

## *Louisiana Department of Treasury*

### Responses for the Wednesday, December 14, 2016 House Appropriations Committee meeting:

**Question:** *What budget adjustments have been made since the initial appropriations to your department? How much in each means of finance has been appropriated to each agency since the initial appropriation?*

**Response:**

Treasury had one Carryforward BA-7 totaling 4,443 approved by JLCB on August 12, 2016. The below reflects how much has been appropriated in each means of finance:

	<b>FY 2017-18 Initial Budget</b>	<b>BA-7 Approved by JLCB</b>	<b>FY 2017-18 Revised Budget</b>
<b>STATE GENERAL FUND</b>	\$0		\$0
<b>INTERAGENCY TRANSFERS</b>	1,488,674		1,488,674
<b>FEES &amp; SELF GENERATED</b>	8,762,768	4,443	8,767,211
<b>STATUTORY DEDICATIONS</b>	811,455		811,455
<b>FEDERAL</b>	0		0
<b>TOTAL</b>	<b>\$11,062,897</b>	<b>\$4,443</b>	<b>\$11,067,340</b>

**Question:** *Do your spending and staffing levels match the priorities of your department?*

**Response:**

Yes, the mission and goals of the department have been consistent over the past sixteen years and Treasury has continued to meet its goals with minimum increases in resources. For example, during this time period the department's overall budget has increased less than 1.5% per year and the addition of only four positions. This increase does not include the transfer of the unclaimed property program from the Department of Revenue to Treasury.

**Question:** *Provide the top 5 performance measures that give the outcomes in your department. How do you rank nationally based on these priorities?*

**Response:**

State treasurers' throughout the country consistently have the same mission to effectively manage taxpayers' money in a prudent manner that will provide for the safety of cash and a

reasonable return on investment and provide for the disbursement of monies in accordance with law. In addition, many state treasurers' are responsible for administration of unclaimed property.

Our performance measures are designed to measure how well this mission is being accomplished. The top five outcome performance measures are as follows:

- (1) Number of repeat audit findings – This is a very significant outcome measure that reflects how well we are performing our mission from the scrutiny of an outside third party (Legislative Auditor).
- (2) Percent of claims verified by Unclaimed Property that are paid each fiscal year – This outcome measure tells how efficient we are at processing valid claims and returning monies to rightful owners.
- (3) Percentage of debt service payments that are timely and accurate - Treasury currently pays throughout the fiscal year debt service on 41 bond issues. Timely and accurate payments are critical to maintaining a higher bond rating which, in turn, reduces the cost of borrowing money.
- (4) Average number of days to perform central depository bank account monthly reconciliation – This outcome measure reflects the strength of Treasury's internal controls to provide for the safety and accurate accounting of public funds on deposit in Treasury.
- (5) Percent of the five-year historical rolling average investment income that is earned- This outcome measure is applicable to the General Fund, and the three major trust funds including the LEQTF, Millennium Trust Fund and the Medical Trust Fund for the Elderly. This outcome measure reflects the volatility of the interest rate market and the effects of this market on the investment performance over a period of time.

Although there are no national professional organizations that rank these performance measures for comparative purposes, all state treasurers' face the challenges.

**Question: Provide a list of all sources of revenue that are not appropriated. These funds could include restricted or off budget accounts. Also, please provide the amount anticipated to be used in FY 17, the amount in FY 18, and any balance or reserve amount for each source or revenue.**

**Response:**

All Treasury sources of revenue for operations of the department are appropriated and expended as provided for in the general appropriations act. Treasury generates appropriated revenues

from three main sources. These sources include bond application and closing fees, administrative fees from the collection of unclaimed properties and from securities lending.

Since fiscal year 2000, the Securities Lending program has generated over \$36M to the State General Fund and the Unclaimed Property program has contributed over \$550M to the State General Fund. Last fiscal year, the State Bond Commission contributed \$8M to the State General Fund.

**Question:** *During the 2016 sessions, what did the department testify would be the effects of the FY 17 budget on services, staffing, and contracts?*

**Response:**

The Department of Treasury's budget contains no State General Fund dollars and consists of 80% Self-Generated Funds, 13% Interagency Transfers and the remainder from Statutory Dedicated Funds (protected trust funds). The Department of Treasury has and will continue to do its part in making reductions in order to help balance the State budget and avoid year-end deficits.

**Question:** *Compared to FY16, what reductions, including services, staffing and contracts, have been made in the department in FY 17?*

**Response:**

As directed under the provisions of Executive Order No. JBE 16-05, the Treasury Department completed a review of all professional, personal and consulting contracts.

Treasury has already achieved \$415,000 in savings by reducing contracts. The department's remaining contracts facilitate additional funds generated through the Unclaimed Property program and provide banking services and financial assistance through trust services, merchant services and stored value card services to state agencies. Other contract agreements provide for legal assistance in the sale and monitoring of bond issues for both state and local governments and provide for support services for the Unclaimed Property program.

The Treasury Department continues to look for opportunities for further reductions.

**Question:** *What reductions would the department make if there are mid-year reductions to the FY 17 budget?*

**Response:**

The Department of Treasury's budget contains no State General Fund dollars and consists of 80% Self-Generated Funds, 13% Interagency Transfers and the remainder from Statutory

Dedicated Funds (protected trust funds). The Department of Treasury has and will continue to do its part in making reductions in order to help balance the State budget and avoid year-end deficits.

**Question:** *Provide a brief overview of the FY 18 budget request compared to the FY 17 by budget unit. What increases are requested in FY 18 and why are the increases necessary, including any new or expanded programs or services to additional populations? Are there any restrictions in the FY 18 budget requests, including those as a result of annualizing reductions made in FY 17?*

**Response:**

The Department of Treasury submitted a standstill budget request for FY 2017-18, which is a 0% increase.

**Question:** *Has the department added any positions, including classified, unclassified, or other charges positions, in FY 17? Did the department request additional positions in the FY 18 budget request? If so, how many and what positions?*

**Response:**

The Department of Treasury did not add any additional positions in FY 2016-17. The only actions were new hires or separations.

The Department of Treasury did not request any additional positions in the FY 2017-18 budget request.

**Question:** *Provide a summary of changes in salaries from FY 16 to FY 17, including performance adjustments, promotions, or any other changes in salaries. Provide a summary of requested changes in salaries form FY 17 to FY 18, including performance adjustments, promotions, or any other changes in salaries.*

**Response:**

The Department of Treasury did not have any performance adjustments or promotions for existing staff from FY 2015-16 to FY 2016-17. No changes in salaries were requested from FY 2016-17 to FY 2017-18.

**\*\* NOTE:** *Attached (ATTACHMENT A) is the historical comparison of the means of financing from past budget requests.*