

Oklahoma Senate Committee on Appropriations

2012-13 Performance Report

Oklahoma Department of Commerce

AGENCY MISSION STATEMENT:

- The mission of the Oklahoma Department of Commerce is to increase the quantity and quality of jobs in Oklahoma. The agency is focused on attracting new business, promoting the development and availability of a skilled workforce, supporting communities, and supporting the growth of existing businesses and entrepreneurs.

LEAD ADMINISTRATOR:

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GOVERNANCE:

A Governor appointed Cabinet Secretary and Executive Director leads the Department of Commerce. The agency does not have a board structure but serves at the pleasure of the Governor.

GOVERNANCE ACCOUNTABILITY:

Not applicable.

MODERNIZATION EFFORTS:

Please provide a listing of all government modernization efforts undertaken by the agency since July 1, 2010. Additionally, please provide any authorizing statutory changes that prompted the modernization efforts and whether those efforts have led to cost savings or additional cost burden.

Commerce has continuously taken steps towards effective and efficient government services. The agency has embarked on a comprehensive approach to modernize services and reduce operational costs through quality initiatives and process improvement strategies. Commerce embraced process improvement prior to the financial collapse. This approach allowed Commerce to focus on the needs of the customer, instead of agency survival. These modernization efforts were not prompted by statutory changes, but through a desire to maximize available resources. The key efforts the agency has accomplished toward this goal are:

- Streamlined the contracting process for sub-recipients, improved the customer response time, and created a unified agency process.

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- Implemented SharePoint based InfoPath forms to streamline agency support operations.
- Served as a pilot agency for the OMES CORE Phase II financial system implementation. The agency went live December 2010; however, anticipated savings have been deferred until legacy financial systems can be shut down.
- Streamlined leadership by eliminating positions and duties in areas that did not directly serve the agency mission.
- Closed remote office location and moved all central Oklahoma staff to the agency headquarters.
- Finalized Centennial Commission operations.
- Worked directly with OMES to pilot and implement OKGrants. The system was selected and developed as a common platform for multiple agencies to use. Through the completion of an internal process improvement before implementation, the agency was able to reduce its overall cost for the system by nearly \$2M.
- Replaced windows and the boiler in the Commerce building, which has resulted in energy savings and cost efficiencies.
- Increased concentration on the retention and expansion of existing companies, which provides 85% of new jobs in Oklahoma.
- Implemented a division-level performance measurement system within the agency and have begun to apply performance based budgeting.
- Maintained alignment with the Governor's economic development initiatives and other key partner entities.

What steps has the agency taken to cut costs and/or eliminate waste? Are there efforts that have been successful which you believe could serve as a model for other state agencies seeking to keep costs minimal?

- Focus on the agency mission and actively partner with agencies, private entities, communities and citizens to enhance services.
- Control discretionary operational costs.
- Question operations and measure service effectiveness, map processes and implement changes where necessary.
- Follow best-value purchasing, when applicable, and utilize available state contracts.
- Eliminate duplicative functionality and services.

#### CORE MISSION:

What services are you required to provide which are outside of your core mission? Are any services you provide duplicated or replicated by another agency? Are there services which are core to your mission which you are unable to perform because of requirements to perform non-core services elsewhere?

The agency conducts financial support services, as required by appropriation language, for the Native American Cultural Center and Education Authority (NACEA). There are also

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other financial pass through obligations that Commerce is required to perform as directed. Programs are provided through the agency's Community Development Services group that indirectly serve the mission of the agency by improving the lives of Oklahomans, such as the Rx for Oklahoma program. There are also unfunded mandates the agency provides; however, these services add value to the mission and the benefit has previously been determined to exceed the burden of these limited services.

PRIVATE ALTERNATIVES:

Are any of the services which are performed by the agency also performed in the private sector in Oklahoma? In other states? Has the agency been approached by any foundation, for-profit or not-for-profit corporation with efforts to privatize some of the functions of the agency?

Governor Fallin's Task Force on Economic Development and Job Creation, Best State Practices Committee was tasked with reviewing the best structure for statewide economic development. This Committee recommended four action steps, for the Governor's consideration, which have been studied and evaluated to ensure Oklahoma's maintains a competitive edge in economic development.