

Representative Cameron Henry  
Chairman



Representative Franklin Foil  
Vice Chairman

## **FY19-20 HB105 Review**

# **STATE TREASURY**

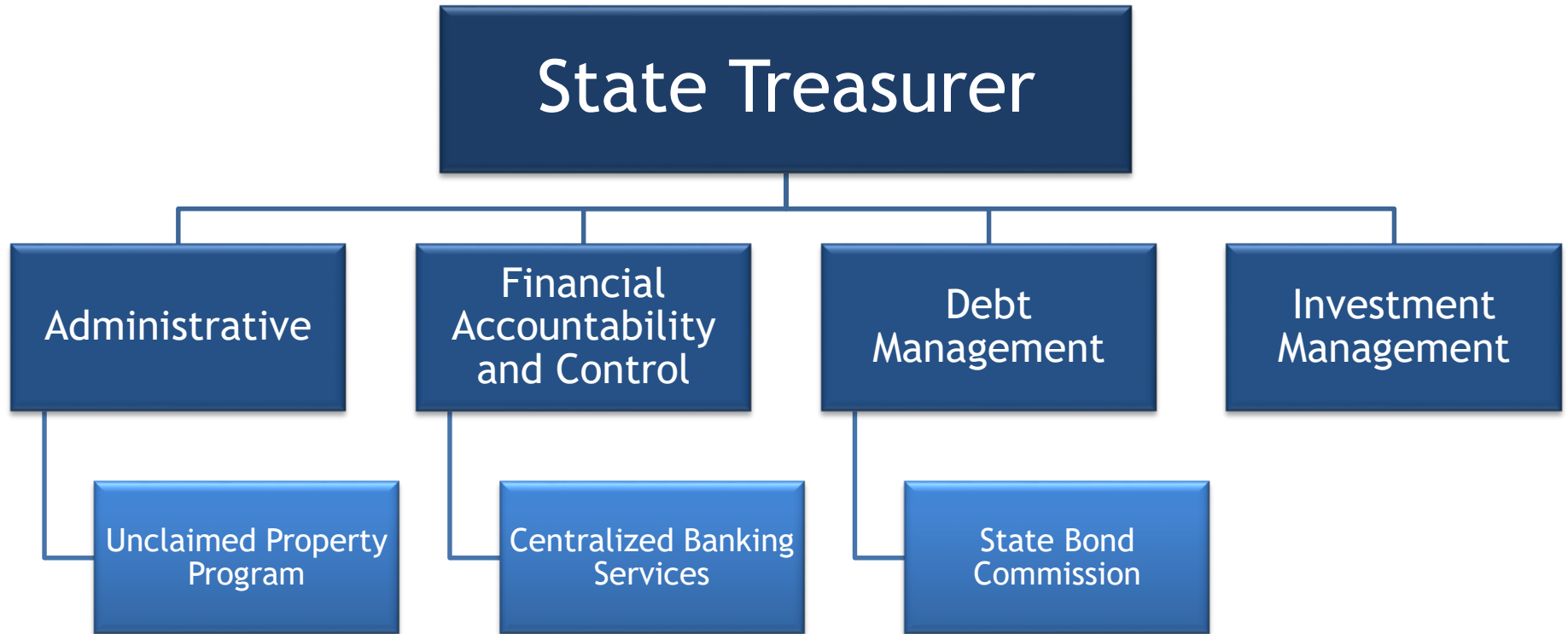
**House Committee on Appropriations**  
Prepared by the House Fiscal Division

April 3, 2019

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# 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

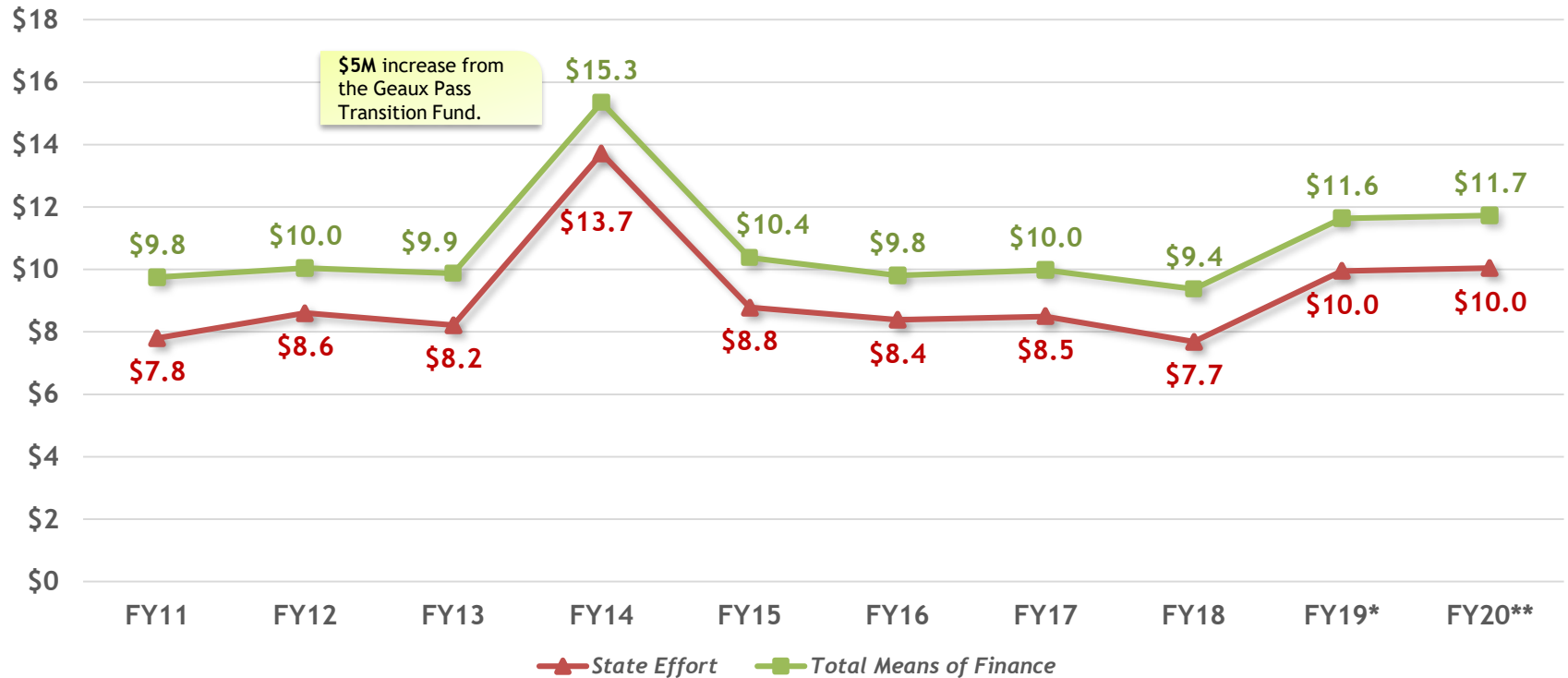
## State Bond Commission

- 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 \$6.4 billion in investment securities including the state trust funds.

# BUDGET HISTORY (IN MILLIONS)



Source: Budget Supporting Documents and HB 105 of 2019 RS

\*Existing Operating Budget as of 12/1/18  
 \*\*HB105 of 2019 RS

# MAJOR SOURCES OF REVENUE

## Self Generated Revenue \$9.23 Million

- **\$2.1 Million**

State Bond Commission fees collected for review of the issuance of debt by private and public entities.

- **\$4.4 Million**

Securities Lending Program fees received from investment income on certain debt obligations of the Federal Government.

- **\$2.7 Million**

Unclaimed Property fees collected pursuant to that function.

## Statutory Dedications \$811,000

- Louisiana Quality Education Support Fund
- Health Excellence Fund
- Education Excellence Fund
- TOPS Fund
- Medicaid Trust Fund for the Elderly

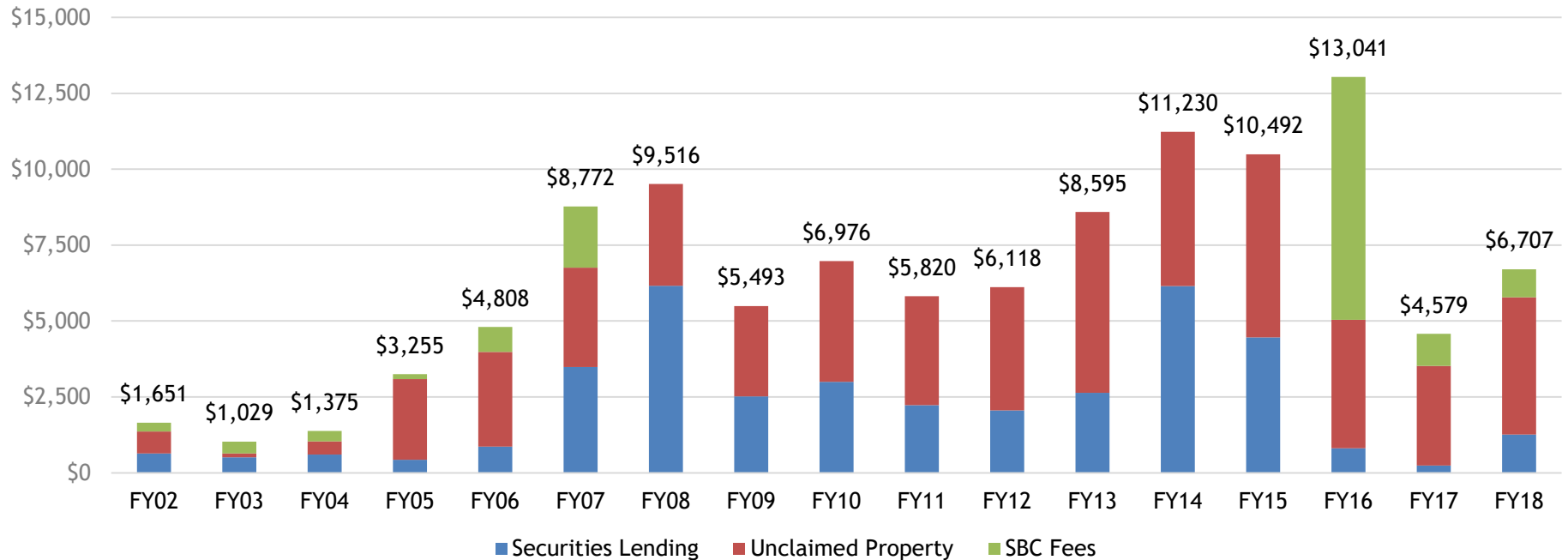
Statutory Dedication funds are used in accordance to statute to administer the investment programs for the trust funds managed by the State Treasury.

## Interagency Transfers \$1.69 Million

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

# REVERSIONS TO GENERAL FUND

## Historical Fees and Self Generated Revenue Reverted (in Thousands)



Source: Department of the Treasury



# FUNDING CHANGE OVERVIEW

Means of Financing	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 Proposed Budget	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
State General Fund	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Interagency Transfers	\$1,686,944	\$1,686,944	\$1,686,944	\$0	0.0%	\$0	0.0%
Fees and Self-Gen Rev.	\$7,302,148	\$9,140,969	\$9,232,496	\$91,527	1.0%	\$1,930,348	26.4%
Statutory Dedications	\$383,805	\$811,455	\$811,455	\$0	0.0%	\$427,650	111.4%
Federal Funds	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
<b>Total Means of Finance</b>	<b>\$9,372,897</b>	<b>\$11,639,368</b>	<b>\$11,730,895</b>	<b>\$91,527</b>	<b>0.8%</b>	<b>\$2,357,998</b>	<b>25.2%</b>



**\$92K Fees and Self Generated Revenue**

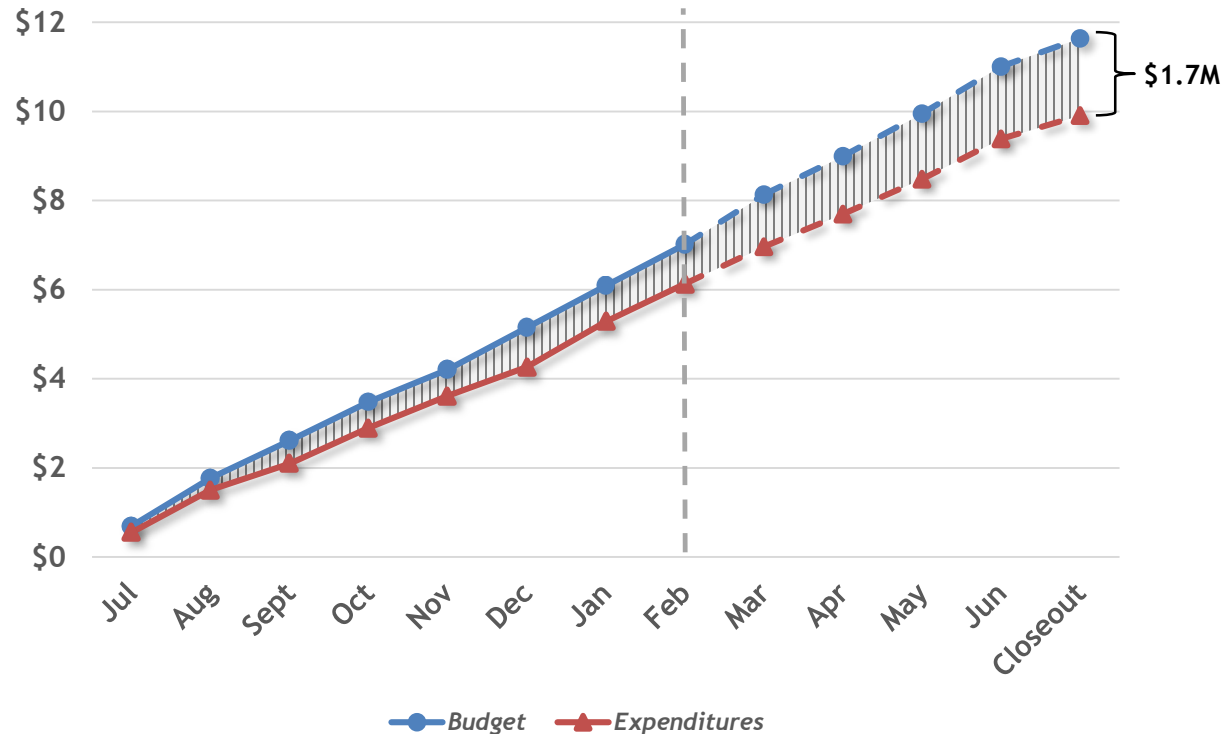
Increase in budget authority to fund anticipated FY20 expenditures.

# EXPENDITURE CHANGE OVERVIEW

Expenditure	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
Salaries	\$3,751,213	\$4,009,119	\$4,025,357	\$16,238	0.4%	\$274,144	7.3%
Other Compensation	\$498,648	\$562,917	\$562,917	\$0	0.0%	\$64,269	12.9%
Related Benefits	\$2,049,114	\$2,235,288	\$2,320,529	\$85,241	3.8%	\$271,415	13.2%
Travel	\$53,318	\$103,389	\$103,389	\$0	0.0%	\$50,071	93.9%
Operating Services	\$850,991	\$1,349,759	\$1,349,759	\$0	0.0%	\$498,768	58.6%
Supplies	\$34,456	\$57,372	\$57,372	\$0	0.0%	\$22,916	66.5%
Professional Services	\$160,684	\$263,147	\$263,147	\$0	0.0%	\$102,463	63.8%
Other Charges	\$1,941,127	\$2,965,562	\$2,955,610	(\$9,952)	(0.3%)	\$1,014,483	52.3%
Acq/Major Repairs	\$33,347	\$92,815	\$92,815	\$0	0.0%	\$59,468	178.3%
<b>Total Expenditures</b>	<b>\$9,372,897</b>	<b>\$11,639,368</b>	<b>\$11,730,895</b>	<b>\$91,527</b>	<b>0.8%</b>	<b>\$2,357,998</b>	<b>25.2%</b>
Authorized Positions	54	54	54	0	0.0%	0	0.0%

Source: Budget Supporting Documents and HB105 of 2019 RS

# FY19 EXPENDITURE TREND

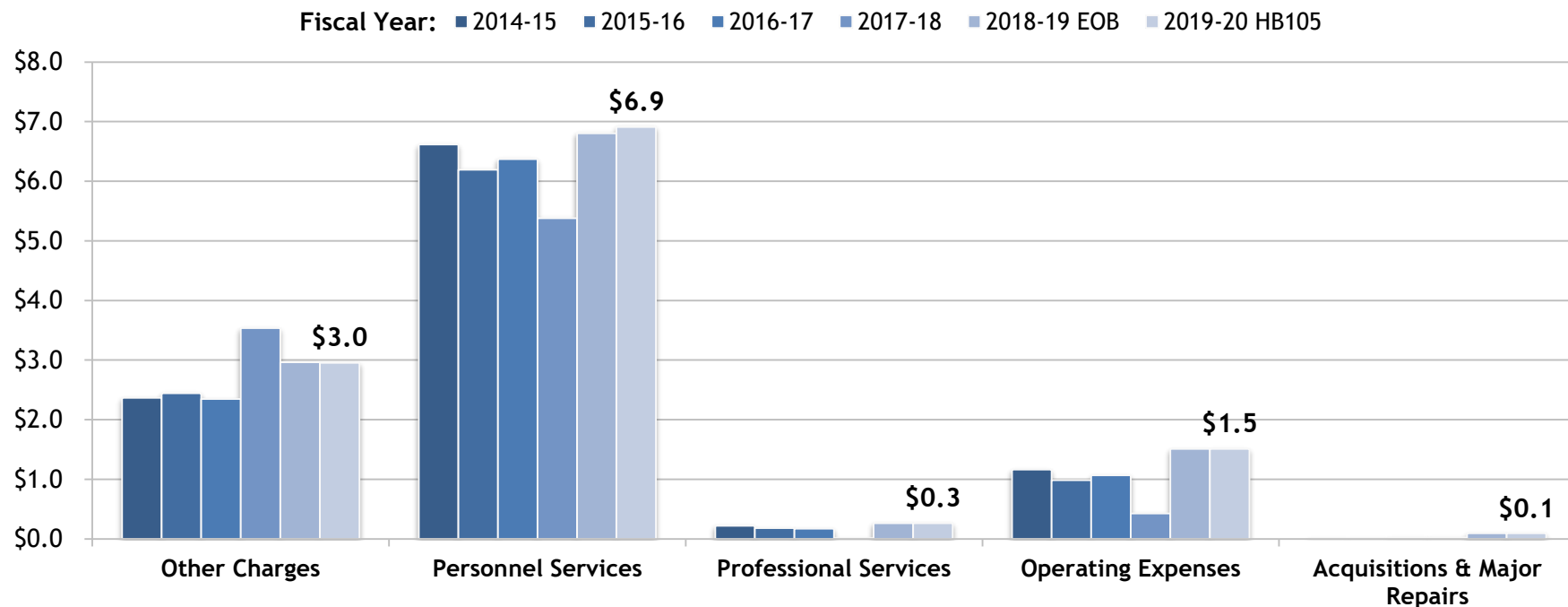


Analysis shows approximately 14.9% or \$1.7 million in total means of finance budget authority could be unspent at year-end based on actuals through February and projections through the remainder.

Projections show these funds are made up of \$550K in Operating Services and \$450K in Other Charges from Central Banking Services and Investment Management. The Treasury's budget is 79% Fees and Self-generated Revenue, which cannot be spent if they are not realized.

In FY18, the Treasury did not spend \$2M of its budget authority comparing its end of year budget and actual expenditures.

# EXPENDITURE HISTORY (IN MILLIONS)



Source: Budget Supporting Documents and HB105 of 2019 RS

# OTHER CHARGES

Amount	Description
\$1,506,944	Central Banking Services
\$765,737	Interagency Transfers for statewide services
\$574,669	Trust Fund Investment Management (Millennium Trust, LEQTF, Medicaid Trust for the Elderly)
\$105,000	Population Estimates performed by LSU Ag Center
\$3,260	LaCap Federal Credit Union for Unclaimed Property
\$2,995,610	Total Other Charges

# PERSONNEL INFORMATION

**FY 2019-20**

## Personnel/Budget Ratio

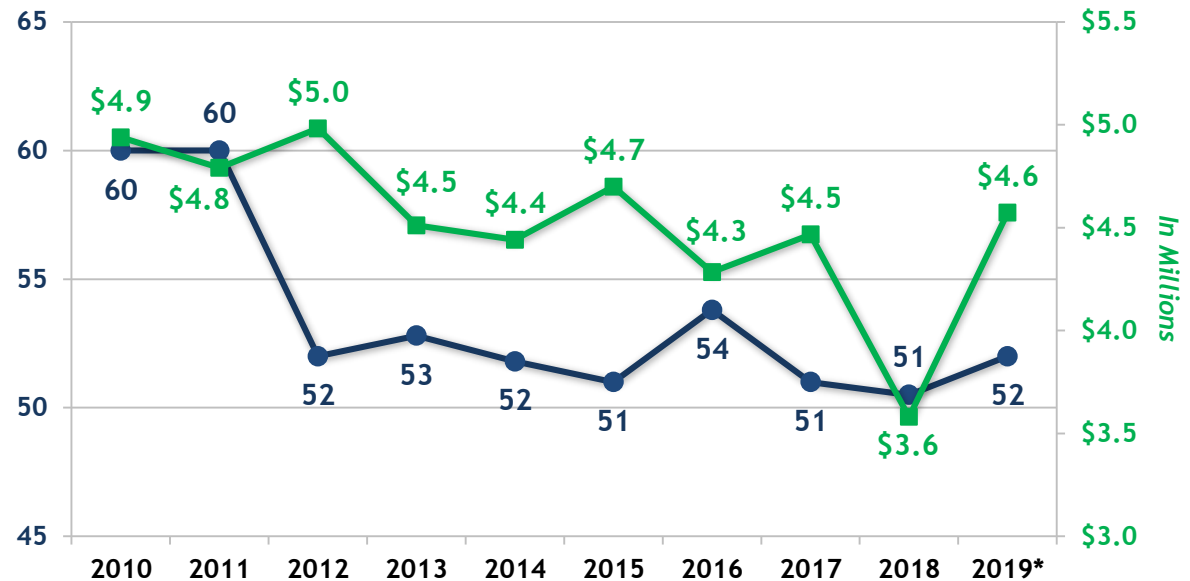
\$4.6 M	Salaries and Other Comp.
+ \$2.3 M	Related Benefits
= \$6.9 M	Total Personnel Services

**79% of budget expenditures**  
(excluding Other Charges)

## Authorized Positions

- 54 (44 classified and 10 unclassified)
- No Other Charges Positions
- 5 Non-T.O. FTE positions
- State Treasury had 4 vacancies as of January 31, 2019

## 10 Year FTE Positions/Salaries Expended



\*Existing Operating Budget 12/1/18

Source: Dept. of Civil Service and Budget Supporting Documents

# DEPARTMENT CONTACTS



***State Treasurer***  
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