

## COMMISSION RECOMMENDATION #201

CSG #201

Martin #29

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

### NARRATIVE:

At the December 1, 2009 meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation. There was lengthy discussion about the MFP and the component parts of the MFP dollars. Public comment was received on the issue. There was further discussion relative to the wording of the recommendation, and an amendment was offered and adopted to modify the wording of the recommendation. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

### HISTORY:

12/01/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)  
12/01/09 - Introduced at the Commission on Streamlining Government

### DOCUMENTS:

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 201**  
Streamlining Draft **AGMARTIN 29**

<b>Date:</b> December 8, 2009 2:34 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Education	<b>Analyst:</b> Mary Kathryn Drago
<b>Subject:</b> MFP-Dollars follow the student	

The Streamlining Commission recommends the Minimum Foundation Program be restructured so that the MFP, as well as federal, dollars follow the child and that 80% of the MFP funds are spent on the classroom as directed by the principal of each school.

<b>EXPENDITURES</b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2013-14</u></b>	<b><u>2014-15</u></b>	<b><u>5 -YEAR TOTAL</u></b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2013-14</u></b>	<b><u>2014-15</u></b>	<b><u>5 -YEAR TOTAL</u></b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The recommendation could increase State General Fund and Local expenditures to initially implement student based budgeting. It is likely that the same amount of funding from the state could be dispersed to the districts. However, the school systems would change their operations, and it is possible that more funding will be dispersed to the classroom and not expended through the local central office. According to the Department of Education, such a shift would have a significant impact on school district budgeting and planning processes. The department anticipates that a phase in period would be required to adjust school district operations to this new allocation methodology. In addition, school leadership would need to be trained with the skills necessary to manage the funds at the site level. The central office would also change to become more of a support function to the school leaders. It is not known if the state would hire a consultant to work with the districts to provide guidance on making these changes, or if the districts would hire their own consultants to enable them to implement the system according to their own needs.

Nevada attempted legislation that would require all school districts to enroll a certain percentage of their schools in student based budgeting. The Nevada legislature was offering an incentive for school districts to participate by providing \$9 million, which would have resulted in an additional \$400 per pupil to schools that would have participated. The legislation was not implemented due to budget cuts. However, one district in the state has implemented student based budgeting in a few of their schools. According to the Clark County School System, they hired a consultant to provide guidance on how to implement the changes in budgeting, and to provide guidance on the changes in managing schools in their system.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

- 13.5.1 >= \$500,000 Annual Fiscal Cost  
 13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk**  
Legislative Fiscal Officer



**MEMBER:** Roy O. Martin **PROPOSAL#** Martin #29 **REFERRED TO AG on:** \_\_\_\_\_

**SUBJECT:** MFP - Dollars Follow Student **DATE REPORTED BY AG:** \_\_\_\_\_ **REPORT:** \_\_\_\_\_

**COMMISSION ACTION:** AMENDED \ ADOPTED **DATE:** December 1, 2009 **RECOMMENDATION #:** 201

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

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
State Board of Elementary and Secondary Education restructure the Minimum Foundation Program so that the MFP, as well as the federal, dollars follow the child and that 80% of the MFP funds are spent on the classroom as directed by the principal of each school.	Board of Elementary and Secondary Education; Legislature	Restructure the MFP so as to focus on the student for education budgeting purposes.	BESE action; legislation		Done

MEMBER: Roy O. Martin      PROPOSAL # Martin #29      REFERRED TO AG on: \_\_\_\_\_

SUBJECT: MFP - Dollars Follow Student      DATE REPORTED BY AG: \_\_\_\_\_      REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_      DATE: \_\_\_\_\_

RECOMMENDATION: Restructure the MFP so that the "dollars follow the child" (student based budgeting) and that 80% of MFP funds are spent on the classroom as directed by the principal of each school.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Restructure the MFP so that the "dollars follow the child" (student based budgeting) and that 80% of MFP funds are spent on the classroom as directed by the principal of each school.	Board of Elementary and Secondary Education; Legislature	Restructure the MFP so as to focus on the student for education budgeting purposes.	BESE action; legislation		Done

## COMMISSION RECOMMENDATION #202

**CSG #202**

**Martin #30**

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

### **NARRATIVE:**

At the December 1, 2009, meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation and briefly commented on the issue of the payroll system and the concerns over inappropriately calculating the amounts of the final payroll checks issued to terminated, deceased or retired state employees. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

### **HISTORY:**

12/01/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

12/01/09 - Introduced at the Commission on Streamlining Government

### **DOCUMENTS:**

See attachments

MEMBER: Roy O. Martin PROPOSAL# Martin #30 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: State payroll system DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED DATE: December 1, 2009 RECOMMENDATION #: 202

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Ensure that terminated, deceased and retired state employees do not get their active employee pay inappropriately.	Division of Administration	Develop and implement procedures within the payroll system to ensure that overpayments are not made.	Agency action		Done

MEMBER: Roy O. Martin PROPOSAL# Martin #30 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: State payroll system DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Ensure that terminated, deceased and retired state employees do not get their active employee pay inappropriately.	Division of Administration	Develop and implement procedures within the payroll system to ensure that overpayments are not made.	Agency action		Done

## COMMISSION RECOMMENDATION #203

**CSG #203**

**Martin #31**

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

### **NARRATIVE:**

At the December 1, 2009, meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation and commented on the issue of restructuring teacher pay to provide incentives for education graduates to seek secondary education positions. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

### **HISTORY:**

12/01/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

12/01/09 - Introduced at the Commission on Streamlining Government

### **DOCUMENTS:**

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 203**  
Streamlining Draft **AGMARTIN 31**

<b>Date:</b> December 8, 2009 2:22 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Education	<b>Analyst:</b> Mary Kathryn Drago
<b>Subject:</b> Teacher Pay	

The Streamlining Commission recommends to restructure teacher pay to provide incentives for education graduates to seek secondary education positions.

<b>EXPENDITURES</b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2013-14</u></b>	<b><u>2014-15</u></b>	<b><u>5 -YEAR TOTAL</u></b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>REVENUES</b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2013-14</u></b>	<b><u>2014-15</u></b>	<b><u>5 -YEAR TOTAL</u></b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The Streamlining Commission recommendation could result in a significant increase in state general fund expenditures. According to the Department of Education, if a \$5,000 incentive is provided to 185 secondary mathematics and science graduates to fill teaching positions, it will cost \$925,000 (\$5,000\*185 teachers). The recommendation does not specify how teacher pay will be restructured or provide for any specific incentive figures. The previous example is provided for illustrative purposes. This fiscal note assumes that state general funds would be provided to implement the recommendation.

The Department of Education states the highest teacher shortage areas in secondary education are essentially mathematics and science. According to Louisiana's FY 07-08 Title II report, there were 162 graduates in secondary mathematics and science. However, according to FY 08-09 data, even with 162 graduates in those areas there are 185 teachers placed on non-standard certificates in the area of secondary mathematics and science. (They are not certified to teach in those areas). There were a total of 388 teachers that were placed on non-standard certificates in the area of secondary education in FY 08-09. If an incentive is provided to all of these teachers, the expenditures would increase to almost \$2 million (assuming they were each provided \$5,000).

According to the Department of Education, based on current retention rates, additional funding would be needed for subsequent fiscal years. According to data provided by the department, the number of positions that would need to be filled would be 12% in year 2, 20% in year 3, 26% in year 4, and 35% in year 5. If a \$5,000 incentive is used to attract the teachers, the additional amount needed in year 2 would be \$111,000 and would increase to \$323,750 by year 5.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk  
Legislative Fiscal Officer**

MEMBER: Roy O. Martin PROPOSAL# Martin #31 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Teacher pay DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED DATE: December 1, 2009 RECOMMENDATION #: 203

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Restructure teacher pay to provide incentives for education graduates to seek secondary education positions.	Board of Elementary and Secondary Education; Department of Education; Board of Regents; higher education management boards; local school districts	Coordinated effort to focus more resources on secondary education positions.	Agency action		Done



MEMBER: Roy O. Martin PROPOSAL# Martin #31 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Teacher pay DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Restructure teacher pay to provide incentives for education graduates to seek secondary education positions.	Board of Elementary and Secondary Education; Department of Education; Board of Regents; higher education management boards; local school districts	Coordinated effort to focus more resources on secondary education positions.	Agency action		Done

## COMMISSION RECOMMENDATION #204

**CSG #204**

**Martin #32**

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

### **NARRATIVE:**

At the December 1, 2009, meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation. There was discussion about Department of Education contracts and the need to focus on the highest priority education initiatives. Public comment was received on the issues. There was further discussion, and an amendment was offered and adopted to modify the wording of the recommendation. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

### **HISTORY:**

12/01/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)  
12/01/09 - Introduced at the Commission on Streamlining Government

### **DOCUMENTS:**

See attachments



**LEGISLATIVE FISCAL OFFICE**  
**Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 204**  
 Streamlining Draft **AGMARTIN 32**

<b>Date:</b> December 15, 2009 3:27 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Education	<b>Analyst:</b> Mary Kathryn Drago
<b>Subject:</b> Education contracts	

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

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The recommendation could reduce state general fund, interagency transfer and federal fund expenditures by approximately \$4 million if 10% of all funding was reduced for contracts in the State Activities agency in the Department of Education. According to the Department of Education, they will need to prepare an analysis to prioritize all contracts to the highest priority education initiatives.

The Recovery School District has indicated there would be a decrease in expenditures of approximately \$4 million for their contracts that are let as of December 10th, 2009, if 10% of the funding was reduced. The total projected reduction in expenditures for the year is \$13 million (10% of the total). Approximately 90% to 95% of these contracts are for FEMA construction.

The department has noted that an across the board cut to contract services could impair the department's ability to continue serving students and teachers which may violate some state required activities. In addition, decreasing contracts associated with federal program mandates could place the department in a position to be out of compliance with federal program requirements.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules  
 13.5.1 >= \$500,000 Annual Fiscal Cost  
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House  
 6.8(F) >= \$500,000 Annual Fiscal Cost  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*  
**H. Gordon Monk**  
**Legislative Fiscal Officer**

MEMBER: Roy O. Martin PROPOSAL# Martin #32 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Education contracts DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: AMENDED \ ADOPTED DATE: December 1, 2009 RECOMMENDATION #: 204

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Align Department of Education contracts to the highest priority education initiatives, and cancel the other contracts that are not in the top priorities. But in any event, the department is to cancel at least 10% of all contracts.	Board of Elementary and Secondary Education; Department of Education	Prioritize spending to ensure that funds are used on the highest priority education initiatives.	Agency action		Done

MEMBER: Roy O. Martin PROPOSAL# Martin #32 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Education contracts DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

RECOMMENDATION: Align Department of Education contracts to the highest priority education initiatives, and cancel the other contracts that are not in the top priorities.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Align Department of Education contracts to the highest priority education initiatives, and cancel the other contracts that are not in the top priorities.	Board of Elementary and Secondary Education; Department of Education	Prioritize spending to ensure that funds are used on the highest priority education initiatives.	Agency action		Done

## COMMISSION RECOMMENDATION #205

CSG #205

Morris #1

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

### **NARRATIVE:**

The Department of Natural Resources presented documentation to the Commission on Streamlining Government proposing that the agency could reduce its operating costs by automating data entry and privatizing record archiving for the office of mineral resources.

Representative Jim Morris presented this proposal to the Commission on Streamlining Government at its December 1, 2009, meeting, and the Commission adopted the recommendation.

### **HISTORY:**

12/01/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)  
12/01/09 - Introduced at the Commission on Streamlining Government

### **DOCUMENTS:**

See attachments



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. RECOMMENDATION 205
Streamlining Draft AGMORRIS 1

Date: December 7, 2009 2:12 PM
Author:
Dept./Agy.: Natural Resources
Subject: Data entry and privatize record archiving
Analyst: Stephanie C. Blanchard

Data entry and privatize record archiving

The proposed Committee on Streamlining Government recommendation is to automate data entry and privatize record archiving to complete the current backlog of mineral lease files.

There are over 1,939 inactive leases that have been archived, leaving approximately 9,000 inactive leases that have not been archived. In addition, there are currently 1,866 active leases. As ownership changes for these leases, the information will need to be archived as well. On average 28 new leases are issued every month.

Additionally, the Office of Mineral Resources is in the process of implementing an online state royalty reporting system which will be fully functional in 6-9 months.

Table with 7 columns: EXPENDITURES, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. A second table below shows REVENUES with identical columns and rows, all showing \$0.

EXPENDITURE EXPLANATION

The estimated cost associated with outsourcing record archiving to complete the backlog of over 9,000 inactive leases would be a one-time cost of approximately \$240,000 to \$300,000, and would take approximately six to twelve months. The uncertainty in the number of documents to be archived, condition of the documents, and the time necessary to complete the project make it hard to determine the exact cost to complete this work. It is estimated that it would take \$1.3M (salaries and related benefits for three full-time positions assuming no merit increases) and seven years to complete this backlog in-house.

The funds being utilized would be the Mineral and Energy Operation Fund. Monies in this fund are for the administration and regulation of minerals, ground water and related activities. Sources of funding are from court awarded judgments and settlements associated with royalty income (\$1.6M annually) and other mineral income. The current balance of the Mineral and Energy Operation Fund is approximately \$12.7M.

All contractors interviewed by the Office of Mineral Resources would require the department to prepare the leases for imaging. Currently, three full-time employees are utilized for archiving at a cost of \$178,000 for salaries and related benefits. Preparation of documents for the contractor would require one full-time employee and one part-time student worker at a cost of \$70,000. A reduction of two full-time positions would result in the cost savings of \$108,000 in FY 11. These remaining positions can address the ongoing archiving function in subsequent fiscal years.

Additionally, upon implementation of the online state royalty reporting system, the elimination of two audit positions will be realized at a savings of \$151,902 in FY 11. The current year's budget includes a contract in the amount of \$476,846 for updates and enhancements to SONRIS (Strategic Online Natural Resources Information System).

Implementation of the two recommendations would result in a total estimated cost savings of \$259,902 due to the elimination of four positions. Savings in subsequent fiscal years would increase by 4% due to merit increases that would have occurred with the four eliminated positions.

Note: A BA-7 in the amount of \$300,000 was approved at the October 16 JLCB meeting for the purpose of outsourcing record archiving.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

13.5.1 >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

6.8(F) >= \$500,000 Annual Fiscal Cost

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Handwritten signature of H. Gordon Monk

H. Gordon Monk
Legislative Fiscal Officer

MEMBER: Representative Jim Morris PROPOSAL# Morris #01 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Data Entry DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED DATE: December 1, 2009 RECOMMENDATION #: 205

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The Department of Natural Resources should automate data entry and privatize record archiving for the Office of Mineral Resources.	Department of Natural Resources	To provide efficiency and cost savings	Department changes	\$259,902	



MEMBER: Representative Jim Morris PROPOSAL# Morris #01 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: \_\_\_\_\_ DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The Department of Natural Resources should automate data entry and privatize record archiving for the Office of Mineral Resources.	Department of Natural Resources	To provide efficiency and cost savings	Department changes	\$259,902	

## COMMISSION RECOMMENDATION #206

CSG #206

Morris #2

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

### **NARRATIVE:**

The Department of Revenue presented documentation to the Commission on Streamlining Government proposing that all state agencies could enhance efficiencies by coordinating recruitment efforts at individual events or locations.

Representative Jim Morris presented this proposal to the Commission on Streamlining Government at its December 1, 2009, meeting, and the Commission adopted the recommendation.

### **HISTORY:**

12/01/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

12/01/09 - Introduced at the Commission on Streamlining Government

### **DOCUMENTS:**

See attachments

MEMBER: Representative Jim Morris PROPOSAL# Morris #02 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Employee Recruiting DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED DATE: December 1, 2009 RECOMMENDATION #: 206

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>The Department of State Civil Service should investigate whether savings could be achieved by the coordination of recruitment efforts by state entities at individual events or locations. This recommendation relates to recruitment efforts on behalf of agencies in need of human resources. Most, if not all agencies attend the various job fairs and university career day events around the state. This recommendation is based on the idea that a single representative could attend on behalf of the agencies with similar resource needs. Consolidating this effort at the Civil Service level may produce some benefits to the state as a whole.</p>	<p>Department of State Civil Service</p>	<p>To provide for efficiency and cost savings across state government</p>	<p>Study by the Department of State Civil Service</p>	<p>Efficiency; possible travel savings</p>	

MEMBER: Representative Jim Morris      PROPOSAL# Morris #02      REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: \_\_\_\_\_      DATE REPORTED BY AG: \_\_\_\_\_      REPORT: \_\_\_\_\_  
 COMMISSION ACTION: \_\_\_\_\_      DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>The Department of State Civil Service should investigate whether savings could be achieved by the coordination of recruitment efforts by state entities at individual events or locations. This recommendation relates to recruitment efforts on behalf of agencies in need of human resources. Most, if not all agencies attend the various job fairs and university career day events around the state. This recommendation is based on the idea that a single representative could attend on behalf of the agencies with similar resource needs. Consolidating this effort at the Civil Service level may produce some benefits to the state as a whole.</p>	<p>Department of State Civil Service</p>	<p>To provide for efficiency and cost savings across state government</p>	<p>Study by the Department of State Civil Service</p>	<p>Efficiency; possible travel savings</p>	

## COMMISSION RECOMMENDATION #207

CSG #207

AGEB #42

The governor and the legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be "academically unacceptable" by the Department of Education and who assumes the cost of their child's education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending "academically unacceptable" schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.

### NARRATIVE:

At the November 12, 2009, meeting of the Advisory Group on Efficiency and Benchmarking, Chairman John Kennedy provided information relating to public education. Mr. Kennedy stated that public school enrollment in 2009 in Louisiana is approximately 650,290 children, down from 771,000 in the early 1990's. For the 2009-2010 fiscal year, the Louisiana Legislature appropriated \$3,275,341,821 to Louisiana elementary and secondary public schools through the Minimum Foundation Program. Mr. Kennedy stated that this amounts to approximately \$6,300 per public school student and that Louisiana spends approximately \$10,500 per public school student in state, local and federal tax dollars, according to Superintendent Paul Pastorek. Fifty five of Louisiana's public elementary and secondary schools have been deemed to be "academically unacceptable" by the Department of Education, which is 4.3% of all Louisiana public schools. Approximately 25,000 children attend these failing schools. Louisiana has a state-financed private school tuition voucher program for Orleans Parish, which pays for students who are attending an "academically unacceptable" school to attend a private or parochial school of choice. Families can receive vouchers worth \$7,138 or the private or parochial school's tuition and fees through this program, whichever is less. Last year the average scholarship was worth \$3,900. Thirty one private and parochial schools participate in this program. Arizona, Florida, Georgia, Iowa, Pennsylvania and Rhode Island all provide state tax credits for donations to nonprofit, scholarship-granting organizations that, in turn, distribute the money for nonpublic elementary and secondary school tuition assistance to families who need it. Mr. Kennedy stated that every child deserves the right to a decent education. Mr. Kennedy then explained the recommendation and stated if the parents of the 25,000 children who currently attend an "academically unacceptable" school in Louisiana take advantage of this tax credit program, the savings to Louisiana taxpayers would be \$57.5 million. The recommendation was adopted without objection. (Advisory Group on Efficiency and Benchmarking, 11/12/2009)

The recommendation was considered at the December 1, 2009, meeting of the Commission on Streamlining Government. Mr. Kennedy read the proposed recommendation and explained to the commission the testimony which was received in the advisory group and in the commission. Senator Donahue called on Mr. Dressell to provide testimony. Mr. Dressell stated that this equates to a voucher

and whether a school of choice will provide all the services which are mandated by the state public school system. Mr. Kennedy stated that he understood the concerns but is convinced that this recommendation will not hurt the public school system. Senator Donahue raised some concerns about those children that need special education services. The recommendation was adopted with objection. (Commission on Streamlining Government meeting, 12/1/2009)

**HISTORY:**

12/01/09 - Adopted by the Commission on Streamlining Government

11/17/09 - Received by the Commission on Streamlining Government

11/12/09 - Adopted by the Advisory Group on Efficiency and Benchmarking

**DOCUMENTS:**

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 207**  
Streamlining Draft **AGEB 42**

<b>Date:</b> December 10, 2009 3:10 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Education	<b>Analyst:</b> Mary Kathryn Drago
<b>Subject:</b> Louisiana New Start Education Tax Credit Program	

The Streamlining Commission recommends the governor and the legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be "academically unacceptable" by the Louisiana Department of Education and who assume the cost of their child's education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending "academically unacceptable" schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.

EXPENDITURES	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
REVENUES	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

To the extent that students transfer to private schools, state expenditures through the MFP could decrease. On average any student leaving the public system would decrease the required cost by \$5,031 (the FY 10 state average MFP per pupil amount). Students that transfer from an academically unacceptable school could potentially save the state \$1,031 per student (\$5,031 state average MFP - \$4,000 tax credit). However, students that are entering pre-K or K for the first time and are eligible to participate in the program would not be counted in the current MFP, therefore, there would not be a savings related to these students.

**REVENUE EXPLANATION**

To the extent that individuals or corporations make donations to nonprofit, scholarship-granting organizations and file for a tax credit, state revenues will decrease. Based upon data obtained by the Department of Education, there are 111 schools deemed "academically unacceptable". The total enrollment in those schools is 30,996. For illustrative purposes, if 10% of those students (3,100) move to a private school and their parents file for a tax credit, state revenues will decrease by \$12.4 million. The credit is also available to any Louisiana taxpayer that donates \$4,000 to a scholarship granting organization. The credit could be taken by individuals or corporations. According to the Department of Revenue, there are approximately 100,000 corporations. If individuals and corporations make donations, revenues could decrease significantly.

**Note:** There are a few states that allow somewhat similar tax credits. Arizona has allowed individual taxpayers to take a credit of \$500 for single filers, and \$1,000 for married filing jointly. In the first year of the credit a total of 4,248 filers donated an average of \$427 each (for a total of \$1.8 million). By the second year 32,023 filers donated an average of \$430 each for a total of \$13.8 million. The program has grown to over 76,000 filers donating a total of \$54.2 million.

There are also several states that allow tax credit for corporations. Florida has a large program, but they also allow a credit of up to 75% of the corporation's tax liability up to \$5 million with an aggregate cap of \$118 million. Pennsylvania has provided a tax credit to corporations since 2001-02. A total of \$376 million in tax credits have been approved for over 14,000 claims since the inception of their program. Arizona has a fairly new program that allows a dollar-for-dollar tax credit, and in the first year over \$6 million in credits were claimed. While other states have programs with differences from what is proposed by this bill, they can be used as an example to provide a picture of what Louisiana may expect in terms of revenue decreases from this bill.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost	<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	

*H. Gordon Monk*  
H. Gordon Monk  
Legislative Fiscal Officer

ADVISORY GROUP ON Efficiency and Benchmarking

PROPOSAL #: \_\_\_\_\_

AGEB #42

SUBJECT: Louisiana New Start Education Tax Credit Program

DATE ADOPTED BY ADVISORY GROUP: \_\_\_\_\_

November 12, 2009

COMMISSION ACTION: \_\_\_\_\_

ADOPTED

DATE: December 1, 2009

RECOMMENDATION #: 207

**RECOMMENDATION:** The governor and the Legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be "academically unacceptable" by the Louisiana Department of Education and who assume the cost of their child's education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending "academically unacceptable" schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
The governor and the Legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be "academically unacceptable" by the Louisiana Department of Education and who assume the cost of their child's education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending "academically unacceptable" schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.	Legislature	To save money by providing a new mechanism to move children out of academically unacceptable schools.	Legislation		



ADVISORY GROUP ON Efficiency and Benchmarking

PROPOSAL #: AGEB #42

SUBJECT: Louisiana New Start Education Tax Credit Program

DATE ADOPTED BY ADVISORY GROUP: November 12, 2009

COMMISSION ACTION: \_\_\_\_\_

DATE: \_\_\_\_\_

**RECOMMENDATION:** The governor and the Louisiana Legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be "academically unacceptable" by the Louisiana Department of Education and who assume the cost of their child's education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending "academically unacceptable" schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
The governor and the Louisiana Legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be "academically unacceptable" by the Louisiana Department of Education and who assume the cost of their child's education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending "academically unacceptable" schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.	Legislature	To save money by providing a new mechanism to move children out of academically unacceptable schools.	Legislation		

The Louisiana Streamlining Government Commission finds that:

1. The 2009 public school enrollment in Louisiana is approximately 650,290 children, down from 771,000 in the early 1990's.
2. For the 2009-2010 fiscal year, the Louisiana Legislature appropriated \$3,275,341,821 to Louisiana elementary and secondary public schools through the Minimum Foundation Program. According to Superintendent Paul Pastorek, this amounts to approximately \$6,300 per public school student.
3. Louisiana spends approximately \$10,500 per public school student in state, local and federal tax dollars, according to Superintendent Pastorek.
4. 55 of Louisiana's public elementary and secondary schools have been deemed to be "academically unacceptable" by the Louisiana Department of Education, which is 4.3% of all Louisiana public schools. Approximately 25,000 children attend these failing schools.
5. Louisiana has a state-financed private school tuition voucher program for Orleans Parish, which pays for students who are attending an "academically unacceptable" school to attend a private or parochial school of choice. Families can receive vouchers worth \$7,138 or the private or parochial school's tuition and fees through this program, whichever is less. Last year the average scholarship was worth \$3,900. 31 private and parochial schools participate in this program.
6. Arizona, Florida, Georgia, Iowa, Pennsylvania and Rhode Island all provide state tax credits for donations to nonprofit, scholarship-granting organizations that, in turn, distribute the money for nonpublic elementary and secondary school tuition assistance to families who need it.
7. Every child deserves the right to a decent education.

Therefore, the Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that it support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be "academically unacceptable" by the Louisiana Department of Education and who assume the cost of their child's education in a private or parochial school in Louisiana,

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

The Commission further finds that, if the parents of the 25,000 children who currently attend an “academically unacceptable” school in Louisiana take advantage of this tax credit program, the savings to Louisiana taxpayers would be \$57.5 million.

## COMMISSION RECOMMENDATION #208

CSG #208

AGEB #43

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

### NARRATIVE:

At the November 12, 2009, meeting of the Advisory Group on Efficiency and Benchmarking, Chairman John Kennedy asked the Department of Public Safety and Corrections, represented by Mr. Thomas Bickham, to provide testimony in relation to their educational programs. Mr. Thomas Bickham stated he was present to answer the request from the Efficiency and Benchmarking Commission meeting of October 19, 2009, as to the number of teachers holding an adult education certificate within DPS&C. Mr. Bickham handed out a table that included the educational level, the years of experience, and the salary along with a copy of the departmental regulations "Teacher Administration and Pay" that details the necessary requirement for their teachers. He stated that there are 30 teachers on payroll and thirteen hold an adult education certification and the remainder are working towards certification. Mr. Bickham testified there were 25 teachers and five principals in the education program. Mr. Kennedy questioned why there was so many principals in relation to the amount of teachers and proposed a recommendation to require the Department of Public Safety and Corrections eliminate all but one of the principals in their education program and return the remaining principals to classroom teaching positions. Without objection the recommendation was adopted. (Advisory Group on Efficiency and Benchmarking Meeting, 11/12/2009)

The recommendation was considered at the December 1, 2009, Commission on Streamlining Government meeting. Mr. Kennedy explained the recommendation and the testimony received by the advisory group on this issue. The recommendation was adopted without objection. (Commission on Streamlining Government meeting, 12/1/2009)

### HISTORY:

12/01/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

11/12/09 - Adopted by the Advisory Group on Efficiency and Benchmarking

### DOCUMENTS:

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 208**  
Streamlining Draft **AGEB 43**

<b>Date:</b> December 21, 2009 10:42 AM	<b>Author:</b>
<b>Dept./Agy.:</b> Corrections	<b>Analyst:</b> Matthew LaBruyere
<b>Subject:</b> Education Programs	

Proposed recommendation by the Commission on Streamlining Government directs the Department of Public Safety & Corrections to eliminate all but one of the principals supervising teachers in its education program and return the remaining principals to classroom teaching positions.

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	(\$18,000)	(\$18,000)	(\$18,000)	(\$18,000)	(\$18,000)	<b>(\$90,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>(\$18,000)</b>	<b>(\$18,000)</b>	<b>(\$18,000)</b>	<b>(\$18,000)</b>	<b>(\$18,000)</b>	<b>(\$90,000)</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The proposed recommendation would result in a decrease in state general fund expenditures in the amount of \$18,000 in FY 11 due to 4 principals in state correctional facilities returning to classroom settings. Each principal is paid an annual stipend of \$4,500 in addition to their teaching salary to oversee the educational programs at a correctional facility.

Currently, the Department of Corrections employs 5 principals to oversee the education programs at 5 state corrections facilities. To handle the administrative duties of a principal, the facilities without a principal require a teacher to temporarily step away from the classroom and/or employees at the Department of Corrections headquarters to occasionally travel to the prisons. Of the 5 principals, 3 are employed as full time principals and 2 are employed as part time principals and also serve as part time instructors in literacy and adult education. The principals oversee the academic programs (literacy, adult basic education, GED preparation, and special education), vocational/technical programs, and test every inmate entering state facilities.

A reduction from 5 principals to 1 principal for all facilities would result in an increased principal to teacher ratio of 1:128 (124 + 4 principals returning to teaching duty). The principal to teacher ratio in 69 school districts across the state (except recovery school district) was 1:35 in FY 09. The remaining would experience an increase in workload. This principal would be in charge of all principal duties throughout the state including coordinating classes for 128 teachers and almost 11,000 offender students, maintaining accurate waiting lists for each institutional program, reporting monthly attendance data to Louisiana and U.S. Departments of Education, maintaining a current inventory of all education equipment and supplies, and serving as a substitute teacher during teacher absences and vacancy periods.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk  
Legislative Fiscal Officer**

ADVISORY GROUP ON Efficiency and Benchmarking

PROPOSAL #: \_\_\_\_\_

AGEB # 43

SUBJECT: Department of Public Safety and Corrections - Education Programs

DATE ADOPTED BY ADVISORY GROUP: \_\_\_\_\_

November 12, 2009

COMMISSION ACTION: \_\_\_\_\_

ADOPTED \_\_\_\_\_

DATE: \_\_\_\_\_

December 1, 2009

RECOMMENDATION #: \_\_\_\_\_

208

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Department of Public Safety and Corrections eliminate all but one of the principals supervising teachers in its education program and return the remaining principals to classroom teaching positions.	Department of Public Safety and Corrections	To make the Department of Public Safety and Corrections Education Program more efficient by reducing the number of supervisory principals. This would redirect their efforts to classroom teaching only and therefore increase the number of incarcerated individuals able to enroll in GED classes.			

ADVISORY GROUP ON Efficiency and Benchmarking

PROPOSAL #: AGEB # 43

SUBJECT: Department of Public Safety and Corrections - Education Programs

DATE ADOPTED BY ADVISORY GROUP: November 12, 2009

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

**RECOMMENDATION:** The Louisiana Department of Public Safety and Corrections eliminate all but one of the principals supervising teachers in their education program and return the remaining principals to classroom teaching positions.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
The Louisiana Department of Public Safety and Corrections eliminate all but one of the principals supervising teachers in their education program and return the remaining principals to classroom teaching positions.	Department of Public Safety and Corrections	To make the Department of Public Safety and Corrections Education Program more efficient by reducing the number of supervisory principals. This would redirect their efforts to classroom teaching only and therefore increase the number of incarcerated individuals able to enroll in GED classes.			

The Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that the Louisiana Department of Public Safety and Corrections eliminate all but one of the principals supervising teachers in their education program and return the remaining principals to classroom teaching positions.



## COMMISSION RECOMMENDATION #209

CSG #209

AGDNES #33

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

**NARRATIVE:**

Witnesses from the Department of Transportation and Development (DOTD) testified before the Advisory Group on Elimination of Duplicative and Non-Essential Services at their meeting on October 20, 2009.

DOTD recommended that state agencies should centralize the hosting of current and future compatible Geographic Information Systems (GIS). By mandating that a centralized host be established going forward and allowing all agencies to layer their needs on the host, systems will be compatible and available to multiple agencies and technical skilled resources will be available. By agencies working together, there will be more opportunities for volume buying discounts in purchasing software and licences.

Savings over current expenditures and investments should result from a centralized host and volume buying. There is also a possibility of savings to be realized in maintenance.

Mr. Barry Erwin presented this recommendation to the Commission on Streamlining Government on December 1, 2009, and it was adopted.

**HISTORY:**

12/01/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

11/19/09 - Introduced at the Advisory Group on Elimination of Duplicative and Non-Essential Services

**DOCUMENTS:**

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 209**  
Streamlining Draft **AGEDNES 33**

<b>Date:</b> December 14, 2009 10:18 AM	<b>Author:</b>
<b>Dept./Agy.:</b>	<b>Analyst:</b> Travis McIlwain
<b>Subject:</b> Geographic Information System	

GIS

Page 1 of 1

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

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Centralizing the hosting of current and future GIS systems and volume buying GIS software is anticipated to result in an indeterminable decrease in state expenditures. However, the costs savings associated with this recommendation will be associated with volume buying GIS software and licenses and not centralizing the hosting of GIS systems.

According to the chairman of the Louisiana Geographic Information Systems Council, centralizing the hosting of current and future GIS systems may not be feasible due to the sensitive data each specific state agency is responsible for such as food stamp recipients, disaster recovery assistance, medicaid benefits, etc. However, due to GIS's framework being created by various layers that all state agencies utilize, such as house/senate districts, parishes, congressional districts, regions, etc., these basic layers could be centralized, but could require significant software investments at the various agencies because of the many different GIS software versions currently utilized by agencies.

The expenditure savings associated with this recommendation will likely occur if the state negotiates a volume buy agreement with the vendors. According to the GIS Systems Council, state agencies are currently purchasing GIS software and licenses at retail value. The volume buy would be equivalent to the bulk purchasing contracts in place for such vendors as Microsoft, Oracle, IBM, etc. To the extent the state negotiates bulk pricing with vendors, the cost of GIS licenses and software will likely decrease. In addition, to the extent local governments are included within the negotiation process, their expenditure costs will likely decrease. According to the GIS Systems Council, the anticipated savings could range from 10% - 20%.

According to GIS.com, "GIS allows us to view, understand, question, interpret and visualize data in many ways that reveal relationships, patterns and trends in the form of maps, globes, reports and charts". There are various state agencies with GIS personnel and annual maintenance expenditures. Some examples of annual costs by agency include: Division of Administration - 27 licenses at a cost of \$134,553, 38 positions and annual maintenance cost of \$27,100, DOTD - 40 licenses and software modules, 9 positions and annual maintenance of \$655,000. State agencies utilize various means of financing to fund annual GIS expenditures.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk**  
**Legislative Fiscal Officer**

ADVISORY GROUP ON Elimination of Duplicative and Non-Essential Services

PROPOSAL #:

AGDNES #33

SUBJECT: Geographic Information System

DATE ADOPTED BY ADVISORY GROUP:

November 19, 2009

COMMISSION ACTION: ADOPTED

DATE: December 1, 2009

RECOMMENDATION #: 209

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

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
Centralize the hosting of current and future compatible geographic information system and "volume buy" GIS software and licenses, including local government in such purchases where appropriate.	All agencies.	Chapter 15 of Title 49 of the Louisiana Revised Statutes provides for a Louisiana Geographic Information Systems Council. The council was established because multiple agencies maintain their own unique GIS applications. By mandating that a centralize host be establish going forward and allowing all agencies to layer their needs on the host, systems will be compatible and available to multiple agencies and technical skilled resources will be available. By agencies working together, there will be more opportunities for volume buying discounts in purchasing software and licences.	Planning will be necessary for centralizing a host system and coordinating purchases. The law regarding the Louisiana Geographic Information Systems Council (R.S. 49:1051, et seq.) may need to be amended.	Savings over current expenditures and investments should result from a centralized host and volume buying. There is also a possibility of savings to be realized in maintenance.	May need legislation. Could begin administratively.

ADVISORY GROUP ON Elimination of Duplicative and Non-Essential Services

PROPOSAL #: AGDNES #33

SUBJECT: Geographic Information System

DATE ADOPTED BY ADVISORY GROUP: November 19, 2009

COMMISSION ACTION: \_\_\_\_\_

DATE: \_\_\_\_\_

**RECOMMENDATION:** Centralize the hosting of current and future compatible geographic information system (GIS) and "volume buy" GIS software and licenses, including local government in such purchases where appropriate.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
Centralize the hosting of current and future compatible geographic information system (GIS) and "volume buy" GIS software and licenses, including local government in such purchases where appropriate.	All agencies.	Chapter 15 of Title 49 of the Louisiana Revised Statutes provides for a Louisiana Geographic Information Systems Council. The council was established because multiple agencies maintain their own unique GIS applications. By mandating that a centralize host be establish going forward and allowing all agencies to layer their needs on the host, systems will be compatible and available to multiple agencies and technical skilled resources will be available. By agencies working together, there will be more opportunities for volume buying discounts in purchasing software and licenses.	Planning will be necessary for centralizing a host system and coordinating purchases. The law regarding the Louisiana Geographic Information Systems Council (R.S. 49:1051, et seq.) may need to be amended.	Savings over current expenditures and investments should result from a centralized host and volume buying. There is also a possibility of savings to be realized in maintenance.	May need legislation. Could begin administratively.

## COMMISSION RECOMMENDATION #210

CSG #210

Erwin #02

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

### NARRATIVE:

Witnesses from the Department of Education (DOE) testified before the Advisory Group on Elimination of Duplicative and Non-Essential Services on November 16, 2009, and November 19, 2009.

Based on DOE testimony, at the November 18, 2009, meeting of the Commission on Streamlining Government, Mr. Barry Erwin introduced the recommendation to merge and assign the administration of BESE's block grant program focused on pre-kindergarten programs for at-risk four-year-old children into the DOE's LA 4 Program.

In 1986, Louisiana voters dedicated Louisiana's federally-awarded Outer Continental Shelf Lands Act funds to education through the Louisiana Quality Education Support Fund which became known as 8(g) funding. The law allows BESE to spend a portion of such funding on preschool programs. In FY '10, BESE allocated approximately \$13,500,000 toward these programs.

In 2001, the legislature enacted the LA 4 Program modeled after the 8(g) program. Today LA 4's enrollment is almost five times that of the 8(g) block grant preschool expenditure and the outcomes are competitive. Now that the LA 4 Program and its infrastructure are firmly established in DOE, it is not necessary for BESE to continue to administer an 8(g) preschool program separately.

Mr. Erwin presented this recommendation at the December 1, 2009 meeting of the Streamlining Commission and it was adopted.

### HISTORY:

12/01/09 - Adopted by the Commission on Streamlining Government

11/19/09 - Reported Favorable by the Advisory Group on Elimination of Duplicative and Non-Essential Services

11/18/09 - Received by the Commission on Streamlining Government

### DOCUMENTS:

See attachments



**LEGISLATIVE FISCAL OFFICE**  
**Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 210**  
 Streamlining Draft **AGERWIN 02A**

<b>Date:</b> December 10, 2009 3:03 PM	<b>Author:</b>
<b>Dept./Agy.:</b> BESE/Education	<b>Analyst:</b> Mary Kathryn Drago
<b>Subject:</b> BESE-8(g) Preschool	

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

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

According to the Board of Elementary and Secondary Education, there would be no cost savings to the state to implement this recommendation. However, it is assumed if any savings were achieved through administration, those savings would be available for appropriation for other educational projects.

Currently, BESE employs seven staff members to assume the duties associated with the 8(g) grant program. The staff provides oversight to all of the 8(g) funded programs through program management, program evaluation and fiscal accountability. According to BESE all staff members are involved in various aspects of oversight regardless of the grant type. Although time may be saved from transferring the administration of the pre-k programs, it would not be enough to eliminate a position. It is possible that some savings may be achieved through the evaluation process of the pre-k programs. Currently, 8(g) pre-k programs and LA4 programs are evaluated separately. There are schools that house both programs. To the extent that the programs may be evaluated together or during the same time periods there is a potential for savings, however, any potential savings cannot be determined at this time.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

- 13.5.1 >= \$500,000 Annual Fiscal Cost  
 13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk**  
**Legislative Fiscal Officer**

MEMBER: Barry Erwin PROPOSAL# Erwin #02A REFERRED TO AG on: AGDNES  
 SUBJECT: BESE - 8(g) Preschool DATE REPORTED BY AG: November 19, 2009 REPORT: Amended  
 COMMISSION ACTION: ADOPTED DATE: December 1, 2009 RECOMMENDATION #: 210

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Merge and assign the administration of BESE's block grant program focused on pre-kindergarten programs for at-risk four-year-old children into DOE's LA 4 Program.	BESE and DOE	<p>In 1986, Louisiana voters dedicated Louisiana's federally-awarded Outer Continental Shelf Lands Act funds to education through the Louisiana Quality Education Support Fund which became known as 8(g) funding. The law allows BESE to spend a portion of such funding on preschool programs.</p> <p>In 2001, the legislature enacted the LA 4 Program (modeled after the 8(g) Program) and today, LA 4's enrollment is almost five times that of the 8(g) block grant program and the outcomes are competitive. Now that the LA 4 Program and its infrastructure is firmly established in DOE, it is not necessary for BESE to continue to administer an 8(g) preschool program separately. Also, BESE's role is primarily policy, whereas DOE's role is program administrator so the transfer lets each entity focus on their mission.</p>	BESE to transfer 8(g) dollars related to preschool program to DOE and existing BESE personnel to be addressed.	This eliminates administrative duplication of preschool programs with similar content and outcomes.	Transfer can begin contractually until legislation and constitutional amendment can be enacted.

MEMBER: Barry Erwin PROPOSAL # Erwin #02A REFERRED TO AG on: AGDNES  
 SUBJECT: BESE - 8(g) Preschool DATE REPORTED BY AG: November 19, 2009 REPORT: Amended  
 COMMISSION ACTION: ADOPTED DATE: December 1, 2009 RECOMMENDATION #: 210

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Merge and assign the administration of BESE's block grant program focused on pre-kindergarten programs for at-risk four-year-old children into DOE's LA 4 Program.	BESE and DOE	In 1986, Louisiana voters dedicated Louisiana's federally-awarded Outer Continental Shelf Lands Act funds to education through the Louisiana Quality Education Support Fund which became known as 8(g) funding. The law allows BESE to spend a portion of such funding on preschool programs.  In 2001, the legislature enacted the LA 4 Program (modeled after the 8(g) Program) and today, LA 4's enrollment is almost five times that of the 8(g) block grant program and the outcomes are competitive. Now that the LA 4 Program and its infrastructure is firmly established in DOE, it is not necessary for BESE to continue to administer an 8(g) preschool program separately. Also, BESE's role is primarily policy, whereas DOE's role is program administrator so the transfer lets each entity focus on their mission.	BESE to transfer 8(g) dollars related to preschool program to DOE and existing BESE personnel to be addressed.  Legislation/constitutional amendment needed to maximize savings by sending percentage of 8(g) directly to DOE for LA 4 Program.	This eliminates administrative duplication of preschool programs with similar content and outcomes.  There may be some savings by reduction of surplus BESE staff.  In FY '10, BESE allocated a little over \$13.5M of 8(g) funding to preschool programs.	Transfer can begin contractually until legislation and constitutional amendment can be enacted.



MEMBER: Barry Erwin PROPOSAL# Erwin #02 REFERRED TO AG on: AGDNES  
 SUBJECT: BESE - 8(g) Preschool DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Merge BESE's block grant program focused on pre-kindergarten programs for at-risk four-year-old children into DOE's LA 4 Program.</p>	<p>BESE and DOE</p>	<p>In 1986, Louisiana voters dedicated Louisiana's federally-awarded Outer Continental Shelf Lands Act funds to education through the Louisiana Quality Education Support Fund which became known as 8(g) funding. The law allows BESE to spend a portion of such funding on preschool programs. In 2001, the legislature enacted the LA 4 Program (modeled after the 8(g) Program) and today, LA 4's enrollment is almost five times that of the 8(g) block grant program and the outcomes are competitive. Now that the LA 4 Program and its infrastructure is firmly established in DOE, it is not necessary for BESE to continue to administer an 8(g) preschool program separately. Also, BESE's role is primarily policy, whereas DOE's role is program administrator so the transfer lets each entity focus on their mission.</p>	<p>BESE to transfer 8(g) dollars related to preschool program to DOE and existing BESE personnel to be addressed.</p>	<p>This eliminates administrative duplication of preschool programs with similar content and outcomes. There may be some savings by reduction of surplus BESE staff.</p>	<p>Transfer can begin contractually until legislation and constitutional amendment can be enacted.</p>
			<p>Legislation/constitutional amendment needed to maximize savings by sending percentage of 8(g) directly to DOE for LA 4 Program.</p>	<p>In FY '10, BESE allocated a little over \$13.5M of 8(g) funding to preschool programs.</p>	

## COMMISSION RECOMMENDATION #211

**CSG #211****Erwin #03**

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

**NARRATIVE:**

The DOE testified before the Advisory Group on Elimination of Duplicative and Non-Essential Services on November 16, 2009, and November 19, 2009.

Based on DOE testimony, at the November 18, 2009, meeting of the Commission on Streamlining Government, Mr. Barry Erwin introduced the recommendation to provide primary responsibility for adult education services with LCTCS and transfer the responsibility and funding for DOE's Division of Adult and Community Education to LCTCS.

Adult literacy and the barriers that it generates continues to be an issue in Louisiana. DOE's primary mission is the education of children and youth. LCTCS' primary mission is more aligned with the needs of adults. This can also help to connect enrollees in adult education to the community and technical colleges and the opportunities presented.

Mr. Erwin presented this recommendation at the December 1, 2009 meeting of the Streamlining Commission and it was adopted.

**HISTORY:**

12/01/09 - Adopted by the Commission on Streamlining Government

11/19/09 - Reported with amendments by the Advisory Group on Elimination of Duplicative and Non-Essential Services

11/18/09 - Received by the Commission on Streamlining Government

**DOCUMENTS:**

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 211**  
Streamlining Draft **AGERWIN 03A**

<b>Date:</b> December 17, 2009 10:16 AM	<b>Author:</b>
<b>Dept./Agy.:</b> DOE/LCTCS	<b>Analyst:</b> Kristy F. Gary
<b>Subject:</b> Adult Education	

The Streamline Commission recommends that the primary responsibility for adult education reside with the Louisiana Community and Technical College System and the responsibility and funding of the Department of Education's Division of Adult and Community Education should be transferred to the system.

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5-YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5-YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. According to the Louisiana Community and Technical College System (LCTCS) the transfer of the adult education program would be savings neutral, assuming the funding and related positions for the program is transferred from the Department of Education to LCTCS. The Department of Education's Division of Adult and Community Education FY 10 budget is \$14,726,486 with the following means of finance:  
 State General Fund - \$4,954,281  
 Interagency Transfers - \$1,026,267  
 Federal Funds - \$8,745,938

Of the total budget, \$2,141,222 is allocated to State Activities for administrative costs and \$12,585,264 is allocated to Subgrantee Assistance for flow through funding to the eligible providers. Currently there 7.5 positions (TO) associated with the administration of the Adult Education program. There is also one Job Appointment (Education Program Consultant 3) that is an integral part of the program and not included in the previous TO number. LCTCS estimates they would need the same amount of administrative positions. Another 1.75 of TO within the Office of Management and Finance provides support to the Adult Education program; however, these positions would not move from the Department of Education as only a portion of their duties are associated with the Adult Education program. LCTCS could use existing positions in their agency to assist the core administrative staff in a manner similar to that of the Department of Education.

HCR 116 of the 2008 Regular Session requested the study of the feasibility and advisability of transferring the administration of the adult education programs from BESE and Department of Education (DOE) to LCTCS. A feasibility study by the National Center for Higher Education Management Systems (NCHEMS) was submitted to the Legislature in April 2009. According to NCHEMS, the postsecondary system, specifically LCTCS, is best positioned to contribute to solutions of the problem of adult learning deficiencies. The adult education program is outside the mainstream of the Department of Education, which is an agency focused on (in-school) education of youth rather than the (post-schooling) learning of adults.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk  
Legislative Fiscal Officer**

MEMBER: Barry Erwin PROPOSAL# Erwin #03A REFERRED TO AG on: AGDNES  
 SUBJECT: DOE/LCTCS - Adult Education DATE REPORTED BY AG: November 19, 2009 REPORT: Amended  
 COMMISSION ACTION: ADOPTED DATE: December 1, 2009 RECOMMENDATION #: 211

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Primary responsibility for adult education resides with the Louisiana Community and Technical College System and the responsibility and funding of the Department of Education's Division of Adult and Community Education should be transferred to the system.	DOE and LCTCS.	Adult literacy and the barriers that this generates continues to be an issue in Louisiana. DOE's primary mission is education of children and youth. LCTCS' primary mission is more aligned to adult education and can help connect enrollees to vocational education and the opportunities presented there.	Legislation may be needed to implement so LCTCS receives funding for programs.	Aligns services and resources and may have long-term benefits as illiterate adults may have greater success in a system whose primary customers are adults and accustomed to adult issues.	Could begin implementation next fiscal year.

MEMBER: Barry Erwin PROPOSAL# Erwin #03A REFERRED TO AG on: AGDNES  
 SUBJECT: DOE/LCTCS - Adult Education DATE REPORTED BY AG: November 19, 2009 REPORT: Amended  
 COMMISSION ACTION: ADOPTED DATE: December 1, 2009

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Primary responsibility for adult education resides with the Louisiana Community and Technical College System and the responsibility and funding of the Department of Education's Division of Adult and Community Education <u>should</u> be transferred to the system.	DOE and LCTCS.	Adult literacy and the barriers that this generates continues to be an issue in Louisiana. DOE's primary mission is education of children and youth. LCTCS' primary mission is more aligned to adult education and can help connect enrollees to vocational education and the opportunities presented there.	Legislation may be needed to implement so LCTCS receives funding for programs.	Aligns services and resources and may have long-term benefits as illiterate adults may have greater success in a system whose primary customers are adults and accustomed to adult issues.	Could begin implementation next fiscal year.

MEMBER: Barry Erwin

PROPOSAL# Erwin #03

REFERRED TO AG on: AGDNES

SUBJECT: DOE/LCTCS - Adult Education

DATE REPORTED BY AG: \_\_\_\_\_

REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_

DATE: \_\_\_\_\_

**RECOMMENDATION:** Primary responsibility for adult education reside with the Louisiana Community and Technical College System (LCTCS) and the responsibility and funding of the Department of Education's (DOE's) Division of Adult and Community Education be transferred to LCTCS.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
Primary responsibility for adult education reside with the Louisiana Community and Technical College System (LCTCS) and the responsibility and funding of the Department of Education's (DOE's) Division of Adult and Community Education be transferred to LCTCS.	DOE and LCTCS.	Adult literacy and the barriers that generate therefrom continues to be an issue in Louisiana. DOE's primary mission is education of children and youth. LCTCS' primary mission is more aligned to adult education and can help connect enrollees to vocational education and the opportunities presented there.	Legislation and BESE re-working Minimum Foundation Program (MFP) and formula so LCTCS receives funding for programs.	Aligns services and resources and may have long-term benefits as illiterate adults may have greater success in a system whose primary customers are adults and accustom to adult issues.	Could begin implementation next fiscal year.

## COMMISSION RECOMMENDATION #212

CSG #212

Erwin #06

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

### NARRATIVE:

The DOE testified before the Advisory Group on Elimination of Duplicative and Non-Essential Services on November 16, 2009, and November 19, 2009.

Based on DOE testimony, at the November 18, 2009, meeting of the Commission on Streamlining Government, Mr. Barry Erwin introduced the recommendation to require BESE to terminate the pre-GED Skills Options Program and direct local education agencies to redirect funds supporting the programs to approved dropout prevention programs modeled after JAG.

Only 66% of Louisiana students graduate on time from high school. Two programs aimed at providing successful interventions to struggling students include JAG and the Educational Mission to Prepare Louisiana's Youth (EMPLoY). Both of these programs have significantly higher outcomes than the pre-GED Skills Options Program.

Increased retention should mean increased literacy and numeracy. This will improve employment options for citizens and improve the workforce for Louisiana employers.

Mr. Erwin presented this recommendation at the December 1, 2009, meeting of the Streamlining Commission and it was amended and adopted.

### HISTORY:

12/01/09 - Amended and adopted by the Commission on Streamlining Government

11/19/09 - Reported favorable by the Advisory Group on Elimination of Duplicative and Non-Essential Services

11/18/09 - Received by the Commission on Streamlining Government

### DOCUMENTS:

See attachments

**MEMBER:** Barry Erwin **PROPOSAL #** Erwin # 06 **REFERRED TO AG on:** AGDNES

**SUBJECT:** BESE - Dropout Prevention Programs **DATE REPORTED BY AG:** November 19, 2009 **REPORT:** Favorable

**COMMISSION ACTION:** AMENDED / ADOPTED **DATE:** December 1, 2009 **RECOMMENDATION #:** 212

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Require the State Board of Elementary and Secondary Education to terminate the pre-GED (Graduate Equivalency Diploma) Skills Options Program and direct local education agencies to re-direct funds supporting the program to approved dropout prevention programs modeled after Jobs for America's Graduates.</p>	<p>Dept. of Education (DOE) and BESE.</p>	<p>Only 65.9% of students graduate on time from high school in Louisiana. DOE is working closely with local school districts, other state agencies, and business and industry groups to increase graduation rates, reduce dropout rates, and place students on a path to success after graduation.</p> <p>Two programs aimed at providing successful interventions to struggling students include JAG and the Educational Mission to Prepare Louisiana's Youth (EMPLY). JAG is a nationally recognized and successful program based on a national model that assists students still enrolled in school (as well as students who have already dropped out) in obtaining their high school diploma or GED. EMPLOY was launched as a pilot in January 2009 in 14 districts. Based on the JAG model, EMPLOY participants, age 16 and older, have opted out of the traditional school setting and have enrolled in the state's GED/Options program. EMPLOY provides participants with job training through dual enrollment courses and/or industry-based certifications, intense training in basic skills to help them succeed in passing the GED, soft skills training and Work Keys assessment to earn a Work Ready Certificate. The projected graduation rate for participants in the program is 70%.</p>	<p>BESE to make appropriate changes in MIFP formula and receive legislative approval.</p> <p>Recommendation should be phased-in.</p>	<p>Increase retention; increase literacy and numeracy. Improved workforce for employers and opportunities for graduates. Current funding is \$3.3 million using TANF dollars.</p>	<p>Implementation could begin next fiscal year.</p>



MEMBER: Barry Erwin

PROPOSAL# Erwin # 06

REFERRED TO AG on:

AGDNES

SUBJECT: BESE - Dropout Prevention Programs

DATE REPORTED BY AG: November 19, 2009

REPORT:

Favorable

COMMISSION ACTION: \_\_\_\_\_

DATE: \_\_\_\_\_

**RECOMMENDATION:** Require all school districts to replace lower performing dropout prevention programs with strategies modeled after Jobs for America's Graduate (JAG) and fund such programs through existing revenue including the Minimum Foundation Program (MFP) funding. Tie any state funding of dropout prevention programs to performance.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Require all school districts to replace lower performing dropout prevention programs with strategies modeled after Jobs for America's Graduate (JAG) and fund such programs through existing revenue including MFP funding. Tie any state funding of dropout prevention programs to performance.</p>	<p>Dept. of Education (DOE) and BESE.</p>	<p>Only 65.9% of students graduate on time from high school in Louisiana. DOE is working closely with local school districts, other state agencies, and business and industry groups to increase graduation rates, reduce dropout rates, and place students on a path to success after graduation.</p> <p>Two programs aimed at providing successful interventions to struggling students include JAG and the Educational Mission to Prepare Louisiana's Youth (EMPLY). JAG is a nationally recognized and successful program based on a national model that assists students still enrolled in school (as well as students who have already dropped out) in obtaining their high school diploma or GED. EMPLOY was launched as a pilot in January 2009 in 14 districts. Based on the JAG model, EMPLOY participants, age 16 and older, have opted out of the traditional school setting and have enrolled in the state's GED/Options program. EMPLOY provides participants with job training through dual enrollment courses and/or industry-based certifications, intense training in basic skills to help them succeed in passing the GED, soft skills training and Work Keys assessment to earn a Work Ready Certificate. The projected graduation rate for participants in the program is 70%.</p>	<p>BESE to make appropriate changes in MFP formula and policies and receive legislative approval.</p> <p>Recommendation should be phased-in.</p>	<p>Increase retention; increase literacy and numeracy. Improved workforce for employers and opportunities for graduates. Current funding is \$3.3 million using TANF dollars.</p>	<p>Implementation could begin next fiscal year.</p>

## COMMISSION RECOMMENDATION #213

**CSG #213**

**Martin #15**

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

**NARRATIVE:**

At the December 1, 2009 meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation and commented on the issue of eliminating the Oil Spill Coordinator's public outreach program. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

**HISTORY:**

12/01/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)  
12/01/09 - Introduced at the Commission on Streamlining Government  
10/27/09 - Referred to the Advisory Group on Outsourcing, Privatization and Risk Management

**DOCUMENTS:**

See attachments

**MEMBER:** Roy O. Martin      **PROPOSAL#** Martin #15      **REFERRED TO AG on:** OPRM 10/27/09  
**SUBJECT:** DPSC - Public Safety Services      **DATE REPORTED BY AG:** \_\_\_\_\_      **REPORT:** \_\_\_\_\_  
**COMMISSION ACTION:** ADOPTED      **DATE:** December 1, 2009      **RECOMMENDATION #:** 213

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Department of Public Safety and Corrections, Public Safety Services eliminate the Oil Spill Coordinator's public outreach program.	DPSC - Public Safety Services	Eliminate	Dept. action	\$112,000	Done

MEMBER: Roy O. Martin PROPOSAL# Martin #15 REFERRED TO AG on: OPRM 10/27/09

SUBJECT: DPSC - Public Safety Services DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

RECOMMENDATION: DPSC – Public Safety Services eliminate the Oil Spill Coordinator's public outreach program.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
DPSC – Public Safety Services eliminate the Oil Spill Coordinator's public outreach program.	DPSC - Public Safety Services	Eliminate	Dept. action	\$112,000	Done

## COMMISSION RECOMMENDATION #214

**CSG #214**

**Martin #26**

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

**NARRATIVE:**

At the December 1, 2009 meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation. There was discussion about private letter rulings and the charges associated with Internal Revenue Service private letter rulings. An amendment was offered and adopted to modify the wording of the recommendation. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

**HISTORY:**

12/01/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

12/01/09 - Introduced at the Commission on Streamlining Government

**DOCUMENTS:**

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 214**  
Streamlining Draft **AGMARTIN 26**

<b>Date:</b> December 14, 2009 1:32 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Revenue	<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Charge full cost recovery for private letter rulings	

Directs the Department of Revenue to charge for the issuance of private letter rulings to cover the full cost of preparation.

The Department of Revenue currently issues private letter rulings upon request of the corporation, individual or group at no charge. This recommendation directs the department to charge the recipient of the ruling an average of \$1,961 or the full cost recovery of the preparation of the private letter ruling.

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$88,245	\$88,245	\$88,245	\$88,245	\$88,245	<b>\$441,225</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$88,245</b>	<b>\$88,245</b>	<b>\$88,245</b>	<b>\$88,245</b>	<b>\$88,245</b>	<b>\$441,225</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

This recommendation is expected to provide an increase in self-generated revenue of \$88,254 as the expense of private letter rulings is shifted from the state to the taxpayer or representative requesting the ruling.

According to the Department of Revenue (LDR), a private letter ruling is a written statement issued by LDR to a taxpayer applying principles of law to the taxpayer's specific set of facts. This type of policy statement is only issued if there is no other guidance that addresses the correct application of the legal principles to the taxpayer's particular situation. Each ruling requires an average of 30 hours of attorney research and drafting at a cost of \$45.16 per hour. Because the ruling is a legally binding document, an exhaustive review process involving management within LDR is undertaken at an estimated cost of \$59.19/hour over an additional 10 hours, including the redacting of the rulings for general publication. LDR estimates overhead expenses, including printing, supplies, postage, etc. of \$640 for all rulings, which is \$14.22 per ruling. From these estimates, the total cost of issuing a private letter ruling averages about \$1,961 [(\$45.16\*30+\$59.19\*10)+\$14.22]. In a typical year, the state receives 45 private letter ruling requests. In a typical year, the state would expect to increase self-generated revenue by about \$88,245 (45 rulings \* \$1,961 cost per ruling).

The revenue increase will depend on the circumstances surrounding the actual private letter ruling requests and may deviate significantly from this estimate. The department indicates the necessity for implementation of a tracking mechanism to monitor expenses related to the private letter ruling in order to adjust the amount necessary to cover the full cost of the state. In addition, it is not clear whether the taxpayer fee will be fixed before the request is fulfilled, in which case the fee may not directly match the full expense of the ruling, or the taxpayer fee will be indeterminate at the time of the request pending the actual expenses involved in the preparation of the private letter ruling, in which case the taxpayer will be liable for an unknown amount. Resolution of these issues may alter the impact of this recommendation on the state budget.

Senate

13.5.1 >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

6.8(F) >= \$500,000 Annual Fiscal Cost

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk  
Legislative Fiscal Officer**

MEMBER: Roy O. Martin PROPOSAL# Martin #26 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Private letter rulings DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: AMENDED \ ADOPTED DATE: December, 1 2009 RECOMMENDATION #: 214

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Department of Revenue charge based on full cost recovery private businesses, groups or individuals for issuing private letter rulings.	Department of Revenue	Cost recovery	Department action		Done

MEMBER: Roy O. Martin      PROPOSAL# Martin #26      REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Private letter rulings      DATE REPORTED BY AG: \_\_\_\_\_      REPORT: \_\_\_\_\_  
 COMMISSION ACTION: \_\_\_\_\_      DATE: \_\_\_\_\_

RECOMMENDATION: Department of Revenue charge private businesses, groups or individuals a standard cost for issuing private letter rulings.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Department of Revenue charge private businesses, groups or individuals a standard cost for issuing private letter rulings.	Department of Revenue		Department action		Done



## COMMISSION RECOMMENDATION #215

CSG #215

AGEB #10

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

### NARRATIVE:

At the August 24, 2009, meeting of the Advisory Group on Efficiency and Benchmarking meeting, Mr. John Kennedy provided information concerning state employment. Mr. Kennedy stated that according to the United States Bureau of Labor Statistics, in 2008, Louisiana had 275 state government employees per 10,000 population, ranking Louisiana eighth in the country. He further stated that Louisiana ranked first among southern states and that the national average was 223 state government employees per 10,000 population. (Advisory Group on Efficiency and Benchmarking Minutes, 8/24/2009)

Based on this information, Mr. Kennedy proposed a recommendation "that all departments of Louisiana state government be directed to reduce the number of state government positions by 5,000 positions for each year for the next three years. The reductions should be pro-rata by department; that is, the number of positions to be reduced each year by each department should be derived by multiplying the percentage of total state government positions located in that particular department by 5,000. This number should be considered the minimum number of reductions for a department. Vacancies, rather than layoffs, should be used to achieve the elimination of positions. Department heads should be directed to manage the assimilation of the reduction of positions through reorganization efforts, which will require more than simplistic across-the-board cuts. In order to maximize productivity and streamline costs, department heads are directed in their reorganization efforts to study and take into account layers of management, spans of control, clerical staffing levels, unit consolidation, process re-engineering restructuring, retaining for enhanced skills and headquarters staffing reductions. More specifically, department heads should limit layers of management, with no more than six for large departments. One manager should supervise no less than 10 staff, and more if possible. Highly technical, policy or non-repetitive functions may require a span of control as low as one manager per five staff. A reasonable level of clerical staff is 15% or less of total staff. Units with two to five employees should be consolidated into larger, more efficient units, and regional administration should be consolidated where possible. Restructuring should include an analysis of the number of tasks performed by each departmental employee and, through process re-engineering, the number of tasks should be reduced by 25%. Department heads should also seek to increase productivity by providing training opportunities for employees who wish to learn new skills or improve old skills. Additionally, the largest percentage of reductions in staffing should be at central and regional headquarters. These staff reductions should not be allowed to reduce the quality of services or products provided by each

department. If a department head does not believe he can achieve the staff reductions without reducing quality, he should notify the governor as soon as possible so that the governor can replace him with a department head who can achieve the staff reductions without reducing quality. The Commission also recommends that 20% of the savings achieved from these staff reductions be used to increase the salaries of employees who assume new and additional responsibilities as a result of the staff reductions and reorganizations." (Advisory Group on Efficiency and Benchmarking Minutes, 8/24/2009)

Mr. Leonal Hardman stated the reductions were a challenge. He did not want to hamper public service and wanted to begin at the top. Mr. Hardman wants to target those areas where public service was needed. He stated that it shouldn't take five or six layers of management to get something done. It was about getting the most for the money. The employees didn't care about if they had more responsibilities put on them. They took pride in doing that. They didn't want to be left out also. They wanted to be compensated for taking on more responsibilities. (Advisory Group on Efficiency and Benchmarking Minutes, 8/24/2009)

Mr. John Kennedy stated Louisiana was number one in the South per 10,000 people. It was not a statement on the quality of those employees. He worked through the years with many dedicated state employees who did an extraordinary job. It was very difficult to downsize institutions. One way of doing it, (he objected with this way) was just to arbitrary cut across the board. It was not what the resolution called for. The resolution called for reduction with reorganization. It started at the top. It would reduce layers of management. It would expand spans of control. The largest percentage of those cuts should be at central and regional headquarters through a re-organization where 20% of the savings would be placed in a pool. It would be done through vacancies and no one would be fired or laid off. If an employee were asked to take on new responsibilities for a position that was not filled, that employee deserved more money. (Advisory Group on Efficiency and Benchmarking Minutes, 8/24/2009)

Mr. Leonal Hardman stated when he left state services, his position was not filled. Never a day that he went to work that he complained about the fact of the cause of things beyond his control that he would not give 150%. Based on the revamping of purchasing, he incurred more responsibility. State employees didn't mind working. They would not complain too much about the added responsibilities. They would rather have the job. (Advisory Group on Efficiency and Benchmarking Minutes, 8/24/2009)

Mr. John Kennedy stated that was what he was trying to do. Without objection the recommendation was adopted. (Advisory Group on Efficiency and Benchmarking Minutes, 8/24/2009)

The recommendation was considered by the Commission on Streamlining Government on December 1, 2009. Mr. Kennedy explained the recommendation and the numbers of state employees employed by Louisiana. He stated that there did not seem to be a consensus about the numbers of employees employed by the state and it did not make sense to get bogged down by the exact number but rather agree that we are the highest in the South. Ms. Davis questioned if this was the most strategic way to eliminate positions. Mr. Hardman also expressed concerns over the recommendation. Mr. Martin offered an amendment which he read as follows: "Each agency must review its historical vacancy and attrition rates and shall make strategic reductions in positions by five percent, first looking at layers of management and clerical staffing, each year for three years. Furthermore each agency should review process re-engineering and unit consolidation while preserving critical services such as public safety and direct patient care. Reductions can be achieved through outsourcing privatization and program elimination where feasible and cost

effective. Each agency must report to the Commission on Streamlining Government by December of 2010 and 2011 the achieved reductions and explanation of why the target was not met. Finally, state personnel who learn new skills or increased scope of responsibility should be reviewed for pay increases using savings from staff reductions." The amendment was objected to by Mr. Kennedy and by a vote of five yeas and four nays the amendment was adopted. The amended recommendation was adopted by a vote of six yeas and three nays. (Commission on Streamlining Government, 12/8/2009)

**HISTORY:**

12/01/09 - Amended and adopted by the Commission on Streamlining Government  
10/26/09 - Reported confirmed by the Advisory Group on Efficiency and Benchmarking  
10/20/09 - Received by the Commission on Streamlining Government  
08/24/09 - Adopted by the Advisory Group on Efficiency and Benchmarking

**DOCUMENTS:**

See attachments

ADVISORY GROUP ON Efficiency and Benchmarking

PROPOSAL #: \_\_\_\_\_

AGEB # 10

SUBJECT: Reduction of State Workforce

DATE ADOPTED BY ADVISORY GROUP: \_\_\_\_\_

August 24, 2009

COMMISSION ACTION: AMENDED / ADOPTED

DATE: December 1, 2009

RECOMMENDATION #: 215

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

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
<p>Each agency must review its historical vacancy and attrition rates and shall make strategic reductions in positions by five percent, first looking at layers of management and clerical staffing, each year for three years. Furthermore each agency should review process re-engineering and unit consolidation while preserving critical services such as public safety and direct patient care. Reductions can be achieved through outsourcing privatization and program elimination where feasible and cost effective. Each agency must report to the Commission on Streamlining Government by December of 2010 and 2011 the achieved reductions and explanation of why the target was not met. Finally, state personnel who learn new skills or increased scope of responsibility should be reviewed for pay increases using savings from staff reductions.</p>	<p>Legislature, Governor</p>	<p>To save money by reducing workforce and overhead costs and to increase efficiency by making the state more consistent among other states in total workforce.</p>	<p>Legislation, Executive Order</p>		

ADVISORY GROUP ON Efficiency and Benchmarking PROPOSAL#: AGEB # 10  
 SUBJECT: Reduction of State Workforce DATE ADOPTED BY ADVISORY GROUP: 8-24-09  
 COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

RECOMMENDATION: To direct state government to reduce the number of state government positions by at least 5,000 positions for each year of the next 3 years pro-rata by department through vacancies and attrition and without reducing the quality of products or services. Department heads are directed in their reorganization efforts to study and take into account layers of management, spans of control, clerical staffing levels, unit consolidation, process reengineering restructuring, retraining for enhanced skills and headquarters staffing reductions. Department heads should increase productivity by providing training opportunities for employees who wish to learn new skills or improve old skills. To use twenty percent of the savings to increase compensation for employees taking on additional responsibilities.

Summary Description/Nature of Change	Key Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/Study
<p>To direct state government to reduce the number of state government positions by at least 5,000 positions for each year of the next 3 years pro-rata by department through vacancies and attrition and without reducing the quality of products or services. Department heads are directed in their reorganization efforts to study and take into account layers of management, spans of control, clerical staffing levels, unit consolidation, process reengineering restructuring, retraining for enhanced skills and headquarters staffing reductions. Department heads should increase productivity by providing training opportunities for employees who wish to learn new skills or improve old skills. To use twenty percent of the savings to increase compensation for employees taking on additional responsibilities.</p>	<p>Legislature, Governor</p>	<p>To save money by reducing workforce and overhead costs and to increase efficiency by making the state more consistent among other states in total workforce.</p>	<p>Statutory amendment and Executive Order</p>		

According to the United States Bureau of Labor Statistics, in 2008 Louisiana had 275 state government employees per 10,000 population, ranking Louisiana 8<sup>th</sup> in the country. Louisiana ranked 1<sup>st</sup> among southern states. The national average was 223 state government employees per 10,000 population. Assuming a population of 4.3 million people, Louisiana has 22,000 more state government employees per 10,000 population than the national average.

The Louisiana Government Streamlining Commission recommends to the legislature of the State of Louisiana that all departments of Louisiana state government be directed to reduce the number of state government positions by 5,000 positions for each year of the next 3 years. The reductions should be pro-rata by department; that is, the number of positions to be reduced each year by each department should be derived by multiplying the percentage of total state government positions located in that particular department by 5,000. This number should be considered the minimum number of reductions for a department. Vacancies, rather than layoffs, should be used to achieve the elimination of positions.

Department heads should be directed to manage the assimilation of the reduction of positions through reorganization efforts, which will require more than simplistic across-the-board cuts. In order to maximize productivity and streamline costs, department heads are directed in their reorganization efforts to study and take into account layers of management, spans of control, clerical staffing levels, unit consolidation, process reengineering restructuring, retraining for enhanced skills and headquarters staffing reductions. More specifically, department heads should limit layers of management, with no more than six for large departments. One manager should

supervise no less than 10 staff, and more if possible. Highly technical, policy or non-repetitive functions may require a span of control as low as 1 manager per 5 staff. A reasonable level of clerical staff is 15% or less of total staff. Units with 2 to 5 employees should be consolidated into larger, more efficient units, and regional administration should be consolidated where possible. Restructuring should include an analysis of the number of tasks performed by each departmental employee and, through process reengineering, the number of tasks should be reduced by 25%. Department heads should also seek to increase productivity by providing training opportunities for employees who wish to learn new skills or improve old skills. Additionally, the largest percentage reductions in staffing should be at central and regional headquarters.

These staff reductions should not be allowed to reduce the quality of services or products provided by each department. If a department head does not believe he can achieve the staff reductions without reducing quality, he should notify the governor as soon as possible so that the governor can replace him with a department head who can achieve the staff reductions without impacting quality.

The Commission also recommends that 20% of the savings achieved from these staff reductions be used to increase the salaries of employees who assume new and additional responsibilities as a result of the staff reductions and reorganizations.

## COMMISSION RECOMMENDATION #216

CSG #216

AGDNES #30

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

**NARRATIVE:**

The Department of Health and Hospitals (DHH)/Office of Aging and Adult Services (OAAS) testified before the Advisory Group on Elimination of Duplicative and Non-Essential Services on November 9, 2009 and November 16, 2009.

According to OAAS Assistant Secretary Hugh Eley, the department is following a policy of moving out of the role of direct service provider. OAAS currently owns and operates the John J. Hainkel Home and Rehabilitation Center as a nursing facility, providing services similar to the nearly 300 private nursing facilities in the state, at a rate that exceeds what is paid to private facilities. Private, nonprofit entities, with excellent track records in Louisiana, have expressed interest in operating the facility.

DHH estimates a one-time state general fund net savings to close the facility of \$826,997. Further savings vary on whether the facility is sold or leased.

Mr. Erwin presented this recommendation at the December 8, 2009, meeting of the Streamlining Commission and it was amended and adopted.

**HISTORY:**

12/08/09 - Amended and adopted by the Commission on Streamlining Government

11/16/09 - Confirmed by the Advisory Group on Elimination of Duplicative and Non-Essential Services

11/10/09 - Received by Commission on Streamlining Government

11/09/09 - Adopted by Advisory Group on Elimination of Duplicative and Non-Essential Services

**DOCUMENTS:**

See attachments



ADVISORY GROUP ON

Elimination of Duplicative and Non-Essential Services

PROPOSAL #:

ACDINES # 30

SUBJECT: DHH/OAAS - Sale/lease of Hankel Home & Rehab Center

DATE ADOPTED BY ADVISORY GROUP:

November 9, 2009; Confirmed November 16, 2009

COMMISSION ACTION: AMENDED \ ADOPTED

DATE: December 1, 2009

RECOMMENDATION #:

216

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
DHH continue implementation plan to sell and/or lease the John J. Hankel Home and Rehabilitation Center.	DHH/Office of Aging and Adult Services Senate Concurrent Resolution 134 of the 2009 Regular Legislative Session created a study commission to make certain recommendations regarding the facility's future and that commission is currently meeting. DHH has two appointments to the 8-member commission.	Follows DHH strategy to move away from the role of direct service provider, yet preserves this quality nursing facility for the benefit of the Greater New Orleans area by making it less dependent on state budget.	Propose legislation where needed for propose lease or sale	Assuming sale or lease: One time SGF dollars to close (leave payout & unemployment) \$826,997 Estimated SGF dollar savings to Medicaid: MVA payment to Hankel SGF: \$1,642,365 MVA payment to private SGF : \$1,300,057 Net savings of \$342,309 in SGF per year to Medicaid. *This assumes facility is sold, or if leased, that the lease assumes costs of building maintenance, insurance, etc. If state retains responsibility for those expenses the Net SGF Cost ongoing is \$272,814 per year, so the Net SGF Savings are \$91,470 per year.	DHH study group is currently reviewing pursuant to Senate Concurrent Resolution 134 of the 2009 Regular Session.

**ADVISORY GROUP ON** Elimination of Duplicative and Non-Essential Services **PROPOSAL #:** AGDNES # 30  
**SUBJECT:** DHH/OAAS - Sale/lease of Hainkel Home & Rehab Center **DATE ADOPTED BY ADVISORY GROUP:** November 9, 2009  
**COMMISSION ACTION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

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

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
DHH to continue implementation plan to sell and/or lease the John J. Hainkel Home and Rehabilitation Center.	DHH/Office of Aging and Adult Services	DHH strategy to move away from the role of direct service provider. Preserve this quality nursing facility for the benefit of the Greater New Orleans area by making it less dependent on state budget.	Propose legislation where needed for propose lease or sale	Assuming sale or lease: One time SGF dollars to close (leave payout & unemployment) \$826,997 Estimated SGF dollar savings to Medicaid: MVA payment to Hainkel SGF: \$1,642,365 MVA payment to private SGF : \$1,300,057 Net savings of \$342,309 in SGF per year to Medicaid. *This assumes facility is sold, or if leased, that the lease assumes costs of building maintenance, insurance, etc. If state retains responsibility for those expenses the Net SGF Cost ongoing is \$272,814 per year, so the Net SGF Savings are \$91,470 per year.	DHH study group is currently reviewing pursuant to SCR

## COMMISSION RECOMMENDATION #217

CSG #217

AGOPRM #36

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

### NARRATIVE:

At the November 17, 2009 meeting of the Advisory Group on Outsourcing, Privatization and Risk Management, Mr. Ray Peters provided information regarding the consolidating and outsourcing of state employee group medical benefits under a single administrative provider. Testimony was received from Mr. Tommy Teague, the Chief Executive Officer of the Office of Group Benefits, who provided detailed information to the advisory group about the state's group benefits program. No action was taken by the advisory group.

At the December 1, 2009 meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation. There was discussion about whether the Office of Group Benefits should be directed to write the RFP. An amendment was offered and adopted to modify the wording of the recommendation. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

### HISTORY:

12/1/09 - Amended\Adopted by the Commission on Streamlining Government

12/1/09 - Received by the Commission on Streamlining Government

11/17/09 - Introduced to the Advisory Group on Outsourcing, Privatization and Risk Management

### DOCUMENTS:

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 217**

Streamlining Draft **AGOPRM 36**

**REVISED**

<b>Date:</b> December 9, 2009 10:01 AM <b>Dept./Agy.:</b> Office of Group Benefits (OGB) <b>Subject:</b> Request for Proposal (RFP)	<b>Author:</b>  <b>Analyst:</b> Travis McIlwain
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Office of Group Benefits Page 1 of 2  
 Consolidating and outsourcing state employee group medical benefits under a single administrative provider

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

EXPENDITURES	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
REVENUES	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The fiscal impact of consolidating and outsourcing state employee group medical benefits under a single administrative provider is indeterminable at this time. The Office of Group Benefits (OGB) currently places all of its members of its various plan offerings (PPO, HMO, EPO, MHSA, Rx Drug) into one risk pool for actuarial analysis. Typically, the larger the risk pool, the more diversified the claims experience, which typically equates to lower premiums. According to OGB, the contracted actuary projects premium rates for each of the programs based upon all OGB members being in the same risk pool, which determines the actuarially sound premiums to annually be charged.

From a health benefits plan perspective, OGB, which operates as a self-insured entity, offers 3 major health plan offerings called the PPO (OGB's Plan), HMO (Humana) and EPO (United Healthcare). OGB annually contracts with Humana and United Healthcare to have access to their provider networks. The self-insured model provides for OGB to, 1.) collect the premiums from state employees and state agencies on behalf of Humana and United Healthcare, 2.) reimburse Humana and United Healthcare the amount of claims paid for its members, 3.) pay an annual administrative fee to Humana and United Healthcare for access to the their provider networks, 4.) keep the amount of premiums collected that are not paid in claims costs, administrative costs to Humana or United Healthcare, or administrative costs associated with OGB administrating the PPO plan. Under the self-insured model any excess funds that remain after claims payment are kept within the OGB.

For example, if OGB collects \$100 million in premiums from members within the HMO and EPO plans and Humana and United Healthcare pay \$50 million in claims, the \$50 million excess remains within the Office of Group Benefits' account. As of October 2009, OGB's fund balance was approximately \$398 million. Humana and United Healthcare make profits based upon the annual administrative costs paid by OGB, which is based upon a per member per month (PPM) rate negotiated between OGB and the private health insurance company. In FY 09, the administrative costs paid to Humana was \$18.5 million and the administrative costs paid to United Healthcare was \$6.0 million. The FY 09 PPM for Humana was \$25.27, while the FY 09 PPM for United Healthcare was \$24.50. The administrative costs include: provider contract negotiating and processing, customer service and claims payment.

**(continued on page 2)**

**REVENUE EXPLANATION**

The group medical benefit plans that are offered to state employees through the Office of Group Benefits, will ultimately depend upon the actuarially sound premium to be paid by its members and the state. Current policies provide for its members to pay 25% of the annual premium and the state to pay 75% of the annual premium. Current policies also provide for members with dependents to pay 50% of the annual premium and the state to pay 50% of the annual premium. OGB recognizes premium payments from members and state agencies as fees and self-generated revenues.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk  
Legislative Fiscal Officer**



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. RECOMMENDATION 217
Streamlining Draft AGOPRM 36
REVISED

Date: December 9, 2009 10:01 AM Author:
Dept./Agy.: Office of Group Benefits (OGB) Analyst: Travis McIlwain
Subject: Request for Proposal (RFP)

CONTINUED EXPLANATION from page one:

Although the majority of the administrative costs for the HMO and EPO plans is contracted, there are some administrative functions that are provided by OGB employees. Those specific items include: premium collections from state agencies and state employees, claims reimbursements to Humana and United Healthcare.

OGB also administers its own health plan offered called the PPO. Out of a total of 332 TO positions within OGB, the agency has 107 TO positions and \$6.3 million personal expenditures appropriated to process provider contracts, provide customer services and process claims for the PPO plan (65-PPO claims processing, 12 - provider services, 30 - customer service). This program also operates under the self-insured model discussed above. To the extent the PPO plan is outsourced to a private organization like the HMO and EPO are currently, there could be expenditure savings associated with the potential reduction of a portion or all of the 107 TO positions within OGB for those specific positions who provide direct PPO service functions as discussed above. However, those specific expenditure savings could be diminished depending upon the per member per month (PPM) amount that is negotiated with the new private organization that provides the administrative function for the PPO plan to OGB's membership.

OGB will still need TO positions to provide premium collections from state agencies and state employees and claims reimbursements to the new contracted organization for the PPO plan as it currently has for the EPO and HMO plans.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk

H. Gordon Monk
Legislative Fiscal Officer

ADVISORY GROUP ON OUTSOURCING, PRIVATIZATION & RISK MGMT PROPOSAL #: AGOPRM #36

SUBJECT: Group Benefits DATE ADOPTED BY ADVISORY GROUP: \_\_\_\_\_

COMMISSION ACTION: AMENDED \ ADOPTED DATE: December 1, 2009 RECOMMENDATION #: 217

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Direct the Office of Group Benefits to write an RFP to consider consolidating and outsourcing state employee group medical benefits under a single administrative provider to more effectively leverage critical mass and improve efficiency, and report the results back to the Commission on Streamlining Government. Multiple options/levels can be offered through a single provider.	Office of Group Benefits	Outsource	Agency action, RFP	TBD	Done

ADVISORY GROUP ON *OUTSOURCING, PRIVATIZATION & RISK MGMT*

PROPOSAL #: AGOPRM #36

SUBJECT: Group Benefits

DATE ADOPTED BY ADVISORY GROUP: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_

DATE: \_\_\_\_\_

**RECOMMENDATION:**

Office of Group Benefits write an RFP to consider consolidating and outsourcing state employee group medical benefits under a single administrative provider to more effectively leverage critical mass and improve efficiency. Multiple options/levels can be offered through a single provider.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
Office of Group Benefits write an RFP to consider consolidating and outsourcing state employee group medical benefits under a single administrative provider to more effectively leverage critical mass and improve efficiency. Multiple options/levels can be offered through a single provider.	Office of Group Benefits	Outsource	Agency action, RFP	TBD	Done

## COMMISSION RECOMMENDATION #218

CSG #218

Martin #34

Scale down the Louisiana Teacher Assistance and Assessment Program.

### **NARRATIVE:**

At the December 8, 2009 meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation. The Department of Education presented documentation to the commission that the program was burdensome on the school districts and ineffective for teachers. The department's report to the commission indicated changes in the program were needed and that it should be scaled down. (Cabinet Department Reports for the Commission Streamlining Government, August 18, 2009, Department of Education) Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

### **HISTORY:**

12/08/09 - Adopted by the Commission on Streamlining Government  
12/01/09 - Introduced at the Commission on Streamlining Government

### **DOCUMENTS:**

See attachments





**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 218**  
Streamlining Draft **AGMARTIN 34**

<b>Date:</b> December 15, 2009 3:07 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Education	<b>Analyst:</b> Mary Kathryn Drago
<b>Subject:</b> LaTAAP	

The Streamlining Commission recommends to scale down the Louisiana Teacher Assistance and Assessment Program (LaTAAP).

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Assuming that the recommendation is carried out similar to legislation that was proposed in the 2009 Regular Legislative Session, local fund expenditures could increase. It should be noted that the funds previously appropriated to the Department of Education for this program have been eliminated from the FY 09-10 budget. A majority of the costs will shift from the state to the local school systems as the school systems will now be administering the teacher assistance and assessment program. The legislation did not specify how the local school systems are required to implement their programs, therefore, the exact increase in expenditures is indeterminable. It should be noted that the state appropriated approximately \$2.8 million in FY 08-09 to provide funding for the local school systems to pay for substitutes, and stipends for mentors and assessors (and other costs related to the program). It is not known if the school systems will continue to provide stipends, or stipends at the same level for mentors and assessors or if they will provide training for assessors; therefore, the actual costs cannot be determined. However, the Department of Education noted that the legislation will require fewer teachers to participate in the program, for example, the teachers on a temporary authority to teach and teachers with previous experience. According to the Department of Education, in FY 08-09 approximately 320 teachers out of over 6,000 teachers in the program either had previous experience or had a temporary authority to teach (these figures are projections as of May 28, 2009).

Approximately \$3.8 million was appropriated to the Department of Education in prior years to administer the program. The funds appropriated to the Department of Education for this program have been eliminated from the FY 09-10 budget. Approximately \$2.8 million of the total \$3.8 million was appropriated to the DOE to provide funding to the local school systems for operation of the program, while \$1 million was used by the DOE to provide training for assessors and principals, to monitor the program, and provide support to the local school systems. While the previous legislation eliminates certain requirements of BESE related to administering the program, there is language that remains in statute that allows the board to establish review teams to review school personnel evaluation plans and monitor an evaluation program. Therefore, there is a possibility that the Department of Education could still incur expenses related to the program if the board chooses to carry out these functions.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

**Senate**

**Dual Referral Rules**

**House**

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk  
Legislative Fiscal Officer**

MEMBER: Roy O. Martin PROPOSAL# Martin #34 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Education DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 218

RECOMMENDATION: Scale down the Louisiana Teacher Assistance and Assessment Program (LaTAAP).

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Scale down the Louisiana Teacher Assistance and Assessment Program (LaTAAP).	Legislature, Department of Education	Streamline and downsize	Legislation; Rules changes	\$3.8 million	Done

MEMBER: Roy O. Martin PROPOSAL# Martin #34 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Education DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

RECOMMENDATION: Scale down the Louisiana Teacher Assistance and Assessment Program (LaTAAP).

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Scale down the Louisiana Teacher Assistance and Assessment Program (LaTAAP).	Legislature, Department of Education	Streamline and downsize	Legislation; Rules changes	\$3.8 million	Done

## COMMISSION RECOMMENDATION #219

**CSG #219**

**Martin #36**

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

### **NARRATIVE:**

At the December 8, 2009 meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation. The Department of Economic Development presented documentation to the commission that the agency could reduce its operating costs by eliminating the grant program. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

### **HISTORY:**

12/08/09 - Adopted by the Commission on Streamlining Government  
12/01/09 - Introduced at the Commission on Streamlining Government

### **DOCUMENTS:**

See attachments



**LEGISLATIVE FISCAL OFFICE**  
**Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 219**  
 Streamlining Draft **AGMARTIN 36**

<b>Date:</b> December 16, 2009 12:28 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Economic Development	<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Eliminate workforce grant program	

This recommendation affirms the actions by the Department of Economic Development in eliminating the workforce grant program since FastStart is now operational.

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The traditional workforce development program was eliminated in FY 09/10 in favor of the more tailored approach offered by the FastStart program. This elimination resulted in a savings of \$2.5 million annually in the Louisiana Economic Development Fund beginning in FY 09/10. Since savings are already incorporated into the department's budget, adoption of this recommendation will provide no additional savings in subsequent budgets.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

- 13.5.1 >= \$500,000 Annual Fiscal Cost  
 13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*  
**H. Gordon Monk**  
**Legislative Fiscal Officer**

MEMBER: Roy O. Martin      PROPOSAL# Martin #36      REFERRED TO AG on: \_\_\_\_\_  
SUBJECT: Economic development      DATE REPORTED BY AG: \_\_\_\_\_      REPORT: \_\_\_\_\_  
COMMISSION ACTION: ADOPTED      DATE: December 8, 2009      RECOMMENDATION #: 219

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Eliminate the workforce grant program in the Department of Economic Development as the Louisiana Fast Start program is operational.	Legislature, Department of Economic Development	Eliminate duplication	Legislation: Rules changes	\$2.5 million	Done

MEMBER: Roy O. Martin PROPOSAL# Martin #36 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Economic development DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Eliminate the workforce grant program in the Department of Economic Development as the Louisiana Fast Start program is operational.	Legislature, Department of Economic Development	Eliminate duplication	Legislation: Rules changes	\$2.5 million	Done

## COMMISSION RECOMMENDATION #220

**CSG #220**

**Martin #38**

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

### **NARRATIVE:**

At the December 8, 2009 meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation. The Department of Economic Development presented documentation to the commission that the agency could reduce its operating costs by reducing the Entertainment Workforce Program. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

### **HISTORY:**

12/08/09 - Adopted by the Commission on Streamlining Government

12/01/09 - Introduced at the Commission on Streamlining Government

### **DOCUMENTS:**

See attachments





**LEGISLATIVE FISCAL OFFICE**  
**Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 220**  
 Streamlining Draft **AGMARTIN 38**

<b>Date:</b> December 16, 2009 12:29 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Economic Development	<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Reduce the Entertainment Workforce Program	

This recommendation affirms the actions by the Department of Economic Development in reducing the annual appropriation to the Entertainment Workforce Program.

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Entertainment Workforce Program is targeted toward the entertainment industry in tandem with numerous tax incentives (film, sound recording, digital media, live performance). Prior to FY 09/10, the annual appropriation for the program was \$2 million. In the FY 09/10 budget, the appropriation was reduced to \$1.5 million for an annual savings of \$500,000 in the Louisiana Economic Development Fund and is expected to remain at that level in the future. Since savings are already incorporated into the department's budget, adoption of this recommendation will provide no additional savings in subsequent budgets.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk**  
**Legislative Fiscal Officer**

MEMBER: Roy O. Martin PROPOSAL# Martin #38 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Economic development DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 220

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Reduce the Entertainment Workforce Program in the Department of Economic Development.	Legislature, Department of Economic Development	Reduction	Legislation; Rules changes	\$500,000	Done

MEMBER: Roy O. Martin PROPOSAL# Martin #38 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Economic development DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Reduce the Entertainment Workforce Program in the Department of Economic Development.	Legislature, Department of Economic Development	Reduction	Legislation; Rules changes	\$500,000	Done

## COMMISSION RECOMMENDATION #221

CSG #221

AGEB #21

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

### NARRATIVE:

At the October 6, 2009, meeting of the Advisory Group on Efficiency and Benchmarking, Chairman John Kennedy provided information concerning the Oregon spending limit also known as the Oregon Kicker Law. Mr. Kennedy explained that five states have laws providing for a spending limit with a mechanism to return revenue above a designated target to taxpayers. These states are Oregon, Florida, Michigan, Missouri and Colorado. The Oregon spending limit, commonly referred to as its "Kicker law," is established in the Oregon Constitution. It is a tax rebate program through which a rebate is given to both individual and corporate taxpayers when actual revenue in a fiscal year exceeds the forecast revenue by more than two percent. The amount rebated is the excess above two percent. Mr. Kennedy further stated otherwise, Oregon refunds excess revenue to taxpayers when actual general fund revenues exceed the forecast amount by more than two percent. Oregon's Kicker Law applies separately to corporations and individuals. If revenues from the corporate income tax exceed their forecast by more than two percent, all revenue in excess of the forecast is refunded to the corporation. If revenues from all other general fund sources, including personal income tax, exceed their forecast, the excess is refunded to individuals through the personal income tax program. In some years, rebates may be made to corporations but not individuals, and vice-versa. The rebates are not given in the form of tax credit. The Oregon Department of Revenue distributes the rebate in what is known to Oregonians as a kicker check. The purpose of the Oregon Kicker Law is to limit spending from the state's general fund and to prevent the state from adding recurring expenditures to its budget in economic booms for which there will not be revenue during economic downturns. Voters overwhelmingly approved the law in 1980, but the first kicker rebate did not occur until 1985 when actual revenue exceeded the forecast revenue by 7.7 percent. The kicker was triggered again in 1987, 1995, 1997, 1999, 2001 and 2007. Oregon's Kicker Law was placed back in its constitution in 1999, by vote of the people, with 62% of the voters in favor. The Oregon Kicker Law is administered through its corporate and personal income tax programs because Oregon relies more heavily on the income tax than any other state that relies on a single revenue source. Income taxes generate 75% of the money in Oregon's general fund. The Oregon's legislature may vote to cancel either the corporate kicker rebate or the individual kicker rebate in a given year. (Advisory Group on Efficiency and Benchmarking Minutes, 10/6/2009)

Mr. Kennedy proposed a recommendation which provided that the Louisiana Commission on Streamlining Government recommends to the governor and the legislature that Louisiana's law be changed to provide, by statute, for a Louisiana spending limit identical to Oregon's spending limit, known as the Oregon Kicker Law with the exception that under the Louisiana spending limits, excess revenues would first be deposited into the Louisiana Budget Stabilization Fund (the Rainy Day Fund) until that fund reaches its cap. The Commission further recommends that the Louisiana spending limit shall be cancelled or overwritten in a

particular year only by a two-thirds vote of the legislature, which shall be subject to veto by the governor. Mr. Kennedy made a motion to adopt the recommendation which Mr. Hardman objected. With a vote of three yeas and two nays, the resolution was adopted. (Advisory Group on Efficiency and Benchmarking Minutes, 10/6/2009)

The recommendation was considered by the Commission on Streamlining Government at the December 8, 2009, meeting. Mr. Kennedy explained the recommendation and how the Oregon Kicker Law operated and that as the most basic level the recommendation only allows the state budget to grow by two percent each year and any growth above two percent would be rebated. Ms. Davis offered an amendment to provide by statute that one of the options for the use of excess revenue should be a recurring tax cut for individuals and corporate taxpayers, which should be budgeted. Mr. Kennedy stated the he felt the amendment would not accomplish anything and not limit the growth of government. Mr. Kennedy stated that the recommendation would force the state to prioritize state spending and live within the means of the state. Mr. Kennedy objected to the amendment and with a vote of eight yeas and two nays the amendment was adopted and without objection the amended recommendation was adopted. (Commission on Streamlining Government Meeting, 12/8/09)

**HISTORY:**

- 12/08/09 - Amended and adopted by the Commission on Streamlining Government
- 10/20/09 - Reported confirmed by the Advisory Group on Efficiency and Benchmarking
- 10/13/09 - Received by the Commission on Streamlining Government
- 10/06/09 - Adopted by the Advisory Group on Efficiency and Benchmarking

**DOCUMENTS:**

See attachments

ADVISORY GROUP ON Efficiency and Benchmarking

PROPOSAL #: \_\_\_\_\_

AGEB # 21

SUBJECT: State Spending Limit

DATE ADOPTED BY ADVISORY GROUP: \_\_\_\_\_

October 6, 2009

COMMISSION ACTION: AMENDED \ ADOPTED

DATE: December 8, 2009

RECOMMENDATION #: 221

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

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
Provide, by statute, that one of the options for the use of excess revenue should be a recurring (permanent) tax cut for individual and corporate taxpayers, which should be budgeted.	Legislature	To save money by setting stricter spending limits on state government.	Legislation		

**ADVISORY GROUP ON** Efficiency and Benchmarking **PROPOSAL#:** AGEB # 21  
**SUBJECT:** State Spending Limit **DATE ADOPTED BY ADVISORY GROUP:** 10-6-09  
**COMMISSION ACTION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**RECOMMENDATION:** To provide, by statute, for a Louisiana spending limit identical to the Oregon spending limit, known as the Oregon kicker law, with the exception that, under the Louisiana spending limit, excess revenues would first be deposited into the Louisiana Budget Stabilization Fund (the Rainy Day Fund) until that fund reaches its cap before any rebates are returned to individual or corporate taxpayers. The spending limit shall be cancelled or overridden in a particular year only by a two-thirds vote of the Louisiana Legislature, which shall be subject to veto by the governor.

Summary Description/Nature of Change	Key Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/Study
To provide, by statute, for a Louisiana spending limit identical to the Oregon spending limit, known as the Oregon kicker law, with the exception that, under the Louisiana spending limit, excess revenues would first be deposited into the Louisiana Budget Stabilization Fund (the Rainy Day Fund) until that fund reaches its cap before any rebates are returned to individual or corporate taxpayers. The spending limit shall be cancelled or overridden in a particular year only by a two-thirds vote of the Louisiana Legislature, which shall be subject to veto by the governor.	Legislature	To save money by setting stricter spending limits on state government. In addition, the spending limit will direct more revenues into the Budget Stabilization Fund and will possibly refund revenues to individual and corporate taxpayers.	Statutory amendment		

Five states have laws providing for a spending limit with a mechanism to return revenue above a designated target to taxpayers. These states are Oregon, Florida, Michigan, Missouri and Colorado.

The Oregon spending limit, commonly referred to as its "kicker law," is established in the Oregon Constitution. It is a tax rebate program through which a rebate is given to both individual and corporate taxpayers when actual revenue in a fiscal year exceeds the forecast revenue by more than 2%. The amount rebated is the excess above 2%. Stated otherwise, Oregon refunds excess revenue to taxpayers when actual general fund revenues exceed the forecast amount by more than 2%. Oregon's kicker law applies separately to corporations and individuals. If revenues from the corporate income tax exceed their forecast by more than 2%, all revenue in excess of the forecast is refunded to corporations. If revenues from all other general fund sources, including personal income tax, exceed their forecast, the excess is refunded to individuals through the personal income tax program. In some years, rebates may be made to corporations but not individuals, and vice-versa. The rebates are not given in the form of tax credits; the Oregon Department of Revenue distributes the rebate in what is known to Oregonians as a kicker check.

The purpose of the Oregon kicker law is to limit spending from the state's general fund and to prevent the state from adding recurring expenditures to its budget in economic booms for which there will not be revenue during economic downturns. Voters overwhelmingly approved the law in 1980, but the first kicker rebate did not occur until 1985 when actual revenue exceeded the forecast revenue by 7.7%. The kicker was triggered again in 1987, 1995, 1997, 1999, 2001 and 2007. Oregon's kicker law was placed in its constitution in 1999 by vote of the people, with 62% of the voters in favor. The Oregon kicker law is administered through its corporate and personal income tax programs because Oregon relies more heavily on the income tax than any other state relies on a single revenue source; income taxes generate 75% of the money in Oregon's general fund. The Oregon legislature may vote to cancel either the corporate kicker rebate or the individual kicker rebate in a given year.

The Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that Louisiana law be changed to provide, by statute, for a Louisiana spending limit identical to the Oregon spending limit, known as the Oregon kicker law, with the exception that, under the Louisiana spending limit, excess revenues would first be deposited into



the Louisiana Budget Stabilization Fund (the Rainy Day Fund) until that fund reaches its cap. The Commission further recommends that the Louisiana spending limit shall be cancelled or overridden in a particular year only by a two-thirds vote of the Louisiana Legislature, which shall be subject to veto by the governor.

## COMMISSION RECOMMENDATION #222

CSG #222

AGCS #38

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

### NARRATIVE:

The Advisory Group on Civil Service and Employee Benefits was advised in its November 9, 2009, meeting regarding separation packages employed in other states in 2008 and 2009. The Advisory Group learned that the primary components of separation packages include lump-sum payments, health insurance coverage, funding or tuition waivers for additional training or education, and increases in retirement benefits. The Advisory Group additionally heard that the unintended consequences created by these separation packages related to unexpectedly large increases in the unfunded accrued liabilities of retirement systems, and reemployment of retirees resulting in the receipt of two checks from taxpayer-funded sources.

On November 23, 2009, the Advisory Group on Civil Service and Employee Benefits proposed this recommendation. Representative Jim Morris presented the proposal to the Commission on Streamlining Government, which received it on December 1, 2009, and amended and adopted the recommendation on December 8, 2009.

### HISTORY:

12/08/09 - Adopted by the Commission on Streamlining Government

12/01/09 - Received by the Commission on Streamlining Government

11/23/09 - Introduced and adopted by the Advisory Group on Civil Service and Employee Benefits

### DOCUMENTS:

See attachments

ADVISORY GROUP ON Civil Service and Employee Benefits

PROPOSAL #:

AGCS # 38

SUBJECT: Separation package: basic components

DATE ADOPTED BY ADVISORY GROUP:

November 23, 2009

COMMISSION ACTION: AMENDED \ ADOPTED

DATE: December 8, 2009

RECOMMENDATION #: 222

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

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
<p>Should a reduction in force become necessary, the design process of the staff reduction plan should include discussions of a separate package. The package details should be determined only after designation of programs to be reduced or eliminated or positions to be emptied. Any such package may include three basic components: (1) a lump-sum payment, (2) provision for health insurance, and (3) provision for education or training. If the package is offered as an incentive for voluntary separation, any employee taking the incentive should be prohibited from employment with the state or from entering into a contract to provide services on behalf of the state for a period of 36 months. If the person is reemployed or enters a contract within the prohibition period, the person should reimburse the state the proportionate value of the incentive package. Any separation to which a separation package applies should trigger the abolition of positions; however, if a position is critical to the mission of the agency, the agency should be permitted to abolish another position or combination of positions that represent the elimination of the same amount of salary and benefit costs from the agency's budget.</p>	<p>Legislature; Governor; effected agencies; Department of State Civil Service</p>	<p>To provide a full range of options for easing state workers from employment with the state to retirement or to other employment should a reduction-in-force become necessary.</p>	<p>Identification of programs to be reduced or eliminated or positions to be emptied; filing of layoff plans; determination of the appropriate combination of components; appropriation of monies to fund the package.</p>	<p>Ease of transition and reduced anxiety for employees who are laid off; maximization of savings from the reduction-in-force; possible savings in unemployment payments if these persons secure employment quickly; possible increase in tax revenue from wages earned and purchases made.</p>	

ADVISORY GROUP ON Civil Service and Employee Benefits

PROPOSAL #:

AGCS # 38

SUBJECT: Separation package: basic components

DATE ADOPTED BY ADVISORY GROUP:

November 23, 2009

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Should a reduction in force become necessary, the design process of the staff reduction plan should include discussions of a separate package. The package details should be determined only after designation of programs to be reduced or eliminated or positions to be emptied. Any such package should include three basic components: (1) a lump-sum payment, (2) provision for health insurance, and (3) provision for education or training. If the package is offered as an incentive for voluntary separation, any employee taking the incentive should be prohibited from employment with the state or from entering into a contract to provide services on behalf of the state for a period of 36 months. If the person is reemployed or enters a contract within the prohibition period, the person should reimburse the state the proportionate value of the incentive package. Any separation to which a separation package applies should trigger the abolition of positions; however, if a position is critical to the mission of the agency, the agency should be permitted to abolish another position or combination of positions that represent the elimination of the same amount of salary and benefit costs from the agency's budget.</p>	<p>Legislature; Governor; effected agencies; Department of State Civil Service</p>	<p>To provide a full range of options for easing state workers from employment with the state to retirement or to other employment should a reduction-in-force become necessary.</p>	<p>Identification of programs to be reduced or eliminated or positions to be emptied; filing of layoff plans; determination of the appropriate combination of components; appropriation of monies to fund the package.</p>	<p>Ease of transition and reduced anxiety for employees who are laid off; maximization of savings from the reduction-in-force; possible savings in unemployment payments if these persons secure employment quickly; possible increase in tax revenue from wages earned and purchases made.</p>	

## COMMISSION RECOMMENDATION #223

CSG #223

Martin #42

Convert all agency advertising notices to electronic notification where feasible.

### NARRATIVE:

At the December 8, 2009 meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation. There was discussion about the issue and clarification that it was directed at executive branch agencies only, not to the legislative branch or judicial branch. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

### HISTORY:

12/08/09 - Adopted by the Commission on Streamlining Government  
12/08/09 - Introduced at the Commission on Streamlining Government

### DOCUMENTS:

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No **RECOMMENDATION 223**  
Streamlining Draft **AGMARTIN 42**

<b>Date:</b> December 16, 2009 10:38 AM	<b>Author:</b>
<b>Dept./Agy.:</b>	<b>Analyst:</b> Evan Brasseaux
<b>Subject:</b>	

Convert all agency advertising notices to electronic notification where feasible

Convert all agency advertising notices to electronic notification where feasible

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5-YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5-YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The proposed Streamlining Commission recommendation will result in an indeterminable decrease in state expenditures. State agencies currently post their bid notices on the internet and also publish the notice of advertisement for bid in major newspapers. Elimination of the requirement to advertise in newspapers will result in a significant decrease in expenditures related to advertising. For illustrative purposes, the DOA has surveyed five state agencies to determine the total amount expended in FY 09 related to advertising. The total expenditures by these agencies is shown below:

DOTD	\$52,775
Dept. of Corrections	\$1,000
LSU-BR	\$8,407
DHH	\$8,000
*DOA	<u>\$100,000</u>
Total	\$170,182

\*The figure shown above for the DOA includes both the Office of State Purchasing and Facility Planning and Control.

Expenditure savings resulting from this recommendation will occur in various means of finance as reflected above.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk  
Legislative Fiscal Officer**

MEMBER: Roy O. Martin PROPOSAL# Martin #42 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Legal notice DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 223

RECOMMENDATION: Convert all agency advertising notices to electronic notification where feasible.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Convert all agency advertising notices to electronic notification where feasible.	Legislature	Cost savings and efficiency	Legislation	\$200,000 minimum annual savings	Done

MEMBER: \_\_\_\_\_ **Roy O. Martin** \_\_\_\_\_ **PROPOSAL#** \_\_\_\_\_ **Martin #42** \_\_\_\_\_ **REFERRED TO AG on:** \_\_\_\_\_

SUBJECT: \_\_\_\_\_ **Legal notice** \_\_\_\_\_ **DATE REPORTED BY AG:** \_\_\_\_\_ **REPORT:** \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ **DATE:** \_\_\_\_\_

**RECOMMENDATION:** Convert all agency advertising notices to electronic notification where feasible.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
Convert all agency advertising notices to electronic notification where feasible.	Legislature	Cost savings and efficiency	Legislation	\$200,000 minimum annual savings	Done



## COMMISSION RECOMMENDATION #224

**CSG #224****Erwin #09**

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

**NARRATIVE:**

At the December 8, 2009, meeting of the Commission on Streamlining Government, Mr. Barry Erwin introduced a recommendation that provided for DPS to outsource IT applications and services where appropriate to improve operating efficiencies and realize savings.

According to DPS' response to a cabinet department survey conducted by the Division of Administration and presented to the Commission at its meeting on August 18, 2009, it maintains a data center that provides a variety of traditional and customized IT services for the public safety user community. An experienced IT outsourcing contractor could assess the performance and improvement opportunities for DPS' networks, servers and equipment. Working with data center personnel, the partner could plan and manage equipment upgrades and system migrations that would save costs, improve operating efficiency, and expand the data center's ability to accommodate new services and applications.

DPS estimates initial costs savings for minimal IT outsourcing of functions to be approximately \$350,000 annually (\$175,000 for FY '11 as it will take some time for contracts to be awarded and effective and changes implemented). Cost savings could escalate with larger applications outsourced.

Mr. Erwin presented this recommendation at the December 8, 2009, meeting of the Commission on Streamlining Government and it was adopted.

**HISTORY:**

12/08/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

**DOCUMENTS:**

See attachments

MEMBER: Barry Erwin PROPOSAL# Erwin #09 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: DPS&C/Public Safety - IT DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 224

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>DPS outsource IT applications and services where appropriate to improve operating efficiencies and realize savings.</p>	<p>DPS</p>	<p>DPS maintains a data center that provides a variety of traditional and customized IT services for the Public Safety user community. An experienced IT outsourcing contractor could assess the performance and improvement opportunities for their networks, servers and equipment. Working with data center personnel, the partner could plan and manage equipment upgrades and system migrations that would save costs, improve operating efficiency and expand the data center's ability to accommodate new services and applications.</p>	<p>DPS continue working with experience IT contractors and IT industry personnel to determine best ways to outsource applications and services.</p>	<p>Initial estimated costs savings for minimal IT outsourcing functions is approximately \$350,000 annually (\$175,000 for FY 11 as it will take time for contracts to be awarded and effective and changes implemented). Cost savings could escalate with larger applications of outsourcing.</p>	<p>RFP needs to be issued and awarded for contractor, then work can begin for applications and services.</p>

MEMBER: Barry Erwin PROPOSAL# Erwin #09 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: DPS&C/Public Safety - IT DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
DPS outsource IT applications and services where appropriate to improve operating efficiencies and realize savings.	DPS	DPS maintains a data center that provides a variety of traditional and customized IT services for the Public Safety user community. An experienced IT outsourcing contractor could assess the performance and improvement opportunities for their networks, servers and equipment. Working with data center personnel, the partner could plan and manage equipment upgrades and system migrations that would save costs, improve operating efficiency and expand the data center's ability to accommodate new services and applications.	DPS continue working with experience IT contractors and IT industry personnel to determine best ways to outsource applications and services.	Initial estimated costs savings for minimal IT outsourcing functions is approximately \$350,000 annually (\$175,000 for FY '11 as it will take time for contracts to be awarded and effective and changes implemented). Cost savings could escalate with larger applications of outsourcing.	RFP needs to be issued and awarded for contractor, then work can begin for applications and services.

## COMMISSION RECOMMENDATION #225

**CSG #225****Erwin #11**

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

**NARRATIVE:**

At the December 8, 2009, meeting of the Commission on Streamlining Government, Mr. Barry Erwin introduced a recommendation that provided for DSS to eliminate the EITC technical support program.

According to DSS' response to a cabinet department survey conducted by the Division of Administration and presented to the Commission at its meeting on August 18, 2009, EITC is a refundable credit that is available to certain individuals and families who have low-to-moderate levels of earned income and are taking care of minor children. DSS budgeted \$1,200,000 of Temporary Aid to Needy Families (TANF) funds for community organizations to assist low-income families who qualify for EITC complete their tax returns. DSS proposed to eliminate funding for this purpose in anticipation of a shortage in TANF funds for other core needs. Mr. Erwin testified that DSS plans to continue their work with the Department of Revenue on public outreach efforts regarding EITC.

Any savings from the elimination of this program activity are intended to be redirected to the core service activities provided through the TANF grant.

Mr. Erwin presented this recommendation at the December 8, 2009, meeting of the Streamlining Commission and it was adopted.

**HISTORY:**

12/08/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

**DOCUMENTS:**

See attachments

MEMBER: Barry Erwin PROPOSAL# Erwin #11 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: DSS - EITC Program DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 225

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
DSS eliminate the EITC technical support program since it is not within the core competency of the department.	DSS	The EITC is a refundable credit that is available to certain individuals and families who have low-to-moderate levels of earned income and are taking care of at least one or two minor children. DSS contracts with various community-based organizations to assist individuals and families that qualify for EITC complete their tax returns. DSS identified this program as a "poor performing program(s) within [their] agency that should be eliminated." DSS indicated that they are working with Dept. of Revenue to provide such services.	May need amendment to state plan for Temporary Aid to Needy Families (TANF) Block Grant.	DSS budgets \$1.2M of their federal TANF grant for contracts with community-based organizations to provide this service and estimates same in savings if program is eliminated.	Commission's work is done with recommendation.

MEMBER: Barry Erwin      PROPOSAL# Erwin #11      REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: DSS - EITC Program      DATE REPORTED BY AG: \_\_\_\_\_      REPORT: \_\_\_\_\_  
 COMMISSION ACTION: \_\_\_\_\_      DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
DSS eliminate the EITC technical support program since it is not within the core competency of DSS.	DSS	The EITC is a refundable credit that is available to certain individuals and families who have low-to-moderate levels of earned income and are taking care of at least one or two minor children. DSS contracts with various community-based organizations to assist individuals and families that qualify for EITC complete their tax returns. DSS identified this program as a "poor performing program(s) within [their] agency that should be eliminated." DSS indicated that they are working with Dept. of Revenue to provide such services.	May need amendment to state plan for Temporary Aid to Needy Families (TANF) Block Grant.	DSS budgets \$1.2M of their federal TANF grant for contracts with community-based organizations to provide this service and estimates same in savings if program is eliminated.	Commission's work is done with recommendation.

## COMMISSION RECOMMENDATION #226

CSG #226

Kennedy #03

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

### NARRATIVE:

This recommendation was considered by the Commission on Streamlining Government at the December 8, 2009, meeting. Mr. John Kennedy read the recommendation as follows: "To require that the FAIR and COASTAL Plans be administered pursuant to the laws governing the plans that were in effect before the adoption of Act 1133 of the 2003 regular legislative session creating the Citizens Property Insurance Corporation, and that Citizens cease all operations. Because Citizens has bonded and other indebtedness as well as assets, Citizens would continue to exist only to serve its outstanding policies through the next renewal dates and to buy and collect emergency assets as well as any other revenue until all the bonded and other indebtedness of Citizens is paid in full, at which time Citizens would transfer all remaining assets to the state, be terminated and cease to exist." Mr. Kennedy stated that this recommendation would abolish Citizens but would not abolish the insurance system of last resort. Mr. Kennedy then explained how the state has provided insurance of last resort historically in this state. The commission then received testimony from former Commissioner of Insurance Jim Brown concerning this recommendation. Mr. Kennedy stated that this recommendation would be in line with how the other Gulf Coast states address the problem of insurance of last resort. Mr. Martin expressed some concern over the recommendation because he was unsure what would happen to the people who have Citizens insurance. Mr. Kennedy stated that those people would go back to being under the FAIR and COASTAL plans. Mr. Roy Martin proposed an amendment that would delete the language after "cease all operations" and insert "after its debts are paid off and if private insurance and/or the FAIR and COASTAL plans are established." Without objection the amendment was adopted. Without objection the amended recommendation was adopted. (Commission on Streamlining Government Meeting, 12/8/2009)

### HISTORY:

12/08/09 - Amended and adopted by the Commission on Streamlining Government  
12/01/09 - Received by the Commission on Streamlining Government

### DOCUMENTS:

See attachments

MEMBER: Treasurer John Kennedy PROPOSAL# Kennedy #03 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: FAIR and COASTAL Plans - Administration DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: AMENDED \ ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 226

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Require that the FAIR and COASTAL Plans be administered pursuant to the laws governing the plans that were in effect before the adoption of Act 1133 of the 2003 regular legislative session creating the Citizens Property Insurance Corporation, and that Citizens cease all operations after its debts are paid off and if private insurance and/or the FAIR and COASTAL plans are established.	Legislature		Legislation		



**MEMBER:** Treasurer John Kennedy **PROPOSAL#** Kennedy #03 **REFERRED TO AG on:** \_\_\_\_\_

**SUBJECT:** FAIR and COASTAL Plans - Administration **DATE REPORTED BY AG:** \_\_\_\_\_ **REPORT:** \_\_\_\_\_

**COMMISSION ACTION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**RECOMMENDATION:** To require that the FAIR and COASTAL Plans be administered pursuant to the laws governing the plans that were in effect before the adoption of Act 1133 of the 2003 regular legislative session creating the Citizens Property Insurance Corporation, and that Citizens cease all operations. Because Citizens has bonded and other indebtedness as well as assets, Citizens would continue to exist only to serve its outstanding policies through the next renewal dates and to buy and collect emergency assets as well as any other revenue until all the bonded and other indebtedness of Citizens is paid in full, at which time Citizens would transfer all remaining assets to the state, be terminated and cease to exist.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
To require that the FAIR and COASTAL Plans be administered pursuant to the laws governing the plans that were in effect before the adoption of Act 1133 of the 2003 regular legislative session creating the Citizens Property Insurance Corporation, and that Citizens cease all operations. Because Citizens has bonded and other indebtedness as well as assets, Citizens would continue to exist only to serve its outstanding policies through the next renewal dates and to buy and collect emergency assets as well as any other revenue until all the bonded and other indebtedness of Citizens is paid in full, at which time Citizens would transfer all remaining assets to the state, be terminated and cease to exist.	Legislature		Legislation		

## COMMISSION RECOMMENDATION #227

**CSG #227**

**Kennedy #4**

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

### **NARRATIVE:**

This recommendation was considered by the Commission on Streamlining Government on December 8, 2009. Mr. John Kennedy explained his recommendation and stated it would change the retirement systems from a defined benefit to a defined contribution plan. Mr. Kennedy stated he thought the advantages of a defined contribution plan outweighed the disadvantages of such a plan. The recommendation was adopted. (Commission on Streamlining Government meeting, 12/8/2009)

### **HISTORY:**

12/08/09 - Adopted by the Commission on Streamlining Government  
12/01/09 - Received by the Commission on Streamlining Government

### **DOCUMENTS:**

See attachments

MEMBER: Treasurer John Kennedy PROPOSAL# Kennedy #04 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: State Retirement Systems DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 227

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Require that the retirement plan benefit structure for the four state retirement systems be changed to a defined contribution plan for all new employees hired after July 1, 2010.	Legislature		Legislation		

**MEMBER:** Treasurer John Kennedy **PROPOSAL #** Kennedy #04 **REFERRED TO AG on:** \_\_\_\_\_

**SUBJECT:** State Retirement Systems **DATE REPORTED BY AG:** \_\_\_\_\_ **REPORT:** \_\_\_\_\_

**COMMISSION ACTION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
To require that the retirement plan benefit structure for the four state retirement systems be changed to a defined contribution plan for all new employees hired after July 1, 2010.	Legislature		Legislation		

## COMMISSION RECOMMENDATION #228

CSG #228

Martin #37

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

### NARRATIVE:

At the December 8, 2009, meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation. The Department of Economic Development presented documentation to the commission that the agency could reduce its operating costs by reducing the site-specific fund. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

### HISTORY:

12/08/09 - Adopted by the Commission on Streamlining Government

12/01/09 - Introduced at the Commission on Streamlining Government

### DOCUMENTS:

See attachments



**LEGISLATIVE FISCAL OFFICE**  
**Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 228**  
 Streamlining Draft **AGMARTIN 37**

<b>Date:</b> December 16, 2009 12:30 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Economic Development	<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Reduce site-specific fund	

This recommendation affirms the actions by the Department of Economic Development in reducing the annual appropriation to the Project Site-Specific Fund.

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Project Site-Specific Program is funded by direct appropriation and is used to respond to site selection consultants for studies, analyses, assessments and other functions related to an individual site. Prior to FY 09/10, this program was appropriated \$2 million annually. In the FY 09/10 budget, the appropriation was reduced to \$500,000 for an annual savings of \$1.5 million in the Louisiana Economic Development Fund and is expected to remain at that level in the future. Since savings are already incorporated into the department's budget, adoption of this recommendation will provide no additional savings in subsequent budgets.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk**  
**Legislative Fiscal Officer**

MEMBER: Roy O. Martin PROPOSAL# Martin #37 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Economic development DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 228

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Reduce the site-specific fund in the Department of Economic Development, which is used to cover project-specific expenses related to business retention and recruitment efforts.	Legislature, Department of Economic Development		Legislation; Rules changes	\$1.5 million	Done

MEMBER: Roy O. Martin PROPOSAL# Martin #37 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Economic development DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Reduce the site-specific fund in the Department of Economic Development, which is used to cover project-specific expenses related to business retention and recruitment efforts.	Legislature, Department of Economic Development		Legislation; Rules changes	\$1.5 million	Done



## COMMISSION RECOMMENDATION #229

**CSG #229**

**Martin #39**

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

### **NARRATIVE:**

At the December 8, 2009, meeting of the Commission on Streamlining Government, Mr. Roy Martin presented this recommendation. The Department of Economic Development presented documentation to the commission that the agency could reduce its operating costs by changing the supporting guarantees for the Small Business Loan Guarantee Program. Following discussion, Mr. Martin moved to adopt the recommendation. The recommendation was adopted.

### **HISTORY:**

12/08/09 - Adopted by the Commission on Streamlining Government  
12/01/09 - Introduced at the Commission on Streamlining Government

### **DOCUMENTS:**

See attachments



**LEGISLATIVE FISCAL OFFICE**  
**Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 229**  
 Streamlining Draft **AGMARTIN 39**

<b>Date:</b> December 16, 2009 12:32 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Economic Development	<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Change small business loan guarantees	

This recommendation affirms the actions by the Department of Economic Development in changing the reserve requirements for the Small Business Loan Guarantee Program.

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Small Business Loan Guarantee Program requires a reserve on hand to cover the guarantee provided by the state. Prior to FY 09/10, the state was required to provide certificates of deposit of 100% of the amount of the loan guarantees. In the FY 09/10 budget, the reserve requirement was reduced to 25% due to low historical default rates resulting in an annual savings of \$5 million in the Louisiana Economic Development Fund, which is expected to remain at that level in the future. Since savings are already incorporated into the department's budget, adoption of this recommendation will provide no additional savings in subsequent budgets.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk**  
**Legislative Fiscal Officer**

MEMBER: Roy O. Martin PROPOSAL# Martin #39 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Economic development DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 229

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Change the supporting guarantees for Small Business Loan Guarantee Program in the Department of Economic Development.	Legislature, Department of Economic Development	Reduction	Legislation; Rules changes	\$5 million	Done

MEMBER: Roy O. Martin PROPOSAL# Martin #39 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Economic development DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Change the supporting guarantees for Small Business Loan Guarantee Program in the Department of Economic Development.	Legislature, Department of Economic Development	Reduction	Legislation; Rules changes	\$5 million	Done

## COMMISSION RECOMMENDATION #230

CSG #230

Kennedy #8

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

### **NARRATIVE:**

This recommendation was considered by the Commission on Streamlining Government on December 8, 2009. Mr. John Kennedy read his recommendation to the commission. He explained that the state was losing \$5,000,000 a year on the Crescent City Connection Division and this recommendation would prevent the Crescent City Connection Division from spending more than they make in tolls. The recommendation was adopted without objection. (Commission on Streamlining Government meeting, 12/8/2009)

### **HISTORY:**

12/08/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

### **DOCUMENTS:**

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 230**  
Streamlining Draft **AGKENNEDY 08**

<b>Date:</b> December 14, 2009 10:28 AM	<b>Author:</b>
<b>Dept./Agy.:</b> DOTD	<b>Analyst:</b> Travis McIlwain
<b>Subject:</b> Crescent City Connection Division (CCCD)	

Tolls Page 1 of 1  
Crescent City Connection Division (CCCD)

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

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	(\$3,490,583)	(\$3,490,583)	(\$3,490,583)	(\$3,490,583)	(\$3,490,583)	<b>(\$17,452,915)</b>
Ded./Other	(\$5,194,516)	(\$5,194,516)	(\$5,194,516)	(\$5,194,516)	(\$5,194,516)	<b>(\$25,972,580)</b>
Federal Funds	(\$825,000)	(\$825,000)	(\$825,000)	(\$825,000)	(\$825,000)	<b>(\$4,125,000)</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>(\$9,510,099)</b>	<b>(\$9,510,099)</b>	<b>(\$9,510,099)</b>	<b>(\$9,510,099)</b>	<b>(\$9,510,099)</b>	<b>(\$47,550,495)</b>

**EXPENDITURE EXPLANATION**

The CCCD has incurred expenditures and utilized its various revenue sources to fund those expenditures. However, this recommendation would likely require the CCCD to prioritize its expenditures as approximately \$9.5 M of available revenues would no longer be available for expenditure. Some of the major CCCD expenditure expenditures include: \$7.0 M in bridge personnel costs for 128 positions of which 35 are police officers at a cost of \$2.2 M, operation and maintenance of 3 ferries at an annual cost of approximately \$9.0 M and 85 positions, annual debt service payments for \$2.5 M.

**REVENUE EXPLANATION**

The proposed recommendation will result in decreased revenues available to the CCCD in the amount of \$9.5 million. Based upon FY 09 prior year actual data, the CCCD's revenue sources, which total approximately \$30.9 million, are as follows: \$144,839 - interest on investments, \$21,379,157 - toll revenues, \$56,488 - scrip revenue (businesses buying bulk toll tags), \$251,831 - ferry revenue, \$5,194,516 - State Highway Fund #2, \$47,835 - other income, \$825,000 - federal grants (FTA), \$2,989,590 - prior year reserves. To the extent all other revenue sources are not available and the toll revenues are the only source that can be utilized, the CCCD will only have approximately \$21.4 million of \$30.9 million of annual revenue available for expenditure.

For the past 5 fiscal years, the CCCD on average has utilized approximately \$5.1 million of unreserved fund balance to fund its annual expenditures (includes the \$4.0 million annual insurance policy that has been canceled). This recommendation prevents the CCCD from utilizing such a fund balance to maintain its current operational level. In addition, the State Highway Fund #2 is currently utilized by the CCCD to pay its debt service. Based upon the latest debt schedule information, the CCCD will pay its debt completely by 2013. Therefore CCCD's debt service payment in FY 10 is projected to be \$2.4 million. Based upon the latest adopted revenue forecast, the CCCD's portion of State Highway Fund #2 is greater than its annual debt service by \$2.5 million, which would allow the CCCD to utilize this excess for operating expenditures. If this recommendation is enacted, the CCCD will have to utilize its toll revenues for debt service, which leaves approximately \$18.9 million of available revenues for actual operational expenditures.

NOTE: R.S. 47:820.5 provides for the tolls on the CCCD to be eliminated on December 31, 2012. When the tolls are eliminated and CCCD's debt is paid in full, the CCCD will no longer have approximately \$25.0 million in available funding (\$20.0 toll revenues and \$5.0 million State Highway Fund #2). Unless the bonds are refinanced and extended and the tolls are renewed via legislation, these two revenue sources will no longer be available to the CCCD. To the extent the bonds are paid in full, based upon attorney general opinion 92-74, "after said bonds have been fully paid in principal and interest further payments to said bridge and ferry authority shall cease and the said fifty percent (50%) of the surplus monies remaining in State Highway Fund #2 shall be transferred to the General Highway Fund." Because the General Highway Fund no longer exists, it is unclear if that dedication would go to the State General Fund or the Transportation Trust Fund (TTF) once the CCCD's bond debt is paid in full.

Senate

- 13.5.1 >= \$500,000 Annual Fiscal Cost  
 13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk  
Legislative Fiscal Officer**

MEMBER: Treasurer John Kennedy PROPOSAL# Kennedy #08 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Crescent City Connection Division DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ ADOPTED \_\_\_\_\_ DATE: December 8, 2009 RECOMMENDATION #: 230

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Provide that the annual budget for the Crescent City Connection Division of the Department of Transportation and Development can be no more than the amount of annual tolls collected by the Crescent City Connection, which tolls cannot be raised without a two-thirds vote of the legislature.	Legislature		Legislation		

MEMBER: Treasurer John Kennedy      PROPOSAL # Kennedy #08      REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Crescent City Connection Division      DATE REPORTED BY AG: \_\_\_\_\_      REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_      DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Provide that the annual budget for the Crescent City Connection Division of the Department of Transportation and Development can be no more than the amount of annual tolls collected by the Crescent City Connection, which tolls cannot be raised without a two-thirds vote of the legislature.	Legislature		Legislation		



## COMMISSION RECOMMENDATION #231

CSG #231

Kennedy #11

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

### NARRATIVE:

This recommendation was considered by the Commission on Streamlining Government on December 8, 2009. Mr. John Kennedy read his recommendation to the commission. He believed this was important because of how dramatically this might impact the capital outlay program in the state. There was some discussion as to how the hospital would be bonded and the affect that would have on the state. Ms. Davis offered an amendment that the recommendation read as follows: "Require any revisions to the final business plan for the proposed new Charity Hospital in New Orleans previously approved by the Joint Legislative Committee on the Budget in 2007 to be resubmitted for approval to the Joint Legislative Committee on the Budget prior to the sale of bonds by the governing corporation or the state." Mr. Kennedy thought it was important for the entire legislature to vote on the issue and that was the basis of his objection. The amendment was adopted by a vote of seven yeas and three nays. The amended recommendation was adopted without objection. (Commission on Streamlining Government meeting, 12/8/2009)

### HISTORY:

12/08/09 - Received, amended and adopted by the Commission on Streamlining Government  
(rules suspended)

### DOCUMENTS:

See attachments



**LEGISLATIVE FISCAL OFFICE**  
**Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 231**  
 Streamlining Draft **AGKENEDY 11**

<b>Date:</b> December 18, 2009 2:12 PM	<b>Author:</b>
<b>Dept./Agy.:</b> Legislature	<b>Analyst:</b> Charley Rome
<b>Subject:</b> Requires JLCB Approval of Business Plan for N. O. Hospital	

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

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Joint Legislative Committee on the Budget meets monthly and can review the business plan at no additional cost to the state.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk**  
**Legislative Fiscal Officer**

MEMBER: Treasurer John Kennedy PROPOSAL# Kennedy #11 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Charity Hospital - Business Plan DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: AMENDED \ ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 231

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Require any revisions to the final business plan for the proposed new Charity Hospital in New Orleans previously approved by the Joint Legislative Committee on the Budget in 2007 to be resubmitted for approval to the Joint Legislative Committee on the Budget prior to the sale of bonds by the governing corporation or the State.	Legislature		Legislation		

MEMBER: Treasurer John Kennedy PROPOSAL# Kennedy #11 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Charity Hospital - Business Plan DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Require any revisions to the final business plan for the proposed new Charity Hospital in New Orleans previously approved by the Joint Legislative Committee on the Budget in 2007 to be resubmitted for approval to the Joint Legislative Committee on the Budget prior to the sale of bonds by the governing corporation or the State.	Legislature		Legislation		

## COMMISSION RECOMMENDATION #232

CSG #232

Kennedy #18

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

### **NARRATIVE:**

This recommendation was considered by the Commission on Streamlining Government on December 8, 2009. Mr. John Kennedy read his recommendation to the commission. Ms. Davis asked for clarification on the meaning of nonperformance and expressed some general concerns. The recommendation was adopted without objection. (Commission on Streamlining Government meeting, 12/8/2009)

### **HISTORY:**

12/08/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

### **DOCUMENTS:**

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 232**  
Streamlining Draft **AGKENNEDY 18**

<b>Date:</b> December 16, 2009 10:41 AM	<b>Author:</b>
<b>Dept./Agy.:</b>	<b>Analyst:</b> Evan Brasseaux
<b>Subject:</b> State Contracts	

Page 1 of 1

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

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

<b>EXPENDITURES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this recommendation. The DOA notes that cancellation for nonperformance is relatively uncommon and contracting language exists to prohibit payment to vendors who have not met performance measures. Proper performance measures and monitoring by the state agency is critical to prohibit payment to vendors who do not meet such performance outcomes. To the extent that this type of situation occurs and a contract is cancelled for nonperformance, measures can be put into place to assure that any service being provided which is considered an emergency can be continued through emergency contracting provisions.

NOTE: The elimination of vendors which do not meet performance expectations should result in a more productive pool of candidates for state contracts and will also provide incentive to vendors to perform successfully in all such contracts.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules  
 13.5.1 >= \$500,000 Annual Fiscal Cost  
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House  
 6.8(F) >= \$500,000 Annual Fiscal Cost  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*  
**H. Gordon Monk**  
**Legislative Fiscal Officer**

MEMBER: Treasurer John Kennedy PROPOSAL # Kennedy #18 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: State Contracts DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 232

RECOMMENDATION: Provide that no vendor whose contract with the state has been cancelled for nonperformance shall be eligible to contract with the state for 5 years.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Provide that no vendor whose contract with the state has been cancelled for nonperformance shall be eligible to contract with the state for 5 years.	Legislature		Legislation		

**MEMBER:** Treasurer John Kennedy      **PROPOSAL #** Kennedy #18      **REFERRED TO AG on:** \_\_\_\_\_  
**SUBJECT:** State Contracts      **DATE REPORTED BY AG:** \_\_\_\_\_      **REPORT:** \_\_\_\_\_  
**COMMISSION ACTION:** \_\_\_\_\_      **DATE:** \_\_\_\_\_

**RECOMMENDATION:** Provide that no vendor whose contract with the state has been cancelled for nonperformance shall be eligible to contract with the state for 5 years.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
Provide that no vendor whose contract with the state has been cancelled for nonperformance shall be eligible to contract with the state for 5 years.	Legislature		Legislation		



## COMMISSION RECOMMENDATION #233

CSG #233

Kennedy #19

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

### NARRATIVE:

This recommendation was considered by the Commission on Streamlining Government on December 8, 2009. Mr. John Kennedy read his recommendation to the commission. The recommendation was adopted without objection. (Commission on Streamlining Government meeting, 12/8/2009)

### HISTORY:

12/08/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

### DOCUMENTS:

See attachments

MEMBER: Treasurer John Kennedy PROPOSAL# Kennedy #19 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Taxes/Fees DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 233

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The governor and the Legislature increase no state tax or fee to deal with the current budgetary shortfall.	Legislature		Legislation		

MEMBER: Treasurer John Kennedy PROPOSAL# Kennedy #19 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Taxes/Fees DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The governor and the Legislature increase no state tax or fee to deal with the current budgetary shortfall.	Legislature		Legislation		

## COMMISSION RECOMMENDATION #234

CSG #234

Kennedy #21

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

### NARRATIVE:

This recommendation was considered by the Commission on Streamlining Government on December 8, 2009. Mr. John Kennedy read his recommendation to the commission. Mr. Kennedy stated that this recommendation would reduce the spending by the Office of Juvenile Justice. Mr. Kennedy stated that Louisiana was spending \$141,000 per secured bed and the state should be spending at the southern average. Ms. Angele Davis offered an amendment for language after "Southern average" to read "as long as the reduction does not interfere with the transfer or implementation of the Missouri Model." Mr. Kennedy objected to the amendment and it was adopted by a vote of eight yeas and one nay. The amended recommendation was adopted without objection. (Commission on Streamlining Government meeting, 12/8/2009)

*\* Per the executive branch, a state by state comparison for the cost per day can lead to invalid conclusions. Costs reported in one state may contain certain system or treatment components that are not included in other states. For example, Missouri does not actually house severely mentally ill youth in their juvenile justice system; Louisiana does. Additionally, Louisiana provides vocational education for its youth in secure care; Missouri does not. The Office of Juvenile Justice reported that for FY 09, the average cost per year for a youth served in secure care was \$60,677. This number is derived by the sum of the three facility budgets divided by the number of youth actually served in FY 09.*

### HISTORY:

12/08/09 - Received, amended, and adopted by the Commission on Streamlining Government

### DOCUMENTS:

See attachments

MEMBER: Treasurer John Kennedy PROPOSAL# Kennedy #21 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Office of Juvenile Justice DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_ RECOMMENDATION #: 234

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
To provide that annual spending per secure commitment bed in the Office of Juvenile Justice be reduced to the Southern average, as long as the reduction does not interfere with the transfer or implementation of the Missouri Model.	Legislature		Legislation		

MEMBER: Treasurer John Kennedy PROPOSAL # Kennedy #21 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Office of Juvenile Justice DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

RECOMMENDATION: To provide that annual spending per secure commitment bed in the Office of Juvenile Justice be reduced to the Southern average.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
To provide that annual spending per secure commitment bed in the Office of Juvenile Justice be reduced to the Southern average.	Legislature		Legislation		

## COMMISSION RECOMMENDATION #235

CSG #235

Kennedy #23

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

**NARRATIVE:**

This recommendation was considered by the Commission on Streamlining Government on December 8, 2009. Mr. John Kennedy read his recommendation to the commission. Mr. Kennedy said this recommendation was from the SECURE report. He also noted what the spans of control were in other states. Mr. Kennedy also referenced a legislative auditor report which indicated the span of control in Louisiana was about one to four. Without objection the recommendation was adopted. (Commission on Streamlining Government meeting, 12/8/2009)

**HISTORY:**

12/08/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

**DOCUMENTS:**

See attachments

MEMBER: Treasurer John Kennedy PROPOSAL# Kennedy #23 REFERRED TO AG on: \_\_\_\_\_

SUBJECT: Management - Spans Of Control DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 235

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Provide that the span of control in all departments shall be a minimum of one manager per ten employees. Highly technical, policy or non-repetitive functions may have a span of control as low as one manager per five employees with the permission of the Joint Legislative Committee on the Budget.	Legislature		Legislation		



**MEMBER:** Treasurer John Kennedy **PROPOSAL#** Kennedy #23 **REFERRED TO AG on:** \_\_\_\_\_

**SUBJECT:** Management - Spans Of Control **DATE REPORTED BY AG:** \_\_\_\_\_ **REPORT:** \_\_\_\_\_

**COMMISSION ACTION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

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

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
Provide that the span of control in all departments shall be a minimum of one manager per ten employees. Highly technical, policy or non-repetitive functions may have a span of control as low as one manager per five employees with the permission of the Joint Legislative Committee on the Budget.	Legislature		Legislation		

**COMMISSION RECOMMENDATION #236****CSG #236****Kennedy #7**

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

**NARRATIVE:**

This recommendation was considered by the Commission on Streamlining Government on December 8, 2009. Mr. John Kennedy read his recommendation to the commission. He explained that when an NGO appropriation is vetoed by the governor, NGO's should not be allowed to contract with the agency. Senator Donahue questioned Mr. Kennedy concerning a specific NGO which provided mental health services and how this recommendation would affect that NGO. Ms. Angele Davis offered an amendment to add language after "department or agency" to read "to which the same or similar function is being provided by a department of agency,". The amendment was objected to by Mr. Kennedy and was adopted by a vote of six yeas and four nays. Mr. Barry Erwin offered an amendment to add language after "governor" to read "unless strictly for budgetary purposes," and this amendment was adopted. (Commission on Streamlining Government meeting, 12/8/2009)

**HISTORY:**

12/8/09 - Received, amended, and adopted by the Commission on Streamlining Government (rules suspended)

**DOCUMENTS:**

See attachments

**MEMBER:** Treasurer John Kennedy **PROPOSAL#** Kennedy #07 **REFERRED TO AG on:** \_\_\_\_\_

**SUBJECT:** Contracts - Nongovernmental Organizations **DATE REPORTED BY AG:** \_\_\_\_\_ **REPORT:** \_\_\_\_\_

**COMMISSION ACTION:** AMENDED \ ADOPTED **DATE:** December 8, 2009 **RECOMMENDATION #:** 236

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

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
No NGO shall be eligible to contract with a department or agency to which the same or similar function is being provided by a department of agency, if an appropriation for that NGO has been vetoed by the governor, unless strictly for budgetary purposes, and has not been overridden by the Legislature. The prohibition shall exist for a period of one year after the governor's veto message.	Legislature		Legislation		

**MEMBER:** Treasurer John Kennedy **PROPOSAL#** Kennedy #07 **REFERRED TO AG on:** \_\_\_\_\_

**SUBJECT:** Contracts - Nongovernmental Organizations **DATE REPORTED BY AG:** \_\_\_\_\_ **REPORT:** \_\_\_\_\_

**COMMISSION ACTION:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

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

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
No NGO shall be eligible to contract with a department or agency to which the same or similar function is being provided by a department of agency, if an appropriation for that NGO has been vetoed by the governor, unless strictly for budgetary purposes, and has not been overridden by the Legislature. The prohibition shall exist for a period of one year after the governor's veto message.	Legislature		Legislation		

## COMMISSION RECOMMENDATION #237

CSG #237

Davis #11

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

### **NARRATIVE:**

At the December 8, 2009, meeting of the Streamlining Commission, Commissioner Angele Davis made a recommendation to require the Department of Public Safety and Corrections, Corrections Services to explore legislation and rulemaking to identify any administrative efficiencies and potential cost savings.

At a minimum, the Department of Public Safety and Corrections, Corrections Services should consider any possible reductions in the current size of the parole and probation populations, including ways to adjust parole periods for certain non-violent individuals that avoid technical violations. The Department's recommendations should be made with public safety firmly in mind, including a focus on the portion of the probation and parole population that is more likely to recidivate.

This recommendation was presented to the Commission on Streamlining Government on December 8, 2009, and was adopted by the Commission.

### **HISTORY:**

12/08/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

### **DOCUMENTS:**

See attachments

MEMBER: Commissioner Angele Davis      PROPOSAL# Davis #11      REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: DPS&C - legislation cost savings      DATE REPORTED BY AG: \_\_\_\_\_      REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED      DATE: December 8, 2009      RECOMMENDATION #: 237

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Require the Department of Public Safety and Corrections, Corrections Services to explore legislation and rule making to identify any administrative efficiencies and potential cost savings. At a minimum, the Department should consider any possible reductions in the current size of the parole and probation populations, including ways to adjust parole periods for certain non-violent individuals that avoid technical violations. The Department's recommendations should be made with public safety firmly in mind, including a focus on the portion of the probation and parole population that is more likely to recidivate.	Dept of Corrections.				

**MEMBER:** Commissioner Angele Davis      **PROPOSAL #** Davis #11      **REFERRED TO AG on:** \_\_\_\_\_  
**SUBJECT:** DPS&C - legislation cost savings      **DATE REPORTED BY AG:** \_\_\_\_\_      **REPORT:** \_\_\_\_\_  
**COMMISSION ACTION:** \_\_\_\_\_      **DATE:** \_\_\_\_\_

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Require the Department of Public Safety and Corrections, Corrections Services to explore legislation and rule making to identify any administrative efficiencies and potential cost savings. At a minimum, the Department should consider any possible reductions in the current size of the parole and probation populations, including ways to adjust parole periods for certain non-violent individuals that avoid technical violations. The Department's recommendations should be made with public safety firmly in mind, including a focus on the portion of the probation and parole population that is more likely to recidivate.	Dept of Corrections.				

## COMMISSION RECOMMENDATION #238

CSG #238

Davis #12

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

### NARRATIVE:

At the December 8, 2009, meeting of the Streamlining Commission, Commissioner Angele Davis made a recommendation to direct the Louisiana Sentencing Commission to complete its work and provide the legislature with recommendations for the 2010 Regular Session that will improve public safety and be cost effective to taxpayers.\* Commissioner Davis noted that Act 629 of the 2008 Regular Session reenacted the Louisiana Sentencing Commission, which is comprised of individuals appointed by the governor, members of the legislatures, and members of the judicial system. The Sentencing Commission's charge is to review the state's sentencing structure and report its findings to the legislature by March 2010. She stated that as of December eighth, the Sentencing Commission has not convened.

The Sentencing Commission should review sentencing laws and the review should include the following: (1) An evaluation of the current classification and sentencing structure of non-violent felony offenses and recommendations for sentencing alternatives, particularly with regard to long-term supervision. According to information provided by the Governor's Office, 59% of offenders in state custody are serving time for non-violent crimes. (2) An analysis and recommendations focused on the state's drug policies in relation to sentencing guidelines and prison population. According to information provided by the Governor's Office, 78% of the prison population is serving sentences for offenses related to drug activity. (3) Recommendations on the diminution of sentence statutes - "good time statutes" - with specific proposals for legislation to make it more consistent and less complicated.

This recommendation was presented to the Commission on Streamlining Government on December 8, 2009, and was adopted by the Commission.

*\* According to the executive branch, when examining the state's budget, priorities, and impending shortfalls, it is important to consider the price for taxpayers to maintain current levels of incarceration. Corrections expenditures compete with and diminish funding for education, public health, public safety, and other programs that are designed to reduce the prison population. While any savings from any savings from changes in sentencing structures will not immediately reduce the prison population, this will potentially result in significant long-term cost savings to the state of Louisiana while maintaining public safety as a priority.*



**HISTORY:**

12/08/09 - Received and adopted by the Commission on Streamlining Government (rules suspended)

**DOCUMENTS:**

See attachments



**LEGISLATIVE FISCAL OFFICE  
Streamlining Commission Analysis**

Recommendation No. **RECOMMENDATION 238**  
Streamlining Draft **AGDAVIS 12**

<b>Date:</b> December 22, 2009 10:27 AM	<b>Author:</b>
<b>Dept./Agy.:</b> Louisiana Sentencing Commission	<b>Analyst:</b> Matthew LaBruyere
<b>Subject:</b> Review Sentencing Laws	

The proposed recommendation by the Commission on Streamlining Government directs the Louisiana Sentencing Commission to complete its work and provide the Legislature with recommendations for the 2010 Regular Session that will improve public safety and be cost effective to taxpayers.

EXPENDITURES	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUES	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The impact of the proposed recommendation depends on the recommendations issued by the Louisiana Sentencing Commission.

The Louisiana Commission on Law Enforcement (LCLE) requested budgetary funding for this program in November 2008 for the FY 10 budget, but was not funded. A request was submitted for the FY 11 and is still pending.

The Sentencing Commission has begun limited work on the sentencing structure, but without the necessary funding, the full research program will be difficult. However, the Sentencing Commission is proceeding with its work and plans to present its initial report to the Legislature in March of 2010.

The Sentencing Commission conducted limited reports using Department of Corrections data which has served as a starting point. The Sentencing Commission has identified statutory provisions governing each area identified in Act 629, began a statistical review of prison admissions and trends, and began a statistical review of recidivism relating to incarcerated populations.

To the extent the Sentencing Commission is able to determine recommendations that will improve public safety and be cost effective, the result could be a decrease in state general fund expenditures.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

**H. Gordon Monk  
Legislative Fiscal Officer**

MEMBER: Commissioner Angele Davis PROPOSAL# Davis #12 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: La Sentencing Commission DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: ADOPTED DATE: December 8, 2009 RECOMMENDATION #: 238

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Direct the Louisiana Sentencing Commission to complete its work and provide the Legislature with recommendations for the 2010 Regular Session that will improve public safety and be cost effective to taxpayers. The Sentencing Commission should review sentencing laws and the review should include the following: (1) An evaluation of the current classification and sentencing structure of non-violent felony offenses and recommendations for sentencing alternatives, particularly with regard to long-term supervision. (59% of offenders in state custody are serving time for non-violent crimes). (2) An analysis and recommendations focused on the state's drug policies in relation to sentencing guidelines and prison population. (78% of the prison population is serving sentences for offenses related to drug activity). (3) Recommendations on the diminution of sentence statutes-"good time statutes"- with specific proposals for legislation to make it more consistent and less complicated.</p>	<p>Louisiana Sentencing Commission.</p>		<p>Report to the Legislature.</p>		

MEMBER: Commissioner Angele Davis      PROPOSAL#               DAVIS #12      REFERRED TO AG on:           
 SUBJECT: La Sentencing Commission      DATE REPORTED BY AG:               REPORT:           
 COMMISSION ACTION:               DATE:         

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

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Direct the Louisiana Sentencing Commission to complete its work and provide the Legislature with recommendations for the 2010 Regular Session that will improve public safety and be cost effective to taxpayers. The Sentencing Commission should review sentencing laws and the review should include the following: (1) An evaluation of the current classification and sentencing structure of non-violent felony offenses and recommendations for sentencing alternatives, particularly with regard to long-term supervision. (59% of offenders in state custody are serving time for non-violent crimes). (2) An analysis and recommendations focused on the state's drug policies in relation to sentencing guidelines and prison population. (78% of the prison population is serving sentences for offenses related to drug activity). (3) Recommendations on the diminution of sentence statutes-"good time statutes"-with specific proposals for legislation to make it more consistent and less complicated.</p>	<p>Louisiana Sentencing Commission.</p>		<p>Report to the Legislature.</p>		

# Appendices

**December 22, 2009**

### **III. Appendices**

- A. Commission/Advisory Group Membership**
  - B. Enabling Legislation**
  - C. Governor Jindal's letter to Commission**
  - D. Initial Report Recommendations** *(Dec. 15, 2009)*
  - E. Recommendation Summary by Agency/Entity**
  - F. Recommendation Summary by Subject Matter**
  - G. Other Member Proposals**  
*Failed/Withdrawn/Ruled Non-Germane*
  - H. Other Advisory Group Proposals**  
*Failed/Withdraw/Ruled Non-Germane*
-

## 2009 COMMISSION ON STREAMLINING GOVERNMENT MEMBERSHIP

*Senator Jack Donahue*, designee of the President of the Senate, Chairman  
*Mr. Roy O. Martin, III*, gubernatorial appointee from private enterprise, Vice Chairman  
*Commissioner of Administration Angele Davis*  
*Mr. Barry Erwin*, gubernatorial appointee from private enterprise  
*Representative Brett F. Geymann*, designee of the House Appropriations Committee Chairman  
*Mr. Leonal Hardman*, appointee of the Senate president nominated by the AFL/CIO  
*State Treasurer John Kennedy*  
*Mr. Lansing Kolb*, appointee of the House speaker from private enterprise  
*Senator Mike Michot*, Chairman of the Senate Finance Committee  
*Representative Jim Morris*, designee of the Speaker of the House of Representatives

### ADVISORY GROUP MEMBERSHIP

CIVIL SERVICE AND EMPLOYEE BENEFITS	Representative Jim Morris, Chairman Mr. Lansing Kolb Representative Mike Danahay Representative Kevin Pearson Representative Karen St. Germain
EFFICIENCY AND BENCHMARKING	State Treasurer John Kennedy, Chairman Mr. Leonal Hardman Mr. Jeb Bruneau Mr. Ron Gomez Mr. James H. Napper, II
ELIMINATION OF DUPLICATIVE AND NON-ESSENTIAL SERVICES	Mr. Barry Erwin, Chairman Senator Jack Donahue Mr. Jay H. Campbell, Jr. Mr. W. J. Tony Gordon Mr. Evans C. Spiceland
IT INTEGRATION	Senator Mike Michot, Chairman Commissioner Angele Davis Ms. Della Bonnette Senator Ann Duplessis Mr. G. Patrick Thompson, Jr.
OUTSOURCING, PRIVATIZATION, AND RISK MANAGEMENT	Mr. Roy O. Martin, III, Chairman Representative Brett F. Geymann Mr. Bill Fenstermaker Mr. David R. Perry Mr. Raymond A. Peters

SENATE BILL NO. 261

BY SENATORS DONAHUE AND THOMPSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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AN ACT

To enact Part II of Chapter 2 of Title 24 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 24:101 through 109, relative to streamlining state government; to create the Commission on Streamlining Government and provide for the membership, powers, duties, and functions of the commission; to provide a procedure for the submission, consideration, approval, and implementation of recommendations of the Commission on Streamlining Government; to provide for staff support and finances for the commission; to provide for cooperation with and support for the commission; to provide for the applicability of other laws; to provide for termination; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Part II of Chapter 2 of Title 24 of the Louisiana Revised Statutes of 1950, comprised of R.S. 24:101 through 109, is hereby enacted to read as follows:

**PART II. STREAMLINING GOVERNMENT**

**§101. Purpose and findings**

**A. The state of Louisiana faces a severe decline in revenues through fiscal year 2012 which, if no corrective action is taken, will leave a significant funding gap in state government expenditures and will create serious sustainability issues in financing of state obligations.**

**B. It is essential that the state act now to reduce the cost of state government, through all means available, including efficiencies, economies, greater effectiveness, and other means to streamline government in order to overcome the projected severe revenue reductions occurring through 2012 and to ensure that available state tax dollars are being spent efficiently and effectively. Many state agencies were created over thirty years ago and a review**



1 of all agencies and its activities, functions, programs, and services is needed to  
2 determine whether the purpose served by the agency or activity, function,  
3 program, or service continues to be relevant.

4 **§102. Definitions**

5 As used in this Part, the following terms shall have the following  
6 meanings, unless the context requires otherwise:

7 (1) "Activity" means a distinct subset of functions or services within a  
8 program.

9 (2) "Agency" means and includes any office, department, board,  
10 commission, institution, division, office, instrumentality, or functional group,  
11 heretofore existing or hereafter created, that is authorized to exercise, or that  
12 does exercise, any functions in the executive branch of state government.

13 "Agency" shall not mean any public institution of postsecondary education, any  
14 postsecondary education governing or management board, or any entity under  
15 the control of a public institution of postsecondary education or postsecondary  
16 education governing or management board.

17 (3) "Commission" means the Commission on Streamlining Government.

18 (4) "Functions" means duties, jurisdiction, powers, rights, and  
19 obligations, conferred or imposed upon, or vested in, any agency by law, or  
20 exercised, performed, or discharged by any agency without contravention of  
21 any provision of law.

22 (5) "Objective" is a specific and measurable target for achievement  
23 which describes the exact results sought, which is expressed in an  
24 outcome-oriented statement that may reflect effectiveness, efficiency, or quality  
25 of work, and which may be either numeric or non-numeric.

26 (6) "Performance indicator" means a statement identifying an activity,  
27 input, output, outcome, achievement, ratio, efficiency, or quality to be measured  
28 relative to a particular goal or objective in order to assess an agency's  
29 performance. Performance indicator shall also mean measurement of any other  
30 aspect of performance as determined by rule issued by the commissioner of

1 administration under the provisions of the Administrative Procedure Act.

2 (7) "Performance standard" means the expected level of performance  
 3 associated with a particular performance indicator for a particular period.

4 (8) "Program" means a grouping of activities directed toward the  
 5 accomplishment of a clearly defined objective or set of objectives.

6 (9) "Quality" means degree or grade of excellence.

7 §103. Commission on Streamlining Government; established

8 A. There is established the Commission on Streamlining Government to  
 9 examine each agency's constitutional and statutory activities, functions,  
 10 programs, services, powers, duties, and responsibilities to determine which of  
 11 these activities, functions, programs, services, powers, duties, and  
 12 responsibilities can be (1) eliminated, (2) streamlined, (3) consolidated, (4)  
 13 privatized, or (5) outsourced in an effort to reduce the size of state government.

14 B. The commission shall target agencies whose activities, functions,  
 15 programs, or services can be consolidated or eliminated, in addition to  
 16 identifying opportunities for privatizing and outsourcing current state activities,  
 17 functions, programs, or services.

18 C. The commission shall examine the necessity and performance of  
 19 activities, functions, programs, and services to ensure that they are meeting  
 20 current performance standards effectively and efficiently and they are meeting  
 21 the needs of Louisiana citizens.

22 D. The commission shall be composed as follows:

23 (1) The commissioner of administration, or the commissioner's designee.

24 (2) The speaker of the House of Representatives, or the speaker's  
 25 designee.

26 (3) The president of the Senate, or the president's designee.

27 (4) The state treasurer, or the treasurer's designee.

28 (5) The chairman of the House Committee on Appropriations, or the  
 29 chairman's designee.

30 (6) The chairman of the Senate Committee on Finance, or the chairman's

1 designee.

2 (7) Two individuals engaged in private enterprise, appointed by the  
3 governor, which individuals shall be subject to Senate confirmation.

4 (8) One individual engaged in private enterprise, appointed by the  
5 speaker of the House of Representatives.

6 (9) One individual selected from a list of three individuals nominated by  
7 the AFL/CIO, and appointed by the president of the Senate, which individual  
8 shall be subject to Senate confirmation.

9 E. The commission may hold public hearings as part of its evaluation  
10 process, and may appoint advisory groups to conduct studies, research or  
11 analyses, and make reports and recommendations with respect to a matter  
12 within the jurisdiction of the commission. At least one member of the  
13 commission shall serve on each advisory group.

14 F.(1) The names of the persons who are to serve on the commission shall  
15 be submitted to the president of the Senate on or before July 15, 2009.

16 (2) The president of the Senate shall call the first meeting of the  
17 commission which shall be held on or before July 30, 2009.

18 (3) At the first meeting, the members of the commission shall  
19 elect from their membership a chairman and vice chairman and such  
20 other officers as the commission may deem advisable. The president of  
21 the Senate or his designee shall preside over the commission until a  
22 chairman is elected by the commission.

23 **§104. Procedure**

24 **A. Reports submitted by the Commission on Streamlining Government**  
25 **pursuant to this Section may include any of or any combination of the following:**

26 **(1) Recommendations to eliminate, streamline, consolidate, privatize, or**  
27 **outsource constitutional and statutory agency activities, functions, programs,**  
28 **services, powers, duties, and responsibilities to provide the same or greater type**  
29 **and quality of activity, function, program, or service that will result in cost**  
30 **reduction or greater efficiency or effectiveness.**



1           (2) Recommendations to ensure that agency activities, functions,  
2           programs, and services are not duplicative and are necessary, meeting or  
3           exceeding performance standards, and meeting the needs of Louisiana citizens.

4           (3) Recommendations for the elimination, consolidation, privatization,  
5           or outsourcing of an agency to provide a more cost efficient or more effective  
6           manner of providing an activity, function, program, or service.

7           (4) Recommendations providing for the use of alternative resources to  
8           the operation of agencies, activities, functions, programs, and services to  
9           provide a more cost-effective manner without impacting the quality or  
10           availability of needed services.

11           (5) Recommendations for standards, processes, and guidelines for  
12           agencies to use in order to review and evaluate government activities, functions,  
13           programs, and services to eliminate, streamline, consolidate, privatize, or  
14           outsource.

15           B.(1) The commission shall submit an initial report of its  
16           recommendations, including recommendations requiring legislation or  
17           administrative action, to the governor, the president of the Senate, the speaker  
18           of the House of Representatives, the Senate and Governmental Affairs  
19           Committee, the House and Governmental Affairs Committee, and the  
20           commissioner of administration no later than December 15, 2009.

21           (2) The commission shall prepare the recommendations in the report as  
22           a reorganization plan and submit the plan to the Senate and Governmental  
23           Affairs Committee and the House and Governmental Affairs Committee for  
24           consideration by January 4, 2010 and the committees, meeting as a joint  
25           committee, shall review the plan by February 1, 2010.

26           (3) Executive and legislative action as may be necessary to implement the  
27           reorganization plan as approved or modified by the two committees meeting  
28           jointly shall be taken as soon as possible.

29           C. The commission shall submit a report annually before January first  
30           consisting of the status and implementation of the reorganization plan approved

1 by the Senate and Governmental Affairs Committee and the House and  
2 Governmental Affairs Committee to the governor, the president of the Senate,  
3 the speaker of the House of Representatives, the Senate and Governmental  
4 Affairs Committee, the House and Governmental Affairs Committee, and the  
5 commissioner of administration.

6 **§105. Staff support**

7 The staffs of the Senate, House of Representatives, Legislative Fiscal  
8 Office, legislative auditor, office of the governor, and division of administration  
9 may provide staff support and otherwise assist the commission as requested by  
10 the commission. The commission may submit a written request to the president  
11 of the Senate, the speaker of the House of Representatives, the legislative fiscal  
12 officer, the legislative auditor, or the commissioner of administration, for  
13 specific support and assistance to be provided by the staffs of their respective  
14 agencies.

15 **§106. Agency cooperation and assistance**

16 A. Each agency and political subdivision shall furnish aid, services, and  
17 assistance as may be requested by the commission.

18 B. To the extent permitted by and in accordance with R.S. 44:1 et seq.,  
19 each officer, agency, and political subdivision shall make available all facts,  
20 records, information, and data requested by the commission and in all ways  
21 cooperate with the commission in carrying out the functions and duties imposed  
22 by this Part.

23 **§107. Finances**

24 A. The commission may apply for, contract for, receive, and expend for  
25 purpose of this Part any appropriation or grant from the state, its political  
26 subdivisions, the federal government, or any other public or private source.

27 B. The books and records of the commission shall be subject to audit by  
28 the legislative auditor pursuant to R.S. 24:513.

29 **§108. Effect on other law**

30 This Part shall not be deemed to supercede or limit the provisions of Part

1 XII of Chapter 1 of Title 49 of the Louisiana Revised Statutes of 1950.

2 §109. Termination of Part

3 This Part shall become null and of no effect on January 12, 2012.

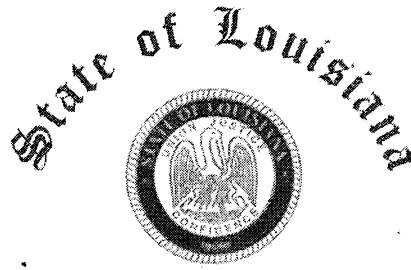
4 Section 2. This Act shall become effective upon signature by the governor or, if not  
5 signed by the governor, upon expiration of the time for bills to become law without signature  
6 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
7 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
8 effective on the day following such approval.

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_



**BOBBY JINDAL**  
GOVERNOR

Post Office Box 94004  
Baton Rouge, LA 70804-9004

OFFICE OF THE GOVERNOR

September 16, 2009

Senator Jack Donahue  
Chairman  
Commission on Streamlining Government  
3840 Hwy. 22  
Mandeville, LA 70471

Dear Senator Donahue:

I would like to thank you, once again, for the time, work and commitment you have demonstrated through your service on the Commission on Streamlining Government. The work of this body will be critical in evaluating the operation of state government, and determining strategies that reduce costs through efficiencies while providing critical services for our people.

As you know, our state's five-year budget outlook shows an estimated shortfall of almost \$1 billion in FY11 and nearly \$2 billion in FY12. This translates into approximately \$802 million in needed savings for the next fiscal year, excluding \$146 million, at a minimum, in recurring expenditure reductions needed in higher education.

While several factors contribute to our projected multi-year budget deficit, the most significant factor is this decrease in the state's federal health care funding for those using Medicaid. In October of this year, the state's Federal Medical Assistance Percentages (FMAP) rate will drop from 72 to 67.6 percent. The rate drops again from 67.6 to 63.1 percent in October 2010. The drop in the state's FMAP rate from 72 to 63.1 percent will cost Louisiana an estimated \$700 million, with the state seeing the full impact starting January 2011.

The dramatic decrease is due to a faulty federal formula that calculates all sources of income in a state. From 2005 to 2007, according to the Bureau of Economic Analysis, Louisiana's per-capita income is reported to have increased by 42 percent. This includes all sources of income, including temporary government assistance, such as federal recovery assistance administered after the severe 2005 storms, including Road Home and insurance payments.

In addition to FMAP reductions, the federal Centers for Medicare and Medicaid Services have published a final rule that will no longer allow Louisiana and other states to use the current method of calculating Disproportionate Share Hospital (DSH) payments. It is projected that the impact of this new federal rule will be a \$120 to \$160 million reduction in federal uncompensated care payments.



As you work to recommend ways to transition Louisiana's government into a more sustainable and efficient posture, the following are a few of the larger cost-drivers that have the most impact on our state's expenditures, for your consideration:

**1. Medicaid: \$6.2 billion**

The state budget for FY 2009-2010 reflects a total means of financing of \$6.27 billion for Medicaid. Of that amount, \$1.03 billion is directly allocated from the state General Fund. According to the Kaiser Family Foundation, Louisiana had the 19<sup>th</sup> highest overall expenditures in Medicaid in 2007 and has among the highest per enrollee expenses for the federal Medicare program. Despite this level of spending, the state has ranked 50th in United Health Foundation's State Health Rankings for sixteen of eighteen years and Louisiana ranks at the bottom of every other national comparison of health status and health system performance. Louisiana needs to better coordinate care for Medicaid recipients, improve health outcomes by catching and treating chronic diseases earlier and help rein in rising costs due to Medicaid fraud and overuse of expensive emergency room care. Louisiana has, in fact, submitted a waiver to restructure the Medicaid system through coordinated care networks. While approval of this waiver has been delayed as a result of federal health reform negotiations, a coordinated delivery system is of interest to several provider organizations that agree Louisiana must fundamentally reform its Medicaid program. DHH is in discussion with these groups to develop ways to enhance the existing CommunityCARE program through the potential creation of integrated networks to reduce unnecessary or duplicative care, increase access and improve health outcomes.

**2. Minimum Foundation Program (MFP): \$3.2 billion**

The state budget for FY 2009-2010 reflects a total means of financing of \$3.27 billion for the Minimum Foundation Program (MFP). Of that amount, \$2.93 billion is directly allocated from the state General Fund. We must ensure that MFP dollars are being spent at the local level to achieve our desired educational outcomes – increasing academic achievement for all students, reducing the number of children dropping out of school, and preparing an educated workforce. During the past legislative session, we championed a bill to make MFP funding more accountable and transparent, requiring the Louisiana Department of Education to annually publicize school-level expenditures and collect data showing how weighted funds are used to benefit intended students with special needs. We should continue to pursue measures that provide for greater efficiency and accountability in MFP dollars.

**3. Higher Education: \$2.8 billion**

While the Postsecondary Education Review Commission is working on reform initiatives to achieve efficiencies in the higher education system, it does seem appropriate for this commission to review the need for greater transparency in the usage of appropriated dollars within the system. For example, of the 87,905 Executive Branch full-time state employees, 45,776, or 52 percent, are not directly controlled by the administration or the Legislature through specific position appropriation but through submission to the Department of State Civil Service. The vast majority of these employees reside in the higher education system. The Commission should consider whether the same level of

transparency, accountability, and appropriated approval should be granted to all full-time state employees.

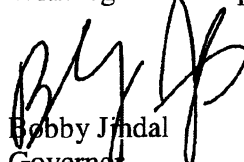
**4. Statutory Dedications: \$3.7 billion**

About \$3.7 billion, or 26 percent, of the total state funds in the budget are statutorily dedicated. Of the \$3.7 billion statutorily dedicated funds, about \$1.9 billion are constitutional and \$1.8 billion are protected by statute. The total number of dedicated funds is close to 400 (33 constitutional and about 358 statutory). While dedicated funding is sometimes necessary to address longstanding critical needs, it also locks in spending and locks out choices for budget savings. Progress in providing greater accountability to protected funds was made in the recent legislative session with the passage of SB 2 by Senator Chaisson, which increases flexibility for lawmakers in addressing statutorily dedicated budgeting matters, and SB 267 by Senator Michot, which establishes a greater level of transparency in state spending habits by providing a regular review of statutorily dedicated funds.

While these are just a few of the state's larger cost drivers, rest assured my office and all of my cabinet members stand ready to work side-by-side with you in achieving outcome-driven savings throughout state government. As I stated during the Commission's first meeting, your work cannot result in just another report to collect dust on the shelf. We must build on the momentum from this past legislative session to restructure state government by making real and lasting reforms that achieve savings by: 1) eliminating activities, entities, statutory dedications, and programs that are outdated, duplicative, or fall outside the scope of the results we are trying to achieve, 2) privatizing or outsourcing activities that yield greater savings and service to citizens, 3) initiating efficiencies through the integration of technology, and 4) improving the effectiveness and efficiency in the state government employment system by tying pay to performance and linking merit raises and promotions to an employee's performance on the job and not just the amount of time they have spent holding a position. While all four of these cost-cutting strategies are necessary for a comprehensive approach to streamlining government, the first strategy – program, entity, and spending item eliminations – is perhaps the most important.

Now is the time to drive the reforms needed to create a strong and sustainable state government that is accountable and effective. I am looking forward to your thoughtful and bold recommendations, and I stand ready to work with you to implement the changes needed to best serve our citizens and our state.

With regards and appreciation,



Bobby Jindal  
Governor

# COMMISSION ON STREAMLINE GOVERNMENT INITIAL REPORT RECOMMENDATIONS December 15, 2009

Recommendation Number	Description
1	Reduce total number of state-owned automobiles to 2004 level over a 12 month period.
2	Reduce total number of automobiles by 20% and convert many agency fleets to rental over a 12 month period.
3	Hold department heads accountable for poor safety performance by department employees.
4	Hire a safety consulting firm, where necessary, to train poorly performing department personnel to prevent work-related accidents.
5	Develop coordinated plan for consolidated collection of accounts receivable where feasible.
6	Require non-resident contractors to include tax ID number on each permit and proof that contractor has completely registered to do business in Louisiana.
7	Department of Revenue increase number of auditors through employee definitions to increase compliance.
8	Move department of Social Services printing and mail operations to private company.
9	Department of Health and Hospitals transition Medicaid to integrated delivery system with care coordination.
10	Department of Health and Hospitals solicit qualified providers to partially privatize centers for the developmentally disabled by transferring residents to private centers or transitioning them to community based services. Further recommends the department consolidate state run centers. These solicitations should be competitively based on cost and quality experiences and the contract should contain incentives to reduce costs and compliance with regulatory requirements.
11	Department of Health and Hospitals implement a competitive bid process to redirect services from public health units to local providers (such as FQHC's & RHC's).
12	Department of Health and Hospitals consolidate operated in-patient health services in Greater New Orleans area.
13	Department of Health and Hospitals review RFP to privatize community homes, independent living clients and extended family living.
14	Department of Public Safety & Corrections, Corrections Services review RFP to outsource all aspects of food services.
15	Department of Natural Resources review RFP to outsource data entry for archiving lease records.
16	Department of Natural Resources implement a pilot program to change inspection of wells by self-reporting affidavit with appropriate penalty for non-compliance.
17	Require electronic reports by energy producers to the Department of Natural Resources.
18	Issue an RFP to look at the possibility of outsourcing the workers' compensation claims management process to a private company and eliminate fraud by getting rid of the on-line claims system.
19	Louisiana Workforce Commission eliminate Second Injury Fund over time.
20	Department of Social Services should implement on average a 1:8 supervisor-employee report ratio.
21	Place jurisdiction over all receivables by all departments in Louisiana state government with the Cash Management Review Board and require that the State Receivables Report be compiled and published no later than 60 days after the end of every quarter.

- 22 Direct the Division of Administration to determine the value and the "highest and best use" of each state-owned property, and develop opportunities for the state to enter into public-private development partnerships with private and non-profit public partners, chosen by competitive bid, in order to develop and manage state-owned real estate in a manner that achieves the "highest and best use" of the property, increases cash flow for taxpayers, meets smart growth principles, and satisfies the highest standards of design and environmental sustainability.
- 23 Develop cooperative arrangements with Arkansas and Mississippi which would identify and explore creative, synergistic opportunities to make the operation of state government and the provision of state government services more cost effective and efficient.
- 24 Sunset and abolish all special funds in the State Treasury and the statutes establishing such special funds, with some exceptions, as of June 30, 2011, after a full comprehensive review by the Joint Legislative Committee on the Budget by December 31, 2010.
- 25 The governor and the legislature authorize and direct the LSU Health System to adopt the recommendations of Alvarez and Marsal for the operation of the interim Charity Hospital in New Orleans. The governor and legislature direct every other charity hospital in Louisiana to contract for a similar financial and operational assessment with a third party private sector consulting firm, such as but not necessarily Alvarez and Marsal, that specializes and has a proven track record in turnaround management, corporate restructuring and performance improvement for institutions and their stakeholders.
- 26 The governor and the legislature are urged to utilize and strictly apply the criteria of Act 842 of the 2008 Regular Session with eligibility for funding being limited to organizations that are accredited or certified by the Louisiana Association of Nonprofit Organizations or nationally certified or accredited and following the content of the existing executive order which content should be made statutory. Further the Legislative Auditor and Inspector General should have ample tools and mandates to oversee these funds with all due diligence.
- 27 Louisiana Workforce Commission write an RFP to privatize the issuance & distribution of certificates to one-stop participants.
- 28 Department of Environmental Quality issue the RFP for the outsourcing of the DEQ Laboratory Services Division and eliminate an administrator position as part of the outsourcing of lab services.
- 29 Department of Environmental Quality lease office & warehouse space at reduced rates from the Department of Agriculture and Forestry.
- 30 Department of Environmental Quality cease operations of its library.
- 31 Department of Environmental Quality reduce the workforce TO by 20 through ongoing streamlining opportunities as determined by the Secretary.
- 32 Department of Wildlife and Fisheries consider consolidating the litter hotline from DEQ.
- 33 Department of Wildlife and Fisheries consolidate the marine, inland, and wildlife facilities at the Lacombe Hatchery.
- 34 Department of Public Safety and Corrections - Public Safety Services outsource background checks.
- 35 Department of Public Safety and Corrections - Public Safety Services outsource the Hazardous Materials 24-hour hotline.
- 36 Department of Public Safety and Corrections - Public Safety Services implement a vendor-operated mail room, and print and mail systems.
- 37 Department of Public Safety and Corrections - Public Safety Services consider outsourcing commercial fleet registration for interstate jurisdictions.
- 38 Department of Public Safety and Corrections - Public Safety Services, Department of Health and Hospitals and Department of Veterans Affairs automate time and attendance systems.
- 39 Department of Public Safety and Corrections - Public Safety Services consider outsourcing the centralized call center to a location in Louisiana.

- 40 Department of Veterans Affairs consider consolidating pharmacy services at the veterans homes though an RFP.
- 41 Department of Veterans Affairs consider outsourcing the physician services at the veterans homes through an RFP.
- 42 Department of Veterans Affairs re-negotiate the competitive therapy services at the veterans homes.
- 43 Department of Veterans Affairs evaluate outsourcing or re-negotiate the food contracts at the veterans homes.
- 44 Legislation be enacted to allow reverse auctions.
- 45 Continue the implementation of the LaGov (ERP) project.
- 46 Consolidate the state's data processing assets to move to a centralized data environment.
- 47 Continue the implementation of e-mail as a statewide shared enterprise service.
- 48 Implement an IT spend analysis/agency efficiency scorecard.
- 49 Review, modernize and consolidate management of IT procurement.
- 50 Implement a single infrastructure for external health care initiatives.
- 51 Continue implementation of a management of enterprise network infrastructure.
- 52 Require at least 60% of the money in Louisiana's Capital Outlay Program be spent on road and bridge construction and maintenance through the existing priority program and at least 20% of the money in Louisiana's Capital Outlay Program be spent on deferred maintenance of state buildings, including colleges and universities, for each year of the next five years.
- 53 Require non-elderly, non-disabled recipients of any affordable housing or housing assistance program offered through the Louisiana Housing Finance Agency to obtain formal employment in the private sector or government, and require that those recipients who claim they cannot find employment to participate in a supervised job search or in educational job training program that assists people to obtain employment or perform community service.
- 54 Direct all boards and commissions, except those boards responsible for administering Louisiana's retirement systems, to file electronically, on or before February 1 of each calendar year, with the Commissioner of Administration of the state of Louisiana, the Speaker of the Louisiana House of Representatives and the President of the Louisiana Senate, a financial statement setting forth in detail the assets and liabilities, including unencumbered and encumbered cash on hand, of each board and commission. Further direct all money which is not needed by these boards be subject to appropriation for any lawful purpose by the Legislature.
- 55 State government create a website modeled after the "Where the Money Goes: Window on State Government and Transparency at Work in Texas" website provided by the Texas Comptroller of Public Accounts which is a user friendly website containing a database on state spending searchable by state agency, payee and category of expense, and which includes a virtual check register updated daily and available twenty-four hours a day. Louisiana state government also assimilate into this new website the best practices and user-friendly nature exhibited by the state of Utah's "transparent.utah.gov" website, which is dedicated to the transparency and accountability of Utah's government finances.
- 56 Make pretrial mediation of disputed claims filed with the Office of Workers' Compensation voluntary, which will eliminate the need for six attorney mediators at that office at an average annual savings of \$75,000 for each mediator.
- 57 The Department of Revenue be authorized and directed to establish provisions on its website so that taxpayers may ask questions about tax notices and receive answers online, through email, and that allow taxpayers to file an appeal of an alleged delinquency online.
- 58 Urge departments and agencies of state government to contract with the Department of Revenue to have their document and remittance processing performed by that department until that department's equipment is used as close to 100% of the time as is practical and possible.

- 59 The Louisiana Workforce Commission audit program for unemployment insurance taxes be transferred to the Department of Revenue and that no more than 75% of the monies spent by the Louisiana Workforce Commission to perform this service be appropriated annually to the Department of Revenue to perform the service.
- 60 Transfer the audit functions and responsibilities of the International Registration Plan currently administered by the Department of Public Safety and Corrections to the Department of Revenue, which currently performs audits for the International Fuel Tax Agreement, and require that no more than 75% of the monies spent by the Department of Public Safety and Corrections to perform these services be appropriated to the Department of Revenue to perform the services.
- 61 That inefficient and circular flows of tax payments and tax credits be eliminated by having the state make a direct payment to the local government or entity levying the tax or surcharge for which tax credits are taken.
- 62 All departments and agencies of Louisiana state government to the maximum extent possible contract with the Department of Public Safety and Corrections for prison labor to perform cleaning and janitorial services.
- 63 Direct the Department of Health and Hospitals to immediately and fully implement the provisions of LRS 22:1065 et seq., better known as the "Baby Bill," as well as the Louisiana Health Insurance Premium Payment Program, and report to the Legislature on a semi-annual basis its results to fully implement these two provisions of Louisiana law.
- 64 The fixed-site scale responsibilities of the Department of Transportation and Development be transferred to the Louisiana State Police, and that the State Police be directed to achieve a savings of at least 25% in the second year through the consolidation of the responsibilities.
- 65 The Department of Revenue contract with willing local political subdivisions to have the department, while it is auditing for state sales taxes, to also audit for local sales taxes and be paid a reasonable fee to be negotiated between the two entities.
- 66 Establish single location for information technology help desk functions for all state agencies and its employees.
- 67 Develop plans to further integrate services of the Department of Social Services and the Louisiana Workforce Commission, especially those services where shared clientele is realized.
- 68 Expand current efforts to reduce unused nursing home bed capacity.
- 69 Develop pilot program for long-term care services for the elderly and people with adult-onset disabilities.
- 70 Transfer Independent Living, Community & Family Support, and Traumatic Head and Spinal Cord Injury Trust Fund programs from the Department of Social Services, Louisiana Rehabilitation Services to the Department of Health and Hospitals, Office of Aging and Adult Services.
- 71 Provide a tax clearance requirement for all state vendors and contractors and permit state departments and agencies to "garnish" payment to vendors and contractors doing business with the state and who also have a final judgment as to an account receivable in favor of the state.
- 72 Perform a system-wide analysis of behavioral health needs of high risk children within the child welfare and Office of Juvenile Justice systems to maximize the use of Medicaid funding. Such analysis shall be performed in-house by state employees.
- 73 Merge Capitol Police from within the Division of Administration into the Department of Public Safety & Corrections, Public Safety Services.
- 74 Governor's Office on Homeland Security and Emergency Preparedness work with Louisiana's congressional delegation to identify and utilize federal funding for establishing additional shelter-capacity in-state for Louisiana residents who cannot self-evacuate and shelter during emergency periods.
- 75 Consolidate eligibility and enrollment functions for citizens needing services or support from Department of Social Services or Department of Health and Hospitals at no additional cost.

- 76 Automate Department of Natural Resource's oil and gas permitting and reporting processes under the Office of Conservation.
- 77 Transfer appropriate rehabilitation service functions in the Department of Social Services to the Department of Health and Hospitals and the Louisiana Workforce Commission.
- 78 Board of Elementary and Secondary Education study the use of digital textbooks in state schools and to report to the Legislature prior to March 2010.
- 79 All Louisiana public school students who have been suspended from school for more than five days in a school year or who have more than ten unexcused absences from school in a school year may be required to enroll in the Louisiana National Guard Youth Challenge Program or alternatively, be placed in the Louisiana Department of Education's Jobs for America's Graduates Program, at the discretion of the principal. Pay for increased enrollment in the Youth Challenge Program and/or the JAG Program with Minimum Foundation Program funds. Change Louisiana law to prohibit students from dropping out of school until they have reached 18 years of age.
- 80 Except as required by the federal government, the Louisiana Constitution, or court order, limit State General Fund appropriations in FY 10-11 and FY 11-12 for operating expenses to no more than 98% of each fiscal year's appropriation while, at a minimum. Providing the same kind and level of needed services as provided in the prior fiscal year through increased productivity.
- 81 Request an independent study of "Charity Hospital" to evaluate the overall plan and report findings to the legislature before convening of the next regular session.
- 82 The Department of Health and Hospitals may, to control expenditures, negotiate supplemental rebates for the Medicaid pharmacy program in conjunction with the preferred drug list. In these negotiations, the preferred drug list may be adjusted to reduce costs by revising the state maximum allowable cost methodology for generic drugs, and should then require manufacturers to compete for placement on the preferred drug list based on cost when there is more than one brand in a class.
- 83 Direct the Department of Education and the Board of Elementary and Secondary Education to pursue student based budgeting.
- 84 Governor and legislature authorize the Department of Health and Hospitals to use co-pays up to ten dollars for emergency room treatment to the extent allowed by federal law and in a way that would encourage proper use of resources and discourage overuse of resources that may not be needed. Such co-pay shall not apply to services rendered for emergency conditions or services for children.
- 85 The Board of Regents, in collaboration and consultation with the postsecondary education management boards, study the consolidation of purchasing functions among the campuses to increase purchasing power.
- 86 Department of Wildlife and Fisheries write an RFP to outsource control of aquatic plants.
- 87 Department of Public Safety and Corrections – Corrections Services expand its partnership with Louisiana State University Health Sciences Center - Shreveport to provide the more costly medications to inmates in the Shreveport region.
- 88 Direct the Office of Juvenile Justice to privatize health care services in secure care through an RFP.
- 89 Direct the Office of Juvenile Justice to privatize pharmacy services in secure care through an RFP.
- 90 Office of Juvenile Justice consider privatizing laundry services in secure care through an RFP.
- 91 The Military Department consider outsourcing billeting on their installations through an RFP.
- 92 The Military Department consider outsourcing utilities on their installations through an RFP.
- 93 The Military Department consider outsourcing fixed charge services on their installations through an RFP.

- 94 The Military Department consider outsourcing upgrades/replacement of sewerage treatment and waste water collections on expanding bases through an RFP.
- 95 The Military Department consider outsourcing and improving fleet utilization through an RFP.
- 96 The Department of Health and Hospitals establish a competitive procurement process for operation of inpatient mental health institutions and/or certain services provided at the institutions, and include in the solicitations a requirement for constructing new facilities without using any state debt.
- 97 The Department of Health and Hospitals, Office of Aging and Adult Services implement a needs-based allocation of services in the Elderly and Disabled Adult Waiver Program and the Personal Care Attendant Services Medicaid Option by the end of FY 2009-2010.
- 98 The Department of Health and Hospitals implement a competitive procurement process for Personal Care Services to reduce the number of providers in each department administrative region.
- 99 The Department of Health and Hospitals write an RFP to privatize secure residential services for persons found "Not Guilty by Reason of Insanity" and the "Lockhart" population.
- 100 The Department of Insurance be given permission to buy its own telephone system, which will be an improved system, and also save \$250,000 each year, beginning with the second year after the purchase.
- 101 The LSU Health Care Services Division be directed, to the maximum extent possible, to execute affiliation agreements with other hospitals that have high levels of Medicare patients and a commitment to resident training in order to receive additional money from Medicare for graduate medical education, which such additional monies are currently being left on the table because of low numbers of Medicare patients in the Charity Hospital system.
- 102 The Department of Health and Hospitals consider reducing the administrative costs of the Louisiana Medicaid Program by at least 5%.
- 103 Develop plan to remove the state of Louisiana from the leasing of buildings and office space.
- 104 Create a privatization and outsourcing unit within the Division of Administration having appropriate experience and expertise and provide that such unit is a resource for all departments and agencies considering or implementing privatization or outsourcing regardless of which department controls the asset or the service being privatized or outsourced. The unit will serve as a center of functional excellence for privatization and outsourcing.
- 105 Every department and agency be required to: (1) Organize itself structurally for the delivery of services along uniform regional boundaries as determined by the state; (2) Shift transactions with the public to an electronic online capability as appropriate; and (3) Support regional Government Services Centers under a "mall concept" whereby citizens may go for all government services and processes that could be accessed electronically or with the help of skilled specialists. Department and agency field offices be consolidated to such centers and surplus buildings and personnel be addressed.
- 106 Each state department is to prepare and provide a review or an analysis of what could be changed, modified, consolidated, eliminated, streamlined, improved, and/or enhanced to ultimately permanently reduce or eliminate continuation costs or expenses in their respective department, agency, board or commission. Provide financial incentives for implementation of permanent sustainable savings.
- 107 Office of Juvenile Justice partner with the Department of Social Services and other stakeholders to better implement the Families in Need of Services Program with a goal of preventing youth from entering the costly juvenile justice system.
- 108 School districts should work with the Office of Juvenile Justice to forward local Minimum Foundation Program (MFP) funds to OJJ for students transferred to state custody and are no longer in local schools, eliminating the "double payment" for each student's education by the state and so that MFP dollars follow the student.
- 109 Develop, plan and explore efficiency opportunities for consolidating field sampling programs within the departments of Health and Hospitals, Environmental Quality and Wildlife and Fisheries.



- 110 Department of Health and Hospitals to study appropriate role and determine best future use of Villa Feliciano (VF) Medical Complex either as a medical facility or otherwise.
- 111 Develop, plan and explore efficiency opportunities for consolidating/leveraging of the Department of Health and Hospitals and the Department of Environmental Quality drinking water programs for testing and monitoring and transfer Lead-based Paint Program from DEQ to DHH.
- 112 The Department of Natural Resources should restructure the Office of the Secretary, Management, and the Atchafalaya Basin.
- 113 The permitting teams of the departments of Natural Resources, Wildlife and Fisheries, and Environmental Quality should be co-located.
- 114 The Office of Coastal Protection and Restoration should promote cost savings by holding unfilled positions open and restricting travel.
- 115 The Public Service Commission should be subjected to the criteria of full cost recovery.
- 116 The Public Service Commission should reduce the number of telephone lines and delete voice mail.
- 117 The dues and subscriptions for the entire Public Service Commission that no longer serve the agency's needs or which are too costly should be eliminated.
- 118 The Public Service Commission should consolidate the number of copiers and electronic devices throughout the agency.
- 119 The Public Service Commission should reduce the number of vehicles and implement the use of "pool vehicles".
- 120 The Public Service Commission should use one purchasing source with all purchase orders issued from a central location; additionally the agency should make efforts to buy in bulk, maintain an adequate inventory of supplies and equipment, and implement a requisition system for issuance statewide.
- 121 The Public Service Commission should reduce agency membership in professional regulatory organizations.
- 122 The Public Service Commission should continue to move toward electronic documentation and filing requirements to reduce paper, office supplies, postage, and other associated costs.
- 123 To the extent possible, the Public Service Commission should consolidate multiple investigations within a single subpoena request to reduce enforcement costs.
- 124 The Public Service Commission should maintain and retain information obtained through the subpoena process in a database to avoid duplication of requests for records that must be purchased.
- 125 The Office of Coastal Protection and Restoration should continue to integrate the state's existing coastal restoration, hurricane, and flood protection efforts.
- 126 The Office of Coastal Protection and Restoration should continue utilizing the support, staff, science and legal services of other agencies to avoid duplication and retain efficiency.
- 127 The Office of Coastal Protection and Restoration should continue to develop a prioritization tool to guide funding decisions and to identify the best opportunities to restore the ecosystem and protect Louisianians from hurricane and storm damages.
- 128 The Office of Coastal Protection and Restoration should initiate a study to determine the appropriate roles and responsibilities of levee districts, parish governments, the state, and federal agencies involved in hurricane protection and coastal restoration efforts.
- 129 The Coastal Protection and Restoration Authority should ensure that the Office of Coastal Protection and Restoration engages in the third party, project-level technical review known as Independent Technical Review (ITR) that provides recommendations concerning project plans and designs.
- 130 The Office of Coastal Protection and Restoration should continue to pursue the strategic deployment of mitigation funds to provide quicker start and faster completion of projects.
- 131 The Office of Coastal Protection and Restoration should continue to reduce the time it takes to complete the contracting process.

- 132 The Office of Coastal Protection and Restoration should work with federal partners to improve the project development and implementation process, focusing on a reduction in the time which elapses between the initiation of a concept to completion of the project.
- 133 The Office of Coastal Protection and Restoration should continue to improve the new project budgeting and management system.
- 134 The legislature should require that all institutions of higher education bring their Tables of Organization on budget, to the extent and in the same manner followed by other executive branch agencies.
- 135 The Office of Workforce Development and the Department of State Civil Service should begin discussions now, in anticipation of a reduction in the state workforce, to develop a plan for easing the transition of the employees from state service to private employment.
- 136 Each statewide elected official should determine, as of October 2, 2009, the number of unfilled positions authorized for the agency in its Table of Organization, Appropriated Table of Organization Full Time Equivalent (T.O.FTEs) approved by legislative appropriation, eliminate approximately 50% of those unfilled positions, and return the funds appropriated therefor to the state. In addition, each statewide elected official should not, unless otherwise approved by the Commissioner of Administration, exceed the number, considered the ceiling of occupied Non-T.O. FTEs that existed on October 2, 2009, for the remainder of the fiscal year and return any subsequent savings to the state. Collectively the number of occupied Non-T.O. FTEs for statewide elected officials (Schedule 04 and Schedule 06) was 325 on October 2, 2009.
- 137 Create Office of Behavioral Health within Department of Health and Hospitals to replace the current Office of Mental Health and Office of Addictive Disorders.
- 138 Department of Transportation and Development eliminate its airplane.
- 139 Department of Transportation and Development eliminate four ferry routes (Melville, White Castle, Reserve and New Roads).
- 140 Department of Public Safety and Corrections – Corrections Services outsource their pharmaceutical services.
- 141 Department of Public Safety and Corrections – Corrections Services outsource the collection of probation and parole fees.
- 142 Governor's Office of Homeland Security and Emergency Preparedness explore outsourcing commodity inventory while maintaining the same quality of emergency preparedness.
- 143 Provide that a Louisiana state prisoner, who does not have a high school diploma or who has not passed the General Education Development test (GED) certifying that he has American high school academic skills, shall have made available to him a program designed to help him pass the GED.
- 144 Reduce the number of Department of Transportation and Development districts by at least two districts.
- 145 Department of Transportation and Development outsource all testing labs to private labs outfitted to perform all testing.
- 146 Department of Transportation and Development outsource maintenance operations to the private sector and sell production equipment not used except for emergency equipment.
- 147 Department of Transportation and Development employ the fleet management program to eliminate 20% of its cars and pickup trucks.
- 148 Department of Transportation and Development outsource at least 80% of its design engineering to the private sector, with emphasis on the large jobs. The 20% of design engineering retained would involve small bridge and turning lane jobs.
- 149 Department of Transportation and Development reduce work-related accidents by 50%, from a total of 7% to 3.5%.
- 150 Department of Transportation and Development approve more projects for value engineering.

- 151 All departments and agencies in Louisiana state government be required to obtain the approval of the Joint Committee on the Budget of the Louisiana Legislature in order to retain a management consultant in a contract equal to or greater than \$50,000 per year. The personal appearance or written application for approval of the Joint Legislative Committee on the Budget shall explain the following: (1) Why the department or agency needs to hire an outside consultant. (2) How the service provided by the outside consultant conforms to the mission of the department or agency. (3) Why the service of the outside consultant cannot be performed by a regular employee or employees of the department or agency. (4) How the outside consultant was selected. (5) What action the department or agency will take to satisfy the need that the outside consultant is being hired to address if the Joint Legislative Committee on the Budget does not approve the contract. (6) The number of employees who will be working under the contract, by head count, full time equivalence and qualifications. (7) The number of hours and amount of compensation, including salary and benefits, paid to all employees under the contract. All information shall be provided in a format prescribed by the Joint Legislative Committee on the Budget.
- 152 The Department of Natural Resources field audit program for royalties be transferred to the Department of Revenue and that no more than 75% of the monies spent by the Department of Natural Resources to perform this service be appropriated annually to the Department of Revenue to perform the service.
- 153 State agencies, including higher education and state public hospitals, are directed to explore adoption of LEAN principles to improve efficiency, increase productivity, eliminate waste in system processes and save money.
- 154 Requests the Division of Administration to evaluate various alternative IT funding models.
- 155 Research outsourcing print and mail infrastructure across all agencies and departments.
- 156 Research outsourcing imaging and content management services for ERP integration.
- 157 Explore cost-benefits of utilizing managed print services.
- 158 Enable contracting methodology for value added services that transform the way employees work and improve constituent services.
- 159 Reduce the state automobile fleet by at least 10% prior to December 31, 2009; reduce at least an additional 10% of the 11,484 vehicles remaining prior to December 31, 2010; reduce at least an additional 10% of the 10,336 vehicles remaining prior to December 2011; emphasize pooling and convert many agency fleets to rentals.
- 160 Eliminate certain unfilled positions within the executive branch of state government in response to Executive Order No. BJ2009-11.
- 161 Modernize the procurement statutes across all procurement areas.
- 162 Create a database of commodity based procurement to include services across the state in order that the state can make more strategic decisions in developing contracts.
- 163 Require the Division of Administration to pursue the development of "enterprise contracts" and require state agencies to utilize these contracts.
- 164 Requests the Division of Administration to develop a program to effectively monitor the performance of vendors who do business with the state.
- 165 Requests all state agencies, regardless of statutory or delegated authority to process their own contracts, to provide the Division of Administration information on those contracts not in the state's contract financial management system.
- 166 Requests all agencies to engage in a thorough review of private contracts to identify underperforming and low-priority contracts.
- 167 Inpatient capacity can be absorbed by the community hospitals in certain markets, with a renewed investment being made in outpatient and primary care access. These models should be evaluated immediately by Department of Health and Hospitals, Louisiana State University and Louisiana State University Health Care Services Division on a case by case basis in each community, and the study should be completed by December 31, 2010. In those communities where these models would be successful, the state should evolve the system to meet the needs of that community while optimizing the existing complement of non-public beds in that market.

Huey P. Long Medical Center should be the first to be evaluated under this policy and an RFP should be written to outsource the acute and inpatient care for that Medical Center while planning for an outpatient clinic either within the current Huey P. Long Medical Center structure or using private providers using the DSH funds available in the future allocated between the inpatient and outpatient services.

- 168 Request the Division of Administration develop a web based system for management and reporting by agencies of space utilization of state leased space as well as space utilization and maintenance efforts in state owned facilities operated and maintained by agencies outside the division.
- 169 Governor and legislature consider converting state-owned enterprises and assets from dormant physical capital to financial capital which can be used for pressing needs.
- 170 Certain government services and processes be identified as activities to be funded in whole or in part through "full cost recovery" of expenses by the user or customer; that the criteria for setting the amount of cost recovery be established in consultation with the Society of Louisiana Certified Public Accountants; and the data and information used, as well as the process employed to calculate the specific charge, and any audits thereof, be displayed on the department's or agency's website.
- 171 Directs the Board of Elementary and Secondary Education to broadcast and archive its meetings online.
- 172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.
- 173 Any proposal of a separation package, whether it takes the form of an early retirement program, a retirement incentive, a buyout plan in exchange for voluntary separation, or a severance package for involuntary separation, should be carefully analyzed to ensure that the total projected expense of the plan, including any actuarial costs to retirement systems or increases in the premium amounts paid for group health insurance, does not outweigh the savings to the state; specifically the recurring savings of the state should pay for the costs of the package within five years of implementation. Additionally, the state should route up to 50% of the annual savings resulting from the severance of employees receiving the separation package to the retirement system and the group health insurance provider to help fund the additional direct or indirect costs, if any, associated with implementation of the separation package. Further, the inclusion of provisions prohibiting reemployment of the voluntary participants and requiring elimination of positions held by all employees severed from employment should be strategically included in the package design to avoid "double dipping" and to maximize savings.
- 174 Each agency head should consider furloughs for employees as a cost-saving measure to help delay or eliminate the possibility of layoffs. Agency heads should give due consideration to the timing of such furloughs, seeking opportunities to maximize the savings while avoiding significant adverse effects on the delivery of services. For example, a regular work day immediately following or preceding a holiday seems a promising choice as many state employees take leave

on those days, and many agencies experience reduced demand for services.

175 To the extent that agencies employ the retirement incentive layoff avoidance measure of Civil Service Rule 17.9, the agency should abolish the position vacated by each retiree or the agency should abolish other positions which provide the same savings that would be gained from abolition of the vacated position.

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

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

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

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

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

181 The legislative committees on governmental affairs, retirement, appropriations, and finance should undertake a comprehensive study of the state's policies related to the employment and retention of state public servants, the compensation package offered to those public servants, the extent to which the combination of salary and benefits supports the employment and retention policies, and the adjustments, if any, to the compensation package that may be more successful in furthering employment and retention policies; after the study is complete, it is recommended that the committees present a joint report to the House of Representatives and the Senate detailing the committees' findings and recommending proposals for any changes the committees deem necessary or prudent. The Commission recommends that the joint report be issued at least thirty days before the convening of the 2011 regular legislative session.

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

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

budgeting process; however, the legislature may require such report to be made more frequently.

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

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

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

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

188 The Department of State Civil Service, with the support of the Legislative Auditor, should examine the supervisor-to-staff ratios, within each program in executive branch agencies and determine whether the ratio is appropriate based on the particularized circumstances and data from the industry. The department should report annually to the State Civil Service Commission, the division of administration, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government as to the programs examined, the ratio, and the propriety of that ratio. If possible, the data should be maintained in the Integrated Statewide Information System (ISIS) or any successor data information system.

189 The State Civil Service Commission should not consider an employee whose annual performance review shows he or she "meets expectations" for any pay increase which purports to be based on meritorious service or performance.

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

191 The legislature and the Department of State Civil Service should continue efforts to enlarge the pay bands, to provide opportunities for flattening agencies' organizational charts, to encourage use of pay-for-performance initiatives, and to widen the utilization of the dual career ladder. Additionally, the department should monitor the current performance evaluation process to ensure each agency conducts the evaluation activities in a manner that is objective and consistent, both internally and in comparison to other agencies. If the department finds that objectivity and consistency are chronically lacking, the department should inform the State Civil Service Commission and the legislature so that rules or laws may be formulated to assist the agencies in achieving objectivity and consistency in performance evaluation.

- 192 As a part of continuing assessment of whether the state's employment practices are meeting the goals and policies of workforce attraction and retention, it is of paramount importance to know why employees separate from service. Currently, the costs of turnover are quite large. The Department of State Civil Service should encourage each agency to conduct exit interviews with employees who sever employment and to record the reasons for the separation in the Integrated State Information System (ISIS) or other utilized personnel records system. If possible, the department should work with the Division of Administration to revise the turnover reasons in ISIS to make the data more meaningful and valuable. The department should include the turnover information, including reasons for separation, as a part of its reports. At least once a year, the department should report to the State Civil Service Commission, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government regarding turnover rates, reasons for separation, any recommendations for decreasing the turnover rate, and any other information the department deems important for an overall understanding of state employee turnover and the reasons for separation.
- 193 All executive branch agencies should be encouraged to utilize the maximum allowable probationary period of two years for employees hired on or after January 1, 2010. The Civil Service Commission should consider whether the minimum probationary period should be lengthened, perhaps to the current two-year maximum.
- 194 The Department of State Civil Service should encourage state agencies to take full advantage of existing special pay and rewards and recognition policies to provide employees with both monetary and nonmonetary rewards for outstanding performance. This should take place in conjunction with the implementation of the new annual pay increase system based upon the employee's annual performance review. Where the department perceives an agency to be underutilizing these tools, the department should contact the agency directly to schedule a discussion about the appropriate use of special pay, rewards and recognition, and pay-for-performance options.
- 195 The Deferred Retirement Option Plans of the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, and the Louisiana School Employees' Retirement System should be closed effective January 1, 2015. Any state employee whose membership in the Louisiana State Employees' Retirement System is governed by Act 75 of the 2005 Regular Session should not be permitted to participate in the plan. Any person who enters the plan applicable to his or her system on or after January 1, 2013, should sever employment upon completion of participation in the plan. Any person who is eligible to enter the plan on or before January 1, 2015, and who has not submitted an application to enter the plan on or before January 1, 2015, should be prohibited from participation in the plan. The retirement systems should provide for early application to enter the plan for those members whose eligibility begins near the termination date of the plan but who may wish to begin participation on a date after January 1, 2015, but in no case shall such participation extend beyond the legally permissible time limitations.
- 196 Each manager responsible for engaging in the Performance Planning and Review process should use the PPR forms to track each employee's productivity and level of performance by using objective information to measure actual performance against expectations.
- 197 The Department of State Civil Service should lower the number of classifications to 800 by December 31, 2010, and further lower the number to 600 by December 31, 2011.
- 198 Each agency should consider using furloughs to keep costs down. Each agency should furlough every employee one day each quarter of the 2010-2011 fiscal year. Determination of timing of furloughs is left to the agency; however, where possible the agency should consider furloughing all employees in a particular location on the same day to capture additional savings from such things as non-use of utilities.
- 199 The Department of Health and Hospitals should study the use and feasibility of telemedicine.
- 200 Department of Education to reduce the paperwork required of each school district for annual Pupil Progression and Advancement Plans and School Improvement Plans to "net change" documents instead of redoing the entire report yearly.
- 201 State Board of Elementary and Secondary Education to restructure the Minimum Foundation Program so that the MFP, as well as the federal dollars follow the child and that 80% of the MFP funds are spent on the classroom as directed by the principal of each school.

- 202 Ensure that terminated, deceased or retired state employees do not get their active employee pay inappropriately.
- 203 Restructure teacher pay to provide incentives for education graduates to seek secondary education positions.
- 204 Align Department of Education contracts to the highest priority education initiatives, and cancel the other contracts that are not in the top priorities. But in any event, the department is to cancel at least 10% of all contracts.
- 205 The Department of Natural Resources should automate data entry and privatize record archiving for the Office of Mineral Resources.
- 206 The Department of State Civil Service should investigate whether savings could be achieved by the coordination of recruitment efforts by state entities at individual events or locations.
- 207 The governor and the Legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be "academically unacceptable" by the Louisiana Department of Education and who assume the cost of their child's education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending "academically unacceptable" schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.
- 208 Department of Public Safety and Corrections eliminate all but one of the principals supervising teachers in its education program and return the remaining principals to classroom teaching positions.
- 209 Centralize the hosting of current and future compatible geographic information system and "volume buy" GIS software and licenses, including local government in such purchases where appropriate.
- 210 Merge and assign the administration of the State Board of Elementary and Secondary Education's block grant program focused on pre-kindergarten programs for at-risk four-year-old children into the Department of Education's Cecil J. Picard LA 4 Early Childhood Program.
- 211 Primary responsibility for adult education resides with the Louisiana Community and Technical College System and the responsibility and funding of the Department of Education's Division of Adult and Community Education should be transferred to the system.
- 212 Require the State Board of Elementary and Secondary Education to terminate the pre-GED (Graduate Equivalency Diploma) Skills Options Program and direct local education agencies to re-direct funds supporting the program to approved dropout prevention programs modeled after Jobs for America's Graduates.
- 213 Department of Public Safety and Corrections, Public Safety Services eliminate the Oil Spill Coordinator's public outreach program.
- 214 Department of Revenue charge based on full cost recovery private businesses, groups or individuals for issuing private letter rulings.
- 215 Each agency must review its historical vacancy and attrition rates and shall make strategic reductions in positions by five percent, first looking at layers of management and clerical staffing, each year for three years. Furthermore each agency should review process re-engineering and unit consolidation while preserving critical services such as public safety and direct patient care. Reductions can be achieved through outsourcing privatization and program elimination where feasible and cost effective. Each agency must report to the Commission on Streamlining Government by December of 2010 and 2011 the achieved reductions and explanation of why the target was not met. Finally, state personnel who learn new skills or increased scope of responsibility should be reviewed for pay increases using savings from staff reductions.
- 216 Department of Health and Hospitals continue implementation plan to sell and/or lease the John J. Hainkel Home and Rehabilitation Center.



- 217 Direct the Office of Group Benefits to write an RFP to consider consolidating and outsourcing state employee group medical benefits under a single administrative provider to more effectively leverage critical mass and improve efficiency, and report the results back to the Commission on Streamlining Government. Multiple options/levels can be offered through a single provider.
- 218 Scale down the Louisiana Teacher Assistance and Assessment Program.
- 219 Eliminate the workforce grant program in the Department of Economic Development as the Louisiana Fast Start program is operational.
- 220 Reduce the Entertainment Workforce Program in the Department of Economic Development.
- 221 Provide, by statute, that one of the options for the use of excess revenue should be a recurring (permanent) tax cut for individual and corporate taxpayers, which should be budgeted.
- 222 Should a reduction in force through voluntary or involuntary separation become necessary, whether applicable only to targeted programs or budget units or implemented across most agencies, the design process of the staff reduction plan should include discussions of a separation package which may take the form of an incentive or severance package. Prudence dictates that the details of such a package should be determined only after designation by the appropriate entity of programs to be reduced or eliminated or positions to be emptied. However, any such separation package may include three basic components: (1) a lump-sum payment, (2) provision for health insurance, and (3) provision for education or training. If the package is offered as an incentive for voluntary separation, any employee taking the incentive should be prohibited from employment with the state or from entering into a contract to provide services on behalf of the state for a period of thirty-six months. If the person is reemployed or enters a contract within the prohibition period, the person should reimburse the state the proportionate value of the incentive package. Any separation, whether voluntary or involuntary, to which a separation package applies should trigger the abolition of the position from which each employee is separated; however, if the position is critical to the mission of the agency, the agency should be permitted to abolish another position or combination of positions that represent the elimination of the same amount of salary and benefit costs from the agency's budget.
- 223 Convert all agency advertising notices to electronic notification where feasible.
- 224 Department of Public Safety and Corrections - Public Safety Services, outsource Information Technology applications and services where appropriate to improve operating efficiencies and realize savings.
- 225 Department of Social Services eliminate the Earned Income Tax Credit technical support program since it is not within the core competency of the department.
- 226 Require that the FAIR and COASTAL Plans be administered pursuant to the laws governing the plans that were in effect before the adoption of Act 1133 of the 2003 regular legislative session creating the Citizens Property Insurance Corporation, and that Citizens cease all operations after its debts are paid off and if private insurance and/or the FAIR and COASTAL plans are established.
- 227 Require that the retirement plan benefit structure for the four state retirement systems be changed to a defined contribution plan for all new employees hired after July 1, 2010.
- 228 Reduce the site-specific fund in the Department of Economic Development, which is used to cover project-specific expenses related to business retention and recruitment efforts.
- 229 Change the supporting guarantees for Small Business Loan Guarantee Program in the Department of Economic Development.
- 230 Provide that the annual budget for the Crescent City Connection Division of the Department of Transportation and Development can be no more than the amount of annual tolls collected by the Crescent City Connection, which tolls cannot be raised without a two-thirds vote of the legislature.
- 231 Require any revisions to the final business plan for the proposed new Charity Hospital in New Orleans previously approved by the Joint Legislative Committee on the Budget in 2007 to be resubmitted for approval to the Joint Legislative Committee on the Budget prior to the sale of bonds by the governing corporation or the State.

- 232 Provide that no vendor whose contract with the state has been cancelled for nonperformance shall be eligible to contract with the state for 5 years.
- 233 The governor and the Legislature increase no state tax or fee to deal with the current budgetary shortfall.
- 234 To provide that annual spending per secure commitment bed in the Office of Juvenile Justice be reduced to the Southern average, as long as the reduction does not interfere with the transfer or implementation of the Missouri Model.
- 235 Provide that the span of control in all departments shall be a minimum of one manager per ten employees. Highly technical, policy or non-repetitive functions may have a span of control as low as one manager per five employees with the permission of the Joint Legislative Committee on the Budget.
- 236 No NGO shall be eligible to contract with a department or agency to which the same or similar function is being provided by a department of agency, if an appropriation for that NGO has been vetoed by the governor, unless strictly for budgetary purposes, and has not been overridden by the Legislature. The prohibition shall exist for a period of one year after the governor's veto message.
- 237 Require the Department of Public Safety and Corrections, Corrections Services to explore legislation and rule making to identify any administrative efficiencies and potential cost savings.
- 238 Direct the Louisiana Sentencing Commission to complete its work and provide the Legislature with recommendations for the 2010 Regular Session that will improve public safety and be cost effective to taxpayers.

*Revised 12-22-09*

**COMMISSION ON STREAMLINING GOVERNMENT  
RECOMMENDATIONS  
BY AGENCY/ENTITY  
December 22, 2009**

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**Recommendation #****Description****1. Governor**

- 25 The governor and the legislature authorize and direct the LSU Health System to adopt the recommendations of Alvarez and Marsal for the operation of the interim Charity Hospital in New Orleans. The governor and legislature direct every other charity hospital in Louisiana to contract for a similar financial and operational assessment with a third party private sector consulting firm, such as but not necessarily Alvarez and Marsal, that specializes and has a proven track record in turnaround management, corporate restructuring and performance improvement for institutions and their stakeholders.
- 26 The governor and the legislature are urged to utilize and strictly apply the criteria of Act 842 of the 2008 Regular Session with eligibility for funding being limited to organizations that are accredited or certified by the Louisiana Association of Nonprofit Organizations or nationally certified or accredited and following the content of the existing executive order which content should be made statutory. Further the Legislative Auditor and Inspector General should have ample tools and mandates to oversee these funds with all due diligence.
- 84 Governor and legislature authorize the Department of Health and Hospitals to use co-pays up to ten dollars for emergency room treatment to the extent allowed by federal law and in a way that would encourage proper use of resources and discourage overuse of resources that may not be needed. Such co-pay shall not apply to services rendered for emergency conditions or services for children.
- 136 Each statewide elected official should determine, as of October 2, 2009, the number of unfilled positions authorized for the agency in its Table of Organization, Appropriated Table of Organization Full Time Equivalents (T.O.FTEs) approved by legislative appropriation, eliminate approximately 50% of those unfilled positions, and return the funds appropriated therefor to the state. In addition, each statewide elected official should not, unless otherwise approved by the Commissioner of Administration, exceed the number, considered the ceiling of occupied Non-T.O. FTEs that existed on October 2, 2009, for the remainder of the fiscal year and return any subsequent savings to the state. Collectively the number of occupied Non-T.O. FTEs for statewide elected officials (Schedule 04 and Schedule 06) was 325 on October 2, 2009.
- 169 Governor and legislature consider converting state-owned enterprises and assets from dormant physical capital to financial capital which can be used for pressing needs.

Recommendation #	Description
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- 172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.
- 173 Any proposal of a separation package, whether it takes the form of an early retirement program, a retirement incentive, a buyout plan in exchange for voluntary separation, or a severance package for involuntary separation, should be carefully analyzed to ensure that the total projected expense of the plan, including any actuarial costs to retirement systems or increases in the premium amounts paid for group health insurance, does not outweigh the savings to the state; specifically the recurring savings of the state should pay for the costs of the package within five years of implementation. Additionally, the state should route up to 50% of the annual savings resulting from the severance of employees receiving the separation package to the retirement system and the group health insurance provider to help fund the additional direct or indirect costs, if any, associated with implementation of the separation package. Further, the inclusion of provisions prohibiting reemployment of the voluntary participants and requiring elimination of positions held by all employees severed from employment should be strategically included in the package design to avoid "double dipping" and to maximize savings.

Recommendation #	Description
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- 207 The governor and the Legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be “academically unacceptable” by the Louisiana Department of Education and who assume the cost of their child’s education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending “academically unacceptable” schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.
- 233 The governor and the Legislature increase no state tax or fee to deal with the current budgetary shortfall.
- 236 No NGO shall be eligible to contract with a department or agency to which the same or similar function is being provided by a department of agency, if an appropriation for that NGO has been vetoed by the governor, unless strictly for budgetary purposes, and has not been overridden by the Legislature. The prohibition shall exist for a period of one year after the governor's veto message.

**2. Office of the Governor**

- 26 The governor and the legislature are urged to utilize and strictly apply the criteria of Act 842 of the 2008 Regular Session with eligibility for funding being limited to organizations that are accredited or certified by the Louisiana Association of Nonprofit Organizations or nationally certified or accredited and following the content of the existing executive order which content should be made statutory. Further the Legislative Auditor and Inspector General should have ample tools and mandates to oversee these funds with all due diligence.
- 68 Expand current efforts to reduce unused nursing home bed capacity.
- 69 Develop pilot program for long-term care services for the elderly and people with adult-onset disabilities.
- 74 Governor’s Office on Homeland Security and Emergency Preparedness (GOHSEP) work with Louisiana’s congressional delegation to identify and utilize federal funding for

Recommendation #	Description
	establishing additional shelter-capacity in-state for Louisiana residents who cannot self-evacuate and shelter during emergency periods.
97	The Department of Health and Hospitals, Office of Aging and Adult Services implement a needs based allocation of services in the Elderly and Disabled Adult Waiver Program and the Personal Care Attendant Services Medicaid Option by the end of FY 2009-2010.
114	The Office of Coastal Protection and Restoration should promote cost savings by holding unfilled positions open and restricting travel.
125	The Office of Coastal Protection and Restoration should continue to integrate the state's existing coastal restoration, hurricane, and flood protection efforts.
126	The Office of Coastal Protection and Restoration should continue utilizing the support, staff, science and legal services of other agencies to avoid duplication and retain efficiency.
127	The Office of Coastal Protection and Restoration should continue to develop a prioritization tool to guide funding decisions and to identify the best opportunities to restore the ecosystem and protect Louisianians from hurricane and storm damages.
128	The Office of Coastal Protection and Restoration should initiate a study to determine the appropriate roles and responsibilities of levee districts, parish governments, the state, and federal agencies involved in hurricane protection and coastal restoration efforts.
129	The Coastal Protection and Restoration Authority should ensure that the Office of Coastal Protection and Restoration engages in the third party, project-level technical review known as Independent Technical Review (ITR) that provides recommendations concerning project plans and designs.
130	The Office of Coastal Protection and Restoration should continue to pursue the strategic deployment of mitigation funds to provide quicker start and faster completion of projects.
131	The Office of Coastal Protection and Restoration should continue to reduce the time it takes to complete the contracting process.

Recommendation #	Description
132	The Office of Coastal Protection and Restoration should work with federal partners to improve the project development and implementation process, focusing on a reduction in the time which elapses between the initiation of a concept to completion of the project.
133	The Office of Coastal Protection and Restoration should continue to improve the new project budgeting and management system.
142	Governor's Office of Homeland Security and Emergency Preparedness explore outsourcing commodity inventory while maintaining the same quality of emergency preparedness.

**3. Office of the Lieutenant Governor**

- 136 Each statewide elected official should determine, as of October 2, 2009, the number of unfilled positions authorized for the agency in its Table of Organization, Appropriated Table of Organization Full Time Equivalents (T.O.FTEs) approved by legislative appropriation, eliminate approximately 50% of those unfilled positions, and return the funds appropriated therefor to the state. In addition, each statewide elected official should not, unless otherwise approved by the Commissioner of Administration, exceed the number, considered the ceiling of occupied Non-T.O. FTEs that existed on October 2, 2009, for the remainder of the fiscal year and return any subsequent savings to the state. Collectively the number of occupied Non-T.O. FTEs for statewide elected officials (Schedule 04 and Schedule 06) was 325 on October 2, 2009.
- 172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private



**Recommendation #****Description**

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

**4. Division of Administration**

- 18 Issue an RFP to look at the possibility of outsourcing the workers' compensation claims management process to a private company and eliminate fraud by getting rid of the on-line claims system.
- 22 Direct the Division of Administration to determine the value and the "highest and best use" of each state-owned property, and develop opportunities for the state to enter into public-private development partnerships with private and non-profit public partners, chosen by competitive bid, in order to develop and manage state-owned real estate in a manner that achieves the "highest and best use" of the property, increases cash flow for taxpayers, meets smart growth principles, and satisfies the highest standards of design and environmental sustainability.
- 45 Continue the implementation of the LaGov (ERP) project.
- 46 Consolidate the state's data processing assets to move to a centralized data environment.
- 47 Continue the implementation of e-mail as a statewide shared enterprise service.
- 48 Implement an IT spend analysis/agency efficiency scorecard.
- 49 Review, modernize and consolidate management of IT procurement.
- 50 Implement a single infrastructure for external health care initiatives.
- 51 Continue implementation of a management of enterprise network infrastructure.

Recommendation #

Description

- 54 Direct all boards and commissions, except those boards responsible for administering Louisiana's retirement systems, to file electronically, on or before February 1 of each calendar year, with the Commissioner of Administration of the state of Louisiana, the Speaker of the Louisiana House of Representatives and the President of the Louisiana Senate, a financial statement setting forth in detail the assets and liabilities, including unencumbered and encumbered cash on hand, of each board and commission. Further direct all money which is not needed by these boards be subject to appropriation for any lawful purpose by the Legislature.
- 55 State government create a website modeled after the "Where the Money Goes: Window on State Government and Transparency at Work in Texas" website provided by the Texas Comptroller of Public Accounts which is a user friendly website containing a database on state spending searchable by state agency, payee and category of expense, and which includes a virtual check register updated daily and available twenty-four hours a day. Louisiana state government also assimilate into this new website the best practices and user-friendly nature exhibited by the state of Utah's "transparent.utah.gov" website, which is dedicated to the transparency and accountability of Utah's government finances.
- 66 Establish single location for information technology help desk functions for all state agencies and its employees.
- 73 Merge Capitol Police from within the Division of Administration into the Department of Public Safety & Corrections, Public Safety Services.
- 100 The Department of Insurance be given permission to buy its own telephone system, which will be an improved system, and also save \$250,000 each year, beginning with the second year after the purchase.
- 103 Develop plan to remove the state of Louisiana from the leasing of buildings and office space.
- 104 Create a privatization and outsourcing unit within the Division of Administration having appropriate experience and expertise and provide that such unit is a resource for all departments and agencies considering or implementing privatization or outsourcing regardless of which department controls the asset or the service being privatized or outsourced. The unit will serve as a center of functional excellence for privatization and outsourcing.

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154	Requests the Division of Administration to evaluate various alternative IT funding models.
155	Research outsourcing print and mail infrastructure across all agencies and departments.
156	Research outsourcing imaging and content management services for ERP integration.
157	Explore cost-benefits of utilizing managed print services.
158	Enable contracting methodology for value added services that transform the way employees work and improve constituent services.
162	Create a database of commodity based procurement to include services across the state in order that the state can make more strategic decisions in developing contracts.
163	Require the Division of Administration to pursue the development of "enterprise contracts" and require state agencies to utilize these contracts.
164	Requests the Division of Administration to develop a program to effectively monitor the performance of vendors who do business with the state.
165	Requests all state agencies, regardless of statutory or delegated authority to process their own contracts, to provide the Division of Administration information on those contracts not in the state's contract financial management system.
168	Request the Division of Administration develop a web based system for management and reporting by agencies of space utilization of state leased space as well as space utilization and maintenance efforts in state owned facilities operated and maintained by agencies outside the division.
172	Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the

Recommendation #

Description

Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.

- 173 Any proposal of a separation package, whether it takes the form of an early retirement program, a retirement incentive, a buyout plan in exchange for voluntary separation, or a severance package for involuntary separation, should be carefully analyzed to ensure that the total projected expense of the plan, including any actuarial costs to retirement systems or increases in the premium amounts paid for group health insurance, does not outweigh the savings to the state; specifically the recurring savings of the state should pay for the costs of the package within five years of implementation. Additionally, the state should route up to 50% of the annual savings resulting from the severance of employees receiving the separation package to the retirement system and the group health insurance provider to help fund the additional direct or indirect costs, if any, associated with implementation of the separation package. Further, the inclusion of provisions prohibiting reemployment of the voluntary participants and requiring elimination of positions held by all employees severed from employment should be strategically included in the package design to avoid "double dipping" and to maximize savings.
- 186 The Department of State Civil Service should coordinate with the Division of Administration to eliminate any duplication in training programs and to ensure there are no gaps in the training programs offered.
- 192 As a part of continuing assessment of whether the state's employment practices are meeting the goals and policies of workforce attraction and retention, it is of paramount importance to know why employees separate from service. Currently, the costs of turnover are quite large. The Department of State Civil Service should encourage each agency to conduct exit

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interviews with employees who sever employment and to record the reasons for the separation in the Integrated State Information System (ISIS) or other utilized personnel records system. If possible, the department should work with the Division of Administration to revise the turnover reasons in ISIS to make the data more meaningful and valuable. The department should include the turnover information, including reasons for separation, as a part of its reports. At least once a year, the department should report to the State Civil Service Commission, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government regarding turnover rates, reasons for separation, any recommendations for decreasing the turnover rate, and any other information the department deems important for an overall understanding of state employee turnover and the reasons for separation.

- 209 Centralize the hosting of current and future compatible geographic information system and "volume buy" GIS software and licenses, including local government in such purchases where appropriate.
- 217 Direct the Office of Group Benefits to write an RFP to consider consolidating and outsourcing state employee group medical benefits under a single administrative provider to more effectively leverage critical mass and improve efficiency, and report the results back to the Commission on Streamlining Government. Multiple options/levels can be offered through a single provider.

**5. All Agencies**

- 1 Reduce total number of state-owned automobiles to 2004 level over a 12 month period.
- 2 Reduce total number of automobiles by 20% and convert many agency fleets to rental over a 12 month period.
- 3 Hold department heads accountable for poor safety performance by department employees.
- 4 Hire a safety consulting firm, where necessary, to train poorly performing department personnel to prevent work-related accidents.
- 5 Develop coordinated plan for consolidated collection of accounts receivable where feasible.

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21	Place jurisdiction over all receivables by all departments in Louisiana state government with the Cash Management Review Board and require that the State Receivables Report be compiled and published no later than 60 days after the end of every quarter.
23	Develop cooperative arrangements with Arkansas and Mississippi which would identify and explore creative, synergistic opportunities to make the operation of state government and the provision of state government services more cost effective and efficient.
45	Continue the implementation of the LaGov (ERP) project.
46	Consolidate the state's data processing assets to move to a centralized data environment.
47	Continue the implementation of e-mail as a statewide shared enterprise service.
48	Implement an IT spend analysis/agency efficiency scorecard.
49	Review, modernize and consolidate management of IT procurement.
54	Direct all boards and commissions, except those boards responsible for administering Louisiana's retirement systems, to file electronically, on or before February 1 of each calendar year, with the Commissioner of Administration of the state of Louisiana, the Speaker of the Louisiana House of Representatives and the President of the Louisiana Senate, a financial statement setting forth in detail the assets and liabilities, including unencumbered and encumbered cash on hand, of each board and commission. Further direct all money which is not needed by these boards be subject to appropriation for any lawful purpose by the Legislature.
58	Urge departments and agencies of state government to contract with the Department of Revenue to have their document and remittance processing performed by that department until that department's equipment is used as close to 100% of the time as is practical and possible.
62	All departments and agencies of Louisiana state government to the maximum extent possible contract with the Department of Public Safety and Corrections for prison labor to perform cleaning and janitorial services.

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66	Establish single location for information technology help desk functions for all state agencies and its employees.
71	Provide a tax clearance requirement for all state vendors and contractors and permit state departments and agencies to "garnish" payment to vendors and contractors doing business with the state and who also have a final judgment as to an account receivable in favor of the state.
104	Create a privatization and outsourcing unit within the Division of Administration having appropriate experience and expertise and provide that such unit is a resource for all departments and agencies considering or implementing privatization or outsourcing regardless of which department controls the asset or the service being privatized or outsourced. The unit will serve as a center of functional excellence for privatization and outsourcing.
105	Every department and agency be required to: (1) Organize itself structurally for the delivery of services along uniform regional boundaries as determined by the state; (2) Shift transactions with the public to an electronic online capability as appropriate; and (3) Support regional Government Services Centers under a "mall concept" whereby citizens may go for all government services and processes that could be accessed electronically or with the help of skilled specialists. Department and agency field offices be consolidated to such centers and surplus buildings and personnel be addressed.
106	Each state department is to prepare and provide a review or an analysis of what could be changed, modified, consolidated, eliminated, streamlined, improved, and/or enhanced to ultimately permanently reduce or eliminate continuation costs or expenses in their respective department, agency, board or commission. Provide financial incentives for implementation of permanent sustainable savings.
151	All departments and agencies in Louisiana state government be required to obtain the approval of the Joint Committee on the Budget of the Louisiana Legislature in order to retain a management consultant in a contract equal to or greater than \$50,000 per year. The personal appearance or written application for approval of the Joint Legislative Committee on the Budget shall explain the following: (1) Why the department or agency needs to hire an outside consultant. (2) How the service provided by the outside consultant conforms to the mission of the department or agency. (3) Why the service of the outside consultant cannot be performed by a regular employee or employees of the department or agency. (4) How the

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outside consultant was selected. (5) What action the department or agency will take to satisfy the need that the outside consultant is being hired to address if the Joint Legislative Committee on the Budget does not approve the contract. (6) The number of employees who will be working under the contract, by head count, full time equivalence and qualifications. (7) The number of hours and amount of compensation, including salary and benefits, paid to all employees under the contract. All information shall be provided in a format prescribed by the Joint Legislative Committee on the Budget.

- 153 State agencies, including higher education and state public hospitals, are directed to explore adoption of LEAN principles to improve efficiency, increase productivity, eliminate waste in system processes and save money.
- 155 Research outsourcing print and mail infrastructure across all agencies and departments.
- 156 Research outsourcing imaging and content management services for ERP integration.
- 157 Explore cost-benefits of utilizing managed print services.
- 159 Reduce the state automobile fleet by at least 10% prior to December 31, 2009; reduce at least an additional 10% of the 11,484 vehicles remaining prior to December 31, 2010; reduce at least an additional 10% of the 10,336 vehicles remaining prior to December 2011; emphasize pooling and convert many agency fleets to rentals.
- 160 Eliminate certain unfilled positions within the executive branch of state government in response to Executive Order No. BJ2009-11.
- 162 Create a database of commodity based procurement to include services across the state in order that the state can make more strategic decisions in developing contracts.
- 163 Require the Division of Administration to pursue the development of "enterprise contracts" and require state agencies to utilize these contracts.
- 165 Requests all state agencies, regardless of statutory or delegated authority to process their own contracts, to provide the Division of Administration information on those contracts not in the state's contract financial management system.



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- 166 Requests all agencies to engage in a thorough review of private contracts to identify underperforming and low-priority contracts.
- 168 Request the Division of Administration develop a web based system for management and reporting by agencies of space utilization of state leased space as well as space utilization and maintenance efforts in state owned facilities operated and maintained by agencies outside the division.
- 170 Certain government services and processes be identified as activities to be funded in whole or in part through “full cost recovery” of expenses by the user or customer; that the criteria for setting the amount of cost recovery be established in consultation with the Society of Louisiana Certified Public Accountants; and the data and information used, as well as the process employed to calculate the specific charge, and any audits thereof, be displayed on the department's or agency's website.
- 172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.

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173	Any proposal of a separation package, whether it takes the form of an early retirement program, a retirement incentive, a buyout plan in exchange for voluntary separation, or a severance package for involuntary separation, should be carefully analyzed to ensure that the total projected expense of the plan, including any actuarial costs to retirement systems or increases in the premium amounts paid for group health insurance, does not outweigh the savings to the state; specifically the recurring savings of the state should pay for the costs of the package within five years of implementation. Additionally, the state should route up to 50% of the annual savings resulting from the severance of employees receiving the separation package to the retirement system and the group health insurance provider to help fund the additional direct or indirect costs, if any, associated with implementation of the separation package. Further, the inclusion of provisions prohibiting reemployment of the voluntary participants and requiring elimination of positions held by all employees severed from employment should be strategically included in the package design to avoid "double dipping" and to maximize savings.
174	Each agency head should consider furloughs for employees as a cost-saving measure to help delay or eliminate the possibility of layoffs. Agency heads should give due consideration to the timing of such furloughs, seeking opportunities to maximize the savings while avoiding significant adverse effects on the delivery of services. For example, a regular work day immediately following or preceding a holiday seems a promising choice as many state employees take leave on those days, and many agencies experience reduced demand for services.
175	To the extent that agencies employ the retirement incentive layoff avoidance measure of Civil Service Rule 17.9, the agency should abolish the position vacated by each retiree or the agency should abolish other positions which provide the same savings that would be gained from abolition of the vacated position.
182	The legislature should require each agency receiving state funding or operating with self generated funds derived from fees and other assessments or interagency transfer to evaluate and justify its staffing level as part of the state budgeting process. Each agency head should consider engaging in strategic workforce planning and using that strategic plan in presenting staff justification to the legislature. An agency's strategic workforce plan should be subject to internal review and amendment at regular intervals not to exceed three years.
183	All executive branch agencies, including higher education entities, should be required to report all employees to the Department of State Civil Service and the legislature, including

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

- 184 The legislature should determine whether an agency's unclassified managers receive pay increases even if they have not complied with the requirements applicable to classified managers regarding completion of the performance reviews of the employees supervised.
- 185 By February 1, 2010, the Department of State Civil Service should hold mandatory education and training for all upper level management (whether classified or unclassified) and human resources staff of executive branch agencies to inform or refresh them regarding the current rules and procedures for layoffs, layoff avoidance measures, salary flexibility, and other workforce management tools. By March 15, 2010, the Department of State Civil Service and the upper level management, whether classified or unclassified, and human resources personnel of each agency should schedule and hold in-depth discussions regarding the particularized personnel needs of the agency and the tools, processes, and rules by which Civil Service can help the agency meet those needs. To the extent the current practices of Civil Service do not meet the needs of the agency, Civil Service should consider rule changes.
- 188 The Department of State Civil Service, with the support of the Legislative Auditor, should examine the supervisor-to-staff ratios, within each program in executive branch agencies and determine whether the ratio is appropriate based on the particularized circumstances and data from the industry. The department should report annually to the State Civil Service Commission, the division of administration, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government as to the programs examined, the ratio, and the propriety of that ratio. If possible, the data should be maintained in the Integrated Statewide Information System (ISIS) or any successor data information system.
- 192 As a part of continuing assessment of whether the state's employment practices are meeting the goals and policies of workforce attraction and retention, it is of paramount importance to know why employees separate from service. Currently, the costs of turnover are quite large. The Department of State Civil Service should encourage each agency to conduct exit

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interviews with employees who sever employment and to record the reasons for the separation in the Integrated State Information System (ISIS) or other utilized personnel records system. If possible, the department should work with the Division of Administration to revise the turnover reasons in ISIS to make the data more meaningful and valuable. The department should include the turnover information, including reasons for separation, as a part of its reports. At least once a year, the department should report to the State Civil Service Commission, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government regarding turnover rates, reasons for separation, any recommendations for decreasing the turnover rate, and any other information the department deems important for an overall understanding of state employee turnover and the reasons for separation.

- 193 All executive branch agencies should be encouraged to utilize the maximum allowable probationary period of two years for employees hired on or after January 1, 2010. The Civil Service Commission should consider whether the minimum probationary period should be lengthened, perhaps to the current two-year maximum.
- 194 The Department of State Civil Service should encourage state agencies to take full advantage of existing special pay and rewards and recognition policies to provide employees with both monetary and nonmonetary rewards for outstanding performance. This should take place in conjunction with the implementation of the new annual pay increase system based upon the employee's annual performance review. Where the department perceives an agency to be underutilizing these tools, the department should contact the agency directly to schedule a discussion about the appropriate use of special pay, rewards and recognition, and pay-for performance options.
- 196 Each manager responsible for engaging in the Performance Planning and Review process should use the PPR forms to track each employee's productivity and level of performance by using objective information to measure actual performance against expectations.
- 198 Each agency should consider using furloughs to keep costs down. Each agency should furlough every employee one day each quarter of the 2010-2011 fiscal year. Determination of timing of furloughs is left to the agency; however, where possible the agency should consider furloughing all employees in a particular location on the same day to capture additional savings from such things as non-use of utilities.

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202	Ensure that terminated, deceased or retired state employees do not get their active employee pay inappropriately.
206	The Department of State Civil Service should investigate whether savings could be achieved by the coordination of recruitment efforts by state entities at individual events or locations.
209	Centralize the hosting of current and future compatible geographic information system and "volume buy" GIS software and licenses, including local government in such purchases where appropriate.
215	Each agency must review its historical vacancy and attrition rates and shall make strategic reductions in positions by five percent, first looking at layers of management and clerical staffing, each year for three years. Furthermore each agency should review process re-engineering and unit consolidation while preserving critical services such as public safety and direct patient care. Reductions can be achieved through outsourcing privatization and program elimination where feasible and cost effective. Each agency must report to the Commission on Streamlining Government by December of 2010 and 2011 the achieved reductions and explanation of why the target was not met. Finally, state personnel who learn new skills or increased scope of responsibility should be reviewed for pay increases using savings from staff reductions.
222	Should a reduction in force through voluntary or involuntary separation become necessary, whether applicable only to targeted programs or budget units or implemented across most agencies, the design process of the staff reduction plan should include discussions of a separation package which may take the form of an incentive or severance package. Prudence dictates that the details of such a package should be determined only after designation by the appropriate entity of programs to be reduced or eliminated or positions to be emptied. However, any such separation package may include three basic components: (1) a lump-sum payment,(2) provision for health insurance, and (3) provision for education or training. If the package is offered as an incentive for voluntary separation, any employee taking the incentive should be prohibited from employment with the state or from entering into a contract to provide services on behalf of the state for a period of thirty-six months. If the person is reemployed or enters a contract within the prohibition period, the person should reimburse the state the proportionate value of the incentive package. Any separation, whether voluntary or involuntary, to which a separation package applies should trigger the abolition of the position from which each employee is separated; however, if the position is critical to the mission of the agency, the agency should be permitted to abolish another position or

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combination of positions that represent the elimination of the same amount of salary and benefit costs from the agency's budget.

- 223 Convert all agency advertising notices to electronic notification where feasible.
- 232 Provide that no vendor whose contract with the state has been cancelled for nonperformance shall be eligible to contract with the state for 5 years.
- 235 Provide that the span of control in all departments shall be a minimum of one manager per ten employees. Highly technical, policy or non-repetitive functions may have a span of control as low as one manager per five employees with the permission of the Joint Legislative Committee on the Budget.

**6. Department of Agriculture and Forestry**

- 29 Department of Environmental Quality lease office & warehouse space at reduced rates from the Department of Agriculture and Forestry.
- 136 Each statewide elected official should determine, as of October 2, 2009, the number of unfilled positions authorized for the agency in its Table of Organization, Appropriated Table of Organization Full Time Equivalents (T.O.FTEs) approved by legislative appropriation, eliminate approximately 50% of those unfilled positions, and return the funds appropriated therefor to the state. In addition, each statewide elected official should not, unless otherwise approved by the Commissioner of Administration, exceed the number, considered the ceiling of occupied Non-T.O. FTEs that existed on October 2, 2009, for the remainder of the fiscal year and return any subsequent savings to the state. Collectively the number of occupied Non-T.O. FTEs for statewide elected officials (Schedule 04 and Schedule 06) was 325 on October 2, 2009.
- 172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not

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include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.

**7. Department of Economic Development**

- 219 Eliminate the workforce grant program in the Department of Economic Development as the Louisiana Fast Start program is operational.
- 220 Reduce the Entertainment Workforce Program in the Department of Economic Development.
- 228 Reduce the site-specific fund in the Department of Economic Development, which is used to cover project-specific expenses related to business retention and recruitment efforts.
- 229 Change the supporting guarantees for Small Business Loan Guarantee Program in the Department of Economic Development.

**8. Department of Education - State Board of Elementary and Secondary Education**

- 78 Board of Elementary and Secondary Education study the use of digital textbooks in state schools and to report to the Legislature prior to March 2010.
- 79 All Louisiana public school students who have been suspended from school for more than five days in a school year or who have more than ten unexcused absences from school in a

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

- 83 Direct the Department of Education and the Board of Elementary and Secondary Education to pursue student based budgeting.
- 171 Directs the Board of Elementary and Secondary Education to broadcast and archive its meetings online.
- 200 Department of Education to reduce the paperwork required of each school district for annual Pupil Progression and Advancement Plans and School Improvement Plans to “net change” documents instead of redoing the entire report yearly.
- 201 State Board of Elementary and Secondary Education to restructure the Minimum Foundation Program so that the MFP, as well as the federal dollars follow the child and that 80% of the MFP funds are spent on the classroom as directed by the principal of each school.
- 203 Restructure teacher pay to provide incentives for education graduates to seek secondary education positions.
- 204 Align Department of Education contracts to the highest priority education initiatives, and cancel the other contracts that are not in the top priorities. But in any event, the department is to cancel at least 10% of all contracts.
- 207 The governor and the Legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be “academically unacceptable” by the Louisiana Department of Education and who assume the cost of their child’s education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are



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attending “academically unacceptable” schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.

- 210 Merge and assign the administration of the State Board of Elementary and Secondary Education's block grant program focused on pre-kindergarten programs for at-risk four-year-old children into the Department of Education's Cecil J. Picard LA 4 Early Childhood Program.
- 211 Primary responsibility for adult education resides with the Louisiana Community and Technical College System and the responsibility and funding of the Department of Education's Division of Adult and Community Education should be transferred to the system.
- 212 Require the State Board of Elementary and Secondary Education to terminate the pre-GED (Graduate Equivalency Diploma) Skills Options Program and direct local education agencies to re-direct funds supporting the program to approved dropout prevention programs modeled after Jobs for America's Graduates.
- 218 Scale down the Louisiana Teacher Assistance and Assessment Program.

**9. Department of Environmental Quality**

- 28 Department of Environmental Quality issue the RFP for the outsourcing of the DEQ Laboratory Services Division and eliminate an administrator position as part of the outsourcing of lab services.
- 29 Department of Environmental Quality lease office & warehouse space at reduced rates from the Department of Agriculture and Forestry.
- 30 Department of Environmental Quality cease operations of its library.
- 31 Department of Environmental Quality reduce the workforce TO by 20 through ongoing streamlining opportunities as determined by the Secretary.
- 32 Department of Wildlife and Fisheries consider consolidating the litter hotline from DEQ.

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- 109 Develop, plan and explore efficiency opportunities for consolidating field sampling programs within the departments of Health and Hospitals, Environmental Quality and Wildlife and Fisheries.
- 111 Develop, plan and explore efficiency opportunities for consolidating/leveraging of the Department of Health and Hospitals and the Department of Environmental Quality drinking water programs for testing and monitoring and transfer Lead-based Paint Program from DEQ to DHH.
- 113 The permitting teams of the departments of Natural Resources, Wildlife and Fisheries, and Environmental Quality should be co-located.

**10. Department of Health and Hospitals**

- 9 Department of Health and Hospitals transition Medicaid to integrated delivery system with care coordination.
- 10 Department of Health and Hospitals solicit qualified providers to partially privatize centers for the developmentally disabled by transferring residents to private centers or transitioning them to community based services. Further recommends the department consolidate state run centers. These solicitations should be competitively based on cost and quality experiences and the contract should contain incentives to reduce costs and compliance with regulatory requirements.
- 11 Department of Health and Hospitals implement a competitive bid process to redirect services from public health units to local providers (such as FQHC's & RHC's).
- 12 Department of Health and Hospitals consolidate operated in-patient health services in Greater New Orleans area.
- 13 Department of Health and Hospitals review RFP to privatize community homes, independent living clients and extended family living.
- 38 Department of Public Safety and Corrections - Public Safety Services, Department of Health and Hospitals and Department of Veterans Affairs automate time and attendance systems.
- 50 Implement a single infrastructure for external health care initiatives.

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63	Direct the Department of Health and Hospitals to immediately and fully implement the provisions of LRS 22:1065 et seq., better known as the “Baby Bill,” as well as the Louisiana Health Insurance Premium Payment Program, and report to the Legislature on a semi-annual basis its results to fully implement these two provisions of Louisiana law.
68	Expand current efforts to reduce unused nursing home bed capacity.
69	Develop pilot program for long-term care services for the elderly and people with adult-onset disabilities.
70	Transfer Independent Living, Community & Family Support, and Traumatic Head and Spinal Cord Injury Trust Fund programs from the Department of Social Services, Louisiana Rehabilitation Services to the Department of Health and Hospitals, Office of Aging and Adult Services.
72	Perform a system-wide analysis of behavioral health needs of high risk children within the child welfare and Office of Juvenile Justice systems to maximize the use of Medicaid funding. Such analysis shall be performed in-house by state employees.
75	Consolidate eligibility and enrollment functions for citizens needing services or support from Department of Social Services or Department of Health and Hospitals at no additional cost.
77	Transfer appropriate rehabilitation service functions in the Department of Social Services to the Department of Health and Hospitals and the Louisiana Workforce Commission.
81	Request an independent study of "Charity Hospital" to evaluate the overall plan and report findings to the legislature before convening of the next regular session.
82	The Department of Health and Hospitals may, to control expenditures, negotiate supplemental rebates for the Medicaid pharmacy program in conjunction with the preferred drug list. In these negotiations, the preferred drug list may be adjusted to reduce costs by revising the state maximum allowable cost methodology for generic drugs, and should then require manufacturers to compete for placement on the preferred drug list based on cost when there is more than one brand in a class.
84	Governor and legislature authorize the Department of Health and Hospitals to use co-pays up to ten dollars for emergency room treatment to the extent allowed by federal law and in

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a way that would encourage proper use of resources and discourage overuse of resources that may not be needed. Such co-pay shall not apply to services rendered for emergency conditions or services for children.

- 96 The Department of Health and Hospitals establish a competitive procurement process for operation of inpatient mental health institutions and/or certain services provided at the institutions, and include in the solicitations a requirement for constructing new facilities without using any state debt.
- 97 The Department of Health and Hospitals, Office of Aging and Adult Services implement a needs based allocation of services in the Elderly and Disabled Adult Waiver Program and the Personal Care Attendant Services Medicaid Option by the end of FY 2009-2010.
- 98 The Department of Health and Hospitals implement a competitive procurement process for Personal Care Services to reduce the number of providers in each department administrative region.
- 99 The Department of Health and Hospitals write an RFP to privatize secure residential services for persons found "Not Guilty by Reason of Insanity" and the "Lockhart" population.
- 102 The Department of Health and Hospitals consider reducing the administrative costs of the Louisiana Medicaid Program by at least 5%.
- 109 Develop, plan and explore efficiency opportunities for consolidating field sampling programs within the departments of Health and Hospitals, Environmental Quality and Wildlife and Fisheries.
- 110 Department of Health and Hospitals to study appropriate role and determine best future use of Villa Feliciana (VF) Medical Complex either as a medical facility or otherwise.
- 111 Develop, plan and explore efficiency opportunities for consolidating/leveraging of the Department of Health and Hospitals and the Department of Environmental Quality drinking water programs for testing and monitoring and transfer Lead-based Paint Program from DEQ to DHH.
- 137 Create Office of Behavioral Health within Department of Health and Hospitals to replace the current Office of Mental Health and Office of Addictive Disorders.

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- 167 Inpatient capacity can be absorbed by the community hospitals in certain markets, with a renewed investment being made in outpatient and primary care access. These models should be evaluated immediately by Department of Health and Hospitals, Louisiana State University and Louisiana State University Health Care Services Division on a case by case basis in each community, and the study should be completed by December 31, 2010. In those communities where these models would be successful, the state should evolve the system to meet the needs of that community while optimizing the existing complement of non-public beds in that market. Huey P. Long Medical Center should be the first to be evaluated under this policy and an RFP should be written to outsource the acute and inpatient care for that Medical Center while planning for an outpatient clinic either within the current Huey P. Long Medical Center structure or using private providers using the DSH funds available in the future allocated between the inpatient and outpatient services.
- 199 The Department of Health and Hospitals should study the use and feasibility of telemedicine.
- 216 Department of Health and Hospitals continue implementation plan to sell and/or lease the John J. Hainkel Home and Rehabilitation Center.
- 231 Require any revisions to the final business plan for the proposed new Charity Hospital in New Orleans previously approved by the Joint Legislative Committee on the Budget in 2007 to be resubmitted for approval to the Joint Legislative Committee on the Budget prior to the sale of bonds by the governing corporation or the State.

**11. Department of Insurance**

- 100 The Department of Insurance be given permission to buy its own telephone system, which will be an improved system, and also save \$250,000 each year, beginning with the second year after the purchase
- 136 Each statewide elected official should determine, as of October 2, 2009, the number of unfilled positions authorized for the agency in its Table of Organization, Appropriated Table of Organization Full Time Equivalents (T.O.FTEs) approved by legislative appropriation, eliminate approximately 50% of those unfilled positions, and return the funds appropriated therefor to the state. In addition, each statewide elected official should not, unless otherwise approved by the Commissioner of Administration, exceed the number, considered the ceiling of occupied Non-T.O. FTEs that existed on October 2, 2009, for the remainder of the fiscal

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year and return any subsequent savings to the state. Collectively the number of occupied Non-T.O. FTEs for statewide elected officials (Schedule 04 and Schedule 06) was 325 on October 2, 2009.

172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.

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

**12. Department of Justice**

136 Each statewide elected official should determine, as of October 2, 2009, the number of unfilled positions authorized for the agency in its Table of Organization, Appropriated Table

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

- 172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.

**13. Department of the Military**

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

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91	The Military Department consider outsourcing billeting on their installations through an RFP.
92	The Military Department consider outsourcing utilities on their installations through an RFP.
93	The Military Department consider outsourcing fixed charge services on their installations through an RFP.
94	The Military Department consider outsourcing upgrades/replacement of sewerage treatment and waste water collections on expanding bases through an RFP.
95	The Military Department consider outsourcing and improving fleet utilization through an RFP.

**14. Department of Natural Resources**

- 15 Department of Natural Resources review RFP to outsource data entry for archiving lease records.
- 16 Department of Natural Resources implement a pilot program to change inspection of wells by self-reporting affidavit with appropriate penalty for non-compliance.
- 17 Require electronic reports by energy producers to the Department of Natural Resources.
- 76 Automate Department of Natural Resource's oil and gas permitting and reporting processes under the Office of Conservation.
- 112 The Department of Natural Resources should restructure the Office of the Secretary, Management, and the Atchafalaya Basin.
- 113 The permitting teams of the departments of Natural Resources, Wildlife and Fisheries, and Environmental Quality should be co-located.
- 152 The Department of Natural Resources field audit program for royalties be transferred to the Department of Revenue and that no more than 75% of the monies spent by the Department



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of Natural Resources to perform this service be appropriated annually to the Department of Revenue to perform the service.

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

**15. Department of Public Safety and Corrections - Correction Services**

- 14 Department of Public Safety & Corrections, Corrections Services review RFP to outsource all aspects of food services.
- 62 All departments and agencies of Louisiana state government to the maximum extent possible contract with the Department of Public Safety and Corrections for prison labor to perform cleaning and janitorial services.
- 87 Department of Public Safety and Corrections – Corrections Services expand its partnership with Louisiana State University Health Sciences Center - Shreveport to provide the more costly medications to inmates in the Shreveport region.
- 140 Department of Public Safety and Corrections – Corrections Services outsource their pharmaceutical services.
- 141 Department of Public Safety and Corrections – Corrections Services outsource the collection of probation and parole fees.
- 143 Provide that a Louisiana state prisoner, who does not have a high school diploma or who has not passed the General Education Development test (GED) certifying that he has American high school academic skills, shall have made available to him a program designed to help him pass the GED.
- 208 Department of Public Safety and Corrections eliminate all but one of the principals supervising teachers in its education program and return the remaining principals to classroom teaching positions.

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- 237 Require the Department of Public Safety and Corrections, Corrections Services to explore legislation and rule making to identify any administrative efficiencies and potential cost savings.
- 238 Direct the Louisiana Sentencing Commission to complete its work and provide the Legislature with recommendations for the 2010 Regular Session that will improve public safety and be cost effective to taxpayers.

**16. Department of Public Safety and Corrections - Youth Services**

- 72 Perform a system-wide analysis of behavioral health needs of high risk children within the child welfare and Office of Juvenile Justice systems to maximize the use of Medicaid funding. Such analysis shall be performed in-house by state employees.
- 88 Direct the Office of Juvenile Justice to privatize health care services in secure care through an RFP.
- 89 Direct the Office of Juvenile Justice to privatize pharmacy services in secure care through an RFP.
- 90 Office of Juvenile Justice consider privatizing laundry services in secure care through an RFP.
- 107 Office of Juvenile Justice partner with the Department of Social Services and other stakeholders to better implement the Families in Need of Services Program with a goal of preventing youth from entering the costly juvenile justice system.
- 108 School districts should work with the Office of Juvenile Justice to forward local Minimum Foundation Program (MFP) funds to OJJ for students transferred to state custody and are no longer in local schools, eliminating the "double payment" for each student's education by the state and so that MFP dollars follow the student.
- 234 To provide that annual spending per secure commitment bed in the Office of Juvenile Justice be reduced to the Southern average, as long as the reduction does not interfere with the transfer or implementation of the Missouri Model.

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**17. Department of Public Safety and Corrections - Public Safety Services**

- 34 Department of Public Safety and Corrections - Public Safety Services outsource background checks.
- 35 Department of Public Safety and Corrections - Public Safety Services outsource the Hazardous Materials 24-hour hotline.
- 36 Department of Public Safety and Corrections - Public Safety Services implement a vendor operated mail room, and print and mail systems.
- 37 Department of Public Safety and Corrections - Public Safety Services consider outsourcing commercial fleet registration for interstate jurisdictions.
- 38 Department of Public Safety and Corrections - Public Safety Services, Department of Health and Hospitals and Department of Veterans Affairs automate time and attendance systems.
- 39 Department of Public Safety and Corrections - Public Safety Services consider outsourcing the centralized call center to a location in Louisiana.
- 60 Transfer the audit functions and responsibilities of the International Registration Plan currently administered by the Department of Public Safety and Corrections to the Department of Revenue, which currently performs audits for the International Fuel Tax Agreement, and require that no more than 75% of the monies spent by the Department of Public Safety and Corrections to perform these services be appropriated to the Department of Revenue to perform the services.
- 64 The fixed-site scale responsibilities of the Department of Transportation and Development be transferred to the Louisiana State Police, and that the State Police be directed to achieve a savings of at least 25% in the second year through the consolidation of the responsibilities.
- 73 Merge Capitol Police from within the Division of Administration into the Department of Public Safety & Corrections, Public Safety Services.
- 213 Department of Public Safety and Corrections, Public Safety Services eliminate the Oil Spill Coordinator's public outreach program.

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224 Department of Public Safety and Corrections - Public Safety Services, outsource Information Technology applications and services where appropriate to improve operating efficiencies and realize savings.

**18. Department of Public Service**

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

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

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

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

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

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

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

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

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

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

**19. Department of Revenue**

- 6 Require non-resident contractors to include tax ID number on each permit and proof that contractor has completely registered to do business in Louisiana.
- 7 Department of Revenue increase number of auditors through employee definitions to increase compliance.
- 57 The Department of Revenue be authorized and directed to establish provisions on its website so that taxpayers may ask questions about tax notices and receive answers online, through email, and that allow taxpayers to file an appeal of an alleged delinquency online.
- 58 Urge departments and agencies of state government to contract with the Department of Revenue to have their document and remittance processing performed by that department until that department's equipment is used as close to 100% of the time as is practical and possible.
- 59 The Louisiana Workforce Commission audit program for unemployment insurance taxes be transferred to the Department of Revenue and that no more than 75% of the monies spent by the Louisiana Workforce Commission to perform this service be appropriated annually to the Department of Revenue to perform the service.
- 60 Transfer the audit functions and responsibilities of the International Registration Plan currently administered by the Department of Public Safety and Corrections to the Department of Revenue, which currently performs audits for the International Fuel Tax Agreement, and require that no more than 75% of the monies spent by the Department of Public Safety and Corrections to perform these services be appropriated to the Department of Revenue to perform the services.
- 65 The Department of Revenue contract with willing local political subdivisions to have the department, while it is auditing for state sales taxes, to also audit for local sales taxes and be paid a reasonable fee to be negotiated between the two entities.

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- 71 Provide a tax clearance requirement for all state vendors and contractors and permit state departments and agencies to "garnish" payment to vendors and contractors doing business with the state and who also have a final judgment as to an account receivable in favor of the state.
- 152 The Department of Natural Resources field audit program for royalties be transferred to the Department of Revenue and that no more than 75% of the monies spent by the Department of Natural Resources to perform this service be appropriated annually to the Department of Revenue to perform the service.
- 207 The governor and the Legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be "academically unacceptable" by the Louisiana Department of Education and who assume the cost of their child's education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending "academically unacceptable" schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.
- 214 Department of Revenue charge based on full cost recovery private businesses, groups or individuals for issuing private letter rulings.

**20. Department of Social Services**

- 8 Move department of Social Services printing and mail operations to private company.
- 20 Department of Social Services should implement on average a 1:8 supervisor-employee report ratio.
- 67 Develop plans to further integrate services of the Department of Social Services and the Louisiana Workforce Commission, especially those services where shared clientele is realized.

Recommendation #	Description
70	Transfer Independent Living, Community & Family Support, and Traumatic Head and Spinal Cord Injury Trust Fund programs from the Department of Social Services, Louisiana Rehabilitation Services to the Department of Health and Hospitals, Office of Aging and Adult Services.
72	Perform a system-wide analysis of behavioral health needs of high risk children within the child welfare and Office of Juvenile Justice systems to maximize the use of Medicaid funding. Such analysis shall be performed in-house by state employees.
74	Governor's Office on Homeland Security and Emergency Preparedness (GOHSEP) work with Louisiana's congressional delegation to identify and utilize federal funding for establishing additional shelter-capacity in-state for Louisiana residents who cannot self-evacuate and shelter during emergency periods.
75	Consolidate eligibility and enrollment functions for citizens needing services or support from Department of Social Services or Department of Health and Hospitals at no additional cost.
77	Transfer appropriate rehabilitation service functions in the Department of Social Services to the Department of Health and Hospitals and the Louisiana Workforce Commission.
107	Office of Juvenile Justice partner with the Department of Social Services and other stakeholders to better implement the Families in Need of Services Program with a goal of preventing youth from entering the costly juvenile justice system.
225	Department of Social Services eliminate the Earned Income Tax Credit technical support program since it is not within the core competency of the department.

**21. Department of State**

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

year and return any subsequent savings to the state. Collectively the number of occupied Non-T.O. FTEs for statewide elected officials (Schedule 04 and Schedule 06) was 325 on October 2, 2009.

- 172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.

## **22. Department of State Civil Service**

- 135 The Office of Workforce Development and the Department of State Civil Service should begin discussions now, in anticipation of a reduction in the state workforce, to develop a plan for easing the transition of the employees from state service to private employment.
- 175 To the extent that agencies employ the retirement incentive layoff avoidance measure of Civil Service Rule 17.9, the agency should abolish the position vacated by each retiree or the agency should abolish other positions which provide the same savings that would be gained from abolition of the vacated position.



Recommendation #	Description
179	The legislative committees on governmental affairs should meet jointly to study the current Civil Service rules and state laws governing leave accrual and accumulation and to determine whether the current structure supports the overall employment and compensation policies of the state of Louisiana. Particular emphasis should be given to a determination of whether disability insurance may be used as a substitute for or as a supplement to sick leave accrual and accumulation, and the cost, if any, of the current law and rules allowing leave balances to be converted to retirement credit.
181	The legislative committees on governmental affairs, retirement, appropriations, and finance should undertake a comprehensive study of the state's policies related to the employment and retention of state public servants, the compensation package offered to those public servants, the extent to which the combination of salary and benefits supports the employment and retention policies, and the adjustments, if any, to the compensation package that may be more successful in furthering employment and retention policies; after the study is complete, it is recommended that the committees present a joint report to the House of Representatives and the Senate detailing the committees' findings and recommending proposals for any changes the committees deem necessary or prudent. The Commission recommends that the joint report be issued at least thirty days before the convening of the 2011 regular legislative session.
183	All executive branch agencies, including higher education entities, should be required to report all employees to the Department of State Civil Service and the legislature, including "T.O." and "non-T.O.", full-time equivalents, work-as-needed, "when-actually-employed," part-time, seasonal and temporary, and the head count and full-time equivalent for employees working under contract. The reporting of these additional groups of employees to Civil Service shall be at the same time, in the same manner, and to the same extent reported now or as Civil Service may require. The report to the legislature shall, at a minimum, be made as a part of the annual budgeting process; however, the legislature may require such report to be made more frequently.
185	By February 1, 2010, the Department of State Civil Service should hold mandatory education and training for all upper level management (whether classified or unclassified) and human resources staff of executive branch agencies to inform or refresh them regarding the current rules and procedures for layoffs, layoff avoidance measures, salary flexibility, and other workforce management tools. By March 15, 2010, the Department of State Civil Service and the upper level management, whether classified or unclassified, and human resources personnel of each agency should schedule and hold in-depth discussions regarding the

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particularized personnel needs of the agency and the tools, processes, and rules by which Civil Service can help the agency meet those needs. To the extent the current practices of Civil Service do not meet the needs of the agency, Civil Service should consider rule changes.

- 186 The Department of State Civil Service should coordinate with the Division of Administration to eliminate any duplication in training programs and to ensure there are no gaps in the training programs offered.
- 187 The Department of State Civil Service shall adopt appropriate national, regional, or state testing or certification programs that may be used in lieu of the civil service exam to determine qualifications for classified positions. The department should give due consideration to ACT WorkKeys as well as to any similar testing or certification programs. The department should balance the positive aspects of each program against any increased costs to the state as an employer or to the prospective employee as an applicant. The department should consider whether an applicant who already has a rating or certification from a public or private national, regional, or state entity should be allowed, on an individual basis, to have that certification substitute for the civil service examination.
- 188 The Department of State Civil Service, with the support of the Legislative Auditor, should examine the supervisor-to-staff ratios, within each program in executive branch agencies and determine whether the ratio is appropriate based on the particularized circumstances and data from the industry. The department should report annually to the State Civil Service Commission, the division of administration, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government as to the programs examined, the ratio, and the propriety of that ratio. If possible, the data should be maintained in the Integrated Statewide Information System (ISIS) or any successor data information system.
- 189 The State Civil Service Commission should not consider an employee whose annual performance review shows he or she "meets expectations" for any pay increase which purports to be based on meritorious service or performance.
- 190 The Department of State Civil Service should annually report to the Joint Legislative Committee on the Budget regarding the turnover rate in state agencies and the cost associated therewith; the report should provide data on specific job classifications where the turnover rate is especially high or the cost to the state is great.

Recommendation #	Description
191	<p>The legislature and the Department of State Civil Service should continue efforts to enlarge the pay bands, to provide opportunities for flattening agencies' organizational charts, to encourage use of pay-for-performance initiatives, and to widen the utilization of the dual career ladder. Additionally, the department should monitor the current performance evaluation process to ensure each agency conducts the evaluation activities in a manner that is objective and consistent, both internally and in comparison to other agencies. If the department finds that objectivity and consistency are chronically lacking, the department should inform the State Civil Service Commission and the legislature so that rules or laws may be formulated to assist the agencies in achieving objectivity and consistency in performance evaluation.</p>
192	<p>As a part of continuing assessment of whether the state's employment practices are meeting the goals and policies of workforce attraction and retention, it is of paramount importance to know why employees separate from service. Currently, the costs of turnover are quite large. The Department of State Civil Service should encourage each agency to conduct exit interviews with employees who sever employment and to record the reasons for the separation in the Integrated State Information System (ISIS) or other utilized personnel records system. If possible, the department should work with the Division of Administration to revise the turnover reasons in ISIS to make the data more meaningful and valuable. The department should include the turnover information, including reasons for separation, as a part of its reports. At least once a year, the department should report to the State Civil Service Commission, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government regarding turnover rates, reasons for separation, any recommendations for decreasing the turnover rate, and any other information the department deems important for an overall understanding of state employee turnover and the reasons for separation.</p>
193	<p>All executive branch agencies should be encouraged to utilize the maximum allowable probationary period of two years for employees hired on or after January 1, 2010. The Civil Service Commission should consider whether the minimum probationary period should be lengthened, perhaps to the current two-year maximum.</p>
194	<p>The Department of State Civil Service should encourage state agencies to take full advantage of existing special pay and rewards and recognition policies to provide employees with both monetary and nonmonetary rewards for outstanding performance. This should take place in conjunction with the implementation of the new annual pay increase system based upon the employee's annual performance review. Where the department perceives an agency to be</p>

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underutilizing these tools, the department should contact the agency directly to schedule a discussion about the appropriate use of special pay, rewards and recognition, and pay-for performance options.

- 197 The Department of State Civil Service should lower the number of classifications to 800 by December 31, 2010, and further lower the number to 600 by December 31, 2011.
- 206 The Department of State Civil Service should investigate whether savings could be achieved by the coordination of recruitment efforts by state entities at individual events or locations.

**23. Department of Transportation and Development**

- 64 The fixed-site scale responsibilities of the Department of Transportation and Development be transferred to the Louisiana State Police, and that the State Police be directed to achieve a savings of at least 25% in the second year through the consolidation of the responsibilities.
- 138 Department of Transportation and Development eliminate its airplane.
- 139 Department of Transportation and Development eliminate four ferry routes (Melville, White Castle, Reserve and New Roads).
- 144 Reduce the number of Department of Transportation and Development districts by at least two districts.
- 145 Department of Transportation and Development outsource all testing labs to private labs outfitted to perform all testing.
- 146 Department of Transportation and Development outsource maintenance operations to the private sector and sell production equipment not used except for emergency equipment.
- 147 Department of Transportation and Development employ the fleet management program to eliminate 20% of its cars and pickup trucks.
- 148 Department of Transportation and Development outsource at least 80% of its design engineering to the private sector, with emphasis on the large jobs. The 20% of design engineering retained would involve small bridge and turning lane jobs.

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- 149 Department of Transportation and Development reduce work-related accidents by 50%, from a total of 7% to 3.5%.
- 150 Department of Transportation and Development approve more projects for value engineering.
- 230 Provide that the annual budget for the Crescent City Connection Division of the Department of Transportation and Development can be no more than the amount of annual tolls collected by the Crescent City Connection, which tolls cannot be raised without a two-thirds vote of the legislature.

**24. Department of the Treasury**

- 136 Each statewide elected official should determine, as of October 2, 2009, the number of unfilled positions authorized for the agency in its Table of Organization, Appropriated Table of Organization Full Time Equivalents (T.O.FTEs) approved by legislative appropriation, eliminate approximately 50% of those unfilled positions, and return the funds appropriated therefor to the state. In addition, each statewide elected official should not, unless otherwise approved by the Commissioner of Administration, exceed the number, considered the ceiling of occupied Non-T.O. FTEs that existed on October 2, 2009, for the remainder of the fiscal year and return any subsequent savings to the state. Collectively the number of occupied Non-T.O. FTEs for statewide elected officials (Schedule 04 and Schedule 06) was 325 on October 2, 2009.
- 172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts,

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

**25. Department of Veterans Affairs**

- 38 Department of Public Safety and Corrections - Public Safety Services, Department of Health and Hospitals and Department of Veterans Affairs automate time and attendance systems.
- 40 Department of Veterans Affairs consider consolidating pharmacy services at the veterans homes through an RFP.
- 41 Department of Veterans Affairs consider outsourcing the physician services at the veterans homes through an RFP.
- 42 Department of Veterans Affairs re-negotiate the competitive therapy services at the veterans homes.
- 43 Department of Veterans Affairs evaluate outsourcing or re-negotiate the food contracts at the veterans homes.

**26. Department of Wildlife and Fisheries**

- 32 Department of Wildlife and Fisheries consider consolidating the litter hotline from DEQ.
- 33 Department of Wildlife and Fisheries consolidate the marine, inland, and wildlife facilities at the Lacombe Hatchery.
- 86 Department of Wildlife and Fisheries write an RFP to outsource control of aquatic plants.

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- 109 Develop, plan and explore efficiency opportunities for consolidating field sampling programs within the departments of Health and Hospitals, Environmental Quality and Wildlife and Fisheries.
- 113 The permitting teams of the departments of Natural Resources, Wildlife and Fisheries, and Environmental Quality should be co-located.

**27. Louisiana Workforce Commission**

- 19 Louisiana Workforce Commission eliminate Second Injury Fund over time.
- 27 Louisiana Workforce Commission write an RFP to privatize the issuance & distribution of certificates to one-stop participants.
- 56 Make pretrial mediation of disputed claims filed with the Office of Workers' Compensation voluntary, which will eliminate the need for six attorney mediators at that office at an average annual savings of \$75,000 for each mediator.
- 59 The Louisiana Workforce Commission audit program for unemployment insurance taxes be transferred to the Department of Revenue and that no more than 75% of the monies spent by the Louisiana Workforce Commission to perform this service be appropriated annually to the Department of Revenue to perform the service.
- 67 Develop plans to further integrate services of the Department of Social Services and the Louisiana Workforce Commission, especially those services where shared clientele is realized.
- 77 Transfer appropriate rehabilitation service functions in the Department of Social Services to the Department of Health and Hospitals and the Louisiana Workforce Commission.
- 135 The Office of Workforce Development and the Department of State Civil Service should begin discussions now, in anticipation of a reduction in the state workforce, to develop a plan for easing the transition of the employees from state service to private employment.

**28. Higher Education**

Recommendation #	Description
1	Reduce total number of state-owned automobiles to 2004 level over a 12 month period.
2	Reduce total number of automobiles by 20% and convert many agency fleets to rental over a 12 month period.
3	Hold department heads accountable for poor safety performance by department employees.
4	Hire a safety consulting firm, where necessary, to train poorly performing department personnel to prevent work-related accidents.
5	Develop coordinated plan for consolidated collection of accounts receivable where feasible.
21	Place jurisdiction over all receivables by all departments in Louisiana state government with the Cash Management Review Board and require that the State Receivables Report be compiled and published no later than 60 days after the end of every quarter.
25	The governor and the legislature authorize and direct the LSU Health System to adopt the recommendations of Alvarez and Marsal for the operation of the interim Charity Hospital in New Orleans. The governor and legislature direct every other charity hospital in Louisiana to contract for a similar financial and operational assessment with a third party private sector consulting firm, such as but not necessarily Alvarez and Marsal, that specializes and has a proven track record in turnaround management, corporate restructuring and performance improvement for institutions and their stakeholders.
50	Implement a single infrastructure for external health care initiatives.
81	Request an independent study of "Charity Hospital" to evaluate the overall plan and report findings to the legislature before convening of the next regular session.
85	The Board of Regents, in collaboration and consultation with the postsecondary education management boards, study the consolidation of purchasing functions among the campuses to increase purchasing power.
87	Department of Public Safety and Corrections – Corrections Services expand its partnership with Louisiana State University Health Sciences Center - Shreveport to provide the more costly medications to inmates in the Shreveport region.



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- 101 The LSU Health Care Services Division be directed, to the maximum extent possible, to execute affiliation agreements with other hospitals that have high levels of Medicare patients and a commitment to resident training in order to receive additional money from Medicare for graduate medical education, which such additional monies are currently being left on the table because of low numbers of Medicare patients in the Charity Hospital system.
- 104 Create a privatization and outsourcing unit within the Division of Administration having appropriate experience and expertise and provide that such unit is a resource for all departments and agencies considering or implementing privatization or outsourcing regardless of which department controls the asset or the service being privatized or outsourced. The unit will serve as a center of functional excellence for privatization and outsourcing.
- 105 Every department and agency be required to: (1) Organize itself structurally for the delivery of services along uniform regional boundaries as determined by the state; (2) Shift transactions with the public to an electronic online capability as appropriate; and (3) Support regional Government Services Centers under a "mall concept" whereby citizens may go for all government services and processes that could be accessed electronically or with the help of skilled specialists. Department and agency field offices be consolidated to such centers and surplus buildings and personnel be addressed.
- 106 Each state department is to prepare and provide a review or an analysis of what could be changed, modified, consolidated, eliminated, streamlined, improved, and/or enhanced to ultimately permanently reduce or eliminate continuation costs or expenses in their respective department, agency, board or commission. Provide financial incentives for implementation of permanent sustainable savings.
- 134 The legislature should require that all institutions of higher education bring their Tables of Organization on budget, to the extent and in the same manner followed by other executive branch agencies.
- 151 All departments and agencies in Louisiana state government be required to obtain the approval of the Joint Committee on the Budget of the Louisiana Legislature in order to retain a management consultant in a contract equal to or greater than \$50,000 per year. The personal appearance or written application for approval of the Joint Legislative Committee on the Budget shall explain the following: (1) Why the department or agency needs to hire an outside consultant. (2) How the service provided by the outside consultant conforms to

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the mission of the department or agency. (3) Why the service of the outside consultant cannot be performed by a regular employee or employees of the department or agency. (4) How the outside consultant was selected. (5) What action the department or agency will take to satisfy the need that the outside consultant is being hired to address if the Joint Legislative Committee on the Budget does not approve the contract. (6) The number of employees who will be working under the contract, by head count, full time equivalence and qualifications. (7) The number of hours and amount of compensation, including salary and benefits, paid to all employees under the contract. All information shall be provided in a format prescribed by the Joint Legislative Committee on the Budget.

- 153 State agencies, including higher education and state public hospitals, are directed to explore adoption of LEAN principles to improve efficiency, increase productivity, eliminate waste in system processes and save money.
- 155 Research outsourcing print and mail infrastructure across all agencies and departments.
- 159 Reduce the state automobile fleet by at least 10% prior to December 31, 2009; reduce at least an additional 10% of the 11,484 vehicles remaining prior to December 31, 2010; reduce at least an additional 10% of the 10,336 vehicles remaining prior to December 2011; emphasize pooling and convert many agency fleets to rentals.
- 160 Eliminate certain unfilled positions within the executive branch of state government in response to Executive Order No. BJ2009-11.
- 167 Inpatient capacity can be absorbed by the community hospitals in certain markets, with a renewed investment being made in outpatient and primary care access. These models should be evaluated immediately by Department of Health and Hospitals, Louisiana State University and Louisiana State University Health Care Services Division on a case by case basis in each community, and the study should be completed by December 31, 2010. In those communities where these models would be successful, the state should evolve the system to meet the needs of that community while optimizing the existing complement of non-public beds in that market. Huey P. Long Medical Center should be the first to be evaluated under this policy and an RFP should be written to outsource the acute and inpatient care for that Medical Center while planning for an outpatient clinic either within the current Huey P. Long Medical Center structure or using private providers using the DSH funds available in the future allocated between the inpatient and outpatient services.

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- 172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.
- 183 All executive branch agencies, including higher education entities, should be required to report all employees to the Department of State Civil Service and the legislature, including "T.O." and "non-T.O.", full-time equivalents, work-as-needed, "when-actually-employed," part-time, seasonal and temporary, and the head count and full-time equivalent for employees working under contract. The reporting of these additional groups of employees to Civil Service shall be at the same time, in the same manner, and to the same extent reported now or as Civil Service may require. The report to the legislature shall, at a minimum, be made as a part of the annual budgeting process; however, the legislature may require such report to be made more frequently.
- 193 All executive branch agencies should be encouraged to utilize the maximum allowable probationary period of two years for employees hired on or after January 1, 2010. The Civil Service Commission should consider whether the minimum probationary period should be lengthened, perhaps to the current two-year maximum.

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199	The Department of Health and Hospitals should study the use and feasibility of telemedicine.
211	Primary responsibility for adult education resides with the Louisiana Community and Technical College System and the responsibility and funding of the Department of Education's Division of Adult and Community Education should be transferred to the system.
231	Require any revisions to the final business plan for the proposed new Charity Hospital in New Orleans previously approved by the Joint Legislative Committee on the Budget in 2007 to be resubmitted for approval to the Joint Legislative Committee on the Budget prior to the sale of bonds by the governing corporation or the State.
235	Provide that the span of control in all departments shall be a minimum of one manager per ten employees. Highly technical, policy or non-repetitive functions may have a span of control as low as one manager per five employees with the permission of the Joint Legislative Committee on the Budget.

**29. Retirement Systems**

- 173 Any proposal of a separation package, whether it takes the form of an early retirement program, a retirement incentive, a buyout plan in exchange for voluntary separation, or a severance package for involuntary separation, should be carefully analyzed to ensure that the total projected expense of the plan, including any actuarial costs to retirement systems or increases in the premium amounts paid for group health insurance, does not outweigh the savings to the state; specifically the recurring savings of the state should pay for the costs of the package within five years of implementation. Additionally, the state should route up to 50% of the annual savings resulting from the severance of employees receiving the separation package to the retirement system and the group health insurance provider to help fund the additional direct or indirect costs, if any, associated with implementation of the separation package. Further, the inclusion of provisions prohibiting reemployment of the voluntary participants and requiring elimination of positions held by all employees severed from employment should be strategically included in the package design to avoid "double dipping" and to maximize savings.
- 175 To the extent that agencies employ the retirement incentive layoff avoidance measure of Civil Service Rule 17.9, the agency should abolish the position vacated by each retiree or the

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agency should abolish other positions which provide the same savings that would be gained from abolition of the vacated position.

- 176 The legislature should consider allowing members of the Louisiana State Employees' Retirement System to purchase service credit to be used for purposes of eligibility by paying the full actuarial cost; the legislature may choose to restrict this to members who have attained the age at which they would be eligible to retire but who lack five years or less in service credit to become eligible, and to require the member to retire within 30 days of such purchase.
- 177 The legislative committees on retirement should continue meeting jointly to study the possibility of altering the design of the retirement plan benefit structure of the four state retirement systems to provide for decreased risk to the employer agencies and the state, increased predictability of costs, and greater portability of benefit. The committees should be cognizant of the state's exemption from social security participation and the effects of any change in that exempt status on employees as well as the state. This study should specifically include consideration of a defined contribution structure. The Commission on Streamlining Government should review any report issued by the committees as part of its ongoing duties pursuant to the provisions of Act 491 of the 2009 Regular Session.
- 178 The legislature should protect the provisions of Act 497 of the 2009 Regular Session which provide for application of excess investment earnings toward reduction of the unfunded accrued liabilities of the retirement systems for teachers and state employees and should capitalize on opportunities to provide additional payments when funds and circumstances allow.
- 180 The legislature should consider adopting a special, earlier pre-filing date for legislation related to retirement to allow adequate time for fiscal and actuarial analysis of the effect of the proposed legislation.
- 181 The legislative committees on governmental affairs, retirement, appropriations, and finance should undertake a comprehensive study of the state's policies related to the employment and retention of state public servants, the compensation package offered to those public servants, the extent to which the combination of salary and benefits supports the employment and retention policies, and the adjustments, if any, to the compensation package that may be more successful in furthering employment and retention policies; after the study is complete, it is recommended that the committees present a joint report to the House of Representatives and

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the Senate detailing the committees' findings and recommending proposals for any changes the committees deem necessary or prudent. The Commission recommends that the joint report be issued at least thirty days before the convening of the 2011 regular legislative session.

- 195 The Deferred Retirement Option Plans of the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, and the Louisiana School Employees' Retirement System should be closed effective January 1, 2015. Any state employee whose membership in the Louisiana State Employees' Retirement System is governed by Act 75 of the 2005 Regular Session should not be permitted to participate in the plan. Any person who enters the plan applicable to his or her system on or after January 1, 2013, should sever employment upon completion of participation in the plan. Any person who is eligible to enter the plan on or before January 1, 2015, and who has not submitted an application to enter the plan on or before January 1, 2015, should be prohibited from participation in the plan. The retirement systems should provide for early application to enter the plan for those members whose eligibility begins near the termination date of the plan but who may wish to begin participation on a date after January 1, 2015, but in no case shall such participation extend beyond the legally permissible time limitations.
- 227 Require that the retirement plan benefit structure for the four state retirement systems be changed to a defined contribution plan for all new employees hired after July 1, 2010.

**30. Legislature**

- 24 Sunset and abolish all special funds in the State Treasury and the statutes establishing such special funds, with some exceptions, as of June 30, 2011, after a full comprehensive review by the Joint Legislative Committee on the Budget by December 31, 2010.
- 25 The governor and the legislature authorize and direct the LSU Health System to adopt the recommendations of Alvarez and Marsal for the operation of the interim Charity Hospital in New Orleans. The governor and legislature direct every other charity hospital in Louisiana to contract for a similar financial and operational assessment with a third party private sector consulting firm, such as but not necessarily Alvarez and Marsal, that specializes and has a proven track record in turnaround management, corporate restructuring and performance improvement for institutions and their stakeholders.

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- 26 The governor and the legislature are urged to utilize and strictly apply the criteria of Act 842 of the 2008 Regular Session with eligibility for funding being limited to organizations that are accredited or certified by the Louisiana Association of Nonprofit Organizations or nationally certified or accredited and following the content of the existing executive order which content should be made statutory. Further the Legislative Auditor and Inspector General should have ample tools and mandates to oversee these funds with all due diligence.
- 44 Legislation be enacted to allow reverse auctions.
- 52 Require at least 60% of the money in Louisiana's Capital Outlay Program be spent on road and bridge construction and maintenance through the existing priority program and at least 20% of the money in Louisiana's Capital Outlay Program be spent on deferred maintenance of state buildings, including colleges and universities, for each year of the next five years.
- 54 Direct all boards and commissions, except those boards responsible for administering Louisiana's retirement systems, to file electronically, on or before February 1 of each calendar year, with the Commissioner of Administration of the state of Louisiana, the Speaker of the Louisiana House of Representatives and the President of the Louisiana Senate, a financial statement setting forth in detail the assets and liabilities, including unencumbered and encumbered cash on hand, of each board and commission. Further direct all money which is not needed by these boards be subject to appropriation for any lawful purpose by the Legislature
- 61 That inefficient and circular flows of tax payments and tax credits be eliminated by having the state make a direct payment to the local government or entity levying the tax or surcharge for which tax credits are taken.
- 63 Direct the Department of Health and Hospitals to immediately and fully implement the provisions of LRS 22:1065 et seq., better known as the "Baby Bill," as well as the Louisiana Health Insurance Premium Payment Program, and report to the Legislature on a semi-annual basis its results to fully implement these two provisions of Louisiana law.
- 71 Provide a tax clearance requirement for all state vendors and contractors and permit state departments and agencies to "garnish" payment to vendors and contractors doing business with the state and who also have a final judgment as to an account receivable in favor of the state.

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78	Board of Elementary and Secondary Education study the use of digital textbooks in state schools and to report to the Legislature prior to March 2010.
79	All Louisiana public school students who have been suspended from school for more than five days in a school year or who have more than ten unexcused absences from school in a school year may be required to enroll in the Louisiana National Guard Youth Challenge Program or alternatively, be placed in the Louisiana Department of Education's Jobs for America's Graduates Program, at the discretion of the principal. Pay for increased enrollment in the Youth Challenge Program and/or the JAG Program with Minimum Foundation Program funds. Change Louisiana law to prohibit students from dropping out of school until they have reached 18 years of age.
80	Except as required by the federal government, the Louisiana Constitution, or court order, limit State General Fund appropriations in FY 10-11 and FY 11-12 for operating expenses to no more than 98% of each fiscal year's appropriation while, at a minimum. Providing the same kind and level of needed services as provided in the prior fiscal year through increased productivity.
81	Request an independent study of "Charity Hospital" to evaluate the overall plan and report findings to the legislature before convening of the next regular session.
84	Governor and legislature authorize the Department of Health and Hospitals to use co-pays up to ten dollars for emergency room treatment to the extent allowed by federal law and in a way that would encourage proper use of resources and discourage overuse of resources that may not be needed. Such co-pay shall not apply to services rendered for emergency conditions or services for children.
134	The legislature should require that all institutions of higher education bring their Tables of Organization on budget, to the extent and in the same manner followed by other executive branch agencies.
151	All departments and agencies in Louisiana state government be required to obtain the approval of the Joint Committee on the Budget of the Louisiana Legislature in order to retain a management consultant in a contract equal to or greater than \$50,000 per year. The personal appearance or written application for approval of the Joint Legislative Committee on the Budget shall explain the following: (1) Why the department or agency needs to hire an outside consultant. (2) How the service provided by the outside consultant conforms to



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the mission of the department or agency. (3) Why the service of the outside consultant cannot be performed by a regular employee or employees of the department or agency. (4) How the outside consultant was selected. (5) What action the department or agency will take to satisfy the need that the outside consultant is being hired to address if the Joint Legislative Committee on the Budget does not approve the contract. (6) The number of employees who will be working under the contract, by head count, full time equivalence and qualifications. (7) The number of hours and amount of compensation, including salary and benefits, paid to all employees under the contract. All information shall be provided in a format prescribed by the Joint Legislative Committee on the Budget.

- 161 Modernize the procurement statutes across all procurement areas.
- 169 Governor and legislature consider converting state-owned enterprises and assets from dormant physical capital to financial capital which can be used for pressing needs.
- 172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.

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173	Any proposal of a separation package, whether it takes the form of an early retirement program, a retirement incentive, a buyout plan in exchange for voluntary separation, or a severance package for involuntary separation, should be carefully analyzed to ensure that the total projected expense of the plan, including any actuarial costs to retirement systems or increases in the premium amounts paid for group health insurance, does not outweigh the savings to the state; specifically the recurring savings of the state should pay for the costs of the package within five years of implementation. Additionally, the state should route up to 50% of the annual savings resulting from the severance of employees receiving the separation package to the retirement system and the group health insurance provider to help fund the additional direct or indirect costs, if any, associated with implementation of the separation package. Further, the inclusion of provisions prohibiting reemployment of the voluntary participants and requiring elimination of positions held by all employees severed from employment should be strategically included in the package design to avoid "double dipping" and to maximize savings.
176	The legislature should consider allowing members of the Louisiana State Employees' Retirement System to purchase service credit to be used for purposes of eligibility by paying the full actuarial cost; the legislature may choose to restrict this to members who have attained the age at which they would be eligible to retire but who lack five years or less in service credit to become eligible, and to require the member to retire within 30 days of such purchase.
177	The legislative committees on retirement should continue meeting jointly to study the possibility of altering the design of the retirement plan benefit structure of the four state retirement systems to provide for decreased risk to the employer agencies and the state, increased predictability of costs, and greater portability of benefit. The committees should be cognizant of the state's exemption from social security participation and the effects of any change in that exempt status on employees as well as the state. This study should specifically include consideration of a defined contribution structure. The Commission on Streamlining Government should review any report issued by the committees as part of its ongoing duties pursuant to the provisions of Act 491 of the 2009 Regular Session.
178	The legislature should protect the provisions of Act 497 of the 2009 Regular Session which provide for application of excess investment earnings toward reduction of the unfunded accrued liabilities of the retirement systems for teachers and state employees and should capitalize on opportunities to provide additional payments when funds and circumstances allow.

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179	The legislative committees on governmental affairs should meet jointly to study the current Civil Service rules and state laws governing leave accrual and accumulation and to determine whether the current structure supports the overall employment and compensation policies of the state of Louisiana. Particular emphasis should be given to a determination of whether disability insurance may be used as a substitute for or as a supplement to sick leave accrual and accumulation, and the cost, if any, of the current law and rules allowing leave balances to be converted to retirement credit.
180	The legislature should consider adopting a special, earlier pre-filing date for legislation related to retirement to allow adequate time for fiscal and actuarial analysis of the effect of the proposed legislation.
181	The legislative committees on governmental affairs, retirement, appropriations, and finance should undertake a comprehensive study of the state's policies related to the employment and retention of state public servants, the compensation package offered to those public servants, the extent to which the combination of salary and benefits supports the employment and retention policies, and the adjustments, if any, to the compensation package that may be more successful in furthering employment and retention policies; after the study is complete, it is recommended that the committees present a joint report to the House of Representatives and the Senate detailing the committees' findings and recommending proposals for any changes the committees deem necessary or prudent. The Commission recommends that the joint report be issued at least thirty days before the convening of the 2011 regular legislative session.
182	The legislature should require each agency receiving state funding or operating with self-generated funds derived from fees and other assessments or interagency transfer to evaluate and justify its staffing level as part of the state budgeting process. Each agency head should consider engaging in strategic workforce planning and using that strategic plan in presenting staff justification to the legislature. An agency's strategic workforce plan should be subject to internal review and amendment at regular intervals not to exceed three years.
183	All executive branch agencies, including higher education entities, should be required to report all employees to the Department of State Civil Service and the legislature, including "T.O." and "non-T.O.", full-time equivalents, work-as-needed, "when-actually-employed," part-time, seasonal and temporary, and the head count and full-time equivalent for employees working under contract. The reporting of these additional groups of employees to Civil Service shall be at the same time, in the same manner, and to the same extent reported now

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or as Civil Service may require. The report to the legislature shall, at a minimum, be made as a part of the annual budgeting process; however, the legislature may require such report to be made more frequently.

- 184 The legislature should determine whether an agency's unclassified managers receive pay increases even if they have not complied with the requirements applicable to classified managers regarding completion of the performance reviews of the employees supervised.
  
- 188 The Department of State Civil Service, with the support of the Legislative Auditor, should examine the supervisor-to-staff ratios, within each program in executive branch agencies and determine whether the ratio is appropriate based on the particularized circumstances and data from the industry. The department should report annually to the State Civil Service Commission, the division of administration, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government as to the programs examined, the ratio, and the propriety of that ratio. If possible, the data should be maintained in the Integrated Statewide Information System (ISIS) or any successor data information system.
  
- 190 The Department of State Civil Service should annually report to the Joint Legislative Committee on the Budget regarding the turnover rate in state agencies and the cost associated therewith; the report should provide data on specific job classifications where the turnover rate is especially high or the cost to the state is great.
  
- 191 The legislature and the Department of State Civil Service should continue efforts to enlarge the pay bands, to provide opportunities for flattening agencies' organizational charts, to encourage use of pay-for-performance initiatives, and to widen the utilization of the dual career ladder. Additionally, the department should monitor the current performance evaluation process to ensure each agency conducts the evaluation activities in a manner that is objective and consistent, both internally and in comparison to other agencies. If the department finds that objectivity and consistency are chronically lacking, the department should inform the State Civil Service Commission and the legislature so that rules or laws may be formulated to assist the agencies in achieving objectivity and consistency in performance evaluation.
  
- 192 As a part of continuing assessment of whether the state's employment practices are meeting the goals and policies of workforce attraction and retention, it is of paramount importance to know why employees separate from service. Currently, the costs of turnover are quite large. The Department of State Civil Service should encourage each agency to conduct exit

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interviews with employees who sever employment and to record the reasons for the separation in the Integrated State Information System (ISIS) or other utilized personnel records system. If possible, the department should work with the Division of Administration to revise the turnover reasons in ISIS to make the data more meaningful and valuable. The department should include the turnover information, including reasons for separation, as a part of its reports. At least once a year, the department should report to the State Civil Service Commission, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government regarding turnover rates, reasons for separation, any recommendations for decreasing the turnover rate, and any other information the department deems important for an overall understanding of state employee turnover and the reasons for separation.

- 207 The governor and the Legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be “academically unacceptable” by the Louisiana Department of Education and who assume the cost of their child’s education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending “academically unacceptable” schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.
- 221 Provide, by statute, that one of the options for the use of excess revenue should be a recurring (permanent) tax cut for individual and corporate taxpayers, which should be budgeted.
- 231 Require any revisions to the final business plan for the proposed new Charity Hospital in New Orleans previously approved by the Joint Legislative Committee on the Budget in 2007 to be resubmitted for approval to the Joint Legislative Committee on the Budget prior to the sale of bonds by the governing corporation or the State.
- 233 The governor and the Legislature increase no state tax or fee to deal with the current budgetary shortfall.
- 235 Provide that the span of control in all departments shall be a minimum of one manager per ten employees. Highly technical, policy or non-repetitive functions may have a span of

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control as low as one manager per five employees with the permission of the Joint Legislative Committee on the Budget.

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

**31. Local Government**

- 6 Require non-resident contractors to include tax ID number on each permit and proof that contractor has completely registered to do business in Louisiana.
- 53 Require non-elderly, non-disabled recipients of any affordable housing or housing assistance program offered through the Louisiana Housing Finance Agency to obtain formal employment in the private sector or government, and require that those recipients who claim they cannot find employment to participate in a supervised job search or in educational job training program that assists people to obtain employment or perform community service.
- 61 That inefficient and circular flows of tax payments and tax credits be eliminated by having the state make a direct payment to the local government or entity levying the tax or surcharge for which tax credits are taken.
- 65 The Department of Revenue contract with willing local political subdivisions to have the department, while it is auditing for state sales taxes, to also audit for local sales taxes and be paid a reasonable fee to be negotiated between the two entities.
- 108 School districts should work with the Office of Juvenile Justice to forward local Minimum Foundation Program (MFP) funds to OJJ for students transferred to state custody and are no longer in local schools, eliminating the "double payment" for each student's education by the state and so that MFP dollars follow the student.
- 167 Inpatient capacity can be absorbed by the community hospitals in certain markets, with a renewed investment being made in outpatient and primary care access. These models should be evaluated immediately by Department of Health and Hospitals, Louisiana State University and Louisiana State University Health Care Services Division on a case by case basis in each

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community, and the study should be completed by December 31, 2010. In those communities where these models would be successful, the state should evolve the system to meet the needs of that community while optimizing the existing complement of non-public beds in that market. Huey P. Long Medical Center should be the first to be evaluated under this policy and an RFP should be written to outsource the acute and inpatient care for that Medical Center while planning for an outpatient clinic either within the current Huey P. Long Medical Center structure or using private providers using the DSH funds available in the future allocated between the inpatient and outpatient services.

### **32. Louisiana Housing Finance Agency**

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

### **33. Nonprofit Organizations**

- 26 The governor and the legislature are urged to utilize and strictly apply the criteria of Act 842 of the 2008 Regular Session with eligibility for funding being limited to organizations that are accredited or certified by the Louisiana Association of Nonprofit Organizations or nationally certified or accredited and following the content of the existing executive order which content should be made statutory. Further the Legislative Auditor and Inspector General should have ample tools and mandates to oversee these funds with all due diligence.
- 236 No NGO shall be eligible to contract with a department or agency to which the same or similar function is being provided by a department of agency, if an appropriation for that NGO has been vetoed by the governor, unless strictly for budgetary purposes, and has not been overridden by the Legislature. The prohibition shall exist for a period of one year after the governor's veto message.

### **34. Streamline Government Commission**

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- 172 Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.
- 177 The legislative committees on retirement should continue meeting jointly to study the possibility of altering the design of the retirement plan benefit structure of the four state retirement systems to provide for decreased risk to the employer agencies and the state, increased predictability of costs, and greater portability of benefit. The committees should be cognizant of the state's exemption from social security participation and the effects of any change in that exempt status on employees as well as the state. This study should specifically include consideration of a defined contribution structure. The Commission on Streamlining Government should review any report issued by the committees as part of its ongoing duties pursuant to the provisions of Act 491 of the 2009 Regular Session.
- 188 The Department of State Civil Service, with the support of the Legislative Auditor, should examine the supervisor-to-staff ratios, within each program in executive branch agencies and determine whether the ratio is appropriate based on the particularized circumstances and data from the industry. The department should report annually to the State Civil Service Commission, the division of administration, the Joint Legislative Committee on the Budget,



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and the Commission on Streamlining Government as to the programs examined, the ratio, and the propriety of that ratio. If possible, the data should be maintained in the Integrated Statewide Information System (ISIS) or any successor data information system.

- 192 As a part of continuing assessment of whether the state's employment practices are meeting the goals and policies of workforce attraction and retention, it is of paramount importance to know why employees separate from service. Currently, the costs of turnover are quite large. The Department of State Civil Service should encourage each agency to conduct exit interviews with employees who sever employment and to record the reasons for the separation in the Integrated State Information System (ISIS) or other utilized personnel records system. If possible, the department should work with the Division of Administration to revise the turnover reasons in ISIS to make the data more meaningful and valuable. The department should include the turnover information, including reasons for separation, as a part of its reports. At least once a year, the department should report to the State Civil Service Commission, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government regarding turnover rates, reasons for separation, any recommendations for decreasing the turnover rate, and any other information the department deems important for an overall understanding of state employee turnover and the reasons for separation.
- 215 Each agency must review its historical vacancy and attrition rates and shall make strategic reductions in positions by five percent, first looking at layers of management and clerical staffing, each year for three years. Furthermore each agency should review process re-engineering and unit consolidation while preserving critical services such as public safety and direct patient care. Reductions can be achieved through outsourcing privatization and program elimination where feasible and cost effective. Each agency must report to the Commission on Streamlining Government by December of 2010 and 2011 the achieved reductions and explanation of why the target was not met. Finally, state personnel who learn new skills or increased scope of responsibility should be reviewed for pay increases using savings from staff reductions.
- 217 Direct the Office of Group Benefits to write an RFP to consider consolidating and outsourcing state employee group medical benefits under a single administrative provider to more effectively leverage critical mass and improve efficiency, and report the results back to the Commission on Streamlining Government. Multiple options/levels can be offered through a single provider.

**COMMISSION ON STREAMLINING GOVERNMENT  
RECOMMENDATIONS  
BY SUBJECT AREA  
December 22, 2009**

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**Recommendation #****Description****1. Civil Service and Employee Benefits**

- 7 Department of Revenue increase number of auditors through employee definitions to increase compliance.
- 20 Department of Social Services should implement on average a 1:8 supervisor-employee report ratio.
- 31 Department of Environmental Quality reduce the workforce TO by 20 through ongoing streamlining opportunities as determined by the Secretary.
- 38 Department of Public Safety and Corrections - Public Safety Services, Department of Health and Hospitals and Department of Veterans Affairs automate time and attendance systems.
- 114 The Office of Coastal Protection and Restoration should promote cost savings by holding unfilled positions open and restricting travel.
- 121 The Public Service Commission should reduce agency membership in professional regulatory organizations.
- 134 The legislature should require that all institutions of higher education bring their Tables of Organization on budget, to the extent and in the same manner followed by other executive branch agencies.
- 135 The Office of Workforce Development and the Department of State Civil Service should begin discussions now, in anticipation of a reduction in the state workforce, to develop a plan for easing the transition of the employees from state service to private employment.
- 136 Each statewide elected official should determine, as of October 2, 2009, the number of unfilled positions authorized for the agency in its Table of Organization, Appropriated Table of Organization Full Time Equivalents (T.O.FTEs) approved by legislative appropriation, eliminate approximately 50% of those unfilled positions, and return the funds appropriated therefor to the state. In addition, each statewide elected official should not, unless otherwise approved by the Commissioner of Administration, exceed the number, considered the ceiling of occupied Non- T.O. FTEs that existed on October 2, 2009, for the remainder of the fiscal year and return any subsequent savings to the state. Collectively the number of occupied Non-T.O. FTEs for statewide elected officials (Schedule 04 and Schedule 06) was 325 on October 2, 2009.

**Recommendation #****Description**

- 160 Eliminate certain unfilled positions within the executive branch of state government in response to Executive Order No. BJ2009-11.
- 173 Any proposal of a separation package, whether it takes the form of an early retirement program, a retirement incentive, a buyout plan in exchange for voluntary separation, or a severance package for involuntary separation, should be carefully analyzed to ensure that the total projected expense of the plan, including any actuarial costs to retirement systems or increases in the premium amounts paid for group health insurance, does not outweigh the savings to the state; specifically the recurring savings of the state should pay for the costs of the package within five years of implementation. Additionally, the state should route up to 50% of the annual savings resulting from the severance of employees receiving the separation package to the retirement system and the group health insurance provider to help fund the additional direct or indirect costs, if any, associated with implementation of the separation package. Further, the inclusion of provisions prohibiting reemployment of the voluntary participants and requiring elimination of positions held by all employees severed from employment should be strategically included in the package design to avoid "double dipping" and to maximize savings.
- 174 Each agency head should consider furloughs for employees as a cost-saving measure to help delay or eliminate the possibility of layoffs. Agency heads should give due consideration to the timing of such furloughs, seeking opportunities to maximize the savings while avoiding significant adverse effects on the delivery of services. For example, a regular work day immediately following or preceding a holiday seems a promising choice as many state employees take leave on those days, and many agencies experience reduced demand for services.
- 175 To the extent that agencies employ the retirement incentive layoff avoidance measure of Civil Service Rule 17.9, the agency should abolish the position vacated by each retiree or the agency should abolish other positions which provide the same savings that would be gained from abolition of the vacated position.
- 176 The legislature should consider allowing members of the Louisiana State Employees' Retirement System to purchase service credit to be used for purposes of eligibility by paying the full actuarial cost; the legislature may choose to restrict this to members who have attained the age at which they would be eligible to retire but who lack five years or less in service credit to become eligible, and to require the member to retire within 30 days of such purchase.

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- 177 The legislative committees on retirement should continue meeting jointly to study the possibility of altering the design of the retirement plan benefit structure of the four state retirement systems to provide for decreased risk to the employer agencies and the state, increased predictability of costs, and greater portability of benefit. The committees should be cognizant of the state's exemption from social security participation and the effects of any change in that exempt status on employees as well as the state. This study should specifically include consideration of a defined contribution structure. The Commission on Streamlining Government should review any report issued by the committees as part of its ongoing duties pursuant to the provisions of Act 491 of the 2009 Regular Session.
- 179 The legislative committees on governmental affairs should meet jointly to study the current Civil Service rules and state laws governing leave accrual and accumulation and to determine whether the current structure supports the overall employment and compensation policies of the state of Louisiana. Particular emphasis should be given to a determination of whether disability insurance may be used as a substitute for or as a supplement to sick leave accrual and accumulation, and the cost, if any, of the current law and rules allowing leave balances to be converted to retirement credit.
- 181 The legislative committees on governmental affairs, retirement, appropriations, and finance should undertake a comprehensive study of the state's policies related to the employment and retention of state public servants, the compensation package offered to those public servants, the extent to which the combination of salary and benefits supports the employment and retention policies, and the adjustments, if any, to the compensation package that may be more successful in furthering employment and retention policies; after the study is complete, it is recommended that the committees present a joint report to the House of Representatives and the Senate detailing the committees' findings and recommending proposals for any changes the committees deem necessary or prudent. The Commission recommends that the joint report be issued at least thirty days before the convening of the 2011 regular legislative session.
- 182 The legislature should require each agency receiving state funding or operating with self-generated funds derived from fees and other assessments or interagency transfer to evaluate and justify its staffing level as part of the state budgeting process. Each agency head should consider engaging in strategic workforce planning and using that strategic plan in presenting staff justification to the legislature. An agency's strategic workforce plan should be subject to internal review and amendment at regular intervals not to exceed three years.
- 183 All executive branch agencies, including higher education entities, should be required to report all employees to the Department of State Civil Service and the legislature, including

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

- 184 The legislature should determine whether an agency's unclassified managers receive pay increases even if they have not complied with the requirements applicable to classified managers regarding completion of the performance reviews of the employees supervised.
- 185 By February 1, 2010, the Department of State Civil Service should hold mandatory education and training for all upper level management (whether classified or unclassified) and human resources staff of executive branch agencies to inform or refresh them regarding the current rules and procedures for layoffs, layoff avoidance measures, salary flexibility, and other workforce management tools. By March 15, 2010, the Department of State Civil Service and the upper level management, whether classified or unclassified, and human resources personnel of each agency should schedule and hold in-depth discussions regarding the particularized personnel needs of the agency and the tools, processes, and rules by which Civil Service can help the agency meet those needs. To the extent the current practices of Civil Service do not meet the needs of the agency, Civil Service should consider rule changes.
- 186 The Department of State Civil Service should coordinate with the Division of Administration to eliminate any duplication in training programs and to ensure there are no gaps in the training programs offered.
- 187 The Department of State Civil Service shall adopt appropriate national, regional, or state testing or certification programs that may be used in lieu of the civil service exam to determine qualifications for classified positions. The department should give due consideration to ACT WorkKeys as well as to any similar testing or certification programs. The department should balance the positive aspects of each program against any increased costs to the state as an employer or to the prospective employee as an applicant. The department should consider whether an applicant who already has a rating or certification from a public or private national, regional, or state entity should be allowed, on an individual basis, to have that certification substitute for the civil service examination.

Recommendation #	Description
188	The Department of State Civil Service, with the support of the Legislative Auditor, should examine the supervisor-to-staff ratios, within each program in executive branch agencies and determine whether the ratio is appropriate based on the particularized circumstances and data from the industry. The department should report annually to the State Civil Service Commission, the division of administration, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government as to the programs examined, the ratio, and the propriety of that ratio. If possible, the data should be maintained in the Integrated Statewide Information System (ISIS) or any successor data information system.
189	The State Civil Service Commission should not consider an employee whose annual performance review shows he or she "meets expectations" for any pay increase which purports to be based on meritorious service or performance.
190	The Department of State Civil Service should annually report to the Joint Legislative Committee on the Budget regarding the turnover rate in state agencies and the cost associated therewith; the report should provide data on specific job classifications where the turnover rate is especially high or the cost to the state is great.
191	The legislature and the Department of State Civil Service should continue efforts to enlarge the pay bands, to provide opportunities for flattening agencies' organizational charts, to encourage use of pay-for-performance initiatives, and to widen the utilization of the dual career ladder. Additionally, the department should monitor the current performance evaluation process to ensure each agency conducts the evaluation activities in a manner that is objective and consistent, both internally and in comparison to other agencies. If the department finds that objectivity and consistency are chronically lacking, the department should inform the State Civil Service Commission and the legislature so that rules or laws may be formulated to assist the agencies in achieving objectivity and consistency in performance evaluation.
192	As a part of continuing assessment of whether the state's employment practices are meeting the goals and policies of workforce attraction and retention, it is of paramount importance to know why employees separate from service. Currently, the costs of turnover are quite large. The Department of State Civil Service should encourage each agency to conduct exit interviews with employees who sever employment and to record the reasons for the separation in the Integrated State Information System (ISIS) or other utilized personnel records system. If possible, the department should work with the Division of Administration to revise the turnover reasons in ISIS to make the data more meaningful and valuable. The department should include the turnover information, including reasons for separation, as a part of its reports. At least once a year, the department should report to the State Civil

**Recommendation #****Description**

- Service Commission, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government regarding turnover rates, reasons for separation, any recommendations for decreasing the turnover rate, and any other information the department deems important for an overall understanding of state employee turnover and the reasons for separation.
- 193 All executive branch agencies should be encouraged to utilize the maximum allowable probationary period of two years for employees hired on or after January 1, 2010. The Civil Service Commission should consider whether the minimum probationary period should be lengthened, perhaps to the current two-year maximum.
- 194 The Department of State Civil Service should encourage state agencies to take full advantage of existing special pay and rewards and recognition policies to provide employees with both monetary and nonmonetary rewards for outstanding performance. This should take place in conjunction with the implementation of the new annual pay increase system based upon the employee's annual performance review. Where the department perceives an agency to be underutilizing these tools, the department should contact the agency directly to schedule a discussion about the appropriate use of special pay, rewards and recognition, and pay-for-performance options.
- 195 The Deferred Retirement Option Plans of the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, and the Louisiana School Employees' Retirement System should be closed effective January 1, 2015. Any state employee whose membership in the Louisiana State Employees' Retirement System is governed by Act 75 of the 2005 Regular Session should not be permitted to participate in the plan. Any person who enters the plan applicable to his or her system on or after January 1, 2013, should sever employment upon completion of participation in the plan. Any person who is eligible to enter the plan on or before January 1, 2015, and who has not submitted an application to enter the plan on or before January 1, 2015, should be prohibited from participation in the plan. The retirement systems should provide for early application to enter the plan for those members whose eligibility begins near the termination date of the plan but who may wish to begin participation on a date after January 1, 2015, but in no case shall such participation extend beyond the legally permissible time limitations.
- 196 Each manager responsible for engaging in the Performance Planning and Review process should use the PPR forms to track each employee's productivity and level of performance by using objective information to measure actual performance against expectations.



Recommendation #	Description
197	The Department of State Civil Service should lower the number of classifications to 800 by December 31, 2010, and further lower the number to 600 by December 31,2011.
198	Each agency should consider using furloughs to keep costs down. Each agency should furlough every employee one day each quarter of the 2010-2011 fiscal year. Determination of timing of furloughs is left to the agency; however, where possible the agency should consider furloughing all employees in a particular location on the same day to capture additional savings from such things as non-use of utilities.
202	Ensure that terminated, deceased or retired state employees do not get their active employee pay inappropriately.
203	Restructure teacher pay to provide incentives for education graduates to seek secondary education positions.
215	Each agency must review its historical vacancy and attrition rates and shall make strategic reductions in positions by five percent, first looking at layers of management and clerical staffing, each year for three years. Furthermore each agency should review process re-engineering and unit consolidation while preserving critical services such as public safety and direct patient care. Reductions can be achieved through outsourcing privatization and program elimination where feasible and cost effective. Each agency must report to the Commission on Streamlining Government by December of 2010 and 2011 the achieved reductions and explanation of why the target was not met. Finally, state personnel who learn new skills or increased scope of responsibility should be reviewed for pay increases using savings from staff reductions.
217	Direct the Office of Group Benefits to write an RFP to consider consolidating and outsourcing state employee group medical benefits under a single administrative provider to more effectively leverage critical mass and improve efficiency, and report the results back to the Commission on Streamlining Government. Multiple options/levels can be offered through a single provider.
218	Scale down the Louisiana Teacher Assistance and Assessment Program.
222	Should a reduction in force through voluntary or involuntary separation become necessary, whether applicable only to targeted programs or budget units or implemented across most agencies, the design process of the staff reduction plan should include discussions of a separation package which may take the form of an incentive or severance package. Prudence dictates that the details of such a package should be determined only after designation by the

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appropriate entity of programs to be reduced or eliminated or positions to be emptied. However, any such separation package may include three basic components: (1) a lump-sum payment, (2) provision for health insurance, and (3) provision for education or training. If the package is offered as an incentive for voluntary separation, any employee taking the incentive should be prohibited from employment with the state or from entering into a contract to provide services on behalf of the state for a period of thirty-six months. If the person is reemployed or enters a contract within the prohibition period, the person should reimburse the state the proportionate value of the incentive package. Any separation, whether voluntary or involuntary, to which a separation package applies should trigger the abolition of the position from which each employee is separated; however, if the position is critical to the mission of the agency, the agency should be permitted to abolish another position or combination of positions that represent the elimination of the same amount of salary and benefit costs from the agency's budget.

- 227 Require that the retirement plan benefit structure for the four state retirement systems be changed to a defined contribution plan for all new employees hired after July 1, 2010.
- 235 Provide that the span of control in all departments shall be a minimum of one manager per ten employees. Highly technical, policy or non-repetitive functions may have a span of control as low as one manager per five employees with the permission of the Joint Legislative Committee on the Budget.

**2. Efficiency and Benchmarking**

- 1 Reduce total number of state-owned automobiles to 2004 level over a 12 month period.
- 2 Reduce total number of automobiles by 20% and convert many agency fleets to rental over a 12 month period
- 3 Hold department heads accountable for poor safety performance by department employees.
- 5 Develop coordinated plan for consolidated collection of accounts receivable where feasible.
- 6 Require non-resident contractors to include tax ID number on each permit and proof that contractor has completely registered to do business in Louisiana.
- 7 Department of Revenue increase number of auditors through employee definitions to increase compliance.
- 9 Department of Health and Hospitals transition Medicaid to integrated delivery system with care coordination.
- 10 Department of Health and Hospitals solicit qualified providers to partially privatize centers for the developmentally disabled by transferring residents to private centers or transitioning them to community based services. Further recommends the department consolidate state run centers. These solicitations should be competitively based on cost and quality experiences and the contract should contain incentives to reduce costs and compliance with regulatory requirements.
- 12 Department of Health and Hospitals consolidate operated in-patient health services in Greater New Orleans area.
- 16 Department of Natural Resources implement a pilot program to change inspection of wells by self-reporting affidavit with appropriate penalty for non-compliance.
- 17 Require electronic reports by energy producers to the Department of Natural Resources.
- 19 Louisiana Workforce Commission eliminate Second Injury Fund over time
- 20 Department of Social Services should implement on average a 1:8 supervisor-employee report ratio.

Recommendation #	Description
21	Place jurisdiction over all receivables by all departments in Louisiana state government with the Cash Management Review Board and require that the State Receivables Report be compiled and published no later than 60 days after the end of every quarter.
22	Direct the Division of Administration to determine the value and the "highest and best use" of each state-owned property, and develop opportunities for the state to enter into public-private development partnerships with private and non-profit public partners, chosen by competitive bid, in order to develop and manage state-owned real estate in a manner that achieves the "highest and best use" of the property, increases cash flow for taxpayers, meets smart growth principles, and satisfies the highest standards of design and environmental sustainability.
23	Develop cooperative arrangements with Arkansas and Mississippi which would identify and explore creative, synergistic opportunities to make the operation of state government and the provision of state government services more cost effective and efficient.
24	Sunset and abolish all special funds in the State Treasury and the statutes establishing such special funds, with some exceptions, as of June 30, 2011, after a full comprehensive review by the Joint Legislative Committee on the Budget by December 31, 2010.
25	The governor and the legislature authorize and direct the LSU Health System to adopt the recommendations of Alvarez and Marsal for the operation of the interim Charity Hospital in New Orleans. The governor and legislature direct every other charity hospital in Louisiana to contract for a similar financial and operational assessment with a third party private sector consulting firm, such as but not necessarily Alvarez and Marsal, that specializes and has a proven track record in turnaround management, corporate restructuring and performance improvement for institutions and their stakeholders.
26	The governor and the legislature are urged to utilize and strictly apply the criteria of Act 842 of the 2008 Regular Session with eligibility for funding being limited to organizations that are accredited or certified by the Louisiana Association of Nonprofit Organizations or nationally certified or accredited and following the content of the existing executive order which content should be made statutory. Further the Legislative Auditor and Inspector General should have ample tools and mandates to oversee these funds with all due diligence.
29	Department of Environmental Quality lease office & warehouse space at reduced rates from the Department of Agriculture and Forestry.
32	Department of Wildlife and Fisheries consider consolidating the litter hotline from DEQ.

Recommendation #	Description
33	Department of Wildlife and Fisheries consolidate the marine, inland, and wildlife facilities at the Lacombe Hatchery.
38	Department of Public Safety and Corrections - Public Safety Services, Department of Health and Hospitals and Department of Veterans Affairs automate time and attendance systems.
42	Department of Veterans Affairs re-negotiate the competitive therapy services at the veterans homes.
44	Legislation be enacted to allow reverse auctions.
45	Continue the implementation of the LaGov (ERP) project.
46	Consolidate the state's data processing assets to move to a centralized data environment.
47	Continue the implementation of e-mail as a statewide shared enterprise service.
48	Implement an IT spend analysis/agency efficiency scorecard.
49	Review, modernize and consolidate management of IT procurement.
50	Implement a single infrastructure for external health care initiatives.
51	Continue implementation of a management of enterprise network infrastructure.
52	Require at least 60% of the money in Louisiana's Capital Outlay Program be spent on road and bridge construction and maintenance through the existing priority program and at least 20% of the money in Louisiana's Capital Outlay Program be spent on deferred maintenance of state buildings, including colleges and universities, for each year of the next five years.
53	Require non-elderly, non-disabled recipients of any affordable housing or housing assistance program offered through the Louisiana Housing Finance Agency to obtain formal employment in the private sector or government, and require that those recipients who claim they cannot find employment to participate in a supervised job search or in educational job training program that assists people to obtain employment or perform community service.
54	Direct all boards and commissions, except those boards responsible for administering Louisiana's retirement systems, to file electronically, on or before February 1 of each calendar year, with the Commissioner of Administration of the state of Louisiana, the

Recommendation #

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Speaker of the Louisiana House of Representatives and the President of the Louisiana Senate, a financial statement setting forth in detail the assets and liabilities, including unencumbered and encumbered cash on hand, of each board and commission. Further direct all money which is not needed by these boards be subject to appropriation for any lawful purpose by the Legislature.

- 56 Make pretrial mediation of disputed claims filed with the Office of Workers' Compensation voluntary, which will eliminate the need for six attorney mediators at that office at an average annual savings of \$75,000 for each mediator.
- 58 Urge departments and agencies of state government to contract with the Department of Revenue to have their document and remittance processing performed by that department until that department's equipment is used as close to 100% of the time as is practical and possible.
- 59 The Louisiana Workforce Commission audit program for unemployment insurance taxes be transferred to the Department of Revenue and that no more than 75% of the monies spent by the Louisiana Workforce Commission to perform this service be appropriated annually to the Department of Revenue to perform the service.
- 60 Transfer the audit functions and responsibilities of the International Registration Plan currently administered by the Department of Public Safety and Corrections to the Department of Revenue, which currently performs audits for the International Fuel Tax Agreement, and require that no more than 75% of the monies spent by the Department of Public Safety and Corrections to perform these services be appropriated to the Department of Revenue to perform the services.
- 61 That inefficient and circular flows of tax payments and tax credits be eliminated by having the state make a direct payment to the local government or entity levying the tax or surcharge for which tax credits are taken.
- 62 All departments and agencies of Louisiana state government to the maximum extent possible contract with the Department of Public Safety and Corrections for prison labor to perform cleaning and janitorial services.
- 63 Direct the Department of Health and Hospitals to immediately and fully implement the provisions of LRS 22:1065 et seq., better known as the "Baby Bill," as well as the Louisiana Health Insurance Premium Payment Program, and report to the Legislature on a semi-annual basis its results to fully implement these two provisions of Louisiana law.

Recommendation #

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- 64 The fixed-site scale responsibilities of the Department of Transportation and Development be transferred to the Louisiana State Police, and that the State Police be directed to achieve a savings of at least 25% in the second year through the consolidation of the responsibilities.
- 65 The Department of Revenue contract with willing local political subdivisions to have the department, while it is auditing for state sales taxes, to also audit for local sales taxes and be paid a reasonable fee to be negotiated between the two entities.
- 66 Establish single location for information technology help desk functions for all state agencies and its employees.
- 67 Develop plans to further integrate services of the Department of Social Services and the Louisiana Workforce Commission, especially those services where shared clientele is realized.
- 68 Expand current efforts to reduce unused nursing home bed capacity.
- 69 Develop pilot program for long-term care services for the elderly and people with adult-onset disabilities.
- 70 Transfer Independent Living, Community & Family Support, and Traumatic Head and Spinal Cord Injury Trust Fund programs from the Department of Social Services, Louisiana Rehabilitation Services to the Department of Health and Hospitals, Office of Aging and Adult Services.
- 71 Provide a tax clearance requirement for all state vendors and contractors and permit state departments and agencies to "garnish" payment to vendors and contractors doing business with the state and who also have a final judgment as to an account receivable in favor of the state.
- 72 Perform a system-wide analysis of behavioral health needs of high risk children within the child welfare and Office of Juvenile Justice systems to maximize the use of Medicaid funding. Such analysis shall be performed in-house by state employees.
- 74 Governor's Office on Homeland Security and Emergency Preparedness (GOHSEP) work with Louisiana's congressional delegation to identify and utilize federal funding for establishing additional shelter-capacity in-state for Louisiana residents who cannot self-evacuate and shelter during emergency periods.
- 75 Consolidate eligibility and enrollment functions for citizens needing services or support from Department of Social Services or Department of Health and Hospitals at no additional cost.

Recommendation #	Description
77	Transfer appropriate rehabilitation service functions in the Department of Social Services to the Department of Health and Hospitals and the Louisiana Workforce Commission.
78	Board of Elementary and Secondary Education study the use of digital textbooks in state schools and to report to the Legislature prior to March 2010.
79	All Louisiana public school students who have been suspended from school for more than five days in a school year or who have more than ten unexcused absences from school in a school year may be required to enroll in the Louisiana National Guard Youth Challenge Program or alternatively, be placed in the Louisiana Department of Education's Jobs for America's Graduates Program, at the discretion of the principal. Pay for increased enrollment in the Youth Challenge Program and/or the JAG Program with Minimum Foundation Program funds. Change Louisiana law to prohibit students from dropping out of school until they have reached 18 years of age.
80	Except as required by the federal government, the Louisiana Constitution, or court order, limit State General Fund appropriations in FY 10-11 and FY 11-12 for operating expenses to no more than 98% of each prior fiscal year's appropriation while, at a minimum, providing the same kind and level of needed services as provided in the prior fiscal year through increased productivity.
81	Request an independent study of "Charity Hospital" to evaluate the overall plan and report findings to the legislature before convening of the next regular session.
82	The Department of Health and Hospitals may, to control expenditures, negotiate supplemental rebates for the Medicaid pharmacy program in conjunction with the preferred drug list. In these negotiations, the preferred drug list may be adjusted to reduce costs by revising the state maximum allowable cost methodology for generic drugs, and should then require manufacturers to compete for placement on the preferred drug list based on cost when there is more than one brand in a class.
83	Direct the Department of Education and the Board of Elementary and Secondary Education to pursue student based budgeting.
84	Governor and legislature authorize the Department of Health and Hospitals to use co-pays up to ten dollars for emergency room treatment to the extent allowed by federal law and in a way that would encourage proper use of resources and discourage overuse of resources that may not be needed. Such co-pay shall not apply to services rendered for emergency conditions or services for children.



Recommendation #	Description
85	The Board of Regents, in collaboration and consultation with the postsecondary education management boards, study the consolidation of purchasing functions among the campuses to increase purchasing power.
87	Department of Public Safety and Corrections – Corrections Services expand its partnership with Louisiana State University Health Sciences Center - Shreveport to provide the more costly medications to inmates in the Shreveport region.
97	The Department of Health and Hospitals, Office of Aging and Adult Services implement a needs based allocation of services in the Elderly and Disabled Adult Waiver Program and the Personal Care Attendant Services Medicaid Option by the end of FY 2009-2010.
100	The Department of Insurance be given permission to buy its own telephone system, which will be an improved system, and also save \$250,000 each year, beginning with the second year after the purchase.
101	The LSU Health Care Services Division be directed, to the maximum extent possible, to execute affiliation agreements with other hospitals that have high levels of Medicare patients and a commitment to resident training in order to receive additional money from Medicare for graduate medical education, which such additional monies are currently being left on the table because of low numbers of Medicare patients in the Charity Hospital system.
102	The Department of Health and Hospitals consider reducing the administrative costs of the Louisiana Medicaid Program by at least 5%.
103	Develop plan to remove the state of Louisiana from the leasing of buildings and office space.
105	Every department and agency be required to: (1) Organize itself structurally for the delivery of services along uniform regional boundaries as determined by the state; (2) Shift transactions with the public to an electronic online capability as appropriate; and (3) Support regional Government Services Centers under a "mall concept" whereby citizens may go for all government services and processes that could be accessed electronically or with the help of skilled specialists. Department and agency field offices be consolidated to such centers and surplus buildings and personnel be addressed.
106	Each state department is to prepare and provide a review or an analysis of what could be changed, modified, consolidated, eliminated, streamlined, improved, and/or enhanced to ultimately permanently reduce or eliminate continuation costs or expenses in their respective

**Recommendation #****Description**

- department, agency, board or commission. Provide financial incentives for implementation of permanent sustainable savings.
- 107 Office of Juvenile Justice partner with the Department of Social Services and other stakeholders to better implement the Families in Need of Services Program with a goal of preventing youth from entering the costly juvenile justice system.
- 108 School districts should work with the Office of Juvenile Justice to forward local Minimum Foundation Program (MFP) funds to OJJ for students transferred to state custody and are no longer in local schools, eliminating the "double payment" for each student's education by the state and so that MFP dollars follow the student.
- 109 Develop, plan and explore efficiency opportunities for consolidating field sampling programs within the departments of Health and Hospitals, Environmental Quality and Wildlife and Fisheries.
- 110 Department of Health and Hospitals to study appropriate role and determine best future use of Villa Feliciano (VF) Medical Complex either as a medical facility or otherwise.
- 111 Develop, plan and explore efficiency opportunities for consolidating/leveraging of the Department of Health and Hospitals and the Department of Environmental Quality drinking water programs for testing and monitoring and transfer Lead-based Paint Program from DEQ to DHH.
- 112 The Department of Natural Resources should restructure the Office of the Secretary, Management, and the Atchafalaya Basin.
- 113 The permitting teams of the departments of Natural Resources, Wildlife and Fisheries, and Environmental Quality should be co-located.
- 114 The Office of Coastal Protection and Restoration should promote cost savings by holding unfilled positions open and restricting travel.
- 115 The Public Service Commission should be subjected to the criteria of full cost recovery.
- 116 The Public Service Commission should reduce the number of telephone lines and delete voice mail.

**Recommendation #****Description**

- 117 The dues and subscriptions for the entire Public Service Commission that no longer serve the agency's needs or which are too costly should be eliminated.
- 118 The Public Service Commission should consolidate the number of copiers and electronic devices throughout the agency.
- 119 The Public Service Commission should reduce the number of vehicles and implement the use of "pool vehicles".
- 120 The Public Service Commission should use one purchasing source with all purchase orders issued from a central location; additionally the agency should make efforts to buy in bulk, maintain an adequate inventory of supplies and equipment, and implement a requisition system for issuance statewide.
- 121 The Public Service Commission should reduce agency membership in professional regulatory organizations.
- 122 The Public Service Commission should continue to move toward electronic documentation and filing requirements to reduce paper, office supplies, postage, and other associated costs.
- 123 To the extent possible, the Public Service Commission should consolidate multiple investigations within a single subpoena request to reduce enforcement costs.
- 125 The Office of Coastal Protection and Restoration should continue to integrate the state's existing coastal restoration, hurricane, and flood protection efforts.
- 126 The Office of Coastal Protection and Restoration should continue utilizing the support, staff, science and legal services of other agencies to avoid duplication and retain efficiency.
- 127 The Office of Coastal Protection and Restoration should continue to develop a prioritization tool to guide funding decisions and to identify the best opportunities to restore the ecosystem and protect Louisianians from hurricane and storm damages.
- 128 The Office of Coastal Protection and Restoration should initiate a study to determine the appropriate roles and responsibilities of levee districts, parish governments, the state, and federal agencies involved in hurricane protection and coastal restoration efforts.
- 130 The Office of Coastal Protection and Restoration should continue to pursue the strategic deployment of mitigation funds to provide quicker start and faster completion of projects.

Recommendation #	Description
131	The Office of Coastal Protection and Restoration should continue to reduce the time it takes to complete the contracting process.
132	The Office of Coastal Protection and Restoration should work with federal partners to improve the project development and implementation process, focusing on a reduction in the time which elapses between the initiation of a concept to completion of the project.
133	The Office of Coastal Protection and Restoration should continue to improve the new project budgeting and management system.
137	Create Office of Behavioral Health within Department of Health and Hospitals to replace the current Office of Mental Health and Office of Addictive Disorders.
143	Provide that a Louisiana state prisoner, who does not have a high school diploma or who has not passed the General Education Development test (GED) certifying that he has American high school academic skills, shall have made available to him a program designed to help him pass the GED.
144	Reduce the number of Department of Transportation and Development districts by at least two districts.
147	Department of Transportation and Development employ the fleet management program to eliminate 20% of its cars and pickup trucks.
149	Department of Transportation and Development reduce work-related accidents by 50%, from a total of 7% to 3.5%.
150	Department of Transportation and Development approve more projects for value engineering.
152	The Department of Natural Resources field audit program for royalties be transferred to the Department of Revenue and that no more than 75% of the monies spent by the Department of Natural Resources to perform this service be appropriated annually to the Department of Revenue to perform the service.
153	State agencies, including higher education and state public hospitals, are directed to explore adoption of LEAN principles to improve efficiency, increase productivity, eliminate waste in system processes and save money.

Recommendation #	Description
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- 157 Explore cost-benefits of utilizing managed print services.
- 158 Enable contracting methodology for value added services that transform the way employees work and improve constituent services.
- 159 Reduce the state automobile fleet by at least 10% prior to December 31, 2009; reduce at least an additional 10% of the 11,484 vehicles remaining prior to December 31, 2010; reduce at least an additional 10% of the 10,336 vehicles remaining prior to December 2011; emphasize pooling and convert many agency fleets to rentals.
- 161 Modernize the procurement statutes across all procurement areas.
- 163 Require the Division of Administration to pursue the development of "enterprise contracts" and require state agencies to utilize these contracts.
- 164 Requests the Division of Administration to develop a program to effectively monitor the performance of vendors who do business with the state.
- 165 Requests all state agencies, regardless of statutory or delegated authority to process their own contracts, to provide the Division of Administration information on those contracts not in the state's contract financial management system.
- 166 Requests all agencies to engage in a thorough review of private contracts to identify underperforming and low-priority contracts.
- 167 Inpatient capacity can be absorbed by the community hospitals in certain markets, with a renewed investment being made in outpatient and primary care access. These models should be evaluated immediately by Department of Health and Hospitals, Louisiana State University and Louisiana State University Health Care Services Division on a case by case basis in each community, and the study should be completed by December 31, 2010. In those communities where these models would be successful, the state should evolve the system to meet the needs of that community while optimizing the existing complement of non-public beds in that market. Huey P. Long Medical Center should be the first to be evaluated under this policy and an RFP should be written to outsource the acute and inpatient care for that Medical Center while planning for an outpatient clinic either within the current Huey P. Long Medical Center structure or using private providers using the DSH funds available in the future allocated between the inpatient and outpatient services.

Recommendation #	Description
168	Request the Division of Administration develop a web based system for management and reporting by agencies of space utilization of state leased space as well as space utilization and maintenance efforts in state owned facilities operated and maintained by agencies outside the division.
169	Governor and legislature consider converting state-owned enterprises and assets from dormant physical capital to financial capital which can be used for pressing needs.
170	Certain government services and processes be identified as activities to be funded in whole or in part through "full cost recovery" of expenses by the user or customer; that the criteria for setting the amount of cost recovery be established in consultation with the Society of Louisiana Certified Public Accountants; and the data and information used, as well as the process employed to calculate the specific charge, and any audits thereof, be displayed on the department's or agency's website.
172	Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.
178	The legislature should protect the provisions of Act 497 of the 2009 Regular Session which provide for application of excess investment earnings toward reduction of the unfunded

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accrued liabilities of the retirement systems for teachers and state employees and should capitalize on opportunities to provide additional payments when funds and circumstances allow.

- 180 The legislature should consider adopting a special, earlier pre-filing date for legislation related to retirement to allow adequate time for fiscal and actuarial analysis of the effect of the proposed legislation.
- 181 The legislative committees on governmental affairs, retirement, appropriations, and finance should undertake a comprehensive study of the state's policies related to the employment and retention of state public servants, the compensation package offered to those public servants, the extent to which the combination of salary and benefits supports the employment and retention policies, and the adjustments, if any, to the compensation package that may be more successful in furthering employment and retention policies; after the study is complete, it is recommended that the committees present a joint report to the House of Representatives and the Senate detailing the committees' findings and recommending proposals for any changes the committees deem necessary or prudent. The Commission recommends that the joint report be issued at least thirty days before the convening of the 2011 regular legislative session.
- 182 The legislature should require each agency receiving state funding or operating with self-generated funds derived from fees and other assessments or interagency transfer to evaluate and justify its staffing level as part of the state budgeting process. Each agency head should consider engaging in strategic workforce planning and using that strategic plan in presenting staff justification to the legislature. An agency's strategic workforce plan should be subject to internal review and amendment at regular intervals not to exceed three years.
- 199 The Department of Health and Hospitals should study the use and feasibility of telemedicine.
- 200 Department of Education to reduce the paperwork required of each school district for annual Pupil Progression and Advancement Plans and School Improvement Plans to "net change" documents instead of redoing the entire report yearly.
- 201 State Board of Elementary and Secondary Education to restructure the Minimum Foundation Program so that the MFP, as well as the federal dollars follow the child and that 80% of the MFP funds are spent on the classroom as directed by the principal of each school.
- 202 Ensure that terminated, deceased or retired state employees do not get their active employee pay inappropriately.

Recommendation #	Description
205	The Department of Natural Resources should automate data entry and privatize record archiving for the Office of Mineral Resources.
206	The Department of State Civil Service should investigate whether savings could be achieved by the coordination of recruitment efforts by state entities at individual events or locations.
207	The governor and the Legislature support and pass the Louisiana New Start Education Tax Credit Program which would (a) provide a \$4,000 refundable state income tax credit per child to parents who have a child attending a Louisiana public school that is deemed to be “academically unacceptable” by the Louisiana Department of Education and who assume the cost of their child’s education in a private or parochial school in Louisiana, and (b) provide a \$4,000 state income tax credit to any Louisiana taxpayer that donates \$4,000 to a nonprofit, scholarship-granting organization recognized by the Louisiana Department of Education which, in turn, uses the money to provide scholarships to families of children who are attending “academically unacceptable” schools in Louisiana and who elect instead to send their children to a private or parochial school in Louisiana.
208	Department of Public Safety and Corrections eliminate all but one of the principals supervising teachers in its education program and return the remaining principals to classroom teaching positions.
209	Centralize the hosting of current and future compatible geographic information system and "volume buy" GIS software and licenses, including local government in such purchases where appropriate.
210	Merge and assign the administration of the State Board of Elementary and Secondary Education's block grant program focused on pre-kindergarten programs for at-risk four-year-old children into the Department of Education's Cecil J. Picard LA 4 Early Childhood Program.
211	Primary responsibility for adult education resides with the Louisiana Community and Technical College System and the responsibility and funding of the Department of Education's Division of Adult and Community Education should be transferred to the system.
212	Require the State Board of Elementary and Secondary Education to terminate the pre-GED (Graduate Equivalency Diploma) Skills Options Program and direct local education agencies to re-direct funds supporting the program to approved dropout prevention programs modeled after Jobs for America's Graduates.



Recommendation #	Description
214	Department of Revenue charge based on full cost recovery private businesses, groups or individuals for issuing private letter rulings.
215	Each agency must review its historical vacancy and attrition rates and shall make strategic reductions in positions by five percent, first looking at layers of management and clerical staffing, each year for three years. Furthermore each agency should review process re-engineering and unit consolidation while preserving critical services such as public safety and direct patient care. Reductions can be achieved through outsourcing privatization and program elimination where feasible and cost effective. Each agency must report to the Commission on Streamlining Government by December of 2010 and 2011 the achieved reductions and explanation of why the target was not met. Finally, state personnel who learn new skills or increased scope of responsibility should be reviewed for pay increases using savings from staff reductions.
216	Department of Health and Hospitals continue implementation plan to sell and/or lease the John J. Hainkel Home and Rehabilitation Center.
218	Scale down the Louisiana Teacher Assistance and Assessment Program.
220	Reduce the Entertainment Workforce Program in the Department of Economic Development.
221	Provide, by statute, that one of the options for the use of excess revenue should be a recurring (permanent) tax cut for individual and corporate taxpayers, which should be budgeted.
222	Should a reduction in force through voluntary or involuntary separation become necessary, whether applicable only to targeted programs or budget units or implemented across most agencies, the design process of the staff reduction plan should include discussions of a separation package which may take the form of an incentive or severance package. Prudence dictates that the details of such a package should be determined only after designation by the appropriate entity of programs to be reduced or eliminated or positions to be emptied. However, any such separation package may include three basic components: (1) a lump-sum payment, (2) provision for health insurance, and (3) provision for education or training. If the package is offered as an incentive for voluntary separation, any employee taking the incentive should be prohibited from employment with the state or from entering into a contract to provide services on behalf of the state for a period of thirty-six months. If the person is reemployed or enters a contract within the prohibition period, the person should reimburse the state the proportionate value of the incentive package. Any separation, whether voluntary or involuntary, to which a separation package applies should trigger the abolition of the position from which each employee is separated; however, if the position is critical to

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- the mission of the agency, the agency should be permitted to abolish another position or combination of positions that represent the elimination of the same amount of salary and benefit costs from the agency's budget.
- 223 Convert all agency advertising notices to electronic notification where feasible.
- 227 Require that the retirement plan benefit structure for the four state retirement systems be changed to a defined contribution plan for all new employees hired after July 1, 2010.
- 228 Reduce the site-specific fund in the Department of Economic Development, which is used to cover project-specific expenses related to business retention and recruitment efforts.
- 229 Change the supporting guarantees for Small Business Loan Guarantee Program in the Department of Economic Development.
- 230 Provide that the annual budget for the Crescent City Connection Division of the Department of Transportation and Development can be no more than the amount of annual tolls collected by the Crescent City Connection, which tolls cannot be raised without a two-thirds vote of the legislature.
- 231 Require any revisions to the final business plan for the proposed new Charity Hospital in New Orleans previously approved by the Joint Legislative Committee on the Budget in 2007 to be resubmitted for approval to the Joint Legislative Committee on the Budget prior to the sale of bonds by the governing corporation or the State.
- 232 Provide that no vendor whose contract with the state has been cancelled for nonperformance shall be eligible to contract with the state for 5 years.
- 233 The governor and the Legislature increase no state tax or fee to deal with the current budgetary shortfall.
- 234 To provide that annual spending per secure commitment bed in the Office of Juvenile Justice be reduced to the Southern average, as long as the reduction does not interfere with the transfer or implementation of the Missouri Model.
- 235 Provide that the span of control in all departments shall be a minimum of one manager per ten employees. Highly technical, policy or non-repetitive functions may have a span of control as low as one manager per five employees with the permission of the Joint Legislative Committee on the Budget.

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- 237 Require the Department of Public Safety and Corrections, Corrections Services to explore legislation and rule making to identify any administrative efficiencies and potential cost savings.
- 238 Direct the Louisiana Sentencing Commission to complete its work and provide the Legislature with recommendations for the 2010 Regular Session that will improve public safety and be cost effective to taxpayers.

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**3. IT Integration**

- 17 Require electronic reports by energy producers to the Department of Natural Resources.
- 36 Department of Public Safety and Corrections - Public Safety Services implement a vendor operated mail room, and print and mail systems.
- 38 Department of Public Safety and Corrections - Public Safety Services, Department of Health and Hospitals and Department of Veterans Affairs automate time and attendance systems.
- 44 Legislation be enacted to allow reverse auctions.
- 45 Continue the implementation of the LaGov (ERP) project.
- 46 Consolidate the state's data processing assets to move to a centralized data environment.
- 47 Continue the implementation of e-mail as a statewide shared enterprise service.
- 48 Implement an IT spend analysis/agency efficiency scorecard.
- 49 Review, modernize and consolidate management of IT procurement.
- 51 Continue implementation of a management of enterprise network infrastructure.
- 54 Direct all boards and commissions, except those boards responsible for administering Louisiana's retirement systems, to file electronically, on or before February 1 of each calendar year, with the Commissioner of Administration of the state of Louisiana, the Speaker of the Louisiana House of Representatives and the President of the Louisiana Senate, a financial statement setting forth in detail the assets and liabilities, including unencumbered and encumbered cash on hand, of each board and commission. Further direct all money which is not needed by these boards be subject to appropriation for any lawful purpose by the Legislature.
- 55 State government create a website modeled after the "Where the Money Goes: Window on State Government and Transparency at Work in Texas" website provided by the Texas Comptroller of Public Accounts which is a user friendly website containing a database on state spending searchable by state agency, payee and category of expense, and which includes a virtual check register updated daily and available twenty-four hours a day. Louisiana state government also assimilate into this new website the best practices and user-friendly nature

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exhibited by the state of Utah's "transparent.utah.gov" website, which is dedicated to the transparency and accountability of Utah's government finances.

- 57 The Department of Revenue be authorized and directed to establish provisions on its website so that taxpayers may ask questions about tax notices and receive answers online, through email, and that allow taxpayers to file an appeal of an alleged delinquency online.
- 66 Establish single location for information technology help desk functions for all state agencies and its employees.
- 67 Develop plans to further integrate services of the Department of Social Services and the Louisiana Workforce Commission, especially those services where shared clientele is realized.
- 76 Automate Department of Natural Resource's oil and gas permitting and reporting processes under the Office of Conservation.
- 78 Board of Elementary and Secondary Education study the use of digital textbooks in state schools and to report to the Legislature prior to March 2010.
- 118 The Public Service Commission should consolidate the number of copiers and electronic devices throughout the agency.
- 122 The Public Service Commission should continue to move toward electronic documentation and filing requirements to reduce paper, office supplies, postage, and other associated costs.
- 124 The Public Service Commission should maintain and retain information obtained through the subpoena process in a database to avoid duplication of requests for records that must be purchased.
- 125 The Office of Coastal Protection and Restoration should continue to integrate the state's existing coastal restoration, hurricane, and flood protection efforts.
- 154 Requests the Division of Administration to evaluate various alternative IT funding models.
- 156 Research outsourcing imaging and content management services for ERP integration.
- 162 Create a database of commodity based procurement to include services across the state in order that the state can make more strategic decisions in developing contracts.

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- 163 Require the Division of Administration to pursue the development of "enterprise contracts" and require state agencies to utilize these contracts.
- 168 Request the Division of Administration develop a web based system for management and reporting by agencies of space utilization of state leased space as well as space utilization and maintenance efforts in state owned facilities operated and maintained by agencies outside the division.
- 169 Governor and legislature consider converting state-owned enterprises and assets from dormant physical capital to financial capital which can be used for pressing needs.
- 171 Directs the Board of Elementary and Secondary Education to broadcast and archive its meetings online.
- 188 The Department of State Civil Service, with the support of the Legislative Auditor, should examine the supervisor-to-staff ratios, within each program in executive branch agencies and determine whether the ratio is appropriate based on the particularized circumstances and data from the industry. The department should report annually to the State Civil Service Commission, the division of administration, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government as to the programs examined, the ratio, and the propriety of that ratio. If possible, the data should be maintained in the Integrated Statewide Information System (ISIS) or any successor data information system.
- 192 As a part of continuing assessment of whether the state's employment practices are meeting the goals and policies of workforce attraction and retention, it is of paramount importance to know why employees separate from service. Currently, the costs of turnover are quite large. The Department of State Civil Service should encourage each agency to conduct exit interviews with employees who sever employment and to record the reasons for the separation in the Integrated State Information System (ISIS) or other utilized personnel records system. If possible, the department should work with the Division of Administration to revise the turnover reasons in ISIS to make the data more meaningful and valuable. The department should include the turnover information, including reasons for separation, as a part of its reports. At least once a year, the department should report to the State Civil Service Commission, the Joint Legislative Committee on the Budget, and the Commission on Streamlining Government regarding turnover rates, reasons for separation, any recommendations for decreasing the turnover rate, and any other information the department deems important for an overall understanding of state employee turnover and the reasons for separation.

Recommendation #	Description
199	The Department of Health and Hospitals should study the use and feasibility of telemedicine.
205	The Department of Natural Resources should automate data entry and privatize record archiving for the Office of Mineral Resources.
209	Centralize the hosting of current and future compatible geographic information system and "volume buy" GIS software and licenses, including local government in such purchases where appropriate.
223	Convert all agency advertising notices to electronic notification where feasible.
224	Department of Public Safety and Corrections - Public Safety Services, outsource Information Technology applications and services where appropriate to improve operating efficiencies and realize savings.

**4. Elimination of Duplicative and Non-Essential Services**

- 1 Reduce total number of state-owned automobiles to 2004 level over a 12 month period.
- 2 Reduce total number of automobiles by 20% and convert many agency fleets to rental over a 12 month period.
- 5 Develop coordinated plan for consolidated collection of accounts receivable where feasible.
- 28 Department of Environmental Quality issue the RFP for the outsourcing of the DEQ Laboratory Services Division and eliminate an administrator position as part of the outsourcing of lab services.
- 29 Department of Environmental Quality lease office & warehouse space at reduced rates from the Department of Agriculture and Forestry.
- 30 Department of Environmental Quality cease operations of its library.
- 52 Require at least 60% of the money in Louisiana's Capital Outlay Program be spent on road and bridge construction and maintenance through the existing priority program and at least 20% of the money in Louisiana's Capital Outlay Program be spent on deferred maintenance of state buildings, including colleges and universities, for each year of the next five years.
- 56 Make pretrial mediation of disputed claims filed with the Office of Workers' Compensation voluntary, which will eliminate the need for six attorney mediators at that office at an average annual savings of \$75,000 for each mediator.
- 61 That inefficient and circular flows of tax payments and tax credits be eliminated by having the state make a direct payment to the local government or entity levying the tax or surcharge for which tax credits are taken.
- 64 The fixed-site scale responsibilities of the Department of Transportation and Development be transferred to the Louisiana State Police, and that the State Police be directed to achieve a savings of at least 25% in the second year through the consolidation of the responsibilities.
- 65 The Department of Revenue contract with willing local political subdivisions to have the department, while it is auditing for state sales taxes, to also audit for local sales taxes and be paid a reasonable fee to be negotiated between the two entities.



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- 70 Transfer Independent Living, Community & Family Support, and Traumatic Head and Spinal Cord Injury Trust Fund programs from the Department of Social Services, Louisiana Rehabilitation Services to the Department of Health and Hospitals, Office of Aging and Adult Services.
- 73 Merge Capitol Police from within the Division of Administration into the Department of Public Safety & Corrections, Public Safety Services.
- 74 Governor’s Office on Homeland Security and Emergency Preparedness (GOHSEP) work with Louisiana’s congressional delegation to identify and utilize federal funding for establishing additional shelter-capacity in-state for Louisiana residents who cannot self-evacuate and shelter during emergency periods.
- 75 Consolidate eligibility and enrollment functions for citizens needing services or support from Department of Social Services or Department of Health and Hospitals at no additional cost.
- 77 Transfer appropriate rehabilitation service functions in the Department of Social Services to the Department of Health and Hospitals and the Louisiana Workforce Commission.
- 105 Every department and agency be required to: (1) Organize itself structurally for the delivery of services along uniform regional boundaries as determined by the state; (2) Shift transactions with the public to an electronic online capability as appropriate; and (3) Support regional Government Services Centers under a "mall concept" whereby citizens may go for all government services and processes that could be accessed electronically or with the help of skilled specialists. Department and agency field offices be consolidated to such centers and surplus buildings and personnel be addressed.
- 106 Each state department is to prepare and provide a review or an analysis of what could be changed, modified, consolidated, eliminated, streamlined, improved, and/or enhanced to ultimately permanently reduce or eliminate continuation costs or expenses in their respective department, agency, board or commission. Provide financial incentives for implementation of permanent sustainable savings.
- 107 Office of Juvenile Justice partner with the Department of Social Services and other stakeholders to better implement the Families in Need of Services Program with a goal of preventing youth from entering the costly juvenile justice system.
- 108 School districts should work with the Office of Juvenile Justice to forward local Minimum Foundation Program (MFP) funds to OJJ for students transferred to state custody and are no

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longer in local schools, eliminating the "double payment" for each student's education by the state and so that MFP dollars follow the student.

- 109 Develop, plan and explore efficiency opportunities for consolidating field sampling programs within the departments of Health and Hospitals, Environmental Quality and Wildlife and Fisheries.
- 111 Develop, plan and explore efficiency opportunities for consolidating/leveraging of the Department of Health and Hospitals and the Department of Environmental Quality drinking water programs for testing and monitoring and transfer Lead-based Paint Program from DEQ to DHH.
- 113 The permitting teams of the departments of Natural Resources, Wildlife and Fisheries, and Environmental Quality should be co-located.
- 124 The Public Service Commission should maintain and retain information obtained through the subpoena process in a database to avoid duplication of requests for records that must be purchased.
- 126 The Office of Coastal Protection and Restoration should continue utilizing the support, staff, science and legal services of other agencies to avoid duplication and retain efficiency.
- 128 The Office of Coastal Protection and Restoration should initiate a study to determine the appropriate roles and responsibilities of levee districts, parish governments, the state, and federal agencies involved in hurricane protection and coastal restoration efforts.
- 137 Create Office of Behavioral Health within Department of Health and Hospitals to replace the current Office of Mental Health and Office of Addictive Disorders.
- 138 Department of Transportation and Development eliminate its airplane.
- 139 Department of Transportation and Development eliminate four ferry routes (Melville, White Castle, Reserve and New Roads).
- 144 Reduce the number of Department of Transportation and Development districts by at least two districts.
- 146 Department of Transportation and Development outsource maintenance operations to the private sector and sell production equipment not used except for emergency equipment.

Recommendation #	Description
147	Department of Transportation and Development employ the fleet management program to eliminate 20% of its cars and pickup trucks.
152	The Department of Natural Resources field audit program for royalties be transferred to the Department of Revenue and that no more than 75% of the monies spent by the Department of Natural Resources to perform this service be appropriated annually to the Department of Revenue to perform the service.
159	Reduce the state automobile fleet by at least 10% prior to December 31, 2009; reduce at least an additional 10% of the 11,484 vehicles remaining prior to December 31, 2010; reduce at least an additional 10% of the 10,336 vehicles remaining prior to December 2011; emphasize pooling and convert many agency fleets to rentals.
160	Eliminate certain unfilled positions within the executive branch of state government in response to Executive Order No. BJ2009-11.
186	The Department of State Civil Service should coordinate with the Division of Administration to eliminate any duplication in training programs and to ensure there are no gaps in the training programs offered.
210	Merge and assign the administration of the State Board of Elementary and Secondary Education's block grant program focused on pre-kindergarten programs for at-risk four-year-old children into the Department of Education's Cecil J. Picard LA 4 Early Childhood Program.
211	Primary responsibility for adult education resides with the Louisiana Community and Technical College System and the responsibility and funding of the Department of Education's Division of Adult and Community Education should be transferred to the system.
212	Require the State Board of Elementary and Secondary Education to terminate the pre-GED (Graduate Equivalency Diploma) Skills Options Program and direct local education agencies to re-direct funds supporting the program to approved dropout prevention programs modeled after Jobs for America's Graduates.
213	Department of Public Safety and Corrections, Public Safety Services eliminate the Oil Spill Coordinator's public outreach program.

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- 219 Eliminate the workforce grant program in the Department of Economic Development as the Louisiana Fast Start program is operational.
- 225 Department of Social Services eliminate the Earned Income Tax Credit technical support program since it is not within the core competency of the department.
- 226 Require that the FAIR and COASTAL Plans be administered pursuant to the laws governing the plans that were in effect before the adoption of Act 1133 of the 2003 regular legislative session creating the Citizens Property Insurance Corporation, and that Citizens cease all operations after its debts are paid off and if private insurance and/or the FAIR and COASTAL plans are established.

**5. Outsourcing, Prioritization, and Risk Management**

- 3 Hold department heads accountable for poor safety performance by department employees.
- 4 Hire a safety consulting firm, where necessary, to train poorly performing department personnel to prevent work-related accidents.
- 8 Move department of Social Services printing and mail operations to private company.
- 9 Department of Health and Hospitals transition Medicaid to integrated delivery system with care coordination.
- 10 Department of Health and Hospitals solicit qualified providers to partially privatize centers for the developmentally disabled by transferring residents to private centers or transitioning them to community based services. Further recommends the department consolidate state run centers. These solicitations should be competitively based on cost and quality experiences and the contract should contain incentives to reduce costs and compliance with regulatory requirements.
- 11 Department of Health and Hospitals implement a competitive bid process to redirect services from public health units to local providers (such as FQHC's & RHC's).
- 13 Department of Health and Hospitals review RFP to privatize community homes, independent living clients and extended family living.
- 14 Department of Public Safety & Corrections, Corrections Services review RFP to outsource all aspects of food services.
- 15 Department of Natural Resources review RFP to outsource data entry for archiving lease records.
- 18 Issue an RFP to look at the possibility of outsourcing the workers' compensation claims management process to a private company and eliminate fraud by getting rid of the on-line claims system.
- 22 Direct the Division of Administration to determine the value and the "highest and best use" of each state-owned property, and develop opportunities for the state to enter into public-private development partnerships with private and non-profit public partners, chosen by competitive bid, in order to develop and manage state-owned real estate in a manner that

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- achieves the "highest and best use" of the property, increases cash flow for taxpayers, meets smart growth principles, and satisfies the highest standards of design and environmental sustainability.
- 25 The governor and the legislature authorize and direct the LSU Health System to adopt the recommendations of Alvarez and Marsal for the operation of the interim Charity Hospital in New Orleans. The governor and legislature direct every other charity hospital in Louisiana to contract for a similar financial and operational assessment with a third party private sector consulting firm, such as but not necessarily Alvarez and Marsal, that specializes and has a proven track record in turnaround management, corporate restructuring and performance improvement for institutions and their stakeholders.
- 27 Louisiana Workforce Commission write an RFP to privatize the issuance & distribution of certificates to one-stop participants.
- 28 Department of Environmental Quality issue the RFP for the outsourcing of the DEQ Laboratory Services Division and eliminate an administrator position as part of the outsourcing of lab services.
- 34 Department of Public Safety and Corrections - Public Safety Services outsource background checks.
- 35 Department of Public Safety and Corrections - Public Safety Services outsource the Hazardous Materials 24-hour hotline.
- 36 Department of Public Safety and Corrections - Public Safety Services implement a vendor operated mail room, and print and mail systems.
- 37 Department of Public Safety and Corrections - Public Safety Services consider outsourcing commercial fleet registration for interstate jurisdictions.
- 39 Department of Public Safety and Corrections - Public Safety Services consider outsourcing the centralized call center to a location in Louisiana.
- 40 Department of Veterans Affairs consider consolidating pharmacy services at the veterans homes through an RFP.
- 41 Department of Veterans Affairs consider outsourcing the physician services at the veterans homes through an RFP.

Recommendation #	Description
43	Department of Veterans Affairs evaluate outsourcing or re-negotiate the food contracts at the veterans homes.
86	Department of Wildlife and Fisheries write an RFP to outsource control of aquatic plants.
88	Direct the Office of Juvenile Justice to privatize health care services in secure care through an RFP.
89	Direct the Office of Juvenile Justice to privatize pharmacy services in secure care through an RFP.
90	Office of Juvenile Justice consider privatizing laundry services in secure care through an RFP.
91	The Military Department consider outsourcing billeting on their installations through an RFP.
92	The Military Department consider outsourcing utilities on their installations through an RFP.
93	The Military Department consider outsourcing fixed charge services on their installations through an RFP.
94	The Military Department consider outsourcing upgrades/replacement of sewerage treatment and waste water collections on expanding bases through an RFP.
95	The Military Department consider outsourcing and improving fleet utilization through an RFP.
96	The Department of Health and Hospitals establish a competitive procurement process for operation of inpatient mental health institutions and/or certain services provided at the institutions, and include in the solicitations a requirement for constructing new facilities without using any state debt.
98	The Department of Health and Hospitals implement a competitive procurement process for Personal Care Services to reduce the number of providers in each department administrative region.
99	The Department of Health and Hospitals write an RFP to privatize secure residential services for persons found "Not Guilty by Reason of Insanity" and the "Lockhart" population.

Recommendation #	Description
104	Create a privatization and outsourcing unit within the Division of Administration having appropriate experience and expertise and provide that such unit is a resource for all departments and agencies considering or implementing privatization or outsourcing regardless of which department controls the asset or the service being privatized or outsourced. The unit will serve as a center of functional excellence for privatization and outsourcing.
111	Develop, plan and explore efficiency opportunities for consolidating/leveraging of the Department of Health and Hospitals and the Department of Environmental Quality drinking water programs for testing and monitoring and transfer Lead-based Paint Program from DEQ to DHH.
129	The Coastal Protection and Restoration Authority should ensure that the Office of Coastal Protection and Restoration engages in the third party, project-level technical review known as Independent Technical Review (ITR) that provides recommendations concerning project plans and designs.
131	The Office of Coastal Protection and Restoration should continue to reduce the time it takes to complete the contracting process.
132	The Office of Coastal Protection and Restoration should work with federal partners to improve the project development and implementation process, focusing on a reduction in the time which elapses between the initiation of a concept to completion of the project.
140	Department of Public Safety and Corrections – Corrections Services outsource their pharmaceutical services.
141	Department of Public Safety and Corrections – Corrections Services outsource the collection of probation and parole fees.
142	Governor's Office of Homeland Security and Emergency Preparedness explore outsourcing commodity inventory while maintaining the same quality of emergency preparedness.
145	Department of Transportation and Development outsource all testing labs to private labs outfitted to perform all testing.
146	Department of Transportation and Development outsource maintenance operations to the private sector and sell production equipment not used except for emergency equipment.



Recommendation #	Description
148	Department of Transportation and Development outsource at least 80% of its design engineering to the private sector, with emphasis on the large jobs. The 20% of design engineering retained would involve small bridge and turning lane jobs.
149	Department of Transportation and Development reduce work-related accidents by 50%, from a total of 7% to 3.5%.
150	Department of Transportation and Development approve more projects for value engineering.
151	All departments and agencies in Louisiana state government be required to obtain the approval of the Joint Committee on the Budget of the Louisiana Legislature in order to retain a management consultant in a contract equal to or greater than \$50,000 per year. The personal appearance or written application for approval of the Joint Legislative Committee on the Budget shall explain the following: (1) Why the department or agency needs to hire an outside consultant. (2) How the service provided by the outside consultant conforms to the mission of the department or agency. (3) Why the service of the outside consultant cannot be performed by a regular employee or employees of the department or agency. (4) How the outside consultant was selected. (5) What action the department or agency will take to satisfy the need that the outside consultant is being hired to address if the Joint Legislative Committee on the Budget does not approve the contract. (6) The number of employees who will be working under the contract, by head count, full time equivalence and qualifications. (7) The number of hours and amount of compensation, including salary and benefits, paid to all employees under the contract. All information shall be provided in a format prescribed by the Joint Legislative Committee on the Budget.
155	Research outsourcing print and mail infrastructure across all agencies and departments.
156	Research outsourcing imaging and content management services for ERP integration.
157	Explore cost-benefits of utilizing managed print services.
159	Reduce the state automobile fleet by at least 10% prior to December 31, 2009; reduce at least an additional 10% of the 11,484 vehicles remaining prior to December 31, 2010; reduce at least an additional 10% of the 10,336 vehicles remaining prior to December 2011; emphasize pooling and convert many agency fleets to rentals.
162	Create a database of commodity based procurement to include services across the state in order that the state can make more strategic decisions in developing contracts.

Recommendation #	Description
163	Require the Division of Administration to pursue the development of "enterprise contracts" and require state agencies to utilize these contracts.
165	Requests all state agencies, regardless of statutory or delegated authority to process their own contracts, to provide the Division of Administration information on those contracts not in the state's contract financial management system.
166	Requests all agencies to engage in a thorough review of private contracts to identify underperforming and low-priority contracts.
167	Inpatient capacity can be absorbed by the community hospitals in certain markets, with a renewed investment being made in outpatient and primary care access. These models should be evaluated immediately by Department of Health and Hospitals, Louisiana State University and Louisiana State University Health Care Services Division on a case by case basis in each community, and the study should be completed by December 31, 2010. In those communities where these models would be successful, the state should evolve the system to meet the needs of that community while optimizing the existing complement of non-public beds in that market. Huey P. Long Medical Center should be the first to be evaluated under this policy and an RFP should be written to outsource the acute and inpatient care for that Medical Center while planning for an outpatient clinic either within the current Huey P. Long Medical Center structure or using private providers using the DSH funds available in the future allocated between the inpatient and outpatient services.
172	Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated.

Recommendation #

Description

Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.

- 204 Align Department of Education contracts to the highest priority education initiatives, and cancel the other contracts that are not in the top priorities. But in any event, the department is to cancel at least 10% of all contracts.
- 205 The Department of Natural Resources should automate data entry and privatize record archiving for the Office of Mineral Resources.
- 215 Each agency must review its historical vacancy and attrition rates and shall make strategic reductions in positions by five percent, first looking at layers of management and clerical staffing, each year for three years. Furthermore each agency should review process re-engineering and unit consolidation while preserving critical services such as public safety and direct patient care. Reductions can be achieved through outsourcing privatization and program elimination where feasible and cost effective. Each agency must report to the Commission on Streamlining Government by December of 2010 and 2011 the achieved reductions and explanation of why the target was not met. Finally, state personnel who learn new skills or increased scope of responsibility should be reviewed for pay increases using savings from staff reductions.
- 217 Direct the Office of Group Benefits to write an RFP to consider consolidating and outsourcing state employee group medical benefits under a single administrative provider to more effectively leverage critical mass and improve efficiency, and report the results back to the Commission on Streamlining Government. Multiple options/levels can be offered through a single provider.
- 224 Department of Public Safety and Corrections - Public Safety Services, outsource Information Technology applications and services where appropriate to improve operating efficiencies and realize savings.
- 232 Provide that no vendor whose contract with the state has been cancelled for nonperformance shall be eligible to contract with the state for 5 years.
- 233 The governor and the Legislature increase no state tax or fee to deal with the current budgetary shortfall.

Recommendation #

Description

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

# **OTHER**

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## **Member Proposals**

**FAILED  
WITHDRAWN  
RULED NON-GERMANE**

**December 22, 2009**

MEMBER: Senator Jack Donahue PROPOSAL# Donahue #03 REFERRED TO AG on: AGDNES  
 SUBJECT: Classification of Revenue DATE REPORTED BY AG: November 19, 2009 REPORT: Favorable  
 COMMISSION ACTION: WITHDRAWN DATE: December 8, 2009

**RECOMMENDATION:** To require that Mineral Revenue received by the state in excess of the amount allocated to the Rainy Day Fund shall be designated as nonrecurring and subject to the same restrictions on expenditures as other nonrecurring revenue.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
To require that Mineral Revenue received by the state in excess of the amount allocated to the Rainy Day Fund shall be designated as nonrecurring and subject to the same restrictions on expenditures as other nonrecurring revenue.	Revenue Estimating Conference, Administration and Legislature	It is sound fiscal policy for recurring revenue to fund recurring expenses and nonrecurring revenue to fund one-time expenses.	Constitution and statutes would need to be changed to provide such.	Potential savings could be realized as nonrecurring revenue is used to pay down bonded debt and unfunded accrued liabilities freeing up dollars in future years for recurring expenses	Could be implemented upon passage of legislation and/or constitutional amendment, as appropriate

MEMBER: Barry Erwin PROPOSAL# Erwin #01 REFERRED TO AG on: AGDNES  
 SUBJECT: MFP - Dollars Follow Student DATE REPORTED BY AG: November 19, 2009 REPORT: Without Action  
 COMMISSION ACTION: WITHDRAWN DATE: December 1, 2009

RECOMMENDATION: Require that local per pupil share of the Minimum Foundation Program (MFP) dollars follow students to any public school or program they attend, including such programs and schools as those administered by the Louisiana National Guard (LANG), the New Orleans Center for Creative Arts (NOCCA), the Louisiana School for Math, Science and the Arts (LSMSA), the Louisiana State University Laboratory School, the Southern University Laboratory School and certain Type-2 charter schools.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Require that local per pupil share of the MFP dollars follow students to any public school or program they attend, including such programs and schools as those administered by LANG, NOCCA, LSMSA, the Louisiana State University Laboratory School, the Southern University Laboratory School and certain Type-2 charter schools.	BESE, Legislature and local government.	Currently the state is paying the state and local portion of MFP formula for students being educated in certain identified environments (Youth Challenge, NOCCA, LSMSA, Lab Schools in Baton Rouge and certain Type-2 charter schools). Local revenue for education should follow their students to the alternative educational environment. This could be accomplished similarly to MFP funding for newly authorized Type-2 charter schools.	Proposed legislation may be required or BESE may need to re-work the MFP formula with an objective of funding following the student.	At least \$2,500 per student in State General Fund and savings would be recurring.	Earliest could be implemented is next fiscal year and transition period may be necessary.

MEMBER: Barry Erwin PROPOSAL# Erwin #04A REFERRED TO AG on: AGDNES  
 SUBJECT: DOE - Certain Stipends DATE REPORTED BY AG: November 19, 2009 REPORT: Amended  
 COMMISSION ACTION: WITHDRAWN DATE: December 1, 2009

RECOMMENDATION: Allow local school districts to fund, at their discretion, stipends for nationally board certified school counselors, psychologists, speech pathologists, audiologists and social workers using Minimum Foundation Program (MFP) or other dollars.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Allow local school districts to fund, at their discretion, stipends for nationally board certified school counselors, psychologists, speech pathologists, audiologists and social workers using Minimum Foundation Program (MFP) or other dollars.</p>	<p>Department of Education and Legislature</p>	<p>There is significant research tying student performance to teachers possessing certification of the National Board for Professional Teaching Standards.  Local government should be allowed to use MFP dollars for stipends for other personnel including nationally certified school counselors, psychologists, speech pathologists and social workers based on their priorities.</p>	<p>La. R.S. 17:421.8, 421.9, 421.10, and 421.11 would need to be amended.</p>	<p>State reimbursement of stipends paid by local government are limited to \$5,000 per teacher.  Local government would have flexibility to decide priority of stipend for professions other than teachers.</p>	<p>Could be implemented next fiscal year.</p>



MEMBER: Barry Erwin PROPOSAL# Erwin #05A REFERRED TO AG on: AGDNES  
 SUBJECT: BESE -Effective Dropout Prevention DATE REPORTED BY AG: November 19, 2009 REPORT: Amended  
 COMMISSION ACTION: WITHDRAWN DATE: December 1, 2009

**RECOMMENDATION:** Any increase in the Minimum Foundation Program (MFP) allocated to a school district and eventually allocated to a school within that district with a School Performance Score (SPS) of 75 or below shall be spent on effective dropout prevention and remediation programs for students attending such school. This shall not apply to that portion of an increase in MFP dollars that are statutorily obligated to be spent otherwise, such as for teacher salary. Annual growth in the MFP is 2.75%, approximately \$62 million.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Any increase in MFP allocated to a school district and eventually allocated to a school within that district with a School Performance Score (SPS) of 75 or below shall be spent on effective dropout prevention and remediation programs for students attending such school. This shall not apply to that portion of an increase in MFP dollars that are statutorily obligated to be spent otherwise, such as for teacher salary. Annual growth in the MFP is 2.75%, approximately \$62 million.</p>	<p>LDOE and BESE</p>	<p>The primary goal is to attain an 80% graduation rate by spring 2014. It is critical to address the dropout rate with effective drop out programs if goals are going to be achieved.</p> <p>Specific activities and programs to address these goals and strategic intents include, but may not be limited to, Jobs for America's Graduates (JAG), LANG's Youth Challenge Program, Assessment and Accountability System changes, expand Literacy for All, etc.</p>	<p>BESE to make appropriate changes in MFP formula and receive legislative approval.</p> <p>Recommendation should be phased-in.</p>	<p>Building capacity for higher quality instructors; increase literacy rates; increase retention rates; decrease dropout rates; etc</p>	<p>Could begin implementation with next fiscal year.</p>

MEMBER: Barry Erwin PROPOSAL# Erwin #07A REFERRED TO AG on: AGDNES  
 SUBJECT: LDOE/BESE - MFP Increase DATE REPORTED BY AG: November 19, 2009 REPORT: Amended  
 COMMISSION ACTION: WITHDRAWN DATE: December 1, 2009

RECOMMENDATION: Increase the Minimum Foundation Program (MFP) instructional spending requirement from 70% to 80% and provide that the requirement applies at the school level.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Increase the MFP instructional spending requirement from 70% to 80% and provide that the requirement applies at the school level.	LDOE and BESE	Additional strategic investments in the instructional/classroom setting is necessary for greater student achievement.	BESE to make appropriate changes in MFP formula and receive legislative approval. Recommendation to be phased-in.	Based on FY '10 MFP funding of \$3.275 billion, an increase from 70% to 80% in instructional spending would mean an additional \$327 million spent on instruction. In effect this would transition administrative dollars to instructional spending.	BESE currently reviewing the increase.

MEMBER: Barry Erwin PROPOSAL# Erwin #10 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: DSS - Child Care Job Search DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: WITHDRAWN DATE: December 8, 2009

RECOMMENDATION: Department of Social Services eliminate the Child Care Job Search Program since anticipated outcomes are not being achieved.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
DSS eliminate the Child Care Job Search Program since anticipated outcomes are not being achieved.	DSS	The Child Care Job Search Program provides four months of child care payments for individuals who would not otherwise qualify for child care assistance. DSS identified this program as a "poor performing program(s) within [their] agency that should be eliminated." DSS indicated that the program is not achieving anticipated outcomes.	May need amendment to state plan for Child Care and Development Block Grant.	DSS estimates \$10M in savings in the federal Child Care and Development Block Grant.	Commission's work is done with recommendation.

MEMBER: Barry Erwin PROPOSAL# Erwin #12 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: DSS - Modernization DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: WITHDRAWN DATE: December 8, 2009

RECOMMENDATION: Department of Social Services take appropriate measures to modernize technology and processes to address fraud and abuse in the Child Care Assistance Program.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
DSS take appropriate measures to modernize technology and processes to address fraud and abuse in the Child Care Assistance Program.	DSS	DSS indicated that modernization in technology and processes, particularly regarding time and attendance and billing and payment are necessary to improve integrity in the Child Care Assistance Program and also improve efficiencies and customer service.	May need amendments to administrative rules and policies regarding program.	DSS estimates \$10M in savings in the federal Child Care and Development Block Grant through modernization of technology and processes in the Child Care Assistance program.	Commissioner's work is done with recommendation.

MEMBER: Treasurer John Kennedy PROPOSAL# #01 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Contracts DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: FAILED DATE: November 23, 2009

**RECOMMENDATION:** The amount spent on non-engineering, non-architectural, and non-construction contracts by the state in 2009-2010 fiscal year be used as a benchmark such that the amount expended on such contracts in 2010-2011 fiscal year be reduced by twenty-five percent and such reduced figure be a cap for each of the three succeeding fiscal years, with any such contracts requiring any expenditure above that amount being subject to approval by the Joint Legislative Committee on the Budget.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>The amount spent on non-engineering, non-architectural, and non-construction contracts by the state in 2009-2010 fiscal year be used as a benchmark such that the amount expended on such contracts in 2010-2011 fiscal year be reduced by twenty-five percent and such reduced figure be a cap for each of the three succeeding fiscal years, with any such contracts requiring any expenditure above that amount being subject to approval by the Joint Legislative Committee on the Budget.</p>	<p>Legislature, Agencies, Joint Legislative Committee on the Budget</p>		<p>Legislation</p>		

MEMBER: Treasurer John Kennedy PROPOSAL# Kennedy #02 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Fiscal Notes DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: WITHDRAWN DATE: December 8, 2009

RECOMMENDATION: To provide that all recommendations of the Streamlining Commission be accompanied by a legislative fiscal note to quantify the savings.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
To provide that all recommendations of the Streamlining Commission be accompanied by a legislative fiscal note to quantify the savings.	Legislative Fiscal Office				

MEMBER: Treasurer John Kennedy PROPOSAL# Kennedy #24 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Streamline Commission Jurisdiction DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: NON-GERMANE DATE: December 8, 2009

RECOMMENDATION: The Legislature clarify that the Louisiana Streamlining Government Commission has jurisdiction over higher education.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
To recommend that the Louisiana Legislature clarify that the Louisiana Streamlining Government Commission has jurisdiction over higher education.	Legislature		Legislation		

MEMBER: Roy O. Martin PROPOSAL# Martin #16 REFERRED TO AG on: OPRM 10/27/09

SUBJECT: DPSC - Public Safety Services DATE REPORTED BY AG: REPORT:

COMMISSION ACTION: WITHDRAWN DATE: December 1, 2009

RECOMMENDATION: DPSC – Public Safety Services eliminate in-person hearings and only submit paper for DWI license suspensions.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
DPSC – Public Safety Services eliminate in-person hearings and only submit paper for DWI license suspensions.	DPSC - Public Safety Services	Eliminate	Dept. action; legislation	\$1,400,000	Done



MEMBER: Roy O. Martin PROPOSAL # Martin #40 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: Highways DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: WITHDRAWN DATE: December 8, 2009

RECOMMENDATION: Right-size the state highway system to give up 5,000 miles of road maintenance.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Right-size the state highway system to give up 5,000 miles of road maintenance.	Legislature, Department of Transportation and Development	Reduction	Legislation; Rules changes	\$60 million	Done

MEMBER: Roy O. Martin PROPOSAL# Martin #41 REFERRED TO AG on: \_\_\_\_\_  
 SUBJECT: School districts DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: NON-GERMANE DATE: December 8, 2009

RECOMMENDATION: Require local school districts to issue an RFP to evaluate potential savings from outsourcing custodial, transportation, and alternative education services.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Require local school districts to issue an RFP to evaluate potential savings from outsourcing custodial, transportation, and alternative education services.	Legislature, BESE, Department of Education	Outsource	Legislation; Rules changes		Done

MEMBER: Lansing Kolb PROPOSAL # KOLB #01 REFERRED TO AG on: Civil Service & Employee Benefits

SUBJECT: Adult services DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: WITHDRAWN DATE: December 8, 2009

**RECOMMENDATION:** The Department of Health and Hospitals should amend the Elderly and Disability Adult Waiver Program to an individual cap at the cost of the waiver, to be no more than the average cost for an individual in a nursing facility.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The Department of Health and Hospitals should amend the Elderly and Disability Adult Waiver Program to an individual cap at the cost of the waiver, to be no more than the average cost for an individual in a nursing facility.	Department of Health and Hospitals	Brings the cost of waiver into compliance with goal of cost neutrality	Legislative committee approval; Executive action		

**INFORMATION:**

Average cost of nursing facility -- \$33,915  
Average cost for EDA waiver -- \$36,675 (as of October 9, 2009)

Difference is \$2760. With 4551 individuals in EDA waiver, this change will result in savings to the state of \$12,560,760.

MEMBER: Lansing Kolb PROPOSAL # KOLB #02 REFERRED TO AG on: Civil Service & Employee Benefits

SUBJECT: Program moratorium DATE REPORTED BY AG: REPORT:

COMMISSION ACTION: WITHDRAWN DATE: December 8, 2009

**RECOMMENDATION:** No new or expanded programs should be implemented unless the Commissioner of Administration certifies that the program will result in an immediate cost savings. This moratorium should stay in effect until July 1, 2012.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
No new or expanded programs should be implemented unless the Commissioner of Administration certifies that the program will result in an immediate cost savings. This moratorium should stay in effect until July 1, 2012.	Governor	Stop any new or expanded programs that would add to the budget crisis	Issuance of an Executive Order	This is a preventative measure.	

MEMBER: Lansing Kolb PROPOSAL# KOLB #03 REFERRED TO AG on: Civil Service & Employee Benefits  
 SUBJECT: NOW Waiver DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: WITHDRAWN DATE: December 8, 2009

RECOMMENDATION: The Department of Health and Hospitals should amend the NOW waiver to provide for an individual cap of \$60,000 per person per year

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The Department of Health and Hospitals should amend the NOW waiver to provide for an individual cap of \$60,000 per person per year.	Department of Health and Hospitals	To reduce costs and assure that the waiver continues to meet cost neutrality requirements given the proposed reductions in state-operated Intermediate Care facilities for the Developmentally Disabled costs	Department collaboration with the federal Center for Medicare and Medicaid Services	\$72,000,000 annually	

MEMBER: Lansing Kolb PROPOSAL# KOLB #04 REFERRED TO AG on: Civil Service & Employee Benefits

SUBJECT: Long term personal care services DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_

COMMISSION ACTION: WITHDRAWN DATE: December 8, 2009

**RECOMMENDATION:** The Department of Health and Hospitals should convert the Long-Term Personal Care Services optional Medicaid program to a waiver program to help stabilize the growth and limit the services to twenty-five hours per week.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Change the Long Term Personal Care Services program to a waiver with a fixed number of slots and limit the services provided to not more than 25 hours per week.	Department of Health and Hospitals	To contain the explosive growth in the program and manage costs	Department collaboration with the federal Center for Medicare and Medicaid Services	Up to \$93,600,000 annually	

MEMBER: Lansing Kolb PROPOSAL# KOLB #05 REFERRED TO AG on: Civil Service & Employee Benefits  
 SUBJECT: Long term personal care services DATE REPORTED BY AG: \_\_\_\_\_ REPORT: \_\_\_\_\_  
 COMMISSION ACTION: WITHDRAWN DATE: December 8, 2009

RECOMMENDATION: The Department of Health and Hospitals should amend the Elderly and Disability Adult Waiver Program to provide for an individual cap of \$25,000 annually.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The Department of Health and Hospitals should amend the Elderly and Disability Adult Waiver Program to provide for an individual cap of \$25,000 annually.	Department of Health and Hospitals	Brings the cost of waiver into compliance with requirements of cost neutrality	Department collaboration with the federal Center for Medicare and Medicaid Services	\$53,132,925 annual savings	

# **OTHER**

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**Advisory Group Proposals**

**FAILED  
WITHDRAWN  
RULED NON-GERMANE**

**December 22, 2009**



ADVISORY GROUP ON Civil Service and Employee Benefits PROPOSAL #: AGCS #2

SUBJECT: Department of Natural Resources DATE ADOPTED BY ADVISORY GROUP: Oct 27, 2009 \ Nov 16, 2009

COMMISSION ACTION: WITHDRAWN DATE: December 1, 2009

RECOMMENDATION: The Department of Natural Resources should integrate audit functions with the Department of Revenue where possible.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The audit functions so integrated would be located in the Department of Natural Resources.	Departments of Natural Resources and Revenue	Promotes efficiency. Eliminates duplication.	Changes within and between the departments.	To be determined.	

ADVISORY GROUP ON Civil Service and Employee Benefits

PROPOSAL #:

AGCS # 6

SUBJECT: Secretary of State

DATE ADOPTED BY ADVISORY GROUP:

October 27, 2009

COMMISSION ACTION: WITHDRAWN

DATE: November 17, 2009

RECOMMENDATION: The Commercial Division of the Secretary of State's Office should operate on a full cost recovery basis.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The Commercial Division of the Secretary of State's Office should operate on a full cost recovery basis.	Secretary of State	Assures that users fully fund services which benefit them exclusively, taxes are not disguised as fees, and non-users do not subsidize programs that provide them no benefit. Where a service has some benefit to both users and non-users, policy makers should apportion the cost accordingly.	Changes at Secretary of State's office.	\$4,390,000	

ADVISORY GROUP ON Civil Service and Employee Benefits

PROPOSAL #:

AGCS #7

SUBJECT: Group Health Insurance Premium Share

DATE ADOPTED BY ADVISORY GROUP:

Oct 27, 2009 \ Nov 16, 2009

COMMISSION ACTION: WITHDRAWN

DATE: December 1, 2009

**RECOMMENDATION:** Increase the employee share of Group Benefits premium from the current level of 25% to 40% for the 2011 and 2012 fiscal years; reduce premium share to 35% for FY 2013, to 30% for FY 2014, and back to 25% for FY 2015 and thereafter.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Increase the employee share of Group Benefits premium from the current level of 25% to 40% for the 2011 and 2012 fiscal years; reduce premium share to 35% for FY 2013, to 30% for FY 2014, and back to 25% for FY 2015 and thereafter.</p>	<p>Legislature, Office of Group Benefits</p>	<p>Temporary reduction of state's personnel costs.</p>	<p>Statutory change; possible agency rule and policy changes.</p>	<p>\$54,284,283 of which roughly 60% or \$32.5million is paid from State General Fund dollars. Minimum for FY 2011, decreasing annually to \$0 in FY 2015.</p>	

ADVISORY GROUP ON Civil Service and Employee Benefits

PROPOSAL #: \_\_\_\_\_

AGCS # 8

SUBJECT: Civil Service Commission

DATE ADOPTED BY ADVISORY GROUP: \_\_\_\_\_

Oct. 27, 2009; WITHDRAWN, Nov. 23, 2009

COMMISSION ACTION: \_\_\_\_\_

DATE: \_\_\_\_\_

**RECOMMENDATION:** The Department of State Civil Service should be redesigned to provide 21<sup>st</sup> Century working conditions and workforce management, including market equivalence for wages and salary, full decentralization of employment decisions, and seamless exit and reentry into the system.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The Department of State Civil Service should be redesigned to provide 21 <sup>st</sup> Century working conditions and workforce management, including market equivalence for wages and salary, full decentralization of employment decisions, and seamless exit and reentry into the system.	Legislature; Department of State Civil Service; Civil Service Commission	Provide for 21 <sup>st</sup> century workforce.	Constitutional amendment; statutory changes; rules changes; policy changes.	\$4,500,000	

ADVISORY GROUP ON Civil Service and Employee Benefits

PROPOSAL #:

AGCS # 14

SUBJECT: Public Service Commission

DATE ADOPTED BY ADVISORY GROUP:

October 27, 2009

COMMISSION ACTION: WITHDRAWN

DATE: November 16, 2009

RECOMMENDATION: Reduce travel except when absolutely necessary.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Reduce travel except when absolutely necessary.		Currently this measure will not be able to be advanced.			done

ADVISORY GROUP ON Civil Service and Employee Benefits

PROPOSAL #:

AGCS # 23

SUBJECT: Coastal Protection and Restoration

DATE ADOPTED BY ADVISORY GROUP:

Nov 4, 2009 \ Nov 16, 2009

COMMISSION ACTION: WITHDRAWN

DATE: November 23, 2009

**RECOMMENDATION:** The Office of Coastal Protection and Restoration should provide programs for carbon and water credits and apply the revenue raised to the cost of project development and implementation within the agency.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
See full description in document "Top Ten Cost Savings Initiatives Currently Being Implemented by Office of Coastal Protection and Restoration".	Coastal Protection and Restoration Authority/Office of Coastal Protection and Restoration	To provide a stream of funding for the agency's coastal protection and restoration programs.	Statutory change, rule change, policy change.	Reduce greenhouse gases; provide for self-generated funding, allowing dollars saved to be used for other purposes.	done

ADVISORY GROUP ON Civil Service and Employee Benefits

PROPOSAL #:

AGCS # 30

SUBJECT: Department of Natural Resources

DATE ADOPTED BY ADVISORY GROUP:

November 4, 2009

COMMISSION ACTION: WITHDRAWN

DATE: November 23, 2009

RECOMMENDATION: The Division of Administration should integrate some responsibilities of the Office of State Lands with the Department of Natural Resources.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The Division of Administration should integrate some responsibilities of the Office of State Lands with the Department of Natural Resources.	Coastal Protection and Restoration Authority/Office of Coastal Protection and Restoration	Enhance efficiency; reduce costs.	Collaboration of the Division and the Department	\$70,865	

ADVISORY GROUP ON Civil Service and Employee Benefits

PROPOSAL #:

AGCS # 35

SUBJECT: Review panel

DATE ADOPTED BY ADVISORY GROUP:

November 23, 2009

COMMISSION ACTION: WITHDRAWN

DATE: December 1, 2009

**RECOMMENDATION:** Any plan for reducing the number of full-time state employees for the purpose of providing permanent reduction of the state budget and staffing should include specifications regarding elimination of positions and restrictions on reemployment of individual employees and should apply to positions of both classified and unclassified employees; however, such a plan should also provide for a review panel with the authority to allow an agency head to request that the position not be eliminated or that the person not be restricted from reemployment.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
Any plan for reducing the number of full-time state employees for the purpose of providing permanent reduction of the state budget and staffing should include specifications regarding elimination of positions and restrictions on reemployment and should apply to positions of both classified and unclassified employees; however, such a plan should also provide for a review panel with the authority to allow an agency head to request that the position not be eliminated or that the person not be restricted from reemployment.	Legislature, Governor, State Civil Service Commission	To accommodate the staffing needs of state agencies while maintaining the spirit of any plan for a reduction in force.	Inclusion of the review panel in the law, order, or other document providing for the reduction-in-force.	Strategic deployment of resources of state, both financial and monetary.	



**ADVISORY GROUP ON** Efficiency and Benchmarking **PROPOSAL#:** AGEB # 1  
**SUBJECT:** Higher Education Consolidation **DATE ADOPTED BY ADVISORY GROUP:** 8-24-09  
**COMMISSION ACTION:** RULED NON-GERMANE **DATE:** 10-13-09

**RECOMMENDATION:** To abolish the University of Louisiana System, the Southern University System, the Louisiana State University System, and the boards of supervisors for each of these systems; that the colleges and universities in these systems be placed under the jurisdiction of the Louisiana Board of Regents; that the authority and responsibilities of the board of supervisors for each of these systems be transferred to the Louisiana Board of Regents; and to that all future appointments to the Board of Regents be subject to confirmation by the House of Representatives and the Senate of the State of Louisiana.

Summary Description/Nature of Change	Key Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/Study
To abolish the University of Louisiana System, the Southern University System, the Louisiana State University System, and the boards of supervisors for each of these systems; that the colleges and universities in these systems be placed under the jurisdiction of the Louisiana Board of Regents; that the authority and responsibilities of the board of supervisors for each of these systems be transferred to the Louisiana Board of Regents; and to that all future appointments to the Board of Regents be subject to confirmation by the House of Representatives and the Senate of the State of Louisiana.	Legislature	To save money and improve the quality and breadth of higher education in the state by centralizing the management and coordination of institutions under one board with a vision of excellence. The centralization would eliminate the competition for finite funds amongst the various institutions.	Constitutional amendment		

The Louisiana Streamlining Government Commission recommends to the Louisiana Legislature that it pass and propose a constitutional amendment abolishing the University of Louisiana System, the Southern University System, the Louisiana State University System, and the boards of supervisors for each of these systems; that the colleges and universities in these systems be placed under the jurisdiction of the Louisiana Board of Regents; that the authority and responsibilities of the board of supervisors for each of these systems be transferred to the Louisiana Board of Regents ; and that future gubernatorial appointments to the Board of Regents be subject to confirmation by the House of Representatives and the Senate of the State of Louisiana.

ADVISORY GROUP ON Efficiency and Benchmarking PROPOSAL #: AGEB # 7

SUBJECT: Capital Outlay/Local Government Infrastructure Bank DATE ADOPTED BY ADVISORY GROUP: September 8, 2009

COMMISSION ACTION: WITHDRAWN DATE: October 27, 2009

**RECOMMENDATION:** To create a self-perpetuating revolving loan fund which would be available to local governments for purpose of financing local government projects through low interest rate loans rather than funding local government projects through the capital outlay process.

Summary Description/Nature of Change	Key Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/Study
To create a self-perpetuating revolving loan fund which would be available to local governments for purpose of financing local government projects through low interest rate loans rather than funding local government projects through the capital outlay process.	Legislature	To save money and free up funds by focusing capital outlay priorities on statewide needs, and to assist local governments in financing local capital needs by creating a low interest rate loan source.	Statutory enactment and amendment.		

State assistance to local governments for local government infrastructure projects has grown steadily over the last three decades to the point that it now consumes 25% of the state's annual appropriation for capital outlay. The Louisiana Streamlining Government Commission acknowledges the need for the state to help local governments with expensive capital construction needed to maintain community viability, but the Commission also believes that it is not in the best interest of state programs, such as transportation, health care, higher education and economic development, which all have pressing capital outlay needs of their own, to continue this wholesale assistance to local government unfettered in its present form. The Commission recommends to the governor and the Louisiana Legislature that they provide long term support for local capital outlay projects through a self-perpetuating revolving loan fund. Local governments would be able to borrow money from this revolving loan pool to build their local projects at low interest rates and attractive financing terms. As loan payments are made, the fund would be able to make new loans. In effect, this revolving-loan pool would be self-perpetuating and operate as a state-sponsored infrastructure bank for local government. The Commission further recommends that all capital outlay projects for local government be funded through this infrastructure bank instead of the state's capital outlay budget.

**ADVISORY GROUP ON:** Efficiency and Benchmarking **PROPOSAL #:** 8 **AGEB #** 8  
**SUBJECT:** ERP Project **DATE ADOPTED BY ADVISORY GROUP:** September 21, 2009  
**COMMISSION ACTION:** WITHDRAWN **DATE:** October 27, 2009

**RECOMMENDATION:** To direct the Division of Administration to cease the implementation of the ERP Project until a cost-benefit analysis demonstrates that the benefits of the project outweigh the costs.

Summary Description/Nature of Change	Key Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/Study
To direct the Division of Administration to cease implementation of the ERP project until a cost benefit analysis can be performed.	Legislature, Governor	To save money by halting implementation (and paying for) a system that has not been proven to address all state needs and has not been evaluated on an objective cost-benefit analysis.	Statute/Resolution		

The State of Louisiana is currently implementing an Enterprise Resource Planning Project that will replace the state's entire financial system at a cost of \$140 million and possibly more. Higher education will not be a part of the new system. The Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that they direct the Division of Administration to cease implementation of the ERP Project until a cost-benefit analysis demonstrates that the benefits of the ERP Project will outweigh its costs.

ADVISORY GROUP ON Efficiency and Benchmarking PROPOSAL #: AGEB # 11

SUBJECT: Crescent City Connection Tolls DATE ADOPTED BY ADVISORY GROUP: September 21, 2009

COMMISSION ACTION: WITHDRAWN DATE: October 27, 2009

RECOMMENDATION: Eliminate tolls on the Crescent City Connection Bridge in New Orleans on December 31, 2012. The ferries will not be closed.

Summary Description/Nature of Change	Key Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/Study
Elimination of tolls on the Crescent City Connection Bridge in New Orleans on December 31, 2012, when the toll-supported bonds are paid off. The ferries will not be closed.	Legislature	To save taxpayers money by eliminating an unnecessary government unit once the debt associated with the bridge is paid. Eliminating toll stations will also reduce traffic congestion, thus saving taxpayers even more money in lower vehicle operating costs.	Statutory amendment		

The Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that tolls on the Crescent City Connection bridge in New Orleans be eliminated on December 31, 2012, when the bonds supported by the tolls will be paid off. The ferries will not be closed.



ADVISORY GROUP ON Efficiency and Benchmarking PROPOSAL #: AGEB # 13  
 SUBJECT: Substitute Teaching By Certain State Officials DATE ADOPTED BY ADVISORY GROUP: September 21, 2009  
 COMMISSION ACTION: WITHDRAWN DATE: October 27, 2009

**RECOMMENDATION:** To require the members of the legislature, statewide elected officials, members of the Board of Elementary and Secondary Education and the Superintendent of Education for the State of Louisiana be required to substitute teach without pay at least two times a year in a Louisiana public school as a condition of the position or office.

Summary Description/Nature of Change	Key Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/Study
Requiring members of the legislature, statewide elected officials, members of the Board of Elementary and Secondary Education and the Superintendent of Education for the State of Louisiana to substitute teach in a Louisiana public school without pay at least two times a year.	Legislature, BESE	Increase awareness of state leaders of the challenges faced by educators and administrators in today's public school environment, which will in turn help to improve policy and decision-making at the state level.	Statutory or Constitutional amendment.		

The Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that members of the legislature, statewide elected officials, members of the Board of Elementary and Secondary Education and the Superintendent of Education for the State of Louisiana be required to substitute teach without pay at least two times a year in a Louisiana public school as a condition of the position or office.

ADVISORY GROUP ON Efficiency and Benchmarking PROPOSAL#: AGEBB # 20  
 SUBJECT: LSU Charity Hospital DATE ADOPTED BY ADVISORY GROUP: October 6, 2009  
 COMMISSION ACTION: WITHDRAWN DATE: November 18, 2009

RECOMMENDATION: If the existing but currently unoccupied "Big Charity Hospital" building is rehabilitated (instead of being rebuilt on a new site), and used as a public teaching hospital, \$50 million of the projected savings achieved by rehabilitating the hospital will be used to recruit health care professionals and researchers to the hospital and the schools affiliated with it in order to establish a world class academic research and medical center.

Summary Description/Nature of Change	Key Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/Study
If the existing but currently unoccupied "Big Charity Hospital" building is rehabilitated (instead of being rebuilt on a new site), and used as a public teaching hospital, \$50 million of the projected savings achieved by rehabilitating the hospital will be used to recruit health care professionals and researchers to the hospital and the schools affiliated with it in order to establish a world class academic research and medical center.	Legislature	To use expected savings to recruit high caliber health care professionals and researchers needed to establish a world class academic research and medical center.	Appropriation		

The Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that, if the existing but currently unoccupied "Big Charity Hospital" building is rehabilitated and used as a public teaching hospital in the event that the State of Louisiana decides to go forward with its plans to construct such a hospital in New Orleans, \$50 million of the savings achieved by rehabilitating the hospital instead of building a new hospital be used to recruit health care professionals and researchers to the hospital and the universities and colleges affiliated with the hospital in order to establish the hospital as a world class academic research and medical center.

ADVISORY GROUP ON

Efficiency and Benchmarking

PROPOSAL #:

AGEB # 40

SUBJECT: Medicaid - Private Insurance

DATE ADOPTED BY ADVISORY GROUP:

November 4, 2009

COMMISSION ACTION: FAILED TO PASS

DATE: December 1, 2009

**RECOMMENDATION:** The Louisiana Department of Health and Hospitals be directed to bid out Louisiana's Medicaid Program to a private health insurance company with the amount to be paid by the state capped at \$4,000 per insured. If a private insurer agreed to insure all 1.23 million Louisiana Medicaid recipients for an annual premium of \$4,000 per insured, Louisiana taxpayers would save \$539 million in health care costs and \$252 million in administrative costs. The Commission further urges Louisiana's Congressional Delegation to encourage the United States Department of Health and Human Services to give its consent to Louisiana to take this action within six months.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>The Louisiana Department of Health and Hospitals be directed to bid out Louisiana's Medicaid Program to a private health insurance company with the amount to be paid by the state capped at \$4,000 per insured. If a private insurer agreed to insure all 1.23 million Louisiana Medicaid recipients for an annual premium of \$4,000 per insured, Louisiana taxpayers would save \$539 million in health care costs and \$252 million in administrative costs. The Commission further urges Louisiana's Congressional Delegation to encourage the United States Department of Health and Human Services to give its consent to Louisiana to take this action within six months.</p>	<p>Legislature; DHH; CMS</p>	<p>To save money and help reduce the deficit in Louisiana's Medicaid Program by bidding out the coverage of Medicaid recipients to private insurers.</p>	<p>Legislation; Approval from CMS</p>	<p>\$539 million in health care costs and \$252 million in administrative costs</p>	

The Louisiana Streamlining Government Commission finds that:

1. The budget for the Louisiana Medicaid Program for fiscal year 2009-2010 is approximately \$6.5 billion, with an enrollment of 1.23 million people.
2. According to the most recent report by the Louisiana Department of Health and Hospitals on the Louisiana Medicaid Program, the average annual payment under the program was \$4,438 per patient.
3. According to the Kaiser Family Foundation, the average annual premium in Louisiana for a single person for private health insurance coverage is \$4,386.
4. Louisiana taxpayers spend \$252 million a year in administrative costs to administer the Louisiana Medicaid Program.

The Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that they direct the Louisiana Department of Health and Hospitals to bid out Louisiana's Medicaid Program to a private health insurance company with the amount to be paid by the state capped at \$4,000 per insured. If a private insurer agreed to insure all 1.23 Louisiana Medicaid recipients for an annual premium of \$4,000 per insured, Louisiana taxpayers would save \$539 million in health care costs and \$252 million in administrative costs. The Commission further urges Louisiana's Congressional Delegation to encourage the United States Department of Health and Human Services to give its consent to Louisiana to take this action within six months.

ADVISORY GROUP ON Efficiency and Benchmarking

PROPOSAL #:

AGEB # 41

SUBJECT: DHH - Medicaid Transportation Reimbursement Rates

DATE ADOPTED BY ADVISORY GROUP:

November 4, 2009

COMMISSION ACTION: WITHDRAWN

DATE: November 18, 2009

**RECOMMENDATION:** The Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that the Louisiana Department of Health and Hospitals roll back the Medicaid transportation program provider rates to the 2006 level, for a savings of \$13 million.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that the Louisiana Department of Health and Hospitals roll back the Medicaid transportation program provider rates to the 2006 level, for a savings of \$13 million.	Legislature; DHH	To save money and help reduce the deficit in Louisiana's Medicaid Program by reducing costs on services that are of relatively lower priority than actual medical care.	Statutory Amendment; Rules and Regulations	\$13 million	

The Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that the Louisiana Department of Health and Hospitals roll back the Medicaid transportation program provider rates to the 2006 level, for a savings of \$13 million.



ADVISORY GROUP ON Elimination of Duplicative and Non-Essential Services PROPOSAL #: AGDNES #2

SUBJECT: DOR - Auditing for LWC and DNR DATE ADOPTED BY ADVISORY GROUP: 10/29/09; amended on 11/09/09

COMMISSION ACTION: WITHDRAWN DATE: November 10, 2009

RECOMMENDATION: Relocate auditing responsibilities of the Department of Natural Resources (DNR) and the Louisiana Workforce Commission (LWC) to Department of Revenue (DOR).

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Develop plans to relocate auditing responsibilities of DNR and LWC to DOR	DOR, DNR, and LWC	DOR, DNR, and LWC currently serve an overlapping business clientele. It is critical that accountability and transparency are evident in the transfer of responsibilities and client needs are met.	Certain economies of scale and process efficiencies can be realized by merging functions of all three entities to DOR. Execution of MOUs between agencies would detail services to be performed and identify deliverables. This could later be expanded for other programs in other departments as appropriate.	Benefit to the state and customer would occur by decreased cost. A minimum of 25% savings can be realized by allowing DOR to perform audits on behalf of DNR and LWC.	This combination can be accomplished as soon as specific service delivery expectations can be determined.

ADVISORY GROUP ON Elimination of Duplicative and Non-Essential Services PROPOSAL #: AGDNES #3

SUBJECT: DOR/DPS&C(DPS) - Transfer ATC from DOR to DCS&C DATE ADOPTED BY ADVISORY GROUP: 10/29/09; confirmed on 11/09/09

COMMISSION ACTION: FAILED DATE: November 10, 2009

RECOMMENDATION: Relocate the Office of Alcohol and Tobacco Control (ATC) from the Department of Revenue (DOR) to the Department of Public Safety and Corrections - Public Safety Services (DPS).

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Develop plan and/or propose legislation (where applicable) to relocate ATC to DPS.	DOR/ATC and DPS&C/DPS	ATC and DPS currently serve an overlapping business clientele. Certain economies of scale and process efficiencies can be realized by merging functions of the two.	Process improvements and service delivery evaluations must be performed to insure adequate service to clients and elimination of duplicative processes.	It is anticipated the ATC and DPS combination would allow for clients to be served by a single entity for similar licenses and permits. This enhances business climate in the state and removes unnecessary bureaucracy.	Relocating ATC under DPS can be accomplished with the passage of legislation.

ADVISORY GROUP ON Elimination of Duplicative and Non-Essential Services

PROPOSAL #:

AGDNES #4

SUBJECT: DOR - Document Processing Capacity

DATE ADOPTED BY ADVISORY GROUP: 10/29/09; amended on 11/09/09

COMMISSION ACTION: WITHDRAWN

DATE: November 10, 2009

**RECOMMENDATION:** State agencies be required to evaluate current costs for remittance and document processing and move to Department of Revenue's (DOR) excess capacity for such where appropriate and agencies be prohibited from using state general fund to expand their current capacity for remittance and document processing until DOR's excess capacity is exhausted.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
State agencies be required to evaluate current costs for remittance and document processing and move to Department of Revenue's (DOR) excess capacity for such where appropriate and agencies be prohibited from using state general fund to expand their current capacity for remittance and document processing until DOR's excess capacity is exhausted.	DOR and respective agencies	Other state agencies have document imaging and remittance process needs. The state would have to duplicate processing infrastructure it has already purchased for DOR. DOR equipment is currently utilized approximately 45% of the time and is designed to function in a 24/7 environment.	DOR and other agencies would enter into MOUs establishing processing agreements. Contracting with DOR for document and remittance processing should occur where feasible and beneficial.	Relieves other agencies of document process responsibility as well as not having to duplicate processing infrastructure already housed at DOR. Require collaboration in situations where it is beneficial to the respective agency in need and there is cost saving. Savings to be realized by the state is in the excess capacity available at DOR. Other state agencies will not have to invest in similar equipment or human capital/T.O. Cost savings will take time to quantify where possible. The is need for study and is dependent on use by other agencies.	DOR has experts who are capable of duplicating current success by taking on similar processing needs for other agencies.

ADVISORY GROUP ON : Elimination of Duplicative and Non-Essential Services PROPOSAL#: AGDNES #6

SUBJECT: DOR - Costs exceeds proceeds DATE ADOPTED BY ADVISORY GROUP: October 29, 2009

COMMISSION ACTION: WITHDRAWN DATE: November 17, 2009

**RECOMMENDATION:** Potential elimination of taxes that generate small revenues yet require substantial administrative management and infrastructure to the point that administrative costs exceed revenue proceeds.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Develop plan and/or proposed legislation to eliminate taxes generating relatively small revenue but require substantial administrative management and infrastructure to enforce compliance.	DOR	Elimination of low-generating tax would allow DOR to focus limited resources on compliance issues negatively impacting much higher producing taxes	Proposed legislation. There are approximately 23 or more taxes that could be eliminated from the state tax portfolio.	Many small-revenue taxes are generally viewed as nuisance taxes. Elimination of these taxes could improve overall business climate and increase administrative and enforcement time. Eliminating some or all low-producing taxes will have an impact on increasing revenues without increasing the table of organization.	Proposed legislation would need to consider if this course of action is prudent given the decreased revenue forecasts for the next few years.

ADVISORY GROUP ON Elimination of Duplicative and Non-Essential Services

PROPOSAL #: AGDNES #7

SUBJECT: DOR - Single Sales & Use Tax Collector

DATE ADOPTED BY ADVISORY GROUP: 10/29/09; withdrawn 11/09/09

COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_

RECOMMENDATION: Establish Department of Revenue (DOR) as the single tax collector for all sales and use taxes throughout the state of Louisiana.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
Development of plan and/or proposed legislation to name DOR as the single tax collector for all sales and use taxes throughout the state of Louisiana.	DOR	Business operating within multiple parishes could have tax filing responsibilities within as many as 63 jurisdictions. LA is one of only seven states placing this burden on business tax payers.	Proposed legislation required at state and local levels.	This action would eliminate the need for businesses to file separate state and local sales tax returns. This would reduce cost of doing business within the state, crossing multiple parishes.	Major law change and legislative approval.

ADVISORY GROUP ON Elimination of Duplicative and Non-Essential Services PROPOSAL #: AGDNES #8A (November 16, 2009)

SUBJECT: DOTD - Downsizing review DATE ADOPTED BY ADVISORY GROUP: October 29, 2009

COMMISSION ACTION: WITHDRAWN DATE: November 18, 2009

RECOMMENDATION: Department of Transportation and Development further study reduction of back office functions and the number of DOTD construction Project Engineer Offices. Review should also be taken regarding the elimination or consolidation of DOTD district offices.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Further study reduction of back office functions and the number of DOTD construction Project Engineer Offices. Review potential of elimination or consolidation of DOTD district offices.	DOTD	Reduce office inefficiencies and enhance construction work completion.	Develop state or federal plans where applicable	Reduction in overhead cost and inefficiencies in overdue contracts. DOTD anticipates consolidation of the Monroe and Chase Districts. Approximate savings are estimated at \$1 million and 25 positions. DOTD anticipates consolidation of administrative offices. Approximate savings are estimated to be \$200-300K and 6 positions.	Action already begun by DOTD. Some action expected to be complete by 12/31/09

ADVISORY GROUP ON: Elimination of Duplicative and Non-Essential Services PROPOSAL#: AGDNES #11

SUBJECT: Supervisory Positions DATE ADOPTED BY ADVISORY GROUP: October 29, 2009

COMMISSION ACTION: WITHDRAWN DATE: December 1, 2009

RECOMMENDATION: Reduce or eliminate supervisory level positions in all state departments with a goal of an average span of control of 8 employees to one supervisor.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Develop plans to reduce or eliminate supervisory level positions and increase span of control. Ensure every state government supervisor is "stretched."	All state departments	Plan needed by all state agencies	Review by all state departments.	Overall more efficient state government	

ADVISORY GROUP ON Elimination of Duplicative and Non-Essential Services

PROPOSAL #: A GDNES #14

SUBJECT: DHH -Elderly Protective Services

DATE ADOPTED BY ADVISORY GROUP: 11/02/09; amended on 11/09/09

COMMISSION ACTION: WTHDRAWN

DATE: November 10, 2009

**RECOMMENDATION:** Transfer Elderly Protective Services from Governor's Office of Elderly Affairs to the Department of Health and Hospitals/Office of Aging and Adult Services.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Transfer of EPS from GOEA to DHH/OAAS; combine administration of EPS and OAAS; combine protective services for vulnerable adults into a single Adult Protective Services agency under OAAS.	DHH/OAAS, and GOEA.	Split of services protecting vulnerable adults cause duplication of effort; split of EPS and Adult Protective Services (APS) complicates abuse reporting; both EPS and APS are understaffed; 42 states operate a single APS program. The National Adult Protective Services Association recommends a single program to serve all vulnerable adults.	Legislation	This is an initiative to improve government efficiency, make better use of resources, and improve client outcomes. It will not yield budget savings. Combining agencies will provide more staff per region and reduce travel; eliminates need for 2 agencies; eliminates duplication of essential program elements; administrative and support functions would be combined; outside agencies would have one agency in which to deal; abuse reporting would be simplified for agencies and general public; caseload size and supervisory coverage would be improved.	Develop transition plan to implement inter-agency collaboration leading to merger in two years.



ADVISORY GROUP ON Elimination of Duplicative and Non-Essential Services

PROPOSAL #: AGDNES #17

SUBJECT: DPS&C/Public Safety - Background checks

DATE ADOPTED BY ADVISORY GROUP: 11/02/09; withdrawn 11/09/09

COMMISSION ACTION: \_\_\_\_\_

DATE: \_\_\_\_\_

RECOMMENDATION: Develop plan to transition from manual background checks to automated process. Use certified vendors where applicable.

<b>Summary Description/Nature of Change</b>	<b>Key/Implementation Responsibilities</b>	<b>Need</b>	<b>Action Needed</b>	<b>Benefit/Saving</b>	<b>Done/ Study</b>
Develop implementation plan to transition from current manual processes of background checks to automate processes. Use outsourcing options where applicable.	State Police.	Department has the responsibility to run all background checks - criminal, non-criminal, or both - for internal agency employees and citizen licensing. Within State Police, the Bureau of Investigation is also responsible for in-depth, Level III background investigations and gaining licenses for both individuals and corporations.	Given that some of the background investigations required need personnel in the field, there may be an opportunity to redeploy personnel into positions or into positions to support investigations.	Private sector has providers that are certified FBI channelers to perform background checks. Securing a certified vendor(s) will reduce labor costs by automating background check process that integrate with the Bureau's existing investment in fingerprint scanning equipment. The net savings would be equal to the level of resizing of the personnel used to process these cases.  Initial estimate of savings - 30% staff reduction, approximately \$1M annually	While the fingerprint processing can be transferred to an outside partner with both improved processing time and reduced costs, the use of a private agency to process background checks may require legislative change.

ADVISORY GROUP ON: IT Integration PROPOSAL #: AGIT #2A

SUBJECT: LaGov project DATE ADOPTED BY ADVISORY GROUP: November 5, 2009

COMMISSION ACTION: WITHDRAWN DATE: November 10, 2009

**RECOMMENDATION:** Requires all agencies, departments, and certain statewide elected officials, except higher education, to "opt in" to the LaGov (ERP) project.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Requires all agencies, departments, and certain statewide elected officials, except higher education, to "opt in" to the LaGov (ERP) project.</p>	<p>Chief Information Officer, Commissioner of Administration, State Treasurer, Cabinet</p>	<p>A single, integrated administrative solution for the executive branch of state government to improve administrative business performance and reporting, and to replace aging and technologically obsolete legacy systems.</p>	<p>Executive action</p>	<p>Aims to increase government efficiency by replacing more than 40 financial and administrative systems and redesigning more than 125 business processes statewide, and, according to a cost-benefit analysis, is estimated to bring \$286 million in total savings from avoided system costs and process-improvement benefits within 10 years of "going live" statewide. As part of that savings, it is estimated that \$38.6 million, or 13.5%, would come from employee reduction costs associated with improved technology. Just over \$52 million in project development has been spent to date.</p>	<p>In process; Department of Transportation and Development pilot program by Oct, 2010; other departments and budget prep, July 2013.</p>

ADVISORY GROUP ON: IT Integration PROPOSAL #: AGIT #7-II

SUBJECT: Office of Information Technology DATE ADOPTED BY ADVISORY GROUP: November 5, 2009

COMMISSION ACTION: WITHDRAWN DATE: November 10, 2009

RECOMMENDATION: Implement a project management office within the Office of Information Technology.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Implement project management office within Office of Information Technology.	Chief Information Officer	To reduce the risk of failure on large, complex IT projects and to improve the quality of project outcomes.	Possible statutory changes.	High potential for cost savings, improved quality assurance, and greater visibility into project status.	

ADVISORY GROUP ON OUTSOURCING, PRIVATIZATION & RISK MGMT PROPOSAL#: AGOPRM #14

SUBJECT: Capital Outlay DATE ADOPTED BY ADVISORY GROUP: October 7, 2009

COMMISSION ACTION: WITHDRAWN DATE: October 27, 2009

**RECOMMENDATION:**

Eliminate projects in Capital Outlay Act that exceed the cash line of credit capability.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Eliminate projects in Capital Outlay Act that exceed the cash line of credit capability.	Division of Administration & Legislature	Eliminate	Legislation.	Limits capital outlay projects to those within the state's cash line of credit capacity.	Done

ADVISORY GROUP ON OUTSOURCING, PRIVATIZATION & RISK MGMT PROPOSAL #: AGOPRM #41

SUBJECT: Department management DATE ADOPTED BY ADVISORY GROUP: \_\_\_\_\_

COMMISSION ACTION: WITHDRAWN DATE: December 1, 2009

RECOMMENDATION: Department of Transportation and Development restructure its top management level to eliminate at least three top level positions.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Department of Transportation and Development restructure its top management level to eliminate at least three top level positions.	Department of Transportation and Development	Reduction	Legislation; agency action	\$350,000	Done

ADVISORY GROUP ON \_\_\_\_\_ OUTSOURCING, PRIVATIZATION & RISK MGMT \_\_\_\_\_ PROPOSAL #: \_\_\_\_\_ AGOPRM #44 \_\_\_\_\_

SUBJECT: \_\_\_\_\_ Highway project administration \_\_\_\_\_ DATE ADOPTED BY ADVISORY GROUP: \_\_\_\_\_

COMMISSION ACTION: \_\_\_\_\_ WITHDRAWN \_\_\_\_\_ DATE: \_\_\_\_\_ November 17, 2009 \_\_\_\_\_

RECOMMENDATION: Department of Transportation and Development restructure or outsource highway project administration and inspection.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Department of Transportation and Development restructure or outsource highway project administration and inspection.	Department of Transportation and Development	Outsource	Agency action: RFP		Done

ADVISORY GROUP ON OUTSOURCING, PRIVATIZATION & RISK MGMT PROPOSAL #: AGOPRM #45

SUBJECT: Highway environmental compliance DATE ADOPTED BY ADVISORY GROUP: \_\_\_\_\_

COMMISSION ACTION: WITHDRAWN DATE: November 17, 2009

RECOMMENDATION: Department of Transportation and Development review privatizing the environmental compliance section.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Department of Transportation and Development review privatizing the environmental compliance section.	Department of Transportation and Development	Study	Agency action; RFP		Done

ADVISORY GROUP ON OUTSOURCING, PRIVATIZATION & RISK MGMT PROPOSAL #: ACOPRM #47

SUBJECT: Highway maintenance DATE ADOPTED BY ADVISORY GROUP: \_\_\_\_\_

COMMISSION ACTION: WITHDRAWN DATE: December 1, 2009

**RECOMMENDATION:** Department of Transportation and Development shift maintenance responsibility of state highways located in municipalities to those municipalities having state highways within the municipal limits, particularly where the municipality has old unfunded accounts receivable with the department.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
Department of Transportation and Development shift maintenance responsibility of state highways located in municipalities to those municipalities having state highways within the municipal limits, particularly where the municipality has old unfunded accounts receivable with the department.	Department of Transportation and Development		Legislation; agency action		Done



