



The Office Of State Treasurer Denise L. Nappier

News

FOR IMMEDIATE RELEASE
January 3, 2018

TREASURER NAPIER, ARCHITECT OF TREASURY REFORM, WILL END RECORD-SETTING TENURE NEXT YEAR

HARTFORD, CT -- Denise L. Nappier, having served as State Treasurer for nearly two decades - the longest tenure in modern Connecticut history - announced today that she will not seek re-election this year.

Treasurer Nappier, who was the architect of a comprehensive series of reforms in Treasury operations shortly after she took office as a kickback and corruption scandal enveloped her predecessor, said her administration has “restored integrity and public confidence in the Office of State Treasurer” as she announced her decision.

The five-term State Treasurer reflected on two decades of widely acclaimed financial management that has saved taxpayers hundreds of millions of dollars while initiating ground-breaking leadership on corporate governance issues and consistently “using the financial clout of the Treasury to expand economic opportunity not just for a few, but for all people.”

First elected in 1998, Treasurer Nappier will have served for 20 years when her fifth term ends in January 2019. She was the first African-American woman elected to serve as a State Treasurer in the United States, the first African-American woman elected to a statewide office in Connecticut, and the first woman elected Treasurer in state history.

“For nearly 19 years, this office has promoted the protection of shareholder value and the rights of consumers and workers by strengthening accountability and pursuing prudent and responsible business practices,” Treasurer Nappier said. “The results are striking.”

Connecticut’s pension plans and trust funds, invested by the Treasurer’s Office, have grown from less than \$19 billion to more than \$34 billion during the Nappier administration, an all-time high. In fiscal year 2017, Connecticut had one of the ten best investment performances among its peers in the nation and during the length of the Nappier administration, the Treasury has achieved investment returns that meet or exceed the average performance of its peers while taking on less risk.

Treasurer Nappier also established a policy – the first of its kind – that recognized the value to the Treasury’s investments and other functions in tapping from a diverse pool of prospective vendors to compete for and earn Treasury business. The Office has an unsurpassed record of doing business with Connecticut-based firms and minority-, women-owned, and emerging firms as well as longstanding majority-owned firms with a demonstrated commitment to improving diversity and inclusiveness.

In Pension Funds Management, the Connecticut Horizon Fund is one such example. It was launched to enhance portfolio returns while providing opportunities for these firms and is now a \$1.3 billion public and private markets program.

On the debt management side, Siebert Cisneros Shank was the first woman-owned and African American-owned firm and Ramirez & Co. the first Hispanic-owned firm in the history of Connecticut to serve as senior managers for State bond offerings.

In addition to stand-out pension fund investment performance and the comprehensive Treasury reform program that Treasurer Nappier developed early in her tenure, she is perhaps best known for the State's Connecticut Higher Education Trust (CHET) college savings program and The Big List, which lists about 1.4 million names of individuals and entities that currently may be entitled to as much as \$767 million in unclaimed property.

During the Nappier administration, CHET has grown from \$18.5 million in assets and 4,000 accounts to more than \$3.3 billion in assets and more than 140,000 accounts today. Just last month, CHET Direct was named as one of the nation's five best college savings programs. More than \$1.6 billion in qualified withdrawals – beyond the \$3.3 billion in assets – have been taken to cover college costs for approximately 47,000 students attending nearly every public and private college in Connecticut as well as out-of-state schools.

Reforms to the unclaimed property program since Treasurer Nappier took office in 1999 have resulted in \$653 million being returned to 298,141 individuals, businesses, organizations and non-profits through June 30, 2017.

Treasurer Nappier has also been a leading voice nationally for responsible corporate governance since she took office, engaging companies in which the state held investments, proposing shareholder resolutions on numerous issues and meeting with corporate leaders and regulators to advance protections for the state's investments.

Issues that have been the focus of Treasurer Nappier's efforts as principal fiduciary of the state's pension funds include establishing independent audit committees on corporate boards, separating the roles of CEO and Board Chair, eliminating excessive compensation for failure by linking pay to company performance, achieving greater diversity among board members, recognizing and mitigating the impact of climate change on companies' sustainable health, and urging companies to refrain from engaging in international business practices that condone human rights violations.

"There was no doubt in my mind that we had a fiduciary obligation to speak up and stand firm, to urge companies to act in the best interests of their investors – including Connecticut, and to encourage policies on a range of issues that would contribute to their bottom lines and ultimately ours as well," Treasurer Nappier said.

In her announcement, she expressed appreciation to Connecticut voters, members of the State's Investment Advisory Council, employees of the Treasurer's Office, and vendors working with the office through the years. She also cited a range of other accomplishments:

- The Treasury's Second Injury Fund -- a form of workers' compensation -- has not increased the assessment rate for Connecticut businesses for 19 consecutive years, the longest period without an assessment rate increase in the more than 70-year history of the Fund. As a result, Connecticut

businesses and agencies in the private and public sectors have realized an estimated \$1.3 billion in savings.

- Through June 2017, \$13.4 billion in bonds have been refinanced or defeased, resulting in savings to taxpayers of more than \$1.2 billion over the life of the bonds.
- The Short-Term Investment Fund has earned state and local governments \$208 million in additional interest income by consistently exceeding its benchmark.
- The Treasury's asset recovery and loss prevention program, which Treasurer Nappier launched, has recovered approximately \$1.4 billion.

Treasurer Nappier also noted the establishment of a Housing Trust Fund for Growth and Opportunity and an Individual Development Account program, enactment of the state's landmark Gift Card Law to protect consumers from having the value of their gift cards eroded, and initiatives in financial literacy and education as among key accomplishments.

At the conclusion of her term in January 2019, Treasurer Nappier will be the longest serving Connecticut Treasurer since 1818.

She is one of only two individuals to serve as State Treasurer for more than a decade since 1835. The other was Henry Parker of New Haven (1975-86) who served for 11 years. The only other State Treasurers to serve at least six years in the Office since 1835, according to the State Register & Manual, are Joseph Adorno of Middletown (1947-55), Gerald Lamb of Waterbury (1963-70), and Francisco Borges of Hartford (1987-93).

The longest serving State Treasurer in Connecticut history was Joseph Whiting, who served colonial Connecticut for 39 years, between 1679 and 1718. John Whiting then served for 32 years, from 1718 to 1750. Long-serving Treasurers in state history also include Andrew Kingsbury, in office for 24 years (1794-1818), and John Lawrence, who served for 20 years (1769-1789).

Prior to her first election as State Treasurer, Treasurer Nappier served for nearly a decade as Treasurer of the City of Hartford. She was endorsed by delegates to the 1998 Democratic State Convention and won a primary challenge from Frank Lecce with nearly 60 percent of the vote. She defeated then-incumbent Republican Paul Silvester, who was appointed to the office by Governor John Rowland, by 2,684 votes in the November election that year.

Treasurer Nappier was twice named as one of the nation's 100 Most Influential People in Finance by *Treasury & Risk Management* magazine and one of the 50 Most Powerful Black Women in Business by *Black Enterprise*. She was inducted into the National Association of Securities Professionals' Wall Street Hall of Fame in 1999 and received the Citizens for Economic Opportunity's Corporate Responsibility Leadership Award in 2002. Treasurer Nappier was inducted into the Connecticut Women's Hall of Fame in 2011, and received the Public Service Award from the Municipal Forum of New York in 2013 and the Lifetime Achievement Award from Women in Public Finance in 2015. In December 2015, she was named one of the 40 most important people in pensions by *Institutional Investor*.

###