

**FY 2027 Budget Performance Review**  
**628 - Oklahoma Center for the Advancement of Science & Technology (OCAST)**

Version Original  
Lead Administrator: Jennifer McGrail

Date submitted  
Lead Financial Officer: Kristi Howes

10/1/2025

**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; and 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.*

**0100001 Administration & Finance -**

*In charge of payroll, Human Resources, Purchasing, Budget Work Program, Budget Request, Inventory, Accounts Payable, Information Technology, contracts, etc. essential to agency operation.*

**0510005 Office of Science and Innovation (OSI) -**

*Leads OCAST's communications, policy, and data efforts to strengthen Oklahoma's innovation economy. The office provides strategic analysis, develops and shares key information with stakeholders, and supports alignment between state leaders, industry, and the innovation ecosystem.*

**0500001 Programs Division -**

*Manages OCAST's portfolio of research, commercialization, and industry support initiatives. It also oversees the Oklahoma R&D Attraction Program and special funds that leverage federal and foundation opportunities to drive innovation and economic growth.*

**8800005 Data Programs -**

*Data Programs provide the IT systems and infrastructure that power OCAST's daily operations and program delivery. They enable effective program management, performance assessment, and measurement, while supporting all agency technology needs.*

**0530001/0530002 Oklahoma Health Research/Health Fellowshi**

*Competitively awards funding for one to three year research awards related to human health. (Wrapped up in FY2026)*

**0530003/0530004 Industry Innovation (formerly known as 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.*

**0530005 STEM Intern Partnership Program -**

*Helps develop and 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.*

**0550001 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.*

**0550003 Small Business Research Assistance -**

*A public-private partnership focused on helping Oklahoma innovators identify and compete 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*

**0550005 Industrial Extension Service -**

*A public-private partnership to assist Oklahoma's small and medium-sized manufacturers to compete successfully in the global 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.*

**0570001 Oklahoma Commercialization Network (formerly known as Oklahoma Technology Commercialization Center) -**

*The Oklahoma Commercialization Network (formerly the Oklahoma Technology Commercialization Center) supports the startup and growth of high-potential firms across Oklahoma. Delivered in partnership with i2E, the program also engages Gradient, The Verge OKC, and REI Oklahoma to provide specialized commercialization and business support services statewide.*

**0600001 Seed Capital -**

*Provides through a public-private partnership investment in early-stage companies that are engaged in the commercialization of promising new technologies. Also includes a pilot fund to create programs to address gaps found when accessing capital for startups.*

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FY'26 Budgeted Department Funding By Source						
Dept. #	Department Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>
0100001	Administration	\$681,461				
0500001	Programs	\$1,308,071				
0510005	Office of Science & Innovation	\$755,295		\$25,000		
8800005	Programs DP	\$184,864				
0530001	Health Research			\$89,999		
0530004	Applied Research R&D Industry Innovation	\$8,356,228		\$1,405,874		
0530005	Intern Partnership			\$1,073,417		
0530008	Research Development Attraction Act	\$500,000		\$500,000		
0530010	Tulsa Metro Accelerator			\$1,000,000		
0530012	Oklahoma City Accelerator			\$1,000,000		
0530013	Rural OK Accelerator			\$1,000,000		
0540002	SSBCI Small Bus Opport Prog TA		\$1,399,638			
0550001	Inventors' Assistance	\$1,000,000				
0550003	Small Business Research Assistance	\$275,000				
0550005	Industrial Extension Service	\$1,800,000				
0570001	Oklahoma Commercialization Network	\$1,250,000				
0600001	Seed Capital	\$1,235,623				
0600002	Addressing Gaps Pilot			\$0		
<b>Total</b>		<b>\$17,346,542</b>	<b>\$1,399,638</b>	<b>\$6,094,290</b>	<b>\$0</b>	<b>\$0</b>
						<b>\$24,840,470</b>

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:

Balances of Appropriated Funds from Prior Fiscal Years						
3-digit Class Fund #	Class Fund Name	GA Bill # and Section #	Fiscal Year of Original Appropriation	Original Appropriation Amount (\$)	Total Expended Amount as of 8/31/2025 (\$)	Balance as of 8/31/2025 (\$)
194	General Revenue Fund	HB1004	2024	\$7,604,691	\$7,576,100	\$28,591
195	General Revenue Fund	SB1125	2025	\$7,854,691	\$6,987,549	\$867,142
200	Research Support Revolving Fund	SB1125	2025	\$8,256,228	\$733,369	\$7,343,497
220	Seed Capital Revolving Fund	SB1125	2025	\$2,735,623	\$1,000,000	\$6,600,748
245	Oklahoma Accelerator Fund	HB1030	2024	\$13,591,667	\$5,133,333	\$8,458,333
<b>Total remaining prior year appropriation balance:</b>						<b>\$23,298,312</b>

Report appropriations that have existing balances from all prior fiscal years at the 3-digit class fund number (i.e. 194, 195). Do not report carryover class funds separately. Include appropriations located in disbursing funds. Report PREP, but not ARPA/SRF, appropriations.

What changes did the agency make between FY'25 and FY'26?	
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?	None
3.) What services are still provided but with a slower response rate?	None
4.) Did the agency provide any pay raises that were not legislatively/statutorily required?	Yes, we provided some employees with performance based raises to bring them closer into alignment with the state agency report released last year. Additionally, as the agency experienced turn-over in some positions, we have adjusted pay to bring us closer into alignment with other state agencies and similar roles. Most of our pay bands are still well under private sector rates.

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Appropriation Increase Review					
Appropriation Increase Purpose	Appropriation Increases			Expenditures	
	FY 2024	FY 2025	Total Amount Received	Total Expenditure of Increase as of	If funds have not been spent, please explain why.
Research & Development Attraction Program	\$0	\$500,000	\$500,000		OCAST is still working on administrative rules for program. OCAST was in the process of utilizing funds as a match for a grant and when year-two funds were not appropriated, OCAST has had to go back to develop another plan to identify how to fund the program.
Addressing Gaps Pilot	\$0	\$1,500,000	\$1,500,000		
<b>Total:</b>	<b>\$0</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$0</b>	

List appropriation increases that the agency has received in the prior two years. List amounts received in each year. Include PREP, but not ARPA/SRF, appropriations.

FY'27 Requested Funding By Department and Source							
Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
0100001	Administration	\$786,223	\$0	\$0	\$0	\$786,223	15.37%
0500001	Programs	\$1,346,005	\$0	\$0	\$0	\$1,346,005	2.90%
0510005	Office of Science & Innovation	\$777,924	\$0	\$25,000	\$0	\$802,924	2.90%
8800005	Programs DP	\$205,225	\$0	\$0	\$0	\$205,225	11.01%
0530001	Health Research	\$0	\$0	\$0	\$0	\$0	-100.00%
0530004	Applied Research R&D Industry Innovation	\$13,495,308	\$0	\$1,495,873	\$0	\$14,991,181	53.57%
0530005	Intern Partnership	\$2,500,000	\$0	\$1,073,417	\$0	\$3,573,417	232.90%
0530008	Research Development Attraction Act	\$500,000	\$0	\$500,000	\$0	\$1,000,000	0.00%
0530010	Tulsa Metro Accelerator	\$0	\$0	\$1,000,000	\$0	\$1,000,000	0.00%
0530012	Oklahoma City Accelerator	\$0	\$0	\$1,000,000	\$0	\$1,000,000	0.00%
0530013	Rural OK Accelerator	\$0	\$0	\$1,000,000	\$0	\$1,000,000	0.00%
0540002	SSBCI Small Bus Opport Prog TA	\$0	\$1,399,638		\$0	\$1,399,638	0.00%
0550001	Inventors' Assistance	\$1,000,000	\$0		\$0	\$1,000,000	0.00%
0550003	Small Business Research Assistance	\$275,000	\$0		\$0	\$275,000	0.00%
0550005	Industrial Extension Service	\$1,800,000	\$0	\$0	\$0	\$1,800,000	0.00%
0570001	Oklahoma Commercialization Network	\$1,250,000	\$0	\$0	\$0	\$1,250,000	0.00%
0600001	Seed Capital	\$1,235,623	\$0	\$0	\$0	\$1,235,623	0.00%
0600002	Addressing Gaps Pilot	\$1,500,000	\$0	\$0	\$0	\$1,500,000	#DIV/0!
<b>Total</b>		<b>\$26,671,308</b>	<b>\$1,399,638</b>	<b>\$6,094,290</b>	<b>\$0</b>	<b>\$34,165,236</b>	<b>37.54%</b>

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

FY'27 Top Five Incremental Appropriated Funding Increase Requests			
Request by Priority	Request Description	Is this a Supplemental Request? (Yes/No)	Appropriation Request Increase Amount (\$)
Request 1:	Fund STEM Intern Industry Partnership Program	No	Recurring 2,500,000
Request 2:	Increase in Industry Innovation funding to maximize impact on Oklahoma's economy	No	Recurring 5,139,080
Request 3:	Agency relocation and space improvements	No	One-Time 100,000
Request 4:	Resume funding for year two of the Capital Gaps pilot program	No	One-Time 1,500,000
Request 5:	Increase to address inflation costs to agency operations	No	Recurring 85,686
<b>Top Five Request Subtotal:</b>			<b>\$9,324,766</b>
<b>Total Increase above FY-26 Budget (including all requests)</b>			<b>\$9,324,766</b>
Difference between Top Five requests and total requests:			\$0

\* Capital requests in the table above should be listed in the next table.

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?			
Description of requested increase in order of priority	Total Project Cost (\$)	Needed State Funding for Project (\$)	Submitted to LRCPC? (Yes/No)
Priority 1 N/A			
Priority 2			
Priority 3			

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**Does the agency have any costs associated with the Pathfinder retirement system and federal employees? If so, please describe the impact.**

Yes. 3 FTE included in Pathfinder system.

\* Include the total number of federally funded FTE in the Pathfinder system.

**How would the agency be affected by receiving the same appropriation for FY '27 as was received in FY '26? (Flat / 0% change)**

We will continue to miss out on significant return on investment to Oklahoma and loose companies and STEM students to other states.

**How would the agency handle a 2% appropriation reduction in FY '27?**

The largest portion of OCAST funds are obligated for Industry Innovation programs, directly tied to innovation. While the contracts allow for a decrease, taking this decrease equally across all budget categories would create a significant loss to investment for our funded companies. This means OCAST would need to absorb the full 2% across our operational and

**Is the agency seeking any fee increases for FY '27?**

Description of requested increase in order of priority	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1 N/A		
Increase 2		
Increase 3		

**Federal Funds**

CFDA	Federal Program Name	Agency Dept. #	FY 26 budget (\$)	FY 25 actuals (\$)	FY 24 actuals (\$)	FY 23 actuals (\$)	FY 25 budgeted FTE (#)

**Federal Government Impact**

<b>1.) How much federal money received by the agency is tied to a mandate by the Federal Government?</b>
All federal funds under management are tied to program specific mandates and requirements.
<b>2.) Are any of those funds inadequate to pay for the federal mandate?</b>
At this time, allowable program expenses are adequate to cover expenses. We do have concerns on the ARPA projects that all funds must be utilized by December 31, 2026. OCAST will still incur significant audit costs after that date that directly tie back to the management of these funds. This increase in expenses will occur either in the FY2027 fiscal year or FY2028 depending on if a special audit is conducted. We will NOT be able to utilize the 2% initially allowed by the legislature to cover these costs.
<b>3.) What would the consequences be of ending all of the federal funded programs for your agency?</b>
This would be disastrous and remove more than \$80 million of funding that is being used to provide capital and technical assistance services to Oklahoma companies.
<b>4.) How will your agency be affected by federal budget cuts in the coming fiscal year?</b>
At this time, our funds are tranced out and have been fully appropriated and are not awaiting federal budget decisions. The only impact OCAST will have is if these funds are pulled from the agencies currently holding the funds.
<b>5.) Has the agency requested any additional federal earmarks or increases?</b>
No

**FY 2026 Budgeted FTE**

Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
0100001	Administration	2	3	0	3	0	2
0500001	Programs Services	1	5	0	2	1	3
0510005	Office of Science & Innovation	1	3	0	0	3	1
0540002	SSBCI SBOP	0	3	0	0	3	0
<b>Total</b>		<b>4</b>	<b>14</b>	<b>0</b>	<b>5</b>	<b>7</b>	<b>6</b>

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FTE History by Fiscal Year							
Division #	Division Name	FY 2026 Budgeted	FY 2026 YTD	FY 2025	FY 2024	FY 2023	FY 2017
0100001	Administration	5.0	5.0	5.0	5.0	6.0	7.5
0500001	Programs Services	6.0	6.0	7.0	6.0	6.0	6.0
0510005	Office of Science & Innovation	4.0	4.0	4.5	4.0	3.0	2.0
0540002	SSBCI SBOP	3.0	3.0	0.0	0.0	0.0	0.0
<b>Total</b>		<b>18.0</b>	<b>18.0</b>	<b>16.5</b>	<b>15.0</b>	<b>15.0</b>	<b>15.5</b>

Performance Measure Review					
Program Name	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021

Revolving Funds (200 Series Funds)			
Fund: Fund Number, Fund Name	FY'23-25 Avg. Revenues	FY'23-25 Avg. Expenditures	June 2025 Balance
20000 - Research Support Revolving Fund - State Appropriation Revenue plus any overpayments from awardees from incorrect request for payment submissions through the OGX Grant system	\$8,178,002	\$6,631,203	\$12,652,554
22000 - Seed Capital Revolving Fund - State Appropriation Line Item	\$2,533,583	\$333,333	\$6,600,748
23000 - Technology Business Finance Program - self sustaining fund (repayments from investments).	\$73,776	\$341,005	\$12,497
24500 - State of Oklahoma Accelerators	\$4,530,556	\$1,619,444	\$8,733,333

FY 2026 Current Employee Telework Summary						
List each agency physical location (not division), then report the number of employees associated with that location			Full-time and Part-time Employees (#)			
Agency Location / Address	City	County	Onsite (5 days onsite, rarely remote)	Hybrid (2-4 days onsite weekly)	Remote (1 day or less weekly onsite)	Total Employees
755 Research Parkway, Ste. 110	Oklahoma City	Oklahoma	17	0	0	17
526 North Elgin Ave	Tulsa	Tulsa	1	0	0	1
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
<b>Total Agency Employees</b>						<b>18</b>