

Representative Jim Fannin
Chairman



Representative Bryan Adams
Vice Chairman

FY 15-16 Executive Budget Review STATE TREASURER

House Committee on Appropriations
by the House Fiscal Division
March 18, 2015



Agenda

Budget Overview

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Department Structure

State Treasurer

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



Department Functions

- **Unclaimed Property Division**

- The division 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.

- **Fiscal Division**

- Manages the Treasury's budget and provides for banking services and the accounting of all dedicated funds including the disbursement of local funds.

- **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.

- **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.



Means of Finance

Means of Finance	Actual Expenditures FY 13-14	Existing Operating Budget FY 14-15 (12/1/14)	Executive Budget Recommended FY 15-16	Change from FY 14-15 to FY 15-16	Percent Change from FY 14-15 to FY 15-16
State General Fund	\$0	\$0	\$0	\$0	0.0%
Interagency Transfers	\$1,628,452	\$1,628,452	\$1,421,123	(\$207,329)	(12.7%)
Fees and Self-Gen. Rev.	\$8,250,602	\$9,018,461	\$8,139,506	(\$878,955)	(9.7%)
Statutory Dedications	\$5,469,001	\$1,788,554	\$857,596	(\$930,958)	(52.1%)
Federal Funds	\$0	\$0	\$0	\$0	0.0%
TOTAL	\$15,348,055	\$12,435,467	\$10,418,225	(\$2,017,242)	(16.2%)
Authorized Positions	57	54	54	0	0.0%

Interagency Transfers

- This is a decrease in the budget authority for fees collected from agencies that receive central depository banking services.

(\$207,329)



Fees & Self-Gen. Rev.

- A reduction in budget authority for fees that are projected to be collected through the Securities Lending Program and by the Bond Commission for review of issuance of debt. The revenues will still be collected, but are not authorized for expenditure.

(\$878,955)



Statutory Dedications

- This decrease is largely due to the depletion of the Medicaid Trust Fund for the Elderly, of which \$819,000 is currently budgeted to the Treasurer's Office.

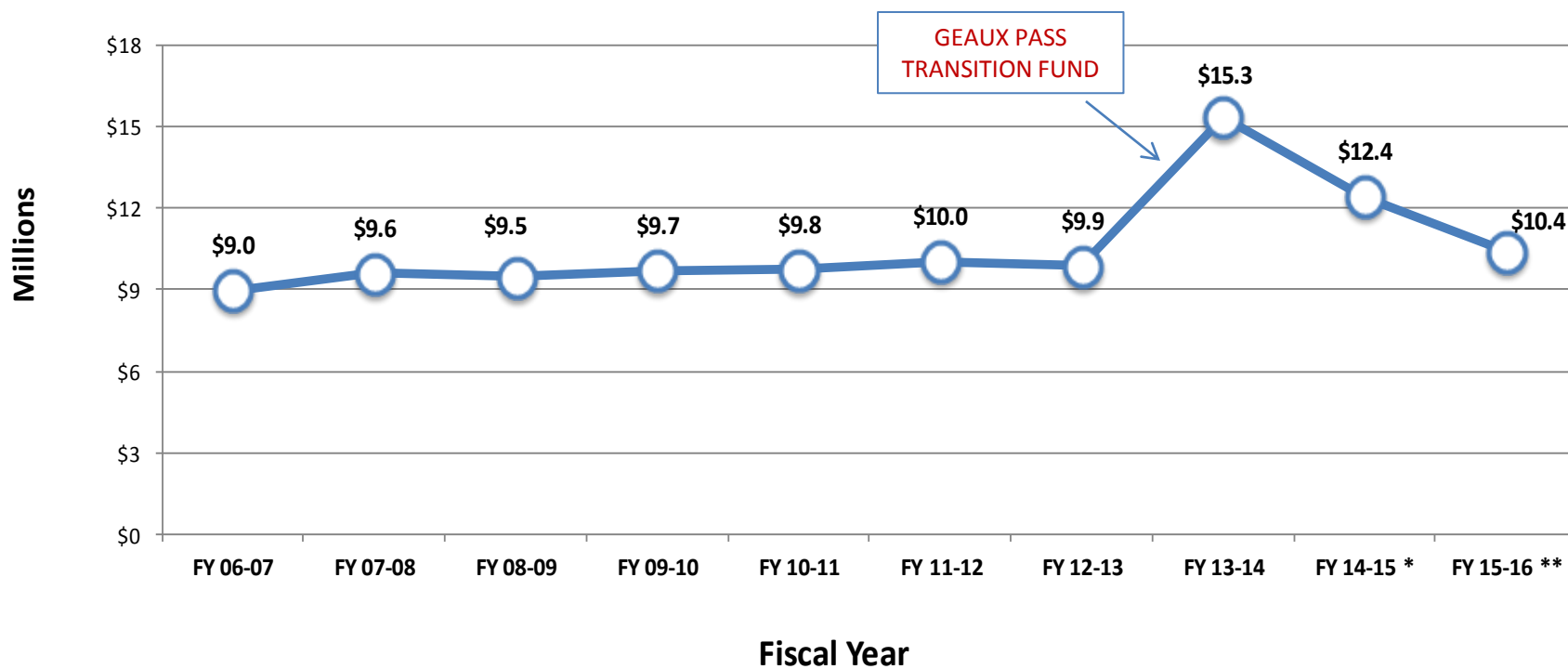
(\$930,958)





10-Year Budget History

DEPARTMENT OF TREASURY (Total Funding)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation



Major Sources of Revenue FY 15-16

Self-Generated Revenues - \$8.1 million

- Funded by State Bond Commission fees collected for review of the issuance of debt by private and public entities, Securities Lending Program fees received from investment income on certain debt obligations of the Federal Government, and Unclaimed Property fees.

Interagency Transfers - \$1.4 million

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

Statutory Dedications - \$858,000

- LA Quality Education Support Fund - \$614,165
- Crescent City Amnesty Refund Fund - \$128,681
- Education Excellence, Health Excellence, and TOPS Fund ~ \$38,000 each



Expenditure Breakdown

Expenditures	FY 13-14 Actual Expenditures	FY 14-15 Existing Operating Budget (12/1/14)	FY 15-16 Executive Budget Recommendation	Change from FY 14-15 to FY 15-16	Percent Change from FY 14-15 to FY 15-16
Salaries	\$3,650,160	\$3,812,014	\$3,881,426	\$69,412	1.8%
Other Compensation	\$790,572	\$660,837	\$562,917	(\$97,920)	(14.8%)
Related Benefits	\$1,632,359	\$2,139,253	\$2,031,817	(\$107,436)	(5.0%)
Travel	\$61,271	\$112,013	\$112,013	\$0	0.0%
Operating Services	\$1,059,980	\$1,005,311	\$724,359	(\$280,952)	(27.9%)
Supplies	\$67,496	\$56,610	\$52,372	(\$4,238)	(7.5%)
Professional Services	\$436,642	\$663,947	\$263,147	(\$400,800)	(60.4%)
Other Charges	\$7,621,890	\$3,898,282	\$2,726,260	(\$1,172,022)	(30.1%)
Acq/Major Repairs	\$27,685	\$87,200	\$63,914	(\$23,286)	(26.7%)
Unallotted	\$0	\$0	\$0	\$0	0.0%
TOTAL EXP	\$15,348,055	\$12,435,467	\$10,418,225	(\$2,017,242)	(16.2%)

Related Benefits

- The decrease is due to a reduction of excess budget authority for retirement.

Operating Services

- The department will reduce advertising costs.

Professional Services

- Reduction is due to the annualization of a mid-year deficit cut which includes renegotiating financial services contracts.

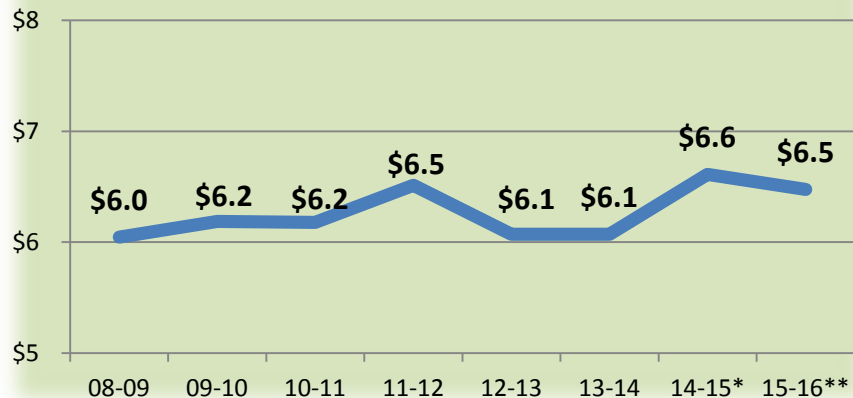
Other Charges

- Reduction is largely due to excess authority from the Medicaid Trust Fund and a cut to central banking services contract.

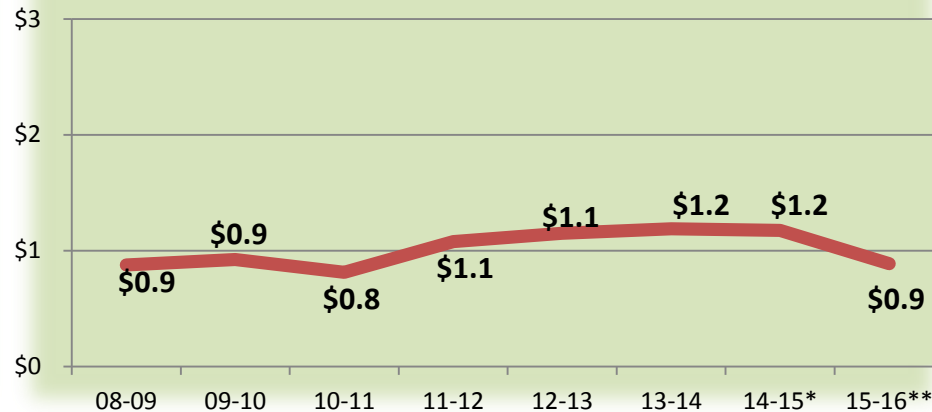


8-Year Expenditure History (in millions)

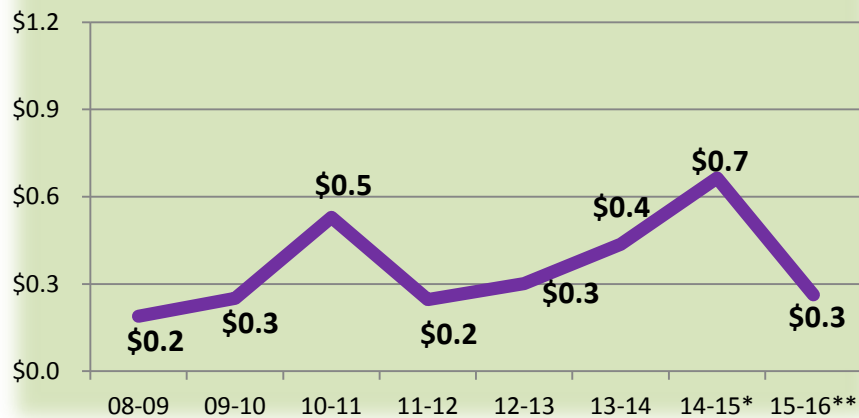
Personnel Services



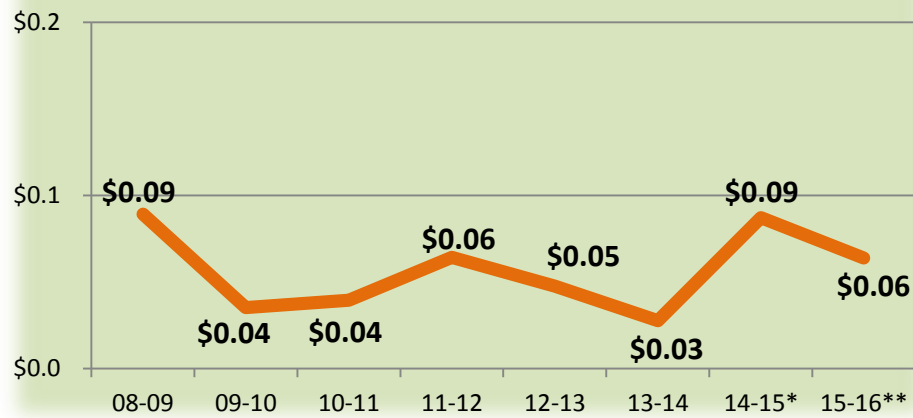
Operating Expenses



Professional Services



Acquisitions & Major Repairs



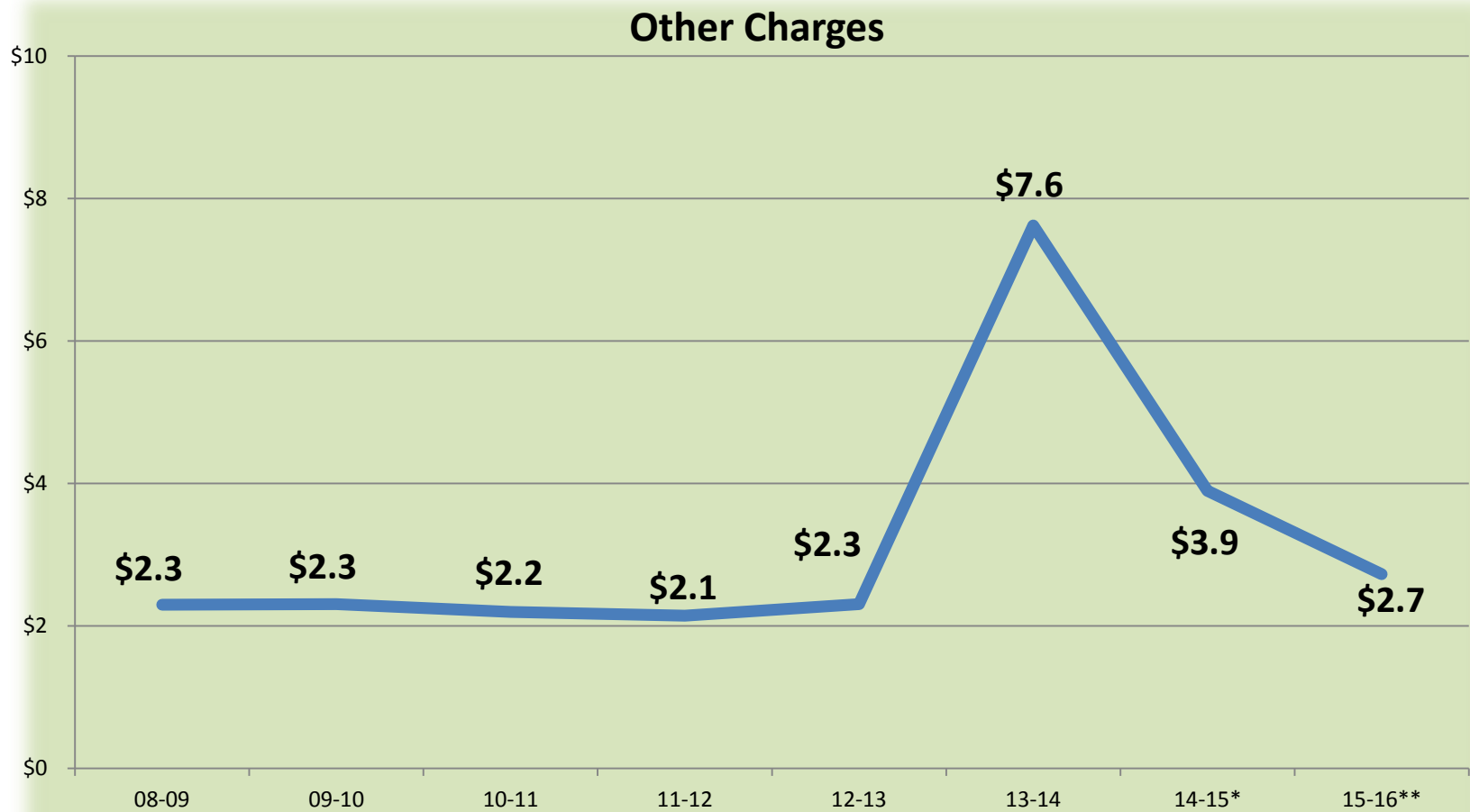
Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation



8-Year Expenditure History (in millions)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation



Significant Adjustments

(\$818,768)

Stat Ded



The reduction is from the Medicaid Trust Fund for the Elderly. The principal of this fund will have been reduced from \$800 million to less than \$20 million by the end of this fiscal year. The Treasurer's proposed budget includes no funding from the Medicaid Trust Fund for the Elderly for FY 15-16.

(\$1.26 Million)

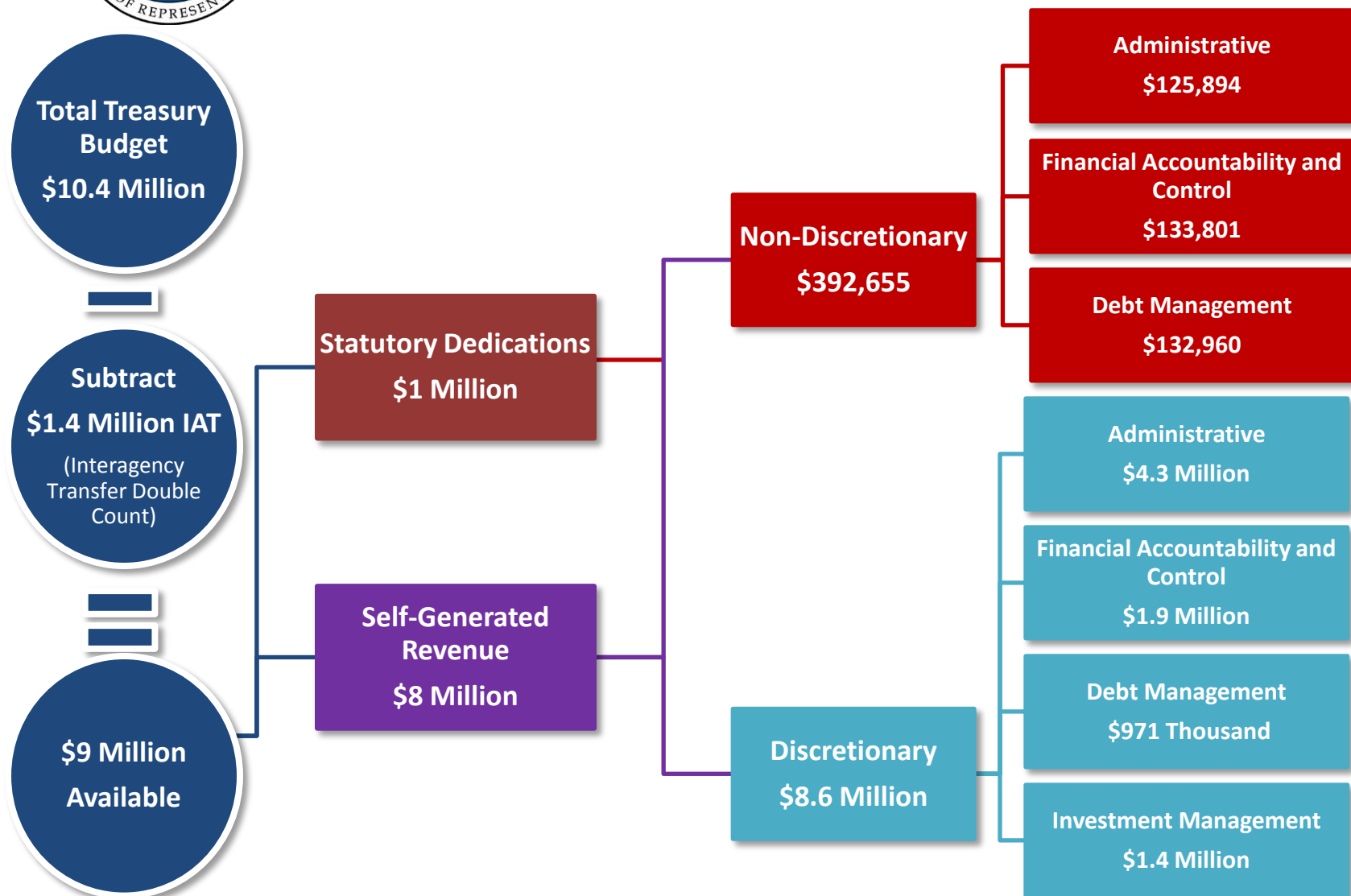
**IAT, Self-Gen,
Stat Ded**



This decrease will be achieved through a delay in acquisition purchases, reductions in part-time employees, operating services, administrative expenses, advertising, supplies, and contracts. It will impact the following programs: Administrative, Financial Accountability and Control, Debt Management, and Investment Management.



Discretionary/Non-Discretionary Funding in FY 15-16 Executive Budget





Salaries and Positions

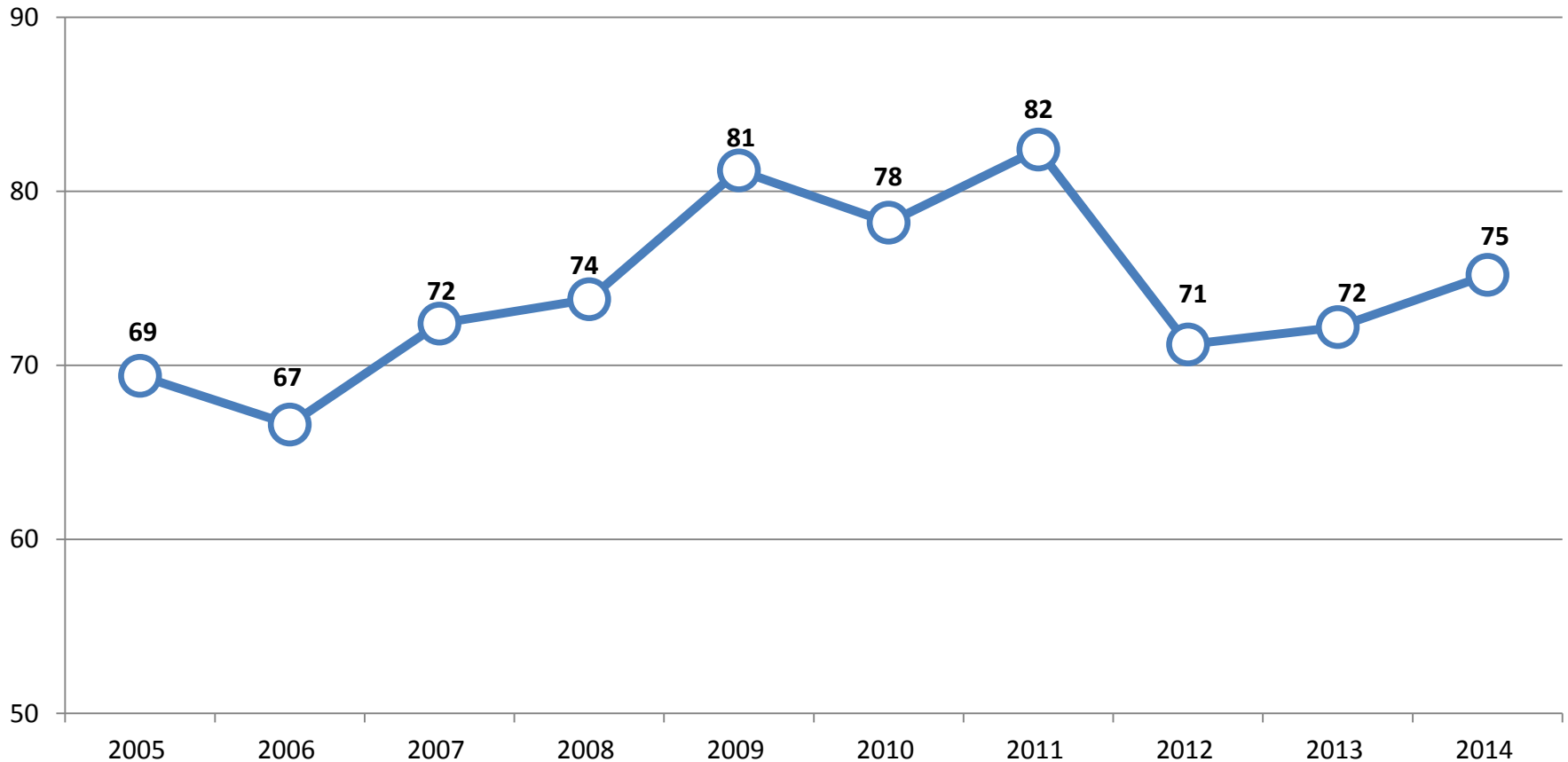
FY 15-16 SALARIES/POSITIONS

- \$4.4 million for Salaries and Other Compensation
- \$2.0 million for Related Benefits
- Total Personnel Services = \$6.4 million; 84% of the Treasury's total Executive Budget Recommendation (excluding Other Charges)
- 54 Authorized Positions (44 classified and 10 unclassified)
- 5 full-time non-T.O. positions
- 0 Other Charges positions
- As of 1/30/2015, the Treasury had 1 vacancy.



Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

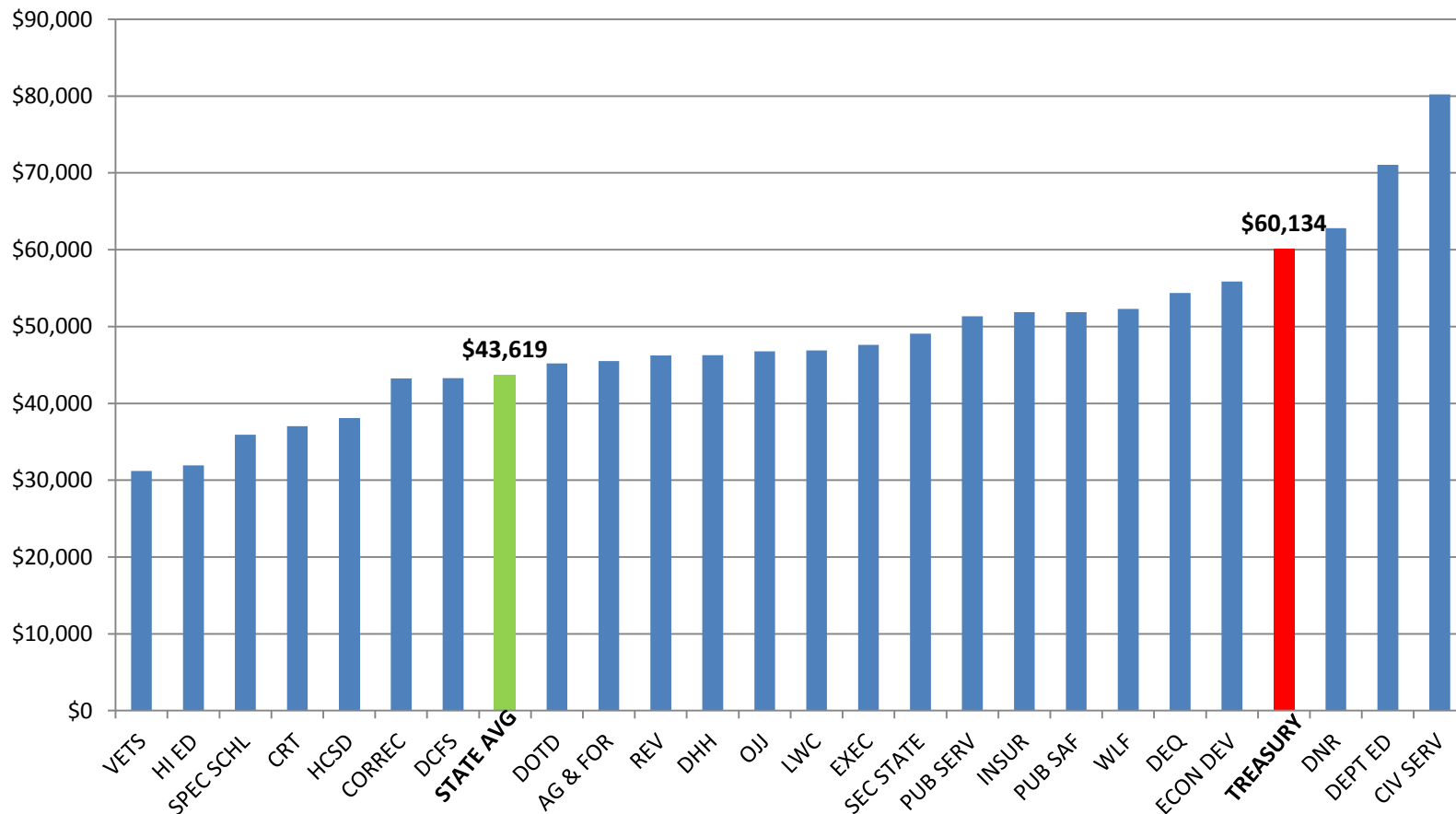


Source: Prepared by House Fiscal Division staff using information from ISIS-HR



Salaries and Positions

FY 14 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

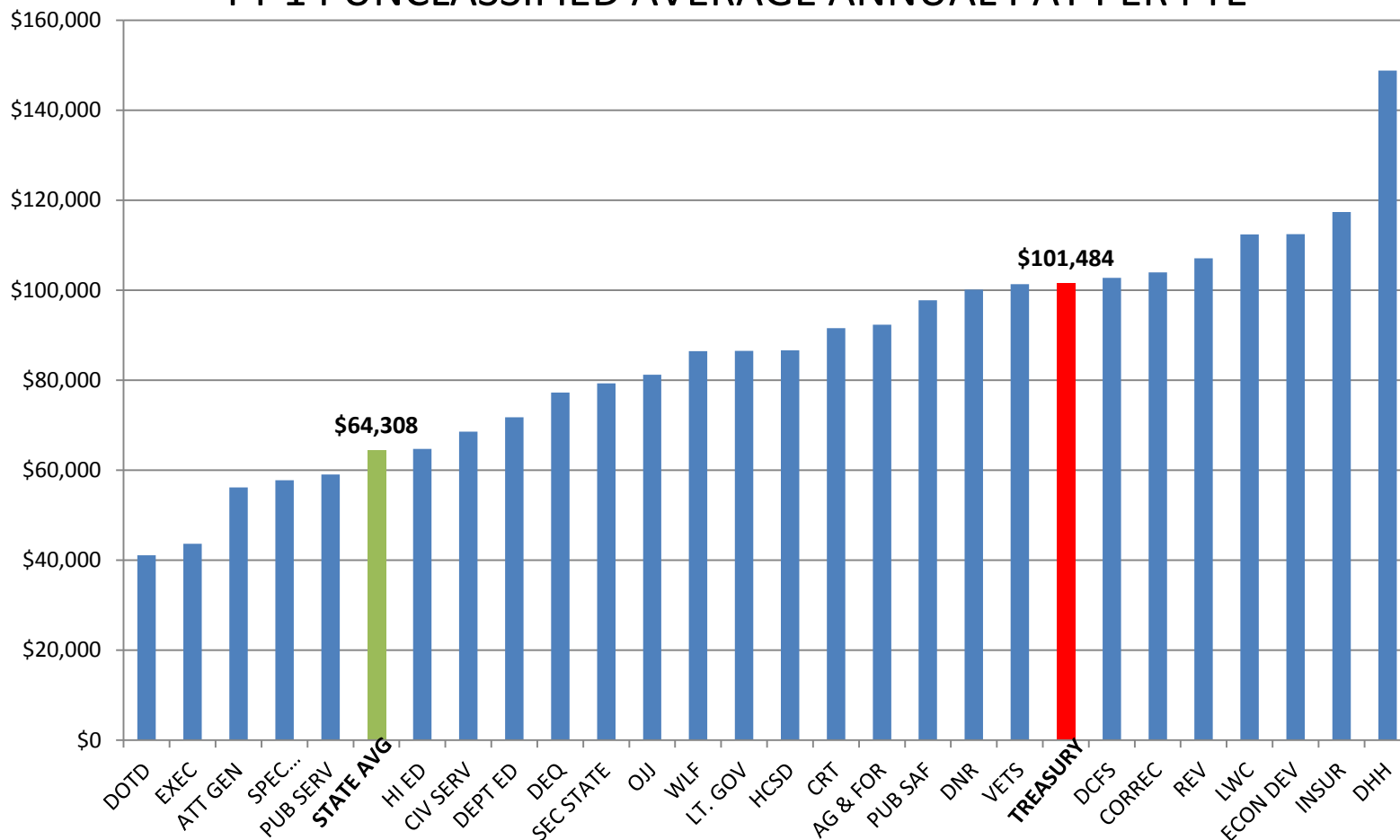


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Salaries and Positions

FY 14 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 Division	225-342-0051