



STATE OF LOUISIANA LEGISLATIVE AUDITOR

**Examining the Performance and Progress
of Louisiana State Government:
A Follow-Up Report on
Recently Issued Performance Studies**

July 1988



Performance Audit Division

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



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**Follow-Up Report
Office of Legislative Auditor
State of Louisiana**

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

Table of Contents

Legislative Auditor's Transmittal Letter	ii
Executive Summary	iii
Chapter One: Introduction	
Report Objectives	1
Scope and Methodology	1
Report Organization	2
Chapter Two: Performance Auditing in Louisiana	
Office of the Legislative Auditor	5
Organizational Structure of the Office of the Legislative Auditor	6
Performance Audit Function	7
Performance Audit Division	9
Performance Audit Process	11
Quality Control System	11
Related Legislation	14
Chapter Three: Summary of Follow-Up Work Conducted	
Problem Areas in State Government Operations	17
Implementation Status of Recommendations	20
Legislative Activity	21
Exhibits	
Exhibit 2-1: Organizational Structure of the Office of the Legislative Auditor	6
Exhibit 2-2: Performance Audit Process and Quality Control Reviews	12
Exhibit 3-1: Problem Areas Noted in Reports	18
Exhibit 3-2: Implementation Status of Recommendations	20

Exhibits (Cont.)

Exhibit 3-3: Implementation Status of Recommendations and Matters for Legislative Consideration - Allocation of Louisiana's Monetary Resources	32
Exhibit 3-4: Implementation Status of Recommendations and Matters for Legislative Consideration - Competition and Privatization Measures in State Government	34
Exhibit 3-5: Implementation Status of Recommendations and Matters for Legislative Consideration - Consolidation of the Administration of Louisiana's State Retirement Systems	35
Exhibit 3-6: Implementation Status of Recommendations and Matters for Legislative Consideration - Contracted Services for Louisiana's Substance Abuse Program	36
Exhibit 3-7: Implementation Status of Recommendations and Matters for Legislative Consideration - Coordination of Workforce Preparation Programs in Louisiana	39
Exhibit 3-8: Implementation Status of Recommendations and Matters for Legislative Consideration - Corrections and Justice	34
Exhibit 3-9: Implementation Status of Recommendations and Matters for Legislative Consideration - Department of Health and Hospitals Non-Emergency Medical Transportation Program	33
Exhibit 3-10: Implementation Status of Recommendations and Matters for Legislative Consideration - Economic Development Loan Programs	38
Exhibit 3-11: Implementation Status of Recommendations and Matters for Legislative Consideration - Infrastructure	43
Exhibit 3-12: Implementation Status of Recommendations and Matters for Legislative Consideration - Investment Policies and Practices of Louisiana's State Retirement Systems	47
Exhibit 3-13: Implementation Status of Recommendations and Matters for Legislative Consideration - Louisiana Foster Care Program	49
Exhibit 3-14: Implementation Status of Recommendations and Matters for Legislative Consideration - Louisiana Health Care Authority Implementation of the Minimum Fee in the State's Medical Centers	54

Exhibits (Cont.)

Exhibit 3-15: Implementation Status of Recommendations and Matters for Legislative Consideration - Louisiana Insurance Guaranty Association	56
Exhibit 3-16: Implementation Status of Recommendations and Matters for Legislative Consideration - Louisiana Minority and Woman's Business Enterprise Program	58
Exhibit 3-17: Implementation Status of Recommendations and Matters for Legislative Consideration - Louisiana's Planning, Budgeting, and Program Evaluation System	61
Exhibit 3-18: Implementation Status of Recommendations and Matters for Legislative Consideration - Managing and Maintaining Louisiana's Property	64
Exhibit 3-19: Implementation Status of Recommendations and Matters for Legislative Consideration - Remediation for Students in State Colleges and Universities	69
Exhibit 3-20: Implementation Status of Recommendations and Matters for Legislative Consideration - Reporting, Managing, and Collecting Receivables in Louisiana	71
Exhibit 3-21: Implementation Status of Recommendations and Matters for Legislative Consideration - Selected State Purchasing Practices	73
Exhibit 3-22: Implementation Status of Recommendations and Matters for Legislative Consideration - State of Louisiana's Management and Oversight of Long-Term Bonded Debt	80
Exhibit 3-23: Implementation Status of Recommendations and Matters for Legislative Consideration - Usage of Louisiana Health Care Authority Emergency Departments	84



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July 31, 1995

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The Honorable Randy L. Dwyer,
President of the Senate
The Honorable H. B. "Hank" Downer, Jr.,
Speaker of the House of Representatives
and
Members of the Legislative Audit Advisory Council

Dear Legislators:

This is our report titled "Examining the Performance and Progress of Louisiana State Government: A Follow-Up Report on Recently Issued Performance Studies."

The report includes a compilation of recommendations and status for legislative consideration made in performance audits and staff studies issued by my office from July 1993 through July 1995. In addition, we have listed the implementation status of each recommendation and provided a summary of legislative instruments adopted that related to each report.

Sincerely,

Daniel G. Kyles, CPA, CFE
Legislative Auditor

DCK/j

10/10/95



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July 31, 1995

The Honorable Kandy L. Irving,
President of the Senate
The Honorable H. B. "Hunt" Drevier, Jr.,
Speaker of the House of Representatives
and
Members of the Legislative Audit Advisory Council

Dear Legislators:

This is our report titled "Examining the Performance and Progress of Louisiana State Government: A Follow-Up Report on Recently Issued Performance Studies."

The report includes a compilation of recommendations and matters for legislative consideration made in performance audits and staff studies issued by my office from July 1993 through July 1995. In addition, we have listed the implementation status of each recommendation and provided a summary of legislative instruments adopted that related to each report.

Sincerely,

Daniel G. Kyle, CPA, CFE
Legislative Auditor

DGK/gj

Enclosure



Office of Legislative Auditor

Executive Summary Follow-Up Report

*Evaluating the Performance and Progress of Louisiana State Government:
A Follow-Up Report on Recently Issued Performance Studies*

Study Initiation and Objectives

This report is a follow-up on performance studies issued by the Office of the Legislative Auditor over the past three years. The objective of this report was to track the progress of agencies in implementing recommendations contained in the performance studies, as well as to identify related legislation. We also identified a number of problem areas in state government based on the findings of our performance studies.

Performance Audit Function

The performance audit function within the Office of the Legislative Auditor was developed to assist in legislative oversight. The legislature has the responsibility of ensuring that laws and programs are administered in the public interest. The Legislative Auditor's extensive reviews of agency activities allow the legislature to determine how policies are being executed, whether the policies are accomplishing the desired results, and what corrective action should be taken.

The Legislative Auditor conducts two types of performance audits: economy and efficiency audits and program audits. Economy and efficiency audits determine if entities are acquiring, procuring, and using resources economically and efficiently, the causes of inefficiencies or uneconomical practices, and if entities are complying with applicable laws and regulations. Program audits determine the extent to which the desired results or benefits established by authorizing bodies are being achieved, the effectiveness of organizations' functions or programs, and whether entities have complied with applicable laws and regulations. Program audits also determine whether agencies have established appropriate goals, objectives, measures, and reports; whether the different agencies administering various programs are coordinating their efforts; and whether the program is providing the services that were intended by the legislature.

Daniel G. Ryle, Ph.D., CPA, CFE, Legislative Auditor
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Reports Included in the Follow-Up Report

This follow-up report tracks performance studies issued from July 1992 through July 1995. During this period, there were 21 performance reports issued—13 performance audits and 8 staff studies. These efforts varied in scope and size and included subject areas of retirement, economic development, health and social services, general government administration, education, general fiscal matters, and corrections.

Nearly Two-Thirds of Report Recommendations Were Fully or Partially Implemented

We identified 126 recommendations in the 21 performance reports issued from July 1992 through July 1995. These recommendations were made to various state entities, including boards and commissions. We surveyed appropriate entities to determine the implementation status of these recommendations.

In response to our survey, officials reported that they have fully implemented 40 percent of all recommendations. Another 29 percent of the recommendations have been partially implemented, and 31 percent have not been implemented at all.

Legislation Relating to the Issued Reports

In addition to the recommendations made to executive branch entities, we identified 56 matters for legislative consideration in the performance reports issued from July 1992 through July 1995. As part of our follow-up work, we identified 45 relevant legislative instruments that were adopted by the legislature during this period. These legislative instruments—30 acts and 15 resolutions—related to either the matters for legislative consideration or other issues presented in the reports.

Problem Areas in Louisiana State Government

In conducting work for the follow-up report, we reviewed each of the 21 performance reports to determine if certain types of problems were noted more frequently than others. We identified 20 types of problems that were noted in the performance reports covered in this report. The four most commonly noted problem areas affecting state government operations were:

- Inadequate oversight or monitoring
- Inadequate planning
- Unclear, cumbersome, or restrictive laws
- Inadequate policies and/or procedures

Some other areas noted that could be improved were:

- Costly laws and/or policies
- No cost evaluation of services or products
- Inadequate coordination
- Inadequate contractor performance monitoring
- Noncompliance with laws or regulations

These problems impact the overall effectiveness and efficiency of state government operations. This information can be used by policy makers and program officials to help improve effectiveness, efficiency, and accountability in state government.

Chapter One: Introduction

Report Objectives

The Office of the Legislative Auditor provides legislative oversight related to the use of public funds within state and local government. The office assesses the performance of state programs, activities, and functions through its Performance Audit Division. The division reviews state operations to ensure efficiency, effectiveness, and compliance with the law.

This report is a follow-up of performance studies issued by the Office of the Legislative Auditor over the past three years. The objectives of this report were to track the progress of agencies in implementing recommendations contained in the performance studies and to identify related legislation. Our work on this project began in November 1995 and was completed in June 1996.

Scope and Methodology

This report tracks performance studies, which include performance audits and staff studies, issued from July 1992 through July 1995. There were 21 reports issued during this time period. For these reports, our follow-up work included tracking relevant legislative instruments and, if applicable, surveying the appropriate agencies to determine the implementation status of recommendations contained in the reports.

The performance studies contained a total of 128 recommendations to the agencies and 56 matters for legislative consideration. We surveyed the agencies to determine whether each recommendation had been implemented and requested that supporting documentation be provided as evidence of implementation. The survey also requested information from the agencies relating to their participation in and knowledge of any legislative activity that had occurred concerning the matters for legislative consideration.

We reviewed the agency responses and accompanying documentation and analyzed the number of recommendations implemented, not implemented, or partially implemented. The extent of our review of supporting documentation was only to verify that the documentation supported the survey responses. We did not audit the information provided by the agencies in their survey responses.

We also tracked bills and resolutions proposed from the First Extraordinary Session of 1993 through the Regular Session of 1995 to determine whether any legislative instruments were adopted relating to either the matters for legislative consideration or other issues presented in the reports. To accomplish this, we used the Senate's computer system to conduct a key word search of legislative instruments relating to particular topic areas. Senate staff assisted us in this effort. To ensure that our search was complete, we supplemented the search with additional sources of information. We used WESTLAW; West's Louisiana Statutes Law Service; and Braune's Acts, Resolutions, Study Reports, and Voted Bills.

In addition, we compiled a list of major problem areas noted in the report findings. This list serves as a means of documenting the obstacles or problems encountered by agencies that may hamper the effective and efficient administration of agency operations. The list includes things such as a lack of resources; unclear, cumbersome, or restrictive laws; and inadequate program oversight or monitoring by the agency or by an outside entity, such as a board or commission.

Report Organization

The remainder of this report is organized as follows:

- **Chapter Two** describes the role of the Office of the Legislative Auditor, describes the Performance Audit Division, and explains the performance audit process. It also explains how our follow-up report relates to other statewide performance review efforts.

- **Chapter Three** includes an exhibit that provides the following information for each of the 21 reports issued from July 1992 through July 1995: a brief summary of the objectives, findings, and conclusions; recommendations to agencies; matters for legislative consideration; and a summary of related legislative instruments adopted. This chapter also lists major problem areas discussed in these 21 reports.

Chapter Two: Performance Auditing in Louisiana

Office of the Legislative Auditor

In 1964, the legislature amended the Louisiana Constitution of 1921 to create the Office of the Legislative Auditor. Before this time, the state's post-audit function was under the jurisdiction of the Governor's Office. The mission of the Office of the Legislative Auditor is to provide legislative oversight relating to the use of public funds within state and local government.

The Legislative Auditor serves at the pleasure of the legislature. He is elected by a majority vote of the members of both houses of the legislature and may be removed by the concurrence of two-thirds of the elected members of each house. The Legislative Auditor is authorized by statute to conduct audits of all public or quasi-public bodies, the scope of which may include financial accountability, legal compliance, and evaluations of the economy, efficiency, and effectiveness of the auditee's programs.

The Legislative Audit Advisory Council (LAAC) is the legislative oversight committee for the Office of the Legislative Auditor. The council is composed of five senators appointed by the President of the Senate and five representatives appointed by the Speaker of the House of Representatives. The council has the authority to do all things necessary to aid and assist the Legislative Auditor in carrying out the duties and responsibilities of his office. This authority includes the power to hold hearings, subpoena witnesses, administer oaths, and punish for contempt any person who fails to comply with an order of the council.

**Organizational
Structure of the
Office of the
Legislative
Auditor**

Exhibit 2-1 below shows the organizational structure of the Office of the Legislative Auditor.

**Exhibit 2-1
Office of the Legislative Auditor
Organizational Structure**



Source: Prepared by legislative auditor's staff.

The office consists of the following divisions:

- **Financial and Compliance Audit Division** - Conducts financial and compliance audits of state and local government in accordance with standards adopted by the American Institute of Certified Public Accountants and the United States General Accounting Office.
- **Performance Audit Division** - Examines the efficiency and effectiveness of programs and activities of state government in accordance with standards promulgated by the United States General Accounting Office.

- **Investigative Audit Division** - Investigates allegations of impropriety in state and local government, resolves significant or repeat findings in government audits, and performs background investigations on individuals nominated for certain gaming, boards and commissions.
- **Policy and Quality Assurance Division** - Monitors and processes audits by independent public accountants, performs quality control functions related to internal operations, and coordinates the office's continuing professional education program.
- **Legislative Actuary** - Serves as the actuarial adviser to the legislature and provides a variety of statutory required actuarial and consulting services.
- **General Counsel** - Serves as legal counsel to the Legislative Auditor and the LAAC on a variety of legal matters, including conducting legal research, rendering opinions, and drafting legislation.
- **Administrative Division** - Supports office operations, including report editing, production, and distribution.
- **Information System Division** - Manages the information resources of the office and verifies that appropriate controls are present in state and local information systems.

Performance Audit Function

Traditionally, the state audit function was limited to financial and compliance auditing, which determined the legality of expenditures and the integrity of fiscal affairs. However, because of the growth and complexity of state governments, there arose a need for the legislature to obtain more comprehensive information to assist in its oversight responsibilities.

In addition to passing laws, approving programs, and authorizing expenditures, the legislature has the responsibility of ensuring that laws and programs are administered in the public interest. Without a more extensive review of agency activities, the legislature cannot determine how policies are being executed, whether the policies are accomplishing the desired results, and what corrective action should be taken.

The Louisiana Legislature first gave the Legislative Auditor the authority to conduct "economy, efficiency, and effectiveness" audits with the passage of Act 344 of the 1975 Regular Session. However, funding was not appropriated for the performance audit function at that time. The Office of the Legislative Auditor subsequently began to carry out the performance audit function using existing audit staff. The office issued its first performance audit on August 13, 1986. It has continued to issue performance reports since that time.

During the 1987 Regular Session, Act 431 was adopted. The act amended the existing state audit law and enacted Louisiana Revised Statutes (LSA-R.S.) 24:513(E)(6), which mandated the legislative auditor to conduct performance audits. Four years later, a March 25, 1991, senate committee report recommended that the office establish a performance audit program. To accomplish this objective, the legislature provided funding for the Performance Audit Division during the 1991 Regular Session.

Performance audits were developed to assist in legislative and administrative oversight. There are two types of performance audits: economy and efficiency audits and program audits. Economy and efficiency audits determine if entities are acquiring, protecting, and using resources economically and efficiently, the causes of inefficiencies or uneconomic practices, and if entities are complying with applicable laws and regulations. Program audits determine the extent to which the desired results or benefits established by authorizing bodies are being achieved, the effectiveness of organizations' functions or programs, and whether entities have complied with applicable laws and regulations.

Performance audits issued by the Office of the Legislative Auditor are conducted in accordance with standards developed by the United States General Accounting Office. The standards define a performance audit as "an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making by parties with responsibility to oversee or initiate corrective action."

In addition to conducting performance audits, the Performance Audit Division issues "staff studies." Staff studies differ from performance audits in that they are generally studies of limited scope and/or are follow-up studies to previously released performance audits.

The topics for performance studies are generated from a number of sources. Requests and mandates are made by the Senate, the House of Representatives, the LAAC, other legislative committees, individual legislators, and legislative staff. Members of the Legislative Auditor's staff also identify topics. Legislative directives from the advisory council, the Senate, and/or the House of Representatives are our first priority and preferred source of audit topics.

Performance Audit Division

The Performance Audit Division contains 31 positions. This figure currently includes the division director, two audit managers, 27 senior and staff auditors, and one support staff. The division director is responsible for general management and policy formulation for the division, identifying audit and study topics, and assigning staff. Each audit manager is responsible for overseeing multiple projects and assisting the division director with various tasks, including audit initiation, quality control, and legislative outreach.

The division's audits and studies are staffed by teams. Each team consists of an audit manager, an auditor-in-charge, and a number of staff auditors. Auditors-in-charge are responsible for the daily activities involved in conducting an audit or study, including the supervision of assigned staff auditors. The number of auditors assigned to each team depends on the scope and complexity of the audit. Auditors are assigned to audits based on their education, training, and experience, as well as availability. Because audits and studies deal with a wide variety of subject areas, the educational backgrounds of the audit staff include economics, public administration, law, business administration, accounting, and political science. Others include:

- Finance
- History
- Library and Information Science
- Visual Arts/Communications
- Chemistry
- Liberal Studies
- Mechanical Engineering
- Psychology
- Computer Science
- Administration of Justice

On occasion, it may be necessary to contract for specialized assistance when available staff lack the necessary expertise or when an adequate number of staff is not available. The decision to contract for services is made by the performance audit director after consulting with the Legislative Auditor and considering budget restrictions.

Performance Audit Process

The performance audit process consists of three phases: a planning phase, fieldwork phase, and report writing phase. During the planning phase, the audit objectives, scope, and research design are determined. The audit is staffed, and the team gains an understanding of the auditee and the program or activity to be audited. A plan is developed to determine the best way to address the audit objectives. The process for staff studies is similar.

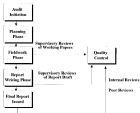
During the fieldwork phase, the team carries out the tasks listed in the plan. The team collects data, conducts interviews, and analyzes the information collected. Based on this work, the team develops findings, conclusions, and recommendations.

The final phase is the report writing phase, in which a detailed outline of the report is prepared. A draft of the report is then prepared using this outline. The final report is a complete, concise, and accurate report of conclusions, findings, recommendations, and matters for consideration by the legislature.

Quality Control System

The credibility of an audit organization is based largely on the quality and integrity of the reports it issues. In the Office of the Legislative Auditor, effective quality control is maintained, in part, through an extensive review process, which occurs both before and after each audit report is issued. Quality is also ensured through stringent hiring practices, continuing education programs, on-the-job training, and strict adherence to auditing standards and internal office policies and procedures. Quality control reviews are performed internally as well as externally. Exhibit 2-2 on the following page illustrates the performance audit process and related quality control reviews. Staff auditors follow a similar quality control process.

**Exhibit 2-2
Performance Audit Process and
Quality Control Reviews**



Source: Prepared by legislative auditor's staff.

To ensure that the team exercises due professional care, is unbiased, maintains independence, and does not impair the scope of the audit or study activities, the report draft goes through several levels of supervisory review. During an audit or staff study, the auditor-in-charge closely supervises team members and reviews their working papers. The working papers are also reviewed by the audit manager.

Further reviews are conducted after the report draft is written. These reviews make certain that all findings, conclusions, and information contained in the report are fully and adequately supported by information contained in the working papers. The draft report is also reviewed by the audited agency. The agency is requested to submit written comments regarding the findings, conclusions, and recommendations made in the report. The agency's written comments are included in an appendix to the final audit report.

After the final audit report is issued, internal reviews may be conducted by the Policy and Quality Assurance Division of the Office of the Legislative Auditor. The in-house reviews of performance audits are to determine whether the audits were conducted in accordance with standards developed by the United States General Accounting Office.

The Office Met All Quality Control Requirements for Performance Audits in a Recent Peer Review

All state audit organizations that perform audits in accordance with government auditing standards must participate in an external quality control review. The Office of the Legislative Auditor participates in the National State Auditors Association's External Quality Control Review Program, which is administered by the National Association of State Auditors, Comptrollers, and Treasurers. These external reviews, called "peer reviews," are conducted by teams of auditors from other states and other qualified reviewers. The external reviews are intended to evaluate:

- Whether the audit organization's quality control system is comprehensive and suitable for the organization.
- Whether quality control policies and procedures are adequately documented and communicated to personnel.
- Whether quality control policies and procedures are being complied with to ensure compliance with government auditing standards.

The most recent peer review of the office was conducted in 1998. The review included audit reports issued by the Performance Audit Division and the Financial and Compliance Audit Division from July 1, 1994, through June 30, 1995. The office received an "unqualified" opinion report, which means that the office satisfactorily met all of the review requirements.

Related Legislation

There are a number of other legislative provisions that allow for the periodic review of state programs and activities by the Legislative Auditor's Office and other entities. Act 1109 of 1995 amends the existing state audit law and increases emphasis on performance accountability and performance auditing in state government. The act, along with Act 712, Act 459, and Act 907 of 1999, illustrates the legislature's desire to obtain and use information to promote accountability in state government activities. Following is a brief description of each of these provisions.

The Louisiana Performance Audit Program. Act 1300 of 1999 created a statewide performance audit program to review state agencies, programs, and activities. It requires, in part, that the Office of the Legislative Auditor do the following:

- Evaluate the basic assumptions underlying state agencies, programs, and services.
- Identify unneeded programs, programs that do not meet their goals, overlapping functions, and areas that need improvement.
- Evaluate the efficiency, effectiveness, and cost-effectiveness of state programs.
- Issue a report to the legislature each year with recommendations for improvement, as well as for the elimination or reduction of funding, based on performance audits.

In addition, the act requires that all state agencies shall develop specific goals and objectives for each of their programs and include performance measures. The act defines a "state agency" as any state agency, office, department, board, commission, institution, division, committee, program, or legal entity within the legislative, executive, or judicial branch of government. According to the act, state agencies include institutions of higher education, but do not include any agency, governing body, or office of any local government or political subdivision of the state. The act requires the approval of the Legislative Audit Advisory Council for the auditor's office to carry out the law's provisions.

The Sunset Review Process. Act 712 of 1985 amended Title 48, Part XII of the Louisiana Revised Statutes, which provides for the legislative termination and re-creation of statutory entities under departments and agencies. Under the sunset review process, statutory entities must show a public need for their continued existence. Furthermore, they must demonstrate that their objectives, programs, and activities are consistent with legislative intent and that they are achieving their intent effectively and efficiently. As a basis for the reviews, the legislature is to consider the findings, recommendations, and entity responses contained in the Legislative Auditor's performance audit reports and studies.

The Higher Education Accountability Act. Act 459 of the 1995 legislative session authorizes the Board of Regents to establish an ongoing accountability process to measure quality and effectiveness in public institutions of higher education. The act requires the board to:

- Adopt appropriate measures, standard definitions, and program guidelines to implement an accountability process for public institutions of higher education.
- Identify institutional and systemwide performance standards and goals.
- Develop appropriate reporting procedures and formats for use by the institutions in reporting data.
- Submit an annual report to the governor and the House and Senate education committees beginning in 1997.

The Louisiana Data Base Commission. Act 937 of 1995 amended LSA-R.S. 39:250-258, which established the Louisiana Data Base Commission. Some of the duties of the commission are to identify and catalog all data bases in the state; create a clearinghouse that provides information on the location and scope, accessibility, and format of the data bases; and make the data base information accessible to all interested persons in the public and private sectors. The commission consists of leadership from the House and Senate; the Commissioner of Administration; a statewide elected official; and representation from various executive departments, higher education, local government, and the prison sector. Under the act, the staff of the Legislative Auditor may be required to assist in the maintenance of the data base.

Chapter Three: Summary of Follow-Up Work Conducted

Problem Areas in State Government Operations

The Most Frequently Noted Problems Related to Oversight, Planning, Laws, Policies, and Procedures

We reviewed each of the 21 performance reports to determine if certain types of problems were noted more frequently than others. These problems impact the overall effectiveness and efficiency of state government operations. This information can be used by policy makers and program officials to help improve effectiveness, efficiency, and accountability in state government.

We identified 20 types of problems that were noted in the 21 reports covered in this report. The four most commonly noted problem areas affecting state government operations were:

- Inadequate oversight or monitoring
- Inadequate planning
- Unclear, cumbersome, or restrictive laws
- Inadequate policies and/or procedures

Some other areas noted that could be improved were:

- Costly laws and/or policies
- No cost evaluation of services or products
- Inadequate coordination
- Inadequate contractor performance monitoring
- Noncompliance with laws or regulations

Exhibit 3-1 on the following page lists these problems and the number of reports in which each type of problem was noted. Immediately following Exhibit 3-1 is a legend that lists the names of each report and its corresponding letter.

Legend for Exhibit 3-1

Letter	Report Title
A	Activities of Louisiana's Minority Association
B	Comparison and Preliminary Measures in State Government
C	Consolidation of the Administration of Louisiana's State Retirement Systems
D	Contracted Services for Louisiana's Suburban Adult Program
E	Consolidation of Workforce Preparation Programs in Louisiana
F	Corrections and Justice
G	Department of Health and Hospital Non-Emergency Medical Transportation Program
H	Economic Development Loan Programs
I	Healthcare
J	Improvement Policies and Practices of Louisiana's State Retirement Systems
K	Louisiana Foster Care Program
L	Louisiana Health Care Authority Implementation of the Minimum Fee in the State's Medical Centers
M	Louisiana Insurance Guaranty Association
N	Louisiana Minority and Women's Business Enterprise Programs
O	Louisiana's Planning, Budgeting, and Program Evaluation System
P	Managing and Maintaining Louisiana's Property
Q	Recommendation for Studies in State Colleges and Universities
R	Reporting, Managing, and Collecting Receipts in Louisiana
S	Selected State Purchasing Practices
T	State of Louisiana's Management and Oversight of Long-Term Care Facilities
U	Study of Louisiana Health Care Authority Emergency Department

Implementation Status of Recommendations

Nearly Two-Thirds of Report Recommendations Were Fully or Partially Implemented

We identified 126 recommendations in the 21 performance audit reports and staff studies issued from July 1993 through July 1995. These recommendations were made to various state agencies, including boards and commissions. We surveyed appropriate agencies to determine the implementation status of these recommendations.

In response to our survey, officials reported that they have fully implemented 40 percent of all recommendations. As shown in Exhibit 3-2 below, another 29 percent of the recommendations have been partially implemented, and 31 percent have not been implemented at all. Exhibits 3-3 through 3-23, beginning on page 22, provide a detailed summary of the recommendations made in each performance report and the extent to which each recommendation has been implemented.

Exhibit 3-2
Implementation Status of Recommendations

Implementation Status	Number of Recommendations	Percent of Recommendations
Fully Implemented	50	40%
Partially Implemented	37	29%
Not Implemented	39	31%
Total	126	100%

Source: Prepared by legislative auditor's staff using agency survey responses.

The reasons why specific recommendations were partially implemented or not implemented differed depending upon the agency. In the case of partially implemented recommendations, a large number of agencies responded that they are currently in the process of implementing the recommendations or that they have agreed to work closely with officials from other agencies to implement the recommendations. In some cases, officials responded that changes in administration delayed the implementation process.

The reasons for not implementing recommendations included the lack of resources, proper authority, or legal requirement. In some cases, agency officials either disagreed with recommendations or said that recommendations were not cost effective. Exhibits 3-3 through 3-23, which begin on page 22, include reasons provided by agencies for partially implementing and not implementing our performance recommendations.

Legislative Activity

In addition to the recommendations made to executive branch entities, we identified 98 matters for legislative consideration in the 21 performance reports issued from July 1993 through July 1995. As part of our follow-up work, we identified 45 relevant legislative instruments that were adopted by the legislature during this period.

These legislative instruments--30 acts and 15 resolutions--related to either the matters for legislative consideration or other issues presented in the reports. Exhibits 3-3 through 3-23, which begin on page 22, include all matters for legislative consideration and summaries of all relevant legislative instruments adopted.

Exhibit 3-3 Implementation Status of Recommendations and Matters for Legislative Consideration Allocation of Louisiana's Monetary Resources

Joint Study, February 1991

This report addressed HDG 902 Phase One recommendations to:

- Study revenue allocations and budgetary and accounting concerns to ascertain budgeting and planning and thereby allocate Louisiana's monetary resources more efficiently.
- Analyze the strategic budgeting process to identify obstacles to further implementation.

The report identifies numerous obstacles to the efficient allocation of monetary resources in state government. The report cites previous allocations, expenditures standards, cumbersome accounting processes instituted by the Bond Security and Redemption Fund, and the lack of a fully functioning program budgeting system as impediments to the efficient allocation of monetary resources.

Recommendation	Entity	Implementation Status	Summary of Actions Provided by Entity for More Fully Implementing Recommendation
The Division of Administration and the State Treasury's Office should jointly prepare submissions on the amount of resources needed in each revenue allocation for which a special, legal fee has not established. This can be a separate report or incorporated into the State's Comprehensive Annual Financial Report.	Division of Administration	Fully Implemented	
State to Monitor	Department of Treasury	Fully Implemented	
All state departments should complete their operational plans on a annual basis. These reports are useful because they require state departments to evaluate their programs and activities.	Division of Administration	Partly Implemented	
All department heads should complete an Act 1481 reports on an annual basis. These reports are useful because they require state departments to evaluate their programs and activities.	Division of Administration	Partly Implemented	Submission of the annual reports is a responsibility of department administrators and agencies. The DORA has no enforcement responsibility for Act 1481 Reports.
The Office of Planning and Budget (OPB) should complete the program profile reports. These reports are important in that they allow OPB to monitor the operational and budget performance of each department.	Division of Administration	Not Implemented	Program profile reviews were done in the past but discontinued under Commissioner LeBlond's leadership. Program reviews are not mandated by statute or executive order.

Exhibit 3-3 (Concluded)

Make the Legislative Committee

The legislators may wish to consider appointing members from the existing relevant body.

The legislators may wish to consider naming legislators that would join the State Treasurer's office for similar co-finance activities of temporary debt issues.

The legislators may wish to consider taking other action that would help to cover the cost of the general fund or other accounts. Legislative Committee's emergency revenues. For instance, emergency fund can be established. It could be authorized by the legislators. Emergency revenues could also be made subject to emergency and conditions, with amounts going to the general fund and available until funds up from the general fund. The legislators could also support legislation to create provisions, whereby they are automatically renewed at certain intervals (e.g., 10-15 years) if they should be continued.

Legislative members the preparation and periodic updating of a strategic plan. An independent study should be created to prepare the plan. The study should be required to submit quarterly reports to the State Board or that the plan remains the object of which (which will help to a plan in the future). The Oregon Strategic Board could be used as a model.

Legislative members the preparation and periodic updating of strategic plan.

Review the mechanisms that have already been established for implementing a program, including system, through the specific recommendations listed on page 24 of the report.

Summary of Related Legislative Initiatives

Act Number 1127 of the 1999 Regular Session

Resolved that on March 15th of each fiscal year, the Treasurer shall submit to the Joint Legislative Committee on the Budget and the Legislative Fiscal Office a report on general funds which shall include but is not limited to a listing of all currently authorized special funds created by the legislators, together with legal citations, date of enactment, and balance in the field at the end of the prior fiscal year, and a summary of whether or not any services or expenditures activity has occurred during the prior fiscal year.

Exhibit 3-4
Implementation Status of Recommendations and Matters for Legislative Consideration
Competition and Privatization Measures in State Government

Staff Study, February 1997

The objectives of this study were to:

- Consider and make recommendations for possible privatization opportunities.
- Consider the privatization efforts undertaken by other states.
- Consider the expansion of ongoing privatization efforts in Louisiana.

The study found that privatization is only one of many strategies that states are using to promote efficiency and cost effectiveness and that privatization may not be appropriate for some applications. Other examples being used include streamlining education services, reorganizing agencies to reduce supervisory expenses, and implementing purchasing practices that allow agencies to buy at the best price.

Recommendations	Priority	Implementation Status	Summary of Progress Provided to Date by Non-Fully Implementing Recommendations
None			

Matters for Legislative Consideration

The agencies may wish to consider establishing an independent, established entity for business competition and improve management practices and Louisiana state procedures. The items of this entity should include the following:

- Develop standard and uniform bid competition models.
- Analyze individual business and services on a country-wide basis to determine what methods of delivery will provide the best performance at the most reasonable price.
- Review the state's constitution, statute, rules, and regulations to identify any legal barriers to implementing cost-saving measures.
- Prepare legislation to grant legal business ownership of state.
- Include all affected parties in the decision-making process.
- Develop methods to measure business performance.

Summary of Related Legislative Instruments

No bills or already-enacted legislative instruments related to this report have been adopted.

Exhibit 3-5
Implementation Status of Recommendations and Matters for Legislative Consideration
Consolidation of the Administration of Louisiana's State Retirement System
 Performance Audit, December 1993

The objectives of this audit were to:

- Identify the areas of administration and investment management among the four state retirement systems that can be consolidated.
- Estimate the amount of savings that may result from consolidating the administration and investment management of the four state retirement systems.

The report found that consolidation of the boards of trustees and administration of the four state retirement systems would allow for more oversight of management and investment activities by the state. In addition, consolidation of administrative functions of the four state retirement systems would reduce management and staff, as well as administrative expenses. The audit also concluded that the consolidation of investment management of the four state retirement systems could reduce investment related expenses.

Recommendation	Action	Implementation Status	Summary of Progress Provided by Study the Not Fully Implementing Recommendations
None			
Matters for Legislative Consideration			
None			
Summary of Potential Legislative Expenditures			
None			
No bill was identified by legislators, nor was any identified in this report that were adopted.			

Exhibit 3-6
Implementation Status of Recommendations and Matters for Legislative Consideration
Contracted Services for Louisiana's Substance Abuse Program

Performance Audit, July 1993

The objectives of this audit were to:

- Determine the process used by the Department of Health and Hospitals to award contracts for providing substance abuse prevention and treatment services.
- Determine the adequacy of the process by which the department governs the quality and cost effectiveness of the contracted services for the substance abuse program.

This report found that the Department of Health and Hospitals does not adequately monitor its social service contracts for its state's substance abuse program. In the absence of adequate monitoring, the state cannot be sure it has insured all of the services the contractors were required to provide. As a result, the quality of services provided for treatment and prevention is not known.

Recommendation	Entity	Implementation Status	Summary of Resources Provided by Public for Six Fully Implementing Recommendations
The Office of Alcohol and Drug Abuse (AOD) should develop formal, comprehensive statewide inventories of needs for its substance abuse program on a regular basis. The office should determine the feasibility of conducting such inventories based on state and federal laws to verify its reliability concerns.	Department of Health and Hospitals	Fully Implemented	Officials from the Office of Alcohol and Drug Abuse have met with officials from the Office of Contractual Services. They agreed to work closely together to meet deadline dates and avoid future delays.
In cooperation with the Division of Administration, the Office of Alcohol and Drug Abuse should explore alternative measures to regulate the contract service process.	Department of Health and Hospitals	Partially Implemented	The Office of Planning and Budget has initiated its office policy regarding "non-award" decisions in which the office completes the review process and forwards it to the Office of Contractual Services. The Office of Contractual Services is currently implementing a more efficient and applied computer system to process inquiry requests.
None to Report	Division of Administration	Partially Implemented	

**Exhibit 3-6
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Reviews Provided to Entity for Not Fully Implementing Recommendation
<p>The Office of Alcohol and Drug Abuse should increase the routine review process within its area office to ensure that concerns are addressed in a timely manner.</p>	<p>Department of Health and Hospitals</p>	<p>Partly Implemented</p>	
<p>The Office of Alcohol and Drug Abuse should require agencies to follow its schedule for monitoring treatment services. Furthermore, the office should implement management controls to ensure the monitoring policy is being uniformly implemented across regions.</p>	<p>Department of Health and Hospitals</p>	<p>Partly Implemented</p>	
<p>The Office of Alcohol and Drug Abuse should ensure that all state business and consumer activities pertaining to referrals generated by an accountable party.</p>	<p>Department of Health and Hospitals</p>	<p>Partly Implemented</p>	
<p>The Office of Alcohol and Drug Abuse should implement formal policies and procedures to ensure that all services for substance treatment facilities and prevention programs are completed and documented.</p>	<p>Department of Health and Hospitals</p>	<p>Partly Implemented</p>	
<p>The Office of Alcohol and Drug Abuse should include an evaluation of contract objectives during its monitoring of total treatment facilities and prevention programs. The evaluation should also be done on end of the year assessment of all objectives in the contractor's contract of work.</p>	<p>Department of Health and Hospitals</p>	<p>Partly Implemented</p>	
<p>The Office of Alcohol and Drug Abuse should establish procedures to evaluate the cost effectiveness of contracted services. The evaluation of cost effectiveness should include the following:</p> <ul style="list-style-type: none"> • Contracts should be prepared to save and prevent programs that provide similar types and levels of services. • Each contract should be evaluated based on the objectives included in the contract that are achieved. The office should develop measure measures that will assist in the evaluation of contract objectives. 	<p>Department of Health and Hospitals</p>	<p>Partly Implemented</p>	

**Exhibit 3-6
(Continued)**

Monitor the Legislative Committee

None

Summary of Related Legislative Acts enacted

Act Number 1141 of the 1995 Regular Session

None that leading the federal and drug abuse services shall be allocated to each region on a per capita basis in accordance with the population of each region as shown by the latest population figures from the U.S. Census. The secretary or the principal secretary of the department shall submit a annual report to each member of the Legislature listing the programs and the amounts such monies received for the provision of regional services including drug services and services provided through grants that were received through applications by the regional offices.

Exhibit 3-7 Implementation Status of Recommendations and Matters for Legislative Consideration Contribution of Workforce Preparation Programs in Louisiana Performance Audit, Year 1997

The objectives of this audit were to:

- identify the types and amounts of workforce preparation programs administered by the state;
- evaluate the adequacy of coordination among agencies providing workforce preparation services, including the identification of potential duplication and overlap of services.

The report found that there are many different types of workforce preparation programs in the state, which cost \$211 million in fiscal year 1997-1998. The report also found that Louisiana's workforce preparation programs are fragmented and not well coordinated. There are five state agencies administering the state's workforce preparation programs. Seven state boards, committees, and councils are charged with coordinating these programs. Inadequate coordination has resulted in service overlap and duplication of some programs at the local level.

Recommendations	Entity	Implementation Status	Summary of Response Provided to Date by the Entity Implementing Recommendations
The Department of Education, the Department of Labor, and the Department of Social Services should integrate their adult education services. This would include making the adult assessment process uniform statewide and eliminating overlap among.	Department of Education	Partially Implemented	The Department of Education, the Department of Labor, and the Department of Social Services had two separate contributions to financing the workforce preparation assessment from fiscal year 1997-1998. The contribution from the Department of Education is used to fund a computerized and online system to coordinate assessment activities among various programs.
			The State Adult Basic Education (ABLE) Users Group handbook was developed. One of the major responsibilities for the department found working among agencies was a source of funding and the agencies involved in these funds. The majority of the funds to the department are federal funds and the department has to follow federal standards.

Exhibit 3-7
(Continued)

Recommendation	Entity	Implementation Status	Summary of Actions Provided by Entity for Not Fully Implementing Recommendation
<p>Item 46 On-Personnel Page</p>	<p>Department of Local Services</p>	<p>Not Implemented</p>	<p>The Workforce Assessment Conference addressed implementation of these assessment services. At the conference, all department representatives were strongly encouraged to investigate at a local level and to open the appropriate testing instrument on the instrument could be shared among the departments to avoid duplicate testing. A pilot work group was formed with representatives from all three departments to consider the development of a uniform process. However, because of conflicting federal regulations and policies, an assessment was never conducted, and no suitable process has been developed.</p>
<p>Item 48 On Personnel Page</p>	<p>Department of Labor</p>	<p>Partially Implemented</p>	<p>A conference was held between the state agencies that deal with conducting a comprehensive assessment process with emphasis on coordination and collaboration. The results of this conference was the development of the Test of Adult Basic Education (TABE) Query Group Handbook.</p>
<p>The Department of Education, the Department of Labor, and the Department of Social Services should provide financial references within the state</p>	<p>Department of Education</p>	<p>Partially Implemented</p>	<p>TABE User Training Workshops were conducted across the state for the purpose of standardizing the administration of TABE.</p>

**Exhibit 3-7
(Continued)**

Recommendation	Body	Implementation Status	Summary of Document Provided by Entity for Six Falls Implementing Recommendations
None in On Problem Page	Department of Social Services	Not Implemented	Department officials said that because they are not trained educators beyond a general level of literacy, attendance reporting, responsiveness, and other "motivational" type activities, they generally defer to the local education or law enforcement programs in operation. The Department of Social Services has not been involved in any formal discussions regarding "parenting" or parental education services for adults.
None in On Problem Page	Department of Labor	Partially Implemented	The Department of Labor requires provided educational data when possible. However, there are areas where data is not available. Furthermore, they require cooperation agreements at the local level as part of the Governor's Connections and Special Services Plan.
The Department of Education, the Department of Labor, the Department of Social Services, and the Director's Office of Women's Services should coordinate job attainment and job readiness services.	Department of Education	Partially Implemented	The Department of Education and the Department of Labor have been involved in the (ED) L.A. program and are in the process of providing youth skills information to the business relative to training and apprenticeship opportunities in Louisiana. The selected business entities are in the process of adding centers to the business and will allow public access to such materials and job skills training information with restrictions to available jobs in Louisiana. These restrictions would also allow sharing and comparison of relevant information and (ED) services among service providers.
None in Above	Department of Social Services	Not Implemented	Department of Social Services is not able to verify any other role and not involved with Project Independence program.

**Exhibit 3-7
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Efforts Provided by Entity for Not Fully Implemented Recommendation
None in On Progress Page	Department of Labor	Not fully implemented	The Department of Labor was awarded an implementation grant to establish "one-stop" centers, which will have a mailbox for job training services. Such centers cannot yet be able to provide services directly or arrange for services to be provided by other state entities.
None in On Progress Page	Governor's Office of Business Recovery	Not implemented	Coordination of services to assist implementation of services is essential. However, coordination of services would require significant cost and hinder the state's ability to reach outcomes where successful entry into the workforce is dependent on key issues to operational services.
The new Board of Elementary and Secondary Education (BESD) should operate in oversight of the new Council on Vocational Education. The board should use its authority to make the state council become more involved in coordination issues.	Board of Elementary and Secondary Education	Not implemented	

Major Legislative Consideration

The legislature may want to consider the authority for providing workforce preparation program services.

The legislature may want to explore the Board's conflicts with workforce preparation programs outside the Department of Education. Such laws, like R.S. 17:600, authorize the board to regulate and control the operation of state vocational institutes. If correct, such law does not place any responsibility on the board to coordinate with programs outside the Department of Education.

The legislature may want to amend state law, like R.S. 17:600, which requires the Louisiana Employment Security Advisory Council to file all appropriate steps to reduce and prevent unemployment rates to encourage and create in the adoption of practical methods of vocational training, retraining, and vocational policies. The law may be qualified to require that the council coordinate with state workforce preparation programs.

Exhibit 3-7 (Continued)

Matrix for Legislative Consideration

The legislators may want to define coordination responsibilities for the Language Coordinating Council for Adult Literacy, Reading, and Computing Education. The Service Council is required under the National Literacy Act to serve in an advisory role to state officials for literacy and adult education issues with respect to the labor market, economic development, and individual needs of the state. However, the act does not specifically require the Service Council to coordinate with other workforce preparation programs in the state.

Summary of Related Legislative Instruments

Act Number 444 of the 1995 Regular Session
 Creates the Workforce Development and Training Program within the Department of Business Development. The purpose of this program is to develop and provide customized workforce training programs to existing and prospective Louisiana businesses.

Act Number 198 of the 1995 Regular Session
 Provides for the development of a plan of coordination between the vocational-rehabilitation business and the public laboratories of higher learning in all efforts to coordinate their programs.

Act Number 79 of the 1996 Third Extraordinary Session
 Amends the state Department of Education to develop and administer a workforce-based training program which funds 800 positions.

Exhibit 3-8 Implementation Status of Recommendations and Matters for Legislative Consideration Corrections and Justice Staff Brief, March 1993

In this report, further study was conducted on the following 2007-93 Priorities recommendations:

- Develop a plan for moving the state to a structured sentencing approach for criminal convictions.
- Determine whether the voluntary limit on probation and parole grants' standards is appropriate and recommend staffing changes, inmate policies, or staffing adjustments where necessary.
- Evaluate the Federal Prison Industry Enhancement Program for solidification of private company contracts for inmate labor.
- Consider construction of additional state-managed prisons in privately-managed prisons.
- Study the advisability of reexamining the per diem payment for housing state prisoners locally.

The report found that:

- Louisiana implemented Felony Sentencing Guidelines in 1991. However, Louisiana does not monitor their use by the courts or track the effects of this new sentencing structure on the criminal justice system.
- The Division of Probation and Parole currently makes contributions to agencies that exceed the statutory limit by 70 percent.
- Despite receiving certification in January 1994 to participate in the Federal Prison Industry Enhancement Program, only one program is currently operating in Louisiana.
- Limited data is available to compare the operating cost differences of state and privately managed prisons. There are also few comprehensive evaluations of the effectiveness in service delivery. In addition, there are other issues that need to be addressed regarding further privatization efforts.
- The various per diem paid to local districts for housing state prisoners is not based on an evaluation of actual costs incurred by the local jails.

Recommendation	Early	Implementation Status	Summary of Barriers Provided by Early for Successful Implementing Recommendation
<p>78. Louisiana Parole and Pardon Commission should identify its ongoing tracking process to monitor the state's sentencing guidelines and the overall effect on the state's criminal justice system. Any monitoring effort should attempt to answer the following questions:</p> <ul style="list-style-type: none"> • What effect have the sentencing guidelines had on the length and uniformity of sentences for all types of crimes? • Have the guidelines provided sentencing judges with enough flexibility to impose the most appropriate sentence for each case? • What effects have the guidelines had on the numbers of non-violent offenders being incarcerated? 	<p>Low Sentencing Commission</p>	<p>Partially Implemented</p>	<p>The Sentencing Commission has partially implemented the recommendations by developing a list of subjects for initial study, developing a process through which sentencing provisions may be monitored in the short term, and working with the Louisiana Supreme Court to develop the Case Management Information System (CMIS), which will provide the information data base for the long monitoring facilities.</p>

**Exhibit 3-8
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Benefits Provided to Staff by Policy Implementation
<ul style="list-style-type: none"> • What actions have the positions had on the resolution of "other" situations being handled early policy? • What percentage of activities are being dealt with employees after being contacted today for resolution? • What positions have judges, prosecutors, and the Department of Public Safety and Corrections experienced upon implementation of the program? 			
<p>Prison Enterprises should approach with various bodies of staff to expand the PII program. The new PII program has a community operating in locations should be thoroughly evaluated in departments in several offices. If tangible benefits can be derived for the staff through participation in the PII program, the District should consider further expansion.</p>	Department of Public Safety and Corrections	Fully Implemented	
<p>Lombard should not contract additional police to perform investigations until a comprehensive evaluation is performed. The evaluation should report the costs of police versus other management. It should also examine how the quality and effectiveness of services provided by the private correction program or those provided by the state.</p>	Department of Public Safety and Corrections	Fully Implemented	
<p>The Department of Public Safety and Corrections should do the following:</p> <ul style="list-style-type: none"> • Conduct an audit of each period with observation for period costs of handling a designated number of case matters. The departments could then offer pay with period a third year per person, varying out from the period, or pay all periods a fixed rate based on the average cost of all periods. • Additionally, the departments could experience periods jobs based on "reasonable alternative work" using the "Business Program" as a model. 	Department of Public Safety and Corrections	Not Implemented	<p>The department's measurement of the periods directly for the handling of case persons is requested, as provided by L.S. 48.3. 1.802N.</p> <p>If the legislature supports an audit to determine period costs, it may be more appropriate for all independent objective authority to conduct such an audit to avoid the appearance of a conflict of interest.</p>

Exhibit 3-8 (Continued)

Monitor the Legislature's Consideration

What? The Governor's Plans, Proposals, Business Transactions, and Alternative Financing Task Force issues its final report, the Legislature may wish to consider any recommendations that would make the state in dealing with the rapid growth of its infrastructure and the increasing costs of maintenance.

The Legislature may wish to require a performance audit of the Division of Probation and Parole. Such an audit would assess the efficiency and effectiveness of the division's policies, procedures, goals, and objectives for the supervision of probationers and prisoners. Without a more comprehensive analysis of the actual efforts performed by the probation and parole agencies, it is impossible to fully judge whether the division is actually accomplishing its most important objectives and the most efficient use of its staff and resources that is available.

A second-year study should be performed to determine the present staffing needs of the division, in light of the division's varied responsibilities and the changes in the judicial system that have been recommended.

After completion of the study and/or performance audit, it is recommended that the division be in receipt of additional staff. The Legislature may wish to submit proposals to meet these needs.

If a decision is made to authorize bond jobs based on measurable objectives units, the Legislature should work with the Department of Public Safety and Corrections and the Louisiana Sheriff's Association to study legislation. This legislation would provide a specific responsibility bond jobs for currently eligible units located in a number of existing state prisons.

Summary of Budget and Legislative Initiatives

Act Number 306 of the 1995 Regular Session

Requires the reduction of work units assigned to probation and parole supervisors. This reduction will start on July 1, 1995. It is also stipulated by the Summary of the Department of Public Safety and Corrections. It will prohibit a probation and parole supervisor from being assigned to more than 50 staff units by July 1, 1997.

Act Number 342 of the 1995 Regular Session

Creates a special procedure for the Louisiana Bonding Commission and existing procedures and resources prior to an existing. The new law defines references to Bonding Commission procedures, but provides that the Bonding Commission-Contract of annual review of the state's existing procedures and state recommendations for legislation that would address a uniform existing policy.

Senate Concurrent Resolution Number 94 of the 1995 Regular Session

Recommends the Louisiana Bonding Commission to develop an existing tracking system to monitor the state's existing guidelines and their overall effect on the state's criminal justice system.

Exhibit 3-9 Implementation Status of Recommendations and Matters for Legislative Consideration Department of Health and Hospitals Non-Emergency Medical Transportation Program Performance Audit, July 1994

The objectives of this audit were to:

- Examine the reasons for the high operating costs of the program.
- Examine transportation provider reimbursements for a selected region of the state.

The audit found that Louisiana's Non-Emergency Medical Transportation (NEMT) Program reimbursements increased nearly 600 percent from \$7.9 million in 1983 to \$60.1 million in 1993. In 1993, approximately 13 percent of the program costs were provided by the federal government. An analysis of one of Louisiana's eight Medicaid service regions found that 31.4 million, or 46 percent, of all reimbursements in that region did not match underlying information and therefore were questionable.

The study also found that DEH has no written criteria for setting and adjusting provider reimbursement rates. Other states established not a variety of transportation providers, however. Louisiana provided nearly seven for-profit providers. In addition, the NEMT post-payment review process may allow for some inflated claims by small volume providers to go unchallenged.

Recommendation	Entity	Implementation Status	Summary of Response Provided by Entity for Non-Fully Implementing Recommendation
The Department of Health and Hospitals should establish a written policy for setting and adjusting reimbursement rates. This policy should be based on other similar cost information submitted by providers unless it determines cost data from outside sources.	Department of Health and Hospitals	Fully Implemented	
The Department of Health and Hospitals should implement policies to ensure the deposit number used submitting data is (1) NEMT, the fund identifier. The information not allowed include a 14 character the paid reimbursement number, date of service, Medicaid recipient identification number, and provider identification number.	Department of Health and Hospitals	Partly Implemented	
The Department of Health and Hospitals should require the local intermediary to use the submitting date to verify the claims for reimbursement were submitted by the deposit center. The claims to be paid should be identified in the submitting date before the claims are paid.	Department of Health and Hospitals	Partly Implemented	
Over the Department of Health and Hospitals has paid a claim, the prior authorization number should be entered in a second claim for the same trip unless the authorized and paid.	Department of Health and Hospitals	Partly Implemented	

**Exhibit 3-9
(Continued)**

Recommendation	Priority	Implementation Status	Summary of Risks Identified by Units for Not Fully Implementing Recommendations
The Department of Health and Hospitals should require the Statewide and Districtal Kinetic Services to timely providers rate meaningful ratings based on visits.	Improvement of Health and Hospital Program	Fully Implemented	
The discussions regarding prior authorization analyses and refinements should be thoroughly investigated.	Department of Health and Hospital Program	Fully Implemented	
Notes for Legislative Consideration			
The Legislature may wish to consider directing the expenditure for a personal services contract to LAH-03, 06-00001 of the Legislature may wish to consider modifying LAH-03, 06-00001 to include, subject to the Attorney General's Medicaid Fraud Control Unit to modify any contract of contractors.			
Summary of Risks from Legislative Inaction			

We did not identify any legislative recommendations relevant to the report that were adopted.

Exhibit 3-10
Implementation Status of Recommendations and Matters for Legislative Consideration
Economic Development Loan Programs
 Performance Audit, March 1994

The objectives of this audit were to:

- determine loan data and provide statistical information;
- determine the adequacy of internal controls for the economic development loan programs and, if necessary, make recommendations for improvement;
- discuss compliance with laws and regulations.

The report found that 77 percent or approximately \$1.4 million of loans approved by the Legislature since 1992 through the general appropriations bill to the Department of Economic Development, Office of the Secretary of Louisiana Small Business Equity Corporation, have defaulted with no recovery. Also, since its inception, the economic development loan programs have issued or guaranteed approximately 146 million in loans, while retaining approximately \$33 million in defaulted or write-off loans.

The report also found that the Louisiana Economic Development Corporation's (LEDEC) internal control system has weaknesses in the review, monitoring, and recovery aspects of the loan process because of a lack of detailed review procedures and insufficient monitoring by the corporation. Also, the Department of Agriculture and Forestry lacks effective written accounting procedures to ensure proper accountability of loan activity between the State Mutual Commission and the department's Office of Management and Finance, thereby increasing the risk of not maintaining accurate accounting records for the department's activities. In addition, LEDEC is not complying with LSAB-85, 31-2142, which states that a business which receives financial assistance shall provide evidence that the business has paid its full bill of taxes due and owing the (fiscal) year, the year of collection, or in any other level of government. Lack of implementation of a company's tax status may increase the risk of losing money to a company who will be unable to repay the loan because of its tax obligations.

Recommendations	Entity	Implementation Status	Summary of Progress Provided by Entity for Not Fully Implementing the recommendations
The Department of Economic Development should properly monitor the legislative appropriated loans to ensure that funds are being expended according to the contract and to ensure the department's responsibility of providing oversight on the contract.	Department of Economic Development	Partially Implemented	The legislative loans relative to the report are specifically, not delays have been no new loans issued. In the next year, loans are appropriated by the Legislature, the department will adopt the LEDEC's loan monitoring procedures to provide proper monitoring and oversight.
LEDEC should include a disclaimer and verification section on the application for the loans and should obtain independent information on the status of an applying business.	Louisiana Economic Development Corporation	Fully Implemented	

Exhibit 3-10
(Continued)

Recommendation	Priority	Implementation Status	Summary of Business Provided by Data for Not Fully Implementing Recommendation
<p>LEDC should develop detailed written, written and monitoring procedures for its staff to ensure that nonmembers of jurisdictions across, mitigate problems in transition to LEDC employees with different experience levels, reviewing and self-monitoring status on clearly assigned, and its role lead to institutions.</p>	<p>Louisiana Economic Development Corporation</p>	<p>Fully Implemented</p>	
<p>LEDC should require that all leads follow the Lead Change Agreement and provide LEDC with a quarterly status report. When the reports are received, the reports should be reviewed for compliance with the lead agreement and the business viability.</p>	<p>Louisiana Economic Development Corporation</p>	<p>Fully Implemented</p>	
<p>LEDC should monitor the "value" pledged investment activity in its program leads by requiring all leads to send the monthly retention reports as required in the Lead Change Agreement. When the reports are received, the information should be prepared for comparison with the lead agreement.</p>	<p>Louisiana Economic Development Corporation</p>	<p>Fully Implemented</p>	
<p>To enhance the effectiveness of its programs, LEDC should establish exit work, through monitoring rates and performance, performance indicators such as the annual number of jobs that LEDC leads create or save, taking the current defined investment and investment that may have exceeded or failed to reach fully 20-30 days or related to their applications.</p>	<p>Louisiana Economic Development Corporation</p>	<p>Partially Implemented</p>	<p>LEDC has not fully implemented this recommendation because there is no way to accurately quantify their numbers that financial information, and it would have an impact on the business.</p>
<p>LEDC should also establish and track performance indicators, such as sales tax revenues, to determine the economic health of its lead agreements and provide to Louisiana's economy.</p>			
<p>Monthly reconciliations should be performed between LEDC's cost reports received and the department's fiscal system cost reports monthly to ensure that adequate control procedures are in place and operating in regard to each report.</p>	<p>Louisiana Economic Development Corporation</p>	<p>Fully Implemented</p>	

**Exhibit 2-10
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Benefits Provided by Entity for Not Fully Implementing Recommendation
<p>None at CN Precursor Page</p>	<p>Louisiana Economic Development Corporation</p>	<p>Not Implemented</p>	
<p>LEDC should develop formal review procedures for the legal entities in priority-education efforts for all individual loans.</p>	<p>Louisiana Economic Development Corporation</p>	<p>Not Implemented</p>	
<p>LEDC should consider entering into a voluntary agency or referralship attempt to improve its collection efforts on delinquent loans.</p>	<p>Louisiana Economic Development Corporation</p>	<p>Not Implemented</p>	<p>This recommendation is not cost efficient.</p>
<p>LEDC should consider the following adjustments to lower the costs in the state on delinquency:</p> <ul style="list-style-type: none"> • Increasing the use of cost-effective entities. • Increasing the entity requirements for each company. • Concentrating on participating in a lower loan package. 	<p>Louisiana Economic Development Corporation</p>	<p>Not Implemented</p>	<p>This recommendation has not been implemented because (1) higher collateral ratios or higher equity requirements would only decrease the number of businesses eligible for LEDC's program. The Small Business Administration is well-suited to manage lenders (some request very low "business-based lending" or "high loan based lending"); (2) forcing the equity requirement would prevent many minority, women, or disabled individuals from opening a small business. (3) LEDC has also requested lower package amounts on several loans to bring up the maximum from the private sector. The idea of a "cost" limit did not fully align with the program. LEDC's board has collaborated with the banks if this appeared.</p>

Exhibit 3-10 (Continued)

Bioscience/Industry	Entry	Implementation Status	Summary of Business Provided by Entry for Not Fully Implementing Recommendation
<p>The committee should conduct annual status reports to the House and Senate Committees on Agriculture, the House Committee on Appropriations, and the Senate Committee on Finance or Finance (if any).</p>	<p>State Industry Committees</p>	<p>Fully Implemented</p>	
<p>The Department of Agriculture and Forestry should identify written policies and procedures to improve the competitiveness of large interventions and monitoring for activities and subgrants, monitor business the State Market Commission and the Office of Management and Finance to properly reflect all departmental assets and liabilities resulting from farm activities. In addition, the department should properly record the lease purchase of the Louisiana Chemical Manufacturers, Inc., plant in St. Martin Parish, La., and the sale of Diamond Plant " assets to Scotland Acquisition Corporation.</p>	<p>Department of Agriculture and Forestry</p>	<p>Fully Implemented</p>	
<p>Make for Legislature Consideration</p>			
<p>Because of the critical and emerging history of the issue, the legislature may wish to consider the following, when appropriating funds through the Department of Economic Development:</p> <ul style="list-style-type: none"> • Reduce State loans to LDCs to annual loan evaluations/years when the appropriation is approved by the legislature. • Approprate the loan through LDC's budget instead of the Office of the Secretary's budget, or (use LDC) to monitor the performance of the loans. <p>The legislature may wish to consider reviewing any existing ongoing "equipment" or "loan" from an appropriation's description if the intention of the legislature is to grant such loans.</p>			
<p>Summary of Selected Legislative Testimonials</p>			
<p>All Number 279 of the 1990 Regular Session Create the Economic Development Asset Program (EDAP), which will enter in the state involvement through which the state reduces, increases, accepts, accepts appropriations, grants, loans, stipends to loan numbers, or provide testimony to indicate a business project.</p>			

Exhibit 3-11 Implementation Status of Recommendations and Matters for Legislative Consideration

Infrastructure

Staff Study, February 1993

This study examined the state's progress on the following MCDM Phase One recommendations:

- Develop means to give highway maintenance a higher priority than other road-uses.
- Eliminate low priority projects from the Department of Transportation and Development's proposed maintenance program.
- Reallocate highway maintenance funding from unfunded projects to current maintenance contracts with paid local demands.

In addition, further study was conducted of the Department of Transportation and Development's (DOTD) calculations of maintenance and paving projects.

The report found that the DOTD does not give highway maintenance the same importance as construction and reconstruction. The lack of maintenance maintenance has resulted in the need for more emergency and reconstruction of the state's highways. Problems also exist with the methods used to choose projects for the department's annual Highway Priority Program.

Recommendation	Entity	Implementation Status	Summary of Response Provided by Entity for Six-Month Implementation Recommendations
The DOTD should consistently apply the definitions of maintenance and reconstruction when programming work.	Department of Transportation and Development	Partially implemented	The department has initiated a research project entitled "Development of Highway Needs and Priorities for Louisiana DOTD." The flow of information in this project will determine operational decisions for asset construction, reconstruction, rehabilitation, maintenance, and other related work. With the term-related correspondence, future maintenance and construction contract work will be accurately reflected in this program. This research project is scheduled to be completed in May 1994.
The DOTD should reestablish its maintenance planning function, update the current program estimate for road, signs, and amount of maintenance work needed to maintain the roads and bridges, and use the updated system to justify and evaluate departmental maintenance activity and to estimate revenues.	Department of Transportation and Development	Partially implemented	The maintenance planning function in the Department's Maintenance Division is being revised. Also, the Personnel Management Bureau is making the implementation steps for producing and launching needed work. A research project titled "Reassessment of Appropriate Funding for Maintenance" has been authorized by the Legislative Department members when they meet. The objectives of this project are to: (1) provide DOTD with a method

**Exhibit 3-11
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Progress Performed by Entity for Six Fully Implementing Recommendations
<p>The DOTD should develop a formal process for evaluating the use of contract maintenance. This process should include an analysis of cost-effectiveness on a monthly cost basis, as well as a formal evaluation report on the performance of maintenance contractors. This could be incorporated into the department's updated maintenance management system.</p>	<p>Department of Transportation and Development</p>	<p>Partially Implemented</p>	<p>of assessing and providing annual maintenance needs and (2) provide a process of rating maintenance management procedures of the Maintenance Division.</p> <p>With rapid re-evaluation, their 181 routine projects annually being used. For the past 1.5 years, independently-developed is provided maintenance projects to cost efficiency. Also, the Department has initiated a Total Quality Management Program that specifically design and maintain a "Classroom Maintenance Evaluation Procedures" at DOTD has been established and is being utilized to track this project. Completion is scheduled for June 1996.</p>
<p>The Office of Legislative Analysis study of comprehensive initiatives it recommended that an independent, non-partisan commission be established to analyze the contributions of all potential opportunities for privatization on a cost-by-cost basis. Contractors should be given the right to evaluate the use of existing highway maintenance.</p>	<p>Department of Transportation and Development</p>	<p>Partially Implemented</p>	<p>Currently, DOTD does have processes available to evaluate the performance of contractors. DOTD requires contractors to plan and specifications and inspection of the work performed. Aligning the contractor sets, the working contracts will also be impacted by construction inspection, wherever possible.</p>

**Exhibit 2-11
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Benefits Provided by Entity for Past Policy Implementing Recommendation
<p>The DOT's should use information provided from the transportation system to annually determine the appropriate "rate" of construction and maintenance and report funding accordingly.</p>	<p>Department of Transportation and Development</p>	<p>Priority implemented</p>	<p>This transportation system will be ready for use during calendar year 1996. It is intended that both the present and future transportation systems will be used to identify needed maintenance projects and to identify projects. Progressive maintenance has received a much higher emphasis during the past 20 months. As DOTD begins to use the Present Management System, along with the institutional maintenance management tool in the Maintenance Management Division, a more systematic approach to preventive maintenance will result.</p>
<p>The DOTD should use information provided from the transportation system to provide maintenance as well as construction projects. Consider making preventive maintenance a higher priority or award the higher rates of maintenance and service.</p>	<p>Department of Transportation and Development</p>	<p>Priority implemented</p>	<p>The research and development group within DOTD is managing a study to develop a highway project priority assessment process. The study will provide the department with several alternative alternatives for using information from the present, bridge and other state project systems to develop priority programs. The institutional system will be ready for use during calendar year 1996. It is intended to be used to identify needed maintenance projects and to provide criteria.</p>

Matrix for Legislative Consideration

The Application may wish to address the issue of transfer of the budget portion of resources to the Transportation Trust Fund because of the effects of inflation on the funds (i.e., The Application may also wish to consider a constitutional amendment that changes the funds (i.e., from a volume-based tax to a percentage-based tax).

Exhibit 3-11 (Continued)

Summary of Recent Legislative Actions

Senate Concurrent Resolution Number 28 of the 1995 Regular Session
Requires DOTD to use the federal grants to plan and evaluate departmental maintenance activities and to allocate resources.

House Concurrent Resolution Number 48 of the 1995 Regular Session
Requires DOTD to develop a plan-to-be-included-in-proposal to the highway priority program specifying verification of availability of funds.

Senate Concurrent Resolution Number 49 of the 1995 Regular Session
Requires DOTD to develop a bond process for financing the cost of certain maintenance.

Senate Concurrent Resolution Number 51 of the 1995 Regular Session
Requires DOTD to develop and use combination expense allocations for "maintenance" and "substitutions."

Senate Concurrent Resolution Number 71 of the 1995 Regular Session
Requires DOTD to transmit the maintenance planning forecasts within a budget in the operating budget.

Senate Concurrent Resolution Number 72 of the 1995 Regular Session
Requires DOTD to update annual program activities on road and bridge work.

Senate Concurrent Resolution Number 98 of the 1995 Regular Session
Requires DOTD to use information that highway matched grant project sponsors to determine a more balanced mix between construction and maintenance and develop priorities.

Senate Concurrent Resolution Number 48 of the Third Extraordinary Session of 1994
Requires DOTD to develop its proposed highway priority program and to submit periodic evaluations of the priority program.

Exhibit 3-12

Implementation Status of Recommendations and Matters for Legislative Consideration

Investment Policies and Practices of Louisiana's State Retirement Systems

Staff Study, June 1994

The objectives of this study were to:

- Compare the current investment policies of Louisiana's four state retirement systems.
- For fiscal years 1982 and 1991, compare the investment professionals' performance and compensation by Louisiana's four systems.
- For fiscal year 1991, compare rates of return and compensation practices of the four systems with consolidated retirement systems in other states.

The study found that:

- The board of trustees for each of the four state retirement systems sets the investment policies. All four systems use similar procedures to hire national investment professionals and to measure performance of those professionals.
- Higher investment returns did not necessarily yield higher investments per formation. Louisiana's four state retirement systems had relatively high rates of return when compared with consolidated retirement systems in 11 states surveyed. However, investment expenses of the four systems were also among the highest in the fiscal year 1991.
- Fees paid to equity managers varied more than any Louisiana state retirement system varied greatly in fiscal years 1982 and 1991.
- For fiscal year 1991, Louisiana's four systems combined spent more for consultant and consultant fees than the states (and by consolidated retirement systems in other states) with comparable or more assets.

Recommendation	Priority	Implementation Status	Summary of Actions Provided by Trustee for Not Fully Implementing Recommendation
None			
Matters for Legislative Consideration			
None			

Exhibit 3-12 (Continued)

Summary of Related Legislative Instruments

Act Number 666 of the 1993 Regular Session

Is relative to all Louisiana ports, navigation systems and vessels that all financial data reflected in a 1993 schedule of accounts system, book, or plan shall be based on uniform accounting standards published by the Association for Investment Management and Research. This requirement also applies to all investment managers, advisors, and contractors who are contractually employed by a system.

House Resolution Number 97 of the 1993 Regular Session

Agree and request the LAOEDD board of members to study certain fixed income investment strategies and to submit a report of its findings to the House Committee on Retirement and Pensions on or before the first day of the 1994 regular session.

Exhibit 3-13 Implementation Status of Recommendations and Matters for Legislative Consideration

Louisiana Foster Care Program Performance Audit, December 1992

The objectives of this audit were to:

- Identify the foster care population in Louisiana, determine the costs of operating the program, and determine the leading causes.
- Determine the family social conditions prevailing child placement into foster care and children's associated special needs.
- Analyze the current and placement practices of foster children.
- Evaluate the Office of Community Services' case management efforts for foster children.

The report found that over 4,000 children were in foster care in June 19, 1992. Child welfare costs totaled \$127 million in fiscal year 1993 and, of which 25 percent came from state funding sources. The report also found that the state's foster care system lagged in terms of children with severe medical, psychological, emotional, and mental health implications. However, various initiatives have upgraded the Office of Community Services' ability to respond to this situation. Furthermore, the delivery of services to Louisiana's foster children, their families, and their caregivers, is fragmented and poorly coordinated. This situation hinders effective initiatives to promote the foster care system to be made to work. High case loads and a lack of sufficient placement of resources compound the problem. By reducing case numbers and increasing others, Louisiana can improve its services to foster care clients.

Recommendation	Entity	Implementation Status	Summary of Response Provided by Entity for Socially Implementing Recommendation
In cooperation with the Children's Cabinet, the Office of Community Services should explore alternative measures to expedite hearing capabilities for the attainment of family reunification goals.	Department of Social Services	Partly Implemented	Under the current state budget restrictions, the actions used by the Department of Social Services, Office of Family Support, to determine eligibility for AFDC are based on legislative provisions promulgated by the U.S. Department of Health and Human Services. There is no flexibility to make legislative provisions.
Both the Department of Social Services and the Office of Community Services should maintain conflict grant by the reduction of public assistance benefits current administration of Family Care (the objectives for housing and family support).	Children's Cabinet Department of Social Services	No Implemented	
The Office of Community Services should monitor in type of community based programs in its existing efforts, for foster care providers and in efforts to provide adequate services to foster children and their families.	Department of Social Services	Partly Implemented	OSCL has implemented a number of initiatives that partially satisfy this recommendation. They include:

Exhibit 3-13
(Continued)

Recommendation	Priority	Implementation Status	Summary of Actions Provided by Entity for May 2014 Implementation Review and/or Action
			<ol style="list-style-type: none"> 1. Improved recruitment and retention planning and publicity. 2. Kollege Profiles for K-12 youth presented to parents, local youth services and retirement for children in foster care. 3. Knowledge highlights. 4. Foster preparation and support of foster and adoptive parents for their percentage parenting and permanency planning responsibilities. 5. Engage a child welfare provider from each adoptive family members. 6. Support for foster care placements.
<p>The Office of Community Services should use the expertise of Medicaid. This Office is required to fund Non Psychogeriatric admissions in a performance indicator to assess its effectiveness in providing foster placements to children in foster care. The schedule should be revised if the agency feels that there are other factors that no longer matter.</p>	Department of Social Services	Not Implemented	<p>OCJ agrees that the systematic, improved tracking of placements can be useful to foster children. However, the agency respectfully disagrees that mandating additional specific steps on the licensing changes to children which may be caused by all such changes represents a viable performance indicator. The reason is that many factors outside of OCJ caused other than agency's performance but on the return for agency placement change.</p>
<p>Recognizing the state of the problem identified in this report, besides other main agencies, the Office of Community Services should work to help the Children's Office to increase activity in the office of Mental Health and the Office for Children with Developmental Disabilities include resources of foster children and their families in part of their activities. In addition, efforts should be made to establish plan for interagency coordination with state and other agency agencies.</p>	Department of Social Services	Partially Implemented	<p>The Office of Community Services has worked through the Children's Office to determine the role for the Office of Mental Health and OCJDD include qualified foster children and their families in part of their activities. An interagency plan has been developed and is currently under consideration.</p>

**Exhibit 3-13
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Progress Provided by Entity for Fully Implemented Recommendation
<p>Some At-Risk Services Page</p> <p>The Office of Community Services, in cooperation with the Children's Centers, should identify resources needed from other state agencies and state legislation to integrate plans to address these resources.</p>	<p>Children's Centers</p> <p>Department of Social Services</p>	<p>Partially Implemented</p> <p>Partially Implemented</p>	<p>The Children's Center has an documentation which shows that the resource statements of its six offices named include treatment of foster children. However, there is a dual plan which describes integrating coordination of services.</p> <p>An integration plan has been drafted and is currently under consideration.</p>
<p>State At-Risk</p> <p>The Office of Community Services should recommend the other service efforts to determine whether service facilities can be further streamlined or contracted out for greater effectiveness and efficiency.</p>	<p>Children's Center</p> <p>Department of Social Services</p>	<p>Partially Implemented</p> <p>Fully Implemented</p>	<p>A draft of its integrating plan to coordinate all services was submitted to the Office of the Legislative Auditor by the Office of Community Services. This plan contains a survey of user resources.</p>

Matter for Legislative Consideration

The Legislature may wish to consider authorizing incentives for foster parents willing to accept children who are difficult to place, even if the children have some of the special needs for which existing special foster care exist.

To help update parental care assessment with foster caregivers to ensure continued compliance with federal child welfare standards, the Legislature may wish to consider funding additional case manager and supervisor positions as well as the level of case management systems established by the MA of 1995. The Legislature may wish to phase in this funding over the next few fiscal years.

Exhibit 7-13 (Continued)

Statute for Legislative Oversight

An alternative to having external cost management positions, the legislature may wish to request a study comparing the cost of providing case management services in-home versus providing the services through contracted services. Any such study should take into account the structure, appointments, and quality of services provided.

The legislature may wish to consider requesting a study comparing the cost of family preservation efforts to the cost of foster care. After receiving the results of the study, the legislature may wish to consider funding AR 907 of 1993.

The legislature may wish to consider the possibility of using consumer credits to fund its Home Based Care of 1993 to create counseling and replacement parents to be paid when children are reunited with their families.

Summary of Related Legislative Initiatives

All Numbers out of the 1993 Regular Session

Establishes a grant for the completion of repairs for investigators and treatment of the abuse and neglect of children.

All Numbers out of the 1994 Regular Session

Establishes a pilot program to demonstrate how public educational benefits and services, implementation of the pilot program shall after July 1, 1994, and it shall be funded by the Office of Family Support's child care benefit of applicants.

All Numbers out of the 1995 Regular Session

Establishes a testing requirement for child protection investigators and foster care volunteers.

All Numbers out of the 1998 Regular Session

Establishes the following responsibilities as the primary duties of the Children's Cabinet:

1. Provide for and implement the coordination of services through by all state agencies and programs having responsibility for services to children and their families.
2. Monitor conflicts among programs and agencies.
3. Develop and implement processes and procedures necessary to coordinate with nonstate agencies.
4. Ensure the cabinet is necessary to carry out the provisions of this act relating to the coordination of delivery of services to children and families.
5. Establish such laws as may be necessary or appropriate to carry out the purposes of this act.

All Number 1202 of the 1999 Regular Session

Establishes the membership of the Children's Cabinet and the creation and duties of the Children's Cabinet Advisory Board.

**Exhibit 3-13
(Continued)****Summary of Federal Legislative Instruments**

Act Number 106 of the 1993 Regular Session
Establishes the rules for implementation for three-year child care rates, according to the U. S. Department of Agriculture for the Reauthorized Child Care. Requires the Department of Social Services to promulgate rules for implementation of the implementation system by January 1, 1995.

Act Number 107 of the 1993 Regular Session
Makes available (subject to the availability of funding) voluntary services to children and families that are designed to prevent the unnecessary placement of children into foster care. These services are also designed to assist children with their families.

Senate Companion Resolution Number 14 of the 1993 Regular Session
Expresses the Children's Cabinet's position to provide services upon to the governor and to the legislature on the need for a central coordinating agency to coordinate the delivery of services to children and families before the 1994 Regular Session.

Exhibit 3-14
Implementation Status of Recommendations and Matters for Legislative Consideration
Louisiana Health Care Authority Implementation of the Minimum Fee in the State's Medical Centers
Performance Audit, March 1983

The objectives of this audit were to:

- Determine how the Louisiana Health Care Authority developed the cost and revenue projections associated with implementing the minimum fee.
- Determine the feasibility of collecting the minimum fee.
- Determine whether the minimum fee will impact other facets of the state medical center system.

The report found that Act 883 of 1981 requires state medical centers (hereinafter clearly identified as collect a \$5.50 fee from patients who are not individually needy or medically indigent. However, this fee is not being collected. Collection of the fee has been delayed by disagreement between the Louisiana Health Care Authority (LHCA) and the Legislative Fiscal Office on the estimates of revenue to be generated by the fee and on the estimates of cost to collect the fee. The authority's estimated costs are based upon the presumption that the fee must be collected at the time of service. Anticipation exists the cost may have contributed to the authority's implementation plan being inconsistent with legislative requirements.

The report also found that the authority's interpretation of the minimum fee as "payment on account" rather than as a "service charge" will not generate new revenue to the state's medical centers.

Recommendation	Entity	Implementation Status	Summary of Reasons Provided by Entity for Not Fully Implementing Recommendation
The Louisiana Health Care Authority should identify the minimum fee in a service charge as required by Act 883 of 1981.	Louisiana Health Care Authority	Not Implemented	
The Louisiana Health Care Authority should, with the assistance of the Department of Health and Hospitals, identify the effects of the minimum fee on disproportionate share payments to be fiscal impact statement.	Louisiana Health Care Authority	Partly Implemented	
The Louisiana Health Care Authority should request an addition of a "service fee" and estimate its amount provided by the medical centers in January items when the minimum fee could be imposed to comply with the terms of Act 883 of 1981.	Louisiana Health Care Authority	Not Implemented	LHCA deemed this recommendation "not applicable" because the term "service fee" was defined as being consistent with legislative intent.
The Louisiana Health Care Authority should request a revised fiscal and economic impact statement reflecting the present groups which can be charged the minimum fee.	Louisiana Health Care Authority	Not Implemented	LHCA is consistent with its interpretation of the groups which can be charged the fee.

**Exhibit 3-14
(Continued)**

Recommendation	Body	Implementation Status	Summary of Reasons Provided by Entity for Not Fully Implementing Recommendation
Before enacting the Louisiana Health Care Activity Law, the Louisiana Health Care Activity Board should assess the impact of the minimum fee and this policy on each other in order to ensure resulting additional revenue from the fee.	Louisiana Health Care Authority	Not implemented	LHCA reported that this recommendation is not feasible. The current policy has not been assessed by LHCA.
After adopting its definition of "service unit," the Louisiana Health Care Authority should identify all services included in private contracts for the minimum fee and how its revenue derived of those services to comply with the 80% of 1992.	Louisiana Health Care Authority	Not implemented	This is not applicable because the definition of service unit was obtained at "being consistent with legislative intent," which did not derive at expenses.
The Louisiana Health Care Authority should implement the programming changes necessary, including the minimum fee as a service charge as required by LA-RS 46:208. Also, the authority should review the fiscal and economic impact forecasts to estimate the rate to be levied by these programming changes.	Louisiana Health Care Authority	PBI implemented	

Matter for Legislative Consideration

The legislature may wish to consider revising LA-RS 46:208 to clarify "service unit" and "total health body" and assess whether the fee is to be collected at the time of service.

The legislature may wish to consider revising LA-RS 46:208 to specify all exceptions to the minimum fee, including those which encourage preventative care.

Summary of Related Legislative Initiatives

We did not identify any legislative proposals relevant to this report that were adopted.

Exhibit 3-15

Implementation Status of Recommendations and Matters for Legislative Consideration

Louisiana Insurance Guaranty Association

Staff Study, February 1995

The objectives of this study were to:

- Analyze the possibility of increasing assessments charged to insurance companies to cover sufficient income to pay required claims without increasing to local insurers.
- Study the benefits and costs of doubling the tax credit for insurance company assessments.

The report found that Louisiana's assessments on viable insurance companies to help pay the needs of claims left by insolvent insurance companies have not been adequate. As of September 30, 1994, the Louisiana Insurance Guaranty Association (LIGA) had paid in half billion dollars more in assessments in 1994. Even though Louisiana's assessments are the second highest in the nation, they are still not adequate to cover all of the claims and expenses that are paid by LIGA. The assessments generate about 160 million per year, but LIGA's claims and expenses for 1994 were more than 500 million.

In addition, the report points out that when insurance companies receive state assessments through tax credits, the state's budget is directly impacted. State law allows these assessments to be accepted by the insurance companies at 50 cents, which in turn reduces the amount of insurance premium taxes collected from these companies. Thus, increasing the assessments would negatively impact the state's budget, and doing so is not recommended. Instead, the report offers several alternatives to increasing assessments. Furthermore, the report found that doubling existing tax credits would be cheap and successful and would provide no immediate benefit. Eliminating or limiting the tax credit to 20 percent after the year 2003 would, however, provide some benefit. The report also shows that some state receipt assessments through increased rates and penalties of 10 policy holder surcharges.

Recommendation	Entity	Implementation Status	Summary of Progress Provided by Entity for Not Fully Implementing Recommendation
The Department of Insurance and LIGA should work together to develop a mechanism that can provide first insured insurance companies in LIGA an 100% tax credit to pay assessments.	Department of Insurance	100% Implemented	
Same as Above	Louisiana Insurance Guaranty Association	100% Implementing	

Exhibit 3-15 (Continued)

Major Tax Legislative Contributions

The legislature may want to consider the following:

- Reducing the tax credit for LSCA contributions to 50 percent of payments paid after the year 2003.
- Increasing the deduction for tax claims from \$100 to \$200 per claim.
- Increasing a 100% deduction for state and territorial claims.
- Excluding claims for general damages from bonus payments by LSCAs.
- Excluding claims of all-claims and third-party claimants with an average of 500 employees or more from the definition of a "covered" claim.

The legislature may wish to consider a policyholder strategy if the LSCA assessment on insurance companies and tax credits are eliminated.

Summary of Selected Legislative Contributions

NY-001 to identify key legislative measures relevant to the report that were adopted.

Exhibit 3-16 Implementation Status of Recommendations and Matters for Legislative Consideration Louisiana Minority and Women's Business Enterprise Program

Performance Study, June 1993

The objectives of this study were to:

- Determine the number of certified minority and women's businesses during fiscal year 1994.
- Examine the amount of funds each of these businesses received from businesses with the state during fiscal year 1994.
- Determine if the minority and women's procurement program meets the state needs.
- Determine any recommendations to state laws governing this program.

The report found that only about one percent of Louisiana's 71,000 minority and women's businesses participate in the state-wide program that was recently declared unconstitutional. During fiscal year 1994, only 211 of 766 businesses certified for the program received business from state agencies and educational institutions. In addition, \$41 million was paid to these 211 businesses. Of this, \$11.2 million, or 74 percent of the payments, went to the Department of Transportation and Development. All other agencies spent \$3.1 million with minority or women's businesses. For minority women-owned businesses received 34 percent of the program's expenditures. African American businesses were awarded with 39 percent and Hispanic businesses were paid with 4 percent. Although the general goal of the program is to favor the report states that there have been no studies to determine if the program does more to operate than if purchasing was openly competitive.

The report also found that the revised statute that governs the preference contract provides cost containment measures. S.B. 613, the 1993 AGC provides that addition of a business is contingent upon the contractor's bid being within the limits of 10 percent or \$10,000 of the lowest bid. The contractor must also agree to lower its bid to the price submitted by the lowest responsive and responsible bidder. The provisions of law allowing this program are outdated. They can be interpreted to mean that all contracts should be let by competitive bid using all potential vendors.

Recommendation	Entity	Implementation Status	Summary of Response Provided by Public for Not Fully Implementing Recommendation
The Division of Administration should report to the Legislature and the DAPWBE its compliance with S.B. 613, 307(1)(b).	Division of Administration	Not Implemented	The program is no longer in effect. (October 1993)
The DAPWBE should provide information that reports the number of certified businesses participating in the program, the total amount spent in each subdivision of the state, a summary of expenditures from agencies other than DTPED, and a schedule of expenditures from agencies other than DTPED, and a schedule of expenditures arranged by state subdivisions (not public).	Department of Economic Development (Secretary of Administration and Minority and Women's Business Enterprise)	Fully Implemented	

**Exhibit 3-16
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Actions Provided by Entity (or Not Fully Implementing Recommendation)
<p>The DAWBI should include in its management information system detailed expenditure information that is provided by state agencies and educational institutions.</p>	<p>Department of Economic Development, Division of Minority and Business Enterprises</p>	<p>Not Implemented</p>	<p>This recommendation calls for programming by the Information Systems Division. Due to program shortages, the programming had to be rescheduled.</p>
<p>The DAWBI should compare quarterly expenditure reports from state agencies and educational institutions to the listing of certified businesses to ensure that only those certified or those signing affidavits are contractually obligated to an agency's annual plan. Agencies and educational institutions must report vendor status in addition to vendor numbers to assist the DAWBI in this effort.</p>	<p>Department of Economic Development, Division of Minority and Business Enterprises</p>	<p>Not Implemented</p>	<p>This recommendation calls for programming by the Information Systems Division. Due to program shortages, the programming had to be rescheduled.</p>
<p>The DAWBI should work with the Division of Administrative Services to identify an official procedure which allows agencies to create expenditures in non-certified businesses owned and controlled by minorities or women, according to LRS § 3-28 (H)(2).</p>	<p>Department of Economic Development, Division of Minority and Business Enterprises</p>	<p>Not Implemented</p>	<p>This recommendation is being adopted pending the outcome of the State Expenditure Control Bill on the appeal of Judge Steiner's decision.</p>
<p>State's Action</p>	<p>Division of Administration</p>	<p>Not Implemented</p>	<p>The program is no longer in effect.</p>

**Exhibit 3-16
(Continued)**

Recommendation	Entry	Implementation Status	Summary of Barriers Provided by Entry for More Fully Implementing Recommendations
<p>The CAMPER should change its application process to require an early visit for all initial applications for certification in the program. No action is necessary as part of the certification process unless a previous certification review had not been performed or is over.</p>	<p>Department of Economic Development / Bureau of Industry and Tourism / Small Business Enterprise</p>	<p>Fully Implemented</p>	
Status for Legislative Consideration			
<p>The legislative staff will coordinate with the non-taxative reporting requirements of LSABCS, 98-1796 of the Small Business Security Act.</p>			
<p>The legislative staff will consider reviewing the certification period contained in LSABCS, 98-1796(B) from one year to a multi-year period.</p>			
Summary of Related Legislative Enactments			
<p>Act Number 824 of the 1999 Regular Session Ends with certification as a minority or women's business enterprise. Certification shall be effective for a period of three years. The division may require a company to submit periodic financial statements regarding changes in the information provided during the initial certification process. This division shall issue the guidelines after the three-year period provided the company continues to meet the eligibility criteria.</p>			
<p>Act Number 825 of the 1999 Regular Session Enacts the definition of minority or women business "underserved" persons. The division includes any person with a physical impairment, including any physical impairment.</p>			

Exhibit 3-17

Implementation Status of Recommendations and Matters for Legislative Consideration

Louisiana's Planning, Budgeting, and Program Evaluation System

Performance Audit, February 1995

The objectives of this audit were to determine:

- Whether and to what extent the state has developed the necessary mechanisms for implementing the program budgeting system mandated by state law.
- Whether and to what extent Louisiana's executive branch departments are carrying out the planning and performance management activities also required by state law.

The report found that numerous obstacles inhibit the state's transition to a program budgeting system. Substantial time and resources are currently being spent on a system that has yet to be fully implemented. In addition, the report found that few state mid-level or high-level performance indicators exist. Louisiana's fiscal year 1994-1995 executive budget are conceptual as effectiveness measures, even though effectiveness measures are the most meaningful type of performance indicator. The number of performance indicators submitted by executive branch departments in their operational plans and the number of indicators reported to the state's 1994-1995 executive budget varied significantly.

The audit also found that the Office of Planning and Budget does not provide formal, systematic training to all state departments in the areas of strategic planning, operational planning, and performance indicator development.

Recommendation	Entity	Implementation Status	Summary of Response Provided by Entity for the Most Fully Implementing Recommendation
All state departments should complete their operational plans on a annual basis. The departments should report the performance indicator data quarterly, even if the data is not reported regularly.	Division of Administration	Partly implemented	
All department heads should complete the annual reports on an annual basis. These reports are useful because they require state departments to evaluate their programs and activities.	Division of Administration	Partly implemented	LSA-48-5, 56-8 require the submission of an annual report summarizing the activities of each department's office relating to its regulatory and program analysis conducted for the preceding 11-month period. The deadline for submission of the reports is December 1 of each year. As of January 13, 1995, the divisions had received reports from only seven departments. Submission of the reports is a responsibility of department heads and not the divisions. The divisions can not bear administrative responsibility for the 160 reports.

**Exhibit 3-17
(Continued)**

Recommendation	Category	Implementation Status	Quantity of Results Provided by Entity for Key Fully Implementing Recommendations
<p>OPR should explore the program needs reviews. These reviews are important in that they allow OPR to evaluate the operational and strategic performance of each department.</p>	Division of Administration	Not Implemented	<p>Program profile reviews have done in the past but discontinued under Commissioner LeBlond's leadership. The program reviews are not mandated by statute at relevant OPR.</p>
<p>The task of developing appropriate performance indicators is critical to make the for state to be in a position to budget programmatically. Therefore, we recommend that state departments and OPR work together to develop and build the performance indicators that will be used in the state incentive budget. To facilitate this process, the recommended task OPR-02-06, including:</p> <ol style="list-style-type: none"> 1. Audit all state departments in developing performance indicators that measure program effectiveness. 2. Request all state departments to complete OPR performance indicators by 9/91. 3. Provide formal training to all state departments on strategic planning, operational planning, and performance indicator development and include this training on a regular basis. 4. Make more heavily on individual departments' agree for the development of performance indicators. 5. Monitor all state departments' activity to the state of performance indicators development to ensure that appropriate and reliable indicators are being created. 	Division of Administration	Partly Implemented	<ol style="list-style-type: none"> 1. OPR continues to provide technical assistance to departments in developing performance indicators that measure program effectiveness. 2. OPR (00) put two of its recommendations in its strategic. 3. OPR continues to provide operational training individual indicators to the state only regarding with strategic. OPR's recommendation is to submit to the legislature. OPR does not see the value of submitting training on a regular basis for all state departments when there is an accompanying requirement that state managers attend such training. 4. OPR already relies heavily on department reports for the development of performance indicators. 5. OPR already monitors development and reporting of performance indicators through its major strategic process and the State of the State annual report.

Exhibit J-17 (Continued)

Meaning for Legislative Consideration

The legislature may wish to consider legislation authorizing the preparation and periodic updating of a statewide strategic plan. An independent entity should be formed to prepare the plan. The entity should be required to consult extensively with stakeholders across the state, the plan contain the vision of where the state is going in a year to ten years. The Oregon Program Budget could be used as a model.

The legislature may wish to consider legislation authorizing the preparation and periodic updating of strategic plans.

The legislature may wish to consider authorizing the mechanisms that have already been established for implementing a program budgeting system.

Summary of Related Legislative Instruments

We did not identify any legislative instruments relevant to this report that were adopted.

Exhibit J-18

Implementation Status of Recommendations and Matters for Legislative Consideration Managing and Maintaining Louisiana's Property

(See book, March 1992)

This study addressed SBO 282 (Phase One recommendations to:

- Review the possibility of creating a central management system for real property.
- Develop a policy for building preventive maintenance of non-cerred facilities.
- Review the possibility of creating a central management system for non-cerred property.

The study found the management of state land in Louisiana is decentralized. Institutional an oversight function made up of the major land managers could implement current practices for more effective land management. Also, it may be more economical for the state to buy or construct buildings and immediate multiple agencies to use facilities than to pay the increasing cost of leased office space for some government facilities. The report also found that there are several ways to fund preventive maintenance in Louisiana. Louisiana can also improve other areas that derive up the cost of total preventive and delivered maintenance.

The report also found that reasonable property management in Louisiana is decentralized at the agency level. It was suggested system planned for 1997 should provide the information necessary to manage equipment in a more controlled fashion. In addition, it may be more economical to purchase vehicles that do lease vehicles. The state could also save money by implementing a policy to replace vehicles as a regular basis and to pay mileage number increases to employees to use their own vehicles.

Recommendation	Entity	Implementation Status	Summary of Progress Provided by Entity for Non Public Implementing Recommendation
The New Land Office within the Division of Administration should: <ul style="list-style-type: none"> • compare rates, expenses, policies, and procedures for land management as provided by LA 48.5, 49.13, which outline the exceptions listed in LA 48.5, 49.14, 49.16, 49.17, 49.18, 49.19, 49.20, 49.21, and 49.22. • and procedures may help improve the coordination among the non-charge major land managers, so that the best interests of the state are served. 	Division of Administration	Not Implemented	<ul style="list-style-type: none"> • More than 70 percent of acquisitions are in the name of exempt agencies. • More than 70 percent of land holdings are in the name of exempt agencies. • The legislation provided complete exemptions for the statute (LA 48-52) applies in 1995. • The legislation reduced the New Land Office staff in 1994. • Continued which enables the exempt agencies to acquire.

**Exhibit 3-18
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Efforts Provided by Entity for Not Fully Implementing Recommendation
<p>The Division of Administration should develop preventive maintenance policies and procedures. These policies and procedures might include a requirement for agencies periodically report on the preventive maintenance schedule, preventive maintenance work performed, next steps, and expenditures incurred for preventive maintenance. The policies and procedures could also include annual inspections to recommend changes in preventive maintenance procedures. Finally, the policies and procedures could explain the Board of Regents is performing the monitoring function for higher education.</p>	<p>Division of Administration</p>	<p>Partially Implemented</p>	<p>The Office of Facilities Planning and Control led the effort of Item 18 (page 61) regarding this recommendation by having the first report writing policies and procedures developed by the Office of Personnel and Health Resources. PPC will get input from multiple user agencies at the next meeting of the statewide facility management steering committee. This committee is plus will formulate the implementation.</p>
<p>The Division of Administration within the Board of Regents could provide incentives to perform preventive maintenance by linking it with priority-based maintenance funding from the capital outlay appropriations. Under the appropriations, agencies with good preventive maintenance programs would receive a higher funding priority than those with poor preventive maintenance programs.</p>	<p>Division of Administration</p>	<p>Partially Implemented</p>	<p>None As Above</p>
<p>None As Above</p>	<p>Board of Regents</p>	<p>Partially Implemented</p>	<p>The board has begun a dialogue with the campus to generate</p> <ul style="list-style-type: none"> • What expenditures qualify for deferred maintenance funds. • A means to monitor or track. • What percentage of expenditures for non-campus related is a different percentage of expenditures for other campus. <p>The board will continue to work with the management faculty and student college campus members to come up with ways to work off the backlog of maintenance problems deferred from the past. They will also continue to review with the Board of Administration for estimating through the Capital Outlay Request Tracking System to ensure that any projects which may be submitted for deferred maintenance are included in the first effort to obtain funding in the next.</p>

**Exhibit 3-18
(Continued)**

Recommendation	Priority	Implementation Status	Summary of Evidence Provided by Data for Not Fully Implementing Recommendation
<p>The Division of Administration should consider the scope and effectiveness of existing types of contracts, and reformulate design for both maintenance and construction projects.</p>	Division of Administration	Fully Implemented	
<p>The Division of Administration should provide a full-time construction supervisor with sufficient expertise for the project site to direct project construction techniques and schedule in a timely manner.</p>	Division of Administration	Fully Implemented	
Notes for Legislative Consideration			
<p>The legislature may wish to consider making provisions to require greater coordination between the major land managers of the state. This approach should include, but is not limited to, the following: annual cooperation:</p>			
<ul style="list-style-type: none"> • an oversight function made up of the various agencies involved in land management, and • promulgation of policies and procedures for land management. 			
<p>The legislature may wish to consider increasing the emphasis placed on planning, coordinating, or time-purchasing efforts year, with a designated use of budgetary funds, especially for cost government facilities.</p>			
<p>The legislature may wish to consider providing the provision of the government code requiring that building loans for 2,000 or more square feet be awarded under the bid system to allow for consideration of other factors, such as location, condition, and reliability in work.</p>			
<p>The legislature may wish to consider the following:</p>			
<ol style="list-style-type: none"> 1. Implementing some or all of the suggestions presented in Chapter Three for facility preventive maintenance 2. Increasing the standard amount for approval of change orders. 3. Increasing the standard amount for higher education for projects and making funding through the capital asset approval process. 4. Issuance of contracts suitable to the higher education standards for other types of state agencies. 5. Amending the approval process for issuing preventive maintenance only on 951 funds. 			

Exhibit 3-18 (Continued)

Major Legislative Considerations

The Legislature may wish to consider the following measures relating to private property and land management:

1. Providing additional funding to implement the BEI private property statute in other than forested.
2. Requiring the state to purchase vehicles on a rotation basis every three to five years.

Summary of Critical Legislative Instruments

Act Number 83 of the 1995 Regular Session

Increases the threshold amount for higher education projects exempt from the capital asset voting process from \$100,000 to \$200,000 for Fiscal Year 1996.

Act Number 84 of the 1995 Regular Session

States that the fee made for the leasing of state systems, state personnel, equipment, or other services, the return for evaluation shall be included in the criteria for bids and shall include, at a minimum, the following:

1. Condition of the proposed space
2. Availability of the proposed space for the advertiser's needs
3. Timeliness of availability of the proposed space
4. Location of the proposed space

Act Number 114 of the 1995 Regular Session

Requires a report of expenditures from private maintenance reserves funds of public colleges and universities to be submitted to the Board of Regents no later than September 15.

Act Number 124 of the 1995 Regular Session

Requires the Board of Regents to formulate and submit a formula for distribution of funds appropriated by the Legislature for colored maintenance. Further requires the formula to be effective for all institutions of higher learning and to give priority to those institutions with private maintenance programs.

Exhibit 3-68
(Continued)**Summary of Unusual Legislative Instruments****Act Number 1000 of the 1999 Regular Session**

Revises the motor vehicle, motorcists, or transportation of people or other facilities may be authorized by an agency without being included in the capital, major budget, provided that the expenditures for a fiscal year for those activities do not exceed \$20,000 (twenty) for lights, and the expenditures must first be approved by the Commissioner of Administration and the Joint Legislative Committee on the Budget.

Act Number 1002 of the 1999 Regular Session

Provides conditions for non-compliance by agencies with Division of Administrative Property control requirements.

Exhibit 3-19
Implementation Status of Recommendations and Matters for Legislative Consideration
Recommendations for Students in State Colleges and Universities
 Staff Report, May 1993

The Legislative Audit Advisory Council directed our office to gather preliminary research on the subject of reevaluation at Louisiana's state colleges and universities.

Our preliminary research found that although the number of high school graduates increased from fiscal year 1989-1990 to fiscal year 1991-1992, the number of high school graduates in Louisiana decreased by 7 percent between fiscal years 1989-1990 and 1991-1992. More than 28 percent of high school graduates from the state's public and non-public high schools required remediation upon entering a Louisiana college or university. Depending on a student's ACT score, the student may be required to take developmental courses at one institution, while the same student could be placed in regular freshman studies at another institution. The Board of Regents reports to the local school systems (public and non-public) on the number of students from the school system attending developmental courses in Louisiana colleges and the subject area of these courses. However, the board cannot be certain this information is reaching the individual high schools nor does it monitor any corrective actions taken by the local school systems. The cost of remedial courses at the high school level is approximately \$11.7 per subject compared to approximately \$196.83 per subject at the college level.

The report also found that at 100 percent funding level, the state funding formula for higher education allocates 14 percent more (an average of \$66.83 per student each year) for remedial courses than the right to education level courses (an average of \$11.83 per student each year). Based on the number of students enrolled, the Board of Regents estimates approximately \$21.7 million would be needed to fund remedial education courses at the state's colleges and universities for fiscal year 1991-1992 if higher education was funded at 100 percent.

Recommendation	Findings	Implementation Status	Summary of Progress Provided by Entity to the Public Implementing & Monitoring
None			
Matters for Legislative Consideration			
None			

**Exhibit J-19
(Continued)****Summary of Related Legislative Instruments****State Commencement Resolution Number 17 of the 1993 Regular Session**

Requires BOE to implement provisions concerning various requirements for high school graduation with both BOE to prepare students for the workplace or transfer into a college of vocationally related fields or other program approved by the legislature, on the basis of 75 or less factors determined by the 1993 Regular Session.

State Commencement Resolution Number 18 of the 1993 Regular Session

Requires high schools and the state Department of Education to jointly submit during the session in either year of meeting and provide notification, to-writing, and consulting before hearing high school.

Exhibit 3-29

Implementation Status of Recommendations and Matters for Legislative Consideration

Reporting, Managing, and Collecting Receivables in Louisiana

Performance Audit, March 1994

The objectives of this audit were to:

- Determine the amount of total receivables at June 30, 1992.
- Identify ways the state, at a state, can improve collection practices to increase revenues for the state.
- Identify state agencies that could implement or improve their collection practices or implement procedures to keep delinquent receivables from recurring.

The report found that at June 30, 1992, estimated total receivables were \$558 million for general fund appropriated agencies, proprietary funds, colleges, and universities. This amount does not include receivables from the federal government or interagency transfers. The report also found that the state needs to improve its reporting, management, and collection of receivables. Louisiana has no standards regarding timeliness and limited reporting requirements. Therefore, the state does not have a ready base from which to collect. Receivables reporting is handled by each agency, individually, with no coordination or standard rules and procedures for complete reporting.

In addition, while other states have laws that either require or allow the state to charge interest or collection costs to those who have overdue bills to the state, Louisiana has no such statewide laws or regulations. Under current statewide law, Louisiana can only seek compensation on debts, except private law or non-official funds debts, and in some cases, withhold money due state events to the debtor. The report also found that the responsibility for managing the collection of receivables is fragmented. Many state agencies have their own systems for recovery of debts with little coordination or consistency.

Recommendation	Entity	Implementation Status	Summary of Action Provided by Entity to Not Fully Implementing Recommendation
As a result of the amount of unreported receivables identified, the Division of Administration should consider requiring PFM 04 to file with the provisions of LSA-R.S. 28:7800 to report delinquency of (a) revenues due 145-147 0000-00.	Division of Administration	Not Implemented	The action that PFM 04 has provided for OIAF reporting program, are receivables management. As a result of the 111 of the 1993 Budget Legislative Session, the information about PFM receivables will be available.
If legislation is enacted for the management and collection of receivables, permitting each for individual state agency management should ensure the establishment of three essential elements: <ul style="list-style-type: none"> • timely and accurate reporting of revenues due the state • standards of payment. • A well conceived internal collection system. This process includes timely billing and collection procedures. 	Division of Administration	No Implementation	No such legislation has passed.

Exhibit 3-20 (Continued)

Matter for Legislature's Consideration

The legislature may wish to consider mandating legislative committees to periodically (at least once a year) conduct a cost-benefit analysis of all major legislative programs. Such an analysis would include information on expenditures, revenues, and other relevant data. A cost-benefit analysis would be required for all major legislative programs. The data should be made available to the public.

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- The performance of major legislative programs
- Administrative costs of major legislative programs
- Operating expenses (and revenue costs) for all major legislative programs
- Operating expenses for major legislative programs
- Revenue information
- Expenses to create legislative programs, and how costs are allocated
- Specific program information
- Where all provisions that have been enacted into law are included

The legislature may wish to consider mandating legislative committees to periodically (at least once a year) conduct a cost-benefit analysis of all major legislative programs. Such an analysis would include information on expenditures, revenues, and other relevant data. A cost-benefit analysis would be required for all major legislative programs. The data should be made available to the public.

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Summary of Related Legislative Instruments

Act Number 141 of the 1997 Regular Session

Requires the reporting, July 1, 1998, and during each fiscal year thereafter, each state agency and component reporting unit shall report to the Commission of Administration and to the Joint Legislative Committee on the Budget on a quarterly basis all relevant information regarding debts and liabilities owed to the state agency or reporting component unit.

Exhibit 3-21

Implementation Status of Recommendations and Matters for Legislative Consideration

Selected State Purchasing Practices

Purchasing Audit, February 1992

The objectives of this audit were to determine:

- if state contracts result in the lowest prices, acceptable quality products, and timely delivery of goods.
- if state agencies have the flexibility to purchase items outside of state contracts to obtain lower prices, better quality products, and more timely delivery of goods.
- if the state has provisions to address problem vendors.

The report found that the state does not track overall procurement expenditures in a usable format. As a result, the Office of State Purchasing (OSP) cannot determine if state purchases are cost effective. In addition, state law includes various purchasing preferences, which may increase the cost of some state contracts by as much as 18 percent. Furthermore, numerous contractual and compliance are included in the state procurement code, which may increase costs, result in duplication of effort, and diminish the purchasing value of state funds.

The report also indicates that current purchasing limits have not kept pace with inflation. As a result, the purchasing power allotted to individual state agencies has eroded considerably. In addition, the current standards and bid requirements for small purchases may result in unnecessary state and taxpayer which decrease from the other functions the OSP could be performing.

The report also found that the OSP is not performing critical quality control functions associated with the state's purchasing system. The office also does not effectively monitor the performance of vendors who do business with the state. The office has no written policy or guidelines delineating it when poor or "below average" compliance against violation of when to initiate proceedings against problem vendors.

Recommendation	Status	Implementation Status	Summary of Actions Provided by Executive Order Not Fully Implemented by Recommendation
<p>The Division of Administration should require that complete procurement information for all state departments and agencies is available, including those on BEI as well as those not on BEI. These agencies not on BEI include the Department of Labor, Department of Transportation and Development, state health and environmental, and other agencies. These data should include state contract usage as well as small purchase information. Copying these data may involve modification to BEI-MARS, which could be phased in over time.</p>	<p>Division of Administration</p>	<p>Not Implemented</p>	<p>The procurement system (OSP) and the financial system (MARS) are not scheduled to be installed until July 1, 1993. Until such time, it would not be feasible to implement the recommendation.</p>
<p>OSP should use the contract usage data to evaluate the cost effectiveness of state contracts to determine which contracts to consider for revision. OSP should file MARS of state purchases to determine if it would be cost-effective to include costs of these items in state contracts.</p>	<p>Division of Administration</p>	<p>Partly Implemented</p>	

**Exhibit 3-21
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Reasons Provided by Entity for Not Fully Implementing Recommendation
OSP should send all administrative costs associated with state revenues. These cost components should include the cost to issue a state contract, a registration, and a permit or title.	Division of Administration	Not Implemented	Administrative costs for establishing contracts vary by the point of being contract specific. Therefore, efforts are not coordinated at the establishment of the administrative.
OSP should use the cost information to regularly evaluate the cost effectiveness of state contracts. Contracts for which costs exceed that found in the year should be discontinued.	Division of Administration	Not Implemented	This is not being done due to limited staff. If more staff were available, it would be more productive to use them in the areas of inspection, pricing, and coding.
For low priced items, OSP should make cost reductions in the state items suggested by NAGPS.	Division of Administration	Partially Implemented	The division has already (1) eliminated repetitive bids with relevant contracts and agency item contracts, and (2) adjusted unit quantities to do administrative work for the small purchase Executive Order. Consequently, purchasing has not been implemented yet.
OSP should evaluate revenues to ensure that the necessary quality control functions are performed. These functions include inspection, testing, and acceptance of supplies, services, and major repairs. If other recommendations in this report are implemented, OSP should be able to reduce its administrative costs paid and increase its base on these costs (per contract) revenues.	Division of Administration	Not Implemented	A evaluation of OSP revenues alone will not support an effective quality control program. OSP believes a quality control function includes not only inspection, but a post-contract writing review. Advanced to-estimate quality problems in the first bid. An increased quality control function substantially requires materials, travel, budgets, microcomputer funds, and fees for writing laboratory, which are not included in the budget.
The Division of Administration should estimate that completion and operational costs are routinely conducted in purchasing operations.	Division of Administration	Not Implemented	The division agrees with the recommendation but does not have the resources to implement the bid at a unit cost.

Exhibit 3-21
(Continued)

Recommendation	Entity	Implementation Status	Summary of Actions Provided by Entity for Not Fully Implementing Recommendation
OGP should consider allowing other jurisdictions to offer prebids outside of state contracts.	Division of Administration	Not Implemented	After purchasing rules and regulations were that a cost model was to be provided for receipt. The contract vendor has guaranteed prices for the items of the contract and is offering the items to the agency. If prebids were actually allowed to be made outside of state contracts, it could affect the integrity of the bid process. It remains to be seen if other jurisdictions have the discretion to offer other alternatives.
OGP should identify and evaluate the process for handling an agency's need to purchase items outside of state contracts, especially as it relates to issues of quality and delivery.	Division of Administration	Not Implemented	The division has always approved requests that were reasonable.
OGP should identify how the various agencies will be allowed to purchase items outside of state contracts. OGP should communicate this information to agencies purchasing, officials to ensure that they are aware of all options by which justification may be approved.	Division of Administration	Fully Implemented	
The Division of Administration should continue to study the feasibility of creating an information portal for other agencies to address delivery-related problems.	Division of Administration	Partially Implemented	The Office of State Purchasing has recently evaluated a solicitation for rules and found it difficult to access later to Administrator's Office. A task force has been formed to work on providing for handling the request for OGP, including a pilot program, advising the prime vendors, preparing a final contract, and reinitiating implementing a program that would be used for the rules. Additional alternatives will be one of the pilot rules of solicitation, and the contract is in place and active.

**Exhibit 3-23
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Progress Provided by Entity for This Year, Implemented by Recommendation
<p>OSP should establish positions following this, where a certain number of resident complaints have been received within a given period of time, the reader's file will be reviewed for appropriate action. OSP should also set criteria for the severity of action to be taken and limit OSP's direct involvement.</p>	<p>Division of Administration</p>	<p>Partially Implemented</p>	<p>The Office of State Purchasing has incorporated its processes to look for trends, complaints and has established form letters to cover such applications. The office notes that it would attempt to lower procedures being certain complaints and the resulting severity of action taken for the complaint, but there will always be past cases and ongoing circumstances. The office's primary problem is not with reader but with the agencies paying readers in a timely basis.</p>
<p>OSP should determine whether the complaint components of DEBACOP will be able to replicate to other all complaints received from agency purchasing officials. If the system does not have the capability, OSP should implement other means of maintaining records. OSP should see that central log to ensure that all complaints are addressed in a timely manner.</p>	<p>Division of Administration</p>	<p>Not Implemented</p>	<p>DEBACOP has capabilities to activate reader complaints, but an enhancement is required before a complete can be automated and added into a reader's record. Currently, the enhancement for this project received a low priority by the agency cost groups.</p>
<p>OSP should establish formal letter format by following up on agency complaints against vendors. OSP should routinely compare award program issues to the established letter format to ensure that the problems are being followed.</p>	<p>Division of Administration</p>	<p>Not Implemented</p>	<p>The division agrees with the recommendations and understands that the capabilities allowed through ACOP will address their opportunities to read complaints issues.</p>
<p>OSP should work with agency purchasing officials to ensure that they will be aware their role and office in file complaints.</p>	<p>Division of Administration</p>	<p>Partially Implemented</p>	<p>When the agencies contact the Office of State Purchasing for guidance on how to handle complaints, they are advised that readers can more readily view if they participate. The agencies are encouraged to use the performance/complaints. Beyond this, each part of the agency remains there is an open forum and basis show that needs with this subject.</p>

Exhibit 3-21
(Continued)

Recommendation	Entity	Implementation Status	Summary of Actions Provided by Entity for Not Fully Implementing Recommendation
<p>ODP should review the maximum delegated purchasing authority and allow it to be used to reduce the effects of inflation on real buying power.</p>	<p>Division of Administration</p>	<p>Not Implemented</p>	<p>The Office of State Purchasing is currently reviewing the delegation given to each agency. It is planning to increase the delegated authority to those agencies who have adequate qualified staff, but not do so in a timely fashion that will be coordinated with the revisions of the Executive Order on small purchases and the Policy and Procedures Memorandum for operating services.</p>
<p>ODP should also review the state's purchasing authority limits offered to individual state departments and make further adjustments based upon preliminary needs. In doing so, ODP should continue to abide by its policy of considering the size, experience, and qualifications of agency purchasing staff.</p>	<p>Division of Administration</p>	<p>Not Implemented</p>	<p>The Office of State Purchasing has been increasing or decreasing delegated authority, depending on the request received. Criteria is based on size, experience, existing, and qualifications of agency purchasing staff.</p>
<p>ODP should review the state's policies regarding flexible bid related bid requirements and make recommendations to the governor to modify Executive Order No. [198] 92-03. The modification should include a reworking of the dollar amounts as well as reevaluation of the bid requirements. In making its recommendations to the governor, ODP should consider the potential impact of the state's bid plan program (which is discussed in Chapter Two of the report).</p>	<p>Division of Administration</p>	<p>Not Implemented</p>	<p>While a new Executive Order has not been recommended to the governor, the Office of State Purchasing is studying a proposal that will simplify and directly state problems. Changes will be recommended.</p>
<p>ODP should establish a authority to periodically review and revise the various purchasing levels and adjustments as appropriate to reduce the effects of inflation.</p>	<p>Division of Administration</p>	<p>Not Implemented</p>	<p>No official policy has been issued regarding the review of delegated authority, but it will make every effort to mitigate possible concerns. Currently, review of an agency's bid procedures (that other than any procedural changes that directly affect an agency's work load. The division is currently drafting a law that will be used in the upcoming session that application for increase or decrease of authority.</p>

Exhibit 3-21 (Continued)

Recommendation	Goal	Implementation Status	Summary of Progress Provided to Letter by Not Fully Implementing Recommendation
<p>OSP should continue to explore the potential benefits the following practices may provide for the state:</p> <ul style="list-style-type: none"> • Electronic data interchange • Revolving schedules and savings • Credit card purchasing • Contract purchasing • Competitive bidding 	<p>Division of Administration</p>	<p>Partially implemented</p>	<p>The division agrees with the recommendations. It has agreed to hold its Annual letter for a comment period. It has invited dozens of other state's proposals and contracts to bid programs, not at their cost purchasing, ERM, and competitive bidding. The Office of State Purchasing's goals will be to implement pilot programs in some areas to help us add to employee revenues.</p>

Letter to Legislature's Constitution

The legislature may wish to consider reviewing the spending versus income of the government and other areas of state law dealing with production, evaluation, and execution. Such a review would include consideration of all production to determine if they should be reduced through state law. A review of activities that may require would include a determination of whether they should be funded to flow directly to certain to maximize the value total proceeds for producing value of public funds through competitive bidding and contract bidding.

The legislature may wish to consider requiring a performance audit to determine if OSP's current staffing level and skill set reflects to support an effective quality control function. Specific functions to be considered would include inspection, job writing, and specification writers.

Summary of Original Legislative Intentions

Act Number 1259 of the 1995 Regular Session

Authorizes purchasing through the Federal General Services Administration by public entities and provides for conditions to be placed on such purchases.

Senate Concurrent Resolution Number 75 of the 1995 Regular Session

Requires the Division of Administration through the Office of State Purchasing to continue to study potential benefits of producing, selection and pricing. Requires a report to be filed by March 1, 1996.

**Exhibit 3-21
(Continued)****Summary of District Legislative Instruments****State Concern Resolution Number 124 of the 1995 Regular Session**

Requires the Office of State Purchasing review the laws it administers and its rules and practices signed to contract with administrators, cost effectiveness of contracts, quality control, and all contract purchasing to allow for lower price and improved quality through, except for contracts or purchases funded by federal programs. Requires a status report by March 1, 1996.

Exhibit 3-22

Implementation Status of Recommendations and Matters for Legislative Consideration

State of Louisiana's Management and Oversight of Long-Term Bonded Debt

Performance Audit, April 1998

The objectives of this audit were to:

- Determine the various types and uses of non long-term debt;
- Examine how state non-scheduled bonded debt has been used in Louisiana;
- Determine the adequacy of the state's capital planning process;
- Examine the adequacy of the state's debt management and oversight.

The report found that as of June 30, 1997, Louisiana had more than \$5.9 billion of state non-scheduled bonded debt outstanding. This outstanding debt includes general obligation bonds, dedicated tax bonds, long-term lease obligations, and certain revenue bonds. The report also found that the state does not have a formal long-term debt management plan which addresses all non-scheduled bonded debt and coordinates with the state's capital planning. The state's capital planning also needs improvement. The state does not assign fiduciary or financially restricted project proceeds. Also, Louisiana has not had enough resources to fund all state capital project requests. However, since fiscal year 1995-97, various proposals have been in a financially tight percentage of the general obligation bond portion of the capital needs budget. Because funding is limited, this situation can have the effect of displacing some projects.

The State Bond Commission staff needs to improve its financial analysis of debt applications. Several functions performed by the commission staff could either be eliminated or performed more efficiently.

Recommendations	Entity	Implementation Status	Summary of Progress Provided by Entity for Six (6) Months Following Recommendations
The commission staff should create training, if needed, and develop guidelines to ensure that appropriate financial analysis is done for every application.	State Bond Commission	Partly Implemented	The reviewer apprised a State Representative in 1997, seeking a resolution to review and update the Bond Commission rules. The commission did state that this recommendation has been incorporated into the new bylaws.
The State Bond Commission may wish to consider directing applications and to identify and set different guidelines for analyzing non- bond, and proper vehicle bond applications.	State Bond Commission	Partly Implemented	The reviewer apprised a State Representative in 1997, seeking a resolution to review and update the Bond Commission rules. The commission did state that this recommendation has been incorporated into the new bylaws.

**Exhibit 3-22
(Continued)**

Recommendation	Entity	Implementation Status	Summary of Progress Provided by Entity for Not Fully Implementing Recommendation
<p>Committee staff should establish its guidelines addressing minimum financial and other information required to submit applications and (2) state limits on submission of this information. Staff should make every effort to ensure the fair receipt of necessary financial information and that such information is documented as committee files. When applications are presented to the State Bond Commission, staff should already describe the limitations of their analyses when necessary information is not available.</p>	State Bond Commission	Fully implemented	
<p>The State Bond Commission may wish to adopt a policy to allow membership applications and committees staff has received all information necessary to request financial analysis.</p>	State Bond Commission	Fully implemented	
<p>Committee staff should provide all relevant information to the State Bond Commission and inform the committee when applications do not meet said rules and guidelines. This information should be clearly defined as per its published summary on the website files. Thus, committee members may easily identify exceptions to guidelines as well as other information which may impact the advisability of individual applications.</p>	State Bond Commission	Partially implemented	<p>The committee staff prepares an analysis sheet, which includes a summary and the committee recommendations.</p>
<p>Level sets Section staff should implement a system to monitor incoming applications more accurately. Secondly, a grant is needed to support an applicant's year of the state security bonds that was.</p>	State Bond Commission	Partially implemented	<p>The state debt is up and running, but had debt is not yet completed.</p>
<p>Initials had implemented to change. The committee is required to bring their application packages and items into state (possibly) matters. The State Bond Commission's staff should coordinate review of documents and items that should be prepared which do not involve borrowing and buying bonds. The Secretary of State's Office should continue to review these types of proposals. The State Bond Commission and the Secretary of State's Office should implement a procedure to eliminate committee staff review of these types of direct applications.</p>	State Bond Commission	Not implemented	<p>The committee has met with the Attorney General's Office and the Secretary of State's Office. The Secretary of State's Office makes up staff analysis sheets for State Bond Commission presentations. As long as this function is required of the State Bond Commission, the members need to accept information, not state in a position that will be going to attend our information.</p>

Exhibit 2-22 (Continued)

Recommendation	Entity	Implementation Status	Summary of Actions Provided by Entity for Not Fully Implementing Recommendation
<p>Item 24 On Revenue Page</p> <p>The committee and its staff should consider establishing a more efficient method of processing highway law applicants which have financial difficulties.</p>	Revenue of State	Not Implemented	The Office of the Secretary of State advised a summary General Opinion No. 98-046, which states that the State Road Commission must approve elections to several lower districts.
<p>The State Road Commission and its staff should continue procedures to expedite review of low-income facilities.</p>	State Road Commission	Partially Implemented	The committee has implemented the issue 100, and it should do a similar procedure for issue 111. It will make the recommendations to the next session.
<p>The State Road Commission and its staff should continue procedures to expedite review of low-income facilities.</p>	State Road Commission	Not Implemented	The committee will make the recommendations to the next session.

Matrix for Legislative Commitment

The legislature may wish to consider legislation requiring the development of a multi-year, comprehensive debt management plan. This plan should include all types of state and off-budget debt, forecast annual debt service, and conditions for state or five-year capital plan with lower debt capacity estimates. It should consider options for the future and other important factors, such as economic projections, overall state financial management, other state debt, and administrative policies and procedures.

The legislature may wish to set clearer priorities for the completion of projects than the currently unsorted capital entity review process.

The legislature may wish to require the summary reauthorization of unsorted capital entity projects which triggered the currently unsorted review process in previous years. These projects may be completed and provided with new capital outage reports.

The legislature may wish to require reauthorization of unsorted (unranked, etc.) or low-priority entities' employees and ability to fund their own projects before approving their capital entity fund for these projects.

The legislature may wish to develop a policy for the amount or percentage of state capital entity funds appropriated for unsorted entities to ensure that the capital needs of the state are met.

The legislature may wish to implement controls to ensure that outstanding loans of credits at the end of the fiscal year are addressed in the capital entity budget.

The legislature may wish to designate entities of the next five-year capital plan in the state's official plan. All subsequent entities and projects would be related to that plan.

Exhibit J-23
Implementation Status of Recommendations and Matters for Legislative Consideration
Usage of Louisiana Health Care Authority Emergency Departments
Performance audit, February 1998

The objectives of this audit were to:

- Determine the types of services provided by emergency departments.
- Determine if those services are more (or differently) provided to the emergency departments.
- Determine if emergency department care is changing.
- Determine if any type of legislation is needed to provide more prompt and more cost-effective care.

The report issued last August (page 198), at issue at least 100 patients treated at the emergency departments in Louisiana Health Care Authority (LHCA) hospitals came to them for routine medical attention. Most of those patients used the emergency department more than once a year. Most emergency department visits occur while during normal working hours and during the regular work week. The fact that at least as many as 1 of every 10 patients come to the emergency department for non-emergency care may affect the waiting times experienced by all patients. Of the 113 patients reviewed for whom information on waiting time was available, nearly 71 percent wait from hospital check-in to discharge in 2 hours or less.

The report also found that an emergency department visit costs an average 24 percent more than a clinic visit. The lower utilization of nonurgent clinics could reduce overcrowding in emergency departments. If clinic alternatives were expanded, it could be possible to reduce patient use of clinics as primary care providers. Primary care patients would receive the care they need, it less expense to the Health Care Authority and the state. This could reduce burdens on the emergency departments and would allow them to concentrate on the emergency medical services they were designed to deliver. In addition, expanding the use of medical professionals other than physicians, such as physician assistants and nurse practitioners, to handle routine medical treatment would free physicians to treat those patients with more complicated medical needs. However, this change would require an amendment to existing state law, which currently limits the authority of physician assistants and nurse practitioners to provide certain medical services.

Recommendation	Event	Implementation Status	Summary of Progress Provided by Letter for Not Fully Implementing Recommendations
LHCA should expand the emergency department utilization data to include patients who do not come back to the ED more than once a year. These data could be used to prepare emergency department usage statistics by individual hospital and by the region as a whole.	Louisiana Health Care Authority	Partly Implemented	
LHCA should examine the impact of expanding hours of the various emergency departments and clinics.	Louisiana Health Care Authority	Partly Implemented	
LHCA should study the feasibility of expanding its clinic facilities. This should be done for each hospital or an individual facility. In the same vein, the authority should also study the feasibility of operating the walk-in-clinic separately from the emergency departments.	Louisiana Health Care Authority	Partly Implemented	

**Exhibit 3-25
(Continued)**

Recommendation	Staff	Implementation Dates	Summary of Response Provided by Entity for Six-Month Reporting Requirements
LPCs should consider more proactive use of physician assistants and nurse practitioners in the hospital emergency department and clinics.	Licensing Boards Care Authority	Early Implementation	
Matter for Legislative Consideration			
The Legislature may wish to consider the issues related to expanding the legal authority of nurse practitioners and physician assistants, including the power to make diagnosis and prescribe medications.			
Summary of Revised Legislative Instruments			
<p>Art Number 629 of the 1999 Regular Session Creates the Committee on Prescriptive Authority: Registered Nurses. This committee will make recommendations about the expansion of roles and regulations providing for use of advanced practice registered nurses to provide qualified prescriptive services, under physician direction, in state-level health care sites.</p>			
<p>Art Number 674 of the 1999 Regular Session Governs registered and properly licensed nurses within the state of Louisiana who are employed by hospitals, private, non-approved, or contracted public health clinics. The authority to deliver a regimen of medication to be consumed by a patient or provider to treat acutely diagnosed diseases of a person's property, as long as it is distributed under the protocol approved by a licensed Louisiana physician.</p>			

