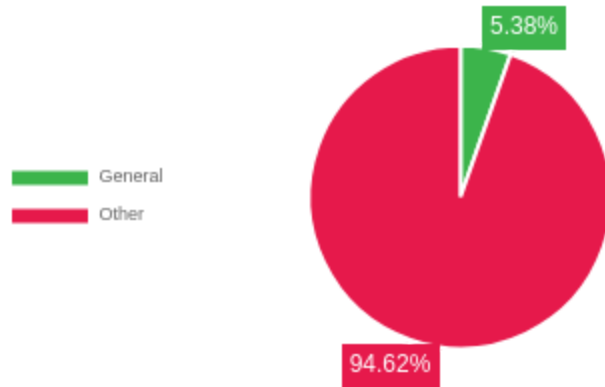


State Treasurer

Fiscal Year 2026 Budget Brief Summary

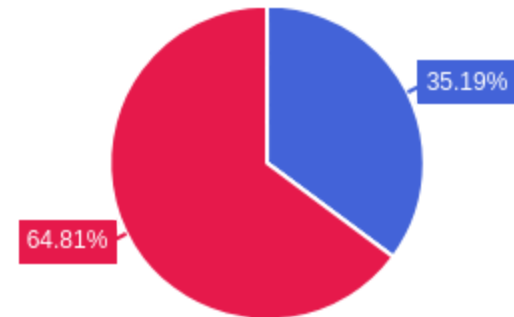
Information contained in this document is based on the Governor's FY2026 Budget and may not correspond with the final budget adopted by the Legislature.

Source of Funds



Treasury Management
Unclaimed Property Operations

Distribution of General Funds



Key Personnel

- Josh Haeder, State Treasurer
- Lee DeJabet, Administrator Unclaimed Property
- Jason Williams, Deputy Treasurer

Mission of the State Treasurer

To offer financial management in an expedient and cost-effective manner as a working partner throughout state government on matters, in whole or in part, relating to accounting, administration and support services, banking, bond management, budget, cash management, data processing, supervision and regulation of public funds insurance, investment receipts, state agency requests, state allocations, warrants, and unclaimed property; to accurately and legally account for South Dakota citizens and taxpayers all monies received, kept, and allocated of their state's treasury according to the Constitution and as directed by law; to authorize, supervise, perform, and coordinate all responsibilities vested in the Office of the State Treasurer; to exercise state leadership on finance and accounts; to maintain the stability of the state's banking; to direct the wire transfer of funds of the state treasury; to coordinate in a central, effective, and as efficient way as possible the electronic transfer of funds by state agencies when appropriate; and, to influence the state money available by monitoring the investment of state public funds and managing cash for use by the State Investment Council.

State Treasurer Budget Units

- Treasury Management (3201)
- Unclaimed Property - Info (3202)
- Unclaimed Property Operations (3203)

Major Items Summary - State Treasurer

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2026 Base Budget	\$2,123,604	\$0	\$32,025,105	\$34,148,709	11.0	\$2,123,604	\$0	\$32,025,105	\$34,148,709	11.0
1. Bank Contract Renewal or Increase for New Bank	\$3,000	\$0	\$0	\$3,000	0.0	\$0	\$0	\$0	\$0	0.0
2. Computer Hardware for Unclaimed Property Operations	\$5,000	\$0	\$0	\$5,000	0.0	\$0	\$0	\$0	\$0	0.0
3. Computer Hardware Purchases	\$5,000	\$0	\$0	\$5,000	0.0	\$0	\$0	\$0	\$0	0.0
4. Dues and Workshop Fees	\$4,500	\$0	\$0	\$4,500	0.0	\$0	\$0	\$0	\$0	0.0
5. Dues, Workshop Registrations and Bond Fees	\$8,200	\$0	\$0	\$8,200	0.0	\$0	\$0	\$0	\$0	0.0
6. Expand Database System Contract	\$25,000	\$0	\$0	\$25,000	0.0	\$0	\$0	\$0	\$0	0.0
7. Maintain Unclaimed Property Database	\$6,000	\$0	\$0	\$6,000	0.0	\$6,000	\$0	\$0	\$6,000	0.0
8. New Public Deposit Database Maintenance	\$2,600	\$0	\$0	\$2,600	0.0	\$5,000	\$0	\$0	\$5,000	0.0
9. Newspaper Advertising	\$6,000	\$0	\$0	\$6,000	0.0	\$0	\$0	\$0	\$0	0.0
10. Printer Replacement, Food, Postage, Office Supply Increase	\$870	\$0	\$0	\$870	0.0	\$0	\$0	\$0	\$0	0.0
11. Third-Party Audit Fees	\$0	\$0	\$500,000	\$500,000	0.0	\$0	\$0	\$500,000	\$500,000	0.0
12. Treasury Management Travel Expenditures	\$7,600	\$0	\$0	\$7,600	0.0	\$0	\$0	\$0	\$0	0.0
13. Unclaimed Property Claims	\$0	\$0	\$5,000,000	\$5,000,000	0.0	\$0	\$0	\$5,000,000	\$5,000,000	0.0
14. Unclaimed Property Travel Expenditures	\$5,663	\$0	\$0	\$5,663	0.0	\$0	\$0	\$0	\$0	0.0
FY 2026 Total Budget	\$2,203,037	\$0	\$37,525,105	\$39,728,142	11.0	\$2,134,604	\$0	\$37,525,105	\$39,659,709	11.0
Change from Base Budget	\$79,433	\$0	\$5,500,000	\$5,579,433	0.0	\$11,000	\$0	\$5,500,000	\$5,511,000	0.0
% Change from Base Budget	3.7%	0.0%	17.2%	16.3%	0.0%	0.5%	0.0%	17.2%	16.1%	0.0%

1. Bank Contract Renewal or Increase for New Bank

	General	Federal	Other	Total	FTE
Agency Request	\$3,000	\$0	\$0	\$3,000	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$3,000** in **general funds** for a new bank contract if the agency chooses not to renew the current contract for an additional two years. The contract covers all fees associated with the State’s main bank account, State’s warrant account and the university accounts. Some of the costs associated with accounts are remote deposit machines and supplies, account maintenance, online banking, paid warrants, compact disks, image capture, checks received for deposit, returned deposits, wire services, and ACH services. If the agency chooses not to renew the contract, it would put out a request for proposal, which it must do after the contract ends. The last request for proposal was in 2021.

The governor does not recommend this request.

2. Computer Hardware for Unclaimed Property Operations

	General	Federal	Other	Total	FTE
Agency Request	\$5,000	\$0	\$0	\$5,000	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$5,000** in **general funds** for laptops, tablets and printers. The agency does not currently have a replacement schedule or funds built in to their base budget and usually replaces based on need and BIT recommendation. Most of the agency’s equipment is from 2020 and will be aging out. The agency has 5 laptops, 2 outreach tablets and 5 printers from 2020 that may need to be replaced. The agency is also looking at acquiring a high-capacity printer for increased printing from data matching. Based on the current BIT contract, laptops are \$1,500 each, outreach tablets are \$1,800 each, printers are \$480 each, and high-capacity printers are \$1,400 each. The agency would start in 2025 by purchasing a high-capacity printer and some laptops or tablets.

The governor does not recommend this request.

3. Computer Hardware Purchases

	General	Federal	Other	Total	FTE
Agency Request	\$5,000	\$0	\$0	\$5,000	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$5,000** in **general funds** for replacing 2 laptops each year on an ongoing basis. The agency tries to replace 2 laptops, printers (if needed), and monitors (if needed), every 2-3 years if authority allows. Replacement costs would be per the current state contracts to replace a laptop and as of today’s contract amounts the cost to replace a laptop is between \$1,540 - \$1,825 plus any warranty, adapters, keyboard, mouse, cords, or monitors.

The governor does not recommend this request.

4. Dues and Workshop Fees

	General	Federal	Other	Total	FTE
Agency Request	\$4,500	\$0	\$0	\$4,500	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of \$4,500 in general funds for unclaimed property-related trainings and conferences.

The governor does not recommend this request.

5. Dues, Workshop Registrations and Bond Fees

	General	Federal	Other	Total	FTE
Agency Request	\$8,200	\$0	\$0	\$8,200	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of \$8,200 in general funds for association dues and conference fees, including \$200 for employee bond fees.

Workshops attended by the the office include:

- National Association of State Treasurers
- Treasury Management Training Symposium
- Legislative Conference (attended by the Treasurer and Deputy Treasurer)
- State Financial Officers Foundation

Dues are paid to the National Association of State Treasurers.

The governor does not recommend this request.

6. Expand Database System Contract

	General	Federal	Other	Total	FTE
Agency Request	\$25,000	\$0	\$0	\$25,000	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$25,000** in **general funds** for Kelmar Unclaimed Property Management System. This cloud-based, secure database system is used for most of the daily work for all things unclaimed property. The agency is looking to add more functionality to the unclaimed property website claims and reporting process. The addition of more verification behind the site for claimants and a web translation component is the bulk of the increase. The agency also incurs costs in this line item for data matching and verification of claims data. The agency sees an increase in the need for claims verification with the increased workload from the large number of properties received.

The governor does not recommend this request.

7. Maintain Unclaimed Property Database

	General	Federal	Other	Total	FTE
Agency Request	\$6,000	\$0	\$0	\$6,000	0.00
Governor's Recommendation	\$6,000	\$0	\$0	\$6,000	0.00

The agency requests an increase of **\$6,000** in **general funds** for maintenance costs of the unclaimed property database.

The governor recommends this request.

8. New Public Deposit Database Maintenance

	General	Federal	Other	Total	FTE
Agency Request	\$2,600	\$0	\$0	\$2,600	0.00
Governor's Recommendation	\$5,000	\$0	\$0	\$5,000	0.00

The agency requests an increase of **\$2,600** in **general funds** for BIT maintenance of a new Public Deposit database. Qualified public depositories (financial institutions) monitor their public deposits and ensure adequate collateral is in place. When collateral needs to be increased or decreased, the depository notifies the Office of State Treasurer. From there, the requested changes are made by agency staff in Microsoft Access.

A development request was submitted to BIT to develop a software-as-a-service system where banks can sign on to the state’s single sign-on system as a user to request collateral changes; Treasurer’s Office would electronically review and approve the requests. Software-as-a-service programs can easily be updated as technology improves.

The current Public Deposit database runs on Microsoft Access software. Microsoft Access is a database product that's included in Office 365 business plans and is used for data management, reporting, and automating tasks. Microsoft Access will become obsolete in October 2026. The new Public Deposit database system has yet to be developed. The Treasurer’s Office attempted to submit a \$50,000 FY25 General Bill Amendment request to fund the creation of this system but the request was denied by BFM.

*The governor recommends an increase of **\$5,000** in **general funds**.*

9. Newspaper Advertising

	General	Federal	Other	Total	FTE
Agency Request	\$6,000	\$0	\$0	\$6,000	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$6,000** in **general funds** for published notices of unclaimed property in newspapers statewide in compliance with SDCL 43-41B-19. Costs are based on per-inch pricing for statewide advertisements. The agency has seen an increase in the amount of column inches needed to comply with the increase in properties received by the state and corresponding increase in names to be printed.

The governor does not recommend this request.

10. Printer Replacement, Food, Postage, Office Supply Increase

	General	Federal	Other	Total	FTE
Agency Request	\$870	\$0	\$0	\$870	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$870** in **general funds** for food, supply, and postage inflation. The agency is also seeking to replace a copier as the lease has expired and the agency currently only pays for the copies it uses. The agency does not have an estimate for the cost of a new copier. The copier has not been replaced since 2019.

The governor does not recommend this request.

11. Third-Party Audit Fees

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$500,000	\$500,000	0.00
Governor's Recommendation	\$0	\$0	\$500,000	\$500,000	0.00

The agency requests an increase of **\$500,000** in **other fund** expenditure authority for third-party fees for contractor assisted self audits of holders. The agency currently uses a pool of third-party audit firms, with two added this year bringing the total up to six firms (five are under contract and one is fulfilling a prior contract.) The six audit firms are Kelmar Associates, Audit Services US, Discovery Audit Services, Treasury Services Group, Escheatment Expertise Consulting Services, and Kroll. The contracts are percentage-based. For contractor assisted self audits (CASA), the agency's contractor, Kelmar, will reach out to holders who have never reported or have a lag in reporting to help them come into compliance with a questionnaire and forms to complete. Based on the response, the firm may have to educate the holder on unclaimed property and the required reporting.

The contracts are percentage based. According to the agency, there is no set amount for each contract since it is impossible to determine the fee for all the audits under way and proposed in the future. The agency no way of knowing how much of the funds will be used for the ongoing audits, the increase in audits with two new firms, and the CASA program. The amount requested is to ensure that there are enough funds anticipated to cover all of the audits

The governor recommends this request.

12. Treasury Management Travel Expenditures

	General	Federal	Other	Total	FTE
Agency Request	\$7,600	\$0	\$0	\$7,600	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$7,600** in **general funds** for inflationary increases in in-state and out-of-state travel, lodging and meal costs due to inflation and a general increase in travel costs. The agency requests \$3,900 for in-state travel and \$3,700 for out-of-state travel.

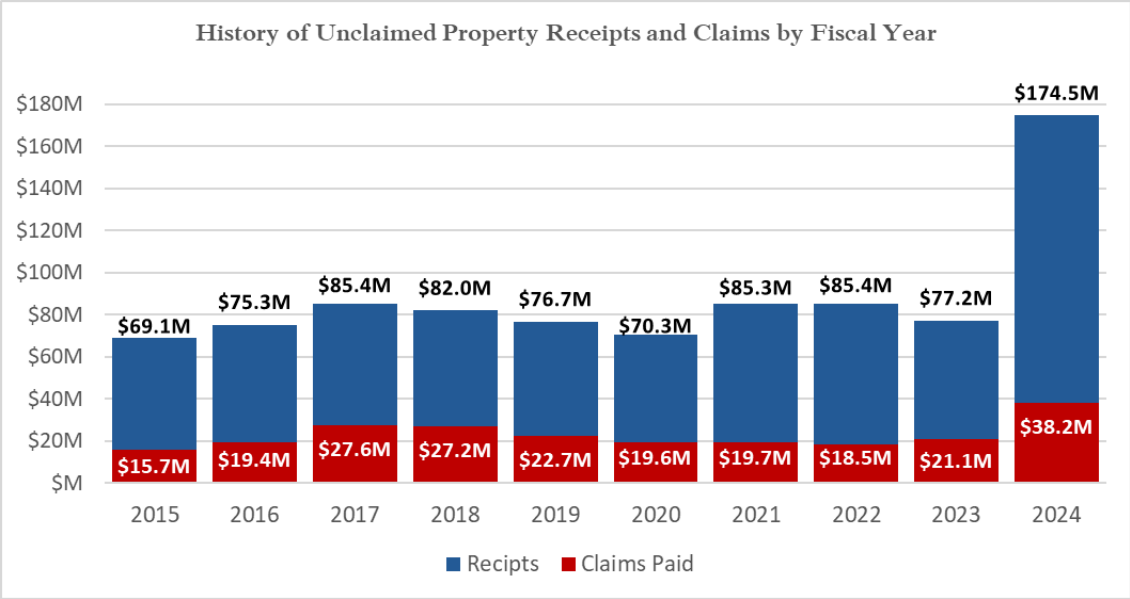
The governor does not recommend this request.

13. Unclaimed Property Claims

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$5,000,000	\$5,000,000	0.00
Governor's Recommendation	\$0	\$0	\$5,000,000	\$5,000,000	0.00

The agency requests an increase of **\$5,000,000** in **other fund** expenditure authority for paying anticipated unclaimed property claims from the Unclaimed Property Fund. The accompanying graph shows unclaimed property received by the state and property paid back to the rightful owners over the previous ten full fiscal years from FY 2015 to FY 2024. Property claims increased by about \$17.1 million from FY 2023 to FY 2024.

The governor recommends this request.



14. Unclaimed Property Travel Expenditures

	General	Federal	Other	Total	FTE
Agency Request	\$5,663	\$0	\$0	\$5,663	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$5,663** in **general funds** for mostly inflationary increases in out-of-state travel, lodging and meals costs to attend biennial Kelmar (Unclaimed Property software provider) training conferences for the Treasurer with 1-2 staff in Boston, MA. Recently, staff travel to just one event used most of the agency’s travel budget.

The governor does not recommend this request.

State Treasurer Budget Request							
By Fund Category	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
General	\$616,781	\$654,312	\$695,577	\$2,123,604	\$2,203,037	\$2,134,604	\$11,000
Federal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$29,048,006	\$40,882,518	\$43,195,595	\$32,025,105	\$37,525,105	\$37,525,105	\$5,500,000
Total	\$29,664,788	\$41,536,830	\$43,891,172	\$34,148,709	\$39,728,142	\$39,659,709	\$5,511,000
By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Treasury Management	\$616,781	\$654,312	\$695,577	\$746,094	\$773,364	\$751,094	\$5,000
Unclaimed Property - Info	\$29,048,006	\$40,882,518	\$43,195,595	\$32,025,105	\$37,525,105	\$37,525,105	\$5,500,000
Unclaimed Property Operations	\$0	\$0	\$0	\$1,377,510	\$1,429,673	\$1,383,510	\$6,000
Total	\$29,664,788	\$41,536,830	\$43,891,172	\$34,148,709	\$39,728,142	\$39,659,709	\$5,511,000
By Object Expenditure Personnel Costs	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$911,610	\$989,745	\$1,046,793	\$1,108,951	\$1,108,951	\$1,108,951	\$0
Salaries	\$713,277	\$772,614	\$804,293	\$861,899	\$861,899	\$861,899	\$0
Benefits	\$198,333	\$217,130	\$242,500	\$247,052	\$247,052	\$247,052	\$0
Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$28,753,177	\$40,547,085	\$42,844,379	\$33,039,758	\$38,619,191	\$38,550,758	\$5,511,000
Travel	\$26,056	\$36,244	\$35,188	\$36,462	\$49,725	\$36,462	\$0
Contractual Services	\$817,528	\$2,280,230	\$2,819,386	\$2,565,751	\$3,121,051	\$3,076,751	\$511,000
Supplies	\$27,110	\$24,350	\$45,750	\$46,390	\$47,260	\$46,390	\$0
Capital Outlay	\$24,427	\$9,370	\$700	\$5,700	\$15,700	\$5,700	\$0

Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Other Expenses and Budgeted Operating Transfers Out	\$27,858,056	\$38,196,891	\$39,943,355	\$30,385,455	\$35,385,455	\$35,385,455	\$5,000,000
Total	\$29,664,788	\$41,536,830	\$43,891,172	\$34,148,709	\$39,728,142	\$39,659,709	\$5,511,000
Full-Time Equivalent (FTE)	11.04	10.67	11.0	11.0	11.0	11.0	0.00

Funding Sources (Governor's Recommended)

	General	Federal	Other	General%	Federal%	Other%
UNCLAIMED PROPERTY FUND	\$0	\$0	\$37,525,105	0.0%	0.0%	100.0%
STATE GENERAL FUND	\$2,134,604	\$0	\$0	100.0%	0.0%	0.0%

Governor's Recommend FY25 Supplemental Bill Changes - State Treasurer

Unclaimed Property Data Matching

- Increase of **\$19,000,000 in other fund expenditure authority** for covering payouts associated with Unclaimed Property data matching.
- Increase of **\$101,407 in general funds** for covering expenses associated with Unclaimed Property data matching.