



MEMORANDUM

TO: Select Committee on Capital Financing and Investments
Joint Appropriations Committee

FROM: Dawn Williams, Deputy State Treasurer

DATE: October 30, 2020

SUBJECT: Annual Report of Performance Compensation

Pursuant to W.S. 9-1-409(f), the State Treasurer is required to report on the performance compensation plan authorized by W.S. 9-1-409(e). The plan was reviewed by the Joint Appropriations Committee, Select Committee on Capital Financing and Investment, Attorney General and A&I Human Resources Division and became effective July 1, 2019.

In implementing the process of preparing and calculating performance compensation in the inaugural fiscal year 2020, we realized two things: the plan is (rightfully) complicated, and the payment due date falls after the November 1 reporting date.

The first hurdle in the process is the determination of benchmarks. It normally takes our investment consultant, RVK, a full quarter following the end of the fiscal year to prepare year-end reports. Accordingly, we receive the report in early October. Then we must determine what investments are eligible for performance compensation and make subsequent calculations. These results must be reviewed by our consultant and the Investment Funds Committee (IFC), and then payments can be made. According to the performance compensation plan, payments may be made no later than one hundred eighty (180) days immediately following the end of the investment period in which the performance compensation was earned.

We have received the year-end reports from RVK and are preparing the performance compensation results for review by the IFC on November 19. Any payments, if earned, will be made subsequent to the approval of the committee and within plan directives, and a final report will be submitted to your committees at that time.