STATE OF LOUISIANA
LEGISLATIVE AUDITOR

Department of Transportation and Development:
Analysis of Program Authority
and Performance Data

November 1997

Performance Audit Division

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

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Performance Audit
Office of Legislative Auditor
State of Louisiana

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November 10, 1997

The Honorable Randy L. Ewing,
President of the Senate
The Honorable H. B. "Hunt" Downer, Jr.,
Speaker of the House of Representatives

Dear Senator Ewing and Representative Downer:

This report gives the results of our performance audit of our *Analysis of Program Authority and Performance Data* of the Department of Transportation and Development and its related boards, commissions, and like entities. The audit was conducted under provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. In particular, this audit addresses requirements of R.S. 24:522, the Louisiana Performance Audit Program.

The report represents our findings, conclusions, and recommendations. We have also identified matters for legislative consideration. Appendixes F and G contain the responses of the department and the Division of Administration, Office of Planning and Budget. I trust that this report will be of use to you in your legislative decision-making process.

Sincerely,

Daniel G. Kyle, CPA, CFE
Legislative Auditor

DGK/dl

[DOTD]

Office of Legislative Auditor

Executive Summary
Performance Audit

Department of Transportation and Development: Analysis of Program Authority and Performance Data

For the fiscal year 1996-97, the legislature authorized the Department of Transportation and Development (DOTD) to spend $341 million for operations. DOTD was also authorized capital outlay appropriations of $659 million for highway and public works projects. Our audit of DOTD's performance data in the 1996-97 executive budget found that:

- DOTD's program missions and goals are consistent with its legal authority as presented in the fiscal year 1996-97 executive budget. However, office descriptions and each programs' legal citations in the executive budget are not always valid. As a result, this information in the executive budget may not be useful.
- DOTD has some outmoded and nonfunded functions. The department has not reported these matters to the legislature, as required by law.
- Some functions within DOTD programs potentially overlap or duplicate other DOTD program functions and programs of other state agencies, boards, commissions, and like entities. Thus, some DOTD functions may not be efficiently and effectively operated.
- DOTD's missions, goals, objectives, and performance indicators reported in the 1996-97 executive budget do not provide sufficient information to the legislature and other external users to evaluate DOTD's accomplishments in meeting the state's transportation and public works needs. Mission and goal statements for some programs are absent or incomplete. Few of DOTD's objectives are measurable and timebound. As a result, most of the performance indicators do not measure progress toward objectives.
- Missions, goals, objectives, and performance indicators for boards, commissions, and like entities that received funding through the department's budget are not presented in the 1996-97 executive budget. The lack of performance data for all operations in the budget request decreases accountability.
- DOTD's strategic plan, operational plan, and budget request are not consistent with each other. Consistency between planning and budgeting processes is essential to properly communicate missions, goals, objectives, and performance indicators. It also ensures that plans reflect available resources.

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Audit Initiation and Objectives

The Office of the Legislative Auditor conducted this performance audit of the Department of Transportation and Development's (DOTD) executive budget program information in response to certain requirements of Louisiana Revised Statute (R.S.) 24:522. This report is one of a series of reports on all major executive branch departments.

The primary objectives of this audit were to:

- Determine if the department's missions and goals as reported in the fiscal year 1996-97 executive budget are consistent with legislative intent and legal authority
- Determine if the department's missions, goals, objectives, and performance indicators as reported in the fiscal year 1996-97 executive budget are consistent with established criteria
- Determine if the department's objectives and performance indicators as reported in the fiscal year 1996-97 executive budget collectively provide useful information for decision-making purposes
- Identify any programs, functions, and activities within the department that appear to be overlapping, duplicative, or outmoded

Ten Major Programs Authorized for DOTD

State law directs DOTD to develop and implement state transportation and other public works. To accomplish this, the legislature provides three offices and ten programs within DOTD. These programs include state highways and bridges, water resources, aviation, and public transportation. DOTD's duties within each of these programs are extensive and involve almost 5,600 employees. In 1996-97, the legislature authorized DOTD $1 billion from the Transportation Trust Fund, capital outlay, and other sources of funding to operate these programs.

(See pages 19-30 of the report.)

Program Authorization Is Consistent With State Law

Each of the ten DOTD programs' mission and goal in the fiscal year 1996-97 executive budget is consistent with legislative intent and legal authority. However, the legal citations shown in the executive budget are not reliable. In addition, the office descriptions need to be improved to be consistent with state law. Therefore, users of the executive budget cannot place total reliance on the document.

(See pages 31-39 of the report.)

Some Program Activities Are Outmoded and May Be Overlapping or Duplicative

Although DOTD's ten programs missions and goals are in general agreement with statute, there are some powers, functions, or duties that are no longer suitable for current transportation and public work needs. There are other required or authorized activities that have not been implemented because of a lack of funding. DOTD has not reported these outmoded and unfunded matters to the legislature, as specified in state law.

(See pages 40-44 of the report.)

Some functions within the department's authorized programs may potentially overlap or duplicate functions within other authorized programs. There may also be some potential overlap or duplication of effort of DOTD's programs with programs of other state agencies, boards, commissions, and like entities. These potentially overlapping or duplicative functions could mean DOTD is spending more time, money, and effort in delivering services than is necessary. It was not within the scope of this audit to fully evaluate these matters. However, DOTD initiated an organizational study that is in-progress.

(See pages 44-47 of the report.)

Matters for Legislative Consideration

3.1 The legislature may wish to consider legislation to repeal or update the provisions found to be outmoded and not implemented, as detailed in Appendixes D and E.

3.2 The legislature may wish to remove provisions of R.S. 34:3104 creating the board of commissioners for the Offshore Terminal Authority and instead

provide for the appointment of an executive director.

3.3 The legislature may wish to consider the study of the potential overlap or duplication of the following activities within applicable state departments, as noted in this report:

- Public Transportation Program
- Water Resources Program
- Role of boards, commissions, and like entities in the state
- Various types of pilot boards

Recommendations

3.1 The Office of Planning and Budget (OPB) should revise the executive budget descriptions of the Office of Management and Finance and the Office of Engineering. This is to ensure they completely reflect the related activities described in law.

3.2 OPB and DOTD should work together to ensure that all legal citations in the executive budget and the operational plan are accurate, complete, and relevant.

3.3 In accordance with state law, DOTD should thoroughly review and report to the legislature the following conditions:

- Authorized activities that are no longer needed (i.e., outmoded functions)
- Legislative requirements not implemented

3.4 DOTD should ensure that any organizational study includes review of the areas identified as potentially overlapping or duplicative within the department.

Plans Not Linked to Budget

DOTD has developed numerous strategic and long-range plans. Such plans help agencies determine what programs are to accomplish and how to measure accomplishments. This should ultimately lead to resource allocation when the budget request is prepared. However, DOTD does not coordinate its plans with its budget request. As a result, there is a risk that critical elements of DOTD's plans will not be included or disclosed in the budget request documents.

(See pages 50-52 of the report.)

DOTD's Performance Data Needs Further Development

The fiscal year 1996-97 executive budget does not clearly articulate each DOTD program's plans and accomplishments within the missions, goals, objectives, and performance indicators. As a result, users of this document may not be able to evaluate DOTD's overall performance or individual program performance.

Some programs lack mission or goal statements and other programs' mission and goal statements are incomplete. When a program's mission and goal is not adequately disclosed, users of the executive budget may not understand the program's purpose, clientele, or activities.

The majority (about 80 percent) of DOTD's objectives are not measurable and timebound and do not address all the major program functions. Accordingly, most of the performance indicators do not measure progress toward objectives. Thus, when collectively considering the objectives and indicators, users of the executive budget cannot evaluate DOTD's performance in meeting the state's transportation and public works.

In addition, there is not a balanced mix of the various types of performance indicators. There are few efficiency, input, outcome, explanatory, and quality measures. A complete mix of indicators is necessary to evaluate program performance or make informed budgetary decisions.

(See pages 53-66 of the report.)

Missions, goals, objectives, and performance indicators are not presented in the fiscal year 1996-97 executive budget for boards, commissions, and like entities that receive state funds

through DOTD's budget. Starting in fiscal year 1997-98, OPB requires the presentation of this information in the agency's operational plan that is used to prepare the executive budget. This information is necessary so that external users can see the accomplishments of organizations that receive state funds through oversight programs. Although this information is not presented in the executive budget, each entity's functions appear consistent with its legal authority.

(See pages 39-40 and 66-67 of the report.)

Recommendations

4.1 DOTD should coordinate the preparation of its operational plan with its budget request and ensure they are both consistent with the strategic plan.

4.2 DOTD should ensure that strategic plan goals cover all department programs.

4.3 DOTD and OPB staff should work together to develop an overall departmental mission statement to be included in future editions of the executive budget.

4.4 DOTD and OPB staff should work together to ensure that all programs contain clearly identified and labeled mission statements in future editions of the executive budget.

4.5 DOTD and OPB staff should work together to modify the missions for the Aviation Program and the Offshore Terminal Authority Program to include the targeted client groups.

4.6 DOTD and OPB staff should work together to ensure that the mission for the Bridge Trust Operations Program accurately conveys the purpose of the program.

4.7 DOTD and OPB staff should work together to ensure that all programs include clearly identified goal statements in future editions of the executive budget.

4.8 DOTD and OPB staff should work together to develop goals that are consistent with the mission statement, provide a sense of direction on how to address the mission (e.g., through required activities) and reflect the destination toward which the program is striving.

4.9 DOTD and OPB staff should work together to develop objectives that are measurable, timebound, and specify a desired end result.

4.10 DOTD and OPB staff should work together to develop additional objectives for major program functions of interest to external users.

4.11 DOTD and OPB staff should work together to develop performance indicators that measure progress toward objectives for inclusion in future editions of the executive budget.

4.12 DOTD and OPB should work together to develop performance indicators for administrative functions based on administrative activities for which the program is directly responsible. Only those administrative indicators that would be useful to parties external to the department should be included in the executive budget.

4.13 DOTD and OPB staff should work together to ensure that each program develops a mix of indicators that communicates pertinent program performance data for inclusion in future editions of the executive budget. Explanatory information should be included, where appropriate.

4.14 DOTD should include in the operational plan performance data for boards, commissions, and like entities requesting funding through DOTD's budget. Furthermore, OPB should include this information in the executive budget program description.

Chapter 1: Introduction

Audit Initiation and Objectives

The Office of the Legislative Auditor conducted this performance audit of the executive budget program information for the Department of Transportation and Development (DOTD) in response to certain requirements of Act 1100 of 1995. This act amended the state audit law by adding Louisiana Revised Statute (R.S.) 24:522, which created the Louisiana Performance Audit Program. Although the legislative auditor has been conducting performance audits since 1986, R.S. 24:522 formalizes an overall performance audit program for the state. In addition to finding solutions to present fiscal problems, the legislature created the Performance Audit Program to identify and plan for the state's long-term needs.

This report is one of a series of reports on all major executive branch departments addressing the following objectives:

- Determine if the department's missions and goals as reported in the fiscal year 1996-97 executive budget are consistent with legislative intent and legal authority
- Determine if the department's missions, goals, objectives, and performance indicators as reported in the fiscal year 1996-97 executive budget are consistent with established criteria
- Determine if the department's objectives and performance indicators as reported in the fiscal year 1996-97 executive budget collectively provide useful information for decision-making purposes
- Identify any programs, functions, and activities within the department that appear to be overlapping, duplicative, or outmoded

Report Conclusions

DOTD is to develop and implement programs for the state's transportation and public works. In 1996-97, the legislature authorized DOTD to spend $1 billion from the Transportation Trust Fund, capital outlay appropriation, and other sources of funding to operate these programs. DOTD is authorized almost 5,600 positions for these purposes. For budgetary purposes, DOTD is organized into three offices and ten programs to accomplish these responsibilities.

The various program missions and goals presented in the 1996-97 executive budget for DOTD are consistent with state law. However, some of the executive budget office descriptions and legal citations for program authorization are not always valid and complete.

The missions, goals, objectives, and performance indicators in the executive budget do not provide sufficient information to users of this document on which to judge the overall performance of DOTD or of the individual programs. The missions and goals included in the executive budget are incomplete. DOTD's objectives are not measurable, do not provide a time frame for completion, and do not address all the major program functions. As a result, the majority of performance indicators do not measure progress toward objectives. There is also not a complete mix of the various types of indicators.

DOTD's strategic plan, operational plan, and budget request are not consistent with each other. Consistency between planning and budgeting documents is necessary to accurately convey missions, goals, objectives, and performance indicators.

The six boards, commissions, and like entities that received funding through DOTD's budget in 1996-97 appear to perform the duties required by law. However, these entities' missions, goals, objectives, and performance indicators are not reported in the 1996-97 executive budget. The lack of performance data for all operations in budget request documents decreases accountability.

Some DOTD programs may overlap and duplicate other DOTD programs and programs of other state agencies, boards, commissions, and like entities. As a result, some DOTD functions may not be efficiently and effectively operated.

Though required by state law, DOTD has not reviewed and reported to the legislature any outmoded and unfunded activities. The legislature must rely on information from the department to determine the need for programs, functions, and activities. Without such information, funding and service delivery decisions may not provide the greatest benefit to the people of Louisiana.

Accountability Initiatives

Article XIV, Section 6 of the 1974 Louisiana Constitution reorganized the executive branch into 20 departments. State law says that the structure of the executive branch of state government is to, in part, promote economy and efficiency in the operation and management of state government. Since the reorganization, additional efforts have been undertaken to eliminate duplicative, overlapping, and outmoded programs and activities. Some of these efforts require internal reviews of programs, policies, and services of state agencies, and others provide for external reviews.

R.S. 24:522 requires the legislative auditor to annually make recommendations to the legislature relative, in part, to the effectiveness and efficiency of programs and services that the various state agencies provide. In particular, it directs the auditor to evaluate the basic assumptions underlying all state agencies, programs and services to assist the legislature in identifying those that are vital to the best interests of the people of Louisiana and those that no longer meet that goal. This law also requires state agencies to produce certain information during the budgetary process.

In July 1996, the Office of the Legislative Auditor issued a report that examined the performance and progress of Louisiana state government. That report followed up on all recommendations made in performance audits and staff studies issued by the legislative auditor during the previous three years. In that report, we tracked the progress of agencies in implementing recommendations contained in the performance studies and identified related legislation. We also identified a number of problem areas in state government including inadequate oversight and inadequate planning.

As part of our continuing efforts to meet the requirements of R.S. 24:522, this report examines the legal authority for DOTD's programs and services. This report also examines the program information contained in the 1996-97 executive budget and builds on the need for better planning. Similar performance audit reports are to be issued on all other executive branch departments.

State law (R.S. 49:190 *et seq.*) also requires agencies to provide the legislature with certain internal information to justify their continued existence. This law is referred to as the sunset review process. This process allows the legislature, through oversight committees, an opportunity and mechanism to evaluate the operations of state statutory entities.

State law also requires an annual report by department undersecretaries on their department management and program analysis. These reports, required by the provisions of R.S. 36:8, are referred to as Act 160 reports, since Act 160 of 1982 originally enacted this law. This law requires agencies to conduct evaluations and analyses of programs, operations, and policies to improve the efficiency, economy, and effectiveness of the departments.

Other performance legislation includes an accountability act for colleges and universities. Also, various agency performance related reports are required to be submitted with the agency budget request. One of these reports is referred to as the "Sunset Review Budget Request Supplement."

Program Budgeting and Strategic Planning Focus on Outcomes

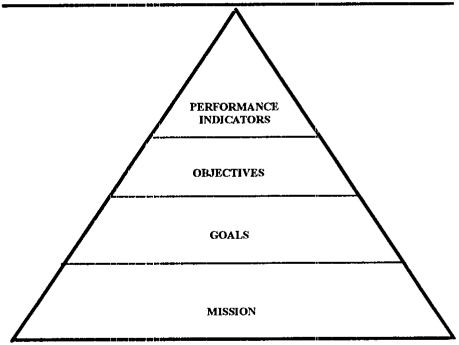
Act 814 of the 1987 Regular Legislative Session required the state to adopt a program budgeting system beginning in fiscal year 1989. R.S. 39:36 requires the executive budget to be in a format that clearly presents and highlights the programs operated by state government. According to *Manageware*, a publication of the Division of Administration's Office of Planning and Budget (OPB), program budgeting is a budget system that focuses on program objectives, achievements, and cost-effectiveness. *Manageware* also states that program budgeting is concerned with outcomes or results rather than with individual items of expenditure.

Strategic planning is a process that sets goals and objectives for the future and strategies for achieving those goals and objectives, with an emphasis on how best to use resources. Program budgeting involves the development of missions, goals, objectives, and performance indicators. These factors are components of the strategic planning process.

Exhibit 1-1 shows how missions, goals, objectives, and performance indicators relate to each other. As can be seen in this exhibit, the mission is the base from which goals are derived. Objectives flow from the goals, and performance indicators flow from the objectives.

Exhibit 1-1

Major Components of the Strategic Planning Process



Source: Prepared by legislative auditor's staff using a similar diagram in *Manageware*.

Manageware defines these terms as follows:

- **Mission:** a broad, comprehensive statement of the organization's purpose. The mission identifies what the organization does and for whom it does it.

- **Goals:** the general end purposes toward which effort is directed. Goals show where the organization is going.

- **Objectives:** specific and measurable targets for accomplishment. Objectives include a degree or type of change and a timetable for accomplishment.

- **Performance Indicators:** the tools used to measure the performance of policies, programs, and plans.

Furthermore, *Manageware* categorizes performance indicators into five types:

1. **Input indicators** measure resource allocation and demand for services. Examples of input indicators are budget allocations and number of full-time equivalent employees.

2. **Output indicators** measure the amount of products or services provided or the number of customers served. Examples of output indicators include the number of students enrolled in an adult education course, the number of vaccinations given to children, and the number of miles of roads resurfaced.

3. **Outcome indicators** measure results and assess program impact and effectiveness. Examples of outcome indicators are the number of persons able to read and write after completing an adult education course and the change in the highway death rate. Outcome indicators are the most important performance measures because they show whether or not expected results are being achieved.

4. **Efficiency indicators** measure productivity and cost-effectiveness. They reflect the cost of providing services or achieving results. Examples of efficiency indicators include the cost per student enrolled in an adult education course, the bed

occupancy rate at a hospital, and the average processing time for environmental permit applications.

5. **Quality indicators** measure effectiveness in meeting the expectations of customers, stakeholders, and other groups. Examples of quality indicators include the number of defect-free reports compared to the number of reports produced, the accreditation of institutions or programs, and the number of customer complaints filed.

Manageware also points out the benefits of program budgeting. According to *Manageware*, program budgeting streamlines the budget process. *Manageware* also says that program budgeting supports quality management by allowing managers more budgetary flexibility while maintaining accountability for the outcomes of programs. Since appropriations are made at the program level, program managers can more easily shift funds from one expenditure category to another to cover unanticipated needs, according to *Manageware*.

The need for accountability in government operations is gaining recognition both domestically and internationally. According to a recent report issued by the United States General Accounting Office, the federal government is currently implementing the Government Performance and Results Act of 1993. This act requires agencies to set goals, measure performance, and report on their accomplishments. The report also cites several states including Florida, Oregon, Minnesota, Texas, and Virginia and foreign governments such as Australia, Canada, New Zealand, and the United Kingdom that are also pursuing management reform initiatives and becoming more results-oriented.

In Louisiana, the 1996-97 general appropriation bill and resulting act included program descriptions for the first time. The fiscal year 1997-1998 General Appropriations Act also includes key performance indicators. For fiscal year 1997-98, this information will be presented for informational purposes only. However, in the future, it will serve as a starting point for the full implementation of performance based budgeting.

Beginning in fiscal year 1998-99 and all subsequent fiscal years, key objectives and key performance indicators contained in the General Appropriations Act will be included in the agency's appropriation. Each agency will be required to provide quarterly

performance progress reports. The agency's appropriation will be issued conditioned upon the agency preparing and submitting these reports.

Executive Budget Is Basis for General Appropriation Act

Article VII, Section 11(A) of the Louisiana Constitution requires the governor to submit a budget estimate to the legislature that sets forth the state expenditures for the next fiscal year. This budget estimate, the executive budget[1], must include recommendations for appropriations from the state general fund, dedicated funds, and self-generated funds.

R.S. 39:36 requires the executive budget to be configured in a format that clearly presents and highlights the programs operated by state government. This statute also requires the executive budget to include:

(1) an outline of the agency's programmatic structure, which should include an itemization of all programs with a clear description of the objectives of each program;

(2) a description of the activities that are intended to accomplish each objective; and

(3) clearly defined indicators of the quantity and quality of performance of these activities.

OPB develops the executive budget based on voluminous material contained in various documents prepared by the departments as part of their budget requests. The budget request packages are made up of six separate components, which are listed as follows. These packages contain both financial and program information.

1. **Operational plans** describe the various programs within state agencies. They also give program missions, goals, objectives, and performance indicators. Operational plans are derived from long-range strategic plans. Operational plans tell what

[1] The governor also submits a capital outlay budget. However, the scope of this audit includes only the executive budget.

portions of strategic plans will be addressed during a given operational period.

2. **Existing operating budgets** describe the initial operating budgets as adjusted for actions taken by the Joint Legislative Committee on the Budget, the Interim Emergency Board, the legislature, and/or the governor.

3. **Continuation budgets** describe the level of funding for each budget unit that reflects the resources necessary to carry on all existing programs and functions at the current level of service in the ensuing fiscal year. These budget components include any adjustments necessary due to the increased cost of services or materials as a result of inflation and increased workload requirements resulting from demographic or other changes. Continuation budgets contain program information.

4. **Technical/other adjustment packages** allow for the transfer of programs or functions from certain agencies or departments to other agencies or departments. However, total overall revenues and expenditures cannot be increased. The technical/other adjustment packages also contain program information.

5. **New or expanded service requests** are designed to provide information about the cost of new and/or expanded services that departments will provide. These service changes can come about as a result of regulation or procedural changes that are/were controlled by the agency or by the addition of services that were not previously provided. The new or expanded service requests also contain program information.

6. **Total Request Summaries** provide a cross-check of the total budget request document. These forms are designed to provide summaries of all the requested adjustments made to arrive at the total budget requests.

According to *Manageware,* the total budget request must be accompanied by the Sunset Review Budget Request Supplement (i.e., BRS forms). The BRS forms list all activities that a budget unit has been directed to administer (through legislatively authorized programs and acts of the legislature) for which no implementing funds were appropriated in the existing operating budget. The BRS forms must be submitted to OPB, the Legislative Fiscal Office, and the Joint Legislative Committee on the Budget.

For 1996-97, OPB prepared and published several volumes of a two-part executive budget using the departments' budget request packages. One part of the executive budget contains financial information, and the other part contains program information. The program information includes program descriptions, missions, goals, objectives, and performance indicators related to the services and products of each department resulting from spending state revenues.

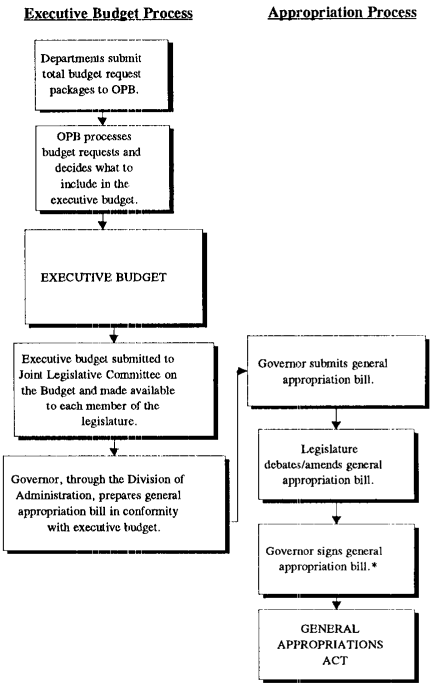
According to R.S. 39:37, the governor must submit the executive budget to the Joint Legislative Committee on the Budget. The governor must make a copy of the executive budget available to each member of the legislature. The constitution requires that the governor submit a general appropriation bill for proposed ordinary operating expenditures in conformity with the executive budget document that was submitted to the legislature.

The general appropriation bill moves through the legislature similar to any other bill. The Appropriations Committee in the House of Representatives initially hears the bill. It then moves to the full House, then to the Senate Finance Committee, and then the full Senate. Both the House and Senate may amend the bill. The bill is voted upon in its final form by the full membership of both chambers. OPB monitors any amendments the legislature makes to the bill.

After the general appropriation bill passes the legislature, it is forwarded to the governor. Once the governor signs the bill, it becomes law in the form of the General Appropriations Act. After the governor signs the bill, OPB reports to the state departments any amendments made by the legislature. The state constitution allows the governor to veto any line item in the appropriation bill. A veto can be overridden by a two-thirds vote of the legislature. Exhibit 1-2 on the following page illustrates the executive budget and appropriation processes.

Exhibit 1-2

Executive Budget and Appropriation Processes



* The governor has line-item veto power.

Source: Prepared by legislative auditor's staff using the state constitution, state law, *Manageware*, and *House Legislative Services - State and Local Government in Louisiana: An Overview* (December 1995).

Scope and Methodology

Overview. This performance audit of the Department of Transportation and Development's program information was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. All performance audits are conducted in accordance with generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Work on this audit began in August 1996.

This section provides a summary of the methodology used in this audit. Based on planning meetings held by legislative audit staff, we formulated audit objectives that would address issues specific to the program information contained in the executive budget. The audit focused on the fiscal year 1996-97 executive budget program information.

References Used. To familiarize ourselves with performance measurement, program budgeting, and accountability concepts, we reviewed various publications including the following:

- *Manageware* published by the Office of Planning and Budget (1991 and 1996 editions)
- *Research Report - Service Efforts and Accomplishments Reporting: Its Time Has Come, An Overview* published by the Governmental Accounting Standards Board (GASB) and accompanying research reports on the road maintenance and mass transit functions (1990)
- *Executive Guide: Effectively Implementing the Government Performance and Results Act* published by the U.S. General Accounting Office (June 1996)
- Various reports by the Canadian Comprehensive Auditing Foundation
- Reports from various states related to program budgeting and strategic planning

These publications are listed in detail in Appendix A. We also conducted interviews with personnel of the Urban Institute, the federal Office of Management and Budget (OMB), and GASB. These individuals represent both the theoretical and practical sides of current performance measurement and accountability efforts.

To gain an understanding of the state's budget process, we reviewed state laws regarding program budgeting. In addition, we interviewed staff of OPB and DOTD regarding their budget processes.

Legal Basis for Missions and Goals. We searched state and federal laws to determine whether there was legal authority for missions and goals of the department and its programs. We also reviewed applicable laws to determine legislative intent related to the creation of the department and the functions that the department and its programs are intended to perform. In addition, we reviewed and organized data obtained from the department on its structure, functions, and programs. We also interviewed key department personnel about these issues.

We included within the scope of our detailed audit work all related boards, commissions, and like entities that were authorized funding in the 1996 General Appropriations Act. We telephoned officials with each of these entities. Some of these entities sent us their planning documents. We obtained this information to determine if the activities of these entities are consistent with state law. *We also prepared a listing, which is contained in Appendix B,* of all related boards, commissions, and like entities we identified, regardless of whether they were authorized funding.

Comparison of Performance Data to Criteria. We developed criteria against which to compare the department's missions, goals, objectives, and performance indicators as reported in the 1996-97 executive budget. To help develop these criteria, we gathered information from GASB, OMB, the Urban Institute, and *Manageware*. During our criteria development process, we obtained input from GASB. We also obtained concurrence from GASB on our final established criteria. We then compared the missions, goals, objectives, and performance indicators to the established criteria.

In addition, we evaluated the objectives and performance indicators to determine if they collectively provide useful information to decision makers. When deficiencies or other problems were identified, we discussed them with appropriate personnel of the department and OPB. We did not assess the validity or reliability of the performance indicators.

Although other documents contain performance data on the department, we only compared the missions, goals, objectives, and performance indicators contained in the 1996-97 executive budget

(program information volume) to the criteria. This decision was made because the executive budget is the culmination of OPB's review and refinement of the budget request components. It also represents the governor's official recommendation to the legislature for appropriations for the next fiscal year.

Potential Overlapping, Duplicative, or Outmoded Areas. Finally, we reviewed the program descriptions and legal authority for the department's programs and related boards, commissions, and like entities to identify areas that appeared to be overlapping, duplicative, or outmoded. We defined these terms as follows:

- **Overlapping:** instances where two or more programs appear to perform different activities or functions for the same or similar purposes
- **Duplicative:** instances where two or more programs appear to conduct identical activities or functions for the same or similar purposes
- **Outmoded:** those programs, activities, or functions that appear to be outdated or are no longer needed

We did not conduct detailed audit work on the areas we identified as potentially overlapping, duplicative, or outmoded. We only identified them for further review at another time.

Areas for Further Study

During this audit, we identified the following areas that require further study:

- As previously mentioned, assessing the validity and reliability of performance indicators was not within the scope of this audit. However, if the legislature intends to include performance indicators in future appropriation bills and acts, validity and reliability become increasingly important. Consequently, in the future, the legislature may wish to direct a study of the validity and reliability of performance indicators included in appropriation bills.
- The programs, functions, and activities that appear to be overlapping, duplicative, or outmoded should

be assessed in more detail to determine whether they are truly overlapping, duplicative, or outmoded. Once these assessments are completed, the legislature may decide whether any of these programs, functions, or activities should be altered, expanded, or eliminated.

- The availability of management information systems that can readily integrate data from a variety of sources is essential to a successful program budgeting system. Capturing accurate and meaningful performance data is important, in part, because of the increased emphasis the legislature is placing on performance data. Therefore, the capabilities of the department's management information system as related to performance data should be addressed.

- The executive budget does not include performance data for the operations of four state-owned airports. According to DOTD's aviation program director, the public uses these airports that are controlled by the:

  - Department of Agriculture (located at Woodworth, Louisiana)

  - Department of Public Safety and Corrections - Correction Services (located at Jackson, Louisiana)

  - Ascension-St. James Airport and Transportation Authority (located at Gonzales, Louisiana)

  - St. Mary Parish governing authority, with DOTD owning the land and the Department of Culture, Recreation and Tourism operating an aviation museum on the grounds (located at Patterson, Louisiana)

In addition, the state owns and exclusively uses several heliports. The legislature may wish to make inquiries to determine what information to include on airports and heliports in the executive budget and other state reports.

Executive Budget Lacks Sufficient Objective Statements

Objective Statements Do Not Address All of the Major Functions of All Programs

Objectives were not included in the 1996-97 executive budget for one program. In addition, at least five other programs need additional objectives to address other functions of the programs. When significant program functions lack objectives, legislators or other users cannot evaluate all aspects of DOTD's performance in meeting the state's transportation and public works needs.

The District and Maintenance Operations Program did not have any objectives in the executive budget. This program is the largest DOTD program, in terms of staff, and the second largest in terms of authorized spending. OPB attributes the lack of objectives to communication problems between DOTD and OPB in finalizing the executive budget. As a result, DOTD's desired accomplishments in this major functional area are not evident in the budget document. However, OPB has addressed this issue in the 1997-98 executive budget by including objectives for this program.

Five programs that lack objectives to address major program functions are as follows:

- Administration Program objectives do not relate to the administrator's work in managing the department.
- Aviation Program objectives do not address the monitoring and promotion functions.
- Bridge Trust Operations Program objectives do not relate to the ferry operations and police services functions.
- Highway Program objectives do not address other aspects of this significant program, such as expected performance relating to project design, cost, or other factors that might be of interest to an external user.
- Support Services Program objectives do not address significant support service functions, such as the fleet management function.

When a major program function lacks objectives, a legislator making budgetary decisions may not be able to tell what the program is trying to accomplish.

Recommendation

4.10 DOTD and OPB staff should work together to develop additional objectives for major program functions of interest to external users.

Most Performance Indicators Do Not Measure Progress Toward Objectives

The Majority of DOTD's Performance Indicators Do Not Measure Progress Toward Objectives

Over three-quarters of performance indicators (47 of 60, or 78%) included in the 1996-97 executive budget do not provide a quantitative measurement of progress toward objectives. However, the majority of the indicators are consistent with the objectives (51, or 85%). All of the indicators are also clear, easily understandable, and non-technical (65, or 100%). When indicators do not measure progress toward objectives, users of the executive budget may not know how well the programs performed what they were supposed to accomplish.

Thirty-seven of the 47 indicators (79%) do not measure progress toward objectives because the objectives are not measurable. Had the objectives specified quantitative targets for accomplishment, the 37 indicators would have measured progress toward those targets. This is because these indicators relate to the objectives. According to GASB's research, indicators should relate to the goals and objectives of the service, thereby providing a means of assessing results and directing efforts to improve performance in accomplishing these goals and objectives.

For example, the department is dependent on the Support Services Program's fleet and equipment management function. Thus, it could create an objective of a specific percentage reduction by year end of the vehicles and equipment used beyond their economic service life. A related performance indicator would measure the exact reduction rate for comparison against the targeted percentage reduction.

There are also no performance indicators in the executive budget for the Administration Program. According to the assistant director of research at GASB, performance indicators should be developed for administrative programs and functions. Administrative programs should measure their performance related to activities for which they are directly responsible and not on the basis of other programs' results. For example, the performance of administrative oversight could be measured by determining whether the administrative program ensures that the other programs develop relevant performance data and that proper policies are in place.

Performance indicators should measure progress toward objectives or contribute toward the overall measurement of progress toward objectives. They should also be consistent with the objectives and be clear, easily understood, and non-technical. If the executive budget does not include performance indicators with these characteristics, users of the executive budget cannot tell if the programs achieved what they were supposed to achieve.

Accordingly, taken collectively, the objectives and performance indicators could not be used by legislators or other external users to evaluate DOTD's performance in meeting the state's transportation and public works needs.

Recommendations

4.11 DOTD and OPB staff should work together to develop performance indicators that measure progress toward objectives for inclusion in future editions of the executive budget.

4.12 DOTD and OPB should work together to develop performance indicators for administrative functions based on administrative activities for which the program is directly responsible. Only those administrative indicators that would be useful to parties external to the department should be included in the executive budget.

Incomplete Mix of Performance Indicators

There Are Few Efficiency, Input, Outcome, Explanatory, and Quality Measures

The performance indicators presented in the 1996-97 executive budget do not provide a complete mix of efficiency outcome, input, output, explanatory, and quality measures. Only one program includes an efficiency performance indicator in the executive budget. Six of ten programs include 12 outcome indicators, four programs include ten input indicators, one program contains two explanatory indicators, and one program shows a quality indicator. Except for the Administration Program, all the programs include a total of 39 output indicators. When programs have no outcome, efficiency, quality, or input indicators, users of the executive budget may not be able to determine how well the program did what it was supposed to do, how much it cost to produce that result, or the total resources consumed in producing that result.

Exhibit 4-2 on the following page summarizes the number and percentage of each type of indicator included for each program in the 1996-97 executive budget. Performance indicator types are explained on pages 6-7 of this report.

According to both GASB and *Manageware,* programs should develop a mix of the different types of indicators. What this mix should contain may be different for each program. When such a mix is properly developed, the indicators communicate more complete information on program performance relevant to the process of making budgetary decisions. In addition, GASB's research recommends more emphasis be placed on outcome and efficiency measurement in external reports.

Even though many program goals discuss efficiency, only the Highways Program in DOTD's executive budget includes an efficiency measure relating to the timeliness of services provided. However, the Highways Program does not include any efficiency measures of unit cost. Measures such as average cost per lane-mile for construction, reconstruction, resurfacing, or widening demonstrate the efficiency of these activities. Without efficiency measures, decision makers may not know whether a program is achieving an outcome at a reasonable cost per unit.

Exhibit 4-2
Indicator Types Included in 1996-97 Executive Budget
Department of Transportation and Development

Offices/Programs	Input	Output	Outcome	Efficiency	Quality or Explanatory	Total
Office of the Secretary						
A. Administration Program	0	0	0	0	0	0
B. Offshore Terminal Authority Program	0	1	0	0	0	1
Office of Management and Finance						
A. Support Services	3	3	3	0	0	9
Office of Engineering						
A. Highways Program	3	9	1	1	0	14
B. Bridge Trust Operations Program	2	2	2	0	1 (quality)	7
C. Water Resources Program	2	11	3	0	0	16
D. Aviation Program	0	5	0	0	0	5
E. Maintenance and District Operations Program	0	4	1	0	0	5
F. Public Transportation Program	0	3	0	0	0	3
Sabine River Authority Program	0	1	2	0	2 (explanatory)	5
Total	10	39	12	1	3	65
Percent	15%	60%	18%	2%	5%	100%

Source: Created by legislative auditor's staff using performance indicators listed for DOTD in the 1996-97 executive budget

Note: Appendix C also shows the classification determined for each indicator.

Although six programs present outcome indicators in the executive budget, of these only the Highways Program has a measurable objective. For outcome indicators to be useful to a decision maker, the objective must provide a target for expected results or impact.

We also noted that the input indicators in the 1996-97 executive budget measure demand for services. However, there are no input indicators in the budget document that measure program cost. Without such input measures, it is unclear what a program costs in terms of time, dollars, or employee effort. Therefore, the performance data reported may not be as useful as it could be for budgetary decisions. In the 1997-98 executive budget, OPB has begun to address the lack of input indicators. The new budget includes financial information in the same section with the

performance data. This financial information includes the cost of programs and the number of positions authorized and requested.

GASB also recommends reporting explanatory information. Explanatory information includes a variety of information about the environment and other factors that might affect an organization's performance. For example, the Maintenance and District Operations Program's explanatory information could include data relating to the weather, terrain, or congestion. This type of information helps explain exceptional or unusual variations in performance indicators. Only the Sabine River Authority Program included two explanatory indicators.

Only the Bridge Trust Operations Program has a quality indicator reported in the executive budget. Quality indicators measure excellence, according to *Manageware*. If quality indicators are not reported for programs, users of the executive budget may not be able to determine if expectations of customers, other stakeholders, and expectation groups are met.

Recommendation

4.13 DOTD and OPB staff should work together to ensure that each program develops a mix of indicators that communicates pertinent program performance data for inclusion in future editions of the executive budget. Explanatory information should be included, where appropriate.

Performance Data Lacking for Boards, Commissions, and Like Entities

Performance Data Not Presented in 1996-97 Executive Budget for Other Entities Receiving DOTD Funds

The 1996-97 executive budget for DOTD did not include performance data for boards, commissions, and like entities recommended for funding. This is because DOTD was not required to include such information in its operational plan. The lack of performance data in the budget request decreases accountability for funds these entities receive through oversight programs. OPB revised the 1997-98 operational plan instructions to require the inclusion of such information in the operational plans.

As discussed in Chapter 3 and Exhibit 3-2, the legislature authorized funding of $548,035 in DOTD's 1996-97 appropriation for six boards, commissions, and like entities. As of August 1997, these entities had received a total of $493,782 of the authorized amount. The recommended budget for four of the six entities is reported in the executive budget financial information volume. However, the executive budget program information volume does not include any performance data or other information concerning these four entities.

DOTD's 1996-97 operational plan also does not include any performance data for these entities. OPB's 1996-97 operational plan instructions did not require state departments to include performance data for boards, commissions, and like entities that ultimately receive funds through oversight programs. However, OPB's revision for the 1997-98 operational plan now requires state departments' operational plans to include certain performance data for these entities.

Specifically, OPB's revisions require the operational plan to include an explanation for the need for the funds and performance indicators, showing the results achieved and services provided. Without such reporting, users may not be able to understand the intent, targets, and accomplishments of such entities.

Recommendation

4.14 DOTD should include in the operational plan performance data for boards, commissions, and like entities requesting funding through DOTD's budget. Furthermore, OPB should include this information in the executive budget program description.

Appendix A

List of Publications Used

Appendix A: List of Publications Used

California, State of--California State Auditor. *California Conservation Corps: Further Revisions Would Improve Its Performance-Based Budgeting Plan.* October 1996.

Canadian Comprehensive Auditing Foundation. *Effectiveness: Reporting and Auditing in the Public Sector.* 1987.

Canadian Comprehensive Auditing Foundation. *Reporting and Auditing Effectiveness: Putting Theory Into Practice.* 1993.

Craymer, Dale K. and Albert Hawkins. *Texas Tomorrow: Strategic Planning and Performance Budgeting.* October 1993.

Florida, State of--Florida Transportation Commission. *Performance & Production Review of the Department of Transportation Year-End FY 1995/96.* October 1996.

Governmental Accounting Standards Board. *Service Efforts and Accomplishments Reporting: Its Time Has Come--An Overview.* September 1990.

Governmental Accounting Standards Board. *Service Efforts and Accomplishments Reporting: Its Time Has Come--Road Maintenance.* February 1993.

Governmental Accounting Standards Board. *Service Efforts and Accomplishments Reporting: Its Time Has Come--Mass Transit.* January 1991.

Louisiana, State of--House Legislative Services. *State and Local Government in Louisiana: An Overview.* December 1995.

Louisiana, State of--Office of Legislative Auditor. *Boards, Commissions, and Like Entities Report to the Legislature.* September 1996.

Louisiana, State of--Office of Legislative Auditor. *Louisiana's Planning, Budgeting, and Program Evaluation System.* February 1995.

Louisiana, State of--Office of Planning and Budget, Division of Administration. *Manageware: A Practical Guide to Managing for Results.* January 1996.

Louisiana, State of--Office of Planning and Budget, Division of Administration. *Manageware: Strategic Management Manual for the State of Louisiana.* November 1991.

Louisiana, State of--Office of Planning and Budget, Division of Administration. *State of the State 1996.*

Lyndon B. Johnson School of Public Affairs/The University of Texas at Austin. *Managing for Results: Performance Measures in Government.* Conference Proceedings. March 1994.

Minnesota, State of--Office of the Legislative Auditor. *Comments on the Department of Transportation's 1993 Draft Performance Report.* April 1994

Minnesota, State of--Office of the Legislative Auditor. *Comments on the 1994 Annual Performance Report of the Department of Transportation.* January 1995.

Minnesota, State of--Office of the Legislative Auditor. *Comments on the Department of Transportation's 1996 Biennial Performance Report.* January 1997.

Minnesota, State of--Office of the Legislative Auditor. *Development and Use of 1994 Agency Performance Reports.* July 1995

Oregon, State of--Secretary of State Audits Division. *Service Efforts and Accomplishments.* (Report No. 95-33) August 31, 1995.

Pennsylvania, State of--Legislative Budget and Finance Committee. *Performance Audit: Department of Transportation Pursuant to Act 1981-35.* June 1996.

Portland-Multnomah County Progress Board. *Portland-Multnomah County Benchmarks - Standards for Measuring Community Progress and Government Performance.* January 1994.

Texas, State of--Governor's Office of Budget and Planning. *Instructions for Preparing and Submitting Agency Strategic Plans for the 1992-1998 Period.* January 1992.

Texas, State of--Governor's Office of Budget and Planning. *Detailed Instructions for Preparing and Submitting Requests for Legislative Appropriations for the Biennium Beginning September 1, 1993 - Executive, Administrative, Human Service and Selected Public Education Agencies.* June 1992.

Texas, State of--State Auditor's Office. *Accurate and Appropriate Performance Measures Are the Foundation of Tomorrow's Texas.* February 1992.

Texas, State of--State Auditor's Office. *Accurate and Appropriate Performance Measures Are the Foundation of Tomorrow's Texas.* June 1992.

United States General Accounting Office, Comptroller General of the United States. *Executive Guide: Effectively Implementing the Government Performance and Results Act.* June 1996.

Appendix B

Boards, Commissions, and Like Entities

Appendix B: Boards, Commissions, and Like Entities

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Licensing Agencies		
Board of Registration for Professional Engineers and Land Surveyors	R.S. 37:683	Examines, certifies, registers, and disciplines engineers and land surveyors in the state. Placed within DOTD, as provided in R.S. 36:803.
Port Commissions and Harbor Districts		
R.S. 38:2 requires the department to render all engineering, economic, and other advisory services within the scope of its function to port and terminal districts which its facilities allow. . . Also, R.S. 34:3452 requires the department to administer the Port Construction and Development Program, which is partially funded from the Transportation Trust Fund		A board of commissioners administers and operates each of the following port commissions and harbor districts and regulates commerce and traffic in such a manner as may be in the best interest of the public. The boards have charge of and administer public wharfs, docks, sheds, and landings. The boards are authorized to construct, acquire, contract, and lease for the betterment of the ports. The boards may also charge reasonable fees to each vessel arriving in the port area.
Abbeville Harbor and Terminal District, Board of Commissioners	R.S. 34:333.2	administration of district
Alexandria Regional Port, Board of Commissioners	R.S. 34:335.2	administration of port
Assumption Parish Port Commission **	R.S. 34:3241	administration of port
Avoyelles Parish Port Commission	R.S. 34:1801	administration of port
Caddo-Bossier Parishes Port Commission	R.S. 34: 3158	administration of port
Catahoula Parish Port Commission	R.S. 34:2152	administration of port
Columbia Port Commission	R.S. 34:1901	administration of port
Concordia Parish Port Commission	R.S. 34:1851	administration of port
East Cameron Port Commission	R.S. 34:2502	administration of port
Grand Isle Port Commission	R.S. 34:3251	administration of port
Grant Parish Port Commission	R.S. 34:2351	administration of port
Greater Baton Rouge Port Commission	R.S. 34:1221	administration of port
Greater Krotz Springs Port Commission	R.S. 34:1451	administration of port
Greater Lafourche Port Commission	R.S. 34:1651	administration of port
Jefferson Parish Economic Development and Port District, Board of Commissioners	R.S. 34:2021	administration of district
Lafayette Economic Development Authority	R.S. 34:291	administration of authority
Lake Charles Harbor and Terminal District, Board of Commissioners	R.S. 34:202	administration of district
Lake Providence Port Commission	R.S. 34:1501	administration of port
Madison Parish Port Commission	R.S. 34:2402	administration of port

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Port Commissions and Harbor Districts (Cont.)		
Mermentau River Harbor and Terminal District, Board of Commissioners	R.S. 34:3222	administration of district
Morehouse Port Commission**	R.S. 34:3002	administration of port
Morgan City Harbor and Terminal District, Board of Commissioners	R.S. 34:322	administration of district
Natchitoches Parish Port Commission	R.S. 34:3151	administration of port
Pointe Coupee Port Commission	R.S. 34:2452	administration of port
Port of Iberia District, Board of Commissioners	R.S. 34:242	administration of district
Port of New Orleans, Board of Commissioners	R.S. 34:1	administration of port
Rapides Parish Port Commission	R.S. 34:3201	administration of port
Red River Parish Port Commission	R.S. 34:3166	administration of port
South Louisiana Port Commission	R.S. 34:2471	administration of port
South Tangipahoa Parish Port Commission	R.S. 34:1951	administration of port
St. Bernard Port, Harbor and Terminal District, Board of Commissioners	R.S. 34:1702	administration of district
St. Tammany Parish Port Commission**	R.S. 34:2001	administration of port
Tensas Parish Port Commission	R.S. 34:2282	administration of port
Terrebonne Port Commission	R.S. 34:2201	administration of port
Twin Parish Port District, Board of Commissioners	R.S. 34:1602	administration of district
Union Parish Port Commission**	R.S. 34:3052	administration of port
Vidalia Port Commission	R.S. 34:1861 and 34:3141	administration of port
Vinton Harbor and Terminal District, Board of Commissioners	R.S. 34:334.2	administration of district
Washington Parish Port Commission	R.S. 34:3351	administration of port
West Calcasieu Port, Harbor, and Terminal District, Board of Commissioners	R.S. 34:2101	administration of district
West Cameron Port Commission	R.S. 34:2552	administration of port
West St. Mary Parish Port, Harbor, and Terminal District, Board of Commissioners	R.S. 34:334.32	administration of district
Levee Districts		
R.S. 38:306 gives levee boards the authority to require DOTD-Office of Public Works to lay off, furnish estimates, and perform all engineering work necessary to the location, construction, and repairs of levees. . .		A board of commissioners administers the operations of each of the following established levee districts. These boards have the authority to locate, relocate, construct, maintain, extend, and improve all levees, embankments, seawalls, and other works to ensure the adequate protection of the districts' lands from damage by flood.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Levee Districts (Cont.)		
Atchafalaya Basin Levee District Board of Commissioners	R.S. 38:291(A)	administration of levees
Bossier Levee District Board of Commissioners	R.S. 38:291(B)	administration of levees
Caddo Levee District Board of Commissioners	R.S. 38:291(C)	administration of levees
East Jefferson Levee District Board of Commissioners	R.S. 38:291(D)	administration of levees
Fifth Louisiana Levee District Board of Commissioners	R.S. 38:291(E)	administration of levees
Grand Isle Independent Levee District Board of Commissioners	R.S. 38:291(S)	administration of levees
Lafourche Basin Levee District Board of Commissioners	R.S. 38:291(F)	administration of levees
Lake Borgne Basin Levee District Board of Commissioners	R.S. 38:291(G)	administration of levees
Natchitoches Levee and Drainage District Board of Commissioners	R.S. 38:291(H)	administration of levees
Nineteenth Louisiana Levee District Board of Commissioners	R.S. 38:291(I)	administration of levees
North Bossier Levee District Board of Commissioners	R.S. 38:291(J)	administration of levees
North Lafourche Conservation, Levee and Drainage District Board of Commissioners	R.S. 38:291(T)	administration of levees
Orleans Levee District Board of Commissioners	R.S. 38:291(K)	administration of levees
Pontchartrain Levee District Board of Commissioners	R.S. 38:291(L)	administration of levees
Red River, Atchafalaya and Bayou Beouf Levee District Board of Commissioners	R.S. 38:291(M)	administration of levees
Red River Levee and Drainage District Board of Commissioners	R.S. 38:291(N)	administration of levees
South Lafourche Levee District Board of Commissioners	R.S. 38:291(P)	administration of levees
St. Tammany Levee District Board of Commissioners**	R.S. 38:291(O)	administration of levees
Tensas Basin Levee District Board of Commissioners	R.S. 38:291(Q)	administration of levees
West Jefferson Levee District Board of Commissioners	R.S. 38:291(R)	administration of levees
Aviation Development Boards, Commissions, and Like Entities		
Ascension-St. James Airport and Transportation Authority, Board of Commissioners	R.S. 2:341	Created within the Executive Department to acquire, construct, maintain, and operate airports and airport facilities, including both movable and immovable property.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Aviation Development Boards, Commissions, and Like Entities (Cont.)		
Louisiana Airport Authority Board of Commissioners	R.S. 2:654	In a specified Southeastern Region of Louisiana, to provide airports, airport facilities, and improvements and access thereto, and assist public entities in constructing, extending, rehabilitating, repairing, renewing, and maintaining of airports and airport facilities. Also, assists in financing of such needs.
Highway Development Boards, Commissions, and Like Entities		
Bi-State Corridor Commission	R.S. 48:1702	Initiates and coordinates research, studies, and gathering of information on the construction, expansion, improvement, or extension of a route from Sabine Parish through Arkansas and to the Oklahoma state line.
Creole Nature Trail Scenic Byway District, Board of Commissioners	R.S. 48:1816	Stimulate economic development and tourism in the parishes (Calcasieu, Cameron, and Vermilion) traversed by the Creole Nature Trail Scenic Byway.
Greater New Orleans Expressway Commission	Articles of Incorporation dated October 1954	Construction, operation, and maintenance of the expressway. In addition, the commission polices the Huey P. Long Bridge.
Jean Lafitte Scenic Byway District, Board of Commissioners	R.S. 48:1832	Plan for the promotion, preservation, and beautification of Louisiana Highway 82 to stimulate economic development and tourism.
Louisiana Western Corridor Commission	R.S. 48:1682	Conduct research and gather information on the Western Corridor Project; to contract or perform work relating to the construction, expansion, and other related works of U.S. Highway 171.
MISS-LA-TEX East-West Corridor Commission	R.S. 48:1752	Initiate or coordinate research, studies, and gathering of information on the construction, expansion, improvement, or extension of the east-west corridor project (U.S. Highway 84 and Louisiana Highway 6) to stimulate economic development
Mississippi River Parkway Commission	R.S. 48:101(A)	Placed within DOTD to promote interest in and the development of the Great River Road and to serve in an advisory capacity to the DOTD.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Highway Development Boards, Commissions, and Like Entities (Cont.)		
Mississippi River Road Commission	E.O. MJF 96-65	Serve in an advisory capacity to the consultant and several state departments in developing and implementing a master plan for improving the Mississippi River Road Corridor between Baton Rouge and New Orleans.
Mississippi-Louisiana Bridge Construction Authority	R.S. 48:1107	Promote the construction of a bridge connecting the states of Mississippi and Louisiana at or near Natchez, Mississippi, and Vidalia, Louisiana, and to establish a joint interstate authority to assist in these efforts. Compact is in effect until withdrawn by legislature or governor.
Pointe Coupee-West Feliciana Bridge, Ferry, and Tunnel Authority	Act 319 of 1977; R.S. 48:1091.1	Study the feasibility of establishing, constructing, acquiring, maintaining, administering, and operating toll bridge, tunnel, or ferry facilities across and under the Mississippi River between the parishes of Pointe Coupee and West Feliciana.
Real French Destination Scenic Byway District, Board of Commissioners	R.S. 48:2002	Develop and implement a plan to preserve, beautify, and promote the parishes (St. Landry and Lafayette) traversed by the Real French Destination Scenic Byway to stimulate economic development and tourism.
Toledo Bend Forest Scenic Drive Commission	R.S. 48:1401	Implement a master plan for the preservation and beautification of the scenic drive area.
Tri-State Corridor Commission	R.S. 32:1751	Conduct research studies pertaining to the four-laning, construction, expansion, and improvement or extension of Louisiana Highway 1 and provide for the long-term economic/industrial development and tourism development of the corridor area.
United States Highway 71 Four-Lane Corridor Commission	R.S. 48:1824	Gather information on construction and improvement of new roadways and bridges and the improvement or extension of existing roadways along U.S. Highway 71 between the Town of Krotz Springs and the City of Alexandria to increase tourism and economic development prospects.
United States Highway No.65 Commission	R.S. 48:1812	Initiate and conduct research studies and gather information on improvement or extension of existing roadways and bridges on Highway 65 in Louisiana.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Highway Development Boards, Commissions, and Like Entities (Cont.)		
Zachary Taylor Parkway Commission	R.S. 48:1804	To initiate and coordinate studies for the construction of new roads and bridges and the extension and improvement of existing roads and bridges traversing the Louisiana Highway 1 and Louisiana Highway 10 corridor to stimulate tourism and economic development.
Water Transportation Regulatory and Development Boards, Commissions, and Like Entities		
Board of Examiners for New Orleans and Baton Rouge Steamship Pilots for the Mississippi River	R.S. 34:1042	Reports immediately to the governor all cases of neglect of duty, habitual drunkenness, and gross violation of rules. Upon referral by the governor, the board is required to investigate the cases and report its findings to the governor.
Board of Examiners of Bar Pilots for the Port of New Orleans	R.S. 34:942	Sets rules and regulations governing conduct of bar pilots, conducts investigations, takes disciplinary action, and administers examinations. Reports findings and conclusions to the governor.
Board of Morgan City, Berwick Port Pilot Commissioners and Examiners	R.S. 34:1101	Makes whatever rules and regulations they may deem necessary for the purpose of regulating pilots. Conducts hearings and investigations and takes disciplinary action relative to complaints of misconduct of pilots. Makes recommendations to the governor.
Board of New Orleans and Baton Rouge Steamship Pilot Review for the Mississippi River	R.S. 34:1049	Relative to complaints of misconduct of any bar pilot, formulates rules and regulations; conducts hearings and investigations; and imposes fines, reprimands, removes pilot, or suspends or revokes pilot commission. File accident reports with DOTD.
Board of Review of the Associated Branch Pilots for the Port of New Orleans	R.S. 34:962	Relative to complaints of misconduct of any bar pilot, formulates rules and regulations; conducts hearings and investigations; and imposes fines, reprimands, removes pilot, or suspends or revokes pilot commission. File accident reports with DOTD.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Water Transportation Regulatory and Development Boards, Commissions, and Like Entities (Cont.)		
Board of River Port Pilot Commissioners and Examiners	R.S. 34:1072	Establishes rules and regulations for regulating pilots, pilot associations, masters, and owners of vessels plying the navigable waters within the port's jurisdiction. Makes recommendations to the governor for the commission of new pilots.
Board of River Port Pilot Commissioners for the Port of New Orleans	R.S. 34:991	Formulates and disseminates rules and regulations establishing qualifications of river port pilots, provides for the examination and approval of apprentices, takes disciplinary action, holds investigations, and evaluates and examines river port pilots. Reports findings and conclusions to the governor.
Board of River Port Pilot Review for the Port of New Orleans	R.S. 34:991.1	Reviews reports of the Board of River Port Pilot Commissioners, reviews complaints filed against pilots, takes necessary disciplinary action, and files an annual report with DOTD regarding investigation of pilot incidents.
Bulk Cargo Offshore Terminal Commission**	R.S. 34:3301	Placed within DOTD to promote, plan, finance, develop, construct, control, license, regulate, supervise, operate, manage, maintain, and/or modify bulk cargo offshore terminal facilities within the jurisdiction of the state in order to promote the economic welfare of its citizens. DOTD's secretary is an ex officio nonvoting member of the board.
Cane Waterway Commission	R.S. 34:3262	Establish, maintain, and operate the Cane River Waterway as a navigable waterway system.
Governor's Task Force on Maritime Industry*	E.O. EWE 92-23	Coordinates maritime activities for the State of Louisiana and helps to develop additional business for the maritime industries of Louisiana.
Jennings Navigation District, Board of Commissioners	R.S. 34:464	Improve the navigation on the Mermentau River and other streams.
Louisiana Maritime Development Authority, Board of Commissioners**	R.S. 51:2752	Stimulate and encourage the development of maritime facilities for economic development.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Water Transportation Regulatory and Development Boards, Commissions, and Like Entities (Cont.)		
Offshore Terminal Authority, Board of Commissioners	R.S. 34:3104	Placed within DOTD to promote, plan, finance, develop, construct, control, license, regulate, supervise, operate, manage, maintain and/or modify offshore terminal facilities within the jurisdiction of said authority in order to promote the economic welfare of its citizens.
Pilotage Fee Commissions	R.S. 34:1121	A separate pilotage fee commission shall exist relative to each pilot association established and operating under state law. Each pilotage fee commission shall be nominally designated by the name of the association to which it relates, followed by "Fee Commission." Fixes and establishes reasonable and just fees and rates for: (a) Pilotage service to ships and vessels. (b) Pilotage service to ships in distress. (c) Extraordinary pilotage service. (d) A pilot being carried to sea unwillingly, which fee and rate shall include reimbursement for his return to pilot station. (e) The detention of a pilot. The Louisiana Public Service Commission is to resolve any disputes involving such fees.
Red River Navigation District, Board of Commissioners	R.S. 34:444	Improve navigation on Red River.
Red River Waterway Commission	R.S. 34:2302	Establish, operate, and maintain a navigable waterway system in the prescribed geographic area.
Water Resources Development Boards, Commissions, and Like Entities		
Advisory Committee for the Regulation and Control of Water Well Drillers	R.S. 38:3098.6	Makes recommendations to DOTD on licensing, qualifications, and standards of conduct for those engaged in business of drilling water wells for underground water, or those abandoning water wells and holes in the state.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Water Resources Development Boards, Commissions, and Like Entities (Cont.)		
Amite River Basin Drainage and Water Conservation District, Board of Commissioners	R.S. 38:3302	Establishes adequate drainage, flood control, and water resource development to include but not be limited to construction of reservoirs, diversion canals, gravity and pumped drainage systems, and other flood control works.
Bayou D'Arbonne Lake Watershed District, Board of Commissioners	R.S. 38:2554	Conservation of soil and water, developing natural resources, and the wealth of the district for sanitary, agricultural and recreational purposes, for the public health, safety, convenience or welfare or of public utility or benefit.
Bayou DeSiard-Bayou Bartholomew Cut-Off Loop Water Conservation Board of Ouachita and Morehouse Parishes, Louisiana	R.S. 38:2751	Establish, maintain, and protect a favorable level of fresh water in Bayou DeSiard and Bayou Bartholomew Cut-Off Loop.
Bayou Lafourche Fresh Water District, Board of Commissioners	Act 113 of 1950 Act 192 of 1952 Act 186 of 1970	Furnishing fresh water from the Mississippi River to incorporated entities along Bayou Lafourche and within or adjacent to district boundaries.
Black Bayou Watershed District, Board of Commissioners	R.S. 38:2824	Conserve soil and water and develop the natural resources and wealth of the district for sanitary, agricultural, and recreational purposes, for public health, safety, convenience or welfare or for public utility or benefit.
Caddo Lake Watershed District, Board of Commissioners	R.S. 38:3087.73	Preserve, promote, and develop the wealth and natural resources of the district by the conservation of the soil and water for agricultural, recreational, commercial, and sanitary purposes.
Calcasieu Estuary Environmental Task Force*	E.O. EWE 92-49; E.O. EWE 92-91	Establishes procedures and guidelines for protecting and improving the Calcasieu River Estuary System for the benefit of the natural environment of the area to establish a positive relationship of the industrial users with the system.
Capital Area Groundwater Conservation District, Board of Commissioners	R.S. 38:3072	Efficiently administer, conserve, develop, and supplement groundwater resources in East Baton Rouge, East Feliciana, Pointe Coupee, West Baton Rouge, and West Feliciana parishes.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Water Resources Development Boards, Commissions, and Like Entities (Cont.)		
Chaplin Lake District, Board of Commissioners**	R.S. 33:9453	Adopt and enforce rules and regulations to improve and preserve the water quality and beauty of the waters and banks of Chaplin Lake.
Claiborne Parish Watershed District, Board of Commissioners	R.S. 38:2865	Conserve soil and water and develop the natural resources and wealth of the district for sanitary, agricultural, industrial, and recreational purposes, for public health, safety, convenience or welfare or for public utility or benefit.
Cypress-Black Bayou Recreation and Water Conservation District, Board of Commissioners	R.S. 38:2604	Develop the wealth and natural resources of the district by the conservation of water for agricultural, municipal, recreational, commercial, industrial and sanitary purposes.
Franklin Parish Watershed District, Board of Commissioners	R.S. 38:2804	Conserve soil and water, develop the natural resources and wealth of the district for sanitary, agricultural, industrial, and recreational purposes. Also provide for the protection against and control of flooding in the district, for public health, safety, convenience or welfare or for public utility or benefit.
Iatt Lake Water Conservation District, Board of Commissioners	R.S. 38:3085.2	Make available an adequate fresh water supply for industrial and other consumption in the Grant Parish area.
Jackson Parish Watershed District, Board of Commissioners	R.S. 38:2903	Conserve soil and water and develop the natural resources and wealth of the district for sanitary, agricultural, industrial, and recreational purposes, for public health, safety, convenience or welfare or for public utility or benefit.
Jackson-Bienville Parishes Dugdemona Watershed District, Board of Commissioners	R.S. 38:3003	Conserve soil and water and develop the natural resources and wealth of the district for sanitary, agricultural, industrial, and recreational purposes, for public health, safety, convenience or welfare or for public utility or benefit of the citizens of the State of Louisiana.
John K. Kelly Grand Bayou Reservoir District, Board of Commissioners	R.S. 38:2704	Develop the wealth and natural resources of the district by the conservation of soil and water for agricultural, recreational, commercial, industrial, and sanitary purposes.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Water Resources Development Boards, Commissions, and Like Entities (Cont.)		
Kepler Creek Recreation and Water Conservation District, Board of Commissioners	R.S. 38:3087.34	Preserve, promote, and develop the wealth and natural resources of the district by the conservation of the soil and water for agricultural, recreational, commercial, and sanitary purposes and by the regulation of aquatic plant growth.
Lake Bruin Recreation and Water Conservation District, Board of Commissioners	R.S. 38:3087.94	Preserve, promote, and develop the wealth and natural resources and conserve the soil and water of Lake Bruin for agricultural, recreational, commercial, and sanitary purposes and by regulation of aquatic plant growth.
Lake Pontchartrain Sanitary District Board	R.S. 38:3201	May adopt rules and regulations governing the discharge of drainage, sewerage, and trade waters into Lake Pontchartrain, and into channels which empty into the lake to prevent the pollution of the waters of Lake Pontchartrain.
Mill Creek Recreation and Water Conservation District, Board of Commissioners	R.S. 38:3087.54	Preserve, promote, and develop the wealth and natural resources of the district by the conservation of the soil and water for agricultural, recreational, commercial, and sanitary purposes and by the regulation of aquatic plant growth.
North Terrebonne Parish Drainage and Conservation District, Board of Commissioners	R.S. 38:3342	Establish adequate drainage, flood control, and water resources development in the district by constructing reservoirs, diversion canals, gravity and pumped drainage systems, marsh management, and other drainage and conservation works.
Poverty Point Reservoir District, Board of Commissioners	R.S. 38:3087.4	Placed within DOTD to develop the wealth and natural resources of the district by the conservation of soil and water for agricultural, recreational, commercial, industrial, and sanitary purposes.
Rapides Parish Stormwater Management and Drainage District, Board of Commissioners	R.S. 38:2042	Establish and perfect a comprehensive drainage and stormwater management program.
Red River, Atchafalaya River, and Bayou Bocuf Gravity Drainage District, Board of Commissioners	R.S. 38:1921	Provide a plan to address the drainage needs affecting this geographical area. To encourage and facilitate the conservation and use of the district water resources for recreational and agricultural purposes and for providing wildlife habitat.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Water Resources Development Boards, Commissions, and Like Entities (Cont.)		
Red River Compact Commission	R.S. 38:20	Provide an equitable apportionment among the signatory states (Louisiana, Texas, Arkansas, and Oklahoma) of the water of the Red River and its tributaries.
Red River Development Board of Advisors**	R.S. 51:2405	Created within the Department of Economic Development to provide assistance and advice to the Red River Development Council with respect to the development and implementation of a master plan for use of the fresh water supply of the Red River and the development area of the river. The DOTD secretary is a member of the board.
Red River Development Council	R.S. 51:2402	Created within the Department of Economic Development to develop a master plan for use of the fresh water supply of the Red River and the development area of the river.
Red River Valley Area Council	R.S. 51:2161	Created in DOTD, to advise the governor's Rural Development Council and other federal, state, and local officials of appropriate responses to development projects in the Red River Valley.
Sabine River Authority, Board of Commissioners	R.S. 38:2322	Placed within DOTD to conserve, store, control, preserve, use, distribute, and related works of the waters of the Sabine River and its tributaries.
Sabine River Compact Administration	R.S. 38:2329 38:2330.2	Provide for an equitable apportionment between the states of Louisiana and Texas of the waters of the Sabine River and its tributaries.
South Terrebonne Parish Tidewater Management and Conservation District, Board of Commissioners	R.S. 38:3322	Establish adequate drainage, flood control, and water resources development to include the construction of drainage and flood control works.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Water Resources Development Boards, Commissions, and Like Entities (Cont.)		
State Soil and Water Conservation Committee	R.S. 3:1204	Created within the Department of Agriculture to provide for the conservation of the soil and soil resources of this state, and for the control and prevention of soil erosion, and for the prevention of floodwater and sediment damages, and for furthering the conservation, development, utilization, and disposal of water, and thereby to preserve natural resources, control floods, prevent impairment of dams and reservoirs, assist in maintaining the navigability of rivers and harbors, to preserve wildlife, protect public lands, and protect and promote the health, safety, and general welfare of the people of this state.
Teche-Vermilion Fresh Water District, Board of Commissioners	R.S. 38:3086.3	Establish, maintain, and protect a fresh water supply in Bayou Teche and Vermilion River.
Tri-Parish Drainage and Water Conservation District, Board of Commissioners	R.S. 38:3362	Provide drainage and water conservation works in Pointe Coupee, Iberville, and West Baton Rouge parishes.
Wetlands Conservation and Restoration Authority	R.S. 49:213.3	Created within the Office of the Governor to provide aggressive state leadership, direction, and consonance in the development and implementation of policies, plans, and programs to encourage multiple uses of the coastal zone. To also achieve a proper balance between development and conservation, restoration, creation, and nourishment of renewable coastal resources. DOTD is a member of the Task Force created to assist in this effort.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Public Transportation and Mass Transit Development Boards, Commissions, and Like Entities		
Inter-Agency Transportation Coordination Committee	E.O. MJF 96-18, E.O. EWE 92-38	Created within DOTD to make recommendations to maximize use of transportation resources and increase cost efficiency of providing transportation services by coordinating and consolidating the planning, funding, administration, and provision of public and specialized transportation.
Louisiana High Speed Rail Transportation Advisory Council	R.S. 48:108.1	Created within DOTD to develop a short and long range research program into the development of a centralized and coordinated planning and permitting process for the location of high-speed rail lines and their construction, operation, financing, management, and maintenance in order to enhance the transportation system of this state and to insure that such lines produce minimal adverse effects on the environment and public health, safety, and welfare.
Regional Transit Authority, Board of Commissioners	R.S. 48:1655	Plan, design, acquire, operate, maintain, and administer a transit system within the New Orleans metropolitan area.
River Parishes Transit Authority, Board of Commissioners	R.S. 48:1604	Plan, design, acquire, improve, operate, maintain, and administer a transit system within the parishes of St. Charles, St. James, and St. John the Baptist.
St. Mary Parish Mass Transit Authority, Board of Commissioners	R.S. 48:1635	Plan, design, acquire, improve, operate, maintain, and administer a mass transit system within St. Mary Parish. To develop and establish procedures endeavoring to prevent air contamination and water pollution within its jurisdiction.
Southern Rapid Rail Transit Commission	R.S. 48:1671	Placed within DOTD to investigate the feasibility of rapid transit service in the tri-state area (Louisiana, Mississippi, and Alabama).
Terrebonne Parish Mass Transit Authority	R.S. 48:1505	Plan, design, acquire, improve, operate, maintain, and administer a mass transit system within Terrebonne Parish. To develop and establish procedures endeavoring to prevent air contamination and water pollution within its jurisdiction.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Other Related Functions Boards, Commissions, and Like Entities		
Cabinet Advisory Group on Economic Development	R.S. 51:2383	Advise, coordinate with, and provide research, informational, and staff support to the Louisiana Economic Development Council upon the request of the council or its executive committee. DOTD's secretary is a member of the group.
Hazard Mitigation Team	E.O. MJF 96-49 E.O. MJF 96-66, E.O. EWE 92-69 E.O. EWE 92-90	Established within the Military Department, Office of Emergency Preparedness to identify hazard evaluation and mitigation measures to be incorporated into the recovery process to ensure the preparations of the state will be adequate to deal with emergencies or disasters, following a state or presidential declaration of disaster. DOTD is a member of the team.
Land Information Advisory Board**	R.S. 50:172	Assist and advise the Division of Administration, Office of State Lands in providing technical advice to local governments on the development of land information mapping and records systems and the implementation of state standards.
Louisiana Advisory Commission on Intergovernmental Relations	R.S. 24:802	Study and report on the existing, necessary, and desirable relationship between and among local governments and the state and other information relating to local government. The secretary of DOTD is a member of the committee.
Louisiana Data Base Commission	R.S. 39:291	Identify the policy and planning data needs of the state and other related duties. DOTD is a member of this commission that is placed within the Office of the Governor within the Division of Administration.
Louisiana Geographic Information Systems Council	R.S. 49:1053	Centralize and coordinate geographically related data resources or network for data communication and exchange using available geographic information system (GIS) technology to eliminate duplication of effort and unnecessary redundancy in data collections and systems and to provide for integration of geographically related data bases to facilitate the policy and planning purposes of the state of Louisiana. DOTD is one of 17 members of the council that is placed within the Louisiana Data Base Commission.

Name of Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Other Related Functions Boards, Commissions, and Like Entities (Cont.)		
Louisiana Highway Safety Commission	R.S. 48:1352	Created as a division of the Office of the Governor to develop and administer state highway safety programs.
Louisiana Motor Carrier Advisory Committee	R.S. 40:1486.1	Created within the Department of Public Safety and Corrections to provide advice and recommendations to agencies authorized to regulate, license, and tax the motor carrier industry. DOTD is a member of the committee.

*These boards, commissions, and like entities ceased to exist in August 1996, in accordance with R.S. 49:215(C).
**These boards, commissions, and like entities were abolished by Act 1116 of the 1997 Regular Session.

Note: Some of the boards, commissions, and like entities listed may be political subdivisions, to which R.S. 24:522 does not apply. These types of boards, commissions, and like entities are listed for information purposes only.

Source: Prepared by Legislative Auditor's staff using the following sources:

- Legislative Auditor's Policy and Quality Assurance Section September 1996 and April 1997, *Boards, Commissions, and Like Entities Report to the Legislature*
- List of boards, commissions, and like entities provided by DOTD
- DOTD's organization chart
- DOTD's home page on the Internet
- Louisiana House of Representatives House Legislative Services December 1995, *State and Local Government in Louisiana: An Overview*
- Division of Administration, Office of Planning and Budget Fiscal Year 1996-97, "Executive Budget and Governor's Supplementary Budget Recommendations Financial Information"
- Legislative Auditor's staff review of laws relating to DOTD

Appendix C

DOTD's Missions, Goals, Objectives, and Performance Indicators in the 1996-97 Executive Budget and Summary of Performance Data Analysis

Appendix C: Missions, Goals, Objectives and Performance Indicators In The 1996-97 Executive Budget and Summary of Performance Data Analysis

Office of Secretary
Program A: Administration

Mission. Provide administrative direction and accountability for all programs under the jurisdiction of the Department of Transportation and Development (DOTD), and to provide related communications between the department and other agencies of the government, the transportation industry, and the general public.

Goal: Provide the level of administrative direction which will ensure the DOTD programs are managed so as to provide the optimum benefits and services to the public within the constraints of available funding and applicable regulations.

Objective: Provide the administration and leadership necessary to efficiently attain the goals established for all DOTD programs.

Performance Indicator: None provided in the executive budget.

Summary of Performance Data Analysis

Mission: Meets 3 of 3 core criteria (100%): identifies purpose, identifies clients, organizationally acceptable

Goal: Meets 2 of 2 core criteria (100%): consistent, provides direction/destination

Objective: Meets 2 of 4 core criteria (50%): consistent, not measurable, not timebound, results-oriented

Performance Indicators: None reported for this program.

Office of Secretary
Program B: Offshore Terminal Authority

Mission: The Superport is vital to the state's economy and must be maintained to provide continued safe and environmentally protective operation. It is the responsibility of this program to ensure this by overseeing the activities of the port and by providing financial capabilities to fund needed maintenance or construction.

Goal: None provided in the executive budget.

Objective: Ensure that the regulations of the Authority are adhered to by the licensee while ensuring the availability of sufficient funds to maintain safety.

Performance Indicator: Frequent on-site surveillance provided (output).

Summary of Performance Data Analysis

Mission: Meets 2 of 3 core criteria (67%): identifies purpose, does not identify clients, organizationally acceptable

Goal: None reported for this program.

Objective: Meets 1 of 3 core criteria (33%): not measurable, not timebound, results-oriented

Performance Indicators: (1) meets criteria as follows:

- 0 (0%) measures or contributes to overall measurement of progress toward objectives
- 1 (100%) is consistent with objective
- 1 (100%) is clear/non-technical

Office of Management and Finance
Program A: Support Services

Mission: Define, procure, and allocate resources necessary to support the activities of a department with an annual budget of approximately a quarter of a billion dollars, and with over 5,500 employees.

Goal: Provide the other DOTD programs with efficient and effective support services to assist in achieving their specific missions and objectives.

Objective #1: This program will maintain an effective array of services for the department.

Performance Indicators for Objective #1:
1. Amount cited by audits of consultants, contractors for return to state (outcome)
2. Percentage of vehicle fleet in continued use beyond economic service life (input)
3. Disadvantaged business enterprises certified with the department (output)
4. Number of department users of data processing services (input)

Objective #2: Provide efficient administration of project activities before and after construction in accordance with state and federal regulations and policies.

Performance Indicators for Objective #2:
1. Federally funded projects let to contract (output)
2. Contracts prepared (output)
3. Safety: Number of motor vehicle accidents (outcome)
4. Safety: Number of personal injury accidents (outcome)
5. Active expropriation cases pending (input)

Summary of Performance Data Analysis

Mission: Meets 3 of 3 core criteria (100%): identifies purpose, identifies clients, organizationally acceptable

Goal: Meets 2 of 2 core criteria (100%): consistent, provides direction/destination

(Continued)

Office of Management and Finance
Program A: Support Services

Objectives: (2) meet criteria as follows:

- 2 (100%) consistent
- 0 (0%) measurable
- 0 (0%) timebound
- 1 (50%) results-oriented

Performance Indicators: (9) meet criteria as follows:

- 0 (0%) measures or contributes to overall measurement of progress toward objectives
- 4 (44%) are consistent with objective
- 9 (100%) are clear/non-technical

(Concluded)

Office of Engineering
Program A: Highways

Mission: Develop and maintain a safe, cost-effective and efficient highway system to satisfy the needs of the motoring public.

Goal: Provide the safest, most cost-effective and efficient highway system possible with given resources.

Objective #1: This program will begin construction, reconstruction, resurfacing, or widening of approximately 100 miles of highways, and the construction/replacement of approximately 90 bridges.

Performance Indicators for Objective #1:
1. Percent of construction projects completed on schedule (outcome)
2. Time to approve major project plan changes (days) (efficiency)
3. Number of in-house design projects (input)
4. Number of consultant design projects (input)
5. Number of fines issued for overweight trucks (output)
6. New interstate mileage (output)
7. Interstate rehabilitation (output)
8. TIMED program mileage (output)
9. Other 4-laning and reconstruction (output)
10. Overlay mileage (output)
11. Bridges inspected (output)
12. Bridges found deficient (input)
13. Bridges replaced (output)

Objective #2: Develop and implement management systems for bridges, pavement, databanks, safety/congestion and public transportation and intermodal transportation by September 1995.

Performance Indicator for Objective #2:
1. Number of management systems/number implemented (output)

(Continued)

Office of Engineering
Program A: Highways

Summary of Performance Data Analysis

Mission: Meets 3 of 3 core criteria (100%): identifies purpose, identifies clients, organizationally acceptable

Goal: Meets 1 of 2 core criteria (50%): consistent, no direction/destination

Objectives: (2) meet criteria as follows:

- 2 (100%) consistent
- 2 (100%) measurable
- 1 (50%) timebound
- 2 (100%) results-oriented

Performance Indicators: (14) meet criteria as follows:

- 9 (64%) measure or contribute to overall measurement of progress toward objectives
- 12 (86%) are consistent with objective
- 14 (100%) are clear/non-technical

(Concluded)

Office of Engineering
Program C: Water Resources

Mission: Provide for the effective administration and implementation of projects relating to controlling, developing, conserving, and protecting Louisiana's water resources to meet the current and future needs of the citizens of the state.

Goal: Provide Louisiana citizens with water resources to meet their current and future needs in a flood free environment.

Objective #1: To ensure that the surface and ground water resources of the state remain adequate for purposes of water supply, navigation, irrigation, and recreation.

Performance Indicators for Objective #1:
1. Abandoned wells plugged (output)
2. Water well drillers regulated (output)
3. Water well violations found (output)
4. Water well violations corrected (outcome)
5. Stream gauges maintained (output)
6. Groundwater quality stations (input)
7. Surface water quality stations (input)

Objective #2: This program will reduce flood damages and continue to assist in flood protection provided by various federal efforts.

Performance Indicators for Objective #2:
1. Statewide flood control projects recommended for funding (output)
2. Statewide flood control projects completed (output)
3. Communities exceeding minimum federal floodplain requirements (outcome)
4. Flood insurance premiums returned to homeowners (outcome)
5. Dams repaired (output)

(Continued)

Office of Engineering
Program C: Water Resources

Objective #3: This program will provide for port improvement projects and continue to assist in the development of the state's maritime infrastructure.

Performance Indicators for Objective #3:
1. Port priority projects recommended for funding (output)
2. Port priority projects completed (output)

Objective #4: This program will provide for the mapping needs of the state by publishing (cooperatively with the U.S. Geological Survey) quadrangle maps and providing a distribution point for these maps.

Performance Indicators for Objective #4:
1. Quadrangle maps published (output)
2. Quadrangle maps distributed (output)

Summary of Performance Data Analysis

Mission: Meets 3 of 3 core criteria (100%): identifies purpose, identifies clients, organizationally acceptable

Goal: Meets 1 of 2 core criteria (50%): consistent, no direction/destination

Objectives: (4) meet criteria as follows:
- 2 (50%) consistent
- 0 (0%) measurable
- 0 (0%) timebound
- 4 (100%) results-oriented, but objectives #2, #3, and #4 need improvement

Performance Indicators: (16) meet criteria as follows:
- 0 (0%) measures or contributes to overall measurement of progress toward objectives
- 16 (100%) are consistent with objective
- 16 (100%) are clear/non-technical

(Concluded)

Office of Engineering
Program D: Aviation

Mission: The general oversight of all aeronautical activities within the state.

Goal: Address in a timely, efficient, and productive basis all of the aeronautical and airport development needs of Louisiana.

Objective #1: This program will ensure minimum aviation safety standards are met and maintained on a continuous basis throughout the system.

Performance Indicators for Objective #1:
1. Number of airports inspected (output)
2. Navigational aids projects initiated (output)
3. Airport improvement projects initiated (output)

Objective #2: The program will establish an airport pavement management plan by September 1995 and stormwater pollution prevention plans for 69 airports by January 1996.

Performance Indicators for Objective #2:
1. Pavement management plan established (output)
2. All stormwater pollution plans completed (output)

(Continued)

Office of Engineering
Program D: Aviation

Summary of Performance Data Analysis

Mission: Meets 2 of 3 core criteria (67%): identifies purpose, does not fully identify clients, organizationally acceptable

Goal: Meets 2 of 2 core criteria (100%): consistent, provides direction/destination, but needs improvement

Objectives: (2) meet criteria as follows:

- 2 (100%) consistent
- 2 (100%) measurable
- 2 (100%) timebound
- 2 (100%) results-oriented

Performance Indicators: (5) meet criteria as follows:

- 4 (80%) measure or contribute to overall measurement of progress toward objectives
- 4 (80%) are consistent with objective
- 5 (100%) are clear/non-technical

(Concluded)

Office of Engineering
Program E: Maintenance and District Operations

Mission: None stated in the executive budget.

Goal: Maintain a safe, cost-effective and efficient highway system; maintain and operate the department's fleet of ferries; maintain the passenger vehicles and specialized heavy equipment.

Objective: None stated in the executive budget.

Performance Indicators:
1. Percentage of roads at these ratings: Poor, Fair, Good, Very good (outcome)
2. Pavement miles resurfaced (output)
3. Tons of mix used for pothole repair (output)
4. Miles sealcoated (output)
5. Ferry crossings (output)

Summary of Performance Data Analysis

Mission: None reported for this program.

Goal: Meets 0 of 1 core criteria (0%): not applicable relating to consistent, no direction/destination

Objectives: None reported for this program.

Performance Indicators: (5) meet criteria as follows:

- Not applicable relating to measures or contributes to overall measurement of progress toward objectives
- Not applicable relating to consistency with objective
- 5 (100%) are clear/non-technical

Office of Engineering
Program F: Public Transportation

Mission: Provide for the cost-effective and efficient management of various federally funded programs in order to maximize the benefits of such programs to Louisiana citizens.

Goal: Provide Louisiana with economical, efficient, and effective transportation systems in the public transit and rail transportation modes.

Objective #1: Detect and correct inefficient use and abuse of equipment and operating funds in public transportation programs.

Performance Indicators for Objective #1:
1. Total number of vehicles in service (output)
2. Passenger trips provided (output)
3. Agency site visits conducted (output)

Objective #2: Improve the rail planning and safety programs, and explore obtaining other means of financing for the rail program.

Performance Indicators for Objective #2: None stated in the executive budget.

Summary of Performance Data Analysis

Mission: Meets 3 of 3 core criteria (100%): identifies purpose, identifies clients, organizationally acceptable

Goal: Meets 1 of 2 core criteria (50%): consistent, no direction/destination

Objectives: (2) meet criteria as follows:

- 2 (100%) consistent
- 0 (0%) measurable
- 0 (0%) timebound
- 2 (100%) results-oriented, but objective #2 needs improvement

(Continued)

Office of Engineering

Program F: Public Transportation

Performance Indicators: (3) meet criteria as follows:

- 0 (0%) measures or contributes to overall measurement of progress toward objectives
- 3 (100%) are consistent with objective
- 3 (100%) are clear/non-technical

(Concluded)

Sabine River Authority

Mission: Provide for economic utilization and preservation of the waters of the Sabine River and its tributaries by promoting economic development, irrigation, navigation, improved water supply, drainage, public recreation, and hydroelectric power for the citizens of Louisiana.

Goal: None stated in the executive budget.

Objective #1: The Sabine River Authority will generate sufficient funds to service revenue bonds and provide funds for other program activities.

Performance Indicators for Objective #1: Sufficient funds generated to service bonds (explanatory)

Objective #2: The Sabine River Authority will provide fresh water for industrial, municipal, and agricultural purposes in Southwest Louisiana through the Sabine River Diversion Canal System; thereby, reducing use of ground water from available aquifers.

Performance Indicators for Objective #2: Billions of gallons of water diverted: (calendar - '94,95,96) (output)
Agricultural
Industrial
Municipal

Objective #3: The Sabine River Authority will operate, maintain, and improve nine multi-service recreational areas.

Performance Indicators for Objective #3: Recreation site revenues (indicates use) (outcome)

Objective #4: The Sabine River Authority will increase economic development in the parishes bordering the reservoir.

Performance Indicators for Objective #4:
1. Hotel-Motel Tax Collections (outcome)
2. Growing hotel-motel tax collections indicates increased usage of these businesses. Toledo Bend Lake is the major attraction for visitation to the area. Increased hotel use is strongly reflective of the attractiveness of the lake for various recreational purposes. (explanatory)

(Continued)

Sabine River Authority

Summary of Performance Data Analysis

Mission: Meets 3 of 3 core criteria (100%): identifies purpose, identifies clients, organizationally acceptable

Goal: None reported for this program

Objectives: (4) meet criteria as follows:

- Not applicable for consistency with goal
- 0 (0%) measurable
- 0 (0%) timebound
- 4 (100%) results-oriented

Performance Indicators: (5) meet criteria as follows:

- 0 (0%) measures or contributes to overall measurement of progress toward objectives
- 5 (100%) are consistent with objective
- 5 (100%) are clear/non-technical

Source: Missions, goals, objectives, and performance indicators were prepared by legislative auditor's staff using the 1996-97 executive budget program information volume for the DOTD. The classification assigned to each performance indicator as an input, output, outcome, efficiency, quality, or explanatory is based on audit staff determination using *Manageware's* definitions. Summary of performance data analysis was developed by legislative auditor's staff from comparisons conducted of 1996-97 executive budget performance data against core criteria listed in Exhibit 4-1.

(Concluded)

Appendix D

Laws Pertaining to DOTD That Are Outmoded and Should Be Considered for Repeal or Update

Appendix D: Laws Pertaining to DOTD That Are Outmoded and Should Be Considered for Repeal or Update

Legal Citation	Description	DOTD's Comments
R.S. 2:350.1	Requires the Office of Aviation and Public Transportation of the Department of Transportation and Development to establish a planning grant program to be known as the Louisiana Airport Planning Grant Program by no later than January 1, 1985, to be administered by the assistant secretary of the Office of Aviation and Public Transportation.	This grant program has not been established because it was replaced by the Airport Construction and Development Priority Program in 1989 (R.S. 2:801-813) Therefore, it is obsolete and should be repealed.
Act 168 of 1980	Requires the Office of Aviation and Public Transportation within the Department of Transportation and Development to operate and manage any and all state aviation museums and authorizes said office to receive and consider advice from persons and other entities, including the Wedell-Williams Memorial Foundation, Inc. In the 1995 session, R.S. 25:871 transferred the Wedell Williams Memorial Aviation Museum to the Department of Culture, Recreation and Tourism (CRT).	The Wedell Williams Memorial Aviation Museum in Patterson, Louisiana, was removed from the jurisdiction of the parish and placed in DOTD's jurisdiction. It was then transferred to CRT. Although under DOTD's jurisdiction, DOTD did not actually participate in the day-by-day operations of the museum. The Wedell Williams Memorial Aviation Museum is the only state aviation museum of which DOTD has knowledge. Therefore, this act is not effective with respect to any other aviation museum and can probably be repealed.
R.S. 3:2809	Authorizes state aid for the fencing of public highways by DOTD.	This provision was enacted to provide specific aid for a period of time from 1954 through 1956. This type of aid is no longer being provided and the statute is obsolete and probably should be repealed.
R.S. 47:1351(E)	Requires DOTD, Department of Wildlife and Fisheries, and Department of Natural Resources to make recommendations relating to the disposition of the First Use Tax. *[Auditor's Comments: The First Use Tax on Natural Gas (R.S.47:1301-1307) was held unconstitutional in 1981 by the U.S. Supreme Court.]*	This provision is outmoded and should be repealed based upon the declaration of the taxes being unconstitutional.

Legal Citation	Description	DOTD's Comments
R.S. 48:27-34, 48:202, and 48:942	Relates to the issuance of bonds by DOTD. *(Auditor's Comments: The State Bond Commission has a program relating to bond issuance.)*	These provisions are no longer relevant and probably should be repealed, unless there are outstanding bonds.
R.S. 48:53	The last sentence of this law authorizes the secretary to pay DOTD employees a subsistence allowance in an amount established by the secretary for each day necessarily spent away from his usual place of residence.	This provision is no longer being utilized by DOTD. Subsistence allowances are no longer being paid and, accordingly, the provision is not relevant.
R.S. 48:161-167	Pertains to the General Highway Fund. *(Auditor's Comments: The applicable 1921 constitutional provision was repealed by the 1974 Constitution.)*	These provisions should probably be repealed since the General Highway Fund is no longer in existence.
R.S. 48:191, 192, and 193	These statutes conflict with each other. R.S.48:191 discusses a system of state highways with five functional classifications. However, R.S. 48:192 and R.S.48:193 discuss "...the three road system established hereby..." Also, R.S. 48:193(F) says nothing contained in R.S. 48:191-193 shall permit the DOTD to place in any of the three systems of highways created thereby a greater total mileage than authorized by R.S. 48:191.	DOTD is currently studying the statutes mentioned, and will probably propose legislation to clarify those matters and to reflect the actual practices being conducted by the department. The updating procedures are in process. *(Auditor's Comments: According to recent information received from DOTD, Act 1028 of the 1997 Regular Session addressed this issue.)*
R.S. 48:228.1	Provides for the master characterization plan of state roads for maintenance into five categories. However, it also says that, this plan cannot be utilized in preparing the annual needs study and cannot supersede the Highway Priority Program. *(Auditor's Comments: It seems this is a conflict if maintenance is currently being emphasized. Therefore, this master maintenance plan should be considered in both the needs study and the priority program.)*	This provision is being studied and discussions are currently being held regarding its updating and amendment. *(Auditor's Comments: According to recent information received from DOTD, Act 433 of the 1997 Regular Session addressed this issue.)*

Legal Citation	Description	DOTD's Comments
R.S. 48:781 *et seq.*	Relate to privately owned bridges and toll roads. *(Auditor's comment: Act 1017 of the 1997 Regular Session enacted R.S. 48:2020 through 2037 to authorize the creation of tollway authorities, but the act did not repeal R.S. 48:781 et seq.)*	These sections can still be used in the event that a decision is made to construct and maintain a toll road. However, the New Orleans Metropolitan Planning Organization has drafted legislation for the privatization and funding of a toll road system. This proposed legislation, which has not been introduced, would essentially repeal R.S. 48:781 *et seq.* and supersede the same with newer legislation. *(Auditor's Comments: DOTD's comments were made before the 1997 Regular Session.)*
R.S. 48:21(C)	Requires DOTD to collect from political subdivisions full and complete reimbursement for the use of any state owned or leased aircraft. *(Auditor's Comments: R.S. 36:4 transferred the management of state-owned aircraft to the Office of the Governor.)*	This provision should be repealed because the department no longer performs this function.
R.S. 38:2 and some legal provisions in Title 2	Calls for the placement of the many functions relating to aeronautics in the Department of Public Works (DPW). *(Auditor's Comments: This is inconsistent with the placement of aeronautics functions in the Aviation Program. Also, the references to the DPW seem antiquated because the Water Resources Program was created to conduct the functions authorized for DPW.)*	At one time, aeronautics was part of DPW. DPW was merged into DOTD, and aeronautics (Aviation) came with it. The Aviation Section was created in an effort to streamline the management of DPW. References to DPW are still relevant because, although a part of the DOTD, it still functions in some cases as an independent body. Therefore, the reference to DPW is not dated.
R.S. 48:1107	Promote the construction of a bridge connecting the states of Mississippi and Louisiana at or near Natchez, Mississippi, and Vidalia, Louisiana, and to establish a joint interstate authority to assist in these efforts. The Mississippi-Louisiana Bridge Construction Compact is in effect until the legislature or governor of either state withdraws.	The Mississippi-Louisiana Bridge Construction Compact is no longer needed. DOTD will introduce legislation to withdraw next year.

Source: Prepared by legislative auditor's staff based on staff review of laws relating to DOTD and response received from the DOTD, Chief of Staff.

Appendix E

Functions That DOTD Is Authorized or Required to Perform That Are Not Funded

Appendix E: Functions That DOTD Is Authorized or Required to Perform That Are Not Funded

Legal Citation	Description	DOTD's Comments
R.S. 30:2224	DEQ to develop and periodically revise cooperative agreements with DOTD and other agencies,. . . whereby personnel, equipment, and materials. . .under control of these departments may be diverted and utilized to address inactive or abandoned hazardous waste sites.	There is a problem with this provision in the use of Transportation Trust Funds (TTF). No work can be performed off-system if TTF is used to fund. *(See note on following page.)* *(Auditor's Comments: A DOTD official said that there are special provisions that have to be followed if there is an emergency and off-system work needs to be done. Such work is only done with the Governor's approval and only DOTD labor and equipment are used. DOTD cannot buy the materials for off-system projects. So, with respect to DOTD, R.S. 30:2224 is antiquated, according to this official.)*
Act 207 of 1990	Directs the Department of Agriculture and Forestry in cooperation with various departments including DOTD, to develop a brochure presenting an ecological tour along Interstate 49, if funding is provided.	It is impermissible to use TTF monies for this. *(See note on following page.)*
R.S. 48:77	DOTD may make loans for construction and renovation of public airport hangars.	DOTD should not be involved in this. This type of activity is prohibited by the TTF. *(See note on following page.)*
R.S. 48:271	DOTD may erect historical markers.	At the present time, the DOTD does not erect historical markers. The department allows the erection of historical markers by other entities through the permitting process. This provision should probably be eliminated.
R.S. 34:962, 34:991.1, and 34:1049	Requires the boards of review for different types of river pilots to file annual reports of accidents with the DOTD. *(Auditor's Comments: It seems such reports should be filed with the State Risk Manager.)*	To the best of our knowledge, these annual reports have never been filed with DOTD. After checking with various DOTD sections, it is not clear why DOTD would want this information.

Legal Citation	Description	DOTD's Comments

Note: Article VII, Section 27(B) of the Louisiana Constitution of 1974 specifies that TTF monies are to be used exclusively for the costs associated with the construction and maintenance of roads and bridges of the state and federal highway systems. In addition, it states that the legislature is to annually appropriate trust fund monies to ports, airports, flood control, parish transportation, and state highway construction pursuant to programs established by law which establish a system of priorities for expenditure of such monies.

Source: Prepared by legislative auditor's staff based on review of laws relating to DOTD and responses received from the DOTD, Chief of Staff.

Appendix F

Department of Transportation and Development's Response

STATE OF LOUISIANA
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
P. O. Box 94245
Baton Rouge, Louisiana 70804-9245

M. J. "MIKE" FOSTER, JR.
GOVERNOR

FRANK M. DENTON
SECRETARY

November 6, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

The Department supports recent efforts by the legislative leadership to implement performance based budgeting. Many of the inadequacies of current performance measures were acknowledged before initiation of this audit. DOTD took positive steps to improve our strategic plan and performance measures. To improve internal performance, the Department initiated a 12 month research project entitled "Development of Performance Indicators for DOTD Programs", scheduled for completion in March of 1998. Included on the steering committee of this project are members of the Office of Planning and Budget and the Legislative Fiscal Office. This effort and the Department's current management study (also scheduled for completion in March 1998) and proposed reorganization will address most of the recommendations outlined in the audit.

Some audit conclusions are speculative. Chapter 4 uses such inconclusive statements as "may not understand". The Executive summary again states "may not be useful" and "may not be efficiently and effectively operated". The Division of Administration and the Legislative Transportation Committees have a clear understanding of DOTD programs and are intimately involved in program development and the budget approval process. Recommendations for change will be adjusted as part of the research project mentioned above.

The Department concurs with the recommendations regarding unnecessary boards and commissions. The Department would welcome efforts by the Legislature to address those entities identified in previous audit reports and Appendix B of this audit for elimination. The Department has made steady progress towards identifying and eliminating outmoded laws and functions. The audit was extremely thorough and well researched and provides much useful information. The Department will introduce Legislation in the next session (as it has in the previous sessions) to eliminate those items outlined in Appendix D. Similarly, the Department will submit legislation to address those items contained in Appendix E.

Your staff is to be commended for the depth of research and professional, cooperative manner in which it conducted this audit.

Frank M. Denton
Secretary

Appendix G

Division of Administration, Office of Planning and Budget's Response

State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF PLANNING AND BUDGET

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

October 30, 1997

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Re: Analysis of Program Authority and Performance Data for Department of Transportation and Development

Dear Dr. Kyle:

Thank you for including members of our staff in the process of your office's performance audit of the Department of Transportation and Development.

The analysis provided in this report indicates that a careful and in-depth study was conducted. The report provides useful recommendations for the improvement of the department's planning and performance accountability. Information provided in the report will be valuable to our future work efforts.

The Louisiana Government Performance and Accountability Act increases the need for performance accountability guidance to state agencies. Your analysis will provide the Department of Transportation and Development a valuable assist to comply with the Act.

Sincerely,

Stephen R. Winham
State Director of Planning and Budget

SRW/GLD

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Report Organization

The remainder of this report is divided into the following chapters and appendixes:

- **Chapter 2** describes the Department of Transportation and Development. This chapter gives the legal authority for the department and its programs as well as other information that describes the department and related boards and commissions.

- **Chapter 3** compares the missions and goals of the department and its programs as reported in the 1996-97 executive budget to their legal authority. In addition, this chapter discusses programs, functions, and activities within the department that appear to be overlapping, duplicative, or outmoded.

- **Chapter 4** gives the results of our comparison of DOTD's programs' missions, goals, objectives, and performance indicators as reported in the 1996-97 executive budget to established criteria. In addition, this chapter discusses whether the objectives and performance indicators collectively provide useful information for decision-making purposes. Chapter 4 also gives the results of our review of performance reporting for boards, commissions, and like entities that were authorized funding in DOTD's 1996-97 budget. Finally, this chapter discusses DOTD's planning efforts and how those efforts are incorporated into the budget.

- **Appendix A** is a list of publications used for this audit.

- **Appendix B** is a listing of all boards, commissions, and like entities related to the department that we identified.

- **Appendix C** is a listing of DOTD's missions, goals, objectives and performance indicators shown in the 1996-97 executive budget. Appendix C also summarizes the results of our assessment of the performance data for each of DOTD's programs.

- **Appendix D** is a listing of outmoded functions that DOTD concurred should be considered for repeal or update.

- **Appendix E** is a listing of functions that DOTD is authorized or required to perform, but that DOTD agreed are not funded.
- **Appendix F** is the Department of Transportation and Development's response to this report.
- **Appendix G** is the Division of Administration, Office of Planning and Budget's response to this report.

Chapter 2: Department Overview

Chapter Conclusions

DOTD is to develop and implement transportation and public works. For budgetary purposes, the department is composed of three offices and ten programs. For fiscal year 1997, the legislature appropriated to the department an operating budget of approximately $341 million and authorized almost 5,600 positions. An additional $659 million was appropriated from capital outlay for transportation and public works projects.

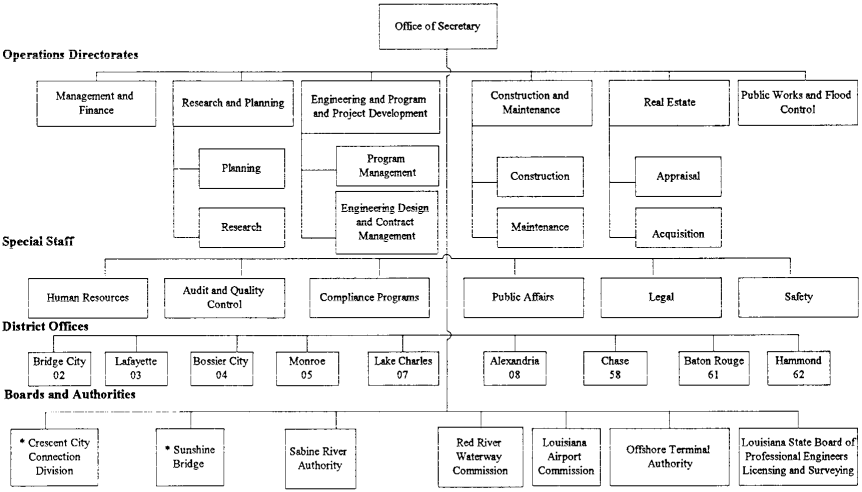
Purpose and Organization

R.S. 36:501(B) directs DOTD to develop and implement state programs to ensure adequate, safe, and efficient transportation and other public works facilities and services. This includes transportation programs for highways, airports, waterways, and mass transit as well as public works activities.

An overview of DOTD's organization is presented in Exhibits 2-1 and 2-2 on the following two pages. According to Exhibit 2-1, DOTD is composed of six operational directorates, six special staff divisions, nine districts, and seven boards and authorities. DOTD includes the Crescent City Connection Division and the Sunshine Bridge as boards and authorities. However, according to DOTD officials, these functions are not a board or authority, but operate more like a district office. In addition, Appendix B includes 144 additional boards, commissions, and like entities that relate to DOTD functions.

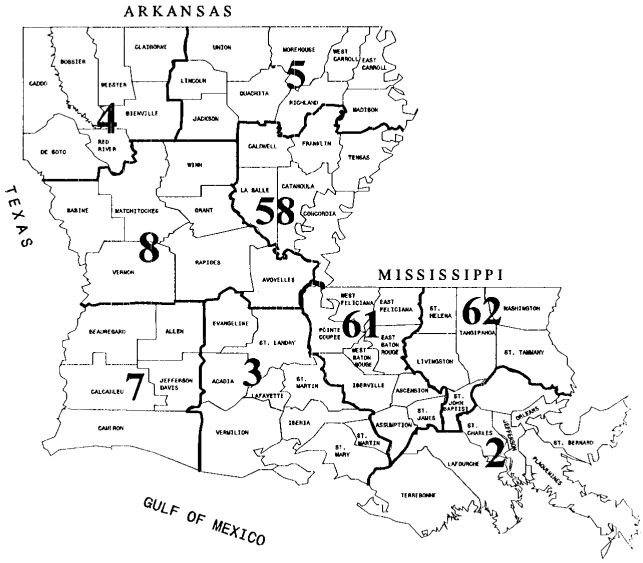
Exhibit 2-1

Louisiana DOTD Organization Chart



Source: Prepared by legislative auditor's staff from a similar organization chart provided by the DOTD Secretary in August 1996.
* According to DOTD officials, these entities are not a board or authority, but operate more like a district office.

Exhibit 2-2
DISTRICTS
Louisiana
Department of Transportation and Development



Source: Prepared by Legislative Auditor's staff using information obtained from Louisiana Department of Tranportation and Development, Traffic and Planning Division, July 1987.

According to DOTD data, the department's functions and responsibilities are extensive and include:

- Management of road and bridge design and construction
- Maintenance of 16,666 miles of state roads
- Maintenance of 7,766 stationary bridges on the state maintained system
- Operation and maintenance of 113 "draw" type bridges on the state maintained system
- Operation and maintenance of 11 ferry crossings
- Administration of railroad safety program and construction management of over 3,000 crosswalks
- Planning of transportation
- Traffic engineering, including maintenance of over 600,000 signs and 3,000 traffic signals
- Testing of transportation related materials
- Transportation related weight enforcement and permits
- Testing of gasoline
- Management of public works construction
- Management of flood control and water resources design and construction
- Administration and construction management of the Port Priority Program (Louisiana has 25 active ports and three additional ports in the planning phase.)
- Inspection and safety of dams
- Licensing and inspection of water wells
- Louisiana Transportation Research Center
- Administration and construction management of the Aviation Priority Program

- Inspections of over 400 airports and heliports
- Administration of the Public Transit Program
- Production of state maps

History in Louisiana

Since 1910, when the legislature created the Office of State Highway Engineer, several reorganizations and other changes have occurred within DOTD. More recently, DOTD was reorganized along with all other state departments in 1977.

The 1977 reorganization basically merged the prior Department of Highways, Department of Public Works, and several boards, commissions, and like entities into a single entity. Since 1977, the principal operational units (offices) of the department have experienced at least three organizational changes.[1] The legislature may make such changes to promote economy and efficiency of operations and eliminate duplication of effort.

Program Structure

For budgetary purposes, DOTD's many functions and responsibilities are divided into three offices and ten programs.[2] These programs are structured to reflect the basic services provided by DOTD. According to the General Appropriations Act of 1996, the department has a total of over 5,600 authorized positions. The offices, programs, authorized positions, and target clients or customers are shown in Exhibit 2-3 on the following page.

Office of Secretary

The Office of Secretary provides administrative direction and accountability for all programs of the department and contains the Offshore Terminal Authority. The Administration Program provides assurance that there is an adequate network of transportation facilities for the safe and efficient movement of

[1] In addition, Act 1381 of the 1997 Regular Session reorganized DOTD's offices.

[2] Act 1381 of the 1997 Regular Session reorganized DOTD into four offices by dividing the Office of Engineering into the Office of Highway Engineering and the Office of Public Works and Intermodal Transportation.

Exhibit 2-3

Offices, Programs, Authorized Positions, and Clients Served
Department of Transportation and Development

Office/Program	Number of Authorized Positions	Target Clients or Customers
Office of Secretary		
Administration Program	12	Other government agencies, the transportation industry, and the general public
Offshore Terminal Authority	2	Oil industry and businesses and the general public that consume products made from crude oil
Office totals	**14**	
Office of Management and Finance		
Support Services Program	323	Offices of the department
Office totals	**323**	
Office of Engineering		
Highways Program	666	General public, especially the motoring public
Bridge Trust Operations Program	278	General public and bondholders
Water Resources Program	38	General public, ports, regional planning commissions and other local government and special districts
Aviation Program	16	General public, especially those participating in aeronautic activities
Maintenance and District Operations Program	4,250	General public, especially the motoring public
Public Transportation Program	10	Eligible rural/elderly and physically challenged applicants, recipient agencies, railroad companies, and Metropolitan Planning Organizations
Office totals	**5,258**	
*Sabine River Authority	61	Inhabitants of the Sabine River and Calcasieu River watersheds and all who use and enjoy the area
Department total	**5,656**	

*The Sabine River Authority was transferred to the Ancillary Appropriations Funds for FY 1996-97, but is considered a DOTD program.

Source: Prepared by legislative auditor's staff using 1996 General Appropriations Act, state law, DOTD's operational plan, and the 1996-97 executive budget.

people and goods. This program also oversees the management of Louisiana's water resources to protect the state's property.

The Offshore Terminal Authority, within the Office of Secretary, issued a license in 1977 to the Louisiana Offshore Oil Port, Inc. (LOOP). The license authorizes LOOP to construct and operate offshore terminal facilities. This program provides oversight to ensure that the dictates of the license are followed. According to DOTD data, LOOP must maintain and operate the facility in a manner that minimizes adverse effects on public health, safety, or the environment.

According to DOTD information, LOOP is the world's first and only deepwater port operating under United States (U.S.) and Louisiana licenses. LOOP provides tanker offloading and temporary storage services for crude oil transported on tankers too large for U.S. inland ports. According to DOTD sources, in 1995, LOOP handled over 250 million barrels of crude oil or 685,000 barrels of oil per day.

Office of Management and Finance

The Office of Management and Finance performs administrative functions and is charged with administering all aspects of the Support Services Program. This program provides department-wide coordination and financial services. These services include fleet management, budget, audit, legal, accounting, data processing, personnel, equal opportunity, purchasing, contract management, and safety.

Office of Engineering

The Office of Engineering contains the mission-related (transportation, development, and public works) programs of the department. This office administers programs for the planning, design, construction, operation, and maintenance of roads and bridges. In addition, this office also directs programs for water resources, aviation, public transportation, and railroads.

The Highways Program is the largest program, in terms of financial resources. DOTD data outline the activities of this program as follows:

1. Planning and design of highways including needs assessment, right-of-way acquisition, and environmental evaluation and clearance

The Aviation Program, within the Office of Engineering, is required to administer programs of the state related to and affecting aeronautics and aviation facilities. According to DOTD data, Louisiana has an extensive system of airport facilities. There are currently 73 public airports operating in the state. Seven of these airports schedule commercial passenger service.

By far, the Maintenance and District Operations Program is the department's largest program in terms of authorized positions. According to DOTD data, the major activities of this program include:

1. Upkeep, inspection, and improvement of 16,666 miles of roadways; 7,766 stationary bridges; 113 movable bridges; 11 ferry crossings; and 34 interstate rest areas

2. Central repair of department vehicles and specialized heavy equipment

3. Contract maintenance funding to augment district operations when needed

The Public Transportation Program, within the Office of Engineering, administers programs of the federal Urban Mass Transportation Administration. This program provides capital assistance to private nonprofit agencies that provide transportation to the elderly and handicapped and for transportation services in rural areas. In addition, this program administers several federal railroad programs.

Sabine River Authority

The Sabine River Authority is considered a DOTD program even though it is not included in DOTD's 1996-97 general appropriation. For budgetary purposes, the Sabine River Authority program is included in the agency ancillary funds appropriations, as an enterprise fund. Enterprise funds account for operations that are financed and operated similar to a private business enterprise. As a result, this program's funding is generated from fees and self-generated revenues.

R.S. 38:2321 *et seq.* created the Sabine River Authority in 1950. It was then added to the Louisiana Constitution of 1921 by Acts 1960, Number 646. This constitutional provision was continued as a statute by the Louisiana Constitution of 1974. The

authority consists of an independent board placed within DOTD. State law provides that the authority is to:

- Improve navigation on the Sabine River and its tributaries
- Provide adequate drainage and flood control within the Sabine and Calcasieu watersheds
- Use waters to provide recreation, irrigation, and attract industry
- Maintain an adequate water supply for agricultural, municipal, domestic, and industrial use in the Sabine and Calcasieu watersheds
- Develop hydroelectric power
- Create a conservation and reclamation district

Funding and Expenditure Data

DOTD is funded largely from a constitutional fund known as the Transportation Trust Fund (TTF). Created in 1989, this fund receives certain state fuel taxes for federal, state, and parish road and bridge improvements, flood-control, ports, airports, transit, traffic control, and the payment of certain TTF obligations. Other revenues dedicated to the fund are federal highway funds and interest earnings of TTF. In addition, after first being used to repay any related debt obligations, the remaining motor vehicle license tax proceeds are deposited in TTF.

The legislature appropriated $341 million for DOTD operations for fiscal year 1997. TTF, both regular and federal receipts, provided 78% of this total. In addition, the legislature appropriated almost $659 million in the capital outlay appropriation for highway and public works projects. TTF, both regular and federal receipts, represents about 66.2% of this amount. Together the two appropriations total $1 billion. Exhibit 2-4 on the next page shows a breakdown of DOTD's authorized funding sources.

Exhibit 2-5 on page 30 presents a summary of DOTD's funding information by program. The exhibit includes each program's recommended allocation of authorized funding from the executive budget. It also includes each program's appropriation

from the general and capital outlay appropriations acts for fiscal year 1997. For comparison purposes, each program's actual expenditures are included for the fiscal year 1995-96.

Exhibit 2-4

DOTD's Authorized Funding Sources
For Fiscal Year 1996-97
(Amounts in Thousands)

Funding Source	Operations	Percent of Total	*Capital Outlay	Percent of Total
Transportation Trust Fund - Regular	$238,807	70.0%	$184,391	28.0%
Transportation Trust Fund - Federal Receipts	27,545	8.0%	252,000	38.2%
Self-Generated Funds	35,171	10.3%	29,227	4.4%
State General Fund	31,834	9.3%	37,800	5.7%
Federal Receipts (other)	6,221	1.8%	46,680	7.1%
Interagency Transfers	1,192	.4%		
Statutory Dedications	592	.2%		
General Obligation Bonds			**41,960	6.4%
Transportation Infrastructure Model for Economic Development (TIMED)			67,230	10.2%
Other Miscellaneous			200	.0%
Total	**$341,362**	**100.0%**	**$659,488**	**100.0%**

*This exhibit does not include capital outlay funds considered to be appropriated to DOTD for ports and levee districts, and for other non-state entity projects related to ports, airports, roads, flood control, and infrastructure improvements and administered by DOTD under cooperative endeavor agreements. The exhibit also does not include funds DOTD is authorized to collect for administering these projects or for field engineering/ construction supervision.

**This amount includes project amounts listed as priority 1 and 2 that the legislature authorized as payable from the proceeds available from the sale of general obligation bonds. It also includes those projects payable from the balance of general obligation bond proceeds previously allocated in a prior year Capital Outlay Act. However, this amount does not include a total of $59,410,000 in projects listed as priority 3, 4, and 5 that the legislature authorized as payable from the proceeds available from the sale of general obligations bonds.

Source: Prepared by legislative auditor's staff using Act 17 of the 1996 Regular Session (i.e., General Appropriations Act); the 1996-97 Executive Budget Summary for operations amounts; and Act 45 of the 1996 Regular Session (i.e., Capital Outlay Appropriations Act) for capital outlay amounts.

Exhibit 2-5

Actual Expenditures and Allocation of DOTD's Authorized Funding to Programs (Amounts in Thousands)

Office/Program	Actual Expenditures for Fiscal Year 1996 (Operations)	Executive Budget Request for Fiscal Year 1997 (Operations)	Final Appropriated for Fiscal Year 1997 (Operations)	**Capital Outlay for Fiscal Year 1997
Office of Secretary				
Administration Program	$646	$830	$718	
Louisiana Offshore Terminal Authority	114	115	115	
Office totals	**$760**	**$945**	**$833**	**NONE**
Office of Management and Finance				
Support Services Program	$27,505	$29,515	$29,515	
Office totals	**$27,505**	**$29,515**	**$29,515**	**NONE**
Office of Engineering				
Highways Program	$60,998	$68,277	$50,993	$544,182
Bridge Trust Operations Program	12,675	13,725	13,725	
Water Resources Program	2,379	2,553	2,903	52,765
Aviation Program	724	884	884	54,100
Maintenance and District Operations Program	199,096	313,904	235,834	8,441
Public Transportation Program	5,118	6,675	6,675	
Office totals	**$280,990**	**$406,018**	**$311,014**	**$659,488**
Grand total	**$309,255**	**$436,478**	**$341,362**	**$659,488**
*Sabine River Authority	$4,179	$4,996	$5,021	$2,500

*The Sabine River Authority was transferred to the Ancillary Appropriations Funds for FY 1997, but is considered a DOTD program.

**This amount includes project amounts listed as priority 1 and 2 that the legislature authorized as payable from the proceeds available from the sale of general obligation bonds, as further explained in Exhibit 2-4.

Source: Prepared by legislative auditor's staff using the executive budget for fiscal year 1997; Act 17 of the 1996 Regular Session (i.e., General Appropriations Act) and the Executive Budget Summary for fiscal year 1997 to calculate DOTD's operations totals; the state's Supplemental Information to the Comprehensive Annual Financial Report for the year ended June 30, 1996, to determine actual expenditures; and Act 45 of the 1996 Regular Session (i.e., Capital Outlay Appropriations Act) to determine DOTD's capital outlay totals.

Chapter 3: Analysis of Program Authority

Chapter Conclusions

DOTD's programs' missions and goals in the 1996-97 executive budget are consistent with the state laws establishing the programs. However, two of the three office descriptions in the executive budget do not completely correlate with state law. In addition, the legal citations in the executive budget for program authorization are not always accurate and complete. Therefore, users of the executive budget cannot place total reliance on the accuracy of this information.

In addition, the operations of six boards, commissions, and like entities funded through DOTD's 1996-97 operating budget appear to be consistent with legislative intent. As a result, there is some assurance that the appropriated funding to these entities will be used for authorized purposes.

Some of DOTD's authorized activities are outmoded and others have not been funded. State law requires agencies to report to the legislature outmoded and unfunded activities. However, DOTD has not thoroughly reviewed and reported these conditions. The legislature may not make informed decisions on program funding or service delivery without such information.

There are programs and functions within DOTD that potentially overlap and duplicate each other. There are also some DOTD programs that may overlap and duplicate programs of other state agencies, boards, commissions, and like entities. As a result, there may be some DOTD functions that are not efficiently and effectively operated.

Program Missions and Goals Consistent With State Law

Program Missions and Goals Reported in the 1996-97 Executive Budget Are Generally Consistent With Legislative Intent

All program missions and goals included in the 1996-97 executive budget are generally consistent with legislative intent, as expressed in state law. As a result, users of the executive budget can rely on these program missions and goals.

Exhibit 3-1 as shown below and on the following pages is a summary of the state laws describing the purposes of DOTD programs in comparison to the stated missions and goals in the executive budget. We found that all the stated missions and goals are supported by state law.

However, as discussed further in Chapter 4, the three programs listed below did not include either a mission or a goal in the budget document.

- Maintenance and District Operations program mission statement
- Offshore Terminal Authority goal statement
- Sabine River Authority goal statement

As a result, users of the executive budget may not have complete information to understand these DOTD operations.

Exhibit 3-1
Legal Basis for Programs
Department of Transportation and Development

Program	Mission and Goal (from the 1996-97 Executive Budget)	Legal Authority	Created or Authorized to:
Administration Program	*Mission:* Provide administrative direction and accountability for all programs under the jurisdiction of the Department of Transportation and Development (DOTD), and to provide related communications between the department and other agencies of the government, the transportation industry, and the general public.	R.S. 36:504(A)(4)	"Organize, plan, supervise, direct, administer, execute, and be responsible for the functions and programs vested in the department. . ."
		R.S. 36:504(A)(6)	". . .cooperate with the federal government and with other state and local agencies. . ."
	Goal: Provide the level of administrative direction which will ensure the DOTD programs are managed so as to provide the optimum benefits and services to the public within the constraints of available funding and applicable regulations.	R.S. 36:504(B)(2)	"Appoint. . .advisory councils, boards, and commissions. . ."

Exhibit 3-1
Legal Basis for Programs
Department of Transportation and Development

Program	Mission and Goal (from the 1996-97 Executive Budget)	Legal Authority	Created or Authorized to:
Louisiana Offshore Terminal Authority	***Mission:*** The Superport is vital to the state's economy and must be maintained to provide continued safe and environmentally protective operation. It is the responsibility of this program to ensure this by overseeing the activities of the port and by providing financial capabilities to fund needed maintenance or construction. ***Goal:*** None provided in the executive budget.	R.S. 34:3101(A) R.S. 34:3101(B)(6)	". . .to promote, plan, finance, develop, construct, control, license, regulate, supervise, operate, manage, maintain and/or modify offshore terminal facilities within the jurisdiction of said authority in order to promote the economic welfare of its citizens. . ." ". . .assert and protect Louisiana's economic, social, and environmental interests in the development of any offshore terminal facilities outside the state of Louisiana. . ."
Support Services Program	***Mission:*** Define, procure, and allocate resources necessary to support the activities of a department with an annual budget of approximately a quarter of a billion dollars, and with over 5,500 employees. ***Goal:*** Provide the other DOTD programs with efficient and effective support services to assist in achieving their specific missions and objectives.	R.S. 36:506(B)	". . .be responsible for accounting and budget control, procurement and contract management, data processing, management and program analysis, personnel management, and grants management for the department and all of its offices. . ."
Highways Program	***Mission:*** Develop and maintain a safe, cost-effective and efficient highway system to satisfy the needs of the motoring public. ***Goal:*** Provide the safest, most cost-effective and efficient highway system possible with given resources.	R.S. 36:507(B)	". . .establishment, design, construction, extension, improvement, repair, maintenance, and regulation of roads, highways, expressways, bridges,. . ."

Exhibit 3-1
Legal Basis for Programs
Department of Transportation and Development

Program	Mission and Goal (from the 1996-97 Executive Budget)	Legal Authority	Created or Authorized to:
Bridge Trust Operations Program	***Mission***: Provide safe and reliable transportation over rivers and other waterways to as many people as possible, as efficiently as possible, and in as pleasant an environment as possible. ***Goal***: Maintain current transportation systems in an efficient manner.	R.S. 36:507(A) R.S. 36:507(B) R.S. 36:504(A)(9)	". . .administer the programs of the state relating to. . .the development and establishment of. . .water transportation systems. . ." ". . .the establishment, design, construction, extension, improvement, repair, maintenance, and regulation of. . .bridges. . ." "Have absolute control over the Mississippi River Bridge Authority. . ."
Water Resources Program	***Mission***: Provide for the effective administration and implementation of projects relating to controlling, developing, conserving, and protecting Louisiana's water resources to meet the current and future needs of the citizens of the state. ***Goal***: Provide Louisiana citizens with water resources to meet their current and future needs in a flood free environment.	R.S. 36:507(C)	". . .perform the public works functions of the state, related to flood and drainage control, the flood plain management program, reclamation, water resources, soil conservation, land surveying and mapping, disaster relief, and related functions."
Aviation Program	***Mission***: The general oversight of all aeronautical activities within the state. ***Goal***: Address in a timely, efficient, and productive basis all of the aeronautical and airport development needs of Louisiana.	R.S. 36:507(A)	". . .administer the programs of the state relating to and affecting aeronautics and aviation facilities within the state. . ."

Exhibit 3-1
Legal Basis for Programs
Department of Transportation and Development

Program	Mission and Goal (from the 1996-97 Executive Budget)	Legal Authority	Created or Authorized to:
Maintenance and District Operations Program	***Mission***: None stated in the executive budget. ***Goal***: Maintain a safe, cost effective and efficient highway system; maintain and operate the department's fleet of ferries; maintain the passenger vehicles and specialized heavy equipment.	R.S. 36:507(B)	". . .administer the programs of the state relating to the . . . repair, maintenance . . .of roads, highways, expressways, bridges. . ."
		R.S. 48:259	". . .maintain the highways forming the state highway system, together with other facilities of the department. . ."
		R.S. 48:35	". . .adopt minimum safety standards with respect to highway and bridge . . . maintenance. . ."
Public Transportation Program	***Mission***: Provide for cost-effective and efficient management of various federally-funded programs in order to maximize the benefits of such programs to Louisiana citizens. ***Goal***: Provide Louisiana with economical, efficient, and effective transportation systems in the public transit and rail transportation modes.	R.S. 36:507(A)	". . .administer the programs of the state relating to and affecting. . .the development and establishment of public mass transit, railroad,. . ."
		R.S. 48:212(D)	". . .agreements with the federal government. . .for the purpose of establishing and administering a railroad safety and inspection program. . ."
		R.S. 46:2200	". . .establish and administer a program to provide assistance to applicants eligible under the provisions of . . .the federal Urban Mass Transportation Act of 1964. . ."

Exhibit 3-1
Legal Basis for Programs
Department of Transportation and Development

Program	Mission and Goal (from the 1996-97 Executive Budget)	Legal Authority	Created or Authorized to:
Sabine River Authority	***Mission***: Provide for economic utilization and preservation of the waters of the Sabine River and its tributaries by promoting economic development, irrigation, navigation, improved water supply, drainage, public recreation, and hydroelectric power for the citizens of Louisiana. ***Goal***: None stated in the executive budget.	R.S. 38:2321 *et seq.*, also, Louisiana Constitution of 1921 Art. 14, Sec. 45 continued as statute by Louisiana Constitution of 1974 Art. 14, Sec. 16	". . .improving navigation on the Sabine River and its tributaries, providing for adequate drainage and flood control within the Sabine River and Calcasieu River watersheds; utilizing the waters of the Sabine River . . .for the purpose of providing recreation and irrigation, and of attracting industry. . .; maintaining an adequate water supply for agricultural, municipal, domestic, and industrial use in the Sabine and Calcasieu River watersheds, and for the development of hydroelectric power. . ."

Source: Prepared by legislative auditor's staff using the fiscal year 1996-97 executive budget and applicable legal provisions.

Executive Budget Office Descriptions Not Consistent With State Law

Requirements of State Law Not Fully Identified in Executive Budget

The descriptions of the Office of Management and Finance (OMF) and the Office of Engineering in the executive budget do not completely correlate with state law. Therefore, users of the executive budget may not understand all of the offices' mandated functions.

R.S. 36:506(B) charges the director of OMF with responsibility for accounting, budget control, procurement, contract management, and data processing for the department. State law also requires this office to conduct management and program analysis, personnel management, and grants management for the department and all of its offices.

Functions included in state law that are not affirmed in the 1996-97 executive budget description for OMF are:

- Program analysis
- Grants management

However, these functions are performed, according to DOTD's operational plan. As a result, the user of the executive budget may not know that this office also performs these functions.

State law also requires the Office of Engineering to design, construct, extend, improve, repair, maintain, and regulate state roads, highways, expressways, and bridges. This office is to conduct these activities for aviation, public transportation, public mass transit, railroad and water transportation systems. Finally, state law requires this office to perform public works functions of the state related to flood and drainage control, reclamation, water resources, soil conservation, land surveying and mapping, disaster relief and related matters.

We found that the executive budget's overall description of the programs within the Office of Engineering generally parallels the law with one exception. The description does not include information about the public transportation, public mass transit, and railroad functions that are specified in the law. However, the executive budget does include an established program for these functions within the Office of Engineering. Hence, readers may be confused about what programs are included in this office.

Recommendation

3.1 OPB should revise the executive budget descriptions of the Office of Management and Finance and the Office of Engineering. This is to ensure they completely reflect the related activities described in law.

Executive Budget Programs' Authorization Needs Revision

Legal Citations in the Executive Budget Not Accurate and Complete

Most of the programs' legal authorization shown in the 1996-97 executive budget are incomplete and some are inaccurate. Users of the executive budget may be misdirected by this incomplete and inaccurate information.

The executive budget shows the legal provisions that authorize each program. OPB instructs the departments to cite each program's primary constitutional, statutory, or other references in their operational plans. These citations include applicable executive orders, administrative code provisions, federal laws, or court orders.

The executive budget contained inaccurate and incomplete legal citations for three of the ten DOTD programs as follows:

- Louisiana Offshore Terminal Authority's legal authorization cites R.S. 34:310 in both the operational plan and the executive budget. Yet, we found R.S. 34:3101 to be the accurate authorization.

- Maintenance and District Operations program's legal authorization in the executive budget specifies R.S. 36:507A; R.S. 2:1, 5-17, 81-7, 801-13[*sic*]. However, the provisions of Title 2 of the Louisiana Revised Statutes of 1950 pertain to aeronautics and not to the upkeep of roads, bridges, and ferries. However, DOTD's operational plan includes reference to Title 48 of the Louisiana Revised Statutes of 1950 (roads, bridges, and ferries). We found R.S. 36:507(B), 48:259, and 48:35 to be the more accurate and relevant citations for this program.

- Sabine River Authority includes reference to R.S. 38:509(o), 801 [*sic*] in the executive budget when the reference should be to R.S. 36:509(O) and 36:801.1. The department's operational plan includes citation of several other provisions that are not included in the executive budget.

Most of the other seven programs' legal citations are essentially accurate, but are not complete. Without accurate, relevant, and complete legal citations, users of the executive budget may be mislead by the information reported.

Recommendation

3.2 OPB and DOTD should work together to ensure that all legal citations in the executive budget and the operational plan are accurate, complete, and relevant.

Boards, Commissions, and Like Entities Operate Consistently With State Law

Operation of State Funded Boards, Commissions, and Like Entities Appear to Be Consistent With Legislative Intent

The six boards, commissions, and like entities that received state funding through DOTD's 1996-97 appropriation appear to operate consistently with state law. There is some assurance that appropriations to these entities will be used for purposes authorized in state law.

State law requires state funds to be spent for the purpose specified in the appropriation act. As part of DOTD's 1996-97 appropriation, $548,035 was to be used by six boards, commissions, and like entities. As of August 1997, $493,782 has been received by these entities. These entities are not considered programs, but are included within DOTD's existing programs. Exhibit 3-2 on the next page summarizes information relating to these entities. Appendix B notes the purpose for which these entities were created.

According to information we obtained, the activities conducted by these entities are generally consistent with the underlying assumptions in the enabling legislation. Therefore, these entities plan to use appropriated funds in accordance with legislative intent.

Exhibit 3-2

Boards, Commissions, and Like Entities Appropriations For Fiscal Year 1997

Board, Commission, or Like Entity	Program	Appropriation	Amount Received	Source of Funding
Poverty Point Reservoir District Board of Commissioners	Water Resources Program	$75,000	$75,000	State General Fund
Red River Compact Commission	Water Resources Program	550	550	State General Fund
Sabine River Compact Commission	Water Resources Program	31,000	28,232	State General Fund
Southern Rapid Rail Transit Commission	Public Transportation Program	66,485	15,000	State General Fund
* Amite River Basin Drainage and Water Conservation District Board of Commissioners	Water Resources Program	275,000	275,000	State General Fund
* Zachary Taylor Parkway District Board of Commissioners	Administration Program	100,000	100,000	State General Fund
Total		**$548,035**	**$493,782**	

* Funding was not recommended for these entities in the executive budget, but funding was provided in the appropriations act.

Source: Prepared by legislative auditor's staff using information from the fiscal year 1997 executive budget and Act 17 of the 1996 Regular Session (i.e., General Appropriations Act) and information prepared by DOTD.

Internal Reviews of Authorized Activities Not Effectively Used

Some of DOTD's legally authorized powers, functions, or duties are inconsistent with current law for transportation and public work activities. There are also other authorized activities that have not been funded. The legislature has provided several methods in law for agencies to report such situations for legislative consideration. However, DOTD has not thoroughly reviewed and reported these types of conditions. When such information is not reported, it makes it difficult for lawmakers to be responsive to the needs of the people of Louisiana. It also weakens the department's capacity to effectively, efficiently, and economically administer state programs.

Some Authorized Activities Are No Longer Needed or Should Be Updated

Some of DOTD's authorized powers, functions, or duties are outmoded and inconsistent with current transportation and public work activities. DOTD has not reported such matters to the legislature, as required by state law. Therefore, the legislature may not fully understand the functions DOTD performs.

Our review of the legal authorization for program operations disclosed 20 activities, provided by law, that appear to be outmoded. DOTD gave us reasonable explanations for seven of the activities to support the need for the activity. Appendix D summarizes 12 required or authorized activities that are outmoded. DOTD differed with our opinion on one other activity as described in Appendix D. There may be other outmoded provisions of law that were not apparent in our review.

In addition, legal provisions for the Offshore Terminal Authority need to be updated. The legislature created the Offshore Terminal Authority as a state agency to be governed by a board. The legislature placed the authority within DOTD. The Legislative Auditor's September 1996, "Boards, Commissions, and Like Entities Report to the Legislature," stated that a board does not exist. Instead the governor appoints an executive director to be responsible for Louisiana's oversight of the facility in coordination with DOTD. The Senate confirms the appointment.

As described in Chapter 1, the "sunset review" is a process the legislature uses to review and evaluate the operations of state statutory entities (i.e., departments). As part of the process, a legislative standing committee requests the department to provide certain information. This information includes the powers, functions, or duties that, in the department's opinion, are inconsistent with current or projected public needs and should be terminated or altered.

The sunset review information is due three years before the department's termination date. Since DOTD's termination date before the 1997 session was July 1, 1998,[1] this information should have been identified and reported before our inquiry and review. However, a DOTD official said DOTD did not identify any such information for the sunset review.

Likewise, DOTD could have also identified such information in July 1996. As part of the internal/external assessment in the strategic planning process recommended by OPB, the entity is supposed to identify authorized or mandated programs or activities that are not being carried out. DOTD conducted an internal/external assessment in June 1996, in preparation for the update of the DOTD strategic plan in July 1996, but did not identify such information.

Finally, before our review of the legal basis for missions and goals, we requested DOTD provide us with a list of any outmoded statutory or constitutional program mandates. DOTD officials responded that they were not aware of any outmoded mandates. As a result, DOTD has not conducted a thorough analysis of its powers, duties, and functions to identify and report areas of law that are outmoded or need to be updated.

Some Legislative Requirements Not Funded and Not Reported

DOTD has not implemented some legislatively authorized activities because of a lack of funding. State law requires such information to be reported as part of the annual budget request submitted to OPB. DOTD has not reported any such activities to the legislature. As a result, lawmakers may be unaware that activities have not been implemented.

Our review of the legal authorization for missions and goals disclosed 18 functions DOTD is authorized to do that are not reported in the executive budget. DOTD provided us with reasonable explanations for 13 of the activities to support that the functions are incorporated into DOTD programs. However, Appendix E summarizes five functions that DOTD said are not

[1] DOTD was re-created during the 1997 Regular Session by Acts 1027 and 1259. However, these two Acts conflict as to the next termination date. According to Act 1259, DOTD's statutory authority shall cease as of July 1, 2000. According to Act 1027, DOTD's statutory authority shall cease as of July 1, 2002.

being done because of lack of funding and other reasons. There may be other authorized functions not performed that were not apparent in the review we conducted.

In addition to the provisions discussed in the prior section, R.S. 49:191.1(A) states:

> . . .each budget unit of the state shall compile a listing of all legislatively authorized programs and Acts of the legislature directing any activity to be administered by such budget unit for which implementing funds were not appropriated in the prior fiscal year. . .

As discussed in Chapter 1, OPB has prescribed procedures and forms referred to as the "Sunset Review Budget Request Supplement" (BRS) forms. In particular, the BRS-1 requests the agency to report "Legislatively Authorized Activities Currently Unfunded." OPB requested agencies to complete these forms in their budget requests for fiscal years 1997 and 1998.

For the fiscal year 1997, DOTD responded it was not aware of any program activities that fall into this category. For the fiscal year 1998, DOTD did not complete the form. According to DOTD officials, the form was not completed because it did not apply. As a result, DOTD has not made an effort to identify and report authorized activities that are not being carried out. Therefore, the legislature may not be aware that some authorized activities are not being performed.

Matters for Legislative Consideration

3.1 The legislature may wish to consider legislation to repeal or update the provisions found to be outmoded and not implemented, as detailed in Appendixes D and E.

3.2 The legislature may wish to remove provisions of R.S. 34:3104 creating the board of commissioners for the Offshore Terminal Authority and instead provide for the appointment of an executive director.

Department Recommendation

3.3 In accordance with state law, DOTD should thoroughly review and report to the legislature the following conditions:

- Authorized activities that are no longer needed (i.e., outmoded functions)
- Legislative requirements not implemented

Potential Overlapping and Duplicative Functions Identified

Our review indicates that there may be some DOTD functions that are not efficiently and effectively operated. State law provides for the continuing reorganization and consolidation of departments and programs. This is to ensure a structure that will eliminate to the fullest practicable extent duplication of effort within the executive branch.

Five Functions Identified as Potentially Overlapping or Duplicative Within DOTD

We identified five functions that appear to be overlapping or duplicative within DOTD. To ensure effective and efficient operations, state law requires each department to annually study its operations. Because of the potential overlap or duplication, some programs or major functions may use funds for the same or similar purposes.

There are two programs that appear to perform different functions for the same or similar purposes (i.e., overlap).

1. Both the Office of Management and Finance and the Office of Engineering - Maintenance and District Operations Program conduct equipment management functions that may overlap.

2. The Office of Management and Finance, Highway Program, and Maintenance and District Operations Program perform functions relating to contracts that may overlap.

Different programs also perform three major functions that appear to be for the same or similar purposes (i.e., duplication of effort).

1. The Office of Engineering - Highways Program maintains the highway system and also provides district operations for maintenance, according to the executive budget. This seems to duplicate the Maintenance and District Operations Program executive budget description.

2. The function of bridge maintenance and inspection is described in the operational plan in both the Highways Program and the Maintenance and District Operations Program. This may be duplicative.

3. The functions of flood and drainage control and conservation of the Sabine River Authority seem to duplicate these functions in the Water Resources Program.

The department has hired a consultant to conduct an organizational study. According to the request for proposals, the study is to include a review of the existing possible organizational structural deficiencies. This includes duplication of effort and overlapping and inessential functions. The study is scheduled for completion in 1998.

These potentially overlapping or duplicative functions could mean that DOTD is spending more time, money, and effort in delivering services than is necessary. However, because it was not within the scope of this audit, we did not conduct individual program evaluations to determine if overlap or duplication is actually occurring. We can only state apparent areas of overlap or duplication based on our limited review.

Possible Areas of External Overlap and Duplication

There are several areas where possible overlapping functions and duplication of effort might exist among DOTD and other state departments, boards, commissions, and like entities. As a result, public funds may be used for the same or similar purpose among these entities.

The Public Transportation Program appears to contain overlapping functions with several other state agencies, such as the Department of Social Services, Department of Health and Hospitals, and others. Currently, there are two efforts in the state that are looking into this issue.

1. The governor created the Inter-agency Transportation Coordination Committee to make recommendations to maximize use of transportation resources and increase the efficiency of providing transportation services. The recommendations are to include coordination and consolidation of the planning, funding, administration, and provision of public and specialized transportation.

2. As a result of the recent welfare reforms, transportation issues are a major concern and are being reviewed.

There are numerous federal, state, and local agencies charged with safeguarding, controlling, and developing water resources. For example, R.S. 36:507 requires DOTD to perform various public work functions including soil conservation and water resources. Likewise, R.S. 36:628 (G) requires the Department of Agriculture and Forestry - Office of Soil and Water Conservation to perform the functions of the state relating to soil and water conservation. DOTD's Water Resources Program is also charged with coordinating and overseeing water resource development activities.

We identified approximately 149 boards, commissions, and like entities relating to DOTD, as shown in Appendix B. These entities perform various functions similar to DOTD. Further study is necessary to determine whether these boards, commissions, or like entities perform overlapping or duplicative functions.

A study is also needed of the various types of pilot boards for possible overlap and duplication of effort. Pilot boards make rules and regulations that are necessary for the purpose of regulating river pilots, pilot associations, and masters and owners of vessels plying the navigable waters of Louisiana. Pilots have a legal duty to pilot sea-going vessels from a designated port to another designated location. As shown in Appendix B, state law includes numerous types of pilot boards with some reporting to the governor and some to the DOTD.

Matter for Legislative Consideration

3.3 The legislature may wish to consider the study of the potential overlap or duplication of the following activities within applicable state departments, as noted in this report:

- Public Transportation Program
- Water Resources Program
- Role of boards, commissions, and like entities in the state
- Various types of pilot boards

Department Recommendation

3.4 DOTD should ensure that any organizational study includes review of the areas identified as potentially overlapping or duplicative within DOTD.

Chapter 4: Analysis of Performance Data

Chapter Conclusions

Overall, DOTD's missions, goals, objectives and performance indicators reported in the 1996-97 executive budget do not provide sufficient information to users of this document with which to judge the overall performance of DOTD or of the individual programs. Some programs lack mission or goal statements while other programs' mission and goal statements are incomplete. When missions and goals are not adequately disclosed, users of the executive budget may not understand the program's purpose, clientele, or activities.

Most of DOTD's objectives statements are not measurable and timebound and do not address all the major program functions. Accordingly, the majority of performance indicators do not measure progress toward objectives. Thus, when collectively considering the objectives and indicators, users of the executive budget cannot evaluate DOTD's performance in meeting the state's transportation and public works needs.

In addition, there is not a balanced mix of the various types of indicators. Only one of the programs includes an efficiency indicator, nine programs do not have any quality and explanatory indicators, six programs have no input indicators, and four programs do not have any outcome indicators. A complete mix of indicators is necessary to evaluate program performance or make informed budgetary decisions.

Although DOTD has a strategic plan, the strategic plan, operational plan, and budget request are not consistent with each other. Coordination between the planning and budgeting processes is essential to properly communicate missions, goals, objectives, and performance indicators. It also ensures that plans reflect the available resources.

Performance data are not reported in the 1996-97 executive budget for boards, commissions, and like entities that requested funds through DOTD's budget. The lack of performance data in the budget request decreases accountability for funds these entities receive. OPB has addressed this issue by requiring such reporting for the 1998 fiscal year.

Strategic Planning

Numerous Strategic and Long-Range Plans Exist

DOTD has developed numerous strategic and long-range plans. Strategic planning helps agencies systematically develop plans that emphasize the future and establish mechanisms to measure results. According to *Manageware*, strategic planning should lead to resource allocation. Thus, strategic planning should provide useful performance data for inclusion in the executive budget.

According to DOTD officials, the department began strategic planning when the program budgeting law was enacted in fiscal year 1989. Since that time, strategic plans have been updated in 1992 and 1996. DOTD officials said that every plan is an improvement over the prior plan.

DOTD's strategic planning is based on its organizational structure and not its program structure. The department uses an automated system to help formalize, communicate, and monitor the strategic planning process. The system includes all the components of the strategic planning process, except development of performance indicators. According to DOTD officials, performance indicators and resource allocation are the weak areas in this process. Accordingly, DOTD hired a consultant to help develop performance indicators.

In October 1995, DOTD also submitted to the legislature a 25-year intermodal transportation plan. The department solicited input from other government agencies and the private sector to develop the "Statewide Intermodal Transportation Plan." The federal Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 mandated that states prepare such plans. According to *Manageware*, such plans complement strategic planning.

The intermodal transportation plan includes in its scope the highway, railroad, port and waterway, aviation, and pipeline systems. To develop this plan, DOTD reviewed the state's current transportation efforts, where DOTD wants the state transportation efforts to be, and how to get there. The intermodal transportation plan also incorporates several other statewide transportation-related plans, such as the Transportation Infrastructure Model for Economic Development (TIMED) plan. The intermodal transportation plan will be reviewed and updated every five years, according to DOTD officials.

Plans Not Linked to Budget

Plans Not Used to Develop Budget

DOTD does not coordinate its plans with its budget request. This is due to the lack of communication between the planning and budgeting functions within DOTD. As a result, there is a risk that critical elements of DOTD's plans will not be included or disclosed in the budget request document. This could cause confusion among executive budget users and DOTD management as to what programs are to accomplish and how to measure accomplishments.

Both OPB and DOTD staffs agree there is no connection between DOTD's operational plan and the budget request. They both say that the operational plan is based on what should be done given unlimited resources, whereas the budget request is based on what can be done with available funding. This is because the DOTD planning staff does not understand the connection between the strategic plan, operational plan, and budget request. Also, there is little interaction between the DOTD planning staff and DOTD's budget staff.

DOTD's budget section prepares the budget request with some input from the sections and districts. DOTD's planning section coordinates with the other sections and districts to prepare the operational plan. The budget and planning sections each send its respective document to OPB. Before submitting the two documents to OPB, there is no review to ensure the budget request and plan are consistent with each other and the strategic plan.

The strategic plan, the operational plan, and the budget request should correspond. Without such correspondence, there is a risk that the department and users of these documents will not understand what is to be accomplished with the budgeted funds.

The operational plan should be an annual work plan to indicate what portion of the strategic plan will be addressed during the operational period. The operational plan's objectives and performance indicators should reflect the strategic plan elements to be accomplished during the year for which the budget request is prepared. Moreover, the budget request should reflect the resources to be used to accomplish these plans.

OPB develops the executive budget based on the operational plan and the various budget request documents. When the budget request and plans are not consistent with each other, the executive budget may not communicate what DOTD plans to accomplish with available resources.

Department Recommendation

4.1 DOTD should coordinate the preparation of its operational plan with its budget request and ensure they are both consistent with the strategic plan.

Strategic Plan Goals Need to Be Improved

Strategic Plan Goals Do Not Relate to All Programs

DOTD's strategic plan does not provide goals for all of the department's operations. The functions of the Bridge Trust Operations Program and elderly/handicapped and rural transportation functions in the Public Transportation Program are not included within the goals contained in the department's strategic plan. As a result, there is no overall direction for these programs within the DOTD strategic plan.

Department officials informed us that DOTD's strategic plan goals are intended to be broad departmentwide goals, not specific goals for each program. According to *Manageware*, it is acceptable if a department's goals are broad in nature as long as they address all the programs. The bigger issue is whether DOTD is adequately planning for the performance of these functions if they are not including the operations as part of their long-term strategy. If all programs are not considered from a strategic perspective, key government services may be improperly planned and delivered.

We found that all other programs operated by DOTD are covered within the broad goals in the strategic plan. Strategic planning is an important part of determining the delivery of government services. Without goals for every program, the strategic plan does not address the overall direction the department will take to deliver these services.

Department Recommendation

4.2 DOTD should ensure that strategic plan goals cover all department programs.

Executive Budget Contains Incomplete Performance Data

A Significant Number of Missions, Goals, Objectives, and Performance Indicators in Executive Budget Are Not Useful

Approximately 40% of all of DOTD's missions, goals, objectives, and performance indicators reported in the 1996-97 executive budget do not provide sufficient information. That is, 60% of all the criteria used to evaluate the performance data were satisfied. When the budget document does not contain useful information, users of the document may not be able to evaluate DOTD's overall performance or individual program performance.

Our analysis of the performance data, presented in the 1996-97 executive budget for DOTD, included nine program missions and eight program goals. This includes one program mission statement and one program goal not specifically labeled as such. However, the OPB planning analyst for DOTD concurred this information would suffice as a mission or goal. We also assessed 19 objectives and 65 performance indicators to determine if they collectively provide information suitable for external reporting and budgetary decision making.

We evaluated the missions, goals, objectives, and performance indicators against a set of core criteria. We used *Manageware* and consulted with various experts to develop these criteria. The criteria used in our evaluation are described in Exhibit 4-1 on the next page.

Specifically, we found that six of the mission statements (67%), three goals (38%), three objectives (16%), and 13 performance indicators (20%) meet all respective core criteria. When performance data do not contain critical elements, users of that information may not be able to understand the intent, targets, and accomplishments of the programs.

At the same time, users of the executive budget should not be inundated with too much information. Performance data for the executive budget should be constructed so that it is useful to an external audience such as legislators. Certain performance data might be useful for internal planning, but may be too detailed to provide meaningful information to the legislature.

The detailed results of our analysis are described in the findings that follow. Appendix C includes DOTD's programs' mission statements, goals, objectives, and performance indicators as presented in the 1996-97 executive budget. Appendix C also

summarizes the results of our assessment of the ten programs' performance data against the criteria.

Exhibit 4-1
Criteria Used to Evaluate Performance Data Included in the 1996-97 Executive Budget

MISSION: A broad, comprehensive statement of purpose

- √ Identifies overall purpose for the existence of the organization, department, office, institution, or program as established by constitution, statute, or executive order
- √ Identifies clients/customers of the organization or external and internal users of the organization's products or services
- √ Organizationally acceptable

GOAL: The general end purpose toward which effort is directed

- √ Consistent with department, program, and office missions
- √ Provides a sense of direction on how to address the mission; reflects the destination toward which the entity is striving

OBJECTIVE: A specific and measurable target for accomplishment

- √ Consistent with goals
- √ Measurable
- √ Timebound
- √ Specifies desired end result

PERFORMANCE INDICATOR: Tool used to measure performance of policies, plans, and programs

- √ Measures progress toward objective or contributes toward the overall measurement of progress toward objective
- √ Consistent with objective
- √ Clear, easily understood, and non-technical

Source: Prepared by legislative auditor's staff based on input from *Manageware*, GASB, the federal Office of Management and Budget, and the Urban Institute to show criteria used to evaluate the department's performance data.

Executive Budget Lacks Mission Statements

Some Mission Statements Not Included in Executive Budget

The 1996-97 executive budget contains no departmental mission statement for DOTD. In addition, clearly identified mission statements were not included for two of the ten programs. When mission statements are missing, a user of the budget might not understand the purpose and clientele of DOTD and all its programs.

Although no overall mission statement appears in the executive budget, we identified three other sources that could be used to develop one. The Internet home page for DOTD contains a mission statement. In addition, the strategic plan and a department presentation also contain DOTD's mission statement.

In addition, there are no mission statements in the executive budget for the Maintenance and District Operations Program or the Offshore Terminal Authority Program. However, for the Offshore Terminal Authority Program, the OPB analyst identified information in the program description that could be construed as a mission statement. The lack of consistently presented performance data, including clearly labeled mission statements, hinders users' understanding of program purpose and clients.

Recommendations

4.3 DOTD and OPB staff should work together to develop an overall departmental mission statement to be included in future editions of the executive budget.

4.4 DOTD and OPB staff should work together to ensure that all programs contain clearly identified and labeled mission statements in future editions of the executive budget.

Program Mission Statements Incomplete

Mission Statements in Executive Budget Do Not Always Name Client Groups and Agree With Department Information

One-third (3 of 9) of the program mission statements we assessed in the 1996-97 DOTD executive budget are not complete or are inconsistent with other department information. As a result, the information does not fully convey the purpose and clientele of the programs.

The mission information for the Aviation Program and the Offshore Terminal Authority Program do not identify target client groups. When mission statements do not clearly articulate whom the program serves, program need is not evident to users of the executive budget.

The mission statement for the Bridge Trust Operations Program is not organizationally acceptable. That is, the department's operational plan mission statement is not in agreement with the executive budget mission statement. The Bridge Trust Operations Program is only responsible for transportation on the Mississippi River, as reflected in the department's operational plan. However, the executive budget states the program is responsible for transportation "over rivers and other waterways."

Moreover, the Bridge Trust Operations Program only operates in certain parishes, as explained in DOTD's operational plan. However, the executive budget does not specify the program's scope and leads one to believe it is statewide in scope. When the executive budget does not provide complete mission information, users of this document may not have a complete understanding of the extent of services provided by the program.

OPB has somewhat addressed this issue in the 1997-98 executive budget by specifying the Mississippi River in the goal statement. Also, OPB specified the Crescent City Connection Division and the Sunshine Bridge in another part of the program description, but not in the mission statement. It was not within the scope of this audit to evaluate the adequacy of the revised information against the criteria shown in Exhibit 4-1.

Recommendations

4.5 DOTD and OPB staff should work together to modify the missions for the Aviation Program and the Offshore Terminal Authority Program to include the targeted client groups.

4.6 DOTD and OPB staff should work together to ensure that the mission for the Bridge Trust Operations Program accurately conveys the purpose of the program.

Executive Budget Lacks Goal Statements

Goal Statements Not Included in Executive Budget for All Programs

Almost one-third (3 of 10) of the programs in the 1996-97 executive budget did not have goal statements. There is no clearly identified goal statement for the Maintenance and District Operations Program. A budget analyst from OPB identified information in the program description that could be construed as a goal statement. In addition, there are no goal statements in the executive budget for the Offshore Terminal Authority or the Sabine River Authority.

The lack of clearly labeled goal statements hampers users' understanding of the desired end purpose of the program. OPB has partially addressed this issue in the 1997-98 executive budget by adding a goal statement for both the Offshore Terminal Authority and the Sabine River Authority.

Recommendation

4.7 DOTD and OPB staff should work together to ensure that all programs include clearly identified goal statements in future editions of the executive budget.

Goals Generally Do Not Address Program Activities

The Majority of DOTD's Goals Do Not Address Program Activities

Almost two-thirds (5 of 8) of the goals in the 1996-97 executive budget do not fully provide a sense of direction on how to address the mission and reflect the destination toward which the programs are striving. If goals do not provide this information, users of the executive budget may not be able to determine what the programs actually do or are striving to do.

We found that two of the eight program goals (25%) are not consistent with the stated missions and do not provide a sense of direction on how to address the mission. Six of the eight program goals (75%) are consistent with the mission information and three of these goals (38%) also address the program's direction and provide the destination toward which the programs are striving. However, one of the three goals (Aviation Program) could be further improved.

The Maintenance and District Operations Program has no mission statement; therefore, the goal statement cannot provide a sense of direction on how to address the mission. The Bridge Trust Operations Program goal is inconsistent because the goal does not specify transportation over rivers and waterways, which is specified in the mission statement. As a result, this program's goal statement cannot provide a sense of direction on how to address the mission.

In addition, the goal statements for the five programs listed below do not fully reflect the destination toward which the entity is striving and how to address the mission. However, other information in the executive budget program description provides this information. For example, the goal for the Aviation Program only addresses the airport development function. The goal does not address this program's monitoring function mentioned in another part of the program description.

- Highways Program
- Water Resources Program
- Public Transportation Program
- Aviation Program
- Bridge Trust Operations Program

As discussed earlier, goals should provide a sense of direction on how to address the mission. They should also reflect the destination toward which the program or entity is striving. Without this information, users of the executive budget may not understand what the programs are intended to accomplish and the primary activities the programs undertake to accomplish those things.

Recommendation

4.8 DOTD and OPB staff should work together to develop goals that are consistent with the mission statement, provide a sense of direction on how to address the mission (e.g., through required activities) and reflect the destination toward which the program is striving.

Few Objectives Measurable and Timebound

The Majority of DOTD's Objectives Are Not Measurable and Timebound

The majority of objectives included in the 1996-97 executive budget are not measurable and timebound. The objectives are, however, generally consistent with goals and specify an end result. Objectives that are not measurable and timebound do not specify the desired level of performance and the target date for accomplishment. Consequently, a legislator making budgetary decisions may not be able to tell how well the program is performing or how timely the programs' accomplishments are being made.

Fifteen of 19 objectives (79%) lack target measurements for any or for all parts of the objective. For example, the Water Resources Program objective for surface and ground water monitoring of water wells is not measurable (page C.8). Instead, it is broad, vague, and written more like a goal statement. Whereas, an objective that gives a certain percentage of water well violations to be corrected within a certain period of time would specify a measurable target and also be timebound. Specifying the desired level of achievement is important because it tells exactly what the program expects to accomplish. Such a target measurement also

allows the performance indicator to measure progress toward the objective.

Sixteen of 19 objectives (84%) also do not include time frames for achievement. When time frame references are not included in objectives, users of this information may not be able to determine the program's time frames against which to measure performance.

Thus, 16 objectives are not measurable and timebound. Only the two Aviation Program objectives and one of the two Highway Program objectives are both measurable and timebound. It is important to include objectives that are both measurable and timebound so that users of the executive budget can see the targeted level of performance and the time frame in which that performance is to be achieved.

One of 19 objectives (5%) does not specify a desired end result. In addition, five of the 19 objectives need improvement, as noted in Appendix C. This is because these objectives discuss two different but related actions within the same objective. When the objectives are broad, vague statements, the objectives make it difficult to determine the desired results and to measure performance.

Finally, two of 14 objectives (14%) were not consistent with the goal statement. We could not make this assessment for the five additional objectives because there was no program goal statement. As a result, legislators or other external users may not be able to evaluate DOTD's performance in meeting the state's transportation and public works needs.

Recommendation

4.9 DOTD and OPB staff should work together to develop objectives that are measurable, timebound, and specify a desired end result.