



Unclaimed

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returned to date. In FY-13, more than \$16 million was returned and set another record.

What has proven to be the most cost efficient and effective way to get people reunited with their lost funds is public outreach that drives individuals to contact the office by phone, internet or in person at the Capitol to search the massive list of names and initiate a claim.

At the start of this fiscal year, the treasurer's office launched a first-in-the-nation pilot program that, consistent with the philosophy of smaller, more efficient government, provides incentives to employees to work even harder, smarter and faster.

This new initiative, coupled with enhanced marketing and outreach to increase public awareness of the program, have FY-14 on track to shatter all previous records. So far this fiscal year, the amount of cash and stock returned tops \$20 million, with four months still remaining.

With more than 9,000 claims completed this year, 40 percent have been paid within one week. These "fast track" claims are for less than \$5,000 each and are those in which ownership is verified from information provided by the claimant that matches information either reported by the businesses that remitted the property or by other databases.

The success of the pilot program has caught the attention of other state treasurers across the nation, and after the first year concludes, the Oklahoma Treasurer's Office will share the full

results and components of the program with others so that it may be replicated.

As Treasurer Miller continues to layer more outreach and innovation to the program to return more funds more quickly to rightful owners, the amount of funds needed to pay expected claims will continue to rise.

With increasing required reserves, it will be even more important to avoid the temptation of using unclaimed property funds for recurring items in the budget.

Oklahoma is fortunate in that it has statutory protections that put the mission of the unclaimed property program ahead of tapping it as a state revenue source.

Further, state law provides for the operation of the program to be funded by four percent of the money received by the fund each year. In some years, excess funds are also made available from this operating fund.

Last year, the treasurer requested the Legislature transfer \$2.5 million from this fund for other state uses, but that was inadvertently omitted from the general appropriations bill. This year, the treasurer has identified an additional \$2 million that can be transferred.

The accumulation of operating funds over the past couple of years is due to unusually high volumes of property being reported - another unpredictable variable of the program. The four percent operating contingent may be higher than actual expenses in some years, but in other years it may just cover operational costs.

Current law ensures that the program has sufficient funds to effectively contact the public and to quickly process claims, while allowing for above-

expected funds to be remitted for public purpose.

The innovations undertaken by Oklahoma's unclaimed property program is poised to become a model for the rest of the nation, but more important, it is putting funds in the pockets of rightful owners and making a difference in many citizens' lives. Discussions or debate about legislative spending of any "excess" funds should at least recognize this.

Capital markets snapshot

The bull market in stocks is now five years old. Since the low on March 9, 2009, the S&P 500 Index is up 175%. The value of U.S. equities has increased some \$16 trillion. Household wealth grew to a record \$80.6 trillion in the fourth quarter, up from \$68.8 trillion in mid-2007 before the recession.

Despite the massive purchases by the Fed, the 10-year Treasury yield today is a mere four basis points lower than five years ago. Corporate yields are much lower because spreads to Treasuries have dropped sharply from the panic levels of 2008-09.

The events in Ukraine show again that investing in emerging markets should be for the long term. Short-term investing is too risky. Movements as great as 10% up and down have become commonplace in those stock and bond markets. The chief strategist at Northern Trust thinks these markets are now very cheap for long term investors.

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