



Report Highlights

Economic Development Agency Models

Louisiana Economic Development

MICHAEL J. "MIKE"
WAGUESPACK, CPA

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Why We Conducted This Project

We identified the organizational model of the state's department of economic development as an area of potential discussion during this year's legislative session, including the potential creation of a quasi-public entity and redevelopment of a new strategic plan for economic development. To assist the legislature, we researched economic development agency models from other states and reviewed best practices for economic development

What We Found

Overall, we found that other quasi-public entities are common features of state economic development agencies in other states, and that the state's strategic plan for economic development should include additional information. Specifically, we found the following:

- **Most southeastern states use quasi-public entities as part of their overall economic development efforts, particularly for marketing and business development, but strong governance and accountability, as well as a fully-developed strategic plan, are needed to avoid pitfalls experienced by other states.** Specifically, 11 of 16 southeastern states use some form of quasi-public entities or non-profit organizations to conduct economic development activities. Such organizations may have some advantages relative to government agencies with regard to flexibility in hiring and spending and consistency in organizational direction, but the organization should have strong governance and accountability to avoid problems identified with quasi-public entities such as in Florida and Virginia.
- **Louisiana Economic Development (LED) should update its strategic plan to have more information on the rationale and direction of economic development policies for each of the state's targeted industries.** Having a more detailed strategic plan could help coordinate activities across state government agencies and among local governments and economic development organizations across the state. While LED's current strategic plan (for FY 2021-2025) is detailed and contains specific, measurable goals, the plan does not specify which industries the state will target aside from entertainment. Best practices recommend the use of a strengths-weaknesses-opportunities-threats analysis or similar framework to provide direction and focus. In addition, having a more detailed strategic plan could be beneficial if the state wants to delegate functions to a quasi-public entity.

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Economic Development Agency Models

Department of Economic Development

What We Found (Cont.)

The exhibit below gives a brief overview of quasi-public entities used by other states.

Economic Development Agency Models Across States

Quasi-Public Entity Is Primary State Economic Development Organization

- Delaware – Delaware Prosperity Partnership, Inc., provides entrepreneur assistance, workforce development, business recruitment, international development, marketing strategies, and research, alongside Division of Small Business and Delaware Economic Development Authority.
- North Carolina – Economic Development Partnership of North Carolina, Inc., provides business development, recruitment, existing industry retention and support, international trade, tourism, film, and marketing alongside the Department of Commerce.
- Virginia – Virginia Economic Development Partnership, a state authority responsible for economic development, including business development, marketing and compliance.

Quasi-Public Entity Has Employees, Supplements State Agency

- Florida – SelectFlorida, Inc., assists with international trade, acts as international trade and travel mission organization, assists and supports international offices, supporting Department of Commerce.
- Maryland – Maryland Public-Private Partnership Marketing Corporation, oversees and executes marketing campaigns, supporting Department of Commerce.
- Missouri – Missouri Partnership, provides business development, research, and site certification, supporting Department of Economic Development.
- Texas - Texas Economic Development Corporation, provides marketing and business recruitment, supporting Texas Economic Development and Tourism.

Quasi-Public Entity Has No Employees, Serves As Vehicle to Raise Funds, Sponsor Initiatives for Economic Development

- Georgia – Georgia Economic Development Foundation, sponsors conferences, as well as receptions and other costs associated with visiting dignitaries, supporting Department of Economic Development.
- South Carolina – Palmetto Partners, raises funds for marketing and events, supporting Department of Commerce.
- Tennessee – Tennessee Economic Partnership, organizes events to facilitate relationship-building with site selectors, supporting Department of Economic and Community Development.

State Agency Is Primary State Economic Development Organization, No Quasi-Public Entity

- Alabama – Department of Commerce is primary state agency, with support from Economic Development Partnership of Alabama, Inc., which provides lead generation, business intelligence, policy advocacy, and a site certification program.
- Arkansas - Economic Development Commission is primary state agency.
- Kentucky - Cabinet for Economic Development is primary state agency.
- Louisiana - Louisiana Economic Development is primary state agency.
- West Virginia - West Virginia Economic Development is primary state agency.

Source: Prepared by legislative auditor's staff using information from IRS Form 990's, quasi-public entity websites, state laws, and the North Carolina Program Evaluation Division's 2019 report on the Economic Development Partnership of North Carolina, Appendix B.

View the full report, including management's response, at www.lla.la.gov.