2011, all four plans totaled \$2.456 billion in assets and 190,609 accounts. The four plans within the Trust are the NEST Direct College Savings Plan, the NEST Advisor College Savings Plan, the TD Ameritrade 529 College Savings Plan, and the State Farm College Savings Plan. Also, as of November 30, 2011, there were 12,648 new accounts for the 2011 calendar year.

In October 2011 the NEST Direct College Savings Plan and the NEST Advisor College Savings Plan began offering a new Individual Investment Option, the Bank Savings Individual Investment Option. Contributions to and earnings on the investments in the new option will pass through to each account owner and qualify for FDIC insurance up to \$250,000, the amount set by federal law.

In the December 2011 edition, *Kiplinger's* released its "2011 Best List" with NEST awarded Best 529 Plan for Fund Selection based on our individual funds from Fidelity, Pimco, T. Rowe Price, State Street, and Vanguard.

Long-Term Care Savings Plan

Thirty financial institutions are participating in the Long-Term Care Savings Plan. The plan is made up of 421 accounts with a combined total of \$585,926. The Treasurer's Office updated the program brochure and continues to find ways to share the Long-Term Care Savings Plan message with Nebraskans.

Nebraskaspending.gov

The Treasurer's Office has updated Nebraskaspending.gov content throughout the year. In addition to posting the 2010-11 expenditures, the Treasurer's Office began posting 2011-12 expenses at the end of each month. Other expenditure data and sources of funding for prior fiscal years have been updated, and the design of many pages has been improved. Easier-to-read charts, graphs, and tables have been added to the website.

State Disbursement Unit

The State Disbursement Unit (SDU) processed almost 1.5 million transactions, totaling more than \$287.8 million. Almost 70 percent of all payments were made electronically, ranking in the top five in the country. The State Disbursement Unit expects nearly a 5 percent increase in electronic payments as the Social Security Administration began remitting electronically in October 2011, and the December rate was 74.28 percent.

In addition the SDU disbursed more than 1.3 million payments, totaling more than \$292 million, Almost 97 percent of these payments were disbursed electronically. This is within the top five in the country.

The SDU has worked on the following special projects and regular business items over the last year:

- Implemented Secure Vault Payments, which will help convert non-custodial parent payments to electronic remittance, prevent bad debt, and reduce the amount of financial data held by the office.
- Fully recovered 437 bank returned items totaling \$225,635 and prevented recovery of 155 bank return items totaling \$273,174.
- Processed 55,669 customer service calls with the average call lasting less than three minutes.

Treasury Management

In fiscal year 2010-2011, the Treasury Management Division processed more than \$10.4 billion in state agency receipt transactions, including incoming Automated Clearing House (ACH) payments, wires, credit cards, checks, cash and coin, and internal bank sweeps. Treasury Management worked with state agencies to rebid the State's banking contract for the state-wide purchasing card, preferred card, group travel card, and individual liability travel card services. Additionally, Treasury Management worked with agencies to develop and implement e-commerce applications, to complete annual credit card data security compliance, and to implement a compliance program for remote deposit capture and ACH services.

Unclaimed Property

In 2011 the Unclaimed Property Division returned nearly \$8 million in unclaimed property and paid more than 14,500 claims.

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

- (1) State of Nebraska Comprehensive Annual Financial Report for the year ended June 30, 2011.

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

- (2) State of Nebraska Annual Budgetary Report for the year ended June 30, 2011.

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

If you have questions or would like additional information, please contact my office at 402-471-2455.

Respectfully,

Don Stenberg
State Treasurer

DS/jw

cc: Governor Dave Heineman