

Date: August 5, 2016

To: Commissioner of Administration, Members of the Legislature, and the Task Force on Structural Changes in Budget and Tax Policy

Re: HCR 25 - Directs each department of the executive branch of state government to submit to the commissioner of administration, the legislature, and the Task Force on Structural Changes in Budget and Tax Policy by July 1, 2016, a report that outlines the initiatives the department will take to ensure a more efficient operation for FY17 and beyond.

LED FY17 Initiatives to ensure a more efficient operation:

LED's offices will be relocated from City Plaza and Capitol Annex to the Iberville and LaSalle buildings. This will enhance collaboration and productivity within LED. The state will save on rent payments to an outside lease provider for both FastStart and the Treasurer's office. Savings for FastStart's move alone is estimated to be \$470K annually. Savings for the Treasurer's move is unknown.

Additionally, LED FastStart continues to create certification programs which LCTCS can charge tuition for across the state to increase revenues.

Going paperless with program contracts and certifications - Each fiscal year LED processes almost 2,000 contracts for various programs and services. Because of state and statutory requirements governing contracts, there is a vast amount of information that has to be obtained, a number of signatures and approvals both internally and externally, and a manual tracking of where any given contract is at any given time in the process. These processes consume an enormous amount of resources and require constant monitoring, constant requesting of data via email and phone calls, printing copies, mailing copies, etc.

To address the resources utilized by manually processing contracts, LED is implementing a new efficiency measure designed to streamline processes, cut cycle times, eliminate waste and reduce the overall costs of contract processing. Utilizing a state-of-the-art secure digital signature solution, LED is converting an entirely manual process to an entirely electronic one, where contracts are routed electronically through all approval processes and to all required signatories. As contracts travel through the process in the system utilizing digital workflows, required documentation is uploaded by applicable parties until the final step is reached and the entire contract and all of its documentation is contained in a single digital source. Contract party location and availability are no longer an issue since the system delivers multiple intuitive and flexible web and mobile app options, and includes a reminder system for each step of the workflow. The system also provides a timestamped log showing each workflow step, which allows LED to determine where the process is flowing smoothly and where there are areas for improvement.

In addition, all major incentive program's processes which are not currently automated will be automated in FY17. These automated processes include the ability to accept all fee payments electronically, the ability for periodic compliance reporting to be submitted electronically and automated notifications to clients and program administrators will be implemented - to name a few.

The Marketing and Communication (M&C) budget was cut 23% for the upcoming year. There are several efficiencies LED M&C can create to redirect dollars within the budget. LED is dedicated to increase the ROI and maximize the budget. As an example, LED's Economic Quarterly (EQ) is now digital vs printed resulting in annual savings of \$200,000 and potentially increasing the audience exponentially.

We are finding ways to complete projects with existing staff who have the expertise and talent, opposed to outsourcing. An in-house graphic designer and other professional staff are taking ownership of those projects. Some survey and research projects will be served by in-house personnel instead of outsourcing.

M&C will leverage digital and social media to increase the ROI as well as reach and increase frequency for the messaging/programs. This will enable us to do more in the "advertising" world without having to expend more on traditional paid media.

Prior to Human Capital Management (HCM), LED implemented several automated processes for time tracking and approval. With the HCM deconsolidation, LED will explore additional opportunities to create efficiencies within HR which are cost neutral and beneficial to the agency.

LED has consolidated its internal audit function, which will help LED achieve its goals and objectives. LED's internal audit function will perform operational audits of LED's functional areas, which will provide LED senior management with opportunities to improve efficiency and internal controls in these areas.