

# Treasury Notes

Office of the State Treasurer Lynn Fitch

Issue 4 • November 2014

## • Lynn's Ledger •

### November is a Time For Reflection

November is a time when Americans pause to give thanks and reflect on the many blessings God has showered on our great country. As we prepare for Thanksgiving, my hope is that you have a wonderful season celebrating many blessings from the past year.

I am very blessed to have much for which to be thankful. I am thankful to work with such a dedicated team in the Office of the State Treasurer. In many ways, our staff members are like family. They work very hard on your behalf to secure and invest the public trust for the State of Mississippi. We have had some significant accomplishments over this year, and I am grateful for their hard work in making those successes happen.

November marks the second month that the Mississippi Prepaid Affordable College Tuition (MPACT) program has been open to new enrollments. Many thanks to the Mississippi College Savings Board of Directors and the College Savings Division staff for their efforts to restructure and reopen MPACT while growing Mississippi's Affordable College Savings program (MACS), particularly through payroll deduction. MACS and MPACT are two solid options to help families save for college.

I am thankful for the many people, communities and partners who have strongly supported our Treasurer's Education About Money (TEAM) initiative to improve financial literacy in Mississippi. TEAM is aimed at changing Mississippi's financial culture, and Mississippians are proving yet again that we can come together to tackle even our toughest challenges. TEAM is quickly gaining traction because of the generous commitment of so many valuable TEAM members statewide.

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*Lynn Fitch*  
STATE TREASURER



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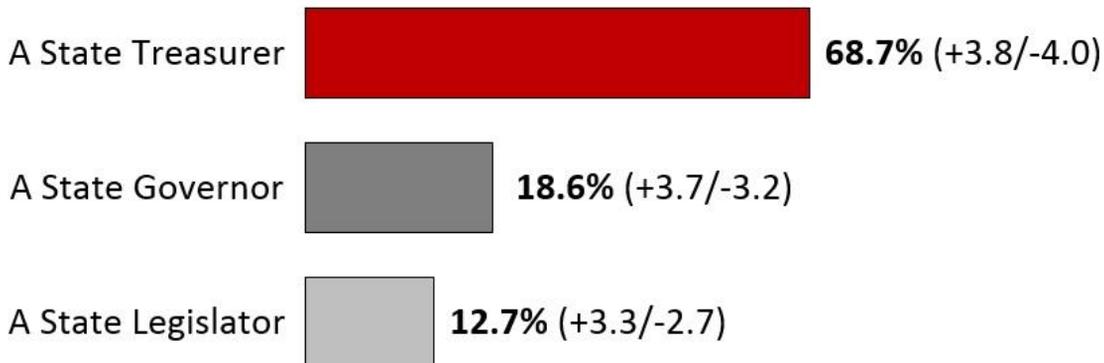
Beyond looking for ways to strengthen our programs and deliver our services more effectively, I am so thankful to be working with the team at the OST who is committed to making a difference for our community. Our office took the ALS “Ice Bucket Challenge” (and then gave it to me!) to raise awareness of the need to cure Lou Gehrig’s Disease. This month, we are “competing” with each other in an agency-wide service project, the “Treasury Community Service Battle.” In the friendly contest, teams will see who can raise the most donations of canned food items for Stewpot, a Jackson-based service organization. The efforts of the staff to help those less fortunate is a true inspiration.

Gathering with family, friends and loved ones reminds us how important it is to be thankful for all we have. President Ronald Reagan captured the holiday simply. “Perhaps no custom reveals our character as a Nation so clearly as our celebration of Thanksgiving Day.”

During this time of thanks and celebration, I wish continued blessings for you and your families.

## POLL SHOWS AMERICANS LOOK TO STATE TREASURERS FOR RELIABLE INFORMATION

### Who do you believe is the most trustworthy source of information about state financial matters and public funds?



Methodology: Conducted by Google Consumer Surveys, September 16, 2014 – September 22, 2014 and based on 742 online responses. Sample: National adult internet population.



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## Treasurer Fitch Selected for Inaugural Women in Government Fellowship Program

State Treasurer Lynn Fitch has been selected by Governing Magazine as one of 25 outstanding appointed and elected women officials in state and local government for a year-long fellowship program on Women in Government. The Governing Institute in Washington, DC created this program as an opportunity for leading women in government to guide, mentor and share best practices in their fields.

The Institute considered outstanding performance, demonstrated leadership, personal integrity and commitment to public service when choosing the honorees for the inaugural panel of Outstanding Women in Government.

“It is such an honor to be named to the inaugural Women in Government Leadership Program,” said Treasurer Fitch. “Women have made progress in Mississippi politics since Evelyn Gandy was Lt. Governor. She was my mentor so it has been both humbling and inspiring to follow in her footsteps as State Treasurer. I hope that I can similarly inspire other women to pursue opportunities to serve.”

Treasurer Fitch attended the first session of the year-long leadership program this month. As part of the leadership program, she will represent Mississippi during a series of conferences, roundtable discussions, and editorials in Governing Magazine.



The inaugural panel of state and local honorees from Arizona, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Kansas, Louisiana, Massachusetts, Mississippi, Missouri, New York, Ohio, South Carolina, Tennessee, Texas, Virginia and Washington.



### MEC HOSTS STATE LEADERS AT ANNUAL EVENT

#### HOB NOB HIGHLIGHTS

Every October, the Mississippi Economic Council gathers business leaders, politicians and dignitaries for an annual event that allows statewide elected officials a platform to share highlights from this year in office. Nearly 2,000 turned out at the Mississippi Coliseum to hear what their elected officials have in store for the coming year.

Treasurer Fitch shared the importance of changing the financial culture in Mississippi. The Treasurer’s Education About Money (TEAM) initiative continues to gain support. She briefed the crowd on the program’s success and gave the latest update on College Savings Mississippi and the reopening of MPACT. She continued by encouraging business owners to offer MACS through payroll deduction. The group also learned about the ways the Office of the State Treasurer has adopted business-friendly practices for both reporting and claiming abandoned property.



Attorney General Jim Hood, Insurance Commissioner Mike Chaney, State Treasurer Lynn Fitch, Agriculture Commissioner Cindy Hyde-Smith, State Auditor Stacey Pickering and Secretary of State Delbert Hosemann.



Jackson Mayor Tony Yarber



Miss Mississippi Jasmine Murray





## Securing the Public Trust

The mission of the Office of the State Treasurer is to secure and invest the financial trust. The Office provides that protection by ensuring that state funds are held on deposit only in financial institutions that are approved by the State. The OST Collateral Division provides the protection of public funds deposited by agencies and political subdivisions in Treasury-approved financial institutions. The division reviews, tracks, and reconciles collateral pledged by the 97 financial institutions approved as public depositories, providing a level of assurance to more than 1200 public entities within the State.

Collateral is continuously evaluated for compliance with all applicable statutes, policies, and depository custodial agreements. The division monitors all pledged securities to make certain that each is an acceptable and marketable instrument that can secure public funds at all times.

In addition to the Collateral Program, the Collateral Division also oversees the day to day operations of the Mississippi Public Funds Guaranty Pool and its oversight board (Mississippi Code §27-105-6). The Guaranty Pool is a subset of banks from the Collateral Program that have passed rigorous financial criteria set by the Legislature and the Board. These banks are allowed to pledge at a rate less than the required 105% mandated by law, however, they also pledge contingent liability with the other banks in the Guaranty Pool. Comprised of representatives from the banking industry, local and state government, the Guaranty Pool Board helps to create the policy and metrics for determining the financial strength for these qualified public depositories.

**Total Public Funds Deposits  
(held in all Qualified Public Funds Depositories):**

**\$6,626,966,116**

**Market Value of Collateralized Securities  
(monitored by OST Collateral Division):**

**\$7,174,642,950**

**Total Public Funds Deposits in the Guaranty Pool:  
(represents 7.48% of the total public funds in the Collateral Program)**

**\$495,967,571**



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## Technology Improves Collateral Information Access and Compliance

In addition to the improved Office of the State Treasurer website going live this fall, the Collateral Division implemented a new, updated reporting feature located within the site.

Visitors can peruse the Collateral web page for information related to the program, including all of the depositories currently approved to receive public funds, as well as, the institutions that qualify to be a member of the Guaranty Pool.

All Qualified Public Funds Depositories (Collateral Program and Guaranty Pool) and Public Depositors may retrieve all forms and reports from this site.

Located behind the website's secure portal, our financial institutions may login, complete reports, and submit everything without having to leave the Treasury website. The new reporting structure has made the Collateral site a one-stop shop for banks and depositors to stay up to date with reports and information about public funds.

### For Financial Institutions

[Secure Login](#)

Not sure if you are a Mississippi Public Funds Guaranty Member? Find out!

[View List of Guaranty Pool Members](#)

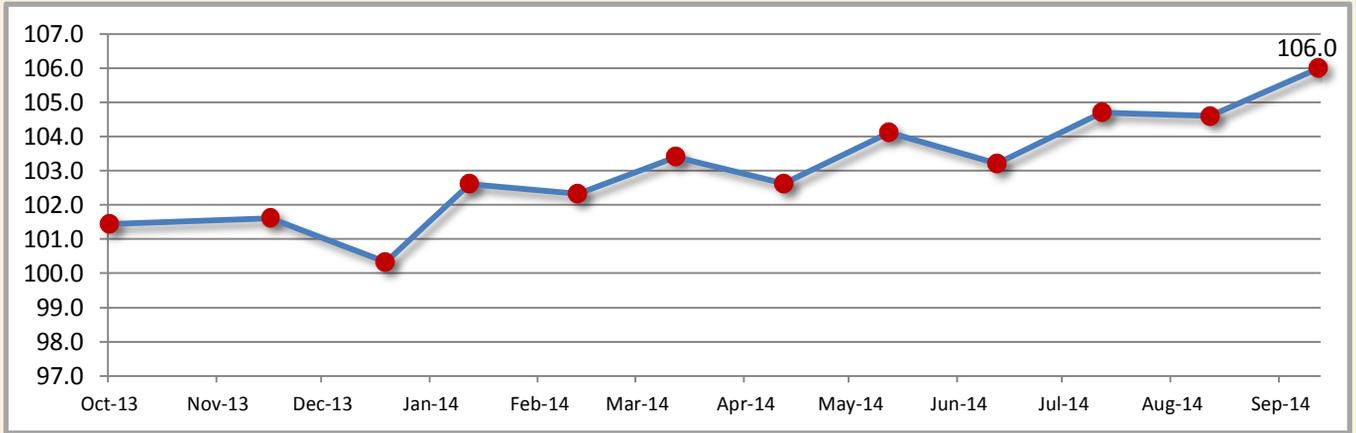
### For Public Depositors

- » [Public Depositors Annual Report Form](#)
- » [Qualified State Depository List](#)



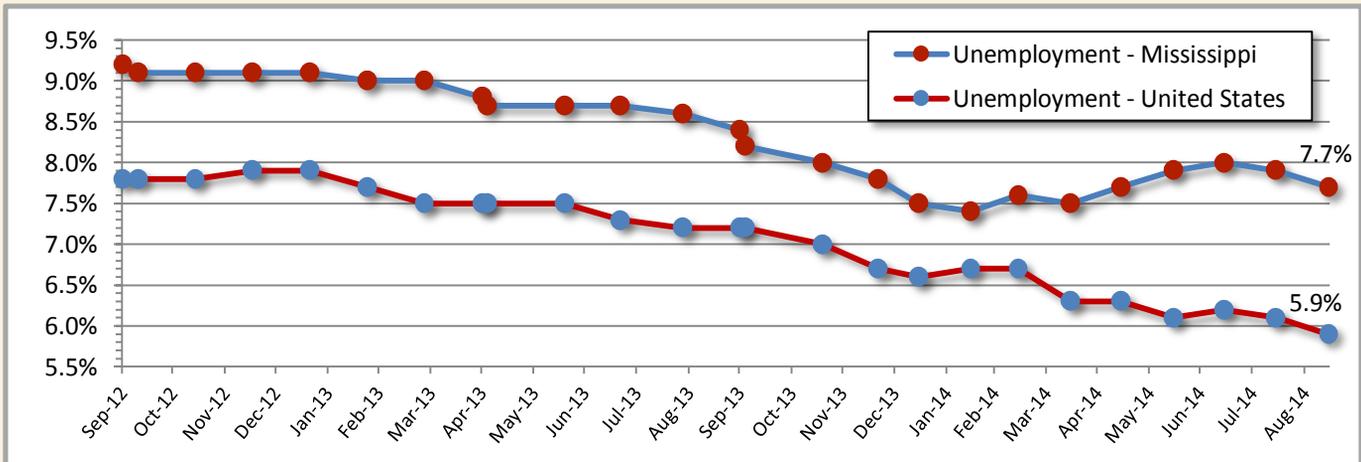
### ECONOMIC STATISTICS

#### LEADING INDEX – OCTOBER 2013 THROUGH SEPTEMBER 2014



Components of the Leading Index include average weekly manufacturing hours, average weekly initial claims for unemployment insurance, manufacturers' new orders for consumer goods and non-defense capital goods, building permits and stock prices. Other components are indexes of supplier deliveries and consumer expectations, M2 money supply and the interest rate spread between 10-year Treasury bonds and federal funds. The Mississippi Leading Index climbed 1.3% higher in September and was up 4.4% compared to one year ago (up 5% over the last 6 months).

#### MS UNEMPLOYMENT RATE – SEPTEMBER 2012 THROUGH AUGUST 2014

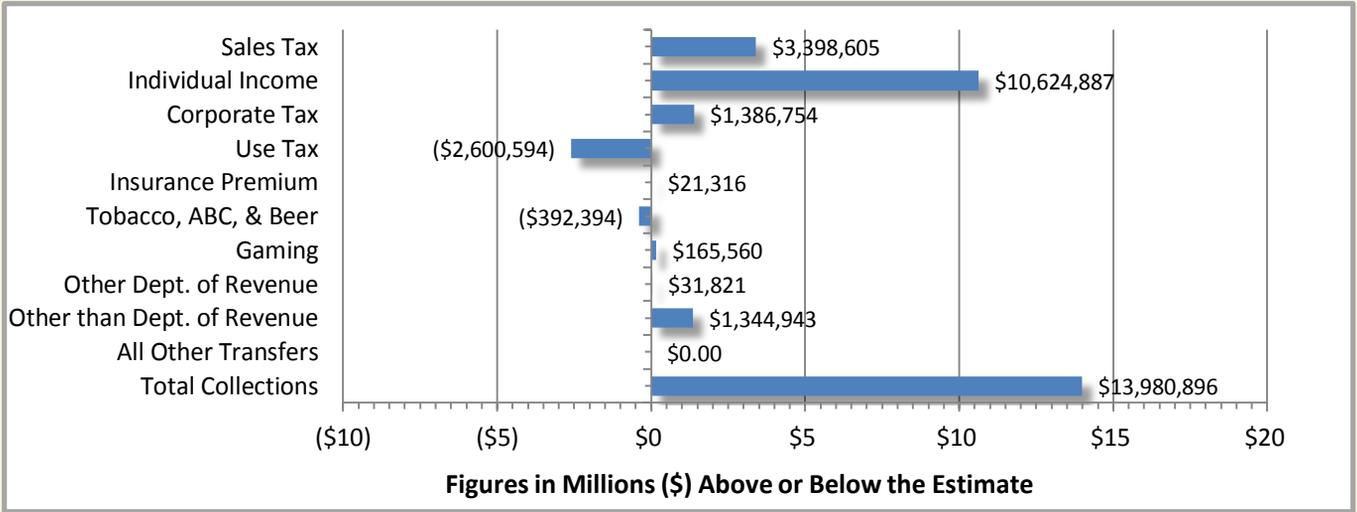


The Unemployment Rate is the percentage of the total labor force that is unemployed, but actively seeking employment and willing to work. According to the September "Mississippi Business" newsletter published by the University Research Center (Mississippi Institutions of Higher Learning), "...the seasonally-adjusted number of continued claims in Mississippi declined to their lowest monthly level since March 2007." Mississippi's seasonally-adjusted unemployment declined by .2% in September to 7.7%.



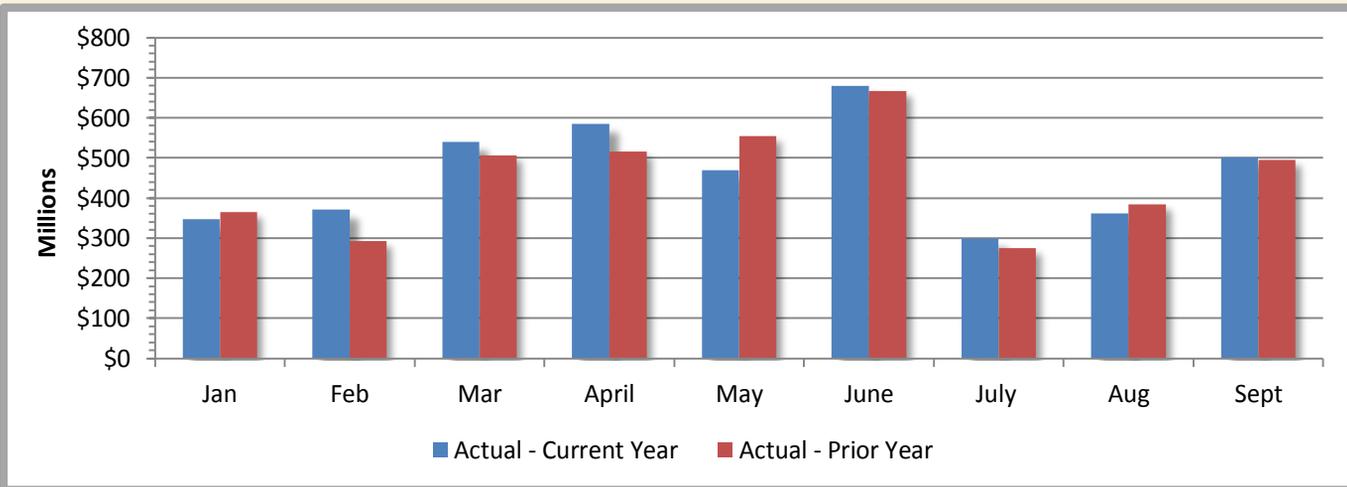
### REVENUE COLLECTIONS

#### REVENUE (ACTUAL VS. ESTIMATED)



Total collections for Sept FY15 were \$13,980,896 above the sine die estimate. Department of Revenue sources were \$12,635,953 above the estimate and Other than Department of Revenue collections were above the estimate by (\$1,344,943). The major revenue sources were above or below the estimate in September as shown above. (Source: LBO)

#### REVENUE (ACTUAL – CURRENT YEAR VS. PRIOR YEAR)



The above chart illustrates the General Fund revenue collections by month as compared to the prior year.