

Oklahoma Center for the Advancement of Science & Technology (628)

Lead Administrator: C. Michael Carolina

Lead Financial Officer: Elaine Spell

FY'19 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving Funds for Outstanding Contracts **	Local	Other*	Total
Administration	\$672,324					\$672,324
Program Services	\$1,067,412					\$1,067,412
Technology Information Service	\$277,032				\$62,030	\$339,062
Health Research	\$2,064,648		\$1,753,020			\$3,817,668
Applied Research	\$2,364,387		\$660,160			\$3,024,547
Intern Partnerships	\$241,957		\$207,467			\$449,424
Plant Science Research	\$397,941		\$270,932			\$668,873
Inventors Assistance	\$299,117	\$130,548	\$112,606			\$542,271
Small Business Research Awards	\$230,000				\$20,000	\$250,000
Industrial Extension System	\$942,862	\$47,029	\$25,323			\$1,015,214
Technology Commercialization	\$1,284,689		\$308,497			\$1,593,186
Technology Bus. Finance Prog					\$572,170	
Seed Capital Program	\$2,933,448					\$2,933,448
Programs DP	\$581,110					\$581,110
Total	\$13,356,927	\$177,577	\$3,338,005	\$0	\$654,200	\$17,526,709

*Source of "Other" and % of "Other" total for each.
 the Source of "Other" for Technology Information Service 0510005 is the leftover of General Electric Foundation Grant originally received in FY2016, 18% of total for department.
 the Source of "Other" for Small Business Research Awards 0550003 is The Oklahoma Business Roundtable Grant, 8% of total for department.

**These are prior year contracts/awards due payment paid from revolving funds (out year awards held in trust)

FY'18 Carryover and Refund by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'18 Carryover	\$248,390					\$248,390
	\$0					\$248,390

*Source of "Other" and % of "Other" total for each.

NOTE: These are the cash balances on the Summary of Receipts & Disbursement report as of the end of June, 2018, less encumbrances for outstanding payments.

What Changes did the Agency Make between FY'18 and FY'19?
<p>1.) Are there any services no longer provided because of budget cuts?</p> <p>Programs are based on funding availability. In recent years contracting dollars have reduced and this action dramatically effects the return on investment to the state.</p>
<p>2.) What services are provided at a higher cost to the user?</p> <p>None</p>
<p>3.) What services are still provided but with a slower response rate?</p> <p>All awards are made with the same response rate but we are providing fewer awards each year. Nearly half of approved contracts are not funded. These are viable applications with significant potential for return on investment. This inability to fund approved contracts translates to a loss of follow-on funding, loss of new high-wage jobs and reduction in the commercialization of important research for the state. For 2018 we had 85 approved but unfunded projects. This translates to a potential loss for follow on funding of \$312,820,738.00 (Using the FY2018 leverage rate of 29:1).</p>
<p>4.) Did the agency provide any pay raises that were not legislatively/statutorily required?</p> <p>Per the agency's business plan for performance based upon completion of first year employment and performance for job duties as per PMP evaluation the agency provided increase.</p>

FY'20 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving Funds to Pay Outstanding Contracts**	Other	Total	% Change
Administration	\$696,000				\$696,000	3.52%
Program Services	\$1,080,000				\$1,080,000	1.18%
Technology Information Service	\$405,000				\$405,000	19.45%
Center of Excellence Program	\$2,000,000				\$2,000,000	
Health Research	\$3,909,500		\$2,701,383		\$3,909,500	2.41%
Applied Research	\$3,909,500		\$1,761,231		\$3,909,500	29.26%
Intern Partnerships	\$500,000		\$418,081		\$500,000	11.25%
Plant Science Research	\$750,000		\$398,768		\$750,000	12.13%
Inventors Assistance	\$450,000				\$450,000	-17.02%
Small Business Research Awards	\$250,000				\$250,000	0.00%
Industrial Extension System	\$1,200,000				\$1,200,000	18.20%
Technology Commercialization	\$1,400,000				\$1,400,000	-12.13%
Technology Bus. Finance Prog	\$1,000,000				\$1,000,000	
Seed Capital Program	\$4,950,000				\$4,950,000	68.74%
Total	\$22,500,000	\$0	\$5,279,463	\$0	\$22,500,000	28.38%

*Source of "Other" and % of "Other" total for each.

****These are prior year contracts/awards. This will be the amount drawn down from the appropriations to pay out year award contracts already executed.**

FY'20 Top Five Appropriation Funding Requests		
		\$ Amount
Center of Excellence	2,000,000	\$2,500,000
OK Health Research	3,909,500	\$3,909,500
OK Applied Research	3,909,500	\$3,909,500
Technology Bus Finance Prog	1,000,000	\$1,000,000
Seed Capital	4,950,000	\$4,950,000
Total Increase above FY-19 Request		\$ 10,191,892

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?

(If so, please describe the costs and provide an estimate for FY '20, FY '21, and FY '22.)

No.

How would the agency be affected by receiving the same appropriation for FY '20 as was received in FY '19? (Flat/ 0% change)

The agency has been handicapped by a loss of revolving funds since 2014. If held flat in FY2020 \$5,116,361. will come off the top for out year obligations. In addition to annual statutory obligations. The agency mission is to further science and technology economic development through basic and applied research. Due to flat budget restraints, loss of revolving funds and out year obligations the agency will be dramatically affected and very few if any at all contracts will be made. This is will set the state back and reduce the historical \$22 to \$1 return on investment for years to come.

How would the agency handle a 2% appropriation reduction in FY '20?

The agency is unable to take a 2% reduction. In the event a reduction does occur historically the agency has spread the reduction across all programs. Due to agency contractual obligations programs will not only be reduced but will be cut.

Is the agency seeking any fee increases for FY '20?

		\$ Amount
Increase 1	N/A	\$0
Increase 2	N/A	\$0
Increase 3	N/A	\$0

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

New Grants software to replace the current OK Grants software. Estimated cost of new software estimated at \$150,000.

Federal Funds

	FY 19 projected	FY 18	FY 17	FY 16	FY 15
EDA Grant Economic Development Administration - 11.3070000 Grant to support market diversification to assist oil and natural gas supply chain companies across Oklahoma Counties most affected by downturn in the energy industry.	68,000				

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?

None

2.) Are any of those funds inadequate to pay for the federal mandate?

N/A

3.) What would the consequences be of ending all of the federal funded programs for your agency?

N/A

4.) How will your agency be affected by federal budget cuts in the coming fiscal year?

N/A

5.) Has the agency requested any additional federal earmarks or increases?

No

Division and Program Descriptions

Administrative Services	Provides administrative support for all OCAST Programs.
Programs	The Programs division includes funding for health, applied research and plant research awards, as well as services for Oklahoma entrepreneurs, including inventors and manufacturing assistance, federal funding support, and technology commercialization.
Seed Capital	Provides seed capital to Oklahoma high-tech firms with high potential for positive impact on the Oklahoma economy through the creation of higher-than-average-wage jobs that will stay in the state.
Center of Excellence Program	Oklahoma Centers of Excellence Program shall involve higher education institution(s), nonprofit research institution(s), and private enterprise. The Centers of Excellence which will primarily undertake basic research that has potential for longrange value to the state's economic development and/or applied research, development and technology transfer that has long-range potential for commercial development.
Technology Bus Finance Prog	Section 5060.20a of Title 74, Oklahoma Statutes, authorizes the Oklahoma Center for the Advancement of Science and Technology (OCAST) to develop and implement a technology business financing program to assist qualified Oklahoma firms to commercialize new products and processes. This Program serves as a facilitating investment effort to move the product or process forward towards greater investment capital and the market place while overcoming current financial gaps, which, if not addressed, could prematurely stop commercialization or significantly slow the time to market by the entrepreneur. Through this Program, Oklahoma can provide initial funding for product and process development leading to commercialization or additional investment capital.

FY'19 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Administration	2.5		6.5	1	3	2.5
Programs	1.0		6		4	2
Technology Information Systems	0.5		2.5		2	0.5
Division Name						
Division Name						
Total	4	0	15	1	9	5

FTE History					
	2019 Budgeted	2018	2017	2015	2010
Administration	7.5	7.5	7.5	7.5	8.5
Programs	6.0	6.0	6.0	8.5	16.0
Technology Information	2.5	2.5	2.5	3.5	2.5
Total	16	16	16	19.5	27

Performance Measure Review					
	FY 18	FY 17	FY 16	FY 15	FY 14
Administration - % Administrative Expense	5%	5%	5%	4%	4%
Programs - Oklahoma Health Research					
Leverage	\$135.6 M	\$76.3 M	\$45.8 M	\$54.3 M	\$11.4 M
Patent Applications	23	27	4	14	18
Programs - Oklahoma Applied Research					
Leverage	\$150.4 M	\$115.6 M	\$91.3 M	\$148.4 M	\$203.5 M
Business financial impacts	\$123.7 M	\$94 M	\$44.7 M	\$87.3 M	\$171.9 M
Programs - Plant Science					
Leverage	\$2.8 M	\$5.7 M	\$11.9 M	\$13.1 M	\$13.1 M
Scientific/technical jobs	32	41	25	29	25
Programs - Oklahoma Industrial Extension					
Jobs created/retained	1959	1749	1344	1148	1562
Increase in gross sales	\$261.9 M	\$142 M	\$100.3 M	\$162.3 M	\$179.2 M

Revolving Funds (200 Series Funds)			
	FY'16-18 Avg. Revenues	FY'16-18 Avg. Expenditures	June '18 Balance
Research Support Revolving Funds (200)	6,026,745	8,044,250	6,945,233
Brief Description			(per SRD, disregarding encumbered funds)
Seed Capital Fund (220)	3,145,277	3,145,277	0
Brief Description			