



**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET**  
STATE CAPITOL  
P.O. BOX 44294, CAPITOL STATION  
BATON ROUGE, LOUISIANA 70804  
**(225) 342-1964**

**REPRESENTATIVE JEROME ZERINGUE**  
CHAIRMAN

**SENATOR BODI WHITE**  
VICE-CHAIRMAN

**AGENDA**

Friday, June 03, 2022  
8:00 A.M.  
House Committee Room 5

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. BUSINESS**

1. Fiscal Status Statement
2. Facility Planning and Control Agenda
3. Review and approval of the Fiscal Year 2022-2023 operating budgets for the following state retirement systems in accordance with R.S. 11:176
  - A. Teachers' Retirement System of Louisiana
  - B. Louisiana State Employees' Retirement System
  - C. Louisiana School Employees' Retirement System
  - D. Louisiana State Police Retirement System
4. Review and approval of the Sabine River Authority's FY 2022-2023 budget in accordance with the provisions of R.S. 38:2324(B)
5. Review and approval of a funding reconsideration recommendation by the Water Sector Commission in accordance with the provisions of R.S. 39:100.56
6. Review and approval of a contract extension between the office of group benefits and Access Health, Inc., in accordance with the provisions of R.S. 39:1615(J)
7. Review and approval of a contract extension between the Louisiana Board of Pharmacy and Bamboo Health for the Prescription Monitoring Program in accordance with the provisions of R.S. 39:1615(J)
8. Review and approval of a contract extension between the Louisiana Department of Health and Statistical Resources, Inc., in accordance with the provisions of R.S. 39:1615(J)
9. Review and approval of a contract extension between the Department of Children & Family Services and Postlethwaite & Netterville, APAC, in accordance with the provisions of R.S. 39:1615(J)
10. Presentation by Louisiana Legislative Auditor of review of information related to the Creative Informational Technology, Inc. contract
11. Review and approval of a contract extension between the office of technology services and Creative Information Technology, Inc., in accordance with the provisions of R.S. 39:1615(J)
12. Review of a contract amendment between the Louisiana Military Department and Tri-Core Technologies, LLC, in accordance with the provisions of R.S. 39:1615(J)

13. Update from the Louisiana Legislative Auditor on remedial actions and resolutions related to findings and recommendations contained in performance audits of charter schools
14. Interpretation of legislative intent for appropriations contained in Act 170 of the 2022 Regular Session of the Legislature in accordance with the provisions of R.S. 24:653(E)

**IV. CONSIDERATION OF ANY OTHER BUSINESS THAT MAY COME BEFORE THE COMMITTEE**

**V. ADJOURNMENT**

Persons who do not feel comfortable giving testimony in person may submit a prepared statement in accordance with House Rule 14.33 in lieu of appearing before the committee:

A. Any interested person or any committee member may file with the committee a prepared statement concerning a specific instrument or matter under consideration by the committee or concerning any matter within the committee's scope of authority, and the committee records shall reflect receipt of such statement and the date and time thereof.

B. Any person who files a prepared statement which contains data or statistical information shall include in such prepared statement sufficient information to identify the source of the data or statistical information. For the purposes of this Paragraph, the term "source" shall mean a publication, website, person, or other source from which the data or statistical information contained in the prepared statement was obtained by the person or persons who prepared the statement.

**NOTE: Statements emailed to [briscoed@legis.la.gov](mailto:briscoed@legis.la.gov) and received prior to noon on Thursday, June 2, 2022, will be distributed to the committee members prior to the meeting.**

All persons desiring to participate in the meeting shall utilize appropriate protective health measures and observe the recommended and appropriate social distancing.

JEROME "ZEE" ZERINGUE, CHAIRMAN

PLEASE SUBMIT A WITNESS CARD TO THE COMMITTEE ADMINISTRATIVE ASSISTANT BEFORE THE MEETING BEGINS IF YOU WANT TO TESTIFY BEFORE THE COMMITTEE.

**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET  
GENERAL FUND FISCAL STATUS STATEMENT  
FISCAL YEAR 2021-2022  
(\$ in millions)**

June 3, 2022

	MAY 2022	JUNE 2022	JUNE 2022 Over/(Under) MAY 2022
<b><u>GENERAL FUND REVENUE</u></b>			
Revenue Estimating Conference, May 9, 2022	\$11,084.700	\$11,084.700	\$0.000
FY 20-21 Revenue Carried Forward into FY 21-22	\$183.621	\$183.621	\$0.000
<b>Total Available General Fund Revenue</b>	<b>\$11,268.321</b>	<b>\$11,268.321</b>	<b>\$0.000</b>
<b><u>APPROPRIATIONS AND REQUIREMENTS</u></b>			
<b>Non-Appropriated Constitutional Requirements</b>			
Debt Service	\$434.030	\$434.030	\$0.000
Interim Emergency Board	\$1.323	\$0.000	(\$1.323)
Revenue Sharing	\$90.000	\$90.000	\$0.000
<b>Total Non-Appropriated Constitutional Requirements</b>	<b>\$525.353</b>	<b>\$524.030</b>	<b>(\$1.323)</b>
<b>Appropriations</b>			
General (Act 119 of 2021 RS)	\$9,260.639	\$9,260.639	\$0.000
Ancillary (Act 113 of 2021 RS)	\$0.000	\$0.000	\$0.000
Judicial (Act 116 of 21 RS)	\$164.008	\$164.008	\$0.000
Legislative (Act 117 of 21 RS)	\$73.610	\$73.610	\$0.000
Capital Outlay (Act 485 of 2021 RS)	\$43.332	\$43.332	\$0.000
<b>Total Appropriations</b>	<b>\$9,541.590</b>	<b>\$9,541.590</b>	<b>\$0.000</b>
<b>Other Appropriations and Other Requirements</b>			
Supplemental Bill (Act 170 of 2022 RS)	\$0.000	\$189.767	\$189.767
Funds Bill (Act 167 of 2022 RS)	\$0.000	\$1,011.868	\$1,011.868
<b>Total Other Appropriations and Other Requirements</b>	<b>\$0.000</b>	<b>\$1,201.634</b>	<b>\$1,201.634</b>
<b>Total Appropriations &amp; Non-Appropriated Constitutional Requirements</b>	<b>\$10,066.942</b>	<b>\$11,267.254</b>	<b>\$1,200.312</b>
<b>General Fund Revenue Less Appropriations and Requirements</b>	<b>\$1,201.379</b>	<b>\$1.067</b>	<b>(\$1,200.312)</b>

## II. FY 2020-2021 Fiscal Status Summary:

In accordance with Act 1092 of the 2001 Regular Session and Act 107 of the 2002 First Extraordinary Session (R.S. 39:75), the first budget status report presented after October 15th shall reflect the fund balance for the previous fiscal year. "At the first meeting of the Joint Legislative Committee on the Budget after publication of the Comprehensive Annual Financial Report for the state of Louisiana, the commissioner of administration shall certify to the committee the actual expenditures paid by warrant or transfer and the actual monies received and any monies or balances carried forward for any fund at the close of the previous fiscal year which shall be reflected in the budget status report."

### FY21 GENERAL FUND DIRECT SURPLUS/DEFICIT - ESTIMATED (millions)

<b>FY20 Surplus/(Deficit)</b>		<b>270.434</b>
<b>Other Obligations Against Cash Carried Over from FY20 to FY21</b>		
General Fund - Direct Carryforward	67.251	
Unappropriated FY17 & FY18 Surpluses	1.234	
FY19 Surplus Transferred Out in FY21	105.938	
Transfer from Budget Stabilization Fund per HCR 1 of 2020 1ES	90.063	
<b>Total Other Obligations Against Cash Carried Over from FY20 to FY21</b>		<b>264.486</b>
<b>FY21 General Fund - Adjusted Direct Revenues:</b>		<b>10,695.872</b>
<b>Total General Funds Available for Expenditure in FY21</b>		<b>11,230.792</b>
<b>FY21 General Fund - Direct Appropriations &amp; Requirements:</b>		
Draws of General Fund - Direct Appropriations	(9,090.377)	
General Obligation Debt Service	(429.052)	
Transfer to the Revenue Sharing Fund (Z06) - Constitution 7:26	(90.000)	
Transfer to Coastal Protection & Restoration Fund (Z12) - R.S. 49:214.5.4	(7.230)	
Transfer to Revenue Stabilization Fund (Z25) - Constitution 7:10.15	(205.422)	
Transfers - Legislative Actions	(152.212)	
Transfers - Other	(3.016)	
Use of Prior Year(s) Surplus - Appropriated or Transferred	(377.606)	
<b>Total FY21 General Fund - Direct Appropriations &amp; Requirements</b>		<b>(10,354.914)</b>
<b>General Fund Direct Cash Balance</b>		<b>875.878</b>
<b>Obligations Against the General Fund Direct Cash Balance</b>		
General Fund - Direct Carryforwards from FY21 to FY22	(183.621)	
FY20 adjustments completed in FY21	(24.824)	
Capital Outlay/Fund corrections made in FY22	2.860	
Tobacco Tax allocation corrections made in FY22	28.925	
<b>Total Obligated General Fund Direct</b>		<b>(176.659)</b>
<b>Net General Fund Direct Surplus/(Deficit)</b>		<b>699.220</b>
<b>Certification in accordance with R.S. 39:75A(3)(a)</b>		<b>\$699,219,732</b>

## III. Current Year Items Requiring Action

## IV. Horizon Issues Not Contained in 5-Year Plan

**FIVE YEAR BASE LINE PROJECTION  
STATE GENERAL FUND SUMMARY  
CONTINUATION**

	Official Current Fiscal Year 2021-2022	Ensuing Fiscal Year 2022-2023	Projected Fiscal Year 2023-2024	Projected Fiscal Year 2024-2025	Projected Fiscal Year 2025-2026
<b>REVENUES:</b>					
Taxes, Licenses & Fees	\$14,407,000,000	\$13,837,200,000	\$13,673,300,000	\$14,003,100,000	\$13,804,000,000
Less Dedications	(\$3,322,300,000)	(\$2,797,400,000)	(\$2,839,200,000)	(\$3,133,300,000)	(\$3,141,700,000)
<b>TOTAL REC REVENUES</b>	<b>\$11,084,700,000</b>	<b>\$11,039,800,000</b>	<b>\$10,834,100,000</b>	<b>\$10,869,800,000</b>	<b>\$10,662,200,000</b>
<b>ANNUAL REC GROWTH RATE</b>		-0.41%	-1.86%	0.33%	-1.91%
<b>Other Revenues:</b>					
Carry Forward Balances	\$183,620,801	\$0	\$0	\$0	\$0
<i>Total Other Revenue</i>	\$183,620,801	\$0	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$11,268,320,801</b>	<b>\$11,039,800,000</b>	<b>\$10,834,100,000</b>	<b>\$10,869,800,000</b>	<b>\$10,662,200,000</b>
<b>EXPENDITURES:</b>					
General Appropriation Bill (Act 119 of 2021 RS)	\$9,077,018,132	\$10,031,902,374	\$10,581,672,260	\$10,150,297,968	\$10,350,037,085
Ancillary Appropriation Bill (Act 113 of 2021 RS)	\$0	\$0	\$23,254,113	\$28,848,303	\$34,638,290
Non-Appropriated Requirements	\$524,029,823	\$526,904,967	\$542,475,514	\$560,344,897	\$562,592,027
Judicial Appropriation Bill (Act 116 of 2021 RS)	\$164,008,439	\$174,577,666	\$167,832,622	\$167,832,622	\$167,832,622
Legislative Appropriation Bill (Act 117 of 2021 RS)	\$73,610,173	\$85,777,844	\$73,582,774	\$73,582,774	\$73,582,774
Special Acts	\$0	\$0	\$25,162,436	\$25,162,436	\$25,162,436
Capital Outlay Bill (Act 485 of 2021 RS)	\$43,331,996	\$50,000,000	\$0	\$0	\$0
<b>TOTAL ADJUSTED EXPENDITURES (less carryforwards)</b>	<b>\$9,881,998,563</b>	<b>\$10,869,162,851</b>	<b>\$11,413,979,719</b>	<b>\$11,006,069,000</b>	<b>\$11,213,845,234</b>
<b>ANNUAL ADJUSTED GROWTH RATE</b>		9.99%	5.01%	-3.57%	1.89%
<b>Other Expenditures:</b>					
Carryforward BA-7s Expenditures	\$183,620,801	\$0	\$0	\$0	\$0
Supplemental Bill (Act 170 of 2022 RS)	\$189,766,876	\$0	\$0	\$0	\$0
Funds Bills (Act 167 of 2022 RS)	\$1,011,867,514	\$170,500,000	\$0	\$0	\$0
<b>Total Other Expenditures</b>	<b>\$1,385,255,191</b>	<b>\$170,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$11,267,253,754</b>	<b>\$11,039,662,851</b>	<b>\$11,413,979,719</b>	<b>\$11,006,069,000</b>	<b>\$11,213,845,234</b>
<b>PROJECTED BALANCE</b>	<b>\$1,067,047</b>	<b>\$137,149</b>	<b>(\$579,879,719)</b>	<b>(\$136,269,000)</b>	<b>(\$551,645,234)</b>
Oil Prices included in the REC forecast.	\$68.62	\$64.48	\$64.06	\$63.61	\$63.16

Note: The amounts for the FY23 General Appropriations Act and Funds Act contain contingent amendments.

**DIVISION OF ADMINISTRATION**  
**Facility Planning & Control**

**JOINT LEGISLATIVE COMMITTEE**  
**ON THE**  
**BUDGET**

**Briefing Book**

**FOR**

**June 2022**

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**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET**  
**June 2022**

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Office of the Commissioner  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

April 26, 2022

The Honorable Jerome Zeringue, Chairman  
Joint Legislative Committee on the Budget  
Post Office Box 44294, Capitol Station  
Baton Rouge, Louisiana 70804

**RE: Supplemental Funds Request  
Federal Funds via Interagency Transfer  
Renovations, Repairs and Additions  
Old U.S. Mint Museum Exhibit – New Orleans Jazz Museum  
Project No. 06-263-07B-03**

Dear Chairman Zeringue:

Act 20 of 2019 appropriated \$211,700 in State General Fund (Direct) Non-Recurring Revenues for improvements to the Old U.S. Mint Building for the New Orleans Jazz Museum. The Office of State Museums/New Orleans Jazz Museum has been awarded a Federal Grant from the U.S. Department of Commerce, Economic Development Administration to expand the scope of this project.

Therefore, Facility Planning and Control is requesting authorization to accept federal funds via Interagency Transfer in the amount of \$1,250,000 from the U.S. Department of Commerce, Economic Development Administration.

Please place this item on the agenda of the next meeting of the Committee.

Sincerely,

Jason D. Sooter  
Director

Recommended for Approval: \_\_\_\_\_

Mark A. Moses  
Assistant Commissioner

Approved: \_\_\_\_\_

Jay Dardenne  
Commissioner of Administration

CC: Mr. Stephen Losavio, FPC  
Ms. Lisa Smeltzer, FPC  
Ms. Sue Gerald, FPC  
Ms. Ternisa Hutchinson, OPB  
Mr. Samuel Roubique, OPB  
Mr. Paul Fernandez, OPB  
Ms. Linda Hopkins, House Fiscal Division  
Mr. Mark Mahaffey, House Fiscal Division  
Mr. Daniel Waguespack, House Fiscal Division  
Ms. Dazia Briscoe, House Fiscal Division  
Ms. Martha Hess, Senate Counsel  
Ms. Bobbie Hunter, Senate Fiscal Division  
Ms. Debra Vivien, Senate Fiscal Division  
Ms. Raynel Gascon, Senate Fiscal Division  
Mr. Greg Lambousy, N.O. Jazz Museum  
Mr. Michael McKnight, Office of State Museums  
Mr. Rainier Simoneaux, FPC  
Mr. Perry Sims, FPC

Office of the Commissioner  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

May 13, 2022

The Honorable Jerome Zeringue, Chairman  
Joint Legislative Committee on the Budget  
P.O. Box 44294 Capitol Station  
Baton Rouge, Louisiana 70804

**RE: Supplemental Funds Request  
Site Security Improvements  
Louisiana Court of Appeal, First Circuit - State Capitol Park  
Baton Rouge, Louisiana  
Project No: 01-107-93B-12, WBS F.01004338**

Dear Chairman Zeringue,

Act 485 of 2021 appropriated \$3,750,000 of General Obligation Bonds and \$7,000,000 of non-recurring State General Funds (Direct) for State Office Building Major Repairs, Equipment Replacement, and Renovation, Planning and Construction (Statewide). These funds are utilized towards the repair and renovation of all buildings owned, operated and maintained by the Division of Administration statewide. As the owner of an Office of State Buildings managed facility, the Louisiana Court of Appeal, First Circuit has approached the Office of State Buildings with the purpose of self-funding a project with surplus operating revenue to design and construct supplemental security measures in their Judges' parking lot. This project is to include all work to facilitate the addition of a guard booth, fencing with operable gates, and access control modifications.

Facility Planning and Control is therefore requesting authorization to accept supplemental funding in the amount of \$400,000 from the Louisiana Court of Appeal, First Circuit.

Please place this item on the agenda for the next meeting of the committee.

Sincerely,



Jason D. Sooter  
Director

Recommended for Approval: \_\_\_\_\_



Mark A. Moses  
Assistant Commissioner

Approved: \_\_\_\_\_



Jay Dardenne  
Commissioner of Administration

CC: Mr. Stephen Losavio, FPC  
Ms. Lisa Smeltzer, FPC  
Ms. Sue Gerald, FPC  
Ms. Ternisa Hutchinson, OPB  
Mr. Samuel Roubique, OPB  
Mr. Paul Fernandez, OPB  
Ms. Linda Hopkins, House Fiscal Division  
Mr. Mark Mahaffey, House Fiscal Division  
Mr. Daniel Waguespack, House Fiscal Division  
Ms. Dazia Briscoe, House Fiscal Division  
Ms. Martha Hess, Senate Counsel  
Ms. Bobbie Hunter, Senate Fiscal Division  
Ms. Debra Vivien, Senate Fiscal Division  
Ms. Raynel Gascon, Senate Fiscal Division

Office of the Commissioner  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

May 13, 2022

The Honorable Jerome Zeringue, Chairman  
Joint Legislative Committee on the Budget  
Post Office Box 44294, Capitol Station  
Baton Rouge, Louisiana 70804

**RE: Reporting of Change Orders over \$50,000 and under \$100,000  
Facility Planning and Control**

Dear Chairman Zeringue:

In accordance with R.S. 39:126 any change order in excess of fifty thousand dollars but less than one hundred thousand dollars shall be submitted to the Joint Legislative Committee on the Budget for review but shall not require committee approval. Pursuant to this authority Facility Planning and Control has issued change orders that are itemized on the attached list.

Please place this item on the agenda of the next meeting of the Committee.

Sincerely,

Jason D. Sooter  
Director

Recommended for Approval:

  
Mark A. Moses  
Assistant Commissioner

Approved:

  
Jay Dardenne  
Commissioner of Administration

CC: Mr. Stephen Losavio, FPC  
Ms. Lisa Smeltzer, FPC  
Ms. Sue Gerald, FPC  
Ms. Ternisa Hutchinson, OPB  
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Ms. Martha Hess, Senate Counsel  
Ms. Bobbie Hunter, Senate Fiscal Division  
Ms. Debra Vivien, Senate Fiscal Division  
Ms. Raynel Gascon, Senate Fiscal Division

1) **Replace/Repair Exterior Handrails**  
**Pentagon Barracks Buildings A, B, C, & D**  
**State Capitol Park**  
**Baton Rouge, Louisiana**  
**Project No: 01-107-06B-11, WBS F.01004023**  
**01-107-18-02, WBS F.01004024 (Supplement)**

**Date of Contract: December 29, 2021**

**Original Contract Amount: \$643,150.00**

**Contract amount increased by Change Order 1: \$ 96,725.00**

**New contract sum: \$739,875.00**

- **Change Order 1** increases the Contract amount by \$96,725 to allow for the replacement of additional sections of handrails on all four of the Pentagon Barracks Buildings. These additional repairs are the result of rotted conditions that were concealed during the Designer's initial handrail evaluations for the project. These repairs are necessary in order to restore the structural integrity of the handrails identified in the Change Order documentation.



**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET**  
STATE CAPITOL  
P.O. BOX 44294, CAPITOL STATION  
BATON ROUGE, LOUISIANA 70804

**MEMORANDUM**

To: Representative Jerome Zeringue, Chairman  
Senator Bodi White, Vice Chairman  
Members of the Joint Legislative Committee on the Budget (JLCB)

From: Stephanie Little, Attorney  
House Fiscal Division

Date: June 3, 2022

Subject: Approval of State Retirement Systems' FY 2022-23 Operating Budgets

R.S. 11:176 and R.S. 39:81 require each of the four state public retirement systems to submit their respective operating budgets to the Joint Legislative Committee on the Budget (JLCB) for review and approval.

The four state retirement systems are as follows:

- Louisiana State Employees' Retirement System (LASERS)
- Teachers' Retirement System of Louisiana (TRSL)
- Louisiana School Employees' Retirement System (LSERS)
- Louisiana State Police Retirement System (STPOL)

R.S. 39:81(B) provides that the four state retirement systems must submit their proposed operating budgets to JLCB for review and approval at the same time as required for submission of state agency budgets. The state retirement systems submitted their FY 2022-23 operating budgets to the JLCB in compliance with the law. In each case, the systems' respective boards had previously approved the proposed operating budgets.

R.S. 39:81(B) further provides that the proposed operating budget request documents for the state retirement systems shall include, at a minimum, the following:

- Actual expenditures for the prior year
- Projected expenditures for the current and ensuing years
- A listing and itemization of each type of professional, personal or consulting service contract, along with the general purpose of each professional service as well as reasonable information concerning prior need for the requested services
- A personnel table containing salary information on authorized, estimated, and requested positions
- Any other information specified by the JLCB

**R.S. 11:102(B)(3)(e) provides that the non-investment related administrative expenses of each state retirement system are funded directly through employer contributions.** These contributions, once received by the system, are categorized as Fees & Self-Generated Revenues for accounting purposes.

Below is a combined, high-level budget summary for the four state retirement systems. For more detail, see the attached addendum for further information and analysis of each system’s proposed budget.

<b>FY 2022-23 Budget Summary (Includes all four State Retirement Systems)</b>					
	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>\$ Change</b>	<b>% Change</b>
	<b><u>Actual</u></b>	<b><u>Budgeted</u></b>	<b><u>Requested</u></b>	<b><u>from Budgeted</u></b>	<b><u>from Budgeted</u></b>
<b>Means of Finance:</b>					
Total Fees & Self-Generated Revenues	\$118,399,491	\$139,686,926	\$149,388,020	\$9,701,094	7%
<b>Total Means of Finance</b>	<b>\$118,399,491</b>	<b>\$139,686,926</b>	<b>\$149,388,020</b>	<b>\$9,701,094</b>	<b>7%</b>
<b>Expenditures:</b>					
Personal Services	\$34,536,634	\$38,186,798	\$39,235,307	\$1,048,509	3%
Operating Services	\$6,378,694	\$7,563,924	\$10,272,823	\$2,708,899	36%
Professional Services	\$1,608,319	\$2,183,800	\$2,312,500	\$128,700	6%
Other Charges	\$73,309	\$90,000	\$90,000	\$0	0%
Acquisitions & Major Repairs	\$743,511	\$749,500	\$800,000	\$50,500	7%
<b>Subtotal Administrative Expenditures</b>	<b>\$43,340,467</b>	<b>\$48,774,022</b>	<b>\$52,710,630</b>	<b>\$3,936,608</b>	<b>8%</b>
<i>Investment Management Fees</i>	\$75,059,024	\$90,912,904	\$96,677,390	\$5,764,486	6%
<b>Total Expenditures</b>	<b>\$118,399,491</b>	<b>\$139,686,926</b>	<b>\$149,388,020</b>	<b>\$9,701,094</b>	<b>7%</b>
<b>Total Expenditures by System:</b>					
LASERS Total Operating Expenditures	\$46,706,166	\$54,710,612	\$57,029,000	\$2,318,388	4%
TRSL Total Operating Expenditures	\$58,564,927	\$69,162,647	\$75,616,753	\$6,454,106	9%
LSERS Total Operating Expenditures	\$9,285,085	\$11,690,009	\$11,744,690	\$54,681	0%
STPOL Total Operating Expenditures	\$3,843,313	\$4,123,658	\$4,997,577	\$873,919	21%
<b>Total Expenditures</b>	<b>\$118,399,491</b>	<b>\$139,686,926</b>	<b>\$149,388,020</b>	<b>\$9,701,094</b>	<b>7%</b>
<b>Full-Time Equivalent (FTEs):</b>					
Classified	296	296	297	1	0%
Unclassified	28	28	29	1	0%
<b>Total FTEs</b>	<b>324</b>	<b>324</b>	<b>326</b>	<b>2</b>	<b>0%</b>

**Administrative Expenses:**

Overall, administrative expenditures are increasing by \$9.7 million from the current year. One-third of this is due to the inclusion of LASERS’ proposed \$3 million “below the line” project costs in reported operating services figures. Historically, LASERS has carried some multi-year project expenses below the line and not factored them into direct fiscal year operating costs. The dramatic increase in such below-

the-line costs for FY 23 prompted the inclusion of these costs into “Operating Services” in the analysis above for all three reported years. In the current year, LASERS has budgeted \$681,612 for multi-year projects. In FY 21, the actual expenditures for multi-year projects was \$470,416. For FY 23, the budgeted figure is \$3 million. No other system carries below-the-line expenses. The other two-thirds of the increase are due to increases in investment fees and personal services.

### **Investment Management Fees:**

Because investment fees are a large portion of each system’s operating budget, these expenditures are treated as a separate line item in the combined budget summary. Investment management fees are increasing by \$5.8 million, or 6%, from the current year for a total of \$96.7 million in projected expenditures. JLCB approved a revised budget for TRSL in April to increase FY 22 budgeted investment expenses from \$42 million to \$48 million due to significant increases in assets under management. STPOL, TRSL, and LSERS are projecting increases in investment fees for FY 23 versus current year budgeted amounts. Only LASERS is reducing its budgeted FY 23 investment fee amount, though its projected investment fees in the proposed FY 23 budget are \$5.4 million above FY 21 actual expenditures in this category.

### **Summary:**

Total FY 2022-23 expenditures for all four state retirement systems—including administrative and investment fees—are increasing by \$9.7 million, or 7%. This is not spread equally. As indicated in the table above, approximately one-third of this increase is attributable to the multi-year project budget for LASERS. LSERS is remaining relatively flat for FY 23. The projected increase for STPOL is due primarily to the increase in investment fees. The increase for TRSL is attributable to increased personal services and investment fees.

Each of the state retirement systems has provided additional information on their budget, which is included in member packets.

The state retirement system executive staff are prepared to provide the JLCB with up-to-date performance information for each system, covering items such as membership, benefits, asset valuation, investment yields, and unfunded accrued liability (UAL).

**TOTAL STATE RETIREMENT SYSTEMS**

Budget Category (Summary)	FY20-21 Actual	FY 2021-2022 Budgeted	FY 2022-2023 Proposed	FY 2021-22 Budgeted to 2020-21 Actuals	% Change Budgeted to Actuals	2022-2023 Proposed to FY 2021-22 Budgeted	% Change Proposed to Budgeted	2022-2023 Proposed to FY 2020-21 Actuals	% Change Proposed to Actuals
Personnel Services	\$ 34,536,634	\$ 38,186,798	\$ 39,235,307	\$ 3,650,164	11%	\$ 1,048,509	3%	\$ 4,698,673	14%
Operating Services	\$ 6,378,694	\$ 7,563,924	\$ 10,272,823	\$ 4,145,133	65%	\$ 2,708,899	36%	\$ 3,894,129	61%
Professional Services	\$ 1,608,319	\$ 2,183,800	\$ 2,312,500	\$ 575,481	36%	\$ 128,700	6%	\$ 704,181	44%
Other Charges and IAT Expenditures	\$ 73,309	\$ 90,000	\$ 90,000	\$ 16,691	23%	\$ -	0%	\$ 16,691	23%
Acquisitions	\$ 743,511	\$ 749,500	\$ 800,000	\$ 5,989	1%	\$ 50,500	7%	\$ 56,489	8%
<b>Administrative Expenses</b>	\$ 43,340,467	\$ 48,774,022	\$ 52,710,630	\$ 5,433,555	13%	\$ 3,936,608	8%	\$ 9,370,163	22%
Investment Fees	\$ 75,059,024	\$ 90,912,904	\$ 96,677,390	\$ 15,853,880	21%	\$ 5,764,486	6%	\$ 21,618,366	29%
<b>Total Expenses</b>	\$ 118,399,491	\$ 139,686,926	\$ 149,388,020	\$ 21,287,435	18%	\$ 9,701,094	7%	\$ 30,988,529	26%
<b>Total Number of Positions</b>	<b>324</b>	<b>324</b>	<b>326</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>1%</b>	<b>2</b>	<b>1%</b>
Classified	296	296	297						
Unclassified	28	28	29						

**LASERS**

Budget Category (Summary)	FY 20-21 Actual	FY 2021-2022 Budgeted	FY 2022-2023 Proposed	FY 2021-22 Budgeted to 2020-21 Actuals	% Change Budgeted to Actuals	FY 2021-22 Budgeted to 2022-2023 Proposed	% Change Proposed to Budgeted	2022-2023 Proposed to FY 2020-21 Actuals	% Change Proposed to Actuals
Personnel Services	\$ 15,602,702	\$ 16,761,300	\$ 16,977,000	\$ 1,158,598	7.4%	\$ 215,700	1%	\$ 1,374,298	9%
Operating Services	\$ 2,941,799	\$ 3,511,700	\$ 3,741,000	\$ 569,901	19.4%	\$ 229,300	7%	\$ 799,201	27%
Professional Services	\$ 388,557	\$ 509,000	\$ 511,000	\$ 120,443	31.0%	\$ 2,000	0%	\$ 122,443	32%
Other Charges and IAT Expenditures	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0%	\$ -	0%
Acquisitions	\$ 206,811	\$ 247,000	\$ 300,000	\$ 40,189	19.4%	\$ 53,000	21%	\$ 93,189	45%
Below-the-Line Projects	\$ 470,416	\$ 681,612	\$ 3,000,000	\$ 211,196	44.9%	\$ 2,318,388	340%	\$ 2,529,584	538%
<b>Total Operating Budgets</b>	\$ 19,610,285	\$ 21,710,612	\$ 24,529,000	\$ 2,100,327	0	\$ 2,818,388	13%	\$ 4,918,715	25%
Investment Fees	\$ 27,095,881	\$ 33,000,000	\$ 32,500,000	\$ 5,904,119	21.8%	\$ (500,000)	-2%	\$ 5,404,119	20%
<b>GRAND TOTAL with Investment Fees</b>	\$ 46,706,166	\$ 54,710,612	\$ 57,029,000	\$ 8,004,446	17.1%	\$ 2,318,388	4%	\$ 10,322,834	22%
<b>Total Number of Positions</b>	<b>137</b>	<b>137</b>	<b>137</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
Classified	125	125	125						
Unclassified	12	12	12						

**TRSL**

Budget Category (Summary)	FY 2020-21 Actual	FY 2021-22 Budgeted	FY 2022-23 Proposed	FY 2021-22 Budgeted to FY 2020-21 Actuals	% Change Budgeted to Actuals	FY 2021-22 Budgeted to 2022-2023 Proposed	% Change Proposed to Budgeted	2022-2023 Proposed to FY 2020-21 Actuals	% Change Proposed to Actuals
Personnel Services	\$ 15,033,713	\$ 17,193,809	\$ 18,031,475	\$ 2,160,096	14%	\$ 837,666	5%	\$ 2,997,762	20%
Operating Services	\$ 2,311,626	\$ 2,579,838	\$ 2,678,888	\$ 268,212	12%	\$ 99,050	4%	\$ 367,262	16%
Professional Services	\$ 599,191	\$ 959,000	\$ 1,034,000	\$ 359,809	60%	\$ 75,000	8%	\$ 434,809	73%
Other Charges and IAT Expenditures	\$ 73,309	\$ 90,000	\$ 90,000	\$ 16,691	23%	\$ -	0%	\$ 16,691	23%
Acquisitions	\$ 336,874	\$ 340,000	\$ 340,000	\$ 3,126	1%	\$ -	0%	\$ 3,126	1%
<b>Total Operating Budgets</b>	\$ 18,354,713	\$ 21,162,647	\$ 22,174,363	\$ 2,807,934	15%	\$ 1,011,716	5%	\$ 3,819,650	21%
Investment Fees	\$ 40,210,214	\$ 48,000,000	\$ 53,442,390	\$ 7,789,786	19%	\$ 5,442,390	11%	\$ 13,232,176	33%
<b>GRAND TOTAL with Investment Fees</b>	\$ 58,564,927	\$ 69,162,647	\$ 75,616,753	\$ 10,597,720	18%	\$ 6,454,106	9%	\$ 17,051,826	29%
<b>Total Number of Positions</b>	<b>153</b>	<b>153</b>	<b>156</b>	<b>0</b>	<b>0%</b>	<b>3</b>	<b>2%</b>	<b>3</b>	<b>2%</b>
Classified	143	143	145						
Unclassified	10	10	11						

**LSERS**

Budget Category	FY 2020-21 Actual	FY 2021-22 Budgeted	FY 2022-23 Proposed	FY 2020-21 Budgeted to FY 2020-21 Actuals	% Change Budgeted to Actuals	FY 2021-22 Budgeted to 2022-2023 Proposed	% Change Proposed to Budgeted	2022-2023 Proposed to FY 2020-21 Actuals	% Change Proposed to Actuals
Personnel Services	\$ 3,256,498	\$ 3,415,531	\$ 3,406,255	\$ 159,033	5%	\$ (9,276)	0%	\$ 149,757	5%
Operating Services	\$ 552,633	\$ 683,774	\$ 712,935	\$ 131,141	24%	\$ 29,161	4%	\$ 160,302	29%
Professional Services	\$ 232,271	\$ 282,800	\$ 295,500	\$ 50,529	22%	\$ 12,700	4%	\$ 63,229	27%
Other Charges and IAT Expenditures	\$ -	\$ -	\$ -	\$ -	0%	\$ -	0%	\$ -	0%
Acquisitions	\$ 171,746	\$ 95,000	\$ 95,000	\$ (76,746)	-45%	\$ -	0%	\$ (76,746)	-45%
<b>Total Operating Budgets</b>	\$ 4,213,148	\$ 4,477,105	\$ 4,509,690	\$ 263,957	6%	\$ 32,585	1%	\$ 296,542	7%
Investment Fees	\$ 5,071,937	\$ 7,212,904	\$ 7,235,000	\$ 2,140,967	42%	\$ 22,096	0%	\$ 2,163,063	43%
<b>GRAND TOTAL with Investment Fees</b>	\$ 9,285,085	\$ 11,690,009	\$ 11,744,690	\$ 2,404,924	26%	\$ 54,681	0%	\$ 2,459,605	26%
<b>Total Number of Positions</b>	<b>29</b>	<b>29</b>	<b>28</b>	<b>0</b>	<b>0%</b>	<b>(1)</b>	<b>-3%</b>	<b>(1)</b>	<b>-3%</b>
Classified	25	25	24						
Unclassified	4	4	4						

**LSPRS**

Budget Category	FY 2020-21 Actual	FY 2021-22 Budgeted	FY 2022-23 Proposed	FY 2020-21 Budgeted to FY 2020-21 Actuals	% Change Budgeted to Actuals	FY 2021-22 Budgeted to 2022-2023 Proposed	% Change Proposed to Budgeted	2022-2023 Proposed to FY 2020-21 Actuals	% Change Proposed to Actuals
Personnel Services	\$ 643,721	\$ 816,158	\$ 820,577	\$ 172,437	27%	\$ 4,419	1%	\$ 176,856	27%
Operating Services	\$ 102,220	\$ 107,000	\$ 140,000	\$ 4,780	5%	\$ 33,000	31%	\$ 37,780	37%
Professional Services	\$ 388,300	\$ 433,000	\$ 472,000	\$ 44,700	12%	\$ 39,000	9%	\$ 83,700	22%
Other Charges and IAT Expenditures	\$ -	\$ -	\$ -	\$ -	0%	\$ -	0%	\$ -	0%
Acquisitions	\$ 28,080	\$ 67,500	\$ 65,000	\$ 39,420	140%	\$ (2,500)	-4%	\$ 36,920	131%
<b>Total Operating Budgets</b>	\$ 1,162,321	\$ 1,423,658	\$ 1,497,577	\$ 261,337	22%	\$ 73,919	5%	\$ 335,256	29%
Investment Fees	\$ 2,680,992	\$ 2,700,000	\$ 3,500,000	\$ 19,008	1%	\$ 800,000	30%	\$ 819,008	31%
<b>GRAND TOTAL with Investment Fees</b>	\$ 3,843,313	\$ 4,123,658	\$ 4,997,577	\$ 280,345	7%	\$ 873,919	21%	\$ 1,154,264	30%
<b>Total Number of Positions</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
Classified	3	3	3						
Unclassified	2	2	2						

The background features a collage of financial data visualizations. On the left, a white calculator is partially visible with buttons for '+/-' and 'ON/CEC'. The central focus is a light blue square with a white border containing the text 'Operating BUDGET'. To the right, a black pen lies diagonally. The background is filled with various charts: a line graph with blue circles, a bar chart with blue bars, a pie chart with segments labeled '15%' and '12%', and another bar chart with a data point labeled 'x200, y150'. The overall theme is financial analysis and budgeting.

# Operating BUDGET



Teachers' Retirement System of Louisiana

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BOARD OF TRUSTEES

MEMORANDUM

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5th District

David A. Hennigan
Vice Chair
4th District

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1st District

Lotte T. Delaney, M.P.A.
2nd District

Tia T. Mills, Ed.D.
3rd District

Ricky Julien, Sr., M.Ed.
6th District

Suzanne Breaux
7th District

Jerry J. Baudin, Ph.D.
Retired Members

James A. Taylor, Sr., J.D., Ph.D.
Retired Members

Sommer Purvis
School Food Service

Paul E. Nelson, Ph.D.
Superintendents

Thomas F. Stafford, Ph.D.
Colleges & Universities

Appointed

Lance Harris
Chair, House
Retirement Committee

Ex Officio

Edward J. "Ed" Price
Chair, Senate
Retirement Committee

John M. Schroder
State Treasurer

Cade Brumley, Ed.D.
State Superintendent
of Education

Jay Dardenne
Commissioner, Division
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Director
Katherine Whitney

Deputy Director
Douglas Swenson

Assistant Director
Jeff LaCour

Chief Investment Officer
Philip Griffith

Executive Counsel
Kenneth L. "Trey" Roche, III

Executive Staff Officer
Lisa Barousse

Executive Assistant
Shameeka Kaufman

To: Board of Trustees
From: Katherine M. Whitney, Director Kw
Date: October 22, 2021
Re: 2022-2023 Operating Budget

Enclosed is a copy of the proposed 2022-2023 Operating Budget. This budget contains two major categories—administrative expenses and investment-related expenses.

The administrative portion of the budget, which includes all categories except investments, reflects an increase of \$1,011,716 (4.8%) from the 2021-2022 budget. The increase is primarily due to higher mandated personnel costs, including market rate salary adjustments required by Civil Service and expected increases in health insurance and retirement.

Additionally, the proposed budget reflects an increase in the number of full-time staff (FTE) from 153 to 156. This increase is necessitated by growth in membership and investment assets. Even at 156 FTEs, this still represents an 11% reduction from a high of 175 FTEs in 2011.

The investments portion of the budget increased by \$11,442,390 (27.2%) from the 2021-2022 budget. The increase is attributable to the impact our record-breaking market values have on advisor fees. As investment values increase, advisor fee payments increase.

The overall budget, including investment expenses, reflects a total increase of \$12,454,106, or 19.7%, from the 2021-2022 budget.

The chart below shows a comparison of the total budget for 2021-2022 against the proposed 2022-2023 budget. Changes between the proposed and current budgets are outlined by major category.

Table with 2 columns: Category and Amount. Rows include Total Approved Operating Budget for 2021-2022 (\$63,162,647), Change in: Personnel Services (\$837,666), Travel Expenses (0), Operating Services (\$99,050), Supplies (0), Professional Services (\$75,000), Other Charges (0), Interagency Transfers (0), Acquisitions (0), Investment Expenses (\$11,442,390), and Total Proposed Operating Budget for 2022-2023 (\$75,616,753).

Toll free (outside the Baton Rouge area): 1.877.ASK.TRSL (1.877.275.8775)
TRSL is an equal opportunity employer and complies with the Americans with Disabilities Act.

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## Four-year budget comparison — Fiscal years 2019-20 through 2022-23

	Budget 2019-20	Budget 2020-21	Actual 2020-21	Budget 2021-22	Budget Request 2022-23	% Increase/ Decrease	2021-22 to 2022-23 Variance
<b>ADMINISTRATIVE EXPENSES</b>							
<b>Personnel Services:</b>							
Salaries	\$ 10,766,769	\$ 11,025,047	\$ 9,919,438	\$ 11,315,763	\$ 11,819,836	4.45%	\$ 504,073
Overtime	50,000	50,000	18,603	50,000	50,000	0.00%	0
Termination	70,000	90,000	126,280	70,000	100,000	42.86%	30,000
Students, Interns, Law Clerk	50,000	52,650	18,073	66,690	66,690	0.00%	0
Per Diem - Board Members	21,000	21,000	6,600	21,000	21,000	0.00%	0
Related benefits	5,609,183	5,773,454	4,944,719	5,670,356	5,973,949	5.35%	303,593
<b>Total Personnel Services</b>	<b>\$ 16,566,952</b>	<b>\$ 17,012,151</b>	<b>\$ 15,033,714</b>	<b>\$ 17,193,809</b>	<b>\$ 18,031,475</b>	<b>4.87%</b>	<b>\$ 837,666</b>
<b># of Positions</b>	153	153	153	153	156	1.96%	3
<b>Travel Expenses</b>	<b>\$ 109,000</b>	<b>\$ 96,000</b>	<b>\$ 13,746</b>	<b>\$ 96,000</b>	<b>\$ 96,000</b>	<b>0.00%</b>	<b>\$ 0</b>
<b>Operating Services:</b>							
Advertising	\$ 9,500	\$ 10,000	\$ 7,894	\$ 10,045	\$ 11,220	11.70%	\$ 1,175
Printing	70,530	57,100	35,060	64,100	64,100	0.00%	0
Insurance	190,000	195,000	145,323	160,000	180,000	12.50%	20,000
Automotive repairs	4,000	4,000	334	4,000	4,000	0.00%	0
Maintenance - Equipment/Computer	577,800	573,600	335,299	508,700	508,700	0.00%	0
Rentals-Building	834,000	834,000	830,369	834,000	834,000	0.00%	0
Rentals-Equipment	89,000	89,000	81,307	89,000	89,000	0.00%	0
Rentals-Data Storage	83,000	83,300	95,825	79,300	86,300	8.83%	7,000
Dues and Subscriptions	88,263	102,335	85,658	111,235	119,903	7.79%	8,668
Postage	428,715	400,473	346,479	375,473	375,473	0.00%	0
Telephone	88,000	88,000	104,612	97,000	97,000	0.00%	0
Bank Charges, Other Chgs., Mail Svcs.	52,192	52,192	164,969	80,985	143,192	76.81%	62,207
<b>Total Operating Services</b>	<b>\$ 2,515,000</b>	<b>\$ 2,489,000</b>	<b>\$ 2,233,129</b>	<b>\$ 2,413,838</b>	<b>\$ 2,512,888</b>	<b>4.10%</b>	<b>\$ 99,050</b>
<b>Supplies</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>	<b>\$ 64,751</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>	<b>0.00%</b>	<b>\$ 0</b>

## Four-year budget comparison — Fiscal years 2019-20 through 2022-23

	Budget 2019-20	Budget 2020-21	Actual 2020-21	Budget 2021-22	Budget Request 2022-23	% Increase/ Decrease	2021-22 to 2022-23 Variance
<b>Professional Services:</b>							
Accounting and Auditing	\$ 123,000	\$ 128,500	\$ 89,960	\$ 128,500	\$ 103,000	(19.84%)	\$ (25,500)
Actuarial	230,720	230,720	185,000	230,720	255,720	10.84%	25,000
Information Technology	42,600	48,100	60,784	112,680	79,300	(29.62%)	(33,380)
Legal	92,780	102,500	66,095	86,500	153,500	77.46%	67,000
Management & Consulting	55,000	55,580	59,963	107,000	124,880	16.71%	17,880
Medical	100,000	100,000	64,950	100,000	100,000	0.00%	0
Public Information	210,000	210,000	55,425	110,000	134,000	21.82%	24,000
Other Professional Services	104,900	83,600	17,014	83,600	83,600	0.00%	0
<b>Total Professional Services</b>	<b>\$ 959,000</b>	<b>\$ 959,000</b>	<b>\$ 599,192</b>	<b>\$ 959,000</b>	<b>\$ 1,034,000</b>	<b>7.82%</b>	<b>\$ 75,000</b>
<b>Other Charges:</b>							
Educational Expense & Other	\$ 21,000	\$ 31,000	\$ 18,427	\$ 31,000	\$ 31,000	0.00%	\$ 0
<b>Total Other Charges</b>	<b>\$ 21,000</b>	<b>\$ 31,000</b>	<b>\$ 18,427</b>	<b>\$ 31,000</b>	<b>\$ 31,000</b>	<b>0.00%</b>	<b>\$ 0</b>
<b>Interagency Transfers:</b>							
Department of Civil Service & Other	\$ 65,000	\$ 59,000	\$ 54,882	\$ 59,000	\$ 59,000	0.00%	\$ 0
<b>Total Interagency Transfers</b>	<b>\$ 65,000</b>	<b>\$ 59,000</b>	<b>\$ 54,882</b>	<b>\$ 59,000</b>	<b>\$ 59,000</b>	<b>0.00%</b>	<b>\$ 0</b>
<b>Acquisitions</b>	<b>\$ 340,000</b>	<b>\$ 340,000</b>	<b>\$ 336,874</b>	<b>\$ 340,000</b>	<b>\$ 340,000</b>	<b>0.00%</b>	<b>\$ 0</b>
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 20,645,952</b>	<b>\$ 21,056,151</b>	<b>\$ 18,354,714</b>	<b>\$ 21,162,647</b>	<b>\$ 22,174,363</b>	<b>4.78%</b>	<b>\$ 1,011,716</b>
<b>INVESTMENT EXPENSES</b>							
Custodian	\$ 390,000	\$ 390,000	\$ 389,464	\$ 390,000	\$ 390,000	0.00%	\$ 0
Investment Advisors	42,537,000	40,512,474	38,755,431	40,433,474	51,849,890	28.24%	11,416,416
Investment Performance Consultants	748,000	772,526	748,526	798,526	824,500	3.25%	25,974
Investment Monitoring & Compliance	325,000	325,000	316,793	378,000	378,000	0.00%	0
<b>Total Investment Expenses</b>	<b>\$ 44,000,000</b>	<b>\$ 42,000,000</b>	<b>\$ 40,210,214</b>	<b>\$ 42,000,000</b>	<b>\$ 53,442,390</b>	<b>27.24%</b>	<b>\$11,442,390</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 64,645,952</b>	<b>\$ 63,056,151</b>	<b>\$ 58,564,928</b>	<b>\$ 63,162,647</b>	<b>\$ 75,616,753</b>	<b>19.72%</b>	<b>\$12,454,106</b>

## Personnel services — 2022-23 budget supplemental data (Exhibit A)

<b>Staff</b>	TRSL will fund 156 positions for 2022-2023. Market rate salary adjustments increase required by Civil Service budgeted for classified and unclassified staff.	\$ 11,819,836
<b>Overtime</b>	Legislation implementation and disaster recovery.	50,000
<b>Termination</b>	Payout to employees for accrued leave when they retire or separate from service.	100,000
<b>Students, Interns, Law Clerks</b>	Includes positions classified as undergraduate and graduate students.	66,690
<b>Per Diem - Board</b>	Per diem payments for trustees' monthly committee and board meetings.	21,000
<b>Related Benefits</b>	Health and life insurance employer share, employer pension contributions, etc.	5,973,949
<b>TOTAL PERSONNEL SERVICES</b>		<b>\$ 18,031,475</b>

## In-state travel — 2022-23 budget supplemental data (Exhibit B)

In-State Travel & Training		
Division	Description	Cost
Board of Trustees	Travel to attend board meetings and LAPERS	\$ 32,300
Executive	Routine travel and in-state travel and training	5,115
Staff	Travel and training	7,155
<b>Total In-State Travel &amp; Training</b>		<b>\$ 44,570</b>

In-State Field Travel		
Division	Description	Cost
Admin Services	Travel to disaster recovery site	\$ 400
Employer Services	Employer Training	15,025
Information Technology	Travel to disaster recovery site	1,500
Public Information	Membership counseling and various trainings and workshops	6,050
Retirement & Audit	Employer Meetings	1,000
<b>Total In-State Field Travel</b>		<b>\$ 23,975</b>
<b>TOTAL IN-STATE TRAVEL</b>		<b>\$ 68,545</b>

## Out-of-state travel level — 2022-23 budget supplemental data (Exhibit C)

Out-of-State Travel		
Division	Description	Cost
Board of Trustees	Due Diligence investment related travel	\$ 2,000
Executive	NASRA, NCTR	10,775
Legal	NAPPA	2,105
Audit	Audit Out-of-State Travel	1,750
Accounting	P2F2	1,375
Public Information	NPEA	1,950
Investment	Investment Related Travel	7,500
<b>TOTAL OUT-OF-STATE TRAVEL</b>		<b>\$ 27,455</b>

## Dues & subscriptions — 2022-23 budget supplemental data (Exhibit D)

<b>Board Members</b>	Diligent, LAPERS	\$ 10,200
<b>Executive Department</b>	COX, GFOA, IIA, ISACA, Legislative Legal Seminar, LAPERS, LASBA, LADB Assessment, LA Society of CPA's, NASRA, NCTR, NIRS, PAR2, PRAL, Zoom	29,009
<b>Legal</b>	BR Bar Association, Bound Acts of the Legislature, COX, LAPERS, LASBA, LADB Assessment, Legiscon, NAPPA, Public Affairs Research Council of LA, US District Court, Westlaw Services	36,095
<b>Investments</b>	Becker, Bar Association, CAIA, CFA, IIA, ILPA, LAPERS, NASIO, Pensions Fund Data Exchange, Wall Street Journal	13,525
<b>Accounting</b>	Becker, GASB Comprehensive Plan, GFOA, GFOA Certification Review (Comprehensive AFR & PAFR), Payroll Managers Letter, Program Business Publication, P2F2, Southern Financial Exchange	6,660
<b>Retirement</b>	COX	400
<b>Information Technology</b>	CISD, Copernic Desktop Search, Experts Exchange	608
<b>Audit</b>	APPFA, Becker, Fraud and Forensic Accounting, IIA, ISACA, LA Workforce Commission	4,315
<b>Public Information</b>	COX, EMMA, Getty Images, LogMeIn, NPEA, PRAL, Prezi, Survey Monkey, The Advocate	14,410
<b>Human Resources</b>	HR Laws, IPMA, LA Employment Law, LSU Courses, SHRMA	2,862
<b>Employer Services</b>	AGA, Becker, COX, IIA, NAGDCA	1,819
<b>TOTAL DUES &amp; SUBSCRIPTIONS</b>		<b>\$ 119,903</b>

## Professional services — 2022-23 budget supplemental data (Exhibit E)

<b>Executive Department</b>	Foster & Foster Actuaries & Consultants, CEM Administration Benchmarking, Inc., Fiduciary Services, Professional Travel	\$ 317,720
<b>Legal</b>	Ice Miller - LLC Tax Law, Avant & Falcon - Employment Law, Keen Miller, Klausner & Kaufman, Legal Remediation Settlements	153,500
<b>Accounting</b>	Hawthorn, Waymouth & Carroll, L.L.P., Sage Accounting System Support, Lexus Nexus, Postlethwaite & Netterville	98,400
<b>Retirement</b>	Medical Services, Pension Benefit Information, Inc., EVVE, Lexus Nexus	117,800
<b>Information Technology</b>	Bowen ECM Solutions, Communications Consulting Group, Data Integrity - RMJ Consulting and Sylint, Delphia, Disaster Recovery Vendors, KnoB4, Phone System Support, Plural Sight, Prosource Data Center, Scope Solutions, TRACE Security Penetration Testing, Transformyx	199,180
<b>Audit</b>	Investment Audits, ACL Audit Support	10,000
<b>Human Resources</b>	RN Expertise, HireRight	3,400
<b>Public Information</b>	Election America, Modiphy, Inc.	134,000
<b>TOTAL PROFESSIONAL SERVICES</b>		<b>\$ 1,034,000</b>

## Investment-related expenses — 2022-23 budget supplemental data (Exhibit F)

<b>Investment Manager Fees</b>	
International Equity	\$ 12,926,094
Domestic Equity	19,318,612
Domestic Fixed Income	2,436,466
Core Real Estate	7,063,795
Alternative Investment Manager	2,179,996
Global Fixed Income	6,616,929
Global REIT	1,307,998
<b>Investment Custodian</b>	
BNY Mellon	\$ 390,000
<b>Investment Performance Consultant</b>	
Aon Hewitt Investment Consulting, Inc.	\$ 650,000
<b>ORP Investment Performance Consultant</b>	
Mercer	\$ 150,500
<b>Alternative Asset Performance</b>	
Pitchbook	\$ 24,000
<b>Investment Monitoring &amp; Compliance</b>	
	\$ 378,000
<b>TOTAL INVESTMENT-RELATED EXPENSES</b>	<b>\$ 53,442,390</b>

## Acquisitions — 2022-23 budget supplemental data (Exhibit G)

Division	Description	Cost
<b>Information Technology</b>	Network Servers/Personal Computers, PC Printers, Network Devices, and Software Licenses	\$ 315,000
<b>Total Acquisitions-Computer</b>		<b>\$ 315,000</b>
<b>Administrative Services</b>	Automobile — To replace the 2013 Ford Explorer or 2014 Dodge Caravan used for retirement and employer seminar field travel	\$ 25,000
<b>Total Acquisitions-Automobile</b>		<b>\$ 25,000</b>
<b>TOTAL ACQUISITIONS</b>		<b>\$ 340,000</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>BOARD OF TRUSTEES</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES - PER DIEM	\$ 6,600	\$ 21,000	\$ 21,000	\$ 21,000
TRAVEL	13,513	34,300	34,300	34,300
OPERATING SERVICES	127	1,700	1,700	10,200
SUPPLIES	1,045	800	800	800
PROFESSIONAL SERVICES	-	-	-	-
OTHER CHARGES	-	-	-	-
INTERAGENCY TRANSFERS	-	-	-	-
ACQUISITIONS	-	-	-	-
INVESTMENT EXPENSES	-	-	-	-
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 21,285</b>	<b>\$ 57,800</b>	<b>\$ 57,800</b>	<b>\$ 66,300</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>EXECUTIVE</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES	\$ 1,621,720	\$ 1,494,158	\$ 1,515,656	\$ 1,567,963
TRAVEL	-	10,815	15,890	15,890
OPERATING SERVICES	21,076	27,454	28,579	30,529
SUPPLIES	10,887	11,000	11,000	11,000
PROFESSIONAL SERVICES	185,000	292,720	292,720	317,720
OTHER CHARGES	-	-	-	-
INTERAGENCY TRANSFERS	-	-	-	-
ACQUISITIONS	-	-	-	-
INVESTMENT EXPENSES	-	-	-	-
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 1,838,683</b>	<b>\$ 1,836,147</b>	<b>\$ 1,863,845</b>	<b>\$ 1,943,102</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>LEGAL</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES	\$ 589,449	\$ 690,402	\$ 688,944	\$ 719,625
TRAVEL	24	3,980	3,980	3,980
OPERATING SERVICES	29,138	35,700	35,190	36,595
SUPPLIES	613	600	600	600
PROFESSIONAL SERVICES	66,095	102,500	86,500	153,500
OTHER CHARGES	-	-	-	-
INTERAGENCY TRANSFERS	-	-	-	-
ACQUISITIONS	-	-	-	-
INVESTMENT EXPENSES	-	-	-	-
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 685,319</b>	<b>\$ 833,182</b>	<b>\$ 815,214</b>	<b>\$ 914,300</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>INVESTMENTS</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES	\$ 1,494,554	\$ 1,578,400	\$ 1,592,705	\$ 1,886,362
TRAVEL	-	6,125	8,300	8,300
OPERATING SERVICES	15,270	17,475	17,475	20,025
SUPPLIES	149	500	500	500
PROFESSIONAL SERVICES	-	-	-	-
OTHER CHARGES	-	-	-	-
INTERAGENCY TRANSFERS	-	-	-	-
ACQUISITIONS	-	-	-	-
INVESTMENT EXPENSES	40,210,214	42,000,000	42,000,000	53,442,390
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 41,720,187</b>	<b>\$ 43,602,500</b>	<b>\$ 43,618,980</b>	<b>\$ 55,357,577</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>ACCOUNTING</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES	\$ 2,241,067	\$ 2,727,066	\$ 2,637,640	\$ 2,617,761
TRAVEL	-	2,375	2,375	2,375
OPERATING SERVICES	1,209,627	1,124,600	1,122,108	1,211,660
SUPPLIES	1,853	3,000	3,000	3,000
PROFESSIONAL SERVICES	97,195	123,900	123,900	98,400
OTHER CHARGES	-	-	-	-
INTERAGENCY TRANSFERS	-	-	-	-
ACQUISITIONS	-	-	-	-
INVESTMENT EXPENSES	-	-	-	-
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 3,549,742</b>	<b>\$ 3,980,941</b>	<b>\$ 3,889,023</b>	<b>\$ 3,933,196</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>ADMINISTRATIVE SERVICES</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES	\$ 380,587	\$ 442,171	\$ 424,159	\$ 426,259
TRAVEL	-	1,000	1,000	1,000
OPERATING SERVICES	489,708	587,265	562,265	562,265
SUPPLIES	26,019	28,000	28,000	28,000
PROFESSIONAL SERVICES	-	-	-	-
OTHER CHARGES	-	-	-	-
INTERAGENCY TRANSFERS	-	-	-	-
ACQUISITIONS	-	-	25,000	25,000
INVESTMENT EXPENSES	-	-	-	-
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 896,314</b>	<b>\$ 1,058,436</b>	<b>\$ 1,040,424</b>	<b>\$ 1,042,524</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>AUDIT</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES	\$ 503,164	\$ 537,106	\$ 559,867	\$ 542,276
TRAVEL	-	3,410	2,660	2,660
OPERATING SERVICES	2,448	2,680	3,260	4,415
SUPPLIES	10	500	500	500
PROFESSIONAL SERVICES	-	10,000	10,000	10,000
OTHER CHARGES	-	-	-	-
INTERAGENCY TRANSFERS	-	-	-	-
ACQUISITIONS	-	-	-	-
INVESTMENT EXPENSES	-	-	-	-
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 505,622</b>	<b>\$ 553,696</b>	<b>\$ 576,287</b>	<b>\$ 559,851</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>HUMAN RESOURCES</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES	\$ 1,073,125	\$ 1,293,708	\$ 1,252,194	\$ 1,328,293
TRAVEL	-	500	500	500
OPERATING SERVICES	2,602	2,862	2,862	2,862
SUPPLIES	463	600	600	600
PROFESSIONAL SERVICES	2,465	3,400	3,400	3,400
OTHER CHARGES	18,427	31,000	31,000	31,000
INTERAGENCY TRANSFERS	54,882	59,000	59,000	59,000
ACQUISITIONS	-	-	-	-
INVESTMENT EXPENSES	-	-	-	-
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 1,151,965</b>	<b>\$ 1,391,070</b>	<b>\$ 1,349,556</b>	<b>\$ 1,425,655</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>INFORMATION TECHNOLOGY</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES	\$ 2,338,455	\$ 3,045,476	\$ 3,078,745	\$ 3,109,556
TRAVEL	210	2,000	1,500	1,500
OPERATING SERVICES	426,435	632,470	576,570	576,708
SUPPLIES	16,913	17,000	17,000	17,000
PROFESSIONAL SERVICES	115,141	98,680	214,680	199,180
OTHER CHARGES	-	-	-	-
INTERAGENCY TRANSFERS	-	-	-	-
ACQUISITIONS	336,874	340,000	315,000	315,000
INVESTMENT EXPENSES	-	-	-	-
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 3,234,028</b>	<b>\$ 4,135,626</b>	<b>\$ 4,203,495</b>	<b>\$ 4,218,944</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>PUBLIC INFORMATION</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES	\$ 412,795	\$ 401,239	\$ 580,831	\$ 571,522
TRAVEL	-	13,225	8,500	8,500
OPERATING SERVICES	32,012	54,710	61,610	55,410
SUPPLIES	2,862	4,500	4,500	4,500
PROFESSIONAL SERVICES	55,425	210,000	110,000	134,000
OTHER CHARGES	-	-	-	-
INTERAGENCY TRANSFERS	-	-	-	-
ACQUISITIONS	-	-	-	-
INVESTMENT EXPENSES	-	-	-	-
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 503,094</b>	<b>\$ 683,674</b>	<b>\$ 765,441</b>	<b>\$ 773,932</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>RETIREMENT</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES	\$ 3,159,059	\$ 3,464,171	\$ 3,509,131	\$ 3,869,468
TRAVEL	-	2,800	1,500	1,500
OPERATING SERVICES	4,002	400	400	400
SUPPLIES	3,900	2,750	2,750	2,750
PROFESSIONAL SERVICES	77,870	117,800	117,800	117,800
OTHER CHARGES	-	-	-	-
INTERAGENCY TRANSFERS	-	-	-	-
ACQUISITIONS	-	-	-	-
INVESTMENT EXPENSES	-	-	-	-
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 3,244,831</b>	<b>\$ 3,587,921</b>	<b>\$ 3,631,581</b>	<b>\$ 3,991,918</b>

## Budget by department at category level — 2022-23 budget supplemental data

<b>EMPLOYER SERVICES</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>PRIOR YEAR OPERATING BUDGET 2020-21</b>	<b>EXISTING OPERATING BUDGET 2021-22</b>	<b>TOTAL REQUEST 2022-23</b>
PERSONNEL SERVICES	\$ 1,213,137	\$ 1,317,253	\$ 1,332,937	\$ 1,371,390
TRAVEL	-	15,470	15,495	15,495
OPERATING SERVICES	684	1,684	1,819	1,819
SUPPLIES	39	750	750	750
PROFESSIONAL SERVICES	-	-	-	-
OTHER CHARGES	-	-	-	-
INTERAGENCY TRANSFERS	-	-	-	-
ACQUISITIONS	-	-	-	-
INVESTMENT EXPENSES	-	-	-	-
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$ 1,213,860</b>	<b>\$ 1,335,157</b>	<b>\$ 1,351,001</b>	<b>\$ 1,389,454</b>

# Personnel budget for Fiscal Year 2022-23

Employee Name	Position Number	Position Title	AS/TS Level	Annual Salary as of 06/30/2022	Increase/Decrease after 06/30/2022	Projected Salary for 2022-23
<b>Executive Department</b>						
Barousse, Elizabeth	50382436	Executive Staff Officer	AS-616	\$ 77,230	\$ 2,526	\$ 79,756
Honore, Lisa	50533160	Executive Liaison Officer (U/C)		156,478	5,297	161,776
Jenkins-King, Robyn	50393606	Policy Planner 3	AS-617	82,618	2,707	85,325
Whitney, Katherine	00052750	Director (U/C)		291,179	9,856	301,035
<b>Subtotal</b>			<b>4</b>	<b>607,506</b>	<b>20,387</b>	<b>627,892</b>
<b>Member and Employer Services</b>						
Swenson, Douglas	50371150	Deputy Director (U/C)		209,061	7,075	216,136
Kaufman, Shameeka	00052762	Administrative Assistant 6	AS-614	40,581	1,341	41,922
<b>Subtotal</b>			<b>2</b>	<b>249,642</b>	<b>8,416</b>	<b>258,058</b>
<b>Operations Division</b>						
LaCour, Jeffrey A.	50317481	Assistant Director (U/C)		179,650	6,073	185,723
<b>Subtotal</b>			<b>1</b>	<b>179,650</b>	<b>6,073</b>	<b>185,723</b>
<b>Accounting Department</b>						
Ackerman, Donna	50341732	Accountant 3	AS-615	72,176	2,366	74,542
Ardoin-Ursin, Ella	50339798	Accountant Manager 1	AS-618	76,398	2,503	78,901
Brown, Sharhonda	00201254	Accountant 2	AS-613	43,909	1,671	45,580
Burke, Marlene	50359676	Accountant Supervisor 2	AS-617	76,440	2,503	78,943
Campbell, Beverly	00189279	Accountant Manager 1	AS-618	88,421	2,910	91,331
Christopher, Taymekian	50362824	Accountant 3	AS-615	69,014	2,273	71,288
Fekete, Gene	00052774	Accountant Manager 3	AS-621	103,147	3,389	106,536
Fekete, Jodi	00052766	Accountant Manager 3	AS-621	90,542	2,979	93,521
Fisher, Jacqueline	50341733	Accountant 3	AS-615	76,461	1,740	78,201
Granier, Alexander	50380340	Accountant 3	AS-615	52,541	1,728	54,269
Hadrick, Leslie	50362823	Accountant 3	AS-615	69,014	2,273	71,288
Harmon, Kaleb	00052739	Accountant 2	AS-613	41,184	5,418	46,602
Johnson, Karissa	00052726	Accountant Manager 2	AS-619	87,194	2,865	90,059
Leblanc, Lisa	50332605	Accountant 3	AS-615	59,259	1,935	61,194
McGlinchey, Caryn	50414126	Accountant Manager 4	AS-622	104,125	3,412	107,537

# Personnel budget for Fiscal Year 2022-23

Employee Name	Position Number	Position Title	AS/TS Level	Annual Salary as of 06/30/2022	Increase/Decrease after 06/30/2022	Projected Salary for 2022-23
Richardson, Jasmine	50361945	Accountant 3	AS-615	49,046	1,614	50,661
Stevenson, Yolanda	50380333	Accountant 3	AS-615	49,046	1,614	50,661
Stone, Latrina	50332604	Accountant Manager 1	AS-618	59,738	1,957	61,694
Thibodeaux, Melissa	50562228	Business Analytics Specialist	AS-620	73,466	2,411	75,877
Tibbs, Erica	50343301	Accountant 3	AS-615	45,510	1,500	47,011
Waldron, Melissa	50313172	Accountant Manager 1	AS-618	65,291	2,139	67,430
Wilson, Charlene	00052769	Accountant Administrator 5	AS-624	131,414	4,321	135,735
York, Shakira	00052767	Accountant 2	AS-613	42,973	3,426	46,399
Vacant	50352451	Accountant 3	AS-615	58,781	1,933	60,714
Vacant	00052776	Admin Assistant 4	AS-611	38,397	1,252	39,649
Vacant	50344507	Accountant Manager 1	AS-618	72,010	2,365	74,375
<b>Subtotal</b>			<b>26</b>	<b>1,795,498</b>	<b>64,499</b>	<b>1,859,996</b>
<b>Administrative Svcs Department</b>						
Haase, Kyle	00166102	Administrative Program Director 1	AS-616	56,389	1,843	58,232
Mcalister, Rebecca	00181224	Administrative Coordinator 3	AS-609	30,826	1,002	31,828
Mooney, Melissa	50594393	Administrative Program Manager 1	AS-614	53,248	1,751	54,999
Mouton, Jessica	50351671	Administrative Coordinator 4	AS-611	29,515	977	30,492
Schroeder, Krystal	50543784	Administrative Program Specialist A	AS-613	40,477	1,320	41,797
Venable, Brad	00202417	Administrative Coordinator 4	AS-611	38,251	1,252	39,503
Vacant	00204778	Administrative Coordinator 2	AS-607	29,286	956	30,242
<b>Subtotal</b>			<b>7</b>	<b>277,992</b>	<b>9,101</b>	<b>287,093</b>
<b>Audit Department</b>						
Farrar, Kyle	50489074	Auditor 4	AS-618	88,421	2,910	91,331
Guntz, Andrea	00146291	Audit Director 2	AS-623	90,064	2,957	93,021
Harris, Asta	50464986	Auditor 3	AS-617	58,635	1,932	60,568
Kinzer, Morgan	00146951	Auditor 3	AS-617	58,240	1,911	60,151
Rombach, Patricia	50339616	Audit Manager	AS-621	90,646	2,979	93,626
Vacant	50518948	Auditor-Information Systems 3	AS-619	77,043	2,525	79,568
Turnover Savings				(77,043)	(2,525)	(79,568)
<b>Subtotal</b>			<b>6</b>	<b>386,006</b>	<b>12,689</b>	<b>398,696</b>

# Personnel budget for Fiscal Year 2022-23

Employee Name	Position Number	Position Title	AS/TS Level	Annual Salary as of 06/30/2022	Increase/Decrease after 06/30/2022	Projected Salary for 2022-23
<b>Employer Services Department</b>						
Branagan, Edward	50486520	Administrative Program Director 4	AS-622	102,690	3,367	106,056
George, Jeffrey	50396341	Retirement Benefit Supervisor	AS-618	78,562	2,571	81,133
Grisby, Sandra	50380335	Accountant 3	AS-615	51,438	1,684	53,122
Henderson, Karla	50363694	Accountant Manager 1	AS-618	77,126	2,526	79,652
Lachney, Sharon	00163812	Retirement Benefits Specialist	AS-617	67,933	2,229	70,162
Landry, Heather	50487673	Retirement Benefits Specialist	AS-617	64,896	2,137	67,033
Resnick, Kelly	50479585	Retirement Benefit Analyst 3	AS-615	55,598	1,820	57,419
Rhodes, Paula	50351074	Retirement Benefit Manager	AS-619	94,598	3,095	97,693
Soileau, Melanie	00151568	Retirement Benefit Analyst 3	AS-615	57,283	1,887	59,170
Trosclair, Jessica	50313171	Retirement Benefits Specialist	AS-617	65,603	2,160	67,763
Young, Latasha	50339793	Accountant 3	AS-615	69,014	2,273	71,288
Zeringue, Anthony	00176669	Retirement Benefit Analyst 3	AS-615	72,176	2,366	74,542
Vacant	50542270	Accountant 3	AS-615	58,781	1,933	60,714
<b>Subtotal</b>			<b>13</b>	<b>915,699</b>	<b>30,048</b>	<b>945,747</b>
<b>Human Resources Department</b>						
Dardeau, Tammy Sheree	50460977	Human Resources Specialist	AS-617	71,926	2,365	74,291
Hart, Aricka G.	00184579	Human Resources Analyst C	AS-615	67,101	2,206	69,307
Rabalais, Dionne B.	00052747	Human Resources Director	AS-620	93,912	3,072	96,984
<b>Subtotal</b>			<b>3</b>	<b>232,939</b>	<b>7,643</b>	<b>240,582</b>
<b>Info Technology Department</b>						
Antonova, Krassimira	50327763	Information Technology Appl Project Leader	TS-314	91,125	2,981	94,106
Badawi, Ibrahim	50467632	Information Technology Applications Program 2	TS-309	37,814	1,700	39,515
Diebold, Gregory	00174945	Information Technology Appl Prog/Analyst 2	TS-312	83,096	1,263	84,359
Ehson, Mohammad	50464479	Information Technology Appl Prog/Analyst 2	TS-312	57,450	1,888	59,337
Hardy, James	50603400	Information Technology Tech Support Spec 2	TS-312	47,986	1,609	49,594
Harris, Khaleel	50327801	Information Technology Appl Prog/Analyst 2	TS-312	52,811	1,729	54,540
He, Ling	00144726	Information Technology Appl Project Leader	TS-314	88,483	2,911	91,394
Hodges, Mark	00144728	Information Technology Mgmt Consultant 2-DCL	TS-315	88,234	2,890	91,123

# Personnel budget for Fiscal Year 2022-23

Employee Name	Position Number	Position Title	AS/TS Level	Annual Salary as of 06/30/2022	Increase/Decrease after 06/30/2022	Projected Salary for 2022-23
Marangos, Steven	00052721	Information Technology Director 3	TS-320	128,315	4,208	132,524
Nelson, Connor	50501195	Information Technology Appl Prog/Analyst 1	TS-310	45,531	3,396	48,928
Penton, Desiree	50522927	Information Technology Tech Support Anl 1	TS-307	46,072	1,502	47,574
Pierron, Shawn	50305736	Information Technology Tech Support Spec 3	TS-313	68,182	2,230	70,412
Prawitz, Edward	50396313	Information Technology Mgmt Consultant 2-DCL	TS-315	87,797	2,888	90,685
Rayburn, Mark	50339617	Information Technology Tech Support Supervisor	TS-315	97,344	3,186	100,530
Smith, Dayle	50314331	Information Technology Appl Prog/Analyst 2	TS-312	66,810	2,185	68,994
Street, Kirsten	50570512	Business Analytics Specialist	AS-620	103,730	3,411	107,141
Stringfield, Peter	50314332	Information Technology Applications Program 2	TS-309	39,333	2,852	42,184
Supple, Ryan	00052807	Information Technology Applications Program 2	TS-309	39,333	2,688	42,021
Washington, Genett	50522926	Information Technology Support Analyst 1	TS-307	48,173	1,571	49,744
Welchez, Luis	50445905	Information Technology Deputy Director 1	TS-317	114,213	3,752	117,965
Woodall, Peggy	50327764	Information Technology Tech Support Supervisor	TS-315	83,990	2,753	86,743
Young, Pamela	50359927	Information Technology Office Specialist 3	TS-305	40,394	1,320	41,714
Vacant	00185358	Information Technology Applications Manager 2	TS-316	86,570	2,843	89,413
Vacant	50521075	Information Technology Appl Prog/Analyst 2	TS-312	66,040	2,162	68,202
Vacant	50521101	Information Technology Appl Prog/Analyst 2	TS-312	66,040	2,162	68,202
Vacant	00052722	Information Technology Applications Program 1	TS-307	47,091	1,547	48,638
Vacant	50381758	Information Technology Mgmt Consultant 2-DCL	TS-315	80,891	2,660	83,552
Vacant	50381759	Information Technology Management Consult 1	TS-314	75,608	2,480	78,088
Vacant	50577293	Information Technology Tech Support Specialist 3	TS-313	70,658	2,320	72,978
Vacant	50339618	Information Technology Tech Support Specialist 3	TS-313	70,658	2,320	72,978
Turnover Savings				(66,040)	(2,162)	(68,202)
<b>Subtotal</b>			<b>30</b>	<b>2,053,731</b>	<b>71,245</b>	<b>2,124,975</b>
<b>Investments Department</b>						
Averite, Adam	50525853	Private Assets Manager (U/C)		124,904	4,224	129,128
Brown, Dana	50391478	Investment Director of Public Markets (U/C)		211,682	7,163	218,845
Coleman, Maurice	50391448	Deputy Chief Investment Officer (U/C)		242,486	8,202	250,689
Edmonson, Patricia	00164023	Investments Officer 3	AS-620	89,856	2,956	92,812

# Personnel budget for Fiscal Year 2022-23

Employee Name	Position Number	Position Title	AS/TS Level	Annual Salary as of 06/30/2022	Increase/Decrease after 06/30/2022	Projected Salary for 2022-23
Griffith, Philip	00179550	Chief Investment Officer (U/C)		350,376	11,862	362,238
Roberson, Julius	00201252	Investments Officer 3	AS-620	72,134	2,366	74,500
Stevenson, Davorio	50497344	Investments Operations Director (U/C)		83,595	2,833	86,428
Ventress, Melissa	00093768	Administrative Assistant 5	AS-613	61,318	2,003	63,321
Vacant	New	Public Markets Investment Manager (U/C)		77,043	2,605	79,648
<b>Subtotal</b>			<b>9</b>	<b>1,313,395</b>	<b>44,215</b>	<b>1,357,610</b>
<b>Legal Department</b>						
Jelks, Sandra	50539024	Attorney 3	AS-620	77,293	2,526	79,819
Mills, Marion	00135834	Administrative Assistant 5	AS-613	59,634	1,956	61,590
Roche, Kenneth	50364834	Executive Counsel (U/C)		185,848	6,284	192,132
Rubin, Marina	50563684	Paralegal 2	AS-614	49,234	1,615	50,849
Tessier, Matthew	50413880	Attorney-Deputy General Counsel 1	AS-623	101,566	3,322	104,889
<b>Subtotal</b>			<b>5</b>	<b>473,574</b>	<b>15,704</b>	<b>489,278</b>
<b>Public Information Department</b>						
Courtney, Jill	50374782	Public Information Officer 3	AS-615	62,338	2,047	64,385
Deville, Melanie	00183046	Administrative Assistant 4	AS-611	39,832	1,298	41,130
Horn, Clifton	50331995	Public Information Officer 3	AS-615	62,878	2,069	64,948
Levy, Kimberly	00052810	Public Information Officer 3	AS-615	60,549	1,980	62,529
Mack, Jerri	50326647	Public Information Officer 3	AS-615	62,130	2,046	64,176
Vacant	00136720	Public Information Director 3	AS-621	88,213	2,889	91,102
<b>Subtotal</b>			<b>6</b>	<b>375,939</b>	<b>12,329</b>	<b>388,268</b>
<b>Retirement Department</b>						
Alexander, Cassundria	00052804	Retirement Benefits Analyst 3	AS-615	51,397	1,684	53,080
Alexander, Jonathan	50328615	Retirement Benefits Analyst 3	AS-615	47,965	1,570	49,535
Babin, Katie	50464683	Retirement Benefits Analyst 3	AS-615	48,298	1,591	49,889
Bagby, Jennifer	50336204	Retirement Benefits Specialist	AS-617	67,933	2,229	70,162
Birrotte, Michael	50337697	Retirement Benefits Analyst 2	AS-613	41,746	3,587	45,333
Brown, Raechel	50342437	Retirement Benefits Analyst 3	AS-615	46,446	1,524	47,970
Castille, Cristy	50328604	Retirement Benefits Analyst 1	AS-612	37,523	3,766	41,289

# Personnel budget for Fiscal Year 2022-23

Employee Name	Position Number	Position Title	AS/TS Level	Annual Salary as of 06/30/2022	Increase/Decrease after 06/30/2022	Projected Salary for 2022-23
Coco, Megan	50380382	Retirement Benefits Specialist	AS-617	67,933	2,229	70,162
Cooper, Kailey	00116584	Administrative Coordinator 3	AS-609	23,546	773	24,319
Ficklin, Michael	00171588	Retirement Benefits Analyst 3	AS-615	60,008	1,978	61,986
Garza, Evan	50337698	Retirement Benefits Analyst 1	AS-612	37,523	3,558	41,081
George, Jennifer	50347937	Retirement Benefits Supervisor	AS-618	72,717	2,388	75,105
Gonzales, Annie	50613097	Retirement Benefits Specialist	AS-617	54,725	1,797	56,522
Grant, Carla	50317483	Retirement Benefits Analyst 3	AS-615	71,614	2,344	73,958
Harrison, Kelli	00052780	Retirement Benefits Supervisor	AS-618	74,131	2,434	76,565
Harrison, Randall	00052729	Retirement Benefits Manager	AS-619	77,834	2,548	80,382
Johnson, Linnie	50316283	Retirement Benefits Manager	AS-619	77,792	2,548	80,340
Jovicic, Stefan	00140675	Retirement Benefits Analyst 3	AS-615	50,232	1,639	51,871
Laley, Erin	00092487	Administrative Assistant 4	AS-611	29,141	955	30,096
Landry, Philip	50570056	Retirement Benefits Supervisor	AS-618	68,390	2,251	70,641
Leonard, Jennifer	00198586	Retirement Benefits Analyst 3	AS-615	59,530	1,956	61,485
Lewis, Joanna	50342436	Retirement Benefits Analyst 2	AS-613	41,746	5,237	46,982
Mccray, La Tonia	50347913	Retirement Benefits Analyst 3	AS-615	59,363	1,955	61,318
Mosley, Catherine	00151576	Retirement Benefits Analyst 2	AS-613	40,414	2,546	42,961
Oatley, Shannon	50393251	Retirement Benefits Specialist	AS-617	67,933	2,229	70,162
O'Neil, Kristen	50316281	Retirement Benefits Analyst 3	AS-615	53,976	1,774	55,750
Parker, Sharon	00086293	Retirement Benefits Analyst 3	AS-615	61,277	2,003	63,280
Perkins, Ashanti	00052772	Retirement Benefits Specialist	AS-617	55,120	1,818	56,938
Powell, Gregory	00198573	Retirement Benefits Supervisor	AS-618	69,930	2,297	72,227
Reese, Linda	00114101	Retirement Benefits Supervisor	AS-618	72,717	2,388	75,105
Smith, Chaneita	50342713	Retirement Benefits Analyst 3	AS-615	55,598	1,820	57,419
St. Pierre, Erin	00140676	Retirement Benefits Analyst 3	AS-615	49,878	1,638	51,516
Tran, To-Trinh	00052773	Retirement Benefits Analyst 3	AS-615	48,298	1,591	49,889
Ward, Kiera	50336203	Retirement Benefits Specialist	AS-617	58,510	1,912	60,422
Worthen, Mary	00114100	Retirement Benefits Supervisor	AS-618	66,394	2,183	68,577
Wright, Laurie	00185963	Retirement Benefits Administrator	AS-622	104,312	3,413	107,725

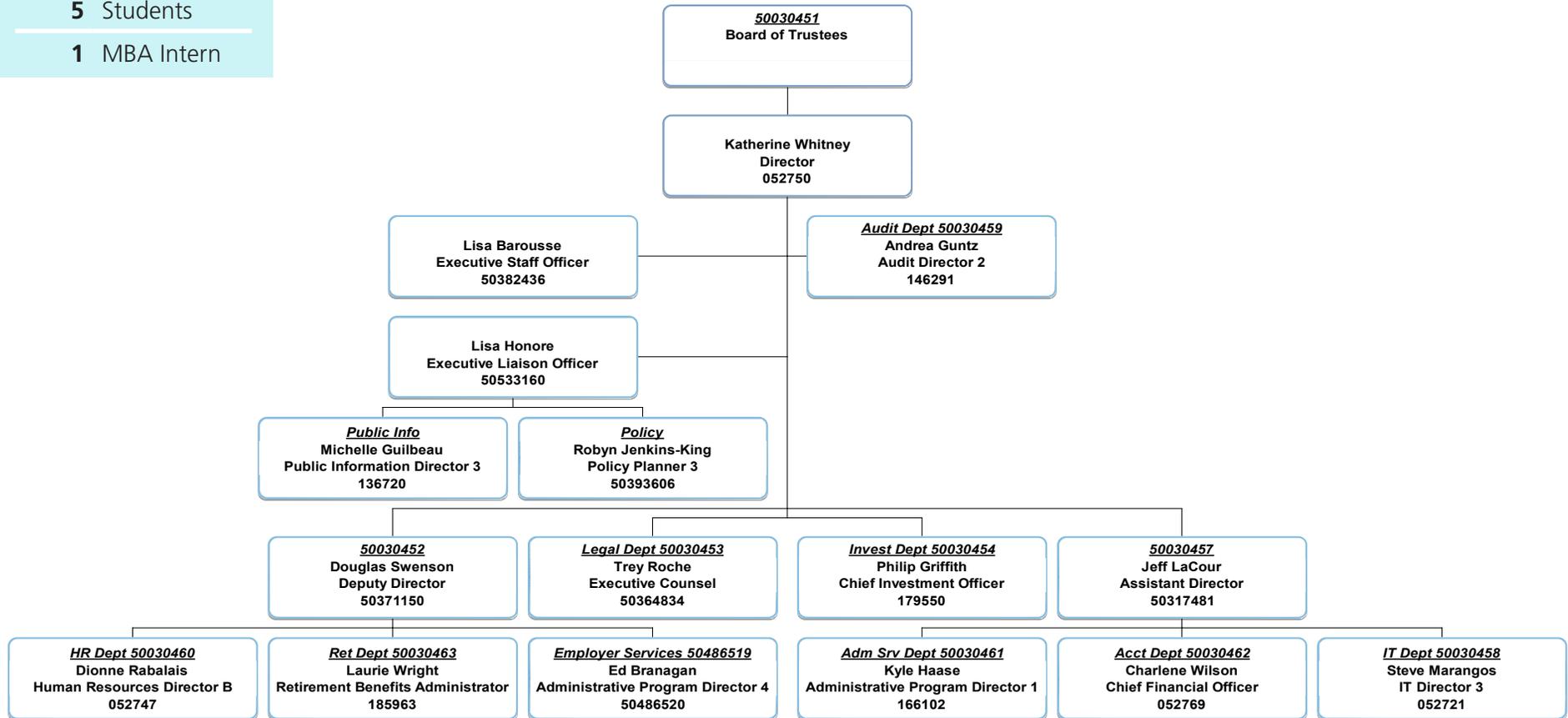
# Personnel budget for Fiscal Year 2022-23

Employee Name	Position Number	Position Title	AS/TS Level	Annual Salary as of 06/30/2022	Increase/Decrease after 06/30/2022	Projected Salary for 2022-23
Vacant	50464687	Retirement Benefits Analyst 1	AS-612	47,986	1,570	49,556
Vacant	50317484	Retirement Benefits Analyst 2	AS-613	51,355	1,683	53,039
Vacant	00166735	Retirement Benefits Analyst 3	AS-615	58,781	1,933	60,714
Vacant	00136241	Retirement Benefits Analyst 3	AS-615	58,781	1,933	60,714
Vacant	00136240	Retirement Benefits Analyst 3	AS-615	58,781	1,933	60,714
Vacant (Admin Coord for Admin Svcs)	Reallocated	Retirement Benefits Analyst 1	AS-612	37,523	1,229	38,752
Vacant	New	Retirement Benefits Analyst 1	AS-612	37,523	1,229	38,752
Vacant	New	Retirement Benefits Specialist	AS-617	60,008	1,978	61,986
Premium Pay for 15 positions		Retirement Benefits Analyst 3	AS-615	68,166		68,166
<b>Subtotal</b>			<b>44</b>	<b>2,550,792</b>	<b>93,642</b>	<b>2,644,434</b>
<b>Total Salaries Excluding Student/Intern Wages</b>			<b>156</b>	<b>11,412,361</b>	<b>395,988</b>	<b>11,808,349</b>
<b>CLASSIFIED WAE's</b>				<b>11,487</b>		<b>11,487</b>
<b>Grand Total Salaries w/Classified WAE</b>				<b>\$ 11,423,848</b>	<b>\$ 395,988</b>	<b>\$ 11,819,836</b>

# Organizational chart — TRSL

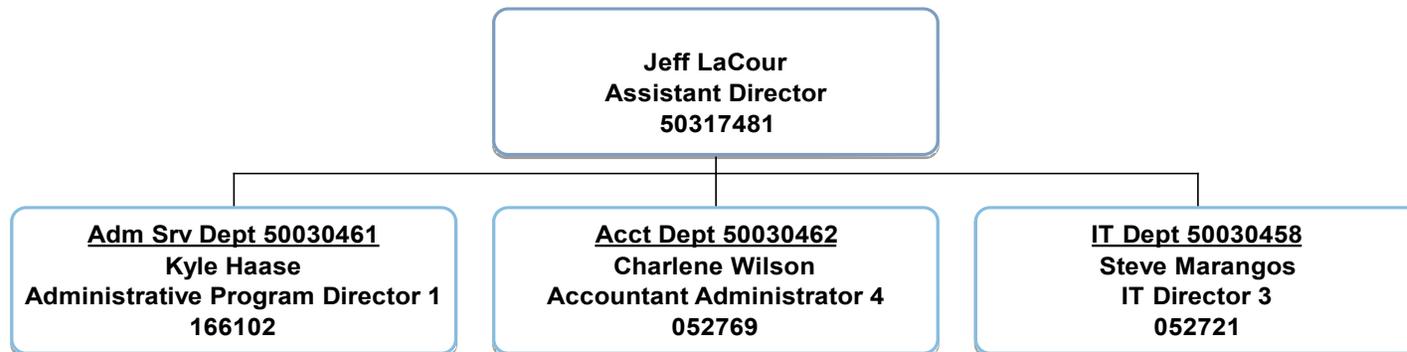


- 143 Classified
- 10 Unclassified
- 5 Students
- 1 MBA Intern



# Organizational chart — *Operations Division*

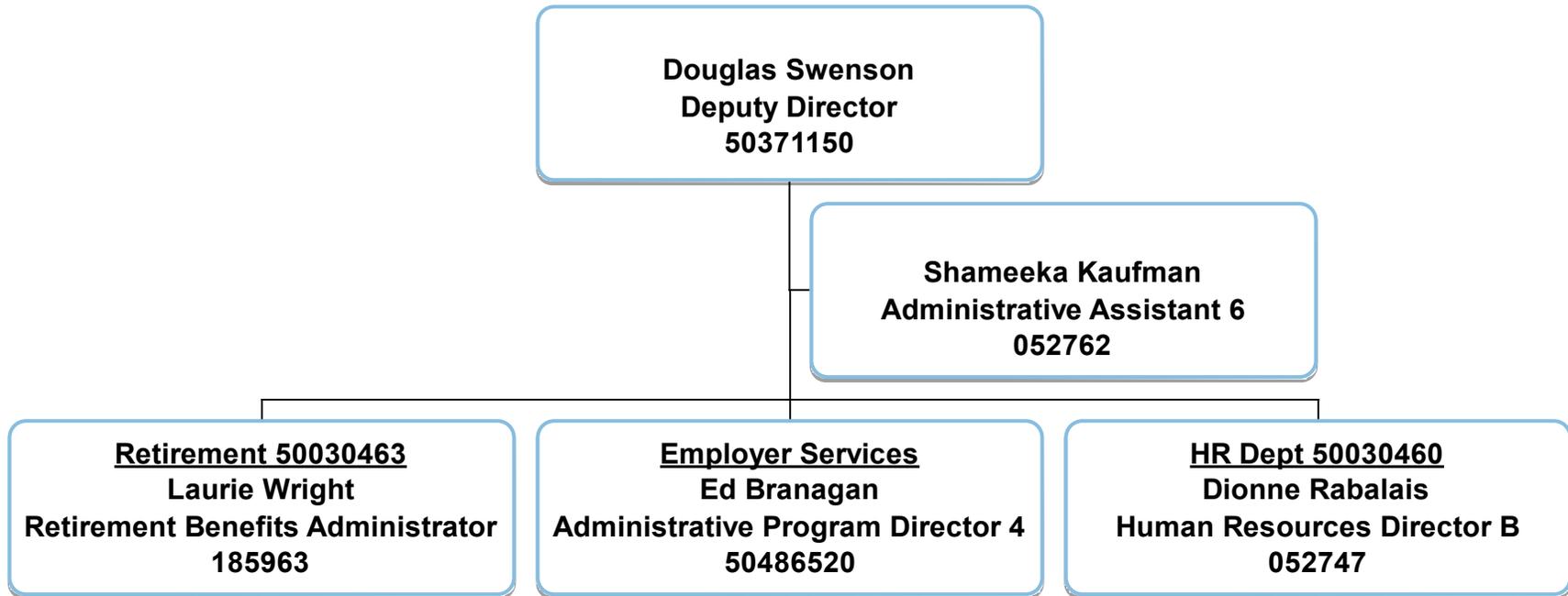
64 Classified  
1 Unclassified  
1 WAE  
3 Students



# Organizational chart — *Member Services Division*



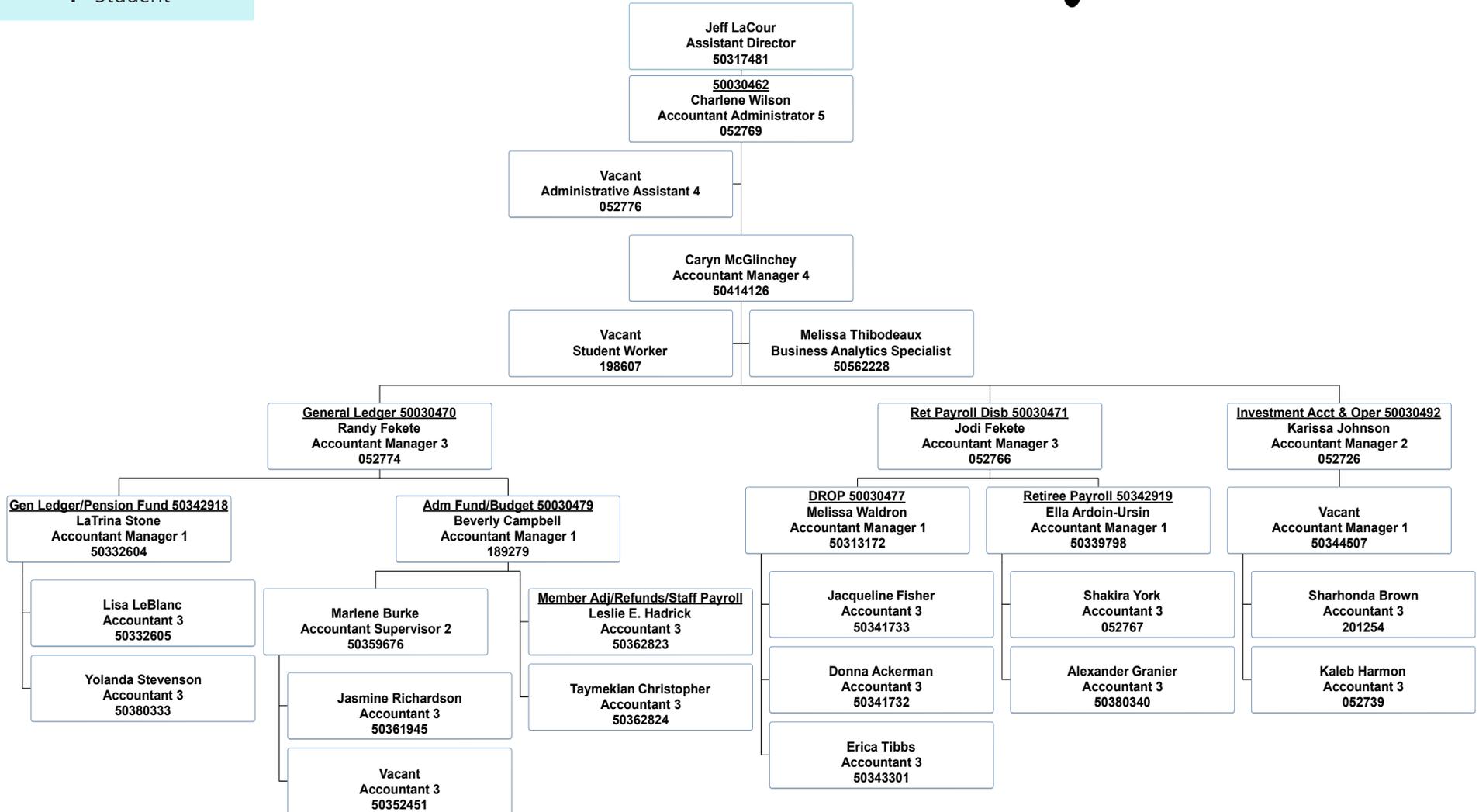
- 58 Classified
- 1 Unclassified
- 1 Student



# Organizational chart — Accounting Department

26 Classified

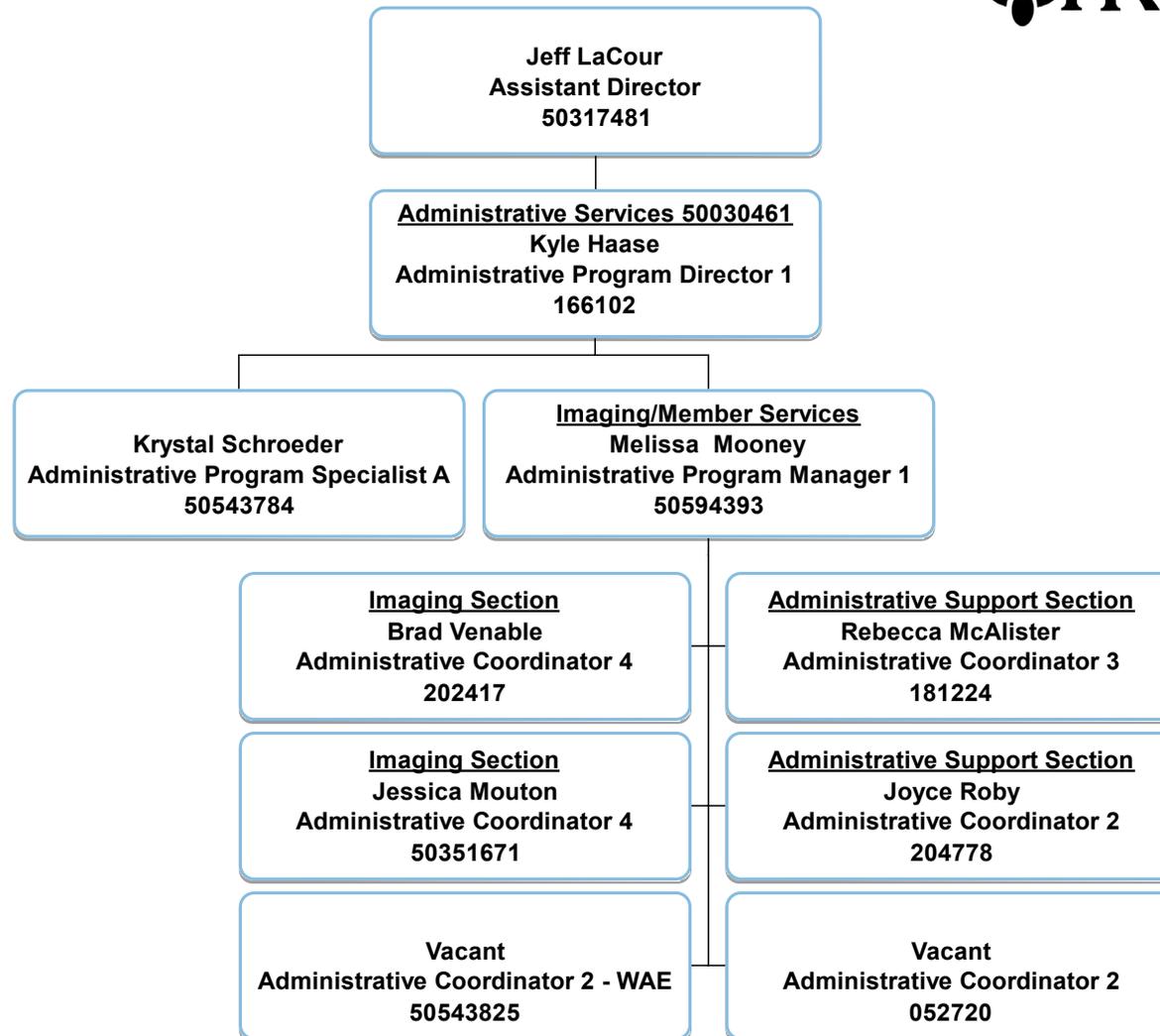
1 Student



# Organizational chart — *Administrative Services Department*

8 Classified

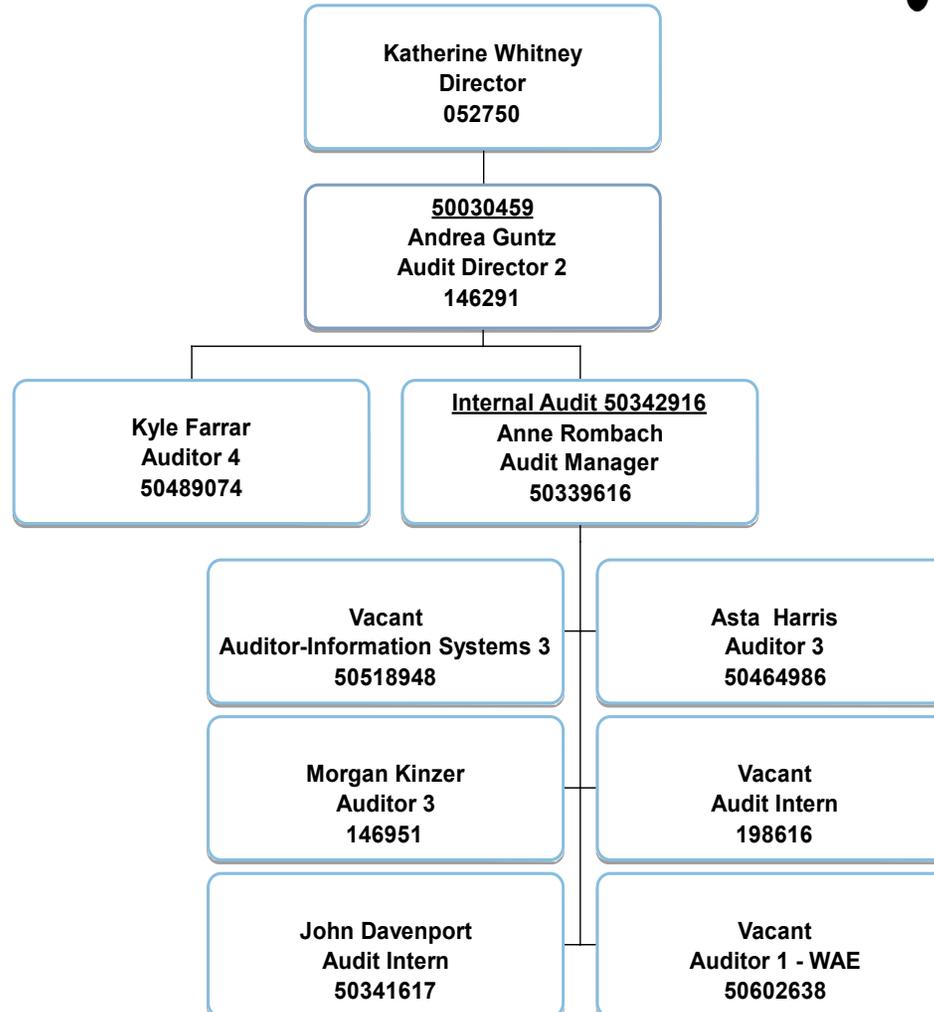
1 WAE



# Organizational chart — Auditing Department

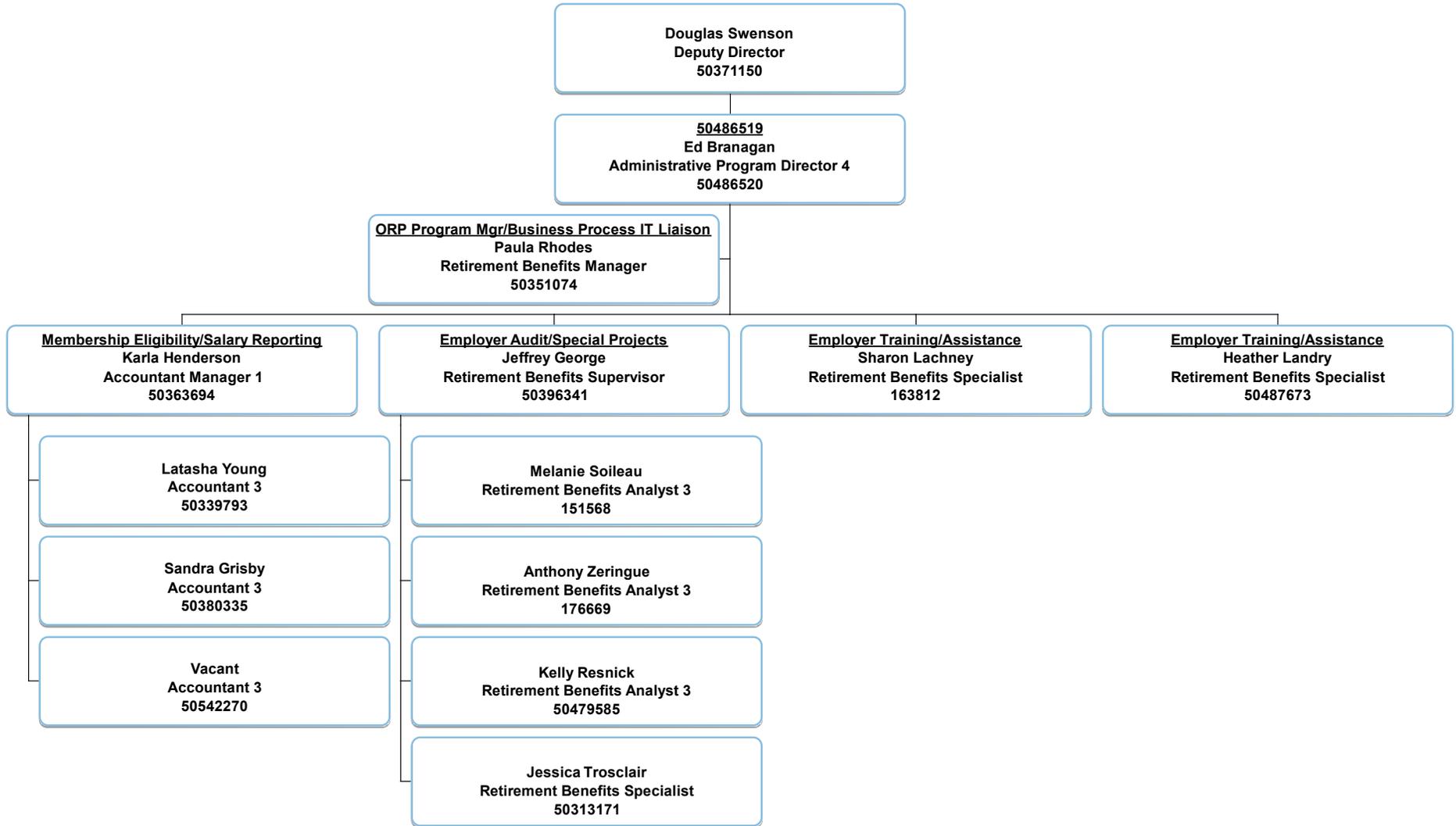
6 Classified

2 Students



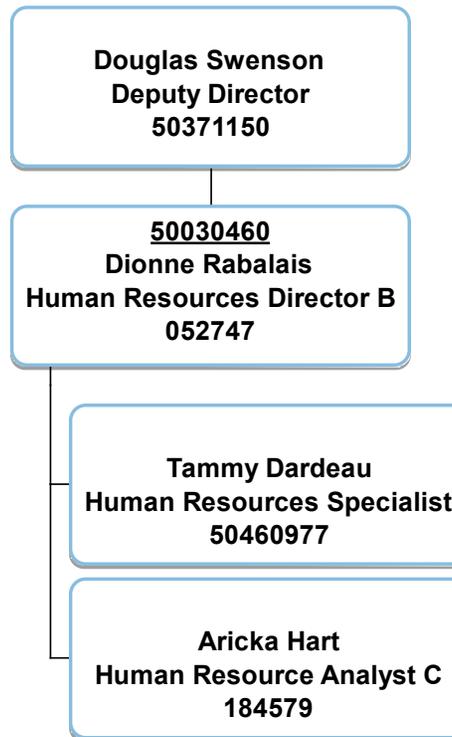
# Organizational chart — *Employer Services Department*

13 Classified



# Organizational chart — *Human Resources Department*

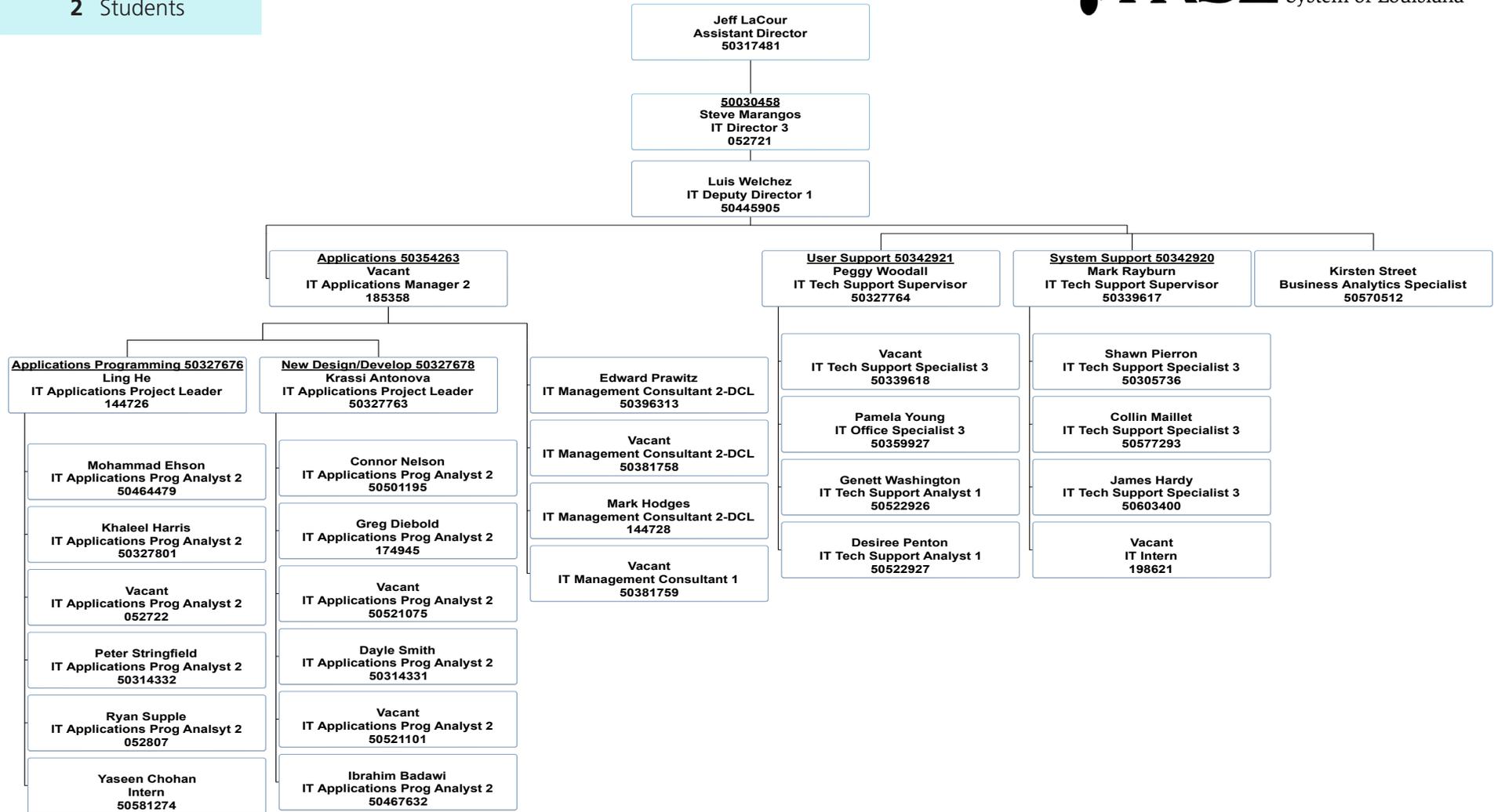
3 Classified



# Organizational chart — Information Technology Department

30 Classified

2 Students

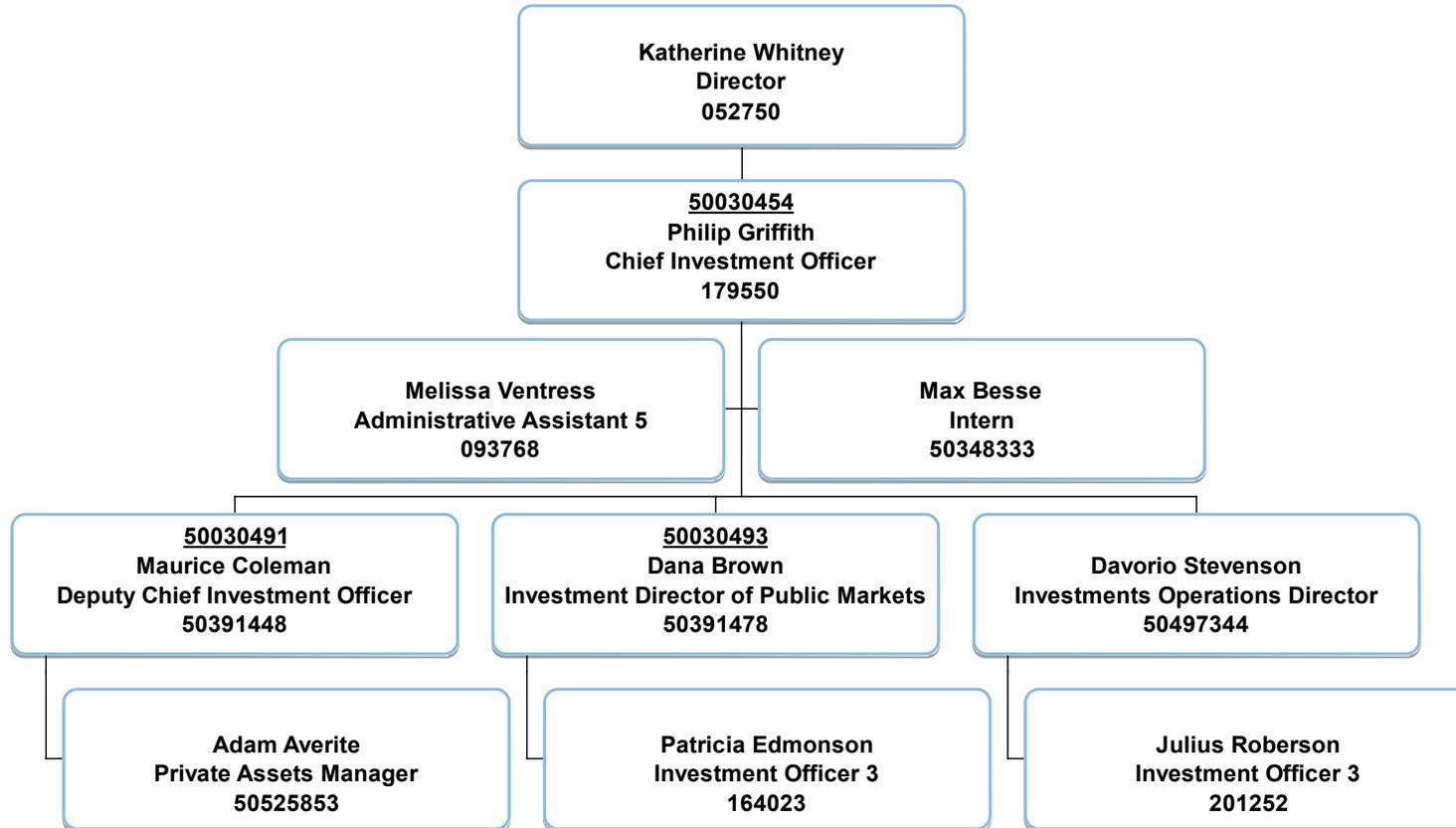


# Organizational chart — *Investment Department*

3 Classified

5 Unclassified

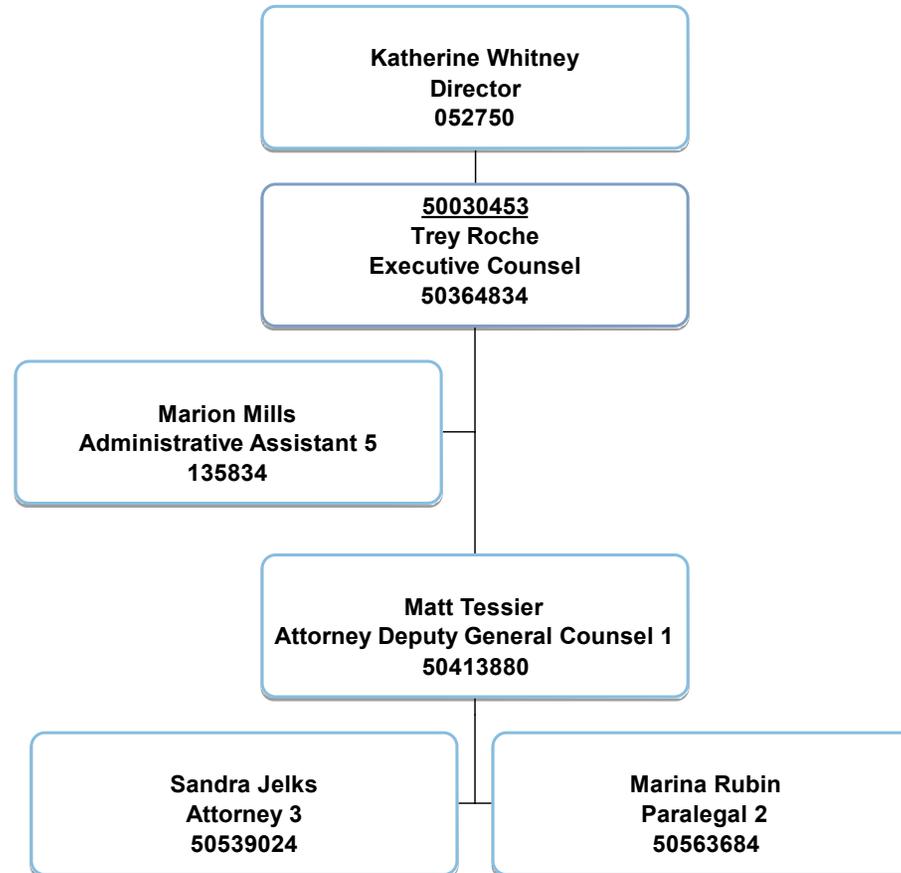
1 MBA Intern



# Organizational chart — *Legal Department*

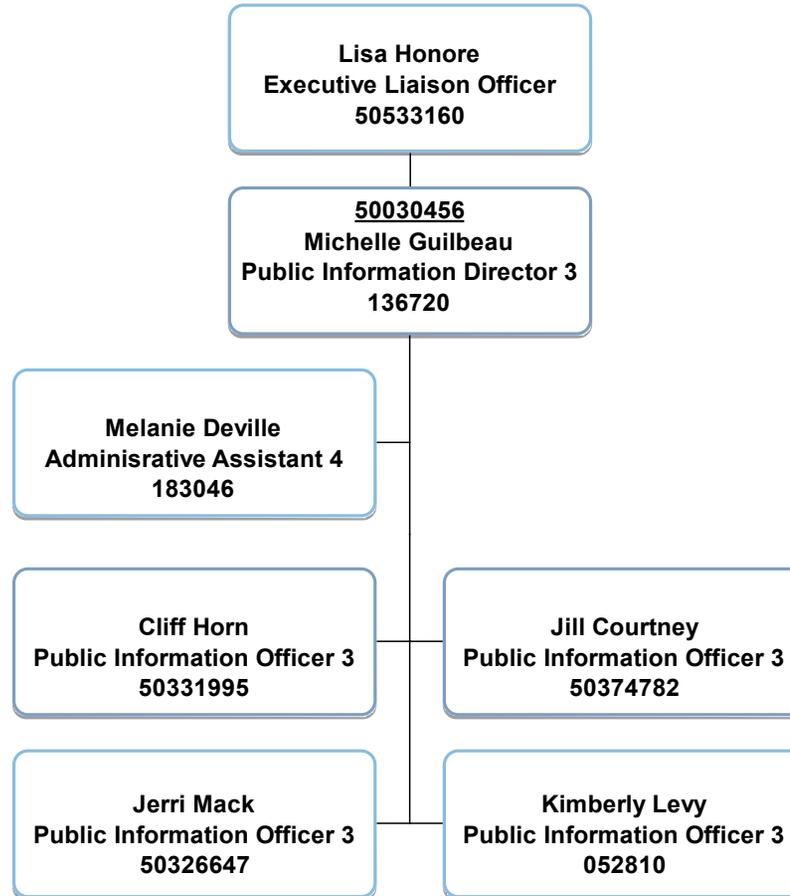
4 Classified

1 Unclassified



# Organizational chart — *Public Information Department*

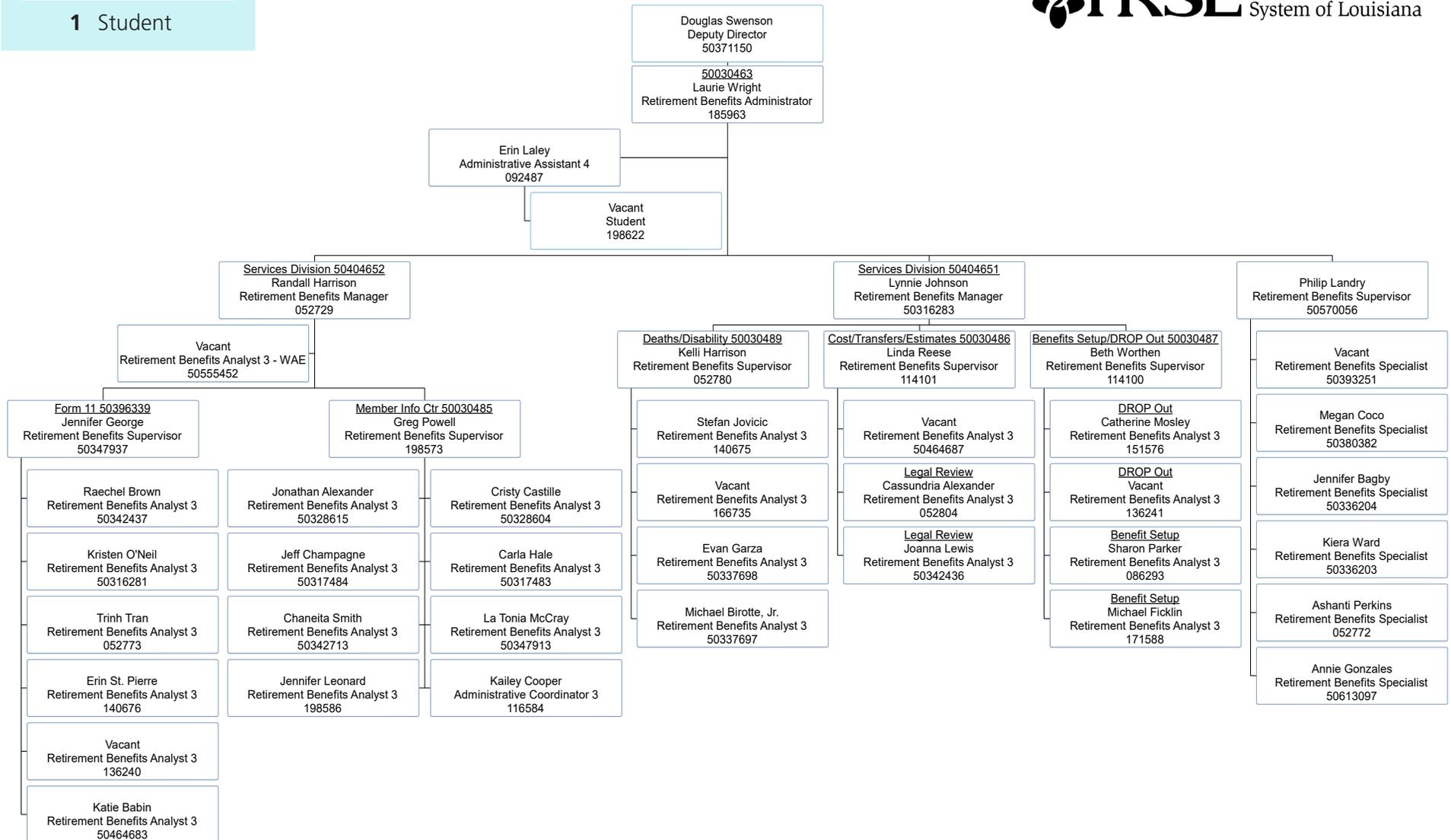
6 Classified



# Organizational chart — Retirement Department

41 Classified

1 Student



# Balanced scorecard

 <p><b>Balanced Scorecard FY 2022-23</b></p>	<p><b>CUSTOMER PERSPECTIVE</b></p> <p>How do we help our customers?</p>	<ul style="list-style-type: none"> <li>• Deliver innovative, convenient, and reliable services</li> <li>• Administer retirement laws timely, accurately, and consistently</li> <li>• Protect the privacy and security of customer data</li> <li>• Provide essential retirement education, information, and communication</li> <li>• Increase awareness of trust fund stewardship</li> </ul>
	<p><b>INTERNAL PROCESSES</b></p> <p>How do we excel in our operational functions?</p>	<ul style="list-style-type: none"> <li>• Seek opportunities to enhance productivity and internal processes</li> <li>• Practice effective planning</li> <li>• Manage projects and initiatives effectively</li> <li>• Promote effective communication</li> <li>• Promote data-driven decision making</li> <li>• Create a flexible and responsive infrastructure</li> </ul>
	<p><b>FINANCIAL PERSPECTIVE</b></p> <p>What must we accomplish for our financial stakeholders?</p>	<ul style="list-style-type: none"> <li>• Maintain high standards of financial accountability and transparency</li> <li>• Achieve the long-term actuarial rate of return</li> <li>• Sustain cost-effective administration</li> <li>• Ensure budget credibility</li> <li>• Manage and communicate the System's funding requirements</li> </ul>
	<p><b>VALUE &amp; BENEFIT</b></p> <p>What public benefit must we create?</p>	<ul style="list-style-type: none"> <li>• Provide secure retirement benefits for plan members</li> <li>• Preserve the long-term sustainability of the trust</li> <li>• Support attracting and retaining qualified educators</li> <li>• Deliver responsive and efficient public services</li> <li>• Raise awareness of the System's economic value to Louisiana</li> </ul>
	<p><b>LEARNING &amp; GROWTH</b></p> <p>How do we sustain our ability to change and improve?</p>	<ul style="list-style-type: none"> <li>• Recruit a diverse and skilled work force</li> <li>• Employ and retain highly capable employees</li> <li>• Offer relevant training and development opportunities</li> <li>• Foster a positive and innovative work environment</li> <li>• Promote and recognize accountability and results</li> </ul>

# Acronym list — 2022-23 budget supplemental data

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<b>ACL</b>	Audit Command Language	<b>IPMA-HR</b>	International Public Management Association for Human Resources
<b>AFR</b>	Annual Financial Report	<b>ISACA</b>	Information Systems Audit & Control Association
<b>AGA</b>	Association of Government Accountants	<b>IT</b>	Information Technology
<b>AICPA</b>	American Institute of Certified Public Accountants	<b>LADB</b>	Louisiana Attorney Disciplinary Board
<b>APPFA</b>	Association of Public Pension Fund Auditors	<b>LAPERS</b>	Louisiana Association of Public Employee Retirement Systems
<b>BNY</b>	Bank of New York/Mellon	<b>LASBA</b>	Louisiana State Bar Association
<b>CAIA</b>	Chartered Alternative Investment Analyst	<b>NAGDCA</b>	National Association of Government Defined Contribution Administrators
<b>CEM</b>	Cost Effective Management	<b>NAPPA</b>	National Association of Public Pension Attorneys
<b>CFA</b>	Chartered Financial Analyst	<b>NASIO</b>	National Association of State Investment Officers
<b>CIA</b>	Certified Internal Auditor	<b>NASRA</b>	National Association of State Retirement Administrators
<b>CISD</b>	Council of Information Services Directors	<b>NCTR</b>	National Council on Teachers' Retirement
<b>CPA</b>	Certified Public Accountant	<b>NIRS</b>	National Institute for Retirement Security
<b>CPE</b>	Continuing Professional Education	<b>NPEA</b>	National Pre-Retirement Education Association
<b>DROP</b>	Deferred Retirement Option Plan	<b>ORP</b>	Optional Retirement Plan
<b>EVVE</b>	Electronic Verification of Vital Events	<b>P2F2</b>	Public Pension Financial Forum
<b>GAAFR</b>	Governmental Accounting, Auditing and Financial Reporting	<b>PAFR</b>	Popular Annual Financial Report
<b>GASB</b>	Government Accounting Standards Board	<b>PRAL</b>	Public Relations Association of Louisiana
<b>GFOA</b>	Government Finance Officers Association	<b>REIT</b>	Real Estate Investment Trust
<b>HR</b>	Human Resources	<b>SHRMA</b>	State Human Resources Management Association
<b>IIA</b>	Institute of Internal Auditors	<b>TBD</b>	To Be Determined
<b>ILPA</b>	International Limited Partners Association	<b>WAE</b>	When Actually Employed



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TO: Board of Trustees  
FROM: Cindy Rougeou, Executive Director  
DATE: October 21, 2021  
RE: FY 2022-2023 Operating Budget

Attached is a copy of the Operating Budget. Changes to the budget are as follows:

<b>Operating Budget Before Investment Fees for 21-22</b>	<b>\$ 21,029,000</b>
Net Changes:	
Personnel Costs (137 full time employees)	215,700
Travel	(7,000)
Operating Services (including supplies)	236,300
Professional Services	2,000
Acquisitions	53,000
<b>Total Operating Budget before Investment Fees for 22-23</b>	<b>\$ 21,529,000</b>
<b>Investment Fee Operating Budget for 21-22</b>	<b>\$ 33,000,000</b>
Net Changes:	
Investment Fees	(500,000)
<b>Total Investment Fee Budget for 22-23</b>	<b>\$ 32,500,000</b>
<b>TOTAL OPERATING BUDGET FOR 22-23</b>	<b>\$ <u>54,029,000</u></b>

**BOARD OF TRUSTEES:**

Beverly Hodges, Board Chair  
Barbara McManus, Vice Chair  
Thomas Bickham  
Virginia Burton

Charles Castille  
Commissioner Jay Dardenne  
Rep. Lance Harris  
Judge William Kleinpeter

Janice Lansing  
Sen. Barrow Peacock  
Lori Pierce  
Hon. John Schroder  
Shannon Templett

Cindy Rougeou, Executive Director

**LASERS** Benefits Louisiana.



# LASERS

## Proposed Operating Budget Fiscal Year 2022-2023

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**Proposed Operating Budget  
2022-2023 Fiscal Year Recap**

BUDGET CATEGORY	2020-2021	2020-2021	2021-2022	PROPOSED	COMPARISION TO	
	ACTUAL	BUDGET	BUDGET	2022-2023 BUDGET	2021-2022 BUDGET AMOUNT	% Diff.
<b>PERSONNEL SERVICES</b>						
Regular Salaries	\$ 10,185,149	\$ 10,615,727	\$ 10,902,700	\$ 11,005,800	\$ 103,100	0.9%
Overtime Salaries	2,993	17,726	5,000	5,000	-	0.0%
Termination Pay	40,547	93,747	78,600	78,600	-	0.0%
Wages	31,907	102,300	90,800	74,500	(16,300)	-18.0%
Per Diem-Board Members	6,075	10,000	10,000	7,000	(3,000)	-30.0%
Related Benefits	5,336,031	5,586,800	5,674,200	5,806,100	131,900	2.3%
<b>TOTAL- PERSONNEL</b>	<b>\$ 15,602,702</b>	<b>\$ 16,426,300</b>	<b>\$ 16,761,300</b>	<b>\$ 16,977,000</b>	<b>\$ 215,700</b>	<b>1.3%</b>
# of Positions	137	137	137	137	0	0.0%
<b>TOTAL - TRAVEL</b>	<b>\$ 3,052</b>	<b>\$ 181,000</b>	<b>\$ 169,100</b>	<b>\$ 162,100</b>	<b>\$ (7,000)</b>	<b>-4.1%</b>
<b>OPERATING SERVICES</b>						
Computer Maintenance	450,568	450,567	630,000	748,800	118,800	18.9%
Building/Equip./Vehicle Maintenance	11,525	22,272	17,600	18,900	1,300	7.4%
Miscellaneous Operating Services	10,157	11,094	7,500	8,500	1,000	13.3%
Advertising/Public Relations	5,451	7,000	6,000	6,000	-	0.0%
Printing Services	100,364	120,000	112,000	112,000	-	0.0%
Insurance	106,215	106,215	115,000	110,000	(5,000)	-4.3%
Rentals/Computer Licensing Software	843,615	989,462	988,700	1,046,300	57,600	5.8%
Building Rentals	700,171	706,000	706,000	701,000	(5,000)	-0.7%
Dues and Subscriptions	55,664	63,770	65,000	65,000	-	0.0%
Bank Fees	17,660	24,138	20,000	25,000	5,000	25.0%
Mail, Delivery & Postage	258,379	258,379	236,000	260,000	24,000	10.2%
Telephone/Internet/Cable Services	147,281	149,000	149,000	199,100	50,100	33.6%
Civil Svc/CPTP/Local Training	92,677	110,607	104,800	104,300	(500)	-0.5%
Operating Supplies	139,020	160,296	185,000	174,000	(11,000)	-5.9%
<b>TOTAL - OPERATING SERVICES</b>	<b>\$ 2,938,747</b>	<b>\$ 3,178,800</b>	<b>\$ 3,342,600</b>	<b>\$ 3,578,900</b>	<b>\$ 236,300</b>	<b>7.1%</b>

**Proposed Operating Budget  
2022-2023 Fiscal Year Recap**

BUDGET CATEGORY	2020-2021	2020-2021	2021-2022	PROPOSED	COMPARISION TO	
	ACTUAL	BUDGET	BUDGET	2022-2023	2021-2022 BUDGET	% Diff.
				BUDGET	AMOUNT	
<b>PROFESSIONAL SERVICES</b>						
Accounting and Auditing	87,383	92,383	95,000	95,000	-	0.0%
Professional Services Expenditures	68,386	142,000	114,000	116,000	2,000	1.8%
Legal	9,440	20,000	25,000	15,000	(10,000)	-40.0%
Medical/Disability	51,348	110,000	60,000	60,000	-	0.0%
Actuarial	172,000	212,617	215,000	225,000	10,000	4.7%
<b>TOTAL - PROFESSIONAL</b>	<b>\$ 388,557</b>	<b>\$ 577,000</b>	<b>\$ 509,000</b>	<b>\$ 511,000</b>	<b>\$ 2,000</b>	<b>0.4%</b>
<b>TOTAL - ACQUISITIONS</b>	<b>\$ 206,811</b>	<b>\$ 247,000</b>	<b>\$ 247,000</b>	<b>\$ 300,000</b>	<b>\$ 53,000</b>	<b>21.5%</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 19,139,869</b>	<b>\$ 20,610,100</b>	<b>\$ 21,029,000</b>	<b>\$ 21,529,000</b>	<b>\$ 500,000</b>	<b>2.4%</b>
Investment Fees	27,095,881	36,000,000	33,000,000	32,500,000	(500,000)	-1.5%
<b>GRAND TOTAL with Investment Fees</b>	<b>\$ 46,235,750</b>	<b>\$ 56,610,100</b>	<b>\$ 54,029,000</b>	<b>\$ 54,029,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>MULTI-YEAR PROJECTS:</b>						
Upgrade of ESS Security, JDE, Optimus and BizTalk	470,416	470,416	681,612			
Further upgrades of ESS Security, Ask LASERS, Several Solaris Modules, Employee Intranet, Actuarial Data File & Kofax; Replacement of Budgeting Software; Various Security Audits				3,000,000		
<b>TOTAL MULTI-YEAR PROJECTS</b>	<b>\$ 470,416</b>	<b>\$ 470,416</b>	<b>\$ 681,612</b>	<b>\$ 3,000,000</b>		

# IN-STATE TRAVEL

## 2022-2023 Budget Supplemental Data (Exhibit A)

In-State Conferences & Training		
Division	Description	Cost
Board of Trustees & Executive	LAPERS, Agency Travel as Approved	\$ 15,000
Legal	LAPERS, Agency Travel as Approved	\$ 2,000
Public Information	LAPERS, Agency Travel as Approved	\$ 1,000
Information Technology	Agency Travel as Approved	\$ 2,000
Investments	LAPERS, Agency Travel as Approved	\$ 5,000
	<b>Total In-State Conferences &amp; Training</b>	<b>\$ 25,000</b>
In-State Field Travel		
Division	Description	Cost
Board of Trustees & Executive	Board Meetings & Travel, RSEA Meetings	\$ 2,000
Audit	Agency Audits, Miscellaneous	\$ 500
Member Services	Member Counseling, Training, RSEA Workshops	\$ 15,000
Public Information	Miscellaneous	\$ 100
	<b>Total In-State Field Travel</b>	<b>\$ 17,600</b>
	<b>TOTAL IN-STATE TRAVEL</b>	<b>\$ 42,600</b>

## OUT-OF-STATE TRAVEL

### 2022-2023 Budget Supplemental Data (Exhibit B)

Out-of-State Conferences & Training		
Division	Description	Cost
Board of Trustees & Executive	NASRA, Conferences and Training as Approved	\$ 46,000
Legal	NASRA, NAPPA, Training as Approved	\$ 9,000
Audit	APPFA	\$ 6,000
Fiscal	P2F2	\$ 6,000
Human Resources	SHRM	\$ 6,500
Member Services	NPEA	\$ 5,500
Public Information	Training as Approved	\$ 2,500
Information Technology	PRISM, PMI, Gartner, Conferences and Training as Approved	\$ 24,000
Investments	NASIO, NASRA, Conferences, Training as Approved	\$ 10,000
	<b>Total Out-of-State Conferences &amp; Training</b>	<b>\$ 115,500</b>
Out-of-State Field Travel		
Division	Description	Cost
Audit	Audit Field Travel	\$ 4,000
	<b>Total Out-of-State Field Travel</b>	<b>\$ 4,000</b>
	<b>TOTAL OUT-OF-STATE TRAVEL</b>	<b>\$ 119,500</b>

## DUES AND SUBSCRIPTIONS

### 2022-2023 Budget Supplemental Data (Exhibit C)

Division	Description	Cost
Board of Trustees & Executive	NCPERS, NAPPA, LAPERS, NASRA, PAR, BR Bar Assn, LA State Bar Assn, Nat'l Inst. On Retirement Security, LA Attorney Disciplinary Board, Thomson West, LA Politics Weekly, NY Times Digital, WSJ	\$ 14,000
Legal	Legiscon, LA State Bar Assn, NAPPA, Thomson West, BR Bar Assn, LA Supreme Court Reporter, LA Attorney Disciplinary Board	\$ 28,000
Audit	APPFA, Society of LA CPAs, IIA, ISACA	\$ 2,500
Fiscal	AICPA, Nat'l GFOA, LA GFOA, Society of LA CPAs, P2F2, Sam's Club	\$ 5,000
Human Resources	SHRM, PHR	\$ 500
Member Services	NPEA	\$ 1,000
Public Information	Advocate, Press Club of BR, Sprout Social, Lynda.com, GoToWebinar, NY Times Digital, Biteable LLC, CANVA Pro	\$ 3,500
Information Technology	PMI, PRISM, ISCEBS	\$ 2,500
Investments	AFP, CFA, WSJ, CAIA, Financial Times	\$ 8,000
	<b>TOTAL DUES AND SUBSCRIPTIONS</b>	<b>\$ 65,000</b>

## PROFESSIONAL SERVICES

### 2022-2023 Budget Supplemental Data (Exhibit D)

Division	Description	Cost
Executive	Actuarial Services, Agency Projects including Board Governance, Legislative	\$ 255,000
Legal	Tarcza & Associates, Human Resources Legal Support	\$ 15,000
Audit	Financial Statement Audit	\$ 95,000
Member Services	Disability Claim Services	\$ 60,000
Public Information	Board Election Deposit	\$ 15,000
Information Technology	Additional implementation of the Microsoft Suite, ZenDesk integration, LexisNexis implementation	\$ 70,000
Investments	Translation Services	\$ 1,000
	<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 511,000</b>

# ACQUISITIONS

## 2022-2023 Budget Supplemental Data (Exhibit E)

Computer Acquisitions		
Division	Description	Cost
Information Technology	Blade servers, UPS batteries, additional SAN space, upgraded SAN, Nexus switch upgrades/additional switches, miscellaneous agency equipment and software	\$ 285,000
	<b>Total Computer Acquisitions</b>	<b>\$ 285,000</b>
Other Acquisitions		
Division	Description	Cost
Executive	Miscellaneous agency furniture and equipment	\$ 12,000
Public Information	Video equipment	\$ 3,000
	<b>Total Other Acquisitions</b>	<b>\$ 15,000</b>
	<b>TOTAL ACQUISITIONS</b>	<b>\$ 300,000</b>

## Multi-Year Projects

### 2022-2023 Budget Supplemental Data (Exhibit F)

Upgrades for ESS Security, Several Solaris Modules, Employee Intranet & the Actuarial Data File; Replacing Budgeting Software & Implementing a New AskLASERS Solution		
Category	Description	Cost
Operating Services	Computer Maintenance/Licensing Software	\$ 35,000
	<b>Total Operating Services</b>	<b>\$ 35,000</b>
Professional Services	Professional Services Expenditures	\$ 2,965,000
	<b>Total Professional Services</b>	<b>\$ 2,965,000</b>
<b>TOTAL FOR MULTI-YEAR PROJECTS</b>		<b>\$ 3,000,000</b>

Potential cybersecurity threats necessitates ongoing multi-year projects relative to LASERS IT environment to protect the security of our members' data. The costs shown reflect the projected amount necessary to further upgrade Employer Self-Service (ESS) using the same security & web technologies used for myLASERS, implement a new AskLASERS solution to aid in managing electronic requests received, update Solaris Agency Contribution Reporting (ACR) and Service Purchase modules to resolve known issues and update for processing efficiency, replace our existing budgeting software and make improvements to the actuary file. Additional smaller projects included in the above are an upgrade for Kofax, various security audits and wrap-up work for myLASERS.

## Budget by Division - Summary

2022-2023 Operating Budget

Budget Category	Board of Trustees, Executive & Facilities	Legal	Audit	Fiscal	Human Resources	Member Services	Public Information	Information Technology	Investments	Total
<b>PERSONNEL SERVICES</b>										
Regular Salaries	\$ 936,900	\$ 493,300	\$ 436,200	\$ 1,725,900	\$ 290,100	\$ 2,995,300	\$ 280,800	\$ 2,255,200	\$ 1,592,100	\$ 11,005,800
Overtime Salaries	-	-	-	-	-	3,000	-	2,000	-	5,000
Termination Pay	-	-	-	22,400	-	32,400	12,500	11,300	-	78,600
Wages	8,500	10,000	-	11,000	-	12,000	-	18,000	15,000	74,500
Per Diem-Board Members	7,000	-	-	-	-	-	-	-	-	7,000
Related Benefits	424,300	210,500	222,600	871,900	552,900	1,531,900	146,300	1,128,800	716,900	5,806,100
<b>TOTAL PERSONNEL</b>	<b>1,376,700</b>	<b>713,800</b>	<b>658,800</b>	<b>2,631,200</b>	<b>843,000</b>	<b>4,574,600</b>	<b>439,600</b>	<b>3,415,300</b>	<b>2,324,000</b>	<b>16,977,000</b>
<b># of Positions</b>	<b>9</b>	<b>4</b>	<b>5</b>	<b>25</b>	<b>3</b>	<b>51</b>	<b>4</b>	<b>27</b>	<b>9</b>	<b>137</b>
<b>TOTAL TRAVEL</b>	<b>63,000</b>	<b>11,000</b>	<b>10,500</b>	<b>6,000</b>	<b>6,500</b>	<b>20,500</b>	<b>3,600</b>	<b>26,000</b>	<b>15,000</b>	<b>162,100</b>
<b>OPERATING SERVICES</b>										
Computer Maintenance	-	-	-	-	-	-	-	748,800	-	748,800
Building/Equip/Vehicle Maintenance	13,000	-	-	-	-	500	-	5,400	-	18,900
Miscellaneous Operating Services	-	-	6,000	-	1,500	1,000	-	-	-	8,500
Advertising/Public Relations	-	-	-	-	-	-	6,000	-	-	6,000
Printing Services	-	-	-	-	-	52,000	60,000	-	-	112,000
Insurance	-	-	-	110,000	-	-	-	-	-	110,000
Rentals/Computer Lic. Software	-	-	-	-	-	18,500	-	1,018,800	9,000	1,046,300
Building Rentals	-	-	-	701,000	-	-	-	-	-	701,000
Dues and Subscriptions	14,000	28,000	2,500	5,000	500	1,000	3,500	2,500	8,000	65,000
Bank Fees	-	-	-	25,000	-	-	-	-	-	25,000
Mail Delivery & Postage	-	-	-	-	-	260,000	-	-	-	260,000
Telephone/Internet/Cable Services	-	-	-	-	-	-	-	199,100	-	199,100
Civil Svc/CPTP/Local Training	10,000	1,000	2,500	5,000	60,000	1,000	800	20,000	4,000	104,300
Operating Supplies	-	-	-	76,000	-	-	-	98,000	-	174,000
<b>TOTAL OPERATING SERVICES</b>	<b>37,000</b>	<b>29,000</b>	<b>11,000</b>	<b>922,000</b>	<b>62,000</b>	<b>334,000</b>	<b>70,300</b>	<b>2,092,600</b>	<b>21,000</b>	<b>3,578,900</b>

## Budget by Division - Summary

2022-2023 Operating Budget

Budget Category	Board of Trustees, Executive & Facilities	Legal	Audit	Fiscal	Human Resources	Member Services	Public Information	Information Technology	Investments	Total
<b>PROFESSIONAL SERVICES</b>										
Accounting & Auditing	-	-	95,000	-	-	-	-	-	-	95,000
Professional Service Expenditures	30,000	-	-	-	-	-	15,000	70,000	1,000	116,000
Legal	-	15,000	-	-	-	-	-	-	-	15,000
Medical/Disability	-	-	-	-	-	60,000	-	-	-	60,000
Actuarial	225,000	-	-	-	-	-	-	-	-	225,000
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>255,000</b>	<b>15,000</b>	<b>95,000</b>	<b>-</b>	<b>-</b>	<b>60,000</b>	<b>15,000</b>	<b>70,000</b>	<b>1,000</b>	<b>511,000</b>
<b>TOTAL ACQUISITIONS</b>	<b>12,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>285,000</b>	<b>-</b>	<b>300,000</b>
<b>TOTAL OPERATING BUDGET</b>	<b>1,743,700</b>	<b>768,800</b>	<b>775,300</b>	<b>3,559,200</b>	<b>911,500</b>	<b>4,989,100</b>	<b>531,500</b>	<b>5,888,900</b>	<b>2,361,000</b>	<b>21,529,000</b>
<b>INVESTMENT FEES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,180,000</b>	<b>32,500,000</b>
<b>GRAND TOTAL WITH INVESTMENT FEES</b>	<b>\$ 1,743,700</b>	<b>\$ 768,800</b>	<b>\$ 775,300</b>	<b>\$ 3,879,200</b>	<b>\$ 911,500</b>	<b>\$ 4,989,100</b>	<b>\$ 531,500</b>	<b>\$ 5,888,900</b>	<b>\$ 34,541,000</b>	<b>\$ 54,029,000</b>

## Proposed Operating Budget

### Final 2021-2022 - Proposed 2022-2023, (Board of Trustees, Executive and Facilities Divisions)

BUDGET CATEGORY	ACTUAL 2020-2021	BUDGET 2021-2022	PROPOSED		COMPARISION TO 2021-2022 BUDGET	
			BUDGET 2022-2023		AMOUNT	% Diff.
<b>Personnel Services</b>						
Regular Salaries	\$ 808,047	\$ 1,011,700	\$ 936,900	\$	(74,800)	-7.39%
Termination Pay	\$ 29,531	\$ -	\$ -	\$	-	0.00%
Wages	\$ -	\$ 9,500	\$ 8,500	\$	(1,000)	-10.53%
Compensation to Board Members	\$ 6,075	\$ 10,000	\$ 7,000	\$	(3,000)	-30.00%
Related Benefits	\$ 362,155	\$ 460,800	\$ 424,300	\$	(36,500)	-7.92%
<b>Total Personnel Services</b>	<b>\$ 1,205,808</b>	<b>\$ 1,492,000</b>	<b>\$ 1,376,700</b>	<b>\$</b>	<b>(115,300)</b>	<b>-7.73%</b>
<b>Total Travel</b>	<b>\$ 3,052</b>	<b>\$ 63,000</b>	<b>\$ 63,000</b>	<b>\$</b>	<b>-</b>	<b>0.00%</b>
<b>Operating Services</b>						
Building/Equip/Vehicle Maintenance	\$ 6,853	\$ 13,000	\$ 13,000	\$	-	0.00%
Dues and Subscriptions	\$ 13,538	\$ 14,000	\$ 14,000	\$	-	0.00%
Civil Svc/CPTP/Local Training	\$ 13,626	\$ 10,000	\$ 10,000	\$	-	0.00%
<b>Total Operating Services</b>	<b>\$ 34,017</b>	<b>\$ 37,000</b>	<b>\$ 37,000</b>	<b>\$</b>	<b>-</b>	<b>0.00%</b>
<b>Professional Services</b>						
Professional Services Expenditures	\$ -	\$ 30,000	\$ 30,000	\$	-	0.00%
Actuary	\$ 172,000	\$ 215,000	\$ 225,000	\$	10,000	4.65%
<b>Total Professional Services</b>	<b>\$ 172,000</b>	<b>\$ 245,000</b>	<b>\$ 255,000</b>	<b>\$</b>	<b>10,000</b>	<b>4.08%</b>
<b>Total Acquisitions</b>	<b>\$ -</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$</b>	<b>-</b>	<b>0.00%</b>
<b>Total</b>	<b>\$ 1,414,877</b>	<b>\$ 1,849,000</b>	<b>\$ 1,743,700</b>	<b>\$</b>	<b>(105,300)</b>	<b>-5.69%</b>

## Proposed Operating Budget

### Final 2021-2022 - Proposed 2022-2023, (Audit Services Division)

BUDGET CATEGORY	ACTUAL 2020-2021	BUDGET 2021-2022	PROPOSED		COMPARISON TO 2021-2022 BUDGET		
			BUDGET 2022-2023		AMOUNT	% Diff.	
<b>Personnel Services</b>							
Regular Salaries	\$ 411,285	\$ 438,400	\$ 436,200		\$ (2,200)	-0.50%	
Related Benefits	\$ 205,646	\$ 211,400	\$ 222,600		\$ 11,200	5.30%	
<b>Total Personnel Services</b>	<b>\$ 616,931</b>	<b>\$ 649,800</b>	<b>\$ 658,800</b>		<b>\$ 9,000</b>	<b>1.39%</b>	
<b>Total Travel</b>	<b>\$ -</b>	<b>\$ 10,500</b>	<b>\$ 10,500</b>		<b>\$ -</b>	<b>0.00%</b>	
<b>Operating Services</b>							
Miscellaneous Operating Services	\$ 4,988	\$ 5,000	\$ 6,000		\$ 1,000	20.00%	
Dues and Subscriptions	\$ 1,969	\$ 2,500	\$ 2,500		\$ -	0.00%	
Civil Svc/CPTP/Local Training	\$ 2,566	\$ 1,500	\$ 2,500		\$ 1,000	66.67%	
<b>Total Operating Services</b>	<b>\$ 9,523</b>	<b>\$ 9,000</b>	<b>\$ 11,000</b>		<b>\$ 2,000</b>	<b>22.22%</b>	
<b>Professional Services</b>							
Accounting and Auditing	\$ 87,383	\$ 95,000	\$ 95,000		\$ -	0.00%	
Professional Services Expenditures	\$ 24,500	\$ -	\$ -		\$ -	0.00%	
<b>Total Professional Services</b>	<b>\$ 111,883</b>	<b>\$ 95,000</b>	<b>\$ 95,000</b>		<b>\$ -</b>	<b>0.00%</b>	
<b>Total</b>	<b>\$ 738,337</b>	<b>\$ 764,300</b>	<b>\$ 775,300</b>		<b>\$ 11,000</b>	<b>1.44%</b>	

**Proposed Operating Budget**  
**Final 2021-2022 - Proposed 2022-2023, (Fiscal Division)**

BUDGET CATEGORY	ACTUAL		BUDGET		PROPOSED		COMPARISION TO	
	2020-2021		2021-2022		BUDGET		2021-2022 BUDGET	
							AMOUNT	% Diff.
<b>Personnel Services</b>								
Regular Salaries	\$	1,661,321	\$	1,689,600	\$	1,725,900	\$ 36,300	2.15%
Overtime Salaries	\$	1,726	\$	-	\$	-	\$ -	0.00%
Termination Pay	\$	-	\$	29,500	\$	22,400	\$ (7,100)	-24.07%
Wages	\$	7,461	\$	9,000	\$	11,000	\$ 2,000	22.22%
Related Benefits	\$	830,387	\$	843,700	\$	871,900	\$ 28,200	3.34%
<b>Total Personnel Services</b>	\$	<b>2,500,895</b>	\$	<b>2,571,800</b>	\$	<b>2,631,200</b>	\$ <b>59,400</b>	<b>2.31%</b>
<b>Total Travel</b>	\$	<b>-</b>	\$	<b>6,000</b>	\$	<b>6,000</b>	\$ <b>-</b>	<b>0.00%</b>
<b>Operating Services</b>								
Miscellaneous Operating Services	\$	139	\$	-	\$	-	\$ -	0.00%
Insurance	\$	106,215	\$	115,000	\$	110,000	\$ (5,000)	-4.35%
Building Rentals	\$	700,171	\$	706,000	\$	701,000	\$ (5,000)	-0.71%
Dues and Subscriptions	\$	4,628	\$	5,000	\$	5,000	\$ -	0.00%
Bank Fees	\$	17,660	\$	20,000	\$	25,000	\$ 5,000	25.00%
CPTP & Local Training	\$	2,855	\$	5,000	\$	5,000	\$ -	0.00%
Operating Supplies	\$	55,296	\$	86,000	\$	76,000	\$ (10,000)	-11.63%
<b>Total Operating Services</b>	\$	<b>886,964</b>	\$	<b>937,000</b>	\$	<b>922,000</b>	\$ <b>(15,000)</b>	<b>-1.60%</b>
<b>Investment Fees</b>								
Investment Fees	\$	310,832	\$	340,000	\$	320,000	\$ (20,000)	-5.88%
<b>Total Investment Fees</b>	\$	<b>310,832</b>	\$	<b>340,000</b>	\$	<b>320,000</b>	\$ <b>(20,000)</b>	<b>-5.88%</b>
<b>Total</b>	\$	<b>3,698,691</b>	\$	<b>3,854,800</b>	\$	<b>3,879,200</b>	\$ <b>24,400</b>	<b>0.63%</b>

## Proposed Operating Budget

### Final 2021-2022 - Proposed 2022-2023, (Human Resources Division)

BUDGET CATEGORY	ACTUAL 2020-2021	BUDGET 2021-2022	PROPOSED BUDGET 2022-2023	COMPARISION TO 2021-2022 BUDGET AMOUNT	% Diff.
<b>Personnel Services</b>					
Regular Salaries	\$ 293,318	\$ 285,400	\$ 290,100	\$ 4,700	1.65%
Related Benefits	\$ 506,923	\$ 556,800	\$ 552,900	\$ (3,900)	-0.70%
<b>Total Personnel Services</b>	<b>\$ 800,241</b>	<b>\$ 842,200</b>	<b>\$ 843,000</b>	<b>\$ 800</b>	<b>0.09%</b>
<b>Total Travel</b>	<b>\$ -</b>	<b>\$ 6,500</b>	<b>\$ 6,500</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Operating Services</b>					
Miscellaneous Operating Services	\$ 574	\$ 1,500	\$ 1,500	\$ -	0.00%
Dues and Subscriptions	\$ 438	\$ 500	\$ 500	\$ -	0.00%
CPTP & Local Training	\$ 54,795	\$ 60,000	\$ 60,000	\$ -	0.00%
<b>Total Operating Services</b>	<b>\$ 55,807</b>	<b>\$ 62,000</b>	<b>\$ 62,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total</b>	<b>\$ 856,048</b>	<b>\$ 910,700</b>	<b>\$ 911,500</b>	<b>\$ 800</b>	<b>0.09%</b>

**Proposed Operating Budget**  
**Final 2021-2022 - Proposed 2022-2023, (IT Division)**

BUDGET CATEGORY	ACTUAL 2020-2021	BUDGET 2021-2022	PROPOSED		COMPARISION TO 2021-2022 BUDGET	
			BUDGET 2022-2023		AMOUNT	% Diff.
<b>Personnel Services</b>						
Regular Salaries	\$ 2,099,772	\$ 2,216,300	\$ 2,255,200	\$	38,900	1.76%
Overtime Salaries	\$ -	\$ 2,000	\$ 2,000	\$	-	0.00%
Termination Pay	\$ -	\$ 19,300	\$ 11,300	\$	(8,000)	-41.45%
Wages	\$ 15,132	\$ 17,000	\$ 18,000	\$	1,000	5.88%
Related Benefits	\$ 1,032,281	\$ 1,092,100	\$ 1,128,800	\$	36,700	3.36%
<b>Total Personnel Services</b>	<b>\$ 3,147,185</b>	<b>\$ 3,346,700</b>	<b>\$ 3,415,300</b>	<b>\$</b>	<b>68,600</b>	<b>2.05%</b>
<b>Total Travel</b>	<b>\$ -</b>	<b>\$ 26,000</b>	<b>\$ 26,000</b>	<b>\$</b>	<b>-</b>	<b>0.00%</b>
<b>Operating Services</b>						
Computer Maintenance	\$ 450,568	\$ 630,000	\$ 748,800	\$	118,800	18.86%
Building/Equip/Vehicle Maint.	\$ 4,672	\$ 4,600	\$ 5,400	\$	800	17.39%
Rentals/Computer Lic. Software	\$ 823,312	\$ 971,700	\$ 1,018,800	\$	47,100	4.85%
Dues and Subscriptions	\$ 1,003	\$ 3,000	\$ 2,500	\$	(500)	-16.67%
Telephone/Internet/Cable Services	\$ 147,281	\$ 149,000	\$ 199,100	\$	50,100	33.62%
CPTP & Local Training	\$ 11,852	\$ 21,500	\$ 20,000	\$	(1,500)	-6.98%
Operating Supplies	\$ 83,724	\$ 99,000	\$ 98,000	\$	(1,000)	-1.01%
<b>Total Operating Services</b>	<b>\$ 1,522,412</b>	<b>\$ 1,878,800</b>	<b>\$ 2,092,600</b>	<b>\$</b>	<b>213,800</b>	<b>11.38%</b>
<b>Professional Services</b>						
Professional Services Expenditures	\$ 30,838	\$ 50,000	\$ 70,000	\$	20,000	40.00%
<b>Total Professional Services</b>	<b>\$ 30,838</b>	<b>\$ 50,000</b>	<b>\$ 70,000</b>	<b>\$</b>	<b>20,000</b>	<b>40.00%</b>
<b>Acquisitions</b>						
Computer Acquisitions	\$ 206,811	\$ 232,000	\$ 285,000	\$	53,000	22.84%
<b>Total Acquisitions</b>	<b>\$ 206,811</b>	<b>\$ 232,000</b>	<b>\$ 285,000</b>	<b>\$</b>	<b>53,000</b>	<b>22.84%</b>
<b>Total</b>	<b>\$ 4,907,246</b>	<b>\$ 5,533,500</b>	<b>\$ 5,888,900</b>	<b>\$</b>	<b>355,400</b>	<b>6.42%</b>

**Proposed Operating Budget**  
**Final 2021-2022 - Proposed 2022-2023, (Investments Division)**

BUDGET CATEGORY	ACTUAL		BUDGET		PROPOSED		COMPARISION TO	
	2020-2021		2021-2022		BUDGET		2021-2022 BUDGET	
							AMOUNT	% Diff.
<b>Personnel Services</b>								
Regular Salaries	\$	1,402,927	\$	1,451,700	\$	1,592,100	\$ 140,400	9.67%
Wages	\$	-	\$	15,300	\$	15,000	\$ (300)	-1.96%
Related Benefits	\$	646,899	\$	652,600	\$	716,900	\$ 64,300	9.85%
<b>Total Personnel Services</b>	\$	<b>2,049,826</b>	\$	<b>2,119,600</b>	\$	<b>2,324,000</b>	\$ <b>204,400</b>	<b>9.64%</b>
<b>Total Travel</b>	\$	<b>-</b>	\$	<b>15,000</b>	\$	<b>15,000</b>	\$ <b>-</b>	<b>0.00%</b>
<b>Operating Services</b>								
Rentals/Computer Lic. Software	\$	8,061	\$	7,000	\$	9,000	\$ 2,000	28.57%
Dues and Subscriptions	\$	5,092	\$	8,000	\$	8,000	\$ -	0.00%
CPTP & Local Training	\$	2,511	\$	4,000	\$	4,000	\$ -	0.00%
<b>Total Operating Services</b>	\$	<b>15,664</b>	\$	<b>19,000</b>	\$	<b>21,000</b>	\$ <b>2,000</b>	<b>10.53%</b>
<b>Professional Services</b>								
Professional Services Expenditures	\$	-	\$	1,000	\$	1,000	\$ -	0.00%
<b>Total Professional Services</b>	\$	<b>-</b>	\$	<b>1,000</b>	\$	<b>1,000</b>	\$ <b>-</b>	<b>0.00%</b>
<b>Investment Fees</b>								
Investment Fees	\$	26,785,049	\$	32,660,000	\$	32,180,000	\$ (480,000)	-1.47%
<b>Total Investment Fees</b>	\$	<b>26,785,049</b>	\$	<b>32,660,000</b>	\$	<b>32,180,000</b>	\$ <b>(480,000)</b>	<b>-1.47%</b>
<b>Total</b>	\$	<b>28,850,539</b>	\$	<b>34,814,600</b>	\$	<b>34,541,000</b>	\$ <b>(273,600)</b>	<b>-0.79%</b>

**Proposed Operating Budget**  
**Final 2021-2022 - Proposed 2022-2023, (Legal Division)**

BUDGET CATEGORY	ACTUAL		BUDGET		PROPOSED		COMPARISION TO	
	2020-2021		2021-2022		BUDGET		2021-2022 BUDGET	
							AMOUNT	% Diff.
<b>Personnel Services</b>								
Regular Salaries	\$	408,894	\$	395,500	\$	493,300	\$ 97,800	24.73%
Wages	\$	-	\$	10,000	\$	10,000	\$ -	0.00%
Related Benefits	\$	185,444	\$	165,100	\$	210,500	\$ 45,400	27.50%
<b>Total Personnel Services</b>	\$	<b>594,338</b>	\$	<b>570,600</b>	\$	<b>713,800</b>	\$ <b>143,200</b>	<b>25.10%</b>
<b>Total Travel</b>	\$	<b>-</b>	\$	<b>11,000</b>	\$	<b>11,000</b>	\$ <b>-</b>	<b>0.00%</b>
<b>Operating Services</b>								
Miscellaneous Operating Services	\$	55	\$	-	\$	-	\$ -	0.00%
Dues and Subscriptions	\$	26,632	\$	27,000	\$	28,000	\$ 1,000	3.70%
CPTP & Local Training	\$	1,547	\$	1,000	\$	1,000	\$ -	0.00%
<b>Total Operating Services</b>	\$	<b>28,234</b>	\$	<b>28,000</b>	\$	<b>29,000</b>	\$ <b>1,000</b>	<b>3.57%</b>
<b>Professional Services</b>								
Legal	\$	9,440	\$	25,000	\$	15,000	\$ (10,000)	-40.00%
<b>Total Professional Services</b>	\$	<b>9,440</b>	\$	<b>25,000</b>	\$	<b>15,000</b>	\$ <b>(10,000)</b>	<b>-40.00%</b>
<b>Total</b>	\$	<b>632,012</b>	\$	<b>634,600</b>	\$	<b>768,800</b>	\$ <b>134,200</b>	<b>21.15%</b>

## Proposed Operating Budget

### Final 2021-2022 - Proposed 2022-2023, (Member Services Division)

BUDGET CATEGORY	ACTUAL 2020-2021	BUDGET 2021-2022	PROPOSED BUDGET 2022-2023	COMPARISION TO 2021-2022 BUDGET		
				AMOUNT	% Diff.	
<b>Personnel Services</b>						
Regular Salaries	\$ 2,832,967	\$ 3,142,200	\$ 2,995,300	\$ (146,900)	-4.68%	
Overtime Salaries	\$ 1,267	\$ 3,000	\$ 3,000	\$ -	0.00%	
Termination Pay	\$ 11,016	\$ 25,700	\$ 32,400	\$ 6,700	26.07%	
Wages	\$ 9,314	\$ 30,000	\$ 12,000	\$ (18,000)	-60.00%	
Related Benefits	\$ 1,429,035	\$ 1,552,000	\$ 1,531,900	\$ (20,100)	-1.30%	
<b>Total Personnel Services</b>	<b>\$ 4,283,599</b>	<b>\$ 4,752,900</b>	<b>\$ 4,574,600</b>	<b>\$ (178,300)</b>	<b>-3.75%</b>	
<b>Total Travel</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 20,500</b>	<b>\$ (4,500)</b>	<b>-18.00%</b>	
<b>Operating Services</b>						
Miscellaneous Operating Services	\$ 3,404	\$ 1,000	\$ 1,000	\$ -	0.00%	
Printing Services	\$ 42,540	\$ 52,000	\$ 52,000	\$ -	0.00%	
Building/Equip/Vehicle Maint.	\$ -	\$ -	\$ 500	\$ 500	100.00%	
Rentals/Computer Lic. Software	\$ 12,243	\$ 10,000	\$ 18,500	\$ 8,500	85.00%	
Dues and Subscriptions	\$ -	\$ 1,500	\$ 1,000	\$ (500)	-33.33%	
Mail, Delivery & Postage	\$ 258,379	\$ 236,000	\$ 260,000	\$ 24,000	10.17%	
CPTP & Local Training	\$ 2,915	\$ 1,000	\$ 1,000	\$ -	0.00%	
<b>Total Operating Services</b>	<b>\$ 319,481</b>	<b>\$ 301,500</b>	<b>\$ 334,000</b>	<b>\$ 32,500</b>	<b>10.78%</b>	
<b>Professional Services</b>						
Professional Services Expenditures	\$ -	\$ 1,000	\$ -	\$ (1,000)	-100.00%	
Disability	\$ 51,348	\$ 60,000	\$ 60,000	\$ -	0.00%	
<b>Total Professional Services</b>	<b>\$ 51,348</b>	<b>\$ 61,000</b>	<b>\$ 60,000</b>	<b>\$ (1,000)</b>	<b>-1.64%</b>	
<b>Total</b>	<b>\$ 4,654,428</b>	<b>\$ 5,140,400</b>	<b>\$ 4,989,100</b>	<b>\$ (151,300)</b>	<b>-2.94%</b>	

## Proposed Operating Budget

### Final 2021-2022 - Proposed 2022-2023, (Public Information Division)

BUDGET CATEGORY	ACTUAL		BUDGET		PROPOSED		COMPARISION TO	
	2020-2021	2021-2022	2021-2022	2022-2023	BUDGET	2021-2022 BUDGET	AMOUNT	% Diff.
<b>Personnel Services</b>								
Regular Salaries	\$ 266,618	\$ 271,900	\$ 271,900	\$ 280,800	\$ 8,900	\$ 8,900		3.27%
Termination Pay	\$ -	\$ 4,100	\$ 4,100	\$ 12,500	\$ 8,400	\$ 8,400		204.88%
Related Benefits	\$ 137,260	\$ 139,700	\$ 139,700	\$ 146,300	\$ 6,600	\$ 6,600		4.72%
<b>Total Personnel Services</b>	<b>\$ 403,878</b>	<b>\$ 415,700</b>	<b>\$ 415,700</b>	<b>\$ 439,600</b>	<b>\$ 23,900</b>	<b>\$ 23,900</b>		<b>5.75%</b>
<b>Total Travel</b>	<b>\$ -</b>	<b>\$ 6,100</b>	<b>\$ 6,100</b>	<b>\$ 3,600</b>	<b>\$ (2,500)</b>	<b>\$ (2,500)</b>		<b>-40.98%</b>
<b>Operating Services</b>								
Miscellaneous Operating Services	\$ 996	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%
Advertising/Public Relations	\$ 5,451	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	\$ -		0.00%
Printing Services	\$ 57,824	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ -		0.00%
Dues and Subscriptions	\$ 2,364	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	\$ -		0.00%
CPTP & Local Training	\$ 10	\$ 800	\$ 800	\$ 800	\$ -	\$ -		0.00%
<b>Total Operating Services</b>	<b>\$ 66,645</b>	<b>\$ 70,300</b>	<b>\$ 70,300</b>	<b>\$ 70,300</b>	<b>\$ -</b>	<b>\$ -</b>		<b>0.00%</b>
<b>Professional Services</b>								
Professional Services Expenditures	\$ 13,048	\$ 32,000	\$ 32,000	\$ 15,000	\$ (17,000)	\$ (17,000)		-53.13%
<b>Total Professional Services</b>	<b>\$ 13,048</b>	<b>\$ 32,000</b>	<b>\$ 32,000</b>	<b>\$ 15,000</b>	<b>\$ (17,000)</b>	<b>\$ (17,000)</b>		<b>-53.13%</b>
<b>Acquisitions</b>								
Furniture & Equipment Acquisitions	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	\$ -		0.00%
<b>Total Acquisitions:</b>	<b>\$ -</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ -</b>		<b>0.00%</b>
<b>Total</b>	<b>\$ 483,571</b>	<b>\$ 527,100</b>	<b>\$ 527,100</b>	<b>\$ 531,500</b>	<b>\$ 4,400</b>	<b>\$ 4,400</b>		<b>0.83%</b>

**LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM  
PERSONNEL BUDGET-FOR FISCAL YEAR 2022-2023**

Employee Name	Position Number	Position Title	Level	Annual Salary As Of 06/30/2021	Projected Salary For 2021-2022	Projected Salary For 2022-2023
<b>Executive &amp; Facilities Divisions</b>						
Boudreaux III, Bernard E.	52713	Assistant Director (Chief of Staff)	UC	240,000	240,000	249,200
Celestine, Amanda K.	50504136	Exec Management Officer	618	73,362	74,838	76,272
Labello, Donna G.	50343851	Exec Staff Officer	616	66,082	67,413	68,705
McIlwain, James T.	50330847	Deputy Director (C.A.O.)	UC	175,000	175,000	181,708
Menner, Angelo J.	50372300	Maintenance Repairer 2	212	53,165	53,165	53,165
Rougeou, Cynthia Y.	52694	Executive Director	UC	285,189	296,400	307,762
Vacant	50527857	Statewide Program Manager 1	622	94,390	94,390	94,390
Vacant	50514704	Statewide Program Manager 1	622	94,390	94,390	94,390
Vacant	50309495	Administrative Assistant 5	613	51,345	51,345	51,345
<b>Subtotal</b>			<b>9</b>	<b>892,798</b>	<b>906,816</b>	<b>936,812</b>
<b>Legal Division</b>						
Allen, Demetria R.	52689	Administrative Assistant 6	614	66,123	67,454	68,747
Grant, Tina V.	50354599	Executive Counsel	UC	210,000	210,000	218,050
Robertson, Morgan B.	152721	Attorney 2	618	83,752	85,950	94,318
Stark, Roland S.	50374816	Attorney - Dep Gen Counsel 1	623	107,910	110,074	112,184
<b>Subtotal</b>			<b>4</b>	<b>467,785</b>	<b>473,478</b>	<b>493,299</b>
<b>Audit Division</b>						
Babin, Reece M.	50327363	Auditor 4	618	71,302	73,445	74,853
Babin, Ryan	172896	Audit Director 2	623	121,576	124,010	126,387
Cowell, Hollie M.	177234	Auditor 3	617	85,426	87,131	88,801
Sena, Laura	50361252	Auditor 3	617	71,573	73,008	74,407
Xue, Tianyue N.	170897	Auditor 3	617	68,994	70,366	71,715
<b>Subtotal</b>			<b>5</b>	<b>418,871</b>	<b>427,960</b>	<b>436,163</b>
<b>Fiscal Division</b>						
Campoblanco, Rolando J.	165873	Accountant 3	615	35,984	53,249	55,290
Carter, Priscilla R.	50348952	Accountant 3	615	62,566	63,814	65,037
Cooper, Shalando M.	198303	Accountant 3	615	70,762	72,176	73,559
Craig, Lori D.	140265	Accountant Manager 1	618	72,904	74,360	75,785
Drinnon, Wretha L.	94409	Accountant Manager 3	621	103,085	105,144	107,159
Fillastre IV, Arthur P.	52696	Accountant Admin 5	624	121,576	132,683	135,226
Foster, Amber O.	120432	Accountant Manager 2	619	89,045	90,834	92,575

**LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM  
PERSONNEL BUDGET-FOR FISCAL YEAR 2022-2023**

Employee Name	Position Number	Position Title	Level	Annual Salary As Of 06/30/2021	Projected Salary For 2021-2022	Projected Salary For 2022-2023
Franklin, LaShundra T.	50365506	Accountant 3	615	62,712	63,960	65,186
Gasperecz, Nicole M.L.	50309497	Accountant 3	615	69,534	70,928	72,287
Joseph, Mona F.	199386	Accountant 3	615	70,762	72,176	73,559
Kimble, Amanda L.	144374	Accountant 3	615	53,976	55,598	57,196
Leggette, Kelly M.	50309464	Accountant 3	615	70,762	72,176	73,559
Oliver, Ebony S.	165874	Accountant 3	615	58,760	60,528	61,688
Pitcher-Jackson, Casey D.	140170	Accountant Manager 2	619	88,982	90,771	92,511
Plant, Meshon R.	52692	Accountant 3	615	59,592	60,778	61,943
Poindexter, Ernest D.	188608	Accountant Supervisor 2	617	80,142	81,744	83,311
Reed, Brittany Hastings	50406878	Accountant 3	615	60,590	61,797	62,981
Richard, Janice	139879	Administrative Assistant 4	611	50,877	50,877	50,877
Seils, Jeri J.	50309706	Accountant Manager 2	619	92,747	94,598	96,411
Singletary, Melissa B.	198217	Accountant 3	615	72,051	73,486	74,894
Stewart Jr., Charles L.	50309552	Accountant Supervisor 2	617	79,768	81,370	82,930
Wade, Megan C.	50378864	Accountant 3	615	62,962	64,230	65,461
Yarbrough, George C.	50389690	Accountant Manager 1	618	62,691	64,563	66,419
Vacant	50372858	Accountant 3	615	58,781	58,781	58,781
Vacant	121659	Accounting Technician	611	38,387	38,387	38,387
<b>Subtotal</b>			<b>25</b>	<b>1,711,611</b>	<b>1,770,621</b>	<b>1,804,625</b>
<b>Human Resources Division</b>						
Joseph, Valerie D.	160342	HR Analyst C	615	66,165	67,496	68,790
Metoyer, Sheila T.	117267	HR Director B	620	99,258	101,234	103,174
Rogers, Andrea H.	201256	HR Analyst C	615	65,478	66,789	68,069
<b>Subtotal</b>			<b>3</b>	<b>230,901</b>	<b>235,519</b>	<b>240,033</b>
<b>Member Services Division</b>						
Ackermann, Adrian A.	50309703	Retirement Benefits Educator	616	54,475	56,118	57,731
Adams, Tina M.	50465488	Retirement Benefits Specialist	617	68,890	70,262	71,609
Aker, Virginia M.	50309551	Retirement Benefits Analyst 3	615	65,478	66,789	68,069
Allen, Donald L.	50484787	Retirement Benefits Specialist	617	68,390	69,763	71,100
Austin, Jessica P.	50309667	Retirement Benefits Analyst 2	613	41,746	45,879	49,347
Baronne, Gregory J.	50308451	Retirement Benefits Analyst 3	615	62,941	64,210	65,441
Bishop, Joseph D.	50348928	Retirement Benefits Analyst 3	615	65,312	66,622	67,899

**LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM  
PERSONNEL BUDGET-FOR FISCAL YEAR 2022-2023**

<b>Employee Name</b>	<b>Position Number</b>	<b>Position Title</b>	<b>Level</b>	<b>Annual Salary As Of 06/30/2021</b>	<b>Projected Salary For 2021-2022</b>	<b>Projected Salary For 2022-2023</b>
Braud, Jared M.	202416	Retirement Benefits Analyst 3	615	47,965	49,878	51,312
Brown, Tanasha D.	203685	Retirement Benefits Analyst 3	615	52,229	53,789	55,335
Brumfield, Brodie	168767	Retirement Benefits Analyst 3	615	59,925	61,131	62,303
Canella, Amy T.	52710	Administrative Coordinator 3	609	44,429	44,429	44,429
Casey, Christopher M.	50389959	Retirement Benefits Specialist	617	69,014	70,387	71,736
Chauvin, Suyapa R.	184208	Retirement Benefits Analyst 2	613	41,746	46,069	49,347
Clark, Markita S.	198760	Retirement Benefits Analyst 3	615	63,960	65,250	66,501
Crouchet, Christopher M.	50311656	Retirement Benefits Analyst 3	615	46,134	47,986	49,825
Daigle, Patience J.	50408777	Retirement Benefits Analyst 1	612	37,524	40,273	45,444
Drago, Jonathan M.	50363467	Retirement Benefits Asst. Admin.	620	92,227	94,078	95,881
Ducote, Timothy R.	50309481	Retirement Benefits Analyst 3	615	50,918	52,437	53,945
Gibbons, Tricia D.	183566	Retirement Benefits Admin.	622	101,504	103,542	105,527
Goodrich, Susan P.	184206	Retirement Benefits Educator	616	67,371	68,723	70,040
Greaud, Kristen D.	126702	Retirement Benefits Analyst 3	615	47,986	49,899	51,334
Harris, Derek P.	50309494	Retirement Benefits Educator	616	65,686	66,997	68,281
Henning, Danielle P.	180562	Retirement Benefits Analyst 3	615	47,965	49,878	51,312
Hulbert, Jacqueline A.	52697	Administrative Coordinator 3	609	44,429	44,429	44,429
Johnson, Marguerite L.	50316486	Administrative Coordinator 3	609	35,214	35,922	36,611
Jones, Carlos M.	50338611	Retirement Benefits Specialist	617	71,843	73,278	74,682
Jones, Megan L.	153334	Retirement Benefits Supervisor	618	63,378	65,270	67,147
Kern, Michael J.	143916	Retire Benefits Supervisor	618	80,683	82,306	83,884
Kinchen, Wendy D.	50580301	Retirement Benefits Supervisor	618	73,715	75,192	76,633
McClinton, Amanda G.	50363468	Retirement Benefits Manager	619	77,501	79,061	80,576
Morejon, Angela E.	50389958	Retirement Benefits Specialist	617	56,264	58,510	60,192
Oldham-Sullivan, Autumn E.	153333	Retire Benefits Supervisor	618	75,670	77,189	78,668
Pavlovich, Patricia	121530	Administrative Coordinator 3	609	44,408	44,429	44,429
Peneguy, Jeanne E.	50481831	Retirement Benefits Specialist	617	74,922	76,419	77,884
Porterfield, Pamela N.	198045	Retirement Benefits Analyst 3	615	63,565	64,834	66,077
Rivet, Brenda F.	111841	Retirement Benefits Analyst 3	615	70,762	72,176	73,559
Roan, Angela K.	50309500	Retirement Benefits Analyst 3	615	62,525	60,174	61,327
Romero, Aimee	50308428	Retirement Benefits Educator	616	67,371	68,723	70,040
Schexnayder, John	199392	Retirement Benefits Analyst 3	615	62,941	64,210	65,441
Taylor, Bridget M.	80314	Retirement Benefits Educator	616	57,741	59,467	61,177
Theriot, Taylor L.	191899	Retirement Benefits Analyst 3	615	47,965	49,878	51,312

**LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM  
PERSONNEL BUDGET-FOR FISCAL YEAR 2022-2023**

Employee Name	Position Number	Position Title	Level	Annual Salary As Of 06/30/2021	Projected Salary For 2021-2022	Projected Salary For 2022-2023
Trosclair, Jacob	50348927	Retirement Benefits Supervisor	618	65,915	67,891	69,843
Welchez, Carla F.	110522	Retirement Benefits Manager	619	81,952	83,595	85,197
Woerner, Emily	199391	Retirement Benefits Analyst 3	615	55,598	57,262	58,908
Young, Janice	199387	Administrative Coordinator 3	609	39,458	40,248	41,019
Vacant	199396	Retirement Benefits Analyst 1	612	37,524	37,524	37,524
Vacant	199397	Retirement Benefits Supervisor	618	66,139	66,139	66,139
Vacant	50321051	Retirement Benefits Supervisor	618	66,139	66,139	66,139
Vacant	50448397	Retirement Benefits Analyst 3	615	45,958	45,958	45,958
Vacant	50338610	Retirement Benefits Specialist	617	52,624	52,624	52,624
Vacant	50348929	Retirement Benefits Analyst 1	612	37,524	37,524	37,524
<b>Subtotal</b>			<b>51</b>	<b>3,043,543</b>	<b>3,110,760</b>	<b>3,178,691</b>
<b>Public Information Division</b>						
Diaz, Mark J.	142249	Public Info Officer 3	615	68,453	69,826	71,164
Harvey, Rachel P.	50343975	Public Information Officer 2	613	52,894	53,955	54,989
Normand, Tonja N.	123650	Public info Director 2	619	83,616	85,280	86,915
Vetsch, Mallory S.	164269	Public Info Officer 3	615	65,083	66,394	67,667
<b>Subtotal</b>			<b>4</b>	<b>270,046</b>	<b>275,455</b>	<b>280,735</b>
<b>Information Technology Division</b>						
Amous, Osama A.	150631	IT Tech Sup Spec 3	313	82,784	84,448	86,067
Bowden, Dan	117675	IT Director 3	320	131,539	134,160	136,731
Brasseaux, David M.	50378825	IT App Project Leader	314	87,859	89,606	91,323
Byrd, Gregory P.	50346876	IT Tech Support Manager	316	103,064	105,123	107,138
Davis, Logan P.	50576861	IT Tech Support Analyst 2	309	46,535	48,381	49,772
Fitch, Brent	144938	IT Tech Sup Supv	315	97,635	99,590	101,499
Gerard, Reginald P.	50544148	IT Ap Prg/Analyst 1	310	62,130	63,378	64,593
Halliburton, William G.	50309549	IT Applications Programmer 2	309	52,042	54,853	59,004
Hooker, Jr., Charles	50455309	IT App Prog/Anal 3 DCL	314	88,130	89,898	91,621
Kelly, Bryan A.	144936	IT Ap Prg/Analyst 2	312	82,326	83,970	85,579
Lin, Jingyu	50361458	IT Ap Prg/Analyst 2	312	72,051	73,486	74,894
Lott Jr., Dewitt L.	50309669	IT Ap Prg/Analyst 2	312	81,224	82,846	84,434
Lyle, Jonathan D.	50309672	IT Tech Sup Spec 2	312	66,036	71,785	74,172
McBride, Charles R.	50326476	IT Tech Support Consultant DCL	315	90,501	92,310	94,079
Miller, Barney	50385210	IT Tech Sup Spec 3	313	82,160	83,803	85,409
Milner, Donald S.	50569908	IT Mgmt Consultant 1	314	85,987	87,714	89,395

**LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM  
PERSONNEL BUDGET-FOR FISCAL YEAR 2022-2023**

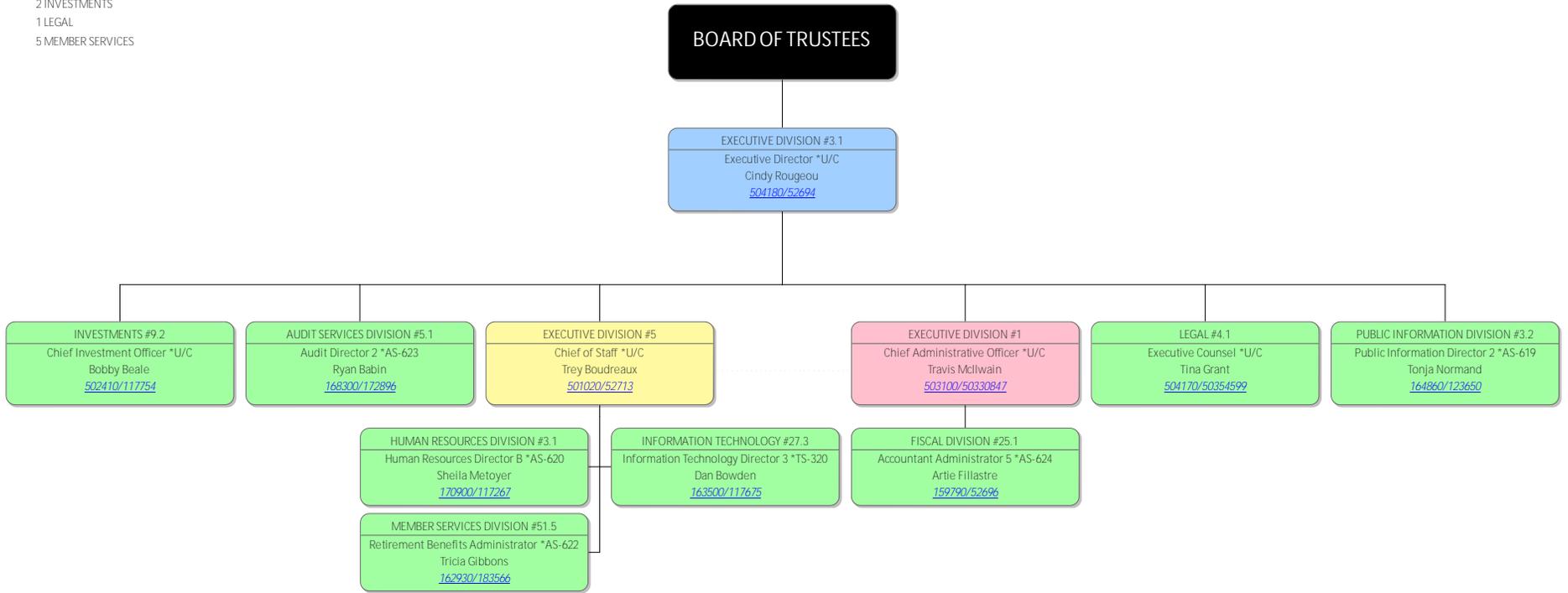
Employee Name	Position Number	Position Title	Level	Annual Salary As Of 06/30/2021	Projected Salary For 2021-2022	Projected Salary For 2022-2023
Odom, Olga	50384060	Administrative Assistant 4	611	38,387	39,541	40,299
Phipps, Steven P.	50378851	IT Tech Sup Supv	315	89,440	91,229	92,978
Potturi, Ravi P.	185260	IT Mgmt Consultant 1	314	79,435	81,016	82,569
Regan, Jacob T.	50399273	IT Applications Programmer 1	307	47,081	52,326	57,524
Scelfo Jr., Kenny P.	50378852	IT App Prog/Anal 3 DCL	314	94,723	96,262	96,262
Schilling, John	142231	IT Ap Prg/Analyst 1	310	60,611	61,818	63,003
Schoonmaker, John E.	50326450	IT Deputy Director 2	318	122,221	124,675	126,194
Sprouse, Johnathon P.	52690	IT Appl Project Manager 2	316	106,787	108,930	110,219
Thurman, Shane	50400125	IT Liaison Officer 4	311	77,314	78,582	78,582
Wilkins, Robert J.	164621	IT App Project Leader	314	94,702	96,262	96,262
Vacant	50471754	IT App Prog/Anal 3 DCL	314	75,598	75,598	75,598
<b>Subtotal</b>			<b>27</b>	<b>2,198,302</b>	<b>2,251,590</b>	<b>2,295,200</b>
<b>Investments Division</b>						
Adams, Jennifer A.	50557116	Admin Program Specialist C	615	58,344	60,091	61,243
Beale, Robert W.	117754	Chief Invest Officer	UC	306,000	336,600	349,503
Brousseau, Jacques M.	50448579	Director	UC	153,000	168,300	174,752
Fournerat, Darren G.	50370515	Assistant Chief	UC	204,000	224,400	233,002
Funderburk, Celeste D.	50380559	Director	UC	167,280	184,008	191,062
Lacombe, Alisa	50448581	Manager	UC	153,000	168,300	174,752
Pearce Jr., Marshall R.	50448580	Manager	UC	153,000	168,300	174,752
Sanders, Lindsay	50380560	Assistant Chief	UC	204,000	224,400	233,002
Vacant	50448578	Manager of Investments	UC	100,000	100,000	100,000
<b>Subtotal</b>			<b>9</b>	<b>1,398,624</b>	<b>1,534,399</b>	<b>1,592,068</b>
<b>GRAND TOTAL SALARIES W/CLASSIFIED WAE (excluding interns)</b>			<b>137</b>	<b>10,632,481</b>	<b>10,986,598</b>	<b>11,257,626</b>

**Assumptions:**

- 1.) Annual Salaries estimated at the mid-point for vacant classified positions or SER where applicable
- 2.) Any reallocation increases due before 6/30/23 were incorporated into the applicable salary figure
- 3.) Unclassified adjustments for '22-23 were projected at 4%
- 4.) Salaries do not include premium pay
- 5.) Vacancies highlighted are not included in the sub-totals or total calculations

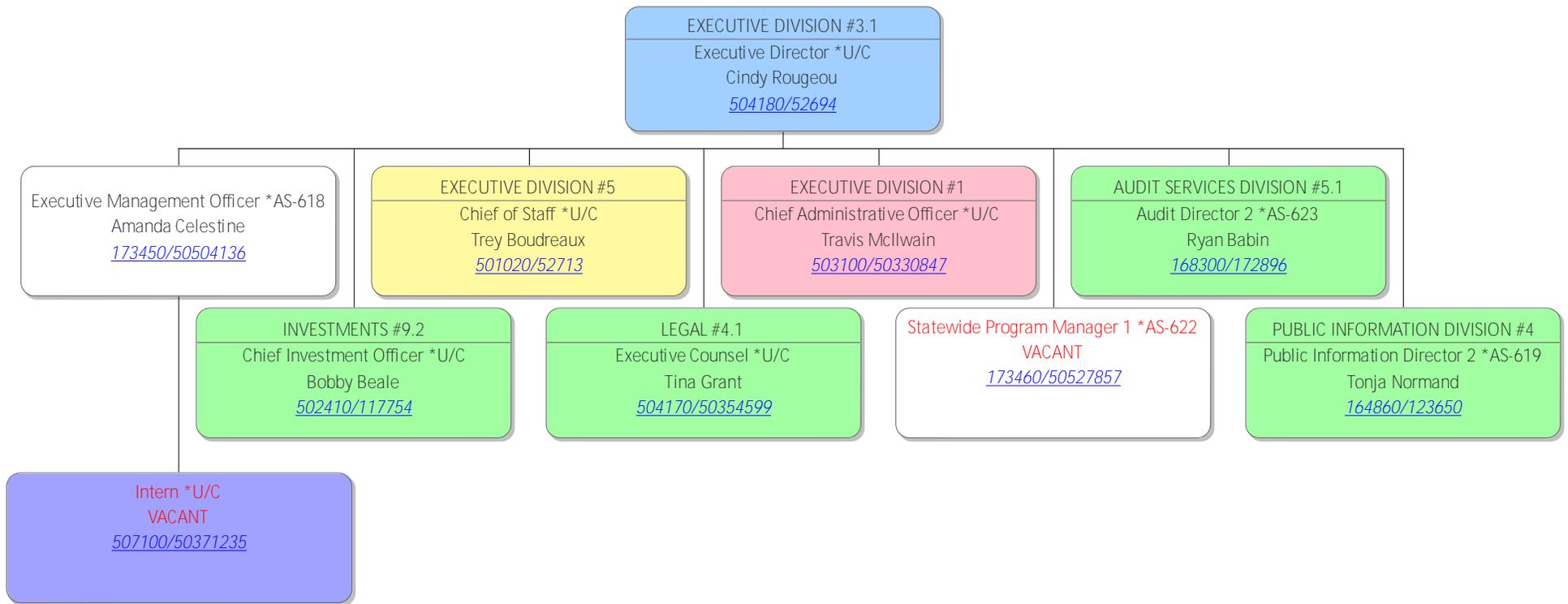
# LASERS

- 137 FULL-TIME POSITIONS**
- 9 EXECUTIVE
  - 5 AUDIT SERVICES
  - 25 FISCAL
  - 3 HUMAN RESOURCES
  - 27 INFORMATION TECHNOLOGY
  - 9 INVESTMENTS
  - 4 LEGAL
  - 51 MEMBER SERVICES
  - 4 PUBLIC INFORMATION
- 15 PART-TIME POSITIONS**
- 1 AUDIT SERVICES
  - 1 EXECUTIVE
  - 1 FISCAL
  - 1 HUMAN RESOURCES
  - 3 INFORMATION TECHNOLOGY
  - 2 INVESTMENTS
  - 1 LEGAL
  - 5 MEMBER SERVICES

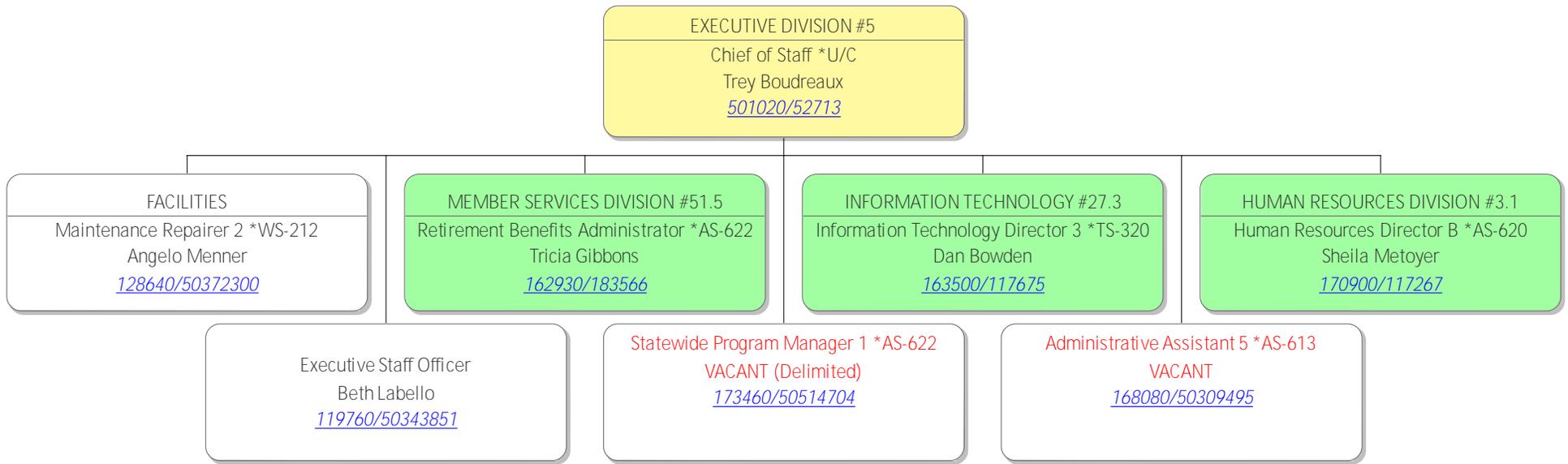


3 FULL-TIME POSITIONS  
1 PART-TIME POSITION

# EXECUTIVE DIRECTOR'S STAFF



# CHIEF OF STAFF'S STAFF



# CHIEF ADMINISTRATIVE OFFICER'S STAFF

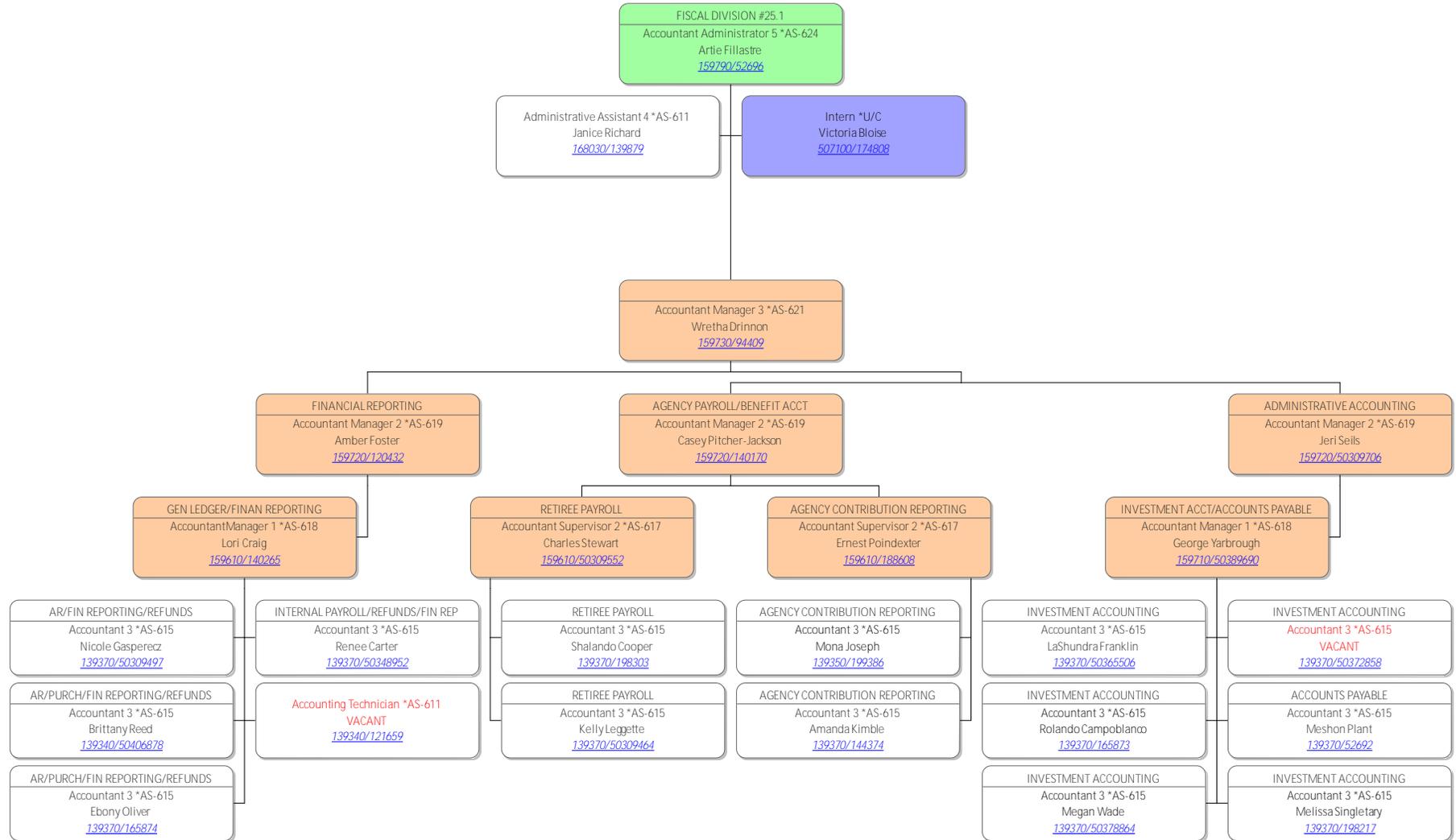


5 FULL-TIME POSITIONS  
1 PART-TIME POSITION

# AUDIT SERVICES DIVISION



# FISCAL DIVISION

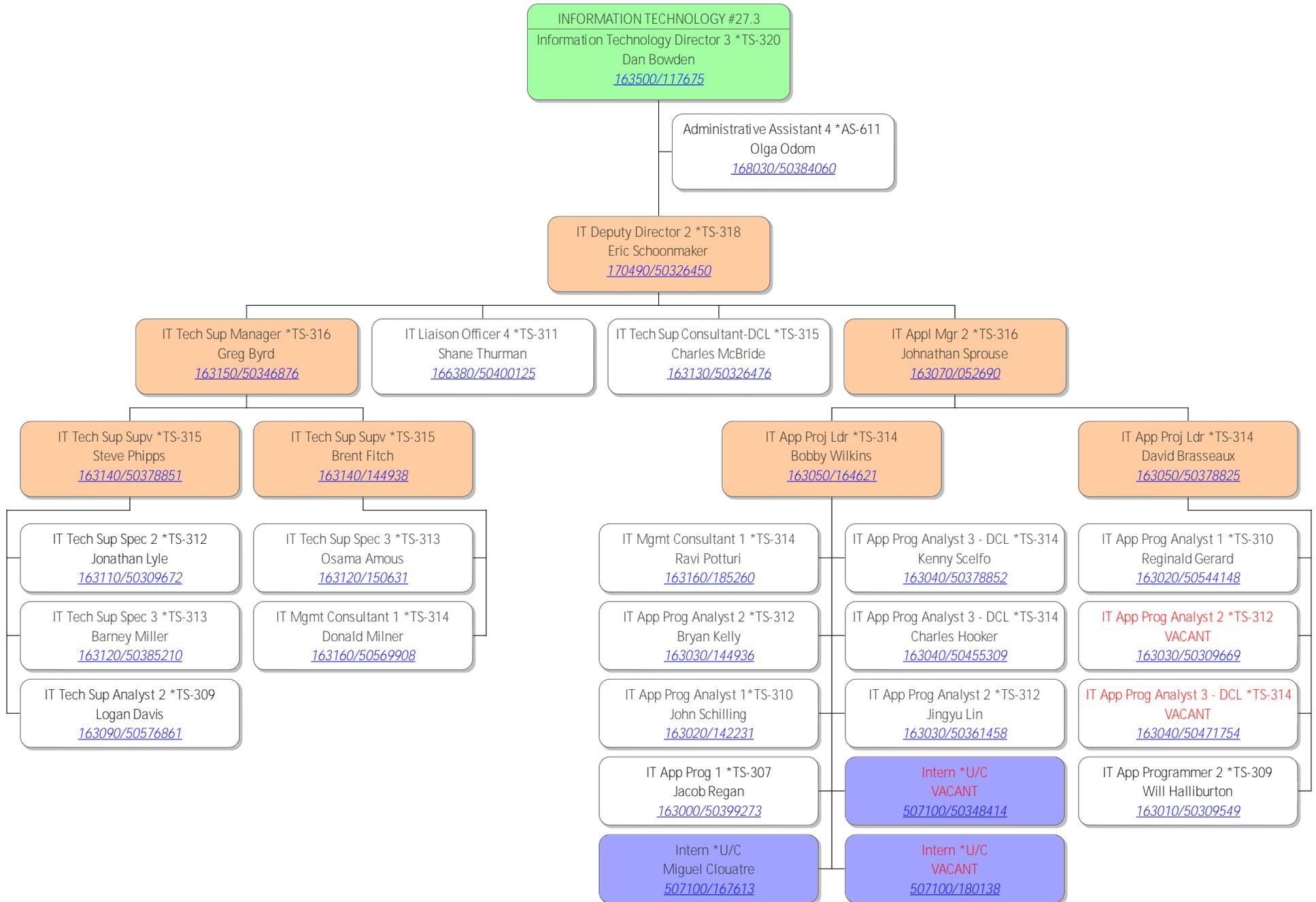


# HUMAN RESOURCES DIVISION

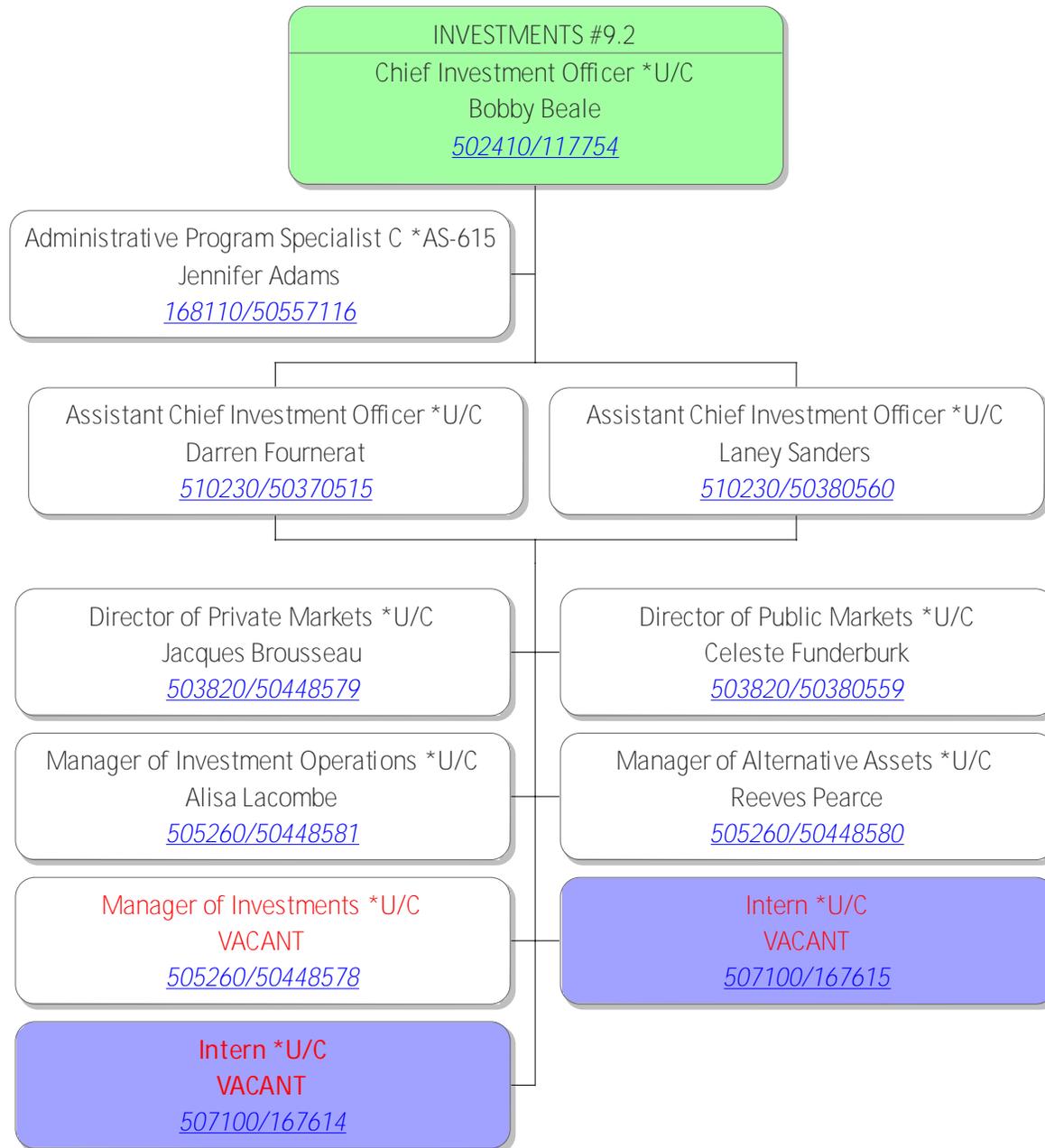
3 FULL-TIME POSITIONS  
1 PART-TIME POSITION



# INFORMATION TECHNOLOGY DIVISION

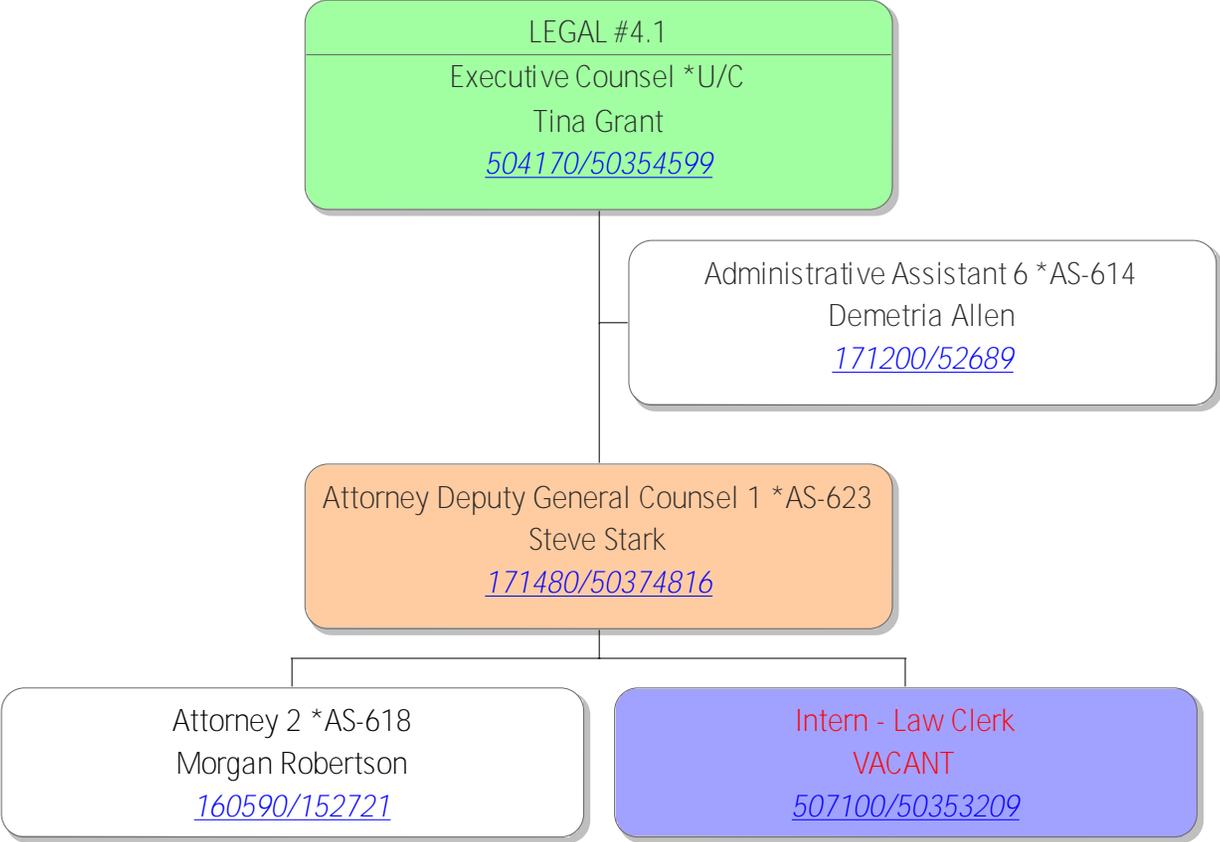


# INVESTMENTS DIVISION



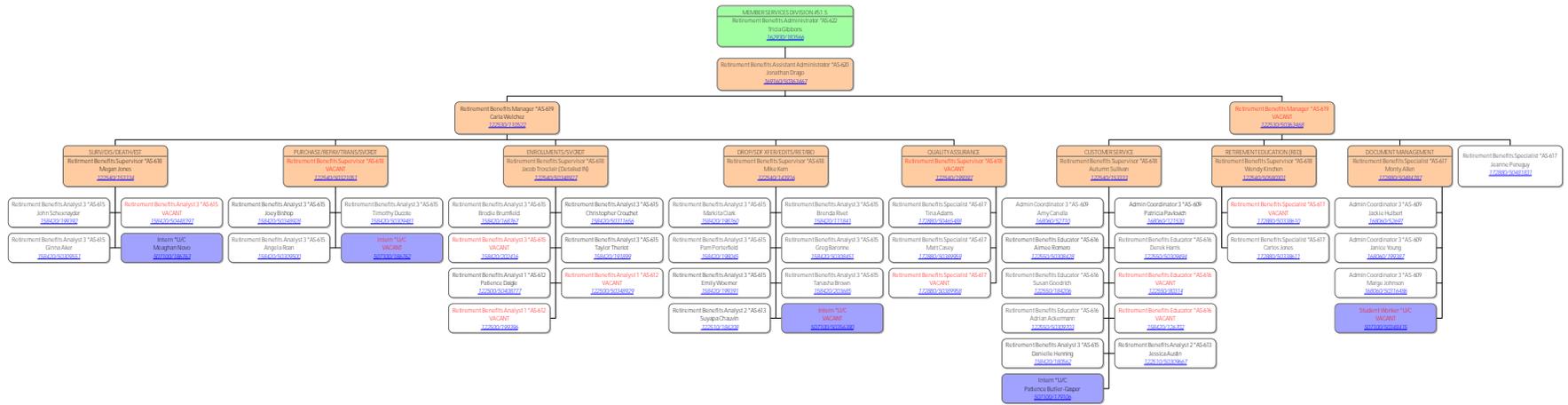
# LEGAL DIVISION

4 FULL-TIME POSITIONS  
1 PART-TIME POSITION

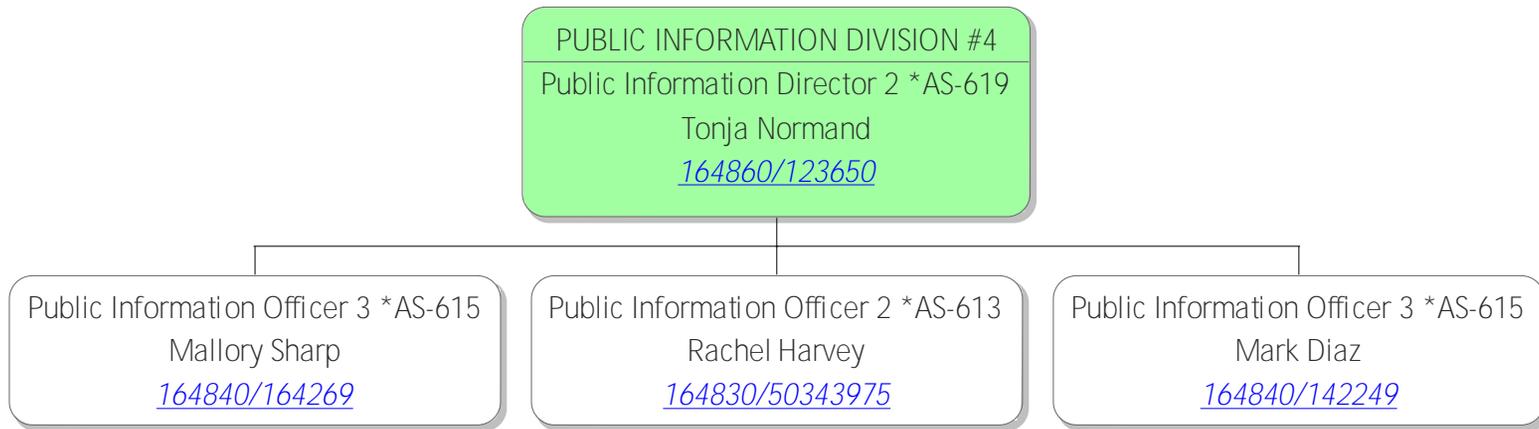


# MEMBER SERVICES DIVISION

51 FULL-TIME POSITIONS  
5 PART-TIME POSITION



# PUBLIC INFORMATION DIVISION



## ACRONYM LIST

### 2022-2023 Budget Supplemental Data

Acronyms			
<b>ACR</b>	Agency Contribution Reporting	<b>LAPERS</b>	Louisiana Association of Public Employee Retirement Systems
<b>AFP</b>	Association for Finance Professionals	<b>LLC</b>	Limited Liability Company
<b>AICPA</b>	American Institute of Certified Public Accountants	<b>NAPPA</b>	National Association of Public Pension Fund Attorneys
<b>APPFA</b>	Association of Public Pension Fund Auditors	<b>NASIO</b>	National Association of State Investment Officers
<b>AR</b>	Accounts Receivable	<b>NASRA</b>	National Association of State Retirement Administrators
<b>AS</b>	Administrative Schedule	<b>NCPERS</b>	National Conference on Public Employee Retirement Systems
<b>BR</b>	Baton Rouge	<b>NPEA</b>	National Pension Education Association
<b>CAIA</b>	Chartered Alternative Investment Analyst Association	<b>NY</b>	New York
<b>CAO</b>	Chief Administrative Officer	<b>P2F2</b>	Public Pension Fund Forum
<b>CFA</b>	Chartered Financial Analyst	<b>PAR</b>	Public Affairs Research Council
<b>CPA</b>	Certified Public Accountant	<b>PHR</b>	Professional Human Resources
<b>CPTP</b>	Comprehensive Public Training Program	<b>PID</b>	Public Information Division
<b>DCL</b>	Dual Career Ladder	<b>PMI</b>	Project Management Institute
<b>DROP</b>	Deferred Retirement Option Plan	<b>PRISM</b>	Public Retirement Information Systems Management
<b>ESS</b>	Employer Self-Service	<b>RS</b>	Revised Statute
<b>FTE</b>	Full -Time Equivalents	<b>RSEA</b>	Retired State Employees' Association
<b>FY</b>	Fiscal Year	<b>SAN</b>	Storage Area Network
<b>GFOA</b>	Government Finance Officers Association	<b>SHRM</b>	Society of Human Resource Management
<b>HR</b>	Human Resources	<b>SER</b>	Special Entrance Rate
<b>IIA</b>	Institute of Internal Auditors	<b>TS</b>	Scientific and Technical Schedule
<b>ISACA</b>	Information Systems Audit and Control Association	<b>UAL</b>	Unfunded Accrued Liability
<b>ISCEBS</b>	International Society of Certified Employee Benefit Specialists	<b>UC or U/C</b>	Unclassified
<b>IT</b>	Information Technology	<b>UPS</b>	Uninterrupted Power Supply
<b>JDE</b>	JDEdwards	<b>WAE</b>	While Actually Employed
<b>IT</b>	Information Technology	<b>WS</b>	Technician and Skilled Trades Schedule
<b>LA</b>	Louisiana	<b>WSJ</b>	Wall Street Journal

# Louisiana State Employees' Retirement System (LASERS)

Program Authorization: Const. Art. 10, Section 29; R.S. 11:401 et seq.

## Agency Description

LASERS is a public trust fund created in 1946 to provide retirement allowances and other benefits for state officers, employees and their beneficiaries.

## FY 2022-2023 Budget Summary

	<u>Prior Year</u>	<u>Existing</u>	<u>Proposed</u>	<u>Total</u>	
	<u>Actual</u>	<u>Operating</u>	<u>Operating</u>	<u>Proposed</u>	<u>%</u>
	<u>FY 20-21</u>	<u>Budget</u>	<u>Budget</u>	<u>Over/Under</u>	<u>Change</u>
		<u>FY 21-22</u>	<u>FY 22-23</u>	<u>Existing</u>	
<b>Means of Financing:</b>					
<b>State General Fund by:</b>					
Fees and Self-generated Revenues	\$ 46,235,750	\$ 54,029,000	\$ 54,029,000	\$ -	0.0%
<b>Total Means of Financing</b>	<b>\$ 46,235,750</b>	<b>\$ 54,029,000</b>	<b>\$ 54,029,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Expenditures &amp; Request:</b>					
Personnel Services	\$ 15,602,702	\$ 16,761,300	\$ 16,977,000	\$ 215,700	1.3%
Operating Expenses	2,941,799	3,511,700	3,741,000	229,300	6.5%
Professional Services	388,557	509,000	511,000	2,000	0.4%
Acquisitions & Major Repairs	206,811	247,000	300,000	53,000	21.5%
<b>Total Administrative Expenses</b>	<b>\$ 19,139,869</b>	<b>\$ 21,029,000</b>	<b>\$ 21,529,000</b>	<b>\$ 500,000</b>	<b>2.4%</b>
Investment Management Fees	\$ 27,095,881	\$ 33,000,000	\$ 32,500,000	\$ (500,000)	-1.5%
<b>Total Expenditures &amp; Request:</b>	<b>\$ 46,235,750</b>	<b>\$ 54,029,000</b>	<b>\$ 54,029,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Authorized Full-Time Equivalents:</b>					
Classified	125	125	125	0	0.0%
Unclassified	12	12	12	0	0.0%
<b>Total FTEs</b>	<b>137</b>	<b>137</b>	<b>137</b>	<b>0</b>	<b>0.0%</b>

## Source of Funding

Funding for LASERS' operating budget comes from three (3) sources: employer contributions, employee contributions, and earnings from trust fund investments. LASERS had \$4.7 billion in revenues for the fiscal year ending June 30, 2021.

## Major Changes From Existing Operating Budget: LASERS

\$	<b>54,029,000</b>	<b>FY 21-22 Existing Operating Budget</b>
\$	215,700	Personnel Services
\$	(7,000)	Travel
\$	236,300	Operating Services
\$	2,000	Professional Services
\$	53,000	Acquisitions
\$	(500,000)	Investment Management Fees
\$	<b>-</b>	<b>Total Proposed Adjustments</b>
\$	<b>54,029,000</b>	<b>FY 22-23 Proposed Operating Budget</b>

## FY 2022-23 Budget Summary-LASERS

	<u>Prior Year</u> <u>Actual</u> <u>FY 20-21</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 21-22</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 22-23</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>	<u>%</u> <u>Change</u>
<b>Expenditures &amp; Request:</b>					
<b>Personnel Services</b>					
Salaries (Staff)	\$ 10,185,149	\$ 10,902,700	\$ 11,005,800	\$ 103,100	0.9%
Overtime	2,993	5,000	5,000	-	0.0%
Termination/Temporary Wages	40,547	78,600	78,600	-	0.0%
Wages	31,907	90,800	74,500	(16,300)	-18.0%
Other Compensation-Board Members	6,075	10,000	7,000	(3,000)	-30.0%
Related Benefits	5,336,031	5,674,200	5,806,100	131,900	2.3%
<b>Total Personnel Services</b>	<b>\$ 15,602,702</b>	<b>\$ 16,761,300</b>	<b>\$ 16,977,000</b>	<b>\$ 215,700</b>	<b>1.3%</b>
<b>Travel Expenses</b>	<b>\$ 3,052</b>	<b>\$ 169,100</b>	<b>\$ 162,100</b>	<b>\$ (7,000)</b>	<b>-4.1%</b>
<b>Operating Expenses</b>					
Computer Maintenance	\$ 450,568	\$ 630,000	\$ 748,800	\$ 118,800	18.9%
Building/Equipment/Vehicle Maint.	11,525	17,600	18,900	1,300	7.4%
Miscellaneous Operating Services	10,157	7,500	8,500	1,000	13.3%
Advertising/Public Relations	5,451	6,000	6,000	-	0.0%
Printing	100,364	112,000	112,000	-	0.0%
Insurance	106,215	115,000	110,000	(5,000)	-4.3%
Rentals/Computer License Software	843,615	988,700	1,046,300	57,600	5.8%
Building Rentals	700,171	706,000	701,000	(5,000)	-0.7%
Dues and Subscriptions	55,664	65,000	65,000	-	0.0%
Bank Fees	17,660	20,000	25,000	5,000	25.0%
Mail, Delivery & Postage	258,379	236,000	260,000	24,000	10.2%
Telephone/Internet/Cable Services	147,281	149,000	199,100	50,100	33.6%
Civil Service/CPTP/Local Training	92,677	104,800	104,300	(500)	-0.5%
Operating Supplies	139,020	185,000	174,000	(11,000)	-5.9%
<b>Total Operating Services</b>	<b>\$ 2,938,747</b>	<b>\$ 3,342,600</b>	<b>\$ 3,578,900</b>	<b>\$ 236,300</b>	<b>7.1%</b>
<b>Professional Services</b>					
Accounting and Auditing	\$ 87,383	\$ 95,000	\$ 95,000	\$ -	0.0%
Professional Services Expenditures	68,386	114,000	116,000	2,000	1.8%
Legal	9,440	25,000	15,000	(10,000)	-40.0%
Medical/Disability	51,348	60,000	60,000	-	0.0%
Actuarial	172,000	215,000	225,000	10,000	4.7%
<b>Total Professional Services</b>	<b>\$ 388,557</b>	<b>\$ 509,000</b>	<b>\$ 511,000</b>	<b>\$ 2,000</b>	<b>0.4%</b>
<b>Acquisitions</b>	<b>\$ 206,811</b>	<b>\$ 247,000</b>	<b>\$ 300,000</b>	<b>\$ 53,000</b>	<b>21.5%</b>
<b>Total Administrative Expenses</b>	<b>\$ 19,139,869</b>	<b>\$ 21,029,000</b>	<b>\$ 21,529,000</b>	<b>\$ 500,000</b>	<b>2.4%</b>
<b>Investment Expenses</b>	<b>\$ 27,095,881</b>	<b>\$ 33,000,000</b>	<b>\$ 32,500,000</b>	<b>\$ (500,000)</b>	<b>-1.5%</b>
<b>Total Expenditures &amp; Request:</b>	<b>\$ 46,235,750</b>	<b>\$ 54,029,000</b>	<b>\$ 54,029,000</b>	<b>\$ -</b>	<b>0.0%</b>

## Investment Management Fees: LASERS

**Funding of Investment Expenses:** Investment manager fees are treated as a direct offset to investment income. Senate Resolution No. 175 requires a quarterly report of the amount of funds invested, a listing of each investment and with whom, the annual returns and fees paid for services to the Senate Retirement Committee.

\$	8,627,500	Emerging Markets Investment Advisors
\$	1,166,000	Domestic Small Cap Investment Advisors
\$	784,000	International Large Cap Investment Advisors
\$	23,000	High Yield Fixed Income Investment Advisors
\$	3,967,000	International Small Cap Investment Advisors
\$	11,649,000	Global Multi Sector Fixed Income
\$	1,140,000	Investment Operational Expenses
\$	2,701,000	Emerging Market Debt
\$	1,625,000	Core Fixed Income Investment Advisors
\$	<u>817,500</u>	Investment Consultant
<u>\$</u>	<u>32,500,000</u>	<b>Total Investment Management Fees</b>

## **Multi-Year Projects: LASERS**

The LASERS Board of Trustees authorized a budget total of \$1.152 million for multi-year projects in FY 2020-21 and 2021-22 to upgrade security for LASERS Employer Self-Service (ESS), BizTalk and further vendor required upgrades. For FY 2022-23 \$3 million was approved to further upgrade ESS security, upgrade the ACR and Service Purchase modules, in addition to several other smaller projects and security audits. A brief description of the projects to be completed appears below:

**Upgrade Employer Self-Service Security, Several Solaris Modules & Implementing a new AskLASERS Solution** - Security of our members' data is of the utmost importance. Potential cybersecurity threats necessitates ongoing multi-year projects relative to LASERS IT environment to protect the security of our members' data. Upgrading security for Employer Self-Service, which is used by agencies reporting data to LASERS, will reduce the risk of unauthorized external access. Updating the Solaris Agency Contribution Reporting (ACR) and Service Purchase modules will resolve known issues and update for processing efficiency. A new AskLASERS solution is needed to aid in managing electronic requests received. Our budgeting software requires replacement as it is going out of support in December 2022. Smaller projects such as an upgrade for Kofax and various security audits are also included.

### **Multi-Year Projects Budget**

FY 2020-21 actual	\$ 470,416
FY 2021-22 budget	\$ 681,612
FY 2022-23 budget	\$ 3,000,000

## Performance Information: LASERS

	<u>Actual</u> <u>6/30/2020</u>	<u>Actual</u> <u>6/30/2021</u>	<u>Projected</u> <u>6/30/2022</u>
<b>Membership Census</b>			
1) Retirees	53,032	53,259	53,350
2) Actives	39,487	38,572	39,000
3) DROP	1,367	1,311	1,350
<b>Annual Benefits</b>	\$1,328,286,600	\$1,364,477,409	n/av
<b>Asset Valuation</b>	\$12,617,189,040	\$13,347,462,993	n/av
<b>Experience Account</b>	\$12,289,990	\$85,173,827	n/av
<b>Investment Yield</b>			
Market Value	-3.98%	33.03%	n/av
Actuarial Value	3.94%	9.95%	n/av
<b>Unfunded Accrued Liability</b>	\$7,074,189,759	\$6,872,857,541	n/av
<b>Funded Ratio</b>	64.1%	66.0%	n/av
<b>Employee Contribution Rate</b>	8.05%	8.06%	8.08%
<b>Employer Contribution Rate (Aggregate)</b>			
Normal Cost	3.3%	2.6%	3.1%
<u>UAL</u>	<u>37.3%</u>	<u>37.6%</u>	<u>37.9%</u>
Total	40.6%	40.2%	41.0%

*n/av = not yet available*



**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
FY2022-23 Proposed Budget Summary**

<b>BUDGET CATEGORY</b>	<b>PRIOR YEAR ACTUAL 2020-21</b>	<b>EXISTING BUDGET 2021-22</b>	<b>PROPOSED BUDGET 2022-23</b>	<b>PROPOSED OVER/ UNDER EXISTING</b>	<b>% Chg</b>
<b>PERSONNEL SERVICES</b>					
<b>Salary and Compensation</b>					
Regular	\$ 2,154,963	\$ 2,198,821	\$ 2,166,953	\$ (31,867)	-1%
Termination Pay	18,975	66,431	74,649	8,218	12%
Board Compensation	5,850	7,350	7,350	-	0%
<b>Total Salary and Compensation</b>	<b>\$ 2,179,788</b>	<b>\$ 2,272,601</b>	<b>\$ 2,248,952</b>	<b>\$ (23,649)</b>	<b>-1%</b>
<b>Related Benefits</b>					
School Employees Retirement	545,348	573,742	543,552	(30,190)	-5%
State Employees Retirement	50,244	51,989	50,961	(1,028)	-2%
Teachers Retirement	18,371	19,625	36,295	16,671	85%
FICA - Medicare Taxes	29,718	31,883	31,421	(462)	-1%
Unemployment Insurance	-	2,000	2,000	-	0%
Group Insurance - Life	6,949	6,304	6,028	(276)	-4%
Group Insurance - Health	426,080	457,387	487,046	29,659	6%
<b>Total Related Benefits</b>	<b>1,076,710</b>	<b>1,142,929</b>	<b>1,157,302</b>	<b>14,373</b>	<b>1%</b>
<b>TOTAL PERSONNEL SERVICES</b>	<b>3,256,498</b>	<b>3,415,530</b>	<b>3,406,255</b>	<b>(9,276)</b>	<b>0%</b>
<b># of Positions</b>	<b>29</b>	<b>29</b>	<b>28</b>	<b>(1)</b>	<b>-3%</b>
<b>TRAVEL EXPENSES</b>	<b>17,275</b>	<b>78,340</b>	<b>79,440</b>	<b>1,100</b>	<b>1%</b>
<b>OPERATING SERVICES</b>					
Advertising	27	730	730	-	0%
Printing	78,656	92,000	85,000	(7,000)	-8%
Insurance	42,481	46,100	50,200	4,100	9%
Automotive Repairs	18	1,000	1,000	-	0%
Equipment/Software Maintenance	65,925	80,000	80,000	-	0%
Rental	9,179	8,365	8,450	85	1%
Dues	10,122	10,749	10,690	(59)	-1%
Subscriptions	33,424	34,590	41,650	7,060	20%
Postage	30,068	30,000	30,000	-	0%
Telephone & Internet	42,293	42,600	43,000	400	1%
Bank Charges	2,700	2,800	2,600	(200)	-7%
Imaging	120	500	500	-	0%
Legal	3,824	3,500	3,700	200	6%
Educational	5,912	7,400	8,900	1,500	20%
Employee Hiring Cost	-	590	590	-	0%
Miscellaneous	(167)	-	-	-	0%
Computer Software	614	-	1,200	1,200	100%
LA Register	-	300	300	-	0%
Employee Benefits	2,641	4,500	3,500	(1,000)	-22%
Inter-agency Transfers - Civil Service	10,580	11,000	11,300	300	3%
Property Maintenance	184,561	210,200	230,900	20,700	10%
Supplies	12,380	18,510	19,285	775	4%
<b>TOTAL OPERATING EXPENSES</b>	<b>535,358</b>	<b>605,434</b>	<b>633,495</b>	<b>28,061</b>	<b>5%</b>
<b>PROFESSIONAL SERVICES</b>					
Accounting & Auditing	64,900	64,900	69,000	4,100	6%
Medical	15,420	18,000	18,000	-	0%
Actuarial	101,400	104,400	110,000	5,600	5%
Investigations	3,451	4,000	4,000	-	0%
Legal	10,247	45,000	40,000	(5,000)	-11%
Elections-Southwest	14,943	12,000	30,000	18,000	150%
Information Technology Consulting	17,560	30,000	20,000	(10,000)	-33%
Newsletter Publishing	4,350	4,500	4,500	-	0%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>232,271</b>	<b>282,800</b>	<b>295,500</b>	<b>12,700</b>	<b>4%</b>
<b>ACQUISITIONS/MAJOR REPAIRS</b>	<b>171,746</b>	<b>95,000</b>	<b>95,000</b>	<b>-</b>	<b>0%</b>
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>4,213,148</b>	<b>4,477,104</b>	<b>4,509,690</b>	<b>32,585</b>	<b>1%</b>
<b>INVESTMENT EXPENSES</b>	<b>5,071,937</b>	<b>7,212,904</b>	<b>7,235,000</b>	<b>22,096</b>	<b>0%</b>
<b>TOTAL LSERS OPERATING BUDGET</b>	<b>\$ 9,285,085</b>	<b>\$ 11,690,008</b>	<b>\$ 11,744,690</b>	<b>\$ 54,681</b>	<b>0.47%</b>

# Louisiana School Employees' Retirement System (LSERS)

Program Authorization: Const. Art. 10, Section 29; R.S. 11:1101 et seq.

## Agency Description

LSERS is a public retirement system for non-instructional personnel of the Louisiana public school system and began full operation on July 1, 1947.

## Budget Summary

	<u>Prior</u> <u>Year</u> <u>Actual</u> <u>FY 20-21</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 21-22</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 22-23</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>	<u>%</u> <u>Change</u>
<b>Means of Finance:</b>					
<b>State General Fund by:</b>					
Fees and Self-generated Revenues	\$ 9,285,085	\$ 11,690,008	\$ 11,744,690	\$ 54,681	0.47%
<b>Total Means of Finance</b>	<b>\$ 9,285,085</b>	<b>\$ 11,690,008</b>	<b>\$ 11,744,690</b>	<b>\$ 54,681</b>	<b>0.47%</b>
<b>Expenditures &amp; Request:</b>					
Personnel Services	\$ 3,256,498	\$ 3,415,530	\$ 3,406,255	\$ (9,276)	-0.27%
Operating Expenses	552,633	683,774	712,935	\$ 29,161	4.26%
Professional Services	232,271	282,800	295,500	\$ 12,700	4.49%
Acquisitions & Major Repairs	171,746	95,000	95,000	\$ -	0.00%
Investment Management Fees	5,071,937	7,212,904	7,235,000	\$ 22,096	0.31%
<b>Total Expenditures &amp; Request:</b>	<b>\$ 9,285,085</b>	<b>\$ 11,690,008</b>	<b>\$ 11,744,690</b>	<b>\$ 54,681</b>	<b>0.47%</b>
<b>Authorized Full-Time Equivalents:</b>					
Classified	25	25	24	(1)	-4.00%
Unclassified	4	4	4	-	0.00%
<b>Total FTEs</b>	<b>29</b>	<b>29</b>	<b>28</b>	<b>(1)</b>	<b>-3.45%</b>

**Major Changes from Existing Operating Budget: LSERS**

<b>\$</b>	<b>11,690,008</b>	<b>FY 20-21 Existing Operating Budget</b>	<b>Comments for Major Changes</b>
	(23,649)	Salary and Compensation	Market adjustment Will eliminate one position
	(30,190)	LSERS Employer Contribution Rate Adjustment	Three retired employees
	(1,028)	LASERS Employer Contribution Rate Adjustment	Employer rate reduced
	16,671	TRSL Employer Contribution Rate Adjustment	New Hire elected to retain membership in TRSL
	(462)	FICA, Medicare Tax, and Unemployment Ins.	
	(276)	Group Insurance - Life	
	29,659	Group Insurance - Health	OGB increased premiums
	1,100	Travel	LAPERS for one more Ex Officio member
	28,061	Operating Services (excluding Travel)	Material and labor price increases in general and a five-year building appraisal due
	12,700	Professional Services	Election service fee increase and a five- year actuarial experience study
	-	Acquisitions/Major Repair	Major building renovation projects have been accomplished in previous fiscal years.
	22,096	Investment Expenses	Increased annual fee on custodial bank services
<b>\$</b>	<b>54,681</b>	<b>Total Proposed Adjustments</b>	
<b>\$</b>	<b>11,744,690</b>	<b>FY 22-23 Proposed Operating Budget</b>	

**Table of Organization: LSERS**  
*(all are classified positions unless otherwise noted)*

<b>Number</b>	<b>Occupational Group</b>	<b>Budgeted Salary</b>	<b>Average Salary</b>
2	Unclassified - Executive Administrative	\$ 347,433	\$ 173,717
1	Unclassified - Legal Counsel	\$ 124,131	\$ 124,131
1	Unclassified - Chief Investment Officer	\$ 189,024	\$ 189,024
1	Executive Management Officer	\$ -	\$ -
5	Accounting and Auditing	\$ 324,550	\$ 64,910
6	Retirement Benefits	\$ 378,694	\$ 63,116
4	General Administrative	\$ 209,657	\$ 52,414
1	Human Resources	\$ 69,328	\$ 69,328
5	Information Technology	\$ 394,516	\$ 78,903
2	Buildings/Maintenance	\$ 129,620	\$ 64,810
<b>28</b>	<b>Total Positions</b>	<b>\$2,166,953</b>	<b>\$ 77,391</b>

**Professional Services: LSERS**

**Accounting & Auditing**

\$ 69,000 Audit LSERS' records and financial statements (contract via the LLA)

**Medical**

\$ 18,000 Examinations, evaluation, re-exams of disabled retirees (physicians in SMDB)

**Legal**

\$ 40,000 Litigation and tax-related matters (tax attorney - Weiler & Rees, LLC; Ice Miller, LLP, Clerk of Courts)

**Other Professional Services**

\$ 110,000 Fees for annual actuarial valuation (G.S. Curran & Company, Ltd.)  
 30,000 LSERS Board of Trustee elections (Election America, Inc.)  
 20,000 IT Consultant (RMJ Consulting and Tyler Technologies Inc.)  
 4,500 Newsletter Publishing (Peacock Communications, LLC)  
 4,000 Investigations on benefits made after death (The Berwyn Group, Inc.)

**\$ 295,500 Total Professional Services**

## Acquisitions & Major Repairs: LSERS

### Acquisitions

\$	4,000	Office Furniture & Equipment Replacement as needed
	26,000	Computer Equipment Upgrades

### Major Repair

	65,000	Building Interior/Exterior Renovations
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<b>\$</b>	<b>95,000</b>	<b>Total Acquisitions and Major Repairs</b>
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## Investment Management Fees: LSERS

\$	220,000	Custodian Bank - BNY Mellon
	215,000	Investment Consultant - Segal Marco Advisors
	2,894,000	Equity Managers
	1,374,650	Fixed Income Managers
	2,531,350	Alternative Managers

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<b>\$</b>	<b>7,235,000</b>	<b>Total Investment Management Fees</b>
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## Performance Information: LSERS

	<u>Actual at</u> <u>6/30/2020</u>	<u>Actual at</u> <u>6/30/2021</u>	<u>Projected at</u> <u>6/30/2022</u>
<b>Membership Census</b>			
1) Retirees	13,657	13,699	
2) Actives	11,925	11,700	
3) DROP	595	587	
4) Terminated Vested	395	487	
5) Terminated Due a Refund	4,425	4,649	
<b>Annual Benefits</b>	178,634,191	181,539,981	
<b>Asset Valuation</b>	1,963,950,923	2,057,868,923	
<b>Experience Account</b>	\$ 5,413,514	\$ 19,911,687	
<b>Investment Yield</b>			
Market Value	-0.42%	27.45%	
Actuarial Value	4.61%	9.58%	
<b>Unfunded Accrued Liability*</b>	\$ 685,124,807	\$ 660,505,117	n/av
<b>Funded Ratio</b>	74.14%	75.70%	n/av
<b>Employee Contribution Rate **</b>	7.5% / 8%	7.5%/8%	7.5% / 8%
<b>Employer Contribution Rate***</b>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2021-22</u>
UAL	21.3%	21.3%	20.2%
Normal Cost	7.4%	7.4%	7.4%
Total	28.7%	28.7%	27.6%

*n/av = not yet available*

*\* UAL cannot be accurately predicted into future periods.*

*\*\* New members on/after 7/1/2010 contribute 8%*

*\*\*\* Employer Contribution Rate set by Public Employees' Retirement Systems Actuarial Committee. The employer contribution rates are the actuarially projected rates.*

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
FY2022-23 STAFF SALARY BENEFITS BUDGET

No.	Employee Name	Position Title	Current Rate	Current Salary	After CPG Base	Projection Base	Pay Level	Market Adjustment Rate	Market Adjustment Increase	On-Call Pay	Total Projected Salary	LSERS Ret	LASERS Ret	TRSL Ret	Medicare	State Health		State Life	Total Projected Benefits	TOTAL	Termination pay		HAS/HRA		
			8/23/2021	8/23/2021	FY2022	6/30/2022	7/15/2022	7/15/2022	7/15/2022					28.70%	39.50%	25.20%	1.45%	Plan	Type	Amount	Amount		Potential Retiree	Amount	
1	Bujol, Charles	Executive Director	89.63	186,430	89.63	186,430	Unclassified	3%	5,593	-	192,023	55,111	-	-	2,784	Magnolia Local Plus	ENROLLEE + 1 (CHILD)	4,112	378	62,385	254,408	Yes	13,848		
2	Zhou, Chenfei	Assistant Director	72.54	150,883	72.54	150,883	Unclassified	3%	4,526	-	155,410	44,603	-	-	2,253	Magnolia Local Plus	ENROLLEE ONLY	7,174	36	54,066	209,476	No	-		
3	Vacant	Executive Mgmt. Officer		-	-	-	AS-618	4%	-	-	-	-	-	-	-		ENROLLEE + 1 (CHILD)	-	-	-	-	-	-		
4	Simmons, Ashley	Executive Staff Officer	32.26	67,101	32.26	67,101	AS-616	2%	1,342	-	68,443	-	27,035	-	992	Magnolia Local Plus	ENROLLEE + 1 (CHILD)	8,224	-	36,252	104,694	No	-		
5	Stark, Laurie	Admin. Program Spec A	26.99	56,139	26.99	56,139	AS-613	2%	1,123	-	57,262	16,434	-	-	830	Magnolia Local Plus	ENROLLEE + CHILDREN	8,224	216	25,705	82,967	Yes	4,129		
Subtotal-Admin				460,554		460,554			12,584	-	473,138	116,147	27,035	-	6,860			27,735	630	178,408	651,546		-	17,977	
6	Freedman, Matt	Chief Investment Officer	88.23	183,518	88.23	183,518	Unclassified	3%	5,506	-	189,024	54,250	-	-	2,741	Magnolia Local Plus	ENROLLEE ONLY	7,174	-	64,165	253,189	No	-		
7	John Strange	Executive Counsel	57.94	120,515	57.94	120,515	Unclassified	3%	3,615	-	124,131	35,625	-	-	1,800	Magnolia Local Plus	ENROLLEE ONLY	7,174	-	44,600	168,730	No	-		
8	Jordan, LaQuinta	Auditor 3	30.01	62,421	30.01	62,421	AS-617	3%	1,873	-	64,293	18,452	-	-	932	Magnolia Local Plus	ENROLLEE + CHILDREN	8,224	-	27,609	91,902	No	-		
9	Jones, Alicia	HR Specialist	31.36	65,229	31.36	67,309	AS-617	3%	2,019	-	69,328	-	-	17,471	1,005	Magnolia Local Plus	ENROLLEE ONLY	7,174	-	25,650	94,978	No	-		
Subtotal-Admin Other				431,683		433,763			13,013	-	446,776	108,328	-	-	6,478			29,747	-	162,024	608,800		-		
10	Majoue, Dean	IT Director 2	54.14	112,611	54.14	112,611	TS-318	2%	2,252	-	114,863	32,966	-	-	1,666	Magnolia Local Plus	ENROLLEE + 1 (SPOUSE)	12,550	-	47,182	162,045	Yes	8,283		
11	Guzzardo, Anthony	IT Techn Supp. Spec. 3	40.35	83,928	40.35	83,928	TS-313	2%	1,679	-	85,607	24,569	-	-	1,241	Magnolia Local Plus	FAMILY	13,105	-	38,916	124,522	Yes	6,174		
12	Summers, Jacob	IT Appl Prog/Anal 1	23.57	49,026	23.57	49,026	TS-310	4%	1,961	-	50,987	14,633	-	-	739	Pelican HRA1000	ENROLLEE ONLY	4,482	-	19,855	70,842	No	-	1,000	
13	Brown, Christopher	IT Appl Project Leader	38.88	80,870	38.88	80,870	TS-314	2%	1,617	-	82,488	23,674	-	-	1,196	Magnolia Local Plus	ENROLLEE ONLY	7,174	-	32,045	114,532	No	-		
14	Caperton, J Kent	IT Technical Support Specialist 2	28.55	59,384	28.55	59,384	TS-310	2%	1,188	-	60,572	-	23,926	-	878	Magnolia Local Plus	FAMILY	13,105	-	37,909	98,481	No	-		
Subtotal-IT				385,819		385,819			8,697	-	394,516	95,842	23,926	-	5,720			50,417	-	175,906	570,422		14,457	1,000	
15	Carson, Melinda	Accountant Admin 2	42.22	87,818	42.22	87,818	AS-620	2%	1,756	-	89,574	25,708	-	-	1,299	Magnolia Local Plus	ENROLLEE + 1 (SPOUSE)	12,550	-	39,557	129,131	Yes	6,460		
16	Gaudet, Tracy	Accountant Manager 1	35.21	73,237	35.21	73,237	AS-618	2%	1,465	-	74,702	-	-	18,825	1,083	Magnolia Local Plus	ENROLLEE + 1 (SPOUSE)	12,550	108	32,566	107,268	Yes	5,387		
17	Stewart, Kim	Accountant 3	22.10	45,968	22.10	45,968	AS-615	4%	1,839	-	47,807	13,721	-	-	693	Magnolia Local Plus	ENROLLEE + CHILDREN	8,224	72	22,710	70,517	No	-		
18	Freeman, Leslie	Accountant 3	22.27	46,322	22.27	46,322	AS-615	4%	1,853	-	48,174	13,826	-	-	699	Magnolia Local Plus	ENROLLEE + CHILDREN	8,224	-	22,749	70,923	No	-		
Subtotal-Acctg				253,344		253,344			6,913	-	260,257	53,254	-	-	3,774			41,549	180	117,582	377,838		11,847		
19	Garlington, Mitchell	Ret. Asst. Administrator	37.20	77,376	37.20	77,376	AS-620	3%	2,321	-	79,697	22,873	-	-	1,156	Pelican HSA775	ENROLLEE + 1 (SPOUSE)	4,536	-	28,565	108,262	Yes	5,747	775	
20	Schof, Mandy	Ret. Benefits Manager	37.60	78,208	37.60	78,208	AS-619	2%	1,564	-	79,772	22,895	-	-	1,157	Magnolia Local Plus	ENROLLEE + 1 (SPOUSE)	12,550	-	36,602	116,374	Yes	5,753		
21	Walker, Sarah	Ret. Benefits Specialist	23.58	49,046	23.58	49,046	AS-617	4%	1,962	-	51,008	14,639	-	-	740	Magnolia Local Plus	ENROLLEE + 1 (CHILD)	8,224	36	23,639	74,647	No	-		
22	Guillot, Heidi	Ret. Benefits Analyst 3	28.92	60,154	28.92	60,154	AS-615	2%	1,203	-	61,357	17,609	-	-	890	Magnolia Local Plus	ENROLLEE ONLY	7,174	108	25,781	87,138	Yes	4,425		
23	Guillot, Danielle	Ret. Benefits Analyst 3	28.65	59,592	28.65	59,592	AS-615	2%	1,192	-	60,784	17,445	-	-	881	Magnolia Local Plus	ENROLLEE ONLY	7,174	108	25,609	86,393	Yes	4,383		
24	Stephens, Kimberly	Ret. Benefits Analyst 3	21.30	44,304	21.30	44,304	AS-615	4%	1,772	-	46,076	13,224	-	-	668	Magnolia Local Plus	ENROLLEE ONLY	7,174	-	21,066	67,143	No	-		
25	Pryer, Laura	Admin Coordinator 4	22.09	45,947	22.09	45,947	AS-611	2%	919	-	46,866	13,451	-	-	680	Magnolia Local Plus	ENROLLEE + 1 (CHILD)	4,112	-	18,242	65,108	Yes	3,380		
26	Green, Kim	Admin Coordinator 3	17.48	36,358	17.48	36,358	AS-609	2%	727	-	37,086	10,644	-	-	538	Magnolia Local Plus	ENROLLEE + 1 (CHILD)	4,112	-	15,293	52,379	Yes	2,674		
Subtotal-Ret				450,986		450,986			11,660	-	462,646	132,779	-	-	6,708			55,058	252	194,798	657,444		26,363	775	
27	Cheek, Karl	Facility Maint. Manager A	27.31	56,805	27.31	56,805	WS-219	4%	2,272	7,500	66,577	19,108	-	-	965	Magnolia Local Plus	ENROLLEE + 1 (CHILD)	4,112	216	24,401	90,978	No	-		
28	Seekins, Fred	Maint. Repair Master	26.18	54,454	26.18	54,454	WS-213	2%	1,089	7,500	63,043	18,093	-	-	914	Magnolia Local Plus	ENROLLEE ONLY	7,174	465	26,647	89,691	Yes	4,006		
Subtotal-Bldg				111,259		111,259			3,361	15,000	129,620	37,201	-	-	1,879			11,287	681	51,048	180,669		4,006		
<b>TOTALS</b>				<b>2,093,645</b>		<b>2,095,725</b>			<b>56,228</b>	<b>15,000</b>	<b>2,166,953</b>	<b>543,552</b>	<b>50,961</b>	<b>36,295</b>	<b>31,421</b>			<b>215,793</b>	<b>1,743</b>	<b>879,765</b>	<b>3,046,718</b>		<b>74,649</b>	<b>1,775</b>	

**Exhibit B - Travel**

Department	Description	Cost
<b>IN STATE</b>		
Board of Trustees	Board Meetings, Legislative Meetings, LA Association of Public Employees' Retirement Systems	\$ 34,000
ADMIN	LA Association of School Board Officials, LA School Bus Operators Association, Legislative and Superintendent Meeting, LA State Association of School Personnel Administrators, LSU Continuing Education	3,500
ACCTG	Governmental Finance Officers Association; Accounting Update Seminars	1,340
AUDIT	BR Chapter of IIA	500
IT	Public Retirement Information Systems Management	150
INV	LA Association of Public Employees' Retirement Systems	1,200
LEGAL	LA Association of Public Employees' Retirement Systems, LA School Bus Operators Association, Litigation	1,250
RET	Field Travel	200
<b>TOTAL IN-STATE TRAVEL</b>		<b>\$ 42,140</b>
<b>OUT OF STATE</b>		
Board of Trustees	National Council on Public Employee Retirement Systems	\$ 23,000
ADMIN	National Association of State Retirement Administration, Governmental Finance Officers Association	3,800
INV	National Association of State Chief Investment Officers; Private Investment	7,500
LEGAL	National Association of Public Pension Attorneys	3,000
<b>TOTAL OUT OF STATE TRAVEL</b>		<b>\$ 37,300</b>
<b>TOTAL TRAVEL</b>		<b>\$ 79,440</b>

<b>Exhibit C - Equipment/Software Maintenance</b>
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Department	Description	Cost
IT	Microsoft Business Intelligence	\$ 1,281
	Accounting Software - Prosoft	7,900
	Secure Works -Dell Secureworks	16,500
	Survey Monkey	410
	Time Solutions for ADI	1,500
	Intrusion Detection System	850
	Mimecast - Email Retention	1,950
	Go Daddy - Website URL Address	200
	Office 365	8,650
	Imaging Service - APYXX	15,500
	Net Soft Marketing; Various	250
	Dell Service Warranties	3,150
	Canon Scanners	2,900
	Mail Chimp - Listserv	1,080
	1099 Express	139
	Pro Ware Asset Keeper	500
	Unitrends	12,000
	SharePoint Backup - AvePoint	3,690
	Word Press	350
	GoTo Meeting	300
	Office 365 Advance Threat Protection	900
		<b>\$ 80,000</b>

Exhibit D - Dues
------------------

Department	Description	Cost
ADMIN	LA Association of Public Employees' Retirement Systems	\$ 1,400
	National Conference on Public Employee Retirement Systems	250
	Public Affairs Research Council of Louisiana	850
	National Association of State Retirement Administrators	3,200
	Government Financial Officers Association	200
	Louisiana State Board of CPA's	100
ACCTG	Government Financial Officers Association	380
	Louisiana State Board of CPA's	110
	Association of Government Accountants	110
AUDIT	Institute of Internal Auditors	270
	Association of Public Pension Fund Auditors	500
	CIA Exam	230
IT	Public Retirement Information Systems Management	350
RET	National Pension Education Association	800
HR	Society of Human Resource Management	230
	International Public Management Association for HR	210
	State Human Resources Managers Association	15
INV	Chartered Alternate Investment Analyst Association	750
LEGAL	National Association of Public Pension Attorneys	300
	Louisiana Bar Association	200
	Attorney Disciplinary Board	235
		<b><u>\$ 10,690</u></b>

**Exhibit E - Subscriptions**

Department	Description	Cost
ADM	Wall Street Journal	\$ 648
INV	Bloomberg	29,000
	Datasite Inv Technology	6,000
LEGAL	West Law	5,752
	The Advocate/Capital City Press	250
		<b>\$ 41,650</b>

Exhibit F - Education
-----------------------

Department	Description	Cost
ACCTG	Association of Governmental Accountants	\$ 200
ADM	LAPERS Seminar	200
AUDIT	Certified Internal Auditor Exam	700
IT	LinkedIn Learning	3,000
	KnowBe4	2,000
	Cloud Computing	2,000
LEGAL	Continuing Professional Education for Louisiana attorneys	800
		<b><u>\$ 8,900</u></b>

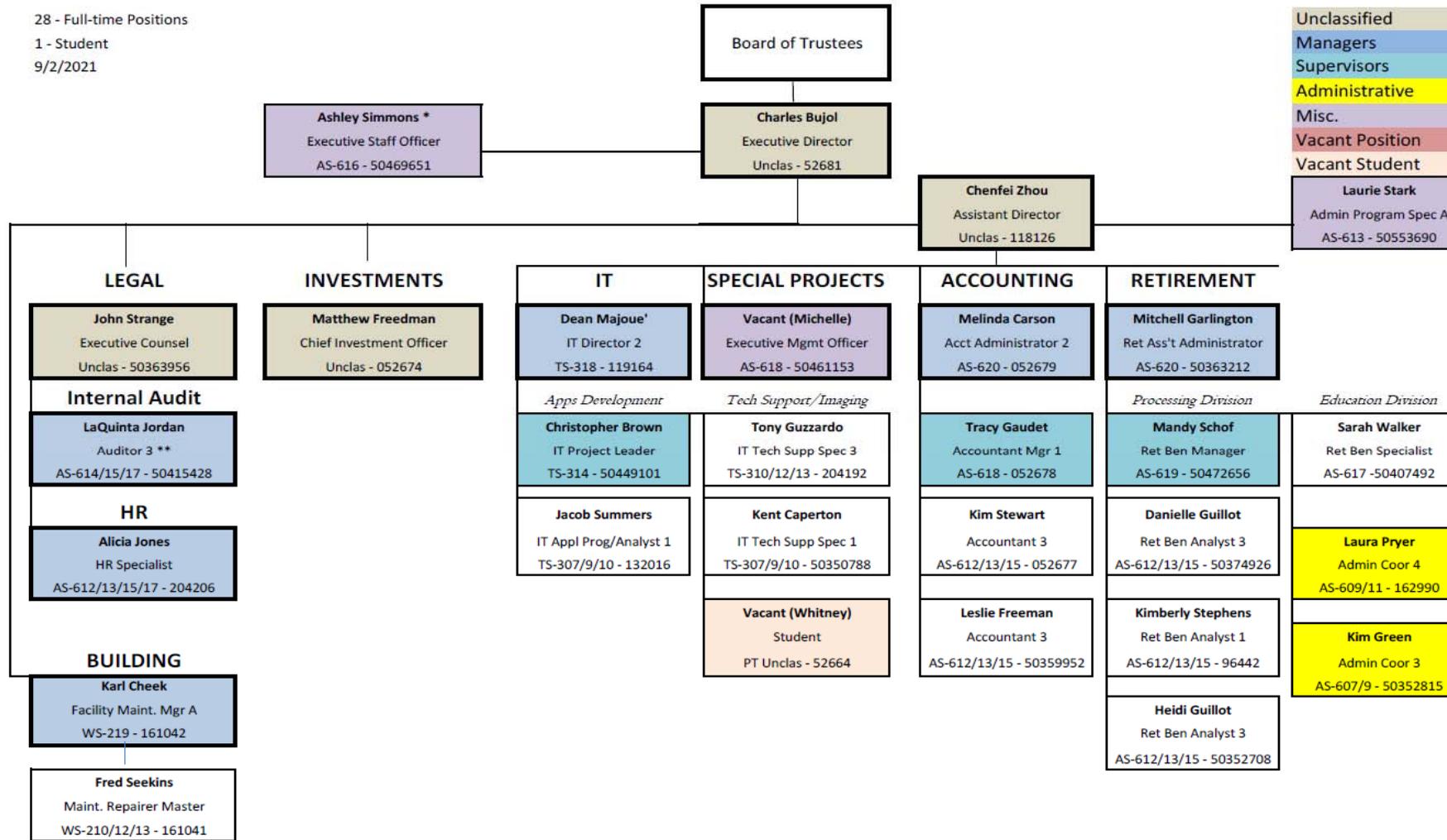
**Exhibit G - Property Maintenance**

Department	Description	Cost
BLDG	Landscape - Ground Works	\$ 24,000
	Elevators - Otis Elevator	12,000
	H.V.A.C. System - Johnson Controls	68,600
	Emergency Generator - Cummins Mid South, LLC	2,500
	Water	7,000
	Electricity	55,000
	Pest Control And Termite Inspection - Big River Pest Control, LLC, Arrow Pest Control	3,600
	Janitorial Services - Budget Cleaning and Maintenance, Inc.	35,000
	Waste Pick Up - Waste Management	2,700
	Fire Protection System Inspection - LA Fire Extinguisher, Inc.	7,500
	Security - Custom Security Systems, Inc.	1,000
	General Repairs	5,000
	Window Cleaning	2,000
	Appraisal	5,000
		<b><u>\$ 230,900</u></b>

# Louisiana School Employees' Retirement System

28 - Full-time Positions  
 1 - Student  
 9/2/2021

- Unclassified
- Managers
- Supervisors
- Administrative
- Misc.
- Vacant Position
- Vacant Student



\*\*Functionally reports to the Board and Executive Management  
 \*Indirectly reports to Assistant Director

Printed: 9/2/2021, 11:17 AM

## Louisiana State Police Retirement System (LSPRS)

Program Authorization: Const. Art. 10, Section 29; R.S. 11:1301 et seq.

### Agency Description

LSPRS is a qualified pension and retirement plan, established by the Louisiana Legislature in 1938 to provide retirement benefits for Louisiana state police officers and their beneficiaries.

### Budget Summary

	<u>Prior Year</u> <u>Actuals</u> <u>FY 20-21</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 21-22</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 22-23</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>
<b>Means of Financing:</b>				
<b>State General Fund by:</b>				
<u>Fees and Self-generated Revenues</u>	\$ 3,843,313	\$ 4,123,658	\$ 4,997,577	\$ 873,919
<b>Total Means of Financing</b>	<b>\$ 3,843,313</b>	<b>\$ 4,123,658</b>	<b>\$ 4,997,577</b>	<b>\$ 873,919</b>
<b>Expenditures &amp; Request:</b>				
Personal Services	\$ 643,721	\$ 816,158	\$ 820,577	\$ 4,419
Operating Expenses	102,220	107,000	140,000	33,000
Professional Services	163,391	203,000	210,000	7,000
Other Charges	-	-	-	-
Acquisitions & Major Repairs	28,080	67,500	65,000	(2,500)
<u>Investment Management Fees</u>	<u>2,905,901</u>	<u>2,930,000</u>	<u>3,762,000</u>	<u>832,000</u>
<b>Total Expenditures &amp; Request:</b>	<b>\$ 3,843,313</b>	<b>\$ 4,123,658</b>	<b>\$ 4,997,577</b>	<b>\$ 873,919</b>
<b>Authorized Full-Time Equivalents:</b>				
Unclassified	2	2	2	0
Classified	<u>3</u>	<u>3</u>	<u>3</u>	<u>0</u>
<b>Total Employees</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>

### Source of Funding

Funding for LSPRS' operating budget comes from three (3) sources: employer contributions, employee contributions, and earnings from trust fund investments.

## Major Changes from Existing Operating Budget: LSPRS

\$ 4,123,658	<b>FY 21-22 Existing Operating Budget</b>
\$ 4,419	Increase in Personal Services
\$ 10,000	Increase in Travel, Seminars & Meetings
\$ 12,500	Increase in Insurance
\$ 5,000	Increase in Maintenance & Repairs
\$ 500	Increase in Telephone
\$ 5,000	Increase in Supplies
\$ 2,000	Increase in Auditing Fees
\$ -	Increase in Computer Consultant Fess
\$ 5,000	Increase in Actuarial Fees
\$ (2,500)	Decrease in Major Acquisitions
\$ 32,000	Increase in Investment Consultant
\$ 800,000	Increase in Investment Manager Fees
\$ 873,919	Total Proposed Adjustments
\$ 4,997,577	<b>FY 22-23 Existing Operating Budget</b>

AMENDED AS OF 12/15/21

**Table of Organization: LSPRS**  
*(all are classified positions unless otherwise noted)*

<u>Number</u>	<u>Occupational Group</u>	<u>Proposed Salary</u>	<u>Average Salary</u>
2	Unclassified - Executive Administrative	\$ 320,000	160,000
2	Rate and Financial Analysis	\$ 119,000	59,500
1	General Administrative	\$ 39,520	39,520
1	Intern	\$ 20,000	20,000
3	<u>WAE</u>	<u>\$ 45,776</u>	<u>15,259</u>
<b>9</b>	<b>Total Positions</b>	<b>\$ 544,296</b>	<b>60,477</b>
	Potential Rewards and Recognition Pursuant to SCS 6.16.11	10,000.00	
	<b>Total Positions and Potential Rewards</b>	<b>\$ 554,296</b>	

**Professional Services: LSPRS**

**Accounting & Auditing**

\$ 60,000 Licensed Certified Public Accountant to perform all internal accounting functions for LSPRS.

\$ 16,000 Legislative Auditor or Licensed CPA to perform annual external audit for LSPRS.

**Computer Consultant Fees**

\$ 30,000 Consultant to provide support for the LSPRS database and network.

**Legal**

\$ 40,000 Attorney to provide legal services in conjunction with all system related matters and labor and tax issues as well as specific lawsuits.

**Medical**

\$ 4,000 Physician charges - Examination of applicants for disability requirements.

**Other Professional Services**

\$ 60,000 System Actuary - G.S.Curran & Company, LTD - Fees for annual valuation of LSPRS, compilation of data needed for valuation of reserves, and data needed at time of legislation.

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**\$ 210,000 Total Professional Services**

## Acquisitions & Major Repairs: LSPRS

\$ 20,000 Various smaller office acquisitions\*

**\$ 45,000 Update Pension Management Software\*\***

**\$ 65,000 Total Acquisitions and Major Repairs**

\*Programming and integration of computer calculation software for retirement estimates.

\*\*Reprogramming of the current pension management system is needed to support contemporary functionality, interfaces, user drive report writers, while addressing cyber security needs, including but not limited to MFA.

## Investment Management Fees: LSPRS

\$ 130,000 Consultant to assist the Board of Trustees with investment manager monitoring and overall portfolio evaluation and management.

\$ 500,000 Global Fixed Income Investment Advisors

\$ 20,000 Large Cap Value Equity Investment Advisors

\$ 500,000 Large Cap Growth Equity Investment Advisors

\$ 500,000 Small Cap Growth Equity Investment Advisors

\$ 600,000 Small Cap Value Equity Investment Advisors

\$ 500,000 Alternative Investments

\$ 120,000 Investment Custodial - Global

\$ 60,000 Equity Index Advisors

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**\$ 2,930,000 Total Investment Management Fees**

**Performance Information: LSPRS**

	<u>Actual at</u> <u>6/30/2020</u>	<u>Actual at</u> <u>6/30/2021</u>	<u>Projected at</u> <u>6/30/2022</u>
<b>Membership Census</b>			
1) Retirees	1,268	1,295	1,295
2) Actives	1,029	951	951
3) DROP	n/ap	n/ap	n/ap
<b>Annual Benefits</b>	\$ 59,283,228	\$ 64,716,051	n/av
<b>Asset Valuation</b>	\$891,750,736	\$1,159,337,587	n/av
<b>Experience Account</b>	\$ 2,195,198	\$ 9,497,110	n/av
<b>Investment Yield</b>			
Market Value	1.15%	32.10%	n/av
Actuarial Value	5.56%	11.38%	n/av
<b>Unfunded Accrued Liability*</b>	\$ 324,114,494	\$ 295,150,724	n/av
<b>Funded Ratio</b>	74.16%	77.54%	n/av
<b>Employee Contribution Rate</b>	8.5%	8.5%	8.5%
<b>Employee Contribution Rate - New Hires after 12/31/2010</b>	9.5%	9.5%	9.5%
<b>Employer Contribution Rate**</b>			
Normal Cost	Normal Cost	Normal Cost	Normal Cost
<u>UAL</u>	<u>32.1%</u>	<u>38.5%</u>	<u>42.0%</u>
Total	52.4%	58.8%	58.8%

\* UAL cannot be accurately predicted into future periods.

\*\* Employer Contribution Rate set by Public Retirement Systems' Actuarial Committee

n/ap = not applicable

n/av = not yet available

**Budget Summary (LSPRS):**

	<u>Prior Year</u> <u>Actuals</u> <u>FY 20-21</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 21-22</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 22-23</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>
Salaries - Regular	\$ 413,424	\$ 464,193	\$ 488,520	\$ 24,327
Other Compensation	\$ 27,584	\$ 105,776	\$ 65,776	\$ (40,000)
Board per diem & travel	1,728	3,500	3,500	\$ -
<u>Salaries - Related Benefits</u>	<u>\$ 200,985</u>	<u>242,689</u>	<u>262,781</u>	<u>\$ 20,092</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>\$ 643,721</b>	<b>\$ 816,158</b>	<b>\$ 820,577</b>	<b>\$ 4,419</b>
Travel & Seminars	\$ 482	15,000	25,000	\$ 10,000
Insurance	\$ 4,543	5,000	17,500	\$ 12,500
Maintenance & Repairs	\$ 40,210	25,000	30,000	\$ 5,000
Other: Equipment Rental	\$ 6,838	8,000	8,000	\$ -
Dues & Subscriptions	\$ 4,499	6,500	6,500	\$ -
Postage	\$ 14,598	18,000	18,000	\$ -
Telephone	\$ 2,829	2,500	3,000	\$ 500
Miscellaneous	\$ 1,671	2,000	2,000	\$ -
Supplies	\$ 17,309	15,000	20,000	\$ 5,000
<u>Utilities</u>	<u>\$ 9,241</u>	<u>10,000</u>	<u>10,000</u>	<u>\$ -</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 102,220</b>	<b>\$ 107,000</b>	<b>\$ 140,000</b>	<b>\$ 33,000</b>
Accounting Services	\$ 55,500	60,000	60,000	\$ -
Auditing Fees	\$ 10,250	14,000	16,000	\$ 2,000
Computer Consultant Fees	\$ 21,959	30,000	30,000	\$ -
Legal Fees	\$ 27,883	40,000	40,000	\$ -
Medical Examinations	\$ 399	4,000	4,000	\$ -
<u>Actuarial Fees</u>	<u>\$ 47,400</u>	<u>55,000</u>	<u>60,000</u>	<u>\$ 5,000</u>
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 163,391</b>	<b>\$ 203,000</b>	<b>\$ 210,000</b>	<b>\$ 7,000</b>
<u>Major Acquisitions</u>	<u>\$ 28,080</u>	<u>\$ 67,500</u>	<u>\$ 65,000</u>	<u>\$ (2,500)</u>
<b>TOTAL ACQUISITIONS</b>	<b>\$ 28,080</b>	<b>\$ 67,500</b>	<b>\$ 65,000</b>	<b>\$ (2,500)</b>
Investment Consultant	\$ 120,000	130,000	130,000	\$ -
Custodial Fees	\$ 104,909	\$ 100,000	\$ 132,000	\$ 32,000
<u>Investment Manager Fees</u>	<u>\$ 2,680,992</u>	<u>\$ 2,700,000</u>	<u>\$ 3,500,000</u>	<u>\$ 800,000</u>
<b>TOTAL INVESTMENT MGMT FEES</b>	<b>\$ 2,905,901</b>	<b>\$ 2,930,000</b>	<b>\$ 3,762,000</b>	<b>\$ 832,000</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 3,843,313</b>	<b>\$ 4,123,658</b>	<b>\$ 4,997,577</b>	<b>\$ 873,919</b>
		\$ 1,193,658	\$ 1,235,577	
		<u>Change from prior year budget:</u>		
		Operating	<b>3.51%</b>	
		Investment Management	<b>28.40%</b>	
		Total	<b>21.19%</b>	

**BUDGET REQUEST**  
Fiscal Year Ending June 30, 2023

BUDGET UNIT: Sabine River Authority  
15091 Texas Highway  
Many, LA 71449  
PHONE: (318)256-4112  
FAX: (318)256-4179

SCHEDULE NUMBER: N813

AGENCY WEB ADDRESS: [www.srala-toledo.com](http://www.srala-toledo.com)

TO THE JOINT LEGISLATIVE COMMITTEE ON BUDGET:

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MAJOR REPAIRS:	PAGE 10

WE HEREBY CERTIFY THAT THE STATEMENTS AND FIGURES ON THE ACCOMPANYING FORMS ARE TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE.

HEAD OF BUDGET UNIT:   
PRINTED NAME/TITLE: Warren Founds/Executive Director  
DATE: April 25, 2022  
EMAIL ADDRESS: [warren.founds@la.gov](mailto:warren.founds@la.gov)

FINANCIAL CONTACT PERSON: Kellie Ferguson  
TITLE: Administrative Program Director 3  
TELEPHONE NUMBER: 318-256-4112  
EMAIL ADDRESS: [kellie.ferguson@la.gov](mailto:kellie.ferguson@la.gov)

## Mission Statement:

The mission of the Sabine River Authority of Louisiana, consistent with Louisiana Revised Statutes 38:2321, et. seq., and with Article 48 of the Federal Power Commission License, Project 2305, is to provide for economic utilization and preservation of the waters of the Sabine River and its tributaries by promoting economic development, irrigation, navigation, improved water supply, drainage, public recreation, and hydroelectric power for the citizens of Louisiana.

AMENDED SUMMARY STATEMENT OF EXPENDITURES FOR YEARS SHOWN

CATEGORY OF TOTAL EXPENDITURES	PRIOR YEAR ACTUAL 2020-2021	EXISTING OPERATING BUDGET 2021-2022	TOTAL REQUEST 2022-2023	OVER/UNDER EXISTING OPERATING BUDGET	PERCENT CHANGE
<b>SALARIES:</b>					
Regular	\$2,335,548	\$2,754,824	\$2,825,828	\$71,004	2.58%
Other Compensation	\$208,911	\$331,640	\$331,640	\$0	0.00%
Related Benefits	\$1,248,160	\$1,962,884	\$2,041,612	\$78,728	4.01%
<b>TOTAL SALARIES</b>	<b>\$3,792,619</b>	<b>\$5,049,348</b>	<b>\$5,199,080</b>	<b>\$149,732</b>	<b>2.97%</b>
<b>OPERATING EXPENSES:</b>					
Travel	\$4,985	\$19,600	\$19,600	\$0	0.00%
Operating Services	\$968,720	\$1,041,547	\$1,072,794	\$31,247	3.00%
Supplies	\$235,050	\$414,142	\$426,566	\$12,424	3.00%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,208,755</b>	<b>\$1,475,289</b>	<b>\$1,518,960</b>	<b>\$43,671</b>	<b>2.96%</b>
<b>PROFESSIONAL SERVICES</b>	<b>\$38,681</b>	<b>\$209,998</b>	<b>\$232,010</b>	<b>\$22,012</b>	<b>10.48%</b>
<b>OTHER CHARGES:</b>					
Other Charges	\$293,369	\$430,500	\$455,500	\$25,000	5.81%
Interagency Transfers	\$332,456	\$380,409	\$417,375	\$36,966	9.72%
<b>TOTAL OTHER CHARGES</b>	<b>\$625,825</b>	<b>\$810,909</b>	<b>\$872,875</b>	<b>\$61,966</b>	<b>7.64%</b>
<b>ACQUISITIONS &amp; MAJOR REPAIRS:</b>					
Acquisitions	\$189,631	\$690,950	\$419,950	(\$271,000)	-39.22%
Major Repairs	\$6,425,486	\$1,266,500	\$1,291,500	\$25,000	1.97%
<b>TOTAL ACQUISITIONS &amp; MAJOR REPAIRS</b>	<b>\$6,615,117</b>	<b>\$1,957,450</b>	<b>\$1,711,450</b>	<b>(\$246,000)</b>	<b>-12.57%</b>
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b>\$12,280,997</b>	<b>\$9,502,994</b>	<b>\$9,534,375</b>	<b>\$31,381</b>	<b>0.33%</b>
<b>POSITIONS (SALARIES REGULAR):</b>					
Classified	65	65	65	0	0.00%
Unclassified	2	2	2	0	0.00%
<b>TOTAL POSITIONS (SALARIES REGULAR)</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>0</b>	<b>0.00%</b>
<b>POSITIONS (OTHER CHARGES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>

SABINE RIVER AUTHORITY OF LOUISIANA

Activity:	PRIOR YEAR OPERATING BUDGET 2020-2021	EXISTING OPERATING BUDGET 2021-2022	TOTAL REQUEST 2022-2023	OVER/UNDER EXISTING OPERATING BUDGET
General Fund	-	0	0	0
Interagency Transfer	-	0	0	0
Self Generated Revenue	12,280,997	9,502,994	9,534,375	31,381
Statutory Dedication Name	-	0	0	0
Federal Funds	-	0	0	0
<b>TOTAL REVENUE</b>	<b>12,280,997</b>	<b>9,502,994</b>	<b>9,534,375</b>	<b>31,381</b>
Classified	65	65	65	0
Unclassified	2	2	2	0
<b>TOTAL POSITION CONTROL</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>0</b>
2100 Salaries-Classified - Regular	2,124,620	2,471,511	2,536,869	65,358
2110 Salaries-Classified - Overtime	33,549	0	0	0
2120 Salaries-Classified - Termination	17,439			0
2130 Salaries-Unclassified - Regular	208,911	283,313	288,959	5,646
2140 Salaries-Unclassified - Overtime	-	0	0	0
2150 Salaries-Unclassified - Termination	-			0
<b>TOTAL SALARIES</b>	<b>2,384,519</b>	<b>2,754,824</b>	<b>2,825,828</b>	<b>71,004</b>
2200 Wage Unclassified ~14 - 16 wage workers for aproxiametly 29,000 hours.	133,565	223,600	223,600	0
2210 Student Labor	11,875	45,240	45,240	0
2220 Compensation of SRA Board Members ~SRCA Members	14,400	62,400	62,400	0
Subtotal for Board Members	100	400	400	0
	14,500	62,800	62,800	0
<b>TOTAL OTHER COMPENSATION</b>	<b>159,940</b>	<b>331,640</b>	<b>331,640</b>	<b>0</b>
<b>TOTAL SALARIES &amp; OTHER COMPENSATION</b>	<b>2,544,459</b>	<b>3,086,464</b>	<b>3,157,468</b>	
2300 Retirement - State	857,680	1,088,156	1,116,202	28,046
2350,60,70 F.I.C.A./Medi/Unemployment	46,942	67,849	68,305	456
2345, 2380 Group Insurance - State	343,538	806,879	857,105	50,226
<b>TOTAL RELATED BENEFITS</b>	<b>1,248,160</b>	<b>1,962,884</b>	<b>2,041,612</b>	<b>78,728</b>
<b>TOTAL PERSONNEL SERVICES</b>	<b>3,792,619</b>	<b>5,049,348</b>	<b>5,199,080</b>	<b>149,732</b>

2520	In State Travel - Field Travel ~Training, Educational Classes, and Government Meetings necessary in day to day operations, Sabine River Compact Administration semi-annual meeting (R.S. 38:2332.2); routine business for and on behalf SRA as it pertains to operations within the scope of an 801.1 agency (SRA is statutorially domiciled in Sabine Parish therefore, frequent trips to Baton Rouge are routine); attend meetings with LA Travel Promotion Association to promote Toledo Bend; and training sessions.	-	6,000	6,000	0
2530	In State Travel - Board Members ~Reimbursement of expenses for the 13 member Board of Commissioners, R.S. 38:2322.C.	4,879	11,000	11,000	0
2620	Out of State Travel - Field Travel ~FERC meeting for operation of Toledo Bend Dam ~Annual meeting for the American Fisheries Society. ~Annual 5 States El Comino Commission. ~SRCA Meeting. ~Field travel to different fishery projects. ~Meeting with Legislative Delegation.	-	1,600	1,600	0
2630	Out of State Travel - Board Members ~SRA Board Members serving on Toledo Bend Project Joint Operation Board, normally meets semi-annual TBPJO Administrative office.	106	1,000	1,000	0
<b>TOTAL TRAVEL</b>		<b>4,985</b>	<b>19,600</b>	<b>19,600</b>	<b>0</b>
2700	Advertising	19,302	18,440	18,993	553
2710	Printing	20	1,367	1,408	41
2770	Maintenance of Prop & Equip - Auto	21,409	13,661	14,071	410
2780	Maintenance of Prop & Equip - Other	9,123	6,832	7,037	205
2790	Maintenance of Buildings	-	2,050	2,112	62
2870	Rentals - Equipment, Etc.	3,867	12,295	12,664	369
2890	Dues & Subscriptions	14,787	2,733	2,815	82
2900	Mail, Delivery & Postage	4,966	7,513	7,738	225
2910	Telephone/Data Lines/Communication - Services	48,142	59,698	61,489	1,791
2950	Utilities - Electricity - Gas - Water - Other	799,718	830,159	855,064	24,905
2980	Other Operating Services - Uniforms/Laundry	3,874	0	0	0
2990	Lab Fees	4,675	2,045	2,106	61
3000	Miscellaneous	38,837	84,754	87,297	2,543
<b>TOTAL OPERATING SERVICES</b>		<b>968,720</b>	<b>1,041,547</b>	<b>1,072,794</b>	<b>31,246</b>

3100	Office Supplies	4,005	3,693	3,804	111
3120	Operating Supplies - Computer	2,961	12,306	12,675	369
3130	Operating Supplies - Clothing and Uniforms	9,083	2,461	2,535	74
3140	Operating Supplies - Medical	-	1,231	1,268	37
3170	Operating Supplies - Auto	89,078	147,836	152,271	4,435
3190	Operating Supplies - Bldgs, Grounds & Gen Plant	47,647	86,148	88,732	2,584
3200	Operating Supplies - Household	10,985	24,614	25,352	738
3210	Operating Supplies - Farm	-	1,231	1,268	37
3300	Repair & Maintenance Supplies - Auto	37,298	49,229	50,706	1,477
3310	Repair & Maintenance Supplies - Other	33,993	84,164	86,689	2,525
3320	Software	-	1,229	1,266	37
<b>TOTAL SUPPLIES</b>		<b>235,050</b>	<b>414,142</b>	<b>426,566</b>	<b>12,424</b>
<b>TOTAL OPERATING SERVICES</b>		<b>1,208,755</b>	<b>1,475,289</b>	<b>1,518,960</b>	<b>43,671</b>
3400	Accounting & Auditing	15,500	52,010	52,010	0
3410	Management Consulting		0	0	0
3420	Engineering & Architectural	-	0	0	0
3430	Legal	23,181	127,988	150,000	22,012
3460	Other Professional Services	-	30,000	30,000	0
<b>TOTAL PROFESSIONAL SERVICES</b>		<b>38,681</b>	<b>209,998</b>	<b>232,010</b>	<b>22,012</b>
3650	Miscellaneous Charges				0
	~Water Royalty	202,264	270,500	270,500	0
	~Directional Signs/Marking Boatlanes/Bridge Lighting	15,525	35,000	35,000	0
	~Economic Development	75,580	125,000	150,000	25,000
<b>TOTAL OTHER CHARGES</b>		<b>293,369</b>	<b>430,500</b>	<b>455,500</b>	<b>25,000</b>
4940	IAT - Transfer of Funds	-	0	0	0
4980	IAT - Insurance	304,409	304,409	341,375	36,966
5040	IAT - Telephone & Civil Service	28,047	76,000	76,000	0
<b>TOTAL INTERAGENCY TRANSFER</b>		<b>332,456</b>	<b>380,409</b>	<b>417,375</b>	<b>36,966</b>
<b>TOTAL Other Charges &amp; IAT</b>		<b>625,825</b>	<b>810,909</b>	<b>872,875</b>	<b>61,966</b>

4420	Acquisitions-Capitalized Automobile => \$5000	135,682	118,500	123,500	5,000
4421	Acquisitions-Automobile				0
4440	Equipment \$1000 - \$4999				0
4441	Equipment < \$1000				0
4442	Equipment => \$5000	-	58,450	65,450	7,000
4451	Computer Hardware	8,641	47,000	47,000	0
4453	Software \$1000 - \$4999				0
4454	Hardware \$1000 - \$4999				0
4456	Software < \$1000				0
4457	Hardware < \$1000				0
4460	Acquisitions - Farm and Heavy Movable Equipment	31,395	427,000	159,000	(268,000)
4520	Boats	-	15,000	20,000	5,000
4530	Communications \$1000 - \$4999				0
4532	Communications < \$1000				0
4540	Other Acquisitions \$1000 - \$4999	13,913	25,000	5,000	(20,000)
4542	Other Acquisitions < \$1000				0
<b>TOTAL ACQUISITIONS</b>		<b>189,631</b>	<b>690,950</b>	<b>419,950</b>	<b>(271,000)</b>
4610	Major Repairs - Building				0
4620	Major Repairs - Auto				0
4630	Major Repairs - Buildings and Grounds	6,425,486	1,266,500	1,291,500	25,000
4640	Major Repairs - Boats				0
4740	Major Repairs - Other Equipment				0
<b>TOTAL MAJOR REPAIRS</b>		<b>6,425,486</b>	<b>1,266,500</b>	<b>1,291,500</b>	<b>25,000</b>
<b>TOTAL ACQUISITION &amp; MAJOR REPAIRS</b>		<b>6,615,117</b>	<b>1,957,450</b>	<b>1,711,450</b>	<b>(246,000)</b>
<b>TOTAL EXPENDITURES</b>		<b>12,280,997</b>	<b>9,502,994</b>	<b>9,534,375</b>	<b>31,381</b>

		FY 22		FY 23		EE&ER		Total R/B	
		Existing	Merit	Requested Total	FICA/MEDI	LASERS	OGB	Requested	
Unclassified @ 4/15/21		\$280,529.60	\$8,429.41	\$288,959.01	\$4,189.91	\$114,138.81	\$7,353.12	\$125,681.83	
48 Classified, 7 Vacant Classified @ 4/15/21		\$2,464,820.80	\$72,048.61	\$2,536,869.41	\$38,775.55	\$1,002,063.42	\$849,751.36	\$1,890,590.33	
8 WAE Laborer (Existing Budget)	8 Positions	\$10.00	8320	\$83,200.00	\$6,364.80	\$0.00	\$0.00	\$6,364.80	
15 WAE PGBA (Existing Budget)	15 Positions	\$9.50	15600	\$140,400.00	\$10,740.60	\$0.00	\$0.00	\$10,740.60	
10 Students (Existing Budget)	10 Positions	\$7.25	6240	\$45,240.00	\$3,460.86	\$0.00	\$0.00	\$3,460.86	
Board (Existing Budget)				\$62,400.00	\$4,773.60	\$0.00	\$0.00	\$4,773.60	
		<b>\$3,076,590.40</b>	<b>\$80,478.02</b>	<b>\$3,157,468.42</b>	<b>\$68,305.32</b>	<b>\$1,116,202.22</b>	<b>\$857,104.48</b>	<b>\$2,041,612.02</b>	

QUANTITY	ACQUISITIONS DESCRIPTION BY ACTIVITY	AMOUNT
	<b>Existing Budget</b>	
1	3/4 Ton 4x4 Crew Cab Truck @ SRD	\$43,500
1	3/4 Ton 4x4 Truck @ SRD	\$40,000
1	Vibration Monitoring Equipment for Pump Stations (SRD)	\$9,700
1	Canal Level Instrumentation (SRD)	\$30,250
2	Side by Side ATV for Recreational Facilities	\$14,000
1	Replace Golf Course Equipment	\$120,000
1	Thermal Imaging Camera (SRD)	\$18,500
2	Mowers @ SRA	\$22,000
1	Replace 1991 Ford 7610 Tractor @ SRD	\$79,000
1	Mini Excavator @SRA	\$60,000
1	Replace 1988 New Holland Tractor/Slope Mower Combo @ SRD	\$132,000
1	Boat motors @ SRA	\$15,000
1	3/4 Ton 4x4 Crew Cab Truck @ SRA	\$35,000
	Computer Hardware @ SRA	\$32,000
	Computer Hardware @ SRD	\$15,000
	New Telephone System	\$20,000
	Other	\$5,000
	Total	\$690,950
	<b>Requested Budget</b>	
1	3/4 Ton 4x4 Crew Cab Truck @ SRD	\$43,500
1	3/4 Ton 4x4 Truck @ SRD	\$40,000
1	Vibration Monitoring Equipment for Pump Stations (SRD)	\$9,700
1	Canal Level Instrumentation (SRD)	\$30,250
1	Sewer Clean Out Machine	\$7,000
1	Side by Side ATV for Recreational Facilities	\$14,000
1	Replace Golf Course Equipment	\$120,000
1	Thermal Imaging Camera (SRD)	\$18,500
2	Mowers @ SRA	\$25,000
1	Boat motors @ SRA	\$20,000
1	3/4 Ton 4x4 Crew Cab Truck @ SRA	\$40,000
	Computer Hardware @ SRA	\$32,000
	Computer Hardware @ SRD	\$15,000
	Other	\$5,000
		<b>\$419,950</b>

OBJ CLASS	MAJOR REPAIRS DESCRIPTION BY ACTIVITY	AMOUNT
	<b>Existing Budget</b>	
4630	Road Repair in Recreational Facilities	\$500,000
4630	Building Rennovations of Park Facilities	\$300,000
4630	Miscellaneous Seawall Repairs	\$75,000
4630	Electrical Testing at all Pump Stations	\$60,500
4630	Repair levee from erosion, animal dens, seepages, and leaks	\$21,500
4630	Pulling and Repairing of Pump and Motor @ SRD	\$250,000
4630	Levee Crowns, Access Ramps, Bridge Crossings and Equipment Off-Loading Areas @ SRD	\$19,500
4630	Flooring Bath Houses at all Recreation Facilities	\$40,000
		\$1,266,500
	<b>Requested Budget</b>	
4630	Building Rennovations of Park Facilities	\$300,000
4630	Miscellaneous Seawall Repairs	\$100,000
4630	Cart Path Repairs	\$500,000
4630	Electrical Testing at all Pump Stations	\$60,500
4630	Repair levee from erosion, animal dens, seepages, and leaks	\$21,500
4630	Pulling and Repairing of Pump and Motor @ SRD	\$250,000
4630	Levee Crowns, Access Ramps, Bridge Crossings and Equipment Off-Loading Areas @ SRD	\$19,500
4630	Flooring Bath Houses at all Recreation Facilities	\$40,000
		\$1,291,500

# LEGISLATURE OF LOUISIANA

**Jerome "Zee" Zeringue**  
*Co-Chairman*



**Mike Reese**  
*Co-Chairman*

## **Water Sector Commission**

P.O. Box 44486 Baton Rouge, LA 70804-4486  
Office: (225) 342-1964  
Fax: (225) 387-8912

June 2, 2022

The Honorable Jerome "Zee" Zeringue, Chairman  
Joint Legislative Committee on the Budget  
P.O. Box 44294, Capital Station  
Baton Rouge, Louisiana 70804

Chairman Zeringue,

Pursuant to R.S. 39:100.56, the Water Sector Commission is established to review applications submitted pursuant to the Water Sector Program and make recommendations for funding to the Joint Legislative Committee on the Budget. The Joint Legislative Committee on the Budget shall review the recommendations submitted by the Commission and have final approval of funding for projects. No monies shall be expended from the Water Sector Fund without approval of the Joint Legislative Committee on the Budget.

As you are aware, Round 1 of the Water Sector Program consisted of two rounds of grant awards, one in December 2021 and one in January 2022. At its meeting held on Thursday, June 2, 2022, the Water Sector Commission reconsidered the Round 1 Water Sector Program grant amounts awarded to Chatham, Kinder, and South Toledo Bend Waterworks District. The grant recipients received duplicate awards between the awards made in December 2021 and the awards made in January 2022.

The Commission reviewed the following information submitted by the Division of Administration:

Chatham - The projects included in the December 2021 award in the amount of \$288,000 were also included in the \$2,180,000 award made in January 2022.

Kinder - The projects included in the December 2021 award in the amount of \$2,512,500 were also included in the \$3,750,000 award made in January 2022.

South Toledo Bend Waterworks District - The water tank included in the December 2021 award in the amount of \$720,000 was also included in the \$3,800,000 award made in January 2022. The project engineer has indicated that some of the piping and electrical work included in the December 2021 award was not included in the larger application. According to the cost estimate and the project engineer, these costs are \$200,000. Anything over \$200,000 in a grant agreement for the December

2021 award would result in a duplication of benefits.

The Commission voted to rescind the December 2021 project award to Chatham in the amount of \$288,000 and the December 2021 project award to Kinder in the amount of \$2,512,500 and to reduce the December 2021 award to South Toledo Bend Waterworks District by \$520,000. There is currently \$477,389 of unobligated funds in the Water Sector Fund. Approval of the proposed grant award adjustments would result in a balance of \$3,797,889 of unobligated funds in the fund.

The Commission requests your approval of this recommendation. Thank you for your consideration of this request.

A handwritten signature in blue ink, appearing to read "Mike Reese", is positioned above a horizontal line.

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Senator Mike Reese, Co-Chairman



**STATE OF LOUISIANA**  
DIVISION OF ADMINISTRATION  
**OFFICE OF GROUP BENEFITS**



**Office of Group Benefits**

**June 3, 2022 JLCB Meeting**

**Access Health, Inc.**

*Capitated Primary Care Contract Amendment #3 Overview*

## Access Health, Inc.

### Capitated Primary Care Contract Amendment #3 Overview

<b>Contract Purpose</b>	To provide primary health care services to OGB Plan Participants for a monthly capitation payment. The Contractor will provide a network of primary health care providers.
<b>Eligible Participants</b>	Active and retired enrollees (and their covered dependents) of the following OGB self-funded health plans: Magnolia Local Plus, Magnolia Local, Magnolia Open Access, and Pelican HRA1000.
<b>Eligible Participant Count as of 5/01/2022</b>	201,837
<b>Contract Start Date</b>	7/01/2019
<b>Contract End Date</b>	6/30/2022
<b>Contract End Date After Amendment Approval</b>	12/31/2023
<b>Renewable Options in Current Contract</b>	Two 12-month Periods
<b>Renewable Options Already Exercised</b>	None
<b>Renewable Options After Amendment Approval</b>	One 18-month Period which is exercised by this Amendment
<b>Procurement Method</b>	Request for Proposal
<b>Contract Maximum Payable Amount</b>	\$81,621,982.80
<b>Contract Authority Expended</b>	\$75,621,982.80 (for Services through 3/31/2022)
<b>Contract Maximum Payable Amount After Amendment Approval</b>	\$102,732,478.80
<b>Monthly Fees</b>	\$1,172,805.00, Payable to Vendor
<b>States in which Access Health Operates</b>	Louisiana, Alabama, Mississippi, Texas
<b>Number of Access Health Clinics</b>	125

Office of State Procurement  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

May 13, 2022

TO: Col. David W. Couvillon, USMCR (Ret.)  
Office of Group Benefits  
Chief Executive Officer

FROM: Ms. Pamela Bartfay Rice, Esq., CPPO  
Assistant Director, Professional Contracts

RE: OSP Approval for JLCB  
LaGov PO/Contract Amendment # 3 - **2000411251**  
Access Health Inc.

The above referenced contract amendment has been reviewed by the Office of State Procurement. The document complies with the State Procurement Code and is ready for submission to the Joint Legislative Committee on the Budget. Upon approval of the proposed contract amendment for the Office of Group Benefits in accordance with La. R.S. 39:1615(J), please return the "**Agency Memo to OSP After JLCB Approval,**" along with the stamped contract from the JLCB.

**The contract amendment will not receive final approval by OSP until it has been approved by JLCB and is submitted to OSP in LaGov, Proact, or LESA, as applicable.**

If you should have any further questions/comments, please do not hesitate to contact Elizabeth Kunjappy.

**Amendment to Contract Between**

**State of Louisiana  
Office of Group Benefits (OGB)**

**And**

**Access Health, Inc.  
1325 Barksdale Boulevard, Suite 300  
Bossier City, LA 71111**

---

**CHANGE FROM:**

**3.1 TERM OF CONTRACT**

The term of the Contract shall begin on July 1, 2019, and is anticipated to end on June 30, 2022. With all proper approvals authorized by law, including prior approval by the Joint Legislative Committee on the Budget (JLCB), and concurrence of the Contractor, OGB may also exercise options to extend the term of the Contract for no more than two (2) twelve (12) month periods under the same terms and conditions, with the administrative fee to be negotiated, but the administrative fee shall be in an amount less than the original rate (\$29.21 per Primary Plan Participant) for each option year. However, the option cannot be exercised unless OGB and the Contractor agree on the administrative fee for the option year in question. Written evidence of JLCB and other required approvals shall be submitted, along with the Contract Amendment, to the Office of State Procurement (OSP) to extend the Contract term. The total Contract term shall not exceed sixty (60) months. The continuation of this Contract is contingent upon the appropriation of funds by the Legislature to fulfill the requirements of the Contract.

**CHANGE TO:**

**3.1 TERM OF CONTRACT**

The term of the Contract shall begin on July 1, 2019, and is anticipated to end on June 30, 2022. With all proper approvals authorized by law, including prior approval by the Joint Legislative Committee on the Budget (JLCB), and concurrence of the Contractor, OGB may also exercise an options to extend the term of the Contract for no more than ~~two (2) twelve (12)~~ one (1) eighteen (18) month periods ~~under the same terms and conditions, with the administrative fee to be negotiated, but the administrative fee shall be in an amount less than the original rate (\$29.21 per Primary Plan Participant) for each option year.~~ However, the option cannot be exercised unless OGB and the Contractor agree on the administrative fee or OGB Payment Terms for the option ~~year~~ in question. Written evidence of JLCB and other required approvals shall be submitted, along with the Contract Amendment, to the Office of State Procurement (OSP) to extend the Contract term. The total Contract term shall not exceed

fifty-four (54) ~~sixty (60)~~ months. The continuation of this Contract is contingent upon the appropriation of funds by the Legislature to fulfill the requirements of the Contract.

At this time, OGB is exercising the one (1) eighteen (18) month option, to extend the initial term of the Contract for eighteen (18) months, from July 1, 2022 through December 31, 2023, at the same terms and conditions except as provided herein.

Notwithstanding any other provision of this Contract, this Contract and any amendments thereof shall not become effective until approved as required by statutes and regulations of the State of Louisiana.

## **CHANGE FROM:**

### **3.4 PAYMENT TERMS**

#### **a. OGB Payment Terms**

In consideration of the services required by this Contract, OGB hereby agrees to pay Contractor as follows:

- From July 1, 2019 – June 30, 2020 (“Year 1”), OGB will pay an administrative fee of \$29.21 per Primary Plan Participant per month. Monthly eligibility counts shall be determined based on OGB eligibility counts as of the first of each month.
- From July 1, 2020 – November 30, 2020 (“Partial Year 2.1”), OGB will pay an administrative fee of \$29.21 per Primary Plan Participant per month. Monthly eligibility counts shall be determined based on OGB eligibility counts as of the first of each month.
- From December 1, 2020 through June 30, 2021 (“Partial Year 2.2”), OGB will not pay any administrative fees to Contractor for services provided during the seven months of December 2020 through June 2021. Contractor will continue to provide services as delineated in the Contract during these months.
- From July 1, 2021 – June 30, 2022, (hereinafter sometimes referred to as “Year 3”), OGB will pay Contractor twelve (12) monthly installments of Two Million Dollars (\$2,000,000.00) each, amounting to Twenty-Four Million Dollars (\$24,000,000.00) in the aggregate. No other administrative fees shall be paid.
  - o For payments during the third year, Contractor will invoice OGB monthly for payment of services rendered within five (5) business days after the end of each month. OGB shall render payment within five (5) business days of receipt of the invoice.
- OGB will pay Contractor a maximum fee of Eighty-One Million, Six Hundred Twenty-One Thousand, Nine Hundred Eighty-Two Dollars and Eighty Cents (\$81,621,982.80) for work performed during the initial thirty-six (36) months of the Contract. This fee is inclusive of travel and all Contract-related expenses. The maximum fee of \$81,621,982.80 will be paid as detailed below:
  - o For Year 1, OGB will pay Contractor no more than Forty Million, Seven Hundred Forty-Four Thousand, Nine Hundred Seventy Dollars and Fifty-Eight Cents (\$40,744,970.58).

- o For Year 2, OGB will pay Contractor no more than Sixteen Million Eight Hundred Seventy-Seven Thousand, Twelve Dollars and Twenty-Two Cents (\$16,877,012.22).
- o For Year 3, OGB will pay Contractor no more than Twenty-Four Million Dollars (\$24,000,000).

Payments are predicated upon successful completion by Contractor and written approval by OGB of the described scope of services and deliverables as provided in the Contract. Contractor will not be paid more than the maximum amount of the Contract. No payments will be made by OGB on banking or State holidays.

If the contract is extended under one or both of the options, payment terms will be negotiated for the term of each option but the administrative fee shall be in an amount less than the original rate (\$29.21 per Primary Plan Participant).

**b. Contractor Payment Terms – Settlement Amount**

Contractor shall pay OGB Thirty-Six Million, Four Hundred Eighty-Seven Thousand, Two Hundred Fifty-Five Dollars (\$36,487,255.00) (“Settlement Amount”) in full and final satisfaction of the Contract’s Return on Investment (ROI) Performance Guarantee, Provider Visit Wait Time Performance Guarantee, and the Overall Primary Plan Participant Satisfaction Survey Guarantee for the first two years of the Contract (July 1, 2019 – June 30, 2021). OGB acknowledges that payment of the Settlement Amount is being made in connection with the compromise of disputed claims, and that the Settlement Amount and this Amendment should not be construed as an acknowledgment or admission of liability.

The Settlement Amount described above will be paid in five (5) installments of Seven Million, Two Hundred Ninety-Seven Thousand, Four Hundred Fifty-One Dollars (\$7,297,451.00) each. The first such installment will be paid on July 15, 2021; the four remaining installments will be paid in three-month intervals on October 15, 2021, January 15, 2022, April 15, 2022, and July 15, 2022.

The Limited Guarantors shall guarantee payment of the Settlement Amount described above as well as any other amounts due to OGB under the terms of this Contract.

**c. Contractor Release**

In consideration of and upon full payment of the Settlement Amount, OGB releases Contractor, PCS, Blue Cross and Blue Shield of Alabama, and all of Contractor’s agents, representatives, assignees, predecessors, successors-in-interest, heirs, and beneficiaries, all of whom shall be deemed intended third-party beneficiaries of this release, of and from any and all manner of actions, suits, debts, sums of money, accounts, reckonings, controversies, promises, damages, and claims that relate to or arise out of the ROI Performance Guarantee, the Provider Visit Wait Time Performance Guarantee, or the Overall Primary Plan Participant Satisfaction Survey Guarantee for year one and year two of the Contract (July 1, 2019 – June 30, 2021).

**CHANGE TO:**

### 3.4 PAYMENT TERMS

#### a. OGB Payment Terms

In consideration of the services required by this Contract, OGB hereby agrees to pay Contractor as follows:

- From July 1, 2019 – June 30, 2020 (“Year 1”), OGB will pay an administrative fee of \$29.21 per Primary Plan Participant per month. Monthly eligibility counts shall be determined based on OGB eligibility counts as of the first of each month.
- From July 1, 2020 – November 30, 2020 (“Partial Year 2.1”), OGB will pay an administrative fee of \$29.21 per Primary Plan Participant per month. Monthly eligibility counts shall be determined based on OGB eligibility counts as of the first of each month.
- From December 1, 2020 through June 30, 2021 (“Partial Year 2.2”), OGB will not pay any administrative fees to Contractor for services provided during the seven months of December 2020 through June 2021. Contractor will continue to provide services as delineated in the Contract during these months.
- From July 1, 2021 – June 30, 2022, (hereinafter sometimes referred to as “Year 3”), OGB will pay Contractor twelve (12) monthly installments of Two Million Dollars (\$2,000,000.00) each, amounting to Twenty-Four Million Dollars (\$24,000,000.00) in the aggregate. No other administrative fees shall be paid.
  - o For payments during the third year, Contractor will invoice OGB monthly for payment of services rendered within five (5) business days after the end of each month. OGB shall render payment within five (5) business days of receipt of the invoice.
- From July 1, 2022 – December 31, 2023, (hereinafter sometimes referred to as “Year 4 and Year 5”), OGB will pay Contractor no more than Twenty-One Million, One Hundred Ten Thousand, Four Hundred Ninety-Six Dollars and No Cents (\$21,110,496.00). This amount will be paid monthly in eighteen (18) installments of One Million, One Hundred Seventy-Two Thousand, Eight Hundred Five Dollars and No Cents (\$1,172,805.00). For payments during Contract Years 4 and 5, Contractor will invoice OGB monthly within five (5) business days after the end of each month for payment of services rendered. OGB shall render payment within five (5) business days of receipt of the invoice.
- OGB will pay Contractor a maximum fee of One Hundred Two Million, Seven Hundred Thirty-Two Thousand, Four Hundred Seventy-Eight Dollars and Eighty Cents (\$102,732,478.80) ~~Eighty-One Million, Six Hundred Twenty-One Thousand, Nine Hundred Eighty-Two Dollars and Eighty Cents (\$81,621,982.80)~~ for work performed during the initial thirty-six (36) months of the Contract and the eighteen (18) month extension. This fee is inclusive of travel and all Contract-related expenses. The maximum fee of \$102,732,478.80 ~~\$81,621,982.80~~ will be paid as detailed below:
  - o For Year 1, OGB will pay Contractor no more than Forty Million, Seven Hundred Forty-Four Thousand, Nine Hundred Seventy Dollars and Fifty-Eight Cents (\$40,744,970.58).
  - o For Year 2, OGB will pay Contractor no more than Sixteen Million Eight Hundred Seventy-Seven Thousand, Twelve Dollars and Twenty-Two Cents (\$16,877,012.22).

- o For Year 3, OGB will pay Contractor no more than Twenty-Four Million Dollars (\$24,000,000).
- o For Years 4 and 5, OGB will pay Contractor no more than Twenty-One Million, One Hundred Ten Thousand, Four Hundred Ninety-Six Dollars and No Cents (\$21,110,496.00).

Payments are predicated upon successful completion by Contractor and written approval by OGB of the described scope of services and deliverables as provided in the Contract. Contractor will not be paid more than the maximum amount of the Contract. No payments will be made by OGB on banking or State holidays.

~~If the contract is extended under one or both of the options, payment terms will be negotiated for the term of each option but the administrative fee shall be in an amount less than the original rate (\$29.21 per Primary Plan Participant).~~

b. Contractor Payment Terms – Settlement Amount

Contractor shall pay OGB Thirty-Six Million, Four Hundred Eighty-Seven Thousand, Two Hundred Fifty-Five Dollars (\$36,487,255.00) (“Settlement Amount”) in full and final satisfaction of the Contract’s Return on Investment (ROI) Performance Guarantee, Provider Visit Wait Time Performance Guarantee, and the Overall Primary Plan Participant Satisfaction Survey Guarantee for the first two years of the Contract (July 1, 2019 – June 30, 2021). OGB acknowledges that payment of the Settlement Amount is being made in connection with the compromise of disputed claims, and that the Settlement Amount and this Amendment should not be construed as an acknowledgment or admission of liability.

The Settlement Amount described above will be paid in five (5) installments of Seven Million, Two Hundred Ninety-Seven Thousand, Four Hundred Fifty-One Dollars (\$7,297,451.00) each. The first such installment will be paid on July 15, 2021; the four remaining installments will be paid in three-month intervals on October 15, 2021, January 15, 2022, April 15, 2022, and July 15, 2022.

The Limited Guarantors shall guarantee payment of the Settlement Amount described above as well as any other amounts due to OGB under the terms of this Contract.

c. Contractor Release

In consideration of and upon full payment of the Settlement Amount, OGB releases Contractor, PCS, Blue Cross and Blue Shield of Alabama, and all of Contractor’s agents, representatives, assignees, predecessors, successors-in-interest, heirs, and beneficiaries, all of whom shall be deemed intended third-party beneficiaries of this release, of and from any and all manner of actions, suits, debts, sums of money, accounts, reckonings, controversies, promises, damages, and claims that relate to or arise out of the ROI Performance Guarantee, the Provider Visit Wait Time Performance Guarantee, or the Overall Primary Plan Participant Satisfaction Survey Guarantee for year one and year two of the Contract (July 1, 2019 – June 30, 2021).

**CHANGE FROM:**

**3.6 PERFORMANCE GUARANTEES**

Contractor agrees to provide its operational performance guarantees on an OGB-specific basis. OGB shall have the ability to modify the performance guarantees each Contract year. The Overall Primary Plan Participant Satisfaction Survey guarantee of two (2%) percent of annual contracted cost, and the Provider Visit Wait Time guarantee of five (5%) percent of the annual contracted cost will remain at risk for Year Three of the Contract (and later years if the Contract is extended), and Contractor will be subject to per day fees for certain performance guarantees. The Overall Primary Plan Participant Satisfaction Survey guarantee and the Provider Visit Wait Time guarantee must be reconciled annually. The Overall Primary Plan Participant Satisfaction Survey guarantee, Provider Visit Wait Time guarantee, and Independent Assurance Reporting guarantee owed to OGB shall be paid within ninety (90) days after the end of each Measurement Period. The amount owed for the Return on Investment Performance Guarantee, the Provider Visit Wait Time Performance Guarantee, and the Overall Primary Plan Participant Satisfaction Survey Guarantee for the first two years of the Contract will be paid in accordance with Section 3.4(b), Contractor Payment Terms, as amended above. Any payment owed OGB for the Year 3 Actual Annual Cost Savings Performance Guarantee will be paid within ninety (90) days of receipt of notice from OGB of the amount owed.

**Audit:** OGB reserves the right to audit performance guarantee reports on an annual basis. A third party may be utilized to perform this audit.

**Measurement Periods:** The first period to be measured shall be July 1, 2019, through June 30, 2020. The second period will be for Contract year July 1, 2020 through June 30, 2021, and the third period will be for Contract year July 1, 2021 through June 30, 2022. The fourth and fifth periods, subject to the renewal option, will be for Contract years July 1, 2022 through June 30, 2023; and July 1, 2023 through June 30, 2024, respectively.

**CHANGE TO:**

**3.6 PERFORMANCE GUARANTEES**

Contractor agrees to provide its operational performance guarantees on an OGB-specific basis. ~~OGB shall have the ability to modify the performance guarantees each Contract year.~~ The Overall Primary Plan Participant Satisfaction Survey guarantee of two (2%) percent of annual contracted cost, and the Provider Visit Wait Time guarantee of five (5%) percent of the annual contracted cost will remain at risk for Years Three, Four, and Five of the Contract. ~~(and later years if the Contract is extended), and~~ The Contractor will be subject to per day fees for the Independent Assurance Reporting performance guarantees. The Overall Primary Plan Participant Satisfaction Survey guarantee and the Provider Visit Wait Time guarantee must be reconciled ~~annually~~ on a Measurement Period basis. The Overall Primary Plan Participant Satisfaction Survey guarantee, Provider Visit Wait Time guarantee, and Independent Assurance Reporting guarantee owed to OGB shall be paid within ninety (90) days after the end of each Measurement Period. The amount owed for the Return on Investment Performance Guarantee, the Provider Visit Wait Time Performance Guarantee, and the Overall Primary Plan Participant Satisfaction Survey Guarantee for the first two years of the Contract will be paid in accordance with Section 3.4(b), Contractor Payment Terms, as amended above. Any payment owed OGB for the Year 3 Actual Annual Cost Savings Performance Guarantee will be paid within ninety (90) days of receipt of notice from OGB of the amount owed. Any payment

owed OGB for the Actual Cost Savings Performance Guarantee for Year 4 and/or Year 5 shall be paid within ninety (90) days of receipt of notice from OGB of the amount owed.

**Audit:** OGB reserves the right to audit performance guarantee reports on an ~~an~~ annual Measurement Period basis. A third party may be utilized to perform this audit.

**Measurement Periods:** The first period to be measured shall be July 1, 2019, through June 30, 2020. The second period to be measured shall will be for Contract year July 1, 2020 through June 30, 2021, and the third period to be measured shall will be for Contract year July 1, 2021 through June 30, 2022. The fourth Measurement Period will be July 1, 2022 through June 30, 2023 (“Contract Year 4” or “Year 4”). The fifth Measurement Period will be July 1, 2023 to December 31, 2023 (“Contract Year 5” or “Year 5”). ~~The fourth and fifth periods, subject to the renewal option, will be for Contract years July 1, 2022 through June 30, 2023; and July 1, 2023 through June 30, 2024, respectively.~~

**CHANGE FROM:**

**20 NOTICE**

Any notice required or permitted by this Contract, unless otherwise specifically provided for in this Contract, shall be in writing and shall be deemed given upon receipt following delivery by: (i) an overnight carrier or hand delivery to the State/OGB; or, (ii) registered or certified mail return receipt requested, and addressed as follows:

To Access Health, Inc.: Ms. Mary N. Smith, President  
Access Health, Inc.  
1325 Barksdale Boulevard, Suite 300  
Bossier City, Louisiana 71111

To OGB: Mr. Tommy Teague, CEO  
Office of Group Benefits  
Post Office Box 44036  
Baton Rouge, LA 70804

Or

Mr. Tommy Teague, CEO  
Office of Group Benefits  
1201 N. 3<sup>rd</sup> Street, Suite G-159  
Baton Rouge, LA 70802

The U.S. Postal Service does not make deliveries to OGB’s physical location.

At any time, either party may change its addressee and/or address for notification purposes by mailing a notice stating the change and setting forth the new address.

**CHANGE TO:**

**20 NOTICE**

Any notice required or permitted by this Contract, unless otherwise specifically provided for in this Contract, shall be in writing and shall be deemed given upon receipt following delivery by: (i) an overnight carrier or hand delivery to the State/OGB; or, (ii) registered or certified mail return receipt requested, and addressed as follows:

To Access Health, Inc.: Nicola Sumpter  
~~Ms. Mary N. Smith, President~~  
Access Health, Inc.  
1325 Barksdale Boulevard, Suite 300  
Bossier City, Louisiana 71111

To OGB: David W. Couvillon, CEO  
Office of Group Benefits  
Post Office Box 44036  
Baton Rouge, LA 70804

Or

David W. Couvillon, CEO  
Office of Group Benefits  
1201 N. 3<sup>rd</sup> Street, Suite G-159  
Baton Rouge, LA 70802

The U.S. Postal Service does not make deliveries to OGB's physical location.

At any time, either party may change its addressee and/or address for notification purposes by mailing a notice stating the change and setting forth the new address.

**CHANGE FROM:**

**29 LIMITED GUARANTORS**

Preferred Care Services, Inc. ("PCS") and Blue Cross and Blue Shield of Alabama ("BCBS-AL") are Limited Guarantors to this Contract for the sole purpose of guaranteeing payment of the Settlement Amount and payments to OGB that might be owed under the third year of this Contract. By signing this Amendment, the Parties and Limited Guarantors affirm they are fully authorized to act on behalf of and obligate the entities they represent.

**CHANGE TO:**

**29 LIMITED GUARANTORS**

Preferred Care Services, Inc. ("PCS") and Blue Cross and Blue Shield of Alabama ("BCBS-AL") are Limited Guarantors to this Contract for the sole purpose of guaranteeing payment of the Settlement Amount and payments to OGB that might be owed under the third, fourth, and fifth years of this Contract. By signing this Amendment, the Parties and Limited Guarantors affirm they are fully authorized to act on behalf of and obligate the entities they represent.

**CHANGE FROM:**

## **ATTACHMENT I : SCOPE OF WORK/SERVICES**

### **Task (2): General Support Services**

- Designate one key person and at least one back-up staff member as the contacts to OGB for all daily operational questions.
- Meet with OGB staff on-site, or via teleconference, on at least a monthly basis to review and evaluate Contract administration. This schedule may be modified by OGB.
- Establish, arrange, and maintain capitated primary care provider network through contractual arrangements with participating providers.
- Assist OGB in meeting its responsibilities with respect to administering individual rights and obligations, such as access, amendment and disclosure accounting rights, as required by all applicable laws, including but not limited to –the Patient Protection and Affordable Care Act (“PPACA”), and HIPAA and its implementing regulations issued by the U.S. Department of Health and Human Services (45 C.F.R. Parts 160-164), as described in Attachment III: Business Associate Addendum.  
From time to time, OGB or business associates of OGB may require access to certain protected health information, as defined in HIPAA and its implementing regulations, in order to perform certain Plan administration functions on behalf of the Plan. Contractor must adhere to the administrative requirements as outlined in the Attachment III: Business Associate Addendum.
- Assist OGB in preparation of any return or report pertaining to the capitated primary health care network as required by any federal government agency, and furnish OGB an annual report of information available to Contractor which may be needed by OGB to satisfy ERISA or any other applicable state or federal requirements. Contractor shall not be responsible for determining when or whether government filings are required or completing or filing any report or return.
- Contractor will provide to OGB any information required to be reported related to compensation earned with regard to administration of the network. This information shall include all direct and indirect compensation paid by OGB to either Contractor or a third-party subcontractor for providing network services under this Contract.
- From time to time, health plans are certified as class Plan Participants in class actions that involve payments made by the plans for health care services, medications or medical devices. Contractor must notify OGB within five (5) business days of receipt that it has received any class action notice and/or notice of other lawsuits in which Contractor determines OGB could have an interest. Contractor will file any OGB claims on behalf of OGB upon request of OGB. Contractor will provide data and reporting to use in filing for refunds and judgments at no additional cost.
- Contractor agrees to include the OGB in anti-fraud efforts undertaken by Contractor. If Contractor initiates legal proceedings pursuant to anti-fraud efforts that would include the network’s interests and OGB’s interests, Contractor shall notify OGB within five (5) business days of such litigation and as to any costs that would be incurred by OGB should OGB decide to allow Contractor to pursue OGB’s interest in such litigation. OGB shall notify Contractor if Contractor should pursue OGB’s interests in such litigation within a reasonable time.

- Contractor will continue to be responsible for marketing its services to OGB Plan Participants. OGB will also market the Contractor's program to its eligible participants and encourage them to utilize Contractor's program. OGB also agrees to cooperate with Contractor on reasonable, joint marketing efforts designed to increase utilization.
- Contractor will monitor and report utilization ("Utilization Report") to OGB on a monthly basis and meet with OGB at least quarterly to discuss utilization, including methods to increase utilization. If at any time Contractor is failing to meet its Year 3 Actual Annual Cost Savings Performance Guarantee, OGB and Contractor will work in good faith to increase utilization. OGB reserves its rights to terminate the Contract in accordance with the terms of the Contract.

**CHANGE TO:**

**ATTACHMENT I: SCOPE OF WORK/SERVICES**

**Task (2): General Support Services**

- Designate one key person and at least one back-up staff member as the contacts to OGB for all daily operational questions.
- Meet with OGB staff on-site, or via teleconference, on at least a monthly basis to review and evaluate Contract administration. This schedule may be modified by OGB.
- Establish, arrange, and maintain capitated primary care provider network through contractual arrangements with participating providers.
- Assist OGB in meeting its responsibilities with respect to administering individual rights and obligations, such as access, amendment and disclosure accounting rights, as required by all applicable laws, including but not limited to –the Patient Protection and Affordable Care Act ("PPACA"), and HIPAA and its implementing regulations issued by the U.S. Department of Health and Human Services (45 C.F.R. Parts 160-164), as described in Attachment III: Business Associate Addendum.  
From time to time, OGB or business associates of OGB may require access to certain protected health information, as defined in HIPAA and its implementing regulations, in order to perform certain Plan administration functions on behalf of the Plan. Contractor must adhere to the administrative requirements as outlined in the Attachment III: Business Associate Addendum.
- Assist OGB in preparation of any return or report pertaining to the capitated primary health care network as required by any federal government agency, and furnish OGB an annual report of information available to Contractor which may be needed by OGB to satisfy ERISA or any other applicable state or federal requirements. Contractor shall not be responsible for determining when or whether government filings are required or completing or filing any report or return.
- Contractor will provide to OGB any information required to be reported related to compensation earned with regard to administration of the network. This information shall include all direct and indirect compensation paid by OGB to either Contractor or a third-party subcontractor for providing network services under this Contract.
- From time to time, health plans are certified as class Plan Participants in class actions that involve payments made by the plans for health care services, medications or medical devices.

Contractor must notify OGB within five (5) business days of receipt that it has received any class action notice and/or notice of other lawsuits in which Contractor determines OGB could have an interest. Contractor will file any OGB claims on behalf of OGB upon request of OGB. Contractor will provide data and reporting to use in filing for refunds and judgments at no additional cost.

- Contractor agrees to include the OGB in anti-fraud efforts undertaken by Contractor. If Contractor initiates legal proceedings pursuant to anti-fraud efforts that would include the network's interests and OGB's interests, Contractor shall notify OGB within five (5) business days of such litigation and as to any costs that would be incurred by OGB should OGB decide to allow Contractor to pursue OGB's interest in such litigation. OGB shall notify Contractor if Contractor should pursue OGB's interests in such litigation within a reasonable time.
- Contractor will continue to be responsible for marketing its services to OGB Plan Participants. OGB will also market the Contractor's program to its eligible participants and encourage them to utilize Contractor's program. OGB also agrees to cooperate with Contractor on reasonable, joint marketing efforts designed to increase utilization.
- Contractor will monitor and report utilization ("Utilization Report") to OGB on a monthly basis and meet with OGB at least quarterly to discuss utilization, including methods to increase utilization. If at any time Contractor is failing to meet its Year 3 Actual Annual Cost Savings Performance Guarantee or its Actual Cost Savings Performance Guarantee for Years 4 and 5, OGB and Contractor will work in good faith to increase utilization. OGB reserves its rights to terminate the Contract in accordance with the terms of the Contract.

## **CHANGE FROM:**

### **ATTACHMENT I : SCOPE OF WORK/SERVICES**

#### **Task (3): Primary Care Network Services**

- Provide at least 45 days advance written notification to OGB of any change in capitated primary care provider network that will effect a 1% or greater change in the number of providers in the network.
- Submit standardized reports and/or data to OGB for the purpose of evaluating utilization, savings, financial experience, and other aspects of the Contractor's performance, as provided in Section 1.1 Deliverables. Format and layout must be approved by OGB.
- On or before August 1 prior to each Plan year, Contractor shall prepare a document containing a description of the covered benefits provided by the capitated primary care network to be used by OGB to prepare a plan document. OGB shall review and approve the description of covered benefits prior to dissemination to the Primary Plan Participant(s) covered under the capitated primary care network. If any changes to the draft prepared by Contractor are needed, OGB will request such changes in writing. Contractor shall update the draft to include OGB's requested changes and submit the revised draft to OGB within five (5) business days.
- Comply with grievance and appeal procedure as agreed upon by OGB and Contractor.
- Prepare and distribute an explanation of benefits to the Plan Participant following each provision of service, as required by applicable law.

- Provide a network of capitated primary health care providers (herein, referred to as “Providers”). Providers included in the capitated primary health care network must meet or exceed the following criteria:
  - Board certified or board eligible in primary care, internal medicine, emergency medicine, or family medicine.
  - Graduates of accredited medical schools with a degree of MD or DO.
  - Licensed to practice medicine in the State of Louisiana.
  - Maintains medical professional liability insurance and/or medical malpractice insurance.
  - Able to work with diverse populations
  - In possession of a Drug Enforcement Administration (DEA) number.
  - Licensed Nurse Practitioners and/or Physician Assistants working under the supervision of a licensed physician that is a provider in the capitated primary care network (meeting the requirements listed above) are eligible to participate as Providers in the capitated primary care network.

The Providers participating in the capitated primary health care network must provide, at a minimum, the following services:

- Maintain walk-in services: same day services with no appointment needed. Appointments may be made by Plan Participants in advance, but should not be required.
- Maintain an in-house x-ray machine and laboratory capabilities, in compliance with all applicable regulations, at all provider locations, and maintain laboratory and radiology accreditations.
- Newly-enrolled network providers must make availability to undergo an initial on-site visit from OGB representative(s) to ensure that quality measures are met.
- Provide direct patient care including but not limited to taking medical histories, providing treatment and education of Plan Participants, and ordering and interpreting laboratory and radiological tests.
- Provide medical evaluation and treatment for general health conditions, including but not limited to the following:
  - Cold, flus, seasonal allergies
  - Burns and other minor skin conditions
  - Sprains, joint injuries
  - Wound care
  - Gastrointestinal virus
  - Upper respiratory illnesses including, but not limited to, bronchitis, sinusitis, pneumonia, mononucleosis, and strep throat
  - Conjunctivitis and other eye infections
  - Immunizations and influenza vaccines
- Make referrals to other medical providers when treatment by a capitated primary care provider is not possible or appropriate. Referrals shall only be made to medical providers that are in the OGB self-funded plan network, currently administered by Blue Cross and Blue Shield of Louisiana. Specialist referrals should be made only when medically necessary. OGB reserves the right to monitor the specialty referral rate.
- Provide trained personnel in CPR/Automated External Defibrillator
- Provide laboratory services and radiology services
- Provide preventative screening laboratory services and provide a comprehensive and tailored personal health report for each Plan Participant to whom the Providers render such services.

- Provide services to Plan Participants within thirty (30) minutes of arrival at the capitated primary care network provider, whether the capitated network provider visit is on a walk-in or appointment basis.
- Advise patients on diet, exercise, hygiene, and general health to aid in the prevention of illnesses, diseases, and disorders.
- Provide the necessary personnel, equipment, supplies, and services to perform the Scope of Services.
- Maintain all licensures, insurance and permits to provide medical services in the State of Louisiana.
- Maintain and handle medical records and respond to subpoenas for medical records in compliance with all applicable laws.
- Give Plan Participants resources to help them better monitor their health, understand their risk factors and make educated choices as to their health.
- Conduct annual Primary Plan Participant(s) surveys. The survey tools and materials are subject to OGB's approval.

**CHANGE TO:**

**ATTACHMENT I: SCOPE OF WORK/SERVICES**

**Task (3): Primary Care Network Services**

- Provide at least 45 days advance written notification to OGB of any change in capitated primary care provider network that will effect a 1% or greater change in the number of providers in the network.
- Submit standardized reports and/or data to OGB for the purpose of evaluating utilization, savings, financial experience, and other aspects of the Contractor's performance, as provided in Section 1.1 Deliverables. Format and layout must be approved by OGB.
- On or before August 1 prior to each Plan year, Contractor shall prepare a document containing a description of the covered benefits provided by the capitated primary care network to be used by OGB to prepare a plan document. OGB shall review and approve the description of covered benefits prior to dissemination to the Primary Plan Participant(s) covered under the capitated primary care network. If any changes to the draft prepared by Contractor are needed, OGB will request such changes in writing. Contractor shall update the draft to include OGB's requested changes and submit the revised draft to OGB within five (5) business days.
- Comply with grievance and appeal procedure as agreed upon by OGB and Contractor.
- Prepare and distribute an explanation of benefits to the Plan Participant following each provision of service, as required by applicable law.
- Provide a network of capitated primary health care providers (herein, referred to as "Providers"). Providers included in the capitated primary health care network must meet or exceed the following criteria:
  - Board certified or board eligible in primary care, internal medicine, emergency medicine, or family medicine.
  - Graduates of accredited medical schools with a degree of MD or DO.
  - Licensed to practice medicine in the State of Louisiana.
  - Maintains medical professional liability insurance and/or medical malpractice insurance.

- Able to work with diverse populations
- In possession of a Drug Enforcement Administration (DEA) number.
- Licensed Nurse Practitioners and/or Physician Assistants working under the supervision of a licensed physician that is a provider in the capitated primary care network (meeting the requirements listed above) are eligible to participate as Providers in the capitated primary care network.

The Providers participating in the capitated primary health care network must provide, at a minimum, the following services:

- Maintain walk-in services: same day services with no appointment needed. Appointments may be made by Plan Participants in advance, but should not be required.
- Maintain an in-house x-ray machine and laboratory capabilities, in compliance with all applicable regulations, at all provider locations, and maintain laboratory and radiology accreditations.
- Newly-enrolled network providers must make availability to undergo an initial on-site visit from OGB representative(s) to ensure that quality measures are met.
- Provide direct patient care including but not limited to taking medical histories, providing treatment and education of Plan Participants, and ordering and interpreting laboratory and radiological tests.
- Provide medical evaluation and treatment for general health conditions, including but not limited to the following:
  - Cold, flus, seasonal allergies
  - Burns and other minor skin conditions
  - Sprains, joint injuries
  - Wound care
  - Gastrointestinal virus
  - Upper respiratory illnesses including, but not limited to, bronchitis, sinusitis, pneumonia, mononucleosis, and strep throat
  - Conjunctivitis and other eye infections
  - Immunizations and influenza vaccines
- Make referrals to other medical providers when treatment by a capitated primary care provider is not possible or appropriate. Referrals shall only be made to medical providers that are in the OGB self-funded plan network, currently administered by Blue Cross and Blue Shield of Louisiana. Specialist referrals should be made only when medically necessary. OGB reserves the right to monitor the specialty referral rate.
- Provide trained personnel in CPR/Automated External Defibrillator
- Provide laboratory services and radiology services
- Provide preventative screening laboratory services and provide a comprehensive and tailored personal health report for each Plan Participant to whom the Providers render such services.
- Provide services to Plan Participants within thirty (30) minutes of arrival at the capitated primary care network provider, whether the capitated network provider visit is on a walk-in or appointment basis.
- Advise patients on diet, exercise, hygiene, and general health to aid in the prevention of illnesses, diseases, and disorders.
- Provide the necessary personnel, equipment, supplies, and services to perform the Scope of Services.
- Maintain all licensures, insurance and permits to provide medical services in the State of Louisiana.

- Maintain and handle medical records and respond to subpoenas for medical records in compliance with all applicable laws.
- Give Plan Participants resources to help them better monitor their health, understand their risk factors and make educated choices as to their health.
- Conduct ~~annual~~ Primary Plan Participant(s) surveys on a Measurement Period basis. The survey tools and materials are subject to OGB's approval.
- Access Health clinics will not bill OGB's Third Party Administrator for services rendered by Access Health clinics to OGB plan participants. Access Health visits leading to a "higher level of care" are included in the monthly amount OGB pays Access Health. All lab tests, x-rays, vaccinations, tests, and immunizations are covered at Access Health clinics with no additional billing to OGB or fees to the plan participants.

**CHANGE FROM:**

**ATTACHMENT I: SCOPE OF WORK/SERVICES**

**1.1 Deliverables**

The Contractor shall provide the following deliverables:

- An electronic primary care network provider directory to include on the OGB website, updated monthly, in a format acceptable to OGB.
- Description of covered services offered through Contractor for the following Plan year, by August 1 prior to each Plan year.
- Copy of Providers' medical licenses, and documentation demonstrating laboratory and radiology accreditations.
- Provider access mapping on an annual basis for each Contract year.
- Monthly invoices within five (5) business days of the end of the month in which services were rendered.
- Monthly referral report in a format acceptable to OGB within fifteen (15) calendar days after the first day of each month.
- Quarterly referral report in a format acceptable to OGB within forty-five (45) calendar days after the close of each quarter.
- Annual referral report in a format acceptable to OGB within ninety (90) calendar days after the end of each Contract year.
- Monthly encounter data report in a format acceptable to OGB within fifteen (15) calendar days after the first day of each month.
- Quarterly encounter data report in a format acceptable to OGB within forty-five (45) calendar days after the close of each quarter.
- Annual encounter data report in a format acceptable to OGB within ninety (90) calendar days after the end of each Contract year.
- Monthly Claim File in a format acceptable to OGB within eleven (11) calendar days after the first day of each month.
- Monthly provider visit wait time report in a format acceptable to OGB within fifteen (15) calendar days after the first day of each month.
- Quarterly provider visit wait time report in a format acceptable to OGB within forty-five (45) calendar days after the close of each quarter

- Annual provider visit wait time report in a format acceptable to OGB within ninety (90) calendar days after the end of each Contract year.
- Results of annual Primary Plan Participant satisfaction survey in a format acceptable to OGB within thirty (30) calendar days after the end of each Contract year.
- Independent assurance reporting as provided in Section 19 of the Contract, no later than September 30 of each Contract year.
- Providers in the Contractor's capitated primary care network will provide the provider's HIPAA privacy notice to Plan Participants who receive services at the provider's clinic/place of business.
- Prepare and distribute the following materials to each new Primary Plan Participant(s) within thirty (30) days of receipt of eligibility file from OGB adding that Primary Plan Participant:

Contractor will issue identification cards to all eligible Primary Plan Participants within 30 days of the commencement of the Contract. Contractor will also issue identification cards to new eligible Primary Plan Participant(s) within thirty (30) days of receipt of the eligibility file from OGB adding the Primary Plan Participant. The identification cards must contain all elements required by all applicable laws, including but not limited to Louisiana Revised Statutes Title 22 and La. R.S. 40:2201, et seq. Otherwise, new cards will be issued on an individual basis, when eligible Primary Plan Participant(s) make changes to their coverage at OGB's annual or any other special enrollment that requires the issuance of a new card, or whenever a duplicate card is requested, at no additional charge to OGB or the Primary Plan Participant(s). Additional cards for other Plan Participants covered under the Primary Plan Participant shall also be provided upon request and at no additional charge to OGB or the Plan Participant.

- Provide OGB-specific ad hoc reports within thirty (30) days of OGB request that will include data related to Contractor's performance as to this Contract.
- During the term of the Contract and at expiration, the Contractor will be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each, if applicable.
- For the month of July 2021 and each month thereafter, provide a Utilization Report in a format acceptable to OGB. This Report shall be provided within ten (10) business days of the last day of each month.
- Quarterly report calculating Contractor's performance for the Year 3 Actual Annual Cost Savings Performance Guarantee within fifteen (15) business days after the close of each quarter.

**CHANGE TO:**

**ATTACHMENT I: SCOPE OF WORK/SERVICES**

**1.1 Deliverables**

The Contractor shall provide the following deliverables:

- An electronic primary care network provider directory to include on the OGB website, updated monthly, in a format acceptable to OGB.
- Description of covered services offered through Contractor for the following Plan year, by August 1 prior to each Plan year.
- Copy of Providers' medical licenses, and documentation demonstrating laboratory and radiology accreditations.
- Provider access mapping on an annual basis for each Contract year.
- Monthly invoices within five (5) business days of the end of the month in which services were rendered.
- Monthly referral report in a format acceptable to OGB within fifteen (15) calendar days after the first day of each month.
- Quarterly referral report in a format acceptable to OGB within forty-five (45) calendar days after the close of each quarter.
- Annual referral report in a format acceptable to OGB within ninety (90) calendar days after the end of each Contract year.
- Monthly encounter data report in a format acceptable to OGB within fifteen (15) calendar days after the first day of each month.
- Quarterly encounter data report in a format acceptable to OGB within forty-five (45) calendar days after the close of each quarter.
- Annual encounter data report in a format acceptable to OGB within ninety (90) calendar days after the end of each Contract year.
- Monthly Claim File in a format acceptable to OGB within eleven (11) calendar days after the first day of each month.
- Monthly provider visit wait time report in a format acceptable to OGB within fifteen (15) calendar days after the first day of each month.
- Quarterly provider visit wait time report in a format acceptable to OGB within forty-five (45) calendar days after the close of each quarter
- Annual provider visit wait time report in a format acceptable to OGB within ninety (90) calendar days after the end of each Contract year.
- Results of annual Primary Plan Participant satisfaction survey in a format acceptable to OGB within thirty (30) calendar days after the end of each Contract year.
- Independent assurance reporting as provided in Section 19 of the Contract, no later than September 30 of each Contract year.
- Providers in the Contractor's capitated primary care network will provide the provider's HIPAA privacy notice to Plan Participants who receive services at the provider's clinic/place of business.
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- Provide OGB-specific ad hoc reports within thirty (30) days of OGB request that will include data related to Contractor's performance as to this Contract.
- During the term of the Contract and at expiration, the Contractor will be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each, if applicable.
- For the month of July 2021 and each month thereafter, provide a Utilization Report in a format acceptable to OGB. This Report shall be provided within ten (10) business days of the last day of each month.
- Quarterly report calculating Contractor's performance for the Year 3 Actual Annual Cost Savings Performance Guarantee, and Year 4 and Year 5 Actual Cost Savings Performance Guarantees within fifteen (15) business days after the close of each quarter.

**CHANGE FROM:**

**1.2 PERFORMANCE GUARANTEES**

The table below shows the performance guarantees against which the Contractor's performance will be measured.

Performance Guarantee	Fees at Risk	Measurement
Return on Investment Guarantee, Provider Visit Wait Time Performance Guarantee, and Overall Primary Plan Participant Satisfaction Survey for Contract Years 1 and 2 have been resolved, and the Settlement Amount is to be paid in accordance with Contract Section 3.4(b), Contractor Payment Terms.		
Year 3 Actual Annual Cost Savings Performance Guarantee	OGB's Year 3 Payments (\$24,000,000.00) will be equal to or less than	Contractor will guarantee that OGB's Year 3 Payments (\$24,000,000.00) will be equal to or less than OGB's Actual Annual Cost Savings as a result of the Contract ("Year 3 Actual Annual Cost Savings Performance

	OGB's Actual Annual Cost Savings as a result of the Contract.	Guarantee"). The amount of Actual Annual Cost Savings in Year 3 will be calculated by OGB or its authorized representative. OGB will compare the amount OGB paid to Contractor for the services to the amount that OGB would have paid had there been no Contract. The following formula will be used in calculating the Year 3 Actual Annual Cost Savings Performance Guarantee: <ul style="list-style-type: none"> <li>• 13% of the visits to Contractor during Year 3 had the effect of preventing an ER visit; <ul style="list-style-type: none"> <li>○ Each prevented ER visit would have cost OGB One Thousand, Two Hundred Dollars (\$1,200.00);</li> </ul> </li> <li>• 87% of the visits to Contractor during Year 3 had the effect of preventing a doctor's office or urgent care visit; <ul style="list-style-type: none"> <li>○ Each prevented doctor's office or urgent care visit would have cost OGB One Hundred Fifteen Dollars (\$115.00).</li> </ul> </li> </ul>
Year 3 Provider Visit Wait Time	5% of annual fees	Greater than three percent (3%) of Plan Participant visits were seen by the provider in greater than thirty (30) minutes from check-in time, whether the network provider visit is on a walk-in or appointment basis.
Year 3 Overall Primary Plan Participant Satisfaction Survey	2% of annual fees	Satisfaction rate must be 85% or greater.
Independent Assurance Reporting	\$1,000 per day	Submit annual Independent Assurance Report as provided in Section 19 of the Contract, no later than September 30 of each Contract year.

The Provider Visit Wait Time and Overall Primary Plan Participant Satisfaction Survey performance guarantees must be reconciled on an annual basis for Year 3 and any subsequent Measurement Period. Any Provider Visit Wait Time and Overall Primary Plan Participant Satisfaction Survey performance guarantees owed to OGB shall be paid within ninety (90) days after the end of said Measurement Period. The Return on Investment Performance Guarantee, Provider Visit Wait Time Performance Guarantee, and the Overall Primary Plan

Participant Satisfaction Survey Guarantee for Years 1 and 2 have been resolved and the Settlement Amount will be paid in accordance with Contract Section 3.4(b), Contractor Payment Terms, as amended and the Year 3 Actual Annual Cost Savings Performance Guarantee will be paid in accordance with Contract Section 3.6, as amended.

**Audit:** OGB reserves the right to audit performance guarantee reports on an annual basis. A third party may be utilized to perform this audit.

**Measurement Periods:** The first period to be measured shall be July 1, 2019, through June 30, 2020. The second period will be for Contract year July 1, 2020 through June 30, 2021, and the third period will be for Contract year July 1, 2021 through June 30, 2022. The fourth and fifth periods, subject to the renewal option, will be for Contract years July 1, 2022 through June 30, 2023; and July 1, 2023 through June 30, 2024, respectively.

**CHANGE TO:**

**1.2 PERFORMANCE GUARANTEES**

The table below shows the performance guarantees against which the Contractor’s performance will be measured.

Performance Guarantee	Fees at Risk	Measurement
Return on Investment Guarantee, Provider Visit Wait Time Performance Guarantee, and Overall Primary Plan Participant Satisfaction Survey for Contract Years 1 and 2 have been resolved, and the Settlement Amount is to be paid in accordance with Contract Section 3.4(b), Contractor Payment Terms.		
Year 3 Actual Annual Cost Savings Performance Guarantee	OGB’s Year 3 Payments (\$24,000,000.00) will be equal to or less than OGB’s Actual Annual Cost Savings as a result of the Contract.	Contractor will guarantee that OGB’s Year 3 Payments (\$24,000,000.00) will be equal to or less than OGB’s Actual Annual Cost Savings as a result of the Contract (“Year 3 Actual Annual Cost Savings Performance Guarantee”). The amount of Actual Annual Cost Savings in Year 3 will be calculated by OGB or its authorized representative. OGB will compare the amount OGB paid to Contractor for the services to the amount that OGB would have paid had there been no Contract. The following formula will be used in calculating the Year 3 Actual Annual Cost Savings Performance Guarantee:

		<ul style="list-style-type: none"> <li>• 13% of the visits to Contractor during Year 3 had the effect of preventing an ER visit; <ul style="list-style-type: none"> <li>○ Each prevented ER visit would have cost OGB One Thousand, Two Hundred Dollars (\$1,200.00);</li> </ul> </li> <li>• 87% of the visits to Contractor during Year 3 had the effect of preventing a doctor's office or urgent care visit; <ul style="list-style-type: none"> <li>○ Each prevented doctor's office or urgent care visit would have cost OGB One Hundred Fifteen Dollars (\$115.00).</li> </ul> </li> </ul>
Year 3, Year 4, and Year 5 Provider Visit Wait Time	5% of annual fees	At least ninety-seven percent (97%) of plan participants must be seen by the network provider in thirty (30) minutes or less from their check-in time, <del>Greater than three percent (3%) of Plan Participant visits were seen by the provider in greater than thirty (30) minutes from check-in time,</del> whether the network provider visit is on a walk-in or appointment basis.
Year 3, Year 4, and Year 5 Overall Primary Plan Participant Satisfaction Survey	2% of annual fees	Satisfaction rate must be 85% or greater.
Year 4 and Year 5 Actual Cost Savings Performance Guarantee	For Contract Years 4 and 5, Contractor guarantees that OGB's Year 4 and 5 Payments will be equal to or less than the amount OGB "avoids" paying as a result of the Contract.	<p>The amount of "avoided" payments in Years 4 and 5 will be calculated by OGB. The amount will be based on the amount that OGB would have paid had there been no Contract. The following will be used in calculating the Actual Cost Savings Performance Guarantee:</p> <ul style="list-style-type: none"> <li>• <u>4% of the visits to Contractor during Years 4 and 5 had the effect of avoiding an ER visit;</u> <ul style="list-style-type: none"> <li>○ <u>Each avoided ER visit would have cost OGB One Thousand, Seventy-One Dollars and No Cents (\$1,071.00);</u></li> </ul> </li> <li>• <u>96% of the visits to Contractor during Years 4 and 5 had the</u></li> </ul>

			<u>effect of avoiding a doctor's office or urgent care visit:</u> <ul style="list-style-type: none"> <li>○ <u>Each avoided doctor's office or urgent care visit would have cost OGB Ninety-Five Dollars and No Cents (\$95.00).</u></li> </ul>
Independent Reporting	Assurance	\$1,000 per day	Submit annual Independent Assurance Report as provided in Section 19 of the Contract, no later than September 30 of each Contract year.

The Provider Visit Wait Time and Overall Primary Plan Participant Satisfaction Survey performance guarantees must be reconciled on an annual basis for Year 3 and on a Measurement Period basis for Year 4 and Year 5 and any subsequent Measurement Period. Any Provider Visit Wait Time and Overall Primary Plan Participant Satisfaction Survey performance guarantees owed to OGB shall be paid within ninety (90) days after the end of said Measurement Period. The Return on Investment Performance Guarantee, Provider Visit Wait Time Performance Guarantee, and the Overall Primary Plan Participant Satisfaction Survey Guarantee for Years 1 and 2 have been resolved and the Settlement Amount will be paid in accordance with Contract Section 3.4(b), Contractor Payment Terms, as amended, ~~and~~ the Year 3 Actual Annual Cost Savings Performance Guarantee, and the Actual Cost Savings Performance Guarantee for Year 4 and Year 5 will be paid in accordance with Contract Section 3.6, as amended.

**Audit:** OGB reserves the right to audit performance guarantee reports on an annual Measurement Period basis. A third party may be utilized to perform this audit.

**Measurement Periods:** The first period to be measured shall be July 1, 2019, through June 30, 2020. The second period to be measured shall will be for Contract year July 1, 2020 through June 30, 2021, and the third period to be measured shall will be for Contract year July 1, 2021 through June 30, 2022. The fourth Measurement Period will be July 1, 2022 through June 30, 2023 (“Contract Year 4” or “Year 4”). The fifth Measurement Period will be July 1, 2023 to December 31, 2023 (“Contract Year 5” or “Year 5”). The fourth and fifth periods, subject to the renewal option, will be for Contract years July 1, 2022 through June 30, 2023; and July 1, 2023 through June 30, 2024, respectively.

**Effective Date of Amendment:** June 1, 2022

**Justification for Amendment:**

This Amendment:

- 1) Changes the extension option from two 12-month periods to one 18-month period.
- 2) Exercises the option to extend the contract for the eighteen (18) month option.
- 3) Changes the administrative fee to \$1,172,805.00 per month from July 1, 2022 through December 31, 2023.

- 4) Changes the maximum amount paid by OGB for the entire Contract term (fifty-four months) to \$102,732,478.80.
- 5) Modifies the Notice provision of the Contract.
- 6) Adds the requirement that the Contractor provide monthly Utilization Reports and quarterly reports for OGB to track Contractor's performance for the Actual Cost Savings Performance Guarantee for Years 4 and 5.
- 7) Details that there will be two Measurement Periods for the 18-month option period – one from July 1, 2022 ~ June 30, 2023 ("Contract Year 4" or "Year 4") and one from July 1, 2023 – December 31, 2023 ("Contract Year 5" or "Year 5").
- 8) Modifies Scope of Work/Services to conduct Primary Plan Participant(s) surveys on a Measurement Period basis instead of an annual basis.
- 9) Modifies the Scope of Work/Services to prohibit Contractor from billing OGB's Third Party Administrator for services rendered by Access Health clinics to OGB plan participants.
- 10) Modifies the Actual Cost Savings Performance Guarantee from July 1, 2022 through December 31, 2023, and provides the methodology for determining this calculation.

No Amendment shall be valid until it has been executed by all parties and approved by the appropriate legislative oversight committees and the Office of State Procurement, Division of Administration.

All provisions of the existing Contract except as modified herein shall remain in full force and effect. Any conflict between the Contract and this Amendment regarding the subject matter of this Amendment shall be resolved in favor of this Amendment.

This Amendment contains all revised terms and conditions agreed upon by contracting parties.

IN WITNESS WHEREOF, this Amendment is signed and entered into on the date(s) included below.

*(Signature Page To Follow)*

STATE OF LOUISIANA  
OFFICE OF GROUP BENEFITS

BY: *David W. Covillion*

NAME: David W. Covillion

TITLE: Chief Executive Officer

DATE: 5/13/22

ACCESS HEALTH, INC.

BY: *Nicola Sumpter*

NAME: NICOLA SUMPTER

TITLE: CEO

DATE: 5/12/2022

**GUARANTORS**

**PREFERRED CARE SERVICES, INC.**

BY: Michael Patterson

NAME: Michael Patterson

TITLE: Board Member & Corporate Secretary

DATE: 5-13-22

**BLUE CROSS BLUE SHIELD-ALABAMA**

BY: Michael Patterson

NAME: Michael Patterson

TITLE: Chief Administrative Officer

DATE: 5-13-22



# Louisiana Board of Pharmacy

3388 Brentwood Drive  
Baton Rouge, Louisiana 70809-1700



March 14, 2022

Joint Legislative Committee on the Budget  
State Capitol  
P.O. Box 44294, Capitol Station  
Baton Rouge, LA 70804

**Re: Louisiana Prescription Monitoring Program (PMP) Contract Extension Request –  
Fifth Year Term**

The Louisiana Prescription Monitoring Program (PMP) is an electronic database used to collect and monitor prescription data for all controlled substance prescriptions, as well as drugs of concern, dispensed by pharmacies in Louisiana or shipped to a Louisiana resident from a pharmacy located in another state. The PMP provides a mechanism by which prescribers and pharmacists can view their patients' controlled substance prescription history for the purpose of providing medical or pharmaceutical care.

Act 676 of the 2006 Louisiana Legislature authorized the creation of the Louisiana PMP. The goal of the program is to improve the state's ability to identify and inhibit the diversion of controlled substances and drugs of concern. The PMP was implemented in August 2008. Pharmacies were instructed how and when to transmit their dispensing transactions to the program vendor for assimilation into the PMP database. Prescribers, dispensers, and other persons authorized to access PMP information were instructed how to secure their access privileges. The web portal to the PMP database was opened to queries on January 1, 2009, and the program remains fully operational. The PMP is funded through a \$25 annual fee levied and collected from pharmacies and prescribers in possession of a state controlled substance license.

In 2017 the U.S. Department of Health and Human Services (HHS) declared the opioid epidemic a public health emergency. The Louisiana Legislature recognized the opioid problem in Louisiana back in 2006 and enacted the legislation which created the PMP. Addressing the opioid epidemic requires a multifaceted approach, there is no one solution. Prescribers and dispensers of controlled substances have come to rely on the PMP as one of the most vital tools used to address the opioid epidemic.

Since the program began operation we've implemented many enhancements and best practices such as interstate data sharing of PMP information, PMP information integration into electronic health record (EHR) and pharmacy management systems, patient clinical alerts to prescribers, prescriber reports, and the mandatory use compliance module. All these efforts were implemented to improve the PMP in order to save lives.

## Joint Legislative Committee on the Budget

Louisiana PMP – Contract Extension Request – Fifth Year Term

Page 2

Our current PMP vendor, Bamboo Health, is the same vendor for 43 other PMPs, in states and territories. In recent years the state of Maine made the decision to transition from the Bamboo Health AWARxE PMP software to another vendor for their PMP solution. After several months of operating with both systems, Maine made the decision to retain the Bamboo Health PMP solution **“due to its superior performance, particularly related to issues of data validity, functionality, and reporting”**. (see attachment)

The term of the Louisiana PMP contract with Bamboo Health began January 1, 2019 for a period of twelve (12) months with an option to renew each year not to exceed sixty (60) months. Extension of the contract beyond the third year term requires JLCB approval. The fourth year term was approved by JLCB on August 13, 2021. This request is for the fifth year term and the cost sheet follows:

<b>A.</b>	<b>Software/Maintenance/Support Cost, Hosting Cost, and Data Collection Cost</b>	<b>Bid Price</b>	<b>UOM</b>	<b>Qty.</b>	<b>Extended Price</b>
	<b>Year 1</b>				
	PMP AWARxE*	\$8,100.00	Per month	12	\$97,200.00
	Additional Deliverables**	\$4,400.00	Per month	12	\$52,800.00
	One-time fee ***	\$6,250.00	Per month	12	\$75,000.00
	<b>Year 2</b>				
	PMP AWARxE*	\$8,275.00	Per month	12	\$99,300.00
	Additional Deliverables**	\$4,475.00	Per month	12	\$53,700.00
	<b>Year 3</b>				
	PMP AWARxE*	\$8,437.00	Per month	12	\$101,244.00
	Additional Deliverables**	\$4,565.00	Per month	12	\$54,780.00
	<b>Year 4</b>				
	PMP AWARxE*	\$8,605.00	Per month	12	\$103,260.00
	Additional Deliverables**	\$4,656.00	Per month	12	\$55,872.00
	<b>Year 5</b>				
	PMP AWARxE*	\$8,775.00	Per month	12	\$105,300.00
	Additional Deliverables**	\$4,750.00	Per month	12	\$57,000.00
	<b>Total</b>				<b>\$855,456.00</b>

\* Annual Software/Maintenance/Support/Hosting and Data Collection Cost for the core PMP AWARxE SaaS license is reflected for Year's 1-5.

\*\* Annual cost for additional deliverables to include Section 2.4.10 Mandatory Use Compliance, Section 2.4.11 Prescriber Report Cards, Section 2.4.12 Advanced PMP Analytics and 2.4.13 Clinical Alerts Module are separate deliverables and functions delivered independent of the core PMP AWARxE SaaS license. As such, there is a separate cost line item for the combined deliverables.

\*\*\* Indicates a one-time implementation cost in Year 1 to implement Mandatory Use Compliance, Prescriber Report Cards, Advanced PMP Analytics and Clinical Alerts Module.

**Joint Legislative Committee on the Budget**

Louisiana PMP – Contract Extension Request – Fifth Year Term

Page 3

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The Louisiana Board of Pharmacy has been very pleased with the current PMP solution as well as the level of support and services provided by Bamboo Health. We hope to continue this relationship into the future, all in an effort to save Louisiana lives.

Sincerely,

Joe Fontenot  
Executive Director - Designate

**From:** Maine Department of Health and Human Services <[mehhs@subscriptions.maine.gov](mailto:mehhs@subscriptions.maine.gov)>

**Sent:** Thursday, February 11, 2021 10:56 AM

**To:** PMP Reporting <[MedcoPMP@express-scripts.com](mailto:MedcoPMP@express-scripts.com)>

**Subject:** [EXTERNAL] PMP News and Update

Dear PMP User,

Thank you for your patience and assistance during the PMP system transition. **We are writing to provide you with an important update regarding this transition.**

In August 2019, Maine DHHS made the determination to transition from the Appriss PMP system to a new PMP product offered by NIC/InforME: RxGov. This decision was based upon multiple factors, including the opportunity to access enhanced federal funding and the desire to enhance PMP reporting functionality. The new NIC/RxGov PMP was subsequently offered to Maine prescribers in the fall of 2020, while the Appriss AWARe PMP remained functional and available to prescribers.

After fully exploring this opportunity over the past several months and soliciting input from Maine clinicians, **Maine DHHS has made the decision to retain the Appriss AWARe PMP due to its superior performance, particularly related to issues of data validity, functionality, and reporting.** Examples of the desired functionality that remain available from the Appriss AWARe PMP include the following:

- Printing of patient histories, both individual patients and groups of patients
- Ability to automatically view the use of controlled drugs from prescribers in Maine and New Hampshire, our contiguous state
- Robust patient matching to allow clinicians see all records associated with a single patient
- Availability of NarxCare, a visual clinical decision support tool that allows prescribers to see overlapping prescriptions of controlled substances and assess patient risk

In making this decision, DHHS is acutely aware of the need to minimize the administrative burden to Maine prescribers. Because the Appriss PMP system has remained fully operational throughout the transition period, prescribers currently enrolled in the Appriss PMP system will not be required to make any changes in their enrollment or registration. **Prescribers who are using the NIC/RxGov PMP system are encouraged to return to using the Appriss AWARe PMP as soon as possible.**

All Maine healthcare providers, whether enrolled in the Appriss system or not, will receive emails with detailed Appriss PMP login instructions beginning in the next few days. **Please note that these emails will come from Appriss Health.**

As part of the reversion to the Appriss AWARe PMP system, Maine DHHS looks forward to upcoming opportunities to engage PMP users in stakeholder engagement sessions to gather feedback on potential additional needs for enhanced PMP functionality, share existing solutions offered by the Appriss, and offer information about planned enhancements for the Appriss system. More information on those opportunities will be forthcoming soon. Questions about this transition or other aspects of the Maine PMP program can be directed to the Office of Behavioral Health PMP Team at: email: [PMP@maine.gov](mailto:PMP@maine.gov) or Phone: (207) 287-2595 Option 2.

Thank you,

Rebecca A. Taylor, Deputy Director



# STATE OF LOUISIANA

Office of State Procurement

Vendor Number/Name/Address:  
0310053976  
APPRISS INC  
9901 LINN STATION RD STE 500  
LOUISVILLE, KY 40223

## PURCHASE ORDER

Number: 2000625819  
Version: 1  
Date Issued: 01/11/2022  
Fiscal Year: 2022  
Buyer: JOHNETTE JACKSON  
Phone: 225-342-8066  
Email: johnette.jackson@la.gov

All terms and conditions in the solicitation are part of this order as if fully reproduced herein.

### Deliver To:

BD - LA BOARD OF PHARMACY  
3388 BRENTWOOD DRIVE  
BATON ROUGE, LA 70809-1700

### Invoice To Address:

### Ship To Contact:

Terms of payment: Vendor Net 30

FOB Point: DESTINATION

Shopping Cart Number: \_\_\_\_\_

Bid Response Number: \_\_\_\_\_

Invitation to Bid: \_\_\_\_\_

Total Amount of PO: \$159,132.00

This contract is for the Louisiana Prescription Monitoring Program (PMP), an electronic program for the collection and storage of prescription transaction information relative to controlled substance, other drugs of concern, and medical marijuana products dispensed to Louisiana residents that is made available to authorized users for purposes recognized in the enabling legislation.

The term of this contract shall be for a period of twelve (12) months beginning January 1, 2022 and ending December 31, 2022.

### Contract Documents Include:

Attachment A - Special Terms & Conditions - Pages 1-8

Attachment B - Specifications - Pages 1-13

Attachment C - Cost Sheet - Page 1

Attachment D - HIPAA Business Associate Addendum - Pages 1-3

Attachment E - Insurance Requirements for Contractors - Pages 1-4

In accordance with PST Log 19 10 004 & Solicitation 3000011372

### Invoice Billing Address:

Louisiana Board of Pharmacy  
3388 Brentwood Drive  
Baton Rouge, Louisiana 70809-1700  
Attention: Kelley Villeneuve  
Office Manager  
Email: kvilleneuve@pharmacy.la.gov

<b>Purchase Order:</b> 2000625819 <b>Version:</b> 1 <b>Vendor:</b> 310053976 APPRISS INC	<b>Buyer:</b> JOHNETTE JACKSON	<b>Page 2 of 4</b>
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LINE	DESCRIPTION	QTY	UOM	UNIT PRICE	EXTENDED AMOUNT
1	Product Category: 81112200 SERVICE DESCRIPTION: Prescription Monitoring Service  Additional Deliverables 1/1/22 - 12/31/22  Required: From 01/01/2022 To 12/31/2022	12.000	MON	4,656.00000	55,872.00
2	Product Category: 81112200 SERVICE DESCRIPTION: Prescription Monitoring Service  PMP AWARxE 1/1/22 - 12/31/22  Required: From 01/01/2022 To 12/31/2022	12.000	MON	8,605.00000	103,260.00

<b>Purchase Order:</b> 2000625819 <b>Version:</b> 1 <b>Vendor:</b> 310053976 APPRISS INC	<b>Buyer:</b> JOHNETTE JACKSON	<b>Page 3 of 4</b>
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THE FOLLOWING CONDITIONS, UNLESS OTHERWISE STATED IN THE BID DOCUMENT, WILL APPLY TO ALL ORDERS:

PAYMENT TO VENDORS - PAYMENT FOR GOODS AND/OR SERVICES PURCHASED BY THE STATE WILL ONLY BE MADE IN ACCORDANCE WITH THE FOLLOWING CONDITIONS:

1. INVOICES MUST REFERENCE THE STATE'S PURCHASE ORDER NUMBER AND REFLECT THE QUANTITY BILLED BY PURCHASE ORDER LINE NUMBER.
2. BILLS OF LADING, PACKING SLIPS, AND/OR OTHER RELATED SHIPPING PAPERS MUST REFERENCE THE STATE'S PURCHASE ORDER NUMBER AND REFLECT THE QUANTITY SHIPPED BY PURCHASE ORDER LINE NUMBER.

THE STATE IS NOT RESPONSIBLE FOR GOODS DELIVERED OR WORK DONE WITHOUT A WRITTEN ORDER. NO ALLOWANCE FOR BOXING OR CRATING. UNAUTHORIZED QUANTITIES IN EXCESS OF THIS ORDER WILL BE RETURNED OR HELD SUBJECT TO SHIPPER'S ORDER, EXPENSE AND RISK.

CONTRACTOR WARRANTS THAT THE MERCHANDISE TO BE FURNISHED HEREUNDER WILL BE IN FULL CONFORMITY WITH THE SPECIFICATION, DRAWING OR SAMPLE AND AGREES THAT THIS WARRANTY SHALL SURVIVE ACCEPTANCE OF THE MERCHANDISE AND THAT CONTRACTOR WILL BEAR THE COST OF INSPECTING REJECTED MERCHANDISE.

ALL REJECTED GOODS WILL BE HELD AT CONTRACTOR'S RISK AND EXPENSE, SUBJECT TO CONTRACTOR'S PROMPT . ADVICE AS TO DISPOSITION. UNLESS OTHERWISE ARRANGED, ALL REJECTED GOODS WILL BE RETURNED AT CONTRACTOR'S EXPENSE.

CONTRACTOR WILL, AT ITS EXPENSE, DEFEND THE STATE AGAINST ANY CLAIM THAT ANY MERCHANDISE TO BE FURNISHED HEREUNDER INFRINGES A PATENT OR COPYRIGHT IN THE UNITED STATES OR PUERTO RICO, AND WILL PAY ALL COST DAMAGES AND ATTORNEY'S FEES THAT A COURT FINALLY AWARDS AS A RESULT OF SUCH CLAIM.

COMPLIANCE WITH CIVIL RIGHTS LAWS.

THE CONTRACTOR AGREES TO ABIDE BY THE REQUIREMENTS OF THE FOLLOWING AS APPLICABLE: TITLE VI AND VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED BY THE EQUAL OPPORTUNITY ACT OF 1972, FEDERAL EXECUTIVE ORDER 11246, THE FEDERAL REHABILITATION ACT OF 1973, AS AMENDED, THE VIETNAM ERA VETERAN'S READJUSTMENT ASSISTANCE ACT OF 1974, TITLE IX OF THE EDUCATION AMENDMENTS OF 1972, THE AGE ACT OF 1975, AND CONTRACTOR AGREES TO ABIDE BY THE REQUIREMENTS OF THE AMERICANS WITH DISABILITIES ACT OF 1990. CONTRACTOR AGREES NOT TO DISCRIMINATE IN ITS EMPLOYMENT PRACTICES, AND WILL RENDER SERVICES UNDER THIS AGREEMENT AND ANY CONTRACT ENTERED INTO AS A RESULT OF THIS AGREEMENT, WITHOUT REGARD TO RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, VETERAN STATUS, POLITICAL AFFILIATION, OR DISABILITIES. ANY ACT OF DISCRIMINATION COMMITTED BY CONTRACTOR, OR FAILURE TO COMPLY WITH THESE STATUTORY OBLIGATIONS WHEN APPLICABLE, SHALL BE GROUNDS FOR TERMINATION OF THIS AGREEMENT AND ANY CONTRACT ENTERED INTO AS A RESULT OF THIS AGREEMENT.

IN ACCORDANCE WITH LA R.S. 39:1602.1, FOR ANY CONTRACTS WITH A VALUE OF \$100,000 OR MORE AND FOR ANY VENDOR WITH 5 OR MORE EMPLOYEES, THE VENDOR CERTIFIES THAT IT IS NOT ENGAGING IN A BOYCOTT OF ISRAEL AND IT WILL, FOR THE DURATION OF ITS CONTRACTUAL OBLIGATIONS, REFRAIN FROM A BOYCOTT OF ISRAEL.

CONTRACT CANCELLATION

THE STATE OF LOUISIANA HAS THE RIGHT TO TERMINATE THE CONTRACT IMMEDIATELY FOR ANY OF THE FOLLOWING REASONS: (A) MISREPRESENTATION BY THE CONTRACTOR; (B) CONTRACTOR'S FRAUD, COLLUSION, CONSPIRACY OR OTHER UNLAWFUL MEANS OF OBTAINING ANY CONTRACT WITH THE STATE OF LOUISIANA; (C) CONFLICT OF CONTRACT PROVISIONS WITH CONSTITUTIONAL OR STATUTORY PROVISIONS OF STATE OR FEDERAL LAW; (D) ABUSIVE OR BELLIGERENT CONDUCT BY CONTRACTOR TOWARDS AN EMPLOYEE OR AGENT OF THE STATE; (E) CONTRACTOR'S INTENTIONAL VIOLATION OF THE PROCUREMENT CODE (LA. R.S. 39:1551 ET SEQ.) AND ITS CORRESPONDING REGULATIONS; OR, (F) ANY LISTED REASON FOR DEBARMENT UNDER LA. R.S. 39:1672.

THE STATE OF LOUISIANA MAY TERMINATE THE CONTRACT FOR CONVENIENCE AT ANY TIME (1) BY GIVING THIRTY (30)

DAYS WRITTEN NOTICE TO THE CONTRACTOR OF SUCH TERMINATION: OR (2) BY NEGOTIATING WITH THE CONTRACTOR AN EFFECTIVE DATE. THE STATE SHALL PAY CONTRACTOR FOR, IF APPLICABLE: (A) DELIVERABLES IN PROGRESS; (B) THE PERCENTAGE THAT HAS BEEN COMPLETED SATISFACTORILY; AND, (C) FOR TRANSACTION-BASED SERVICES UP TO THE DATE OF TERMINATION, TO THE EXTENT WORK HAS BEEN PERFORMED SATISFACTORILY.

THE STATE OF LOUISIANA HAS THE RIGHT TO TERMINATE THE CONTRACT FOR CAUSE BY GIVING THIRTY (30) DAYS WRITTEN NOTICE TO THE CONTRACTOR OF SUCH TERMINATION FOR ANY OF THE FOLLOWING NON-EXCLUSIVE REASONS: (A) FAILURE TO DELIVER WITHIN THE TIME SPECIFIED IN THE CONTRACT; (B) FAILURE OF THE PRODUCT OR SERVICE TO MEET SPECIFICATIONS, CONFORM TO SAMPLE QUALITY OR TO BE DELIVERED IN GOOD CONDITION; OR, (C) ANY OTHER BREACH OF CONTRACT.

AUTHORIZED SIGNATURE: \_\_\_\_\_



Agency Administrative Officer

**Attachment A – Special Terms & Conditions**  
**RFx 3000011372 / PO # 2000625819**

This contract is for the Louisiana Prescription Monitoring Program (PMP), an electronic program for the collection and storage of prescription transaction information relative to controlled substances, other drugs of concern, and medical marijuana products dispensed to Louisiana residents that is made available to authorized users for purposes recognized in the enabling legislation.

The term of this contract shall be for a period of twelve (12) months beginning January 1, 2022 and ending December 31, 2022, with an option to renew for one (1) additional twelve (12) month period not to exceed sixty (60) months.

Prior to the extension of the contract beyond the thirty-six (36) month term, prior approval by the Joint Legislative Committee on the Budget (“JLCB”) or other approval authorized by law shall be obtained. Such written evidence of JLCB approval shall be submitted, along with the contract amendment to the Office of State Procurement (“OSP”) to extend the contract terms beyond the thirty-six (36) month term. Total contract time may not exceed sixty (60) months.

***Definitions***

- 1) **AHFS** – American Hospital Formulary Service
- 2) **ASAP** – American Society for Automation in Pharmacy
- 3) **Board** – Louisiana Board of Pharmacy
- 4) **CMS** – U.S. Center for Medicare & Medicaid Services
- 5) **DEA** – U.S. Drug Enforcement Administration
- 6) **DO** – Osteopathic Physician
- 7) **DPM** – Doctor of Podiatric Medicine
- 8) **EHR** – Electronic Health Record
- 9) **FDA** – Food and Drug Administration
- 10) **FBI** – Federal Bureau of Investigation
- 11) **HHS** - Health and Human Services
- 12) **HIPAA** – Health Insurance Portability and Accountability Act
- 13) **ITB** – Invitation to Bid
- 14) **Contractor** – The selected Bidder

- 15) **MD** – Medical Doctor
- 16) **MME** – Morphine Milligram Equivalent
- 17) **NDC**– National Drug Code
- 18) **NPI** – National Provider Identifier
- 19) **OIG** – Office of the Inspector General
- 20) **PMP** – Prescription Monitoring Program
- 21) **PMPi** – PMP InterConnect
- 22) **SSN** – Social Security Number

### ***Prime Contractor Responsibilities***

The contractor shall be required to assume responsibility for all items offered in his contract whether or not he produces them. Further, the State shall consider the contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

### ***Software Maintenance***

The State requires that software purchased in this contract be certified eligible for maintenance by the manufacturer, and maintenance be provided for the duration of the contract. The maintenance shall include support to be available from 8:00am through 5:00pm Central Time, Monday through Friday, inclusive of State Holidays, with a maximum of a 4 hour response time.

### ***Insurance Requirements***

Contractor shall furnish the State with certificates of insurance effecting coverage(s) as required by Attachment E to this contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the State before work commences. The State reserves the right to require complete certified copies of all required policies at any time.

## **Mandatory Technical Requirements**

Contractor is to be cautioned that all stated requirements are mandatory. This specification establishes the software, features, maintenance support and other technical requirements for the software listed in Attachment B - Specifications to this contract.

### ***Software Requirements***

The mandatory software requirements are described in Attachment B - Specifications.

## ***Software Acceptability***

Only the most recent version of the software listed in Attachment B – Specifications which shall be available for licensing or purchase on the date the bid was submitted shall be considered acceptable.

## **Product Support**

### ***Level of Maintenance***

The contractor shall certify that the proposed software shall be eligible for manufacturer maintenance and shall be liable for all expenses required to obtain said eligibility.

### ***Availability***

The goal of the PMP is to provide a system that is continuously available to its users and provides information in a timely manner. Continuously available is defined as a minimum of ninety-nine percent (99%) up time, twenty-four (24) hours per day, seven (7) days per week, every day of the year. Timely manner is defined as the production of a report, on average, within three (3) seconds of the submission of a query to the program database. The contractor shall ensure any failures due to software or server or hosting issues shall not exceed two percent (2%); failure to maintain this level of service shall constitute cause for termination of the contract.

1. In the event ninety-nine percent (99%) up time is not maintained due to system failure for any consecutive two (2) month period, the Board shall provide written notice to the contractor.
2. The contractor shall be required to take the necessary action(s) to increase the up time to at least ninety-nine percent (99%) in the month subsequent to the written notification.
3. In the event the system does not achieve the required ninety-nine percent (99%) up time in any ninety (90) day period, excluding normally scheduled upgrades and maintenance, the contractor shall take one or more of the following actions unless the Board and the contractor agree the problem has been corrected and the system is in good working order: (1) provide a customer engineer for analysis and correction of the problem; or (2) provide back-up software, if available.
4. The contractor, at its option, may take any of the above actions prior to the third consecutive month.
5. Should the system fail to meet this performance standard within ninety (90) days of the implementation date, the contractor shall pay (or the Board may withhold from future payments to the contractor) liquidated damages in an amount equal to ten percent (10%) of the annual cost of the contract.

6. Should the system fail to meet this performance standard within one hundred and twenty (120) days of the implementation date, the Board may terminate the contract for cause.

### ***Training***

Contractor should include all training to be conducted at no cost to the State. Any additional training considered necessary by the contractor to insure efficient operation by State personnel shall be itemized in Attachment C – Cost Sheet of this contract.

## **Special Conditions and Contract Clauses**

### ***Fiscal Funding***

In accordance with La. R.S. 39:1615 C. and E., any contract entered into by the State shall include the following Fiscal Funding Clause:

The continuation of the contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act or Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

The contractor should be aware that our legislative process is such that it is often impossible to give prior notice of the non-appropriation of funds.

### ***Indemnification and Limitation of Liability***

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under this Agreement.

Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors in the performance of this contract, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

Contractor will indemnify, defend and hold the State harmless, **without limitation**, from and against any and all damages, expenses (including reasonable attorneys' fees), claims judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products, Materials or Services furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: (i) State's unauthorized modification or alteration of a Product, Material or Service; (ii) State's use of the Service in combination with other products, materials, or services not furnished by Contractor; (iii) State's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the state's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing software of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.

For all other claims against the Contractor where liability is not otherwise set forth in the Agreement as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability **for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges for services rendered by the Contractor under the Contract.** Unless otherwise specifically enumerated herein mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

### **Applicable Law**

All contracts shall be governed by and interpreted in accordance with the laws of the State of Louisiana, including but not limited to La. R.S. 39:1551-1736 (Louisiana Procurement Code) and La. R.S. 39:196-200 (Information Technology Procurement Code); purchasing rules and regulations; executive orders; standard terms and conditions; special terms and conditions; and specifications listed in this contract. Venue of any action brought with regard to the contract shall be in the Nineteenth Judicial District Court, parish of East Baton Rouge, State of Louisiana.

### **Contract Controversies**

Any claim or controversy arising out of the contract shall be resolved by the provisions of Louisiana Revised Statute 39:1671 - 1673.

### **Security**

Contractor's personnel will comply with all security regulations in effect at the State's premises, the Information Security Policy at: <http://www.doa.la.gov/Pages/ots/InformationSecurity.aspx> and externally for materials and property belonging to the State or to the project. Where special security precautions are warranted (e.g., correctional facilities), the State shall provide such procedures to the Contractor, accordingly. Contractor is responsible for promptly reporting to the State any known breach of security.

### **Confidentiality**

The following provision will apply unless the State Agency specifically indicates that all information exchanged will be non-confidential:

All financial, statistical, personal, technical and other data and information relating to the State's operations which are designated confidential by the State and made available to the Contractor in order to carry out the contract, or which becomes available to the Contractor in carrying out the contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The Contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of the contract, or is rightfully obtained from third parties.

### **Assignment**

No contractor shall assign any interest in the contract by assignment, transfer, or

novation, without prior written consent of the State of Louisiana, Commissioner of Administration. This provision shall not be construed to prohibit the contractor from assigning his bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

No other documents other than the ITB, contractor's bid and final contract shall be binding unless such document has been reviewed by the Procurement Support Team and approved by the Chief Procurement Officer.

No company letterhead or logo shall be allowed on a contract document.

### **Late Payments**

Interest due by a State agency for late payments shall be in accordance with R.S. 39:1695 at the rates established in R.S. 13:4202.

### **Right to Audit**

The Louisiana State Legislative Auditor, federal auditors and internal auditors of the Division of Administration ("DOA") or others so designated by the DOA shall have the option to audit all accounts directly pertaining to the contract for a period of five (5) years from the date of final payment, or as required by applicable State and Federal Law. Records shall be made available during normal working hours for this purpose.

### **Code of Ethics**

The contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the performance of services called for in the Contract. The Contractor agrees to immediately notify the state if potential violations of the Code of Governmental Ethics arise at any time during the term of the Contract.

### **Waiver**

Waiver of any breach of any term or condition of the Contract shall not be deemed a waiver of any prior or subsequent breach. No term or condition of the Contract shall be held to be waived, modified or deleted except by the written consent of both parties

### **Taxes**

Any taxes, other than State and local sales and use taxes from which the State is exempt, shall be assumed to be included within the total cost.

### **Warranties**

Contractor warrants that all services shall be performed in a workmanlike manner, and according to its current description contained in this Contract.

*No Surreptitious Code Warranty.* Contractor warrants that Contractor will make all commercially reasonable efforts not to include any Unauthorized Code in any software

provided hereunder. "Unauthorized Code" means any virus, Trojan horse, worm or other software routine or component designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data, or to perform any other such actions. Excluded from this prohibition are identified and State-authorized features designed for purposes of maintenance or technical support.

Extent of Warranty:

THESE WARRANTIES REPLACE ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**Contract Modifications**

No amendment or modification of the terms of the Contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the Contract is binding on any of the parties.

**Severability**

If any term or condition of the Contract, or the application thereof, is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application; to this end the terms and conditions of the Contract are severable.

**Record Retention**

The Contractor shall maintain all records in relation to the contract for a period of at least five (5) years after final payment.

## Attachment B - Specifications

### 1. Introduction

The Prescription Monitoring Program (PMP) of the Louisiana Board of Pharmacy (“Board”) has issued this contract for the collection, management and communication of electronic data relative to prescription transaction information for prescriptions for controlled substances, other drugs of concern, and medical marijuana products. The contractor will collect the data from the reporting entities, house the data in a secure site, and establish a secure web portal to facilitate automated communication for authorized users.

Act 676 of the 2006 Louisiana Legislature authorized the Board to develop, implement and operate an electronic system for the monitoring of controlled substances and other drugs of concern which are dispensed to state residents. The goal of the program is to improve the state’s ability to identify and inhibit the diversion of controlled substances and drugs of concern in an efficient and cost-effective manner that shall not impede the appropriate utilization of these drugs for legitimate medical purposes. The Board promulgated the necessary rules for the program in July 2007 [LAC 46:LIII. Chapter 29 – Prescription Monitoring Program]. Both the enabling statute and the rules have been amended over time to further streamline and improve the program operations.

The program began collecting data from dispensers in July 2008 and began responding to queries from authorized users in January 2009. On December 31, 2017, after nine (9) years of operation, the following parameters were noted:

- Approximately 1,700 pharmacies now report dispensing activity on a daily basis.
- The program has received approximately 117 million prescriptions and now averages approximately 1.1 million prescription transactions per month.
- Of the approximately 20,000 prescribers and 8,900 dispensers eligible to apply for authority to access the data, approximately 14,000 have done so. Those authorized users have performed about 14 million queries, now averaging 11,000 per day.
- Approximately eight state agencies, including the professional licensing agencies for the various prescribers and dispensers, as well as the federal DEA and state Medicaid office, have registered users in their offices, and those users generate approximately 200 queries per month.
- Approximately 100 federal, state, and local law enforcement agencies, prosecutorial officials, and specialty courts have registered users in their offices, and those users generate approximately 120 queries per month.

The operating funds for the program are provided by receipts of the annual program fee charged to all prescribers and dispensers of controlled substances.

## **2. Scope of Work**

### **2.1 Data Collection**

- 2.1.1 The contractor shall prepare and provide to the Board an electronic manual for dispensers containing instructions necessary to comply with the reporting requirements, including technical assistance.
- 2.1.2 The contractor shall have the capacity to receive electronic prescription information transmitted directly from the dispensers, seven (7) days a week, and twenty-four (24) hours per day.
- 2.1.3 The contractor shall collect the electronic data in the format established by the ASAP Telecommunications Format for Controlled Substances in Version 4.2, or its successor, receiving such data transmissions using an sFTP account, SSL website, or other agreed upon format.
- 2.1.4 The following data elements shall be collected for all controlled substance prescription transactions, other drugs of concern, and medical marijuana products identified by the Board:
  - 2.1.4.1 Prescriber's information, including but not limited to DEA registration number, with suffix if applicable, as assigned by the DEA, or in the alternative, the NPI number, as assigned by the U.S. Centers for Medicare & Medicaid Services (CMS).
  - 2.1.4.2 Patient's information, including name, address, date of birth, gender, identification number, and species.
  - 2.1.4.3 Prescription information, including prescription number, date of issuance, date of dispensing, number of refills authorized on the original prescription, refill number if applicable, and method of payment.
  - 2.1.4.4 Drug information, including National Drug Code (NDC) number or a state assigned product code for medical marijuana products, quantity dispensed, and days' supply.
  - 2.1.4.5 Dispenser information, including DEA registration number, or in the alternative, the NPI number or Board Permit number for Marijuana Pharmacies.
- 2.1.5 The contractor shall have the capability to accept a report of no (or zero; "zero report") prescriptions issued on a particular day and provide a report of those submissions to the program staff.

- 2.1.6 Dispensers under common ownership shall be permitted to submit their data in a single joint transmission, provided each dispenser is clearly identified for each prescription dispensed.
- 2.1.7 The contractor shall perform data checks to ensure the submitted data is compliant with the quality standards established and agreed upon by the Board and contractor relative to accuracy and completion.
- 2.1.8 When a dispenser's data file does not meet the quality standards for accuracy and completion, the contractor shall notify the dispenser, specifying the data deficiency, and ensure the dispenser corrects and resubmits the data. The contractor shall notify the Board when a dispenser fails to submit or resubmit data in a timely manner.
- 2.1.9 Submitted, non-erroneous, data shall be cleansed, validated, and loaded into the searchable database within twelve (12) hours of being submitted by the dispenser.
- 2.1.10 The contractor shall provide a mechanism which allows a dispenser to view and correct upload data which contained errors upon submission.
- 2.1.11 The contractor shall provide a mechanism which allows a dispenser to correct or modify prescription data previously entered into the PMP.
- 2.1.12 The contractor shall provide a mechanism which allows a dispenser to remove or delete a prescription previously entered into the PMP.
- 2.1.13 The contractor shall provide a mechanism which allows a dispenser to view the prescription data contained in the PMP for their pharmacy permit. The dispenser shall have the option to download the report in PDF or a CSV file.
- 2.1.14 The contractor shall have a toll-free telephone number and email address by which dispensers may contact the contractor to resolve problems and receive information concerning data transmission.
- 2.1.15 The contractor shall provide a method for program staff to:
  - 2.1.15.1 Sort and view a dispenser's list of uncorrected errors from data submissions by timeframe and to view the details of those errors.
  - 2.1.15.2 Sort and view the upload history of a dispenser by timeframe in order to monitor compliance with the reporting requirements.

- 2.1.16 The contractor shall provide a comprehensive report to program staff, upon request, of all uncorrected errors from data submissions for a specified timeframe which includes the identity of the dispenser (DEA number and name), prescription number, date filled, and error type.
- 2.1.17 The contractor shall be responsible for the conversion of any historical program data from previous contractor(s).

## **2.2 Data Management**

- 2.2.1 The contractor shall collect and load data into the database, which will reside with the contractor on the contractor's servers within their own secure environment. The database and all of the data in the database shall belong to the Board.
- 2.2.2 When a dispenser reports to the system, the DEA registration numbers of the prescriber and dispenser are reported. The system shall be able to convert the DEA registration numbers to prescriber and dispenser name and address.
- 2.2.3 When a dispenser reports NPI numbers, in the alternative to DEA numbers, the system shall be able to convert the NPI numbers to prescriber and dispenser name and address.
- 2.2.4 When a Marijuana dispenser reports their Board permit number, in the alternative to a DEA number or NPI number, the system shall be able to convert the Board permit number to the dispenser name and address.
- 2.2.5 The system shall be able to convert National Drug Code (NDC) numbers to drug name, strength, dosage form, and controlled substance schedule, both at the point of data import and also retrospectively upon receiving NDC number updates. The contractor shall maintain a current reference source of NDC numbers.
- 2.2.6 The system shall be able to convert the state assigned product code for medical marijuana products to drug name, strength, and dosage form at the point of data import. The contractor shall maintain a list of state assigned product codes for medical marijuana products provided by the Board.
- 2.2.7 The system shall:
- 2.2.7.1 Provide data access, data management and data cleansing capabilities seamlessly integrated with data mining for ease of data analysis.

2.2.7.2 Provide geocoding of patients, prescribers, and dispenser locations to enable geographic analysis of the relationships to identify potential criminal activity or abuse.

2.2.7.3 Allow for querying of relational or multi-dimensional data.

2.2.8 The contractor shall describe the tools that will be provided to electronically assist in the identification of illegal and unprofessional activities.

## **2.3 Secure Web Services**

2.3.1 The contractor shall provide a secure web site for access to the information in the database. Contractor shall include a description of same (including sample screen shot) in this contract.

2.3.2 The system shall comply with the privacy and security standards of the Health Insurance Portability and Accountability Act (HIPAA) of 1996 (See Attachment D) in addition to common Internet industry standards for privacy and security.

2.3.3 Only registered users approved by the Board shall be allowed to request program information.

2.3.4 The user roles of the system shall include but are not limited to the following:

### Healthcare Professionals

- Physician (MD, DO)
- Physician Assistant
- Podiatrist (DPM)
- Psychologist
- Dentist
- Nurse Practitioner
- Optometrist
- Pharmacist
- Prescriber Delegate – Unlicensed
- Prescriber Delegate – Licensed
- Pharmacist's Delegate – Unlicensed
- Pharmacist's Delegate – Licensed
- Medical Intern/Resident

### Law Enforcement

- DEA
- Drug Court
- FBI

- FDA
- Local Law Enforcement
- Attorney General
- HHS
- Medicaid Fraud Control Unit
- Multijurisdictional Task Force
- Probation
- OIG
- State Police
- VA Investigator
- State Prosecutor
- Homeland Security

Other

- Board of Medicine Investigator
- Board of Dentistry Investigator
- Board of Nursing Investigator
- Board of Pharmacy Investigator
- Licensing Board Investigator
- State Medicaid Program
- Peer Assistance Program / Recovering Health Professions
- Medical Examiner/Coroner
- Licensed Substance Abuse Addiction Counselor
- Administrator

- 2.3.5 The system shall provide an online user registration process by which prescribers and pharmacists are “auto-enrolled” for access. The auto-enrollment process will authenticate user registrations before providing access to the database. Authentication is based on the user’s date of birth, last four (4) digits of the user’s social security number (SSN), and individual access code. The Board will provide these fields of information to the contractor to facilitate authentication.
- 2.3.6 The system shall provide an online user registration process by which all user roles, except prescribers and pharmacists, must undergo an “administrative approval” for access.
- 2.3.7 The system shall permit multiple users to be on the system and in the same application at the same time.
- 2.3.8 The system shall permit a registered user to request and receive information, including automatic reports, via the Internet, without intervention by Board staff. The registered user shall have the option to download the report in PDF or a CSV file.

2.3.9 The system shall provide:

2.3.9.1 Log-in and log-off capability.

2.3.9.2 Log-in capability through the use of the registered user's email address and a password.

2.3.9.3 Registered users with the ability to change their passwords, and further, to reset a password which was forgotten, all without assistance from the contractor or the Board staff.

2.3.10 The system shall provide a method by which law enforcement officers as well as other specified user groups have the ability to create queries in which the results cannot be viewed or retrieved until approved by program staff as a result of an administrative authorization.

2.3.11 The system shall provide an online process by which specific user groups, as determined by the board, can establish delegate accounts for their agents, and further, shall provide a mechanism for the user to monitor the system activity of his delegates. The registered user shall have the ability to enable and disable their delegate's access.

2.3.12 The system shall provide the Board with the capability of communicating information of interest to registered users of the web-based program through broadcast alerts and an information section on the home page.

2.3.13 The system shall be interoperable with PMPi to facilitate interstate data sharing of information with other state prescription monitoring programs. The system user roles shall be configured to match the user roles established in the most current version of PMPi.

2.3.14 The system shall be interoperable with PMPi to integrate PMP information into electronic health records, pharmacy management systems, and health information exchanges.

## **2.4 Queries and Reports**

2.4.1 The system shall create three basic queries: an individual patient query, a prescriber query, and a dispenser query. Program staff shall have the ability to customize each user role so as to determine which type of query can be generated by that role and whether or not there shall be an administrative approval built in. The user shall have the option to download the report in PDF or a CSV file. The format of all reports shall be approved by the Board.

- 2.4.2 The system shall provide the MME daily dose calculation for opioid prescriptions on reports.
- 2.4.3 Prescriber roles, which include Physicians, Physician Assistants, Podiatrist, Medical Psychologist, Optometrists, Nurse Practitioners, and Dentists, shall have the ability to create a “self-report” based on their DEA Registration number to view prescriptions filled where they were listed as the prescriber. The user shall have the option to download the report in a CSV file.
- 2.4.4 Users shall be able to view their requests history and that of their delegate(s) as well as the details of the requests.
- 2.4.5 Prescribers and pharmacists performing patient searches shall be able to perform multiple patient searches at once rather than one at a time. Users shall be able to enter multiple patient names manually and by an uploaded CSV file.
- 2.4.6 The system shall be able to identify the number of registered user requests by user type (role), reports based on the registered user requests, and system logins.
- 2.4.7 The system shall enable the Board to perform ad hoc queries to respond to requests from individual patients, professional licensing boards, local, state, or federal law enforcement agencies, and for statistical, research, or educational purposes.
- 2.4.8 The system shall produce automatic threshold reports on patients. The criteria consists of number of prescribers used and the number of dispensers used by the patient in a designated period of time. A report function for this activity is required and must allow for parameters to be modified.
- 2.4.9 The system shall generate alerts in the form of educational letters to prescribers and dispensers of patients who have been identified as exceeding specific threshold levels. Program staff shall have the ability to review a patient’s auto-populated prescription history report and choose whether an alert should be sent to specific prescribers and dispensers of that patient. The alert must have the ability to be sent to the prescriber or dispenser within the system.

2.4.10 Mandatory Use Compliance - The system shall produce reports to monitor compliance with mandatory use provisions on prescribers and dispensers as follows:

2.4.10.1 Mandatory Use Patient Request Match to Prescriber History  
The system will query for each prescriber, determine which patients were prescribed the selected drug(s) for the configurable duration and/or supply and were not queried in the PMP (or through EHR interoperability) by the prescriber or the prescriber's delegate within the time period configured.

2.4.10.2. Mandatory Use Patient Request Match to Pharmacist History  
The system will query for each pharmacist, determine which patients were dispensed the selected drug(s) for the configurable duration and/or supply and were not queried in the PMP (or through EHR interoperability) by the pharmacist or the pharmacist's delegate within the time period configured.

2.4.10.3. Mandatory Use Report  
A role(s) can be configured to request a report on which patients were not requested in the PMP (or EHR interoperability) where a prescription was written by a specific prescriber or filled by a specific pharmacist by Provider DEA Number or other unique identifier (possibly NPI or License Number) and Fill Date range or Written Date range.

2.4.10.4. Mandatory Use Summary Report  
A role or user can be configured to receive via email or Secure File Transfer Protocol (SFTP) an automated report which reports all healthcare providers or a configured subset of healthcare providers by role and their count of missed patients on a monthly basis.

2.4.10.5 Mandatory Use Report  
A healthcare role(s) can be configured to request a report showing which patients the provider missed.

2.4.11 Prescriber Report Cards – The system shall create an individualized prescriber report on how they compare to their peers in the same specialty on measures of prescribing controlled substances, in particularly opioid and anxiolytic prescriptions, and electronically deliver to prescribers automatically on a quarterly basis, providing information regarding current prescribing volumes, behaviors, and PDMP use, as well as the ability to track changes in these metrics over time.

2.4.12 Advanced PMP Analytics – The system shall include a robust and ever-expanding suite of interactive pre-built dashboards, with drill-down capabilities, designed to provide administrative users easy access to answers for a multitude of questions.

Dashboards and analysis to be included in the product are:

- Dispensation detail by prescriber specialty, prescriber license, county (parish), and drug schedule
- PMP registration and activity detail
- Daily and total MME Distribution
- Buprenorphine Activity
- Overprescribing thresholds and prescriber outliers
- Geo-analysis and mapping of patient, prescriber, and pharmacy
- Patient overutilization thresholds and outliers
- Pharmacy compliance of data submission and error analysis
- Proactively monitor prescription metrics, prescriber activity, and Morphine Milligram Equivalent (MME) levels to set state, county (parish), and zip code thresholds
- Monitor the percentage of opioid prescriptions statewide over 100 MME using quick filters to analyze active drug ingredients, short acting/long acting, prescriber name.
- Top ranking of prescribers and dispensers by number of prescriptions and by number of dosage units (qty) by timeframe specified by user. Including the ability to filter by AHFS drug class and state.
- Top ranking prescription volume by generic name, label name, and NDC, measured by number of prescriptions and dosage units (qty) by timeframe specified by user. Including the ability to filter by drug schedule and AHFS drug class.
- Year over Year (YoY) prescription counts by county (parish) by year and month. Including the ability to filter by drug schedule and AHFS drug class.

- Detailed reporting capabilities of PMP Interconnect utilization by state and user roles.
- Detailed reporting capabilities of integration with electronic health records, pharmacy management systems, and health information exchanges.

2.4.13 Clinical Alerts Module – the system shall provide a Clinical Alerts module which allows custom configuration of automated alerts and/or notifications for registered Prescribers. When enabled, alerts should run on a schedule configured by the Admin in the background delivering custom alerts and notifications (if configured) without the need for manual input from the PMP State Administrator.

- a. Alert types shall include:
  1. Prescriber & Dispenser Thresholds
  2. Daily Active MME Threshold
  3. Opioid & Benzodiazepine Threshold
  4. Daily Active Methadone Threshold
  5. Opioid Consecutive Days Threshold
- b. Alert methods shall include:
  1. Patient alert to the prescriber within the system
  2. Email notification
  3. Letter notification

2.4.14 The system shall provide an audit trail based on user and time frame.

### **3. Requirements & Qualifications**

- 3.1 Contract shall be specific regarding the measures for implementation and ongoing operation of the project, and should include:
  - a. Evidence of ability to meet required timelines.
  - b. Measures to assure security and privacy of data.
  - c. A quality assurance plan detailing how the database will be maintained and archival procedures.
  - d. A disaster recovery plan for data pertaining to this bid in the event the program is unavailable due to human error, equipment failure, or a natural disaster.
  - e. Ability to provide continuing technical assistance for dispensers and the Board.

- f. Training for system use for authorized Board personnel.
  - g. Sample reports
- 3.2 Contract shall outline objectives and describe how progress will be measured for each stage of implementation and operation. The following timeline shall be met:
- a. The following items shall be submitted to the Board for acceptance within fifteen (15) days of contract execution:
    - 1. An administrative manual containing technical descriptions of system components and instructions for the system.
    - 2. The final protocol for collecting dispenser data, including a user manual containing validation rules, business rules, and instructions on how to respond to system-generated error messages and other exceptions.
  - b. The following items shall be submitted to the Board for acceptance within thirty (30) days of contract execution:
    - 1. The developed database
    - 2. Final report formats
    - 3. Policies and procedures for submitting data requests and for receiving data in response to those requests.
    - 4. Protocols for the secure web-based interface.
  - c. The contractor shall attend periodic meetings, either in person or by teleconference as mutually agreed by both the contractor and the Board, to review the contractor's performance.
- 3.3 Contractor shall demonstrate at least two (2) years' experience in the implementation and management of at least three (3) large-scale prescription monitoring programs as described in the scope of work. Contractor shall describe their experience as the primary contractor on other large scale projects involving data collection, database development, and web systems. The contractor shall include an organization chart and brief history of the organization, description of the experience that the organization and staff have with prescription monitoring programs and other projects that are similar in size and scope, description of the software used and the staff's experience in its use.

- 3.4 Contractor shall provide curricula vitae, including qualifications and contact information, for key staff responsible for the project.
- 3.5 Contractor shall provide details of any pertinent judgment, criminal conviction, investigation, or litigation pending or in the future against it or any of its officers, directors, employees, agents, or subcontractors of which it has knowledge. If no such judgment, conviction, investigation or litigation exists, the contractor shall provide a statement, signed by its President or Chief Executive Officer, that none exists.
- 3.6 Contractor shall provide a minimum of three (3) references for services related to those requested in this contract. Each reference should include the name of the organization, the mailing address, and the name, email address and telephone number of the contact person.

## ATTACHMENT C – Cost Sheet

### A. **Software/Maintenance/Support Cost, Hosting Cost, and Data Collection Cost**

	<u>Bid Price</u>	<u>UOM</u>	<u>Qty.</u>	<u>Extended Price</u>
<b><u>Year 1</u></b>				
PMP AWARxE*	\$8,100.00	Per month	12	\$97,200.00
Additional Deliverables**	\$4,400.00	Per month	12	\$52,800.00
One-time fee ***	\$6,250.00	Per month	12	\$75,000.00
<b><u>Year 2</u></b>				
PMP AWARxE*	\$8,275.00	Per month	12	\$99,300.00
Additional Deliverables**	\$4,475.00	Per month	12	\$53,700.00
<b><u>Year 3</u></b>				
PMP AWARxE*	\$8,437.00	Per month	12	\$101,244.00
Additional Deliverables**	\$4,565.00	Per month	12	\$54,780.00
<b><u>Year 4</u></b>				
PMP AWARxE*	\$8,605.00	Per month	12	\$103,260.00
Additional Deliverables**	\$4,656.00	Per month	12	\$55,872.00
<b><u>Year 5</u></b>				
PMP AWARxE*	\$8,775.00	Per month	12	\$105,300.00
Additional Deliverables**	\$4,750.00	Per month	12	\$57,000.00
<b>Total</b>				<b><u>\$855,456.00</u></b>

\* Annual Software/Maintenance/Support/Hosting and Data Collection Cost for the core PMP AWARxE SaaS license is reflected for Year's 1-5.

\*\* Annual cost for additional deliverables to include Section 2.4.10 Mandatory Use Compliance, Section 2.4.11 Prescriber Report Cards, Section 2.4.12 Advanced PMP Analytics and 2.4.13 Clinical Alerts Module are separate deliverables and functions delivered independent of the core PMP AWARxE SaaS license. As such, there is a separate cost line item for the combined deliverables.

\*\*\* Indicates a one-time implementation cost in Year 1 to implement Mandatory Use Compliance, Prescriber Report Cards, Advanced PMP Analytics and Clinical Alerts Module.

## Attachment D

### **HIPAA Business Associate Addendum**

This Business Associate Addendum is hereby made a part of this contract in its entirety as Attachment III to the contract.

1. The U. S. Department of Health and Human Services has issued final regulations, pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), governing the privacy of individually identifiable health information. See 45 CFR Parts 160 and 164 (the "HIPAA Privacy Rule"). The Board of Pharmacy, ("LBP"), as a "Covered Entity" as defined by HIPAA, is a provider of health care, a health plan, or otherwise has possession, custody or control of health care information or records.

2. "*Protected health information*" ("PHI") means individually identifiable health information including all information, data, documentation and records, including but not limited to demographic, medical and financial information that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual or payment for health care provided to an individual; and that identifies the individual or which LBP believes could be used to identify the individual.

"*Electronic protected health information*" means PHI that is transmitted by electronic media or maintained in electronic media.

"*Security incident*" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

3. Contractor is considered a Business Associate of LBP, as contractor either: (A) performs certain functions on behalf of or for LBP involving the use or disclosure of protected individually identifiable health information by LBP to contractor, or the creation or receipt of PHI by contractor on behalf of LBP; or (B) provides legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, financial or social services for LBP involving the disclosure of PHI.

4. Contractor agrees that all PHI obtained as a result of this contractual agreement shall be kept confidential by contractor, its agents, employees, successors and assigns as required by HIPAA law and regulations and by this contract and addendum.

5. Contractor agrees to use or disclose PHI solely (A) for meeting its obligations under this contract, or (B) as required by law, rule or regulation or as otherwise permitted under this contract or the HIPAA Privacy Rule.

6. Contractor agrees that at termination of the contract, or upon request of LBP, whichever occurs first, contractor will return or destroy (at the option of LBP) all PHI received or created by contractor that contractor still maintains in any form and retain no copies of

such information; or if such return or destruction is not feasible, contractor will extend the confidentiality protections of the contract to the information and limit further uses and disclosure to those purposes that make the return or destruction of the information infeasible.

7. Contractor will ensure that its agents, employees, subcontractors or others to whom it provides PHI received by or created by contractor on behalf of LBP agree to the same restrictions and conditions that apply to contractor with respect to such information. Contractor also agrees to take all reasonable steps to ensure that its employees', agents' or subcontractors' actions or omissions do not cause contractor to breach the terms of this Addendum. Contractor will use all appropriate safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this contract and Addendum.

8. Contractor shall, within 3 days of becoming aware of any use or disclosure of PHI, other than as permitted by this contract and Addendum, report such disclosure in writing to the person(s) named in section 14 (Terms of Payment), page 1 of the CF-1.

9. Contractor shall make available such information in its possession which is required for LBP to provide an accounting of disclosures in accordance with 45 CFR 164.528. In the event that a request for accounting is made directly to contractor, contractor shall forward such request to LBP within two (2) days of such receipt. Contractor shall implement an appropriate record keeping process to enable it to comply with the requirements of this provision. Contractor shall maintain data on all disclosures of PHI for which accounting is required by 45 CFR 164.528 for at least six (6) years after the date of the last such disclosure.

10. Contractor shall make PHI available to LBP upon request in accordance with 45 CFR 164.524.

11. Contractor shall make PHI available to LBP upon request for amendment and shall incorporate any amendments to PHI in accordance with 45 CFR 164.526.

12. Contractor shall make its internal practices, books, and records relating to the use and disclosure of PHI received from or created or received by contractor on behalf of LBP available to the Secretary of the U. S. DHHS for purposes of determining Dahl's compliance with the HIPAA Privacy Rule.

13. Compliance with Security Regulations: In addition to the other provisions of this Addendum, if Contractor creates, receives, maintains, or transmits electronic PHI on LBP's behalf, Contractor shall:

(A) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of LBP;

(B) Ensure that any agent, including a subcontractor, to whom it provides such information agrees to implement reasonable and appropriate safeguards to protect it; and

(C) Report to LBP any security incident of which it becomes aware.

14. Contractor agrees to indemnify and hold LBP harmless from and against all liability and costs, including attorneys' fees, created by a breach of this Addendum by contractor, its agents, employees or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the contract.

15. Notwithstanding any other provision of the contract, LBP shall have the right to terminate the contract immediately if LBP determines that contractor has violated any material term of this Addendum.

## **ATTACHMENT E - INSURANCE REQUIREMENTS FOR CONTRACTORS**

The Contractor shall purchase and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

### **A. MINIMUM SCOPE AND LIMITS OF INSURANCE**

#### **1. Workers Compensation**

Workers Compensation insurance shall be in compliance with the Workers Compensation law of the State of the Contractor's headquarters. Employers Liability is included with a minimum limit of \$1,000,000 per accident/per disease/per employee. If work is to be performed over water and involves maritime exposure, applicable LHWCA, Jones Act, or other maritime law coverage shall be included. A.M. Best's insurance company rating requirement may be waived for workers compensation coverage only.

#### **2. Commercial General Liability**

Commercial General Liability insurance, including Personal and Advertising Injury Liability and Products and Completed Operations, shall have a minimum limit per occurrence of \$1,000,000 and a minimum general annual aggregate of \$2,000,000. The Insurance Services Office (ISO) Commercial General Liability occurrence coverage form CG 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. Claims-made form is unacceptable.

#### **3. Automobile Liability**

Automobile Liability Insurance shall have a minimum combined single limit per accident of \$1,000,000. ISO form number CA 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles.

#### **4. Professional Liability (Errors and Omissions)**

Professional Liability (Error & Omissions) insurance, which covers the professional errors, acts, or omissions of the Contractor, shall have a minimum limit of \$1,000,000. Claims-made coverage is acceptable. The date of the inception of the policy must be no later than the first date of the anticipated work under this contract. It shall provide coverage for the duration of this contract and shall have an expiration date no earlier than 30 days after the anticipated completion of the contract. The policy shall provide an extended reporting period of not less than 24 months, with full reinstatement of limits, from the expiration date of the policy.

#### **5. Cyber Liability**

Cyber liability insurance, including first-party costs, due to an electronic breach that compromises the State's confidential data shall have a minimum limit per occurrence of \$1,000,000. Claims-made coverage is acceptable. The date of the inception of the policy must be no later than the first date of the anticipated work under this contract. It shall provide coverage for the duration of this contract and shall have an expiration date no earlier than 30 days after the anticipated completion of the contract. The policy shall provide an extended reporting period of not less than 24 months from the expiration date of the policy, if the policy is not renewed. The policy shall not be cancelled for any reason, except non-payment of premium.

## **B. DEDUCTIBLES AND SELF-INSURED RETENTIONS**

Any deductibles or self-insured retentions must be declared to and accepted by the Agency. The Contractor shall be responsible for all deductibles and self-insured retentions.

## **C. OTHER INSURANCE PROVISIONS**

The policies are to contain, or be endorsed to contain, the following provisions:

### 1. Commercial General Liability and Automobile Liability Coverages

- a. The Agency, its officers, agents, employees and volunteers shall be named as an additional insured as regards negligence by the contractor. ISO Forms CG 20 10 (for ongoing work) AND CG 20 37 (for completed work) (current forms approved for use in Louisiana), or equivalents, are to be used when applicable. The coverage shall contain no special limitations on the scope of protection afforded to the Agency.
- b. The Contractor's insurance shall be primary as respects the Agency, its officers, agents, employees and volunteers for any and all losses that occur under the contract. Any insurance or self-insurance maintained by the Agency shall be excess and non-contributory of the Contractor's insurance.

### 2. Workers Compensation and Employers Liability Coverage

To the fullest extent allowed by law, the insurer shall agree to waive all rights of subrogation against the Agency, its officers, agents, employees and volunteers for losses arising from work performed by the Contractor for the Agency.

### 3. All Coverages

- a. All policies must be endorsed to require 30 days written notice of cancellation to the Agency. Ten-day written notice of cancellation is acceptable for non-payment of premium. Notifications shall comply with the standard cancellation provisions in the Contractor's policy. In addition, Contractor is required to notify Agency of policy cancellations or reductions in limits.
- b. The acceptance of the completed work, payment, failure of the Agency to require proof of compliance, or Agency's acceptance of a non-compliant certificate of insurance shall release the Contractor from the obligations of the insurance requirements or indemnification agreement.
- c. The insurance companies issuing the policies shall have no recourse against the Agency for payment of premiums or for assessments under any form of the policies.
- d. Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the Agency, its officers, agents, employees and volunteers.

**D. ACCEPTABILITY OF INSURERS**

1. All required insurance shall be provided by a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located. Insurance shall be placed with insurers with an A.M. Best's rating of **A:VI or higher**. This rating requirement may be waived for workers compensation coverage only.
2. If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the Contractor shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another Certificate of Insurance within 30 days.

**E. VERIFICATION OF COVERAGE**

1. Contractor shall furnish the Agency with Certificates of Insurance reflecting proof of required coverage. The Certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates are to be received and approved by the Agency before work commences and upon any contract renewal or insurance policy renewal thereafter.
2. The Certificate Holder Shall be listed as follows:  
  
State of Louisiana  
La Board of Pharmacy, Its Officers, Agents, Employees and Volunteers  
3388 Brentwood Drive, Baton Rouge, LA 70809-1700  
Louisiana Prescription Monitoring Program (PMP)
3. In addition to the Certificates, Contractor shall submit the declarations page and the cancellation provision for each insurance policy. The Agency reserves the right to request complete certified copies of all required insurance policies at any time.
4. Upon failure of the Contractor to furnish, deliver and maintain required insurance, this contract, at the election of the Agency, may be suspended, discontinued or terminated. Failure of the Contractor to purchase and/or maintain any required insurance shall not relieve the Contractor from any liability or indemnification under the contract.

**F. SUBCONTRACTORS**

Contractor shall include all subcontractors as insureds under its policies OR shall be responsible for verifying and maintaining the Certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The Agency reserves the right to request copies of subcontractor's Certificates at any time.

**G. WORKERS COMPENSATION INDEMNITY**

In the event Contractor is not required to provide or elects not to provide workers compensation coverage, the parties hereby agree that Contractor, its owners, agents and employees will have no cause of action against, and will not assert a claim against, the State of Louisiana, its departments, agencies, agents and employees as an employer, whether pursuant to the Louisiana Workers Compensation Act or otherwise, under any

circumstance. The parties also hereby agree that the State of Louisiana, its departments, agencies, agents and employees shall in no circumstance be, or considered as, the employer or statutory employer of Contractor, its owners, agents and employees. The parties further agree that Contractor is a wholly independent contractor and is exclusively responsible for its employees, owners, and agents. Contractor hereby agrees to protect, defend, indemnify and hold the State of Louisiana, its departments, agencies, agents and employees harmless from any such assertion or claim that may arise from the performance of this contract.

#### **H. INDEMNIFICATION/HOLD HARMLESS AGREEMENT**

1. Contractor agrees to protect, defend, indemnify, save, and hold harmless, the State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur, or in any way grow out of, any act or omission of Contractor, its agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by Contractor as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its officers, agents, servants, employees and volunteers.
2. Contractor agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent. The State of Louisiana may, but is not required to, consult with the Contractor in the defense of claims, but this shall not affect the Contractor's responsibility for the handling of and expenses for all claims.

# LDH LEGISLATIVE FACT SHEET

## Statistical Resources, Inc. (HCBS Data & EVV System) Contract Extension

### CONTRACT OVERVIEW:

- Statistical Resources, Inc. (SRI) has contracted with Louisiana since 1995 for Home and Community Based Services (HCBS) data management services. These services include software development, database management, ad hoc reporting and statistical data analysis for:
  - Managing service delivery and utilization of HCBS waiver and state plan services for 30,000+ recipients supported by 600+ provider agencies
  - Issuance of 75,000+ prior authorizations annually which results in the post authorization of 11,000,000+ individual HCBS services annually to monitor for fraud, waste and abuse
  - Targeted case management designed to ensure compliance with Chisholm settlement
  - Managing several Request for Services Registries for a combined total of 25,000+ individuals and making waiver offers as slots become available
  - Management of the State's Money Follows the Person program
  - Functionality to support Louisiana's 1915(c) waiver quality assurance monitoring and reporting as required by CMS
  - Support to the Medicaid Program Integrity, Surveillance and Utilization Review Subsystem (SURS), and the State's Attorney General in identifying and preventing fraud, waste, and abuse in HCBS, including fraud detection integrated into the electronic visit verification (EVV) and post authorization processes.

### CONTRACT BACKGROUND:

- LDH began a Request for Proposal (RFP) process in June 2020 and issued a RFP in May of 2021 for HCBS Data Management and the electronic visit verification (EVV) contract.
  - Should a new vendor be selected, the start date of services will be January 2024.
- External factors causing delays:
  - This was the first time issuing a RFP for the entire scope of work (EVV and other sections newly added).
  - The RFP took about eight months to draft and an additional three months for Legal, CMS, and OSP approval to publish.
    - On June 7<sup>th</sup> and October 5<sup>th</sup>, rounds of Q&A were offered due to the volume of questions received.
    - On July 7, 2021, a protest of the solicitation was filed by one proposer which temporarily stopped work.
    - On November 12, 2021, proposals were received but evaluation was delayed due to Legal's concerns with the proposals.
  - RFP review began in early January 2022 and ended in early February.
    - As of April 4, 2022, an award recommendation has not been approved by Legal.
- The current SRI contract is a three-year information technology services contract.
  - Extending the contract for an additional two years will not exceed the five-year period for this type of contract per R.S. 39-198.

# LDH LEGISLATIVE FACT SHEET

## Statistical Resources, Inc. (HCBS Data & EVV System) Contract Extension

- Prior sole source requests for this contract were approved in 2016 and 2019 due largely to the inability of other vendors to assume these responsibilities.
- In 2017, an amendment to include EVV services was added to the contract's scope of work (SOW).
- Justification
  - The current HCBS Data and EVV system provides an EVV solution which complies with H.R.34, the 21st Century Cures Act.
    - This Act was signed into law on December 13, 2016 and requires all states to implement an EVV system or the federal medical assistance percentage (FMAP) shall be reduced for these services.
    - The current contract hosts and maintains Louisiana Department of Health's (LDH) sponsored EVV system.
  - Utilizing the two-year extension option rather than the one-year option, LDH will be better positioned to successfully implement the HCBS Data and EVV System should a change in vendor occur.
    - The current schedule for implementation based on the status of the RFP process is as follows:
      - Evaluation of proposals begins in January 2022
      - Notice of intent to award – May 2022
      - Final approval of contract - November 2022
      - System implementation with no protest when Notice of Intent to Award is announced:
        - If the current contractor is awarded, the intent to award is issued in November 2022
        - If the new contractor is awarded, the announcement would be in January 2024 barring any serious system implementation difficulties.
  - LDH does not have the in-house capability to manage an HCBS Data Management and EVV system, or provide these services to 30,000+ recipients and 600+ providers.
    - This is a complex system which manages millions of service records through a complicated prior and post authorization process, and would require a substantial amount of programming and technical support if managed by LDH or the Office of Technology Services (OTS), neither of which could be accomplished prior to the expiration of the current contract.

### FISCAL IMPACT:

- The anticipated cost of this extension reflects the same cost per year with no increases for services beyond extending the contract period of current services.
  - Start Date - July 1, 2019
  - End Date – June 30, 2022
  - Requested Extension – July 1, 2022 – June 30, 2024
  - Extension Amount – \$12,682,251
  - Total Contract Amount - \$31,121,763

# LDH LEGISLATIVE FACT SHEET

## Statistical Resources, Inc. (HCBS Data & EVV System) Contract Extension

- Failure to maintain the current systems in place through approval of the contract extension would result in the suspension of payment to more than six hundred HCBS direct service providers because the prior and post authorization of services would be delayed until a suitable alternative was in place.
  - Direct service providers are unable to pay direct service workers if their reimbursement is delayed.
  - This would result in suspension of vital in-home services and supports to the 30,000+ highly vulnerable individuals with substantial medical needs, and LDH will be in immediate jeopardy for:
    - Suspension of federal funding for all Medicaid HCBS
    - Violation of the Americans with Disabilities Act (ADA) Integration Mandates and various Medicaid regulations
    - Discontinuation of essential home-based care for 30,000+ individuals, thereby placing them at immediate risk of institutionalization
      - LDH does not have adequate institutional capacity to absorb these individuals.

Office of State Procurement  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

March 31, 2022

TO: Mr. Patrick Gillies  
Louisiana Department of Health  
Medicaid Executive Director

FROM: Ms. Pamela Bartfay Rice, Esq., CPPO   
Assistant Director, Professional Contracts

RE: OSP Approval for JLCB  
LaGov PO/Contract # 2000428313/Amendment 3  
Statistical Resources, Inc.

The above referenced amendment has been reviewed by the Office of State Procurement. The document complies with the State Procurement Code and is ready for submission to the Joint Legislative Committee on the Budget. Upon approval of the proposed term extension, in accordance with La. R.S. 39:1615(J), please return the "Agency Memo to OSP After JLCB Approval," along with the stamped amendment from the JLCB.

**The amendment will not receive final approval by OSP until it has been approved by JLCB and is submitted to OSP in LaGov, Proact, or LESA, as applicable.**

If you should have any further questions/comments, please do not hesitate to contact Pam Rice at OSP.

**AMENDMENT TO  
AGREEMENT BETWEEN STATE OF LOUISIANA  
LOUISIANA DEPARTMENT OF HEALTH**

Amendment #: 3  
LAGOV#: 2000428313  
LDH #: 060429

MVA (Regional/ Program/ Facility)	Medical Vendor Administration	Original Contract Amount	\$17,405,059.00
	Bureau of Health Services Financing	Original Contract Begin Date	07-01-2019
	<b>AND</b>	Original Contract End Date	06-30-2022
	Statistical Resources, Inc.	RFP Number:	N/A
	Contractor Name		

**AMENDMENT PROVISIONS**

Change Contract From: From Maximum Amount: 18,439,511.84 Current Contract Term : 7/01/2019-6/30/2022

Maximum Contract Amount: \$18,439,511.84 (as approved)  
Contract end date 6/30/2022 (as approved)

Change Contract To: To Maximum Amount: 31,121,762.53 Changed Contract Term: 07/01/2019-06/30/2024

Maximum Contract Amount: \$31,121,762.53 (as revised)  
Contract end date 6/30/2024 (as revised)

Justifications for amendment:

The contract between LDH, Medicaid and Statistical Resources, Inc. (SRI) is a statewide contract for the provision of data management for comprehensive HCBS services. This amendment will extend the current SRI contract through June 30, 2024, to ensure continuity of HCBS Data Management and EVV services as LDH continues the process for selecting a vendor through the Request for Proposal process and to allow time for system conversion should a new vendor be selected.

This Amendment Becomes Effective: 07-01-2022

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties.

IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below.

<b>CONTRACTOR</b>	<b>STATE OF LOUISIANA LOUISIANA DEPARTMENT OF HEALTH</b>
Statistical Resources, Inc.	<b>Secretary, Louisiana Department of Health or Designee</b>
CONTRACTOR SIGNATURE	SIGNATURE
DATE	DATE
PRINT NAME	NAME
Steven Buco	Patrick Gillies
CONTRACTOR TITLE	TITLE
President	Medicaid Executive Director
OFFICE	Medicaid
PROGRAM SIGNATURE	DATE
NAME	

**Payment Terms**

**COST:**

- A. Included in the estimated percentage breakdown below are all costs estimated to be associated with the project, including the personnel, development, maintenance programming, system maintenance changes, computer equipment, office supplies and other overhead costs (rent, utilities, insurance, etc.), training, technical assistance, user assistance, and postage.

The monthly cost is broken out into the following estimated service task totals with a percentage of the cost broken down by specific population (where appropriate):

<b>BASE CONTRACT BREAKOUT FOR YEARS 1, 2, AND 3</b>	<b>RFSR</b>	<b>PRIOR AUTHORIZATION</b>	<b>DATA ANALYSIS</b>	<b>USER SUPPORT / PROVIDER BILLING SUPPORT</b>	<b>TECHNICAL SUPPORT / SYSTEM CHANGES</b>	<b>PROGRAMMATIC SUPPORT</b>	<b>MONTHLY LINE TOTAL</b>	<b>ANNUAL LINE TOTAL</b>
NOW	16,638.73	43,596.66	1,356.70	16,207.71	2,066.44		79,866.24	958,394.88
CC	127.35	2,527.14	1,356.70	2,496.61	1,239.87		7,747.67	92,972.04
ACT 421	3,500		750.00		315.00		4,565.00	54,780.00
EPSDT		230.21	271.34		5,100.55	10,767.91	16,370.01	196,440.12
SUPPORTS WAIVER	127.35	2,743.93	1,356.70	2,981.26	826.58		8,035.82	96,429.84
COMMUNITY CHOICES	14,354.08	11,512.23	1,356.70	5,565.86	2,066.44		34,855.31	418,263.72
ADHC WAIVER	5,038.64	3,708.22	1,356.70	2,050.00	413.29		12,566.85	150,802.20
LT-PCS		5,780.29	1,356.70	3,110.34	826.58		11,073.91	132,886.92
MFP		7,000.75					7,000.75	84,009.00
RESIDENTIAL OPTIONS WAIVER		1,841.27	1,356.70	1,881.01	826.58		5,905.56	70,866.72
FRAUD DETECTION / BLOCKING / PROVIDER CHECKS							10,325.00	123,900.00
<b>TOTAL</b>							<b>198,312.12</b>	<b>2,379,745.55</b>

**Attachment C**  
**Statistical Resources, Inc.**  
**LaGov #2000428313**

<b>BASE CONTRACT BREAKOUT FOR YEARS 1, 2, AND 3</b>	<b>RFSR</b>	<b>PRIOR AUTHORIZATION</b>	<b>DATA ANALYSIS</b>	<b>USER SUPPORT / PROVIDER BILLING SUPPORT</b>	<b>TECHNICAL SUPPORT / SYSTEM CHANGES</b>	<b>PROGRAMMATIC SUPPORT</b>	<b>MONTHLY LINE TOTAL</b>
NOW	8.59%	22.50%	0.70%	8.37%	1.07%		41.22%
CC	0.07%	1.30%	0.70%	1.29%	0.64%		4.00%
EPSDT		0.12%	0.14%		2.63%	5.56%	8.45%
SUPPORTS WAIVER	0.07%	1.42%	0.70%	1.54%	0.43%		4.15%
COMMUNITY CHOICES	7.41%	5.94%	0.70%	2.87%	1.07%		17.99%
ADHC WAIVER	2.60%	1.91%	0.70%	1.06%	0.21%		6.49%
LT-PCS		2.98%	0.70%	1.61%	0.43%		5.72%
MFP		3.61%					3.61%
RESIDENTIAL OPTIONS WAIVER		0.95%	0.70%	0.97%	0.43%		3.05%
FRAUD DETECTION / BLOCKING / PROVIDER CHECKS							5.33%
<b>TOTAL</b>	<b>18.73%</b>	<b>40.74%</b>	<b>5.04%</b>	<b>17.70%</b>	<b>6.90%</b>	<b>5.56%</b>	<b>100.00%</b>

**B. Electronic Visit Verification – LASRS**

OAAS supports over 20,000 persons in the LT-PCS program, Community Choices, and Adult Day Health Care Waiver. OCDD supports over 12,000 persons across all four waivers, NOW, Children’s Choice, Supports, and the ROW. While in many instances there might be one worker clocking in/out, there are many instances in which persons have more than one staff and there would be a transaction in/out expense for each staff person clocking in/out with the person supported. For example, someone that is receiving 24 hours of support, could have up to 5 staff persons working in the home with them. There would be a transaction in/out fee associated with each staff person that clocked in/out on any given day. Below includes current transactions for each program. The number of transactions will fluctuate across each program each year due to the number of persons served in each program and the number of staff. Chart I shows the transactions for center based and transportation EVV at a fixed cost for Year 1, 2, & 3 of the contract. Chart II shows in home services, transactions and cost, and Chart III is a summary of all costs.

<b>Chart I: Center Based &amp; Transportation</b>		
<b>Waiver</b>	<b>Transactions</b>	<b>Cost</b>
NOW	1,289,943	\$ 296,687
CC Waiver	734	\$ 169
Supports Waiver	555,604	\$ 127,789
ROW	43,327	\$ 9,965
AHDC	102,182	\$ 23,502
CCW	0	
<b>TOTAL</b>		\$ 458,112

<b>Chart II: YEAR 1 IN HOME EVV COSTS</b>		
<b>SERVICE GROUP</b>	<b>Anticipated # of service records/ transactions</b>	<b>Anticipated cost at \$0.23 per service record</b>
<b>New Opportunities Waiver (NOW)</b>		
IFS services and nursing services	6,392,365	\$1,470,243.95
SIL	312,596	\$71,897.08
<b>Children's Choice (CC) Waiver</b>		
IFS services and emods	241,868	\$55,629.64
<b>SE and center-based services</b>		
Respite		
IFS services	17,258	\$3,969.34
Habilitation	6,949	\$1,598.27
<b>Residential Options Waiver (ROW)</b>		
IFS services	88,513	\$20,357.99
<b>Adult Day Health Care Waiver (ADHC)</b>		
Center-based services		\$0.00
<b>Community Choices Waiver (CCW)</b>		
PAS and up/tuck and T1005	1,446,682	\$332,736.86
<b>Long Term- Personal Care Services (LT-PCS)</b>		
LTPCS	3,481,634	\$800,775.82
<b>Conduent and OAAS</b>		
	21,242	\$4,885.66
	<b>12,009,107</b>	<b>\$2,762,094.61</b>

**Chart III: SUMMARY OF CONTRACT COSTS (updates highlighted)**

<b>YEAR I (July 2019 - June 2020)</b>	
BASE CONTRACT	\$ 2,324,965.44
CENTER-BASED EVV	\$ 458,112.01
IN-HOME EVV	\$ 2,762,094.61
<i>ESTIMATED COST OF EPSDT PCS TRACKING(@\$.23/service) - (based on 9 months with O</i>	\$ 58,453.54
ESTIMATED COST OF SUPPORT COORDINATION SERVICE TRACKING (@\$.23/servi	\$ 93,355.85
<b>TOTAL</b>	<b>\$ 5,696,981.45</b>
<b>YEAR 2 (July 2020 - June 2021)</b>	
BASE CONTRACT	\$ 2,324,965.44
ACT 421 Registry (6 months)	\$ 27,390.00
CENTER-BASED EVV	\$ 458,112.01
IN-HOME EVV (including a 2.5% increase in waiver participants)	\$ 2,831,146.98
ESTIMATED COST OF EPSDT SERVICE TRACKING (@\$.23/service) (12 months)	\$ 102,033.33
ESTIMATED COST OF SUPPORT COORDINATION SERVICE TRACKING (@\$.23/servi	\$ 93,355.85
EVV System Certification	\$ 280,348.00
<b>TOTAL</b>	<b>\$ 6,117,351.61</b>
<b>YEAR 3 (July 2021 - June 2022)</b>	
BASE CONTRACT	\$ 2,324,965.44
ACT 421 Registry	\$ 54,780.00
CENTER-BASED EVV	\$ 458,112.01
IN-HOME EVV (including a 2.5% increase in waiver participants)	\$ 2,901,925.65
ESTIMATED COST OF EPSDT SERVICE TRACKING (@\$.23/service) (12 months)	\$ 102,033.33
ESTIMATED COST OF SUPPORT COORDINATION SERVICE TRACKING (@\$.23/servi	\$ 93,355.85
ESTIMATED COST OF OBH-CPST & PSR (6 months)	\$ 253,102.00
ESTIMATED COST FOR DOJ PCA (6 months)	\$ 18,917.50
EVV System Certification	\$ 417,987.00
<b>TOTAL</b>	<b>\$ 6,625,178.78</b>
<b>Total Amount</b>	<b>\$ 18,439,511.84</b>

**Attachment C**  
**Statistical Resources, Inc.**  
**LaGov #2000428313**

<b>YEAR 4 (July 2022 - June 2023)</b>		
BASE CONTRACT	\$	2,324,965.44
CENTER-BASED EVV	\$	458,112.01
IN-HOME EVV (including a 2.5% increase in waiver participants)	\$	2,974,473.79
ESTIMATED COST OF EPSDT SERVICE TRACKING	\$	102,033.33
ESTIMATED COST OF SUPPORT COORDINATION SERVICE TRACKING	\$	93,355.85
ESTIMATED COST OF OBH-CPST & PSR	\$	-
ESTIMATED COST FOR DOJ PCA	\$	37,835.00
ESTIMATED COST FOR HOME HEALTH	\$	313,169.00
<b>TOTAL</b>	<b>\$</b>	<b>6,303,944.42</b>
<b>YEAR 5 (July 2023 - June 2024)</b>		
BASE CONTRACT	\$	2,324,965.44
CENTER-BASED EVV	\$	458,112.01
IN-HOME EVV (including a 2.5% increase in waiver participants)	\$	3,048,835.64
ESTIMATED COST OF EPSDT SERVICE TRACKING	\$	102,033.33
ESTIMATED COST OF SUPPORT COORDINATION SERVICE TRACKING	\$	93,355.85
ESTIMATED COST OF OBH-CPST & PSR	\$	-
ESTIMATED COST FOR DOJ PCA	\$	37,835.00
ESTIMATED COST FOR HOME HEALTH	\$	313,169.00
<b>TOTAL</b>	<b>\$</b>	<b>6,378,306.27</b>
<b>TOTAL EXTENSION AMOUNT</b>	<b>\$</b>	<b>12,682,250.69</b>
<b>MAXIMUM CONTRACT AMOUNT</b>	<b>\$</b>	<b>31,121,762.53</b>



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John Bel Edwards, Governor  
**Marketa Garner Walters**,  
Secretary

April 14, 2022

The Honorable Jerome Zeringue  
Louisiana State House of Representatives  
Chairman, Joint Legislative Committee on the Budget  
P.O. Box 44294  
Baton Rouge, LA 70804

**Re: DCFS Request for April JLCB Agenda Item Pursuant to R.S. 39:1615(J) for PO#2000401325 for Postlethwaite & Netterville, APAC**

Dear Representative Zeringue:

The Louisiana Department of Children and Family Services (DCFS) requests that the following contract amendment be placed on the agenda for the Joint Legislative Committee on the Budget (JLCB) during its April meeting. DCFS currently has a contract with Postlethwaite & Netterville, APAC, and requests approval to extend this contract, in accordance with R.S. 39:1615(J).

**QUALITY ASSURANCE/QUALITY CONTROL (QA/QC) SERVICES**

This is a three-year contract, with the option to extend up to twenty-four (24) additional months, to assist DCFS with an objective assessment of the quality, completeness, and progress of work and work products submitted by other contractors of the Department. The general purpose of the QA/QC Contractor's work is to conduct periodic review, evaluation, documentation, and reporting of the overall DCFS Modernization Initiatives performance. The QA/QC contractor is currently focusing on the Child Welfare System Development Project (CWSDP), also known as the DCFS Comprehensive Child Welfare Information System (CCWIS) Project. The QA/QC contractor works alongside DCFS to provide support, assistance, and guidance for the review and quality assurance related tasks for processes and deliverables developed by other contractors working with DCFS in various scope areas, including project management, infrastructure setup, COTS upgrades, code and data migration, business requirements gathering and validation, design, development, communications, forms and reports, testing, change readiness/management, training development, training delivery, conversion, interfaces and integration, system security testing, data load and capacity performance testing, development of software documentation, pilot, helpdesk, implementation and turnover, post-implementation support, and federal review support.

The current contract, which was executed on April 15, 2019, expires on April 14, 2022. DCFS is exercising the contractual option for a one-year extension with Postlethwaite & Netterville, APAC, to continue the Quality Assurance/Quality Control services needed for the DCFS



Modernization Initiatives. Therefore, DCFS seeks your committee's approval to amend the current Postlethwaite & Netterville, APAC, contract to extend the contract period to April 14, 2023, to avoid interruption of services.

Thank you for considering our request to have this contract extension included on your April agenda. I am enclosing a copy of the amendment, the Statement of Work, and Budget Form (BA-22) for your convenience. Should you have any questions, or need additional information, please do not hesitate to contact the Bureau of General Counsel at (225) 342-1480 or [joshua.morgan.dcms@la.gov](mailto:joshua.morgan.dcms@la.gov).

Sincerely,

Eric Horent  
Undersecretary  
State of Louisiana  
Department of Children and Family Services

Enclosures

EH/eh





Undersecretary  
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John Bel Edwards, Governor  
Marketa Garner Walters, Secretary

DCFS is requesting contract amendment #3 for contract #2000401325 (QA/QC Contract) between State of Louisiana Department of Children and Family Services (DCFS) and Postlethwaite & Netterville, APAC (P&N) to exercise the contract extension option outlined in the above mentioned contract. This contract extension will extend the contract term for the QA/QC services and support into contract year 4 (through April 14, 2023), and adjust the total contract funding amount to cover the requested QA/QC service through this updated period.

This will allow P&N to continue to support DCFS Modernization Initiatives in their QA/QC role through the new anticipated system go-live date and possibly into the initial M&O period for the Comprehensive Child Welfare Information System (CCWIS) project. If this contract amendment is not approved, the original QA/QC contract is set to expire April 14, 2022, which will lead to QA/QC support and services ending prior to the planned go-live date (Winter 2023) for the CCWIS project.

#### Brief Description of P&N's QA/QC Services:

Postlethwaite & Netterville (P&N) currently serves as the DCFS QA/QC Contractor to work with the State to provide an objective assessment of the quality, completeness, and progress of work and work products submitted by other contractors. The general purpose of the QA/QC Contractor's work is to conduct periodic review, evaluation, documentation, and reporting of the overall DCFS Modernization Initiatives performance, primarily for but not limited to the Child Welfare System Development Project (CWSDP), also known as the DCFS Comprehensive Child Welfare Information System (CCWIS) Project. P&N provides DCFS and various oversight stakeholders a means to verify that the DCFS Modernization Initiatives will satisfy the American Institute of Certified Public Accountants' Statements on Standards for Consulting Services (SSCS). As other federal and state regulations are finalized and adopted, the QA/QC Contractor works with the State to identify the applicable standards and make recommendations on how to meet the identified standards. These quality assurance activities are part of a broader set of quality management activities required by DCFS. The QA/QC Contractor also works alongside DCFS to provide support, assistance, and guidance for review and quality assurance related tasks for processes and deliverables developed by other contractors working with DCFS in various scope areas, including project management, infrastructure setup, COTS configuration, code and data migration, business requirements gathering and validation, design, development, communications, forms and reports, testing, change readiness/management, training development, training delivery, conversion, interfaces, integration, system security testing, data load and capacity performance testing, development of software documentation, pilot programs, helpdesk, system implementation and turnover, post-implementation support, and federal review support.



**Amendment No. 3**  
to  
**Contract between the**  
**State of Louisiana**  
**Department of Children and Family Services**  
and  
**Postlethwaite & Netterville, APAC,**  
**8550 United Plaza Blvd., Suite 1001**  
**Baton Rouge, LA 70809**

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**Amendment Provisions**

**Change No. 1**

On page 2 of the contract, Item 2.1) Term of Contract is being amended as follows. The State is exercising the option to extend for twelve (12) additional months at the same rates, terms, and conditions of the initial contract term and Amendment No. 1 to assist in the successful completion of the DCFS Transformations Project (CCWIS and IE).

**Change From:**

2.1) Termination Date: April 14, 2022

**Change to:**

2.1) Termination Date: April 14, 2023

**Change No. 2**

On page 10 of the contract, Item 5.0) Compensation and Maximum Amount of Contract is being amended as follows. The amount of the original contract was \$5,572,530.00, and DCFS agrees to increase this amount by \$1,721,064.00, for a total budgeted amount not to exceed \$7,293,594.00, to the QA/QC Contractor for its time and expenses associated with the work performed under this contract extension at the rates outlined in the initial contract and Amendment No. 1 and resource personnel as detailed in Attachment II.

**Change From:**

5.0) Contract Amount: \$5,572,530.00

**Change to:**

5.0) Contract Amount: \$7,293,594.00

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties.

This amendment is effective October 1, 2021.

Justification: This Amendment is needed to exercise the option to extend the contract term for the services and support of the QA/QC vendor throughout the successful completion of  
Page 1 of 2

various information system upgrades, including CCWIS and the IE Project, as well as throughout the M&O period to the successful handoff to State resources. Funds are available to maintain expenditures for this project.

IN WITNESS THEREOF, this Amendment is signed and entered into on the date indicated below.

**Postlethwaite & Netterville, APAC**

*Mark Staley*

4/8/2022 | 10:11 AM CDT

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

Name: Mark Staley  
Title: Director

**STATE OF LOUISIANA  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
Marketa Garner Walters, Secretary**

*Eric Horent*

4/12/2022 | 1:21 PM CDT

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

Name: Eric Horent  
Title: Undersecretary

*Rhenda Hodnett*

4/12/2022 | 5:35 PM CDT

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

Name: Rhenda Hodnett  
Title: Assistant Secretary of Child Welfare



**Performance Audit Services**  
**Michael J. "Mike" Waguespack, CPA,**  
**Louisiana Legislative Auditor**

## **Comprehensive Child Welfare Information System Contract**

### **Office of Technology Services and Department of Children and Family Services**

At the April 28, 2022 meeting, the Joint Legislative Committee on the Budget (JLCB) was requested to approve amendments to and extensions of two state contracts related to developing a Comprehensive Child Welfare Information System (CCWIS). Prior to approving these requests, JLCB requested that we provide information on the Office of Technology Services (OTS) contract with Creative Information Technology, Inc. (CITI) and the related Department of Children and Family Services (DCFS) contract with Postlethwaite and Netterville, APAC (P&N). We collaborated with OTS, DCFS, and P&N to gather the information presented here.

### **Executive Summary**

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- The state was approved in 2016 for 50/50 federal matching to fund the CCWIS project. In June 2019, OTS contracted with CITI for a three-year (with option for a two-year extension) \$13 million contract for the design, development and implementation of a CCWIS to replace more than ten different systems currently used by DCFS. The goals of the project include replacing disparate and outdated systems, providing increased efficiency through reducing duplicative data entry, enhancing data quality and reporting capabilities, and improving service delivery. As of May 2022, OTS has paid CITI \$6,749,752 (51.9%) of the original contract amount of \$13 million for work already completed.
- OTS has requested approval from JLCB to extend the CITI contract for two years and increase the contract amount from \$13 million to approximately \$23.1 million, which is lower than eight of the nine other original bids submitted in response to the request for proposals (RFP) and is less expensive than similar CCWIS projects in other states. For example, according to OTS, Arkansas's system cost \$26 million and Florida's cost \$97 million. The U.S. Administration for Children and Families (ACF) monitors Louisiana's CCWIS project on an annual and ongoing basis, and the ACF analyst assigned to Louisiana has recommended approval of the CITI contract amendment, though final approval is pending.
- Because federal regulations require that agencies have contracts for independent verification and validation of system development as a condition of receiving federal funding, DCFS contracted with P&N in April 2019 for a three-year (with option for a two-year extension) \$5.6 million contract to provide an objective assessment of the quality, completeness, and progress of work submitted by CITI. DCFS has requested approval to extend the P&N contract for one year and increase the contract amount from approximately \$5.6 million to \$7.3 million.
- OTS is requesting an amendment/extension because several factors have delayed the completion of original CITI contract deliverables and made customizations beyond the original scope of work necessary. The CCWIS was originally projected to be complete

by December 2020, but it is now projected to be complete in Spring 2023. These factors include the following:

- **Adjusting to the Agile software development methodology:** The CCWIS project is one of the first large scale OTS contracted projects to use the Agile methodology which emphasizes small teams delivering increments of working software with great frequency while working in close collaboration with the customer and adapting to changing requirements. This methodology included involving approximately 65 DCFS staff who were responsible for providing feedback to software developers and prioritizing functionalities to be added to the system based on their experience of what will be needed to perform core child welfare work.
  - **Impact of COVID-19 pandemic:** The COVID-19 pandemic, which began just a few months after development started, required adjustments such as moving daily, in-person team meetings and product demonstrations to off-site, virtual platforms.
  - **Staffing and planning issues:** Required plans (project management and project work plans) were not completed timely and CITI staffed some key project roles with brand new employees, did not fill all required positions, and used single staff to fill multiple roles. P&N also noted that a shortage of IT staff in the general marketplace led to turnover and gaps in key project roles, especially during fiscal year 2021.
  - **Changing federal requirements:** Between July 2018 and February 2022, ACF established more specific requirements not addressed by the RFP and original CITI contract. For example, a 2020 rule published for the federal Adoption and Foster Care Analysis and Reporting System requires tracking of several new data points for reporting, which had to be added to the Unify system.
  - **Complexity of legacy systems:** This project covers the replacement of multiple legacy systems, many of which lack system documentation and may not have active system support. According to P&N, this increased the difficulty for the project team to understand the processes being replaced and the data sources that must be cleansed and migrated.
  - **More customization than originally planned:** As early as February 2020, P&N reported that more product customization may be required than the original 80/20 configuration/customization plan. In June 2020, P&N reported that completion of the first module had been delayed by an unanticipated increase in user feedback and requested functionalities as well as different visions of the end product and disagreements on the ability of Unify to meet DCFS project objectives and requirements using out of the box functionality.
- According to P&N, CCWIS project controls have been established to monitor project performance and risks. Additionally, OTS supports DCFS as the CITI contract monitor, and ACF performs annual and ongoing monitoring of the CCWIS project. In its most recent compliance report from March 2022, although P&N noted some ongoing issues, it also provided metrics showing that development work in progress is on track to be completed on target based on re-planning.

## What is CCWIS and why is it needed?

In 2016, DCFS received approval for federal funding from ACF to develop and implement a CCWIS to modernize and replace the outdated and disparate systems that currently support the Child Welfare (CW) program. Federal matching funds are available at the rate of 50%, and as of March 2022, DCFS has received approval for a total of \$22,598,544 from ACF for the CCWIS project. According to DCFS, Louisiana was one of the first states to request this funding after federal regulations made it available on June 2, 2016.

### CCWIS project goals include:

- Replacing multiple outdated and disparate Child Welfare legacy systems
- Providing increased efficiency for DCFS staff to perform job duties through one comprehensive and continuous system
- Improving data quality and enhancing reporting capabilities per federal Office of the Administration for Children and Families (ACF) regulations
- Improving service delivery

The CW program currently uses more than ten different systems with limited or no capacity to integrate or share data between them, some of which are up to 30 years old. Longstanding issues with the current systems, such as duplicative data entry, limit the accuracy and efficiency of DCFS data collection, as noted in a 2014 assessment by the federal Children’s Bureau,<sup>1</sup> the 2016 report issued by the Governor’s Transition Committee on Children and Family Services,<sup>2</sup> and a 2016 LLA performance audit of Foster Care.<sup>3</sup> See Exhibit 1 for examples of current DCFS systems that will be replaced by CCWIS. In addition to the examples in the table, CCWIS will replace at least six other DCFS systems<sup>4</sup> and interface with others not replaced.

<b>Exhibit 1</b>	
<b>Examples of DCFS Legacy Systems to be Replaced by CCWIS</b>	
<b>System Name</b>	<b>Examples of Functionalities</b>
A Comprehensive Enterprise Social Service System (ACCESS 2.0)	<ul style="list-style-type: none"> <li>- Contains Centralized Intake reports of alleged child abuse or neglect</li> <li>- Assigns accepted reports to Child Protection Services (CPS)</li> <li>- Tracks all CPS investigative activities</li> <li>- Screens for needs, determines potential service eligibility, and locates services/providers</li> </ul>
Tracking, Information, and Payment Systems (TIPS)	<ul style="list-style-type: none"> <li>- Tracks client information and generates payments for DCFS clients and providers</li> <li>- Tracks all placement services for foster children and supportive services paid through TIPS</li> <li>- Collects required data for federal and ad hoc reporting</li> <li>- Interfaces with other systems with information on Medicaid eligibility and participation in Supplemental Nutritional Assistance Program and Temporary Assistance for Needy Families</li> </ul>
Family Assessment Tracking System (FATS)	<ul style="list-style-type: none"> <li>- Documents case activities and develops family assessments and case plans for Family Services, Adoptions, and Foster Care Programs</li> <li>- Provides data essential for federal Monthly Caseworker Visitation reports</li> </ul>
Quality Assurance Tracking System (QATS)	<ul style="list-style-type: none"> <li>- Conducts case reviews within the CW System</li> <li>- Populates summary reports by parish or regional office</li> <li>- Contains several review instruments that were used over an extended period of time</li> </ul>
<b>Source:</b> Prepared by legislative auditor’s staff based on information from DCFS and the Request for Proposals.	

<sup>1</sup> [https://www.acf.hhs.gov/sites/default/files/documents/cb/la\\_aar\\_2013.pdf](https://www.acf.hhs.gov/sites/default/files/documents/cb/la_aar_2013.pdf)

<sup>2</sup> [https://www.gov.louisiana.gov/assets/docs/TransitionTeam/DCFS\\_Transition\\_Final\\_Report.pdf](https://www.gov.louisiana.gov/assets/docs/TransitionTeam/DCFS_Transition_Final_Report.pdf)

<sup>3</sup> The report can be found here:

[https://www.la.gov/PublicReports.nsf/B6AE21FF54B31DC8862581760059CFD1/\\$FILE/000158A1.pdf](https://www.la.gov/PublicReports.nsf/B6AE21FF54B31DC8862581760059CFD1/$FILE/000158A1.pdf)

<sup>4</sup> Louisiana Adoption Resource Exchange, National Youth in Transition Database, Interstate Compact for the Placement of Children Database, Family Resource Center Database, Trauma-Based Health Tool, and Child Abuse Neglect System.

## How was CITI selected as the CCWIS vendor?

OTS issued an RFP on behalf of DCFS on July 30, 2018, for CCWIS design, development, and implementation. OTS received bids from 11 vendors, one of which was disqualified. Before seeing the cost associated with each proposal, a review panel consisting of two OTS and three DCFS staff scored each vendor’s proposal for technical factors as well as their work with Hudson and Veterans initiatives. As shown in Exhibit 2, CITI received the fourth-highest technical score of any vendor, but had the highest cost score by far, as its initial bid of \$11.7 million was much lower than other vendors’ bids ranging from approximately \$21.5 million to approximately \$42.1 million.

According to OTS and DCFS, CITI was selected because it had the highest overall score of any vendor.

Exhibit 2 Scoring of Bidders for CCWIS Contract			
Score Category	Max Points	CITI Score	Max of Other Vendors
Technical (Total)	590	551 (ranked 4)	580
Company Background	145	123 (ranked 6)	145
Approach and Methodology	345	328 (ranked 3)	345
Staff Qualifications	100	100 (tied for 1)	100
Hudson and Veterans	120	3.19 (ranked 9)	20
Cost	290	290 (ranked 1)	157.5
<b>Total</b>	<b>1,000</b>	<b>844.19 (ranked 1)</b>	<b>718.66</b>
<b>Source:</b> Prepared by legislative auditor’s staff using scoring document for CCWIS proposals provided by OTS.			

Although cost was a significant factor in CITI’s score, OTS and DCFS noted that CITI’s scores in other areas were not significantly lower than those of other vendors and that all of the vendors’ proposals offered similar levels of experience and resources.

OTS contracted with CITI beginning in June 2019 to acquire a solution to create a CCWIS for DCFS. In addition, DCFS contracted with P&N in April 2019 to provide an objective assessment of the quality, completeness, and progress of work and work products submitted by CITI and other contractors (see pages 6-7 for more information). DCFS has also issued \$3,612,391 in task orders as needed through contracts with seven additional companies for staff to assist with project work, such as legacy data extraction and cleaning. CITI’s solution-based CCWIS approach centers on its commercial off-the-shelf software called Unify, which was built on CITI’s Eligibility Benefits Management System platform. According to DCFS, this proprietary, licensed system provided a solid foundation of existing, preconfigured components upon which to build the Louisiana CCWIS, which will have six modules<sup>5</sup> designed to replace the current systems in a manner that will allow DCFS to retire them with no interruption in services. The original contract states that CITI will provide software

- Deliverables** of the original CITI contract include:
- Development of project plans establishing the scope of work, resources, and timelines expected
  - Documentation for CCWIS components, governance tools, and training plans
  - Installation and demonstration of foundational Unify software
  - Live demonstration of production-ready software through series of iterations
  - Six production-ready CCWIS modules that perform functions of DCFS systems to be replaced

<sup>5</sup> The six modules are Administration, Intake/Referral and Investigations, Case Management, Eligibility and Financial Management, Provider Management, and Court Processing. For each module, CITI must configure its basic functions, import converted legacy data, integrate with OTS enterprise architecture, and add customized functionalities such as interfaces and reports.

installation, configuration, and custom development as part of its solution.

The CITI and P&N contracts also specify that the CCWIS project will employ Agile software development methodologies, which emphasize small teams delivering small increments of working software with great frequency while working in close collaboration with the customer and adapting to changing requirements. For example, multiple CCWIS project teams perform work in two-week iterative “sprints,” during which pre-planned increments of work are completed and reviewed. According to OTS, the CCWIS project is the first large-scale OTS-contracted solution to use the Agile methodologies. A federal CCWIS technical bulletin issued in 2018<sup>6</sup> states that while traditional, linear phase-driven “waterfall” software development attempts to anticipate all needs, requirements, and risk scenarios up front, the Agile process is adaptive and provides a framework to anticipate and manage change as the project progresses. According to OTS and DCFS, using the Agile method can take longer on the front end, but because it allows the state to see the product as it is developed and provide real-time feedback, the product will be better suited to what the CW program needs in practice and will not require changes that could take years to address when it is implemented.

The original CITI and P&N contracts both had three-year terms with an option for a two-year extension. Both contracts require JLCB’s approval for amendments to their terms and payment amounts.

OTS and DCFS have requested approval to amend these contracts to extend their terms and increase the maximum payment amounts, as shown in Exhibit 3.

<b>Exhibit 3</b>		
<b>Original and Amended CITI and P&amp;N Contract Terms and Maximum Payment</b>		
<b>Contract</b>	<b>OTS and CITI</b>	<b>DCFS and P&amp;N</b>
Original Term and Payment	June 30, 2019 to June 29, 2022 for <b>\$13,000,000</b>	April 15, 2019 to April 14, 2022 for <b>\$5,572,530</b>
Amended Term and Payment	June 30, 2019 to June 29, 2024 for <b>\$23,169,040</b>	April 15, 2019 to April 14, 2023 for <b>\$7,293,594</b>
Difference	2 years and \$10,169,040	1 year and \$1,721,064
<b>Source:</b> Prepared by legislative auditor’s staff based on CITI and P&N original contracts and proposed amendments.		

### Why are the contract amendments necessary?

Overall, the risk of additional delays to CITI’s delivery of a fully functioning Unify system adequate to meet CW program needs must be measured against the potential costs of replacing it as a contractor. Work on the CCWIS contract began in September 2019 with team formation, Agile training, and project planning, and development began in December 2019. In the CCWIS Advanced Planning Document submitted to ACF in September 2019, DCFS projected the Unify system would be implemented in December 2020. However, as of May 2022, OTS and DCFS anticipate Unify will be implemented statewide in January 2023, or by Spring 2023 at the latest.

The CCWIS project is monitored by ACF in addition to P&N. DCFS is required to submit CCWIS Advanced Planning Documents to ACF annually and as needed if significant changes in project approach, procurement, schedule, or costs occur. ACF is also required to review, assess, and inspect the planning, design, development, installation, operation, and maintenance of each CCWIS project on a continuing basis through point-in-time reviews based

<sup>6</sup> [https://www.acf.hhs.gov/sites/default/files/documents/cb/ccwis\\_tb4.pdf](https://www.acf.hhs.gov/sites/default/files/documents/cb/ccwis_tb4.pdf)

on key milestones, automated functions, and scheduled activities approved. ACF’s analyst for Louisiana has already reviewed and recommended approving the proposed amendment to the CITI contract, and the official response is in the pipeline for distribution.

If the CITI contract is not extended, OTS would have to develop and issue a new RFP for a CCWIS, which could further delay program improvements contingent on replacing DCFS’ existing systems. In addition, although some project work already performed, such as requirements gathering, could be leveraged toward a new solution, a new contractor would have to restart all development because Unify is a licensed product not owned by the state. ACF also may provide a lower percentage or no federal match for a new system, as it has already funded development of Unify.

The CITI contract’s total amended cost of \$23.1 million is comparable to or less than the contract prices of other states’ CCWIS solutions based on research performed by OTS, as shown in Exhibit 4. In addition, OTS and DCFS noted that the amended CITI contract amount of \$23.1 million is still lower than eight of the nine other valid original bids submitted for the contract.

Exhibit 4 Other States’ CCWIS Contract Prices	
State	Contract Price
Arkansas	\$26.5 million
Florida	\$97 million
Maine	\$36 million
Michigan	\$49 million
New Mexico	\$45 million
North Carolina	\$104 million
Wyoming	\$29 million
<b>Source:</b> Prepared by legislative auditor’s staff using unaudited research provided by OTS based on information publicly available online. It is important to note that the scope of other states’ contracts may be different.	

### What is P&N’s role as the QA/QC contractor?

As the Quality Assurance and Quality Control (QA/QC) contractor, P&N has added value to the CCWIS project by playing several different roles throughout the project to identify and address risks, such as monitoring legal and contractual compliance, assisting with planning and project management, using metrics to measure work progress against goals, hosting meetings to improve communication and coordination, and providing training classes and guidance as needed. Federal regulations<sup>7</sup> require agencies to have contracts for independent verification and validation of their system development efforts as a condition of receiving federal funding for CCWIS projects. The original P&N contract states that the general purpose of the QA/QC contractor’s work is to conduct periodic reviews, evaluations, documentation, and reporting of the overall DCFS Modernization Initiatives performance, which includes the CCWIS project as well as the Integration Eligibility Project. The contract’s statement of work includes a wide range of activities that P&N must perform in order to provide an objective assessment of the quality, completeness, and progress of work and work products submitted by other contractors, including:

- Monitoring contract deliverables to determine if they comply with quality standards, changing federal and state requirements, and contractual obligations
- Recommending ways to mitigate risks or eliminate causes of unsatisfactory results or unacceptable work products

<sup>7</sup> 45 CFR 95.626

- Providing support, assistance, and guidance for review and quality assurance related tasks for processes and deliverables developed by other contractors in various areas<sup>8</sup>
- Submitting compliance reports on a monthly basis and after certain project milestones

In its work for the CCWIS project, P&N has both identified and helped management address risks. P&N's monthly compliance reports include metrics on development milestones completed, progress on data migration, recommendations for process improvements, variances identified in CITI's monthly compliance reports, and discussion of new and/or carryover risks and concerns identified, including progress toward their resolution. The reports also summarize the specific quality control activities that P&N conducted each month, which can include tasks beyond compliance monitoring, such as conducting training classes and developing tools for testing. The text box to the right shows some examples of P&N activities listed in their most recent monthly report.

**Examples of P&N QA/QC Activities Performed in March 2022**

- Assessed and reported progress toward accomplishment of phase objectives, quality of deliverables, and performance impact to timelines
- Assisted project staff in drafting test plans, acceptance testing, and assessing completed functionalities for accuracy, completeness, and retesting
- Revised project performance measures and assisted with process adjustments and project schedule refinement to reflect re-planning efforts
- Assisted with revisions to project governance documents and federal reporting
- Updated project status tracking reports to help monitor process and project bottlenecks
- Hosted meetings between teams with different focus areas to improve communication, coordinate efforts, review anomalous data, and resolve complex requirements and issues

The contract requires DCFS to make payments to P&N based on invoices submitted by P&N no more than monthly for work performed at fixed rates ranging from \$95 to \$160 an hour depending on the type of work performed. As of April 30, 2022, DCFS had paid P&N \$5,554,323, \$4,408,909 (79.4%) of which was specifically for work on the CCWIS contract. Although P&N provided QA/QC services for multiple projects under this contract, if the proposed contract amendment is approved, P&N's efforts moving forward would primarily be focused on the CCWIS project.<sup>9</sup>

### What factors have contributed to the CCWIS contract delays?

Based on discussions with OTS, DCFS, and P&N as well as review of P&N monthly compliance reports, the following factors contributed to delays in completion of original CITI contract deliverables and the need for customizations beyond those covered by the original contract:

<sup>8</sup> The contract states that these areas include project management, infrastructure setup, COTS upgrades, code and data migration, business requirements gathering and validation, design, development, communications, forms and reports, testing, change readiness/management, training development, training delivery, conversion, interfaces and integration, system security testing, data load and capacity performance testing, development of software documentation, pilot, helpdesk, implementation and turnover, post-implementation support, and federal review support.

<sup>9</sup> According to DCFS and P&N, they do not anticipate that P&N will work on other projects at this time, but it is possible due to the design of the contract language.

- **Adjustment to Agile methodologies:** According to OTS, the CCWIS project is the first large-scale OTS-contracted solution to use Agile methodologies. Of about 100 people working on the CCWIS project, approximately 65 are DCFS staff who previously worked exclusively in CW roles, such as career social workers. For example, some DCFS staff were trained to become “Product Owners” responsible for providing feedback to software developers and prioritizing functionalities to be added to the system based on their experience of what will be needed to perform core CW work. According to DCFS, reassigned workers are dedicated to the project full time, and it was a big adjustment for them to perform completely different roles and become accustomed to making decisions for the program as a whole.
- **COVID-19 pandemic:** In addition to the learning curve in using Agile methodologies, which rely on close collaboration between CITI, DCFS, and OTS team members, the COVID-19 pandemic, which started just a few months after development began, required adjustments such as moving daily, in-person team meetings and product demonstrations to off-site, virtual platforms. P&N also reported from March through June 2020 that unstable VPN connections limited team members’ network access, and high usage of the project’s Zoom account created connectivity and audio quality issues.
- **Changing federal requirements:** According to DCFS, when OTS issued the CCWIS RFP in 2018, federal requirements for CCWIS projects were initially goal-oriented and did not list specific requirements. However, between July 2018 and February 2022, six federal CCWIS technical bulletins and a self-assessment tool established more specific requirements not addressed by the RFP and original CITI contract. For example, a 2020 rule published for the federal Adoption and Foster Care Analysis and Reporting System requires tracking of several new data points for reporting, which had to be added to the Unify system.
- **Complexity of legacy systems:** This project covers the replacement of multiple legacy systems, many of which lack system documentation and may not have active system support. According to P&N, this increased the difficulty for project teams to understand the processes being replaced and the data sources that must be cleansed and migrated.
- **Contractor performance and staffing issues:** P&N reported in September 2019 that the Project Work Plan and initial Project Management Plan that were required to be completed within 30 days of contract execution (September 29, 2019) were not completed until January 2020 and April 2020, respectively.<sup>10</sup> P&N reported that CITI attributed the delay to the difficulty of scheduling newly required walk-through sessions for plan review, but P&N also noted that CITI plan resubmissions did not address all previous feedback from the state, causing additional delays. In addition, P&N reported in September and October 2019 that CITI staffed a number of its key project roles with brand new employees, had not filled all required positions, and used single staff to fill multiple roles. These issues were not fully resolved until

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<sup>10</sup> According to OTS, it has not issued any penalties for violation of contract timelines in order for DCFS to maintain a good partner relationship with CITI.

February 2020. P&N also noted that a shortage of IT staff in the general marketplace led to turnover and gaps in key project roles, especially during fiscal year 2021.

As a result of factors including those listed above, establishing the core functionalities that the final Unify system would be customized to perform remained an ongoing challenge until a concerted project re-planning effort concluded in September 2021. As early as February 2020, P&N reported concern that more product customization may be required than the original 80/20 configuration/customization plan. In June 2020, P&N reported that completion of the first module had been delayed by an unanticipated increase in user feedback and requested functionalities. According to DCFS, due to limited resources for developing customizations, it has worked to find the right balance between having CITI customize Unify to accommodate its existing processes and adjusting its processes to accommodate Unify. However, in September 2020, P&N reported that the project team faced challenges with meeting the defined timeline and budget due to different visions of the end product at Go-Live (i.e., statewide implementation) and disagreements on the ability of Unify to meet DCFS project objectives and business requirements using Out-of-the-Box (OOTB) functionality (i.e., built-in features and functionalities before customization). To address these issues, the September 2020 P&N report recommended that CITI and DCFS leadership collaborate to:

- create a scope control process that allows teams to define a clear, unified vision of how the final product will operate at Go-Live
- place greater emphasis on demonstrating the effectiveness and efficiency of Unify's OOTB functionalities to show DCFS staff that customization may not be needed without sacrificing trust and confidence in the resulting system
- establish a timeline and budget believed achievable by both teams

In May 2021, at the request of the DCFS executive team, Cambria Solutions<sup>11</sup> performed an independent assessment of the project, including its organizational structure, oversight functions, processes, and timeline. Based on the results of this assessment, in June 2021, project leadership began an extensive effort to reconcile the project scope, budget, and timeline. The resulting re-planning, which included adjusted processes and a new timeline, placed an emphasis on more stringent management of scope and adherence to a pre-defined development timeline for each module.

## **How much has the state paid for the CCWIS project as of May 2022?**

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Based on unaudited information provided by OTS, as of May 2022, OTS has paid CITI \$6,749,752 (51.9%) of the original contract amount of \$13 million for work already completed and has dedicated an additional \$2,820,600 (21.7%) to work in progress, meaning funds of \$2,820,647 (21.7%) from the original contract are still available for completion of original contract deliverables not yet in progress.<sup>12</sup>

<sup>11</sup> According to DCFS, this assessment was conducted through an existing DCFS contract with Cambria Solutions for Project Portfolio Management Office, as the CCWIS project would have eventually fallen within that contract's scope of work.

<sup>12</sup> This does not include the \$609,000 (4.7%) of the original contract amount that OTS will keep as retainage to be paid once the system overall is complete.

## How much will the contract amendments cost?

The proposed CITI contract amendment increases the maximum payment amounts for some original deliverables and adds a new deliverable to fund additional customization. Although 21.7% of the original CITI contract amount has not yet been expended or dedicated to work in progress, according to OTS and DCFS, the original contract amount is not sufficient to cover the additional staffing and customization not covered by the scope of the original contract that are needed to produce a fully functional Unify system. As a result, the CITI amendment provides additional funds specifically for the development of these customizations, as shown in Exhibit 5.

<b>Exhibit 5</b>					
<b>Comparison of Original and Amended CITI Contract Amounts for Deliverables Not Yet Completed as of May 2022</b>					
<b>Type of Change</b>	<b>Deliverable</b>	<b>Original Contract Maximum Payment</b>	<b>Amended Contract Maximum Payment</b>	<b>Increase from Original Amount</b>	<b>Percent Change</b>
Original Deliverables with No Change to Maximum Payment (Including Amount Provided for Task Orders)		\$9,067,000	\$9,067,000	\$0	0.0%
Original Deliverables with Increased Maximum Payment	5.1 Administration Module	\$712,500	\$1,192,308	\$479,808	67.3%
	5.3 Case Management Module	\$950,000	\$1,429,808	\$479,808	50.5%
	5.4 Eligibility and Financial Management Module	\$950,000	\$1,429,808	\$479,808	50.5%
	5.5 Provider Management Module	\$893,000	\$1,372,808	\$479,808	53.7%
	5.6 Court Processing Module	\$427,500	\$907,308	\$479,808	112.2%
New Deliverable Added by Amendment	6.0 Additional Funding for Developing Customized Functionalities	N/A	\$7,770,000	\$7,770,000	N/A
<b>Total</b>		<b>\$13,000,000</b>	<b>\$23,169,040</b>	<b>\$10,169,040</b>	<b>78.2%</b>

**Source:** Prepared by legislative auditor's staff based on original CITI contract and its proposed amendment.

## How is the state going to ensure that the CCWIS contract does not require additional amendments/extensions?

According to P&N, CCWIS project controls have been established to monitor project performance and risks (*see text box to right*). These controls are designed to provide the state with accurate project status information and to identify project concerns, risks, and issues to support the state’s decision-making processes and allow it to respond to concerns, risks, and issues in a timely manner. Additionally, OTS supports DCFS as the CITI contract monitor, and ACF performs annual and ongoing monitoring of the CCWIS project.

Project leadership has also made changes to address causes of previous delays. For example, the amendment allows for a deliverables-based payment model with payment based on “stage gates” with clearly defined criteria for completion. In addition, DCFS has worked with ACF and CW consultants to bring additional subject matter experts to assist DCFS workers in making process decisions, and DCFS has worked with OTS and CITI to bring on project support roles to assist with areas requiring unique skill or experience, such as knowledge of complex legacy systems. According to P&N, issues with turnover in key project staffing were also addressed as part of project re-planning. In its most recent compliance report from March 2022, although P&N noted some ongoing issues (e.g. lack of detailed planning for reporting, interface, and data exchange efforts), it also noted positive developments and provided metrics showing that development work in progress is on track to complete the project on target based on re-planning.

If the amendment is approved, there is a risk that CITI could request payment from the amount added by the amendment for completing functionalities that should have been completed under the contract’s original scope. However, according to P&N, it monitors and reports on whether functionalities are covered in the original contract to help prevent CITI from receiving additional payment for work that should have already been completed. For example, although Product Owners add functionalities to the Backlog containing work to be completed, P&N reviews each one to determine whether they are related to original or amended contract deliverables and reports its results to project leadership. DCFS and OTS officially determine when and if payment is made, so they are responsible for ensuring that payments from the increased amendment amount will not be paid for work covered by the original contract scope.

### Examples of CCWIS Project Controls

- P&N monitors planned vs. actual performance using key performance indicators in monthly compliance reports
- Project stage gate reviews facilitated by P&N where project leadership reviews and approves deliverables and project phase entry, in-flight, and exit criteria
- QA/QC team members aligned to functional DCFS CCWIS project teams support daily monitoring
- Change Control Board and Scope Control Board established to help manage potential contract or scope changes
- P&N monthly compliance reports reviewed with project leadership and CITI
- Weekly CCWIS project status meetings
- Monthly CCWIS executive status meetings

Office of State Procurement  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

April 5, 2022

TO: Mr. Dickie Howze  
Division of Administration/Office of Technology Services  
Chief Information Officer

FROM: Ms. Pamela Bartfay Rice, Esq., CPPO   
Assistant Director, Professional Contracts

RE: OSP Approval for JLCB  
LaGov PO/Contract # 2000428538/Amendment 1  
Creative Information Technology, Inc. (CITI)

The above referenced amendment has been reviewed by the Office of State Procurement. The document complies with the State Procurement Code and is ready for submission to the Joint Legislative Committee on the Budget. Upon approval of the proposed term extension, in accordance with La. R.S. 39:1615(J), please return the "Agency Memo to OSP After JLCB Approval," along with the stamped amendment from the JLCB.

**The amendment will not receive final approval by OSP until it has been approved by JLCB and is submitted to OSP in LaGov, Proact, or LESA, as applicable.**

If you should have any further questions/comments, please do not hesitate to contact Pam Rice at OSP.

**Amendment No. 1 to  
Agreement between State of Louisiana  
Division of Administration, Office of Technology Services (OTS)  
AND  
Vendor Name: Creative Information Technology, Inc. (CITI)  
Address: 7799 Leesburg Pike, Suite 500 N  
Falls Church, VA 22043**

THIS Amendment No. 1, with an effective date of March 1, 2022 ("Amendment Effective Date") is entered into by the State of Louisiana Division of Administration, Office of Technology Services ("State") and Creative Information Technology, Inc. ("Contractor") and amends the Contract between the parties dated June 30, 2019, for the Development of Comprehensive Child Welfare Information System (CCWIS), Contract file number: 2000428538 (the "Contract").

Capitalized terms used in this Amendment, unless otherwise specified, shall have the same meaning as contained in the Contract.

This amendment shall not be effective until approved by the Office of State Procurement and all federal partners.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree that the Contract is amended, as follows.

**Background**

Design, Development and Implementation of a Comprehensive Child Welfare Information System (CCWIS) to replace the outdated and disparate legacy systems has been ongoing since the contract start date of June 30, 2019.

Over the course of the CCWIS project, the Louisiana project team has worked to align the needs of Louisiana Department of Child and Family Services (DCFS) to the baseline Unify system functionality using the original budget and timeline available for configuration and development. Efforts have been made by the project team to control scope, timeline, and budget to produce an enhanced Unify system that is aligned with Louisiana's business practices and is ready for conducting Child Welfare business. This work culminated in a third-party project assessment to identify areas of improvement and recommendations for changes.

As a result of the assessment and subsequent re-planning effort, the CCWIS project lifecycle phases need to be adjusted to align with a revised project approach and adjusted timeline. The original scope of work will encompass the configuration of the baseline Unify system without all of the Louisiana-specific customizations to functionality. As customizations are needed in order to perform all business functions within the Unify system, this amendment provides additional budget and terms specifically for the development of these customizations.

**Explanation of Amendment**

The implementation of the revised project approach adds following:

- A baseline module configuration stage to align Unify to all CCWIS essential State and Federal requirements

- A timeline extension for the identification and development of needed customizations to baselined system within Unify
- Additional resources to drive the business process understanding/redesign and product backlog elaboration and development.
- Additional resources to support the expected number of developed features through testing, demonstration, and training.
- Development of Service Level Agreements which align to these updated stage gates.
- Defined criteria for successful user story and sprint completion.
- Contingency plans if schedule adjusts.
- Maintenance and operations for the production system

**CHANGE NUMBER ONE**

**Change to Section 1.3 DEFINITIONS**

*Add the following Terms and Definitions to the table:*

<b>Term</b>	<b>Definition</b>
<b>Contract Requirements Validation Phase</b>	The Product Owner Team, CITI Leadership and CITI Subject Matter Experts develop and come to agreement on a list of requirements for Unify base functionality that aligns with the contract (to include scope for reports, interfaces and data migration). <b>Outcome/Output:</b> List of requirements for System Configuration Phase
<b>System Configuration Phase</b>	The CITI Product Team and CITI Subject Matter Experts configure Unify base functionality using the list of requirements from the Contract Requirements Validation Phase. <b>Outcome/Output:</b> Base Unify Solution; Validated Contract Requirements; Test Scripts; Training Wireframes
<b>Feature Stabilization Phase</b>	The CITI Product Team, CITI Business Analysts, CITI Subject Matter Experts and the Product Owner Team customize Unify’s base functionality using the JIRA Prioritized Backlog. <b>Outcome/Output:</b> Customized Unify Solution ready for business use.
<b>Prioritized Backlog</b>	Gaps identified throughout processes turn into stories for the Prioritized Backlog during the Business Gap Analysis Phase.
<b>Business Gap Analysis Phase</b>	Process where the CITI Product Team, CITI Business Analysts, CITI Subject Matter Experts and the Product Owner Team identify gaps between the configured Unify functionality and the functionality needed to align Unify with the State’s improved way of doing Child Welfare business. <b>Outcome/Output:</b> Backlog of user stories which reflect the scope of work for the Feature Stabilization phase
<b>Production Readiness</b>	All development teams and data teams prepare for go-live by stabilizing the system, testing system capacity and completing steps in the go-live readiness checklist. <b>Outcome/Output:</b> Unify Solution ready for go-live; Validated Go-Live readiness checklist
<b>Feature Stabilization Story Point</b>	A story point developed within the Feature Stabilization phase.

<b>Term</b>	<b>Definition</b>
<b>Go-Live/Onsite Support</b>	All development & data teams, OCM/Training Team and Change Champions facilitate Unify goes live. Helpdesk and super users are in place to support end users. <b>Outcome/Output:</b> Unify Solution in production
<b>State Testing for Configuration Requirements Phase</b>	State Business Analysts confirm Configured Unify system features to align to contract requirements or user story acceptance criteria. Prioritized bugs are fixed using validated RTM and test scripts. <b>Outcome/Output:</b> Unify features that meet contract requirements and acceptance criteria
<b>State Validation of Customization Requirements</b>	State Business Analysts confirm customized Unify features align to customization requirements or user story acceptance criteria. Prioritized bugs are fixed using customization scope to validate. <b>Outcome/Output:</b> Unify features that meet contract requirements and acceptance criteria
<b>User Acceptance Testing (UAT)</b>	The OCM/Training Team and Change Champions confirm test scripts can be completed within Unify for all modules and perform end-to-end testing of Unify. Prioritized bugs are fixed. <b>Outcome/Output:</b> Unify Solution ready for business use
<b>OCM/Training Development</b>	The OCM/Training Team develops user guides and training materials for all modules. <b>Outcome/Output:</b> Unify Solution training and reference materials
<b>Train the Trainer</b>	OCM Training Team and Change Champions deliver training to the Change Champions and finalize user guides and training materials. <b>Outcome/Output:</b> Change Champions understand Unify Solution functionality and how to teach Unify
<b>End User Training</b>	Change Champions deliver training to Child Welfare workers. <b>Outcome/Output:</b> Child welfare workers understand Unify Solution functionality and how to use Unify for business
<b>Data Integration/Interfaces/Report Development</b>	Data Teams and CITI Product Team migrate legacy system data to Unify, complete development of interfaces with Unify and complete development reports within Unify. <b>Outcome/Output:</b> Legacy data, interfaces and reports available in Unify Solution

**CHANGE NUMBER TWO**

***Appends the following language to Section 2.0 Description of Services/Tasks of the Statement of Work:***

During the Feature Stabilization phase, Contractor will provide resources to perform the following additional duties needed during this phase:

- Application development planning, architecture, and design
- Quality Assurance (QA) for data and application
- A-B testing

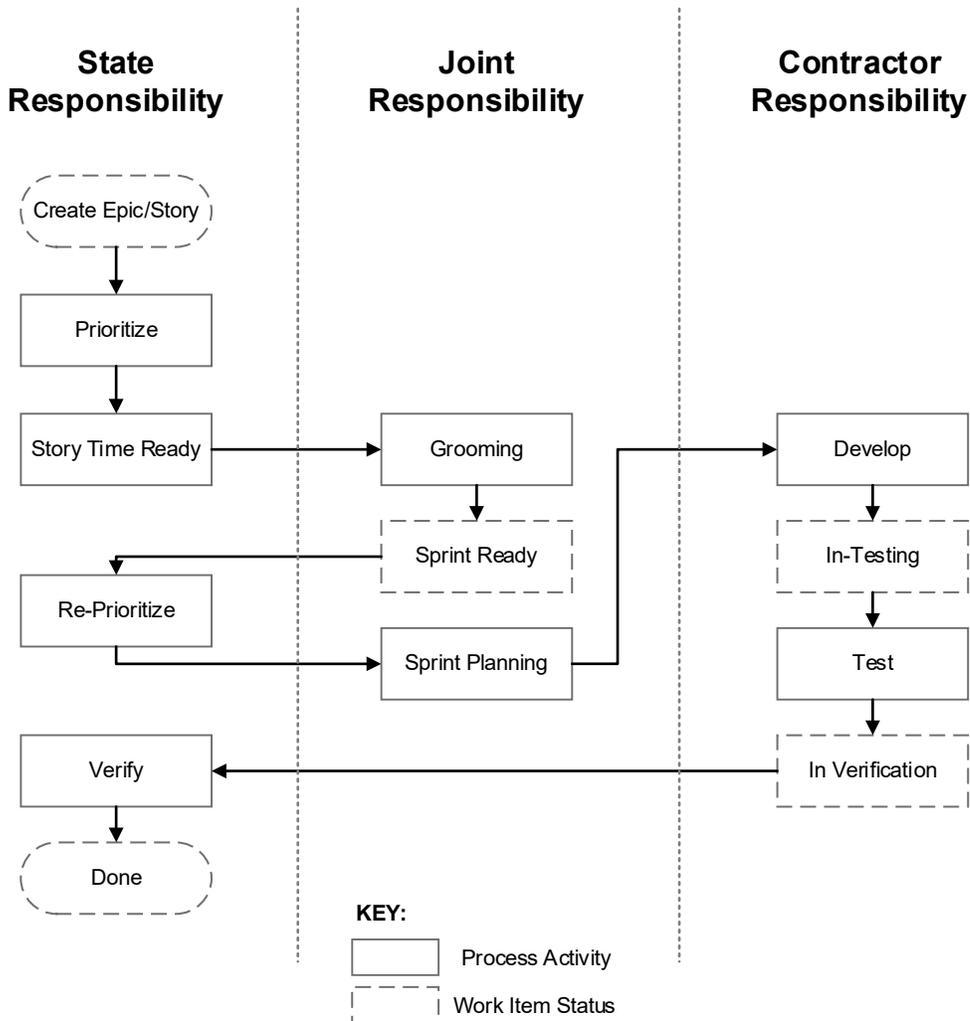
- User Interface (UI) design and implementation
- Administration module configuration
- Custom data field mapping and management
- Training and Organizational Change Management updates and customization
- Data and Extract/Transform/Load (ETL)

### CHANGE NUMBER THREE

**Adds section 5.1.1 to the Statement of Work:**

#### 5.1.1 ACCEPTANCE OF FEATURE STABILIZATION STORY POINTS

The following process will be used to determine when a story point developed during the Feature Stabilization phase is considered complete and ready for payment:



<b>Process Step Owner</b>	<b>Workflow Step</b>	<b>Description</b>
<b>DCFS Product Manager</b>	Create Epic/Story	Requirements are defined in the form of stories and epics to create a backlog of desired features for the product.
<b>DCFS Product Manager</b>	Prioritize	The backlog is prioritized based on value, level of effort, and dependencies to other items to determine the order items will be worked.
<b>DCFS Product Manager</b>	Story Time Ready	Backlog item is sufficiently defined and can now be groomed and prepared for development.
<b>DCFS Product Manager CITI Project Manager</b>	Grooming	Backlog items are further defined, acceptance criteria is finalized, and story points are estimated. Stories may also be split into smaller increments as appropriate.
<b>DCFS Product Manager CITI Project Manager</b>	Sprint Ready	Backlog items that have completed the grooming activity are marked as Sprint Ready and based on priority, can be taken up in sprints.
<b>DCFS Product Manager</b>	Re-Prioritize	The prioritization of the backlog is re-evaluated to determine if relevant changes have occurred to a story's value, level of effort, or dependencies.
<b>DCFS Product Manager CITI Project Manager</b>	Sprint Planning	Sprint Goals are established for the sprint and stories are selected based on support of the sprint goal, priority, and team capacity.
<b>CITI Project Manager</b>	Develop	Development on stories selected for the sprint.
<b>CITI Project Manager</b>	In Testing	Development and unit testing is complete and the story is ready for testing.
<b>CITI Project Manager</b>	Test	Testing is performed on the story.
<b>CITI Project Manager</b>	In Verification	Once testing is completed the story is ready for verification by State BAs.
<b>DCFS Dev Scrum Master</b>	Verify	State BAs perform verification on the story to confirm all acceptance criteria have been met.
<b>DCFS Dev Scrum Master</b>	Done	Work on the story is complete.

**CHANGE NUMBER FOUR**

**Adds section 5.1 to the Statement of Work**

**5.1.2 FEATURE STABILIZATION USER STORY AND TASK ORDER REPORTING**

The State may provide to the Office of State Procurement, on an as-needed basis, a report which identifies approved, current, and/or projected Feature Stabilization User Stories and Task Orders and other related activities.

**CHANGE NUMBER FOUR**

*Replaces Section 5.1 PAYMENT SCHEDULE with the following table:*

**5.1.1 Payment Schedule**

<b>ID</b>	<b>Deliverable</b>	<b>Deliverable Amount</b>	<b>Invoice Amount</b>	<b>Retainage</b>
1	Project Work Plan	\$200,000.00	\$200,000.00	\$20,000.00
2	Project Management Plan	\$200,000.00	\$200,000.00	\$20,000.00
3	Organizational Change Management, Training Plan and Delivery			
3.1	Administration Module Training Plan	\$10,000.00		
3.1.1	End of System Configuration		\$5,000.00	\$500.00
3.1.2	End of Stage Gate #3 Feature Stabilization		\$5,000.00	\$500.00
3.2	Intake/Referral and Investigations Module Training Plan	\$10,000.00		
3.2.1	End of System Configuration		\$5,000.00	\$500.00
3.2.2	End of Stage Gate #3 Feature Stabilization		\$5,000.00	\$500.00
3.3	Case Management Module Training Plan	\$10,000.00		
3.3.1	End of System Configuration		\$5,000.00	\$500.00
3.3.2	End of Stage Gate #3 Feature Stabilization		\$5,000.00	\$500.00
3.4	Eligibility and Financial Management Module Training Plan	\$10,000.00		
3.4.1	End of System Configuration		\$5,000.00	\$500.00
3.4.2	End of Stage Gate #3 Feature Stabilization		\$5,000.00	\$500.00
3.5	Provider Management Module Training Plan	\$10,000.00		
3.5.1	End of System Configuration		\$5,000.00	\$500.00
3.5.2	End of Stage Gate #3 Feature Stabilization		\$5,000.00	\$500.00
3.6	Court Processing Module Training Plan	\$10,000.00		
3.6.1	End of System Configuration		\$5,000.00	\$500.00
3.6.2	End of Stage Gate #3 Feature Stabilization		\$5,000.00	\$500.00
3.7	Integrated Solution Training Plan	\$15,000.00		
3.7.1	End of System Configuration		\$7,500.00	\$750.00

<b>3.7.2</b>	End of Stage Gate #3 Feature Stabilization		\$7,500.00	\$750.00
<b>3.8</b>	Delivery and Acceptance of Organizational Change Management and Training	\$225,000.00		
<b>3.8.1</b>	End of System Configuration		\$112,500.00	\$11,250.00
<b>3.8.2</b>	End of Stage Gate #3 Feature Stabilization		\$112,500.00	\$11,250.00
<b>4</b>	Production Ready Software via live demonstration	\$400,000.00		
<b>4.1</b>	Installation and demonstration of Foundational Software		\$40,000.00	\$4,000.00
<b>4.2</b>	Production ready software via live demonstration delivered through 18 2-week sprints (\$20,000 per demonstration of production ready software).			
<b>4.2.1</b>	Iteration 1		\$20,000.00	\$2,000.00
<b>4.2.2</b>	Iteration 2		\$20,000.00	\$2,000.00
<b>4.2.3</b>	Iteration 3		\$20,000.00	\$2,000.00
<b>4.2.4</b>	Iteration 4		\$20,000.00	\$2,000.00
<b>4.2.5</b>	Iteration 5		\$20,000.00	\$2,000.00
<b>4.2.6</b>	Iteration 6		\$20,000.00	\$2,000.00
<b>4.2.7</b>	Iteration 7		\$20,000.00	\$2,000.00
<b>4.2.8</b>	Iteration 8		\$20,000.00	\$2,000.00
<b>4.2.9</b>	Iteration 9		\$20,000.00	\$2,000.00
<b>4.2.10</b>	Iteration 10		\$20,000.00	\$2,000.00
<b>4.2.11</b>	Iteration 11		\$20,000.00	\$2,000.00
<b>4.2.12</b>	Iteration 12		\$20,000.00	\$2,000.00
<b>4.2.13</b>	Iteration 13		\$20,000.00	\$2,000.00
<b>4.2.14</b>	Iteration 14		\$20,000.00	\$2,000.00
<b>4.2.15</b>	Iteration 15		\$20,000.00	\$2,000.00
<b>4.2.16</b>	Iteration 16		\$20,000.00	\$2,000.00
<b>4.2.17</b>	Iteration 17		\$20,000.00	\$2,000.00
<b>4.2.18</b>	Iteration 18		\$20,000.00	\$2,000.00
<b>5</b>	Six (6) Production Ready Comprehensive Child Welfare Information System Modules			
<b>5.1</b>	Administration Module – Production ready	\$1,192,308.00		
<b>5.1.1</b>	Administration Module – Stage Gate #1 Contract Requirements Validation Complete		\$142,500.00	\$14,250.00
<b>5.1.2</b>	Administration Module – Stage Gate #2 System Configuration Complete		\$427,500.00	\$42,750.00

<b>5.1.3</b>	Administration Module – Stage Gate #3 Feature Stabilization Complete		\$622,308.00	\$62,230.80
<b>5.2</b>	Intake/Referral and Investigation Module – Production Ready	\$807,500.00	\$807,500.00	\$80,750.00
<b>5.3</b>	Case Management Module – Production Ready	\$1,429,808.00		
<b>5.3.1</b>	Case Management Module – Stage Gate #1 Contract Requirements Validation Complete		\$190,000.00	\$19,000.00
<b>5.3.2</b>	Case Management Module – Stage Gate #2 System Configuration Complete		\$570,000.00	\$57,000.00
<b>5.3.3</b>	Case Management Module – Stage Gate #3 Feature Stabilization Complete		\$669,808.00	\$66,980.80
<b>5.4</b>	Eligibility and Financial Management Module – Production Ready	\$1,429,808.00		
<b>5.4.1</b>	Eligibility and Financial Management Module – Stage Gate #1 Contract Requirements Validation Complete		\$190,000.00	\$19,000.00
<b>5.4.2</b>	Eligibility and Financial Management Module – Stage Gate #2 System Configuration Complete		\$570,000.00	\$57,000.00
<b>5.4.3</b>	Eligibility and Financial Management Module – Stage Gate #3 Feature Stabilization Complete		\$669,808.00	\$66,980.80
<b>5.5</b>	Provider Management Module - Production Ready	\$1,372,808.00		
<b>5.5.1</b>	Provider Management Module – Stage Gate #1 Contract Requirements Validation Complete		\$178,600.00	\$17,860.00
<b>5.5.2</b>	Provider Management Module – Stage Gate #2 System Configuration Complete		\$535,800.00	\$53,580.00
<b>5.5.3</b>	Provider Management Module – Stage Gate #3 Feature Stabilization Complete		\$658,408.00	\$65,840.80
<b>5.6</b>	Court Processing Module – Production Ready	\$907,308.00		
<b>5.6.1</b>	Court Processing Module – Stage Gate #1 Contract Requirements Validation Complete		\$85,500.00	\$8,550.00
<b>5.6.2</b>	Court Processing Module – Stage Gate #2 System Configuration Complete		\$256,500.00	\$25,650.00
<b>5.6.3</b>	Court Processing Module – Stage Gate #3 Feature Stabilization Complete		\$565,308.00	\$56,530.80

<b>5.7</b>	Written Acceptance of Production System	\$249,500.00	\$249,500.00	\$24,950.00
<b>6</b>	Feature Stabilization Story Points	\$7,770,000.00	\$7,770,000.00	\$777,000.00
	<b>Total</b>	<b>\$16,259,040.00</b>	<b>\$16,259,040.00</b>	<b>\$1,625,904.00</b>

**Feature Stabilization Story Points**

Deliverable ID #6 – Feature Stabilization Story Points sets the maximum amount that may be paid for Feature Stabilization Story Points, as \$3,885.00 per point, for a total of 2,000 points. At the beginning of each sprint during the Feature Stabilization phase, a Sprint Governance document will be developed of which both State and Contractor must approve. The Sprint Governance document will contain, at minimum, the following information:

- Feature Stabilization Sprint ID
- Sprint start and end dates
- Planned number and summary description of story points
- Remaining total Feature Stabilization story points
- Maximum amount payable for all successful story points in the identified Sprint

Contractor may invoice the State monthly for any Feature Stabilization Story Points which have been approved according to the Statement of Work, Section 5.1.1 Acceptance of Feature Stabilization Story Points. Invoices for this phase must include the following:

- Feature Stabilization Sprint ID
- Jira ID for each successful story point
- Reference to the approved associated Sprint Governance document

**CHANGE NUMBER FIVE**

***Add Section 7.2.2 Phase Management to the Statement of Work:***

Contractor shall not overlap the System Configuration and Feature Stabilization phases. In the event the System Configuration phase extends into the Feature Stabilization phase, Contractor shall pay the State a penalty of \$25,000 per day until System Configuration phase is completed.

**CHANGE NUMBER SIX**

**Change to section 2.1. TERM OF CONTRACT:**

**Original Language:**

This contract shall begin on June 30, 2019 and shall end on June 29, 2022. With all proper approvals and concurrence with the Contractor, agency may also exercise an option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial Contract term. Prior to the extension of the Contract beyond the initial thirty-six (36) month term, prior approval by the Joint Legislative Committee on the Budget (JLCB) or other approval authorized by law shall be obtained. Such written evidence of JLCB approval shall be submitted, along with the Contract amendment to the Office of State Procurement (OSP) to extend Contract terms.

Original language amended as follows:

This contract shall begin on June 30, 2019 and shall end on June 29, 2024, as the State exercised an option for two (2) additional year extensions. The total contract term, with extensions, shall not exceed five (5) years.

**CHANGE NUMBER SEVEN**

**Change to Section 5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT:**

***Original Language:***

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fee of \$13,000,000.00 for the three (3) year term.

***Original language amended as follows:***

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fee of \$23,169,040.00 for the five (5) year term.

This Amendment contains or has attached hereto all revised terms and conditions agreed upon by the parties. All other terms and conditions in the original Contract described above will remain the same.

IN WITNESS THEREOF, this Amendment is signed and entered into on the date indicated below.

**CREATIVE INFORMATION TECHNOLOGY INC.**

\_\_\_\_\_  
Alankar Joshi  
Executive Vice President

\_\_\_\_\_  
Date

**STATE OF LOUISIANA, DIVISION OF ADMINISTRATION**

\_\_\_\_\_  
Jay Dardenne  
Commissioner

\_\_\_\_\_  
Date

**STATE OF LOUISIANA, DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

\_\_\_\_\_  
Eric Horent  
Undersecretary

\_\_\_\_\_  
Date



# State of Louisiana

**JOHN BEL EDWARDS**  
GOVERNOR

LOUISIANA NATIONAL GUARD  
OFFICE OF THE ADJUTANT GENERAL  
6400 St. Claude Avenue  
Jackson Barracks  
New Orleans, LA 70117

**D. KEITH WADDELL**  
MAJOR GENERAL  
THE ADJUTANT GENERAL

May 17, 2022

**SUBJECT: Amendment #1 to Contract, Automated Management Support and Maintenance (AMSM) Services, Point of Distribution Inventory System, Statewide, Louisiana (LA20-A-019), RFP#: 112PSCLA20-A-019 (PO#2000496055)**

Ms. Sherry Phillips-Hymel  
Director, Senate Fiscal Services  
Joint Legislative Committee on the Budget  
P.O. Box 44294  
Baton Rouge, Louisiana 70804

Dear Ms. Phillips-Hymel:

Please consider this justification to exercise existing language to extend the current contract an additional two (2) years under the same rates, terms and conditions. The Louisiana Military Department (LMD) is requesting to amend the RFP# 112PSCLA20-A-019 Automated Management Support and Maintenance (AMSM) Services, Point of Distribution Inventory System (PODIS) Statewide, Louisiana from the current three (3) year consulting services contract with Tri-Core Technologies, L.L.C. ending on May 31, 2023, by extending an additional two (2) years making the new end date May 31, 2025.

The original contract was approved by the Office of State Procurement (OSP) on June 18, 2020. The contract provides necessary and essential support during Emergency Response with natural disasters that affect Louisiana. OSP approved the JLCB pre-approval for Amendment # 1. OSP JLCB pre-approval memo is attached along with the signed Amendment # 1.

This extension is in the best interest of LMD because it retains the current rates, terms & conditions, and continues services from the same Vendor.

If you have any questions concerning the above, please call the undersigned at 318-641-5359.

Sincerely,

Owen W. Monconduit  
Brigadier General (Ret)  
Louisiana Military Department  
Deputy Director, Contracting and Purchasing

Enclosures

cf:  
COL (Ret) Pat Griffin  
CPT Corey McCrary

Office of State Procurement  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

May 3, 2022

TO: BG (Ret) Owen Monconduit  
Deputy Director, Contracting and Purchasing  
Louisiana Military Department

FROM: Ms. Pamela Bartfay Rice, Esq.  
Assistant Director, Professional Contracts 

RE: OSP Approval for JLCB  
LaGov PO/Contract # 2000496055/Amendment 1  
Tri-Core Technologies, L.L.C.

The above referenced amendment has been reviewed by the Office of State Procurement. The document complies with the State Procurement Code and is ready for submission to the Joint Legislative Committee on the Budget. Upon approval of the proposed term extension, in accordance with La. R.S. 39:1615(J), please return the "Agency Memo to OSP After JLCB Approval," along with the stamped amendment from the JLCB.

**The amendment will not receive final approval by OSP until it has been approved by JLCB and is submitted to OSP in LaGov, Proact, or LESA, as applicable.**

If you should have any further questions/comments, please do not hesitate to contact Stephanie Horvath at OSP.

**AMENDMENT # 1 TO LA20-A-019 BETWEEN  
LOUISIANA MILITARY DEPARTMENT**

**AND**

**TRI-CORE TECHNOLOGIES, L.L.C.  
10203 WINTERHUE DRIVE  
BATON ROUGE, LOUISIANA 70810**

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**Amendment Provisions:** This Amendment is made and entered into between the Louisiana Military Department, represented by Brigadier General (Ret) Owen W. Monconduit, hereafter referred to as LMD, and Tri-Core Technologies, L.L.C., represented by Mr. Anthony Pounders, herein referred to as Contractor.

In consideration of the mutual promises contained herein, the parties hereby agree to the following Amendment and, intended to be mutually bound, the parties hereby agree as indicated below:

**Change Contract From:**

**TERM OF CONTRACT**

This Contract shall begin on June 1, 2020 and shall end on May 31, 2023. With all proper approvals and concurrence of the Contractor, the State may also exercise an option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial Contract term. Prior to the extension of the Contract beyond the initial thirty-six (36) month term, prior approval by the Joint Legislative Committee on the Budget (JLCB) or other approval authorized by law shall be obtained. Such written evidence of JLCB approval shall be submitted, along with the Contract amendment to the Office of State Procurement (OSP) to extend contract terms beyond the initial three (3) year term. The total contract term, with extensions, shall not exceed five (5) years. The continuation of this Contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the Contract.

**Change Contract To:**

**TERM OF CONTRACT**

This Contract shall begin on June 1, 2020 and shall end on May 31, 2025. The total contract term, with extensions, shall not exceed five (5) years. The continuation of this Contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the Contract.

## AMENDMENT # 1 to Contract LA20-A-019 Continued

### Change Contract From:

#### COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT

In consideration of the services required by this Contract, the State hereby agrees to pay to Contractor a maximum fee of **Ninety Eight Thousand One Hundred Dollars (\$98,100.00)** per 12 month period for a contract total of **Two Hundred Ninety-Four Thousand Three Hundred Dollars (\$294,300.00)**, with the ability to increase based on request of a declared emergency, over multiple years. Payments are predicated upon successful completion of the services described in Description of Services and acceptance of Deliverables described in Acceptance of Deliverables; receipt of an invoice; and written approval of the Project Officer, Captain Matthew McKey, ESF-7 Manager.

The State shall make every reasonable effort to make payments within thirty (30) business days of receiving an invoice. Contractor shall comply with the Division of Administration State General Travel The State shall make every reasonable effort to make payments within thirty (30) business days of receiving an invoice. Contractor shall comply with the Division of Administration State General Travel Regulations, as set forth in the Division of Administration Policy and Procedure Memorandum No. 49 or latest version.

### Change Contract To:

#### COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT

In consideration of the services required by this Contract, the State hereby agrees to pay to Contractor a maximum fee of **Ninety Eight Thousand One Hundred Dollars (\$98,100.00)** per twelve (12) month period for a contract total of **Four Hundred Ninety Thousand Five Hundred Dollars (\$490,500.00)**, with the ability to increase based on request of a declared emergency, over multiple years. Payments are predicated upon successful completion of the services described in Description of Services and acceptance of Deliverables described in Acceptance of Deliverables; receipt of an invoice; and written approval of the Project Officer, Captain Corey McCrary, Emergency Support Function (ESF)-7 Manager.

The State shall make every reasonable effort to make payments within thirty (30) business days of receiving an invoice. Contractor shall comply with the Division of Administration State General Travel Regulations, as set forth in the Division of Administration Policy and Procedure Memorandum No. 49 or latest version.

AMENDMENT # 1 to Contract LA20-A-019 Continued

**Justification for Amendment:** 1) LMD is exercising the contract provision to extend the contract an additional twenty-four (24) months. 2) The twenty-four (24) month extension is at the same rate, terms and conditions of the original contract. 3) Extending twenty-four (24) months is essential and critical because the contracted services are a part of Emergency Response. 4) Updated Project Officer.

This Amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties. All other terms and conditions contained in the basic Agreement remain the same and remain unchanged.

IN WITNESS THEREOF, this Amendment is signed and entered into on the date indicated below:

**TRI-CORE TECHNOLOGIES, LLC**

  
\_\_\_\_\_  
(Signature) 17 MAY 22  
(Date)

By:   
Name: Anthony Tounder Jr  
Title: CSO

**LOUISIANA MILITARY DEPARTMENT**

BJS Ret Owen Monconduit May 17, 2022  
\_\_\_\_\_  
(Signature) (Date)

Agency's Name: Owen W. Monconduit  
Brigadier General (Ret), Louisiana Military Department  
Agency's Title: Deputy Director, Contracting & Purchasing



## Office of State Procurement Contract Certification of Approval

**This certificate serves as a confirmation that the Office of State Procurement has reviewed and approved the contract referenced below.**

**Reference Number:** 2000496055

**Vendor:** TRI-CORE TECHNOLOGIES LLC

**Description:** LA20-A-019 AMSM, PODIS (Statewide)

**Approved By:** AUSTIN BACHMAN

**Approval Date:** 06/18/2020 11:17:35

The above referenced number has been assigned by this office and will be used as identification for the approved contract. Please use this number when referring to the contract in any future correspondence or amendment(s).

The Internal Revenue Service (IRS) may find that this contract creates an employment relationship between your agency and the contractor. You should be advised that your agency is responsible for all taxes and penalties if such a finding is forthcoming. It is incumbent upon your agency to determine if an employee/employer relationship exists. Your agency must make the appropriate withholdings in accordance with law and IRS regulations, if applicable.



# State of Louisiana

JOHN BEL EDWARDS  
GOVERNOR

LOUISIANA NATIONAL GUARD  
OFFICE OF THE ADJUTANT GENERAL  
6400 St. Claude Avenue  
Jackson Barracks  
New Orleans, LA 70117

D. KEITH WADDELL  
BRIGADIER GENERAL  
THE ADJUTANT GENERAL

June 18, 2020

**SUBJECT: Notice to Proceed, Automated Management Support and Maintenance Services (AMSM), Point of Distribution Inventory System (PODIS), Statewide, Louisiana, RFP #: 112PSCLA20-A-019 (PO#2000496055)**

Tri-Core Technologies, L.L.C.  
Attn: Mr. Anthony Pounders, Chief Executive Officer  
10203 Winterhue Drive  
Baton Rouge, Louisiana 70810

Dear Mr. Pounders:

In accordance with the terms of the above subject contract, please find three (3) fully executed approved originals for your records. Your contract completion date is May 31, 2023.

Work shall be in accordance with the terms of Contract # (LA20-A-019) enclosed.

If you have any questions, please call the undersigned at (318) 641-5396.

Sincerely,

*B2B Ret Owen Monconduit*

Enclosure

Owen W. Monconduit  
Brigadier General (Ret)  
Louisiana Military Department  
Deputy Director, Contracting and Purchasing

Cf:  
COL (Ret) Pat Griffin  
CPT Matthew McKey

# CONTRACT BETWEEN STATE OF LOUISIANA

**NAME OF DEPARTMENT/AGENCY**  
LOUISIANA MILITARY DEPARTMENT

AND

**CONTRACTOR NAME**  
Tri-Core Technologies, L.L.C.

**CONTRACT NUMBER (ISIS/LAGOV)**  
\_\_\_\_\_

## TYPE OF SERVICES TO BE PROVIDED

PROFESSIONAL SERVICES  CONSULTING SERVICES  SOCIAL SERVICES  PERSONAL SERVICES

**CONTRACTOR (Legal Name if Corporation)**

Tri-Core Technologies, L.L.C.

**FEDERAL EMPLOYER TAX ID NUMBER**

56-2371276

**STATE LDR ACCOUNT #**

3477445-001

**STREET ADDRESS**

10203 Winterhue Drive

**TELEPHONE NUMBER**

(225) 936-2708

**CITY** Baton Rouge      **STATE** Louisiana      **ZIP CODE** 70810

## TERM OF CONTRACT

This Contract shall begin on June 1, 2020 and shall end on May 31, 2023. With all proper approvals and concurrence of the Contractor, the State may also exercise an option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial Contract term. Prior to the extension of the Contract beyond the initial thirty-six (36) month term, prior approval by the Joint Legislative Committee on the Budget (JLCB) or other approval authorized by law shall be obtained. Such written evidence of JLCB approval shall be submitted, along with the Contract amendment to the Office of State Procurement (OSP) to extend contract terms beyond the initial three (3) year term. The total contract term, with extensions, shall not exceed five (5) years. The continuation of this Contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the Contract.

## COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT

In consideration of the services required by this Contract, the State hereby agrees to pay to Contractor a maximum fee of **Ninety-Eight Thousand One Hundred Dollars (\$98,100.00) per 12 month period** for a contract total of **Two Hundred Ninety-Four Thousand Three Hundred Dollars (\$294,300.00)**, with the ability to increase based on request of a declared emergency, over multiple years. Payments are predicated upon successful completion of the services described in *Description of Services* and acceptance of Deliverables described in *Acceptance of Deliverables*; receipt of an invoice; and written approval of the Project Officer, Captain Matthew McKey, ESF-7 Manager.

The State shall make every reasonable effort to make payments within thirty (30) business days of receiving an invoice. Contractor shall comply with the Division of Administration State General Travel

The State shall make every reasonable effort to make payments within thirty (30) business days of receiving an invoice. Contractor shall comply with the Division of Administration State General Travel Regulations, as set forth in the Division of Administration Policy and Procedure Memorandum No. 49 or latest version.

#### **PROHIBITION AGAINST ADVANCE PAYMENTS**

No compensation or payment of any nature shall be made in advance of services actually performed, unless allowed by law.

#### **GOALS AND OBJECTIVES**

Contractor will provide programming and software support services to meet the timelines and provide quality services as required by Work Orders.

#### **DESCRIPTION OF SERVICES**

Contractor agrees to furnish services to State as specified in this Section and in any attachments. The Contractor will provide software support, design, documentation, maintenance, and error correction for the Point of Distribution Inventory System (PODIS).

A full description of the Scope of Work/Services is contained in the following documents, which are made a part of this Contract:

- Statement of Work
- Contractor Personnel and Other Resources
- State Furnished Resources

#### **DELIVERABLES**

The Contract will be considered complete when Contractor has delivered and State has accepted all deliverables specified in the Statement of Work.

#### **ACCEPTANCE OF DELIVERABLES**

Deliverables shall be submitted, reviewed, and accepted according to the following procedure:

- A. *General.* The State shall accept work performed in accordance with the Statement of Work and/or as subsequently modified in State-approved documents.
- B. *Submittal and Review.* Contractor shall provide written notification to the Project Officer that a Deliverable is completed, and available for review and acceptance.

Upon Contractor's written notification, the Project Officer shall review the Deliverable within 10 business days. Within this period, the Project Officer shall direct the appropriate review process; coordinate any review outside the Project team; and present results to any appropriate committee(s) for acceptance. The review process shall be comprehensive—identifying all items that must be modified or added.

- C. *Acceptance or Rejection.* A Deliverable shall be considered accepted unless, within the ten (10) business days, the Project Officer notifies the Contractor in writing that the Deliverable is rejected and specifies the items that, if modified or added, will cause the Deliverable to be accepted. A failure to submit all or any essential part of a Deliverable shall be cause for rejection of the Deliverable.

- D. **Resubmitting Deliverables.** Contractor shall provide written notification to the Project Officer when the Contractor resubmits a Deliverable for acceptance. The Project Officer shall review the resubmitted Deliverable within five (5) business days. A resubmitted Deliverable shall be considered accepted unless, within this period, the Project Officer notifies the Contractor in writing that the resubmitted Deliverable is rejected and specifies the items that, if modified or added, will cause the resubmitted Deliverable to be accepted. The parties shall repeat this process until the resubmitted Deliverable is accepted, or the State determines that the Contractor has breached the Contract and places the Contractor in default.

**TERMS OF PAYMENT**

The Contractor may submit invoices, not more frequently than monthly. If progress and/or completion of services are provided to the satisfaction of the initiating Office/Facility, payments are to be made as follows:

The maximum amount of the contract is **Ninety-Eight Thousand One Hundred Dollars (\$98,100.00)** per **12 month period** for a contract total of **Two Hundred Ninety-Four Thousand Three Hundred Dollars (\$294,300.00)**, with the ability to increase based on request of a declared emergency. Payments are predicated upon successful completion and written approval by the State of the described tasks and deliverables as provided in Sections 2.3 Deliverable and 2.4.2 Technical requirements (as applicable). Payments will be made to the Contractor after the State approves in writing the work performed and the submitted invoice. Payment will be made only after the Project Officer, Captain Matthew McKey or designee approves the invoice for payment. The State will make every reasonable effort to make payments within thirty (30) calendar days of an approved invoice that falls under a valid contract.

During the execution of tasks contained in the Statement of Work, the Contractor may submit invoices, not more frequently than monthly. The payment terms shall be as follows:

<b>Job Title</b>	<b>Rate per hour</b>
System Design Consultant	\$140.00
Senior Programmer/Analyst	\$125.00
Programmer/Analyst	\$120.00

Payments to the Contractor for services rendered for this Project shall be based on a certified and itemized invoice showing line item costs incurred. Any labor charges for approved services shall include the names of the employees, their classification, and the time worked. These shall be reimbursed at the approved billable rate for that classification. These rates shall be used for the duration of the Contract. Travel due to an alternate work site being required by the State, shall be reimbursed according to the State Travel Regulations. State will allow adjustments for travel and other detailed costs between Tasks, up to the maximum established from the Contractor’s proposed costs.

Payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the contract.

**PAYMENT WILL BE MADE ONLY UPON APPROVAL OF**  
Project Officer or Emergency Support Function 7 Director

## **VETERAN/HUDSON SMALL ENTREPRENEURSHIP PROGRAM PARTICIPATION**

During the term of the Contract and at expiration, the Contractor will be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship Subcontractor participation and the dollar amount of each.

### **SUBSTITUTION OF KEY PERSONNEL**

The Contractor's personnel assigned to this Contract shall not be replaced without the written consent of the State. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. In the event that any State or Contractor personnel become unavailable due to resignation, illness, or other factors, excluding assignment to project outside this contract, outside of the State's or Contractor's reasonable control, as the case may be, the State or the Contractor, shall be responsible for providing an equally qualified replacement in time to avoid delays in completing tasks. The Contractor will make every reasonable attempt to assign the personnel listed in his proposal.

### **STATE FURNISHED RESOURCES**

State shall appoint a Project Officer for this Contract who will provide oversight of the activities conducted hereunder. Notwithstanding the Contractor's responsibility for management during the performance of this Contract, the assigned Project Officer shall be the principal point of contact on behalf of the State and will be the principal point of contact for Contractor concerning Contractor's performance under this Contract.

### **TAXES**

Before the Contract may be approved, La. R.S. 39:1624(A)(10) requires the Office of State Procurement to determine that the Contractor is current in the filing of all applicable tax returns and reports and in the payment of all taxes, interest, penalties, and fees owed to the State and collected by the Department of Revenue. The Contractor shall provide its seven-digit LDR Account Number to the State for this determination. The State's obligations are conditioned on the Contractor resolving any identified outstanding tax compliance discrepancies with the Louisiana Department of Revenue within seven (7) days of such notification. If the Contractor fails to resolve the identified outstanding tax compliance discrepancies within seven days of notification, then the using agency may proceed with alternate arrangements without notice to the Contractor and without penalty.

### **TERMINATION FOR CAUSE**

Should the State determine that the Contractor has failed to comply with the Contract's terms, the State may terminate the Contract for cause by giving the Contractor written notice specifying the Contractor's failure. If the State determines that the failure is not correctable, then the Contract shall terminate on the date specified in such notice. If the State determines that the failure may be corrected, the State shall give a deadline for the Contractor to make the correction. If the State determines that the failure is not corrected by the deadline, then the State may give additional time for the Contractor to make the corrections or the State may notify the Contractor of the Contract termination date.

If the Contractor seeks to terminate the Contract, the Contractor shall file a complaint with the Chief Procurement Officer under La. R.S. 39:1672.2-1672.4.

### **TERMINATION FOR CONVENIENCE**

State may terminate the Contract at any time without penalty by giving thirty (30) days written notice to the Contractor of such termination or negotiating with the Contractor a termination date. Contractor shall be entitled to payment for deliverables in progress, to the extent the State determines that the work is acceptable.

## **REMEDIES FOR DEFAULT**

Any claim or controversy arising out of this Contract shall be resolved by the provisions of LSA - R.S. 39:1672.2 - 1672.4.

## **GOVERNING LAW**

This Contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana, including but not limited to La. R.S. 39:1551-1736; rules and regulations; executive orders; standard terms and conditions, special terms and conditions, and specifications listed (if applicable); and this Contract. Venue of any action brought, after exhaustion of administrative remedies, with regard to this Contract shall be in the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

## **E-VERIFY**

Contractor acknowledges and agrees to comply with the provisions of La. R.S. 38:2212.10 and federal law pertaining to E-Verify in the performance of services under this Contract.

## **OWNERSHIP OF WORK PRODUCT**

All software, data files, documentation, records, worksheets, or any other related materials developed under this Contract shall become the property of the State upon creation. All material related to the Contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of the Contract.

## **DATA/RECORD RETENTION**

Contractor shall retain all its books, records, and other documents relevant to this Contract and the funds expended hereunder for at least five (5) years after final payment, or as required by applicable Federal law, if Federal funds are used to fund this Contract. Contractor shall comply with all applicable State and Federal laws regarding data retention and provide for a transition period that accommodates all data retention requirements of the State, including data retained and length of retention, following Contract termination, regardless of the reason for Contract termination. Additionally, all State data must be sanitized in compliance with the most currently approved revision of NIST SP 800-66.

## **RECORD OWNERSHIP**

All records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of the Contract. All material related to the Contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of the Contract.

## **CONTRACTOR'S COOPERATION**

The Contractor has the duty to fully cooperate with the State and provide any and all requested information, documentation, etc. to the State when requested. This applies even if this Contract is terminated and/or a lawsuit is filed. Specifically, the Contractor shall not limit or impede the State's right to audit or shall not withhold State owned documents.

## **ASSIGNABILITY**

Contractor may assign its interest in the proceeds of this Contract to a bank, trust company, or other financial institution. Within ten (10) calendar days of the assignment, the Contractor shall provide notice of the assignment to the State and the Office of State Procurement. The State will continue to pay the Contractor and will not be obligated to direct payments to the assignee until the State has processed the assignment.

Except as stated in the preceding paragraph, Contractor shall only transfer an interest in the Contract by assignment, novation, or otherwise, with prior written consent of the State. The State's written consent of the transfer shall not diminish the State's rights or the Contractor's responsibilities and obligations.

#### **RIGHT TO AUDIT**

Any authorized agency of the State (e.g. Office of the Legislative Auditor, Inspector General's Office, etc.) and of the Federal Government has the right to inspect and review all books and records pertaining to services rendered under this contract for a period of five years from the date of final payment under the prime contract and any subcontract. The Contractor and Subcontractor shall maintain such books and records for this five-year period and cooperate fully with the authorized auditing agency. Contractor and Subcontractor shall comply with federal and state laws authorizing an audit of their operations as a whole, or of specific program activities.

#### **FISCAL FUNDING**

The continuation of this Contract is contingent upon the appropriation of funds to fulfill the requirements of the Contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the Contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the Contract, the Contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

#### **NON-DISCRIMINATION**

Contractor agrees to abide by the requirements of the following as applicable and amended: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964; Equal Employment Opportunity Act of 1972; Federal Executive Order 11246; the Rehabilitation Act of 1973; the Vietnam Era Veteran's Readjustment Assistance Act of 1974; Title IX of the Education Amendments of 1972; Age Discrimination Act of 1975; Fair Housing Act of 1968; and, Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and shall render services under this Contract without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, disability, or age in any matter relating to employment. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Contract.

#### **CONTINUING OBLIGATION**

Contractor has a continuing obligation to disclose any suspensions or debarment by any government entity, including but not limited to General Services Administration (GSA). Failure to disclose may constitute grounds for suspension and/or termination of the Contract and debarment from future Contracts.

#### **ELIGIBILITY STATUS**

Contractor, and each tier of Subcontractors, shall certify that it is not on the List of Parties Excluded from Federal Procurement or Nonprocurement Programs promulgated in accordance with E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24.

#### **CONFIDENTIALITY**

Contractor shall protect from unauthorized use and disclosure all information relating to the State's operations and data (e.g. financial, statistical, personal, technical, etc.) that becomes available to the Contractor in carrying out this Contract. Contractor shall use protecting measures that are the same or

more effective than those used by the State. Contractor is not required to protect information or data that is publicly available outside the scope of this Contract; already rightfully in the Contractor's possession; independently developed by the Contractor outside the scope of this Contract; or rightfully obtained from third parties.

#### **AMENDMENTS**

Any modification to the provisions of this Contract shall be in writing, signed by all parties, and approved by the required authorities.

#### **PROHIBITED USE OF FUNDS**

Contractor shall not use funds received for services rendered under this Contract to urge an elector to vote for or against any candidate or proposition on an election ballot, or to lobby for or against any matter the Louisiana Legislature or a local governing authority is considering to become law. This provision shall not prevent the normal dissemination of factual information relative to any proposition on an election ballot or any matter being considered by the Louisiana Legislature or a local governing authority.

#### **SUBCONTRACTORS**

The Contractor may, with prior written permission from the State, enter into subcontracts with third parties for the performance of any part of the Contractor's duties and obligations. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to the State and/or State Agency for any breach in the performance of the Contractor's duties. The Contractor will be the single point of contact for all Subcontractor work.

#### **PROHIBITION OF DISCRIMINATORY BOYCOTTS OF ISRAEL**

In accordance with La R.S. 39:1602.1, for any contract for \$100,000 or more and for any contractor with five or more employees, Contractor, or any Subcontractor, hereby certifies it is not engaging in a boycott of Israel, and shall, for the duration of this contract, refrain from a boycott of Israel. The State reserves the right to terminate this contract if the Contractor, or any Subcontractor, engages in a boycott of Israel during the term of the contract.

#### **INDEMNIFICATION AND LIMITATION OF LIABILITY**

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract.

Contractor shall be fully liable for the actions of its agents, employees, partners or Subcontractors and shall fully indemnify and hold harmless the State and its Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to property caused by Contractor, its agents, employees, partners or Subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State. If applicable, Contractor shall indemnify, defend and hold the State and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its Authorized Users may require Contractor, at its sole expense, to submit such information

and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User's unauthorized modification or alteration of a Product, Material or Service; ii) Authorized User's use of the Product in combination with other products not furnished by Contractor; iii) Authorized User's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.

For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the Contractor under the Contract. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

#### **STAFF INSURANCE**

Contractor shall procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or Subcontractors. The cost of such insurance shall be included in the total Contract amount. For insurance requirements, refer to Exhibit A.

#### **LICENSES AND PERMITS**

Contractor shall secure and maintain all licenses and permits, and pay inspection fees required to do the work required to complete this Contract.

#### **SECURITY**

Contractor's personnel shall always comply with all security regulations in effect at the State's premises, and externally for materials belonging to the State or to the project. Contractor is responsible for reporting any breach of security to the State promptly.

**CODE OF ETHICS**

The Contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the performance of services called for in this Contract. The Contractor agrees to immediately notify the state if potential violations of the Code of Governmental Ethics arise at any time during the term of this Contract.

**SEVERABILITY**

If any term or condition of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Contract are declared severable.

**HEADINGS**

Descriptive headings in this Contract are for convenience only and shall not affect the construction or meaning of contractual language.

**ENTIRE AGREEMENT AND ORDER OF PRECEDENCE**

This Contract, (together with the Request for Proposals and addenda issued thereto by the State, the proposal submitted by the Contractor in response to the State's Request for Proposals, and any exhibits specifically incorporated herein by reference) constitutes the entire agreement between the parties with respect to the subject matter.

This Contract shall, to the extent possible, be construed to give effect to all provisions contained therein; however, where provisions are in conflict, first priority shall be given to the provisions of the Contract, excluding the Request for Proposals and the Proposal; second priority shall be given to the provisions of the Request for Proposals and amendments thereto; and third priority shall be given to the provisions of the Proposal.

**CONTRACT APPROVAL**

This Contract is not effective until executed by all parties and approved in writing by the Office of State Procurement, in accordance with LSA-R.S.39:1595.1.

**INSURANCE REQUIREMENTS FOR CONTRACTORS**

Refer to Exhibit A

The cost of such insurance shall be included in the total Contract amount.

**– Remainder of page intentionally left blank –  
– Signatures on next page –**

THUS DONE AND SIGNED AT Baton Rouge, Louisiana on the day, month and year first written above. IN WITNESS WHEREOF, the parties have executed this Agreement.

WITNESSES SIGNATURES:

**LOUISIANA MILITARY DEPARTMENT**

ROBERT BROWN JR   
(Print Name & Signature)

By: BSPet Owen Moncondint  
Deputy Director  
Title: Contracting & Purchasing

Prudence Engen   
(Print Name & Signature)

WITNESSES SIGNATURES:

**TRI-CORE TECHNOLOGIES, L.L.C.**

Brian Cheng   
(Print Name & Signature)

By: 

Blake Allen   
(Print Name & Signature)

Title: CEO

## **STATEMENT OF WORK**

### **SCOPE OF WORK/SERVICES**

Contractor shall perform services according to the terms of this Contract and according to the Statement of Work (SOW) in **Exhibit B: Scope of Work/Services**.

### **SCHEDULE REQUIREMENTS**

Are specific to each Task Order

### **PERFORMANCE MEASURES AND MONITORING PLAN**

The performance of the contract will be measured by the Project Officer, authorized on behalf of the LMD, to evaluate the Contractor's performance against the criteria in the Statement of Work and are identified as:

The Contractor will document and deliver to the Project Officer, or designee, the results and approval by Project Officer of each completed assignment. The Project Officer will measure the performance by the quality of the completed assignment.

Status reports will be delivered to the Project Officer as requested. The report will address assignment progress in terms of hours spent, current status of work in progress, plans for next reporting period and any significant issues.

### **MONITORING PLAN**

ESF-7 Director Joseph Griffin will monitor the services provided by the Contractor and the expenditure of funds under this Contract. Project Officer Captain Matthew McKey will be primarily responsible for the day-to-day contact with the Contractor and day-to-day monitoring of the Contractor's performance.

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## **CONTRACTOR PERSONNEL AND OTHER RESOURCES**

### **CONTRACTOR RESOURCES**

Contractor agrees to provide the following Contract related resources:

- A. *Project Manager*. Contractor shall provide a project manager to provide day-to-day management of project tasks and activities, coordination of Contractor support and administrative activities, and for supervision of Contractor employees. The Project Manager shall possess the technical and functional skills and knowledge to direct all aspects of the project.
- B. *Key Personnel*. Contractor shall assign staff who possess the knowledge, skills, and abilities to successfully perform assigned tasks. Individuals to be assigned by the Contractor are listed in Attachment III.
- C. *Personnel Changes*. Contractor's Project Manager and other key personnel assigned to this Contract shall not be replaced without the written consent of the State. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. In the event that any State or Contractor personnel become unavailable due to resignation, illness or other factors, excluding assignment to project outside this contract, outside of the State's or Contractor's reasonable control, as the case may be, the State or the Contractor, as the case

may be, shall be responsible for providing an equally qualified replacement in time to avoid delays to the work plan.

D. *Other Resources.* If any, will be Task Order specified.

**CONTRACTOR PERSONNEL**

The following individuals are assigned to the project, on a full time basis (unless otherwise indicated), and in the capacities set forth below:

<b>Name</b>	<b>Company Responsibilities</b>	<b>Classification Rate</b>	<b>Expected Duration</b>
Anthony Pounders	Senior Design Consultant	\$140.00	Length of Contract
Kevin Porche	Senior Design Consultant	\$140.00	Length of Contract
Huy Ta	Senior Design Consultant	\$140.00	Length of Contract
John Vernon	Senior Programmer Analyst	\$125.00	Length of Contract
Leo Davis	Senior Design Consultant	\$140.00	Length of Contract
Blake Allen	Senior Programmer Analyst	\$125.00	Length of Contract
Brian Chiang	Senior Programmer Analyst	\$125.00	Length of Contract
Hoang Nguyen	Programmer Analyst	\$120.00	Length of Contract
Sarah Smith	Programmer Analyst	\$120.00	Length of Contract
Wendi Pounders	Programmer Analyst	\$120.00	Length of Contract
Daniel Donze	Programmer Analyst	\$120.00	Length of Contract
Matt Wilcox	Programmer Analyst	\$120.00	Length of Contract

Enter all personnel, including subcontractors, who shall be assigned to the project. Personnel who shall be assigned at a future date may be listed by job classification. Contract may also specify qualifications for each unnamed person.

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**STATE FURNISHED RESOURCES**

**STATE FURNISHED RESOURCES**

Louisiana Military Department shall appoint a Project Officer for this Contract who will provide oversight of the activities conducted hereunder. Notwithstanding the Contractor’s responsibility for management during the performance of this Contract, the assigned Project Officer shall be the principal point of contact on behalf of the Louisiana Military Department and will be the principal point of contact for Contractor concerning Contractor’s performance under this Contract.

The Project Officer will assign physical access and electronic entry into the Project system.

# **EXHIBIT A: Insurance Requirements for Contractors**

Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-: VI. This rating requirement shall be waived for Worker's Compensation coverage only.

## **1.1 Contractor's Insurance**

The Contractor shall purchase and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or Subcontractors. The cost of such insurance shall be included in the total contract amount.

## **1.2 Minimum Scope and Limits of Insurance**

### **1.2.1 Workers Compensation**

Workers Compensation insurance shall be in compliance with the Workers Compensation law of the State of the Contractor's headquarters. Employers Liability is included with a minimum limit of \$1,000,000 per accident/per disease/per employee. If work is to be performed over water and involves maritime exposure, applicable LHWCA, Jones Act, or other maritime law coverage shall be included. A.M. Best's insurance company rating requirement may be waived for workers compensation coverage only.

### **1.2.2 Commercial General Liability**

Commercial General Liability insurance, including Personal and Advertising Injury Liability and Products and Completed Operations, shall have a minimum limit per occurrence of \$1,000,000 and a minimum general annual aggregate of \$2,000,000. The Insurance Services Office (ISO) Commercial General Liability occurrence coverage form CG 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. Claims-made form is unacceptable.

### **1.2.3 Professional Liability (Errors and Omissions)**

Professional Liability (Error & Omissions) insurance, which covers the professional errors, acts, or omissions of the Contractor, shall have a minimum limit of \$1,000,000. Claims-made coverage is acceptable. The date of the inception of the policy must be no later than the first date of the anticipated work under the contract. It shall provide coverage for the duration of the contract and shall have an expiration date no earlier than thirty (30) days after the anticipated completion of the contract. The policy shall provide an extended reporting period of not less than thirty-six (36) months from the expiration date of the policy, if the policy is not renewed.

### **1.2.4 Automobile Liability**

Automobile Liability Insurance shall have a minimum combined single limit per accident of \$1,000,000. ISO form number CA 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles.

### **1.2.5 Cyber Liability**

Cyber liability insurance, including first-party costs, due to an electronic breach that compromises the State's confidential data shall have a minimum limit per occurrence of \$1,000,000. Claims-made

coverage is acceptable. The date of the inception of the policy must be no later than the first date of the anticipated work under the contract. It shall provide coverage for the duration of the contract and shall have an expiration date no earlier than thirty (30) days after the anticipated completion of the contract. The policy shall provide an extended reporting period of not less than thirty-six (36) months from the expiration date of the policy, if the policy is not renewed. The policy shall not be cancelled for any reason, except non-payment of premium.

### **1.3 Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to and accepted by the Agency. The Contractor shall be responsible for all deductibles and self-insured retentions.

### **1.4 Other Insurance Provisions**

The policies are to contain, or be endorsed to contain, the following provisions:

#### **1.4.1 Commercial General Liability, Automobile Liability, and Cyber Liability Coverages**

The Agency, its officers, agents, employees and volunteers shall be named as an additional insured as regards negligence by the Contractor. ISO Forms CG 20 10 (for ongoing work) AND CG 20 37 (for completed work) (current forms approved for use in Louisiana), or equivalents, are to be used when applicable. The coverage shall contain no special limitations on the scope of protection afforded to the Agency.

The Contractor's insurance shall be primary as respects the Agency, its officers, agents, employees and volunteers for any and all losses that occur under the contract. Any insurance or self-insurance maintained by the Agency shall be excess and non-contributory of the Contractor's insurance.

#### **1.4.2 Workers Compensation and Employers Liability Coverage**

To the fullest extent allowed by law, the insurer shall agree to waive all rights of subrogation against the Agency, its officers, agents, employees and volunteers for losses arising from work performed by the Contractor for the Agency.

#### **1.4.3 All Coverages**

All policies must be endorsed to require thirty (30) days written notice of cancellation to the Agency. Ten-day written notice of cancellation is acceptable for non-payment of premium. Notifications shall comply with the standard cancellation provisions in the Contractor's policy. In addition, Contractor is required to notify Agency of policy cancellations or reductions in limits.

The acceptance of the completed work, payment, failure of the Agency to require proof of compliance, or Agency's acceptance of a non-compliant certificate of insurance shall release the Contractor from the obligations of the insurance requirements or indemnification agreement.

The insurance companies issuing the policies shall have no recourse against the Agency for payment of premiums or for assessments under any form of the policies.

Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the Agency, its officers, agents, employees and volunteers.

### **1.5 Acceptability of Insurers**

All required insurance shall be provided by a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located. Insurance shall be placed with insurers with an A.M. Best's rating of **A-:VI or higher**. This rating requirement may be waived for workers compensation coverage only.

If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the Contractor shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another Certificate of Insurance within thirty (30) days.

### **1.6 Verification of Coverage**

Contractor shall furnish the Agency with Certificates of Insurance reflecting proof of required coverage. The Certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates are to be received and approved by the Agency before work commences and upon any contract renewal or insurance policy renewal thereafter.

The Certificate Holder shall be listed as follows:

State of Louisiana

Louisiana Military Department, Its Officers, Agents, Employees and Volunteers

BLDG. 718 E Street, Camp Beauregard, Pineville, Louisiana 71360

LA20-A-019

In addition to the Certificates, Contractor shall submit the declarations page and the cancellation provision for each insurance policy. The Agency reserves the right to request complete certified copies of all required insurance policies at any time.

Upon failure of the Contractor to furnish, deliver and maintain required insurance, the contract, at the election of the Agency, may be suspended, discontinued or terminated. Failure of the Contractor to purchase and/or maintain any required insurance shall not relieve the Contractor from any liability or indemnification under the contract.

### **1.7 Subcontractors**

Contractor shall include all subcontractors as insureds under its policies OR shall be responsible for verifying and maintaining the Certificates provided by each Subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The Agency reserves the right to request copies of Subcontractor's Certificates at any time.

## EXHIBIT B: SCOPE OF WORK/SERVICES

### 2.1 Scope of Work

The Contractor will provide competent and qualified personnel for software support, design, documentation and maintenance services of existing applications used for the Automated Management Support and Maintenance Services (AMSM). The services will be accomplished through a series of Work Orders that are deemed appropriate for the services secured through this contract as determined and approved by the Louisiana Military Department and issued by the Deputy Director, Contracting and Purchasing or the Contracting Officer.

Estimated minimal level of effort the Contractor may anticipate over a twelve (12) month period in performing this contract expressed in Full-Time Equivalent (where 1FTE = 2,080hours):

AMSM services for a 3-day training session	estimated at .01FTE
AMSM services for a 7-day training session	estimated at .02FTE
AMSM services	<u>estimated at .07FTE</u>
Total est	.10FTE

The Contractor and employees will be required to complete and sign an End User Agreement, Exhibit C.

### 2.2 Task and Services

The specific tasks to be performed, due dates and priorities of each task cannot be determined at this time. Examples of projects that may be conducted under this contract include, but are not limited to:

- Contractor will be required to have a thorough understanding of the logic/intellect of PODIS or a similar inventory system.
- Analyze an existing data system consisting using Microsoft .Net C# and Microsoft SQL Server.
- Have the ability and demonstrate an accurate understanding of the system, data inputs/outputs, and deliver multiple solution sets.
- Conduct maintenance on the system to maintain an optimum operability to include correcting malfunctions (bugs) when discovered, making recommendations for upgrades, and making minor modifications to improve functionality.
- Conduct all software support changes necessary to implement changes to the existing processing programs resulting from form changes, policy changes or other departmental initiatives or management directives.
- Accomplish any software support services required to change existing programs or implement new programs resulting from legislation or regulatory action or LMD guidance.
- Implementation of any different technology, architecture or upgrades to operating systems.
- Implementation of Contractor's and/or owner's recommendations to improve productivity.
- Be able to provide AMSM services during an emergency including Acts of Nature and Acts of Terrorism. Be responsive to request within four (4) hours and be physically present at the ULE in Baton Rouge within twenty-four (24) hours of notification, number of personnel and positions will be determined by the mission.

## 2.3 Deliverables

All work under the Agreement requires an approved Task Order. The Project Officer shall generate a Work Order describing the work to be performed, the results to be achieved from the project, the deadlines for timely completion, and any special requirements for performance. The Contractor will deliver a Task Order for approval and signature to the Project Officer.

Modifications to the work request may be required until LMD and Contractor agree on the final requirements and cost of each work request. Upon agreement and assignment of funding, a Task Order with all the elements of the Work Order, including cost, shall be submitted by the Project Officer. This Task order shall be forwarded for final signatures to the authorized representative of the Contractor and the LMD Contracting Office. Final approved Task Orders will be issued by LMD Contracting Office. The Contractor will be issued a Notice To Proceed to execute the Task Order. The Contractor will meet the requirements in the performance of an approved Task Order.

## 2.4 Scope of Work Elements

### 2.4.1 Functional Requirements

The specific modifications to be performed cannot be determined at this time. Examples of prior Work Orders that can be expected are:

1. Make the necessary modifications or enhancements to the Project, consider data sources and end-users of PODIS.
2. Make the necessary code changes as necessary for new tracking categories.
3. Update as Microsoft .Net C# and Microsoft SQL Server software as needed.
4. Support interfaces and data exchanges; assess multiple secondary data sources.
5. Support the capture, formatting, and transfer of images and metadata into the Project.
6. Be prepared to support approximately two (2) training sessions per year. One (1) training session will be approximately three (3) days during a weekend. The second training session will be approximately one (1) week or seven (7) days.
7. Provide twenty-four (24) hour support on site at the ULE or the designated Military location , seven (7) days a week during emergency responses.
8. On-site support for program changes as required by the Work Order.
9. Provide remote site support as authorized by the Project Officer.

Contractor will be responsible for:

1. Clarifying the assignments as needed with appropriate Project Officer.
2. Providing responses to Work Order request promptly, and not more than five (5) business days following receipt of request.
3. Modifying programs to accomplish requested changes in accordance with approved methodology.
4. Developing test data and scenarios to validate changes made.
5. Obtaining verification from the appropriate Project Officer that changes were accurately made and program is functioning correctly.
6. Preparing necessary documentation to properly reflect the changes made.

7. Provide key personnel assignments, contact information, and order of contact listing for project support to the Project Officer.

#### 2.4.2 Technical Requirements

The major components of the system to be supported include:

Component	Applications	Additional Information
.Net C# source code and SQL Server database	PODIS	Various controls / dropdowns, test boxes.
Reporting data	Multiple report capabilities to generate statistical and performance data for all tracking indicators.	Example data is available
Historic records	Ability to maintain historical data in a number of formats.	Existing Software

#### 2.5 Project Requirements

Each Work Order will specify the results to be achieved from the project, the deadlines for timely completion, and any special requirements for performance. Contractor will provide day-to-day project management using best management practices for all tasks and activities necessary to complete each Work Order. The Contractor will document and deliver to the Project Officer, or designee, the results and approval by Project Officer of each completed assignment. The Project Officer will measure the Contractor's performance by the quality of the completed assignment.

Status reports will be delivered to the Project Officer as requested. The report will address assignment progress in terms of hours spent, current status of work in progress, plans for next reporting period and any significant issues.

Contractor and employees must possess and retain DoD network access privileges as well as State of Louisiana and National Guard networks prior to entering a contract and maintain this status throughout the contract period.

Contractor and employees must be able to properly identify themselves at all times while on a Military or Government Installation. Contractor and all employees must be able to present two (2) valid forms of picture identification at all times while on any military property. Contractor and employees shall comply with all applicable Government regulations, policies and procedures (e.g. fire, safety, security, off-limits areas) while on or at Government facilities.

## EXHIBIT C: End User Agreement



### Overview

The State of Louisiana is entrusted with sensitive, proprietary and confidential information, including Protected Health Information (PHI), Federal Tax Information (FTI), Criminal Justice Information (CJI), and Personally Identifiable Information (PII) and acknowledges that it should take steps to protect that information. One such step is to confirm that users of the State's information take responsibility for the protection and appropriate use of the State's information in accordance with the State's Information Security policies and procedures. Effective protection of such information requires the participation and support of every State employee, independent contractor and third party affiliate ("Users"). It is the responsibility of every User to acknowledge and follow the guidelines in this Policy.

### Purpose

The purpose of this Policy is to provide guidance for the acceptable use of computer equipment and information within an Agency. Inappropriate use exposes the State to risks such as data loss, data corruption, unplanned service outage, unauthorized access to Agency data, and potential legal issues.

### Applicability

This policy applies to all Users, including State employees, independent contractors and all other workers at an Agency, including all personnel affiliated with third parties. This policy applies to all computing systems, electronic media and printed materials that are utilized, owned, managed, or leased by an Agency or the Office of Technology Services (OTS).

### General Requirements

All Users are responsible for exercising good judgment regarding use of State resources in accordance with State's Information Security policies and procedures. The State's resources may not be used for any unlawful purpose. If you have a question regarding the proper use of technical resources, contact the Information Security Hotline toll free at (844) 692-8019.

All State systems, including handheld or mobile devices, computing devices, operating systems, applications, storage media, network accounts, Internet, Intranet, Extranet, and remote access are the property of State. These systems are to be used for business purposes in serving the interests of State, and of Agency clients and customers in the course of normal operations.

Any personal device used in serving the interests of State, must be approved by applicable Agency leadership and the Information Security Team (IST).

Any data created or stored on Agency computing systems remains the property of the Agency. Any personal use of the Agency systems, including any documents or emails, are also the property of the Agency and the State makes no guarantee as to the confidentiality of personal use of Agency systems.

For security, compliance, and maintenance purposes, authorized personnel may monitor and audit Agency computing systems and networks per the State's policies and procedures and to confirm compliance.

### User Accounts

The State's Users are responsible for the security of data, accounts, and systems under their control.

Keep passwords secure and do not share account or password information with anyone. For example, do not write passwords down, do not email them and always use complex passwords (e.g., at least 8 characters long using a combination of lower case, upper case, numbers, and special characters).

Providing access to another individual, either deliberately or through failure to secure its access, is a violation of this Policy.

If you believe that you have been granted access to systems or data outside the scope of your employment responsibilities or job function, please contact the Information Security Hotline toll free at (844) 692-8019.



## Computing Systems

Users are responsible for ensuring the protection of assigned computing devices, including any electronic devices such as laptops, PDAs, mobile devices, and electronic media.

Users are also responsible for ensuring the protection of any personal devices used in the interest of the State.

State Employees using their vehicles to transport the State's Computing Systems should exercise the utmost caution to safeguard the privacy of and access to such devices. At no time should such equipment be left on car seats, in plain view, in unlocked vehicles or stored in vehicles overnight.

Computing Systems that are stored overnight at non State facilities must be secured with reasonable assurance of privacy to the Data residing on the Systems.

Users of Agency Computing Systems must promptly report any theft or loss to the End User Support Services.

## Security and Access Requirements

All State Computer Systems or Agency approved personal devices used for State business purposes (e.g., PCs, laptops, workstations, smartphones, etc.) should be secured with a password-protected screensaver with the automatic activation feature set at 15 minutes or less.

Users shall not create new passwords that are similar to passwords that have been previously used; create passwords that contain any reference to the State in any form (i.e., Pelican, Saints, etc.); create passwords that contain any personal data such as any portion of the user ID or name, a spouse's name, or a pet's name; or create passwords that appear in the dictionary.

Users should secure their workstations by logging off or locking (control-alt-delete or Windows Key + L) the device when unattended.

Users must use due care when transmitting or storing sensitive information. Communications outside of an Agency Network should use mechanisms approved by the Information Security Team (IST) for protecting Confidential or Restricted Data (e.g., encryption).

Portable computers are especially vulnerable and will be protected by a current Antivirus solution and Personal Firewalls, installed or approved by OTS, and may not be disabled or modified by Users.

Users must use extreme caution when accessing electronic media received from outside the State.

Users shall take the necessary and appropriate precautions when opening attachments or emails and shall not open or click on attachments or emails when unsure of the legitimacy of the source or sender.

Known incidents or infections from a virus, malware, or other malicious software should be immediately reported to the Information Security Team.

Streaming media should only be accessed for business purposes from trusted commercial sites. All other streaming media is prohibited.

Meeting hosts should verify that all meeting attendees are authorized access to information shared during meetings (including online meetings). Remote meetings security features, such as pass codes or passwords, should be used to restrict access to the meeting to only authorized individuals. Remote meeting presenters should take care to close, or protect, Confidential or Restricted Data while in "desktop sharing" mode.

Users will take reasonable steps to protect all State property and information from theft, damage, or misuse. This includes maintaining and protecting User workspace, equipment, and information from unauthorized access whether working at Agency facilities or offsite.

Users must use only authorized Instant Messenger clients; all other forms of instant messenger software are prohibited.



## Newsrooms, Social Media Sites, and Social Networking Sites

Postings by State Employees regarding Agency business information or news to newsgroups, chatrooms, Internet Relay Chat (IRC), Facebook, Myspace, or other social networking or social media sites is strictly prohibited unless expressly approved in writing by the Agency Communication Director or Executive Leadership. If the User identifies himself or herself as employee or agent of the Agency on any Internet site, any postings to such sites must contain a clear disclaimer that the opinions expressed are solely those of the author and do not represent the views of the Agency or the State of Louisiana.

## Virtual Private Network (VPN) Usage

It is the responsibility of users with VPN privileges to protect their VPN login and account information.

Connections to State resources via the VPN must originate from Agency authorized End User devices.

Users understand and acknowledge that by using VPN technology the connected computing resource is a *de facto* extension of the State's network, and as such is subject to the same rules and regulations that apply as if connected locally to the network.

Connections to non-State VPNs from within a State network must be specifically authorized by the Information Security Team (IST).

## Physical Security

A State issued Identification badge must be worn on your person in a visible location at all times within a State facility. The identification badge must be properly secured and a lost badge must be immediately reported to the Information Security Team (IST).

Do not facilitate the entry of non-badge personnel at any time. All visitors must check in at the reception area, clearly wear the Visitor badge at all times, and remain with their designated escort at all times. Guests are not allowed in the State facilities after hours except with the specific authorization of Agency leadership.

Individuals with Agency provided equipment must take appropriate measures to protect the equipment from theft, unauthorized use, or other activity that violates the State's Information Security Policy.

Individuals with access to Confidential or Restricted Data should maintain a clean desk, pickup printed materials in a timely manner and appropriately secure paper based documents when they are not in use.

## Privileged User Accounts

Users with privileged user accounts (*e.g.*, administrator or super-user accounts) must agree to the following:

- Individuals with Privileged User Accounts understand it is their responsibility to comply with all security measures necessary and assist in enforcing the Information Security Policy.
- Privileged User Accounts may only be used for valid business functions that require privileged access. Privileged account users must still abide by the least privilege principal and must not access or alter data for which they have no valid business reason to do so.
- Individuals will login to an Agency environment using standard user credentials and then log in to a specific privileged account, except when logging directly into a system interface console.
- Privileged user accounts may not be used to modify the individual's standard user account.
- Privileged user accounts must comply with requirements of the Information Security Policy prior to modifying any system or user account.
- Individuals with privileged user accounts understand and acknowledge that all privileged user account activity is closely monitored. Individuals with privileged user accounts may not use those accounts to modify, alter, or destroy monitoring log data, except as required by their position responsibility as it relates to log rotation.



- Individuals with privileged user accounts, and their supervisor or manager, will notify the Information Security Team when the privileged user account is no longer required to perform that individual's job function.

### Unacceptable Use

The following activities are, in general, prohibited. To the extent a State User needs to be exempted from one of the following restrictions for legitimate job responsibilities (e.g., systems administration staff may have a need to disable the network access of a host if that host is disrupting production services), that State User will be provided express authorization from the Information Security Team. The activities below are by no means exhaustive, but attempt to provide a framework for activities which fall into the category of unacceptable use.

#### System and Network Activities

The following activities are strictly prohibited, with no exceptions:

- Engaging in any activity that is illegal under local, federal, or international law.
- Violations of the rights of any person or company protected by copyright, trade secret, patent or other intellectual property, or similar laws or regulations, including the installation or distribution of "pirated" or other software products that are not appropriately licensed for use by the State of Louisiana.
- Unauthorized copying of copyrighted material including digitization and distribution of photographs from magazines, books or other copyrighted sources, copyrighted music, and the installation of any copyrighted software for which the State or the end user does not have an active license is strictly prohibited. The use of any recording device, including digital cameras, video cameras, and cell phone cameras, within the premises of any State properties to copy or record any Internal, Confidential, or Restricted Data is prohibited.
- Connecting network devices such as wireless access points or personal laptops into the State's network environment without proper authorization from the Information Security Team (IST).
- Intentional introduction of malicious programs into the network or server (e.g., viruses, worms, Trojan horses, e-mail bombs, etc.).
- Revealing your account password to others or allowing use of your account by others. This includes family and other household members when work is being done at home.
- Using an Agency computing asset to actively engage in procuring or transmitting material that is in violation of sexual harassment or hostile workplace laws in the user's local jurisdiction.
- Making fraudulent offers of products, items, or services originating from any State issued user account.
- Effecting security breaches or disruptions of network communication. Security breaches include accessing data of which the individual is not an intended recipient or logging into a server or account that the individual is not expressly authorized to access, unless these duties are within the scope of regular duties. For purposes of this section, "disruption" includes degrading the performance, depriving authorized access, disabling or degrading security configurations.
- Port scanning or security scanning is expressly prohibited unless prior approval is granted by the Information Security Team.
- Executing any form of network monitoring which will intercept data not intended for the user's host, unless this activity is a part of the user's normal job/duty.
- Circumventing user authentication or security of any host, network or account.
- Interfering with or denying service to any User (e.g., denial of service attack).
- Intentionally restrict, disrupt, impair, or inhibit any network node, service, transmission, or accessibility.
- Utilizing unauthorized peer-to-peer networking or peer-to-peer file sharing.
- Utilizing unauthorized software, hardware, proxy avoidance websites or services, or any other means to access to any internet resource or website that has been intentionally blocked or filtered by the State, Agency, or IST.



### Email and Communications Activities

- Sending non-business related unsolicited email messages, text messages, instant messages, or voice mail, including the sending of "junk mail" or other advertising material to individuals who did not specifically request such material (email spam).
- Engaging in any form of harassment or discrimination through email or other electronic means.
- Use of personal email account from the State networks.
- Forging, misrepresenting, obscuring, suppressing, or replacing a user identity on any electronic communication to mislead the recipient about the sender.
- Soliciting email for any other email address (e.g., phishing), other than that of the poster's account, with the intent to harass or to collect replies.
- Creating or forwarding chain letters, Ponzi or other pyramid schemes to a State User, unless specifically requested by such State User.
- Posting non-business-related messages to a large numbers of Usenet newsgroups (newsgroup spam).
- E-mail may not be stored on personal devices (e.g., home computers, personal laptops, PDA's, Smartphones, etc.) except as authorized by the Information Security Team (IST).
- Text messages should not to be used for business discussions. Confidential and Restricted Data shall not be communicated over text messaging.

### Users of Confidential and Restricted Information

- By signing this Agreement, Users acknowledge that they are aware of and understand the State's policies regarding the privacy and security of individually identifiable health, financial, criminal and other personal information of individuals and employees, including the policies and procedures relating to the use, collection, disclosure, storage, and destruction of Confidential and Restricted Data.
- In consideration of Users' employment or association with the State and as an integral part of the terms and conditions of such employment or association, Users covenant, warrant, and agree that they shall not at any time, during their employment, contract, association, or appointment with the State or after the cessation of such employment, contract, association, or appointment, access or use Confidential or Restricted Data except as may be required in the course and scope of their duties and responsibilities and in accordance with applicable law and corporate and departmental policies governing the proper use and release of Confidential or Restricted Data.
- Users must understand and acknowledge their obligations outlined hereinabove will continue even after the termination of employment, contract, association, or appointment with the State.
- Users must also understand that the unauthorized use or disclosure of Restricted Data shall result in disciplinary action up to and including termination of employment, contract, association, or appointment, the institution of legal action pursuant to applicable state or federal laws, and reports to professional regulatory bodies.
- Users further acknowledge that by virtue of their employment, contract, association, or appointment with the State, they may be afforded access to Confidential Information concerning the operations and practices of a State Agency, which shall specifically include, but shall not be limited to inventions and improvements, ideas, plans, processes, financial information, techniques, technology, trade secrets, manuals, or other information developed, in the possession of, or acquired by or on behalf of the State, which relates to or affects any aspect of Sate's operations and affairs ("Confidential Information"). Users agree that they will not use, disclose, or distribute Confidential Information or information derived therefrom except for the exclusive benefit of the State Agency.
- Users understand, acknowledge, and agree that nothing contained herein shall be deemed or regarded as an employment contract or any other guarantee of employment, and shall not otherwise alter or affect User status as an at-will employee (or where applicable, independent contractor) of the State.



### Enforcement

Any User found to have violated this Policy may be subject to disciplinary action, up to and including dismissal, or criminal or civil legal actions.

	State Employee	Contractor
Name:		
Title:		
Agency:		
Phone:		
Email:		
Signature:		
Date:		



**STATE OF LOUISIANA**  
 Dept of Military Affairs

Vendor Number/Name/Address:  
 0310030541  
 TRI-CORE TECHNOLOGIES LLC  
 PO Box 82704  
 BATON ROUGE, LA 70884

PURCHASE ORDER	
Number:	2000496055
Version:	1
Date Issued:	06/18/2020
Fiscal Year:	2020
Buyer:	YOUNG-LEE DUFOUR
Phone:	318-290-5935
Email:	younglee.dufour.nfg@mail.mil

All terms and conditions in the solicitation are part of this order as if fully reproduced herein.

**Deliver To:**  
 Unified Logistics Element (ULE)  
 Unified Logistics Element (ULE)  
 7979 Independence Blvd.  
 Baton Rouge, LA 70806

**Invoice To Address:**  
 Dept of Military Affairs  
 Fiscal Office  
 PO Box 440  
 Chalmette, LA 70044

**Ship To Contact:**  
 YOUNG-LEE DUFOUR  
 318-290-5935  
 YOUNGLEE.DUFOUR.NFG@MAIL.MIL

Terms of payment: Vendor Net 30  
 FOB Point: DESTINATION  
 Shopping Cart Number: 1000212538  
 Bid Response Number: 4000030205  
 Invitation to Bid: 3000014401  
 Total Amount of PO: \$294,300.00

Contract# LA20-A-019 - Provide software support, design, documentation and maintenance services of existing applications.

All Invoices and/or Deliverables must be submitted to the Project Officer for approval and submittal for payment.

Purchase Order is not valid without issuance of an approved contract and/or Notice to Proceed.

Contract completion date is May 31, 2023.

LINE	DESCRIPTION	QTY	UOM	UNIT PRICE	EXTENDED AMOUNT
1	Product Category: 81161700 SERVICE DESCRIPTION: YR#1 (1Jun20-30Jun21), AMSM PODIS  Funded - Year#1 from June 1, 2020 through June 30, 2021.  DELIVERY: N/A	N/A	N/A	N/A	98,100.00
2	Product Category: 81161700 SERVICE DESCRIPTION: UF-YR#2 (1Jul21-30Jun22), AMSM PODIS  UNFunded - Year#2 from July 1, 2021 through June 30, 2022.  DELIVERY: N/A	N/A	N/A	N/A	98,100.00

<b>Purchase Order:</b> 2000496055 <b>Version:</b> 1	<b>Buyer:</b> YOUNG-LEE DUFOUR	<b>Page 2 of 4</b>
<b>Vendor:</b> 310030541 TRI-CORE TECHNOLOGIES LLC		

LINE	DESCRIPTION	QTY	UOM	UNIT PRICE	EXTENDED AMOUNT
3	Product Category: 81161700 SERVICE DESCRIPTION: UF-YR#3 (1Jul22-31May23), AMSM PODIS  UNFunded - Year#3 from July 1, 2022 through May 31, 2023.  DELIVERY: N/A	N/A	N/A	N/A	98,100.00

THE FOLLOWING CONDITIONS, UNLESS OTHERWISE STATED IN THE BID DOCUMENT, WILL APPLY TO ALL ORDERS:

**PAYMENT TO VENDORS - PAYMENT FOR GOODS AND/OR SERVICES PURCHASED BY THE STATE WILL ONLY BE MADE IN ACCORDANCE WITH THE FOLLOWING CONDITIONS:**

1. INVOICES MUST REFERENCE THE STATE'S PURCHASE ORDER NUMBER AND REFLECT THE QUANTITY BILLED BY PURCHASE ORDER LINE NUMBER.
2. BILLS OF LADING, PACKING SLIPS, AND/OR OTHER RELATED SHIPPING PAPERS MUST REFERENCE THE STATE'S PURCHASE ORDER NUMBER AND REFLECT THE QUANTITY SHIPPED BY PURCHASE ORDER LINE NUMBER.

THE STATE IS NOT RESPONSIBLE FOR GOODS DELIVERED OR WORK DONE WITHOUT A WRITTEN ORDER. NO ALLOWANCE FOR BOXING OR CRATING. UNAUTHORIZED QUANTITIES IN EXCESS OF THIS ORDER WILL BE RETURNED OR HELD SUBJECT TO SHIPPER'S ORDER, EXPENSE AND RISK.

CONTRACTOR WARRANTS THAT THE MERCHANDISE TO BE FURNISHED HEREUNDER WILL BE IN FULL CONFORMITY WITH THE SPECIFICATION, DRAWING OR SAMPLE AND AGREES THAT THIS WARRANTY SHALL SURVIVE ACCEPTANCE OF THE MERCHANDISE AND THAT CONTRACTOR WILL BEAR THE COST OF INSPECTING REJECTED MERCHANDISE.

ALL REJECTED GOODS WILL BE HELD AT CONTRACTOR'S RISK AND EXPENSE, SUBJECT TO CONTRACTOR'S PROMPT . ADVICE AS TO DISPOSITION. UNLESS OTHERWISE ARRANGED, ALL REJECTED GOODS WILL BE RETURNED AT CONTRACTOR'S EXPENSE.

CONTRACTOR WILL, AT ITS EXPENSE, DEFEND THE STATE AGAINST ANY CLAIM THAT ANY MERCHANDISE TO BE FURNISHED HEREUNDER INFRINGES A PATENT OR COPYRIGHT IN THE UNITED STATES OR PUERTO RICO, AND WILL PAY ALL COST DAMAGES AND ATTORNEY'S FEES THAT A COURT FINALLY AWARDS AS A RESULT OF SUCH CLAIM.

**COMPLIANCE WITH CIVIL RIGHTS LAWS.**

THE CONTRACTOR AGREES TO ABIDE BY THE REQUIREMENTS OF THE FOLLOWING AS APPLICABLE: TITLE VI AND VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED BY THE EQUAL OPPORTUNITY ACT OF 1972, FEDERAL EXECUTIVE ORDER 11246, THE FEDERAL REHABILITATION ACT OF 1973, AS AMENDED, THE VIETNAM ERA VETERAN'S READJUSTMENT ASSISTANCE ACT OF 1974, TITLE IX OF THE EDUCATION AMENDMENTS OF 1972, THE AGE ACT OF 1975, AND CONTRACTOR AGREES TO ABIDE BY THE REQUIREMENTS OF THE AMERICANS WITH DISABILITIES ACT OF 1990. CONTRACTOR AGREES NOT TO DISCRIMINATE IN ITS EMPLOYMENT PRACTICES, AND WILL RENDER SERVICES UNDER THIS AGREEMENT AND ANY CONTRACT ENTERED INTO AS A RESULT OF THIS AGREEMENT, WITHOUT REGARD TO RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, VETERAN STATUS, POLITICAL AFFILIATION, OR DISABILITIES. ANY ACT OF DISCRIMINATION COMMITTED BY CONTRACTOR, OR FAILURE TO COMPLY WITH THESE STATUTORY OBLIGATIONS WHEN APPLICABLE, SHALL BE GROUNDS FOR TERMINATION OF THIS AGREEMENT AND ANY CONTRACT ENTERED INTO AS A RESULT OF THIS AGREEMENT.

IN ACCORDANCE WITH LA R.S. 39:1602.1, FOR ANY CONTRACTS WITH A VALUE OF \$100,000 OR MORE AND FOR ANY VENDOR WITH 5 OR MORE EMPLOYEES, THE VENDOR CERTIFIES THAT IT IS NOT ENGAGING IN A BOYCOTT OF ISRAEL AND IT WILL, FOR THE DURATION OF ITS CONTRACTUAL OBLIGATIONS, REFRAIN FROM A BOYCOTT OF ISRAEL.

**CONTRACT CANCELLATION**

THE STATE OF LOUISIANA HAS THE RIGHT TO TERMINATE THE CONTRACT IMMEDIATELY FOR ANY OF THE FOLLOWING REASONS: (A) MISREPRESENTATION BY THE CONTRACTOR; (B) CONTRACTOR'S FRAUD, COLLUSION, CONSPIRACY OR OTHER UNLAWFUL MEANS OF OBTAINING ANY CONTRACT WITH THE STATE OF LOUISIANA; (C) CONFLICT OF CONTRACT PROVISIONS WITH CONSTITUTIONAL OR STATUTORY PROVISIONS OF STATE OR FEDERAL LAW; (D) ABUSIVE OR BELLIGERENT CONDUCT BY CONTRACTOR TOWARDS AN EMPLOYEE OR AGENT OF THE STATE; (E) CONTRACTOR'S INTENTIONAL VIOLATION OF THE PROCUREMENT CODE (LA. R.S. 39:1551 ET SEQ.) AND ITS CORRESPONDING REGULATIONS; OR, (F) ANY LISTED REASON FOR DEBARMENT UNDER LA. R.S. 39:1672.

THE STATE OF LOUISIANA MAY TERMINATE THE CONTRACT FOR CONVENIENCE AT ANY TIME (1) BY GIVING THIRTY (30)

DAYS WRITTEN NOTICE TO THE CONTRACTOR OF SUCH TERMINATION: OR (2) BY NEGOTIATING WITH THE CONTRACTOR AN EFFECTIVE DATE. THE STATE SHALL PAY CONTRACTOR FOR, IF APPLICABLE: (A) DELIVERABLES IN PROGRESS; (B) THE PERCENTAGE THAT HAS BEEN COMPLETED SATISFACTORILY; AND, (C) FOR TRANSACTION-BASED SERVICES UP TO THE DATE OF TERMINATION, TO THE EXTENT WORK HAS BEEN PERFORMED SATISFACTORILY.

THE STATE OF LOUISIANA HAS THE RIGHT TO TERMINATE THE CONTRACT FOR CAUSE BY GIVING THIRTY (30) DAYS WRITTEN NOTICE TO THE CONTRACTOR OF SUCH TERMINATION FOR ANY OF THE FOLLOWING NON-EXCLUSIVE REASONS: (A) FAILURE TO DELIVER WITHIN THE TIME SPECIFIED IN THE CONTRACT; (B) FAILURE OF THE PRODUCT OR SERVICE TO MEET SPECIFICATIONS, CONFORM TO SAMPLE QUALITY OR TO BE DELIVERED IN GOOD CONDITION; OR, (C) ANY OTHER BREACH OF CONTRACT.

AUTHORIZED SIGNATURE: DUFOUR.YOUNGLEE.1547539202  
Digitally signed by  
DUFOUR.YOUNGLEE.1547539202  
Date: 2020.06.18 14:03:16 -05'00'

Agency Administrative Officer

IDENTIFYING SCHOOL PRACTICES THAT IMPACT  
ACADEMIC OUTCOMES IN ORLEANS PARISH CHARTER  
SCHOOLS

NEW ORLEANS LOUISIANA PUBLIC SCHOOLS  
LOUISIANA DEPARTMENT OF EDUCATION



PERFORMANCE AUDIT SERVICES  
ISSUED MARCH 29, 2021

**LOUISIANA LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

**TEMPORARY LEGISLATIVE AUDITOR**  
THOMAS H. COLE, CPA, CGMA

**ASSISTANT LEGISLATIVE AUDITOR**  
**FOR STATE AUDIT SERVICES**  
NICOLE B. EDMONSON, CIA, CGAP, MPA

**DIRECTOR OF PERFORMANCE AUDIT SERVICES**  
KAREN LEBLANC, CIA, CGAP, MSW

**FOR QUESTIONS RELATED TO THIS PERFORMANCE AUDIT, CONTACT  
GINA V. BROWN, PERFORMANCE AUDIT MANAGER,  
AT 225-339-3800.**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at [www.la.la.gov](http://www.la.la.gov).

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Five copies of this public document were produced at an approximate cost of \$3.00. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's website at [www.la.la.gov](http://www.la.la.gov). When contacting the office, you may refer to Agency ID No. 9726 or Report ID No. 40210007 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Elizabeth Coxe, Chief Administrative Officer, at 225-339-3800.



March 29, 2021

The Honorable Patrick Page Cortez,  
President of the Senate  
The Honorable Clay Schexnayder,  
Speaker of the House of Representatives

Dear Senator Cortez and Representative Schexnayder:

This report provides the results of our review of New Orleans Louisiana Public Schools (NOLA-PS) and the Louisiana Department of Education (LDE). The purpose of this review was to determine whether NOLA-PS and LDE analyze the academic outcomes of charter schools in New Orleans to determine which school practices have positive results and which do not.

The law authorizing the creation of charter schools in Louisiana states that the legislature's intention was to allow school boards to establish innovative independent public schools, determine which innovative practices yielded positive results for student achievement, and replicate those practices in other schools.

We found that while both NOLA-PS and LDE use standardized test scores as required by state law to analyze charter schools' academic outcomes, they do not consider whether specific practices are responsible for positive outcomes. However, state law does not require a formalized process to identify practices that result in improvements or declines at charter schools.

Based on our review of the charter school application, contract, and monitoring process, we developed two matters for consideration for NOLA-PS and LDE should they choose to begin identifying specific practices that result in improvements or declines in charter school performance. Specifically, NOLA-PS and LDE may want to consider analyzing data from the past 15 years to help determine which education practices resulted in positive outcomes and which ones resulted in negative outcomes. NOLA-PS and LDE may also want to consider using the information from the retroactive review to help identify practices that result in positive outcomes in charter schools with the goal of replicating these practices.

We would like to express our appreciation to NOLA-PS and LDE for their assistance during this audit.

Respectfully submitted,

A handwritten signature in blue ink that reads "Thomas H. Cole".

Thomas H. Cole, CPA, CGMA  
Temporary Legislative Auditor

THC/aa  
CHARTERSCHOOLS



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# Louisiana Legislative Auditor



## Identifying School Practices that Impact Academic Performance in Orleans Parish Charter Schools New Orleans Louisiana Public Schools Louisiana Department of Education

March 2021

*Audit Control # 40210007*

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## Introduction

We received a legislative request to determine whether the New Orleans Louisiana Public Schools (NOLA-PS) and the Louisiana Department of Education (LDE) analyze the academic outcomes of charter schools in Orleans Parish to identify which school practices are associated with positive and negative results. Louisiana’s Charter School Demonstration Act (La. R.S. 17:3972) authorizes the creation of charter schools, which are public schools that are run by a nonprofit corporation through a contract called a charter. This law was intended to allow for city and parish school boards to experiment by creating “innovative kinds of independent public schools for students,” providing “a framework for such experimentation,” and creating “a mechanism by which experiment results can be analyzed, the positive results repeated or replicated...and the negative results identified and eliminated.”

Nearly all schools in Orleans Parish are charter schools.<sup>1</sup> Charter schools in Orleans Parish are grouped into four types: Type 1, Type 2, Type 3, and Type 3B, as described in Exhibit 1. During academic year 2019-20, NOLA-PS had oversight of 75 of the parish’s 81 charter schools, while the LDE<sup>2</sup> had oversight of six.

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<sup>1</sup> During the 2020-2021 academic year, NOLA-PS directly ran one school, while two other schools were run by non-charter contracted organizations. Another school in the parish, overseen by the Louisiana Legislature, is also not a charter school.

<sup>2</sup> Charter schools in Louisiana are chartered by charter authorizers, either local school boards - in Orleans Parish, this is the Orleans Parish School Board (OPSB) - or the state Board of Elementary and Secondary Education (BESE). New Orleans Louisiana Public Schools (NOLA-PS) is responsible for the oversight of the charter schools OPSB authorizes, while the Louisiana Department of Education (LDE) is responsible for the oversight of BESE-authorized charter schools.

Exhibit 1 Oversight Authority for Charter Schools in Orleans Parish Academic Year 2019-20			
Type	Type Description	Oversight Agency	Schools in Orleans Parish
1	New	NOLA-PS	21
2	New or Converted from Existing School	LDE	6
3	Converted from Existing School	NOLA-PS	13
3B	Former Type 5 School in Orleans Parish*	NOLA-PS	41
4	New or Converted from Existing School	BESE	0
5	Converted from Existing School in the Recovery School District	LDE	0
<b>Total</b>			<b>81**</b>
*Initially overseen by the state's Recovery School District, oversight for Orleans Parish Type 3B schools was transferred to NOLA-PS in 2018.			
**These 81 schools do not include the four schools that are not operating as a charter school in Orleans Parish.			
<b>Source:</b> Prepared by legislative auditor's staff using R.S. 17:3973 and documentation from NOLA-PS and LDE.			

The process for starting a charter school begins when an individual or organization submits a letter of intent to the prospective authorizer. The potential charter operator then completes an application that includes specific information about the curriculum model, such as why the applicant chose the curriculum model, data and research to support the model, and how the curriculum will be assessed by the school as well as other details about the proposed charter school. A third-party external reviewer evaluates this application and the authorizer decides whether to grant the charter. If granted, the charter school is given an initial contract for four years, with a possible one-year extension based on performance. Subsequent charter terms can be renewed for between three and 10 years. During the charter renewal process, NOLA-PS or LDE assesses the school's organizational and financial performance using the criteria and procedures NOLA-PS and LDE provided to each school. NOLA-PS and LDE also assess the school's academic performance, using School Performance Scores (SPS) and corresponding letter grades which are based primarily on standardized test scores<sup>3</sup>. Schools that receive an "F" are typically ineligible for renewal.<sup>4</sup> In Orleans Parish, 14.5% (12 of 83 schools) received an F for academic year 2018-19.<sup>5</sup> Exhibit 2 shows a breakdown of Orleans Parish schools by their letter grade during academic year 2018-2019. Appendix C contains a list of all charter schools in Orleans Parish during the 2019-2020 academic year and their SPS.

<sup>3</sup> The SPS for schools that include grades 8 -12 is also based on factors other than standardized tests, including how many credits students earn in their freshman year of high school, improvement over the academic year, how many students graduate on time, and the strength of diploma index.

<sup>4</sup> Schools that score an "F" may be eligible for renewal under specific circumstances, including if they are evaluated using renewal standards for alternative schools or at the recommendation of the Superintendent of Education.

<sup>5</sup> The most recent available test scores are for 2019 due to the COVID-19 pandemic.

<b>Exhibit 2</b>		
<b>Charter Schools in Orleans Parish by 2018-2019 SPS Letter Grade</b>		
<b>SPS Letter Grade</b>	<b>Number of Orleans Parish Charter Schools</b>	<b>Percent of Orleans Parish Charter Schools</b>
A	7	8%
B	11	13%
C	25	30%
D	22	27%
F	12	15%
T <sup>a</sup>	1	1%
No Score <sup>b</sup>	5	6%
<b>Total</b>	<b>83<sup>c</sup></b>	<b>100%</b>

<sup>a</sup>Schools are given a score of T in the first two years after a charter operator has taken over a failing school.

<sup>b</sup>Schools without SPS scores may be too new or have students that are too young to take the exams upon which SPS scores are based.

<sup>c</sup>The total number of charter schools does not match the total from Exhibit 1, because SPS scores are not available for the 2019-2020 academic year.

**Source:** Prepared by legislative auditor's staff using information in the SPS score cards.

Appendix A contains NOLA-PS and LDE, responses. Appendix B contains our scope and methodology. Appendix C contains a table summarizing information about Orleans Parish charter schools, including grades served, number of students, and their SPS letter grades in academic year 2017-18 and in academic year 2018-19.

## Conclusion

We found that the New Orleans Louisiana Public Schools (NOLA-PS) and the Louisiana Department of Education (LDE) use standardized test scores, as required by state law, to analyze the academic outcomes of charter schools in Orleans Parish. While using standardized test scores may be appropriate for the purpose of determining which schools should be renewed, this approach does not consider whether specific practices implemented at a school are responsible for the positive academic outcomes. Although not required by state law, a formalized process to identify the specific practices that result in improvements or declines in charter school performance would allow authorizers to replicate those practices that are working in their schools and eliminate those that are not.

## Matters for Future Consideration

Based on our review of the charter school application, contract, and monitoring process, we developed the following matters for consideration that NOLA-PS and LDE may want to consider should they choose to begin identifying specific practices that result in improvements or declines in charter school performance.

- **Analyzing data from the last 15 years may help NOLA-PS and LDE know which past strategic education practices resulted in positive and negative outcomes for student performance.** Since Hurricane Katrina in 2005, the charter school model has been a prominent part of the Orleans Parish public school system. NOLA-PS and LDE could use data from this 15-year period to gain insight about which practices of charter schools have had positive effects on student performance. NOLA-PS and LDE could then recommend replicating these practices in other schools across Orleans Parish and the state. While there may be challenges associated with a retroactive assessment, it may be able to provide valuable information about what works in education and which school practices are associated with positive educational outcomes.
- **Use information obtained from the retroactive review to help identify practices that result in positive outcomes in charter schools with the goal of replicating practices that are successful going forward.** Some charter school applications we reviewed included specific practices they intended to implement, such as type of curriculum, school calendar, and student support services. For example, one school indicated that it intended to use shorter school days, lower teacher to student ratios, and greater access to technology-based classes in its school. Collecting this type of information would help authorizers identify practices to use when evaluating a school's experimental results. Identifying successful practices may involve collecting certain data from schools beyond the standardized test scores that are currently required. Of the 29 contracts we reviewed, only four of their contracts included requirements that schools report any data other than standardized test scores. Without collecting additional data, authorizers may not be able to determine which school practices had positive or negative effects on charter school performance.

## APPENDIX A: MANAGEMENT'S RESPONSES





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March 12, 2021

Mr. Thomas H. Cole, Interim Legislative Auditor  
Louisiana Legislative Auditor  
P.O. Box 94397  
1600 North Third Street  
Baton Rouge, Louisiana 70804

Dear Mr. Cole:

This communication responds to the Louisiana Legislative Auditor's report entitled, "Identifying School Practices That Impact Academic Outcomes in Orleans Parish Charter Schools," on behalf of NOLA Public Schools.

NOLA Public Schools agrees with the conclusion reached by the Louisiana Legislative Auditor and agrees that there are areas that warrant reflection in the district's authorizing and accountability practices. The district appreciates the opportunity to respond to the report.

NOLA Public Schools is in agreement with the information provided in the Louisiana Department of Education's written response to the audit report, specifically as it relates to the district's role as an authorizer focused on respecting the autonomy of charter schools in its portfolio. The district does not directly replicate best practices in its charter schools, but rather ensures a diverse portfolio of schools providing high-quality options for families. As it relates to replication of high-quality schools, the district has a policy in place for automatic replication of schools that meet rigorous standards (OPSB Policy HA).

The conclusion of the audit report suggests the following:

[A]lthough not required by state law, a formalized process to identify the specific practices that result in improvements or declines in charter school performance would allow authorizers to replicate those practices that are working in their schools and eliminate those that are not.

NOLA Public Schools regularly reviews a robust set of qualitative and quantitative data to measure the academic, organizational, and financial performance of the charter schools it authorizes. Data is collected throughout the year and informs additional monitoring or support that may be needed to improve performance. In alignment with best practices, the district does not, however, analyze performance relative to any one specific innovative approach at a specific charter school. The charter schools in the portfolio are often continually improving upon their approaches and practices and are afforded the flexibility to do so by their authorizer.

The report suggests the following for future consideration:

[I]dentifying successful practices may involve collecting certain data from schools beyond the standardized test scores that are currently required. Of the 29 contracts we reviewed, only 4 of their contracts included requirements that schools report any data other than standardized test scores. Without collecting additional data, authorizers may not be able to determine which school practices had positive or negative effects on charter school performance.

As stated above, the district regularly collects data from the charter schools directly, on a regular basis through the reporting calendar submissions, site visits or upon request from the district. The charter school contracts require charter operators to:

[P]roduce all data, records, documentation and information requested by OPSB within three (3) business days of a request or other time period agreed to by the Parties, in accordance with Section 5.3.1.1 of this Agreement. Such request [sic] shall provide reasonable specificity regarding the data, records, documentation or information being sought. The production of documents requested pursuant to this provision shall be distinguished from requests for documents made during site visits as set forth in Section 5.12 herein. [...] During such site visits, the Charter Operator shall allow the visiting officials full and immediate access to its on-site financial and educational records, reports, files, and documents of any kind on site, whether in electronic form or hard copy, except to the extent that such records are afforded privilege under applicable law. (Orleans Parish School Board Charter School Agreement (2017), Paragraph 5.4.1).

Site visits occur for all schools on an annual basis. Additionally, NOLA-PS receives school-level data from the LDE used for analysis and accountability purposes on a regular basis.

Furthermore, NOLA Public Schools would like to clarify the review process for the charter applications. It is mentioned in the report that “a third-party external reviewer evaluates this application and the authorizer decides whether to grant the charter.” NOLA-PS has a robust approach to reviewing charter applications that involves three review teams:

- 1) NOLA Public Schools Internal Review Team: content experts in each area of the application: facilities, finance, special education, etc.
- 2) Community Review Team: comprised of community members from the Superintendent’s advisory groups (parents, students, teachers, and faith-based community members)
- 3) Independent Review Team: third-party contractor

Input from the Internal Review Team and the Community Review Team are compiled with any additional relevant information in a report, along with the Independent Review Team’s recommendation and provided to the Superintendent to make recommendations to the board. Applications are also reviewed for alignment with the board-approved District Authorizing Priorities. These priorities outline what the district seeks in operators to expand high-quality options for families. Setting clear District Authorizing Priorities informs recruitment strategies for new operators and expansion of existing operators; provides

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transparency in the charter application process of the district’s objectives; and informs the Superintendent’s decision to approve new schools. The priorities are guided by the student population, programmatic needs, and location data to ensure the portfolio of schools increases opportunities for every student to receive a high-quality education that fosters his or her individual capabilities. These District Authorizing Priorities are based on an assessment of board goals, portfolio needs, feedback from the community, and internal data. The most recent priorities were approved by the Orleans Parish School Board in 2020. While new operators do not have to explicitly meet all identified priorities, authorizing schools that can respond to the needs below is the aim of the district’s annual charter request for applications process. The district seeks a well-rounded portfolio of options to meet the needs of New Orleans families.

Additionally, the report suggests “analyzing data from the last fifteen years may help NOLA-PS and LDE know which past strategic education practices resulted in positive and negative outcomes for student performance,” NOLA-PS agrees with the importance of analyzing historic data to better understand what practices result in positive outcomes. A part of this work was undertaken in 2020 when significant qualitative and quantitative research was conducted on three of the highest performing and oldest charter schools in the city. This research helped inform the application standards and review process for new charter schools to help ensure that the district approves the highest quality operators who are aligned with what has been successful in the parish, beginning with the Spring 2020 Charter RFA cycle.

In Service,

A handwritten signature in blue ink that reads "Henderson Lewis, Jr." with a stylized, cursive script.

Dr. Henderson Lewis, Jr  
Superintendent-NOLA Public Schools



# LOUISIANA DEPARTMENT OF EDUCATION

March 12, 2021

Mr. Thomas H. Cole, Interim Legislative Auditor  
Louisiana Legislative Auditor  
P.O. Box 94397  
1600 North Third Street  
Baton Rouge, Louisiana 70804

Dear Mr. Thomas Cole, Interim Legislative Auditor:

In response to the March 2021 Louisiana Legislative Audit (LLA) report titled, "Identifying School Practices That Impact Academic Outcomes in Orleans Parish Charter Schools," the Louisiana Department of Education issues the succeeding response.

The LLA concludes that NOLA Public Schools (NOLA-PS) and Louisiana Department of Education (LDOE) "use standardized test scores, as required by state law, to analyze the academic outcomes of charter schools in Orleans Parish. While using standardized test scores may be appropriate for the purpose of determining which schools should be renewed, this approach does not consider whether specific practices implemented at a school are responsible for the positive outcomes. Although not required by state law, a formalized process to identify the specific practices that result in improvements or declines in charter school performance would allow authorizers to replicate those practices that are working in their schools and eliminate those that are not."

While we acknowledge that there are areas of improvement to be considered in our authorization practices, there are generalizations and general misunderstandings that are evident by the nature of the initial request for such audit, and within the report itself. Thus, it is the intent of this response to clarify misunderstandings, provide an overview of the recent updates to charter school authorization aligned to national standards and principles, and acknowledge areas of improvement.

## **Clarification of Misunderstandings**

A charter school is defined as "an independent public school that provides a program of elementary and/or secondary education established pursuant to and in accordance with the provisions of the Louisiana charter school law to provide a learning environment that will improve pupil achievement" (BESE Bulletin 126, §103). Charter schools have a high degree of autonomy to make operational and programmatic decisions. However, in exchange for this autonomy, charter schools are held accountable for improving academic outcomes. Louisiana charter school law establishes the high-level parameters for how local authorizers such as NOLA-PS are required to hold charter schools accountable for achieving these results. Charter schools operate through an executed contract between their non-profit charter board and the authorizer and are held accountable for academic effectiveness through student outcomes, organizational performance, and fiscal responsibility. Charter contracts may be for a term of

3-10 years and failure to meet the expectations set forth in the contract may result in the charter school being non-renewed, closed, or revoked.

The conclusion that the LLA has made — that an authorizer has the ability to replicate best practices present in charter schools — is not consistent with the autonomy provided to charter schools and the role of the charter school authorizer in contrast with the non-profit charter board (LA R.S. R.S. 17:3996). National Association of Charter School Authorizers (2018) asserts that it is the role of the authorizer to hold the school accountable for outcomes.

In 1991, Minnesota enacted the first charter school law to promote innovative educational programs and give teachers and parents the responsibility for managing and operating public schools. In 1992, City Academy in St. Paul, Minnesota became the nation’s first charter school and continues to operate today. Its founders, all veteran public school teachers, created the school in response to them trying, but failing, to create new programs for struggling students in their own schools.

In 1995, Louisiana enacted Louisiana’s Charter School Demonstration Act (LA R.S. 17:3972), which has since been revised, to authorize the creation of “innovative kinds of independent public schools for pupils.” As a result, Louisiana serves approximately 87,506 students (9%) within charter schools, providing families with school choice options.

The LLA’s audit objective provided during the entrance meeting with LDOE asked, “Did RSD/LDOE and the Orleans Parish School Board approve charter schools with innovative approaches, measure the degree to which the innovative approaches were implemented, analyze the results of that approach, and replicate or terminate charter schools with approaches that had positive/negative results, as required by state law?” It is important to note, that since the induction of charter schools in the United States, the word “innovative” has been associated with the creation of these schools and is most associated with laws and policies related to charter schools, including in the Louisiana Charter School Demonstration Act. In review of the Louisiana Charter School Demonstration Act and Minnesota Charter Law, a definition of “innovative” does not appear in the “definitions” sections of the law. United States Department of Education (ED) (2004) states that innovation is driven by a commitment to excellence and continuous improvement. Furthermore, in the world of education, innovation comes in many forms, which may include the organization and management of education systems, school accountability systems, instructional techniques, teacher recruitment strategies, funding formulas, and educator compensation to name a few. As a result, an assumption can be deduced that “innovative” does not have a definition written into law, as the sole purpose of innovation is to begin something new and is widely based on the context in which the innovation is being introduced. In other words, what may be an innovative practice in one parish may be a standard practice in another.

Secondly, in the LLA’s attempt to evaluate whether NOLA-PS and LDOE “analyze the academic outcomes of charter schools in Orleans Parish to identify which school practices are associated with positive and negative results.” The LLA links this request to only a portion of the statutory language of La. R.S. 17:3972 in stating: “This law was intended to allow for city and parish school boards to experiment by creating ‘innovative kinds of independent public schools for students,’ ‘providing a framework for such experimentation,’ and creating ‘a mechanism by which experiment results can be analyzed, the positive results repeated or replicated . . . and the negative results identified and eliminated.’”

However, this line of inquiry excludes the Legislature’s fuller intent in authorizing charter schools, which is clearly articulated in the entirety of La. R.S. 17:3972’s statements of intention and purpose.

La. R.S. 17:3972 states the “intent” of charter law as follows:

A. It is the intention of the legislature in enacting this Chapter to authorize experimentation by city and parish school boards by authorizing the creation of innovative kinds of independent public schools for students. Further, it is the intention of the legislature to provide a framework for such experimentation by the creation of such schools, a means for all persons with valid ideas and motivation to participate in the experiment, and a mechanism by which experiment results can be analyzed, the positive results repeated or replicated, if appropriate, and the negative results identified and eliminated. Finally, it is the intention of the legislature that the best interests of students who are economically disadvantaged shall be the overriding consideration in implementing the provisions of this Chapter.

The statute goes on to state the “purpose” of charter law:

B.(1) The purposes of this Chapter shall be to provide opportunities for educators and others interested in educating pupils to form, operate, or be employed within a charter school with each such school designed to accomplish one or more of the following objectives:

- (a) Improve pupil learning and, in general, the public school system.
- (b) Increase learning opportunities and access to quality education for pupils.
- (c) Encourage the use of different and innovative teaching methods and a variety of governance, management, and administrative structures.
- (d) Require appropriate assessment and measurement of academic learning results.
- (e) Account better and more thoroughly for educational results.
- (f) Create new professional opportunities for teachers and other school employees, including the opportunity to be responsible for the learning program at the school site.

### **Recent Updates to Charter School Authorization Aligned to National Standards and Principles**

In Louisiana, there are two chartering authorities (BESE Bulletin 126 §103): a local school board and the State Board of Elementary and Secondary Education (BESE). Charter school authorizers are entities that determine which applicants may start a new charter school, set academic and operational expectations, and oversee school performance. They also decide whether a charter school should remain open or close at the end of its contract (National Association of Charter School Authorizers, 2020). A local school board authorizes the operation of type 1, type 3, and type 3b charter schools. BESE serves as the authorizer of type 2, type 4, and type 5 charter schools. As a component of BESE authorizing responsibilities (BESE Bulletin 126 §305), they direct LDOE to provide oversight of the operation of charter schools authorized by BESE. The 2019-2020 Louisiana Charter School portfolio can be reviewed in Table 1.

Table 1.

<b>Charter Type</b>	<b>Creation</b>	<b>Authorizer</b>	<b>Governance</b>	<b>Total # of Schools in 2019-2020</b>	<b>Students served in 2019-2020</b>
Type 1	Charter school is a new school operated as a result of and pursuant to a charter between the nonprofit corporation created to operate the school and a local school board.	Local school board	Non-profit Board of Directors	45	19,566
Type 2	Charter school is a new school or a preexisting public school converted and operated as the result of and pursuant to a charter between the nonprofit corporation created to operate and BESE.	BESE	Non-profit Board of Directors	40	25,741
Type 3	Charter school is a preexisting public school converted and operated as the result of and pursuant to a charter between a nonprofit corporation and the local school board.	Local school board	Non-profit Board of Directors	15	12,658
Type 3B	Charter school is a former Type 5 charter school transferred from the Recovery School District to the administration and management of the transferring local school system.	Local school board	Non-profit Board of Directors	41	27,307
Type 4	Charter school is a preexisting public school converted and operated or a new school operated as the result of and pursuant to a charter between a local school board and BESE.	BESE	Local School Board	1	424
Type 5	Charter school is a preexisting public school transferred to the Recovery School District (RSD) as a school determined to be failing pursuant to state statute and operated as the result of and pursuant to a charter between a nonprofit corporation and BESE.	BESE	Non-profit Board of Directors	5	1,810

As a charter school authorizer, BESE (BESE Bulletin 126 §303) has the responsibility to implement a comprehensive application process with fair procedures and rigorous criteria. The developed application is used by each local authorizer and may be added to but shall not take away any components. Upon the

appointment and installment of a new Louisiana State Superintendent and administration, various divisions within the LDOE underwent administrative changes and restructuring. As a result, the work stream of charter schools was placed in the Office of Equity, Inclusion, and Opportunities. The Louisiana Department of Education Educational Priorities: *Believe to Achieve*, serves as the Department's roadmap to improving outcomes for all children. *Believe to Achieve* includes the Department's belief statements, which articulates "*Louisiana believes choice expands opportunities.*"

In January 2021, BESE and public meeting attendees were presented with a comprehensive overview of proposed changes to the charter application process and application for the 2021-2022 Charter Application Cycle. It is important to note that the changes proposed were a collaborative effort, as the Office intentionally engaged local authorizers through the creation of a workgroup, utilized quantitative and qualitative survey data administered to the charter applicants of the 2019-2020 charter application cycle, intentionally engaged local organizations such as Louisiana Association of Public Charter Schools (LAPCS), New Schools for Baton Rouge (NSBR), and New Schools for New Orleans (NSNO) for feedback and suggestions, and intentionally engaged the National Association of Charter School Authorizers (NACSA) for review and feedback as well as alignment with the National Principles and Standards for Quality Charter School Authorization. Such practices are in alignment with the Louisiana Charter School Demonstration Act (§3981) as it states that BESE shall "engage in an application review process that complies with the latest Principles and Standards for Quality Charter School Authorizing, as promulgated by the National Association of Charter School Authorizers."

As a result, the following process components were approved by BESE for the 2021-2020 Charter Application Cycle:

**1. LDOE provides orientation sessions to interested charter applicants**

*Purpose:* To provide interested applicants the opportunity to learn about the application process, components, evaluation, and accountability prior to submission of the application.

*Applicant Feedback:* At the district level, there was a need for education on the RFA process and the legal interactions with charter applicants.

*NACSA Standard:* Application Process & Decision Making

**2. Letter of Intent submitted to LDOE**

*Purpose:* Allows the applicant to intentionally engage with the authorizer prior to the application submission and the authorizer to adequately plan for the number of submissions with the third-party evaluator.

**3. Eligibility Determination Forms submitted to LDOE**

*Purpose:* Prior to the full submission of the application, this allows the authorizer to determine if the applicant has met the eligibility requirements outlined in BESE Bulletin 126, Chapter 5.

**4. LDOE reviews process, timeline, and tools with the applicant**

*Purpose:* To provide applicants with intentional touch points throughout the process to answer questions, clearly articulate deadlines, and ensure an understanding of the process.

*Applicant Feedback:* 40% disagreed that deadlines were communicated effectively. 40% disagreed that LDOE staff were transparent and supportive throughout the process.

*NACSA Advanced Standard:* Fair, Transparent, Quality Focused Procedures

**5. Application evaluation by Internal Charter School Review Committee and Stakeholder Charter School Review Committee**

*Purpose:* An internal practice used as a method of data triangulation, to support the consistency of the evaluation of the third-party evaluator.

**6. LDOE and third-party evaluator meeting with Individual School Systems of appealing applicants**

*Purpose:* To review the third-party evaluation of the charter application completed at the local level and allow the local system to provide rationale for the decision, and submit any supporting materials. This component is not evaluated, but for informational purposes only.

**7. Charter School Presentations during public meeting**

*Purpose:* Prior to approval, and before evaluation, holding a public meeting for the purpose of allowing the applicant the opportunity to present the proposal to BESE and the public.

In addition to the process components, a complete revision of the charter application was undertaken, and subsequently presented and approved by BESE for the 2021-2022 Charter Application Cycle, in which the changes are summarized as follows:

**1. 2021 Common Charter Application Structural Revisions:**

- a. Introductory Pages with Information about Louisiana Education
- b. An Overview of the Current Charter School Portfolio
- c. An Outline of Applicant Eligibility Requirements
- d. An Explanation of Each Application Process Component
- e. Establishment of Clear Application Section Headings

*NACSA Advanced Standard:* Fair, Transparent, Quality Focused Procedures

**2. 2021 Common Charter Application Content Revisions:**

- a. Requiring applicants to intentionally identify and provide a comprehensive plan to serve their intended student population
- b. Requiring applicants to demonstrate capacity to serve a diverse student population, which includes, but not limited to students with exceptionalities, English Learners, and students with diverse racial and socioeconomic backgrounds
  - i. Academic Plan
  - ii. School Calendar and Student Schedule
  - iii. Diverse Learners
  - iv. School Culture
  - v. Behavior Management
  - vi. Professional Development
- c. Requiring applicants to provide a detailed hybrid learning plan
- d. Requiring applicants to describe a plan to support social and emotional health of students
- e. Requiring applicants to describe a plan to recruit and retain a diversified staff.
- f. Revision to the Financial Template with MFP Projections

*NACSA Standard:* Application Process & Decision Making

**3. 2021 Common Charter Application Content Revisions:**

- a. Upon the conclusion of each application section, the applicant is required to list and provide a detailed description of the charter school's measurable academic goals, organizational goals, and financial goals.

*NACSA Principle:* Uphold School Autonomy

**4. 2021 Common Charter Application Content Revisions:**

- a. The development of sub-section "School Establishment" requires applicants to provide:

- i. in-depth analysis of the community in which they seek to serve
- ii. rationale for the selection of the community
- iii. analysis of the various educational programs and/or instructional approaches currently offered to the intended student population compared to what the proposed school will offer
- iv. reflection of stakeholders not engaged and recognition of potential barriers to them being included
- v. the extent to which, the application incorporates community input regarding the educational and programmatic needs of students

*NACSA Focus Area: Community-Centered Authorizing*

### **Areas of Improvement**

The LDOE is committed to the continuous review of its charter authorizing practices to ensure alignment with NACSA's Principles and Standards for Quality Charter School Authorizing and encompass best practices that result in the community-centered authorizing practices, which center the needs and aspirations of communities. As a result of the continuous review, we have identified areas in authorization that we can improve upon and plan to do so in the following ways:

*Charter Application Standards for Evaluation:* The charter application evaluation rubric currently includes two sets of standards; holistic standards that evaluators will apply across all evidence presented, and standards that apply to specific pieces of evidence presented in the application. It is our intent to replicate a best practice that was led by NOLA Public Schools and develop application standards that are not only aligned with national best practice, but embeds Louisiana charter specific evidence for success as criteria. Specifically, using a regression analysis to identify charter schools that perform above the status quo to further conduct both qualitative and quantitative data review on their inputs that have led to their student outputs. The focus areas will be academic, organizational, and financial. Through the use of action research, the collected data will be triangulated and used to identify themes, which will ultimately lead to the development of individual standards. The standards will be included in the charter application evaluation rubric. It is the intent of this process to determine the practices that lead to positive student outcomes and evaluate applicant responses based on the evidence of innovations in Louisiana charter schools that are leading to positive student outcomes.

*Charter School Contracts:* NACSA Standard on Performance Contracting states that a "quality authorizer executes contracts with charter schools that articulate the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms." In reviewing the language of the current charter contracts for BESE authorized charter schools, there is an opportunity to better align the contracts with NACSA Standards. Prior to any revisions to the charter contract, the LDOE will intentionally engage various stakeholders to develop a working group to review, research, and propose revisions to the contract. While such revisions will be a longer process, in the interim, the LDOE has strategically updated the 2021-2022 charter application to ensure that successful applicants are fully prepared to meet expectations and execute charter contracts aligned to NACSA Authorizing Standards. The new 2021-2022 charter application has intentionally embedded questions requiring applicants to

identify academic, organizational and financial performance based goals as a way to begin associating both the authorizer and approved applicants to measuring school-specific performance metrics in addition to the Louisiana School Performance Score (SPS). This approach pushes the applicant to create specific goals that are aligned to their school-specific model and practice. Such goals have the opportunity to be used by the non-profit charter board to measure and evaluate the effectiveness of the model. The goals can also be used by the authorizer during annual site visits or other annual oversight activities as a discussion point to determine the trajectory toward meeting the authorizer standards outlined in the Charter School Performance Compact (CSPC). An authorizer shall focus on holding schools accountable for outcomes rather than process (National Association of Charter School Authorizers, 2018). An authorizer can strategically use information gained by examining and understanding school-specific “inputs” at high-performing schools as a way to share best practices among schools in the authorizer’s portfolio and with traditional public schools. Lessons learned in this process may also inform the development of charter application standards inclusive of effective practices throughout the portfolio.

In conclusion, the Louisiana Department of Education is committed to being reflective in our practices and determining improvement areas. While LDOE has begun to make incremental changes to our charter authorization process under the new administration, we recognize we can continue to improve our authorization practices which will directly impact the charter portfolio. We also appreciate the opportunity, through this management response, to highlight that school choice is a foundational belief of our agency and comes in many forms, inclusive of charter schools.

Sincerely,



Dr. Cade Brumley  
State Superintendent  
Louisiana Department of Education

National Association of Charter School Authorizers (2018). *Principles and Standards for Quality Charter School Authorizing*. <https://www.qualitycharters.org/wp-content/uploads/2018/10/NACSA-Principles-and-Standards-2018-Edition.pdf>

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## APPENDIX B: SCOPE AND METHODOLOGY

This report provides the results of our performance audit of the New Orleans Public Schools (NOLA-PS) and the Louisiana Department of Education (LDE). We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. This audit covered the 2014-15 to 2019-2020 academic years. Our audit objective was:

**To determine whether the NOLA Public Schools (NOLA-PS) and the Louisiana Department of Education (LDE) analyze the academic outcomes of charter schools in Orleans Parish to determine which school practices are associated with positive and negative results.**

The methodology used in preparing this report was developed uniquely to address the stated objective; therefore, this report is more limited in scope than an audit performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. To answer our objective, we reviewed internal controls relevant to the audit objective and performed the following audit steps:

- Researched and reviewed relevant state statutes and regulations related to charter schools.
- Obtained legal opinion on interpretation of the Charter School Authorization Act.
- Interviewed representatives from the NOLA-PS about application, monitoring procedures, and criteria for charter schools.
- Downloaded tables of SPS letter grades for the 2014 through 2019 academic years from the Louisiana Department of Education website.
- Downloaded tables of Minimum Foundation Program (MFP) and enrollment statistics for the 2014-15 to 2019-20 academic years from the Louisiana Department of Education website.
- Downloaded annual governance charts for Orleans Parish charter schools for the 2014-15, 2016-17, 2017-18, 2018-19, and 2019-20 academic years produced by the Cowen Institute at Tulane University.
- Compiled a list of all charter schools that operated in Orleans Parish during the 2014-15 to 2019-20 academic years and took a stratified random sample of 32 of the 101 (31.6%) charter schools that operated in Orleans Parish at some point

during this time period. We stratified based on academic year 2019 SPS letter grades for currently operating schools to ensure that schools from all letter grades were sampled. We also sampled from schools that had closed during our scope.

- Determined the number of each type of charter school operating in Orleans Parish during the 2019-2020 academic year, along with the authorizer for each charter type.
- Determined the number of all schools of each SPS letter grade operating in Orleans Parish during the 2018-2019 academic year.
- Requested charter contracts and application materials from NOLA-PS and LDE for a sample of 32 schools that operated during the 2014-15 to 2019-20 academic years and received 29 contracts and 23 applications. We reviewed the contracts that were provided to us by NOLA-PS and LDE for these schools. Our sample included a variety of schools with different letter grades, closed and open schools.
- Requested the application rubrics used by the authorizers along with their annual review template.
- Obtained the replication approvals for NOLA-PS and LDE from the OPSB and BESE board minutes.
- Created and completed a data collection instrument that reported information found in charter school application materials and contracts.
- Researched quantitative research methods and experimental procedures, especially in the social sciences.
- Reviewed report with NOLA-PS and LDE and allowed both agencies to provide feedback.

**APPENDIX C: LIST OF ORLEANS PARISH CHARTER SCHOOLS  
AND SCHOOL PERFORMANCE SCORES IN  
ACADEMIC YEARS 2017-18 AND 2018-19**

	<b>School</b>	<b>Type</b>	<b>Authorizer</b>	<b>2018-2019 Grades Served</b>	<b>2018-2019 Number of Students</b>	<b>2017-18 SPS Score</b>	<b>2018-19 SPS Score</b>
1.	Abramson Sci Academy	Type 3B	Orleans Parish School Board (OPSB)	9-12	605	B	B
2.	Akili Academy of New Orleans	Type 3B	OPSB	Pre-K-8	675	C	D
3.	Alice M. Harte Elementary Charter School	Type 3	OPSB	Pre-K-8	798	B	B
4.	Arise Academy	Type 3B	OPSB	K-8	484	D	F
5.	Arthur Ashe Charter School	Type 3B	OPSB	K-8	824	C	C
6.	Audubon Charter School	Type 3	OPSB	Pre-K-8	884	B	B
7.	Audubon Charter School – Gentilly**	Type 1	OPSB	Pre-K-3	188	-	-
8.	Benjamin Franklin Elem. Math and Science	Type 3	OPSB	K-8	759	C	C
9.	Benjamin Franklin High School	Type 3	OPSB	9-12	997	A	A
10.	Bricolage Academy	Type 1	OPSB	Pre-K-6	697	C	B
11.	Dr. Martin Luther King Charter School for Sci/Tech	Type 3B	OPSB	Pre-K-12	916	C	D
12.	Dwight D. Eisenhower Charter School (Operated by InspireNOLA)	Type 1	OPSB	Pre-K-8	680	-	C
13.	Edna Karr High School	Type 3	OPSB	9-12	1073	A	A
14.	Edward Hynes Charter School	Type 3	OPSB	K-8	715	A	A
15.	Edward Hynes Charter School (UNO Campus)**	Type 1	OPSB	K	107	-	-
16.	Einstein Charter at Sherwood Forest	Type 1	OPSB	Pre-K-5	490	D	D
17.	Einstein Charter High School at Sarah Towles Reed	Type 1	OPSB	9-12	401	C	C
18.	Einstein Charter Middle Sch at Sarah Towles Reed	Type 1	OPSB	6-8	441	C	D
19.	Einstein Charter School at Village De L'Est	Type 1	OPSB	Pre-K-5	467	D	D
20.	Elan Academy Charter School**	Type 1	OPSB	Pre-K-4	206	-	-
21.	Eleanor McMain Secondary School	Type 3	OPSB	9-12	887	B	B
22.	ENCORE Academy	Type 1	OPSB	Pre-K-8	622	C	D
23.	Esperanza Charter School	Type 3B	OPSB	K-8	564	C	C

	School	Type	Authorizer	2018-2019 Grades Served	2018-2019 Number of Students	2017-18 SPS Score	2018-19 SPS Score
24.	Fannie C. Williams Charter School	Type 3B	OPSB	Pre-K-8	566	D	D
25.	FirstLine Live Oak	Type 1	OPSB	Pre-K-8	601	-	D
26.	Foundation Preparatory	Type 1	OPSB	K-5	249	C	D
27.	G. W. Carver Collegiate Academy	Type 3B	OPSB	9-12	807	C	C
28.	Harriet Tubman Charter School	Type 3B	OPSB	Pre-K-8	1003	C	D
29.	Homer A. Plessy Community School	Type 1	OPSB	Pre-K-8	467	D	C
30.	IDEA Oscar Dunn**	Type 1	OPSB	K-5	207	-	-
31.	International High School of New Orleans	Type 2	BESE	9-12	456	C	C
32.	International School of Louisiana	Type 2	BESE	K-8	1401	B	B
33.	James M. Singleton Charter School	Type 3B	OPSB	Pre-K-8	392	F	F
34.	John F. Kennedy High School	Type 3B	OPSB	9-12	629	C	C
35.	Joseph A. Craig Charter School	Type 3B	OPSB	Pre-K-8	241	F	F
36.	KIPP Believe College Prep	Type 3B	OPSB	K-8	728	C	C
37.	KIPP Booker T Washington	Type 3B	OPSB	9-12	559	C	D
38.	KIPP Central City Primary	Type 3B	OPSB	Pre-K-8	1002	C	C
39.	KIPP East Community	Type 3B	OPSB	Pre-K-5	649	C	C
40.	KIPP Morial	Type 3B	OPSB	Pre-K-8	1026	C	C
41.	KIPP New Orleans Leadership Academy	Type 3B	OPSB	K-8	883	D	D
42.	KIPP Renaissance High School	Type 3B	OPSB	9-12	623	B	B
43.	Lafayette Academy	Type 3B	OPSB	Pre-K-8	971	C	F
44.	Lake Forest Elementary Charter School	Type 3	OPSB	K-8	660	A	A
45.	Langston Hughes Charter Academy	Type 3B	OPSB	Pre-K-8	811	C	D
46.	Lawrence D. Crocker College Prep	Type 3B	OPSB	Pre-K-8	540	D	F
47.	Living School**	Type 1	OPSB	9	55	-	-
48.	Livingston Collegiate Academy	Type 3B	OPSB	9-12	617	B	C
49.	Lord Beaconsfield Landry-Oliver Perry Walker High	Type 3B	OPSB	9-12	939	F	C
50.	Lusher Charter School	Type 3	OPSB	K-12	1861	A	A
51.	Lycee Francais de la Nouvelle-Orleans	Type 2	BESE	Pre-K-9	1035	B	B
52.	Martin Behrman Charter Acad of Creative Arts & Sci	Type 3B	OPSB	Pre-K-8	843	C	C
53.	Mary Bethune Elementary Literature/Technology	Type 3	OPSB	Pre-K-8	681	C	C
54.	Mary D. Coghill Charter School	Type 3B	OPSB	K-8	541	D	F

	School	Type	Authorizer	2018-2019 Grades Served	2018-2019 Number of Students	2017-18 SPS Score	2018-19 SPS Score
55.	McDonogh 35 Senior High School**	Type 1	OPSB	9	168	-	-
56.	McDonogh 42 Charter School	Type 1	OPSB	Pre-K-8	481	T	T
57.	Mildred Osborne Charter School	Type 3B	OPSB	K-8	538	C	D
58.	Morris Jeff Community School	Type 3B	OPSB	Pre-K-11	1236	C	C
59.	New Harmony High Institute**	Type 2	BESE	9-10	102	-	-
60.	New Orleans Charter Science and Mathematics High School	Type 3	OPSB	9-12	456	B	B
61.	New Orleans Military & Maritime Academy	Type 2	BESE	8-12	939	B	A
62.	Noble Minds**	Type 2	BESE	K-4	94	-	-
63.	Opportunities Academy**	Type 1	OPSB	12	67	-	-
64.	Paul Habans Charter School	Type 3B	OPSB	Pre-K-8	840	C	C
65.	Phillis Wheatley Community School	Type 3B	OPSB	Pre-K-8	855	C	D
66.	Pierre A. Capdau Charter School at Avery Alexander	Type 3B	OPSB	Pre-K-8	707	D	D
67.	ReNEW Accelerated High School West Bank Campus	Type 3B	OPSB	9-12	224	F	C*
68.	ReNEW Dolores T. Aaron Elementary	Type 3B	OPSB	Pre-K-8	780	D	D
69.	ReNEW Schaumburg Elementary	Type 3B	OPSB	Pre-K-8	795	D	F
70.	ReNEW SciTech Academy at Laurel	Type 3B	OPSB	Pre-K-8	879	D	D
71.	Robert Russa Moton Charter School	Type 3	OPSB	Pre-K-8	458	F	D
72.	Rooted School	Type 1	OPSB	9-11	156	B	C
73.	Rosenwald Collegiate Academy	Type 1	OPSB	9-10	259	-	B
74.	Samuel J. Green Charter School	Type 3B	OPSB	Pre-K-8	508	C	C
75.	Sophie B. Wright Institute of Academic Excellence	Type 3B	OPSB	9-12	475	C	B
76.	Success Preparatory Academy	Type 3B	OPSB	K-8	444	C	D
77.	The NET 2 Charter High School	Type 3B	OPSB	8-12	177	F	C*
78.	The NET Charter High School	Type 3B	OPSB	8-12	153	F	C*
79.	Walter L. Cohen College Prep	Type 3B	OPSB	9-12	258	D	F
80.	Warren Easton Senior High School	Type 3	OPSB	9-12	990	A	A
81.	Wilson Charter School	Type 1	OPSB	Pre-K-8	698	C	C

\*In 2018-2019, these schools were given SPS letter grades based on a rubric created for alternative schools.

\*\* Schools without SPS scores may be too new or have students that are too young to take the exams upon which SPS scores are based.

**Note:** These 81 schools do not include the four schools that are not operating as a charter school in Orleans Parish. In addition, SPS scores are not available for the 2019-2020 academic year.

**Source:** Prepared by legislative auditor's staff using information from LDE enrollment data and SPS spreadsheets.

USE OF ACADEMIC PERFORMANCE  
IN THE CHARTER SCHOOL RENEWAL PROCESS

LOUISIANA DEPARTMENT OF EDUCATION



PERFORMANCE AUDIT SERVICES  
ISSUED OCTOBER 18, 2017

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**FOR QUESTIONS RELATED TO THIS PERFORMANCE AUDIT, CONTACT  
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AT 225-339-3800.**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor.

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

October 18, 2017

The Honorable John A. Alario, Jr.,  
President of the Senate  
The Honorable Taylor F. Barras,  
Speaker of the House of Representatives

Dear Senator Alario and Representative Barras:

This report provides the results of our review of the Louisiana Department of Education's (LDE) use of academic performance in the renewal process for type 2, 4, and 5 charter schools. The report contains our findings, conclusions, and recommendations. Appendix A contains LDE's response to this report. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of LDE for their assistance during this audit.

Sincerely,  
  
Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/aa

CHARTER SCHOOLS RENEWAL PROCESS



# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



## Use of Academic Performance in the Charter School Renewal Process Louisiana Department of Education

October 2017

Audit Control # 40160009

### Introduction

We evaluated the Louisiana Department of Education's (LDE) use of academic performance in the charter school renewal process. LDE's process for renewing charter schools is important because the department is responsible for making a recommendation to the Board of Elementary and Secondary Education (BESE) about whether it should approve each charter school's renewal application. This recommendation is based on a review of a school's operations, including student academic performance, school financial performance, and compliance with various charter school requirements. According to BESE's charter school regulations,<sup>1</sup> academic performance is considered the *primary indicator* of school quality and, as a result, should play a key role in whether a charter school is recommended for renewal.

BESE's charter school regulations require LDE to monitor the performance of type 2, 4, and 5 charter schools and conduct renewal reviews of these schools' charters. BESE is the authorizer for these three types of charter schools. From academic years 2011-12 through 2015-16, there were 121 type 2, 4, and 5 charter schools that operated for at least one year, serving approximately 48,300 students per year.

According to state law,<sup>2</sup> at the end of a school's charter term, BESE may renew the charter school after a thorough review. A charter school can be renewed for terms ranging from three to 10 years and cannot continue operating if not renewed. School Performance Scores (SPS) and their corresponding letter grades are used to determine the minimum length of a charter school's renewal term. A

charter school that meets expectations in other performance areas is eligible to have extra years added to the length of its charter term, as shown in Exhibit 1.

Exhibit 1 Potential Charter Renewal Terms		
SPS Letter Grade	Minimum Renewal Term	Maximum Renewal Term
A	6 years	10 years
B	5 years	7 years
C	4 years	6 years
D	3 years	3 years
F	Non-renewal	3 years

**Source:** Prepared by legislative auditor's staff using information from LDE.

<sup>1</sup> Bulletin 126, §1501(C)

<sup>2</sup> Louisiana Revised Statute (R.S.) 17:3992(A)(1)

Between academic years 2011-12 and 2015-16, 64<sup>3</sup> charter schools were up for renewal, and BESE renewed 58 of these schools at least once. Three schools were not renewed because of low SPS letter grades, and the three others were not renewed for various other reasons, such as the school transferring to the local school district's jurisdiction. Exhibit 2 shows the total number of schools renewed by letter grade.

<b>Exhibit 2</b>	
<b>Schools Renewed by Letter Grade*</b>	
<b>Academic Years 2011-2012 to 2015-16</b>	
<b>Letter Grade</b>	<b>Schools Renewed</b>
A	3
B	9
C	27
D	17
F	2
<b>Total</b>	<b>58</b>
*As of each schools' most recent renewal. <b>Source:</b> Prepared by legislative auditor's staff using SPS data.	

Having appropriate and comprehensive recommendation criteria in the charter school renewal process is important because, according to Bulletin 126, §1101(A), charter schools are given a greater amount of autonomy and independence than traditional public schools in exchange for heightened levels of accountability. Our review of LDE's charter school renewal process primarily included evaluating whether the process considered the following criteria:

- **R.S. 17:3992(A)(2)(a)**, which requires that a charter school only be renewed if it can demonstrate, using standardized test scores, improvement in the academic performance of its students over the term of the charter school's existence.
- **La. Admin. Code title 28, pt. CXXXIX (Bulletin 126), §1501**, which establishes that a charter school must demonstrate, *at a minimum*, improvement in the academic performance of students over the term of the charter school's existence in order to be renewed.

Our audit objective was:

**To evaluate LDE's use of academic performance in the renewal process for charter schools authorized by BESE.**

The following pages summarize our results, Appendix A contains LDE's response to this report, and Appendix B details our scope and methodology.

<sup>3</sup> This is the number of schools that were up for renewal at least once during academic years 2011-12 through 2015-16.

## **Objective: To evaluate LDE's use of academic performance in the renewal process for charter schools authorized by BESE.**

**We found that while LDE has some standards for determining whether a charter school should be recommended for renewal, it has not developed specific guidelines that address the primary academic requirement for charter school renewal, as required by state law.** State law<sup>4</sup> requires that “no charter shall be renewed unless the charter renewal applicant can demonstrate, using standardized test scores, improvement in the academic performance of pupils over the term of the charter school’s existence.” BESE’s current regulations<sup>5</sup> restate the statute but do not define how LDE should determine whether a charter school has demonstrated “improvement in the academic performance of its students” when recommending a charter school for renewal. LDE’s renewal policies, as described in the Charter School Performance Compact (CSPC), also lack criteria for determining whether charter schools have demonstrated, through standardized test scores, improvement in the academic performance of students over the term of the charter school’s existence.

An objective of the CSPC is to provide charter school operators and boards with clear expectations for accountability. The CSPC must also provide clear standards and comprehensive information to guide charter extension and renewal determinations. According to LDE, it considers all relevant data<sup>6</sup> to determine if a charter school has demonstrated improvement in the academic performance of students over the term of a charter school’s existence. However, a lack of specific guidelines in this area presents a risk that LDE’s oversight process may not be consistent and predictable as required by the CSPC and that LDE will recommend schools for renewal that do not meet the guidelines of state law.

**LDE currently uses a school’s SPS as the primary academic performance indicator for renewal decisions rather than determining whether the school demonstrated, using standardized test scores, improvement in its academic performance of students, as required by state law.** When determining whether to recommend a charter for renewal, LDE relies primarily on each school’s SPS and corresponding letter grade, which is intended to reflect school quality. While standardized test scores are a component of all SPSs, only elementary schools have SPSs that are composed of standardized test scores alone. As a result, improvement in the SPS of a middle or high school does not necessarily indicate an improvement in the standardized test scores of the school’s students. This is because other factors such as graduation rates and credit accumulation (i.e., credits earned through the end of students’ ninth-grade year) are also included in a school’s SPS and may obscure the changes in a school’s test scores over time.

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<sup>4</sup> R.S. 17:3992(A)(2)(a)

<sup>5</sup> Bulletin 126 §1501(B)

<sup>6</sup> According to LDE, the data it reviews can include, but is not limited to assessment index, school performance scores, letter grades or star ratings, proficiency rates, ACT average composite score and/or percent of students scoring 18 or above, value-added model results, progress points, and percentage of students exceeding growth expectations.

For example, Joseph S. Clark High School had a pre-assessment index of 36.9 but had a renewal year assessment index of 30.8.<sup>7</sup> The assessment index is lower than the school’s pre-assessment index, meaning that student test scores worsened over time. However, in its renewal year, Joseph S. Clark School had an overall SPS that earned it a “D” letter grade due to the inclusion of other criteria into its score such as graduation rates and the strength of diploma index. Subsequently, it was renewed for a three-year term despite test scores that fell over the course of its existence. Exhibit 3 summarizes all factors included in determining a school’s SPS.

The pre-assessment index is based on the standardized test scores (i.e., LEAP, End of Course, and ACT exams) of students enrolled in the charter school from the year immediately preceding the creation of the new charter school.

The assessment index is based on the standardized test scores (i.e., LEAP, End of Course, and ACT exams) of students attending that charter school.

Exhibit 3 School Performance Score (SPS) Factors	
Elementary Schools	SPS is entirely composed of standardized test scores.
Middle Schools	SPS is 95% composed of standardized test scores. The remaining 5% is based on credits earned through the end of students’ ninth-grade year.
High Schools	SPS is 50% composed of standardized test scores. An additional 25% is based on the cohort graduation rate, and the final 25% is determined by the strength of diploma index (which rewards achievements like Advanced Placement and International Baccalaureate exam credit).
Source: Prepared by legislative auditor’s staff using information in Bulletin 111.	

Although nothing in state law prohibits LDE from using additional renewal criteria when considering charter renewals, state law<sup>8</sup> does require that a school demonstrate improvement in standardized test scores, at a minimum, in order to be renewed.

**We found that LDE follows state renewal regulations regarding required standardized test score improvement for non-alternative, turnaround<sup>9</sup> charter schools that scored an “F” in the renewal year of its first charter term or a “D” or “F” in subsequent charter terms.** Specifically, turnaround schools must show an average of five or more points of assessment index growth per year in order to be renewed. This growth is measured from the school’s pre-assessment index to its assessment index in its final year before renewal. However, only one of the 19 type 2 and 5 charter schools that opened and was up for renewal between academic years 2011-12 and 2015-16 was a turnaround school that met these criteria. Outside of assessment index growth for this limited number of schools, LDE has not developed any procedures detailing how to determine improvement in academic performance using standardized test scores or what criteria and measures should be used.

<sup>7</sup> Composite of K-8 Index, EOC Index, and ACT Index.

<sup>8</sup> La. Admin. Code title 28, pt. CXXXIX (Bulletin 126), §1501

<sup>9</sup> A turnaround school is one in which an operator takes over an entire school that was labeled “F” in the previous school year, including all previous grade levels and all former students of the school. Turnaround schools receive a “T” letter grade for their first two years of operation.

Using the measure LDE uses to gauge improvement in standardized test scores for turnaround schools, we found that seven (39%) of the 18 charter schools that opened and were renewed between academic years 2011-12 and 2015-16<sup>10</sup> did not demonstrate improvement in students' standardized test scores. Therefore, there is a risk that LDE is renewing schools that may not have demonstrated improvement in the academic performance of its students, which is required for a school to be renewed. To evaluate the risk associated with LDE's lack of specific guidelines, we determined whether the schools renewed showed improvement in standardized test scores.<sup>11</sup> Of the 18 schools that opened and were renewed during our scope, seven (39%) did not show improvement in academic performance using standardized test scores alone, and LDE recommended that BESE renew these seven schools. Exhibit 4 summarizes the change in test scores for these schools.

<b>Exhibit 4</b> <b>Renewed Schools that Did Not Demonstrate Improvement in Student Test Scores</b> <b>Academic Years 2011-12 and 2015-16</b> <i>(As Measured Using a Composite of the K-8 Assessment Index, EOC Assessment Index, and ACT Assessment Index)</i>						
School	Year Opened	Renewal Year	First Year Test Scores or Pre-Assessment Index*	Renewal Year Assessment Index	Change	Length of Renewal
1. Louisiana Virtual Charter Academy	2011	2015	79.4	59.69	-19.71	3
2. Langston Hughes Academy Charter School	2012	2016	70.47	59.24	-11.53	3
3. Lake Charles Charter Academy	2011	2015	73	65.91	-7.09	6
4. Joseph Clark High School	2011	2015	36.9	30.77	-6.13	3
5. Southwest Louisiana Charter Academy	2012	2016	71.9	66.01	-6.11	5
6. Crescent Leadership Academy	2012	2016	15.03	9.82	-5.48	3
7. ReNEW Accelerated High School (City Park)	2011	2015	10.62	9.69	-1.7	3
*Pre-assessment indices are not available for all schools. For schools without pre-assessment indices, first-year test score indices were used instead. <b>Source:</b> Prepared by legislative auditor's staff using data from LDE.						

Without specific and comprehensive guidelines for renewing charter schools, there is a risk that LDE's oversight process will be inconsistent and unpredictable and that it will recommend schools for renewal that do not meet the guidelines of state law. This may result in substandard schools being allowed to continue to educate students. According to an audit by the Massachusetts' Office of the State Auditor, "inconsistency in charter renewal decisions can cause multiple problems: charter schools may not clearly understand expectations, schools may be missing the opportunity to receive important feedback, parents may be misinformed about

<sup>10</sup> We only reviewed schools that opened and had a renewal during our five-year scope because the law states that the standardized test score improvement is required over the "term of the charter school's existence."

<sup>11</sup> Our methodology is summarized in Appendix B.

schools' performance, and children may receive substandard academic programs."<sup>12</sup> According to LDE, it is in the process of developing a methodology for this purpose.

**Recommendation 1:** LDE should work with BESE to develop specific rules and regulations that define what constitutes improvement in the academic performance of its students over the term of the charter school's existence, using standardized test scores as an independent metric.

**Recommendation 2:** LDE should ensure that all charter schools recommended for renewal demonstrate, using standardized test scores, improvement in the academic performance of its students over the term of its existence.

**Summary of Management's Response:** LDE agrees with these recommendations and states BESE and LDE have used academic improvement of students on standardized test scores as a basis for renewing charter school contracts since the creation of charter schools in Louisiana. See Appendix A for LDE's full response.

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<sup>12</sup> [The Department of Elementary and Secondary Education's Oversight of Charter Schools, December 2014](#)

## **APPENDIX A: MANAGEMENT'S RESPONSE**





# LOUISIANA DEPARTMENT OF EDUCATION

October 11, 2017

Hon. Daryl G. Purpera  
Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

Re: Charter School Renewal Process Report

Dear Mr. Purpera:

The Louisiana Department of Education (Department) appreciates the opportunity to submit an official response to the Louisiana Legislative Auditor (LLA) report on the charter school renewal process. As always, your staff completed their research diligently and arrived at thoughtful findings. The Department acknowledges receipt of the report and would like to offer one clarification regarding its recommendations.

The report asserts that the Board of Elementary and Secondary Education (BESE) and the Department of Education should incorporate into charter school oversight policies a greater reflection of the following provision of Louisiana R.S. 17:3992(A)(2)(a): "No charter shall be renewed unless the charter renewal applicant can demonstrate, using standardized test scores, improvement in the academic performance of pupils over the term of the charter school's existence."

BESE and the Department have used academic improvement of students on standardized test scores as a basis for renewing charter school contracts since the creation of charter schools in Louisiana. In fact, at its October 17 and 18 meetings, BESE will consider changes to the calculation of the school performance score that will increase the essential standard for performance to "mastery" on such assessments and will include a measurement of annual academic growth made by each student. While we appreciate the suggestion that BESE explicitly address the language of the statute in its charter school policies, Louisiana has a clear and unambiguous history of using students' improvement on standardized test scores to determine whether to renew charter schools.

Sincerely,

A handwritten signature in blue ink that reads "John White".

John White  
State Superintendent

**Louisiana Believes.**

A.1

Louisiana Legislative Auditor  
Performance Audit Services

Checklist for Audit Recommendations

**Agency: Louisiana Department of Education (LDE)**

**Audit Title: Use of Academic Performance in the Charter School Renewal Process**

**Audit Report Number: 40160009**

**Instructions to Audited Agency:** Please fill in the information below for each finding and recommendation. A summary of your response for each recommendation will be included in the body of the report. The entire text of your response will be included as an appendix to the audit report.

<b>Finding 1: We found that while the Louisiana Department of Education (LDE) has some standards for determining whether a charter school should be recommended for renewal, it has not developed specific guidelines that address the primary academic requirement for charter school renewal, as required by state law.</b>	
<i>Recommendation 1: LDE should work with BESE to develop specific rules and regulations that define what constitutes improvement in the academic performance of its students over the term of the charter school's existence, using standardized test scores as an independent metric.</i>	
Does Agency Agree with Finding? Agree <input checked="" type="checkbox"/> Disagree <input type="checkbox"/>	
Agency Contact Responsible for Finding:	
Name/Title:	[REDACTED]
Address:	[REDACTED]
City, State, Zip:	[REDACTED]
Phone Number:	[REDACTED]
Email:	[REDACTED]

**Finding 2: Using the measure LDE uses to gauge improvement in standardized test scores for turnaround schools, we found that seven (37%) of the 19 charter schools that opened and were renewed between academic years 2011-12 and 2015-16 did not demonstrate improvement in overall standardized test scores.**

*Recommendation 2: LDE should ensure that all charter schools recommended for renewal demonstrate improvement in the academic performance of its students using standardized test scores over the term of its existence.*

Does Agency Agree with Finding? Agree  Disagree

Agency Contact Responsible for Finding:

Name/Title:

Address:

City, State, Zip:

Phone Number:

Email:



## APPENDIX B: SCOPE AND METHODOLOGY

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. Our audit evaluated LDE's renewal review process for charter schools. It focused on type 2, 4, and 5 charter school renewals and academic years 2011-12 through 2015-16. Our audit objective was:

**To evaluate LDE's use of academic performance in the renewal process for charter schools authorized by BESE.**

We conducted this performance audit in accordance with generally accepted *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. To answer our objective, we reviewed internal controls relevant to the audit objective and performed the following audit steps:

- Researched Louisiana Revised Statutes and Administrative Code (including Bulletin 126) for laws and regulations regarding LDE's responsibilities for renewing charter schools.
- Interviewed LDE staff to determine LDE's renewal process for type 2, 4, and 5 charter schools.
- Evaluated LDE's renewal process for the type 2, 4, and 5 charter schools that opened and were renewed during academic years 2011-12 through 2015-16.
- Obtained charter school operating and renewal history data from LDE.
- Downloaded SPS data from LDE's website.
- Downloaded renewal documents from BESE's website.
- Determined the SPS letter grades in the renewal year for each school renewed between academic years 2011-12 and 2015-16.
- Using accountability data obtained from LDE, ACT score information from LDE's website, and LDE's Assessment Index methodology detailed in Bulletin 111, determined whether schools improved their students' test scores between the first year of their charter term and the final year before their renewal process began for academic years 2011-12 through 2015-16. We used, as a model, the methodology used by LDE when determining whether non-alternative turnaround schools that score an "F" in their renewal year for their initial term or a "D" or

“F” in subsequent terms can be renewed. Accordingly, we compared their Pre-Assessment Index (calculated by LDE) with their renewal year Assessment Index (a composite of K-8, EOC, and ACT index; calculated by LLA using data received from LDE). If Pre-Assessment Indexes were not available, we used the school’s first-year Assessment Index.

# EVALUATION OF CHARTER SCHOOL MONITORING

LOUISIANA DEPARTMENT OF EDUCATION



PERFORMANCE AUDIT SERVICES  
ISSUED OCTOBER 4, 2017

**LOUISIANA LEGISLATIVE AUDITOR  
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DARYL G. PURPERA, CPA, CFE

**ASSISTANT LEGISLATIVE AUDITOR**  
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NICOLE B. EDMONSON, CIA, CGAP, MPA

**DIRECTOR OF PERFORMANCE AUDIT SERVICES**  
KAREN LEBLANC, CIA, CGAP, MSW

**FOR QUESTIONS RELATED TO THIS PERFORMANCE AUDIT, CONTACT  
GINA V. BROWN, PERFORMANCE AUDIT MANAGER,  
AT 225-339-3800.**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Eight copies of this public document were produced at an approximate cost of \$8.80. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's website at [www.la.gov](http://www.la.gov). When contacting the office, you may refer to Agency ID No. 9726 or Report ID No. 40160007 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Elizabeth Coxe, Chief Administrative Officer, at 225-339-3800.



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

October 4, 2017

The Honorable John A. Alario, Jr.,  
President of the Senate  
The Honorable Taylor F. Barras,  
Speaker of the House of Representatives

Dear Senator Alario and Representative Barras:

This report provides the results of our audit of the Louisiana Department of Education's (LDE) monitoring of charter schools authorized by the Board of Elementary and Secondary Education. The report contains our findings, conclusions, and recommendations. Appendix A contains LDE management's response. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of LDE for their assistance during this audit.

Sincerely,  
  
Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/ch

CHARTER SCHOOLS 2017



# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



## Monitoring of Charter Schools Louisiana Department of Education

October 2017

Audit Control # 40160007

### Introduction

This report provides the results of our performance audit of the Louisiana Department of Education's (LDE) monitoring of charter schools. The Louisiana Legislative Auditor's 2013 performance audit on LDE's monitoring of charter schools<sup>1</sup> authorized by the Board of Elementary and Secondary Education (BESE) recommended that LDE implement a more comprehensive process to annually assess charter schools' compliance with legal/contractual obligations (organizational performance).<sup>2</sup> In its response, LDE stated that its new Charter School Performance Compact (CSPC), which was created<sup>3</sup> by LDE and approved by BESE in January 2013, would satisfy this recommendation. We evaluated LDE's use of the CSPC to monitor BESE-authorized charter schools' organizational performance.

BESE authorizes three of the six types of charter schools (types 2, 4, and 5). During the 2015-16 academic year, there were approximately 53,000 students in 98 BESE-authorized charter schools. These schools received approximately \$239 million in state general fund dollars (through the Minimum Foundation Program) and \$231 million in local funds for a total of \$470 million.<sup>4</sup> Exhibit 1 summarizes the three types of charter schools authorized by BESE.

<b>Exhibit 1 BESE-Authorized Charter School Types* (Academic Year 2015-16)</b>			
<b>Charter Type</b>	<b>Description</b>	<b>Number of Schools</b>	<b>Number of Students</b>
Type 2	New or conversion charter school operated by a nonprofit corporation	35	20,228
Type 4	New or conversion charter school operated by a local school board	1	383
Type 5	Failing public school transferred to the Recovery School District (RSD) and operated as a charter school	62	32,429
<b>Total</b>		<b>98</b>	<b>53,040</b>
*This exhibit excludes type 1, 3, and 3B schools. We did not evaluate monitoring of these schools because they are authorized by local school boards instead of BESE. <b>Source:</b> Prepared by legislative auditor's staff using charter law and information from LDE.			

<sup>1</sup> [2013 Monitoring of Charter Schools Report](#)

<sup>2</sup> As required by Bulletin 126, which implements the requirements of Louisiana's Charter School Law (R.S. 17:3971 *et seq.*)

<sup>3</sup> Per La. Admin Code. tit. 28, pt. CXXXIX, § 1101(C)

<sup>4</sup> The amount received by the only type 4 school, the Louisiana School for the Agricultural Sciences, could not be determined using MFP data because type 4 schools are not their own Local Education Agencies like the other BESE-authorized charter schools are.

Oversight of charter schools is important because, according to charter school regulations, these schools are given more educational and operational autonomy than traditional public schools in exchange for performance accountability. LDE's monitoring of charter schools' organizational performance primarily includes the following activities:

- **CSPC Annual Organizational Performance Review** – involves the review of seven organizational performance areas of each charter school that contain critical and non-critical performance indicators (i.e., indicators addressing enrollment, special education, discipline requirements, etc.). LDE awards schools points<sup>5</sup> for each indicator for a possible maximum of 150 points. If a school receives at least 120 points, it will receive a “Meets Expectations” rating; if it receives between 90 and 119 points, it receives an “Approaches Expectations” rating; and if it receives less than 90 points, it receives a “Fails to Meet Expectations” rating.
- **CSPC Intervention Process** – involves intervention procedures to be used when a school has adverse findings (violations) identified in the CSPC process. These procedures include different levels of action depending on the severity of the violation. The first two action levels include what a charter school must do to return to good standing, while the final level is a charter revocation review. Once a school addresses the violation, LDE may issue that school a Return to Good Standing letter.
- **Complaint Process** – involves a process for citizens to voice any concerns they may have regarding BESE-authorized charter schools. LDE's procedures categorize the different types of complaints and provide timeframes for when LDE should begin investigating complaints.

Our audit objective was:

**To evaluate LDE's monitoring of charter schools authorized by BESE.**

The issues we identified are summarized on the next page and in detail in the remainder of the report. Appendix A includes LDE's response, and Appendix B outlines our scope and methodology. The report also includes these additional appendices:

- Appendix C – Overview of the CSPC's organizational performance framework
- Appendix D – Comprehensive list of all organizational performance indicators
- Appendix E – At-risk enrollment requirements for type 2 and 4 charter schools
- Appendix F – Overview of LDE's complaint process for type 5 charter schools
- Appendix G – Comparison of current at-risk student enrollment requirements and a proposed alternative at-risk student enrollment requirement
- Appendix H – Academic performance, organizational performance, and funding information for BESE-authorized charter schools that operated during the 2015-16 academic year

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<sup>5</sup> Each critical and non-critical indicator is worth four points, with the exception of one non-critical indicator that is worth six points.

## Objective: To evaluate LDE's monitoring of charter schools authorized by BESE.

We found that LDE, through the CSPC, has implemented a more comprehensive process to annually monitor charter schools. However, we also identified areas where LDE's monitoring could be strengthened to enhance performance accountability. Specifically, we found:

- **LDE conducted all required annual CSPC reviews from academic years 2013-14 to 2015-16. However, LDE weighs all critical and non-critical organizational performance indicators equally when determining a school's organizational performance rating.** Weighting critical violations more than non-critical violations and deducting points for each critical issue would allow LDE to present information to BESE that better reflects the severity of violations and result in improved charter school accountability.
- **LDE has not monitored two provisions of the charter school enrollment law, which may have contributed to some schools enrolling fewer at-risk students than they were statutorily and contractually required to enroll.** Seven (19%) of the 36 type 2 and 4 charter schools in academic year 2015-16 failed to enroll the required number of at-risk students.
- **LDE should consider conducting routine unannounced monitoring visits for charter schools in addition to its announced annual review visits.** Unannounced visits would allow LDE the ability to proactively identify issues that may not be detected during announced visits.
- **LDE should develop specific and consistent procedures on how to address concerns and violations at charter schools.** Currently, LDE procedures do not specify when a school should receive a "Notice of Concern" letter and do not require them to send a "Return to Good Standing" letter once violations have been corrected.
- **Although LDE has developed a complaint process for charter schools, it needs to better inform parents with students in type 2 or 4 charter schools of this process.** We found that even though type 2 and 4 charter schools comprise 37% of the charter schools LDE oversees, only 53 (11%) of the 494 complaints filed were from a parent with a child in a type 2 or 4 charter school. This could indicate that these parents do not know where to go to file a complaint.

In addition, we identified an area for further study related to R.S. 17:3991(B), which establishes criteria on the minimum percentage of at-risk students that type 2 and 4 charter schools must enroll. These results are discussed in detail throughout the remainder of the report.

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**LDE conducted all required annual CSPC reviews from academic years 2013-14 to 2015-16. However, LDE weighs all critical and non-critical organizational performance indicators equally when determining a school’s organizational performance rating. Equally weighting all violations does not reflect the severity of critical violations.**

Between academic years 2013-14 and 2015-16, we found that LDE conducted all required annual reviews using the CSPC for 100 of the 105 type 2, 4, and 5 charter schools open during this time period.<sup>6</sup> However, when LDE conducts the reviews, all critical and non-critical organizational performance indicators, with the exception of one non-critical indicator, are weighted equally (four points each) when determining if a school meets expectations. For example, the critical indicator on whether a school identifies high needs/at-risk students is weighted the same as the non-critical indicator on retention of students. Equally weighting all violations does not reflect the severity of critical violations and may result in schools with critical violations receiving the same score as schools with non-critical violations. Appendix D lists all critical and non-critical indicators and the points given for each indicator.

Charter schools receive a base renewal term length determined by their academic performance letter grade, but they may also receive additional years if they meet financial and organizational performance expectations. All 105 schools LDE monitored annually from the 2013-14 through 2015-16 school years received a “Meets Expectations” rating for organizational performance even though eight of these charter schools had critical violations. Under the current rating system, a type 2 or 4 charter school could violate seven of the 15 critical indicators and still receive a “Meets Expectations” rating if it had no other violations. Exhibit 2 summarizes the critical violation areas cited from academic years 2013-14 to 2015-16 and the schools that did not meet each one, but still received a “Meets Expectations” rating.

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<sup>6</sup> According to LDE management, they did not conduct the last required annual review for one school in the 2014-15 academic year and four schools in the 2015-16 academic year because these schools were in their final year of operation before transferring to a local school district.

Exhibit 2 Critical Violations Cited Academic Years 2013-14 through 2015-16		
Area	School	Description of Critical Violations
Enrollment	1. Langston Hughes Charter Academy	The principal failed to provide formal documentation of an expulsion recommendation within the required timeframe and submitted a Safety Transfer Request for the student without the consent of the parent/guardian. The parent/guardian was inappropriately expected to find an alternate school placement for the student, and the student had not been provided due process or educational services outside of participating in LEAP test administration for more than a month.
	2. Mary D. Coghill Charter School	These schools inappropriately denied students enrollment by telling parents/guardians that there was a lack of seat availability. However, these schools had active rosters in the relevant grades with fewer students than the projected enrollment for those respective grades, meaning the students should not have been denied enrollment.
	3. McDonogh #28 City Park Academy	
	4. Sophie B. Wright Learning Academy	
	5. Pierre A. Capdau Learning Academy	The school inappropriately denied enrollment to two students who attempted to enroll after October 1. After this date, students enter the Round Robin process, and schools must admit these students unless exempted. The school had not received an exemption by the required date and should have enrolled the students.
SPED/At-Risk	6. G.W. Carver Collegiate Academy	A student with disabilities received a 24-day out-of-school suspension, 14 days more than allowed.
	7. ReNEW SciTech Academy at Laurel	(1) The school manipulated the required special education service minutes, (2) rushed students through the special education service identification process to inappropriately obtain additional funds, (3) failed to provide most students with their full scope and amount of special education services, and (4) inappropriately retained students based on their likelihood of passing tests in the next grade.
Discipline	8. Paul Habans Elementary School	The school failed to conduct student suspensions and expulsions in accordance with the RSD's Manual for Disciplinary Procedures, resulting in a student unnecessarily missing 10 days of school.

**Source:** Prepared by legislative auditor's staff using Annual Review Results and Notices of Breach provided by LDE.

In addition, LDE does not deduct points for each critical violation. For example, ReNEW SciTech Academy at Laurel failed to comply with several special education critical indicators, as shown in Exhibit 2, but was only deducted four points. Weighting critical violations more than non-critical violations and deducting points for each critical issue would allow LDE to present information to BESE that better reflects the severity of violations and result in improved charter school accountability. According to LDE management, the agency is revising the CSPC to give more weight to critical organizational performance areas and expects to implement it for the 2018-19 academic year.

**Recommendation 1:** LDE should continue to work with BESE on revising the CSPC to give more weight to critical organizational performance areas than non-critical areas during performance reviews.

**Recommendation 2:** LDE should work with BESE to consider whether multiple violations identified under one performance indicator should result in multiple deductions from schools' organizational performance ratings.

**Summary of Management's Response:** LDE agrees with these recommendations and states that it will update the CSPC to ensure that serious offenses lead to real consequences for schools within the Annual Review framework. The updated CSPC and Annual Review being presented to BESE for approval in October address these concerns through a new scoring system that prevents a school from meeting expectations if one significant violation is identified. See Appendix A for LDE's full response.

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**LDE has not monitored two provisions of the charter school enrollment law, which may have contributed to some schools enrolling fewer at-risk students than they were statutorily and contractually required to enroll. Seven (19%) of the 36 type 2 and 4 charter schools in academic year 2015-16 failed to enroll the required number of at-risk students.**

Both state law (R.S. 17:3991 (B)(1)) and charter contracts require that type 2 and 4<sup>7</sup> charter schools' enrollment meet or exceed a certain percentage of at-risk students. LDE is responsible for ensuring schools comply with this mandate. Compliance is important because, according to state law, it is the legislature's intention that the *best interests of at-risk students* be the overriding consideration when charter school laws are implemented.<sup>8</sup> For academic year 2015-16, seven (19%) of the 36 type 2 and 4 charter schools failed to enroll the required number of at-risk students. See Appendix E for details about this mandate.

State law (R.S. 17:3991(C)(1)(c)) also requires that if a charter school has more applicants than available seats, it must conduct enrollment lotteries in a manner that ensures compliance with the at-risk

#### At-Risk Student Definition

- ✓ Is eligible to participate in the federal Free and Reduced Price Lunch program
- ✓ Is under the age of twenty and has been withdrawn from school prior to graduation for not less than one semester or has failed to achieve the required score on any portion of the examination required for high school graduation
- ✓ Is in the eighth grade or below and is reading two or more grade levels below grade level
- ✓ Has been identified as a student with an exceptionality\* (not including gifted and talented)
- ✓ Is the mother or father of a child

\*As defined in R.S. 17:1942

**Source:** Prepared by legislative auditor's staff using R.S. 17:3973.

<sup>7</sup> R.S. 17:3991(B)(1)(d) excludes type 5 charter schools from at-risk enrollment requirements.

<sup>8</sup> R.S. 17:3972(A)

requirement, and it prohibits noncompliant schools from giving enrollment preference to siblings of current students until they come into compliance. LDE is responsible for ensuring compliance with these two legal requirements. However, we found that LDE failed to monitor these two requirements which, if enforced, may have helped ensure charter schools enrolled the required number of at-risk students.

**LDE did not review schools' enrollment lottery processes to ensure that they give weight or preference to at-risk students, as required by law.** According to state law,<sup>9</sup> if the total number of eligible applicants exceeds the capacity of the program, class, grade level, or school, admission to the program must be based on an admission lottery conducted from among the total number of eligible applicants, and done in such a fashion as to assure compliance with at-risk enrollment requirements. We contacted each of the schools that failed to meet their at-risk enrollment requirement during the 2015-16 academic year, and the five schools that responded reported that they routinely have more enrollment demand than available seats. As a result, LDE should have determined whether these schools conducted enrollment lotteries in a manner that ensured compliance with the school's at-risk student enrollment requirement. LDE stated that it did not review these lotteries as required by the CSPC because, based on LDE's interpretation of the law, charter schools were not legally required to give preference to at-risk students in their enrollment lotteries.

**LDE also allowed schools that failed to enroll the required number of at-risk students to give preferential admission to siblings of current students in violation of state law.** State law<sup>10</sup> allows a type 2 or 4 charter school to modify its enrollment procedures in order to give preference to students previously enrolled in the school and their siblings *provided the school is in compliance with the at-risk student enrollment mandate*. However, we surveyed all seven schools that did not enroll the required number of at-risk students for academic year 2015-16, and six stated they gave preferential enrollment to siblings. LDE's EnrollNOLA procedures also establish a preference for siblings over at-risk students for Lycée Français de la Nouvelle-Orléans, a type 2 charter school that has failed to meet its at-risk enrollment mandate for at least three consecutive years.

By failing to enforce this law, LDE failed to implement what could have otherwise been a strong incentive for charter schools to make every effort to enroll the required number of at-risk students. Specifically, the sibling-preference policy is an appealing policy to parents with multiple school-aged children. If a school is not allowed to give preference to siblings, parents may instead choose to send their children to another school that can offer sibling preference. Exhibit 3 shows the sibling enrollment percentage for the schools that did not meet the at-risk enrollment requirements. For example, Lycée Français de la Nouvelle-Orléans' student enrollment consists of 30% siblings, but the school missed the required at-risk enrollment percentage by 17%.

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<sup>9</sup> R.S. 17:3991(C)(1)(c)

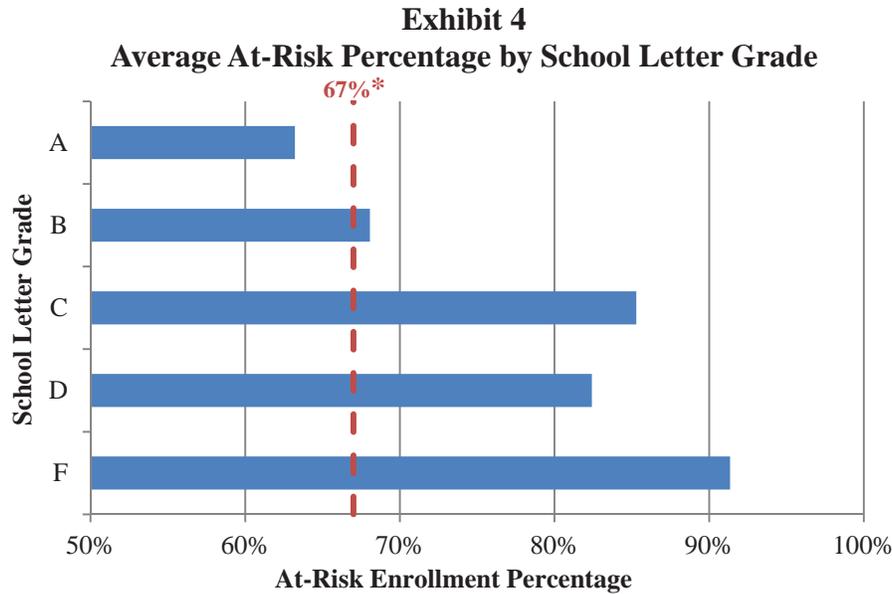
<sup>10</sup> R.S. 17:3991(C)(1)(c)(iii)

<b>Exhibit 3 Charter Schools Not Meeting At-Risk Percentage Academic Year 2015-16</b>			
<b>Charter School</b>	<b>Type</b>	<b>Percent of Students with Siblings in Same School*</b>	<b>Percent School Missed At-Risk Enrollment Requirement</b>
Acadiana Renaissance Charter Academy	2	44%	21%
Lyceé Français de la Nouvelle-Orléans	2	30%	17%
Avoyelles Public Charter School	2	54%	12%
Delta Charter School	2	49%	9%
The MAX	2	17%	9%
Louisiana School for Agricultural Science	4	Data Not Available**	9%
D'Arbonne Woods Charter School	2	46%	2%
<p>*The percentage of students with siblings in the same school is based on the 2014-15 academic year because this was the last year of data with address information included.</p> <p>**Type 4 charter schools were not required to submit address information of its students during this time period.</p> <p><b>Source:</b> Prepared by legislative auditor's staff using data from LDE.</p>			

**Charter contracts contradict state law regarding the sibling preference policy, and the CSPC does not specifically address whether charter schools are giving sibling preference before meeting these requirements.** The CSPC contains an indicator that states, "School follows Recruitment and Enrollment Plan, Lottery," but does not give specific guidance for what laws LDE should ensure charter schools are meeting. Charter contracts also direct these schools to prioritize siblings over at-risk students even if a school is not meeting its at-risk percentage, which contradicts state law. We asked LDE about this requirement in early April after identifying the issue on a routine CSPC site visit while shadowing LDE staff. LDE stated that it approved this policy because it was the agency's understanding that a school could give preference to siblings even if it had not met its at-risk enrollment requirement, but it would seek further guidance from LDE's legal team. LDE's legal team agreed that a school must first meet its at-risk enrollment requirement before giving preference to siblings. As a result, LDE management stated the agency will instruct schools to prioritize at-risk applicants over siblings in future years if they fail to meet the at-risk enrollment requirement.

**Enforcing these requirements is important because there could be an incentive for charter schools to reduce their at-risk enrollment percentage in an attempt to improve their performance.** State law requires charter schools to show academic improvement of their students as a condition of renewal, and studies have shown that at-risk students tend to perform worse academically than non-at-risk students.<sup>11</sup> Exhibit 4 on the following page shows the average at-risk percentage for the 36 type 2 and 4 charter schools, by their 2015-16 letter grades.

<sup>11</sup> Selcuk R. Sirin, "Socioeconomic Status and Academic Achievement: A Meta-Analytic Review of Research," Review of Educational Research, Vol. 75 (2005) pp 417-453



\*The required at-risk percentage for 31 of the 36 type 2 and 4 charter schools.  
**Source:** Prepared by legislative auditor's staff using information from LDE.

An analysis of all three years of annual review data showed that 12 (33%) out of 36 charter schools failed to enroll the required percentage of at-risk students during this period for at least one of the years, and four schools failed to enroll the required percentage all three years. Additional information provided by LDE also suggests that some of these schools may have failed to enroll the required number of at-risk students in years that pre-date the annual review data as well.

**Recommendation 3:** LDE should review the lottery practices of charter schools annually as required by the CSPC.

**Summary of Management's Response:** LDE management disagrees with this recommendation and states that they actually did monitor the lotteries of these seven schools. Based on the most recent report given to BESE (2015-16), schools that failed to meet the requirement were required to provide substantial documentation outlining how their lotteries were conducted, among other steps taken to come into compliance. Department staff reviewed those policies and lottery procedures and provided required actions to these schools, which included preferencing economically disadvantaged students in their next lottery. In addition, LDE states that it, "disagrees with the very premise that the law requires all schools to provide preference for at-risk students." See Appendix A for LDE's full response.

**LLA Additional Comment:** LDE could not provide any evidence that it determined whether lottery procedures were actually followed (such as reviewing the actual applicant pools). In addition, as mentioned in the report, state law (R.S. 17:3991(C)(1)(c)) requires that if a charter school has more applicants than available seats, it must conduct enrollment lotteries in a manner that ensures compliance with the at-risk requirement.

**Recommendation 4:** LDE should work with BESE to amend the contract requirement for type 2 and 4 charter schools that states, "...all charter schools must give lottery preference to siblings of students already enrolled in the charter school" to include an exception for schools failing to meet their at-risk enrollment requirement.

**Summary of Management's Response:** LDE neither agrees nor disagrees with this recommendation in its response. See Appendix A for LDE's full response.

**Recommendation 5:** LDE should review whether schools' enrollment processes ensure the schools meet at-risk enrollment requirements annually before allowing sibling preference, as required by the CSPC and state law.

**Summary of Management's Response:** LDE agrees with this recommendation and states that while sibling preference was not monitored in prior years, it was incorporated into the most recent year's oversight process. Schools that did not meet the required at-risk percentage based on the most recent report (2015-16) were sent a letter noting that future lotteries must not include a sibling preference until the new economically disadvantaged enrollment requirement is met or all economically disadvantaged applicants are admitted first. See Appendix A for LDE's full response.

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### **LDE should consider conducting routine unannounced monitoring visits for charter schools in addition to its announced annual review visits.**

As required by the CSPC, LDE notifies charter schools of their annual monitoring visits. According to LDE, this gives schools the opportunity to have the necessary staff at the school to complete the visit. LDE stated that it has also conducted some ad hoc visits when it receives parent concerns or formal complaints, such as students not receiving required special education services. However, visits based on known concerns indicate that a problem is already occurring, or at least suspected.

Unannounced monitoring visits may help LDE proactively identify and deter violations in critical areas. An unannounced visit may help LDE detect whether a school is appropriately addressing discipline issues, observe whether school staff are acting in a professional manner, and whether a school is offering required education services. These areas made up almost 50% of all complaints, as shown in Exhibit 6 on page 14 of this report. For example, special education services are monitored by LDE annually using the CSPC. Because LDE notifies the charter school of their annual monitoring visit, the charter school has time to ensure all special education requirements are in place, such as updating the individualized education program for each special education student.

Conducting unannounced monitoring visits could help LDE ensure charter schools are consistently following all charter school requirements and not just during the planned annual monitoring visit. According to LDE, it does not have the resources to conduct unannounced site

visits for each charter school annually. However, in addition to its ad hoc visits, LDE should consider conducting routine unannounced visits for at least a limited number of schools annually to proactively detect and deter violations that are difficult to detect or prevent without such visits.

**Recommendation 6:** LDE should consider expanding its practice of conducting unannounced site visit using a random approach to select charter schools.

**Summary of Management’s Response:** LDE management disagrees with this recommendation and states that they do conduct some unannounced visits at schools, particularly to monitor state testing and when violations are suspected. However, given limited resources, the Department does not find that unannounced visits are particularly valuable in uncovering problems that lead to Department and BESE intervention in charter schools. Most of the major problems uncovered at schools have actually been revealed during announced visits, routine monitoring activities, and off-site data reviews. Department staff will continue to use unannounced visits in a manner that is limited and strategic but do not plan to incorporate them more broadly. See Appendix A for LDE’s full response.

**LLA Additional Comment:** As stated in the report, expanding its practice of conducting unannounced site visits for at least a limited number of schools annually could help LDE proactively detect and deter violations that are difficult to detect or prevent without such visits.

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**LDE should develop specific and consistent procedures on how to address concerns and violations at charter schools. Currently, LDE procedures do not specify when a school should receive a “Notice of Concern” letter and do not require that LDE send a “Return to Good Standing” letter to the school once violations have been corrected.**

The CSPC describes an Intervention Ladder that schools enter when LDE identifies violations during monitoring. When a school enters the ladder at Level 1, the CSPC requires LDE to send a Notice of Concern. When a school enters Level 2, LDE must send a Notice of Breach. Both notices require specific remedial actions and dates for completion. Exhibit 5 on the following page summarizes the three intervention levels.

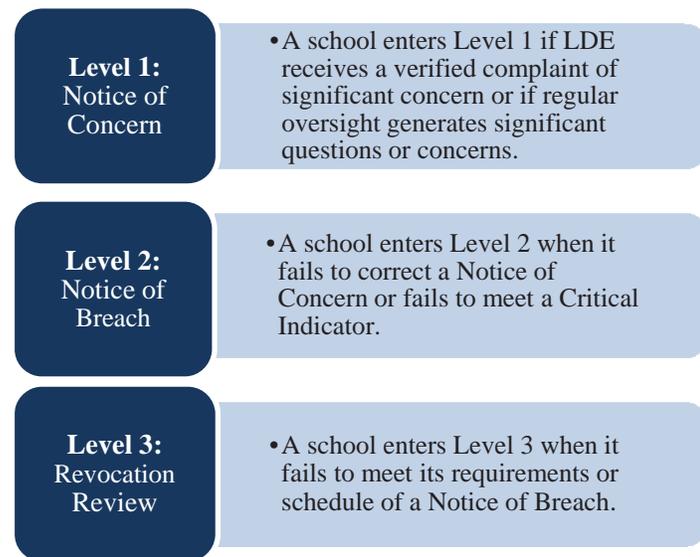
**Although LDE specifically defines when to issue a Notice of Breach, its process for issuing a Notice of Concern is not specific or consistently applied.** During academic years 2013-14 through 2015-16, LDE issued Notices of Breach to all eight schools with critical violations, as required. However, LDE procedures for issuing a Notice of Concern require the use of LDE’s professional judgment to determine when a violation is of “significant concern.” This presents a risk that schools with legal or contractual violations detected during an annual review may not receive a notice and does not allow LDE to adequately track all violations and concerns.

For example, we evaluated non-critical violations of legal and contractual requirements cited in annual reviews between academic years 2013-14 through 2015-16 and found that a Notice of Concern was not issued for 15 (54%) of 28 violations. The 15 violations were the result of schools failing to meet “student enrollment and at-risk percentage” requirements. LDE did issue eight Notices of Concern for this violation during the 2014-15 academic year, but it chose not to do so during the 2013-14 or 2015-16 academic years. According to LDE, Notices of Concern are not necessarily based on annual review results, and it prefers to have flexibility in deciding when to issue them. However, this could result in schools being treated inconsistently and increases the risk that violations are not corrected.

### Exhibit 5

#### LDE’s Violation Intervention Ladder Procedures

Source: Prepared by legislative auditor’s staff using information from LDE.



**Although Notices of Concern and Breach are required by the CSPC and list the actions a school must implement to return to good standing, LDE does not consistently issue “Return to Good Standing” letters.** LDE has sent some schools a Return to Good Standing letter when they have followed up with the school to ensure the violation(s) is corrected. However, of the 32 Notices of Concern or Breach sent to schools<sup>12</sup> between academic years 2013-14 and 2015-16, LDE did not issue 12 (38%) Return to Good Standing letters. According to LDE, the CSPC does not mandate that schools receive a letter or any written communication indicating that they have returned to good standing. As such, they did not issue letters for all Notices of Concern and Breach. In instances where Return to Good Standing letters were not sent, LDE claimed they informed schools of their return to good standing in other ways.

As a result, LDE was unable to demonstrate that it had followed up with these 12 schools to ensure they had fulfilled the requirements contained in their Notices of Concern or Breach. Of these 12 schools, three had received a Notice of Breach for reasons including not adhering to student enrollment procedures (i.e., schools inappropriately denied students admission to the school) and not providing the required special education classes. The other nine schools had received a Notice of Concern for reasons such as not meeting their required at-risk percentage (eight of the schools) and failure to comply with facility use policies. In this instance, a wedding took place at the facility. The school did not first request permission from the Recovery School District (RSD) to host the event, and alcohol was also served at the event even though an alcohol waiver was not requested.

<sup>12</sup> One of the 32 notices was sent to a charter management organization rather than a school.

**Recommendation 7:** LDE should develop procedures that identify what types of violations should result in a Notice of Concern so that these violations are adequately tracked and corrected.

**Recommendation 8:** LDE should update its procedures to require that Return to Good Standing letters are sent to all schools that receive a Notice of Concern or Breach to ensure that violations detected are addressed in a timely manner.

**Summary of Management’s Response:** LDE agrees with these recommendations and states that it should have internal consistency on what type of violations lead to Notices of Concern or Breach. Additionally, it is a best practice to provide letters noting that schools return to Good Standing after completing the next steps in a Notice of Concern or Breach and will make it clear that this is standard practice within its communications to schools and the public. See Appendix A for LDE’s full response.

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**Although LDE has developed a complaint process for charter schools, it needs to better inform parents with students in type 2 or 4 charter schools of this process.**

**Individuals with complaints about type 5 schools can go to the RSD website for instructions on LDE’s process for submitting and addressing their concerns. However, this website is specific to type 5 charter schools only.** Although a concerned individual with a child in a type 2 or 4 charter school can use the RSD complaint process, they may not know to go to the RSD website because their child’s school is not within that district. LDE did state that it asks schools to “make it known” to parents that the RSD office is a resource for lodging a complaint but did not offer any support of this, and it is unclear if schools actually do inform parents. It is important that all parents know the process for filing a complaint because LDE relies, in part, on parent and community feedback to measure almost half of the 37 indicators in the CSPC, and complaints are supposed to be taken into consideration when BESE is considering a school for renewal.

From academic years 2013-14 through 2016-17 (as of February 2017), LDE received 494 complaints regarding charter schools. We found that even though type 2 and 4 charter schools comprised 37% of charter schools that LDE oversaw,<sup>13</sup> only 53 (11%) of the 494 complaints were from a parent with a child in a type 2 or 4 charter school. This could indicate that these individuals have minimum complaints about type 2 or 4 charter schools, but it could also indicate that they do not know where to go to file a complaint. Exhibit 6 summarizes the number and category of complaints, gives examples of the types of complaints, and explains which complaints directly relate to LDE’s CSPC.

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<sup>13</sup> This is based on the number of charter schools for the 2015-16 academic year.

<b>Exhibit 6</b>			
<b>Summary of Complaints</b>			
<b>Academic Years 2013-14 through 2016-17*</b>			
<b>Category</b> <i>(Categories in gray denote an indicator in CSPC)</i>	<b>Example</b>	<b>#</b>	<b>%</b>
Discipline	Incident of corporal punishment, frequent suspension, failure to resolve bully issue, failure to address discipline issues, was not provided reason why child was suspended, etc.	140	28%
School Staff	Verbal disagreements with students, physical altercation with students, communication with parents, racial discrimination, unprofessional behavior, etc.	111	22%
Other	School record transfers, lack of transparency with school funds, uniform compliance	49	10%
Enrollment	Grade advancement, not allowing student back in school after extended absences, school assignment	47	9%
Special Education Services	Lack of updates of IEP progress, not following IEP plan, not receiving IEP accommodations, etc.	47	9%
Transportation	Bus stop far from child's home, no room on bus, inconsistent pick up times	42	8%
Retention	Parent feels child is not progressing and as a result is having to repeat a grade, etc.	26	5%
Physical Altercation	Student was hit on the bus, student "beat on" by school staff, teachers did not do anything when student was punched in the lip, etc.	24	5%
Academic Preparedness/ Concern	Teachers not grading work, school not offering summer school, school not preparing student for testing, etc.	8	2%
<b>Total</b>		<b>494</b>	<b>100%</b>
*As of February 2017.			
Note: Amounts may not sum to 100% due to rounding.			
<b>Source:</b> Prepared by legislative auditor's staff using information from LDE.			

Ensuring all parents know where to go to file a complaint, especially for type 2 and 4 charter schools, is important because several of the complaints LDE received can be tied to an indicator in the CSPC, and LDE should be using complaints when conducting its annual review on these types of schools. For example, there were 47 complaints regarding special education services, including multiple complaints about children not actually receiving recommended special education services. While not all complaints would necessarily result in a violation, this information could identify areas in need of further investigation.

**In addition, LDE needs to better document when complaints are investigated and resolved.** LDE's current procedures provide timeframes for when staff should begin investigating complaints. However, LDE's complaint tracking database does not capture when LDE starts investigating a complaint. In addition, LDE does not consistently record whether a complaint has been resolved. For example, 82 (17%) of the 494 complaints do not have a resolved date as of February 2017 and appear to have been open an average of 353 days. As a result, management cannot monitor whether complaint investigations are initiated in a timely

manner and ultimately resolved. Exhibit 7 shows examples of complaints that do have a resolve date.

<b>Exhibit 7 Examples of Complaints With No Resolve Date Academic Years 2013-14 through 2016-17*</b>		
<b>Complaint Example</b>	<b>Type</b>	<b>Days Open</b>
Parent expressing frustration that student has not received transportation. Parent stated he was told transportation was provided via a lottery system.	Type 2	548
Parent upset that another student brought a gun to school and showed it to their child. Parent also says principal backhand slapped her child in the face.	Type 5	400
Parent feels that student is not receiving special education services. Parent said they were told six weeks ago someone would be in touch with her to schedule the IEP meeting but has not heard from anyone at the school regarding a meeting.	Unknown	504
Principal told parent that they would only pass his/her child if he enrolled in another public school the following school year. Parent was unsure whether or not this was the correct way to handle the situation.	Type 2	645
Parent stated that their child is being bullied, and the school does not believe the allegations.	Type 5	441
*As of February 2017. <b>Source:</b> Prepared by legislative auditor's staff using information obtained from LDE.		

**Recommendation 9:** LDE should better inform parents with a child in a type 2 or 4 charter school of its complaint process. For example, LDE could include a page on its website directed to all charter schools, not just type 5 schools.

**Summary of Management's Response:** LDE agrees with this recommendation and states the Department could do more to ensure that parents are aware of the process of lodging a complaint and will take steps to better publicize this process. See Appendix A for LDE's full response.

**Recommendation 10:** LDE should include a field that captures when staff begin investigating complaints and when complaints are resolved.

**Summary of Management's Response:** LDE agrees with this recommendation and states that former staff members failed to enter dates for the closeout of parent complaints into the database where these incidents are tracked. Current procedure and practice is to immediately enter a complaint into the system upon receipt as well as enter a date of resolution. See Appendix A for LDE's full response.

## Area for Further Study Regarding the Charter School At-Risk Enrollment Requirement

**Although LDE’s use of the statewide Free and Reduced Priced Lunch (FRL) percentage to determine each charter school’s at-risk enrollment requirement does not conflict with state law, an alternative student-based formula may better serve at-risk students.** R.S. 17:3991(B) states that the minimum percentage of at-risk students that type 2 charter schools must enroll should be based on the percentage of FRL students enrolled in the local public school districts from which the charter school “enrolls its students.” The minimum at-risk enrollment requirement is important because it protects at-risk students, whose best interest should be the overriding consideration when charter school laws are implemented, as stated in R.S. 17:3972.

**Approximately 99% of all students who attend type 2 charter schools with statewide enrollment zones live within 24 miles of the school.** Most<sup>14</sup> type 2 schools have statewide enrollment zones, meaning they may enroll any student in the state, regardless of the student’s district of residence. For this reason, BESE uses the statewide average of FRL students (approximately 67%) as the percentage of at-risk students that all of these schools must enroll. However, we calculated what the at-risk percentage would be for each statewide charter school if the percentage was based on the districts from which the school actually enrolls its students, which is similar to how MFP funds are allocated from local school districts to type 2 charter schools. We found that 99% of all students who attend these schools live within 24 miles of the school. In addition, we found that if LDE used the weighted average at-risk percentage of the districts where the students actually live who attend each type 2 charter school, 22 (76%) of the 29 type 2 charter schools with a statewide enrollment zone during academic year 2015-16 would have a greater at-risk enrollment requirement.

Appendix G provides greater detail including each school’s 2015-16 at-risk percentage, its current at-risk enrollment requirement, and the at-risk enrollment requirement to consider based on where the school actually enrolls its students. Appendix H contains information regarding each BESE-approved charter school that was operating during academic year 2015-16.

**In addition, LDE currently sets a statewide charter school’s initial at-risk enrollment requirement based on the statewide average of FRL students that existed during the school year that the charter proposal was approved, and the requirement remains fixed for the entirety of the charter term.** If LDE worked with the legislature to consider using the at-risk enrollment requirement based on where the school actually enrolls its students, LDE could instead estimate a school’s enrollment from each district so that it can make a similar calculation for the school’s first term. For subsequent terms, LDE could use actual enrollment data from the school’s prior term to calculate the new requirement. Additionally, the

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<sup>14</sup> Of the 35 type 2 charter schools for academic year 2015-16, two (Louisiana Virtual Charter Academy and Louisiana Connections Academy) were virtual schools, and four (Belle Chasse Academy, JS Clark Leadership Academy, Madison Preparatory Academy, and Northeast Claiborne Charter) did not have a statewide enrollment zone, so these schools were excluded from our analysis.

alternative student-based percentage could remain fixed for the duration of each charter term in the same way that the current statewide average remains fixed.

**Recommendation 11:** LDE may wish to work with the legislature to consider setting the required at-risk percentage for statewide charter schools based on where the charter school actually enrolls its students, rather than using the statewide at-risk percentage.

**Summary of Management's Response:** LDE will consider using this type of measurement for calculating schools' enrollment requirements, though at this time it conflicts with the understanding of type 2s as statewide schools and the definition of their enrollment zones within their contracts. See Appendix A for LDE's full response.



## **APPENDIX A: MANAGEMENT'S RESPONSE**





# LOUISIANA DEPARTMENT OF EDUCATION

September 13, 2017

Mr. Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

Re: Charter School Oversight Report

Dear Mr. Purpera:

The Louisiana Department of Education (LDOE) appreciates the opportunity to submit an official response to the Louisiana Legislative Auditor (LLA) report on Charter School Oversight. The Department acknowledges receipt of the report, and would like to offer clarifications and comments regarding its findings.

**1. LDE conducted all required annual CSPC reviews from academic years 2013-14 to 2015-16. However, LDE weighs all critical and non-critical organizational performance indicators equally when determining a school's organizational performance rating. Equally weighting all violations does not reflect the severity of critical violations.**

*Recommendation 1: LDE should continue to work with BESE on revising the CSPC to give more weight to critical organizational performance areas than non-critical areas during performance reviews.*

*Recommendation 2: LDE should work with BESE to consider whether multiple violations identified under one performance indicator should result in multiple deductions from schools' organizational performance ratings.*

The Department agrees that there are improvements to be made to the CSPC to ensure that serious offenses lead to real consequences for schools within the Annual Review framework. The updated CSPC and Annual Review being presented to BESE for approval in October address these concerns through a new scoring system that prevents a school from meeting expectations if one significant violation is identified.

**2. LDE has not monitored two provisions of the charter enrollment law which may have contributed to some schools enrolling less at-risk students than they were statutorily and contractually required to enroll.**

*Recommendation 3: LDE should review the lottery practices of charter schools annually as required by the charter school performance compact.*

*Recommendation 4: LDE should work with BESE to amend the contract requirement for types 2 and 4 charter schools that states, "...all charter schools must give lottery preference to siblings of students already enrolled in the charter school" to include an exception for schools failing to meet their at-risk enrollment requirement.*

*Recommendation 5: LDE should review whether schools' enrollment processes ensure the schools meet at-risk enrollment requirements annually before allowing sibling preference, as required by the CSPC and state law.*

The Department does not agree that it failed to monitor the component of the law that the report claims requires all schools to provide a preference for at-risk students in their lotteries. The report states, "LDE did not review schools' enrollment lottery processes to ensure that they give weight or preference to at-risk students, as

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required by law.” The law the report is referencing, R.S. 17:3991(C)(1)(c), actually states, “If the total number of eligible applicants exceeds the capacity of a program, class, grade level, or school, admission to the program, class, grade level, or school shall be based on an admissions lottery conducted from among the total number of eligible applicants done in such a fashion as to assure compliance with Paragraph (B)(1) of this Section.”

First, the Department disagrees with the very premise that the law requires all schools to provide preference for at-risk students. The law only requires that lotteries be done in a way that ensures compliance with the law, and there are other ways to operate a lottery in compliance with the at-risk portion of the law. While preferencing at-risk students within the lottery would be one way to come into compliance, it is not required by law.

In addition, any school already in compliance with the at-risk enrollment requirements can be said to already have a lottery that ensures compliance with the law which means that given the most recent data, only 7 schools would have had lotteries potentially out of compliance out of a total of 36 Type 2 or 4 charter schools.

Thirdly, the Department actually did monitor the lotteries of schools these 7 schools that were not in compliance with the at-risk component of this law. Based on the most recent report given to BESE (2015-16), schools that failed to meet the requirement were required to provide substantial documentation outlining how their lotteries were conducted, among other steps taken to come into compliance. Department staff reviewed those policies and lottery procedures and provided required actions to these schools, which included preferencing economically disadvantaged students in their next lottery.

Lastly, the report notes that the Department did not monitor compliance for the seven schools not meeting the at-risk requirement on the component of the larger law which states, “A charter school may modify its enrollment procedures in order to give preference to students previously enrolled in the school and their siblings and to give preference to siblings submitting their applications to enroll in the school for the first time, as long as there is compliance with the provisions of Paragraph (B)(1) of this Section.” (R.S. 17:3991(C)(1)(c)(iii)).

While this was not monitored in prior years, it was incorporated into the most recent year’s oversight process. Schools that did not meet the required at-risk percentage based on the most recent report (2015-16) were sent a letter noting that future lotteries must not include a sibling preference until the new economically disadvantaged enrollment requirement is met or all economically disadvantaged applicants are admitted first.

This finding claims that schools’ failure to meet their required at-risk enrollment may have been due to the Department’s monitoring procedures. The Department disagrees that the two are causally linked. Enrollment of siblings represents a very small proportion of new enrollees at any given school in any given year. Often, the reason a school does not meet their at-risk requirement has to do with policies linked to the ability of at-risk families to access the school including but not limited to the cost and availability of uniforms, availability of transportation, and participation in the National School Lunch Program.

**3. LDE should consider conducting routine unannounced monitoring visits for charter schools in addition to its announced annual review visits.**

*Recommendation 6: LDE should consider expanding its practice of conducting unannounced site visit using a random approach to select charter schools.*

The Department does conduct some unannounced visits at schools, particularly to monitor state testing and in instances where violations are suspected. However, given limited resources, the Department does not find that

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unannounced visits are particularly valuable in uncovering problems that lead to Department and BESE intervention in charter schools. Most of the major problems uncovered at schools have actually been revealed during announced visits, routine monitoring activities, and off-site data reviews. Department staff will continue to use unannounced visits in a manner that is limited and strategic but do not plan to incorporate them more broadly.

**4. LDE should develop specific and consistent procedures on how to address concerns and violations at charter schools. Currently, LDE procedures do not specify when a school should receive a "Notice of Concern" letter and do not require that LDE send a "Return to Good Standing" letter to the school once violations have been corrected.**

*Recommendation 7: LDE should develop procedures that identify what types of violations should result in a Notice of Concern so that these violations are adequately tracked and corrected.*

*Recommendation 8: LDE should update their procedures to require that Return to Good Standing letters are sent to all schools that receive a Notice of Concern or Breach to ensure that violations detected are addressed in a timely manner.*

The Department agrees that it should have internal consistency on what type of violations lead to Notices of Concern or Breach. Additionally, it is a best practice to provide letters noting that schools return to Good Standing after completing the next steps in a Notice of Concern or Breach and will make it clear that this is standard practice within our communications to schools and the public.

However, it is worth noting that the Department ensured that schools completed all action steps required when a Notice was received, even in instances where a follow up letter noting return to Good Standing was not sent.

**5. Although LDE has developed a complaint process for charter schools, it needs to better inform parents with students in type 2 or 4 charter schools to ensure they are aware of the process.**

*Recommendation 9: LDE should better inform parents with a child in a type 2 or 4 charter school of its complaint process. For example, LDE could include a page on its website directed to all charter schools, not just type 5 schools.*

*Recommendation 10: LDE should include a field that captures when staff begin investigating complaints and when complaints are resolved.*

The Department disagrees that the reasons for the difference in the number of complaints received from Type 2 versus Type 5 schools is because of parent awareness. The Department and Recovery School District have a fundamentally different, and more intensive, relationship with most Type 5 schools that includes administration of their enrollment lotteries and the construction and repair of their school buildings. This expanded relationship leads to greater interaction with parents on related issues.

However, the Department does concur that former staff members failed to enter dates for the closeout of parent complaints into the database where these incidents are tracked. Current procedure and practice is to immediately enter a complaint into the system upon receipt as well as enter a date of resolution.

The Department could do more to ensure that parents are aware of the process of lodging a complaint and will take steps to better publicize this process.

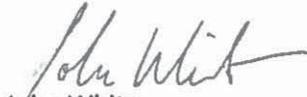
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**6. Area of Further Study: Although LDE's use of the statewide Free and Reduced Priced Lunch (FRL) percentage to determine each charter school's at-risk enrollment requirement does not conflict with state law, an alternative student-based formula may better serve at-risk students.**

*Recommendation 11: LDE may wish to consider setting the required at-risk percentage for statewide charter schools based on where the charter school actually enrolls its students, rather than using the statewide at-risk percentage.*

The Department will consider using this type of measurement for calculating schools' enrollment requirements, though at this time it conflicts with the understanding of Type 2s as statewide schools and the definition of their enrollment zones within their contracts.

Sincerely,



John White  
Superintendent

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## APPENDIX B: SCOPE AND METHODOLOGY

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. We conducted this audit as a follow up on the Louisiana Department of Education's (LDE) progress in implementing recommendations from the Louisiana Legislative Auditor's 2013 performance audit on the monitoring of charter schools. Our audit focused on academic years 2013-14 through 2015-16. The audit objective was:

### **To evaluate LDE's monitoring of charter schools authorized by BESE.**

We conducted this performance audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. To answer our objective, we reviewed internal controls relevant to the audit objective and performed the following audit steps:

- Researched Louisiana Revised Statutes and Administrative Code (including Bulletin 126) for laws and regulations regarding LDE's responsibilities for monitoring charter schools.
- Requested the Louisiana Board of Elementary and Secondary Education- (BESE) approved Charter School Performance Compact (CSPC) to determine LDE's monitoring requirements of charter schools.
- Met with various stakeholders to understand the risks associated with LDE's monitoring of charter schools.
- Reviewed charter school agreements to determine additional monitoring performance requirements and admission criteria.
- Interviewed LDE staff to determine the monitoring process for type 2, 4, and 5 charter schools.
- Conducted monitoring walkthroughs with LDE staff to determine relevant criteria and document processes for monitoring type 2, 4, and 5 charter schools.
- Obtained and analyzed actual CSPC results for academic years 2013-14 through 2015-16 from LDE and reviewed the results to determine schools with repeat violations, schools with critical violations, and each school's performance ratings.
- Reviewed LDE's report to BESE regarding charter school compliance with at-risk and special education enrollment requirements, as required by Act 467.

- Obtained and analyzed the enforcement letters and Return to Good Standing letters sent to schools between academic years 2013-14 and 2015-16.
- Obtained parent concern data and conducted a walkthrough of LDE's process of entering this data into SalesForce.
- Area for Further Study: used school enrollment data and each enrolled student's district of residence to find the average Free and Reduced Price Lunch student percentages for the districts from which the school actually enrolled its students, weighted by the proportion of students residing in each district. Enrolled student zip codes were also used to determine school's distance from student's home.
- Used Student Information System (SIS) data to determine the number of siblings in each type 2 charter school that did not meet their at-risk enrollment requirement.

## APPENDIX C: OVERVIEW OF THE CHARTER SCHOOL PERFORMANCE COMPACT'S ORGANIZATIONAL PERFORMANCE FRAMEWORK

Each year, LDE rates charter schools' compliance with legal and contractual obligations (organizational performance) based on the seven performance indicator areas below:

Performance Indicator Area	Examples of Indicators	Points Possible
<b>1. Enrollment</b>	Meeting at-risk enrollment percentage, lottery procedures	20
<b>2. Facilities</b>	Meeting fire and life safety codes, sanitary codes	16
<b>3. Discipline</b>	Conducting suspensions and expulsions properly	16
<b>4. SPED/At-Risk Populations</b>	Identifies high-need and at-risk students, special education services are provided	38
<b>5. Health and Safety</b>	Provides health services to students and has documentation of services	8
<b>6. Governance</b>	Board adheres to structure and ethics requirements	24
<b>7. Compliance and Reporting</b>	Conducts required background checks, timely submits required reports	28
<b>Total</b>		<b>150*</b>
<p>*A charter school "Meets Expectations" if the school scores between 120 points and 150 points, "Approaches Expectations" if it scores between 90 points and 119 points, and "Fails to Meet Expectations" if it scores less than 90 points.  <b>Source:</b> Prepared by legislative auditor's staff using information obtained in the CSPC.</p>		

The scale LDE uses to rate each school is:

Rating	Score
Meets Expectations	120-150
Approaches Expectations	90-119
Fails to Meet Expectations	0-89
<p><b>Source:</b> Prepared by legislative auditor's staff using information obtained in the CSPC.</p>	



## APPENDIX D: ORGANIZATIONAL PERFORMANCE INDICATORS

Organizational Performance Score Indicators			
A. Enrollment: Type 2 and 4 Schools			
Indicators	Points	Detail	Credit
i. School Follows Non-discriminatory Admissions, Attendance Laws, Truancy Policy, and Timely Transfer of Records	4	<a href="#">Transfer of Records FAQ</a> <a href="#">Truancy Policy FAQ</a> Admissions process is non-discriminatory against students with disabilities	Critical Indicator
ii. Student Enrollment and At-Risk Percentage	4		Enrollment data meets contract specifications
iii. School Follows Recruitment and Enrollment Plan, Lottery	4		No more than 1 Notice of Concern No Notices of Breach
iv. School Re-Enrolls High Percentage of Students	4	Percentage of students returning to school that aren't enrolled in a terminal grade	At least 80% of students return to school for the next year
v. School Has Low Transfer Rates During the School Year	4	Percentage of students who transfer schools for reasons outside of residency issues or hardship waivers	School's transfer rate is at or below the average transfer rate of all Type 2, 4, and 5 charter schools

A. Enrollment: Type 5 Charter Schools & Type 2 Charter Schools Participating in OneApp			
Indicators	Points	Detail	Credit
i. Student Enrollment	4	Follows all components of the One App Process including appropriate child welfare and truancy policies	Critical Indicator
ii. Non-Discriminatory Admissions	4	Admissions process is non-discriminatory against students with disabilities	
iii. School Follows Attendance Laws, Truancy Policy, and Timely Transfer of Records	4	<a href="#">Transfer of Records FAQ</a> <a href="#">Truancy Policy FAQ</a>	No more than 1 Notice of Concern per Indicator No Notices of Breach per Indicator
iv. School Re-Enrolls High Percentage of Students	4	Percentage of students returning to school that aren't enrolled in a terminal grade	At least 80% of students return to school for the next year
v. School Retains Students During the School Year	4	Percentage of students who transfer schools between October 1 and the end of the school year for any issue except for moving or graduation	School's transfer rate is at or below the average transfer rate of all Type 2, 4, and 5 charter schools

B. Facilities			
Indicators	Points	Detail	Credit
i. School Meets Local and State Fire and Life Safety Codes	4		Critical Indicator
ii. School Meets Public Health Sanitary Codes	4		
iii. School Submits a compliant Emergency Operations Plan Annually	4		No more than 1 Notice of Concern per Indicator No Notices of Breach per Indicator
iv. ADA requirements	4	<a href="#">ADA requirements FAQ</a>	

C. Discipline			
Indicators	Points	Detail	Credit
i. School adheres to BESE Model Master Discipline Plan	4	<a href="#">Model Master Discipline Plan FAQ</a>	Critical Indicator
ii. Suspensions and expulsions are conducted properly	4		
iii. Suspensions	4		School's suspension rate is at or below the average suspension rate of all Type 2, 4, and 5 charter schools
iv. Expulsions	4		School's expulsion rate is at or below the average suspension rate of all Type 2, 4, and 5 charter schools

D. Special Education, 504 Accommodations, and Other At-Risk Student Populations			
Indicators	Points	Detail	Credit
i. Schools identify high-needs/ at-risk students	4	<ul style="list-style-type: none"> <li>School locates and/or identifies students who are eligible for special education services, homeless, ELL, and/or migrant services</li> </ul>	Critical Indicator
ii. School Conducts Evaluations	4	<ul style="list-style-type: none"> <li>School conducts appropriate and timely evaluations, re-evaluations, and re-evaluation waivers.</li> <li>If school contracts with an external provider, it has established and implemented standards of practice for evaluators.</li> </ul>	
iii. School Writes Required IEPs	4	<ul style="list-style-type: none"> <li>IEPs are appropriately developed, revised, and reviewed</li> </ul>	
iv. School Provides Programming and Placement	4	<ul style="list-style-type: none"> <li>Special education services and related services are implemented</li> <li>Curricular modifications and accommodations are provided</li> <li>Section 504 plans are appropriately implemented</li> <li>School ensures provision of transition activities (age 16+) and access to programs that support diploma choices</li> </ul>	
v. School Follows Discipline Procedures	4	<ul style="list-style-type: none"> <li>School follows procedural safeguards for disciplining students with disabilities or students suspected of having a disability.</li> </ul>	
vi. Assessments	4	<ul style="list-style-type: none"> <li>Students are administered appropriate state and local assessments</li> <li>Alternate assessments are provided for students, as required by law and policy</li> </ul>	
vii. Special Education APR Determinations	6		<ul style="list-style-type: none"> <li>Meets Requirements = 6 points</li> <li>Needs Assistance = 3 points</li> <li>Needs Intervention = 0 points</li> <li>Needs Substantial Intervention = 0 points</li> </ul>
viii. Enrollment	4	<ul style="list-style-type: none"> <li>Enrollment of Students with disabilities meets or exceeds local average</li> </ul>	No more than 1 Notice of Concern per Indicator No Notices of Breach per Indicator
ix. Retention	4	<ul style="list-style-type: none"> <li>School maintains recurrent enrollment – term to term</li> </ul>	

E. Health and Safety			
Indicators	Points	Detail	Credit
i. School Provides Health Services to Students	4	<a href="#">Health &amp; Safety FAQ</a>	Documentation of services
ii. School Follows Bus Safety Protocols	4	<a href="#">School Bus Safety FAQ</a>	

F. Governance			
Indicators	Points	Detail	Credit
i. Board Structure Meets Bulletin 126 Requirements	4	<a href="#">Charter Board FAQ</a>	Review of bylaws Annual Ethics Disclosure Verification
ii. Board adheres to Louisiana Code of Governmental Ethics	4	<a href="#">Charter Board FAQ</a>	
iii. Board adheres to Louisiana Open Meetings Laws	4	<a href="#">Open Meetings FAQ</a>	No more than 1 Notice of Concern per Indicator No Notices of Breach per Indicator
iv. Board Adheres to Public Records Act	4	<a href="#">Public Records FAQ</a>	
v. Board follows Public Bid Laws	4	<a href="#">Public Bid Law</a>	
vi. Board completes Ethics Training Anually	4		

G. Compliance and Reporting			
Indicators	Points	Detail	Credit
i. School complies with Louisiana Code of Governmental Ethics	4	<a href="#">Louisiana Code of Governmental Ethics</a>	Critical Indicators
ii. School complies with all legal and contractual obligations regarding background checks	4	<a href="#">Background Check FAQ</a>	
iii. School complies with all legal and contractual obligations regarding student transportation	4		
iv. All school employees complete required ethics training annually	4		
v. Timely and accurate reporting submissions	4	Required submissions are communicated through the LEADS and INSIGHT portal as well as the Weekly Charter Newsletter	No more than 1 Notice of Concern per Indicator No Notices of Breach per Indicator
vi. School complies with Act 837, Act 677, and all privacy laws	4	<a href="#">Act 837</a> <a href="#">Act 677</a>	
vii. School complies with legal and contractual obligations (including facility lease with Charter Authorizer, if applicable).	4	Compliance with state and federal laws, BESE policy and the charter contract not expressly listed in the CSPC	

**APPENDIX E: TYPE 2 AND 4 CHARTER SCHOOL AT-RISK  
ENROLLMENT REQUIREMENTS  
PER R.S. 17:3991(B)(1)(a) AND (b)**

<b>New Type 2 Charter Schools</b>	
<p>A school's required at-risk percentage must at least equal the percent of at-risk students who qualify for Free and Reduced Price Lunch (FRL) or are economically disadvantaged <u>in the district(s) from which the school enrolls its students.</u></p>	<p>85% of total at-risk requirement must be made up of students who qualify for FRL.</p>
	<p>15% of total at-risk enrollment requirement may be made up of students who qualify as at-risk in other ways (<i>see At-Risk Student Definition summary on page 6</i>)</p>
<b>Type 4 Charter Schools*</b>	
<p>Unless otherwise agreed to as part of the charter agreement, a school's required at-risk percentage must at least equal the percent of at-risk students who qualified for Free and Reduced Price Lunch (FRL) or were economically disadvantaged in the year prior to the establishment of the charter school.</p>	
<p>*This also applies to conversion type 2 charter schools, but there are no conversion type 2 charter schools currently authorized. <b>Source:</b> Prepared by legislative auditor's staff using state law.</p>	



# APPENDIX F: LDE'S COMPLAINT PROCESS FOR TYPE 5 CHARTER SCHOOLS

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RecoverySchoolDistrict

## RSD Issue Resolution Process for Parents

This is the process RSD staff uses to make sure that the right person knows about any problems you are having, so that you can get an answer quickly. **Your student should always keep attending school while problems are being solved.**

1. Which type of problem am I having?			
<p><b>General Issues</b></p> <ul style="list-style-type: none"> <li>Disagreement with a teacher or another student</li> <li>Need student records, <u>except</u> if the school has closed</li> <li>Don't like a discipline decision, <u>except</u> if it could involve special education</li> </ul>	<p><b>Enrollment Issues</b></p> <ul style="list-style-type: none"> <li>Confusion about enrollment</li> <li>Never received a school assignment</li> <li>I want to transfer my student to another school</li> <li>School said we should transfer</li> <li>School said my student isn't a good fit</li> </ul>	<p><b>Special Education Issues</b></p> <ul style="list-style-type: none"> <li>My student isn't getting the special education services he/she needs</li> </ul>	<p><b>Critical Issues</b></p> <ul style="list-style-type: none"> <li>My student has been expelled, or other serious discipline issues</li> <li>My student is in danger and the school hasn't responded</li> <li>Any serious <u>legal</u> or <u>safety</u> issues that the school has not addressed</li> </ul>
2. Who is responsible for working with me to find a solution?			
<p>These issues are the responsibility of the school. Unfortunately, the RSD can't fix these issues.</p>	<p>These issues can be fixed by the student enrollment office, and an RSD Family Center can help.</p>	<p>These issues can be fixed by the Louisiana Department of Education (LDOE) in partnership with the school.</p>	<p>For these issues, the contact for your school (on the back of this sheet) will work with you until it is addressed.</p>
3. What steps need to happen to address my problem?			
<p><input type="checkbox"/> <b>Today</b> someone in the parent center or your school will give you a way to contact the principal.</p> <p><input type="checkbox"/> <b>Within 5 School Days</b> you should hear a response</p> <p><input type="checkbox"/> <b>After you've talked to the school</b> you may not be happy with the decision. Principal can make many decisions for their school, and RSD may not be able to fix the issue</p>	<p><b>FOR TRANSFERS</b></p> <p><input type="checkbox"/> Please meet with your school to begin the transfer process.</p> <p><b>FOR OTHER ISSUES</b></p> <p><input type="checkbox"/> <b>Today</b> you may call the enrollment office at 877-343-4773</p> <p><input type="checkbox"/> <b>Today</b> the enrollment office will let you know the next steps to solve your issues</p>	<p><input type="checkbox"/> <b>Today</b> you may contact the LDOE legal department</p> <ul style="list-style-type: none"> <li><b>In writing:</b> Ty Manieri P.O. Box 94064 Baton Rouge, LA tyrell.manieri@la.gov 225.342.1197 (fax)</li> <li><b>Or by phone:</b> 877-453-2721</li> </ul> <p><input type="checkbox"/> <b>The LDOE legal department will let you know that they've received your complaint</b> and will walk you through the next steps. This process is thorough and <u>may take up to 60 days.</u></p>	<p><input type="checkbox"/> <b>Today</b> find the name of your school's contact on the back of this sheet. Call and describe your problem to him/her.</p> <p><input type="checkbox"/> <b>Within 1 School Day</b> your contact will call back and give you an update.</p> <p><input type="checkbox"/> <b>Within 2 School Days</b> your contact will organize the people needed to get an answer and let the school know.</p> <p><input type="checkbox"/> <b>Within 5 School Days</b> Your contact will let you know the plan to address your problem, if it's not already addressed.</p> <p><input type="checkbox"/> <b>Within 10 School Days</b> you'll get a written version of the plan, if needed.</p>
4. What is my problem isn't fixed after I've done everything on the list?			
<p>If the school principal does not respond within <u>5 days</u>, you can contact the school's board if it is a charter. Your school's contact person (on the back) can help you get in touch.</p>	<p>Your student should <u>continue attending the school he/she was assigned by One App.</u></p>	<p>If you believe the decision contains an error, you may request a reconsideration of findings in writing to the LDOE legal department <u>within 10 days</u> of receiving the report.</p>	<p>You will always be able to reach your contact. These issues may not be solved immediately, but your contact will make sure you know what's going on, and <u>won't stop until we find an answer.</u></p>



**APPENDIX G:  
ACADEMIC YEAR 2015-16 AT-RISK ENROLLMENT,  
CURRENT AT-RISK ENROLLMENT REQUIREMENT, AND  
ALTERNATIVE AT-RISK ENROLLMENT REQUIREMENT FOR  
STATEWIDE CHARTER SCHOOLS**

School*	2015-16 At-Risk	Current At-Risk Requirement	Meet Current Requirement?	Alternative Requirement (weighted average of districts)
1. Acadiana Renaissance Academy	45.6%	66.9%	No	65.2%
2. Lyceé Français de la Nouvelle-Orléans	49.4%	66.2%	No	80.9%
3. Avoyelles Public Charter School	54.6%	66.9%	No	77.7%
4. Delta Charter School	57.2%	66.3%	No	72.5%
5. The MAX	57.9%	66.9%	No	66.1%
6. D'Arbonne Woods Charter School	65.4%	66.9%	No	75.4%
7. Delhi Charter School**	62.3%	61.5%	Yes	83.0%
8. International School of Louisiana**	67.1%	66.9%	Yes	80.6%
9. JCFA**	68.2%	66.3%	Yes	79.9%
10. Tangi Academy**	68.8%	66.9%	Yes	76.5%
11. New Orleans Military/Maritime Academy**	75.5%	66.2%	Yes	80.1%
12. International High School of New Orleans**	77.5%	66.9%	Yes	81.7%
13. Louisiana Key Academy	73.4%	66.3%	Yes	73.4%
14. Lafayette Renaissance Academy	75.5%	66.9%	Yes	66.9%
15. Lake Charles College Prep	77.9%	66.9%	Yes	64.7%
16. Lake Charles Charter Academy	79.0%	66.2%	Yes	64.7%
17. New Vision Learning Academy	81.9%	66.3%	Yes	74.8%
18. Glencoe Charter School	82.6%	66.9%	Yes	74.9%

School*	2015-16 At-Risk	Current At-Risk Requirement	Meet Current Requirement?	Alternative Requirement (weighted average of districts)
19. GEO Prep Academy	86.2%	66.9%	Yes	78.5%
20. Southwest Louisiana Charter School	86.6%	67.1%	Yes	64.7%
21. Impact Charter Elementary	87.4%	66.9%	Yes	81.1%
22. Northshore Charter School	90.0%	66.3%	Yes	86.7%
23. Baton Rouge Charter Academy	90.1%	66.3%	Yes	78.5%
24. Advantage Charter Academy	90.9%	66.9%	Yes	81.0%
25. Iberville Charter Academy	91.0%	66.9%	Yes	77.9%
26. Milestone Academy	91.4%	66.3%	Yes	81.2%
27. Vision Academy	91.6%	66.9%	Yes	78.4%
28. Willow Charter Academy	92.2%	66.9%	Yes	65.9%
29. Tallulah Charter School	92.5%	66.3%	Yes	91.8%
<p>*Of the 35 type 2 charter schools for academic year 2015-16, two (Louisiana Virtual Charter Academy and Louisiana Connections Academy) were virtual schools, and four (Belle Chasse Academy, JS Clark Leadership Academy, Madison Preparatory Academy, and Northeast Claiborne Charter) did not have a statewide enrollment zone, so these schools were excluded from our analysis.</p> <p>**School met the current requirement but would not have met the alternative requirement based on the weighted average at-risk percentage of the districts where the students actually live who attend each type 2 charter school.</p> <p><b>Source:</b> Prepared by legislative auditor's staff using information contained in LDE's 2015-16 report to BESE on schools' compliance with at-risk enrollment requirements and student enrollment and zip code data provided by LDE.</p>				

## APPENDIX H: CHARTER SCHOOLS OPERATING DURING THE 2015-2016 ACADEMIC YEAR

### Type 2 Charter Schools Operating During the 2015-16 Academic Year

School	Location (District)	Academic Performance			Organizational Performance			Funding			
		2014	2015	2016	Critical Violations	Non-Critical Violations	Complaints	State (millions)	Local (millions)	Total (millions)	Per Pupil
Avoyelles Public Charter	Avoyelles	A	A	A		4	1	\$4.7		<b>\$4.7</b>	\$6,569
Advantage Charter Academy	Baker School District		D	D		3	1	1.9	\$1.6	<b>3.4</b>	9,869
Impact Charter	Baker School District		F	D		4	1	0.9	0.8	<b>1.7</b>	9,940
Lake Charles Charter Academy	Calcasieu	C	C	C		1		4.0	4.2	<b>8.2</b>	9,531
Lake Charles College Prep	Calcasieu		D	F		3		0.5	0.5	<b>1.0</b>	9,916
Southwest LA Charter School	Calcasieu	C	D	C		6		4.2	4.3	<b>8.5</b>	9,612
Northshore Charter School	City of Bogalusa		F	F		4	1	2.8	1.5	<b>4.3</b>	10,219
New Vision Learning	City of Monroe	C	B	C		4		3.2		<b>3.2</b>	9,827
Vision Academy	City of Monroe		F	F		6	1	1.0	0.9	<b>1.8</b>	10,486
Delta Charter School	Concordia	C	B	B		4		2.2	1.1	<b>3.3</b>	8,709
Baton Rouge Charter Academy	East Baton Rouge	F	F	F		7		2.4	4.2	<b>6.6</b>	11,215
Louisiana Connections Academy (Virtual)	East Baton Rouge	C	C	C		5	6	8.2	7.5	<b>15.7</b>	8,729
Louisiana Key Academy	East Baton Rouge		U	F		1	1	0.8	1.3	<b>2.1</b>	11,433

Type 2 Charter Schools Operating During the 2015-16 Academic Year											
School	Location (District)	Academic Performance			Organizational Performance			Funding			
		2014	2015	2016	Critical Violations	Non- Critical Violations	Complaints	State (millions)	Local (millions)	Total (millions)	Per Pupil
Louisiana Virtual Charter Academy (Virtual)	East Baton Rouge	C	D	D		6	3	\$9.0	\$7.7	<b>\$16.7</b>	\$8,704
Madison Prep*	East Baton Rouge	C	B	C		2	1	1.4	2.4	<b>3.8</b>	11,177
GEO Prep Academy**	East Baton Rouge			C		1		1.2	2.2	<b>3.4</b>	11,201
Iberville Charter Academy	Iberville		F	F		4		0.9	3.0	<b>3.8</b>	14,091
JCFA*	Jefferson	F	F	F		5		0.5	0.6	<b>1.0</b>	9,598
Acadiana Renaissance	Lafayette		B	A		3		2.4	3.9	<b>6.3</b>	9,355
Lafayette Renaissance	Lafayette		D	C		4	1	2.0	2.8	<b>4.8</b>	9,399
Willow Charter Academy	Lafayette		F	F		5	1	1.8	2.5	<b>4.4</b>	9,597
The MAX	Lafourche	D	D	D		2	1	1.1		<b>1.1</b>	9,828
Tallulah Charter School	Madison	F	C	C		4		1.8	1.2	<b>3.0</b>	8,743
International School of Louisiana	Orleans	A	A	A		3	6	8.9		<b>8.9</b>	9,857
Lyceé Français de la Nouvelle-Orléans	Orleans	B	B	A		4	1	2.2	2.5	<b>4.7</b>	11,014
Milestone Academy	Orleans	D	C	D		5	11	3.8		<b>3.8</b>	9,722
New Orleans Military/ Maritime Academy	Orleans	C	A	B		3		2.1	3.0	<b>5.2</b>	9,827
International High School of New Orleans	Orleans	C	B	C		3	10	2.2	2.8	<b>5.0</b>	9,411
Belle Chasse Academy*	Plaquemines	A	A	A				11.2		<b>11.2</b>	11,999
Delhi Charter School	Richland	B	B	B		3		6.8		<b>6.8</b>	8,224
J.S. Clark Leadership Academy*	St. Landry	D	C	D		5	1	1.0	0.4	<b>1.5</b>	7,164
Glencoe Charter School	St. Mary	A	B	A		4		3.3		<b>3.3</b>	8,979
Tangi Academy**	Tangipahoa			D		3		\$1.1	\$0.5	<b>\$1.6</b>	\$7,893

<b>Type 2 Charter Schools Operating During the 2015-16 Academic Year</b>											
<b>School</b>	<b>Location (District)</b>	<b>Academic Performance</b>			<b>Organizational Performance</b>			<b>Funding</b>			
		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Critical Violations</b>	<b>Non- Critical Violations</b>	<b>Complaints</b>	<b>State (millions)</b>	<b>Local (millions)</b>	<b>Total (millions)</b>	<b>Per Pupil</b>
D'Arbonne Woods	Union	B	B	A		5	1	3.8	3.3	7.1	9,125
Northeast Claiborne Charter*	Union		F	D		2		0.7	0.6	1.3	9,230
<b>Total Type 2 Funding</b>								<b>\$105.7</b>	<b>\$67.3</b>	<b>\$173.0</b>	
*School did not have a statewide enrollment zone.											
**School's funding information is based on MFP projected counts.											

<b>Type 5 Charter Schools Operating During the 2015-16 Academic Year</b>											
<b>School</b>	<b>Location (District)</b>	<b>Academic Performance</b>			<b>Organizational Performance</b>			<b>Funding</b>			
		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Critical Violations</b>	<b>Non- Critical Violations</b>	<b>Complaints</b>	<b>State (millions)</b>	<b>Local (millions)</b>	<b>Total (millions)</b>	<b>Per Pupil</b>
Linwood Middle	Caddo	D	F	F		6	3	\$2.7	\$2.2	\$4.8	\$9,527
Baton Rouge Bridge Academy	East Baton Rouge	*	*	*		1		0.5	0.7	1.2	10,315
Baton Rouge College Prep	East Baton Rouge			C		4		0.5	0.7	1.2	10,315
Baton Rouge University Prep	East Baton Rouge	*	*	*		3		0.3	0.5	0.9	10,315
Capitol High School	East Baton Rouge		F	D		6	2	1.4	2.0	3.4	10,341
Celerity Crestworth Charter School	East Baton Rouge		T	T		5	1	1.2	1.8	2.9	10,326
Celerity Dalton Charter School	East Baton Rouge		F	F		3	1	1.5	2.3	3.8	10,315

Type 5 Charter Schools Operating During the 2015-16 Academic Year											
School	Location (District)	Academic Performance			Organizational Performance		Funding				
		2014	2015	2016	Critical Violations	Non- Critical Violations	Complaints	State (millions)	Local (millions)	Total (millions)	Per Pupil
Celerity Lanier Charter School	East Baton Rouge		T	T		7		\$1.6	\$2.4	<b>\$4.0</b>	\$10,315
Democracy Prep	East Baton Rouge			C		4		0.9	1.4	<b>2.3</b>	10,315
Kenilworth Middle	East Baton Rouge	D	D	D		8	3	2.2	3.2	<b>5.5</b>	10,333
Akili Academy of New Orleans	Orleans	C	C	D		2	16	2.2	2.6	<b>4.8</b>	9,537
Algiers Technology Academy	Orleans	D	D	D		7	1	1.5	1.7	<b>3.2</b>	9,919
Arise Academy	Orleans	D	D	F		5	10	1.9	2.6	<b>4.4</b>	10,246
Arthur Ashe Charter	Orleans	C	C	C		1	1	3.0	3.6	<b>6.5</b>	9,598
Cohen College Prep	Orleans	C	B	C		8	15	2.0	2.4	<b>4.4</b>	9,562
Crescent Leadership Academy	Orleans	T	F	F		10	2	0.6	1.0	<b>1.6</b>	9,656
Crocker College Prep	Orleans	T	T	D		2	9	1.7	2.0	<b>3.7</b>	9,536
Dwight D. Eisenhower	Orleans	D	C	D		2	2	3.3	4.1	<b>7.4</b>	9,479
Edgar P. Harney Academy	Orleans	C	C	D		3	5	1.7	2.0	<b>3.6</b>	9,541
Esperanza Charter School	Orleans	B	C	B			5	2.1	2.5	<b>4.6</b>	9,437
Fannie C. Williams Charter School	Orleans	D	C	D		1	6	2.4	2.9	<b>5.4</b>	9,541
G.W. Carver Collegiate Academy	Orleans	C	C	D	1	6	16	1.3	1.5	<b>2.8</b>	9,562
G.W. Carver Prep Academy	Orleans	C	D	D		9	16	1.2	1.5	<b>2.7</b>	9,562
Gentilly Terrace Elementary	Orleans	D	D	D		3	4	2.0	2.4	<b>4.4</b>	9,538
Harriet Tubman Charter School	Orleans	D	C	C		4	12	2.3	2.7	<b>5.0</b>	9,531
James M. Singleton Charter	Orleans	C	D	C		7	7	2.0	2.9	<b>4.9</b>	10,158

Type 5 Charter Schools Operating During the 2015-16 Academic Year											
School	Location (District)	Academic Performance			Organizational Performance			Funding			
		2014	2015	2016	Critical Violations	Non- Critical Violations	Complaints	State (millions)	Local (millions)	Total (millions)	Per Pupil
Phillis Wheatley Community School	Orleans	C	D	D		2	2	\$2.5	\$3.5	<b>\$6.0</b>	\$10,253
Joseph A. Craig	Orleans	T	D	D		6	14	1.6	1.9	<b>3.4</b>	9,542
Joseph Clark High	Orleans	F	D	D		6	2	1.8	2.2	<b>4.0</b>	9,562
KIPP Believe College Prep	Orleans	C	C	C		4	13	3.4	4.2	<b>7.6</b>	9,439
KIPP Central City Academy	Orleans	B	B	B		2	9	1.8	2.2	<b>4.0</b>	9,399
KIPP Central City Primary	Orleans	C	C	C		1	5	2.2	2.7	<b>5.0</b>	9,522
KIPP East Community Primary	Orleans	*	*	*		3		0.4	0.5	<b>1.0</b>	9,536
KIPP McDonogh 15 School for the Creative Arts	Orleans	B	C	C		4	25	4.0	4.9	<b>8.9</b>	9,516
KIPP New Orleans Leadership Academy	Orleans	D	D	C		3	25	3.6	4.3	<b>7.9</b>	9,533
KIPP Renaissance High	Orleans	D	B	A		2	10	1.9	2.3	<b>4.2</b>	9,546
Lafayette Academy	Orleans	C	B	C		1	23	3.9	4.7	<b>8.6</b>	9,568
Lake Area New Tech Early College	Orleans	D	C	C		2	6	3.0	3.6	<b>6.6</b>	9,581
Langston Hughes Academy	Orleans	C	D	D	1	3		3.5	4.2	<b>7.8</b>	9,542
LB Landry-OP Walker College & Career Prep	Orleans	B	D	D		4	3	5.5	6.8	<b>12.3</b>	9,387
Martin Behrman	Orleans	B	C	C		1		2.9	3.6	<b>6.5</b>	9,446
Mary D. Coghill Accelerated	Orleans	C	C	C	1		2	2.7	3.3	<b>6.0</b>	9,514
McDonogh #32 Elementary	Orleans	D	D	F		5	3	2.9	3.3	<b>6.2</b>	9,772
McDonogh #42 Elementary Charter	Orleans	T	D	F		8	22	1.9	2.6	<b>4.5</b>	10,257

Type 5 Charter Schools Operating During the 2015-16 Academic Year											
School	Location (District)	Academic Performance			Organizational Performance			Funding			
		2014	2015	2016	Critical Violations	Non- Critical Violations	Complaints	State (millions)	Local (millions)	Total (millions)	Per Pupil
Medard H. Nelson Elementary	Orleans	D	F	F		4	10	\$2.1	\$2.5	<b>\$4.6</b>	\$9,523
Mildred Osborne Elementary	Orleans	D	D	D		5	15	1.9	2.3	<b>4.2</b>	9,540
Morris Jeff Community School	Orleans	C	B	C			3	2.0	2.4	<b>4.4</b>	9,568
Paul Habans Elementary	Orleans	F	F	D	1	5	6	1.8	2.2	<b>4.0</b>	9,523
Pierre A. Capdau Learning Academy	Orleans	B	C	C	1	3	3	1.8	2.1	<b>3.9</b>	9,564
ReNEW Accelerated High	Orleans	F	F	F		7	4	1.4	1.8	<b>3.2</b>	9,487
ReNEW Cultural Arts Academy	Orleans	D	C	C		3	2	2.8	3.3	<b>6.1</b>	9,536
ReNEW Delores T. Aaron Elementary	Orleans	D	C	C		1	1	3.2	3.8	<b>7.0</b>	9,539
ReNEW McDonogh City Park Academy	Orleans			D		1	8	2.8	3.5	<b>6.3</b>	9,755
ReNEW Schaumburg Elementary	Orleans	T	T	C		1	6	3.4	4.1	<b>7.5</b>	9,537
ReNEW SciTech Academy	Orleans	C	B	C	1	3	1	2.9	3.5	<b>6.4</b>	9,541
S.J. Green Charter	Orleans	C	C	C		2	1	2.3	2.7	<b>5.0</b>	9,548
Sci Academy	Orleans	C	B	B		2	12	2.0	2.4	<b>4.3</b>	9,571
Sophie B. Wright Learning Academy	Orleans	C	C	B	1	5	17	1.7	2.1	<b>3.8</b>	9,506
Success Preparatory Academy	Orleans	C	D	C		3	4	2.3	2.8	<b>5.0</b>	9,525
Sylvanie Williams College Prep	Orleans	D	D	D		2	3	1.5	1.9	<b>3.4</b>	9,412
The NET Charter School	Orleans	F	F	F		7		0.7	1.0	<b>1.7</b>	10,290

**Type 5 Charter Schools  
Operating During the 2015-16 Academic Year**

School	Location (District)	Academic Performance			Organizational Performance			Funding			
		2014	2015	2016	Critical Violations	Non- Critical Violations	Complaints	State (millions)	Local (millions)	Total (millions)	Per Pupil
William J. Fischer	Orleans	D	F	F		4		\$2.7	\$3.3	\$5.9	\$9,517
<b>Total Type 5 Funding</b>								<b>\$132.8</b>	<b>\$164.1</b>	<b>\$297.0</b>	
*School was operating during the given academic year, but it did not have test-taking grade levels.											

**Type 4 Charter School  
Operating During the 2015-16 Academic Year**

School	Location (District)	Academic Performance			Organizational Performance			Funding			
		2014	2015	2016	Critical Violations	Non- Critical Violations	Complaints	State (millions)	Local (millions)	Total (millions)	Per Pupil
Louisiana School for the Agricultural Sciences	Avoyelles	C	B	A		3		MFP information is combined with district.			
<b>Source:</b> Prepared by legislative auditor's staff using information from LDE.											



**Joint Legislative Committee on the Budget  
June 3, 2022**

***Update from the Louisiana Legislative Auditor on remedial actions and resolutions related to findings and recommendations contained in performance audits of charter schools***

We have issued three reports on charter schools in Louisiana over the past five years. In October 2017, we issued a report LDE’s monitoring of charter schools and a report on LDE’s use of academic performance in the renewal process when renewing a charter school. In March 2021, we issued a report on the identification of school practices that impact academic performance in Orleans Parish schools. Overall, we had 12 recommendations, 11 of which are in progress and one is not implemented as of December 2021. Pages 3-8 in this document provides the full status of the findings and recommendations for the two-charter school reports we issued in October 2017. The report we issued in March 2021 on the identification of school practices that impact academic performance in Orleans Parish was informational and did not have any recommendations.

**LDE’s monitoring of charter schools, report issued October 2017**

<p><b>Finding 1:</b> LDE conducted all required annual CSPC reviews from academic years 2013-14 to 2015-16. However, LDE weighs all critical and non-critical organizational performance indicators equally when determining a school’s organizational performance rating. Weighting critical violations more than non-critical violations and deducting points for each critical issue would allow LDE to present information to BESE that better reflects the severity of violations and result in improved charter school accountability.</p>	<p><i>Two recommendations, one is implementation in progress, one not implemented as of December 2021</i></p>
<p><b>Finding 2:</b> LDE has not monitored two provisions of the charter school enrollment law, which may have contributed to some schools enrolling fewer at-risk students than they were statutorily and contractually required to enroll. Seven (19%) of the 36 type 2 and 4 charter schools in academic year 2015-16 failed to enroll the required number of at-risk students.</p>	<p><i>Three recommendations, all implementation in progress as of December 2021</i></p>
<p><b>Finding 3:</b> LDE should consider conducting routine unannounced monitoring visits for charter schools in addition to its announced annual review visits. Unannounced visits would allow LDE the ability to proactively identify issues that may not be detected during announced visits.</p>	<p><i>One recommendation, implementation in progress as of December 2021</i></p>
<p><b>Finding 4:</b> LDE should develop specific and consistent procedures on how to address concerns and violations at charter schools. Currently, LDE procedures do not specify when a school should receive a “Notice of Concern” letter and do not require them to</p>	<p><i>Two recommendations, both implementation in progress as of December 2021</i></p>

<p>send a “Return to Good Standing” letter once violations have been corrected.</p>	
<p><b>Finding 5:</b> Although LDE has developed a complaint process for charter schools, it needs to better inform parents with students in type 2 or 4 charter schools of this process. We found that even though type 2 and 4 charter schools comprise 37% of the charter schools LDE oversees, only 53 (11%) of the 494 complaints filed were from a parent with a child in a type 2 or 4 charter school. This could indicate that these parents do not know where to go to file a complaint.</p>	<p><i>Two recommendations, both implementation in progress as of December 2021</i></p>

**LDE’s use of academic performance in the charter school renewal process, report issued October 2017**

<p><b>Finding:</b> We found that while LDE has some standards for determining whether a charter school should be recommended for renewal, it has not developed specific guidelines that address the primary academic requirement for charter school renewal, as required by state law.</p>	<p><i>Two recommendations, both implementation in progress as of December 2021</i></p>
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**Identifying school practices that impact academic performance in Orleans Parish Schools, report issued March 2021**

<p><b>Conclusion:</b> We found that the New Orleans Louisiana Public Schools (NOLA-PS) and LDE use standardized test scores, as required by state law, to analyze the academic outcomes of charter schools in Orleans Parish. While using standardized test scores may be appropriate for the purpose of determining which schools should be renewed, this approach does not consider whether specific practices implemented at a school are responsible for the positive academic outcomes. Although not required by state law, a formalized process to identify the specific practices that result in improvements or declines in charter school performance would allow authorizers to replicate those practices that are working in their schools and eliminate those that are not.</p>	<p><i>Two areas for further study, implementation status is unknown:</i></p> <ol style="list-style-type: none"> <li>1. Analyzing data from the last 15 years may help NOLA-PS and LDE know which past strategic education practices resulted in positive and negative outcomes for student performance.</li> <li>2. Use information obtained from the retroactive review to help identify practices that result in positive outcomes in charter schools with the goal of replicating practices that are successful going forward.</li> </ol>
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**Implementation status as of December 2021**

**Evaluation of Charter School Monitoring**  
 Louisiana Department of Education  
 October 4, 2017

The objective of the audit was to evaluate the Louisiana Department of Education’s (LDE) monitoring of charter schools authorized by the Board of Elementary and Secondary Education (BESE). We conducted the audit because a 2013 performance audit on LDE’s monitoring of charter schools authorized by BESE recommended that LDE implement a more comprehensive process to annually assess charter schools’ compliance with legal/contractual obligations. In its response, LDE stated that its new Charter School Performance Compact (CSPC), which was created by LDE and approved by BESE in January 2013, would satisfy this recommendation. In the October 2017 audit, we evaluated LDE’s use of the CSPC to monitor BESE-authorized charter schools’ organizational performance.

LDE is in the process of implementing nine (90%) of 10 recommendations. One recommendation has not been implemented because of the impact of COVID-19 on the state accountability system, but LDE stated that it plans to implement it in the near future.

<b>Finding 1:</b> LDE conducted all required annual CSPC reviews from academic years 2013-14 to 2015-16. However, LDE weighs all critical and non-critical organizational performance indicators equally when determining a school’s organizational performance rating. Equally weighting all violations does not reflect the severity of critical violations.	
<b>Recommendation</b>	<b>Recommendation Status/Summary of Agency’s Response</b>
1. LDE should continue to work with BESE on revising the CSPC to give more weight to critical organizational performance areas than non-critical areas during performance reviews.	<i>Implementation in Progress</i>  In the October 17, 2017 BESE School Innovation and Turnaround committee meeting, LDE proposed changes to BESE Bulletin 126 and the CSPC. These changes were promulgated in February 2018.
2. LDE should work with BESE to consider whether multiple violations identified under one performance indicator should result in multiple deductions from schools’	<i>Not Implemented</i>  According to LDE, due to the impact of COVID-19 on its state accountability system, the past 18 months caused LDE to reflect on several aspects of how it annually evaluates and renews BESE authorized charter schools. In the near future, LDE plans to engage in a collaborative process with both BESE and charter schools to review, assess, and revise parts of the current CSPC. During that time, this recommendation will be part of the planned discussion.

organizational performance ratings.	
<p><b>Finding 2:</b> LDE has not monitored two provisions of the charter school enrollment law, which may have contributed to some schools enrolling fewer at-risk students than they were statutorily and contractually required to enroll. Seven (19%) of the 36 type 2 and 4 charter schools in academic year 2015-16 failed to enroll the required number of at-risk students.</p>	
Recommendation	Recommendation Status/Summary of Agency’s Response
<p>3. LDE should review the lottery practices of charter schools annually as required by the CSPC.</p>	<p><i>Implementation in Progress</i></p> <p>In creating a 2021-2022 common reporting calendar for all BESE-authorized charter schools, LDE included a submission of lottery procedures to be reviewed by the Charter Accountability (CA) team. According to LDE, if any charter school does not meet LDE’s required enrollment percentages outlined in its current operating agreement, the school would then be required to submit its enrollment recruitment plans for additional review.</p> <p>LDE has considered revisions to the language within the CSPC and Bulletin 126 that specifically speaks to an annual review of each BESE-authorized charter school’s lottery policies and processes. Additionally, LDE is considering changes to language related to lottery practices meeting terms of the CSPC and/or Bulletin 126 to also be added to the list of charter school assurances that each charter board signs and submits as one of the required LDE annual submissions.</p>
<p>4. LDE should work with BESE to amend the contract requirement for type 2 and 4 charter schools that states, “...all charter schools must give lottery preference to siblings of students already enrolled in the charter school” to include an exception for schools failing to meet their at-risk enrollment requirement.</p>	<p><i>Implementation in Progress</i></p> <p>In October 2017, BESE Bulletin 126 was amended to reflect changes to lottery preference. Previously, siblings were exempt from a lottery. Under current BESE policy, siblings can be given preference in enrollment.</p> <p>LDE is in the process of discussion with its legal team to ensure that changing this language would not violate any previous laws and policies. Once that is determined, LDE will need to engage charter school leaders and authorizers across the state to work together to determine how this change impacts all stakeholders before this language can be changed within charter operating agreements.</p>
<p>5. LDE should review whether schools’ enrollment processes ensure the schools meet at-risk enrollment requirements annually before allowing sibling preference, as required</p>	<p><i>Implementation in Progress</i></p> <p>According to LDE, its staff annually calculates these percentages following the February 1 student enrollment count and send written communication to charter schools who have not met the required percentages. LDE is in the process of revising the language of the CSPC and BESE policy to specifically address sibling preference.</p>

by the CSPC and state law.	
<b>Finding 3:</b> LDE should consider conducting routine unannounced monitoring visits for charter schools in addition to its announced annual review visits.	
<b>Recommendation</b>	<b>Recommendation Status/Summary of Agency’s Response</b>
6. LDE should consider expanding its practice of conducting unannounced site visits using a random approach to select charter schools.	<p><i>Implementation in Progress</i></p> <p>The current CSPC states the following:  “During the year, LDE staff members visit each charter school at least once and use data to inform the activities that are conducted during the visit(s). Visits may be announced or unannounced.”</p> <p>According to LDE, it currently exercises its ability (given the language of the CSPC) to conduct unannounced site visits to charter schools.</p>

<b>Finding 4:</b> LDE should develop specific and consistent procedures on how to address concerns and violations at charter schools. Currently, LDE procedures do not specify when a school should receive a “Notice of Concern” letter and do not require that LDE send a “Return to Good Standing” letter to the school once violations have been corrected.	
<b>Recommendation</b>	<b>Recommendation Status/Summary of Agency’s Response</b>
7. LDE should develop procedures that identify what types of violations should result in a Notice of Concern so that these violations are adequately tracked and corrected.	<p><i>Implementation in Progress</i></p> <p>The current CSPC addresses Notices of Concern or Breach in the <i>Accountability Decisions and Interventions</i> section.</p> <p>In July 2021, LDE’s CA team created a comprehensive tracker for all notices and formal correspondences that are communicated from the CA team to charter schools related to violations of the CSPC, charter operating agreement, BESE policy and/or state and federal law as a means of keeping track of the status of each violation and what steps have been taken by the charter school to rectify any violations.</p>
8. LDE should update its procedures to require that Return to Good Standing letters are sent to all schools that receive a Notice of Concern or Breach to ensure that violations detected are addressed in a timely manner.	<p><i>Implementation in Progress</i></p> <p>As of July 1, 2021, the CA team has implemented a procedure aligned with issuing a Notice of Concern or Breach to include sending a closure notice (Return to Good Standing letter) to charter schools that have successfully completed the steps to rectify a Notice of Concern or Notice of Breach. This letter is linked and tracked on the same tracker referred to in LDE’s response to Recommendation No. 7. In the future, the CA team has plans to update this procedure within the CSPC to ensure the fidelity of use moving forward.</p>

<b>Finding 5:</b> Although LDE has developed a complaint process for charter schools, it needs to better inform parents with students in type 2 or 4 charter schools of this process.	
<b>Recommendation</b>	<b>Recommendation Status/Summary of Agency's Response</b>
9. LDE should better inform parents with a child in a type 2 or 4 charter school of its complaint process. For example, LDE could include a page on its website directed to all charter schools, not just type 5 schools.	<i>Implementation in Progress</i> As of July 31, 2021, the CA team is revising the webpage where all resources for parents and the general public are listed. Once the revisions to the CA webpage are complete, it will include information for parents at Type 2, 4, and 5 charter schools on the process for having their complaints/concerns resolved at the school and charter board level. This information will also clarify for parents and the general public what types of complaints/concerns are handled by LDE's CA team.
10. LDE should include a field that captures when staff begin investigating complaints and when complaints are resolved.	<i>Implementation in Progress</i> As of July 1, 2021, LDE's CA team is instituting a tracking system that captures when staff begin investigating complaints and when those complaints are resolved.

# Use of Academic Performance in the Charter School Renewal Process

Louisiana Department of Education  
October 18, 2017

We evaluated the Louisiana Department of Education’s (LDE) use of academic performance in the renewal process for type 2, 4, and 5 charter schools. LDE’s process for evaluating charter schools is important because the department is responsible for making a recommendation about each school’s renewal to the Board of Elementary and Secondary Education (BESE), which authorizes these types of charter schools. According to R.S. 17:3992(A)(2)(a), in order to be renewed, charter schools must demonstrate improvement in the academic performance of students over the course of the charter school’s existence using standardized test scores.

**LDE is in the process of implementing both recommendations made in the audit.**

**Finding 1:** We found that while LDE has some standards for determining whether a charter school should be recommended for renewal, it has not developed specific guidelines that address the primary academic requirement for charter school renewal, as required by state law.

Recommendation	Recommendation Status/Summary of Agency’s Response
<p>1. LDE should work with BESE to develop specific rules and regulations that define what constitutes improvement in the academic performance of its students over the term of the charter school’s existence, using standardized test scores as an independent metric.</p>	<p style="color: #c00000;"><i>Implementation in Progress</i></p> <p>On October 18, 2017, BESE approved revisions to Bulletin 111 to include, “for purposes of calculating an Elementary/Middle School Progress Index or a High School Progress Index, schools shall be awarded up to 150 points for students scoring Mastery in the current year, but no fewer than 85 points, including for students whose results fall within the 1st to 39th percentiles of the value-added model (VAM).”</p> <p>Standardized test scores are the primary factor in creating an Assessment Index and Progress Index. The Assessment Index (AI) and Progress Index (PI) come together to form the School Performance Score (SPS) which is the measure by which a charter school is renewed. The PI for all schools in Louisiana (including charter schools) considers whether students are growing at a similar rate to their peers. This takes into consideration factors such as students with disability status, discipline, attendance, mobility, and prior year assessment scores. Annually, the PI is monitored (specifically for schools that are due for renewal in the subsequent year) and counts as 25% of the overall SPS score for students in Louisiana schools.</p> <p>The Charter School Performance Compact (CSPC) bases minimum charter renewal terms on the SPS of which 25% is based on the overall student PI.</p>

Recommendation	Recommendation Status/Summary of Agency's Response
<p>2. LDE should ensure that all charter schools recommended for renewal demonstrate, using standardized test scores, improvement in the academic performance of its students over the term of its existence.</p>	<p><i>Implementation in Progress</i></p> <p>According to LDE, it has prioritized student progress as the means for measuring a charter school's improvement in academic performance over the course of a charter term. As of July 2020, the current administration has conducted one renewal cycle using BESE Bulletin 126 Policy-outlined renewal standards.</p> <p>Due to the impact of COVID-19, the mandate of annual administration of testing under the Louisiana Education Assessment Program and End of Course examinations, the provisions of La. R.S. 17:10.1 that provide for the School and District Accountability System, and the provisions of La. R.S. 17:391.2, <i>et seq.</i>, that provide for public school accountability and assessments was waived for the 2019-2020 school year. October 2020 charter renewal decisions were made using a revised renewal process. As a result, 10 charter schools were renewed during the Fall 2020 renewal cycle, taking into consideration the impact of the COVID-19 mandates.</p> <p>Annually, as part of LDE's charter oversight activities, the agency's accountability team conducts site visits at each charter school that is authorized by BESE. If schools are not meeting the academic standards of the CSPC at that time, the school provides their detailed plans for school improvement to gauge whether the school is "on track" to meeting the academic standards set forth in the renewal standards.</p> <p>According to LDE, the impact of COVID-19 on student's ability to demonstrate progress on standardized assessments in Spring 2021 is still a concern and LDE is actively pursuing alternate means of making renewal decisions that are more "comprehensive" in nature.</p> <p>LDE is in the process of considering revisions to charter renewal that include multiple considerations based on both absolute performance and student growth. Components of this more "comprehensive" approach includes conducting a school-level comparative analysis which includes an analysis of the charter school SPS score, PI, and proficiency levels for student subgroups.</p>

## RS 24:653

### §653. Duties and functions

A. The committee shall make such study and examination of the matters pertaining to the budgeting and fiscal affairs of the state and its political subdivisions, their funds, revenues, expenditures, and any other financial affairs of the state and of its political subdivisions as may be deemed desirable by the committee or the legislature. The committee may also study and examine all requests for professional, personal, social service, and consulting service contracts to determine the impact of privatizing state government programs, functions, or activities. The committee shall make such reports of its findings and recommendations with regard to such matters to the legislature upon its request or as is deemed advisable by the committee.

B. Prior to and during each regular session of the legislature, the joint committee may make such studies and hold such hearings with respect to budget requests or statements and with respect to the executive budget as it shall deem appropriate and are necessary to carry out its duties and functions.

C. Following the review, analysis, and study of the proposed executive budget, the committee shall submit its findings and recommendations thereon to the members of the legislature not later than two weeks prior to each regular session of the legislature.

D. The committee shall make such continuing study and examination of matters pertaining to the budgeting of the state revenues and their expenditures, and the fiscal affairs of the state and its agencies, and shall make quarterly reports and recommendations to the legislature and such other reports as the committee or the legislature deems advisable.

E. The committee shall interpret the legislative intent respecting all fiscal and budgetary matters of the state and conduct general oversight and review of the budget execution processes of the various budget units and other agencies of the state when necessary.

F. The committee shall study, review, and approve or disapprove all transfers of funds from one program specified in the allotments established in each agency's budget to another program. Except as provided in R.S. 39:73 and 87.4, no transfer of funds from one program specified in the allotments in an agency's budget to another shall be made without prior approval of the committee.

G. The committee shall have the full power and authority to adopt rules and regulations prescribing and governing its procedures, policies, meetings, and any and all other activities relating to its functions and duties, including the power and authority to issue binding directives to agencies concerning the proper and efficient execution of their respective budgets as same were approved by the legislature.

H.(1) The committee shall have a litigation subcommittee which shall monitor and study the amounts of state funds required to pay judgments and compromises arising out of lawsuits against the state, its departments, and, with respect to payment of state funds as insurance premiums, the insurers thereof. The committee, by its own rules, motions, or resolutions, shall provide for the size, membership, appointment, all administrative matters, and the delegated powers and duties of the litigation subcommittee.

(2) No attorney representing the state or any of its departments or agencies or any of its employees entitled to indemnification under R.S. 13:5108.1 shall sign any compromise or settlement which obligates the state to pay more than one million dollars without prior consultation with the attorney general and the members of the litigation subcommittee of the Joint Legislative Committee on the Budget.

I. The committee shall have the authority to nullify a penalty applied by the office of risk management relative to a state agency which has failed to receive certification after undergoing a loss prevention audit, as provided in R.S. 39:1536(B).

J. The committee may establish a subcommittee to execute its duties relative to oversight of performance-based budgeting under the Louisiana Government Performance and Accountability Act, as provided in Subpart D of Part II of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950. When the subcommittee acts on behalf of the committee, the chairman of the subcommittee shall provide to each member of the committee a summary report of the subcommittee's action.

K.(1) In the conduct of its responsibility to discharge the constitutional fiscal and budgetary responsibilities of the Louisiana Legislature, the committee shall consider the operating budgets of public entities and salaries of particular public officials which by law require the approval of the committee in accordance with the following:

(a) The committee shall consider operating budgets in advance of the beginning of a subject entity's fiscal year. If the committee finds that the entity has failed to receive the required approval, either by failure to appear or by committee disapproval of its budget, the committee may adopt a resolution to direct the commissioner of administration and the state treasurer to deny any warrant or payment of money from the state treasury for any amount contained within that budget. The committee may also adopt a resolution to direct the commissioner of administration and state treasurer to recommence the acceptance of warrants. If the committee determines that an entity whose operating funds are administered outside of the state treasury has failed to receive the required approval of its budget, either by failure to appear or by committee disapproval of its budget, the committee may adopt a resolution to that effect, and any expenditure of public monies by such entity shall constitute a violation of the provisions of Article VII, Section 14 of the Constitution of Louisiana.

(b) The consideration of salaries of public officials that by law require the approval of the committee shall occur prior to the execution of any employment contract for that official. The state shall not be liable for any payment of such salary if the salary has not been approved by the Joint Legislative Committee on the Budget. The committee shall have the authority to adopt a resolution to direct the commissioner of administration and the state treasurer to deny any warrant or payment of money from the state treasury for any monies related to the payment of the salary at issue. The committee is also authorized to adopt a resolution to direct the commissioner of administration and state treasurer to recommence the acceptance of warrants.

(2) The provisions of this Section shall have no effect on the provisions of any contract which is in effect prior to July 1, 2008.

(3) Notwithstanding any contrary provision of law, the chairman of the Joint Legislative Committee on the Budget may grant an entity, for good cause shown, an extension of time, not to exceed thirty days, to comply with the provisions of this Subsection, and the Joint Legislative Committee on the Budget may grant an additional extension of time.

L.(1)(a) Upon receipt of the reports from the various departments within the executive branch of state government as provided by R.S. 36:8(A)(6) and the public postsecondary education management boards as provided by R.S. 17:3130(C) and 3351(F), the Joint Legislative Committee on the Budget shall transmit the reports to the legislative fiscal office for review and analysis and may conduct hearings to review the reports.

(b) The legislative fiscal office shall review the reports and perform any additional analysis of the reports that is necessary to provide an accurate actual estimate as compared to the fiscal note as the bill was enacted.

(2) The reports required to be submitted under this Section shall be in a manner as prescribed by the chairman of the Joint Legislative Committee on the Budget and shall be accompanied by such other information as the chairman may require. At a minimum, the report shall present the differences between the original estimate as the bill was enacted and the actual current revenues or expenditures. Depending upon the scope of the original legislation, the comparisons between the fiscal note as the bill was enacted and the actual amounts shall include but not be limited to tax increases, decreases, fee increases and repeals, tax exemptions, suspensions, credits, rebates, exclusions, and deductions, among others.

(3) No later than February first of each year, the committee shall report its findings in a public meeting relative to any legislation that has been enacted that affects state revenues, public postsecondary education management boards and the related institutions or the various departments and the related entities and that legislation has a fiscal impact which has increased by the amount of one million dollars or more over the amount of the fiscal note as the bill was enacted. The review and analysis shall also examine the receipt, expenditure, allocation, dedication, or means of financing to determine specifically how the increases impact state revenue, the departments, agencies, boards, commissions, and like entities within the executive branch of state government, as well as among the public postsecondary education institutions of the state. The Joint Legislative Committee on the Budget shall transmit copies of the final report to the governor, the president of the Senate, and the speaker of the House of Representatives, and distribute a copy to each member of the legislature.

M.(1) All economic and financial reports for projects submitted in conjunction with the request for approval of the Joint Legislative Committee on the Budget in excess of a total state commitment of ten million dollars for the term of the project shall provide the following information:

(a) Inclusion of all input information, data, and assumptions, including but not limited to data sources, economic growth assumptions, and an assessment/basis of the reasonableness of each.

(b) A description of the analytical model employed for the report and how each input was utilized with that model.

(c) Results in terms of value-added, household earnings, and employment, and a description of each concept.

(d) Results by industry sector, with an assessment of possible adverse effects on sectors that compete with the subsidized company for in-state customers.

(e) Explicit identification of the project's effect on direct expenditure requirements in the state budget or any reduction in taxes or state revenues, including but not limited to tax exemptions, exclusions, deductions, reductions, repeals, rebates, incentives, abatements, or credits.

(f) An additional assessment by the secretary of the Department of Economic Development regarding the extent to which the project would not have occurred but for the proposed state financial support. The secretary's assessment shall reference other business factors which contributed to the project activity occurring and factors which will be required for ongoing sustainability including but not limited to labor, transportation, energy, among others.

(g) Cost/benefit comparisons of the incentives in the package compared to the costs in the package shall be for the same period of time or the same term, both for the direct benefits to the state as well as the indirect benefits to the state.

(2)(a) The department shall submit the request for Joint Legislative Committee on the Budget approval of the project with the analysis to the committee for its review at least seventeen business days, or as permitted by the chairman, prior to the meeting for which the department is seeking the committee's approval. In the event that the chairman specifies a request submission period that is less than seventeen business days, the chairman shall notify all members of the committee of the revised submission time period. Presentation of the information required shall be in a format developed by the department in consultation with the Legislative Fiscal Office and the Joint Legislative Committee on the Budget.

(b) Upon receipt of the request, the Joint Legislative Committee on the Budget shall transmit the report to the legislative fiscal office for evaluation of the department's assessment and the legislative fiscal office shall make such information available to the committee during its review.

(3) For the purposes of this Section and notwithstanding any other provision of law to the contrary, "project" shall mean any public-private partnership, agreement with a nonpublic party, lease, cooperative endeavor agreement, memorandum of understanding, or other contractual agreement which would result in or is expected to result in the obligation of state resources or the expenditure of revenues from the operation, management, or control of a state resource for the purposes of engendering economic growth or development in the state through the utilization of certain incentives, including but not limited to tax exemptions, exclusions, deductions, reductions, repeals, rebates, incentives, abatements, or credits.

N.(1) The committee shall have a dedicated fund review subcommittee which shall review and make recommendations on special funds in the state treasury that dedicate state revenue.

(2) The committee, by its own rules, motions, or resolutions, shall provide for the size, membership, appointment, all administrative matters, and the delegated powers and duties of the dedicated fund review subcommittee. The committee shall provide that the membership of the subcommittee is bipartisan and diverse.

(3) No later than September 1, 2017, and every two years thereafter, the committee shall provide for the dedicated fund review subcommittee.

(4) The dedicated fund review subcommittee shall conduct the review of special funds and submit recommendations to the committee as required in R.S. 49:308.5.

Added by Acts 1976, No. 538, §3, eff. March 10, 1980. Acts 1984, No. 694, §1; Acts 1997, No. 738, §1; Acts 1997, No. 1465, §1, eff. July 15, 1997; Acts 1998, 1st Ex. Sess., No. 11, §1; Acts 2001, No. 894, §1, eff. June 26, 2001; Acts 2008, No. 842, §1, eff. July 8, 2008; Acts 2010, No. 861, §10; Acts 2013, No. 96, §2, eff. July 1, 2013; Acts 2014, No. 704, §1, eff. July 1, 2014; Acts 2017, No. 355, §1, eff. June 22, 2017; Acts 2018, No. 612, §8, eff. July 1, 2020; Acts 2019, No. 404, §16.

NOTE: See Acts 2019, No. 404, §§16 and 20 regarding the repeal of certain changes made to R.S. 24:653(N)(3) in Acts 2018, No. 612.

NOTE: See Acts 2018, No. 612 and Acts 2019, No. 404 providing for the effects of the conversion of certain dedicated funds to special statutorily dedicated fund accounts.