



Testimony of Denise L. Nappier
Treasurer of the State of Connecticut

SUBMITTED TO THE GOVERNMENT ADMINISTRATION AND ELECTIONS COMMITTEE
MARCH 1, 2010

Senator Slossberg, Representative Spallone, and members of the Government Administration and Elections Committee, thank you for the opportunity to offer testimony in support of *Raised Bill No. 5326, An Act Concerning the Appointment of Investment Personnel by the Treasurer*. This proposal would clarify the Treasurer's authority to employ investment personnel to carry out constitutional and statutory duties beyond the investment of retirement plans, trust and other funds.

By way of background, current law¹ grants the Treasurer authority to appoint investment officers and other personnel to assist the chief investment officer for the State's pension funds. Whenever there has been a need for personnel with necessary investment skill sets in other divisions of the Treasury, the statutory authority required to make an appointment has to be, in the opinion of the Auditors of Public Accounts, explicit.

Other divisions where these skills are currently utilized include Cash Management and the Unclaimed Property Division of the Treasury. At one time, our Short Term Investment Fund was under the purview of the Pension Funds Management Division, but was transferred years before I became State Treasurer. Additionally, as the Unclaimed Property Division spent more time reconciling securities held by the State on behalf of others, it was determined that an individual with an understanding of the stock market was necessary. All of the positions in question were established by approval of the Department of Administrative Services and the Office of Policy and Management. The positions are also recognized in the Legislative Budget document.

Notwithstanding the fact that all of these positions have been established through the State personnel process, the Auditors have taken the position that more explicit statutory authority than is found in current statute is required. The bill before you seeks to reflect more clearly how the Treasury is organized today. Passage of this bill would in no way give the Treasurer any more discretion in hiring employees than currently exists and would not authorize the addition of any positions.

For all of these reasons, I ask for your favorable consideration of this bill.

¹ Conn. Gen. Stat. §3-13a.