

November 1, 2011

**V. Legislative Fiscal Office
Analysis**
(Oct. 17, 2011)

**Streamline Commission
Legislative Fiscal Office Analysis Update**

Rec. #	Recommendation	GEN. FUND	TOTAL	Original Impact (2009)
1	Reduce total number of state-owned automobiles to 2004 level over a 12-month period.	DECREASE	DECREASE	Reducing the number of state-owned vehicles from 12,411 to 11,170 will result in annual maintenance savings of approximately \$1.65 M per year. In calendar year 2008, the per vehicle maintenance expenditures (maintenance and insurance) was approximately \$1,327/vehicle. Fuel expenditures will have no impact as fuel cost is contingent upon miles traveled and not the number of vehicles in need of maintenance. However, these savings could be diminished if the remaining vehicles are driven additional miles per year. This proposal will increase one-time state revenue in the amount of \$1.9 M due to surplus of vehicles reduced as a result of this proposal. According to the LA Property Assistance Agency (LPAA), the average auction for a vehicle that is surplus is approximately \$1,500. Thus, reducing the number of state-owned vehicles will result in one-time revenues of \$1.9 M.
2	Reduce total number of automobiles by 20% and convert many agency fleets to rental over a 12-month period.	INCREASE	INCREASE	This recommendation will increase state expenditures by approximately \$6.7 M if this proposal were implemented over a 12-month period. Although reducing the vehicle fleet by 20% will likely produce \$2.4 M of annual state expenditure savings, converting that 20% reduction to rental within 12 months will likely increase expenditures by \$9 M. Thus, the net impact of this illustration is \$6.7 M of anticipated state expenditures. Fuel expenditures are not considered as state agencies will still have fuel expenditures. This proposal will increase one-time state revenue in the amount of \$2.7 M due to the surplus of vehicles reduced as a result of this proposal. According to the LA Property Assistance Agency (LPAA), the average auction for a vehicle that is surplus is approximately \$1,500. Thus, by reducing the number of state-owned vehicles from 12,411 to 10,667 (20% reduction) will result in one-time revenues of \$2.7 M.
3	Hold department heads accountable for poor safety performance by department employees.	SEE IMPACT	SEE IMPACT	Without a concise explanation of the method in which a department head will be held accountable for a poor safety record, the fiscal impact was indeterminate as monetary consequences were not explicit. Means of finance would also depend upon the accountability plan. Should the severity or number of accidents be reduced due to this action, savings would be found in reduced worker's compensation claims and ultimately lower premiums.
4	Hire a safety consulting firm, where necessary, to train poorly performing department personnel to prevent work-related accidents.	\$0	SEE IMPACT	This firm would be hired by the Office of Risk Management and would be successful in state savings to the extent that the training provided was effective.
6	Require non-resident contractors to include tax ID number on each permit and proof that contractor has completely registered to do business in Louisiana.	INCREASE	INCREASE	This recommendation requires LDR to determine proof of registration with all necessary state entities for non-resident contractors effectively creating a new program within LDR. The increase in expenditures represents the requisite expenses associated with the new program. To the extent that obtaining this proof is successful in finding non-resident contractors who are not paying proper fees or taxes, state and local revenue may also increase.
7	Dept of Revenue increase number of auditors through employee definitions to increase compliance.	INCREASE	INCREASE	The modest increase in administrative expenses (less than \$100,000 per year) results from the assumption that 10 average LDR employees will become auditors, which pays higher than average. An increase in revenue is anticipated as average collections per auditor of \$1.3 M per year are applied to the 20 positions, with a learning curve of 4 years built into the calculation.
8	Move DSS printing and mail operations to private company.	\$0	\$0	The original fiscal note stated no direct material impact on expenditures as a result of moving DSS printing, mail, and other operations to a private company. A private printing company, Franklin Press in Baton Rouge, reviewed the department's printing operations. Franklin Press concluded that printing operations were very efficient and would not produce any substantial savings if moved to a private company.
9	Transition Medicaid to integrated delivery system with care coordination.	DECREASE	DECREASE	The original fiscal note projected a decrease in overall Medicaid claim payment expenditures by an unknown amount. This estimate was based on a 2009 Lewin Group study. This study analyzed 24 different Medicaid managed care studies in other states, which reflects various states' experiences with Medicaid Managed Care. States experienced savings as a result of one or a combination of the following: a decrease in average (per member per month costs), a decrease in inpatient utilization, or a reduction in pharmacy program expenditures.

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10	DHH solicit qualified providers to partially privatize centers for developmentally disabled by transferring residents to private centers or transitioning them to community based services.	DECREASE	DECREASE	The original recommendation projected an annual savings of at least \$9 M based solely on the differences in the public providers' reimbursement rates (\$457.60 average) and the private providers' reimbursement rates (\$208.54). Also, the original recommendation noted that savings could be generated from moving individuals from public operated developmental disability centers to community-based waiver services.
12	Consolidate DHH operated in-patient health services in Greater New Orleans area.	SEE IMPACT	SEE IMPACT	Closure of New Orleans Adolescent Hospital (NOAH) resulted in savings of \$9 M in SGF realized in FY 10 budget. As a result of moving 35 inpatient beds from NOAH to Southeast LA Hospital (SELH), the per diem rate to operate the beds decreased from \$1,298 to \$739.
13	Review RFP to privatize DHH community homes, independent living clients and extended family living.	(\$2,187,333)	(\$11,362,771)	The original recommendation projected a savings of \$11.4 M through privatization of the 35 community homes operated by DHH based solely on the differences in the public providers reimbursement rates (\$363.42) and the private provider reimbursement rates (\$208.54).
14	Corrections Services review RFP to outsource all aspects of food services.	\$2,357,332	\$2,357,332	Prior to the Streamlining Recommendation, the Department of Corrections issued a RFP to outsource all aspects of food services. The RFPs that were received were higher than the current cost per meal. The cost to the Department of Corrections (including salaries and related benefits) was \$0.76 per meal. There were 4 proposals received which had costs per meal of \$1.185, \$1.110, \$1.103, and \$0.998.
16	DNR implement a pilot program to change inspection of wells by self reporting affidavit with appropriate penalty non-compliance.	(\$500,000)	(\$500,000)	The proposed recommendation would result in the elimination of 10 field inspectors and related operating expenses.
17	Electronic reports by energy producers.	(\$106,770)	(\$106,770)	The proposed recommendation would result in the elimination of 3 full-time data entry positions.
18	Issue an RFP to look at the possibility of outsourcing the workers' compensation claims management process to a private company and eliminate fraud by getting rid of the online claims system.	\$0	UNKNOWN	The impact could not be determined until the RFP process, which was underway, had been completed.
19	LA Workforce Commission eliminate Second Injury Fund over time.	\$0	SEE IMPACT	Any savings would be the result of declining need for administering the Second Injury Fund, which is expected to phase-out over 10 years beginning in about 5 years as existing claims expire. At full elimination, savings were expected to be about \$850,000 per year with the loss of 15 positions.
20	DSS should implement on average a 1:8 supervisor-employee report ratio.	DECREASE	DECREASE	The original recommendation projected savings over a five-year period through structural reorganization.
22	To direct the DOA to determine the value and the highest and best use of each state-owned property.	DECREASE	DECREASE	The proposed recommendation may result in an indeterminable decrease in state expenditures to the extent that state-owned property is disposed of which would reduce the cost of maintenance, utilities, and insurance.

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25	The governor and legislature authorize and direct the LSU Health System to adopt the recommendations of Alvarez and Marshal (A&M) for the operation of the interim Charity Hospital in New Orleans and contract for similar assessments in the other 9 charity hospitals.	DECREASE	DECREASE	State expenditures were anticipated to decrease by \$31 M from all funding sources by the end of FY 11, due to recommendations by A&M for the interim Charity Hospital in New Orleans. Projected savings included \$11 M from eliminated personnel, \$7 M from restructuring professional service contracts, \$5.5 M from non-labor costs savings, and about \$7.5 M from reductions in travel, supplies, limited overtime, etc. The cost of A&M's assessment for the interim Charity Hospital in New Orleans was \$296,000. If implemented, the cost of utilizing A&M for the other 9 hospitals would be approximately \$3.6 M.
26	The governor and legislature are urged to utilize and strictly apply the criteria of Act 842 of the 2008 Session with eligibility for funding being limited to organizations that are accredited or certified by the LANO.	SEE IMPACT	\$0	To the extent that funding to non-governmental organizations is limited to organizations that are nationally certified or accredited, or are accredited or certified by the LA Association of Nonprofit Organizations, state expenditures could be affected. Since appropriations to non-governmental organizations varies from year to year and it is not known which organizations are certified or accredited, the fiscal impact of this recommendation is not known, but would likely limit the eligibility of otherwise currently likely organizations.
27	LA Workforce Commission write an RFP to privatize the issuance and distribution of certificates to one-stop participants.	\$0	\$0	The Workforce Commission is expected to accomplish this task with existing federal funds so there was no impact.
28	DEQ issue an RFP for the outsourcing of the DEQ Laboratory Services Division and eliminate an administrator position as part of the outsourcing of lab services.	DECREASE	DECREASE	Estimated to decrease SGF expenditures by \$1.5 M annually if the lab space could be leased to a non-state entity. Another \$1.2 M Environmental Trust Funds could be saved annually by eliminating 18 vacant lab positions (including the administrator position at \$142,500 salary). At the time of the recommendation, lab services to analyze water samples were already outsourced at a FY 10 contract cost of \$543,000. DEQ was still scoring responses to the RFP for outsourcing the remaining lab analyses and had no firm figures for possible cost savings. DEQ anticipated shifting funding for supplies and operating services no longer needed for operation of the lab into Professional Services to provide funds for outsourcing lab work.
29	DEQ lease office and warehouse space at reduced rates from the department.	(\$67,350)	(\$67,350)	Initial estimates indicated savings for DEQ of \$67,350 SGF annually from renting less expensive office and warehouse space from Department of Agriculture. As well, it was estimated that Agriculture could generate an additional \$155,797 annually from this arrangement.
30	DEQ cease operations of the DEQ library.	\$0	(\$270,000)	Environmental Trust Fund expenditures were anticipated to decrease \$270,000 annually due to elimination of 2 positions which would have been paid \$96,969 in FY 11, elimination of Operating Expenses of \$24,031, and elimination of annual rent for the space of \$149,000. The elimination of rent assumed that a non-state tenant would occupy this space.
31	DEQ reduce the workforce TO by 20 through ongoing streamlining opportunities as determined by the Secretary.	(\$1,262,500)	(\$1,262,500)	DEQ estimated that the elimination of 20 positions would yield savings of approximately \$63,125 per position or \$1,262,500.
32	WLF consider consolidating the litter hotline from DEQ.	\$0	SEE IMPACT	DEQ currently receives complaints from a litter hotline by citizens and in response sends "litterbug" warning letters to the subjects of said complaints. Funding for this activity is the Keep Louisiana Beautiful Fund. Collections for the past 3 years are FY 09 \$2,636, FY 08 \$2,271, and FY 07 \$2,018. This responsibility and related funding will be transferred to the Department of Wildlife and Fisheries. The department does not expect any increase in expenditures from the consolidation of the litter hotline with its current activities of litter abatement and anti-litter campaigns. Existing radio communications staff in the Enforcement Division will be utilized. One person at DEQ spends a small part of their time on this function and this efficiency measure will allow their duties to be reassigned to other functions of the department.
33	WLF consolidate the marine, inland, wildlife facilities at the Lacombe Hatchery.	\$0	(\$8,400)	Prior to Hurricane Katrina, Office of Fisheries field staff were located in trailers on land that was leased at a Slidell marina. This staff has since been relocated to the Lacombe Hatchery which is already state property, therefore, there will be no rental, purchase or lease costs. Expenses related to the land rental and utilities was still included in the department's Conservation Fund appropriation. The FY 11 appropriation was reduced by \$8,400 due to the consolidation.

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37	DPS - consider outsourcing commercial fleet registration for interstate jurisdictions.	\$0	(\$25,762)	An estimated \$25,762 in savings would be realized in the Office of Motor Vehicles in FY 11 as a result of the out-sourcing of commercial fleet registration. The estimated savings is based on a proposal received from ACS, the vendor selected to takeover commercial fleet registration for the state, at a cost of \$979,128. The agency anticipates signing a contract with ACS by the end of January 2010. The system developed by ACS is expected to be fully operational by September 2010.
40	DVA consider outsourcing pharmacy services at veterans homes through a RFP.	(\$768,637)	(\$768,637)	Eliminate 6 pharmacists, one at each veterans home and 2 at the NE LA War Veterans' Home since 20% of patients receive medication through the onsite pharmacy. The department will contract with a pharmacist to fill prescriptions and will apply for the prescriptions with money received from Medicare.
41	DVA consider outsourcing the physician services at the veterans homes through an RFP.	(\$819,499)	(\$819,499)	Eliminate 6 physicians, one at each veterans home and 2 at the NE LA War Veterans Home. The SW LA War Veterans' Home currently has a contract physician. Each veterans' home will contract with their own doctor. The contracts were expected to be between \$1,500 and \$3,000 per month with no additional cost when the doctor visits the home.
42	DVA re-negotiate the competitive therapy services at the veterans homes.	DECREASE	DECREASE	Renegotiate therapy contracts from a cost of \$0.99 per minute of services or \$2,703,653 per year. The costs for therapy related services are reimbursed through Medicare Part A and Part B. By issuing an RFP, Veterans' Affairs will attempt to realize a savings of \$300,000 per year or a cost of \$0.88 per minute of service.
43	DVA evaluate outsourcing or re-negotiate the food contracts at the veterans homes.	DECREASE	DECREASE	Renegotiate food contracts in veterans homes to achieve a lower cost per meal. The cost of all the homes was valued at \$1.3 M with 3 meals served per day at a cost of \$1.40 per meal and over 930,000 meals are served each year. Each \$0.01 per meal decrease would result in a savings of \$9,300 per year.
45	Continue the implementation of LaGov Program (ERP).	DECREASE	DECREASE	The continued implementation of the Enterprise Resource Planning (ERP) system will result in the short-term cost avoidance of approximately \$10 M but will ultimately increase the cost over original projections by approximately \$20 M. The continuation of the implementation of the ERP includes the "piloting" of DOTD only. The remainder of this project is scheduled to be implemented in FY 13.
46	Consolidate the state's data processing assets to move to a centralized data environment.	DECREASE	DECREASE	The proposed recommendation would consolidate the state's data processing assets to a centralized data environment. This would result in savings over a 3-year period of \$10.8 M in FY 11, \$21.7 M in FY 12 and \$32.6 M in FY 13. These savings do not include the potential start-up and staffing costs which may be required in the DOA as a result of this consolidation. The DOA has yet to determine these costs.
47	Continue implementation of email as a statewide shared enterprise service.	DECREASE	DECREASE	The proposed recommendation would continue the implementation of e-mail as a statewide shared enterprise service. The DOA notes that it is in the process of consolidating statewide e-mail and has approximately 11,000 mailboxes (14 agencies) remaining to be consolidated. The total savings resulting from this implementation is unknown as the DOA notes that most state agencies do not track the cost of its e-mail service. The cost of e-mail service plus the elimination of IT staff through consolidation will ultimately result in a reduction in state expenditures.
48	Implement an IT spend analysis/agency efficiency scorecard.	SEE IMPACT	SEE IMPACT	The proposed recommendation would result in the implementation of an IT spend analysis/agency efficiency scorecard. The DOA will compare agency IT expenditures with existing staff. This analysis will be completed in the first quarter of 2010 and will result in a cabinet level presentation by the CIO that will be incorporated into the FY 11 Executive Budget.
50	Implement a single infrastructure for external health care initiative.	DECREASE	DECREASE	The proposed recommendation requires a centralized approach related to the ongoing development of Electronic Medical Record (EMR) technology and Health Information Exchange technology for DHH agencies, LSU hospitals, and the Division of Administration. Information provided by the state CIO indicates this recommendation is anticipated to generate savings of an indeterminable amount as a result of IT infrastructure consolidation. Specifically, savings may result from efficiencies and of economies of scale associated with discount pricing (discount costs by offering volume in purchasing), staff time and support, duplicative network maintenance contracts, and duplicative hardware and software purchases.

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51	Continue implementation of a management of enterprise network infrastructure.	DECREASE	DECREASE	The proposed recommendation to continue implementation of consolidated network infrastructure (data/phone) is anticipated to result in a decrease of state expenditures by an indeterminable amount. R.S. 39:15.3, which is the enabling legislation for the OIT, provides for OIT to oversee and coordinate the centralization of the technology systems and data processing systems, including consolidation, outsourcing and sharing statewide government information technology resources and services. This recommendation essentially provides for the continuation of duties and responsibilities OIT already has statutory authority to enforce. To the extent more state agencies are consolidated into one network infrastructure, the cost of maintaining the network should decrease and agency expenditures will likely shift from acquisitions and personal services associated with network maintenance to operating services for rates paid to OTM for system maintenance.
54	To direct all boards and commissions, excluding retirement boards, to file electronically financial statements by February 1 of each year.	SEE IMPACT	SEE IMPACT	The recommendation provides for boards and commissions to annually file a financial report to the Division of Administration and the State Legislature, which is anticipated to have no expenditure impact upon the state. This recommendation further provides that all funds not needed by these boards and commissions be subject to appropriation for any lawful purpose by the legislature. The specific impact of such a measure will ultimately depend upon the following variables: 1.) what is the current ending year fund balances within the various active boards and commissions; and 2.) how much of the boards' and commissions' ending year fund balance "is not needed" for future known expenditures in subsequent fiscal years.
55	LA state government create a website modeled after the "Where the Money Goes: Window on State Government and Transparency at Work in Texas."	INCREASE	INCREASE	The proposed recommendation would result in an increase in SGF expenditures in order to add functionality to the LaTrac system (the state's Transparency & Accountability Portal). The DOA is uncertain as to the potential increase in expenditures which would result.
57	Revenue be authorized and directed to establish provisions on its website so that taxpayers may ask questions about tax notices and receive answers online, through email, and that allow taxpayers to file an appeal	\$0	\$0	The Department of Revenue anticipated no direct effect on state expenses to implement this measure since it already offers online capabilities. However, appeals must be made to the Board of Tax Appeals and the department has offered to link to their sites to help simplify the appeals process.
62	All departments to maximum extent possible contract with Corrections for prison labor to perform cleaning and janitorial services.	(\$124,778)	(\$124,778)	There are 8 buildings in the Capitol Park area under contract with private cleaning and janitorial contractors that cover 702,920 square feet. The current contract is for \$771,351.70 or \$1.0973 per square foot. The Prison Enterprises (PE) rate per square foot is \$0.9198. The total cost to PE would be \$646,573.
64	The fixed-site scale responsibilities of DOTD be transferred to State Police and that State Police be directed to achieve a savings of at least 25% in the second year through the consolidation of responsibilities.	\$0	\$0	This recommendation will result in a savings during the second year of implementation. The recommendation provides for a consolidation of all weight enforcement activities within the Office of State Police and directs State Police to effect a 25% savings during the second year of the consolidation. The regulation of weights on highways in Louisiana is currently divided between State Police and the Department of Transportation & Development (DOTD). State Police is responsible for regulation of vehicles' weights on state highways. DOTD is responsible for regulation of vehicles' weights on interstate highways. State Police utilizes a mobile police force equipped with mobile scales for its regulation activities. DOTD's regulation of interstate highways is accomplished via fixed-sites or stationary scales. DOTD's current budget includes \$5.1 M and 97 positions for regulation of fixed-sites/stationary scales.
66	Establish single location for IT help desk functions for all state agencies.	DECREASE	DECREASE	The proposed recommendation will result in an indeterminable decrease in state expenditures. The DOA will perform an IT "spend analysis" which will review hardware, software, and personnel. Upon completion of the review of these assets, the CIO will determine how to implement this recommendation and will have a more complete estimate of potential savings.

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67	Develop plans to further integrate services of DSS (now the Department of Children & Family Services) and the LA Workforce Commission, especially those services where shared clientele is realized.	\$0	\$0	This recommendation was expected to result in little or no savings administratively but could perhaps improve customer service through efficiencies of improved communication and one-stop service.
70	Transfer Independent Living, Community & Family Support, and Traumatic Head & Spinal Cord Injury Trust Fund programs from DSS/LA Rehabilitation Services to DHH-OAAS.	\$0	\$0	The original recommendation stated no direct material impact on expenditures as a result moving Independent Living, Community & Family Support, & Trust Fund for Traumatic Head & Spinal Cord Injury from DCFS to DHH. Also, the original recommendation states that there may be some potential savings in the future as a result of better coordination of services and funding streams.
74	Re-allocate DSS emergency preparedness sheltering activities to GOHSEP, LANG or a professional vendor.	SEE IMPACT	SEE IMPACT	The additional cost to provide the total capacity needed for LA residents is unknown. GOHSEP and DCFS are to work with parishes to fully identify public facilities that have sheltering potential and will consider utilizing these for improvements. Facility Planning & Control is estimating the cost to improve sites around the state as opposed to building new sites and will do a cost/benefit analysis to prioritize projects. Final calculations are not yet complete.
75	Consolidate eligibility and enrollment functions for citizens needing services or support from DSS or DHH at no additional costs.	\$0	\$0	The fiscal impact of the original recommendation was indeterminable. The recommendation was not specific on which agency will acquire the eligibility determination function for medical assistance under DHH (Medicaid, LaCHIP, and WIC) or benefits under DCFS (TANF, SNAP, CCAP). The recommendation proposes an "electronic" access for eligibility and enrollment through web-based technology, a centralized call center, electronic case records, and a coordinated provider portal. Although up front IT related costs are anticipated to be significant, recurring administrative savings could be realized associated with elimination of duplicate personnel and associated operational expenses. The net effect is unknown.
76	Automate DNR's oil and gas permitting and reporting processes under the Office of Conservation.	\$3,743,230	\$3,743,230	The complete automation of all of DNR's oil and gas permitting processes will result in a net increase of \$3.7 M in FY 11. A one-time cost of \$3.85 M in FY 11 will be necessary to develop electronic forms and business processes within the existing SONRIS system. The automation of oil and gas production reports would result in the elimination of 3 full-time positions at a savings of \$106,770 annually beginning in FY 11. Complete automation of all processes will occur in FY 13 and would result in an additional elimination of 10 positions at a savings of \$622,418 annually.
77	Transfer appropriate rehabilitation service functions in DSS to DHH and the LA Workforce Commission.	\$0	\$0	The original recommendation of transferring appropriate rehabilitation services in LA Rehabilitation Services (LRS) from DCFS to LWC was not projected to result in immediate cost savings. Future potential cost savings may be realized if realigning this function with LWC eliminates any duplication of effort resulting in a decrease in the number of employees or the amount of physical space needed for future operations. The amount of savings, if any, cannot be determined.

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78	To recommend the BESE study the use of digital textbooks in state schools and to report to the Legislature prior to March 2010.	SEE IMPACT	SEE IMPACT	SGF expenditures are not expected to increase to study the use of digital textbooks as proposed in the recommendation. However, the initial investment in digital textbooks will increase expenditures significantly.
83	Direct the DOE and BESE to pursue student based budgeting.	SEE IMPACT	SEE IMPACT	The recommendation could increase SGF and local expenditures to initially implement student based budgeting. It is likely that the Minimum Foundation Program formula would not be changed, and the same amount of funding from the state would be dispersed to the districts. However, the school systems would change their operations, and it is possible that more funding will be dispersed to the classroom and not expended through the local central office.
84	Governor and legislature authorize DHH to use co-pays up to \$10 for emergency room treatment to the extent allowed by federal law.	(\$226,312)	(\$817,600)	The DHH originally anticipated that Medicaid funded emergency room visits would decrease by 2%. This estimate was based on decreases in private insurance utilization when private plans implemented co-payments for emergency services. The savings estimated is a net savings, as DHH assumes that patients deterred from emergency room care for non-emergent services will seek primary care with providers accepting Medicaid.
86	WLF write an RFP to outsource control of aquatic plants.	SEE IMPACT	SEE IMPACT	The department's annual expenditures related to the Aquatic Plant Control Program is \$6.9 M, which includes \$550,000 for contracts and approximately 47 positions participating in the activity. The department began investigating the increased use of contractors in January 2009. Before then, contractors were used on a limited basis. Currently the department is trying to determine how they might best be utilized in the future, and intends to make comparisons early in 2010 when all data has been collected and when staff biologists usually meet (in February) to review results and make recommendations. Currently, the department's opinion is that it is more cost effective to use contract spraying only on large acreages of floating aquatic vegetation. The department does not recommend at this time outsourcing the entire program and has no plans without information that supports outsourcing to issue an RFP for this purpose.
87	Corrections expand its partnership with LSU HSC-Shreveport to provide more costly medications to inmates in the Shreveport region.	DECREASE	DECREASE	The Department of Corrections partnered with LSU HCSD to receive medication for the HIV positive population at a discounted price using the 340B Drug Pricing Program. DOC is working with LSU HCSD for offenders to receive medications at a reduced rate at each LSU HCSD hospital that offenders receive medical care.
88	Direct OJJ to privatize health care services in secure care through an RFP.	SEE IMPACT	SEE IMPACT	Renegotiate health care services contract for Jetson and Bridge City Centers for Youth to be similar in cost to the rate for Swanson Center for Youth. Both facilities are serviced by LSU HSC - New Orleans at a cost of \$94 per day per bed. Swanson is served by LSU HSC - Shreveport for a cost of \$41 per day per bed.
89	Direct OJJ to privatize pharmacy services in secure care through an RFP.	SEE IMPACT	SEE IMPACT	The impact of the recommendation depended on the cost of the pharmacy contract that OJJ awarded. A savings of \$495,018 would occur with the elimination of 4 pharmacy positions from the 3 secure care facilities. The FY 11 budgeted amount for prescriptions was \$942,262. The final impact depends on bids received through an RFP that was issued.

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92	Military Dept consider outsourcing utilities on their installations through an RFP.	UNKNOWN	UNKNOWN	The proposed recommendation would result in the outsourcing of utilities on Military Department installations. The SMD will investigate the potential savings which may result from outsourcing the maintenance of utilities at its installations.
93	Military Dept consider outsourcing fixed charge services on their installations through an RFP.	SEE IMPACT	SEE IMPACT	The proposed recommendation would outsource fixed charge services on SMD installations through an RFP.
96	DHH establish a competitive procurement process for operation of inpatient mental health institutions and/or certain services provided at the installations, and include in the solicitations a requirement for constructing new facilities without using any new state debt.	DECREASE	DECREASE	IAT/Medicaid expenditures will decrease by unknown amounts. A 2006 feasibility study by DHH/OMH estimated savings from closing the state's mental health institutions as follows: Southeast LA State Hospital (SELH) \$4 M; Central LA State Hospital (CLSH) \$2.1 M; and East LA State Hospital (ELSH) \$4 M. Savings mostly from reduced staffing costs. Further savings and costs unknown until DHH evaluates RFPs related to closing facilities and privatizing services.
97	DHH OAAS implement a needs-based allocation of services in Elderly & Disabled Adult Waiver Program and Personal Care Attendant Services Medicaid Option by the end of FY 10.	DECREASE	DECREASE	The original recommendation projected an unknown amount of cost saving for FY 11 and future fiscal years. Implementation of a resource allocation plan for the Elderly & Disabled Adult Waiver Program (EDA) and the Long Term Care Personal Care Services (LT-PCS) Medicaid Option under the waiver is anticipated to reduce both state and federal matching.
99	DHH write an RFP to privatize secure residential services for persons found Not Guilty by Reason of Insanity and the Lockhart population.	DECREASE	DECREASE	SGF and IAT (Disproportionate Share "DSH") governmental expenditures will potentially decrease by an estimated \$6.1 M in FY 11; \$3.1 M at CLSH (53 beds) and \$3 M at ELSH (82 beds) as result of contracting for privatized secure forensic beds.
100	DOI be given permission to buy its own telephone system, which will be an improved system.	\$0	(\$250,138)	To the extent the DOI purchases its own telephone system, the department will incur additional costs in the net amount of \$34,568 in FY 11 due to the purchase of the new system, but in subsequent fiscal years will save approximately \$250,138 annually. Current costs for the system paid to the Office of Telecommunications (OTM) are \$298,224 for phone lines. Upon the purchase of the new system, which moves the department from an analog system to a digital system, the DOI will incur \$233,016 in one-time acquisitions and \$10,000 conversion costs for the purchase of system, but with existing departmental employees maintaining the system, the DOI will realize \$250,138 of annual cost savings. Current costs include during conversion fiscal year include: OTM Phone Line - \$78,625, New Phone System Costs - \$233,016, New Phone Annual Maintenance - \$11,151, Conversion Costs - \$10,000, for a total of \$332,792 during the conversion year. Upon completion of the conversion, projected annual costs include: \$34,705 - OTM Phone Line, \$13,381 - New Phone Maintenance, for total projected annual costs of \$48,086.

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103	Develop plan to remove the state from leasing of buildings and office space.	INCREASE	INCREASE	The proposed recommendation will likely result in a significant increase in state expenditures over an indeterminable time period. The DOA estimates that since very little space is available in existing state properties, new office space would be required which may cost up to \$1 B. Savings may potentially occur at such time as all bond debt incurred to build new office space is terminated. Any potential savings realized in future fiscal years is indeterminable.
105	Every dept be required to organize itself structurally for the delivery of services along uniform regional boundaries as determined by the state, shift transactions with the public to an electronic online capability as appropriate, support regional government services center under a mall concept.	SEE BELOW	SEE BELOW	The LFO is unable to estimate the net expenditure impact from implementation of this recommendation due to the uncertainty of decisions which would be made as to regional boundaries which would ultimately be determined, those specific agencies which would share the various potential facilities under a "mall concept," the additional electronic capability which might further be implemented, the buildings that may eventually be constructed or deemed surplus, or the timing of what will likely be an incremental process.
107	OJJ partner with DSS to better implement the Families in Need of Services Program with a goal of preventing youth from entering the costly JJ system.	DECREASE	DECREASE	The recommendation is a component of the Coordinated System of Care recommendation and could lead to a decrease in SGF expenditures. FINS youth and their families need services to achieve the best results to keep them from entering the juvenile justice system. An attempt will be made to leverage federal Medicaid dollars through a Medicaid waiver to cover the costs of behavioral health services.
108	School districts should work with OJJ to forward local MFP funds to OJJ for students transferred to state custody and are no longer in schools, eliminating the double payment.	DECREASE	DECREASE	Minimum Foundation Program (MFP) funds for students transferring to state custody will flow from the school system from which they were previously enrolled to the Office of Juvenile Justice (OJJ), and OJJ's budget could be reduced by a like amount.
110	DHH to study appropriate role and determine best future use of Villa Feliciana Medical Complex either as medical facility or otherwise.	\$0	\$0	The fiscal impact of the original recommendation was indeterminable. The Department of Health & Hospitals has indicated that 2 reviews of Villa's operations have been conducted in recent years; however, a determination has not been made as to whether there is a need for a public facility to provide these services or if the capacity for treating the special population of patients at Villa can be developed in the private sector.
125	Coastal Protection & Restoration should continue to integrate state's existing coastal restoration, hurricane and flood protection efforts.	\$0	SEE IMPACT	The Coastal Protection & Restoration Authority and Office of Coastal Protection & Restoration (OCP&R) will continue to integrate coastal restoration and hurricane protection programs in order to develop cost efficiencies and better management of funds. To the extent that integration of programs enables cost efficiencies, a decrease in expenditures should result. Any such cost reductions are not quantifiable at this time.
126	Coastal Protection & Restoration should continue utilizing the support, staff, science and legal services of other agencies to avoid duplication and retain efficiency.	\$0	SEE IMPACT	The Coastal Protection & Restoration Authority, Office of Coastal Protection & Restoration and other state entities will continue to utilize the support, staff, science and legal services of other agencies to avoid duplication and retain efficiency. To the extent that services can be conducted by these entities, a decrease in expenditures may result. Any such cost reductions are not quantifiable at this time.
127	Coastal Protection & Restoration should continue developing a prioritization tool to guide funding decisions and to identify the best opportunities to restore the ecosystem and protect LA from hurricane and storm damages.	\$0	DECREASE	The Coastal Protection & Restoration Authority and Office of Coastal Protection & Restoration will continue to prioritize funding decisions. To the extent investments are made in the highest value projects that benefit the largest populations and the largest acreage of the coastal ecosystem, an increase in effectiveness should result. Additionally, a decrease in time associated with decision making, should result in a decrease in expenditures. Any such cost reductions are not quantifiable at this time.
128	Coastal Protection & Restoration should initiate a study to determine the appropriate roles and responsibilities of levee districts, parish governments, the state and federal agencies involved in hurricane protection and coastal restoration efforts.	\$0	DECREASE	The Coastal Protection & Restoration Authority and Office of Coastal Protection & Restoration will determine the appropriate roles and responsibilities of levee districts, parish governments, the state and federal agencies involved in hurricane protection and coastal restoration efforts. To the extent there is a reduction of duplication of effort and improved coordination among entities, a decrease in expenditures should result. Any such cost reductions are not quantifiable at this time.

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129	Coastal Protection & Restoration should ensure the OCP&R engages in the third party-level technical review known as Independent Technical Review (ITR) that provides recommendations concerning project plans & designs.	\$0	DECREASE	The Coastal Protection & Restoration Authority and Office of Coastal Protection & Restoration will ensure that the Office of Coastal Protection & Restoration engages in a third party, project-level technical review known as Independent Technical Review (ITR) that provides recommendations concerning project plans and designs. To the extent agency's projects are technically sound and cost effective, a decrease in expenditures should result. Any such cost reductions are not quantifiable at this time. Independent technical reviews have been conducted several times on extraordinarily complex and expensive projects. Members of the review committees are nationally known experts that are chosen for their expertise and provide independent advice. The technical advice and recommendations ensure the state is accomplishing strategies, maximizing environmental benefits and minimizing costs.
130	Coastal Protection & Restoration should continue to pursue the strategic deployment of mitigation funds to provide quicker start and faster completion of projects.	\$0	DECREASE	Through the Water Resources Development Act (WRDA) of 2007 and several other emergency supplemental bills, over \$15 B in projects were authorized for an upgraded hurricane protection system for New Orleans and the surrounding parishes. Federal law requires the U.S. Army Corps of Engineers to mitigate for impacts to waters of the U.S. associated with the construction of the hurricane protection system. Mitigation options are still being evaluated. The Corps has stated that between \$200 M - \$700 M will be spent to satisfy this requirement. One of the strategic options currently being evaluated is to apply the mitigation funds toward selected LA Coastal Area (LCA) projects. This would be a one-time, non-recurring opportunity and these funds can only be used for restoration projects. The state's cost share for the LCA restoration projects is 35% and these mitigation funds would be utilized for both the state and federal cost responsibilities of the selected projects.
131	Coastal Protection & Restoration should continue to reduce the time it takes to complete the contracting process.	\$0	DECREASE	The Coastal Protection & Restoration Authority and Office of Coastal Protection & Restoration will continue to reduce the time it takes to complete the contracting process. Based on a DNR internal study, the average time between inception to award of contract is 250 days with an extreme being 520 days. Several hundred contracts are processed annually and having contracts extend for longer periods of time usually results in changed site conditions which is likely to increase project and design costs. To the extent the contracting process time frame is reduced to 180 days, a decrease in expenditures should result. Any such cost reductions are not quantifiable at this time.
132	Coastal Protection & Restoration should work with federal partners to improve the project development and implementation process, focusing on a reduction in the time which elapses between the initiation of a concept to completion of the	\$0	DECREASE	The Coastal Protection & Restoration Authority and Office of Coastal Protection & Restoration will continue to work with federal partners to improve the project development and implementation process. To the extent there is a reduction of time between the initiation of a concept and completion of the project, a decrease in expenditures should result. Any such cost reductions are not quantifiable at this time.
133	Coastal Protection & Restoration should continue to improve the new project budgeting and management system.	\$0	SEE IMPACT	The Coastal Protection & Restoration Authority and Office of Coastal Protection & Restoration will continue to improve the new project budgeting and management system called @Task (At Task). This new program links to existing IT software, such as the Strategic Online Natural Resources Information System (SONRIS) at the Department of Natural Resources. To the extent the monitoring and managing of projects is more efficient and effective and there is a reduction of staff time utilized, a decrease in expenditures should result. Any such cost reductions are not quantifiable at this time.
134	Legislature require all HIED bring their TO on budget.	\$0	\$0	There is no anticipated direct material effect on governmental expenditures to bring the Table of Organization of all institutions of higher education on budget. The Board of Regents would need to determine how a single Table of Organization would apply to higher education institutions. Higher education institutions are multifaceted and use a variety of personnel resources, such as adjunct positions, research assistants and have varying degrees of outsourced activities. It is anticipated that including this additional information will promote greater scrutiny of Higher Education's budget and resources and is likely to yield information upon which reasonable efficiencies and cost reductions can be based.
135	Workforce Development and DCS should begin discussions now, in anticipation of a reduction in the state workforce, to develop a plan for easing the transition of the employees from state service to private employment.	\$0	\$0	The Office of Workforce Development (LWC) and State Civil Service collaborated on a layoff preparation plan to assist state employees seeking employment as a result of workforce reductions. The LWC's Rapid Response Program will be responsible for providing employment and other retraining or readjustment services to displaced state employees. Civil Service will be responsible for connecting state agencies that are facing significant layoffs and their employees with available LWC resources as early as possible. Specific actions agreed on include: LWC providing flyers to Civil Service which give information on LWC services along with LWC's web contact information; LWC making a presentation on how the Rapid Response Program works at the human resources directors' quarterly meeting held on 1/13/2010; and Civil Service asking agencies if they would like to include a Rapid Response Team in preliminary discussions, once layoff discussions begin.

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136	Each statewide elected official should determine the number of unfilled positions authorized for the agency in its TO, eliminate approximately 50% of those unfilled positions, and return the funds appropriated to the state.	\$0	\$0	In accordance with the guidelines in this recommendation, a total of \$1.2 M and 84 vacant positions were identified as the amounts available for elimination in FY 10. Elimination of approximately 50% of the unfilled positions and the associated funding that existed as of 10/2/2009 would necessitate the following reductions: Culture Recreation & Tourism 58 vacancies and \$659,373; Insurance 10 vacancies and \$370,177; Justice 7 vacancies and \$94,736; Secretary of State 1 vacancy and \$28,626; Lt. Governor 2 vacancies with no funding; Treasury 1 vacancy and \$45,495; and Agricultural & Forestry 5 vacancies with no funding.
137	Create Office of Behavioral Health within DHH to replace the current Mental Health and OAD.	DECREASE	DECREASE	Indeterminable savings as a result of consolidation. Potential savings of \$350,000 from elimination of duplicative services.
138	DOTD eliminate its airplane.	\$0	SEE IMPACT	Eliminating the DOTD airplane and outsourcing the aerial photography activity is indeterminable and dependent upon the cost charged by the private sector to provide the aerial photography service. DOTD currently has 3 TO positions at an approximate cost of \$295,238 of TTF-Reg. The positions to be eliminated are the pilot and 2 engineering tech positions. The pilot's personal services and associated expenditures are currently funded with TTF - Aviation in the FY 11 projected amount of approximately \$189,000, while the 2 engineering tech positions are funded with TTF - Reg. in FY 11 projected amount of approximately \$106,000. The expenditure savings realized from reducing the 3 TO positions and associated expenditures would be utilized for a professional services contract to outsource such an activity. This proposal could increase one-time revenue in the amount of \$864,000 due to the surplus of the DOTD airplane. According to the DOA, the current estimated value of the plane is approximately \$864,000 while the original cost of the plane was \$1.3 M.
139	DOTD eliminate 4 ferry routes.	\$0	(\$6,108,433)	Elimination of the ferry routes at Melville, Reserve, White Castle and New Roads is anticipated to reduce total state expenditures approximately \$6.1 M and 41 TO positions, including \$3.2 M in annual operating costs, \$710,500 in maintenance repair and overhead costs, \$520,548 in insurance costs, and \$1.62 M in capital cost. The positions to be reduced include: 22 - Marine Deckhand/Toll Collectors, 1 - Marine Oilers, 8 - Marine Engineers, 7 - Marine Masters, 3 - Marine Operations Supervisors. By eliminating the 4 ferry routes, the department will not collect approximately \$129,000 SGR that is currently generated from toll revenue collections.
140	Corrections outsource pharmaceutical services.	DECREASE	DECREASE	The recommendation would result in the elimination of 15 pharmacists and 12 pharmacy technicians at all state correctional facilities. The reduction of 27 T.O. will result in a savings of \$2,544,590 in salaries and related benefits. The overall savings is not known since there will be some costs associated with the management of medications and prescriptions.

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141	Corrections outsource the collection of probation and parole fees.	SEE IMPACT	SEE IMPACT	The impact of the recommendation would depend on the type of contract whether it would be paid on a percentage basis or a flat contract amount. Probation & Parole Officers would have more time to dedicate to supervising cases rather than collecting fees. The cost of contracting a private firm to collect probation and parole fees is unknown. The savings/cost would be determined after an RFP is issued.
143	Provide that a LA state prisoner, who does not have a high school diploma or who has not passed the GED, shall have made available to him a program designed to help him pass the GED.	INCREASE	INCREASE	The recommendation is currently in operation in all 12 state facilities. Enrollment in programs is based on a priority basis with offenders within 3 years of their release given top priority. An increase in SGF expenditures would occur if the recommendation included stated offenders housed in local prisons since these offenders do not have access to educational programs. The number of teachers needed is indeterminable since there are offenders housed in 122 facilities around the state.
146	DOTD outsource maintenance operations to the private sector and sell production equipment not used except for emergency equipment.	\$0	SEE IMPACT	The cost of requiring DOTD to outsource all maintenance operations to the private sector is indeterminable and dependent upon the costs the private sector charges DOTD for a specific project.
147	DOTD employ fleet management to eliminate 20% of its cars and trucks.	\$0	INCREASE	Reducing the number of DOTD vehicles (cars & trucks) 20%, or 360 vehicles, is anticipated to result in a net annual expenditure increase in the amount of \$492,676. Although reducing the fleet is anticipated to result in annual maintenance savings of approximately \$477,720 per year, offsetting additional costs estimated at \$970,396 per year are anticipated to result in net additional annual expenditures. According to DOTD, there are approximately 1,796 cars and trucks within its fleet. A 20% reduction represents a reduction of approximately 360 vehicles. Fuel expenditures will have no impact as fuel cost is contingent upon miles traveled and not the number of vehicles in need of maintenance. However, these savings could be diminished due to DOTD expending additional operating expenditures in the amount of approximately \$970,396 associated with 247 vehicles being employees' personal vehicles, which would result in per mile reimbursement costs, operated within a departmental rental pool or other rental vehicles.
148	DOTD outsource at least 80% of its design engineering private sector.	\$0	SEE IMPACT	Requiring DOTD to outsource at least 80% of its design engineering to the private sector, is indeterminable and dependent upon the cost charged by the private sector to provide design engineering services. According to DOTD, there was approximately \$3.2 B total expended on 970 projects from July 2007 to June 2009 (includes the total cost of the project), of which 67%, or \$2.2 B, of these projects was designed by outsourced engineers, while the remaining 33% was handled by in-house engineers. According to DOTD, approximately 6% of the \$2.2 B of these projects, or \$132 M, was expended on design engineering costs. To the extent DOTD outsources an additional 13%, there could be expenditure reductions associated with less need for in-house engineers. However, those expenditure reductions will depend upon the cost charged to DOTD by the private engineering contractor.
149	DOTD reduce work related accidents by 50% from 7% to 3.5%.	\$0	DECREASE	Reducing DOTD's work-related accidents by 50%, from a total of 7% to 3.5% is anticipated to result in an indeterminable decrease in state expenditures from the Transportation Trust Fund (TTF). Any reduction in worker's compensation claims will ultimately result in lower expenditures by DOTD. Based upon information provided by the Office of Risk Management (ORM), in FY 09 DOTD paid \$686,000 for 275 claims of which \$104,000 is for indemnity claims and \$582,000 is for medical claims. Based upon FY 09 actual data, the average benefit per claim is approximately \$2,495. To the extent the claims are reduced by 50%, or 138 claims, potential expenditure savings by DOTD could be approximately \$343,000. However, this is dependent upon actual claims expenditures realized (medical & indemnity).
150	DOTD approve more projects for value engineering.	\$0	SEE IMPACT	The expenditure impact of DOTD approving more projects for value engineering is indeterminable and could result in an increase or decrease in expenditures depending upon the value engineering recommendations implemented within a specific project. According to an article published on the Construction Management Association of America's website, value engineering is defined as "a formal logical and analytical process by which multi-disciplined teams seek the best balance between a project's required functions and its life-cycle cost. It is a problem-solving tool that most often reduces costs, but also seeks to maintain or improve performance and quality."

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152	DNR field audit program for royalties be transferred to Revenue and that no more than 75% of the monies spent by the DNR to perform this service by appropriated annually to Revenue to perform the service.	\$0	SEE IMPACT	If the Department of Revenue is able to conduct field audits of mineral royalties at 25% less than the DNR, annual savings of about \$400,000 would result. The savings would presumably be generated in the Mineral & Energy Operations Fund, which is funded with 10% of bonuses from leaseholders. It is expected that this fund would continue to pay for royalty field audits.
153	State agencies are directed to explore adoption of LEAN principles to improve efficiency, increase productivity, eliminate waste in system processes and save money.	SEE IMPACT	SEE IMPACT	There are 2 potential expenditure impacts from this recommendation. One is an increase in expenditures due to training requirements, and the other is a potential decrease in expenditures due to implementation of the Lean principles. Depending on the procedures addressed, revenue collections may also increase with implementation of the LEAN principles. Without a more succinct target of activities, exact impacts statewide could not be determined.
154	Requests the DOA to evaluate various alternative IT funding models.	SEE IMPACT	SEE IMPACT	The proposed recommendation would have no initial impact as this evaluation would be performed with existing DOA staff. To the extent that alternative funding models are implemented, state expenditures for IT funding may be reduced.
155	Research outsourcing print and mail infrastructure across all dept.	SEE IMPACT	SEE IMPACT	Outsourcing print and mail infrastructure across all state departments is indeterminable and dependent upon the costs to provide in-house printing services versus a contractor providing a similar service. To the extent the state outsourced all print functions, based upon information provided from the DOA, state expenditures would likely increase. However, to the extent other state agencies utilized the State Print Shop as opposed to operating their own print shop functions, there would likely be overall state savings due to the volume discount the State Print Shop would likely realize.
157	Explore cost-benefits of utilizing managed print services.	DECREASE	DECREASE	Employing managed print services will result in an indeterminable decrease in state expenditures. The concept of managed print services essentially outsources the entire desktop printing process. This is a similar concept to the current practice whereby state agencies rent copy machines from a vendor with the vendor being responsible for all maintenance of the system included within a monthly rental fee. Managed Print Services (MPS) involves the management of hardcopy equipment such as copiers, printers and fax machines in a unified fashion.
159	Reduce state fleet by 10% in FY 10, FY 11, and FY 12.	DECREASE	DECREASE	Reducing the number of state-owned vehicles 10% in FY 10, FY 11, and FY 12 is anticipated to result in a maintenance expenditure reduction of approximately \$1.6 M in FY 10, \$1.5 M in FY 11 and \$1.3 M in FY 12. The total fleet reduction is 1,241 vehicles in FY 10, 1,117 vehicles in FY 11, and 1,005 vehicles in FY 12. The state's fleet at the end of FY 09, which was utilized for these calculations, was approximately 12,411. According to LPAA, in calendar year 2008 the per vehicle maintenance expenditure (maintenance/insurance) was approximately \$1,327/vehicle. Fuel expenditures will have no impact as fuel cost is contingent upon miles traveled and not the number of vehicles in need of maintenance. Annual vehicle purchases are typically one-time purchases that are non-recurred every year by the Division of Administration during the Executive Budget development process. Thus, the fiscal impact of not replacing a vehicle due to this recommendation is not considered because absent of this recommendation those specific vehicles are non-recurred every year during the normal Executive Budget Development process.
160	Eliminate certain unfilled positions within executive branch of state government in response to hiring freeze.	DECREASE	DECREASE	If all unfilled positions within the executive branch of state government that are included in the T.O. that were frozen in response to Executive Order No. BJ 2009-11 were eliminated, 795 positions would be reduced from T.O. and the state's total expenditures would be reduced by \$52.5 M, which includes approximately \$29 M from the SGF. The Legislative Fiscal Office was not able to obtain a breakout of the reductions coming from non-general fund revenues.

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162	Create a database of commodity-based procurement to include services across the state in order that the state can make more strategic decisions in developing contracts.	SEE IMPACT	SEE IMPACT	The proposed recommendation will result in an increase in costs related to the creation of the database for commodity-based procurement. The DOA estimates this cost to be approximately \$1 M for database development and \$100,000 for additional hardware. To the extent that the development of the database results in more strategic decisions related to contract formulation on a statewide basis, some indeterminable level of savings may result which would offset the initial expenditure of funds. The LFO cannot determine at what point this potential savings may surpass the initial state investment.
163	Require the DOA to pursue the development of enterprise contracts and require state agencies to utilize these contracts.	DECREASE	DECREASE	The proposed recommendation may result in an indeterminable decrease in state expenditures. The DOA anticipates that the use of "enterprise contracts" may result in a 10% (\$7 M) decrease in costs for such expenditures as printers, network security, storage, workstations, servers, and networking.
164	Requests the DOA to develop a program to effectively monitor the performance of vendors who do business with the state.	SEE IMPACT	SEE IMPACT	The proposed recommendation would result in the DOA creating a database which will give state agencies the opportunity to report vendor performance upon completion of contracts. Some level of efficiencies may be realized by agencies that select better performing vendors as a result of the development of this program.
165	Requests all departments regardless of statutory authority to process their own contracts, to provide the DOA information on those contracts not in the state's contract financial management system.	SEE IMPACT	SEE IMPACT	The impact of the proposed recommendation would ultimately depend upon the manner in which the contract information is provided to the DOA. Information submitted in an electronic format from the current systems utilized by higher education and other such agencies which do not currently submit this information through the state's contract financial management system (CFMS) could be merged into data provided by the LaTrac system. This would minimize the potential impact on all state agencies and would result in negligible costs as any programming work would be performed by existing staff of the DOA.
166	Requests all departments to engage in thorough review of private contracts to identify underperforming and low-priority contracts.	SEE IMPACT	SEE IMPACT	Review of such contracts would likely be with existing staff at no cost to the state. Possible savings may be realized if reviews indicate a number of underperforming and/or low priority contracts which are ultimately eliminated or reduced.
167	Inpatient capacity can be absorbed by the community hospitals in certain markets with emphasis on Huey P. Long Hospital (HPL).	UNKNOWN	UNKNOWN	Net fiscal impact of closing Huey P. Long Hospital (HPL) and moving inpatient services to local community hospitals is unknown. Net effect will be based on per diem rates of hospitals in the area, and at this time, it is unknown what the rate differential will be. If HPL is closed and inpatient services are absorbed by community hospitals, areas in which possible savings may be found are in T.O. reductions, facility upkeep, operations, non-labor services, and professional service contracts.
170	Full cost recovery.	SEE IMPACT	SEE IMPACT	In the absence of exact criteria of full cost recovery as recommended, an accurate analysis cannot be determined as the specific details of such criteria will determine the impact. Thus, the specific fiscal impact of this recommendation is indeterminable. Applying the full cost recovery method statewide will ultimately depend upon policy decisions made by the governor and the legislature. The specific policy decisions to be made include: 1.) What specific state services should be completely funded by users (payers of specific fees for state service) and how much of an increase/decrease should the users reasonably incur; 2.) What specific state services should be completely funded by taxpayer (payers of sales tax, income tax, etc.); 3.) What specific state services should include a mixture of the two; 4.) What indirect costs are appropriate to fund with this revenue and; 5.) The programs to be funded and scale of services provided in the programs.

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171	BESE broadcast and archive its meetings online.	INCREASE	INCREASE	The recommendation will result in an indeterminable increase in SGF expenditures. It is not clear what method may be used to broadcast and archive the meetings, and any costs related would be dependent upon the chosen methods.
174	Each agency should consider furloughs for employees as a cost-savings measure to help delay or eliminate the possibility of layoffs.	DECREASE	DECREASE	The savings resulting from a 1 day furlough for all nonexempt state employees whose salary is funded in the general appropriation bill is estimated to be at least \$7 M a day. The estimated savings does not include estimated savings from the Department of Health & Hospitals (DHH). Certain personnel in agencies that are required to operate 24-hours a day (i.e. hospitals, prisons, state police) would have to be exempt from any furloughs or reduction in work hours. Since DHH did not provide salary information regarding its exempt employees, salary data regarding DHH was not included in the analysis to arrive at the savings reflected above. Assuming not all DHH 's employees would be exempt from a furlough, the savings would exceed the \$7 M a day estimate.
175	To the extent that agencies employ the retirement incentive layoff measure, the agency should abolish the position vacated by each retiree or the agency should abolish other positions which provide the same savings that would be gained from abolition of the vacated position.	DECREASE	DECREASE	To the extent that agencies abolish positions vacated by employees retiring under Civil Service rule 17.9, the number of positions in the T.O. will be reduced, along with a corresponding reduction in expenses for salaries and related benefits.
180	Legislature should consider adopting a special, earlier pre-filing date for legislation related to retirement to allow adequate time for fiscal and actuarial analysis of each proposed legislation.	\$0	\$0	There is no anticipated direct material effect on governmental expenditures as a result of this measure. It is assumed the legislature will be able to accomplish this recommendation without additional resources.
182	Legislature should require each agency receiving state funding or operating with SGR to evaluate and justify its staffing level as part of the	\$0	\$0	There is no anticipated direct material effect on governmental expenditures as a result of agencies evaluating and justifying staffing levels.
184	Legislature should determine whether an agency's unclassified managers receive pay increases even if they have not complied with the requirements applicable to classified	SEE IMPACT	SEE IMPACT	There is no anticipated direct material effect on governmental expenditures for the legislature to make this determination. It is assumed the legislature will be able to accomplish this recommendation without additional resources.
185	By 2/1/2010, Department of Civil Service (DCS) should hold mandatory education and training for all upper level management and HR staff of executive branch agencies. By 3/15/2010, DCS and	\$0	\$0	Assuming Civil Service maintains its FY 10 funding level, the costs associated with education, training and discussions related to this recommendation will be absorbed utilizing the agency's existing resources. If the Civil Service Commission revises the pay rules as a result of agency discussion, any costs resulting from these revisions would be absorbed by the affected state agencies.

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186	The Department of Civil Service (DCS) should coordinate with DOA to eliminate any duplication in training programs and to ensure there are no gaps in the training programs offered.	\$0	(\$266,650)	Although no duplication of effort has been identified, Civil Service indicated that it will find efficiencies to realize a 20% reduction in expenditures for training, which will result in a \$266,650 savings due to the transfer of the Comprehensive Public Training Program (CPTP) from the Division of Administration to Civil Service. The majority of the expenditures in CPTP's budget is for a contract with LSU to provide training. The FY 10 budget for CPTP is \$1,333,233 and 4 T.O. The FY 11 budget for CPTP is \$1,066,583, which includes \$644,540 for training contracts. The training currently offered by Civil Service is not affected by this reduction. The Legislative Fiscal Office anticipates that the FY 11 reduction will be primarily accomplished through a decrease in the number of training days.
187	The Department of Civil Service (DCS) shall adopt appropriate national, regional or state testing or certification programs that may be used in lieu of the civil service exam to determine qualifications for classified positions.	SEE IMPACT	SEE IMPACT	At this time, neither the Legislative Fiscal Office nor the Department of Civil Service is able to determine the fiscal impact of adopting alternative testing and certification programs. Civil Service's research on the different types of testing is not complete. Therefore, no details are available. Civil Service will be meeting with vendors and experts to recommend the appropriate testing and certification programs for its job selection process.
188	The Department of Civil Service (DCS) should examine the supervisor-to-staff ratios, within each program in executive branch agencies and determine whether the ratio is appropriate based on the particularized circumstances and data from the industry.	SEE IMPACT	SEE IMPACT	For the Legislative Auditor and Civil Service, the costs associated with the implementation and management of this recommendation will be absorbed utilizing existing resources. Civil Service's ability to absorb the costs, assumes that it will maintain its FY 10 funding level. Both agencies plan on re-prioritizing its' current workload to accomplish the goals in this recommendation.
189	The Civil Service Commission should not consider an employee whose annual performance review shows he or she meets expectations for any pay increase which purports to be based on meritorious service or performance.	DECREASE	DECREASE	Implementation of this recommendation is anticipated to result in an indeterminable decrease in state expenditures. If the Civil Service Commission adopts this recommendation, any employee whose performance rating shows he or she only meet expectations would not receive a merit or performance pay increase, which will result in a savings to state agencies. Under current rules employees whose performance is rated as meets requirements are currently eligible for a merit increase. In FY 09, 19,607 employees received a "meets requirements" for their performance review. The Legislative Fiscal Office assumes that "meets expectations" is synonymous with "meets requirements". For illustrative purposes only, based on the average annual salary for a classified state employee of \$40,988, and assuming that the average merit was a 4% increase for 6 months, the state would save approximately \$19 M in FY 10. The calculated savings also includes a reduction in retirement expenses. The savings would impact any available state means of financing.
190	The Department of Civil Service (DCS) should annually report to JLCB regarding the turnover rate in state agencies and the cost associated therewith.	\$0	\$0	There is no anticipated direct material effect on governmental expenditures as a result of this measure. Civil Service will utilize its existing staff to prepare an annual report detailing the turnover rate in state agencies along with the associated costs. In FY 09, the classified turnover rate was 13.28%. As of 6/30/2009, there were 61,812 classified employees.
191	Legislature and the Department of Civil Service (DCS) should continue efforts to enlarge the pay bands, to provide opportunities for flattening agencies' organizational charts, to encourage use of pay-for-performance initiatives, and to widen the utilization of the dual career ladder.	\$0	SEE IMPACT	Assuming Civil Service maintains its FY 10 funding level, the costs associated with implementation and management of this recommendation will be absorbed utilizing the agency's existing resources. Civil Service plans to re-prioritize current workload requirements to accomplish this recommendation.
192	Civil Service should encourage each agency to conduct exit interviews with employees who sever employment and to record the reasons for the separation in the Integrated State Information System (ISIS) or other utilized personnel records system.	\$0	\$0	No significant effect on expenditures is anticipated to result from the incorporation of turnover information into ISIS or from the incorporation of turnover information into a report. Assuming Civil Service maintains its FY 10 funding level, the agency will be able to accomplish the recommendation with existing resources. It is assumed that the Division of Administration will also be able to provide for any programming changes to the ISIS computer system without requiring additional resources.

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193	All departments should be encouraged to utilize the maximum allowable probationary period of two years for employees hired on or after 1/1/2010.	DECREASE	DECREASE	The proposed Streamlining Commission recommendation will result in an indeterminable decrease in state expenditures. If the Civil Service Commission adopts this recommendation, the minimum employee probationary period will be lengthened from a period of no less than 6 months to a period of no less than 24 months. Since employees traditionally receive a pay raise at the completion of their probationary period, lengthening employees' probationary periods will result in a savings. A probationary employee may be separated by the appointing authority at any time.
194	The Department of Civil Service (DCS) should encourage state agencies to take full advantage of existing pay and rewards and recognition policies to provide employees with both monetary and nonmonetary rewards for outstanding performance.	SEE IMPACT	SEE IMPACT	Assuming Civil Service maintains its FY 10 funding level, no additional funding will be required for Civil Service to accomplish the goals in this recommendation. To the extent that use of these programs is successfully encouraged, efficiencies and cost savings could be realized.
196	Each manager responsible for engaging in the PPR process should use the PPR forms to track each employee's productivity and level of performance by using objective information to measure actual performance against expectations.	\$0	\$0	There is no anticipated direct material effect on governmental expenditures to accomplish this recommendation. This recommendation does not include any new responsibilities for the Department of Civil Service. Traditionally, when monitoring agencies performance and review process, Civil Service has focused on compliance. Civil Service will shift its focus from compliance to quality. Civil Service plans to offer more training and perform more audits on the performance and review process. Civil Service plans on re-prioritizing its current workload to accomplish these goals.
197	The Department of Civil Service (DCS) should lower the number of classifications to 800 by December 2010 and further lower the number to 600 by December 2011.	SEE IMPACT	SEE IMPACT	Assuming Civil Service maintains its FY 10 funding level, no additional funding will be required for Civil Service to accomplish the goals in this recommendation. Civil Service will redirect its current staff toward researching and recommending to the Civil Service Commission the appropriate number of job classifications. The fiscal impact to agencies cannot be determined until the recommendation to reduce or collapse job classifications is completed. Civil Service currently has 1,308 job classifications.
198	Each state agency should consider furloughs to keep costs down.	DECREASE	DECREASE	The annual savings resulting from a 4-day furlough (every nonexempt employee one day each quarter) is estimated to be at least \$28 M. The estimated savings does not include estimated savings from the Department of Health & Hospitals (DHH). Certain personnel in agencies that are required to operate 24 hours a day (i.e. hospitals, prisons, state police) would be exempt from any furloughs or reduction in work hours. Since DHH did not provide salary information regarding its exempt employees, salary data regarding DHH was not included in the analysis to arrive at the savings reflected above. Assuming not all DHH 's employees would be exempt from a furlough, the savings would exceed the \$28 M estimate.
199	DHH should study the use and feasibility of telemedicine.	SEE IMPACT	SEE IMPACT	This recommendation requires DHH to study the use and feasibility of telemedicine. Information received from the department indicates that Medicaid currently reimburses for telemedicine consults. Providers essentially flag a telemedicine visit on a claim to identify this specific type of visit. On an annual basis, the total payments from LA Medicaid that are identified as telemedicine consults are minimal.
200	Reduce the paperwork required of each district for annual pupil progression and advanced plans and school improvement plans to net change documents instead of redoing the entire report.	SEE IMPACT	SEE IMPACT	School districts would be able to save time by conducting a shorter needs assessment and only completing the necessary sections of the reports. According to the Department of Education, the current needs assessment process for the School Improvement Plan is about a 30 to 60 day process. The assessment could be shortened to a week-long process that would involve a web-based submission of data.
201	Restructure MFP so that MFP follows the child and that 80% of the MFP funds are spent on the classroom as directed by the principal.	SEE IMPACT	SEE IMPACT	The recommendation could increase SGF and Local expenditures to initially implement student-based budgeting. It is likely that the same amount of funding from the state could be dispersed to the districts. However, the school systems would change their operations, and it is possible that more funding will be dispersed to the classroom and not expended through the local central office.

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202	Ensure the terminated, deceased and retired do not get their active employee pay inappropriately.	DECREASE	DECREASE	The proposed recommendation would reduce state expenditures to the extent that persons terminated, deceased, or retired do not receive pay inappropriately.
203	Restructure teacher pay to provide incentives for education graduates to seek secondary positions.	INCREASE	INCREASE	The Department of Education initially indicated there could be a significant increase in SGF expenditures due to incentives being provided to teachers to help fill secondary teaching positions.
204	Align DOE contracts to the highest priority education initiatives, and cancel the other contracts that are not top priorities.	DECREASE	DECREASE	The Department of Education estimated expenditures could be reduced by approximately \$4 M if 10% of all funding was reduced for contracts in the State Activities agency.
205	DNR should automate data entry and privatize record archiving for the Office of Mineral Resources.	\$0	(\$259,902)	Implementation of the 2 recommendations would result in a total estimated cost savings of \$259,902 due to the elimination of 4 positions.
207	Pass the LA New Start Education Tax Credit Program.	SEE IMPACT	SEE IMPACT	To the extent that students transfer to private schools, state expenditures through the MFP would decrease on average by \$5,031. Students that transfer from an academically unacceptable school would save the state \$1,031 (\$5,031 - \$4,000 tax credit). There would also be a reduction in SGF revenue to provide the tax credits.
209	Centralize the hosting of current and future compatible GIS and volume buy GIS software and licenses.	DECREASE	DECREASE	Centralizing the hosting of current and future GIS systems and volume buying GIS software is anticipated to result in an indeterminable decrease in state expenditures. However, the costs savings associated with this recommendation will be associated with volume buying GIS software and licenses and not centralizing the hosting of GIS systems. The expenditure savings associated with this recommendation will likely occur if the state negotiates a volume buy agreement with the vendors. According to the GIS Systems Council, state agencies are currently purchasing GIS software and licenses at retail value. The volume buy would be equivalent to the bulk purchasing contracts in place for such vendors as Microsoft, Oracle, IBM, etc. To the extent the state negotiates bulk pricing with vendors, the cost of GIS licenses and software will likely decrease. In addition, to the extent local governments are included within the negotiation process, their expenditure costs will likely decrease. According to the GIS Systems Council, the anticipated savings could range from 10% - 20%.
210	Merge and assign the administration of BESE's block grant program focused on pre-k programs for at-risk 4-year olds into the DOE's LA-4.	\$0	\$0	To the extent that the programs may be evaluated together or during the same time periods there is a potential for savings, however, any potential savings cannot be determined at this time.
211	Primary responsibility for adult education resides with LCTCS and transfer DOE's Division of Adult & Community Education to LCTCS.	\$0	\$0	There is no anticipated direct material effect on governmental expenditures as a result of this measure. According to the LA Community & Technical College System (LCTCS) the transfer of the adult education program would be savings neutral, assuming the funding and related positions for the program is transferred from the Department of Education to LCTCS.
212	Require BESE to terminate pre-GED Skills Options Program and direct local education agencies to re-direct funds supporting the program to approved dropout prevention programs modeled after JAG.	SEE IMPACT	SEE IMPACT	According to the Department of Education, the conversion of the Pre-GED Skills Option Program to EMPLOY/JAG will require that districts redirect existing local funds and possibly additional funds to support the program. The Department does not have data on the amount of funding that districts are currently spending on the Pre-GED Skills Option Program, however, they have reported the average yearly enrollment is 7,200 students.

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213	DPS eliminate Oil Spill Coordinator's public outreach program.	\$0	SEE IMPACT	The LA Oil Spill Coordinator's Office (LOSCO) does not have expenditures allocated specifically for public outreach activities, therefore no significant savings is anticipated to occur as a result of implementation of the recommendation to eliminate the public outreach program. Limited public outreach duties are currently handled by existing personnel in conjunction with other assigned duties. In addition to public outreach duties, existing personnel are also responsible for reviewing oil spill notifications to determine if further action is required, responding to all oil spills handled by LOSCO, and assessing damage to the state's natural resources as a result of an oil spill. As LA's lead office for oil spill response, LOSCO coordinates state agencies involved in oil spill cleanups. A LOSCO staff member is on call 24-hours a day, ready to respond as the state on-scene coordinator should the need arise. In FY 09, LOSCO handled 24 oil spills. The agency received 3,780 notifications of oil spills in FY 09.
214	Revenue charge based on full cost recovery private businesses, groups or individuals for issuing private letter rulings.	\$0	\$88,245	Private Letter Rulings (PLRs) are a written statement issued by the Department of Revenue to a taxpayer applying principles of law to the taxpayer's specific set of facts. The PLRs are legally binding so require extensive involvement of attorneys. The average total cost of providing a PLR is about \$1,961. In a typical year, 45 PLRs are requested. The cost estimate of \$88,245 is 45 * \$1,961 but it could fluctuate each year depending on the types and numbers of requests.
215	Each dept must review its historical vacancy and attrition rates and shall make strategic reductions in positions by 5%.	\$0	\$0	A reduction of 5% of funded positions in the T.O. of agencies in the general and ancillary bills for each of the next 3 years will result in an annual savings of approximately \$121.1 M in FY 11, an additional \$115 M in FY 12, and an additional \$109.3 M in FY 13, and reduce the number of authorized positions from 43,881 (40,632 or 93% classified; and 3,249 or 7% unclassified) in FY 10 to 37,622 in FY 13. The aggregate savings through FY 13 is estimated at \$345.4 M. The number of positions in the general appropriations bill would be reduced from 42,978 positions in FY 10 to 36,848 positions in FY 13. The number of positions in the ancillary appropriations bill would be reduced from 903 positions in FY 10 to 774 positions in FY 13.
216	DHH to continue implementation plan to sell and/or lease Hainkel Home.	\$0	\$0	The original recommendation projected an increase of \$355,635 in SGF in FY 12 followed by a decrease of \$320,229 in SGF in future fiscal years. The increase in FY 12 is the result of increases in retiree group insurance, termination pay, unemployment compensation, and risk management premiums.
217	Direct OGB to write an RFP to consider consolidating and outsourcing state employee group medical benefits.	SEE IMPACT	SEE IMPACT	The fiscal impact of consolidating and outsourcing state employee group medical benefits under a single administrative provider is indeterminable. OGB currently places all of its members of its various plan offerings into one risk pool for actuarial analysis. Although the majority of the administrative costs for the HMO and EPO plans is contracted, there are some administrative functions that are provided by OGB employees. OGB also administers its own health plan called the PPO. Out of a total of 332 TO positions within OGB, the agency has 107 TO positions and \$6.3 M personal services expenditures appropriated to process provider contracts, provide customer service and process claims for the PPO plan. To the extent the PPO plan is outsourced to a private organization like the HMO and EPO are currently, there could be expenditure savings associated with the potential reduction of a portion or all of the 107 TO positions within OGB for those specific positions who provide direct PPO service functions as discussed above.
218	Scale down the LA Teacher Assistance and Assessment Program.	SEE IMPACT	SEE IMPACT	Assuming school systems carry out the LA Teacher Assistance & Assessment Program as before, a majority of the costs will shift from the state to the local school system. The funding that was previously provided to districts for the program by the Legislature has been reduced. It is not known if the systems will continue to pay for substitutes and stipends for mentors, or if they will provide training for assessors.

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219	Eliminate the workforce grant program in the LED as the LA Fast Start program is operational.	\$0	\$0	This recommendation is already implemented and is included in the agency's current budget.
220	Reduce Entertainment Workforce Program in LED.	\$0	\$0	This recommendation is already implemented and is included in the agency's current budget.
225	DSS eliminate the EITC technical support program.	\$0	(\$1,200,000)	Eliminate the Earned Income Tax Credit (EITC) Technical Support Program for an anticipated annual savings of \$1.2 M in federal Temporary Assistance for Needy Families (TANF) block grant funds. The EITC provides free tax preparation assistance to low income families with minor children who qualify for the EITC. Rates paid to DSS-affiliated Voluntary Income Tax Assistance (VITA) providers varied from \$40 to \$200 per income tax return completed. In FY 11, the savings generated from the elimination of the EITC program would support other TANF programs that are in line with the core competency of the department. Although the state would cease to provide this free tax preparation service, the LA Department of Revenue may be able to conduct an educational campaign with their existing resources to increase taxpayer awareness about EITC.
228	Reduce the site-specific fund in LED.	\$0	\$0	This recommendation is already implemented and is included in the agency's current budget.
229	Change the supporting guarantees for Small Business Loan Guarantee Program.	\$0	\$0	This recommendation is already implemented and is included in the agency's current budget.
234	To provide the annual spending per secure commitment bed in OJJ be reduced to southern average.	SEE IMPACT	SEE IMPACT	A southern average of spending per secure care commitment does not exist, but the states of Florida, Alabama, Missouri, and Arkansas were contacted to compare spending. An average was determined between the states contacted, but the comparison cannot be accurately determined because services offered to juveniles vary by state.
235	Provide that the span of control in all departments shall be minimum of 1 manager per 10 employees.	SEE IMPACT	SEE IMPACT	To the extent that programs are identified with supervisor to staff ratios that are deemed inappropriate, possible adjustments may be made which impact service delivery cost or quality. In many cases savings may be realized by expanding the span of control of supervisors. There may also be instances where a more narrow span of control can improve focus on quality of service. The Legislative Fiscal Office cannot anticipate the final outcome or fiscal impact of actions taken in response to the span of controls called for in this recommendation. Recommendations ultimately implemented could impact any state means of finance source.
237	Corrections to explore legislation and rule making to identify and administrative efficiencies and potential costs savings.	DECREASE	DECREASE	The Department of Corrections considered allowing offenders under parole supervision to earn "good time" and finish parole earlier. The impact could result in less offenders on parole and a reduced caseload for Probation & Parole Officers, who could work with parolees that are a high risk to recidivate. To the extent the high risk parolees do not recidivate, a cost savings occurs by not jailing the parolees.
238	Direct the LA Sentencing Commission to complete its work and provide to the legislature with recommendations for 2010 Session that will improve public safety and be cost effective to taxpayers.	SEE IMPACT	SEE IMPACT	The Sentencing Commission began limited work on the sentencing structure and planned to present its initial report to the Legislature in March of 2010. It has also conducted limited reports using Department of Corrections data, began a statistical review of prison admission and trends, and began a statistical review of recidivism relating to incarcerated populations.