Department	**Agency**	**SCH. # 01-114**
Executive	**Women's Services**	**Analyst: Evan Brasseaux**

Issue: Office of Women's Service has expended $1.3 million related to a contract with LDOL and missed performance standards by a minimum of 84%.

Indicator: Number of computer clerical enrollees

QUARTERI	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	n/a
Q1		0	0		CURRENT YEAR TARGET	0
Q2		0	0		PERFORMANCE STANDARD	272
Q3		0	21		YTD ACTUAL	39
Q4	n/a	0	39		VARIANCE FROM STANDARD	-85.7%

Indicator: Number of computer clerical job placements

QUARTERI	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	227
Q1	39	0	0		CURRENT YEAR TARGET	0
Q2	103	0	0		PERFORMANCE STANDARD	217
Q3	171	0	0		YTD ACTUAL	7
Q4	227	0	7		VARIANCE FROM STANDARD	-96.8%

Indicator: Number of non-traditional enrollees

QUARTERI	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	n/a
Q1		0	0		CURRENT YEAR TARGET	0
Q2		0	0		PERFORMANCE STANDARD	200
Q3		0	12		YTD ACTUAL	12
Q4	n/a	0	12		VARIANCE FROM STANDARD	-94.0%

Indicator: # of enrollees in non-traditional training who obtained employment

QUARTERI	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	132
Q1	11	0	0		CURRENT YEAR TARGET	0
Q2	50	0	0		PERFORMANCE STANDARD	160
Q3	81	0	0		YTD ACTUAL	3
Q4	132	0	3		VARIANCE FROM STANDARD	-98.1%

Analysis of Indicators:
The Office of Women's Services contracted in FY 00-01 with the Louisiana Department of Labor (LDOL) to provide training to meet the demands of both the state's employers and its unemployed through concentrated, short-term training which was to lead to jobs. The training was to be provided by OWS and offered at six (6) locations statewide, including Baton Rouge, New Orleans, Lake Charles, Lafayette, Shreveport, and Alexandria. The targeted poplulation was displaced homemakers who were unemployed and single heads of households who need to be retrained due to obsolete skills or need basic training to enter the job market. These services were to be provided in conjunction with the local One Stop System. As part of this agreement, OWS provided computerized clerical training at the Baton Rouge, Lafayette, and Shreveport sites. In addition, non-traditional training was also offered at the Lake Charles, New Orleans, Baton Rouge, and Alexandria sites. Non-traditional training includes training for blue collar occupations with varying areas of emphasis including aircraft mechanic, utility operator, production workers, construction workers, etc.

The performance indicators for the training provided through this contract shows disturbing results. The performance standard for number of non-traditional enrollees is listed at 200 with a year-end result of only 12. In addition, only three (3) of these non-traditional enrollees obtained employment. This is particularly troubling due to the fact that 132 enrollees obtained employment in the preceding year. Further, the performance standard for the number of computer clerical enrollees for FY 00-01 was 272, while only 39 persons eventually enrolled. Of this number, only 7 were able to be placed with a job compared to 217 in the previous fiscal year.

While the OWS places the blame squarely on the "slow start up of One Stops", further review indicates that the results were clearly envisioned by the Louisiana Department of Labor prior to this contract being agreed upon with OWS. According to the LDOL, these concerns were communicated to the OWS on several occassions. The LDOL explained to the OWS that with the enactment of the Workforce Investment Act, new regulations would be put into place which would no longer allow the OWS to "recruit" the persons who it would eventually train in the aforementioned programs. These persons would have the option to choose the provider, thereby limiting potential trainees OWS would likely experience in a fiscal year.

According to LDOL, negotiations prior to the contract being agreed upon included giving OWS two options to better meet the provisions of WIA. These two options included placing OWS in the One Stop System which would allow them to provide core services which would not include long-term training. The second option included OWS providing training services but not core or intensive services provided by the One Stops. Again, under the second option, participants would now have to choose to participate in the OWS program which is unlike prior years where OWS was able to recruit its own trainees.

The OWS chose the second option which was to provide training services. By choosing this option, after several warnings from LDOL, OWS was faced with the knowledge that the number of trainees referred to them through the One Stop Shops would, in all likelihood, be greatly reduced compared to prior years. Therefore, it should have been clear to OWS that performance standards would not be met.

Had OWS chosen to be co-housed in the comprehensive One Stop Shops, OWS would have staff in four of the five Lousiana Workforce Investment Areas (LWIA). The OWS would have functioned as the advocate for displaced homemakers and the clearinghouse for nontraditional employment information in the one stop system. It would also train staff in One Stops without OWS presence. This would have provided displaced homemakers the same services as veterans currently have in the employment and training system.

For the fiscal year corresponding with the indicators shown above, the OWS was awarded a contract of $1,339,000 from the LDOL to provide training services to displaced homemakers. As of May 31, 2001, the Office of Women's Services provided training to 14 participants funded under state level contract at a cost of $895,075. *The resulting average cost per participant was approximately $64,000.* This is in comparison to an average cost per participant for LHRDI of $99.31 and $1,489.36 for Older Workers Contracts. (See below)

	Office Of Women's Service	Louisiana Human Resource Dev. Institute (dislocated workers)	Older Worker
Expenditures	$ 895,075	$ 840,000	$ 324,680
# Of Participants Funded under State Level Contract	14	5,069	218
Avg. Cost Per Participant	$ 63,933	$ 99	$ 1,489

The OWS performance indicator totals shown on page one include those persons trained under state contract and those trained through Individual Training Accounts (ITA). Those who were trained through ITA's did not go through the One Stop referral process and their training was not paid through the state level contracts. Therefore, those numbers shown on page 1 are actually higher than those numbers of participants trained through the LDOL contract.

Budget Impact:
The LDOL/OWS contract amount for FY 00-01 was $1,339,000. This contract provided by the LDOL includes the following proposed expenses:

Salaries & Benefits $885,733
Staff Travel $7,573
Communications $24,074
Postage $1,835
Staff Training $5,000
Rent $155,396
Consumable Office Supplies $12,016
Equipment Purchase $40,000
Equipment (lease maintenance) $16,185
Support Services $105,315
Auto Maintenance $20,000
Advertising $3,230
Consumable Instruction Materials $4,000
Furniture Acquisition $2,000
Printing $1,083
Books, dues, subscriptions $2,000

According to information provided by LDOL, OWS has been reimbursed $1,154,258 as of August 31, 2001. Therefore, it is evident that OWS has expended the large majority of the contract amount while providing services to very few participants.

LFO Comment:
<u>The performance indicators reported on in this report show clearly that OWS ignored repeated efforts by the LDOL to respond to changes brought about by federal regulations. As a result of this refusal by OWS to adapt to these changes, the funding provided through the contract with LDOL was expended at a rate of approximately $64,000 per trainee as per information provided by the LDOL. This should be considered a tremendous waste of resources.</u>

On the other hand, LDOL should take an equal portion of the blame as well. LDOL spent much time and effort attempting to persuade OWS to change the method of its operation to adapt to new regulations and apparently was unsuccessful. LDOL knew OWS would not be able to continue to train the same numbers as it had in prior years. Nevertheless, LDOL chose to continue the contract with OWS at the level of $1.3 million which calls into question why this decision was made.

Public Service Commission **SCH. # 04-158**
Analyst: Julie Samson

Issue: The Public Service Commission is inspecting fewer vehicles than the standard. However, a high percent of vehicles are resulting in violations.

Indicator: Number of inspections performed

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	44885
Q1		12000	11165		CURRENT YR TGT	49600
Q2		21000	20477	(2.5%)	PERF STANDARD	47,000
Q3		38000	35614		YTD ACTUAL	45619
Q4	44885	49600	45619	(8.0%)		

Indicator: Percent of inspections that resulted in violations

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	14.7
Q1		12	13.6		CURRENT YR TGT	12
Q2		12	13.2	10.0%	PERF STANDARD	12
Q3		12	17.1		YTD ACTUAL	16.2
Q4	14.7	12	16.2	35.0%		

Analysis of Indicators:
The Louisiana Public Service Commission set a standard of inspection 47,000 vehicles in FY'01 and of those vehicles a standard of 12% was set to result in violations. In reality 45,619 vehicles were inspected and of those inspected 16.2% were out of variance. These violations are a result of motor carriers operating without proper credentials.

The PSC has stated that the reason 2% fewer vehicles than the standard were inspected is due to the amount of time it takes an officer to write a violation. When officers are writing an increased number of violations they are unable to perform as many inspections. This resulted in fewer inspections being performed.

According to the PSC the percent of inspections resulting in violations has increased as a direct result of on the job training given to motor carrier officers. These officers are being trained to be more proficient in their ability to select vehicles for inspections with a high probability of violation. By targeting those vehicles the officers spend more time writing violations. In FY '01 the PSC issued 35% more violations than the standard. In FY'00 PSC had a violation rate of 14.7% and in FY'01 the violation rate was 16.2%.

Budget Impact:

Of motor carrier collections, 20% provides for the funding of the Public Service Commission (PSC) Motor Carrier Division within the PSC and 80% is allocated to the General Fund. The Motor Carrier Division collected $5,970,201 in FY'01 Of these collections, $1,194,040 stayed within the PSC to fund the Motor Carrier Division and $4,776,161 went to the General Fund. The additional revenue the Public Service Commission collected above the amount appropriated stays in their account and is rolled over to the next fiscal year. This money does not revert to the General Fund. The state only draws interest off of PSC's account.

LFO Comment:

By training officers to recognize those vehicles that have a higher probability of being in violation, the PSC not only increases the dollar amount of violations that are collected but they also promote highway safety.

Public Safety	Management & Finance	SCH. # 08-418
		Analyst: S. Blanchard

Issue: As a follow up to the NSF check issue within the Department of Public Safety, the number of NSF checks received in FY 2000-01 has decreased 29% from FY 1999-00.

Indicator: Number of NSF checks returned

	FY 2000	FY 2001
Total	3263	2315

Analysis of Indicators:
As reported in the previous Performance Review Subcommittee, the Office of Management and Finance (M&F) had 3,263 checks from the entire FY 1999-00 that were returned for nonpayment (NSF), and an outstanding balance of approximately $1.4 million in NSF checks. Approximately 90% of these funds are related to personal and business checks for vehicle registration costs. Compared to FY 00-01, Public Safety had a 29% reduction of NSF checks received by the department (see above table).

Budget Impact:
The department takes in approximately $800 million dollars in fees and taxes each year. During FY 1999-00, $1.4 million was returned from Revenue as dishonored checks. Public Safety was able to collect all but approximately $250,000. Although this is a small percentage compared to what they have collected, this adds up over several years. The Fiscal Office reported during the last Performance Review Subcommittee that it amounted to well over $1.2 million over a five-year period of time.

Through June 30, 2001, collections from prior years NSF checks were $529,558, which leaves a current uncollected balance of $672,902. For FY 2000-01, Public Safety has collected $514,765 of NSF funds, leaving a balance of $154,192 uncollected from the current fiscal year. This brings the total collections during FY 00-01 to $1,044,323 of which $529,558 was collected from prior years NSF checks. The collection rate for prior years NSF checks is 44%, while the collection rate for FY 00-01 is 77%.

An NSF check database has been developed to track receipt of and disposition of NSF checks received by the department. This database has been made available to everyone in the department accepting payment by check to allow the different offices to check an individual against this database before accepting checks. If an individual has an outstanding

NSF check, that person cannot do business with the department until that debt is cleared. If that same individual or company issues (3) NSF checks to the department, that individual is placed on a permanent Certified Funds Only list whereby the individual will no longer be allowed to write checks for payment to the department.

Public Safety has developed an NSF check policy and procedure flow chart to insure the pursuit of all individuals who write NSF checks to the department to the fullest extent of the law including but not limited to: rescission of drivers licenses and/or vehicle registrations, pursuit through courts, and pursuit through the local District Attorneys. Once the individual has been flagged in the database, DPS has sent safety enforcement personnel out to pick up the license of the offending individual in order to implement the suspension. Before this policy was implemented many flagged drivers continued to drive with a suspension flag because the only way a license would be picked up is if it that person happened to be stopped or checked by a law enforcement officer.

Public Safety has asked the District Attorneys from across the state to assist them in prosecuting individuals who have written bad checks to the department. Public Safety has received responses from the DA's identifying the specific ways they want the information turned over to their offices. Public Safety intends to take each outstanding check through the NSF check procedures that have been developed, all the way to taking legal action on their own and/or turning over these outstanding checks to the DAs in each parish for collection as this is a last resort. They intend to exhaust all of their internal collection processes before these checks are turned over to the local DAs.

Additionally, DPS has issued press releases and has done several media interviews to publicize the fact that DPS will suspend the license and vehicle registration and will pursue prosecution of individuals who write NSF checks to the department to the fullest extent of the law.

LFO Comment:

The LFO recognizes the efforts being made by DPS of exploring ways to curtail the amount of funds being lost. DPS has made a concerted effort since the last meeting in an effort to improve in the area of NSF check collections. The number of NSF checks received by the department has been reduced significantly since last Octobers meeting. The Fiscal Office believes that negligence regarding this issue over the years caused this problem to escalate. It will take several quarters to assess the full impact of the department's aggressiveness towards this problem.

Health and Hospitals **Office of Secretary** **SCH. # 09-305**
Analyst: Brian Crow

Issue: **Increased reports of abuse, neglect, exploitation, and extortion for disabled adults aged 18 through 59.**
Indicator: **Number of investigations completed**

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	918
Q1					CURRENT YEAR TARGET	800
Q2	195	400	427	6.8%	PERFORMANCE STANDARD	800
Q3					YTD ACTUAL	1,107
Q4	918	800	1107	38.4%	VARIANCE FROM STANDARD	38.4%

Indicator: **Number of clients served**

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	959
Q1	273	219	273	24.7%	CURRENT YEAR TARGET	875
Q2	499	437	498	14.0%	PERFORMANCE STANDARD	875
Q3	724	656	719	9.6%	YTD ACTUAL	1,009
Q4	959	875	1,009	15.3%	VARIANCE FROM STANDARD	15.3%

Analysis of Indicators:
The objective of DHH is, through the Bureau of Protective Services (BPS), to complete investigations of assigned reports of abuse neglect, exploitation, and extortion for disabled adults age 18 through 59 in accordance with policy and make appropriate referrals for corrective action.

It is the responsibility of the BPS to investigate and arrange for services to protect disabled adults at risk of abuse, neglect, exploitation, or extortion. BPS clients may include people who are mentally retarded, mentally ill, or have substance abuse problems, and those with medical problems or physical disabilities. For FY 01, the agency exceeded the target of 800 completed investigations by 307 (38.4%). Information provided by BPS indicates that the increase is relative to the following: 1) an increase in the population served as clients are being moved from institutions to homes or apartments; 2) an increase in the total number of community based services provided; and 3) an overall increase in the awareness of the existence of the program (the program was implemented in 1994 and has made a serious effort to increase knowledge of its services and now has an 800 number and a web site to file complaints).

BPS clients that are most likely to be served by the program are adults between 18 and 59 that are: 1) incapable of protecting or taking care of themselves or managing their resources; 2) unable to make voluntary choices due to coercion by another party; or 3) unable to recognize and remedy serious threats to their personal well-being.

Allegations reported to BPS in FY 01 (approximately 1,210) fall into the following categories: 1) Emotional abuse (12.8%)--threats, ridicule, isolation, intimidation, or harassment; 2) Physical abuse (13.6%)--contact or actions that result in injury or pain, such as hitting, pinching, yanking, shoving, pulling hair, or dumping from a chair; 3) Sexual abuse (4.7%)--any unwanted sexual activity, without regard to contact or injury or any sexual activity with a disabled person who lacks the capacity to consent; 4) Financial exploitation (19.5%)--misuse of the adult's money, services, property, or power of attorney; 5) Extortion (0.5%)--taking a thing of value from an adult by force, intimidation, abuse, or neglect; 6) Caregiver neglect (26.0%)--withholding or not assuring basic necessary care, such as food, water, medical service, medicine, shelter, safety, or personal and environmental cleanliness; 7) Self-neglect (21.1%)--an adult fails to secure or use basic essentials, such as food, water, medical service, medicine, shelter, safety, or lives in hazardous conditions; and 8) Other Neglect (2.8%).

Of the 1,210 complaints filed, the largest number came from hospitals (19.2%), service agencies (19.0%), family members (13%) and friends or neighbors (11.0%). The remaining 37.8% came from other sources such as law enforcement, OCDD, OMH, other relatives, or other providers.

BPS received approximately 927 complaints (some multiple) against individuals as follows: 1) parent (22.9%); 2) friend/neighbor (13.8%); 3) sibling (13.7%); 4) other relative (12.3%) 5) child (10.7); 6) other/unknown (10.5%); 7) spouse (9.8%); 8) provider/agency (4.6%); and 9) anonymous (1.7%).

Once a complaint is received, it is assigned one of three priorities as follows: Priority 1--requires a Social Services Specialist to initiate an investigation within 24 hours; Priority 2--requires a Social Services Specialist to initiate an investigation within 5 days (the most common priority); and Priority 3--requires a Social Services Specialist to initiate an investigation within 10 days. Additionally, it is the goal of PBS to complete investigations of complaints within 50 days. For FY 01, investigations were completed within 31 days. Information provided by PBS indicates that the time to complete investigations has been shortened by changing the method of reporting from a "paper system" to an "electronic system".

Budget Impact:
BPS had a standstill budget for the past three years. The program funding for the last three

years is as follows: FY 00: $1,077,249; FY 01: $1,002,135; FY 02: $1,220,640. The program has 24 authorized positions (21 are currently filled). Of the 24 positions, 15 are Social Service Specialists and are located throughout the 9 DHH Regions in the state. Regions 1 (Orleans) and 2 (Baton Rouge) have 3 positions per region; Region 6 (Alexandria) and 7 (Shreveport) have 2 positions per region; and all other regions (Thibodaux-Houma, Lafayette, Lake Charles, Monroe, and Hammond-Mandeville) have 1 position per region. For FY 03, PBS will request an additional $215,000 (increase from $1,220,640 to $1,435,640) and 6 positions--1 clerical for the Baton Rouge office and 5 Social Service Specialists. If the request is approved by the administration or the Legislature, PBS will add 1 position to each of the five regions that currently have only 1 person in the region.

LFO Comment:
For FY 01, PBS was able to complete 307 (38.7%) more investigations of abuse neglect, exploitation, and extortion for disabled adults age 18 through 59 than the performance standard of 800 predicted. However, the prior year actual (FY 00) of 1,107 should have caused PBS to reevaluate the performance standard and target values for FY 01. Additionally, the program will likely show a significant variance for FY 02 as no revision to performance indicators was requested during the appropriation process for FY 02.

It is the recommendation of the LFO that BPS should reevaluate all performance indicators for FY 03 and make revisions prior to the submission of the DHH operational plan for the upcoming fiscal year. With the continuation of the movement of individuals from institutions to homes or apartments, there will be a subsequent increase in the number of caretakers and in the number of community based services provided. Therefore, it is reasonable to assume that there will be an increase in the number of complaints filed. The actual number of complaints for FY 00 (918) and FY 01 (1107) or clients served for FY 00 (918) and FY 01 (1009) would suggest a performance standard in excess of the 800 currently indicated for complaints and 875 for clients served.

Health and Hospitals **Med. Vendor Admin.** **SCH. # 09-305**
Analyst: Brian Crow

Issue: Increase in the number of facilities sanctioned for non-compliance

Indicator: Number of facilities sanctioned

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	0
Q1					CURRENT YEAR TARGET	135
Q2	N/A	80	106	32.5%	PERFORMANCE STANDARD	135
Q3					YTD ACTUAL	237
Q4	N/A	135	237	75.6%	VARIANCE FROM STANDARD	75.6%

Indicator: Number of facilities terminated

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	0
Q1					CURRENT YEAR TARGET	12
Q2	N/A	8	9	12.5%	PERFORMANCE STANDARD	12
Q3					YTD ACTUAL	9
Q4	N/A	12	9	(25.0%)	VARIANCE FROM STANDARD	-25.0%

Analysis of Indicators:
The objective of DHH is, through the Health Standard activity, to perform 100% of required state licensing and complaint surveys of healthcare facilities and federally mandated certification of health care providers participating in Medicare and/or Medicaid.

The Health Standards Section (HSS) of DHH has the primary responsibility for the licensing and certification of all health care facilities in the state. State laws and regulations, and federal regulations from the Centers for Medicare and Medicaid Service Centers (CMS) are used to sustain the frequency and scope of licensing surveys so as to ensure the health and safety of the citizens of Louisiana served in appropriate health care facilities.

Statewide, HSS certifies or licenses approximately 3,200 health care facilities and/or providers. Of the 3,200, approximately 2,600 are state licensed and include the following: 1) Hospitals; 2) Ambulatory Surgical Centers; 3) Home Health Agencies; 4) Hospice Providers; 5) Nursing Homes; 6) ICF/MR Facilities; 7) Mental Health Clinics; 8) Substance Abuse Facilities; 9) Rural Health Clinics; 10) Urine Drug Screening Labs; 11) Emergency Medical Transportation (ground and air); and 12) Nurse Aid Training Schools. HSS also certifies an additional 600 facilities and/or providers that are covered by federal regulations and include the following: 1) Hospitals; 2) Hospice Providers; 3) Outpatient

Physical Therapy and Speech Therapy; 4) Comprehensive Rehabilitation Facilities; 5) Portable X-ray Providers; 6) Dialysis Facilities; 7) Rural Health Clinics; 8) Community Mental Health Centers; 9) Nursing Facilities; and 10) ICF/MR Facilities.

For FY 01, HSS issued 237 sanctions that exceeded the performance standard of 135 by 75.6% (237 sanctions). HSS attributes this increase to new federal mandates for FY 01 and the implementation of a new system to track repeat offenders. The 237 sanctions were imposed as follows:

1) Nursing Homes: 185 (131 included $148,800 in civil money penalties {CMP} and 54 included denial of payment for new admits). 18% of the CMP were due to immediate jeopardy situations such as hot water temperatures that exceeded the limit of 120 degrees, life safety code violations, usually a fire alarm problem, and the use of restraints that were improperly applied and created a situation for potential serious injury. 82% were issued for failure to correct a deficiency at the time of the follow-up survey. Of the 82%, 15% for improper patient assessments, 13% for professional standards violations, 7% for decubitus (skin care problems), and 44% for a wide variety of issues;

2) ICF/MRs: 10 (CMP of $10,000). 10% were due to immediate jeopardy situation, such as adequate staffing to oversee clients. 40% were non-immediate jeopardy situation but serious in nature, such as failure to provide active treatment, client rights, or staffing problems. 50% were for failure to correct at the time of follow-up survey, such as infection control, staff training, nutritional services, or drug administration;

3) Home Health and Hospice: 11 for license or provider agreement actions. 36% for deficient practices that were not corrected, such as failure to follow the plan of care, completion of comprehensive nursing assessments, personnel qualifications, clinical records, or nurse aid in-service training. 45% were for license revocation due to failure to be operational at the time of survey. 19% resulted in 90 day terminations for violations related to in-service training, skilled nursing services, clinical records, and acceptance of patient, plan of care, or medical supervision;

4) Hospitals: 1 license action for failure to meet handicapped accessible standards in bathrooms;

5) Rural Health Clinic: 2 license actions for failure to meet licensure standards; and

6) Non-Emergency Medical Transportation: 28 suspensions from operation due to the lack of insurance.

HSS did not meet the performance standard of 12 for provider terminations for FY 01. Information provided by HSS suggests that providers subject to termination through the survey process were able to come back into compliance by correcting deficient violations. The 9 providers that were terminated in FY 01 are as follows:

1) Home Health: 4 for not being operational at the time of survey--one under appeal and another for failure to correct deficiencies;

2) Portable X-ray: 1 for failure to respond to state agency--probably went out of business;

3) Rural Health Clinic: 2 for failure to meet licensure standards--one under appeal; and

4) Substance Abuse Clinic: 1 for failure to meet licensure standards--under appeal.

It should be noted that this indicator did not appear in Act 19 (Budget for FY 00) and therefore had no prior year performance data for the year.

Budget Impact:
The budget for the HSS unit for the past three fiscal years is as follows:

Health Standards Section	FY 99		FY 00		FY 01		Increase from
Program	**Budget**	**FTEs**	**Budget**	**FTEs**	**Budget**	**FTEs**	**FY 99**
Survey/certification-Medicare	$2,824,616	56	$3,546,402	64	$3,720,043	64	31.7%
Survey/certification-Medicaid	$4,291,237	65	$4,610,806	74	$4,848,536	76	13.0%
State Licensure	$2,046,771	31	$2,104,597	31	$2,122,930	28	3.7%
Total	**$9,162,624**	**152**	**$10,261,805**	**169**	**$10,691,509**	**168**	**16.7%**
Additional administration /specialty surveyors		31		29		26	
Total FTEs (T.O.)		**183**		**198**		**194**	**6.0%**

The budgetfor HSS has increased by 16.7% from FY 99 to FY 01. The state portion has increased by 6.9% for the same period. The federal reimbursement methodology for HSS is as follows: 1) CMS reimburses 100% of expenditures for Medicare Survey activities; 2) CMS reimburses 75% of expenditures for Medicaid Survey activities; and 3) the state is responsible for 100% of state licensure activities. Therefore, the effective match rate for the program for FY 01 is 31.2% state and 68.8% federal (currently 70.36% federal rate for the Medicaid program).

LFO Comment:
HSS issued a significantly higher number of sanctions (75.6%) for FY 01 as compared to the performance standard of 135. Discussions with administrative personnel responsible for the operation of the program indicates that the trend for the current year appears to be similar to FY 01. As such, the LFO anticipates a significant variance in the year end report for FY 02. HSS should reevaluate this entire performance indicator prior to submission of the operational plan for FY 03 and make necessary revisions to accurately reflect the level of survey and sanction activities projected.

Health and Hospitals	**Villa Feliciana Medical Complex**	**SCH. # 09-319 Analyst: Kristy Freeman**

Issue: **Failure to maintain occupancy rate and cost per client day.**

Indicator: Cost per Client Day

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YEAR	$203
Q1	$185	$192	$167	(12.9%)	CURRENT YEAR TARGET	$192
Q2	$201	$192	$190	(1.3%)	PERFORMANCE STANDARD	$192
Q3	$195	$192	$186	(3.0%)	YTD ACTUAL	$227
Q4	$203	$192	$227	18.4%	VARIANCE FROM STANDARD	18.4%

Indicator: Occupancy Rate

QUARTERLY	PRIOR YEAR	CURRENT	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YEAR	86%
Q1	88%	97%	93%	(3.6%)	CURRENT YEAR TARGET	97%
Q2	88%	97%	91%	(5.6%)	PERFORMANCE STANDARD	97%
Q3	87%	97%	90%	(7.0%)	YTD ACTUAL	87%
Q4	86%	97%	87%	(10.3%)	VARIANCE FROM STANDARD	(10.3%)

Analysis of Indicators:
Villa Feliciana Medical Complex's (Villa) cost per day has been higher than expected, while the patient census has been lower than projected. Due to a $300,000 payment made to Risk Management for the annual premium (which is always paid in the 4th quarter), the low number of patients being admitted, and the number of actual patient days being below projection, there has been an increase in the cost per client day. Without the $300,000 Risk Management payment, cost per client day would not have been out of variance (at $197).

Staffed beds are below the norm as a result of a reduction in admissions and staff. A decline in admissions could be a result of an increase in the number of persons choosing a private nursing home or institutional care. In addition, Villa was instructed by DHH to halt new admissions for FY 01. The following information shows the gradual decline in patient services:

Performance Data	**FY 98-99**	**FY 99-00**	**FY 00-01**
Average Daily Census	246	235	215
Staffed Beds	275	248	225
Occupancy Rate	90%	86%	87%
Cost Per Client Day	$186	$203	$227
Authorized Positions	456	452	393

Budget Impact:
A reduction in funding that Villa experienced from FY 00 to FY 01 ($17,093,903 to $15, 710,356) had aided in Villa's decrease in performance (data mentioned above). Cutbacks in admissions and staffed beds resulted in lower revenues and expenditures, which ensue a general downsizing of operations. This causes an increase in unused capacity and cost per client day for the facility.

LFO Comment:
For FY 02, DHH and Villa plan to downsize by closing approximately 23 vacant beds. Also, with the August 15th Performance Standard Adjustments (FY 01), several performance standard values have changed:

Indicator	Act 12	Aug 15
Average Daily Census	240	210
Cost per Client	$192	$205
Occupancy Rate	96.8	93%
Staff to Client Ratio	1.64	1.65

The changes should help Villa to be in compliance with performance standards in the future.

Health and Hospitals	**Office for Citizens with Developmental Disabilities**	**SCH.# 09-340** **Analyst: Kristy Freeman**

Issue: **Meeting and/or exceeding performance standards**

Indicator: Number of persons receiving OCDD state-funded services

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	6,303
Q1	5,230	4,913	5,313	8.1%	CURRENT YEAR TA	6,141
Q2	5,693	4,913	6,168	25.5%	PERFORMANCE STA	6,141
Q3	6,303	4,913	5,890	19.9%	ANNUAL	6,680
Q4	6,303	6,141	6,680	8.8%	VARIANCE FROM ST	8.8%

Indicator: Number of individualized agreements

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	2,035
Q1					CURRENT YEAR TA	1,852
Q2	1,807	1,450	1,791	23.5%	PERFORMANCE STA	2,035
Q3					YTD ACTUAL	2,349
Q4	2,035	1,852	2,349	26.8%	VARIANCE FROM ST	15.4%

Indicator: Number of persons employed in the community with supported employment

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	674
Q1	520	509	565	11.0%	CURRENT YEAR TA	509
Q2	544	509	579	13.8%	PERFORMANCE STA	509
Q3	644	509	600	17.9%	YTD ACTUAL	667
Q4	674	509	667	31.0%	VARIANCE FROM ST	31.0%

Analysis of Indicators:

The above indicators demonstrate that the Office for Citizens with Developmental Disabilities (OCDD) has met or exceeded a number of the performance standards. Of OCDD's thirteen total indicators, eight met the standards and five exceeded the standards.

The first indicator, number of persons receiving OCDD state-funded services, is an unduplicated count of persons receiving services through OCDD. Some state-funded services are cash subsidy, early intervention, vocational/habilitation services and individual and family support services. Of those services, two (cash subsidy and vocational/habilitation program) are distinct program activities that have specific funding levels. The continued increase for this indicator is due to the overall increase in the number served.

The second indicator, number of individualized agreements, represents the amount of contracts between OCDD and a consumer and/or the family or providers. Some factors for the rise in this indicator are the one-time agreements for services and purchases, and the cash subsidy stipends. The cash subsidy program has grown because the Legislature funded 439 new slots in FY 99 and has a high turnover in the subsidy program. Turnover occurs when more than one child utilizes a slot, as one child may age out and another child receives the same slot.

The third indicator, number of persons employed in the community with supported employment, provides a count of consumers with facility-based employment and individual and group model employment. These consumers are also taught vocational skills that enable them to be employed. OCDDs Regional Offices have been working with vocational providers (Employment Development Services) to serve, grow and provide more community-based work opportunities, which is proven by the performance standard.

Budget Impact:
All three indicators are included in the Community-Based Programs within OCDD and are funded with State General Fund. Funding for these programs have remained relatively stable over the last few years and OCDD has been able to meet and exceed their performance standards.

	FY 00	FY 01
Total Budget for State-funded Services	$23,936,355	$23,320,949
Individual and Family Support	$ 6,405,509	$ 6,469,112
Vocational Habilitation	$ 9,960,287	$ 9,670,707

LFO Comment:
The continued effort for OCDD to meet or exceed their performance indicators demonstrates that OCDD is committed to providing services and increasing those services. Moreover, the decrease in funding for the vocational habilitation program enabled OCDD to shift the emphasis and some funding to an increase in individual and family support services.

Issue: **Exceeded performance standards**

Indicator: Total number of admissions (Non-Medical Detoxification)

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	3,437
Q1	758	790	808	2.3%	CURRENT YR TARGET	3,158
Q2	1,609	1,580	1,807	14.4%	PERFORMANCE STANDARD	3,158
Q3	2,434	2,369	2,805	18.4%	YTD ACTUAL	3,898
Q4	3,437	3,158	3,898	23.4%	VARIANCE FROM STANDARD	23.4%

Indicator: Total number of admissions (Inpatient-Adolescent)

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	439
Q1	80	90	111	23.3%	CURRENT YR TARGET	363
Q2	190	180	214	18.9%	PERFORMANCE STANDARD	363
Q3	322	271	341	25.8%	YTD ACTUAL	460
Q4	439	363	460	26.7%	VARIANCE FROM STANDARD	26.7%

Indicator: Total number of admissions (Inpatient-Compulsive Gambling)

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	198
Q1	44	37	55	48.6%	CURRENT YR TARGET	150
Q2	96	75	112	49.3%	PERFORMANCE STANDARD	150
Q3	145	113	174	54.0%	YTD ACTUAL	229
Q4	198	150	229	52.7%	VARIANCE FROM STANDARD	52.7%

Analysis of Indicators:

The above indicators show that the Office for Addictive Disorders (OAD) has exceeded several of the performance standards in the area of admissions. In each of OAD treatment activities, admissions performance standards exceeded the performance standard established set for FY 01, with the exception of the compulsive gambling outpatient activity (-16% variance).

The first indicator, total number of admissions (Non-Medical Detoxification) resulted in an increase due to OAD reducing the average length of stay from 9.2 to 7 days. This allowed the agency to provide services in response to treatment demand, documented by a current average daily waiting list in excess of 100 individuals. Additionally, bed utilization improved from a prior year actual of 90% to 93% in FY 01 as a result of real time web enabled census capacity which provides statewide bed availability to all clinicians.

The second indicator, total number of admissions (Inpatient-Adolescent), resulted in an increase due to OAD reducing the average length of stay from 59 to 47 days. This allowed the agency to provide services in response to treatment demand, documented by a current average daily waiting list in excess of 100 individuals. The increased demand for treatment has resulted from juvenile justice and juvenile drug court referrals. Additionally, bed utilization improved from a prior year actual of 94% to 99% as a result of real time web enabled census capacity which provides statewide bed availability to all clinicians.

The third indicator, total number of admissions (Inpatient-Gambling), is a result of the following several factors:

1. Decrease in the length of stay from 29 to 25 days to be more in line with Best Practices for substance abuse inpatient programs.
2. OAD contract with gambling specific help line resulted in increase referrals to inpatient setting and therefore improved utilization. Occupancy rate increased from 78% in FY 00 to 85% in FY 01.
3. All applicants that were screened for substance abuse treatment services resulted in improved placement and utilization for those also needing treatment for gambling.
4. Enhanced intensive outpatient treatment which facilitated appropriate assessment and placement in inpatient setting.

Budget Impact:
Below is the funding level for each activity, related the above indicators, in the Prevention and Treatment Program.

	FY 01	FY 02
Detoxification	$854,518	$828,647
Inpatient Adolescent	$2,171,200	$2,207,502
Inpatient Gambling	$492,750	$558,450

For FY 03 the OAD will request additional funding for these activities. Their plan is to increase medical detoxification beds by 10 for a total of 42 beds ($150,000 in matching funds to LSU Medical); increase adolescent inpatient beds by 56 for a total request of $2.24 million; and establish a stand alone intensive outpatient gambling program with 12 additional residential beds ($500,000 from the land based casinos) to serve the southern part of the state.

LFO Comment:
Louisiana recent Needs Assessment study indicates that with the existing budget OAD is

only able to treat 4% of the identified adolescent population and 8% of the identified adult population in need of treatment. Additionally, The Drug Abuse Warning Network (DAWN) reports a 37% increase in drug use among all age groups. As a result of the OAD movement toward best practices, it appears the agency is making a concerted effort to increase utilization and provide the most cost effective treatment with limited resources.

DSS **Office of Family Support** **SCH. # 10-355**

Analyst: Mark Antoon

Issue: **Lack of participation in the Wrap-Around Child Care Program**

Indicator: **Number of children participating in the Wrap-Around Child Care Progr**

QUARTERLY	PRIOR YEAR	CURRENT EST	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	1,619
Q1	0	0	0	#DIV/0!	CURRENT YEAR TARGET	8,000
Q2	0	0	0	#DIV/0!	PERFORMANCE STANDARD	8,000
Q3	0	0	0	#DIV/0!	YTD ACTUAL	506
Q4	1,619	8,000	506	(93.7%)	VARIANCE FROM STANDARD	(93.7%)

Analysis of Indicators

In an effort to move away from the traditional cash benefit welfare system, the Department of Social Services (DSS) implemented a program to offer expanded child care and development to the working poor. This child care was to be provided by 111 Head Start Centers throughout the state and was to serve 8,000 children at a cost of $10 million in federal block grant funding. DSS projected demand by employing a model which used data from a statewide Head Start summer enrichment program.

Data shows a severe lack of participation, and consequent misallocation of resources, in the program.**.** The numbers of children anticipated by DSS never materialized for several reasons described below.

Eligibility - Eligibility rules were too strict and fewer children were eligible than projected.

Accessibility - Many of the centers are difficult to reach for parents. To be eligible, a parent must be employed and transportation to and from the centers conflicted with job responsibility for many prospective users.

Personnel - Head State centers had a hard time finding qualified employees who were willing to to work year round.

Red Tape - Head Start centers chose not to offer the program because because the of the paper work required by the federal government.

To increase accessibility, the Office of Family Support changed eligibility requirements and loosened rules. Despite these measures, only three centers are receiving Wrap-Around funds to provide child care. Presently, the centers serve approximately 500 children.

Budget Impact:

Low participation in Wrap-Around program led to a shift in funding for other DSS programs in the current year. A BA-7 was submitted to move $7.5 million from Wrap-Around to fund a statewide needs assessment study, additional substance abuse treatment, additional training for DSS staff, more housing assistance, and more transitional child care.

Although DSS is in the process of terminating contracts with centers which do not have participating children, the department anticipates $1.3 million will be needed to fund a reduced Wrap-Around program. These are federal funds from a block grant and are considered recurring, subject to federal rule changes. If the block grant is reduced or eliminated, these programs and enhancements would either have to be disbanded or funded with State General Fund.

LFO Comment:

More detailed demand analysis and a proper needs assement study should be performed before funding is allocated to a new initiative. A pilot program could be enacted to work out problems before a full-scale program is funded.

DSS **Vocational Rehab** **Sched 10-374**
Analyst: Mark Antoon

Issue: Example of a good outcome indicator

Indicator: Clients' average weekly earnings at acceptance

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
						57
Q1						60
Q2				#DIV/0!		60
Q3						73.07
Q4	57	60	73.07	21.8%		

Indicator: Clients' average weekly earnings at closure

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
						319
Q1						262
Q2				#DIV/0!		262
Q3					YTD ACTUAL	387.19
Q4	319	262	387.19	47.8%		

Analysis of Indicators:

Change in salary is a measure of how well the program is fulfilling its objectives. This indicator is a true measure of an outcome rather than an output. Given the large variance, consideration should be given to raising the target and performance standard.

This program serves a broad category of people with disabilities. DSS rates each person on a scale of 1-5, with a “1” constituting the most severely disabled and a “5” representing the least disabled. A blind, deaf or quadriplegic person are rated a “1” while a diabetic with no complications would be rated a “5”. The department serves clients in a descending order of disability. Each client has an individually tailored program designed to best fit the person’s skill set and interests.

Measurement of the indicator starts upon acceptance into the program. Frequently, a client does not have any income, or is on public assistance. The case is closed 90 days after completion after completing an individualized program, which could take months or years. Case closure equates to completer in this program. The salaries listed above are an average of all completers

Jobs placement ranges from clients obtaining employment in highly skilled professional occupations requiring advanced college education as well unskilled jobs in the service industry. DSS matches training and education to the individual. For example, a paraplegic may attend college and go on to law school if the client has the aptitude and grades. The client must go to work in the regular competitive workforce, not a sheltered workshop.

Success is defined as a client who finishes the program and stays gainfully employed at least 90 days.

Budget Impact:

N/A

LFO Comment:

In current form, this indicator could lead the reader to believe that the program is more successful than it actually is.

A problem with this indicator is the number of completers cannot be compared with the number of applicants, eligible, or evaluated clients because vocational rehabilitation is a multiyear program. So comparing year end numbers does not give a fair assessment of the program.

DSS could track clients by cohort to actually determine how well the program works for a given fiscal year and group of clients. Cost per class could better be tracked as well and trends established. For example, take the FY 01 year end data:

Number of Applicants	6,690
Number of Eligible	4,520
Number of Evaluated	3,173
Number of Completers	1,961

FY 01 number of applicants, eligible, or evaluated clients cannot be compared with the number of completers because the data spans different fiscal years.

To improve the functionality of the data, each separate group of clients could be tracked as a cohort through the entire process. Tracking using this method would indicate how effective the program is working in a given fiscal year.

Also, more detailed data on job tracking and reporting could be collected. The agency should provide more information on the clients who are being served in this program to help determine the actual effectiveness.

Additional work hours could be required to set collect and process the data.

Department: Natural Resources **SCH. # 11-432**

Agency: Office of Conservation **Analyst: Robert Hosse**

Issue: To ensure that the state's waterbottoms are as free of obstructions to navigation as possible by removing 50 obstructions and by ensuring that at least 99.5% of legally abandoned oil and gas sites in coastal waters have clearance plans to protect navigation. Failure to reach obstruction removal targets were primarily due to legal issues which the department has apparently resolved.

Indicator: Number of underwater obstructions removed

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	75
Q1		0	0	0.0%	CURRENT YR TGT	70
Q2		0	0	0.0%	PERF STANDARD	50
Q3		81	60	(25.9%)	YTD ACTUAL	60
Q4	75	70	60	(14.3%)		

Indicator: Number of newly verified underwater obstructions

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	112
Q1		0	0	0.0%	CURRENT YR TGT	98
Q2		98	98	0.0%	PERF STANDARD	100
Q3		0	0	0.0%	YTD ACTUAL	98
Q4	112	98	98	0.0%		

Indicator: Number of remaining verified underwater obstructions

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	47
Q1		0	0	0.0%	CURRENT YR TGT	63
Q2		145	144	(0.7%)	PERF STANDARD	185
Q3		0	0	0.0%	YTD ACTUAL	80
Q4	47	63	80	27.0%		

Indicator: Percentage of legally abandoned oil and gas sites in coastal waters with clearance plans

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	100
Q1		99.5	100	0.5%	CURRENT YR TGT	100
Q2		99.5	100	0.5%	PERF STANDARD	99.5
Q3		99.5	100	0.5%	YTD ACTUAL	100
Q4	100	99.5	100	0.5%		

Analysis of Indicators:

The first indicator displayed, the number of underwater obstructions removed, illustrates the department's inability to meet its 4th quarter target of 70. Only 60 of these obstructions, or 14.3% less than targeted, were removed by the end of FY 01. The department had increased its yearend target to 81 based upon actual removal of 75 obstructions in the prior year and 1st quarter surveys which suggested that removal of underwater obstacles could be less expensive due to the location, concentration, or type of obstructions to be removed. The department's 2nd quarter surveys remained consistent with this initial analysis. In the 3rd quarter, the department missed their target of 81 obstructions removed by 21, or almost 26%, due to the inability to move forward on 16 obstructions located within oyster seed grounds, identification of 1 obstruction as being a well which was subsequently turned over to the orphan well program, 1 obstruction being located in water too shallow to access with equipment, and 3 obstructions which subsequent to verification could not be located. The department revised its end of year target to 70 hoping that continued negotiations would enable them to remove 10 of the oyster seed ground obstructions. The department was not able to remove the 10 obstructions on these seed grounds due to liability requirements which had not been resolved by the end of the year. The Department of Wildlife and Fisheries had required that Coastal Use Permittees accept liability for damages which might occur to these grounds in the process of removing the obstructions. The Department of Natural Resources, as an agency of the state, could not enter into a contract which allowed for open ended liability. The Department of Natural Resources believes it has resolved this dilemma by providing for the contractor to shoulder the liability for any damages incurred. The department believes that these obstructions can be addressed in the current year.

The second indicator displayed, number of newly verified underwater obstructions, shows the number of underwater obstructions which had been reported to the department and which the department was able to verify through contracts with private entities. The department was able to verify its targeted number of 98 obstructions.

The third indicator displayed, number of remaining verified underwater obstructions, shows the cumulative number of underwater obstructions which have been verified, but which have not been removed. The department exceeded its 4th quarter target of 63 by 17, or 27%. Failure to meet this indicator's target is a direct result of the department's difficulty in attaining its target for removal of obstructions.

The fourth indicator displayed, percentage of legally abandoned oil and gas sites in coastal waters with clearance plans, illustrates that the department was able to ensure clearance plans for all of these legally abandoned oil and gas sites.

Budget Impact:
Failure to remove underwater obstructions will result in additional payments through the Fisherman's Gear Compensation Fund to pay justified claims made for actual damages as a result of hitting or snagging an obstruction or hazard in state waters resulting from natural occurrences, oil and gas activities, or other activities where the owner of the obstruction is unknown. At any time that the balance of the fund becomes $250,000 or less and the secretary determines that additional monies are required to pay justified claims and to cover necessary administrative costs of the program, the secretary is authorized to replenish the fund by levying additional fees on each lessee of a state mineral lease and each grantee of a state right of way. Fees levied upon leases and rights of way are to be made on a per unit basis at a level not to exceed $1,000 per lease or right of way during any fiscal year. The last assessment occurred September 13, 2000, and the amount collected as of October 19, 2001 was $1,460,000. The balance in the Fisherman's Gear Compensation Fund as of October 19, 2001, was $802,265. These monies are available to pay fishermen's claims for damage. The legislature authorized the transfer of $250,000 out of the fund the past 2 fiscal years to address the removal of underwater obstructions, and has authorized the transfer of this same amount to remove these obstruction for each of the next 3 fiscal years. In the current year, the department has already budgeted $250,000 and has retained approximately $146,000 of monies from a prior grant from the National Oceanic and Atmospheric Administration (NOAA) to remove these obstructions. The department anticipates requesting budget authority for another $250,000 in December, 2001, through a grant from NOAA's Coastal Impact Assistance Program to be used to remove these obstructions.

LFO Comment:
Since its inception in 1997, the Louisiana Underwater Obstructions Removal Program has made a significant coastal impact by identifying 235 underwater obstructions and removing 151 of these obstructions, weighing over 3,000 tons. DNR's current records reflect approximately 3,000 reported incidents with underwater obstructions just within the three-mile boundary that marks Louisiana coastal waters. The continued removal of these obstructions will lessen the additional expense and inconvenience of repairing and replacing their equipment, and will allow fishermen to conduct their activities more safely.

Department: Natural Resources **SCH. # 11-434**

Agency: Office of Mineral Resources **Analyst: Robert Hosse**

Issue: To audit at least 26.6% of total royalties paid. Although DNR missed their audit target by almost 37%, positions have been restored to this activity, which should result in additional royalty revenues to the state. However, due to the extensive training required for newly hired auditors, a significant impact on performance of this activity may not be attained in the current fiscal year.

Indicator: Percentage of total royalties paid which are audited

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	28.17
Q1		6.3	6.56	4.1%	CURRENT YR TGT	26.60
Q2		12.6	9.52	(24.4%)	PERF STANDARD	26.60
Q3		18.3	14.03	(23.3%)	YTD ACTUAL	16.81
Q4	28.17	26.6	16.81	(36.8%)		

Indicator: State audit exceptions billed (millions)

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	24
Q1		N/A	N/A	N/A	CURRENT YR TGT	14.25
Q2		5.5	4.337	(21.1%)	PERF STANDARD	14.25
Q3		NA	N/A	N/A	YTD ACTUAL	10
Q4	24	14.25	10	(29.8%)		

Analysis of Indicators:
The Department of Natural Resources has indicated that audit coverage of royalties paid was less than projected in FY 01 due to the loss of 4 auditors. The department has further indicated that audit supervisors must work on audits turned over to the Attorney General for resolution, and that this has further reduced the ability of the department to achieve their targeted percentage of audits. The reduction in percentage of royalties audited has most likely been directly responsible for the department's failure to meet its 4th quarter target of $14.25 million in state audit exceptions billed.

At the beginning of FY 01, the department had 11 positions in field audit, with two of these positions being vacant (these auditors left state employment for private industry). These 2 vacant positions were cut in the 1st quarter pursuant to statewide personnel reductions mandated by the Appropriations Act (Act 11 of 2nd Extraordinary Session). In the 2nd quarter of FY 01, the department was able to reestablish 1 of these field audit positions with a BA-7 approved at the November meeting of the Joint Legislative Committee on the Budget to increase the total audit positions back to 10; however, the program had 3 vacant positions at this time. The department did not fill 2 of these vacant positions because they were not recommended in the FY 02 Executive Budget. In essence, this left the program with 8 positions (since the department did not fill comfortable filling two of three vacancies not funded in the Executive Budget). The program's positions and vacancies remained at this status through the 3rd quarter. In the 4th quarter of FY 01 the program still had 8 authorized positions, but again, three vacant positions were not filled because of recommended cuts in the Appropriations Bill. The final version of the Appropriations Bill restored all 11 field audit positions in this program, and currently there is one vacant position that is scheduled to be filled November 12 of this year.

Although the audit program has been reinstated to its former 11 positions, 3 of its positions were just filled September 4 of this year with another position to be filled November 12. This program has had difficulty both in retaining employees because of opportunities in private industry and in establishing positions with certainty throughout the appropriations process that would allow them to fill vacancies in a timely manner. Because of the lack of experience with their field audit employees, the program will find it difficult to attain their targets for their performance indicators in the current year. Additionally, the Audit Supervisor in Dallas is needed to work on Shell litigation until perhaps May 2002, which will hinder this individual's ability to assist in these audits.

Budget Impact:
Although a consistent estimate of audit exceptions billed per position cannot be accurately calculated, it is reasonable to suggest that the activities conducted by individuals holding these positions will likely generate additional revenue in excess of the cost to fund the positions. Failure to retain these positions and the individuals filling these positions will likely result in a net loss of revenue to the state.

LFO Comment:
To achieve its performance indicators, the department will need to be able to fill and retain its current positions. To the extent that there is uncertainty concerning the number of positions that will be available to the program to conduct this activity year to year, the retention of individuals or the ability to attract and hire individuals will be hindered. Inasmuch as these positions likely generate additional revenue in excess of the salaries required to employ them, it would appear prudent to maintain some stability in this program's positions in the future.

Revenue **Office of Charitable Gaming** **SCH. # 12-440**
Analyst: Samson

Issue: In the first full fiscal year that the Office of Charitable Gaming was under the Department of Revenue there was a -31% variance in number of inspections, -44% variance in number of audits and -60% variance in investigations performed.

Indicator: All indicators for the Office of Charitable Gaming

Number of inspections conducted

	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	34
Q1		43	43		CURRENT YEAR TARGET	275
Q2		120	96	(20.0%)	PERFORMANCE STANDARD	275
Q3		200	132		YTD ACTUAL	188
Q4	34	275	188	(31.6%)	VARIANCE FROM STANDARD	-31.6%

Number of audits conducted

	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	10
Q1		17	17		CURRENT YEAR TARGET	65
Q2		35	22	(37.1%)	PERFORMANCE STANDARD	65
Q3		50	28		YTD ACTUAL	35
Q4	10	65	36	(44.6%)	VARIANCE FROM STANDARD	-46.2%

Number of investigations conducted

	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	32
Q1		14	14		CURRENT YEAR TARGET	30
Q2		34	18	(47.1%)	PERFORMANCE STANDARD	75
Q3		55	24		YTD ACTUAL	30
Q4	32	75	30	(60.0%)	VARIANCE FROM STANDARD	-60.0%

Analysis of Indicators:

The performance indicators above show a decline in the number of audits, inspections and investigations that are being performed by the Office of Charitable Gaming. There are 31% fewer inspections, 44% fewer audits and 60% fewer investigations being conducted as compared to the performance standard.

When the Office of Charitable Gaming was moved from the Department of Public Safety to the Department of Revenue in January of 2000 the performance indicators were not altered. However, the number of personnel allocated to the program under the Department of Revenue was decreased. As a result of these decreases, Charitable Gaming is having difficulty reaching its performance standards.

While under DPS there were 30 employees assigned to the office. These positions consisted of 14 uniform officers and 16 civilians. The uniform officers were commissioned law enforcement officers who participated in the inspection of licensed charitable gaming entities. The civilian employees performed audits and filled administrative and clerical positions.

Under Revenue, Charitable Gaming is authorized 20 positions but is currently functioning with 18 employees. These 18 employees are all civilians. There are no uniform officers working with the program. These 18 employees perform all of the functions performed by the 30 employees when the program was under DPS. Charitable Gaming now has 11 auditors and of those 11, 4 serve as field agents. The other 7 employees work in administration, computer and clerical functions.

The other indicator that is tracked by Charitable Gaming is “Number of licenses”. The actual number of licensees is 8% out of variance above the standard This shows that the number of licenses issued by the program has increased over the standard amount, therefore the number of entities that are regulated has not decreased.

For Fiscal Year 2001-2002 the Office of Charitable Gaming has adjusted the standard for two of its indicators. The standard for number of audits was adjusted down to 190, this is 85 fewer than the FY 2001-02 standard and in line with actual performance. Another adjustment increased the standard for number of audits to 68; this is 3 higher than the FY 2000-01 standard and 32 audits higher than actual. The standard for the number of investigations conducted was not adjusted.

Budget Impact:
The Office of Charitable Gaming is funded from agency self generated revenues. These revenues are generated through license fees and civil penalties. A decrease in audits and investigations could result in a decrease in the collections to this fund.

LFO Comment:
The indicators raise the question, “Is the Charitable Gaming Industry in Louisiana being regulated properly?” If the legislature wishes to continue the same level of regulation as was provided under the Department of Public Safety, then the answer to that question is “no”. When the legislation was passed to move Charitable Gaming under Revenue the fiscal note showed that the program would need a staff of 24 persons to continue the level of service that was being provided by DPS. For Charitable Gaming to be regulated at the previous levels, then the human resources need to be made available to the program.

Department: Environmental Quality **SCH. # 13-852**

Agency: Office of Environmental Services **Analyst: Robert Hosse**

Issue: The objective of this indicator is to facilitate improvement of the environment by responding within 30 days to 95% of public requests for assistance (brochures, seminars, lectures, community meetings) to encourage interested stakeholders through voluntary recycling, and pollution prevention. DEQ has made significant progress in "catching up" to its targeted level; but a one-time occurence earlier in the year has affected its annual performance.

Indicator: Percent of response to requests for information from stakeholders and the regulated community through brochures, seminars, lectures, and the media

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	98
Q1	N/A	N/A	N/A	N/A	CURRENT YR TGT	95
Q2	N/A	95	64.3	(32.3%)	PERF STANDARD	95
Q3	N/A	N/A	N/A	N/A	YTD ACTUAL	85
Q4	98	95	85	(10.5%)		

Analysis of Indicators:

Although DEQ only responded to 85% of requests for information within 30 days, which is 10.5% below the 4th quarter target level, this performance does not represent a systemic problem in responding to citizens' requests for information. The 4th quarter performance shows significant improvement in attaining their target of 95% over their 2nd quarter performance of only 64.3%. Since this indicator is a cumulative measure of the department's performance, the relatively low performance in the 2nd quarter is still "dragging down" the overall yearly performance in this indicator.

<u>Background</u>

The Environmental Assistance Division's failure to meet the 30 day time frame in the 2nd quarter was due to an over whelming demand for informational videos. The problem occurred when an organization outside of DEQ, "Coastal Wetlands Planning, Protection and Restoration Act" (CWPPRA), advertised on its website (http://lacoast.gov) that DEQ's Barataria-Terrebonne National Estuary Program (BTNEP) was offering free wetland videos. As a result, the BTNEP Office received 1,820 requests for videos via email, telephone calls and referrals from the CWPPRA website in a very short period of time. The BTNEP was unable to fulfill these requests within the targeted time frame because of the very large volume. The BTNEP had the notice of free videos removed from the website and replaced it with a notice that the requests for the videos could not be met in a timely manner. Despite the difficulty in providing the requested number of videos, DEQ did notify many individuals by phone and by notice on the DEQ website that the videos were not available. At this time everyone who requested tapes has received them. Federal grants paid for the production of 4 different videos, and pays for copying costs of approximately $1.50 to $2 per video. State General Funds budgeted in the Estuary program pays for the cost of mailing the videos at an average cost per video of $1.85.

Budget Impact:
No significant budget impact is anticipated due to this one time occurrence. The removal of the availability of these videos from the CWPPRA website reduced demand to close to its prior level. DEQ has indicated that it should attain its targets for this indicator in FY 02 with existing budget and personnel resources.

LFO Comment:
DEQ is expected to meet its timeline in providing this type of information in the current fiscal year.

Department: Environmental Quality **SCH. # 13-852**

Agency: Office of Environmental Services **Analyst: Robert Hosse**

Issue: The objective of this indicator is to provide effective radiation protection by processing 98% of the applications within 30 days of receipt. The loss of several experienced employees and a freeze on hiring resulted in a failure to meet its indicator targets in the last 3 quarters of FY 01; but the department has addressed this problem by shifting additional personnel to undertake these activities.

Indicator: Percentage of radioactive material applications for registration, licensing and certification processed within 30 days of receipt

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST
Q1	96	98	93	(5.1%)
Q2	96	98	85	(13.3%)
Q3	96	98	88.25	(9.9%)
Q4	96	98	93	(5.1%)

ANNUAL	
PRIOR YR	96
CURRENT YR TGT	98
PERF STANDARD	98
YTD ACTUAL	85

Analysis of Indicators:

DEQ was only able to process 85% of radioactive material applications within their 30 day time frame for their 2nd quarter target. This was due in part to the loss of an experienced person and a freeze on hiring which was implemented to avoid layoffs to meet an 85 position reduction in their FY 2002 budget (63 positions were added back in the FY 02 Appropriations Bill). The Legislative Fiscal Office had indicated that without additional positions or a shift in existing personnel to meet the current workflow that it was unlikely that their target of processing 98% of these applications in 30 days could be met. DEQ has addressed this problem by filling 1 vacant position in February, 2001, to perform X-ray registration reviews, and by so doing increased their process performance to 88.25% of applications by the 3rd quarter, and approximately 93% by the end of FY 01. DEQ has shifted additional personnel to address this activity during the 1st quarter of the current year, increasing positions from 5 to 8, and has managed to process approximately 97% of these applications during this time period. Out of these 8 positions, the department has 7 filled positions (1 position was vacated on October 12, 2001).

Budget Impact:

There is no direct budget impact associated with this indicator at this time. The department appears to have shifted adequate resources to address the activities required within this program, if it can retain individuals within these positions.

LFO Comment:

Failure to process these applications could impact the private sector to the extent that there are delays in certifying radiological equipment prior to its use. These delays can impact both the operating revenues of these private entities and in some cases the use of this equipment for diagnosis or treatment of individuals. DEQ has addressed their staffing problems within this program and should have adequate funds and personnel resources to attain their indicator targets in FY 02.

DWF	**Office of Wildlife**	**SCH. # 16-513**
		Analyst: S. Blanchard

Issue: **Although the number of nutria harvested has increased through the efforts of the Department of Wildlife and Fisheries, the number of acres damaged by nutria has remained the same.**

Indicator: Acres damaged by nutria

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	100,000
Q1				0.0%	CURRENT YEAR TARGET	100,000
Q2				0.0%	PERFORMANCE STANDARD	100,000
Q3			.	0.0%	YTD ACTUAL	100,000
Q4	100,000	100,000	100,000	0.0%	VARIANCE FROM STANDARD	0

Indicator: Nutria harvested

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YR	21,110
Q1				0.0%	CURRENT YEAR TARGET	120,000
Q2				0.0%	PERFORMANCE STANDARD	120,000
Q3				0.0%	YTD ACTUAL	29,544
Q4	21,110	120,000	29,544	(75.4%)	VARIANCE FROM STANDARD	(0.754)

Analysis of Indicators:

These indicators measure the number of acres damaged by nutria and the number of nutria harvested. These indicators are part of an objective to maintain the area of coastal marsh land damaged by nutria feeding at 100,000 acres. The specific objective of these indicators is to control the nutria population. Despite the Departments efforts, nutria population seems to be exceeding the carrying capacity of their habitat as shown by the indicator measuring the total acres in coastal Louisiana damaged by them. The indicator shows that 100,000 acres were damaged by nutria, which is the performance standard.

Although there is an increase of 8,000 nutria harvested per year, there are several factors responsible for not meeting the target of 120,000 nutria harvested per year. The public is reluctant to accept this product for human consumption. The value of pelts has declined greatly leaving less motivation for trappers to harvest fur bearing animals.

To help combat this problem, with Coastal Wetlands Planning, Protection and Restoration Act (CWRPPA) funds, the department has tried to market nutria meat for human consumption. The Department has continued the Restaurant Promotion Project, worked cooperatively to provide nutria meat to various chefs to promote nutria meat, and participated in several culinary expos. The Restaurant Promotion Project's objective is to enlist high profile restaurants in a nutria meat promotion. Also, the Department is advertising a RFP for additional marketing work including product development, media strategies, and various individual promotional activities. The CWPPRA project does provide for an incentive payment for both the trapper and the nutria meat processor. Over the last 3 years, 1 processor has participated and has processed approximately 25,000 pounds of nutria meat for human consumption.

In addition to the promotion of nutria meat for human consumption, Act 552 of the 1990 Regular Legislative Session established a program that provides a subsidy to nutria trappers to encourage trappers to harvest more nutria. Land owners as well as the Department are providing a bounty to the trappers, 50 cents from the state and 50 cents from the land owner, on each nutria as incentive to harvest them. The Department had hoped to market the meat for human consumption, which might in turn provide more incentive for trappers to harvest the animal for both its pelt and its meat, and for meat processors to purchase the meat from the trappers. This program was in place prior to the CWPPRA project and has not been successful due to the lack of trapping effort due to low pelt prices. The $1.00 incentive is not enough to encourage increased participation.

It appears that this strategy will take additional time to develop a demand for nutria meat. The Department set a target for the end of the year of 75,000 pounds of nutria meat being sold for (human) consumption. Only 5,000 pounds have been sold for the year. Although meat sales are less than anticipated, the Department is encouraged by the response that they receive from chefs and restauranteurs at their promotions.

Budget Impact:

The efforts of the Department are not being realized mainly due to the lack of a significant market for nutria meat being sold for human consumption. The nutria is damaging a great deal of the coast which could be very detrimental to other species' habitat as well as contrary to the state's current efforts to preserve the coast. Budget impacts relative to this issue involve the cost to the state in preserving the coastline and offsetting costs associated with the control of the nutria.

LFO Comment:

These performance indicators show that there is a problem with nutria damaging the coastal areas. The Department has stated that they are trying to market the meat internationally to help combat this problem since the human consumption market is not succeeding locally.

One option may be to conduct a study to determine the cost effectiveness of tax incentives for the purposes of harvesting nutria. The Department is currently working with a CWPPRA Task Force and other state and federal agencies to establish another project to provide for a direct $4.00 per nutria incentive payment to trappers. This project is high on the Task Force's priority list and the money should be available for the 2002-03 trapping season (November to March). The total cost of this project would be $2 million per year for 20 years.

Also, through funding for the "Brown Marsh Problem" there are some professional service contracts that are currently underway to evaluate various methods of control of nutria. these contracts will evaluate the cost effectiveness of the proposed control methods.

The department has indicated that in order to keep the nutria population in check and to reduce habitat damage 400,000 to 500,000 nutria need to be harvested per year. Compared to the 30,000 currently being harvested per year the task is formidable. The Department is pursuing a variety of avenues to address the nutria problem. It may take a combination of these various programs to create the necessary incentive to increase the harvest of nutria in order to reduce the damage to the coastal wetlands. An economic incentive is necessary to create a market for harvesting nutria. In order for this to occur, the public perception needs to change. As evidenced by the alligator meat industry, this is not going to happen overnight.

Civil Service **State Police Commission** **SCH. # 17-563**
Analyst: K. Sewell

Issue: Actual performance needs to be improved or current target modified.

Indicator: Percentage of all appeal cases heard and decided within 3 months.

QUARTERI	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	0
Q1	100	77.8	100		CURRENT YEAR TARGET	77.8
Q2	0	77.8	25	(67.9%)	PERFORMANCE STANDARD	77.8
Q3	0	77.8	25		YTD ACTUAL	50
Q4	0	77.8	50	(35.7%)	VARIANCE FROM STANDARD	-35.7%

Analysis of Indicators:

The objective of this indicator is to maintain an average time of four months to hear and decide an appeal, with at least 75% of all appeal cases being closed within three months. The types of appeal cases include merit increases, division/section unit changes, competitive promotions, retirements, terminations, suspensions, etc. The year end target for this indicator was 77.8% and the actual performance was 50% which resulted in a negative variance of 36%. In real numbers this translates to the State Police Commission receiving six appeals, and of those, three were heard and decided within three months. During the fourth quarter of FY 2000 the variance for this indicator was a negative 100%.

Budget Impact:

The agency indicated that postponing the hearing of appeals cases can result in delayed merit increases and promotions within the Department of Public Safety. If the Commission decides in favor of the employee, the Commission will determine at the time of the hearing whether delayed earnings from merit increases, promotions, etc., will be paid to the employee. Any back earnings the are not awarded to the employee will result in a savings to Public Safety. Also, for FY 2001 the Commission was budgeted for twelve meetings at a per diem rate of $75 per meeting. Canceled meetings resulted in a savings to the agency.

LFO Comment:

The agency noted for fiscal years 2000 and 2001, that cases were delayed because of scheduling conflicts with the employee's attorney and/or the Commission members were not available to attend meetings. The Governor has appointed new members to the Commission in an effort to make the Commission a more productive entity. This office will monitor the scheduled meetings of the Commission to determine whether cases are being heard and decided in a timely manner. The LFO also suggests that the agency review this objective and indicator to determine whether the goal can be achieved; For example, the <u>target</u> for this indictor is 77.8% of all cases being heard and decided within three months. However, the objective is that at least 75% of the cases should be heard and decided within three months.

Higher Education **LSU Alexandria** **SCH. # 19-602**
Analyst: Charley Rome

Issue: **Collegiate Assessment of Academic Proficiency (CAAP)**

Indicator: **Number of CAAP modules for which LSU-A students exceeded the national norm.**

QUARTERI	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	N/A
Q1	N/A	N/A	N/A	N/A	CURRENT YEAR TARGET	5
Q2	N/A	N/A	N/A	N/A	PERFORMANCE STANDARD	5
Q3	N/A	N/A	N/A	N/A	YTD ACTUAL	3
Q4	4	5	3	(40.0%)	VARIANCE FROM STANDARD	-40.0%

Analysis of Indicators:

CAAP refers to the "Collegiate Assessment of Academic Proficiency". CAAP is a test, created by ACT, that measures skills and knowledge obtained during general education curricula. General education curricula refer to academic coursework taken in the first two years at colleges and universities.

The test offers the following modules: Reading, Writing (Objective and Essay), Mathematics, Science Reasoning, and Critical Thinking. Each module can be taken alone, or in combination with other modules depending on the needs of the student and institution.

LSU-A's goal was to have their students exceed national norms for two-year colleges on all CAAP modules (excluding the writing essay module). December graduates of LSU-A exceeded the national norm on 4 of the 5 modules testing (failing only Math). May graduates failed to exceed the national norm on Math and Science Reasoning.

<u>While it is disappointing that LSU-A did not meet its goal on CAAP, it is laudable that LSU-A measures and reports general education proficiency of its students</u>. LSU-A has revised instruction in remedial math and college algebra and hopes for improved CAAP scores in the future.

Budget Impact:

There is no direct budgetary impact due to LSU-A not meeting its goals on the CAAP.

LFO Comment:

Although only LSU-A reports CAAP test scores on LAPAS, according to the Board of Regents: the following Louisiana public higher education institutions also use the CAAP test: LSU-E, LSU-S, McNesse, Northwestern, University of Louisiana at Lafayette, Southern at Baton Rouge, and Southern at New Orleans. Xavier also uses the CAPP test. None of these institutions reports CAAP scores on LAPAS. The LFO has requested CAAP test scores from all universities and recommends that they be reported on LAPAS.

The LFO also recommends that CAAP be used to measure general education proficiency at all public colleges and universities in Louisiana and be reported on LAPAS.

CAAP could be used to accomplish the following (as described by ACT):

1. Improve teaching and enhance student learning
2. Determine overall performance in general education instructional programs
3. Verify specific levels of skill mastery
4. Document student success to meet accreditation and other reporting requirements
5. Demonstrate the "value added" from general education instruction
6. Validate readiness for upper-division work
7. Establish benchmarks to show change
8. Work with students to improve skill attainment and to increase the institution's success rate

There would be a cost per student ranging from approximately $10, up to a maximum of $60. The average cost would be approximately $16 to $20 per student. The LFO believes that the benefits to the CAAP testing would justify the cost per student.

HCSD **All Hospitals** **SCH. # 19-610**
Analyst: Shawn H.

Issue: ER visits, clinic visits, and Disease Management enrollees

Indicator: Emergency room visit (-)

QUARTERI	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	533,041
Q1	n/a	133,868	129,595	(3.2%)	CURRENT YEAR TARGET	528,352
Q2	278,534	266,901	255,354	(4.3%)	PERFORMANCE STANDARD	542,020
Q3	n/a	398,628	388,494	(2.5%)	YTD ACTUAL	511,151
Q4	533,041	528,352	511,151	(3.3%)	VARIANCE FROM STANDARD	-5.7%

Indicator: Clinic visits (-)

QUARTERI	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	1,099,439
Q1	n/a	0	0		CURRENT YEAR TARGET	1,124,548
Q2	510,847	555,559	528,697	(4.8%)	PERFORMANCE STANDARD	1,137,063
Q3	n/a	0	0		YTD ACTUAL	1,069,772
Q4	1,024,405	1,124,548	1,069,772	(4.9%)	VARIANCE FROM STANDARD	-5.9%

Indicator: Eligible diagnosed patients enrolled in Disease Management

QUARTERI	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	7,647
Q1	n/a	8,208	7,647	(6.8%)	CURRENT YEAR TARGET	16,419
Q2	n/a	16,419	10,195	(37.9%)	PERFORMANCE STANDARD	15,975
Q3	n/a	12,314	12,744	3.5%	YTD ACTUAL	18,428
Q4	n/a	16,419	18,428	12.2%	VARIANCE FROM STANDARD	15.4%

This is the first review of the Disease Management indicator. Because the indicator is an output measure and not an outcome measure, several other indicators were reviewed with the Disease Management indicator with intent to determine a relationship or pattern between aggressive enrollments in the Disease Management program and ER and clinic utilization.

It is the intent of HCSD to transition, or redesign, its care delivery from an emergent model to a preventive model. The legislature has funded a Disease Management Program for all hospitals, with the intent to manage populations with asthma, diabetes, congestive heart failure, HIV, and breast and prostate cancer.

Although there is not a true direct outcome measure for Disease Management, after 3 full years of the program, there should be a clear picture from the current indicators of a decrease in ER visits and more outpatient visits as various patient populations are enrolled in Disease Management protocols. As seen in the above indicators, the actual number of eligible enrollees in Disease Management is over the target and performance standard. ER visits are lower than the target and standard and actual outpatient clinic visits are lower than estimates.

Analysis of Indicators:
The year end performance data are as follows:
Emergency room visit variances:
1. The 4th quarter actual was 3.3% lower than the target.
2. The annual target (actual) was 5.7% lower than the performance standard.
3. The 4th quarter actual was 4.1% lower than the previous years actual.

Clinic visit variances:
1. The 4th quarter actual was 4.9% lower than the target.
2. The annual target (actual) was 5.9% lower than the performance standard.
3. The 4th quarter actual was a 4.4% increase from the previous years actual.

Eligible diagnosed patients enrolled in the Disease Management program:
1. The 4th quarter actual was 12.2% greater than the target.
2. The annual target (actual) was 15.4% greater than the performance standard.

The above data reveals that targets for the three indicators vary from the performance standard. Although the standards are in the appropriations bill and considered law, HCSD has had to change targets to align the numbers to reflect true utilization within the hospitals. HCSD claims that performance standard estimates, which are made in November for the following fiscal year, are difficult to determine.

Hospital/Indicator	Target	Actual	% Change
Conway - ER	37,174	37,488	.8%
Conway - Clinic	123,159	109,656	-11.5%
Conway - DM enrolled	922	819	-11.2%
EK Long - ER	79,040	70,816	-10.4% **
EK Long - Clinic	125,639	127,752	1.7% **
EK Long - DM enrolled	1,763	2,145	21.7% **
HP Long - ER	58,468	56,553	-3.3%
HP Long - Clinic	59,942	58,860	-1.8%
HP Long - DM enrolled	1,148	1,105	-3.7%
Univers. - ER	45,455	44,887	-1.2%
Univers. - Clinic	144,030	131,022	-9.0%
Univers. - DM enrolled	1,634	1,574	-3.7%
Moss - ER	41,149	36,514	-11.3% **
Moss - Clinic	62,550	66,086	5.7% **
Moss - DM enrolled	1,117	1,326	18.7% **
L. Kemp - ER	26,020	32,653	25.5%
L. Kemp - Clinic	106,337	85,798	-19.3%
L. Kemp - DM enrolled	1,408	1,523	8.2%
WST - ER	21,540	20,915	-2.9%
WST - Clinic	39,790	27,875	-29.9%
WST - DM enrolled	500	540	8.0%
Chabert - ER	51,527	50,218	-2.5% **
Chabert - Clinic	119,129	123,393	3.6% **
Chabert - DM enrolled	1,823	2,040	11.9% **
MCLNO - ER	167,979	161,107	-4.1% **
MCLNO - Clinic	343,972	339,330	-1.3% **
MCLNO - DM enrolled	6,104	7,356	20.5% **

The above noted chart displays variances by specific hospital. Although there may be several reasons for utilization variances from the targets, hospitals that were aggressive in enrolling populations in Disease Management could suggest why ER visits were lower from targets and clinic visits were higher than the targets. This relationship is seen in four hospitals (EK Long, W.O. Moss, L.J. Chabert, and MCLNO). The other hospitals revealed various irregularities. These include :

*EA Conway - The number of Disease Management enrollees were 11.2% lower than the target, which could suggest to a certain degree why clinic visits have not reached targets(clinic visits represent an 11.5% variance from the target.). ER visit actuals were very close to the estimates.

*HP Long - The number of enrollees, ER visits, and clinic visits all had reasonable variances. ER visits were 3.3% lower than estimated.

*University - Actual clinic visits were 9.0% lower than estimates. The actual number of enrollees were 3.7% lower than estimates, which may, in part, account for the variance in clinic visits.

*Lallie Kemp - Although the hospital was aggressive in enrolling patients in the Disease Management program, actual ER visits were 25.5% higher than estimates, and clinic visits were 19.3% lower than estimated.

*Washington St Tamm - Although the hospital enrolled more eligibles in Disease Management than estimated, clinic visits had a significant variance of 29.9% below estimated.

As noted earlier, six of the nine hospitals were aggressive in enrolling patients in the Disease Management program. Although the variances are significant, HCSD is satisfied in that by enrolling these patients, future medical costs will be avoided.

Budget Impact:

HCSD was initally appropriated $10.5 million in UCC and an additional $1.1 million in State General Fund Direct for a Disease Management Program in FY 98/99. General fund support is currently $2.8 million, and total Disease Management funding in the current year at $13 million. FY 01/02 marks the 4th year of the Disease Management Program. A medication assistance program has been implemented into the program, that provides roughly $14 million in free care medications to eligibles.

Disease Management initiatives have targeted the 5 disease entities to improve health outcomes due to the high cost of providing emergent and inpatient care to these populations. These chronic diseases typically have costly end-stage complications. It is anticipated that by managing the care of these populations, and by transitioning care from inpatient to an outpatient care model, that costs may be avoided. There are no current indicators that suggest savings from the program.

LFO Comment:
Because HCSD is attempting to provide more primary care and is focusing on preventive medicine, current indicators may need to be revisited, especially Disease Management indicators. Although it is important to determine the number of patients enrolled, indicators revealing more outcome verses output would suggest the effectiveness of the Disease Management program. Tying in clinical performance measures to outcome indicators should be examined. Some examples may include, but are not limited to the following:

Improved Health Outcomes Indicator:

1. **ER visit rate** related to Asthma, Diabetes, Congestive Heart Failure, HIV, and Cancer
2. **Hospitalization rate** related to Asthma, Diabetes, Congestive Heart Failure, HIV, and Cancer.

Financial indicators:

1. ER savings/costs avoided.

Additional financial indicators are being researched from other states with Disease Management programs.

Education	**Special School Districts #2**	**SCH. # 19-699** **Analyst: Mary K. Drago**
Issue:	**The percentage of students estimated to meet their individual education plans is lower than the standard**	
Indicator:	**Percentage of students achieving 70% or more of IEP (objectives)**	

QUARTERI	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	**ANNUAL**	
					PRIOR YEAR	32.16
Q1	0	65	51		CURRENT YEAR TARGET	65
Q2	34.9	65	45.9	(29.4%)	PERFORMANCE STANDARD	75
Q3	35.01	65	51.56		YTD ACTUAL	49.3
Q4	32.16	65	49.3	(24.2%)	VARIANCE FROM STANDARD	-34.3%

Analysis of Indicators:

The Department of Education has not met the performance standard for the indicator "Percentage of students achieving 70% or more of their Individual Education Plan (IEP) objectives". The Department of Education has set a standard that 75% of special education students within Special School Districts #2 will achieve 70% of their individual education plan (IEP) objectives. The actual performance in this area is approximately 50%, thus resulting in a negative 34.3% variance. Although, there is a negative variance in the current year, this is a 50% increase over the previous year's actual figures.

The Special School District #2 Instruction Program provides educational services to children in privately operated juvenile correctional facilities. The students are placed on certain individual levels based upon standardized tests and are given individual education plans. The average students in this program are of ages 15 to 17, and are normally on a 4th grade reading and math level. The students generally achieve a 1.7 year gain for every 6 months they are institutionalized.

The Department is making efforts to try to increase the percentage of students completing their IEPs by changing the curriculum and expanding the programs. Another factor that may increase these percentages is the vocational education program that is to begin in FY 01-02. The program was supposed to be in place by July of 2001, but has not yet been completed due to the building not being finished. The Department expects the building to be operational in approximately two weeks from this meeting. With the imlementation of the vocational program, the options available to the students increase, thus increasing the possibility that their objectives achieved will increase.

Budget Impact:

The budget for Special School Districts #2 is approximately $5 million in FY 00-01. The majority, or 88%, of the budget is state general funds. These funds are budgeted mostly for salaries while the remaining funds are expended on supplies and operating expenses.

LFO Comment:

It is difficult to pinpoint the exact reasons that 75% percent of students have not met at least 70% of their objectives. The predominant proportion of the population in these facilities are very difficult to manage, and therefore may have problems excelling in their studies. Another factor is the majority of these students are so far behind their grade levels that they may have a difficult time achieving their education plan objectives.

The number of students enrolled in these schools has dropped approximately 39% from the previous year, therefore the student to teacher ratio has decreased. It could be assumed that this lower pupil teacher ratio was a factor in the increase over last year in the number of students achieveing their goals. Additional analysis will need to be conducted to determine if this ratio is the determining factor in this rise over FY 00 in student achievement. If this is the case, the legislature may want to consider providing additional funding to provide for more teachers at these facilities. With the continued efforts of the current staff of the Special School Districts, it is possible that a lower pupil teacher ratio and the implementation of the vocational education program may be factors that would enable their performance standards to be met.

Special Schools	NOCCA	SCH. # 19-673 Analyst: K. Sewell

Issue: **Inaccurate calculation and incomplete reporting of performance data.**

Indicator: Instructional cost per student

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	0
Q1	0	0	0	0.0%	CURRENT YR. TARGET	10,659
Q2	0	0	0	0.0%	PERFORMANCE STANDARD	9,213
Q3	0	0	0	0.0%	YTD ACTUAL	10,659
Q4	0	10,659	10,659	0.0%	VARIANCE FROM STANDARD	15.7%

Indicator: Adminstration/Support cost per student

QUARTERLY	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YR	0
Q1	0	0	0	0.0%	CURRENT YR. TARGET	0
Q2	0	0	0	0.0%	PERFORMANCE STANDARD	2,319
Q3	0	0	0	0.0%	YTD ACTUAL	0
Q4	0	0	0	0.0%	VARIANCE FROM STANDARD	(100.0%)

Analysis of Indicators:

The methodology that the agency used to determine the instructional cost per student was incorrectly reported. The agency used the actual number of full time students divided by the total appropriation.

The agency also reported that the fourth quarter target and actual instructional cost per student was $10,659 which would result in a variance of zero. This is unlikely in that the agency also reported that the target enrollment for full time students was 400 and the actual enrollment was 390.

There was no data reported for the administration/support cost per student indicator; however, the agency did report a performance standard of $2,319 also, there was no target or actual data reported.

Budget Impact:

When determining the instructional cost per student, the agency should calculate (the actual number of full time students divided by the instructional services expenditures). This method results in an instructional cost per student of $8,514. The schools' method of calculation gives the appearance of higher costs per student and results in inaccurate record keeping relative to reporting performance indicators.

The budget for FY 2000-01 was $4,150,704. The agency reports that twenty percent of the total appropriation ($830,141) is designated for administration/support and eighty percent ($3,320,563) is designated for instructional services.

LFO Comment:

Future reporting should provide complete and accurate reporting of performance data.

Education	**Disadvantaged or Disabled Student Support**	**SCH. # 19-681** **Analyst: Mary K. Drago**
Issue:	**The number of infants and toddlers being served through special education has exceeded the performance standard**	
Indicator:	**Number of chilren served (infants/toddlers)**	

QUARTERI	PRIOR YEAR	CURRENT TARGET	ACTUAL	ACTUAL /EST	ANNUAL	
					PRIOR YEAR	2,705
Q1	0	0	0		CURRENT YEAR TARGET	2,705
Q2	0	0	3,080	#DIV/0!	PERFORMANCE STANDARD	2,300
Q3	2,549	2,705	3,080		YTD ACTUAL	3,080
Q4	2,549	2,705	3,080	13.9%	VARIANCE FROM STANDARD	33.9%

Analysis of Indicators:

The Department of Education provides special education services to infants and toddlers, ages 0 to 3 years of age, through the ChildNet Program, an early intervention program for children with disabilities. The number of infants and toddlers served was 33.9% over the performance standard and a 12.2% increase over last fiscal year. The number of children served through this program is counted in December of each year and is an annual figure.

ChildNet is a year-round program, in which the Department of Education, Department of Health and Hospitals, and Department of Social Services all coordinate to provide services. The Department of Education is responsible for receiving referrals, ensuring evaluations of the children and accessing coordination for every eligible infant and toddler and their family.

It appears that the public awareness of the program is growing as approximately 2,500 children were served in FY 98-99 and 2,700 children were served in FY 99-00. The Child Search coordinators employed in each district provide outreach activities to make the public aware of the program. The coordinators try to reach the people in need of the services, as well as the medical community, so that physicians will make referrals of children to the ChildNet Program. The coordinators also serve as a point of entry for all candidates referred to the program. They begin the process of getting the children screened and then to the appropriate services.

Budget Impact:

The budget in FY 00-01 to serve infants and toddlers through the ChildNet program is approximately $5.8 million. About $520,000 of that total is state general fund, which is budgeted for Child Search coordinators. The remaining monies are used for services. Approximately $350,000 is state general funds that are sent to the Department of Health and Hospitals to be used as a Medicaid match. The Medicaid monies are used to provide special education services to children who are Medicaid eligible. There is about $4.9 million that is federal IDEA Part C funds which are used to provide special education services for the children who are not Medicaid eligible or who are Medicaid eligible but require services that are not Medicaid reimbursable. All of the funds budgeted for this program are flow-through monies that go to the participating districts.

If children are provided these early childhood services, they have a greater chance of becoming a mainstream student. This could eliminate the future need for special education activities and subsequently reduce the costs to educate these children.

LFO Comment:

It appears the efforts of the Child Search coordinators to increase public awareness is successful due to the increases in the number of children served through the program each year. The Department needs to revaluate the performance standard as it may continue to be exceeded significantly if the services remain at their current levels.

The Department of Education has stated that a stronger pre-service level of this program is needed. Efforts have been made to reach more of the medical community in hopes that they will refer children in need of these services to the ChildNet Program.