

Department of Commerce - 160

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FY'16 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Community Development	\$806,703	\$2,016,671	\$0			\$2,823,374
Business Services	\$2,217,388		\$324,077			\$2,541,465
Contracts and Comm. & Economic Dev.	\$7,426,744	\$36,549,915	\$7,618,629			\$51,595,288
Operational Support	\$4,636,110		\$4,508,208			\$9,144,318
Main Street Program	\$625,878		\$7,791			\$633,669
REAP			\$10,884,894			\$10,884,894
NACEA	\$6,626,584					\$6,626,584
ISD Data Processing	\$436,196		\$142,353			\$578,549
Total	\$22,775,603	\$38,566,586	\$23,485,952	\$0	\$0	\$84,828,141

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

FY-16 BWP as of Revision 1. Revolving includes state appropriated carryover and indirect

FY'15 Carryover by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'15 Carryover	\$4,085,364	\$0	\$8,092,850			\$12,178,214

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

What Changes did the Agency Make between FY'15 and FY'16?

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

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'17 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Community Development	\$806,703	\$2,016,671			\$2,823,374	0.00%
Business Services	\$2,217,388		\$324,077		\$2,541,465	0.00%
Contracts and Comm. & Economic Dev.	\$7,426,744	\$36,549,915	\$7,576,129		\$51,552,788	-0.08%
Operational Support	\$4,636,110		\$1,300,190		\$5,936,300	-35.08%
Main Street Program	\$625,878		\$7,791		\$633,669	0.00%
REAP			\$10,884,894		\$10,884,894	0.00%
NACEA	\$6,626,584				\$6,626,584	0.00%
ISD Data Processing	\$436,196		\$142,353		\$578,549	0.00%
Total	\$22,775,603	\$38,566,586	\$20,235,434	\$0	\$81,577,623	-3.83%

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

FY'17 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	
Total Increase above FY-17 Request	0

How would the agency handle a 5% appropriation reduction in FY'17?

The agency has already cut \$6,698,231 (29.32%) over the past 6 years. We have cut most memberships and all sponsorships from the budget. With additional cuts, it starts to affect the core mission of the agency which serves as Oklahoma's primary economic development entity. Cuts will be made to the divisions that directly work with Oklahoma businesses and communities. Cuts to travel affect the number of trips to recruit out of state businesses and bringing new investment to the state. Cuts will also be made to travel for work with existing Oklahoma businesses and communities.

How would the agency handle a 7.5% appropriation reduction in FY'17?

A 7.5 percent reduction in appropriated funds would prompt increased cuts to pass-through funding, which amounts to roughly half of the agency's appropriated

budget; as well as additional cuts to operational budgets.

How would the agency handle a 10% appropriation reduction in FY'17?

Unless the agency's revolving funds remain secure so they can be used to address the reduction in appropriated monies, a 10 percent cut in appropriated funds would likely result in further staff reductions.

Is the agency seeking any fee increases for FY'16?

		\$ 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 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.
- 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, 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		26	1

Business Services	3		23		20	3
Contracts for Community & Economic Dev.	0		0		0	0
Operational Support	14		42	3	32	7
Main Street Program	1		6		5	1
NACEA	3		9		7	2
Total	24	0	107	3	90	14

SALARIES ONLY

FTE History					
	2016 Budgeted	2015	2012	2009	2005
Community Development	27	38	37	40	37
Business Services	23	17	25	32	37
Contracts for Community & Economic Dev.	0	0	0	0	4
Operational Support	42	42	62	68	60
Main Street Program	6	6	5	5	7
NACEA	9	7	11	11	3
Total	107	110	140	156	148

Performance Measure Review					
	FY'15	FY'14	FY'13	FY'12	FY'11
Increase direct new jobs, new capital investment, and average annual wage of new jobs year over year to grow and diversify the Oklahoma economy.					
New Jobs	7136	7859	7,473	9,640	5,339
New Investment*	\$2,185,397,775	\$1,481,843,108	\$3,338,893,261	\$1,059,118,000	\$861,842,000
Private Investment in Main Street	\$55,388,731	\$323,433,939	\$115,511,064	\$84,060,000	\$35,630,000
Average Wage of New Jobs	\$53,959	\$52,229	\$68,241	N/A	N/A
Workforce Training	NR	NR	14,432	24,494	14,450
Community Improvement Projects	108	214	241	261	404

* In FY11-13, New Investment was reported for Business Development only; in FY14-15, it was reported for the agency as a whole.

Revolving Funds (200 Series Funds)			
	FY'13-15 Avg. Revenues	FY'13-15 Avg. Expenditures	June '15 Balance
OK Department of Commerce Revolving Fund - 205 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>Nov 2015 Per Legislation transferred 1.6 million from Fund 205 to 255.</i>	\$670,886	\$562,270	\$2,912,742.87
Native American Cultural & Educ. Revolving Fund- 206 Continuing fund for the Native American Cultural and Educational Authority.	\$0	\$11,920	\$877,760.91
Energy Conservation Assistance Revolving Fund - 210 Funds are to provide energy conservation grants to qualifying low income homeowners.	\$0	\$0	\$523.94
Community Development Center Revolving Fund - 216 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
Rural Economic Action Plan Revolving Fund - 225 Funds are for the purpose of economic development in rural areas with populations of less than 7,000.	\$11,316,611	\$11,316,611	\$639,497.18
OK Viticulture and Enology Revolving Fund - 245 Funds are to be expended for the development of the viticulture and enology industries in the state. <i>Nov 2015 per Legislation transferred to Department of Agriculture.</i>	\$466,667	\$350,106	\$355,230.40
Quick Action Closing Revolving Fund - 255 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>Nov 2015 per Legislation transferred 1.6 million from Fund 205 to 255.</i>	\$3,241,683	\$1,000,000	\$6,725,049.00