



# **HOUSE COMMITTEE ON APPROPRIATIONS**

**FY 12-13**

**Executive Budget Review**

**Louisiana Department of Treasury**

**March 7, 2012**



## **State Treasurer has four (4) programs:**

Administrative  
Financial Accountability and Control  
Debt Management  
Investment Management



# AGENDA

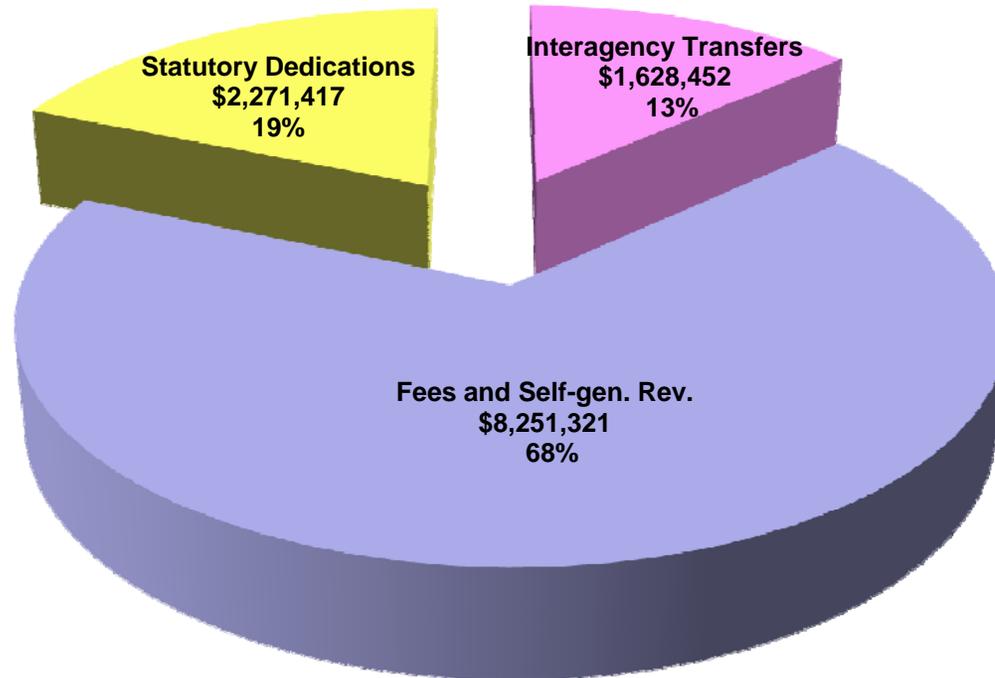
## Overview of Budget

- Changes from FY 11-12 to FY 12-13
- Expenditures
- Discretionary/Non-Discretionary
- Statutory Dedications
- Positions
- Student Tuition Assistance Revenue Trust Program (START)
- Unclaimed Property



# DEPARTMENT OF TREASURY

## FY 12-13 TOTAL BUDGET = \$12.2 MILLION





## Executive Budget By Means of Finance

DEPARTMENT OF TREASURY					
Means of Financing (MOF)	Actual Expenditures FY 2010-11	Existing Operating Budget FY 2011-12 (12/1/11)	Executive Budget FY 2012-13	Change From FY 11-12 to FY 12-13	Percent Change From FY 11-12 to FY 12-13
State General Fund (SGF)	\$0	\$0	\$0	\$0	0.00%
Interagency Transfers (IAT)	\$1,952,235	\$1,438,854	\$1,628,452	\$189,598	13.18%
Fees and Self-gen. Rev. (SGR)	\$7,383,132	\$9,008,001	\$8,251,321	(\$756,680)	(8.40%)
Statutory Dedications (SD)	\$420,094	\$2,271,417	\$2,271,417	\$0	0.00%
Interim Emergency Board (IEB)	\$0	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$0	\$0	\$0	\$0	0.00%
<b>TOTAL MOF</b>	<b>\$9,755,461</b>	<b>\$12,718,272</b>	<b>\$12,151,190</b>	<b>(\$567,082)</b>	<b>(4.46%)</b>
<b>Authorized Positions</b>	<b>61</b>	<b>59</b>	<b>58</b>	<b>(1)</b>	<b>(1.69%)</b>



## Significant Budget Changes - Statewide

- \$74,000 SGR Acquisitions and Major Repairs
- (\$366,281) SGR Reduce funding for LASERS rate adjustment
- (\$216,337) SGR Non-recurred funding for 27<sup>th</sup> pay period
- (\$108,933) SGR Reduce funding and one (1) Fiscal Analyst position in the Financial Accountability and Control Program



## Significant Budget Changes - Increases

- \$98,000 SGR      Funding for rental space and solution features for an offsite backup location to house replication servers and backups and for computer software and server upgrades in the Administrative Program.
- \$40,000 SGR      Funding to upgrade the Debt Tracking and Accounts Receivable System used for tracking and reporting of election and debt applications submitted to the State Bond Commission for approval in the Debt Management Program.



## **Significant Budget Changes – MOF Substitutions**

Decrease in Self-generated Revenues by \$189,598 for the operations in the Financial Accountability and Control Program and replace funds with Interagency Transfers from state agencies that are provided central depository banking services by the Treasurer.

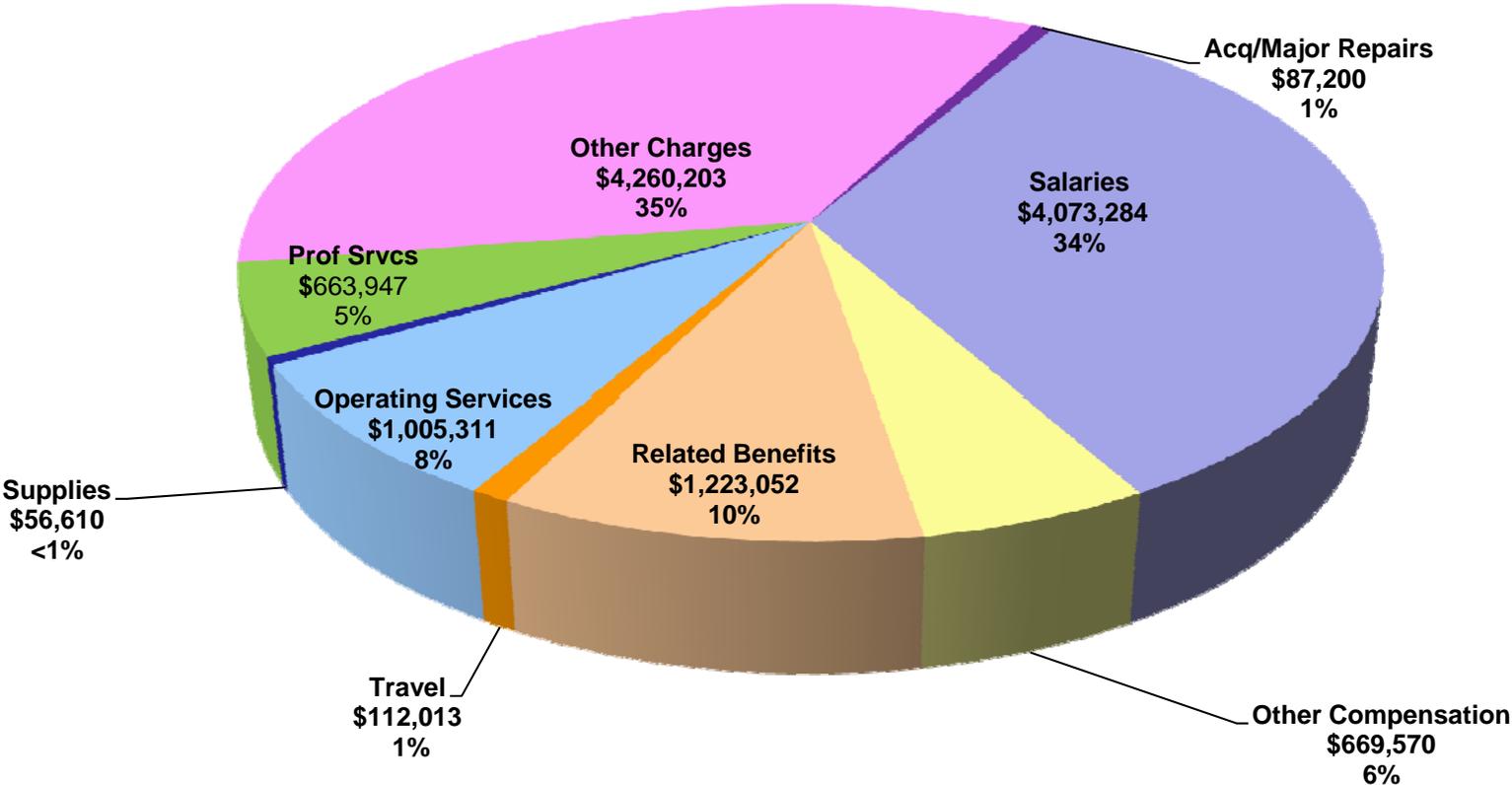


## TREASURY BANKING FEES

SCH. #	AGENCY	FY 11-12	FY 12-13	DIFFERENCE
107	DIVISION OF ADMINISTRATION (includes UPS)	0	103,197	103,197
139	SECRETARY OF STATE	49,552	34,980	(14,572)
141	OFFICE OF ATTORNEY GENERAL	0	11,810	11,810
160	DEPARTMENT OF AGRICULTURE	26,247	21,183	(5,064)
165	COMMISSIONER OF INSURANCE	40,682	23,420	(17,262)
251	DED - OFFICE OF THE SECRETARY	887	0	(887)
252	DED - OFFICE OF BUSINESS DEVELOPMENT	3,267	0	(3,267)
254	DOA - LA STATE RACING COMMISSION	7,373	0	(7,373)
273	DOTD ADMINISTRATION	27,903	0	(27,903)
276	DOTD ENGINEERING & OPERATIONS	0	7,086	7,086
305	DEPARTMENT OF HEALTH AND HOSPITAL	55,177	42,193	(12,984)
326	OFFICE OF PUBLIC HEALTH	13,488	16,006	2,518
360	CHILDREN AND FAMILY SERVICES	218,126	225,306	7,180
403	OJJ - YOUTH SERVICES	5,628	0	(5,628)
415	OFFICE OF PROBATION AND PAROLE	0	54,105	54,105
418	OFFICE OF PUBLIC SAFETY - MGMT & FINANCE	6,524	142,537	136,013
419	OFFICE OF STATE POLICE	46,690	42,153	(4,537)
420	OFFICE OF MOTOR VEHICLES	109,835	0	(109,835)
434	DNR-OFFICE OF MINERAL RESOURCES	16,282	15,750	(532)
440	DEPARTMENT OF REVENUE	906,010	779,427	(126,583)
474	OFFICE OF WORKFORCE COMMISSION	2,408	14,498	12,090
512	DEPT OF WILDLIFE & FISHERIES	69,312	65,440	(3,872)
661	OFFICE OF STUDENT FINANCIAL ASSISTANCE	12,919	29,360	16,441
800	STATE EMPLOYEES GROUP BENEFITS PROGRAM	55,447	53,228	(2,219)
804	OFFICE OF RISK MANAGEMENT	17,123	9,199	(7,924)
<b>TOTAL</b>		<b>\$1,690,880</b>	<b>\$1,690,880</b>	<b>\$0</b>



# DEPARTMENT OF TREASURY FY 12-13 TOTAL EXPENDITURES \$12.2 MILLION





## Department of Treasury

### Executive Budget by Line-Item Expenditure

Expenditures	FY 10-11 Actual Budget	FY 11-12 Existing Operating Budget 12/1/11	FY 12-13 Executive Budget	Change from FY 11-12 to FY 12-13	Percent Change
Salaries	\$4,206,792	\$4,410,512	\$4,073,284	(\$337,228)	(7.6%)
Other Compensation	\$584,207	\$752,620	\$669,570	(\$83,050)	(11.0%)
Related Benefits	\$1,388,314	\$1,682,389	\$1,223,052	(\$459,337)	(27.3%)
Travel	\$96,718	\$112,013	\$112,013	\$0	0.0%
Operating Services	\$665,078	\$909,629	\$1,005,311	\$95,682	10.5%
Supplies	\$50,802	\$56,610	\$56,610	\$0	0.0%
Prof Srvcs	\$529,244	\$623,947	\$663,947	\$40,000	6.4%
Other Charges	\$2,194,858	\$4,157,352	\$4,260,203	\$102,851	2.5%
Acq/Major Repairs	\$39,448	\$13,200	\$87,200	\$74,000	560.6%
<b>TOTAL EXP</b>	<b>\$9,755,461</b>	<b>\$12,718,272</b>	<b>\$12,151,190</b>	<b>(\$567,082)</b>	<b>(4.5%)</b>



## Department of Treasury Discretionary and Non-Discretionary Funding in FY 12-13 Executive Budget

Discretionary	\$11,821,639	97.29%
Non-Discretionary	\$329,551	2.71%
Total	\$12,151,190	100.00%

**Non-discretionary funding within Treasury’s FY 12-13 Executive Budget Recommendation is primarily due to the salary and related benefits of the State Treasurer and retirees group insurance.**



# Statutory Dedications

LOUISIANA DEPARTMENT OF TREASURY Statutory Dedication Comparison					
Statutory Dedications	FY 10-11 Actual Expenditures	FY 11-12 Existing Operating Budget 12/01/11	FY 12-13 Executive Budget	Change FY 11-12 to FY 12-13	Percent Change
Education Excellence Fund	\$41,283	\$244,181	\$244,181	\$0	0.0%
Health Excellence Fund	\$41,283	\$244,182	\$244,182	\$0	0.0%
Incentive Fund	\$0	\$50,000	\$50,000	\$0	0.0%
LA Quality Education Support Fund	\$151,104	\$670,415	\$670,415	\$0	0.0%
Medicaid Trust Fund for the Elderly	\$145,141	\$818,458	\$818,458	\$0	0.0%
TOPS Fund	\$41,283	\$244,181	\$244,181	\$0	0.0%
<b>TOTAL</b>	<b>\$420,094</b>	<b>\$2,271,417</b>	<b>\$2,271,417</b>	<b>\$0</b>	<b>0.0%</b>



## Dedications

### Millennium Trust Fund Const. Art. VII, Section 10.8

- Appropriated to Treasury to administer the investment and custodial services for the trust
- Source of revenue is from the tobacco settlement proceeds as prescribed by the Master Settlement Agreement
- Health Excellence Fund, the Education Excellence Fund and the Taylor Opportunity Program for Students (TOPS) Fund were created within the Millennium Trust Fund
- Millennium Trust Fund balance exceeds \$1.4 billion (Health Excellence, Education Excellence and TOPS)
- All unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund



## Dedications

### Incentive Fund R.S. 39:87.5

- Appropriated to Treasury to administer the investment for the fund
- Source of revenue is State General Fund
- Annual deposit into the fund ceases when the balance in the fund reaches a total of \$4 million
- The fund balance is \$50,010



## Dedications

### Louisiana Education Quality Trust Fund Const. Art. VII, Section 10.1

- Appropriated to Treasury to administer and manage the equity investment for the fund
- Source of revenue is from investment income
- Funds are to be used for educational enrichment programs in the Board of Elementary and Secondary Education (BESE) and the Board of Regents
- Fund balance is \$1.1 billion (Permanent Fund and Support Fund)



## Dedications

### **Medicaid Trust Fund for the Elderly R.S. 46:2691**

- Appropriated to Treasury to administer the investment and custodial services for the fund
- Source of revenue is from investment income
- Funds may be used as the source of state matching funds for Medicaid to make enhanced payments to local government-owned health care facilities
- Only earnings on investments from the fund may be appropriated each fiscal year for services of the state Medicaid Program in the priority as provided by the Act
- The fund balance is \$611 million
- All unexpended and unencumbered monies in the fund at the end of the fiscal year remain the in fund



# Department of Treasury

## FY 12-13 SALARIES/POSITIONS

- \$5 million for Salaries and Other Compensation
- \$1 million for Related Benefits
- Total Personnel Services = \$6 million, 60% of the Treasury total Executive Budget Recommendation (excluding Other Charges)
  
- Average Unclassified Salary = \$123,335
- Average Classified Salary = \$61,010
  
- 58 Authorized Positions (50 classified and 8 unclassified)
  
- As of 02/15/2012, Treasury had 3 vacancies (1 position reduced in the FY 12-13 Executive Budget)



## **STUDENT TUITION ASSISTANCE REVENUE TRUST PROGRAM**

- The Student Tuition Assistance Revenue Trust Program (START) is an innovative college savings plan designed to help families meet the future high cost of their children's post-secondary education.
- The program is administered by the Louisiana Office of Student Financial Assistance (LOSFA), under the direction of the Louisiana Tuition Trust Authority (LATTA).
- An earnings enhancement is provided by the State of Louisiana as an incentive to save. The State will match up to 14% of deposits each year.
- The department has a contract with Vanguard Investments that invests in mutual funds for the START program. The Treasurer is in charge of fixed income investments in the program which earned 4.65 percent (Louisiana Principal Protection Option) and 4.39 percent (Earnings Enhancement Rate) this year.



# START SAVINGS PROGRAM EARNINGS ENHANCEMENT CHART

Federal Adjusted Gross Income	Earnings Enhancement Rate
\$0 to \$29,999	14%
\$30,000 to \$44,999	12%
\$45,000 to \$59,999	9%
\$60,000 to \$74,999	6%
\$75,000 to \$99,999	4%
\$100,000 and above	2%



## UNCLAIMED PROPERTY

- Unclaimed property refers to property being held by an organization that has not had contact with the owner for an extended period of time.
- Unclaimed Property was created in 1972 and revised in 1986 under the Department of Revenue. Act 135 of the First Extraordinary Session of 2000 transferred Unclaimed Property to the Department of Treasury from the Department of Revenue.
- The Revenue Estimating Conference (REC) recognizes a portion of the unclaimed property collections as a revenue source for the State General Fund. REC recognized \$34 million to be appropriated in FY 12-13.



## DEPARTMENT OF TREASURY

UNCLAIMED PROPERTY						
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	TOTAL
Claims Processed	16,959	18,737	23,152	19,043	20,381	98,272
Collections (in millions)	\$48	\$53	\$52	\$62	\$61	\$276
Refunds (in millions)	\$21	\$22	\$22	\$22	\$23	\$110
As of December 31, 2011, the number of claims processed is 13,098; the total cash collections are \$69 million and the total amount refunded is \$14 million.						



## Department of Treasury

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