

**LEGISLATIVE FISCAL OFFICE**  
**Streamlining Commission Analysis**



Recommendation No. **RECOMMENDATION 23**

Streamlining Draft **AGEB 14**

<b>Date:</b> November 16, 2009 1:18 PM	<b>Author:</b>
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<b>Subject:</b>	

Cross border collaboration with neighboring states

The proposed Streamlining Commission recommendation suggests that Louisiana invite Arkansas and Mississippi to join with Louisiana in identifying and exploring creative opportunities to make the operation of our state governments and the provision of state government services cheaper and more efficient. Areas suggested that could offer significant efficiencies and savings through cooperative efforts include joint procurement, cross border collaboration, information and technology systems, shared resources, and reciprocity.

EXPENDITURES	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
REVENUES	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The Streamlining Commission recommendation may result in an indeterminable decrease in state expenditures. To the extent that state agencies are able to identify and collaborate with adjoining states such as Mississippi and Arkansas in the pursuit of opportunities to create further efficiencies in operations or cooperative purchasing opportunities, a decrease in state expenditures will result. State agencies are currently engaged in a number of these cooperative arrangements which have been successful in creating such efficiencies. For example, the state's medicaid program participates in a multi-state pooling consortium for drugs which resulted in a savings of \$301 million in FY 09.

In addition, state-to-state collaboration is being done at DSS in the child support program. DSS participates in three consortiums that link member resources in the child support enforcement program. Each consortium is hosted by a state and the membership costs are paid to the host state under the provisions of the contract. DSS is also a participant in the development of a program which can be linked to other states through the Query Interstate Cases for Kids (QUICK) tool which will improve the quality and timeliness of customer service responses on interstate cases in the child enforcement program.

DOTD notes that there is a forum of all fifty states whereby state purchasing directors participate in discussion of potential cooperative purchasing opportunities. Also, the southern states participate monthly to discuss cooperative endeavors that may result in savings.

Finally, the Office of Tourism partners with other states in the areas of international marketing, domestic advertising, and domestic tour and travel. As a result of these efforts, the Office of Tourism has reduced its costs in each of these areas on an annual basis.

While there are a number of state agencies actively engaged in these collaborative efforts, further pursuit of these opportunities will lead to additional cost savings. While the LFO cannot ascertain the total savings of the current efforts, the potential for significant additional cost reductions is realistic and should be investigated aggressively.

**REVENUE EXPLANATION**

According to the Department of Revenue, various agreements are in place currently involving the collection of delinquent taxes between states. The department also notes that additional efforts are being researched which may lead to increased collections including a reciprocal agreement between states whereby a state refund would be used to offset tax obligations in other states. The department anticipates that this would potentially increase revenues by nearly \$1 million annually but would be a function of refunds available to those with outstanding tax debt and would fluctuate on an annual basis.

<u>Senate</u> <input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change	<u>Dual Referral Rules</u> <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	<u>House</u> <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease   <b>H. Gordon Monk</b> <b>Legislative Fiscal Officer</b>
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