

# **IV. Recommendations Status**



## **CURRENT STATUS REPORT/IMPLEMENTATION OF REORGANIZATION PLAN**

*November 1, 2011*

### **RECOMMENDATION # 1**

Reduce total number of state-owned automobiles to 2004 level over a 12 month period.

#### **STATUS: IMPLEMENTED**

This recommendation and Recommendation #2 have been superceded by Recommendation #159. According to the Division of Administration, the intent of these three recommendations is being implemented in accordance with the specific provisions of Recommendation #159.

### **RECOMMENDATION # 2**

Reduce total number of automobiles by 20% and convert many agency fleets to rental over a 12 month period.

#### **STATUS: IMPLEMENTED**

This recommendation and Recommendation #1 have been superceded by Recommendation #159. According to the Division of Administration, the intent of these three recommendations is being implemented in accordance with the specific provisions of Recommendation #159.

### **RECOMMENDATION # 3**

Hold department heads accountable for poor safety performance by department employees.

#### **STATUS: IMPLEMENTED**

According to the Division of Administration, they are in the process of implementing this recommendation. The Office of Risk Management (ORM) reformatted its annual report to allow for the inclusion of the Loss Prevention Compliance Review/Audit Results for all departments. ORM will publish the FY 2010-2011 Annual Report, which will include the Audit Results Report in December 2011.

**RECOMMENDATION # 4**

Hire a safety consulting firm, where necessary, to train poorly performing department personnel to prevent work-related accidents.

**STATUS: IMPLEMENTED**

Senate Bill 551 of the 2010 Regular Session, by Senator Donahue, was introduced to accomplish this recommendation. The bill was referred to the Senate Committee on Labor and Industrial Relations but was not reported by the committee. Money was included in the Executive Budget to cover the expense of this recommendation. In July 2010, the ORM outsourced its Loss Prevention Program to F.A. Richard Associates, Inc. (FARA). FARA was subsequently purchased by Avizent on May 24, 2011. It is presumed that Avizent will continue to provide the expected level of expertise of FARA for the remainder of the contract.

**RECOMMENDATION # 5**

Develop coordinated plan for consolidated collection of accounts receivable where feasible.

**STATUS: IMPLEMENTED**

House Bill 1019 of the 2010 Regular Session, by Representative Green, would have established the Louisiana Debt Recovery Program within the Department of Revenue to serve as the primary debt collecting entity for the state. The bill failed to make it through the legislative process, but the concept is being implemented where feasible through the Executive Budget, which became Act 11 of the 2010 Regular Session.

**RECOMMENDATION # 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.

**STATUS: IMPLEMENTED**

Senate Bill 291 of the 2010 Regular Session, by Senator Donahue, was introduced to accomplish this recommendation. The bill became Act 67, and the recommendation is being implemented.

**RECOMMENDATION # 7**

Department of Revenue increase number of auditors through employee definitions to increase compliance.

**STATUS: IMPLEMENTED**

According to the Division of Administration, this recommendation is being implemented in an effort to increase compliance for the state.

**RECOMMENDATION # 8**

Move Department of Social Services printing and mail operations to private company.

**STATUS: NO ACTION; NOT COST EFFECTIVE**

According to the department (now the Department of Children and Family Services), there have been several studies conducted to determine whether it would be cost effective for the department to move its printing and mail operations to a private company. With all but one study completed, the department has found that the change would not be cost effective.

**RECOMMENDATION # 9**

Transition Medicaid to an integrated delivery system with care coordination.

**STATUS: IMPLEMENTED**

The Executive Budget for FY 2010-2011 contained provisions for the implementation of the Medicaid Coordinated Care Initiative, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. Because of legislative concerns, the Department of Health and Hospitals pulled the emergency rule that would have implemented Coordinated Care Networks effective April 2011 in order to obtain additional stakeholder and legislative input. A series of eight stakeholder meetings throughout the state is scheduled throughout December 2011, and it is anticipated that modifications will be made to the program and presented to legislative health and welfare committees in January 2012. This will be followed by regular rule making (February 2012 Louisiana Register) in preparation for implementation in the last half of FY 2011-2012.

**RECOMMENDATION # 10**

Department of Health and Hospitals solicit qualified providers to partially privatize centers for the developmentally disabled by transferring residents to private centers or transitioning them to community based services. Further recommends Department of Health and Hospitals consolidate state run centers. These solicitations should be competitively based on cost and quality experiences and the contract should contain incentives to reduce costs and compliance with regulatory requirements.

**STATUS: IMPLEMENTED**

The Executive Budget for FY 2010-2011 contained provisions for the privatization of selected state Intermediate Care Facilities/Developmental Disabilities Centers, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session.

Prior to 2005, Louisiana had nine state-operated institutions. By the end of the current fiscal year, the state will operate only three large institutions. The Office for Citizens with Developmental Disabilities has consolidated or closed and privatized some state operated support and service centers as well as transitioned 20 percent of residents in state operated centers to community-based services.

**RECOMMENDATION # 11**

Implement a competitive bid process to redirect services from public health units to local providers (such as FQHC's and RHC's).

**STATUS: IMPLEMENTED**

The Department of Health and Hospitals is currently restructuring how clinical services are provided throughout the state, including transitioning services to other appropriate providers, such as FQHC's and RHC's.

**RECOMMENDATION # 12**

Consolidate Department of Health and Hospitals operated in-patient health services in Greater New Orleans area.

**STATUS: COMPLETED**

The Department of Health and Hospitals has advised that this recommendation has been completed.

The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. This recommendation was accomplished by closing New Orleans Adolescent Hospital and moving 35 inpatient beds from that facility to Southeast Louisiana Hospital.

**RECOMMENDATION # 13**

Department of Health and Hospitals review RFP to privatize community homes, independent living clients and extended family living.

**STATUS: IMPLEMENTED**

This recommendation is designed to shift care from a more traditional institutional setting to community homes. The Department of Health and Hospitals has advised that this recommendation is being implemented. They have downsized and/or privatized 30 of the state-operated community homes and transitioned 41 recipients of supported independent living services/supports to private community waiver providers, and transitioned 54 recipients of extended family living services into pure waiver funding using private providers.

**RECOMMENDATION # 14**

Department of Public Safety and Corrections – Corrections Services review RFP to outsource all aspects of food services.

**STATUS: NO ACTION; NOT COST EFFECTIVE**

The department entered into a contract with a prime food vendor (A&L Sales) in December 2010 to provide the same foods, excluding meat, to all state prison facilities. The contract ended June 2011 after the vendor chose not to renew the contract. A new RFP is in the bid process.

**RECOMMENDATION # 15**

Department of Natural Resources review RFP to outsource data entry for archiving lease records.

**STATUS: COMPLETED**

This recommendation has been superseded by Recommendation #205. According to the Department of Natural Resources, this recommendation has been completed.

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**RECOMMENDATION # 16**

Department of Natural Resources implement a pilot program to change inspection of wells by self reporting affidavit with appropriate penalty for noncompliance.

**STATUS: NO ACTION; COST PROHIBITIVE**

According to the Department of Natural Resources, they have studied this recommendation and determined that it could not be implemented within the department's current budget. In addition, of the 10 conservation enforcement specialist positions that would have been reduced due to this recommendation, five positions were reallocated to other duties in the Office of Conservation and five were eliminated.

**RECOMMENDATION # 17**

Require electronic reports by energy producers to the Department of Natural Resources.

**STATUS: NO ACTION; COST PROHIBITIVE**

According to the Department of Natural Resources, they have not implemented this recommendation due to budget issues.

**RECOMMENDATION # 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 on-line claims system.

**STATUS: COMPLETED**

According to the Division of Administration, this recommendation has been implemented. Office of Risk Management outsourced its Workers' Compensation Program to a private vendor, FARA, on September 1, 2010. The total amount paid for workers' compensation claims decreased by \$5.3 million for FY 2010-2011.

**RECOMMENDATION # 19**

Louisiana Workforce Commission eliminate Second Injury Fund over time.

**STATUS: IMPLEMENTED**

Senate Bill 639 of the 2010 Regular Session was introduced by Senator Murray. It became Act No. 799. It sunsets the Second Injury Fund on Dec 31, 2014. The legislation also revamps the criteria for second injury fund claims, as well as the second injury fund processes, to better align its operations with its stated purpose and improve its efficiency. As the fund is eliminated in 2015, full administrative savings are not expected until 2025 since claims generally provide for up to 10 years of wage replacement benefits and the Second Injury Board is required to continue reimbursing claims until they prescribe or are settled.

**RECOMMENDATION #20**

Department of Social Services should implement on average a 1:8 supervisor-employee report ratio.

**STATUS: COMPLETED**

Act 877 of the 2010 Regular Session of the Legislature renamed the Department of Social Services the Department of Children and Family Services (DCFS). With its reorganization efforts over the last two years and final approval by the Civil Service, DCFS has reached its goal of 1:8 supervisor-to-employee target ratio.

In addition, among other items, House Concurrent Resolution 77 of the 1020 Regular Session, by Representative Danahay and Senator Donahue, urged and requested the Department of State Civil Service to examine the supervisor-to-staff ratios within each executive branch agency to determine the appropriateness of such ratios and to report annually on the programs examined, the current ratio and the propriety of such ratio. While the resolution is less specific and much broader than the Commission's recommendation, testimony at hearings by the authors as well as State Civil Service indicated that the resolution comes from the Commission's recommendations and that State Civil Service is committed to evaluating and implementing the ideas.

**RECOMMENDATION #21**

Place jurisdiction over all receivables by all departments in Louisiana state government with the Cash Management Review Board and require the State Receivables Report be compiled and published no later than 60 days after the end of every quarter.

**STATUS: NO ACTION**

House Bill 1019 of the 2010 Regular Session, by Representative Green, would have created a single program within the Department of Revenue to serve as the primary debt collecting entity for the state

and in that capacity collecting delinquent debts on behalf of all state agencies. This legislation failed to become enacted.

## **RECOMMENDATION #22**

Direct the Division of Administration to determine the value and the "highest and best use" of each state-owned property, and develop opportunities for the state to enter into public-private development partnerships with private and nonprofit public partners, chosen by competitive bid, in order to develop and manage state owned real estate in a manner that achieves the "highest and best use" of the property, increases cash flow for taxpayers, meets smart growth principles, and satisfies the highest standards of design and environmental sustainability.

### **STATUS: IMPLEMENTED**

Act 73 of the 2010 Regular Session, by Senator Donahue, created the State Buildings and Lands Highest and Best Use Advisory Group with the charge of advising the commissioner of administration on all matters relating to state-owned property and development opportunities for the state to enter into public-private development partnerships with private, non profit or public partners, chosen by competitive bid, in order to develop and manage state-owned real estate in a manner that achieves the highest and best use of the property.

This recommendation has been implemented with the creation of the State Land Office Asset management Report which identified 1,440 state owned properties and includes the value of the properties, present use, best, use, operational costs, maintenance backlog costs, and the recommendation for future utilization. To date, the Division of Administration has completed reports on 63% of these properties from the various state departments/divisions. 196 nonessential properties have been identified with 15 of these properties having been sold for an income to the state of \$1.58 million. The remaining 181 properties have a potential income value of \$21.1 million; however, except for the Carville/St. Gabriel river tract (\$12 million), most of these properties are swampland with very limited access.

**RECOMMENDATION #23**

Develop cooperative arrangements with Arkansas and Mississippi which would identify and explore creative, synergistic opportunities to make the operation of state government and the provision of state government services more cost effective and efficient.

**STATUS: IMPLEMENTED**

The Division of Administration has indicated that they are in the process of identifying any opportunities which may exist to implement the directive of this recommendation. There have been no arrangements entered into to date.

**RECOMMENDATION #24**

To sunset and abolish all special funds in the State Treasury and the statutes establishing such special funds, with some exceptions, as of June 30, 2011, after a full and comprehensive review of the Joint Legislative Committee on the Budget by December 31, 2010.

**STATUS: NO ACTION**

Senate Bill 455 of the 2010 Regular Session, by Senator Donahue, would have abolished certain funds every four years unless legislation was introduced which continued or modified the fund. The legislation further required the Joint Legislative Committee on the Budget to perform a full and comprehensive review of all such special funds no later than December 31 of the year before such funds were to be abolished. This legislation failed to become enacted.

**RECOMMENDATION #25**

The governor and the legislature authorize and direct the LSU Health System to adopt the recommendations of Alvarez and Marsal for the operation of the interim Charity Hospital in New Orleans. The governor and legislature direct each other charity hospital in Louisiana to contract for a similar financial and operational assessment with a third party private sector consulting firm, such as but not necessarily Alvarez and Marsal, that specializes and has a proven track record in turnaround management, corporate restructuring and performance improvement for institutions and their stakeholders.

**STATUS: IMPLEMENTED**

Senate Concurrent Resolution 18 of the 2010 Regular Session, by Senator Donahue, requested the

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Louisiana State University Board of Supervisors to study fully implementing the recommendations from the March 23, 2009, Interim LSU Public Hospital Financial and Operational Assessment performed by Alvarez and Marsal and to expand the findings to applications in all hospitals operated by the Louisiana State University System where it is found to be appropriate.

On September 16, 2011, the Joint Legislative Committee on Budget was presented with the UMC Management Corporation Board Business Plan which was completed by Verite Healthcare Consulting with Kaufman Hall and in conjunction with LSU, Tulane, and many other stakeholders. The major components of the Business Plan include no borrowing on behalf of the Board and State (no issuing bonds), the total cost of the project has been reduced by more than 11%, and the State General Fund operation subsidy will average slightly less than continuing to run the Intermediate LSU Hospital in New Orleans. The Joint Legislative Committee on Budget unanimously approved the business plan and moving forward with the new hospital.

#### **RECOMMENDATION #26**

The governor and the legislature are urged to utilize and strictly apply the criteria of Act 842 of the 2008 Regular Session with eligibility for funding being limited to organizations that are accredited or certified by the Louisiana Association of Nonprofit Organizations or nationally certified or accredited and following the content of the existing executive order which content should be made statutory. Further the Legislative Auditor and Inspector General should have ample tools and mandates to oversee these funds with all due diligence.

#### **STATUS: NO ACTION**

This recommendation with regards to application of the requirements of Act 842 of the 2008 Regular Session, by Representative Schroder, has been implemented. The provisions of the recommendation which limits eligibility of funding to organizations that are accredited or certified by the Louisiana Association of Nonprofit Organizations or nationally certified or accredited has not been implemented to date.

#### **RECOMMENDATION # 27**

Louisiana Workforce Commission write an RFP to privatize the issuance and distribution of certificates to one-stop participants.

#### **STATUS: COMPLETED**

The Division of Administration has implemented the recommendation for Louisiana Workforce

Commission to write an RFP to privatize the issuance and distribution of certificates to one-stop participants. The program is currently under contract with ACT, Inc.

**RECOMMENDATION # 28**

Department of Environmental Quality issue the RFP for the outsourcing of the Department of Environmental Quality Laboratory Services Division and eliminate an administrator position as part of the outsourcing of lab services.

**STATUS: COMPLETED**

Department of Environmental Quality issued an RFP for the outsourcing of the Department of Environmental Quality Laboratory Services Division and eliminated an administrator position as part of the outsourcing of lab services. According to the department, this action saved DEQ \$1.5 million in rental charges. The department awarded the contracts for water analysis, air analysis, UBOD (ultimate biochemical oxygen demand) analysis and radiological analysis in FY 2009-2010.

**RECOMMENDATION # 29**

Department of Environmental Quality lease office and warehouse space at reduced rates from the Department of Agriculture and Forestry.

**STATUS: IMPLEMENTED**

According to the Department of Environmental Quality, this recommendation is in progress and estimated to yield a savings of around \$70,000, and this amount was reduced from DEQ budget in FY 2010-2011. The Department of Environment Quality and the Department of Agriculture and Forestry (LDAF) have met several times in an effort to reach an agreement that would allow LDAF to lease space to DEQ for offices, warehouse, and storage at the LDAF properties on Florida Boulevard and in Haughton, Louisiana. An agreement was reached concerning DEQ's requirements and the facilities and services LDAF will provide. In January 2011, the DEQ and LDAF signed an agreement to move five DEQ laboratory employees to LDAF offices, a significant step in a comprehensive plan that will save the state money while combining resources. Currently, DEQ is in the final stage of negotiations to move additional DEQ personnel to LDAF office space.

**RECOMMENDATION # 30**

Department of Environmental Quality cease operations of its library.

**STATUS: COMPLETED**

The recommendation for Department of Environmental Quality to cease operations of its library has been implemented. According to the department, it saved DEQ \$121,000.00 in rental charges. The department ceased operations of the library in December 2009, and the layoffs associated with the recommendation took effect on January 15, 2010. The library inventory is currently being distributed between the Louisiana State Library and other divisions of DEQ.

**RECOMMENDATION # 31**

Department of Environmental Quality reduce the workforce TO by 20 through ongoing streamlining opportunities as determined by the Secretary.

**STATUS: COMPLETED**

The Department of Environmental Quality eliminated a total of 86 T.O. positions in Fiscal Year 2009-2010, including the 18 T.O. eliminated through the outsourcing of lab services. In addition, the department also eliminated 42 T.O. throughout Fiscal Year 2010-2011. Since Fiscal Year 2009-2010, the department has eliminated 128 T.O. positions associated with streamlining.

**RECOMMENDATION # 32**

Department of Wildlife and Fisheries consider consolidating the litter hotline from the Department of Environmental Quality.

**STATUS: COMPLETED**

The recommendation for Department of Wildlife and Fisheries to consolidate the litter hotline from the Department of Environmental Quality has been completed.

**RECOMMENDATION # 33**

Department of Wildlife and Fisheries consolidate the marine, inland, and wildlife facilities at the Lacombe Hatchery.

**STATUS: IMPLEMENTED**

According to the Department of Wildlife and Fisheries, they are in the process of implementing this recommendation. The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. The department is working with the Office of Facility Planning to establish a funding and design to accomplish this recommendation.

**RECOMMENDATION # 34**

Department of Public Safety and Corrections – Public Safety Services outsource background checks.

**STATUS: NO ACTION; COST PROHIBITIVE**

According to the Department of Public Safety and Corrections – Public Safety Services, they have studied this recommendation and determined that it cannot be implemented within the department's current budget.

**RECOMMENDATION # 35**

Department of Public Safety and Corrections – Public Safety Services outsource the Hazardous Materials 24-hour hotline.

**STATUS: NO ACTION; COST PROHIBITIVE**

According to the Department of Public Safety and Corrections – Public Safety Services, they have studied this recommendation and determined that it cannot be implemented within the department's current budget.

**RECOMMENDATION # 36**

Department of Public Safety and Corrections – Public Safety Services implement a vendor-operated mail room, and print and mail systems.

**STATUS: NO ACTION; COST PROHIBITIVE**

According to the Department of Public Safety and Corrections – Public Safety Services, they have studied this recommendation and determined that it cannot be implemented within the department's current budget.

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**RECOMMENDATION # 37**

Department of Public Safety and Corrections – Public Safety Services consider outsourcing commercial fleet registration for interstate jurisdictions.

**STATUS: COMPLETED**

According to the Department of Public Safety and Corrections – Public Safety Services, this recommendation has been completed.

**RECOMMENDATION # 38**

Department of Public Safety and Corrections – Public Safety Services, Department of Health and Hospitals and Department of Veterans Affairs automate time and attendance systems.

**STATUS: DPSC - NO ACTION; COST PROHIBITIVE; DHH - IMPLEMENTED; DVA - IMPLEMENTED**

According to the Department of Public Safety and Corrections – Public Safety Services, the high implementation cost of implementing this recommendation is forcing the department to delay this until later in light of current budget cuts.

According to the Department of Health and Hospitals, they are in the process of implementing this recommendation, except for employees who do not have computer access. According to the Department of Veterans Affairs, three of five homes have the system in place. The other two homes will have completed installation of the automated time clock systems by October 2011.

**RECOMMENDATION # 39**

Department of Public Safety and Corrections – Public Safety Services consider outsourcing the centralized call center to a location in Louisiana.

**STATUS: NO ACTION; COST PROHIBITIVE**

According to the Department of Public Safety and Corrections – Public Safety Services, they have studied this recommendation and determined that it cannot be implemented within the department's current budget.

**RECOMMENDATION # 40**

Department of Veteran Affairs consider consolidating pharmacy services at the veterans homes through an RFP.

**STATUS: COMPLETED**

According to the Department of Veteran Affairs, the consolidation of pharmacy services at the veterans homes through an RFP has been implemented. The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session.

**RECOMMENDATION # 41**

Department of Veterans Affairs consider outsourcing the physician services at the veterans homes through an RFP.

**STATUS: COMPLETED**

According to the Department of Veterans Affairs, the outsourcing of the physician services at the veterans homes through an RFP has been implemented. The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session.

**RECOMMENDATION # 42**

Department of Veterans Affairs re-negotiate the competitive therapy services at the veterans homes.

**STATUS: IMPLEMENTED**

According to the Department of Veterans Affairs, the re-negotiation of the competitive therapy services at the veterans homes has been implemented. The contract was awarded to Synergy Care, Inc. in Fiscal Year 2009-2010, resulting in savings both in that year and in the next.

**RECOMMENDATION # 43**

Department of Veterans Affairs evaluate outsourcing or re-negotiate the food contracts at the veterans home.

**STATUS: NO ACTION; PRESENT SYSTEM COST EFFECTIVE**

According to the Department of Veterans Affairs, this recommendation was studied. The department has evaluated their current system of providing food service and finds it cost effective. They will continue to monitor it.

**RECOMMENDATION # 44**

Legislation be enacted to allow reverse auctions.

**STATUS: COMPLETED**

A reverse auction is a structured bid process that links web-based technology with traditional bidding methods to obtain lower prices for the customer. Pre-qualified vendors compete in a real-time online auction to determine the lowest responsible bidder. Act 210 of the 2011 Regular Session authorized the use of reverse auctions by certain political subdivisions. Reverse auction language was also contained in the Act 418 of the 2011 Regular Session.

**RECOMMENDATION # 45**

Continue the implementation of the LaGov (ERP) project.

**STATUS: IMPLEMENTED**

The LaGov (ERP) system was implemented for all modules, including AgileAssets, with the Department of Transportation and Development as the agency pilot in November 2010. The Federal Highway Administration (FHWA) compliance audit rendered no significant findings, making Louisiana the first state to achieve such results on implementation of a financial system. Within a few months of go-live, LaGov staff successfully applied a very large SAP support pack, correcting a number of issues and providing some new functionality. With completion of the 13th period close processes, all of the business cycles associated with the system have now been exercised.

Major benefits of this implementation have already been realized. LaGov provides DOTD with the ability to perform daily FHWA billings, as compared to an average of three to five billings per month previously. Increased frequency of billings promise improved turnaround on federal reimbursements to Louisiana. As of 7/25/2011, a total of \$772,780,737.65 in FHWA reimbursements have been processed. Vendor payments processed total \$1,309,457,994, while construction payments have exceeded \$956,777,406. The Linear Assets component of LaGov (AgileAssets) provides greater efficiency by allowing the use of mobile devices to collect and receive work order data by field personnel directly on location. Integrated data and business intelligence reporting have resulted in improved transparency, and have highlighted opportunities for further operational efficiencies.

**RECOMMENDATION # 46**

Consolidate the state's data processing assets to move to a centralized data environment.

**STATUS: IMPLEMENTED**

No comparable legislation was proposed during the 2011 Regular Session. Recommendations have been made and implemented; including combining IT functions at the Department of Public Safety and Corrections, Public Safety Services; the Governor's Office of Homeland Security and Emergency Preparedness; and the Office of Juvenile Justice, since all three reside on the Public Safety Services compound. In addition, the Office of Information Technology has coordinated the establishment of a contract for a managed data center in north Louisiana to support centralization and disaster recovery, and continues to recommend the consolidation of all state agencies to statewide email.

**RECOMMENDATION # 47**

Continue the implementation of e-mail as a statewide shared enterprise service.

**STATUS: IMPLEMENTED**

The number of mailboxes migrating to statewide e-mail system continues to increase. The Louisiana Office of Student Financial Assistance and the Department of Wildlife and Fisheries will be joining statewide email during fiscal year 2012. This will increase the number of mailboxes supported by 1,200, bringing the total number of mailboxes to approximately 30,000.

It is difficult to calculate the savings resulting from individual email consolidations, since full comparative cost data is not usually available from participating agencies. However, as additional agencies have been migrated to statewide email, the rates have been reduced from \$16 per mailbox (with 50 Mb of storage) in FY 2003 to \$5 per mailbox (with 100 Mb of storage) in FY 2012. In addition, it is anticipated that the next version of Exchange (currently being tested) will offer additional benefits to customers, such as larger mailbox sizes, without an increase in the cost per mailbox.

**RECOMMENDATION # 48**

Implement an IT spend analysis/agency efficiency scorecard.

**STATUS: IMPLEMENTED**

The first annual Office of Information Technology (OIT) Spend Survey was distributed and collected during 2010. Survey results were compiled and will serve as the baseline for an annual survey process. Any savings opportunities resulting from this data will be quantified and incorporated into the OIT IT consolidation plans and budget recommendations, where applicable.

There are no expenditures to report and there is no anticipated direct material effect on governmental revenues as a result of this measure.

**RECOMMENDATION # 49**

Review, modernize and consolidate management of IT procurement.

**STATUS: IMPLEMENTED**

Sections in the Division of Administration have partnered together to revise outdated and overlapping processes and rules for procurement of IT hardware, software and services.

**RECOMMENDATION # 50**

Implement a single infrastructure for external health care initiatives.

**STATUS: IMPLEMENTED**

The single infrastructure will be used to create and exchange health care records for Louisiana citizens in a secure and exchangeable format for everyday use. A network study is in process by the Department of Health and Hospitals and Louisiana State University- Health Sciences Center had a request for proposal in process which would have addressed the plan for state hospitals.

**RECOMMENDATION # 51**

Continue implementation of a management of enterprise network infrastructure.

**STATUS: IMPLEMENTED**

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The following efficiencies and resulting savings have been realized as a result of prudent, proactive, and centralized network administration:

- Networking hardware which reached end-of-life was replaced throughout the Louisiana Secured Intranet (LSI).
- Tools to detect attempts at network intrusion and unauthorized wireless network access points were deployed within LSI. Hardware and software security solutions were deployed to enhance the security of LSI.
- Presence at Louisiana Tech University which supports agencies' ability to replicate and back up data via consolidated/shared networking.
- Completed implementation of new generation shared Wide Area Networking (WAN) infrastructure, resulting in a potential annual reduction of \$600,000 to the existing customer base.
- Established a shared video streaming service available to customers within the LSI.
- Implemented a consolidated Local Area Network (LAN) solution for state tenants in the Benson Tower office building in New Orleans. Over 1,000 users share the LAN and the redundant Wide Area Network (WAN) connectivity back to the Baton Rouge-based LSI core.
- When former Wooddale Tower tenants moved to the Galvez State Office Building, the tenants were converted to the consolidated LSI services.
- Enhanced the Local Area Network (LAN) infrastructure to support the implementation of IP Telephony/Voice over IP (VoIP) for the Department of Insurance and the Legislative Auditors offices in the Capitol Park.
- Released a bid to provide hosted IP Telephony/VoIP for agencies in Capitol Park who want it.
- Based on current consumption levels, OTM has reduced the rate for LINC, Centrex and 1-800 Toll Free service \$800,000 per year, effective 7/1/2011.

## **RECOMMENDATION #52**

Require at least 60% of the money in Louisiana's Capital Outlay Program be spent on road and bridge construction and maintenance through the existing priority program and at least 20% of the money in Louisiana's Capital Outlay Program be spent on deferred maintenance of state buildings, including colleges and universities, for each year of the next five years.

### **STATUS: NO ACTION**

Senate Bill 292 of the 2010 Regular Session, by Senator Donahue, introduced and provided for the implementation of the recommendation. This legislation failed to become enacted.

**RECOMMENDATION #53**

Require non-elderly, non-disabled recipients of any affordable housing or housing assistance program offered through the Louisiana Housing Finance Agency to obtain formal employment in the private sector or government, and require that those recipients who claim they cannot find employment to participate in a supervised job search or in educational job training program that assists people to obtain employment or perform community service.

**STATUS: NO ACTION**

There has been no action taken to implement the provisions of this recommendation.

**RECOMMENDATION #54**

Direct all boards and commissions, except those boards responsible for administering Louisiana's retirement systems, to file electronically, on or before February 1 of each calendar year, with the Commissioner of Administration of the state of Louisiana, the Speaker of the Louisiana House of Representatives and the President of the Louisiana Senate, a financial statement setting forth in detail the assets and liabilities, including unencumbered and encumbered cash on hand, of each board and commission. Further direct all money which is not needed by these boards be subject to appropriation for any lawful purpose by the Louisiana Legislature.

**STATUS: NO ACTION**

Senate Bill 560 of the 2010 Regular Session, by Senator Donahue, was introduced and provided for the implementation of the recommendation. This legislation failed to become enacted.

Act 814 of the 2010 Regular Session requires that the website established pursuant to R.S. 49:1301 include per diem and reimbursement for travel expenses, including the amount of such expenses paid per meeting and an aggregate amount of such expenses paid per fiscal year with regard to board and commissions. The Division of Administration has added the additional information to LaTrac, the state online transparency website, and continues to work with the Legislative Auditor to ensure compliance from boards and commissions.

**RECOMMENDATION #55**

State government create a website modeled after the "Where the Money Goes: Window on State Government and Transparency at Work in Texas" website provided by the Texas Comptroller of Public Accounts which is a user-friendly website containing a database on state spending searchable by state agency, payee and category of expense, and which includes a virtual check register updated daily and available twenty-four hours a day. Louisiana state government also assimilate into this new website the best practices and user-friendly nature exhibited by the state of Utah's "transparent.utah.gov" website, which is dedicated to the transparency and accountability of Utah's government finances.

**STATUS: IMPLEMENTED**

The Division of Administration operates a budgetary website which makes available a substantially similar amount and scope of information as the Texas website.

**RECOMMENDATION #56**

Make pretrial mediation of disputed claims filed with the Office of Workers' Compensation (OWC) voluntary, which will eliminate the need for six attorney mediators at that office an average annual savings of \$75,000 for each mediator.

**STATUS: IMPLEMENTED**

According to the Louisiana Workforce Commission, mediation occurs upon mutual agreement of the parties, or order of the judge, but the parties may utilize the services of either OWC mediators or mediators from the private sector. The results show an average of 55% of disputed claims are resolved prior to pre-trial. It has reduced the number of disputed claims heard by judges, reduced the time a claim is in the system, and increased the opportunity for an injured worker to return to the workforce faster and quicker.

**RECOMMENDATION #57**

The Department of 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 of an alleged delinquency online.

**STATUS: IMPLEMENTED**

The Division of Administration has indicated that the Department of Revenue has been exploring

implementing this recommendation. The ability to access the Department of Revenue through their website in a manner required by the recommendation is not currently possible.

#### **RECOMMENDATION #58**

Urge departments and agencies of state government to contract with the Department of Revenue to have their document and remittance processing performed by that department until that department equipment is used as close to 100% of the time as is practical and possible.

#### **STATUS: NO ACTION**

There has been no action taken to implement the provisions of this recommendation.

#### **RECOMMENDATION #59**

The Louisiana Workforce Commission audit program for unemployment insurance taxes be transferred to the Department of Revenue and that no more than 75% of the monies spent by the Louisiana Workforce Commission to perform this service be appropriated annually to the Department of Revenue to perform the service.

#### **STATUS: NO ACTION**

According to the Louisiana Workforce Commission's (LWC), final report to consider a proposal to transfer the LWC Unemployment Insurance (UI) Audit Program to the Louisiana Department of Revenue (DOR), yielding the following summary:

A team conducted benchmarking with the U.S. Department of Labor (USDOL) and the states of Florida and California. The benchmarking revealed that the USDOL did not view such integration as a best practice. They reported that states that tried it had difficulty maintaining compliance with regulatory requirements. They also provided examples of states attempted integration, only to abandon the initiative after years of futility and tens of millions in cost overruns. The USDOL cited system and program incompatibility as the primary cause of failure. In conversation with Florida, a state that successfully integrated, success was only achieved after the expenditure of tens of millions of dollars over several years to completely redesign the tax audit IT platform and programming.

However, when the team examined the potential for obtaining a 25 percent savings, it became readily apparent that federal funding guidelines prevent the capture of any savings for the state. The state (LWC) is reimbursed (funded) only for work auditors perform in pursuit of UI tax audit-related activities. Money not spent is not subject to reallocation by the

state: it goes back to the Federal government. If there were compliance errors in tracking auditor work hours, disallowed costs would have to be covered out of state general funds.

The team reached the conclusion that the integration, while feasible without major IT investment, would not be able to capture the 25 percent savings target provided by the streamlining commission. The team considered possible benefits that were not tied directly to savings. Businesses might benefit from having a single composite audit or from being able to file using a single form. UI auditors might benefit from having a more robust career track. When weighed against the cost of the integration (relocation, cross-training), it was uncertain if streamlining intent would be met.

The final benchmarking call was with the state of California. Their model has a radically different focus from the standard “audit for compliance” outcome. California focuses on revenue. Their auditors are able to return significant tax dollars per audit. The team considers the California model a possible path to achieving the cash flow objective of the streamlining commission; however, the goal is obtained not from cost reduction, but from increased revenue.

The team concluded that integration of the LWC UI tax audit function into the LDR tax audit function only makes sense if the state chooses to change state audit focus to one of enhanced revenue collection. The revenue increase from such a change is the only path to achieving the financial benefit identified and recommended by the commission. It should be noted, however, that such a change in strategy would run counter to current USDOL performance metrics for auditing employer accounts.

### Conclusions and Recommendations

The team concludes that the goal set by the Streamlining Commission of obtaining a 25% budget reduction through the transfer of LWC auditors to DOR cannot be reached. USDOL’s UI funding requirements are too specific to permit the distribution of work and economy of scale needed to achieve budget reductions. No USDOL money can be spent on non-UI-related activities and any savings of USDOL funds would be returned to the Federal Government. There is also the risk of having to cover disallowed costs through the use of state funds.

If the decision is made to re-orient the audit philosophy to one of aggressive pursuit of tax fraud, there is the potential for significant additional revenue to the state. This does not require a tax increase; rather it is the collection of taxes already due. This helps level the playing field for those businesses that are compliant with Louisiana tax laws by eliminating the financial advantage to tax cheats.

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The team notes that there are no inherent barriers to executing a transfer of audit function and there is the potential to benefit employers and audit staff if audit processes are combined and optimized. A good example of this would be a single filing form for all business/employer state taxes.

The team recommends that both agencies consider the adoption of an aggressive tax audit and collection model, utilizing fraud detection software to pinpoint high-value audit targets. USDOL has already acted to de-emphasize penetration percentages in favor of identification of high-dollar return tax evaders. A pilot project aimed at integration of collection activities has begun, through establishment of a Memorandum of Understanding (MOU).

#### **RECOMMENDATION #60**

Transfer the audit functions and responsibilities of the International Registration Plan currently administered by the Department of Public Safety and Corrections to the Department of Revenue, which currently performs audits for the International Fuel Tax Agreement, and require that no more than 75% of the monies spent by the Department of Public Safety and Corrections to perform these services be appropriated to the Department of Revenue to perform the services.

#### **STATUS: NO ACTION**

There has been no action taken to implement the provisions of this recommendation.

#### **RECOMMENDATION #61**

That inefficient and circular flows of tax payments and tax credits be eliminated by having the state make a direct payment to the local government or entity levying the tax or surcharge for which tax credits are taken.

#### **STATUS: NO ACTION**

There has been no action taken to implement the provisions of this recommendation.

**RECOMMENDATION #62**

All departments and agencies of Louisiana state government to the maximum extent possible contract with the Department of Public Safety and Corrections for prison labor to perform cleaning and janitorial services.

**STATUS: IMPLEMENTED**

The Division of Administration has maximized to the extent possible the amount of janitorial services performed through contract with the Department of Public Safety and Corrections.

**RECOMMENDATION #63**

Direct the Department of Health and Hospitals to immediately and fully implement the provisions of RS 22:1065 et seq., better known as the "Baby Bill," as well as the Louisiana Health Insurance Premium Payment Program "LaHIPP" and report to the Legislature on a semiannual basis its results to fully implement these two provisions of Louisiana law.

**STATUS: IMPLEMENTED**

The Department of Health and Hospitals has fully implemented the "Baby Bill" and LaHIPP and will begin reporting to the legislature on a semiannual basis in 2011.

Following the passage of the referenced law in 2004, the Department of Insurance and the Department of Health and Hospitals (DHH) first promulgated rules to implement the program. On March 1, 2010, Medicaid outsourced the LaHIPP program to HMS. The LaHIPP program is the mechanism that DHH has to reimburse Medicaid clients for their Employer Sponsored Insurance (ESI). As of September 2011, DHH had 1,684 active LaHIPP cases more than double when HMS took over. DHH continues to educate providers and develop more efficient ways to identify and educate potential enrollees about the program.

**RECOMMENDATION #64**

The fixed-site scale responsibilities of the Department of Transportation and Development be transferred to the Louisiana State Police, and the State Police be directed to achieve a savings of at least 25% in the second year through the consolidation of the responsibilities.

**Status: IMPLEMENTED**

Act 320 of the 2010 Regular Session, by Senator Long, transferred the fixed-site scale responsibilities of the Department of Transportation and Development be transferred to the Louisiana

State Police. The legislation did not require that State Police achieve a savings of at least 25% in the second year through the consolidation of the responsibilities.

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 affect 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 and 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 \$5.1m and 97 positions for regulation of fixed sites/stationary scales

**Updated Impact (9/2010) – (\$1,500,000) State General Fund**

Implemented. This transfer was included within the FY 11 Executive Budget. The weights and standards enforcement activity was consolidated within State Police and not shared between DOTD and State Police. The FY 11 Executive Budget adjustments increase the Transportation Trust Fund (TTF)-Regular monies and transfers 97 positions to State Police. The FY 10 weights and standards enforcement activity (DOTD/DPS) is funded with approximately \$1.5 M in SGF (DPS) and \$5.2 M - TTF-Regular (DOTD). After FY 11 adjustments included within the FY 11 Executive Budget, this activity will be fully funded with TTF-Regular monies that are transferred to State Police, which equates to an additional \$1.5 M of TTF-Regular being appropriated. Due to a means of financing substitution within State Police that reduces the SGF to State Police and increases IAT within State Police (TTF-Regular from DOTD), this consolidation utilizes additional TTF-Regular monies for enforcement activities.

**Updated Impact (8/2011) – \$1.5 million per year (State General Funds)**

This streamlining recommendation was implemented on July 1, 2010 with the transfer of the DOTD stationary weight enforcement personnel to State Police. The notes for the 9/2010 update still apply; however, an additional \$1.5 million in TTF has been interagency transferred for FY12. This substituted for state general funds and should be added to the savings of the state general fund.

**RECOMMENDATION #65**

The Department of Revenue contract with willing local political subdivisions to have the department,

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while it is auditing for state sales taxes, to also audit for local sales taxes and be paid a reasonable fee to be negotiated between the two entities.

**STATUS: NO ACTION**

There has been no action taken to implement the provisions of this recommendation.

**RECOMMENDATION #66**

Establish single location for information technology help desk functions for all state agencies and its employees.

**STATUS: UNDER CONSIDERATION**

In response to this recommendation, the Division of Administration has indicated that they are reviewing phone system alternatives that will offer a more efficient system, including the flexibility to consolidate the Division of Administration's help desk services.

**RECOMMENDATION #67**

Develop plans to further integrate services of the Department of Social Services and the Louisiana Workforce Commission, especially those services where shared clientele is realized.

**STATUS: IMPLEMENTED**

According to the Department of Social Services (renamed Dept. of Children and Family Services (DCFS) in the 2010 Regular Session of the Legislature) and the Louisiana Workforce Commission (LWC), the two departments are continually working on further integration of delivery of services, particularly in instances of shared clientele. The recommendation was directed at the transition of DCFS clients to LWC's One-Stop Centers for services as clients become work ready. Particular mention was made of DCFS' clients enrolled in their Temporary Aid to Needy Families (TANF) program (specifically TANF's Strategies to Empower People (STEP) Program) and/or Supplemental Nutrition Assistance Program (SNAP) (specifically SNAP's Louisiana Job Employment Training (LaJET) Program) as both programs have work readiness and work search components and LWC's One-Stop Centers provide such services. Both DCFS and LWC have redesigned their processes and program features to meet the needs of shared clients. Further, by October 2010, DCFS completely integrated its STEP and LaJet programs statewide into a single program called Louisiana Employment Assistance Program (LEAP), which is designed to enable participants in transition from cash assistance and/or nutrition assistance to self-sufficiency to seamlessly access and receive services such as intensive job readiness activities and job search training from LWC's One-Stop Centers.

**RECOMMENDATION #68**

Expand current efforts to reduce unused nursing home bed capacity.

**STATUS: IMPLEMENTED**

According to the Department of Health and Hospitals (DHH), Louisiana had the most nursing home beds along with the highest number of residents per 1,000 over the age of 85. However, Louisiana also has one of the lowest nursing home bed occupancy rates. The funding formula for Medicaid payments to nursing homes is based in part upon square footage; consequently, the low occupancy rate was resulting in an estimated cost to the state of more than \$20 million annually for empty beds. DHH is continuing its bed buy-back and private room conversion programs as incentives to close beds. In fact, two new buy-back programs are currently in process. In addition, Act 150 of the 2010 Legislative Session by Representative Tucker raised the occupancy floor in the reimbursement methodology from 75% to 85%. In other words, previously, nursing facilities were reimbursed 100% of their allowable costs as long as the facility maintained at least 70% occupancy; under Act 150, a dip below 85% occupancy changes the reimbursement formula by not allowing certain costs associated with square footage to be calculated as allowable costs into the reimbursement rate. Consequently, the higher minimum occupancy penalty is an incentive for nursing home operators to eliminate unused bed capacity.

**RECOMMENDATION #69**

Develop pilot program for long-term care services for the elderly and people with adult-onset disabilities.

**STATUS: IMPLEMENTED**

The Department of Health and Hospitals (DHH) reported that a significant growth in both the population of Americans over the age of 55 and in the cost of long-term personal care is expected. DHH looked at models of integrated and coordinated care in other states as possible strategies for Louisiana to address these anticipated needs while reasonably containing cost growth. DHH is in the process of researching legal authorities and best practices for the development of one or more pilot programs in selected areas of the state.

**RECOMMENDATION #70**

Transfer Independent Living, Community & Family Support, and Traumatic Head and Spinal Cord

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Injury Trust Fund programs from the Department of Social Services, Louisiana Rehabilitation Services to the Department of Health and Hospitals, Office of Aging and Adult Services.

**STATUS: COMPLETED**

Act No. 939 of the 2010 Regular Session, by Representative Katz, transferred the Independent Living, Community & Family Support, and Traumatic Head and Spinal Cord Injury Trust Fund programs from Department of Social Services, Louisiana Rehabilitation Services to the Department of Health and Hospitals, Office of Aging and Adult Services effective July 1, 2010. The transfer took place with no interruption in services. DHH is currently evaluating the programs and identifying areas for increased efficiency and effectiveness.

**RECOMMENDATION #71**

Provide a tax clearance requirement for all state vendors and contractors and permit state departments and agencies to "garnish" payment to vendors and contractors doing business with the state and who also have a final judgment as to an account receivable in favor of the state.

**STATUS: NO ACTION**

Implementation of this recommendation would require adding a tax clearance requirement to the laws regarding Public Works Contracts, Professional, Personal, Consulting and Social Service Contracts and the Procurement Code. In addition, a requirement would also need to be added that any contracts or bid specifications provide that the vendor or contractor agree to an offset for any payments due by the state of any final judgments in favor of the state as to an account receivable from that vendor or contractor. The recommendation came to the Advisory Group as a "good government" suggestion from the Department of Revenue. According to the Division of Administration, this recommendation has not been discussed nor committed to by them and they are therefore declining to provide any comments for an update on the status of this recommendation.

**RECOMMENDATION #72**

Perform a system-wide analysis of behavioral health needs of high risk children within the child welfare and Office of Juvenile Justice systems to maximize the use of Medicaid funding. Such analysis shall be performed in-house by state employees.

**STATUS: IMPLEMENTED**

The Office of Juvenile Justice (OJJ), the Department of Social Services (renamed Department of Children and Family Services (DCFS) in the 2010 Regular Session of the Legislature) and the

Department of Health and Hospitals' (DHH's) Office of Behavioral Health all provide behavioral and mental health services to youth in the community through residential treatment. The idea of the recommendation is that a coordinated system of care (CSoC) should provide a more efficient assessment, diagnosis, medical management, research-based community services, day treatment, and inpatient services. Also, by pooling resources, all agencies could maximize federal funding opportunities and leverage services.

A system-wide analysis was conducted with the four child-serving agencies (DCFS, OJJ, DHH and Dept. of Education) led by a project manager housed in DCFS and supplemented with a national Medicaid consultant, Mercer. Based on the findings, efforts to implement a statewide CSoC began. In March 2011, Governor Jindal issued Executive Order No. BJ 2011-5 which created a governance board for CSoC and in July 2011 five regions (Alexandria, Jefferson, Monroe, Shreveport and Baton Rouge) were selected for initial implementation of regionally-based CSoC. These efforts include:

- The formation of an active community team that includes families, youth and various stakeholders to oversee and support collaboration and coordination across various departments, agencies and people.
- Establishment of a wraparound agency in each region that will provide trained facilitators who help guide a planning process to ensure the needs of young people with significant emotional and behavioral challenges and their families are met and that they receive necessary services and supports.
- Creation of regionally-based family support organizations that will provide training and support services to families/caregivers and young people who are involved with the wraparound agencies.

In addition, state general funds from the participating departments (DCFS, OJJ, DHH and Dept. of Education) were pooled to leverage increased funding from Medicaid. These pooled and leveraged funds will result in a broader and more diverse array of community-based services and supports that will reduce the need for costly and often marginally effective out-of-home placements.

### **RECOMMENDATION #73**

Merge Capitol Police from the Division of Administration into Department of Public Safety & Corrections, Public Safety Services.

**STATUS:** IMPLEMENTED; *Legislation failed to pass; however, Executive Budget transferred*

*funding and positions*

House Bill 900 of the 2010 Regular Session, by Representative Gallot, would have transferred the Capitol Police from the Division of Administration to the Department of Public Safety and Corrections. The legislation failed to pass as it was still in Senate committee when session adjourned. However, the Appropriations Bill for fiscal years 2011 and 2012 appropriated the funding and positions for Capitol Police to the Department of Public Safety and Corrections - Public Safety Services. According to the Division of Administration, this recommendation has been administratively implemented for the 2011 and 2012 fiscal years.

**RECOMMENDATION #74**

Governor's Office on Homeland Security and Emergency Preparedness work with Louisiana's congressional delegation to identify and utilize federal funding for establishing shelter-capacity in-state for Louisiana residents who cannot self-evacuate and shelter during emergency periods.

**STATUS: IMPLEMENTED**

The Governor's Office on Homeland Security and Emergency Preparedness (GOHSEP) on behalf of Louisiana, continues to press the Federal Emergency Management Agency (FEMA) to allow a portion of the already allocated Hazard Mitigation funding to be available for the purpose of sheltering capacity. While the State argues that providing adequate in-state sheltering facilities actually mitigates loss of life and property and enhances recovery, FEMA has been unwilling to allow the use of the available funding in a nontraditional manner. Additionally, in September 2009, GOHSEP's chief of staff testified before the United States Congress, House Committee on Transportation and Infrastructure's Subcommittee on Economic Development, Public Buildings, and Emergency Management and asked for support in implementing the proposal to use Stafford Act Hazard Mitigation funding to build multi-purpose facilities that can be used as mass shelters during a disaster.

In addition to its appeals to FEMA, GOHSEP has assisted parishes who have shelter needs to develop agreements with parishes who can provide sheltering facilities. These "point-to-point" agreements have increased shelter capacity by 12,108 spaces. Additionally, the Shelter Inventory Committee has approved the development/improvement of certain facilities throughout the state and Facility Planning and Control has made available \$7.5 million for this purpose. This effort will increase sheltering capacity by an additional 5,382 spaces.

## **RECOMMENDATION #75**

Consolidate eligibility and enrollment functions for citizens needing services or support from Department of Social Services or Department of Health and Hospitals at no additional costs.

### **STATUS: IMPLEMENTED**

According to the Department of Social Services (renamed in the 2010 Regular Session of the Legislature as the Department of Children and Family Services (DCFS)) and the Department of Health and Hospitals (DHH), there are several programs in both departments that have similar eligibility criteria and a significant number of overlapping clients. By coordinating or combining key components of the various benefit programs administered (such as Medicaid, LaCHIP, WIC, TANF, SNAP and CCAP) for eligibility and/or enrollment, the administrative burden should be lessened on both the state and the citizens served. To that end, both departments continue to collaborate to achieve levels of consolidation of eligibility operations for means tested programs by maximizing technology.

While eligibility remains separately managed by the two departments, virtual consolidation has already been achieved in several areas. Some examples include:

- The simplifications to Medicaid/CHIP eligibility (which have resulted in Louisiana being a national model for successful enrollment and retention of eligible individuals) were made possible by DHH having "inquiry" access to DCFS' SNAP, TANF and Child Support data and the prior existing data interfaces.
- In addition, in early 2010, DHH began automatically enrolling in Medicaid any child under the age of 19 who is newly applying for and enrolled into SNAP by DCFS which expedited the access of children to health care without requiring the family to submit duplicative information to the Medicaid agency.
- For children with active SNAP cases, in the latter part of 2010, DHH implemented Express Lane Eligibility renewals, resulting in increased efficiencies for DHH Medicaid Eligibility field staff.
- DCFS electronically transfers updated eligibility information nightly for approximately 16,000 families who receive cash assistance and job training benefits enabling DHH to automatically initiate and update their Medicaid benefits without additional action by the family being required.
- For families denied or losing FITAP coverage, DHH receives a nightly electronic file

that is reviewed by Medicaid eligibility staff. Staff reviews and evaluates the information to determine if the denied or soon-to-be former FITAP recipient is a candidate for continued Medicaid eligibility. This is done with little or no action by the family.

- Designated DCFS/OCS staff has "update" as well as "inquiry" rights to the Medicaid Eligibility Data System and can directly input and maintain Medicaid eligibility for foster children in the custody of DCFS.

#### **RECOMMENDATION #76**

Automate Department of Natural Resource's oil and gas permitting and reporting processes under the Office of Conservation.

#### **STATUS: COMPLETED**

Recommendation was to automate the oil and gas permitting and reporting processes of the Department of Natural Resources, Office of Conservation. Historically, these permitting and reporting processes have been accomplished manually on paper reports for data entry by department staff. The recommendation was to move to electronic application and reporting. However, upon further evaluation and analysis by the Department of Natural Resources, the complete automation of all oil and gas permitting and reporting processes would have required a onetime cost of \$3.8 million. Even though such automation would have eventually eliminated eight positions, it is not considered cost beneficial at this time. What was considered cost beneficial was the automation of that portion of the reporting processes regarding oil and gas production which did not require additional funding. Such automation has been completed and resulted in a cost savings of \$195,469 and the elimination of three positions. Therefore, the recommendation has been partially implemented and no further action is contemplated on this recommendation.

#### **RECOMMENDATION #77**

Transfer appropriate rehabilitation services functions in the Department of Social Services to the Department of Health and Hospitals and the Louisiana Workforce Commission.

#### **STATUS: COMPLETED**

Act 939 of the 2010 Regular Session, by Representative Katz, transferred programs and staff under the Louisiana Rehabilitation Services (LRS) in the Department of Social Service (renamed Department of Children and Family Services) to the Department of Health and Hospitals (DHH) and

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the Louisiana Workforce Commission (LWC) effective July 1, 2010. Specifically, LRS programs and services related to the Louisiana Commission for the Deaf, the Traumatic Head and Spinal Cord Injury Trust Fund Program, the State Personal Assistance Services Program and the Community and Family Support Program were transferred to DHH. LRS programs and services related to the Vocational Rehabilitation Program, Blind Services and the Blind Vendors Trust Fund, Independent Living Part B Program and the Independent Living for Older Blind Program were transferred to the LWC.

**RECOMMENDATION # 78**

Board of Elementary and Secondary Education study the use of digital textbooks in state schools and to report to the Legislature prior to March 2010.

**STATUS: COMPLETED**

Act 659 of the 2010 Regular Session requires the State Board of Elementary and Secondary Education to make every effort to ensure that electronic versions are available for every title it approves for placement on the state list of approved textbooks and instructional materials. The Act also requires the electronic version of an approved printed textbook or instructional material be placed on the state list.

**RECOMMENDATION #79**

All Louisiana public school students who have been suspended from school for more than five days in a school year or who have more than ten unexcused absences from school in a school year may be required to enroll in the Louisiana National Guard Youth Challenge Program or alternatively, be placed in the Louisiana Department of Education's Jobs for America's Graduates Program, at the discretion of the principal. Pay for increased enrollment in the Youth Challenge Program and/or the JAG Program with Minimum Foundation Program funds. Change Louisiana law to prohibit students from dropping out of school until they have reached 18 years of age.

**STATUS: NO ACTION**

There has been no action taken to implement the provisions of this recommendation.

**RECOMMENDATION #80**

Except as required by the federal government, the Louisiana Constitution, or court order, limit State

General Fund appropriations in FY 10-11 and FY 11-12 for operating expenses to no more than 98% of each prior fiscal year's appropriation while, at a minimum, providing the same kind and level of needed services as provided in the prior fiscal year through increased productivity.

**STATUS: NO ACTION**

While certain budget units were reduced, no formal action was taken to consistently, across-the-board limit programs to 98% of prior fiscal year's funding while maintaining performance standards.

**RECOMMENDATION #81**

Request an independent study of "Charity Hospital" to evaluate the overall plan and report findings to the legislature before the convening of the next regular session.

**STATUS: NO ACTION**

There has been no action taken to implement the provisions of this recommendation.

**RECOMMENDATION #82**

The Department of Health and Hospitals may, to control expenditures, negotiate supplemental rebates for the Medicaid pharmacy program in conjunction with the preferred drug list. In these negotiations, the preferred drug list may be adjusted to reduce costs by revising the state maximum allowable cost methodology for generic drugs, and should then require manufacturers to compete for placement on the preferred drug list based on cost when there is more than one brand in a class.

**STATUS: UNDER CONSIDERATION**

LA Medicaid Pharmacy Benefits Management Program implemented a prior authorization program with a Preferred Drug List in 2002. According to a DHH contractor, Provider Synergies, who performed the PDL and supplemental negotiations on behalf of 25 states, if Louisiana would limit the number of drugs in a class, there would be lower savings with the Preferred Drug List and State Supplemental Rebates. Provider Synergies has estimated a loss of savings of \$827,000 per year using a two brand limit per therapeutic class. Their assumptions include that generics are not always cheaper than the brand name drugs after the supplemental rebates are considered, supplemental rebates accrue on single source branded products – thereby limiting the number of branded products in a category reduces the potential for supplemental rebates, drugs within the therapeutic classes are not all the same; they have different mechanisms of actions, indications and adverse effects can vary. Pharmacy benefits paid in fiscal year 2010 were \$521.9 million after rebates. The Medicaid Pharmacy Benefits Management (PBM) Program implemented a prior authorization program with

a Preferred Drug List in 2002. Louisiana was the second state in the nation to implement such a preferred drug list. Further, for fiscal year 2010, Medicaid received a total of \$332 million in rebates, \$290 million in federal rebates and \$42 million in state supplemental rebates. In total, rebates equal about 37% of pharmacy expenditures. The PBM Program has resulted in a net reduction of growth in the pharmacy program from approximately \$526 million to \$521.9 million.

**RECOMMENDATION # 83**

Direct the Department of Education and the Board of Elementary and Secondary Education to pursue student based budgeting.

**STATUS: COMPLETED**

In Spring of 2011, the Board of Elementary and Secondary Education sponsored the start of a pilot program on student based budgeting. Seven school districts are participating in the program. The pilot program will assist districts in the development and implementation of new budgeting strategies to increase equity, flexibility, and transparency at the district and school level. The goal is to test these strategies, assess the resources required for implementation, and develop an implementation plan for expansion to present to BESE for consideration in June 2012.

**RECOMMENDATION #84**

Governor and legislature authorize the Department of Health and Hospitals to use co-pays up to ten dollars for emergency room treatment to the extent allowed by federal law and in a way that would encourage proper use of resources and discourage overuse of resources that may not be needed. Such co-pay shall not apply to services rendered for emergency conditions or services for children.

**STATUS: NO ACTION; LEGISLATION NOT ENACTED**

House Bill 596 of the 2010 Regular Session, by Representatives Morris and Tucker and Senator Donahue, would have authorized the use of co-pays for non-emergency services delivered through an emergency room hospital or emergency department. The legislation failed to pass as it was never scheduled for hearing in House Committee. As this recommendation requires legislation (as well as administrative action and federal approval), no further action has been taken.

**RECOMMENDATION # 85**

The Board of Regents, in collaboration and consultation with the postsecondary education

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management boards, study the consolidation of purchasing functions among the campuses to increase purchasing power.

**STATUS: UNDER CONSIDERATION**

According to the Board of Regents, this recommendation is under consideration.

**RECOMMENDATION # 86**

Department of Wildlife and Fisheries write an RFP to outsource control of aquatic plants.

**STATUS: NO ACTION; NOT COST EFFECTIVE**

The department has studied this recommendation and does not plan to issue an RFP for this purpose. The department believes the current practice of utilizing department staff is most cost effective. It does outsource control of aquatic plants in large acreage areas of floating vegetation. Contractors will not bid on small, secluded patches that cannot be accessed by air.

**RECOMMENDATION # 87**

Department of Public Safety and Corrections - Corrections Services expand its partnership with Louisiana State University Health Sciences Center - Shreveport to provide the more costly medications to inmates in the Shreveport region.

**STATUS: IMPLEMENTED**

According to the Division of Administration, this recommendation has been implemented.

**RECOMMENDATION # 88**

Direct the Office of Juvenile Justice to privatize health care services in secure care through an RFP.

**STATUS: IMPLEMENTED**

According to the Office of Juvenile Justice, this recommendation is in the process of being implemented. The office has contracted with a new health services provider, who is in place for two of the three secure care facilities.

**RECOMMENDATION # 89**

Direct the Office of Juvenile Justice to privatize pharmacy services in secure care through an RFP.

**STATUS: IMPLEMENTED**

According to the Office of Juvenile Justice, this recommendation is in the process of being implemented. The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. The pharmacy component was combined with the new health services provider.

**RECOMMENDATION # 90**

Office of Juvenile Justice consider privatizing laundry services in secure care through an RFP.

**STATUS: IMPLEMENTED**

According to the Office of Juvenile Justice (OJJ), in November 2010 OJJ consulted with American Correctional Compliance (ACC), to access the cost benefit of outsourcing laundry services for the secure care facilities. ACC suggested that continuing the in-house laundry services while streamlining the process, including the manner in which laundry is collected, washed, and distributed, could result in savings for the office. OJJ began implementing the suggestions in January 2011. OJJ continues to work with staff and youth at its facilities to identify procedures which are both cost effective and align with appropriate treatment of the youth in the facilities.

**RECOMMENDATION # 91**

The Military Department consider outsourcing billeting on their installations through an RFP.

**STATUS: NO ACTION; COST PROHIBITIVE**

According to the Military Department, they have analyzed this recommendation. The department has concluded that, based on projected higher cost estimates to outsource these services, it is more feasible and economical to maintain billeting internally. Currently, the federal government is operating two of three billeting operations both in Jackson Barracks and Camp Beauregard at no cost to the state.

**RECOMMENDATION # 92**

The Military Department consider outsourcing utilities on their installations through an RFP.

**STATUS: IMPLEMENTED**

According to the Military Department, the department is in the process of implementing this recommendation. The primary electrical distribution system at Camp Minden has been outsourced to Entergy. Entergy is responsible for all services, code requirements and environmental issues. Entergy has provided individual meters at all facilities to include commercial tenants on Camp Minden. This allows the installation commander to evaluate performances and identify federal, commercial, and state coding for these metered facilities. The primary electrical distribution system is outsourced and privatized at Esler Field, Hammond and Camp Villere. The department is currently in discussion with Center Point Gas to privatize the national gas system and the gas pipeline system at Camp Minden to reduce operating services costs at the installation. Cost savings have not been determined yet. Negotiations are continuing.

**RECOMMENDATION # 93**

The Military Department consider outsourcing fixed charge services on their installations through an RFP.

**STATUS: IMPLEMENTED**

According to the Military Department, this recommendation is being implemented. The department has outsourced fixed charge services for preventative maintenance services on buildings and equipment to four regional contractors. The department has indicated that in most cases the contractor's costs have been "extremely high" which has resulted in no cost savings on these services. However, the department is in the process of changing the method of monitoring these contractors to insure that they are performing work as is required in the State Preventative Maintenance Manual, and this should result in savings in the future. In addition, the department has contracted with the Shaw Group at Camp Minden to provide maintenance on natural gas, sewerage treatment plant and sewer collection system. Finally, the department has experienced savings associated with the reduction in the number and size of dumpsters during deployments.

**RECOMMENDATION # 94**

The Military Department consider outsourcing upgrades/replacement of sewerage treatment and waste water collections on expanding bases through an RFP.

**STATUS: IMPLEMENTED**

According to the Military Department, this recommendation is being implemented. Federal outsourcing for a new mechanical sewerage treatment plant at Camp Minden is in progress. Camp Minden environmental development growth is expanding and the current sewerage system will not be able to handle expansion and DEQ reductions in discharge requirement effective 2012. A new sewerage treatment facility is essential to increased military and tenant usage. Cost savings have not been fully calculated as the department determines the best course of action to upgrade or replace the existing system.

**RECOMMENDATION # 95**

The Military Department consider outsourcing and improving fleet utilization through an RFP.

**STATUS: NO ACTION; COST PROHIBITIVE**

According to the Military Department, the department has evaluated the recommendation and finds it not to be cost effective. Based on projected higher cost estimates to outsource fleet vehicles through lease programs, the department has found that it was more feasible and economical to maintain fleet vehicles internally; however, the department has reduced the number of vehicles within its fleet.

**RECOMMENDATION # 96**

The Department of Health and Hospitals establish a competitive procurement process for operation of inpatient mental health institutions and/or certain services provided at the institutions, and include in the solicitations a requirement for constructing new facilities without using any state debt.

**STATUS: IMPLEMENTED**

Senate Bill No. 295 of the 2010 Regular Session, by Senator Donahue, was introduced to accomplish this recommendation. House Bill No. 979 of the 2010 Regular Session, by Representative Simon, would also have implemented this recommendation. Neither bill made it through the legislative process. The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. The Department of Health and Hospitals is in the process of implementing this recommendation under the budgetary authority to the extent that it is cost effective. The department's Office of Behavioral Health issued an RFP for secure forensic facilities to be operated at Central State Hospital and at East Louisiana Mental Health System. The responses received were not cost effective, and it was determined that it would be more cost effective if they

continued to be operated by the state. An RFI has recently been posted with the intent to determine the interest and capabilities of provider organizations to provide forensic services on behalf of the state.

**RECOMMENDATION # 97**

The Department of Health and Hospitals, Office of Aging and Adult Services implement a needs-based allocation of services in the Elderly and Disabled Adult Waiver Program and the Personal Care Attendant Services Medicaid Option by the end of FY 2009-2010.

**STATUS: IMPLEMENTED**

The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. According to the Department of Health and Hospitals, this recommendation is in the process of being implemented.

**RECOMMENDATION # 98**

The Department of Health and Hospitals implement a competitive procurement process for Personal Care Services to reduce the number of providers in each department administrative region.

**STATUS: NO ACTION**

According to the Department of Health and Hospitals, a competitive procurement for this service causes issues with CMS rules on freedom of choice of provider and "any willing provider" rules. The department has implemented a facility need review process for PCA licenses to limit new providers. New licensing rules are being finalized to impose tighter restrictions that providers will have to meet.

**RECOMMENDATION # 99**

The Department of Health and Hospitals write an RFP to privatize secure residential services for persons found "Not Guilty by Reason of Insanity" and the "Lockhart" population.

**STATUS: NO ACTION; NOT COST EFFECTIVE**

According to the Department of Health and Hospitals, the department's Office of Behavioral Health issued an RFP for secure forensic facilities to be operated at Central State Hospital and at East

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Louisiana Mental Health System. The responses received were not cost effective, and it was determined that it would be more cost effective if they continued to be operated by the state.

**RECOMMENDATION #100**

The Department of Insurance be given permission to buy its own telephone system, which will be an improved system, and also save \$250,000 each year, beginning with the second year after the purchase.

**STATUS: IMPLEMENTED**

The Division of Administration has indicated that this recommendation is in the process of being implemented.

OTM delegated project management to the Department of Insurance (LDI) to prepare an RFP, to evaluate bidder responses and recommend award through the Office of State Purchasing. LDI has selected the winning contractor and is in the process of implementing and testing the new Hosted VoIP/IPT service. LDI will prepare a new financial analysis to document cost savings once the implementation is complete and all costs have been identified.

**RECOMMENDATION #101**

The LSU Health Care Services Division be directed, to the maximum extent possible, to execute affiliation agreements with other hospitals that have high levels of Medicare patients and a commitment to resident training in order to receive additional money from Medicare for graduate medical education, which such additional monies are currently being left on the table because of low numbers of Medicare patients in the Charity Hospital system.

**STATUS: NO ACTION**

Senate Bill 428 of the 2010 Regular Session, by Senator Donahue, provided for the implementation of this recommendation. This legislation failed to become enacted.

**RECOMMENDATION #102**

The Department of Health and Hospitals consider reducing the administrative costs of the Louisiana Medicaid Program by at least 5%.

**STATUS: NO ACTION**

There have been multiple reductions to administrative costs in the Medicaid Program during SFY 10 and SFY 11 which amount to \$28 million. Medicaid T.O. has been reduced since December 1, 2010 by 100 from 1,237 to 1,137.

**RECOMMENDATION #103**

Develop plan to remove the state of Louisiana from the leasing of buildings and office space.

**STATUS: IMPLEMENTED**

This recommendation originates from the idea that there are millions of square feet leased by state agencies every year. As more and more efforts are made to shrink the size of state government, the Division of Administration's Facility Planning and Control should be evaluating whether office space leases need to be renewed or renewed at a lesser square footage or consolidated with other agencies leases in the same area to leverage negotiations. While not specifically directed at leasing, Act 72 of the 2010 Regular Session, by Senator Donahue, requires the Division of Administration to develop a long-term plan for the creation of regional governmental centers as "one-stop shops" for state services. Further requires that after the adoption of the plan, the commissioner of administration shall not approve a new lease or the renewal of any lease or approve the purchase for agency housing any space that is in conflict with the long-term plan.

According to the Division of Administration, they are currently still evaluating whether the creation of regional centers would be advantageous or cost-effective. They are working with the undersecretaries of key state agencies to discuss the best methods to implement the Act. They are hoping the discussions will: (1) help determine the regional boundaries best suited to deliver services to citizens, including using data from the 2010 census; (2) identify the state services which can be delivered efficiently through such centers; and (3) provide recommendations for the implementation of Act 72. Some state departments are already taking steps to consolidate their local offices including the departments of Children and Family Services and of Revenue.

**RECOMMENDATION #104**

Create a privatization and outsourcing unit within the Division of Administration having appropriate experience and expertise and provide that such unit is a resource for all departments and agencies considering or implementing privatization or outsourcing regardless of which department controls the asset or the service being privatized or outsourced. The unit will serve as a center of functional excellence for privatization and outsourcing.

**STATUS: NO ACTION; COST PROHIBITIVE**

According to the Division of Administration, they have evaluated costs associated with the establishing of a special unit specializing in privatization and in outsourcing as well as the benefits and savings anticipated to be realized by the establishment of such. It is their opinion that this recommendation is cost prohibitive. No further action has been taken.

**RECOMMENDATION #105**

Every department and agency be required to: (1) Organize itself structurally for the delivery of services along uniform regional boundaries as determined by the state; (2) Shift transactions with the public to an electronic online capability as appropriate; and (3) Support regional Government Service Centers under a "mall concept" whereby citizens may go for all government services and processes that could be accessed electronically or with the help of skilled specialists. Department and agency field offices be consolidated to such centers and surplus buildings and personnel be addressed.

**STATUS: IMPLEMENTED**

Act 72 of the 2010 Regular Session, by Senator Donahue, requires the Division of Administration to development of a long term plan to create regional governmental service centers for the delivery of government services. Requires regular updates by the Division on the status of the development of the plan and on its implementation.

According to the Division of Administration, they are currently still evaluating whether the creation of regional centers would be advantageous or cost-effective. They are working with the undersecretaries of key state agencies to discuss the best methods to implement the Act. They are hoping the discussions will: (1) help determine the regional boundaries best suited to deliver services to citizens, including using data from the 2010 census; (2) identify the state services which can be delivered efficiently through such centers; and (3) provide recommendations for the implementation of Act 72. Some state departments are already taking steps to consolidate their local offices including the departments of Children and Family Services and of Revenue.

**RECOMMENDATION #106**

Each state department is to prepare and provide a review or an analysis of what could be changed, modified, consolidated, eliminated, streamlined, improved and/or enhanced to ultimately permanently reduce or eliminate continuation costs or expenses in their respective department,

agency, board, or commission. Provide financial incentives for implementation of permanent sustainable savings.

**STATUS: NO ACTION**

Part of the routine budget process is for agencies to evaluate and make recommendations regarding suggestions to ultimately permanently reduce or eliminated continuation costs or expenses in their respective areas; however, providing the type of financial incentives (10% of savings) for the implementation of permanent sustainable savings is not routine. No formal action was taken nor process changed as a result on this recommendation.

**RECOMMENDATION #107**

Office of Juvenile Justice partner with the Department of Social Services and other stakeholders to better implement the Families in Need of Services Program with a goal of preventing youth from entering the costly juvenile justice system.

**STATUS: IMPLEMENTED**

The Office of Juvenile Justice (OJJ), the Department of Social Services (renamed the Department of Children and Family Services (DCFS) in the 2010 Regular Legislative Session) and sometimes the Department of Health and Hospitals (DHH) provide services to youth adjudicated as Families in Need of Services (FINS). The child welfare system and juvenile justice system provided services in a fragmented service delivery model that was not well coordinated and often times difficult for families, law enforcement, judges and case workers to navigate. Instead of pooling resources and leveraging funding to achieve greater outcomes, children with the highest level of need were often detained in out-of-the-home settings which are proven to be the highest cost services with the poorest outcomes.

Senate Concurrent Resolution 44 of the 2011 Regular Session requested the Louisiana Supreme Court to create a FINS Commission to study and issue recommendations regarding the FINS system. The commission is composed of representatives from the Supreme Court, OJJ, DHH, Coordinated Systems of Care (CSoC), DCFS, Dept. of Education and the Children's Cabinet. The goal of the commission is to improve access to appropriate services for FINS families throughout Louisiana and keep youth out of the juvenile justice and child welfare systems. The commission will issue a report of its recommendations 30 days prior to the convening of the 2012 regular session of the legislature.

Additionally, a system-wide initiative of four state child-serving agencies (DCFS, OJJ, DHH and Dept. of Education) known as CSoC is in progress to better coordinate services to at-risk youth and their families. The date for full implementation has not yet been determined but some statewide

services and five regional sites for full system implementation is anticipated to occur in FY 2011-2012.

**RECOMMENDATION #108**

School districts should work with the Office of Juvenile Justice to forward local Minimum Foundation Program (MFP) funds to OJJ for students transferred to state custody and are no longer in local schools, eliminating the "double payment" for each student's education by the state and so that MFP dollars follow the student.

**STATUS: COMPLETED**

Act 131 of the 2010 Regular Session, by Senator Donahue, provided that an alternative school located in a secure care facility under the jurisdiction of the office of juvenile justice shall be considered a public elementary or secondary school and included by the Board of Elementary and Secondary Education in the minimum foundation program formula. In addition to the allocation of the state's share per pupil amount, the city, parish, or other local public school system in which the student would have otherwise been enrolled shall allocate and transfer to the office of juvenile justice and amount of money equal to the local share per pupil amount.

**RECOMMENDATION #109**

Develop plan and explore efficiency opportunities for consolidating field sampling programs within the departments of Health and Hospitals, Environmental Quality and Wildlife and Fisheries.

**STATUS: IMPLEMENTED**

The Department of Health and Hospitals (DHH), Department of Environmental Quality (DEQ) and the Department of Wildlife and Fisheries (DWF) all engaged in field sampling of water. DHH sampling focused on determining the level of fecal coliform and ecoli levels in molluscan shellfish growing areas. DEQ collected water and aquatic biota to test for levels of mercury in the water body and in the fish. DWF tested for water quality properties such as salinity, turbidity and conductivity as well as fish population parameters. As of October 2010, DHH has given access to DWF and DEQ to a shared database for all water quality sample results, biotoxin sample results, and chemical analysis from meat samples. In addition, agreements have been made for DEQ to test fish samples collected by DWF. The three agencies continue to meet on ways to leverage their work on water, fish and shellfish samplings and their FY 2011 and FY 2012 budgets reflect savings from those efforts.

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**RECOMMENDATION #110**

Department of Health and Hospitals to study appropriate role and determine best future use of Villa Feliciana (VF) Medical Complex either as a medical facility or otherwise.

**STATUS: IMPLEMENTED**

The Department of Health and Hospitals (DHH) has been following a policy of moving away from the role of direct provider of services. The Villa Feliciana (VF) Medical Complex is operated by DHH's Office of Aging and Adult Services (OAAS) as a facility providing acute and long-term care services for patients that are particularly difficult to care for and/or whose needs have not been effectively met elsewhere. DHH continues to review long-term options to address the need the VF has historically filled and to ensure that services are provided in the most cost-effective manner. DHH is also working with other offices and departments to explore new uses for VF that more effectively leverage state dollars by providing services to persons who are currently being served in setting that are not reimbursable through federal sources.

**RECOMMENDATION #111**

Develop plan and explore efficiency opportunities for consolidating/leveraging of the Department of Health and Hospitals and the Department of Environmental Quality drinking water programs for testing and monitoring and transfer Lead-base Paint Program from DEQ to DHH.

**STATUS: NO ACTION**

According to the Department of Health and Hospitals (DHH) and the Department of Environmental Quality (DEQ), the drinking water testing and monitoring done by the DHH for its Safe Drinking Water Program is to meet specific federal Environmental Protection Agency (EPA) guidelines and do not overlap or duplicate activities done by DEQ for its Clean Water Program including Source Water protection. In addition, upon evaluation, the transfer of Lead-based Paint Program from DEQ to DHH's Office of Public Health would not improve efficiencies or result in savings. Consequently, no formal action was taken nor was any plan developed toward implementing this recommendation.

**RECOMMENDATION #112**

The Department of Natural Resources should restructure the Office of the Secretary, Management, and the Atchafalaya Basin.

**STATUS: COMPLETED**

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**RECOMMENDATION #113**

The permitting teams of the departments of Natural Resources, Wildlife and Fisheries, and Environmental Quality should be co-located.

**STATUS: NO ACTION; NOT COST BENEFICIAL**

The agency reports that assessment since adoption of this recommendation indicates that implementation is not cost beneficial.

**RECOMMENDATION #114**

The Office of Coastal Protection and Restoration should promote cost savings by holding unfilled positions open and restricting travel.

**STATUS: IMPLEMENTED**

Agency reports that this recommendation is not "implement able" or is partially implemented. By its nature, the recommendation is ongoing. The agency further indicates the following:

OCPR has limited travel where possible. We have not held positions open intentionally. With the workload at hand - oil spill activities, NRDA, constructing projects, handling various legal and land rights issues, and the increase in the number of contracts, we must fill all positions available to us.

**RECOMMENDATION #115**

The Public Service Commission should be subjected to the criteria of full cost recovery.

**STATUS: IMPLEMENTED**

Act 1001 of the 2010 Regular Session required the development of a "cost recovery" budget request form to be completed by each executive branch budget unit beginning with the 2011-2012 budget process.

**RECOMMENDATION #116**

The Public Service Commission should reduce the number of telephone lines and delete voice mail.

**STATUS: COMPLETED**

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**RECOMMENDATION #117**

The dues and subscriptions for the entire Public Service Commission that no longer serve the agency's needs or which are too costly should be eliminated.

**STATUS: COMPLETED**

**RECOMMENDATION #118**

The Public Service Commission should consolidate the number of copiers and electronic devices throughout the agency.

**STATUS: COMPLETED**

**RECOMMENDATION #119**

The Public Service Commission should reduce the number of vehicles and implement the use of "pool vehicles".

**STATUS: COMPLETED**

**RECOMMENDATION #120**

The Public Service Commission should use one purchasing source with all purchase orders issued from a central location; additionally the agency should make efforts to buy in bulk, maintain an adequate inventory of supplies and equipment, and implement a requisition system for issuance statewide.

**STATUS: COMPLETED**

**RECOMMENDATION #121**

The Public Service Commission should reduce agency membership in professional regulatory organizations.

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**STATUS: COMPLETED**

**RECOMMENDATION #122**

The Public Service Commission should continue to move toward electronic documentation and filing requirements to reduce paper, office supplies, postage, and other associated costs.

**STATUS: COMPLETED**

**RECOMMENDATION #123**

To the extent possible, the Public Service Commission should consolidate multiple investigations within a single subpoena request to reduce enforcement costs.

**STATUS: COMPLETED**

**RECOMMENDATION #124**

The Public Service Commission should maintain and retain information obtained through the subpoena process in a database to avoid duplication of requests for records that must be purchased.

**STATUS: COMPLETED**

**RECOMMENDATION #125**

The Office of Coastal Protection and Restoration should continue to integrate the state's existing coastal restoration, hurricane, and flood protection efforts.

**STATUS: COMPLETED**

The agency reports that implementation of the recommendation is now complete; the study is ongoing.

**RECOMMENDATION #126**

The Office of Coastal Protection and Restoration should continue utilizing the support, staff, science and legal services of other agencies to avoid duplication and retain efficiency.

**STATUS: COMPLETED**

The agency reports that implementation of the recommendation is now complete; nature of the recommendation is ongoing.

**RECOMMENDATION #127**

The Office of Coastal Protection and Restoration should continue to develop a prioritization tool to guide funding decisions and to identify the best opportunities to restore the ecosystem and protect Louisianans from hurricane and storm damages.

**STATUS: COMPLETED**

The agency reports that implementation of the recommendation is now complete; nature of the recommendation is ongoing.

**RECOMMENDATION #128**

The Office of Coastal Protection and 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.

**STATUS: COMPLETED**

The agency reports the study is complete and the results identified areas that DOTD and OCPR can increase efficiency. The agency further reports that DOTD and OCPR staff are working together to implement the efficiency measures; however, while efficiencies in service delivery may be realized, there will be minimal cost savings.

**RECOMMENDATION #129**

The Coastal Protection and Restoration Authority should ensure that the Office of Coastal Protection and Restoration engages in the third party, project-level technical review known as Independent Technical Review (ITR) that provides recommendations concerning project plans and designs.

**STATUS:** COMPLETED

**RECOMMENDATION #130**

The Office of Coastal Protection and Restoration should continue to pursue the strategic deployment of mitigation funds to provide quicker start and faster completion of projects.

**STATUS:** UNDER CONSIDERATION

The agency reports that implementation of the recommendation remains in progress; federal processes must change for implementation to be complete. The agency further reports that discussions are ongoing between the director of the Governor's Office of Coastal Activities and staff with federal agency partners on the use of mitigation funds in the state.

**RECOMMENDATION #131**

The Office of Coastal Protection and Restoration should continue to reduce the time it takes to complete the contracting process.

**STATUS:** IMPLEMENTED

The nature of this activity is ongoing. The agency reports the following:

OCPR has implemented changes in the contracting process to increase efficiency and turn around time. First, the OCPR Project Support Section staff now initiates and prepares all contracts, except RFPs which are still handled at the Department of Natural Resources. This one step has decreased the turnaround time by approximately three weeks. Additionally, the OCPR has engaged the program staff in the contracting process which makes it more efficient - communication is key to an efficient operation. Staff are more informed and the contracting process is becoming more consistent, thereby more efficient.

**RECOMMENDATION #132**

The Office of Coastal Protection and 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 project.

**STATUS:** UNDER CONSIDERATION

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The agency reports that implementation of the recommendation remains in progress. The nature of this activity is ongoing. The agency indicates that federal action is necessary for completion. The agency further reports the following:

OCPR continues to analyze and find ways to streamline the project management and delivery process. We continue to work with the Corps of Engineers to eliminate time-consuming bureaucratic procedures and to increase the speed of studying, engineering and construction of coastal protection and restoration projects. These efforts have resulted in the advancement of the LCA-6 projects. There is still much that must change at the Corps in order to fully implement this recommendation.

### **RECOMMENDATION #133**

The Office of Coastal Protection and Restoration should continue to improve the new project budgeting and management system.

#### **STATUS: COMPLETED**

The agency reports that implementation of the recommendation is now complete. Nature of the recommendation is ongoing.

### **RECOMMENDATION #134**

The legislature should require that all institutions of higher education bring their Tables of Organization on budget, to the extent and in the same manner followed by other executive branch agencies.

#### **STATUS: NO ACTION**

No legislation completed the process in the 2010 Regular Session. Senate Bill 286 of the 2010 Regular Session by Senator Donahue, which would have required each higher education agency to include a personnel table with its budget request, did not reach the House of Representatives. Use of appropriation bills to implement this recommendation seems to be a temporary measure that would require annual renewal.

### **RECOMMENDATION #135**

The Office of Workforce Development and the Department of State Civil Service 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.

**STATUS: COMPLETED**

The agencies report that implementation of the recommendation is now complete. The fully developed plan is being utilized as appropriate.

**RECOMMENDATION #136**

Each statewide elected official should determine, as of October 2, 2009, the number of unfilled positions authorized for the agency in its Table of Organization, Appropriated Table of Organization Full Time Equivalent (T.O.FTEs) approved by legislative appropriation, eliminate approximately 50% of those unfilled positions, and return the funds appropriated therefore to the state. In addition, each statewide elected official should not, unless otherwise approved by the Commissioner of Administration, exceed the number, considered the ceiling of occupied Non-T.O. FTEs that existed on October 2, 2009, for the remainder of the fiscal year and return any subsequent savings to the state. Collectively the number of occupied Non-T.O. FTEs for statewide elected officials (Schedule 04 and Schedule 06) was 325 on October 2, 2009.

**STATUS: COMPLETED**

This recommendation has expired. Applied only to FY 2009-2010 budget.

**RECOMMENDATION # 137**

Create Office of Behavioral Health within Department of Health and Hospitals to replace the current Office of Mental Health and Office of Addictive Disorders.

**STATUS: COMPLETED**

During the 2009 Regular Session, Representative Mills file House Bill 837 to consolidate the Office of Mental Health and the Office of Addictive Disorders into a single office. The bill was enacted and became Act 394. The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. According to the Department of Health and Hospitals, the department is in the process of implementing this recommendation.

**RECOMMENDATION # 138**

Department of Transportation and Development eliminate its airplane.

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**STATUS: COMPLETED**

The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. According to the Department of Transportation and Development, the department has entered into a cooperative endeavor agreement with the Department of Agriculture and Forestry to transfer the airplane to that department. The airplane has been transferred to the Department of Agriculture and Forestry.

**RECOMMENDATION # 139**

Department of Transportation and Development eliminates four ferry routes (Melville, White Castle, Reserve and New Roads).

**STATUS: IMPLEMENTED**

According to the Department of Transportation and Development, the Melville Ferry was closed in December 2010. The New Roads Ferry was closed in May 2011 following the opening of the Audubon Bridge. The remaining ferries, White Castle and Reserve, will not be closed, according to the latest status report from the department.

**RECOMMENDATION # 140**

Department of Public Safety and Corrections - Corrections Services outsource their pharmaceutical services.

**STATUS: IMPLEMENTED**

The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. The recommendation for Correction Services to outsource their pharmaceutical services has been implemented.

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**RECOMMENDATION # 141**

Department of Public Safety and Corrections - Corrections Services outsource the collection of probation and parole fees.

**STATUS: IMPLEMENTED**

The recommendation for Correction Services to outsource the collection of probation and parole fees is being implemented.

**RECOMMENDATION # 142**

Governor's Office of Homeland Security and Emergency Preparedness explore outsourcing commodity inventory while maintaining the same quality of emergency preparedness.

**STATUS: NO ACTION; NOT COST EFFECTIVE**

GOHSEP's original projection of in-state inventory (2.1 million MREs and 4.2 million bottles of water) represented a minimal risk to the state in support of response operations. However, GOHSEP, DSS and Louisiana National Guard have determined that the recommended overall in state inventory level should be 550,000 MREs and 1.1 million bottles of water, which represents a medium risk to the state. Due to the new in state inventory level, outsourcing the storage function to a vendor will not be cost effective.

**RECOMMENDATION #143**

Provide that a Louisiana state prisoner, who does not have a high school diploma or who has not passed the General Education Development test (GED) certifying that he has American high school academic skills, shall have made available to him a program designed to help him pass the GED.

**STATUS: IMPLEMENTED**

Act 832 of the 2010 Regular Session, by Representative Simon, establishes a comprehensive program for offenders who are in the custody of the department in a state correctional facility to prepare for and take the General Education Development (GED) test. The program shall be designed to provide efficient and effective assistance to those offenders who have not graduated from highschool or previously passed the GED test and who possess the educational ability and

intellectual capacity to complete the courses necessary to successfully complete the program and pass the GED test.

**RECOMMENDATION # 144**

Reduce the number of Department of Transportation and Development districts by at least two districts.

**STATUS: NO ACTION**

No action has been taken on this recommendation.

**RECOMMENDATION # 145**

Department of Transportation and Development outsource all testing labs to private labs outfitted to perform all testing.

**STATUS: UNDER CONSIDERATION**

According to the Department of Transportation and Development, this recommendation is under consideration.

**RECOMMENDATION # 146**

Department of Transportation and Development outsource maintenance operations to the private sector and sell production equipment not used except for emergency equipment.

**STATUS: IMPLEMENTED**

According to the Department of Transportation and Development, this recommendation is being implemented. The department reported that it currently outsources the following activities: mowing and litter, city signal agreements, rest area security, guardrail repairs and maintenance, attenuator repairs, contract sweeping, tree removal, drainage projects, pavement markings, debris removal, loop repair, ditch cleaning, bridge handrail repair and bridge deck drains. The department is in the process of studying other maintenance activities that could be outsourced. The cost of requiring the department to outsource all maintenance operations to the private sector is indeterminable and dependent upon the costs the private sector charges for a specific project.

**RECOMMENDATION # 147**

Department of Transportation and Development employ the fleet management program to eliminate 20% of its cars and pickup trucks.

**STATUS: IMPLEMENTED**

According to the Department of Transportation and Development, this recommendation is being implemented. As of August 2011, the department has reduced its passenger fleet by 177 or 9.8 percent. An additional four vehicles will be turned in when the department's office of public works and the intermodal section relocate. That move is scheduled for September 2011. A cooperative endeavor agreement was executed by the Division of Administration with Enterprise Car Rental in September 2010 allowing that company to occupy the DOTD headquarters service station.

**RECOMMENDATION # 148**

Department of Transportation and Development outsource at least 80% of its design engineering to the private sector, with emphasis on the large jobs. The 20% of design engineering retained would involve small bridge and turning lane jobs.

**STATUS: IMPLEMENTED**

According to the Department of Transportation and Development, this recommendation is being implemented. The department reports that it currently outsources 73 percent of their design work. The remaining 27 percent comes from preservation projects completed within the district operations. The department does not anticipate increasing the outsourcing of design work greater than 73 percent.

**RECOMMENDATION # 149**

Department of Transportation and Development reduce work-related accidents by 50%, from a total of 7% to 3.5%.

**STATUS: IMPLEMENTED**

According to the Department of Transportation and Development, this recommendation is being implemented. The department's records show that two percent of incidents involve workers

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compensation claims where seven or more days of work were missed. According to the Office of Risk Management, the environments in which DOTD workers operate are mostly uncontrolled environments where unforeseen causes of accidents will continue to arise regardless of departmental policies.

#### **RECOMMENDATION # 150**

Department of Transportation and Development approve more projects for value engineering.

#### **STATUS: IMPLEMENTED**

According to the Department of Transportation and Development, this recommendation is being implemented. The department reports that it currently utilizes value engineering on all projects over \$15 million.

#### **RECOMMENDATION #151**

All departments and agencies in Louisiana state government be required to obtain the approval of the Joint Committee on the Budget of the Louisiana Legislature in order to retain a management consultant in a contract equal to or greater than \$50,000 per year. The personal appearance or written application for approval of the Joint Legislative Committee on the Budget shall explain the following: (1) why the department or agency needs to hire an outside consultant; (2) how the service provided by the outside consultant conforms to the mission of the department or agency; (3) why the service of the outside consultant cannot be performed by a regular employee or employees of the department or agency; (4) how the outside consultant was selected; (5) what action the department or agency will take to satisfy the need that the outside consultant is being hired to address if the Joint Legislative Committee on the Budget does not approve the contract; (6) the number of employees who will be working under the contract, by head count, full time equivalence and qualifications; (7) the number of hours and amount of compensation, including salary and benefits, paid to all employees under the contract. All information shall be provided in a format prescribed by the Joint Legislative Committee on the Budget.

#### **Status: NO ACTION; LEGISLATION NOT ENACTED**

Senate Bill 294 of the 2010 Regular Session, by Senator Donahue, provided for the implementation of this recommendation. This legislation failed to become enacted.

**RECOMMENDATION #152**

The Department of Natural Resources field audit program for royalties be transferred to the Department of Revenue and that no more than 75% of the monies spent by the Department of Natural Resources to perform this service be appropriated annually to the Department of Revenue to perform the service.

**Status: IMPLEMENTED**

The 2010-11 executive budget provided for \$90,000 in Interagency Transfers budget authority and two T.O. FTEs were transferred from the Department of Revenue associated with consolidating mineral income and field audits on royalties.

**RECOMMENDATION #153**

State agencies, including higher education and state public hospitals, are directed to explore adoption of LEAN principles to improve efficiency, increase productivity, eliminate waste in system processes and save money.

**STATUS: IMPLEMENTED**

Senate Bill 300 of the 2010 Regular Session would have required all agencies of the executive branch, including institutions of post-secondary education and public hospitals to study and assess the efficacy of adoption LEAN principles to improve efficiencies, increase overall productivity, eliminate waste and conserve public funds. The legislation failed to pass, but Senate Concurrent Resolution 83 of the 2010 Regular Session was adopted which requested the Senate Committee on Senate and Governmental Affairs and the House Committee on House and Governmental Affairs to meet and function as a joint committee to study and make recommendations relative to the feasibility, desirability, and practicality of state agencies adopting LEAN principles to improve efficiencies, increased overall productivity, eliminate waste, and conserve public funds. The joint committee met in November of 2010; no formal recommendations have been issued to date.

**RECOMMENDATION # 154**

Requests the Division of Administration to evaluate various alternative IT funding models.

**STATUS: IMPLEMENTED**

House Bill 549 of the 2011 Regular Session of the Legislature provided relative to LaGRAD, additional operational autonomies in the areas of funding and approvals of IT procurement for higher education institutions.

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The review of funding sources as relates to IT initiatives over \$100,000 occurs as a standard process during review of IT-10's by the Office of Information Technology (OIT) and also by PST.

Financing via the Louisiana Equipment Acquisition Fund (LEAF) is recommended, where applicable.

OIT continues to work closely with the Office of State Purchasing and vendors to gauge other states' use and success with alternative procurement models for enterprise hardware and software.

Agencies are encouraged to stage expenditure to coincide with phased pilot and deployment (deferring large, up-front investments to match usage.)

There are no expenditures to report and there is no anticipated direct material effect on governmental revenues as a result of this measure.

#### **RECOMMENDATION # 155**

Research outsourcing print and mail infrastructure across all agencies and departments.

#### **STATUS: IMPLEMENTED**

This recommendation is in progress to determine if outsourcing will generate a more cost efficient and effective delivery of print and mail services, while enhancing security and scalability.

#### **RECOMMENDATION # 156**

Research outsourcing imaging and content management services for ERP integration.

#### **STATUS: UNDER CONSIDERATION**

The cost-benefit of a content management and imaging initiative will be determined by the scope of the initiative and the depth of integration and interoperability across state agencies. This requires a clear definition of the business problems that will be solved, changing business process, multiple funding sources, and implementing associated technology. Once goals are established, baseline metrics are required in order to measure success, which will be hard to measure in financial terms.

The proposed initiative requires contracting methodology and funding for value added services. Statutory changes would be required to enable this initiative.

**RECOMMENDATION # 157**

Explore cost-benefits of utilizing managed print services.

**STATUS: UNDER CONSIDERATION**

This recommendation is under consideration.

**RECOMMENDATION # 158**

Enable contracting methodology for value added services that transform the way employees work and improve constituent services.

**STATUS: NO ACTION; LEGISLATION NOT ENACTED**

This recommendation was not enacted into law through legislation.

**RECOMMENDATION # 159**

Reduce the state automobile fleet by at least 10% prior to December 31, 2009; reduce at least an additional 10% of the 11,484 vehicles remaining prior to December 31, 2010; reduce at least an additional 10% of the 10,336 vehicles remaining prior to December 2011; emphasize pooling and convert many agency fleets to rentals.

**STATUS: IMPLEMENTED**

This recommendation was implemented in 2009 and continues through 2012.

**RECOMMENDATION # 160**

Eliminate certain unfilled positions within the executive branch of state government in response to Executive Order No. BJ2009-11.

**STATUS: IMPLEMENTED**

This recommendation has been implemented.

**RECOMMENDATION # 161**

Modernize the procurement statutes across all procurement areas.

**STATUS: NO ACTION; LEGISLATION NOT ENACTED**

Senate Bill 727 of the 2010 Regular Session of the Legislature would have updated Louisiana's procurement statutes. The bill was not enacted into law.

**RECOMMENDATION # 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.

**STATUS: IMPLEMENTED**

The Division of Administration has been unable to identify funds and resources to start this database. The division is investigating the tools available in the ERP to determine if the ERP can handle this database.

**RECOMMENDATION # 163**

Require the Division of Administration to pursue the development of "enterprise contracts" and require state agencies to utilize these contracts.

**STATUS: IMPLEMENTED**

This recommendation is in research and development.

**RECOMMENDATION # 164**

Requests the Division of Administration to develop a program to effectively monitor the performance of vendors who do business with the state.

**STATUS: IMPLEMENTED**

The ERP system has a vendor module as part of the system. The division will investigate the capabilities of utilizing this module and determine the resources necessary for such an implementation.

**RECOMMENDATION # 165**

Requests all state agencies, regardless of statutory or delegated authority to process their own contracts, to provide the Division of Administration information on those contracts not in the state's contract financial management system.

**STATUS: IMPLEMENTED**

The Division of Administration will implement this recommendation through Act 310 of the 2010 Regular Session of the Legislature. The Act requires the division to disclose certain information concerning state contracts via the internet.

**RECOMMENDATION # 166**

Requests all agencies to engage in a thorough review of private contracts to identify underperforming and low-priority contracts.

**STATUS: IMPLEMENTED**

This recommendation is ongoing.

**RECOMMENDATION # 167**

Inpatient capacity can be absorbed by the community hospitals in certain markets, with a renewed investment being made in outpatient and primary care access. These models should be evaluated immediately by Department of Health and Hospitals, Louisiana State University and Louisiana State University Health Care Services Division on a case by case basis in each community, and the study should be completed by December 31, 2010. In those communities where these models would be successful, the state should evolve the system to meet the needs of that community while optimizing the existing complement of non-public beds in that market, Huey P. Long Medical Center should be the first to be evaluated under this policy and an RFP should be written to outsource the acute and inpatient care for that Medical Center structure or using private providers using the DSH funds available in the future allocated between the inpatient and outpatient services.

**STATUS: IMPLEMENTED**

The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. The Department of Health and Hospitals has been in discussions with LSU

regarding the feasibility of using DSH funds to promote outpatient services. Resolutions passed during the 2010 Regular Session, HR 133 and SR 104, directed LSU to pursue an arrangement with England Air Park as an alternative. That course of action is being pursued. See the LFO Analysis Update for more detail on this issue.

#### **RECOMMENDATION # 168**

Request the Division of Administration develop a web based system for management and reporting by agencies of space utilization of state leased space as well as space utilization and maintenance efforts in state owned facilities operated and maintained by agencies outside the division.

**STATUS: NO ACTION; COST PROHIBITIVE**

This recommendation was not implemented because it is cost prohibitive at this time.

#### **RECOMMENDATION #169**

Governor and legislature consider converting state-owned enterprises and assets from dormant physical capital to financial capital which can be used for pressing needs.

**STATUS: IMPLEMENTED**

According to the Division of Administration, they are in the process of implementing this recommendation. They created a State Land Office Asset Management report which identified 1,440 state owned properties and indicated: (1) the value of the property; (2) the present use of the property; (3) the best use of the property; (4) the operational costs; (5) the maintenance backlog costs; and (6) a recommendation for future utilization. At this point, the division has received completed reports on 63% of the properties from the various state departments and divisions. One hundred ninety-six non-essential properties have been identified with 15 of those properties sold for an income to the state of \$1.58 million. The remaining 181 properties have a potential income value of \$21.1 million; however, except for the Carville/St. Gabriel river tract (\$12 million), most of the properties are swampland with very limited access.

#### **RECOMMENDATION #170**

Certain government services and processes be identified as activities to be funded in whole or in part through "full cost recovery" of expenses by the user or customer; that the criteria for setting the amount of cost recovery be established in consultation with the Society of Louisiana Certified Public

Accountants; and that data and information used, as well as the process employed to calculate the specific charge, and any audits thereof, be displayed on the department's or agency's website.

**STATUS: IMPLEMENTED**

Act 1001 of the 2010 Regular Session, by Senator Donahue, established a process for the review of revenue generated from fees and the expenses associated with the service or activity funded by the fee. The process provides for all state government fees to be evaluated at least once every four-year period. The legislation also requires each agency that charges a fee to post on its website the data and information used to calculate the fee and the method of calculation as well as any audits and reviews or findings resulting from the evaluation of the fee.

**RECOMMENDATION # 171**

Directs the Board of Elementary and Secondary Education to broadcast and archive its meetings online.

**STATUS: COMPLETED**

Act 697 of the 2010 Regular Session required the State Board of Elementary and Secondary Education to broadcast over the internet live audio and video streams of all its board and committee meetings held in Baton Rouge. The Act also required the recording and archiving of all such audio and video streams. The provisions of the Act become effective on January 1, 2011. The Board of Elementary and Secondary Education has been broadcasting and archiving meetings online since January 2011.

**RECOMMENDATION #172**

(1) Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. (2) Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such

reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. (3) All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. (4) Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. (5) All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.

**STATUS: IMPLEMENTED**

(1) Expired. (2) IN PROGRESS; REPORT DUE from each agency by December 1, 2011. (3) Unknown. (4) Expired. (5) Unknown. Nature of activity is ongoing and advisory.

**RECOMMENDATION #173**

Any proposal of a separation package, whether it takes the form of an early retirement program, a retirement incentive, a buyout plan in exchange for voluntary separation, or a severance package for involuntary separation, should be carefully analyzed to ensure that the total projected expense of the plan, including any actuarial costs to retirement systems or increases in the premium amounts paid for group health insurance, does not outweigh the savings to the state; specifically the recurring savings of the state should pay for the costs of the package within five years of implementation. Additionally, the state should route up to 50% of the annual savings resulting from the severance of employees receiving the separation package to the retirement system and the group health insurance provider to help fund the additional direct or indirect costs, if any, associated with implementation of the separation package. Further, the inclusion of provisions prohibiting reemployment of the voluntary participants and requiring elimination of positions held by all employees severed from employment should be strategically included in the package design to avoid "double dipping" and to maximize savings.

**STATUS: NO ACTION**

No separation package was proposed in either the 2010 or 2011 Regular Session. Senate Concurrent Resolution 53 of the 2010 Regular Session, by Senator Peterson, which would have directed the state agencies concerned with employee benefits and compensation and workforce development to work together to develop a plan to support state employees terminated as a result of cost-saving actions in their preparation to reenter the workforce in the private sector and to report the plan design to the legislature, failed in the House of Representatives. No related legislation completed the process.

**RECOMMENDATION #174**

Each agency head should consider furloughs for employees as a cost-saving measure to help delay or eliminate the possibility of layoffs. Agency heads should give due consideration to the timing of such furloughs, seeking opportunities to maximize the savings while avoiding significant adverse effects on the delivery of services. For example, a regular work day immediately following or preceding a holiday seems a promising choice as many state employees take leave on those days, and many agencies experience reduced demand for services.

**STATUS: IMPLEMENTED**

Nature of implementation is ongoing and advisory. The Department of Civil Service maintains a list of agencies that have utilized furloughs and other lay-off avoidance measures as well as agencies that have laid off employees.

**RECOMMENDATION #175**

To the extent that agencies employ the retirement incentive layoff avoidance measure of Civil Service Rule 17.9, 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.

**STATUS: IMPLEMENTED**

The Civil Service rule does not address abolition of vacated positions. The Civil Service Commission and its staff opine that the Commission does not have the authority to require abolition of positions; each agency would have to take affirmative action. Agencies continue to use the retirement incentive, but the extent to which positions are abolished as part of the process is not known. The requirement of automatic abolition of vacated positions in Representative Richard's Payroll Reduction Act (House Bill No. 189 for 2010, House Bill No. 513 for 2009) resulted in the measure being vetoed in both years. The nature of the recommendation is ongoing and advisory.

**RECOMMENDATION #176**

The legislature should consider allowing members of the Louisiana State Employees' Retirement System to purchase service credit to be used for purposes of eligibility by paying the full actuarial cost; the legislature may choose to restrict this to members who have attained the age at which they would be eligible to retire but who lack five years or less in service credit to become eligible, and to require the member to retire within 30 days of such purchase.

**STATUS: COMPLETED**

Act 322 of the 2011 Regular Session, by Senator Butch Gautreaux, provides for purchase of service credit for purposes of attaining retirement eligibility; however, the legislation does not require immediate retirement of the purchaser.

**RECOMMENDATION #177**

The legislative committees on retirement should continue meeting jointly to study the possibility of altering the design of the retirement plan benefit structure of the four state retirement systems to provide for decreased risk to the employer agencies and the state, increased predictability of costs, and greater portability of benefit. The committees should be cognizant of the state's exemption from social security participation and the effects of any change in that exempt status on employees as well as the state. This study should specifically include consideration of a defined contribution structure. The Commission on Streamlining Government should review any report issued by the committees as part of its ongoing duties pursuant to the provisions of Act 491 of the 2009 Regular Session.

**STATUS: COMPLETED**

The legislative committees met jointly in the interim before the 2010 Regular Session to consider possible changes to the four state retirement systems. Act 992 by Representative Robideaux altered the defined benefit plan structure to provide for reduced employer cost and greater portability of benefit. House Bills 930 and 931 by Representative Tucker would have closed the current defined benefit plan for new employees, utilizing a defined contribution plan instead. Representative Tucker voluntarily deferred those bills in the House Committee on Retirement in favor of the Robideaux instrument. Although the committees did not issue a report, the auditor's office contracted with an independent actuarial firm to assess the fiscal and actuarial impact of a switch from a defined benefit plan to a defined contribution plan. The conclusion of the report (available at [http://www.la.state.la.us/userfiles/file/HB930\\_Phase1.pdf](http://www.la.state.la.us/userfiles/file/HB930_Phase1.pdf)) was that such a switch would not reduce state employment costs.

**RECOMMENDATION #178**

The legislature should protect the provisions of Act 497 of the 2009 Regular Session which provide for application of excess investment earnings toward reduction of the unfunded accrued liabilities of the retirement systems for teachers and state employees and should capitalize on opportunities to provide additional payments when funds and circumstances allow.

**STATUS: IMPLEMENTED**

Nature of the recommendation is ongoing. Protection of the provisions was accomplished by the defeat of Senate Bill No. 729 of the 2010 Regular Session and Senate Bill No. 10 of the 2011 Regular Session, both by Senator Shaw, that would have weakened the effects of Act 497. The current status of state revenues and expenditures did not provide an opportunity for an additional payment toward the unfunded accrued liability. However, Act 422 of the 2011 Regular Session proposed a constitutional amendment which was adopted by the electorate in October 2011, dedicates 10% of nonrecurring revenue to reduction of the unfunded accrued liabilities of the teachers' and state employees' retirement systems.

**RECOMMENDATION #179**

The legislative committees on governmental affairs should meet jointly to study the current Civil Service rules and state laws governing leave accrual and accumulation and to determine whether the current structure supports the overall employment and compensation policies of the state of Louisiana. Particular emphasis should be given to a determination of whether disability insurance may be used as a substitute for or as a supplement to sick leave accrual and accumulation, and the cost, if any, of the current law and rules allowing leave balances to be converted to retirement credit.

**STATUS: NO ACTION**

No action was taken on this recommendation.

**RECOMMENDATION #180**

The legislature should consider adopting a special, earlier prefiling date for legislation related to retirement to allow adequate time for fiscal and actuarial analysis of the effect of the proposed legislation.

**STATUS: COMPLETED**

Fully implemented in the Senate in 2010 through adoption of Senate Resolution No. 11 by Senator Guillory. Fully implemented in the House of Representatives in 2011 through adoption of House Resolution No. 80 by Representative Pearson.

**RECOMMENDATION #181**

The legislative committees on governmental affairs, retirement, appropriations, and finance should undertake a comprehensive study of the state's policies related to the employment and retention of state public servants, the compensation package offered to those public servants, the extent to which

the combination of salary and benefits supports the employment and retention policies, and the adjustments, if any, to the compensation package that may be more successful in furthering employment and retention policies; after the study is complete, it is recommended that the committees present a joint report to the House of Representatives and the Senate detailing the committees' findings and recommending proposals for any changes the committees deem necessary or prudent. The Commission recommends that the joint report be issued at least thirty days before the convening of the 2011 regular legislative session.

**STATUS: NO ACTION**

No action was taken on this recommendation.

**RECOMMENDATION #182**

The legislature should require each agency receiving state funding or operating with self-generated funds derived from fees and other assessments or interagency transfer to evaluate and justify its staffing level as part of the state budgeting process. Each agency head should consider engaging in strategic workforce planning and using that strategic plan in presenting staff justification to the legislature. An agency's strategic workforce plan should be subject to internal review and amendment at regular intervals not to exceed three years.

**STATUS: NO ACTION**

Evaluation and justification of staffing is part of the normal budgeting process. No additional action was taken or any process changed as a result of this recommendation.

**RECOMMENDATION #183**

All executive branch agencies, including higher education entities, should be required to report all employees to the Department of State Civil Service and the legislature, including "T.O." and "non-T.O.", full-time equivalents, work-as-needed, "when-actually-employed," part-time, seasonal and temporary, and the head count and full-time equivalent for employees working under contract. The reporting of these additional groups of employees to Civil Service shall be at the same time, in the same manner, and to the same extent reported now or as Civil Service may require. The report to the legislature shall, at a minimum, be made as a part of the annual budgeting process; however, the legislature may require such report to be made more frequently.

**STATUS: NO ACTION**

Senate Bill No. 426 of the 2010 Regular Session, by Senator Donahue, would have required each agency to report its employees as part of the annual budgeting process. Use of appropriation bills to

implement this recommendation seems to be a temporary measure that would require annual renewal.

**RECOMMENDATION #184**

The legislature should determine whether an agency's unclassified managers receive pay increases even if they have not complied with the requirements applicable to classified managers regarding completion of the performance reviews of the employees supervised.

**STATUS: NO ACTION**

No action has been taken on this recommendation.

**RECOMMENDATION #185**

By February 1, 2010, the Department of State Civil Service should hold mandatory education and training for all upper level management (whether classified or unclassified) and human resources staff of executive branch agencies to inform or refresh them regarding the current rules and procedures for layoffs, layoff avoidance measures, salary flexibility, and other workforce management tools. By March 15, 2010, the Department of State Civil Service and the upper level management, whether classified or unclassified, and human resources personnel of each agency should schedule and hold in-depth discussions regarding the particularized personnel needs of the agency and the tools, processes, and rules by which Civil Service can help the agency meet those needs. To the extent the current practices of Civil Service do not meet the needs of the agency, Civil Service should consider rules changes.

**STATUS: COMPLETED**

Meetings indicated no rules changes were necessary.

**RECOMMENDATION #186**

The Department of State Civil Service should coordinate with the Division of Administration to eliminate any duplication in training programs and to ensure there are no gaps in the training programs offered.

**STATUS: COMPLETED**

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The training function was moved exclusively to the Department of State Civil Service pursuant to Act 825 of the 2010 Regular Session.

**RECOMMENDATION #187**

The Department of State Civil Service 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. The department should give due consideration to ACT WorkKeys as well as to any similar testing or certification programs. The department should balance the positive aspects of each program against any increased costs to the state as an employer or to the prospective employee as an applicant. The department should consider whether an applicant who already has a rating or certification from a public or private national, regional, or state entity should be allowed, on an individual basis, to have that certification substitute for the civil service examination.

**STATUS: COMPLETED**

The Department has given due consideration to ACT WorkKeys and other similar programs. Any adaptation of WorkKeys as a substitute for the current Civil Service tests would require additional funding.

**RECOMMENDATION #188**

The Department of State Civil Service, with the support of the Legislative Auditor, 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. The department should report annually to the State Civil Service Commission, the division of administration, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government as to the programs examined, the ratio, and the propriety of that ratio. If possible, the data should be maintained in the Integrated Statewide Information System (ISIS) or any successor data information system.

**STATUS: COMPLETED**

Completed at Dept. of State Civil Service. Requires administrative action by the Division of Administration to provide for maintaining the data in ISIS.

**RECOMMENDATION #189**

The State 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.

**STATUS: IMPLEMENTED**

The Civil Service Commission adopted resolutions prohibiting the awarding of merit increases for the 2010-2011 and 2011-2012 fiscal years.

**RECOMMENDATION #190**

The Department of State Civil Service should annually report to the Joint Legislative Committee on the Budget regarding the turnover rate in state agencies and the cost associated therewith; the report should provide data on specific job classifications where the turnover rate is especially high or the cost to the state is great.

**STATUS: COMPLETED**

Nature of recommendation is ongoing.

**RECOMMENDATION #191**

The legislature and the Department of State Civil Service 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. Additionally, the department should monitor the current performance evaluation process to ensure each agency conducts the evaluation activities in a manner that is objective and consistent, both internally and in comparison to other agencies. If the department finds that objectivity and consistency are chronically lacking, the department should inform the State Civil Service Commission and the legislature so that rules or laws may be formulated to assist the agencies in achieving objectivity and consistency in performance evaluation.

**STATUS: COMPLETED**

Nature of recommendation is ongoing.

**RECOMMENDATION #192**

As a part of continuing assessment of whether the state's employment practices are meeting the goals and policies of workforce attraction and retention, it is of paramount importance to know why employees separate from service. Currently, the costs of turnover are quite large. The Department of State 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. If possible, the department should work with the Division of Administration to revise the turnover reasons in ISIS to make the data more meaningful and valuable. The department should include the turnover information, including reasons for separation, as a part of its reports. At least once a year, the department should report to the State Civil Service Commission, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government regarding turnover rates, reasons for separation, any recommendations for decreasing the turnover rate, and any other information the department deems important for an overall understanding of state employee turnover and the reasons for separation.

**STATUS: COMPLETED**

Nature of the recommendation is ongoing.

**RECOMMENDATION #193**

All executive branch agencies should be encouraged to utilize the maximum allowable probationary period of two years for employees hired on or after January 1, 2010. The Civil Service Commission should consider whether the minimum probationary period should be lengthened, perhaps to the current two-year maximum.

**STATUS: COMPLETED**

**RECOMMENDATION #194**

The Department of State Civil Service should encourage state agencies to take full advantage of existing special pay and rewards and recognition policies to provide employees with both monetary and nonmonetary rewards for outstanding performance. This should take place in conjunction with the implementation of the new annual pay increase system based upon the employee's annual performance review. Where the department perceives an agency to be underutilizing these tools, the department should contact the agency directly to schedule a discussion about the appropriate use of special pay, rewards and recognition, and pay-for-performance options.

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**STATUS: COMPLETED**

Nature of recommendation is ongoing.

**RECOMMENDATION #195**

The Deferred Retirement Option Plans of the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, and the Louisiana School Employees' Retirement System should be closed effective January 1, 2015. Any state employee whose membership in the Louisiana State Employees' Retirement System is governed by Act 75 of the 2005 Regular Session should not be permitted to participate in the plan. Any person who enters the plan applicable to his or her system on or after January 1, 2013, should sever employment upon completion of participation in the plan. Any person who is eligible to enter the plan on or before January 1, 2015, and who has not submitted an application to enter the plan on or before January 1, 2015, should be prohibited from participation in the plan. The retirement systems should provide for early application to enter the plan for those members whose eligibility begins near the termination date of the plan but who may wish to begin participation on a date after January 1, 2015, but in no case shall such participation extend beyond the legally permissible time limitations.

**STATUS: NO ACTION; LEGISLATION NOT ENACTED**

Senate Bill 602 of the 2010 Regular Session, by Senator B. Gautreaux, voluntarily deferred in the House Committee on Retirement, was related but provided for a much slower transition than that recommended.

**RECOMMENDATION #196**

Each manager responsible for engaging in the Performance Planning and Review 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.

**STATUS: COMPLETED**

Nature of recommendation is ongoing.

**RECOMMENDATION #197**

The Department of State Civil Service should lower the number of classifications to 800 by December 31, 2010, and further lower the number to 600 by December 31, 2011.

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**STATUS: IMPLEMENTED**

As of June 2011, the number of job titles was reduced to 997.

**RECOMMENDATION #198**

(1) Each state agency should consider using furloughs to keep costs down. (2) Each agency should furlough every employee one day each quarter of the 2010-2011 fiscal year. Determination of timing of furloughs is left to the agency; however, where possible the agency should consider furloughing all employees in a particular location on the same day to capture additional savings from such things as non-use of utilities.

**STATUS: IMPLEMENTED**

(1) COMPLETED. Nature of the recommendation is ongoing. (2) NO ACTION. Agencies failed to furlough all employees in the any quarter of the fiscal year.

**RECOMMENDATION # 199**

The Department of Health and Hospitals should study the use and feasibility of telemedicine.

**STATUS: IMPLEMENTED**

The Department of Health and Hospitals contracted with the Rural Health Coalition for a telemedicine study. The Department has requested that the coalition provide a cost assessment summary and feasibility study on the potential impact of implementing similar telemedicine programs in the LA Medicaid Program.

**RECOMMENDATION # 200**

Reduce the paperwork required of each school district for annual Pupil Progression and Advancement Plans and School Improvement Plans to "net change" documents instead of redoing the entire report yearly.

**STATUS: IMPLEMENTED**

The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010

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Regular Session. According to the Department of Education, this recommendation is being implemented.

**RECOMMENDATION # 201**

Board of Elementary and Secondary Education restructure the MFP so that the MFP, as well as the federal, dollars follow the child and that 80% of the MFP funds are spent on the classroom as directed by the principal of each school.

**STATUS: IMPLEMENTED**

Both House Concurrent Resolution 20, by Representative Carter, and House Concurrent Resolution 243, by Representative Austin Badon of the 2010 Regular Session, related to this recommendation. The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. According to the Department of Education, this recommendation is being implemented.

**RECOMMENDATION # 202**

Ensure that terminated, deceased and retired state employees do not get their active employee pay inappropriately.

**STATUS: IMPLEMENTED**

According to the Division of Administration, this recommendation is in the process of being implemented.

**RECOMMENDATION # 203**

Restructure teacher pay to provide incentives for education graduates to seek secondary education positions.

**STATUS: NO ACTION; LEGISLATION NOT ENACTED**

According to the Department of Education, several language changes to the current statutory provisions for teacher incentives were suggested but not adopted. See the LFO Analysis Update for more detail on this issue.

**RECOMMENDATION # 204**

Align Department of Education contracts to the highest priority education initiatives, and cancel the other contracts that are not in the top priorities. But in any event, the department is to cancel at least 10% of all contracts.

**STATUS: IMPLEMENTED**

The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. According to the Department of Education, this recommendation is being implemented.

**RECOMMENDATION #205**

The Department of Natural Resources should automate data entry and privatize record archiving for the Office of Mineral Resources.

**STATUS: COMPLETED**

The agency states that this recommendation was implemented which resulted in a cost savings of \$120,233 and the elimination of two (2) positions.

**RECOMMENDATION #206**

The Department of State Civil Service should investigate whether savings could be achieved by the coordination of recruitment efforts by state entities at individual events or locations.

**STATUS: COMPLETED**

Nature of recommendation is ongoing.

**RECOMMENDATION #207**

The governor and the Legislature support and pass the Louisiana New Start Education Tax Credit Program which would (1) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be “academically unacceptable” by the Louisiana Department of Education and who assume the cost of their child’s

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education in a private or parochial school in Louisiana, and (2) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending “academically unacceptable” schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.

**STATUS:** NO ACTION

**RECOMMENDATION #208**

Department of Public Safety and Corrections eliminate all but one of the principals supervising teachers in its education program and return the remaining principals to classroom teaching positions.

**STATUS:** NO ACTION

**RECOMMENDATION #209**

Centralized the hosting of current and future compatible geographic information system and "volume buy" GIS software and licenses, including local government in such purchases where appropriate.

**STATUS:** IMPLEMENTED

According to the Division of Administration, their efforts on this recommendation resulted in a master price agreement, signed effective February 22, 2010, with ESRI for Geographic Information System (GIS) software for state and local governments. The agreement provides for software discounted at 10%, and also, provides for a 40% education discount applicable for education of state and local government faculty and staff on the system. In addition, the Louisiana GIS Council continues to research opportunities to consolidate commonly used geospatial data.

**RECOMMENDATION #210**

Merge and assign the administration of the Board of Elementary and Secondary Education's block grant program focused on pre-kindergarten programs for at-risk four-year-old children into the Department of Education's Cecil J. Picard LA 4 Early Childhood Program.

**STATUS:** IMPLEMENTED

House Concurrent Resolution 148 of the 2010 Regular Session, by Representative Austin Badon, requested the State Board of Elementary and Secondary Education (BESE) to study the feasibility of consolidating the administration and evaluation of the LA4 and 8(g) pre-kindergarten programs and to adopt identical standard for the programs. The resolution requires BESE to submit a written report of its findings and recommendation to the governor and the House and Senate committees on Education not later than sixty days prior to the 2011 Regular Session. At this point, according to department of education officials, the coordination of BESE's pre-kindergarten programs with LA4 has begun. Currently, there is an agreement to utilize the same agency as evaluators for both programs.

#### **RECOMMENDATION #211**

Primary responsibility for adult education resides with the Louisiana Community and Technical College System and the responsibility and funding of the Department of Education's Division of Adult and Community Education should be transferred to the system.

#### **STATUS: COMPLETED**

Act 132 and Act 732 of the 2010 Regular Session specifically provide that the responsibility for adult education programs shall be with the Louisiana Community and Technical College System.

#### **RECOMMENDATION #212**

Require the Board of Elementary and Secondary Education to terminate the pre-GED (Graduate Equivalency Diploma) Skills Options Program and direct local education agencies to re-direct funds supporting the program to approved dropout prevention programs modeled after Jobs for America's Graduates.

#### **STATUS: COMPLETED**

House Concurrent Resolution 20 of the 2010 Regular Session, by Representative Carter and others requests the State Board of Elementary and Secondary Education (BESE) to make certain changes to the minimum foundation program (MFP) formula beginning with the MFP formula adopted for the 2010-2011 school year. Those changes include a phase out, by the beginning of the 2012-2013 school years, of the pre-GED/Skills Options program and requiring local education agencies to redirect MFP dollars currently supporting that program to dropout prevention programs modeled after Jobs for America's Graduates (JAG). As of the 2011-2012 school year, the Pre-GED Skills Options program has been eliminated and has been replaced with the Connections Program (a high school dropout prevention program modeled after JAG) that will be offered in all school districts.

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As a transition measure, students who enrolled in the Pre-GED Skills Options program for the first time in school year 2010-2011, will be given the opportunity this year to complete that program.

**RECOMMENDATION # 213**

Department of Public Safety and Corrections, Public Safety Services eliminate the Oil Spill Coordinator's public outreach program.

**STATUS: COMPLETED**

The Executive Budget for FY 2010-2011 contained provisions associated with this recommendation, and those provisions were carried forward in the General Appropriations Act, Act 11 of the 2010 Regular Session. According to the Department of Public Safety and Corrections, Public Safety Services, this recommendation has been completed.

**RECOMMENDATION # 214**

Department of Revenue charge based on full cost recovery private businesses, groups or individuals for issuing private letter rulings.

**STATUS: NO ACTION**

Senate Bill No. 299 of the 2010 Regular Session, by Senator Donahue, was filed to implement a cost recovery program as a part of the state budgeting process. The bill was enacted into law and became Act No. 1001. The Act provided for an evaluation of all programs at least once every four years on a rotating basis. The department has indicated it has taken no action on this recommendation.

**RECOMMENDATION #215**

Each agency must review its historical vacancy and attrition rates and shall make strategic reductions in positions by five percent, first looking at layers of management and clerical staffing, each year for three years. Furthermore each agency should review process re-engineering and unit consolidation while preserving critical services such as public safety and direct patient care. Reductions can be achieved through outsourcing privatization and program elimination where feasible and cost effective. Each agency must report to the Commission on Streamlining Government by December of 2010 and 2011 the achieved reductions and explanation of why the target was not met. Finally,

state personnel who learn new skills or increased scope of responsibility should be reviewed for pay increases using savings from staff reductions.

**STATUS: IMPLEMENTED**

Act 132 of the 2010 Regular Session, by Senator Donahue, provided for the implementation of this recommendation. This Act requires the commissioner of administration and the Board of Regents to establish and implement an agency position attrition analysis process to be used by each executive branch agency and each higher education system to review historical position vacancies, relative to authorized positions for each budget unit, program, and subprogram with a goal to reduce by 5% annually for three years by an equally proportionate reduction of such positions across all salary ranges of equal increments, beginning FY 2010-11. Establishes FY 2007-08 as the base year for comparative purposes. The legislation further requires that beginning in FY 2010-11 and each year thereafter, each agency shall compare the number of authorized positions for each budget unit, program, and subprogram to the number of authorized positions for those budget units, programs, and sub-programs in the base year.

The legislation also requires each executive branch agency to report the results of its analysis to the commissioner of administration no later than January 15 of each year. Requires the commissioner of administration to provide a written report to the Commission on Streamlining Government on the first day of the month following the month in which the executive budget is submitted to the Joint Legislative Committee on the Budget. The legislation requires the Board of Regents to provide a written report to the Commission on Streamlining Government indicating the state general fund dollar savings achieved as a result of the implementation of the agency position attrition analysis process and the number of vacant positions eliminated and any other information relating to personnel numbers, costs, and historical vacancies.

**RECOMMENDATION #216**

Department of Health and Hospitals to continue implementation plan to sell and/or lease the John J. Hainkel Home and Rehabilitation Center.

**STATUS: COMPLETED**

Act No. 933 of the 2010 Regular Session authorized and empowered the secretary of the Department of Health and Hospitals and the commissioner of administration to execute a negotiated lease to the New Orleans Home for Incurables for the John J. Hainkel, Jr., Home and Rehabilitation Center. Transfer of the operations of the facility was effective April 19, 2011.

**RECOMMENDATION # 217**

Direct the Office of Group Benefits to write an RFP to consider consolidating and outsourcing state employee group medical benefits under a single administrative provider to more effectively leverage critical mass and improve efficiency, and report the results back to the Commission on Streamlining Government. Multiple options/levels can be offered through a single provider.

**STATUS: IMPLEMENTED**

According to the Division of Administration, this recommendation is being implemented. The division reports that an RFP was issued and that they are currently engaging the services of a financial advisor who will, over the coming months, conduct a comprehensive and in-depth analysis of OGB and the health care market and provide recommendations as to the proper administrative structure of OGB. If the financial advisor recommends structural changes to OGB, such changes are not anticipated to be implemented until the start of the plan year beginning January 2013.

**RECOMMENDATION # 218**

Scale down the Louisiana Teacher Assistance and Assessment Program.

**STATUS: IMPLEMENTED**

During the 2010 Regular Session, House Bill, by Representative Hoffman, was filed and became Act No. 54. In part, it repealed the Louisiana Teacher Assistance and Assessment Program. According to the Department of Education, the department has implemented this recommendation.

**RECOMMENDATION # 219**

Eliminate the workforce grant program in the Department of Economic Development as the Louisiana Fast Start program is operational.

**STATUS: IMPLEMENTED**

According to the Department of Economic Development, the department has implemented this recommendation.

**RECOMMENDATION # 220**

Reduce the Entertainment Workforce Program in the Department of Economic Development.

**STATUS: IMPLEMENTED**

According to the Department of Economic Development, the department has implemented this recommendation.

**RECOMMENDATION #221**

Provide, by statute, that one of the options for the use of excess revenue should be a recurring (permanent) tax cut for individual and corporate taxpayers, which should be budgeted.

**STATUS: NO ACTION; LEGISLATION NOT ENACTED**

Senate Bill 430 of the 2010 Regular Session, by Senator Donahue, provided for the implementation of this recommendation. This legislation failed to become enacted.

**RECOMMENDATION #222**

Should a reduction in force through voluntary or involuntary separation become necessary, whether applicable only to targeted programs or budget units or implemented across most agencies, the design process of the staff reduction plan should include discussions of a separation package which may take the form of an incentive or severance package. Prudence dictates that the details of such a package should be determined only after designation by the appropriate entity of programs to be reduced or eliminated or positions to be emptied. However, any such separation package may include three basic components: (1) a lump-sum payment, (2) provision for health insurance, and (3) provision for education or training. If the package is offered as an incentive for voluntary separation, any employee taking the incentive should be prohibited from employment with the state or from entering into a contract to provide services on behalf of the state for a period of thirty-six months. If the person is reemployed or enters a contract within the prohibition period, the person should reimburse the state the proportionate value of the incentive package. Any separation, whether voluntary or involuntary, to which a separation package applies should trigger the abolition of the position from which each employee is separated; however, if the position is critical to the mission of the agency, the agency should be permitted to abolish another position or combination of positions that represent the elimination of the same amount of salary and benefit costs from the agency's budget.

**STATUS: NO ACTION**

No action was taken on this recommendation.

**RECOMMENDATION # 223**

Convert all agency advertising notices to electronic notification where feasible.

**STATUS: IMPLEMENTED**

According to the Division of Administration, this is already being done in some cases under current law, and expansion to other areas is currently being studied. House Bill 1212 of the 1020 Regular Session, by Representative Arnold, would have implemented this recommendation, but it was deferred involuntarily.

**RECOMMENDATION #224**

Department of Public Safety and Corrections - Public Safety outsource information technology applications and services where appropriate to improve operating efficiencies and realize savings.

**STATUS: UNDER CONSIDERATION**

The Department of Public Safety and Corrections - Public Safety Services (DPS) maintains a data center that provides a variety of traditional and customized information technology services for the public safety user community. DPS is still considering and evaluating this recommendation.

**RECOMMENDATION #225**

Department of Social Services eliminate the Earned Income Tax Credit technical support program since it is not within the core competency of the department.

**STATUS: COMPLETED**

The Earned Income Tax Credit (EITC) program is a refundable credit that is available to certain individuals and families who have low-to-moderate levels of earned income and are taking care of minor children. In the past, the Department of Social Services (renamed Department of Children and Family Services (DCFS) in the 2010 Regular Session) provided a portion of the Temporary Assistance to Needy Families (TANF) grant funding to community organizations to assist low-income families who qualify for EITC complete their tax returns. The FY 2011 Appropriations Bill redirected prior EITC funding to other DCFS core services provided through the TANF grant and this continued in the FY 2012 Appropriations Bill. While they will no longer be funding this service,

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DCFS has included detailed EITC information on their website in an effort to educate individuals who may potentially be eligible for EITC.

**RECOMMENDATION #226**

Require that the FAIR and COASTAL Plans be administered pursuant to the laws governing the plans that were in effect before the adoption of Act 1133 of the 2003 Regular Session creating the Citizens Property Insurance Corporation, and that Citizens cease all operations after its debts are paid off and if private insurance and/or the FAIR and COASTAL plans are established.

**STATUS: NO ACTION**

There has been no action taken in furtherance of this recommendation.

**RECOMMENDATION #227**

Require that the retirement plan benefit structure for the four state retirement systems be changed to a defined contribution plan for all new employees hired after July 1, 2010.

**STATUS: NO ACTION; LEGISLATION NOT ENACTED**

House Bill 930 of the 2010 Regular Session, by Representative Tucker, would have provided for the implementation of this recommendation. This legislation failed to become enacted.

**RECOMMENDATION # 228**

Reduce the site-specific fund in the Department of Economic Development, which is used to cover project-specific expenses related to business retention and recruitment efforts.

**STATUS: IMPLEMENTED**

According to the Department of Economic Development, the department has implemented this recommendation.

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**RECOMMENDATION # 229**

Change the supporting guarantees for Small Business Loan Guarantee Program in the Department of Economic Development.

**STATUS: IMPLEMENTED**

According to the Department of Economic Development, the department has implemented this recommendation.

**RECOMMENDATION #230**

Provide that the annual budget for the Crescent City Connection Division of the Department of Transportation and Development can be no more than the amount of annual tolls collected by the Crescent City Connection, which tolls cannot be raised without a two-thirds vote of the legislature.

**STATUS: NO ACTION**

There has been no action taken in furtherance of this recommendation.

**RECOMMENDATION #231**

Require any revisions to the final business plan for the proposed new Charity Hospital in New Orleans previously approved by the Joint Legislative Committee on the Budget in 2007 to be resubmitted for approval to the Joint Legislative Committee on the Budget prior to the sale of bonds by the governing corporation or the State.

**STATUS: NO ACTION**

There has been no action taken in furtherance of this recommendation.

**RECOMMENDATION #232**

Provide that no vendor whose contract with the state has been cancelled for nonperformance shall be eligible to contract with the state for five years.

**STATUS: NO ACTION**

There has been no action taken in furtherance of this recommendation.

**RECOMMENDATION #233**

The governor and the Legislature increase no state tax or fee to deal with the current budgetary shortfall.

**STATUS: IMPLEMENTED**

For the 2010 Regular Session, there were no increases in state taxes or fees to deal with the budget shortfall.

**RECOMMENDATION #234**

To provide that annual spending per secure commitment bed in the Office of Juvenile Justice be reduced to the Southern average, as long as the reduction does not interfere with the transfer or implementation of the Missouri Model.

**STATUS: IMPLEMENTED**

The Division of Administration indicates that they are in the process of implementing this recommendation.

**RECOMMENDATION #235**

Provide that the span of control in all departments shall be a minimum of one manager per ten employees. Highly technical, policy or non-repetitive functions may have a span of control as low as one manager per five employees with the permission of the Joint Legislative Committee on the Budget.

**STATUS: NO ACTION**

There has been no action taken in furtherance of this recommendation.

**RECOMMENDATION #236**

No NGO shall be eligible to contract with a department or agency to which the same or similar function is being provided by a department of agency, if an appropriation for that NGO has been vetoed by the governor, unless strictly for budgetary purposes, and has not been overridden by the Legislature. The prohibition shall exist for a period of one year after the governor's veto message.

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**STATUS: NO ACTION**

There has been no action taken in furtherance of this recommendation.

**RECOMMENDATION # 237**

Require the Department of Public Safety and Corrections, Corrections Services to explore legislation and rule making to identify any administrative efficiencies and potential cost savings.

**STATUS: IMPLEMENTED**

The Department of Public Safety and Corrections, Corrections Services have reduced administrative staff and consolidated business functions. Also, it has issued a contract to JPay for the automated offender banking system that will replace the current manual system process.

**RECOMMENDATION # 238**

Direct the Louisiana Sentencing Commission to complete its work and provide the Legislature with recommendations for the 2010 Regular Session that will improve public safety and be cost effective to taxpayers.

**STATUS: COMPLETED**

Senate Concurrent Resolution 17 of the 2010 Regular Session directs the Louisiana Sentencing Commission to develop the necessary database to be used in the analysis of the present sentencing laws and practices, and the subsequent development, testing, and justification of data driven recommendations that are in the best interest of the citizens of the state, and make its initial recommendations to the legislature by March 1, 2012, that will improve public safety and be cost effective to taxpayers.

The Louisiana Sentencing Commission has established numerous committees and working groups, including the research and technology committee, the statutory revisions committee, and the criminal code revisions committee. The Commission usually meets once a month. The Commission will usually have a committee meeting once a week.

In the 2011 Regular Session, the commission submitted thirteen pieces of proposed legislation. Some of the proposals were formed into study resolutions and five bills were enacted into law. The legislation passed dealt with home incarceration, awarding of good time, administrative sanctions, parole eligibility, parole board operations and pardon board membership.

## **ABBREVIATION CHART**

<b>COMPLETED</b>	brought to an end or fully carried out
<b>IMPLEMENTED</b>	put into practice or in the process of being put into practice (in progress/adopted)
<b>NO ACTION</b>	includes legislation failed/cost prohibitive
<b>UNDER CONSIDERATION</b>	agency considering/evaluating