

FY21 Budget Performance Review

Agency Name and Number: Oklahoma Center for the Advancement of Science & Technology - 628

Lead Administrator: C. Michael Carolina

Lead Financial Officer: Elaine Spell

Agency Mission

To foster innovation in existing and developing businesses by:
 * supporting basic and applied research
 * facilitating technology transfer between research laboratories and businesses
 * providing seed capital for innovative firms in the development of new products or services
 * helping Oklahoma's small and medium-sized manufacturing firms become more competitive through increased productivity and modernization (O.S. 74, Section 5060.3).

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

Division or Program Number and Name

Administration & Finance - In charge of payroll, human resources, purchasing, budgets, inventory, accounts payable, information technology, contracts, etc. essential to agency operation.

Technology Information Services - Communicates information about OCAST's research and technology support efforts which may lead to private collaboration or monetary assistance for firms, farms, and education.

Programs Division - Provides oversight of the Health Research/Health Fellowship, Applied Research, Intern Partnership, Plant Science, Inventors' Assistance, Small Business Research Assistance, Industrial Extension Service, Technology Commercialization, Technology Business Finance Program and Seed Capital programs and seeks new opportunities with industry for increased economic growth.

Information Technology Program - Information technology (services, software/hardware) necessary for agency operation.

Oklahoma Health Research/Health Fellowship Programs - Competitively awards funding for one to three year research awards related to human health.

Oklahoma Applied Research - Program that invests in research and development supporting innovative technologies with commercial potential. This funding is designed to increase investment in the R&D of new technologies that will ultimately bring value to the state of Oklahoma and help grow and diversify the state's economy.

Intern Partnerships - The Intern program helps retain Oklahoma's best and brightest students by matching undergraduate and graduate students with a high-tech Oklahoma company to undertake and complete an innovative project which benefits the student and company. Fostering a successful project outcome, the Oklahoma Center for the Advancement of Science and Technology provides funding that grants students hands-on experience with R&D in a business environment while increasing collaboration between industry and academia to achieve mutually beneficial research goals. OCAST interns, in many instances, are hired by the partnering companies which are always the best Oklahoma has to offer in high-tech industry.

Plant Science - Funding program for basic research in plant productivity, renewable biomass, plant-based environmental applications and chemical platforms, plant-based solutions to improve nutrition, human and/or animal health or performance, process applications and seed management and the development of new products and services that would drive innovation in Oklahoma's agriculture industry.

Inventor's Assistance Service - Through a partnership with Oklahoma State University's New Product Development Center, Oklahoma's inventors are provided guidance and resources such as preliminary patent searches, market analyses, manufacturing referrals, engineering analyses, prototyping and drawing/model design.

Small Business Research Assistance - A public-private partnership focused on helping Oklahoma innovators identify and compete more effectively for federal research funding. SBRA can be tailored to the individual needs of participating companies and provides guidance from the beginning of proposal preparation all the way to commercialization

Industrial Extension Service - A public-private partnership to assist Oklahoma's small and medium-sized manufacturers in gaining the ability to compete successfully in the national and international economy at progressively higher levels of value-added processes. These manufacturers must modernize in order to remain competitive and keep manufacturing jobs in rural Oklahoma.

Oklahoma Technology Commercialization Center - A private-public partnership to stimulate the start-up and growth of technology-based firms in Oklahoma.

Technology Business Finance Program - A private-public partnership to promote promising innovation and support efforts for commercialization by providing early pre-seed stage financing to start-up companies, well-established firms and manufacturers

Seed Capital - A private-public partnership to provide seed capital investment in early-stage companies that are engaged in the commercialization of promising new technologies.

FY'20 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
0100001	Administration and Finance	689,939					\$689,939
0500001	Programs Division	898,070					\$898,070
0510005	Technology Information Systems	287,645					\$287,645
0530001	Oklahoma Health Research	3,315,048					\$3,315,048
0530003	Oklahoma Applied Research	2,501,908					\$2,501,908
0530005	Oklahoma Intern Partnerships	568,081					\$568,081
0530007	Plant Science	648,526					\$648,526
0550001	Inventors' Assistance Service	299,117					\$299,117
0550005	Industrial Extension Services	942,862	54,272				\$997,134
0570001	Oklahoma Technology Commercialization Center	1,393,186					\$1,393,186
0570003	Technology Business Finance Program (TBFP)	1,000,000				465,096	\$1,465,096
0600001	Seed Capital Revolving	2,933,448					\$2,933,448
8800005	Information Technology	121,119					\$121,119
							\$0
							\$0
Total		\$15,598,949	\$54,272	\$0	\$0	\$465,096	\$16,118,317

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

Other funding represents TBFP loan repayments available to TBFP investments.

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FY'20 Carryover by Funding Source

Carryover	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
Research Support Revolving Fund	\$215,772	\$0	\$0	\$0	\$0	\$215,772
	\$0					\$0

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable:

Estimated cash balance projection as of June 30, 2020.

What changes did the agency make between FY'19 and FY'20?

1.) Are there any services no longer provided because of budget cuts?

Programs are based on funding availability. In recent years programs and contracting dollars have been reduced and this action dramatically effects the return on investment to the state.

2.) What services are provided at a higher cost to the user?

The agency does not collect fees or charge users for services.

3.) What services are still provided but with a slower response rate?

All awards are made with the same response rate but we are providing fewer contract awards each year. Seventy-eight percent of approved contracts were not funded for FY2020. These are viable (peer reviewed) applications with significant potential for commercialization and return on investment. This inability to fund approved contracts translates to a loss of additional private and federal investment, loss of new high-wage jobs and reduction in the commercialization of important research for the state. For2020, we had 139 approved but unfunded projects. This translates to a potential loss for follow on funding of \$396,389,326. (Using the 30-year average leverage rate of 22:1).

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?

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.

FY'21 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
0100001	Administration and Finance	\$711,950	\$0	\$0	\$0	\$711,950	3.19%
0500001	Programs Division	\$1,255,416	\$0	\$0	\$0	\$1,255,416	39.79%
0510005	Technology Information Systems	\$405,000	\$0	\$0	\$0	\$405,000	40.80%
0530001	Oklahoma Health Research	\$3,909,500	\$0	\$0	\$0	\$3,909,500	17.93%
0530003	Oklahoma Applied Research	\$5,248,381	\$0	\$0	\$0	\$5,248,381	109.78%
0530005	Oklahoma Intern Partnerships	\$800,000	\$0	\$0	\$0	\$800,000	40.82%
0530007	Plant Science	\$750,000	\$0	\$0	\$0	\$750,000	15.65%
0550001	Inventors' Assistance Service	\$450,000	\$0	\$0	\$0	\$450,000	50.44%
0550005	Industrial Extension Services	\$1,200,000	\$0	\$0	\$0	\$1,200,000	20.34%
0570001	Oklahoma Technology Commercialization Center	\$1,393,186	\$0	\$0	\$0	\$1,393,186	0.00%
0570003	Technology Business Finance Program	\$0	\$0	\$0	\$465,096	\$465,096	-68.25%
0600001	Seed Capital Revolving	\$2,933,448	\$0	\$0	\$0	\$2,933,448	0.00%
8800005	Information Technology	\$193,119	\$0	\$0	\$0	\$193,119	59.45%
0550003	Small Business Research Assistance	\$250,000	\$0	\$0	\$0	\$250,000	#DIV/0!
0100001	Centers for Industry Innovation	\$3,000,000	\$0	\$0	\$0	\$3,000,000	#DIV/0!
Total		\$22,500,000	\$0	\$0	\$465,096	\$22,965,096	42.48%

1. Please describe source(s) and % of total of "Other" funding for each department:

The Technology Business Finance Program is self funded and managed under contract by i2e. Funds are obligated.

FY'21 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Oklahoma Applied Research	\$5,248,381
Request 2:	Oklahoma Intern Partnership	\$800,000
Request 3:	Oklahoma Health Research	\$3,909,500
Request 4:	Center for Industry Innovation	\$3,000,000
Request 5:	Tech Commercialization/ IES/ IAS (contracted partners)	\$3,043,186
Top Five Request Subtotal:		\$16,001,067
Total Increase above FY-20 Budget (including all requests)		\$ 6,381,683
Difference between Top Five requests and total requests:		\$6,498,933

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

No.

How would the agency be affected by receiving the same appropriation for FY '21 as was received in FY '20? (Flat/ 0% change)

If held flat in FY2021; \$2,910,218 will come off the top for out year contract obligations; in addition to the requirement of 22% of appropriation for Oklahoma Seed Capital Fund and the annual statutory obligations. Due to flat budget restraints, loss of revolving funds and out year obligations, the agency's ability to execute its mission has been dramatically affected. As the appropriations continue to sink the state will lose additional public private investment including venture capital hindering its ability to compete in a national and global marketplace.

How would the agency handle a 2% appropriation reduction in FY '21?

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 '21?

AGENCY NOT HAVE ANY FEES SO NOT SEEKING FEE INCREASE	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1		
Increase 2		
Increase 3		

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

Description of request in order of priority	Appropriated Amount (\$)	Submitted to LRCPC? (Yes/No)
Priority 1 New Grants software to replace the current OKGrants software. Estimated cost \$150,000.		Yes
Priority 2 New Website development. As the agency for science and technology our website is outdated and obsolete \$15,000.		No
Priority 3		

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Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 20 budgeted	FY 19	FY 18	FY 17	FY 16
113070000	Economic Development Assistance Grant for an Economic Adjust Award to expand technical assistance to oil & gas manufacturing clusters	0550001		\$86,511	\$275,195	\$103,891	0
113070000	Economic Development Assistance Grant for an Economic Adjust Award to expand technical assistance to oil & gas manufacturing clusters	0550005	\$40,776	\$32,929	\$432,538	\$28,160	\$0

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?
No

3.) What would the consequences be of ending all of the federal funded programs for your agency?
None

4.) How will your agency be affected by federal budget cuts in the coming fiscal year?
None

5.) Has the agency requested any additional federal earmarks or increases?
No.

FY'20 Budgeted FTE

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
01	Administration	1		2		1	1
01	Administration & Finance	1		4		3	1
05	Programs Division	1		6		6	2
05	Technology Information Services	1		3			1
Total		4	0	15	0	10	5

FTE History

Division #	Division Name	2020 Budgeted	2019	2018	2016	2011
01	Administration	6.0	6.0	6.3	6.5	8.5
05	Programs Division	6.0	6.0	6.0	7.4	6.5
05	Technology Information Services	3.0	3.0	3.0	2.5	2.4
07	EDGE (fund is no longer active)					1.0
Total		15.0	15.0	15.3	16.4	18.4

	FY 19	FY 18	FY 17	FY 16	FY 15
Program Name					
Administration & Finance - 5 Administrative Expense	5%	5%	5%	5%	4%
Programs - Oklahoma Health Research					
*Leverage	\$136.9 M	\$135.6 M	\$76.3 M	\$45.8 M	\$54.3 M
Patent Applications	25	23	27	4	14%
Programs - Oklahoma Applied Research					
*Leverage	\$155.9 M	\$150.4 M	\$115.6 M	\$91.3 M	\$148.4 M
Business financial impacts	\$118.6 M	\$123.7 M	\$94 M	\$44.7 M	\$87.3 M
Programs - Plant Science					
*Leverage	\$2.8 M	\$2.8 M	\$5.7 M	\$11.9 M	\$13.1 M
Scientific /technical jobs	34	32	41	25	29
Programs - Oklahoma Industrial Extension					
Jobs created/retained	2,008	1,959	1,749	1,344	1,148
Increase in gross sales	\$261.9 M	\$261.9 M	\$142 M	\$100.3 M	\$16.3 M
* Leverage is defined as payroll+sales+capital investment+follow-on funding					

Revolving Funds (200 Series Funds)

Please provide fund number, fund name, description, and revenue source	FY'17-19 Avg. Revenues	FY'17-19 Avg. Expenditures	June '19 Balance
Fund number: Fund name			
20000 - Research Support Revolving Fund - State Appropriation Revenue plus any overpayments from awardees from incorrect request for payment submissions through the OKGrants system	\$5,348,154	\$7,445,002	\$5,829,757 NOTE: \$5,240,587 outstanding encumbrances
22000 - Seed Capital Revolving Fund Service fees - State Appropriation Line Item	\$2,990,376	\$3,020,961	\$0
23000 - Technology Business Finance Program - Self sustaining fund (repayments from investments) until FY2020	\$145,843	\$335,518	\$465,096