Fiscal Year 2020-21 HB105 Budget Review

State Treasury

House Committee on Appropriations
by the House Fiscal Division

March 10, 2020

Budget Analyst:
Chris Henry, (225) 342-1394
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</table>
**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.
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.
$5M increase from the Geaux Pass Transition Fund.
**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.

Source: Office of Planning and Budget - Budget Supporting Documents and HB105 of the 2020 Regular Session  
State Treasury - October 2019 Act 587 Report to the JLCB
## Historical Fees and Self Generated Revenue Reverted

*(in Thousands)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Securities Lending</th>
<th>Unclaimed Property</th>
<th>SBC Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY02</td>
<td>$1,651</td>
<td>$1,029</td>
<td>$2,500</td>
</tr>
<tr>
<td>FY03</td>
<td>$1,029</td>
<td>$1,375</td>
<td>$5,000</td>
</tr>
<tr>
<td>FY04</td>
<td>$3,255</td>
<td>$4,808</td>
<td>$7,500</td>
</tr>
<tr>
<td>FY05</td>
<td>$3,255</td>
<td>$4,808</td>
<td>$7,500</td>
</tr>
<tr>
<td>FY06</td>
<td>$4,808</td>
<td>$8,772</td>
<td>$10,000</td>
</tr>
<tr>
<td>FY07</td>
<td>$8,772</td>
<td>$9,516</td>
<td>$12,500</td>
</tr>
<tr>
<td>FY08</td>
<td>$8,772</td>
<td>$9,516</td>
<td>$12,500</td>
</tr>
<tr>
<td>FY09</td>
<td>$5,493</td>
<td>$6,976</td>
<td>$15,000</td>
</tr>
<tr>
<td>FY10</td>
<td>$5,493</td>
<td>$6,976</td>
<td>$15,000</td>
</tr>
<tr>
<td>FY11</td>
<td>$5,820</td>
<td>$6,118</td>
<td>$15,000</td>
</tr>
<tr>
<td>FY12</td>
<td>$5,820</td>
<td>$6,118</td>
<td>$15,000</td>
</tr>
<tr>
<td>FY13</td>
<td>$8,595</td>
<td>$11,230</td>
<td>$18,000</td>
</tr>
<tr>
<td>FY14</td>
<td>$11,230</td>
<td>$10,492</td>
<td>$18,000</td>
</tr>
<tr>
<td>FY15</td>
<td>$11,230</td>
<td>$10,492</td>
<td>$18,000</td>
</tr>
<tr>
<td>FY16</td>
<td>$11,230</td>
<td>$10,492</td>
<td>$18,000</td>
</tr>
<tr>
<td>FY17</td>
<td>$13,041</td>
<td>$4,579</td>
<td>$6,707</td>
</tr>
<tr>
<td>FY18</td>
<td>$13,041</td>
<td>$4,579</td>
<td>$6,707</td>
</tr>
<tr>
<td>FY19</td>
<td>$13,041</td>
<td>$4,579</td>
<td>$6,707</td>
</tr>
</tbody>
</table>

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

Significant revenue changes from EOB:

$343K Fees & Self-generated
Net increase in the utilization of unclaimed property administration authority and other self-generated sources.

Source: Office of Planning and Budget - Budget Supporting Documents and HB105 of the 2020 Regular Session
**Expenditure History**

### Actual Expenditures

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$1.9</td>
<td>$6.5</td>
<td>$7.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$0.2</td>
<td>$0.3</td>
<td>$1.1</td>
<td>$1.7</td>
<td></td>
</tr>
<tr>
<td>Acquisitions &amp; Major Repairs</td>
<td>$0.0</td>
<td>$0.1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Budgeted Amount

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2020 EOB</th>
<th>2021 HB105</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Charges</td>
<td>$3.0</td>
<td>$3.0</td>
</tr>
<tr>
<td>Personnel Services</td>
<td>$7.0</td>
<td>$7.0</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$0.2</td>
<td>$0.3</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$1.1</td>
<td>$1.7</td>
</tr>
<tr>
<td>Acquisitions &amp; Major Repairs</td>
<td>$0.0</td>
<td>$0.1</td>
</tr>
</tbody>
</table>

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

Source: Office of Planning and Budget - Budget Supporting Documents and HB105 of the 2020 Regular Session
## Other Charges

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,506,944</td>
<td>Central Banking Services</td>
</tr>
<tr>
<td>$574,669</td>
<td>Trust Fund Investment Management (Millennium Trust, LEQTF, Medicaid Trust</td>
</tr>
<tr>
<td>$105,000</td>
<td>for the Elderly)</td>
</tr>
<tr>
<td>$3,260</td>
<td>Population Estimates performed by LSU Ag Center</td>
</tr>
<tr>
<td>$2,189,873</td>
<td>LaCap Federal Credit Union for Unclaimed Property</td>
</tr>
</tbody>
</table>

**Total Other Charges**: $2,189,873

## Interagency Transfers

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

Source: Office of Planning and Budget - Budget Supporting Documents/State Treasury
# FY19 Unspent Authority

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

### Historical Total Unspent Authority for Comparison

<table>
<thead>
<tr>
<th></th>
<th>End of Fiscal Year Budget</th>
<th>Actual Amount Spent</th>
<th>Unspent Budget Authority</th>
<th>Unspent Budget %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18 TOTAL</td>
<td>$11,399,347</td>
<td>$9,372,897</td>
<td>$2,026,450</td>
<td>17.8%</td>
</tr>
<tr>
<td>FY17 TOTAL</td>
<td>$10,964,477</td>
<td>$9,977,240</td>
<td>$987,237</td>
<td>9.0%</td>
</tr>
<tr>
<td>3 YR AVG</td>
<td>$11,334,397</td>
<td>$9,651,400</td>
<td>$1,682,997</td>
<td>14.8%</td>
</tr>
</tbody>
</table>

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.
Did department collect all revenue budgeted?

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

Did department spend all collections?

<table>
<thead>
<tr>
<th></th>
<th>Actual Revenue Collections</th>
<th>Actual Expenditures</th>
<th>Unspent Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGF</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>IAT</td>
<td>$1,686,944</td>
<td>$1,686,944</td>
<td>$0</td>
</tr>
<tr>
<td>FSGR</td>
<td>$8,505,299</td>
<td>$7,505,299</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>SD</td>
<td>$411,821</td>
<td>$411,821</td>
<td>$0</td>
</tr>
<tr>
<td>FED</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$10,604,064</td>
<td>$9,604,064</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

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.

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.
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.

Source: State of Louisiana - AFS Statewide Accounting System
**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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11</td>
<td>61</td>
</tr>
<tr>
<td>FY12</td>
<td>59</td>
</tr>
<tr>
<td>FY13</td>
<td>58</td>
</tr>
<tr>
<td>FY14</td>
<td>57</td>
</tr>
<tr>
<td>FY15</td>
<td>54</td>
</tr>
<tr>
<td>FY16</td>
<td>54</td>
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<td>FY17</td>
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<td>FY18</td>
<td>54</td>
</tr>
<tr>
<td>FY19</td>
<td>54</td>
</tr>
<tr>
<td>FY20 EOB</td>
<td>54</td>
</tr>
<tr>
<td>FY21 HB105</td>
<td>54</td>
</tr>
</tbody>
</table>

**Historical FTE Positions and Salaries Expended**

<table>
<thead>
<tr>
<th>Year</th>
<th>FTE</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>2016</td>
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*Existing Operating Budget 12/1/19

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