

## Department of Commerce (160)

Lead Administrator: Brent Kisling

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FY'19 Projected Division/Program Funding By Source						
Dept	Appropriations	Federal	Revolving	Local	Other*	Total
Community Services	\$787,876	\$1,884,512				\$2,672,388
Business Services	\$445,000					\$445,000
Contracts and Comm. & Economic Dev.	\$5,958,630	\$44,813,728	\$4,925,049			\$55,697,407
Operational Support Services	\$7,267,544		\$4,391,380			\$11,658,924
Main Street Program	\$535,672		\$13,750			\$549,422
REAP (Rural Economic Action Plan)			\$10,133,480			\$10,133,480
ISD Data Processing	\$397,294		\$102,535			\$499,829
	\$15,392,016	\$46,698,240	\$19,566,194	\$0	\$0	\$81,656,450

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

FY'18 Carryover and Refund by Funding Source						
FY'18 Carryover	Appropriations	Federal	Revolving	Local	Other*	Total
	\$2,967,738		\$6,663			
	\$2,967,738	\$0	\$6,663	\$0	\$0	\$2,974,401

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

What Changes did the Agency Make between FY'18 and FY'19?
<p><b>1.) Are there any services no longer provided because of budget cuts?</b> None</p> <p><b>2.) What services are provided at a higher cost to the user?</b> N/A</p> <p><b>3.) What services are still provided but with a slower response rate?</b> Visits to Site Selectors, business leaders looking to relocate or expand, and fewer trips</p> <p><b>4.) Did the agency provide any pay raises that were not legislatively/statutorily required?</b> Please see attached document</p>

FY'20 Requested Division/Program Funding By Source						
Dept	Appropriations	Federal	Revolving	Other	Total	% Change
Community Development	\$787,876	\$1,884,512			\$2,672,388	0.00%
Business Services	\$1,145,000				\$1,145,000	157.30%
Contracts and Comm. & Economic Dev.	\$6,356,630	\$44,813,728	\$2,240,900		\$53,411,258	-4.10%
Operational Support	\$7,567,544		\$603,729		\$8,171,273	-29.91%
Main Street Program	\$535,672		\$10,487		\$546,159	-0.59%
REAP			\$10,126,817		\$10,126,817	-0.07%
ISD Data Processing	\$397,294		\$142,941		\$540,235	8.08%
<b>Total</b>	<b>\$16,790,016</b>	<b>\$46,698,240</b>	<b>\$13,124,874</b>	<b>\$0</b>	<b>\$76,613,130</b>	<b>-6.18%</b>

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

FY'20 Top Five Appropriation Funding Requests	
	\$ Amount
Funding increase for ACES program	\$700,000
Automotive Strategy and Events	\$300,000
Restore funding to RX for OK program	\$398,000
Request 4: Description	
Request 5: Description	
<b>Total Increase above FY-19 Request</b>	<b>\$ 1,398,000</b>

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.)	
Yes, we have costs for the defined contribution plan.	
FY'20	\$19,766
FY'21	\$22,966
FY'22	\$22,966

How would the agency be affected by receiving the same appropriation for FY '20 as was received in FY '19? (Flat/ 0% change)
<p>Most divisions would be able to operate at the same level as FY '19, however, should the federal shutdown continue into FY '20 the agency would be required to shift funds from other areas to cover the federally funded salary and fringe expenses. Level funding would also prevent the expansion of the Aerospace Commerce Economic Services (ACES) program, limiting our ability to grow a new revenue stream as well as balance the economy by diversifying a dependence on the energy sector.</p>

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

A 2% reduction would prompt increased cuts to pass-through funding. Pass through entities make up 65% of the Agency's appropriated budget.

**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?**

N/A

**Federal Funds**

	FY 19 projected	FY 18	FY 17	FY 16	FY 15
<b>Economic Development Administration</b> 11.307 This program promotes innovations and competitiveness, preparing American regions for economic growth and success in the worldwide economy.	\$170,000	\$94,286	\$193,716	\$181,716	\$67,627
<b>Community Development Block Grant</b> 14.228 This program enables rural Oklahoma communities to finance a variety of public infrastructure and economic improvements and helps promote job growth as a result of these improvements.	\$11,164,548	\$10,954,133	\$14,307,803	\$13,987,790	\$15,622,783
<b>Emergency Solutions Grant</b> 14.231 This program enables homeless individuals and families to move toward independent living by providing emergency housing, supportive services, and housing assistance.	\$1,512,557	\$1,623,671	\$1,563,915	\$1,653,575	\$1,306,949
<b>Community Development Block Grant Disaster Recovery</b> 14.269 This grant is to assist cities, counties, and States in recovering from Presidentially declared disasters, especially in low-income areas.	\$19,877,254	\$15,146,463	\$34,289,155	\$30,454,899	\$1,954,096
<b>State Energy Program</b> 81.041 This program provides technical assistance to enhance energy security , advance energy initiatives, and maximize the benefits of decreasing energy waste.	\$452,872	\$299,540	\$409,554	\$740,678	\$315,020
<b>Weatherization Assistance Program</b> 81.042 The purpose of this program is to reduce energy costs for low-income families, particularly the elderly, people with disabilities, and children, by improving the energy efficiency of their homes while ensuring their health and safety.	\$2,846,169	\$2,434,774	\$2,630,858	\$2,150,531	\$2,271,490
<b>Low-Income Home Energy Assistance</b> 93.568 The purpose of this program is to help keep families safe and healthy through initiatives that assist families with energy costs.	\$2,093,081	\$2,301,033	\$2,445,804	\$1,543,321	\$1,207,117
<b>Community Services Block Grant</b> 93.569 This program provides funds to alleviate the causes and conditions of poverty in communities.	\$8,276,759	\$8,198,476	\$7,928,672	\$7,853,066	\$7,425,056
<b>Head Start Collaboration</b> 93.6 The purpose of this program is to facilitate collaboration among Head Start agencies and entities that carry out activities designed to benefit low-income children from birth to school entry, and their families.	\$175,000	\$171,321	\$150,424	\$165,406	\$186,958

**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 most 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**

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

**Business Services**

This division currently includes the Aerospace Commerce Economic Services. The purpose of ACES is to create a partnership of service providers to more effectively respond to the needs of the aviation, aerospace and defense industries in the areas of education and training, research, and economic development.

**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. Business Group is also included in this division 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.

**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.

FY'19 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Community Development	4		26		22	4
Business Services	0		3		2	1
Contracts for Community & Economic Dev.	0		0		0	0
Operational Support	18		63		45	18
Main Street Program	1		5		5	0
<b>Total</b>	<b>23</b>	<b>0</b>	<b>97</b>	<b>0</b>	<b>74</b>	<b>23</b>

**SALARIES ONLY**

FTE History					
	2019 Budgeted	2018	2017	2015	2010
Community Development	26	24	27	38	39
Business Services	3	21	24	17	24
Contracts for Community & Economic Dev.	0	0	0	0	0
Operational Support	63	39	43	42	63
Main Street Program	5	5	6	6	5
<b>Total</b>	<b>97</b>	<b>89</b>	<b>100</b>	<b>103</b>	<b>131</b>

Performance Measure Review					
	FY 18	FY 17	FY 16	FY 15	FY 14
<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	12,320	4,948	4,539	7,136	7,859
New Investment	1,000,000,000	\$2,475,000,000	\$2,413,186,000	\$2,185,397,775	\$1,481,843,108
Private Investment in Main Street	\$61,716,395	\$50,980,780	\$78,090,476	\$55,388,731	\$323,433,939
Average Wage of New Jobs	\$44,205	\$47,220	\$62,463	\$53,959	\$52,229
Community Improvement Projects	234	207	225	108	214

Revolving Funds (200 Series Funds)			
	FY'16-18 Avg. Revenues	FY'16-18 Avg. Expenditures	June '18 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>80% of revenue is reimbursement of grant expenditures previously disbursed from Fund 205. The grant was extended to March 2019.</i>	\$438,933	\$489,784	\$1,078,112
<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. <i>Appropriation only</i>	\$9,729,588	\$9,727,367	\$1,385,827
<b>Oklahoma Main Street Fund - 250</b> The Main Street Fund is used for the purpose of providing specific services and training to participating towns or neighborhoods as they begin the process of revitalizing their districts and offering education on the benefits of historic preservation and community commercial development.	\$6,667	\$3,496	\$4,514
<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>Appropriation only</i>	\$533,333.00	\$2,240,900	\$1,175,049