

**Department of Commerce - 160**

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FY'17 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Community Development	\$740,758	\$1,927,931	\$0			\$2,668,689
Business Services	\$2,569,430		\$322,365			\$2,891,795
Contracts and Comm. & Economic Dev.	\$6,378,125	\$64,043,573	\$2,825,049			\$73,246,747
Operational Support	\$4,982,667		\$3,819,145			\$8,801,812
Main Street Program	\$582,067		\$9,290			\$591,357
REAP**			\$9,938,997			\$9,938,997
NACEA	\$6,023,654		\$632,502			\$6,656,156
ISD Data Processing	\$334,549		\$201,868			\$536,417
<b>Total</b>	<b>\$21,611,250</b>	<b>\$65,971,504</b>	<b>\$17,749,216</b>	<b>\$0</b>	<b>\$0</b>	<b>\$105,331,970</b>

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

**FY-17 BWP as of Revision 1. Revolving includes state appropriated carryover and indirect**

\*\* REAP budget includes refund of FY 16 revenue failure. Amount requested below is level funding compared to FY 17 appropriation.

	Appropriations	Federal	Revolving	Local	Other*	Total
FY'16 Carryover	\$2,999,621	\$0	\$4,779,366			\$7,778,987

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

**What Changes did the Agency Make between FY'16 and FY'17?**

1.) Are there any services no longer provided because of budget cuts? None

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

3.) What services are still provided but with a slower response rate? Visits to Site Selectors, business leaders looking to relocate or expand, and fewer trips to Oklahoma communities for Main Street and Community Development.

4.) Did the agency provide any pay raises that were not legislatively/statutorily required? If so, please provide a detailed description in a separate document. Please see attached document.

FY'18 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Community Development	\$740,758	\$1,927,931			\$2,668,689	0.00%
Business Services	\$2,569,430		\$322,365		\$2,891,795	0.00%
Contracts and Comm. & Economic Dev.	\$6,378,125	\$55,371,683	\$2,825,049		\$64,574,857	-11.84%
Operational Support	\$4,982,667		\$963,164		\$5,945,831	-32.45%
Main Street Program	\$582,067		\$5,832		\$587,899	-0.58%
REAP			\$9,658,172		\$9,658,172	-2.83%
NACEA	\$6,023,654				\$6,023,654	-9.50%
ISD Data Processing	\$334,549		\$201,868		\$536,417	0.00%
<b>Total</b>	<b>\$21,611,250</b>	<b>\$57,299,614</b>	<b>\$13,976,450</b>	<b>\$0</b>	<b>\$92,887,314</b>	<b>-11.81%</b>

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

**FY'18 Top Five Appropriation Funding Requests**

	\$ Amount
Request 1: Commerce is requesting a flat budget	
Request 2: Description	
Request 3: Description	
Request 4: Description	
Request 5: Description	
<b>Total Increase above FY-17 Request</b>	<b>0</b>

**How would the agency handle a 5% appropriation reduction in FY'18?**

**Commerce has been cut \$7,259,654 over the past 7 years, 22.39% since FY2011.** Commerce has cut nearly all memberships and all sponsorships from the budget. A 5% reduction would prompt increased cuts to pass-through funding, which amounts to 41% of the Agency's appropriated budget.

**How would the agency handle a 7.5% appropriation reduction in FY'18?**

Additional cuts, start to affect the core mission of the Commerce which serves as Oklahoma's primary economic development entity. Additional, cuts to

pass-through spending might be necessary to entities that directly work with Oklahoma businesses and communities. Cuts to travel affect the number of trips to recruit out-of-state businesses which brings new investment, jobs and payroll to the State.

**How would the agency handle a 10% appropriation reduction in FY'18?**

If the Agency's revolving funds remain secure, those funds can be used to address the reduction in appropriated funds. If not, a 10 percent cut in appropriated funds would likely result in staff reductions in addition to the aforementioned cuts.

**Is the agency seeking any fee increases for FY'18?**

		\$ 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?**

**Federal Government Impact**

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

The majority of federal funds consist of formula money directly allocated to the State of Oklahoma. Only a small portion are grants that the Agency proactively applied for and received.

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

Yes. Each of the Federal programs has an administrative percentage allowance for staff, as well as staff charges to the indirect rate. However, state appropriated funds are required to be used to supplement several of the programs since the allowable administrative percentage is not always sufficient to cover all salary and fringe costs.

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

It would essentially eliminate the majority of Commerce's Community Development Division. There would additionally be statewide community impacts due to the elimination of funding used by local governments to improve streets and water treatment facilities and funds used by community action agencies to feed and educate low-income children and weatherize homes of low-income citizens.

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

Presently, Commerce will continue to draw on "older" money so the impact will not be severe unless a Federal shutdown or cut occurs over a long period of time because all draw processes stay functional during the shutdown. At this time, significant cuts are not expected to be applicable to current awards.

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

Not at this time.

**Division and Program Descriptions**

**Community Development Services**

1) Community Development fosters economic development by helping communities understand and implement infrastructure projects and comprehensive planning in order to maximize their resources.

**Business Services**

The purpose of this program is threefold: to provide for the creation and retention of jobs, to recruit business investment to Oklahoma, and to contribute to economic development through export trade and the attraction of foreign investment.

**Contracts for Community and Economic Development**

Contracts for Community and Economic Development are contracts to local governments and community action agencies, which include ones that the Oklahoma Department of Commerce has been statutorily mandated to administer via annual appropriations.

**Operational Support**

These services include Executive Leadership, Finance, Human Resources, Communications, Purchasing, General Counsel, and Research and Economic Analysis, which all provide the tools and support services necessary for the agency to operate.

**Main Street Program**

The Main Street Program provides specific services and training to participating towns or neighborhoods as they begin the process of revitalizing their districts. It also offers education to non-Main Street communities on the benefits of historic preservation and community commercial development.

**NACEA**

To promote the history and culture of the Native Americans for the mutual benefit of the State of Oklahoma and its Indian and non-Indian citizens.

**FY'17 Budgeted FTE**

	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Community Development	3		27	1	25	1

Business Services	4		24	0	19	5
Contracts for Community & Economic Dev.	0		0	0	0	0
Operational Support	15		43	3	33	7
Main Street Program	1		6	0	6	0
NACEA	3		4	0	3	1
<b>Total</b>	<b>26</b>	<b>0</b>	<b>104</b>	<b>4</b>	<b>86</b>	<b>14</b>

**SALARIES ONLY**

FTE History					
	2017 Budgeted	2016	2013	2010	2006
Community Development	27	26	42	39	40
Business Services	24	20	29	24	33
Contracts for Community & Economic Dev.	0	0	0	0	0
Operational Support	43	41	48	63	61
Main Street Program	6	5	5	5	7
NACEA	4	4	8	11	7
<b>Total</b>	<b>104</b>	<b>96</b>	<b>132</b>	<b>142</b>	<b>148</b>

Performance Measure Review					
	FY'16	FY'15	FY'14	FY'13	FY'12
<b>Increase direct new jobs, new capital investment, and average annual wage of new jobs year over year to grow and diversify the Oklahoma economy.</b>					
New Jobs	4,539	7,136	7,859	7,473	9,640
New Investment*	\$2,413,186,000	\$2,185,397,775	\$1,481,843,108	\$3,338,893,261	\$1,059,118,000
Private Investment in Main Street	\$78,090,476	\$55,388,731	\$323,433,939	\$115,511,064	\$84,060,000
Average Wage of New Jobs	\$62,463	\$53,959	\$52,229	\$68,241	N/A
Workforce Training	N/A	N/A	N/A	14,432	24,494
Community Improvement Projects	225	108	214	241	261

\* In FY11-13, New Investment was reported for Business Development only; in FY14-16, it was reported for the agency as a whole.

Revolving Funds (200 Series Funds)			
	FY'14-16 Avg. Revenues	FY'14-16 Avg. Expenditures	June '16 Balance
<b>OK Department of Commerce Revolving Fund - 205</b> Continuing fund and subject to the administrative direction of the Oklahoma Department of Commerce. <i>90% of revenue is reimbursement of grant expenditures previously disbursed from Fund 205. The grant ends September 2017.</i> <i>Per Legislation transferred 1.6 million from Fund 205 to 255 in Nov 2015.</i>	\$635,174	\$420,678	\$866,950.70
<b>Native American Cultural &amp; Educ. Revolving Fund- 206</b> Continuing fund for the Native American Cultural and Educational Authority.	\$0	\$139,667	\$580,740.48
<b>Energy Conservation Assistance Revolving Fund - 210</b> Funds are to provide energy conservation grants to qualifying low income homeowners.	\$0	\$0	\$523.94
<b>Community Development Center Revolving Fund - 216</b> Funds are for the purpose of the Community Development Centers, with emphasis on aging and elderly citizen interests pursuant to law.	\$0	\$0	\$34,213.90
<b>Rural Economic Action Plan Revolving Fund - 225</b> Funds are for the purpose of economic development in rural areas with populations of less than 7,000.	\$10,846,771	\$10,846,771	\$1,732,141.75
<b>Quick Action Closing Revolving Fund - 255</b> Funds are to be expended by the governor for economic development and related infrastructure development in instances in which expenditure of such funds would likely be a determining factor in locating a high-impact business project or facility in Oklahoma or in retaining such a project or facility within the state. <i>Per Legislation transferred 1.6 million from Fund 205 to 255 in Nov 2015.</i> <i>There is one active project in the program and one other project pending at this time.</i>	\$1,533,333	\$2,833,333	\$2,825,049.00





