

Representative Jim Fannin
Chairman



Representative Simone Champagne
Vice Chairman

FY 14-15 Executive Budget Review STATE TREASURER

House Committee on Appropriations
by the House Fiscal Division
March 31, 2014



Agenda

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Department Functions

- **Investments Division**

- Invests the monies deposited in the State Treasury to earn a reasonable rate of return, while maintaining safety of principal and liquidity to meet the state's cash flow needs.

- **State Bond Commission**

- The Debt Management Program within the department provides staff to assist the State Bond Commission in carrying out its constitutional and statutory mandates.

- **Unclaimed Property Division**

- The department maintains an online database of unclaimed property. Citizens can search the database for unclaimed property or can contact the division and staff will perform a thorough search.



Department Structure

State Treasurer

- Administrative Program
- Financial Accountability and Control Program
- Debt Management Program
- Investment Management Program



Means of Finance

Means of Finance	Actual Expenditures FY 12-13	Existing Operating Budget FY 13-14 (12/1/13)	Executive Budget Recommended FY 14-15	Change from FY 13-14 to FY 14-15	Percent Change from FY 13-14 to FY 14-15
State General Fund	\$0	\$0	\$0	\$0	0.0%
Interagency Transfers	\$1,658,255	\$1,628,452	\$1,628,452	\$0	0.0%
Fees and Self-Gen Rev	\$7,757,281	\$8,262,855	\$9,022,947	\$760,092	9.2%
Statutory Dedications	\$460,812	\$4,571,417	\$3,959,873	(\$611,544)	(13.4%)
Federal Funds	\$0	\$0	\$0	\$0	0.0%
TOTAL	\$9,876,348	\$14,462,724	\$14,611,272	\$148,548	1.0%
Authorized Positions	58	57	54	(3)	(5.3%)

Fees & Self-Gen Rev

- Increases are used to fund performance adjustments, retirement system adjustments, and salary base adjustments

\$760,092



Statutory Dedications

- There is a decrease of \$561,544 in the Millennium Trust Fund to reflect the historical expenditures

\$611,544



Authorized Positions

- Three vacancies from its Authorized Table of Organization Full Time Equivalents were eliminated

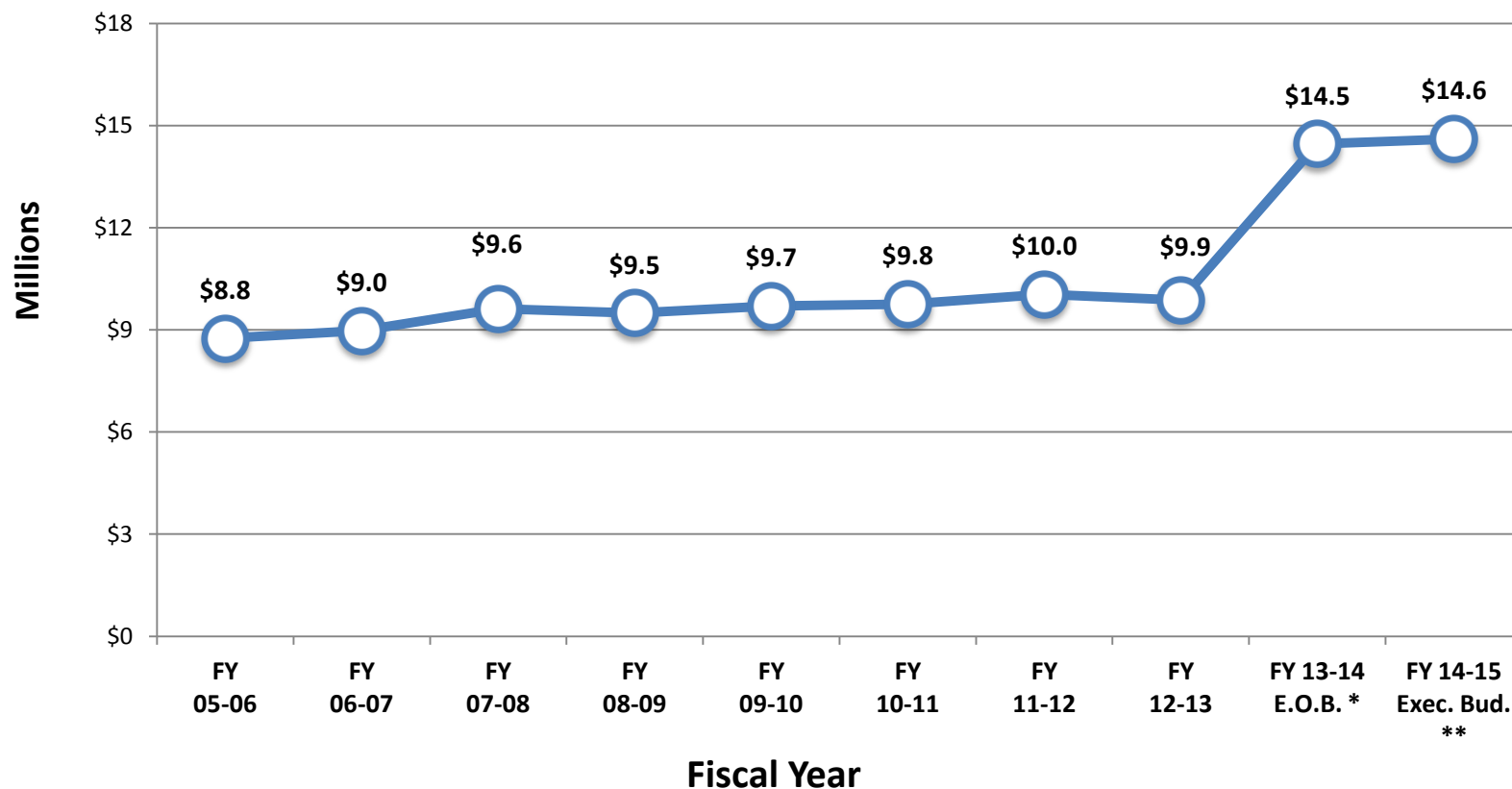
3 T.O.





10-Year Budget History

STATE TREASURER (Total Funding)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13

**Governor's Executive Budget Recommendation



Major Sources of Revenues FY 14-15

Self-Generated Revenues - \$9.0 million

- Fees are funded from the State Bond Commission, Securities Lending Program, and Unclaimed Property fees.

Interagency Transfers - \$1.6 million

- Interagency Transfers are fees collected from agencies that receive central depository banking services provided by the Treasurer.

Statutory Dedications - \$3.9 million

- Geaux Pass Transition Fund - \$2.3 million.
- LA Quality Education Support Fund - \$670,415
- Medicaid Trust Fund for the Elderly - \$818,458.



Expenditure Breakdown

Expenditures	FY 12-13 Actual Expenditures	FY 13-14 Existing Operating Budget (12/1/13)	FY 14-15 Executive Budget Recommendation	Change from FY 13-14 to FY 14-15	Percent Change from FY 13-14 to FY 14-15
Salaries	\$3,733,086	\$3,742,229	\$3,812,014	\$69,785	1.9%
Other Compensation	\$777,906	\$660,837	\$660,837	\$0	0.0%
Related Benefits	\$1,561,902	\$1,442,932	\$2,139,253	\$696,321	48.3%
Travel	\$64,421	\$112,013	\$112,013	\$0	0.0%
Operating Services	\$1,027,487	\$1,005,311	\$1,005,311	\$0	0.0%
Supplies	\$57,555	\$56,610	\$56,610	\$0	0.0%
Professional Services	\$301,022	\$663,947	\$663,947	\$0	0.0%
Other Charges	\$2,305,300	\$6,691,145	\$6,073,587	(\$617,558)	(9.2%)
Acq/Major Repairs	\$47,669	\$87,700	\$87,700	\$0	0.0%
Unallotted	\$0	\$0	\$0	\$0	0.0%
TOTAL EXP	\$9,876,348	\$14,462,724	\$14,611,272	\$148,548	1.0%

Salaries and Related Benefits

- Increases are attributable to performance adjustments and retirement rate adjustments from 31% to 37%.

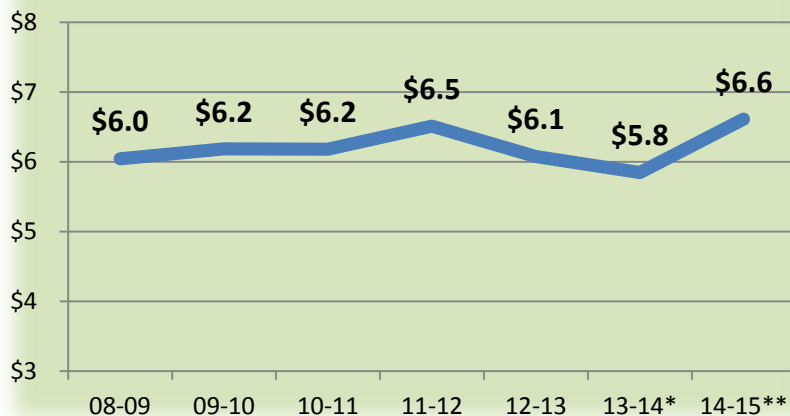
Other Charges

- The \$617,558 reduction in Other Charges is primarily related to a decrease of \$561,544 in the Millennium Trust Fund to reflect the historical expenditures.

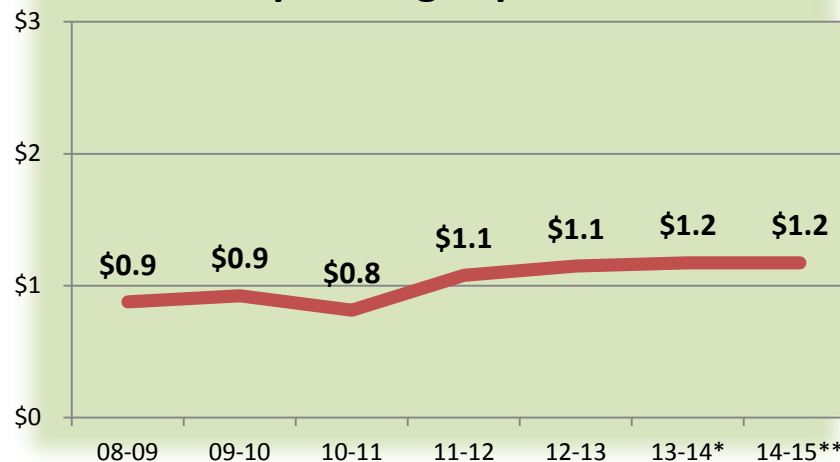


7-Year Expenditure History (in millions)

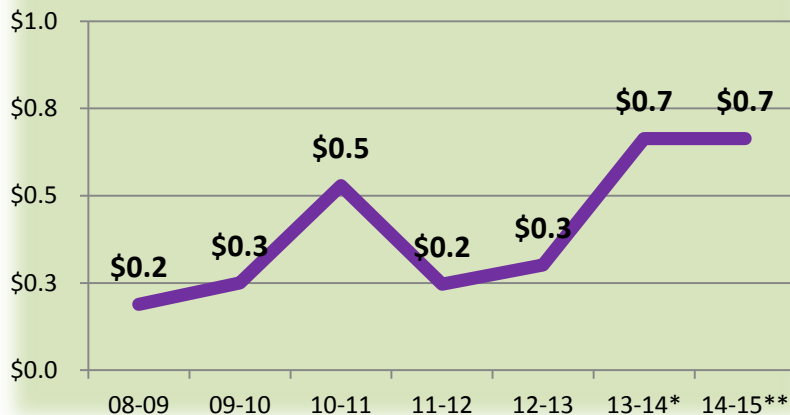
Personal Services



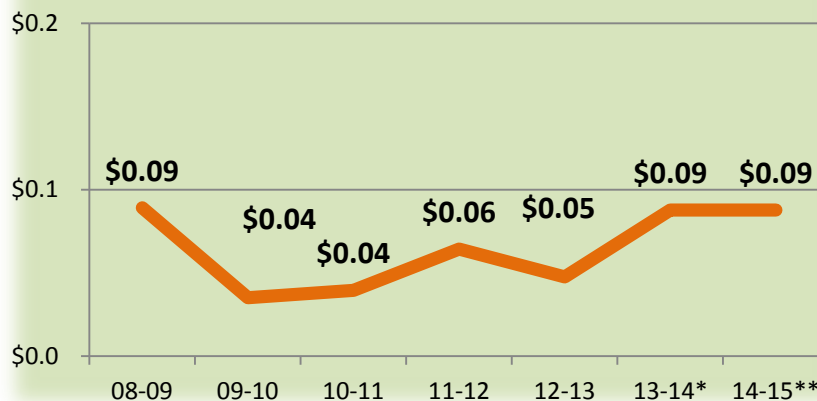
Operating Expenses



Professional Services

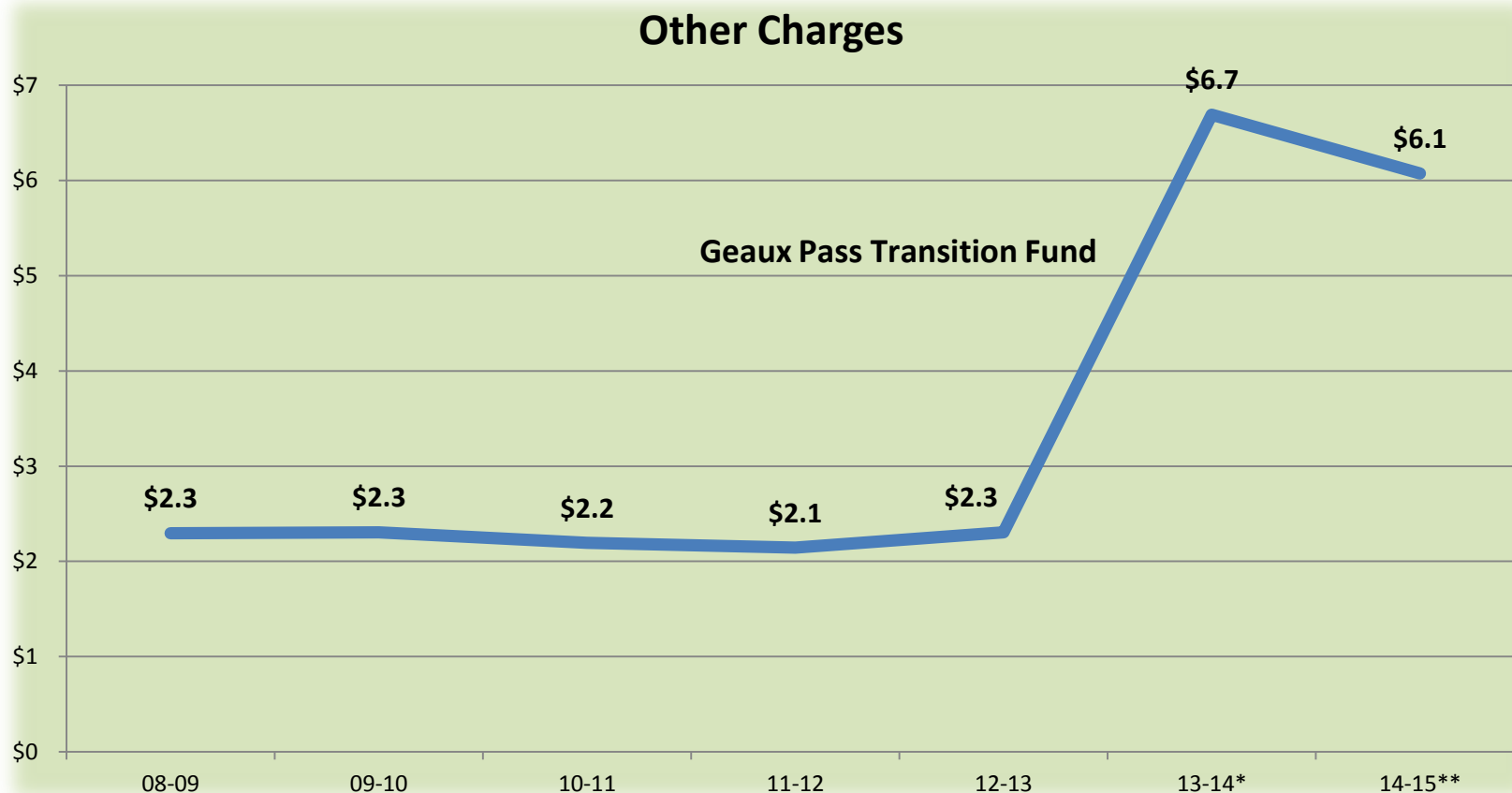


Acquisitions & Major Repairs





7-Year Expenditure History (in millions)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13

**Governor's Executive Budget Recommendation



Significant Adjustments

\$760,092

**Fees/
Self-Gen**



Increases in Fees and Self-Generated Revenues are used to fund increases in Statewide Adjustments. The primary drivers are retirement rate adjustments (\$583K), classified state employees performance adjustments (\$104K), and salary base adjustments (\$327K).

\$611,544

**Stat
Ded**



The decrease of \$611,544 in statutory dedications is largely attributed to a \$611,544 decrease in expenditures for the Millennium Trust Fund. In the current year, funds are included for the potential need for an investment manager, but the department will manage the fund in-house. Those funds are no longer needed in the FY 15 budget.



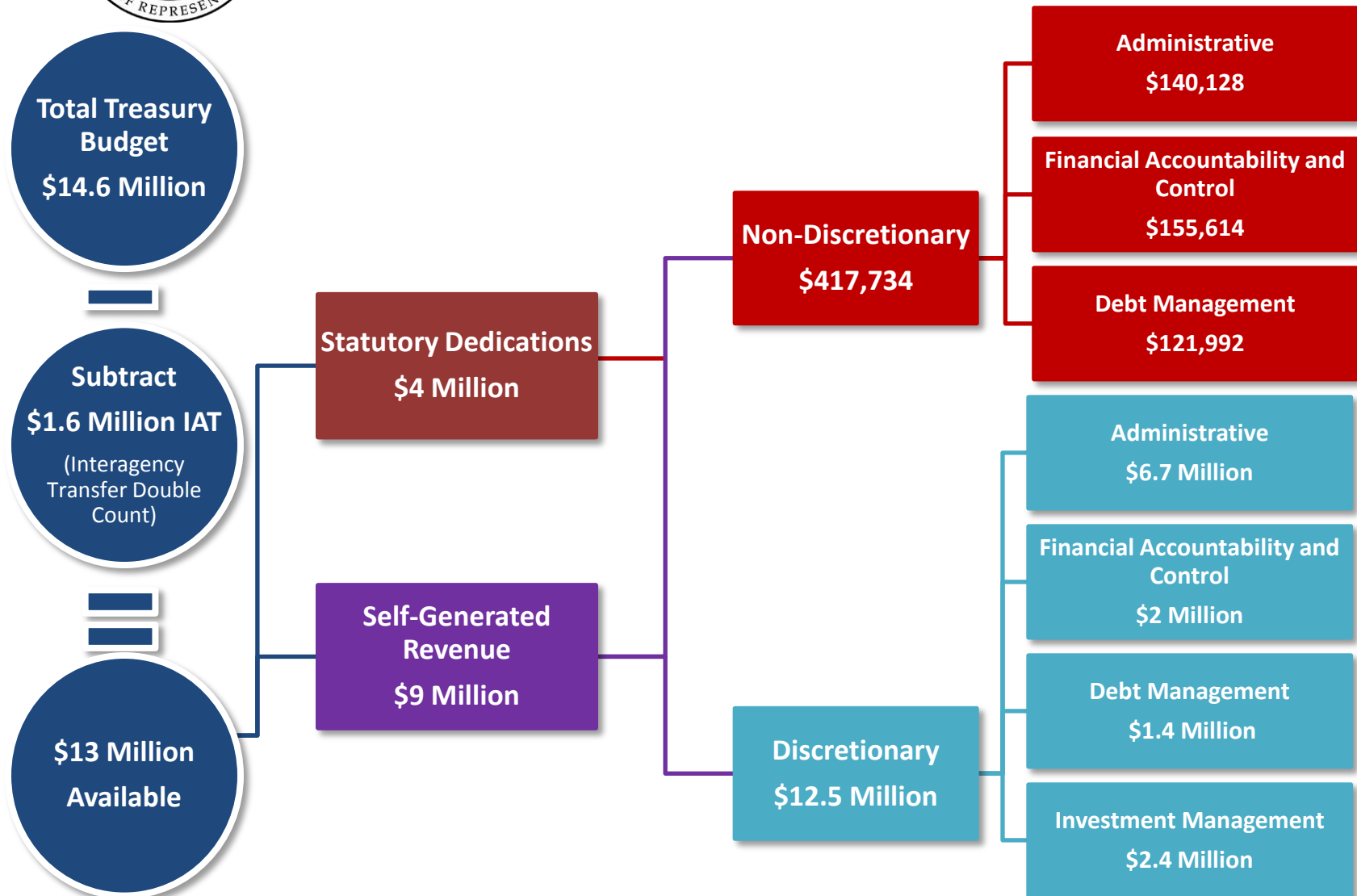
Discretionary/Nondiscretionary Funding in FY 14-15

Executive Budget

<u>Activity/Program</u>	<u>TOTAL FUNDING -\$14,611,212</u>		<u>STATE GENERAL FUND -\$0</u>	
	Discretionary	Non-Discretionary	Discretionary	Non-Discretionary
<u>Administrative</u>	\$ 6,722,918	\$ 140,128	\$ 0	\$ 0
	\$0	\$ 0	\$ 0	\$ 0
<u>Financial Accountability and Control</u>	\$ 3,635,966	\$ 155,614	\$ 0	\$ 0
Central Banking Service Fees	\$ 1,742,211	\$0	\$ 0	\$ 0
<u>Debt Management</u>	\$ 1,424,745	\$ 121,992	\$ 0	\$ 0
Financial Advisor to State Bond Commission	\$ 380,374	\$ 0	\$ 0	\$ 0
<u>Investment Management</u>	\$ 2,409,909	\$ 0	\$ 0	\$ 0
Louisiana Educational Quality Trust Fund Equity Investment	\$ 626,286	\$ 0	\$0	\$ 0
Medicaid Trust Fund Investment Management	\$780,218	\$0	\$0	\$0
Millennium Trust Fund Management	\$153,793	\$0	\$0	\$0
TOTAL	\$14,193,538	\$ 417,734	\$0	\$ 0



Discretionary/Nondiscretionary Funding in FY 14-15 Executive Budget





Salaries and Positions

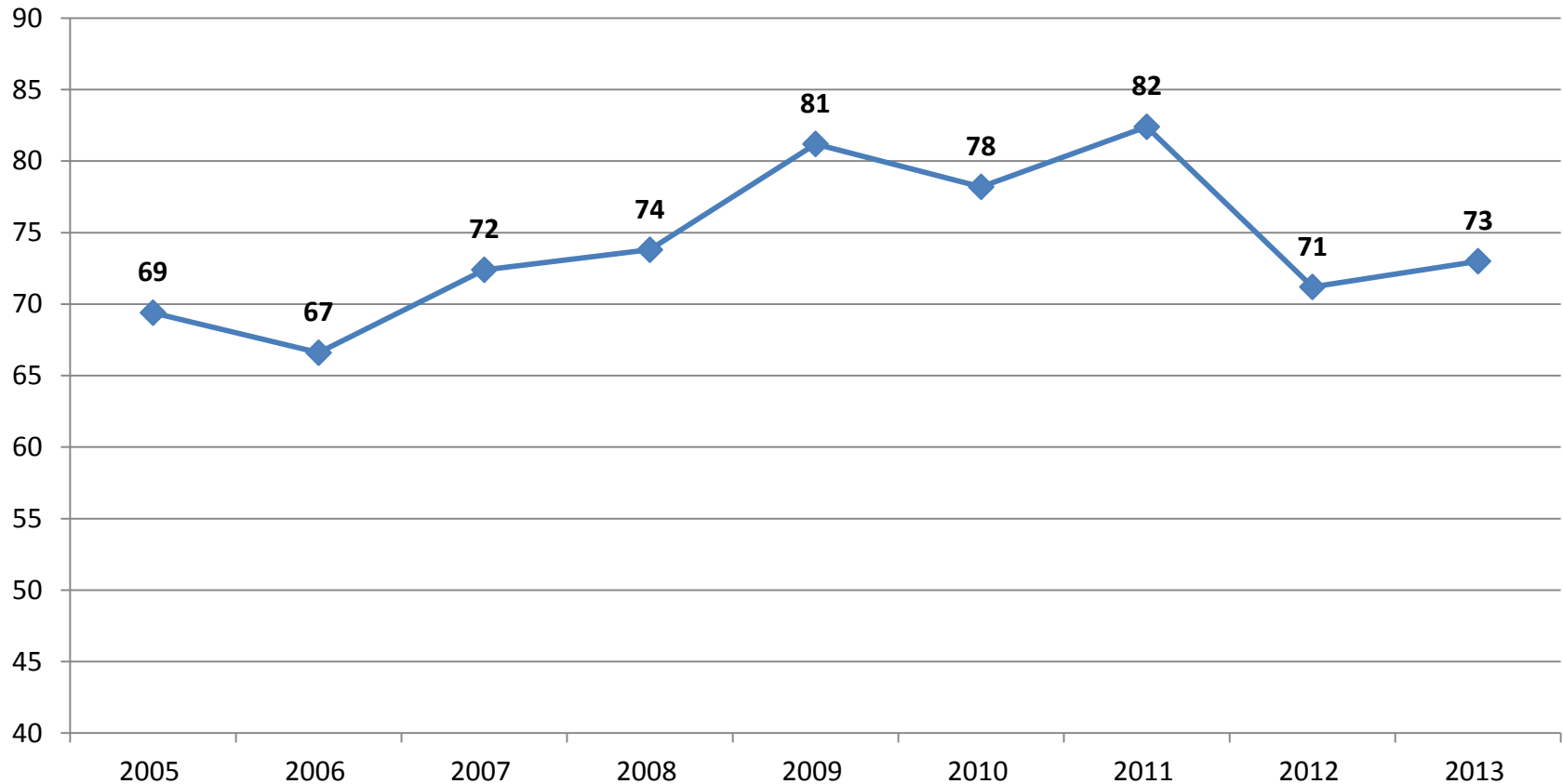
FY 14-15 SALARIES/POSITIONS

- \$4.4 million for Salaries and Other Compensation
- \$2.1 million for Related Benefits
- Total Personnel Services = \$6.5 million; 77% of the Treasury's total Executive Budget Recommendation (excluding Other Charges)
- 54 Authorized Positions (46 classified and 8 unclassified)
- 5 full-time non-T.O. positions
- 0 Other Charges positions
- As of 12/27/2013, the Treasury had 3 vacancies; the Executive Budget eliminated these vacancies.



Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

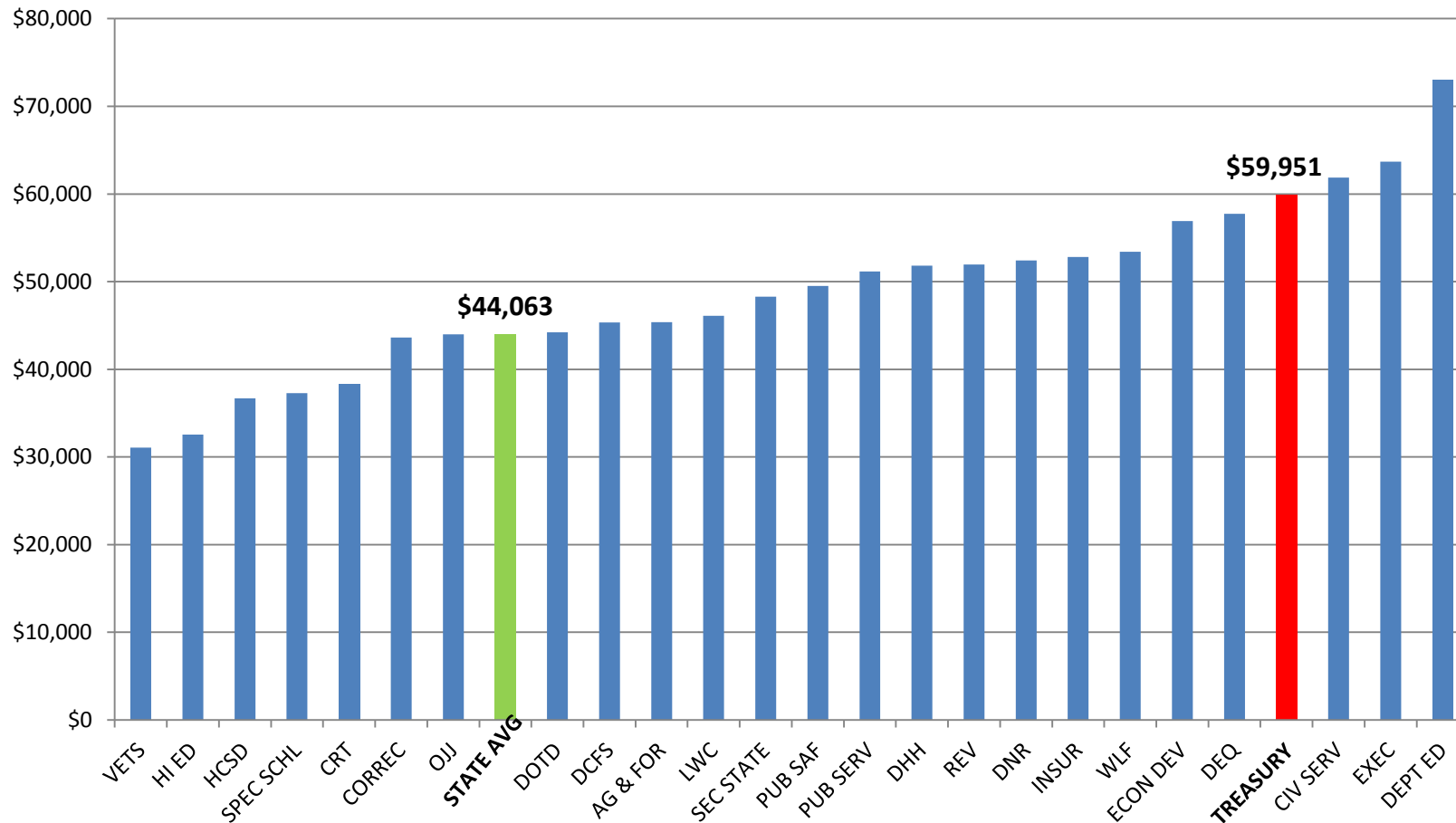


Source: Prepared by House Fiscal Division staff using information from ISIS-HR



Salaries and Positions

FY 13 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

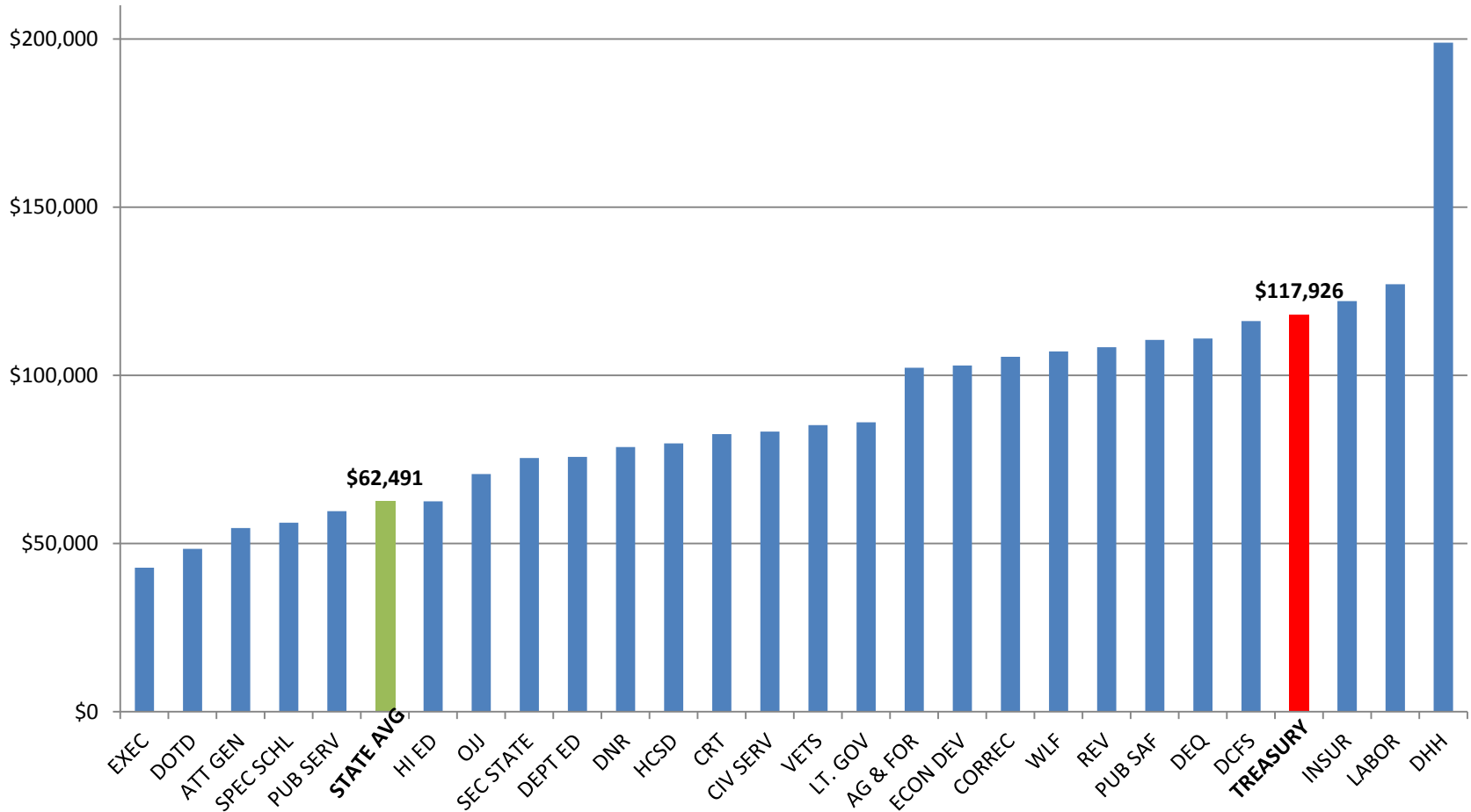


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Salaries and Positions

FY 13 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE



Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Department Contacts

Contact Name	Title	Phone
Honorable John N. Kennedy	State Treasurer	225-342-0010
Ron Henson	First Assistant State Treasurer	225-342-0055
Laura Lapeze	Director of Fiscal Control Divison	225-342-0051