

Representative Jerome Zeringue
Chairman



Representative Gary Carter
Vice Chairman

Fiscal Year 2020-21 HB105 Budget Review

State Treasury

House Committee on Appropriations
by the House Fiscal Division

March 10, 2020

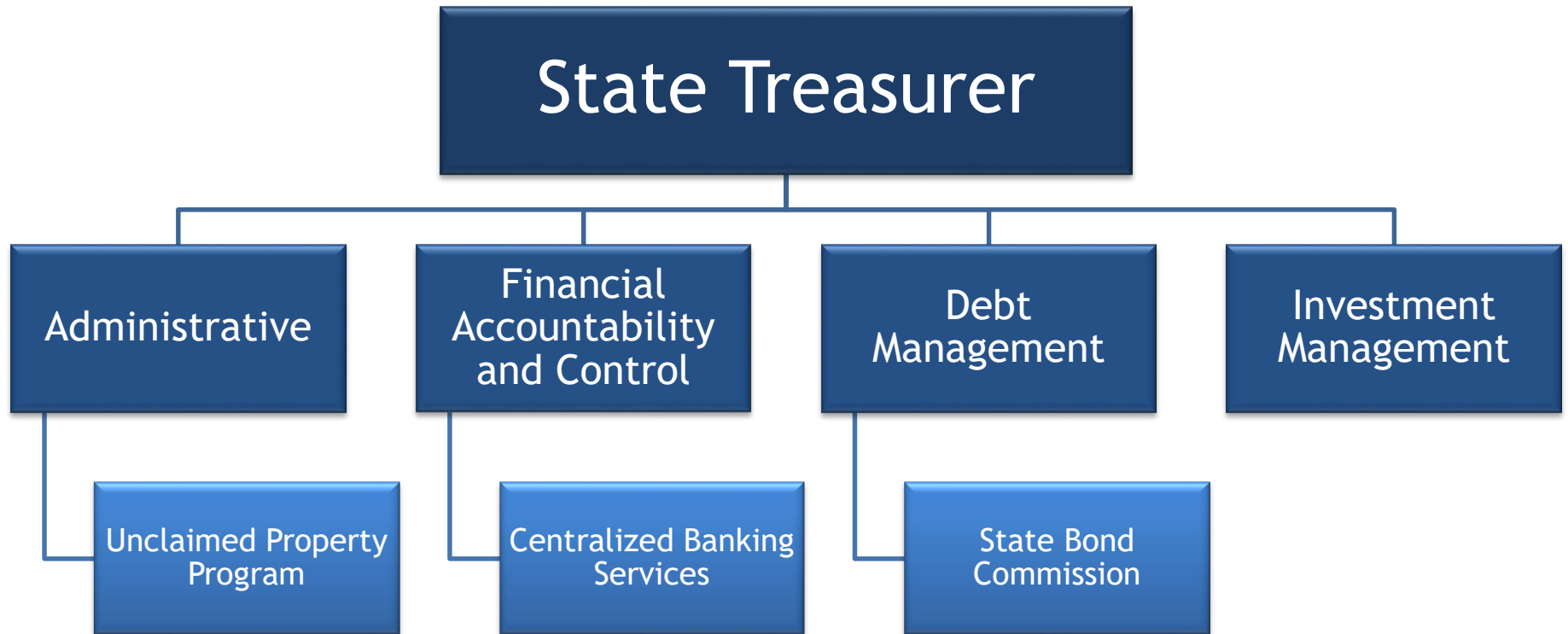
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DEPARTMENT ORGANIZATION



DEPARTMENT OVERVIEW

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.

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 billion in investment securities including the state trust funds.

DEPARTMENT OVERVIEW

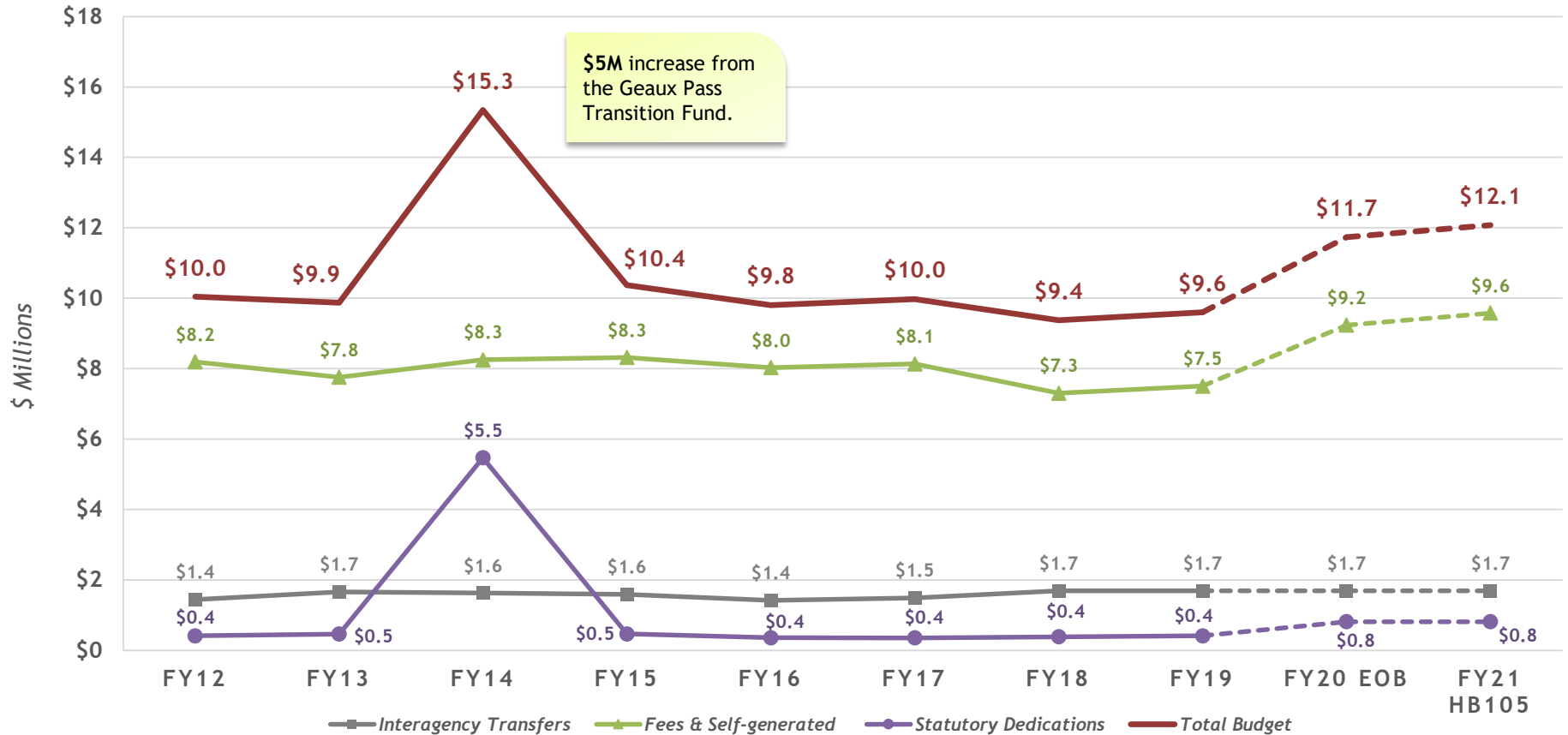
State Bond Commission

- 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.

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.

HISTORICAL SPENDING



\$5M increase from the Geaux Pass Transition Fund.

Source: Office of Planning and Budget - Budget Supporting Documents; and HB105 of the 2020 Regular Session

SOURCES OF FUNDING

Interagency Transfers \$1,686,944

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

Self-generated Revenue \$9,575,478

- **\$2.0 Million**
State Bond Commission fees collected for review of the issuance of debt by private and public entities.
- **\$4.7 Million**
Securities Lending Program fees received from investment income on certain debt obligations of the Federal Government.
- **\$2.9 Million**
Unclaimed Property funds utilized according to statute pursuant to that function.

Treasury was authorized in Act 10 of the 2019 RS to carryover fees from State Bond Commission activities from FY19 to FY20. The amount carried was \$1 million.

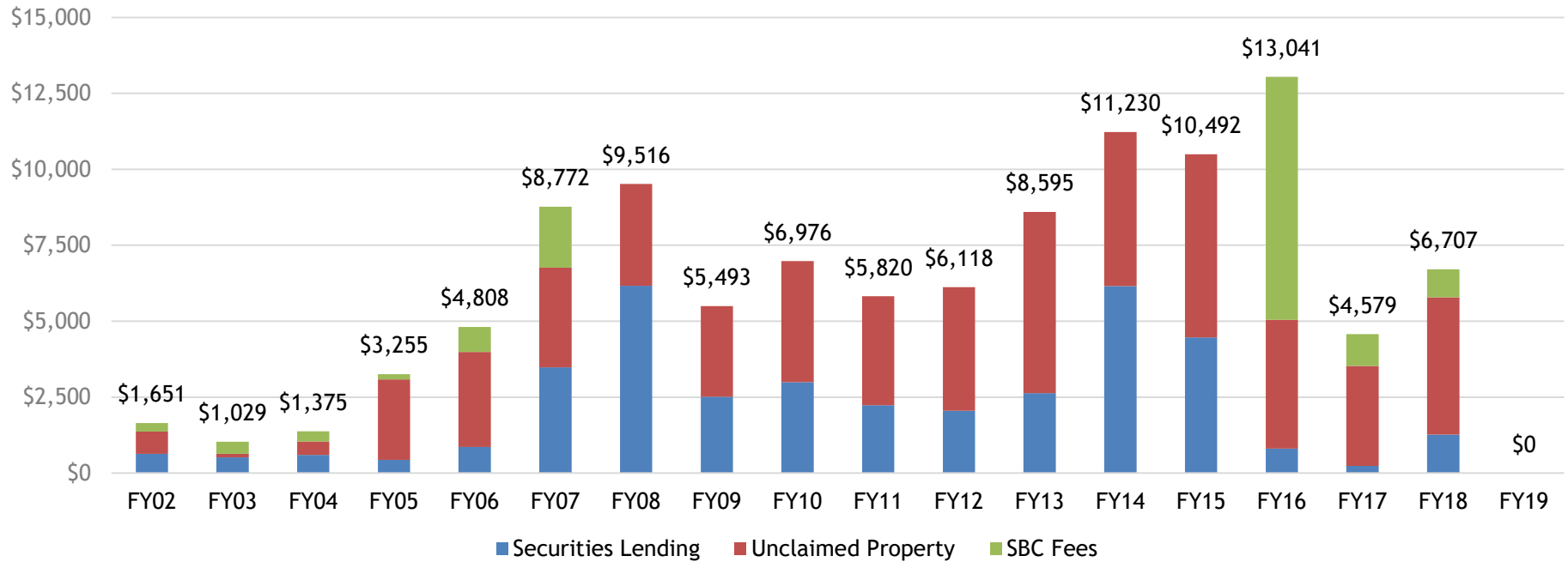
Statutory Dedications \$811,455

- 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 and constitution to administer the investment programs for the trust funds managed by the State Treasury.

REVERSIONS TO THE GENERAL FUND

Historical Fees and Self Generated Revenue Reverted
(in Thousands)



Source: State Treasury

FUNDING CHANGE COMPARISON

Means of Finance	FY 18-19	FY 19-20	FY 20-21	Change from EOB		Change from Actuals	
	Actual Expenditures	Existing Operating Budget	HB105 Budget	\$	%	\$	%
SGF	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
IAT	\$1,686,944	\$1,686,944	\$1,686,944	\$0	0.0%	\$0	0.0%
FSGR	\$7,505,298	\$9,232,496	\$9,575,478	\$342,982	3.7%	\$2,070,180	27.6%
STAT DED	\$411,821	\$811,455	\$811,455	\$0	0.0%	\$399,634	97.0%
FEDERAL	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Total	\$9,604,063	\$11,730,895	\$12,073,877	\$342,982	2.9%	\$2,469,814	25.7%

Significant revenue changes from EOB:



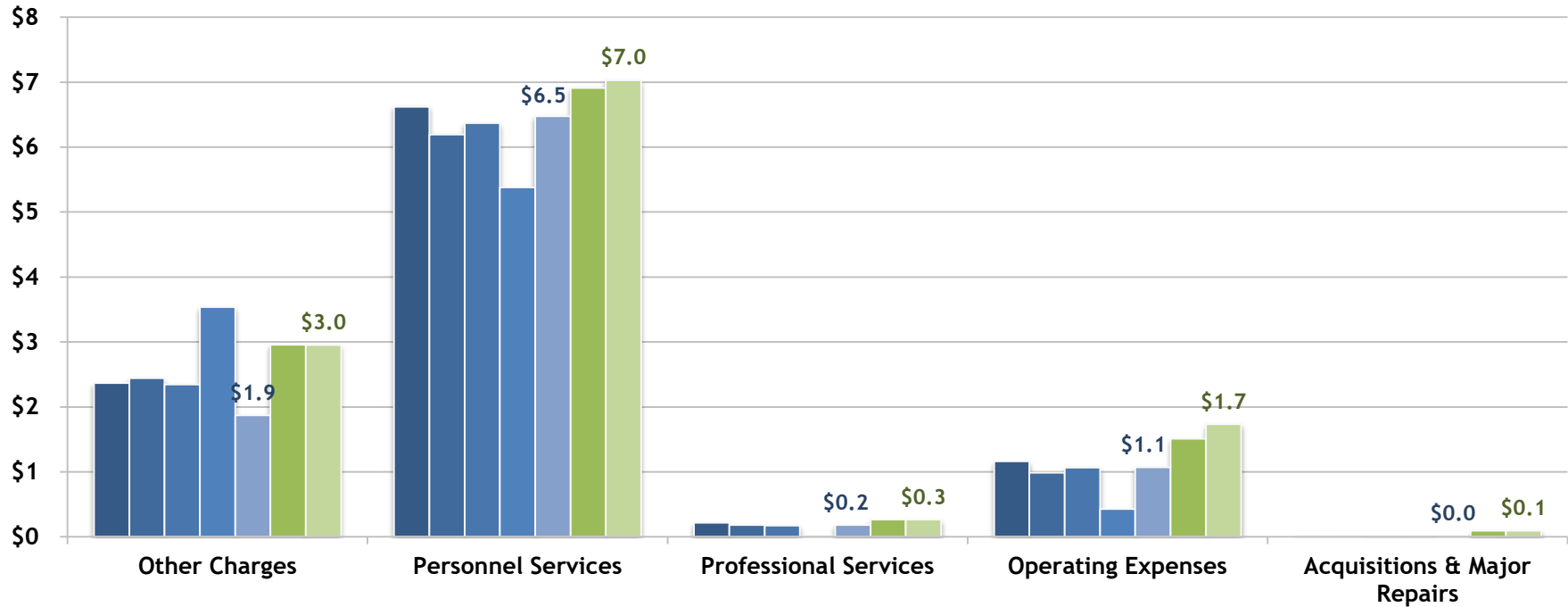
\$343K Fees & Self-generated

Net increase in the utilization of unclaimed property administration authority and other self-generated sources.

EXPENDITURE HISTORY

Actual Expenditures Budgeted Amount

Fiscal Year: 2015 2016 2017 2018 2019 2020 EOB 2021 HB105



Source: Office of Planning and Budget - Executive and Proposed Budget Supporting Documents

EXPENDITURE CHANGE COMPARISON

Expenditure Category	FY 18-19	FY 19-20	FY 20-21	Change from EOB		Change from Actuals	
	Actual Expenditures	Existing Operating Budget	HB105 Budget	\$	%	\$	%
Salaries	\$3,899,642	\$4,025,357	\$4,117,901	\$92,544	2.3%	\$218,259	5.6%
Other Compensation	\$459,331	\$562,917	\$562,917	\$0	0.0%	\$103,586	22.6%
Related Benefits	\$2,115,711	\$2,320,529	\$2,348,790	\$28,261	1.2%	\$233,079	11.0%
Travel	\$19,884	\$103,389	\$103,389	\$0	0.0%	\$83,505	420.0%
Operating Services	\$1,009,034	\$1,349,759	\$1,574,759	\$225,000	16.7%	\$565,725	56.1%
Supplies	\$41,588	\$57,372	\$57,372	\$0	0.0%	\$15,784	38.0%
Professional Services	\$180,452	\$263,147	\$263,147	\$0	0.0%	\$82,695	45.8%
Other Charges	\$1,871,997	\$2,955,610	\$2,952,787	(\$2,823)	(0.1%)	\$1,080,790	57.7%
Acq/Major Repairs	\$6,424	\$92,815	\$92,815	\$0	0.0%	\$86,391	1,344.8%
Total	\$9,604,063	\$11,730,895	\$12,073,877	\$342,982	2.9%	\$2,469,814	25.7%

OTHER CHARGES DETAIL

Other Charges

Amount	Description
\$1,506,944	Central Banking 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
\$2,189,873	Total Other Charges

Interagency Transfers

Amount	Description
\$90,252	Office of Telecommunications
\$65,810	State Mail Services
\$38,213	Office of Risk Management
\$27,590	Office of Technology Services
\$21,776	Legislative Auditor Fees
\$519,273	Other Transfers (Civil Service, Security, State Printing, Procurement)
\$762,914	Total OC-Interagency Transfers

FY19 UNSPENT AUTHORITY

	End of Fiscal Year Budget	Actual Amount Spent	Unspent Budget Authority	Unspent Budget %	Unspent % by MOF
SGF	\$0	\$0	\$0	0.0%	0.0%
IAT	\$1,686,944	\$1,686,944	\$0	0.0%	0.0%
FSGR	\$9,140,969	\$7,505,298	\$1,635,671	17.9%	80.4%
STAT DED	\$811,455	\$411,821	\$399,634	49.2%	19.6%
FEDERAL	\$0	\$0	\$0	0.0%	0.0%
FY19 TOTAL	\$11,639,368	\$9,604,063	\$2,035,305	17.5%	100.0%

Historical Total Unspent Authority for Comparison

FY18 TOTAL	\$11,399,347	\$9,372,897	\$2,026,450	17.8%
FY17 TOTAL	\$10,964,477	\$9,977,240	\$987,237	9.0%
3 YR AVG	\$11,334,397	\$9,651,400	\$1,682,997	14.8%

Treasury typically spends all IAT collections derived from state agencies using its central banking services. Fees & self-generated revenues are dependent on actual collections and expenses are prioritized by the current needs of the department. Statutory dedications are limited to expenses related to the investment of state trust funds.

FY19 UNSPENT AUTHORITY

Did department collect all revenue budgeted?

	Final Budget <i>(w/o carryforward)</i>	Actual Revenue Collections	Uncollected Revenue
SGF	\$0	\$0	\$0
IAT	\$1,686,944	\$1,686,944	\$0
FSGR	\$9,140,969	\$8,505,299	(\$635,670)
SD	\$811,455	\$411,821	(\$399,634)
FED	\$0	\$0	\$0
TOTAL	\$11,639,368	\$10,604,064	(\$1,035,304)

The department collected nearly \$1 million under the FY19 final budget. The majority of excess budget authority over collections was in fees and self-generated revenue due to lower than expected collections. Unspent statutory dedications result from limitations on the use of the funds and eligible expenses related to the management of trust fund investments.

Did department spend all collections?

	Actual Revenue Collections	Actual Expenditures	Unspent Revenue
SGF	\$0	\$0	\$0
IAT	\$1,686,944	\$1,686,944	\$0
FSGR	\$8,505,299	\$7,505,299	\$1,000,000
SD	\$411,821	\$411,821	\$0
FED	\$0	\$0	\$0
TOTAL	\$10,604,064	\$9,604,064	\$1,000,000

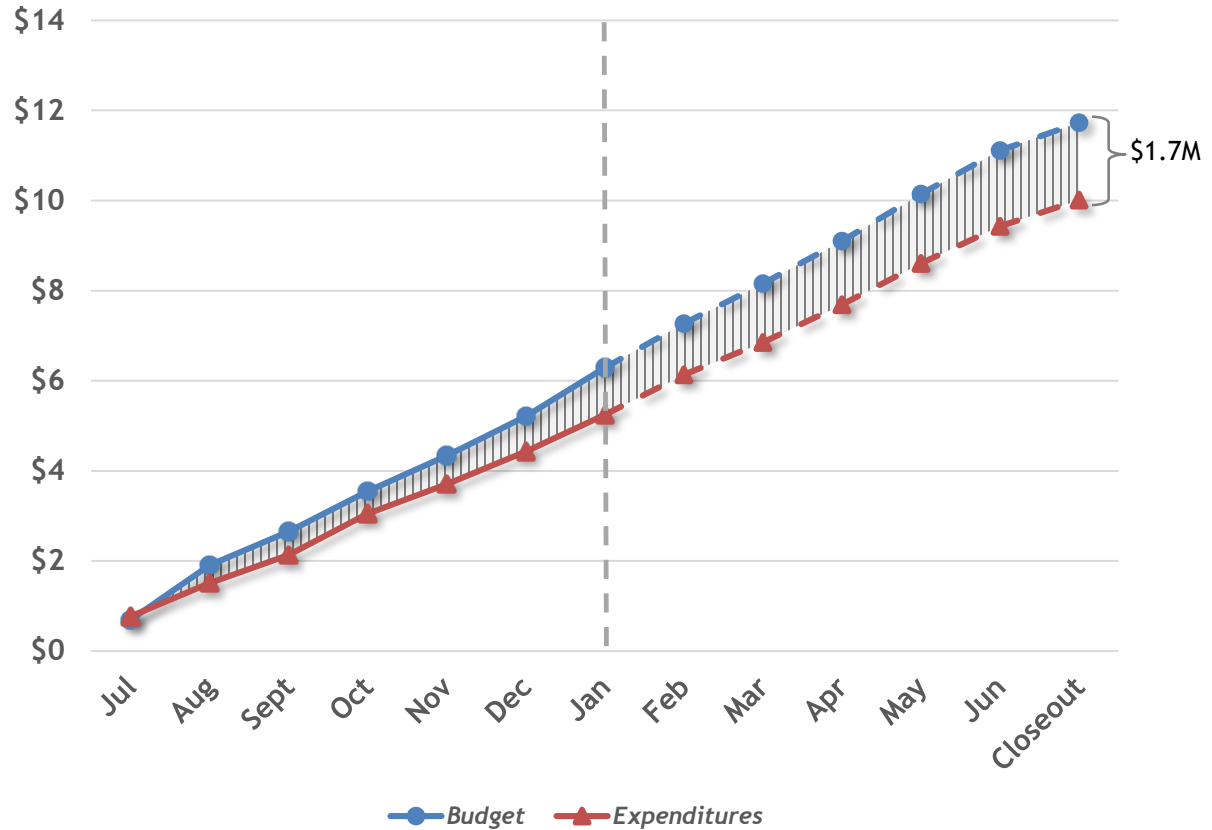
The department spent an even \$1 million under what was collected in fees and self-generated revenue. This specific amount is budgeted to assist with cash flow and in case collections for the Bond Commission come short during the year.

CURRENT EXPENDITURE TREND

Analysis shows approximately 14.7% or \$1.7 million in total budget authority from all means of finance could be unspent at year-end based on actual spending through January and projections to the end of the year.

Projections show this unspent authority primarily in Other Charges, Salaries, and Operating Services expenditure categories.

For FY19, HFD projected the department would have \$1.7M in remaining budget authority, when they actually had \$2.0M in authority left at year end.

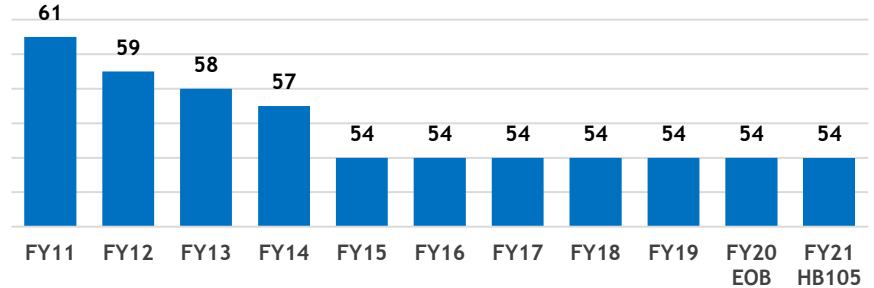


PERSONNEL INFORMATION

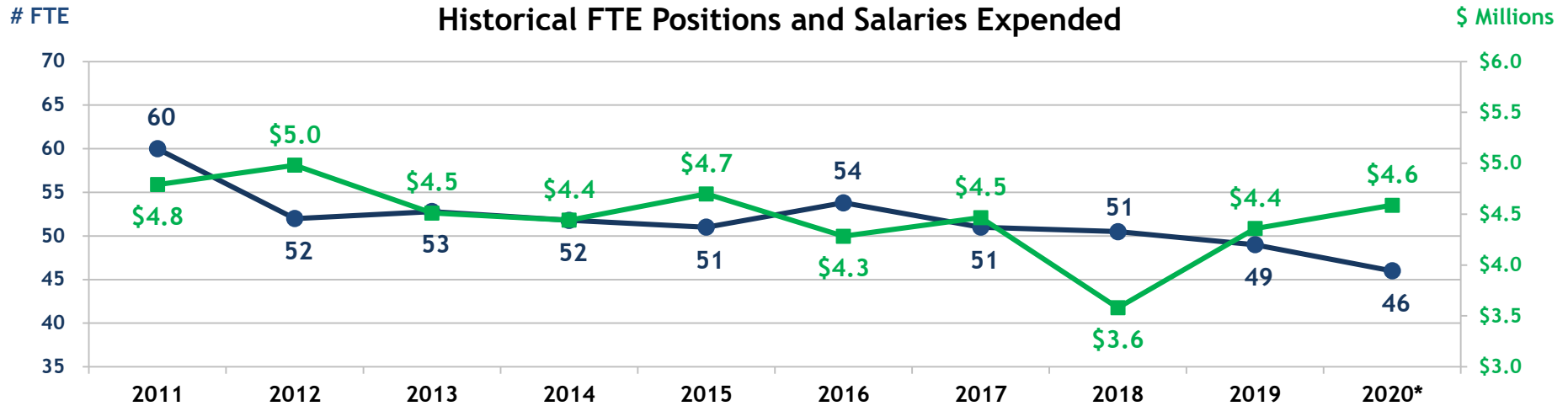
FY 2021 Recommended Positions

54	Total Authorized T.O. Positions (44 Classified, 10 Unclassified)
0	Authorized Other Charges Positions
5	Non-T.O. FTE Positions
5	Vacant Positions (February 3, 2020)

Historical Authorized T.O. Positions



Historical FTE Positions and Salaries Expended



DEPARTMENT CONTACTS



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