

Representative Cameron Henry
Chairman



Representative Franklin Foil
Vice Chairman

FY18-19 Executive Budget Review

STATE TREASURY

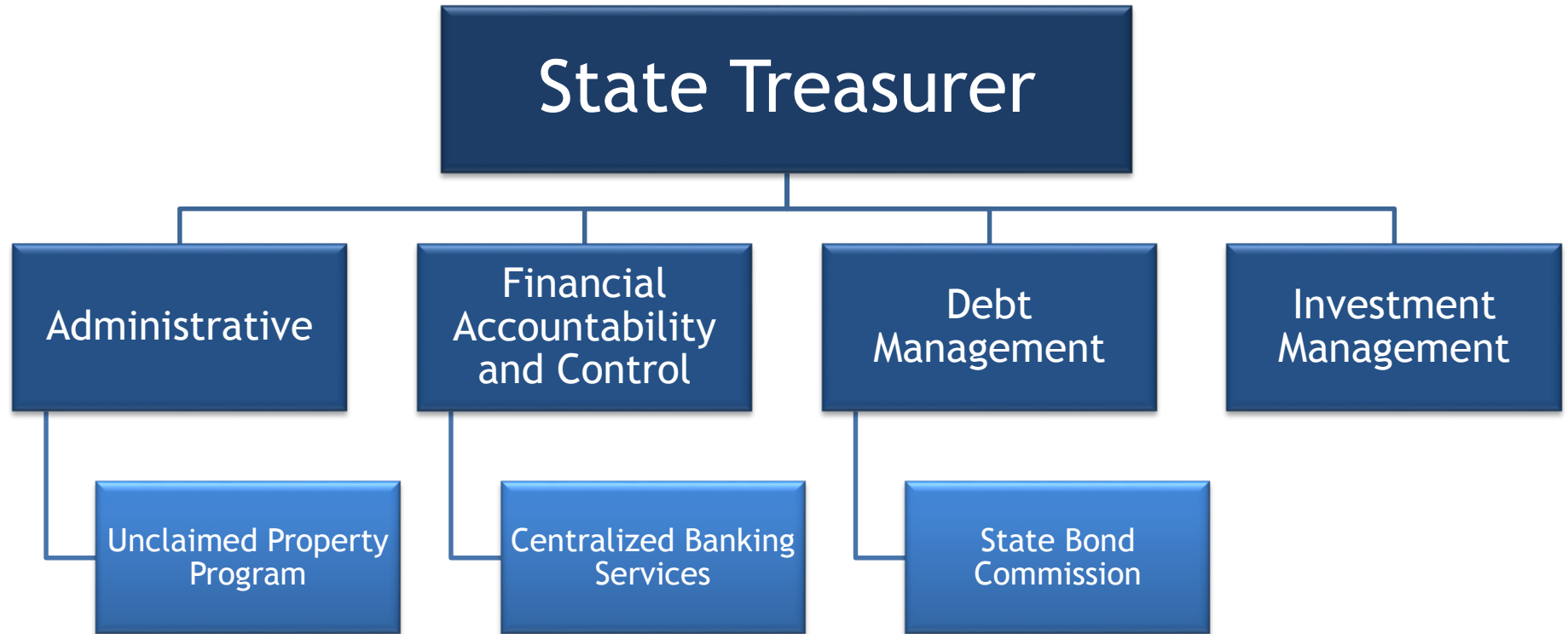
House Committee on Appropriations
Prepared by the House Fiscal Division

March 20, 2018

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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

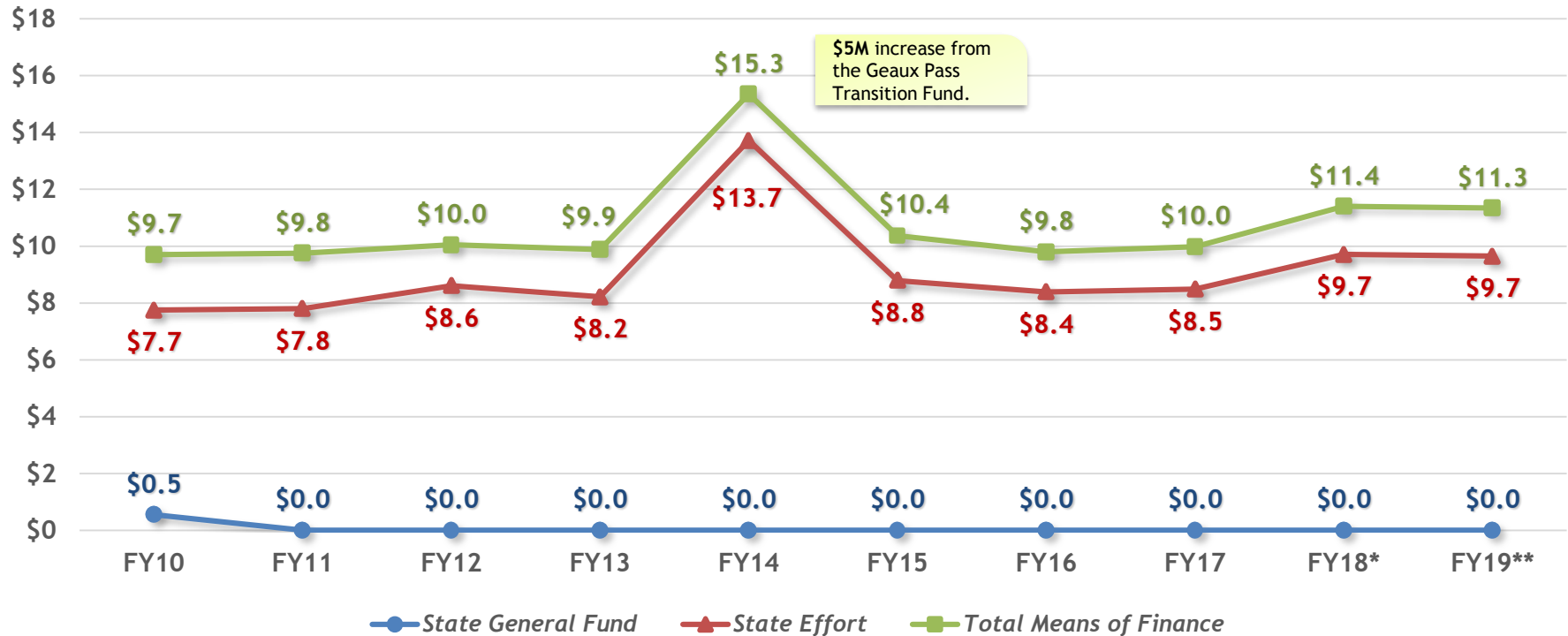
State Bond Commission

- 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 \$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 12/1/17
 **Governor's Executive Budget Recommendation

MAJOR SOURCES OF REVENUE

Self Generated Revenue \$8.84 Million

- **\$2.0 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.

- **\$2.4 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 \$1.7 Million

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

FUNDING OVERVIEW

Means of Financing	FY 16-17 Prior Year Actual Expenditures	FY 17-18 Existing Operating Budget	FY 18-19 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
State General Fund	\$0	\$0	\$0	\$0	0.0%
Interagency Transfers	\$1,488,676	\$1,686,944	\$1,686,944	\$0	0.0%
Fees and Self-Gen Rev.	\$8,134,796	\$8,900,948	\$8,840,969	(\$59,979)	(0.7%)
Statutory Dedications	\$353,768	\$811,455	\$811,455	\$0	0.0%
Federal Funds	\$0	\$0	\$0	\$0	0.0%
Total Means of Finance	\$9,977,240	\$11,399,347	\$11,339,368	(\$59,979)	(0.5%)
State Effort	\$8,488,564	\$9,712,403	\$9,652,424	(\$59,979)	(0.6%)



\$59,979 Fees and Self Generated Revenue

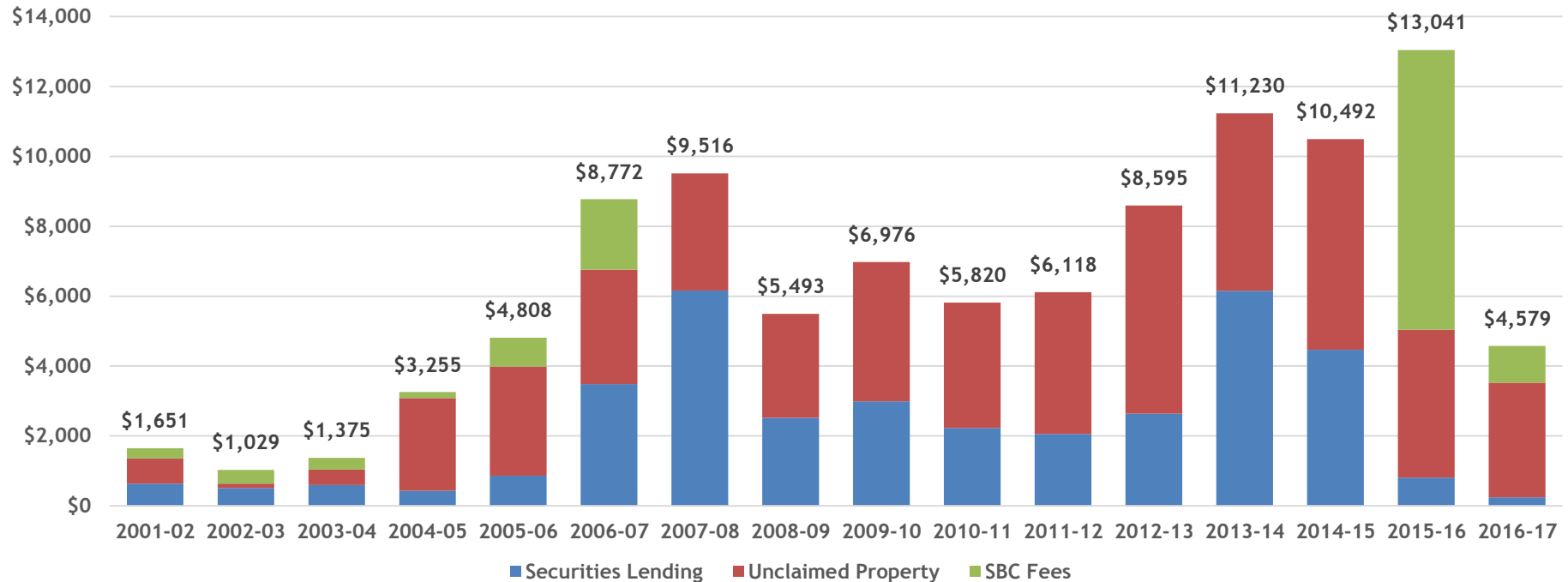
Net reduction primarily due to a 5% reduction. REC forecasts \$16.3M in projected collections for FY19.

Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/17

REVERSIONS TO GENERAL FUND

Historical Fees and Self Generated Revenue *(in Thousands)*



Source: Department of the Treasury

EXPENDITURE CHANGE OVERVIEW

Expenditure	FY 16-17 Prior Year Actual Expenditures	FY 17-18 Existing Operating Budget*	FY 18-19 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Salaries	\$3,877,888	\$3,813,218	\$4,029,119	\$215,901	5.7%
Other Compensation	\$588,663	\$562,917	\$562,917	\$0	0.0%
Related Benefits	\$1,904,617	\$2,091,655	\$2,235,288	\$143,633	6.9%
Travel	\$52,742	\$112,013	\$112,013	\$0	0.0%
Operating Services	\$968,331	\$1,259,759	\$794,450	(\$465,309)	(36.9%)
Supplies	\$44,029	\$57,372	\$57,372	\$0	0.0%
Professional Services	\$173,333	\$263,147	\$263,147	\$0	0.0%
Other Charges	\$2,347,304	\$3,100,216	\$3,145,562	\$45,346	1.5%
Acq/Major Repairs	\$20,333	\$139,050	\$139,500	\$450	0.3%
Total Expenditures	\$9,977,240	\$11,399,347	\$11,339,368	(\$59,979)	(0.5%)
Authorized Positions	54	54	54	0	0.0%

Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/17

SIGNIFICANT EXPENDITURE CHANGES

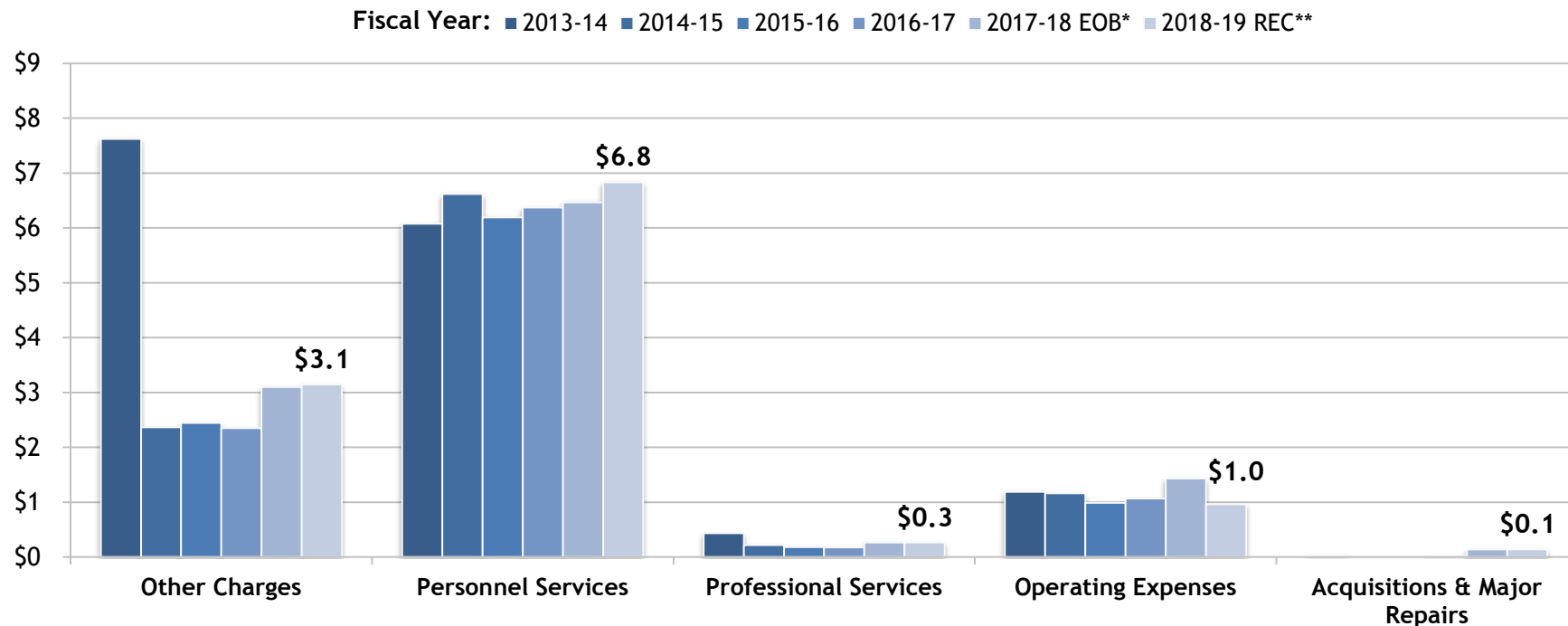
\$359,000 - Personal Services

Increased funding to annualize 2% general increase for employees, market rate increase for classified employees, standard salary base adjustment, and related benefits increases.

(\$465,309) - Operating Services

5% reduction to the Treasury's budget included during the budget development process. The agency is working on a plan to limit the impacts on the office's constitutional and statutory responsibilities.

EXPENDITURE HISTORY (IN MILLIONS)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/17
**Governor's Executive Budget Recommendation

OTHER CHARGES

Amount	Description
\$1,686,944	Central Banking Services
\$775,689	Interagency Transfers for statewide services
\$529,669	Trust Fund Investment Management (Millennium Trust, LEQTF, Medicaid Trust for the Elderly)
\$150,000	Population Estimates performed by LSU Ag Center
\$3,260	LaCap Federal Credit Union for Unclaimed Property
\$3,145,562	Total Other Charges

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
\$812,000

Self Generated
Revenue
\$8.8 Million

**Non Discretionary
\$499,000**

**Discretionary
\$8.3 Million**

Retiree's Group Insurance
\$221,000

Maintenance
\$129,000

Administrative
\$127,000

Legislative Auditor Fees
\$22,000

Administrative
\$4.4 Million

Financial Accountability
\$2.1 Million

Debt Management
\$1.1 Million

Investment Management
\$749,000

PERSONNEL INFORMATION

Personnel/Budget Ratio

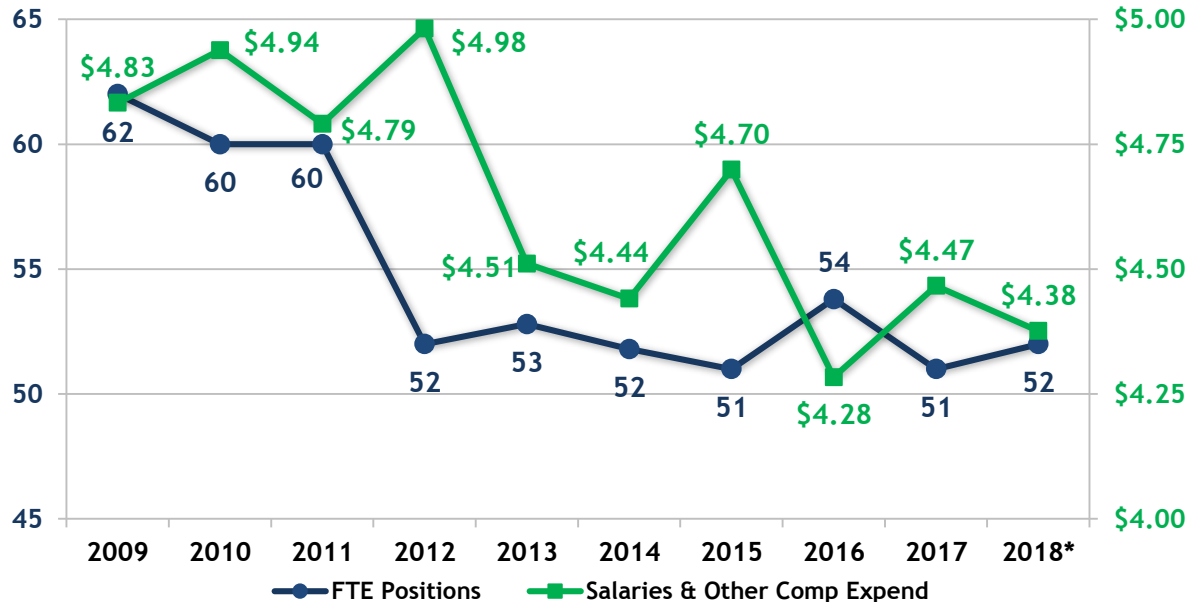
\$4.6 M	Salaries and Other Comp.
+ \$2.2 M	Related Benefits
= \$6.8 M	Total Personnel Services

83% of budget expenditures
(excluding Other Charges)

Authorized Positions

- 54 (44 classified and 10 unclassified)
- State Treasury had 3 vacancies as of 12/25/17
- No Other Charges Positions
- 5 Non-T.O. FTE positions

10 Year FTE Positions/Salaries Expended



*Existing Operating Budget 12/1/17

Source: Dept. of Civil Service and Executive Budget Supporting Documents

DEPARTMENT CONTACTS



State Treasurer
John Schroder

John Schroder
State Treasurer (225) 342-0010 jschroder@treasury.state.la.us

Ron Henson
*First Assistant
State Treasurer* (225) 342-0055 rhenson@treasury.state.la.us

Nancy Keaton
Chief of Staff (225) 342-1684 nkeaton@treasury.state.la.us

Laura Lapeze
*Chief Financial
Officer* (225) 342-0051 llapeze@treasury.state.la.us
