

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Department of State Civil Service
Analysis of Program Authority
and Performance Data

February 1998



Performance Audit Division

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

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**Department of State Civil Service:
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**Performance Audit
Office of Legislative Auditor
State of Louisiana**

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February 18, 1998

The Honorable Randy L. Irving,
President of the Senate
The Honorable H. B. "Hank" Downs, Jr.,
Speaker of the House of Representatives

Dear Senator Irving and Representative Downs:

This report gives the results of our performance audit of the Program Authority and Performance Data of the Louisiana Department of State Civil Service 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 addition, this audit is one step toward meeting requirements of the Louisiana Performance Audit Program (Louisiana Revised Statute 24:522).

The report represents our findings, conclusions, and recommendations. We have also identified matters for legislative consideration. The responses from the various entities can be located as follows:

- Appendix D contains the State Civil Service's response.
- Appendix E contains the Municipal Fire and Police Civil Service's response.
- Appendix F contains the State Police Commission's response.
- Appendix G contains the Ethics Administration's response.
- Appendix H contains the Division of Administrative Law's response.
- Appendix I contains the Division of Administration, Office of Planning and Budget's response.

I trust that this report will be of use to you in your legislative decision-making.

Sincerely,

Daniel G. Kyle, CPA, CFE
Legislative Auditor

DGK/als

2/18/98



Office of Legislative Auditor

Executive Summary

Performance Audit Department of State Civil Service: Analysis of Program Authority and Performance Data

For fiscal year 1997-98, the legislature appropriated \$8.5 million to the Department of State Civil Service. Five autonomous entities make up this department. Our performance audit of the department's performance data in the 1997-98 executive budget found that:

- All missions and goals included in the 1997-98 executive budget are consistent with the responsibilities given by state law to the five entities that make up the department.
- Considering the five entities together, the performance data in the executive budget could be made more useful to legislators and others for decision-making purposes. Nearly all the mission statements meet the established criteria. However, more than half of the goals need improvement. Also, only 9 of the 24 objectives contain a time frame for achievement, and only 7 provide a measurable target. In addition, 63% of the performance indicators are output type indicators, and there are no outcome indicators reported. Finally, only 12 of the 58 indicators measure progress toward achieving their objectives. As a result, the majority of the objectives and indicators do not allow a legislator to make informed funding decisions about these five entities.
- There are two areas of potential duplication. First, the three civil service programs perform similar functions, but for different populations. Second, the Division of Administrative Law and some other state departments provide administrative hearings. These potentially duplicative activities could mean that the state is spending more time, money, and effort than is necessary to deliver these services.

Audit Initiation and Objectives

The Office of the Legislative Auditor conducted this performance audit of the executive budget program information for the Department of State Civil Service in response to certain requirements of Act 1180 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. 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 1997-98 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 1997-98 executive budget are consistent with established criteria
- Determine if the department's objectives and performance indicators as reported in the fiscal year 1997-98 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 unneeded

Department Overview

Article X, Section 6(A) of the Louisiana Constitution of 1974 creates the Department of State Civil Service. The department is composed of administrative entities for three autonomous civil service systems and contains the Board of Ethics and the Division of Administrative Law (DAL). The department has no distinct agency head. Instead, separate administrators manage each of the five entities. For the 1997-98 fiscal year, the department had 172 authorized positions and was appropriated \$9.5 million.

(See pages 19-19 of the report.)

**State Law
Supports
Program
Missions and
Goals**

In the 1997-98 executive budget, the department is divided into six programs. State Civil Service has two programs, and the remaining four entities each consist of one program. There are mission and goal statements for all six programs in the executive budget. The missions and goals for all six programs are consistent with responsibilities given by state law to each of the five entities. Therefore, users of the executive budget can be assured that the major programs included in the executive budget are grounded in state law.

(See pages 17-19 of the report.)

**Potentially
Duplicative
Functions**

We reviewed the programs, functions, and activities of the department to identify any that appear to be overlapping, duplicative, or controlled. As a result of the review, we found two areas of potential duplication. First, the three civil service systems perform similar activities for similar purposes, but for different populations. Second, since state departments are still conducting administrative hearings even though state law has moved most of this function to the Division of Administrative Law. This duplicative activity could mean that the state is spending more time, money, and effort than is necessary in providing these services.

(See pages 20-22 of the report.)

Matters for Legislative Consideration

- 2.1 The legislature may wish to study the feasibility of consolidating some, or all, of the three civil service systems. Although each system serves a different population, these three systems perform some similar functions for similar purposes.
- 2.2 The legislature may wish to give the Division of Administrative Law specific authority to conduct certain other departments' hearings.

**Analysis of
Performance
Data**

We compared the department's performance data that appear in the 1992-98 executive budget to a set of established criteria. We assessed State Civil Service's overall mission statement and seven overall goals. We also assessed 11 other program mission statements and 27 other goals. In addition, we assessed 24 objectives and 88 performance indicators to determine if they provide sufficient information for legislative decision-making.

(See pages 34-35 of the report.)

**State Civil Service's Overall Mission Meets Criteria
But Overall Goals Need Improvement**

State Civil Service's mission in the 1992-98 executive budget meets all of the established criteria. State Civil Service's seven goals are consistent with State Civil Service's mission and reflect the destinations toward which the entity is striving. However, six goals do not provide direction on how to address the mission.

(See page 36 of the report.)

**State Civil Service Administration Program's
Performance Data Meet Most Criteria**

The performance data reported in the executive budget for the Administration Program of State Civil Service meet most of the criteria. The mission statements meet all of the criteria. One goal meets all of the criteria and the two remaining ones meet one of the two criteria. Also, the majority of the objectives meet all criteria, and over half of the performance indicators measure progress toward their objectives.

(See pages 36-38 of the report.)

Human Resource Management Program's Performance Data Need Improvement

The second program of State Civil Service is Human Resource Management. Although the mission statements meet the established criteria, much of the other reported performance data for this program do not meet the criteria. The three goals meet half the criteria. In addition, less than one-fourth of the objectives are measurable and just over half are timebound. Furthermore, most of the performance indicators are consistent with their objectives, but only one of 14 performance indicators measures progress toward the objective.

(See pages 18-21 of the report.)

Recommendations

With the assistance of the Division of Administration, Office of Planning and Budget, State Civil Service should:

- 3.1 Ensure that goals meet the criteria in Exhibit 2-1.
- 3.2 Ensure that each objective contains a measurable target to be achieved and a time frame for accomplishment. Also, each objective that contains multiple components should be divided into individual objectives.
- 3.3 Ensure that performance indicators measure progress toward achieving objectives. In addition, both programs should have a mix of different types of performance indicators.

Municipal Fire and Police Civil Service's Objectives Need Improvement

Most of the performance data for the Administration Program of the Municipal Fire and Police Civil Service meet the criteria. The mission statement and two goals of this program meet all of the established criteria. However, less than half of the objectives are measurable and none are timebound. All of the

performance indicators are clear and consistent with their objectives. However, only 2 of the 14 performance indicators measure progress toward the objective.

(See pages 42-44 of the report.)

Recommendations

With the assistance of the Division of Administration, Office of Planning and Budget, Municipal Fire and Police Civil Service should:

- 3.4 Ensure that each objective contains a measurable target to be achieved and a time frame for accomplishment. Also, each objective that contains multiple components should be divided into individual objectives.
- 3.5 Ensure that all performance indicators measure progress toward achieving the related objectives. In addition, ensure that there is a mix of different types of performance indicators.

State Police Commission's Objectives and Indicators Meet Few Criteria

The State Police Commission's objectives and performance indicators need improvement. The mission statement meets all of the criteria. The goals meet most of the criteria. However, the two objectives are not measurable or timebound. None of the 17 performance indicators measure progress toward the objectives.

(See pages 45-47 of the report.)

Recommendations

With the assistance of the Division of Administration, Office of Planning and Budget, the State Police Commission should:

- 3.6 Ensure that goals meet the criteria in Exhibit 3-1.
- 3.7 Ensure that all objectives contain a measurable target to be achieved and a time frame for accomplishment.
- 3.8 Ensure that all performance indicators measure progress toward achieving objectives. Also, the State Police Commission should develop some outcome performance indicators.

No Objectives Shown in Executive Budget for Ethics Administration

The performance data of the Ethics Administration do not provide sufficient information for budgetary decision-making. This program has one mission statement and it meets two of the three established criteria. All 11 goals meet one of the two criteria. However, the executive budget reports no objectives and only two performance indicators.

(See pages 45-49 of the report.)

Recommendations

With the assistance of the Division of Administration, Office of Planning and Budget, the Ethics Administration should:

- 3.9 Ensure its missions and goals meet the criteria in Exhibit 3-1.
- 3.10 Formulate objectives that meet the criteria in Exhibit 3-1.
- 3.11 Ensure that all performance indicators measure progress toward achieving the objectives. In addition, develop a mix of different types of performance indicators.

Division of Administrative Law's Performance Data Need Improvement

The Division of Administrative Law's mission statement meets the criteria. However, only two of the five goals meet both criteria. In addition, the single objective is not measurable or timebound. Finally, there are five performance indicators, but none measure progress toward the objective.

(See pages 38-51 of the report.)

Recommendations

With the assistance of the Division of Administration, Office of Planning and Budget, the Division of Administrative Law should:

- 3.11 Ensure that each objective contains a measurable target to be achieved and includes a time frame for accomplishment.
- 3.12 Ensure that indicators measure progress toward objectives. In addition, formulate a mix of different types of performance indicators.

In the 1997-98 executive budget, the department is divided into six programs. State Civil Service has two programs, and the remaining four entities each consist of one program. Total expenditures of the department for fiscal year 1996-97 were approximately \$5,555,000. The legislature appropriated \$9,582,187 to the department in fiscal year 1997-98.

The mission statements and goals for all five entities are consistent with responsibilities given by state law to each of the five entities. That is, the missions and goals reflect the intent of the legislature as portrayed in underlying law as well as the intent of the drafters of the constitution.

We found two areas of possible duplication. First, the three civil service programs appear to perform some similar activities. All three develop and administer tests, certify applicants, and prepare classification plans. Also, the State Police Commission and the Civil Service Commission have appeals of disciplinary cases. These duplicative activities could mean that these civil service programs are spending more time and money managing public employees than is necessary. Second, the Division of Administrative Law (DAL) conducts administrative hearings for many state departments. However, some departments still conduct their own hearings. As a result, the state may be spending more time, money, and effort in conducting administrative hearings than is necessary.

Nearly all mission statements reported in the 1997-98 executive budget for the entities that make up the Department of State Civil Service meet the established criteria. However, more than half of the 34 goals need improvement. Furthermore, only 9 (32%) of the objectives are measurable. Also, only 12 of 88 performance indicators (14%) measure progress toward the objectives. Finally, the majority of the indicators (58, or 67%) are output type indicators, and there are no outcome measures. As a result, the majority of the objectives and indicators do not allow a legislator to make informed funding decisions about these entities.

**Accountability
Initiatives**

Article XIV, Section 6 of the Louisiana Constitution of 1974 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. 24:322 requires the legislative auditor to make recommendations annually 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. The act also requires state agencies to produce certain information during the budgetary process.

In July 1996, the Office of 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. 24:322, we have issued this report that examines the legal authority for the department's programs and services. This report also examines the performance data contained in the fiscal year 1997-98 executive budget and builds on the work for better planning. As previously mentioned, similar performance audit reports are to be issued on all other executive branch departments.

State law also requires agencies to provide the legislature with certain internal information to justify their existence in order to continue. This is referred to as the sunset review process. This process allows the legislature 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 1988-89. R.S. 39:35 requires the executive budget to be in a format that clearly presents and highlights the programs operated by state government. According to *Management*, 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. *Management* 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 on page 5 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 writer's staff using a similar diagram in *Montgomery*.

Montgomery defines the above 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, *Montgomery* 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.

Management also points out the benefits of program budgeting. According to Management, program budgeting streamlines the budget process. Management 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 Management.

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 related act included program descriptions for the first time. The fiscal year 1997-98 General Appropriations Act includes key performance indicators. For fiscal year 1997-98, this information is 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 conditional upon the agency's preparing and submitting these reports.

Executive Budget Is Basis for General Appropriations Act

Article VII, Section 11(A) of the Louisiana Constitution of 1974 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 budget¹, must include recommendations for appropriations from the state general fund, dedicated funds, and self-generated funds.

R.S. 93:36 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 The governor also submits a capital asset budget. However, the scope of this bill includes only the executive budget.

- (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.

GFB 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 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 Interior 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/office 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/office 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 request.

According to *Mississippi*, 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 funds were appropriated in the existing operating budget. The BRS forms must be submitted to GPB, the Legislative Fiscal Office, and the Joint Legislative Committee on the Budget.

For the 1997-98 fiscal year, GPB prepared and published several volumes of the executive budget using the departments' budget request packages. For the first time, the financial information was presented along with the 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.



* The governor has line-item veto power.

Source: Prepared by legislative auditor's staff using state law, Mississippi, and House Legislative Services - State and Local Governments in America: An Overview (December 1993).

Scope and Methodology

Overview. This performance audit of the Department of State Civil Service'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.

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 1997-98 executive budget program information.

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

- *Management* published by the Office of Planning and Budget (1991 and 1996 editions)
- *Research Report - Service Efforts and Accomplishments Reporting: An Time Has Come, An Overview* published by the Governmental Accounting Standards Board (GASB) (1998)
- *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 other states that have implemented program budgeting and strategic planning including Florida, Minnesota, Nevada, Oregon, and Texas

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 the Department of State Civil Service 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 requested funding through a specific line item in the executive budget. 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 requested 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 fiscal year 1997-98 executive budget. To help develop these criteria, we gathered information from GASB, OPB, the Urban Institute, and *Advocators*. During our criteria development process, we obtained ongoing 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 executive budget to the criteria. This decision was made because the executive budget is the submission 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 Outdated Areas. Finally, we reviewed the program descriptions and legal authority for the department's programs to identify areas that appeared to be overlapping, duplicative, or outdated. We defined these areas 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
- **Outdated:** 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 outdated. 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 outdated should be assessed in more detail to determine whether they are truly overlapping, duplicative, or outdated. 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 program information. Therefore, the capabilities of the department's management information systems as related to program data should be addressed in the near future.
- The legislature may wish to study the feasibility of consolidating some, or all, of the three civil service systems discussed in this report. Although each system serves a different population, these three systems perform some similar functions for similar purposes.
- The legislature may wish to study the feasibility of consolidating some, or all, of the other functions relating to personnel management, which are spread throughout state government. For example, the Department of the Treasury and various boards handle employee benefits. The Division of Administration handles training. Also, the Department of Health and Hospitals, Office of Alcohol and Drug Abuse handles the employee assistance program.

Report Organization

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

- Chapter 2 describes the Department of State Civil Service. This chapter gives the legal authority for the department and its programs as well as other information that describes the department and related boards. This chapter also compares the missions and goals of the department as reported in the fiscal year 1987-88 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 outdated.

- **Chapter 3** gives the results of our comparison of the department's missions, goals, objectives, and performance indicators as reported in the fiscal year 1997-98 executive budget to established criteria. In addition, this chapter discusses whether the objectives and performance indicators collectively provide useful information for decision-making purposes.
- **Appendix A** is a list of references used for this audit.
- **Appendix B** is a listing of related boards, commissions, and like entities that we identified.
- **Appendix C** shows the performance data of each entity within the department as it appeared in the 1997-98 executive budget.
- **Appendix D** is the State Civil Service's response to this report.
- **Appendix E** is the Municipal Fire and Police Civil Service's response to this report.
- **Appendix F** is the State Police Commissioner's response to this report.
- **Appendix G** is the Ethics Administration's response to this report.
- **Appendix H** is the Division of Administrative Law's response to this report.
- **Appendix I** is the Division of Administration, Office of Planning and Budget's response to this report.

Chapter 2: Department Overview

Chapter Conclusions

The Department of State Civil Service consists of five autonomous entities. The department includes the administrative entities of three separate civil service systems. The state constitution creates the State Civil Service, the Municipal Fire and Police Civil Service, and the State Police Service. In addition, the department includes the Board of Ethics and the Division of Administrative Law.

In the 1997-98 executive budget, the department is divided into six programs. State Civil Service is divided into two programs, and the remaining four entities each consist of one program. Total expenditures of the department for fiscal year 1996-97 were approximately \$8,558,000, with over 60% going to State Civil Service. The legislature appropriated \$8,581,187 to the department in fiscal year 1997-98.

The mission statements and goals for all five entities are consistent with responsibilities given by state law to the entities. That is, the missions and goals reflect the intent of the legislature as portrayed in underlying law as well as the intent of the drafters of the state's constitution.

We found two areas of possible duplication. First, the three civil service programs appear to perform some similar activities. They all develop and administer tests, certify applicants, and prepare classification plans. Thus, these three administrative entities basically perform the same functions, but for different populations. Also, both the State Civil Service Commission and the State Police Commission hear appeals of disciplinary cases. These duplicative activities could mean that these civil service programs are spending more time, money, and effort to manage public employees than is necessary.

Second, the Division of Administrative Law (DAL) conducts administrative hearings for many state departments. However, some departments, possibly without legal authorization, still conduct their own hearings. Thus, both the DAL and some other state departments conduct administrative hearings. As a result, the state may be spending more time and money in handling administrative hearings than is necessary.

**Department of
State Civil
Service Includes
Five Separate
Entities**

Article X, Section 6(A) of the Louisiana Constitution of 1974 creates the Department of State Civil Service. The department is composed of administrative entities of three autonomous civil service systems. Also, the department contains the Board of Ethics and the Division of Administrative Law (DAL). The department has no distinct agency head. Instead, separate administrators manage each of the five entities. Louisiana's constitution creates the three civil service systems, which are:

- State Civil Service
- Municipal Fire and Police Civil Service
- State Police Service

The administrative entities for these three systems are the State Civil Service Commission, the Office of State Examiner of the Municipal Fire and Police Civil Service, and the State Police Commission, respectively.

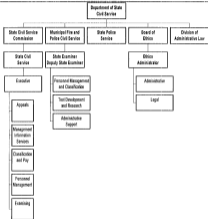
In the 1997-98 executive budget, the Department of State Civil Service is divided into six programs. State Civil Service is presented as two programs, and the other four entities are each presented as one program. Exhibit 2-1 shows each entity's actual expenditures for fiscal year 1996-97, and the recommended amounts, appropriated amounts, and authorized positions for fiscal year 1997-98. Exhibit 2-2 on page 28 shows the organization of the Department of State Civil Service.

Exhibit 2-1
Department of State Civil Service
Expenditures, Budget, Appropriation and Staffing Data
Fiscal Years 1996-97 and 1997-98

Program	Fiscal Year	Fiscal Year 1997-98		
	1996-97	Recommended	Appropriated	Authorized Positions
State Civil Service:				
Administration	\$2,718,114	\$2,789,128	\$2,789,128	48
Human Resources Management	2,604,410	2,685,896	2,685,896	60
Subtotal: State Civil Service	5,382,524	5,484,216	5,484,216	108
Municipal Fire and Police Civil Service	682,310	799,907	791,794	17
Elkires Administration	1,873,197	1,091,768	1,185,214	23
State Police Commission	311,617	286,894	347,845	3
Division of Administrative Law	1,184,252	1,221,818	1,772,818	22
Total	\$8,054,540	\$9,004,900	\$9,581,687	174

Source: Prepared by legislative auditor's staff using the department's unaudited financial information for fiscal year 1996-97, the fiscal year 1997-98 Executive Budget and the General Fund Appropriations - Executive Summary for fiscal year 1997-98.

Exhibit 2-2
Department of State Civil Service
Organization Chart
Fiscal Year 1997-98



Source: Prepared by Legislative Auditor's staff from information provided by the Department of State Civil Service.

State Law Supports Missions and Goals

These are mission and goal statements for all six programs in the executive budget. Each program's missions and goals align with state law. Therefore, users of the executive budget can be assured that the major programs included in the executive budget are grounded in state law. Appendix C includes the missions and goals for each entity within the Department of State Civil Service. The missions are also presented below along with a discussion of how each program's mission and goal(s) compare to state law.

Mission and Goals for State Civil Service Align With State Law

The executive budget contains a mission statement and goals that are identified as being for the entire Department of State Civil Service. However, the department's OPR analyst informed us that the mission and goals pertain only to State Civil Service. The mission is to:

Develop and administer human resource practices that enable employees and organizations to provide cost-effective, quality services in a manner that is consistent with Article X of the Louisiana Constitution and consistent with the unique requirements of operating in the public sector.

The mission and goals are all consistent with responsibilities assigned to the State Civil Service Commission and department by state law. Article X, Section 1 of the Louisiana Constitution of 1974 establishes the State Civil Service, and Article X, Section 3 establishes the State Civil Service Commission. Article X, Sections 7, 10, and 12 of the Louisiana Constitution of 1974 vest the State Civil Service Commission with (broad and general) rulemaking powers and specific responsibilities for the administration and regulation of the classified civil service. Some of the duties assigned to the State Civil Service Commission are to:

- Hear and decide all removal and disciplinary cases
- Adopt rules for regulating employment, compensation, promotion, demotion, certification, political activities, et cetera
- Adopt a uniform pay and classification plan

- Adopt rules for the method of certifying persons eligible for appointment, promotion, and reemployment.

R.S. 36-51 places the State Civil Service Commission within the Department of State Civil Service. R.S. 36-51 provides that the department will administer the state civil service system. The constitutional provisions cited above, R.S. 36-51-52 and 36-54 support the overall mission and goals for State Civil Service. As a result, legislators and other users of the executive budget can be assured that the overall mission and goals of this entity are grounded in state law.

In the executive budget, State Civil Service includes two programs. These programs are Administration and Human Resource Management.

Clients Served. Exhibit 2-3 below shows the types of clients and approximate number served by State Civil Service.

Exhibit 2-3

State Civil Service Clients Served

Type of Client	Approximate Number Served
State agency managers	5,000
Classified state employees	60,000
Applicants for state employment	60,000
Legislators	144

Source: Prepared by legislative auditor's staff using information obtained from the Department of State Civil Service.

Administration Program's Missions and Goals Are Legally Authorized

The Administration program consists of three sections, each of which has mission(s) and goal(s). The missions and goals of the Administration programs are consistent with the responsibilities assigned the State Civil Service Commission and the department by

state law. According to the 1993-98 executive budget, the missions of the Administration programs are to:

- **Administrative Support Section:** Provide financial and managerial control of department operations
- **Appeals Section:** Hear employees' complaints that their fundamental rights have been violated, and provide decisions that are consistent with the basic tenets of the merit system, the civil service article, the civil service rules, existing jurisprudence and equity
- **Management Information Systems Section:** Provide an accurate, reliable, responsive mechanism for maintaining the official personnel and position records of the state, and enhance the ability of the users, both within the department and in personnel offices throughout the state, to meet or exceed their goals by providing for effective information management through the analysis, design, and implementation of automated and manual information systems
- **Legal Section:** Give advice and counsel to executive branch managers regarding personnel practices, education of executive branch managers regarding the effect (sic) of state and federal laws upon personnel practices, advice and counsel to the department and commission, and defense of lawsuits and civil service appeals

Article X, Sections 8 and 12 of the Louisiana Constitution of 1974 give classified employees certain appeal rights and direct the State Civil Service Commission to hear and decide all removal and disciplinary cases. R.S. 36:52 places the State Civil Service Commission within the department. These provisions authorize the mission and goal for the Appeals Section since this section provides staff support to the Commission for carrying out its appeals function. R.S. 36:54 further provides that the State Civil Service Commission, through the director of State Civil Service, is responsible for accounting and budget control, procurement, contract management, data processing, management and program analysis, and personnel management for the department. These

laws authorize the other three missions and two goals of this program. Therefore, state law authorizes the missions and goals of the Administration Program. As a result, the missions and goals reflect the intent of the legislature as portrayed in underlying law as well as the intent of the drafters of the state's constitution.

Human Resource Management Program Includes a Variety of Functions

The Human Resource Management program consists of three divisions, each of which has a mission and goal. The missions and goals of these divisions are consistent with responsibilities assigned the State Civil Service Commission and the department by state law. According to the 1997-98 executive budget, the missions of the divisions within the Human Resource Management program are to:

- **Personnel Management Division:** Promote effective personnel management practices throughout state government, check and enforce compliance with civil service rules, and provide assistance with federal and state laws, as appropriate or designated
- **Classification and Pay Division:** Maintain an equitable and uniform job evaluation and pay system for all classified state employees
- **Examining Division:** Enable agencies to meet their staffing needs in a timely fashion by hiring and promoting the best qualified applicants

Various provisions of Article X of the Louisiana Constitution of 1904 authorize this program's missions and two of its goals. The third goal addresses increasing the commitment to, and the availability of, training. R.S. 42:1261 *et seq.* authorize the goal. These statutes direct the department and the Division of Administration to institute, develop, conduct, and otherwise provide for continuing programs of in-service training and education for state employees.

**Mission and
Goals of
Municipal Fire
and Police Civil
Service Align
With State Law**

State law supports the mission and the three goals of the Municipal Fire and Police Civil Service. According to the 1997-98 executive budget, the mission of the Municipal Fire and Police Civil Service is to:

Administer an effective, cost-efficient civil service system based on merit, efficiency, fitness, and length of service, consistent with the law and professional standards, for firefighters and police officers in all municipalities in the state having populations of not less than 7,000 nor more than 480,000 inhabitants, and in all parish fire departments and fire protection districts regardless of population, in order to provide a continuity in quality in law enforcement and fire protection for citizens of the state in both rural and urban areas.

Article X, Section 16 of the Louisiana Constitution of 1974 establishes a system of classified fire and police civil service that applies to all municipalities having a population exceeding 15,000 and operating a regularly paid fire and municipal police department. This constitutional provision further provides that this civil service system applies to all parishes and fire protection districts operating a regularly paid fire department. Article X, Section 17 of the constitution directs that permanent appointments and promotions in this civil service shall be made based on merit, efficiency, fitness, and length of service. R.S. 15:2511 *et seq.* extend the coverage of this civil service to municipalities having a population between 7,000 and 15,000.

R.S. 15:2516 and 15:2516 creates a fire and police civil service board in each municipality, parish or fire protection district that has a classified civil service system. Appendix B outlines the functions of these boards. According to an official at the Office of State Examiner, there are presently 78 such boards in the state and 15 other jurisdictions that are in the process of forming a board.

State law creates the Office of State Examiner of Municipal Fire and Police Civil Service. The State Examiner heads the administration of the Municipal Fire and Police Civil Service. He and his staff help administer civil service programs and provide the following services to local boards and city and other governmental officials:

- Assist the various local boards, officers, classified employees and others in an advisory capacity
- Prepare and submit a classification plan to each board for its approval
- Prepare and administer tests of fitness for original entry and promotion, score the tests, and furnish results to the board
- Cooperate with the secretary of each board in maintaining a roster of all fire and police civil service employees

Clients Served. According to the 1997-98 executive budget, the Office of the State Examiners provided services to the clients listed in Exhibit 2-4. In addition, the office's clients included mayors, fire chiefs, police chiefs, and local civil service board members.

Exhibit 2-4
Municipal Fire and Police Civil Service - Clients Served
Fiscal Year 1996-97

Type of Client	Approximate Number Served
Local civil service boards/jurisdictions	60
Employees in the system	7,150
Candidates examined	6,448
Americans with Disabilities Act requests	27

Source: Prepared by legislative auditor's staff using information obtained from either the Office of the State Examiners or the 1997-98 executive budget.

**State Police
Commission's
Mission and
Goals Are
Constitutionally
Authorized**

The State Police Commission's mission and goals align with provisions of the Louisiana Constitution of 1974. According to the executive budget, the Commission's mission is to:

Provide a separate personnel system for the commissioned officers of the Louisiana State Police

Article X, Section 41 of the Louisiana Constitution of 1974 establishes the State Police Service. This service includes all regularly commissioned full-time law enforcement officers employed by the Department of Public Safety and Corrections, Office of State Police, who are graduates of or training in the state police training academy. The service also includes personnel in the unclassified state police service. Article X, Section 48 of the constitution vests the State Police Commission with broad and general policymaking powers for the administration and regulation of the classified state police service. A staff of three people assists the State Police Commission in carrying out its responsibilities. Duties of the commission include:

- Adopt a uniform pay and classification plan
- Hear and decide all removal and disciplinary cases
- Adopt rules concerning the method of certifying persons eligible for appointment and promotion

Client Service. According to unclassified information provided in the 1997-98 executive budget, during fiscal year 1996-97, the State Police Commission:

- Served 902 commissioned state police officers
- Tested approximately 1,000 candidates

**Ethics
Administration's
Mission and
Goals Are
Consistent With
State Law**

The mission and goals of the Ethics Administration conforms to the functions assigned to it by state law. According to the executive budget, the mission is to:

Administer and enforce Louisiana's conflicts of interest legislation, campaign finance reporting requirements and lobbyist registration and disclosure laws

Article X, Section 21 of the Louisiana Constitution of 1974 directs the legislature to enact a code of ethics for all officials and employees of the state. This provision further states that one or more boards of ethics shall administer the ethics code. R.S. 42:1152 establishes the Board of Ethics. The staff of the Ethics Administration provides support to the board. In addition to this mission, the Ethics Administration has 11 goals that are shown in Appendix C.

Clients Served. Exhibit 2-5 below shows the types of clients and approximate number of each served by the Ethics Administration during fiscal year 1997-98.

Exhibit 2-5

**Ethics Administration - Clients Served
Fiscal Year 1997-98**

Type of Client	Approximate Number Served
State and local governmental employees	254,000
State and local elected officials	4,000
Candidates for public office	700
Lobbyists	500

Source: Prepared by legislative auditor's staff using information obtained from the Ethics Administration.

Division of Administrative Law's Mission and Goal Align With State Law

The mission and goal of the Division of Administrative Law (DAL) conform to responsibilities given to it by state law. According to the 1997-98 executive budget, the mission is to:

Conduct administrative hearings for a variety of state agencies

R.S. 49:591 creates DAL. DAL began operating in October 1996. R.S. 49:592(A) directs this agency to handle adjudications (hearings) in the manner required by the Administrative Procedure Act. DAL's judges conduct hearings and issue decisions on a variety of hearings that were previously conducted at different state departments. R.S. 49:592(D) exempts some departments and types of hearings from the DAL's jurisdiction. Examples of areas of the agencies exempted include the Department of Agriculture and Forestry, the Public Service Commission, and certain hearings by the assistant secretary of the Office of Conservation at the Department of Natural Resources.

Clients Served. This program has not existed for a full fiscal year, and thus has no historical data for the number of clients served. According to the executive budget, for fiscal year 1997-98 this program expects to:

- Hear 9,500 cases
- Conduct 9,000 hearings
- Issue 7,500 decisions and orders

Potentially Duplicative Functions

We found two potential areas of duplication. First, the three civil service systems perform similar activities for similar purposes, but for different populations. Second, some state departments are still conducting administrative hearings even though state law has moved most of this function to DAL.

We reviewed the programs, functions, and activities of the department to identify any that appear to be overlapping, duplicative, or unneeded. We also reviewed the 1997-98 operational plans, organization charts, and other information

furnished to us by the five entities in the department. We reviewed laws governing these entities. Finally, we discussed possible duplicative and outmoded functions with officials of some of the department's entities.

Three Civil Service Systems Provide Similar Services

As a result of our review, we found that the three civil service systems perform the following similar activities for similar purposes:

- Develop, administer, score and furnish results of tests for recruiting and promoting of personnel
- Prepare classification plans

In addition, both the State Civil Service Commission and the State Police Commission hear and decide appeals of disciplinary cases. Similar functions performed by the civil service systems are shown in Exhibit 2-6 below.

Exhibit 2-6

Civil Service Systems Comparison of Services Provided

Service Provided	State Civil Service	State Police Civil Service	Municipal Fire and Police Civil Service
Administer tests	X	X	X
Develop tests	X	X	X
Score tests, furnish results	X	X	X
Prepare classification plans	X	X	X
Prepare classification and pay plans	X	X	
Hear and decide disciplinary appeals	X	X	

Source: Prepared by legislative auditor's staff using information obtained from the State Civil Service, the Office of State Boarding, Municipal Fire and Police Civil Service, and the State Police Service.

Constitutional provisions for all three systems provide that permanent appointments and promotions in each civil service system shall be under a system based on merit, efficiency, fitness, and length of service. In addition, the duties given the State Police Commission by Article X, Section 41 *et seq.* of the constitution are very similar to the constitutional duties given to the State Civil Service Commission. In fact, Article X, Sections 10(A)(1) and 41(A)(1) of the Louisiana Constitution of 1974 grant these two commissions identical powers to adopt rules and take actions necessary to regulate certain classes of public employees. Thus, the three civil service systems' administrative entities perform many of the same functions, but for different populations.

This potential duplication means the state may be spending more time, money, and effort in performing these functions in three separate systems than if they were combined into a single entity. In addition, each civil service system has some administrative staff. According to department officials, staff of the State Examiner, Municipal Fire and Police Civil Service performs payroll, purchasing, and other administrative support functions. Also, staff of State Civil Service performs these administrative functions for that civil service system. According to a department official, the Division of Administration, Office of Finance and Support, performs payroll and other accounting functions for the State Police Commission. However, staff of the State Police Commission informed us it handles the purchasing function. Thus, consolidation of these three systems could possibly result in some savings in performing administrative functions such as accounting, budgeting, purchasing, payroll, *et cetera*.

Some Departments Still Conduct Their Own Administrative Hearings

The second area of potential duplication is between the Division of Administrative Law and several other state departments. DAL conducts administrative hearings for many state departments. However, some departments, possibly without legal authorization, have not turned over their hearings to the DAL. According to the director of the DAL, the reason for this is that some departments' interpretation of R.S. 49:500 *et seq.* is that they can continue to conduct their own hearings. Three of these departments are the Department of Social Services, Department of Education, and the Department of Health and Hospitals.

Because DIAL and some other departments conduct administrative hearings, the state is probably spending more resources to conduct these hearings than is necessary. DIAL has instituted efficiencies in the hearing process, according to an official at DIAL. To the extent that a department still conducts its own hearings and has not implemented these efficiencies, the state would probably save money and resources by having the DIAL conduct those departments' hearings. Some of the efficiencies instituted by the DIAL are:

- Developing uniform rules for all types of hearings
- Cross-training of judges, so they can hear different types of cases
- Appointing two judges to be specialists in settlement/mediation of cases
- Using pre-hearing conferences and summary procedures to speed resolution of cases
- Centralizing case docketing

There is another adverse effect of some agencies not having their hearings conducted by the DIAL, according to the director of the DIAL. A losing party to a non-DIAL hearing may file suit against the state, claiming that DIAL was the proper forum to have heard the dispute. For example, a losing party to a contract award filed suit a lawsuit against the Division of Administration.

Matters for Legislative Consideration

- 2.1 The legislature may wish to study the feasibility of consolidating some, or all, of the three civil service systems. Although each system serves a different population, these three systems perform some similar functions for similar purposes.
- 2.2 The legislature may wish to give the Division of Administrative Law specific authority to conduct certain other departments' hearings.

Chapter 3: Analysis of Performance Data

Chapter Conclusions

Nearly all mission statements reported in the 1997-98 executive budget for the entities that make up the Department of State Civil Service meet the established criteria. However, less than half of the 34 goals provide a sense of direction on how to address the mission and a destination toward which the entity is striving. Furthermore, only 9 (26%) of the objectives are measurable. Also, only 12 of 38 performance indicators (31%) measure progress toward the objectives. Finally, the majority of the indicators (25, or 63%) are output type indicators, and there are no outcome measures. As a result, the majority of the objectives and indicators do not allow a legislator to make informed funding decisions about these entities.

State Civil Service's goals are consistent with its mission. However, only 2 of the 13 goals provide a direction on how to address the mission and reflect the destination toward which the entity is striving. In addition, all 14 objectives are consistent with the goals and specify desired end results. However, only six are measurable and nine include time frames by which to achieve the end result. Finally, only 10 of the 50 performance indicators (20%) measure progress toward achieving the objectives.

Municipal Fire and Police Civil Service's mission meets the established criteria. However, only two of the three goals meet both criteria. In addition, all seven objectives specify desired end results of the entity, and most (4 of 7) are consistent with the goals. However, only three are measurable and none include time frames. Furthermore, only 2 of the 14 indicators measure progress toward achieving the objectives.

Both goals of the State Police Commission are consistent with the mission, but only one provides a sense of direction on how to address the mission and reflects the destination toward which the entity is striving. Both objectives specify desired end results, but neither is measurable or includes time frames. None of the 13 performance indicators measure progress toward achieving the objectives.

All 11 goals of the Ethics Administration are consistent with the mission. However, only six goals provide a sense of

direction on how to address the mission and reflect the destination toward which the program is striving. In addition, there are no objectives reported in the executive budget for this entity. The two performance indicators are clear and easily understood; however, since there are no objectives, the indicators cannot measure progress toward an objective.

The Division of Administrative Law has five goals that are consistent with the mission. However, only two provide a sense of direction on how to address the mission and reflect the destination toward which the program is striving. The D&L's objective is not measurable or functional. None of the five indicators measure progress toward achieving the objective.

Analysis Conducted

Each entity within the Department of State Civil Service has its own performance data. We compared each entity's performance data that appear in the 1993-98 executive budget to a set of established criteria. The established criteria are shown in Exhibit 3-1 on the following page. Appendix C contains each entity's performance data.

We assessed the following performance data:

- State Civil Service's overall mission statement and 7 overall goals
- State Civil Service's two programs, 7 missions, 6 goals, 14 objectives, and 58 performance indicators
- Municipal Fire and Police Civil Service's mission, 3 goals, 7 objectives, and 14 performance indicators
- State Police Commission's mission, 2 goals, 2 objectives, and 17 performance indicators
- Ethics Administration's mission, 11 goals, and 2 performance indicators
- Division of Administrative Law's mission, 5 goals, 1 objective, and 5 performance indicators

Exhibit 3-1
Criteria Used to Evaluate the
Fiscal Year 1997-98 Executive Budget
Performance Data

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
- ✓ Timely
- ✓ Specifies desired end result

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

- ✓ Measures progress toward objective or contribution 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 Management, OASB, the Internal Office of Management and Budget, and the Urban Institute to show criteria used to evaluate the department's performance data.

**Mission for State
Civil Service
Meets
Established
Criteria**

The State Civil Service's overall mission in the 1997-98 executive budget meets all of the established criteria in Exhibit 3-1. This mission states the primary purpose of State Civil Service and identifies its clients. As a result, legislators will know its purpose and whom it is intended to serve. In addition, State Civil Service's mission is listed in its operational plans. Therefore, we concluded that this mission statement is organizationally acceptable.

**State Civil
Service's Goals
Need
Improvement**

There are seven overall goals for State Civil Service in the executive budget. All seven goals are consistent with State Civil Service's mission and reflect the destination toward which the entity is striving. However, six goals do not provide direction on how to address the mission. For example, the first goal is to "improve the hiring process." Although this goal states a destination of the program, it does not tell a user how this will be accomplished. Therefore, most of these goals tell legislators what the two programs want to accomplish, but not how program managers will do it.

**State Civil Service
Administration
Program's
Performance Data
Meet Most
Criteria**

The performance data reported in the executive budget for the Administration Program of State Civil Service meet most of the criteria in Exhibit 3-1. The mission statements meet all of the established criteria, and the three goals are all consistent with their respective mission statement. Also, the majority of the objectives meet all criteria, and over half of the performance indicators measure progress toward their objectives.

The Administration Program contains three sections:

- Administrative Support
- Appeals
- Management Information Systems

There is a mission, goal, and at least one objective for each section. However, the Administrative Support Section does not have any performance indicators.

Missions. The Administration Program has four mission statements reported in the executive budget, one for each of the sections mentioned previously and one for a Legal Section. According to a State Civil Service official, the Legal Section is not really a section, but is a support group. This is confusing because a legislator or other user of the executive budget will not be able to make this distinction.

All missions meet the established criteria. They identify the overall purposes of the sections that make up the program and their customers. As a result, legislators will know the purposes of the sections and whom they are intended to serve. We also found that the missions are organizationally acceptable. In addition, all missions are clearly identified as such in the executive budget and are consistent with the mission statement for State Civil Service.

Goals. The Administration Program has three goals reported in the executive budget, one for each of the three sections mentioned previously. All three goals are consistent with their respective mission statements. However, two do not provide direction on how to address the mission. For example, the goal for the Appeals Section states it will improve the appeal and discipline processes. This goal tells a legislator what the program wants to accomplish, but not how program managers will accomplish this.

Objectives. The executive budget contains five objectives for this program. However, two objectives contain more than one component. Thus, for analysis purposes, we divided the second and third objectives into two each, for a total of five objectives. Compound objectives make it difficult to associate performance indicators with the component they are supposed to measure. These two objectives would be more useful to legislators if each of them were separated into two objectives.

All of the objectives specify desired end results and are consistent with the goals. Only one objective is not measurable and timebound. Therefore, most of the objectives provide a legislator with useful information about the specific desired achievements of this program.

Performance Indicators. The executive budget contains 15 performance indicators for the Appeals and the Management Information Systems Sections of the Administration Program. However, there are no performance indicators for the Administrative Support Section. Thus, legislators receive no information on this section's performance. Most of the indicators

(15 of 16) are consistent with their objective and are clear. Nine indicators (56%) measure progress toward the stated objectives.

In addition, we classified eight (50%) of the performance indicators as output indicators because they measure the number of customers served. The remaining half is a mixture of input, efficiency, and quality indicators. None of the indicators measure outcome. Outcome indicators are the most important type of indicator, because they measure results and assess program impact and effectiveness. Exhibit 3-2 below shows the results of our analysis of the Administration Program's performance data.

Exhibit 3-2
Results of Comparing Administration Program's
Performance Data to Established Criteria

Mission	<ul style="list-style-type: none"> • 4 of 4 identify the purpose • 4 of 4 identify the customers • 4 of 4 accepted by the agency
Goals	<ul style="list-style-type: none"> • 3 of 3 are consistent with the mission • 3 of 3 provides a sense of direction and reflects the destination
Objectives*	<ul style="list-style-type: none"> • 5 of 5 are consistent with the goals • 4 of 5 are measurable • 4 of 5 are timebound • 5 of 5 specify an end result
Performance Indicators	<ul style="list-style-type: none"> • 9 of 16 measure progress toward objective • 15 of 16 are consistent with the objective • 15 of 16 are clear and easily understood

*Note: Although the executive budget contains three objectives, we divided the second and third objectives into two each for analysis.

Source: Prepared by legislative auditor's staff from results of comparison of 1997-98 executive budget performance data to criteria in Exhibit 3-2.

Human Resource Management Program's Performance Data Need Improvement

State Civil Service's second program is Human Resource Management. The mission statements meet all of the established criteria. However, the three goals meet half the criteria. In addition, less than one-fourth of the objectives are measurable and just over half are timetabled. Furthermore, while most of the performance indicators are consistent with their objectives, only one performance indicator measures progress toward the objective.

The Human Resource Management Program contains three divisions:

- Personnel Management
- Classification and Pay
- Training

There is a mission, a goal, and several objectives and performance indicators for each division reported in the executive budget.

Missions. The Human Resource Management Program's three missions meet the established criteria. As a result, legislators will know the purpose of the divisions and whom they are intended to serve. Also, all missions are clearly identified as such in the executive budget and are consistent with the mission statement for State Civil Service.

Goals. The Human Resource Management Program has three goals, one for each of its three divisions. Each goal is consistent with its respective mission statement and gives the destination of the program. However, none of the goals provide direction on how to address the mission. Therefore, they inform a legislator what the program wants to accomplish, but not how program managers will accomplish it.

Objectives. The executive budget contains one objective for each section, but we divided each objective into three individual ones for analysis. We divided the objectives because each one is long and contains three distinct components. As a result, it may be difficult for an external user to associate performance indicators with the part of the objective they are supposed to measure. These three objectives would be more useful to legislators if each component were a separate objective.

For example, one objective states, "The Personnel Management Division . . . will complete implementation of the new

performance appraisal system by 1998, widen the availability of training by 1998, and begin developing an atmosphere that encourages organizational effectiveness and accountability in state agencies." For some indicators, it is clear which component of the objective they are associated with, based on their portrayal in the executive budget. However, nine indicators are not clearly associated with any component of the objective. Thus, this portrayal diminishes the usefulness of the indicators for making budgetary decisions.

All nine objectives specify desired end results of the program and are consistent with the program's goals. Only two objectives are measurable and five are timebound. Having non-measurable objectives lessen the usefulness of performance indicators because an indicator cannot measure progress toward an objective that does not contain a measurable component.

Performance Indicators. The performance indicators for the Human Resource Management Program provide some useful information for legislators and other internal decision makers. However, only one of the 34 indicators measures progress toward the objective. As a result, the other indicators do not allow a user to determine whether progress is being made toward achieving the stated objective. In addition, 13 of the indicators are clear and 26 are consistent with their objective.

The indicator "Number of Desk Audits Performed" is the only unclear indicator for this program. A legislator or other user of the executive budget may not know what a desk audit is. Therefore, he or she may not know how this indicator relates to the objective. In addition, eight indicators are not consistent with their objective. Two examples are the "Number of Investigations Conducted" and "Number of Affirmative Action Plans Reviewed." Although they provide useful information, they are not consistent with the objective mentioned in the example.

Over three-fourths (27 of 34) of the performance indicators are output indicators. Four are efficiency indicators. However, there are no outcome indicators for this program. Having a mix of types of indicators provides more complete information on program performance. Exhibit 3-3 on page 41 shows the results of our analysis of the Human Resource Management Program's performance data.

Exhibit 3-3
Results of Comparing Human Resource Management Program's Performance Data to Established Criteria

Mission	<ul style="list-style-type: none"> • 3 of 3 identify the purpose • 3 of 3 identify the customers • 3 of 3 accepted by the agency
Goals	<ul style="list-style-type: none"> • 3 of 3 are consistent with the mission • 0 of 3 provides a sense of direction and reflects the destination
Objectives*	<ul style="list-style-type: none"> • 9 of 9 are consistent with the goals • 2 of 9 are measurable • 5 of 9 are timebound • 9 of 9 specify an end result
Performance Indicators	<ul style="list-style-type: none"> • 1 of 34 measures progress toward objective • 28 of 34 are consistent with the objective • 23 of 34 are clear and easily understood

*Note: Although the executive budget contains three objectives, we divided each objective into three individual ones for analysis.

Source: Prepared by legislative auditor's staff from results of comparison of 1997-98 executive budget performance data to criteria in Exhibit 3-1.

Recommendations

With the assistance of the Division of Administration, Office of Planning and Budget, State Civil Service should:

- 3.1 Ensure that goals meet the criteria in Exhibit 3-1.
- 3.2 Ensure that each objective contains a measurable target to be achieved and a time frame for accomplishment. Also, each objective

that contains multiple components should be divided into individual objectives.

- 3.3 Ensure that performance indicators measure progress toward achieving objectives. In addition, both programs should have a mix of different types of performance indicators.**

Municipal Fire and Police Civil Service's Objectives Need Improvement

The performance data for Municipal Fire and Police Civil Service meet most of the criteria in Exhibit 3-1. All of this entity's performance data are presented in the executive budget in the Administration Programs. The mission statement and two goals of this program meet all of the established criteria. However, less than half of the objectives are measurable and none are timebound. All of the performance indicators are clear and consistent with their objectives. However, only 2 of the 14 performance indicators measure progress toward the objective.

Mission. The mission statement of the Municipal Fire and Police Civil Service meets all of the established criteria. As a result, legislators will know the purpose of the program and whom it is intended to serve. Also, the mission is clearly identified as such in the executive budget.

Goals. This program has three goals reported in the executive budget, and two of the three meet the established criteria. However, one goal does not reflect the destination of the program. As a result, it does not clearly identify the general end purpose toward which effort is directed.

Objectives. The executive budget contains three objectives for this program, but they each have more than one component. Thus, we divided these three objectives into seven individual ones for analysis. As with State Civil Service, it would be easier for legislators to see the objectives if the components were stated as individual objectives.

Six objectives are consistent with the program's goals. The last objective is to "encourage employee training in the classified service." However, none of the goals address this as a destination of the program. In addition, only three objectives are measurable and none are timebound. Non-measurable objectives having no

specified time frames do not provide specific targets for achievement. Furthermore, performance indicators cannot measure progress made toward non-measurable objectives. Finally, all seven objectives specify desired end results.

Performance indicators. The performance indicators provide some useful information for legislators and other external users. Although all 14 indicators are clear and consistent with their objectives, only two measure progress toward the objectives. Also, the majority of the indicators are output type and there are no outcome measures. Outcome indicators are the most important type of indicator, because they measure results and assess program impact and effectiveness. As a result, these indicators do not allow a legislator to make informed decisions about this program.

In addition to the 14 mentioned above, 30 performance indicators appear in the executive budget for this program immediately following the program description. They provide background information on Municipal Fire and Police Civil Service to an external user. For example, there are indicators that tell the number of parishes covered, number of employees in the system, and cost per employee in the system. However, we did not analyze these indicators because they are not associated with an objective.

Also, one objective appears to have no associated performance indicators. This objective is to encourage employee training in the classified service. It may be difficult to develop performance indicators for this objective, because it is not measurable or timebound. However, without performance indicators, it is impossible to determine whether progress is being made toward achieving this objective. Exhibit 3-4 on page 44 summarizes the results of comparing this program's performance data to the established criteria.

Exhibit 3-4
Results of Comparing Municipal Fire and Police Civil Service's Performance Data to Established Criteria

Mission	<ul style="list-style-type: none"> • Identify purpose • Identify customers • Accepted by agency
Goals	<ul style="list-style-type: none"> • 3 of 3 are consistent with the mission • 2 of 3 provide a sense of direction and reflect the destination
Objectives*	<ul style="list-style-type: none"> • 6 of 7 are consistent with the goals • 3 of 7 are measurable • 6 of 7 is timebound • 7 of 7 specify an end result
Performance Indicators	<ul style="list-style-type: none"> • 2 of 14 measure progress toward objective • 14 of 14 are consistent with the objective • 14 of 14 are clear and easily understood

*Note: Although the executive budget contains three objectives, we divided these objectives into seven individual ones for analysis.

Source: Prepared by legislative auditor's staff from results of comparison of 1997-98 executive budget performance data to criteria in Exhibit 3-1.

Recommendations

With the assistance of the Division of Administration, Office of Planning and Budget, Municipal Fire and Police Civil Service should:

- 3.4 Ensure that each objective contains a measurable target to be achieved and a time frame for accomplishment. Also, each objective that contains multiple components should be divided into individual objectives.

- 1.5 Ensure that all performance indicators measure progress toward achieving the related objectives. In addition, ensure that there is a mix of different types of performance indicators.

State Police Commission's Objectives and Indicators Meet Few Criteria

Some of the State Police Commission's performance data need improvement. Its mission statement meets all of the criteria and its goals meet most of the criteria. However, the objectives are not measurable or timebound. Furthermore, none of the performance indicators measure progress toward the objectives. As a result, the commission's performance data may not be useful for budgetary decision-making.

Mission. The mission statement meets the established criteria. As a result, legislators will know the purpose of the program and whom it is intended to serve. Also, it is clearly identified in the executive budget.

Goals. This entity has two goals reported in the executive budget. Both goals are consistent with the mission statement. Also, both goals tell what direction this entity will take to address the mission. However, one goal does not reflect the destination toward which the program is striving. Therefore, this goal does not clearly identify the general end purpose toward which effort is directed.

Objectives. There are only two objectives in the executive budget for this program. Neither is measurable or timebound. As a result, the performance indicators are unable to measure progress made toward these objectives. Therefore, a legislator is unable to make informed decisions about the program's performance. For the 1998-99 executive budget, the commission has added more objectives and performance indicators.

Both objectives specify the desired end results of the program, but only one is consistent with the goals. The first objective says it will administer a personnel system that will address employees' problems and assist the Office of State Police in recruiting and retaining State Police officers. This objective is not consistent with the goals because neither goal addresses recruitment activities. Therefore, there is no clear sense that recruiting and retaining qualified officers is a general end purpose of the program.

Performance Indicators. There are 17 performance indicators for this program. None of them measure progress toward the objectives because indicators cannot measure progress toward non-measurable objectives. Therefore, these indicators cannot tell a legislator whether progress is being made toward the objectives. However, 17 indicators are consistent with the objectives and 12 are clear and easily understood.

In addition, five indicators are unclear. The activities mentioned in these indicators may be unfamiliar to an external user of the executive budget. For example, it is unlikely that a user will know what is meant by a general circular or by the number of commission items. Therefore, the user may not understand what the program is doing to accomplish its objectives.

In addition to these 17 performance indicators, 8 others appear in the executive budget immediately following the program description. They provide general information about the State Police Commission to an external user. However, we did not analyze these indicators because they are not associated with an objective. However, these indicators give information that may be useful to legislators such as cost per employee in the system and number of employees covered by the commission.

The State Police Commission has a mix of types of performance indicators; however, there are no outcome indicators to measure results or show effectiveness of the program. Exhibit 3-5 on page 67 shows the results of comparing the State Police Commission's performance data to the established criteria.

Exhibit 3-5	
Results of Comparing the State Police Commission's Performance Data to Established Criteria	
Mission	<ul style="list-style-type: none"> • Identifies the purpose • Identifies the customers • Accepted by the agency
Goals	<ul style="list-style-type: none"> • 2 of 2 are consistent with the mission • 1 of 2 provides a sense of direction and reflects the destination
Objectives	<ul style="list-style-type: none"> • 1 of 2 is consistent with the goals • 0 of 2 is measurable • 0 of 2 is timebound • 2 of 2 specify an end result
Performance Indicators	<ul style="list-style-type: none"> • 0 of 17 measure progress toward objective • 17 of 17 are consistent with the objective • 12 of 17 are clear and easily understood
<p>Source: Prepared by legislative auditor's staff from results of comparison of 1993-94 executive budget performance data to criteria in Exhibit 3-1.</p>	

Recommendations

With the assistance of the Division of Administration, Office of Planning and Budget, State Police Commission should:

- 3.6 Ensure that goals meet the criteria in Exhibit 3-1.
- 3.7 Ensure that all objectives contain a measurable target to be achieved and a time frame for accomplishment.

- 1.8 Ensure that all performance indicators measure progress toward achieving objectives. Also, State Police Commission should develop some outcome performance indicators.

**No Objectives
Reported in
Executive Budget
for Ethics
Administration**

The Ethics Administration's performance data do not provide sufficient information for budgetary decision-making. This program's mission statement meets two of the three established criteria. In addition, all 11 goals meet one of the two criteria. However, the executive budget reports no objectives and two performance indicators.

Mission. The mission statement that appears in the executive budget for Ethics Administration meets two of the established criteria. It identifies the overall purpose for the program and is organizationally acceptable. However, it does not identify the customers and users of the program. As a result, the mission does not tell users of the executive budget whom the program is intended to serve.

Goals. This program has 11 goals reported in the executive budget. There are three goals for Ethics, and four each for Campaign Finance Disclosure and Lobbyist Registration. All of the goals are consistent with the mission statement. However, four do not provide a sense of direction as how to address the mission. As a result, they inform a legislator what the program wants to accomplish, but not how program managers will accomplish this. Also, one goal does not give a destination of the entity.

Objectives. There are no objectives reported in the executive budget for this program. Without objectives, a legislator cannot determine what the program is attempting to accomplish and in what time frame. In addition, performance indicators have nothing to measure against. As a result, a legislator does not know what level of performance to expect for the dollars appropriated.

We reviewed the Ethics Administration's operational plan for fiscal year 1997-98. It contained 16 objectives, however, OPI did not include them in the executive budget. The new Board of Ethics and the Ethics Administration are still working toward developing these objectives and the related performance indicators.

Performance Indicators. There are two indicators reported for this program. Since there are no objectives, the indicators cannot measure program made toward an objective. However, the two indicators are clear and easily understood. Exhibit 3-6 below summarizes the results of comparing the performance data of the Ethics Administration to the established criteria.

Exhibit 3-6

Results of Comparing the Ethics Administration Program's Performance Data to Established Criteria

Mission	<ul style="list-style-type: none"> • Identifies the purpose • Does not identify the customers • Accepted by the agency
Goals	<ul style="list-style-type: none"> • 11 of 11 are consistent with the mission • 6 of 11 provide a sense of direction and reflect the destination
Objectives	<ul style="list-style-type: none"> • None
Performance Indicators	<ul style="list-style-type: none"> • 0 of 2 measure progress toward objective⁴ • 0 of 2 is consistent with the objective⁴ • 2 of 2 are clear and easily understood

⁴Note: There is no objective to measure progress toward, or with which to determine consistency.

Source: Prepared by legislative auditor's staff from results of comparison of 1997-98 executive budget performance data to criteria in Exhibit 3-1.

Recommendations

With the assistance of the Division of Administration, Office of Planning and Budget, the Ethics Administration should:

- 3.9 Ensure its mission and goals meet the criteria in Exhibit 3-1.

- 3.10 Formulate objectives that meet the criteria in Exhibit 3-1.
- 3.11 Ensure that all performance indicators measure progress toward achieving the objectives. In addition, develop a mix of different types of performance indicators.

**Division of
Administrative
Law's
Performance
Data Need
Improvement**

The Division of Administrative Law's (DAL) mission statement meets all of the criteria. However, of the five goals, only two meet both criteria. There is one objective, which is not measurable or timelimited. There are also five performance indicators, but none measure progress toward the objective. Thus, legislators may not be able to use DAL's performance data to make budgetary decisions.

Mission. The mission statement meets the established criteria. As a result, legislators will know the purpose of the program and whom it is intended to serve.

Goals. This program's five goals are all consistent with the mission. However, two do not provide the direction on how to address the mission. As a result, these two goals tell legislators what the program wants to accomplish, but not how program managers will do it. Also, one goal does not give a destination of the entity.

Objective. There is only one objective for DAL in the executive budget. It is not measurable or timelimited. As a result, this objective does not tell legislators the program's specific targets for achievement. In addition, performance indicators do not have anything to measure toward. However, the objective is consistent with the goals and specifies a desired end result of the program.

Performance Indicators. There are five proposed performance indicators listed in the 1997-98 executive budget for DAL. There is no numeric data reported for these indicators because the division was created in October 1996. The DAL's 1998-99 operational plan contains four of these five indicators, and reports numeric data for them.

None of the five performance indicators measure progress toward the objective. This is because the objective does not include targets for the indicators to measure progress toward.

Four indicators are consistent with the objective. This means that the performance indicators in some way relate to the objective. The inconsistent indicator is "amount of penalties assessed." The objective does not address assessing penalties as part of the end result. All five indicators are clear and easily understood.

This program does not have a mix of different types of indicators. There are four output indicators and one input indicator, but no outcome indicators to measure results of this program. Exhibit 3-7 below shows the results of comparing the DAL's performance data to the established criteria.

Exhibit 3-7

Results of Comparing the Division of Administrative Law's Performance Data to Established Criteria

Mission	<ul style="list-style-type: none"> • Identifies the purpose • Identifies the customers • Accepted by the agency
Goals	<ul style="list-style-type: none"> • 5 of 5 are consistent with the mission • 2 of 5 provide a sense of direction and reflect the destination
Objective	<ul style="list-style-type: none"> • 1 of 1 is consistent with the goals • 0 of 1 is measurable • 0 of 1 is timebound • 1 of 1 specifies an end result
Performance Indicators	<ul style="list-style-type: none"> • 0 of 5 measure progress toward objective • 4 of 5 are consistent with the objective • 5 of 5 are clear and easily understood

Source: Prepared by legislative auditor's staff from results of comparison of 1993-98 executive budget performance data to criteria in Exhibit 3-1.

Recommendations

With the assistance of the Division of Administration, Office of Planning and Budget, the Division of Administrative Law should:

- 3.12 Ensure that each objective contains a measurable target to be achieved and includes a time frame for accomplishment.
- 3.13 Ensure that indicators measure progress toward objectives. In addition, DAL should formulate a mix of different types of performance indicators.

Appendix A
List of References

Appendix A: List of References

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Appendix B

Boards, Commissions, and Like Entities Related to the Department of State Civil Service

Appendix B: Boards, Commissions, and Like Entities

Board, Commission, or Like Entity	Legal Authority	Purpose/Function
State Civil Service Commission	Article X, Section 7 of the 1974 Louisiana Constitution	<ul style="list-style-type: none"> • Administer and regulate the classified state civil service
Advisory Board on In-service Training and Education	R.S. 42:1261	<ul style="list-style-type: none"> • Advise the Department of State Civil Service and the Division of Administration on training programs for officials and employees of all state agencies • Award certifications to employees successfully completing all requirements in the management development program
Board of Ethics	R.S. 42:1132	<ul style="list-style-type: none"> • Administer and enforce provisions of the Code of Governmental Ethics with respect to all non-elected state and local governmental officials, appointees, employees, as well as state and local elected officials • Administer and enforce provisions of the Campaign Finance Disclosure Act and Election Integrity Act • Administer and enforce provisions of the Lobbyist Disclosure Act • Receive complaints of possible violations of the Code of Governmental Ethics, conduct public hearings, and render advisory opinions • Establish and implement a training/policy program to educate members of local boards and commissions about the Code of Governmental Ethics
State Police Commission	Article X, Section 43 of the 1974 Louisiana Constitution	<ul style="list-style-type: none"> • Administer and regulate the state police: classified and unclassified service

Board, Commission, or Like Entity	Legal Authority	Purpose/Function
Municipal Fire and Police Civil Service Boards*	R.S. 33:2476 and 33:2736	<ul style="list-style-type: none"> • Represent the public interest in matters of personnel administration in the fire and police service • Advise and assist the governing body, mayor, commissioner of public safety and the chiefs of the fire and police departments, with reference to the maintenance and improvement of personnel standards and administration in the fire and police services, and the classified system • Advise and assist employees in the classified service with reference to the maintenance, improvement and administration of personnel matters • Make any investigation concerning the administration of personnel or compliance with law in any municipal fire and police service • Conduct investigations and pass upon complaints by or against any officer or employee in the classified service for the purpose of demotion, reduction in position, or abolition thereof, and suspension or dismissal of an officer or employee • Hear and pass upon matters which a mayor, commissioner of public safety, chief of a fire or police department, and the state examiner of municipal fire and police civil service bring before it • Make, alter, amend, and promulgate rules as necessary • Adopt and maintain a classification plan • Make reports to the governing body regarding general or special matters of personnel administration for the municipal fire and police services of the municipality, or appropriations for incidental board expenses

*Note: According to officials at the Office of State Examiners, there are presently 78 boards in the State.

Source: Prepared by legislative auditor's staff using the April 1997 Boards, Commissions, and Like Entities Report to the Legislature and state laws.

Appendix C

Department of State Civil Service's Performance Data in the 1997-98 Executive Budget

Appendix C: Performance Data in the 1997-98 Executive Budget

Exhibit C-4 State Civil Service Performance Data Reported in 1997-98 Executive Budget

Mission: Develop and administer human resource practices that enable employees and organizations to provide cost-effective, quality services in a manner that is consistent with Article X of the Louisiana Constitution and consistent with the unique requirements of operating in the public sector.

Goals:

1. Improve the hiring process.
2. Increase the flexibility and responsiveness of the classification and pay program.
3. Increase our commitment to and the availability of training.
4. Improve the appeal and discipline processes.
5. Promote effectiveness and accountability in state agencies and their employees.
6. Improve the state's personnel records system.
7. Enhance the ability of the department to meet its goals through information systems management and the use of technology.

Source: Prepared by legislative auditor's staff using 1997-98 executive budget.

Exhibit C-2
**State Civil Service - Administration Program
Performance Data Reported in 1997-98 Executive Budget**

Administrative Support Section

Mission: Provide financial and managerial control of department operations.

Goal: Permit the department to accomplish its programmatic objectives in compliance with all legal requirements.

Objectives	Performance Indicators
Allow the Department of State Civil Service to perform those responsibilities mandated for it in the state constitution in an effective and efficient manner.	None

Appeals Section

Mission: To hear employees' complaints that their fundamental rights have been violated and to provide decisions that are consistent with the basic tenets of the merit system, the civil service article, the civil service rules, existing jurisprudence and equity.

Goal: Improve the appeal and discipline processes.

Objectives	Performance Indicators
Speed up and improve appeal hearings so that, by 1998, there are no unheard cases over 12 months old, there are no unheard separation cases over 5 months old, and 90% of the users are satisfied that the hearing was fair.	<ul style="list-style-type: none"> • Number of unheard cases (with length of time unheard) • Number of unheard separation cases (with length of time unheard) • Percentage user satisfaction • Number of incoming appeals • Total backlog • Average time to hear and decide appeal (in months)
Speed up appeal decisions so that, by 1998, 80% of referred decisions are rendered within one month.	<ul style="list-style-type: none"> • Time to render 80% of appeal decisions • Number of final dispositions

Exhibit C-2 (Cont.)**State Civil Service - Administration Program
Performance Data Reported in 1997-98 Executive Budget****Management Information System Section**

Mission: Provide an accurate, reliable, responsive mechanism for maintaining the official personnel and position records of the state, and to enhance the ability of the users, both within the department and in personnel offices throughout the state, to meet or exceed their goals by providing for effective information management through the analysis, design, and implementation of automated and manual information systems.

Goals: Improve the state's personnel records systems and enhance the ability of the department to meet its goals through information systems management and the use of technology.

Objectives:

By 1998, develop and begin implementation of a plan for staffing and utilization of new technology for the maintenance, retention, and retrieval of records so that processing time for personnel actions will be no more than five days.

Provide department-wide Internet access and electronic mail by 1998.

Performance Indicators:

- Average processing time for personnel actions (in days)
- Records section staffing level
- Number of personnel actions processed
- Number of special reports provided
- Percentage of department computers with Internet access
- Percentage of department computers with electronic mail
- User satisfaction level (based on survey)
- Number of computers in department

Legal Section

Mission: Give advice and counsel to executive branch managers regarding personnel practices, education of executive branch managers regarding the effect of state and federal laws upon personnel practices, advice and counsel to the department and commissions, and defense of lawsuits and civil service appeals.

Goals: None

Objectives: None

Performance Indicators: None

Source: Prepared by legislative auditor's staff using the 1997-98 executive budget.

 Exhibit C-3

 State Civil Service - Human Resource Management Program
 Performance Data Reported in 1997-98 Executive Budget

Personnel Management Division

Mission: Promote effective personnel management practices throughout state government, check and enforce compliance with civil service rules, and provide assistance with federal and state laws, as appropriate or designated.

Goals: Increase commitment to and the availability of training and promote effectiveness and accountability in state agencies and their employees.

Objectives:	Performance Indicators:
Complete implementation of the new performance appraisal system by 1998.	<ul style="list-style-type: none"> • In 1998, the Department of State Civil Service developed a new performance planning and review system for all classified state employees • Number instructed in new performance appraisal system • Percentage satisfaction with new system (based on survey)
Widen the availability of training by 1998.	<ul style="list-style-type: none"> • Number of employees instructed • Number of sites of instruction • Percentage satisfied with instruction
Begin developing an atmosphere that encourages organizational effectiveness and accountability in state agencies.	<ul style="list-style-type: none"> • Number of agency technical visits made and audit compliance audits conducted
No objective - indicators providing supporting data.	<ul style="list-style-type: none"> • Number of investigations conducted • Number of general circulars issued • Number of contracts reviewed • Number of personnel manual changes • Number of layoffs resolved • Number of commission items • Number of affirmative action plans reviewed • Number of legislation reviews conducted • Number of personnel transactions

Exhibit C-3 (Cont.)

**State Civil Service - Human Resource Management Program
Performance Data Reported in 1997-98 Executive Budget**

Classification and Pay Division

Mission: Maintain an equitable and uniform job evaluation and pay system for all classified state employees.

Goals: Increase the flexibility and responsiveness of the classification and pay programs.

Objectives	Performance Indicators
<p>Begin giving agencies more authority in allocation decisions by completing training of agency human resource personnel in allocation criteria and delegating selected jobs to them by 1998.</p>	<ul style="list-style-type: none"> • Number of job titles delegated to agencies • Percentage of positions allocated by agencies • Number of agency training sessions conducted • Number of agency human resource personnel trained
<p>Make or review allocations with an average processing time of 60 days by 1998.</p>	<ul style="list-style-type: none"> • Average processing time for job allocations • Number of job allocation requests processed
<p>Respond more efficiently to pay problems by 1998.</p>	<ul style="list-style-type: none"> • Number of pay study requests processed • Number of changes to the pay plan • Number of classification studies processed • Number of days to process classification studies • Number of desk audits performed • Number of salary surveys performed

Exhibit C-3 (Cont.)
**State Civil Service - Human Resource Management Program
 Performance Data Reported in 1997-98 Executive Budget**

Examining Division

Mission: Enable agencies to meet their staffing needs in a timely fashion by hiring and promoting the best qualified applicants.

Goal: Improve the hiring process.

Objectives:

- Begin reducing the percentage of unavailable applicants on certificates.
- Start reducing the waiting period to take tests.
- Begin improving service to clients.

Performance Indicators:

- Number of job applicants
- Number of test administrations
- Number of job opportunities per test administration
- Number of certificates issued
- Average length of time to issue certificates (in days)
- Percentage of certificates issued within one week

Source: Prepared by legislative auditor's staff using 1997-98 executive budget.

Exhibit C-4
Municipal Fire and Police Civil Service
Performance Data Reported in 1997-98 Executive Budget

Mission: Administer an effective, cost-efficient civil service system based on merit, efficiency, fitness, and length of service, consistent with the law and professional standards, for firefighters and police officers in all municipalities in the state having populations of not less than 7,000 nor more than 400,000 inhabitants, and in all parish fire departments and fire protection districts regardless of population, in order to provide a continuity in quality in law enforcement and fire protection for citizens of the state in both rural and urban areas.

Goals:

1. Administer tests of fitness for original entrance and promotion to applicants for positions in the municipalities or fire protection districts; score the tests and furnish the results to the board for which the tests are given.
2. Provide an orderly system of personnel management for each fire and police department to which the system applies by providing each local board a classification plan appropriate for that jurisdiction to facilitate the proper allocation of each position with the classified service, as well as insuring that all personnel actions are within the framework of the law so that such actions as necessary may be taken when deficiencies are noted.
3. Provide for the overall administration of the statewide Municipal Fire and Police Civil Service System by responding to requests for assistance concerning the operation of the system and providing advice and guidance as necessary to an anticipated 55-100 local civil service boards, along with the respective appointing authorities, departmental chiefs, governing bodies, and employees within the system.

Objectives:

Ensure that all examinations administered are appropriately validated in accordance with professional and legal standards for the jurisdictions for which they are administered.

Performance Indicators:

- Number of new tests developed

Exhibit C-1 (Cont.)
Municipal Fire and Police Civil Service
Performance Data Reported in 1997-98 Executive Budget

Objectives	Performance Indicators
Provide the examinations and test results within a reasonable time frame in response to boards' requests by efficiently producing, administering, and grading examinations. The program will administer examinations within 90 days from receipt of exam request to the administration of the examination and return grades to the local civil service boards within 30 days of examination date.	<ul style="list-style-type: none"> • Number of examinations administered • Number of candidates examined • Average number of days from receipt of exam request to date of exam • Average number of calendar days to process grades • Number of administration program staff • Ratio of administration program staff to number of candidates examined
Make appropriate testing accommodations when requested by local boards under the Americans with Disabilities Act (ADA).	<ul style="list-style-type: none"> • Number of Americans with Disabilities Act (ADA) requests
Develop and maintain a uniform and comprehensive classification plan within each department for all jurisdictions.	<ul style="list-style-type: none"> • Number of new or updated job analysis studies • Number of class specifications written or revised
Advise local boards when personnel actions are not appropriate or in compliance with civil service laws.	<ul style="list-style-type: none"> • Number of personnel action forms processed • Average number of days to process personnel action forms
Assist the various boards in an advisory capacity in the discharge of their duties; assist and cooperate in an advisory manner with the various appointing authorities, department officials, and the classified employees of the municipalities regarding the duties and obligations imposed upon them by statutory provisions.	<ul style="list-style-type: none"> • Approximate number of contacts with jurisdictions and public to respond to requests for examinations, advice and guidance (by telephone, letter, and meeting) • Number of board hearings attended
Encourage employee training in the classified service.	<ul style="list-style-type: none"> • None

Source: Prepared by legislative auditor's staff using the 1997-98 executive budget.

Exhibit C-8
State Police Commission
Performance Data Reported in
1997-98 Executive Budget

Mission: Provide a separate personnel system for the commissioned officers of the Louisiana State Police.

Goals:

1. Continue to maintain a timely disciplinary and appeals process.
2. Maintain and periodically update the uniform pay and classification plan.

Objectives:

Administer a personnel system that will address the unique problems of these commissioned employees in the state's primary law enforcement agency and will assist the Office of State Police in recruiting and retaining qualified State Police Officers.

Maintain a disciplinary and appeals process that allows both the management of Louisiana State Police and the individual trooper to react in a very timely manner to personnel problems.

Performance Indicators:

- Number of personnel actions processed
- Average processing time for personnel actions (In Days)
- Number of job applicants - Cadet Only
- Number of tests conducted (Test Sessions)
- Number of candidates tested
- Number of office personnel involved in testing
- Ratio of candidates tested to office personnel involved in testing
- Number of certificates issued
- Average length of time to issue certificates (In Days)
- Percentage of applicants tested who pass
- Average number of calendar days to process grades
- Number of investigations conducted
- Number of general circulars issued
- Number of commission items
- Number of appeals received
- Number of appeals resolved/disposed
- Average length of time to hear and decide appeal

Source: Prepared by legislative auditor's staff using 1997-98 executive budget.

Exhibit C-6
Ethics Administration
Performance Data Reported in 1997-98 Executive Budget

Mission: Administer and enforce Louisiana's conflicts of interest legislation, campaign finance reporting requirements and lobbyist registration and disclosure laws.

Goals:

Ethics

1. Improve level of education and awareness by public servants in order to ensure compliance with conflicts of interest standards.
2. Improve the public's awareness of conflicts of interest standards in order to ensure enhanced confidence in the public's perception of the integrity and independence of governmental officials.
3. Reduce the delays between Board of Ethics initiation of investigations and final Board resolution.

Campaign Finance Disclosure

1. Increase knowledge and awareness by candidates and committees of reporting and disclosure requirements.
2. Increase in detail and in scope the auditing of campaign finance disclosure reports in order to ensure maximum compliance.
3. Develop and administer adjudication procedures for redressing applicable violations of campaign finance standards.
4. Enhance public access to disclosed information.

Lobbyist Registrations

1. Develop, publish, and distribute registration and reporting forms and instructional material.
2. Track registration and reporting filings in order to ensure compliance with statutorily mandated requirements.
3. Develop and administer remedial actions for the imposition and collection of civil fines in order to ensure compliance with statutorily mandated requirements.
4. Enhance public access to disclosed information.

Objectives

None

Performance Indicators:

- Ethics administration program budget
- Total number of Ethics Administration Program staff positions (T.D.)

Source: Prepared by legislative auditor's staff using 1997-98 executive budget.

Exhibit C-7
Division of Administrative Law
Performance Data Reported in 1997-98 Executive Budget

Mission: Conduct administrative hearings for a variety of state agencies.

Goals:

1. Provide due process to the citizens of the state and to the executive branch agencies, through independent and impartial decision makers.
2. Be flexible and reasonable in conducting administrative hearings and carrying out the intent of the legislature.
3. Protect the role of the administrative law judge as an impartial hearing officer.
4. Continue to develop a more efficient and fair hearing process by (a lengthy list of items are listed as bullet points in the executive budget).
5. Develop a system of billing agencies for the division's services.

Objective:

Efficiently and fairly conduct hearings and issue opinions and orders as required by law.

Performance Indicators:

- Number of cases docketed
- Types of hearings conducted
- Number of hearings conducted
- Amount of penalties assessed
- Number of decisions and orders issued

Source: Prepared by legislative auditor's staff using 1997-98 executive budget.

Appendix D
State Civil Service's
Response



STATE OF LOUISIANA
DEPARTMENT OF CIVIL SERVICE
P. O. BOX 9431, CAPITOL STATION
BATON ROUGE, LA 70804-9431

Executive Section
(504) 342-8272
FAX (504) 342-8074
TDD 1-800-846-5277
<http://www.dcsos.state.la.us>

January 21, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-0397

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Dear Dr. Kyle:

This letter is our response to your draft of the preliminary results of your performance audit for the Department of State Civil Service. We do not feel that an exit conference is necessary.

We agree with your findings and will continue to work to improve our planning and budgetary information with the Office of Planning and Budget.

We would like to add that working with Mr. Robert Bruce and other members of your staff has been a pleasure.

If you would like additional information, please do not hesitate to call.

Sincerely,

Allen H. Reynolds
Director

Appendix E

Municipal Fire and Police Civil Service's Response

systems, a mission which she felt that they fulfilled. Ms. Robinson was also unable to provide any specific details concerning administrative expenses that might be saved by combining the systems. It is our belief that the casual reader of this report would assume that both similarities and differences were considered and that the legislative Auditor had identified sufficient justification to support the recommendation that it would be in the best interest of the state to combine the systems. We respectfully disagree.

The Office of State Examiner tests applicants for employment or promotion in 83 independent municipalities or fire protection districts throughout the state. The Municipal Fire and Police Civil Service System operates under a law with different provisions than do the other two civil service systems. The differences in the law affect both how the tests are administered, as well as how they are developed. Tests are administered on-site for each jurisdiction, and not at regional testing sites, the use of which might jeopardize the area's fire or police protection in case of an emergency. In addition, upper-level promotional examinations must be custom designed for each jurisdiction based upon local job analysis information. In other words, a Police Lieutenant examination is not the same from city to city, but varies depending upon the duties and responsibilities inherent in the class in the respective jurisdictions. Entrance level examinations developed for multi-jurisdictional use must still be supported by modular job analysis components from each jurisdiction of use for purposes of legal defensibility. Certification of eligibles is also different in this system in that there is no restriction for the selection of candidates by grade groups or grade order. On competitive examinations, the appointing authority may select the best qualified individual who passes the test. On promotional examinations, on the other hand, the promotional appointment must be offered to the individual passing the test with the greatest total departmental seniority. The same differences exist when discussing classification plans. Within the Municipal Fire and Police Civil Service System, classification plans are prepared in concert with each local civil service board for that specific jurisdiction. By necessity, separate and distinct class plans are developed specifically for each department - there is no standard class plan for all employees in the state having what would appear to be the same class title. Finally, while the administrative procedural differences were not mentioned in your report, it is significant to note that the Office of State Examiner has no rule-making power as does the Department of State Civil Service. In the Municipal Fire and Police Civil Service System, rule making power is vested with the local civil service boards. In short, the Department of State Civil Service reports to and works with one commission; the office of State Examiner has advisory authority over independent civil service boards with unique problems, rules

Dr. Darrel G. Kyle, Legislative Auditor
February 4, 1990
Page 3

and classification plans in all of the independent jurisdictions located throughout the state.

In examining the statement in the report which stated, "Thus, consolidation of these three systems could possibly result in some savings in performing administrative functions such as accounting, budgeting, purchasing, payroll, etc.," the shifting of these functions to a single oversight entity would merely add another layer of bureaucracy that would inhibit rather than enhance this agency's efficiency and our ability to provide services to those we are required to serve. Without careful study of the time spent on specific functions, as well as a study of the additional time that would be required to process work through another layer of the approval process, a presumption of savings or gained efficiency would be without foundation.

Considering the significant differences between the Municipal Fire and Police Civil Service System and the other state civil service entities, I respectfully suggest that the efficiency of this agency would be impaired by consolidation, rather than improved, despite the apparent simplicity of the argument for duplication of functions found in the report. Please do not hesitate to contact me if I might provide you with any additional information in this regard.

Sincerely,



Paul E. Dwyer
State Examiner

Appendix F
State Police Commission's
Response



State Police Commission

Post Office Box 66555
Baton Rouge, La. 70804-6555
Phone (504) 626-7087
Fax (504) 626-7088

February 04, 1998

Mr. Daniel C. Kyle, Legislative Auditor
Office of Legislative Auditor
Post Office Box 94297
Baton Rouge, Louisiana 70804-9297

Dear Mr. Kyle:

Please accept this correspondence as my response to the Analysis of Program Authority and Performance Data for the Department of State Civil Service, a copy of which I received on January 20, 1998.

Concerning measurable and time bound objectives, it was my understanding that the goals and objectives of the operational plan were for a particular fiscal year, thereby making them an annual plan. However, in future operational plans, all goals and objectives will be more specifically time bound.

As regards recruitment activities, some duties performed by this office are telephone calls regarding employment, mailing of applications, review of submitted applications, and the testing of applicants. This staff makes yearly pay plan recommendations to the State Police Commission regarding adjustments to be made to the salaries paid State Police officers, to retain employees. Such pay plan recommendations may be merely a market grade adjustment or an entire new pay structure.

To define further indicators, please accept the following as a clarification of terms utilized: "General Circular" is a written communication utilized to disseminate information concerning such items as public hearings, Commission meetings and policy changes. "Commission Item" is an item placed on the agenda of the monthly State Police Commission meeting, which requires action by the Commission. (i.e., pay plan matters, rule changes, minute approval, appeal hearings, etc.)

In closing, I would like to take this opportunity to inform you that this audit was being performed while the training was being conducted on the development of an operational plan. Through this training, some items listed in the audit have been corrected in the Fiscal Year 1998/99 proposed operational plan that accompanied the proposed budget on November 15, 1997. This was an unfortunate set of circumstances.

If you have any questions, or if I can be of any other assistance to you, please feel free to contact me.

Sincerely,

Debra L. Johnson

Debra L. Johnson
Director

Appendix G
Ethics Administration's
Response



STATE OF LOUISIANA
DEPARTMENT OF GOVERNMENT SERVICE
LOUISIANA BOARD OF ETHICS
4011 BARRINGER, SUITE 1000
MONROE, LOUISIANA 70130
PHONE: 225-389-1100
FAX: 225-389-1101

February 2, 1998

Dr. Dan G. Kyle, CPA, CFE
Office of the Legislative Auditor
P. O. Box 94597
Baton Rouge, LA 70804-8597

Re: *Response to Analysis of Program Authority and Performance Issue*

Dear Dr. Kyle:

The following response is submitted by the Ethics Administration Program to the Legislative Auditor's *Analysis of Program Authority and Performance Issue* for the Department of Civil Service.

First, it is the intention of the Ethics Administration Program to amend and reform its mission statement to provide as follows:

MISSION

The mission of the Ethics Administration Program is to administer and enforce Louisiana's conflicts of interest legislation, campaign finance reporting requirements and lobbyist registration and disclosure laws to achieve compliance by governmental officials, public employees, candidates and lobbyists and to provide public access to disclosed information.

Second, the Program proposes making the following editorial and substantive changes, noted in bold, to its goals in order to provide a better sense of direction and destination:

Ethics:

* * *

3. Reduce the delay between Board of Ethics initiation of investigations and final Board resolution by **streamlining the investigation process.**

Campaign Finance Disclosure:

1. Improve knowledge and awareness by candidates and committees of reporting and disclosure statements by **improving educational materials and outreach efforts.**

* * *

4. Enhance public access to disclosed information by providing computerized access.

Lobbyist Registration:

1. Develop, publish, and distribute registration and reporting forms and instructional material in order to inform lobbyists of the law.

* * *

4. Enhance public access to disclosed information by providing computerized access.

Finally, the *Analysis* states that the executive budget did not contain the Program's objectives and contained only two performance indicators. Actually, 21 objectives and a corresponding number of performance indicators were submitted by the Program to the Office of Planning and Budget (OPB) in November 1996. These objectives and performance indicators did not contain numbers for the fiscal year 1997-98 because the Program had been significantly restructured and the development of a statistical basis for the stated objectives and the designated performance indicators was, at that time, inappropriate, and practically speaking impossible. As the Director of Planning and Budget noted in his January 22, 1998 correspondence to you, circumstances were not favorable at that time for developing meaningful and credible objectives. After meeting with OPB staff and staff of the House Appropriations Committee, the Program submitted, in March 1997, a revised draft of the November 1996 objectives with various performance indicators. And, given the Board's activities since its initial meeting in February 1997, the Program has developed specific objectives and performance indicators, including numbers, for the Program's 1998-99 budget proposal.

If further information is needed, please call me at (504) 922-1408.

Yours truly,

ETHICS ADMINISTRATION PROGRAM



R. Gray Smith
Ethics Administrator

RCS:ald

cc: Mr. Stephen E. Winham
Mr. Allen Reynolds

Appendix H
Division of Administrative Law's
Response



State of Louisiana LEGISLATIVE JUSTICE
Division of Administrative Law

RECEIVED
 FEB 3 11 4:00

H. J. "BOB" STAMER, JR.
 GOVERNOR

February 3, 1988

JAN 6 1988
 10:51:11 AM

Dr. Daniel G. Kyle, Ph.D., CPA, CFE
 Legislative Auditor
 Post Office Box 94377
 Baton Rouge, Louisiana 70804-0377

Re: Analysis of Program Authority and Performance Data for the
 Department of State Civil Service, (Division of Administrative Law)

Dear Dr. Kyle:

I have reviewed your performance audit report covering the Division of Administrative Law ("DAL"), and appreciate the opportunity to submit this response. I enjoyed meeting with your excellent and professional staff, and discussing DAL's operations. I found their analysis and suggestions to be very helpful and productive.

I agree that the further consolidation of the administrative hearing function within DAL, rather than the current several agencies, could result in further efficiencies in the expenditure of state resources and reduce unnecessary duplication. In addition to the efficiencies which your report lists, other examples include:

- 1.) Keeping judges updated on changes in the law;
- 2.) Preparing and presenting training seminars in-house to improve the ALJs' performance;
- 3.) The development and enforcement of a uniform code of conduct for ALJs;
- 4.) Development of uniform standards and procedures regulating the conduct of adjudications;
- 5.) More efficient use of personnel resources and of equipment; and
- 6.) Consolidation of the management function.

I will next address the statement that DML's performance data need improvement. The operational plan which was reviewed for your report was the one submitted on November 15, 1998, after DML had been in operation for only one month, beginning October 1998. As a brand new agency, there was inadequate opportunity for our goals, objectives, and selected performance indicators to be developed. Since then, some refinements have been made, as reflected in DML's FY 1998-99 operational plan. A more detailed plan is currently being developed, as part of the agency's five-year strategic plan which will be completed before July 1, 1998. A committee of DML employees from various sections has been working on this.

The DML has made much progress in meeting its overall goals of handling and conducting efficient, fair and impartial administrative hearings for a variety of state agencies. Notably, the report does not criticize the DML's accomplishments, but merely the lack of precision in its present description of what it planned to do. DML will improve the wording of its goals, objectives and performance indicators. However, due to the nature of DML's operations, it will be difficult to phrase our expected performance in ways which precisely meet all of the criteria, particularly as to measurability in relation to targets and objectives.

The DML does not control its essential end results, as it does not generate any of the work its caseload which it handles, so the performance indicator outcomes are beyond its control. The agencies decide how many cases to send, and DML disposes 100% of whatever cases are properly filed and received. DML cannot, for example, control the fluctuations in the number of enforcement actions or license/permit denials by agencies, or the number of citizens who choose to contest such agency decisions by requesting an administrative hearing. After the cases are docketed as heard either party may, and often do, withdraw the hearing request, or settle the matter. Thus, the performance indicator of the number of hearings held on decisions issued is not within DML's control. Yet, if the parties want the cases to move forward, DML performs its adjudicatory duties in 100% of those cases. Penalties assessed are largely beyond DML's control, as the penalty sought is usually either set by the agency or is set by law. Also, the penalty assessed as the result of ALJ's decisions is sometimes determined by the agency, according to a statutory schedule. This indicator may not match the objective because I believed that at least one instance was supposed to reflect a dollar value, and this was the only one related to our work which we could track.

Also, our caseload is still being determined, as agencies continue to forward new cases to us, new agencies and/or new programs begin enforcement actions that lead to administrative hearings, and judicial challenges to agencies' non-transfer of their adjudications to DML are resolved. The number of cases that the DML is likely to receive as a result of new laws and rules being enforced by other agencies is not determinable in advance and could fluctuate greatly.

Dr. Daniel G. Kyle
Page 3

Therefore, DAL's indicators reflect output over which DAL has no control. Replacing an objective to say, "In FY 1987-88, DAL will double 10,000 cases" would apparently meet the technical standard for these objectives should be described. However, this objective could neither be reached nor missed by DAL's actions, as every case docketed is received, not internally generated.

Due to all of these factors, how many cases will be handled at any future date will always be a guess. What we have been in existence long enough to gather sufficient historical data, and if the sending agencies send cases in the future at the same rate as in the past, then the accuracy of these performance values will improve.

An additional problem with our attempting to develop more varied indicators is the lack of a management information system which would allow DAL to collect, track and report the types of performance indicators which would more accurately reflect performance which it controls, provide a mix of different types of indicators, and measure progress toward objectives. DAL hopes to receive funding to purchase a computer system which would enable it to expand and improve its reportable data.

Thank you for the opportunity to respond to your performance report. We will try to implement the improvements you recommended, as we prepare our strategic and new operational plans.

Very truly yours,



Ann Wiza
Director

A/W/cc

Appendix I

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



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF PLANNING AND BUDGET

W. J. "BOB" FOSTER, JR.
GOVERNOR

MARK C. JEFFREY IS
COMMISSIONER OF ADMINISTRATION

January 22, 1995

David G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Post Office Box 94897
Baton Rouge, LA 70804-8397

Re: Analysis of Program Authority and Performance Data For Department of State Civil Service

Dear Dr. Kyle:

Thank you for the opportunity to respond to the audit report, Department of State Civil Service Analysis of Program Authority and Performance Data.

Our office generally agrees with audit recommendations regarding ways to improve the planning and performance accountability of agencies within this department. As you are aware, the Office of Planning and Budget maintains a standing offer to all state agencies of training and technical assistance in planning, budgeting, and performance accountability. Several managers from agencies within the Department of State Civil Service have attended our recent workshops on Act 1485 requirements. The FY 1995-96 operational plans submitted by these agencies show some improvements and further refinements in planning and budgetary information should result from agency strategic planning efforts.

Your performance audit of the Ethics Administration included a citation that the agency's operational plan for FY 1995-96 included objectives that were not presented in the executive budget. As we explained to your auditors, during the preparation of the FY 1995-96 executive budget, staff members from our office and the House Appropriations Committee met several times with Ethics Administration managers. As objectives and performance indicators were discussed, it was discovered that the agency could neither confidently support the objectives as stated in the operational plan nor provide adequate validated performance information to track progress toward accomplishment of those objectives. Given the fact that the agency had just been reorganized under a new board, for which appointments were still being made, circumstances for developing meaningful and credible objectives and performance indicators within the time frame for completion of the executive budget were not favorable. Rather than place incomplete and incomplete information in the executive budget, the OPB opted instead to explain the circumstances and indicate that objectives and performance indicators were under development. A draft of the executive budget program information, with cover memorandum dated February 11, 1995, was faxed to the agency. That transmission (a copy of which has been provided to your office) directed the agency to review the draft, make necessary revisions, and add material as appropriate. The agency was invited to submit any objectives or performance indicators with which management was more comfortable to the OPB for inclusion in the FY 1995-96 executive budget. However, no revisions or additions were received from the agency. Throughout the development of the executive budget program narrative, the OPB's efforts were devoted toward the presentation of meaningful and reliable performance information, while simultaneously attempting to accommodate the unusual circumstances in which Ethics Administration managers found themselves.

We appreciate the efforts your auditors have expended during this compliance phase of the Act 1300 performance audit. Among our recommendations to agencies undertaking strategic planning is the suggestion that they consider the information presented in your performance audit.

Sincerely,



Stephen B. Winkam
State Director of Planning and Budget

SERVICES

• Allen H. Reynolds, Director
Department of State Civil Service

Paul E. Daly, State Treasurer
Municipal Fire and Police Civil Service

Debra Johnson, Director
State Police Commission

E. Gray Simon, Director
Ethics Administration

Ann Whit, Director
Division of Administrative Law