

State of Louisiana Division of Administration



Fiscal Year 2016-2017
House Concurrent Resolution No. 25
Proposed Initiatives to Ensure More Efficient Operations

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HCR25 urges and request each department of the executive branch of state government to submit a report outlining any initiatives the department will take to ensure a more efficient operation for Fiscal Year 2016-2017 and beyond.

Below are the proposed initiatives for each section and agency within the Division of Administration.

Office of General Counsel

The Office of General Counsel will conduct legal strategic planning meetings with each section of the division of administration to identify and prioritize the legal needs of that section. Allocation of legal resources will be more efficiently allocated based upon the priorities identified.

Internal Audit

- Taking advantage of training opportunities for required continuing education that are free of charge
- Limiting any training to local venues
- Organizing and hosting training opportunities for staff and other state auditors and CPAs in Claiborne for to help reduce the costs of required continued education
- Implement electronic review of documents to reduce paper and printing costs

Office of Finance and Support Services

OFSS has been in the process of undergoing a structural reorganization, which will traverse into Fiscal Year 2016-2017 and provide efficiencies in the fiscal year ending June 30, 2017, as well as future years. Additionally, OFSS continuously reviews its processes to determine if there are inefficiencies, duplication of efforts, and inadequate utilization of available resources. The following initiatives are in place for fiscal year 2016-2017:

- Conversion to Electronic Use of Various Documents Reduction in use of paper - This eliminates the need for filing space, utilizing available personnel resources for filing, the process of archiving, and reduces the cost of supplies (paper, printer cartridges, and usage fees for rented printer/copier equipment). Some ways that this has been accomplished is through the development of paperless applications to process Office of Group Benefits (OGB) refunds, to store OGB working papers electronically, to establish electronic logs, to save invoices electronically, and to utilize dual monitors.
- Placement of standard forms on website - This will eliminate employee time utilized for taking requests and sending forms to requestors. Some forms that are being prepared for the website are LEAF applications and coding sheets.
- Scanning backup documents for OTS invoices - This process will require some time on the front end by requiring payments staff to scan the invoices as they are paid; however, once fully implemented, this will allow the agencies to access their invoices through a portal, as

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established by OTS. This will eliminate OFSS personnel time in tracking down invoices, scanning invoices, batching the invoices, saving the scanned batches by agency, and not requiring re-filing of invoices. This will become more of a self-service process for the state agencies receiving an invoice from OTS through OFSS.

- Implementation of Lockboxes - This will reduce the number of checks received in OFSS, which requires staff to open incoming mail, sort checks, log checks, distribute to appropriate staff, prepare the deposit slips, and take to the Treasury for deposit. This process reduces the time it takes for funds to be available to the agency for use.
- Implementation of Auto Reports - This process involves scheduling various Business Objects Reports to automatically run on a set schedule, generating notification through email to specific staff, along with a copy of the report attached to the email notification. This will eliminate staff time and keystrokes to log into Business Objects to set parameters and generate a standard report on a consistent basis.
- Completion of the Business Reorganization - This process will move all related functions and duties to the proper swim lane, generating efficiencies with repetitive processes and harnessing the specialized knowledge to a particular swim lane. This has been an ongoing project, presenting some efficiencies to date; however, full execution should reveal maximum efficiencies.
- Implementation of Client-Agency Liaisons - This process will provide a liaison for each agency so that the financial services can be coordinated and followed through. This will provide efficiencies for the client agencies as they will have a point of contact, and it will provide efficiencies for OFSS so that two or more individuals are not working on the same request. When client agencies are unsure of who to contact, they will often contact multiple employees in different divisions, resulting in more than one employee performing research on a specific item.
- Centralizing Personnel Actions - This includes a centralized coordination of the annual evaluation and planning activities, entering and tracking all job postings and requisitions, compiling all affirmative action reporting metrics, maintain all interview questionnaires, manage candidate referral lists, setting up interviews, being the liaison to human resources, and all other related activities. This will eliminate management personnel from spending time performing more administrative personnel functions so their time can be better utilized on complex issues and items.

Office of State Uniform Payroll

- Payroll Claims Reporting to ODR – Act 399 of 2013 requires state entities to report state debt to the Department of Revenue’s Office of Debt Recovery (ODR) for collection. OSUP is now reporting payroll debt to ODR on behalf of LaGov HCM agencies (unless they opt to send it directly). OSUP submitted the first file to ODR on March 31, 2016 (\$242,000). OSUP will continue to do this quarterly. Although we are doing this on behalf of the

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agencies, the information that we report is fully dependent on each agency authenticating the debt. All ODR collections will go to the respective agency.

- Garnishment /Legal Streamlining – OSUP is working with the Office of Technology Services and Office of General Counsel to improve the efficiency of the garnishment document review process as recommended in the GEMS Report for the Division of Administration’s Office of General Counsel: “Recommendation #2 – Increase Efficiency of the Office of General Counsel Document Review Process”.
- Worker’s Compensation Processing – OSUP is working with the Office of Technology Services and the Office of Risk Management to mitigate the litigation risks associated with the worker’s compensation program as part of the recommendation in the GEMS Report for the Division of Administration’s Office of Risk Management: “Recommendation #4 – Align Civil Service Workers Comp-Personal Sick Days with Other State Benchmarks”. Prior to implementing this change, OSUP and ORM will seek approval from the DOA executive team.
- In light of upcoming FLSA changes (non-exempt vs. exempt) OSUP will monitor and manage overtime of OSUP staff to reduce the state’s liability.
- OSUP will continue to only expend funds on essential supplies, etc.

Office of Statewide Reporting and Accountability

OSRAP will continue it’s reengineering of the Comprehensive Annual Financial Reporting (CAFR) processes, the Schedule of Expenditures of Federal Awards (SEFA) processes as well as the Financial Systems processes by aggressively using office automation and technology to the extent possible to provide efficiencies in its operations, and thereby reduce costs.

Office of Human Resources

- Electronic SF-3 – Prior to HR centralization, OHR Compensation and Staffing unit worked with OTS to develop an electronic job description form (SF-3) to eliminate paper waste, improve tracking, and reduce time to process and submit SF-3s to Civil Service for allocation. Reviving this project could still accomplish these goals which are even more important with reduced staff in OHR.
- Affirmative Action Plan – We have participated in a work group with other HR departments to develop a new process for completing the Affirmative Action Plan required by Civil Service. This new process has reduced the time to complete the report from weeks of hand calculating data to a few days of running and organizing reports.
- Statewide Learning and Development – As part of the centralization of HR functions for Executive Department agencies, OSHCM established a Learning and Development unit to coordinate training for all agencies. There is significant overlap between programs offered by L&D and those offered by CPTP. The statewide program functions of the

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L&D unit will be eliminated in conjunction with the decentralization of HR back to the agencies.

- Reorganizing OHR – In preparation for the decentralization of HR functions, we have looked at the organizational structure of OHR to determine if our management structure may need changes to make processes more efficient. We have reorganized duties assignments resulting in the elimination of one supervisor and one analyst position. We have also eliminated the formal “Assistant Director” level of the organization, repurposing that position to a programmatic function - reducing the layers of management and approvals.
- Electronic Document Initiative – HR produces a large number of documents, many of which could be produced either completely electronically, or at least stored electronically for records retention. We could develop either an internal working group in DOA/OHR or with other agency HR departments to identify documents that could be established in an electronic format, or ways to improve electronic storage. This would allow us to reduce paper, reduce need for additional storage space, and make documents more accessible to anyone who needs them for business purposes.

Facility Planning and Control

FP&C has already implemented numerous changes to improve efficiencies including, but not limited to, reduction of fleet; consolidation of administrative services (HR, payroll, invoice payments, contracts, etc.) performed for Office of State Lands and FP&C; reduction of computers, laptops, printers; reduction of e-mail addresses; retention of records by use of FileNet instead of paper copies; reduction of professional contracts; reduction of overall FP&C staff from 75 to 54; reduction of OSL staff from 22 to 17 due to reorganization.

Office of State Lands

No new initiatives to implement at this time.

Office of State Buildings

- Utility Cost Savings (estimated savings of \$132,153 annually): Ongoing energy conservation measures, inclusive of elimination of after-hours requests by all tenants. Current lower fuel costs will facilitate savings as well.

Community Development Block Grant

- CDBG plans to reduce postage and supplies costs by eliminating a paper reading file of all correspondence that the office produces, and keeping the reading files electronically. In addition, copies of correspondence that has traditionally been mailed to grant consulting and engineering firms will be scanned and sent electronically, instead of mailing hard copies.
- CDBG is also planning to revise its grant application process for local governments in order to reduce CDBG staff time in performing the application rating process.

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- The Local Government Assistance Program plans to reduce postage and supplies costs by combining funded projects each year for each grantee into one contract document, instead of the traditional way of having separate contracts for each funded application. Also, we are considering scanning and sending the contracts by email to the grantees for them to print and then sign and return to this office.

Disaster Recovery Unit

DRU does not have any state general funds in its budget for fiscal year 2017. We always strive to streamline and promote efficiencies when possible. DRU is currently implementing a Lean Six Sigma (LSS) review of the grantee monitoring process, with the expectation of reducing time to report and reducing labor to produce a report, allowing us to increase monitoring frequency, thus reducing risk to the state. During 2017 we expect to apply LSS to other parts of our processes, including the review of draw requests. This, too, can have the impact of improving service and reducing costs. We regularly review contractor activities to ensure appropriate staffing levels, and we also search for cost savings through direct hiring in lieu of contract labor.

Office of State Register

- The Office of the State Register has a WAE incumbent leaving our employ in the coming weeks. We have rearranged duties and workflow in order to transfer the duties of this part-time employee to our other staff members, resulting in a potential savings of approximately \$11,000.
- Something we did some years ago that may be considered is copier acquisition—to purchase copiers outright along with a monthly maintenance plan instead of a copier rental plan. In 2013, we needed a new copier to replace our rental. We investigated this and ended up going with the purchase. The short version of the analysis was that if we purchased outright and included a monthly maintenance contract and kept the copier for three years, we would save 12% per annual cost over a 3-yr rental plan. Same scenario but keeping the copier for five years would save 47% per annual cost. At the 3-year mark, the machine is serving us just fine.

Office of State Travel

As part of its ongoing operations, the Office of State Travel (OST) has implemented or is implementing several changes to improve its efficiency and effectiveness in meeting its mission. The OST is pleased to highlight that:

- Electronic Vendor Payments (Process Efficiency) - One of the payment programs that OST manages is EVP, through which vendors get paid for goods and services which they provide to state agencies through use of a virtual credit card rather than by manual check. This provides several advantages to user agencies and the accounting sections of the Division of Administration because EVP payments are faster, cheaper and more automated than the alternative check process.

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OST is working with Bank of America, the EVP provider, to encourage vendors to opt in to receive EVP payments rather than checks because of the efficiency gains it offers to vendors as well as to state agencies, the DOA and OST. Lastly, because EVP is a virtual credit card, Bank of America annually issues a rebate to OST which offsets the need for State General Fund by creating self-generated revenues to fund OST's program costs.

- Compliance Review (Process Efficiency) - As part of its management of the State's purchase ("P-Card" or "LaCarte") and travel cards, OST conducts ongoing reviews of agencies' card transactions to verify that such transactions were made in compliance with both statewide and agency-specific policies. This helps ensure that a purchasing mechanism which might otherwise be targeted for fraudulent or improper use is regulated.

For example, if OST's review of P-Card records for an agency reveals the purchase of TVs, portable electronics or gift cards, then OST personnel can and do dig deeper to verify that such purchases were appropriate in relation to the agency's mission and policies, as well as in relation to program policies.

This process not only reduces improper expenditures, but also documents and reviews transactions more efficiently than a full-scale 'audit' of P-Card records would do.

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DOA Ancillary Agencies

Office of Group Benefits

- **Technology** - Effective January 1, 2017, a web-based enrollment tool will be implemented. This tool will provide member education and allow a member to upload documents and thus streamline OGB's eligibility and document management processes. It will also offer plan members and agencies direct interface thus allowing for more efficient management of new hires and Qualified Life Event changes. Annual enrollment will also be improved through the use of this tool. Agencies will be able to run real-time reports to better manage payroll and employment population. Audits of agency records and compliance will be conducted by OGB.
- **Data Integration** - Obtain from the Office of Public Health death notices electronically to better manage the premium and the offering of COBRA to surviving dependents. Obtain from the Centers for Medicare Services (CMS) updates through an electronic program on retirees through the CMS Section 111 to better manage premiums and benefits. Obtain from LASERS an electronic report on retiree addresses to better manage returned mail.
- **Resources** - Provide more frequent training to participating employers on Qualified Life Events and plan of benefits for identified gaps in knowledge and to insure compliance with the benefit rules. Redesign the Third Party Medical Administrator's webpage for more user friendly access by members. Increase communication with agencies to insure their timely notice of updates, changes, etc.
- **Population Health** - Expand the current on-site nursing program to another locale to allow additional face-to-face interactions with active members who have chronic medical conditions. Expand the current worksite wellness clinics through the use of virtual technology to more remote locations for access by smaller agencies. Monitor population health data through a more efficient medical dashboard. Install a blood pressure kiosk in the Claiborne cafeteria to allow individuals to assess their blood pressure as part of the OGB Live Better Louisiana program.

Office of Risk Management

- **Direct Procurement of Insurance**- The implementation of the new procurement process authorized by Act 715 of the 2014RS resulted in a FY15 savings of over \$9 million, while at the same time, providing increased coverage to better protect the state's assets. FY16 costs and coverages have remained relatively constant. ORM will continue to utilize the flexibility provided by the Act to control cost and seek improvement of coverage.
- **Targeted Risk Improvement Program (TRIP)** - The TRIP program identifies agencies exceeding a worker's compensation claims cost per man hour threshold, analyzes their claims to pinpoint areas of improvement, and provides recommendations to effect that

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improvement. ORM will continue to identify and work with agencies whose claims experience trends above the designated threshold to reduce claim frequency and severity.

- **Post-Accident Drug Screening - The Workers' Compensation Post-Accident Drug Testing Policy** facilitates testing of an employee for drugs and alcohol when that employee is involved in an accident arising out of and in the course of his/her employment. The workers' compensation statute allows an employer to deny benefits if it can show that the injured was intoxicated at the time of the accident and that the intoxication was a contributing cause of the accident. Continued use of post-accident drug screening will provide a cost-savings through the denial of payments for claims that the State is not liable and through the promotion of a drug free workplace.
- **Second Injury Fund Questionnaire - The Second Injury Fund** allows employers to recoup some of the monies expended on workers' compensation claims when the injury merges with a pre-existing condition/injury. It requires documentation of the employer's prior knowledge of the injury before this money can be recouped. ORM is working with OGC to obtain approval to utilize the Second Injury Board's Knowledge Inquiry Form (E-2) to secure Second Injury Fund information or to identify an acceptable alternative.
- **Statewide Emergency Remediation Contract - The Statewide Emergency Remediation Contract** was executed for state agencies to utilize when faced with damages to buildings and contents resulting from catastrophic and non-catastrophic losses. This allows state agencies to minimize further damages and stabilize property until permanent repairs can be made.
- ORM continues to review its internal processes to enhance efficiency.

Louisiana Property Assistance Agency

General Services reduced its number of assistant directors from three to two. This was accomplished by re-assigning the work responsibilities of the third position to the remaining assistant director in LPAA.

Office of Technology Services

- The Office of Technology services (OTS) will continue in the implementation of consolidation of IT services to executive branch departments in order to achieve operational efficiencies in fiscal year 2017. The overall concept for IT consolidation is to leverage shared services in staff, technology infrastructure, and customer application to reduce redundancy, improve resource utilization, and provide more efficient services to agency customers and constituents. The following examples highlight component IT consolidation initiatives in various process areas:
- **Agency Structure - OTS** will be executing an agency wide business reorganization to restructure staffing levels and support activities to more efficiently align resources with the functions they support in the areas of administrative operations, project management,

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customer service, end user computing, datacenter operations, network services, applications support and development, and high capacity print/mail functions.

- Procurement - OTS will continue to consolidate procurements of technology software and equipment to leverage economies of scale in procurements and reduce overhead associated with procurement and contract management of these goods and services. A current example is the consolidation of 16 separate Microsoft licensing agreements into a single enterprise agreement which will result in cost savings of \$4 million over 3 years.
- Technology - OTS is investing in an Enterprise Architecture computing platform based on cutting edge technology to provide high performance technology infrastructure that can be shared by applications across the entire customer base and eliminate redundant investment in equipment and software. The first customer to utilize this platform will be the Louisiana Department of Health through its Medicaid modernization initiative. The federal CMS agency has recognized this technology model as meeting or exceeding their current technology modernization standards and promotes Louisiana's technology approach as a model to be adopted by other states. Not only will this platform be utilized by LDH, but most future mission critical agency systems will be deployed as a shared service on this platform as well. Immediate savings projected for this initiative are approximately \$8 million.
- Process Efficiency - OTS will continue to expand the Enterprise Project Management Office. This office consolidates responsibilities for management of the complete lifecycle of large and complex IT projects to dedicated and experienced core staff. This approach leads to repeatable business processes that adhere to industry recognized project management principles and standards, thus reducing implementation risks and improving outcomes for these strategic investments.
- Reduce Redundancy - OTS will continue to align support staff with their support function as opposed to the customer organization. For example, prior to consolidation field support staff across the state only provided services to specific agencies. After consolidation, support staffs across the state were combined into a single team that provides support to all customers in their respective region. This realignment will result in reduced field travel costs, improved response time for the customer, increased utilization of staff time on task, and more consistent business processes across all regions.

Office of State Procurement

As part of its ongoing operations, the Office of State Procurement (OSP) has implemented or is implementing several changes to improve its efficiency and effectiveness in meeting its mission. OSP is pleased to highlight that:

- Centralized Workflow Improvements (Structural Efficiency) - OSP has centralized the purchasing, contracting and RFP functions of most executive branch departments in a single agency, so that agencies do not have to maintain silos of expertise, creating an

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effective division of labor by transaction type so that cycle times decrease, and so more transactions can be approved while using fewer resources.

For example, historically (FY14) it took an average of 18.3 calendar days for a professional contract valued \$100,000 or less to be approved. OSP's FY16 average was 9.9 days, and in the last several months of the fiscal year it was under 8 calendar days. In other words, OSP is approving contracts twice as fast while using fewer staff statewide.

- Cooperative Purchasing (Process Efficiency) - OSP is expanding its efforts to make use of existing cooperative purchasing programs instead of independently bidding everything out itself independently. For many types of goods and services, national or other cooperative purchasing programs exist which extend to Louisiana and other states the contractual pricing, terms and conditions that other public entities have competitively bid out and opened up for shared use.

By doing this, OSP and the agencies it serves can make case-by-case determinations about whether to put out a Louisiana-specific bid for office supplies or computers (for example), or to not reinvent the wheel by using the Staples, Dell and Apple contracts (among many others) that are available to the State through cooperative purchasing. Of course, OSP only does this when the underlying contracts comply with LA law and are in the best interests of the State.

- Analytics (Structural and Process Efficiency) - OSP has developed an in-house Analytics section to centralize complex, value-added analytical functions in one group and thereby free up regular program staff to focus on their own core areas of expertise. For functions such as statutory and ad hoc reporting, budget and financial data analysis, vendor sales report analysis, identification of strategic sourcing opportunities, and financial evaluation of RFP price proposals, the Analytics team is equipped and positioned to efficiently perform these tasks and free up contracts and purchasing staff to focus on their own core areas of expertise.
- LaGov Workflow (Process Efficiency) - OSP is working with OTS to improve how the workflow of purchasing and contract transactions is managed. Currently, the workflow process for managing and tracking the progress of such transactions (including documentation of internal approvals) is being performed in ProAct, while the actual transactions are being entered separately in LaGov SRM. This requires a duplication of effort, since some information is entered twice.

OSP and OTS are actively collaborating on enhancements to LaGOV SRM so that it can contain the workflow simplicity and transparency of ProAct, while not requiring duplicate entry of information or two sets of correspondence between OSP and user agencies.

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- Online Bidding (Process Efficiency) - OSP is working with OTS to implement online bidding as an optional alternative mechanism for vendors to submit bids electronically in lieu of the traditional sealed envelopes which must be printed and manually delivered. Once implemented in FY17, vendors will be able to choose which option is more convenient for them, in accordance and in advance of Act 420 of the 2016 Regular Session, which requires the same.

In addition to being more efficient for vendors, online bidding will also improve the efficiency of bid processing and evaluation, because there will be reduced potential for bids being lost in transit, or vendors not bidding because they don't have time to drive or mail a large package to Baton Rouge, or there being questions of whether a bid arrived at the right place at the right time. Furthermore, because the bids will be submitted electronically, the original data will be in a format suitable for upload to a bid tabulation sheet directly, rather than slow and error-prone manual entry of bid prices.

- DocBuilder (Process Efficiency) - Lastly, OSP is working with OTS to implement DocBuilder, a program through which contracts will be developed by users answering a guided series of simple questions, with the software adding, removing or revising previously vetted terms and conditions based on the user's responses. In this way, the contract development process will be more like TurboTax or any of the other popular online tax services, where users answer basic questions and a ready-to go legal document is produced at the end. OSP will make DocBuilder available to all agencies so that they can seamlessly draft sound contracts.