

## RESPONSES to COMMISSION on STREAMLINING GOVERNMENT

August 17, 2009

*Louisiana Recovery Authority-Office of Community Development/Disaster Recovery Unit*

LIAISON: Don Hutchinson

# Responses to Commission on Streamlining Government

## Section One: Agency

### Identify your overarching reform goal(s) for the agency

The Louisiana Recovery Authority-Office of Community Development/Disaster Recovery Unit (LRA-OCD/DRU) was created by Executive Orders and legislative mandates to serve as the single point of coordination for the Governor and the Cabinet for Hurricanes Katrina, Rita, Gustav and Ike. The state has received approximately 14.5 billion dollars from the U.S. Department of Housing and Urban Development/Community Development Block Grant (CDBG) program. These dollars were provided to assist Louisiana with recovery and rebuilding areas in Louisiana impacted by these four hurricanes. Currently LRA-OCD/DRU oversees programs for Hurricanes Katrina, Rita, Gustav and Ike. LRA-OCD/DRU manages, coordinates and provides policy direction for disaster recovery money and programs, such as Community Development Block Grant (CDBG). The Executive Director of LRA-OCD/DRU serves as the Governor's authorized representative to FEMA. As such, he oversees all Federal Emergency Management Agency (FEMA) Public Assistance recovery spending under the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). He also serves as the Hazard Mitigation policy leader for the State, as well as, the media contact for recovery issues.

LRA-OCD/DRU identifies, prioritizes and addresses critical short-term and long-term recovery issues. Through these activities, LRA-OCD/ DRU can rebuild a safer, stronger and smarter Louisiana and implement recovery programs in accordance with State and Federal Regulations. DRU also provides oversight and accountability to all programs and funds administered by LRA-OCD/DRU. LRA-OCD/DRU communicates the progress, status and needs of the recovery to Congress, the White House, the Governor and State Legislature. Programs administrated by the LRA-OCD/DRU include the following: Administration and Technical Assistance; Economic Development; Housing; Infrastructure; and Planning.

### Economic Development Programs directed by LRA-OCD/DRU:

- Louisiana Bridge Loan Program-in partnership with the Louisiana Economic Development
- Louisiana Tourism Marketing Program-in partnership with Office of the Lieutenant Governor/Office of Tourism
- Recovery Workforce Training Program- in partnership with Louisiana Workforce Commission
- Research Commercialization/Educational Enhancement Program- in partnership with Board of Regents
- Small Firm Recovery Loan and Grant – in partnership with Louisiana Economic Development
- Technical Assistance to Small Firms – in partnership with Louisiana Economic Development

### Housing Programs directed by LRA-OCD/DRU:

- Homeowners Assistance- administered by LRA-OCD/DRU
- Building Code Enforcement-administered by IBTS (The Institute for Building Technology and Safety)
- Homelessness Support and Housing – administered by Department of Social Services
- Housing Development Loan Fund –\*administered by LISC and Enterprise
- Land Assembly Operations – \*administered by LISC and Enterprise
- LIHTC/CDBG Piggyback –\*\*administered by LRA-OCD/DRU
- Small Rental Property- administrated by LRA-OCD/DRU
- Supportive Housing Services- administered by the Department of Health and Hospital (DHH)

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\*LISC- Local Initiatives Support Corporation

\*\* Disaster Recovery Block Grants coupled with GO Zone Tax Credits used for Multi-family Rental Housing

### **Infrastructure Programs** directed by LRA-OCD/DRU:

- Fisheries Assistance
- Emergency Infrastructure
- Local Government
- Long Term Community Recovery
- Primary and Secondary Education

### **The goals for the LRA/OCD-DRU are as follows:**

1. Serve as the single point of coordination for the Governor and the Governor's Cabinet for Hurricanes Katrina and Rita (2005) and Gustav and Ike (2008);
2. Manage, coordinate and/or provide policy direction for disaster recovery money and programs, (FEMA Public Assistance, Hazard Mitigation Grant Program (HMGP), and HUD-CDBG, Voucher and Case Management programs;
3. Identify, Prioritize and Address Critical Short-Term and Long-Term Recovery Issues
4. Rebuild Louisiana safer, stronger and smarter
5. Implement Recovery Programs in accordance with State and Federal Regulations
6. Provide oversight and accountability
7. Communicate progress, status and needs of the recovery to Congress, and the White House, the State Legislature.

### **Review and briefly outline the constitutional and statutory mandates for your agency**

#### **Constitutional Mandates**

There are no constitutional mandates that are specific to the LRA-OCD/DRU. The LRA-OCD/DRU is governed by Executive Orders, Statutory Mandates and Memorandum of Understandings.

LRA-OCD/DRU also oversees and administers the Office of Community Development traditional programs such as, economic development, housing rehabilitation, public infrastructure and the Local Government Assistance Program (LGAP- *eligible activities include, but are not limited to, fire protection, sewer, water, renovations to essential governmental buildings, police protection, land acquisition, demolition, equipment, roads, drainage, and reasonable engineering costs*).

#### **Statutory Mandates**

##### **State Law:**

The LRA was originally established by Executive Order KBB 2005-63 in 2005 in response to Hurricane Katrina and Rita. Additionally, in February 2006, by Memorandum of Understanding between the Commissioner of Administration and the Chairman of the LRA, the Office of Community Development (OCD) within the DOA is designated by the Governor to be the fiscal agent responsible to the U.S. Department of Housing and Urban Development (HUD) for the CDBG funds with responsibility for audit, monitoring, internal controls, cash

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management, contract management, reporting, and other fiscal services. Executive Order BJ 2008-98 provided for the coordination of programs associated with Hurricanes Gustav and Ike. Act No. 5 by first Extraordinary Session of 2006 and Act No.639 further authorization LRA as a State Agency within the Office of the Governor-Division of Administration. Legislation also provides that the LRA sunsets on July 01, 2010. Prior to Governor Jindal taking office, the LRA and OCD/DRU were two separate agencies. These agencies were subsequently combined into a single organization, as directed by Governor Jindal in February 2008. Governor Jindal also signed into law, Act No. 639 of the 2008 Regular Session, reducing the size of the LRA board from thirty three members to seventeen members.

### **Federal Law:**

Recovery funds are granted by Congressional authority to federal agencies. The state follows the federal regulatory guidelines of all funds including, Community Development Block Grant (CDBG), FEMA Public Assistance, Hazard Mitigation and other funds as received. The responsibility of OCD/DRU is to ensure that dollars are spent in accordance to federal and state laws. The LRA-OCD/DRU also provides oversight and accountability for the appropriate use of these funds.

### **Section Two: Efficiency and Benchmarking**

#### **Identify under-performing programs that should be overhauled or eliminated**

LRA-OCD/DRU management and staff are continuously reviewing all programs for performance and improvement. Through this continuous review, bottlenecks and trends are being identified and are prompting review of programs to determine if improvement can be made. One such example is the Small Rental Property Program (Small Rental or SRPP). The Small Rental program is designed to help landlords rebuild the affordable rental population in 13 affected parishes. SRPP was designed as an Incentive program. Recently, a new option has been added to the Small Rental program, with the intentions of allowing more applicants to receive money faster. The Small Rental Initiative program benefits those applicants that are having difficulty finishing construction on the rental properties. The new initiative allows property owner/applicants to receive an award prior to completion of units through a construction management program that will ensure that properties are rebuilt. LRA-OCD/DRU will continue to be proactive in meeting the Governor's goal of streamlining by monitoring the activities and programs under its administration, and making necessary changes in areas that can improve efficiency.

### **Section Three: Outsourcing and privatization**

#### **List programs, functions, or activities that can be privatized or outsourced.**

LRA-OCD/DRU is currently outsourcing the majority of its program delivery activities to outside contractors and other state departments. Several state agencies are sub-grantees, including Louisiana Economic Development, Louisiana Workforce Commission, Department of Agriculture, Department of Wildlife and Fisheries, Office of Coastal Protection and Restoration, Lieutenant Governor/Department of Culture, Recreation and Tourism, and the Board of Regents. These agencies have been awarded funds in order to carry out the activities overseen by the LRA-OCD/DRU. The largest programs carried out by the LRA-OCD/DRU are the Homeowners Program, Small

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Rental Program, the Local Infrastructure Program and the Hazard Mitigation Elevation Program, all of which have been outsourced to private contractors. In addition, LRA-OCD/DRU has utilized staff augmentation of consultant firms to supplement the state's staff and carry out the mission of the agency. All major IT functions to administer the LRA-OCD/DRU programs have also been outsourced to assist in achieving the mission of LRA-OCD/DRU.

In addition, to the four major contracts listed above, LRA-OCD/DRU is outsourcing more than 50 agreements with other contractors. Contractual services provided include: planning, program management, software, consulting, infrastructure, legal, long term community recovery (LTCR), and staff augmentation.

### **Section Four: Information Technology Integration**

**List IT projects already underway designed to improve efficiency and effective as well as potential projects**

In the past few months, LRA-OCD/DRU has worked to leverage IT solutions in order to improve efficiency and effectiveness. All major IT functions have been outsourced to a single IT company that has been tasked with improving technology solutions for the processing of the Homeowner Assistance Program, Small Rental Program, Hazard Mitigation Grant Program and future Gustav/Ike programs. Recently LRA-OCD/DRU also awarded contracts for improving transparency and using data to help manage the administration of programs. The Infrastructure Dashboard IT solution is being designed to track the status, improve transparency and help management administer OCD/DRU Infrastructure projects. A database of rental units, called the Rental Pipeline Report, is being developed to help track rental units within the State of Louisiana. This database will comprise data from outside sources and other state agencies. The Hazard Mitigation Grant Program is also developing an IT system to track and manage the HMGP workflow.

### **Section Five: Elimination of Duplicative and Unnecessary Services**

**List the activities of your department that fall outside of your constitutional and statutory mandates. Briefly describe the history of these programs, offices, or activities and how they became a part of your mission.**

All programs and activities administered by LRA-OCD/DRU are required by constitutional and statutory mandates with the exception of the Local Government Assistance Program (LGAP). All other activities mentioned in these responses to the Commission on Streamlining Government addresses the constitutional and statutory mandates for LRA-OCD/DRU. LGAP provides state funding by legislative appropriation to rural communities throughout Louisiana. LGAP eligible activities include, but are not limited to, fire protection, sewer, water, renovations to essential governmental buildings, police protection, land acquisition, demolition, equipment, roads, drainage, and reasonable engineering costs (if associated with construction).

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The Homeless Prevention Program; based on follow up research and discussions, the activities of this program should continue to be administered under current inter-agreement between LRA-OCD/DRU and Department of Social Services (DSS)

### **Identify outdated activities that should no longer be part of the mission of your agency**

All activities currently under LRA-OCD/DRU are necessary for accomplishing our agency's mission.

### **Identify duplication or overlap with other state agencies, with the federal government, or with public or private stakeholder groups.**

The LRA-OCD/DRU is currently in discussions with the Department of Social Services, concerning possible duplicative efforts in the area of Homeless prevention. Currently the LRA-OCD/DRU operates several programs focused on preventing homelessness with the ending of the FEMA Trailer program and US Department of Housing and Urban Development's Disaster Housing Assistance Program. Although there is currently no duplication, there is an opportunity to explore long term opportunities, with the focus on the Department of Social Services to carry out the mission of homeless prevention after the LRA sunsets in June 2010.

Additionally, LRA-OCD/DRU partners and contracts with several state agencies including Louisiana Economic Development, Louisiana Workforce Commission, Lieutenant Governor/Louisiana Department of Culture, Recreation and Tourism, Department of Wildlife and Fisheries, Department of Agriculture, Office of Coastal Protection and Recreation and Board of Regents-Research Commercialization/Educational Enhancement. There is no duplication of efforts among the partners listed above.

### **Section Six: Civil Service and Employee Benefits**

#### **List and identify any current initiatives or ideas related to employee benefits, hiring and promotion, and other employee regulations.**

Currently, the State's employment process requires that all positions must be approved by the Department of Civil Service before an employee can be hired. All of LRA-OCD/DRU employees are in unclassified positions that require Civil Service approval. In an effort to streamline the hiring process, LRA-OCD/DRU recommends eliminating Civil Service approval for the hiring of all unclassified positions, since each position is of a temporary nature, and it is difficult to hire the skill sets to carry out disaster related programs within the confines of the current job classifications.

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### **Section Seven: Studies and other Resources**

Shortly after Hurricane Katrina impacted parts of Louisiana, the decision was made to pattern our recovery activities based on the model used by the 911 Commission in New York City, New York and working with other Federal agencies such as Federal Emergency Management Agency (FEMA) and Housing and Urban Development (HUD).

### **Section Eight: Agency Best Practices**

#### **Streamlined structure of organization from two agencies to one**

Prior to Governor Jindal taking office the Louisiana Recovery Authority (LRA) and the Community Development Block Grant Program (CDBG) were two separate entities. The LRA established policy, and CDBG administered the programs. Shortly after the new administration came into office, the two entities were combined as one organization to more efficiently manage the program operations as well as expedite the delivery of program services to individuals and communities impacted by the hurricanes. The combined organization serves as the single point of coordination for the Governor and the Governor's Cabinet for Hurricanes Katrina, Rita, Gustav and Ike.

#### **Streamlined Contract Approval Process for the four transition contracts: Information Technology (IT), Homeowners, Small Rental and Piggyback**

Shortly after taking office, Governor Jindal's administration made the decision that the hurricane programs administered by the previous contractor lacked efficiencies in performance, delivery of services and accountability. In order to bring about more efficiency, LRA-OCD/DRU with the support of the Governor's Office established a Transition Team. The Transition Team was charged with managing, overseeing, and expediting the contract approval process to assure that the replacement contractors would be approved and working prior to the expiration date of the incumbent contractor. The Transition Team partnered with the Office of Contractual Review to assure that all four contracts would be approved prior to the expiration date of the previous contractor. This process enabled LRA-OCD/DRU to continue disaster recovery services without interruption for the four contracts listed above.

#### **Streamlined the size of the LRA board from 33 to 17**

As an efficiency measure the size of the board was reduced to facilitate quicker decision making and to make it easier to meet requirement to make a quorum.

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### **Separated original Road Home single contract into four contracts (IT, Homeowners, Small Rental and Piggyback) for more efficiency and accountability**

- The previous Road Home contract program administrator provided not only day-to-day operations support, but also IT support for all Road Home Programs. This structure complicated the management and priority setting of individual program, since IT was embedded throughout all activities.
- During FY 09, OCD/DRU streamlined the oversight by engaging four separate contractors for the Road Home Programs:
  - IT contractor to provide consistent IT support for all OCD/DRU programs. This approach allows IT to be managed as an enterprise solution across all programs.
  - Homeowner contractor to provide program administration.
  - Small Rental contractor to provide program administration.
  - Piggyback Program to provide program administration.
- Stronger Accountability of Contractors
  - Required Performance Measures
  - Financial Penalties for non performance

### **Staff Augmentation Contracts**

- Staff augmentation contracts provide a targeted service for designated period of time, instead of hiring permanent staff for short-term need
- The State does not have the flexibility to hire permanent staff