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January 22, 2003

Honorable Jerry Luke LeBlanc, Chairman  
Performance Review Subcommittee of the  
Joint Legislative Committee on the Budget and  
Members of the Subcommittee  
P. O. Box 44294  
Baton Rouge, LA 70804

Re: Exceptional Performance and Efficiency Incentive Program  
Proposal by the Division of Administrative Law

Dear Committee Members:

In accordance with Louisiana Revised Statute (R.S.) 39:87.5(D)(8), we have completed our analysis of the material and substantive accuracy of the proposal submitted by the Division of Administrative Law (DAL) for a reward based on the Exceptional Performance and Efficiency Incentive Program. DAL's proposal requests \$91,500: \$20,000 for employee training; \$46,500 for purchasing computer equipment; and \$25,000 for supplemental compensation for 20 employees. This request is based on DAL exceeding its performance indicator standards related to administrative hearings in fiscal year 2002.

Attachment 1 to this letter provides the results of our verification and analysis of the proposal (Attachment 2). In summary, our verification and analysis found that all information and data contained in the proposal are materially and substantively accurate, except for the following:

- The fiscal year 2002 appropriated budget is 40.6% of the southern regional average, as compared to 44% which is listed on page 4 of the proposal. It is the fiscal year 2003 appropriated budget that is 44% of the southern regional average.
- The state comparison chart included on pages 9 through 12 of the proposal is not complete. Although the averages computed are correct, the state of Washington is missing from the chart. See Attachment 3 for the corrected chart.

I hope this information is useful in your legislative decision-making.

Sincerely,

A handwritten signature in black ink, appearing to read "Grover C. Austin", is written over a white background.

Grover C. Austin, CPA  
First Assistant Legislative Auditor

GCA/ss

Attachments

[DALIP03]

**Office of Legislative Auditor**

*Division of Administrative Law (DAL)*

*Verification of Proposal Based on the Exceptional Performance  
and Efficiency Incentive Program*

Louisiana Revised Statute (R.S.) 39:87.5(D)(8) requires the legislative auditor to verify the material and substantive accuracy of the information contained in a proposal submitted pursuant to the Exceptional Performance and Efficiency Incentive Program. R.S. 39:87.5(D) provides the types of performance to be achieved to qualify for a reward. A proposal may be based on exceptional performance wherein an agency demonstrates that it has consistently met or exceeded a significant number of the standards for its key and supporting performance indicators related to a particular activity.

DAL bases its proposal on its achievements and exceptional performance from fiscal years 2000 through 2002, in exceeding its performance indicator standards each year.

**Proposed Reward Amount**

DAL is requesting \$91,500 for employee training, for purchasing computer equipment, and for supplemental compensation. The proposal states that the training will allow DAL to comply with state law regarding the continual training and education of administrative law judges and the equipment will increase the reliability and efficiency of the collection of DAL's performance data.

**Accuracy of Information in the Proposal**

Our verification and analysis found that all of the information and data contained in the proposal are materially and substantively accurate with the exception of the one minor error discussed below.

***Fiscal year 2002's budget is 40.6% of the southern regional average.*** Page 4 of the proposal states that DAL's FY02 appropriated budget is 44% of the average. However, it is fiscal year 2003's appropriated budget that is 44% of the southern regional average. Fiscal year 2002's appropriated budget is actually 40.6% of the southern regional average.

***The state comparison chart is not complete.*** Pages 9 through 12 of the proposal contain the results of a state comparison chart compiled by DAL. Although the averages computed are based on the answers from 25 states, the chart only includes 24 states. The state of Washington was left off of the chart submitted with the proposal.

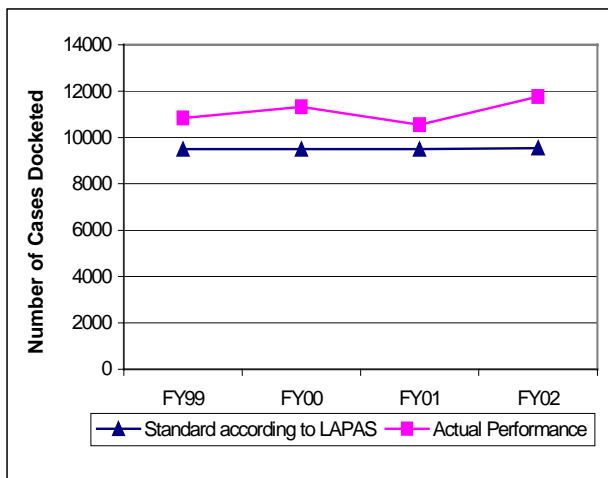
**Additional Information Contained in the Proposal**

*Survey results reported are the same as in last year's proposal.* The survey results mentioned on Page 5 of the proposal are the same results that DAL included in the 2001 Incentive Reward Proposal submitted by DAL last year. DAL included the same results again because the survey includes responses from hearings that took place in fiscal year 2001 and 2002.

*DAL's performance in fiscal year 2002 exceeded the standards for all indicators reported.* DAL submitted performance values for five indicators from fiscal year 2002. As is shown in the charts below, DAL's performance exceeded the performance standards for all five indicators. These are the same indicators that DAL included in its 2001 Incentive Reward Proposal. Last year's proposal included information from fiscal years 1999 to 2001. The following charts include all years included in the 2001 and current proposal.

**Exhibit 1**

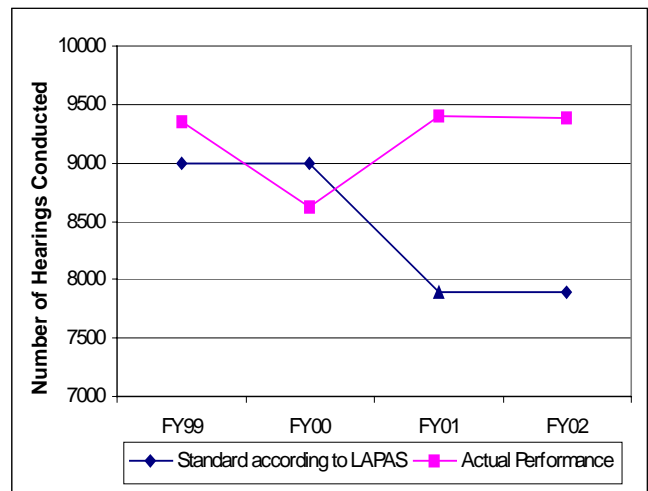
Number of DAL Cases Docketed  
Actual Performance vs. Performance Standards  
Fiscal Years 1999 to 2002



**Source:** Prepared by legislative auditor's staff using DAL's proposal and LaPAS information from the Office of Planning and Budget.

**Exhibit 2**

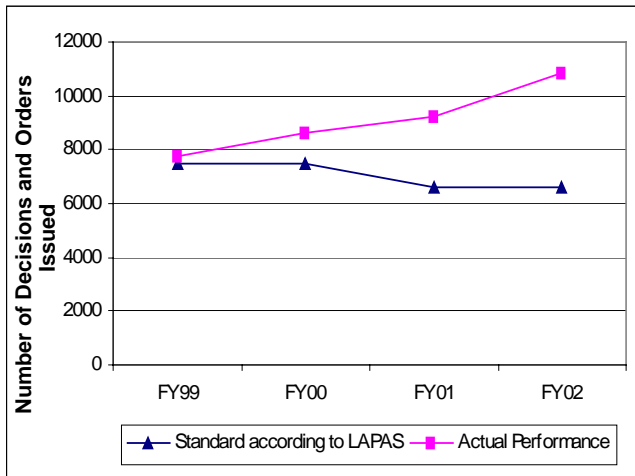
Number of DAL Hearings Conducted  
Actual Performance vs. Performance Standards  
Fiscal Years 1999 to 2002



**Source:** Prepared by legislative auditor's staff using DAL's proposal and LaPAS information from the Office of Planning and Budget.

**Exhibit 3**

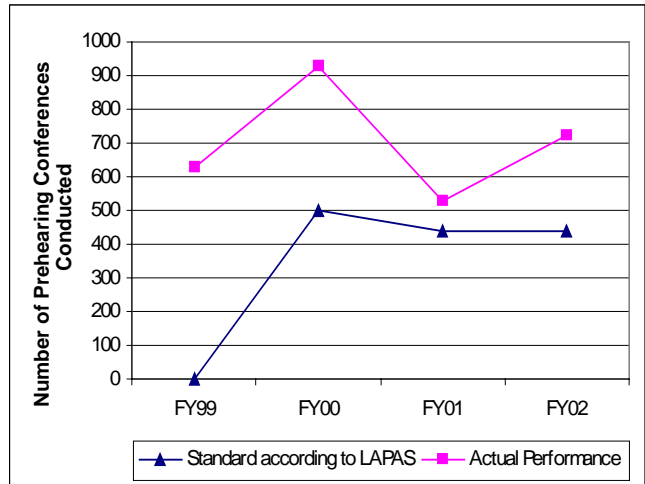
Number of DAL Decisions and Orders Issued  
Actual Performance vs. Performance Standards  
Fiscal Years 1999 to 2002



**Source:** Prepared by legislative auditor’s staff using DAL’s proposal and LaPAS information from the Office of Planning and Budget.

**Exhibit 4**

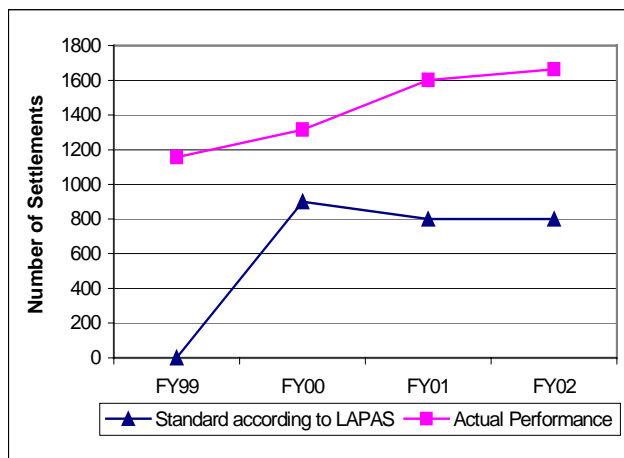
Number of DAL Pre-hearing Conferences Conducted  
Actual Performance vs. Performance Standards  
Fiscal Years 1999 to 2002



**Source:** Prepared by legislative auditor’s staff using DAL’s proposal and LaPAS information from the Office of Planning and Budget.

**Exhibit 5**

Number of DAL Settlements  
Actual Performance vs. Performance Standards  
Fiscal Years 1999 to 2002



**Source:** Prepared by legislative auditor’s staff using DAL’s proposal and LaPAS information from the Office of Planning and Budget.

## Attachment 2

Division of Administrative Law's  
Proposal for Incentive Fund Reward  
Based on Exceptional Performance

**REWARD PROPOSAL BASED ON EXCEPTIONAL PERFORMANCE**

DEPARTMENT:  SCHEDULE:

AGENCY:  PROGRAM:

ACTIVITY:

SUBJECT FISCAL YEAR:

*This proposal is for a reward based on exceptional performance.*

**This original document, plus seven copies, must be received by the Performance Review Subcommittee of the Joint Legislative Committee on the Budget by 5:00 p.m. on November 15<sup>th</sup>. The Subcommittee's physical address is 900 N. 3<sup>rd</sup> St., State Capitol, 11<sup>th</sup> Floor, Baton Rouge, LA 70802; the mailing address is P.O. Box 94486, Baton Rouge, LA 70804; the e-mail address is "reade@legis.state.la.us".**

The Division of Administrative Law ("DAL") proposes reward funding for employee training, technology acquisitions and supplemental compensation based upon its achievements and exceptional performance.

The DAL is one agency, one program and one activity.

Application prepared by:  Date:

Signature 

Agency head approval:  Date:

Signature 

Received by the Performance Review Subcommittee: Date:

Sent to the Legislative Auditor Date:

Response from Legislative Auditor: Date:

Disposition by Subcommittee:  Date:

## REWARD PROPOSAL BASED ON EXCEPTIONAL PERFORMANCE

### *Part One: Explanation of the Activity and the Exceptional Performance*

Describe the activity (the "subject activity"), program and performance data upon which your proposal is based. The subject activity may be a subset or component of a program (or equivalent), or involve the efforts of one or more programs or the entire agency. Be specific in identifying the organizational unit or area where the exceptional performance was achieved. Section A. is used to give a narrative description, and Section B. is used to provide the specific performance data.

**A. Provide a detailed narrative description of the subject activity or program(s) and summarize the exceptional performance achieved by that entity.**

The DAL provides impartial, professional ALJ services to state agencies. It is one agency, one program, and one activity: Administration. DAL has provided administrative law judge services for over six years, since its inception, October 1, 1996, as mandated by the DAL Act, La. R.S. 49:991, *et seq.* The DAL continues to provide its services in a highly effective and cost efficient manner, as shown by its low cost per hearing compared to other central panels. This is discussed in more detail below.

The exceptional performance upon which this proposal is based is in exceeding the performance indicator standards as detailed in Section B.

While DAL can count the number of hearings conducted and decisions issued, fairness, impartiality and constitutional due process are not measurable nor time bound. However, it is these qualities which our experienced staff of professionals brings to the administrative hearings which are at the core of the purpose for the creation of the DAL. The "perception of fairness" is an immeasurable quality, which exists when the public feels they got a "fair shake" to present their case before an impartial judge, rather than an agency employee perceived to be both prosecutor and judge. We offer impartiality, which no other state agency can provide.

## REWARD PROPOSAL BASED ON EXCEPTIONAL PERFORMANCE

**B. Provide detailed performance data evidencing the exceptional performance represented in your proposal. Be sure to note those specific performance indicators and standards which are particularly important. Provide any separate or narrative background information necessary to highlight or support the exceptional nature of the performance. All proposers must complete Format 1. Format 2 is to be used to report additional data which is not captured in LaPAS.**

Using Format 1, list all objectives and performance indicators for the subject year and at least the immediately preceding year (three years of data is best) for the program (or equivalent) in which the subject activity occurred. Provide the performance standards from the enacted budget/LaPAS. For proposals based on activities which occur at the sub-program (or equivalent) level which are not directly reflected in the agency's LaPAS performance data, the data for the program (or equivalent) comprising such activity is *required*. In cases where multiple programs are involved, provide the performance data for the entire agency.

***Format 1. Provide the LaPAS data using this format, attaching addenda as necessary.***

|  |  |   |               |                 |               |                 |               |
|--|--|---|---------------|-----------------|---------------|-----------------|---------------|
| <b>Program (or agency):</b>                |  | <b>Division of Administrative Law</b>   |               |                 |               |                 |               |
| <b>Objective: 1</b>                        |  | <b>To docket cases and conduct administrative hearings as requested by parties.</b> |               |                 |               |                 |               |
|  |  | <b>FY 2000</b>  |               | <b>FY 2001</b>  |               | <b>FY 2002</b>  |               |
| <b>Performance Indicators</b>              |  | <b>Standard</b>   | <b>Actual</b> | <b>Standard</b> | <b>Actual</b> | <b>Standard</b> | <b>Actual</b> |
| Number of cases docketed                   |  | 9,500   | 11,322        | 9,500           | 10,556        | 9,545           | 11,769        |
| Number of hearings conducted               |  | 9,000   | 8,623         | 7,900           | 9,403         | 7,900           | 9,388         |
| Number of prehearing conferences conducted |  | 500   | 926           | 440             | 526           | 440             | 725           |
| Number of settlements                      |  | 900   | 1,316         | 800             | 1,601         | 800             | 1,664         |
|  |  |   |               |                 |               |                 |               |
| <b>Objective: 2</b>                        |  | <b>Issue decisions and orders in all unresolved cases.</b>                          |               |                 |               |                 |               |
|  |  | <b>FY 2000</b>  |               | <b>FY 2001</b>  |               | <b>FY 2002</b>  |               |
| <b>Performance Indicators</b>              |  | <b>Standard</b>   | <b>Actual</b> | <b>Standard</b> | <b>Actual</b> | <b>Standard</b> | <b>Actual</b> |
| Number of decisions and orders issued      |  | 7,500   | 8,601         | 6,600           | 9,263         | 6,600           | 10,875        |

The specific performance indicators which evidence DAL's exceptional performance are:

1. **Number of cases docketed** – In FY 2002, DAL docketed 11,769 new cases. This exceeds the performance indicator standard of 9,545 by 23.3%. This was also an increase of 1,213 new cases docketed over FY 2001's total. DAL is continuing to handle an increasing caseload with a very small staff. It is difficult to predict the number of cases docketed per year, as customer agencies control the number of cases they will send, yet DAL must handle this workload and do so in a timely manner. This work falls heaviest on the Administrative Clerk's office which must enter the cases into the computer system, create files, route them internally, prepare and mail notices of hearings and handle subpoena, transcript and official records requests.

## REWARD PROPOSAL BASED ON EXCEPTIONAL PERFORMANCE

2. **Number of hearings conducted** - DAL conducted 9,388 hearings in FY '02, exceeding its performance indicator standard by 18.8%. This is the core business of the DAL, and is handled with a small staff of only 14 ALJs. The number of hearings per ALJ, 671, is 223.7% of the southern regional average of 300 hearings. This also far exceeds the national average of 273 hearings per ALJ among other states with centralized administrative hearings panels. The comparison chart of states is attached to this proposal.
3. **Number of decisions and orders issued** – The number of decisions and orders issued in FY '02 was 10,875, exceeding the standard by 64.8%. It was also 122% of the southern regional average (8,944) number of decisions and orders issued by central panels. Decisions and orders issued have increased yearly for the past three years. In FY '01, the standard was exceeded by 40.3% and in FY '00 by 14.7%. This work is performed primarily by fourteen administrative law judges and assisted by the case assistants. They handled this increased work despite a cut of two ALJs and one paralegal position in FY '01.
4. **Number of prehearing conferences conducted** – The standard for this performance indicator was exceeded by 64.8% in FY '02, by 19.5% in FY '01 and 85.2% in FY '00. The number of prehearing conferences also increased by 37.8% from year to year: from 526 in FY '01 to 725 conferences in FY '02.
5. **Number of settlements** – The 1,664 settlements exceeded the standard of 800 by 108% in FY '02, 100% in FY '01 and 46% in FY '00, showing how performance in this area has increased. This represents a variety of types and complexity of cases which no other state agency handles.

The exceptional nature of this performance is highlighted when Louisiana's DAL is compared to centralized administrative hearings agencies or "panels" from around the U.S. The DAL's average number of hearings conducted per ALJ, 671, is the highest in the United States. It is more than double (246%) the national average of 273 cases per ALJ, and 224% of the southern average (300). This is the highest in the nation for handling such a variety of low and high complexity cases. These comparisons are based on an October 2002 survey of other states which have centralized panels. See the attached chart, "Comparison of States with Centralized Administrative Hearings Panels," which includes their most recent data. DAL also had the highest hearings caseload per ALJ in FY '01 and '00. These results cannot be achieved without the employees' hard work and efficiency.

The Southern average central panel conducted 9,009 hearings last year, a little less than Louisiana's actual of 9,388 in FY '02, but the comparisons stop there. The average southern central hearings agency had 25.1 ALJs to handle that workload compared to DAL's fourteen ALJs, which is only 55.8% of the average number. The average agency had 27.2 support staff for those ALJs compared to thirteen in Louisiana, or 48% of the average. The average agency had an average cost per hearing of \$2,189 (\$1,741 nationally) compared to DAL's \$235 cost-only 10.7% of the southern average, based on DAL's small budget. DAL's FY '02 appropriated budget is 44% of the average. In short, the State of Louisiana is receiving from DAL the greatest bargain among state governments nationwide,

## REWARD PROPOSAL BASED ON EXCEPTIONAL PERFORMANCE

for the conduct of its impartial administrative hearings. DAL handles a very large caseload, with minimal staff.

Further evidence of the DAL's exceptional performance is in the results of the customer survey conducted last year: 96% of respondents rated the ALJs' fair and impartial treatment of the hearings as Excellent (89%) or Good (7%). 96% rated the ALJs' control and supervision of the hearing as Excellent (92%), or Good (4%), and 98% found the decision "easy to read and understand." "Satisfaction with the overall hearing process" at DAL was rated Excellent or Good by 93% of respondents. The surveys were enclosed with a copy of the decisions in those cases, so these opinions were held regardless of whether the respondent won or lost at the hearing.

It is noteworthy that DAL's ALJs' salaries are embarrassingly below the central panel average salaries, and yet these judges produce so extraordinarily well. The performance indicator values they have exceeded, both for prior FY and compared to other central panels have been discussed. As further indication of the very outstanding level of the performance, please consider that the attorney ALJs' mid-range salary (at GS 22 - \$47,590) is 34.2% below the southern average mid-range salary of \$72,301. Please note this fact, too, in light of their high degree of job responsibility, statewide and multi-agency jurisdiction, complexity, final decision-making authority, and statutory experience requirements.

**Format 2.**

| <b>Program (or agency):</b>    |                 |               |                 |               |                 |               |
|--------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| <b>Performance Expectation</b> | <b>FY</b>       |               | <b>FY</b>       |               | <b>FY</b>       |               |
|                                | <b>Standard</b> | <b>Actual</b> | <b>Standard</b> | <b>Actual</b> | <b>Standard</b> | <b>Actual</b> |
|                                |                 |               |                 |               |                 |               |
|                                |                 |               |                 |               |                 |               |
|                                |                 |               |                 |               |                 |               |
|                                |                 |               |                 |               |                 |               |
|                                |                 |               |                 |               |                 |               |
|                                |                 |               |                 |               |                 |               |

*In this space describe the circumstances and process related to development of the performance expectations presented in Format 2, including reference to specific source documentation.*

## REWARD PROPOSAL BASED ON EXCEPTIONAL PERFORMANCE

C. Expenditures. For the subject year and the preceding year, provide the following expenditure data for the program(s) (or equivalent) in which the subject activity occurred, as well as that for the entire agency. *Provide this data using the format below, attaching addenda as necessary.*

|                 |  | Preceding Year | Subject Year |
|-----------------|--|----------------|--------------|
| <b>Program:</b> |  | <b>FY</b>      | <b>FY</b>    |
|                 | <b>End-of-year actual expenditures</b> |                |              |
|                 | <b>End-of-year actual T.O.</b>         |                |              |

|                 |  |           |           |
|-----------------|--|-----------|-----------|
| <b>Program:</b> |  | <b>FY</b> | <b>FY</b> |
|                 | <b>End-of-year actual Expenditures</b> |           |           |
|                 | <b>End-of-year actual T.O.</b>         |           |           |

|                |  |                |                |
|----------------|--|----------------|----------------|
| <b>Agency:</b> | <b>Division of Administrative Law</b>  | <b>FY 2001</b> | <b>FY 2002</b> |
|                | <b>End-of-year actual Expenditures</b> | \$1,882,297    | \$2,028,965    |
|                | <b>End-of-year actual T.O.</b>         | 29             | 30             |

### ***PART TWO: ACTIONS OF EMPLOYEES***

Complete this Part if the achievements evidenced in your proposal are the result of the efforts of specific employees. Present this information in narrative fashion. You must include the employee names, job titles, and general contribution to the effort.

The achievements evidenced in this proposal are the result of the efforts of all DAL employees working together, cooperatively and efficiently, every week throughout the year.

Particular note is made of the following employees whose contributions are especially noteworthy:

**1. Cynthia Hebert, Legal Secretary 2**

Ms. Hebert works in the Administrative Hearings Clerk's office. She significantly impacts the input of the performance indicator data related to "Number of cases docketed" and the increase in the number reportable. She has docketed thousands of cases and does so with a high degree of accuracy and speed. She handles many thousands of case documents. She is a major contributor to DAL exceeding its performance indicators. As a Clerk's Office employee, she meets the public every day, and is a key reason for DAL's high customer satisfaction ratings. Ms. Hebert is patient and observant and asks questions in order to "get it right." Ms. Hebert spends her days inputting cases and documents that come to DAL. She has been a DAL employee since it began, over six years ago. Ms. Hebert is always pleasant to customers, very knowledgeable about procedures, works hard and is a great asset. DAL would be unable to keep up with its heavy workload in the Clerk's office without her experience, accuracy, speed, dedication and consistency.

## **2. Diab Haddad, IT Technical Support Specialist 1**

Mr. Haddad has an enormous and inspiring dedication to performing his job duties at the highest level, and with the utmost courtesy and genuine desire to help everyone. He serves all employees of DAL, and manages to do so with great tact and empathy, no matter how difficult or stressful the job. When our computer servers have had crashes and viruses, he has voluntarily worked until after midnight, and weekends, whatever it takes to get them fixed and accomplish the job. He feels a great sense of personal responsibility to his work which sets a high example for others to follow. His sense of humor and example of hard work keeps everyone else calm and reassured during difficulties.

Nowadays, management depends upon the reliability of its computer system and of the people who run it. Mr. Haddad frequently advises the Director and other managers of DAL about how to structure and manage the IT functions of DAL so that it can meet its goals and objectives. He has been essential to collecting and organizing data for reporting for performance indicator values, and for management's preparation of operational and strategic plans. Management depends upon accurate and timely reports of performance indicator data to help make decisions.

He takes time to patiently teach users how to use their computers and to enter performance indicator data accurately. The continued upgrading, repair and improved usability of our case docketing and tracking software, which tracks over 11,000 new cases each year, depends upon his excellent management. He devises new reports for the supervisors which allow them to improve things like the efficiency of case scheduling and tracking workloads. This impacts all of the performance indicator numbers. He constantly works to improve and upgrade the system.

DAL's Director and management staff depend upon his knowledge, great dedication, strong sense of duty, and consistent desire for excellence to manage the DAL. Just like the computers, his positive attitude connects everyone in this agency, and allows them to work together highly effectively, so that performance indicators can be met and exceeded.

## **3. Clara Cowan, Paralegal 2**

Ms. Cowan has been an extremely hard worker at DAL. She is particularly outstanding at handling high volume cases in a rapid, efficient, manner, while assuring that proper data is entered into the case tracking system for performance indicator reporting. She was responsible in FY '02 for assisting the ALJs with preparing thousands of orders, settlements, and with hearings. She had to absorb additional workloads when DAL was required to cut a paralegal position from its budget in FY 2001. She can be relied upon to cover all the bases: watch for, report, and address problems; and make sure everything is done as soon as possible in an organized fashion.

Her experience in the work we do at DAL is substantial. Due in large part to her organization, hard work, skills, experience, and dedication, she has allowed DAL to process a huge number of Department of Wildlife and Fisheries cases each year. She also assists new judges and case assistants to understand the process and be thorough with the enormous amount of paper work involved. She is dependable, prompt, very hard working, and dedicated. She has been a DAL employee since its inception. DAL would not be the same without her.

**4. Keith Porter, Administrative Law Judge-Advanced**

Judge Porter has been with DAL since it started, and a state employee for 25½ years. Judge Porter has an enormous caseload as the only ALJ handling Department of Public Safety cases at DAL's Shreveport office. He also travels to conduct hearings in other cities. His efforts have greatly assisted the Division in exceeding its performance indicators. Judge Porter does not have an on-site support staff, therefore, his position includes office management duties and upkeep of equipment, state vehicle, copy/fax machines, printer/computer, ordering supplies, etc. During FY '02 he handled his caseload in a tiny one-person office with no hearing room. He does this very professionally, efficiently, never complaining and receives customers' compliments on his outstanding performance.

**5. Susan Cowart, Administrative Manager 2**

Ms. Cowart has worked many overtime hours to handle the ever-increasing workload of cases. She supervises the Clerk's office staff with the most upbeat attitude and regularly fills in for any job that needs to be done. She has picked up the slack whenever employees have transferred, and implemented new, more efficient procedures to improve workflow. She has created and implemented new uses of the computerized case docketing and tracking system to generate documents and save employee time from re-typing information. This has allowed DAL to exceed its performance indicator values by reducing the amount of time it takes to perform the work. She has improved file room and property procedures.

Ms. Cowart is responsible for collecting values for performance indicators for the DAL. She has improved the accuracy and reportability of our data. Her very busy job includes the collection of monthly performance indicator statistics. Besides collecting data, Ms. Cowart works side by side with her staff doing their jobs; docketing cases, inputting information and preparation of reports. She has been a state employee for 23 years. She is directly responsible for increases in the number of cases docketed, and the more efficient mailing and processing of decisions, orders and other documents.

Giving these employees an additional monetary reward would show them we appreciate all that they have done and be a motivator for them and their co-workers.

# REWARD PROPOSAL BASED ON EXCEPTIONAL PERFORMANCE

## PART THREE: EXPLANATION OF PROPOSED REWARD AND ITS USE

I. Aggregate amount of reward requested:

\$91,500

II. Explain how the proposed reward funding would be used, whether for non-recurring expenditures or supplemental compensation, or both:

### A. Non-recurring expenditures

A non-recurring expenditure monetary request of **\$66,500** is for employee training and acquisition of computer equipment.

#### \$20,000 is requested for employee training.

The DAL has never been allocated any funds for training, which is statutorily required by La. R.S. 49:996: "The Director of the Division shall take the following actions: (4) Develop and maintain a program for the continual training and education of administrative law judges and agencies in regard to their responsibilities under this Chapter and the Administrative Procedure Act.

The training would include all employees. The amount was determined based on the following sample curriculum:

\$2,000 – For a seminar by LAWriters, LLC.

\$6,000 for three ALJs to attend a 5-day training at the National Judicial College on "Logic and Opinion Writing for ALJs," "Administrative Law: Advanced, or similar courses.

\$7,000 – For five ALJs to attend the National Association of Administrative Law Judges conference training.

\$5,000 – For support staff training related to maintaining efficiency, improving customer service, computer skills, or similar topics depending on need. This training will help the employees to maintain the very high levels of efficiency and motivation, learn new skills and continue to improve services to our customers.

#### \$46,500 is requested for acquisition of computer equipment.

This technology will increase the reliability and efficiency of collection of DAL's performance indicators. The DAL computer system collects and tracks all of DAL's performance indicators. This year, DAL experienced a system failure which caused days of lost performance of work upon which the performance indicator values are based. DAL does not have, and can not afford to purchase back up servers which would have prevented this. The equipment proposed will reduce the down time for the network, improve efficiency of our ProLaw case docketing and tracking system, improve the security and reliability for all common component failure, and add strong and reliable backup to reduce any losses in the ProLaw database or e-mail.

The technology items proposed for acquisition and an explanation for those items is attached.

| <u>ITEM</u>  | <u>QUANTITY</u> | <u>COST</u>         |
|--|-----------------|---------------------|
| Servers ( Exchange server, SQL server)   | 2               | \$ 15,370.00        |
| Power Vault 122T (Backup system)   | 1               | 6,025.00            |
| Windows 2000, Win2000 Advance Server,<br>40 Licenses, software and documentation   | 2               | 2,209.00            |
| Exchange Server, 40 Licenses, software and<br>documentation  | 1               | 3,079.00            |
| SQL Server, 40 Licenses, software and<br>documentation   | 1               | 5,448.00            |
| Backup Remote Agent, Licenses, software and<br>documentation   | 1               | 1,411.00            |
| LAN Station (need place for 4 servers,<br>4 monitors, 4 keyboards, 4 mice and UPS)   | 1               | 958.00              |
| Dyntek - a computer services co.<br>(Implementation, installation, setup,migration<br>for exchange server, support for Windows<br>2000 server, support for SQL server and active<br>directory) |                 | 12,000.00           |
| <b>TOTAL</b>   |                 | <b>\$ 46,500.00</b> |

## EXPLANATION FOR COMPUTER PACKAGE

Exchange 2000 server hardware and software need: DAL is running e-mail on Exchange 5.5, which is very slow and old and it does not have all the options that Prolaw requires. DAL's current exchange service will work even slower when installed in a server running SQL, which we will need for next year's Prolaw upgrade. The Prolaw company recommends that DAL run Exchange on a stand alone server so it will not slow down our users and it does not interfere with another application such as the Prolaw database. DAL will not lose e-mail if the main server crashes. Exchange 2000 works very well with Prolaw; it allows a user to send hearing schedules directly to the judges' calendars. DAL can take full advantage of Prolaw by using Exchange 2000.

SQL 2000 server hardware and software: The Prolaw database will be upgraded from version 7.85 to version 10 next year. However, the newer version of Prolaw (version 10) runs on SQL 2000, and requires SQL 2000 to be installed on a stand alone server.

Power Vault 122T is a very good hardware tool that allows the administrator to have one backup for all the servers from one central location instead of backing up each server separately. This will save time and allows the administrator to restore to a different server in case any server crashes.

Windows 2000 server software is needed to protect files and replace corrupted ones. It keeps servers running for a long period of time without rebooting and it does not stop users from working and logging on their computers. We can take full advantage of Exchange 2000 and SQL 2000 when installed on Windows 2000 than Windows NT.

Windows 2000 Advance Server (Cluster) reduces the down time for the network. When a server goes down Windows 2000 advance server will switch to another server and keep the network running without interruption.

Veritas Backup Exec Agent: This backup software allows DAL to make full backup, differential backup (partial backup) to the database and e-mail system. DAL can backup more than one server and application from one remote location without being physically on that server, and assign restore job to more than one server at the same time.

## REWARD PROPOSAL BASED ON EXCEPTIONAL PERFORMANCE

### B. Supplemental Compensation

*Provide a synopsis of the supplemental compensation plan for use of this reward, and how it would specifically be distributed among the staff responsible for the achievements evidenced in this proposal as described in Part Two (see R.S. 39:87.5(D)(6)).*

*Note: All proposals for supplemental compensation must be in compliance with rules of the Performance Review Subcommittee and the Department of State Civil Service.*

Provide a total of \$25,000 in supplemental compensation for agency employees, as follows: \$2,000 each to five employees whose outstanding contributions are discussed in Part Two of this proposal: Cynthia Hebert, Diab Haddad, Keith Porter, Clara Cowan and Susan Cowart. The total of this proposal is \$10,000 (\$2,000 x 5 employees).

All of DAL's employees work together as a team to accomplish the high levels of performance evidenced by the PI values discussed. The Administrative Hearings Clerk's office must work cooperatively, efficiently and in a timely manner with the ALJs and case assistants. The supervisors cross-supervise each others' employees, according to the type of case the employee is handling. They are all responsible for the achievements evidenced in this proposal. Therefore, we also request an award of \$1,000 each to every other DAL civil service employee who was employed by DAL for the entire FY 2002, upon which this proposal is based, and who are still employed by DAL at the time any award is granted by the legislative committee. Currently that is fifteen (15) employees: Vivian Guillory, Bryan McDaniel, Jacquelyn Watts, Shirley Francis, Anita McCrossen, Elliott Vega, John Kopynec, John Barron, Charles Perrault, Earl Vaughan, Cheryl Bolton, Julian LeBlanc, James McCullough, Shelia Atkins and Nequaodia Collins. The total of this proposal is \$15,000 (\$1,000 x 15 employees).

## EXTERNAL COMPARISONS – OTHER STATES

The following chart compares the states with centralized administrative hearings panels. Each state's jurisdiction is different, and the balance of high and low complexity cases and the types of cases handled varies widely. However, the following chart offers the best comparison of the fair and reasonable operating costs and personnel needs of a statewide centralized administrative hearings division. The information for the nationwide comparison was gathered from responses to a survey conducted in October 2002 of state central panels.

**The DAL is operating extraordinarily efficiently. The DAL's cost per hearing is only 10.7% of the southern regional average, and 13.5% of the national average.** Louisiana's cost per hearing is only \$235. The southern regional average is \$2,189, and the national average is \$1,741.

**The DAL's average number of hearings conducted per ALJ, 671, is the highest in the United States. It is 224% of the southern average.** This is the highest in the nation for handling such a variety of low and high complexity cases.

DAL has only 55.8% of the southern average number of ALJs, and handles its heavy caseload with fewer staff: non-ALJ staff is less than half of the southern average (47.8%)! DAL's budget as appropriated this year, is only 44% of the regional average.

In short, the State of Louisiana is receiving from DAL the greatest bargain among state governments nationwide, for the conduct of its impartial administrative hearings. DAL handles a very large caseload, with minimal staff. DAL's budget request is thus very reasonable and conservative.

## COMPARISON OF STATES WITH CENTRALIZED ADMINISTRATIVE HEARINGS PANELS

| State                | Annual budget amount \$  | Number of cases filed yearly | Number of hearings conducted yearly | Cost per hearing (Budget ÷ # of hearings) | Number of ALJs | Average hearings caseload per ALJ yearly <sup>1</sup> | Number of decisions/orders yearly | Number of staff <sup>2</sup> |
|----------------------|--------------------------|------------------------------|-------------------------------------|---|----------------|---|-----------------------------------|------------------------------|
| Alabama              | Unavailable <sup>3</sup> | 502                          | 195                                 | N/A                                       | 4              | 49  | 315                               | 2                            |
| Arizona              | \$2,393,489              | 7,080                        | 3,673                               | \$652                                     | 20             | 184   | 3,673                             | 11                           |
| California           | \$11,117,000             | 9,105                        | 4,188                               | \$2,654                                   | 42             | 100   | 4,188                             | 30                           |
| Colorado             | \$3,137,000              | 14,000                       | 4,144                               | \$757                                     | 16.5           | 251   | 12,000                            | 20                           |
| District of Columbia | \$917,000                | 1,176                        | 308 evidentiary                     | \$2,977                                   | 5              | 62  | 2,234                             | 6.5                          |
| Florida              | \$8,536,622              | 5,163                        | 2,699                               | \$3,163                                   | 37             | 73  | 2,450                             | 41                           |
| Georgia              | \$4,750,755              | 19,807                       | 15,590                              | \$305                                     | 25.5           | 611   | 20,146                            | 27                           |
| Iowa                 | \$2,022,345              | 9,788                        | 9,404                               | \$215                                     | 16             | 588   | 9,404                             | 5                            |
| LOUISIANA            | \$2,209,073 <sup>4</sup> | 11,769                       | 9,388                               | \$235                                     | 14             | 671   | 10,875                            | 13                           |
| Maine                | 1,500,000                | 6,500                        | 4,875                               | \$308                                     | 8              | 609   | 4,875                             | 7                            |
| Maryland             | \$10,796,909             | 52,250                       | 24,821                              | \$435                                     | 59 (est. FTE)  | 421   | 15,850                            | 67                           |

## COMPARISON OF STATES WITH CENTRALIZED ADMINISTRATIVE HEARINGS PANELS

| State          | Annual budget amount \$   | Number of cases filed yearly | Number of hearings conducted yearly | Cost per hearing (Budget ÷ # of hearings) | Number of ALJs | Average hearings caseload per ALJ yearly <sup>1</sup> | Number of decisions/orders yearly | Number of staff <sup>2</sup> |
|----------------|---------------------------|------------------------------|-------------------------------------|---|----------------|---|-----------------------------------|------------------------------|
| Massachusetts  | \$661,161                 | 1,212                        | 336                                 | \$1,968                                   | 6.6            | 51  | 346 <sup>5</sup>                  | 1.6                          |
| Michigan       | \$8,500,000               | 20,000                       | 19,000                              | \$447                                     | 36             | 528   | 18,000                            | 72                           |
| Minnesota      | \$9,150,000               | 12,139                       | 1,500                               | \$6,100                                   | 37             | 41  | 8,500 <sup>6</sup>                | 51                           |
| Missouri       | \$912,035                 | 1,948                        | N/A (313 hearing hrs.)              | \$468 <sup>7</sup>                        | 3              | N/A   | 1,976                             | 15                           |
| New Jersey     | \$8,100,000               | 10,000                       | Unavailable                         | \$810 <sup>8</sup>                        | 36             | N/A   | Unavailable                       | 77                           |
| North Carolina | \$2,561,413               | 2,397                        | 262                                 | \$9,776 <sup>9</sup>                      | 7              | 37  | 1,141                             | 16                           |
| North Dakota   | \$687,415                 | 426                          | 234                                 | \$2,938                                   | 5 FTE          | 47  | 220 <sup>10</sup>                 | 3                            |
| Oregon         | \$11,170,000              | 32,508                       | 29,021                              | \$385                                     | 82             | 354   | 61,338                            | 35                           |
| South Carolina | \$1,629,000               | 1,711                        | 565 (est.)                          | \$2,883                                   | 6              | 94  | 2,465                             | 12                           |
| Tennessee      | \$2,595,933               | 12,495                       | 7,056                               | \$368                                     | 19             | 371   | 6,890                             | 10                           |
| Texas          | \$7,098,153 <sup>11</sup> | 22,914                       | 20,501                              | \$346                                     | 54.8           | 374   | 20,361                            | 56.9                         |

## COMPARISON OF STATES WITH CENTRALIZED ADMINISTRATIVE HEARINGS PANELS

| State   | Annual budget amount \$ | Number of cases filed yearly | Number of hearings conducted yearly | Cost per hearing (Budget ÷ # of hearings) | Number of ALJs     | Average hearings caseload per ALJ yearly <sup>1</sup> | Number of decisions/orders yearly | Number of staff <sup>2</sup> |
|---|-------------------------|------------------------------|-------------------------------------|---|--------------------|---|-----------------------------------|------------------------------|
| Wisconsin                                     | \$4,287,500             | 12,125                       | 5,007                               | \$856                                     | 30.5 <sup>12</sup> | 164   | 5,500 est.                        | 21.3                         |
| Wyoming                                       | \$1,668,615             | 1,477                        | 685                                 | \$2,436                                   | 6                  | 114   | 1,631                             | 4                            |
|   |                         |                              |                                     |   |                    |   |                                   |                              |
| <b>SOUTHERN REGIONAL AVERAGE<sup>13</sup></b> | \$5,022,233             | 14,334                       | 9,009                               | \$2,189                                   | 25.1               | 300   | 8,944                             | 27.2                         |
| <b>NATIONAL AVERAGE</b>                       | \$4,920,267             | 13,097                       | 8,836                               | \$1,741                                   | 26.4               | 273   | 10,590                            | 27.1                         |

<sup>1</sup> Computed as number of hearings divided by number of ALJs.

<sup>2</sup> Excludes ALJs, their supervisors, and Director/Chief ALJ.

<sup>3</sup> Alabama's budget is subsumed in the entire budget for the Office of the Attorney General and not separated, they report.

<sup>4</sup> Louisiana's budget is for the current fiscal year, 2002-03; stats are for end of fiscal year 2002.

<sup>5</sup> Massachusetts does not keep stats on number of orders issued.

<sup>6</sup> Minnesota does not track orders that do not close a case.

<sup>7</sup> Missouri computed using number of cases filed, since number of hearings was not available.

<sup>8</sup> New Jersey computed using number of cases filed, since number of hearings was not available.

<sup>9</sup> North Carolina: Budget includes non-hearings functions. Staff figures include hearings and administrative Divisions, but not Rules and Civil Rights Division staff.

<sup>10</sup> North Dakota: Orders does not reflect prehearing orders for cases going to hearings.

<sup>11</sup> Texas budget figure does not include payroll related costs.

<sup>12</sup> Wisconsin ALJs includes three supervisors who spend 33% of their time conducting cases.

<sup>13</sup> Southern regional averages includes: Alabama, Florida, Georgia, Louisiana, Maryland, North Carolina, South Carolina, Tennessee and Texas.

Notes: The City of Chicago's central panel reported: Annual budget amount \$6,500,000; Number of cases filed yearly 400,000; Number of hearings conducted yearly 400,000; Cost per hearing \$6,154; Number of ALJs 65; Average hearings caseload per ALJ yearly 16; Number of decisions/orders yearly 400,000; and Number of staff 47. South Dakota did not respond to the survey.

## Attachment 3

### Division of Administrative Law's Corrected Chart - Comparison of States With Centralized Administrative Hearings Panels

## COMPARISON OF STATES WITH CENTRALIZED ADMINISTRATIVE HEARINGS PANELS

| State                | Annual budget amount \$  | Number of cases filed yearly | Number of hearings conducted yearly | Cost per hearing (Budget ÷ # of hearings) | Number of ALJs | Average hearings caseload per ALJ yearly <sup>1</sup> | Number of decisions/orders yearly | Number of staff <sup>2</sup> |
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|---|-------------------------|------------------------------|-------------------------------------|---|--------------------|---|-----------------------------------|------------------------------|
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| Wisconsin                                     | \$4,287,500             | 12,125                       | 5,007                               | \$856                                     | 30.5 <sup>12</sup> | 164   | 5,500 est.                        | 21.3                         |
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|   |                         |                              |                                     |   |                    |   |                                   |                              |
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<sup>1</sup> Computed as number of hearings divided by number of ALJs.

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