



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 17, 2013

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

Dear Mr. O'Donnell:

For the second year, I have been honored to serve as Nebraska's State Treasurer and to lead a committed and knowledgeable staff. The following Report to the Legislature is respectfully submitted as required by Nebraska State Statute.

College Savings Plan

The Nebraska Educational Savings Trust (NEST) continues to provide parents and grandparents with sound strategies to meet their college savings goals. As of November 30, 2012, the Nebraska Educational Savings Trust recorded a total of \$2.8 billion in assets and 197,553 accounts. The four plans in 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. As of November 30, 2012, there were 12,376 new accounts for the 2012 calendar year.

Both the NEST Direct and Advisor Plans have been recognized nationally. In December 2011, Kiplinger's Personal Finance named NEST the Best College Savings Plan for Fund Selection. In 2012, savingforcollege.com gave the Plans the highest 5-Cap rating. Of the 105 plans rated by savingforcollege.com, only six others received the 5-Cap distinction for both resident and nonresident accounts. Additionally, the NEST Advisor Plan is the only advisor-sold plan in the country to be rated 5-Cap for both resident and nonresident accounts.

In announcing its ratings, savingforcollege.com offered the following explanation for the highest rating of 5-Caps: "This is a program that offers outstanding flexibility, attractive investments, and additional economic benefits, such as generous state tax

incentives, which for some people, at least, will provide a substantial boost to their savings. There are few, if any, weaknesses noted in the program.”

Savingforcollege.com is a significant influence in the college savings plan industry and is one of the most sought after resources for information on state sponsored 529 college savings plans.

Long-Term Care Savings Plan

We currently have 26 Participating Financial Institutions. There are 425 accounts and \$633,639 in all of the accounts combined. The Treasurer's Office continues to work to share the Long- Term Care Savings Plan message with Nebraskans.

NebraskaSpending.gov

We are pleased to report that significant improvements made to the NebraskaSpending.gov website over the past two years have resulted in a significantly improved score from U.S. Public Interest Research Group (U.S. PIRG), a recognized rating agency for government transparency websites. The NebraskaSpending.gov's overall scored jumped from a D in 2010 to a B in the latest rating released in March 2012.

In assigning Nebraska's grade, U.S. PIRG evaluated the breadth of information provided on NebraskaSpending.gov and the ease with which users could search the website. Important changes made to the website over the past two years include monthly updates to information posted on the website, rather than the yearly updates that had been the practice. Technical changes, including providing more links to relevant websites and simplifying text and charts, have made the website easier to navigate.

Nebraska Child Support Payment Center

The Nebraska Child Support Payment Center processed more than 1.5 million transactions, totaling more than \$294.1 million. Nearly 74 percent of all payments were received electronically, ranking our center in the top five in the country in electronic payment receipts.

In addition, the Child Support Payment Center disbursed more than 1.3 million payments, totaling more than \$298 million. Almost 98 percent of these payments

were disbursed electronically. Our center also ranks among the top five in the country in electronic payments disbursed.

The use of electronic payments significantly reduces the center's printing and mailing expenses.

The Child Support Payment Center conducted the following routine business over the last year:

- Fully recovered 607 bank returned items totaling \$273,763 and prevented recovery of 64 bank return items totaling \$29,548.
- Responded to 52,939 customer service calls with the average call lasting less than three minutes.

Treasury Management

In fiscal year 2011-2012, the Treasury Management Division processed more than \$10.3 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 implement the State's new banking contract for the statewide purchasing card, preferred card, group travel card, and individual liability travel card services with the selected vendor.

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 2012, the Unclaimed Property Division returned more than \$6.6 million in unclaimed property and paid 12,159 claims.

Efficient Operations

In 2011, I requested, and the Legislature approved, a 13 percent reduction in the Treasurer's Office budget. Through efficient management, the accomplishments noted in this report were all achieved while operating on that reduced budget.

In conclusion, the Treasurer's Office submits the following links as references for information relating to the condition of the Treasury in accordance with Neb. Rev. Stat. Section 84-602 (6) (Cum. Supp. 2012):

- State of Nebraska Comprehensive Annual Financial Report for the year ended June 30, 2012.
<http://www.das.state.ne.us/accounting/cafr/cafrcon.htm>
- State of Nebraska Annual Budgetary Report for the year ended June 30, 2012.
<http://www.das.state.ne.us/accounting/budrept/contents.htm>

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

Respectfully,

A handwritten signature in blue ink that reads "Don Stenberg". The signature is written in a cursive style with a long, sweeping underline.

Don Stenberg
State Treasurer

DS:jl

cc: Governor Dave Heineman