Asset and Investment Review Task Force

treasurer.utah.gov/AIR

Meeting Minutes

November 21, 2025 | 9:00 a.m. - 10:30 a.m. | Approved on December 3, 2025

IN-PERSON
East Senate Building, Seagull Room
120 E Capitol St
Salt Lake City, UT 84103

VIRTUAL
Zoom: https://bit.ly/47RQEzH
Website Stream: treasurer.utah.gov/AIR
YouTube Stream: https://bit.ly/USTyt

Task Force Members in Attendance:
Utah Treasurer Marlo Oaks
Auditor Tina Cannon
Senator Keven Stratton
Representative Val Peterson (Virtual)
Daniel Gardiner, Department of Financial Institutions
Howard Headlee, Utah Bankers Association (Virtual)
Billy Hesterman, Utah Taxpayers Association (Virtual)
Rusty Cannon, Utah Association of Credit Unions (Virtual)
Paul Jerome, West Jordan City/Utah League of Cities & Towns
Kim Jackson, Utah County/Utah Association of Counties (Virtual)
LeGrand Bitter, Utah Association of Special Districts (Virtual)

Advisory Task Force Members in Attendance:
Todd Hauber, Granite School District/Utah Association of School Business Officials

Other Attendees:
Kirt Slaugh, Utah Office of State Treasurer
Brittany Griffin, Utah Office of State Treasurer
Jason Nielsen, Utah Office of State Treasurer (Virtual)
Brook McCarrick, AAG for State Treasurer (Virtual)
Jason Allen, Utah Office of State Auditor
Alex Nielson, Utah Office of State Auditor
Mark Stisser, Tur Partners
Patrick Daley, Tur Partners
Nidhi Srivastava, University of Chicago (Virtual)
Lindsay Mueller, Tur Partners (Virtual)
Matt Dugdale, Stifel (Virtual)
Johnathan Ward (Virtual)

1. Task Force Business

Call to Order
Treasurer Oaks called the meeting to order at 9 a.m.

Approval of Minutes
Treasurer Oaks presented the November 3, 2025 meeting minutes for discussion and approval. Mr. Gardiner moved to approve the minutes. Mr. Bitter seconded the motion. The motion was carried unanimously, with all task force members present voting in favor of approving the minutes.

Adjustment to Agenda
Treasurer Oaks announced a change in the order of the agenda since Tur Partners were not yet present. Items two and three were switched, so the Final Report would be discussed before the Investment Study.

2. Final Report
Treasurer Oaks opened by underscoring a key point from the executive summary: significant public interest in the Public Treasurers' Investment Fund (PTIF) stems from its size and visibility. That attention often leads to proposals to use public funds for statewide economic objectives, as seen in past housing-finance discussions that initially focused on the PTIF. He provided background on the fund, noting that more than 750 public entities, state agencies, municipalities, universities, school districts, charter schools, and special districts, participate in the PTIF, each seeking safety, liquidity, preservation of capital, and yield. Because the PTIF is a commingled pool, the Treasurer has a fiduciary duty to act in the best interest of all participants, which limits investment options and prohibits strategies that advantage one group over another. When housing legislation was previously considered, the Treasurer's Office redirected the discussion to the State's own resources, which can be segregated for policy purposes. Treasurer Oaks emphasized the same principle applies to future proposals; if Utah wishes to pursue investments with broader economic aims, those initiatives should rely on State reserves, not the PTIF, because only the State can voluntarily assume policy-driven risk without compromising fiduciary obligations. He stressed that the goal is not to block innovation, but to ensure any new effort uses State funds and aligns with fiduciary standards while preserving the integrity of the PTIF.

Mr. Slaugh added that protecting the integrity of the PTIF is essential. If the State attempted to use the PTIF for policy-driven purposes, local governments might perceive a breach of fiduciary neutrality and could withdraw funds in favor of private-sector investment options. Such an outcome would diminish the economies of scale public entities enjoy and would violate the Treasurer's fiduciary responsibility to all PTIF participants.

Mr. Headlee asked whether the discussion was intended to revisit past developments or focus on what steps should be taken going forward. Treasurer Oaks stated that from his perspective the question was forward-looking: what can be done from this point.

Mr. Headlee stressed that the PTIF itself is functioning as intended and should not be the subject of change. Instead, he argued that entities which collect taxes have an obligation to consider whether reinvesting reserves within Utah would generate higher benefits for taxpayers. He argued that the task force's report shows that, if funds are reinvested in Utah, the potential returns to the State and taxpayers exceed typical investment yields.

Treasurer Oaks acknowledged the potential benefits but cautioned that the report's conclusions are theoretical. He emphasized the need for empirical analysis to confirm whether Utah-based deposits actually translate into increased in-state lending, job creation, and economic multipliers. Because such effects have never been formally tracked, Utah would be the first state to empirically validate them.

Mr. Headlee disagreed with the need for extensive verification, asserting that Utah banks and credit unions overwhelmingly lend locally and that the benefits described in the report would almost certainly occur. He expressed concern that the draft report seemed to minimize the opportunity or defend the status quo, and he viewed that approach as unacceptable.

Mr. Cannon, speaking from the credit union perspective, supported Mr. Headlee's position and noted that credit unions tend to keep an even larger share of funds in Utah.

Treasurer Oaks clarified that he does not dispute the potential economic benefit. He instead stressed that policy must be grounded in measurable outcomes to avoid unintended consequences, particularly given the sensitivity surrounding PTIF governance. Utah, he stated, is uniquely positioned to test these ideas, but doing so requires careful structure and trackable metrics.

Mr. Jerome noted that if Utah were to require public entities to deposit reserves in Utah-based institutions, significant policy design work would be needed: determining required amounts, measuring performance, comparing returns to private-sector alternatives, and aligning any approach with existing investment requirements.

Mr. Headlee reiterated that the core concept is simple: reinvesting excess reserves in Utah would yield greater statewide benefit, and the legislature should consider how to make such reinvestment practical.

Treasurer Oaks responded that sound policymaking requires data, particularly because decisions could produce long-term consequences. He cautioned against premature action based solely on theory until Utah can demonstrate, with evidence, that local deposits produce the intended outcomes.

Senator Stratton provided legislative guidance and emphasized that he does not anticipate the legislature mandating local investment requirements. Instead, his goal is to provide information and options that allow public entities—particularly smaller or rural jurisdictions—to voluntarily pursue economic opportunities.

Senator Stratton offered several recommendations for improving the report: 1) Provide dollar amounts alongside percentages so legislators can understand scale in budgetary terms; 2) more clearly state the benefits of placing money on deposit at financial institutions; 3) avoid any implication of mandates and instead highlight opportunities for voluntary action; 4) identify the pool of potentially available resources and clearly articulate the benefits that could result from reinvesting those resources in Utah. He noted that parts of the draft could be interpreted as minimizing opportunities or obscuring the magnitude of available resources. Legislators, he said, need clarity, transparency, and "dollars and cents."

Treasurer Oaks thanked Senator Stratton and agreed that the report should more clearly frame the potential benefits on placing money on deposit at local financial institutions. He reiterated that any initiative must respect the sensitivities and fiduciary obligations surrounding the PTIF, while exploring ways to structure a pilot program that would allow Utah to gather real-world data.

3. Investment Study

Treasurer Oaks welcomed Mr. Daley and Mr. Stisser from Tur Partners, who arrived to provide an update on their analysis and discuss the framework for a potential pilot program.

Mr. Stisser began by apologizing for arriving late and briefly describing travel delays. He affirmed agreement with Senator Stratton that safeguarding fiduciary responsibility is a sacred obligation and emphasized that any new approach must be trackable and implemented as a pilot program. From Tur Partners' perspective, he stated that Utah is among the strongest economic performers in the country and is uniquely positioned to test a model that could influence how other states think about local investment. He agreed that, if additional funds can be channeled to smaller lending institutions and into communities, the approach can work, but only if it is rigorously measured.

Mr. Stisser noted that Tur Partners had submitted its final report. Dr. Griffin then forwarded the report to the task force. Mr. Stisser than explained that Tur Partners is not proposing granular loan-by-loan tracking but rather measuring incremental loan growth from a baseline, using existing data such as call reports. The focus would be on overall loan growth and simple metrics (loan-to-deposit ratio, loan-to-assets ratio, and total loan growth), regardless of loan category, so long as additional lending is occurring in or benefiting Utah's economy.

Treasurer Oaks noted that the report does a good job outlining what a pilot program could look like and identified a pilot as the logical next step to generate the empirical information needed. Treasurer Oaks emphasized that any pilot should rely on State funds, not PTIF assets, and suggested carving out a limited portion of State assets currently invested in the PTIF, on the order of \$50–\$150 million, as a test pool. In response to questions from Representative Peterson, Treasurer Oaks clarified that this would not be a budget appropriation but a reallocation of existing State funds from PTIF investments into deposits (likely certificates of deposit) at participating institutions. The primary fiscal impact would be the difference between PTIF yields and deposit rates, which the pilot is intended to offset through broader economic benefits.

Mr. Cannon expressed concern with the wording of Key Finding 5 in the draft report, which described local economic benefits as "unproven but possible." He felt this phrasing was overly negative given the analysis and discussions, and urged a more positive formulation that reflects the strong expectation of local benefit when funds are deposited in Utah institutions. Treasurer Oaks welcomed the feedback, reiterated that the report is still in draft form.

Mr. Headlee then reiterated that, as he understands the Tur Partners analysis, deploying funds through Utah banks and credit unions has the potential to generate substantially greater economic value for the State than simply maximizing financial yield in the PTIF, even if the exact magnitude of "significance" is open to judgment.

Mr. Daley explained that all modeling in the report is necessarily theoretical because no state has yet conducted a structured, trackable pilot of this kind. He cited other states, such as Indiana, that placed funds with local banks but did not track whether deposits expanded lending. This experience is why Tur Partners recommends a pilot using existing qualified institutions, with clear metrics and a control group of non-participating banks.

Mr. Stisser and Mr. Daley both stressed that the pilot should rely on simple, already reported metrics (loan-to-deposit ratio, loan-to-assets ratio, and total loan growth) and that banks would only opt in if they have loan demand and are deposit-constrained.

Mr. Gardiner and Mr. Cannon agreed that Utah banks and credit unions would not take excess deposits they cannot lend and confirmed that the core pilot metrics are already available in call report data.

Throughout the discussion, several participants, including Mr. Headlee, underscored that local deployment of reserves has benefits beyond tax revenues, including higher incomes and broader community gains that are difficult to quantify but still important for policymakers.

Senator Stratton agreed there is strong potential benefit but emphasized the need for a pilot program and data before moving toward any broader policy reforms.

4. Other Business/Adjournment

Treasurer Oaks encouraged task force members to read both reports and provide feedback on the task force's report to the Executive Appropriations Committee. Auditor Cannon asked about the November 30 deadline, and Dr. Griffin confirmed that it is set by statute. Senator Stratton, who sponsored the legislation creating the task force, indicated there is some flexibility so long as the spirit of the requirement is met and suggested aligning completion with the Executive Appropriations Committee's December 9 interim meeting.

The group agreed on a plan to submit the report by Friday, December 5, with edits due December 2 and a virtual meeting on December 3 to finalize revisions. Dr. Griffin would prepare a letter for Treasurer Oaks to send to the Executive Appropriations Committee explaining that the task force is still refining the report. Treasurer Oaks thanked attendees for their participation and then adjourned the meeting.