



TREASURER OF THE STATE OF LOUISIANA

John Neely Kennedy
State Treasurer

P. O. Box 44154
Baton Rouge, LA 70804
(225) 342-0010
www.latreasury.com

October 6, 2016

Secretary Kimberly Robinson
Task Force on Structural Changes in Budget and Tax Policy
P. O. Box 66258
Baton Rouge, LA 70896-6258

Dear Secretary Robinson:

The Treasury Department is the smallest Department in state government. Comparing the current budget to FY 2004-05, Treasury's budget is significantly smaller (25%), even with the additional of a new major program. The Unclaimed Property program pays for itself, contributing over \$50.5M to the State General Fund since FY 2000-01. The Treasury Department continues to operate effectively and efficiently, to make reductions and to operate more with less. In the spirit of House Concurrent Resolution (HCR) No. 25, the Treasury Department continues to look for opportunities to make efficient, cost-beneficial changes.

The attached report is in accordance with HCR No. 25 of the 2016 Regular Legislative Session. The report outlines the initiatives the Treasury Department will take to ensure a more efficient operation for Fiscal Year 2016-17 and beyond.

If you have any questions concerning this report, please contact me at 342-0055.

Sincerely,

A handwritten signature in blue ink that reads "Ron J. Henson".

Ron J. Henson
First Assistant State Treasurer

Attachments

RH:lel

House Concurrent Resolution No. 25 efficiencies:

1. The Department of Treasury analyzed and evaluated existing work flow and processes within the Office of State Depository Control and Investment (Fiscal Control, Investments) and Office of Management and Finance (Administration) to identify which functions could be streamlined, automated, consolidated or eliminated. While performing this evaluation, work procedures were updated and procedures were organized by functional area in a standardized format.

As part of the workflow / work process re-design initiative, some improvements in the delivery of services were identified and solutions were deployed. One such improvement involved the implementation of pdf application forms for both Cash Management Review Board and Deputy Sheriffs Supplemental Pay program, which resulted in greater efficiency being realized in submission and processing of application forms.

2. Improvements in the delivery of services for the Unclaimed Property Division have also been realized through the implementation of the Angel Virtual Call Center. Since the Angel Virtual Call Center runs in the “Cloud” and was delivered via web-based software toolkit, it was deployed quickly at a relatively low cost since existing phones, Internet connection and web browser could be utilized. This automated system has improved customer satisfaction and increased staff productivity.
3. Treasury is in the process of upgrading the Unclaimed Property Computer System. KAPS is a new software product developed by Kelmar Associates, LLC for managing unclaimed property databases. The current system being used by UCP (UPS2000) from Xerox is outdated and deficient in many areas. Several benefits of KAPS include, but are not limited to, more and faster refunds; tracking audits; identifying holders under reporting; and bringing additional revenue into the State of Louisiana.
4. Treasury is in the process of developing an online program for sheriffs to complete the monthly invoicing and reporting for the Deputy Sheriffs Supplemental Pay Program. This program will be piloted and then implemented statewide which will reduce the paperwork flow and provide needed automation in the reporting requirements to make the program more efficient.
5. Treasury has implemented improvements in internal control in the receipt, custody, and disbursement of public funds through the implementation of an upgraded software component of the audit and reconciliation of the central depository pooling bank account, the backbone of the state’s centralized cash management program.
6. Treasury also negotiated a reduced costs for the annual parish and municipal population estimates for various statewide constitutional and statutory distribution programs in Treasury.

7. Treasury implemented further efficiencies by taking steps to eliminate professional outside investment consulting services for certain funds and managing the investment portfolios with in-house investment staff.
8. Treasury negotiated through the competitive bid process a statewide agreement to allow state agencies to issue Stored Value Cards in lieu of checks to take advantage of the efficiencies afforded to the recipient and the state.
9. Treasury also negotiated through the competitive bid process a statewide agreement to allow state agencies, boards and commissions and universities to accept major credit cards and debit cards for payment of goods and services at the lowest possible discount rates.
10. Treasury has released a Request For Proposal (RFP) to obtain competitive proposals as allowed by Louisiana Revised Statute 39:1593 from bona fide, qualified proposers who are interested in providing Central Banking Services for the State of Louisiana. Treasury's desire is to obtain competitive service rates for the taxpayers of Louisiana and decrease the annual cost of this service.
11. On October 7, 2016 the Fiscal and Unclaimed Property Divisions will be moving to the Capitol Annex building.
12. As directed under the provision of Executive Order No. JBE 16-05, Treasury completed a review of all professional, personal and consulting contracts. We have already achieved \$415,000 in savings by reducing contracts. We continue to seek further reductions. (See attached report)
13. The State Bond Commission will be piloting an electronic meeting automation software (NovusAGENDA) which will provide a well-organized and easy-to-use paperless meeting management solution to automate labor and paper intensive processes. It will reduce the amount time currently spent in reviewing, correcting and approving analysis sheets as well as compiling and distributing meeting related materials (agendas, analysis sheets); will eliminate costs associated with duplicating materials (paper, copier usage) with the elimination of binders for Commission members; will automate the minute preparation process; and will provide a more efficient mechanism to automatically post agendas, minutes and meeting actions on Treasury's website.
14. The State Bond Commission is currently working to revise LAC Title 71, Part III. Many sections in the existing rules address subject matter that is obsolete or no longer applicable; are inconsistent in format and/or structure; specify requirements not currently enforced by Commission; do not include requirements currently enforced by Commission and/or staff; and contain errors with RS citations. The order and format of the current rules makes it extremely difficult for local government entities to understand the debt application and approval process. Revisions to these administrative rules and

regulations will eliminate those issues and provide a more comprehensive, accurate and efficient means of outlining legal and operational requirements for debt management.

15. The State Bond Commission continues to work with staff to identify which of the non-SBC meeting related functions can be streamlined, automated, consolidated or eliminated to ensure work is completed correctly and efficiently.