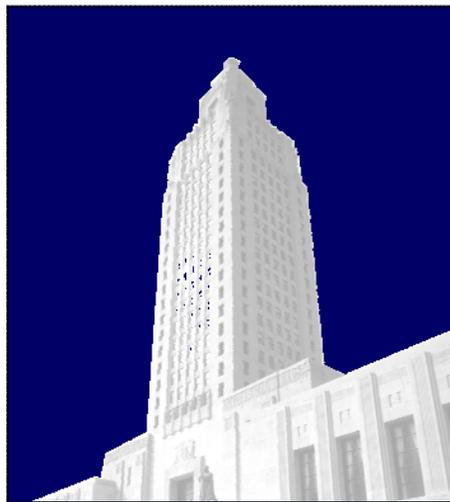


**STATE OF LOUISIANA  
EFFICIENCY AND  
EFFECTIVENESS AUDIT**



**BOBBY JINDAL**  
Governor

.....  
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Commissioner of Administration

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# STATE OF LOUISIANA

## EFFICIENCY AND EFFECTIVENESS AUDIT

December 11, 2008

### Overview

Upon assuming office, Governor Bobby Jindal asked that each of his cabinet agencies conduct an audit to identify wasteful spending, bureaucratic inefficiencies, and specific opportunities for cost-saving practices. The Governor asked that the agencies look for opportunities to improve government performance and banish bureaucracy, while pursuing efficiencies and reducing costs through new technologies and best practices. The findings and recommendations from each agency are summarized in this report. The report reflects actions that have already been taken as well as future plans and recommendations.

While each agency had findings unique to their circumstances, a few general trends exist. The opportunity to enhance business processes with technology is ubiquitous. Whether the agency is developing a consolidated database, creating electronic workflow processes, or using the internet to enhance communications, almost every agency is incorporating technology as a strategy to create a more efficient, effective organization.

Agencies also identified several opportunities for outsourcing. Some agencies have already outsourced some functions to provide for better customer service (such as the Office of Motor Vehicles). Several others are studying the costs and benefits of outsourcing as a potential future strategy to streamline their agency.

### Division of Administration (DOA)

The Division of Administration is the primary control agency for state government activities. As such, many of its activities have a statewide impact beyond the functioning of the DOA itself. To that end, the DOA findings below are grouped by statewide impact and internal activities.

#### ***Statewide Impact***

- **Performance Management System**—Executive Order BJ 2008-2 called for the Commissioner of Administration to survey each state department on their compliance with and suggestions for the Louisiana Government Performance and Accountability Act [R.S. 39:87.1]. The response from the survey indicated a need to substantially improve or replace Louisiana's current performance management system. The DOA has already overhauled the current Louisiana Performance and Accountability System (LaPAS) to make it more user-friendly. In addition, the Commissioner is in the process of reviewing all performance indicators used by agencies. All budget submissions for inclusion in the Executive Budget must include strong performance measures.

- **Capital Outlay**—To address the monumental \$1.465 billion backlog in Priority 5 non-cash approved in the prior administration, the Jindal Administration chose not to add any new projects or new Priority 5 spending to the state’s capital construction budget. In addition, the DOA is developing policies and procedures to implement capital outlay reform introduced by the Governor and passed by the state legislature earlier this year. This reform requires spending restraint by limiting funding of non-state projects to no more than 25 percent of cash line of credit capacity and requiring 25 percent local match for non-state projects. In addition it increases the quality of projects funded through the program by establishing objective criteria for feasibility studies for all projects to ensure they are necessary, practical, cost-effective, and self-sustaining. These reforms will bring much-needed accountability and spending restraint to the process and will improve the quality of taxpayer-financed state construction projects, which is the truest test of capital outlay reform.
- **Enterprise Resource Planning (ERP)**—In May 2008, the Commissioner of Administration signed a contract with IBM to implement an ERP system for Louisiana. The new system, entitled “LaGov,” will provide a comprehensive suite of integrated modules that provide end-to-end support for statewide and agency-specific administrative business processes. The first module to be deployed will be Budget Development in November 2009.
- **eGrant Portal**—The Division is currently constructing a one-stop grants portal that will allow citizens, non-profits, businesses and faith based organizations to identify funding opportunities in accordance with Executive Order BJ 2008-76.
- **Budget Development**—Through Executive Order BJ 2008-3, the Commissioner administered a state hiring freeze that saved \$39 million and led to the elimination of nearly 1,000 state jobs. The use of one-time revenues to cover recurring expenditures was eliminated. In addition, strategic investments were made in higher education, transportation, research, health care, and coastal restoration. This year, the DOA will implement a methodology to review budget requests. The method focuses on the results of each budget proposal and helps to focus resources on the highest priorities.
- **Transparency and Accountability Website**—Following through on Executive Order BJ 2008-2 as well as Act 20 of the 1st Extraordinary Session, the Commissioner is developing a transparency website that will allow citizens to track state government expenditures online. The expenditure database, “LaTrac,” includes information on all agencies currently on the statewide financial system. With the creation of LaTrac, Louisiana becomes one of only eight states with an online spending website. In addition, LaTrac will be the only site that links online spending information to online performance measures.
- **Statewide Issues**—The state as a whole could benefit from:
  - A statewide human resources function to assist and direct state agencies on federal and state human resource employment laws.
  - A statewide employee benefits management committee to coordinate the various entities that provide employee benefits.
  - Increased use of teleconferencing to reduce travel time and costs.
  - Encouraging statewide technology coordination.

### ***Internal Activities***

- **Unrelated Activities**—Four sections perform activities that are unrelated to their missions. For example, the Office of Risk Management (ORM) paid nearly \$2.5 million in 2007 for survivor benefits for local law enforcement officers killed in the line of duty. ORM is a property and casualty insurance program, and there are no premiums or appropriations to cover this expense.
- **Unrelated Administrative Support Activities**—Four sections perform administrative support activities for unrelated agencies. For example, the Office of Financial Support Services, Human Resources, and the Office of State Uniform Payroll provide administrative support services to BESE, Board of Regents, State Police Commission, and over 600 local district attorneys and their assistants. Services include payroll, employee administration, and accounting.
- **Overlapping Activities**—Eleven sections perform activities that are similar to those performed by another section or state agency. Some examples are:
  - Dual computer systems that track employee training.
  - Security services in Capitol Park (Capitol Police vs. Public Safety Police).
  - The Environmental Regulatory Code that is published by both the State Register and DEQ.
  - Print shops housed in individual state agencies, rather than the central mailroom or the state print shop.
- **Outdated Activities**—Six sections perform outdated activities. For example, the Office of State Reporting and Accounting Policy (OSRAP) gathers data from all state agencies, analyzes, and reports *quarterly* on amounts owed to the state. No one appears to use this report. Another example occurs in the Office of Contractual Review, which prequalifies prospective bidders on consulting contracts—a process that could be automated in DOA's online tool, LaPAC. All Division activities are currently under review as part of the budget process.
- **Technology Issues**—Twelve sections have technological needs that, if met, could improve efficiency and effectiveness. For example, OSRAP needs software to ease its Comprehensive Annual Financial Report (CAFR) preparation that the ERP will not meet. Potential solutions to ease this burden are being considered.
- **Performance Reporting**—Only six of 23 sections report having written policies and procedures for collecting, calculating, and reporting on their performance indicators. State law requires that agency heads ensure that this data is maintained and supported by agency records. The Division's currently submitted operation plan has performance indicators for all sections. Policies and procedures for collecting recurring data will be developed after the performance measures have been approved as part of the budget process.
- **Outsourcing Opportunities**—Five sections report possible outsourcing opportunities. Some examples are:
  - Centralized web-based safety training.
  - Accounting services for the Office Facilities Corporation and Correctional Facilities Corporation.
  - Printing and distributing employee W-2s, which could also be made available online to eliminate the time-consuming and labor intensive process to replace lost W-2s.

## Board of Regents (BoR)

The Board of Regents coordinates all public higher education in Louisiana. The Commissioner's Office oversees the Regents' staff, policies, and programs and recommends the following action items to increase productivity, efficiency, and effectiveness within the agency.

- Move Regents from **paper to a web-based system**, representing a paradigm shift for information collection, organization, and reporting and making the agency more proficient, user-friendly, and responsive. This would include updating the website to be more aesthetically appealing and functional. Examples of applications that should be moved to the Web include:
  - Data collection—surveys, statistics, reports;
  - Proposal submissions, activities, and post-award management;
  - Program evaluation;
  - Scholarship applications and disbursement;
  - Contracting through an integrated system;
  - Registrations for events; and
  - Online trainings and meetings.
- **Improve staff training** to enhance performance and efficiency. Staff should be taught to effectively use new and existing software and equipment. Past training on contract and fiscal procedures was well-received, and staff is requesting refresher training. New employees should be oriented across Regents on phone instructions, evacuation demonstration, supply orders, dress code, travel policies and procedures, and emergency numbers.
- Enhance the capacity for **document management and imaging**, which can cut costs and improve efficiency at Regents by easing retrieval of purchase orders or receipts, for example, and by relieving storage requirements, especially in Sponsored Programs. Documents should be scanned and distributed electronically, rather than hard copy through internal mail. In particular, the paper-based system for proposal processing and grants management is inefficient and would be eased through an investment in technology infrastructure and staff training.
- **Upgrade the telephone system** at Regents to allow for calls to direct lines and eliminate the need for a central system and operator.
- Authorize **flexible schedules** for staff as a means to cut costs and pursue the goal of “green government.” With high gas prices, several staff have requested four-day rotating schedules.
- Review and consider potential options for **outsourcing** various functions and activities at Regents, management boards and institutions to the private sector for possible cost-savings
- Engage the Department of Education in review and assessments of services currently provided to both K-12 and postsecondary education students which clearly overlap each other, and provide opportunity for better coordination of policies and programs, opportunities for synergies, and potential cost-savings between the two levels of State government.

## **Department of Corrections (DOC)**

The Department of Corrections (DOC) is responsible for the custody and care of adult offenders across Louisiana. The Department has compiled the following list of those areas that will result in improvements to operations.

### ***Re-Entry***

The Department is committed to reducing recidivism. Approximately 50 percent 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 (\$15,776 per offender per year, or \$700 million per year).

Toward that end, DOC has begun a systematic re-organization of internal resources that places emphasis on the services available on a regional basis. All known resources within each of the ten regions will be identified and made available to releasing offenders. This includes, for example, services provided by the Department of Social Services (DSS), Department of Health and Hospitals (DHH), Louisiana Workforce Commission and local business or employers, work release facilities, local jail facilities, faith-based organizations, halfway houses, and the Office of Probation and Parole.

The Department has begun programs in the field to advance this goal. Through a pilot at Dixon Correctional Institute, DOC and the Louisiana Workforce Commission are providing 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. These efforts are re-enforced by Act 106 of the 2008 Regular Session requires DOC to provide nonviolent offenders with occupational training, educational opportunities, and substance abuse counseling while incarcerated.

### ***Medical and Mental Health***

Louisiana's offender population is aging and experiencing increased medical/mental health conditions and issues. According to a recent Bureau of Justice study, Louisiana offenders have the highest mortality rates in the nation because Louisiana has a high cancer rate, treats a very high percentage of HIV offenders, and has obesity rankings that lead to higher numbers of heart disease and strokes. As a Department, we are facing rising healthcare costs and healthcare staff shortages and, at the same time, understand our constitutional obligation to provide adequate healthcare to the offender population. The Department is undertaking the following steps to address these challenges.

- **Exploration of the Privatization of Healthcare Services**—Key department leadership has met with several private vendors in this regard and is assessing its needs and the potential benefits. Specific areas that are being looked into include laboratory services, pharmacy services, and mental health services.
- **Expenditure Reductions**—DOC has reviewed spending practices regarding medical/mental health services and found that there are some avoidable off-site

healthcare trips being conducted due to the lack of effective communications between different providers. The Department is working toward improving communications and streamlining healthcare to reduce offsite trips.

- **Multi-Agency Collaboration**—There is room for improved collaboration between DOC, DHH, LSU, DSS, and the Office of Public Health (OPH), which will lead to more efficient healthcare delivery. The Department discharges approximately 16,000 offenders every year back into Louisiana’s communities. With improved multi-agency collaboration, we can provide for better continuity of care and can reduce healthcare costs to the state by eliminating duplicate testing and improving long-term chronic care management that will lead to fewer medical complications.
- **Cost-Saving Practices**—There is a new skilled nursing unit at Elayn Hunt Correctional Center (EHCC). DOC is centralizing medical and mental health transfers to ensure the timely movement of offenders to appropriate facilities and is pursuing discounted medication costs through university partnerships.
- **New Technology and Best Practices**—First, the use of telemedicine will ease the huge backlog of offenders awaiting various clinic appointments by providing “curbside” consultation, decreasing trips to outside hospitals, and giving rural areas the same access to clinics. DOC is working with LSU to develop criteria to determine who will be seen in the clinic. Second, Departmental staff will be given access to the LSU health information network, and likewise, LSU medical staff will be given access to the department’s medical database. In today’s world, information is the key in making evidence-based medical decisions. Third, automation will provide a significant improvement in the overall management of healthcare services for the Department, especially in light of continual healthcare staff shortages. DOC is considering the option of implementing an electronic medical record (EMR) and is currently looking into costs and funding issues.

### ***Probation and Parole***

The caseload per Probation and Parole officer in Louisiana is approximately 50 percent higher than the Southern regional average. In order to cut costs and 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**—Currently being piloted in four offices, this program allows an offender to pay supervision fees with cash or a debit/credit card through Western Union, significantly decreasing the number of money orders received in those districts and allowing support staff more time to assist officers with administrative responsibilities. The Department is currently reviewing this pilot to determine the feasibility of issuing an RFP to expand the program statewide on a permanent basis.
- **Privatizing the Collection of Fees by Probation and Parole**—The Department is considering privatizing the collection of fees currently handled by Probation and Parole officers. Officers currently spend approximately 30 percent of their time on the collection of fees, including supervision fees. These fees are important to the Department, as they constitute about 25 percent 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.

### ***Administration and Technology***

- **Consolidation of Elayn Hunt Correctional Center (EHCC) and Louisiana Correctional Institute for Women (LCIW)**—These facilities are located adjacent to each other. Efficiencies realized will be re-directed to departmental priorities and needs
- **Privatization of Food Services**—Initial research has shown there could be a savings over the current operation. Although costs will be a large factor in the Department's decision, other factors like food quality, meal portions, and use of institution-grown produce will also weigh heavily.
- **Green Government**—DOC oversees 13 institutions and 1,400 buildings with a total square footage in excess of 6.7 million and annual utility costs exceeding \$14.7 million. The Department is preparing documents to request proposals to enter into an **energy performance contract** with an energy service company (ESCO), allowing facilities to upgrade to more efficient equipment and programs that will save energy. Savings from decreased utility costs will pay for this project over time. Areas of focus include: lighting, boilers, HVAC systems, water conservation, and installation of efficient motors for pumps /fans etc.

Similarly, in the spring of 2008, the department surveyed all of its facilities to determine what effort, if any, was being made toward **recycling**. The department is developing a regulation that promotes energy conservation and recycling to the maximum extent possible, including the following items that are now being recycled: cooking oil, cardboard, aluminum cans, antifreeze, pallets, food waste, tires, batteries, motor oil, scrap metal, and inkjet/toner cartridges. As part of enhancing the policy, the department will add the following to its recycling program: paper, metal cans, and plastics.

Probation and Parole has 560 vehicles, which travel 6.9 million miles annually, and consume 390,000 gallons of **fuel**. The Probation and Parole director has instructed staff to purchase more fuel efficient vehicles for field work, reduce avoidable travel, and to carpool as much as possible to trainings and meetings. A comprehensive plan with guidelines for reducing fuel usage is underway with the goal of reducing each district's fuel consumption by 10 percent without jeopardizing public safety. Similarly, a committee was empanelled to determine a way of coordinating and consolidating offender transports in order to conserve both fuel and manpower.

- **Initialization of the Internal Audit Group**—The Department is in the process of staffing its internal audit group. The mission of the group is to assist in improving agency operations, to identify opportunities for cost savings and revenue enhancement, and to ensure that internal controls are adequate.
- **Rewrite of Departmental Regulations**—In January 2008, the department established the Policy Development & Review Division charged with a systematic review and evaluation of all policies and procedures, ensuring statutory authority, compliance with national standards, practical implementation, and consistency with the department's new mission to reduce recidivism. As a part of this effort, all forms

utilized by the department are under review to ensure the control and standardized use of forms throughout the department, which will maximize multiple functions and eliminate duplications.

- **Performance Measures**—For many years the department has generated a “Quarterly Statistical Performance Report” that measures operations throughout the department. A departmental committee is in the process of reviewing uniform performance measures developed by the Association of State Corrections Administrators, which utilizes standardized definitions of key measures. Monthly reporting by all facilities will require a variety of output and outcome measures, which will help all DOC units to define standards of performance and track progress.
- **Using Web-Based Technology**—To reduce costs related to travel and time away from individual work and to facilitate information sharing, the Department is implementing the use of videoconferencing coupled with web-based technology to provide for real-time training and collaboration.

## **Department of Economic Development (LED)**

The mission of the Louisiana Department of Economic Development (LED) is to help create jobs by providing leadership, policy, and programs to create a business climate enabling public-private linkages, which result in capital investment, a diversified economic base, and quality job opportunities for all Louisiana citizens. The Department is undertaking the following activities in response to the results of the internal audit.

### ***Accelerating Responsiveness to Business***

- **Develop a comprehensive plan to position Louisiana as one of the best places in the U.S. to start and grow a small business.** LED is developing a comprehensive plan for small business and entrepreneurship that will eliminate red tape, build one-stop resources, improve access to early-stage capital, and identify opportunities to increase minority business development. The plan will reduce inefficiencies and redundancies in services, prioritize efforts towards those that deliver the highest impact, and establish clear competitive advantages relative to other states.
- **Maintain LED’s commitment to leveraging database systems to improve efficiencies and enhance performance, including extending the scope of activities and incentive programs.** LED is pursuing a multi-year development plan that will offer online access for all major tax and financial incentives programs by 2010 and has made substantial progress towards achieving this goal. As more programs are included in database systems, employees will focus more of their time on value-added consultations with companies and other stakeholders. Other benefits include more convenient customer access, centralized information sharing for LED and its allies, and enhanced transparency in government. LED will be the first state in the nation to provide this level of online economic development service to its customers.
- **Streamline reporting requirements for Economic Development Awards Program (EDAP) award recipients.** LED will re-word contract provisions to streamline the ES-4 Louisiana Workforce Commission Quarterly Report of Wages Paid documentation. This change will ease the reporting burdens on EDAP contract recipients, reduce paperwork and follow-up activity for late documentation.

- **Develop and utilize clear internal guidelines for handling policy proposals and funding requests.** LED guidelines will outline the approach for communicating with stakeholders, the process for reviewing the request with management, and the timeline for reaching a decision. Employees will follow the guidelines as closely as possible to ensure LED responds in a responsible and consistent manner.

#### ***Partnering with Communities and Stakeholders***

- **Launch a new certified sites program** to enable communities from across the state to select and certify high-potential sites for economic development, thereby improving the competitiveness of Louisiana and its communities with regard to site offerings that meet company’s requirements. This is a cost-effective way to maximize the attractiveness of economic development sites.
- **Adopt a clear policy framework to consistently evaluate request for a state match in tax increment financing (TIF) projects while protecting the state’s fiscal interests.** Among other things, the policy framework should require a completed project plan, ensure that proposed projects need a state match to move forward, involve a rigorous cost-benefit analysis to ensure a positive return on investment for the state, and include reasonable reporting requirements. Over time, such a framework will optimize tens of millions of dollars in state revenues, while providing a level playing field for local economic development projects using TIF.
- **Fast-track the launch of a statewide sites and buildings GIS online database in strong coordination with economic development partners from across the state.** Such a database would help to leverage the latest technologies and will benefit from the strong collaboration of partners from across the state, including electric utilities and regional economic development organizations. The system will be structured for interoperability with existing sites and buildings databases and will allow for customization by any of the partner organizations wanting to tap into the system. By fast-tracking this important project, LED will close a significant gap in its ability to professionally respond to company prospects. LED currently plans to enter a public-private partnership with Entergy, which will bear virtually all of the development costs.

#### ***Enhancing Capacity and Efficiency***

- **Improve efficiency in the Office of Entertainment Industry Development** by establishing clear performance expectations. The Office of Entertainment Industry Development is re-structuring its team to handle the growing demands associated with Louisiana’s suite of entertainment- and culture-related incentives. This will allow LED to improve its responsiveness, accelerate the implementation of rules governing some of the newer incentive programs, and increase its proactive, outbound marketing efforts in the entertainment and cultural industries.

#### ***Improving Coordination, Management, and Accountability***

- **Conduct a thorough review of existing LED contracts involving entities or structures atypical for the department.** LED will identify those that (1) involve significant state funds and (2) deviate from commonly used incentive structures. LED will provide a fresh look at these contracts, leverage additional expertise and

skills, and potentially identify opportunities to reduce risks and optimize state expenditures for economic development.

- **Initiate a thorough review of LED's incentive programs to identify opportunities to update rules to reflect current statute and to eliminate programs that are inactive.** LED will conduct a comprehensive review of its incentive programs, with a particular focus on (1) updating the rules of active incentive programs to better reflect the current statute governing the programs and (2) eliminating inactive programs. Implementing this initiative will result in improved understanding and communication of LED's incentive programs and a reallocation of resources away from unnecessary programs towards those programs providing value to the State.
- **Improve the set of tools used to evaluate and communicate incentive packages and train additional LED employees in their use.** The current tools being used to evaluate incentive packages are not well automated, leading to time-consuming data manipulation and rework. In addition, LED does not have in place a consistent manner for communicating incentive packages to companies. A revised set of tools is currently being developed and tested that will streamline and simplify the process for evaluating and communicating incentives. These revised tools will increase LED's productivity and enable additional LED team members to construct draft return-on-investment analyses. In addition, the new tools will limit the amount of legal review required on incentive offers as the offers will incorporate a significant level of pre-approved template language.
- **Create a consolidated LED performance reporting system that includes all primary facets of LED's business development and product development operations.** This system will incorporate and consolidate information pertaining to LED's marketing programs, incentive programs, small business programs, policy initiatives, and other related efforts. It will provide a clearer picture of LED's impact on state competitiveness, businesses, jobs, and capital investment in Louisiana; provide improved insights into the professionalism and responsiveness of its staff; help identify inefficiencies; and highlight ways to improve performance.
- **Develop agreed-to best-practice guidelines and business processes for prospect and project management.** LED guidelines will cover a range of activities, including lead generation, site visits, and interactions with regional and local partner organizations. Employees will be required to follow the guidelines as closely as possible when managing their individual prospects and projects. Ultimately, this will result in improved levels of service to company prospects and their consultants, improved consistency in LED's interactions with companies and regional/local partner organizations, and increased opportunities to win projects for Louisiana.
- **Clarify expectations and enhance accountability systems in order to consistently focus LED's industry-specific activities.** Focused, coordinated, and well-managed industry expertise will provide LED with an improved ability to target its marketing and business development efforts, increasing LED's efficiency in turning leads into active business development projects.

### ***Reducing Administrative Costs***

- **Secure a more cost-competitive teleconferencing vendor.** Given the nature of its activities, LED frequently uses teleconferencing services to communicate with business development prospects, economic development allies, and other stakeholders. LED issued a purchase order in mid-July, and estimates suggest savings under the new contract of approximately \$16,000 per year.
- **Implement a new procedure to transmit executed contracts and contract amendments electronically.** LED currently mails approximately 400 executed contracts and contract amendments via express mail or postmaster each year. LED will scan all executed contracts and manage them electronically, including in-house use on the LED intranet and transmittal of the executed version to contractors via electronic mail. The savings for shipping and postage alone are estimated at approximately \$4,000 per year. There will also be personnel production savings (e.g., photocopying) as well as supply savings for paper, printing, and physical storage.

### **Department of Education (DOE)**

The Louisiana Department of Education (DOE) reports the following activities that will improve efficiency and performance.

#### ***Misplaced, Unnecessary, or Unrelated Functions***

The following were identified as activities unrelated to the mission of the Department:

- Oversight of operations at the Youth Center in Bunkie;
- Oversight of the motorcycle safety program

The following were identified as administrative support activities for agencies not a part of DOE:

- Provision of contact lists and other information to the public that are related to individual school groups and school staff; and
- Administrative duties related to line-item appropriations with non-DOE entities.

#### ***Outdated, Overlapping, or Duplicative Activities***

Activities similar to those performed by another DOE section or another agency within state government include the following:

- The use of a paper for application for funds and corrective action plans
- Self-reported evaluations and paper data collection

#### ***Administration and Coordination***

Other areas of concern and potential for savings include the following recommendations:

- Collaborate across the agency on common activities
- Fully utilize the Regional Service Centers (RSC) to address issues of noncompliance in schools and provide the needed technical assistance to implement positive change.

- Streamline the procurement process to reduce cycle time, and simplify the process so sections interact directly with state-approved vendors. The Department has developed an electronic workflow process to initiate, approve, and process procurement items. The system is being implemented in phases so that by early 2009 the entire agency staff will be using this tool.
- Implement statewide software pricing contracts.
- Utilize office space and configuration more effectively and efficiently. The agency has revisited office space configurations and is making changes to ensure utilization is maximized eliminating the need for additional space.
- Develop paperwork reduction strategies for educators. The agency is working with a contractor to survey a cross section of educational stakeholders and report on the processes and procedures that could be changed to reduce paperwork.

### ***Outsourcing***

There are several possibilities for outsourcing in the Department.

- Expand outsourcing of data collection throughout the agency. In the sections implemented, it has been an invaluable time saver and increased the quality of data collected.
- Outsource conference planning to save staff time organizing and completing paperwork for various conferences.
- Contract with state experts to serve as trainers, facilitators, and mentors.
- Utilize a regional concept to provide site-based services to Local Education Agencies (LEAs).

### ***Technology***

A predominant theme in the internal audit was technological needs that, if met, could help the Department perform more efficiently and effectively. Some of the most requested upgrades include implementing current technologies to reduce paperwork, increase efficiency of operations, and strengthen overall internal controls. Others include:

- Automate the procurement workflow process.
- Automate time and attendance.
- Upgrade the phone system to include digital voicemail. The use of voicemail decreases the need for a large number of administrative support personnel and increases capacity of existing staff to perform more critical support activities.
- Utilize web technologies, including video conferencing.
- Increase networked scanning and faxing capabilities. Updated scanning and faxing capabilities reduces the need for paper in outgoing communications from the Department. In addition, scanning reduces the amount of physical storage space needed for records.

## **Department of Environmental Quality (LDEQ)**

The Louisiana Department of Environmental Quality (LDEQ) provides comprehensive environmental protection for the people of Louisiana while considering sound policies

regarding employment and economic development. The Department reports the following activities to enhance efficiency and performance.

### ***Reducing Administrative Costs***

- **Reorganization**—In January 2008, LDEQ contributed 40 authorized positions to comply with the Division of Administration’s directive to control growth in state government, saving \$2.9 million.
- **LDEQ Laboratory**—The LDEQ conducted a cost-benefit analysis of its laboratory to determine operational efficiency. The study identified inefficiencies, and the LDEQ is now exploring options to mitigate these weaknesses. The cost of operating the LDEQ laboratory today is approximately \$5.1 million. It is estimated that the LDEQ could outsource laboratory sampling at a cost of approximately \$1.9 million. Personnel costs in the amount of \$2.3 million would be shifted to support other critical areas in the ongoing efforts of realignment and reorganization of the department, and the balance would be savings to the State.
- **Vehicle Fleet Reduction**—The LDEQ will implement a fleet reduction of approximately 15 percent in FY09, which should yield a projected savings in excess of \$900,000. 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.
- **Regional Office Rental Space**—The LDEQ is closing the Southeast Regional Satellite Office in Mandeville at an annual cost savings of \$23,828. This office was established after Hurricane Katrina, and LDEQ is now returning those employees to the main New Orleans Regional Office in Harahan.

### ***Utilizing Technology***

- **Investment in Green Government**—In compliance with the Governor’s Executive Order NO. BJ 2008-8, the LDEQ has taken the following steps:
  - Identification of a senior staff member to serve as 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;
  - Development of an information campaign to disseminate best methods and practices regarding energy efficiency, conservation, and the benefits of adopting such practices to other state agencies;
  - Adoption of an aggressive in-house recycling and paperless program to reduce solid waste with emphasis on single stream recycling; and
  - Adoption of a strict purchasing policy to replace all future appliances with more energy efficient models using the Energy Star as a minimum standard.
- **Investment in Technology and e-Business**—Effective FY 2009, the LDEQ will begin to roll-out online services, including e-Payments, e-Permits, e-Data Submittal, and e-Identity, an identification system that will provide a unique user name and password for conducting future e-business with the LDEQ. Technology will be leveraged as part of the LDEQ’s efforts to become more efficient, transparent, customer friendly, and a strong partner in advancing state economic development opportunities. On-line submittal of permit applications, in particular, will be a

significant benefit to many LDEQ customers by decreasing the amount of time and paperwork involved in the permitting process.

- The **Electronic Document Management System (EDMS)**—LDEQ uses this system to provide access to the regulated community and public for documents and information submitted to the department. In 2007, the LDEQ recorded over 171,000 documents in EDMS. Between online submissions of discharge monitoring reports (DMRs) and green cards (receipts of certified mail) alone, the LDEQ can increase efficiency by 31 percent and re-direct resources to critical front-loading needs outside Baton Rouge. Efforts to utilize more electronic submissions will greatly reduce the cost and manpower currently required to enter data and information into EDMS.
- **Electronic Inspection Forms**—The LDEQ is in the process of developing Electronic Inspection forms to be used by LDEQ staff when visiting sites. Information from the site visit can be completed online while at the site, then downloaded directly into the EDMS system. This will allow for a more efficient and effective method of recording and documenting data made from inspections into the facility file.

### **Department of Health and Hospitals (DHH)**

The mission of the Department of Health and Hospitals is to protect and promote health and to ensure access to medical, preventive, and rehabilitative services for all citizens of the State of Louisiana. The Department recommends the following reforms to save over nearly \$40 million in costs and to increase overall efficiency.

- **Improve claims editing.** Implement recognized standard coding methodologies for the Medicaid physician's program to ensure standardization of coding with Medicare, where appropriate. The Department may customize coding methodologies based upon appropriate standards of care. Estimated savings is \$6,875,000.
- **Implement change in payment methodology for pharmacies.** Implement a cost-effective mechanism for negotiating supplemental rebates for the Medicaid pharmacy program in conjunction with the preferred drug list, which may include a limit of two brand-name drug products in each therapeutic category. In addition, the Department shall re-define the reimbursement methodology for multiple source drugs in establishing the state maximum allowable cost (MAC) in order to achieve savings in the Medicaid pharmacy program. Estimated savings is \$9,375,828.
- **Improve hospital utilization management.** Update pre-certification criteria for hospital admissions and lengths of stay by adopting the most recent clinical standards. In addition, the Department may implement an active discharge planning protocol to further reduce hospital lengths of stay. Estimated savings is \$11,368,726.
- **Prior authorize home health services.** Implement prior authorization of home health services for Medicaid enrollees 21 years of age or older to assure those home-based services are medically necessary. Estimated savings is \$767,590.
- **Reduce expenditures related to leave days allowed for nursing facilities and Intermediate Care Facilities/Developmentally Disabled (ICFs/DD).** Either reduce the number of hospital and personal leave days reimbursed to nursing facilities and intermediate care facilities for the developmentally disabled or reduce the rate paid for such leave days. Estimated savings is \$10,961,098.

## **Department of Natural Resources (DNR)**

The Louisiana Department of Natural Resources (DNR) preserves and enhances the non-renewable natural resources of the State—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. The Department reports the following activities to improve efficiency and performance.

- **Establish an online permitting process**—It is the primary goal of the Office of Conservation that the entire process for permitting oil and gas wells be performed online, rather than filling out forms and submitting them to the appropriate district office. This new procedure will allow applicants to not only download the forms but to submit them electronically, thus eliminating delays and costs from postage or hand-delivery of applications. This new procedure will be more convenient for DNR customers, as well as save time and money.
- **Utilize technology to save time and costs**—
  - The planned ERP project will utilize new technology to eliminate double entry of annual budget requests to the Office of Planning and Budget (OPB), a process that requires multiple spreadsheets in various formats today. It will also eliminate the need for manual spreadsheets to track federal grants and other major state revenues for the Annual Fiscal Report. The use of updated technology will make budget preparation and reporting more efficient and will reduce time and costs.
  - Utilize online training and video conferencing/teleconferencing to comply with minimum supervisory training requirements of Civil Service Rule 7.4(f). These options will allow participants to study and train at more opportune times and will reduce travel time and costs.
  - Document management software is needed to allow for scanning, faxing, e-mailing, and storage of documentation of expenditures for federal CWPPRA projects, which today must be forwarded (in boxes of hard-copy documents) to the granting agency or physically stored in-house for up to 20 years. Software of this sort will alleviate the need for growing storage space, postage, and mailing costs. This will also allow staff to spend more time processing and paying invoices rather than copying and filing.
  - DNR should contract with an outside vendor to image inactive state lease files, which state law requires to be maintained and available for inspection, rather than relying on in-house staff. Although minimal cost savings are anticipated on the front end, this will free employees to work in other areas and allow the department to be in compliance with public record laws and its business continuity plan.

## **Department of Public Safety (DPS)**

The Louisiana Department of Public Safety encompasses various departments, including the State Police, the Office of Motor Vehicles, and the State Fire Marshall. Together, they uphold and enforce the law, administer regulatory programs, manage records, educate the public, and respond to emergencies, both directly and through interaction with other

agencies. The Department and State Police report the following activities to improve efficiency and cut costs.

### ***Louisiana State Police (LSP)***

First and foremost, Louisiana State Police (LSP) is working in unison with the Attorney General, Department of Corrections, and local law enforcement to implement a **single sex offender registry**, prevent fragmentation of the process, and ensure accuracy and completeness. The LSP database will serve as the central repository of all records. With one system, overall accuracy of information will improve. The system will poll the database of each entering agency in 15-minute increments. This will significantly streamline the process for the placement of information into the database while eliminating the need for manual submissions. The system will allow electronic notice to be issued to agencies, such as schools, within a given geographical area in addition to the notifications required of the registrant.

The State Police has also:

- Eliminated duplication by incorporating hazardous material training conducted at the Holden facility with the Joint Emergency Services Training Center facility in Zachary, closing the Holden facility and saving significant costs;
- Established a satellite training office in Alexandria for troops in Alexandria, Monroe, Shreveport, and Lake Charles for in-service training, resulting in a 70 percent reduction of travel time of 2,400 hours annually and \$35,000 in travel costs;
- Eliminated two high-level Lt. Colonel positions by combining like functions;
- Moved Transportation and Environmental Safety Section (TESS) troopers to Patrol to provide more efficient disbursement of personnel and provide an additional resource during times of emergency;
- Reorganized the Bureau of Investigation to push supervision to the field and expand supervision to include multiple disciplines and cross training, allowing for 15 trooper positions to be moved to Patrol;
- Implemented the sale of crash reports through the Internet, which reduces manpower;
- Implemented the 50-mile domicile radius policy to reduce fuel usage and cost, transferring personnel to corresponding locations within their domicile or requiring vehicle parking at the nearest troop location affecting over 50 troopers;
- Analyzed the centralization of State Police radio communications operations to a regional concept that could include other state departments and agencies.

### ***State Fire Marshal***

The Louisiana Office of State Fire Marshal (LOSM) has initiated the following measures and is evaluating additional methods and technologies to streamline processes and to efficiently and effectively serve the public.

- LOSM has created two deputy assistant secretary positions for more effective management of field enforcement of codes and laws, for development of emergency response goals and objectives, for plan review performance evaluation, and for establishment of regional offices and monitoring of sectional management of operations and business.

- LOSM has distributed administrative duties among management staff, eliminating the need for an administrative program director. Each section is being provided with the management tools necessary to run like a business. Oversight of performance and budget is provided by the deputy assistant secretaries.
- LOSM is establishing regional plan review of offices in response to its observation and determination of public need. It is currently negotiating a lease for a facility in Alexandria to be used for the first regional office.
- LOSM is reevaluating its strategic plan to include its emergency response mission as established by the Governor's Office of Homeland Security and Emergency Preparedness. The reorganization of the office and use of new technologies described herein will contribute to the development of this mission.
- LOSM has identified, implemented, and is evaluating an established "best practice" to save on travel expenditures, enhance the recruitment and retention of employees, and provide an improved service to its clients. The implementation of the four-day work schedule allows inspectors to stay on job sites for a longer period of time in one day to complete inspections and lessens the need to return to the same site the next morning. This policy has the additional benefits of improving employee morale and providing more daily hours of service to the public.
- Performance reporting must be re-evaluated with systems that are currently being reprogrammed to increase accuracy of specific reports.

To further address **overlapping or duplicative services**, the State Fire Marshal has implemented or is participating in the following, resulting in more available inspections to perform all duties required for enforcement by the agency:

- Pursuant to Act 831 of the 2008 Regular Legislative Session, LOSM has assumed responsibility for the Manufactured Housing Commission and its powers, functions, and duties. This transfer was effective July 1, 2008. The State Fire Marshal will evaluate the feasibility of integration of duties of manufactured housing inspections and fire and safety inspections, thereby potentially creating a larger inspection force to serve the public in many areas of responsibility.
- The Family In-Home Day Care and Child Care Assistance Inspection Program duties are currently performed by all fire and safety inspectors to provide better statewide coverage.
- The Health Care Inspection Section was created in an effort to prevent duplicate life safety inspection efforts by the Department of Health and Hospitals (DHH) Health Standards Section. LOSM engages in an annual interagency agreement with DHH to provide Life Safety Code inspections and will evaluate methods to improve this service and reduce travel costs statewide.

The State Fire Marshal has identified and is currently using or evaluating other **technology** to improve operational efficiency as follows:

- LOSM is evaluating specific technology that purports to facilitate electronic submittal and review of plans, to allow long distance but direct training, supervision, communication, and oversight of review of plans.

- District Inspection Office personnel have tested and are using the Lotus Notes calendar to schedule inspections and to allow sharing and monitoring of schedules by supervisors.
- Managers have been issued portable “digital assistants” to communicate information, schedule meetings, and perform functions that would otherwise require an office setting. The office has recently determined to extend this use to supervisors and assistant supervisors and is evaluating the practicability of allowing the same to field inspectors. If feasible, it would allow almost immediate notification of schedule changes and efficient response to code-related questions.
- The office has begun equipping laptops with “air cards” to provide wireless internet access points in the field. This technology use is intended to allow downloading of assignments and uploading of work as performed in the field, thus reducing the time required to perform this function in an office setting and allowing more time on inspections.
- The office is also researching and evaluating established technology that will provide for desktop computer-based training and virtual communication. This service would allow the State Fire Marshal to provide industry and in-house training, meetings, and conferences one-on-one and virtually face-to-face if needed and as requested.

#### ***Office of Motor Vehicles***

The Office of Motor Vehicles performs agency audits semi-annually. As a result, OMV has undertaken the following changes:

- The Customer Services Department has begun to **outsource** functions related to public tag agents and is considering the outsourcing of the call center, document management, the International Registration Plan, the inter-state compact agreement, and apportioned plates/cab cards issuance.
- The **Next Generation Motor Vehicle Project** is underway, which will completely re-engineer the OMV’s information technology infrastructure. Three individual legacy computer systems will be combined into one customer-centric database with an integrated web-based architecture and browser-based training and assistance.

#### ***Duplicative Mandates and Activities***

- DPS is statutorily charged with administering the payment of **state supplemental pay** to over 11,000 recipients statewide, including police, fire, constables, and justices of the peace. Sheriff’s supplemental pay is administered by the State Treasurer’s Office while all others are administered by DPS. Combining the administration of all supplemental pays in the state would provide continuity and centralization of like functions.
- The **Annual Reversion Report** is due one week after annual financial reports are due. The Treasurer’s Office reports the same information to the Office of Planning and Budget (OPB) in this regard, which is a duplication of effort and should be eliminated. The Treasurer’s Office could instead report to the agencies and to OPB to ensure that all entities have the correct information.

### ***Administration and Technology Improvements***

- Currently, DPS provides **Law Enforcement Messaging System (LEMS)** equipment and data circuits to state law enforcement agencies that do not possess the financial means, incurring costs for 98 locations. DPS is moving toward an Internet-accessible LEMS for a projected cost savings of \$83,600.
- **Remote location cabling** is currently performed by in-house staff statewide. To reduce travel time and provide more efficient services, the Department is no longer utilizing in-house staff for cable installations in the local areas. These costs are currently allowed on state contract through the Office of Telecommunications Management at minimal costs. Projected savings will be over \$200 per cable installation.
- Transitioning from rack-mounted servers to a **blade server/VM Ware** environment will save the department in both hardware and software costs as well as man hours. Total savings is estimated to be \$360,834 and 460 man hours over the next three years.
- DPS should work with ISIS and the EAP Payroll Benefits Committee to allow access for **supplemental insurance companies** to make their own deductions similar to the Deferred Compensation and National Bond and Trust Company.
- DPS recommends elimination of the annual **Performance, Planning, and Review (PPR)** report due to Civil Service no later than July 31, 2008. The majority of the information contained in this report is also maintained in the ISIS system. DPS is pursuing this with Civil Service through the State Human Resource Management Association (SHRMA).
- DPS will combine the **contracts and purchasing functions** and cross train procurement specialists in order to maximize personnel resources.
- An assessment of **printing operations** by data personnel resulted in procedure changes that will save 1,664 man hours per year.
- An assessment of the **certified mailer processing** will eliminate duplicity with an estimated savings of 250 man hours per year.
- As a result of this audit, DPS is reducing **mail center operations** by moving mail processing to State Mail and mail sorting to the U.S. Post Office. Over time, manpower and costs will be reduced.

### **Department of Revenue (LDR)**

The Louisiana Department of Revenue (LDR) is tasked with administration of applicable laws and revenue collection to fund state services. The Department recommends the following activities to enhance productivity and efficiency.

#### ***Eliminating Unnecessary or Duplicative Functions***

- **Zero Balance Due Inheritance Tax Returns**—For deaths that occurred *before* July 1, 2004, heirs are required to obtain a receipt from the Department of Revenue certifying that all inheritance taxes have been paid. Even though a receipt is not required for deaths that occur *after* June 30, 2004, some attorneys still come to the headquarters and regional offices to file a zero balance due inheritance tax return and obtain a receipt. The Department recognizes this problem and has brought it to the

attention of the Legislature. Act 2008, No. 822, was enacted to repeal the inheritance tax law, R.S. 47:2401–2426, effective January 1, 2010, and Senate Concurrent Resolution 27 and House Concurrent Resolution 5 were adopted during the 2008 Regular Legislative Session to request the Louisiana State Law Institute to study and make recommendations concerning the changes necessary to the Code of Civil Procedure and elsewhere due to the phase out of inheritance tax. Once the Louisiana State Law Institute makes its recommendations, the Department will work with the legislature to enact and publicize the necessary changes.

- **Minimum Corporation Franchise Tax**—Revised Statute 47:601 imposes a corporation franchise tax on any corporation organized under the laws of the state of Louisiana, with a minimum tax of \$10 per year. Even if a corporation is inactive or no longer doing business in the state, the \$10 minimum corporation franchise tax is due until the corporation is dissolved through the Secretary of State. Assessments for the \$10 tax continue to be issued and assigned to the Collection Division and Regional Offices for collection. Often the cost of collection, if the assessment can be collected, exceeds the tax amount due. Cost-benefit data should be compiled and presented to the legislature to repeal the \$10 minimum corporation franchise tax.
- **Administration of Tax Credits**—Economic development tax credits are increasingly complicated to administer and divert significant LDR resources from the agency’s core mission of administering tax statutes and collecting revenue. Particularly difficult to administer are the transferable tax credits allowed by the motion picture investor tax credit, the historical rehabilitation tax credit, and the new markets tax credit. The credit transfer feature requires LDR to track the credits from the time they are earned to the time that they are claimed—several transfers later—which is a very expensive process. Providing a refundable tax credit would seem to achieve the economic incentive more efficiently.

Other economic development incentive credits require LDR to determine if businesses have complied with the terms of LED contracts. While LDR clearly should accept tax credits granted by the state to specific persons, it is not the appropriate agency to determine what actions warrant a credit or which person can claim a credit. Whether or not an economic incentive credit is earned and who is entitled to claim the credit should be determined by those in the business of economic incentives, with LDR merely accepting specific credits for specific amounts presented by specific persons, all as determined by those charged with administering economic incentives. An example of a properly administered credit is the payroll rebate portion of the quality jobs incentive. In that credit, LED notifies LDR of how much to pay to whom, and LDR issues the check. This is appropriate since the incentive contract is between the taxpayer and LED, and LED is best positioned to know if the jobs created are of the type to earn the incentive.

- **LDR as Transfer Agent.** There are three areas in which LDR is required to use the tax system as a mechanism to make transfer payments that should be changed:
  1. The inventory tax credit and credits for taxes paid with respect to vessels in Outer Continental Shelf Lands Act Waters reimburse persons who paid certain property taxes to local governments for the taxes they pay. The businesses pay property taxes to local government and are then reimbursed by the state via a refundable tax credit on the income tax return of the business. A method that would be

cheaper and safer from potential fraud and less burdensome to businesses would be for the local governments to bill the state directly for these amounts. This would also speed processing of refunds paid not only to these businesses, but would speed payment of refunds to all taxpayers.

2. The individual income tax credit for amounts paid by active or reserve military or their spouse or dependent for a Louisiana noncommercial hunting or fishing license provides free hunting and fishing licenses for certain persons. Instead of not charging these persons for the licenses, the individuals must pay for their licenses and then claim a credit on their income tax return. DWF should issue the free licenses and receive a General Fund reimbursement for the costs.
  3. The Sports Facility Assistance Fund is funded by the individual income tax paid by nonresident professional athletes. This requires LDR to identify the amount of income tax paid by nonresident professional athletes, which requires the athletes to file on a special income tax return. Administering the \$2.6 million in taxes paid and dedicated to the fund requires a disproportionate commitment of LDR's resources. It would be more efficient to transfer funds from the General Fund to the Sports Facility Assistance Fund.
- **Re-Consider Participation in the Volunteer Income Tax Assistance (VITA) Program**—Employees at headquarters and regional offices are trained and certified to complete federal and state income tax returns in conjunction with the IRS Volunteer Income Tax Assistance (VITA) Program. The Department may reconsider continued participation in the VITA program as the number of taxpayers being served is low and may not maximize costs incurred for collections. A cost-benefit analysis should be completed, making note of the community service provided
  - **Front-End Processing**—The Revenue Processing Center (RPC) is responsible for the front-end processing of tax documents, including mail receipt and opening; document preparation; imaging; data entry; and remittance processing and deposit. RPC's processing activities are similar to those performed by other state agencies. The processing activities of other state agencies should be examined to see if existing resources can be leveraged and consolidated in a centralized location or agency to eliminate duplication of efforts. For example, RPC is currently working with LWC to perform certain front-end processing functions for that agency.
  - **Quarterly Accounts Receivable Report**—The Department should support the Office of Statewide Reporting and Accounting Policy (OSRAP) in their efforts to determine whether the accounts receivable report required by R.S. 39:79(C) is still needed and, if it is not, work with the Commissioner of Administration to have the subsection repealed.
  - **Surface Mining and Reclamation Fee**—The collection and administration of these taxes and fees should be assigned to the Public Service Commission.

#### ***Improving Technology and Administration***

- The **use of technology** should be expanded in the following ways:
  - Expansion of electronic services;
  - Secure wireless access from remote sites to allow expanded field processing;
  - Automated interfaces to the tax administration system; and

- Enterprise Content Management, including workflow solutions for service-oriented sections, email archival, and records and forms management. Sections are seeking an electronic manner to route documents and obtain approvals.
- **Outsourcing**—LDR should consider the cost-benefit of identified outsourcing recommendations and prioritize resources to implement those ideas with the greatest payback in terms of increased effectiveness and efficiency and enhanced customer service.

## **Department of Social Services (DSS)**

The Louisiana Department of Social Services (DSS) is responsible for developing and providing social services and improving social conditions for the citizens of Louisiana, and for rehabilitating persons with disabilities for employment. The following findings are from an audit conducted before Interim Secretary Kristy Nichols joined DSS in September 2008. Secretary Nichols plans to conduct another audit which will be forthcoming in early 2009.

### ***Partnerships and Coordination***

- **Stakeholder Forums**—DSS holds regional stakeholder forums approximately every six weeks across the state. These opportunities for dialogue between senior staff and community partners, including other state agencies, state and local elected officials, and others foster increased clarity regarding DSS’s mission. Themes, recommendations, and critiques that result from the exchange help to shape public policy and strategic direction for DSS. Summaries of each of the forums are posted on the DSS website.
- **Continuity of Operations Plan**—DSS has created both a Continuity of Operations Plan (COOP) and a Pandemic Flu Plan in order to maintain essential functions in the face of a disaster. These plans outline how the Department would continue those functions critical for public safety and services 72 hours after a disaster. The COOP should be expanded to include functions beyond the initial 72 hours after a disaster, as well as training and testing. DSS has several key dependencies on other state agencies in order to maintain its functions; thus, coordination from the state level is needed to ensure smooth implementation of the COOP.

### ***Duplicative or Overlapping Services***

- **Front Screen Integrated Service between DSS and DHH**—DSS and DHH have begun an analysis of areas in which the two departments can work collaboratively to enhance service delivery and agency performance while reducing duplication of data, data entry, services, and IT systems in order to increase cost effectiveness and system efficiencies. Collectively, both departments—and more importantly, citizens—can benefit from an online screen for eligibility determination and submission of applications for services. It is clear that implementing Increment 2 of ACCESS will provide additional cost savings through integration of DHH and DSS services, while also providing DHH and DSS clients a more user-friendly environment in which to access state services.

- **Mental Health Services**—Statutorily, the Office of Community Services (OCS) OCS is charged with ensuring that children’s needs are met, including psychiatric hospitalization, therapy, and other mental health services. OCS also provides mental health treatment for parents of children at risk in their homes. Similarly, the DHH Office of Mental Health operates the mental health clinics. When a psychiatric hospital funded by Medicaid is providing services to an OCS child and finds the child to be mentally stable, Medicaid stops paying for the child’s hospital stay. OCS then uses state funds to continue the child’s stay until the child can be placed elsewhere. DSS and the DHH Office of Mental Health should work collaboratively to give priority to the state’s children and continue to maximize federal resources and leverage the state’s investment as much as possible, maintaining the highest level of care for each child until he/she is prepared for a stable, healthy placement with a family (home, foster, adoptive).
- **Special Medical/Dental Services**—In accordance with R.S 46:51, 283, and 286, there are many medical and dental services that are not covered by Medicaid, but are required by court order for OCS children. When Medicaid refuses to pay, if the service is necessary for the child’s well being, the agency is asked to use state funds to cover the costs. DSS, DHH, and the Division of Administration should collectively evaluate current processes and procedures to assess whether opportunities exist for improved outcomes.
- **Refugee Resettlement Program/Medical Assistance (RMA)**—This program is very similar to the Department of Health and Hospitals’ Medicaid Program. In recent years, DSS has served fewer than 50 refugees per year. If approved by the Division of Administration, DSS will proceed with the transfer of this program to DHH. A signed letter has already been forwarded to initiate the transfer.
- **The Missing and Exploited Children Information Clearinghouse**—While the clearinghouse is an essential function linking families, law enforcement, other state clearinghouses, and the National Center for Missing and Exploited Children, it is housed within State Police or the Office of the State Attorney General in all other states. Transfer of this service to Louisiana State Police should be considered.

#### ***Administration and Management***

- **Contract Transparency**—The Contract Management System will provide the data necessary for leadership to efficiently and effectively monitor and analyze the flow of contracts through DSS. This system will provide transparency to both the vendor community and the public through almost instantaneous access to contract status and system statistics.
- **Louisiana Child Placing Agency Annual Statistical Report.** Since 2002, a staff person of the Bureau of Licensing has collected data and documents for the Louisiana Child Placing Agency Annual Statistical Report. However, the information provided in the report has not been used for any purpose, and filing the report is not a federal requirement. The DSS Secretary should consider the necessity and value of continuing this practice.
- **Child Protection Investigations**—Timely completion of child protection investigations is an area where program target outcomes have not been reached and is a major child welfare concern nationwide. There are several reasons why this

performance target remains elusive, such as the demands of computer data entry on staff, high worker turnover, and delays in hiring replacements. Improvements are needed in the area of workforce development, which may include such strategies as on-the-job mentoring and coaching.

- **IT-10 Approval Process**—The IT-10 approval process is both redundant and time-consuming and should be reformed. IT budget information is contained in departmental budget documents, and processing an IT-10 can take as long as 90 days. This procedure lacks value because technology procurement must be approved by the Office of State Purchasing and conform to those rules.

### ***Outsourcing***

- **Residential Licensing**—DSS should aggressively evaluate the feasibility of outsourcing the residential licensing functions via contract. Approximately 300 facilities are licensed through the remaining operation within DSS's Office of the Secretary. Roughly 200 of these facilities are adult residential, such as assisted living facilities. Service delivery expertise is lacking within DSS, but this function is vital and must meet performance expectations.
- **Best Practices**—The Office of Family Services (OFS) is negotiating the transfer of the Child Care Repair and Improvement Grants to LSU in order to infuse best practices in child development into the process while relieving parish and regional offices of the intense clerical function. This move would also allow better tracking of the use of these funds and would logically decrease the number of fraudulent claims.
- **Customer Service**—Additional outsourced customer service staff for Enforcement Services needs to be located in the district offices, the courts, and the district attorneys' offices to provide information and resolve problems. This contract would free up current staff to continue appropriate casework without interruption, creating savings in both personnel time and expenditures.
- **IT Audit**—The Division of Information Services provides IT support to DSS as well as DHH, supports 52 application systems, is networked to 209 offices, and provides on-line services to approximately 10,000 devices. It has a budget of \$36 million and a T.O. of 143. Despite the magnitude of operations, DSS does not have an IT audit function. In 2007, the Legislative Auditor did a limited review of IT operations, and one of their IT findings is that "an IT audit function should be established to provide for review of information systems." DSS is considering outsourcing this function.

### ***Technology***

- **A Comprehensive Enterprise Social Service System, ACESS**—DSS recently completed a top-to-bottom review of its ACESS System project, which is designed to provide a single web-based integrated information system. ACESS is user-friendly, can be modified rapidly to accommodate federal and state programmatic changes, offers integrated case management functionality across DSS, and performs key business operations that improve the DSS service delivery model so that citizens are better served and staff has more time to carry out the department's mission. DSS is preparing to release the RFP for the next increment of ACESS inclusive of the recommendations from a cost/benefit analysis and the results of collaboration between DSS and DHH.

- **LASES System**—Web-based upgrades will allow this program to move away from performing case management activities in the “green screen” environment toward working with user-friendly, web-based screens serving as a front end to the Legacy system. Currently, Child Support Enforcement Services is not a program participating in the ACESS project due to a federal rule. DSS should consider what advantages could be gained for Louisiana and whether the federal government should be re-approached by state leadership. If not, stand-alone development for a web-based child support system should continue.
- **DSS Website**—The re-design site will be launched soon and will provide greater clarity of information and ease of navigation. There will be a direct link for viewing available contract opportunities and details of priority initiatives that are underway. Furthermore, the home page will illustrate up-to-date performance data about program outcomes and budgetary operations.
- **Customer Call Center**—Citizens seeking information regarding their supportive services, such as food stamps, child care assistance, and other temporary assistance, can be more efficiently helped via an automated voice response system combined with the use of live customer service representatives. DSS should quickly evaluate the opportunity to advance these tools within existing resources.
- **Electronic Scheduler**—An electronic scheduler in the Bureau of Residential Licensing would facilitate more efficient scheduling of licensing site-surveys and allow staff to utilize the time saved to work directly with providers. In addition, this technology would allow automatic notices to field staff and management about surveys that have not been completed and notices for missed appointments.
- **Personal Computers**—DSS equips its workforce of 5,000 with computers that require support and routine replacement. It is more economical to lease personal computers, thus eliminating the cost of storage, transportation, installation, and removal.
- **Technology**—
  - Laptop computers for the Child Protection, Investigation, Family Preservation, and Support Services would provide the 24-hours per day, seven days per week availability necessary for ACESS to improve case documentation and timeliness. The use of laptop computers would allow employees to enter case narratives and assessments during their field visits with families.
  - Tablet computers, Blackberries, and Internet air cards would benefit foster care and home development field work with clients and boost staff capacity to effectively and efficiently fulfill their job responsibilities, providing them with greater flexibility in the field.
  - Web cams would benefit foster children and family clients by expanding the options for contact, making it possible for staff to record and present audio and video messages.
  - To help agencies with workforce and succession planning, ISIS HR data should have a LASERS data dump that provides employees’ retirement eligibility dates to replace the current use of “adjusted service dates.”
  - An on-line application system for recruitment and selection would add efficiency and provide measurable improved results. Civil Service should have a system implemented by December 2008.

- The current Org Publisher system is good in that it pulls current position, incumbent, and reporting relationship information directly from the ISIS/HR system; however, the system breaks down the reporting relationship into too many small snapshots. DSS needs the system to portray more supervisory positions and their subordinates in one frame or page, giving the reader a broader, bird's-eye view. As this feature is not available, many agency managers must use staff resources to maintain organizational charts through other time-consuming means.
- The ISIS/HR system has been enhanced for some agencies to provide for the electronic processing of employee leave from beginning to finish. This process saves much paper and staff time and reduces entry errors. DSS is developing an adaptor to use this system through GroupWise to see if this can be accomplished at a cost lower than currently planned.
- Purchasing and contracts for support services are tracked through the cumbersome ISIS mainframe system. They could be streamlined through the use of a more user-friendly, web-based environment.
- The issuance and maintenance of employee authorizations for ISIS User IDs, LaCarte Purchasing Cards, and Bank of America Travel Cards are now tracked in separate software applications. Staff time could be reduced if these functions were integrated into the ISIS/HR system, thus automating changes that occur upon employee hiring, termination, transfer, and retirement. While DSS understands that the ISIS User ID suggestion will be addressed in the ERP upgrade, the other two applications are tracked through the Words software, but might also be considered for inclusion in the ERP upgrade.
- An electronic system for each state department to store new hire induction forms that employees could complete on-line would increase efficiency. Employees could enter their demographic data one time, populating all applicable forms with their name, address, Social Security number, date of birth, employing agency name, etc. Perhaps this capability could be offered via the ERP.
- OCS is putting together a training consortium that will involve contracting with LSU or other universities to provide child welfare training. In addition, some staff recruiting activities could be outsourced, providing agencies with a shorter timeframe for filling certain vacancies and improving the quality of the applicant pool.

## **Department of Transportation and Development (DOTD)**

The mission of the Louisiana Department of Transportation and Development is to deliver transportation and public works systems that enhance the quality of life of Louisianans and facilitate economic growth and recovery in the state. The Department reports the following results of the internal audit.

### ***Outdated Activities***

- **Employee Performance Planning and Rating (PPR) Program**—The Civil Service and DOTD's policies and procedures for governing personnel decisions and actions and for administering the department's PPR program are cumbersome and inefficient. The existing program should be streamlined, extensively utilizing input from a sampling of employees from all levels of state service to ensure that realistic and

beneficial policies and procedures are established. The forms need to be simplified, and the timing of the ratings should correspond to the employees' anniversary dates. Reports should focus on positive results and reduce paperwork, rather than embellishing the process itself.

- **Maintenance Planning Manual**—DOTD's Maintenance Planning Manual has not been updated in several years and needs to be revised to reflect current practices, utilizing the input of key maintenance personnel and the Quality and Continuous Program.
- **Annual Report on Telecommunications Activities**—From a cost-benefit perspective, the required annual report to the Louisiana Legislature regarding DOTD telecommunications permitting activities has become increasingly irrelevant. The significant amount of data collected has only minor fiscal impact compared to the large amount of effort required to produce and review it. This report should be streamlined.
- **Competitive Bidding**—Executive Order KBB 2007-10 requires that anything over \$1,000 be bid competitively. The rapidly rising cost of all products since the Executive Order was established has resulted in an ever-growing list of products that must now be bid, rendering the process extremely inefficient. Consideration should be given to establishing a \$5,000 threshold for competitive bids on purchases instead, balancing the need for the bid process with practical reality to maximize efficiency.
- **Hiring Process for Employees from Other ISIS Agencies** The DOTD practices governing information gathering for employees hired from other ISIS agencies are inefficient in that Human Resource staff must contact the losing agency to confirm leave balances and compute adjusted service date despite the fact that this information is already in ISIS from the previous employer. Existing procedures should be streamlined.

### ***Unrelated Activities***

Within DOTD, there are five entities that provide administrative support services, such as human resource services and financial services, to entities that are not DOTD sections. In some instances, federal law mandates this partnership—with parish and local government, for example. In other cases, state law requires DOTD to perform certain functions, such as financial or administrative support for the Louisiana Transportation Authority and the Crescent City Connection Division.

However, support for at least two non-DOTD entities can and should be adjusted:

- Louisiana Professional Engineering and Land Surveying Board (LAPELS)—two staff, which should be transferred to the LAPELS budget.
- Sabine River Authority—three full-time equivalent staff, which should be transferred to the Authority's budget.

### ***Overlapping Activities***

Several activities are being performed by multiple state agencies:

- **Coastal Issues**—Both DOTD and the Coastal Protection and Restoration Authority (CPRA) provide levee district permit advisory services and levee inspection oversight—CPRA in the coastal zone and DOTD statewide. This dual system could

potentially lead to non-uniform interpretation and application of statutory requirements in different areas of the state. Increased coordination in this area is vital.

- **Rainwater Runoff Collection**—DOTD’s District 62 personnel are required by the Louisiana Department of Environmental Quality (DEQ) to collect rainwater runoff samples at specified locations based on the intensity of rainfall in the areas. This places further strain on work forces that have already been reduced per legislative mandate. The Secretary will work with DEQ to re-evaluate this policy to determine its feasibility and usefulness in deterring groundwater contamination.
- **Water Well Inspection Program**—DOTD’s District 62 personnel are required by state law to locate and perform structural inspections of all water wells in their assigned area (over 1,000), including private wells. The Department of Health and Hospitals (DHH) is similarly required to test the water in each of these wells, so there is overlap in regards to state agency oversight.
- **Mobile Weight Enforcement**—The Louisiana Department of Public Safety/Office of State Police has sole authority to perform mobile weight enforcement activities, while DOTD is mandated with stationary enforcement. Truck volumes are increasing rapidly, and the number of officers dedicated to weight enforcement has decreased to mandated personnel reductions. The Department is working with State Police to determine the most cost-effective solution to improve mobile weight enforcement, but avoid repetition or duplication across agencies.

Within the Department, the following activities are duplicative:

- **Permitting Process**—DOTD Districts issue certain permits that must be reviewed not only by District Traffic Engineers, but then by Traffic Engineers at DOTD Headquarters, as well. This is inefficient and hinders productivity and response time. The existing process should be reviewed, and unnecessary steps in the approval process should be eliminated.
- **Dam Safety Program**—DOTD is required by state law to inspect all dams. Districts have historically been responsible for such activities within their areas; however, there are some Headquarters personnel who perform the same work in a duplication of effort. Clarity is needed, and dam inspection duties should be assigned either to the District or to Headquarters personnel.
- **Construction Change Orders**—DOTD’s District construction personnel are preparing both manual (paper) and automated (electronic) versions of the same change orders for projects. If possible, the online Site Manager should be used to prepare all Change Orders, and paper forms should phase out.
- **Daily Passenger Vehicle Log**—DOTD’s District personnel are required by the Department to maintain Daily Passenger Vehicle Logs, yet this same information is also contained in the required Bi-Weekly Equipment Report. This is a duplication of effort, and the logs should be eliminated in favor of reporting the required information on the bi-weekly report.

- **Data Network Responsibilities**—DOTD’s Information Technology (IT) and Intelligent Transportation System (ITS) sections are each responsible for certain elements of the Department’s data network management functions. The IT section has personnel that deal with the functionality of the network, while ITS deals with design and infrastructure needs. The current organizational structure should be reviewed, as it may be advantageous for DOTD to combine all data network-related functions under one section.
- **Budget Activities**—DOTD’s Financial Services currently conducts budget-related activities for capital outlay and other transactions. Meanwhile, the Budget Section performs these same types of activities for the operating budget. After examining these processes, it may be warranted to transfer all budget-related responsibilities to the Budget Section.

### ***Performance Reporting***

All five DOTD departments have performance indicators reported in LaPAS. Effective fiscal year 2009, all departments within DOTD have documented scorecards and procedures for collecting, calculating, and reporting for their respective performance indicators. During 2007 and 2008, a Quality and Continuous Improvement Team facilitated department-wide training to educate the entire workforce on how to establish effective performance measures that aligned with the Department’s strategic plan. The strategic plan developed by the entire leadership team and their respective teams was completed following established performance management guidelines.

On a monthly basis, the entire agency completes web-based scorecards that are used to track performance and behavior. The Secretary will meet with staff directly reporting to him on a quarterly basis to discuss scorecard results. The scorecard performance measures and indicators are in parallel to the performance measures and indicators that are reported on a quarterly basis through the LAPAS system. The department also maintains dashboard measures that can be found on the website, providing transparency to the public with regard to its performance.

### ***Outsourcing***

Seven section and district heads reported possible opportunities for outsourcing functions with their sections. Although specific cost savings were not identified, these section/district heads reported that outsourcing these functions would free up section staff to focus their activities on the section’s core mission requirements. At this time, DOTD is in the process of hiring two consultants for “contract audit work” to assist with the growing backlog of audit requests—one example of outsourcing in the Department.

### ***Technology***

- Enterprise Resource Planning project (ERP/LaGov), if implemented as planned, will solve many problems of redundant data entry, will improve workflow, and will eliminate the need to produce reports.
- DOTD is developing a GIS database to improve access to information.
- Headquarters and district personnel submitted various requests to upgrade outdated technology to improve efficiency, which the Secretary will provide to the

Commissioner for evaluation and consideration, particularly in the design of the new ERP system.

## **Department of Veterans Affairs**

The Louisiana Department of Veterans Affairs assists Louisiana veterans and their dependents in receiving federal and state benefits, and delivers quality services at War Veterans Homes and Veterans Cemeteries across the state. The Department recommends the following actions to improve efficiency in veterans homes and at headquarters.

### ***Louisiana War Veterans Home System***

The Louisiana War Veterans Home system represents a Louisiana commitment to its disabled wartime veterans by providing healthcare in their time of need. The Department has already implemented the following reforms:

- Instituted the federal Medicare reimbursement program in three of five homes and will expand the program to all five;
- Centralized the accounting system, the purchasing system, and the dietary departments;
- Automated environmental systems to turn off and on energy systems at appropriate times;
- Implemented an emergency preparedness network in all five facilities;
- Implemented lawn contracts in lieu of board staff to save costs; and
- Instituted recycling of printer toner cartridges, cooking grease, motor oil, and paper products.

The system plans to undertake the following:

- Centralize the pharmacy departments;
- Establish additional contracts with the Veterans Administration to capture cost savings;
- Institute a paperless nurse charting system; and
- Institute time clocks in lieu of sign-in sheets.

### ***Office of Management and Finance***

The following reforms have been implemented at the Department's headquarters in Baton Rouge:

- Designated a state-wide Performance Planning and Reviews (PPR) trainer to conduct mandatory PPR classes, thus saving travel funds for employees to take this training;
- Streamlined accounting and human resource personnel and standardized this software;
- Converted a position to a statewide procurement officer to facilitate bulk purchases as well as streamline the purchasing process for all programs; and
- Maximizing federal and self-generated funds.

Future streamlining and cost-saving activities will include:

- Adopt the state ERP system, which should demonstrably improve administrative business performance and reporting;

- Recruit and hire an independent auditor;
- Rearrange office space to maximize efficiency, productivity, and integration; and
- Explore the possibility of transitioning to one budgetary unit after full implementation of the ERP system.

## **Department of Wildlife and Fisheries (LDWF)**

The Department of Wildlife and Fisheries is charged with the responsibility of managing and protecting Louisiana's abundant natural resources. Secretary Robert Barham reports that action in the following areas would increase productivity and efficiency at LDWF.

- **Maximize federal funds** for certain activities, such as the construction and maintenance of boat ramps.
- **Cut administrative costs** by ceasing to purchase clothing items for personnel that are not uniforms and by sending fewer notifications to employees' homes in the US mail. In addition, a multi-year contract for legal services relating to land acquisition would save taxpayer dollars.
- **Reduce travel expenses** through the following:
  - Change existing law so that expense allowances are no longer subject to retirement contributions. The savings at LDWF alone would be over \$100,000 annually.
  - Increase scrutiny of out-of-state travel requests.
  - Purchase smaller, more fuel efficient vehicles.
  - Cut back on employees' home storage privileges of state vehicles.
  - Increase teleconferencing for staff meetings.
  - Conduct mandatory training online, rather than in classrooms.
- **Improve recruitment and retention** of employees by continuing to offer flexible work schedules; relying on permanent staff rather than making temporary hires whenever possible; and by allowing administrative positions to be domiciled in areas other than Baton Rouge.
- **Improve customer service** by simplifying the license structure; reducing the amount of required paperwork and the amount of time required to complete it; providing better information on the Website, such as a cross reference of activities (e.g., hunting, fishing, bird watching) available at various locations.
- **Eliminate repetitive or inappropriate functions** in multiple state agencies, such as:
  - Fish sampling, which is currently performed by two state agencies;
  - Boat titling, which may be more efficiently implemented by the Department of Motor Vehicles (DMV); and
  - Management of state agency mineral leases, which may be more appropriately housed at the Louisiana Department of Natural Resources.
- **Outsource** time-consuming data entry would allow professional biological staff to be more effective by focusing on data analysis, not input.
- **Make technological improvements** to facilitate license purchases by LDWF customers and to improve efficiency through the integration and standardization of

scanning applications, which would ensure compatibility of these systems and be of great benefit to future generations of LDWF employee.

### **Governor's Office of Coastal Activities (GOCA)**

The Governor's Office of Coastal Activities (GOCA) directs and coordinates the development and implementation of policies, plans, and programs for conservation, restoration, creation, and nourishment of coastal resources. The Office has taken the following steps to change laws and policies in partnership with federal, state, and local stakeholders that will improve the State's efficiency, performance, and cost effectiveness as it relates to hurricane protection and coastal restoration.

#### ***Better Coordination and Management***

- **Executive Order BJ 2008-07**— Governor Bobby Jindal's seventh executive order improves the efficient implementation of the state's Comprehensive Master Plan for a Sustainable Coast by requiring all state agencies "to carry out their regulatory practices, programs, grants, contracts and other functions vested in them in a manner consistent with the Master Plan and public interest."
- **Eliminating Stovepipes in State Government**—Prior to the 2008 Legislature, state law required the Department of Transportation and Development to carry out all hurricane protection activities and the Department of Natural Resources to carry out all coastal restoration activities. Legislation requested and subsequently enacted by the Governor's Office eliminated this obstacle to integration. Together with the establishment of the Office of Coastal Protection and Restoration, this will allow for improved hurricane protection for south Louisiana communities and the sustainability of our coastal wetlands.
- **Coordinating Mitigation Activities in the Coastal Zone**—Under legislation proposed by the Governor's Office and passed in 2008, GOCA is responsible for coordinating disparate mitigation activities in the coastal zone of the state. Improving the coordination will ensure that wetlands restoration and protection is advanced in a systemic manner and will save taxpayers millions of dollars.
- **Expanding Capacity to Improve Coordination of Coastal Activities**—In 2007, the Legislature provided for an additional five positions within the GOCA. Under the new organizational structure, significant increases in responsibility have been assumed by the office. GOCA has increased the capabilities and depth of the office by adding expertise in the legal and coastal project implementation fields. Policy and legal changes have been made to improve the coordinator functions of the office.
- **Beneficial Use of Dredge Material**—The U.S. Army Corps of Engineers spends nearly \$200 million annually dredging navigation channels in south Louisiana. Unfortunately, the dredged material is usually sent to the deep waters of the Gulf of Mexico rather than being beneficially used to restore coastal Louisiana. GOCA has been working closely with the U.S. Army Corps of Engineers to improve the beneficial use of dredged material from navigation channels for coastal restoration activities. By coordinating restoration efforts with navigation dredging, significant cost savings result.

- **Cutting Meal Expenses**—GOCA recently reversed a policy imposed by previous administrations that provided for state-funded meals at regular meetings of the Coastal Protection and Restoration Authority and the Governor’s Advisory Commission on Coastal Protection, Restoration and Conservation. This decision will save thousands of dollars each year that will now be dedicated to coastal restoration and protection efforts.

***Maximizing Federal Dollars***

- **Greater New Orleans Hurricane Protection Cost-Share Payment Extension**—The Governor and GOCA successfully negotiated a traditional 30-year payout for the \$1.8 billion non-federal cost share that Congress originally asked be paid by the State in just three years. The State will not begin paying principal and interest until after the 100-year levee projects are completed in 2011, and the annual payments will be \$95 million to \$105 million a year.
- **Hazard Mitigation Grant Program**—GOCA and the Louisiana Recovery Authority (LRA) are utilizing Hazard Mitigation Grant Program (HMGP) funds from the Federal Emergency Management Agency for the first time to restore coastal wetlands in Louisiana. HMGP is designed to provide states/communities with funds post-disaster to prevent future damages from natural disasters.
- **Federal Coastal Impact Assistance Program**—Under federal law, the State may use Coastal Impact Assistance Program (CIAP) funds provided by the U.S. Department of the Interior to match U.S. Army Corps of Engineers monies for coastal restoration and hurricane protection efforts. Under the CIAP program, the State and coastal parishes will receive in excess of \$500 million over the four-year program life to advance the state’s Master Plan for coastal Louisiana. The savings resulting from the matching of CIAP dollars with federal dollars will allow the state to expedite the implementation of other coastal restoration and hurricane protection efforts.
- **Reducing State Costs and Expediting Hurricane Protection**—GOCA was successful in securing an agreement with the U.S. Army Corps of Engineers to allow any land acquisition costs associated with hurricane protection on the Inner Harbor Navigation Canal (St. Bernard and Orleans parishes) to be credited toward other state liabilities. This new agreement establishes a precedent that will result in the State receiving up to \$30 million in credit for land acquisition costs for hurricane protection in this area.
- **Land Acquisition Savings for Mississippi River Gulf Outlet**—The State previously agreed to acquire lands, easements, rights-of-way, and other interests associated with the Mississippi River Gulf Outlet closure. GCOA is currently finalizing an agreement with the Corps of Engineers that will result in the federal government acquiring the lands or the state receiving credit for any expenditures incurred as a result of this acquisition. Under this agreement, the State will save over \$1 million.
- **Adjusting Overhead Rates**—As a result of GOCA’s recent effort to ensure that the State’s full expenses are credited toward non-federal cost share responsibilities, Louisiana will see a reduction of millions of dollars in cash contributions to the U.S. Army Corps of Engineers.

## **Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP)**

The Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) is the state agency mandated to prepare for, prevent, and respond to natural and man-made disasters. The Office reports the following activities to streamline and increase productivity.

### ***Strengthening Management, Coordination, and Accountability***

- **Emergency Management Structure Established for State of Louisiana/Enhanced Communications with Stakeholders**—Senate Bill 797, sponsored by Senator Michael Walsworth, Co-Chairman of the Joint Select Committee on Homeland Security, was signed into law by Governor Bobby Jindal as Act 797 following the last legislative session. The bill was drafted with the assistance of GOHSEP to codify an effective and workable emergency management structure for the State of Louisiana and to address lack of communication and partnerships with state agencies, local first responders, and parish OEP directors. The law significantly enhances and strengthens emergency management in the State of Louisiana and the role of GOHSEP by establishing a more proactive and strategic Unified Command Group (UCG). Currently, the UCG, under the direction of the Governor as the Unified Commander, is typically activated in response to an emergency or during the annual disaster exercise. The new law requires the UCG to meet quarterly, to examine major emergency management and homeland security issues impacting the state, and to develop cost-effective and workable solutions.
- **Public Assistance Payment Process**—When Governor Jindal took office in January 2008, the average length of time for an applicant of the Public Assistance Program to receive payment was between 45 and 60 days. This original process provided for a thorough review of reimbursement requests to ensure full compliance with the grant program and to minimize reimbursement exposure by the state to FEMA upon closeout, but caused a cash flow problem for many of the applicants. GOHSEP implemented the Express Pay System by segregating the payment process from the review process, thus reducing the turnaround time from 45 to 60 days down to approximately seven business days. This has allowed GOHSEP to address the cash flow problems of the applicants while maintaining the integrity of the review process.
- **FEMA/State Partnership**—Subsequent to Governor Jindal taking office, GOHSEP and the Louisiana Recovery Authority proposed a FEMA/State Partnership Summit to discuss a number of policy issues that were impeding the recovery process. FEMA agreed to the summit process and fully participated with senior headquarters administrative personnel. There were a number of positive outcomes from the summit, including:
  - Applicants were concerned that the appeals of FEMA decisions lacked “due process” in that the FEMA’s Louisiana office was making initial decisions and then rendering appeals determinations on those same cases. FEMA agreed to transfer the appeals process to Region 6 for an independent review and to allow an oral hearing as a second appeal at FEMA headquarters.

- FEMA policy had restricted payment of overtime to emergency responders, but they now allow payment of overtime for up to two weeks for fire-fighters at an additional cost of several million dollars.
- The State identified a substantial number of projects that were undervalued, which led FEMA to agree to a versioning process that allows GOHSEP to set priorities and track progress of those projects that were undervalued.
- Many applicants with numerous projects were ill-equipped to provide adequate management for those projects, so FEMA agreed to obligate additional funds to provide those applicants with funding to support professional project managers
- **Partnership with the Cyber Terrorism Center (CTC)**—GOHSEP is in the process of implementing off-site data storage and retrieval of backed up data that is accessible 24/7. This includes partnering with the Cyber Terrorism Center (CTC) Project in Bossier City. The State is currently in discussion with the program to co-locate an alternate Emergency Operations Center and Fusion Center. The CTC facility will be constructed and financed by the project including the space identified for the alternate EOC and Fusion Center. GOHSEP also re-designed the local area network at a cost of \$10,000, which increased the internal speed of the network and response time; increased capacity on the network; provided better network management and monitoring of network activity; provided better security; and allows for a clear redirection of network traffic in the event of an interruption of services.
- **GOHSEP Deployment of Mobile Assets**—GOHSEP will deploy mobile assets periodically to provide services to parish and municipal governments who have real-world communication needs in local emergency situations. In 2008, this included Orleans parish for emergency management operations during Mardi Gras, in support of the Mississippi River oil spill clean-up efforts, and for preparedness training at Carville and Monroe. Taking advantage of additional exercise opportunities will also ensure that these systems are properly functioning for use in an emergency situation.

### ***Utilizing Technology***

- **Interoperability**—Louisiana’s emergency responder communications systems are highly disparate, comprised of a mixture between UHF, VHF, 800MHz, and 700MHz, which range from recently deployed to aged and even outdated systems. In addition, the lack of a codified statewide interoperable communications committee hinders the ability to implement statewide guidance or a coordinated planning effort among many of the local and state agencies, resulting in these agencies making decisions that best suited their individual needs and resources. GOHSEP is currently in negotiation with private industry to obtain corporate sponsors. As indicated above, critical legislation passed during the 2008 Regular Legislative Session provides for the creation of the Office of Interoperability within the Governor’s Office of Homeland Security and Emergency Preparedness under the Unified Command Group; an Assistant Deputy Director of Interoperability; and the Interoperability Subcommittee. This statewide committee envisions infrastructure, governance, standard operating procedures, technology, training, and exercises to support a statewide system accessible to all state and local first responders, with capacity and capability to transmit emergency communications across a spectrum ranging from daily usage to a surge during an unknown catastrophic event.

- **“Get A Game Plan”**—This initiative was begun to educate thousands of citizens about hurricane preparedness and personal readiness. In addition, GOHSEP is in discussion with a number of businesses to be corporate sponsors of “Get A Game Plan” and underwrite costs, including paid PSA time on local media.
- **Public Alert and Warning Systems**—GOHSEP has been utilizing a public alert and warning system on a pilot basis and will invest in a permanent system to provide communications with Louisiana’s citizens in times of disasters and emergencies. Functionality of the system will include:
  - telephone notifications to citizens in affected areas (parishes, cities, regions);
  - the ability to provide notification subscriptions to private citizens via email or text messaging;
  - notification to first responders of events in their locale;
  - the ability to provide web presence by parish to the general public for posted alert notifications and other related emergency communications; and
  - the ability for parishes to activate the Emergency Alert System (EAS) through this portal.
- **Virtual Louisiana**—First responders, parish planners, and other governmental workers use this web application to access detailed geographic imagery, data layers, and pertinent information covering location of critical facilities, planning zones, and search and rescue grids, to name a few. This software allows all levels of government to share a common operating picture and view mapping data that was created by local, state, and federal government. GOHSEP is in the process of implementing Virtual Louisiana and currently has over 900 users representing federal, state and local governments.
- **Net EOP**—All participating emergency management stakeholders (parish officials, Emergency Support Function partners, GOHSEP) have access to this web-based application in order to review, update, and maintain current information for how to respond to emergency situations. This ensures coordination between participants and highlights parish shortfalls and gaps in available resources for proper planning at the state level.
- **WebEOC**—This web-based application that fulfills three major functions: situational awareness of events that have a potential impact on Louisiana’s citizens, including resource allocation and incident reporting to mitigate adverse outcomes; mission tracking of requests for assistance from parish and/or state agencies; and communications across multiple real-time platforms to key stakeholders and decision-makers for timely resolution of situations. WebEOC also provides for the creation of historical records for the lessons-learned review process.
- **Stafford Act Grant Management Program Systems (LAPA and LAHM)**—GOHSEP operates two separate information technology systems designed to track and report grant activity included under the Public Assistance and Hazard Mitigation Programs of the Stafford Act. These systems are available to grant applicants and others who have a need for program information. The systems maintain grant status, applicant data, obligated funding, disbursements, and general program information.
- **IT Disaster Recovery Plan**—GOHSEP’s disaster recovery/business continuity plan has been developed to maintain the computer systems that power agency operations during a disaster. The plan is based on deploying the needed assets to other locations and establishing computer and network capabilities. The plan will enable GOHSEP

to establish an alternative location to resume business processes and provide the services that the state and parish partners will need in a time of crisis.

### **Reducing Administrative Costs**

- **Vehicle Use and Distribution**—Due to an inefficient allocation of vehicles, GOHSEP was paying large sums of money for personal vehicle usage in the Public Assistance and Hazard Mitigation programs (all of which is reimbursable by FEMA). The agency determined that employees were using personal vehicles, which placed an additional financial burden not only on the employees, but also through additional travel reimbursement expenditures. Based on the analysis, the fleet was re-distributed to two vehicle pools: the Disaster Recovery Division Headquarters and GOHSEP's Independence Headquarters. On average this has resulted in an estimated monthly cost savings of approximately \$24,000, or \$288,000 annually.
- **Vehicle Rental/Leasing for Recovery Missions**—GOHSEP is pursuing a contract through the Office of State Purchasing to provide additional needed vehicles through a fixed rental process. GOHSEP will have a cost-effective, reimbursable fleet of vehicles to support disaster recovery-related activities throughout the state as needs fluctuate.
- **Fuel Costs**—GOHSEP is seeking to enter into a partnership with Louisiana State Police to supply fuel for GOHSEP's fleet under the State Police contract. The Louisiana State Police receives and distributes its own fuel at a current cost of \$2.50 per gallon, while the GOHSEP Fuelman program currently costs \$3.92 per gallon. This partnership would result in a savings of approximately \$43,000 annually. In addition, State Police may receive additional volume discounts that would result in even more costs savings. GOHSEP is also in the process of negotiating other sources, including minor vehicle maintenance and cleaning that could result in additional savings.
- **Travel Expenditures**—GOHSEP's travel budget was voluntarily reduced from \$1,056,833 in FY08 to \$338,536 in FY09 in order to force the agency to better prioritize travel to conferences and those personnel required to attend.
- **Personnel Policies for Grants Management.** Because of the demanding workload, work environment, and market pressures that create an attractive market for experienced grants managers, the turnover rate for Disaster Recovery Specialists was in excess of 50 percent at the end of 2007. This high turnover rate has had an extremely adverse effect on the state's ability to meet its grants management responsibilities. The agency conducted a market-based review of the skill sets required of a qualified grants manager. Based on that review, a tiered system of performance was developed for these positions, and compensation was adjusted accordingly. As a result, turnover has dropped to less than five percent in the past three months.

### **Louisiana Army National Guard (LANG)**

The National Guard preserves and protects life, property, peace, order, and public safety in the state of Louisiana and provides trained and ready soldiers, airmen, and units for deployment in support of national military objectives. The Louisiana National Guard is

leveraging technology to enhance operations and support a more mobile and versatile workforce. These technological applications include:

- Replacing desktop computers with laptops
- Web-based email to allow access to secure email through the Internet
- Video teleconferencing
- Virtual private networking (VPN)
- Increased Blackberry and cell phone distribution
- Networked printing and document imaging

The LANG is also exploring possible future applications of technology to include:

- Soft phones
- Enterprise VPN
- Network access control
- Enhancement of the LANG website to facilitate organizational transparency to our members

### **Louisiana Workforce Commission (LWC)**

The newly reconstituted Louisiana Workforce Commission (LWC) has adopted a business approach to workforce programs that involves multiple stakeholders and create a more comprehensive and responsive system. The Commission reports the following progress and recommends further action.

#### ***In Progress***

- The LWC is in the process of establishing new performance management policies for Performance Planning and Reviews (PPR). The underlying philosophy of this policy is to improve agency performance by establishing quarterly employee performance expectations that are clearly aligned with the agency's mission, establishing goals that facilitate ongoing communication between supervisors and subordinates, and issuing quarterly performance ratings based on the individual employee's contribution towards the agency's accomplishment of its goals.
- The LWC is currently evaluating the cost/benefit of maintaining internal employees or hiring outside agencies to perform printing, security, and janitorial services.
- The LWC is exploring options to improve the cumbersome cost allocation process. The following steps could begin to decrease the number of unallocated assets:
  1. Incorporate responsibility for agency assets into employee performance expectations;
  2. Require a written explanation, which will be filed in an employee's personnel file, for any property, especially computers, that cannot be accounted for;
  3. Update security measures of facilities.
- The Office of Unemployment Insurance Administration (OUIA) has hired an outside firm, Manufacturing Extension Partnership of Louisiana, which specializes in improving processes for clients to improve productivity.
- OUIA has also partnered with the Department of Revenue to identify common processes such as employee tax collections imaging and scanning of documents and

remittance processing to address the burden of multiple state agencies taxing employers.

- OUIA is in the process of redesigning the automated Unemployment Insurance (UI) information technology system that processes claims and employer tax payments. This includes a state-of-the-art call processing system and an imaging and remittance processing renovations and workflow system. These improvements will allow LWC to answer and route incoming calls based on information provided by the caller and the capability to expand the number of agents in response to a disaster or times of high unemployment. Also, the system will include an enterprise-wide imaging and work-flow engine that will automatically image and distribute the flow of documents to staff desktops.

#### **Further Action**

- The responsibilities of the Fraud Investigation Division of the Office of Worker's Compensation Administration (OWCA) are similar to the responsibilities of the State Police Insurance Fraud Division. An analysis will be performed to determine if efficiencies can be realized while continuing to satisfy business objectives.
- OWCA is preparing a proposal to modify existing law in order to add greater flexibility to the electronic storage of closed worker's compensation disputed records.
- The Second Injury Board (SIB) database of the OWCA was initially designed in 1997 and is becoming obsolete. Technology improvements are required.
- The computer services within the OWCA Medical Services Section will be consolidated.
- Safety at the LWC facility should be improved by installing controlled access security systems on all floors.

#### **Office of the Inspector General (OIG)**

Housed within the Division of Administration, the newly created Office of State Inspector General (OIG) helps prevent waste, mismanagement, abuse, fraud, and corruption in the executive branch of state government. The Office has taken the following actions in response to the request for an internal audit.

- The OIG has **re-organized** into two divisions—the Division of Audit and the Division of Investigation—so that staff could fully utilize their backgrounds and work experience. The Office hired three well-experienced compliance investigators with law enforcement backgrounds. Managers work their own cases in addition to those they oversee.
- A **database** tracks all complaints from beginning to end. For the fiscal year ended June 30, 2008, the Office received approximately 490 complaints.
- OIG meets regularly with various law enforcement agencies in order to **exchange ideas and share resources** when appropriate. In addition, OIG coordinates its activities with the Office of Legislative Auditor to avoid duplication of audit efforts related to state entities, and regularly refers complaints to them when the complaint involves local government.

- OIG uses **AutoAudit for Windows**<sup>®</sup> software. AutoAudit is a comprehensive audit automation solution proven to improve the productivity, efficiency, and consistency of audit departments.
- The Office has migrated from the Division of Administration's **computer network** to its own supported by a private contractor, which will provide greater flexibility for making enhancements.
- OIG used the services of an **independent editor** to review and edit all reports prior to release, which has proved cost beneficial compared to having someone full-time on staff to perform this function.

### **Office of Juvenile Justice (OJJ)**

Housed within the Department of Public Safety, the Office of Juvenile Justice protects the public by providing safe and effective individualized services to youth to become productive, law-abiding citizens. The following findings are from an audit conducted before Interim Deputy Secretary Mary Livers took the lead at OJJ in July 2008. Deputy Secretary Livers plans to conduct another audit, which will be forthcoming in early 2009.

- **Policy and Procedure Review**—The Continuous Quality Improvement Services section is in the process of reviewing and re-writing all OJJ policies to comply with state and federal laws, rules, and regulations, as well as the American Correctional Association accreditation standards and the Council of Juvenile Correction Administrators Performance-Based Standards.
- **Internal Audit**—OJJ re-established an internal auditor position to perform compliance and financial audits of all offices and programs.
- **Procurement**—In 2007, OJJ centralized the functions of procurement, human resources, and accounting, leading to the reduction of nine positions. In addition, moving to a “just in time” process saves staff time, reduces inventories, and reduces the unit cost of items purchased on a recurring basis.
- **Outsourcing**—OJJ is investigating the possibility of outsourcing in some areas, such as pharmacy services.
- **Technology**—OJJ is working to improve its internal data systems. This fall, OJJ will implement the Juvenile Electronic Tracking System (JETS) that will enable the capture of more detailed information regarding youth in custody or under OJD supervision. The improved information in JETS will enable providers of services to use the data to create their monthly invoices. This will increase processing speed and decrease errors.
- **Property Control**—OJJ will purchase property control scanners to ensure that all tagged property is in its assigned location. This will also speed up the process of verifying property during quarterly inventories.
- **Home Storage**—OJJ has reviewed all home storage assignments and limited it to those employees who have a defined and documented business need. This resulted in the deletion of home storage authorization for six employees and saved operating costs, maintenance, and mileage for these vehicles.

- **Time and Attendance**—OJJ had several negative findings relative to time and attendance cited by both internal and external auditors. In an effort to address this situation, OJJ is installing time devices to record the time and attendance of all employees.

## **Conclusion**

The findings and recommendations from each agency contained in this report are a starting point. This report is not an exhaustive list of all possible efficiency and effectiveness actions, nor is every recommendation definitive. Rather, this report is a starting point. As such, copies of this report will be distributed to agencies as well as the Office of Planning and Budget so that potential budget savings can be incorporated into the budget development process.