



DAVID H. LILLARD, JR.
Treasurer

TREASURY

State Capitol

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TN.gov/treasury

The state Treasurer is a constitutional officer elected every two years in a joint session of both houses of the General Assembly. The Treasurer is charged with various responsibilities, most relating to the financial operations of state government, although additional duties have been delegated to the Treasury Department by the General Assembly.

The Treasurer is responsible for the control and settlement of all state funds through bank accounts maintained by the Treasury Department. One of the department's main responsibilities is administering the Tennessee Consolidated Retirement System (TCRS). This is the pension fund for employees of state government and many local governments, school districts, public colleges, universities and technology centers across Tennessee. The Treasury Department manages the TCRS investment portfolio and makes benefit payments to the system's retirees. The exact numbers vary over time, but there were 103,000 retirees collecting benefits and 220,000 active employees enrolled in the program in 2009.

Additionally, the Treasury Department manages state government's investments through a program known as the State Pooled Investment Fund (SPIF). The SPIF

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David H. Lillard, Jr., Tennessee State Treasurer, was born in Ft. Rucker, Alabama and was raised in Tennessee. He is married to Patricia Newton and has two children, Scott Lillard and Brooke Lillard, and a stepdaughter, Rachel Newton. He is a member of Christ United Methodist Church in Memphis, where he has served as a Sunday school teacher. He has also served on the administrative boards of two other Methodist churches, including service as stewardship chairman. Treasurer Lillard is a Republican and was elected by the Tennessee General Assembly on January 15, 2009. In both his professional life and also in public service, Treasurer Lillard has had extensive experience in corporate finance, municipal finance, governmental budgeting and related fields. He has also long been active in statewide civic affairs of Tennessee. Treasurer Lillard has over 25 years experience as an attorney practicing finance law, health law and tax law, including counsel in equity and debt securities offerings, and mergers and acquisitions. He also practiced municipal law, emphasizing the fields of economic development and municipal finance. He is a member of the National Association of Bond Lawyers (NABL), the American Health Lawyers Association (AHLA) and the National Association of State Treasurers (NAST). Treasurer Lillard is a graduate tax attorney who received a Master of Laws in Taxation (LL.M. in Taxation) from the University of Florida in 1983. He also holds a Bachelor of Arts and a Juris Doctor degree in law from the University of Memphis. He is listed in several editions of The Best Lawyers in America, including the 2009 edition. He also holds an "AV" rating from Martindale Hubbell, the highest designation for legal ability and ethics. He served as Chairman of the Shelby County Board of Commissioners in 2007-2008 and as a Shelby County Commissioner from 2002 to 2009. He also served in 2006-2007 as president of the Tennessee County Commissioners Association. From 1993 to 2002, he was a Shelby County Election Commissioner. Treasurer Lillard was Finance Chairman of the Memphis-MidSouth Affiliate of the Susan G. Komen Breast Cancer Foundation and the Memphis-MidSouth Race for the Cure from 2001 to 2003 and was awarded the Cameo Award with Sterling Silver Ribbon for outstanding volunteer service to the Foundation in 2003. From 1998 to 2000, Treasurer Lillard was president of the National Alumni Association of the University of Memphis School of Law. Treasurer Lillard is a former Speaker of the House and Governor of the Tennessee Intercollegiate State Legislature (TISL) and has served as an officer and member of the board of directors for the Tennessee Intercollegiate State Legislature Foundation. He has been a member of the Economic Club of Memphis from 1988 to 2009.

includes the state's cash, dedicated reserves and trust funds, as well as the Local Government Investment Pool (LGIP). The LGIP is a money market fund available for city and county governments, school districts, public colleges, universities and technology centers to invest their money. By pooling their resources with the state, those governmental and educational institutions are able to achieve better economies of scale with their investments. The Treasury Department is also responsible for managing the investments of the state's lottery revenues.

The Treasury Department's investment division also manages investments for the Baccalaureate Education System Trust (BEST), a prepaid tuition program that allows parents and friends to save money for children's college costs, and the Chairs of Excellence Trust, a program that provides funding for state colleges and universities to attract nationally-recognized instructors.

Unlike many other state governments, Tennessee does not rely on private fund managers to manage its investments. Instead, the Investment Division uses an in-house staff with extensive education, professional training and certifications. This team includes members with substantial institutional investor experience in both the public and private sectors. The Chief Investment Officer of the Treasury Investment Division is a Chartered Financial Analyst (CFA) and the Investment Division includes thirteen other senior staff members who have also earned the designation of CFA. Because of its experience and expertise, the Treasury Department's investment team often outperforms private fund managers. Although the exact amount in each portfolio fluctuates with market conditions, the Treasury Department manages a total of about \$34 billion worth of assets through its various investment programs.

In addition to being an investment manager, the Treasury Department is responsible for identifying the state's property and casualty risks and determining the appropriate amount of insurance needed to cover those risks. The Treasury Department also manages the deferred compensation and flexible benefits programs for state employees.

The Treasury Department administers several service-oriented programs that benefit the citizens of Tennessee. One of these is the Unclaimed Property Division, which is responsible for trying to find rightful owners for unclaimed utility deposits, paychecks, stocks, insurance policies and other investments, as well as money left in inactive bank accounts. In the fiscal year that ended June 30, 2009, the Unclaimed Property Division returned \$23.3 million of unclaimed property to its rightful owners.

The Treasury Department pays claims to crime victims through the Criminal Injuries Compensation Fund. The Treasury Department paid \$13.3 million in claims during the fiscal year that ended June 30, 2009. And the Treasury Department administers the Small and Minority-Owned Business Assistance Program, which provides loans to eligible companies. At the end of June 2009, the program had about \$5 million out on loan.

The Treasury Department promotes the Path2College Savings Plan, which allows parents and friends a tax-advantaged investment vehicle for their children's college education expenses. Tennesseans are eligible to invest in Path2College, although the program is administered by Georgia officials. Path2College is different from the BEST prepaid tuition program, which was designed to provide set benefits based on the amount participants have paid into the fund. The amount of money Path2College participants receive upon cashing out of the program is determined by market performance.

In addition to the programs that deal with the public, the Treasury Department operates divisions that handle its internal functions of administration, accounting, fiscal services and information services.

The Treasurer serves on a number of boards and commissions, including the State Funding Board, which determines revenue estimates used by state government for budgeting purposes and authorizes debt issuances by the state, and the Tennessee Higher Education Commission, which coordinates higher education policy in Tennessee. Other boards the treasurer serves on include: Baccalaureate Education System Trust Board, Board of Claims, Board of Equalization, Chairs of Excellence Trust, Collateral Pool Board, Commission to Purchase Federal Property, Council on Pensions and Insurance, Public Records Commission, Sick Leave Bank Board, State Building Commission, State Capitol Commission, State Insurance Committee, State School Bond Authority, State Teacher Insurance Committee, State Trust of Tennessee, Tennessee Consolidated Retirement System Board of Trustees, Tennessee Housing Development Authority, Tennessee Local Development Authority, Tennessee Sports Hall of Fame, Tennessee Student Assistance Corporation, Tuition Guaranty Fund Board, Volunteer Public Education Trust and Workers' Compensation Fund Board.

The office of the Treasurer is located on the first floor of the State Capitol. The Treasury Department's operating divisions are housed in the Andrew Jackson State Office Building.

Treasurer's Staff



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