

Representative Cameron Henry  
Chairman



Representative Franklin Foil  
Vice Chairman

# FY17-18 Executive Budget Review State Treasury

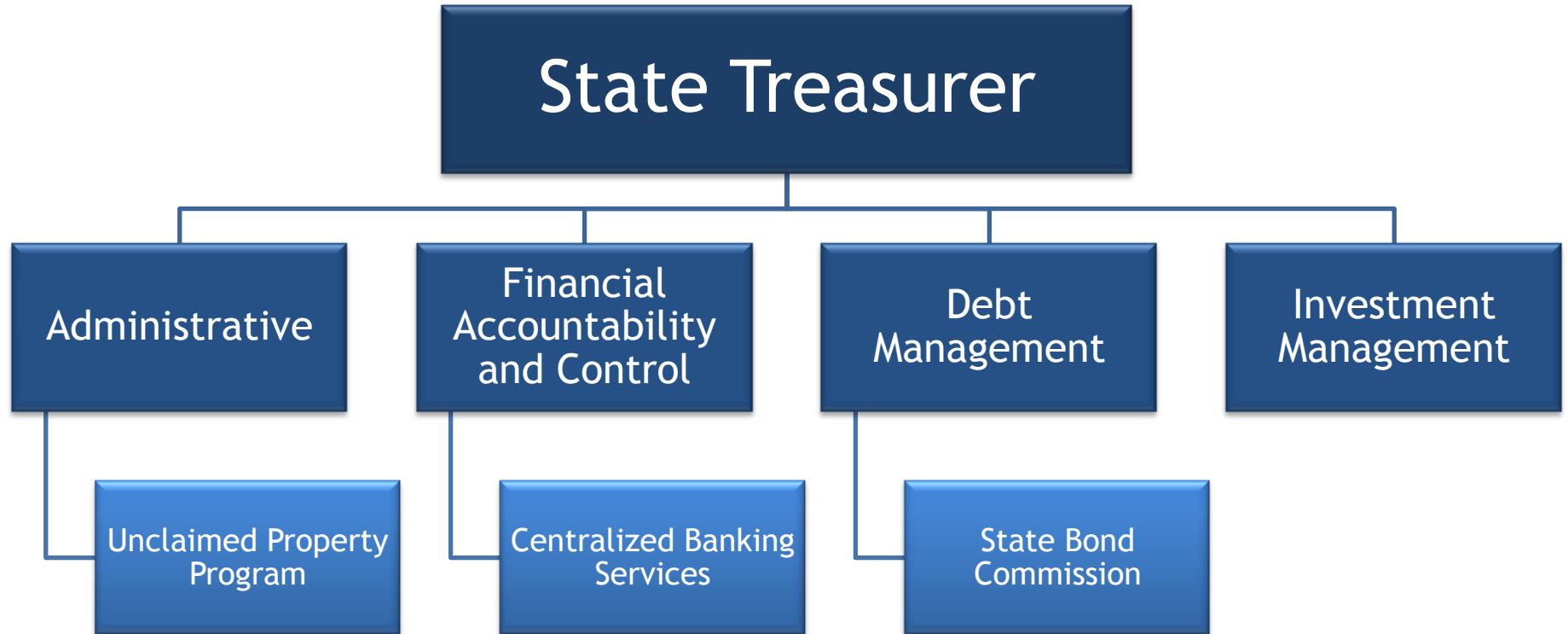
House Committee on Appropriations  
Prepared by the House Fiscal Division

March 29, 2017

# TABLE OF CONTENTS

Department Overview	3
Department Functions	4
Budget History	6
Means of Finance Breakdown	7
Major Sources of Revenue	9
Expenditure History	10
Expenditure Breakdown	11
Discretionary/Non-Discretionary Funding	13
Personnel Information	14
Department Contacts	15

# DEPARTMENT ORGANIZATION



# DEPARTMENT FUNCTIONS

## Unclaimed Property Program

- Manages the state's database of unclaimed cash, stocks, bonds, securities, insurance benefits, or other assets.
- Operates an online system for users to search for property in their name and claim it.
- Advertises and promotes the program through outreach events held around the state.

## Fiscal Control

- Provides and manages centralized bank account for the deposit of public monies.
- Administers constitutional and statutory funds created within the Treasury.
- Distributes state funds to various local governments.
- Oversees the Cash Management function to provide the opportunity for the greatest investment earnings.
- Administers the Social Security and Medicare coverage program for all public state and local governmental employers throughout the state.

# DEPARTMENT FUNCTIONS

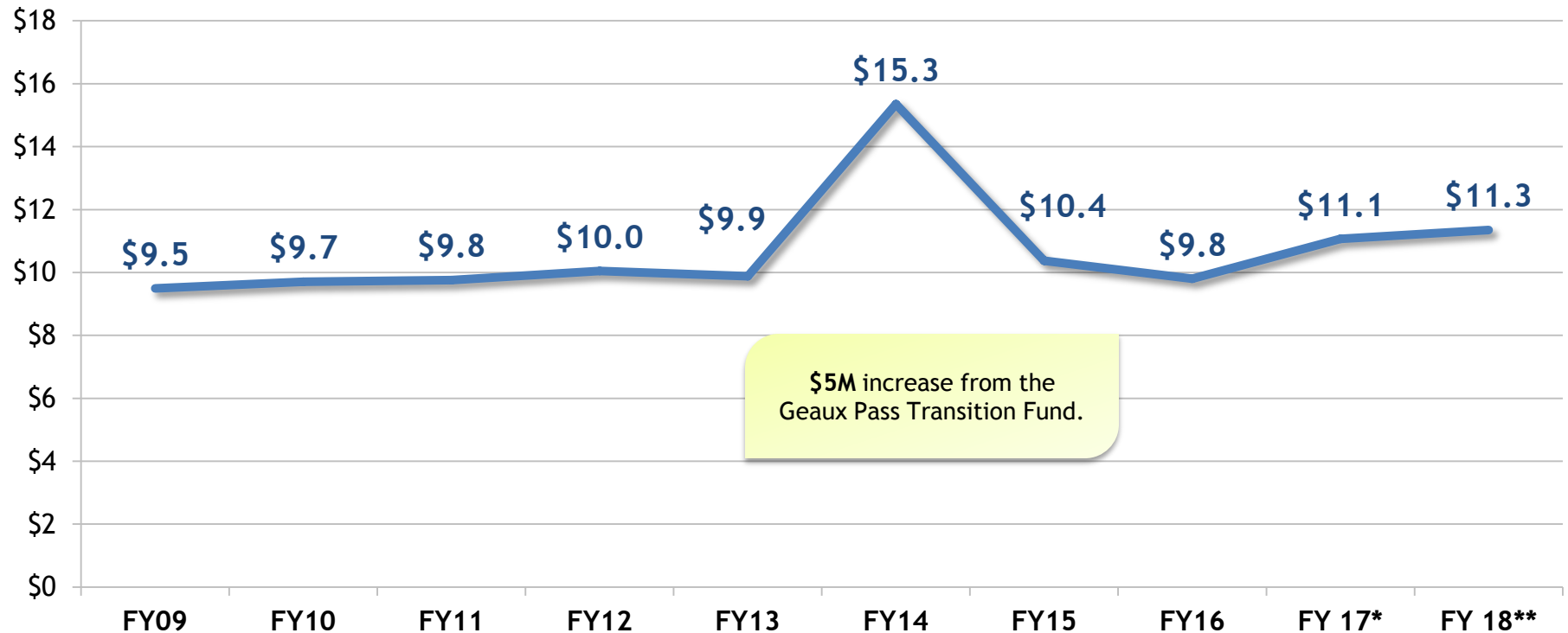
## State Bond Commission

- Provides staff to assist the State Bond Commission.
- Administers the incurring of public debt.
- Reviews applications from state entities seeking to incur debt or levy taxes.
- Manages and services outstanding bond issues with debt service payments.

## Investment Management

- 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.
- As part of the cash management program, maintains several investment portfolios each with differing characteristics.
- Manages over \$7.2 billion in investment securities including the state trust funds.

# BUDGET HISTORY (IN MILLIONS)



Source: Executive Budget Supporting Documents

\*Existing Operating Budget as of 12/1/16  
\*\*Governor's Executive Budget Recommendation

# MAJOR SOURCES OF REVENUE

## Self Generated Revenue **\$8.8 Million**

- **\$2.2 Million** from State Bond Commission fees collected for review of the issuance of debt by private and public entities.
- **\$3.9 Million** from Securities Lending Program fees received from investment income on certain debt obligations of the Federal Government.
- **\$2.7 Million** from Unclaimed Property fees collected pursuant to that function.

## Statutory Dedications **\$811,455**

- Louisiana Quality Education
- Support Fund
- Health Excellence Fund
- Education Excellence Fund
- TOPS Fund

Statutory Dedication funds are used to administer the investment programs for the trust funds managed by the Treasury.

## Interagency Transfers **\$1.7 Million**

Fees collected from agencies that receive central depository banking services provided by the Treasury.

# MEANS OF FINANCE BREAKDOWN

Means of Financing	FY 15-16 Prior Year Actual Expenditures	FY 16-17 Existing Operating Budget 12/1/16	FY 17-18 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
State General Fund	\$0	\$0	\$0	\$0	0.0%
Interagency Transfers	\$1,421,123	\$1,488,674	\$1,686,944	\$198,270	13.3%
Fees and Self-Gen Rev.	\$8,028,294	\$8,767,211	\$8,848,350	\$81,139	0.9%
Statutory Dedications	\$356,029	\$811,455	\$811,455	\$0	0.0%
Federal Funds	\$0	\$0	\$0	\$0	0.0%
<b>Total Means of Finance</b>	<b>\$9,805,446</b>	<b>\$11,067,340</b>	<b>\$11,346,749</b>	<b>\$279,409</b>	<b>2.5%</b>
State Effort	\$8,384,323	\$9,578,666	\$9,659,805	\$81,139	0.8%

Source: Executive Budget Supporting Documents



# MEANS OF FINANCE BREAKDOWN - AFTER DEFICITS

Means of Financing	FY 15-16 Prior Year Actual Expenditures	FY 16-17 Existing Operating Budget 3/1/17	FY 17-18 Executive Budget Recommendation	\$ Change from Existing 3/1/17	% Change from Existing 3/1/17
State General Fund	\$0	\$0	\$0	\$0	0.0%
Interagency Transfers	\$1,421,123	\$1,488,674	\$1,686,944	\$198,270	13.3%
Fees and Self-Gen Rev.	\$8,028,294	\$8,267,211	\$8,848,350	\$581,139	7.0%
Statutory Dedications	\$356,029	\$811,455	\$811,455	\$0	0.0%
Federal Funds	\$0	\$0	\$0	\$0	0.0%
<b>Total Means of Finance</b>	<b>\$9,805,446</b>	<b>\$10,567,340</b>	<b>\$11,346,749</b>	<b>\$779,409</b>	<b>7.4%</b>
State Effort	\$8,384,323	\$9,078,666	\$9,659,805	\$581,139	6.4%

**1<sup>st</sup> Deficit \$0**

**2<sup>nd</sup> Deficit (\$500,000)**

Fees and Self Generated  
Revenue

Administrative \$325,000

Financial Accountability \$15,000

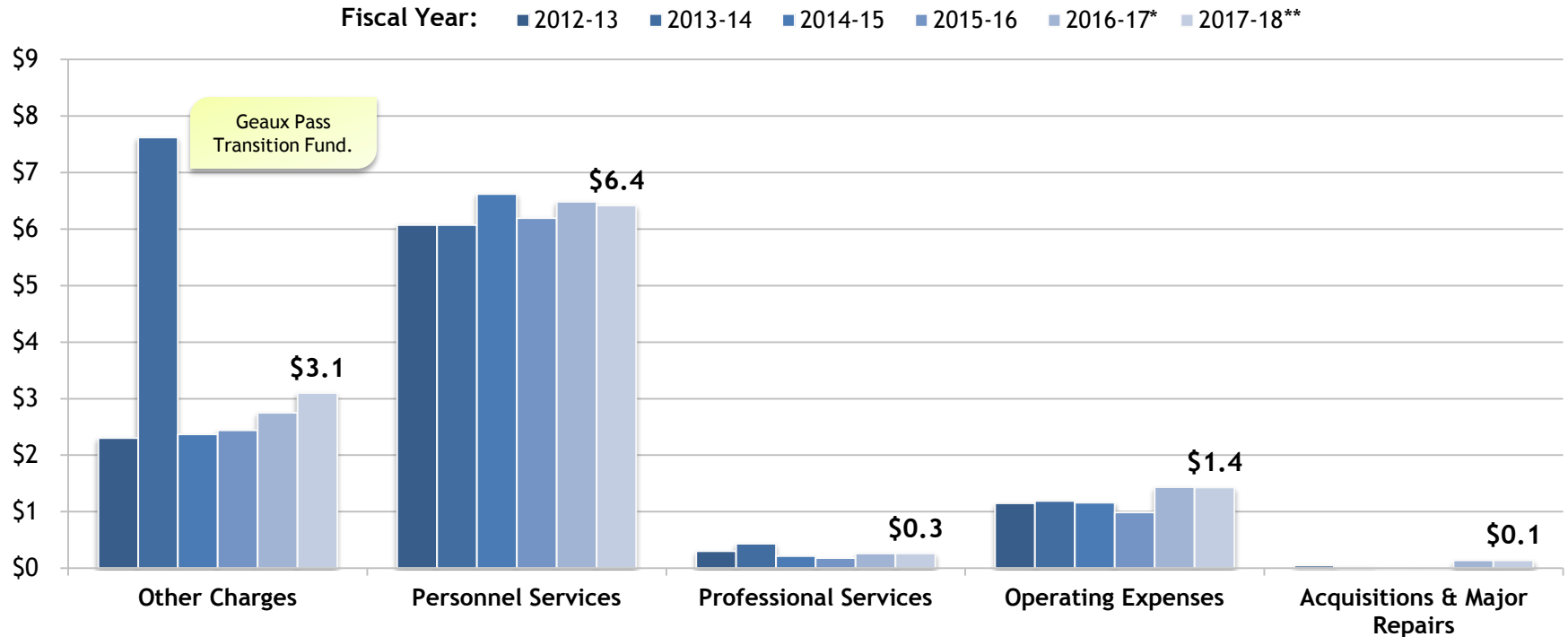
Debt Management \$50,000

Investment Management \$110,000

Reductions were taken from multiple expenditure categories including delaying acquisitions, reducing unused budget authority, and operations.

These comparisons are to the Existing Operating Budget at March 1, 2017 which includes all adjustments since December 1, 2016 including the two mid-year deficit reductions.

# EXPENDITURE HISTORY



Source: Executive Budget Supporting Documents

\*Existing Operating Budget as of 12/1/16

\*\*Governor's Executive Budget Recommendation

# EXPENDITURE BREAKDOWN

Expenditure	FY 15-16 Prior Year Actual Expenditures	FY 16-17 Existing Operating Budget*	FY 17-18 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Salaries	\$3,728,057	\$3,894,861	\$3,781,245	(\$113,616)	(2.9%)
Other Compensation	\$555,507	\$562,917	\$562,917	\$0	0.0%
Related Benefits	\$1,909,295	\$2,022,683	\$2,071,030	\$48,347	2.4%
Travel	\$34,956	\$112,013	\$112,013	\$0	0.0%
Operating Services	\$911,829	\$1,264,202	\$1,259,759	(\$4,443)	(0.4%)
Supplies	\$38,994	\$57,372	\$57,372	\$0	0.0%
Professional Services	\$182,162	\$263,147	\$263,147	\$0	0.0%
Other Charges	\$2,442,146	\$2,751,095	\$3,100,216	\$349,121	12.7%
Acq/Major Repairs	\$2,500	\$139,050	\$139,050	\$0	0.0%
<b>Total Expenditures</b>	<b>\$9,805,446</b>	<b>\$11,067,340</b>	<b>\$11,346,749</b>	<b>\$279,409</b>	<b>2.5%</b>
Authorized Positions	54	54	54	0	0.0%

Source: Executive Budget Supporting Documents

\*Existing Operating Budget as of 12/1/16

# OTHER CHARGES

AMOUNT	DESCRIPTION
\$1,582,806	Central Banking Services
\$626,694	Trust Fund Investment Management (Millennium Trust Fund, LEQTF, Medicaid Trust Fund for the Elderly)
\$730,343	Interagency Transfers for statewide services
\$150,000	Population Estimates performed by LSU Ag Center
\$6,151	Licensing fees for Central Banking reconciliation software
\$3,260	LaCap Federal Credit Union for Unclaimed Property
\$962	Tuition Reimbursement
<b>\$3,100,216</b>	<b>TOTAL</b>

Source: Department of the Treasury and Executive Budget Supporting Documents

# DISCRETIONARY/NON-DISCRETIONARY FUNDING

**TOTAL BUDGET**  
**\$11.3 Million**

**\$1.7 Million IAT  
Double Count**

**\$9.6 Million  
Remaining**

State General Fund  
**\$0**

Federal Funds  
**\$0**

Statutory  
Dedications  
**\$800,000**

Self Generated  
Revenue  
**\$8.8 Million**

**Non Discretionary  
\$354,000**

**Discretionary  
\$8.5 Million**

Retiree's Group Insurance  
**\$207,000**

Administrative  
**\$127,000**

LLA Fees  
**\$20,000**

Administrative  
**\$4.8 Million**

Financial Accountability  
**\$2.0 Million**

Debt Management  
**\$1 Million**

Investment Management  
**\$730,000**

Source: Office of Planning and Budget

# PERSONNEL INFORMATION

## Personnel/Budget Ratio

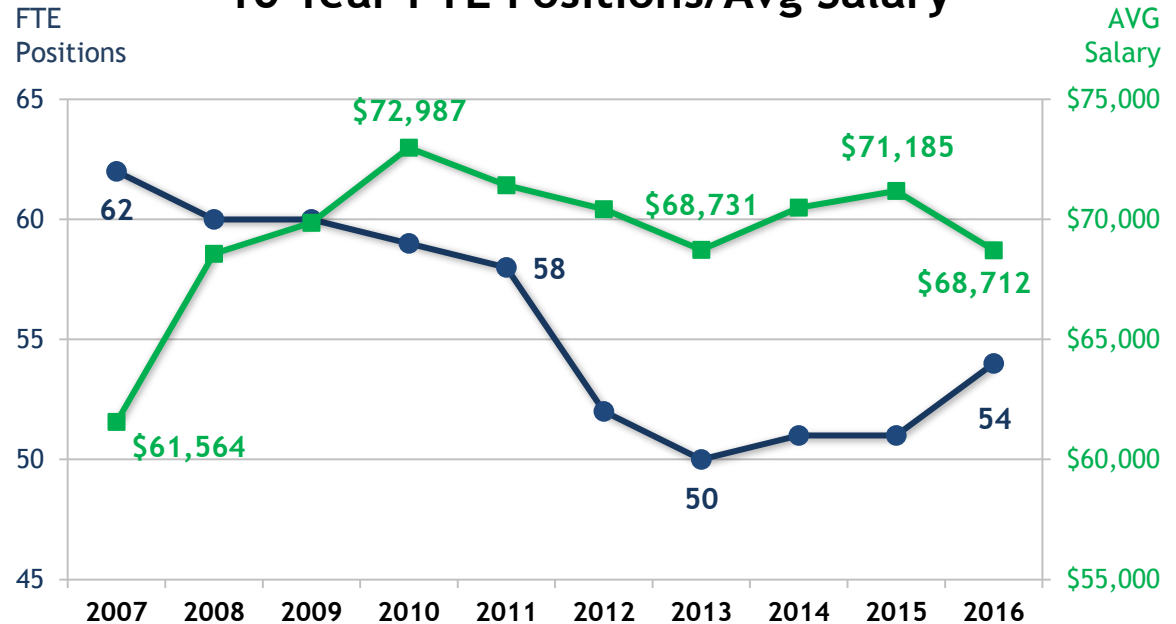
\$4.3 M	Salaries and Other Comp.
+ \$2.1 M	Related Benefits
<hr/>	
= \$6.4 M	Total Personnel Services

**78% of budget expenditures**  
(excluding Other Charges)

## Authorized Positions

- 54 (44 classified and 10 unclassified)
- State Treasury had 5 vacancies as of 1/27/2017
- No Other Charges Positions

## 10 Year FTE Positions/Avg Salary



Source: FTE and Average Salary data provided by the Dept. of Civil Service

# DEPARTMENT CONTACTS



**Ron Henson**  
*State Treasurer*

(225) 342-0055

[rhenson@treasury.state.la.us](mailto:rhenson@treasury.state.la.us)

**Thomas Enright, Jr**  
*First Assistant State  
Treasurer*

(225) 342-0029

[tenright@treasury.state.la.us](mailto:tenright@treasury.state.la.us)

**Laura Lapeze**  
*Chief Financial Officer*

(225) 342-0051

[llapeze@treasury.state.la.us](mailto:llapeze@treasury.state.la.us)