



**CABINET DEPARTMENT REPORT
FOR THE
COMMISSION ON STREAMLINING
GOVERNMENT
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DEPARTMENT: Coastal Protection and Restoration Authority

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Section One: Agency Overview

Identify your overarching reform goal(s) for the agency. As many of you experienced during the legislative session, it is paramount that you always strive to make our policy and programmatic goals clear and understandable to those outside your agency.

This could also include a brief general narrative description of what the agency does if it is not obvious from the goals.

The Coastal Protection and Restoration Authority (CPRA) was established pursuant to a federal requirement following Hurricanes Katrina and Rita in 2005 to lead hurricane protection and coastal restoration activities for the State of Louisiana. The authority is comprised of 20 representatives from state agencies, levee districts, parishes, regional representatives and legislators and chaired by the Governor's executive assistant for coastal activities.

The CPRA objectives include:

- Objective 1. Reduce economic loss from storm based flooding
- Objective 2. Promote a sustainable coastal ecosystem
- Objective 3. Provide habitats for commercial and recreational activities
- Objective 4. Sustain the unique heritage of Coastal Louisiana

The CPRA developed the *Louisiana's Comprehensive Master Plan for a Sustainable Coast* outlining the state's vision for economic, natural resources, cultural, property and community sustainability for the two million citizens in coastal Louisiana. Implementation of the entire master plan is estimated to cost \$100 billion. The CPRA's execution office, the Office of Coastal Protection and Restoration (OCPR), is responsible for implementing projects and activities authorized by the authority. Today, nearly \$17 billion in projects are fully-financed and underway, with billions of dollars in additional projects authorized for construction by Congress. These ongoing efforts represent a 1500 percent increase in planning, engineering and design efforts in less than two years. This dramatic surge in coastal work has seen a corresponding increase in state employees that total only 20 new positions. The CPRA reform initiatives underway (described below) resulted in impressive efficiencies that, in turn, allowed for a minimal staff increase to implement. It has been estimated that if a staff increase based on the 1500% increase in workload had been implemented on a purely dollar-to-staff ratio, CPRA/OCPR would require 2000 employees rather than the current 150 leading the state's coastal efforts today.

Major structural changes to the state's coastal program were implemented during the Legislature's 2008 and 2009 regular sessions. Since last year, the CPRA has carried out extensive efforts to improve the efficiency of the state's coastal sustainability goals. These reform efforts include:

1) Integrating the State's Existing Coastal Efforts – In progress

The state's coastal master plan includes large-scale hurricane protection and coastal restoration efforts in Louisiana. State law required that these activities be segregated -- all hurricane/flood protection work be administered by the Department of Transportation and Development and that coastal restoration efforts be led by the Department of Natural Resources.

There are billions of dollars in coastal restoration projects in Louisiana authorized by Congress. Congress has also funded billions in hurricane protection projects in our state. Many of these restoration and protection projects have overlapping footprints and conflicting designs. In addition, Hurricane Katrina and recent science have shown that there is a symbiotic relationship between restoration and protection. Restored coastal wetlands serve as a storm surge buffer for our coastal communities while protection structures can be managed in a way to improve the sustainability of wetlands in our coastal area.

Reform result: We anticipate saving the state hundreds of millions of dollars as a result of this ongoing integration effort.

2) Developing a Prioritization Tool to Guide Funding Decisions - In progress

The comprehensive effort to restore and protect coastal Louisiana consists of hundreds of projects totaling tens of billions of dollars in one of the most important, complex and productive ecosystems in the world. This initiative will affect millions of Louisianans; hundreds of thousands of jobs and hundreds of billions of dollars in economic activity are dependent upon our success. Failure is not an option and progress must be efficient.

In order to prioritize and sequence the hundreds of projects appropriately, the CPRA directed the OCPR to develop a prioritization tool to help to identify the best opportunities to restore the ecosystem and protect Louisianan's homes and businesses from hurricane and storm damages. The tool is designed to take into consideration economic activity, employment opportunities, natural resources, homes, businesses, culture, population, constructability, sustainability, the state of applicable science and engineering and many other factors when identifying the highest and best use of limited resources. This tool will help to ensure that we are first making investments in the highest value projects that will benefit the largest populations and restore or protect the largest acreage of our coastal ecosystem.

Funding decisions should be based upon value to the taxpayers and need evaluated on a level playing field rather than politics or providing funds to those projects with the most vocal advocates.

Reform result: This tool provides a transparent process whereby funding decisions will be merit-based and advance the goals of the state's master plan as efficiently as possible.

3) RAND Study – Levee Districts – currently in scoping phase(projected to begin by 11/09)

Parish governments, levee districts, the state and numerous federal agencies are involved in our hurricane protection and coastal restoration efforts. The CPRA is in the process of initiating a study to determine the appropriate roles and responsibilities of each entity. In many cases, each organization may have their own engineers, planners or environmental advisors performing duplicative tasks. In addition, we expect work related to levee inspections, monitoring equipment, and other operations and maintenance functions of protection and restoration projects to substantially increase. The study will help the CPRA to properly and efficiently organize the activities of each entity and to plan for the extraordinary spike in lifecycle responsibilities/costs.

Reform result: Implementation of study action items will result in the reduction of duplicative services/expenditures. Improve the coordination among federal, state and local entities to ensure that there are clear lines of communication and responsibility for all project features, performance and lifecycle costs.

4) Carbon Credit/Water Quality Credits – in development (projected completion in 2010)

The CPRA initiated a number of innovative programs to defray the costs of project development and implementation. Two of these efforts include the quantification, certification, marketing and sale of greenhouse gas and water quality credits resulting from our coastal restoration projects. The programs authorized by the CPRA and carried out by the Office of Coastal Protection and Restoration (OCPR) have the potential to generate significant revenues which in turn may be reinvested into our coastal program. The investigation of market-based policy instruments to align the private market economic decisions of investors with the State's interests and the CPRA's mandate to provide integrate coastal restoration and protection to our citizens is currently underway.

As the State's Master Plan notes "Coastal Louisiana has the largest expanse of coastal wetlands in the lower 48 states." The state's wetlands protection and restoration projects sequester or prevent the release of carbon and other greenhouse gases. The sequestration of these gases is a marketable asset to companies or organizations wishing to offset emissions of greenhouse gases. The state is currently working to quantify and establish standards relating to the volume of various gases sequestered and mechanisms to enhance the uptake of carbon dioxide and other gases – such as planting trees or other plants within our project areas. As a result of our initiative, the CPRA will be prepared and well-positioned to benefit from the projected increase in demand for greenhouse gas credits and ensuing trillion dollar trading market. Based upon our research, we believe that Louisiana will be a world leader in this innovative approach to greenhouse gas sequestration will reducing the CPRA's request for state funding to sustain our coastal program.

We anticipate another secondary outcome of our wetlands restoration projects will be improvements in water quality. As stated in the State's Master Plan about wetlands "When river water flows through them, wetlands filter nutrients from the water that would otherwise flow directly into the Gulf of Mexico. High concentrations of these nutrients in the northern Gulf of Mexico contribute to the growing problem of hypoxia, or low oxygen conditions, in offshore coastal waters. As increasing amounts of river water are diverted into marshes as part of restoration projects, these nutrients will help sustain wetland plants or be processed in the soil, rather than contributing to a nationally-significant water quality problem." (State Master Plan, Chapter 1 page 5).

The diversion of freshwater from Louisiana's rivers and bayous into coastal wetland areas will help to protect and restore these coastal areas through the reintroduction of sediment. The freshwater diversions also contain many nutrients such as nitrates and phosphates that fertilize wetland plants. These wetland plants filter nutrients from the diversions resulting in improved water quality discharged into the Gulf of Mexico. Federal water quality standards are becoming increasingly stringent. This component of the program will quantify and market water quality credits derived from the natural deposition and filtration process. At the end of the investigation it will be known how the State of Louisiana may participate in a water quality market in which water quality credits may be sold resulting in an independent source of revenue for the coastal program.

Reform result: Our projections indicate that these efforts could result in saving the state tens of millions of dollars or more annually as the reinvestment of revenue streams created by Louisiana's greenhouse gas sequestration and water quality credit programs will be directed toward CPRA efforts to implement integrated coastal protection. As a result of this revenue stream, the dependency of the CPRA on State government revenues could ultimately be significantly diminished. The CPRA will also leverage these revenues in such a way as to maximize the opportunity to capitalize on additional matching dollars as much as possible. The CPRA has already secured corporate financial commitments for this program.

5) Independent Technical Review – in progress

Independent Technical Review (ITR) is a third party, project-level technical review that provides recommendations concerning project plans and designs. Its objective is to ensure the implementation of cost-effective investigations and remedies while meeting the state and Federal objectives of flood and hurricane protection and coastal restoration projects.

ITR provides access to nationally-recognized coastal scientists, engineers and modelers, fisheries biologists, cultural and social scientists, geologists, real estate specialists, wetland ecologists and environmental experts to review specific projects to determine whether the investigative approach, proposed actions, proposed monitoring plans, and exit strategies are technically sound. These panels develop recommendations for consideration by decision makers in determining the appropriate course of action. The panel's recommendations are intended to improve decision-making and to support technically sound initiatives. In addition to making recommendations, subject matter experts provide follow-up technical assistance to address specific issues identified during the reviews.

All Federal Corps of Engineers Water Resources Development Act projects require Independent Technical Review (ITR). This is a Washington level Corps wide policy that is part of their Quality Control/Quality Assurance (QC/QA) process. All planning, engineering and design products are required to have an ITR to conduct such reviews as are necessary to insure that the product is consistent with established criteria, guidance, regulations, procedures, and policy of the Federal government.

Most of the hurricane and flood protection projects in Louisiana's coastal area are cost shared between the U. S. Army Corps of Engineers and the State of Louisiana, but as Federal WRDA projects, they are planned and designed based on National Economic Development (NED) procedures with a benefit/cost ratio (B/C ratio) as the major decision-making tool leading to project construction. The NED procedures do not factor in to any real degree environmental issues of concern to the State of Louisiana.

The state has utilized Independent Technical Review panels at key points in large scale (over a billion dollars) hurricane protection projects to provide an overlay of scientific and engineering best practices for the ultimate goal of preventing environmental damage, encouraging ecosystem restoration, and suggesting cost saving strategies in project implementation. The goal is mid-course correction as appropriate in order to improve aspects of these projects in real time.

In 2008, the Morganza to the Gulf Technical Review panel was created and worked for 8 months (for a minor stipend and travel costs) on a report with recommendations that were well received by the Corps and the environmental community alike. Most recently, the CPRA has tasked an ITR to be conducted on the Donaldsonville to the Gulf of Mexico hurricane protection project with report due in spring of 2010. These reports are important to the state in maintaining a strong and involved presence as the local cost share sponsor of multi-billion dollar projects to insure cost efficiencies and environmental concerns received the highest level of scrutiny as these projects move forward.

Reform result: The Independent Technical Review process will evaluate large-scale projects (projected to cost in excess of \$1 billion) to re-confirm project goals and projected impacts. The reviews are designed to identify legal, economic, environmental, scientific and other challenges to allow for proactive solutions. The ITRs will reduce costs associated with litigation, project delays and redesign.

6) Strategic Investment of Mitigation Funds – proposal submitted to federal officials

The U.S. Army Corps of Engineers estimates that mitigation funds associated with hurricane protection work in the Greater New Orleans area could reach \$700 million. These mitigation funds will be used to create wetlands and other projects designed to mitigate the impact of hurricane protection structures in the region.

Congress authorized billions of dollars in coastal restoration projects in Louisiana. Virtually all of these projects lack federal construction funding. The CPRA is working with the Army,

White House and other federal officials to require that the Corps of Engineers use these mitigation funds to construct the federally-authorized restoration projects.

Federally-authorized coastal restoration projects traditionally require a 35 percent funding match from state and local sources (sixty-five percent federal cost).

Reform result: This policy initiative could result in the expedited implementation of coastal restoration efforts in our state and the elimination of Louisiana's cost share for these restoration projects – allowing the CPRA to focus on future aspects of our coastal program.

7) Improved Contracting Transparency/Timing – in place by 11/09

A recent study was commissioned by the CPRA to assess contractual procedures and to identify opportunities to expedite contract execution for coastal restoration and protection engineering and design services. The issuance of consulting engineer contracts for IDIQ (retainer-type contracts) and individual contracts have been determined utilizing a qualifications-based selection process. Over the recent five to six year period, the time expired for this phase ranged from 247 days to 566 days. Other agencies, including the Department of Transportation and Development, Facility Planning and Control, and East Baton Rouge Parish Department of Public Works typically advertise, select and award similar contracts within 180 days from the advertisement of services.

As evidenced by Hurricanes Katrina, Rita, Gustav and Ike, the CPRA's mission/success is too critical to allow for eight to 18 months to pass while contracting decisions are made. These delays are unacceptable.

The CPRA/OCPR is responsible for managing billions of dollars in coastal and hurricane protection and restoration projects. The state has already lost 2300 square miles of coastal lands and wetlands as a result of coastal erosion. In recent years, an entire football field of land eroded every 38 minutes. Our procedures must be representative of the criticality of our mission.

Reform result: We have developed a new contracting process that will improve the timing, transparency and accountability associated with our contracting practices. Our initial goal is to issue contracts within 180 days; however, we will carry out a second phase of streamlining to further expedite the contracting process.

NOTE: *While not limited to the CPRA, we recommend that a task force be established to re-evaluate the various efficiencies, needs and constraints related to state contracting law and procedures.*

8) Improved Coordination of New Funding Sources – in progress

Billions of dollars in federal funds have been provided to the Louisiana Recovery Authority (LRA) and Office of Homeland Security and Emergency Preparedness (GOHSEP) to prevent damages from future disasters, such as hurricanes, under the Hazard Mitigation Grant

Program (HMGP) and other sources. Projects such as elevating homes, improving flood protection and other resiliency measures have been carried out using the HMGP funding. In some cases, we identified areas where the CPRA or Corps of Engineers was developing flood protection projects where duplicative efforts were underway by other agencies.

These potential conflicts are not limited to the aforementioned programs. To date, we have identified over 40 funding sources that could be utilized to advance – or conflict with -- the goals of Louisiana coastal master plan.

Governor Jindal signed Executive Order 2008-07 to require that all state agencies carry out their functions in a manner that is consistent with the state’s coastal master plan. In response to the executive order, the CPRA is working with parish and local governments, state and federal agencies and others to improve the coordination related to the use of these resources.

This year, the LRA delegated some funding some decisions of HMGP and Community Development Block Grant funds to the CPRA to ensure the most efficient use of finances to prevent future flood and storm damages while advancing the goals of the master plan.

Reform results: The CPRA’s coordination of funding sources related to coastal erosion, flood control and hurricane protection will result in complementary, rather than conflicting, investments in coastal Louisiana. The charge of the CPRA and the representation of 10 state agencies on the authority allow for an appropriate venue to balance all agency missions. The extraordinary cost of implementing the state’s coastal master plan (\$100 billion) requires that every investment should be carefully coordinated and strategically invested to advance the state’s sustainability goals.

9) Redesign the Project Development and Implementation Process – in development

The current U.S. Army Corps of Engineers’ project development and implementation process averages 40 years. In other words, if a project concept was developed today (2009), the hurricane protection or coastal restoration project would not be completed until 2049. There is not a community in coastal Louisiana that has 40 years to wait until their coast is restored or their homes and businesses are protected from hurricane storm surge.

The CPRA/OCPR has hosted town hall meetings across coastal Louisiana to receive input on a number of reform proposals designed to compress the federal water resources project process and to improve the functionality of the relationship between the state and Corps of Engineers.

It is understood that many of the limitations are systemic and will not be quickly resolved. Therefore, we have compiled a list of interim solutions that could be quickly enacted to enhance the current arrangement as well as beginning discussions and justification for long-term solutions. Our goal is to develop a project implementation process that is capable of addressing Louisiana’s coastal crisis. In early September we will meet with federal officials and our congressional delegation in Washington, DC, to present a consensus list of interim solutions accompanied by letters of support from many of the stakeholders.

Reform result: The current project development and implementation process is incapable of moving at speed required to adequately address Louisiana's coastal crisis. This initiative will result in hurricane protection and coastal restoration projects moving from conception to completion with greater efficiency.

10) Project Budgeting and Management System – in progress

For years, the state managed the coastal program budget using the spreadsheet program Microsoft Excel. While the software functions well in spreadsheet applications, it lacks project management, scheduling and accountability components. The CPRA has simply outgrown this legacy system.

The OCPR Program Management Section has undertaken an extensive effort in managing a greatly expanded coastal restoration and flood protection project workload with essentially the same number of staff.

The OCPR recently committed funds to develop a single system (@Task) which addresses all of the coastal program's project-related information needs. State Information Technology experts and consultants are managing the migration/consolidation of programs. This system will greatly expedite tracking and reporting on projects, allowing project managers to focus more on faster project implementation and less on generating progress reports. This tool will allow anyone to retrieve coastal project information on the CPRA web site, providing greater transparency and accountability.

With the new system, project management team members will be responsible for updating project schedules, giving them greater accountability and ownership. Information related to project delays or budgetary concerns will immediately be relayed to CPRA/OCPR leadership. Each team member will have a "dashboard" which will show tasks assigned them and the due date and status of each task. Project managers spend approximately 25 percent of their time updating project schedules; the new system would reduce that time to about 5 percent, and greatly facilitate improved management oversight.

The present system does not accurately show project balances, so a project manager can spend hours tracking down project expenditures. The new system will provide that information, and allow automated tracking of performance indicators (further saving time for project managers. That new tool will also greatly reduce time spent by OCPR project managers and consultants in compiling projects data for the generation of the CPRA's Annual Plans. For the current Plan, it took OCPR contractors and employees over 1,400 staff hours to compile and process that information.

OCPR staff members continue to meet with the ERP team to ensure that the LaGov ERP project and @Task are developed as a coordinated effort.

Reform result: Migration to the @Task system will improve project scheduling and budgeting. It will help to improve the transparency of the project development and implementation process and help the public and OCPR leadership to hold project teams accountable to their schedules and budgets.

Review and briefly outline the constitutional and statutory mandates for your agency. Determine what is required of your agency by law as distinct from the actual activities of your department.

The Coastal Protection and Restoration Authority is the single state entity with authority to articulate a clear statement of priorities and to focus development and implementation efforts to achieve comprehensive coastal protection for Louisiana. The CPRA works closely with other entities on coastal issues, including the state legislature, the Governor's Advisory Commission on Coastal Protection, Restoration, and Conservation; the Louisiana Recovery Authority (LRA); and the LRA's Louisiana Speaks regional planning process.

Working with federal, state and local political subdivisions, including levee districts, the CPRA works to establish a safe and sustainable coast that will protect our communities, the nation's critical energy infrastructure, and our bountiful natural resources for generations to come. The CPRA of Louisiana was established by Act 8 of the 1st Extraordinary Session of 2005.

Major structural changes to CPRA and the state's coastal program were implemented during the Legislature's 2008 and 2009 regular sessions. Since last year, the CPRA has carried out extensive efforts to improve the efficiency of the state's coastal sustainability goals.

Statutory Mandates (Act 523 of 2009 Regular Session):

(R.S. 49:214.5.1 et seq.) The Coastal Protection and Restoration Authority, "Represent the state's position in policy relative to the protection, conservation, enhancement, and restoration of the coastal area of the state through oversight of integrated coastal protection projects and programs and by addressing activities which require a coastal use permit which could significantly integrated coastal protection projects and programs, all consistent with the legislative intent as expressed in 49:214.1."

(R.S. 38:81.102 et seq.) The CPRA may enter into contracts and agreements of any nature for the purposes of the Chapter with any person either natural or artificial, corporation, association, or other entity, including public corporations, levee districts, port authorities, state departments, agencies, parishes, municipalities, the United States government and agencies thereof, or any combination thereof or with instrumentalities of every kind, and may designate any department, agency, municipality, parish, levee district, and industrial district, or other political subdivision of the state as its agent.

(R.S. 214.5.2) Develop, coordinate, make reports on, and provide oversight for a comprehensive coastal protection master plan and annual plans. The master plan shall include a comprehensive strategy addressing the protection, conservation, enhancement, and restoration of the coast area through the construction and management of integrated coastal protection projects and

programs, all consistent with the legislative intent as express in R.S. 49:214.1. The annual plan shall be developed as the annual implementation of the comprehensive master plans and shall be submitted to the legislature for approval as set forth in R.S 49:214.5.3. The annual plan shall include a description and status of all projects and programs pertaining to integrated coastal protection, including privately funded wetland enhancement projects or plans, and addressing those activities requiring a coastal use permit which significantly affect projects set forth in the plan.

(R.S. 49:214:5.2) Approve all requests for integrated coastal protection programs and projects in the coastal area, insofar as such requests are for funds to be appropriated from the Coastal Protection and Restoration Trust Fund.

(R.S.49: 214:5.2)Develop procedures in the accordance with the Administrative Procedure Act and take actions against any entity, including political subdivisions to enforce compliance with the comprehensive master coastal protection plan.

(R.S. 49:214:6.1 et seq.) The Office of Coastal Protection and Restoration, created by Act 523 of the 2009 Regular Session of the Louisiana Legislature, “..the implementation and enforcement arm of the Coastal Protection and Restoration Authority. The office shall be directed by the policy set by the Coastal Protection and Restoration Authority as enumerated in R.S.49:214.1.” “Shall implement projects relative to the protection, conservation, enhancement, and restoration of the coastal area of the state through oversight of integrated coastal projects and programs consistent with the legislative intent as expressed in R.S. 49:214.1.”

Section Two: Efficiency and Benchmarking

Identify under-performing programs that should be overhauled or eliminated. The Commission will call on you to justify your programming based on performance and whether or not you are meeting the needs of Louisiana’s citizens.

As previously noted, functions and programs administered by this office were overhauled and re-evaluated as part of the process of creation of this office in the 2008 legislative session and by Act 523 of the 2009 Regular Session of the Louisiana Legislature. A few programs (below) could potentially be improved or “overhauled” to increase their performance and the level of service provided by the OCPR organization.

1) Office of Coastal Protection and Restoration Field Office Reorganization - in progress

There are three primary coastal field offices which play a critical role in our ability to address the myriad of issue that the Office of Coastal Protection and Restoration (OCPR) must deal with in order to restore and protect our coastal resources.

The primary functions of the offices include field monitoring, levee inspections, construction inspections and such related activities. In order to increase effectiveness, CPRA/OCPR intends to incorporate the field offices into the business approach to restoration and protection. The current path forward includes a division of labor of field offices and activities that corresponds with the Louisiana coastal master plan regions, largely watershed boundaries.

This regional team approach will maximize personnel and allow each region to have trained staff members familiar with the discreet ecological and flood protection aspects of that coastal area, a working knowledge of ongoing projects, and a connection to the residents, major landowners and governmental persons working within similar geographic boundaries. Approaches to protection and restoration range dramatically from the western portion of Louisiana's coast to the central and eastern regions. This scheme of focusing field office efforts within a particular region will maximize their effectiveness and response time, enhancing the organization's ability to do a thorough job.

NOTE: OCPR field offices are remnants of the Louisiana Department of Natural Resources coastal restoration functions now administered by the CPRA/OCPR. The Louisiana Department of Transportation and Development also has field offices that performed many hurricane/flood protection functions now under the jurisdiction of the CPRA/OCPR. The integration of relevant DOTD field offices/personnel remains an item of negotiation between the DOTD and OCPR. However, we do anticipate the absorption of the requisite number of DOTD field office personnel/staff positions into the OCPR field offices resulting from the reduced responsibilities of the DOTD field offices (i.e. transfer of flood control and hurricane protection responsibilities).

2) Christmas Tree Program

The Christmas Tree Program, or Parish Coastal Wetlands Restoration Program (PCWRP), was established after several brush fences were built and filled by local citizens using a collection of discarded holiday trees. These small-scale brush fencing efforts had been successful in temporary abatement of erosion in certain coastal areas and laid the foundation for the creation of the program. The Christmas Tree Program has garnered both local and national recognition to the issue of Louisiana's wetland loss and has been a successful public awareness tool for nearly 15 years, one that allows individuals to get involved in hands-on participation in responding to coastal land loss.

The 19 parishes within the Louisiana Coastal Zone, with state assistance, have funded and implemented the PCWRP in their respective parishes. The parishes are very informed about potential project sites and successful with enlisting participation and volunteers from the local community. While the Christmas Tree Program has increased public awareness of coastal land loss issues, it has been suggested that the dollar per acre benefit may not be the mark of "best use" of state restoration dollars from CPR Fund. This will likely warrant discussion by the Commission as a potentially "under-performing program" in the truest sense of the term, however, as has been mentioned, several parishes rely on this funding and the public education element cannot be overlooked as a project benefit.

3) America's Wetland Conservation Corps/Community Outreach

America's Wetland: Campaign to Save Coastal Louisiana developed the America's Wetland Conservation Corps (AWCC) several years ago. The LSU AgCenter leads the AWCC by serving as the hub for the coalition, the host sites, and AmeriCorps members throughout the state by providing education, training, and a full-time team leader. The National Wildlife Federation, the Louisiana Wildlife Federation, and the Coalition to Restore Coastal Louisiana

also assist in providing structure for the AWCC. The AWCC engages AmeriCorps members, volunteers, and communities in helping to save and restore Louisiana's coast. AWCC recruits, trains and place 15 AmeriCorps members at five sites throughout Louisiana to coordinate hands-on coastal restoration projects such as, vegetative planting, restorative interventions, community-wide clean-ups, and educational projects.

This program is one of CPRA/OCPR's "Community Outreach" initiatives and has received up to \$500,000 a year in recent years. It has been suggested that if these funds were used as leverage and distributed more broadly across coastal organizations, the overall project benefit may far exceed this single-source option for use of funds. Reevaluation of this program as compared to other investments is worthy of further investigation.

Section Three: Outsourcing and privatization

List programs, functions, or activities that can be privatized or outsourced. This is a specific focus of the Commission. Consider this idea throughout your analysis, and offer a list of possible activities at the end of your report.

Engineering, design and environmental services in support of stated goals and outcomes in Section 1 have been outsourced for many years. While maintaining staff with institutional knowledge and expertise to manage the contracts for delivery of services on time and within budget, the outsourcing of stated services is utilized—particularly during periods of multiple projects being implemented in parallel—to increase efficiency and productivity with no increase of in-house staff.

Land Services contractors are necessary in order to secure property for coastal projects and in instances where the state is responsible for United States Corps of Engineers (USCOE) flood protection and levee construction projects. For example, the state is currently responsible for acquiring an estimated \$300 million in real estate for hurricane protection projects in the Greater New Orleans area over the next ten months.

An example of the range of services outsourced to fulfill program requirements are:

- Abstracting and property surveys
- Title reports and appraisal services
- Review appraiser services
- Negotiating specialist
- Inventory specialist for immovable infrastructure
- Relocation specialists for individuals and businesses
- Relocation / replacement cost specialist
- Utility relocation specialists
- Support in documentation for exportations
- Acquisitions
- Project management for cost crediting purposes with the USACOE

Academic expertise relative to science and engineering research is abundant in our state university systems and is necessary in resolving uncertainties which will affect the implementation of coastal restoration and protection projects and programs. Services that may be outsourced include basic science and engineering research, development of predictive modeling tools to assist planners and engineers, and other relevant activities requiring focused expertise typically associated with academia. Other state agencies, local governments, federal agencies, and non-governmental groups will also be utilized to leverage resources and minimize duplication of effort.

Approximately 80% of these outsourced services for program and project tasks are cost shared with Federal sponsors allowing the majority of outsourced activities to be charged to federal projects on a cost shared basis, lessening the financial burden to the Coastal Protection and Restoration Trust Fund while providing for increased services to the citizens of Louisiana.

The Coastal Impact Assistance Program (CIAP) utilizes a small, private program management consultant team. Passed by Congress in 2005, the 100% federally funded CIAP program provides the State and parish governments with approximately \$500 million for coastal projects to improve flood and hurricane protection, restore our coastal wetlands and to mitigate the onshore impacts of Outer Continental Shelf oil and gas exploration and production. It is anticipated that the program will take six years to implement. This large but temporary workload is managed by a private program management team. No new employees were requested to administer this program.

Programmatic and project level planning activities typically outsourced include:

- Assist with the development of the State's Annual Plan and the Comprehensive Master Plan for a Sustainable Coast;
- Support water resources planning efforts such as performing the feasibility studies associated with the billions of dollars in projects authorized in the Water Resources Development Act of 2007; and
- Develop project specific environmental documentation (e.g. Environmental Assessments and Environmental Impact Statements) necessary to comply with the National Environmental Policy Act (NEPA).

Without the use of contract consultants for these tasks the state would not be able to advance projects through the planning phase and would therefore be unable to fully capitalize on the billions of dollars appropriated by congress for Water Resources Development Act of 2007 projects. Strategic utilization of highly trained and capable consultants allows OCPR to accelerate the pace of project planning which saves both time and money.

Operation and Maintenance Activities and Levee inspections

Costs associated with coastal projects include planning, engineering and design prior to construction, construction costs, and financial needs associated with the operations, maintenance, monitoring, repair and rehabilitation, or lifecycle costs.

The OCPR projects that lifecycle costs will increase by up to \$50 to \$100 million annually over the next ten to 15 years. The federal requirements related to operations and maintenance of these projects are currently under review and expected to become more stringent.

As described in Section 1, the CPRA had contracted with RAND to conduct a study to evaluate of roles/relationship between CPRA, parishes and levee districts. One aspect of report findings may include a recommendation relating to some services that may be outsourced, possibly including other entities performing CPRA/OCPR efforts. Evaluating innovative ways to install “smart levee” systems to reduce state and levee district inspection and operations and maintenance could also be achieved through outsourcing.

Outsourcing Legal Services

Dozens of agreements must be written and signed and a number of other legal issues need to be addressed in association with 1500% surge in workload within the last 2 years in the flood and hurricane protection and coastal restoration arena. Under state statute, the CPRA’s legal counsel is the Attorney General or his/her designee.

Rather than hiring numerous attorneys on state payroll, the CPRA has contracted through the Attorney General’s office to access private sector legal capacity. Recent legal services include efforts to execute Federal Cost Share Agreements for projects, Project Partnership Agreements, and other types of legal documents critical identifying roles and responsibilities and to keep project work on schedule. The CPRA/OCPR understands that the future requirements for legal services will work in peaks and valleys; services may need to be outsourced occasionally as new projects and programs get underway. We are taking strides to insure that no more legal staff is hired than will be necessary to manage day-to-day needs.

Section Four: Information Technology Integration

List IT projects already underway designed to improve efficiency and effectiveness as well as potential projects. This could include adoption of single technology platforms to increase purchasing power, reduce maintenance costs and provide better service. If you are aware of how the LaGov ERP project will improve your agencies operations or have suggestions to that end, provide them here.

IT Initiative: LACES

The Louisiana Applied Coastal Engineering and Science (LACES) Information Management System is managed through partnerships with other lead state & federal agencies to improve and increase functionality without duplicating efforts by sharing information among agencies.

Specifically, LACES works very closely with the Louisiana Geographical Information System Council, the LSU Louisiana Statewide Geographical Information System, or Atlas program, and the Louisiana Geographic Information Center (LAGIC) to coordinate all Geographical Information System (GIS) and remote sensing data, information, and technology. Any wildlife or fisheries data and information needed to support coastal protection and restoration efforts are coordinated with the Louisiana Department of Wildlife and Fisheries. LACES also work with several Federal government agencies to reduce redundancies and share information. For example, LACES has worked with the National Oceanic and Atmospheric Administration's National Coastal Data Development Center (NCDDC) in the development of metadata needed to support the vast array of data and information produced by the coastal protection and restoration program.

LACES partners with the U.S. Geological Survey on several data collection efforts as well as on data delivery and analysis of data collected through the State's Coastwide Reference Monitoring System program. The State of Louisiana, through LACES, shares the responsibility of the \$100 million Louisiana Coastal Area Science and Technology Program with the U.S. Army Corps of Engineers. This program is currently developing a distributed data network to facilitate more efficient and effective information exchange among partnering agencies. By building on existing resources and infrastructure managed by other agencies and through the use of distributed data networks and data viewers, data and information are made accessible to internal and external users across multiple platforms.

IT Initiative: @ Task

See: Section 1, item 10.

Section Five: Elimination of Duplicative and Unnecessary Services

List the activities of your department that fall outside of your constitutional and statutory mandates. Briefly describe the history of these programs, offices, or activities and how they became a part of your mission.

Functions and programs administered by this office were overhauled and re-evaluated in the 2008 legislative session and by Act 523 of the 2009 Regular Session of the Louisiana Legislature.

Remaining items that may be duplicative or unnecessary include:

The America's WETLAND Trail (49:214.16(B)):

The America's WETLAND Trail is established Act 523 and is referred to with optional language that states that it, "may be established in the Office of Coastal Protection and Restoration." This initiative is a holdover from the previous administration with the purpose of heightened awareness of the dramatic coastal land loss occurring in south Louisiana and what that loss means to the entire state and the nation. The trail is designed to connect sites and events along coastal Louisiana from the western border with Texas to the eastern border with Mississippi that highlight wildlife preserves and refuges, environmental and cultural resource centers, birding and nature trails, and cultural and historic sites. Given the primary mission of the Office of Coastal Protection and Restoration to implement hurricane protection and coastal restoration projects, and that the trail is an ecotourism opportunity, this may be an item found to be unnecessary to fulfill the intent of Act 523. The Commission may want to review the item and consider whether or not it best suits the uses of the CPR Fund given the current fiscal needs of the coastal program that will far outweigh available funding in the next several years.

Identify outdated activities that should no longer be part of the mission of your agency. Act 491 notes that "many state agencies were created over 30 years ago and a review...is needed to determine whether the purpose served by the agency or activity, function, program, or service continues to be relevant."

As described in various sections of this report, the CPRA was established in 2005 to coalesce the functions and programs related to hurricane protection and coastal restoration into one functional governmental unit. Functions and programs administered by the CPRA were

overhauled in 2008 and recently re-evaluated as part of the process of creation of the Office of Coastal Protection and Restoration by Act 523 of the 2009 Regular Session of the Louisiana Legislature. Due to the recent work in establishing the office, activities, functions and services relate to the core mission of OCPR.

Identify duplication or overlap with other state agencies, with the federal government, or with public or private stakeholder groups.

The policy office headed by the Governor's executive assistant for coastal activities is unique in its role of coordinating the powers, duties, functions, and responsibilities of any state agency relative to coastal Louisiana. The law provides for the executive assistant to coordinate all state departmental budget requests for programs and projects pertaining to coastal activities and all requests for funds to be appropriated from the Coastal Protection and Restoration Fund. This oversight role provides a home for conflict resolution as needed between and among agencies' in the footprint of the Louisiana coastal area.

The OCPR has both a primary role for Hurricane Protection (Act 523) and a support role and responsibility for hurricane preparedness in support of the Office of Homeland Security and Emergency Preparedness (GOHSEP). One of the stated long term primary objectives of the Coastal Protection and Restoration Authority's Fiscal Year 2010 Annual Plan is to "reduce economic loss from storm based flooding". The improved coordination of resources was addressed in Section 1, item 8.

Potential duplication of services or overlap with other state agencies may exist in the form of levee districts which currently have a minor role in both engineering and design of certain hurricane protection projects as well as the operations and maintenance responsibility for many of these federally sponsored projects. The staff and independent taxing authorities that lie within each of these levee districts makes them very capable of providing the services relative to operations and maintenance particularly. As has been mentioned previously, the OCPR is looking closely at the best ways to proceed without duplication in its field office function structure, and the RAND study underway (described in Section 1, item 3) will identify some potential efficiencies within levee districts. It is in the state's best interest to continue to evaluate the increasing future requirements of operation and maintenance funding and functions and identify efficiencies and reduce duplication with the CPRA/OCPR mission area.

We feel strides are being made but that the Commission should be aware that some overlap exists at present.

Section Six: Civil Service and Employee Benefits.

List and identify any current initiatives or ideas related to employee benefits, hiring and promotion, and other employee regulations.

OCPR has attempted to utilize all available tools and innovative options offered through Civil Service to provide flexibility when hiring professionals into the organization, retaining employees with specialized expertise, and offering incentives for employees seeking training and continuing education. These are described in detail below:

Current Initiatives

➤ Hiring

- Use of optional pay for recruitment for hard to fill positions.
- Use of 6.5(g) hire rate for education and/or experience, or specialized expertise, beyond the minimum required to bring in exceptional applicants at a competitive salary.
- Use of special entrance rates (SERs) for technical jobs (engineers, scientists, geologists) which are hard to fill.
- Availability of Dual Career Ladder (DCL) positions for “expert” technical positions (engineers, scientists, geologists) to allow coming in at higher pay grade without having to be in a supervisory position.
- Availability of flexible work schedules.
- Availability of compensatory time for overtime work.
- Availability of training programs.
- Availability of training series for most series (engineers, scientists, program specialists) to allow for entry level through advanced journeyman (usually the 3 level for each series).
- Availability of a good selection of health insurance programs through the state, with the state contributing up to half the cost.
- Use of Coastal Science Assistantship Program (CSAP) program to fund salaries for up to three years for Master of Science students enrolled full-time at Louisiana colleges/universities and involved in research relevant to Louisiana coastal restoration efforts. The program provides students the opportunity to work in coastal protection and restoration activities while ultimately providing a potential avenue for recruitment of OCPR/LDNR personnel.

➤ Promotion

- Establishment of limited number of higher “mentor” levels below supervisory level (e.g., Land Specialist 4 and the Coastal Resources Scientist 4).
- Availability of and encouragement from supervisory chain of command to utilize training programs to enhance skills, including beginning level supervisor skills.
- Notification to staff via “ALL OCPR” emails when promotional opportunities are advertised.

➤ Employee Benefits

- Availability of training series for most series (engineers, scientists, program specialists) to allow for entry level through advanced journeyman (usually the 3 level for each series).
- Availability of a Rewards & Recognition program to recognize and provide a monetary reward for exceptional work.

➤ Employee Regulations

- OCPR used the services of a contract attorney and DNR Human Resources to work with management in developing several OCPR employee policies. These were recently approved by Civil Service. These may be reviewed by going to the www.lacpra.org, putting in user name OCPR (in caps) and coastal for the password.
- New policies and regulations will be developed as needed.

Proposed Initiatives

- Hiring
 - Allow possession of specialized licenses (e.g., IRWA Right of Way) to count for some of required experience.
- Promotions
 - Develop an in-house training program specifically to develop supervisory skills in exceptional employees.
 - Develop a program to promote cross-training to increase employees' skills and enhance their ability to move up into higher level jobs (supervisory or DCL).

Long-Term Concepts

Considering the urgent mission of the CPRA/OCPR, it has become apparent that two primary areas that require further attention are the contracting procedures previously addressed in this report and civil service/employee benefit guidelines.

The state is unable to compete with private sector pay scales or benefits. Further, state requirements prevent the flexibility afforded to private sector counterparts. With the significant increase in activity and projected growth associated with our coastal program, numerous new engineering firms, environmental services companies and related offices have been established in Louisiana. In many cases, these businesses lure state employees with higher pay and better benefits. This has had an impact on our program.

While the Department of Civil Service and the commission have been very helpful to CPRA/OCPR in the restructuring of offices, the rules are onerous and contrary to the establishment/function of an efficient organization.

Following Hurricane Katrina, a number of recommendations were made related to a fundamental restructure of water resource programs. One recommendation that may warrant further consideration is to transition the OCPR into a quasi-private organization. Long-term plans considered could include models such as In-Q-Tel established by the Central Intelligence Agency or the Red Planet program utilized by the National Aeronautics and Space Administration may be applicable to a CPRA/OCPR partnership.

This innovative approach could address both contracting and civil service concerns.

Section Seven: Studies and other Resources

Please list:

- **Any studies (with a brief description) your agency has conducted that may be of interest to the Commission**
RAND study, mentioned throughout the report, studies within the next bullet related to the construct of OCPR

- **Any national studies or studies in other states that might be of relevance**

The following reports were crafted post Katrina era relevant to Louisiana's coastal area and provided specific management comment and guidance of said area:

A New Framework for Planning the Future of Coastal Louisiana after the Hurricanes of 2005. Working Group for Post-Hurricane Planning for the Louisiana Coast, (with support provided by the Institute of Water Resources of the U.S. Army Corps of Engineers and the National Research Council) 2006. University of Maryland Center for Environmental Science, Cambridge, Maryland.

- *“Hurricanes Katrina and Rita provide poignant evidence that no longer can coastal ecosystem management and restoration, flood protection, and navigation be planned, executed and maintained independently.”*
- *“We must integrate planning, investment and management decisions under a new framework in order to secure these multiple purposes, while recognizing:*
 - *the forces of nature;*
 - *the imperative to protect life, property and communities;*
 - *the value of natural resources and ecosystem services;*
 - *the environmental and economic sustainability of the solutions;*
 - *and the financial constraints.”*
- *“A new management requires improved organizational arrangements for coordinating and integrating planning, decision making, implementation and evaluation.”*
- *“An integrated assessment group and an engineering and science program focused on reducing decision-relevant uncertainties (scientific and otherwise) would support decision making in an adaptive management process.”*
- *“Actions undertaken for ecosystem restoration, flood protection and navigation must be reconciled and integrated in ways that have not been attempted, much less achieved.”*
- *“Consideration must also be given to future changes in human population and economy, activities influencing the hydrology of the Mississippi Basin, and the global and regional climate.”*
- *“In short, planning the future of coastal Louisiana and acting on these plans must proceed in ways that are coherent across scales, multi-purpose, forward-looking, feasible and appropriately expeditious.”*
- *“The CAG (Coastal Assessment Group) should have a professional staff with a full range of skills and perspectives (multiple purposes and multiple disciplines including natural science, social science, economics, and engineering).”*
- *“The CAG would have two roles. First the CAG would be responsible for executing the integrated assessment to assure that each proposed project investment in storm protection, navigation and coastal restoration takes advantage of synergies and avoids and mitigates conflicts among purposes.”*
- *“Second, the CAG would be responsible for the direction and oversight of the Coastal Engineering and Science Program in order to assure that the work of that program is targeted to the decision making needs of the Coastal Louisiana Authority.”*
- *“An essential element is enhancing the credibility and soundness of planning and implementation is an agency's internal staff capabilities.”*

- *“Indeed, the integrated planning process will demand a wider array of skills from the engineering, hydrologic, geological, biological and social sciences than is currently available in the agency or in federal or state agencies generally.”*
- *“Also, the effectiveness of the long-term program requires the institutional memory that develops within a permanent and professional staff. This is not to suggest that all the work needs to be done by agency staff. However, if much of the work is done by contract, agency professionalism and competence are essential for comprehending advice from outside experts and translating it into useful information to support decision making.”*
- *“The Corps and the bodies recommended here must have the ability to recruit and the ability to retain talented personnel.”*
- *“Clearly, a new framework is required to integrate planning, investment and regulatory decisions to secure the multiple purposes of coastal landscape restoration, storm damage reduction and marine transportation.”*
- *“This new integrated coastal management framework requires different organizational and funding arrangements for coordinating and integrating planning, decision making, and implementation by the state and federal government. While many actions to improve agency coordination and capacity can be taken immediately, innovations in organization and funding, as well as planning approaches, will be needed.”*

The New Orleans Hurricane Protection System: What Went Wrong and Why.

American Society of Civil Engineers Hurricane Katrina External Review Panel 2007.

American Society of Civil Engineers, Reston, Virginia.

- *“Put someone in charge.”*
- *“The hurricane protection system, however, is a system in name only. In reality, it is a disjointed agglomeration of many individual projects that were conceived and constructed in a piecemeal fashion. Parts were then joined together in ‘make do’ arrangements.”*
- *“The ASCE Hurricane Katrina External Review Panel believes strongly that if lives and public safety are to be protected, significant changes will be required in the way hurricane and flood protection systems are funded, designed, managed, and maintained.”*
- *“Local, state, and federal leaders should review the overall strategy and systems approach, integrating hurricane protection tactics, land-use considerations, and emergency response strategies into a coherent and well-thought-out system.”*
- *“No complex program or system can be successful without good leadership, management, and someone in charge.”*
- *“We suggest that this authority should have the wherewithal and latitude of a direct gubernatorial appointment.”*
- *“The authority will provide leadership, strategic vision, definition of roles and responsibilities, formalized avenues of communication, prioritization of funding, and coordination of critical construction, maintenance, and operations.”*

Performance Evaluation of the New Orleans and Southeast Louisiana Hurricane Protection System. Final Report of the Interagency Performance Evaluation Task Force (an independent team of more than 150 international and national experts from more than 50 different government organizations, universities, and private industry), 2007. United States Army Corps of Engineers.

- *“Sustainability is enhanced through integrated engineering and ecosystem analyses considering a system approach.”*

First Report from the NRC Committee on the Review of the Louisiana Coastal Protection and Restoration (LACPR) Program. Committee on the Review of the Louisiana Coastal Protection and Restoration (LACPR) Program, National Research Council, 2008. The National Academies Press, Washington, D.C.

- *“In its work to improve hurricane protection for greater metropolitan New Orleans, the Corps of Engineers and the Interagency Performance Evaluation Task Force (IPET) acknowledge that a systems approach is necessary, not one focused on individual levee reaches or projects.”*
- *“Similar, systems-level thinking needs to be applied to institutional and other arrangements that will be necessary to implement nonstructural aspects of comprehensive hurricane protection.”*

Investigation of the Performance of the New Orleans Flood Protection Systems in Hurricane Katrina on August 29, 2005, Final Report. Independent Levee Investigation Team 2006. University of California at Berkeley.

- *“Particular attention must be paid to interfaces and interdependencies in this system.”*
- *“Selective re-establishment of natural coastal defenses and wetlands, and restored floodplains to provide for river floods, should be supplemented with engineering works that together will have the capabilities of providing desirable and acceptable levels of flood protection.”*

Hurricane Katrina: Strategic Planning Needed to Guide Future Enhancements Beyond Interim Levee Repairs. U.S. Government Accountability Office, 2006. GAO, Washington, D.C.

- *“The Corps lacks a comprehensive approach for planning and managing the multiple restoration, construction, and future enhancements proposed for southeastern Louisiana hurricane protection.”*
- *“GAO recommends that the Corps develop a comprehensive strategy and implementation plan that incorporates all elements for rebuilding and strengthening the system to ensure that specified levels of protection are constructed in a cost-effective manner, within reasonable time frames.”*

- **National organizations that might be a source of potential best practices for Louisiana. If a website exists for the organization, please provide it.**
 - Environmental Defense Fund (EDF), <http://www.edf.org>
 - American Society of Civil Engineers (ASCE), <http://www.asce.org/>
 - National Academy of Sciences (NAS), <http://www.nationalacademies.org/>
 - National Committee on Levee Safety (NCLS),
<http://www.iwr.usace.army.mil/ncls/>
 - Federal Highway Administration (FHWA), <http://www.fhwa.dot.gov/>
 - Federal Emergency Management Agency (FEMA), <http://www.fema.gov/>
 - Council on Environmental Quality (CEQ),
<http://www.whitehouse.gov/administration/eop/ceq/>
 - USACE Engineer Research and Development Center,
<http://www.erdc.usace.army.mil/>

Section Eight: Agency Best Practices

List and identify any current successful streamlining initiatives taking place (or has taken place) within your agency.

- OCPR and the Governor's executive assistant for coastal activities are undertaking an extensive effort in managing a greatly expanded coastal restoration and flood protection project workload with essentially the same number of staff
- The creation of the Office of Coastal Protection and Restoration in HB833 through integration of Department of Natural Resources Coastal Restoration Division staff with the of Department of Transportation and Development's Public Works Division staff responsible for hurricane protection and flood control
- High percentage of engineering, design and environmental services outsourced
- Refining a competitive process for utilizing the academic excellence of our state university systems to resolve uncertainties which will affect the implementation of our program
- Partnerships with other state agencies, local governments, federal agencies, and Non-governmental groups to leverage resources and minimize duplication of effort

- Coastal Impact Assistance Program managed entirely by a small private program management team serving as an “extension of staff” to be released once the program is complete. No New TOs
- Development of a single database and project tracking system to address all of the CPRA’s project-related information needs is underway and being managed by DNR’s Information Technology office and their IT consultants
- Administrative back support for OCPR including Fiscal, Contractual, Purchasing, Procurement and Human Resources are provided by the Office of the Secretary/Management and Finance, Department of Natural Resources (DNR) eliminating the need for entire sections and support staff.
- Louisiana Applied Coastal Engineering and Science (LACES) Division was created within OCPR to utilize academia to create science and technology capacity to resolve uncertainties which may affect overall project and program effectiveness
- Approximately 80% of these outsourced services for program and project tasks are cost shared with Federal sponsors which means that a majority of outsourced activities for Coastal Protection and Restoration are charged back to federal projects on a cost shared basis. This effort lessens the financial burden to the Coastal Protection and Restoration Trust Funds and provides for increased services to the citizens of Louisiana.

Internal Analysis
Of
The Louisiana Department of Public Safety & Corrections
Corrections Services (DPS&C-CS)
For The
Commission on Streamlining Government



August 14, 2009

OVERVIEW

Act 491 of the 2009 Regular Legislative Session created the Commission on Streamlining Government. Governor Jindal included this bill in his legislative package as a mechanism to review operations in state government in order to make services more efficient and effective. The Commission is comprised of 10 members representing the public and private sectors.

The Commission on Streamlining Government has an aggressive timeline in statute. The final report is due to the legislature and the governor before the end of this calendar year. As such, agencies were directed by Commissioner Angele Davis to provide an internal analysis to her for submission to the Commission by August 14, 2009.

SCOPE

The scope of this analysis for the Department of Public Safety and Corrections—Correction Services (DPS&C-CS) encompasses the following areas:

- SECTION 1. Agency Overview
- SECTION 2. Efficiency and Benchmarking
- SECTION 3. Outsourcing and Privatization
- SECTION 4. Information Technology Integration
- SECTION 5. Elimination of Duplicative and Unnecessary Services
- SECTION 6. Civil Service and Employee Benefits
- SECTION 7. Studies and Other Resources
- SECTION 8. Agency Best Practices

SECTION 1. Agency Overview And Reform Goals

Agency Overview

The Louisiana Department of Public Safety and Corrections—Corrections Services (DPS&C-CS) is responsible for the custody and care of adult offenders across Louisiana. Just over half of Louisiana's approximately 39,000 inmates are assigned to the state's twelve correctional facilities. The remaining offenders are assigned to parish facilities and work release centers. The Department's Probation and Parole division supervises an additional 64,000 offenders.

The mission of Corrections Services is to enhance public safety through the safe and secure incarceration of offenders, effective probation/parole supervision and proven rehabilitative strategies that successfully reintegrate offenders into society, as well as to assist individuals and communities victimized by crime.

The Department's Fiscal Year 2009 – 2010 operating budget is \$497.8 Million. The approved Table of Organization (TO) is 5,985 positions. In addition, DPS&C-CS has a debt services schedule of \$2.5 Million and an operating budget for the ancillary agency, Prison Enterprises (PE), of \$35.8 Million (with a TO of 80). An additional \$157.1 Million is allocated towards the Local Housing of State Adult Offenders (LHSAO) to reimburse local jails for housing state offenders.

Overarching Reform Goals

Reform Goal 1: Reducing Recidivism Through Expanded Reentry Efforts

The first objective of the current administration is reducing recidivism. Approximately 50% of offenders return within five years. As Louisiana has the highest incarceration rate in the *world*, this State is faced with serious challenges in managing its prison population. The Department has engaged in dialogue with stakeholders to establish a different approach to reduce recidivism. Reducing the chances that an offender will commit another crime after release will not only improve public safety, but will drive down prison populations and the associated cost for operations.

Reentry along with public safety is the Governor's and the Department's top priority. Louisiana's incarcerated population continues to grow even as our state budget shrinks. Despite the current economic situation the state of Louisiana is facing, the funding for reentry programs has been preserved and expanded to accommodate the Department's reentry initiative. The Department's reentry goal is to stabilize or even shrink its incarcerated population through the reduction in recidivism. As other states are experiencing similar financial crises, many have closed prisons and are choosing to

house offenders at the local level; therefore, Louisiana's local level reentry plan will become an integral component in reentry programming across the United States. The Department has partnered with the Louisiana Workforce Commission to leverage the DPS&C-CS's reentry initiatives. The objective of the partnership is to provide business and industry with a skilled and motivated workforce from a non-mainstream population consisting of offenders who participate in skill development programs while incarcerated.

Currently, almost half of the state offender population is housed at the local level. Each year local jails release approximately 11,000 DOC offenders back to the community. The Secretary, in collaboration with the Louisiana Sheriffs Association, has identified ten (10) local facilities located in strategic geographic areas across the State that will serve as reentry programs. These local reentry programs will be required to provide an increased level of service (education/job skills) in a treatment modality specific to the Department's reentry strategies. In order to pay for this increased level of service, the Department will pay an additional per-diem per day per offender. The per diem is \$6.68 per day. This will be separate from the existing LHSAO per offender premium of \$24.39. The funds for this additional per diem necessary to operate two reentry programs were inserted in the department's budget for Fiscal Year 2009 – 2010.

Furthermore, the Department would use these facilities to serve as Reception Centers for inmates entering the correctional system at the local level. These centers would determine a baseline educational level, provide medical and mental health diagnostic services, and provide classification services. Currently, none of these services are provided at the local level.

In FY 2009 – 2010, the Department allocated funding to open two regional reentry programs by partnering with local Sheriffs in Caddo and Orleans Parishes. The reentry program in Caddo Parish became operational in July 2009 and the Orleans site will be operational by December 31, 2009. In addition, the Department has partnered with the Sheriff of Madison Parish to operate a reentry program for female offenders that will become operational in the near future.

Louisiana statistics also indicate that approximately 30% of offenders entering our institutions each year were probation or parole violators. The Department will create six Day Reporting Programs in strategic urban areas of the state to provide intensified supervision and programming to offenders with technical violations to reduce recidivism. In FY 2009 – 2010, the Department allocated funding to open Day Reporting Programs in Shreveport and New Orleans. The New Orleans Day Reporting Program has been operational since February 2009 and the Shreveport site will be operational by December 31, 2009. In addition to the Day Reporting Programs, the Department has implemented several alternatives to incarceration such as electronic monitoring and a 90-day revocation program that Probation and Parole staff utilizes for offenders who commit technical violations as an alternative to re-incarceration.

In complement to the Department’s reentry initiatives, Act 106 of the 2008 Regular Session establishes the *Inmate Rehabilitation and Workforce Development Act*. Provisions of this initiative will reduce the rate of recidivism by providing nonviolent offenders with occupational training, educational opportunities, and substance abuse counseling while incarcerated. The Act establishes within the DPS&C-CS an advisory council comprised of representatives from multiple facets of state and local government as well as business and industry and will serve as an advisory body on the administration of the program. Offenders that complete the program will be better equipped to reenter society with meaningful alternatives to criminal behavior and substance abuse.

Reform Goal 2: Improvements in the Medical/Mental Health Programs

According to a recent Bureau of Justice study (see below), Louisiana state offenders have the highest mortality rates in the nation (the entire report can be found at <http://www.ojp.usdoj.gov/bjs/dcrp/tables/dcst06spt13.htm>). This is due to chronic health conditions such as cancer, heart disease, and HIV. In addition, the offender population is aging and experiencing increases in both medical and mental health conditions.

The Department of Public Safety and Corrections-Corrections Services (DPS&C-CS) is not only facing these health concerns for the offender population, but also increasing

Average annual mortality rate, per 100,000 state prisoners, by cause of death

Region	All causes	Illness	AIDS	Suicide	Homicide	Drug/alcohol intoxication	Accident	Other/ unknown
South ^a	275	229	21	13	4	2	2	24
Alabama	297	248	18	3	3	0	4	24
Arkansas	308	248	20	21	11	0	5	20
Delaware ^b	229	143	38	26	5	0	0	21
Florida	274	221	36	8	3	1	2	6
Georgia	224	182	20	13	5	0	2	3
Kentucky	327	294	16	10	1	1	3	3
Louisiana	402	339	50	8	3	0	1	7
Maryland	286	179	51	21	11	17	1	5
Mississippi	318	284	11	14	1	3	6	2
North Carolina	219	184	17	8	2	0	6	10
Oklahoma	292	239	10	12	11	7	5	10
South Carolina	271	234	16	12	6	0	1	5
Tennessee	387	332	18	16	10	5	3	5
Texas	258	225	11	16	2	1	2	5
Virginia	258	221	19	12	2	1	1	4
West Virginia	332	306	4	13	4	4	0	0

healthcare costs and a significant fiscal crisis that is projected to last for years. Even

though these are tough challenges to manage, the department’s leadership continues to understand its constitutional obligation to provide adequate healthcare to the offenders assigned to its custody. As a result, efforts are continuing to reduce costs by improving healthcare efficiency.

Improving Healthcare Management

In late 2007, a Departmental Medical/Mental Health Director (Medical Director) was appointed to oversee healthcare services in the DPS&C-CS. Since that time, efforts were made to improve efficiency of the healthcare system department-wide. Just a few examples of the cost saving realized as a result of the establishment of this position include:

- Reduced costs to pharmaceutical purchases through the improved oversight of purchasing options and prescribing practices saving approximately **\$684,682** at two facilities over a five-month period.

EHCC		LCIW	
MONTH	COST	MONTH	COST
2008.07	\$236,197	2009.01	\$97,914
2008.08	\$239,705	2009.02	\$70,337
2008.09	\$134,360	2009.03	\$92,699
2008.10	\$168,388	2009.04	\$119,163
2008.11	\$137,841	2009.05	\$72,903
	\$916,491		\$453,016
SAVINGS	EHCC	\$463,475	
			SAVINGS
			LCIW
			\$221,207

- Reduced costs associated with hospital stays due to actively pursuing discounts related to Medicaid eligibility by training healthcare and accounts payable staff. This has resulting in a savings of **\$975,000** yearly.
- Improved contract negotiations for specialty services such as physical therapy and psychiatry. Additionally, efforts continue to eliminate inconsistencies across the board to effectively monitor services/deliverables.
- Reduced costs related to hospital admission and medical trip expenses through the appropriate placement of offenders requiring routine medical care within the department.
- Timely completion of medical releases for low-risk terminally ill or permanently incapacitated offenders, freeing up healthcare resources and reducing costs.
- Increased collaboration with LSU-Health Care Services Division (LSU-HCSD) improving access to telemedicine clinics, specialty services, and prescription discounts for HIV Medications.
- Reviewing of healthcare information in lawsuits to prepare the best defense.

More specifically, healthcare services are being improved through the following initiatives:

Expanding Prescription Cost Savings

The DPS&C-CS has partnered with LSU-HCSD to provide its HIV positive population necessary medications at heavily discounted prices through the federally funded 340-B program. Additionally, the department is working with LSU-HCSD administrators to expand this program to include other costly medications such as psychotropic medications and medications for the treatment of hepatitis. If we are successful in this expansion, it is estimated that the department could save another **\$800,000** a year at just four facilities that house the majority of offenders requiring these medications.

Further efforts with LSU-HCSD include the establishment of an LSU outreach clinic at one of the DPS&C-CS's institutions to register every new offender and immediately qualifying them for 340-B pricing, thus reducing delays in receiving medication discounts as well as decreasing the need for outside medical trips as these offenders currently have to be seen at an LSU-HCSD facility once initially and once yearly to qualify for the medication discount. The Department of Health and Hospitals has approved the clinic for this operation. Reduced medical trips benefit public safety, reduce the workload at LSU-HCSD, and reduce expenses related to transportation and security.

Appropriate Management of Inpatient Beds

The Medical Director oversees placement of offenders throughout the state in the department's infirmaries, ensuring that the beds are filled with patients who are chronically ill and require daily medical intervention versus those that can take care of themselves and only require minor assistance with activities of daily living and who can live in a medical dorm type setting. This results in costs savings by ensuring that healthcare resources are appropriately being utilized.

Reducing Healthcare Trips/Expanding Telemedicine Capabilities

The Medical Director is currently working with LSU-HCSD to obtain improvements in prison wards at LSU-HCSD hospitals to ensure more efficient utilization of LSU-HCSD resources at the department's disposal.

The DPS&C-CS is also working toward reducing healthcare trips via improved communication and collaboration among corrections staff as well as staff within the LSU-HCSD. The Medical Director assists healthcare staff throughout the state with assessing healthcare treatment needs for offenders facing chronic health conditions, placing them at the best facility to meet their needs near the appropriate LSU-HCSD hospital. Additionally, he is working with LSU-HCSD to assist providers in obtaining the ability to order medical tests, which also reduces an initial trip to an outside hospital.

The use of telemedicine eases backlogs of offenders awaiting various clinic appointments as well as reduces outside medical trips, which improves public safety as well as reduces costs. The Medical Director continues to work with LSU-HCSD to expand telemedicine clinics to other services such as emergency triage and psychiatric.

Recruitment/Retention of Quality Staff

The DPS&C-CS's biggest challenge is finding funding for the high costs to employ healthcare providers. The Medical Director is working to reorganize healthcare provider services by hiring more nurse practitioners to provide care under the supervision of collaborating physicians. This will result in a significant cost savings without compromising healthcare services.

Additionally, the Medical Director has been working with healthcare leaders to improve working environments, obtain pay increases for nurses, as well as other efforts that prevent the loss of highly trained, quality healthcare staff.

Improving Chronic Care Clinics

The Medical Director is working with healthcare staff to improve the management of chronic diseases and reduce costs associated with the treatment of offenders with poorly controlled diseases.

Evidence-based Mental Health Programs

The Medical Director is working to implement evidence-based mental health programs that will improve the management of offenders requiring mental health services and allow the department to best use its resources in this area.

Exploration of Outsourcing

Significant efforts have been made to explore cost saving opportunities through outsourcing of certain services such as pharmaceutical and medical and mental health services. A request for proposal has been initiated for pharmaceutical services. The department has established an evaluation committee and is in the process of reviewing the proposals received. Private companies have toured EHCC, LCIW, and LSP to review healthcare services and obtain information to assess their ability to provide services to the department more cost efficiently without compromising quality of services.

Automation/Information Sharing/Electronic Medical Records (EMR)

Departmental staff will be given access to the LSU-HCSD information network and likewise they be given access to the department's medical database. This will improve

information sharing and the health care staff's ability in making evidence-based medical decisions. Efforts to improve access to lab test reports department-wide through LabCorp have already improved healthcare staff's ability to make evidence-based medical decisions.

The DPS&C-CS is interested in obtaining EMR and is exploring this option through various avenues such as collaboration with LSU-HCSD, as an added benefit if outsourcing of certain healthcare services is done, and through any other means of funding that may become available.

Reform Goal 3: Improvements in Probation and Parole

The caseload per Probation and Parole Officer in Louisiana is approximately 40% higher than the Southern regional average. This is due in large part to the State's aforementioned high incarceration rate, current sentencing guidelines and low number of staff. In order to allow more of an agent's time to be devoted to supervision, efforts to remove unnecessary activities and streamline existing processes are required.

Using Western Union for Payment of Fees to Probation and Parole

Piloted in four offices, this program allows an offender to pay supervision fees with cash or a check through Western Union. This has significantly decreased the number of money orders received in those districts. This allows support staff more time to assist officers with administrative responsibilities. The pilot has been successful and the department is issuing a Request For Proposal to expand the program statewide on a permanent basis.

Considering Privatizing the Collection of Fees by Probation and Parole

The Department is considering privatizing the collection of fees that is currently handled by Probation and Parole Officers. Officers currently spend approximately 30% of their time on the collection of fees, including supervision fees. These fees are important to the Department as they constitute about 25% of Probation and Parole's budget. The use of a private agency to handle the collection of all fees would allow for more of an officer's time to be devoted to supervision, thus enhancing public safety in our community.

Day Reporting Center

The New Orleans Day Reporting Center opened In February of 2009. This collaborative effort joins the Office of Addictive Disorders, Metropolitan Human Services District, the City of New Orleans and Baptist Community Ministries in creating a comprehensive center for diverting technical probation and parole violators. This program provides

intensive supervision to seventy-five violators at this multi-resource/treatment center. The center provides comprehensive evaluation and testing, substance abuse treatment, mental health treatment, job readiness, placement and retention, education, anger management, family counseling, and community service work/restorative justice. As of July 1, 2009, the center is operated with Orleans Parish Sheriff's Office via a cooperative agreement with the Department. A second Day Reporting Center will be opened in late 2009 in the Shreveport area.

Intermediate Sanctions/Parole Good Time

Probation and Parole uses a variety of alternatives to revoking an offender on supervision. Offenders on supervision for non-sex and non-violent offenses who have strictly technical violations (i.e., no new felony arrests) are mandated to spend no more than 90 days in jail when revoked. These offenders previously served an average of 18 to 24 months when revoked. Non-sex and non-violent offenders with technical violations can also be referred to the Francois Alternative Center. This is a 90 day inpatient treatment program operated by the Concordia Sheriff via a contract with DPS&C-CS. Officers also have a variety of other sanctions including referral to outpatient treatment programs, electronic monitoring, use of community service, etc. The aforementioned Day Reporting Center in New Orleans will be another excellent resource.

Probation and Parole is piloting a performance grid that will standardize response to violations and enable tracking of the progression of responses and provide information relative to the effectiveness of the sanctions. The grid will also address rewards for progress and positive accomplishments by the offender. Towards this end we are also researching the possibility of offenders receiving credit for time served on supervision that would reduce the total time they are on supervision as long as they were abiding by the conditions. In order to accomplish this approach, legislation would be required.

Standing Committees

Probation and Parole has several active, standing committees. The committees are broad based and members come from all levels of staff in Probation and Parole, to include Management, Officers, Supervisors, and support staff, and to cover unique characteristics of the various districts and regions (i.e. rural, urban, large offices, small offices). The committee's areas of focus include:

- Early termination policy to pilot in several districts, analyze the results, and to finalize a policy for use in all districts by all Officers.
- Strategies, policies and tools to enhance Reentry and offender services/programs in Probation and Parole and pilot programs as needed prior to statewide implementation. Areas include offender voter rights, developing policies for more consistent intake practices, development of the DVD 'Conditions of Parole', and policy for the use of the inmate welfare fund by indigent offenders for uses such as transportation to work.

- Continue to improve policy, procedure, and strategies to enhance the supervision of sex offenders.
- Develop emergency policy and procedure to ensure consistency during emergency operations. There are also several sub committees working out of this committee.

Reform Goal 4: Focus On The Local Level—Strengthening Partnerships

Approximately one half of the DPS&C-CS offender population is housed in jails at the local level, primarily sheriff's facilities. As of July 31, 2009, there were 19,151 offenders housed in state facilities, with an additional 18,828 being housed at local facilities. Of these numbers, 11,000 offenders are discharging from our local jail facilities. It is critical that the DPS&C-CS strengthen its partnership with sheriffs and local jail administrators to ensure that those being released from custody are better prepared to succeed in the community and improve their ability to become law-abiding, tax paying citizens.

Over the first year and a half under the current administration, the Department has done the following:

- Key staff of the Department initiated a comprehensive review of operational guidelines used at the local level for those facilities that house state offenders. These Basic Jail Guidelines, along with standard operating procedures for work release facilities, have been revised to more accurately reflect the Department's mission and intensive focus on developing a process of transitioning an offender back into the community (Reentry) as discussed in the first Reform Goal 1. The revised Basic Jail Guidelines have been signed by the Governor and the Louisiana Sheriffs Association and became effective July 1, 2009.
- The Secretary has continuously worked with the Louisiana Sheriff's Association (LSA) executive team to reaffirm the partnership between the DPS&C-CS and the LSA. As a result of that meeting, the DPS&C-CS and LSA agreed to collaborate to develop reentry strategies that address public safety while benefiting offenders and their family members, victims, and the entire community.
- Key DPS&C-CS staff met with work release facility administrators from across the state to discuss the Department's focus and for a detailed review of the Department's revision to standard operating procedures for work release facilities. The department has since revised and implemented the Standard Operating Procedures for Work Release.
- To demonstrate the commitment to strengthening the DPS&C-CS/LSA partnership, in July 2008 the LSA scheduled a series of meetings across the state (Shreveport, Monroe, New Orleans, Baton Rouge, Lake Charles, Alexandria) in support of the DPS&C-CS's reentry efforts. At these meetings, the Secretary was able to speak at length to all Louisiana sheriffs, verbalizing

the Department's shift in focus toward reentry, and the positive impact successful reentry could have on the state and its citizens.

The Department will continue to build upon its relationship with Louisiana sheriffs and local jail administrators as it continues to explore and implement evidence based practices for a successful reentry program.

Review And Briefly Outline The Constitutional And Statutory Mandates

Below is a brief list of the constitutional, statutory and/or judicial mandate the pertain to the Department:

La. R.S. 36:401 **Department of Public Safety and Corrections, ... corrections services.** Creation of the Department of Public Safety and Corrections. It has authority generally for the security and physical safety of the citizens and property of Louisiana, the enforcement of laws and regulations pertaining to criminal conduct, the rehabilitation of youthful offenders, automobile and highway safety, motor vehicles and drivers, and fire protection. It shall also be responsible for the custody of, evaluation of, such rehabilitation programs as the Department deems appropriate for, and post-release monitoring of, convicted criminal offenders and adjudicated delinquent youth. The Department shall have responsibility for all penal and correctional institutions of the state and shall be responsible for providing diagnostic services to the courts and other correctional authorities for sentence, treatment, and release decisions; administering programs to protect person in its custody and preparing them for release; conducting and facilitating research in criminology and penology; and for operating a probation and parole system.

La. R.S. 15:821 **Louisiana Department of Corrections; creation.** The Department of Corrections functions shall comprise administrative functions of the state in relation to the administration, management and operation of all state institutions for the care, custody and correction of all persons sentenced for felonies or misdemeanors.

La. R.S. 15:823 **Director of Corrections.** The [Secretary] of the Department of Corrections shall be the chief executive, administrative, budgetary and fiscal officer of the Department and shall

implement the policies and proscribe rules and regulations for the operation thereof, and supervise the administration of all institutions, facilities and services under the jurisdiction of the Department.

La. R.S. 15:824 **Commitment of persons to the Department of Public Safety and Corrections.** Any individual subject to confinement in a state adult penal or correctional institution shall be committed to the Louisiana Department of Public Safety and Corrections and not to any particular institution within the Department. The secretary shall assign each newly committed inmate to an appropriate penal or correctional facility and the secretary may transfer an inmate from one facility to another, insofar as the transfer is consistent with the commitment and in accordance with treatment, training and the security needs established by the Department. If a person committed to the Department is held in a parish facility, the Department shall pay to each parish sheriff, or to the governing authority of those parishes in which the governing authority operates the parish jail, for the keeping and feeding the individual in the parish jail the sum \$24.39 per day from date of sentencing until the date the individual is confined in a state penal or correctional institution under the supervision of the Department.

La. R.S. 15:826 **Services performed by the Department.** The Department shall furnish a staff for the Board of Parole, and if such personnel are available, upon the request of any court of this state having jurisdiction shall furnish probation and parole services for such court. If requested by the appropriate parochial or municipal authority, the Department shall provide consultation services with respect to the design, construction, programs and administration of detention and correctional facilities for adults operated by parishes and municipalities; make studies and surveys of the programs and administration of such facilities; administer programs of grants-in-aid for construction and operation of approved local facilities; and, provide courses of training for the personnel of such facilities, shall inspect said facilities and make recommendations to the respective authority to achieve compliance with standards established by such facilities.

La. R.S. 15:827 **Duties of the Department of Public Safety and Corrections.**
La. R.S. 15:894 In addition to any other duties imposed upon the Department it shall be the duty of the Department to establish programs of research, statistics, and planning which shall include but not limited to studies of the efficacy and performance of the policies, plans and

procedures of the Department and studies the treatment of offenders, and to provide information about other programs of the Department; make an annual report to the governor regarding statistical information and other data, accounts of research work performed by the Department, the results of inspections of local facilities and statistical and other data on persons detained in such facilities, and any recommendations for legislation affecting the Department. Establish a diagnostic and treatment center to undertake medical, educational psychiatric and social studies of persons committed to the Department and to provide for the training of psychiatrists, neurologists, special educators, psychologists, nurses, technicians, social workers, occupational therapists, physicians, and other professional trainees whose services will be utilized. Establish rules and regulation for the detection of controlled dangerous substances upon the person or in the blood stream of inmates returning from any labor detail, pass, furlough, or emergency leave which required the inmate to leave the grounds of a correctional institution. Establish a comprehensive program of released offender transition services for offenders who are about to be, or have recently been, released from custody of the Department. This transition program shall include, but not limited to, job information services, referral to available government mental health and medical assistance, referral to available educational, vocational, job training and counseling centers, and any other services the Department recommends.

La. R.S. 15:829 **Discipline of inmates.** The Secretary shall prescribe rules and regulations for the maintenance of good order and discipline for inmates sentenced to the Department, whether housed in local or state facilities. A record shall be maintained of all charges and infractions, any punishments imposed therefore, and any medical examinations of inmates.

La. R.S. 15:855 **Inmate labor.** Inmate labor may be used to work and maintain, except construction, parish roads and rights-of-way not under the jurisdiction of DOTD and to police and remove litter on public grounds, lakes, streams and the shores of lakes and streams; police and remove litter on highways, rights of way and road shoulders under the jurisdiction of DOTD; work in solid waste recycling programs, assist any municipality in maintaining a safe and sanitary condition by cutting, destroying, or removing noxious weeds or grass or other unhealthy growths on sidewalks, any lot or area within a municipality; painting and marking and posting signs drug-free school zones and firearm-free zones.

La. R.S. 15:893 **Adult correctional institutions.** The Department is authorized to create, establish, operate and maintain such adult correctional institutions as may be needed to fulfill the Department's obligations, subject to Legislative appropriations.

La. R.S. 46:1844 **Basic rights for victim and witnesses.** (A)(2) The Department of Public Safety and Corrections shall maintain the Crime Victims Services Bureau presently in operation. The bureau shall publicize and provide a way for crime victims and their family members to be kept informed about successful court appeals, parole and pardon board hearings or other release hearings, information regarding dates of possible release from physical custody, escape, apprehension, or otherwise, and inquiries concerning the Department's policies and programs for inmates.

(N) In cases of the death penalty, the victim's family shall have the right to be notified by the Department of the time, date, place of the execution and that a minimum of two representatives of the family have the right to be present. Upon the filing of a victim notice and registration form by a victim, it shall be the duty of the Department to notify the victim or a family member or a witness, by certified mail, of any appeals, discharge, or parole of an inmate, as well as an escape and apprehension.

Provision of Medical Care

U.S. Constitution 8th Amendment

Prohibition against Cruel and Unusual Punishment. Judicially determined to include the provision of adequate medical care.

La.Const. Art. 1, §20

Right to Humane Treatment; Judicially interpreted to include the provision of medical, dental, mental health and rehabilitative services

Americans with Disabilities Act of 1991

Provision of and equal access to programs and services includes offenders, employees and visitors to DPSC facilities.

Resolution Agreement U.S. Dept. of Justice

Particularized agreement regarding the provision of services and opportunities to the deaf and hearing impaired offenders.

- La. R.S. 15:738** Minimum standard of living for persons housed in a correctional facility.
- La. R.S. 15:739** All incarcerated persons who is involved in an incident in which another person is exposed to an infectious disease will have blood and saliva testing to determine if the offender is tests positive for any infectious or sexually transmitted disease including AIDS, HIV, viral hepatitis, etc. Appropriate medical care and counseling shall be rendered to the indentified offenders.
- La. R.S. 15:751** All facilities housing offenders must meet the standards of health and decency as established by the state division of health.
- La. R.S. 15:760** Where large numbers of offenders are housed, DOC shall provide hospital quarters with necessary arrangement, conveniences, attendants, etc.
- La. R.S. 15:830** Treatment of mentally ill and mentally retarded inmates. DOC may institute civil commitment proceedings if warranted. In such cases, an attorney will be appointed to represent the inmate and the State shall pay the attorney fees.
- La. R.S. 15:830.1** If a mentally ill inmate refuses necessary medical treatment, DOC shall petition the court for permission to administer the medical treatment. An attorney shall be appointed to represent the offender and the State shall pay the attorney fees.
- La. R.S. 15:831** DOC shall establish and shall prescribe standards for health, medical, and dental services for each institution including preventative, diagnostic and therapeutic measures on both an outpatient and a hospital basis for all types of patients.
- No monies shall be used for medical costs associated with organ transplant or cosmetic treatment unless the need arises due to an accident or injury that was the fault of the Department.
- The Department shall reimburse a sheriff for the costs of medical treatment incurred by state inmates
- La. R.S. 15:840** DOC shall establish and maintain drug education and rehabilitation programs at all institutions.

La. R.S. 15:894 Create, establish and operate a diagnostic and treatment center which will undertake medical, educational, psychiatric and social services for incarcerated persons.

La. R.S. 15:895 Establishment of a geriatric correctional facility and to attempt to find ways to limit the potentially high costs and increase the efficiency and effectiveness of correctional process relative to older prisoners.

The Provision of Work Opportunities

La. R.S. 15:832 DOC shall provide employment opportunities and vocational training for all inmates.

Inmates may be compensated for such work.

Inmate labor may be used by other state agencies or boards if the appropriate contractual arrangements are made.

Inmate labor may be used for the maintenance of public facilities.

The Department shall monitor all such outside employment.

The Department shall reimburse the sheriff for the costs of keeping and feeding any inmate assigned to the sheriff's custody for outside work.

La. R.S. 15:1111 The Department shall establish and administer a work release program.

Shall determine eligibility criteria.

Shall designate work release facilities for the housing of these offenders.

Shall establish a banking system.

Shall prepare statistical reports concerning participation in the work release program.

La. R.S. 15: 1135 Rules regarding work release programs not operated by the Department.

Inmate Banking

La. R.S. 15: 871 The Department shall establish rules for the compensation of eligible inmates.

La. R.S. 15: 873 The Department shall establish the rate of pay for eligible inmates.

If a private employer is paying the wages, such wages are subject to state and federal taxes and mandatory deductions.

La. R.S. 15:874 Proscribed format of the inmate's account including a savings and drawing account.

Interest earned on all inmates' personal accounts shall be placed in a general inmate welfare account.

Upon discharge or release, subject to any debts owed the Department, the inmate shall receive the accumulated sums in such installments as provided by Department regulations.

La. R.S. 15:875 The Department is authorized to impose restitution against an offender for the actual cost incurred in damage to property, injury to self or others, escapes or attempts to escape, or for drug testing.

The amount of restitution imposed may be obtained from the offender's inmate banking account.

La. R.S. 15:568 **Execution of Death Sentence**

La. R.S. 15:569 The Department shall execute the offender in conformity with the death warrant issued by the Court. All executions shall be by lethal injection and shall be carried out at Louisiana State Penitentiary at Angola, Louisiana.

La. R.S. 15:827.1 **Offender Reentry Program**

The Department shall employ a transition specialist at each state institution whose duties shall include development of a post-release plan with offenders, job placement information, a medical discharge plan, transition assistance programs, and furnishing a photo ID card before the offender's release. Offenders shall receive 100 hours of training in a mandatory pre-release orientation program. The Department shall provide entrepreneurial education that includes courses in basic business concepts.

La. R.S. 15:828.1 **Prison Rehabilitation Pilot Program**

To the extent dedicated funding is provided, the Department shall create a program for any willing institution that includes an education station to determine each offender's most effective style

of learning and a vocational station that utilizes computer based instruction to teach basic academic skills. A dedicated case manager shall be assigned to those offenders choosing to participate in the program so that progress can be monitored. Participation by offenders is optional, but those offenders earning good time are required to participate.

La. R.S. 15:828.2 Faith-based Programs for Inmates

The Department shall measure the rates of recidivism for those inmates participating in faith-based programs, shall work to increase the number of volunteers ministering to inmates, and develop linkages with community churches, mosques, and synagogues.

La. R.S. 15:828.3 Substance Abuse Counseling Pilot Program

To the extent dedicated funding is provided, the Department shall require that every eligible offender receive substance abuse counseling. Eligible offenders are those guilty of violating the Controlled Dangerous Substances Act. The program shall be developed in conjunction with DHH. Each participating offender shall be assigned a case manager to monitor progress.

La. R.S. 15:834.1 Free Housing for Employees

As is cost effective, the Department shall provide free housing for employees living on the grounds of a state correctional institution.

La. R. S. 15:866 Payment to Released Prisoners

The Department shall provide a maintenance sum not to exceed twenty (20) dollars to offenders upon release.

La. R.S. 15:866.1 Transportation for Released Prisoners

The Department shall arrange for offenders to be transferred to their residence upon release.

La R.S. 15:866.2 Disposition of Abandoned Property of Released Inmates

Offenders shall be notified by the Department of property remaining within the Department's possession after release of the offender. Ninety days after the offender's release, unclaimed property shall be destroyed, donated to a charitable organization, or otherwise put to use within the institution.

La. R.S. 15:1112 Reports to Law Enforcement Agencies

The Department shall notify law enforcement agencies of any prisoner and/or parolee assigned to a work release program within that agency's jurisdiction.

La. R.S. 15:1153 Prison Enterprises

The Department shall operate prison enterprises to produce food and other necessary items by inmates to lower the cost of incarceration. Additionally, prison enterprises shall provide products and services to state agencies and political subdivisions. Offenders shall be provided employment opportunities by prison enterprises in accordance with law.

La. R.S. 15:1171, et seq. Corrections Administrative Remedy Procedure (CARP)

The Department has adopted a corrections administrative remedy procedure in accordance with relevant statutes whereby there is a procedure for receiving, hearing, and disposing of any and all complaints and grievances by offenders against the state, governor, Department, or private prison contractors. All claims seeking monetary, injunctive, declaratory relief are included. Any matter relating to a condition of confinement, personal injuries, time computations, and challenges to rules or statutes are also included. Any offender seeking judicial review of an administrative action must first seek administrative relief with the Department through CARP.

La. R.S. 15:1181, et seq. Prison Litigation Reform Act (PLRA)

Offenders filing delictual actions against the state shall be required by the Courts to first seek administrative relief through the Department and CARP. The Court on its own Motion or Motion of a party shall dismiss a suit if the action is frivolous, malicious, or fails to state a cause of action. The exclusive venue for delictual actions shall be in the parish where the prison is situated to which the prisoner was assigned when the cause of action arose. Damages for mental or emotional distress shall not be allowed without a prior showing of physical injury.

La.Const. Art. 1, §19 Right to Judicial Review

No person shall be subject to imprisonment or forfeiture of rights without a complete judicial review based upon the complete record of all evidence.

La.Const. Art. 1, §22 Access to Courts

Every person shall have an adequate remedy in Court by due process of law for injury to him in his person, property, and other rights.

La. R.S. 18:171 Reports of Felony Convictions to Registrar of Voters

The Department shall send to the Department of State certified identifying information regarding those offenders convicted of a felony. Supplemental reports that include new offenders in the Department's custody shall be forwarded to the Department of State on no less than a quarterly basis.

La R.S. 15:543 **Sex Offender Registration and Notification**

When a sex offender who is required to register is released from Department of Corrections physical incarceration or placed under parole, supervised release, or probation, the Department of Public Safety and Corrections shall:

(1) inform offender of duty to register, (2) provide community notification, (3) in person verification, (4) inform offender of the duty to give information regarding a change of address and proof of residence, (5) advise offender to notify in writing both the bureau and the law enforcement agency in the new state where the new address is located within 3 days after the offender establishes residence in the new state, (6) obtain fingerprints and the registration information required for inclusion in the state sex offender and child predator registry and a current photograph of the offender. This information shall be sent within 3 days of conviction, if not incarcerated immediately after conviction, or of release from confinement, (7) Require offender to read and sign form stating the requirements of registration and notification as well as the penalties for failure to comply were explained

The Department of Public Safety and Corrections shall provide written notifications to an individual convicted of a sex offense or criminal offense against a victim who is a minor from another state of the registration and notification requirements of Louisiana at the time the Department accepts supervision and has legal authority under the interstate compact agreement.

La R.S. 15:543.2 The Department of Public Safety and Corrections shall provide information to every sex offender who is under the supervision of the Department with respect to the protocol to be followed in an emergency situation. The Department shall adopt rules in accordance with the Administration Procedure Act to:

(1) establish a toll free telephone number for sex offenders to use during emergency situation, (2) give offenders information to advise him of his obligation to notify the management of an emergency

shelter of his status and obligation to report to Department of Public Safety and Corrections Probation and Parole.

La R.S. 15:545 The Department of Public Safety and Corrections shall notify the Louisiana Bureau of Criminal Identification and Information 48 hours prior to the beginning of an authorized furlong that the named prisoner has been granted a furlough, the place to which furloughed and the dates and times during which he will be on furlough statues.

Anytime a convicted felon serving a sentence to the Department of Public Safety and Corrections is released on an order of the Board of Parole, Office of Adult Services, or is discharged from custody on expiration of sentence, the Department of Public Safety and Corrections shall notify promptly the Louisiana Bureau of Criminal Identification and Information of the conditions of his release or discharge. The Department of Public Safety and Corrections shall also notify the bureau of change of residence or conditions of release or discharge of a person on active parole supervision.

La. R.S. 15:549 The Department of Public Safety and Corrections shall send written notice of parole, community placement, work release, furlough or escape at the earliest possible date and in no event later than 10 days before release (Exception escapee or emergency furlough) about a specific inmate convicted of a sex offense or criminal offense against a victim who is a minor to:

Chief of Police, or Sheriff where inmate will reside or be in work release.

Also if requesting in writing notice can be sent to the victim, any witnesses who testified against the inmate, or

Any person specified in writing by the prosecuting district attorney.

If the inmate convicted of a sex crime or a criminal offense against a minor victim escapes from the correctional facility, Department of Public Safety and Corrections shall immediately notify the Chief of Police and the Sheriff when the inmate resided immediately before his conviction.

If previously requested, Department of Public Safety and Corrections shall notify the witnesses and victim.

If the inmate is recaptured, Department of Public Safety and Corrections shall send notice to the above listed persons as soon as possible, but no later than 2 working days after the Department of Public Safety and Corrections learns of such recapture.

La. R.S. 15:550 Department of Public Safety and Corrections shall implement a pilot program for certain sex and violent offenders using location, tracking and crime correlation based electronic monitoring supervision program for sex offenders and violent offenders only to the extent that funding is available.

As of 2009, no appropriation had been allocated for this program.

La. R.S. 15:571.6 Department of Public Safety and Corrections shall forward to the Governor a report of any inmate being discharged and the reason of the diminution of sentence on any day not later than the 20th of each month.

La. R.S. 15:571.21 All Probation supervision fees received by the Department of Public Safety and Corrections shall be deposited immediately upon receipt into the state treasury. 12% of the amount of monetary assessments imposed as a condition of Probation and Parole (not including fines, court cost, restitution or compensation to the victim or his family) shall be for disbursement to any governmental or judicial entity.

La. R.S. 15:571.32 Department of Public Safety and Corrections shall implement a pilot program by using an alternative mode of incarceration to traditional imprisonment for executing sentences of first offenders.

La. R.S. 15:571.34 Department of Public Safety and Corrections shall implement a pilot program using an alternative mode of incarceration to traditional imprisonment involving electronic monitoring for executing the sentences of certain elderly or infirm offenders.

This was to be implemented no later October 1, 1997, contingent upon legislative appropriation.

La. R.S. 571.35 Department of Public Safety and Corrections shall implement a pilot program using as an alternative mode of incarceration to traditional imprisonment home incarceration with active electronic monitoring for non-violent first offenses, sex offenders, and drug charges are not eligible.

La R.S. 571.61 Department of Public Safety and Corrections shall develop and maintain support for non government organization to operate post-release facilities designed to facilitate the reintegration of the offender into the community. One program will be in a rural area and one in an urban area.

La R.S. 15:574.3 The Department of Public Safety and Corrections shall provide the necessary clerical and administrative personnel, equipment, office space, and facilities for the board of parole and its members.

The Department of Public Safety and Corrections shall see that every offender is interviewed and explained the Rules with respect to release on parole. The Department of Public Safety and Corrections shall prepare a pre-parole report for the Parole Board.

The Department of Public Safety and Corrections shall submit an annual report to the legislature and governor including an assessment of the intensive program, an evaluation of the program's objectives and the fiscal impact.

La R.S. 15:574.22 The Risk Review Panel was created within the Department of Public Safety and Corrections. Three (3) panels may be created to evaluate the risk of danger to society that an offender in prison may present if released from confinement.

The panel cannot evaluate persons convicted of crimes of violence, sex crimes when victims is under 18, or habitual offenders where one or more of the crimes for which the person was convicted and sentenced under La R.S. 15:5291 is a crime of violence.

La R.S. 574.33 Interstate Compact for adult offender supervision. Louisiana is a member and must comply with its rules and laws. This governs the uniform procedure to manage the movement between states of adults place under community supervision.

La R.S. 644 The Department of Public Safety Corrections shall inform the person required to register the duty to register when he is released from prison, placed on probation, supervised release or under parole. (Violent offenses against police officers)

Department of Public Safety and Corrections shall within five (5) days of obtaining the information required for registration, transmit

to the bureau. Department of Public Safety and Corrections shall also record the finger prints of the offender.

- La R.S. 868** Whenever the district court appoints an attorney to represent an inmate charged with a crime alleged to have been committed while the inmate was in the actual physical custody and control of the Department of Public Safety and Corrections (emphasis added) or when an inmate escapes from the actual physical custody and control of the Department and during the period of escape, he is charged with committing a crime in the parish when the correctional institution he escaped from is located, the Department of Public Safety and Corrections shall pay the attorney fees fixed by the Court.
- La R.S. 15:179** Department of Public Safety and Corrections provides legal representation for each indigent parolee who is charged with violating the conditions of his parole. The court appoints counsel and the Department fixes and pays the reasonable compensation and reimbursement for expenses.
- La.Const. Art. 12, §7** The State shall reimburse a parish in which a state penal institution is located for expenses the parish incurs arising from crime committed in the institution or by the inmate.
- La R.S. 824.1** Department of Public Safety and Corrections, out of appropriated funds, shall annually allocate \$15,000.00 to the governing town of Jackson for employment of two (2) additional deputies due to Dixon Correctional Institution's location.
- La R.S. 13.793** Department of Public Safety and Corrections, out if it's appropriated funds shall pay annually \$6,000.00 into the salary fund of the Clerk of Court of each parish for each state adult correctional center.
- La R.S. 15:609** It is the Secretary's policy that all DNA samples shall be obtained in accordance with state statutes and the Department Regulation B-08-016 Probation and Parole as well as staff at institutions will insure DNA samples have been taken.

SECTION 2: Efficiency and Benchmarking

Identify under-performing programs that should be overhauled or eliminated

Convert Forcht Wade Correctional Center into a Substance Abuse Treatment Center and Consolidate the Skilled Nursing and Reception Operations at Elayn Hunt Correctional Center.

Substance abuse is an underlying cause in the majority of the crimes that offenders have committed. The Department's current approach is spread throughout all institutions with no consistency in approach. The consolidation of this program at one facility will serve a vital role in our reentry efforts as our offenders reintegrate with society. In an effort to further streamline the operations of the Department and in an effort to mitigate existing and future strategic funding reductions, the Department proposes to convert Forcht Wade Corrections Center (FWCC) to a substance abuse treatment facility.

In tandem with this conversion, the Department would consolidate the reception process and the skilled nursing operations at Elayn Hunt Correctional Center (EHCC). A new Skilled Nursing Unit was completed in January of 2009 and has sat dormant due to budget constraints. By opening this facility, the Department would increase the number of beds available for this program, provide a more efficient approach, and reduce costs to again meet its budget reductions for Fiscal Year 2009 -2010.

The scope of this plan encompasses DPS&C-CS' efforts in the following areas:

- Convert and appropriately staff FWCC to function as a substance abuse treatment facility;
- Consolidate the reception and diagnostic operations at EHCC;
- Use the J. Levy Dabadie Correctional Center (JLDCC) as a reception transfer point for the northern part of the state; and,
- Appropriately staff both security and medical functions to open the Skilled Nursing Unit at EHCC.

The timeline for this plan assumes an October 15, 2009 implementation date.

Converting Steven Hoyle Rehabilitation Center into a Female Facility Operated By the Madison Parish Sheriff's Department

In August of 2008 the Department proposed the sell of the Steve Hoyle Rehabilitation Center (SHRC) to a private party. The benefit was twofold:

- Relief from debt service of approximately \$2.5 Million per year, and
- Closure of a facility that had a significantly higher per-diem cost when compared to all other institutions, resulting in an additional annual savings in excess of \$10 Million.

SHRC is currently owned by the Louisiana Correctional Facilities Corporation (LCFC). In March of 2009, the facility was advertised for bid on March 19, 2009, by the LCFC. The bid closing date as advertised as April 30, 2009. On the bid close date, no bids were received. At the April 30, 2009, the LCFC approved a second advertisement for bid with a bid closing date of June 8, 2009. Again, no bids were received.

DPS&C-CS transitioned the facility to a female reentry facility and prison operated by the Madison Parish Sheriff's Department (MPSD) on July 27, 2009.

This was the best option for the following reasons:

- Falls in line with Governors initiative on re-entry on the local level;
- Provides much needed services to females on the local level (the population on local level is 1300 females in 40 different local facilities);
- The Department has applied for \$750,000 in federal Second Chance Act Funds in which we will be notified of the outcome in September;
- Assures continuity of operations of the facility at a significant reduction in the cost and provides the jobs in the region that fulfills our commitment to the local legislative delegation; and,
- Reduces recidivism amongst the female population

The State's budget for operating the facility is outlined below. It should be noted that the expenses incurred under the Louisiana Housing of State Adult Offenders (LHSA) are considered a "wash" when operating the facility as the State is already incurring those expenses at other facilities. As such the true cost to operate is \$3.655 Million. The result is an annualized **savings of approximately \$8.9 Million when compared to the option of operating SHRC as a state run facility.** The cost savings of this effort have been factored into the Department's Fiscal Year 2009 – 2010 operating budget. Furthermore, when the previous per inmate per day cost of \$123.99, is compared against the projected per inmate cost per day of \$43.04, a significant gain in efficiency is evident

Category	Cost
LHSAO	\$4,780,562
Reentry	\$525,000
ORM	\$500,000
Maintenance	\$130,000
Debt Service	\$2,500,000
TOTAL	\$8,435,562

TRUE COST	\$3,655,000
(less LHSAO)	

Per-inmate-per day	\$43.04
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The costs to transition and operate the facility for the first year was included in House Bill 1 as follows

- \$2 Million to operate and transition the facility to MPSD was placed directly in the Department’s schedule (8_413)
- \$431,000 was placed under the LHSAO schedule (20_451) for use in the Reentry program, and
- \$2.5 Million was placed in the Department’s debt service schedule (20_923).

Use of Technology in Tower Operations

In order to meet the strategic reductions set out in the Fiscal Year 2009 – 2010 budget, the Department is replacing security officers in towers with video surveillance. The video feed would be simultaneously and continuously monitored at different locations in the facility to include roving security accompanied by a canine. In conjunction with the cameras, the Louisiana State Penitentiary will be installing “shaker” fences that alarm when a certain amount of pressure is applied. The States of Arkansas and Mississippi employ a similar approach, though both use lethal fencing in certain locations as well.

The Department would focus four institutions as follows in priority order with estimated costs:

INSTITUTION	COST
Louisiana State Penitentiary (LSP)	\$1,300,000
Avoyelles Correctional Center (AVC)	\$200,000
Winn Correctional Center (WNC), and	\$180,000
Allen Correctional Center (AVC)	\$180,000
	\$1,860,000

The estimated annual savings realized per institution as a result of a reduction in personnel are as follows:

INSTITUTION	SAVINGS
Louisiana State Penitentiary (LSP)	\$4,600,000
Avoyelles Correctional Center (AVC)	\$1,000,000
Winn Correctional Center (WNC), and	\$300,000
Allen Correctional Center (AVC)	\$300,000
	\$6,200,000

Transporting Offenders to Court

It has long been the practice of the Department to provide the transportation of offenders to and from court hearings. The Department spends almost \$10 Million a year in transporting offenders for both medical and court trips. The Department is currently implementing video court for the parishes that request the presence of offenders the most. DPS&C-CS has implemented this service for four institutions in Orleans Parish, East Baton Rouge, and Lafayette Parish with great success (Terrebonne Parish will be added in the very near future). The Department will expand this to other institutions and Parish Courts and expects to realize substantial savings.

Regionalization of Business Office Staff

For so long, institutions have operated as islands. Each institution has HR Staff, Accountants, Purchasing Officers, Classification and Records, and other administrative staff. DPS&C-CS is currently researching the effectiveness and cost savings associated with consolidating these like business functions at the regional level (there are currently three regions).

Sentencing Guidelines

It is critical that we consider the price we are paying to maintain current levels of incarceration. Corrections expenditures compete with and diminish funding for education, public health, public safety, and other programs specifically designed to reduce the prison population. On a national level, between 1985 and 2000, state corrections spending grew at six times the rate of higher education spending. According to the Sentencing Project, on a national basis 82% of those sentenced to state prisons in 2004 were convicted of non-violent crimes.

In 2008, Act 629 re-enacted the Louisiana Sentencing Commission. The Louisiana Sentencing Commission is charged with the responsibility of reviewing the State's sentencing structure and reporting its findings to the Legislature by March 2010. The Sentencing Commission is established pursuant to La. R.S. 15:321 and is comprised of representatives appointed by the Governor, representatives of the Legislature, and representatives of the Judicial system. We can better serve and protect Louisiana's citizens by launching a contemporary review of Louisiana's criminal justice system which will improve public safety, be cost-effective to Louisiana taxpayers, and will result in fairness in the implementation of the criminal justice system.

It's important that we recognize the need for prisons for the most dangerous offenders. The safety and security of our communities, the fair and proper administration of justice are issues of critical importance to the work of the Louisiana Sentencing Commission.

Two underlying principles should be considered in shaping any recommendation: 1. the safety and security of communities and, 2. the fair and proper administration of justice. In other words, balancing the rights of the accused to fair and equitable treatment with the victims seeking justice through appropriate sanctions, while ensuring the safety needs of Louisiana communities.

The following is a non-exclusive listing of preliminary areas that should be reviewed:

- Evaluate the current classification and sentencing structure of felony offenses, especially as they relate to non-violent minor felonies and sentencing alternatives.
- Review the current structure and procedures of the Pardon and Parole boards.
- Review and evaluate the state's drug policies in relation to sentencing guidelines and prison population. Seventy-eight percent (78%) of the prison population is serving sentences for offenses that are related to drug activity.
- Review the parole eligibility requirements and prohibitions for non-violent crimes.
- Evaluate and determine feasibility of unsupervised discharge of non-violent first offenders for good behavior.
- Conduct a comprehensive study to evaluate the diminution of sentence (good time) statutes and formulate legislation to make good time consistent and less complicated.

- Study and recommend alternatives to long-term supervision of parolees for non-violent crimes taking into consideration Probation and Parole's available resources.
- Provide a cleansing period for non-violent felony convictions for purpose of parole eligibility.
- Review and propose statutory revisions to allow re-sentencing of certain offenders to a reduced sentence length after a determinate period of time.
- Review possibility of reducing some non-violent felonies to misdemeanors.

It should be noted that any recommendation that effects the prison population at the entry point such as changes in sentencing structure or provisions for substance abuse treatment programs, will not have an immediate impact on reducing prison population.

SECTION 3: Outsourcing And Privatization

Current Outsourcing

The Department currently has two large outsourcing projects:

- **State Institutions:** The Department currently contracts with two private companies to operate two of the State prisons housing adult male offenders. DPS&C-CS contracts with Corrections Corporation of America (CCA) to operate Winn Correctional Center and with the GEO Group to operate Allen Correctional Center. Both institutions house 1,461 inmates. The budget for each institution is \$17.8 Million.
- **Kidney Dialysis:** The Department currently contracts with Fresenius in outsourcing the dialysis for all offenders who need treatment. The department spends \$2.3 Million per year and is currently treating 60 offenders.

Under Review

The Department currently has three Request For Proposal (RFP) out for the privatizing of services. The subjects of the RFPs are:

- **Food Services:** The RFP for this service comprised a complete outsourcing of all aspects of food services. The Department issued the RFP to determine if outsourcing would provide cost savings. The Department is currently comparing the costs contained in the proposals to its actual program costs.
- **Pharmaceutical Services:** This RFP covers all aspects of the Department's pharmacy operations to include personnel and management costs and pharmaceuticals cost. It is estimated that by outsourcing this function, the department could save in excess of \$1.2 Million on personnel costs. The costs and bulk savings of the pharmaceuticals will be a direct pass on to the Department and should be cost neutral.
- **Energy Conservation (ESCO):** This proposal involves installing energy efficient equipment and best practices to conserve energy and therefore reduce costs. The goal of this project and the proposers is to implement an energy saving plan and use the savings to pay the indebtedness necessary to purchase the equipment.

As of the writing of this report, the Department has received and is evaluating proposals for all three RFPs.

Future Consideration

Other areas to be explored at a later date include:

- **Medical Services and Mental Health Services:** Similar to our Pharmaceutical Services outsourcing project, this would constitute a whole or partial outsourcing of these services.
- **Collection of Probation and Parole Fees:** The Department is considering privatizing the collection of fees that is currently handled by Probation and Parole Officers. Officers currently spend approximately 30% of their time on the collection of fees, including supervision fees. These fees are important to the Department as they constitute about 25% of Probation and Parole's budget. The use of a private agency to handle the collection of all fees would allow for more of an officer's time to be devoted to supervision, thus enhancing public safety in our community.
- **Substance Abuse Treatment at Forcht Wade Correctional Center:** The consolidation of substance abuse treatment at one facility will serve a vital role in our reentry efforts as our offenders reintegrate with society. In an effort to further streamline the operations of the Department and in an effort to mitigate existing and future strategic funding reductions, the Department proposes to convert Forcht Wade Corrections Center (FWCC) to a substance abuse treatment facility. Possible further savings might be realized by privatizing this operation.

SECTION 4: Information Technology Integration

Outdated Information Systems

The Department's main database (CAJUN) was designed over 20 years ago. Although a stable platform, it is near impossible to integrate with modern systems. DPS&C-CS collects a lot of data on our offender population; however, with CAJUN incompatible with most data management tools, we are not able to turn all that data into knowledge. The Department is undertaking a piecemeal approach to converting the system over to the more modern platform of dB2. Though less costly, this approach will take more time. The Department is contracting with a third party to assist us in analyzing the data that we possess in order to help us utilize the data to make sound business decisions.

DPS&C-CS is currently not on the statewide e- system (la.gov). The biggest problem this causes is the Department can't take advantage of the full functionality of ISIS. Of major concern is the inability to use the management self service function that automates time entry, leave, and overtime accumulation. The Department still relies on a paper based system that is person intensive. In fact, at some institutions, we have security officers inputting time and attendance resulting in an inefficient use of resources. The Department is working with the Office of Information Technology to transition DPS&C-CS to the statewide e-mail in Fiscal Year 2010 – 2011 and is contingent on funding approval for \$400,000.

SECTION 5: Elimination of Duplicative & Unnecessary Services

List the activities that fall outside of mandates

The mission of the DPS&C-CS is straightforward. There are no activities that fall outside of its mandate.

Identify outdated activities that should no longer be part of the mission of DPS&C-CS

The mission of the DPS&C-CS is straightforward. There are no mandated activities that should no longer be a part of its mission.

Identify duplication or overlap

Though there is not true duplication of efforts, the department does see a transition overlap with other entities in regards to its reentry efforts. DPS&C-CS has developed strong collaborations with state agencies, including:

- Louisiana Workforce Commission: The Commission has provided funding for the department to acquire vocational training trailers for our institutions and for our planned Reentry program sites. LWC has also aided our efforts by identifying labor needs in our regions of the state.
- Louisiana Career and Technical College System: LCTS provides vocational training as an integral part of the Reentry Program
- Department of Education: DOE provides funding and guidance for our education efforts.
- Department of Social Services: DSS is integral in our continuum of care for substance abuse.
- Department of Health and Hospitals: DHH is integral in our continuum of care for mental health treatment.

Each organization has a liaison that identifies ways in which their agency can contribute to offender management and reentry. Hundreds of volunteers provide a multitude of services within the Department's correctional institutions. We also work with many community and faith-based organizations, employers, treatment providers, victims' organizations and offender support groups.

SECTION 6: Civil Service and Employee Benefits

Current initiatives or ideas related to employee benefits, hiring and promotion, and other employee regulations:

- **Pay For Performance:** The current Performance Planning and Review process should be revisited in order to provide for a truly objective pay-for-performance program. The Department of State Civil Service is currently working on this project. DPS&C-CS staff will be participating with Civil Service in the development of this initiative.
- **Workforce Development:** The goal of the Department's workforce development initiative is to ensure the right people are in the right position at the right time performing the right role in order to achieve the Department's mission. It is intended to better prepare the agency to:
 - Plan ahead to avoid workforce shortages;
 - Create and maintain a steady supply of well qualified prospects; and,
 - Enhance, manage and retain the workforce currently in place.

To that end, DPS&C-CS will utilize existing programs and efforts as well as develop new approaches to include needs assessments, recruitment, placement, training, engagement, retention, and succession planning.

In order for the Department's Workforce Development Plan to succeed, it must have:

- Commitment from the Executive and Management Staff;
- Goals that are clear and easily communicated; and,
- Objectives and strategies that demonstrate value to both the employee and the agency.

Simply put, workforce planning and development is essential to the Department to accomplish its mission, goals, and objectives.

- **Education Enhancement:** The Department fully understands the role that continuing education plays in the success of its workforce development efforts. The Department is formulating a proposal to increase the formal education level of its employees by providing for a pay increase once an employee receives either an Associate's or Bachelor's Degree. The employee will pay the tuition costs which can be financed through the Department of Corrections Credit Union.

SECTION 7: Studies and Other Resources

Each year the Department participates in a study that compares the correctional systems of the 16 southern states. The complete report can be viewed at <http://lfo.louisiana.gov/publications>.

Information of interest in the report includes:

- Louisiana leads the region in inmates per 100,000 population

STATE INMATES HOUSED IN STATE AND LOCAL JAILS
 (As of July 1, 2008)

STATE	STATE INMATES		Total State Inmates	Total State Inmates Per 100,000 Pop.*	Rank in SLC
	State Facilities	Local Jails			
ALABAMA	25,901	1,435	27,336	590.7	5
ARKANSAS	13,293	1,313	14,606	515.2	9
FLORIDA	98,128	64	98,192	538.0	8
GEORGIA	53,560	0	53,560	561.1	7
KENTUCKY	14,306	7,360	21,666	510.8	11
LOUISIANA	20,929	17,208	38,137	888.3	1
MARYLAND	22,804	134	22,938	408.3	15
MISSISSIPPI	23,806	1,999	25,805	884.1	2
MISSOURI	29,997	0	29,997	510.3	12
NORTH CAROLINA	39,326	0	39,326	434.0	14
OKLAHOMA	24,614	692	25,306	699.6	3
SOUTH CAROLINA	24,600	399	24,999	567.2	6
TENNESSEE	19,235	7,894	27,129	440.6	13
TEXAS	156,513	1,894	158,407	662.7	4
VIRGINIA	34,246	5,359	39,605	513.5	10
WEST VIRGINIA	4,965	1,138	6,103	336.8	16
TOTAL	606,223	46,889	653,112	568.5	

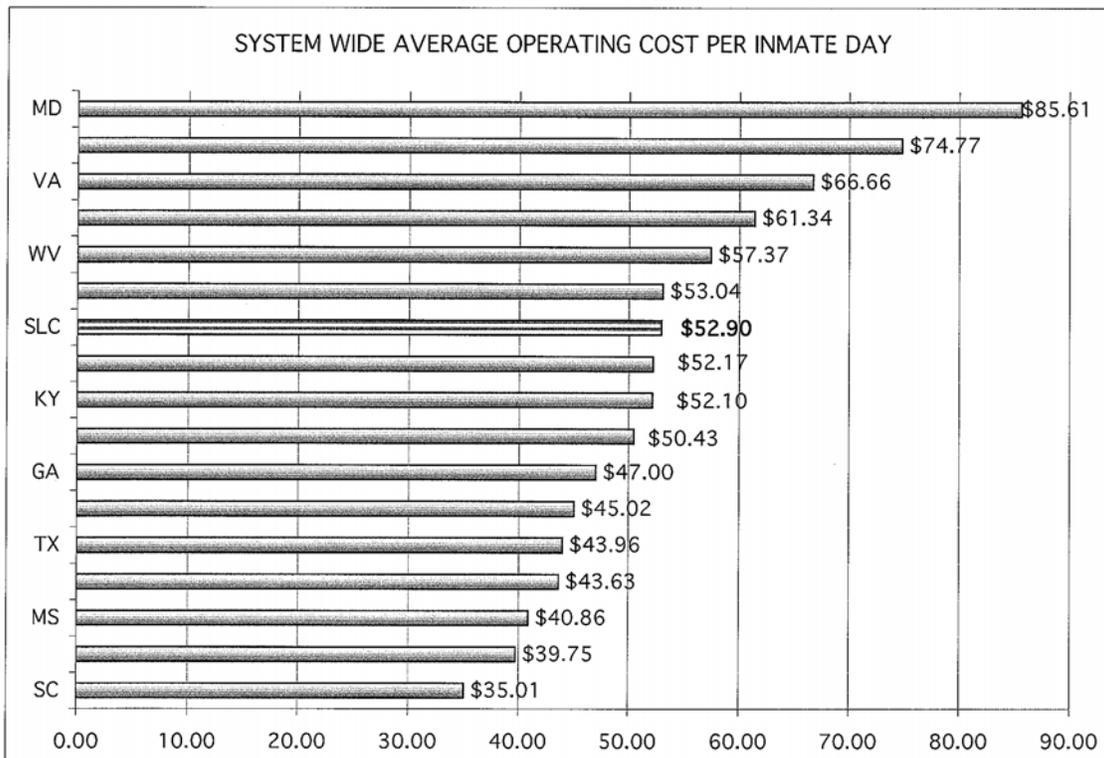
* Population data from U.S. Census Bureau, Population Division.

- Louisiana ranks first in the region in the number of offenders housed at the local level

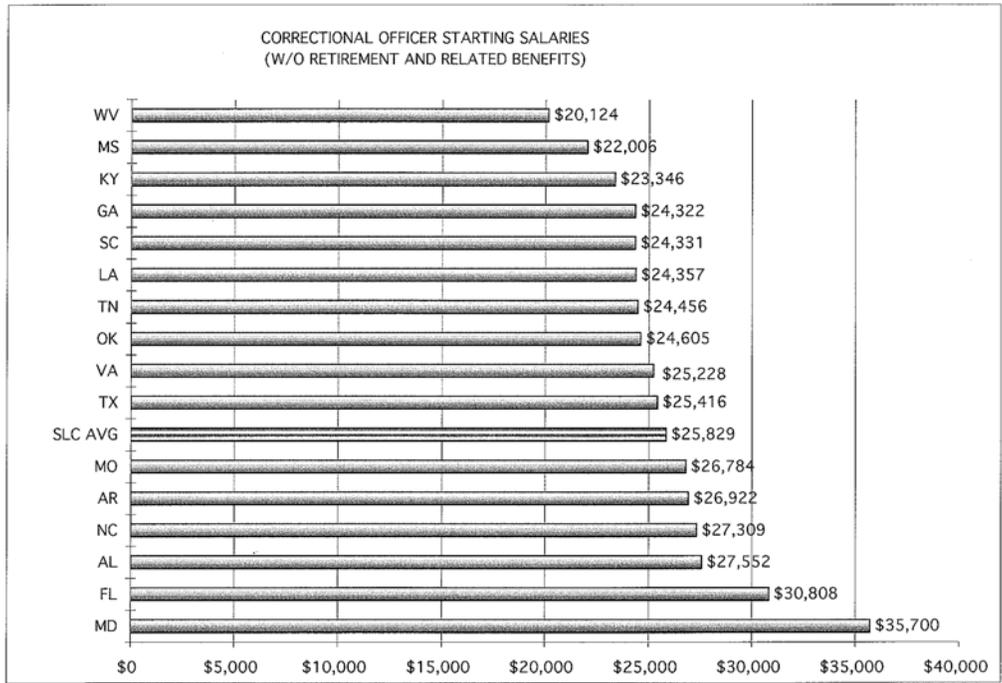
UTILIZATION OF LOCAL JAILS
 (as of July 1, 2008)

STATE		Total Local Jail Population	Max. Design Capacity	Percent of Capacity	No. of State Inmates	STATE PAYMENT PER	
						Inmate Day	Inmate Year
ALABAMA	(a)	unknown	unknown	N/A	1,435	\$1.75	\$639
ARKANSAS	(b)	unknown	unknown	N/A	1,313	\$21.50	\$7,848
FLORIDA	(c)	unknown	N/A	N/A	64	N/A	N/A
GEORGIA		0	0	0	0	\$0	\$0
KENTUCKY		17,962	18,280	98.3%	7,360	\$30.94	\$11,293
LOUISIANA	(d)	38,871	38,871	100.0%	17,208	\$22.58	\$8,242
MARYLAND		N/A	N/A	N/A	134	\$68.95	\$25,167
MISSISSIPPI	(e)	1,999	1,733	115.3%	1,999	\$20.50	\$7,483
MISSOURI		0	0	0	0	\$0	\$0
NORTH CAROLINA		0	0	0	0	\$0	\$0
OKLAHOMA		N/A	N/A	N/A	692	\$33.89	\$12,370
SOUTH CAROLINA		13,137	10,970	119.8%	399	N/A	N/A
TENNESSEE	(f)	26,186	28,026	93.4%	7,894	\$45.53	\$16,618
TEXAS	(g)	71,402	86,702	82.4%	1,894	\$39.91	\$14,567
VIRGINIA	(h)	27,994	18,528	151.1%	5,359	\$14.00	\$5,110
WEST VIRGINIA		N/A	N/A	N/A	1,138	\$48.50	\$17,703
Total		197,551	203,110	97.3%	46,889	\$31.64	\$11,549
Average							

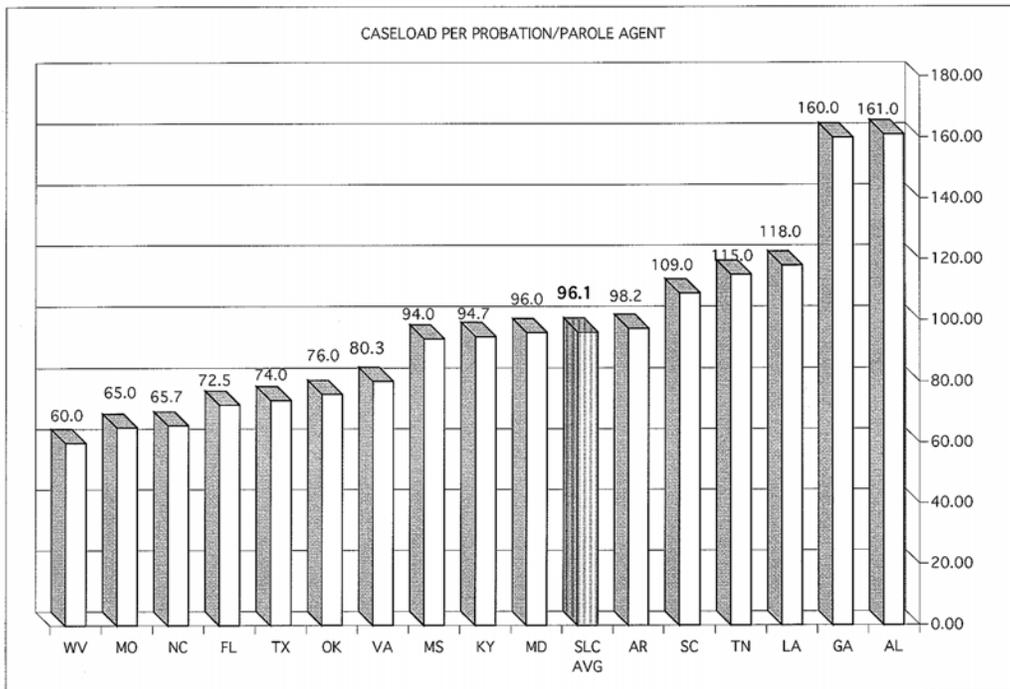
- Louisiana is second in the region in per inmate per day cost



- Louisiana ranks sixth lowest in salaries



- Louisiana ranks 3rd highest in cases per probation/parole agent



SECTION 8: Agency Best Practices

Reentry At The Local Level To Reduce Recidivism

As noted previously, In FY 2009 – 2010, the Department allocated funding to open two regional reentry programs by partnering with local Sheriffs in Caddo and Orleans Parishes. The reentry program in Caddo Parish became operational in July 2009 and the Orleans site will be operational by December 31, 2009. In addition, the Department has partnered with the Sheriff of Madison Parish to operate a reentry program for female offenders that will become operational in the near future.

The Department's Local Reentry efforts have garnered national attention as a best practice from the Vera Institute of Justice in its latest publication, "The Fiscal Crisis in Corrections: Rethinking Policies and Practices."

Energy Savings and Conservation

The Department's ESCO project will provide energy efficient equipment and best practices to conserve energy and therefore reduce costs. The department will implement its energy saving plan and use the savings to pay the indebtedness necessary to purchase the equipment.

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

**Commission on Streamlining Government
Executive Summary**



August 17, 2009

**Prepared by
Vince Sagnibene, Undersecretary**

**Bobby Jindal
Governor**

**Harold Leggett, Ph.D.
Secretary**

DEPARTMENT: Department of Environmental Quality

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LAST UPDATE: 8/17/2009

SECTION ONE: AGENCY OVERVIEW

IDENTIFY YOUR OVERARCHING REFORM GOAL(S) FOR THE AGENCY.

The reform goals for the Department of Environmental Quality (DEQ) include:

1. Protect public safety, health and welfare and increase compliance with environmental laws that meet state and federal mandates.
2. Operate in an efficient and effective manner, and to the maximum extent possible, conduct programs consistent with sound policy for employment and economic development.
3. Enhance customer service and provide regulatory flexibility.

The mission of the DEQ is to provide service to the people of Louisiana through comprehensive environmental protection in order to promote and protect health, safety and welfare while considering sound policies regarding employment and economic development.

As we move into a new era of state government, the DEQ has embraced Governor Bobby Jindal's philosophy grounded in ethics and integrity, transparency, performance-based budgeting, maximizing efficiency, customer service, controlled spending, serving as a good steward of taxpayers' dollars to provide a return on investment and achieving measurable results.

The Governor's vision as outlined in his nine (9) statewide goals has been incorporated as a roadmap by the department in its DEQ LEADERSHIP 10-Point Plan and includes the following: Ethics and Integrity, Transparency, Level Playing Field, Regionalization, Investment in Employees, Investment in Community Organizations and Local Governments, Investment in Small Businesses, Investment in Applied Research, and Investment in Technology – e-Business.

A detailed picture of DEQ's activities as they relate to the Ten Point Plan are included in the attached Appendices A and B. Appendix A sets out the record of DEQ for the past eighteen (18) months of the new administration and Appendix B provides the goals and initiatives of the agency in aggressively pressing forward the vision of the Governor.

REVIEW AND BRIEFLY OUTLINE THE CONSTITUTIONAL AND STATUTORY MANDATES FOR YOUR AGENCY.

The constitutional basis for DEQ is found at Article IX, Section 1, and mandates the natural resources of the state, including air and water, and the healthful, scenic, historic, and esthetic quality of the environment shall be protected, conserved, and replenished insofar as possible and consistent with the health, safety, and welfare of the people.

The statutory basis for DEQ and its responsibilities and functions are found in the Louisiana Environmental Quality Act, Title 30 of the Louisiana Revised Statutes. The primary enabling provision for the establishment of DEQ is found at La. R.S. 30:2011 which outlines the power of the Secretary. Specifically, the department shall have jurisdiction over matters affecting the regulation of the environment within the state, including but not limited to the regulation of air quality, noise pollution control, water pollution control, the regulation of solid waste disposal, the protection and preservation of scenic rivers and streams of the state, the regulation and control of radiation, the management of hazardous waste, and the regulation of those programs which encourage, assist, and result in the reduction of wastes generated within Louisiana. The offices within DEQ are also statutorily mandated under article 2011(C)(1) and provide for the executive office of the secretary, environmental assessment, environmental compliance, environmental services.

DEQ also functions as a quasi-federal agency acting as the officially delegated state departmental body with full authority to issue permits and enforce provisions of the Federal Clean Air Act, Clean Water Act, and Resource Conservation and Recovery Act (hazardous waste).

A detailed analysis of individual statutory mandates by office and division is hereby attached in Appendix C.

LIST THOSE MANDATES WHICH IMPEDE ATTAINING AGENCY GOAL(S) AND SUGGESTIONS FOR CHANGES IN LAW(S).

- Public Notice in newspapers
The department currently mails out hard copies, e-copy through “listserve,” and maintain the web. Seeking permission from EPA to move away from newspapers should be explored. DEQ staff has been tasked to poll the hearing attendees to determine if they became aware of the hearing through newspaper or other source.
- Mandatory hearings currently required for Solid Waste permits for waste tires
There has been no history of interest by the public in a hearing for waste tires for the receipt of applications (new, renewal or modification). Currently, a hearing has to be conducted within 60 days of receipt of application. Based on the complete lack of public interest and unnecessary expense borne by the State, the department should explore opportunities to improve upon this process.

- Hearing request by companies

Many times, DEQ conducts hearings at the request of the company during the permitting process when there is no public interest. Companies request hearings in order to expedite the permitting process, so they will not get a request later that will potentially extend the process. This cost should be passed on to company or no hearing conducted.

The average cost of a public hearing is between \$2,000 and \$3,000. Estimated costs are based on salary and travel costs for DEQ staff in preparation and conducting of the hearing, public notice costs, cost for the hearing officer, costs for the court report, room rental (when needed) and security costs (when needed).

Based on a review of past hearing requests, it appears that company-requested hearings represent roughly 25-40% of the public hearings conducted. Typically, our records indicate that attendance at company-requested public hearings represent roughly 5-15% of total hearing attendance.

- Hearings conducted based on few or single request for hearing (Hazardous Waste).

In cases where these are not a significant public interest in a hearing, money can be saved by not holding a public hearing. In those cases where a public hearing will not be held, the public shall be immediately advised to submit comments in writing. Hazardous waste regulations should be revised similar to other media to allow for this flexibility.

- Regulatory Permits

The DEQ would like to implement a three-tiered approach like Texas. Depending on the source category and emissions, some activities are automatically covered; some require notification, but not approval; and others require both notification and approval. The DEQ thinks this is a very good approach.

Louisiana's Regulatory Permit program, codified under LAC 33:III.Chapter 3 and authorized by R.S. 30:2054(B)(9), is loosely based on the Texas Commission on Environmental Quality (TCEQ's) Permits by Rule (PBR) system set forth under 30 TAC § 106.

Basically, TCEQ requires applicants seeking coverage under a PBR to use a "PI-7 Submission Form." This form is analogous to Louisiana's Regulatory Permit Notification Forms. The PI-7 form directs applicants as follows:

1. read the requirements of 30 TAC § 106.4 and the specific PBR you want to claim;
2. determine if the facility meets all the eligibility requirements of 30 TAC § 106.4;
3. determine if the facility meets all the applicable requirements of the specific PBR;
4. begin construction immediately if the facility meets the requirements of 30 TAC § 106.4 and the PBR does not require registration;

5. begin construction when the Form PI-7 and attachments are submitted to the TCEQ if the PBR requires registration, but does not require site approval; or
6. do not begin construction until you are notified by the TCEQ if the specific PBR requires registration and written site approval.

For example, equipment used in eating establishments for the purpose of preparing food for human consumption is simply “permitted by rule,” whereas surface coating or stripping facilities must meet a number of conditions and be registered with the TCEQ using Form PI-7 before construction begins.

It is the tiered approach described in 4 – 6 above that would be beneficial to DEQ. Currently, R.S. 30:2054(B)(9)(b)(vii) ties authorization to operate under a Regulatory Permit to being “notified by the department that the notification was complete.” Thus, even operations resulting in negligible emissions require pre-approval of the department.

The last sentence of R.S. 30:2054(B)(9)(b)(vii) is somewhat restrictive. It does not allow the source to begin operations until notification is received from the department. This was a last-second amendment added in Committee to satisfy an environmental group.

- Increased recycling of reclaimed water & exploration of new uses.
This initiative would require the modification of the limits for reclaimed water to levels appropriate for the intended reuse. This modification would allow usage of treated reclaimed water for all currently approved purposes. This could potentially increase the need for reclaimed water, and at the same time reduce the quantity of discharged waste water statewide. Current usages include wetlands restoration projects, field irrigation, non agricultural watering activities, irrigation reclamation activities and dust controls. Potential future usages could include once through cooling water, utilization in cooling tower makeup activities, industrial watering processes or as a clarified water supply source, and fire control and protection watering activities. If approved and promoted this would result in a potential reuse of as much as 100-200 million gallons of water per day and thereby reduce the demand for intake water from both groundwater and surface water sources. This could significantly reduce and potentially eliminate most waste water discharges for a number of regulated entities state wide. The statute is La. R.S 30:2393(1). These changes would facilitate the usage of treated reclaimed water with higher effluent/permitted limits. Usage would be for currently approved purposes or purposes approved in the future. No such reclaimed water discharges will be implemented in water bodies if it would adversely affect downstream water quality and or is determined to be injurious to wildlife, fish, or plant life.

SECTION TWO: EFFICIENCY AND BENCHMARKING

IDENTIFY UNDER-PERFORMING PROGRAMS THAT SHOULD BE OVERHAULED OR ELIMINATED

- Early Warning Organic Compound Detection System (EWOCDS)
The EWOCDS program could be identified here as under-performing due to lack of funds and staffing. EWOCDS along the Miss. River was instituted in the late 80’s at the request of DHH to provide them with monitoring stations (9 locations) to identify pollutants of

significance in the river to prevent contamination of drinking water intakes. There has never been funding for this effort; initially EPA provided grant funds to start up the project and after that DEQ absorbed this cost annually. Over the past several years companies who voluntarily opted to participate dropped out so there are now 6 sites, which is not sufficient to capture a significant event along the river from Baton Rouge to the mouth of the river. Also 2 water works dropped out due to lack of funding and staff. It can cost upward of \$100,000 per year to maintain and replace equipment at these sites. Post-Katrina, the funding for this effort was used elsewhere and DHH and DEQ have attempted to work out funding for some of the sites, notably the drinking water intakes (DHH can fund through the drinking water fund but funds can only be used for municipal intakes, not industrial). Industry, with the recession, cannot fund or man the sites and there has not been a significant event since the late 90's.

Prior to Gustav, DEQ, DHH, industry and municipal water intakes met to discuss the feasibility of replacing the current system with a voluntary program, funded by industry, the municipal water works and DHH (drinking water fund), similar to the program that exists along the Ohio River. The stakeholders along the Ohio River have a consortium of industrial and municipal drinking water sources that have established sampling sites that monitor the river's water quality. The Ohio River partnership is a very good model to establish a similar effort for the lower Miss. River and DEQ is willing to work with all stakeholders to move this forward. The EWOCDS project is not truly a regulatory function but rather an alert system to protect drinking water supplies from chemical contamination. As such a partnership among users and dischargers between Baton Rouge to below New Orleans, with possible oversight or assistance from DHH, has the potential of a fully implemented sampling program (9-12 sites) that protects drinking water supplies.

- Mercury Fish Tissue Sampling
This program supports DHH and Louisiana Department of Wildlife & Fisheries (DWF) efforts related to mercury contamination advisories in specific streams and lakes and assists with decisions related to mercury discharge limits in Louisiana Pollution Discharge Elimination System (LPDES) permits. The legislature authorized this activity and provided general funds to conduct this project. However, general funds have been cut for the project. DEQ also participates in a national data collection effort that costs approximately \$78,000 per year and this may also be eliminated due to lack of funding (this is under AQAD). Funding for this program at some level benefits the citizens of Louisiana to protect public health and ensures adequate mercury discharge limits into our streams and lakes.
- Change terms of all environmental permits to 10 years. Alternately, allow the option to go beyond the current 5 year permit terms for "good actors."
LAC 33:IX.2711.A states that, "LPDES permits shall be effective for a fixed term not to exceed five years." Title V air permits are limited to a five year term under LAC 33:III.507.E.1. Solid and Hazardous Waste permits are issued for a ten year term. If the term of all permits could be changed from five to ten years, there would be a considerable savings in resources. This change would require federal coordination and approval, or the state would risk loss of its delegated authority to administer the federally delegated water and air permit

programs, but the ability to properly manage our sites and effectively produce both direct and indirect savings would be a bountiful harvest which could result from this initiative.

- Extending the permit from 5 to 10 years will have no effect on the effectiveness of DEQ's current permitting program. DEQ will continue to maintain oversight of these facilities through frequent inspections to ensure compliance with statutory and permit conditions.
- Any changes in the operating facility process during the ten year will continue to be addressed in a permit modification pursuant to statutory and permit conditions.

For example, in the Title V air program, there is a current permitted universe of 767, each of which must be renewed every five years. Renewals are considered "baseline" workload or approximately 20% of the division's work. Normalized over five years, every year 153 Title V permits must be renewed. This requires a complete permit application, technical review, public notice, and EPA review. There is no current fee for a Title V renewal, unless a modification is also requested at the time of the renewal.

Normalized over ten years, 77 Title V permits would require renewal each year. Over time, assuming no significant number of new Title V sources due to regulation changes, the department's resources needed to maintain this program could be reduced, resulting in savings to the department, the state, and the regulated community. Alternately, resources currently used in permitting could be re-deployed to other critical needs areas, such as compliance and assistance activities.

In the water program a similar situation exists. the permitted universe in water permits is as follows:

Total permitted universe :	11,833
Major permits:	235
Minor Individual permits:	1,276
General permits:	10,322

- Overhaul general permit program.
Though this water program is not under performing it could be increased and expanded to include other general permits, (e.g., barge cleaning facilities, oilfield service and equipment facilities, seafood (non-processing) facilities, private domestic individual homes, stevedore operations and facilities, one-time discharge permits and self implementing small-insignificant discharge permits). DEQ could increase the general permit coverage "types" by ~30%. This would increase the potential to cover activities currently addressed by individual permits and many unpermitted activities not currently captured.

For example, the Bayou Lafourche Discharger Inventory Project was completed to ensure that all waste water discharges to Bayou Lafourche were permitted as required by state law. Of 780 facilities visited and confirmed to have waste water discharges subject to LPDES permitting, 287 (or ~37%) were discharging without proper DEQ authorization (no permit). This did not include the estimated 1300 residential homes in the watershed. These structures

(facilities and homes) are potentially contributing to the water quality impairment of the water body associated with elevated levels of fecal coliform bacteria. Applying the regulatory control offered by the applicable LPDES permit (nearly all qualify for a small sanitary general permit) may have the desired positive effect of reducing bacteria loading to Bayou Lafourche. If not, additional compliance and/or infrastructure planning measures can be taken to apply further actions for water quality improvement. .

An added benefit is this would allow DEQ to issue self implementing general permits for individual homes, which has been a recurring program goal of both DEQ and EPA.

The Department is also in the process of expanding the general permit program in the Air Permit program. Currently, the department has one air general permit and two more in development. General permits allow for the consistent, effective regulation of similar activities. The streamlined process will allow DEQ to focus greater resources on those projects that have the potential to offer greater risk to human health and the environment.

- Solid Waste Permitting.

Louisiana's solid waste permitting program has been identified by DEQ as an underperforming program. The department has recently launched a complete overhaul of the solid waste program and, in doing so, established a stakeholder team to re-invent the solid waste program. The desired outcome of this overhaul is a program that is protective of human health and the environment while giving due consideration to social and economic impacts. The resultant permit process should be predictable, consistent, transparent, and timely. The end product will be solid waste regulations and permits that are more enforceable, and ultimately offer greater protection to human health and the environment while resulting in a more level playing field for the regulated community. This will include a complete re-write of the solid waste regulations and will explore the potential for utilization of general permits and regulatory permits to further streamline the solid waste permitting process.

Internally, process improvements began with a re-evaluation of the solid waste application and permitting process that has been in use since the DEQ was formed. Bottlenecks and inefficiencies have been identified and are currently being corrected and/or eliminated. The next internal step involves full utilization of an electronic data system for issuing permits and maximization of this currently available technology.

Louisiana's hazardous waste permitting program is currently meeting or exceeding commitments to the United States Environmental Protection Agency (USEPA) under our Performance Partnership Grant and performance indicators in accordance with our Operational Plan.

- The "Inactive and Abandoned Sites" potential sites list required by regulation.

The remaining sites on this list are not believed to present a significant threat to human health and the environment. However, the department does not maintain hard data to confirm all potential threats have been eliminated which would allow removal from the list and the subsequent return of the property back into the commerce stream. This program should be

overhauled to re-allocate resources and/or outsourced to address sites on this list, thereby allowing for these properties to be removed from the list and potentially put back into commerce.

SECTION THREE: OUTSOURCING AND PRIVATIZATION

LIST PROGRAMS, FUNCTIONS, OR ACTIVITIES THAT CAN BE PRIVITIZED OR OUTSOURCED.

- Campaign Design and Media Buying.
Outsourced activities could include campaign design and media buying. However, the cost could be cost prohibitive and the institutional knowledge of DEQ-related activities may be diminished.
- Damage Assessments after Hurricanes.
One key area that can be outsourced is the damage assessments conducted after a hurricane. FEMA pays for most of this activity under the Stafford Act so DEQ would oversee a contract to conduct this activity, allowing field staff to focus on other aspects of response and recovery and conduct normal surveillance activities in unaffected areas. For the ERSD, all of the functions could possibly be outsourced with appropriate oversight.
- Water General Permit (GP) authorizations
This activity will require solid communication and coordination, of complex schedules and Total Maximum Daily Load (TMDL) issues. The process would be as follows; 1) after the Master General Permit(s) is/are approved, DEQ would identify acceptable permittees and forward a listing to the selected contractor; 2) the contractor would then, coordinate, process, mail out permits, resolve mailing/postage issues, enter the required information into TEMPO; and 3) pass only problem GPs back to the DEQ staff for guidance on resolution.
- Public Hearings
The conducting of hearings could be contracted out to the private sector. This may reduce some costs and potentially result in an overall reduction or reassignment of DEQ staff members. The contract could be written so that contractor performance baselines and incentives were included.
- Permit Writing Duties
Conceptually, some of the permit writing duties of the Permits Division could be privatized or outsourced. Statutes such as R.S. 30:2014.6(B) and regulations such as LAC 33:I.Chapter 18 contemplates the possibility of “contractors” being utilized to process permit applications.

However, it is unknown if the federal government would completely fund a non-governmental third party entity to perform these performance duties. In all likelihood, a certain degree of oversight would have to be provided by the State.

Selection of a contractor familiar with Louisiana regulations and permitting practices may be difficult. This is a consequence of Louisiana stringent ethics laws. If a contractor prepared a

draft permit for APD review, that contractor would likely be barred from performing similar services for that client for several years.

- Opportunities in Water Quality Assessment Division

Data collection is a task that is easily subject to outsourcing, and in addition, sections within the WQAD have been identified as potentially being able to assist in data collection needs, thereby gleaned efficiencies for this division, some other divisions, and the agency as a whole.

Modeling of impaired waters for Total Maximum Daily Load development is critical for the development of LPDES (water-discharge) permits that are protective of the environment. TMDL modeling is a project-oriented task that can be readily outsourced.

Data management is potentially a task that can be outsourced, but efficiencies in data management (which occurs in many divisions within the agency) may best be realized in the implementation of a centralized data management system for all data use, similar to the agency “all-activities” database TEMPO, designed to centralize activity information for all Offices in the agency. This may be nearing maturity with the planned use of the EQUiS data management system and tools such as the Oracle Business Intelligence for data retrievals in all Offices.

- Vehicle Inspection and Maintenance Programs

Currently, the Air Quality Assessment Division outsources some of the activities related to operation of the Vehicle Inspection and Maintenance Program (federally required program). For example, the emissions testing program is enforced by the Department of Public Safety through an interagency agreement. This allows the required emission testing to be done at the same time as the motor vehicle safety inspection is conducted. In addition, inspection software maintenance is provided by an outside software firm with proven experience. Louisiana Technical College provides a third party verification (free retest) for vehicles who fail an emissions test. This is also done via interagency agreement. Failure to implement this mandated program could result in the loss of federal highway funds.

- Investigative and Remedial Activities

Currently, Remediation Services Division (RSD) outsources its investigative and remedial activities. RSD currently has contracts in place to perform the following “Two-Step Remediation” contract process, “coring” contract, and individual project contracts.

The Remediation Services Division has a two-step remediation contract in place that allows the department to have pre-qualified bidders available to bid on Scopes of Services for remediation work. The objective is to streamline the procurement process for site remediation. This contract is used by the Remediation Services Division (RSD) on sites determined to be a priority for assessment and/or cleanup by the agency and where there is not a viable responsibility party. RSD staff prepare a Scope of Services and “hire” the contractors. Funding comes from the Hazardous Waste Site Cleanup Fund. The Remediation Services Division provides oversight of the contractor.

The Remediation Services Division has a Coring Contract. For sites without responsible parties where DEQ has the need to gather data including soil sampling, ground water sampling and the installation of groundwater monitoring wells using a Geoprobe, this contract provides for those services. There is no interpretation of data.

The Remediation Services Division also contracts site specific cleanup projects by Invitations to Bid on a Scope of Work Prepared by Remediation Services Division Staff.

- Underground Storage Tank (UST) Compliance Evaluation Inspections

The Underground Storage Tank Division is currently responsible for conducting Compliance Evaluation Inspections (CEIs) on approximately 4500 sites statewide. The Federal Energy Policy Act of 2005 requires a CEI to be conducted on each of these facilities at least every three years. This results in a rate of approximately 1500 inspections per year. These active and inactive fuel stations are inspected for compliance with standards established for release detection, corrosion protection, spill and overflow prevention, registration, financial assurance, and record keeping and reporting requirements. Approximately 800 of these inspections are performed each year by in-house staff and 700 by contractors.

- UST Certified Operator Training

The Federal Energy Policy Act of 2005 requires all UST operators to be trained by August 8, 2012. The purpose of this training is to assure that UST owners and operators properly maintain their storage and delivery systems in such a manner that the extent and duration of releases and spills are minimized. Plans are currently underway to outsource the administration and implementation of this program. All training program content and trainers utilized by the contractor requires pre-approval by LDEQ staff. We estimate that there are approximately 3000 operators to be trained. Training will be conducted in a classroom setting across the state.

SECTION FOUR: INFORMATION TECHNOLOGY INTEGRATION

LIST IT PROJECTS ALREADY UNDERWAY DESIGNED TO IMPROVE EFFICEINCY AND EFFECTIVENESS AS WELL AS POTENTIAL PROJECTS.

- ePayment – status: underway. This web based system allows the regulated community to pay their annual monitoring fees online via credit card or electronic bank draft. This system saves the regulated community and the department time and money. DEQ has plans to expand this system to accept electronic payment for any service provided by DEQ
- Electronic Document Management System (EDMS) – status: recently completed. The EDMS system was expanded this year to make all 25 million documents available to the public via the internet. In the past citizens desiring this information had to come to DEQ's headquarters or one if DEQ's regional offices. This promotes efficiency and availability of documents to the public.
- eDocs – status: near completion. This is an enhancement to the EDMS system which enables DEQ employees to electronically submit documents to the EDMS instead of having

them scanned. This greatly reduced the time and expense of scanning the documents. Future plans are to make this system available via the internet to enable the regulated community to submit documents to the EDMS.

- TEMPO upgrade – status: completed. a major upgrade was performed on the agency's Oracle database. This database tracks all information about the regulated community from the application process, to the monitoring and inspections, and, if necessary, enforcement actions. This upgrade provided new and improved functionality to the permitting, surveillance, enforcement and other activities of the agency.
- ERIC upgrade – status: near completion. ERIC is the system that allows industry to electronically submit their annual emissions inventory reports. This upgrade provided tools to make this process easier for industry to electronically submit their reports and improved synchronization with TEMPO.
- DNR link – status: complete. This was created to enable real time data exchange between DNR and DEQ on oil and gas operations that are regulated by both agencies.
- ePermits – status: underway. The framework was developed for the agency to accept permit applications via the internet. The first permit (Water Oil and Gas permit) is in beta test and should go live soon. This framework will be used to deploy other online permit applications, some of which are already under development.
- Data Warehouse / Business Intelligence – status: underway. This project will enable DEQ employees and the public much better access to the agency's data. It will enable management to make more informed decisions and open up the agency's data to the public thus increasing transparency of government.
- Net-DMR – status: underway. This project enables industry to submit their discharge monitoring reports via the internet instead of paper forms. This is a huge time and cost savings over keying in this data. It also eliminates key punch errors and enables more timely access to the information.
- FileNet replacement project – status: evaluating bids. This project will replace the FileNet software used in the EDMS system with software that creates cost savings and provides better public access to the data.
- Time Tracking / Material Billing System – status: under development. This system enables DEQ employees to track their time and assign it to specific projects. It also provides the documentation necessary for DEQ to recover the cost of emergency response efforts.
- Server Virtualization – status: underway. This project will create virtual servers and virtual lands to enable DEQ to more efficiently utilize its server farm.

- Network Printers – status: underway. This project utilizes network printers and multi function printers instead of desktop printers, thus greatly reducing the cost per page of print jobs. This is part of a statewide effort.
- VPN upgrade – status: near completion. This project utilizes open source software to reduce the price of Virtual Private Network, while improving the service to DEQ. The VPN increases productivity by enabling employees to work remotely.
- Laptop with Docking Stations – status: underway. DEQ has gone to a one computer per employee policy, but providing laptops with docking stations instead of desktops to employees. This is a huge cost savings over supplying both a desktop and a laptop to employees that need laptops, and increases productivity by enabling a more mobile workforce.
- Video Conference / Audio Conference / Web Meeting – status underway. These web conferencing tools save money by reducing the need to travel for many meetings.
- EQUIS –status: underway. EQUIS is a repository for analytical data that will enable DEQ to have better access to the information necessary to make sound scientific decisions. Currently remediation data is stored in EQUIS with plans to include all lab data.
- Air Vision – status: underway. Air Vision is an improved tool to better enable the agency to collect and analyze air emissions that contribute to Ozone. This is particularly important in the five parish ozone nonattainment area.
- Single Sign On – status: underway. This project will enable DEQ employees to access all data systems with a single sign on instead of requiring a different username and password for each system.
- Field inspection forms – status: planned. This project will enable the field staff to collect data on an electronic device that synchronizes with the databases, instead of filling out paper forms that must be keyed into the systems.
- Louisiana Environmental Analytical Data Management System (LEADMS). This project will allow outside parties to submit data electronically. In addition this project aids in disaster recovery by providing a standardized format. By providing this standardized submittal format and data delivery;
- Oracle Business Intelligence (OBIEE) –The acquisition of Oracle Business Intelligence which accesses multiple data sources for consistent data reporting is underway and holds much promise for efficient and effective usage of data. In addition, the anticipated use of EQUIS to centralize data management will greatly aid in reducing resource allocation and uncertainty in water quality data management. Efforts between Surveillance Division data gatherers and WQAD data users in the development and implementation of automated uploading of GPS and continuous dissolved oxygen data has provided "touch free" data handling to improve

data quality by eliminating opportunity for data transcription errors. Currently, planning is being conducted to enable additional "touch free" data collection and upload to achieve gains in data quality through the use of field "notepad" computers and mainframe interface and through acquisition of additional features associated with water quality monitoring instruments.

SECTION FIVE: ELIMINATION OF DUPLICATIVE AND UNNECESSARY SERVICES

LIST THE ACTIVITIES OF YOUR DEPARTMENT THAT FALL OUTSIDE OF YOUR CONSTITUTIONAL AND STATUTORY MANDATES.

- EWOCDS
Please see discussion on EWOCDS that begins on page 4 under Section Two: Efficiency and Benchmarking.
- Sanitary Wastewater Compliance Assistance Training (SWAT) and UST Compliance School
These proactive schools were instituted by the department in an effort to promote compliance and assist small businesses to obtain and maintain compliance without having burdensome penalties levied against them. These schools have been successful in achieving department goals of reducing repeat violators through proactive measures.

SWAT

The Louisiana Department of Environmental Quality (the Department) has the responsibility to ensure compliance with the federal Clean Water Act, the Louisiana Environmental Quality Act, and the Department's water quality regulations through its permitting, surveillance, and enforcement functions. A large percentage of the wastewater treatment facilities and permits are associated with systems that receive and treat 25,000 gallons of wastewater per day or less from small businesses, small apartment complexes, mobile home parks, and car washes. Noncompliance with these permits include the failure to conduct the required sampling, failure to submit Discharge Monitoring Reports, and the failure to adequately operate and maintain the facility. These types of violations are often the result of lack of knowledge rather than an unwillingness or inability to comply. Many of the small business owners have stated that they were not aware of the regulatory requirements and have gained compliance once made aware of the issue. The focus of the program is to educate permittees and address the backlog of actions so that future noncompliance may be prevented.

The Enforcement Division is currently evaluating the impact of SWAT school through file reviews of DMRs, checking for repeat referrals, and review for DMR submittal. There have been 31 Swat classes throughout the state since 2006, and 850 people have attended.

Underground Storage Tanks (UST) compliance school

There are a large number of USTs owned by small businesses with limited or no knowledge of the regulations and/or requirements. In addition, some of the larger businesses suffered from high employee turnover rates; therefore, the employees responsible for compliance frequently changed. These factors led to a high rate of noncompliance within the UST

regulated community. Noncompliance with these regulations can ultimately lead to groundwater contamination. Prior to the Expedited Penalty Program (XP), noncompliance was addressed through the issuance of Compliance Orders and formal Penalties. The costs to comply with the regulations can represent a significant percentage of income at the small facilities. Penalties were difficult to collect after compliance was achieved. The XP regulations were developed in order to educate the regulated community, lower penalty amounts, and ensure compliance. Attendance is required as a component of the XP program. Since the inception of the program, some owners and/or operators have their employees voluntarily attend annually as a refresher and as a means for them to keep updated with current regulations.

The UST compliance school is tied to the Department's Expedited Penalty Program. Early on in the Program, the Enforcement Division verified compliance with the Expedited Penalty by review of documents requested that demonstrated compliance. Currently with the passing of the Energy Bill, the Department issues Notice of Potential Delivery Prohibition letters that causes facilities to come into compliance move quicker in order to avoid being red tagged. There have been 61 classes since 2005 offered throughout the state, and 1101 people have attended.

- Review of minor Discharge Monitoring Reports (DMRs)
All DMRs for major water dischargers are reviewed and the data analyzed for non-compliances. A percentage of the DMRs for minor water dischargers have also been reviewed annually in an effort to have a more complete picture of what is being released to the waters of the State. The department's e-DMR project will allow this activity to be conducted more efficiently.
- Water Permits Memorandums of Agreements and Understandings
Though each of the MOAs and MOUs identified above fall outside DEQ's constitutional and statutory mandates they do enhance cooperation, promote interagency coordination and result in a more effective and protective LPDES program. To eliminate the identified MOAs and MOUs and discontinue the combined coordination and interagency cooperation would streamline water permitting activities, but at a significant future cost to the environment....potentially. The Memorandums of Understanding (MOU) between the U.S. Fish and Wildlife Service (FWS), the Louisiana Department of Health and Hospitals (DHH), the Louisiana State Historical Preservation Office (SHPO) and the LDEQ are not mandated by any existing constitutional or statutory regulation of the State of Louisiana.
- Request for Preliminary Determinations (RPDs)
The evaluation, completion and issuance of RPDs are not specifically identified as either a constitutional or statutory mandate. The activity is however implied, in that it protects the environment and informs the regulated and unregulated community of potential issues associated with acquiring a waste water permit prior to initiating construction efforts. The activity has merit and the department supports continuing this activity.

- Hurricane Response

Many of the activities associated with response to Hurricanes Katrina, Rita, Gustav and Ike fall outside of DEQ's constitutional and statutory mandates, but were deemed necessary and appropriate to expedite a timely and efficient recovery. These activities included the approval and oversight of emergency debris management sites. DEQ is currently taking the lessons learned from these past events to be better prepared for future emergencies. We are currently working with local governments to identify and pre-approve emergency debris management sites.

- Louisiana Environmental Laboratory Accreditation Program (LELAP)

The department is currently restructuring in order to terminate the use of private auditors. Presently the average cost for a routine laboratory audit by a private audit contractor about \$10,000 where in the department can accomplish the same audit for around \$5,000.

The LELAP program has instituted best management practices in two areas; streamlining audits to increase efficiency of existing staff and regionalization to ensure laboratories away from Baton Rouge have proportionate audit costs.

- Reporting and response to Phase 1 and Phase 2 property assessments

Review and response to real estate transactions and reporting by the real estate and banking industries. Reporting and response to Phase 1 and Phase 2 property assessment reports are time-sensitive for real estate transactions. These reviews are not required by DEQ regulation. Many times the banking industry requires documentation from the department before a real estate transaction can close. There are often requests to provide a response – usually in the form of a letter of no further action or a letter that indicates, based on the information provided that the department does not intend to respond further.

- 29B Closure Sites

There has always been some overlap in regulatory jurisdiction at “oil and gas” sites. Soils are typically cleaned to 29B pit closure standards. Recently, DNR began allowing ground water at oil and gas sites to be cleaned to RECAP standards, a regulatory standard at DEQ. Rather than apply the standard, DNR has begun sending these ground water contamination issues to DEQ. However, regulations require DNR's continued involvement. 29B pit closure sites should be handled exclusively by DNR.

- IT Functions

Support divisions such as the IT and Administrative Services division do not have constitutional or statutory mandates, but provide support to mandated activities performed by other divisions of the department.

- Waste Tire Program

The state's involvement in the Waste Tire Program could be lessened if the burden of collection and disbursement of funds were shifted to the tire dealers.

- Criminal Investigation Division (CID)

CID performs criminal investigative functions of the department which DEQ is statutorily mandated. Specifically, DEQ shall investigate and determine whether an environmental crime has occurred, refer it to the local District Attorney, and then to provide all evidence in support of the referral to make the case to the prosecutor. CID, as a division, is not statutorily mandated, but the statutory function cannot ethically and independently be executed by DEQ without it. DEQ has discharged this duty by maintaining a full-time criminal investigations section since 1990. Under this administration, DEQ has audited CID and completely re-tooled its personnel, policies and procedures, and implemented a bold education and outreach program for purposes of developing partnerships and promoting deterrence to much success.

IDENTIFY OUTDATED ACTIVITIES THAT SHOULD NO LONGER BE PART OF THE MISSION OF YOUR AGENCY.

- Litter & Recycling

DEQ currently receives complaints from a litter hotline by citizens and in response sends “litterbug” warning letters to the subjects of said complaints. This activity is unfunded and state-wide efficiency dictates this program may be best consolidated with the current Louisiana Department of Wildlife & Fisheries (LDWF) litter education and enforcement programs. At present, LDWF maintains funding sources focusing on litter abatement and an overarching anti-litter campaign is best planned and coordinated by a single state office.

- Reduced EPA oversight of Louisiana Pollution Discharge Elimination System (LPDES) program.

The requirement for oversight of the DEQ water discharge program by EPA is in the delegation package (DEQ/EPA MOA) Section III.E.2.a.iv, however it could be changed. The current oversight provision which requires review of all major permitting actions is excessive in view of the satisfactory performance by DEQ over the last five years. EPA has stated that they have revised this provision in other Region 6 states and are considering it for DEQ. If EPA did not have to review every major permitting action, permit decisions would be made more efficiently and timely.

- Methanol alcohol liquid waste pre-treatment

R.S. 30:2074.E required DEQ to adopt rules to govern the pre-treatment of liquid wastes containing methanol alcohol by October 1, 1995. DEQ did not promulgate rules in accordance with this statute. Since the assumption of the NPDES program from EPA in 1996, DEQ has had a pre-treatment program to regulate all discharges, including methanol, into publicly owned sewerage treatment plants. Therefore, this statute is no longer necessary and should be removed.

- Odor

Due to the subjective nature of odor and its effect on communities, local communities by way of ordinances are in a better position to effectively regulate odor. DEQ’s regulations are statewide and do not offer the flexibility to tailor regulations to address odor issues a

particular community. By regulating odor at a local level, communities can make regulations more stringent than state regulations and structure those ordinances to cover broader sources of odors.

The legislature has, in some cases, empowered certain municipalities to enact specific odor control ordinances at R.S. 30:2055.2. Further, DEQ's authority is already restricted. DEQ cannot establish a program to regulate odors caused by "agricultural, fiber, timber, poultry, seafood, or fisheries production or by byproducts created by agricultural, fiber, timber, poultry, seafood, or fisheries production."

- Noise

Following the same reasoning mentioned above, local communities are in a distinct position to regulate noise in a more effective way as they can enact stricter ordinances than state regulations or statutes can provide.

Acceptable noise levels are usually site-specific, often related to zoning issues or existing land use patterns, and can be more effectively addressed at a local level. The legislature has acknowledged local governments are free to adopt local noise pollution control ordinances (see R.S. 30:2011(A)(2)).

IDENTIFY DUPLICATION OR OVERLAP WITH OTHER STATE AGENCIES, WITH THE FEDERAL GOVERNMENT, OR WITH PUBLIC OR PRIVATE STAKEHOLDER GROUPS.

- Oilfield Inspections

The DEQ and the Louisiana Department on Natural Resources (DNR) are exploring possibilities regarding oilfield inspections.

- Surveillance

The Surveillance division conducts inspections with EPA of regulated industries to address both state and federal requirements. These joint inspections have been a good training mechanism for state inspectors. We conduct fish kill investigations with LDWF and LDAF; each agency has specific responsibilities related to their regulatory mandates to determine the cause(s) of aquatic mortalities. We serve as the technical support to LOSCO for oil spill response and partner with EPA and USCG responding to oil spills. We overlap with LDAF for the handling of vegetative debris and occasionally there are issues related to LDAF's BMPs. The handling of vegetative debris, along with the management of untreated and unprocessed wood waste, is probably an area that could be handed off to LDAF. Sewage issues – joint efforts with DHH; they review and approve STP plans; DEQ regulates discharges. We assist one another related to sewage complaints for both permitted and unpermitted discharges.

- Enforcement

The enforcement division coordinates with EPA on enforcement of regulated industries to ensure there is no overlapping in enforcement. We also partner with EPA on global settlements. The Enforcement Division also communicates with the Department of Agriculture regarding BMPs of vegetative and agricultural wastes and the Department of

Natural Resources on cases involving Exploration and Production wastes to ensure the appropriate agency takes the action.

- Emergency Response

The OEC-Chemical Emergency Response program, along with the OEC Surveillance Division, responds to oil spills that may be related to the Louisiana Oil Spill Coordinator program (LOSCO). The OEC-Chemical Emergency Response program overlaps with the Louisiana State Police Hazardous Materials' Response program. These two agencies briefly share responsibilities only during the emergency portion of an incident; however, OEC-ERSD performs oversight of mitigation and disposal during the nonemergency phase of an incident. At such a point that long-term mitigation begins then OEC-ERSD will hand off to OEA-Remediation Services Division.

- Domestic Wastewater Program

Entire Domestic Wastewater Program (including individual homes) is a program where efficiencies exist by having this program in one department. Discussions between agencies on how to take advantage of this streamlining opportunity should be explored.

- Drinking Water Program

The department is presently exploring opportunities with the Department of Health and Hospitals regarding consolidation of its drinking water programs.

- Lead-based Paint Program

Adopted in 1996, (ERC, Chapter 28), has seen a decrease in activity because target facilities were devastated in the New Orleans area following Hurricane Katrina. This is one program authorization that could be explored with EPA and other state agencies with no significant impact for the citizens of Louisiana.

The primary intent of the Lead-based Paint Program is to protect children from lead exposure risk from improperly conducted lead abatement activity. The federal and state law that forms the basis for the regulations has historically been described as "intent based legislation". If someone is intending to abate lead at a regulated facility, then the activity is regulated. If someone is abating lead risk incidentally during the course of renovation, the activity is not regulated. Because abatement is significantly more expensive than renovation most lead reduction activity is addressed as a renovation. DEQ has received only two lead abatement notifications in the past year. EPA recently tried to correct this loop-hole by creating the "the lead-based paint; renovation, repair and painting rule". The cost of the DEQ program has primarily been through the salary of one individual estimated at \$66,163 (08-09). The program generates revenue of about \$100,000 a year through training provider, accreditation fees, and contractor letters of approval (\$46,000). All lead fees are dedicated to the program, and the monies from the fund shall be used solely for the purpose of funding the programs and activities provided by the statute (La. R.S. 30:2351.41. Currently, the Lead Hazard Reduction Fund has about \$336,470.

Because Louisiana Department of Health and Hospitals (DHH) are well aware of the locations and conditions of lead-poisoned children, it could order abatements and oversee

abatement activity and monitor improvements more efficiently than DEQ. DHH already has a significant outreach program to address lead poisoning called the Childhood Lead Poison Prevention Program (CLPPP), and it would be more efficient if one agency administered the entire program: <http://www.dhh.louisiana.gov/offices/?ID=360>. DHH could use the Lead fund to establish a position to process training provider, accreditation fees, and contractor letters of approval.

- DEQ's Waste Minimization Program and the DEQ Mercury Initiative
These programs focus resources on preventing pollution. Both essentially mirror equivalent federal programs and have potentially overlapping functions.
- Criminal Investigation Division (CID)
CID shares criminal enforcement duties with The United States Environmental Protection Agency, Criminal Investigation Division (EPA-CID). Many functions of these programs are similar; however the ability of DEQ to regulate solid waste is one factor that distinguishes the programs. EPA-CID does not investigate solid waste violations or have jurisdiction concerning any state criminal or regulatory violations. The ability of DEQ to criminally enforce these violations is significant due to the abundance of illegal dumping in this state.

DEQ's Civil Enforcement Division also enforces the Louisiana Environmental Quality Act; however, the Enforcement Division's authority is limited to monetary penalties. There are also limitations on what a civil inspector can do during an investigation. For example, they cannot obtain arrest or search warrants or make an arrest.

The Louisiana Department of Wildlife and Fisheries issues misdemeanor citations for littering. The maximum penalty for littering is significantly less in the fine and absent of the possibility possible jail time, whereas under La R.S. 30:2025, the fine can be up to \$100,000 for the illegal disposal of a substance that endangers human health and the environment under the felony provision and up to \$25,000 for illegal disposal under the misdemeanor provision.

Public or private stakeholder groups are unable to perform law enforcement functions and the resultant liability concerns would be unsustainable.

- IT Functions
All state agencies perform very similar IT functions. The broad categories of these functions are:
 - Infrastructure Support, which includes servers, SAN's, and network
 - Client Support, including helpdesk support for hardware and software
 - Application Development Support
 - Security
 - Geographic Information Systems Support

SECTION SIX: CIVIL SERVICE AND EMPLOYEE BENEFITS

LIST AND IDENTIFY ANY CURRENT INITIATIVES OR IDEAS RELATED TO EMPLOYEE BENEFITS, HIRING AND PROMOTION, AND OTHER EMPLOYEE REGULATIONS

The DEQ has taken a pro-active approach in keeping with Governor Jindal's philosophy of fiscal reform and government accountability primarily through DEQ's "Leadership Ten Point Plan" and the development of a Workforce Development Plan. Below are some of the accomplishments of the DEQ which have resulted in a more streamlined, efficient organization.

- Implemented various **organizational structure and classification changes** to accomplish the regionalization efforts.
- Transferred and will be transferring the **Laboratory employees** into various positions to support the core functions of the Department such as Permits and Surveillance activities.
- Revamped and obtained the Civil Service Director and Commission approval of our new **Rewards and Recognition Program** policy instituting the "Spot Award" program which has been used as an example of a 'Best Practice' by Civil Service.
- Created and obtained Civil Service approval for our new **Environmental Scientist 4** job which creates a mentoring and 'bridge' relationship between our staff Environmental Scientists and the supervisory/technical staff.
- Developed and obtained Civil Service Commission approval for our new **Engineer DCL policy**.
- Implemented the new on-line application process, **LA Careers**.
- Instituted the **PPR Report Card** in order for management to monitor supervisory compliance with PPR rules and regulations.
- Between the Fall of '08 and the Spring of '09, we made **28 recruitment trips** including; all of the major state and private universities, Baton Rouge Community College, Engineering network receptions, the Louisiana Association of Colleges and Employers career fair and the career fair for 'Persons with Disabilities'.
- Developed and maintains a **Student Intern** database of mainly scientific undergraduate and graduate students.
- The DEQ has an established **Flexible Work Hours** policy which clearly sets forth perimeters to ensure:
 - Adequate coverage during business hours.

- Approval by the supervisor, manager, and division administrator of each employees schedule which designates the employees start, end, and lunch times.
 - That employees, supervisors, managers and administrators are clearly knowledgeable of their responsibilities for the success of the program.
 - The policy requires a Work Hours Plan Approval Form which certifies that each functional area:
 - Supports adequate coverage
 - Provides service to the public and internal customers
 - Provides adequate phone coverage
 - Balances workload of the section and,
 - Accomplishes the Department's mission
 - Additionally, the employee must complete a Work Hours Request form which must be approved by the supervisor, manager, administrator, and Human Resources before the work schedule can begin. This approved work schedule is on each employee's timesheet and is monitored and audited for compliance and adherence to the schedule. Annual audits are completed by the DEQ Internal Auditors and Legislative Auditors. Additionally, Human Resources conducts annual spot audits and audits sections upon request or as needed.
 - **Telecommuting** policy:

The DEQ has an established Telecommuting policy which outlines the rules and procedures of the telecommuting program. An employee and his/her supervisor, manager, and administrator must agree on the terms of the telecommute via a "Telecommuting Work Agreement". This agreement outlines the Alternate Work Location

 - Communication during the Telecommuting hours
 - Network Access
 - State-owned equipment, if applicable
 - Telecommuting Schedule
 - Work Results and Expectations - The immediate supervisor is responsible for assuring that all documentation supporting the telecommuting hours and expectations are accessible for audit purposes for each employee. The employee is responsible for indicating on their timesheets each telecommuting day by a telecommuting code of TEL or TC. Annual audits are completed by the DEQ Internal Auditors and Legislative Auditors. Additionally, Human Resources conducts annual spot audits and audits sections upon request or as needed.
- Utilizes the various **Optional Pay Options** in accordance with Civil Service rules in our recruitment and retention efforts.

SECTION SEVEN: STUDIES AND OTHER RESOURCES

- DEQ's "a path forward report: environmental protection, quality of life & economic development." March 27, 2008

- “The report of the Task Force in Response to Executive Order MJF 02-12

SECTION EIGHT: AGENCY BEST PRACTICES

LIST AND IDENTIFY ANY CURRENT SUCCESSFUL STREAMLINING INITIATIVES TAKING PLACE (OR HAS TAKEN PLACE) WITHIN YOUR AGENCY

- Expedited Permits

The Expedited Permit Processing program can be considered a hybrid form of outsourcing. Rather than contracting permits out, the applicant voluntarily agrees to reimburse the department for the overtime costs the department’s employees incur to process the permit application outside of normal work hours. The expedited permit processing program is a win-win program for the applicant, the department, and is totally independent of the outcome in the final permit decision. The program directly supports the governor’s goals of economic development and wise use and protection of Louisiana’s natural resources.

The department is currently evaluating the possibility of incorporating LELAP audits and assessments into the expedited permit processing program.

- Personnel Reductions

Beginning FY 2009, the department reduced 39 positions. During the FY09 fiscal year, an additional 20 positions were reduced. These reductions included 1 unclassified position, 5 supervisor positions, 7 senior/staff positions, 3 engineer/geologist position, 5 clerical/paraprofessionals, and 38 professional positions.

- *Please see Appendix D on the breakdown of these reductions by DEQ office.*

- Consolidation of Activities

In consolidation efforts, the department merged the Technology Division with the Remediation Division, which eliminated an administrator position. The outsourcing of the lab services division will eliminate another administrator position. The department also eliminated a manager position by moving the functions of the Contracts & Grants Division under Financial Services.

- *Please see Appendix D on the breakdown of these activities by DEQ office.*

- DEQ Laboratory

DEQ commissioned Astrix Technology Group in early 2008 to conduct a laboratory cost-benefit analysis to determine the operational efficiency of the DEQ Laboratory Services Division (LSD) housed in the DEQ Laboratory at 1209 Leesville Avenue, Baton Rouge, Louisiana. The Study was designed to evaluate the financial health of the LSD. The evaluation was focused on developing an income statement using the number and type of tests conducted. The fiscal year 2008 income statement revealed losses in excess of \$3 million while costs of outsourcing all analytical testing is about \$2.2 million. Therefore, DEQ has chosen to outsource all analytical testing utilizing the RFP process. The DEQ is also in the process of relinquishing the laboratory facility to the Department of Health and Hospitals (DHH). This alone will save the DEQ about \$1.5 million in rental charges. Personnel will be allocated to core functions of the department such as permitting and water quality.

- DEQ-LDAF Office and Warehouse Space Initiative.
The DEQ and LDAF are working on a project where the LDAF will lease office and warehouse space to DEQ in Baton Rouge, Haughton, and Woodworth, La and an estimated annual savings of \$50,000. Currently DEQ leases office and warehouse space in East and West Baton Rouge Parish as well as Caddo and Rapides. DEQ and LDAF have been in negotiations where LDAF will lease similar space to DEQ at a reduced rate.
- DEQ-LDAF Gasoline & Maintenance Initiative
DEQ and LDAF are in negotiations whereby we will be able to purchase fuel from LDAF at tanks placed at LDAF locations around the state. Some of these fueling stations are located at properties where DEQ will be leasing space. This will allow reduced travel to and costs to DEQ in fueling vehicles. LDAF can also provide vehicle maintenance services such as oil changes, tire rotations, body work, and other routine vehicle maintenance services.
- Fleet Reduction
The Louisiana Department of Environmental Quality fleet operations were streamlined during Fiscal Year 2009 by reducing overall fleet size by 10 %.
- Library Services
DEQ is in the process of ceasing operations of its library. This streamlining effort will save \$270,000 annually, 149,000 of which is rental space.
- Savings in Fiscal Years 2009 and 2010
In FY 2009 DEQ realized a savings of \$894,000 by reducing acquisitions, closure of Mandeville office and no new vehicle purchases.

In FY 2010 DEQ realize a savings of \$3.2 million by reducing acquisitions, professional services, closure of the Mandeville office, no new vehicle purchased, and a reducing in operating automotive supplies due to the previous streamlining efforts.
- Legal Division
While the Legal Division met its performance standard in the Louisiana Performance Accountability System in FY2009, the division nonetheless embarked on a streamlining initiative beginning in 2008 to further improve its efficiency and cost-effectiveness in the delivery of legal services. For example, by May of 2009, the Legal Division had streamlined its operations by eliminating six positions and unnecessary personnel details, while at the same time more fully integrating regulation development operations within the division and promoting regionalization (Secretary Leggett's initiative to make all DEQ services available in every region of the state) through assignment of attorneys to individual regional offices.
- Water Quality Analysis Division (WQAD)efforts
Allocation of personnel resources to regional locations for efficient discharge of duties (lessening travel, improving local area knowledge) has begun in one section previously within the WQAD (Surveys Section) by transferring the section to the Surveillance Division (a main component of regional office staff) to pool resources at the local level. Similar efforts can be

anticipated for other WQAD sections, such as, but not limited to, the Non-point Management Section. Agency decisions are largely based on environmental data, and the advent of Equips will provide a greater sharing of data among the various agency programs for efficient information transfers as needed. Internal business processes are being reviewed for opportunity to advance agency tasks (some outside current WQAD) that may be important but underfunded.

- Geographic Information Systems (GIS)

A serious candidate for consolidation lies in Geographic Information Systems (GIS). Many state departments, such as DNR, DOTD, and LSP, have similar needs based on their programs and therefore individual GIS divisions. A centralized GIS group to support the base layers for the entire state would be cost and resource efficient.

CONCLUSION

The mission of the DEQ is to provide service to the people of Louisiana through comprehensive environmental protection in order to promote and protect health, safety and welfare while considering sound policies regarding employment and economic development. The department is embraces the opportunity to accomplish this mission through open communication and coordination as we all continue to seek to meet or exceed the Governor's vision in making Louisiana a model state of excellence.

DEQ ACTIVITIES AND ACCOMPLISHMENTS IN REGARD TO THE LEADERSHIP TEN POINT PLAN

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
<p>1. Ethics and Integrity</p>	<p><u>Communications</u> The Communications Division contributes to this part of the plan by being the first contact for all media outlets, some elected officials and some citizens. By providing information that is sound and truthful, the Communications Division is carrying the ethics and integrity torch for the department. The division's interaction with the media, and other sources, often determines the perception of ethics and integrity.</p>	<p>The Administrators in the OEC have attended annual ethics training. OEC will provide annual ethics training for all staff. Managers and supervisors in the regions communicate this aspect as part of the ongoing training of all OEC staff. Additionally, OEC management emphasizes professional integrity continuously.</p>	<p><u>Water Quality Assessment Division (WQAD)</u> Standards, Assessment, Nonpoint Source, and Data Evaluation Section</p> <p><u>Remediation Services</u> Conduct RSD Staff Meeting</p> <p><u>Underground Storage Tank Division (UST)</u> Provides annual ethics training for all UST staff. (In development)</p> <p>Ongoing dialog with staff regarding ethics and customer service.</p> <p>State Implementation Plan (SIP) Program</p>	<p>Ethics training is a required activity for all employees as specified in LDEQ PPM 1027 - Ethics, Integrity and Conflict of Interest dated May 23, 2005. Supervisors, Managers, Administrators, and officials are responsible for ensuring that subordinates read, comprehend, and comply with the Ethics Code and the LDEQ policy. The Assistant Secretary and OES Division Administrators attended the ethics training on October 03, 2008 (Ethics Update for Executives and Administrators). The Assistant Secretary also attended the Executive Ethics Training Class on January 20, 2009.</p> <p>The OES staff is encouraged to attend the Ethical Behavior in the Workplace class held by CPTP. In addition to LDEQ required courses, the LELAP staff participates in annual ethics training as part of NELAC certification. OES will continue to emphasize participation in Ethics Training in 2009.</p>	<p><u>ADM</u> The members of this division will attend the ethics briefing by the Louisiana Ethics Commission Program.</p> <p><u>IT Services</u> TEMPO EDMS Public Records Requests</p> <p><u>Financial Services</u> Participated in department training made available to DEQ employees regarding the State Code of Ethics</p>

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
2. Transparency	<p><u>Business and Community Outreach Division (BCOD)</u> Ombudsman</p> <p>Clean Water State Revolving Loan Fund (CWSRF)</p> <p>Small Business/Small Communities Assistance Program (SB/SCAP)</p> <p>Statement of Views (SOVs)</p> <p><u>Communications</u> Again, the Communications Division is the first contact for mainly the media, but other sources as well. The media have a far-reaching ability to portray the department in a positive or negative light. By providing information in a truthful, factual and timely manner, the Division continues to show that DEQ is transparent. Whether it is a good news story or bad news story, the Communications Division provides information in a transparent manner so the media, and the public, can trust the entire DEQ.</p> <p><u>Criminal Investigation Division (CID)</u> CID maintains a dedicated website accessible from the main LDEQ site. On this site, CID posts information about its arrests and convictions.</p>	<p>All documents received or generated by OEC, are sent to DEQ's Electronic Data Management System (EDMS) and made available for public viewing unless the Secretary has declared the document(s) confidential as defined in La. R.S. 30:2030. Examples of these documents sent to EDMS are inspection reports, enforcement actions, citizen complaints, spill and release notifications, and in-coming and out-going correspondence.</p>	<p><u>Water Quality Assessment Division (WQAD)</u> Standards, Assessment, Nonpoint Source, and Data Evaluation Section activities</p> <p>Water Quality Modeling Section activities</p> <p><u>Air Quality Assessment Division (AQAD)</u> State Implementation Plan (SIP)</p> <p>Ambient Air Monitoring Program</p> <p>Air Engineering Support Program</p> <p>Emission Inventory Program</p> <p><u>Remediation Services</u> Track work progress on high profile sites</p> <p>Track Brownfield's program work progress</p> <p>Track remediation sites work progress</p> <p>Conduct RSD Staff Meeting</p> <p>Schedule updates to RSD public web site</p>	<p>OES communicates openly with all stakeholders through meetings, workshops, the LDEQ website and public access to EDMS. OES has an open door policy to all groups and schedules meetings at LDEQ or at other locations upon request.</p> <p>OES posts many reports on the LDEQ website, including a report of incoming permit applications and expedited permit application requests. A monthly report of incoming permit applications is also sent to each Parish governing body and group who request notification.</p> <p>Draft and proposed permits and supporting documents from the OES are made available on the LDEQ website and available at selected repositories for review by all stakeholders. OES also coordinates with LDEQ Community Industry Relations and Communications staff to assure communities are notified of all the public noticing, hearings, and public meetings associated with the proposed/draft permitting activities.</p>	<p><u>Financial Services</u> Provided financial information as requested by the Division of Administration as they made available budget and expenditure information for the department to provide transparency in government reporting to the public</p> <p><u>IT Services</u> TEMPO EDMS Public Records Requests</p>

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
			<p><u>Underground Storage Tank Division (UST)</u></p> <p>Obtain GPS coordinates for 100% of the UST sites. (In development)</p> <p>Provide annual ethics training for all UST staff. (In development)</p> <p>Develop and make available to the public and staff GIS layers for active UST sites, active UST Remediation sites and Stage 1 and 2 vapor recovery sites.</p> <p>Involve the Motor Fuels Underground Storage Tank Trust Fund Advisory Board in addressing issues that are brought to our attention by Response Action Contractors such as bid issues, changes in policy, cost control measures and in any unit cost or pricing adjustment to improve transparency of the operation of the fund</p> <p>Evaluate the establishment of a Certified Worker Board and either establish this board or initiate rulemaking to eliminate this requirement.</p>		

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
<p>3. Level Playing Field</p>	<p><u>Business and Community Outreach Division (BCOD)</u> Ombudsman</p> <p>Clean Water State Revolving Loan Fund (CWSRF)</p> <p>Small Business/Small Communities Assistance Program (SB/SCAP)</p> <p>Statement of Views (SOVs)</p> <p><u>Criminal Investigation Division (CID)</u> The DEQ Criminal Investigation Division provides an additional enforcement tool for DEQ in its mission of protecting human health and the environment, while promoting economic development. Every environmental crime is also an economic crime. Aggressive criminal enforcement provides deterrence to ensure a level playing field for industry and guarantee that those who commit environmental crimes are dealt with appropriately. Legitimate business owners, who follow federal and state laws, cannot compete with the operators who chose to cheat. Those who are dishonest deprive honest businesses</p>	<p>The OEC utilizes a number of internal procedures in order to ensure a level playing field for all of our activities.</p> <p><u>Surveillance Division</u> The Surveillance Division strives to be consistent in our inspections and response to complaints and environmental incidents by providing staff with media-specific training and following the guidance outlined in their SOPs for the various activities conducted. They also utilize supervisory accompaniments of field staff to ensure consistency and quality of effort among inspectors.</p> <p><u>Enforcement Division</u> The Enforcement Division strives to address all issues of non-compliance in the timeframes established by EPA and Legislative commitments. The Enforcement Division ensures that fair and consistent enforcement is taken for non-compliance through the regional circuit rider program and ensures that the nine factors for issuance of penalties or settlements are reviewed. Economic Benefit and Enforcement costs are recouped during settlement negotiations. Senior enforcement staff periodically visits each region in order to discuss current compliance issues and</p>	<p><u>Water Quality Assessment Division (WQAD)</u> Standards, Assessment, Nonpoint Source, and Data Evaluation Section activities</p> <p>Water Quality Modeling Section activities</p> <p>Aquifer Evaluation and Protection Section activities</p> <p>Lower Mississippi River Conservation Committee</p> <p>Atchafalaya Basin Program</p> <p>Mississippi River/Gulf of Mexico Watershed Nutrient Task Force</p> <p>Gulf of Mexico Alliance</p> <p><u>Air Quality Assessment Division (AQAD)</u> State Implementation Plan (SIP)</p> <p>Ambient Air Monitoring Program</p> <p>Air Engineering Support Program</p> <p>Emission Inventory Program</p>	<p>OES continues to look for ways to streamline the permitting process and to ensure consistency among permits. OES has improved permit applications and instructions by creating more specific applications with detailed instructions. Regulatory and general permits are being developed and implemented as an aid to save time in the permitting process. Standard templates are being developed and implemented to ensure consistency in permits between facilities with similar operations. OES is also implementing the expedited permit program, which is a program to fast track permits. OES also meets with LED on potential economic development projects to explain the permitting process.</p>	<p><u>Human Resources</u> Implemented various organizational structure and classification changes to accomplish the regionalization efforts.</p>

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
	<p>of the ability to contend on a level playing field by avoiding costs in operation which are legally mandated under the Louisiana Environmental Quality Act.</p>	<p>help ensure that all regions are handling similar compliance issues in the same manner. Additionally, enforcement staff accompanies Surveillance staff on inspections frequently to ensure communication and understanding of cases.</p> <p><u>Emergency and Radiological Services Division (ESRD)</u> The ERSR Radiation, Chemical Accident Prevention and Chemical Emergency Response staff have schedules, deadlines and milestones that must be met in the pursuit of licensing, compliance, enforcement and response activities. The ERSR staff adheres to practices that provide fair and consistent compliance with the environmental regulations and statutes. When taking action for non-compliance, the nine factors for issuance of penalties or settlements are utilized. When responding to environmental emergencies, the ER staff will track all appropriate costs and submit reimbursement claims through the DEQ Legal Division to the appropriate responsible parties.</p>	<p><u>Remediation Services</u> Develop and Implement Louisiana Environmental Analytical Data Management System (LEADMS) Conduct RSD staff meeting Revise RSD Cost Recovery Process Provide for TEMPO integration with Remediation Process</p> <p><u>Underground Storage Tank Division (UST)</u> Strive to meet the inspection requirements of the Energy Act by performing 1500 site inspections with UST staff and contractors. Implement Delivery Prohibition program and red tag facilities that are determined to have non-compliance items that meet the criteria for red tagging Complete rulemaking for secondary containment</p>		
4. Front-Loading	<p><u>Business and Community Outreach Division (BCOD)</u> Ombudsman Clean Water State</p>	<p>The OEC participates in a number of outreach processes on a regular basis. All three Divisions provide speakers to industry workshops</p>	<p><u>Water Quality Assessment Division (WQAD)</u> Standards, Assessment, Nonpoint</p>	<p>OES uses a variety of methods for front-loading including participation in workgroups, creating and</p>	

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
	<p>Revolving Loan Fund (CWSRF)</p> <p>Small Business/Small Communities Assistance Program (SB/SCAP)</p> <p>Litter/Recycling</p> <p>Environmental Leadership Program (ELP)</p> <p><u>Communications</u> The Communications Division provides a front-loading service through the educational and informational campaigns, the workshops we are in the process of doing and through various informational publications such as the annual report, e-newsletter and brochures on a variety of environmental topics. The division attends DEQ meetings and keeps up with local and national issues so that DEQ is proactive on issues instead of reactive. Works closely with media to provide the public information.</p>	<p>and conferences, EnviroSchool where the general public can get a better understanding of DEQ functions and activities, regulatory conferences with other states and federal counterparts as well as participate in Department/Stakeholder workgroups to achieve better understanding of issues. OEC personnel have also been very involved in teaching FEMA National Incident Management classes to external groups along with Department employees.</p> <p><u>Surveillance Division</u> The Surveillance Division Regional staff participates with staff from OSEC in meetings with parish and local government officials. These meetings and forums have been successful in providing local government and regulated entities with local contacts for questions and issues that arise.</p> <p><u>Enforcement Division</u> The Enforcement Division sponsors a UST Compliance School and Sanitary/Vehicle Wastewater Assistance Training (SWAT school) that is available to the regulated community in order to explain regulatory compliance in layman's terms and assist them in maintaining compliance with UST and sanitary</p>	<p>Source, and Data Evaluation Section activities</p> <p>Water Quality Modeling Section activities</p> <p>Aquifer Evaluation and Protection Section activities</p> <p>Lower Mississippi River Conservation Committee</p> <p>Atchafalaya Basin Program</p> <p>Mississippi River/Gulf of Mexico Watershed Nutrient Task Force</p> <p>Gulf of Mexico Alliance</p> <p><u>Air Quality Assessment Division (AQAD)</u> State Implementation Plan (SIP)</p> <p>Ambient Air Monitoring Program</p> <p>Air Engineering Support Program</p> <p>Emission Inventory Program</p> <p><u>Remediation Services (RSD)</u> Revise RSD Cost Recovery Process.</p> <p>Track Brownfield's program work progress.</p>	<p>updating guidance manuals, conducting pre-permit meetings, sending notifications to stakeholder groups, posting information on the LDEQ website, and conducting workshops. All four of the OES Divisions have participated in the EnviroSchool program and received positive feedback. OES also works with LED on attracting potential economic development projects by explaining the permitting process, including the expedited program, to potential investors.</p>	

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
		<p>wastewater discharge regulations.</p> <p><u>Emergency and Radiological Services Division (ERSD)</u> The ERSD staff regularly conducts training and examinations to various individuals and groups. The Radiation group conducts licensing examinations for radiographers. The REP&R group provides radiation response training to individuals, parish officials, law enforcement and NGOs. The Radiation and Chemical ER staff travels to various areas of the state and conducts Rad/Chem ER training for law enforcement and fire service first responders. The CAPP inspectors have provided compliance training at conferences with industry officials. Finally, ERSD staff has an ongoing commitment to provide OSHA HAZWPR training to individuals in DEQ and other state agencies expressing a need.</p>	<p>Conduct RSD staff meeting</p> <p><u>Underground Storage Tank Division (UST)</u> Distribute quarterly e-newsletters to the regulated community to provide information and improve awareness.</p> <p>Distribute UST brochures to assist the regulatory community in achieving compliance.</p> <p>Conduct Expedited Penalty Seminars, operator certification training, on-site training, and an informative and dynamic informational website to the regulated community.</p>		
<p>5. Regionalization</p>	<p><u>Business and Community Outreach Division (BCOD)</u> Clean Water State Revolving Loan Fund (CWSRF)</p> <p>Small Business/Small Communities Assistance Program (SB/SCAP)</p> <p>Litter/Recycling</p>	<p>The OEC has a significant number of its employees located in Regional Field Offices.</p> <p><u>Surveillance Division</u> The Surveillance Division has 6 regions and 2 sub-regions to provide inspection coverage, customer service, and timely response to citizen complaints, local issues and concerns.</p>	<p><u>Water Quality Assessment Division (WQAD)</u> Standards, Assessment, Nonpoint Source, and Data Evaluation Section activities</p> <p><u>Air Quality Assessment Division (AQAD)</u></p>	<p>OES has five employees working out of regional offices. All documents and work products are either created in or attached in TEMPO or are accessible via EDMS. The review of work product is accomplished on line. OES is currently developing how best to utilize this concept for</p>	<p><u>ADM</u> All of the activities of this division are shared through the Regional Office Coordinators.</p> <p><u>Human Resources</u> Implemented various organizational structure and classification changes to accomplish the regionalization efforts.</p> <p><u>Financial Services</u> Implemented financial</p>

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
	<p>Environmental Leadership Program (ELP)</p> <p><u>Criminal Investigation Division (CID)</u> CID has hired three investigators who will be based at DEQ's Shreveport, Lake Charles and Lafayette regional offices. These changes will facilitate CID's timely response to leads, while providing local law enforcement consistency in who they can reach out to in times of need.</p>	<p><u>Enforcement Division:</u> The Enforcement Division has 3 circuit riders, 2 which are housed in regional offices. Additionally, senior enforcement staff visits each region regularly to provide assistance and training.</p> <p><u>Emergency and Radiological Services Division</u> The ERSD has eight Chemical ER responders and nine Radiation Compliance Inspectors housed in five regional offices. There are six Chemical ER responders and five Radiation Compliance Inspectors located in the DEQ HQ. The CAPP program only has two inspectors operating statewide from the DEQ HQ along with the three REP&R responders covering three nuclear power stations. Other divisions housed at some of the regions are Remediation, UST, Permits, AQ Assessment, and Legal.</p> <p>The addition of divisional staff is an ongoing process and more staff will be added in the years to come to better serve the citizens of the State.</p>	<p>Air Engineering Support Program</p> <p>Emission Inventory Program</p> <p><u>Remediation Services (RSD)</u> Successful establishment of a position in three regional offices.</p> <p><u>Underground Storage Tank Division (UST)</u> Offer certified worker examinations, operator certification classes, and expedited penalty seminars at regional locations to provide improved customer service. (In development)</p>	<p>more employees.</p>	<p>accounting organizational structure to accomplish the reorganization efforts of the department.</p>
<p>6. Investment in Employees</p>	<p><u>Business and Community Outreach Division (BCOD)</u> Ombudsman</p>	<p>The OEC expends considerable time and money training staff both internally and externally. Staff from each division regularly</p>	<p><u>Remediation Services</u> Develop and Implement Louisiana Environmental</p>	<p>A number of OES staff telecommutes, a privilege that increases morale and retention of staff.</p>	<p><u>ADM</u> With the reduction in staff and the streamlining of functions, it is imperative that training</p>

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
	<p><u>Criminal Investigation Division (CID)</u> CID has hired a new CID Manager and a criminal enforcement attorney with 18 years of law enforcement and prosecutorial experience. In addition, the enhancement of the legal team will provide valuable counsel with regard to search and seizure issues, interviewing subjects, and legal issues that arise during a criminal environmental investigation.</p> <p>In keeping with the advanced technology available to law enforcement entities, CID has an analyst who underwent computer forensic training in order to expedite a return and review of electronic information gathered from search warrants.</p>	<p>trains the other divisions in order to promote understanding and communication. Some examples for each division are:</p> <p><u>Surveillance Division</u> The Surveillance Division provides training for staff, in-house and at EPA sponsored workshops, to ensure in-depth knowledge of the regulations and the investigatory process. We utilize mentors (experienced DEQ staff) to oversee and train new and less-experienced staff to ensure they become proficient in one or more media by the time they qualify for the supervisory or staff scientist positions (5 and 6 years respectively).</p> <p><u>Enforcement Division</u> The Enforcement Division provides ongoing in-house training and assigns an experienced staff member to serve as a mentor for each new employee coming in. Examples of recent classes are Penalty Class and Legal Overview of the Enforcement Process. Additionally, some media have developed charts and diagrams for new employees in order to develop understanding more quickly.</p> <p><u>Emergency and Radiological Services Division (ERSD)</u> The ERSD staff receives ongoing</p>	<p>Analytical Data Management System (LEADMS)</p> <p>Track Brownfield’s program work progress</p> <p>Provide for TEMPO integration with Remediation Process</p> <p>Development of RSD and Louisiana Environmental Analytical Data Management System (LEADMS) internal websites (DEQ Wiki).</p> <p>Conduct RSD staff meeting.</p> <p><u>Underground Storage Tank Division (UST)</u> Offer on-site training, when requested, all over the state.</p> <p>Hold semi-annual staff meetings to ensure that employees are aware of all issues and have an opportunity for input</p> <p>Develop and offer an “Introduction to UST Remediation” training class for new USTD staff who are not familiar with the UST remediation process</p>	<p>The OES staff is also offered the benefit of working flexible schedules as long as coverage is maintained during the core business hours.</p> <p>A Performance Planning and Review (PPR) process is used in some areas to give employees the critical information they need to grow and improve. A PPR matrix is utilized to ensure that the reviews are consistent and fair; the matrix lists the expectations included in each employee’s Planning document and describes the level of performance associated with each rating. The OES continues to work to refine the PPR and work expectations and standards.</p> <p>In addition, OES actively seeks and provides training opportunities for its staff, most of which is at no cost to the agency.</p>	<p>of the remaining employees be placed as a high human capital priority.</p> <p><u>Human Resources</u> Transferred many of the Laboratory employees into various positions within the Department in anticipation of the closure of the Laboratory Division.</p> <p>Revamped and obtained the Civil Service Director and Commission approval of our new Rewards and Recognition Program policy instituting the “Spot Award” program which has been used as an example of a ‘Best Practice’ by Civil Service.</p> <p>Created and obtained Civil Service approval for our new Environmental Scientist 4 job which creates a mentoring and ‘bridge’ relationship between our staff Environmental Scientists and the supervisory/technical staff.</p> <p>Developed and obtained Civil Service Commission approval for our new Engineer DCL policy.</p> <p>Implemented the new on-line application process, LA Careers.</p> <p>Continues the use of Flexible Work Schedules and Telecommuting as part of our recruitment and retention strategies.</p>

APPENDIX A

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
		<p>training from all available resources through a rigorous curriculum. This division has the responsibility to lead the agency staff in the capability of responding to a variety of incident scenarios related to the following: chemical or radiation release; natural disaster or storm related incident; terrorist or pandemic related incident. The ERSD staff must maintain and continually refresh training in response capabilities to provide the necessary services for the citizens of this state and protection of this state's environmental assets.</p>	<p>Provide PPR training for all Managers and Supervisors</p> <p>Encourage and Make Certified Public Training Program available to staff</p> <p>Provide extensive on-the-job training to staff via mentoring</p>		<p>Utilizes the various Optional Pay Options in accordance with Civil Service rules in our recruitment and retention efforts.</p> <p>Employee of the Year award</p>
<p>7. Investment in Community Organizations and Local Governments</p>	<p><u>Business and Community Outreach Division (BCOD)</u> Clean Water State Revolving Loan Fund (CWSRF)</p> <p>Small Business/Small Communities Assistance Program (SB/SCAP)</p> <p>Litter/Recycling</p> <p>Environmental Leadership Program (ELP)</p> <p>Ombudsman</p> <p>Statement of Views (SOVs)</p> <p><u>Communications</u> The Communications Division works with local governments on such activities as the Ozone Steering</p>	<p>The OEC meets regularly with community organizations and concerned citizens in order to better understand their perspective on local issues. Local governments are regulated by many of the media under the jurisdiction of the Department, and all OEC divisions work with them to resolve compliance issues as well as give them compliance assistance. The divisions also participate in community forums and activities to educate and inform business entities, local governments and citizens as to regulatory requirements and jurisdictions.</p>	<p><u>Water Quality Assessment Division (WQAD)</u> Standards, Assessment, Nonpoint Source, and Data Evaluation Section activities</p> <p>Aquifer Evaluation and Protection Section activities</p> <p><u>Air Quality Assessment Division (AQAD)</u> State Implementation Plan (SIP)</p> <p>Ambient Air Monitoring Program</p> <p><u>Remediation Services</u> Develop and Implement</p>	<p>OES participates in conferences, community meetings, city council meetings, develops and presents a number of workshops and training courses.</p> <p>OES also communicates and coordinates with state and local civic and municipal organizations on matters such as zoning and Economic Development.</p> <p>OES worked extensively with local government in the response to Hurricanes to encourage local government and other stakeholder input into the Comprehensive Plan for Disaster</p>	

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
	<p>Committee campaign. The division has set up a statewide air quality notification system for citizens who are interested. We also work with local governments to provide information to the public in emergency situations such as the Plaquemine train derailment, the Lafayette train derailment or the DOW chemical release in Lake Charles.</p> <p><u>Criminal Investigation Division (CID)</u> A fundamental aspect of economic development for prospective businesses that choose to site in Louisiana is quality of life. Insuring quality of life is a hallmark of CID. For example, blight caused by the illegal disposal of solid waste is an ongoing problem for the state and the callous nature of such crimes is of paramount concern to DEQ. Action by CID is swift and the consequences are severe.</p> <p>CID presented a webinar to the Louisiana Municipal Association on environmental crimes. In August, CID will present EnviroSchool all over the state.</p> <p>CID attended</p>		<p>Louisiana Environmental Analytical Data Management System (LEADMS).</p> <p>Track work progress on high profile sites.</p> <p>Track Brownfield's program work progress.</p> <p>Track remediation sites work progress</p> <p>Schedule updates to RSD public website.</p> <p><u>Underground Storage Tank Division (UST)</u> Expand the number of sites addressed under the Abandoned Tank programs and partner with Brownfields program to address abandoned UST sites. Develop No Further Action decisions including tables, maps and other information for these sites that may be critical for redevelopment.</p> <p>Develop joint SOP's with RSD for ozone awareness during implementation of remediation projects.</p> <p>Play significant role in multiple aspects of real estate</p>	<p>Clean-up and Debris Management.</p>	

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
	<p>annual Louisiana Environmental Action Network convention and lectured to the general assembly on our program. .</p> <p>CID is partnering with LDWF on an anti-littering and illegal dumping campaign.</p>		<p>transactions and development.</p>		
<p>8. Investment in Small Businesses</p>	<p><u>Business and Community Outreach Division (BCOD)</u> Clean Water State Revolving Loan Fund (CWSRF)</p> <p>Small Business/Small Communities Assistance Program (SB/SCAP)</p> <p>Ombudsman</p> <p>Statement of Views (SOVs)</p> <p><u>Communications</u> sends the e-newsletter out statewide and include small businesses, local governments, industry representatives and citizens. Also, we highlight small businesses that make environmental improvements in the e-newsletter. We have started, and continually update, a Good News section on the website to highlight</p>	<p>The OEC invests in small business by providing compliance assistance at the local level to help individuals understand the rules and regulations that are applicable to their activities. These activities are accomplished during inspections, incident investigations enforcement activities and the UST and SWAT compliance schools. We also work with the Small Business Section on special outreach projects.</p>	<p><u>Water Quality Assessment Division (WQAD)</u> Water Quality Modeling Section activities</p> <p><u>Air Quality Assessment Division (AQAD)</u> Air Engineering Support Program</p> <p><u>Remediation Services</u> Develop and Implement Louisiana Environmental Analytical Data Management System (LEADMS)</p> <p><u>Underground Storage Tank Division (UST)</u> Make trust fund ‘insurance’ available to the regulated community at very reasonable rates</p> <p>Make Small Business Assistance</p>	<p>The OES Assistant Secretary encourages the development of regulatory permits and the development or reissuance of general permits to simplify the application process for small businesses, who may not have dedicated environmental staff or the resources necessary to hire a consulting firm.</p> <p>The expedited permit program has also been a useful tool for small businesses. The expedited program allows the applicant to request a date for final decision on a permit. This allows those facilities with limited funds to initiate operations and hence generate cash flow in a minimal timeframe.</p> <p>The OES webpage assists small businesses in determining their</p>	

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
	<p>small business and others that contribute positively to the environment.</p>		<p>Group available to regulated community, when appropriate</p> <p>Provide technical support to small businesses in the form of Expedited Penalty program, free operator training program, newsletters, website, and personal attention</p>	<p>environmental permit needs without the cost of expensive consultants. One of the most utilized is our “Do I need a Permit?” page. Applications and guidance documents for the all divisions are also assessable through the website.</p> <p>OES also refers eligible applicants to LDEQ’s Small Business/Small Communities Assistance Program staff.</p>	
<p>9. Investment in Green Government and Applied Research</p>	<p><u>Business and Community Outreach Division (BCOD)</u> Clean Water State Revolving Loan Fund (CWSRF)</p> <p>Small Business/Small Communities Assistance Program (SB/SCAP)</p> <p>Litter/Recycling</p> <p>Environmental Leadership Program (ELP)</p> <p><u>Communications</u> Communications has updated their website to provide tips on how to live “green” and how to make environmentally positive contributions. We have organized the Enviroflash system that allows the public to sign up for air quality alerts.</p>	<p>The OEC contributes to green government by prudent use of vehicles and using electronic means wherever possible to help meet the agency goal to go paperless as much as possible. There are recycling programs in all the regional offices. Additionally, equipment purchases are standardized as much as possible in order reduce costs, spend less energy on multiple maintenance and calibration programs, extend the life of processes and procedures to create less waste from outdated supplies.</p>	<p><u>Water Quality Assessment Division (WOAD)</u> Standards, Assessment, Nonpoint Source, and Data Evaluation Section activities</p> <p><u>Remediation Services</u> Develop and Implement Louisiana Environmental Analytical Data Management System (LEADMS).</p> <p><u>Underground Storage Tank Division (UST)</u> Facilitate electronic submittals. (In development)</p> <p>Efficient scheduling/staging of inspections</p> <p>Establish online applications, renewals, and payments for UST certified</p>	<p>OES encourages staff and local governments to recycle, reuse and reduce waste to the greatest extent practical in day-to-day operations. Each employee has a recycle bin and large recycle containers are housed in the break-room. OES uses e-mail and other electronic means of transmittal to forward documents to EPA, the regulated community, other state agencies, private and public organizations, environmental groups and other interested entities in an effort to save state resources. Additionally, the Office has decreased the number of vehicles, by transferring a LELAP vehicle to Small Business and Community Assistance, and by reducing the</p>	<p><u>ADM</u> This department has operated four hybrid-electric vehicles within our fleet.</p>

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
	<p><u>Criminal Investigation Division (CID)</u> CID is developing an electronic case and document management system which will reduce the need for paper reports and time keeping. It will also permit for interaction between the manager located in Baton Rouge and the investigators assigned to the regional offices.</p>		<p>workers and response action contractors. (In development)</p>	<p>number of vehicles in the Waste Permits Division from three vehicles to one. A number of OES employees telecommute, which results in a reduction in emissions due to vehicle travel.</p>	
<p>10. Investment in Technology & e-Business</p>	<p><u>Business and Community Outreach Division (BCOD)</u> Environmental Leadership Program (ELP)</p> <p><u>Criminal Investigation Division (CID)</u> In keeping with the advanced technology available to law enforcement entities, CID has an analyst who underwent computer forensic training in order to expedite a return and review of electronic information gathered from search warrants.</p>	<p>The OEC has several recent projects that demonstrate our commitment to an investment in Technology and e-business. All divisions fully utilize EDMS and encourage outside entities to use this tool to access facility records. Specific division projects include:</p> <p><u>Surveillance Division:</u> The Surveillance Division utilizes the Department's Global Positioning Device (GPS) Up-loader. This new computer program allows the department to manage data more efficiently in an electronic format. It has also improved the accuracy of the data. The Continuous Monitoring Water Quality Data Up-loader is also now being used. This new computer program allows us to handle large amounts of data</p>	<p><u>Air Quality Assessment Division (AQAD)</u> State Implementation Plan (SIP)</p> <p>Ambient Air Monitoring Program</p> <p>Air Engineering Support Program</p> <p>Emission Inventory Program</p> <p><u>Remediation Services</u> Develop and Implement Louisiana Environmental Analytical Data Management System (LEADMS)</p> <p>Provide for TEMPO integration with Remediation Process</p>	<p>OES played an important role in all aspects of the implementation of TEMPO 11 (reviewing proposed enhancements, participating in acceptance testing, identifying and reporting bugs, preparing training documents, etc.). TEMPO 11 is important to the OES in that the upgrade included several enhancements to increase speed and efficiency of data input including a portal that will allow the regulated community to apply/reapply/modify and update permits on-line.</p> <p>OES also worked and continues to work with LDEQ IT staff to develop an electronic Application Portal/System (one</p>	<p><u>IT Services</u> ePayment; Electronic Document Management System (EDMS); eDocs; TEMPO upgrade; ERIC upgrade; DNR link; ePermits;</p> <p><u>Financial Services</u> Implemented the e-payment system, allowing for DEQ customers to pay invoices either by credit card or Electronic Fund Transfers (EFT's)</p> <p><u>Human Resources</u> Implemented the new on-line application process, LA Careers.</p>

TEN POINT PLAN ELEMENTS	OFFICE OF THE SECRETARY	ENVIRONMENTAL COMPLIANCE	ENVIRONMENTAL ASSESSMENT	ENVIRONMENTAL SERVICES	MANAGEMENT AND FINANCE
		<p>more efficiently. It will decrease the time it takes to process the data and have it available to the public.</p> <p><u>Enforcement Division</u> The Enforcement Division has played a vital role in the e-DMR project that now will allow facilities to submit their DMRs electronically to the Department.</p> <p><u>Emergency and Radiological Services Division(ERSD)</u> The ERSD Radiation staff has recently upgraded to state of the art radiation testing equipment that provides enhanced compliance testing capability. The ERSD Chemical ER staff is now deploying a new command center that has employed the newest technologies in communication and environmental monitoring capabilities.</p>	<p>Development of RSD and Louisiana Environmental Analytical Data Management System (LEADMS) internal websites (DEQ Wiki)</p> <p><u>Underground Storage Tank Division (UST)</u> Establish online applications, renewals, and payments for UST certified workers and response action contractors. (In development)</p> <p>Make UST closure, installation and registration forms available electronically.</p> <p>Provide for electronic submittal of UST remediation reports and submittals. (In development)</p>	<p>application is in testing and one is under development). This portal will allow the regulated community to apply/reapply/modify and update permits on-line. This system will also allow access to pertinent electronic documents and payment of permit application fees.</p> <p>OES uses e-mail and other electronic means of transmittal to forward documents to EPA, the regulated community, other state agencies, private and public organizations, environmental groups and other interested entities in an effort to save state resources such as certificate paper, envelopes, postage, and staff time.</p>	

GOALS AND INITIATIVES OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY

TEN POINT PLAN ELEMENTS	
1. Ethics and Integrity	<p>Governor Bobby Jindal called a special legislative session in for the sole purpose of considering a comprehensive ethics and government reform legislative package, sending a clear signal to officials and business leaders across the country that Louisiana was serious when we proclaim a “fresh start” and that we are open for business. In response to the Governor’s call, on February 29, 2008, at the close of the 1st Extraordinary Session in 2008, the Louisiana Legislature passed the nation’s “Gold Standard in Ethics Reform” – the most comprehensive ethics package in the history of the state that immediately catapulted Louisiana in the national rankings for government integrity and ethics. Instead of ranking 44th overall by the Center for Public Integrity, 46th overall by the Better Government Association’s Integrity Index, and 49th place for doing business according to Forbes Magazine. Louisiana made history overnight by becoming the national standard bearer for ethics, transparency and government accountability. The DEQ’s commitment to ethics and integrity mirrors that of the Governor. The DEQ will adhere strictly to the Louisiana Code of Governmental Ethics and all members of the DEQ and the executive team have completed ethics training.</p>
2. Transparency	<p>The DEQ recognizes the importance and value of communicating openly with all stakeholders – the regulated community, the non-business, non-government environmental community, and the social/environmental justice community. The DEQ is committed to increase its responsiveness to all stakeholders. All members of the DEQ executive team are committed to have an open door policy to citizen groups and seek their input. Not only will this result in a more efficient operation for the department, but it will send a clear signal that Louisiana is seriously open for business that serves the best interest of all the state. On March 14, 2008, the DEQ complied with the Governor’s Executive Order NO. BJ 2008-2.</p>
3. Level Playing Field	<p>Environmental regulations are becoming increasingly complex. The DEQ is committed to ensuring that our application and permitting processes are easy to navigate by all potential investors. If the environmental permitting process is not clearly understood, Louisiana risks losing major economic development projects to other states with clearer and/or more timely regulatory processes. Accordingly, Louisiana’s environmental regulations and their application are being reviewed for consistency and competitiveness with other states to ensure that we compete with other states on a level playing field. The DEQ is committed to enforcing its existing environmental regulations more consistently and predictably, and ensuring that penalties are fairly and effectively applied. Strong enforcement efforts result in a cleaner environment for everyone and send the signal to the public that Louisiana is serious about enforcing our laws and cleaning up our environment. The enormous costs of maintaining environmental compliance shouldered by our corporate environmental stewards shall not be undercut by a few who attempt to gain an economic advantage in the international market place.</p>
4. Front-Loading	<p>Front-loading is a proactive approach that focuses primarily on education, technical assistance, and sharing information. The DEQ is committed to work closely with the Louisiana Department of Economic Development to attract new businesses to the state while educating existing businesses on regulatory requirements. The DEQ will provide more technical assistance and educational opportunities to its customers in the regulated community and the general public by providing written guidance and training/workshops where necessary to ensure that complex regulations are better understood. With the emergence of environmental technologies and increasing economic development competition, Louisiana has to take advantage of all available opportunities to lure investments to the state by pursuing new economic opportunities related to the environment. Front-loading will allow the DEQ to decrease the obstacles faced by existing businesses and assist new businesses to better understand</p>

TEN POINT PLAN ELEMENTS	
	the regulatory process and requirements, thereby allowing them to invest in Louisiana with confidence.
5. Regionalization	<p>Regionalization is a decentralized approach designed to make the DEQ more efficient and responsive to our customers statewide. Regionalization will allow the DEQ to increase customer service, decrease referral backlogs, improve turnaround time and provide rapid responses. The DEQ estimates that more than 65 percent of all services can be provided at the regional level and to that end the department is working diligently to strategically increase resource allocation to the regions. Regionalization will foster better working/living relationships between communities and industry, and the department intends to dedicate more staff to the regional offices to provide outreach opportunities. This will bring communities and business together to anticipate and diffuse common problems. Regionalization will also permit the DEQ to expand more front-loading opportunities – for example the department plans to develop additional compliance assistance training for even more industry types. To achieve greater efficiency, division of labor, and better customer service, the DEQ is expanding the number of its regions from six regions to eight regions. A breakdown of the regions and the parishes they serve is listed below in attachment B.</p>
6. Investment in Employees	<p>The DEQ's greatest resource is its employees. The expertise and dedication they bring to the job in protecting Louisiana's environment is exemplary. Unfortunately, the ability to attract and retain qualified people has always been a challenge. Historically, entry-level staff members begin their careers at the DEQ, gain three to eight years of experience, and leave for higher-paying jobs in consulting or industry. Frequent turnover of staff in mid-level positions creates a constant cycle of retraining and represents a major barrier to building consistent, experienced teams. This pattern is exacerbated by staff losses to other agencies as well as expertise losses due to aging of the workforce. As part of its Workforce Development Plan, the DEQ is working diligently through its internal human resources office and the State Civil Service Department to address recruitment and retention problems. Retention strategies under consideration include the development of an ES 4 Series, a competitive career track for mid-level professionals (8-15 years of service) to grow professionally, advance, and stay with the department. Other retention strategies include expanding professional development training to include no-cost technical assistance by industry staff during DEQ sponsored training workshops. The use of flexible work schedules is also being implemented. Additionally, the strategic use of Civil Service's Special Entrance Rate for Environmental Scientists, especially ES 3's is also being strongly considered. The DEQ strategy is to have fewer staff while investing in our remaining staff.</p> <p>Components of a broad recruiting strategy include better use of Performance Planning and Reviews (PPRs), where new hires spend the first two years mastering one media (e.g., air), before moving to a second media (e.g., water) for two years, then a third media (e.g., solid waste) for two years, and finally hazardous waste for approximately two years. Thus, over a period of eight to 10 years, the new recruit will become proficient in all the media and by this time will be eligible for promotion to a supervisory position or to the non-supervisory proposed ES 4 Series. Working closely with public and private colleges and universities, the DEQ is expanding its recruitment efforts through a student intern program. Other recruitment strategies include re-recruitment of previous employees to replenish lost talent and offering employment opportunities to retired industry employees, who may wish to return to the workforce, but have no mobility aspirations and are more than happy to mentor newer employees. Finally, the DEQ will advertise job opportunities through professional organizations, and if there are not enough candidates within Louisiana, national recruiting efforts will be considered to attract qualified, experienced candidates to key positions.</p>
7. Investment in Community	Working closely with stakeholders from community organizations, public and private colleges and universities, local and state government leaders and representatives from

TEN POINT PLAN ELEMENTS	
Organizations and Local Governments	<p>large corporations, mid-level companies and small businesses, the DEQ is in the process of creating the Louisiana Environmental Advisory Panel (LEAP), an advisory task force that will periodically meet with the Secretary and his executive staff to discuss big-picture issues facing the state and department. In the process the department will strengthen its relationships with its external constituents, especially those experts who care deeply for the environmental health of Louisiana. Stronger partnerships among key stakeholders will facilitate broad-based input and well-designed environmental policies and practices. The DEQ is committed to devoting significant resources as part of its front-loading efforts to educate communities about regulatory processes and to assist local governments in the decision making process.</p>
8. Investment in Small Business	<p>The DEQ is committed to maintaining and enhancing a clear, expedient, and predictable environmental permitting process to leverage expansions among existing small businesses and attract new investments. Small business has been the greatest growth area in Louisiana in recent years. The DEQ will focus on providing more assistance to our small businesses to assist them in achieving and sustaining compliance. Additionally, the department has reduced permit and enforcement backlogs. Communication with small businesses will be enhanced, enabling them to know exactly how long it will take to get a permit, thereby building their confidence levels to invest in infrastructure and create jobs. The DEQ will be more proactive with small businesses, by providing them with important information, technical assistance and education, thereby keeping more companies in compliance.</p>
9. Investment in Green Government and Applied Research	<p>In compliance with the Governor's Executive Order NO. BJ 2008-8, the DEQ has taken the following steps:</p> <ol style="list-style-type: none"> 1. The DEQ has identified a senior staff member to serve as our liaison with the Division of Administration in the development of sustainable and energy efficient programs, budget and management review, purchasing of alternative and renewable energy, and implementation of the sustainable building guidelines. 2. Working in cooperation with the Division of Administration and the Department of Natural Resources, the DEQ Communications Division is charged to develop an information campaign to disseminate to other departments best methods and practices regarding energy efficiency, conservation, and the benefits of adopting such practices. This dynamic campaign will be updated annually. 3. The DEQ has implemented a fleet reduction of approximately 15 percent in FY 2009, which in terms of avoided cost should yield a projected savings in excess of \$900,000. 4. Effective immediately, replacement of remaining fleet vehicles will be expanded to include a heavy emphasis on hybrid and other fuel-efficient vehicles as well as alternative fuel vehicles on state contract. 5. The department has adopted an aggressive in-house recycling and paperless program to reduce solid waste with emphasis on single stream recycling. 6. The DEQ is fully committed to energy conservation and has adopted a strict purchasing policy to replace all future appliances with more energy efficient models using the Energy Star as a minimum standard. <p>The DEQ will continue to invest in applied research and commercialization efforts. We anticipate that such efforts will have the potential to develop new environmental assessment technologies (e.g., FLIR). By building strong ties with relevant research enterprises, we will engage more intellectuals in the process of addressing environmental challenges and market opportunities and, in turn, refine research programs to ensure greater collaboration with the private and government sector.</p>
10. Investment in Technology & e-Business	<p>Effective July 31, 2008, the DEQ will begin to roll-out its on-line services – e-Payments, e-Permits, e-Data Submittal (Title V Reports, Discharge Monitoring Reports, Emissions Inventory), and e-Identity, an identification system that will provide a unique user name and password for conducting future e-business with the</p>

TEN POINT PLAN ELEMENTS	
	<p>DEQ. Technology will be leveraged as part of our efforts to become more efficient, transparent, customer friendly, and a strong partner in advancing economic development opportunities for our state. On-line submittal of permit applications will be a significant benefit to many DEQ customers by decreasing the amount of time and paperwork involved in the permitting process. Furthermore, a computerized submittal system will help to identify incomplete applications and ensure that all information required is submitted in a clear format.</p> <p>The Electronic Document Management System (EDMS) is the system used the by DEQ to provide access to the regulated community and public for documents and information submitted to the department. In 2007, the DEQ recorded over 171,000 documents in EDMS. Between on-line submittals of Discharge Monitoring Reports (DMRs) and Green Cards (Receipts of Certified Mail) alone, the DEQ can increase efficiency by 31 percent and re-direct scarce resources to critical front-loading needs in the regions and away from Baton Rouge. The DEQ does recognize the fact that in unique cases documents may have to be either hand delivered or delivered using certified mail. Efforts to utilize more electronic submittal will greatly reduce the cost and manpower currently required to enter data and information into EDMS.</p>

ACADIANA REGIONAL OFFICE (ARO) – Parishes served: Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, St. Mary, and Vermillion. **Main Office: Lafayette.**

CAPITAL REGIONAL OFFICE (CRO) – Parishes served: Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, and West Feliciana. **Main Office: Baton Rouge.**

NORTHEAST REGIONAL OFFICE (NERO) – Parishes served: Caldwell, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll. **Main Office: Monroe.**

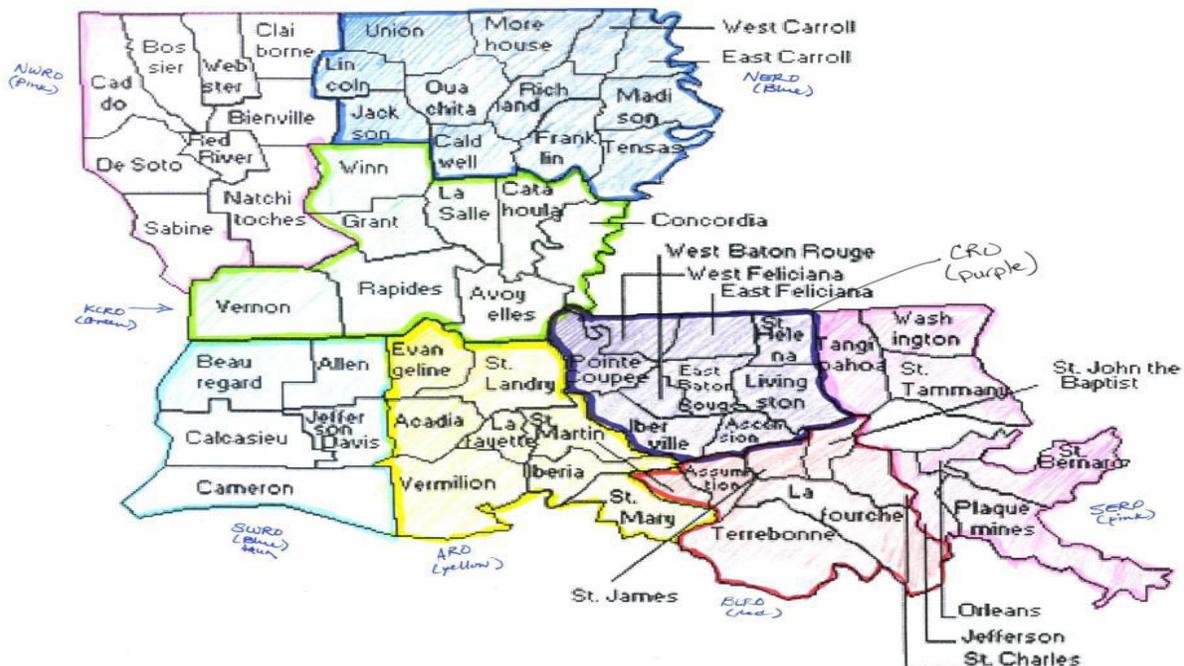
KISATCHIE CENTRAL REGIONAL OFFICE (KCRO) – Parishes served: Avoyelles, Catahoula, Concordia, Grant, LaSalle, Rapides, Winn, and Vernon. **Main Office: Pineville.**

NORTHWEST REGIONAL OFFICE (NWRO) – Parishes served: Bienville, Bossier, Caddo, Claiborne, De Soto, Natchitoches, Red River, Sabine, and Webster. **Main Office: Shreveport.**

SOUTHEAST REGIONAL OFFICE (SERO) – Parishes served: Jefferson, Orleans, Plaquemines, St. Bernard, St. Tammany, Tangipahoa, and Washington. **Main Office: Harahan.**

BAYOU LAFOURCHE REGIONAL OFFICE (BLRO) – Parishes served: Assumption, St. Charles, St. James, St. John, Lafourche, and Terrebonne. **Main Office: Lockport.**

SOUTHWEST REGIONAL OFFICE (SWRO) – Parishes served: Allen, Beauregard, Calcasieu, Cameron, and Jefferson Davis. **Main Office: Lake Charles.**



DEQ STATUTORY AUTHORITIES AND JUSTIFICATIONS BY ACTIVITY

Division/Activity With State and Federal Citations	Activity Justification And Consequence if Activity not Performed
<p>Executive Section/Activity La. Const. Art. 9, § 1 La. R.S. 30:2002 La. R.S. 30:2003(B) La. R.S. 30:2011 La. R.S. 36:231 La. R.S. 36:233 La. R.S. 36:234 La. R.S. 36:238</p>	<p><u>Justification:</u> The Executive Section is the managerial branch of the department the houses the department’s secretary. It represents the department when dealing with external agencies and promotes initiatives that serve a broad environmental mandate.</p>
<p>Communications Division/Activity STATE: La. R.S. 30:2011(C)(1)(a)(i); La. R.S. 36:238(B)(1); La. R.S. 30:2050.1; La. R.S. 30:2050.1(B)(2)(a); La. R.S. 30:2162(A)(2)</p>	<p><u>Justification:</u> The Communications Division serves as a centralized source of DEQ information to media outlets such as newspapers, broadcast news networks, radio and online news services. The Communications group also produces various publications, works with the public on educational and outreach projects concerning the environment and coordinates statewide informational campaigns.</p> <p>The Communications Division advances the state’s goal of natural resource preservation by providing information to the public and the media on environmental issues. For example, the Communications staff has worked with the Air Assessment Division to promote a series of meetings for the Ozone Steering Committee. The Communications Section instituted the Be Air Aware campaign, under the umbrella of “Be the Solution,” with the goal of educating the public about air quality. This campaign used newspaper, radio spots and the DEQ website to get the message out. By promoting the events and by receiving news coverage from every major media outlet in the state, DEQ has worked as a team to inform citizens of Louisiana of the importance of improving air quality. DEQ also had a statewide campaign for clean waters under the umbrella of “Be the Solution.” This campaign, featuring radio, billboard and TV PSAs, was funded by the U.S. Environmental Protection Agency.</p> <p>Communications staff attends public hearings, coordinates booths and outreach at conferences, fills in on many DEQ events such as Household Hazardous Materials days and generally assists the department in many outreach activities. The division has built credibility and a rapport with statewide media, has produced the unified look for DEQ publications such as its annual report and e-newsletters and has executed air quality and water quality campaigns throughout the state.</p> <p>The goal for the future is to work with our local, state and federal partners to build on the “Be the Solution” campaign as a leading outreach tool to educate and inform the public and to continue to demonstrate integrity and transparency with the media and public.</p> <p><u>Consequences:</u> Each federal program, including solid and hazardous waste, air, water and other federal programs require opportunity for public hearings and public participation. The state plans must include these same requirements in order to substitute for the federal program. Maintenance of the Communications Division enables the Secretary to carry out communications with both the public and the regulated community. Absent state public communication functions, there would be no way to carry out the public information functions required by the federal programs. Loss of those</p>

	<p>programs would result in significant additional expense in complying with federal requirements. Permittees would have to apply to EPA for permits, respond to EPA notices (presumably issued from Dallas TX, Region VI) and would have to rely on federal sources for information on environmental matters.</p>
<p>Business and Community Outreach Division/Activity STATE: La. R.S. 30:2078-2089; La R.S. 30:2060 N. (6);</p> <p>FEDERAL: Clean Air Act Amendments of 1990 SS 507 and Title VI of the Clean Water Act, 33 U.S.C. 1381-1387</p>	<p>Clean Water State Revolving Loan Fund (CWSRF)</p> <ul style="list-style-type: none"> • The CWSRF Program provides financial assistance in the form of low interest loans to finance eligible wastewater projects, bringing them into compliance with the requirements of the Clean Water Act, and in order to protect public health. Eligible projects include: publicly owned wastewater treatment systems (Section 212), implementation of a non-point source management program (Section 319), and development & implementation of an estuary management plan (Section 320). Both federal and state governments provide the funding for this program. All monies loaned from the CWSRF are repaid back into the Fund and subsequently loaned out to new borrowers. This process provides a permanent source of funding for future Louisiana projects. <p>Small Business/Small Communities Assistance Program (SB/SCAP)</p> <ul style="list-style-type: none"> • Spearheaded the department’s Front-Loading mission, a proactive approach that focuses primarily on education, technical assistance, and information sharing. Front-Loading efforts are designed to 1) promote a proactive approach to issues instead of a reactive approach to problems, 2) inform local communities about the regulatory process, and 3) assist local governments in strengthening their rules and processes pertaining to environmental concerns. • Provided assistance to small business stationary sources with pollution prevention and accidental release prevention and detection • Notified applicable businesses of their obligations under CAA • Conducted training sessions designed to educate communities and encourage meaningful participation in the regulatory process • Implemented ENVIROSCHOOL that serves as the educational arm of the DEQ. The “School” is designed to help the public at large better understand the agency and how it operates. ENVIROSCHOOL introduces a different topic each month covering a wide variety of environmental issues ranging from public participation, environmental regulations, to understanding the permitting process and environmental compliance. The instructors for ENVIROSCHOOL are DEQ employees who bring years of experience to each seminar and share information in a simple and user-friendly format. Currently, ENVIROSCHOOL is offered in Baton Rouge, New Orleans, Lake Charles, Shreveport, Monroe and Alexandria. <p>Litter and Recycling</p> <ul style="list-style-type: none"> • Partnered with Environthon, local governments and industry, Keep Louisiana Beautiful Program • Staffed Litterbug Hotline; distributed anti-litter bumper stickers • Provided educational material for teacher, citizens, organizations regarding the litter program • Set up exhibits at conferences, school functions, earth day, etc. <p>Environmental Leadership Program (ELP)</p> <ul style="list-style-type: none"> • The ELP is a voluntary partnership program with businesses, municipalities, non-governmental organizations, federal entities, schools and universities and community organizations designed to promote a cleaner and better environment for Louisiana. Any Louisiana entity that

	<p>fits into one of above categories and is committed to improving the quality of Louisiana’s environment is eligible to join.</p> <p>Statement of Views (SOVs)</p> <ul style="list-style-type: none"> • Serves as the single point of contact for all requested SOVs or Environmental Impact Statements for projects involving federally funded construction. • Provides department-wide coordinated response to the requesting entity. <p>Ombudsman</p> <ul style="list-style-type: none"> • Facilitated the collection and submittal of information and responses to inquiries and requests from state legislators. • Investigated complaints and concerns submitted by concerned citizens regarding environmental incidents, DEQ actions, and DEQ employees. • Assisted individuals seeking information or other assistance by directing them to the appropriate section or person capable of answering the question or providing the information. • Participated in DEQ Front-Loading activities. • Served as small business ombudsman. • Served as Title VI Coordinator. • Helped citizens and neighborhood groups participate in regulatory processes; served as the agency contact to address allegations of environmental injustice. • Ensured that agency programs that substantially affect human health or the environment operate without discrimination. <p><u>Justification:</u> The Business and Community Outreach Division provides environmental regulatory assistance and information to small businesses and small communities and thereby nurtures the Department’s “frontloading” concept. Through frontloading the Business and Community Outreach Division will (a) provide an interface between the Department, businesses, and communities; (b) provide outreach and educational materials to customers related to environmental regulations, pollution, community and industry relations; (c) provide funding options for publicly owned waste water treatment systems; and (d) provide environmental assistance and improved public participation for small businesses, small communities and industry.</p> <p><u>Consequences:</u> Federal programs require that there be public involvement in regulatory and permit decisions (citations to the federal requirements for public participation are addressed in other, more specific areas of this report). Failing to have a public outreach function may endanger authorization in those programs requiring that the regulatory agency offer an opportunity for public input. Small business would likely incur additional costs if information had to be obtained from federal instead of state sources. Should DEQ lose federal authority to administer the programs it would be expected that communication function would be more costly to business. An example of a federal requirement would be the Clean Air Act’s requirement that the State Implementation Plan include a provision for public involvement. Without state authorization, federal law imposes escalating penalties for state non-compliance. Those penalties include stricter permit limits, and possible loss of highway funds.</p>
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<p>Audits Division/Activity STATE: La. R.S. 36:238</p>	<p><u>Justification:</u> The Audit Division advances the state’s goal of natural resource preservation by providing an independent appraisal function which examines and evaluates the department’s activities. This activity supports the mission of the department which is to provide service to the people of Louisiana through comprehensive environmental protection in order to promote and protect health, safety and welfare while considering sound policies regarding employment and economic development.</p> <p><u>Consequences:</u> The DEQ Audit Division is not strictly required by federal law, but is implied in all of the programs. Federal law and the EPA grants require that the state use specific accounting guidelines. Failure to follow federal grant guidelines for accounting can result in both civil and possible criminal sanctions. The Audit Division, among its many tasks, insures that federal accounting standards are met. Failure to monitor federal grant guidelines could result in the loss of federal money granted to DEQ to run the federally mandated programs. The Audit Division also maintains the Motor Fuels Underground Storage Tank Trust Fund (MFUSTTF) and the Waste Tire Management Fund (WTMF), both state mandated programs. The MFUSTTF is a fund that acts to fulfill a federal requirement contained in 40 CFR 280.93, which requires that every gas station in Louisiana maintain financial assurance to clean up any release of gasoline that may occur. The MFUSTTF acts as the financial assurance for those gas station owners. The Audit Division acts to maintain the soundness of that fund.</p> <p>The Audit Division also is charged with auditing the collections of all fees deemed necessary to maintain the state’s authority in other programs. Absent the collection of those fees, DEQ would lose its federal authority to maintain the federally required programs. Losing that authority would result in the programs being administered by the federal government, with added costs for the regulated community.</p>
<p>Criminal Investigations Division/Activity STATE: La. R.S. 30:2025(F)(4) La. R.S. 30:2076.2.</p>	<p><u>Justification:</u> The DEQ Criminal Investigation Division (CID) provides an additional enforcement tool for DEQ in its mission of protecting human health and the environment, while promoting economic development. Aggressive criminal enforcement provides deterrence to ensure a level playing field for industry and guarantee that those that do commit environmental crimes are dealt with appropriately.</p> <p><u>Consequences:</u> The CID of the DEQ investigates willful and knowing violations of Louisiana’s environmental laws. There is no direct requirement for a CID, but each program requires that the state have an ability to prosecute criminal violations of the environmental laws. Failure to have the ability to investigate and prosecute willful violations will result in the loss of authority to operate the programs. Loss of those programs will result in less control over investigations and prosecutions of environmental criminals. The federal prosecutions will be in federal court beyond the state’s ability to influence. State supervision of the use of its most fundamental police power will be lost.</p>
<p>Legal Affairs Division/Activity La. Const. Art. 9, § 1 La. R.S. 30:2011(C)(1)(a)(ii) and (D)(1) La. R. S. 30:2024 La. R.S. 30:2050.1(C) La. R.S. 30:2050.4 (A), (B), and (G)(1)</p>	<p>In identical language, La. R. S. 36:238(B)(2) and La. R. S. 30:2011(C)(1)(a)(ii) both provide that “[t]he executive office of the secretary shall also include a legal division which shall provide legal consultation and representation to the various offices of the department with regard to permitting, enforcement, grants, contracts, personnel, legislation, intergovernment agreements, or such other matters as may be necessary.” Accordingly, all activities of the Legal Division as an in-house public sector law firm are thus mandated by law.</p>

<p>La. R.S. 36:238 La. R.S. 30:2015.1(B) and (E) La. R.S. 30:2019 La. R.S. 30:2030 La. R. S. 30:2050.1(C) La. R. S. 30:2050.4(A) and (B) La. R.S. 36:231(B); La. R.S. 36:234(A)(3); La. R.S. 36:238 La. R.S. 49:950, et seq., particularly 952, 953, 954, 954.3, 962, 962.1, 963, 964, 965, 965.5, 965.6, 968, 972, 992, 992.1, 998, 999.21, 999.24,</p>	<p>In addition, specific legal mandates fulfilled by Legal Division staff include the following:</p> <ul style="list-style-type: none"> • Attorney review of each proposed compliance order, penalty assessment, suspension of a permit, emergency cease and desist order, settlement or compromise, and other proposed final enforcement action for legal sufficiency (La. R. S. 30:2050.1(C)); • Attorney review of requests for hearing (La. R. S. 30:2050.4(A) and (B); La. R. S. 30:2024), then representation of the agency in the adjudicatory proceedings that follow if the hearing is granted (La. R. S. 30:2024; La. R. S. 30:2050.4(G)(1)); • Regulations specialists assist the agency in promulgating regulations in accordance with the requirements of La. R.S. 30:2019 to meet the strict standards of the Administrative Procedure Act, make available for public inspection and rules and related items (La. R. S. 49:952), and compile, edit, update, and sell to the public the Environmental Regulatory Code (La. R. S. 49:954.3); and • In-house attorneys assist agency staff in the regulation development process and review all draft regulations for legal sufficiency with state and federal law, and to ensure federally authorized and delegated programs are not jeopardized. <p><u>Justification:</u> The Legal Affairs Division advances the state’s goal of natural resource preservation by providing legal consultation and representation to the various offices of the department in support of the department’s activities to maintain, preserve, protect, and enhance Louisiana’s environment and natural resources through governmental regulation and control using comprehensive statewide policies. The division identifies and pursues all legal means available to support the department’s mission and goals, specifically including but not limited to those with regard to natural resource damage claims which seek to recover for injury to natural resources; permitting, which allows resources to be used in a responsible and efficient manner; enforcement, which monitors compliance with environmental laws and regulations; and remediation, which identifies and seeks clean up of contamination. The division provides other legal support in the areas of collections, contracts, personnel, legislation, and intergovernmental agreements.</p> <p><u>Consequences:</u> The Legal Affairs Division acts as enforcement agent for all of the environmental programs. While the federal programs do not directly address a “Legal Division” all of them require that the state have in its program the functions that would require the services of an attorney. All federal programs require that a state program have the ability to enforce the standards in the state, which are generally required to be at least as strict as the federal program. The attorney is the only individual that is authorized to litigate to enforce environmental standards. Failure to provide for the enforcement function would jeopardize DEQ’s authority to operate the federal programs. EPA would be required to assume the programs, with all enforcement being handled by federal attorneys. Other functions would also be impaired. Liens, cost recovery, etc., would have to be privatized, with additional expense incurred.</p>
<p>Surveillance Division/Activity STATE: La. R.S. 30:2002(3) La. R.S. 30:2011(c)(1)(c) La. R.S. 30:2012 La. R.S. 36:231</p>	<p><u>Justification:</u> Businesses, industries, and residential areas all have the potential to contribute to environmental degradation in the form of waste streams, water discharges and air emissions/releases that can pollute the environment if not treated and handled properly. Economic growth and new housing developments, while socially desirable, can contribute to increased environmental pollution. While permits issued to business, industry and</p>

<p>FEDERAL: 42 USC 6926, specifically subsections (d) and (e) 42 USC 6926(b) 42 USC 7401, et seq. 42 USC 7410 42 USC 9601, et seq. 33 USC 1251, et seq. 42 USC 1313 42 USC 1372(b) 42 USC 1319</p>	<p>residential developments limit air emissions, waste streams and water discharges to protect natural resources, periodic inspections are needed to ensure they operate in a manner that is consistent with their permit(s). While traditionally focused on enforcement of environmental law and regulation, inspections also serve an important function of assisting facilities in clearly understanding the requirements imposed upon them. Many issues of non-compliance are addressed by providing information and guidance to assist owners/operators in achieving compliance and continued protection of the environment.</p> <p><u>Consequences:</u> Authority to administer the hazardous and solid waste programs are through authority granted under 42 USC 6926, specifically subsections (d) and (e). The regulations implemented by the state must be at least as stringent as those in the federal programs. Under 42 USC 6926(b), the EPA Administrator may withdraw authorization to administer these programs if “such program does not provide <u>adequate enforcement of compliance.</u>”</p> <p>Under the Clean Air Act, 42 USC 7401, et seq., Louisiana must develop and implement a procedure to enforce, for example, laws and regulations relative to Prevention of Significant Deterioration of Air Quality (PSC) and New Source Performance Standards. See 42 USC 7410, the State Implementation Plan.</p> <p>Under CERCLA, 42 USC 9601, et seq., through Presidential delegation, states may provide a mechanism to respond and abate releases of hazardous substances to land, air or water.</p> <p>Under 33 USC 1251, et seq., approved states are required to administer the Clean Water Act. To maintain delegation, the states’ enforcement program must be no less stringent than the federal requirements. 42 USC 1313. Louisiana is an approved state pursuant to 42 USC 1372(b). States are specifically required to enforce Clean Water Act standards through the issuance of Compliance Orders. See 42 USC 1319.</p>
<p>Emergency Response and Radiological Services Division/Activity STATE: La. R.S. 30:2011;(D)(9) La. R.S. 30:2035 La. R.S. 30:2063 La. R.S. 30:2104; La. R.S. 30:2106; La. R.S. 30:2110; La. R.S. 30:2109, La. R.S. 36:231</p> <p>Radiation Protection La. R.S. 49:950 and La. R.S. 49:954.3</p> <p><u>Atomic Energy Act</u>, 42 U.S.C. §§ 2011, <i>et seq.</i>, as amended in <u>NUREG-0980</u> <u>Energy Reorganization Act of 1974</u>, 42 U.S.C. §§ 5801, <i>et seq.</i> <u>Low Level Radioactive Waste Policy</u></p>	<p><u>Justification:</u> The Emergency and Radiological Services Division ensures that public health and occupational safety and welfare of the citizens and the environmental resources of the state are protected by developing radiation operating permits, licenses and registrations; conducting inspections of permitted and non-permitted radiation-related facilities; responding to chemical and radiation-related incidents (i.e., unauthorized releases, spills and citizen complaints); and providing compliance assistance to the regulated community when appropriate. This division establishes a multimedia compliance approach; creates a uniform approach for compliance activities; assigns accountability and responsibility to appropriate parties; provides standardized response training for all potential responders; and provides the necessary oversight monitoring of spill mitigation and the resulting appropriate wastes’ disposal.</p> <p><u>Consequences:</u> The specific authorization from the U.S. Nuclear Regulatory Agency was received by Louisiana more than 30-years ago. The RSD is applying for a copy of the specific authorization from the NRC.</p>

<p><u>Act Amended</u>, 42 U.S.C. §§ 2021(b), <i>et seq.</i> <u>Occupational Safety and Health Act</u>, <u>29 C.F.R. Part 1910</u>, particularly § <u>1910.120</u></p>	
<p>Enforcement Division/Activity</p> <p>STATE: La. R.S. 30:2025; La. R.S. 30:2050.2; La. R.S. 30:2050.3; La. R.S. 30:2050.7 La. R.S. 36:231</p> <p>FEDERAL: 42 USC 6926, specifically subsections (d) and (e) 42 USC 6926(b) 42 USC 7401, et seq. 42 USC 7410 42 USC 9601, et seq. 33 USC 1251, et seq. 42 USC 1313 42 USC 1372(b) 42 USC 1319</p>	<p><u>Justification</u>: The Enforcement Division advances the state’s goal of natural resource preservation through issuing appropriate and timely enforcement actions to facilities that have been identified to be out of compliance with the DEQ regulations and assisting them in gaining compliance. The DEQ has Memorandums of Understanding with EPA Region 6 for the timely issuance of enforcement actions for significantly non-compliant violations for the air, water, and hazardous waste programs, based on EPA prescribed timelines. The Department developed appropriate timelines for the issuance of solid waste, underground storage tank, and radiation enforcement actions. The Enforcement Division provides for vigorous prosecution and timely resolution of enforcement actions.</p> <p><u>Consequences</u>: Authority to administer the hazardous and solid waste programs are through authority granted under 42 USC 6926, specifically subsections (d) and (e). The regulations implemented by the state must be at least as stringent as those in the federal programs. Under 42 USC 6926(b), the EPA Administrator may withdraw authorization to administer these programs if “such program does not provide <u>adequate enforcement of compliance</u>.”</p> <p>Under the Clean Air Act, 42 USC 7401, et seq., Louisiana must develop and implement a procedure to enforce, for example, laws and regulations relative to Prevention of Significant Deterioration of Air Quality (PSC) and New Source Performance Standards. See 42 USC 7410, the State Implementation Plan.</p> <p>Under CERCLA, 42 USC 9601, et seq., through Presidential delegation, states may provide a mechanism to respond and abate releases of hazardous substances to land, air or water.</p> <p>Under 33 USC 1251, et seq., approved states are required to administer the Clean Water Act. To maintain delegation, the states’ enforcement program must be no less stringent than the federal requirements. 42 USC 1313. Louisiana is an approved state pursuant to 42 USC 1372(b). States are specifically required to enforce Clean Water Act standards through the issuance of Compliance Orders. See 42 USC 1319.</p>
<p>Air Permits Division/Activity</p> <p>STATE: La. R.S. 30:2011.(A); La. R.S. 30:2011.(D)(2); La. R.S. 30:2011.(D)(5) ; La. R.S. 30:2011.(D)(6); La. R.S. 30:2011.(D)(12); La. R.S. 30:2011.(G); La. R.S. 30:2014.(A)(1); La. R.S. 30:2014.5 La. R.S. 30:2023.(B)(1); La. R.S. 30:2054.(B)(2); La. R.S. 30:2056</p>	<p><u>Justification</u>: The Air Permits Division maintains and protects Louisiana’s environment and natural resources by conducting comprehensive technical evaluations of incoming air permit applications and by preparing air permits that are protective of human health and the environment. Permits shall: be compliant with the Clean Air Act and the Louisiana Environmental Quality Act; accurately reflect all applicable laws and regulations; ensure compliance with federal and state air quality standards; and contain testing, monitoring, recordkeeping, and reporting requirements sufficient to assure compliance with the terms and conditions of the permit. Permit decisions are based on sound, comprehensive information that is scientifically and economically supported.</p> <p><u>Consequences</u>: The states are required to implement an air permitting program pursuant to Title V of the Clean Air Act. (42 U.S.C. 7661 et seq). The permit program must identify all applicable federal standards including New Source Performance Standards (NSPS, 42 U.S.C. 7411), and National Emission</p>

<p>FEDERAL: 42 U.S.C. 7661 et seq NSPS, 42 U.S.C. 7411 NESHAPS. 42 U.S.C. 7412 42 U.S.C. 7651 42 U.S.C. 7509 42 U.S.C. 7661f 42 U.S.C. 7470-7492 42 U.S.C. 7501-7509 15 U.S.C. 2641</p>	<p>Standards for Hazardous Air Pollutants (NESHAPS. 42 U.S.C. 7412), which can be delegated to the state. Title V permits are also used to implement requirements under the Acid Rain Program (42 U.S.C. 7651). Failure to implement the Title V permit results in sanctions against the state under the Clean Air Act including an increase in “offset ratio” for Nonattainment New Source Review to 2:1 (making economic development more difficult) and loss of federal highway funds. (42 U.S.C. 7509). This program also includes Small Business Assistance. (42 U.S.C. 7661f).</p> <p>Other requirements implemented by air permits, (such as Prevention of Significant Deterioration (PSD) Permits (42 U.S.C. 7470-7492), Nonattainment New Source Review, (42 U.S.C. 7501-7509), Residential Lead Based Paint Hazard Reduction, (15 U.S.C. 2681), Asbestos Hazard Emergency Response (15 U.S.C. 2641)¹, are federal standards which are applicable to the sources regardless of implementation by the state. Failure of the state to implement these programs means that they would be implemented by the federal government, presumably EPA Region 6 in Dallas. Implementation by the EPA would make permitting activity more difficult as applicants would be required to deal with EPA in Dallas. EPA also has fewer inspectors available to conduct surveillance to ensure compliance with applicable standards.</p>
<p>Waste Permits Division/Activity STATE: La. R.S. 30:2011.(A); La. R.S. 30:2011.(D)(2); La. R.S. 30:2011.(D)(5); La. R.S. 30:2011.(D)(6); La. R.S. 30:2011.(G); La. R.S. 30:2014.(A)(1); La. R.S. 30:2023.(B)(1); La. R.S. 30:2151 La. R.S. 30:2154.(B)(2); La. R.S. 30:2178 (A) La. R.S. 30:2180.(A)(2) La. R.S. 30:2183 (A)</p> <p>FEDERAL: 33 U.S.C. 6926 33 U.S.C. 1341</p>	<p>DEQ is mandated to perform hazardous waste permitting activities by R.S. 30:2183.A and 30:2178.A. DEQ is mandated to perform solid waste permitting activities by R.S. 30:2151.</p> <p><u>Justification:</u> The Waste Permits Division maintains and protects Louisiana’s environment and natural resources by conducting comprehensive technical evaluations of Solid and Hazardous Waste permit applications and Water Quality Certifications to ensure that the permits are protective of human health and the environment. These permits shall: be in compliance with the applicable sections of the Resource Conservation and Recovery Act, Clean Water Act and the Louisiana Environmental Quality Act; accurately reflect all applicable laws and regulations; and include design, construction, testing, monitoring, recordkeeping, and reporting requirements sufficient to assure compliance with the terms and conditions of the permit. Permit decisions are based on sound, comprehensive information that is scientifically and economically supported.</p> <p><u>Consequences:</u> The Solid Waste Disposal Act as amended by the Resource Conservation Recovery Act and the Hazardous and Solid Waste Amendment Act requires the implementation of a hazardous and solid waste program. The authority to implement may be delegated to the states. (33 U.S.C. 6926). Pursuant to this delegation, the states are required to issue permits, conduct inspections, enforce provisions, and other regulatory activities. Failure to implement the program would result in withdrawal of delegation and the EPA would implement the program in lieu of the state, presumably in Dallas. Implementation by the EPA would make permitting activity more difficult as applicants would be required to deal with EPA in Dallas. EPA also has fewer inspectors available to conduct surveillance to ensure compliance with applicable standards.</p> <p>The Waste Permit Division also conducts Water Quality Certifications pursuant to the Clean Water Act (33 U.S.C. 1341). Although the state is not obligated to conduct Water Quality Certifications, failure to do so would relinquish the</p>

¹ Federal regulations are applicable to “school” buildings. Louisiana regulations also address “state” buildings (i.e., owned or leased by the state).

	<p>opportunity to review projects affecting water quality within the state.</p>
<p>Water Permits Division/Activity STATE: La. R.S. 30:2011.(A); La. R.S. 30:2011.(D)(2); La. R.S. 30:2011.(D)(5) La. R.S. 30:2011.(D)(6); La. R.S. 30:2011.(D)(11); La. R.S. 30:2011.(G) La. R.S. 30:2014.(A)(1); La. R.S. 30:2014.5 La. R.S. 30:2023.(B)(1); La. R.S. 30:2074.(B)(4)</p> <p>FEDERAL: 33 U.S.C. 1342</p>	<p><u>Justification:</u> The Water Permits Division maintains and protects Louisiana’s environment and natural resources by conducting comprehensive technical evaluations of incoming Water permit applications and by preparing Water permits that are protective of human health and the environment. Permits shall be compliant with the Clean Water Act and the Louisiana Environmental Quality Act; accurately reflect all applicable laws and regulations; ensure compliance with federal and state Water quality standards; and contain testing, monitoring, recordkeeping, and reporting requirements sufficient to assure compliance with the terms and conditions of the permit. Permit decisions are based on sound, comprehensive information that is scientifically and economically supported.</p> <p><u>Consequences:</u> The Clean Water Act requires the implementation of the National Pollutant Discharge Elimination System permit program. (33 U.S.C. 1342). The states may receive delegation from the U.S. EPA. Louisiana has received delegation of the federal program which requires the issuance of permits and inspections for monitoring of compliance. Failure to implement the program would result in withdrawal of delegation and the EPA would implement the program in lieu of the state, presumably in Dallas. Implementation by the EPA would make permitting activity more difficult as applicants would be required to deal with EPA in Dallas. EPA also has fewer inspectors available to conduct surveillance to ensure compliance with applicable standards.</p>
<p>Permit Support Services Division/Activity STATE: La. R.S. 30:2011.(A); La. R.S. 30:2011.(D)(2); La. R.S. 30:2011.(C); La. R.S. 30:2011.(D)(5) La. R.S. 30:2011.(D)(6); La. R.S. 30:2011.(D)(22); La. R.S. 30:2011.(G); La. R.S. 30:2014.(A)(1); La. R.S. 30:2015.1; La. R.S. 30:2023.(B)(1); La. R.S. 30:2054.(B)(2)(a); La. R.S. 30:2056; La. R.S. 30:2074.(B)(4); La. R.S. 30:2154.(B)(2)(a) La. R.S. 30:2180.(A)(2); La. R.S. 30:2344.(B)(2); La. R.S. 30:2351.2 La. R.S. 30:2351.8; La. R.S. 30:2351.23.(C) La. R.S. 30:2351.23.(E)</p> <p>FEDERAL: Resource Conservation and Recovery Act, (PL 102-579; 42 U.S.C. 6901-6992k); Comprehensive Environmental Response and Liability Act of 1980, (PL 101-510; 42 U.S.C. 9601-9675); Clean Water Act, (PL 92-500; 33</p>	<p><u>Justification:</u> The Permit Support Services Division assists in the maintenance and protection of Louisiana’s environment and natural resources by supporting the issuance of permits which control or limit pollution at levels that have been determined to be protective of human health and the environment. This is accomplished by: the timely processing of notifications, permit applications, certifications; maintaining accurate data and records; and supporting public participation.</p> <p><u>Consequences:</u> The permit support services division is necessary to implement certain portions of the air, waste, and water permitting programs. Without these services, the programs could not function properly.</p>

<p>U.S.C. 1251 et seq); Clean Air Act, 42 U.S. C. 7401 et seq., 40 CFR Parts 50, 51, 60, 61, 63, 81, 82, 93, and 124</p>	
<p>Water Quality Assessment Division/Activity STATE: La. Const. Art. 9, § 1 La. R.S. 30:2002 La. R.S. 30:2003 La. R.S. 30:2011(A)(1) and (C)(1)(b) Louisiana Water Control Law, La. R. S. 30:2071, et seq. La. R. S. 36:231 La. R.S. 36:238(C)</p> <p>FEDERAL: Clean Water Act, particularly §§101, 205(j), 208(h)(2)(K), 303(c), 303(d), 303(e), 304, 305(b), 319 (33 U.S.C. § 1251, et seq.) Safe Drinking Water Act, 42 U.S.C. § 300(f), et seq., Amendments of 1996 (Source Water Assessment Program), and Amendments of 1986 (Wellhead Protection Program)</p>	<p><u>Justification:</u> The Water Quality Assessment activity directly advances the state goal of natural resource preservation through 1) planning and directing activities to gather the necessary data to determine the current quality of the water resource; 2) evaluating that data to determine natural versus man-induced impacts on the quality of the water resource; 3) developing strategies to prevent and/or improve man-induced impacts on the quality of the water resource; and 4) informing and educating the public about the water resource and how each person can impact that resource, positively or negatively.</p> <p><u>Consequences:</u> Responsibility for assessments would shift to the federal government, which currently lacks adequate manpower and resources to do the work DEQ is doing. This would result in fewer assessments of rivers, streams, lakes and coastal waters, and reduce likelihood of detecting and correcting water quality problems such as contamination with sewage and toxic chemicals. This in turn would lead to greater incidence of water-borne illnesses, and more state waters being unsuitable for irrigation, industrial uses, fishing and swimming. Populations of fish and shellfish could be reduced. The EPA would establish Total Maximum Daily Loads and waste load allocations based on conservative assumptions rather than actual water quality data, which would result in more restrictive permit conditions requiring installation of new, expensive treatment systems by municipalities and private sewage treatment providers. Some water bodies would be closed to any discharges, requiring municipalities and other dischargers to either pay for trucking or piping of wastewater to other discharge points, or cease operation.</p>
<p>Air Quality Assessment Division/Activity STATE: LAC 33:III.919 and 5107 La. R.S. 30:2054(A)(1) and 2060 La. R.S. 30:2054 LAC 33:III.Chapter 7 La. R.S. 30:2060 La. R.S. 30:2012 La. R.S. 30:2054 La. R.S. 30:2001 et seq. La. R.S. 30:2019 La. R.S. 30:2054(B)(8) La. R.S. 32:1301-1314</p> <p>CAA Sections 172(c)(3), 182(a)(1) and 182(a)(3) CAA Section 106(a)(2)(B)</p> <p>40 CFR Parts 51, 60, 61, 63 Section 110 of the CAA 40 CFR 51 Subpart S</p>	<p><u>Justification:</u> The activities of the Air Quality Assessment Division support the state’s goal of natural resource preservation in a number of ways. Our comprehensive air monitoring network provides quality validated data that assists the public and environmental professionals in making informed decisions. Emissions quantification and testing for large industrial facilities as well as personal vehicles helps ensure that our air quality resources are being protected for future generations.</p> <p><u>Consequences:</u> Failure to perform air monitoring required by Section 110 of the federal Clean Air Act would result in disapproval by EPA of the state’s implementation plan and the issuance of a federal implementation plan, as well as federal sanctions, such as an increase in “offset ratios” to 2:1 (making economic development more difficult) and loss of federal highway funds. Implementation of the program by EPA, through Washington D.C. or Region 6 in Dallas, would be more onerous to Louisiana citizens and businesses, due to greater travel expenses and/or less face-to-face communication.</p>

<p>Environmental Technology Division/Activity STATE: La. R.S. 30:2171 et seq.; La. R.S. 30: 2221 et seq. and in particular La. R.S. 20: 2226(H)(1); La. R.S. 30:2271 et seq.; La. R.S. 30:2001 et seq. and in particular R.S. 30:2154; La. R.S. 30:2011 (D)(25); La. R.S. 30:2205(D) and La. R.S. 30: 2206; La. R.S. 30:2225; La. R.S. 30:2280; La. R.S. 30:2205 and La. R.S. 30: 2276; La. R.S. 30:2226 (H)(2); La. R.S. 30:2551 and La. R.S. 30:2552; La. R.S. 30:2285; La. R.S. 30:2272.1; La. R.S. 30:2076.</p>	<p><u>Justification:</u> The Environmental Technology Division activity advances the Governor’s goal of Natural Resource Preservation through the management of assessment and cleanup activities on contaminated or potentially contaminated sites. These sites include hazardous waste sites, large chemical plants and refineries, ground water sites and Brownfield sites. Brownfields are under-utilized sites that are either contaminated or perceived to be contaminated. The environmental evaluation and/or remediation of these properties to human health risk based standards allow contaminated properties to be returned to active commerce while achieving the goal of Natural Resource Preservation.</p> <p><u>Consequences:</u> Responsibility for site assessments and inspections would shift to the federal government, which currently lacks adequate manpower and resources to do the work DEQ is doing. This would result in fewer site assessments and inspections, and therefore reduced likelihood of discovering soil and groundwater contaminated with hazardous substances. This, in turn, would expose more humans and animals to risk of illness due to exposure to hazardous substances in soil, groundwater, surface water, indoor air, and seafood. Sites currently known to be contaminated will remain so longer, due to slowdown in government oversight and approval of site assessments and cleanups by private parties or government contractors. Overall, more property would be rendered unsafe for residential, commercial, or agricultural uses.</p>
<p>Remediation Services Division / Activity STATE: La. R.S. 30:2001, et seq. La. R.S. 30:2011(D)(25) La. R.S. 30:2076 La. R.S. 30:2154 Louisiana Hazardous Waste Control Law, La. R.S. 30:2171, et seq. La. R.S. 30:2205, particularly (D) La. R.S. 30:2206 La. R.S. 30:2221, et seq. La. R.S. 30:2225 La. R.S. 30:2226 (H)(1) and (2) La. R.S. 30:2271, et seq. La. R.S. 30:2272.1 La. R.S. 30:2275 La. R.S. 30:2276 La. R.S. 30:2280 La. R.S. 36:231 La. R.S. 36:238(C)</p> <p>FEDERAL: Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601, et seq.</p>	<p><u>Justification:</u> The Remediation Division advances the state goal of Natural Resource Preservation through the management of assessment and cleanup activities on contaminated or potentially contaminated sites. Superfund and Inactive and Abandoned sites make up part of this universe. Many have been evaluated and/or cleaned up, some continue to be evaluated and/or cleaned up and others remain, yet to be evaluated and/or cleaned up so the properties can be safely utilized by future generations. Other sites are the result of historic or more recent spills or are discovered during due diligence investigations prior to commercial sales transactions where money is being loaned by banks and the banks require property assessments and some form of environmental “clearance” from the DEQ. The Assessments completed by this Division often facilitate these commercial transactions and provide for the appropriate reuse of the property in question.</p> <p><u>Consequences:</u> Responsibility for site assessments and inspections would shift to federal government, which currently lacks adequate manpower and resources to do the work DEQ is doing. This would result in fewer site assessments and inspections, and therefore reduced likelihood of discovering soil and groundwater contaminated with hazardous substances. This, in turn, would expose more humans and animals to risk of illness due to exposure to hazardous substances in soil, groundwater, surface water, indoor air, and seafood. Sites currently known to be contaminated will remain so longer, due to slowdown in government oversight and approval of site assessments and cleanups by private parties or government contractors. Overall, more property would be rendered unsafe for residential, commercial, or agricultural uses.</p>

<p>Laboratory Services Division/Activity STATE: La. R.S. 30:2011.C.(1)(b); La. R.S. 30:2011.F.</p>	<p><u>Justification:</u> The Laboratory Services Division advances the state goal of natural resource preservation through the accomplishment of all identified missions, goals, objectives and strategic planning imperatives. Support includes, but is not limited to, providing data of known and defensible quality which is consistent with established and emerging state ethical and usability guidelines. They also ensure that efficient means exist to produce timely, accurate, comprehensive and validated and verified analytical results for the environmental samples received. This activity meets the needs of the Department by continuing to lower quantitation limits, maintaining competency with changing analytical methods, and promoting continual improvement. Technical support and management assistance will be provided by reviewing assigned departmental contracts, assuring the validity of all laboratory analyses and managing third-party validation contracts to ensure tasks are accomplished as required.</p> <p><u>Consequences:</u> DEQ would be required to contract with private labs for sample analysis, possibly resulting in delays due to shipping of samples. This would also delay decisions and actions to address violations and environmental contamination posing unacceptable risks to human health.</p>
<p>Underground Storage Tanks Division/Activity STATE: La R.S. 30:2012; La R.S. 30:2077; La R.S. 30:2194 through 2195.11; and La. R.S. 30:2054.B La. R.S. 26:231 FEDERAL: 42 USC 6991</p>	<p><u>Justification:</u> The Underground Storage Tank Division advances the goal of natural resource preservation through prevention of releases from Underground Storage Tanks by ensuring that those tanks are properly registered, installed, maintained, monitored and closed in accordance with State and Federal laws and regulations. In addition, this activity also ensures that when releases from these tanks do occur, they are properly investigated and remediated to ensure the protection of human health and the environment.</p> <p><u>Consequences:</u> Responsibility for site inspections and incident response would shift to the federal government, which currently lacks adequate manpower and resources to do the work DEQ is doing. This would result in fewer site inspections and incident responses, and therefore reduced likelihood of discovery and cleanup of soil and groundwater contaminated with gasoline, diesel, and other hazardous substances. This, in turn, would expose more humans and animals to risk of illness due to exposure to hazardous substances in soil, groundwater, surface water, and indoor air. Sites currently known to be contaminated will remain so longer, due to slowdown in government oversight and approval of site assessments and cleanups by private parties or government contractors. Overall, more property would be rendered unsafe for residential or commercial uses.</p>
<p>Financial and Administrative Services Division/Activity STATE: La. R.S. 30:2011(D)(10); La. R.S. 30:2015(C)(1) La. R.S. 30:2011(D)(10)) La. R.S. 30:2205 La. R.S. 30:2195.2 La. R.S. 30:2011(D)(4) and (25) La. R.S. 30:2015 La. R.S. 30:2418(G)). La. R.S. 30:20608(K) La. R.S. 30:2011(D)(19) La. R.S. 30:2011(D)(23) La. R.S. 30:2078</p>	<p><u>Justification:</u> The Financial and Administrative Services Division provides effective and efficient support and resources to all of the DEQ offices and external customers necessary to carry out the mission of the department. The department's mission is to provide service to the people of Louisiana through comprehensive environmental protection in order to promote and protect health, safety and welfare while considering sound policies regarding employment and economic development.</p> <p><u>Consequences:</u> Handles all financial and contract transactions for the agency. In its absence or if reduced in size, there would be no one/fewer staff to receive, process, and deposit payments to the agency from user fees (30:2011(D)(10); 30:2015(C)(1)) the main source of operating revenue for the agency, and other sources, including EPA grants (30:2011(D)(10)) to the state, totaling \$37.2 million for FY 08 and estimated to total \$35.6 million for FY09, and other grants. There will be no one/fewer staff to process payments by the</p>

<p>FEDERAL: 40 CFR 6991</p>	<p>agency from the Hazardous Waste Site Clean up Fund (30:2205) to clean up spills around the state. Failure to speedily clean up spills of hazardous materials will negatively impact the safety and health of the public, driving up health care costs.</p> <p>If no/fewer staff are available through budget cuts, the Motor Fuels Underground Storage Tank Trust Fund (30:2195.2; 40 CFR 280.93) may not be managed or could have to be managed or could have to compete for staff management resources, thus leading to possibly longer processing times for payments to remediate and clean up underground storage tank leaks around the state, negatively impacting the safety and health of the public, and driving up health care costs. The MFUSTTF is a fund that acts to fulfill a federal requirement contained in 40 CFR 280.93, which requires that every gas station in Louisiana maintain financial assurance to clean up any release of gasoline that may occur. The MFUSTTF acts as the financial assurance for those gas station owners. Contracts (30:2011(D)(4) and (25)) may not be issued, may take longer to issue, and may not be issued properly in accordance with legal requirements if staff is overworked.</p> <p>There would be no/fewer staff to manage the Environmental Trust Fund (30:2015), thus negatively impacting the agency's ability to get any work done, either by contract staff or its remaining employees.</p> <p>Waste tires may go unmanaged or their management may be negatively impacted with no/fewer staff to manage the collection of waste tire fees, audits for compliance, and payments to processors (30:2418(G)). Programs designed to protect the environment may be negatively impacted by the failure to assess and collect fees (e.g., 30:20608(K)).</p> <p>The issuance, sale, execution, and delivery of bonds, notes, or other evidences of indebtedness of the department, obligations representing guarantees by the department of the debt of other entities, and the granting of pledges of the sums deposited in, credited to, or payable to the Municipal Facilities Revolving Loan Fund will also be impacted (30:2011(D)(23); 30:2078), along with the management of the Fund itself, preventing or reducing the ability of municipalities, other political subdivisions, public trusts, and intermunicipal or interstate agencies to get low cost loans to capitalize wastewater treatment and other public projects.</p>
<p>Human Resources Division/Activity STATE: La. R.S. 36:234(A)&(B) La. R.S. 36:236(A),(B),& (C) La. R.S. 30:2011(F)</p>	<p><u>Justification:</u> The Human Resources Division provides effective and efficient support and resources to all of the DEQ offices and external customers necessary to carry out the mission of the department. The department's mission is to provide service to the people of Louisiana through comprehensive environmental protection in order to promote and protect health, safety and welfare while considering sound policies regarding employment and economic development.</p> <p><u>Consequences:</u> Handles all personnel transactions for the agency (36:234(A) and (B); 36:236(A), (B), and (C); 30:2011(F)). In its absence or if reduced in size, there would be no/fewer staff to recruit, hire, manage, pay, and provide for the human resources employed by the agency. This could negatively impact the quality and number of employees recruited, hired, and/or retained and the morale of employees, thus negatively impacting the ability of the department to complete its mission efficiently and effectively through its human agents. This, in turn, could negatively affect the safety and health of the public and increase health care costs.</p>

<p>IT Division/Activity STATE: La. R.S. 36:234(5); La. R.S. 36:236(B); La. R.S. 44:32</p>	<p><u>Justification:</u> The Information Technology Division provides effective and efficient support and resources to all of the DEQ offices and external customers necessary to carry out the mission of the department. The department's mission is to provide service to the people of Louisiana through comprehensive environmental protection in order to promote and protect health, safety and welfare while considering sound policies regarding employment and economic development.</p> <p><u>Consequences:</u> Handles the technology, information, and records needs of the agency (36:234(5); 36:236(B)). In its absence or if reduced in size, there would be no/fewer staff to create, distribute, and apply the necessary technology, information, and records needed by the agency to complete core functions. This could negatively impact the ability of the department to complete its mission efficiently and effectively through delay or lack of adequate technology, information, and/or records, which in turn could negatively affect the safety and health of the public and increase health care costs. Creation, maintenance, and provision of public records to the public could be negatively impacted (44:32).</p>
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BREAKDOWN OF FY09 REDUCTIONS BY OFFICE AND ACTIVITY

	7/1/2008 REDUCTIONS	1/1/2009 REDUCTIONS	TOTAL REDUCTIONS
OFFICE OF THE SECRETARY (OSEC)			
EXECUTIVE		1	1
SPECIAL PROJECTS	1		1
CRIMINAL INVESTIGATION DIVISION (CID)	1		1
LEGAL SERVICES		1	1
LEGAL/REGULATION DEVELOPMENT	1	2	3
TOTAL OSEC REDUCTIONS			7
OFFICE OF ENVIRONMENTAL COMPLIANCE (OEC)			
ENFORCEMENT	3	3	6
SURVEILLANCE	7	2	9
EMERGENCY RESPONSE	1	1	2
TOTAL OEC REDUCTIONS			17
OFFICE OF ENVIRONMENTAL SERVICES (OES)			
AIR PERMITS	1	1	2
PERMIT SUPPORT SERVICES	3	1	4
WATER PERMITS	2	1	3
WASTE PERMITS	2	1	3
TOTAL OES REDUCTIONS			12
OFFICE OF ENVIRONMENTAL ASSESSMENT (OEA)			
AIR QUALITY ASSESSMENT	5		5
WATER QUALITY ASSESSMENT	2		2
REMEDIATION/TOXICOLOGY	3	1	4
LABORATORY SERVICES	1	3	4
TOTAL OEA REDUCTIONS			15
OFFICE OF MANAGEMENT & FINANCE (OMF)			
FINANCIAL/ADMIN SERVICES	5		5
INFORMATION SERVICES	1	2	3
TOTAL OMF			8
TOTAL DEQ REDUCTIONS			59

Introduction

The Department of Health and Hospitals' (DHH) mission is "to protect and promote health and to ensure access to medical, preventive, and rehabilitative services for all citizens of the State of Louisiana." Since January 2008, DHH has proposed, or is in the process of implementing, numerous efficiencies and streamlining efforts such as significant reforms to the Medicaid program, of the New Orleans Adolescent Hospital with Southeast Louisiana Hospital while enhancing and expanding community-based services, the proposed closure of inpatient services at one public hospital, and other significant improvements implemented or under way (*Appendix A*). The leadership of DHH is committed to enhancing regulatory and monitoring functions to mitigate fraud and abuse; creating coordinated systems of health and long-term care; providing choice in a competitive market; and employing health data information and policy analysis to improve health care outcomes, manage growth in future health care costs and create a more sustainable model of state financing for health care that is quality-driven. DHH is the largest agency of state government, with five statutorily created program offices and the Medicaid program under its direction. DHH has a State Fiscal Year (SFY) 2010 budget of nearly \$8 billion and more than 10,000 employees (*Appendix B, C, D and E*). This year's budget calls for the lowest number of T.O. positions in ten years.

Internal Analysis

The Streamlining Commission has asked state departments to conduct an internal analysis and generate ideas that could result in more effective and efficient services for our citizens by reducing over reliance on state government with an end result of decreased size. While consideration of these ideas is worthwhile and appropriate for both the Commission and the Legislature, DHH puts forth these concepts based first upon the premise that we believe each tax dollar must work "harder" for Louisianians—fulfilling the promise of improving the efficiency of government while also improving the value of the services within our responsibility. Thematically, these ideas for consideration are centered on the concept of literally redefining the role of DHH.

To accomplish this, the state may consider moving DHH away from its historical role as a provider of healthcare services. Services are also provided through not-for-profit and other private organizations that may provide the same services at an even lower cost than state-provided services that are of the same if not better quality. Instead, DHH should redirect its resources toward the more critical role of ensuring robust systems of care exist in their various

The contents of this analysis represent the "deliberative process privilege." The ideas contained herein are not final and are for the purpose of promoting candid and creative discussions.

forms throughout the state, monitoring and regulating those providers offering services, and developing long-term policy strategies and metrics for each service area within the purview of DHH to ensure best practices and outcomes.

In many cases, as publicly-operated institutions, state-run entities do not exercise best practices. Uniform metrics for staffing efficiency in various institutions often does not exist. IT systems do not support appropriate Human Resources management, as was recently highlighted by the overtime issue at DHH. And importantly, without looking to the private sector in a competitive fashion, it is virtually impossible to answer the question “Are we using best practices in management, productivity and outcomes?” This is particularly true in light of evidence from other states, where truly competitive approaches taken to services that were previously publicly-operated have shown improved outcomes. With all of this in mind, DHH conducted an internal analysis to determine where there may be additional opportunities for streamlining.

Ideas for Consideration by the Streamlining Subcommittees

DHH respectfully submits the following ideas for consideration and further evaluation by the five established Streamlining Subcommittees:

Streamlining Subcommittee on Efficiency and Benchmarking

1. Evaluate the structure of the Public Hospital System. Due to the uncertainty and timing of the current debate in Washington to reform health care, it is difficult to ascertain exactly how it will impact the financial security of our public hospital and Medicaid system in Louisiana. Current drafts of federal reform suggest that Medicaid may be expanded to an eligibility level of more than 100 percent of the Federal Poverty Level. Based on past expansions, it should be expected that in some areas of the state some portion of patients may opt to use private hospitals, thus reducing the demand for public hospitals. If insurance is mandated, or if subsidies are provided to people up to 400 percent of the Federal Poverty Level – as some drafts suggest – this would further reduce the number of uninsured and demand for public hospital resources.

The state does know that it is facing significant budgetary challenges for the public hospital system based upon expected significant reductions in the Disproportionate Share Hospital (DSH) Program. DHH estimates the state will see a reduction in DSH payments that may approach 15 percent of our current program (\$140 million) beginning in July 2010 through implementation of the “DSH audit rule.” This will have a tangible impact on the funding of the public hospitals.

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Furthermore, state and national efforts to emphasize primary care and to reduce inpatient utilization will reduce the need inpatient beds while increasing the need for outpatient diagnostics and physician clinics.

Given the demonstrated trends in DSH financing and increasing use of outpatient care, as well as the uncertainty in federal health care reform, the state should evaluate the alternatives for delivering inpatient care to the uninsured. Already, two community-specific models are emerging – an independently governed not-for-profit model for the new Academic Medical Center in New Orleans, and a public-private partnership in Baton Rouge to replace the inpatient capacity of Earl K. Long.

Statutory References: La. R.S. 17:1519 *et seq.*

Desired Outcome: To structure a public hospital system sufficient to support medical education and provide access to care where no alternatives exist.

2. Conduct an inventory of state-owned property in control of DHH and surplus or sell what is not used or needed. Property that is not currently being used could be used more efficiently by other agencies or sold to support local economic development efforts. For example, Hot Wells and the land adjacent to Central Louisiana Hospital could be surplus and sold, and the proposed sale of Metropolitan Developmental Center to Plaquemine parish could be finalized. (*Office of Management and Finance*)

Statutory References: La. R.S. 36:254.2; La. R.S. 28:21 *et seq.*; Act 177 of 2007.

Desired Outcome: By reducing the amount of land and buildings DHH is required to maintain, those resources could be reallocated to support other activities within the scope of the department's responsibilities.

Current Budget: \$600,000-\$800,000 for maintenance of property.

3. Relocate and consolidate Office of Public Health programs from New Orleans to Baton Rouge. The administration and operation of several key statewide public health programs and services are still located in New Orleans. To better administer statewide population health initiatives, many of the activities could be moved to the Baton Rouge headquarters location. This would provide an opportunity for more direct oversight and effective management of such programs, in addition to maximization of clerical, technological and other administrative

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resources. In order to promote comprehensive integration of services, programs providing direct care services could partner with local and community entities. (*Office of Public Health*)

Statutory References: La. R.S. 40:33; La. R.S. 40:36

Desired Outcome: To improve administrative efficiencies and services provided by the Office of Public Health.

T.O. Positions Currently in New Orleans: 256

4. Transfer the OPH Child Lead Poisoning Prevention Program to the Department of Social Services (DSS). Other states, such as California and Connecticut, administer childhood lead poisoning prevention programs through their Department of Social Services. DSS is re-establishing their focus on children and families and the target population of this program is children. DSS administration would allow for more direct access to the children and families that could benefit from the information produced by this program. (*Office of Public Health*)

Statutory References: RS 40:1299.21

Desired Outcome: Increasing access to the information needed to reduce child lead poisoning by having the program administered by the state agency focusing on the social well being of children. This program is geared towards prevention and information that can be accomplished through social behavior improvement if the target population is reached successfully.

Current Budget: \$444,462

Persons Served: All children under 6

T.O.: Shared T.O. across various programmatic functions

5. Transfer the nutrition for women, infants and children program (WIC) to the Department of Social Services (DSS). WIC is a Special Supplemental Nutrition Program (SSNP) for pregnant, breastfeeding and postpartum women; infants; and children under 5 years old. WIC provides nutritious foods, nutrition information, and referrals to other health and social services. The federal Supplemental Nutritious Assistance Program (SNAP), formerly the food stamp program, administered by DSS and the WIC program are similar. It is likely that there is considerable overlap in the population served. If the program were transferred to DSS, it could ease access for families with older children and facilitate administrative efficiencies. This is especially likely due to the considerable overlap in the population served. (*Office of Public Health*)

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Statutory References: 42 U.S.C. 1786(a); 7 CFR 246.3; La. R.S. 36:258(B); La. R.S. 46:450.3

Desired Outcome: Improve the nutrition of families by streamlining administrative functions resulting in improved health status preventing obesity and other conditions related to poor nutrition in children.

Current Budget: \$131,326,874

People Served: 151,195

T.O.: Shared

6. Transfer all water programs administered by DHH and not directly related to health issues, including the Beach Monitoring Program, to the Department of Environmental Quality (DEQ) and consolidate them within existing DEQ Division of Water Quality functions. Water quality in Louisiana is managed by DEQ under the two broad areas of surface water and groundwater. Surface water management seeks to protect the quality of all waters of the state, including rivers, streams, bayous, lakes, reservoirs, wetlands, estuaries and many other types of surface water. Groundwater management seeks to protect the quality of all waters found in underground aquifers as well as the surface water sources of that groundwater. Many water quality issues are primarily of an environmental concern that may have adverse health impacts, if not monitored. Programs such as the beach monitoring program, revolving loan program and on-site waste water program could be administered in partnership with the programs already administered by DEQ division of water quality. Any required testing could be privatized or outsourced as DEQ has done with other lab testing responsibilities. (*Office of Public Health*)

Statutory References: LAC Title 51; La. RS 40:4, 5 & 6; 40 CFR 141-143; LAC 51: Part 1 and Part XII; La. R.S. 40:4 and 5; La. R.S. 40:2821 *et seq.* and La. R.S. 36:254.1; US 40 CFR 35

Desired Outcome: To reduce duplication of expertise and resources by transferring and consolidating water quality assessment programs from DHH to the DEQ Division Water Quality.

Current Budget: \$385,270

People Served: Statewide

T.O.: Shared

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7. Transfer the OPH Infectious Waste Permit Program administered by DHH to the Department of Environmental Quality (DEQ) Waste Permits Division. The Waste Permits Division within the Office of Environmental Services includes several sections that serve various functions within DEQ. The Solid and Hazardous Waste Permits section authorizes permits administered under the Solid Waste and Hazardous Waste Regulations. In addition, this section handles the registration, certification and closure of Underground Storage Tanks. The Waste Permits Division also includes certain engineering and geological sections that provide support to Solid and Hazardous Waste Permits. DHH permits all medical waste transporters and storage facilities statewide through an annual permit fee and inspection process. (*Office of Public Health*)

Statutory References: LAC Title 51 Part XXVII; La. R.S. 40:4(A)(2)(b); La. R.S. 40:5

Desired Outcome: To reduce duplication of expertise and resources by transferring and consolidating infectious waste permitting from DHH to the DEQ waste permits division.

Current Budget: \$12,000

Population Served: Statewide

T.O.: Shared

8. Transfer the OPH Molluscan Shellfish program (includes Oysters) to the Department of Wildlife and Fisheries. The OPH Molluscan Shellfish program provides a statistical information system for compliance determination and a geographical information system for producing classification maps. The program collects water samples to determine pollutants that could affect oyster harvesting and tracks illnesses related to oyster consumption. Wildlife and Fisheries tracks water temperatures, licenses all commercial fishing vessels and enforces regulations in relation to commercial fishing that could mitigate consumption of oysters carrying *vibrio parahaemolyticus*, a bacteria that can have serious health implications. The operations of this program are more consistent with the core mission of the Department of Wildlife and Fisheries than with those of DHH. (*Office of Public Health*)

Statutory References: LAC Title 51, Part IX; La. R.S. 40:5.3; La. R.S. 40:4 (A)(1)(a)&(b); La. R.S. Title 3; La. R.S. Title 56

Desired Outcome: To protect the health of citizens who consume oysters, the integrity of the oyster harvesting industry and the economic benefits of exporting Louisiana oysters while achieving administrative efficiencies.

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Current Budget: \$1,890,950
Population Served: Statewide
T.O.: Shared

9. Transfer the OPH Milk and Dairy Control Program to Department of Agriculture Dairy Division. The DHH-OPH Milk laboratories are required to maintain FDA certification to serve as a milk laboratory and all testing is designed to detect contaminants that would adversely affect human health. The Milk and Dairy Program is the regulatory and enforcement agency for all milk and dairy products produced and processed in Louisiana as well as any milk and dairy products imported into the state. The goal of the testing performed is to detect contaminated or adulterated milk and dairy products. The Louisiana Department of Agriculture, Dairy Division, regulates the Louisiana dairy industry and assures consumers a continued supply of high quality dairy products at fair and reasonable prices. The Milk Testing Program addresses the raw production and handling of milk from the farm to the processing plant. The OPH Milk and Dairy Control Program's core mission may be more directly suited to the Department of Agriculture.

Statutory References: LAC Title 51; Sanitary Code, Parts VII and VIII; Food and Drug Administration (FDA) Grade "A" Pasteurized Milk Ordinance (PMO) 2007 Revision; La. R.S. Title 3; La. R.S. 40:4 (A)(1)(a); LA. R.S. 40:5(15)

Desired Outcome: To protect the public's health, while achieving efficiencies that reduce duplicative functions across state departments.

Current Budget: \$1,975,000
Population Served: Statewide
T.O.: Shared

Streamlining Subcommittee on Outsourcing and Privatization

1. Establish a framework for the full "continuum of care" for individuals with developmental disabilities. The suggestion for a continuum of care for citizens with disabilities is similar to the suggestion for a continuum of care for the elderly population. Creating an organized, integrated system of care with care management and ongoing assessment of needs will improve outcomes and help contain cost growth. Some states have begun to use this model in various forms in order to bring organization to what has become a fragmented, unmanageable system with runaway costs. The financing system should emphasize self-determination and independence. Every person with developmental disabilities would be assessed using a needs based assessment and services would be allocated based on that assessment. This would mean that use of various

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waivers, community homes, and large facilities would be allocated by OCDD in accordance with the needs of the person. (*Office for Citizens with Developmental Disabilities*)

Statutory References: La. R.S. 28:451.1 *et seq*; La. R.S. 28:821-826; LAC Title 50, Part XXI Home and Community-Based Services Waiver Program, Subpart 1 General Provisions; LAC 50:XXI. Chapters 137-143 New Opportunities Waiver; LAC 50: XXI Chapters 111-121 Children’s Choice; LAC 50:XXI Chapters 53-61 Supports Waiver; LAC 50:XXI Chapters 161-169 Residential Options Waiver.

Desired Outcome: To use available resources cost-effectively, while keeping with national best practices to individually allocate services according to need. Another beneficial outcome should be the ability to serve more people within the current allocation of resources.

2. Establish a framework for the full “continuum of care” for individuals who are aging or have adult on-set disabilities. The commission could consider taking steps similar to proven models in other states, like Texas and Arizona, where long-term care services are integrated and coordinated. DHH could encourage pilot programs in selected areas of the state in order to demonstrate the success of this initiative before expanding statewide. Other proven systems have shown cost-effectiveness, while providing a full spectrum of services based on individualized needs-based assessments. Ultimately, a coordinated, accountable system could help bring the costs of the long term care services under control, while ensuring people choice and promoting care in the most appropriate setting. In the pilot areas, a competitive procurement could be utilized to identify the integrated networks, and consumers could choose the network they wish to use.

The state Medicaid program bears the cost of long-term care services. Importantly, by the year 2025, it is estimated the population of Americans over the age of 55 will nearly double. Even more immediate is recent growth in long-term care costs. The Long-Term Personal Care program has grown in just five years from \$33 million to more than \$240 million, while costs for the Elderly & Disabled and Adult waiver have risen in less than seven years from under \$10 million to more than \$63 million. Expenditures for nursing facility care have risen in five years from \$604 million to \$716 million, while utilization has decreased by nine percent. Integrated long-term care services will be a crucial component to containing the cost growth while ensuring these needed services are available. (*Office for Aging and Adult Services*)

Statutory References: None.

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Desired Outcome: Reform in these areas could mean more choice for consumers, better quality of care, more predictable spending growth, and more efficient management of resources.

Current Budget: Approximately, \$1,080,000,000 (state and federal funds, includes approximately \$300,000,000 in community based services and the balance in nursing homes)

Persons Served: 32,670

T.O.: 80 positions plus additional positions within Medicaid

3. Continue efforts that began several years ago to consolidate state-operated residential and vocational services for individuals with developmental disabilities. Also, consider establishing a public process for determining if private entities can operate the facilities currently operated by the state at a lower cost with similar or improved outcomes. ARCs and other privately-operated services have proven to be cost effective and have shown improved outcomes for clients and their families. The average annual cost for a person to receive services in a publicly operated facility is \$170,000 while a privately operated facility receives an average of \$70,000 to serve clients with similar needs. The state could consider evaluating, through a competitive process, outsourcing of the operation of the remaining state-operated developmental disabilities institutions (*Appendix F*) if the results of the evaluation demonstrate a more cost-effective approach is attainable.

The Commission may also consider the question of whether the state has the proper number of publicly-operated institutions based on the assessed needs of the individuals served. The cost of services at the state-operated campuses is significantly higher than the cost of community-based services or alternative facilities--in 2003, the population at state-operated facilities was 1,615 people with a budget of \$186 million. For FY 09/10, the census was 1,318 with a budget of \$243 million. It is estimated that 20 percent of the people in state-operated facilities could have their needs met in the community at considerable cost savings. The state has continued to make significant investments in services for people with developmental disabilities and still has significant waiting lists for home- and community-based services. With limited resources anticipated in the next several years, it is not unreasonable to consider whether opportunities exist to optimize the existing dollars in the program. (*Office for Citizens with Developmental Disabilities*)

Statutory References: La. R.S. 28:451.1 *et seq* (provides for developmental centers being continued as administrative units of the office- this would need to be revised);

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La. R.S. 28:821-826 also provides for the principles of providing services in the community.

Desired Outcome: These changes would facilitate cost-effective use of available resources. Taking these actions would be in keeping with national best practices to reduce reliance on institutions and serve people in their communities. Any action taken should provide allocation of services for people with developmental disabilities according to need, while gaining the ability to serve more people within current allocation of resources. Finally, a significant reduction in salaries could result from state jobs moving to the private sector.

Current Budget: \$241,221,452

Persons Served: 1,374

T.O.: 3,734

4. Implement a competitive bid process to redirect services from public health units to local providers (such as FQHCs, RHCs, or other organizations capable of direct service delivery).

In many instances, Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs) and other community clinics provide services that are often duplicative of services and programs provided by the state Office of Public Health (OPH). Some of these organizations receive cost-based reimbursement through Medicaid, and they provide a broad spectrum of services, such as comprehensive acute and chronic care, preventive health services, family planning, and immunizations among other services. Other testing or services traditionally offered in public health units, such as nutrition counseling, lead screening and STD testing, could be included in the service contract with the health care provider. While this could result in a reduction of as many as 500 state employees, we believe the demand for these employees would be absorbed by the private sector as most of our parishes are designated as health care shortage areas. (*Office of Public Health*)

Statutory References: La. R.S. 40:12 *et seq.*

Desired Outcome: Increased access to comprehensive coordinated care that is patient-centric, while reducing the cost to the state by maximizing the use of existing capacity and local service delivery systems.

Current Budget: \$186,602,208

People Served: 708,494

T.O.: 1,208

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5. Review state-owned and operated residential facilities for individuals who are elderly or have adult onset disabilities for privatization. As DHH continues to move from the role of direct service provider, it would be beneficial to have these facilities assessed to ensure that services are provided in the most cost-effective manner, by the most appropriate provider and in a way that does not impede access.

For example, the John J. Hainkel Home, is the only DHH-owned and operated nursing facility in the State, providing services similar to the nearly 300 private nursing facilities in the state, at a rate exceeding what is paid the private facilities. Private not-for-profit entities, with excellent track records in Louisiana, have expressed interest in operating this facility. *Office for Aging and Adult Services (OAAS)*

Statutory References: La. R.S. 40:2142 (D); La. R.S. 36:259(C)(23); La. R.S. 46:333(D); La. R.S. 40:20002.41; La. R.S. 28: 22.7, La. R.S. 36: 258 (F)

Desired Outcome: To transfer services to the private sector and improve the availability of quality, specialized direct patient care services in the most effective and efficient manner.

Current Budget (John J. Hainkel Home only): \$7,925,0960 (patient mix is Medicaid/Medicare/VA/private pay)

Persons Served: 110

T.O.: 138

6. Establish a competitive procurement process for operation of inpatient mental health institutions and/or certain services provided at the institutions. Include in the request for proposal solicitations a requirement for constructing new facilities without issuing state debt. All of the state's inpatient mental health institutions are aging, and in need of significant capitalization. Already, the state is planning to build a new facility to replace Central Louisiana State Hospital. The state could issue an RFP to analyze and evaluate the cost-benefit of private operation of all the state institutions, while also including a provision that permits the private entity to construct the new facilities. This model has been used successfully in other states, with the state saving tens of millions of dollars in costs. In some cases, such as in privatization of forensic facilities, it was determined that the administration of inpatient mental health services could be done in a cost-effective manner, turnover improved, and the comparative metrics of performance were favorable. Clearly, the model would have to be designed based on what works for Louisiana, but DHH does not think it unreasonable to make the comparison to see if it can be done better and less expensively. A "roadmap" including a strategic plan and timeline for the

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financing and operation of inpatient facilities at the lowest possible cost for achieving optimal levels of care could be developed. (*Office of Mental Health*)

Statutory References: Revised Statutes Title 28

Desired Outcome: Through privatization, to reduce civil service positions and yield potential savings. These changes could lead to the creation of a patient-friendly facility meeting the current building and facility standards.

Current Budget: \$177,886,822

People Served: 1,311

T.O.: 2,252

7. Privatize secure residential services for persons found “Not Guilty by Reason of Insanity” and the “Lockhart” population. DHH could privatize secure residential services to replace the existing state-operated forensic services provided by the State for these two populations. Those deemed Lockharts are found unlikely to ever be restorable through the competency evaluation/restoration process. Both populations are placed in DHH custody and put a strain on mental health inpatient and residential resources. (*Office of Mental Health*)

Statutory References: La. R.S. 28:21 (A); La. R.S. 21:28(E)(2)(ii); La. R.S.28:25; La. R.S. 25.1; La. R.S. 28:31; C.Cr.P Articles 648 and 658

Desired Outcome: By privatizing residential services, those individuals found not guilty by reason of insanity will be housed or treated in a more appropriate and cost effective setting, and discharge would be based on clinical outcomes instead of judicial criteria. If Act 648-B is enforced, individuals would either be civilly committed or discharged back to the community within the timeframe described in the law.

Current Budget: \$73,485,895

People Served: 737

T.O.: 918

8. Coordinate Office of Mental Health child/adolescent services with the Office for Juvenile Justice. The child/adolescent population that is served by the Office of Mental Health (OMH) overlaps with the population served under the Office for Juvenile Justice (OJJ) and the Department of Social Services (DSS). OMH, DSS and OJJ could coordinate the provision of psychiatric/psychological and associated behavioral health services provided by the public,

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private and not-for-profit sector, to assure a system that is potentially more cost effective and offers a higher quality of service. (*Office of Mental Health*)

Statutory References: None

Desired Outcome: A more coordinated effort to provide services to children and adolescents who have behavioral health conditions that interface with various state departments.

Current Budget: \$34,875,439

Total Served: 3,487

T.O.: 572

9. Restructure outpatient addictive disorders, developmental disability, and mental health services provided by the state based upon the expansion of the Human Services

Districts/Authorities (local health care governing models). Human Services

Districts/Authorities have the benefit of designing a system that best fits the needs of their community. They have the ability to maximize their potential and funds through community-based integration of addictive disorders, developmental disabilities, and mental health services. The District/Authority also has the benefit of serving as a single point of entry for services; thus, increasing the ease of seeking and receiving services. Currently, there are 5 districts/authorities. To expand the development of these local health care governing entities in other areas of the state (Regions 4, 5, 6, 7, and 8), the need may exist to redefine the geographic description of the existing Regions and allow for flexibility in designation of parishes serviced by a Local Governing Entity (LGE).

Statutory References: Act 90 of the 2005 Regular Session of the Louisiana Legislature and amended by Acts 350, 449, and 631 of the 2006 Regular Session of the Louisiana Legislature, Act 337 and other acts now contained in Title 28; Chapter 20 of Title 28 La. R.S. 28:901 through 906; Chapter 21 of Title 28 La. R.S. 28:911 through 920 etc.

Desired Outcome: Rather than the state serving as a direct service provider, such a restructuring would allow for locally-driven services to be provided throughout the state, as well as the provision of local funding to increase identified and needed services within the community.

Current Budget: \$64,726,975

People Served: 17,188

T.O.: 416

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Streamlining Subcommittee on Information Technology Integration

1. Create a centralized database for determining eligibility for all state department programs.

A centralized database for determining eligibility for all state department programs could have core questions shared by the Department of Education for school lunch programs; Department of Health and Hospitals WIC eligibility and Medicaid eligibility and determinations; Department of Labor for employment services; Department of Social Services for social services and case management; and any other state agency providing services to address the needs of the community (especially low-income residents). (*Office of Management and Finance*)

Statutory References: Various depending on state programs included.

Desired Outcome: The creation of such a database would utilize technology to streamline data collection, access and reference for several state programs in order to more efficiently serve the community and consolidate information referenced by various state agencies.

Streamlining Subcommittee on Elimination of Duplicative and Nonessential Services

1. Consolidate the operations of the Governor's Office of Elderly Affairs with the Office of Aging and Adult Services in DHH. These two agencies serve the same populations, and work independently to achieve a very similar goal. In many states, including Texas and Arkansas, the functions these agencies serve for the elderly are consolidated. The Center for Medicare & Medicaid Services "Model State Profile for Assessing a State Long Term Care System" identifies consolidated state agencies and single access points as key components of an effective long-term care system. Some identical services, notably adult protective services, are provided by both agencies with redundant infrastructure; the only distinction being that one serves persons over age 60 and one those under age 60. In at least 40 states, adult protection is consolidated. Individuals seeking services provided by these agencies do not have a single point of entry, which can be counterproductive to the goal of helping citizens seeking care. Furthermore, services through the Older Americans Act could be coordinated with Medicaid long-term care supports and services to facilitate cost effectiveness and administrative efficiencies. (*Office of Aging and Adult Services*)

Statutory References: OAAS: La. R.S. 36:258 (F); GOEA: La. R.S. 46:931 *et seq.*; APS La. R.S. 15:1501 *et seq.*

Desired Outcome: If this change is adopted, citizens seeking assistance could have a single point of access regardless of funding source. In addition, under one agency, resources could be managed more efficiently.

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Current Budget: OAAS - \$50,580,595 (excluding facilities \$22,461,654); GOEA \$44,356,830.

Persons Served: OAAS Total for FY 09 – approximately 46,000; GOEA FY 08- approximately 80,000.

T.O.: OAAS 569 (141 excluding facilities); GOEA 57.

2. Consolidate the operations of the Governor’s Office on Disability Affairs with the Office of Citizens with Developmental Disabilities in DHH. The functions of each are duplicative and overlapping, but also with the Louisiana Rehabilitation Services currently administered by the Department of Social Services (DSS), and other agencies in state government. The Governor’s Offices on Disability Affairs has many functions that overlap with the Office of Citizens with Developmental Disabilities (OCDD) and Office of Aging and Adult Services (OAAS) (e.g., to collect facts and statistics and make special studies of conditions pertaining to the employment, health, financial status, recreation, social adjustment of the disabled; and to keep abreast of the latest developments concerning disabilities and those with disabilities throughout the nation, and to interpret its findings to the public).

Most of the functions could be managed between the two DHH offices and advocacy functions could be provided through the Developmental Disability Council or through ombudsman programs currently operated by the state. Louisiana Rehabilitation Services functions could also be incorporated into the Department as most of their services are offered to individuals who also receive either OCDD or OAAS services and would provide easier access for consumers, as well as efficiencies in service delivery. (*Office for Citizens with Developmental Disabilities*)

Statutory References: La. R.S. 258 D (office functions); La. R.S. 28:451.1 (DD Law); GODA – La. R.S. 46:2581-2582; Louisiana Rehabilitation Services – La. R.S. 46:2102

Desired Outcome: As a result of consolidating these programs, the state could expect reduced costs for accomplishing similar goals, as well as easier, less-confusing access for people receiving services. As with any consolidation of programs, a reduction of state employees can be expected with associated savings.

3. Eliminate financing programs from the Department of Health and Hospitals. By abolishing the Health Education Authority of Louisiana (HEAL), the Department of Health and Hospitals could streamline its activities to those more directly related to its core mission. The Health Education Authority could transfer its responsibilities to the Treasurer’s Office or the State Bond Commission, and transfer long-term financing related to the acquisition of Hotel Dieu (now University Hospital) from DHH to LSU. The Drinking Water Revolving Loan Fund (DWRLF) is

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another example of a financing program administered by DHH. Both HEAL and the DWRLF, as well as any other similar programs could be more appropriately administered by an entity other than DHH. (*Office of Management and Finance*)

Statutory References: La. R.S. 17:3052 *et seq.*; La. R.S. 36:259; La. R.S. 36:804; La. R.S. 17:3051; La. R.S. 40:2821, *et seq.*

Desired Outcome: This action would relieve DHH of responsibilities related to financing health care projects, allowing the department to reallocate resources to activities more in line with its core mission.

Current Budget: HEAL \$226,625; DWRLF \$61,311,000 (including funds from the American Recovery and Reinvestment Act)

T.O.: HEAL: 2; DWRLF: 11

4. Transfer Engineering and Architectural Services in the DHH Office of Management and Finance to Facility Planning in Division of Administration. DHH has had an Engineering and Architectural Services Division since the mid-1970s due to the large number of institutions under its direct control (primarily hospitals). With the transfer of the Charity Hospital system in the early 1990s, there has been a decreased need for these services to be provided within the department. Indeed, the size of that division has shrunk considerably since its creation. The only other department that has its own Engineering Division is the Department of Transportation and Development, whose function is primarily to oversee highway construction, not to oversee building maintenance. This function is already being performed for other departments by Facility Planning and Construction in the Division of Administration, and a transfer of the Engineering and Architectural Services program could be more consistent with the mission of each agency. In addition, considerations should be given to improving efficiencies of the Office of Public Health engineers during the permitting process. At this time, OPH engineers are required to review plans submitted by architect and developers that have been approved by an engineer before granting a permit. (*Office of Management and Finance*)

Statutory References: La. R.S. 36:256; La. R.S. 40:4(A)(6)

Desired Outcome: This action would relieve DHH of its responsibility to oversee building construction and maintenance and allow resources to be reallocated to other activities.

Current Budget: \$600,000

T.O.: 6

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Streamlining Subcommittee on Civil and Employee Benefits

1. Revise Civil Service rules and pay structure to reflect efficient management structures, changing roles and downsizing in state government. The Civil Service classification and pay system is designed to reward managers based almost exclusively on the number of subordinate positions they supervise, with little regard to the complexities of the tasks managed and the skill sets needed to manage those tasks. For the type of staff employed by DHH, this system is rigidly hierarchical, forcing agencies to build vertical management structures in order to get an allocation high enough to attract someone with the skill set needed to do the job. Revising this structure could result in the ability to attract qualified management employees without creating the incentive to create additional positions. Civil Service could re-examine the allocation criteria used by agencies to allocate positions focusing on eliminating/restructuring the criteria to reduce the main emphasis on supervision including the number of subordinates and position titles required to support an allocation.

Furthermore, Civil Service contract review could be eliminated as the need no longer exists. Implementation of “LA CAREERS” inhibits expediting the filling of vacancies as dwindling departmental staff must now qualify all who apply before a selection can be made from the register. Civil Service could shorten the announcement period to address this. Finally, salary range limitations inhibit recruitment and retention of qualified staff. Reconsidering this could result in the ability to attract and retain more qualified staff. (*Office of Management and Finance*)

Statutory References: Article X Louisiana Constitution and Civil Service Rules

Desired Outcome: More flexibility in human resources management to recruit and retain qualified employees within a more appropriate business management model, rather than arbitrary hierarchical model.

Conclusion

DHH leadership has already exhibited a passion for comprehensively analyzing and improving every aspect of agency management, functions and operations. Under Governor Jindal’s leadership, and through his immediate call for improvement in state government upon taking office in 2007, changes were not only needed, but expected. The progress made in just twenty months is notable by any standards, more so by traditional government standards. DHH now looks forward to working closely with the Streamlining Commission to pursue an even greater scope of efforts to improve the efficiency and effectiveness of state government.

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Current Streamlining Initiatives

1. Fundamental Changes to the Louisiana Medicaid Program. Louisiana's Medicaid program has significant challenges, led most importantly by the chronically poor outcomes produced despite the best efforts of our providers—providers who struggle to provide services in a fragmented system with little coordination of care. Our rates of hospitalization have been shown to be among the highest in the nation, and our quality metrics are poor by most measures. The financial challenges we face over the next several years are profound, and without significant structural changes to our program, the state is not in a position to manage this challenge. To put it in perspective, the state is currently facing a shortfall in Medicaid with an annualized impact of \$1.2 billion beginning in July, 2011. In the year that begins July 2010, the shortfall could be as high as \$700 million, depending upon how much stimulus is drawn during the next year, and depending upon whether we face a shortfall in the current year.

Current Medicaid services are primarily delivered by private providers reimbursed under a fee-for-service method that virtually every national health policy expert covering the entire political spectrum has decried as a failed system that incentivizes waste and overspending. Most recently, the Congressional Budget Office has said the fee-for-service system has contributed to the cost growth in health care nationally. This has been echoed by the Medicare Payment Advisory Commission, the Heritage Foundation, President Obama's health care advisors and even groups like the American Diabetes Association. We agree. Add to the fact that they cost more, fee-for-service programs have been shown in multiple states, from California to New York and throughout the nation, to have poor outcomes relative to systems of coordinated care, where consumers have the choice of choosing their plan. A recent review of 24 different studies by the Lewin Group demonstrates with hard data that managed Medicaid programs have saved states anywhere from 2 to 19 percent of their Medicaid costs for medical services. We believe the heart of any reform should be consumer choice, transparency in results, and incentives for improved management of chronic disease. While the Administration has advanced this concept, some elements must be approved by the federal government. DHH recommends moving forward as rapidly as possible toward a Medicaid system of care that is more organized, less fragmented, and grants consumers, for the first time, the ability to make choices about which healthcare network they wish to receive their services from.

With the discussion of national health care reform, all estimates are that a substantial expansion of eligibility for Medicaid could occur. With Louisiana's current eligibility levels for adults at 12 percent of the Federal Policy Level, and given the expansion proposals by Congress

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to increase eligibility to 133 percent of the Federal Poverty Level, the percentage of Louisiana residents covered by Medicaid could reasonably be estimated to exceed 40 percent. With the potential for substantial expansion of an ailing system, DHH is focused on strategies to move toward a more coordinated delivery system.

In this model, DHH will transform from its current role of simply paying for services to one where its role would be to monitor the various systems of care, set benchmarks for improved performance, provide transparent results for each system of care, and hold the systems of care accountable for results.

A coordinated delivery system is of interest to several provider organizations that agree Louisiana must fundamentally reform its Medicaid program. DHH is in discussion with these groups to develop ways to enhance the existing CommunityCARE program through the potential creation of integrated networks to reduce unnecessary or duplicative care, increase access and improve health outcomes.

2. Medicaid Disease Management Program. DHH, in the midst of a competitive bid process for a disease management program, focused on Medicaid patients with asthma, diabetes, and congestive heart failure. This statewide quality improvement initiative is expected to begin in January 2010, and will better control illnesses, resulting in improved health outcomes and cost containment throughout the system.

3. Medicaid Fiscal Intermediary Services. Medicaid is in the process of modernizing its fiscal intermediary services to operate more efficiently. Louisiana's information system is antiquated, resulting in expensive maintenance costs and limitations in our ability to use technology for efficiencies. A competitive contract bid process is underway for a new fiscal intermediary that will move the Medicaid fiscal intermediary to a relational database and reduce or eliminate redundant contracts for such things as prior authorizations. The ability to consolidate contracts alone could save approximately \$8 million per year, a number that does not reflect the efficiencies gained through the upgrade. The legislature appropriated funding to carry out this action this state fiscal year.

4. Medicaid Funded Mental Health Services. Additionally, Medicaid is in the process of developing a request for proposals for a coordinated approach to managing Medicaid-funded mental health services through the implementation of an Administrative Services Organization (ASO). This is an entity that oversees the operation of a system of care for an entire population with services that are defined and identified to be provided with allocated funding, such as mental and behavioral health services. Some of the main goals of the ASO contract include, but are not limited to: increasing access to quality mental health care, reduce duplicative services,

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decrease over utilization of emergency rooms and psychiatric hospitals, improve outcomes and serve more individuals at current funding levels. The competitive bid process is expected to begin January 2010.

5. Behavioral Pharmacy Management. The legislature allocated funds for the establishment of a behavioral pharmacy management program during the 2009 Regular Session. The Medicaid pharmacy program is in the process of developing strategies to streamline and automate current processes that are labor intensive and inefficient. Special attention will be placed on children as data show that they are prescribed very powerful antipsychotic and other mental health medications at what some consider an alarming rate. While DHH asserts there is medical evidence to support some use of these medications when properly prescribed and administered based on the clinical evidence, there are also studies that have shown the rate of prescribing and dosages may exceed what is in the child's best interest. Successful programs have been implemented that monitor appropriateness of prescribing based on the clinical evidence, and the success of these programs has been based upon collaboration with the child's physician.

6. Radiology Utilization Management. Medicaid is implementing a Radiology Utilization Management program to provide a holistic approach to medical care of the patient through appropriate utilization of Department defined radiology services by Medicaid providers and recipients. The anticipated start date is Feb 1, 2010, with a 60-day implementation phase prior to the launch. The program will consist of the development, implementation and operation of a prior authorization (PA) system for radiology services, as well as the management and monitoring of medical imaging services. This initiative will ensure patient health and safety through reduced exposure to unnecessary radiology and reduce the abuse of radiology services and cost expenditures to the department while maintaining quality of care.

7. Updating InterQual Medicaid Criteria. InterQual criteria identifies the most appropriate level of care during the initial admission, validates the need for continued stay and directs care to a lesser or higher level of care (if needed) and is based on patient specific clinical information. Currently Louisiana Medicaid employs 1995 InterQual clinical criteria along with Medicaid customized clinical criteria when reviewing requests for non-state hospital stay extensions beyond the initial assigned length of stay. This is a limited activity and only occurs when the hospital requests an extension. There is currently no review at the point of admission to determine medical necessity or clinical appropriateness for the inpatient setting for treatment. Subsequent to admission, there is no concurrent review during the hospital stay in place by Louisiana Medicaid to ensure appropriate level of care. The implementation of Phase 1 would utilize the 2008 version of InterQual criteria and would be applied to the length of stay extensions. Phase 2, which is scheduled for 2010, would also use the updated version of InterQual criteria (2008/2009) and this would be applied to initial inpatient admission approval

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process. The implementation of this process will improve efficiencies and effectiveness, improve quality of care, decrease the cost of admissions, decrease the number of inappropriate admissions, facilitate appropriate discharge planning, automate manual process and assist in determining medical appropriateness for healthcare with an overall cost reduction expected. We project that Phase 1 will be operational by December 1, 2009.

8. Medicaid Eligibility Office Consolidations and/or Closure. The Louisiana Department of Health and Hospitals will close Medicaid Offices in three parishes when the leases expire. All Medicaid staff currently at the offices will be placed in local public agencies or use a telecommuting program to process applications. The office closure is expected to have little impact on Medicaid applicants and enrollees in the area, as the overwhelming majority of interaction with the public is by phone, by mail, or through outreach and out-stationing. In addition, Medicaid outreach staff will remain actively involved in parish communities and DHH will continue to support and enhance the services offered through its contracted Medicaid Application Centers throughout the parishes. This is representative of an overall trend within Medicaid offices to find the most efficient ways to operate and serve the public. In addition to looking at the consolidation of office locations within a geographic region, the Medicaid Program also initiated a telecommuting program, known as Work @ Home in June 2008. The program allows Medicaid eligibility workers to utilize technological advancements by the agency in recent years to work from home, providing a fully functional worksite that is not bound to a central location.

9. Creation of the Office of Behavioral Health. The Legislature recently passed legislation (ACT 348 of 2009) authorizing the elimination of the Office of Mental Health and the Office for Addictive Disorders as standalone entities, and combining of administrative functions of both areas of care. The two offices within DHH have separate administrators, policies and budgets and operate independently within DHH. This new authority ends the duplication and allows the operation of create a single office that will continue to aggressively pursue best practices for programs that independently serve persons with mental illness and persons with addictive disorders. It will also increase access to the most complete and appropriate care for the significant number of persons with both mental illness and one or more addictive disorders, referred to as co-occurring disorder, which constitute about 50 percent of each of the current two offices' client populations.

10. Implementation of Resource Allocation. SR180/HR 190 of the 2008 Regular Session requested DHH to develop and implement cost control mechanisms for the Long-Term Personal Care Services program and the New Opportunities Waiver. The resolution noted that while it is in best interest of the state to operate a cost-effective and high-quality, home- and community-based services programs for citizens who are elderly or have developmental disabilities, the high

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cost of the Long-Term Personal Care Services program and the New Opportunities Waiver pose the greatest risk to the financial stability of the state's long-term care services. Without restructuring of these programs, the sustainability of long-term care and home and community-based services is threatened and the ability of the state to meet the growing needs of these citizens is impaired. OCDD and OASS have developed methodology – resource allocation that utilizes a uniform needs based assessment to determine the support needs of individuals that assure resources are allocated fairly. OASS has implemented this process in April 2009 and OCDD received approval from the Centers for Medicaid and Medicare Services on July 30, 2009.

11. *Transfer of the Adult Residential Care Program from DSS to DHH.* Act 381 of the 2009 Legislative Session provides for the transfer of licensing authority for adult residential care homes from the Department of Social Services to the Department of Health and Hospitals. DSS and DHH are currently working in collaboration with stakeholders to transition residential services so that the process is seamless for the individuals receiving services and manageable for providers to ensure services are not adversely effected during this time frame. The transfer of authority is effective July 1, 2010. This effort is an example of how the two departments have worked together to decrease redundancies and improve administration of services. DHH has responsibility for the licensure and monitoring of nursing facilities, intermediate care facilities for people with developmental disabilities, and home- and community-based service providers.

12. *Consolidation of DHH-operated inpatient services in the Greater New Orleans area.* In an effort to streamline inpatient mental health services and expand community-based, outpatient mental health services in the Greater New Orleans area, the Department consolidated the inpatient beds at the New Orleans Adolescent Hospital with those at Southeast Louisiana Hospital in Mandeville, La. The consolidation not only generated a savings of \$9 million in the state budget, but also allowed for a city-wide expansion of community-based, outpatient services, which will be offered in two clinics, one each on the East and West Banks. In addition to savings to taxpayers, the new system will be better coordinated, is one step closer to having a complete continuum of mental health care in the city, and will allow the Department to serve triple the number of individuals and families served last year.

13. *DHH Assuming Responsibility of the DEQ laboratory.* The Department is in the planning process for assuming responsibility of the DEQ lab and consolidating with the DHH lab. In lieu of constructing a new OPH Laboratory building from the ground up, the building previously housing the DEQ Laboratory will be renovated, re-equipped, and expanded to meet the needs of the OPH Laboratory. These renovations and additions are required as the DEQ laboratory building was designed to handle environmental chemistry work only and does not contain facilities for the safe handling of biological, clinical, or genetics testing. At this time, an architect

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has been assigned to conduct project planning, including design requirements and construction/renovation needs. Funds for this project were appropriated in capital outlay projects – HB2 of this past legislative session.

14. Vital Records Re-engineering. The Vital Records division of the Office of Public Health is undergoing a re-engineering to expedite collection and dissemination of vital records in the State of Louisiana. The re-engineering entails the development of a web-based integrated vital records application, Louisiana Electronic Event Registration System (LEERS), which will replace the manual OPH processes currently in place for the Louisiana Vital Records Registry, including birth, death, fetal death, marriage, divorce and induced termination of pregnancy data. It includes a business system and also an imaging module to scan and save approximately 10 million archived birth, death and Orleans Parish marriage records onsite at OPH and associate the images with the corresponding data record. The application will be made available statewide to designated users and will be utilized by data providers such as OPH, hospitals, issuance offices, funeral homes, parish Clerks of Court, physicians, coroners and additional remote sites located throughout the State. The re-engineering is geared towards implementing electronic registration of vital events, expanding the number of locations where information is available, allowing remote sites to process and issue certified copies of certificates, integrating various software systems used by Vital Records (Mainframe, Encounter and CARS), reducing request processing time, reducing paperwork and keypunching, and improving reporting capabilities.

15. Community Home Privatization. As part of the FY 2010 budget, DHH is privatizing two community homes serving twelve people. In addition, twenty-one supported independent living clients and six extended family living clients will also be choosing a private provider. These efforts are part of the department's goal of getting out of the business of competing with private providers and decreasing the size of government. The target completion date is September 30, 2009.

Organizational Chart

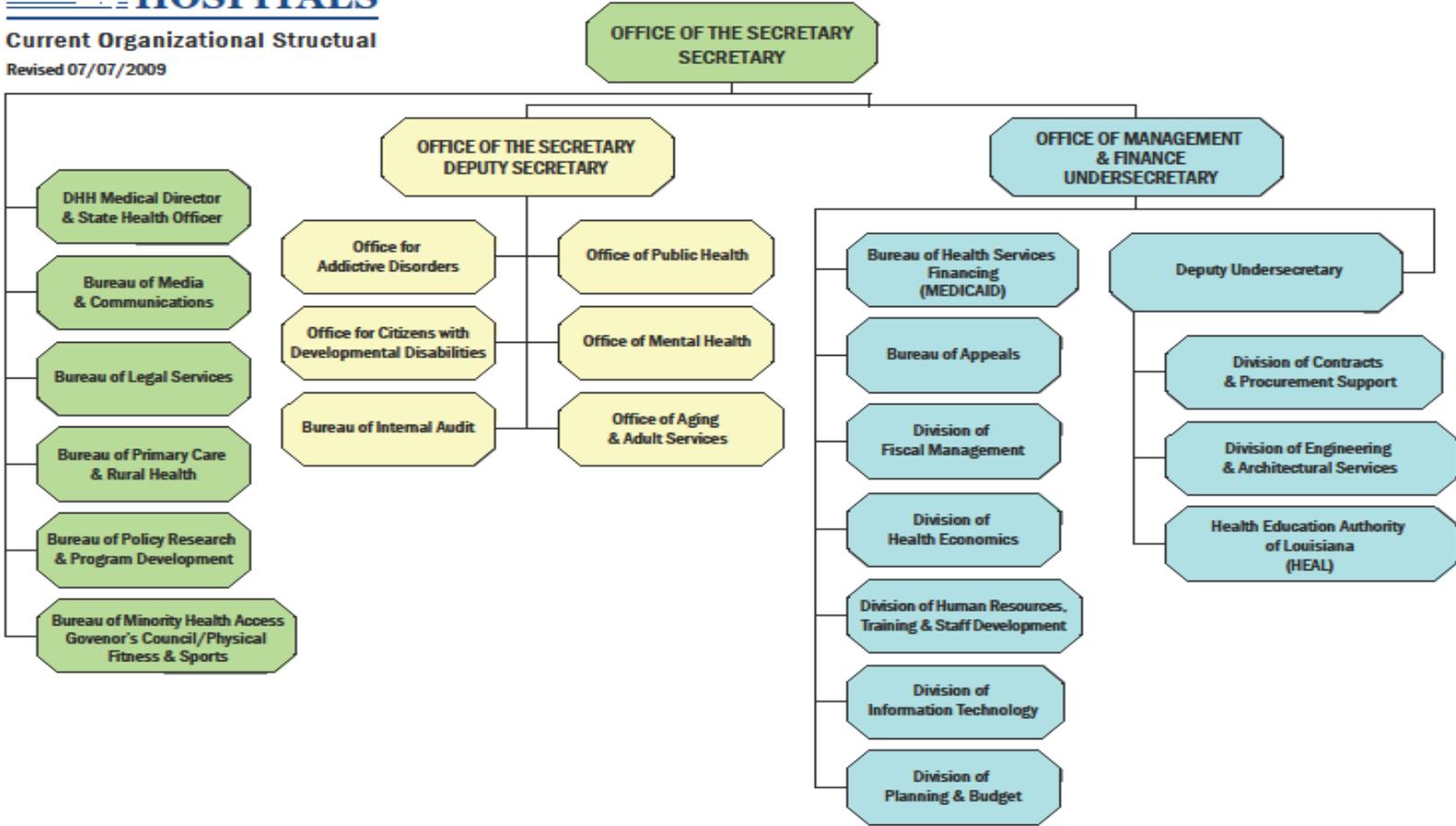
Appendix B



Current Organizational Structural
Revised 07/07/2009

Streamline Commission Internal Analysis

DEPARTMENT: Department of Health and Hospitals



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DEPARTMENT OF HEALTH AND HOSPITALS
Statutory References

Appendix C

PROGRAM	STATUTORY OR REGULATORY AUTHORITY	COMMENTS
OFFICE OF THE SECRETARY		
Department of Health and Hospitals and Officers	La. R.S. 36:251-252	
Functions of Secretary, Deputy Secretary, Undersecretary and Assistant Secretaries	La. R.S. 36:253-257	
Transfer of agencies and functions	La. R.S. 36:259	
OFFICE OF MANAGEMENT AND FINANCE		
Office of Management and Finance	La. R.S. 36:256	
MEDICAID		
Medicaid Program; Services	Title XIX of the Social Security Act; 42 USC Section 1396a; 42 CFR 440.10 – 440.210; Title XIX 1905(a)(1-27); Title XIX 1920; Title XIX 1902(e)(5)	
LaCHIP	Title XXI of the Social Security Act	
OFFICE FOR CITIZENS WITH DEVELOPMENTAL DISABILITIES		
Office for Citizens with Developmental	La. R.S. 36:258; La. R.S. 28:451.1	

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PROGRAM	STATUTORY OR REGULATORY AUTHORITY	COMMENTS
Case Management Licensing Standards	LAC 48:I Chapter 49	
Children’s Choice	LAC 50:XXI Chapters 111-121	
Community and Family Support System; Cash Subsidy	La. R.S. 28:821; LAC 48:I Chapter 161	
Development Disabilities	La. R.S. 28:541.1 – 29:455.2	
Early Intervention Program for Infants and Toddlers	34 CFR Part 303	
Home and Community-Based Waiver Services	Title 19 of the Social Security Act, Section 1915(c); LAC Title 50, Part XXI; 42 CFR §441	
Intermediate Care Facilities; Standards for Payment;	LAC 50:II Chapter 103; LAC 50:VII Chapters 301-331; 42 CFR § 483.410-480	
Medical Consent	La. R.S. 40:1299.50 – 1299.58	
Mental Retardation	LAC 48:IX	
New Opportunities Waiver	LAC 50:XXI Chapters 137-143	
Pilot Programs	La. R.S. 28:621	
Residential Options Waiver	LAC 50:XXI Chapters 161-169	
Supports Waiver	LAC 50:XXI Chapters 53-61	
Targeted Case Management	LAC 50:XV Chapters 101-119	

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PROGRAM	STATUTORY OR REGULATORY AUTHORITY	COMMENTS
OFFICE FOR ADDICTIVE DISORDERS		
Office for Addictive Disorders	La. R.S. 36:258; La. R.S. 28:771	
Problem Gambling	La. R.S. 28:841	
State Methadone Authority	LAC 48:501	
OFFICE OF AGING AND ADULT SERVICES		
Office of Aging and Adult Services	La. R.S. 36:258 (F)	
Adult Protective Services	La. R.S. 36:254; La. R.S. 15:1501-1511	
Villa Feliciana Medical Complex	La. R.S. 28:22.7; La. R.S. 40:2142	
OFFICE OF PUBLIC HEALTH		
Office of Public Health	La. R.S. 36:258	
Environmental Health Services	La. R.S. 40:1, et seq., La. R.S. 4- 6, R.S. 8- 9 et seq., 1141-48,2701-19, 2817 et. Seq; Commercial Body Art Regulation Act (Act 393 of 1999) La. R.S. 40:2831 - 40:2834.	

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PROGRAM	STATUTORY OR REGULATORY AUTHORITY	COMMENTS
<p>Personal Health Services</p>	<p>La. R.S. 46:971-972; La. R.S. 17:2111-2112; La. R.S. 33:1563; La. R.S. 46; 2261-2267; La. R.S. 46:973-974; La. R.S. 40:31.33; U.S.C. 7019 (MCH Block Grant, Title V of SSA); Omnibus Budget Reconciliation Acts of 1981 and 1989; P.L. 101-239; Title XIX of the SSA, as amended (42 CFR), R.S. 40:1299 - 1299.5, Child Nutrition Act of 1966 as amended by Public Law 105-24, R.S. 46:447.1; Title V MCH; Section 502; SSA Title XIX (P.L. 95-613); (P.L. 95-91); (P.L. 95-83); Title X, 42 U.S.C. 701:42 U.S.C. 3000. La. R.S. 40:5; Act 16; 42 U.S.C. 241(a), 243(b), 247(c); HOPE Act; Title XXV; Public Law 100-607; AIDS Resources Emergency Act 1990 (Title XXVI), R.S. 40:4,5; RS 17:170; 42 U.S.C. 2476 (Section 317 - Public Health Act), La. R.S. 40:5; La. RS 40:1061-1068; La. R.S. 40:3.1; Public Law 105-17, 97', IDEA; State Sanitary Code, Chapter II, 42 U.S.C., 247c (Public Health Service Act 318); Public Law 95-626, La. R.S. 40:4,5. 40:28-29; La. RS 40:17, La. R.S. 40: 5,7, 18; La. R.S. 40:1275 thru 1278; 42 U.S.C. 246, Louisiana State Sanitary Code, Chapters I, II, XII, XIV, XXIII, XXIV.</p>	

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PROGRAM	STATUTORY OR REGULATORY AUTHORITY	COMMENTS
Vital Records and Statistics	La. R.S. 40:32 et seq., La. R.S. 40:1299.80 et seq.	
GOVERNOR'S COUNCIL ON PHYSICAL FITNESS AND SPORTS		
Governor's Council on Physical Fitness and Sports	La. R.S. 40:2451-40:2455 Acts 1980, No. 751	
FISCAL OFFICE		
Fiscal Office	La. R.S. 36:256; La. R.S. 39:78	
CONTRACTS AND PURCHASING		
Procurement	La. R.S. 39:1551-1736	
Executive Order for Small Purchases	BJ2008-67	
Professional/Contractual Services	La. R.S. 38:1481-1526	
OFFICE OF MENTAL HEALTH		
Office of Mental Health	La. R.S. 36:258	All statutory references related to mental health were too voluminous to reproduce in this document. They include more than one hundred individual laws found in the revised statutes, Children's Code, Code of Civil Procedure and Code of Criminal Procedure. A comprehensive list can be provided upon request.

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Appendix D

DEPARTMENT OF HEALTH AND HOSPITALS FY 2009-2010 INITIAL APPROPRIATIONS

AGY	Agency Name	State	Self-Gen	IAT	Federal	Stat Ded	Total	T.O	Non T.O
300	Jefferson Parish Human Services Authority	21,020,994		5,729,514			\$26,750,508	-	250
301	Florida Parishes Human Services Authority	11,419,548	104,428	9,953,803	11,100		\$21,488,879	-	192
302	Capital Area Human Services Districts	18,586,702	107,269	13,615,558	159,135		\$32,468,664	-	275
303	Developmental Disabilities Council	\$640,367			\$1,499,894		\$2,140,261	9	
304	Metropolitan Human Services Districts	\$19,760,526	\$651,133	\$11,885,424	\$1,326,876		\$33,623,959	-	190
305	Medicaid Administration	\$81,525,379	\$2,416,223	\$2,005,000	\$159,325,434	\$6,373,391	\$251,645,427	1,263	
306	Medicaid Provider Payments	\$1,031,364,758	\$10,000,000	\$12,012,091	\$4,953,905,747	\$280,048,944	\$6,287,331,540		
307	Office of the Secretary	\$57,810,055	\$6,739,899	\$54,433,872	\$63,618,240	\$2,900,000	\$185,502,066	379	
320	Office of Aging and Adult Services	\$13,298,689	\$1,618,265	\$33,650,014	\$2,013,627		\$50,580,595	573	
324	Louisiana Emergency Response Network	\$3,671,437					\$3,671,437	10	
326	Office of Public Health	\$53,107,884	\$26,225,724	\$25,265,229	\$218,159,888	\$7,377,054	\$330,135,779	1,663	
330	Office of Mental Health	\$87,111,388	\$4,229,891	\$200,660,119	\$23,335,993		\$315,337,391	2,960	
340	Office for Citizens with Developmental Disabilities	\$20,011,047	\$10,701,662	\$253,630,852	\$6,933,609	\$1,391,480	\$292,668,650	4,044	
351	Office of Addictive Orders	\$30,061,270	\$598,132	\$16,246,661	\$47,470,745	\$6,090,013	\$100,466,821	419	
		\$1,449,390,044	\$63,392,626	\$639,088,137	\$5,477,760,288	\$304,180,882	\$7,933,811,977	11,320	907

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Program Office	FY2008-2009 Positions	FY2009-2010 Positions
Office of the Secretary	409	379
Office of Public Health	1,742	1,663
Office for Citizens with Developmental Disabilities	4,194	4,044
Office of Mental Health	3,208	2,960
Office for Addictive Disorders	446	419
Medicaid	1,280	1,263
Office of Aging and Adult Services	596	573
Total	11,907	11,196*

***In compliance with Executive Order No. BJ 2009-11, the Department of Health and Hospitals' position count has decreased by an additional 124 positions. This results in a net reduction in positions of 5.9% from FY2009.**

OFFICE FOR CITIZENS WITH DEVELOPMENTAL DISABILITIES SUPPORTS AND SERVICES CENTERS	
Facility	Location
Columbia Community Residential and Employment Services	Columbia
North Lake Supports and Services Center	Hammond
Leesville Residential and Employment Services	Leesville
Greater New Orleans Supports and Services Center	New Orleans
Northwest Supports and Services Center	Bossier City
Opelousas Developmental Center	Opelousas
Bayou Region Supports and Services Center	Thibodaux
Pinecrest Supports and Services Center	Pineville
Northeast Supports and Services Center	Ruston
Acadiana Region Supports and Services Center	Iota
Guillory Center	Eunice

HOSPITALS, NURSING HOMES, AND OTHER FACILITIES	
Facility	Location
Central Louisiana State Hospital	Pineville
East Louisiana State Hospital	Jackson
Greenwell Springs Hospital	Greenwell Springs
New Orleans Adolescent Hospital (consolidated with Southeast – no inpatient)	New Orleans
New Orleans Home and Rehabilitation Center	New Orleans
Southeast Louisiana State Hospital	Mandeville
Villa Feliciana Medical Complex	Jackson
Feliciana Forensic Facility	Jackson

MENTAL HEALTH FACILITIES OFFICE OF MENTAL HEALTH AND HUMAN SERVICES DISTRICTS		
DHH Region or District	Facility	Location
6	Alexandria Mental Health Center (MHC)	Alexandria
5	Allen MHC	Oberlin
3	Assumption MHC	Labadieville
6	Avoyelles MHC	Marksville
Capital Area Human Services District (CAHSD)	Baton Rouge MHC	Baton Rouge
5	Beauregard MHC	DeRidder

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9	Bogalusa MHC	Bogalusa
Metropolitan Human Services District (MHSD)	Central City MHC	New Orleans
MHSD	Chartres-Pontchartrain MHC	New Orleans
8	Columbia MHC	Columbia
4	Crowley MHC	Crowley
MHSD	Desire/Florida Counseling Center	New Orleans
4	Dr. Joseph Henry Tyler, Jr. MHC	Lafayette
CAHSD	Donaldsonville MHC	Donaldsonville
Jefferson Parish Human Services Authority (JPHSA)	East Jefferson MHC	Metairie
CAHSD	Gonzales MHC	Gonzales
8	Jonesboro MHC	Jonesboro
3	Lafourche MHC	Raceland
5	Lake Charles MHC	Lake Charles
6	Leesville MHC	Leesville
9	Lurline Smith MHC	Mandeville
7	Mansfield MHC	Mansfield
7	Many MHC	Many
CAHSD	Margaret Dumas MHC	Baton Rouge
7	Minden MHC	Minden
8	Monroe MHC	Monroe
7	Natchitoches MHC	Natchitoches
4	New Iberia MHC	New Iberia
MHSD	New Orleans MHC	New Orleans
4	Opelousas MHC	Opelousas
7	Red River MHC	Coushatta
8	Richland MHC	Rayville
3	River Parishes MHC	LaPlace
9	Rosenblum MHC	Hammond
8	Ruston MHC	Ruston
7	Shreveport MHC	Shreveport
	Slidell Mental Health State Office Building	Slidell
3	S. Lafourche MHC	Galliano
MHSD	St. Bernard MHC	Chalmette
3	St. Mary MHC	Morgan City
8	Tallulah MHC	Tallulah
3	Terrebonne MHC	Houma
4	Ville Platte MHC	Ville Platte
JPHSA	West Jefferson MHC	Marrero
8	Winnsboro MHC	Winnsboro
	Community Forensic Services	Jackson

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**OFFICE OF PUBLIC HEALTH
PARISH HEALTH UNITS**

Parish	Location
Acadia	Crowley
	Church Point
	Rayne
	Iota
Allen	Oakdale
	Oberlin
	Oberlin
Ascension	Donaldsonville
	Gonzales
Assumption	Napoleonville
Avoyelles	Marksville
	Bunkie
Beauregard	DeRidder
Bienville	Arcadia,
	Ringgold
Bossier	Bossier City
Caddo	Shreveport
	Vivian
Calcasieu	Lake Charles
	Sulphur
	Dequincy
Caldwell	Columbia
Cameron	Cameron
	Hackberry
	Grand Lake
Catahoula	Harrisonburg
	Jonesville
Claiborne	Homer
Concordia	Ferriday
	Vidalia
DeSoto	Mansfield
East Baton Rouge	Baton Rouge
East Carroll	Lake Providence
East Feliciana	Clinton
Evangeline	Ville Platte
Franklin	Winnsboro
Grant	Colfax
Iberia	New Iberia
Iberville	Plaquemine
Jackson	Jonesboro
Jefferson	Metairie
	Marrero
Jefferson Davis	Jennings
Lafayette	Lafayette
Lafourche	Thibodaux

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LaSalle	Jena
Lincoln	Ruston
Livingston	Livingston
Madison	Tallulah
Morehouse	Bastrop
Natchitoches	Natchitoches
Orleans Family Planning	New Orleans
Orleans	New Orleans
Orleans	New Orleans
Ouachita	Monroe
Plaquemines	Belle Chasse
Pointe Coupee	New Roads
Rapides	Alexandria
Red River	Coushatta
Richland	Rayville
Sabine	Many
St. Bernard	Chalmette
St. Charles	Luling
St. Helena	Greensburg
St. James	Vacherie
St. John	Reserve
St. Landry	Opelousas
	Eunice
	Melville
St. Martin	St. Martinville
St. Mary	Morgan City
St. Tammany	Mandeville
	Slidell
	Slidell
Tangipahoa	Amite
	Hammond
Tensas	St. Joseph
Terrebonne	Houma
Union	Farmerville
Vermilion	Abbeville
Vernon	Leesville
Washington	Franklinton
	Bogalusa
Webster	Minden
	Springhill
West Baton Rouge	Port Allen
West Carroll	Oak Grove
West Feliciana	St. Francisville
Winn	Winnfield
OPH Office Building	Lake Charles

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OFFICE FOR ADDICTIVE DISORDERS- FACILITIES	
Facility	Location
Joseph R. Briscoe Treatment Center	Lake Charles
Pines Treatment Center	Shreveport
Southern Oaks Addiction Recovery (SOAR)	Monroe

Miscellaneous – the Louisiana State Board of Medical Examiners is housed in the “Old Eli Lilly Building” in New Orleans which is owned by DHH.

8/2009

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http://www.dhh.louisiana.gov/offices/publications/pubs-1/DHH_Manual_07.pdf

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“Louisiana’s Plan for Choice in Long-Term Care: Comprehensive Long-Term Care Reform Plan,”
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Submitted October 1, 2007. Available online: <http://www.dhh.state.la.us>

“Plan for Transformation of Public Developmental Centers,” prepared by the Office for Citizens with
Developmental Disabilities, March 2007. Available online: <http://www.dhh.state.la.us>

**“Medicaid Long-Term Care Options for the Elderly and People With Disabilities: National and
Louisiana Statistics,”** prepared by the Legislative Auditor, April 2004. Available online:
<http://app1.la.state.la.us/PublicReports.nsf>

* The Department of Health and Hospitals has a tremendous wealth of resource material available on its website at www.dhh.la.gov. Those provided in this document represent a small sample of the most requested reference materials on the department’s overall programs and services, Medicaid program and Long-Term Care. Additional reference materials on specific department and/or health care matters can be provided upon request.



Staff Contact: Robert Harper, Undersecretary
August 17, 2009

I. AGENCY OVERVIEW

a. Identify your overarching reform goal(s) for the agency.

OUR MISSION STATEMENT

The mission of the Louisiana Department of Natural Resources (DNR) is to preserve and enhance the nonrenewable natural resources of the state, consisting of land, water, oil, gas, and other minerals, through conservation, regulation, and management/exploitation, to ensure that the state of Louisiana realizes appropriate economic benefit from its asset base.

DNR exercises complex and various regulatory and permitting functions through the offices of Conservation and Coastal Management. The department serves as one of state government's major revenue-generating agencies by way of oil and gas bonuses, rentals, and royalties.

DNR's aim is to exercise prudent and effective management. The department's governing philosophy is open and receptive to innovative ideas, technologies and the promotion of a cleaner, safer environment. The department strives to facilitate an excellent working relationship with industry, with a strong emphasis on reaching mutual goals. DNR also endeavors to assist the citizens of the state through education, its many services, and its public outreach efforts.

OUR CURRENT OPERATIONS

Our five areas of interest:

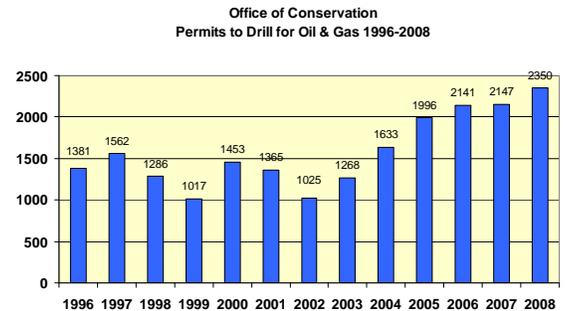
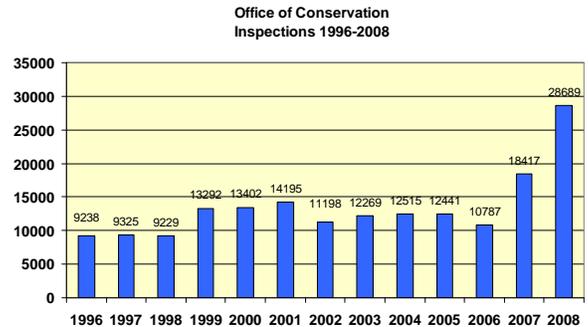
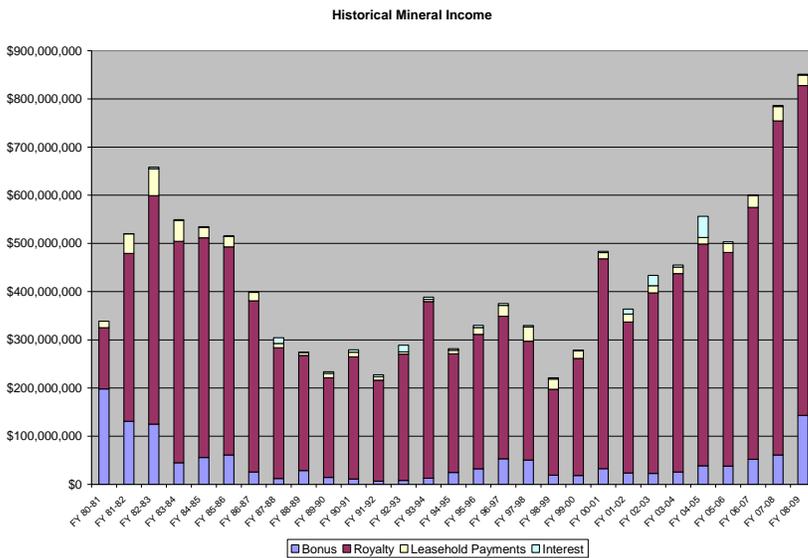
1. Manage and regulate selected natural resources, including oil, gas, lignite, and ground water resources
2. Regulating the coastal zone
3. Managing the Atchafalaya Basin
4. Managing the publicly-owned mineral assets
5. Managing the State Energy Office

1. Manage and regulate selected natural resources in the State, including oil, natural gas, lignite, ground water.
 - There are currently 62,142 active wells in Louisiana.
 - 2008 Oil Production (excluding OCS) was 70 million barrels.
 - 2008 Gas Production (excluding OCS) was 1.29 trillion cubic feet
 - 2,350 drilling permits were issued in 2008
 - 28,689 oil and gas inspections were performed in 2008
 - 1,970 unitization hearings were docketed in 2008
 - There are currently 2,728 orphaned wells in Louisiana.
 - The Oilfield Site Restoration program plugged and abandoned 173 wells in 2008.
 - Miles of Natural Gas Transmission - 6,461
 - Miles of Natural Gas Distribution - 39,001
 - Miles of Hazardous Liquid - 4,840
 - Total Miles of Regulated Pipelines - 50,302
 - Injection Wells in state – 4237 wells
 - Number injection wells inspected - 2680
 - Injection Well drilling applications received – 1416
 - Injection well permits issued – 1197 (214 denied)
 - Commercial Oil & Gas waste injected into wells – 45,110,145 barrels
 - Lease oil & gas waste injected into wells by operators – 970,515,461 barrels
 - Salt cavern brine injected into disposal wells – 164,794,757 barrels

2. Regulate coastal land resources and vegetated wetlands, and assist in the management of the Atchafalaya Basin.
 - Louisiana has 15,000 miles of winding shoreline that extends from the Pearl River westward to the Sabine.
 - Presently, Louisiana's Coastal Zone contains 8.5 million acres that includes bays, lakes, marshes, swamps, barrier islands, cheniers, natural levee forest, bottom land hard woods, and the Gulf of Mexico extending out 3 miles.
 - There are nineteen parishes in Coastal Zone
 - OCM issues between 1,500 to 2,000 Coastal Use Permits (CUP's) and Authorizations each year
 - Over 47 percent of the state's population is within coastal parishes
 - Over 50% of the State's annual revenues are generated in the Coastal Zone
 - Five of the top 15 tonnage ports in the US depend on the Louisiana Coastal Zone
 - The Coastal Zone significantly contributes to Louisiana being the top producer of domestic oil, top producer of offshore oil, top producer of offshore gas
 - Louisiana is the top producer in fisheries in the lower 48 states; Louisiana is the top producer of oysters, blue crabs and crawfish
 - Louisiana's coastal wetland provides habitat for 1.8 million migratory waterfowl

- The Atchafalaya Basin Floodway System (ABFS) encompasses 838,000 acres, and extends south from the Old River Control Structure to Morgan City
 - Approximately 400,000 acres of publicly owned lands, which include state and federal fee title lands, federal easement lands and state water bottoms.
 - Approximately 438,000 acres of privately owned lands which include upland forested habitats as well as deep-water swamps.
 - The Atchafalaya Basin is the largest contiguous bottomland hardwood forest and overflow, alluvial swamp remaining in the United States.
 - DNR Atchafalaya Basin Program serves as the non-federal cost share partner for the US Army Corps of Engineers, Atchafalaya Basin Floodway System, Louisiana Project to guide, manage and protect the resources of the Basin
 - Atchafalaya Basin Program using an annual plan process that must be approved by the legislature to determine projects to be implemented the following year.
3. Manage the publicly-owned oil, gas and mineral assets, to maximize revenues directly and indirectly to the state.
- There are currently 1,939 active leases
 - # of acres under lease – 932,690
 - Amount of royalty collected in FY 2009 -- \$692,998,517
 - Amount of total mineral income collected in FY 2009 -- \$859,510,372
 - Number of nominations in FY 2009 – 1,089
 - Number of acres nominated in FY 2009 – 885,719
 - Number of leases awarded in FY 2009 – 366
 - Number of acres leased in FY 2009 – 79,531
 - Average bonus per acre in FY 2009 -- \$2,500
 - Average royalty per acre in FY 2009 – 23.57%
 - Unproductive acreage returned to commerce in FY 2009 – 118,843
 - Collections from field audits in FY 2009 -- \$6,389,061
 - Average collection per field auditor in FY 2009 -- \$532,422
 - Number of field audits performed in FY 2009 – 22
4. Manage the state's energy office. Study and develop energy policies and to provide the public, industry, the Governor, and the Legislature with scientifically sound and timely information on energy issues.
5. Develop and implement business processes, information systems and management practices to enhance the department's reputation as a leader in technical, cost efficient, proficient, and effective program operations.
- The SONRIS system averages 30,000 hits per day from 13 different countries providing Oil & Gas and Coastal information. Web site allows access to database, GIS maps, documents, such as leases, well logs etc. eliminating a need for citizens to travel to DNR's office. Prior to SONRIS over 600 oil and gas scout reports were printed and sold to the public. This information is now available free on line to anyone with web access

- The Department of Natural Resources has not had any audit findings for the last two consecutive fiscal years from the Legislative Auditor.
- Coastal Use Permit, a web based system, that requires active participation of a number of federal and state agencies, improved the permitting process by eliminating the need of paper application. The Fedex like tracking provides transparency and aids in efficiency.
- Online Oil & Gas reporting cleared year's worth of audit back log and improved data quality.
- Allowed notice of publication period to be reduced from 90 days to 60 days. The results of lease nominations became available immediately after the hearing that used to take ten days.



OUR OVERARCHING REFORM GOALS (Detailed herein below)

- Fully automating the oil and gas permitting and reporting processes within the Office of Conservation
- Consider fully integrating the inspection function of the Office of Conservation with those inspection activities performed by the Department of Environmental Quality (DEQ)
- Privatize data entry and record archiving efforts within the Office of Conservation and Mineral Resources
- Integrating some of the audit functions of the Office of Mineral Resources with the Department of Revenue and enhancing audit capabilities through technology
- Investigate feasibility of industry self inspection reporting

- Consider consolidation of regulation and inspection of intrastate natural gas pipelines which is currently shared between the Public Service Commission and Department of Natural Resources
- Consider integration of portions of the State Land Office, currently within the Division of Administration, with the Department of Natural Resources
- Co-location of state agency (DNR, DEQ, DWF) permitting teams

b. Review and briefly outline the constitutional and statutory mandates for your agency

The following is a list of major statutory authorizations.

RS 36:354 et seq – Mandates the Secretary as the Chief Executive Officer of the department and prescribes powers and duties including the state energy office and the Atchafalaya Basin Program.

RS 36:356 – Creates the Office of Management and Finance to perform the business functions of the department

RS 30:1 – Creates the Office of Conservation with the primary statutory responsibility for regulation and conservation of oil, gas, lignite, ground water and other natural resources

RS 30:135 – Provides that the Office of Mineral Resources shall staff the State Mineral Board in the leasing and administering of state mineral leases for revenue generating purposes

RS 30:49:214 – Provides that the Office of Coastal Management will regulate, conserve, protect, enhance, and develop Louisiana’s coastal resources.

It should be noted that recent changes in the law have reorganized the “coastal restoration” efforts of DNR with the “hurricane protection” efforts of DOTD into the Office of Coastal Protection and Restoration (OCPRA). The “coastal management” function, also referred to as the regulatory function, remains housed at DNR. This revised governing model was originally adopted following the storm season of 2005, as Act 8 in a Special Session of the Louisiana Legislature, and subsequently amended in the Regular Sessions of 2008 and 2009. It provides for an extreme focus on restoration and protection by the OCPRA without the challenges of operating a regulatory agency. This model represents the best chance for success in the fight to restore America’s Wetland and to build a world class hurricane protection system.

A detailed summary of activities performed by the department is included for your review (see attached). This report contains statutory and constitutional mandates, determines if the activity is relative to the mission; determines if the activity can be overhauled or eliminated; identifies duplication or overlap with federal, state, or local government; and if outsourcing is possible. It should be noted activities of the department are constitutionally or statutorily authorized, or represent sound business practices.

Louisiana Department of Natural Resources
 Authorized Table of Organization (2004-2009)

Program	Authorized T.O. 04/05	Authorized T.O. 05/06	Authorized T.O. 06/07	Authorized T.O. 07/08	Authorized T.O. 08/09	Authorized T.O. 09/10	09/10 2009-11 Position Cut	09/10 Positions After The Cut
Office of the Secretary	93	92	91	91	91	89	-3	86
Office of Conservation	189	187	180	192	192	187	-5	182
Office of Mineral Resources	84	83	75	75	75	73	-2	71
Office of Coastal Management	50	50	49	50	50	50	0	50
Sub Total	416	412	395	408	408	399	-10	389
Coastal Protection & Restoration	96	96	100	100	109	109	-3	106
Total	512	508	495	508	517	508	-13	495

c. List those mandates which impede attaining agency goal(s) and suggestions for change in law(s).

During the last several years, the leadership of DNR has been very aggressive in changing laws to facilitate a more efficient organization. These changes include Act 196 of the 2009 Regular Session which updated the role of the State Mineral Board, Act 437 of the 2009 Regular Session, which consolidated ground water regulation under the DNR Office of Conservation, which was previously shared with the Department of Transportation and Development (DOTD). In addition, since the storm season of 2005, several substantial changes have been made to the statutes governing the integration of coastal restoration and hurricane protection to achieve efficiencies.

- Additional changes in law may be necessary to authorize inter department inspection services (DEQ and DNR). See description to follow.
- Additional changes in law or rule maybe necessary to require electronic report filing, to allow for industry self inspection, and for consolidation or merger of certain activities of selected state as detailed herein below.
- Additional changes in law may be necessary to allow auditors with the Office of Mineral Resources to conduct severance tax audits when conducting royalty audits. Currently, the authority for severance tax audits is limited to the Louisiana Department of Revenue (LDR).

II. EFFICIENCY AND BENCHMARKING

a. Identify under-performing programs that should be overhauled or eliminated.

Office of Mineral Resources

- The Office of Mineral Resources collects several hundred million dollars of mineral royalty generated from production on publicly-owned lands. The three (3) year average for royalty collection in calendar years 2006-2008 is \$638,980,137. This is a major source of general fund income to the State of Louisiana. The royalty field audit process could be made more effective by implementing the use of computer-assisted auditing techniques (CAATs). CAATs software would allow the auditors to perform 100% file traversals of auditee data and look for anomalies and population outliers that may be indicative of underpaid royalties and/or severance taxes. The Office of Mineral Resources (OMR) should also consider requesting legislative authorization to audit severance tax revenues. Because of the similarities of the data audited, combining the two field audit programs would be more efficient as well as being more convenient to payor companies. The payor companies would be audited by one team of auditors instead of two. Also, combining the two programs could save travel costs and some overhead costs.

Office of Conservation

- The Office of Conservation, due to a historic lack of one time funding, has not yet fully automated the oil and gas permitting and reporting processes. This would eliminate the need for the initial entry of application information by office personnel, reduce paper management, and streamline periodic report filings by the regulated community. The task of data entry would no longer be required of office personnel allowing them more time to audit and analyze the information submitted; and allow the regulated community an easier and direct means of meeting report filing deadlines.

Implementation will require the assistance of the Information Technology Section as well as the funding. Additionally, the development of these many processes will require interaction between staff and IT representatives.

Once automation is implemented, the savings would be achieved as a functioning system is phased-in service, however, such savings cannot be quantified at this time. Potential savings could be realized through a reduction in the space needed for records storage, possible decrease in postage and mailing supplies. The Office of Conservation staff should have the opportunity to focus more time and effort in regulatory oversight and evaluation roles within the divisions due to a lesser role required in data entry. The automation of the processes may save industry time in filing the application, and should save industry the cost of paper and mailing. Once all of these processes are implemented and moved to the Baton Rouge Office from the district offices, a reduction of 12 positions may be realized. These reductions would result in a cost savings of \$581,626.

III. OUTSOURCING AND PRIVATIZATION

a. List programs, functions, or activities that can be privatized or outsourced

There are several potential possibilities for outsourcing. The inspection activities, record archiving, and manual data entry for the Office of Mineral Resources and the Office of Conservation.

Office of Mineral Resources

- The Office of Mineral Resources is currently investigating the possibility of outsourcing the data entry for lease records. There are over 9,000 inactive leases, dating back to the 1920s, that have not been archived. This historical information is very important to potential investors in Louisiana. There are approximately 1,939 active leases, which have been archived. As lease ownerships change for these 1,939 leases, they will need to be archived as well. On average twenty-eight (28) new leases are issued every month.

The estimated cost associated with outsourcing record archiving to complete the backlog of over 9,000 inactive leases would be a one time cost of approximately \$240,000 to \$300,000. Once the backlog has been completed, the estimated cost per year for archiving current and ongoing leasing activity would be approximately \$50,000. All contractors that have interviewed by the Office of Mineral Resources would require the department to prepare the leases for imaging (remove all staples, paper clips, making sure all copies are ready to be scanned). It is estimated to complete the prep work for the contractor would require one full-time employee and one part-time student worker.

As a result of outsourcing record archiving two (2) employees may be laid off. The total of their salaries and benefits is approximately \$108,000. This would equate to an annual saving of \$58,000 to the DNR Office of Mineral Resources.

Office of Conservation

- The Office of Conservation's goal is to inspect each of the 60,000 active wells once every three (3) years or approximately 20,000 wells per year. Approximately 4.7% to 7.6% of inspections reveal compliance issues. Under a self-inspection scenario, operators would be required to perform an inspection on a yearly basis (or other specified frequency) and report the results of the inspection, including any violations noted, to the Office of Conservation. Operators would certify through an affidavit that the inspection was performed and that any violations noted were corrected. No penalties would be assessed for violations that are self-reported provided all violations are subsequently corrected. Penalties would be assessed for failure to self report or for cases where a Conservation Enforcement Specialist's (CES) inspection or audit indicates a violation at a particular site. This would result in self reported inspections occurring each year rather than CES inspections once every three (3) years. This would result in a reduction of eleven (11) field inspectors and an increase in one (1) person for office personnel to review reports, for a net decrease of ten (10) FTEs, at an estimated annual savings of \$500,000. Any self inspection system should guard against the relaxing of environmental stewardship responsibilities.

- The Office of Conservation, through a change in rules or laws, could require all energy producers and energy transporters to submit all required reports electronically. This would result in the elimination of five (5) FTEs, at an annual savings of at least \$250,000.

IV. INFORMATION TECHNOLOGY INTEGRATION

a. List IT projects already underway designed to improve efficiency and effectiveness as well as potential projects.

- The Department of Natural Resources addressed costly procedural and operational inefficiencies when it began work on the Strategic Online Natural Resources Information System (SONRIS) initiative. SONRIS is more than an enterprise data repository and reporting tool. It represents the agency's acknowledgement that customer service and satisfaction are equally important to satisfying its overarching mission of being a diligent steward and manager of Louisiana's and this nation's most precious natural assets. SONRIS serves as the gateway to accessing strategic and tactical resources by staff and stakeholders which include industry partners and the general public both nationally and internationally. SONRIS is a shining example of providing comprehensive and intuitive access to all of the artifacts under the department's purview via the Internet. The system provides real-time access to information related to oil and gas drilling/production, state mineral leases, coastal data, Home Energy Rebate Option (HERO) applications, the multi-agency Coastal Use Permits (CUPS) and much more. All of these features are powered by DNR's Oracle database engine using sophisticated queries supplemented by extensive mapping utilities and robust reporting capabilities. Advances in GIS technology makes generating and viewing maps substantially faster and less expensive with travel to DNR headquarters no longer required. Pre-built reports such as Conservation Scout reports is an example of voluminous paper reports which are now available at no charge to the public. SONRIS is an award-winning example of using data to drive decision-making and day-to-day operations. This translates into higher revenues to businesses, individuals, municipalities and the State of Louisiana as a whole. And, SONRIS continues to be the solid foundation from which the department continues to launch numerous cost-cutting initiatives designed to further streamline access to information and leverage limited resources.
- The Office of Mineral Resources is currently in the final testing phase of an online State Royalty Reporting system. The system is scheduled to be fully implemented in six to nine months. This system will allow payor companies to submit monthly state royalty reports online rather than mailing in hard copies of each report. The system has built in audit checks to ensure the information is submitted in accordance with State Royalty reporting policy and is mathematically accurate. Online reporting will greatly reduce the manual auditing of all royalty reports submitted each month. It will also reduce the number incorrect reports submitted. There are approximately 250 payor companies who submit approximately a total of 750 reports per month. Additionally, since the information will all be in electronic form, there will no longer be a need to image and archive hard copy reports.

V. ELIMINATION OF DUPLICATIVE AND UNNECESSARY SERVICES

- a. **List the activities of your department that fall outside of your constitutional and statutory mandates.**

Field inspections and district offices within the Office of Conservation are not required but represent sound business practices to ensure compliance.

- b. **Identify outdated activities that should no longer be part of the mission of your agency**

In terms of outdated activities performed, prior to the event of online or automated data reporting all oil and gas production reports were submitted manually on paper reports. It is now possible to report this data online negating the need for manual input. Conservation rules could be changed to mandate electronic reporting and several FTEs eliminated. This would require many oil and gas operators to make a corresponding change and may require a change in law or rule.

- c. **Identify duplication or overlap with other state agencies, with the federal government, or with public or private stakeholders groups.**

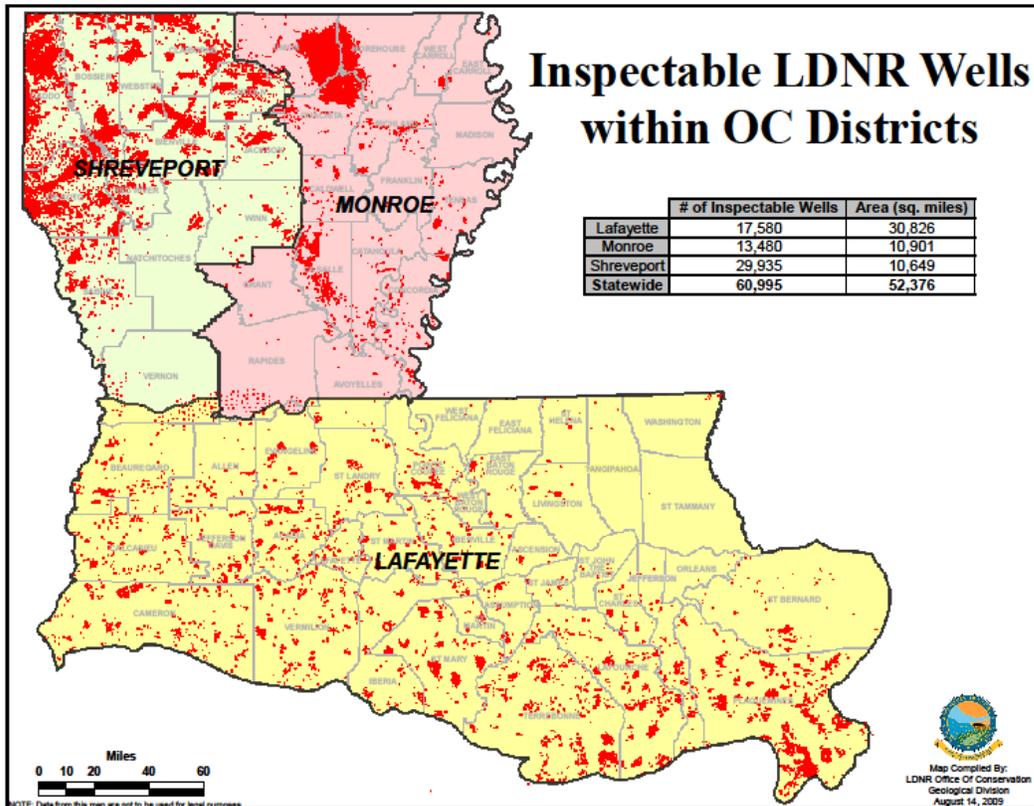
1. Office of Conservation

- The Office of Conservation (OC) performs statewide inspection of oil and gas production facilities. There maybe an opportunity for partnering with the DEQ, who also performs statewide inspection activities to affect economies.

Many oil and gas well sites and facilities include equipment and materials that are subject to the jurisdiction of both OC and DEQ. As a result, there is some duplication of presence at certain sites due to each agency's implementation of separate inspection programs. Integration of these programs creates a potential for considering limited staff reduction ultimately resulting in cost savings. These savings are achieved through decreasing or eliminating areas of overlap and increasing inspector flexibility and efficiency while maintaining the current levels of service.

Currently, the Office of Conservation operates three district offices which are located in Lafayette, Shreveport and Monroe (Fig. 1). Statistics for each of these district offices are included in Table 1. A total of 37 Conservation Enforcement Specialists (CES) (5 funded in the OSR Program) are assigned to the districts and carry out the various inspection functions listed in Table 2. There are an additional 7 CES reporting directly to Injection and Mining (I&M) Division in Baton Rouge that are tasked with functions solely related to Underground Injection Control (UIC) program (Table 3). Under the integration scenario described below, all 44 inspectors would be capable of performing all current Engineering and UIC inspection functions.

Office of Conservation Districts with Active Wells



Office of Conservation District Office Statistics

District	Total Staff	OC Inspection Staff	Area (sq. miles)	No. of OC Active Well Sites
Lafayette	28	17	30,826	17,580
Monroe	11	7	10,901	13,480
Shreveport	23	13	10,649	29,935
Total	62	37	52,376	60,995

Table 2 – OC Engineering Division CES Functions

- Perform routine inspections of exploration and production operations (onshore and offshore), injection wells, pits and related facilities to assess compliance with State regulations.
- Inspect well construction and witness casing pressure tests.
- Witness state potential tests to determine well productivity.
- Oversee Oilfield Site Restoration Program abandonment operations.
- Conduct surveys to detect presence of Naturally Occurring Radioactive Material (NORM).
- Witness plugging and abandonment operations.
- Respond to landowner and mineral owner complaints.
- Provide guidance to industry and the public regarding OC regulations.
- Inspect reported spill incidents.

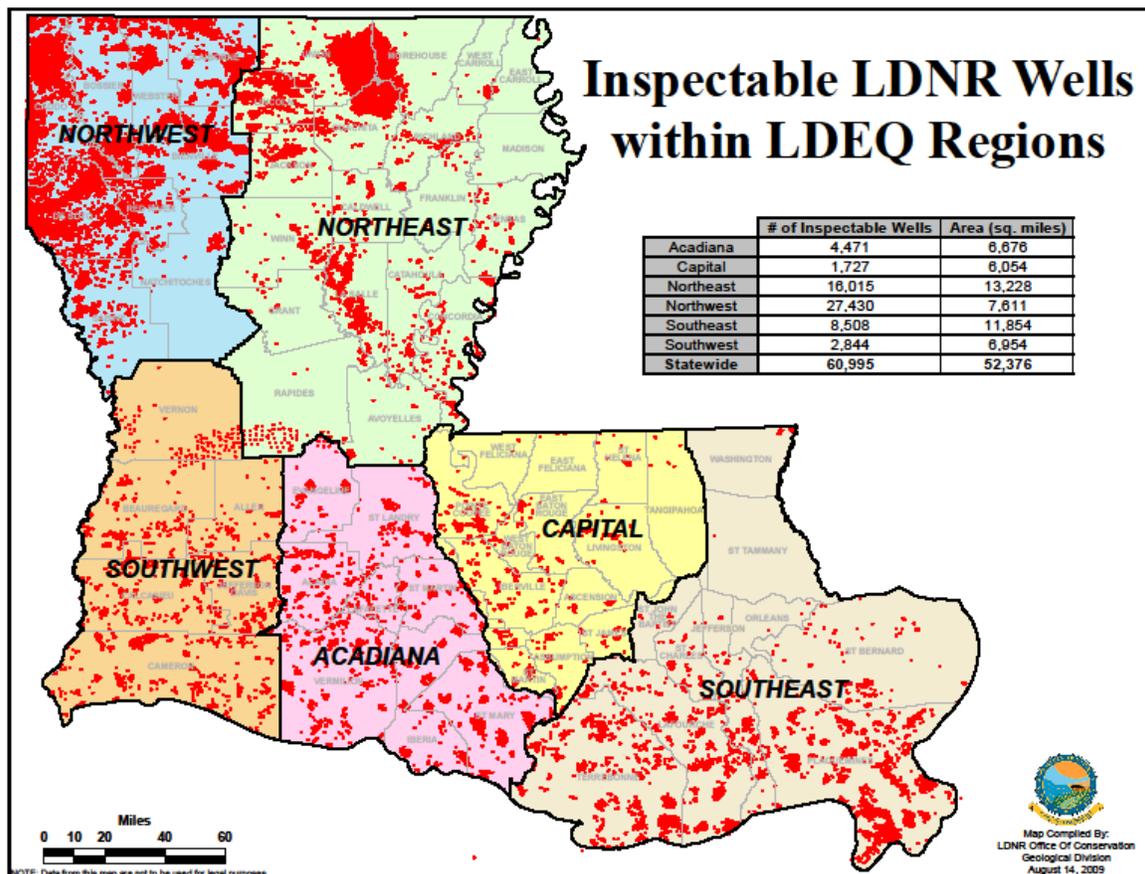
Table 3 – OC Injection and Mining Division CES functions

- Perform routine well and site inspections for compliance with UIC regulations.
- Witness Mechanical Integrity Pressure Test (MIPT) on a periodic schedule and after all workovers.
- Witness testing required by specific injection permits
 - Static Fluid Level tests
 - Radioactive Tracer Surveys
 - Pressure Buildup/Falloff Tests
- Inspect injection well construction and witness casing pressure tests.
- Witness plugging and abandonment work for UIC wells
- Inspect reported spill incidents involving produced salt water.

The DEQ surveillance program is multi-media inspection program that includes approximately 92 inspectors working out of 8 offices located in 6 geographical regions (Table 4 and Figure 2). Each inspector has a primary focus in one of the following regulatory areas: Radiation; Air Quality; Water Quality; Solid and Hazardous Waste; or Underground Storage Tanks. However, all inspectors are cross-trained and capable of handling routine inspections in any regulatory area.

Acadiana (Lafayette)	11	6,676	4,471
Capital (Baton Rouge)	20	6,054	1,727
Northeast (West Monroe)	10	13,228	16,015
Northeast (Pineville)	3	NA	NA
Northwest (Shreveport)	11	7,611	27,430
Southeast (New Orleans)	20	11,854	8,508
Southeast (Lockport)	4	NA	NA
Southwest (Lake Charles)	13	6,954	2,844
	92	52,377	60,995

Table 4 – DEQ Regional Office Statistics



Although there is an overlap for many of the sites and facilities that are

inspected, each agency’s inspectors perform specialized functions. As a result, training is a primary component of any integration process. All required OC training is currently obtained on the job. DEQ training includes on-the-job training and self-study modules (web-based) and classroom instruction provided by the Environmental Protection Agency (EPA).

In addition, DEQ inspectors (Environmental Scientist, Environmental Chemical Specialist) are currently required to have a four-year baccalaureate degree in either chemical engineering, mechanical engineering, or a qualifying scientific field of study. In contrast, although CES positions also have a four-year baccalaureate degree requirement, four years of sub professional oil or gas experience is allowed as a substitution. The majority of CESs currently employed do not have degrees. Table 5 below provides a summary of the job classifications, requirements and compensation levels.

Table 5 - DEQ Regional Office Statistics
DEQ

Title	TS	Min Annual Salary	Max Annual Salary	BS	Exp. in lieu of BS
ENVIRONMENTAL SCIENTIST 1	308	\$29,869	\$59,488	Scientific Field	NO
ENVIRONMENTAL SCIENTIST 2	309	\$31,970	\$63,648	Scientific Field	NO
ENVIRONMENTAL SCIENTIST 3	311	\$36,608	\$72,862	Scientific Field	NO
ENVIRONMENTAL SCIENTIST 4	312	\$39,166	\$77,958	Scientific Field	NO
ENVIRONMENTAL CHEMICAL SPEC. 1	312	\$39,166	\$77,958	ME/ChemE	NO
ENVIRONMENTAL CHEMICAL SPEC. 2	313	\$41,912	\$83,408	ME/ChemE	NO
ENVIRONMENTAL CHEMICAL SPEC. 3	314	\$44,845	\$89,253	ME/ChemE	NO

DNR

Title	TS	Min Annual Salary	Max Annual Salary	BS	Exp. in lieu of BS
CONSERVATION ENFORCEMENT SPEC. 1	306	\$26,083	\$51,958	Any *	YES (4)
CONSERVATION ENFORCEMENT SPEC. 2	307	\$27,914	\$55,598	Any *	YES (4)
CONSERVATION ENFORCEMENT SPEC. 3	309	\$31,970	\$63,648	Any *	YES (4)

Integration may be achieved by creating an “Oil and Gas” regulatory area within the DEQ inspection program. Several CES from OC would be embedded within each DEQ regional office to conduct oil and gas related inspections, provide on-the-job training to DEQ inspectors, and receive any DEQ training necessary to develop the capability to perform inspections in any regulatory area. This scenario would result in a flexible workgroup capable of carrying out any required inspection and surveillance duties.

High and mid-level meetings with DEQ will be required to further study the integration process, identify potential impediments and solutions, and attempt to quantify potential costs and savings.

Information Technology (IT) support will be necessary to integrate database functions and computer-based inspection report entry and management systems. Acquisition of formal self-study training modules or registration in formal

training courses on oil and gas operations for DEQ inspectors will be necessary to maintain the current levels of service and decrease the amount of on-the-job training required for DEQ inspectors, since staff available for performing the training will be limited. The broad scope and level of complexity of DEQ regulations and inspections, coupled with sub-professional CES incumbents, could present a training challenge.

EPA approval of the integration plan, since the UIC program is required to have CES dedicated to performing UIC well tests and inspections.

Savings will be achieved by reducing the overlap between inspectors in each agency while maintaining the current level of service. Full integration may result in the potential to eliminate some inspector positions. This assumes all inspectors are currently at or near work product capacity. Following the completion of the integration project, a more accurate analysis of savings could be determined.

2. Office of Conservation – Pipeline Division

- Currently, the Public Service Commission and the Office of Conservation share regulation of the intrastate natural gas system. Although our efforts are not duplicated, the potential for savings and efficiencies may exist through combining these efforts.

3. Office of Coastal Management

- The Office of Coastal Management is currently reviewing the effectiveness of co-locating permitting staff. This would be an overhaul of the permitting process within three (3) agencies (DNR, DEQ, DWF). The DNR Office of Coastal Management is charged with implementing the Louisiana Coastal Resources Program (LCRP). This program seeks to protect, develop and, where feasible, restore or enhance the resources of the state's coastal zone. Its broad intent is to encourage multiple uses of the resources and adequate economic growth while minimizing adverse effects of once resources use upon another without imposing undue restrictions on any user. Besides striving to balance conservation and resource use and development, the LCRP also seeks to resolve user conflicts, encourage coastal zone recreation values and determine the future course of coastal development and conservation.

Dual authority for wetland permitting exists between the US Army Corps of Engineers and the OCM. In addition, Water Quality Certifications are required from LDEQ prior to issuance of a Corps Permit, and other resource agencies are provided the opportunity to comment on coastal use and corps wetland permits. These agencies include Louisiana Department of Wildlife and Fisheries, US Fish & Wildlife, NOAA Marine Fisheries, Office of State Lands and others. In the first quarter of 2009 OCM was successful in co-locating a seasoned regulatory Corps employee at the OCM office. This has provided a greater level of customer service by providing a one stop shop for pre application meetings and ensured consistency and better communication between Corps and OCM staff which has resulted in a more streamlined and efficient process. Applicants now not only have the added convenience and speed that come with having access to

both DNR and the Corps of Engineers in the same centrally located office, but DNR staffers also have improved ability to train with the Corps of Engineers on the latest federal requirements for applications and mitigation – meaning greater coordination in assessing and processing coastal use permits. It is expected that additional co-location of staff who are integrally involved in wetland permitting would further the efficiency and effectiveness of the program. Specifically, it is recommended that an additional US Army Corps of Engineers staff member, LDEQ Water Quality Certification staff member, LDWF staff member and US Fish & Wildlife staff member should be co-located with OCM.

4. Office of Coastal Management

- The Office of State Lands (OSL) within the Division of Administration and Office of Coastal Management (OCM) within the Department of Natural Resources share similarities in mission, goals and activities in that they both manage natural resources of the State and consideration should be given to consolidation of functions where efficiencies and improvement in customer service may be realized. Both Offices manage State resources with consideration of multiple users and competing interests while maximizing the benefit of the resources for the State and its citizens. Both Offices contain robust GIS sections that would likely achieve greater efficiency if integrated into one Office. Additionally, the Office of State Lands is integral to the Atchafalaya Basin Program within the Office of Coastal Management and the Office of Mineral Resources within DNR. Potential integration of these offices under one Department would lead to a unified effort that will ensure resource protection, citizen access, improved customer service, resolution of resource user conflicts, and maximization of the economic potential of these resources to benefit the State. It is likely that consolidation of the Offices would not only achieve efficiencies but increase state revenues and citizen access to our resources.

Analysis of the consolidation of programs within the Office of Coastal Management and Office of State Lands will ensure that efficiencies and cost reduction opportunities have been thoroughly evaluated. Opportunities for efficiency and customer service improvements with net cost reductions that are identified through this evaluation should be implemented.

5. State Energy Office

- Potential consolidation of the Louisiana State University Center for Energy Studies and the State Energy Office. The overarching goal of the state funded activities is to provide energy data and analysis to support policy making relative to energy issues. There are potential overlaps of this function performed by the LSU Center for Energy Studies and therefore an opportunity to outsource the state funded activities in order to reduce state funded staff and realize potential savings. This would include the research, compilation and management of energy data, energy analysis and energy reports that are currently performed by the state funded activities. Outsourcing this function could result in the elimination of the IT Data Manager position from state funded activities and a transfer of the position to federally funded activities. The potential annual general savings from reducing state funded activities is \$120,000.

6. Miscellaneous

- Louisiana has three (3) of its twenty (20) executive branch departments, focused on resource management (DEQ, DNR, DWF). Information is enclosed herewith on recent changes in the state of Kentucky to streamline these efforts. This information is provided for review only and does not necessarily reflect the opinion of DNR.
- Kentucky Governor Steve Beshear created the **Energy and Environment Cabinet**, through Executive Order 2009-538 on June 12, 2009. The cabinet was created and established, and shall be headed by a secretary appointed by the Governor. The overall goal of abolishing the Environmental and Public Protection Cabinet and establishing the EEC is to enhance services provided to the regulated community and energy related sectors in Kentucky.

The Secretary shall be responsible for making changes to the department, divisions, and organizational units within the newly created Cabinet. These commissions were also established:

Kentucky Nature Preserves Commission
 Kentucky Environmental Quality Commission
 Kentucky Public Service Commission
 Kentucky Mine Safety Review Commission

Office of Secretary shall be comprised of:

Office of Legislative and Intergovernmental Affairs
 Office of Administrative Hearings
 Office of General Counsel

The creation of the Cabinet should allow for a more efficient and effective use of state resources in critical areas of environmental protection, mine safety, natural resources management, and energy policy development. The Energy Cabinet will consist of three departments:

Department of Natural Resources: The Division of Oil and Gas will remain with DNR under this plan, and included establishment of Permitting Review and Compliance Branch. It will also include divisions dealing with mines, and forestry.

Department of Environmental Protection: The department's reorganization will improve its ability to fulfill its state and federal mandates of protecting human health and the environment. Department will include Divisions of Waste Management , Division of Water, Division of Air Quality, Division of Enforcement and the Division of Compliance Assistance

Department of Energy Development and Independence: with the creation of the Department of Energy Development and Independence, the state's energy programs are elevated to cabinet level to help the state achieve its energy development and energy security goals.

VI. CIVIL SERVICE AND EMPLOYEE BENEFITS

a. List and identify any current initiatives or ideas related to employee benefits, hiring and promotion, and other employee regulations

- The Louisiana Civil Service Rules allow for layoffs of probationary employees without approval by the Department of Civil Service, and without affecting permanent staff. In January 2009, due to the uncertainty of funding during the upcoming appropriations cycle and reviewing the possibility of current year budget cuts, the Department of Natural Resources instituted a departmental policy that extended probationary time for new employees from 12 months to 18 months. This decision was implemented to afford the department maximum flexibility in dealing with budgetary cuts. In the event that budget cuts are implemented, the department would have the option of laying off the probationary employees first.

On July 29, 2009, while still focused on budgetary concerns in the state, DNR decided to extend these probationary periods from 18 months to 24 months; which is the maximum allowed by civil service rules. As employees reach 24 months of service, a decision will have to be made in consultation with the agency appointing authority on whether or not to grant permanent status. The only options at that time are to either grant permanent status or remove the employee from the position.

- Health saving accounts
- Consider a reduction in merit increases from 4% to 2%

VII. STUDIES AND OTHER RESOURCES

a. List studies (with a brief description) your agency has conducted that maybe of interest to the Commission.

- Work flow study by Xerox Corporation in 2003 for permitting system within Office of Coastal Management.
- Economic impact of Haynesville Shale, Dr. Loren Scott, May 2009
- Royalty in kind feasibility study, October 2004
- Marginal Oil & Gas Production in Louisiana: An Empirical Examination of State Activities and Policy Mechanisms for Stimulating Additional Production prepared by Center for Energy Studies/LSU, April 2004.

VIII. AGENCY BEST PRACTICES

a. **List and identify any current successful streamlining initiatives taking place (or has taken place) within your agency.**

Office of the Secretary:

- The Strategic Online Natural Resources Information System (SONRIS) is an example of providing complete user friendly access to all of the records of the department through the internet. The system provides retrieval of online, real-time information related to oil and gas drilling/production, state mineral leases, coastal data, Home Energy Rebate Option (HERO) applications, and much more, all from the DNR Oracle database using sophisticated queries. And also provides pre-built reports such as Conservation Scout reports in Adobe Acrobat PDF format which were formerly paper reports provided for a charge to the public.
- Act 523, approved by the 2009 Regular Session, provides that administrative back support to the Office of Coastal Protection and Restoration (OCPR), including fiscal, contractual, purchasing, procurement, and human resources will be provided by the Office of the Secretary/Management and Finance, Department of Natural Resources (DNR). The provision of the administrative back support provides economies for both the OCPR and the Department of Natural Resources. To finance this administrative back support; DNR receives both an IAT from the Coastal Protection and Restoration trust fund and indirect cost from federal programs administered by this office. This is an economizing best practice in that staff maintained by DNR does not have to be duplicated by the newly created Office of Coastal Protection and Restoration for the provision of similar services. This provision of back support for administrative services by DNR also relies heavily on maintaining both DNR and OCPR staff with the institutional knowledge and expertise to manage the delivery of services in a timely manner.
- DNR has also been in the forefront of eliminating state issued cell phones and personal assistant devices by providing a stipend to employees who in turn provide their own. This innovative program designed by DNR, required the approval of the State Civil Service Board. Approval of the proposal was obtained from State Civil Service in May 2009. Following the lead of DNR, other state agencies have followed suit and received approval from Civil Service to implement this policy for their respective agencies.

The stipend is spread over the employees twenty-six pay periods, and appears on the employee's remuneration statement as earned income. Participants must be certified by the appointing authority as requiring a device prior to participation in the program.

This procedure has proven to be cost effective and eliminates the need for usage audits of state owned devices, and as well as the need for purchase, upgrades, and maintenance of phones, personal assistant devices, blackberries. Employees are required to purchase their own devices and pay for all fees, maintenance, and upgrades, and replacements.

Office of Mineral Resources:

- Act 196 of the 2009 Regular Session changed the name of the State Mineral Board to the State Mineral and Energy Board to better identify the role the Board. Currently, the Board has statutory responsibility to lease state lands for the exploration and production of oil and gas; and renewable energy sources such as geothermal and wind. With this defining name change Louisiana is poised to continue being at the forefront of energy production in the country.
- To enhance a customer friendly environment, OMR has addressed its processes to reduce time delays and paper. The results have been that an online nomination process was created which allows the nominating party to prepare the nomination and submit online. This process has reduced the staff time required to receive nominations, prepare invoices, and enter nominations into the system. This has reduced the processing time between the nomination of a tract and it being offered for lease from ninety (90) days to seventy (70) days, approximately. These efforts continue to be analyzed for increased efficiency. As more demand for renewable energy sources evolve, the efficiencies developed in the leasing and management of oil and gas exploration and production, will transfer to the renewables.
- The function of the Office of Mineral Resources (OMR) is to ensure that the state is getting optimal return on its leasing for energy production by the use of audits and money management. Act 519 of the 2006 Regular Session mandated that payors of \$50,000 or more must wire transfer their funds to the department. This has reduced the amount of interest the state lost on the floating of the checks, eliminated NSF checks and saved staff time in processing checks for deposit. The Field Audit Tracking process has been streamlined such that the duties have been combined with other auditor's duties. The auditor previously assigned to Field Audit Tracking now works as a full time Field Auditor. The audit function is being enhanced by the development of a Property Manual that details the steps the audit staff shall use to determine how much royalty the state should be getting. Further technology enhancements such as audit software will allow the staff to audit more aggressively with volume audits.

Office of Coastal Management:

- The Office of Coastal Management underwent a re-organization in January 2009 to create efficiency and provide better service to the public. The Permitting/Mitigation/Support Division and Interagency/Field Services Division were created to better align the functions performed by the Office and streamline processes. The Office as also taken on several new initiatives that were identified as impediments to the function of the Office. In addition, the Atchafalaya Basin Program was placed under the authority of the Office of Coastal Management through a memorandum of understanding with the Office of the Secretary to provide for sharing of resources and staffing between the two groups.
- Co-location of seasoned Corps of Engineers regulatory personnel in the OCM Baton Rouge office. Another aid to efficiency and better coordination with coastal use permitting is the partnership between DNR's Office of Coastal Management and the U.S. Army Corps of Engineers where the Corps of Engineers has co-located one of its seasoned regulatory employees with DNR.

Having DNR's coastal staff and a member of the Corps of Engineers' team sharing space means better communication and coordination between the agencies and more efficiency in the regulatory review process. The arrangement provides opportunities to cut the time needed for resolving differences in state and federal regulatory requirements for coastal use permits, and the overall application processing time, without sacrificing either agency's responsibilities for regulatory protection of coastal resources. Applicants now not only have the added convenience and speed that come with having access to both DNR and the Corps of Engineers in the same centrally located office, but DNR staffers also have improved ability to train with the Corps of Engineers on the latest federal requirements for applications and mitigation – meaning greater coordination in assessing and processing coastal use permits.

- Development and promulgation of the Beneficial Use regulations to further streamline the coastal use permitting process and increase the quantity and quality of beneficial use of dredged sediments (increase the amount of land and marsh created or enhanced) This is another new initiative in the works that will increase the amount of dredge material used to preserve and sustain Louisiana's coast – known as beneficial use – while simplifying and streamlining the permitting process for companies. Since 1980, coastal use guidelines have required beneficial use of dredged material to maximum extent practicable, but only a fraction of sediment dredged has been used for that purpose. Under the current system the permit applicant either proposes to beneficially use the material or provides information that beneficial use is not feasible. This feasibility evaluation has led to significant permit processing delays in the past. However, under the proposed rules, the applicant is not required to conduct a feasibility analysis. They just simply choose one of the four options for beneficial use. This streamlined process will reduce the time to process permits and increase the quantity and quality of material beneficially used to create land and coastal marshes.

Office of Conservation:

- Improved productivity and streamlining was achieved through development and implementation of computer-based field inspection reports. These reports allow the Engineering, Injection and Mining, and Pipeline Divisions' Conservation Enforcement Specialists (Inspectors) to utilize their laptop computers in real time from field locations. The on-line reports minimize errors, reduces processing times, transforms the inspection process into a paperless workflow, creates a tool for strategic management of field resources (Inspectors) which results in improved efficiencies and service delivery. Additionally, the system includes a GIS component which facilitates improved site location determination and maximized resource utilization.
- Streamlined well log imaging whereby logs are imaged by a private firm (under a cooperative endeavor), and then transferred to DNR for the SONRIS document image application, and available for viewing on the web. This well log imaging partnership with the private sector and the Office of Conservation has resulted in an outsourcing of a critical daily function with no cost to the State

- Organizational changes were implemented, and are currently under development, to improve business functionality and efficiency. In 2007, the former Groundwater Resources Management Division was merged with the E&P Waste Management and Legacy Site Remediation programs, formerly under the Injection and Mining Division, to create the Environmental Division. This move allowed for greater staff crossover training and utilization to focus staff in areas where most needed in a timely manner. In 2009, personnel changes were implemented creating an assistant director and public education / outreach position within the division to better utilize existing staff resources to address increased workload due to legacy settlement and referral activity and ground water resources program activity. Currently, the Secretaries' of DOTD and DNR, and the Commissioner of Conservation have begun working toward finalizing a Memorandum of Understanding to establish the timing and manner of the transition of the responsibilities relating to water wells and water well drillers from DOTD, Office of Public Works, to DNR, Office of Conservation as required by Section 3 of Act Number 437 passed in the Regular Session of the Louisiana Legislature, 2009. Act Number 437 was created to eliminate agency duplication with water well registration and database management.

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Agency	ACTIVITY	FY 2009-2010 Appropriation (\$,000s)		T.O.	Statutory & Constitutional Mandate	Comments/Descriptions					
		G.F.	Other			Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?		
431	Secretary Program 1 Executive Administration										
	01 Executive	84	5,678	4	La. R.S. 36:354A	Yes. Executive management provides leadership, guidance, and coordination in upholding the mission of the Department and to implement the Governor's and Legislature's directives.	This executive activity is vital in keeping the Department's total mission in focus and to provide a liaison between the Department and the Governor's Office.	No duplication involved. The executives of the Department concentrate on the functions and operations of the Department of Natural Resources and provide the leadership needed to meet the Department's goals and objectives.	No.		
	02 Legal	95	382	4	La. R.S. 36:354A	Yes. This activity is necessary in the efficient administration of the Department's responsibilities as it relates to legal matters. They review contracts, cost-share agreements, and other documents which could have a legal or liability application for DNR or the state.	This is a necessary activity.	No duplication involved. The responsibilities are specific to DNR.	No, currently manages legal contracts.		
	03 Public Information	70	191	2	La. R.S. 36:354A	Yes. The Public Information staff provide ongoing communication with the general public and a statewide media network of newspapers, broadcast news outlets, and news services through press releases, public service announcements, newsletters, informational packets, and other means.	The performance of these duties play an important role in the delivery of our services to the public.	No duplication involved. The responsibilities are specific to DNR.	No, daily involvement and knowledge of Department activities necessary to perform this function effectively.		
	Program 2 Support Services										
	01 Executive	1,120	3,455	4	La. R.S. 36:356A	Yes. The Office of the Undersecretary is necessary to provide for the timely and cost effective administration of the functions within the Office of Management and Finance.	This function is essential to the efficient operation of the Management and Finance program, which impacts the entire Department.	No duplication involved. The responsibilities are specific to DNR.	No.		
	02 IT	632	2,783	24	La. R.S. 36:356 (B)	Yes. Information Technology is needed to provide state-of-the-art technology support to the offices and divisions within the department assisting them in obtaining the mission of the department.	It is needed to provide state-of-the-art high-technology support for its offices and divisions. Through IT, DNR possesses the ability to plan, implement and support complex information system projects, including its current major focus, the Strategic Online Natural Resources Information System - SONRIS.	No duplication involved. The responsibilities are specific to DNR.	No.		
	03 HR	131	411	6	La. R.S. 36:356 (B)	Yes. Human Resources provides all personnel related services needed in the department.	This is a necessary function.	No duplication involved. The responsibilities are specific to DNR.	No.		
	04 Fiscal	186	1,981	18	La. R.S. 36:356 (B)	Yes. Providing financial management services is a crucial function maintaining compliance in accordance with local, state and federal regulations. These services are inclusive of accounting, budgeting, grant management, accounts payable, accounts receivable and Administration of the Fisherman's Gear Compensation Fund.	This section is needed to ensure that the department and its offices have the resources to perform the program mission and ensure fiscal accountability.	No duplication involved. The responsibilities are specific to DNR.	No.		

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Agency	ACTIVITY	FY 2009-2010 Appropriation (1,000s)		T.O.	Statutory & Constitutional Mandate	Comments/Descriptions			
		G.F.	Other			Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?
64	Contracts	61	230		La R.S. 38:358 (B)	The Contract and Grants Management Division prepares and processes all DNR contracts and coordinates contractor selection to ensure that contractual obligations are entered into in full compliance with departmental policies, Division of Administration, Office of Contractual Review regulations and other applicable laws.	This section is needed to handle the mass number of contractual services for the department and the Office of Coastal Protection and Restoration.	No duplication involved. The responsibilities are specific to DNR.	No.

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Agcy	ACTIVITY	FY 2009-2010 Appropriation (1,000s)			Statutory & Constitutional Mandate	Comments/Descriptions				
		G.F.	Other	T.O.		Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?	
06	Purchasing	8	172	3	La. R.S. 36:356 (B)	Yes. This Division procures supplies, materials and moveable property and handles rental and lease of equipment and repair work through state contract, competitive bidding, and direct order. The Division also maintains the Inventory and Property Control Section of state property.	This section is responsible for the procurements of the entire department and the Office of Coastal Protection and Restoration.	No duplication involved. The responsibilities are specific to DNR.	No.	
07	Internal Audit	45	60	1	La. R.S. 36:356 (B)	Yes. This activity provides a check and balance system in accordance with local, state, federal rules and regulations as well as departmental policy and procedure and accounting guidelines.	This position is required by the General Appropriation Act.	No duplication involved. The responsibilities are specific to DNR.	No.	
Program 3										
Energy Conservation										
01	State Energy	28	312	4	R.S. 36:354 A(5)	Yes. Provides independent and timely engineering and economic information and analysis about energy and natural resources supply, demand utilization, technology & cost, as well as how national and state policy impact LA on these issues.	Yes. The reorganization of this office is being reviewed to be in the position to take advantage of potential federal opportunities for alternative and green energy. The director's position will likely be eliminated and become the responsibility of the Deputy Secretary.	Federal agencies do not focus specifically on the technical/economic analysis of state energy and natural resource issues. LSU Center for Energy Studies does conduct similar work. A consolidation opportunity may exist. No local government or state holder has this extensive coverage.	Outsourcing the entire program risks the lack of true independence and singular accountability, however, consolidation with LSU Center for Energy Studies may be possible. Some outsourcing can be and is conducted on a project by project basis.	
02	Federal Energy		47,734	14	R.S. 36:354 E(3)	Yes, this unit is the primary manager of energy efficiency and renewable energy programs funded solely by the U.S. Department of Energy. It coordinates the state's residential home energy efficiency program.	If this program were to be eliminated, the funding from the U.S. DOE and services provided by the State Energy Office would not be made available to the citizens and business owners of Louisiana.	There is no known duplication or overlap with other agencies or stakeholders. This division is the arm of DNR that deals directly with the U.S. Department of Energy on the federally funded State Energy Program (energy conservation/renewable energy).	Outsourcing the federally funded State Energy Office is not done by any other state as these programs were designed for the direct benefit of the citizens of the state, and do not support or promote any one particular product/service. Outsourcing can be, and is conducted on a programmatic basis.	
Program 4										
Atchafalaya Basin										
01	Atchafalaya Basin	252	90	2	R.S. 30:2000 4(B)	Yes, this activity serves to protect, preserve and restore one of the great natural resources of our State, the Atchafalaya Basin. Program also serves as non-federal cost share partner for federal program with same mission.	Elimination of this program would result in dire consequences to the ecology of the Basin as no State program would exist to implement the State Master Plan and serve as non-federal cost share partner.	Federal USACE has an Atchafalaya Basin Project. Local Government, NGOs and other Stakeholders participate with the State Program to implement projects that are identified as beneficial in the Basin.	This activity is currently implemented at the State level with a TO of 2 with all other activities outsourced to contractors, local government or other state or federal governmental agencies.	
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Agency	ACTIVITY	FY 2009-2010 Appropriation (1,000s)			Statutory & Constitutional Mandate	Comments/Descriptions					
		G.F.	Other	T.O.		Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?		
432	Conservation Program 1 Engineering (including Executive)				Louisiana Constitution Article IX, Section 1; R.S. 30:1 et seq.; L.S.A.-R.S. 36:351 (State OOC is an Office under DNR); R.S. 36:357; R.S. 36:357; L.S.A.-R.S. 36:358(D) (purpose and function); L.S.A.-R.S. 49:965(B)(1) (review of agency rules & fees by House Committee NR & Env and Senate NR Committee)						
01	Executive-Division	23	1,988	9	R.S. 30:1(A) & (C)	Yes. This Division has jurisdictional authority to enforce all laws through regulation relating to the conservation of oil and gas and protection of the correlative rights of all parties involved in these activities.	This is the only division that has the authority to regulate the exploration and production of resources in the state, for the protection of the public health, environment, natural resources and correlative rights of all parties involved in these activities.	No, there is no duplication or overlap with other agencies, federal or state or stakeholders.	Internal between private contractors, the regulated communities and the public's interest for unbiased regulation and authority related to the protection of their health and environment, and preservation of the state's natural resources. By law Oil and Gas Hearings are scheduled and conducted by the Commissioner or his designee as the hearing officer. The Commissioner issues Conservation Order (See Geological Division activity). This Division promulgates rules and provides legal guidance for the Office of Conservation's divisions on promulgating rules. Additionally, the Commissioner's Commissioner and Senior attorney defend the Agency against legal challenges to Conservation orders and rules at the Division of Administrative Law and Louisiana Judicial District Courts and any subsequent appeals. During emergency events, LDNR, Office of Conservation, Engineering and the Pipeline Divisions have been tasked		
02	Administrative-Engineering -Baton Rouge	37	662	8	R.S. 30:4(B), (C)(1)(a), (C)(2) - (9) & (11); (15); R.S. 30:4(J); R.S. 30:81(B);	Yes. The activities are relevant and necessary to protect the correlative rights of landowners, conserve the state's natural resources and protect public safety and the environment.	This program cannot be eliminated because of the managerial rule in leading the division through the multitude of tasks associated with the regulation of exploration and production of oil and gas.	None.	No. Due to the specialized nature of the work performed, privatizing or outsourcing activities will result in the potential for conflicts of interest between contractors and the regulated community.		
03	Field Inspections Lafayette District	136.6	1,000.4	18		Yes. Provides local personnel for surveillance of oil & gas exploration and production activities, rule enforcement, compliance.	Not legally mandated, but the program was enhanced in 2007 to establish minimum inspection requirements. Although 2 vacant.	Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.	Industry self inspection and/or privatization may be possible.		
	Monroe District	136.6	286.6	6							
	Shreveport District	136.6	575.0	12							
	Well Operations Lafayette District	136.6	687.8	10		Yes. Provides local personnel for oversight of oil & gas exploration and production activities and industry regulatory compliance in the field.	Yes, permits could be issued in Baton Rouge.	None.	No. Due to the specialized nature of the work performed, privatizing or outsourcing activities will result in the potential for conflicts of interest between contractors and the regulated community.		
	Monroe District	136.6	172.0	4							
	Shreveport District	136.6	608.7	9							

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Agcy	ACTIVITY	FY 2009-2010 Appropriation (1,000s)			Statutory & Constitutional Mandate	Comments/Descriptions			
		Q.F.	Other	T.O.		Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?
04	Oilfield Site Restoration		833	10	R.S. 30:81(B)	Yes. Restores sites and facilities which pose a threat to public safety and the environment. Also aids economic development by allowing former sites to be returned to commerce.	The program operates with a minimum number of personnel. Field inspector positions funded by the program also serve the functions of the District Office when not assigned to an OSR project.	There is a possible overlap with the inspection function in DEQ.	No. Potential conflicts of interest exist due to limited funding and specialized nature of the work. Contractors are already used to perform the projects developed by the program and are selected through the competitive bid process.
06	Inspection/Enforcement		409	5	R.S. 30:4 (C) & (J)	Yes. Rule enforcement ensures compliance with applicable regulations thereby ensuring conservation of natural resources and protecting the environment and public safety.	The program cannot be eliminated because the functions are necessary to conserve natural resources and protect the safety of the public and the environment.	None.	No. Enforcement actions required include issuance of Civil Penalties, suspension of authorization to transport oil, seizure of title from the sale of oil and/or gas and ceasing operation. These actions create the potential for conflict of interest between a contractor and the regulated community.
06	Permit-Reservoir		556	9	R.S. 30:4(C)(1)(a)-(v) & (C)(2), (3), (8) & (13); R.S. 30:28(A), (D)(2), (D)(3), (D)(5), (D)(7) & (6)	The Permit-Reservoir Section regulates the oil & gas industry to ensure that, #1 - mineral owners rights are protected, #2 - wells are drilled with regard to the safety of the public, #3 - accurate data is recorded, #4 - the company is valid and the well is in compliance with the rules and regulations of the Office of Conservation	This program is the lowest between the oil and gas industry and the rights of the mineral owners in the State of Louisiana.	None.	No. Allowing private industry to regulate the oil and gas industry creates the potential for bias and conflict of interest.

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Agency	ACTIVITY	FY 2008-2010 Appropriation (1,000s)			Statutory & Constitutional Mandate	Comments/Descriptions	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?
		G.F.	Other	T.O.					
07	Production Audit	134	1,075	22	R.S. 30:4(B) & (C)(11), (12), (14) & (15) Yes. Collects and audits oil and gas mineral production data and information ensuring proper mineral management, providing a resource and foundation for protection of the correlative rights of landowners and conservation of the oil and gas resources. This information provides an important data repository for the determination of state oil and gas mineral revenue and taxation and is utilized by various state and local government agencies, industry groups, interested stakeholders, and the general public.	Yes. This program may be overhauled but not eliminated. This program has been enhanced to provide online reporting capability to the regulated community. There are continuing efforts to educate the regulated industry on reporting through the on-line system. This information helps to determine state oil and gas mineral revenue and taxation and is utilized by various state and local government agencies, industry groups, interested stakeholders, and the general public. It may be possible to change the rules to mandate electronic submission, which would eliminate the need for manual reporting.	None	Yes, privatization and electronic reporting may allow for reduction of this effort. Should be analyzed for true cost saving period.	
08	Geological Oil & Gas		881	12	R.S. 30:6 A, B, E and F Yes. This Division's activities are relevant to the Commissioner's mandate to protect the correlative rights of oil and gas mineral owners and conservation of the mineral resources of the State. This entails primarily public notification hearings, leading to the issuance of the Office of Conservation Orders. At every step of this process, the Division is charged with performing critical functions, including cross-examination of witnesses at the hearings as well as successful evaluations of the available geological, engineering and other pertinent information. Based on such activities, the Division makes due recommendations to the Commissioner, and crucial contributions to his decision making process and accomplishment of his mission.	No. This program cannot be eliminated, and no overhaul is necessary. It is vital to maintaining appropriate technical staff to provide acceptable performance levels that are essential for the regulation of exploration for and production of oil and gas and related utilization (for correlative rights) in the state as is mandated under the authority of the Commissioner.	No, there is no duplication or overlap with other agencies, federal or state or stakeholders.	No. A conflict of interest would ensue if such action were taken, resulting in questions of ethics. The matters of hearing review and advice to the Commissioner are under strict rules of procedure, formalized after many years of consideration and legal study.	
01	Program 2 Pipeline Operations/Executive	126	349	2	R.S. 30:4 C (12) and (17), RS 30:546 Yes. The timely review and processing of applications for Public Hearing (if warranted) for interstate natural gas pipelines ensure the supply of energy/fuel for public needs and necessary and emergency shutdown for plants/industrial. The Commissioner prepares the Natural Gas Emergency Declaration for the Governor's signature, in times of natural gas shortages, which sets into motion natural gas curtailment. During normal operations, energy supplies are provided for public use and operations of businesses and industries. Review and processing of carbon dioxide applications enhances the continued supply of energy by the oil and gas industry.	This program is critical to the citizens, industry and businesses, and the interstate natural gas transporters of Louisiana.	No other agency is charged with duties performed by this section.	No. By law Pipeline Hearings are scheduled and conducted by the Commissioner or his designee. The Commissioner issues Pipeline Orders after approving or denying applicant's request to perform activities. The Commissioner has the authority and the responsibility to maintain the adequate supply of interstate natural gas to the citizenry, businesses, and industries of Louisiana. The Commissioner is required to approve pipeline operator's emergency allocation of natural gas plans. The above official functions of the Commissioner require an unbiased and consistent review of technical and practical data available resulting in a decision which best serves the public interest and energy needs of the State.	

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Agcy	ACTIVITY	FY 2009-2010 Appropriation (1,000s)			Statutory & Constitutional Mandate	Comments/Descriptions			
		G.F.	Other	T.O.		Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?
02	Pipeline Safety- Natural Gas	107	1,037	16	R.S. 30:546	Yes. Transportation and distribution of natural gas and other gases can threaten public safety and the environment. The program provides regulation and enforcement activities to ensure the safety of the public, integrity of the environment, and sound operation and maintenance of the State's pipelines.	LDNR has entered into a certification agreement with the US DOT to regulate and enforce intrastate pipelines. This program is under continual review to ascertain that the State's activities are performed to the Federal guidelines.	No. The function and activities of this program are not performed or duplicated by any other federal, state, or local government agency. Federal pipeline safety regulations are adopted and enforced as mandated by the Certification. It should be noted the Public Service Commission also has some regulatory oversight for intrastate natural gas pipelines. Although our efforts do not overlap, there may exist an opportunity to combine our joint efforts.	No. Only government employees are allowed to conduct inspections of pipeline operators and their systems. Additionally, inspector specific federal training is mandated. Failure of the State to perform under the certification would result in the Program being absorbed by US DOT resulting in reduction of intrastate pipeline facility inspections which may have a negative impact on public safety and the environment.

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Agcy	ACTIVITY	FY 2009-2010 Appropriation (1,000s)			Statutory & Constitutional Mandate	Comments/Descriptions	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?
		G.F.	Other	T.O.					
03	Pipeline Safety- Hazardous Liquid	41	270	3	R.S. 30:703(A)	Yes. Transportation and distribution of crude oil and other products can threaten public safety and the environment. The program provides regulation and enforcement activities to ensure the safety of the public, integrity of the environment, and sound operation and maintenance of the State's pipeline.	LDNR has entered into a Certification agreement with the US DOT to regulate and enforce interstate pipelines. This program is under continual review to ascertain that the State's activities are performed to the federal guidelines.	No. The function and activities of this program are not performed or duplicated by any other federal, state, or local government agency. Federal pipeline safety regulations are adopted and enforced as mandated by the Certification. See note above.	No. Only government employees are allowed to conduct inspections of pipeline operators and their systems. Additionally, inspector specific federal training is mandated. Failure of the State to perform under the Certification would result in the Program being absorbed by US DOT resulting in reduction of interstate pipeline facility inspections which may have a negative impact on public safety and the environment.
04	Underwater Obstructions Injection & Mining		709	0	RS 30:101.4(A) & (B)	Yes. Removal of underwater obstructions protects the public safety of all private and commercial maritime activity as well as reducing the impact to commercial fishing.	This program is vital to protecting the public safety of private boaters as well as reducing the impact to commercial fishing.	NOAA and USCG are stakeholders and engaged in either obstruction surveying or removal.	No. Potential conflicts of interest exist due to limited funding and specialized nature of the work. Contractors are already used to perform the projects developed by the program and are selected through the competitive bid process.
01	Surface Mining	18	288	2	R.S. 30:905(A) & (B)	Yes. Regulating surface coal mine operations prevents adverse impacts to public health, safety and the environment. (see activity description)	Oversight by federal Office of Surface Mining requires mining operations within Louisiana remain in compliance with federal law.	Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.	No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry it would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.
02	Underground In Control	138	1,739	20	R.S. 30:4(C)(16)(a)-(b); R.S. 30:4.1 (B) - (D);	Yes, the program assures the protection of public health, public safety and the environment by fully regulating all activities relating to the subsurface injection of hazardous and nonhazardous waste (wells) and storage of liquid and gaseous hydrocarbons with the goal of protecting underground sources of drinking water.	Elements of the program existed prior to establishment of federal law. Oversight by the U.S. Environmental Protection Agency (EPA) requires that injection well activities within Louisiana remain in compliance with federal law.	Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.	No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry it would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.
03	Abandoned Mine Lands		321	1	R.S. 30:905(A) - (B)	Yes. Remediation of abandoned mine sites reduces potential adverse impacts to public health, safety and the environment.	Oversight by federal Office of Surface Mining requires identification and reclamation of abandoned mine sites.	Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.	No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry it would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.
04	Commercial Waste-U.I.C.	135	388	6	R.S. 30:4(C)(16)(a)-(b); R.S. 30:4.1 (B) - (D);	Yes, the program assures the protection of public health, public safety and the environment by fully regulating all activities relating to surface storage, processing and the subsurface injection of commercial receipts of nonhazardous and hazardous wastes with the goal of protecting underground sources of drinking water.	Elements of the program existed prior to establishment of federal law. Oversight by the U.S. Environmental Protection Agency (EPA) requires that injection well activities within Louisiana remain in compliance with federal law.	Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.	No. Use of a private contractor may create a conflict-of-interest due to its potential ties to the industry, resulting in the contractor making choices based on biases for the industry it would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.

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		G.F.	Other	T.O.		Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?	
	Environmental									
01	Legacy Sites Remediation Program	99	235	4	R.S. 30:29	Yes. The program assures the protection of public health, safety, welfare and the environment by implementing statutory law, and developing, implementing and enforcing administrative regulations, for site evaluation and remediation plans and clean up activities at oil and gas exploration and production (E&P) sites subject to, but not limited to, the provision of ACT 312 of 2006.	The program is mandated by statutory law (ACT 312 of 2006) and therefore cannot be eliminated without statutory amendment. However, administrative efficiency of the program may benefit from interdepartmental reorganization by separating the two main components of the program, i.e., legal administration and evaluation and remediation technical review and approval responsibilities, within the agency or department.	Evaluation of the appropriateness of the segregation of DEQ inspection and permitting should be examined.		No. Use of a private contractor may create a conflict-of-interest due to its potential bias to the industry, resulting in the contractor making choices based on biases for the industry it would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.
02	E&P Waste Mgt. Program (Commercial Facilities)	213	23	3	R.S. 30:4 B and 1	Yes. The program assures the protection of public health, safety, welfare and the environment by implementing statutory law, and developing, implementing and enforcing administrative regulations for the control and oversight of statewide oil/gas Exploration and Production Waste (E&P Waste) management activities including commercial transportation, treatment, storage, transfer and disposal operations, and permitting of commercial E&P Waste treatment and disposal facilities and transfer stations.	Elimination of a program developed and implemented to prevent uncontrolled and improper disposal of oil and gas industry E&P Waste fluids and solids such as crude oil and natural gas produced (salt) water, drilling completion and production waste and other associated wastes into the environment would most certainly invoke the public's interest. The agency's role in the on-site management of E&P Waste and administrative regulations developed under the Office of Conservation have undergone several organizational improvements and regulatory amendments since its origin in 1982 to address the challenges of the agency to assure proper protection of public health, safety, welfare and the environment.	There are clearly separate jurisdictional duties established by statutory law and administrative regulations in managing E&P Waste, both internally and externally. On-site regulations for pit registration and closure requirements are managed by the Engineering Division while Class II subsurface injection of E&P Waste fluids is managed under the Injection and Mining Division's Underground Injection Control Program. The Department of Environmental Quality maintains jurisdiction and responsibility for addressing any impacts to the environment from the release of E&P Waste into the air or water resources of the state, as well as naturally occurring radioactive material. Evaluation of the appropriateness of the segregation of DEQ inspection and permitting activities should be examined.		No. Use of a private contractor may create a conflict-of-interest due to its potential bias to the industry, resulting in the contractor making choices based on biases for the industry it would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.
03	Ground Water Resources Program	351	98	4	R.S. 38:3097.3	Yes. The program assures the protection of public health, safety, welfare and the environment by implementing statutory law, and developing, implementing and enforcing administrative regulations to preserve and manage the state's ground water resources (see activity description).	The program is mandated by statutory law and therefore cannot be eliminated without statutory amendment. The Office of Conservation recently overhauled the program's organization structure to maximize agency resources and operating efficiency to address technical needs and improve public education and outreach services. ACT 437 of 2006 further mandates that the ground water resources duties and responsibilities under the jurisdictional authority of the Department of Transportation and Development (DOTD) be transferred to DNR through an intra-agency Memorandum of Understanding to be effective January 1, 2010.	Duplication of efforts between DNR and DOTD will be addressed by implementation of ACT 437 of 2006. There may exist some overlap of water well registration and database management responsibilities with the Office of Public Health for public supply wells and with the Capitol Area Ground Water Conservation Commission for wells permitted within their 5 parish jurisdiction. No other duplication or overlap exists with other agencies at any level of government or relevant stakeholders.		No. Use of a private contractor may create a conflict-of-interest due to its potential bias to the industry, resulting in the contractor making choices based on biases for the industry it would regulate, rather than what was best for the public health, public safety, the Louisiana environment and the conservation of the state's Natural Resources.

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		G.F.	Other	T.O.		Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?
Agency 434 Minerals Program 1									
	D1 Executive	0	1,035		R.S. 30:135; R.S. 359 §(D)	This activity is responsible for overall management of the office as well as legal, clerical, and information technology support to the State Mineral Board. Therefore, this activity is relevant to the mission.	This activity cannot be eliminated because the office generates a major source of revenue to the state general fund each year and effective management and support is imperative for a function of this importance. The program has already undertaken many initiatives in the past few years to streamline, modernize, and automate operations.	none	No. This activity provides management of the office as well as legal and clerical services to the State Mineral Board.
	D2 Desk Audit (including revenue classifications)	0	1,408	14	R.S. 30:136(b) Constitution Article VI, Section 4(E)	This activity is responsible for performing desk audits of all royalty reports that accompany royalties paid to the state to ensure that the state has received all royalties to which it is entitled and the correct valuation for those royalties. This activity is also responsible for ensuring that all royalties collected are allocated to the correct parishes and the correct state funds. Given that the program's mission is to maximize revenue to the state, this activity is relevant to the mission.	This activity cannot be eliminated because it provides for the proper classification and deposit of a major source of revenue to the state general fund each year. This activity is responsible for ensuring that mineral income is collected in a timely manner and that all revenues are classified to the proper funds. This activity has already undertaken many initiatives in the past few years to streamline, modernize, and automate operations. These initiatives have resulted in finding inaccurate payments more efficiently and having revenues deposited and classified sooner.	none	No. The vast majority of operators of state mineral leases are domiciled in Louisiana and Texas. The accountability laws in both of those states prohibit auditors from performing audits on a contingency fee basis. Contracting for audits on an hourly basis proven to be not cost effective. Also, due to the highly specialized nature of oil and gas accounting, finding an accounting firm with sufficient knowledge and experience that do not have conflicts of interest would be virtually impossible. Furthermore, some of the royalty audits result in litigation that lasts for many years, which would be beyond the term of a professional service contract.
	D3 Field Audit	0	1,778	13	R.S. 30:148.7	This activity is responsible for performing field audits of royalties paid to the state. These auditors travel to payor companies and physically examine production and sales documents as well as other source documents to ensure that the state has received the correct amount of royalties. Millions of dollars in unpaid or underpaid royalties have been identified and collected through this activity.	This activity cannot be eliminated because it generates millions of dollars in royalty revenues. Over the past ten years, we have collected an average of more than \$1 million per auditor per year in unpaid or underpaid royalties. Program elimination would force the State to rely on voluntary compliance.	Possible opportunity with Louisiana Department of Revenue to cross train auditors for severance tax audits.	No. The vast majority of operators of state mineral leases are domiciled in Louisiana and Texas. The accountability laws in both of those states prohibit auditors from performing audits on a contingency fee basis. Contracting for audits on an hourly basis proven to be not cost effective. Also, due to the highly specialized nature of oil and gas accounting, finding an accounting firm with sufficient knowledge and experience that do not have conflicts of interest would be virtually impossible. Furthermore, some of the royalty audits result in litigation that lasts for many years, which would be beyond the term of a professional service contract.
	D4 Seismic Permitting	2	222	2	R.S. 30:212	This activity is necessary as a precursor to oil and gas drilling and production. Given that the program's mission is to maximize oil and gas revenue, this activity is relevant to the mission. Seismic activity leads to mineral exploration and production.	This activity cannot be eliminated because if oil and gas companies are unable to conduct to conduct seismic survey, there will be a significant reduction in oil and gas leasing.	none	No. The seismic license agreements do not allow for this data to be shown outside of this agency without special permission from the seismic company.

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		G.F.	Other	T.O.						
	05 Bid Evaluation & Lease Reviews	0	1,864	15	R.S. 30:127 R.S. 30:148.7	<p>This activity is responsible for evaluating bids for state mineral leases and making recommendations on those bids to the State Mineral Board. This activity is responsible for monitoring leases throughout their lifecycle to ensure that the leases are being prudently developed by the lessees. This activity is responsible for monitoring oil and gas production on property adjacent to or near state property to ensure that state mineral assets are not drained by other development. This activity is also responsible for negotiating operating agreements with oil and gas operators and making recommendations on the terms of the operating agreements to ensure that the terms are in the best interest of the state. Given that the program's mission is to maximize revenue to the state by managing and administering the mineral and energy assets, this function is relevant to the mission.</p>	<p>This Activity cannot be eliminated because the State Mineral Board relies upon the expertise of the geologists and engineers to advise them on whether bidders have offered sufficient value for the leases. This expertise of geologists and engineers is required to determine whether lessees are developing their leases in accordance with the terms of the lease and in a manner that maximized revenue to the state. Consideration could be given to semi-monthly or quarterly bid awards.</p>	none	<p>No. There are many firms that have geologists and engineers on staff that do oil & gas consulting work. Most of the oil and gas consulting work is done on a project basis, and over a relatively short period of time. The cost for any geological and engineering consulting work done on an hourly basis would be extremely high due to the high salaries paid in the oil & gas business, and the need for the consulting firm to make a profit. G&E work is continuous throughout the year with constant deadlines, and sometimes very tight lead time.</p> <p>Data confidentiality will also cause problems for outsourcing, especially the 3-D seismic data, and the confidential data received from operators in the 8(g) area of the OCS. The seismic license agreements do not allow for this data to be shown outside of this agency without special permission from the seismic company, and there would be many other problems involved when dealing with confidential data.</p>	
	06 Leasing	0	2,044	12	R.S. 30:126	<p>This activity is responsible for processing and advertising applications for mineral leases and issuing mineral leases awarded by the state mineral board. Given that the program's mission is to maximize revenue to the state by managing and administering the mineral and energy assets, this function is relevant to the mission.</p>	<p>This activity cannot be eliminated because awarding new leases ensures future revenues to the State. However, lease sales could be conducted less frequently than monthly, such as quarterly or bi-monthly.</p>	none	<p>No. Because information for nominations is confidential and privatizing or outsourcing could lead to violations of state, and time restraints on preparation of nominations, including consulting errors and meetings with the State Land Office would make outsourcing unrealistic with the deadlines necessary, and the originality of documents which are stored and indexed would preclude outsourcing because of possibility of loss of documents (which has already happened in the Office of Conservation). Above all, the use of internal SONRIS to accomplish the work would make necessary access to outsourced entities which compromises the internal SONRIS system not available to the public.</p>	
	07 Lease Ownership Management	0	743	6	R.S. 30:128	<p>This activity is responsible for maintaining ownership records for all state mineral leases and making recommendations to the State Mineral Board regarding whether to approve requests for assignments of lease ownership. Given that the program's mission is to maximize revenue to the state by managing and administering the mineral and energy assets, this function is relevant to the mission.</p>	<p>This activity cannot be eliminated because it is necessary for the state to know all of the parties to its leases.</p>	none	<p>No. Because the assignments sent for Mineral Board approval often have incorrect lease ownership indicated which requires staff to "rebuild" lease chain of title from our records to show where error occurred. This may necessitate acquiring additional interest transfer documents recorded in parish records, but never approved by the Board. Partial releases handled by this section often contain incorrect in description and require detailed rebuild of "lease" chain and descriptions to correct releases and match active lease logs. Outsourcing would require work done by outsourced parties to be checked by inhouse employees anyway against inhouse records so no savings of time or money.</p>	
	08 Funding of other DNR Agencies	0	5,113	6						
AGcy 435 Coastal Management Program 1		0	15,005	73						

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		G.F.	Other	T.O.		Is Activity Relevant to the Mission? Please explain.	Can this Program be Overhauled or Eliminated? Please Explain.	Identify Duplication or Overlap with other Federal, State, Local Govt, Stakeholders.	Is it possible to Privatize or Outsource this activity?
01	Executive/Adm		2,288		§ R.S. 38351C(1)	Yes. Executive management provides leadership, guidance and coordination in upholding the mission of the department and to implement the Governor's and Legislature's directives.	This Executive activity is vital in keeping the department's total mission in focus and to provide liaison between the department and the Governor's Office.	No duplication involved. The executives of the Office concentrate on the functions and operations of the Office of Coastal Mgt. and provides the leadership needed to meet its goals and objectives.	No.
02	Coastal Zone Management		2,227	42	RS 49:214.21 - 214.42	The program is structured to bring activities conducted in the Lt. coastal zone into compliance and consistency with the guidelines developed to meet the legislatively declared public policy. This policy is to "protect, develop, and, where feasible, restore or enhance the resources of the state's coastal zone." The mission of the agency is to balance competing uses and users of the state's coastal resources.	This program is the State Coastal Management Program. It can not be eliminated without removing regulatory oversight on activities in the Coastal Zone. Under this administration the program has undergone a review and reorganization to streamline permitting and provide better customer service while maintaining protection of coastal resources and marshes.	There is no duplication with other programs. Under the State program, funding is provided for approved local programs that perform some permitting functions for projects deemed of local concern. There are some similarities and confusion with the Corps of Engineers 404 program, but the two programs are distinct and unrelated. There is some overlap as other resource agencies are involved in review of the permit applications. For the State, mainly LDWF; for the federal agencies, USFWS, EPA, and NOAA. These agencies attend meetings and other comings. However, the LDWF is a partner in the permit process and is involved in the decision on many permit applications.	Yes, the entire function of the office could be contracted, but there would likely be net savings and the state would require the approval of NOAA in order to do so. It might jeopardize existence of the program and associated federal funds.
05	LOSCD		151		2 R.S. 30:2451 et seq	We are a designated natural resources trustee within the OSPRA legislation. We not only regulate the oil industry with respect to oil and gas exploration, leasing, development, production, and siting but through this program we respond to oil spills and establish appropriate restoration of lost services resulting from unauthorized spills.	There are some opportunities here for reorganizing this program to address more resource impacts in a more efficient manner than is currently done. The development and implementation of a small oil and brine spill program would result in the capture of activities that are currently going unregulated and which are resulting in significant impacts to coastal resources.	This is an integrated program involving all state and federal trustee agencies: LDNR, LDEQ, LDWF, USFWS, EPA, Coast Guard, NOAA, NHPA as well as local government. Each agency is responsible for their mandated resources conservation.	Since this is an interagency integrated activity including state and federal agencies privatizing and/or outsourcing the "state" portion might be difficult.
06	Fisherman's Gear Compensation Program		97		1 R.S. 56:700.1-700.5	The enabling legislation delegates the responsibility for the program to LDNR. LDNR is responsible for managing coastal resources, how the resources are conducted, and balancing among the users.	Very little fraud has been detected in the last two years. No claims denied as a result of the investigations.	While there is a federal "Fisherman's Gear" program it does not operate within state waters or estuarine areas. It is strictly beyond state waters. No other state programs provide the services to the public that the program does.	N/A
				60					

DEPARTMENT: Division of Administration (DOA)
STAFF CONTACT: Steven Procopio
LAST UPDATE: 8/18/2009

Section One: Division of Administration Overview

The Division of Administration (DOA) has developed a strategic plan to focus on its core mission. The strategic plan aligns closely with the focus areas of the Commission on Streamlining Government. The five goals (and some of the key implementation strategies to achieve those goals) of the DOA's plan are:

1. A More Cost-Effective State Government
 - Contracting and Purchasing Reform
 - Outcome Based Budgeting
 - Internal Enterprise Management
2. Increase Accountability, Integrity, and Trust in State Government
 - Continue to develop LaTrac, the state's online transparency system
 - Implementation of LaGov, the statewide ERP system
3. Increase Customer Satisfaction with DOA Services
 - Determine "Best Practices" for each section.
4. Improve Communications and Access to Information – Internal and External
 - Develop mechanisms for better communications and obtaining feedback from employees, particularly for them to share their ideas for improving operations through efficiencies discovered through creative collaboration.
 - Improve the DOA section web pages.
5. Better (More Knowledgeable, Well-Trained, Efficient, Productive, and Courteous) State Employees
 - Implement Performance Agreements that hold employees accountable for their results.
 - Develop rewards program for high performance.
 - Review of recruiting and retention practices.
 - Establish a formal training program, (on-boarding) for new hires.
 - Succession Planning.

In addition to some of the ideas detailed later in this report, there some other major efforts to streamline government at the DOA.

Privatization Partnership

The DOA is also engaged in a public-private partnership with the Reason Foundation, a public policy think tank with expertise in promoting choice and competition. The Reason Foundation will assist the DOA in a department-wide review of its activities and functions to identify potential outsourcing and privatization opportunities where appropriate.

Efficiency Council

The DOA has established an internal Efficiency Council that meets regularly to develop and implement cost saving ideas. The Council members include: the Commissioner, Deputy Commissioner, Assistant Commissioner of Purchasing and Procurement, Director of Contractual Review, Assistant Commissioner of Facility Management, Director of Buildings and Grounds, Director of Risk Management, Director of Research and Accountability, Director of Communications and Strategic Initiatives, Policy Representative from the Governor's Office, and the CIO.

The Council's initial work plan includes:

- Conduct comprehensive assessment (with the help of the Reason Foundation) of DOA to explore opportunities for privatizing or outsourcing in an effort to provide improved service delivery at a better price. The assessment should result in specific recommendations that the Council will immediately explore and implement where appropriate.
- Develop and implement a statewide program for competitive sourcing that expands on progress already made in this area.
- Design a statewide program for an improved performance-based contracting with an action forcing mechanism for all state procurements.
- Conduct a statewide inventory (beginning with the DOA functions and activities) and evaluate to determine if functions or activities are commercial activities versus government activities. (To be conducted with the help of the Reason Foundation.)
- Evaluate the contracting and purchasing processes and provide recommendations to transform into a national model for efficiency and flexibility. Design and implement new business model in conjunction with LaGov.

Fleet Management

The State Fleet Management Program has adopted new policies to continue to reduce the size of the state's existing fleet – including the Commissioner placing a moratorium on the acquisition of new vehicles, with limited exceptions for critical needs. The DOA is also reviewing and revising policies to reduce the number of vehicles approved for home storage.

LaGov

The DOA is implementing an Enterprise Resource Planning project (ERP) that will replace the state's current financial system. As part of the LaGov project, more than 125 business processes are being redesigned.

State Property Review

The Commissioner has requested an inventory and analysis of state buildings and lands to determine nonproductive property. Such property will be returned to commerce by public bid. This review will be completed by this December.

Cash Management

The Division of Administration engaged an outside forensic accountant who has conducted a review of the outstanding collections and Accounts Receivables owed to state agencies, to improve how they are being collected to the maximum extent possible in a timely manner.

Based on the review of current policies and procedures, the Division's staff and forensic accountant have reached the following preliminary recommendations:

1. A statewide policy should be established that requires affected state entities to develop collection procedures focused on timely collection, with collection efforts that become more aggressive as accounts age.
2. The state's policy relating to accounts when they reach a specific age should be immediately turned over to collection specialists for aggressive collection efforts, including tie-ins with other state agency interactions with parties responsible for the uncollected debt.
3. Explore legislation to allow maximum offset of amounts owed the state against possible State Income tax refunds, as well as establishing that state regulatory approvals for driver's licenses, motor vehicle registrations, fishing and hunting licenses, professional licenses, etc. to be withheld from anyone with outstanding debts to the state.

The DOA is the state's centralized management and finance agency. The DOA is comprised of the following sections:

Executive Administration Program

Commissioner's Office: The Commissioner's Office works through the various Division of Administration sections to set policy, to encourage and implement sound management practices, to promote state government accountability, and to address the individual needs of all state agencies and employees. The Commissioner's Office oversees sections all the sections of the DOA as listed below.

Planning and Budget: The Office of Planning and Budget (OPB) has primary responsibility for implementation of performance-based budgeting in the Executive Branch of Louisiana state government. This includes budget-related services (such as long- and short-term financial analysis and operating budget development, monitoring, and control) and policy development, planning, accountability, and other management services (including the maintenance of a statewide performance database and integration of performance information into the budget development process). OPB staff represents and Commissioner of Administration on commissions, councils, task forces, and consensus estimating conferences. Through the State Economist, the OPB provides revenue projections to the Revenue Estimating Conference.

Legal: The Office of General Counsel provides quality, professional legal services to the Commissioner of Administration, staff, and all sections of the Division of Administration,

including provision of legal advice, as well as legal representation in judicial and administrative forums. General Counsel staff also provides legal advice to other executive branch agencies regarding matters within the purview of the Division of Administration.

Contractual Review: The Office of Contractual Review (OCR) is charged by law with adopting rules and regulations for the procurement, management, control, and disposition of all professional, personal, consulting, social services, and cooperative endeavor agreements required by state agencies. The OCR decides all matters of policy relative to contracts in order to ensure that contracts for services are awarded and maintained in a uniform and equitable manner. Contracts received by the OCR are reviewed to ensure that they comply with laws and regulations, that funding is available, and that the proposed services are reasonable and advisable. The review process also ensures that a central record is maintained and that comparative statistics in the number and kinds of needed services can be developed for planning purposes. The OCR provides education and training assistance on contract best practices and encourages the use of performance based contracting.

Statewide Uniform Payroll System: The Office of State Uniform Payroll (OSUP) is the control operation within the Division of Administration whose responsibilities include implementing and maintaining requirements for the Statewide Human Resource Management System (ISIS HR), which provides user agencies with the capability to process employee compensation in an accurate, uniform, and timely manner. This results in the availability of timely uniform payroll information and accommodates greater efficiency in the payment of state employees, the accounting of payroll liabilities, and the transfer of money between funds while facilitating centralized cash management. The OSUP staff coordinates efforts to ensure accurate and timely payments to vendors; to expedite payroll payable liquidation; to establish, maintain, and monitor statewide actions associated with garnished wages; and to assist agency personnel with all phases of the payroll process. The OSUP staff provides user agencies and their employees with payroll training and information regarding changes in federal and state laws relative to payroll processing. The OSUP issues directives and policies through the distribution of OSUP memoranda.

Statewide Reporting and Accounting Policy: The Office of Statewide Reporting and Accounting Policy (OSRAP) is both a service and control operation within the Division of Administration. The office has two sections: the Financial Management Reporting Section and the Financial Systems Section. The Financial Management and Reporting Section has primary responsibility for financial reporting services, including preparation of the Comprehensive Annual Financial Report (CAFR), preparation of interim financial reports as required, and the negotiation of the Statewide Cost Allocation Plan. The Financial Systems Section has responsibility for statewide accounting services and control functions, including assisting various agencies and commissions in resolving intricate and complex financial problems through the Help Desk, establishing statewide accounting policies and procedures, maintaining the statewide vendor file, and maintaining the Cash Management Improvement Act (CMIA) Agreement with the federal government.

Comprehensive Public Training Program: The Comprehensive Public Training Program (CPTP) is the only statewide training program for Louisiana state employees. The State Civil

Service Commission has designated CPTP to provide the management classes required of all classified supervisors by the minimum supervisory training policy. In addition, CPTP provides a competency-based management development program with certifications for management and professional level staff in state government, as well as general application classes on topics as diverse as grammar and writing skills and desktop computer applications. CPTP offers a cost-effective method for providing training specific to the work environments of state government. Classes are provided in a variety of formats, including instructor-led and computer-based e-learning. CPTP classes have an added advantage of being specifically designed to address current needs in state government and are taught by professionals with experience in dealing with state employees and the state work environment.

Finance and Support Services: The Office of Finance and Support Services (OFSS) provides accounting services and financial management reporting to the Division of Administration as well as various offices and agencies within the Executive Department, the Board of Regents, and the Board of Elementary and Secondary Education (BESE). The Office also provides similar services to the Louisiana Office Facilities Corporation, Louisiana Correctional Facilities Corporation, and to the wide range of appropriations, programs, and services funded under Schedule 20 of the General Appropriation Act. In addition, the office administers and controls the financial aspects of the Louisiana Equipment and Acquisition Fund (LEAF).

Human Resources: The Office of Human Resources provides a full range of personnel services in the areas of employee counseling, policy determination, training, and disciplinary action to more than 1,500 workers employed by the Division of Administration, the Office of the Governor, the Board of Regents, and the Board of Elementary and Secondary Education (BESE).

State Purchasing: The Office of State Purchasing is statutorily responsible for the procurement of goods and services required by state agencies. This is done by using a system of quality and integrity to increase economy, while increasing public confidence, in state procurement. The office does this by issuing standardized annual contracts available to all state agencies and political subdivisions as well as by issuing contracts for individual agencies to meet their particular needs. This office enables the state to both control costs of products and services and to reduce those costs by realizing true economies of scale while ensuring that small and large agencies alike get the best pricing possible. This office also provides information and education to agencies and to the public through its sponsorship and participation in seminars and programs designed to assist agencies and vendors in their understanding of and participation in the state's procurement processes.

Facility Planning and Control: The Office of Facility Planning and Control (FPC) assists in the management of the state's finances and fixed assets by administering the state's comprehensive capital outlay budget process and implementing a comprehensive, centralized facility management program. The FPC is also responsible for analyzing capital outlay requests, contracting for the planning and construction of outlay requests, contracting for the planning and construction of projects, conducting periodic inspections, and disbursing funds. Through the implementation of a comprehensive, centralized facility management/asset

management program, this office provides development and implementation of uniform standards for capital outlay projects; establishment of equitable, uniform space standards; maintenance of an accurate and comprehensive database of the state's fixed assets; avoidance of costly duplication of facility management systems; and access to a common database for a multitude of users. FPC is also responsible for serving as the applicant for FEMA public assistance for all state-owned facilities damaged by natural disasters through administration of these repairs and replacement facility projects.

State Buildings and Grounds: The Office of State Buildings is charged with managing, operating, and maintaining more than 30 public state buildings and the grounds that surround them. This charge includes ensuring that all buildings are safe, energy-efficient, comfortably cooled and heated, attractive, and properly maintained. This office provides security, custodial services, waste management, and repairs and renovations to facilities under its jurisdiction. This office is also responsible for ensuring the timely and proper maintenance of elevators.

Electronic Services: Formerly known as the Office of Data Base Commission, the Office of Electronic Services (OES) was created within the Office of Information Technology by Act 772 during the 2001 Legislative Session. In Fiscal Year 2009-2010, the Office of Electronic Services was eliminated at the request of the Commissioner of Administration. Essential functions in OES have been transferred to the Office of Information Technology.

Information Services: The Division of Administration's Office of Information Services (OIS) provides application development and support for statewide application systems. This includes statewide support services to LEO and ISIS application users. The Division of Administration's Office of Computing Services (OCS) provides centralized and data center IT services to other departments. These services include computing facilities management, statewide e-mail, consolidated monitoring, mainframe and server support services, and desktop support. Both OIS and OCS are under the authority of the Chief Information Officer (CIO).

Information Technology: The Office of Information Technology (OIT) coordinates and provides oversight for information technology (IT) within state government. This includes the development and implementation of a master IT plan, establishing IT standards for statewide application, and the review and approval of IT strategic business planning, including IT procurement and IT budgeting. OIT also reviews and approves the planning, design, acquisition, and operation of IT systems and coordinates the centralization of IT operations, including consolidation and outsourcing. The OIT includes the Chief Information Officer (CIO) for the state, who provides direction, stewardship, leadership, and general oversight of state information technology and information resources, and the Office of Statewide Technology (OST), who is technical staff for OIT. In Fiscal Year 2009-2010, the essential functions of the Office of Electronic Services have been merged into OIT.

State Lands: The Office of State Land (OSL) strives to ensure the highest possible economic return from state lands and water bottoms while encouraging their maximum public utilization. The OSL's responsibilities include: identifying, mapping, inventorying, and

coordinating agency management of public lands and water bottoms; and selling or otherwise disposing of properties no longer useful to the state, in accordance with state law. In fostering multiple utilization of the state's natural resources, the OSL must balance individual agency usage with land and timber management, surface and mineral leasing, rights-of-way, and subsurface agreements.

State Register: The Office of the State Register (OSR) is responsible for: (1) publishing, monthly the Louisiana Register, containing state agency rules as these go through the formal rulemaking process; and (2) maintaining the Louisiana Administrative Code, a set of permanent volumes of agency rules formally adopted and amended with legislative authority and through legal rulemaking procedure. The Louisiana Register is the state's official medium for making administrative law documents public. In addition to the publishing of state agency rules, the Louisiana Register also includes the publication of executive orders, policy and procedure memoranda, public meeting notices, professional examination dates, and other legal matters of interest. The Louisiana Administrative Code is a state-certified publication that provides a set of permanent rules that have been formally adopted or amended by state agencies. All information appears in codified form with authority and historical notes.

Office of Community Development Program

Louisiana Community Development Block Grant Program. The Louisiana Community Development Block Grant (LCDBG) Program in the Division of Administration awards and administers financial assistance to units of general local government in federally-designated eligible areas of the state, to further develop communities by providing decent housing and a suitable living environment, and expanding economic opportunities principally for persons of low to moderate income, in accordance with federal statutory requirements.

Disaster Recovery Unit (DRU). The Disaster Recovery Unit is the section within the Division of Administration's Office of Community Development created to administer the CDBG Disaster Recovery funds, amounting to \$10.4 billion, allocated to Louisiana after Hurricanes Katrina and Rita. The Disaster Recovery Unit and the Louisiana Recovery Authority are tasked with developing programs through which to administer these funds, including The Road Home Program. The DRU and LRA are temporary sections that will cease to exist once their federal mandate is achieved.

Louisiana Recovery Authority. The Louisiana Recovery Authority (LRA) was merged into the CDBG Disaster Recovery Unit in Fiscal Year 2008-2009. The mission of the LRA is to ensure that Louisiana rebuilds safer, stronger, and smarter than before. There are five areas of focus: (1) securing funding and other resources needed for recovery; (2) establishing principles and policies for redevelopment; (3) leading long-term community and regional planning efforts; (4) ensuring transparency and accountability in the investment of recovery funds; and (4) communicating progress, status, and needs of recovery to officials, community advocates, and the public. Throughout its initiatives, the LRA is committed to a recovery and rebuilding process that is fair and equitable to everyone. The DRU and LRA are temporary sections that will cease to exist once their federal mandate is achieved.

Ancillary Program

Group Benefits. The Office of Group Benefits (OGB) administers the state's group health and accident insurance and group life insurance to political subdivision employees, political subdivision retirees, state employees, retired state employees, school board employees, school board retirees, and their dependents.

Risk Management. The mission of the Office of Risk Management (ORM) is to develop, direct, achieve, and administer a cost-effective and comprehensive risk management program to preserve and protect the assets of the State of Louisiana for all state agencies, boards, and commissions of the State of Louisiana and for any other entity for which the state has an equity interest.

Administrative Services. The mission of Administrative Services is to provide design, printing, warehousing and distribution assistance, and services to the agencies in state government. In addition, Administrative Services provides quality mail, messenger, and bar coding services to the agencies.

Louisiana Federal Property Assistance Agency. The mission of the Louisiana Federal Property Assistance Agency (LFPA) is to assure the fair and equitable distribution of federal property allocated to Louisiana by the General Services Administration to eligible Louisiana donees in accordance with Public Law 94-519.

Telecommunications Management. The mission of the Office of Telecommunications Management (OTM) is to provide for cost-effective telecommunication services that satisfy the needs of approved governmental units of the State of Louisiana through the promotion, management, and support of products and technologies.

Patient's Compensation Fund. The Louisiana Patient's Compensation Fund Oversight Board has the responsibility for the management, operation, and defense of the Louisiana Patient's Compensation Fund (PCF). The PCF provides medical malpractice coverage, for claims in excess of \$100,000 to \$400,000 plus unlimited related medical expenses to qualified health care providers. A health care provider becomes qualified by providing proof of financial responsibility for the initial \$100,000 by presenting proof of underlying insurance or depositing with the Board \$125,000 in money or represented by instruments of security/collateral acceptable to the board.

Core Mission Statutory Mandates

The DOA and its sections are affected by a variety of statutory mandates. The list below is not exhaustive, but instead highlights some of the most important laws governing the DOA:

- R.S. 39:1552 creates the Office of State Purchasing (OSP) and makes OSP responsible for operating a procurement system which economically fulfills the buying needs of the

Executive Branch through a fair and equitable system of open competition. R.S. 39:1593 and R.S. 39:1594 mandate the methods OSP is authorized to use in procuring supplies, services, and major repairs.

- R.S. 39:1564 designates the director of state purchasing as the person having sole responsibility to procure or supervise the procurement of all supplies, services, and major repairs needed by the state, and R.S. 39:1571 places all procurement by executive branch agencies, except as otherwise exempted, under OSP.
- R.S. 39:1593 details legal requirements of the procurement source selection process.
- R.S. 39:1597 allows the director of OSP to authorize sole source purchases.
- R.S. 39:1598 allows the director of OSP to make or authorize emergency procurements.
- R.S. 39:1613 makes the director of OSP responsible for reporting the use of brand name and multiple award contracts to the Commissioner of Administration.
- Installment-purchase contracts for the acquisition of supplies and equipment can only be done by OSP (see R.S. 39:1616).
- R.S. 39:1627 specifies the director of OSP as the custodian of records concerning sole source and emergency procurements.
- The purchase of used equipment by state agencies can only be approved by the director of OSP (see R.S. 39:1645).
- R.S. 39:1671 gives the director of OSP the authority to resolve protests of solicitations and contract awards. R.S. 39:1672 gives the director of OSP authority to debar or suspend bidders. R.S. 39:1673 gives the director of OSP authority to resolve contract disputes.
- R.S. 39:198 allows only the director of OSP to enter master agreements used during the procurement of data processing equipment, related services, or software.
- R.S. 39:200(C) gives OSP the sole authority to dispose of data processing equipment no longer needed by state agencies. R.S. 39:200(I) specifically requires the participation of OSP on the data processing procurement support team.
- The Louisiana Federal Property Assistance Agency (LFPAA) was created by the Code of Federal Regulations (41, Public Law 94-519; 1033, 1122 & Federal Fleet programs), LAC Title 34, part IX and Louisiana Executive Order (BJ 08-53).
- LRS 39:321-332 and 39:361-362. LAC Title 34, Parts VII (Property Management) and XI (Fleet Management). The Louisiana Property Assistance Agency (LPAA) has been designated by the Commissioner of Administration as being responsible for the control

and disposition of all state moveable property and for fleet management for the State of Louisiana. There are three sub-programs under the jurisdiction of the LPAA: the state surplus property program, the asset management moveable property program, and the fleet management program.

- In part, RS: 39:245 reads: “The division of administration shall establish a uniform consolidated mailroom operation for all state agencies for messenger, mail processing, and presort services.”
- The Office of Risk Management (ORM) operates under the authority granted in RS 39:1527 et seq. The statutes authorize the creation of ORM, the self-insurance fund, and the future medical care fund.
- ORM administers the Medical Review Panel program for the Commissioner of Administration. The program is created by statute, RS 40:1299.39.1-2, as part of the Division of Administration.
- Office of State Uniform Payroll’s enabling legislation: LRS 39:247, LRS 39:3, LRS 39:86, LRS 42:455, LRS 42:460
- Office of Information Technology’s (OIT) enabling legislation: RS39:15.1-6.

In addition to its role as a centralized administrative agency, the DOA provides accounting support to the Board of Regents, the University of Louisiana System, and the Executive Department. In addition, the Office of Human Resources (OHR) serves as the human resources office for the Louisiana Board of Elementary and Secondary (BESE) as well as the Board of Regents for Higher Education in Louisiana. OHR also handles the state payroll for district attorneys and assistant district attorneys. While these services are outside the core mission of the DOA, it has been determined that overall the state saves money by the consolidation of these services.

Section Two: Efficiency and Benchmarking

The DOA continually seeks to be a more efficient and effective organization. Some of the recent initiatives to improve efficiencies as well as other possible future changes include

- As part of an internal review conducted in conjunction with the development of the FY 09-10 budget, the DOA eliminated two activities. The Office of Electronic Services was created at a time when database construction and consolidation was a more difficult task. OES has since been eliminated, and any remaining critical functions have been absorbed by the Chief Information Officer’s section.
- The State Grant Management Office assists Louisiana citizens, local governments, and non-profits in their attempts to obtain grant funding from federal, state, and foundation sources. This section’s scope was adjusted so that they could be moved to the Community Development Block Grant Program and funded from federal dollars.

- Office of State Purchasing (OSP) is working on an online training course to teach procurement, specification writing, and RFP processing. This will eliminate travel expenses for the quarterly training classes for agencies. Classes usually average 30 people. As the work force ages and retirements take place, we have more new procurement professionals needing government procurement training. RFP training will be collaborated with the office of OCR.
- OSP is working on an online training course for new DOA LaCarte purchasing card requests, as well as, a review course for statewide LaCarte purchasing cardholders. The review course must be complete prior to time of expiration, which is every two years. There are currently approximately 10,000 purchasing cardholders statewide.
- OSP is working on an online training course for to teach PPM49, the state's travel policy, for all state travelers. Currently, sessions are being taught statewide at the agency/university location. This course should keep them updated with all changes/additions for each fiscal year and cut down on travel costs to most agencies/universities.
- OSP is working in conjunction with the Office of Contractual Review (OCR) in developing a standard boiler plate for the RFP process to ease agency use.
- A new Internet-based asset management system in LPAA replaced the need for many of clerical positions. As those positions became vacant through attrition, they were eliminated.
- During the past seven years, five state agencies (LPAA, LFPAA, State Mail, State Forms, and State Printing) were merged to create the Office of General Services. This flattened the management structure, eliminated many middle management and clerical positions, thus better positioning the agency to be more efficient, and reduced the amount spent on salaries each year. These functions are being reviewed to determine if they are appropriate candidates for outsourcing.
- OSUP worked with the Louisiana State Employees Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL) during this year to obtain access to the retirement system databases. This access has allowed OSUP to become more efficient in identifying and correcting errors on employee ISIS HR records and has reduced the amount of time spent researching employee records, etc. In addition, OSUP has been working with TRSL and OIS to resolve problems regarding the retroactive calculation of Optional Retirement Plan (ORP) contributions/refunds. Once completed, this will result in the streamlining of the TRSL ORP payment process and will reduce processing time for both OSUP and TRSL staff.
- During this year, OSUP's Benefits and Financial Administration Unit updated the policy on agency requests for bank reversals of employee payments. These changes will reduce

the possible liability to the state by decreasing the possibility of employee overpayments when/if banks subsequently reject the reversal request.

Options

- **Commercial Insurance Procurement.** ORM is pursuing changing the method used to procure commercial insurance. We would like to utilize a broker of record, selected via a competitive process, to place commercial coverage with insurance companies. This model is used successfully in most states, primarily because it provides access to expertise within the brokerage firm resulting in a more efficiently structured program which should result in cost savings. This effort may require statutory changes.
- **“Decision Tree” Procurement Process.** In collaboration with OSP, OCR reviewed creation of a “Decision Tree” similar to a tool used by the State of Minnesota that would facilitate agency access to appropriate procurement process for agencies. This should result in more accurate and timely processing of contract and procurement requests.
- **Improved Emergency Contracting**
 - New Proposed rule – add a rule to add flexibility in awarding emergency contracts.
 - A. The state may enter into cost-reimbursement prime contracts through a competitive process when it is determined in writing and approved by the chief procurement officer that it is in the best interest of the state based on, but not limited to, such factors as:
 1. Unforeseen emergency disasters where fair market prices are volatile.
 2. Firms are not willing or able to compete because of unknown or unpredictable factors, conditions, or locations.
 - B. Cost principles for this type of contract will be based on:
 1. Actual market cost at the time of contract utilization as evidenced by invoice prices; or
 2. Actual market cost at the time of contract utilization as evidenced by invoice prices plus a fixed fee.
 - C. The reasons for utilizing such contract shall be made a part of the procurement file.
 - D. The conditions for use of this type of contract are to be clearly defined in the contract.
- **Develop opportunities for strategic sourcing and bulk buying.** Identify among entities commonly used goods and services (including information technology hardware and software) and identify strategic methods and opportunities for bulk buying to reduce the overall cost to state government. Potential savings is hundreds of thousands of dollars short term (initially may involve consultant contracts and training) and tens of millions of dollars long term, dependent on the number of commodities sourced.

Strategic sourcing is an initiative that OSP would like to pursue for contracting. This tool provides leverage to a state’s purchasing power to obtain not only best price but best value. Many states have already implemented this type of program and saved millions in hard savings. Strategic sourcing analyzes the spend, standardizes on available contract

products, aggregates purchases, and can include other things. One of the key components in arriving at best price and value for strategic sourcing is the ability to negotiate best prices. Strategic sourcing often results in fewer suppliers.

- **Increase Delegations.** Raise delegations once online training is available. Consider raising the small purchase dollar threshold to keep purchasing at the agency level. Raising delegations keeps the purchase close to the end user. It eases the information gathering process and provides a shorter processing period. There are also fewer people involved in the process. This will require a statute change to raise the formal advertising limit, which is currently \$25,000.

Section Three: Outsourcing and Privatization

The DOA is also engaged in a public-private partnership with the Reason Foundation, a public policy think tank with expertise in promoting choice and competition. The Reason Foundation will assist the DOA in a review of its activities to identify potential outsourcing and privatization opportunities where appropriate.

Examples of current outsourcing at the DOA include:

- OHR is an example of outsourcing from the perspective of the Division's HR office currently providing a full service HR program to small independent agencies within the Office of the Governor, including the Mental Health Advocacy Service and Office of Inspector General, as well as the outside agencies of BESE and the Board of Regents. It is more cost effective – largely through economies of scale – for these agencies to have their HR functions handled by the Division than to hire their own HR staff or even outsource privately. For example, the Division charges an annual fee to the State Board of Cosmetology for providing HR and accounting assistance to them. DOA's OFSS also charges a nominal fee for accounting services to the Board of Regents and some of the ancillary sections of the DOA.
- The Office of Facility Planning and Control (FPC) is already privatized to a great extent. All professional design services are provided by contracted consultants. FPC employees provide core services such as owner project management, capital outlay budget preparation and execution, oversight of real estate leases from private lessors, contracts, and fiscal. FPC is also finalizing formalization of contracted professional designer evaluations to be used in the designer selection process. Contracting with a good designer is critical in bettering the chances of a successful project.
- The Office of State Buildings is currently exploring opportunities for outsourcing. An RFP is under development.
- State Printing. State Printing currently outsources any work they cannot do in-house or at a competitive price. Since State Printing is funded by self generated funds and agencies are not required to use State Printing, they have a competitive interest to respond to agencies' needs and to make sure printing is done at the highest quality and best price.

- Currently, LPAA is outsourcing the transportation of surplus property. They have determined that, in most cases, it is more cost effective to hire a commercial freight company to haul surplus to Louisiana in lieu of sending our trucks out on round trips.
- State Mail already outsources presorting services to a private contractor and serves as a contracts administrator overseeing their performance in this arena. This contract allows State Mail to receive the highest discount available in postage rates, by combining large volumes of agency mail together sorted by zip code.
- Currently, ORM annually outsources approximately \$18 million of its operations, including Medical Utilization and Bill Review, Second Injury Fund recovery, Vocational Rehabilitation and Medical Case Management, surveillance and private investigations, property appraisal services, and legal defense. In addition, ORM uses contract services to supplement its in-house staff when necessary. This allows them to deal with situations when additional resources are needed temporarily and to acquire expertise in areas that are not available in-house.
- ORM is in the process of exploring outsourcing in additional areas.
 - Pharmacy Benefit Management – Use of a pharmacy benefit manager would result in reduced pharmacy costs for Workers’ Compensation claims. This RFP is in development.
 - Records Management – ORM currently operates a scan room staffed by three employees in temporary non-T/O positions (job appointments). This effort is part of its paperless processing initiative, which would improve efficiency. This type of service is available in the private sector at a relatively low cost. The project was included in ORM’s FY10 budget request, but was not funded.
 - Privatization – ORM is in the early stages of developing an RFP for services which would, over the course of the contract, replace much of its in-house operations. The goal is to determine what, if any, of the services ORM provides could be more economically provided by the private sector. ORM expects to issue the RFP by the end of the calendar year.
- A number of the service offerings within OIT are outsourced or have outsourced components. For example, most voice services, local dial tone, long distance, voice mail, and automated call distribution services are outsourced. Another outsource service recently developed by OTM is the Emergency Hosted IP Telephony Service, which is offered to provide communications should an agency's primary telephone service become unavailable during a catastrophic event.

Options

- As mentioned the DOA is also engaged in a public-private partnership with the Reason Foundation. As part of this review all sections of the DOA will be analyzed for appropriate outsourcing opportunities.
- OHR could offer its services to other small agencies within the Office of the Governor and provide similar savings. Examples of these agencies include the Louisiana Commission on Law Enforcement, Office of Financial Institutions, Office of Elderly Affairs, etc. Another such agency is the Office of Group Benefits within DOA. Each of these agencies currently has its own HR personnel. This could allow a reduction in staff at each of these agencies.
- The State Master Information Technology Plan lists potential areas for outsourcing:

- Managed Hosting Service Re-Bid. The initiative will seek private sector Managed Hosting Service for the Greater Baton Rouge area and a second location outside of the hurricane impact zone, preferably in the northern part of the state.
- Analyze select support service projects within OCS to determine if cost savings opportunities exist.
- Disaster Recovery/Additional Data Center
- ERP production and data hosting
- Office of Telecommunications execution, while retaining network planning
- IT network infrastructure.

Section Four: Information Technology Integration

Under the direction of the state CIO, there are several initiatives in the new State Master Information Technology Plan that are targeted at accomplishing the objective of this area. They are:

1. LaGov Implementation
2. To continue the consolidation of agencies into enterprise e-mail services
3. Develop a forward looking design and approach for an enterprise-wide directory
4. Enterprise Data Center Infrastructure: targets improving the infrastructure of the ISB and DPS data centers such that multiple agencies can take advantage of these shared enterprise facilities, thereby avoiding the cost of duplicated facilities and staff of the individual agency operations.
5. Enterprise Network Infrastructure: pursues the continuation of the implementation of a shared enterprise network infrastructure that will provide a secure, utility grade network with differentiated services capabilities for the delivery of converged IP based services for participating agencies of state government.

The DOA has several other recently completed or initiated IT projects:

- OHR is in the process of piloting a new web-based service to its clients along with the Department of State Civil Service (DSCS). OHR volunteered to pilot the first application of the Hiring Manager portion of LA Career's online hiring center. LA Career was initiated by DSCS and went live in February 2009. OHR's pilot, along with one other state department later this year, will be used to fine tune DSCS' efforts before implementing the Hiring Manager module statewide. Implementation of the Hiring Manager module has several advantages for DOA including:
 - giving the hiring office and manger greater control over the hiring process;
 - the ability to more quickly fill positions;
 - replacing OHR paper forms with electronic versions;
 - replacing paper approvals with electronic approvals;
 - improving the ability to track the point at which a request to fill a position is awaiting approval; and
 - reducing the chance of error and increasing confidentiality by reducing the number of approvals and number of individuals handling applications.
- OHR is also engaged in piloting a revised training class on MSS (the ISIS Manager Self Service). OIS staff have revised the pamphlet on guidelines for MSS and hosted a pilot

training class with OHR staff and DOA managers. OHR will shortly begin training DOA managers on MSS using the new material and pamphlet developed by OIS. OHR asked for OIS' help with this project in order to improve the functionality and increase the use of MSS by those managers with access to MSS. MSS provides a management tool that allows ways to track T.O. and non-T.O. positions, actual hours worked, leave usage, Overtime, PPR information, etc. With OIS, OHR will offer copies of its training materials to other HR Offices whose departments are interested in the MSS training.

- Several years ago, LPAA received legislative approval to add the use of Internet auctions as a legal means of auctioning surplus movable property to the public. Currently, LPAA uses two firms whose services are provided under non-exclusive agreements. The ability to sell via the Internet provides LPAA with access to a global market and ensures the items being offered receive maximum public exposure.
- ORM's major initiative in this area is in imaging and records management. A pilot of a "paperless" claims process should be implemented within 18 months.
- During this last year, OSUP worked with OIS to make form W-2 available online to employees with access to LEO. This reduced the number of duplicate W-2 requests processed by OSUP by approximately 73%. Employees are now able to reproduce W-2 forms back to calendar year 2005. OSUP continues to work with OIS to develop the electronic delivery of W-2's in lieu of printed documents.

Options

- **Electronic Bidding.** With the implementation of the ERP, we will be accepting bids electronically. This will result in more accurate and timely information as well as reduce processing costs.
- **IT Procurement.** Review, modernize, and consolidate the various IT procurement statutes through the following initiatives:
 1. Interim measures to minimize the effect of overlapping legislative responsibilities that are included in RS39:196-200 (data processing statutes) and RS39:1751-1756 (telecommunications statutes).
 2. Address the issues surrounding the use of brand name contracts for select areas of IT and to offer an alternative strategy to the current procurement methodology.
 3. Replace both RS39:196-200 and RS39:1751-1755 with an updated statute for the procurement of all IT technologies.
 4. Develop a strategy for IT contract management to include developing contract management policies and to promulgate rules to implement the policies where appropriate.
- **Procurement Support Team Alternatives.** Investigate alternative IT options, such as video conferencing, for PST meetings and training methods. This would allow for reduced travel costs.
- **Software Standardization.** Standardize all versions of text software. For example, some agencies are still using WordPerfect while others are using Word. Also, different versions of Word software are being used within and among some agencies. This would allow the state to make large purchases at a reduced cost.
- **Improved Capital Bidding and Change Order system.** FPC needs an electronic bidding system and electronic change order system. Both are promised in the ERP. FPC considered developing these capabilities now (rather than wait on ERP), but has opted for the ERP route.

The capital outlay bill development and execution process is very convoluted, with multiple systems that need to be referenced. The ERP will address this, also. Very recently FPC expanded its major repairs management application to include all agencies receiving major repair money through capital outlay (heretofore only Higher Ed was part of the system). Staff is currently working on a database system to be used for designer evaluation and selection (anticipated to be used for the October 2009 architect selection board meeting). FPC, OIS, and the Governor's Office on Homeland Security and Emergency Preparedness (GOHSEP) staff are finalizing new data reporting capabilities used in evaluating where the state is with hurricane recovery projects, statuses, FEMA reimbursements, etc. These reports draw from multiple data sources.

Section Five: Elimination of Duplicative and Unnecessary Services

- For the past several years, FPC project managers have been organized by teams assigned to various user groups. This is presently being changed so that senior managers are assigned to particular users, but the project managers can work on projects across group lines (somewhat akin to a matrix structure). This was done to improve efficiency, especially in travel to jobsites.
- In 2008, OSP discontinued its manual vendor enrollment process due to low participation and now relies solely on LaPAC for vendor enrollment. Vendors enroll in LaPAC to receive solicitation notices via email on commodities of interest to them. Currently, there are over 8,000 vendors enrolled in numerous commodities.
- Over the past five years, two state agencies (Department of Natural Resources [DNR] and Department of Education [DOE]) closed their in-house print shops and began using the State Print shop. The Department of Agriculture has down sized its print shop, and all of its off-set work is being routed to the State Print Shop.
- During the past seven years, State Printing was merged with five other state agencies to create the Office of General Services. This flattened the management structure, eliminated many middle management and clerical positions, thus better positioning the agency to be more efficient, and reduced the amount spent of salaries each year. That strategy allowed State Printing to continue offering value added services at cost effective rates to the state agencies. Future mergers are under evaluation.
- Over the past five years, at least two large state agencies (DNR and DOE) began using State Mail for their mailing related needs. Recently, State Printing was contacted by the Department of Public Safety to take over their mail operations. This should take place within the next 30 days. However, there are several other state agencies in the Baton Rouge area that are maintaining staff, equipment, facility square footages, and financial resources to perform mailing-related functions that State Mail could perform for them.
- Up until July 20, 2009, OSUP had four program units. The current budget cuts have resulted in the loss of two positions. As a result, a decision was made to dissolve one of these units (Compliance and Research) to focus on those tasks that directly support OSUP's mission and are mandated by federal and state law. OSUP is in the process of examining this unit's responsibilities to determine which functions and responsibilities should be moved to the user agencies. OSUP will continue to audit areas of ISIS HR that should remain at the control agency level.

Options

- **Cost Plus Percent Contracts.** OSP will propose legislation that would allow for cost plus contracts in certain areas (food) (emergency contracts). Cost Plus contracts consist of a contractor being paid for all of its allowed expenses to provide a product or service a set limit, plus the fee to provide the product or service (as opposed to a fixed-price contract, which can lock in per-unit costs at a higher level). This would give the state additional flexibility in certain areas. This also has the potential to save the state money since vendors must build in higher costs into fixed cost contracts to deal with the potential market fluctuations during an emergency.
- **Advertisement Changes.** OSP has attempted to raise the advertisement threshold through legislation. They will work to eliminate advertisement completely now that they have LaPAC accessibility.
- **Electronic Signatures.** Accepting bids, signatures, and bond verification electronically. Electronic Signatures would save staff time as several workflow systems could be created to replace paper systems.

Section Six: Civil Service and Employee Benefits

- OHR regularly promotes the use of CPTP (Comprehensive Public Training Program) classes to the DOA and its client agencies. These classes are more cost effective in many instances than sending employees to outside seminars or outsourcing training. Classes are taught by DSCS personnel or state university professors on contract. Computer based training classes also are available through CPTP and cover software programs as well as professional development subjects. Classes are offered at no additional cost to agencies, take the place of outside training that costs hundreds of dollars, and can save travel costs since most are offered near state facilities.
- DSCS has indicated plans to propose rules for variable merit raises as well as other pay rule changes for classified employees by the end of 2009. The percentage of the merit increase should reflect the performance rating received by that employee. For example, an employee who received a rating of Meets Expectations could receive a merit of 3% versus an employee who was rated Exceeds Expectations receiving a merit of 4%. Employees who receive a rating of Poor or Needs Improvement should not be eligible for variable merits – nor are they eligible for merit increases at present. If variable merits are adopted, some changes to the PPR system may be needed along with additional training for supervisors and managers. The current PPR system is primarily designed to rate an individual's performance against himself and not to rate individuals against each other. A system of variable merit raises will encourage the latter, particularly if managers must divide up a finite amount of money for the raises.
- Over the past several years, OSUP has worked with vendors, agency representatives, and the Employee Payroll Benefits Committee to establish requirements and policies that vendors must follow in order to have a payroll deduction slot. This helps to keep the number of products and vendors to a manageable number, yet provides state employees with a variety of supplemental insurance products to choose from.

- OSUP will participate in a pilot of the LA Career system for the hiring and promotion of staff, per DOA HR requirements.
- The OSUP website provides information and resources to employees regarding direct deposit, statewide vendors, duplicate W-2 forms, payroll calendars, U.S savings bonds, and LEO. OSUP continues to search for additional resources, links, etc., that can be added to the OSUP website to benefit employees.
- OSUP works with OIS to provide pertinent and timely information to employees via messages on employee checks and remuneration statements as well as the LEO welcome page.
- OSUP works closely with the HR community and DSCS on various issues, such as the coordination of data audited for compliance, communicating with the Civil Service Data Integrity Unit to ensure there is no duplication of audit/review, and coordinating information to be published to the Human Resource/Employee Administration community (OSUP Memorandums, Civil Service Quick Tips).
- OSUP staff participates in various groups, committees, etc., to promote agency collaboration, ensure compliance with federal and state laws, and provide information. This includes the Employee Payroll Benefits Committee (EPBC), agency vendors (LASERS, TRSL, OGB, OIS, and DSCS), ISIS HR Influence Group, Civil Service Policy Group, and SHRMA (State Human Resources Management Association), as well as working with entities such as Deferred Compensation.
- OSUP worked with OIS and LASERS this year to provide employee retirement projection data to ISIS HR-paid agencies to be utilized for succession planning.
- OSUP worked with OIS this year to develop a mechanism in the ISIS HR system to identify employees who telecommute. This allows agencies to track telecommuting and allows OSUP to identify employees who are required to withhold income taxes for states other than Louisiana.
- OSUP continues to provide proof of group health and life coverage information to employees who are retiring soon and require this information to prove insurance coverage for vesting purposes. This information is available only on microfiche media that OSUP maintains.
- OSUP worked with OIS and OGB this year to coordinate responsibilities/processes in order to facilitate compliance with the COBRA Subsidy portion of the American Recovery and Reinvestment Act of 2009.
- OSUP continually works with federal government entities (Internal Revenue Service, Social Security Administration, and United States Department of Labor) to ensure pay and taxation rules are being followed accurately for employees.
- OSUP's Garnishment Administration unit assists employees by providing good customer service techniques to convey policies, procedures, rules, and regulations related to garnishment processing, thus ensuring the the employee's concerns have been resolved. The unit also extends assistance to employees by corresponding with various entities on the employee's behalf.

Options

- **Increased Civil Service Flexibility.** More flexibility and accountability is needed in the Civil Service system and on the part of DSCS. A shift to fewer job classifications would give agencies greater flexibility in organizing work and personnel. Reorganization of an

office can take enormous time and effort due to the restrictions imposed by the limitations of the classification system and the allocation criteria mandated by DSCS. For example, often the job specifications published by DSCS are general, but the allocation criteria further restrict the type and number of subordinates needed to “make” a supervisor. Or DSCS staff further interprets the allocation criteria to make allocation decisions beyond what is apparent from the published job specifications and available allocation criteria.

- **Pharmacy Benefit Manager.** The pharmacy benefit manager would serve ORM by processing and paying prescription drug claims. Many insurers report an average savings of 20%. Expected Savings: In FY07, ORM paid approximately \$10 million dollars in prescription benefits. Based on similar benefit payout projections for FY10, utilization of a pharmacy benefit manager should result in a cost savings of \$2 million dollars.
- **Second Injury Fund Recoveries.** The Second Injury Fund reimburses employers for workers’ compensation benefits occurring after the employers are made aware of an employee’s pre-existing permanent partial disability. Currently the E-2, Post Offer, Pre-Existing Conditions, Injuries or Illnesses Medical Inquiry is not being utilized. Efforts are underway to revamp the E-2 form. Expected Savings: In FY07, ORM Second Injury Fund (SIF) recoveries totaled \$4.7 million. Roughly 25% of the claims were denied by the SIF Board due to lack of prior knowledge. By mandating the use of the E-2, the additional recoveries would amount to \$1.2 million annually.
- **Subrogated Recoveries.** In FY03 ORM collected \$900,000 in subrogation recoveries. This amount more than doubled to \$1.9 million in FY05 due to the reallocation of the two property adjusters to assist in subrogated claims on a part-time basis. After the 2005 storms and the inability to allocate additional personnel due to claims volume, the collections dropped back down to \$900,000 in FY06. As the 2005 storm claims were closed, we are able to increase the personnel working on subrogated claims. In FY08, the recoveries had increased to \$1.8 million. Expected Savings: If ORM were able add another subrogation adjuster, based on the historical figures, they could recoup an additional \$1 million dollars in FY10.
- **Broker-Consultant.** Most states utilize a broker of record for insurance procurement and consulting. An insurance brokerage firm would be contracted to act as broker of record for the procurement of commercial and excess insurance and to provide expert consulting services needed in the statewide risk management program. Expected Savings: In addition to the added expertise the broker-consultant would provide, the broker-of-record would enable access to the entire insurance market to put together a layered program for each line of insurance. ORM would expect to see a reduction in overall insurance premiums over the long term. This savings is difficult to calculate due to many factors that contribute to the availability of insurance in the market, the risks insurance companies are willing to take, and the possible revamping of specific lines of coverage with the aid of the broker-consultant. Ultimately, this would facilitate a more cost-effective program. A savings of \$2 million plus annually would be realized simply by converting from a commission basis to a fee basis on procurement. Barriers: The DOA is determining whether a legislative change will be required in order to implement this cost savings mechanism.

- **PPO Litigation.** A Preferred Provider Network would allow ORM to administer its Worker's Compensation Program at an added savings. ORM discontinued the use of PPO discounts (a cost savings mechanism) in 2005 due to pending litigation. ORM is a party to litigation against Workers' Compensation Insurers, TPAs, and self-insurers who utilized provider networks. Expected Savings: From 1999-2005, when utilizing PPO discounts, ORM realized an average savings of 10% of medical costs. The projected savings for FY10 through the utilization of PPO discounts is \$3 million. Barriers: Legislative changes or a favorable resolution to the litigation would be required to take advantage of the savings.

Section Seven: Studies and other Resources

National Organizations

NASBO: The National Association of State Budget Officers (<http://www.nasbo.org/>)

NASPO: The National Association of State Procurement Officials (<http://www.naspo.org/>)

NGA: National Governor's Association (<http://www.nga.org>)

NASFA: The National Association of State Chief Administrators (<http://www.nasca.org/>)

NASCA: The National Association of State Facilities Administrators (<http://www.nasfa.net/>)

LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

REPORT TO THE COMMISSION ON STREAMLINING GOVERNMENT

August 17, 2009



DEPARTMENT: Louisiana Department of Transportation and Development (DOTD)

STAFF CONTACT: Michael Bridges (michael.bridges@la.gov)

LAST UPDATE: August 17, 2009

Section One: Agency Overview

Identify your overarching reform goal(s) for the agency:

Mission

We will continually strive to provide the best transportation system and earn the trust and respect of those we serve: customers, public officials and colleagues.

Values

Our core values: integrity, comprehension, understanding, enthusiasm, vision, change, personal accountability and training; and, a commitment to excellence.

GOALS:

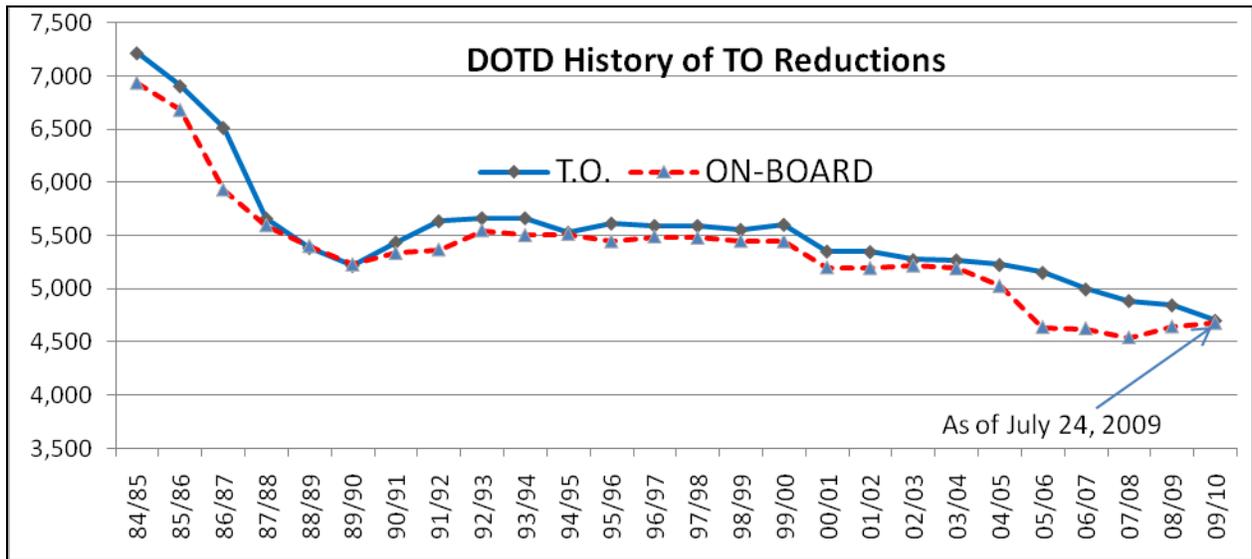
- Continuously improve the performance of DOTD
- Provide the best maintained state highway and transportation system
- Deliver cost-effective products, projects, and services in a timely manner
- Improve customer service and public confidence
- Efficiently manage DOTD's financial resources
- Provide the best skilled and trained workforce to efficiently and effectively manage Louisiana's transportation system.

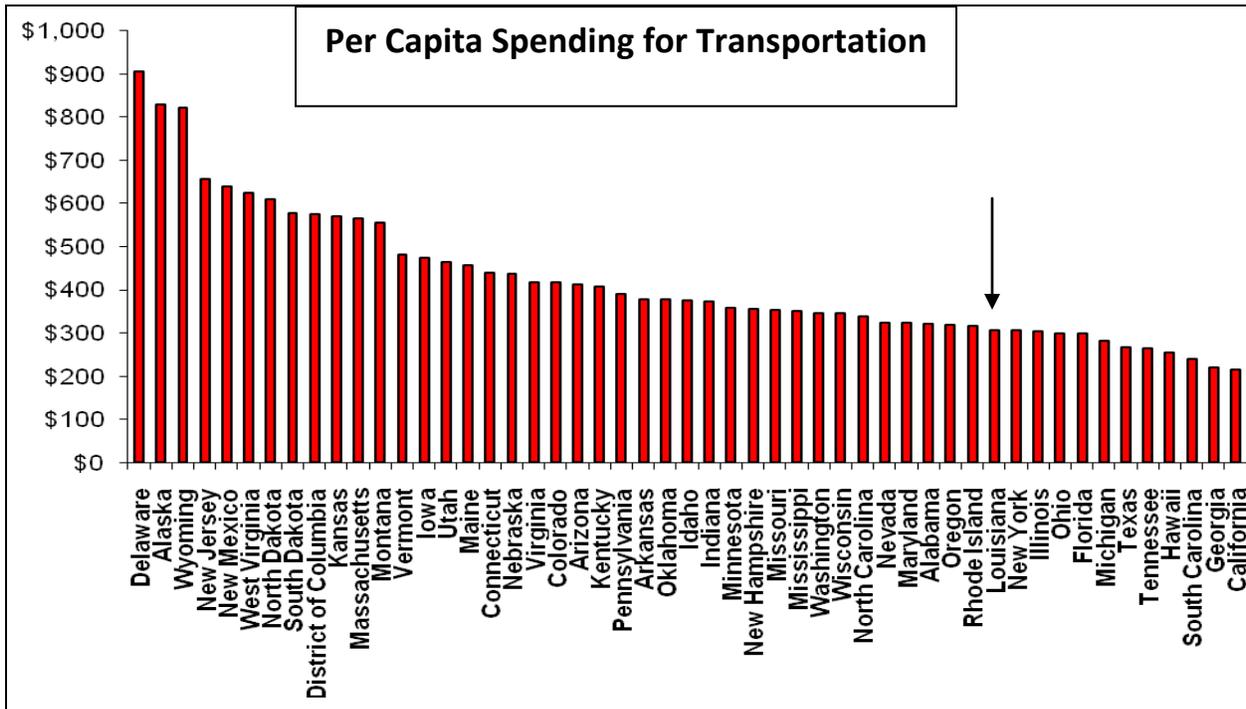
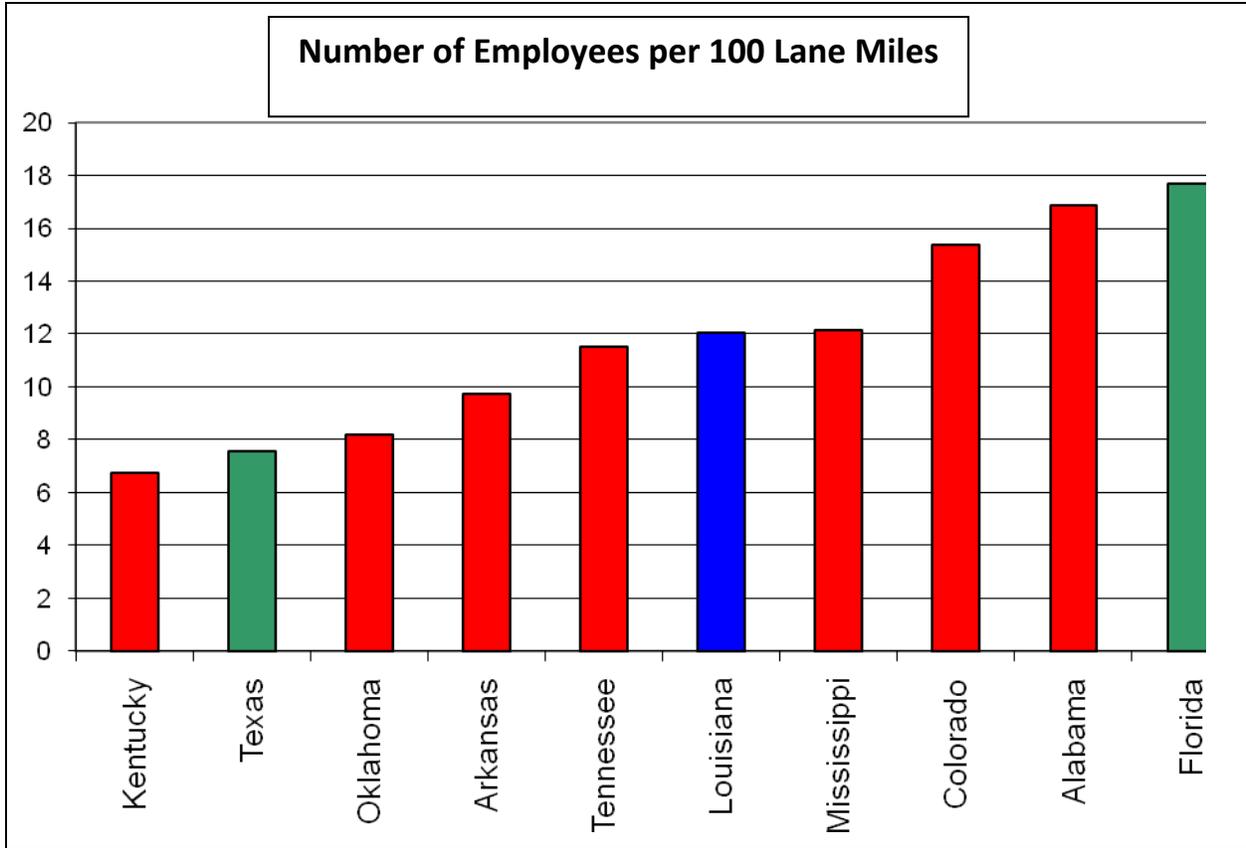
The Louisiana Department of Transportation and Development is responsible for developing and implementing programs to assure adequate, safe, and efficient transportation and other public works facilities and services in the State. The Department shall develop and implement programs in all areas of transportation, including; highways, airports, waterways, hurricane response and recovery, flood protection and mass transit, as well as public work activities.

VOLUNTARY REDUCTION IN WORK FORCE

In 2004, the Department set a goal to reduce the number of positions in the DOTD organization from 5,231 to 4,800 (approximately eight percent) by the end of calendar year 2007. This target number was later revised upward to account for the expanded role for hurricane flood protection. The reduction goal was achieved earlier than the December 31, 2007 deadline. A driving force in the decision to reduce staff was the belief that the department could do more

with less through improved efficiency and a culture of change. Another driving factor was the reality that the DOTD had to live within its own revenue stream and that revenue stream was projected to be flat while operating costs were expected to continue to rise. Staff reductions were inevitable; however by implementing a self-imposed staff reduction plan, the DOTD not only saved \$25 million per year on personnel costs, but garnered a great deal of positive support from the public and other transportation stakeholders.





TRANSPORTATION INFRASTRUCTURE AND SCOPE OF RESPONSIBILITY

The DOTD is funded by a number of revenue streams

1. Twenty cent (20) state gasoline tax (4 cents for the TIMED program)
2. Federal funds (18.4 cent federal gasoline tax., transit funds, other)
3. Self-Generated Revenue (Weights, fines and interest)
4. Tolls (Crescent City Connection)
5. Vehicle license tags
6. State General Funds (very little in operating budget)
7. State Capital Outlay Bonds

The main source of revenue for the DOTD is the excise tax on gasoline and diesel. This tax was implemented over 19 years ago and was not indexed for inflation. The 20 cents tax on gasoline is worth about 8 cents today if you after accounting for inflation. Meanwhile, the demand on the state's transportation infrastructure has risen due to increased population and correspondingly, vehicle-miles. Couple this with the sharp increase in costs for materials, labor, supplies, insurance, etc., and the ability of the DOTD to deliver the projects necessary to meet the needs of the State has been compromised.

In 2008, the Legislature approved the transfer of the sales tax on vehicles from the general fund to the Transportation Trust Fund over a phase-in period of seven years. This was projected to ultimately provide \$350 million to the Transportation Trust Fund, however, due to a provision in the statute, the decline in the overall state revenue forecast has prevented the transfer of the vehicle sales tax funds to the Transportation Trust Fund to occur.

The Federal Highway Trust Fund (HTF) had to be bailed-out in the fall of 2008 with \$8 billion from the federal general fund and again in July of 2009 to the tune of \$7 billion. Projections from the Congressional Budget Office show the highway trust fund balance to be in a negative trend for FY 10 and beyond. To Louisiana, the shortfall in FY 10 could result in a reduction of over \$150 million in federal highway funds if something isn't done on a federal level.

Roadway

1990: State Highway Miles = 16, 622

Lane Miles = 37,837

2009: State Highway Miles = 16,683

Lane Miles = 38,940

Lane miles increased by 1,100 due to the TIMED program and ongoing capacity projects

Bridges

On-System Bridges = 7934 Deck Area = 140 Million Square Feet

Off-System Bridges = 5218 Deck Area = 22 Million Square Feet

Airports

The DOTD Aviation Section's function is to provide oversight, inspection, and support to the State's over 800 airports/heliports, including the 7 Commercial Air Carriers and the 62 General Aviation airports. Using dedicated funds from the Aviation Trust Fund (funded by a 4% Aviation fuel sales tax) the DOTD provides a 5% match to 95% Federal Aviation Administration funds and any other none State funds to develop over 90 airport construction projects per year, worth nearly \$140 million. Detailed in Title 2 (Revised Statutes 2:1 through 2:904) and Administrative Code Title 70 Part IX, the Aviation Section is also responsible for certifying all new landing sites, recurring inspections at existing sites, providing flight safety education, supporting the Survey Section's Photogrammetry mission, and promoting statewide aviation commerce.

- ◆ 62 general aviation airports
- ◆ 7 commercial service airports

Ports and Waterways

The DOTD Public Works Section's function is to provide Funding and Oversight/Inspection of construction and repair projects on the state's ports and navigable waterways.

- ◆ 2800 miles of navigable waterways
- ◆ 2 deep draft waterways: Lower Mississippi River and Calcasieu River
- ◆ 27 locks
- ◆ 44 of 64 parishes have navigable waterways
- ◆ 470 dams
- ◆ 39 shallow & deep draft port authorities
- ◆ Offshore Oil Terminal Authority

Rail

The DOTD RR Safety Unit in the Systems Engineering Section works with the six Class I railroads and numerous short-line railroad companies in identifying, engineering and funding Public Highway/Railroad Crossing projects. This includes upgrading warning devices, working on signal preemption issues, and trying to obtain highway/rail crossing closures. This unit also works with those same railroad companies when obtaining agreements for DOTD's construction

program. Funding for this program is provided by FHWA under the Federal rail safety apportionment as well additional DOTD budget partition of federal highway safety funds. Some railroads also participate in cost sharing agreements by providing in-kind services and cash incentives to local agencies in exchange for crossing closure agreements.

The freight railroads (six Class 1s and 11 short lines) that operate in Louisiana move a substantial amount of freight within Louisiana and to destinations outside Louisiana. If these railroads did not operate in the state, significantly more freight would be transported on our highways, which would significantly increase highway congestion, increase the cost of highway maintenance, and dramatically increase the public's exposure to hazardous chemicals -- that are currently moved by rail.

The LA DOTD/Marine and Rail Transportation Section is partnering with the Class 1 railroads to improve the efficiency of the freight transportation system and provide more responsive service to shippers. Two key projects that the Marine and Rail Section are working with the railroads are: 1) Modernization of the New Orleans Rail Gateway (Six Class 1 railroads, the NOPB Railroad, and the Port of New Orleans) and 2) Upgrading the tracks of six short line railroads to improve freight system efficiency and facilitate economic development to industries statewide.

Transit

The DOTD Public Transportation Section administers federal funds in support of the rural and specialized transit services. There are 38 parishes that are able to participate in the program.

Operations

- 3.6 million acres mowed annually
- 71 thousand cubic yard of litter collected annually
- 10 ferries
- 3000+ railroad crossing
- 16 rest areas
- 11 truck weigh stations
- 3026 Traffic Signals
- 1,000,000 Traffic Signs

Review and briefly outline the constitutional and statutory mandates for you agency.

CONSTITUTIONAL AND STATUTORY MANDATES FOR DOTD

The Department of Transportation and Development (DOTD) is 1 of 20 Executive Departments authorized for creation by LA Constitution Article IV §1. It is created by LA Revised Statute 36:4 A. (11). The agencies included in its creation are found at LA R.S. 36:509. DOTD is primarily a combination of the old Department of Highways in R.S. Title 48 and the old Department of Public Works in R.S. Title 38. DOTD also has powers and duties in R.S. Title 2, Aviation, R.S. Title 34, Ports, as well as in R.S. Title 32, regulation of traffic. DOTD’s structure and organization has changed since its initial creation in 1977, notably in 1988 and 1997.

R.S. 36:501 B. provides that DOTD, “through its offices and officers, shall be responsible for developing and implementing programs to assure adequate, safe, and efficient transportation and other public works facilities and services of the state in accordance with the transfer of agencies and functions made by “ Chapter 11. DOTD shall develop and implement programs in all areas of transportation, including highways, airports, waterways, flood protection, and mass transit, as well as public works activities, in accordance with such transfers.”

R.S. 36:507 also lists purposes and functions of the department that shall be administered by the Secretary or in his discretion a subordinate or subordinates appointed in writing by him, as follows:

- 1) programs of the state relating to and affecting aeronautics and aviation facilities within the state; the development and establishment of public mass transit, railroad, and water transportation systems; and other special transportation programs;
- 2) programs of the state relating to the establishment, design, construction, extension, improvement, repair, maintenance, and regulation of roads, highways, expressways, bridges, and matters pertaining thereto; develop, prepare, and finalize the annual highway construction program authorized by Act 334 of 1974;
- 3) public works functions of the state related to flood and drainage control, the flood plain management programs, reclamation, water resources, soil conservation, land surveying and mapping, disaster relief, and related functions;
- 4) functions necessary to develop the state’s multimodal transportation and development plan.

R.S. 48:21 A. provides that the “functions of the department shall be to study, administer, construct, improve, maintain, repair, and regulate the use of public transportation systems and

to perform such other functions with regard to public highways, roads, and other transportation related facilities as may be conferred on the department by applicable law.”

LA Constitution Article 7 §27 Transportation Trust Fund provides funding for DOTD programs, as follows:

- 1) Highway Priority Program, R.S. 48:228-232;
- 2) Aviation Construction and Development Priority Program, R.S. 2:801, et. seq.,
- 3) Statewide Flood Control Program, R.S. 38:90.1 et. seq.,
- 4) Port Construction and Development Priority Program, R.S. 34:3451 et. seq.

Floodplain Management - “State Coordinating Agency” for the National Flood Insurance Program (NFIP). (LRS 38:84 and 44CFR 60.25)

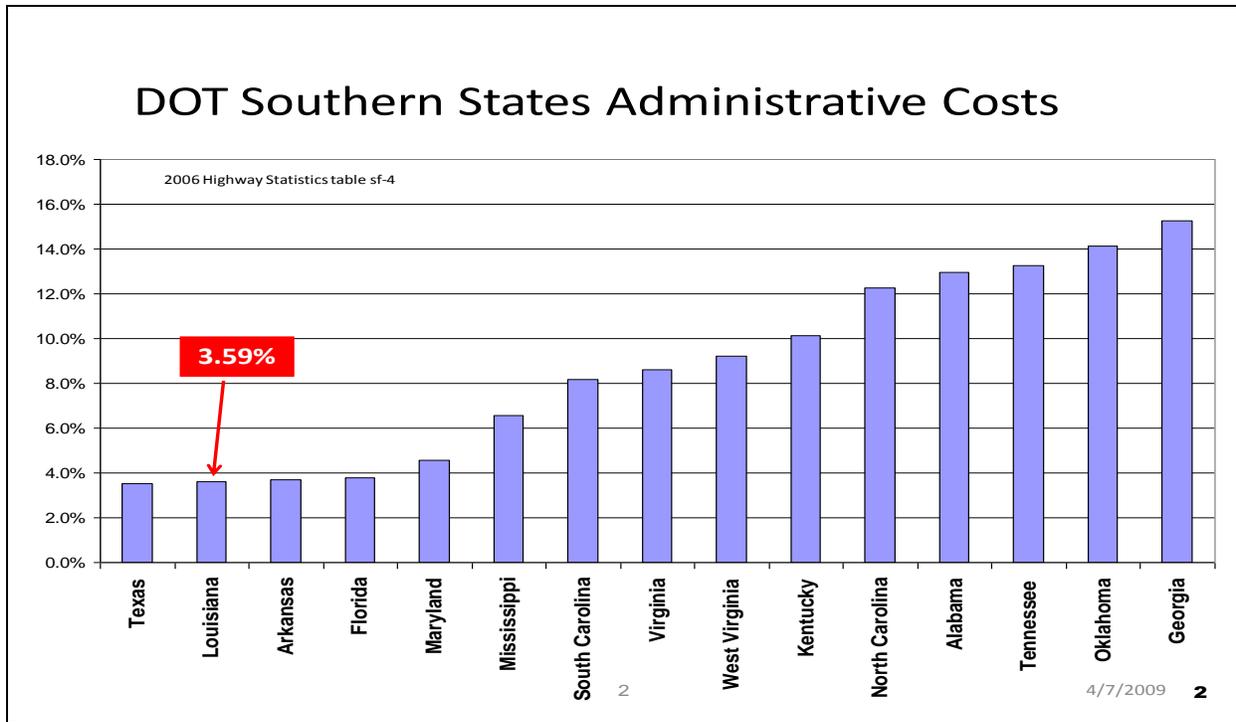
- 1) Dam Safety Program – Responsible for operation and maintenance of 20 state maintained dams as well as performs safety inspections for state and non-state owned dams statewide. (LRS 38:21 et sec)
- 2) Levee Safety - LRS 38.1, 38:247, & 38:225
- 3) Water Wells Registration and Driller’s Licensing (Until Jan 2010)
- 4) Manage State match for US Army Corps of Engineers Flood Control Projects and participates in project delivery – Non Coastal (LRS 38.1 et sec and 38:281-513)
- 5) Engineering Services and Oversight of Levee Boards (Non-Coastal)
- 6) Water Resources Program – collection of water data and manage capital outlay funding and oversight and engineering for state funded reservoirs (LRS 38:32 and 36:509)
- 7) LOTA (LRS 34:3101)
- 8) Boards and Commissions (LRS 38:20, 34:2302-2304, 38:2329, 38:3074, 38:3097.4)
- 9) RS 32.2 authority of Department of Transportation and Development A. (1) The department, as an exercise of the police power of this state, shall supervise and regulate all traffic on all highways within the state highway system and shall have the authority in its discretion to supervise and regulate all traffic on all highways within this state; promulgate rules and regulations not inconsistent with this Chapter and the general laws relative to highways and their construction, maintenance, and use, and the operation of vehicles and

pedestrians thereon; an investigate the highways by utilizing surveys, traffic counts, etc., and effect methods and practices thereto, as in its judgment and experience it deems advisable.

Section Two: Efficiency and Benchmarking

Identify under-performing programs that should be overhauled or eliminated.

DOTD ADMINISTRATIVE COSTS VS OTHER SOUTHERN STATES DOTs



RIGHT-SIZING THE STATE HIGHWAY SYSTEM - Proposed

An opportunity exists to reduce the size of DOTD, rectify inequities in the distribution of state highway miles among parishes, and empower local governments through the right-sizing of the State Highway System. Further, this would allow DOTD to focus its resources on the components of the transportation system that are most important to Louisiana's economy, namely, those that serve a significant role in freight movement, tourism, and business travel. In considering such a policy, it is necessary to begin with a review of the Louisiana Department of Transportation and Development (LA DOTD) mission statement:

LA DOTD Mission: We will continually strive to provide the best transportation system and earn the trust and respect of those we serve: customers, public officials and colleagues.

The State's role in transportation, particularly the highway system, is:

- Ensure that Louisiana is well connected with the rest of the country and the world.

- Provide for the movement of people, goods, and services between and through urban areas.
- Maintain a basic farm-to-market network in rural areas.

The State presently owns over 27 percent of the public road mileage in Louisiana. The national average is approximately 19 percent. Relevant statistics for each state are shown below. Only nine states own a higher percentage of public road miles than Louisiana and only 10 states have larger state highway systems.

STATE-OWNED MILEAGE

STATE	STATE	TOTAL MILEAGE	PERCENT	RANK
New Jersey	2328	38,563	6.04%	1
Kansas	10366	140,378	7.38%	2
Iowa	8909	114,084	7.81%	3
Massachusetts	2830	35,937	7.87%	4
Michigan	9696	121,720	7.97%	5
Washington	7041	83,255	8.46%	6
North Dakota	7385	86,841	8.50%	7
California	15235	170,287	8.95%	8
Minnesota	11926	132,309	9.01%	9
South Dakota	7843	84,228	9.31%	10
Florida	12070	121,995	9.89%	11
Wisconsin	11772	114,484	10.28%	12
Colorado	9109	88,022	10.35%	13
Idaho	4959	47,102	10.53%	14
Nebraska	9956	93,378	10.66%	15
Oklahoma	12286	113,084	10.86%	16
Arizona	6813	60,373	11.28%	17
Alabama	10978	96,523	11.37%	18
Illinois	16083	138,995	11.57%	19
Indiana	11183	96,251	11.62%	20
Oregon	7531	64,354	11.70%	21
Utah	5848	43,767	13.36%	22
New York	15548	113,616	13.68%	23
Montana	10781	73,151	14.74%	24
Mississippi	10970	74,407	14.74%	25
Tennessee	13836	91,420	15.13%	26
Georgia	17911	118,202	15.15%	27
Ohio	19264	125,103	15.40%	28
Nevada	5381	33,703	15.97%	29
Maryland	5149	31,097	16.56%	30
Arkansas	16432	99,005	16.60%	31
Rhode Island	1103	6,526	16.90%	32
Connecticut	3715	21,248	17.48%	33

Vermont	2634	14,407	18.28%	34
New Mexico	11993	63,795	18.80%	35
Hawaii	929	4,331	21.45%	36
Wyoming	6752	27,834	24.26%	37
New Hampshire	3980	15,644	25.44%	38
Texas	79849	305,273	26.16%	39
Missouri	33680	127,203	26.48%	40
Louisiana	16687	60,927	27.39%	41
Pennsylvania	39842	121,291	32.85%	42
Kentucky	27529	78,232	35.19%	43
Maine	8547	22,782	37.52%	44
Alaska	5674	14,786	38.37%	45
South Carolina	41429	66,241	62.54%	46
North Carolina	79068	103,500	76.39%	47
Virginia	57480	72,330	79.47%	48
Delaware	5275	6,178	85.38%	49
West Virginia	34089	37,055	92.00%	50
U.S. Total	777,674	4,015,217	19.37%	

Source: Highway Statistics 2006, Table HM-50

Louisiana's state highway system is comprised of the following classifications. Interstate highways are the highest order facilities whereas roadways classified as Rural Local and Urban Local are the lowest order facilities.

<u>Rural System</u>		<u>Urban System</u>	
	<u>miles</u>		<u>miles</u>
Interstate	534	Interstate	361
Principal Arterial	981	Other Freeway	60
Minor Arterial	1,584	Principal Arterial	894
Major Collector	4,667	Minor Arterial	1,217
Minor Collector	2,968	Collector	811
Local	<u>2,466</u>	Local	<u>140</u>
Subtotal	13,200	Subtotal	3,483
State Highway System = 16,683 miles (July 2009)			

Action Plan:

It is recommended that the State transfer approximately 5000 miles of state-owned roads to parish and city governments. Such a transfer will bring Louisiana's percentage of state-owned public road mileage in line with the national average of approximately 19 percent. In preparing a transfer plan, the following principles should be employed:

- The State should not be maintaining neighborhood streets in urban or rural areas (i.e., roads classified as Rural Local or Urban Local).
- State mileage should be inversely proportional to parish population. The reason for this is that as population increases, farming activity decreases, and therefore the need for a farm-to-market network decreases. Former rural roads become urban and suburban streets and should be incorporated into parish and city street grids. As an area urbanizes, the tax base grows thereby enabling local governments to assume greater responsibility in addressing transportation needs.
- In urban areas, the state system should consist only of roads that serve a significant inter-urban function. Intra-urban travel needs are best served by local governments even if the streets have high traffic volumes.

The preparation of a transfer plan affords the opportunity to rectify some of the current inequity in the distribution of state mileage among parishes. One parish has over 550 miles of state highway whereas another has less than 65 miles. While the geographic size of the parish, the intercity travel network, as well as the extent of the farm-to-market network needed must be accounted for, the imbalance in the present distribution of state highway mileage among the parishes is glaring. Therefore, the following mileage and density criteria

Mileage Criteria

- Maximum state mileage in any parish = 300 miles
- Maximum state mileage in parishes with population > 100,000 = 250 miles
- Maximum state mileage in parishes with population > 200,000 = 200 miles
- Maximum state mileage in parishes with population > 300,000 = 150 miles
- Minimum state mileage in any parish = 50 miles

Density Criteria

- No more than 5 miles of state highway per 10 square miles of parish geographic area
- No less than 1 mile of state highway per 10 square miles of parish geographic area

It would be unfair to transfer approximately 5000 miles to the parishes and cities without compensation. Therefore the transfer plan must include an increase in the Parish Transportation Fund equivalent to the State's current routine maintenance costs for the roads being transferred. Further, any road classified as "poor" by LA DOTD criteria would have to be improved prior to transfer or just compensation provided to the receiving local government. In addition, federal funds for the Off-System Bridge and Local Road Safety Programs will need to be increased. Lastly, DOTD would likely establish a federally-funded Local Road Congestion Relief Program to assist parishes and cities in addressing these needs.

It should be noted that the current distribution formula for Parish Transportation Fund monies does not require sub-allocation to municipalities within each parish. This has been a long-standing complaint by municipal governments and should be rectified as part of a transfer plan.

A reduction in state mileage will allow capital resources to be focused on the remaining highway system as well as the components of other modal systems most important to freight movement, tourism, and business travel.

Implementation Savings: DOTD's Operating Budget would be reduced by approximately \$60 million in accordance with an implementation schedule (estimate subject to revision). The reduction in DOTD's TO has not yet been estimated although it is expected to exceed 500. The Parish Transportation Fund and several local government capital assistance programs would gradually be increased as mileage is transferred.

Implementation Schedule: Legislation requiring the transfer will need to be enacted in the 2010 Regular Session of the Louisiana Legislature. To ensure an orderly process, the actual transfer could be structured to occur over a five-year period with no more than 100 miles transferred within any parish in a given year.

Outcome: Efficiency and long-term Cost Savings

FERRY SERVICES – Proposed Closures or Privatization

Ferry operations have provided an important travel option to our citizens saving time and money. However, these services are one of the most costly transport services the Department provides.

The table below shows the cost to operate the ferries and the cost broken down by one-way vehicle trip. The operating cost per vehicle ranges from \$6.65 to \$153.07. Our cost-benefit analysis indicates the cost to provide the service at three locations (Melville, Reserve, and White Castle) far exceed the user cost savings to the traveling public. For example, the annual estimated cost savings to the users of the White Castle location by not having to drive to the nearest bridge is \$48,460 while the cost to provide the service is \$1.2 million. Keep in mind that only \$10,000 in tolls (50 cents round trip) are collected. In order to break even, the fare would have to be raised to over \$25 per vehicle.

The other locations (St. Francisville, Plaquemine, Duty and Cameron) while not covering their costs, do provide considerable transport savings to the customer. The St. Francisville ferry will

be closed once the new John James Audubon Bridge between New Roads and St. Francisville is completed in early 2011.

Proposed savings by closing the ferry locations at Melville, White Castle, and Reserve are approximately \$3 million annually (about 1/3 of the total cost). Another \$2 million will be saved upon closing the St. Francisville ferry once the new bridge is completed.

The ferry locations are stipulated by the Legislature who would have to authorize the closures. A change to the statutes would be required.

DOTD has also analyzed privatization of the ferry service however, the costs to operate the ferries coupled with the private insurance costs, minimal market and the old ferry equipment makes it unlikely that these areas would find private sector providers.

FY 2006-07 FERRY COST DATA								
Location	Tolls	Operating Cost	Drydocking/ Capital Cost	Maint. Repair Cost/Overhead	Insurance Cost	Total Cost	Vehicles	Cost/ Vehicle
Melville	\$1,467	\$394,831	\$196,000	\$91,000	\$20,614	\$702,445	4,589	\$153.07
Reserve	\$18,968	\$829,598	\$475,000	\$206,500	\$190,211	\$1,701,309	76,167	\$22.34
White Castle	\$10,124	\$494,703	\$475,000	\$206,500	\$75,961	\$1,252,164	43,626	\$28.70
Duty	\$18,955	\$426,366	\$196,000	\$91,000	\$15,095	\$728,461	58,346	\$12.49
Cameron	\$0	\$1,649,201	\$475,000	\$206,500	\$94,983	\$2,425,684	220,952	\$10.98
New Roads	\$97,788	\$1,537,253	\$475,000	\$206,500	\$233,762	\$2,452,515	286,701	\$8.55
Plaquemine	\$92,307	\$1,340,281	\$475,000	\$206,500	\$222,145	\$2,243,926	337,428	\$6.65
CCCD Ferries	\$254,227	\$5,735,375	\$1,005,885	\$1,550,343	\$1,349,535	\$9,641,138	650,959	\$13.12
TOTALS	\$493,836	\$12,407,608	\$3,772,885	\$2,764,843	\$2,202,306	\$21,147,642	1,678,768	\$12.60

Outcome: Cost Savings

TRANSFER FLOOD CONTROL ACTIVITIES TO CPRA - Proposed

The DOTD has missions and activities that were added when the Department of Public Works merged with the La Department of Highways over 20 years ago. In 2006, the state redefined its governmental responsibilities with respect to hurricane flood protection with the creation of the Coastal Protection and Restoration Authority (CPRA). The responsibility for all flood protection, hurricane related or otherwise, for the coastal zone (south of I-10) was transferred

from the DOTD to the CPRA. The responsibility for flood control north of I-10 remained with the DOTD. The fragmenting of the statewide flood control effort has created some confusion and some duplication of effort between the DOTD and the CPRA. The DOTD sees the need to transfer the remaining flood control activities to the CPRA so that the core mission of flood control resides with one agency. The DOTD and the CPRA will propose legislation at the 2010 Legislative session to accomplish this transfer.

Outcome: Efficiency

CONSOLIDATE RESPONSIBILITY FOR WATER RESOURCE MANAGEMENT UNDER THE DEPARTMENT OF NATURAL RESOURCES – PARTIALLY IMPLEMENTED

Currently, the responsibility for Water Resource Management is divided between several state agencies, but prominently between DNR and DOTD. In 2003, the Legislature placed the Ground Water Resources Commission in the Office of Conservation of the Department of Natural Resources (R.S. 36:359(K)). The statutory charge of the Commission is to continue the development, in cooperation with the commissioner, of a statewide ground water resource management program that shall include but not be limited to evaluation of the state's ground water resources including current and projected demands; development of a water use conservation program; study of alternatives to ground water use, such as surface water to include treatment and transmission system, and reclaimed water; incentives for conservation; use of alternative technologies; and education and conservation programs. The plan should stress conservation as the primary mechanism for the protection of the state's ground water resources.

Since Water Resource Management includes both ground water and surface water, it makes sense to combine all programs under one umbrella. It makes sense to move the following programs to DNR from DOTD:

1. Water Well Registration Program
2. Water Well Drillers Licensing and Regulation Program
3. Water Resources Data Collection and Dissemination Program
4. Water Supply Availability, Use and Contingency Water Planning Program
5. Louisiana Water Resources Information Center
6. Dam Safety Program
7. Sabine River Authority

Act 437 of 2009 transferred responsibility for Water Well Registration, Licensing and Regulation (items 1 and 2 in the list above) from the DOTD to the DNR, effective January 1, 2010. The

remaining items in the list should also be moved from the DOTD to the DNR with the exception of item 6, Dam Safety, which should be moved to CPRA due to the similarity between levees and dams and the same expertise required to oversee the program.

Outcome: Efficiency

REVIEW TOLLS FOR CRESCENT CITY CONNECTION – Options

The bonds supported by the CCCD tolls will be paid-off on December 31, 2012. Unless the Legislature enacts legislation, the tolling will end and the \$18 million revenue stream will disappear. In addition, the \$4.5 million received from highway fund number 2, will cease.

In preparation for 2012, the DOTD is working with the local stakeholder groups to develop options and a plan of action so that the needs of the public will be properly served. The following is a summary of the two scenarios that will happen in 2012:

If the tolls are not renewed, there will be no funding to continue the operating the three ferries. Transportation Trust Fund dollars cannot be used due to the fact that the ferries do not connect state highways. Since there will be no tolls to collect, there will be no need for the toll collectors. Additionally, there will be no funding for the remainder of the CCCD staff (police force and maintenance staff). The maintenance of the bridge will become part of the responsibility of DOTD Operations. Painting and maintenance of the bridge will have to be incorporated into the statewide programs. Police actions will have to be handled by the local police forces resulting in increased response times and longer traffic delays. Approximately 200 employees will be laid off.

If the existing tolls are renewed, the revenue stream at the current toll rate schedule will not entirely offset the expenditures. Discontinuation of one or more ferries may be necessary, ferry hours may need to be reduced, and the police staff may need to be reduced. Necessary maintenance projects, such as painting the bridge, may be further postponed. Consideration should be given for an increase to the tolls for both vehicles and pedestrians so that an acceptable level of service can be maintained.

Other options include the privatization of the ferry operations; transfer of the ferry operations to the local municipalities; and/or transfer of the CCC bridge to the municipalities. All of these options will require a revenue stream through tolling or another mechanism.

Outcome: Efficiency and Transparency

ESTABLISH MOTOR POOLS IN THE DISTRICTS - Proposed

The Department is also looking into the possibility of creating motor pools at the nine District sites instead of vehicles assigned to individuals. This will reduce the number of vehicles that the Department has to purchase and maintain.

Outcome: Cost Saving

DISCONTINUANCE OF CONSTRUCTION SIGNS – Implemented

By strict application of State Law, the DOTD has reduced the number of construction project signs for a cost savings. Signs are only required for construction projects funded totally with state funds in excess of one million dollars. No longer will the typical construction signs showing amount of state and federal dollars be installed on projects

Outcome: Cost Savings – Approximately \$500K annually

Section Three: Outsourcing and Privatization

List programs, functions, or activities that can be privatized or outsourced

OVERVIEW OF DOTD OUTSOURCING STATISTICS

In FY 09-10, DOTD will outsource 79% of its total budget including 24% of its operating budget. Outsourcing activities include, but are not limited to, all or a portion of construction, design, construction engineering and inspection, mowing, signal repairs, litter collection, guard rail repair, security, janitorial services, training, legal services, accounting services, other professional services, and selective maintenance processes. Some of these activities as well as proposed outsourcing activities are highlighted in this section.

TIMED PROGRAM MANAGEMENT

The TIMED Program Management is an example of the DOTD's largest outsourcing effort. The following is a summary of the contract with the Louisiana TIMED Managers (LTM).

In an effort to accelerate the completion of TIMED Program from the projected date of 2031 to 2012, the DOTD in 2001, with Legislative approval, decided to allow the issuance of revenue bonds and to utilize private sector resources for program management.

Procurement of Management Services

- DOTD advertised for Program Manager July, 2001
- Three competitive proposals received November, 2001
- Proposals included approach, fee, and innovative solutions
- Selection by DOTD of LTM announced December, 2001

LTM Agreement

- Interim agreement signed February, 2002
- Final agreement signed June, 2002
- Term: June 2002 through December 2010
- Compensation: Base fee \$254.3 million
- Escalation applied to unexpended fee annually
- Incentive/Disincentive clause allowing a bonus or penalty depending on performance against baseline budgets and schedules. Maximum amount of incentive/disincentive is 20% of base fee.
- Industry standard warranty and indemnity clauses
- Requires a project specific \$10 million professional liability policy

LTM's Role

- Program management of the TIMED Program

- Initial scope included only List B highway projects
- Scope expanded December, 2004 and added List C major bridges
- Develop program budgets and schedules
- Design Oversight
- Right of way management and acquisition
- Utility relocation
- Public involvement
- Construction administration
- Financial management
- Program status reporting

LTM Joint Venture

- LTM is a joint venture established for this assignment
- Three firms have equal ownership: PB Americas, GEC Inc, and LPA Inc.
- Two principal sub-consultants: PEC Inc. (Right of Way Acquisitions Services) and MMLH Inc. (Utility Relocation Services)
- Program office in Baton Rouge and 6 field offices across the State
- Over 200 staff members on LTM team

The entire projected cost of the TIMED Program as currently planned is approximately \$5.17 billion, of which approximately \$3.55 billion has been managed directly by LTM (List B Highways & C Major Bridges) since 2002. The remainder of the Program was or is being managed by LA DOTD.

Based on the total program projected cost of \$3.55 billion managed by LTM, the \$254 million fee to LTM represents approximately 7.1% of the Program cost. The breakout of the fee is as follows:

- 2.7 % Program Management Oversight including financial management, program controls, communications, operations, contract administration, document control, reporting, and other traditional program management functions
- 4.4% Project Specific responsibilities including design oversight, utility relocation management, right-of-way acquisition, site assessment of hazard waste, and construction inspection.

When LTM's fees are compared to other major program management assignments across the country, they are on the low end of the scale and represent a very efficient program. For example, the program management fees for the South Carolina DOT \$760 million major highway program (commonly referred to as the 27 in 7 program), for comparable services, is approximately 17% of the total program costs.

Within Louisiana DOTD, program management is not being utilized on another project or program that is similar to TIMED and therefore direct comparisons cannot be given. The LA DOTD/LTM agreement is unique and includes many functions not normally contracted out by LA DOTD. One important component of the DOTD/LTM agreement is the incentive/disincentive clause. LTM can earn an incentive if the Program is completed within budget and schedule, however LTM can be required to pay a disincentive if the Program is over budget and beyond the approved schedule.

An advantage to using a consultant to provide program management services is the ability of the LA DOTD to staff up quickly with the expertise needed and to release all the staff when the program ends.

Outcome: Efficiency

ELIMINATE DOTD AIRPLANE - Proposed

The current photogrammetry (aerial photography) mission is funded primarily from the Aviation Trust Fund (ATF), covering the pilot's salary, benefits, required currency training, aircraft maintenance, fuel, and inspections. The aircraft is "restricted", due to the camera configuration, which means it is limited to only photogrammetry missions – it cannot be used for passenger operations. With the minor exception of photos taken of airports once every few years, the photogrammetry function contributes nothing to the mission of the DOTD Aviation Section in supporting airport improvement projects and airport inspections, for which the ATF funds are intended. The main usage of this photography is for the DOTD legal section and to some extent, the development of plans for highway construction projects.

Several sources of modern technology exist to outsource the photogrammetry function, which would yield the same quality of information currently provided by the photogrammetry mission.

Outcome: Cost Savings \$291,480 (Annual)

FERRY REPAIR PRIVATIZATION - Implemented

A major portion of the repairs to ferries which include dry-docking, engine repair, electrical repair, etc. are contracted out because of either lack of personnel or complexity of the work.

Outcome: Efficiency

SECURITY GUARD SERVICE PRIVATIZATION - Implemented

DOTD has privatized Security Guard Services for many of DOTD facilities. In the past, the guards were employed by DOTD. These positions were either reduced or moved to repairing roads, repairing bridges, mowing, etc.

Outcome: Efficiency

OPEN ROAD TOLLING - Implemented

In August of 2009, DOTD implemented the state's first Open Road Tolling system at the new toll facility on LA 1 in Leesville. This same system is in the process of being implemented at the Crescent City Connection. This state of the art system is fully automated and eliminates the need for toll collectors on the bridge, thus reducing operating costs.

Outcome: Cost Savings and Efficiency

HURRICANE RETAINER CONTRACTS - Implemented

DOTD has implemented retainer contracts to be used during and after a disaster in order to quickly and efficiently return the infrastructure to normal conditions. These retainer contracts include:

- Debris Removal
- Debris Monitoring
- Signal Repair
- Generators for critical intersections
- Disaster Program Management
- Emergency Charter Bus Transportation
- Emergency Pet Evacuation Transportation
- Disaster Planning and Response

Outcome: Efficiency and Cost Savings (95% reimbursement instead of 90% from FEMA for Debris removal and monitoring resulted in an extra \$1.2 million reimbursement from FEMA)

CCCD TOLL CALL CENTER PRIVATIZATION -Implemented

The CCCD Call Center was outsourced in 2006 and was physically located at a business in Texas. In 2009, the physical location for the Call Center staff has been moved to the CCCD facility. The

staff will still be outsourced, but we will save the overhead expenses being paid under the current contract.

Outcome: Efficiency and Cost Savings 9Annual \$200K-\$300K

CONSTRUCTION CLAIMS LITIGATION - Implemented

DOTD outsources construction claim lawsuits in which the trial preparation is most likely to be the most time consuming to a staff attorney. Construction claims that are outsourced are usually a minimum of one million dollars and have ranged as high as seven million dollars. These trials usually require extensive research into project documents and require expertise from numerous experts. On average, DOTD maintains anywhere from six to ten outside counsel cases in this area.

Outcome: Efficiency and Cost Savings by Reducing the Value of Claim Judgments

SAFE ROUTES TO SCHOOLS PROGRAM –Implemented

The passage of SAFETEA-LU, the federal surface transportation funding act, established the Safe Routes to School Program (SRTS) for the benefit of children in primary and middle schools. To receive funding under this program a state is required to establish a full-time Safe Routes to School Coordinator position. DOTD contracts out the SRTS coordinator position as well as 100% of all engineering, design and technical assistance services for this program.

Outcome: Safety (Federal Requirement) and Efficiency (Do not have in-house TO available)

CRASH REPORT DATABASE –Implemented

The DOTD is the repository of all motor vehicle crash data in the State of Louisiana. This database houses approximately 150,000 – 160,000 crash reports each year. In order to receive the most timely and accurate information, DOTD has entered into a contract with Louisiana State University (LSU) to maintain and operate the crash information database. This information supports the highway safety missions of many federal, state and local agencies including the DOTD, Louisiana State Police, Louisiana Highway Safety Commission (LHSC), Federal Highway Administration, Federal Motor Carrier Administration and the National Highway Traffic Safety Administration.

Outcome: Safety and Efficiency (Do not have in house TO available)

SAFETY STUDIES –Implemented

The Highway Safety Improvement Program (HSIP) is the primary mechanism used by the Department to identify candidate safety projects for inclusion in the Highway Program. Due to limited funding, it is imperative that this information be as timely and accurate as possible

thereby ensuring that safety projects are justified and properly evaluated. Due to a decrease in overall resources (staff), work load/staffing of District Traffic Engineering offices, and the numerous requests for additional studies, the use of a consultant is critical in providing these services in a timely manner. The Department has contracted with a consultant on a retainer contract to conduct studies at high crash, high profile locations throughout the state on an as-needed basis.

Outcome: Efficiency (Do not have in - house TO available)

TRANSPORTATION PLANNING STUDIES - Implemented

The DOTD receives numerous requests each year for project feasibility and other transportation planning studies, many of which are funded through federal or state earmarked funds. Due to limited in-house resources (i.e., staff), consultants are used for approximately 90 percent of this work. The Department has two consulting firms on retainer to assist in this effort.

Outcome: Efficiency (Do not have in-house TO available)

PAVEMENT CONDITION DATA COLLECTION –Implemented

In compliance with federal and state requirements, DOTD periodically collects data on the condition of state highway pavements. This data is used in highway needs assessments, budget analyses and goal setting, prioritization and selection of projects, and assessment of completed projects and project materials. This data collection is carried out entirely through a consultant contract. In addition to the data, video of the roadways is collected that can be accessed by Department personnel via the intranet. This reduces the need for field trips.

Outcome: Efficiency (Do not have in-house TO available)

TRAFFIC MONITORING PROGRAM –Implemented

In accordance with federal regulations and state requirements, DOTD maintains an extensive traffic counting program. The data is used throughout the Department and is used in federal funding formulas. As data needs have increased and staff resources have declined, the use of consultant services has increased. All non-state highway traffic counts are now performed via contract as are most special requests and some routine state system counts. State forces are focused on the more complex state system traffic counts where accuracy is critical.

Outcome: Efficiency (Do not have in-house TO available)

511 PRIVATIZATION - Implemented

DOTD established and currently operates a statewide advanced traveler information system (ATIS), commonly referred to nationally as 511. The public can access information through the

telephone by dialing the 3-digit number or online through DOTD's Website. Information regarding traffic impacts due to construction, maintenance, or incidents are provided in real-time for public use.

DOTD provides this service through participation in a multi-state coalition, which is administered by the Iowa DOT. DOTD pays Iowa DOT approximately \$110,000 per year to fund Louisiana's share of operations and maintenance costs associated with the system. Additionally, DOTD retains the services of the 511 Integrator, Castle Rock Consultants, to perform system enhancements and upgrades on the order of about \$90,000 per year. Hence DOTD budgets roughly \$200,000 per year to cover system-related costs of the 511 program.

DOTD also outsources the data entry and management function of 511 through the Statewide Traffic Management Center (TMC) Operations and Engineering retainer contract. This function typically requires a resource of 1 ½ FTE, or roughly \$100,000 per year to perform this effort.

Therefore, the overall cost of operating 511 in the state is \$300,000, which represents nearly all of the service being outsourced. The only portion currently performed by in-house personnel is administering the program, a cost estimated at 10% of an FTE or \$12,000 per year.

Outcome: Efficiency (Do not have in-house TO available)

PRIVATIZATION OF RETRO- REFLECTIVITY READINGS -Implemented

DOTD has outsourced the collection of roadway striping retro-reflectivity readings which determines the amount of light reflection from striping. DOTD's previous practice required taking readings by hand however due to staff availability we were only able to take readings on approximately 380 line miles per year. Now DOTD has contracted with a company that can obtain readings on the entire (7000 line miles) interstate system in a week and a half. Using a cost benefit analysis, we determined that it would cost DOTD \$156.80 per line mile (\$60K per year for 5% of system) vs. \$13.00 per line mile (\$90K per year for entire system) with a contract. As a result DOTD is able to obtain retro-reflectivity readings for striping on the entire interstate system annually which greatly helps in the prioritizing interstate striping projects.

Outcome: Efficiency and safety

PRIVATIZATION OF VEHICLE REPAIRS - Implemented

Specific vehicle repairs are being performed by private vendors due to DOTD personnel constraints and the complexity of the newer model vehicles. Privatizing some of the repairs has improved the overall efficiency of the repair shop.

Outcome: Efficiency (Do not have in-house TO available)

PRIVATIZATION OF THE LOGO PROGRAM -Implemented

DOTD has privatized the administration of the interstate LOGO signing program (these are the blue directional signs found prior to interstate exits indicating specific services i.e., Gas, Lodging, Food, Camping, etc.). The scope of the contract includes sign maintenance, installation of new signs, replacement of old or damaged signs, and the billing and collection of revenue from the businesses who advertise on the signs. Increasing commercial activity and frequent turn-over of businesses near interstate interchanges made it difficult for DOTD to coordinate the various activities for the statewide LOGO program among the various sections involved within DOTD. As a result of the contract with the private company that will administer the program, the Department now stands to collect an annual guaranteed payment from the interstate Logos in the amount of \$360,000 or 10% of gross revenues (whichever is highest). Under the old fee system before privatization, DOTD collected \$500,000 per year in LOGO revenues. It cost DOTD approximately \$200-\$250K in overhead to run the program. That includes sign fabrication, installation and administrative functions.

Outcome: Cost Savings, Efficiency and Improved Customer Service

PRIVATIZATION OF INTERSTATE STRIPING - Implemented

Interstate striping is contracted out because we do not have the personnel or equipment to replace thermoplastic striping or raised pavement markings on the interstate.

Outcome: Safety (Do not have in house TO available)

LEASING VEHICLES AT HEADQUARTERS - Proposed

The Department is investigating the possibility of leasing instead of owning the fleet of pool vehicles for Baton Rouge Headquarters. We have received preliminary estimates on the price of leased vehicles that would be housed at the DOTD HQ facility, and after initial estimates, the price of the leased vehicles could be close to a break even cost compared to the Department replacing our vehicles every 3 years. Some of the benefits of the leased vehicles are as follows:

- DOTD not responsible for maintenance
- New cars at least every 2 years
- Potentially fewer mechanics needed at Central Repair Shop
- Ability to transfer newer vehicles at HQ to Districts in place of older vehicles

At this time we are in the process of calculating how many vehicles would be needed in the leased pool to accommodate all of HQ's needs, better cost for leased vehicles, etc.

Outcome: Cost Savings -TBD

MOTORIST ASSISTANCE PATROLS (MAP)-Implemented

MAP initiative has proven to be an extremely successful program for DOTD in providing more effective traffic operations and incident management and meeting the performance measure of implementing a statewide ITS deployment plan over 5 years. Originating from construction projects on the Interstate, the MAP program is transitioning into an integral program of a regional incident management plan.

MAP projects are currently running in the New Orleans (West), Baton Rouge, Shreveport/Bossier City, and Lake Charles regions and patrol roughly 125 miles of urban Interstate. Typically MAP vehicles patrol segments 12 hours per day, 7 days per week and provide assistance to stranded motorists and to police in accidents, administer first aid, and remove debris from the highway with the goal of maximizing traffic flow on the Interstate. Assistance provided typically ranges from 30 to 40 motorists per day.

Outcome: Safety and Efficiency

COLLECTION OF OUTSTANDING RECEIVABLES – In Process

In 2006, the legislature amended Title 49 to allow state agencies the ability to enter into debt collection contracts with the Attorney General's Office. In May, 2009, DOTD entered into such a contract with Attorney General Caldwell. The term is designated for three years. Under the agreement, DOTD selects outstanding account receivables and forwards for collection after consultation with the Department of Justice.

Currently, DOTD has forwarded outstanding accounts from DOTD Human Resources for collection of insurance premiums due for unverified dependants. Although individual claims vary from \$50 to \$38,000, there are 72 employees to serve notice and seek collection. The average claim owed is \$9,500. The total of all claims amounts to savings of \$653,838.24.

DOTD has also forwarded a claim for the Sabine Parish River Authority retiree and surviving spouse group health and insurance premiums in the amount of \$727,255.96 that was mistakenly paid by the DOTD over the last 20 years.

Another outstanding receivable being forward to the Attorney General for collection is the \$28 million owed to DOTD by non-profit and municipal utility owners for the Utility Relocation Assistance Fund. The details of this issue are summarized as follows:

The DOTD has been cited by the Legislative Auditor for the "Untimely Collection of Utility Relocation Assistance Funding (URAF) Receivables". URAF is a loan program which allows DOTD to provide funds for the relocation of publicly owned nonprofit utilities when necessary for highway construction. The basis of the loan is the utility company's lack of resources or assets

to pay for the relocation themselves. The total amount of URAF receivables as of today is approximately \$28 million. We concurred with the Legislative Auditor finding; however, we felt that the issue of collecting older receivables requires a degree of sensitivity. The DOTD sent out letters to all Legislators having affected Utility Companies in their districts in November of 2007. Letters of Demand to all public utility owners (Municipal and Parish) with outstanding balances are currently being sent out. Once the Parish or Municipality responds, we will try to work out a payment plan for those receivables according to Title 70, Part II, and Chapter 3 of the Louisiana Administrative Code. If all else fails, the DOTD will have turn over the collection of the outstanding receivables to the Attorney General.

Outcome: Efficiency – accelerated collections of outstanding receivables.

AMERICANS WITH DISABILITIES ACT (ADA)/SELF-EVALUATION AND TRANSITION PLAN- In Progress

The Americans with Disabilities Act prohibits discrimination on the basis of disability in any program or activity receiving Federal financial assistance. Section 504 of the Rehabilitation Act of 1983 confers primary responsibility for enforcement of its provisions on those Federal agencies extending financial assistance to the program or activity.

DOTD has advertised through a Request for Proposal (RFP) to outsource the Americans with Disabilities Act (ADA) Transition Plan and Self Evaluation that is a federally required element of our Title VI Program. The selected Consultant will provide the services required to perform a Statewide Self-Evaluation on approximately 750 miles of statewide Pedestrian Rights-of-Way including Pedestrian/Bike Trails, Tunnels, and Overpasses and provide a Transition Plan in accordance with the ADA, Title II/Section 504 for Public Rights-of-Way, using the Department of Justice (D)J), ADA, and Public Rights-of-Way Accessibility Advisory Committee (PROWAAC), Guidelines.

Outcome: Efficiency (Do not have in house TO available)

Section Four: Information Technology Integration

List IT projects already underway designed to improve efficiency and effectiveness as well as potential projects.

LAGOV/ERP- Proposed –In Progress

DOTD is a major participant in the LaGOV project. For DOTD, the LaGOV project will replace all of our existing financial applications (Finance, Budget, Purchasing Federal Billing, Project Finance, Inventory, and Vehicle) and several related engineering applications (Project Master, Linear Asset Management, Project Letting / STIP / Priority Program, and Project Management). Replacing these legacy systems will bring us a major step closer to sun-setting our mainframe environment as well as freeing us from the dependency on specialized and difficult to obtain skill sets required to maintain these systems.

From a business standpoint, the LaGOV system will provide a single integrated view of our business functions. Entry into multiple systems will become a thing of the past and single entry of information will become more common. The integration of information among the various modules of the SAP solution will allow department personnel to better manage our financial and human resources. Department finances will become highly visible and much easier to report and analyze. Determining the lifecycle costs associated with a segment of our transportation infrastructure will now become possible to obtain.

Finally, the LaGOV project will be centrally maintained and all data will be centrally stored. All executive branch agencies will be in the new system enabling comprehensive reporting on the financial condition of our State.

As the final design of LaGOV is not complete, a detailed list of the improvements we hope to achieve is not possible. However, we do know many aspects of the system that will bring significant efficiencies. These improvements include the elimination of the need to reconcile the multiple DOTD financial systems as all of the data will be in one integrated system. Also payments to contractors, vendors and other entities with which that DOTD conducts business, will be performed centrally either through the central printing of checks or electronic funds transfer eliminating the need for DOTD to continue to provide this service.

A fully functional accounts receivable function is also being implemented with LaGOV that will allow agencies to efficiently manage funds due to the State. This will be a major improvement for the Department. DOTD will go live on the LaGOV system in October, 2010.

Outcome: Efficiency

AGILE ASSETS MAINTENANCE MANAGEMENT SYSTEM – In Progress

DOTD has been striving for years to update our Maintenance Management System (MMS). We have reviewed and studied the many different Maintenance Management Systems available, and Agile Assets has come to the very top of the list. The new ERP LaGov System will include Agile Assets as a separate module. This new Maintenance Management System will allow the Department to better manage its resources, and as a result, we will be able to improve our efficiency. This new system will also allow for easier ability to provide data needed for FHWA and FEMA reimbursement after a disaster.

Outcome: Efficiency

ELECTRONIC BIDDERS REGISTRATION – Implemented

Companies or individuals who wish to receive bidding information for DOTD construction projects are required to apply for Electronic Bidders Registration through the DOTD Electronic Bidding system. Once registered, companies can download plans and proposal that are listed on DOTD's Internet website. This web application is integrated with a Trns•port module and DOTD Electronic Bidding system.

The benefits of Electronic Bidders Registration are: eliminates duplication of efforts, reduce processing time of bid documents, and improves efficiency for DOTD staff as well as providing improved customer service for bidders. The Electronic Bidding system provides security and accuracy in bidding documents while avoiding typical errors from data entry and hand processing.

Outcome: Improved efficiency and Time Savings

AASHTOWARE TRNS•PORT - Implemented

The Louisiana Department of Transportation and Development has implemented several AASHTOWare Trns•port software modules (Preconstruction and SiteManager) as a replacement of several mission critical systems, and modules (CES and BAMS\DSS) as tools to develop better cost estimates and bid analyses. These software modules are not owned by a vendor, but are owned American Association of State Highway and Transportation Officials (AASHTO).

The AASHTOWare Trns•port software modules are considered an industry best practice. The software modules were developed by a consortium of Transportation agencies, which incorporated into the products the best practice of their agencies. Trns•port provides better

reporting tools to conduct bids analysis and tools to detect bid collusion. This software also improves efficiency by providing Engineers greatly improved access to the data.

Outcome: Efficiency

SITEMANAGER™-Implemented

SiteManager™ is a comprehensive construction management software tool developed by AASHTO. The system provides for data entry, tracking, reporting, and analysis of contract data from contract award through finalization. SiteManager™ can be used by all levels of construction personnel, such as field inspectors, technicians, project managers, clerks, auditors, lab personnel, management, producer/suppliers, contractors, and the FHWA.

Since SiteManager™ was implemented in 2002, the construction process at DOTD has been streamlined and greatly improved. Estimates for payment and change orders can be processed more quickly. DOTD accomplished this by being the first state to allow contractors access to the system. The contractor can approve the estimates and change orders electronically, rather than waiting for a faxed document from the Project Engineer (PE) to sign and then fax back. Our inspectors enter the work information on a daily basis, which provides the Department a current and up-to-date account of work done at any time.

DOTD is preparing to implement Materials Manager, a sub-program of SiteManager™. This will provide improved tracking of construction materials testing. The on-site inspector will be able to determine which tests are required or missing as the day's information is entered into SiteManager™. The PE's will be able to see and track their samples so as to know which ones passed and which ones failed, along with being able to track if they are taking samples when they should.

Outcome: Efficiency and Improved Customer Service

CONTENT MANAGER - Implemented

Louisiana Department of Transportation and Development has purchased an Electronic Document Management system (Content Manager) to store archive documents related to various projects through-out the state and electronic computer based output reports used by Management and Finance.

The Content Manager System improves efficiency by allowing the DOTD staff 24\7 access to documents and reports and has greatly reduced the number of "lost" documents. Content manager has reduced the cost by reducing the number of printed copies required and administrative time required as documents no longer have to be distributed. Documents are now housed in a virtual filing cabinet and multiple clients can view the document

simultaneously. Additional benefits can be realized as physical storage requirements for hard copy files are reduced.

Outcome: Cost Reduction and Efficiency

ELECTRONIC SIGNATURE FOR E-PERMITS – Implemented

The DOTD Right-of-Way Permit Unit is responsible for regulating the location, design, methods for installing, adjusting, accommodating, and maintenance of non-DOTD facilities such as driveways and utilities on highway right-of-way. The types of permits issued include: Project, Residential and Commercial Driveway, Vegetations Enhancement, Vegetation maintenance, Traffic Signal, Traffic Control Device, Geophysical, Movable Property, mailbox, Wireless, and Fiber-Optic. Additionally, the Right-of-Way Permit Unit is responsible for negotiating joint use agreements for use of DOTD right-of-way.

Louisiana Department of Transportation and Development is implementing electronic signature for the ePermit application for right- of-way permits and the internal processes required for approval of a permit request. Electronic Signature allows our clients to electronically sign documents.

The benefits of electronic signature are improved efficiency and reduction in processing time. With the implementation ePermit, the applicant can submit and electronically sign the permit and submit directly to the DOTD District permit specialist, instead of submitting by mail. By utilizing electronic documents internally within the agency, the number of printed copies can be significantly reduced.

Outcome: Efficiency and Time Savings

NETWORK STUDY/ANALYSIS – In process

DOTD is actively assessing its information technology infrastructure. The purpose of this project is to thoroughly review DOTD's current network infrastructure and architecture, and provide documentation and/or update our existing network documentation. To evaluate DOTD's existing comprehensive procedures/network infrastructure and provide a Readiness Assessment Document for implementation of IP Telephony technology in DOTD, IT personnel will meticulously analyze and audit DOTD's current VPN architecture and provide written, detailed recommendations for optimization of DOTD's VPN networks. IT personnel will analyze and document current DOTD Network Management Practices against industry best practices, and will provide DOTD personnel with written technical specifications for future DOTD Managed Network Services.

The study will identify any duplication in the DOTD network infrastructure and identify ways to reduce cost and improve network services.

Outcome: Reduce Cost and Improve Network Services

STATEWIDE EMAIL SYSTEM –Implemented

The DOTD’s migration to the Statewide Email System was completed in April 2009. By performing this migration, DOTD users now have access to the statewide directory and can access contact information of persons outside the Department.

This migration has eliminated the need for DOTD personnel to maintain an email server environment. We were able to eliminate hardware and lower our software costs and reassign personnel to areas within IT that were lacking in support.

Outcome: Efficiency

CERTIFIED PAYROLL SUBMISSION/WAGE AND LABOR COMPLIANCE - Implemented

The Wage and Labor Compliance Unit, which is regulated by the US Department of Labor, FHWA, and the federal Davis-Bacon Act, is responsible for interpreting and enforcing wage and labor compliance standards for all federally funded DOTD projects.

We have changed the process in which we allow contractors and subcontractors to submit their certified payrolls. We now accept and encourage contractors to submit payrolls electronically which eliminates the bulk of paper received and reduces the time it takes to review each payroll which increases efficiency for the overall project. Since implementing we have seen close to 90% participation by the contractors.

Outcome: Improved Efficiency Overall Project

TRACKING OF DISADVANTAGED BUSINESS ENTERPRISE (DBE) COMMITMENT/PAYMENTS/DBE CONTRACT ADMINISTRATION - Implemented

The DBE Contract Administration Unit, which is regulated by the Federal Regulation 49 CFR 26, is responsible for monitoring the performance of subcontractors and contractors on all DBE goal projects from pre-award to completion to ensure all DBE contract provisions are met.

We have initiated the development of a program to electronically track the DBE Commitments and payments on ARRA projects for DOTD’s future reporting to FHWA. We currently track all federally funded projects however; this program was developed to specifically identify the ARRA projects.

Outcome: Efficiency and Transparency

LANDESK MANAGEMENT SUITE - Implemented

LANDesk Management Suite is a server based PC management solution. This package contains tools that streamline the day to day operation of PC support personnel. The ability of technicians to resolve PC related issues have been greatly increased by the ability to remote control a PC from a central location. The inventory portion of this package gives DOTD IT detailed information related to the PC environment.

The solution includes increase efficiency with a complete hardware and software management solution for all the systems and users within DOTD. The ability to support users in any networked environment securely. Protect user productivity and reduce resource needs by keeping pace with patches and updates and maintaining system-level security. Save time and network bandwidth with software distribution technologies.

Outcome: Efficiency

OFF-SITE STORAGE DOTD DATA -Implemented

The DOTD IT Section has established an off-site storage facility for all DOTD data. In the event on a disaster, IT personnel can, through contracts in place, re-establish the DOTD server environment at this alternate location. We also have the ability, through a retainer contract, to deploy a self contained communications trailer to any site throughout the state. If a situation arises that demands communication to be established, this trailer can be deployed in just a few hours and be fully operational.

The Disaster Recovery site allows DOTD bring critical systems back up into operation quickly. It also gives DOTD an alternate site for an indefinite amount of time at no extra cost. DOTD is required by DOA to plan and implement actions for disaster recovery

Outcome: Efficiency and Security

DISCONTINUE SALE OF PLANS AND PROPOSALS – In Progress

In September 2009, the Louisiana Department of Transportation and Development will discontinue the sales of printed plans and proposals. Instead, DOTD will publish the plans and by their business partners and proposal on its Internet site for viewing and downloading by the public.

The benefits of electronic plans and proposal reduce cost; significantly improve efficiency; and provide better service. DOTD will no longer sell plans and proposals at a loss for the agency. DOTD employees will no longer be needed to conduct the sales, and can dedicate their time to

other tasks. Our business partners will have quicker access to plans, because they will no longer have to wait on the mail.

Outcome: Cost Savings (reduction of 2-3 TO)

IT SELF SERVE - Implemented

One of the Information Technology's Section's goals is to make its internal and external clients more self service and allow the clients to get the data they need or perform a task without the assistance of an IT professional. To accomplish this goal, Internet\Intranet applications have been developed or purchased; such as, the password reset, automated Service Desk, and dynamic web pages that allows clients to retrieve information from database. Training is provided to the clients to the newest applications and tools available for their use.

The benefits of self service are: improved efficiency and productivity by considerably reducing the amount of time and reducing the number of resources needed to complete a task; it provides better service; and improves the state's image.

Outcome: Efficiency

PC STUDY/ANALYSIS - Proposed

DOTD is planning to release an RFP to look into best practices for PC management for DOTD offices statewide. The study will look at man-power resources and the costs related to maintaining the current structure versus outsourcing the PC function, and retain a small staff to manage the Service Level of Agreement contract.

Potential benefits of this study could be a reduction in labor cost and better services to DOTD clients.

Outcome: Cost Reduction and Better Customer Service

NETWORK IP RE-ADDRESS – In Process

DOTD is currently re-addressing the entire DOTD network in an effort to connect to the Capitol Park downtown network. This effort will re-address every network device as well as all end point devices.

After the re-address is complete and DOTD is connected to Capitol Park email will no longer be directed through the Internet, instead through a cost effective private interface. This will allow DOTD to reduce its Internet cost and give email users more function at a lower cost. This will also allow DOTD email users access to the state archiving tools.

Outcome: Cost Savings (\$3K monthly) and Efficiency

ENTERPRISE SERVER - Proposed

DOTD is planning to replace our IBM Mainframe with an Enterprise Server. This single hardware platform will allow DOTD to run zOS, Linux, and Windows under a single management console.

The Enterprise Server will consolidate server hardware reducing maintenance cost. Run the Windows platform in a virtualized environment making Disaster Recovery quicker.

Outcome: Cost Savings and Efficiency

MICROSOFT OFFICE SHAREPOINT SERVER 2007 - Implemented

Microsoft SharePoint, also known as Microsoft SharePoint Products and Technologies, is a collection of products and software elements that includes, amongst a growing selection of components, Internet Explorer-based collaboration functions, process management modules, search modules and a document-management platform. SharePoint can be used to host web sites that access shared workspaces, information stores and documents, as well as host defined applications such as wikis and blogs. All users can manipulate proprietary controls called "web parts" or interact with pieces of content such as lists and document libraries.

The benefits of SharePoint 2007 are collaboration, portals, enterprise search, enterprise content management, business process and forms, business intelligence and project management.

Outcome: Efficiency and Effectiveness

LOUISIANA OPTICAL NETWORK INITIATIVE (LONI) – In Process

LONI is a state-wide education network linking the major research universities together for faster collaboration and supercomputing. The LONI network runs on DOTD fiber and leased circuits. As part of the agreement DOTD is allowed to use the LONI network to connect state-wide districts together at no cost.

By using the LONI network DOTD reduces cost and increases wire speeds to remote locations.

Outcome: Cost Reduction and Efficiency

ALIGNMENT OF INFORMATION TECHNOLOGY STAFF – In Process

The IT is re-tooling its team members for the new and expanded roles in the current and future organization. Focus will be on supporting clients vs. end users, integration of hosted and/or purchased vs. internally developed applications, and use of business intelligence vs. static data.

This effort will support meeting and/or exceed changing requirements of various engineering and business unit clients. DOTD will also be able to retain unique DOTD organizational knowledge, improve staff productivity, and effectiveness; while increase value added and lower personnel expense.

Outcome: Efficiency

LOUISIANA TRANSPORTATION RESEARCH CENTER (LTRC) MANAGEMENT AND TRACKING SYSTEM – In Process

LTRC is currently developing a web-based application for project management and tracking that will improve the process of managing research projects from the initial problem statement stage through development of a full scale research project to the final stage—implementation of research findings. The system can provide timely information to the various disciplines involved in the management of projects. The system will be accessible to both internal managers and external research partners. Such an application will enhance inter-organizational coordination and will impact both the overall business process and the end users of the application. The objective is to maximize efficiency by providing centralized data and decreasing the need to collocate data between offices. This system will automate some of the manual processes and enhance the overall productivity of the management process. Users will be granted the responsibility to maintain their specific details online. Employees located at different offices will have easy access to current information directly from the web browser. Online assessments allow simple collection, management, and tracking of results.

The system is being implemented in phases as modules are completed. When all phases are complete, the web-based application will improve the communication and efficiency of managing and tracking LTRC research projects. The goal is to make sure that apart from storing and maintaining the data in electronic format, the application will play a role in streamlining the tracking of various elements involved in the lifecycle of a project beginning from the problem statements through to the final reports and implementation. The system will be integrated with the state ERP system to retrieve real time financial data on completed and on-going projects.

Outcome:Efficiency

Section Five: Elimination of Duplicative and Unnecessary Services

List the activities of your department that fall outside of your constitutional and statutory mandates. Identify outdated activities that should no longer be part of the mission of your agency

REST AREA CONSOLIDATION-In Process

DOTD administers the Rest Area construction program in the Systems Engineering Section under the Office of Engineering. The goal of the program which began in the 1990's is to replace or renovate Louisiana's outdated or obsolete rest areas because the facilities built with the original Interstate construction program had reached or exceeded their design life. After extensive evaluation and consultation with the Federal Highway Administration and concerned state agencies, DOTD decided that fewer but higher quality rest areas would better serve the traveling public. Of the thirty-four (34) original rest areas, ten are being replaced by state-of-the-art rest areas with tourist information, free wireless internet, video surveillance, security and vending facilities included.

The Program will provide a rest area at the Mississippi Border, the Texas Border and one in the middle area of Louisiana on Interstate 10 and 20; two equally spaced rest areas between Lafayette and Shreveport on I-49 and rest areas at the Mississippi Border on I-55 and I-59.

The Department of Culture, Recreation and Tourism (CRT) has built new Welcome Centers at four locations. DOTD has reconstructed the I-10 Atchafalaya and Slidell Rest Areas, renovated the I-49 Grand Prairie Rest Area and is reconstructing the I-20 Greenwood Rest Area. Additional rest-room building construction will begin this Fiscal Year at the I-20 Tremont and Mound Rest Areas. Due to anticipated cuts in federal funds, budget partition has been reduced for the rest area construction program. We are currently evaluating future construction options based on the reduced funding. We will be working with CRT to provide the best travel options that funds will allow for travelers in Louisiana.

DOTD has been in negotiations with CRT to take over the maintenance of the rest areas where Welcome Centers are located. Although CRT has agreed in principle to the transfer of responsibility, they do not have a funding source for these operations.

Outcome: Effectiveness and Cost Savings

CRESCENT CITY CONNECTION DIVISION/BRIDGE PROPERTY INSURANCE COVERAGE - Implemented

CCCD received the findings of the Legislative Auditors report in early 2009 which showed more expenditures than income received. One of the largest expenditures was the Bridge Property insurance for approximately \$4 million. Based on legal advice a determination was made that the insurance was not required by the Bond Indenture Deed of Trust. The insurance was canceled.

Outcome: Cost Savings of approximately \$4 million Annually

DOTD CAMPUS CONSOLIDATION- In Progress

DHH occupied the DOTD East Wing building until 2006, when they moved to the Bienville Building. This occupation meant that DOTD had to maintain its staff in leased locations throughout the city. The annual lease cost for the legal and real estate sections at the Essen Lane location is \$402,500. The annual lease cost for the Intermodal and Public Works sections at the Baton Rouge Airport location is \$187,908.22. Consolidating these sections into the Headquarters campus will result in the elimination of the lease cost as well as to provide better connectivity to the rest of the DOTD.

Renovations to the electrical, mechanical and elevator systems are required to get the East Wing compliant with current codes. The removal and replacement of carpet, cubicles and hard wall offices are also necessary to accommodate personnel from off-campus sites. DOTD has received approval of a total of \$5.2 million in TTF in the last three capital outlay acts for the renovation.

The renovations to the 3rd and 4th floors of the East Wing are scheduled to be completed during the summer of 2010, at which time the Legal and Real Estate Sections will be moved from the Essen Lane location. The 1st and 2nd floors will then be renovated in phases to allow for relocation of the IT, Purchasing and Financial Services Sections, while still allowing the normal day-to-day business to be conducted. Once the 1st and 2nd floors are reoccupied, the staff at the Airport will be relocated to the 4th floor.

Outcome: Efficiency and Cost Savings (\$600K annually)

DOTD, WEIGHTS AND STANDARDS STATIONARY SCALES INSPECTION POLICE FORCE - Proposed

LA DOTD currently administers the enforcement of weight, size and permitting of oversize and overweight vehicles through the DOTD Weights and Standards Stationary Scales Inspection Police under the laws established in RS 32:388-390. LA DOTD maintains 14 permanent fixed weigh scale operations in 8 locations around the state. At 6 of these locations weigh-in-motion technology has also been deployed to improve customer service and efficiency for the trucking industry. DOTD Weights and Standards Stationary Scales Inspection Police operate the weigh scales on a continuous 24hr/7day schedule when possible. Reduction in positions, hiring freezes and difficulty recruiting qualified candidates has lead to reductions in scale operating hours at some locations. LA Department of Public Safety and Corrections (DPS&C) has a staff of 25 weight enforcement officers who operate portable weigh scales for use in mobile operations and enforcement of weight and size laws in addition to federal motor carrier safety requirements. DOTD and DPS&C have concurrent authority to enforce vehicle weight and size laws in Louisiana. DOTD operates the fixed scale locations while DPS&C officers operate

portable scales. Due to the relatively low number of mobile enforcement officers compared to the area assigned for each officer to patrol, there have been very few instances of complaints of duplication of effort. In the unlikely event that a driver is issued a violation ticket from a DPS&C officer and is also weighed at a fixed scale within 24 hours for the same load, DOTD officers do not write an additional violation.

Louisiana has half as many officers assigned to mobile weight enforcement as compared to other states. The average of our neighbor states enforcement area is 275 highway miles per officer. Louisiana DPS mobile enforcement officers are responsible for more than 600 miles on average. Louisiana average miles per officer are 2 times more than our neighbor states' average. Louisiana is not the only state that has more than one agency enforcing weight and/or safety. Texas, Arkansas and Georgia also have dual enforcement authority. Effective regulation of weight laws is a public safety issue and will lead to lower costs for maintaining the state's infrastructure.

There are three potential options: 1) Leave the responsibility for weight enforcement divided between DOTD and DPS; 2) Transfer all responsibility to DOTD and 3) Transfer all responsibility to DPS. DOTD recommends that the most efficient location of the responsibility for the enforcement of weights and standards on Louisiana's highways continue to be studied. We will continue to work with DPS and the Highway Safety Commission on the most efficient solution.

Outcome: Efficiency and Safety

ELIMINATION OF EL CAMINO COMMISSION – Proposed

The El Camino Commission was established by Act 214 of the 1992 Regular Legislative Session (HB 649). The commissioners are appointed by the parish Police Jury for the parishes where the defined corridor traverses (LA 6 and US 84 – Sabine, Natchitoches, Winn, LaSalle, Catahoula, and Concordia) – 2 members from each parish, along with 2 alternates. Commissioners currently serve 4 year terms. The commissioners elect a President, Vice President, 1st and 2nd Vice Presidents. Secretary and Treasurer. The Commission seeks to have the US 84/LA 6 corridor 4-laned.

In Act 122 (HB 881) from the 2009 Regular Session, there were two line items:

- Page 32 of 91 under DOTD Administration: “Payable out of the State General Fund (Direct) to the Office of the Secretary for the El Camino East West Corridor, Inc. for operating expenses \$10,000.”
- Page 58 of 91 under State Aid to Local Government Entities: “Payable out of the State General Fund (Direct) to the El Camino Real East/West Corridor Commission \$40,000.”

State support for this non-state entity is something that should not be included in DOTD's budget. If provided at all, any funding should be appropriated directly to the Commission.

Outcome: Elimination of Unnecessary Business Functions Associate with Flow thru Financials

CENTRALIZE/CONSOLIDATE GEOGRAPHICAL INFORMATION SYSTEM (GIS) -Proposed

Centralize the hosting of and/or outsource current and future GIS systems. At least three large agencies currently maintain their own unique GIS application. This will allow the single agency that houses the statewide GIS system to:

- Focus on core business system support.
- Meet current and changing requirements of both state agencies and the general public.
- Allows for the availability for more technically skilled resources state wide.
- Shorten development cycles and lower overall operating costs.

Outcome: Cost Savings and Efficiency

Section Six: Civil Service and Employee Benefits

List and identify any current initiatives or ideas related to employee benefits, hiring and promotion, and other employee regulations.

PAY-FOR-PERFORMANCE INITIATIVES – TWO APPROACHES – In Progress

1. During FY 2007/08, DOTD implemented a Pay for Performance pilot program to give monetary recognition for exemplary group performance that is closely tied to the agency's strategic endeavors. This program involved the establishment of performance standards which aligned with agency objectives and well-defined criteria by which to measure employee and team performance on group projects. The pilot program consisted of two sections chosen by DOTD management, one in the Office of Engineering and one in a District Office. The "internal" target for "month specific" (project considered on-time when let in the calendar month of the due date) letting of the standard project list was 55%; the PFP target was raised to 65% to justify the additional compensation at stake. The District met their commitment thus achieving 100% payout; and the Engineering section partially met their commitment and received 50% compensation payout. Managers who supervised the projects noted there was heightened teamwork, with substantial working across districts when spare capacity was available; as well as a heightened level of ownership from the project manager who was already an engaged employee. PFP participants agreed that the projects linked to the PFP targets were given highest priority, and the PFP increased teamwork in their area. The results of this study were evaluated and led to a second pilot program.
2. DOTD's second pilot pay-for-performance program is currently underway. This approach is centered on individual employee performance measurements. This pilot therefore ties a monetary incentive to employees who exceed established targets via the PPR process. Participants in this program include one workgroup from each of the five DOTD offices. It's important to note that DOTD utilizes a top-down/bottom-up approach to strategic and operational planning, which allows goals that are established at the agency level to be rolled down to each unit in the organization and then, to the individual employee. For employees participating in the pilot, a substantial percentage of their performance rating is tied to unit/section/office objectives, and the monetary award is based on their individual achievements toward agency goals and priorities. This study will conclude 6/30/10 at which time the results will be evaluated for possible agency-wide use.

Outcome: Efficiency

EMPLOYEE PERFORMANCE STANDARDS TIED TO AGENCY GOALS/OBJECTIVES – In Progress

DOTD has established a method of establishing employee performance measurements that will improve the agency's overall performance. That is, individual employee expectations, measurements and ratings are based on the employee's contributions towards the agency's accomplishment of its goals. The performance rating period for all employees coincides with the fiscal year schedule since this provides a more effective measurement of employee accomplishments toward fiscal year goals. DOTD has implemented a systematic method/timeframe for establishing agency, Office, and employee goals and measurements. Additionally, DOTD has begun using the recently-developed performance evaluation form on an agency-wide basis as this form provides more accuracy in measuring performance and facilitates a better alignment with agency priorities. For reference, DOTD's FY 09/10 schedule is as follows:

Fiscal Year 2009-2010 Goal Setting/PPR Timeline

Goals/Objectives

Date Action

4/13/09 Executive team approves agency goals

4/27/09 Offices & Divisions develop their goals

5/7/09 Sections & Districts

- Develop or validate objectives & performance measures and*
- Set new targets*

5/21/09 Sections & Districts submit goals, objectives, and performance measures to Division/Office for QA and approval

6/4/09 Divisions/Offices approve Section & District goals, objectives, and performance measures

6/4/09 Divisions/Offices develop their own objectives by selecting or creating Section & District objectives and performance measures

PPRs

5/1/09 - Supervisors prepare FY 09-10 PPR planning's; Reviewers review and return to supervisors, and supervisors conduct PPR planning sessions on new form

7/1/09 - Rating supervisors prepare FY 08-09 PPR ratings; Reviewers review and return to supervisors, and supervisors conduct review session

10/1/09 Agency annual PPR Report is submitted to Civil Service

12/31/09 Mid-year employee performance reviews conducted/completed

OUTCOME: EFFECTIVENESS

EMPLOYEE RECRUITING PLAN - In Progress

During 2008, DOTD developed and implemented a recruiting plan to re-energize the agency's recruiting efforts and establish a systematic framework for use throughout the state. The main objectives were to develop a broad candidate pool to fill vacancies, to create an aggressive and innovative approach to recruiting and to establish a dedicated budget for recruiting. Specific accomplishments are as follows:

- Trained the new recruiting team on presentation skills/techniques
- Enhanced DOTD's on-campus and on-line recruiting activities
- Established an internal referral rewards system
- Enhanced recruiting and marketing items
- Increased DOTD's recruitment visibility
- Increased student employment opportunities

Outcome: Efficiency

EMPLOYEE RETENTION PROGRAM – In Progress

DOTD, as with many state agencies, has a high turnover in personnel. The recruitment and training of new employees to fill the vacancies costs the department in time and money, so there is a real savings in putting an effort into retaining the employees that we have. During 2008, DOTD implemented an agency-wide retention plan to include the following activities:

- Established a challenging retention goal in comparison to state average.
- Began analyzing turnover rates by classification/geographical area on a quarterly, rather than annual basis, to more readily address critical turnover issues.
- Increased the agency's use of special pay tools to target areas where pay is truly the issue.
- Systematically conducts on-site meetings with targeted groups to determine issues other than pay which are causing high turnover (e.g., unacceptable working conditions, managerial issues/deficiencies, inappropriate selection tools, etc.)
- Revitalized DOTD's Exit Interview Process.
- Improved DOTD's employee recognition program to simplify the process and increase participation.
- Conducted agency-wide employee satisfaction survey to be repeated every two years; developed a communication plan to share results of the survey with employees; and took action to address issues revealed by the survey.

Outcome: Efficiency

AGENCY-WIDE SUCCESSION PLANNING PROGRAM – In Progress

As the workforce ages and the experienced employees retire, there must be a well thought out plan to transition the institutional knowledge to the workforce that remains. Beginning 7/1/09, DOTD implemented an agency-wide succession planning program to meet the following objectives:

- To provide an ongoing supply of well trained and broadly experienced employees to fill critical at-risk positions as vacancies develop.
- To encourage individual advancement, not only in leadership roles, but in all levels throughout the organization.
- To enhance employee loyalty, morale and retention by providing challenging and positive developmental opportunities that will facilitate advancement in desired career paths.
- To align competency-based employee development efforts with DOTD’s strategic objectives such that a ready supply of employee talent will be available to meet the agency’s current and future objectives.
- To help preserve “institutional knowledge” and perpetuate a knowledge management culture that is evidenced by knowledge-sharing activities to include the following activities (agency policy attached.)

Outcome: Efficiency

UNIFORM PERSONNEL POLICY (STATEWIDE)- Proposed

As a result of the integration of employees from the Department of Transportation and Development (DOTD) and the Department of Natural Resources (DNR) into the Coastal Protection and Restoration Authority (CPRA), there was a need for the CPRA to implement its own set of personnel policies and procedures applicable to this group of employees. While these CPRA employees are physically located in a building apart from the DOTD and DNR facilities, these employees administratively remain under their respective domiciliary agencies.

We have been working jointly with the Department of Natural Resources to develop a set of policies that appropriately address the needs of the CPRA, and have consulted with other state agencies on policy issues for comparison purposes. In this process a significant variation in personnel-related policies among Louisiana state agencies, some of which have budgetary impact and affect employees’ pay benefits. Examples include the amount of annual leave granted to employees prior to resignation or retirement, methods of compensation for overtime worked, and the pay-out of unused compensatory leave.

We recommend the Division of Administration address the possibility of a uniform personnel policy all state agencies.

Outcome: Efficiency

EXECUTIVE EMPLOYMENT REQUIREMENTS - PROPOSED

Civil service rules allow a classified employee to accept an unclassified executive-level position without the risk of losing the current civil service position. This was done to encourage long-serving state employees to take senior executive management positions and provide institutional experience and stability to the position. The classified vacancy that is created is filled after interviews are conducted and qualified individuals are detailed to the position. This policy affects the agency negatively when the qualified employees who have been detailed can, at any time, be displaced back to the former position whereby creating a bumping effect as if there was a layoff. Currently, DOTD has approximately ten unclassified positions whereby classified vacancies are filled by temporary details. As many as thirty to forty positions are affected by holding these classified vacancies.

The DOTD recommends that the Civil Service rules be changed to give the department the flexibility to require the employee to give up their classified position if they desire to be appointed to the unclassified position.

Outcome: Efficiency

ESTABLISH NEW EMPLOYMENT METHODOLOGY - Proposed

Currently Civil Service Rules allow for the employment of classified employees that have full rights under Civil Service Rules and unclassified employees which except for statutorily established positions are approved from one to two years. Extensions of the position must be approved by Civil Service. Both employment methods require a budgeted authorized position (TO).

The DOTD recommends a change to Civil Service rules that would allow each agency the ability to employ individuals into temporary positions (no longer than 5 years) without Civil Service approval. The positions would not count against an agency TO. This would allow an agency to assemble temporary project teams to submit proposals on competitively advertised projects in hopes of delivering the projects at a reduced cost.

Outcome: Efficiency and Cost Savings

Section Seven: Studies and Other Resources

List: Any studies (with a brief description) your agency has conducted that may be of interest to the commission; any national studies of studies in other states that might be of relevance; National organizations that might be a source of potential best practices for Louisiana.

BUSINESS PROCESS IMPROVEMENT PROGRAM (Disk provided of entire report) -Implemented

In 2004, DOTD embarked on a consultant facilitated (Dye Management, Inc.) examination of its business processes and organization. Departmental stakeholders (inside and outside of government) were surveyed and interviewed to identify candidate areas for improvement. The lengthy lists of candidate processes were prioritized and twelve processes were selected for thorough examination by teams composed of DOTD staff and external partners. A stakeholder committee of transportation partners, legislators, and DOTD executives was formed to provide review and oversight of the process. Unique to this effort was an implementation phase that was included at the outset to ensure the implementation of approved recommendations. More than 100 recommendations were approved and implemented in this effort. More than 200 DOTD staff members and external partners participated in the effort. (Copies of the reports will be provided.)

An organizational review was conducted in an effort to group responsibilities and accountabilities into a logical organizational structure. A district rationalization was conducted to restructure districts for improved accountability, ownership of responsibilities, and customer service. The new organizations were implemented in 2005 and 2006.

The successes of the program lead to the establishment of an internal Process Improvement/Change Management team who facilitated processes review and implementation of recommendations for an additional eight processes utilizing the established process improvement methodology. This internal effort evolved into the award winning DOTD Quality and Continuous Improvement Program featured herein.

Outcome: Efficiency

DOTD INTERNAL FINANCIAL PROCESSES STUDY – In Process

In June of 2009, the DOTD engaged the auditing and accounting firm of Postlewaithe and Netterville to conduct an analysis of the DOTD financial processes and to recommend the most effective, transparent, and efficient organizational structure, processes, technology, data, reporting and performance and accountability measures and to assist DOTD management (i) in

understanding and determining the functions and/or responsibilities to properly administer state and federal funds; (ii) in evaluating certain procedures and controls related to financial reporting, both internally and externally in accordance with generally accepted accounting principles, and (iii) in assessing the status of addressing recent audit findings related to these areas.

The firm began its work in July of 2009 and is scheduled to deliver the recommendations and report in January of 2010.

Outcome: Efficiency

THE LOUISIANA TRANSPORTATION CONFERENCE - Ongoing

The Louisiana Transportation Conference is held on a biennial basis to foster a better relationship and understanding among the Louisiana Department of Transportation and Development, Federal Highway Administration, and the transportation industry by providing an interchange between the public and private sectors relative to transportation policy, practice, and problems. Over 1500 transportation professionals from 24 states and Canada attended the three-day 2009 Louisiana Transportation Conference. This year's theme was *Transportation Innovation: Solving Tomorrow's Challenges*. Representatives from the public, private, and academic sectors of the transportation industry convened at the Baton Rouge River Center on February 8-11, 2009 to attend technical sessions, workshop, panel discussions, and networking receptions. Over 200 speakers led discussions on topics ranging from research to innovative solutions in today's transportation industry.

The 2009 conference was truly a public private partnership. Financial support from transportation industry sponsors contributed to the success of this year's event. In order to defray the costs of the conference, DOTD initiated sponsorship packages for the first time in the conference's history. The response was overwhelming as industry leaders and private sector organizations came together to offset the costs of the conference so that no state funds were needed to host the event. The conference ended with a net gain of over \$39,000 that will be used by the Louisiana Transportation Research Center for future technology transfer and educational events.

Outcome: Efficiency

DOTD CUSTOMER SATISFACTION SURVEY - Ongoing

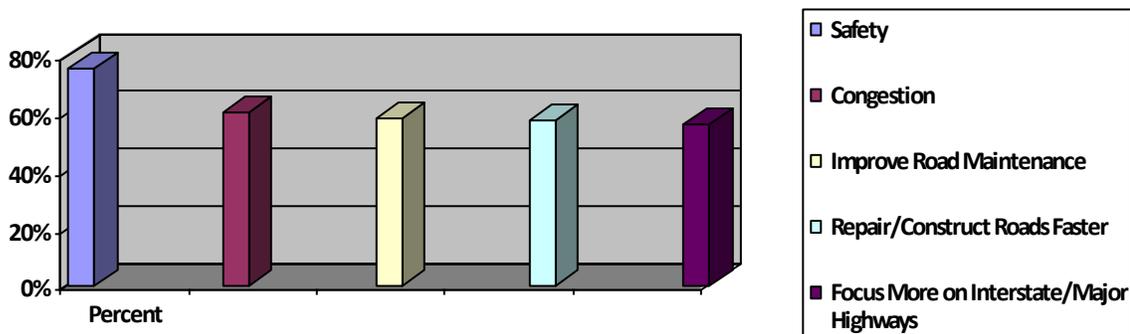
DOTD's Customer Service Department's call center conducts an annual customer service survey to measure what the public thinks of the job we are doing. In addition to giving DOTD managers' important information on public perceptions of our performance and programs, the survey tells us where the public thinks we should be spending more – or less – money. By using

the student workers in the call center to conduct the survey, DOTD saves approximately \$60,000 a year that would have gone to a professional call center. The entire annual cost of running the call center is about \$60,000 a year, so the vast majority of the work the students perform is 100 percent value added to the department. In other words, the cost savings from the annual survey subsidizes every other aspect of the call center.

The findings of the of the 2008 survey showed that in general, there was a slight improvement in the opinion of respondents about the agency. Fewer respondents were neutral about their opinion about DOTD and more spoke highly about DOTD in 2008 than in 2007. Safety was the number one priority for respondents in both years. "Relieve congestion" made the top three priority list in 2008 and bridge maintenance dropped out of the top five priorities in 2008 and was replaced by interstates and major highways.

There were a few major improvements in the overall image of DOTD in 2008: 1) Hard working maintenance crew made it to the top three of the list that form the general perception of DOTD/highway system in Louisiana, and 2) lots of litter dropped from the second to the fourth place on the same list. The major recommendation is to continue to institute better and/or enhanced means of communication with the public - also recommended by the 2007 study. In response to 2007's survey DOTD increased the number of public outreach programs for construction projects from three to six. In 2009, there are eight active outreach programs. The program has also expanded outside the capital region to District 2 (Causeway Interchange project) and District 4 (LA 523 project). The program consists of public meetings, project web pages, Facebook pages, and monthly e-mail updates.

In the opinion of the respondents, given the limitations of funding, DOTD should focus more of its resources on the following:



Comparison of the 2007 study to the 2008 Study			
	2008	2007	Comments
Sample			
General Satisfaction	In general, respondents were neutral about their opinion of the agency.	In general, respondents were more positive in the opinion about DOTD	In general, there was an improvement in the opinion of respondents about the agency in 2008.
Image	The overall image of DOTD/highway system in Louisiana is generally one of: congestion and delays, lots of litter, and wasted tax dollars. On a positive note, they do perceive that road construction workers are doing their job.	The overall image of DOTD/highway system in Louisiana is generally one of: congestion and delays, waste tax dollars, hard working road maintenance crews and lots of litter	There were major improvements in the overall image of DOTD in 2008: 1) Hard working maintenance crews made it to the top three of the list that forms the general perception of DOTD/highway system in Louisiana, and 2) lots of litter dropped from the second to the fourth place on the same list
Opinion about Priorities	In the opinion of the respondents, given the limitations of funding, DOTD should focus more of its resources primarily on safety, improve road maintenance, and repair/construct roads faster, relieve congestion, and bridge maintenance.	In the opinion of the respondents, given the limitations of funding, DOTD should focus more of its resources primarily on safety, relieve congestion, improve road maintenance, repair/construct roads faster, and interstate and major highways.	Safety was the number one priority for respondents in both years. Relieve congestion made the top three priority list in 2008 and bridge maintenance dropped out of the top five priorities in 2008 and was replaced by interstates and major highways.

Outcome: Efficiency

Section Eight: Agency Best Practices

List and identify any current successful streamlining initiatives taking place (or has taken place) within your agency.

QUALITY AND CONTINUOUS IMPROVEMENT PROCESS (QCIP)- Implemented

DOTD's Quality & Continuous Improvement Program (QCIP) enables it to function much more efficiently and effectively by performing two major functions: serving as a catalyst for positive and continuous process change within DOTD (Process Improvement); and by helping manage the "people side" of those changes (Change Management).

Process Improvement and change management is an approach focused on step-by-step changes or solutions to eliminate or reduce defects, costs, cycle time or simply make an organizational process perform more efficiently. Change Management focuses on how process change affects the personnel involved, with an ultimate goal of maximizing the effectiveness of the change and the efficiency of its implementation. A few examples of recent program successes:

- Strategic Planning for 2009-2013 was completed with a special commendation from the Division of Administration.
- The consultant selection cycle time was reduced by approximately **60%**, which earned DOTD an AASHTO Bronze Trailblazer Team Award, which was awarded on July 1, 2009.
- The Quality and Continuous Improvement Program (QCIP), formerly Change Management Program, applied for and was awarded the National Partnership for Highway Quality (NPHQ) Bronze Risk Taking Award for 2006. DOTD was awarded this honor for developing new ideas, convincing and motivating teams to take intelligent and calculated risks to improve the routines, processes and procedures that prevailed.
- The development and implementation of the Department's new Transport internet bid process management program.

QCIP has enabled DOTD to not only survive, but to actually thrive during these uncertain economic times.

If streamlining Louisiana state government is to become a reality, other agencies must make every effort to emulate our success by forming similar programs.

Outcome(s): Safety Improvements, Cost Savings, Efficiencies, Streamlining Processes, Time Savings

DESIGN –BUILD - Implemented

In looking for innovative approaches to respond to the public's needs, DOTD is attempting to utilize design-build agreements. Currently, the agency is only authorized to enter into a contract with a single entity being responsible for the design and construction of a public work. With design being an element, the selection process should not be conventional. In Louisiana, DOTD is required to award the public work contract to the lowest responsible bidder. The law applicable to DOTD, Title 48, provides for a design-build bidding procedure but, the selection of the successful proposer is still in line with low bidder laws. DOTD is required to award to the proposer with the lowest adjusted score, acquired by application of a formula using a technical number, day number and value number (in dollars) for days. This administration has been a proponent for acceptance of the "best value" practice for selection of the design-builder, not lowest adjusted score. Legislative change is necessary for implementation of this process. Best value, recognized by the Federal Highway Administration is a means of combining price and qualitative components, considering tradeoffs and even allowing limited negotiations after the source selection but prior to contract execution. Although, this practice does not include a straight mathematical calculation, this type of selection process requires extensive documentation of the agency's rationale for business judgments, tradeoffs, benefits, cost, negotiations etc.

Another aspect of this innovative approach that DOTD currently is unable to take advantage is design-build-maintain. Title 48 allows this agency to combine the design phase and construction phase only. The maintenance portion, to date, although a viable option is not politically practical. Under the design-build-maintenance, the single entity assumes the risk of associate preconstruction through post construction. The proposer is submitting a maintenance plan usually an extended period of time as specified in the contract advertisement. The maintenance is budgeted as part of the project, which relieves the agency of the risk associated with the future costs to maintain the facility. Also, there is reason to believe that if a proposer is required to maintain the project a better product will be provided.

DOTD is proud of its accomplishments in the design-build arena. The agency is committed to continued use of this method of contracting but, desires to move away from the more conventional use of design-build to address an entire system need to design, build and maintain the best infrastructure for Louisiana

Outcome: Efficiency

LOUISIANA PARTNERSHIP FOR HIGHWAY QUALITY (LPHQ) - Ongoing

State Quality Partnership is a voluntary, active group of professionals who meet regularly and share common goals for the continuous improvement of highways, roads and bridges. Members represent the state department of transportation, Federal Highway Administration division, industry associations of practicing construction contractors and design consultants, city and county officials, and other stakeholders. An SQP advances service, safety, efficiency and environmental stewardship. It sends the clear message that a state DOT plans to capture every opportunity to serve the driving public and boost economic prosperity.

The Louisiana Department of Transportation and Development, Federal Highway Administration (FHWA), and Associated General Contractors (AGC) are chairs of the Louisiana Partnership for Highway Quality (LPHQ). These individuals and others have come together to formally set up a state quality partnership to work together to deliver a better highway and transportation system for the State of Louisiana. The formal signing of the partnership charter was held on September 14, 2007.

The LPHQ applied for and have received a Tier 1 accreditation for the efforts and work in forming this partnership team. On Monday, March 3, 2008, DOTD Secretary acknowledged receipt of the accreditation certificate and commended the chairs for their support and continued efforts of partnering to grow a quality and support to maintain sustainability of this state's highways/transportation systems mobility.

Outcome: Efficiency

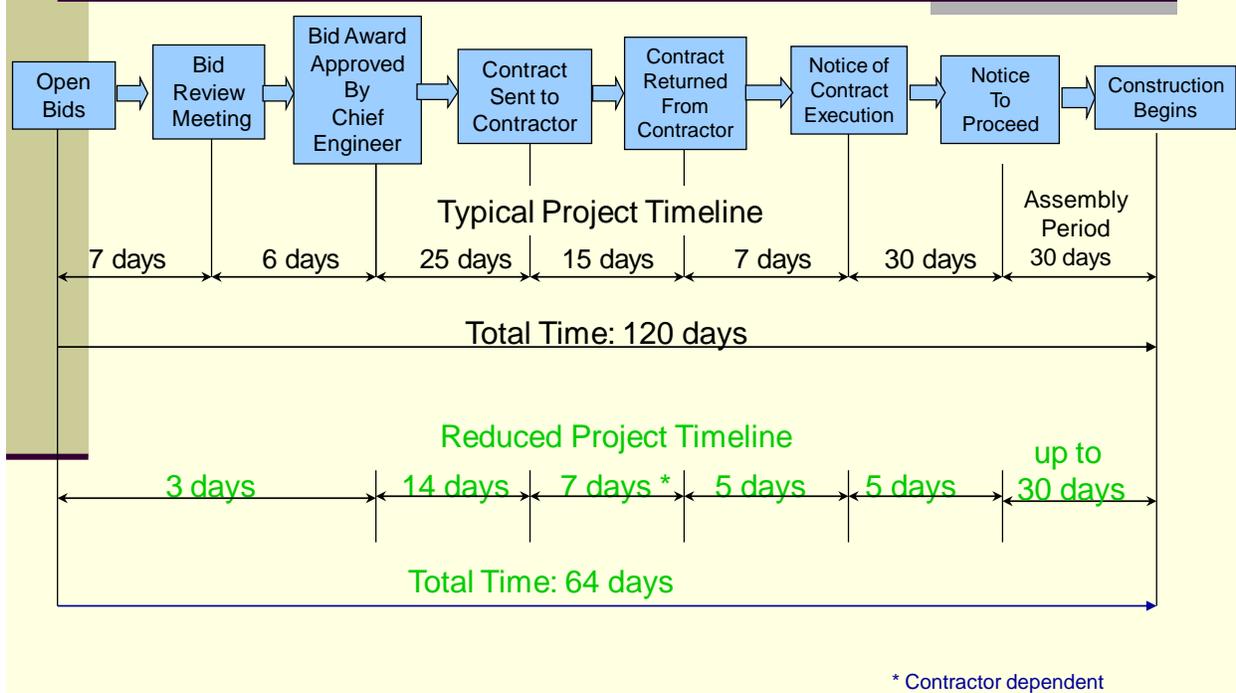
COMPRESSION OF CONSTRUCTION TIMELINE - Implemented

Two process improvements have been made to reduce the construction timeline.

Reduction in time from receiving bids to actual construction: DOTD and the construction industry partnered to reduce the number of days from receipt of bids of a project to actual start of construction. This reduction in time of approximately 50% for preservation projects and approximately 30% for complex projects allows for quicker infusion of construction dollars into the economy.

Reduction in time of construction: DOTD and the construction industry partnered to review the actual time it takes to construct a project. Through this initiative, the days to construct a project have been reduced.

New Bid Opening to Construction Start Timeline Preservation Projects



Outcome: Efficiency

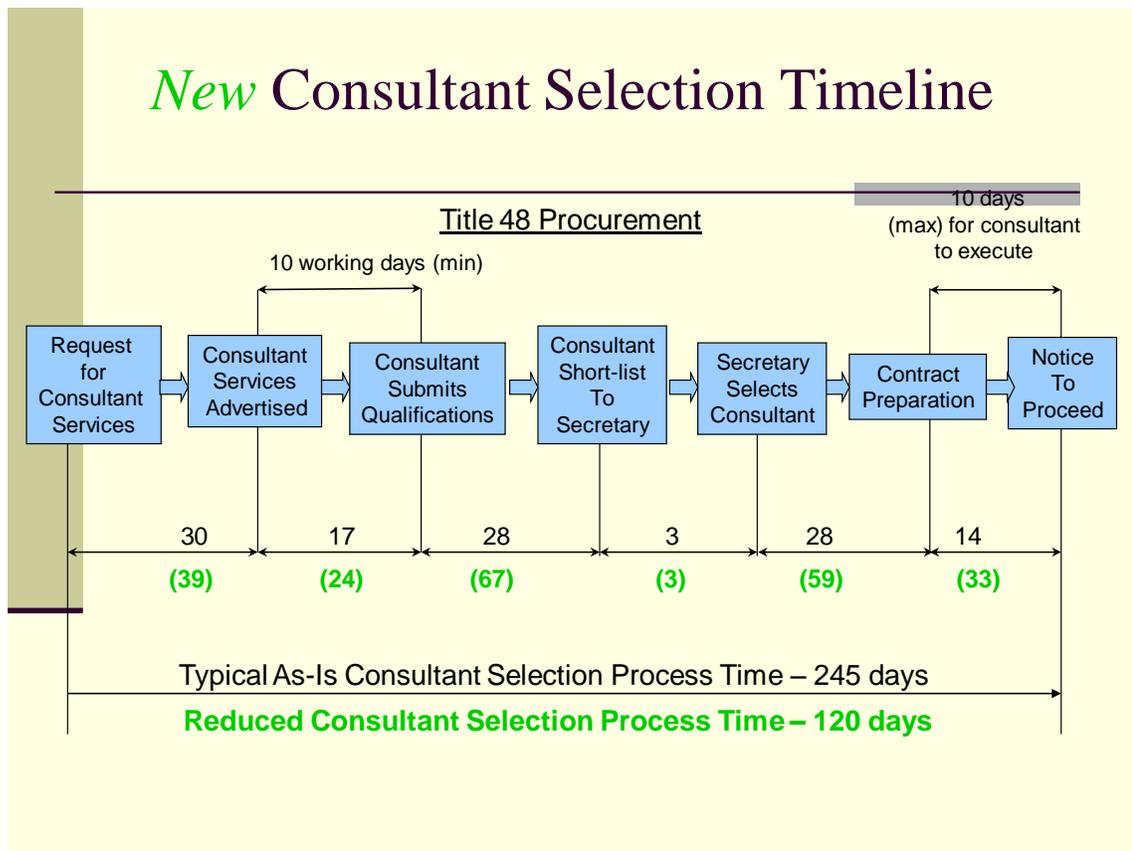
CONSULTANT SELECTION TIMELINE PROCESS IMPROVEMENT - Implemented

DOTD staff recognized that the consultant selection process was too long. In an effort to shorten the time that it takes to procure a consultant for engineering and related services, a process improvement analysis was initiated.

One key point the analysis identified involved revising the consultant selection statutes. A synopsis of these statute changes during the 2009 legislative session are as follow:

- Advertisement only on DOTD website in lieu of various publications.
- Allowing project specific teams to evaluate proposals instead of one standing committee reviewing all proposals which resulted in back log.
- Flexibility to shorten the advertisement time from 14 days to 10 working days.

The consultant selection cycle time was reduced by approximately **60%**, which earned DOTD an AASHTO Bronze Trailblazer Team Award, which was awarded on July 1, 2009.



Outcome: Efficiency

OVERSIZE AND OVERWEIGHT PERMITS SYSTEM UPGRADE - Implemented

DOTD currently administers the permitting of oversize and overweight vehicles through the Truck Permit office under the laws established in RS 32:380-387.18. These statutes provide for 27 different types of permits to be issued, the majority of which are for single trip oversize and/or overweight. In 2008, the revenue generated by selling over 200,000 permits was \$22 million, however the fees for 12 of these 27 permits, which averages \$25 per permit, do not cover the cost of administration. Some permit fees have not been adjusted since 1986, with the last adjustment for many of in 1997. Permit fees in Louisiana are generally lower than in our neighbor states for lower weight classes but higher for weight classes above 150,000 pounds. Studies have shown that overweight permit fees are not high enough to pay for the damage caused by heavier vehicles.

In an effort to lower the administrative costs and to provide better service to the customer, the Weights & Standards Truck Permit office introduced a web based permit application using their Permits Electronic Routing Bridge Analysis (PERBA) software upgrade in February 2009. This

upgrade allows certain permits to be requested and obtained electronically without the need to talk to a person.

LA DOTD now has 2,030 web customers, with a daily average of 600 to 700 permits being ordered via the website. An average of 200 permits are issued daily utilizing pre-approved routes (routes are being added daily) allowing the customer to order a permit without any human intervention 24 hours per day, 7 days per week. This improvement will further speed the issuance of permits requested by telephone. Telephone customers are experiencing reduced wait times due to the number of other customers that have switched to electronic applications.

Outcome: Efficiency and Customer Service

WEIGHT VIOLATION PAYMENTS – In Progress

The LA DOTD Weight Enforcement Business Office processes many payments for violation tickets each day. Currently, if a customer elects to use a credit card, they must call the office and provide all of the required credit card information by phone. The employees then have to manually obtain the required authorizations for payments in a separate step in the process. DOTD has been working on a new on-line electronic system to allow customers to provide their secure credit card information via the Internet and process those transactions electronically. The electronic payment system is expected to be implemented by the end of 2009 for violation payments and early 2010 for purchasing permits.

Outcome: Improved efficiency, improved customer service

INTELLIGENT TRANSPORTATION SYSTEM (ITS) - Implemented

ITS is a national initiative aimed at using state-of-the-art technology (electronic message boards cameras, traffic centers, etc.) to increase the safety and efficiency of Louisiana's highway systems. As a leader in this effort, DOTD, teaming with the state's Metropolitan Planning Organizations (MPOs), local governments, and private partners, has made significant progress in the initiation of both state and regional ITS systems. The opening of the Baton Rouge Advanced Traffic Management and Emergency Operations Center (ATM/EOC) is a landmark accomplishment that demonstrates the progression of cooperative partnering and working "outside-the-box" to improve conditions on the state's highways.

The ITS Section was established in 2006 with core technical and business functions staffed with subject matter experts to effectively deliver the program.

There currently exists 37 positions within the ITS Section, 28 technical-level support staff to perform systems management and operations and 9 engineering and administrative personnel

to perform planning, design, and QA/QC functions. These “in-house” resources were identified subsequent to determining the appropriate knowledge base and technical support essential for DOTD to own and sustain an effective ITS program. However, due to the high volume of work required along with the uniqueness of the ITS business within the conventional DOT structure, it was determined to be unfeasible for the Department to staff all activities with in-house personnel. Therefore, an optimal combination of **in-house (24%) and contract (76%)** personnel, based on **national guidance and best practices** from peer State DOT’s, constituted the best approach to staffing all the business functions of ITS.

For comparison, DOTD investigated a total outsourced solution for the ITS program. Results showed contracting would cost an additional \$645,000 or 28% over in-house personnel resources of the same skill-set level. On average, it was found that Consultants pay employees 6% to 28% higher for similar levels of experience. Also, Consulting Firms receive an average of 15% profit margin for labor expended whereas DOTD does not. This calculation assumes no difference in overhead or indirect costs. Aside from cost, the major disadvantage of contracting all staffing support would be loss/absence of core competency necessary for the state to own and sustain an effective ITS program.

Outcome: Cost Efficiency and Cost Savings (\$600K by not privatizing the entire section)

CONTRACT GUARDRAIL REPAIR- Implemented

DOTD has eight (8) retainer projects one in each district except for District 05 and District 58 which are combined. These contracts are necessary to expeditiously repair damaged guardrail. This can no longer be performed with in-house forces due to reductions to personnel and supplies and specialty work. When a guardrail is damaged the district notifies the contractor to repair the damage. Payment is based only on the materials and labor used to repair the damage and return the guardrail to like-new.

Outcome: Safety

CONTRACT IMPACT ATTENUATOR REPAIR - Implemented

DOTD has one (1) project statewide that is administered from Headquarters. These contracts are necessary to expeditiously repair damaged impact attenuators. This can no longer be performed with in-house forces due to reductions to personnel and supplies and specialty work. Similar to the guardrail contracts, when an attenuator is damaged the district notifies the contractor to repair the damage. Payment is based only on the materials and labor used to repair the damage and return the attenuator to like-new.

Outcome: Safety and Efficiency

MOWING AND LITTER AGREEMENTS – CITY - Implemented

DOTD has cooperative endeavor agreements with 198 cities/municipalities. These agreements are for mowing and litter collection on state routes within the jurisdiction of the cities/municipalities. In most cases payment is based on 4 cycles per year and is made semi-annually. DOTD only pays for the agreed upon number of cycles although a city/municipality may perform more cycles. This program gives advantages to both the state and municipalities.

Outcome: Safety and Efficiency

MOWING AND LITTER AGREEMENTS CONTRACT-Implemented

DOTD has forty-eight (48) contracts for mowing and litter collection on interstate and major arterial routes that encompass one hundred eighty-three (183) control sections. These contracts are necessary to perform consistent routine maintenance of roadside vegetation and litter control. This can no longer be performed with in-house forces due to reductions to personnel, equipment, and supplies. These are annual contracts that can be renewed up to four (4) additional one-year periods at the discretion of the Department.

Outcome: Safety

TRAFFIC SIGNAL MAINTENANCE - Implemented

DOTD has cooperative endeavor agreements with eleven (11) cities for maintenance of traffic signals. These agreements vary from full engineering and maintenance to bulb replacement and electricity. These agreements are necessary to expeditiously repair inoperable traffic signals. This can no longer be performed with in-house forces due to reductions to personnel and supplies. Payment varies depending on the number of signals maintained and the extent of the activity and is made semi-annually. This program gives advantages to both the state and municipalities.

Outcome: Safety and Efficiency

REST AREA MAINTENANCE AND OPERATION/REST AREA SECURITY- Implemented

DOTD has contracts for the maintenance and operation of nine (9) rest areas. These agreements are necessary to have more visibility at the rest areas and to have expeditious repairs in lieu of having department personnel on-site only a few hours daily. This can no longer be performed with in-house forces due to reductions to personnel and supplies. The contractor is required to have attendants on duty at the rest areas twelve (12) hours a day, seven (7) days a week. Maintenance includes cleaning facilities, mowing, litter and trash collection, and maintenance and operation of treatment facilities.

We have four (4) agreements with local sheriffs and five (5) agreements with private security companies for rest area security at nine (9) rest areas. These agreements give the public a sense of safety during the hours when attendants are not on site. In most cases the security is for twelve (12) hours at night, seven (7) days a week.

Outcome: Safety and Efficiency

DRIVEWAY PERMITS- In progress

Louisiana RS 48 §381 provides the authority for the DOTD to collect permit fees. Currently, the Department does not charge a permit application fee to issue permits. In 2001, a study was conducted by the Permit section to determine the costs of processing a permit. The study determined that it costs DOTD \$2,766,096 per year to process more than 5000 permits.

LADOTD is in the process of updating its access management policies and procedures to improve safety and capacity of the state highways. The Department hired the University of South Florida to assess what needs to be accomplished to implement an access management policy. An Access Management Action Plan was completed with ten objectives outlined on what LADOTD needed to address. One of the recommendations was to charge permit application and reapplication fees to discourage speculative applications and offset administrative and inspection costs. Many states charge permit fees. The proposed fees are on par with what most states charge. The proposed fees could help instrument a website to facilitate electronic permit applications, update the equipment in the District and Headquarters sections or supplement salaries.

Outcome: Efficiency

COMPETITIVE BIDDING-Proposed

Competitive bidding (letter bidding) is currently required for small purchases over \$1000 and under \$5,000 by Executive Order KBB 2007-10, Section 4. The rapidly rising cost of all products since the Order was established has resulted in an ever growing list of products that must now be bid, which has rendered the process extremely inefficient. Allowing single source purchases for items under \$5,000 will eliminate a great deal of administrative effort.

Outcome: Cost and Efficiency

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) – PROGRAM ADMINISTRATION – In Progress

On March 2, 2009, the Federal Government through the American Recovery and Reinvestment Act (ARRA) allocated \$430 million to the State of Louisiana for transportation projects. The breakdown of funds is as follows (all funding administered by DOTD): \$299 million for projects

at the discretion of DOTD, \$118 million for projects at the discretion of the Metropolitan Planning Organization, and \$13 million for enhancement projects at the discretion of DOTD. The total number of projects at this time is 91. To date, funding for 30 of the projects is under contract and/or obligated which represents 55% of the total amount of funding available. As per the federal law, 50% of the DOTD discretionary funding (\$299 million) and 50% of the enhancement funding had to be obligated by June 29, 2009. DOTD not only met this requirement but exceeded it. The balance of funding for DOTD discretionary and enhancements must be obligated by March 2, 2010. The MPOs have until March 2, 2010 to obligate 100% of the ARRA funding. DOTD streamlined certain activities in order to meet the required stipulations contained in the Federal Law.

Outcome: Efficiency

STATE SUPPLUS – CAPITAL PROGRAM ADMINISTRATION - Implemented

In 2007, 2008 and 2009, Louisiana's state leaders dedicated large surplus appropriations to improve our transportation infrastructure. The Legislature has dedicated approximately \$1.4 billion from general fund surpluses to 450 projects to improve our transportation system. 160 are completed, 163 are under way and 127 projects have been scheduled for bid.

As of today, the DOTD has obligated or contracted more than \$930 million in surplus projects on time and on budget, in addition to delivering the regular Highway Priority Program.

Our roads and bridges are in better shape today than they were several years ago, before the surplus funds were invested in our infrastructure. Through surplus, DOTD improved 1,096 miles of roadway earlier than would have been possible under the overburdened Highway Priority Program and funded 36 port and hurricane flood protection projects.

Also, because no surplus funds were spent on DOTD operations or administration, every penny went into infrastructure with no "overhead" costs, making surplus funding for transportation a great value for taxpayers.

The DOTD surplus program received the AASHTO 2009 Silver Pathfinder Award for Team Excellence.

Outcome: Efficiency

LAGOV DOTD ERP PROJECT OFFICE - Implemented

In August 2007, DOTD created the DOTD ERP Project Office to provide a single office to oversee the upcoming project to implement an ERP for the State of Louisiana. The DOTD ERP Project Office has been the central point for all project related activities for DOTD. The group provides

communication to the Department on the project, ensures that appropriate personnel are involved in design sessions, meetings, and data gathering activities.

The DOTD ERP Project Office is housed on the same floor as the State LaGOV team and interacts with the team on a daily basis.

This office has performed the types of activities necessary to ensure that DOTD is successful in the migration from existing legacy application to the new ERP integrated solution.

The Louisiana Department of Transportation and Development has implemented several AASHTOWare Trns•port software modules (Preconstruction and SiteManager) as a replacement of several mission critical systems, and modules (CES and BAMS\DSS) as tools to develop better cost estimates. Developed by AASHTO, this software is considered an industry best practice. The software modules were developed by a consortium of Transportation agencies, which incorporated into the products the best practice of their agencies. The Trns•port software provides better reporting tools to conduct bid analysis, tools to detect bid collusion, and improves efficiency by providing Engineers greatly improved access to bid and cost data.

Outcome: Cost Savings and Efficiency (See information Section 2 Public Works)

WORK FORCE DEVELOPMENT – In Progress

DOTD is in the process of researching and developing a comprehensive Workforce Development Plan. The plan will define workforce planning by answering these questions:

- What is the key to workforce planning?
- Why is it so urgent now?
- What is different now?

The general guidelines will stress that the workforce plan is not a static document or one-time activity. The plan will tailor the process to DOTD's unique needs and identify information to assist decision-making by determining the most critical issues facing DOTD. The workforce development plan will integrate and align with the DOTD Strategic Plans. The importance of sustainability of workforce development planning will also be addressed.

Outcome: The outcome will lead to efficiency and effectiveness of DOTD's well trained staff within operations state wide.

BRIDGE TEAM APPROACH- Implemented

DOTD faces many challenges including the design, management, construction and preservation of our bridge inventory. Seven separate groups at DOTD have some aspect of bridge responsibility to carry out. A recent evaluation was performed to assess whether duplication of services was occurring. The result of the evaluation was the determination that, while there is potential overlap between functions of some groups. Each has a valuable and unique mission to accomplish.

With such a diverse group of bridge professionals, the DOTD administration decided a team approach was needed to ensure that the various bridge groups are working together. The DOTD Bridge Program Team was formed to facilitate communication, cooperation and coordination between various members of these groups.

The Bridge Team is under the leadership of the Project Development Director, who will be accountable for the performance of the DOTD Bridge Program. Individual team members representing elements of the Bridge Program will be accountable to the Team Leader for their respective subprograms. A communication and emergency management protocol was the first element established by the Bridge Program Team, and it identifies responsibility for appropriate interaction within the agency. The Bridge Team has been implemented, and protocols are in place.

Outcome: Efficiency

BUY BACK PROGRAM FOR EQUIPMENT- Implemented

DOTD has a buyback program for some of our production equipment such as motor graders, excavators, mowing tractors, etc. In this program DOTD signs an agreement to purchase the pieces of equipment (approximately \$14M per year), and next year the dealer will buy the equipment back; the buyback price is usually very close to the original purchase price (sometimes higher). This is less expensive than leasing the equipment for a year. The type of and quantity of the equipment is determined by the vendor according to the market needs. DOTD is currently taking full advantage of all possible buy back equipment available.

Outcome: Cost Savings Estimated \$1M per year

CONTRAFLOW OPERATIONS PLAN - Implemented

DOTD first attempted reverse lane operations (i.e., Contraflow) on the Interstate system during the emergency evacuation from Hurricane Ivan in September 2004. The traffic congestion caused by the evacuation of the New Orleans region was significant. Subsequently, both DOTD and the Louisiana State Police re-opened the Contraflow plan. A team of professionals from

both agencies was formed. Traffic models were developed, evacuation alternatives analyzed, and improvements were engineered.

The Contraflow Plan, in its current configuration, has been implemented twice since Hurricane Ivan; once for Hurricane Katrina in 2005 and once for Hurricane Gustav in 2008. In both cases, implementation of plan was considered a success. For Hurricane Katrina, over 1 million people successfully evacuated and over 2 million evacuated for Hurricane Gustav. While traffic was congested in some locations in South Louisiana, the longest reported travel time from New Orleans to Baton Rouge was around 2 ½ hours. By comparison, congestion from Hurricane Ivan caused delays in excess of 12 hours for the same trip.

In summary, success of the Contraflow plan in Louisiana can be mostly attributed to the close, cooperative relationship with DOTD and State Police have with our sister state and local agencies as well as our neighbor, the State of Mississippi. This level of cooperativeness could not have been attained but for the steady commitment of these agencies to review, rehearse, and communicate the plan to our leaders and the public.

Outcome: Safety and Efficiency

PONTIS – BRIDGE INSPECTION AND MANAGEMENT PROGRAMS - Implemented

LA DOTD has transitioned the bridge inspection and management programs to element based inspections and are utilizing the PONTIS AASHTO ware software as the backbone to the management system. Last year we completed training and implementing the inspection side of this system. Field inspection data is gathered on Palm or Windows based handheld PDAs that can be synchronized to a PC when the inspector returns to the office. The inspections are instantly available to anyone who has access to PONTIS. Photos are transferred from the camera card to a file on the main server, and are automatically linked to the inspection overnight. Also, any type of electronic media, such as scans of sketches, plans, etc. can be saved to the same server, where they too will be linked automatically to the bridge during the overnight updates. The reviewing supervisor and engineer can review and approve the reports from their PCs without waiting for the inspectors to print and deliver the inspection reports. Their approvals are password protected to avoid forged reports. The use of this system has drastically reduced the time it takes to get inspection data from the field to engineers in Headquarters for review. It has also reduced the amount of paperwork that must be transmitted back and forth between the District offices and Headquarters.

Outcome: Efficiency

DEVELOPMENT OF A GEOTECHNICAL INFORMATION DATABASE- - Implemented

The Louisiana Transportation Research Center (LTRC), created a Geotechnical Information Database for existing and future geotechnical records and data, which benefits LADOTD by reducing or eliminating the need, and time, necessary to conduct new soil borings and test their samples. Researchers created a Global Information System (GIS) with a user friendly interface and links to existing databases within (and outside) the Department to speed access times, compared to hardcopy searches, consolidating vast amounts of information into one online resource. The application operates in a Microsoft Web environment, and has been successfully implemented within LADOTD. Specifically, this system...” enhances the Geotechnical Design Section’s ability to select proper boring depths. Additionally, the information attached to the database such as load test data, pile driving logs, and other activity logs will greatly improve the pile resistance prediction. The better pile length prediction may ultimately reduce the cost of foundation construction.”

Outcome: Cost Savings

SELF GENERATED FUNDING SOURCES AND RETURN ON INVESTMENT

The Louisiana Transportation Research Center (LTRC) is a flagship research, technology transfer, and training center administered jointly by DOTD and LSU. Since its creation by the Louisiana Legislature in 1986, LTRC has gained national prominence through its efforts to improve transportation systems in Louisiana. The center conducts short term and long term research and provides technical assistance, training, continuing education, technology transfer and problem solving services to DOTD and the transportation community at large.

LTRC is largely funded by the Federal Highway Administration and DOTD. LTRC has been very successful in recent years in receiving research awards and grants from federal and private sources. Over \$2.58million has been received from Federal Highway Administration’s Innovative Bridge Research & Deployment program (100% funding) for nine research projects. Funding from the National Academies’ National Cooperative Highway Research Program has totaled \$1.16million for four projects. Over half a million dollars has been received from industry and the Corps of Engineers.

The return on investments for research can be exemplified by recent savings identified on several DOTD projects. Applied research on High Performance Concrete saved DOTD over \$13m on the design and construction of the new I-10 twin spans. Research at the LTRC Pavement Research Facility developed two new pavement designs which three years after implementation by DOTD saved \$4.9 million and continues to provide reduced construction and maintenance costs with full implementation. Over two million dollars was saved from

implementation of electric cone penetration technology on the LA 1 corridor construction and the I-10-twin span structure.

LTRC Transportation Training & Education Center is a state of the art technology transfer and training facility which was constructed with the merged resources of DOTD, LSU and industry. Since its opening in 2006, TTEC has provided professional, leadership and certification training to over 13,700 DOTD, university and transportation industry personnel and has generated over \$270,000 in self generated fees from non-DOTD students.

Outcome: Efficiency

SOUTHEASTERN TRANSPORTATION CONSORTIUM - Implemented

The Louisiana Transportation Research Center has initiated a collaborative research program consortium through the FHWA Transportation Pooled Fund (TPF) Program. The research program is called the Southeast Transportation Consortium (STC) and is intended to encourage coordination among member states and provide resources and management of collaborative studies. The consortium intends to address high priority transportation research topics of common interest to the southeast region states and for which expertise exists within the region. This objective is to foster intra-regional growth in knowledge, skills and abilities among transportation professional and academic partners in the region to avoid duplication and produce superior research and technology transfer.

STC's purpose is to pool the financial, professional, and academic resources of the region to coordinate research and develop improved methods of dealing with common problems. Eight southeastern states have committed funds for the consortium with three more states expected to commit by October.

State DOT's will identify priority topics that they hold in common and for which expertise exists in the region. Potential focus areas include advanced transportation materials, freight issues, highway infrastructure issues, traffic simulation models, environmental topics related to water quality and habitat connectivity and transportation Funding. The program is intended to supplement, not to replace, ongoing state, federal, and university research activities and other national programs such as the National Cooperative Highway Research Program. It is intended to reduce duplication of research and provide means for better communication of on-going research activities in the state research programs.

Outcome: Efficiency

**REDISTRIBUTION OF FEDERAL HIGHWAY ADMINISTRATION -REMAINING HIGHWAY FUNDS-
Implemented**

Annually the Federal Highway Administration performs what is called the August Redistribution, which reassess the financial needs of each state and the Obligation Limit distributed to each state at the beginning of the fed fiscal year. The funds which have not been obligated by August are redistributed to state that have the ability to spend additional funds. States must be able to demonstrate that they can spend their entire obligation authority to qualify.

The DOTD has never left federal funds on the table which has put it in the position of capturing additional federal funds from the August Redistribution. This year the Louisiana DOTD will once again obligate all of its original limitation and has requested an additional \$22 million for obligation. Project Finance's Federal Aid Unit in cooperation with the Engineering directorate has identified projects which "are ready to go" and the appropriate apportionment to use this funding. Once the redistribution is completed by the FHWA and addition limitation is granted, we will complete this process by submitting project authorization request

Outcome: Efficiency

EXECUTIVE LEVEL OUTREACH - Implemented

Secretary Ankner has taken an initiative to visit local government elected official and state elected officials in their respective districts t to discuss transportation projects and issues. This effort began as a method for the secretary to gain an appreciation of the condition of the state's transportation system, the meetings involved detailed discussion of parish and district wide priorities and concerns. This is exclusive of the legislatively mandated highway priority program road show.

The results of these annual meetings are a detailed understanding by the Department's leadership of issues that may not normally rise to the level of Secretary. This enables the department to better allocate unexpected and expected resources. This was very helpful in developing surplus and stimulus projects. Additionally, Legislators have a greater appreciation of the departments understanding of their issues and responsiveness, and parish elected officials get executive level attention to their concerns.

Outcome: Efficiency

GREEN TEAM – In Process

The Green Team has helped reduce government waste in efficient use of paper, energy conservation, recycling, and conservation awareness.

More efficient use of paper was promoted through use of duplex printing and reduction of paper forms; offering CD's instead of paper as an option for public records requests, using technology to reduce paper through programs such as: *Project Wise*® to make plans more readily available digitally, *Content Manager*® to allow engineer's orders to be viewed digitally, and *Approve It*® which allows use of digital signatures for plans, timesheets and registering for LTREC classes.

Energy conservation was advanced through installation of energy efficient lights, studying installation of occupancy sensing light switches; software to reduce computer energy use when machines are idle, and encouragement to use "Green" Purchasing practices (purchasing catalog lists "green" items).

Recycling was improved through provision of additional recycling containers, and a recycle container design contest.

Awareness for "green" practices was raised through a presentation at new employee orientation, announcements on electronic monitor, conservation tips at copy machine/printers, home conservation information and tips, findings and other information to be put on website

Outcome: Efficiency

SUBMERGED ROADS PROGRAM-Implemented

State highway infrastructure in coastal Louisiana was damaged as a result of Hurricanes Katrina and Rita from storm surge, from flooding, and from debris hauling and recovery related freight movements. DOTD was able to demonstrate damage to highway pavements through the use of its Pavement Management System inventory of pavement condition data. The Department was able to secure nearly \$100 million in Emergency Relief funding from the Federal Highway Administration to repair the pavement on over 250 miles of state highway. DOTD has also worked with local officials to secure and administer Emergency Relief funding for pavement repairs on locally-owned roads and streets particularly in Jefferson, Orleans, and St. Bernard Parishes often referred to as the "Submerged Roads Program."

Outcome: Efficiency