

# Report Highlights

**Division of  
Administration  
State Land Office  
September 2004**

**Louisiana Legislative Auditor**



According to the State Land Office (SLO), the state owns 1.25 million acres of land. This land had an original acquisition cost of nearly \$457 million. An inventory of this state land is maintained in the State Land and Building System (SLABS).

R.S. 39:11(A) directs the Commissioner of Administration through the SLO to administer and supervise state lands and water bottoms. The SLO is to:

- Ensure that all lands and water bottoms are administered in a manner consistent with the constitution
- Develop and promulgate comprehensive plans for the administration, development, and preservation of state lands and water bottoms
- Create and maintain an inventory and central database for all state lands and water bottoms both owned and leased
- Report annually to the legislature on nonessential state properties, with recommendations for their disposition
- Report annually to the legislature on state lands which have been sold

The SLO has three main sections with a staff of 24 to administer and supervise state lands. The three major sections of the office are the Land and Water Bottom Management Section; the Titles, Survey, and GIS Section; and the Records Section.

## Audit Results

- The SLO has not developed plans as required by law for the administration, development, and preservation of state lands and water bottoms.
- The SLO does not report annually to the legislature as required by law on non-productive lands that should be sold or on state lands that have been sold.
- The state does not have a comprehensive centralized inventory of all state lands and water bottoms.
- The information contained in SLABS does not accurately reflect the acres and the acquisition costs of land the state owns.
- The design of SLABS does not allow users to access potentially valuable information.

**Steve J. Theriot,  
CPA  
Legislative  
Auditor**

## DOES SLO MANAGEMENT PROVIDE ADEQUATE OVERSIGHT OF STATE LAND AND WATER BOTTOMS?

### WHAT WE FOUND

#### The State Land Office (SLO) Has Not Developed Plans as Required by Law for the Administration, Development, and Preservation of State Lands and Water Bottoms .

- The SLO has not developed the master plan required by R.S. 41:1701.1 nor the overall development and preservation plan required by R.S. 41:1703.

### RECOMMENDATION

- ✓ The SLO should ensure that the master plan and the overall development and preservation plan are completed. These plans should be used as tools to ensure that state land and water bottoms are used in the most beneficial manner to Louisiana.

#### The SLO Does Not Report Annually to the Legislature as Required by Law on Non-Productive Lands That Should Be Sold or on State Lands That Have Been Sold

- The SLO does not annually report to the legislature non-productive state properties that should be sold as required by R.S. 39:13 and land sold as required by R.S. 41:140(F).
- Criteria defining what should be considered non-productive land has not been established.

### RECOMMENDATIONS

- ✓ The SLO should approach the legislature and other officials to ensure that criteria are established which defines non-productive land.
- ✓ The SLO should annually provide the legislature with reports of non-productive land to be sold and state land that has been sold.

## DOES THE SLABS DATABASE PROVIDE USERS WITH AN EFFECTIVE TOOL FOR LAND MANAGEMENT DECISIONS?

### WHAT WE FOUND

#### The State Does Not Have a Comprehensive Centralized Inventory of All State Lands and Water Bottoms

- The state's database (SLABS) does not contain complete data on right-of-ways, water bottoms, tax adjudicated lands, lands belonging to certain levee boards or other boards and commissions, and mineral rights owned by Louisiana.
- The SLO cannot ensure that all state land records were entered into SLABS when the system was created or that agencies provided the SLO with records of all new land transactions.

### RECOMMENDATIONS

- ✓ The SLO should work to develop a comprehensive centralized inventory of all state land and water bottoms to comply with state law. SLO officials should consider integrating SLABS with other systems (e.g., DOTD) to comply with state law.
- ✓ The SLO should promulgate rules requiring all agencies to send its office complete conveyance information for all land transactions. These rules should list the specific information the SLO requires for each transaction (such as number of acres and acquisition cost).

### MATTERS FOR LEGISLATIVE CONSIDERATION

- The legislature may wish to consider passing legislation that would require all state departments and agencies to send complete land transaction information to the SLO to be entered into SLABS.

## The Information Contained in SLABS Does Not Accurately Reflect the Acres and the Acquisition Costs of Land the State Owns

- Land costs and acreage transactions were not properly recorded in the SLABS database.
  - There are 198,701 acres of land that the state has acquired with no recorded increase in acquisition costs. These 198,701 acres were acquired in 364 land transactions. Not entering acquisition costs for acquired land understates the total acquisition costs of state-owned land.
  - The state has acquired \$32,584,798 worth of land with no corresponding increase in acres of state-owned land. This \$32,584,798 worth of land was acquired in 150 land transactions. Not recording the associated acres with acquired land understates the total amount of acres of state-owned land.
- According to SLO officials, some of the missing information in SLABS is due to individual state agencies sometimes omitting key information on conveyance records, which are a primary source of information in SLABS. Sometimes the conveyance records received by the SLO are missing information such as the acres purchased or the purchase price. SLO officials said they have unsuccessfully tried to obtain missing information from agencies in the past.
- As a result of the way the SLABS database was designed, there is no way to accurately calculate the total acquisition cost of state land in SLABS. Currently, reductions in the number of acres owned by the state (e.g., through sales) do not reduce the acquisition costs of the land. During our review of SLABS data, we found the following:
  - The state has reduced the land it owns by 17,643 acres. However, there were no recorded decreases in corresponding acquisition costs. These 17,643 acres were reduced in 165 land transactions. By not

subtracting out acquisition costs for property the state no longer owns, acquisition costs for the inventory of state land may be overstated.

## RECOMMENDATIONS

- ✓ The SLO should provide the legislature and other decision-makers with accurate reports of state land inventory. To provide accurate reports, the SLO should promulgate and enforce rules concerning the accuracy of conveyance records and accompanying documentation which staff use to enter information in SLABS. The SLO must ensure that agencies are sending them data that are accurate.
- ✓ The SLO should reconcile SLABS data with the information maintained by individual state agencies to ensure that SLABS contains the most accurate and complete information. SLO staff should also work to consistently communicate with agencies regarding the accuracy of data in SLABS.
- ✓ SLO officials should evaluate the design of the SLABS database to determine what functional improvements should be made.
- ✓ SLO officials should make functional improvements to SLABS by either approaching the contractors who are revising SLABS or by making changes to SLABS once the current contract is complete. For example, the database could automatically reduce the land costs when land is sold.

## MATTERS FOR LEGISLATIVE CONSIDERATION

- The legislature may wish to consider granting the SLO greater enforcement power so the office can obtain accurate and complete conveyance information from individual state agencies. The enforcement power may include the use of penalties for agencies that do not comply. Accurate and complete information is necessary to develop an inventory database. With such a database, state land and building inventory reports would be more reliable.

## The Design of SLABS Does Not Allow Users to Access Potentially Valuable Information

- ➔ SLABS does not allow users to record certain data or easily identify potentially valuable information. Some of the information that we concluded may be valuable to administrators and policy makers that is not included in SLABS is as follows:
- The acres of land that the state leases out to others and the revenue the state receives from such leases
  - How much it costs the state to lease land from others
  - How much state land sells for and the amount of revenue the state makes from land sales
  - How much land has been donated from the state to parish and municipalities, non-profit organizations, and individuals
  - The worth or current market value of all state-owned land

### RECOMMENDATION

- ✓ The SLO should work to develop a more useful centralized database of all land and water bottoms owned by the State of Louisiana. The SLO, Office of Risk Management, Office of Facility Planning and Control, and Office of Statewide Reporting and Accounting Policy should meet with legislators and other decision-makers to determine what type of information on state lands and buildings would be useful.

## Louisiana Legislative Auditor

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Questions?  
Call  
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225-339-3800.

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LEGISLATIVE AUDITOR  
STATE OF LOUISIANA



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STATE LAND OFFICE

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PERFORMANCE AUDIT  
ISSUED SEPTEMBER 29, 2004

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September 29, 2004

The Honorable Donald E. Hines,  
President of the Senate  
The Honorable Joe R. Salter,  
Speaker of the House of Representatives

Dear Senator Hines and Representative Salter:

This report gives the results of our performance audit of the State Land Office within the Division of Administration. The audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

The report contains our findings, conclusions, and recommendations. Page 19 contains management's response. I hope this report will benefit you in your legislative decision-making process.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve J. Theriot", is written over a horizontal line.

Steve J. Theriot, CPA  
Legislative Auditor

SJT/ss

[SLO04]

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	Page
<b>Executive Summary .....</b>	<b>3</b>
<b>Audit Initiation and Introduction:</b>	
Audit Initiation.....	5
Overview of the State Land Office .....	5
<b>Does SLO Management Provide Adequate Oversight of State Land and Water Bottoms?</b>	
The SLO Has Not Developed Plans as Required by Law for the Administration, Development, and Preservation of State Lands and Water Bottoms.....	9
The SLO Does Not Report Annually to the Legislature as Required by Law on Non-Productive Lands That Should Be Sold or on State Lands That Have Been Sold.....	10
<b>Does SLABS Provide Users With an Effective Tool for Land Management Decisions?</b>	
The State Does Not Have a Comprehensive Centralized Inventory of All State Lands and Water Bottoms.....	11
The Information Contained in SLABS Does Not Accurately Reflect the Acres and the Acquisition Costs of Land the State Owns.....	12
The Design of SLABS Does Not Allow Users to Access Potentially Valuable Information .....	15
<b>Audit Scope and Methodology .....</b>	<b>17</b>
<b>Management’s Response .....</b>	<b>19</b>





## EXECUTIVE SUMMARY

State law [Louisiana Revised Statute (R.S.) 39:11] directs the Division of Administration to administer and supervise lands, water bottoms, and facilities owned or leased by the State of Louisiana. The State Land Office (SLO) within the Division of Administration is charged with the protection, administration, conservation, and inventory of all public lands and water bottoms. The state's inventory is maintained in the State Land and Building System (SLABS). The following is a summary of our audit findings regarding the responsibilities of the SLO.

### Performance Audit Findings

- ◆ The SLO has not developed plans as required by law for the administration, development, and preservation of state lands and water bottoms. (See page 9.)
- ◆ The SLO does not report annually to the legislature as required by law on non-productive lands that should be sold or on state lands that have been sold. (See page 10.)
  - Currently, the SLO does not have a definition of what constitutes non-productive land.
- ◆ The state does not have a comprehensive centralized inventory of all state lands and water bottoms. (See page 11.)
  - SLO cannot ensure that all necessary land records have been entered into SLABS.
  - The state's database does not contain complete data on right-of-ways, water bottoms, tax adjudicated lands, lands belonging to certain levee boards or other boards and commissions, and mineral rights owned by Louisiana.
- ◆ The information contained in SLABS does not accurately reflect the acres and the acquisition costs of land the state owns. (See page 12.)
  - Some land costs and acreage transactions were not properly recorded in the state's database.
  - The database is designed in a way that will not allow accurate calculations of the total acquisition cost of all state lands.
- ◆ The design of SLABS does not allow users to access potentially valuable information. (See page 15.)
  - Users of the state's database cannot identify certain crucial data. For example, the database does not contain the total worth of land that Louisiana owns.

*Legislative Auditor*  
339-3800



## AUDIT INITIATION AND INTRODUCTION

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### Audit Initiation

This performance audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. This audit was approved by the Legislative Audit Advisory Council in July 2003 as part of a series of audits on state asset management in Louisiana. The recommendations in this report are intended to allow the State Land Office to make necessary adjustments to increase management efficiency and effectiveness.

The objectives of this audit are:

- Does SLO management provide adequate oversight of state land and water bottoms?
- Does the State Land and Building System (SLABS) provide users with an effective tool for land management decisions?

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### Overview of the State Land Office

According to the SLO Web page, Louisiana owns approximately 1.5 million acres of land. An SLO employee informed us that the 1.5 million acres is a rough estimate. The 2004 Land and Building Inventory Report (which is compiled using the State Land and Building System database or SLABS) shows the state owns 1,246,949 acres of land and is (according to SLO) a more accurate number than on the Web site. The state's land is recorded with an original acquisition cost of \$456,644,218.

**Purpose.** R.S. 39:11(A) directs the Commissioner of Administration to administer and supervise state lands and water bottoms. The Commissioner carries out these functions through the SLO. In addition, the Division of Administration is to:

- Ensure that all lands and water bottoms are administered in a manner consistent with the constitution
- Develop and promulgate comprehensive plans for the administration, development, and preservation of state lands and water bottoms
- Create and maintain an inventory and central database for all state lands and water bottoms both owned and leased
- Report annually to the legislature on nonessential state properties, with recommendations for their disposition
- Report annually to the legislature on state lands that have been sold

The SLO has three main sections with a staff of 24 to perform these duties. The three major sections of the office are as follows:

- **Land and Water Bottom Management Section:** This section handles the bids for the rental of state land such as campsites. Staff send out notifications for renewal and payments due and collect rent on these properties. In addition, this section issues grants to those requesting permission to place pipelines on state property and collects associated money. Staff have to review these 20-year grants once the grants are issued and follow up with the applicable companies when the grants expire. In addition, the section issues permits for those who request permission to build on state water bottoms. The Land and Water Bottom Section also has field officers who inspect sites to determine if there are problems with state-owned timber or encroachment. For example, if someone is using state-owned land without permission, staff will investigate and may have to tell such persons to get off of state land. If the land is not vacated, staff will turn the matter over to the Attorney General's Office.
- **Titles, Survey, and GIS Section:** This section addresses requests from customers (e.g., oil companies) as to who owns rights to water bottoms. Staff use maps in the office to do necessary searches and address the needs of these customers. There are cases where staff must go to property to conduct surveys in response to questions from their customers which usually involve significant title issues. The section also has staff that use Global Information Systems (GIS) to create maps.
- **Records Section:** This section maintains files of historical surveys dating back to the 1800s. These were surveys done in response to a federal government mandate to identify and promote the sale of plots of land in Louisiana. Staff also maintain records of all tax adjudicated land. The SLO will work with customers to redeem such property as well. Finally, the section is responsible for maintaining a centralized database of immovable property owned or leased by the state (i.e., SLABS).

All state agencies are required to provide the SLO with information on their immovable property inventories and on their non-productive properties. While the following agencies do report certain information to SLO that is included in SLABS, they are not subject to SLO administration:

- State Mineral Board
- Department of Agriculture and Forestry
- Department of Wildlife and Fisheries
- Higher education institutions or boards
- Military Department
- Forests and lands under the jurisdiction of the Prison Enterprise Board

The exemption removes more than half of the land holdings of the State of Louisiana from SLO administration.

The SLABS database is maintained by several offices within the Division of Administration. The SLO is considered the keeper of the inventory. The Office of Risk Management, Office of Facility Planning and Control, and Office of Statewide Reporting and Accounting Policy all rely on the system as well. Each office has access authority to gather, enter, and edit data. The inventory is used as a management tool by these agencies. SLABS is also used by several other Division of Administration offices, various state agencies, and the general public. Because so many rely on the data contained in SLABS, it is essential that the data be correct and up-to-date.



**DOES SLO MANAGEMENT PROVIDE ADEQUATE  
OVERSIGHT OF STATE LAND AND WATER BOTTOMS?**

SLO management is not ensuring that planning, inventory, and reporting requirements are fully met. If management does not ensure compliance in these areas, it will be difficult for management and other administrators and policy-makers to ensure that state land is being administered, developed, and preserved in the most effective manner possible.

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**The SLO Has Not Developed Plans as Required by Law for the Administration, Development, and Preservation of State Lands and Water Bottoms**

The SLO has not developed a master plan nor an overall development and preservation plan required by state law. When initially questioned about the master plan, DOA and SLO staff seemed unaware of the master plan requirement, but later informed us that officials would work on such a plan. In addition, when we asked about the development and preservation plan, staff informed us that the SLO Web site meets its responsibility to create a land development and preservation plan. The information contained on its Web site does not satisfy the SLO's statutory responsibility to create a comprehensive plan for the development and preservation of state lands.

R.S. 41:1701.1(C) requires the SLO to develop a master plan for the administration of state lands and water bottoms. The SLO is to ensure that all public lands and water bottoms are protected, administered, and conserved in a manner consistent with the constitution. In addition, R.S. 41:1703(B) requires the SLO to create a plan for the orderly development and preservation of state lands so as to ensure maximum benefit and use.

According to SLO officials, one reason that they have not developed these plans is that they lack a sufficient number of staff with the expertise to develop the plans. The SLO staff told us that providing information to customers takes up a large portion of their time and they do not have enough resources to both answer questions from the public and develop these plans.

In addition, an official with DOA said that the master plan for the administration of state lands might encompass more than just the SLO. There may need to be a statewide initiative to determine what the state's master plan for all state-owned land should be. There is also a parallel finding in the Legislative Auditor's 1995 Staff Study, "Managing and Maintaining Louisiana's Property." The study says that there is a lack of coordination among agencies involved in land management, and the best interest of the state may not always be served. The study suggests that a comprehensive statewide approach to land management may be a more effective way to manage state lands.

Without the required master plan and development and preservation plan, it will be difficult for the SLO, state agencies, and policy-makers to ensure that state lands are administered in a manner that ensures the most effective use of land by the state.



**Recommendation 1:** The SLO should ensure that the master plan and the overall development and preservation plan are completed. These plans should be used as tools to ensure that state land and water bottoms are used in the most beneficial manner to Louisiana.

**Management's Response:** The DOA management agrees with this recommendation. The SLO has begun the process of preparing a master plan and an overall developmental and preservation plan. The SLO understands that developing these plans is a monumental process and it intends on involving the legislature, local communities, and state governmental departments. According to the Commissioner's response, such a process is one that could affect each and every resident of our state as well as economic development in our state.

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**The SLO Does Not Report Annually to the Legislature as Required by Law on Non-Productive Lands That Should Be Sold or on State Lands That Have Been Sold.**

R.S. 39:13(B) and (C) require the Division of Administration to report to the legislature annually, identifying non-productive state lands and detailing properties that should be sold. In addition, R.S. 41:140(F) requires the Division to provide the legislature annually with a report detailing the following:

- Amount of state property sold
- Agencies from which the property came
- Costs and net proceeds of the sale
- Updated inventory, by agency, of immovable property still owned by the state

The SLO does not provide the legislature with these reports annually. Instead, SLO staff told us they provide the legislature with non-productive land reports as needed. Furthermore, staff stated that criteria defining non-productive land has not yet been established. Without such reports, it is difficult for legislators to make decisions about the sale of land and the generation of revenues for the state.

**Recommendation 2:** The SLO should approach the legislature and other officials to ensure that criteria are established which define non-productive land.

**Management's Response:** The DOA agrees with this recommendation. The DOA has directed the SLO to put the issue of defining non-productive land on the office's legislative agenda list. The DOA has also directed the SLO to contact legislative staff and appropriate officials to discuss the issue.

**Recommendation 3:** The SLO should annually provide the legislature with reports of non-productive land to be sold and state land that has been sold.

**Management's Response:** The DOA agrees with this recommendation. After criteria are established better defining non-productive lands, the SLO intends to expand the March 1<sup>st</sup> Annual Report provided to the legislature to include a list of lands meeting the established criteria. The SLO will also add a section to the report that contains a listing of all lands sold each year.

## **DOES SLABS PROVIDE USERS WITH AN EFFECTIVE TOOL FOR LAND MANAGEMENT DECISIONS?**

SLABS is not as effective of a tool as it could be when making land management decisions. We found that SLABS does not contain a complete listing of all state-owned land as required by state law. SLABS does not include Department of Transportation right-of-ways, water bottoms, tax adjudicated lands, lands belonging to certain levee boards, or other boards and commissions. The data on land that are included in SLABS are not accurate. Also, the database does not allow users to record certain data or easily identify potentially valuable information.

While answering the objective, we discovered that SLABS is currently being revised. Officials stated that the revision could cost as much as \$800,000. Currently, the revision will only address outdated computer language and will not address the problems presented in this report.

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### **The State Does Not Have a Comprehensive Centralized Inventory of All State Lands and Water Bottoms**

The SLABS database is incomplete and, therefore, does not comply with the SLO's responsibility to create a central database of all state lands and water bottoms and an inventory of all state property. R.S. 39:13 (A) requires the Commissioner of Administration to create a central database for all state lands and water bottoms, both owned and leased, and to maintain a current and comprehensive inventory of state property. R.S. 41:1701.1 (D) directs the SLO to identify all public land and water bottoms and develop and maintain a current master list of these lands and water bottoms. However, SLABS does not contain complete data on the following:

- Department of Transportation right-of-ways
- Water bottoms
- Tax adjudicated lands
- Lands belonging to certain levee boards or other boards and commissions
- Mineral rights owned by Louisiana

An official at the SLO stated that some of the above data exist, but are not being maintained in SLABS. According to SLO staff, DOTD has a rights-of-way database and the Mineral Board has a mineral rights database. An official with the DOA stated that SLABS does not currently interface with such systems and such an integration may be necessary.

A complete inventory of all state lands and water bottoms appears to be several years away. The SLO informed us that a complete inventory of water bottoms with existing staff would take another 20 years to complete. However, Senate Concurrent Resolution No. 25 of the 2004 Regular Legislative Session urges the water bottom inventory to be completed in four years.

In addition to missing data, the SLO cannot ensure that all state land records were entered into SLABS when the system was created or that agencies provided the SLO with records of all new land transactions. The contractor that created the SLABS in 1989 was responsible for identifying and entering all state land into the database. The SLO cannot provide assurance that all information was identified and entered by the contractor. Since 1989, the SLO has relied on agencies to provide conveyance records of any land transactions. However, the current process for state land transactions does not ensure that the SLO gets a copy of these conveyance records and SLO cannot ensure that the office receives all such conveyance records.

**Recommendation 4:** The SLO should work to develop a comprehensive centralized inventory of all state land and water bottoms to comply with state law. SLO officials should consider integrating SLABS with other systems (e.g., DOTD) to comply with state law. In addition, the SLO has received appropriations to identify state-owned water bottoms and has begun the process to do so.

**Management's Response:** The DOA partially agrees with this recommendation. The DOA does not feel that it is economically feasible to integrate SLABS and DOTD's rights-of-way database. However, the DOA will continue to investigate the possibility of a link between the two systems to make SLABS a one-stop source of state land information as intended by the original legislation.

**Recommendation 5:** The SLO should promulgate rules requiring all agencies to send its office complete conveyance information for all land transactions. These rules should list the specific information the SLO requires for each transaction (such as number of acres and acquisition cost).

**Management's Response:** The DOA agrees with this recommendation and has directed the SLO to immediately begin the process of developing rules to require state agencies to provide accurate and complete data relative to their immovable property holdings and transactions that affect these holdings.

**Matters for Legislative Consideration 1:** The legislature may wish to consider passing legislation that would require all state departments and agencies to send complete land transaction information to the SLO to be entered into SLABS.

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### **The Information Contained in SLABS Does Not Accurately Reflect the Acres and the Acquisition Costs of Land the State Owns**

Several land cost and acreage transactions were not properly recorded in the SLABS database. In addition, the system is not designed to accurately calculate the total acquisition cost of all state land. These problems resulted in inaccurate information being presented in the 2004 State Land and Building Inventory Report, which is compiled using SLABS data. This report is submitted to the legislature and is used to value state land for Louisiana's financial statements.

**Improperly recorded transactions:** The SLO enters land transaction information into SLABS from conveyance records it receives from agencies. Based on our review of land acquisition cost and acres, we found the following:

- There are 198,701 acres of land that the state has acquired with no recorded increase in acquisition costs. These 198,701 acres were acquired in 364 land transactions. Not entering acquisition costs for acquired land understates the total acquisition costs of state-owned land.
- The state has acquired \$32,584,798 worth of land with no corresponding increase in acres of state-owned land. The \$32,584,798 worth of land was acquired in 150 land transactions. Not recording the associated acres with acquired land understates the total amount of acres of state-owned land.

According to SLO officials, some of the missing information in SLABS is due to individual state agencies sometimes omitting key information on conveyance records, which are a primary source of information in SLABS. Sometimes the conveyance records received by the SLO are missing information, such as the acres purchased or the purchase price. SLO officials said they have unsuccessfully tried to obtain missing information from agencies in the past. SLO officials said that they intend to promulgate rules to help ensure completeness of the information received by agencies, which will help make the data contained in SLABS more accurate in the future.

**Poor design of SLABS:** As a result of the way SLABS was designed, there is no way to accurately calculate the total acquisition cost of state land. Currently, reductions in the number of acres owned by the state (e.g., through sales) do not reduce the acquisition costs of the land in SLABS. Therefore, the acquisition costs of any land disposed of by the state is still included in the total acquisition cost, which is an overstatement of costs in SLABS. The overstatement occurs because SLABS does not track individual parcels of land. Instead, SLABS tracks state lands using conveyance records. When the state disposes of land, there is no way for SLABS to easily tell which piece of land the state sold and link reduction of acreage to acquisition costs. According to SLO staff, SLABS was developed with limited input from SLO, and staff are not sure why the database was developed the way it was. During our review of SLABS data, we found that:

- According to the information contained on active sites in SLABS, the state has reduced the land it owns by 17,643 acres. However, there were no recorded decreases in corresponding acquisition costs. These 17,643 acres were reduced in 165 land transactions. By not reducing acquisition costs for property the state no longer owns, acquisition costs for the inventory of state land may be overstated.

Since the 2004 Land and Building Inventory Report is presented to the governor, the legislature, and other decision-makers and is used to compile information for the state's financial statements, it should be accurate. Accordingly, the data used to compile this report must be accurate and complete. The report and database should contain an accurate inventory of the amount of land the state owns, the costs of the land, and the total value of the land. Without accurate information on state lands, important land management decisions may be based on insufficient information.

**Recommendation 6:** The SLO should provide the legislature and other decision-makers with accurate reports of state land inventory. To provide accurate reports, the SLO should promulgate and enforce rules concerning the accuracy of conveyance records and accompanying documentation which staff uses to enter information in SLABS. The SLO must ensure that agencies are sending data that are accurate.

**Management's Response:** The DOA agrees with this recommendation. The DOA has directed the SLO to immediately begin the process of developing rules to require state agencies to provide accurate and complete data relative to their immovable property holdings and transactions that affect these holdings.

**Recommendation 7:** The SLO should reconcile SLABS data with the information maintained by individual state agencies to ensure that SLABS contains the most accurate and complete information. SLO staff should also work to consistently communicate with agencies regarding the accuracy of data maintained in SLABS.

**Management's Response:** The DOA agrees with this recommendation. The DOA will continue its on-going efforts to ensure that the data maintained in SLABS is "kept as current and comprehensive as practicable." The SLO will continue its daily reconciliation of the data maintained in SLABS through its continued contacts with various state agencies and with other offices within the DOA that are involved in maintaining data in SLABS.

**Recommendation 8:** SLO officials should evaluate the design of the SLABS database to determine what functional improvements should be made.

**Management's Response:** The DOA agrees with this recommendation. The DOA has directed the SLO to immediately begin the process of evaluating the design of SLABS to determine if any functional enhancements should be recommended to the SLABS Steering Committee.

**Recommendation 9:** SLO officials should make functional improvements to SLABS by either approaching the contractors who are revising SLABS or by making changes to SLABS once the current contract is complete. For example, the database could automatically reduce the land costs when land is sold.

**Management's Response:** The DOA partially agrees with this recommendation. The DOA has directed the SLO to discuss with the contractor the possibility of amending his contract to implement some recommended functional changes. However, DOA states that SLO officials may have to address such changes with the Office of Information Services because of the limited scope of the current contract.

**Matters for Legislative Consideration 2:** The legislature may wish to consider granting the SLO greater enforcement power so the office can obtain accurate and complete conveyance information from individual state agencies. The enforcement power may include the use of penalties for agencies that do not comply. Accurate and complete information is necessary to develop an inventory database. With such a database, state land and building inventory reports would be more reliable.

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**The Design of SLABS Does Not Allow Users to Access Potentially Valuable Information**

SLABS does not allow users to record certain data or easily identify potentially valuable information. The SLO informed us that it had no control over what information was to be included in SLABS since it was developed by consultants and SLO staff had limited input. SLO staff are not certain as to why some information is contained in the database and other data are not. During our review of SLABS, we could not extract the following information from the database. The following information would be valuable to administrators and policy makers.

- The acres of land that the state leases out to others and the revenue the state receives from such leases
- How much it costs the state to lease land from others
- How much state land sells for and the amount of revenue the state makes from land sales
- How much land has been donated from the state to parish and municipalities, nonprofit organizations, and individuals
- The worth or current market value of all state-owned land

If SLABS had the capability of recording and reporting such information, lawmakers and administrators would be able to use more valuable data on which to base their programmatic and funding decisions. Also, the public would be able to obtain the information that they are seeking. As mentioned previously, SLABS is currently being revised. Although the SLO has had limited input, now would be a good opportunity to address these deficiencies with the contractors who are revising SLABS.

**Recommendation 10:** The SLO should work to develop a more useful centralized database of all land and water bottoms owned by the State of Louisiana. The SLO, Office of Risk Management, Office of Facility Planning and Control, and Office of Statewide Reporting and Accounting Policy should meet with legislators and other decision-makers to determine what type of information on state lands and buildings would be useful.

**Management's Response:** The DOA agrees with this recommendation. The DOA has directed the SLO to immediately begin the process of working to develop a more useful centralized database off all land and water bottoms owned by the State of Louisiana.



**AUDIT SCOPE AND METHODOLOGY**

To answer the audit objectives, we performed several tasks, which include the following:

- Conducted background research, including reviewing laws and regulations, on the SLO
- Held an entrance conference with the SLO on February 19, 2004
- Participated in other meetings, phone interviews, and conversations with SLO throughout the audit
- Identified and reviewed SLO's oversight responsibilities and determined compliance with laws and regulations
- Conducted a broad review of the data in SLABS to determine the reliability of the information contained within the system
- Analyzed data from SLABS to present a summary including such fields as total land owned, total leased, worth of land, etc.
- Reviewed information contained in the 2004 State Land and Buildings Inventory Report and compared it with information contained in SLABS











State of Louisiana  
DIVISION OF ADMINISTRATION  
OFFICE OF THE COMMISSIONER

Kathleen Babineaux Blanco  
GOVERNOR

Jerry Luke LeBlanc  
COMMISSIONER OF ADMINISTRATION

September 9, 2004

Mr. Steve Theriot  
Legislative Auditor  
1600 N. Third Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Theriot

I am in receipt of a revised draft of the performance audit report pertaining to the Division of Administration – Office of State Lands. I want to first thank you for the professionalism and spirit of assistance reflected by your audit team.

Please find following the requested responses to the recommendations made by the audit team.

RECOMMENDATION(S) (corresponding report draft page no.)	Agree	Partially Agree	Disagree	Comments
<b>Recommendation 1:</b> The State Land Office should ensure that the master plan and the overall development and preservation plan are completed. These plans should be used as tools to ensure that state land and water bottoms are used in the most beneficial manner to Louisiana.	Agree			<p>The State Land Office has begun the process of preparing a master plan and overall development and preservation plan to ensure that state lands and water bottoms are most beneficially utilized. This is monumental process potentially affecting each and every citizen of our state as well as economic development in our state. For this reason, we must involve both the legislature as well as local communities and their leadership, as well as several departments in state government who will be directly impacted by this comprehensive plan.</p> <p>Public hearings around our state will be necessary to involve as many people as possible</p>

				in the process of developing this master plan for state lands.
<b>Recommendation 2:</b> The State Land Office should approach the legislature and other officials to ensure that criteria are established which define non-productive land.	Agree			<p>By copy of this letter, I am directing the Office of State Lands to put this matter on their legislative agenda list. I have further directed the Office to contact legislative staff to schedule a meeting with appropriate officials do discuss this issue.</p> <p>I agree that it is imperative that the legislature better define "non-productive" lands in order for the Office of State Lands to fulfill the mandates of the legislature with respect to surplus properties.</p>
<b>Recommendation 3:</b> The State Land Office should annually provide the Legislature with reports of non-productive land to be sold and state land that has been sold.	Agree			<p>After criteria is established better defining non-productive lands, the State Land Office will expand the March 1<sup>st</sup> Annual Report presently provided to the legislature to include a listing of lands meeting the established criteria. Additionally, the State Land Office will add a new Section "E" to the Annual Report which will contain a listing of all lands sold each year.</p>
<b>Recommendation 4:</b> The State Land Office should work to develop a comprehensive centralized inventory of all state land and water bottoms to comply with state law. SLO officials should consider integrating SLABS with other systems (e.g., DOTD) to comply with state law.		Partially Agree		<p>Due to funding constraints it was felt that the integration of DOTD's system into SLABS was not economically feasible. We will continue to investigate the possibility of a link between SLABS and DOTD's system in order to make SLABS a one-stop source of state land information as intended by the original legislation.</p> <p>The State Land Office received legislative</p>

				<p>approval for the appropriation of \$300,000 for the digital mapping of water bottoms. Proposals have been received from consultants and a contract will be awarded to the National Wetlands Research Center of the U.S. Geological Survey to put into digital format the five thousand plus hardcopy files now in existence. A licensed surveyor will be a part of this contract to identify additional water bottoms to be mapped into the Geographic Information System (GIS). State Land Office staff members will continue to make determination upon request by customers and stakeholders. Upon completion of this work effort, the State Land Office will have a better estimate of the need for additional resources and the time required to complete the entire state.</p>
<p><b>Recommendation 5:</b> The State Land Office should work to promulgate rules requiring all agencies to send its office complete conveyance information for all land transactions. These rules should list the specific information the State Land Office requires for each transaction (such as number of acres and acquisition costs).</p>	<p>Agree</p>			<p>By copy of this letter I am directing the State Land Office to immediately begin the process of developing rules to require state agencies to provide accurate and complete data relative to their immovable property holdings and transactions that affect these holdings.</p>
<p><b>Recommendation 6:</b> The State Land Office should provide the Legislature and other decision makers with accurate reports of state land inventory. In order to provide accurate reports, the SLO should promulgate rules and enforce rules concerning the accuracy of conveyance records and accompanying documentation, which staff use to enter information in SLABS. The SLO must ensure that agencies are sending them data that is accurate.</p>	<p>Agree</p>			<p>This appears to be the same as recommendation 5.</p> <p>By copy of this letter I am directing the State Land Office to immediately begin the process of developing rules to require state agencies to provide accurate and complete data relative to their</p>

				immovable property holdings and transactions that affect these holdings.
<b>Recommendation 7:</b> The State Land Office should reconcile SLABS data with the information maintained by individual agencies to ensure that SLABS contains the most accurate and complete information. SLO staff should also work to consistently communicate with agencies regarding the accuracy of data maintained in SLABS.	Agree			The State Land Office will continue its on-going efforts to ensure that the data maintained in SLABS is "kept as current and comprehensive as practicable". The State Land Office will continue its daily reconciliation of the data maintained in SLABS through its continued contacts with the various state agencies that have immovable property holdings and with the other offices within the Division of Administration that are involved in maintaining data in SLABS.
<b>Recommendation 8:</b> SLO officials should evaluate the design of the SLABS database to determine what functional improvements should be made.	Agree			By copy of this letter, I am directing the State Land Office to immediately begin the process of evaluating the design of the SLABS application to determine if any functional enhancements should be recommended to the SLABS Steering Committee.
<b>Recommendation 9:</b> SLO officials should make functional improvements to SLABS by either approaching the contractors who are revising SLABS or by making changes to SLABS once the current contract is complete. For example, the database could automatically reduce the land costs when land is sold.		Partially Agree		By copy of this letter, I am directing the State Land Office to discuss with the contractor presently working on SLABS the possibility of amending his contract to implement some of the recommended functional changes. However, since these changes are well beyond the scope of the present contract, this will likely not be possible. If so, once the present contract is completed, the State Land Office will discuss these recommended functional enhancements of the database with the Office

<p><b>Recommendation 10:</b> The State Land Office should work to develop a more useful centralized database of all land and water bottoms owned by the State of Louisiana. The State Land Office, Office of Risk Management, Office of Facility Planning and Control and the Office of Statewide Reporting and Accounting Policy should meet with legislators and other decision makers to determine what type of information on state lands and buildings would be useful.</p>	<p>Agree</p>			<p>of Information Services. By copy of this letter, I am directing the Office of State Lands to immediately begin this process.</p>
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Once again, thank you for the professionalism of your staff and assistance provided to my office in conducting and providing this performance audit. The recommendations made will assist this office in developing changes to policies and procedures that will ultimately lead to a more effective and efficient Office of State Lands. I welcome the input and look forward to implementing the recommendations outlined above.

Sincerely



Jerry Luke LeBlanc  
Commissioner of Administration

cc: Charles St. Romain, Office of State Lands  
Jerry W. Jones, FPC  
Office of Information Services