



LOUISIANA
NATIONAL GUARD

Streamlining Government

MG Bennett C Landreneau
Adjutant General



STATE OF LOUISIANA

MILITARY DEPARTMENT

OFFICE OF THE ADJUTANT GENERAL
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BOBBY JINDAL
GOVERNOR

BENNETT C. LANDRENEAU
MAJOR GENERAL
THE ADJUTANT GENERAL

August 14, 2009

Honorable Angele Davis
Commissioner
Division of Administration
P O Box 94095
Baton Rouge, LA 70804

Dear Commissioner Davis,

I am responding to your memorandum SUBJECT: Commission on Streamlining Government dated Thursday, July 16, 2009.

Attached is our internal analysis of the Department of Military Affairs. We have been thoughtful, candid, and creative in our self assessment and recommendations. Wherever possible, we have investigated privatizing or outsourcing of programs, activities, or functions.

Our submission is focused on accomplishing our required missions with greater efficiency and in collaboration with other departments in Louisiana State Government.

I have assigned Brigadier General Stephen C. Dabadie as the agency liaison and point of contact. His phone number is 225-319-8206 and email address is stephen.dabadie@us.army.mil.

Encl

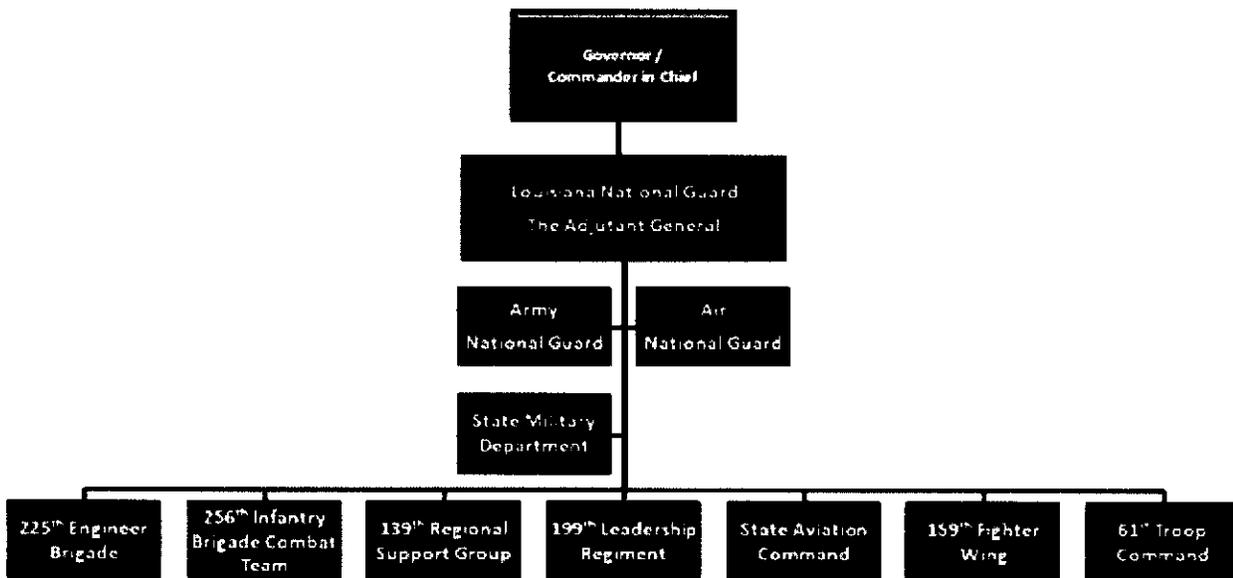

BENNETT C. LANDRENEAU
Major General, LAARNG
The Adjutant General

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SECTION ONE: AGENCY OVERVIEW

The Louisiana National Guard (LANG) is the organized militia for the State of Louisiana, created by state statute as the “State Military Department” and reserved to the state by the Constitution of the United States under Article 1, Section 8. The purpose of the LANG is to prepare for state and federal activation. The LANG is an agency in which the Governor serves as the Commander in Chief. The Adjutant General, Major General Bennett Landreneau, is the governor-appointed commander of the Louisiana National Guard. The LANG’s State Military Department (SMD) is the administrative division of the Louisiana National Guard, which manages the LANG’s state funded programs, state employees and volunteer militia members. Within this document the State Military Department will be further referred to as the Louisiana National Guard.



The Louisiana National Guard is composed of state and federal employees, many of whom serve as active members (Soldiers and Airmen) of the Louisiana National Guard. The LANG has two state funded programs, Military Affairs and Education. The legislature appropriated over \$24 million in state general funds for the operation of the department in Fiscal Year 2009-2010. Both the federal and state governments provide resources to the department, with the predominant amount being received from the federal government. The Military Affairs Program has 428 State employees who provide service and support for approximately 12,000 Soldiers and Airmen of the National Guard. The Education Program has 279 state employees to operate three Youth Challenge Programs, one Job Challenge Program, and one Starbase program, servicing over 2,100 students per year.

The population area served by the Louisiana National Guard includes all sixty-four parishes. A key consideration for this coverage is support to civil authorities which the organization provides to all areas of the state. Many state agencies receive products and services from the Louisiana National Guard. The Governor may authorize or direct the employment of LANG personnel, assets and services in support of city and parish governments.

The Louisiana National Guard also provides installation support and services for over 120 units, approximately 12,000 Soldiers and Airmen, and over 2,500 full-time federal and state employees. The Louisiana National Guard provides buildings, barracks, dining facilities, and maintenance for training and other National Guard unit activities. The department also provides staging areas for troops and vehicles, training ranges for a variety of events (to include weapons qualification and Combat Training Tasks) and hangars for Army and Air National Guard Aviation units. Throughout the state, there are 79 Readiness Centers (armories) and numerous support buildings located in 68 cities, in 45 parishes, covering over 10 million square feet of building space managed by the Louisiana National Guard. LANG manages five (5) large installations at Jackson Barracks (New Orleans), Camp Villere (Slidell), Camp Beauregard (Alexandria/Pineville), the Gillis Long Center (Carville), and Camp Minden (Minden).

The Louisiana National Guard is Committed to Excellence in all Endeavors...Caring for Soldiers, Airmen, Families, Employees...Providing Quality Services. Our Vision and Missions are:

Vision

We envision the Louisiana National Guard as a proud, ready, values based organization that adapts to State, Community, and Federal missions providing a professional response in a changing environment.

Missions

Our **State Mission** is to conduct operations to preserve and protect life, property, peace, order, and public safety under state authority and as directed by the Governor during times of natural disaster and other state emergencies.

Our **Community Mission** is to focus initiatives to enhance community relationships and provide mutually beneficial support. As Citizen Soldiers and Airmen, we live and work in our communities and we enhance our community well-being by actively participating in programs and cooperative agreements that support our role in daily life.

Our **Federal Mission** is to provide trained and ready Soldiers, Airmen, and units for deployment in support of national military objectives as designated by the President of the United States.

Louisiana National Guard Accomplishments

- Global War on Terrorism (GWOT) – The Louisiana National Guard continues to play a large role in support of the Global War on Terrorism. Since 9/11, we have mobilized more than 14,000 Soldiers and Airmen under Operations Noble Eagle (Homeland Security), Enduring Freedom (Afghanistan), and Iraqi Freedom (Iraq). Many Soldiers and Airmen have had multiple deployments in support of these operations.
- Hurricane Rebuild Program – In the aftermath of Hurricanes Katrina and Rita, the Louisiana National Guard is executing the largest and fastest reconstruction program in National Guard history. In just 14 days, the Louisiana National Guard assessed \$480 million in damages from the hurricanes and was immediately supported for funding by the Louisiana Congressional Delegation and the National Guard Bureau.
- Land Transfer of Louisiana Army Ammunition Plant – In December 2004, the Department of the Army conveyed approximately 15,000 acres of federal property, formerly known as the Louisiana Army Ammunition Plant, located near Minden to the State of Louisiana. A condition of the transfer required 13,500 acres to be set aside for military training. The Louisiana National Guard has the responsibility for management of this site. The remaining property, approximately 1500 acres, is being used to support economic development in northwest Louisiana.
- Support to State Interoperability Executive Committee (SIEC) – The Louisiana National Guard supported the SIEC in the actions and meetings of the committee and subcommittees. The Louisiana National Guard provided full-time personnel to support SIEC. The full-time support staff provided planning, organizing, technical advice, and research services, to include fact-gathering and detailed analysis, for the SIEC.
- Louisiana Recovery Authority – The Louisiana National Guard provided personnel to serve in the LRA Operations Center. These Soldiers/Airmen coordinated, tracked, reported, analyzed, and organized information for the LRA Executive Director from diverse organizations and sources throughout the planning phases and beginning of the action phases of recovery. In addition, the Louisiana National Guard provided 40 Soldiers that served as Long Term Planning Coordinators in 20 parishes. These soldiers worked with local parish and city officials, community-based organizations and other professionals to assess the long term needs and offered input into recovery strategies for communities devastated by Hurricanes Katrina and Rita.
- The Louisiana National Guard experiences dramatic workload increases during periods of state emergency and events such as the response to Hurricanes Gustav and Ike. In every instance of State Active Duty every soldier was paid promptly and correctly and all benefits due were timely processed.

Governor's Statewide Goals

The Louisiana National Guard plays an important role in fulfilling Governor Jindal's statewide goals:

- **Emergency Preparedness / Homeland Security** - The Louisiana National Guard is a critical component of the state's emergency response plan. It provides a flexible and robust support structure in support of all state agencies, local civil authorities and Louisiana citizens at large. The LANG supports all fifteen Emergency Support Functions (ESF). Through the Emergency Management Assistance Compact (EMAC), the LANG has the ability to request more than 400,000 additional Guardsmen in support of emergency response missions.
 - The Louisiana National Guard's response to hurricanes during the last decade has been as monumental as it has been unprecedented. Hurricanes Katrina and Rita in 2005, marked the first time in our history that the LANG conducted a Total Mobilization of forces. The call to action for Hurricanes Katrina and Rita was also the largest domestic response of forces ever in United States history and one of the proudest moments for the Louisiana National Guard. During the Katrina and Rita response, more than 8,000 LANG Soldiers and Airmen were mobilized and more than 35,000 Guardsmen from other states were deployed to Louisiana. The response in 2008 to Hurricanes Gustav and Ike marked the second Total Mobilization of forces within three years. While not of the destructive magnitude of the 2005 storms, Gustav and Ike were major catastrophes and tested once again the unique ability of the Louisiana National Guard to provide immediate and extensive support to our citizens. During this response, the Guard evacuated more than 5700 citizens and delivered more than 15 million bottles of water, 13 million pounds of ice, 11 million meals, and 550 thousand tarps.
 - Support to GOHSEP – Emergency Support Function (ESF) 16, Military Support, was created to act as a single clearing house for National Guard Missions from the other ESFs. Since its inception, the Louisiana National Guard has augmented the manning at GOHSEP in order to prepare, respond, and recover from All Hazard events. The Forward Tactical Command Post on-site with GOHSEP provides situational awareness to the Governor, Adjutant General, and other senior leaders and to make military recommendations for the employment of military forces during emergencies.
 - Support to Other Agencies – In addition to its core emergency preparedness mission, the Louisiana National Guard provides expert staff to assist other agencies, such as DOTD and DSS, in maximizing the state's ability to respond to natural disasters and other emergency situations. The Department's Strike Forces, such as those currently employed at DSS addressing sheltering issues and DOTD addressing evacuation issues, demonstrate the diverse capability of our Department personnel.

- Education – The Louisiana National Guard continues to lead the nation in making a difference with the next generation through our Education Programs consisting of Youth Challenge, Job Challenge and Starbase.
 - The Youth Challenge Program is a residential multi-phased intervention program, targeting high school drop-outs between the ages of 16 to 19 years of age.
 - The Louisiana Job Challenge Program is a residential job skills training program designed to serve Youth Challenge Graduates.
 - The Louisiana National Guard Pelican State Starbase program is designed for students in the fifth grade considered at-risk in the areas of math, science, and technology. It is a highly interactive academic enrichment program.

- Economic Development: The LANG’s 2008 Federal Economic Impact was \$1.27 billion. This included more than approximately \$800 million in new construction, repairs and modifications due to the impact of Hurricanes Katrina and Rita and of Hurricanes Gustav and Ike. A Regional Training Institute is currently being constructed at Minden, LA, where Phase I is funded and future phases of construction will bring an additional \$62 million to Louisiana.
 - Beginning in the last quarter of 2010, the Regional Training Institute will be opened at Camp Minden. Once fully operational, the RTI will attract approximately 8,000 students per year from all over the United States, generating a potential estimated economic impact of \$25 million per year.
 - Camp Minden has approximately 1500 acres available for economic development and there are numerous commercial and industrial tenants conducting operations on-site.

- Public Safety – The Louisiana National Guard provides support to civil authorities, which the Governor has used on numerous occasions to help augment local government.
 - The Counter-Drug Task Force has assisted in the seizure of more than \$1.8 million of illegal drugs, weapons, and property in the last Fiscal Year and provides continuing support to local, state and federal law enforcement agencies to deter drug abuse in Louisiana. In addition, the Task Force operates Drug Demand Reduction activities which provide community-based training and information for High School students.
 - Support to New Orleans Police Department – On June 20, 2006, the day after Mayor Ray Nagin requested law enforcement support, the Louisiana National Guard deployed over 300 guardsmen into New Orleans and began operations providing 24/7 law and order support to the NOPD for over 30 months.
 - Special Reaction Team – A 125 member force that provides a quick response capability to support and supplement law enforcement agencies, especially local

community law enforcement. The members of this force receive special training to perform special missions and assist in emergency situations.

- **Transparent and Accountable Government** – The Louisiana National Guard continually strives to adapt and transform itself into a more accountable and transparent organization. Current initiatives include updating of the department's Policy and Procedures Manual, full support and cooperation for the state's Enterprise Resource Program, and redesign and updating of the LANG website to provide timely information of public interest.

Statutory Authority

The statutory authority for the powers and duties of The Adjutant General are contained in R.S. 29:1 to 242. The major powers and duties are:

- Command and Control of the Louisiana National Guard
- Employ staff necessary for operation of the LANG and SMD
- Engage in programs, operations, and military affairs and provide services to the U.S., state, and local government
- Sign all contracts, papers, deeds, leases, agreements, and cooperative endeavors
- Administer, supervise, and manage military installations and other property
- Manage and supervise the Military History and Weapons Museum

There are no mandates which impede the goals and functions of the Louisiana National Guard and there are no suggestions for change to our mandates at this time.

Overarching Reform Goals

The Louisiana National Guard has developed several Overarching Reform Goals to guide the agency in performing its missions in concert with the Governor's initiatives on transparency and accountability, while still providing the expertise inherent in the Department's core competencies.

These Overarching Reform Goals are:

- 1. Effectively prepare for response to and recovery from future emergencies**
- 2. Accomplish our state, federal, and community missions within reduced means**
- 3. Attract federal funds to expand economic development**
- 4. Provide educational opportunities for at-risk youth**

These goals are thoroughly vetted and discussed in regularly scheduled meetings. Additionally, both as part of our Strategic Process and in our continuing process of self-examination, these goals will be regularly monitored, evaluated for performance, and, if necessary, adjusted in order to continue to provide the best level of performance to the citizens that we serve.

Our stated vision, mentioned earlier, completely meshes with the Administration's goal of streamlining government. In every action taken, we are mindful of the need to maintain a "values based" organization that is responsive to the three missions of our agency. We will do so with constant emphasis on maintaining a public input into our actions and on maintaining an ability to quickly adjust to changing environments.

As part of our ongoing Strategic Evaluation Process, and as evidenced in our Army Communities of Excellence applications, we regularly use performance measures and benchmarking methods.

In addition to being constantly ready to perform with distinction our Federal, State, and Community missions, the Louisiana National Guard has regularly conducted interagency activities with other state agencies, resulting in a significant impact in assisting these agencies in preparing for emergency operations. Additionally, such interagency activities help meet the Governor's Emergency Preparedness and Public Safety Goals. Examples of such activities, which also provide mutual aid and support to a variety of other state agencies, are depicted on the chart on the following page.

Strike Forces

Support	Mission	Status
Crescent Guard	Performed Law Enforcement Mission for City of N.O.	Complete
LA Recovery Authority	Recovery Operations from Hurricane Katrina and Rita	Complete
Tactical Command Post Concept at GOHSEP	Provide situational awareness and military recommendations to the Governor, Adjutant General, etc. during emergencies.	Ongoing
LA School District	Performed project Mgt. and Quality Control for DOE in New Orleans Area	Complete
State Interoperability Executive Committee	Assisted with improving interoperability among all agencies of state	Complete
LA Recovery Authority (ARRA)	To provide support and assistance for use of stimulus package	Ongoing
LANG-ESF-7	Provide GOHSEP and Unified Logistic CMD support by managing 3 ea GOHSEP warehouses and an RSA location during non-emergency time periods, becoming part of JFO during times of emergencies	Ongoing
Support to DSS and DOTD	Provide assistance, guidance, and advice to help implement emergency operations procedure planning and to help implement and plan contracts needed during times of emergencies. Evacuation planning and contractual assistance with DOTD and sheltering planning and contractual assistance with DSS are continuous activities with which the SMD is involved.	Ongoing
Support to Governor's Office of Coastal Restoration	Assisted senior leadership with annual master planning, project management, organizational structure, financial management, contracting, and legislative liaison support.	Complete

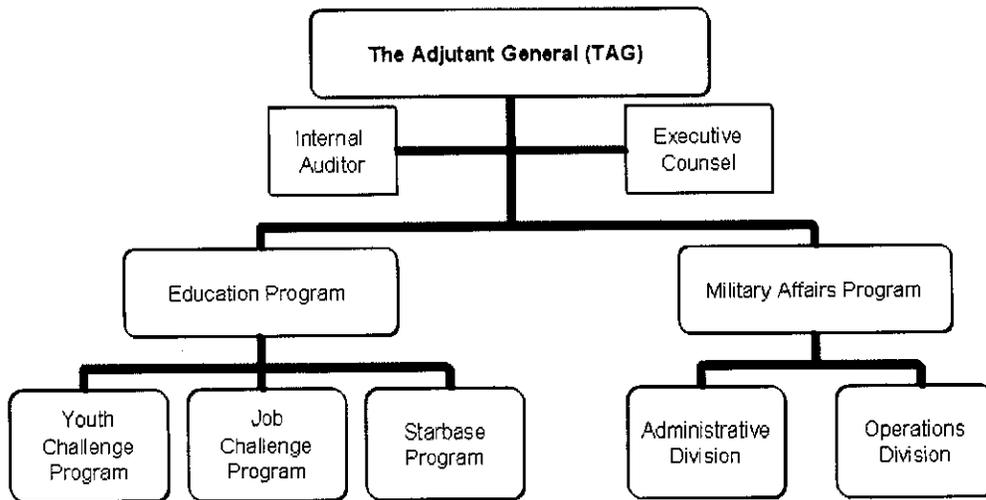
The above activities show not only the Department's multi-talented abilities, but also highlight the degree of inter-agency cooperation existing between our sister organizations. We welcome additional opportunities to be of assistance to other state agencies, both as a means of improving our response capability and as a way of bettering State Government as a whole.

The Commission on Streamlining Government created five subcommittees to aid in the accomplishment of its mission. The State Louisiana National Guard reports, in the following sections, on its activities within the parameters of the respective Subcommittees.

SECTION TWO: EFFICIENCY AND BENCHMARKING

The State Military Department (SMD) uses benchmarking and efficiency measurements to aid in its strategic planning and to determine the effectiveness of its programs. As part of our strategic planning process, we regularly employ these measures and they are constantly refined as part of our self-evaluation process. Before an understanding of our benchmarking methodology can be obtained, it is necessary to first understand the organizational structure of the department.

Structure of the State Military Department



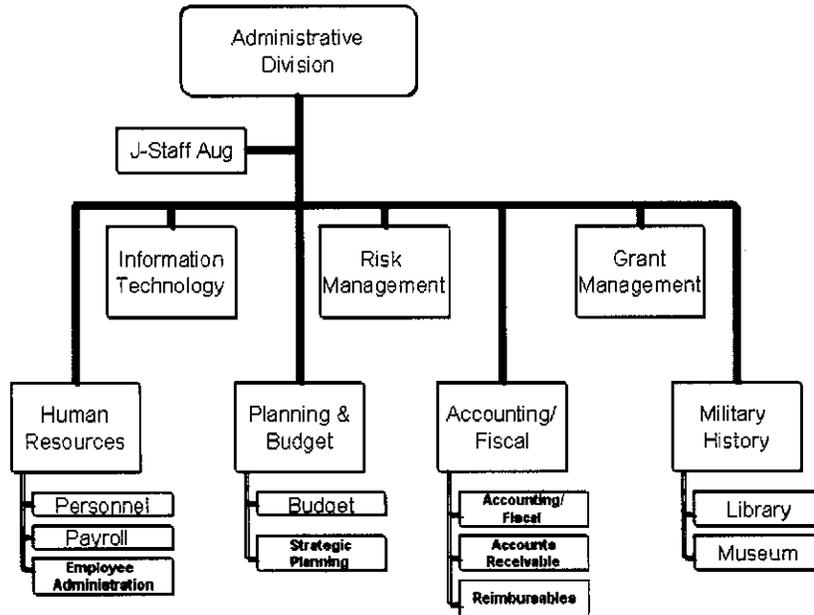
SMD is composed of the Military Affairs Program and the Education Program. The Military Affairs Program has two divisions, Administrative and Operations. The Education Program has three activities, the Youth Challenge Program, the Job Challenge Program, and the Starbase Program.

Program: Military Affairs

Constitutional and Statutory Authority: La. Const. Article IV, Sec. 5(J), R.S. 29:1 to 242

The Military Affairs Program has two divisions, Administrative and Operations.

Administrative Division

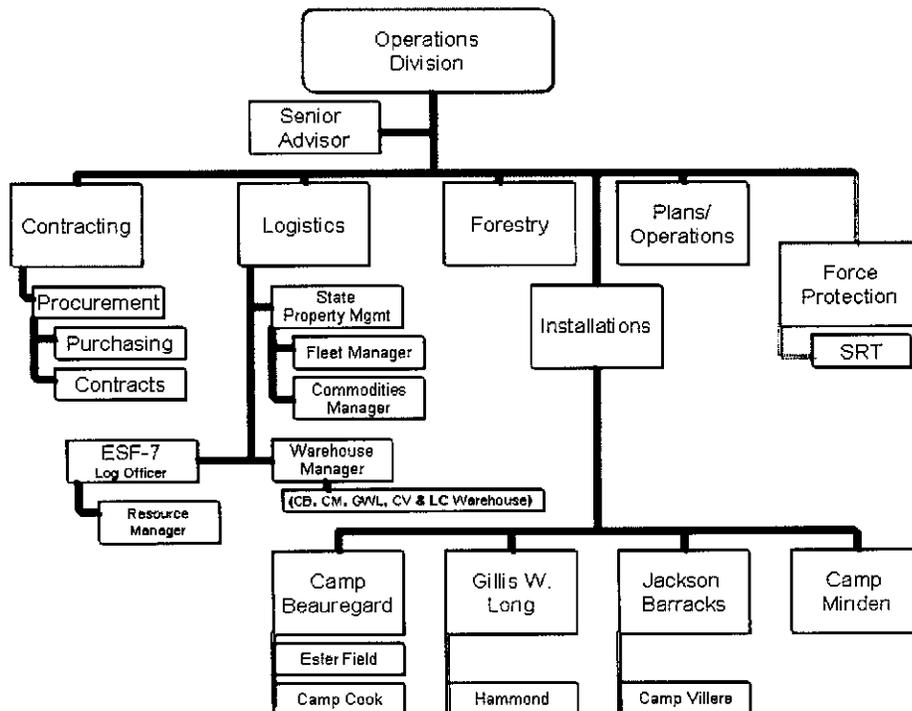


Activities: Administration, Management & Finance

Administrative Division Functions:

The Administrative Division performs Administration, Management, and Finance activities in the following functional areas: Human Resources, Budget, Fiscal/Accounting, Legal, Grant Management, Risk Management and Safety, and Military History/Museums. (See chart above)

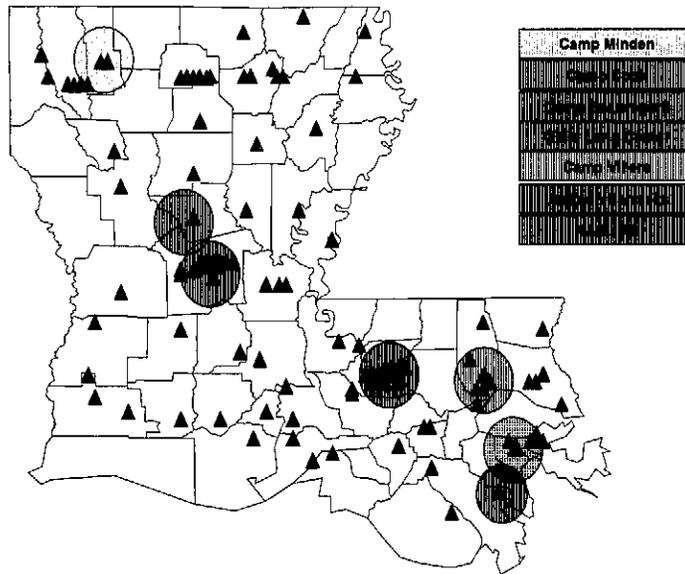
Operations Division



The Operations Division of SMD performs installation management and force protection activities. The Division's major functions are Contracting, Logistics, Forestry, Operations, Installation Management, and Force Protection. (See chart above)

Activity: Installation Management (Operations)

Louisiana National Guard Unit Locations



Installation Management Functions:

The Division's installation management functions include training area management, forestry, tenant support and services, commercial tenant operations, operation and logistics staging areas, permanent and transient housing, facility management and support services, maintenance, and utilities management and maintenance.

Activity: Force Protection

Force Protection Functions:

The Division's Force Protection functions are access control and security, deterrence of criminal activities, response for calls to service, providing a Special Reaction Team for state emergency response, physical security, and initial/in-service security training.

SMD Benchmarking

In order to determine how the size of SMD administrative budget compares to other state agencies, SMD conducted a broad-based comparison of budgets and staffing levels. "Total Department Budgets" were compared to "Department Administrative Budgets" and "Total FTE" to "FTE Admin" using state budget information from the 2005-2006 fiscal year. It is appropriate to count SMD-Education as an administrative responsibility of SMD-Military Affairs given the substantial administrative support provided to SMD-Education.

	Total Budget to Admin Budget	Total FTE	Admin FTE	Total FTE to Admin FTE	Admin Functions
SMD	11:1	699	75	9:1	Fiscal, Budget/Planning, HR, Purchasing, Contracts, Legal, Property, Logistics
SMD Emerg	11:1	8199	75	109:1	Fiscal, Budget/Planning, HR, Purchasing, Contracts, Legal, Property, Logistics
DOC	12:1	6113	188	32.5:1	Fiscal, Budget, HR, Purchasing, Contract Review, Training, Audit, IS, Maintenance, Construction
CRT	21:1	768	36	21:1	Fiscal, HR, IS, Overall Management
DVA	16:1	554	13	42.5:1	Accounting, HR, Purchasing, Training, IS, Veterans Affairs Commission
OYD	5:1	1310	81	16:1	Fiscal, HR, Policy Development, Outreach, Program Admin Outside of Facilities
DWF	8:1	798	82	10:1	Fiscal, HR, Purchasing, Property Control, PR, Licensing, Research
AG	6:1	509	62	8:1	Finance, Budget, HR, Purchasing, Property Control/Fleet, IT, Collections, Governmental Affairs

Functions and Positions comparison to other state agencies

	HR	PURCH	FISCAL	LOG	CONTRACTS	BUDGET	AUDIT	IT	LEGAL	COMM	SPECIAL	MISC	TOTAL	CORE ADMIN
CRT	10	1	11	0	1	7	1	8	2	1	9	6	57	42
OYD	11	7	13	0	4	1	1	15	6	1	19	18	96	59
DOC	20	8	32	0	2	5	5	24	7	1	17	35	156	104
DVA	4	0	4	0	0	0	0	0	0	1	9	7	25	9
DWF	14	8	11	6	1	7	1	22	4	1	13	2	80	65
Average	12	5	14	1	2	4	2	14	4	1	13	14	83	56
SMD	6	2	20	4	1	2	1	0	0	0	7	6	49	36
Difference	6	3	-6	-3	1	2	1	14	4	1	6	8	34	20

Purchasing and Contracting, Federal and State

The Adjutant General is granted Contracting Authority under R.S. 29:11 that includes public works contracts, procurement, supplies and services (purchasing), professional services, deeds, leases, agreements, and cooperative endeavors. The Adjutant General has delegated the responsibility for contracting authority to the Contracting Officer, who has served in that capacity since July 1986. The Contracting Officer administers the total package under TAG Contracting Authority. The Contracting Officer, also, handles Privatization and Outsourcing to improve services, reduce costs, and reduce duplication of services. The Contracting Office works closely with Facility Planning and Control, Central Purchasing, Office of Contractual Review, Department of Economic Development and Public-Private Stakeholders.

Due to the amount of federal resources that are allocated by National Guard Bureau to the Louisiana National Guard and Louisiana Military Department through the Military Construction Cooperative Agreement (MCCA), and the Stimulus Package (ARRA) Cooperative Agreement, the Contracting Officer works closely with the United States Property and Fiscal Officer (USPFO) for Louisiana and the Construction and Facilities Management Office to leverage federal resources to reduce state funding expenditures.

This function is documented in the in-house electronic contract tracking system, ISIS, and Capital Outlay. The purchasing and contracting office has been keenly involved with the implementation of Enterprise Resource Program (ERP). This will allow us to leverage LaGOV to ensure that the Louisiana Military Department processes are made available to the public (transparency).

Facility Utilization and Thru-Put

The State Military Department uses a Department of Defense (DOD) Range Facility Management Support System (RFMSS) Thru-Put Program. The program measures how many personnel use LANG installations for mobilization and demobilization activities, training, unit exercises, weapons qualifications, and National Guard unit annual training. Additional uses of our installations are for Youth Challenge programs, government and non-government agencies, and federal and state emergency response training. The implementation and use of the RFMSS Thru-Put Report allows installations to accurately schedule and allocate facilities and ranges and avoid conflicts in usage.

The following charts depict usage of various entities in mandays:

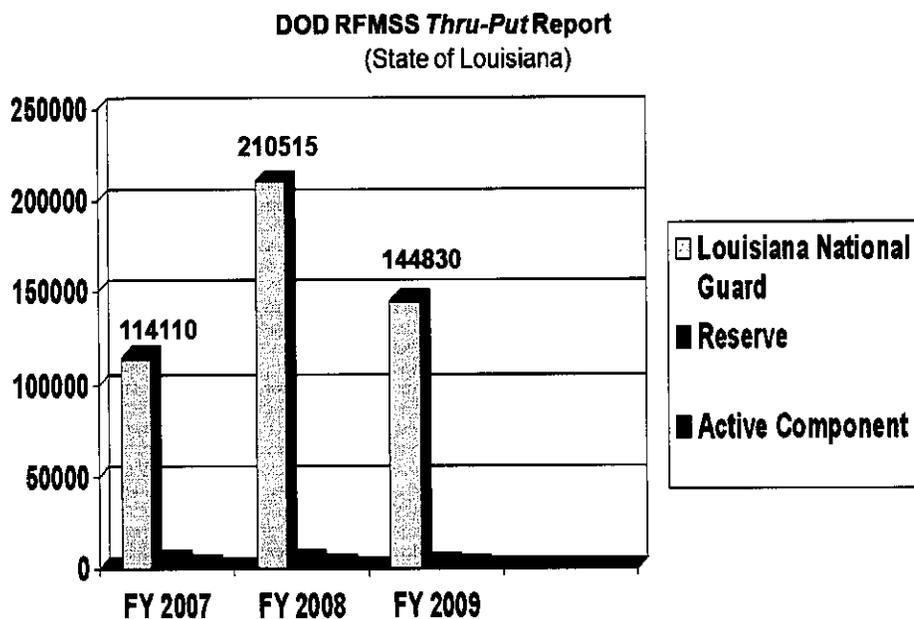


Chart above indicates the number of man-days of Louisiana National Guard, other reserve component and active component personnel that utilize state facilities. (Data is as of Jun 09 for FY 2009 ending Sep 2009)

State Training RFMSS Thru-Put Report

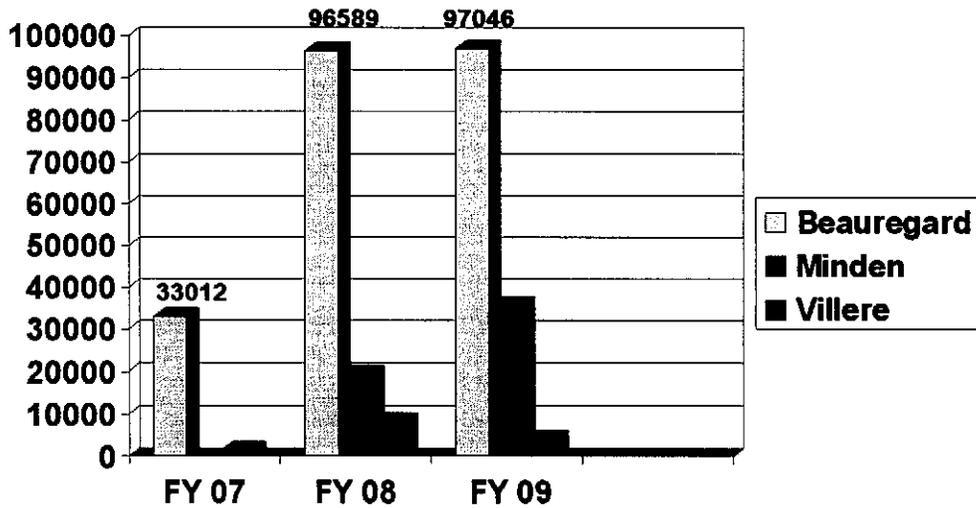


Chart above displays State training at Camps Minden, Beauregard, and Villerie.

Emergency Response and Homeland Security

LANG maintains a 24 hour a day, 7 days a week Joint Operations Center (JOC) located at Camp Beauregard in Pineville that, among its many responsibilities, is the hub for emergency services and training. The JOC integrates and coordinates not only internal LANG assets and other in and out of state emergency services such as other National Guard entities, but takes the lead in planning and conducting crucial emergency response exercises such as the yearly Hurricane Exercise (HURREX). Since July 2007, the JOC has received and processed over 1600 requests for assistance. Of those requests, 835 were in support of Hurricanes Gustav and Ike.

The Louisiana National Guard, under direction of the Governor, responds not only to large scale natural disasters and events, but also to day to day and on-going support missions such as: water transportation for water shortages in Jennings, LA, Avoyelles Correctional Center, and the Town of Ferriday; Weapons of Mass Destruction (WMD) monitoring and response expertise for major sporting events in New Orleans, LA; and support during the aftermath of a train derailment that included hazardous material in Plaquemine, LA. LANG, under Emergency Management Assistance Compacts, also responds to requests for assistance from other states such as helicopter and water bucket support to California and Texas to assist in fire support and border security missions in Arizona and Texas. These requests cover 57 of the 64 parishes and have supported local Emergency Operations Centers (EOCs), Law Enforcement Agencies, and local leaders.

The 62nd Weapons of Mass Destruction Civil Support Team (WMD-CST) is a full-time, federally funded team of 22 Army and Air National Guardsmen under the control of the Governor and The Adjutant General. Always on call, this team deploys in support of first responders to assist in

deterrence, detection, and mitigation of Chemical, Biological, Radiological, and Nuclear hazards. Designed to augment local and regional terrorism response capabilities in events known or suspected to involve Weapons of Mass Destruction, the team regularly deploys to political gatherings (North American Leaders Summit, Gubernatorial Inauguration), sporting events (BCS Football games, NCAA Basketball Final Four), and other events which warrant heightened security (Presidential Travel, Mardi Gras). The CST also provides robust communications support to augment state and local response to natural disasters.

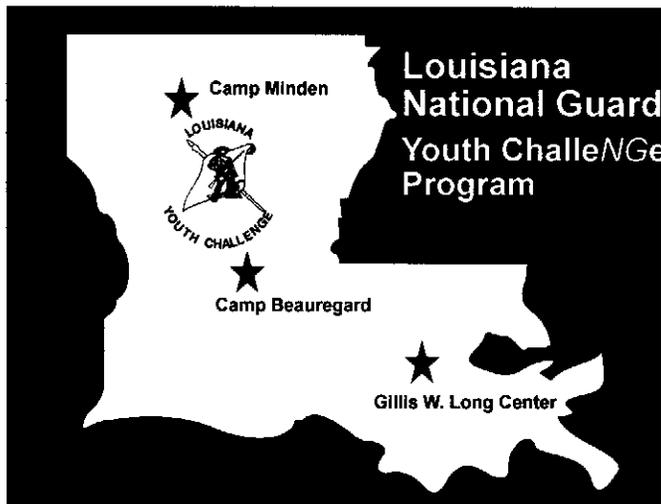
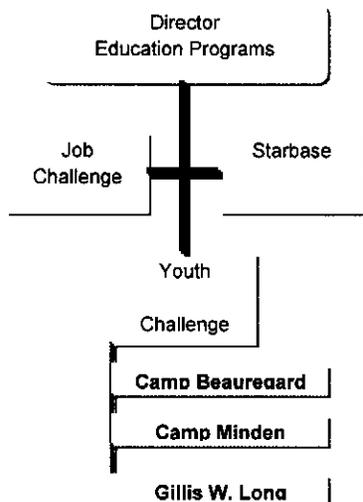
The 159th Fighter Wing of the Louisiana Air National Guard at Naval Air Station, Joint Reserve Base, New Orleans, LA, is one of the select Air National Guard units tasked with sitting continuous Air Sovereignty Alert in support of Operation Noble Eagle. Since Sept 11, 2001, the airmen of the 159th Fighter Wing have maintained a constant posture of F15's loaded with live missiles and guns ready on a moment's notice to answer the call of the Commander, Continental North Region/1st Air Force (CONR/1AF) to respond within minutes to potential threats to the US Airspace, Maritime, and Interior structure. As an integral component of the North American Aerospace Defense Command (NORAD), the 159th Fighter Wing Alert has received numerous outstanding grades on the periodic Alert Force Evaluations and in 2008 was recognized as the 1AF Outstanding Unit of the Year and the 'Best Alert Site seen to date' by the NORAD Inspector General. The 159th Fighter Wing is tasked with the protection of the vital interests of South Louisiana, the Gulf Coast and the US, including its great cities, ports, energy facilities, infrastructure and, most importantly, the people themselves.

Mobilizations

The State Military Department stands at the forefront in its ability to assist in the mobilization of personnel in support of any world-wide mission and still fully maintain its ability to run day-to-day operations and train and prepare for any emergency support for the state. The Louisiana National Guard stands second among like states in the number of Soldiers and Airmen mobilized. Louisiana has mobilized and deployed over 14,000 Soldiers and Airmen, currently has over 500 deployed, and has an additional 3200 alerted for mobilization and deployment. The 256th Infantry Brigade Combat Team is currently mobilized for deployment in January 2010.

Program: Education

Statutory Authority: 32 U.S.C. 509, R.S. 29:11(G)



The Louisiana National Guard Education Program has three activities: The Youth Challenge Program, The Job Challenge Program and The Louisiana Pelican State Starbase Program.

Activity: Youth Challenge Program

The Youth Challenge program is a multi-phased intervention program, targeting high school dropouts between the ages of 16 to 19 years of age. The structured 5 ½ month Residential Phase, focuses on education and practical life skills. The Residential Phase is followed by a 12 month Post-Residential Mentoring Phase. Of the 33 participating states, Louisiana is the only state to have three Youth Challenge Programs graduating over 1,100 students per year. Since its inception in 1993, Louisiana has graduated over 11,000 students with 51% attaining their GED. This program is funded with 60% federal and 40% state monies.

Youth Challenge Functions:

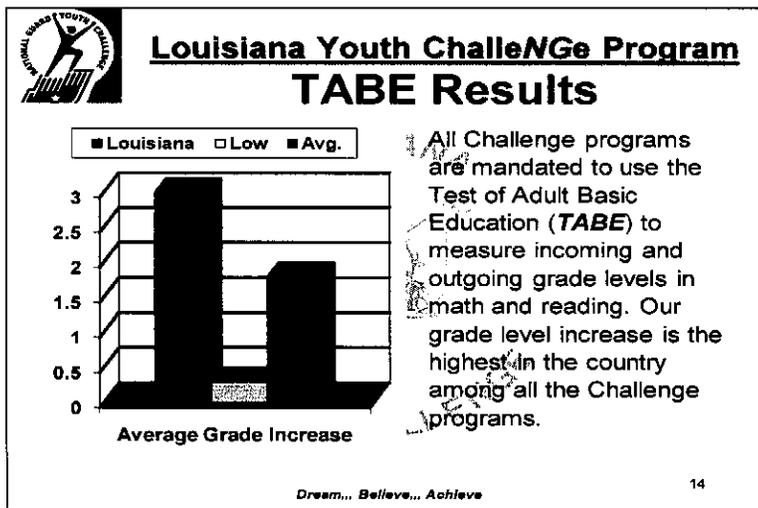
The Louisiana Youth Challenge Program's function is to intervene in and reclaim the lives of at-risk youth and produce program graduates with the values, skills, education, and self-discipline necessary to succeed as adults. The program focuses on eight core components: Academic Excellence, Physical Fitness, Job Skills, Service to Community, Health and Hygiene, Responsible Citizenship, Leadership/Followership, and Life Coping Skills.

Education Benchmarking

Residential Phase

From its beginning as a pilot program in 1993, the Louisiana Youth ChalleNGe Program is a proven solution for the nationwide epidemic of at-risk youth, who do not complete high school. Since its inception, Louisiana has graduated over 11,000 students with 51% attaining their GED.

Students are evaluated to determine their academic level. The teaching staff designs an individual program for each student. On average Louisiana Youth Challenge students increase their academic ability over 3 grade levels as compared to the national average of 1.8 grade level increase.



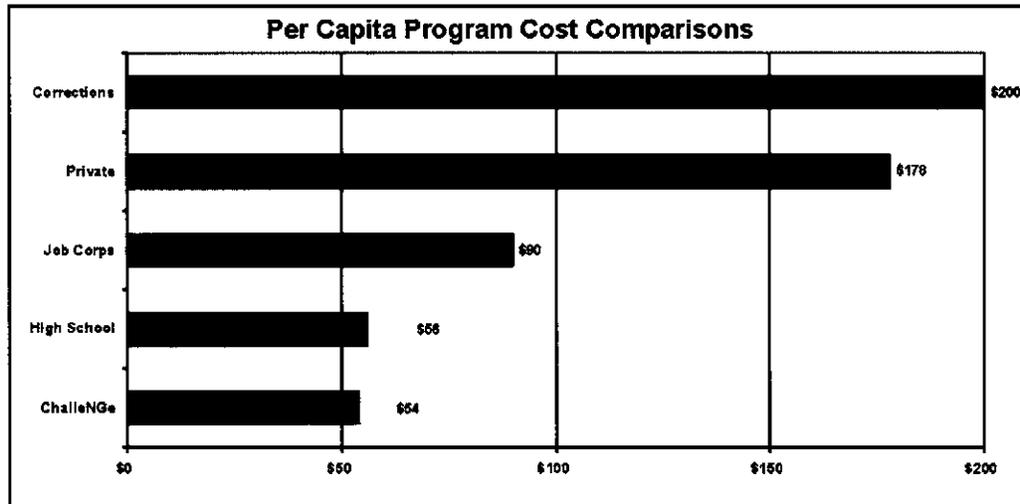
Post-Residential Phase

The ChalleNGe model was designed with a twelve month Post-Residential Phase to help young people stay on-track after graduation. While in residence, Cadets prepare for life after ChalleNGe through a series of classes incorporating the Life and Job Skills component and through regular contact with Mentors who are carefully trained to assist with the transition. Every Cadet sets goals and develops a Post-Residential Action Plan (P-RAP) to help identify and recognize the tasks and resources necessary for goal attainment.

Louisiana is the bench mark for the Post-Residential Phase, documenting over 81% of its graduates continuing their education, working, or serving in the military, one year after graduation. This is a 22 % increase over the national Youth Challenge average.

Program Cost Effectiveness

As the graph below indicates, on a cost-per-day basis, the National Guard Youth Challenge Program compares favorably against various alternatives.



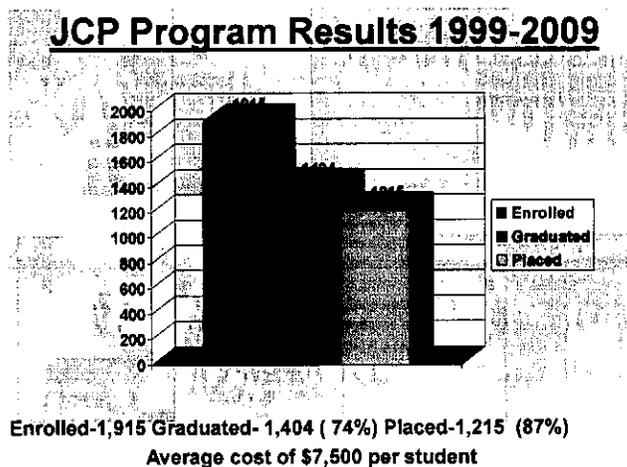
Activity: Job Challenge

Louisiana is the only state having a jobs skills training program as a follow up option for its Youth Challenge graduates. The Job Challenge program is a state funded program that trains Youth Challenge graduates in skilled trades that allow them placement opportunities after graduation from the Job Challenge program. This 90 day residential course offers training in heavy equipment operations, welding, and culinary arts.

Job Challenge Program Functions:

In addition to the job skills training, the program also focuses on: Academic Excellence (GED), Physical Fitness, Job Skills, Service to Community, Health and Hygiene, Responsible Citizenship, Leadership/Followership, Life Coping Skills, and Career Technical Certification.

Job Challenge Benchmarking



Since its inception the highly successful Louisiana National Guard Job Challenge program has enrolled over 1900 Youth Challenge graduates. With a 74% graduation rate and an 87% job placement rate, this job skills program further enhances opportunities for our state's at-risk youth.

Activity: Starbase

The Louisiana National Guard Pelican State Starbase is one of 53 programs in 33 states. This program is designed for students in the fifth grade considered at risk in the areas of math, science, and technology. This five day, highly interactive academic enrichment program focuses on hands on activities in aviation and space exploration, as well as allowing students to interact with military personnel to explore careers. Over 800 students attend each year. This program is 100% federally funded.

Starbase Functions:

Math, Science, and Technology (Model Rocketry, Physics, Teambuilding, Goal Setting, & Drug Resistance Education)

In summary, the State Military Department has consistently met the needs of Louisiana citizens by performing its stated mission with distinction. We facilitate the mobilization of our National Guard units in support of OEF/OIF, and concurrently protect the life and property of Louisiana citizens. On a daily basis we support and enhance community relationships and provide beneficial support to citizens in all areas of the State. We are proud of our heritage and past accomplishments, and are committed to the continuation of efforts to make a difference in the quality of life of Louisiana citizens.

Possible Initiatives for Streamlining and Reform

As a result of the internal analysis conducted to produce this Section, SMD will explore the following streamlining and reform initiatives:

- Reorganization of SMD to improve mission accomplishment, streamlining, and efficiency of operations.
- Integrate the state staff of SMD with the federal staff of the LANG to increase efficiency.
- Initiate limited operation of selected Readiness Centers in conjunction with mobilization of units and in relation to current utilization needs.
- Initiate levelized billing of utilities in order to more effectively and efficiently manage limited resources.
- Leverage training to maximize employee efficiency and production.
- Improve fleet utilization to more efficiently utilize resources available.
- Continue to development methods to reduce energy consumption.
- Identify a reliable funding stream to continue the highly successful Job Challenge Program.

SECTION THREE: OUTSOURCING AND PRIVATIZATION

Outsourcing

The Louisiana National Guard has been very successful in using a “competitive sourcing” Request for Proposal. This allows the State Military Department to do a Request for Proposal through the Office of Contractual Review. The RFP provides guidance for preparation of bid proposals, the scoring mechanism of how the bids will be evaluated, an opportunity for the top three firms to make oral presentations, and a final recommendation of the firm that delivers “best value” to the State. The following are functions that LANG has outsourced/contracted:

1. At Camp Beauregard and Camp Cook, SMD has an Operations and Maintenance Agreement Contract with CLECO for the primary electric system addressing maintenance, repair, and replacement upgrades.
2. At Camp Minden, SMD contracts with the Shaw Group to provide infrastructure and preventative maintenance and repair to the natural gas system, sewer treatment plant, and water distribution system.
3. At Camp Beauregard, SMD has an agreement with Pinecrest State School for sewerage treatment costs (Note: SMD provided \$350,000 for the construction of the sewerage plant from federal funds). Pinecrest operates the sewer treatment plant and SMD pays \$8,400/yr for its share of treatment cost.
4. SMD outsourced statewide preventative maintenance service and repairs to HVAC/boiler/chiller systems and refrigeration equipment to multiple vendors.
5. Statewide, SMD outsourced the maintenance and repair of the computerized Energy Management Control System (EMCS) to TAC Americas (Schneider Electrical).
6. Statewide, SMD outsourced grounds maintenance and janitorial services using inmate labor via Cooperative Agreements with the Webster Parish Sheriff's Department (Camp Minden), the Hunt Correctional Institute (Jackson Barracks and the Gillis W. Long Center) and the Levy Dabadie Correctional Facility (Camp Beauregard, Camp Cook and Esler Army Airfield).
7. Military Construction Project Management has been outsourced using a National Guard Bureau negotiated Indefinite Delivery/Indefinite Quantity (IDIQ) contract with Jacobs Engineering for project management and contract administration.

8. SMD entered into a state contract administered through Facility Planning and Control, with the Shaw Group, to provide project management and contract administration for renovation, repair, and new construction of state facilities at Jackson Barracks in New Orleans.

Privatization

The Louisiana National Guard has addressed privatization over the past five (5) years. This has resulted in installation commanders not having to perform environmental testing on electrical systems, waste water treatment facilities, and water production. While there are many cost effective results realized through privatization, the most significant are:

1. Taking the installation commanders out of environmental/water quality management saved SMD from having to hire state employees in this growing area.
2. Upgrades of utility systems increased system effectiveness.
3. Transfer of the primary electrical systems to utility companies for full operation and maintenance responsibility reduced the needs for state employees to perform these functions.

Other examples of privatizations are as follows:

1. Transfer of primary electric system at Camp Minden to Entergy Corporation for full operation and maintenance of system and system upgrades.
2. Current ongoing negotiation at Camp Minden for the transfer of the natural gas distribution system to Centerpoint Gas Company.
3. The connection of the installation water system at Camp Villere to the St. Tammany Parish Water District, eliminating SMD responsibility for water quality.
4. The connection of the water distribution system at Camp Beauregard to the Rapides Parish Water District #3, eliminating SMD responsibility for water quality.

The Contracting Officer works closely with the privatization entity in coordination with the LANG Senior Leadership during the entire privatization process. Negotiations are completed and the privatization action is accomplished through a cooperative agreement.

Utility Services at each Installation

	Electricity	Water	Gas	Sewer
Camp Beauregard	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Camp Cook	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Esler Field	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Camp Minden	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GWLC	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hammond	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Jackson Barracks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Camp Villere	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	<input checked="" type="checkbox"/>

Legend: Privatized Not Privatized

Future Outsourcing and Privatization Initiatives for Streamlining and Reform

For future outsourcing, SMD will use the Office of Contractual Review (OCR) Request for Proposals (RFP) competitive process (best value to State), the Public Bid Law, or Design-Build processes related to procurement, purchasing, and contracting. Our objective in outsourcing and contracting for goods and services, construction management and professional services is to award to Louisiana firms and to procure material through Louisiana vendors. SMD awarded over \$480,000,000 in Military Construction in 2006 using this process and are postured to use these processes in future expansion.

Potential areas for outsourcing in the future are:

1. Additional janitorial contracts.
2. Preventative maintenance on buildings and equipment.
3. Billeting (both temporary and permanent) at installations.
4. Grounds maintenance and landscaping on installations.
5. Operation of utilities on installations.

6. Interagency/Intergovernmental Cooperative Endeavor Agreements.
7. Environmental services at installation and readiness centers (armories).
8. Fixed Charges: Examples include dumpster service, pest control, and termite treatment.
9. The sewerage treatment system and waste water collection system at Camp Minden will be significantly impacted by major military construction projects such as the Regional Training Institute. Privatization will be necessary to upgrade or replace and then to maintain the sewerage treatment plant and wastewater collection system.

LANG has provided information on some of the outsourcing and privatization actions it has taken. In each example given, a determination was made that outsourcing or privatization best supported LANG as the most effective method. The same analysis will apply to any future outsourcing or privatization requirements. LANG will continue to explore and refine outsourcing of facility maintenance to leverage limited resources.

SECTION FOUR: INFORMATION TECHNOLOGY INTEGRATION

By leveraging its federal resources, the State Military Department (SMD) is able to benefit from the most advanced information systems technology available to U.S. Military Forces while incurring limited State expense.

Enterprise Resource Planning (ERP)

SMD is currently implementing the Enterprise Resource Planning (ERP) system. ERP is a single technology platform business system which allows SMD to integrate Human Resources, Finance, and Logistics under one fully integrated System Applications and Programs (SAP). The ERP system will increase transparency and accountability within the organization. ERP will assist with lowering costs associated with financial management by helping to increase efficiency within the organization. It will also standardize operations while reducing errors and redundancy. ERP will be implemented during FY 2010 and will replace the outdated ISIS system. SMD has developed an interoperability committee to ensure ERP is compatible with the Louisiana National Guard IT system.

Federal Information Technology Assets Available to SMD

The Information Technology assets listed below are available to SMD as a result of the mutually supporting relationship with the federally supported assets of the Louisiana National Guard. All assets are co-located at installations with National Guard facilities and personnel. The Louisiana National Guard installs and maintains these systems. Currently expenses associated with these IT assets are exchanged through in-kind services between the State and the National Guard.

Interoperable Communications - The Louisiana National Guard provides a fully integrated Interoperable Communications system between Federal, State, and Local agencies during current, future and emergency operations. The communications capabilities include fixed based communications systems and services supporting voice, data and video teleconference on both classified and unclassified networks. Interoperable communications utilizes strategic, operational, tactical and base communications to communicate with first responders during an emergency.

RCAS/LAKO – SMD utilizes the Reserve Component Automation System (RCAS) for network connectivity, email, voice services, video conferencing, file storage, file sharing and information security. RCAS is a restricted and secure network that can only be accessed by approved personnel with a Common Access Card (CAC). RCAS is

managed by the Louisiana National Guard's Information Technology section. SMD does not incur any expenses associated with the implementation and management of this system. By utilizing RCAS, SMD is able to integrate easily within the Louisiana National Guard and eliminate costs associated with operating an independent network. Louisiana Knowledge Online (LAKO) provides up to date real world information for all departments of the Louisiana National Guard. LAKO is available on both RCAS and commercial networks and provides situational awareness during current and emergency operations.

GIS/Mapping – SMD is a leader in the state's utilization of the Geographic Information Systems (GIS) technology. The Louisiana National Guard uses GIS to analyze resources spatially to more efficiently respond to statewide situations. The mapping capabilities implemented by the Louisiana National Guard allow any Soldier/Airman to have situational awareness as they react to an event. By mapping and analyzing our assets in GIS we are able to provide soldiers training on our lands with up to date maps, making their training more effective. GIS is also widely used to assist with response to statewide events. Louisiana National Guard units are able to use our Geographic Information System to locate positions by coordinate or physical address, and quickly create map documents to efficiently plan their statewide missions. Our Joint Operation Center and Tactical Advance Center uses GIS to track ongoing missions and their completion. During an emergency, this map used by the JOC and TAC serves as the common operating picture, allowing our command staff to make quick and accurate decisions.

VTC - The Louisiana National Guard has the capability to conduct Video Teleconferencing (VTC) at installations throughout the state. VTC allows simultaneous video and audio transmissions while incorporating visual presentation technology. Video Teleconferencing is capable of linking all internal entities, external agencies, and commercial networks. VTC's increase efficiency by allowing employees throughout the state to participate in meetings, conduct training, and carry out planning without incurring additional expenses associated with travel and loss of personnel.

JOC/TAC - The Louisiana National Guard operates a Joint Operations Center (JOC) located at Camp Beauregard, Pineville which is manned 24 hours a day. The JOC maintains situational awareness of current activities associated with Louisiana National Guard ongoing operations and is the command center during emergencies. The Louisiana National Guard also operates a TAC located at GOHSEP in Baton Rouge. The TAC is fully integrated with GOHSEP and stands ready to react to any attack or natural disaster. These locations are equipped with the newest emergency tracking technology relating to information systems, visual and audio systems, communication equipment, providing agency interoperability.

Education Program

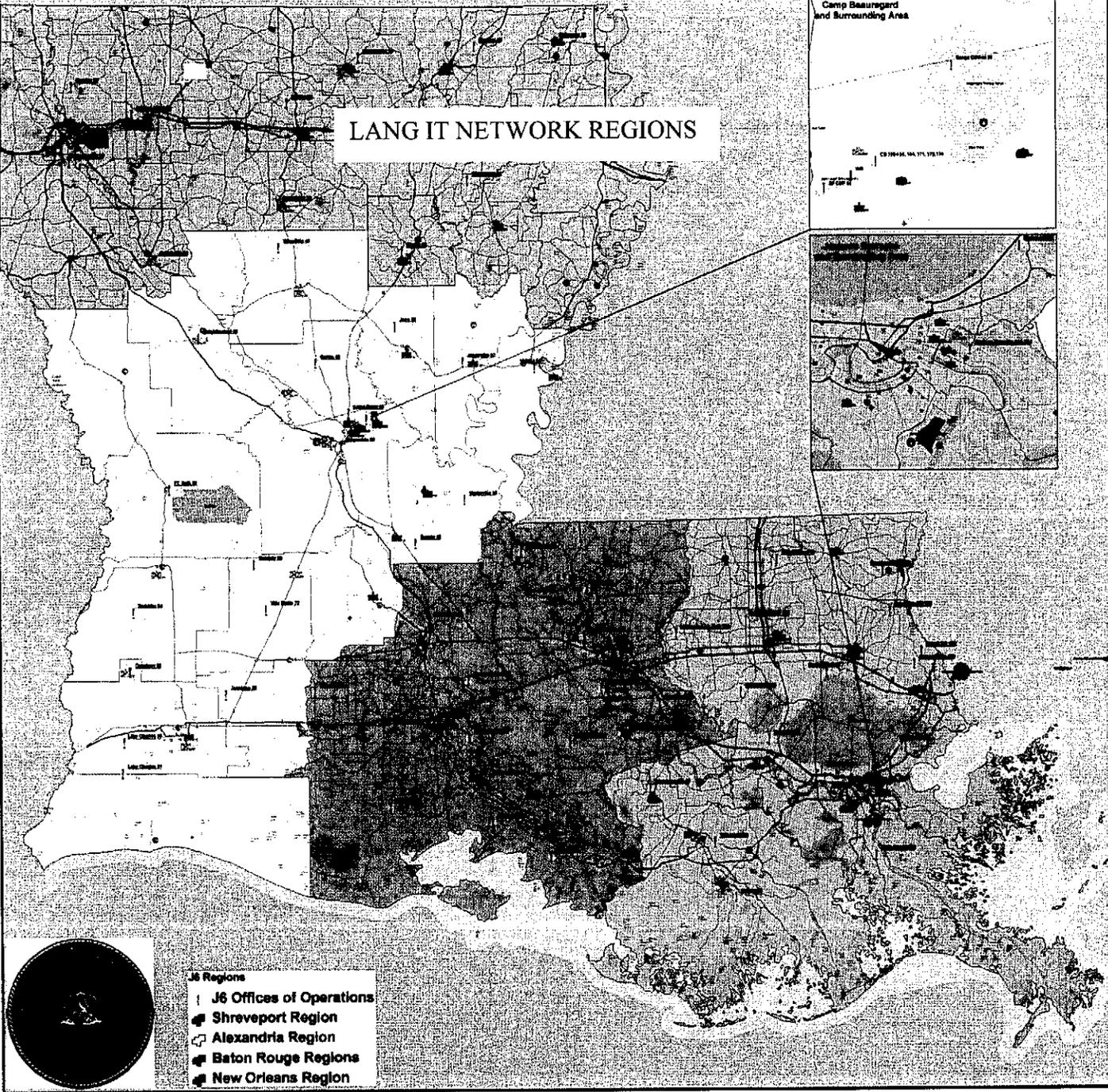
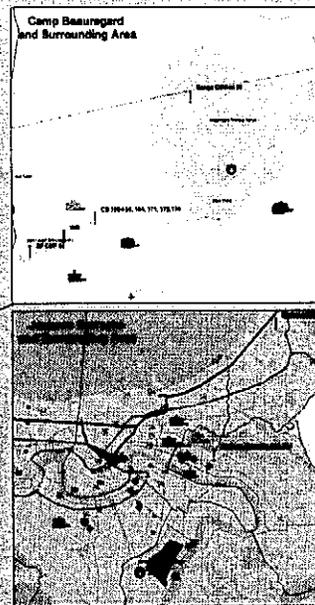
The Education Program of SMD utilizes the Budget Monitoring and Review System (B-MARS) and the Data Management and Reporting System (D-MARS). Both systems are web-based and specifically designed for the National Guard Youth Challenge Programs. At the national level, the emphasis is on program requirements and data collections, analysis, and reporting. At the site level, the system provides a data management tool. The systems allow for transparency and accountability whereas the United States Property and Fiscal Office for Louisiana, SMD Fiscal Officer, Director of the Education Program and the Education Manager at the National Guard Bureau can all view current information from the system.

Possible Initiatives for Streamlining and Reform

As a result of the internal analysis conducted to produce this Section, SMD will further explore the possibility of leveraging LANG IT resources to maximize efficiency and production, including streamlined business processes and reduction of inefficient, unreliable, and costly paper processes. The LaGov project will assist SMD by providing an integrated tool for budgeting, human resources, procurement, fleet management, finance, and asset management.

J6 NETWORK REGIONS

LANG IT NETWORK REGIONS



The above chart identifies the available LANG network connectivity throughout the state. At each location, LANG can provide a minimum of voice and data connectivity through the RCAS network.

SECTION FIVE: ELIMINATION OF DUPLICATIVE AND NONESSENTIAL SERVICES

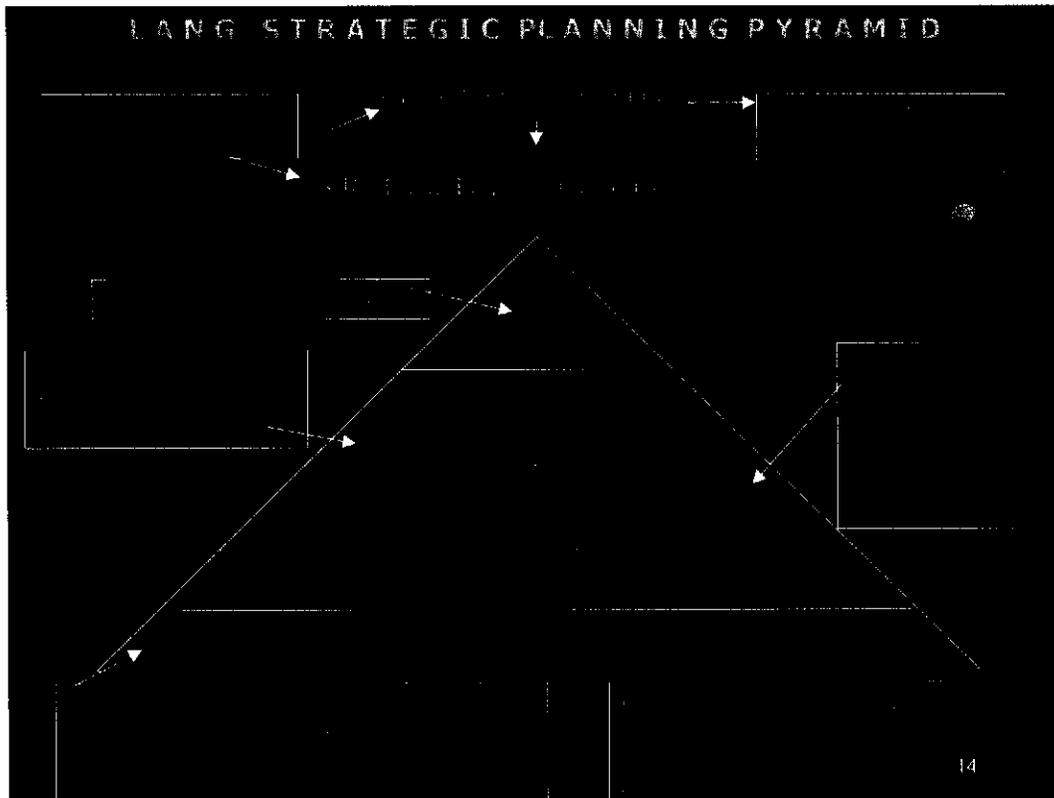
As part of the State Military Department's continuing refinement of its Strategic Goals and Objectives, this agency reviews, on a monthly basis, all activities conducted by SMD, with the goal of streamlining performance and reducing any non-critical activities. At the present time, the State Military Department does not feel that there are any activities, functions or regulations being performed or implemented which do not contribute to the core goals of the agency.

When the Louisiana National Guard submits its annual Army Communities of Excellence application, there is a necessary complete and comprehensive self examination, based upon Malcolm Baldrige Quality Award criteria. This self-examination compels SMD to examine, from several angles, the exact nature of the department's mission, and this evaluation not only identifies what missions are performed by SMD, but how well it accomplishes that performance. Benchmarking against National Guard organizations in other states is a regular and recurring component of the annual evaluation process. The following charts outline SMD's self-evaluation and strategic planning process:



Legend:

- CRB** – Command Readiness Brief
- SESC** – Senior Executive Steering Committee
- OPORD** - Operations Order



Actions in recent years, such as the extensive re-writing of Title 29 (the Military Affairs portion of the Revised Statutes) in the 2007 Legislative Session, and the substantial additions to Title 29 in the 2009 Legislative Session, show that the State Military Department constantly strives to ensure that the statutes and regulations governing the agency's performance are regularly updated to reflect current core missions and goals.

In the future, if and when matters are identified which constitute an activity, function, or regulation not consistent with SMD's core values and goals, appropriate remedial action will be initiated immediately. Such action could be in the form of rewritten regulations, or statutory remediation by legislative act.

Possible Initiatives for Streamlining and Reform

As a result of the internal analysis conducted to produce this Section, SMD will explore the following streamlining and reform initiatives:

- Centralize fiscal, human resources, and purchasing functions within SMD to better coordinate mutual support for increased efficiencies.
- Initiate limited operation of selected Readiness Centers in conjunction with mobilization of units and in relation to current utilization needs.

SECTION SIX: CIVIL SERVICE AND RELATED BENEFITS

The Military Department is an all-unclassified employee workforce. This structure of Louisiana government provides the flexibility that does not exist in most other agencies. This is especially critical during the hiring and termination process. Many of the Military Department’s employees are Traditional Soldiers in the Army and Air National Guard and military retirees. During emergency missions these characteristics aid the response times in performing functions of the Military Department and supports the goals of the Governor and the Adjutant General.

Military Department Employee Facts and Statistics

- Bi-weekly payroll of \$1,216,713.07 includes \$252,602.67 in employer benefits:

	Bi-weekly	Annual
Payroll	1,216,713.07	31,634,539.82
Retirement	158,923.90	4,132,021.40
Group Benefits	76,694.00	1,994,044.00
Medicare	13,330.66	346,597.16
Social Security	3,654.11	95,006.86

- Approximately \$12,500 bi-weekly or \$325,000 annually is allocated to merit increases.
- There are 298 employees that are currently active members of the Army and Air National Guard.
- There are 46 Military Department employees currently deployed and a significant number are due to mobilize in support of the Global War on Terrorism in the next few months.

Policy and Procedures Manual

In 2008, the Military Department produced and published a Policy and Procedures Manual to codify existing departmental business practices and procedures. The department will routinely revise and update the manual to ensure that best practices are being utilized and efficiency is being maximized.

Reintegration Program

The Louisiana National Guard established a Reintegration Program to ensure its Service members and their families receive the care and resources they need to support a normal life through the entire deployment cycle. To maximize efficiency, the Reintegration Office was

organized into a team that includes the Office of Family Programs, the Employer Support of the Guard and Reserve Office, the Transition Assistance Advisor, the Director of Psychological Health Office, the Post Deployment Health Reassessment Survey Section, and the Yellow Ribbon Training Team.

The Reintegration Office reviewed Reintegration Best Practices from the other states and territories. The Minnesota National Guard had a pilot program that was considered a model by the National Guard Bureau and thus was researched closely. As a result, Louisiana became the second state to establish a Reintegration Program that provides robust, preventive, proactive support in the form of training, especially during post deployment. The “Yellow Ribbon” events are composed of marriage enrichment, youth programs and counseling, financial counseling, Veterans benefits and support, TRICARE medical support, single servicemember counseling, suicide awareness and prevention, job placement assistance, reemployment rights, redeployment legal issues, sexual assault awareness and prevention, hotline information, education support, and other materials and benefits available. The “Yellow Ribbon” events close with a Deployment Awards Ceremony, which will include presenting of the Louisiana Veterans Honor Medal to returning war veterans in conjunction with the Department of Veterans Affairs, in an effort to become more efficient.

Possible Initiatives for Streamlining and Reform

As a result of the internal analysis conducted to produce this Section, SMD will explore the following streamlining and reform initiatives:

- Improve employee incentives and awards to recognize effective suggestions for streamlining operations and improving efficiencies.
- Rewrite the job descriptions of our state employees to more accurately match those existing in other state agencies.
- Leverage training to maximize employee efficiency and production.

SECTION SEVEN: STUDIES AND OTHER RESOURCES

Study conducted by the State Military Department:

In November 2007, SMD conducted a self-assessment of its operations with the assistance of a consultant. The purpose was to compare our organization with agencies of similar size to determine appropriate manning size and duty positions, along with identifying the most efficient organizational structure. The consultant's report provided the SMD with an analysis of its "As-Is" environment and presented potential solutions best addressing its needs. To date, the department has implemented some of the recommendations of the consultant and strives to continue to conduct self-assessments to ensure the efficient and effective management of the department into the future.

Another important result of the assessment was the identification of benchmarks for comparison with other agencies. This benchmarking:

- Identified similar organizations to benchmark against
- Developed benchmarking criteria; collected data
- Conducted preliminary data analysis
- Described the services provided by the State Military Department

Study conducted by Youth Challenge Program

The Program Assessment Division of AOC Solutions, Inc. conducts an annual assessment of the Youth Challenge Program. For example, AOC conducted an evaluation of the Camp Beauregard Youth Challenge program on 18 through 20 November 2008 and found that it remains a well respected and effective program that provides invaluable services to the youth of Louisiana. The other two YCP sites have received similar evaluations.

SECTION EIGHT: AGENCY BEST PRACTICES

The following initiatives have taken place within LANG and are considered best practices.

Four Day Workweek

A four day workweek was implemented throughout the agency in August 2008. This resulted in an eight per-cent overall reduction of utility usage, with a cost savings of \$351,714. The reduction in utility usage occurred during an increase in the square footage of LANG facilities, which is currently approaching 10 million square feet. In addition, this action has increased the quality of life for the employees of the agency.

Emergency Response, Preparation, Training and Exercises

LANG continues to be highly successful in emergency response by having a pro-active approach to this goal. Much success has been derived from LANG's ability to plan, train, and execute at all levels within the agency to complete a mission. Continuous improvement is made in this area with exercises followed by after action reviews, lesson learned histories, rehearsals, and detailed planning. LANG refines this process on a daily basis.

Design-Build

Following Hurricane Katrina in 2005 the National Guard Bureau provided the Louisiana National Guard with \$480 million in Military Construction Funds in Federal FY 2006. These funds had to be obligated by September 30, 2006. LANG determined that the only way to execute a package this large in six months was to have Design-Build Authority for this unique situation. LANG met with a number of stakeholders, such as the Association of General Contractors, FP&C, Joint Legislative Committee on the Budget, and National Guard Bureau representatives. The legislature authorized LANG to proceed with the Design-Build process in March 2006 (R.S. 29:42). This authority was for Hurricane Katrina/Rita impacted areas only and has subsequently been extended to 2011 with a June 2011 sunset date. Design-Build is an alternate to use Design-Bid-Build and is used for large, complex projects. LANG believes that Design-Build should be available to all agencies to handle time sensitive, large projects and not as a method to limit Design-Bid-Build which is the primary vehicle used to perform Public Works Contracts.

IT Leverages

The State Military Department has taken multiple steps to leverage communication resources to better prepare employees during current, future and emergency operations. The Reserve Component Automation System (RCAS) network provides the backbone for virtual training, planning, and conferencing. In addition to network connectivity, RCAS provides e-mail, voice

services, video teleconferencing, file storage, file sharing and information security. These services provide effective and efficient communications for SMD. SMD has developed a committee to ensure the easy transition to the new Enterprise Resource Planning (ERP) system onto the RCAS network. During current and emergency operations LANG makes Louisiana Knowledge Online (LAKO) and a number of additional web sites available to post up-to-date information. LAKO is updated to push pertinent information to the lowest level. Video Teleconferencing (VTC) is capable of linking internal entities, external agencies, and commercial networks for planning, training and meeting purposes. VTCs are utilized not only during current operations, but VTCs play a key role in education services and emergency operations. LANG provides a fully integrated Interoperable Communications system between Federal, State and Local agencies. The communication capabilities include fixed based communications systems and services supporting voice, data and video teleconference on both classified and unclassified networks.

APPENDIX A: EXPLANATION OF ACRONYMS

1AF	1st Air Force
AG	Attorney General
ARRA	American Recovery and Reinvestment Act
BCS	Bowl Championship Series
B-MARS	Budget Monitoring and Review System
CAC	Common Access Card
CB	Camp Beauregard
CLECO	Central Louisiana Electric Cooperative
CM	Camp Minden
CONR/1AF	Continental North Region/1st Air Force
CRB	Commander's Readiness Brief
CRT	Cultural Recreation and Tourism
CV	Camp Villere
DOC	Department of Corrections
DOD	Department of Defense
DVA	Department of Veteran Affairs
DWF	Department of Wildlife and Fisheries
EMAC	Emergency Management Assistance Compact
EMCS	Energy Management Control System
EOC	Emergency Operations Center
ERP	Enterprise Resource Program
ESF	Emergency Support Functions
FEMA	Federal Emergency Management Agency
FTE	Full Time Equivalent
GED	Graduation Equivalent Diploma
GIS	Geographic Information Systems
GWLC	Gillis W. Long Center
GWOT	Global War On Terrorism
HQs	Headquarters
HR	Human Resources
HURREX	Hurricane Exercise
HVAC	Heating Ventilation and Air Conditioning
IDIQ	Indefinite Delivery/Indefinite Quantity
ISIS	Integrated Statewide Information system
IT	Information Technology
JCP	Job Challenge Program
JFO	Joint Forces Operations
JOC	Joint Operations Center
LAKO	Louisiana Knowledge Online

LANG	Louisiana National Guard
LANG-ESF-7	Louisiana National Guard Emergency Support Functions 7
LC	Lake Charles
LRA	Louisiana Recovery Authority
LTC	Louisiana Technical College
MCCA	Military Construction Cooperative Agreement
NAS JRB	Naval Air Station / Joint Reserve Base – Belle Chasse
NCAA	National Collegiate Athletic Association
NORAD	North American Aerospace Defense Command
OCR	Office of Contractual Review
OEF	Operation Enduring Freedom (Afghanistan)
OIF	Operation Iraqi Freedom (Iraq)
OPORD	Operations Order
OYD	Office of Youth Development
P-RAP	Post-Residential Action Plan
RCAS	Reserve Component Automation System
RFMSS	Range Facility Management Support System
RFP	Request For Proposal
RSA	Regional Support Activity
RTI	Regional Training Institute
SAP	System Applications and Programs
SESC	Senior Executive Steering Committee
SIEC	State Interoperability Executive Committee
SMD	State Military Department
SRT	Special Reaction Team
TABE	Test of Adult Basic Education
TAC	Tactical Advance Center
TAG	The Adjutant General
USPFO	United States Property and Fiscal Officer
VTC	Video Teleconferencing
WMD	Weapons of Mass Destruction
WMD-CST	Weapons of Mass Destruction Civil Support Team
YCP	Youth Challenge Program



BOBBY JINDAL, Governor

Office^{of} Juvenile Justice

MARY L. LIVERS, Ph.D., MSW, Deputy Secretary

To: Commissioner Angele Davis

From: Michelle Smith
Deputy Assistant Secretary

Date: August 17, 2009

Re: Preliminary Agency Internal Analysis

Attached please find the preliminary internal analysis report for the Office of Juvenile Justice.

Please contact me at 225-287-7622 if we can provide any further information.

Office of Juvenile Justice
Staff Contact: Michelle Smith, Deputy Assistant Secretary
Ph: 225-287-7622 Cell: 225-933-1108
Email: michelle.smith@la.gov
Last Update: 8/06/09

Section One: Agency Overview

Agency Operations:

The mission of OJJ is to protect the public by providing safe and effective individualized services to youth who will become productive, law abiding citizens. OJJ is a public safety agency which delivers services to adjudicated youth.

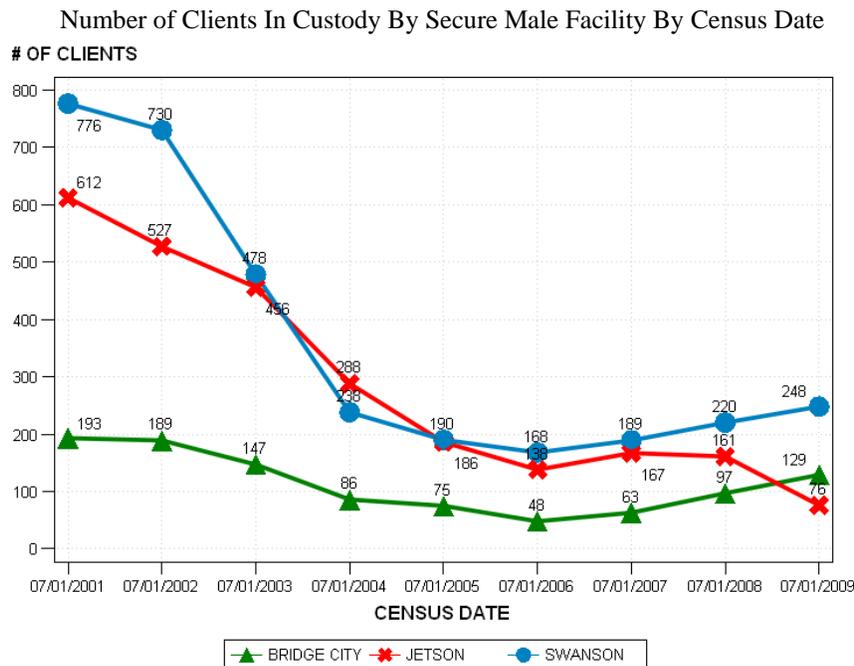
Under the direction of the Deputy Secretary, the Office of Juvenile Justice (OJJ) has policy oversight and support responsibilities for state programs for youth who are adjudicated delinquent; as well as any youth and their families ruled in need of services by courts of juvenile jurisdiction. OJJ is responsible for youth assigned to our care by the court, either for supervision or custody in residential placement, or secure care. OJJ also provides services to youth under local court supervision.

OJJ operates three 24 hour male secure facilities: Swanson Center for Youth (Monroe), Jetson Center for Youth (Baker) and Bridge City Center for Youth (Bridge City). Female youth in our custody for secure care are housed at secure residential units at the Ware Youth Center and the Florida Parishes Detention Center. Additionally, OJJ provides probation and parole services and coordinates both residential and non-residential treatment services for delinquent youth as well as children in need of services and their families.

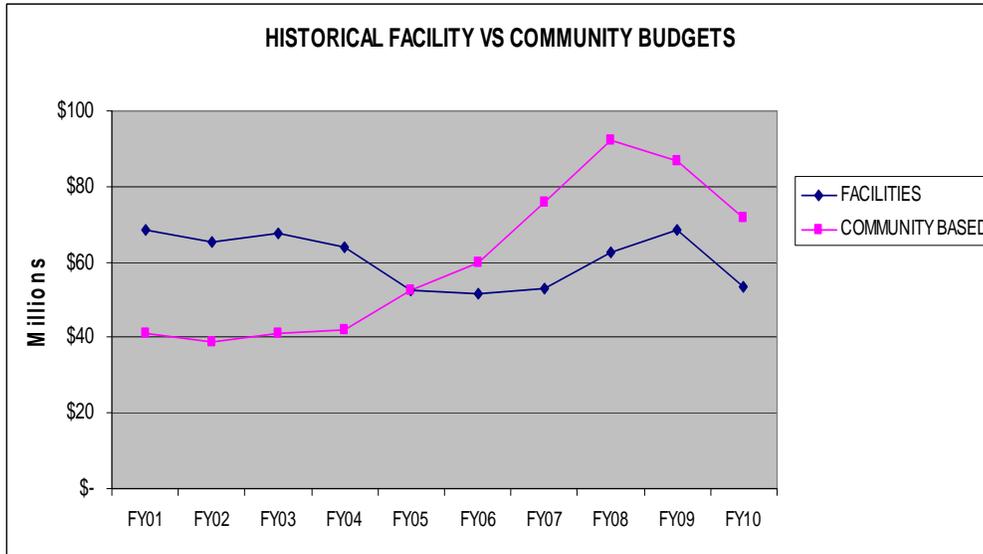
Reform Efforts:

OJJ is a young agency. In 2004, the legislature called for the separation and reorganization of OJJ from the Department of Public Safety and Corrections - much in the same manner as state police. This action resulted from the major reform initiative to move from a correctional model to a therapeutic model, precipitated by a Federal Department of Justice lawsuit to improve conditions of confinement of youth.

OJJ was under federal oversight as it reduced the number of youth in secure care at a fast pace. The chart below demonstrates the reduction of youth in secure care based on physical location on the census date.



As youth moved back into the community, the agency built community capacity to serve youth in the least restrictive environment and put processes in place to encourage providers to implement evidence based programming. The chart below shows the shift in the percentage of the agency budget directed toward community based options instead of facilities.



Simultaneously, OJJ built the infrastructure of the agency. The agency enlisted the support of our national partners, such as the Annie E. Casey and John D. and Catherine T. MacArthur Foundations in order to ensure the success of the reform efforts.

OJJ has realized many successes, including the ongoing implementation of a standard assessment tool, service coordination for field services, a therapeutic milieu, and raising the minimum education requirements for direct service staff. The agency is moving toward regionalization and has successfully developed relationships with community stakeholders. This enhances coordination and reduces duplicative service delivery.

Current Focused Goals of the Agency:

1. Providing a balanced approach to delivering services based on risk and needs of youth;
2. Implementing programs that work;
3. Instituting a culture of accountability and excellence.

Statutory Mandates:

OJJ has several statutory mandates that direct the operations of the agency. Below are the overarching mandates that outline the purpose and duties of the agency.

RS: 36:408

H.(1) The office of juvenile justice shall, in accordance with law, have responsibility for the care, custody, security, and treatment of children adjudicated delinquent and children of families adjudicated in need of services committed to the custody of or placed under the supervision of the office of juvenile justice or of youth services pursuant to the Children's Code except as otherwise provided by law.

(2) The office shall provide:

(a) Evaluation and diagnostic services for children adjudicated delinquent and children of families adjudicated in need of services.

(b) Community placement services for children adjudicated delinquent and children of families adjudicated in need of services and disposed to the custody of youth services or the office of juvenile justice.

(c) Alternative services in lieu of out-of-home placement for children adjudicated delinquent and children of families adjudicated in need of services and disposed to the custody or supervision of youth services or the office of juvenile justice and for their families.

(d) Treatment services in secure custody facilities for children adjudicated delinquent disposed to the custody of youth services or the office of juvenile justice and who, as determined by the office of juvenile justice require this restrictive level of care and custody.

(e) Probation, parole, and other programs of supervision for children adjudicated delinquent and children of families adjudicated in need of services.

(f) Community services directed at prevention of juvenile delinquency, intake screening, and diversion as deemed appropriate by the office of juvenile justice.

(3) The office shall participate in programs for the purchase of care and treatment of children taken into custody under the provisions of the Children's Code pending adjudication, disposition, placement, or any or all of the above.

Statutory Mandates Suggested Changes:

OJJ is mandated to provide services to youth who are adjudicated as “FINS,” or Families in Need of Services. OJJ suggests that FINS may be more appropriately situated at DSS. Youth who are adjudicated FINS and placed in OJJ custody have been truant, ungovernable, a runaway, or lack parental support. DSS may be able to provide family intervention services to this population that will reduce the likelihood of the youth going deeper into the juvenile justice system, which is a more expensive method of service delivery.

The highlighted sections below represent portions of statutes that may require change should the concept be adopted. OJJ is mandated to provide services to youth who are adjudicated “Families In Need of Services” (FINS). (This statute is referenced in Section One.) DSS also provides services to youth who are adjudicated FINS. OJJ recommends that FINS be considered an activity that can be provided in a more efficient manner by DSS.

RS: 36:408

H.(1) The office of juvenile justice shall, in accordance with law, have responsibility for the care, custody, security, and treatment of children adjudicated delinquent and children of ~~families adjudicated in need of services~~ committed to the custody of or placed under the supervision of the office of juvenile justice or of youth services pursuant to the Children's Code except as otherwise provided by law.

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(a) Evaluation and diagnostic services for children adjudicated delinquent ~~and children of families adjudicated in need of services.~~

(b) Community placement services for children adjudicated delinquent ~~and children of families adjudicated in need of services~~ and disposed to the custody of youth services or the office of juvenile justice.

(c) Alternative services in lieu of out-of-home placement for children adjudicated delinquent ~~and children of families adjudicated in need of services~~ and disposed to the custody or supervision of youth services or the office of juvenile justice and for their families.

(e) Probation, parole, and other programs of supervision for children adjudicated delinquent ~~and children of families adjudicated in need of services.~~

RS 46:1906

Delinquents and ~~children in need of services~~; custody, supervision, services

A. With respect to children who have been adjudicated delinquent or ~~in need of services in a Families in Need of Services~~ case, by a court of competent jurisdiction and in addition to the provisions of R.S. 46:1905, the department shall:

(1) Accept legal custody on the day of disposition of all children placed in its custody by the court pursuant to the applicable provisions of the Louisiana Children's Code and part I of Chapter 6 of Title 13; and

(2) Provide services pursuant to this Chapter over such children as are placed on probation or determined to ~~be in need of services in a Families in Need of Services~~ case by the court pursuant to the applicable provisions of the Louisiana Children's Code, Part I of Chapter 6 of Title 13, and Chapter 11 of this Title.

Section Two: Efficiency and Benchmarking

OJJ consists of seven programs, including Administration, Field Services, Contracts, three Facility Services, and Auxiliary Services. These programs are appropriately organized to meet the mission of the agency.

Efficiency:

Contract Services: Within these programs, OJJ has identified activities that can be eliminated. Specifically, OJJ reduced Contract Services by \$12.1 million for FY 10. This represents a 12.55% reduction in contract services funding statewide. These programs were either under utilized, under performing, or providing duplicative services in the community. Determination for provider reduction or elimination was based on several criteria, including needs of youth in region, entire continuum of services in region, and past and current performance of program.

Facility Cost Per Day: OJJ has reformed its system from a custodial to a therapeutic model of care for delinquent youth. Overall, this approach may initially present a higher cost than traditional custodial models as it is staff intensive and treatment focused. However, the treatment model has proven to have better outcomes and a higher cost savings for the state and taxpayers in the future. A component of the treatment model is to have no more than 12 youth per dorm, supervised by two staff during daytime hours, who engage the youth with positive behavior supports. In addition, specialized treatment is provided by mental health professionals in the areas of substance abuse, mental health, and sexual offending. Professional salaries elevate the overall average cost of care.

It is difficult to compare the average cost per day with other states as each state includes different expenses in their calculations. For example, the calculation of Missouri's cost per day is based on actual expenditures as opposed to appropriation budget amounts. In addition, Missouri withholds the following expenditures from their cost per day: major repairs, acquisitions (equipment), utilities, medical services, medication, and support staff (HR, Business Office, IT, etc.).

Currently, OJJ's cost per day is calculated by dividing the initial appropriated amount by the facility capacity by 365 days. By using this calculation, OJJ includes all expenditures excluded by Missouri. The variance in Louisiana's cost per day and other states is that mental health, substance abuse services and risk management premiums are included.

If OJJ was to calculate our cost per day using Missouri's method, our average cost per day would be \$246.59 in FY 09, making our cost per day comparable to the state of Missouri and neighboring southern states.

That said, the agency continues to work toward lowering the cost of secure care.

- Each facility has started an energy conservation campaign to reduce the cost of utilities.
- Overtime is closely scrutinized and managed to ensure that this practice is used only when necessary to ensure safety;
- Staffing patterns are being analyzed to ensure the most efficient deployment of staff.
- Privatization of certain services is being considered to be more efficient in operations.

Benchmarking:

Through the agency's quality assurance process, OJJ assesses performance and utilization regularly to ensure needs are being met efficiently. Quality assurance reviews are conducted at secure facilities semi-annually and at regional offices on an annual basis. These reviews examine quality of life issues for youth, safety and security issues, and compliance with ACA and PbS standards. OJJ generates an audit report and leadership reviews with the office and/or facility. Corrective action plans are then issued as a result of these reviews.

OJJ is accredited by the American Correctional Association (ACA), a national professional organization whose mission is to improve the justice system. OJJ currently utilizes ACA standards as the tool to measure quality of services in the regional offices and Central Office. ACA standards guide administrators in development of plans to upgrade juvenile programs and procedures in accordance with nationally recognized benchmarks. Field Services (Probation & Parole) has been accredited with the ACA continuously since 1994. Central Office achieved accreditation in 2009 under the Standards for the Administration of Correctional Agencies. The secure facilities are currently preparing for accreditation under the Performance Based Standards for Juvenile Correctional Facilities with an expectation of achievement in 2010.

Section Three: Outsourcing and Privatization

Currently, approximately 45% of the agency budget is dedicated to services that are privatized or outsourced. These services are provided to youth who are served in the community. These are youth that are on probation or parole or in non-secure custody. The benefits of serving these youth in the community include an increased likelihood of successful reintegration, community supports, workforce opportunities, and cost savings. These services include Day Treatment Education Services, Mentor/Tracker Services, Community Reintegration Services, Residential Services, Specialized Substance Abuse, Transitional/Independent Living, Specialized Sex Offender Services, Assessments, Evaluations, and in home counseling.

OJJ is exploring the following functions and activities for potential cost and human resource savings:

Facilities (Secure Facilities):

1. Laundry – Each facility has a dedicated position that is responsible for laundry services for the youth population. Each facility is also equipped with commercial laundry equipment that utilizes a significant amount of electricity and water to operate. This equipment is old and requires regular maintenance. Outsourcing this service may prove beneficial to save the cost of an FTE, and the maintenance time spent on keeping the equipment operational and utility costs.
2. Health Care Services, including dental and mental health – Since 2000, OJJ has contracted with LSUHSC to provide its medical, mental health and dental services. This service agreement was a part of a provision of release from the Settlement Agreement with the U.S. Department of Justice. This partnership, however, has proven to be a cost-intensive endeavor. A survey of health care costs of ten (10) state juvenile justice agencies showed Louisiana to be the highest by over 150%. The highest under Louisiana was Ohio which showed \$33 dollars per youth per day spent on health care. Louisiana averages \$84 dollars per day, with LSUHSC New Orleans averaging \$123 dollars per youth per day.

OJJ is actively researching the possibility of outsourcing medical, dental, and mental health care to deliver a more efficient method of service provision at a cost more aligned with similar juvenile justice systems.

3. Maintenance – The facilities operated by OJJ are old and require a great deal of routine maintenance to stay functional, safe and secure. Each secure facility has several maintenance positions of staff ranging from electricians to plumbers to maintenance supervisors. OJJ is exploring outsourcing options that will reduce the costs spent on maintenance positions and overtime expenditures associated with on-call type of duties.
4. Pharmacy – Jetson Center for Youth (JCY) and Swanson Center for Youth (SCY) each maintain a full-time pharmacist. Bridge City Center for Youth employs a part time pharmacist. OJJ is exploring contracting this service.

Section Four: Information Technology Integration

This year, OJJ successfully launched the Juvenile Electronic Tracking System (JETS) which replaced the antiquated JIRMS and Case Management computer systems. JETS is a database system that tracks pertinent information on all OJJ youth. This system enables staff to provide individualized services to youth, identify trends, and perform analysis.

Additionally, OJJ presently participates in interagency agreements with the Department of Social Services (DSS) wherein data is shared on a monthly basis and used by DSS to determine eligibility for programs for OJJ's youth. Quarterly data is also submitted to DSS for youth that are eligible for Title IV E monies that are paid to OJJ.

OJJ participates in data sharing with the Department of Education wherein educational data for OJJ youth in custody is shared between local education agencies and OJJ. When youth are received into OJJ custody, their educational record can be obtained by OJJ. Likewise, upon release from custody, DOE can access the youth's educational record from their stay with OJJ.

The agreements between departments allow for a more efficient approach to case management and reduce the duplication of services. At OJJ, information sharing occurs at both the technological level, consisting of communication between data systems, as well as at the staff level, where MOU's provide for the release of individualized information. Sharing information at both levels enhance services for youth.

Additionally, OJJ is actively participating with the Children's Cabinet to support a grant that brings several child serving agencies together to prioritize information sharing needs and build a plan for implementation.

The LA Gov Enterprise Resource Planning (ERP) computer system is being developed statewide by the DOA to consolidate the following management and finance section functions and legacy computer systems in each department: Accounting system (Integrated Statewide Information System - ISIS); Budget (Business Objects Reports - BOXI); Contracts (Contract Financial Management System - CFMS); Grants; Purchasing (Protégé). OJJ will benefit from this system by eliminating the need to maintain multiple systems for budgeting, purchasing and the tracking of equipment. An automated budget preparation tool will save considerable amounts of time. Also, this system will allow OJJ to make real time budgeting decisions.

Section Five: Elimination of Duplicative and Unnecessary Services

OJJ was created in 2004 and has implemented a total systems reform effort. OJJ consists of seven programs which are aligned with the mission. However, certain services that OJJ currently provides may be able to be coordinated with other agencies in order to produce a more efficient service delivery system. These options are listed below.

1. Currently, OJJ contracts with service providers who deliver early intervention and/or early prevention services for at risk youth and families. This at risk population may be better served through family intervention services already provided through DSS.
2. OJJ is mandated to provide services to youth who are adjudicated “Families In Need of Services” (FINS). (This statute is referenced in Section One.) DSS also provides services to youth who are adjudicated FINS. OJJ recommends that FINS be considered an activity that can be provided in a more efficient manner by DSS.

The Court may adjudicate a youth as “FINS” so that the responsible agency will provide services to the youth and/or family. Typically, youth who are adjudicated FINS and placed in OJJ custody have been truant, ungovernable, a runaway, or lack parental support. A youth who is adjudicated FINS can not be placed in a secure facility. The youth is assessed in the same manner as a delinquent youth. This youth may not need to touch the juvenile justice system if provided with family intervention services.

If a youth enters the juvenile justice system through FINS, the consequence of any infraction may result in the youth going deeper into the system. DSS may be able to provide the same intervention services to these youth and families who are at risk, with the same degree of success, without widening the net for the juvenile justice system, and a lower cost. It is more expensive to provide services to youth in the juvenile justice system. Additionally, DSS has the ability to leverage more Federal funds for these services. (Some youth who are adjudicated FINS and placed with OJJ were previously served by the FINS Assistance program, sometimes referred to as “informal FINS,” which is managed by the Supreme Court with funds appropriated by the Legislature.)

3. DSS, OJJ and DHH propose a system-wide analysis of behavioral health needs of high risk children within the child welfare and juvenile justice systems.

OJJ and DSS both provide services to youth in the community through residential treatment. Programming may be different for youth; however, some administrative functions may be duplicative. OJJ suggests exploring coordination and collaborative activities with DSS when providing services to youth in the community, including the assessment of youth, quality assurance, and support of evidence based programs.

OJJ’s population presents with many health and mental health issues. OJJ suggests exploring opportunities to coordinate the provision of services with DHH. For example, OJJ purchases services from the private sector that DHH may be able to provide in a manner where the quality of the service is maintained and a cost savings is realized.

The proposed analysis must include an assessment of the behavioral health needs of children and families; an inventory of services purchased to meet these needs; and opportunities/model for creating an organized delivery system that leverages Medicaid and other resources to:

- a. More comprehensively provide for the behavioral health needs of children in our care and their caretakers by reinvesting current funds in the system into a more organized system of care;
- b. Place youth in the least restrictive setting;
- c. Reduce the cost of providing services to children within the OJJ and OCS (both in-home and out-of-home) systems by leveraging Medicaid and other funding sources; and
- d. Improving the overall outcomes of children and their caretakers.

It is expected that the coordinated system of care will most likely provide assessment and diagnosis, medical management, day treatment, and inpatient services. This does not include the cost of therapeutic foster care, residential services, therapeutic group care, residential treatment, transportation, support and education and other wrap around services. However, OJJ and OCS can achieve greater efficiencies for these services by combining the purchasing power of both agencies and develop a systems based approach that is outcomes driven.

4. OJJ entered into a contractual agreement with the Medicaid Office in June 2009 to designate OJJ's eleven (11) regional offices and three (3) secure facilities as Medicaid Application Centers. This agreement streamlines the process for a youth to obtain medical services once he is reintegrated into the community. Prior to the youth exiting secure care and returning home, staff will assist the youth's parent or guardian with filling out the Medicaid application. This process will expedite the youth's receipt of a Medicaid card and ensure the youth's medical needs are met.
5. OJJ provides educational services to adjudicated youth in secure custody, but does not receive the funding provided by the State Minimum Foundation Program formula (MFP). In other words, educationally, the money does not follow the child. The MFP adopted by the State Board of Elementary and Secondary Education (BESE) provides a per pupil allocation of revenues to all public elementary and secondary schools via parish and city school systems, for the provision of educational services each year.
6. OJJ provides day treatment services to youth who are expelled from the school system. OJJ suggests exploring opportunities for DOE to provide these educational services in an alternative school setting. OJJ allocates funds annually for youth in the secure care facilities and adjudicated youth enrolled in one of the 10 contracted Day Treatment programs or group homes - approximately 400 program slots. Having MFP funds "follow the child" to OJJ would require the establishment of a procedure to make an adjustment at a point in time for students that exit the school system.

Recently, a proposal was submitted to BESE for consideration to require a proportional amount of MFP dollars to follow students who are adjudicated to OJJ during the school year. For example, if a student transfers at the beginning of the 2nd semester and the MFP per pupil amount received by the school district for that student equaled \$5,000, then \$2,500 would be transferred to OJJ to help defray the cost of educational services for this student. Improved facilitation of these dollars will help defray the cost per day for secure care and ensure adequate educational instruction for adjudicated youth.

Section Six: Civil Service and Employee Benefits

OJJ is developing positions that are aligned with our reform efforts. The agency has requested that civil service conduct a job study on “Correction” titles for security at our facilities. There are eight (8) correction titles that will transition to more appropriate job titles, such as the Youth Care Worker series or a new Juvenile Justice Specialist. This is a component of the reform effort that moves the agency from a correctional model to a therapeutic model.

Section Seven: Studies and other Resources

Support of Evidence Based Programs:

Washington State Institute for Public Policy reports that evidence based programming, such as Family Functional Therapy and Multi-Systemic Therapy, can reduce recidivism while realizing a cost savings over time.

Steve Aos, Marna Miller, and Elizabeth Drake. (2006). *Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs, and Crime Rates*. Olympia: Washington State Institute for Public Policy.

<http://www.wsipp.wa.gov/rptfiles/06-10-1201.pdf>

John D. and Catherine T. MacArthur Foundation, Models for Change Initiative
Models for Change-supported reform efforts in Louisiana focus primarily on bringing about change in three areas:

1. expanding alternatives to formal processing and incarceration;
2. increasing access to evidence-based services;
3. reducing disproportionate minority contact with the juvenile justice system.

<http://www.modelsforchange.net/about/States-for-change/Louisiana.html?tab=states>

Support of Therapeutic Model in Secure Facilities:

Annie E. Casey 2008 KIDS COUNT Essay Message: *FACT SHEET: A Road Map for Juvenile Justice*.

“Missouri’s juvenile correctional facility demonstrates that there are better ways to address incarceration – Missouri has not been the subject of litigation over conditions of confinement for more than 25 years. 70 % of Missouri’s former wards avoid recommitment to any correctional setting 3 years after discharge, far better than most states, even though its costs are low compared with other states.”

<http://www.aecf.org/KnowledgeCenter/Publications.aspx?pubguid={29CFCA70-348B-416B-8546-63C297710C5D}>

Section Eight: Agency Best Practices

OJJ established a Continuous Quality Improvement Services (CQIS) department in 2000, shortly after the LA Department of Corrections entered into Settlement Agreement with the Department of Justice. This section, then called the Youth Programs and Performance Evaluation (YPPE), was quite visible at the facilities during the time of the Settlement Agreement.

YPPE was subsequently renamed CQIS and has evolved into a comprehensive quality assurance division. CQIS is now responsible for many areas within OJJ, including:

- Technical assistance for American Correctional Association (ACA) accreditation
- Quality Assurance Reviews of secure facilities as well as regional offices
- Quality Assurance Reviews of OJJ databases
- Managing the agency's Office of Risk Management/Safety Program
- Reviewing, revising, and developing agency policy
- OJJ's Data Warehouse – a system to extract/analyze data determining trends, etc. within the agency
- Investigative Services - Conducting investigations of abuse, crimes committed on the grounds of OJJ facilities and other internal matters as deemed necessary.
- Monitoring of CJCA's Performance-based Standards (PbS)

Following the Settlement Agreement, OJJ entered into candidacy with the Council of Juvenile Correctional Administrators to implement *Performance Based Standards* in OJJ secure care facilities.

Performance-based Standards (PbS) for Youth Correction and Detention Facilities is a system for agencies and facilities to identify, monitor and improve conditions and treatment services provided to incarcerated youths using national standards and outcome measures. PbS was launched in 1995 by the US Department of Justice, Office of Justice Programs, Office of Juvenile Justice and Delinquency Prevention (OJJDP) to improve the deplorable conditions reported by the 1994 Conditions of Confinement study of 1,000 secure facilities. Directed by the Council of Juvenile Correctional Administrators (CJCA) with technical assistance from New Amsterdam Consulting, PbS asks participants to collect and analyze data to target specific areas for improvement. <http://pbstandards.org/aboutpbs.aspx>

American Correctional Association (ACA)

The American Correctional Association (ACA) is a professional organization whose mission is to improve the justice system. ACA believes that the principles of humanity, justice, protection, opportunity, knowledge, competence and accountability are essential to the foundation of sound corrections policy and effective public protection.

OJJ currently utilizes ACA standards as the tool to measure quality of services in the regional offices and Central Office. ACA standards guide administrators in development of plans to upgrade juvenile programs and procedures in accordance with nationally recognized benchmarks. The practice necessary to meet high standards of performance and to achieve accreditation is now well established.

The Field Services (Probation & Parole) section has been accredited with the ACA since 1994. Central Office achieved accreditation in 2009 under the Standards for the Administration of Correctional Agencies. The secure facilities are currently preparing for accreditation under the Standards for Juvenile Correctional Facilities with an expectation of achievement in 2010.

<http://www.aca.org/>

DEPARTMENT: REVENUE

LAST UPDATE: AUGUST 17, 2009

SECTION ONE: AGENCY OVERVIEW

The Department of Revenue (LDR) is charged with “administering, assessing, and collecting the consumer, producer, and any other state taxes specifically assigned by law to the department, and shall have authority generally for alcoholic beverage control and the regulation of charitable gaming.”

LDR strives to fairly and efficiently collect state tax revenues. It is our belief that fairness and equity are the cornerstones in achieving a high level of voluntary compliance and public trust in this institution. In keeping with the administration’s desire to communicate policy and programmatic goals in a clear and understandable manner to our stakeholders, the following “overarching” goals have been established for the agency:

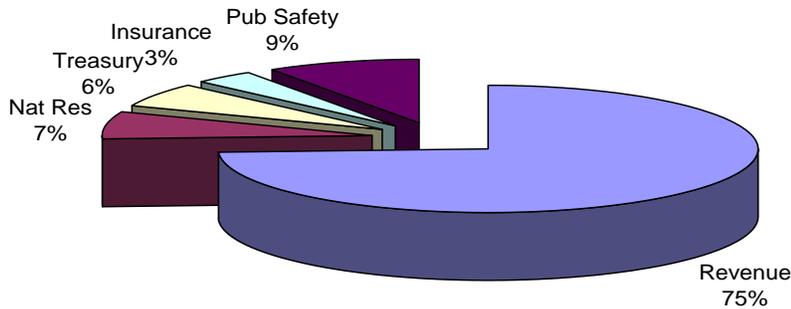
- Ensure the experience of doing business with the department is easy
- Maximize compliance

We believe that if we strive to accomplish these two goals in all that we do, we will achieve our mission in a very successful manner.

TAX COLLECTION PROGRAM

LDR’s Tax Collection Program (TCP) collects, on average, 75% of the state’s general fund dollars. General fund money collected by the department in Fiscal Year 2008-2009 totaled \$8.4 billion. These collections support various state services including all levels of education, public safety, correctional facilities, social services, roads, general government activities, and other programs that rely on general fund dollars. In addition, the department also collects a variety of dedicated taxes and fees to fund the efforts of the Public Service Commission, Department of Agriculture and Forestry, and the Department of Transportation and Development.

**FY 2008-2009 General Fund Forecast
(May '09)**



Louisiana’s tax system is based on voluntary compliance – the expectation that taxpayers will voluntarily pay the right amount of tax in a timely manner. The tax collection program engages in a range of activities that directly or indirectly promote voluntary compliance, stretching from activities that occur before the taxpayer begins to fill out his or her return to enforcement of the tax laws through litigation and criminal prosecution as shown in the chart below:

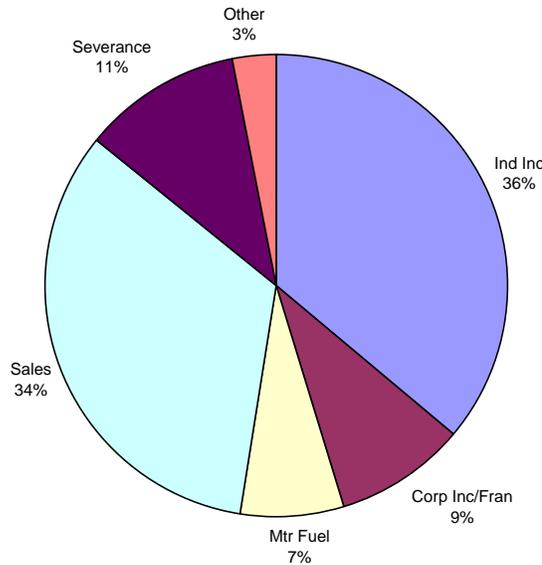
Tax Compliance Continuum

LDR	Draft & negotiate tax legislation	Publish forms, instructions, & guidance	Assist & educate taxpayers	Capture return data & process payments	Resolve exceptions	Issue bills & resolve protest	Collect	Audit	Litigate	Criminal enforcement
	Taxpayer	Elected Officials and the Legislative Process	Review instructions	Ask questions	File returns & make payments	Answer questions arising from exceptions	Review bills & file protests	Collection defense	Undergo audit	Litigation defense
More Taxpayers - Less Cost						Fewer Taxpayers - Higher Cost				

The department’s customer base is one of the largest of all state government agencies. In addition to responding to all persons and entities throughout the state and nation who have Louisiana tax responsibilities, the department interacts with all levels of state, local and federal governments, tax practitioners and business groups.

The majority of taxes the department collects are business taxes, as opposed to individual income taxes (36%). Therefore, the majority of its dealings with taxpayers are with business owners or their representatives. However, there are some instances, such as the gift tax, inheritance tax, and use tax, where the department deals directly with individuals.

Major Tax Collections, FY 2008-09



The department assists taxpayers with their understanding of tax laws and filing requirements through educational opportunities. Where appropriate, automated self-help options are available to taxpayers so needed information and forms can be obtained anytime. Staff resources provide technical assistance where personal assistance is most appropriate. Ongoing performance measures will be utilized to determine the right mix of services that assures taxpayer assistance needs are being met by the department.

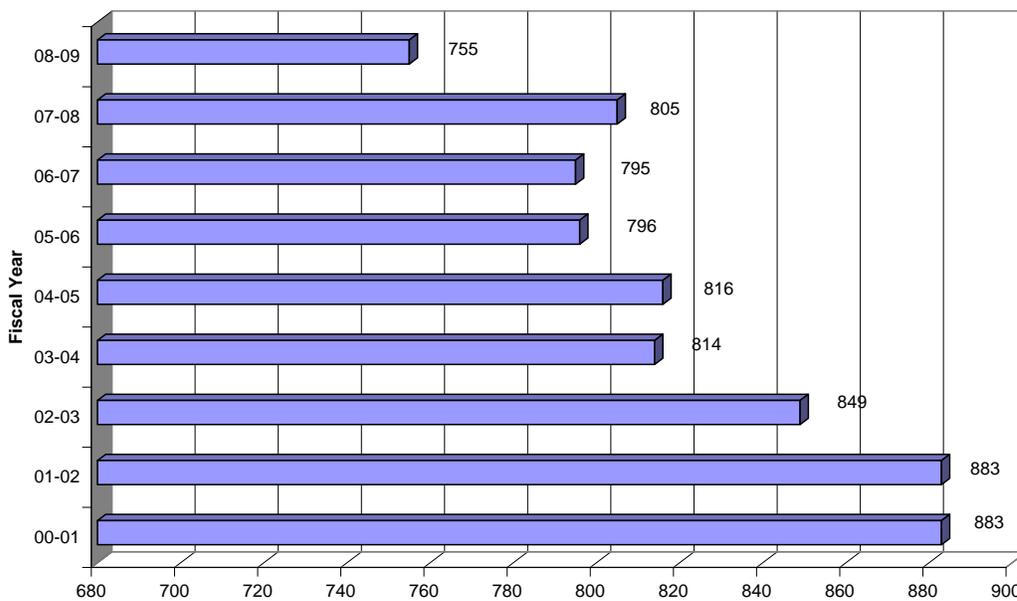
Additionally, citizens and businesses expect the department to be able to conduct business on their terms, using technology to make business interactions with the department simple and efficient. In response, the department continues to design and develop new and better technology solutions to meet this demand when financially feasible. Challenges to creating such solutions include the rapid changes in the technological environment and the different expectations that exist among different customer groups. In response, the department offers a variety of electronic services which allows taxpayers to update their account information, file returns, make payments, and access current forms and publications online.

Despite increasing mandates and workloads, the department recognizes the pressure and demands for government to improve services with fewer resources. To meet these challenges, the department is constantly seeking innovative processes and efficiencies in programs and activities.

In 1948, when the United States was primarily a manufacturing economy, many businesses operated solely within Louisiana and the taxability of their activities was clear. Sixty-one years later, the United States has shifted to a service economy and many businesses operate in multiple states and over the Internet. Our 1940s tax code does not adequately address the borderless economy. At the same time, competition among the states to attract and retain desirable businesses has become intense. Numerous tax credits, deductions, and exemptions have been enacted over the years to address Louisiana’s business climate, and changing business realities on a piecemeal basis. Each legislative session results in new amendments to the tax code further complicating it. This has resulted in a complex tax code. Taxpayers rely on the department to provide clear, concise rules and instructions. Meanwhile, the continuing globalization of business has multi-state and multi-national businesses demanding more uniformity in tax laws and central collection to reduce the burden of compliance.

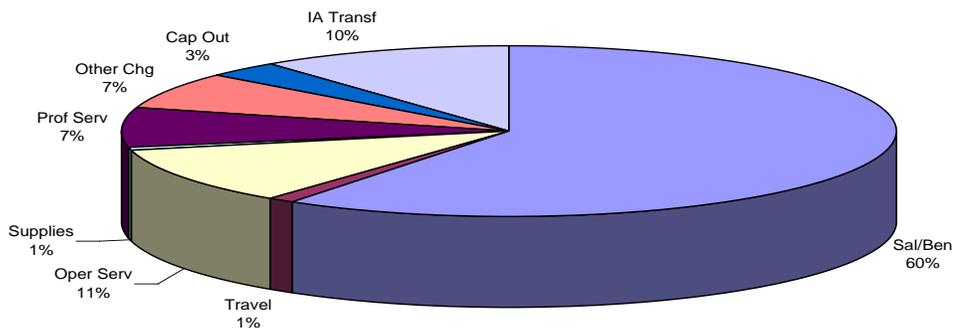
As the state’s principal tax collection agency, the TCP is almost entirely funded by self-generated revenues and fees. Approximately 60% of the TCP budget is salaries and benefits. The staffing level has declined by 15% over the past eight years while the number of registered businesses continues to increase each year.

**Table of Organization
Tax Collection Program**



Other essential expenditures are for printing and postage of tax returns and notices; contracts with technology firms and attorneys; auditor travel; staff training on emerging tax law issues and legislatively approved statutory changes; and technology hardware and software to keep up with customers' increasing expectations for efficient and effective service delivery. Funding these essential services helps to maintain a high level of voluntary compliance and preserves the department's ability to focus on revenue collection for state and local governments.

FY 2008-09 Budget



The department is deliberate in making strategic investments that optimize efficiencies and drive down overall costs. This is reflected in our overall cost of collections being \$.0079 per dollar collected for fiscal year 2008. However, because the majority of the department's budget is dedicated to these essential expenditures, any reductions in the department's budget profile quickly begins to impact staff resources and service delivery due to limited flexibility.

During the 2010 fiscal year, the department will focus on finding operational efficiencies by improving outdated processes, continuing to reduce facility costs and meeting performance expectations. The department's funding and table of organization has been reduced by a total of eighty-five FTEs over the last two fiscal years. Further budget reductions to the department could result in the need to divert resources from other areas which could negatively impact service levels, including revenue collections and erode the department's ability to operate effectively.

The department is headquartered in Baton Rouge and has six field offices throughout Louisiana. In addition, we have two district offices in Texas (one each in Houston and Dallas). Four of the facilities located outside of the Baton Rouge area are leased from private owners. The other offices are located in state-owned buildings.

Since information technology (IT) is a rapidly changing field, the department's Information Technology Division is continually looking to improve its service delivery while providing an infrastructure that supports the department's mission, vision, and business needs. Opportunities exist to implement IT industry process best practices and address systems that are grounded in older technology. While these systems meet the needs of the current business functions, they could be improved with modern technology to better meet the increasing demands of our customers and taxpayers. As improvement investments are considered, key areas of focus will include IT internal capacity needs, such as standardized processes, knowledge, skills and abilities of staff, and infrastructure.

Education is the most efficient and cost-effective way to maximize voluntary compliance. The department strives to provide taxpayers with the information they need to understand and meet their tax reporting responsibilities. This is done through numerous channels, including the department's web site, the call center, written letter rulings, publications, and workshops. The department also makes an effort to provide taxpayer assistance during one-on-one encounters such as audits, consultation visits and contacts resulting from delinquent accounts collection activities.

Because the department administers tax and other programs that result in revenue collection, it supports every state goal as well as programs at the local government level. At LDR, we understand the responsibility that has been given to us and we are prepared to demonstrate the manner in which resources entrusted have been invested. We are "outcome focused" and accept the challenge of collecting the revenues that our sister agencies need to carry out their missions. The goals established by our Governor and Legislators are contemplated and supported in all the activities performed by this agency.

CONSTITUTIONAL AND STATUTORY MANDATES

- I. What are the Department's main purposes and functions? (La. R.S. 36:451)
 - A. Administer and collect state taxes
 - B. Alcoholic beverage and tobacco control
 - C. Regulate charitable gaming

- II. Tax Collection Program
 - A. Collect and enforce collection of taxes, penalties, interest and other charges (La. R.S. 47:1502)
 - i. Maintain accurate record containing (La. R.S. 47:1506)
 1. Name of remitter
 2. Amount of taxes paid
 3. Type of taxes paid
 4. Reports and other records filed
 - ii. Disposition of collections (La. R.S. 47:1521)
 1. Deposit immediately upon receipt into state treasury

2. Determine correct tax due by examining, auditing, or investigating returns or reports filed (La. R.S. 47:1541)
 - iii. Assessment and enforcement of collection of taxes (La. R.S. 47:1561)
 1. Assessment
 - a. Determination and notice of tax due (La. R.S. 47:1562)
 - b. Assessment of tax, interest, and penalty (La. R.S. 47:1564)
 - i. Notice of assessment
 - ii. Taxpayer's right to appeal
 2. Summary court proceeding (La. R.S. 47:1574)
 3. Ordinary suit under general laws for enforcement of obligations
 4. Remittance under protest (La. R.S. 47:1576)
 - iv. Imposition of Interest and Penalties
 1. Interest on unpaid taxes (La. R.S. 47:1601)
 2. Penalties for failure to file, timely file, or timely pay (La. R.S. 47:1601 to 1603)
- B. Administer legislative mandates (La. R.S. 47:1502)
 - i. Bonds
 - ii. Certifications
 - iii. Credits
 - iv. Exemptions and exclusions
 - v. Fund accounting or distributions
 - vi. Permits
 - vii. Reports
 - viii. Rules and regulations
 - ix. Refunds
- III. Alcoholic Beverage and Tobacco Control Program
- IV. Charitable Gaming Program

SECTION TWO: EFFICIENCY AND BENCHMARKING

- **The Natural Disaster Sales Tax Rebate Program** – This program is mandated and consideration should be given towards improving its effectiveness in achieving the goal contemplated by the Legislature. These rebates are available to taxpayers who lost (through destruction) tangible personal property as a result of a federally declared natural disaster. A primary issue with this program is that the taxpayers claiming the refunds often do not have sufficient documentation to substantiate the amount of the refunds being claimed, primarily due to the information being lost in the disaster. An alternative might be to change the rebate program such that it is based upon a factor applied to the taxpayers' income level. This would potentially allow the taxpayer to receive monies quicker and eliminate the untenable position (substantiating a claim

when original documents have been destroyed) the taxpayer finds himself in after he has been the victim of a natural disaster.

- **Non-resident Contractor Registration Program** – LDR is required by statute to ensure that non-resident contractors are registered and pay the appropriate amount of tax. The intent is to eliminate a potential competitive advantage that a non-resident could have over a resident contractor if no state taxes are paid by the former. We have found that this program does not generate a return on investment sufficient to justify the amount of resources required to effectively register the non-resident contractors. Our desire is to have the law changed such that this responsibility is shifted to the State Licensing Board for Contractors.
- **Enterprise Zone or Quality Jobs Program Contract** – LDR recommends eliminating the sales and use tax rebate option available to contract holders of an Enterprise Zone and/or Quality Jobs Program contract. An alternative proposal is to make it mandatory that the contract holder submits his claim under the provisions related to the Refundable Investment Income Tax Credit (RIITC) section of the programs. Our data indicates that an increasing number of contract holders filing claims under these programs have selected the RIITC and a decreasing number of contract holders have selected the sales/use tax rebate from FYE 2008 to FYE 2009. The RIITC option is less documentation intensive and requires a much shorter review and approval period as compared to the sales/use tax rebate. This is beneficial to both the taxpayer and LDR in terms of the number of hours required for record keeping, reviewing and approving the documentation required to be submitted for the rebate option.
- **Streamlining the Administration of Tax Credits** – Currently there are a large number of tax incentives available to individuals and businesses that reward a vast array of activities, related to both personal and business behavior. No two of the tax incentives are administered in the same manner due to the differences in the statutes that authorize the incentives. There are credits that may be transferred to other taxpayers, credits that are claimed on the return and refunded if the credit amount exceeds the taxpayer's tax liability, credits that may be rebated directly to the taxpayer rather than being claimed on the return, credits that may be either rebated or applied against the current year tax liability at the taxpayer's option, credits that cannot reduce the tax below zero and that must be used in the year earned and credits that are not refundable but for which any excess credit may be "carried forward" to reduce a subsequent year's tax liability, and, as an additional complication the carryforward period may be three, five, ten or twenty years. All of these different administrative methods lead to confusion on the part of the taxpaying public and inefficiencies on the part of the department. Some recommended solutions to the administrative inefficiencies are as follows:
 1. Removing refundable credits from the tax return would streamline the tax return process and allow payments to the taxpayer to be made more quickly. Currently, an issue on the tax return unrelated to a refundable credit will suspend the entire

return including the credit, this delays the issuance of the refundable credit to the taxpayer and leads to the perception that economic development related tax credits are not working. In order to do this, refundable credit statutes would need to be amended by the legislature to allow them to be rebated. In addition, assigning a subject matter expert agency to all refundable credits/rebates would allow the department to act merely as the banker. This would additionally streamline the processing of these credits without creating the necessity for subject matter expertise that is already available in another agency.

2. Amend the administrative provisions of tax credits with similar structures to make them consistent. For example, provide one standard carryforward period of 5 years for all credits with a carryforward. This would streamline administration by the department and compliance by taxpayers.
3. Automate credit processing whenever possible – LDR is currently working on a pilot program with the Department of Economic Development (LED) to automate the payment of rebates certified by Economic Development. This will allow LED to submit rebate requests on behalf of taxpayers directly to LDR. Currently in many of the LED credit and rebate programs, LED issues a certificate to the taxpayer who then remits the certificate to LDR for payment. The pilot program looks to "eliminate the middleman" through direct contact between LED and LDR which will significantly reduce the processing time for the LED certified rebates and get the rebate to the taxpayers much quicker.

Eliminate Circular Flows of Money – Louisiana law has created a number of circular flows of money in which a citizen remits a payment to one arm of government and then seeks reimbursement of this amount from another arm of government through the Department of Revenue. An example of this is the credit for ad valorem taxes on inventory. In most local jurisdictions, a business' inventory is assessed each year and the business remits ad valorem tax to the local government based on this assessment. Manufacturers, wholesalers and retailers that pay this "inventory tax" are able to get this money back through the inventory tax credit which is claimed on income and franchise tax returns filed with the Department of Revenue. The state is in effect paying the local inventory tax on behalf of manufacturers, wholesalers and retailers and the taxpayers are put in a cash flow crunch because they must remit the money to local government in one year and wait for over a year to get the money back because the inventory tax credit must be claimed on the tax return filed for the year in which the payment was made. Ideally, this circular flow would be eliminated by having the state make a direct payment of the inventory tax to local government.

- **Eliminate Certain Taxes & Redistribution of Duties to appropriate Process Owners** - Reduce Inefficiency of Collecting Fees and Taxes - There are also taxes and fees imposed by the state that have very low annual collections. The cost of establishing and maintaining a collection and billing system for a tax or fee is very high; therefore, the cost per dollar of collections of low value taxes and fees is extremely high. Streamlining in this area might include eliminating small taxes and fees such as the Transportation and Communications tax. Additional assessments will need to be made with respect to the costs associated with the administration and enforcement of these taxes.

SECTION THREE: OUTSOURCING AND PRIVATIZATION

Potential Outsourcing Opportunities:

- **Delinquent Accounts Receivable** – Totally outsourcing delinquent accounts receivable to a private company would have the effect of reducing the size of government. The contracts with private collectors are usually set up to allow a fee to be charged to the delinquent taxpayer; thereby, eliminating any expense to the state. An alternative would be to allow state agencies and private entities to compete for this activity.
- **Paper Document and Remittance Processing** – A few private companies exist who perform these services. Some states have elected to outsource this service rather than maintain these operations themselves.
- **Call Center Operations** – These operations are common in private industry. One of the challenges would be to train personnel on tax related issues but this is not insurmountable. One of the advantages would be that agencies would not have the burden of staffing in a high-turnover environment. This has proven to be a major challenge that is quite costly.
- **Information Technology Services** – Numerous opportunities exist for outsourcing of information technology services. Services such as infrastructure hosting and management, software development, equipment maintenance, and data center management are just a few. A strategic approach should be taken if this option is selected for implementation in order to minimize the risks to data and agency day-to-day operations.
- **Training of Employees** – All training for job related and continuing professional education can be performed by private entities.
- **Buildings and Grounds Maintenance** – Private companies are available and usually perform this function more efficiently and cost-effective. This is a general observation not related to LDR activities or functions.
- **IT Help Desk Services (Statewide)** – An IT Help Desk for software products common to a significant number of agencies and employees would be more cost efficient and effective from a long-term perspective. Currently, LDR uses an outsourced vendor for

its help desk operations. This model has been employed for a few years and proven to be effective.

- **Common State Car Pool in Downtown Baton Rouge** – Create a centralized car pool for infrequently used state owned vehicles. Currently, a large number of state owned vehicles are housed in the downtown Baton Rouge area. A suggestion is to assess the needs of each agency with respect to frequency of use and eliminate vehicles where there is underutilization in close proximity to occasional users. Another alternative could be to outsource this activity to a vehicle rental agency that would operate in the downtown area near the users. This could eliminate the need for the state to purchase and maintain the automobiles.
- **Consolidate Employee Recruitment Practices** – Create a single entity, or outsource to one, for the purpose of recruiting appropriate skills for state government positions. Currently, multiple agencies are attending job fairs and other forums for this purpose.
- **Sales Tax Audit Services** – This activity could potentially be outsourced to a private entity in total or used to supplement existing staff. Private firms exist who perform audits for some local governments. Over the years, a few have expressed an interest in expanding their business to the state. Additional analysis would be required to determine an hourly rate to compare to LDR cost. The department currently contracts with the Multistate Tax Commission for auditing services and in the past had a small contract with a local tax administrator. It should be noted that there is strong sentiment within the business community that tax audits should not be performed by private companies.

SECTION FOUR: INFORMATION TECHNOLOGY INTEGRATION

- **Kiosk Project** – LDR’s kiosks are currently in service in our New Orleans Regional Office. The kiosks are self-service tools available to our customers for various services previously performed by a live person. Our plan is to strategically locate these units throughout the state in order to serve customers. These kiosks may be expanded to include services provided by other state agencies.
- **E-services Projects** – Funding has been provided that allows us to update existing and develop new electronic filing applications. Developing new electronic service options will allow us to expand our 24/7/365 service delivery. In addition, electronic solutions for service delivery reduce our overall cost of services while maintaining and in some cases enhancing service levels. This is important as we move away from paper processing via human service portals.

SECTION FIVE: ELIMINATION OF DUPLICATIVE AND UNNECESSARY SERVICES

Duplication or Overlap with Other State Agencies, the Federal Government, or Public or Private Stakeholder Groups:

Other State Agencies:

- **Office of Alcohol and Tobacco Control** – Because of the nature of the enforcement activities performed by this unit, there is a long-standing debate about which agency this function should be placed under. The field enforcement activities of ATC are performed by post-certified officers who carry firearms while carrying out their duties. On occasion, these officers are required to make arrests when the need arises. In addition, these officers are first-responders on an as-needed basis when called upon.
- **DNR Mineral and Royalty Programs** – DNR has a field audit program that audits oil and gas exploration companies for royalties that are due to the state from state leases. LDR audits many of the same companies for severance taxes. There could possibly be certain efficiencies gained by allowing LDR to audit these oil and gas exploration companies for severance taxes and royalty payments at the same time.
- **Consolidated Reporting of Royalty Payments and Severance Taxes** – LDR and DNR desire certain law changes that allow for consolidated reporting of extracted mineral resources, royalty payments and severance taxes. Accomplishing this task would be a win-win situation for both the taxpayers and the state.
- **Louisiana Workforce Commission (LWC) Tax Collection and Audit Programs** – LWC has a field audit program that audits businesses for unemployment insurance taxes. LDR audits businesses for various business taxes (sales tax, withholding tax, etc.). There could be certain efficiencies gained by allowing LDR to audit these businesses for state unemployment insurance taxes at the same time that they audit businesses for other taxes.
- **Consolidate Reporting of Unemployment and Withholding Taxes** – LDR and LWC desire certain law changes that allow for consolidated reporting of unemployment and withholding taxes. Taxpayers are currently duplicating much of the information reported to the two agencies – the major exception being the withholding and unemployment tax items. The other payroll related data is basically the same.
- **Centralized Collection of Delinquent Accounts Receivable** – There are certain economies of scale that could be realized by consolidating most, if not all, delinquent accounts receivable collection activities from the various state agencies. LDR has acquired (as other agencies have also) expertise in collecting delinquent accounts over the years that could be beneficial to other agencies. Leveraging these resources in a manner that allows for a single contact for all debts to the state by a business and/or individual has obvious benefits associated with it.
- **Central Paper Document and Remittance Processor** – Currently LDR has a state of the art document and remittance processing system. Other state agencies either perform some of the same processes or they are exploring the possibility of doing so. Idle capacity exists in LDR's processing unit which could be put to use by processing documents for other state agencies. Our equipment is designed to operate on a 24/7 basis and it is idle approximately fifty-eight percent of the time. Because of the

equipment already in place at LDR, other agencies in need of these services would not have to duplicate this investment.

- **Statewide motor pool maintenance at single location** – A recommendation is being made to establish either a state-operated or outsourced motor pool maintenance garage for state agencies in the Baton Rouge area. This is a general observation not related to LDR activities or functions.

Other Local Governmental Agencies:

- **Single Sales and Use Tax Collector for the State** – This idea has been discussed for many years in Louisiana. The benefits of a single sales and use tax collector to taxpayers (both individuals and businesses) include but are not limited to: increased economic development in our state; transparent and accountable government; decrease to businesses in the cost of doing business in our state; simplification of tax compliance; and reduced overall government bureaucracy for businesses. Louisiana is one of forty-five states that do not have a single collector for sales and use taxes.
- **Centralized “Help Desk” for State Agencies** – For state agencies utilizing common software applications (such as Microsoft Office, ACL, WordPerfect, etc.), it would be beneficial to offer a single location for this much needed service. Currently, each agency coordinates its own help desk functions and training as it relates to commonly utilized software applications.
- **Single Business Registration Portal** – Businesses currently have to traverse through the maze of rules and regulations governing their operations. There is basic information that is common to most agencies when an entity expresses interest in doing business with and/or within the state. Acquiring general information about the businesses’ intent at the initial point of contact can be shared with all interested agencies. This information could either suffice in properly registering that business with a particular agency or serve as the catalyst for forwarding other necessary documents that must be filed for registration purposes.
- **Centralized Motor Pool** - For state agencies located in the downtown area, a centrally located and managed pool of automobiles that are utilized for infrequent trips could possibly reduce the number of vehicles purchased by the state. A number of vehicles are potentially under-utilized.
- **Statewide IT Disaster Contingency Site** – There is a need to establish a site that will be available on an “as needed basis” in the event that state agencies’ primary operating locations are otherwise unavailable as a result of a natural or man-made disaster. Ensuring that critical operations can continue or be restarted in the aftermath of a major catastrophe is mandatory to the economic viability of the state.

SECTION SIX: CIVIL SERVICE AND EMPLOYEE BENEFITS

- **State Employee Pay-for-Performance System** – The Civil Service Commission should adopt a pay-for-performance system that would be required to be adopted by all state agencies. This system should include a certification process and requirement that ensures that each agency’s plan is administered in a reasonable and unbiased manner. As a standard, Civil Service should require that the Performance Planning and Review method utilized by the agency focuses on objectively determined outcome-based productivity standards for employees. The new system should require that an agency meet specific standards before being allowed to use the pay-for-performance system.

SECTION SEVEN: STUDIES AND OTHER RESOURCES

National and State Studies:

Streamline Sales Tax Project – The Streamlined Sales Tax Project (Project) is a national effort created by state governments, with input from the private sector and local governments, to simplify and modernize sales and use tax collection and administration throughout the United States. The Project’s proposals include tax law simplifications, more efficient administrative procedures, and enlisting emerging technologies to substantially reduce the burden of sales tax collection. The Project’s proposals are focused on improving sales and use tax administration systems for both Main Street and remote sellers for all types of commerce and ensuring that the proper sales taxes are remitted to state and local governments. This project and the studies that have been performed in conjunction with it are significant as Louisiana assesses the direction it will take in streamlining government operations and services. Detailed reports relating to the Streamline Sales Tax Project can be found on many of the websites listed below; however, the Multistate Tax Commission, Federation of Tax Administrators, and Council on State Taxation websites are recommended by this agency.

National Organizations and Their Websites:

- **Internal Revenue Service** – <http://www.irs.org/>
- **Federation of Tax Administrators** – <http://www.taxadmin.org/>
- **Multistate Tax Commission** – <http://www.mtc.gov/>
- **Council of State Governments** – <http://www.csg.org/>
- **Center on Budget and Policy Priorities** – <http://cbpp.org/>
- **Council on State Taxation** – <http://statetax.org/>
- **National Tax Association** – <http://ntanet.org/>
- **Tax Exchange** – <http://www.taxexchange.org/>
- **Tax Foundation** – <http://taxfoundation.org/>

- **Tax Policy Center** – <http://taxpolicycenter.org/>
- **Small Business & Entrepreneurship Council** – <http://www.sbsec.org/>
- **Forbes.com** – <http://www.forbes.com/>

SECTION EIGHT: AGENCY BEST PRACTICES

- **Integrated Tax System Implementation** – LDR converted to a server-based integrated tax computer system (DELTA – Defining Excellence in Louisiana Tax Administration) a few short years ago. The project and system were recognized by Microsoft, State Tech (see article in Attachment 1) magazine and the Federation of Tax Administrators for process improvements through the use of technology. Our integrated tax system is the foundation upon which services to taxpayers are based. The system is used in all aspects of our operations, including but not limited to: processing of returns; refund administration; collection and audit management; revenue and distribution reporting; electronic image management; correspondence administration; and E-services/e-commerce support.
- **E-services/E-commerce Initiatives** - LDR has developed numerous electronic applications in order to provide services to taxpayers in a more convenient and efficient manner. Our La Tap portal allows a taxpayer to perform tax filing, payment and account inquiry activities without human intervention. The cost of providing and maintaining this service portal is more cost-effective than the traditional human service delivery model. Continuing to provide services to the taxpayer in an electronic environment is a priority of this agency.
- **Information Technology Governance Process** – LDR has established an information technology governance process in order to prioritize and align IT resources with the strategic initiatives of the agency and the state.
- **Call Center Operation** – A call center has been established utilizing modern technologies and best practices to increase efficiencies and improve communications with taxpayers and practitioners.
- **NSF Checks Collection Outsourcing** – Louisiana District Attorneys Association has been contracted with to collect NSF checks utilizing an electronic distribution system.
- **Mobile Tax Collection Program** – A system has been established that provides our field collection agents with real-time account information during visits to taxpayer sites.
- **Brownbag Lunch and Learn Outreach Program** – The Louisiana Society of CPAs and LDR partner to deliver information related to various tax topics to businesses and individuals around the state. The sessions are coordinated through our regional and district offices.
- **Underage Access to Alcohol and Tobacco Products** – Through its various enforcement and compliance initiatives, the Office of Alcohol and Tobacco Control (ATC) has maintained the highest compliance rates for underage access to alcohol and tobacco

products in the U.S. each year since 2001. In doing so, ATC was recognized as the nation's best alcohol enforcement agency by the National Liquor Law Enforcement Association and received an "Innovations in Adjudication" award from the national Conference of State Liquor Administrators for its one of a kind "Responsible Vendor Program".

- **Policy Services Division** – The establishment of this division, for the first time in the history of Louisiana tax administration, created a single source of contact for official policy guidance for the public and LDR employees. This unit is responsible for drafting and promulgating rules; issuing policy statements (such as Revenue Rulings, Private Letter Rulings and Revenue Information Bulletins); and providing information to the executive and legislative branches of government relative to the effect of proposed and enacted legislation.
- **Computer Assisted Audit Program** – This program is designed to offer technical computer hardware and software support services to the audit process. Created as a result of benchmarking the best practices of other state and federal governmental agencies, this program has allowed LDR to increase its efficiency in performing sales and use tax audits. The basic premise of the program is to incorporate statistical sampling theories and principles into the auditing process. LDR credits this program with increased productivity in spite of declining human resources over the past years.
- **Federal Refund Offsets Program** – A primary tool utilized by LDR in collecting delinquent individual income tax accounts is the U.S. Treasury's Financial Management Service (FMS) central disbursements program called "Treasury Offset Program" (TOPS). The TOPS program levies against federal refunds or credits due to taxpayers in order to offset state tax debts. This program is strictly voluntary and requires that a participating agency adhere to stringent federal guidelines in order to participate. Since January 1, 2009 alone, LDR has collected on more than \$50 million in delinquent receivables through this program.
- **Reorganization of Tax Divisions** – The tax divisions within the Department were reduced in number, reorganized, and streamlined to avoid duplication of services while increasing efficiency. The reorganization was completed after a comprehensive study by the Department's administration to identify the services and work processes within each tax division. As a result of this study, LDR was able to eliminate supervisory and management layers that no longer added value to the operations of the agency. The agency eliminated the Deputy Assistant(s) and Undersecretary positions as well as a few mid-level management and front-line supervisory positions.
- **Committee for a SECURE Louisiana** – This committee issued a report on the department's operations in 2002 (see Attachment 2). The report stated that the Department was headed in the right direction. Subsequent to the issuance of that report, the department has continued to streamline and improve its operations. The department realizes that the fiscal challenges facing the state currently, and in the immediate future, maybe significantly different than in 2002.

**LOUISIANA DEPARTMENT OF VETERANS AFFAIRS
STREAMLINING GOVERNMENT ANALYSIS**

DEPARTMENT: Louisiana Department of Veterans Affairs (LDVA)
STAFF CONTACT: Thomas Enright (225-252-4543 BB)
LAST UPDATE: 14 August 2009

Section One: Agency Overview

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

“The mission of the Louisiana Department of Veterans Affairs is to assist Louisiana veterans and their dependents in receiving all federal and state benefits, and deliver quality services at our War Veterans Homes and Veterans Cemeteries.”

In the state of Louisiana, there are approximately 320,000 veterans and an estimated 800,000 to 900,000 family members, for a total of over 1,100,000 “clients” for the Louisiana Department of Veterans Affairs (LDVA).

There is a wide array of Veterans’ “benefits” offered by the state of Louisiana and a multitude of federal agencies, primary of which is the U.S. Department of Veterans Affairs.

To serve these clients, LDVA employs 816 people statewide: 720 in the five Veterans Homes, 54 in Contact Assistance, 19 at Headquarters, 9 in Claims, 9 in the Cemetery Program, 2 in Troops to Teachers, and 3 in the State Approval Agency.

These programs all require a small percentage, or no, state general fund (SGF) dollars, and are either substantially funded with federal and self-generated dollars, or generate a huge return of federal benefits dollars in return for the SGF dollars expended:

- The Veterans Home Program employs 720 personnel with a total budget of \$41,967,113. Of that total budget, 86.5% is federal and self-generated funds. The five Veterans Homes were constructed by the federal government with the state paying 35% of the cost and agreeing to operate the homes for at least 20 years. Four of the five homes remain under this 20-year requirement to continue operations.
- The Contact Assistance and Claims Programs employ 63 personnel with a total budget of \$3,258,750. Of that total 75% is SGF dollars. This program annually recoups over \$670,000,000 in federal Veterans benefits into the state.
- The Cemetery Program employs 9 personnel with a total budget of \$410,808. 100% of that budget is SGF. The cemetery was constructed with 100% federal

funds and operates under a memorandum of agreement that the state operate the cemetery in perpetuity.

- The Troops to Teachers (T3) Program employs 2 personnel with a total budget of \$216,975. Of that total budget, 100% is funded by the federal government. The mission of the Louisiana Troops to Teachers Program is to improve overall Louisiana education by providing motivated, experienced and dedicated teachers for the state's classrooms and to help relieve teacher shortages by certifying and employing veterans and former Department of Defense and Energy employees as teachers and teachers' aides for service in Louisiana's public schools and, when military personnel are unavailable, qualified civilian teachers. Federal law provides that the Chief Executive of each state designates what state agency or department administers this program.
- The State Approval Authority (SAA) Program employs 3 personnel with a total budget of \$242,610. Of that total budget, 100% is funded by the federal government. Approximately 5,000 Veterans attending these Training institutions per year which accounts for \$36,796,000 in federal veterans' educational benefits into the State of Louisiana. The SAA administers the approval, inspection and supervision of schools and training establishments within the State of Louisiana for the enrollment of veterans and other eligible persons to receive a professional or a vocational objective. The SAA is also responsible for ensuring that every program of education meets 38 USC requirements at every (IHL) institution of higher learning, (NCD) non college degree program, flight school, license and certification program, On-The Job Training and independent study program. The SAA is also responsible for training school officials (certifying Officials) at the various institutions and training establishment to certify veterans in pursuit of their professional or vocational objectives within the state of Louisiana. The SAA provides technical assistance and outreach to the various educational institutions and training establishments, and provides liaison activities with other education and training professionals. This program operates under a reimbursement contract with the US Department of Veterans Affairs. Federal law provides that the Chief Executive of each state designates what state agency or department administers this program.

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

- Act 144 of 1924 created the precursor to the current agency, and was called the "State Service Commissioner." Act 98 of 1944 expanded its powers and responsibilities in the midst of WWII and created the foundation for the current agency. Act 1088 of the 2003 Regular Session elevated the agency to cabinet

level status and created the Department of Veterans Affairs (joining the majority of other states with cabinet-level veterans agencies).

- “The Department of Veterans Affairs is created and shall be a body corporate with the power to sue and be sued. The domicile of the department shall be in Baton Rouge.” LSA-R.S. 36:781(A).
- “The Department of Veterans' Affairs, through its offices and officers, shall be responsible for and shall perform the functions of the state relating to the welfare of veterans, including the functions of the veterans service offices throughout the state, the agent orange directory, and the operation of healthcare facilities for war veterans, as provided by law.” LSA-R.S. 36:781(B).
- “The Department of Veterans Affairs shall be composed of the executive office of the secretary and the office of management and finance, and such other offices as shall be created by law.” LSA-R.S. 36:781(C)(1).
- LDVA’s responsibilities include: “Establish and manage a Veterans' Honor Medal Program in order to recognize and honor all Louisiana veterans.” LSA-R.S. 36:784(8)(a).
- LDVA administers the Louisiana Military Family Assistance Fund (MFA Fund), which provides emergency financial relief to mobilized Louisiana residents serving in the Guard and Reserves. LSA-R.S. 46:121 et seq.
- Act 260 of the 2007 Regular Session (LSA-R.S. 22:941) created a death/disability benefit for all Louisiana National Guardsmen who die on active duty (\$250,000) or sustain a permanent total disability (\$100,000). While the law does not name a state agency to administer this program, LDVA has assumed responsibility for identifying and processing the permanent total disability portion of the program in order to ensure that these injured Veterans are served.
- Act 167 of the 2009 Regular Session (LSA-R.S. 39:2171 et seq.) creates opportunities for veterans to compete for state government contracts. The “Veterans Initiative” adds veteran-owned businesses and service-connected disabled veteran-owned businesses to the existing “Hudson Initiative” administered by Louisiana Economic Development. LDVA has statutory responsibilities to provide information to state government entities and publicize this new program to veterans.
- Act 18 of the 2009 Regular Session (LSA-R.S. 29:381) adds “peacetime Veterans” to those eligible to reside in the state Veterans Homes. The Veterans

Homes were previously restricted to “wartime Veterans” only. This revision adds over 80,000 Veterans to those eligible for residence in the Veterans Homes.

- State Approval Agency - Federal law provides that the Chief Executive of each state creates or designates a state department or agency as the “ State Approving Agency” for his/her state. 38 USC 3671. The governor has designated the Louisiana Department of Veterans Affairs as the state agency responsible for administering this program.
- Troops to Teachers – Federal law provides that the Chief Executive of each state designates what state agency or department administers this program. 10 USC 1143a. The governor has designated the Louisiana Department of Veterans Affairs as the state agency responsible for administering this program.

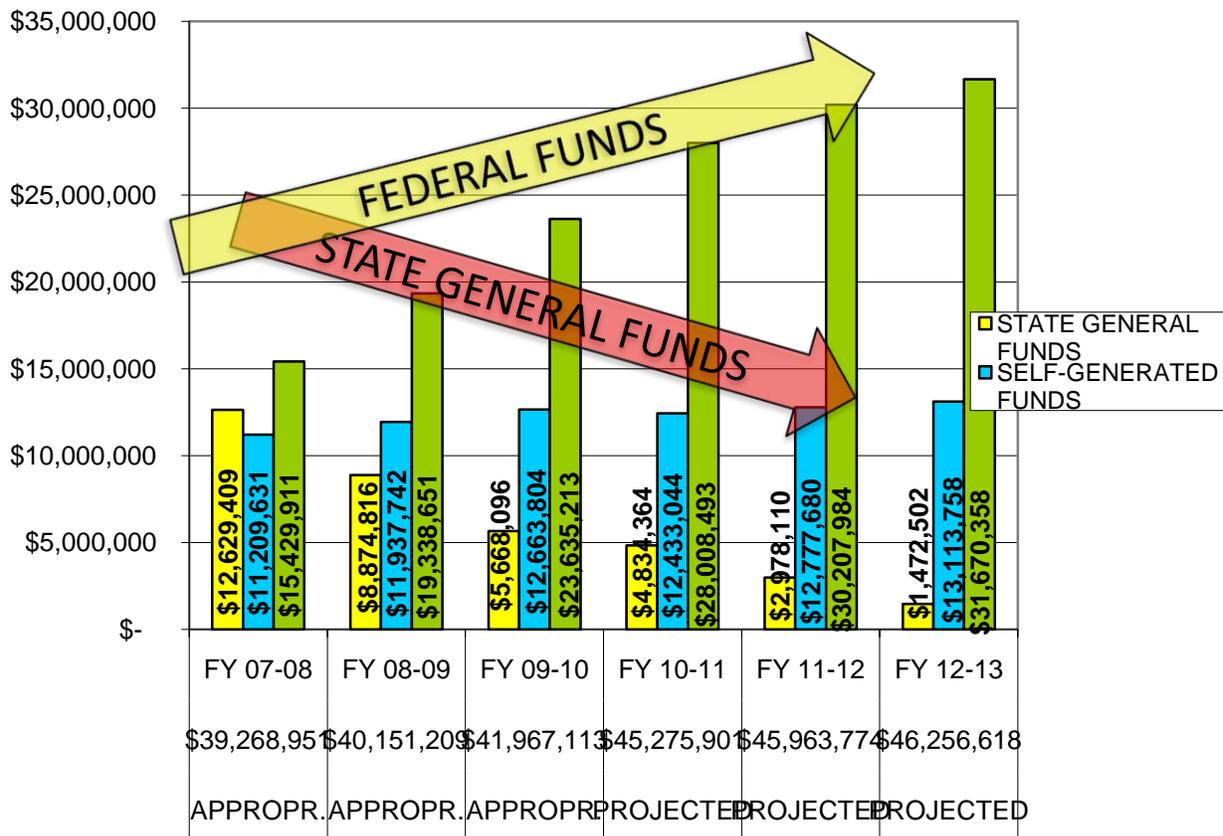
Section Two: Efficiency and Benchmarking

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

LDVA has no under-performing programs that should be overhauled or eliminated, and is on track to continue replacing state general fund dollars with federal and self-generated funds. (See graph on next page.) Further, LDVA’s Veterans Homes and Contact Assistance Program have been highly rated by the following sources.

- FY 2008 – 1st quarter: Of the 125 Southern homes compared by the Federal VA program Louisiana ranked as one of the lowest cost providers in this region, demonstrating efficiency of operations. (U.S. Department of Veterans Affairs 2008 report.)
- Medicare Five Star Rating: Two of the Veterans Homes ranked 3 of 5 stars and one ranked 5 of 5 stars. The other two were not ranked in the Medicare Website currently due to their recent entry into the Medicare program. The Veterans Homes are ranked in the top twenty-percent of this reporting program of all long term care facilities in the State. The only higher facilities are hospital-based long term acute care facilities and religious-based operations.
www.medicare.gov/nhcompare
- Louisiana ranks 14th in the nation in per capita expenditures and 16th in per capita compensation, pension, and education. (U.S. Dept. of Veterans Affairs 2008 data)
- Louisiana ranks 11th in the nation in average disability payments to service injured Veterans. (U.S. Dept. of Veterans Affairs OIG Report, May 2005)

LOUISIANA WAR VETERANS HOMES



Section Three: Outsourcing and privatization

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

LDVA is studying the following initiatives:

- 1) Consolidation of Pharmacy Services at its 5 Veteran Homes.
 - Currently 6 full time Pharmacists employed.
 - Reduce to one central pharmacy to serve all five homes or contractual arrangements with one pharmacy able to serve all homes.

- 2) Consolidation of Physician Services at its 5 Veteran Homes.
 - Currently 6 full time Physicians and 2 full time Nurse Practitioners
 - Reduce to one Physician and one Nurse Practitioner or contractual arrangements with local Physicians in community to serve Veteran Homes and build referral basis with all facilities.

- 3) Re-negotiation of a more competitive therapy service contracts at its 5 Veteran Homes.
 - It is expected that therapy contracts can be negotiated from 99 cents per minute for Part A services to 80 cents and from 99 cents to 75 cents for Part B services.
- For items 1-3, Total Cost Savings with this outsourcing is estimated between \$1-2 million.
- 4) Transfer of Veterans Programs from the Louisiana Workforce Commission (LWC) to LDVA to achieve better outcomes through one-stop Veterans service centers, and potentially reduce occupancy expenses by consolidating personnel.
 - a. The LWC is required by the Jobs for Veterans Act (P.L. 107-288) to facilitate its application for funding to provide the employment, training and placement services for veterans required by Chapter 41, Title 38, United States Code (38 U.S.C. 41), as amended.
 - b. The commission's primary objective is to grow the workforce by providing opportunities for all individuals to take advantage of the various training programs and support agencies available to enter the workforce. Under the existing one stop service delivery model there are 28 full time employees located in the business career solution centers across the state that focus primarily on job search, job training, and placement of veterans in suitable employment.
 - c. LDVA also serves the special needs of Veterans with 78 local Parish Service Offices throughout the state. These offices offer a comprehensive array of services to veterans including applying for health care, disability and pension benefits, burial and memorial benefits, home loan programs, and counseling. Additionally, the recent enactment of Act 167 of the 2009 Regular Session (LSA-R.S. 39:2171 et seq.) creates opportunities for veterans to compete for state government contracts. The "Veterans Initiative" adds veteran-owned businesses and service-connected disabled veteran-owned businesses to the existing "Hudson Initiative" administered by Louisiana Economic Development. LDVA has statutory responsibilities to provide information to state government entities and publicize this new program to veterans, which appears to coincide with the LWC Veterans Programs.
 - d. While these two agencies have established referral mechanisms in place such that the full array of services can be offered to veterans, LWC recommends that the LWC Veterans' program be transferred to LDVA.

The current 28 LWC employees dedicated to the veterans' program will be co-located in the various Parish Service Offices such that Veterans can receive the full array of services in a one-stop environment for Veterans.

Section Four: Information Technology Integration

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

LDVA does not currently have any IT personnel, and is eager to participate in any programs developed by the State Office of Information Technology in order to increase buying power and adopt a single technology platform.

Section Five: Elimination of Duplicative and Unnecessary Services

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

LDVA does not administer, manage, or conduct any activities outside its statutory mandate to “[p]erform the functions of the state relating to the welfare of veterans...” LSA-R.S. 36:781(B). LDVA coordinates several activities with other state agencies in order to ensure that the Veterans are served.

- LDVA coordinates its activities with the Louisiana Workforce Commission (LWC) to provide employment information to Veterans. It is these LWC Veterans' programs that the agencies agree should be transferred to LDVA for one-stop Veterans service centers.
- LDVA and Louisiana Economic Development (LED) are mandated to implement the requirements of Act 167 of the 2009 Regular Session (LSA-R.S. 39:2171 et seq.), which creates opportunities for veterans to compete for state government contracts. The “Veterans Initiative” adds veteran-owned businesses and service-connected disabled veteran-owned businesses to the existing “Hudson Initiative” administered by Louisiana Economic Development. LDVA has statutory responsibilities to provide information to state government entities and publicize this new program to veterans.
- LDVA and the Department of Corrections are working together to identify incarcerated Veterans about to be released in need of establishing, or re-establishing, eligibility for Veterans benefits. The intent of this initiative is to assist the re-entry process and reduce the recidivism rate of incarcerated Veterans.
- LDVA and the Louisiana National Guard are working closely together to implement Act 260 of the 2007 Regular Session (LSA-R.S. 22:941), which created a death/disability benefit for all Louisiana National Guardsmen who die

on active duty (\$250,000) or sustain a permanent total disability (\$100,000). While the law does not name a state agency to administer this program, LDVA has assumed responsibility for identifying and processing the permanent total disability portion of the program in order to ensure that these injured Veterans are served.

- LDVA's Veterans Homes serve as a secondary source of emergency shelter space for the Louisiana Department of Health and Hospitals (DHH) and the Louisiana Department of Social Services (DSS).
- LDVA coordinates with Louisiana Department of Wildlife and Fisheries to administer and implement the free hunting and fishing licenses to Veterans with a 50% or greater service-connected disability.
- LDVA coordinates with Louisiana Department of Culture, Recreation and Tourism to administer and implement the free state park pass program and license plates to Veterans with a 50% or greater service-connected disability.
- LDVA coordinates with Louisiana Department of Public Safety to administer and implement the free driver's license program and license plates to Veterans with a 60% or greater service-connected disability.

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

- In the aftermath of September 11, 2001 and the current contingency operations our nation is engaged in, the need for veterans' services is as high as it has ever been. Nearly 30,000 Louisiana residents have participated in the War on Terror and deployed in support of Operation Enduring Freedom and Operation Iraqi Freedom.
- There are approximately 320,000 Veterans in Louisiana, with over 37,000 of those adjudicated by federal VA to be "disabled."
- In Louisiana, there are over 80,000 Gulf War Veterans, 104,000 Vietnam era, over 37,000 Korean War, over 37,000 WWII, and over 79,000 peacetime Veterans.
- Louisiana Veterans over the age of 60 number 161,790. With the passage of Act 18 of the 2009 Regular Session (opening the "War" Veterans Homes to peacetime Veterans also), these Veterans are LDVA's prime clientele for residence in the five Veterans Homes.

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

There is no duplication of veterans' services in the state of Louisiana. In fact, LDVA has assumed a substantial workload from the U.S. Veterans Affairs (USVA) over the last several years. In past years, the New Orleans office of the USVA employed 50+ benefits counselors; that number has been reduced to 3 benefits counselors. LDVA's counselors have become the de facto only available Veterans benefits counselors in Louisiana.

Section Six: Civil Service and Employee Benefits.

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

LDVA administers an employee Awards & Recognition Program for employee morale purposes, which makes small memento and monetary awards to outstanding employees and those LDVA employees retiring from the state civil service.

LDVA operates a Certified Nurse Assistant (CNA) training program at the Southwest Louisiana Veterans Home in Jennings, LA which has graduated 20 CNA's this calendar year with another class starting on August 17, 2009. This in-house training program allows LDVA "find, train to our standards, and retain" valuable personnel in these hard-to-fill positions.

LDVA has the following special pay categories to attract and retain career, long-term employees to find and retain the very best personnel to care for our Louisiana Veterans: Premium Pay; On-Call Pay; Shift Differential; Longevity Pay: (Years at War Veterans Home only); Extra Credentials Pay; and Special Entrance Rates (SER'S).

Section Seven: Studies and other Resources

- National Association of State Directors of Veterans Affairs (<http://www.nasdva.net>)
- National Association of State Veterans Homes (<http://www.nasvh.org>)
- Medicare Five Star Rating: Two of the Veterans Homes ranked 3 of 5 stars and one ranked 5 of 5 stars. The other two were not ranked in the Medicare Website currently due to their recent entry into the Medicare program. The Veterans Homes are ranked in the top twenty-percent of this reporting program of all long term care facilities in the State. The only higher facilities are hospital-based long term acute care facilities and religious-based operations.
www.medicare.gov/nhcompare

- Louisiana ranks 14th in the nation in per capita expenditures and 16th in per capita compensation, pension, and education. (U.S. Dept. of Veterans Affairs 2008 data)
- Louisiana ranks 11th in the nation in average disability payments to service injured Veterans. (U.S. Dept. of Veterans Affairs OIG Report, May 2005)
- There are a multitude of studies published in the last five years showing a dramatically increased need for the services to Veterans following their deployments to combat zones in Iraq and Afghanistan. Below are cited a few of these studies:
 - Seal K, Metzler T, Gima K, Bertenthal D, Maquen S, and Marmar C. Trends and risk factors for mental health diagnoses among Iraq and Afghanistan Veterans using Department of Veterans Affairs health care, 2002-2008. *American Journal of Public Health* 2009 Sep; 99(9); e-Published ahead of print, July 16, 2009.
 - Government Accountability Office (GAO) Report. Preliminary Observations on Efforts to Improve Health Care and Disability Evaluations for Returning Servicemembers. (GAO-07-1256T.)
 - Overall Geographic Access to Polytrauma Care is High. Completed in September 2007, this study examined the relationship between access to critical rehabilitation services and geographic location among a cohort of approximately 7,800 OEF/OIF Veterans. (USVA Study No.: DHI 06-010. PI: Diane C. Cowper Ripley, PhD).
 - OEF/OIF Veterans Face Multiple Concerns with Community Reintegration. Completed in September 2008, this study sought to examine and describe the prevalence and types of community reintegration problems that OEF/OIF Veterans experience, and to identify their interests in types of interventions that will help them address those concerns. (USVA Study No.: RRP 07-315. PI: Nina A. Sayer, PhD.)
 - OEF/OIF Veterans' Mental Health Has Significant Impact on Their Caregivers. Completed in December 2008, this research project focused on establishing, for use in future studies, a battery of

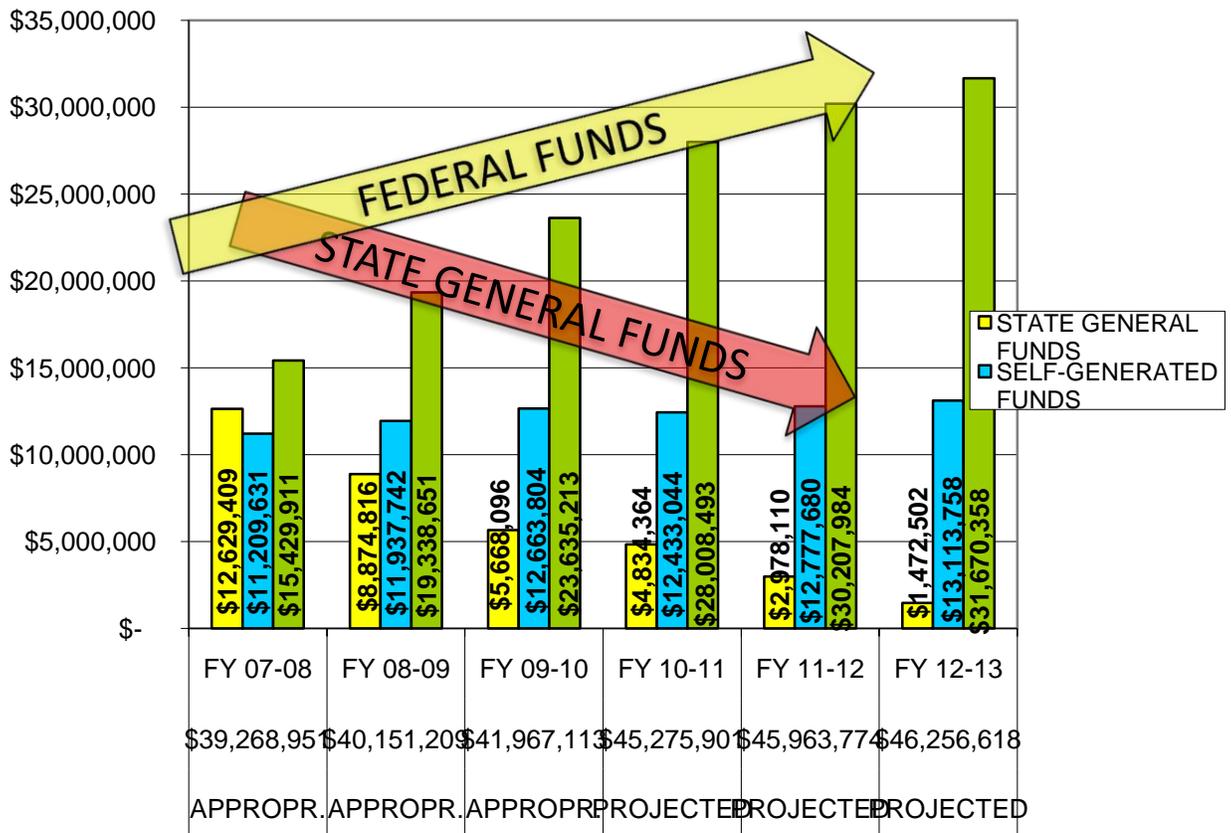
instruments that can be used to assess the impact of OEF/OIF Veterans' mental health on caregivers. (USVA Study No.:SHP 080-170. PI: Jeanne Hayes, PhD, MPA.)

Section Eight: Agency Best Practices

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

- LDVA has streamlined its veterans assistance counselors (VACs) from 126 to the current 54 prior to ten years ago, while maintaining coverage statewide and in every parish.
- Obtained Medicare certification for all five Veterans Homes, providing the catalyst to replace state general fund dollars with federal funds. Medicare certification allows the Veterans Homes to be reimbursed by the federal government for providing a higher level of skilled nursing care to our Veterans.

LOUISIANA WAR VETERANS HOMES



- Installed “CareTracker” paperless charting system on a pilot basis in two of five homes, allowing more efficient and accurate patient charting and, at the same time, providing for increased billing to the federal government of therapies and treatments provided to the residents. The results from this pilot project are positive and the long-term plan is to obtain funding to equip the remaining three homes with this system.
- Installed electronic time clocks on a pilot basis in three of five homes, allowing more efficient and accurate timekeeping and, at the same time, requiring fewer administrative labor hours to process timesheets, etc. The results from this pilot project are positive and the long-term plan is to obtain funding to equip the remaining two homes with this system.
- Standardized table of organization and job descriptions at the five Veterans Homes to establish a uniform and interchangeable Veteran Home system.
- “Green Initiatives” at the Veterans Homes to optimize environmental and mechanical systems, such as calibrating/adjusting thermostats, adjusting hot water heater temperatures to optimum levels, and beginning plans to switch from incandescent light bulbs to energy-saving fluorescent light bulbs.

LOUISIANA DEPARTMENT OF WILDLIFE AND FISHERIES



**Report submitted to
Commission on Streamlining Government
August 17, 2009**

Secretary Robert Barham

DEPARTMENT: Wildlife and Fisheries
STAFF CONTACT: Janice Lansing, Undersecretary
LAST UPDATE: 08/17/2009

Section One: Agency Overview

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

- ◆ Better educate, inform, and provide the public outdoor opportunities
- ◆ Better emphasize the importance of hunting, fishing, and waterway safety
- ◆ Enhance interdepartmental relationships to further improve agency performance and increase efficiency

MISSION: To manage, conserve, and promote wise utilization of LA's renewable fish and wildlife resources and their supporting habitats through replenishment, protection, enhancement, research, development, and education for the social and economic benefit of current and future generations; to provide opportunities for knowledge of and use and enjoyment of these resources; and to promote a safe and healthy environment for the users of these resources.

Office of Management and Finance

Program: Management and Finance

Goal: To provide the most effective and efficient services, enforce compliance in all department programs, and promote good customer service; to increase public visibility of the department.

Activities: 1) Financial, human resource and other support services;
2) Licensing and boat registration;
3) Public information and Conservationist Magazine

Office of Secretary

Program: Administration

Goal: All programs will be operated efficiently and effectively through sound planning and decision-making processes resulting in achievement of the department's mission.

Activities: Executive Office

Program: Enforcement

Goal: To support natural resource preservation by providing the front line enforcement component for laws, regulations, and programs related to wildlife and fisheries use and conservation; to advance crime and safety reform by protecting Louisiana citizens of all ages from life threatening criminal activities when they are involved in recreational activities on the state's waterways; to support hurricane recovery and emergency preparedness by planning, training, coordinating local, state and federal response for search and rescue associated with natural or manmade disasters.

- Activities:** 1) Boating safety and waterway enforcement;
2) Search and rescue and maritime security;
3) Wildlife, fisheries and ecosystem enforcement

Office of Wildlife

Program: Wildlife

Goal: To enhance and conserve the habitat necessary to maintain the state's species diversity and optimum distribution and densities of wildlife populations; to increase the opportunities for the public to enjoy their outdoor experiences

- Activities:** 1) Administration;
2) Habitat/Stewardship;
3) Species Management;
4) Technical Assistance;
5) Education/Outreach

Office of Fisheries

Program: Fisheries

Goal: To improve our ability to manage living aquatic resources and their habitats through enhancement and more efficient and effective data collection, analysis, and regulation, and to improve access to and opportunity for users to enjoy those resources

- Activities:** 1) Administrative;
2) Resource Management;
3) Access, Opportunity, Outreach;
4) Industry recovery assistance

Program: Marketing

Goal: To create brand loyalty for LA seafood products resulting in increased demand and enhanced economic value of the industry

Activities: Seafood promotion and marketing

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

CONSTITUTIONAL REQUIREMENT OF DWF:

Article 9, Section 7 – Wildlife and Fisheries Commission (defines members; duties/compensation to be provided by law)

STATUTORY REQUIREMENTS OF DWF:

R.S. 3:559.7

WF Commission shall determine species recommended for aquaculture.

R.S. 30:2503

Creates the Louisiana Environmental Education Commission within the department.

R.S. 34:851 et seq

To promote safety for persons and property in and connected with the use, operation, and equipment of vessels on all waterways of the state; includes rules of operation, identification numbering system for motorboats and sailboats, enforcement, penalties and boating safety education; also includes regulation of personal watercraft.

R.S. 34:852.1 et seq

Provides for titling and related issues for vessels and motors.

R.S. 36.601 – 609

Assigns the control and supervision of the wildlife of the state, including all aquatic life with the Wildlife and Fisheries Commission; defines members/terms.

Creates the Department of Wildlife and Fisheries; assigns the control and supervision over all wildlife of the state, including fish and all other aquatic life and over execution the laws enacted for the control and supervision of programs relating to the management, protection, conservation, and replenishment of wildlife, fish, and aquatic life, and the regulation of the shipping of wildlife, fish, furs, and skins.

Mandates the department to perform the functions of the state relating to the administration, operation, and law enforcement programs, relating to freshwater fisheries and other aquatic life, including the regulation of sport and commercial fishing, the regulation of domestic fish farming, regulation of noxious aquatic weed control, the operation, maintenance, and management of fish hatcheries and fish preserve, and boat ramps.

Assigns to the department responsibility for the conservation and management of all renewable natural resources on all wildlife management areas, wildlife refuges, scenic rivers, and wildlife preserves that it may own or lease.

Further provides for the organization of the department and the powers and duties of the secretary and the functions of the “offices” within the department.

R.S. 38:2501

Assigns authority to control and regulate all aspects of hunting, fishing, and boating in all water conservation districts defined in this chapter of law.

R.S. 41:1225

Responsibility for granting leases on state-owned waterbottoms for oyster cultivation, bedding, and harvesting.

R.S. 49:214.27

DWF shall work in conjunction with DNR for development of an overall state coastal management program.

R.S. 56 et seq

Responsibilities/mandates include but are not limited to:

- Improve, enlarge, and protect the natural oyster reefs
- Protect and propagate species of birds and game and establish preserves and hatcheries
- Enforce all law relative to the responsibilities of the department/commission within the territorial boundaries of the state and within the Gulf of Mexico outside the territorial boundaries in accordance with the Magnuson-Stevens Act, 16USC 1856, and cooperative enforcement agreement between the US Department of Commerce, NOAA and DWF.
- Enforcement agents are vested with full police powers to enforce all criminal statutes of the state to facilitate the effective protection of private and public rights and property and life throughout the state’s waterways and lands
- Assist in protecting all lessees of private oyster bedding grounds
- Assist in the protection of private fish ponds used by individuals to propagate fish
- Protect game preserves
- Promulgate rules for the regulation of the dredging of fill sand and fill material
- Set seasons, times, quotas, etc.
- Grant or deny all applications for permits, licenses, registrations, or compliance schedules relating to oil and gas wells and pipelines

- Promulgate rules to control the importation and private possession of non-indigenous constrictors in excess of 12 feet, venomous snakes, and nonhuman primates
- Promulgate rules to control the importation and private possession of big exotic cats
- Regulation of the breeding and propagation of wild birds and quadrupeds
- Regulate the trapping of fur-bearing animals or alligators
- Fishing and fish industry licensing (exclusive control of fish having a game or commercial value)
- Regulate mariculture activities within the coastal zone
- Regulate the commercial harvest of reptiles and amphibians
- Manage the establishment and maintenance of artificial reefs in offshore waters
- Administer programs related to the Louisiana Natural Areas Registry and Threatened and Endangered Species Conservation
- Administer the Natural and Scenic Rivers System program
- Firearm and hunter education

OTHER REQUIREMENTS:

Memorandum of Understanding between the US Coast Guard and DWF to conduct boating safety programs and mutual enforcement of laws related to boating on waters of the state for recreational vessels, search and rescue, and safety patrols.

Provide federal and state enforcement functions associated with various acts of the US Congress.

Emergency Support functions as established by the Office of Homeland Security and Emergency Preparedness (ESF 9 – search and rescue; ESF 13 – public safety and security).

Gulf states marine fisheries compacts to develop joint programs for the promotion and protection of fisheries and the prevention of physical waste of the fisheries from any cause.

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

- Office of Fisheries

Though the Department of Wildlife and Fisheries is responsible for managing public water bodies, we have not been involved in the up-front design of new and proposed reservoirs. The role of LDWF should be incorporated in the enabling legislation that creates new state reservoirs (i.e. Poverty Point- RS 38:3087.1 and 38:3087.3) LDWF is mandated to manage the renewable aquatic resources of the state. With proper construction, the cost of management and maintenance could be greatly reduced.

- Proper drawdown structure would allow more efficient maintenance and management of the aquatic vegetation and fisheries resources of the lake.
- Improperly designed lakes do not provide optimum habitat for fish. Reductions in fish production will result in decreased revenue for the state from taxes on fishing related purchases.
- Proper bottom slope would result in reduced aquatic plant (hydrilla) growth and reduce the need to chemically treat the vegetation.
- Bottom channelization would optimize draining and improved drawdown capabilities.
- Bottom contouring would increase spawning capabilities and subsequent fisheries production which would reduce the need for supplemental stockings.

Section Two: Efficiency and Benchmarking

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

DWF initiated a Nuisance Animal Control program several years ago to meet the needs of Louisiana citizens who were placing numerous phone calls to the department for assistance with various wildlife they were coming in contact with. For example, a raccoon in their garbage, a opossum eating their cat food or a squirrel in their attic. Since the department did not have sufficient staff to spend a majority of their time setting and monitoring traps to assist people with these occurrences, we developed a program with policies and regulations to began qualifying and permitting Nuisance Wildlife Control Operators (NWCO's).

As urbanization increases, the demand for assistance to the public increases, and it is evident that the current Nuisance program is not sufficient to meet the growing needs. Last fiscal year, we presented a New and Expanded request to hire 7 FTE's to be stationed statewide to help people who could not afford to contract a NWCO. This request was for \$600,000. For comparison, we also included an additional option to establish professional service contract with NWCO's around the state to help people through the request of the Nuisance Program. The contracting estimate was \$1.2 million. Neither option was funded for this fiscal year.

The department does not have the resources to establish a program that can sufficiently meet the needs of the public. Therefore, we propose to let the private sector handle this function. We provide further detail in Section Three.

Section Three: Outsourcing and privatization

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

Office of Wildlife –

- **Nuisance Animal Control –**

DWF initiated a Nuisance Animal Control program several years ago to meet the needs of Louisiana citizens who were placing numerous phone calls to the department for assistance with various wildlife they were coming in contact with. For example, a raccoon in their garbage, a opossum eating their cat food or a squirrel in their attic. Since the department did not have sufficient staff to spend a majority of their time setting and monitoring traps to assist people with these occurrences, we developed a program with policies and regulations to began qualifying and permitting Nuisance Wildlife Control Operators (NWCO's).

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The department does not have the resources to establish a program that can sufficiently meet the needs of the public. Over the past two years, we have completed the policies and regulations, and have established a statewide web of NWCO's that are available to contract with the public. The Nuisance program has reached a point where the NWCOs can deliver the program with minimal interaction from the department.

The current Nuisance Program spends approximately \$95,000 annually; there are two employees within the program – a full-time biologist and a temporary assistant. The biologist is in charge of the permitting and policy development and the temp employee assists with the volume of phone calls. We received approximately 1,000 nuisance animal calls last year.

The Office of Wildlife is moving towards privatizing the Nuisance Wildlife Program. The biologist associated with this function will be assigned full-time to the Private Lands Technical Assistance program, one of the department's most effective outreach programs. The temporary employee will still be responsible for directing phone calls to qualified local NWCO's. Permitting will be handled at the Regional Office level. The Nuisance Wildlife Control Operators (NWCO) will provide the service on behalf of the department.

Office of Fisheries –

- **Control of aquatic plants -**

Overall, it may be cost effective to use contract spraying for large acreages of floating aquatic vegetation. We are currently attempting to determine how to best evaluate the performance and efficiency of contractors in the areas where we use contract sprayers. The department employees will still be required to monitor where problems occur, set up contract spraying and ensure contractors achieve desired results. Many current herbicide applications are driven by citizen complaints and involve small acreages. We are exploring options to use contractors in these areas.

- **Oyster Lease Surveys -**

Leasing state waterbottoms for oyster cultivation is an activity within the statutory mandate of the department (R.S. 56: 421, et seq.), and leaseholders are required to mark the leased waterbottoms at their own expense. The department is statutorily mandated to operate and maintain the system of leasing state-owned waterbottoms for oyster cultivation. Currently, the system includes approximately 1,000 entities that hold approximately 8,000 leases comprising nearly 400,000 acres. The volume of work to conduct surveys of new and renewal leases is substantial. The department has, in the past, offered lease surveying services to leaseholders for a fee, and leaseholders also had the option of privately-contracted surveying. The fee collected by the Oyster Lease Survey Section paid for the surveying services.

Currently, we are under a moratorium for issuing new oyster leases, and have been since 2002. When the moratorium is lifted, we would consider privatizing the surveying component. This would require the individual lease holders to contract a private surveyor and would require less state resources. We would continue to perform the other statutorily mandated functions required to operate and maintain the water-bottom leasing system, as well as serve a monitoring, compliance and quality control function.

Prior to the moratorium, we had three survey crews and they were housed on a quarterbarge. We housed them in the field because the work locations were so remote; it was more time efficient for the employees to complete their work. The quarterbarge operation and maintenance fees were substantial, e.g., every 2 or 3 years it would require drydocking for hull maintenance – the last estimate we had for that prior to Gustav was almost \$90,000. Each crew also required survey equipment and boats to operate in the marsh as well as vehicles to get them to the site where the barge was moored. Whenever the barge was moved to a new area we would need to either contract with an electrician to install shore power, or buy diesel to operate the generator. We also had the barge manned 7 days/week.

Currently we have one field survey crew to conduct lease surveys and to collect the data needed to verify the accuracy of privately-surveyed leases. To resume full-scale surveying again we would need to have at least three crews due to the backlog of new surveys that will be needed with the lifting of the moratorium, and

we would have to restore the quarterbarge, which was destroyed in Hurricane Gustav. To resume this function again, it would cost up to \$500,000 to restore the quarterbarge and approximately \$200,000 in annual operating costs, including personnel to support each survey crew. By requiring the lease holders to provide their own surveys and the department to serve compliance, monitoring, and quality control functions, we would not have to expend these funds.

Section Four: Information Technology Integration

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

Department-wide -

- We are in the process of converting our mainframe applications and data over to Windows based equivalents.
- All existing custom developed applications are being converted from Mainframe Cobol to Web based applications using the Microsoft ASP and ASP.NET language. Our motorboat registration system and enforcement citation system have already been converted. Our commercial license systems, motorboat titling system, hunting boating safety, and Alligator systems are underway. Mainframe data is being converted to Microsoft SQL. We are currently in the RFP process for a contractor to help us convert our current mainframe SAS environment to Windows server based platform.
- We are working to actively embrace server virtualization of all of our critical servers - consolidating the work of several servers onto one physical piece of hardware. We will be operating in a “greener” computer environment, one of the governor’s stated objectives for state government, and provide a more robust, fault tolerant computing environment which will allow us to more quickly recover from server failures and/or disasters. We will save on the purchase cost of the replaced servers, and we will also save on maintenance, electrical, and cooling costs.

VMWare, the technology we utilize, claims:

- Virtualization can cut energy consumption in the data center by as much as 80%.
 - Every server virtualized saves 7000kWh of electricity or about \$700 in energy cost annually.
 - Every server virtualized reduces 4 tons of CO2 emissions, the equivalent of taking 1.5 cars off the highway
- We have started the process of implementing shared (SAN) storage for our existing server environment. This is a necessary component for a robust virtual environment.
 - We are implementing a high speed “Metro-E” connection to replace HQ’s T1 lines. This will bring much needed extra bandwidth for the department immediately and at the same time simplify future expansion to accommodate bandwidth intensive applications down the road such as video conferencing, voice-over IP, and the new ERP system.

- We have implemented a centralized imaging system which allows us to electronically store much of the paper documents that we currently collect. Our HR department utilizes this system extensively storing all employee documents electronically. This system can instantly search and retrieve imaged documents, while eliminating the need to keep paper copies. The system also allows for the Optical Character Recognition of handwritten “Trip Ticket” forms from the public which eliminate the need to manually rekey the information. The newest project in the imaging section is the Seafood Dealer Survey and the Commercial Fishermen’s Survey. We will soon be scanning the surveys that are already being mailed in. This will give the agency a better insight to what the dealers and fishermen are having to content with from the recent hurricane seasons and what we can do to help them in the future.

- We are currently evaluating the potential of online backup software to remotely archive critical data in a secure manner over the internet utilizing third party providers.

- We are adopting GIS technologies.

LaGov/ERP System

It is our hope that the new ERP system will simplify the budgetary process, streamline the purchasing process, and network the various financial and administrative functions of the state to create a more accurate and timely system. If this occurs we can more accurately track and monitor the progress of the department’s activities.

Section Five: Elimination of Duplicative and Unnecessary Services

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

Office of Fisheries –

Although not duplicative or unnecessary, there is one activity in the Office of Fisheries that falls outside of its constitutional and statutory mandates, and it takes a significant amount of time and resources to adequately administer. Fisheries Disaster Response has become an ongoing activity of the Office of Fisheries since Hurricane Andrew. These activities have been funded through congressional appropriation and grants; allowable activities are defined by congress in the enabling legislation.

Recovery activities such as oyster bed restoration and other species and/or habitat recovery projects are clearly within the agency's constitutional and statutory mandates. However, projects to provide financial and other direct assistance to the fishing industries are outside of our normal scope of work. This function may be better suited for another agency who is accustomed to developing and administering direct assistance programs.

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

We did not find any outdated activities in our department. We have been proactive in continuously reviewing our programs and activities based on the needs/wants of the public and our available resources, and then subsequently redirecting existing resources accordingly. For example, the Office of Wildlife eliminated two activities that were deemed underperforming or as an inefficient use of time and resources.

- **Oaks for Wildlife**

From the late 1970's to mid 1980's the department distributed 75,000 to 100,000 oak seedlings to landowners across the state. The objective of the program was increase plantings of oak trees for wildlife. However, oak trees have specific site requirements (soils, drainage, sunlight) and most landowners lacked the expertise to match the seedlings to the appropriate site. In addition, there was no means to ensure that the seedlings were actually planted. Thus, there was concern that the intended benefits to wildlife were not being realized. In addition, during the mid 1980's the department added significant acreage to its WMA system that was in need of reforestation. The Oaks for Wildlife Program was discontinued so that the oak seedlings could be used for reforestation of newly acquired WMAs. It was thought that this was a better use of the oak seedlings and the funds used to acquire them.

- Acres for Wildlife Seed

The Acres for Wildlife Program (AFWP) was begun in the early 1980's as an effort to provide assistance to private landowners. A component of the AFWP was food plot seed distribution. Participants in the AFWP were provided free seed each year to use in establishing food plots for wildlife. The seed distribution effort was time consuming for department staff, costly, and provided minimal benefits to wildlife. Food plot establishment is among the least important wildlife management activities, and this program elevated the importance of food plots to a position disproportionate to their impact on wildlife. In addition, there was no means to ensure that the seed was actually planted or planted properly. This program was discontinued.

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

Office of Fisheries -

DWF, DEQ and DHH all conduct field sampling procedures. DWF and DEQ both collect fish for sampling, and DHH collects water samples relative to oysters. While the purposes and procedures are very different for each agency, there may be some efficiencies that can be gained by combining the field sampling efforts at DWF.

LDWF collects fish to determine various fish population parameters, such as growth and relative abundance. DEQ collects fish for tissue analysis following strict guidelines required by the EPA. Tissue analysis is another practice used by DEQ to monitor the health of the environment, similar to monitoring pollutants in the water or air. The sampling methods used by the two agencies are different. Rarely is it possible to utilize fish collected during LDWF fish sampling for DEQ tissue analysis. DEQ fish have to be individually processed and packaged when caught. Fish cannot be placed on scales, a requirement of fish sampled by LDWF. Only a few lakes sampled by DEQ overlap lakes sampled by LDWF. These differences would likely require individual sampling trips for DEQ and LDWF purposes, if the programs were housed under one department. It is our understanding that the fish sampling program in DEQ is full time, so if the function was given to LDWF, additional staffing will likely be necessary; however there may be some savings realized by eliminating duplicative equipment (i.e. boats and sampling equipment).

Section Six: Civil Service and Employee Benefits.

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

Section Seven: Studies and other Resources

Please list:

- Any studies (with a brief description) your agency has conducted that may be of interest to the Commission

We contracted with Southwick and Associates to study and report the economic impact of wildlife and fisheries activity. The most recent study, *The Economic Benefits of Fisheries, Wildlife, and Boating Resources in Louisiana*, was completed in 2008. Southwick and Associates estimated the total economic effect of wildlife and fisheries activity in the state to be appx. \$6.75 billion in 2006.

- Any national studies or studies in other states that might be of relevance
- National organizations that might be a source of potential best practices for Louisiana. If a website exists for the organization, please provide it.

The Wildlife Management Institute

SEAFWA (Southeast Association of Fish & Wildlife Agencies) <http://www.seafwa.org/>

AFWA (Association of Fish and Wildlife Agencies) <http://www.fishwildlife.org/>

CBMA (Conservation Business Management Association)

GSMFC (Gulf States Marine Fisheries Commission) <http://www.gsmfc.org/>

GMFMC (Gulf of Mexico Fisheries Management Council) <http://www.gulfcouncil.org/>

Section Eight: Agency Best Practices

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

Enforcement Division -

Enforcement/patrol effort is essential to providing adequate public safety services and supporting management and conservation efforts. The Law Enforcement Division LED, through cooperative efforts with federal agencies and reallocation of conservation dollars and other funding options, maximizes FTEs through paid overtime patrol work. Providing personnel with paid overtime accomplishes several objectives: provides necessary law enforcement coverage by increasing FTE's without hiring additional personnel and maximizes existing fleet and equipment usage.

Providing paid overtime versus hiring additional personnel streamlines work effort without paying additional employee benefits, training new personnel, and utilizes existing professional staffing to optimize span of control maximizing management functions of overall enforcement effort.

As a result of ever increasing duties and responsibilities, LDWF/LED trains its officers to have functional expertise in a wide variety of areas maximizing work effort toward a common goal "cross functional capabilities". The mandates of work wildlife enforcement agents conduct requires each officer to be trained in a wide variety of areas. Cross functional training, coupled with a streamlined chain of command, provides strategic and efficient management to a broad functioning field FTE while maximizing accountability. LED operational organization allows for clear mandates to be delivered to field personnel, thus eliminating bureaucracy and better meeting the needs of the citizens.

Enforcement agents provide regulatory management of human behavior establishing compliance with programs that support state and federal fisheries regulations, state and federal wildlife regulations, food safety regulations, full law enforcement public safety services on the lands and waterways, boating safety, boating crash investigations, marine events, hunting accident investigations, non-human primates regulations, search and rescue, maritime security, environmental crimes, community policing, public information and outreach programs statewide.

Office of Wildlife –

- **Louisiana Private Land Technical Assistance**

This is a program initiated within the Office of Wildlife to better coordinate its current staff to reach the 80% of the State's habitat located on private land. The program was accomplished through redirection of existing staff and reemphasis of priority in accomplishing our mission. Private land owners directly benefit from the federally funded assistance provided through this program. The State benefits from professional habitat management on areas previously not reached by Department activities. We believe that this outreach to the public provides a better relationship and goodwill. This program was established without the increase of positions or additional funds. This was simply a restructuring of our current staff and priorities. This type of examination and restructuring of personnel and priorities is the type of analysis that would benefit all state agencies.

- **Education Reorganization**

The Office of Wildlife Education Section initially was composed of two groups of educators. One group handled hunter education duties and the other aquatic and school visits for general wildlife education issues. Through a reorganization effort these two groups have been trained to perform both educational functions. All educators now handle both educational duties. The benefit of this reorganization is more flexibility in providing educational programs to the public. The program can now offer more services statewide. They now have more educators available. This reorganization has essentially increased hunter and aquatic educators, our statewide presence, reduced instate travel, and all of this was accomplished through proper training and not with additional personnel.

- **Upland Game Consolidation**

The primary goal of the Office of Wildlife's Turkey Program was the restoration of wild turkey populations throughout Louisiana. This effort began in 1962 and has recently been completed. Accomplishment of this goal allowed the Office to consolidate the Wild Turkey and Upland Game Programs. These programs were re-evaluated and the tasks of these programs were redistributed from the previous two personnel down to a single employee. The consolidation of these programs has allowed the Office to utilize its personnel in a more efficient manner. This consolidation was achieved by reorganizing priorities and better utilizing staff expertise.

- **Litter Hot-Line**

In 2008, the Environmental Education Commission (EEC) was transferred from the Office of the Governor to the Department of Wildlife and Fisheries. The EEC's statutory function is to create a comprehensive and balanced environmental education initiative that results in a literate citizenry who will make informed decisions to effectively solve existing problems, prevent new ones and maintain a sustainable environment for future generations.

We recently learned that the Department of Environmental Quality has a Litter Hotline. The Executive Director of the EEC contends that the Litter Hotline is better suited with the EEC function, so we contacted Secretary Leggett at DEQ and we are currently in the process of making arrangements to transfer the Litter Hotline function to DWF. DWF could operate a 24 hour manned hotline rather than the current computer automated service. This would increase the effectiveness of the current program. DWF would assign existing personnel to the Litter Hotline. These personnel would be funded with the self generated 10% of fines collected. DEQ would be free to redistribute their resources to other priorities.

Office of Fisheries –

- The Office of Fisheries currently works with many state and federal agencies to avoid redundant programs, provide scientific expertise and promote efficient operations.
 - MRFSS (Marine Recreational Fisheries Statistics Survey) – In conjunction with National Oceanographic & Atmospheric Administration, National Marine Fisheries Service
 - Trip Ticket Program - In conjunction with National Oceanographic & Atmospheric Administration, National Marine Fisheries Service
 - Biological Sampling - In conjunction with National Oceanographic & Atmospheric Administration, National Marine Fisheries Service
 - EMAP – In conjunction with LADEQ, USGS and EPA
 - SEAMAP – In conjunction with National Oceanographic & Atmospheric Administration, National Marine Fisheries Service
 - National Coastal Assessment in conjunction with EPA and DEQ
 - Coastal Wetlands Planning, Protection and Restoration activities in conjunction with Corps of Engineers, DNR, DEQ, USFWS and NOAA

- In early 2008, the Office of Fisheries began evaluating its programs to determine if reorganization would produce efficiencies and eliminate redundant programs. From the results of the evaluation, it was decided that a reorganization designed to consolidate and centralize similar statewide programs or functions from the Inland and Marine Fisheries Divisions was warranted. The Research & Assessment Division was established in late 2008 to house those programs. The following programs were placed in the Division: Data Management, Fisheries Habitat Management, Boating Access/Fishing Opportunity/Outreach, Fisheries Research and Assessment, Gustav and Ike Disaster Relief.

- The Office of Fisheries continues its effort to identify efficiencies that could be gained and services that could be enhanced. Among these are:
 - CRMS (Coast-Wide Reference Monitoring System) – The Office of Fisheries is currently working jointly with OCPR and DNR to evaluate the possibility of coordinating sampling activity throughout coastal Louisiana to serve multiple uses such as coastal restoration/protection while providing the needed data to manage the fishery resources of the state.
 - Seismic Activity Monitoring – The Office of Fisheries is currently evaluating if efficiencies could be gained from merging existing seismic program functions into our existing field stations.



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August 17, 2009

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Section One: Agency Overview

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

The Louisiana Workforce Commission's (LWC) overarching goal is to provide workforce solutions for the state. To meet that overarching goal, the following supporting reform goals must be met.

- The LWC must grow the workforce to meet the demands of business and industry today and long term.
- The LWC processes for providing workforce assessment, education, training, and job placement must be aligned with accurate forecasting of employment opportunities and business drivers, so that gaps between employer needs and employee readiness are closed.
- The LWC processes for providing a safety net for unemployed/injured workers must be robust enough to sustain them until they can return to work.
- The LWC processes for providing oversight and enforcement must ensure work environment expectations are adequately met in the areas of safety and labor laws.
- LWC processes must be aligned, integrated, and coordinated with sister state agency processes, to provide a comprehensive suite of services at the most efficient and economical cost.
- LWC services must be driven by performance and outcome-based metrics to ensure customer-focused delivery and maximum social return on investment.
- LWC must exercise effective stewardship of state and federal resources

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

Chapter 14 of Title 23 establishes, through Act 743 of the 2008 Legislative Session, the Louisiana Workforce Commission.

LSA – R.S. 23:1 *et seq* enumerates the powers and duties of the Louisiana Workforce Commission.

Chapter 1, Part I of Title 23 concerns the establishment, powers and duties of LWC

Under Part I, the Executive Director:

- shall have charge of the administration and enforcement of all laws, rules, policies, and regulations, which it is the duty of the commission to administer and enforce;
- appoint such assistants, such heads of divisions or bureaus, and such inspectors, statisticians, accountants, attorneys, and other employees as may be deemed necessary for the exercise of the powers and the performance of the duties of the commission;
- may establish any division or bureau deemed advisable for the administration or enforcement of any law with which he is charged. The executive director may combine or consolidate the activities of two or more divisions or bureaus of the commission, or provide for the establishment of any other when such action is deemed advisable for the more efficient and economical administration of the work and duties of the commission.

The specific powers and duties of the Executive Director are listed in R.S. 23:6. Included in these duties is the responsibility to “enforce all labor laws”

Chapter 1, Part II of Title 23 concerns the State Board of Boiler Inspector Examiners which is statutorily established as part of the Louisiana Workforce Commission. The Board conducts written examinations for all persons desiring to secure certificates of competency and commissions as boiler inspectors in this state. A fee of forty dollars is to be charged by the Executive Director for the issuance of the initial certificate of competency and commission along with an identification card denoting that the person whose name appears thereon has been issued such a certificate and is therefore a certified boiler inspector. A fee of twenty dollars shall be charged each year thereafter for renewal of the identification card.

Chapter 1, Part III of Title 23 concerns the Administration of Community Action Agencies. This (CSBG) is a federally funded program. State laws says that if the administration of Community Services Block Grant funds is transferred to another department, the responsibilities and authorities of the Louisiana Workforce Commission in this Part shall likewise transfer to that department.

Chapter 1, Part IV of Title 23 concerns the Comprehensive Labor Market Information System, including a report card information and forecasting information component of the system.

Chapter 2 of Title 23 concerns the regulation of Private Employment Services. Several years ago the regulation of private employment agencies was severely restricted. No longer is employer-fee paid employment services regulated. There is a small number of employee fee paid employment service agencies regulated by our office. (Many states do not regulate Private Employment Agencies.) Each applicant for a PES license pays a three hundred dollar investigation fee and an examination fee of one hundred dollars. There is a license fee of two hundred dollars per year for each location. Under state law, the assistant secretary may pay expenses incurred in administering this law through any funds that have been collected. Also, no

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expenses incurred by the assistant secretary in administering this law shall be charged to the funds of the state. All excess funds generated shall annually be credited to the general fund of the treasury of the state

Chapter 3, Part I of Title 23 concerns the regulation of the employment of minors. Similar laws are enforced by the USDOL. State Agencies, however, are much more efficient in protecting minors in the workplace and in enforcing the child labor laws. Historically, our Minor Labor Law Division conducts investigations and issues a report if any violations are found. A follow-up investigation is conducted a few weeks later. It is only then that a fine will be imposed if the employer has failed to correct the violations or has new violations.

Chapter 3-A of Title 23 concerns the regulation of employment discrimination. This area is enforced by the Louisiana Commission on Human Rights.

Chapter 4 of Title 23 concerns Apprentices. The Apprenticeship program specifically falls within the general responsibilities of the Executive Director found in R.S. 23:6. However, federal law does not specifically require that apprenticeship programs be operated by the state. Louisiana RS 23:381-392 Authorizes the establishment of a Registered Apprenticeship training program for a trade that provides at least two thousand hours of OJT, Requires a course of related and supplemental instruction consisting of a minimum of 144 hours per year. This law requires that employers or organizations must submit written standards detailing the specific terms of the training to be provided, which reflect the National Apprenticeship Act requirements in order to establish a formal Registered Apprenticeship program.

Chapter 5 of Title 23 deals with Health and Safety – specifically of divers, tunnel and caisson workers. Other than recognizing or acknowledging the general provision that the Executive Director “enforce all labor laws”, LWC has had no involvement in the regulation of this Chapter. Similarly, LWC has had no enforcement involvement in **Chapters 6** (Payment of Employees), **7** (Loans by Employers), **8** (Labor Organizations and Labor Disputes), and much of **Chapter 9** (Miscellaneous Provisions) of Title 23. Other than for the few exceptions noted below, no state funds are expended in connection with the provisions included within Chapters 5-9 of Title 23 of Louisiana’s Revised Statutes.

Within Chapter 9, however, LWC does have regulatory and enforcement authority contained within R.S. 23:897. Our Labor Program Division enforces the provision of this statute which prohibits employers from charging employees the cost of fingerprinting, a pre-employment drug screen, physical, or the cost of furnishing any records available to the employer or required by the employer as a condition of employment. Activity in this area is light, but fairly constant.

R.S. 23:964 permits the Director of OUIA to impose civil penalties if an employer discharges or in any other manner discriminates against any employee because the employee has testified or furnished any other information in any investigation or proceeding relative to the enforcement of any of the labor laws of this state.

R.S. 23:965 requires that the Executive Director enforce the provisions of law which prohibit an employer from employing, hiring, recruiting, or referring for employment an alien not entitled to reside or work in the U.S. This provision has rarely been applied, thus few if any state funds have been utilized in enforcing or administering this law.

R.S 23:1017.3 requires that the Executive Director “render aid and assistance” in the reinstatement of persons who had been called to duty under GOSHEP (should the employer refuse to reinstate the person to their job.) This law has rarely been applied, thus few if any state funds have been utilized in enforcing or administering this law.

Chapter 11-A of Title 23 requires LWC to operate a work opportunity (STEP) program.

The following Chapters of Title 23 are primarily operated through the WIA program:

- **Chapter 11- B** – Youth Corps Litter Control and Incentive Employment Program
- **Chapter 11- C** – Displaced Workers Retraining Program
- **Chapter 11- D** – Youth Summer Employment Program
- **Chapter 11-E** – Workforce Preparation Program

Chapter 12 of Title 23 concerning the Physically Handicapped has been repealed.

Chapter 13 of Title 23 (Equal Pay Commission) has no current purpose and this law should be repealed. Specifically, R.S. 23:2024 states that the authority and operation under this chapter expires July 1, 2006.

La. R.S. 23:1514 establishes the Incumbent Worker Training Program (IWTP). LAC Title 40 Part XVI, Section 101, et seq., establishes the rules of operation of the IWTP.

Chapter 10 establishes the Office of Workers Compensation

La. R.S. 23:1291 provides the statutory basis for the operation of the Office of Workers Compensation Administration. La. R.S. 23:1291(C)(1) further directs the establishment of the following divisions within the OWCA:

- **Hearings Division:** Further, Louisiana Constitution Article 5, Section 16 transferred original, exclusive jurisdiction of workers’ compensation claims from the state’s district courts to agency determination within this Hearings Division. In addition, La. R.S. 23:1310.1 provides for “at least ten judges within the office of workers’ compensation administration”.
- **Medical Services Division:** This division oversees the regulatory responsibilities related to the delivery of medical benefits to injured workers.
- **Workplace Safety Division:** This division oversees the implementation of the Cost Containment Program, established pursuant to La. R.S. 23:1175, et seq., regulatory oversight of employer compliance with the implementation of a safety plan pursuant to La. R.S. 23:1291(B)(4), and oversight of the OSHA safety and health program established in accordance with La. R.S. 23:1179.

- **Records Management Division:** This division receives and retrieves all records of accidents, medical treatment, payments made in connection with a workers compensation claim as well as serving as the clerk of court for the 10 OWCA courts in the Hearings Division.
- **Fraud Division:** This division operates as the investigatory and regulatory arm of the OWCA relative to enforcement of statutory prohibitions against employee or employer fraud in the context of workers compensation claims and coverage.

The OWCA also maintains a Finance and Compliance Division which oversees individual self-insured employers and their application for such a designation. Further, they operate as the financial support staff to the Hearings and Records Management Divisions as well as being responsible for the collection of annual assessments from employers and insurers, pursuant to La. R.S. 1291.1. This division also operates as a partner with the Fraud Division in order to assist in identifying employers who are failing to comply with their duty to maintain workers compensation insurance pursuant to La. R.S. 23:1168.

The OWCA also maintains an OIS Division which serves as the technical support staff to the OWCA and the Second Injury Fund.

Finally, La. R.S. 23:1371, et seq established the Second Injury Fund, which is responsible for the collection of annual assessments necessary for the operation of the Fund, as well as processing all requests for reimbursement to employers/insurers who claim entitlement to such reimbursement based on their having hired or retained an employee with a pre-existing permanent partial disability who suffered a subsequent accident and injury that merged with their pre-existing condition.

The State's Unemployment Insurance system is based primarily on the Federal Unemployment Tax Act (FUTA) which imposes an employer tax and is required for the administration of federal and state unemployment insurance programs. FUTA was passed to comply with the Social Security Act of 1935. Louisiana law establishes our Unemployment Compensation fund at R.S. 23:1491 and the Employment Security Administration fund at R.S. 23:1511

Section Two: Efficiency and Benchmarking

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

2.11 Office of Unemployment Benefits Administration

The unemployment insurance benefits claims operation has been swamped by the increase in initial and weekly claims caused by economic conditions and federal extensions of benefits. Figures show that initial claims are 5,038 per week, which is a 33% increase from the same period last year. Weekly claims are 64,763, which is a 109% increase over the same period in July 2008. Annual surges in new claims in May and June from school employees and mass layoffs from General Motors, Weyerhaeuser, Boise, and other large employers are adding significantly to this overload. The overload causes customer service to suffer and results in numerous complaint calls.

The two main complaints are (1) difficulty in getting through on the telephone to file initial claims or to resolve problems and (2) the extended time until the first payment caused by the bottleneck in adjudicating claims with issues. We are striving to improve the hold time on the call processing system to less than thirty minutes and the time to first payments to no more than four weeks. The UI administration has hired additional staff in the call center. Also, we are in the process of totally redesigning the UI Benefits and Tax automation system.

We have recently implemented a new call processing system, which enables individuals to have twenty-four hour access to automated information. This increases our ability to handle large numbers of claims quicker. Currently, we are in the final stages of implementing a state-of-the-art imaging and remittance processing system. We expect to release a Request for Proposal in the next twelve months to purchase software that will automate the internal processing functions of the payment system. We have expanded web-based services to include weekly continued claims filing and employer registration, and made the process more user friendly for claimants and employers.

2.12 Office of Workers Compensation

Second Injury Fund: The Second Injury Fund is being evaluated for overhaul or elimination. The Governor's Advisory Council on Workers Compensation created a subcommittee in early 2009 to thoroughly evaluate the administration of the Second Injury Fund, whether it meets its stated purpose and provide recommendations for overhaul or elimination. Initial reports are expected in the fall of 2009. (*For further analysis and specific recommendations, see Section 5*)

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Mediation: La. R.S. 23:1310.3(B) (1) provides for a mandatory pretrial mediation conference to be set in every disputed claim filed with the Office of Workers' Compensation. The pretrial mediation conference is to be held before a workers' compensation mediator who shall mediate and encourage settlement of the case or determine issues in dispute. By statute, a pretrial mediation conference is required in every disputed claim filed with the Office of Workers' Compensation before that claim can ever proceed to trial. The statute also provides that an initial mediation conference shall be set in any claim when and if requested by an injured employee.

Currently, the OWCA employs 11 full-time mediators who are attorneys licensed to practice law in Louisiana. The total cost for salaries and benefits of these mediators is approximately \$825,000.00. While the Hearings Division calculates the percentage of resolution resulting from mediation to be in the range of 30%, several insurers who jointly represent a significant market share in the Louisiana workers compensation market have reported to the Louisiana Workforce Commission that their rate of success with OWCA mediators ranges from 15% - 25%. Conversely, they report that, in addition to the mandatory OWCA mediation, they have been privately contracting with mediation services and their annual rate of success with private mediation services ranges from 77% - 90%.

As such, one option that may provide a greater return on investment and greater efficiencies within the OWCA would be to make mediation voluntary and allow the parties, upon the advice of counsel, to determine when mediation makes sense for them. In addition, vest the OWCA hearing officers with the authority to order mediation when they believe it provides the best opportunity for resolution. When the parties elect mediation, or are ordered to participate, they would have two options: 1.) select and pay for a private mediator, as many are already doing; or, 2.) utilize one of 5 mediators who would be retained by the OWCA to provide free mediation services to those parties who are unable to pay for a private mediation or have confidence in the abilities of the OWCA mediation staff. Once the mediations become voluntary, one would assume that volume would decrease, which would allow existing OWCA mediators to focus more attention on cases they are mediating and increase their opportunity for success. Or, based upon the decrease in volume, a reduction in force could be an alternative in this division, with an average annual savings of \$75,000.00 for each mediator that is not retained.

Recommendation: Request the Governor's Advisory Counsel on Workers Compensation to review the mediation process and create a model that converts mediation to a voluntary process, but vesting within the OWCA Judge the authority to order mediation when they believe it to be appropriate. This report should be requested to be delivered to the Commission on or before November 1, 2009.

2.13 Recovery Workforce Training Program (RWTP)

The Recovery Workforce Training Program (RWTP) is funded through a community development block grant. It consists of a framework for the recruitment, assessment, training, and employment of disadvantaged individuals living or willing to work in the 20 parishes most impacted by Hurricanes Katrina and Rita. Sixteen subrecipients were awarded contracts to focus on high demand sectors such as healthcare, transportation, construction, and energy. Each of the sixteen subrecipients also identified a workforce intermediary, fiscal agent, and administrative staff.

As the Community Development Block Grant Program moves into the third quarter of 2009, which is the third year of this three year grant, the program has had about 8,300 participants enter training in the six sectors on which this grant focuses. Of the number that have entered training, about 6,279 of those have completed training and 3,501 or 42% have been placed in employment.

A team is addressing the issue of low employment outcomes within the construction sector, which has lowered the grant participant placement numbers. We will also conduct an employment verification match to determine if we have additional placements. I expect the placement rate will increase after the employment verification process is completed. Additional corrective action for this program is included in Section six (6) of this report.

Section Three: Outsourcing and privatization

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

3.11 Office of Workforce Development

In the course of reviewing its statewide operations with the goal of establishing an efficient, consistent and repeatable business model, LWC has identified the need to adopt a uniform assessment tool for use by all One Stop Business Career and Solution Centers and affiliated partners and to eliminate its current responsibility for the production and distribution of participant certificates. LWC has selected Work Keys as its statewide assessment tool for all registered participants.

LWC is currently in negotiations to outsource the data aggregation for participant testing and certification documentation through an agreement with ACT, whereby participant testing activity and outcomes are recorded and available through on line access. Each participant would be provided with a “myWorkKeys” account, providing them unlimited access to their testing history on a self serve basis.

Recommendation: Finalize an agreement with ACT whereby all participant testing outcomes would be captured and available through an electronic database, along with the creation and delivery of the initial certification document.

Section Four: Information Technology Integration

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

4.11 Office of Unemployment Insurance Administration – LACATS

LaCATS (Louisiana Claims & Tax System) is an on-going project to modernize the current mainframe based UI information technology system, which processes UI claims and employer tax collections.

To- date three major initiatives have been completed:

- Implementation and integration of a call processing system with interactive voice response services. Benefits include processing claims quicker, better response to surges in claims volume, and 24x7 accesses to claimant and employer information.
- Implementation of a number of web based services for both employers and claimants including filing for initial and weekly claims, filing wage and tax reports and on-line inquiry of claim and employer records.
- Implementation of a state of the art document imaging, workflow and retrieval system. The system will automate manual processes, eliminates paper and provides quicker and more accurate bank deposits.

In the future, LWC proposes to enhance the current appeals, adjudication and overpayment processes. We will continue to automate remaining functions, integrate tax and benefits functions and migrate from mainframe to open system completely. These enhancements will enable the LWC to issue a larger volume of correct determinations in a timely fashion.

4.12 Centralized Employer Registration: Currently, new employers are required to register with multiple state agencies, such as the Louisiana Workforce Commission (LWC), Department of Revenue (DOR), and Secretary of State (SOS). Also, they are required to notify these agencies when they make business changes or are no longer doing business with Louisiana. The LWC is responsible for the enforcement of UI state tax laws, including review of all new employers for potential liability, registration of employers, issuance of appropriate rate/liability determinations, collection of UI taxes and deposit of funds into the UI Trust Fund. LWC must issue account numbers and UI tax rates to 83% of liable employers within 180 days of liability to meet Federal time-lapse regulations.

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Employers are not always aware of the various agencies with which they must register. Delay or failure to register with LWC may cause a revenue loss to the UI trust fund and an increase in administrative costs. Hardcopy listing of employers liable for revenue taxes have been received from DOR to assist LWC in determining employer liability for UI taxes but this manual method is cumbersome, time consuming and inefficient. Likewise, contact from SOS for verification of employer compliance with the LWC regulations prior to issuance of business dissolutions currently occurs but the method would be enhanced by utilizing a centralized interactive site.

Recommendation: LWC proposes would enter into discussions with the Department of Revenue, Department of Environmental Quality, Secretary of State and any other state agency requiring employer registration. LWC proposes that the IT Directors of participating agencies explore the feasibility and benefits of a centralized, interactive, website for employer registration. This process would enable agencies to obtain information specific to their needs and to share data on a continuous basis. This would simplify registration and updating of information for employers initiating, modifying, or ceasing business operations in Louisiana. The cost to develop and maintain the system will be shared among the participating agencies. The state of Utah has already successfully implemented this solution with the assistance of a private IT vendor. We will use them as a resource in the development of Louisiana system.

4.13 Electronic Filing of Wage Reports: Employee wage data submitted by paper is imaged and keypunched each quarter. This manual process is time consuming, prone to errors, and could possible cause a delay in benefits being paid. Incomplete or inaccurate payroll reports require additional staff to obtain corrected data.

Quarterly payroll reports are mailed to approximately 104,000 employers at an annual cost of \$120,000. Five permanent staff at an annual cost of \$335,000 and ten temporary staff at an annual cost of \$77,000 are used to open, image, and keypunch data. Automation of this process will reduce annual recurring cost by \$532,000. The total savings will be \$1.59 M over the 3 year period.

Recommendation: Amend Act 89 of the 2007 Legislative Session to require all employers to file quarterly payroll reports electronically by 2011. This effectively accelerates the period of time to comply with this requirement from 2014 to 2011.

4.14 Records Management: This division is currently operating a system that is largely reliant on receipt of paper forms which are scanned into an electronic system and data from these forms is manually entered into the system. The OWCA has obtained a quote in the amount of \$180,000.00 annually for the installation, implementation and support of and electronic data interface that utilizes electronic forms that allow for insurers and employers to dump their data into an OWCA system which would also have the

capability of running analytical models for reports and projections. If such a system were implemented and the insurance industry was also given 6 months to a year to implement the system (which many insurers have advised they could do at a low cost, or they are already capable of interfacing with this system due to their functioning in states utilizing the same system), it is estimated that only 6-8 employees would be required in the Records Management Division and the annual cost savings in salary and benefits alone would be approximately \$450,000.00.

Recommendation: Adoption of Electronic Data Interchange (EDI) and collaboration with OIS and insurance industry to coordinate upgrade of the system.

4.15 Fraud Analytics Software: The OWCA Fraud unit is currently tip reliant. As such, the identification, investigation and prosecution of fraud offenders is significantly limited and the result is a significantly increased cost to the workers compensation industry. However, the OWCA believes that the integration of an analytics software package could mine data from the OWCA, Unemployment Insurance, Revenue and Taxation, NCCI, Contractor Licensing Board, Secretary of State Corporations Database, and Office of Motor Vehicles to identify and rank individuals who are committing workers compensation, unemployment and/or state tax fraud. The OWCA has reviewed the availability of such software and has received estimates of \$250,000.00 for the implementation and ongoing support. The city of New York recently implemented a similar program relative solely to corporate taxes and the initial projections were a return on investment of \$30 million. We are currently awaiting projections for increased recovery in Revenue, UI and WC if implementation of such a program were to occur in Louisiana. However, it is expected that implementation of this software would create more efficiencies in operation while likely providing a significant increase in revenue for Dept. of Revenue, Unemployment Insurance and Office of Workers Compensation.

Recommendation: Purchase and implement software.

4.16 Compliance: Currently, La. R.S. 23:1293 restricts the release of virtually any information regarding workers compensation coverage or claims. As such, employees and employers must submit tips to the OWCA Compliance Division where 6 employees investigate any allegation that an employer is failing to maintain workers compensation coverage. This involves the mailing of subpoenas via certified mail or personal service on employers. However, many states have relaxed their confidentiality provision to allow for the public to utilize the Workforce Commission website to determine, via a link to the NCCI database, whether a particular employer is complying with their duty to maintain insurance pursuant to La. R.S. 23:1168.

Amend La. R.S. 23:1293 and post a link to the NCCI database, employers could check their competitors to determine whether they are underbidding them as a result of lower overhead due to being uninsured. Employees could check to ensure their employers are providing protection for them in the event they are injured at work. The result would be a drastic reduction in bad tips coming in to the department which currently causes inefficiencies. Further, by enabling the public to assist in checking compliance, it would be expected that more employers would comply with their obligations. This would provide greater protection to employees and even out the risk paid for by employers who have insurance. As such, some level of premium reduction could be expected.

Recommendation: Amend La. R.S. 23:1293

4.17 Electronic Filing for Hearings Division: In conjunction with implementation of and electronic data interface, consideration should be given to the development and implementation of an electronic court filing system similar to the system utilized by the U.S. Federal Courts. Such a system allows easy access by attorneys, as well as electronic filing and notification of hearing dates so that all parties and the court save money on certified letters. The current OWCA budget for postage is approximately \$300,000.00. By moving to an electronic notification system, it is expected that these costs can be reduced at least by 50%. Further, access to case files can be provided to attorneys without the need for requests to OWCA staff. Further, the federal court system automatically generates a bill at 8 cents per page. Such a system would also free up administrative staff by reducing the amount of paper they are required to process, stamp, file and/or mail. Discussions are underway with the OWCA in Florida and Maryland regarding the costs of their electronic filing systems and implementation obstacles.

Recommendation: Purchase and implement new electronic filing system.

4.18 LAVOS: The Office of Unemployment Insurance and the Office of Workforce Development provide unemployment insurance benefits and job training and placement services, respectively to the unemployed citizens of Louisiana. During this period of high unemployment it has become critical that the two entities within the Louisiana workforce commission work to improve services.

The agency is working towards an integrated service delivery approach by automating the matching of UI benefit recipients to available jobs. The job referrals would occur at the time an initial UI claim is filed. The individual would receive job referrals regardless of whether the claim was filed over the Internet or through the UI Call Center. The referrals would be given to the claimant at the time of filing which would improve the individual's prospect of returning to work prior to receiving UI benefits.

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LWC is currently pursuing upgrades and enhancements to its LAVOS system in order to better integrate the data capture between its Unemployment Insurance and One Stop participant population. The pending upgrade will facilitate the seamless identification of UI participants and Workers Compensation claimants who enter a One-Stop center in search of employment opportunities and permit One-Stop staff access to UI claimants for job match and targeted job search activities.

Much benefit would be gained through the development of a single point of entry system, whereby ALL recipients of state and federally funded assistance may be identified, tracked, and properly qualified for any and all eligible services. Such a system would provide universal access across agencies to participant data, and limit the likelihood that participants could be “double served” through complimentary funding sources.

Recommendation: Upgrade LAVOS software to integrate program services and provide universal access across partner agencies.

Section Five: Elimination of Duplicative and Unnecessary Services

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

There are no programs or activities currently being performed outside of agency's state and /or federal mandates.

5.2 Identify outdated activities that should no longer be part of the mission of your agency.

5.21 Second Injury Fund: This program was created for the specific purpose of encouraging employers to hire or retain employees with pre-existing permanent partial disabilities by providing a type of catastrophic insurance coverage that could offset the risk of integrating these disabled individuals back into the workforce. Currently, employers who can show that they knowingly hired or retained such individuals who have a subsequent accident and injury that merges with the pre-existing condition may be reimbursed for indemnity payments made after 104 weeks of payments have been made and medical payments in excess of the first \$7,500.00. The program has grown to operate an annual budget in excess of \$46,000,000.00 and currently has estimated unfunded liabilities of approximately \$149,500,000.00 (\$111,200,000.00 when discounted to present value at 8%).

Many states have dismantled such funds under the premise that they do not meet their stated purpose and operate as an additional unnecessary expense to business due to the administrative costs associated with managing the fund. There are no measures in place which can adequately quantify what percentage of employees were hired specifically because of the existence of this fund versus what percentage of reimbursements are obtained from the fund due to happenstance wherein an employer learns from his insurer that he may qualify for reimbursements. Conventional wisdom within the workers compensation industry is that the fund serves as an ancillary benefit, but it does not encourage the hiring of disabled workers. However, support for the dismantling of the fund is mixed even within some sectors of the insurance industry (largely due to the return on investment realized by individual insurers). The impact on workers compensation premiums should be a guiding factor in the evaluation of such a move and NCCI is currently running an actuarial analysis for the OWCA as to the effect on premiums if the fund were dismantled with and 8, 10 and 12 year run off period. Arkansas recently dismantled their fund and NCCI expected to see an initial increase of 1-2% in premiums. A similar result is likely in Louisiana as well.

Recommendation: The Governor’s Advisory Council on Workers Compensation created a subcommittee in early 2009 to thoroughly evaluate the administration of the Second Injury Fund, whether it meets its stated purpose and provide recommendations for overhaul or elimination. The Commission should request that this report be delivered to the Commission, with recommendations for overhaul or elimination, on or before November 1, 2009.

5.22 State Board of Boiler Inspector Examiners: Chapter 1, Part II of Title 23 concerns the State Board of Boiler Inspector Examiners which is statutorily established as part of the Louisiana Workforce Commission. The Board conducts written examinations for all persons desiring to secure certificates of competency and commissions as boiler inspectors in this state. A fee of forty dollars is to be charged by the Executive Director for the issuance of the initial certificate of competency and commission along with an identification card denoting that the person whose name appears thereon has been issued such a certificate and is therefore a certified boiler inspector. A fee of twenty dollars shall be charged each year thereafter for renewal of the identification card.

State law implies that LWC has a boiler inspection division and that we receive fees for individuals wishing to be certified as boiler inspectors. This actually falls under the jurisdiction of the State Fire Marshal.

Recommendation: This law should be repealed to remove LWC from the administration of this program.

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

The Louisiana Workforce Commission consists of two separate agencies:

- The Office of Workforce Development
- The Office of Workers Compensation

5.31 Office of Workforce Development

The Louisiana Workforce Commission has the responsibility of administering the state’s federally funded public workforce development system. In order to meet the challenge of the 21st century global economy, the public workforce system works in partnership with employers, educators, and community leaders to foster economic development and high-growth opportunities in regional economies. This system exists to help businesses find qualified workers to meet their present and future workforce needs.

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Legislation was adopted during the 2008 Regular Session of the Legislature that created the Louisiana Workforce Commission. The Louisiana Workforce Commission was created and established to operate an integrated workforce development delivery system in this state, in particular through the integration of job training, employment and employment-related educational and training programs, and to administer the state's unemployment and workers' compensation programs.

The cornerstone of the state's workforce investment system is One-Stop service delivery which unifies numerous training, education and employment programs into a single, customer-friendly system in each community. The underlying notion of One-Stop is the coordination of programs, services and governance structures so that the customer has access to a seamless system of workforce investment services.

Louisiana benefits from many workforce training programs funded by federal, state, and local sources. However, this framework has produced a patchwork of workforce training programs scattered throughout many different agencies leading to poor alignment of resources, duplication of administrative processes, and an unacceptable level of performance.

We envision that a variety of programs could be consolidated and / integrated in order to take full advantage of the One-Stop' potential for efficiency and effectiveness. A wide range of services from a variety of training and employment programs throughout state government are available to meet the needs of employers and job seekers. The challenge in making One-Stop live up to its potential is to make sure that the State effectively coordinates and collaborates with the network of other state agencies that deliver employment and training related services.

The Louisiana Workforce Commission has designed and is implementing a fully integrated service delivery system through a network of Local Workforce Investment Boards / and One-stop centers (known as Business and Career Solution Centers) led by business representatives. Many of the programs and funding streams that fall under the authority of the commission are administered through Business and Career Solution Centers made up of integrated teams with common goals and objectives. We envision that a variety of other state administered programs could be consolidated and / or integrated into this model to reduce overhead and significantly improve performance. Since its inception, the number of individuals served through the local centers has significantly increased year after year. This system was created with understanding that other workforce development programs (i.e. Department of Social Services TANF STEP and Vocational Rehabilitation) would eventually be added to the system to:

- Streamline services in order to promote more effective programs
- Reduce bureaucracy and duplicative infrastructure in order to achieve cost savings
- Improve performance

- Dedicate more funds directly to worker training

The Louisiana Workforce Commission has studied the workforce development programs of the State and offers the following opportunities for coordination, consolidation, integration:

5.32 LWC/DSS Integration Model

The Louisiana Workforce Commission and the Department of Social Services are working together to implement an integrated approach to job search, readiness training, and job placement services. The primary goal of this integration is to increase the number of DSS clients that achieve financial independence through employment.

With the goal of increasing workforce participation and entry into career paths by clients currently served by DSS, DSS is working closely with LWC to streamline and improve job training activities for food stamp participants, welfare to work job training, vocational rehab job training, and foster care transitions into the workforce. For instance, currently 136 thousand Louisiana food stamp participants require mandatory work registration. Of these, 51 thousand are working and 85 thousand are not. Only 9 parishes currently have a training and education program for the non-working food stamp population. 15% of households receiving food stamps statewide also receive some form of public assistance (Kinship Care, Child Care Assistant, FITAP/STEP, etc). The opportunity exists to link workforce readiness efforts by LWC with the non-working food stamp population and other clients served by DSS.

In order to maximize this opportunity to link workforce readiness programs, LWC and DSS will begin a pilot initiative in Lafayette in September. This initiative will be accomplished without incurring additional costs. Key collaborations will be the business community, WIA Boards and employers in the greater Lafayette metropolitan area. Currently, LWC provides training and assistance to STEP/TANF participants in order to prepare and place them in long-term jobs that will meet the demands of current and future employers. Services provided include initial intake, career assessment, career counseling, job search, job training assistance, and work readiness seminars.

This collaborative effort between LWC and DSS focuses on the design of a practical operations model that would more effectively utilize available LWC and DSS resources to identify *job-ready* customers and efficiently place them into demand-sector jobs that offer a reasonable opportunity/career path. Streamlining the department's parallel but disparate workforce activities currently taking place across agencies will ensure that clients who are able to do so transition through a system that provides a career pathway that includes job readiness and placement services.

The focus of Louisiana Job Employment and Training (LaJET) which provides work opportunities for Food Stamp recipients) and Strategies to Empower People (STEP which

serves FITAP beneficiaries who are required to participate in work activities) programs are to provide job readiness and placement services to low income families currently receiving SNAP or cash assistance benefits through DSS. As workforce development is a core competency of the LWC, DSS and LWC jointly proposes outsourcing the delivery of these services to LWC and collaborating with LWC in providing child care assistance for parents actively participating in job search activities.

Recommendation: Integrate the delivery of these services within the existing integrated service delivery model in use by the Business and Career Solutions Centers.

Expected Results

- Because service delivery will be more closely aligned with LWC core programs, DSS will realize a reduction in the administrative burden.
- As all workforce services migrate to LWC there will also be a redistribution of staff responsibilities which will contribute to improved workload and performance in other program areas.
- Currently, around 1,000 STEP participants (about 50% of all STEP participants) and 51,000 Food Stamp recipients (about 40% of all eligible recipients) meet the work requirements in the programs and actively participate in workforce readiness and placement activities. The ratio of benefit recipients to participants could increase significantly as stronger connections to the core services of LWC are developed. This will lower the dependence on public assistance among this population as they enter and progress in the workforce.
- In order to maximize the use of this funding and better monitor contract performance, the department is working closely with LWC to develop real performance outcomes and service delivery mechanisms that will be an integral part of contracts between the departments.

5.33 Louisiana Department of Veterans Affairs

The Louisiana Workforce Commission is required by the Jobs for Veterans Act (P.L. 107-288) to provide employment, training and placement services for veterans required by Chapter 41, Title 38, United States Code (38 U.S.C. 41), as amended.

The commission's primary objective is to grow the workforce by providing opportunities for all individuals to take advantage of the various training programs and support agencies available to enter the workforce. Under the existing one stop service delivery model there are 28 full time employees located in the Business Career Solution Centers across the state that

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focus primarily on job search, job training, and placement of veterans in suitable employment.

Disabled Veteran's Outreach Program (DVOP) Specialists primary function is to provide intensive services for special disabled and disabled veterans. DVOP roles and responsibilities will be consistent with VPL 07-05. They outreach on behalf of disabled veterans and provide labor exchange services in their support. Their facilitation of intensive services encompasses a complete case management approach. When special disabled and disabled veterans are identified through an assessment process as having barriers to employment, which prevent them from obtaining and maintaining employment, intensive services are provided. Case management requires the DVOP to conduct an initial assessment which may include the use of Interest Inventory, Work Keys, SAGE or other assessment tools.

The Local Veteran's Employment Representative (LVER) responsibilities in Louisiana's One-Stop system are designed to build capacity, advocate for veterans employment and training, establish employer relations, develop jobs, provide labor exchange services and report quarterly to the site manager, regarding implementation of priority services to veterans and their effectiveness. LVER roles and responsibilities are consistent with VPL 07-05. The LVER is an important part of the Recruitment and Placement Team in Louisiana.

The Louisiana Department of Veterans Affairs also caters to the special needs of Veterans with 78 local Parish Service Offices throughout the state. These offices offer a comprehensive array of services to veterans including health care, disability benefits, burial and memorial benefits, home loan programs, and counseling.

Recommendation: While these two agencies have established referral mechanisms in place such that the full array of services can be offered to veterans by both agencies, the LWC recommends that the LWC Veterans' program operations be transferred to the LDVA. The current 28 LWC employees dedicated to the Veterans' program will be collocated in the various Parish Service Offices such that Veterans can receive the full array of services in a one stop environment. This action will require USDOL approval of a modification of the state's workforce development plan. (Annotate national discussion)

5.34 Community Service Block Grant Integration

The starting point for the federal Community Services Block Grant (CSBG) program began with the federal Economic Opportunity Act of 1964 and Congress's declaration of "war on poverty." Legislation provided for the CSBG program in the federal Omnibus Budget Reconciliation Act of 2009 to help eliminate the causes and ameliorate the conditions of poverty.

The Louisiana Workforce Commission receives an allocation of funds from the Department of Health and Human Services and distributes the funds to forty-two local Community Action

Agencies who provide a variety of services to low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.))

Many of the clients served by the CSBG program are also participants serviced by the Business and Career Solution Centers. However, there is a significant lack of coordination between local Community Action Agencies that administer the CSBG program and the Business and Career Solutions Centers resulting in poorly aligned resources. Currently, there is a CSBG administrative infrastructure that runs parallel to the existing WIA service delivery system resulting in duplication of effort, confusion, and unnecessary expenditures.

The Community Action Network is made up of private non-profit and public agencies that coordinate and manage multiple programs that create opportunities for clients to obtain employment skills and education to become self-sufficient as well as provide support activities (i.e., child care, transportation, nutrition, emergency services, health care, etc.) to remove obstacles from clients moving toward self-sufficiency.

Many of the activities funded by CSBG and the WIA system are identical. If the systems were fully integrated, the employees in the Business and Career Solution Centers could address the needs of customers in a holistic approach. Customers would receive the full array of services available under each source of revenue providing the client with essential services appropriate under that funding source. This alignment of resources would increase the system's capacity to service more clients and achieve higher levels of success with each client.

Recommendation: Integrate the CSBG service delivery system into the WIA regionally integrated service delivery model.

5.35 The Recovery Workforce Training Program

The Recovery Workforce Training Program (RWTP) is funded through a Community Development Block Grant (CDBG). The LWC received these funds as part of the Hurricane Recovery funds provided by the Department of Health and Human Services and administered through the Louisiana Recovery Authority and the Office of Community Development. It consists of a framework for the recruitment, assessment, training, and employment of disadvantaged individuals living or willing to work in the 20 parishes most impacted by Hurricanes Katrina and Rita. Sixteen subrecipients were awarded contracts to focus on high demand sectors such as healthcare, transportation, construction, and energy. Each of the sixteen subrecipients also identified a workforce intermediary, fiscal agent, and administrative staff.

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The RWTP has placed 42% of participants in employment. The WIA program has placed 67% of participants in employment. One of the goals of this integration is to dramatically increase employment of RWTP participants.

The RWTP contracts essentially replicated the existing WIA service delivery system. Immediate savings can be realized by eliminating the duplicate administrative entities and intermediaries that were erected with the implementation of this program. The contractors that are not achieving an acceptable level of performance level will be allowed to expire December 31, 2009. The successful contractors will be encouraged to continue but closely coordinate their activities with the local boards to avoid duplication of effort. All future workforce related programs will be delivered through the Workforce Investment Act (WIA) structure.

A plan has been developed to transition the program to an Individual Training Account (ITA) process and transfer that responsibility to local Business and Career Solutions Centers. The strength of this framework is that it would leverage the resources of our local Business and Career Solution Centers, significantly reduce administrative costs, and empower customers with the option to choose their training providers.

Recommendation: Integrate existing contracts into the regional service delivery model and transition the program to an ITA process administered by the local Business and Career Solutions Centers.

5.36 Centralized Employer Tax Collection

Currently, the Louisiana Workforce Commission (LWC) and the Louisiana Department of Revenue (LDOR) collect and process employer taxes and wage data. This includes opening mail, imaging documents, extracting data, and depositing the funds. These functions cost LWC approximately \$1.5M annually.

Recommendation: Combine these functions under the Department of Revenue. Employers would remit taxes and report wage data to a single entity. By combining resources we would improve efficiency, reduce costs, enhance customer service for Louisiana employers and protect the integrity of the UI Trust Fund.

Section Six: Civil Service and Employee Benefits

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

The LWC has begun an aggressive program to improve the internal performance of department staff individually and the department as a whole by aligning each employee's job description, expectations and daily tasks with the mission and priorities of the LWC. The ultimate goal is to build a high-performance culture throughout the LWC in which all employees and their supervisors participate in defining how they add value to our organization and customers, get the feedback they need to measure progress and the tools they need to succeed.

The program began this spring with a series of changes to the LWC's performance planning and review (PPR), merit and special rewards programs. LWC leadership and Human Resources personnel have worked closely with the State Civil Service System to develop the new performance management program.

All employees and supervisors have undergone mandatory training on how the program is being implemented and how it will operate in the long term. Supervisors also have received training on how to write effective job descriptions.

Key components are:

- A move to quarterly PPRs to accelerate the speed at which employees can be aligned with the LWC's mission and priorities and to accelerate the pace of improvement. An electronic system for recording, tracking and retrieving planning and evaluation documents has reduced the workload that otherwise would have been created by the introduction of more frequent reviews.
- Tying merit pay policy to performance by quarter. Employees must perform well in three of the preceding four quarters to qualify for merit raises.
- Establishment of true high performance rewards policy to motivate high performance. High performers qualify quarterly for certain non-monetary rewards, such as preferred parking and agency-wide recognition, and exceptional performers qualify quarterly for those non-monetary rewards in addition to up to 2.5% of base pay per quarter, if funding is available.

We are still in our second quarterly review period for most employees and expect to be able to report results later in 2009.

A second, parallel phase involves turning the LWC strategic plan into real work tasks that are focused on results, all the way through front-line service delivery mechanisms. The overarching objectives of the Strategic plan are defined in terms of desired future states for the internal business units.

That challenge will be met through the establishment of key process teams from each functional unit. These teams will be populated by front-line employees who have complimentary skills, clear and specific purpose and performance goals, and a common working approach. Each team will share mutual internal accountability for achieving its performance goals, with oversight and coaching provided by their management sponsors. Management oversight will be maintained through regular reporting of team progress against approved metrics and from periodic in-person progress reports to the Executive Team.

The deliverables from this approach are: Specific Performance Improvement, Collective Work Products, Individual Employee Growth and Development, and a Change to a Culture of Increased Accountability.

See Attachments: Policy 21 Performance Planning and Review
Policy 54 Merit Increase
Policy 55 High Performance Rewards

Section Seven: Studies and other Resources

7.1 Please list any studies (with a brief description) your agency has conducted that may be of interest to the Commission.

7.11 Office of Workers Compensation: The OWCA contracts annually with the Workers Compensation Research Institute in order to obtain an analysis of workers compensation claims costs, durations and trends in Louisiana and how these numbers compare with other states. In addition, the National Commission on Compensation Insurance provides an annual report that also analyzes claims data and provides recommendations regarding workers compensation insurer's rate filings. These organizations websites are:

- <http://www.wcrinet.org/>
- <http://www.ncci.com/>

7.2 Please list any national studies or studies in other states that might be of relevance

7.21 UWorks: A delegation from Louisiana visited the State of Utah and participated in a UWorks demonstration, the focus of which was a "single point of entry: system that bridged across state agencies.

7.3 Please list any national organizations that might be a source of potential best practices for Louisiana. If a website exists for the organization, please provide it.

7.31 National Association of State Workforce Agencies (NASWA)

- <http://www.workforceatm.org>

Section Eight: Agency Best Practices

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

8.11 LWC/DSS Integration: The Louisiana Workforce Commission and the Department of Social Services are working together to implement an integrated approach to job search, job readiness and training services. The primary goal of this integration would be to expand the number of clients DSS refers to LWC for these services. (Listed above)

8.12 Review of facility lease contracts: The OWCA is currently reviewing its 10 lease contracts to determine whether a more sensible location exists. For example, the OWCA lease for the District 6 court in Covington expires in early 2010. The current location costs \$16.17 per square foot annually for 3,535 square feet. It is expected that the price per square foot in Covington may increase if the 5 year option is exercised. However, Hammond is more centrally located in the district and commercial space in downtown Hammond is available in the ballpark of \$12.00 per square foot. Even if the Covington cost were to remain neutral, the annual savings on this contract would be approximately \$14,000.00. If the lease increased to \$20.00 per square foot, the savings would be approximately \$28,000.00. Review of all leases is underway.

8.13 Security and Janitorial Services: The LWC discovered two areas of services provided by internal staff that could be outsourced. Six (6) full-time, permanent employees were assigned to security detail. However, the individuals hired for these positions did not possess the necessary skills to satisfactorily provide late night security responsibilities particularly with the facility's location in a high crime area. Equally as important, janitorial duties were inadequately performed by full-time permanent staff but they were unable to keep the facility sufficiently clean and in an orderly condition to serve the public.

Today, the agency has outsourced janitorial duties to the Department of Corrections. This arrangement has proven to be very successful. Rather than layoff employees previously assigned these duties, the agency was able to provide training in new areas of responsibility and transferred the employees to new assignments.

Campus security has also been outsourced to a private company with professional security employees that possess the necessary skills to provide adequate security 24 / 7. Previous employees have been retrained and assigned to new areas of responsibilities.

While the agency did not experience significant savings with these two endeavors, the quality of work performed by these contractors is considerably higher and employees are happier in positions that they can successfully perform.

8.14 Customized Business Solutions: The Customized Workforce Solution concept was developed to address the work force challenges of large employers, industry sectors, regions, and agencies across Louisiana. It intends to be an indispensable source of demand driven, customized, and total solutions responses.

The abilities and resources of LWC, other state agencies as well as private and non-profit organizations will be utilized to develop detailed workforce plans. Each plan will identify specific challenges and include a detailed action plan consisting of stakeholder responsibilities, timelines for execution and anticipated outcomes. The LWC team will draw from its full complement of available resources in the areas of employee recruitment, training and development, and funding.

8.15 Alignment with Louisiana Economic Development: Alignment between LWC and LED is critical for the state's long-term economic vitality. This alignment already is occurring at the Workforce Investment Council (WIC) level and at the Workforce Investment Board (WIB) level.

The LED secretary is a member of WIC, which has statutory duties to develop a statewide workforce development strategy to coordinate and integrate a workforce development delivery system. The WIC is charged with assuring efficiency and cooperation between public and private entities by advising the governor on the needs of Louisiana's employers and its workforce. The Council also is responsible for occupational forecasting, which is used to drive programs and funding for job training.

The WIBs operate in 18 areas across the state and oversee the operation of a network of Business and Career Solution Centers where most of the LWC's workforce services are delivered. Local economic development leaders are represented on the WIBs, along with the community and technical colleges, employers and others.

The LWC also is working with LED to improve integration of the data each agency gathers on the economy, labor markets and the needs of existing and emerging businesses and industries.

Both agencies are charged with supporting growth of Louisiana's economy, LWC by improving its workforce and LED by recruiting businesses to expand or relocate to the state. LWC's role is to help deliver the workforce needed to sustain existing business and industry and to help them improve the competitiveness of their existing operations. LED's role is to deliver customized solutions to support expansion or relocation projects, which then factor into WIC's occupational forecast. They are further aligned through the primary training provider for both, the Louisiana Community and Technical College System.

See Attachment: Aligning State Workforce Development and Economic
Development Initiatives

LOUISIANA WORKFORCE COMMISSION

Policy Number 21	Policy Name Performance Planning and Review	Original Effective Date January 1, 2009
Contact: Human Resources Division, 225-342-3055		Revision Dates
Executive Director Tim Barfield		Signature 

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PURPOSE:

The Louisiana Workforce Commission (LWC) has established this policy for classified employees with the approval of the Department of State Civil Service. The purpose of this policy is to continuously improve agency performance using a modified employee performance planning and review (PPR) system, which allows for planning and rating sessions more frequently than is required by the Department of Civil Service. The rating cycle used by LWC is outlined in greater detail in the attached procedures.

LWC will use this modified PPR system to provide employees with expectations that are clearly aligned with the agency’s mission and goals and to facilitate on-going communication between supervisors and subordinates regarding the individual employee’s contributions towards the agency’s accomplishment of its goals. Frequent performance reviews encourage supervisors and subordinates to focus more specifically on the targeted objectives, tasks and priorities of the rating cycle. The rating cycles will be as scheduled in the attached PPR procedures. Planning and rating sessions will be conducted at least annually.

POLICY STATEMENT(S):

Performance Planning and Review sessions shall occur on a regular basis according to the attached procedures.

All evaluations received by an employee during the rating year shall factor in decisions concerning merit increases, permanent status, promotion, and disciplinary action.

Employees may be eligible for merit increases as described in Personnel Policy #54, Merit Increases.

The Commission’s grievance procedure shall not be used to contest disputed employee evaluations. Employees may use the Request for Review process outlined in Civil Service Rules 10.13 and 10.14. Only employees with permanent status may request a review of his/her rating.

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21	Performance Planning and Review	January 1, 2009

RESPONSIBILITIES:

Supervisors and Employees

- Adhere to Performance Planning and Review Policy and Procedures.

Human Resources

- Post, distribute and interpret policy statements regarding reporting requirements.
- Advise management regarding the Performance Planning and Review Process.
- Monitor the process and manage the data in the online PPR System.
- Report annually to Department of State Civil Service.

Appointing Authorities

- Require that all managers and supervisors within their chain of command conduct performance planning sessions and performance reviews as required by the attached procedure.

RELATED POLICIES:

Personnel Policy #54, Merit Increases

Personnel Policy #36, High Performance Rewards Policy

Performance Planning and Review Procedures

The Louisiana Workforce Commission (LWC) has implemented a quarterly Performance Planning and Review (PPR) system. This modified PPR system requires that all employees have quarterly planning and review sessions.

This quarterly PPR system has been established to help employees and supervisors to:

- Identify important performance factors for each employee's job that will contribute to the effectiveness of the agency's mission.
- Establish clear and measurable individual performance expectations and goals that are directly aligned with the agency's mission.
- Communicate effectively regarding the targeted objectives, tasks and priorities of each quarter and improve feedback between employees and supervisors.
- Evaluate employee performance on the basis of objective, written documentation maintained by each supervisor.
- Address substandard performance through additional training and coaching or through the disciplinary process when an employee's performance remains unacceptable.

Determining Rating Periods:

An employee's quarterly rating periods are at three-month intervals based on his/her anniversary date. For instance, if an employee has an anniversary date of February 1, the employee's quarterly ratings would be conducted by February 1, May 1, August 1, and November 1.

Planning Sessions:

Existing Employees

A supervisor must conduct a performance planning session no later than 21 days after the rating deadline for each employee.

New Employees

A supervisor must conduct a performance planning session no later than 21 days after the appointment of a new employee.

Transferring Employees

A supervisor must conduct a performance planning session no later than 21 days after an employee transfers into the Commission or an employee moves into a position with significantly different duties.

New Supervisor or Performance Expectations Changes

A supervisor should conduct a performance planning session when an employee gets a new rating supervisor, when performance expectations change because of changes in duties or when otherwise deemed appropriate by the rating supervisor.

The employee must receive a copy of the completed form following each planning session and a copy must also be sent to Human Resources.

Performance Planning and Review Procedures

Rating Sessions:

A performance review session is to be held during the three weeks (21 calendar days) prior to the end of each quarter. The rating is to be based on the employee's overall performance for that quarter. The rating supervisor must complete the performance appraisal form and provide feedback to the employee. The employee must receive a copy of the completed form following each rating session and the original must be sent to Human Resources.

Automated PPR System

Upon implementation, supervisors are to enter performance expectations and conduct performance evaluations using the automated PPR system. The automated system will replace all hard copies.

Requests for Review of Rating

The Commission will adhere to Civil Service procedures with regard to the rating conducted on the anniversary date. When the Commission's rating cycle shorter than one year, ratings conducted on dates other than the anniversary date are not subject to review.

Contact

Human Resources Division, 225-342-3055.

LOUISIANA WORKFORCE COMMISSION		
Policy Number 54	Policy Name Merit Increase	Original Effective Date
Contact: Human Resources Division, 225-342-3055		Revision Dates
Executive Director Tim Barfield		Signature 

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PURPOSE

The Louisiana Workforce Commission (LWC) establishes this merit increase policy for classified employees in accordance with Civil Service Rules. Merit increases are awarded as part of the LWC’s overall performance management program to drive performance among all employees. Expectations for staff performance are high. Merit increases are earned based on work performance, behavior on the job, attendance record and other areas that are considered important by the supervisor and management.

POLICY

Performance reviews under this system are a factor in decisions concerning merit increases.

An employee’s performance is reviewed according to a scheduled rating cycle contained in the Performance Planning and Review Procedures. His merit review date is calculated from the end of the rating period during which a merit increase was last granted or denied. It is the supervisor’s responsibility to recommend whether an employee is granted a merit increase. It is the appointing authority’s responsibility to determine whether a merit increase is granted.

When a new employee has been continuously employed for six months, he becomes eligible for consideration for his first merit increase. This date becomes his anniversary date. To be granted his first merit increase, he must have earned an overall rating of at least Meets Requirements for each rating session during his first six months of employment.

For his second and subsequent merit increases, the earliest an employee may be considered is one year after his latest merit approval.

LOUISIANA WORKFORCE COMMISSION

Policy Number	Policy Name	Original Effective Date
54	Merit Increase	

When an employee transfers in from another state agency, the Commission may assume that his performance at his previous agency since his latest performance review was at least Meets Requirements. Therefore, he may be eligible for a merit increase on his next anniversary date.

When rating periods are shorter than one year, eligibility for merit increases will include the following:

- When the rating period is three months, employees must achieve an overall rating of at least Meets Requirements in three of the four preceding rating periods.
- When the rating period is four months, employees must achieve a rating of at least Meets Requirements in at least two of the three preceding rating periods.
- When the rating period is six months, employees must achieve a rating of at least Meets Requirements in both preceding rating periods.

If a supervisor fails to rate an employee for a particular rating period, the lack of a rating will not adversely affect the employee's merit eligibility.

RESPONSIBILITIES

Supervisors

Review employee performance and make a recommendation regarding the awarding of a merit increase.

Appointing Authorities

Review all pertinent information and make a determination regarding the awarding of a merit increase.

Human Resources

Support the implementation and administration of this policy.

Legal

Provide legal support for actual and suspected violations.

RELATED POLICIES

Personnel Policy #21, Performance Planning and Review
Personnel Policy #55, High Performance Rewards Policy

LOUISIANA WORKFORCE COMMISSION

Policy Number 55	Policy Name High Performance Rewards	Original Effective Date
Contact: Human Resources Division, 225-342-3055		Revision Dates
Executive Director Tim Barfield		Signature 

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PURPOSE

The Louisiana Workforce Commission will provide fair and equitable means of recognizing and rewarding exceptional performance within the framework of the Commission’s performance management program. Timely and meaningful recognition of such performance is important for motivating continued high performance by individuals and by the Commission as a whole. This policy is established with the approval of the Department of State Civil Service.

POLICY

1. The High Performance Rewards Policy will have both monetary and non-monetary rewards.
2. The lists of monetary and non-monetary rewards are maintained within the Human Resources Division.
3. A High Performance Rewards Committee will make the final decision on all recommendations regarding high performance rewards under this policy, subject to the availability of funding.
4. The committee will include executives from all major units of the Commission, ensuring consistent application of this policy across the Commission.
5. Eligibility is based on performance during the most recent rating period, without regard to performance in earlier rating periods.
6. No one is automatically approved for a reward only on the basis of their performance rating. High Performance Rewards Committee approval is also required.
7. In addition to the policy being a part of the LDOL Personnel Policy Manual, it will also be posted on the Human Resources Information Bulletin Board in the administrative complex area and a copy should be posted in the general employee areas of each local office. The purpose of this posting is to serve as a reminder to all employees that this policy is in effect and to encourage participation. A list of all recipients and the award granted will be posted in the same manner for at least 30 days after an award is granted. A list of recipients and the award granted will be reported to the Department of Civil Service in accordance with Civil Service Rules.

LOUISIANA WORKFORCE COMMISSION

Policy Number	Policy Name	Original Effective Date
55	High Performance Rewards	

8. Eligible employees can be considered for reward payments totaling up to 10% of their base pay per fiscal year. These payments do not raise base pay. Pro-rated amounts can be awarded at each rating period when the rating periods are shorter than one year, e.g. up to 2.5% reward payment can be awarded up to four times a year if the rating periods are three months each.
9. Non-monetary rewards may be granted individually or in combination with an approximate value up to \$50. Non-monetary rewards may include certificates, pens, parking spaces, etc. as determined by the Executive Director or his designee.

PROCEDURE

1. Within one week of each performance review session in which an employee meets the minimum requirements for consideration under the High Performance Rewards Policy, the rating supervisor must:
 - a. Recommend in writing to their manager for or against the employee receiving a high performance reward;
 - b. If the recommendation is favorable, the supervisor also must recommend the type of reward and, if appropriate, the level of that reward.
 - c. A copy of all recommendations, both favorable and unfavorable, including the bases for those recommendations, will be sent to the Human Resources Division and the appointing authority.
2. Within two weeks of receiving the recommendation, the manager will either approve or deny it. The manager may require a meeting with the rating supervisor to discuss the recommendation prior to reaching a determination.
3. All actions taken by the manager must be reported to the Human Resources Division, the appropriate appointing authority, and the High Performance Rewards Committee.
4. The High Performance Rewards Committee will convene regularly to consider all recommendations, both for approval and denial, and will either confirm or override each recommendation.

ELIGIBILITY

1. Only employees who receive an overall rating of Outstanding or Exceeds Requirements without a rating of Needs Improvement or lower on any single factor are eligible to be considered under the High Performance Rewards Policy.
2. Only employees who receive an overall rating of Outstanding without a rating of Needs Improvement or lower on any single factor are eligible to be considered for monetary rewards.
3. Eligibility is determined at each rating period.

RESPONSIBILITIES

Executive Director:

- Determines the items on the high performance rewards lists.
- Appoints the members of the High Performance Rewards Committee.
- Determines the meeting schedule of the High Performance Rewards Committee.
- Sets the schedule by which the Chief Financial Officer will certify the availability of funding to award monetary rewards.

LOUISIANA WORKFORCE COMMISSION

Policy Number	Policy Name	Original Effective Date
55	High Performance Rewards	

Chief Financial Officer:

- Certifies the availability of funding for monetary rewards.

High Performance Rewards Committee

- Reviews all recommendations for rewards to ensure consistent application of this policy across the Commission.
- Makes the final decision on all recommendations.

Managers

- Must review all supervisors' recommendations regarding rewards.

Rating Supervisors

- Must make a rewards recommendation in writing for all eligible employees.

Human Resources Department

- Logs and tracks all rewards recommendations and reports regularly to the High Performance Rewards Committee.

RELATED POLICIES

Personnel Policy #21, Performance Planning and Review

Available High Performance Rewards

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MONETARY REWARDS

Eligible employees can be considered for reward payments totaling up to 10% of their base pay per year. These payments do not raise base pay. Pro-rated amounts can be awarded at each rating period when the rating periods are shorter than one year, e.g. a 2.5% reward payment can be awarded up to four times a year if the rating periods are three months each.

NON-MONETARY REWARDS

Non-monetary rewards can be issued individually or in combination. They are:

- Certificate of Appreciation signed by the executive director.
- Meritorious Service Award. Recipients will receive a plaque presented by the executive director.
- LWC High Performance Team Membership. Team members are recognized on the Intranet with their pictures and descriptions of why they were selected. Team membership lasts for three months.
- Reserved Parking. Parking spaces can be reserved for high performers in lots close to workplace entrances. They will be reserved for one rating period at a time.



Issue Brief

Social, Economic and Workforce Programs Division
Contact: [Martin Simon](#), 202-624-5345
September 2005

Aligning State Workforce Development and Economic Development Initiatives*

Executive Summary

Driven by the rapidly changing, highly competitive global economy that puts a premium on skilled workers, many states are taking steps to better align their workforce and economic development programs. When these programs are well-aligned, economic development officials work closely with their counterparts in workforce development to ensure that both long-term planning and current recruitment and expansion efforts take into account the skills of the region's workforce and the workforce development systems capacity to train additional workers. Similarly, workforce development professionals work closely with economic development officials and employers to ensure that their training and job placement efforts are designed to meet the skill needs of regional industries—especially those viewed as key to future economic growth.

In pursuing this alignment, states are confronted with the challenge of two systems that operate very differently, with workforce programs historically targeted to individuals and funded primarily through federal funds, and economic development focused on business with state and local funding. The different funding streams add a level of complexity to differences among governance and planning structures, performance and reporting requirements, and geographic focus areas. Complicating matters are very distinct institutional cultures: people in the workforce system are trained in the helping professions, while economic developers see themselves as “deal makers.” Overcoming these challenges is not easy; it requires persistent leadership from officials at all levels, but particularly the governor.

This issue brief examines the reasons governors undertake such efforts, the challenges involved, and several promising state practices that highlight the critical role of governors. Some governors have merged agencies or created new coordinating bodies. Others have established common missions, goals, and performance measures. Still others have pursued economic and workforce development strategies, such as cluster-based initiatives and regional skill alliances, that by their nature promote collaboration. Their efforts point to several basic lessons for states that are considering the alignment of workforce and economic development.

* This *Issue Brief* was written by Mark Troppe, National Center on Education and the Economy, with Stephen Crawford and Martin Simon, NGA Center for Best Practices.

- Complete a candid assessment of the status quo as the essential first step in determining appropriate actions.
- Evaluate the positive and negative aspects of each reform option (including restructuring versus other alternatives) and create a sequence of decisions based on the current state of affairs.
- Strengthen the quality of the economic and workforce information available to decisionmakers by revamping the data collection, analysis, and dissemination systems.
- Organize economic and workforce development activities around regions and groupings of firms to improve labor market performance.
- Use financial incentives and administrative actions to resolve the administrative and jurisdictional differences between economic and workforce development.
- Set broad performance measures across multiple workforce programs so they align with state economic goals.

Background

Traditionally, economic and workforce development agencies, and the professionals who staff them, have gone their separate ways. Economic development agencies focused on mobilizing the state and local resources needed to achieve business recruitment or expansion deals. Workforce development agencies focused on administering a “second-chance” system of federal employment and training programs. With the emergence of a knowledge-based economy, however, it became evident that economic development requires a skilled, innovative, and flexible workforce. The severe “skill gaps” that appeared in the 1990s showed that workforce development is about much more than assisting the unemployed and disadvantaged; it also is about producing a workforce with the skills that employers need if they are to succeed in a rapidly changing and highly competitive global economy. It became clear that economic development and workforce development are two sides of the same coin, and therefore their strategies and activities needed to be aligned.

When economic and workforce development are well-aligned, economic development officials work closely with their counterparts in workforce development to ensure that both long-term planning and current recruitment and expansion efforts take into account the skills of the region’s workforce and its capacity to train additional workers. Similarly, workforce development professionals work closely with economic development officials and employers to ensure that their training and job placement efforts are designed to meet the skill needs of regional industries—especially those viewed as key to future economic growth.

Such collaboration requires a level of mutual trust that takes time to develop. Trust can be nourished through committed leadership, shared missions, joint planning and reporting, and shared performance measures. Building a trusting relationship can include other approaches, such as joint staffing of governance bodies and merged research teams, jurisdictional alignments, and regional and sectoral strategies.

Yet, genuine alignment goes further than mutual consideration and assistance. When their agencies are fully aligned, economic and workforce development officials work together to create a common vision for

the regional economy and its various parts that transcends employment to include innovation and entrepreneurship. They develop a unified set of goals spelling out this vision and an integrated strategy—with common performance measures and shared incentives—for achieving them.

Such advanced alignment is rare, especially at the state level, in part because states are just beginning to work at alignment and in part because it is not easy to accomplish. The quip that “economic developers are from Mars and workforce developers are from Venus” speaks to real differences in occupational cultures and institutional settings that complicate alignment efforts. A growing number of governors are taking steps to overcome the obstacles because they are concerned about their states’ ability to compete in a knowledge-based global economy, increasingly aware that workforce quality is critical for economic development and job creation, and committed to making better use of resources in tight fiscal times.

Obstacles and Challenges

For economic and workforce developers to collaborate effectively, each party must understand the very different operational contexts in which they operate. For several decades, the publicly funded workforce system operated under strict eligibility requirements that provided services almost exclusively to economically disadvantaged and unemployed persons. This severely limited the programs’ usefulness to economic developers. Although the Workforce Investment Act has provided more flexibility for working with different customers, including employed workers and employers, it takes time to change long-engrained habits, and longer yet to change the program’s reputation.

Complicating matters are two very different institutional cultures. Economic developers frequently have a business background and view themselves as “deal makers.” They tend to focus on companies as their primary customer, helping them with real-estate development, financing, and water or sewer infrastructure issues. They excel in putting together funding packages using multiple local, state, federal, and private resources from a variety of programs and agencies.

In contrast, workforce system staffs typically were trained in the helping professions and saw individuals as their primary client. Only in recent years have they taken a more demand-driven approach that addresses individual needs in the context of the needs of a company, industry, or regional economy.

Another ongoing difference between most economic and workforce developers is the source of their funding. While workforce agencies depend on the federal government for the vast majority of their funding, most economic development activities are funded by state and local governments. Differences among funding streams create tensions because each funding source has its own policy, reporting, and performance requirements.

To fulfill diverse and varied missions, workforce and economic development organizations typically seek to meet these requirements based on guidance from different governance boards or councils, which use different tools and engage in different planning processes that cover different geographic areas and adhere to different schedules. The responsible program officials collect data on different performance indicators that are submitted to different oversight authorities via different reporting processes. This “silo” approach occurs despite the often considerable overlap among the issues addressed and strategies outlined in the individual plans and initiatives.

Governance Solutions to Alignment

Overcoming the alignment barriers—both structural and cultural—does not happen naturally or easily. It takes creative and persistent leadership from officials at many levels, and most critically the governor. Only governors have the authority and influence to reorganize departments, redefine missions, undertake major strategic initiatives, or reallocate state government’s resources. Only governors are in a position to bargain with the legislature if necessary. Once governors decide to act, the key question is how best to achieve the desired results.

One governance approach to promoting greater alignment of economic and workforce development is to consolidate multiple workforce and economic development agencies and programs into one department under a single commissioner or secretary. Another approach uses mechanisms, such as mini-cabinets, that facilitate “structured coordination” among existing agencies.

Consolidation

In theory, consolidation is a fairly straightforward way to align workforce and economic development. It typically involves merging similar agencies and programs into a single existing department or creating a new department with programs pulled from other agencies. In practice, it is usually more challenging. It can consume a great deal of time and energy due to the resistance and maneuvering of those affected. Legislators and advocacy groups may get involved, causing the governor to expend political capital in the process.

In addition, the results of reorganization often are quite disappointing. Employees sometimes spend considerable time figuring out their new roles and responsibilities, old habits can persist under new arrangements, and long-lamented silos may continue, only now within the same department. This is especially likely when the agencies opposed the consolidation and are as culturally different as economic and workforce development.¹

Despite these challenges, organizational consolidation can produce many benefits and lasting change that justify the effort, such as unified authority and its potential for ensuring more coordinated planning, implementation, and evaluation. In addition, consolidating agencies can break up dysfunctional bureaucracies and send strong signals about new directions and expectations. The difficulty of achieving consolidation discourages subsequent political leaders from reversing direction. Because it makes intuitive sense, it is difficult to justify returning to agencies reflecting programmatic silos.

Several states have consolidated agencies and departments, usually by executive order. As far back as 1995, **Texas** consolidated 24 workforce programs scattered across 10 agencies into one new agency, the Texas Workforce Commission (TWC). Within this framework, the Texas Workforce Solutions emerged, a partnership among TWC, 28 local Workforce Development Boards (WDBs), service providers, and other stakeholders.

TWC allocates federal funds through annual contracts with the WDBs to provide services in five programs: Temporary Assistance to Needy Families (TANF), Workforce Investment Act (WIA), Food Stamp Employment and Training, Child Care and Development Fund, and Welfare to Work. TWC also contracts with local boards to operate the Trade Adjustment Assistance program and Project RIO (Re-integration of Offenders) and to locally manage Wagner Peyser staff, who remain state merit staff. This gives WDBs the opportunity to manage a broader set of funding streams and program requirements. Later, an Office of

Employer Initiatives was established in the TWC to coordinate with the Governor's Office of Economic Development and ensure that the training needs of industry sectors are served. Coordination between workforce and economic development was further strengthened when the Department of Economic Development was moved to the Governor's Office through legislation enacted by the legislature and signed by Governor Rick Perry.

Former **Missouri** Gov. Mel Carnahan and **Oklahoma** Gov. Brad Henry also consolidated their states' various employment and job-training programs and moved them into the economic development agency. In **Missouri**, Gov. Carnahan placed the resulting division of workforce development in the Department of Economic Development and Commerce under a sub-cabinet appointee.

Gov. Henry moved the **Oklahoma** Employment Security Commission (OESC)—the primary agency responsible for administering WIA programs—under the Cabinet of the Secretary of Commerce to work more closely with the business recruitment team. In part, this realignment involved local one-stop centers and employment offices and personnel who serve as initial contact points and action agents for the state's economic development efforts. A newly appointed deputy secretary of commerce for workforce development oversees the effort and reports directly to the DOC Secretary. The deputy secretary also directs the Governor's Council for Workforce and Economic Development, established by Gov. Henry to serve as the state's reconstituted WIB. The council is supported by the Workforce Solutions Staff Team, created when the Governor asked workforce department heads to designate senior executives to support the council and align department objectives and resources with economic development.

Other states have gone still further, including several that created new, consolidated departments. In 2003, after four years of restructuring efforts that included a governor's mini-cabinet and a transition team that managed the final merger, **Minnesota** Gov. Tim Pawlenty established a single Department of Employment and Economic Development. That same year, **Michigan** Gov. Jennifer Granholm created by executive order a consolidated Department of Labor and Economic Growth, and saw to it that the state's workforce investment and economic development boards shared members.

In 2004, the **Idaho** legislature passed and Gov. Dirk Kempthorne signed legislation creating a combined workforce and economic development agency, the Department of Commerce and Labor. As an outgrowth of the merger, the state held a joint meeting of economic and workforce development leaders to refine goals for better integration of economic and workforce development services. In addition, the one-stop and former job service offices added the full spectrum of economic development, community development, and related services to the menu of services in the new agency's service centers.

Kansas Gov. Kathleen Sebelius included higher education in the alignment of workforce and economic development. In January 2004, she issued an executive order that transferred WIA, Wagner Peyser, and adult education funds for employment and training from the Department of Labor to the Department of Commerce (DOC). The connection with community colleges was strengthened through a partnership with the Kansas Board of Regents, which cofunded an executive position with DOC to oversee the partnership.

Structured Coordination

Some governors are tackling the governance challenge by developing mechanisms to improve coordination among economic and workforce development agencies. For example, jobs cabinets are mini-cabinets that coordinate and focus state efforts to attract and retain good jobs. Typically they operate within the existing

agency structures and are charged with bringing focus and resources from across agency lines to achieve some common objectives. **Tennessee's** Department of Economic and Community Development administers a Jobs Cabinet and Gov. Phil Bredesen chairs its meetings. In **Ohio**, Gov. Bob Taft's policy director has hosted monthly meetings of the relevant cabinet directors to promote mutual understanding.

Other states have developed additional mechanisms for promoting the desired alignment. **Virginia** former Gov. James Gilmore moved the state's WIA programs from the Department of Health and Human Services to the Department of Commerce and Trade, and current Gov. Mark Warner appointed a Governor's Special Advisor for Workforce Development to forge a system that meets the needs of workers and employers. **Florida** created Workforce Florida, Inc. (WFI), a corporate entity that oversees the Florida Agency for Workforce Innovation, with strong leadership from the legislature. Representatives from WFI sit on the state economic development board, Enterprise Florida, Inc., and the board's representatives sit on WFI.

In **Florida**, WIBs control not only WIA funding, but TANF and Wagner Peyser funds as well. Each local board has signed a memorandum of understanding with the state. The state employs career service employees and Veterans Reps, who are paid with Wagner Peyser funds but work under the day-to-day supervision of local WIB managers. Funding for salaries and benefits stays at the state level, where payroll is managed, but all other funding comes down to the regional WIBs.

In **Pennsylvania**, Gov. Edward Rendell appointed a deputy secretary of workforce development in the state's Department of Labor and Industry to oversee alignment issues among five agencies: Aging, Education, Community and Economic Development, Labor and Industry, and Public Welfare. In **Massachusetts**, Gov. Mitt Romney's cabinet-level Executive Office of Economic Development (EED) oversees four departments: business and technology, workforce development, labor, and consumer affairs and business regulation. The directors of all four departments within the EED are members of the Governor's cabinet.

Missouri merged its workforce development agencies into the Department of Economic Development, but also formed a team among the departments of Economic Development, Labor and Industrial Relations, and Social Services that led to the creation of nine task forces to examine specific issues and make recommendations for better aligning and coordinating their activities. State officials point to impressive results, including significant savings in administrative costs and substantially higher rates of job placement and retention. Sometimes such planning is part of a more comprehensive assessment of the state's economic and social policies.

It is important to note that such structured coordination can complement as well as substitute for consolidating programs and agencies. No organizational structure is sufficient to efficiently address the multitude of issues and populations that come and go without effective coordination across agencies. Governors need to promote such coordination, whether through *ad hoc* and temporary bodies or more permanent ones.

Strategies and Tactics to Achieve Greater Alignment

To align economic and workforce development, reorganizing governance structures is often helpful, but it is neither necessary nor sufficient. Strategies and tactics are needed to align the everyday activities of state and local economic and workforce development officials, one-stop career center operators, community college leaders, and other key personnel. Three strategic approaches show special promise: focusing on

specific industries and occupations, joint planning and information management, and integrated performance management.

Segmenting the Market by Industry and Occupation

A common criticism of job training programs has been that they did not train workers to meet the real needs of local employers. Often as a result, workers lack the skills they need to qualify for existing jobs, while employers have difficulty filling vacant positions, especially in high-skill, high-growth occupations and industries.

A growing body of research suggests that the most practical way to match supply and demand is to organize communications between skill providers and skill consumers according to some subsegment of the broader universe of employers. Some of this segmentation happens anyway, but states are finding that they can promote improved labor market performance by organizing their own economic and workforce development efforts around particular occupations, industry sectors, or clusters of employers with common characteristics (e.g., members of a supply chain or companies in a specific stage of growth, such as start-up firms or at-risk companies). The National Network of Sector Partners recently published a paperⁱⁱ on sector-responsive state policy models that identifies the following common elements.

- Combining economic development goals with workforce development goals by targeting specific industries that are critical to the state or regional economy, and analyzing the workforce needs in those industries.
- Encouraging and sometimes providing incentives for the development of partnerships among multiple stakeholders such as employers, education and training providers, workforce boards, philanthropic organizations, and organized labor.
- Investing in helping employers within those industries to prepare their workforce to become more skilled and productive, and also in preparing new, dislocated, or disadvantaged workers for jobs in those industries.
- Supporting a variety of solutions to meet employer and worker needs, in addition to traditional workforce training, such as business services, supervisory training, and supportive services or ESL training for disadvantaged clients.
- Encouraging regional collaborations that cross traditional workforce and economic development boundaries or link traditional education and training systems.
- Including accountability measures that enable the state to ensure that the investments are producing the intended outcomes.

Several states have launched initiatives that exemplify this sectoral approach. Typically, these efforts are regional in geographic scope rather than statewide or local, reflecting the regional nature of labor markets. Indeed, one of the helpful steps that state leaders can take is to align economic and workforce development jurisdictions around the same regional labor markets.

Michigan's Regional Skills Alliances are public-private partnerships that convene key stakeholders in a particular industry to address the employers' workforce needs. The conveners of such partnerships can come from various institutions, including industry associations, labor unions, workforce boards, and community colleges. They mobilize the various stakeholders and facilitate the needs assessment, planning,

and implementation of the sector initiative. Activities include examining, designing, and implementing improvements to the sector's human-resource practices; realigning training curricula; and addressing such nonworkplace issues as transportation. In 2004, the state invested \$1.05 million to foster the development of 12 alliances, with no single grant exceeding \$100,000. The state also offers direct technical assistance to each alliance.

Washington's Skill Panels, initiated by the Governor and State Legislature, are public-private partnerships of business, labor, and education working together through regional alliances to improve the skills of workers in industries vital to Washington. Industries see the skill panels approach as a successful model, providing leadership, innovation, and solutions to grow and keep a competitive workforce. The state workforce investment board provides funding to each skill panel, which leverages additional financial support from other public and private sources.

The industry skill panels continuously examine the workforce needs of the industries they serve. Panels push for change and recommend new training programs where none existed before. They demand more training capacity when there are not enough graduates to meet the industry's needs. They press for modernized training for the industry's current workforce. They demand that public training budgets are strategically used. They support economic development initiatives aimed at building industry competitiveness.

Industry skill panels increasingly influence Washington's workforce development system. Effective industry skill panels allow private enterprise to contribute intellectual and financial resources to ensure both workers and employers stay competitive. Community colleges are responding to employer needs with more flexible, higher quality training. They are expanding and creating more modular courseware options, providing additional weekend and evening classes, offering greater numbers of distance learning opportunities, and improving their systems in numerous other ways. As a result, participants in the workforce development system are better trained and prepared for industries' skill demands.

New York State officials decided five years ago to invest WIA discretionary funding in helping local areas meet specific business needs in important industry sectors. They launched a series of initiatives incrementally, building on lessons learned in each step. The state funded projects to understand and support career ladders, targeting key industries that use developing technologies such as information technology, biotechnology, and nanotechnology.

New York created Building Skills in New York State (BUSINYS) to provide process-improvement training that helps employees reduce production costs and increase efficiencies through processes such as lean manufacturing and six sigma. More than \$20 million has been awarded to businesses of all sizes, with a significant number of awards going to small and emerging businesses. The state also initiated Accelerate New York to help companies in key industries with business planning—after state economic development officials observed that businesses' incumbent-worker training funding requests often did not demonstrate a strategic approach to training or take advantage of the opportunity to use the training to advance overall company objectives.

Oregon Governor Ted Kulongoski, as part of his initiatives to create and maintain jobs in the state, implemented an incumbent worker training project, the Employer Workforce Training Fund. The fund was specifically designed to increase the coordination among workforce, education and economic development entities at the local level.

Funds are awarded directly to employers for training their workforce. Projects are selected and managed by a Workforce Response Team (WRT) in each of Oregon's fifteen regions. Required membership on the WRTs includes the WIA Title IB provider, the state employment department, the community college, and local and state economic development entities. Besides assisting local employers in creating and maintaining jobs, the funds have provided an incentive for economic development, workforce development and education to work together on real projects. This has resulted in a growing awareness among economic development practitioners on the importance of workforce development and education and more demand-side thinking on the part of the workforce development and education partners.

Joint Planning and Information Management

Because of the myriad sources of federal and state funds, the varied planning requirements that accompany the funds, and the different agencies, elected officials, and jurisdictions responsible for them, planning efforts often occur independently from one another. Aligning planning efforts provides a practical opportunity for states to focus multiple resources on priorities agreed upon by the Governor and other state leaders.

Illinois Gov. Rod Blagojevich designated 10 Economic Development Regions to develop individual "Opportunity Returns" economic development plans. As part of Opportunity Returns, the Critical Skills Shortage Initiative is designed to establish local WIB-led coalitions that identify key industry sectors, collect and analyze information about shortages in key occupations, determine root causes and solutions, and develop proposals to test and implement solutions that leverage existing resources.

Using WIA discretionary funds, the Illinois Department of Commerce and Economic Opportunity awards \$3 million in planning grants to these coalitions on a noncompetitive basis and \$15 million in total training grants on a competitive basis to those that submit the best plans. In the first year, the training grant funds 100 percent of the cost of activities authorized under WIA. Grants are renewable for a second year to fund up to 50 percent of costs, with each region expected to secure funds from other sources to make up the difference and continue without any state funds in subsequent years.

Indiana Gov. Mitch Daniels is pursuing a strategy similar to the Illinois approach, with the major exception of asking the U.S. Department of Labor for a waiver to create a single state-designated WIB (plus an Indianapolis WIB). Under this single state WIB, Indiana will designate regional workforce boards with greater flexibility and accountability. In the process, the state proposed consolidating 16 local WIB areas into 11 regions that correspond with economic development and community college boundaries.

Missouri took a different approach, merging its economic and workforce development research units, along with the Missouri Occupational Information Coordinating Committee staff, to create the Missouri Economic Research and Information Center (MERIC). In 2004, the center began to provide comprehensive services to local WIBs. In addition, Missouri developed a performance scorecard that includes measures in three major categories: workforce development, education, and the economy. MERIC collects and analyzes the data across the three categories of indicators and reports the results to the Missouri Training and Employment Council. The combination of MERIC and the scorecard provide management with valuable information to clarify policy direction and priorities and direct their investments toward desired results.

New Jersey initiated a demand-side skills assessment project to strengthen the relationship between workforce and economic development and better inform the planning processes across these systems. As a

first step, the state identified key growth industries in the state. Then, working with local WIBs in four regions of the state with a concentration of these industries, the state gathered data on the skills required by specific industry clusters.

During the project, the four participating WIBs formed industry advisory groups composed of local employers, educational providers, economic developers, and training specialists. These groups helped the local WIBs identify key demand occupations in their regions and the skills employers needed in these occupations. Information gathered through this process was made available to state agencies, one-stop centers, and institutions of higher education to better align the services and occupational training available through the education and workforce systems with the demands of employers in the regional economies. The effort has expanded to other regions of the state, with information on this initiative available online (see www.NJNextStop.org).

Integrated Performance Information

The multiple programs that invest in workforce development have dozens of different measures with numerous definitions that make it difficult for policymakers to accurately assess their collective benefits and contributions to statewide economic competitiveness. Because workforce development is recognized as a critical factor in state and regional economic development strategies, a clear understanding of its results is increasingly important to governors and other state policymakers.

Many states have taken on the challenge of aligning the measures and integrating the performance information across workforce programs, and several have made significant progress, including Florida, Oregon, Texas, and Washington. In 2004, these states joined with two other states, Michigan and Montana, in the Integrated Performance Information project funded by the U.S. Department of Labor and led by the Washington State Workforce Training and Coordinating Board. The project aimed to develop a guide for states interested in creating or further developing integrated performance information to better align workforce development programs and provide policymakers with the information necessary to make strategic investment decisions.

The project produced a “blueprint”ⁱⁱⁱ or state guide for simplifying measures and developing integrated performance information, drawing heavily on the experiences of the participating states—particularly Florida, Oregon, Texas, and Washington. Each of these states took a separate path to integrated performance information, but they all experienced a journey that took many years and multiple steps.

Florida’s journey, spanning more than 20 years, involved close collaboration between the Governor’s office and the State Legislature to create the Florida Education and Training Placement Information Program (FETPIP). Today FETPIP is the primary tool for informing policymakers about the performance of education and workforce programs and how these investments contribute to Florida’s economic competitiveness.

The path to creating FETIP started in 1982 when the Governor’s office sought to use unemployment wage records to analyze the labor-market outcomes of vocational education students. This led to legislation in 1984 to create the Occupational Identifier Project, which used unemployment wage records to measure post-program employment. The legislation also enacted performance requirements for secondary and post-secondary education that tied funding to outcomes. Building on this effort, in 1988 the legislature created FETPIP within the education agency. Since then, the program scope has broadened to include most

education programs and a variety of employment and training programs. Its functions have broadened as well to include program evaluation, performance-based funding, consumer information, and research.

Oregon tied the development of its integrated performance information to building a vital state economy and a competitive workforce. Today the state has a culture of shared accountability, focused on outcomes and imbedded in programs, agencies, and sectors at all levels. The Governor initiated this effort in 1988 in response to a severe economic recession. It started with a strategic-planning process, “Oregon Shines,” with the goal of creating the most competent workforce in America by 2000 and in the world by 2010.

Oregon’s process involved leaders from business, labor, education, and government and led to the formation of the Progress Board, chaired by the Governor. It also resulted in the Oregon Benchmarks: 259 measures that crossed multiple programs, agencies, levels of government, and the public and private sectors, with shared responsibility for achieving the benchmark goals. The Progress Board issued “Oregon Shines II” in 1997, which updated the benchmarks, reduced the number of measures from 259 to 100, and recognized the importance of workforce training and academic skills to jobs and the economy. Oregon’s system of cross-system workforce performance indicators has evolved into three tiers of measures: the broadest measures or benchmarks, systemwide measures, and program-specific measures.

Texas took the governance path to creating a system of integrated performance information by creating Texas Workforce Investment Council to assist the Governor and Legislature with strategic planning and evaluation of the Texas workforce system. Today, the council is the state’s primary source of information on building a competitive workforce.

The Texas Legislature established the council in 1993 and gave it broad strategic planning authority and oversight of the state’s workforce programs. With its majority private sector and cross-agency membership, the council also serves as a vehicle for linking workforce and economic development programs. The 1995 legislation that consolidated 24 workforce programs under the Texas Workforce Commission enhanced the council’s role by giving it responsibility for establishing systemwide performance measures for all workforce programs and moving it to the Governor’s office. Subsequent legislation has reinforced the council’s role in establishing systemwide performance measures.

Washington also took the governance path to integrated performance information, creating the Workforce Training and Education Coordinating Board as an independent agency responsible for policy planning and performance accountability. Today, both business and labor view the board’s performance information system as a key source of information on the performance of workforce programs and their impact on the state’s economic competitiveness.

Legislation enacted in 1991 created the board with strong support from the business community, which was concerned that the state lacked a good system for tracking the results of its workforce investments. With a majority of private-sector members and no responsibility for program operation, the board is seen as a neutral third party in establishing common measures and evaluating program performance across state agencies. The board led a two-year process of developing and adopting a performance accountability system with common performance measures. After using the system for several years, the board refined the measures to a core set of indicators.

Conclusions and Recommendations

The emergence of regional knowledge economies and evolution of federal workforce-development programs have created new opportunities for fruitful collaboration among economic and workforce development agencies. Where that collaboration works well, the resulting partnerships facilitate progress in several areas. Most notably, they help establish combined regional entities and identities that create a climate for seeking region wide solutions to competitiveness challenges and opportunities—including those of marketing and of improving the skills and agility of the workforce.

Governors are in an ideal position to promote such alignment. They can define a vision that will win support from a wide variety of key individuals and organizations. They can use the bully pulpit to amplify the message. They can use discretionary funding to encourage collaboration in desired areas, including planning, research, staff cross-training and collocating, and even the merging of agencies or aligning of agency missions and funding streams.

There is no single right way to do any of this. Rather, the chosen path—whether it involves agency consolidation, pooled funding, joint research shops, unified regional districts and entities, or other methods—should reflect each state’s economic, political, and institutional realities and be designed to achieve intended outcomes.

Nevertheless, universal lessons emerge from the experiences summarized in this Issue Brief. First, governors can play a critical role in promoting alignment. Although many economic development decisions are made at the regional or local level, governors can define the vision, use the bully pulpit to promote change, and advance specific strategies for aligning economic and workforce development activities at all levels of government. In addition, states that are successfully moving toward alignment have incorporated many of the following practices or lessons.

- Complete a candid assessment of the status quo as the essential first step in determining appropriate actions. The assessment can identify areas of misalignment and illuminate their nature and implications, relevant actors and stakeholders, the history of any previous attempts to address it, and the potential costs and benefits of reform.
- Evaluate the positive and negative aspects of each reform option (including restructuring versus other alternatives) and create a sequence of decisions based on the current state of affairs. With a clear understanding of the status quo, state leadership can begin to assess the relative merits of various approaches, from changes in governance structures to less dramatic reform options. Good decisions about consolidating economic and workforce development agencies versus alternative methods for eliciting the needed collaboration—such as jobs cabinets and other forms of structured coordination—are made with careful consideration of the political and economic contexts, history of relationships among relevant agencies, and other such variables.
- Strengthen the quality of the economic and workforce information available to decision makers by revamping the data collection, analysis, and dissemination systems. Accurate assessments and effective plans both depend on access to quality, real-time data about practices and economic conditions. Many states have improved the quality of relevant data available to key decision makers by revamping the mechanisms for data definition, collection, analysis, packaging, and

dissemination. Some states have required regional and local entities to incorporate the use of this data into plans and proposed initiatives in order to compete for discretionary funding.

- Organize economic and workforce development activities around regions and groupings of firms to improve labor-market performance. Increasingly, states are using various levers at their disposal to encourage regional and local entities to segment the marketplace into groups of employers that have a more meaningful economic context. This includes customizing targeted economic and workforce development activities to the needs of specific industries or economic sectors, clusters, start-up companies—whatever groupings make sense—to improve labor market performance.
- Use financial incentives and administrative actions to resolve the administrative and jurisdictional differences between economic and workforce development. The state can help regional and local entities sort out the confusing array of administrative and jurisdictional differences (e.g., different agencies, counties, cities, regional authorities, etc.) when studying trends or organizing responses. State leaders can use discretionary funds, reporting guidance or administrative measures such as jobs cabinets to promote the creation of aligned economic and workforce development jurisdictions and joint planning within them.
- Set broad performance measures across multiple workforce programs so they align with state economic goals. Because “you get what you measure,” many states are establishing broad performance metrics that encourage collaboration and alignment across programs and funding streams. Innovative performance strategies such as an integrated performance information systems, system wide performance measures, and cross-system performance scorecards can advance these efforts.

End Notes

- ⁱ In *The Price of Government*, David Osborne and Peter Hutchinson go further, suggesting that “simply moving boxes on an organization chart can actually make matters worse, increasing costs while sowing confusion that hampers performance.” They recommend “consolidat[ing] funding streams and ‘steering’ authority, so steering (policy) organizations can purchase results from any ‘rowing’ organizations—public or private—that can best produce them. See *The Price of Government: Getting the Results We Need in an Age of Permanent Fiscal Crisis* (Basic Books, 2004), p.13-14.
- ⁱⁱ Marano, Cindy and Dexter Ligot-Gordon. *From food Processing to Fabricating Metals: a Profile of Manufacturing Sector Initiatives Across the Country*, Oakland, CA: National Network of Sector Partners, 2004.
- ⁱⁱⁱ Washington State Workforce Training and Education Coordinating Board, *Integrated Performance Information for Workforce Development: A Blueprint for States*, Olympia, WA: Washington State Workforce Training and Education Coordinating Board, 2005.