

From the desk of Hon. Maurice McTigue

**MERCATUS CENTER**  
**GEORGE MASON UNIVERSITY**

**Chairman Senator Donahue**  
**Louisiana Streamlining Commission**  
**October 20, 2009**

## **Response to Queries Regarding the Provision of Further Information**

When providing the results of our analysis of the information provided by the survey of government department activities, we produced a summary sheet of the possible savings by department if the suggestions of Mercatus were accepted by the Commission. That summary sheet appears to have created some confusion as it is being interpreted as having insufficient information to reach conclusions on advice to the Commission.

This analysis is designed to remove that conclusion.

For the following agencies, we consider we had sufficient information on the activities identified in the survey but could not identify efficiency gains and potential savings. This does not mean that no efficiency gains or savings are possible; other inquiries by the Commission may indeed find improvements in efficiency and cost for these agencies.

- Ethics (Under Civil Service)
- Coastal Restoration Authority
- Public Safety & Corrections – Office of Fire Marshall
- Public Safety & Corrections – Highway Safety
- National Guard – Military Affairs
- National Guard – Educational Programs
- Office of Attorney General
- State Police Commission
- Office of Inspector General
- Division of Administrative Law
- Department of Revenue

For the following agencies we have given a response on a case by case basis.

### **Department of Economic Development**

The survey from LED identified \$205,075,393 in expenditures but the appropriation identifies FY 08 @ \$105.818 million or FY 09 @ \$408.935 million. We noted that the new appropriation is for \$89.065 million and we assumed there were not further savings opportunities. LED identified three activities

- Business Incentives Program @ \$13.528 million. The measures stated were customer satisfaction; the measures of success used were the number of new jobs across the state and increased statewide per capita income.

- Executive and Administration Program @ \$6.109 million. The measures stated were new prospects, state competitiveness improvements and improvements for business and government. The measure of success used was the number of new jobs across the state and increased statewide per capita income.
- Business Development Program @ \$185.438 million. The measures stated ranged from number of new sites, number of targeted improvements for small business, number of retention and expansion visits, and state's ranking improvement. The measures of success used were the number of new jobs across the state and increased statewide per capita income.
- *We do not require any further information on this agency.*

#### **Coastal Restoration Authority**

- The survey from the CPRA provided us with all the information we needed, and, because of its newness, we decided it was premature to recommend changes or savings in its budget.
- We did suggest that if a new Department of Conservation was created, then there might be some efficiency gains from the Authority getting its support services from the department while maintaining its full independence.
- *We do not require any further information on this agency.*

#### **Wildlife & Fisheries**

- The survey information from Wildlife & Fisheries was adequate for us to do our analysis. There is clearly some cost recovery going on for licenses, etc., but the information did not identify how much or whether that was full cost recovery.
- It was not possible to determine whether commercial fishery activity was a burden on the taxpayer or not; the net cost to taxpayer figure would be useful information for the commission.
- The recommendation to shift Wildlife to a new department of Conservation was based on putting all conservation activities together.
- Shifting Fisheries to Agriculture was based on putting commercial land and water resource use activities together.
- *We do not require any further information on this agency.*

#### **State Fire Marshall**

- The Appropriation for the State Fire Marshall for FY 08 was \$14.620 million and for FY 09 was \$15.610. The information supplied identified nine programs but could link funding to only two: Health Care Section @ \$240,000 and Life Safety & Property Protection Licensing Program @ \$600,000. That leaves over \$13 million in both FY 08 & FY 09 that cannot be linked to activities.
- The Commission should pursue this matter with the State Fire Marshall.
- *We do not require any further information on this agency.*

#### **Department of Public Safety & Corrections – Corrections Services**

- The information supplied was clear and precise with good measures of success.

- To be able to make changes in this area would require some aggressive benchmarking against other states for imprisonment rates, recidivism and cost per inmate incarcerated.
- Other Commission activities will probably address these issues and savings.
- *We do not require any further information on this agency.*

#### **Office of Juvenile Justice**

- The information supplied was adequate for our purposes. The issues are more of a policy nature dealing with incarceration rates and cost per person incarcerated.
- The costs of the Jetson Center for Youth in Baton Rouge were nearly double the other facilities as per our original report.
- *We do not require any further information on this agency.*

#### **Department of Veterans Affairs**

- The information provided was comprehensive and gave enough detail to work with.
- Significant gains in this area will depend on medical practice and health outcomes for the veterans concerned. For example finding improved health outcomes from servicing people in the community as opposed to a residential facility.
- *We do not require any further information on this agency.*

#### **Workforce Commission**

- The information from the Workforce Commission was comprehensive and generally used good measures, although some measures should be changed from activity measures to outcome measures.
- There are significant levels of interactions with federal programs, which set their own criteria for process and procedure.
- We were unable to find any immediate savings based on efficiency gains or effectiveness.
- *We do not require any further information on this agency.*

#### **Department of Health & Hospitals**

- The information supplied was concise and useful. Our recommendations are general in nature rather than specific. Other enquiries by the Commission will deal with specific changes.
- Some benchmarking for practice and cost would be beneficial.
- Decisions on facilities and bed occupancy rates plus cost per patient day are best dealt with by people with local knowledge.
- *We do not require any further information on this agency*

#### **Division of Administration – Community Development Block Grant Program**

- This is a federal program using federal money with federal criteria. Therefore, we did not attempt to identify changes in practice.
- *We do not require any further information on this agency.*

### **Louisiana Recovery Authority**

- The information given by the Authority was appropriate; however it focused very much on monies expended instead of situations recovered. There needs to be better information on the proportion of areas and populations fully recovered and partially recovered and hopefully an end date.
- As this work should be terminal we did not attempt to identify savings.
- *We do not require any further information on this agency.*

### **Department of Education**

- The Department of Education provided information on three programs as follows:
  - Ensuring Literacy & Numeracy for All @ \$12.6 million
  - Career & Technical Training @ \$4.5 million
  - High School Redesign @ \$13.7 million
- These three programs amount to \$30.8 million out of an appropriation of \$5.452 billion.
- The Department of Education owes the Commission more comprehensive information on its programs, their costs and the success of each program in achieving its goal.
- *We do not require any further information on this agency.*