



THE HONORABLE CURTIS M. LOFTIS, JR.

State Treasurer

September 10, 2015

SC House Oversight Executive Subcommittee
Post Office Box 11867
Columbia, South Carolina 29211

Dear Chairman Putnam,

I appreciated the opportunity to speak with you this morning regarding system conversions. As you know, conversions are a tedious process. Since the State Treasurer's Office (STO) reconciles cash balances in STARS and SCEIS to validate cash balances, we very much look forward to completing the conversion and retiring the legacy STARS system.

I would like to clarify my answer to Representative Funderburk's question regarding a definitive completion date for the STO conversion to SCEIS. The anticipated April 2016 conversion date I referenced is applicable for the three STO major systems: the Investment Management System was converted September 1, 2015; the Debt system to be converted this fall; and the Treasury Management Depository system, with an anticipated conversion of the spring of 2016.

By spring of 2016, the STO does indeed plan to retire the three major systems; however, the State will still likely have reliance on STARS beyond April 2016 because some subsystems (Capital Projects, Financial Management System, LGIP, Cash Management, Health and Human Services Banking Function, and Capital Leases) will still need to be converted in the following fiscal year. A timeline for the conversion of the remaining subsystems will be confirmed after the major system completion is complete in April of 2016.

I assure you, the STO will continue to communicate with the CG's Office on matters concerning the conversion. We are all aware of both the necessity of completing the conversion and the importance of making sure all operations affected continue to function properly.

Additionally, the STO conversion process is moving forward in a timely, prudent and professional manner. While timing may be problematic, this is not a function of the present conversion process at the STO. The conversion of the STO to SCEIS could have begun as early as fiscal year 2008 instead of remaining undone until I came into office.

Thank you for your interest and your service.

Sincerely,

Curtis M. Loftis, Jr.

CML/ebf

Cc: The Honorable Wm. Weston J. Newton
The Honorable Laurie Slade Funderburk
The Honorable Robert Q. Williams