

**January 20, 2016**

**Speaker: Jeff DeWit**

**Arizona State Treasurer**

**“Safety before liquidity before yield”**

**Speaker presented:** Treasurer DeWit gave a background of himself prior to becoming the State Treasurer. For 7 years, he was a broker with Smith Barney Shearson and worked on the trade floor. He founded Echotrade and was the CEO for over 14 years. He sold the company in 2013, and was asked to run for State Treasurer. He said that he is not a politician and when he was encouraged to run, his degrees in accounting, finance, and business administration gave him the background to pursue running for elected office. He feels that elected officials are held accountable. He is a Republican, married to Marina, and they have three daughters.

He presented slides on state earning and how they were distributed and explained that a conscientious department looks at safety before liquidity before yield. It is the state motto. Investment management is crucial to our state plans ASRS and PSPRS. The treasurer’s office is involved in managing the state cash flow and economic balance. He talked about mortgaging the capital building in 2010 and how the interest that we pay will be enormous. Slides were presented on our state economic situation – employment rate is down to 6%; ideally, it should be 5. Building permits are still down.

He spoke about financial literacy. His office has many resources to teach and prepare children and offers assistance to assist with financial literacy. Web links are available on the Arizona State Treasury website. In addition, the Treasurer’s office oversees the Debt Oversight Commission for the state. They prepare reports and have posted on the web for all to see how much debt is incurred in the state. The Treasurer’s office manages Endowment performance. They are state guardians of the trust. There are currently 5 billion in trust. There are 13 recipients of trust funds. They also manage the Land grants. The state once held 10,960,000 acres. They have sold some property and currently hold 9,223,617 acres. Cattle grazing accounts for one the largest leases of state land.

He spoke about Prop 301 and Prop 123. He described how Prop 123 was deceiving and does not support it. The \$3.5 billion education funding proposal wording DeWit had asked the council to include language in its "impartial analysis" that Congress must approve revisions to the Enabling Act before the additional money can start flowing into schools. One component of the plan boosts yearly distributions from state trust land to 6.9 percent from 2.5 percent and DeWit contends the increased distributions is beyond established limits and requires Congressional approval to change. Governor Ducey and Treasurer DeWit are not in agreement.

He ended with a question and answer period.