

DEPARTMENT OF THE TREASURY

STRATEGIC PLAN

FY 2020-21 THROUGH 2024-25

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DEPARTMENT OF THE TREASURY

EXECUTIVE SUMMARY

The Department of the Treasury is charged by the people of Louisiana with the custody, investment and disbursement of public funds of the state. To meet this mandate, the Department has developed a Strategic Plan to guide the direction of resources used to accomplish its goals and objectives over the next five years. This plan was developed based on the Vision of how this Department will continue to serve the people of Louisiana defined by a Mission of the Department's purpose and Philosophy of how it will be carried out.

VISION

To perform and be recognized as the preeminent provider of the highest quality, innovative financial services and performance in a user-friendly atmosphere.

MISSION

The mission of the Department of the Treasury is to manage state funds by promoting prudent cash management and investment strategies as well as monitoring, regulating and coordinating state and local debt obligations as mandated by the Constitution and the laws of the State of Louisiana.

PHILOSOPHY

The Treasury shall serve the citizens of the state and the components of state and local governments with honesty, integrity and fairness.

Treasury is committed to accomplishing this through efficient and innovative management of its functions with a proactive, future-oriented prospective.

DEPARTMENT LEVEL GOALS

- I. Effectively manage taxpayers' money in a prudent manner, which will provide for the safety of cash in accordance with Article IV, Section 9 of the Louisiana Constitution and L.R.S. 49:321.
- II. Invest the funds on deposit in the Treasury in a manner that provides a reasonable return on investment in accordance with Article IV, Section 9 of the Louisiana Constitution and L.R.S. 49:327.
- III. Disburse monies on deposit in the Treasury in accordance with Article III, Section 16 and Article IV, Section 9 of the Louisiana Constitution and L.R.S. 49:314.
- IV. Monitor, regulate and coordinate state and local debt and provide for the issuance of debt and arrange for notice and sale of bonds by the State Bond Commission in a manner to obtain a reasonable rate of interest in accordance with Article VII, Section 6 and 8 and L.R.S. 39:1401-1472.
- V. Aggressively work to locate unclaimed property and the owners thereof in Louisiana and to return this property to the rightful owners pursuant to L.R.S. 9:151, et seq.
- VI. Invest and manage the annual payments from the tobacco settlement (the Millennium Trust Fund) to achieve the highest earnings reasonably and prudently possible pursuant to Article 7, Sect. 10.8 of the Louisiana Constitution and L.R.S. 39:98.1 et seq. Move forward with the State Bond Commission and the Joint Legislative Committee on the Budget to securitize, when appropriate, the remaining 40 % of Louisiana's multi-billion dollar tobacco settlement pursuant to Act 1136 of the 2003 Regular Session of the Legislature.
- VII. Continue to grow START accounts and invest the funds in START accounts to earn the highest earnings possible consistent with safety of principal pursuant to L.R.S. 17:3091, et seq.
- VIII. Effectively manage the safekeeping, custody and investment of monies in the Medicaid Trust Fund for the Elderly and ensure that all disbursements are properly made from the Fund pursuant to L.R.S. 46:2691 et seq.
- IX. Effectively manage the safekeeping, custody and investment of monies in the Louisiana Education Quality Trust Fund and ensure that all disbursements are properly made from the Fund pursuant to Article 7, Section 10.1 of the Louisiana Constitution and L.R.S. 17:3801 et seq.
- X. Work with the Governor, members of the Legislature and other officials to continue raising Louisiana's credit rating.

ADMINISTRATIVE PROGRAM

MISSION

The mission of the Administrative Program is to provide the leadership, support and oversight necessary to be responsible for managing, directing and ensuring the effective and efficient operation of the programs within the Department of the Treasury, Office of the State Treasurer, to the benefit of the public's interest.

AUTHORITY

The Administrative Program is created pursuant to LRS 36:761 and 764. This program provides the administration and control of all activities of the Department for the purpose of fulfilling the powers and duties of the State Treasurer as contained in Article IV Section 9 of the Louisiana Constitution.

PRINCIPAL CLIENTS AND USERS

INTERNAL - Provides executive and administrative leadership and oversight to management and staff of the Financial Accountability and Control Program, the State Bond Commission and the Investment Management Program, which are the three other programs within the Department of the Treasury. Also provides executive and administrative leadership and oversight to management and staff of the Unclaimed Property Division within the Administrative Program.

EXTERNAL - Serves the public interest of the citizens of the State of Louisiana in the custody, investment and disbursement of public funds.

GOALS

- I.** The Administrative Program will effectively manage, through policy development, communication and dissemination of information, the provision of legal services and support and the overall coordination of all programs in the Department of the Treasury in accordance with LRS 36:764.
- II.** The Administrative Program will promote sound cash management programs that benefit the taxpayers of the State of Louisiana in accordance with LRS 36:764A.
- III.** The Administrative Program will promote prudent investment of state funds deposited in the State Treasury in accordance with LRS 49:327.

- IV.** The Department has implemented agency wide Human Resources Policies that provide assistance and support to females and families. All such policies are monitored for compliance with state and federal rules and regulations. Policies included but are not limited to Family and Medical Leave, accommodations under the Americans with Disabilities Act, educational leave, availability of training courses, such as Diversity in the Workplace, harassment/Discrimination/Workplace Violence, Ethics, etc.
- V.** The Administrative Program will administer in an effective and efficient manner the unclaimed property program in accordance with LRS 9:151, et seq.

Activities:

Administrative – to provide the effective management, through policy development, communication and dissemination of information, and the legal services and support of the Department.

Unclaimed Property – to provide a uniform disposition and handling of unclaimed property within the state of Louisiana as authorized by R.S. 9:151-182.

OBJECTIVE I.1: To provide executive leadership and support to all Department Activities to help achieve 100% of the Department’s objectives for the period July 1, 2020 to June 30, 2025.

- STRATEGY I.1 Provide staff with tools and training needs to perform their job functions more effectively and efficiently.
- STRATEGY I.1.2 Develop long-range budgeting goals to provide sufficient resources to implement improvements in purchasing, personnel and budgeting activities.
- STRATEGY I.1.3 Provide new opportunities that will encourage staff to present ideas and procedures that will improve the operating policies and procedures of the department.
- STRATEGY I.1.4 Administer recognition awards to bolster employee morale and to motivate employees to excel at their jobs.
- STRATEGY I.1.5 Develop effective succession planning for management continuity.

PERFORMANCE INDICATORS:

INPUT	OUTCOME
Number of departmental objectives established each fiscal year.	Percentage of departmental operational objectives achieved each fiscal year.

PRIMARY PERSONS BENEFITTING FROM OBJECTIVE

Division managers and related staff.

EXTERNAL FACTORS AFFECTING OBJECTIVE

The most significant external factor would be unplanned reductions in budget and resources in the Administrative Program, or the addition of a significant number of additional mandates without new resources to accomplish them.

OBJECTIVE II.1: To maximize the amount of unclaimed property collected from holders and returned to owners each fiscal year for the period July 1, 2020 to June 30, 2025.

- STRATEGY II.1.1. Develop and implement a system to identify and manage examination of non-compliant holders.
- STRATEGY II.1.2. Develop and implement a system for online holder reporting and data validation.
- STRATEGY II.1.3. Determine methods to improve dissemination of information to the public of property held in Treasury for the benefit of claimants.
- STRATEGY II.1.4. Continue to educate holders in the requirements of the Uniform Unclaimed Property law.

Unclaimed Property

The Louisiana Department of the Treasury is responsible for finding owners of unclaimed intangible personal property that has been turned over to the State. For FYE June 30, 2018, the Treasury collected \$85,819,654.72 in unclaimed property. With the support and assistance of the Louisiana Legislature, the department returned \$30,562,913.40 during the same period.

In FY 2017-2018 the Louisiana Department of Treasury working with the Department of Revenue to reunite citizens with their lost money resulted a seventy-one percent increase in the number of checks issued to return monies to their rightful owners.

PERFORMANCE INDICATORS:

INPUT	OUTPUT	OUTCOME
Number of holders reporting to the Unclaimed Property Division.	Number of refund checks issued to claimants.	Percentage of claims verified by UCP that get paid during the fiscal year

PRIMARY PERSONS BENEFITING FROM OBJECTIVE

The citizens of the state and other parties due monies in accordance with the Uniform Unclaimed Property law.

EXTERNAL FACTORS AFFECTING OBJECTIVE

Holders' compliance with annual reporting of unclaimed property to the state and changes in the unclaimed property statutes or other statutes affecting unclaimed property.

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM

MISSION

The mission of the Financial Accountability and Control Program is to provide the highest quality of accounting and fiscal reporting controls of all monies deposited in the Treasury; to assure that monies on deposit in the Treasury are disbursed out of the Treasury in accordance with constitutional and statutory law for the benefit of the citizens of the State of Louisiana; and to provide for the internal management and finance functions of the Treasury.

AUTHORITY

The Financial Accountability and Control Program provides the accounting for the monies on deposit in the Treasury. This broad statement of responsibilities is a component of the law in many different citations. The primary authority is in LRS 36:765-766 that defines the management and finance functions of the Treasury. Additionally, the primary authority of this program is found in LRS 49:307 which lists the duties of the State Treasurer. Many of those duties are carried out in this program: for example, the receipt and disbursement of public monies from the Treasury, the keeping of a true, just and comprehensive account of all public money received and disbursed and the keeping of a true, just account of appropriations and the related disbursements made under them. This program also keeps an accounting of all investments made by the Treasury and the related investment income pursuant to LRS 49:327. This program also carries out the requirements of many sections of the Louisiana Constitution from Article III, Section 16 to LRS 39:82 related to the remission and withdrawal of monies at fiscal year end.

PRINCIPAL CLIENTS AND USERS

- INTERNAL - Provides cash management and banking services for all state agencies which deposit in the Treasury.

- EXTERNAL - Serves local governmental bodies through the administration of several distribution programs and includes state revenue sharing, deputy sheriffs' supplemental pay, video draw poker distributions etc.

Additionally, serves the public's interest in providing for the receipt and controlling the disbursement of public monies in accordance with law.

GOALS

- I. The Financial Accountability and Control Program will provide an accurate accounting and reconciliation of all public monies on deposit in the Treasury.
- II. The Financial Accountability and Control Program will control disbursement of these monies in a manner that ensures disbursements are made in accordance with Article III, Section 16 and Article IV, Section 9 of the Louisiana Constitution of 1974.

Activities:

Fiscal Control – provides a centralized bank account for the deposit of public funds, maintains a record of the investment of monies on deposit and provides an accounting by fund which dedicates the monies for the purposes designated by the Legislature.

Audit and Compliance – oversees the development of the cooperative endeavor agreements between Treasury and recipients of line item appropriations made to local governments and non-profit organizations which perform a public purpose for the citizens of the State of Louisiana.

OBJECTIVE I.1. To provide fiscal support to all departmental activities to help achieve 100% of their objectives for the period July 1, 2020 to June 30, 2025.

- STRATEGY I.1.1 Identify new programs and activities that are supported by Financial Accountability and Control within Treasury.
- STRATEGY I.1.2. Determine the service needs of each program and activity.
- STRATEGY I.1.3. Develop policy and procedures for providing service needs.
- STRATEGY I.1.4. Implement procedures through departmental policy and procedures manual and through Fiscal Control Procedures Manual.

PERFORMANCE INDICATORS:

OUTCOME	OUTCOME
Percentage of department objectives not accomplished due to insufficient support services.	Number of repeat audit findings related to the support services reported by the Legislative Auditor.

PRIMARY PERSONS BENEFITING FROM OBJECTIVE

The internal staff of the programs and activities within the Department.

EXTERNAL FACTORS AFFECTING OBJECTIVE

The most significant external factor in reaching this objective would be unplanned reductions in budget and resources in the Financial Accountability and Control Program.

PROGRAM EVALUATION USED TO DEVELOP OBJECTIVE

This objective was developed by management as a measurement tool to measure the Financial Accountability and Control Program’s efficiency and effectiveness of meeting the mission of the Program.

OBJECTIVE I.2: To reconcile the state’s central depository bank account with the addition of new accounts and agencies at 15 days after month end reporting for the period July 1, 2020 to June 30, 2025.

- STRATEGY I.2.1 Identify all sources of bank-related transactions developed from new banking technologies which are additional sources of data input into the state's central accounting system by Treasury and determine if automation is possible.
- STRATEGY I.2.2 Determine if procedures can be revised that will allow those transactions to be incorporated into the automated matching process.
- STRATEGY I.2.3 Revise procedures, as necessary, and incorporate into the automated matching of transactions identified in Strategy I.2.1.

PERFORMANCE INDICATORS:

INPUT	OUTPUT	OUTCOME	EFFICIENCY
Baseline number of days in fiscal year 1997-98 to complete the monthly central depository bank reconciliation.	Average number of days to complete monthly reconciliation	Average increase/(decrease) in the number of days to complete the monthly central depository bank account reconciliation after automation of matching transactions.	Percentage increase/(decrease) in the number of days to complete the monthly reconciliation of the central depository bank account.

PRIMARY PERSONS BENEFITING FROM OBJECTIVE

The primary persons benefited are:

- 1) The internal staff of the Fiscal Control Section responsible for the calculation of cash on hand in the Treasury for various decision making purposes. This includes:
 - Fund Control staff responsible for approving warrants drawn on the Treasury.
 - Investment staff responsible for the investment of general fund monies on deposit in the Treasury not needed for daily cash outflows.

- The Office of Statewide Reporting and Policy responsible for preparation of the CAFR (Comprehensive Annual Financial Report).

EXTERNAL FACTORS AFFECTING OBJECTIVE

The current software reconciliation program may not be updated timely to meet the requirements of Treasury's cash management program.

The State's methods of conducting business may fall behind the rapid changes occurring in banking technologies especially online banking and digital commerce.

The LaGov ERP Financial module is being implemented by the Division of Administration to eventually replace Advanced Financial System (AFS), the state's centralized accounting system. It has not been determined if the ERP module will be able to provide transaction data to Treasury's bank reconciliation program in a manner or format that will enable Treasury's banking network reconciliation process.

Upgrades to the software reconciliation program may not be compatible with existing IT components and Treasury's operating procedures to complete the multiple tasks involved in the monthly bank reconciliation process.

PROGRAM EVALUATION USED TO DEVELOP OBJECTIVE

This objective was developed by management to ascertain the adequacy of internal control related to the correction of errors by the timely reconciliation of the state's central depository bank account for the pooling of cash resources for maximum availability for investment.

OBJECTIVE I.3: To ensure accountability of public funds disbursed by Treasury through the development of cooperative endeavor agreements with public funds recipients for the period July 1, 2020 to June 30, 2025.

- STRATEGY I.3.1 Review and revise, as necessary, the comprehensive cooperative endeavor agreement which provides a complete description of the public purpose.
- STRATEGY I.3.2 Develop cooperative endeavor agreements with recipient entities for submission to the Office of State Procurement.
- STRATEGY I.3.3 Disburse appropriations in accordance with approved cooperative endeavor agreements.
- STRATEGY I.3.4 Perform audit of recipient records to ensure compliance with the approved cooperative endeavor agreements.

PERFORMANCE INDICATORS:

INPUT	OUTCOME
Number of line item appropriations which require cooperative endeavor agreements.	Percentage of cooperative endeavor agreements received and completed.

PRIMARY PERSONS BENEFITING FROM OBJECTIVE

The recipients of the cooperative endeavor agreements.

EXTERNAL FACTORS AFFECTING OBJECTIVE

The most significant external factor in reaching this objective are (1) unplanned reductions in budget and resources in the Financial Accountability and Control Program, and (2) recipients who fail to cooperate and comply with the requirements for development of a cooperative endeavor agreement.

PROGRAM EVALUATION USED TO DEVELOP OBJECTIVE

This objective was developed by management as a measurement tool to measure the Financial Accountability and Control Program’s efficiency and effectiveness of meeting the mission of the Program.

DEBT MANAGEMENT PROGRAM

MISSION

The mission of the Debt Management Program is to provide staff to assist the State Bond Commission to carry out its constitutional and statutory mandates.

AUTHORITY

The State Bond Commission was created pursuant to Article VII, Section 8 of the Louisiana Constitution of 1974. Its purpose is to monitor, regulate and coordinate state and local debt and provide for the issuance of debt and arrange for notices and sale of bonds in accordance with Article VII, Section 6 and 8 and LRS 39:1401-1472.

PRINCIPAL CLIENTS AND USERS

INTERNAL - Provides information and analysis to the 14 members of the State Bond Commission to enable them to make decisions on debt issuance.

EXTERNAL - Serves municipalities, school boards, police juries, special districts, political subdivisions, public trusts, industrial development boards and others seeking debt issuance in the state.

GOALS

- I.** Provide assistance to the State Bond Commission by preparing all documentation for the issuance of state debt
- II.** Provide assistance to the State Bond Commission by reviewing all applications from political subdivisions for approval to issue debt, levy taxes, or obtain loans.
- III.** Provide assistance to the State Bond Commission by accounting for and servicing state debt as required by Article VII, Section 6 and 8 of the Louisiana Constitution of 1974 and LRS 39:1401-1472.

OBJECTIVE I.1. To ensure the State Bond Commission is provided the support services to accomplish its constitutional mandates for the period July 1, 2020 to June 30, 2025.

- STRATEGY I.1.1 Identify State Bond Commission activities that require support services.
- STRATEGY I.1.2. Determine the service needs of each activity.
- STRATEGY I.1.3. Develop policy and procedures for providing service needs.
- STRATEGY I.1.4. Implement procedures to provide funding and support to meet Constitutional mandates through departmental policy and procedures.

PERFORMANCE INDICATORS:

OUTCOME	OUTCOME
Percentage of State Bond Commission mandates not met due to insufficient support services.	Number of repeat audit findings related to the support services reported by the Legislative Auditor.

PRIMARY PERSONS BENEFITING FROM OBJECTIVE

Applicants of the State Bond Commission.

EXTERNAL FACTORS AFFECTING OBJECTIVE

The most significant external factor in reaching this objective would be unplanned reductions in budget and resources in the State Bond Commission budget.

PROGRAM EVALUATION USED TO DEVELOP OBJECTIVE

This objective was developed by management as a measurement tool to measure the State Bond Commission’s efficiency and effectiveness of meeting the mission of the Program.

OBJECTIVE I.2 1: Provide effective and efficient assistance to local governments performing a thorough and comprehensive review of local government debt to ensure the financial soundness of the debt issuance of local government for the period July 1, 2020 to June 30, 2025.

STRATEGY I.2.1 Apply rules, constitutional provisions, statutes and guidelines to provide for thorough review of incurrence of debt by local government.

STRATEGY I.2.2 Apply new rules, directives, guidelines and statutes promulgated by the State Bond Commission through the Administrative Procedures Act and maintain compliance with state laws concerning the incurrence of debt.

PERFORMANCE INDICATORS:

INPUT	OUTPUT	OUTCOME
Number of local debt applications reviewed.	Amount of debt issued by local governments as approved by the State Bond Commission.	Number of defaults of publicly held debt by local governments

PRIMARY PERSONS BENEFITTING FROM OBJECTIVE

Benefits municipalities, school boards, police juries, special districts, political subdivisions, public trusts, industrial development boards and others seeking approval to incur indebtedness.

EXTERNAL FACTORS AFFECTING OBJECTIVE

The most significant external factor is lack of funding or under staffing of the State Bond Commission to adequately review incurrence of indebtedness by local government.

OBJECTIVE I.3: Provide assistance to local governments in their financing options related to lease/purchases of movables for the period July 1, 2020 to June 30, 2025.

STRATEGY I.3.1 Apply State Bond Commission rules, directives, guidelines and statutes and maintain compliance with state laws concerning the entering into of lease purchases.

PERFORMANCE INDICATORS:

INPUT	OUTCOME
Number of local government lease/purchases of movables reviewed.	Amount of lease/purchases of movables approved by State Bond Commission.

PRIMARY PERSONS BENEFITING FROM OBJECTIVE

Local governments, state agencies and political subdivisions.

EXTERNAL FACTORS AFFECTING OBJECTIVE

The most significant external factor is lack of funding or under staffing of the State Bond Commission to adequately review incurrence of indebtedness by local government.

INVESTMENT MANAGEMENT PROGRAM

MISSION

The mission of the Investment Management Program is to invest state funds deposited in the State Treasury in a prudent manner, consistent with the cash needs of the state, the directives of the Louisiana Constitution and statutes, and within the guidelines and requirements of the various funds under management. (This Program is organizationally expressed as the Office of State Depository Control and Investments.)

AUTHORITY

The Office of Depository Control and Investment is created pursuant to LRS 36:761. This office provides the management and control of the investments of the Department for the purpose of fulfilling the powers and duties of the State Treasurer as contained in Article IV Section 9 of the Louisiana Constitution.

PRINCIPAL CLIENTS AND USERS

INTERNAL- Provides management and control of investments for state agencies; State Legislature; Board of Secondary and Elementary Education; and the Board of Regents.

EXTERNAL- Serves the public interests of the citizens of the State of Louisiana in the custody and investment of public funds and provides a non-taxable source of funding of state programs.

GOAL

- I. To invest state funds deposited in the State Treasury in a prudent manner, consistent with the daily cash needs of the state, the directives of the Louisiana Constitution and the state statutes, and within the guidelines and requirements of the various funds under management, in accordance with Article IV, Section 9 of the Louisiana Constitution and LRS 49:327.

OBJECTIVE I.1: To maximize the investment income for the beneficiaries of the State General Fund while protecting the principal, within the guidelines of LRS 49:327 for the period July 1, 2020 to June 30, 2025.

STRATEGY I.1.1 Diversify investments to avoid unreasonable or avoidable risks.

STRATEGY I.1.2 Invest all available cash daily.

STRATEGY I.1.3 Monitor asset allocation and Liquidity needs on a daily basis.

STRATEGY I.1.4 Monitor custodian bank to ensure security and control of assets.

STRATEGY I.1.5 Actively manage duration of portfolio to maximize returns.

STRATEGY I.1.6 Monitor and manage cash flow of portfolio to meet appropriation requirements.

PERFORMANCE INDICATORS:

OUTCOME	OUTCOME	EFFICIENCY
Percent of the five-year historical rolling average investment income that is earned	Fiscal year-end annual yield on State General Fund investments (expressed as a percentage)	Percent of actual cash basis yield to 30-day Treasury Bill yield

PRIMARY PERSONS BENEFITING FROM OBJECTIVE

The primary persons benefiting from this objective are the State Agencies, State Legislature and the citizens of the State of Louisiana.

EXTERNAL FACTORS AFFECTING OBJECTIVE

- The general market factors such as international economic and political instability, domestic economic downturns, Federal Reserve Board actions regarding interest rates, and the resulting stock and bond market reactions to such factors.
- Statutory restrictions on types and percentages of securities permitted for investment.
- Fluctuations in General Fund cash flow (revenue) stream to the State due to state and local economic conditions.

- Length of time funds available for investment.

PROGRAM EVALUATION USED TO DEVELOP OBJECTIVE

The Investment Program evaluation used to develop objectives and strategies involved structured group management/staff meetings, which resulted in the accumulation of input data. In turn, this data formed the baseline required to identify needs to establish the Investment Program's objectives and strategies.

OBJECTIVE I.2: To maximize the investment income for the beneficiaries of the Louisiana Education Quality Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 17:3803, for the period July 1, 2020 to June 30, 2025.

- STRATEGY I.2.1 Meet equity target investment of 35% by fiscal year end 2022.
- STRATEGY I.2.1. Meet equity asset allocation target by investing in a blend of large cap, mid cap, and small cap stocks.
- STRATEGY I.2.3 Actively manage fixed income assets to assure diversification to avoid unreasonable or avoidable risks.
- STRATEGY I.2.4 Monitor custodian bank and money managers to insure compliance with prudent investment/reporting standards.
- STRATEGY I.2.5 Manage duration of bond portfolio to maximize returns.
- STRATEGY I.2.6 Monitor and manage cash flow of portfolio to meet appropriation requirements.

PERFORMANCE INDICATORS:

OUTCOME	OUTCOME	EFFICIENCY	OUTPUT
Percent of the five-year historical rolling average investment income that is earned	LEQTF Permanent Fund fair market value (in millions)	Percent of actual cash basis yield to 2-year Treasury Note yield	Amount of LEQTF investment income (in millions)

PRIMARY PERSONS BENEFITING FROM OBJECTIVE

The primary beneficiaries will be the Board of Secondary and Elementary Education and the Board of Regents.

EXTERNAL FACTORS AFFECTING OBJECTIVE

The primary factor is the market risk inherent with the price volatility of securities, economic cycles and interest rate movements.

Ability of selected outside investment managers to meet or exceed their respective benchmarks for performance.

Lack of sufficient funding provided for the investment managers in the budget process.

PROGRAM EVALUATION USED TO DEVELOP OBJECTIVE

The investment consultant for the LEQTF provided external evaluation. This consultant's input provided needed independent assessment in developing specific strategies to accomplish the objective specifically related to the LEQTF.

The Investment Program management, in turn, presented this data to senior management in support of the Investment Program's objectives and strategies. The review process provided oversight to ensure that the Program's objectives and strategies were realistic and compatible with the mission and the vision of the Department of Treasury.

OBJECTIVE I.3: To maximize the investment income for the beneficiaries of the Millennium Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 39:98.2, for the period July 1, 2020 to June 30, 2025.

- STRATEGY I.3.1 Meet equity target investment of 35% by fiscal year end 2022.
- STRATEGY I.3.1. Meet asset allocation target by investing in a blend of large cap, mid cap, and small cap stocks.
- STRATEGY I.3.3 Actively manage fixed income assets to assure diversification to avoid unreasonable or avoidable risks.
- STRATEGY I.3.4 Monitor custodian bank and money managers to insure compliance with prudent investment/reporting standards.
- STRATEGY I.3.5 Manage duration of bond portfolio to maximize returns.
- STRATEGY I.3.6 Monitor and manage cash flow of portfolio to meet appropriation requirements.

PERFORMANCE INDICATORS:

OUTCOME	OUTCOME	EFFICIENCY
Percent of the five-year historical rolling average investment income that is earned	Millennium Trust Fund fair market value (in millions)	Percent of actual cash basis yield to 2-year Treasury Note yield

OUTPUT	OUTCOME
Amount of Millennium Trust Fund investment income (in millions)	Fiscal year-end annual total return on Millennium Trust Fund investment (expressed as a percentage)

PRIMARY PERSONS BENEFITING FROM OBJECTIVE

The primary beneficiaries will be the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund

EXTERNAL FACTORS AFFECTING OBJECTIVE

The primary factor is the market risk inherent with the price volatility of securities, economic cycles and interest rate movements.

Ability of selected outside investment managers to meet or exceed their respective benchmarks for performance.

Lack of sufficient funding provided for the investment managers in the budget process.

PROGRAM EVALUATION USED TO DEVELOP OBJECTIVE

The investment consultant for the Millennium Trust Fund provided external evaluation. This consultant's input provided needed independent assessment in developing specific strategies to accomplish the objective specifically related to the Millennium Trust.

The Investment Program management, in turn, presented this data to senior management in support of the Investment Program's objectives and strategies. The review process provided oversight to ensure that the Program's objectives and strategies were realistic and compatible with the mission and the vision of the Department of Treasury.

OBJECTIVE I.4: To maximize the investment income for the beneficiaries of the Medical Trust Fund for the Elderly while protecting the principal, within the guidelines of LRS 49:327 and LRS 46:2691, for the period July 1, 2020 to June 30, 2025.

- STRATEGY I.4.1 Meet equity investment approach designed to track the appropriate benchmark performance.
- STRATEGY I.4.2 Meet equity asset allocation target by investing in a blend of large cap, mid cap, and small cap stocks.
- STRATEGY I.4.3 Diversify investments to avoid unreasonable or avoidable risks.
- STRATEGY I.4.4 Monitor Custodial Bank to ensure security and control of assets.
- STRATEGY I.4.5 Actively manage duration of portfolio to maximize returns.
- STRATEGY I.4.6 Monitor and manage cash flow of portfolio to meet appropriation requirements.

PERFORMANCE INDICATORS:

OUTCOME	OUTCOME	EFFICIENCY	OUTPUT
Percent of the five-fiscal year historical rolling average investment income that is earned, but that is adjusted for prior year historical withdrawals	Medicaid Trust Fund for the Elderly fair market value (in millions)	Percent of actual cash basis yield to 2-year Treasury Note yield	Amount of Medicaid Trust Fund for the Elderly investment income (in millions)

PRIMARY PERSONS BENEFITING FROM OBJECTIVE

The primary beneficiaries will be the Department of Health and Hospitals and nursing homes within the State of Louisiana.

EXTERNAL FACTORS AFFECTING OBJECTIVE

The primary factor is the market risk inherent with the price volatility of securities, economic cycles and interest rate movements.

Ability of selected outside investment managers to meet or exceed their respective benchmarks for performance.

Lack of sufficient funding provided for the investment managers in the budget process.

Appropriations of the principal of the Millennium Trust by an Act of the Legislature.

PROGRAM EVALUATION USED TO DEVELOP OBJECTIVE

External evaluation was provided by the investment consultant for the Medicaid Trust Fund. This consultant's input provided needed independent assessment in developing specific strategies to accomplish the objective specifically related to the Medicaid Trust Fund.

The Investment Program management, in turn, presented this data to senior management in support of the Investment Program's objectives and strategies. The review process provided oversight to ensure that the Program's objectives and strategies were realistic and compatible with the mission and the vision of the Department of Treasury.

PROCESS DOCUMENTATION IN ACCORDANCE WITH ACT 1465 OF 1997

An internal assessment of the Department of the Treasury has identified at the Department level the following strengths and weaknesses:

Strengths:

Reputation of high standards, ethical and dedicated staff.

The management of the Department is future-oriented, utilizing its resources in ways that will provide long-term benefits for the State of Louisiana.

Dedicated to high standard of performance.

Small size of the Department allows for easier communication within the organizational structure.

Effective use of limited budget resources.

Excellent working relationship with other state agencies, businesses and financial institutions.

Management is proactive in promoting innovative state financial ideas.

On-line accessibility and dissemination of information.

Weaknesses:

Projects and mandates exceed available human and monetary resources.

The operating budget of the Department of Treasury may not always be a priority among the state's many initiatives.

Opportunities:

New technologies in the banking industry which reduce paper work and expedite processing of transactions.

Relatively stable investment opportunities and stable investment dollar base.

Threats:

Statewide elections every four years lead to the possibility of new administrations with different goals and objectives for various state agencies and departments.

Continued lack of funding for new projects and mandates in the budget process.
Periodic downturns in the domestic and international economies, international political instability, fluctuating energy prices and interest rates, and stock and bond market reactions to such factors.

ADMINISTRATIVE PROGRAM

- A. Identification of the principal clients and users of the Administrative Program and the benefit derived by such clients and users.

The principal clients and users of the Administrative program are the managers and staff of the other programs within the Department. The Administrative Program defines or sets the overall framework of the total organization. This definition is set by the allocation of resources and the priorities placed on program goals. This is further set by the attitude of top management to the achievement of excellence in the workplace and level of efficiency and effectiveness of the accomplishment of daily tasks.

The Administrative Program also has many other customers including the citizens of Louisiana, the state agencies and departments, Legislature, Boards and Commissions, bondholders and others.

- B. The most significant external factor(s) beyond the control of the Administrative Program which could significantly affect the achievement of its goal and objectives is financial resources. Without sufficient financial resources, the technology and staff needed to carry out goals are not available.
- C. The program evaluation utilized to develop objectives and strategies was based on structured group management meetings. These meetings represent an accumulation of input from staff levels with program management to set goals and objectives. The program management, in turn, presented goals and objectives to senior management for review of factors to determine if the goals are realistic, within the means or resources of the program and to determine if the goals and objectives are compatible with the mission and the vision of the Department.
- D. Performance Indicator documentation requirements.

See following pages.

Statement of Duplication of Services:

The Administration does not find duplication of effort among programs within the department. The Legislative Auditor has addressed one area of duplication between departments related to making supplemental payments to different groups of public safety personnel. See Financial Accountability and Control documentation on page 41 of this strategic plan.

ADMINISTRATION PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Administration

Objective: I.1. To provide executive leadership and support to all Department Activities to help achieve 100% of the Department's objectives for the period July 1, 2020 to June 30, 2025.

Indicator name: Number of departmental objectives established each fiscal year.

1. **Type and level:** Input type reported at the General Performance level of reporting.
2. **Rationale:** This indicator measures the number of Department objectives established in each annual operational plan, which provides management an overview of the scope of the objective.
3. **Use:** This indicator is used by management to obtain an overview of the scope of the objective in each fiscal year.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** This indicator is subject to field audit evaluation by the Legislative Auditor by a review of the annual operational plans of the Department.
6. **Data Source, Collection and Reporting:** The source of the performance indicator values is derived from the annual operational plans of the Department.

ADMINISTRATION PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Administration

Objective: I.1. To provide executive leadership and support to all Department Activities to help achieve 100% of the Department's objectives for the period July 1, 2020 to June 30, 2025.

Indicator name: Number of departmental objectives established each fiscal year.

7. **Calculation Methodology:** Calculation is derived from a simple arithmetic computation that is cumulative for the fiscal year.
8. **Scope:** There is no aggregation or dis-aggregation of the indicator needed.
9. **Caveats:** No limitations noted in the performance indicator.
10. **Responsible person:** Ron J. Henson, First Assistant State Treasurer, 225-342-0055, 225-219-7765 fax, rhenson@treasury.state.la.us

ADMINISTRATION PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Administration

Objective: I.1. To provide executive leadership and support to all Department Activities to help achieve 100% of the Department's objectives for the period July 1, 2020 to June 30, 2025.

Indicator name: Percentage of departmental operational objectives achieved during the fiscal year.

1. **Type and level:** Outcome type reported at the Key Performance level of reporting.
2. **Rationale:** This indicator provides a clear indication of the level of accomplishment of the objective.
3. **Use:** This indicator provides management with an overview of the level of accomplishment of the objective. It initiates further review when necessary to determine the reasons why the Outcome level was achieved.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** This indicator is subject to field audit evaluation by the Legislative Auditor.
6. **Data Source, Collection and Reporting:** The source of the performance indicator values is derived a review of the Department objectives to determine the percentage accomplished.

ADMINISTRATION PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Administration

Objective: I.1. To provide executive leadership and support to all Department Activities to help achieve 100% of the Department's objectives for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percentage of departmental operational objectives completed each fiscal year.

7. **Calculation Methodology:** Calculation is derived from a simple arithmetic computation that is cumulative for the fiscal year.
8. **Scope:** There is no aggregation or dis-aggregation of the indicator needed.
9. **Caveats:** No limitations noted in the performance indicator.
10. **Responsible person:** Ron J. Henson, First Assistant State Treasurer, 225-342-0055, 225-219-7765 fax, rhenson@treasury.state.la.us

ADMINISTRATION PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION Strategic Plan FY 2020- 2021 to 2024-2025

Program: Administration

Objective: II.1. To administer the Uniform Unclaimed Property Act of 1997 in a manner to maximize the amount of unclaimed property collected from holders and returned to owners for the period July 1, 2020 to June 30, 2025.

Indicator name: Number of holders reporting to the Unclaimed Property Division.

1. **Type and level:** Input type reported at the Supportive Performance level of reporting.
2. **Rationale:** This indicator provides a numerical indicator of the volume of companies reporting unclaimed property to the state.
3. **Use:** This indicator provides a numerical representation of the number of companies reporting unclaimed property to the state.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** This indicator is subject to field audit evaluation by the Legislative Auditor.
6. **Data Source, Collection and Reporting:** The source of the performance indicator values is derived from the Unclaimed Property computer system data. Every holder report is entered into the system using a unique “holder identification number.”
7. **Calculation Methodology:** Calculation is derived from a simple count of holders reporting to the Unclaimed Property Division that is cumulative for the fiscal year.

ADMINISTRATION PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Administration

Objective: II.1. To administer the Uniform Unclaimed Property Act of 1997 in a manner to maximize the amount of unclaimed property collected from holders and returned to owners for the period July 1, 2020 to June 30, 2025.

Indicator Name: Number of holders reporting to the Unclaimed Property Division.

8. Scope: There is no aggregation or dis-aggregation of the indicator needed.

9. Caveats: No limitations noted in the performance indicator.

10. Responsible person: Kathleen Lobell, Director Unclaimed Property Division, 225-219-9377, 225-219-9381 fax, klobell@treasury.state.la.us

ADMINISTRATION PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Administration

Objective: II.1. To administer the Uniform Unclaimed Property Act of 1997 in a manner to maximize the amount of unclaimed property collected from holders and returned to owners for the period July 1, 2020 to June 30, 2025.

Indicator name: Number of refund checks issued to claimants.

1. **Type and level:** Output type reported at the Supportive Performance level of reporting.
2. **Rationale:** This indicator provides a numerical indicator of the volume of claims approved and corresponding refund checks issued to the rightful owner of the funds.
3. **Use:** This indicator provides a numerical representation of the number of refunds issued and the total dollar amount of refunds made to the rightful owners of the property.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** This indicator is subject to field audit evaluation by the Legislative Auditor.
6. **Data Source, Collection and Reporting:** The source of the performance indicator values is derived from the Unclaimed Property computer system. Every claim is entered into the computer system using a unique “claim ID”. All claims approved for payment are paid and the date, check number and amount are recorded in the system. A report is run for the fiscal year indicating the exact number and total amount of claims for that time period.

ADMINISTRATION PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Administration

Objective: II.1. To administer the Uniform Unclaimed Property Act of 1997 in a manner to maximize the amount of unclaimed property collected from holders and returned to owners for the period July 1, 2020 to June 30, 2025.

Indicator Name: Number of refund checks issued to claimants.

7. **Calculation Methodology:** Calculation is derived from a simple count of the number of refund checks issued to claimants that is cumulative for the fiscal year.
8. **Scope:** There is no aggregation or dis-aggregation of the indicator needed. It represents a real number of refunds checks issued for the period.
9. **Caveats:** No limitations noted in the performance indicator.
10. **Responsible person:** Kathleen Lobell, Director Unclaimed Property Division, 225-219-9377, 225-219-9381 fax, klobell@treasury.state.la.us

ADMINISTRATION PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Administration

Objective: II.1. To administer the Uniform Unclaimed Property Act of 1997 in a manner to maximize the amount of unclaimed property collected from holders and returned to owners for the period July 1, 2020 to June 30, 2025.

Indicator name: Percentage of claims verified by UCP that are paid during the fiscal year.

1. **Type and level:** Outcome indicator reported at the Supportive Performance level of reporting.
2. **Rationale:** This indicator provides a numerical indicator of the percentage of claims verified by UCP.
3. **Use:** This indicator will be used for internal management purposes to evaluate the performance of the Division in completing valid claims.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** This indicator is subject to field audit evaluation by the Legislative Auditor.
6. **Data Source, Collection and Reporting:** The source of the performance indicator values is derived from manual count of production reports and computer system counts of claims processed.

ADMINISTRATION PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Administration

Objective: II.1. To administer the Uniform Unclaimed Property Act of 1997 in a manner to maximize the amount of unclaimed property collected from holders and returned to owners for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percentage of written inquires researched within 30 days.

7. **Calculation Methodology:** Calculation is derived from a simple arithmetic computation of the total number of claims reviewed divided by the total number of claims received.
8. **Scope:** There is no aggregation or dis-aggregation of the indicator needed.
9. **Caveats:** No limitations noted in the performance indicator.
10. **Responsible person:** Kathleen Lobell, Director Unclaimed Property Division, 225-219-9377, 225-219-9381 fax, klobell@treasury.state.la.us

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM

- A. Identification of principal clients and users of the Financial Accountability and Control Program and the benefit derived by such clients and users.

The principal clients and users of the Financial Accountability and Control program are state agencies that deposit monies in the Treasury and/or draw funds from the Treasury in accordance with the law and local governmental agencies that receive funds disbursed by the Treasury. The Treasury provides banking services for state agencies and provides investment of pooled funds to obtain the most reasonable rate of return on investment and to meet the cash flow needs of agencies funded by the State General Fund.

- B. The most significant external factor(s) beyond the control of the Financial Accountability and Control Program that could significantly affect the achievement of its goals and objectives is financial resources for operations and agencies' noncompliance with sound cash management principles and practices.
- C. The program evaluation used to develop objectives and strategies was based on a review of current procedures and the subsequent identification of new technologies that could perform manual tasks and improve communication about cash management data between state agencies and the Treasury.
- D. Performance Indicator documentation requirements:

See following pages.

Statement of Duplication of Services:

The Financial Accountability and Control Program makes supplemental payments to deputy sheriffs as directed by the Legislature. These payments are made on a monthly basis payable to each sheriff for deposit into the sheriff's salary fund after review and approval of the sheriffs' notarized monthly statement and adequate documentation. The Department of Public Safety makes supplemental payments to municipal police (LRS 40:1667.1), firefighters (LRS 40:1666.1), and constables and justice of the peace (LRS 13:2591). The Legislative Auditor report "Analysis of Overlap, Duplication and Fragmentation across Executive Branch Departments" dated April 2000, concludes that Department of Treasury and Department of Public Safety both make state supplemental payments, but to different groups of public safety personnel.

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Financial Accountability and Control

Objective: I.1. To provide fiscal support to all departmental activities to help achieve 100% of their objectives for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percentage of department objectives not accomplished due to insufficient support services.

1. **Type and level:** Outcome type indicator reported as a Supportive indicator in the annual operational plan of the agency.
2. **Rationale:** This indicator provides a percentage deviation from a target set by management for the performance of this objective that in turn, provides management with a performance tool to measure the level of support services provided to the programs within the Department.
3. **Use:** This indicator identifies for management a numerical deviation from a target set by management based on expectations within budget constraints. Deviations initiate management review to determine weaknesses that require resolution.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** Any deviations from the performance standard are documented and presented to management for review. Documentation is made available for legislative performance audit.
6. **Data Source, Collection and Reporting:** The source of the performance indicator is based on legislative audit recommendations, non-reportable findings and reportable findings related to support services provided to the programs within the Department.
7. **Calculation Methodology:** Calculation is derived from a simple arithmetic computation that is cumulative for the fiscal year.

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Financial Accountability and Control

Objective: I.1. To provide fiscal support to all departmental activities to help achieve 100% of their objectives for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percentage of department objectives not accomplished due to insufficient support services.

8. Scope: There is no aggregation or dis-aggregation of the indicator needed.

9. Caveats: No limitations noted.

10. Responsible person: Laura Lapeze, Chief Financial Officer, 225-342-0051, 225-342-5008 fax, llapeze@treasury.state.la.us

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION Strategic Plan FY 2020- 2021 to 2024-2025

Program: Financial Accountability and Control

Objective: I.1. To provide fiscal support to all departmental activities to help achieve 100% of their objectives for the period July 1, 2020 to June 30, 2025.

Indicator Name: Number of repeat audit findings related to support services reported by the legislative auditor.

1. **Type and level:** Outcome indicator reported as a Key indicator in the annual operational plan of the agency.
2. **Rationale:** This indicator provides a numerical indicator of the level of reportable findings issued by the legislative auditor in the audits for the state's comprehensive annual financial report, the financial and compliance audit of the Fiscal Control Division operations, and the performance audit of the Financial Accountability and Control program.
3. **Use:** This indicator is used by senior management to identify specific key problems that must be immediately addressed.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** This indicator is subject to the findings of the Legislative Auditor.
6. **Data Source, Collection and Reporting:** The source of the performance indicator is the annual audit reports of the legislative auditor.
7. **Calculation Methodology:** Calculation is derived from a simple arithmetic computation that is cumulative for the fiscal year.
8. **Scope:** There is no aggregation or dis-aggregation of the indicator needed.

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Financial Accountability and Control

Objective: I.1. To provide fiscal support to all departmental activities to help achieve 100% of their objectives for the period July 1, 2020 to June 30, 2025.

Indicator Name: Number of repeat audit findings related to support services reported by the legislative auditor.

9. Caveats: No limitations noted.

10. Responsible person: Laura Lapeze, Chief Financial Officer, 225-342-0051, 225-342-5008 fax, llapeze@treasury.state.la.us

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION Strategic Plan FY 2020- 2021 to 2024-2025

Program: Financial Accountability and Control

Objective: I.2. To reconcile the state's central depository bank account with the addition of new accounts and agencies at 15 days after month end reporting for the period July 1, 2020 to June 30, 2025.

Indicator Name: Baseline number of days in fiscal year 1997-98 to complete the monthly central depository bank reconciliation.

- 1. Type and level:** Input type indicator used as a baseline and not reported at the General indicator level.
- 2. Rationale:** This indicator provides a baseline to compare the improvement obtained through the objective and the maintenance of the improvement as changes occur within the users of the central depository bank account.
- 3. Use:** This indicator will identify for management if additions of accounts and new users has a detrimental effect on the timeliness of the reconciliation process which is a key component in the internal control adequacy.
- 4. Clarity:** Yes.
- 5. Validity, Reliability and Accuracy:** This indicator is subject to field audit evaluation by the Legislative Auditor. The dates are documented by a preparer and approver subject to separation of duties.
- 6. Data Source, Collection and Reporting:** The source of the performance indicator values is derived from the preparer and approve dates documented on the reconciliation work papers.
- 7. Calculation Methodology:** Calculation is derived from a simple arithmetic computation that is cumulative for the fiscal year.

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Financial Accountability and Control

Objective: I.2. To reconcile the state's central depository bank account with the addition of new accounts and agencies at 15 days after month end reporting for the period July 1, 2020 to June 30, 2025.

Indicator Name: Baseline number of days in fiscal year 1997-98 to complete the monthly central depository bank reconciliation.

8. Scope: There is no aggregation or dis-aggregation of the indicator needed.

9. Caveats: No limitations noted.

10. Responsible person: Brent Manual, Treasury Fiscal Control Manager, 225-342-0049, 225-342-5008 fax, bmanual@treasury.state.la.us

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Financial Accountability and Control

Objective: I.2. To reconcile the state's central depository bank account with the addition of new accounts and agencies at 15 days after month end reporting for the period July 1, 2020 to June 30, 2025.

Indicator Name: Average number of days to complete the monthly reconciliation.

1. **Type and level:** Output type Key performance indicator.
2. **Rationale:** This indicator reports the timeliness of the central depository bank account reconciliation. The timelier the reconciliation is performed the stronger the internal control of the reconciliation process.
3. **Use:** This indicator provides management a level of assurance of a strong internal control system comprised of procedures that separate duties and identifies errors and other reconciling items quickly so that steps can begin without delay to resolve the items.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** This indicator is subject to field audit evaluation by the Legislative Auditor and validated by a separation of duties between the employee who prepares the reconciliation and the supervising employee who reviews and approves the reconciliation.
6. **Data Source, Collection and Reporting:** The source of the performance indicator values is derived from the preparer and approval dates documented on the monthly central depository bank account reconciliation.
7. **Calculation Methodology:** Calculation is derived from a simple arithmetic computation that is cumulative for the fiscal year.

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Financial Accountability and Control

Objective: I.2. To reconcile the state's central depository bank account with the addition of new accounts and agencies at 15 days after month end reporting for the period July 1, 2020 to June 30, 2025.

Indicator Name: Average number of days to complete monthly reconciliation.

8. **Scope:** There is no aggregation or dis-aggregation of the indicator needed.
9. **Caveats:** No limitations noted.
10. **Responsible person:** Brent Manual, Treasury Fiscal Control Manager, 225-342-0049, 225-342-5008 fax, bmanual@treasury.state.la.us

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Financial Accountability and Control

Objective: I.2. To reconcile the state's central depository bank account with the addition of new accounts and agencies at 15 days after month end reporting for the period July 1, 2020 to June 30, 2025.

Indicator Name: Average increase/(decrease) in the number of days to complete the central depository bank account reconciliation after automation of matching transactions.

1. **Type and level:** Outcome type indicator used as a baseline and not reported at the General indicator level.
2. **Rationale:** This indicator provides a numerical deviation from the objective target.
3. **Use:** This indicator identifies deviations from the expected objective target to management which places the increases/(decreases) in prospective to historical trends within the period reviewed.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** This indicator is subject to field audit evaluation by the Legislative Auditor and is backed up by transaction reports generated by ISIS, which provides an audit trail to document the performance indicator values.
6. **Data Source, Collection and Reporting:** The source of the performance indicator values is derived from the preparer and approval dates documented on the monthly central depository bank account reconciliation.
7. **Calculation Methodology:** Calculation is derived from a simple arithmetic computation that is cumulative for the fiscal year.

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Financial Accountability and Control

Objective: I.2. To reconcile the state's central depository bank account with the addition of new accounts and agencies at 15 days after month end reporting for the period July 1, 2020 to June 30, 2025.

Indicator Name: Average increase/(decrease) in the number of days to complete the central depository bank account reconciliation after automation of matching transactions.

8. Scope: There is no aggregation or dis-aggregation of the indicator needed.

9. Caveats: No limitations noted.

10. Responsible person: Brent Manual, Treasury Fiscal Control Manager, 225-342-0049, 225-342-5008 fax, bmanual@treasury.state.la.us

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION Strategic Plan FY 2020- 2021 to 2024-2025

Program: Financial Accountability and Control

Objective: I.2. To reconcile the state's central depository bank account with the addition of new accounts and agencies at 15 days after month end reporting for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percentage increase/(decrease) in the number of days to complete the monthly reconciliation of the central depository bank account.

1. **Type and level:** Efficiency type indicator used as a baseline and not reported at the General indicator level.
2. **Rationale:** This indicator provides a percentage deviation from the objective target.
3. **Use:** This indicator identifies deviations from the expected objective target to management which places the increases/(decreases) in prospective to historical trends within the period reviewed.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** This indicator is subject to field audit evaluation by the Legislative Auditor and is backed up by transaction reports generated by ISIS, which provides an audit trail to document the performance indicator values.
6. **Data Source, Collection and Reporting:** The source of the performance indicator values is derived from the preparer and approval dates documented on the monthly central depository bank account reconciliation.
7. **Calculation Methodology:** Calculation is derived from a simple arithmetic computation that is cumulative for the fiscal year.
8. **Scope:** There is no aggregation or dis-aggregation of the indicator needed.

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Financial Accountability and Control

Objective: I.2. To reconcile the state's central depository bank account with the addition of new accounts and agencies at 15 days after month end reporting for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percentage increase/(decrease) in the number of days to complete the monthly reconciliation of the central depository bank account.

9. Caveats: No limitations noted.

10. Responsible person: Brent Manual, Treasury Fiscal Control Manager, 225-342-0049, 225-342-5008 fax, bmanual@treasury.state.la.us

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Financial Accountability and Control

Objective: I.3. Through the Audit and Compliance activity, to ensure accountability of public funds disbursed by Treasury through the development of cooperative endeavor agreements with public funds recipients during the period July 1, 2020 to June 30, 2025.

Indicator Name: Number of line item appropriations which require cooperative endeavor agreements.

1. **Type and level:** Input indicator, which may be reported as a key, support or general indicator in the operational plan of the agency.
2. **Rationale:** This indicator provides a numerical indicator of the level of cooperative endeavor agreements, which will be under the oversight of the program.
3. **Use:** This indicator is used by management to identify staffing needs and time requirements.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** This indicator is subject to the findings of the Legislative Auditor.
6. **Data Source, Collection and Reporting:** The source of the performance indicator is the annual appropriation bills.
7. **Calculation Methodology:** Calculation is derived from a simple arithmetic computation that is cumulative for the fiscal year.
8. **Scope:** There is no aggregation or dis-aggregation of the indicator needed.
9. **Caveats:** No limitations noted.
10. **Responsible person:** Laura Lapeze, Chief Financial Officer, 225-342-0051, 225-342-5008 fax, llapeze@treasury.state.la.us

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Financial Accountability and Control

Objective: I.3. Through the Audit and Compliance activity, to ensure accountability of public funds disbursed by Treasury through the development of cooperative endeavor agreements with public funds recipients during the period July 1, 2020 to June 30, 2025.

Indicator Name: Percentage of cooperative endeavor agreements completed.

1. **Type and level:** Outcome indicator, which may be reported as a key, support or general indicator in the annual operational plan of the agency.
2. **Rationale:** This indicator provides a numerical indicator of the level of cooperative endeavor agreements completed within the fiscal year of the appropriation.
3. **Use:** This indicator is used by senior management to identify specific key problems that must be immediately addressed.
4. **Clarity:** Yes.
5. **Validity, Reliability and Accuracy:** This indicator is subject to confirmation by simple arithmetic computation.
6. **Data Source, Collection and Reporting:** The source of the performance indicator is the cooperative endeavor agreements.
7. **Calculation Methodology:** Calculation is derived from a simple arithmetic computation that is cumulative for the fiscal year.
8. **Scope:** There is no aggregation or dis-aggregation of the indicator needed.
9. **Caveats:** No limitations noted.

FINANCIAL ACCOUNTABILITY AND CONTROL PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Financial Accountability and Control

Objective: I.3. Through the Audit and Compliance activity, to ensure accountability of public funds disbursed by Treasury through the development of cooperative endeavor agreements with public funds recipients during the period July 1, 2020 to June 30, 2025.

Indicator Name: Percentage of cooperative endeavor agreements completed.

10. Responsible person: Laura Lapeze, Chief Financial Officer, 225-342-0051, 225-342-5008 fax, llapeze@treasury.state.la.us

DEBT MANAGEMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Debt Management

Objective: I.1: Through the Debt Management activity, to ensure the State Bond Commission is provided the support services to accomplish its constitutional mandates for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percentage of State Bond Commission mandates not met due to insufficient support services.

1. **Type and level:** Outcome, key indicator.
2. **Rationale:** This indicator measures the efficiency and effectiveness of the State Bond Commission.
3. **Use:** Helps determine funding or staffing needs.
4. **Clarity:** Clearly identifies what is being measured.
5. **Validity, Reliability and Accuracy:** The indicator has not been audited by the Legislative Auditor.
6. **Data Source, Collection and Reporting:** Internal database
7. **Calculation Methodology:** None required
8. **Scope:** Is part of a larger whole, is statewide, can be broken down into parish.
9. **Caveats:** No caveats
10. **Responsible Person:** Lela Folsie, Director, State Bond Commission – 225-342-0040

DEBT MANAGEMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Debt Management

Objective: I.1: Through the Debt Management activity, to ensure the State Bond Commission is provided the support services to accomplish its constitutional mandates for the period July 1, 2020 to June 30, 2025.

Indicator Name: Number of repeat audit findings, related to support services, reported By the Legislative Auditor.

1. **Type and level:** Outcome, key, support or general indicator.
2. **Rationale:** This indicator measures the efficiency and effectiveness of the State Bond Commission by external reviews.
3. **Use:** Identifies areas that require management review and revision to key Workflow procedures.
4. **Clarity:** Clearly identifies what is being measured.
5. **Validity, Reliability and Accuracy:** Self-generated fees associated with amount of debt issued have been audited by Legislative Auditor. We have adopted measures, as suggested by the Legislative Auditor, to more accurately track closing fees associated with debt issuance.
6. **Data Source, Collection and Reporting:** Data is audited by outside independent parties.
7. **Calculation Methodology:** None required
8. **Scope:** Can be broken down into major functions.
9. **Caveats:** No caveats
10. **Responsible Person:** Lela Folse, Director, State Bond Commission – 225-342-0040

DEBT MANAGEMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Debt Management

Objective: I.2: Provide effective and efficient assistance to local governments by performing a thorough and comprehensive review of local government debt to ensure the financial soundness of the debt issuance of local government for the period July 1, 2020 to June 30, 2025.

Indicator Name: Number of local debt applications reviewed.

1. **Type and level:** Input, general performance

2. **Rationale:** This indicator measures the volume of debt applications submitted by the State Bond Commission for review.

3. **Use:** Helps determine funding or staffing needs.

4. **Clarity:** Clearly identifies what is being measured.

5. **Validity, Reliability and Accuracy:** The indicator has not been audited by the Legislative Auditor.

6. **Data Source, Collection and Reporting:** Internal database

7. **Calculation Methodology:** None required

8. **Scope:** Is part of a larger whole, is statewide, can be broken down into parish.

9. **Caveats:** No caveats

10. **Responsible Person:** Lela Folse, Director, State Bond Commission, 225-342-0040

DEBT MANAGEMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Debt Management

Objective: I.1: Provide effective and efficient assistance to local governments by performing a thorough and comprehensive review of local government debt to ensure the financial soundness of the debt issuance of local government for the period July 1, 2020 to June 30, 2025.

Indicator Name: Amount of debt issued by local governments as approved by the State Bond Commission.

1. **Type and level:** Output, support or general level performance measure
2. **Rationale:** This indicator measures the dollar amount of debt reviewed and analyzed for approval or rejection by the State Bond Commission.
3. **Use:** Helps determine funding or staffing needs.
4. **Clarity:** Clearly identifies what is being measured.
5. **Validity, Reliability and Accuracy:** Self-generated fees associated with amount of debt issued have been audited by Legislative Auditor. We have adopted measures, as suggested by the Legislative Auditor, to more accurately track closing fees associated with debt issuance.
6. **Data Source, Collection and Reporting:** Data is collected from applications submitted to State Bond Commission
7. **Calculation Methodology:** None required
8. **Scope:** Can be broken down into debt issued by parish.
9. **Caveats:** No caveats
10. **Responsible Person:** Lela Folse, Director, State Bond Commission – 225-342-0040

DEBT MANAGEMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Debt Management

Objective: I.2: Provide effective and efficient assistance to local governments by performing a thorough and comprehensive review of local government debt to ensure the financial soundness of the debt issuance of local government for the period July 1, 2020 to June 30, 2025.

Indicator Name: Number of defaults publicly held debts by local governments

1. **Type and level:** Outcome, support or general performance indicator
2. **Rationale:** This indicator measures the obligation of local governments to meet long-term obligations.
3. **Use:** Used internally and externally.
4. **Clarity:** Clearly identifies what is being measured.
5. **Validity, Reliability and Accuracy:** The Fiscal Review Committee comprised of the Legislative Auditor, the Attorney General, and the Treasurer periodically review local entities that are in potential default and take action as needed.
6. **Data Source, Collection and Reporting:** Data is collected from applications submitted to State Bond Commission
7. **Calculation Methodology:** None required
8. **Scope:** Can be broken down by parish.
9. **Caveats:** No caveats
10. **Responsible Person:** Lela Folse, Director, State Bond Commission – 225-342-0040

DEBT MANAGEMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Debt Management

Objective: I.2: Provide Assistance to local governments in their financing options related to lease purchases/lease of movables for the period July 1, 2020 to June 30, 2025.

Indicator Name: Number of local government lease purchases/lease of movables reviewed.

1. **Type and level:** Input, general performance indicator
2. **Rationale:** This indicator measures the volume of applications received by the State Bond Commission for approval to of lease purchases or lease of movables.
3. **Use:** Helps determine funding or staffing needs.
4. **Clarity:** Clearly identifies what is being measured.
5. **Validity, Reliability and Accuracy:** The indicator has not been audited by the Legislative Auditor.
6. **Data Source, Collection and Reporting:** Internal data base
7. **Calculation Methodology:** None required
8. **Scope:** Is part of a larger whole, is statewide, can be broken down into parish.
9. **Caveats:** No caveats
10. **Responsible Person:** Lela Folse, Director, State Bond Commission – 225-342-0040

DEBT MANAGEMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Debt Management

Objective: I.2: Provide Assistance to local governments in their financing options related to lease purchases/lease of movables for the period July 1, 2020 to June 30, 2025.

Indicator Name: Amount of lease purchases/lease of movables approved by the State Bond Commission.

1. **Type and level:** Outcome, general performance indicator
2. **Rationale:** This indicator measures the volume of activity of local government applications for lease purchases/lease of movables approved by the State Bond Commission.
3. **Use:** Helps determine funding or staffing needs.
4. **Clarity:** Clearly identifies what is being measured.
5. **Validity, Reliability and Accuracy:** The indicator has not been audited by the Legislative Auditor.
6. **Data Source, Collection and Reporting:** Internal database
7. **Calculation Methodology:** None required
8. **Scope:** Is part of a larger whole, is statewide, can be broken down into parish.
9. **Caveats:** No caveats
10. **Responsible Person:** Lela Folse, Director, State Bond Commission – 225-342-0040

INVESTMENT PROGRAM

- A. Identification of the principal clients and users of the Investment Program and the benefits derived by such clients and users.

The principal clients and users of the Investment Program are the citizens of the state, state agencies, State Legislature, the Board of Secondary and Elementary Education and the Board of Regents.

The primary benefits derived from the program by its clients and users are the additional monies provided for statewide budget purposes and for statewide educational programs and projects. These additions are provided at no added expense to the taxpayers of the state.

- B. The most significant external factor(s) beyond the control of the Investment Program, which could significantly affect the achievement of its goal and objectives are:

General market factors such as international economic instability, domestic economic downturn, Federal Reserve Board actions regarding interest rates, and the resulting stock/bond market reactions.

State General Fund cash flow (revenue) stream shrinking due to state/local economic slowdowns, resulting in less funds for investment purposes.

Statutory restrictions placed on the types and percentages of securities, which are permitted for investment by the program.

- C. The program evaluation utilized to develop objectives and strategies was based on the following:

Structured group management/staff meetings, which resulted in the accumulation of input data. In turn, this data formed the baseline required to identify needs resulting in the setting of the program's goal and objectives.

External evaluation was provided by the investment consultant for the LEQTF. This input provided independent assessment in developing specific strategies to accomplish the objective specifically related to the LEQTF.

The investment program management, in turn, presented this data to senior management in support of its goal and objectives. In turn, the review process provided oversight to ensure that the program's goal and objectives were realistic and compatible with the mission and vision of the Department.

D. Performance Indicator documentation requirements.

See following pages.

Statement of duplication of services:

Since the investment program of the State Treasury has the sole responsibility for the attainment of the investment goal there is not and will not be duplication of effort within the department or from without by other state agencies.

INVESTMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.1. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the State General Fund while protecting the principal, within the guidelines of LRS 49:327 for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of the five-year historical rolling average investment income that is earned.

- 1. Type and level:** Outcome indicator reported as a Key indicator in the annual operational plan of the agency.
- 2. Rationale:** This indicator provides a comparison of prior fiscal year's investment income to the current fiscal year's investment income.
- 3. Use:** This indicator establishes the initial baseline performance data used by Treasury.
- 4. Clarity:** General Fund portfolio comprised of numerous statutory created funds in Treasury.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** All investment activity was cleared through the custodian bank who provided Treasury accounting statements containing all required data. Investment activity is received and collected on a daily basis by the custodian bank. The bank provides a detailed accounting statement of all activity on a monthly basis. In addition, a year-end annual summary statement is provided as of June 30.
- 7. Calculation Methodology:** Percentage is calculated on a cash basis method of actual income received over five years divided by the total investment income for period reported.
- 8. Scope:** There is no aggregation or dis-aggregation of the indicator needed.

INVESTMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.1. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the State General Fund while protecting the principal, within the guidelines of LRS 49:327 for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of the five-year historical rolling average investment income that is earned.

9. Caveats: No limitations noted.

10. Responsible Person: Custodian bank had primary responsibility for data collection and quality. Investment Department has responsibility for oversight of the custodian bank. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.1. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the State General Fund while protecting the principal, within the guidelines of LRS 49:327 for the period July 1, 2020 to June 30, 2025.

Indicator Name: Fiscal year-end annual yield on State General Fund investments (expressed as a percentage).

- 1. Type and level:** Outcome indicator report as a Key indicator in the operational plan of the department.
- 2. Rationale:** This indicator provides the current fiscal year end's investment return, on a yield basis.
- 3. Use:** For performance comparison used by Treasury, Division of Administration, Legislative Fiscal Office, House Fiscal Division, and Senate Fiscal Office.
- 4. Clarity:** No unclear terms noted.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** All investment activity is cleared through the custodian bank that provides Treasury accounting statements containing all required data. Investment activity is received and collected on a daily basis by the custodian bank. The bank provides a detailed accounting statement of all activity on a monthly basis. In addition, a year-end annual summary statement is provided each June 30.
- 7. Calculation Methodology:** Yield is calculated on a cash basis method of actual income received divided by the total assets invested for the period being reported.
- 8. Scope:** There is no aggregation or dis-aggregation of the indicator needed.

INVESTMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.1. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the State General Fund while protecting the principal, within the guidelines of LRS 49:327 for the period July 1, 2020 to June 30, 2025.

Indicator Name: Fiscal year-end annual yield on State General Fund investments (expressed as a percentage).

9. Caveats: No limitations noted.

10. Responsible Person: Custodian bank has primary responsibility for data collection and quality. Investment program has responsibility for oversight of the custodian bank. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.1. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the State General Fund while protecting the principal, within the guidelines of LRS 49:327 for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of actual cash yield to 30-day Treasury bill yield.

- 1. Type and level:** Efficiency indicator reported as a Support or General indicator in the annual operational plan of the department.
- 2. Rationale:** This indicator measures the degree of success of the investment strategy versus the goal and objective by comparing the performance against the baseline/benchmarks.
- 3. Use:** This indicator produces the investment figure to be used in comparison to benchmarks by Treasury, Division of Administration, Legislative Fiscal Office, House Fiscal Division, and Senate Fiscal Office as an indicator of success of the investment strategy.
- 4. Clarity:** Benchmark is an unclear term that refers to the 30-day Treasury Bill and 2-year Treasury Note.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** Consultant collects data from the custodian bank and investment managers and prepares annual performance report of the fund. Consultant collects data from custodian bank and investment managers on a monthly basis and in turn provides a fiscal year end investment performance report to the Treasury. This report contains all of the necessary data to validate the indicator.
- 7. Calculation Methodology:** Calculation made in accordance with generally accepted industry standards for determining yields and returns.

INVESTMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.1. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the State General Fund while protecting the principal, within the guidelines of LRS 49:327 for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of actual cash yield to 30-day Treasury bill yield.

8. **Scope:** Actual income received is disaggregated and credited to the various funds participating in the General Fund Pool.
9. **Caveats:** No limitations noted.
10. **Responsible Person:** Custodian bank has primary responsibility for data collection and quality. Investment program has responsibility for oversight of the custodian bank.
John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.2: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Louisiana Education Quality Trust Fund (LEQTF) while protecting the principal, within the guidelines of LRS 49:327 and LRS 17:3803, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of the five-year historic rolling average investment income that is earned.

- 1. Type and level:** Outcome indicator reported as a Key performance indicator in the annual operational plan of the department.
- 2. Rationale:** This indicator provide a comparison of prior years' investment income to the current year's investment income.
- 3. Use:** This indicator establishes the initial baseline performance data used by Treasury.
- 4. Clarity:** No unclear terms noted.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an regular basis.
- 7. Calculation Methodology:** Percentage is calculated on a cash basis method of actual income received over five years divided by the total investment income.
- 8. Scope:** No limitations noted.

INVESTMENT PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Investments

OBJECTIVE I.2: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Louisiana Education Quality Trust Fund (LEQTF) while protecting the principal, within the guidelines of LRS 49:327 and LRS 17:3803, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of the five-year historic rolling average investment income that is earned.

- 9. Caveats:** There is no aggregation or dis-aggregation of the indicator needed.
- 10. Responsible Person:** The fund's consultant has the primary responsibility for the data collection and the quality of the data and the report. The investment program provides oversight of the custodial bank. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.2: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Louisiana Education Quality Trust Fund (LEQTF) while protecting the principal, within the guidelines of LRS 49:327 and LRS 17:3803, for the period July 1, 2020 to June 30, 2025.

Indicator Name: LEQTF Permanent Fund fair market value (in millions).

- 1. Type and level:** Outcome indicator reported as a Key performance indicator in the annual operational plan of the department.
- 2. Rationale:** This indicator measures the actual market value compared to the cost basis for the fiscal year.
- 3. Use:** This indicator provides the actual investment portfolio change in value for the current year used by Treasury, Division of Administration, Legislative Fiscal Office, House Fiscal Division, and Senate Fiscal Office to determine unrealized gain/loss.
- 4. Clarity:** No unclear terms noted.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** The custodial bank provides Treasury with accounting reports based on data received by custodian bank and outside investment managers.
- 7. Calculation Methodology:** No calculation required.
- 8. Scope:** Primary limitation of the indicator is the statutory restrictions placed on the fund's asset allocations as to both type and percentages.

INVESTMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.2: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Louisiana Education Quality Trust Fund (LEQTF) while protecting the principal, within the guidelines of LRS 49:327 and LRS 17:3803, for the period July 1, 2020 to June 30, 2025.

Indicator Name: LEQTF Permanent Fund fair market value (in millions).

- 9. Caveats:** The consultant's quarterly/annual reports disaggregate the performance results to breakout fixed income (bonds) versus equity (stocks); large cap stocks (S&P 500 Index) versus small cap stocks and small cap value versus small cap growth (investment managers) to show total change in fair market value.

- 10. Responsible Person:** Responsibility for data collection and quality of data is shared between the custodian bank, consultant and investment managers. The investment program provides oversight of the custodian bank and the consultant provides oversight of investment managers regarding quality of output. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.2: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Louisiana Education Quality Trust Fund (LEQTF) while protecting the principal, within the guidelines of LRS 49:327 and LRS 17:3803, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of actual cash basis yield to 2-year Treasury Note yield.

- 1. Type and level:** Efficiency indicator reported as a Support or General performance indicator in the annual operational plan of the department.
- 2. Rationale:** This indicator measures the degree of success of the investment strategy versus the goal and objective by comparing the performance against the baseline/benchmarks.
- 3. Use:** This indicator produces the investment figure to be used in comparison to benchmarks by Treasury, Division of Administration, Legislative Fiscal Office, House Fiscal Division, and Senate Fiscal Office as an indicator of success of the investment strategy.
- 4. Clarity:** Definitions of unclear terms. Benchmarks - statutory benchmarks are the 30-day Treasury Bill and the 2-year Treasury Note. Treasury added the Lehman Brothers Intermediate Bond Index and the S&P 500 Stock Index.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** Consultant collects data from the custodian bank and investment managers and prepares annual performance report of the fund. Consultant collects data from custodian bank and investment managers on a monthly basis and in turn provides a fiscal year end investment performance report to the Treasury. This report contains all of the necessary data to validate the indicator.

INVESTMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.2: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Louisiana Education Quality Trust Fund (LEQTF) while protecting the principal, within the guidelines of LRS 49:327 and LRS 17:3803, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of actual cash basis yield to 2-year Treasury Note yield.

- 7. Calculation Methodology:** The consultant's performance report conforms to the standards and guidelines established by the CFA Institute covering calculation of investment returns.
- 8. Scope:** No limitations noted.
- 9. Caveats:** There is no aggregation or dis-aggregation of the indicator needed.
- 10. Responsible Person:** The consultant has primary responsibility for the data collection and the quality of the data. The investment program provides oversight of the custodian bank. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.2: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Louisiana Education Quality Trust Fund (LEQTF) while protecting the principal, within the guidelines of LRS 49:327 and LRS 17:3803, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Amount of LEQTF investment income (in millions).

- 1. Type and level:** Output indicator reported as a Support or General performance indicator in the annual operational plan of the department.
- 2. Rationale:** This indicator measures the degree of success of the investment strategy versus the goal and objective.
- 3. Use:** This indicator is used by Treasury, Division of Administration, Legislative Fiscal Office, House Fiscal Division, and Senate Fiscal Office to determine investment income available for appropriation.
- 4. Clarity:** No unclear terms.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** Consultant collects data from the custodian bank and investment managers and prepares annual performance report of the fund. Consultant collects data from custodian bank and investment managers on a monthly basis and in turn provides a fiscal year end investment performance report to the Treasury. This report contains all of the necessary data to validate the indicator.

INVESTMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.2: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Louisiana Education Quality Trust Fund (LEQTF) while protecting the principal, within the guidelines of LRS 49:327 and LRS 17:3803, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Amount of LEQTF investment income (in millions).

7. **Calculation Methodology:** The consultant's performance report conforms to the standards and guidelines established by the CFA Institute covering calculation of investment returns.
8. **Scope:** No limitations noted.
9. **Caveats:** There is no aggregation or dis-aggregation of the indicator needed.
10. **Responsible Person:** The consultant has primary responsibility for the data collection and the quality of the data. The investment program provides oversight of the custodian bank. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.3: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Millennium Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 39:98.2, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percentage of the five-fiscal year historical rolling average investment income that is earned.

1. **Type and level:** Outcome indicator reported as a Key performance indicator in the annual operational plan of the department.
2. **Rationale:** This indicator provides a comparison of prior year's investment income to the current year's investment income.
3. **Use:** This indicator establishes the initial baseline performance data used by Treasury.
4. **Clarity:** No unclear terms noted.
5. **Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
6. **Data Source, Collection and Reporting:** All investment activity was cleared through the custodian bank that provided Treasury accounting statements containing all required data. Investment activity is received and collected on a daily basis by the custodian bank. The bank provides a detailed accounting statement of all activity on a monthly basis. In addition, a year-end annual summary statement is provided as of June 30.
7. **Calculation Methodology:** Percentage is calculated on a cash basis method of actual income received over five years divided by the total investment income.
8. **Scope:** No limitations noted.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.3: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Millennium Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 39:98.2, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percentage of the five-fiscal year historical rolling average investment income that is earned.

- 9. Caveats:** There is no aggregation or dis-aggregation of the indicator needed.

- 10. Responsible Person:** The fund's consultant has the primary responsibility for the data collection and the quality of the data and the report. The investment program provides oversight of the custodian bank. John Broussard, Chief Investment Officer 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.3: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Millennium Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 39:98.2, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Millennium Trust Fund fair market value (in millions).

1. **Type and level:** Outcome indicator reported as a Support or General performance indicator in the annual operational plan of the department.
2. **Rationale:** This indicator measures the actual market value compared to cost basis for the fiscal.
3. **Use:** This indicator provides the actual market value of the investment portfolio used by Treasury, Division of Administration, Legislative Fiscal Office, House Fiscal Division, and Senate Fiscal Office to determine unrealized gain/loss.
4. **Clarity:** No unclear terms noted.
5. **Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
6. **Data Source, Collection and Reporting:** The custodial bank provides Treasury with accounting reports based on data received by custodian bank and outside managers.
7. **Calculation Methodology:** Percentage is calculated on a cash basis method of actual income received over five years divided by the total investment income.
8. **Scope:** No limitations noted.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.3: **Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Millennium Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 39:98.2, for the period July 1, 2020 to June 30, 2025.**

Indicator Name: Millennium Trust Fund fair market value (in millions).

- 9. Caveats:** There is no aggregation or dis-aggregation of the indicator needed.

- 10. Responsible Person:** The fund's consultant has the primary responsibility for the data collection and the quality of the data and the report. The investment program provides oversight of the custodian bank. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.3: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Millennium Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 39:98.2, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of actual cash basis yield to 2-year Treasury note yield.

- 1. Type and level:** Efficiency indicator reported as a Support or General performance indicator in the annual operational plan of the department.
- 2. Rationale:** The indicator measures the investment performance of the Millennium Trust to the 2-year Treasury note yield as a benchmark.
- 3. Use:** This indicator provides an external comparison of investment yields to measure success of the investment strategy.
- 4. Clarity:** Definitions of unclear terms. Benchmarks – Statutory benchmarks are the 30-day Treasury Bill and the 2-year Treasury Note.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** Consultant collects data from the custodian bank and investment managers and prepares annual performance report of the fund. Consultant collects data from custodian bank and investment managers on a monthly basis and in turn provides a fiscal year end investment performance report to the Treasury. This report contains all of the necessary data to validate the indicator.
- 7. Calculation Methodology:** All performance figures are calculated and reported in accordance with CFA Institute standards and guidelines by the consultant.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.3: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Millennium Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 39:98.2, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of actual cash basis yield to 2-year Treasury note yield.

- 8. Scope:** Dis-aggregations included breakout of fixed income (bonds) versus equity (stocks).
- 9. Caveats:** No limitations noted.
- 10. Responsible Person:** Responsibility for data collection and quality of the data is shared between the custodian bank and the consultant. The investment program provides oversight of the custodian bank. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.3: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Millennium Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 39:98.2, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Amount of Millennium Trust Fund investment income (in millions).

- 1. Type and level:** Output indicator reported as a Support or General performance indicator in the annual operational plan of the department.
- 2. Rationale:** This indicator measures the degree of success of the investment strategy versus the goal and objective.
- 3. Use:** This indicator is used by Treasury, Division of Administration, Legislative Fiscal Office, House Fiscal Division, and Senate Fiscal Office to determine investment income available for appropriation.
- 4. Clarity:** No unclear terms.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** Consultant collects data from the custodian bank and investment managers and prepares annual performance report of the fund. Consultant collects data from custodian bank and investment managers on a monthly basis and in turn provides a fiscal year end investment performance report to the Treasury. This report contains all of the necessary data to validate the indicator.
- 7. Calculation Methodology:** The consultant's performance report conforms to the standards and guidelines established by the CFA Institute covering calculation of investment returns.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.3: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Millennium Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 39:98.2, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Amount of Millennium Trust Fund investment income (in millions).

- 8. Scope:** No limitations noted.

- 9. Caveats:** There is no aggregation or dis-aggregation of the indicator needed.

- 10. Responsible Person:** The consultant has primary responsibility for the data collection and the quality of the data. The investment program provides oversight of the custodian bank. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.3: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Millennium Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 39:98.2, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Fiscal year-end annual total return on Millennium Trust investment (expressed as a percentage).

- 1. Type and level:** Outcome indicator reported as a Key performance indicator in the annual operational plan of the department.
- 2. Rationale:** This indicator produces the investment results, on a total return basis, for the current year to be used in measuring performances versus the baseline/benchmarks.
- 3. Use:** This indicator provides the actual investment performance figures of the Millennium Trust for the current year used by Treasury, Division of Administration, Legislative Fiscal Office, House Fiscal Division, and Senate Fiscal Office.
- 4. Clarity:** Definitions of unclear terms. Total Return - market appreciation plus interest/dividends received plus accrued interest and dividends. Investment managers – Vanguard Group, Inc.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** Custodian bank collects data daily on all investment activity generated in the account by Treasury’s investment officers and the fund’s outside investment managers. The bank provides Treasury with statements detailing all activity within the account. Custodian bank provides Treasury and the consultant with monthly statements detailing all activity for period. The consultant provides Treasury with a quarterly investment performance report based upon data received from custodian bank and outside investment managers.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

OBJECTIVE I.3: Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Millennium Trust Fund while protecting the principal, within the guidelines of LRS 49:327 and LRS 39:98.2, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Fiscal year-end annual total return on Millennium Trust investment (expressed as a percentage).

- 7. Calculation Methodology:** All investment performance figures are calculated and reported in accordance with CFA Institute GIPS standards and guidelines by both the consultant and the investment managers.
- 8. Scope:** Primary limitation of the indicator is the statutory restrictions placed on the fund's asset allocations as to both type and percentages.
- 9. Caveats:** The consultant's quarterly/annual reports disaggregate the performance results to breakout fixed income (bonds) versus equity (stocks); large cap stocks (S&P 500 Index) versus small cap stocks and small cap value versus small cap growth (investment managers).
- 10. Responsible Person:** Responsibility for data collection and quality of data is shared between the custodian bank, consultant and investment managers. The investment program provides oversight of the custodian bank and the consultant provides oversight of investment managers regarding quality of output. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.4. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Medicaid Trust Fund for the Elderly while protecting the principal, within the guidelines of LRS 49:327 and LRS 46:2691, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of the five-fiscal year historical rolling average investment income that is earned, but is adjusted for prior year historical withdrawals.

1. **Type and level:** Outcome indicator reported as a Key performance indicator in the annual operational plan of the agency.
2. **Rationale:** This indicator provides a comparison of prior years' investment income to the current years' investment income.
3. **Use:** This indicator establishes the initial baseline performance data used by Treasury.
4. **Clarity:** No unclear terms noted.
5. **Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
6. **Data Source, Collection and Reporting:** All investment activity was cleared through the custodian bank who provided Treasury accounting statements containing all required data. Investment activity is received and collected on a daily basis by the custodian bank. The bank provides a detailed accounting statement of all activity on a monthly basis. In addition, a year-end annual summary statement is provided as of June 30.
7. **Calculation Methodology:** Percentage is calculated on a cash basis method of actual income received over five years divided by the total investment income for period being reported.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.4. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Medicaid Trust Fund for the Elderly while protecting the principal, within the guidelines of LRS 49:327 and LRS 46:2691, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of the five-fiscal year historical rolling average investment income that is earned, but is adjusted for prior year historical withdrawals.

8. Scope: No limitations noted.

9. Caveats: No limitations noted.

10. Responsible Person: Custodian bank had primary responsibility for data collection and quality. Investment Department has responsibility for oversight of the custodian bank. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:

PERFORMANCE INDICATOR DOCUMENTATION

Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.4. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Medicaid Trust Fund for the Elderly while protecting the principal, within the guidelines of LRS 49:327 and LRS 46:2691, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Medicaid Trust Fund for the Elderly fair market value (in millions).

- 1. Type and level:** Outcome indicator report as a Support or General performance indicator in the operational plan of the department.
- 2. Rationale:** This indicator represents the results of the investment activity for the fiscal year.
- 3. Use:** This indicator provides the actual investment portfolio change in value for the current year used by Treasury, Division of Administration, Legislative Fiscal Office, House Fiscal Division, and Senate Fiscal Office to determine unrealized gain/loss.
- 4. Clarity:** No unclear terms noted.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** All investment activity is cleared through the custodian bank that provides Treasury accounting statements containing all required data. Investment activity is received and collected on a daily basis by the custodian bank. The bank provides a detailed accounting statement of all activity on a monthly basis. In addition, a year-end annual summary statement is provided each June 30.
- 7. Calculation Methodology:** No calculation required.

INVESTMENT PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Investments

Objective: I.4. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Medicaid Trust Fund for the Elderly while protecting the principal, within the guidelines of LRS 49:327 and LRS 46:2691, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Medicaid Trust Fund for the Elderly fair market value (in millions).

8. **Scope:** There is no aggregation or dis-aggregation of the indicator needed.
9. **Caveats:** No limitations noted.
10. **Responsible Person:** Custodian bank has primary responsibility for data collection and quality. Investment program has responsibility for oversight of the custodian bank. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.4. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Medicaid Trust Fund for the Elderly while protecting the principal, within the guidelines of LRS 49:327 and LRS 46:2691, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of actual cash basis yield to 2-year Treasury Note yield.

- 1. Type and level:** Efficiency indicator reported as a Support or General performance indicator in the annual operational plan of the department.
- 2. Rationale:** This indicator measures the degree of success of the investment strategy versus the goal and objective by comparing the performance against the baseline/benchmarks.
- 3. Use:** This indicator produces the investment figure to be used in comparison to benchmarks by Treasury, Division of Administration, Legislative Fiscal Office, House Fiscal Division, and Senate Fiscal Office as an indicator of success of the investment strategy.
- 4. Clarity:** Benchmarks is an unclear term that refers to the 30-day Treasury Bill and 2-year Treasury Note.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** Consultant collects data from the custodian bank and investment managers and prepares annual performance report of the fund. Consultant collects data from custodian bank and investment managers on a monthly basis and in turn provides a fiscal year end investment performance report to the Treasury. This report contains all of the necessary data to validate the indicator.
- 7. Calculation Methodology:** The consultant's performance report conforms to the standards and guidelines established by the CFA Institute covering calculation of investment returns.

INVESTMENT PROGRAM:

**PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025**

Program: Investments

Objective: I.4. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Medicaid Trust Fund for the Elderly while protecting the principal, within the guidelines of LRS 49:327 and LRS 46:2691, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Percent of actual cash basis yield to 2-year Treasury Note yield.

8. Scope: No limitations noted.

9. Caveats: No limitations noted.

10. Responsible Person: Custodian bank has primary responsibility for data collection and quality. Investment program has responsibility for oversight of the custodian bank. John Broussard, Chief Investment Officer, 225-342-0013.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.4. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Medicaid Trust Fund for the Elderly while protecting the principal, within the guidelines of LRS 49:327 and LRS 46:2691, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Amount of Medicaid Trust Fund for the Elderly investment income (in millions).

- 1. Type and level:** Output indicator reported as a Support or General performance indicator in the annual operational plan of the department.
- 2. Rationale:** This indicator measures the degree of success of the investment strategy versus the goal and objective.
- 3. Use:** This indicator is used by Treasury, Division of Administration, Legislative Fiscal Office, House Fiscal Division, and Senate Fiscal Office to determine investment income available for appropriation.
- 4. Clarity:** No unclear terms.
- 5. Validity, Reliability and Accuracy:** This indicator is audited by the Performance Audit Division of the Office of the Legislative Auditor on an annual basis.
- 6. Data Source, Collection and Reporting:** Consultant collects data from the custodian bank and investment managers and prepares annual performance report of the fund. Consultant collects data from custodian bank and investment managers on a monthly basis and in turn provides a fiscal year end investment performance report to the Treasury. This report contains all of the necessary data to validate the indicator.
- 7. Calculation Methodology:** The consultant's performance report conforms to the standards and guidelines established by the CFA Institute covering calculation of investment returns.

INVESTMENT PROGRAM:
PERFORMANCE INDICATOR DOCUMENTATION
Strategic Plan FY 2020- 2021 to 2024-2025

Program: Investments

Objective: I.4. Through the Investment Management activity, to maximize the investment income for the beneficiaries of the Medicaid Trust Fund for the Elderly while protecting the principal, within the guidelines of LRS 49:327 and LRS 46:2691, for the period July 1, 2020 to June 30, 2025.

Indicator Name: Amount of Medicaid Trust Fund for the Elderly investment income (in millions).

- 8. Scope:** No limitations noted.

- 9. Caveats:** There is no aggregation or dis-aggregation of the indicator needed.

- 10. Responsible Person:** The consultant has primary responsibility for the data collection and the quality of the data. The investment program provides oversight of the custodian bank.
John Broussard, Chief Investment Officer, 225-342-0013.

STRATEGIC PLANNING CHECKLIST

- Planning Process**
- General description of process implementation included in plan process documentation
 - Consultant used: investment consultant for the LEQTF
 - Department/agency explanation of how duplication of program operations will be avoided included in plan process documentation
 - Incorporated statewide strategic initiatives
 - Incorporated organization internal workforce plans and information technology plans
- Analysis Tools Used**
- SWOT analysis
 - Cost/benefit analysis
 - Financial audit(s)
 - Performance audits(s)
 - Program evaluations(s)
 - Benchmarking for best management practices
 - Benchmarking for best measurement practices
 - Stakeholder or customer surveys
 - Undersecretary management report (Act 160 Report) used
 - Other analysis or evaluation tools used: Annual Summary on the Financial Condition of the State of Louisiana pursuant to Article IV, Section 9 of the 1974 Constitution
- Stakeholders (Customers, Compliers, Expectation Groups, Others) identified**
- Involved in planning process
 - Discussion of stakeholders included in plan process documentation
- Authorization for goals**
- Authorization exists
 - Authorization needed
 - Authorization included in plan process documentation
- External Operating Environment**
- Factors identified and assessed
 - Description of how external factors may affect plan included in plan process documentation
- Formulation of Objectives**
- Variables (target group; program & policy variables; and external variables) assessed
 - Objectives are SMART
- Building Strategies**
- Organizational capacity analyzed
 - Needed organizational structural or procedural changes identified
 - Resource needs identified
 - Strategies developed to implement needed changes or address resource needs
 - Action plans developed; timelines confirmed; and responsibilities assigned
- Building in Accountability**
- Balanced sets of performance indicators developed for each objective
 - Documentation Sheets completed for each performance indicator
 - Internal accountability process or system implemented to measure progress
 - Data preservation and maintenance plan developed and implemented
- Fiscal Impact of Plan**
- Impact on operating budget
 - Impact on capital outlay budget
 - Means of finance identified for budget change
 - Return on investment determined to be favorable