



**OKLAHOMA**  
**Commerce**

# Oklahoma Department of Commerce

**FY 2026 Budget Hearing Presentation**

**Submitted by: Heather Turner, Deputy CEO**

# Heather Turner

## Deputy CEO



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The Oklahoma Department of Commerce serves as the **primary economic development entity in the state.**

### ➤ **Our mission is to cultivate environments and relationships that foster economic growth.** ◀

The mission is accomplished by bringing jobs, investment, community services, and economic prosperity to Oklahoma.

Through dynamic partnerships and innovative collaborations with companies, communities, universities, not-for-profit organizations, and government leaders, we are building a business environment that supports economic growth and shared community prosperity.

Founded in **1987**, Commerce now encompasses the following divisions:

**EDGE (Economic Development Growth Expansion):** Business Recruitment & Expansion

**CORE (Community Outreach Revitalization Enterprise):** Rural and Regional Development, Community Development, Oklahoma Film + Music, Main Street, Small Business, and Entrepreneurship

**Shared Services:** Research & Economic Analysis, Marketing & Communications, Financial Services, Human Resources & Organizational Development, Global, and Protocol.

The **Oklahoma Department of Commerce** also oversees **various community development grants, business incentives, and industry-specific target initiatives, such as Aerospace Commerce Economic Services (ACES).**

# Agency Vision, Mission and Core Values

**Mission:** To cultivate environments and relationships that foster economic growth.

**Vision:** Through targeted investment, proactive talent development, and a commitment to fostering a business-friendly environment, Oklahoma will not only compete in the global economy but will lead in innovation, infrastructure, and business retention, expansion and growth.

By aligning resources, building partnerships, and focusing on measurable outcomes, we will ensure that Oklahoma is a top 10 state and the best place to live, work, and do business.

**Core Values:** Honesty, Integrity, Service to Others, Accountability, Quality, Innovation, Teamwork, Personal Development, & Leadership



# Accomplishments

## Top accomplishments for FY 2024 – FY 2025

- 1) The Business Development (EDGE) division contributed to the production of **10,344** projected direct new jobs with an average wage of **\$66,803**. In FY 2024, approximately 27,000 total new private sector jobs were created in Oklahoma.
- 2) The Business Development (EDGE) division added **207** new business projects to the pipeline.
- 3) The Community Development (CORE) division implemented the ARPA Nonprofit Relief Program, awarding **289** nonprofits **\$16.6 million** in funding.
- 4) Main Street (CORE) completed **380** new community projects and created and awarded **9** communities with Main Street Development grant dollars for infrastructure and revitalization efforts.
- 5) The Oklahoma Film + Music Office (CORE) facilitated **17** films/TV productions in the state and designated **34** film-friendly communities. These activities resulted in an estimated **\$41.5M** spent in Oklahoma and contributed to the creation of **3,541** jobs.
- 6) CORE/EDGE initiated a series of key stakeholder meetings to share state offerings and programs, survey state and local assets and resources and learn how Commerce can better partner with local entities to grow Oklahoma's economy in desirable and sustainable ways.



# Accomplishments

## Top accomplishments for FY 2024 – FY 2025

- a) All in for Oklahoma
  - b) Quarterly regional meetings
  - c) Quarterly partnership advisor committee meetings with Select Oklahoma, The State Chamber, Oklahoma Business Roundtable, the Tulsa Regional Chamber, the Greater Oklahoma City Chamber of Commerce, Tulsa Port, and other Select Oklahoma appointees
- 7) The Regional Development team (CORE) created and implemented the SITES Ready program, a statewide evaluation to discover industrial manufacturing sites and assess their infrastructure needs and viability. There were **108** sites submitted. Of those, **50** received desktop analysis and **15** received a further in-person site analysis. All **50** received recommendations for what is needed to attract industry.
  - 8) The Regional Development team (CORE) created the Oklahoma SITES programs and approved awards for **\$172M** of ARPA and PREP grants across **41** projects.
  - 9) The Marketing team at Commerce began the in-house created “Venture Forward” promotional video series targeted at talent recruitment and workforce development as well as the Live in Oklahoma series of promotional efforts targeted at quality of life in Oklahoma.
  - 10) Commerce leadership implemented a “Directional Leadership Team” to ensure internal excellence agency-wide for external impact for Oklahoma.

# Analysis of Agency Challenges

	<b>Challenge</b>	<b>Current Actions</b> (Briefly describe how the agency is currently addressing the challenge.)	<b>Planned Actions</b> (Briefly describe how the agency plans to address the challenge going forward.)
<b>1</b>	Skilled workforce for key industry growth	Using \$10 million appropriated to market and recruit identified industries and workers from targeted states	To utilize data to identify “most likely to succeed industries” and needed workforce and talent recruitment from a regional perspective
<b>2</b>	Uncertain economic factors	Reviewing data to anticipate and assist existing businesses with economic challenges and inflated cost of doing business	Support our partners, businesses, and communities
<b>3</b>	Increased programming and grant facilitation without an increase in FTEs	Reassigning tasks and being strategic on our hiring needs. Contracting out work to suppliers where appropriate.	Continue to be strategic in our workforce planning efforts. Also adding processes, systems, and education for efficiencies, including taking advantage of technical capabilities through Artificial Intelligence assisted processes
<b>4</b>	Historic misalignment of partner agency strategic plans	Intentionally meeting with partner agencies and key stakeholders to better align our strategic plan and actionable initiatives toward collaborative success	Quarterly partnership meetings with agencies and key stakeholders and participation in partner commissions and the North American Workforce Initiative



# Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2024 (Actual \$ Savings)	FY 2025 (Projected \$ Savings)	FY 2026 (Projected \$ Savings)
<b>Upgrade Grants Management System</b>	Upgrade of grants management system to cloud-based software. Project began FY 25 and is anticipated to be completed in FY 26.	Reduced server costs	\$0	\$0	\$12,735
<b>Reduced Fleet</b>	Returned three fleet vehicles to OMES	3 vehicles	\$7,478	\$9,399	\$9,399
<b>Upgrade Customer Relationship Management System</b>	Upgrade of Microsoft Dynamics 2016 to current version (or another system)	Reduced server/maintenance costs	\$0	\$0	\$60,000

\* Hours, FTE, square feet, etc.



# Agency Goals and Key Performance Metrics

	Goal	Metric	FY 24 Target*	FY 24 Actuals	FY 25 Target	FY 29 Target
1	<p><b>Direct New Jobs</b></p> <p>* In FY 2024 and earlier, this was jobs associated with projects won by Commerce. In FY 2025, this is a percentage of jobs won compared to <b>private sector</b> job creation as reported by the Bureau of Labor Statistics.</p>	Grow the number of Direct New Jobs through utilization of state incentives. Since 2019, projects won by Commerce have contributed 10%-25% of private sector job creation in Oklahoma.	7,000	10,344	20%	20%
2	<p><b>Increase Average Annual Wage</b></p>	Increase the average annual wage in Oklahoma. This metric is the average wage of projects won by the Department of Commerce. Sub-metrics will compare to state wage as reported by the Bureau of Economic Analysis and compare to the rate of inflation.	\$57,000	\$66,803	\$58,000	\$62,000
3	<p><b>New Private Investment</b></p>	Encourage new private investment in each region of the state through the utilization of existing statutory tools.	\$2.5 Billion	\$9.1 Billion^	\$3.0 Billion	\$4.0 Billion
4	<p><b>New Business Project Wins</b></p> <p>* FY 2024 and earlier, this was "Projects Added to the Pipeline." In FY 2025, this metric changed to Projects Won.</p>	Grow the number of sustainable project wins for Oklahoma. These are business attraction/growth projects with Commerce involvement that have jobs and/or capital investment in the state. Sub-metric detail will include conversion rate, which will be projects won compared to total projects worked.	160	207	250	300
5	<p><b>Community Capacity Improvement Projects</b></p> <p>* In FY 2024 and earlier, these metrics were counts of projects across state. In FY 2025, this metric changed to dollars of infrastructure investment and community assistance facilitated or provided with Commerce engagement.</p>	Grow Community Capital Improvement Projects and Infrastructure. This is the infrastructure and assets that are foundational and necessary for our communities to compete for business attraction/growth projects. Without these capital improvement projects, our communities will not be competitive for business attraction/growth. Sub-metric detail will show source of capital improvement including CDBG, P3, etc.	N/A	531	\$350 Million	\$500 Million

^Note FY24 includes announced projects Rolling Rock, Heart, Albatross 2 & TEO with high investments

# Agency Goals and Key Performance Metrics

	Goal	Metric	FY 24 Target*	FY 24 Actuals	FY 25 Target	FY 29 Target
6	<b>International Trade Project Wins</b>	Grow International Trade relations resulting in projects won. These are announced project wins with job creation and/or capital investment from companies that are headquartered outside the U.S.	N/A	13	10	10
7	<b>Strategic Alignment between Key Agencies and Stakeholders</b>	Increase the strategic alignment between key agencies and stakeholders through quarterly partnership meetings	N/A	N/A	4	4
8	<b>Market Oklahoma</b> *Received a \$10 million appropriation to be spent between FY25 and FY26, Commerce will engage marketing firms to attract workforce. If there are positive outcomes, Commerce will seek to continue this after FY27.	Market Oklahoma as the best place to live, work, and do business through talent and workforce attraction, business attraction, education on programs and incentives available, and key industry promotion	N/A	N/A	\$2,500,000	\$5,000,000
9	<b>Small Business and Entrepreneurship Programs</b>	Implementation of Small Business and Entrepreneurship training seminars that support innovation and diversification of the state economy in both rural and metropolitan areas. Metric is one event per month in collaboration with partners.	N/A	N/A	12	12
10	<b>Adaptability and Accountability</b>	Be the most adaptive and accountable agency, responsive to the needs and input of leadership and advisory councils. Being adaptive and accountable means championing, recommending or initiating a change or improvement. It could be an internal process, collaboration practice, or statutory recommendation. Metric is one documented improvement per quarter.	N/A	N/A	4	4

# Projects for FY 2025

- 1) FY2025 is the inaugural year for the Main Street Incentive Program. Nine communities were awarded at total of \$830,000 for infrastructure and placemaking investments totaling \$3 million in their downtowns.
- 2) Maintain a healthy intake of pipeline projects. Pipeline projects represent deal flow and the potential for future project wins by EDGE. Maintaining a healthy intake of pipeline projects means cultivating relationships with site consultants, SelectOK partners, developers, and other stakeholders. Pipeline projects fluctuate, but the goal is to have 100 projects that are actively managed at any given time.
- 3) Increasing entrepreneurship development and business expansion efforts through partnerships and small business programs through the Small Business Development Center, SBA, and incubator host sites. In addition to increased engagement with these partners, Commerce will develop an Incubator Program that provides financial support to incubators and graduating tenants.
- 4) Recruiting talent by utilizing data to identify “most likely to succeed industries” and needed workforce and talent recruitment from a regional perspective. This will include compiling and analyzing regional industry and occupational data, which will inform regional target industry identification as well as marketing Oklahoma for workforce attraction initiatives.
- 5) Initiating the upgrade of the agency’s customer relationship management software to better capture and track new leads and ongoing projects in CORE and EDGE.
- 6) Initiated the upgrade of the agency’s grant management system, which is used to track millions of state and federal pass-through dollars awarded throughout the state.
- 7) Promotion of Route 66 in advance of the highway's centennial in 2026 through the Oklahoma Main Street Program and the Route 66 Revitalization Grant Program.
- 8) Strategic coordination of international trade missions for the Governor and Lt. Governor in alignment with the Governor’s vision for business growth.
- 9) Identification of the shortcomings of industrial sites by the Regional Development Team so EDGE can have marketable sites for business attraction.
- 10) Continued administration of **\$50 million** in ARPA projects and **\$122 million** in PREP projects previously awarded throughout the state.



# Projects for FY 2026

- 1) Continue implementation of SB1447 (COMPETE Act).
- 2) Completion of the upgrade of the agency's customer relationship management software to better capture and track new leads and ongoing projects in CORE and EDGE.
- 3) Completion of the upgrade of the agency's grant management system, which is used to track millions of state and federal pass-through dollars awarded throughout the state.
- 4) Promotion of Route 66 in advance of the highway's centennial in 2026 through the Oklahoma Main Street Program and the Route 66 Revitalization Grant Program.
- 5) Host the National Main Street Conference in Spring 2026.
- 6) Complete the administration of **\$50 million** in ARPA projects and **\$122 million** in PREP projects previously awarded throughout the state.
- 7) Integrate Artificial Intelligence into agency processes and systems.



# Total Historic Actual Expenditures (FY 2020-24) and Current Year Budget (FY 2025)

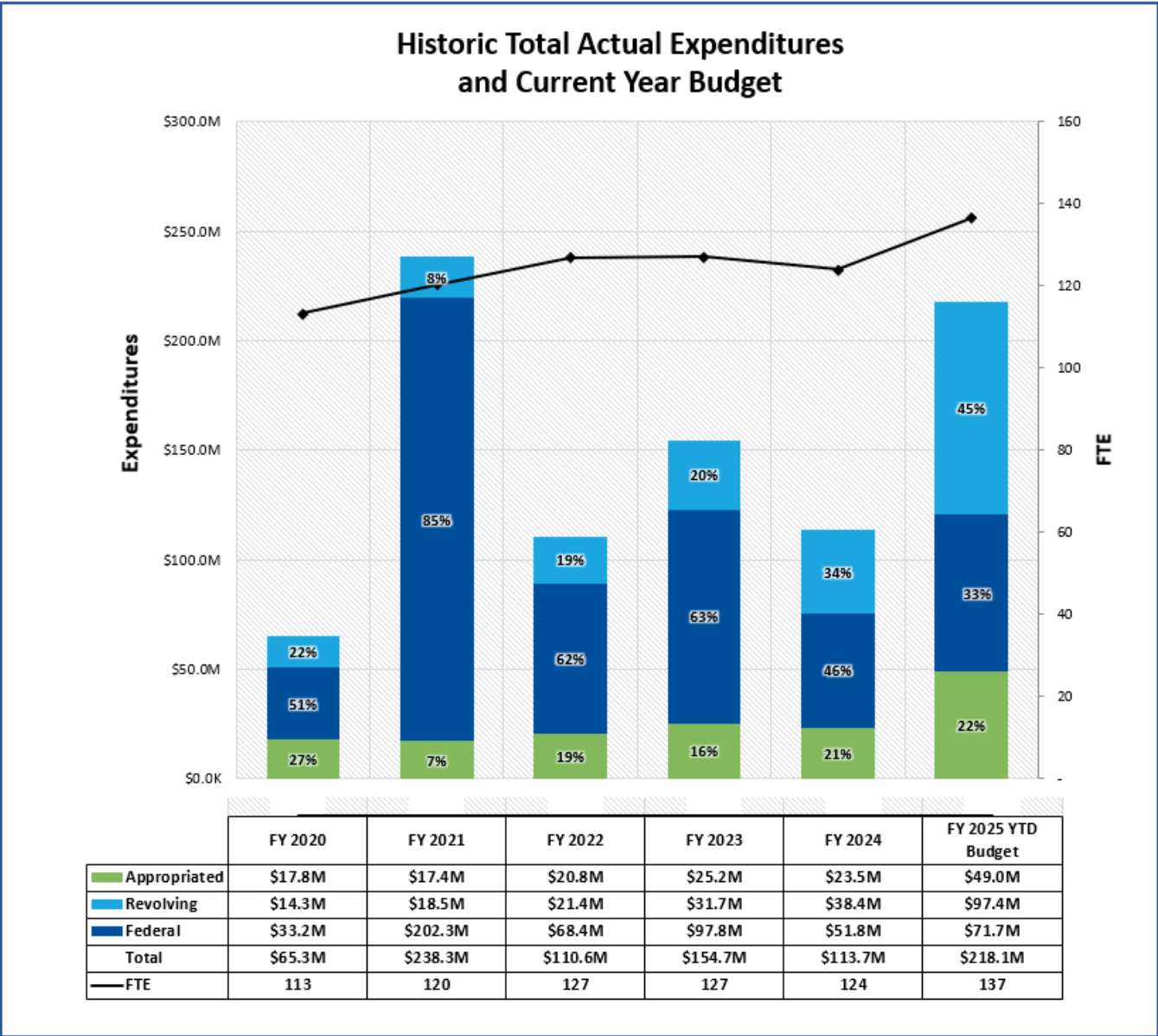
## Explanation of Changes and Trends

The FY 21 increase in federal funding is due to \$143 million in CARES spending for the Oklahoma Business Relief Program.

The FY 23 increase in funding is due to an increase in Rural Economic Action Plan funding from \$15 million to \$30 million; a one-time \$5 million appropriation to the Oklahoma Disaster Mitigation and Recovery matching Fund; a one-time \$25 million appropriation for the ARPA Nonprofit Grant Program; and an increase in federal funding related to the Infrastructure Investment and Jobs Act.

The FY 24 decrease in federal funding is primarily due to the winding down of the CARES Act programs (other than CDBG) and the ARPA Nonprofit Grant Program and the transition of the Workforce Innovation and Opportunity Act programs to OESC.

The FY 25 increase in revolving is due to anticipated increases in PREP spending as projects begin construction, a \$20 million appropriation to the Quick Action Closing Fund, and \$6.25 million in Route 66 grants expected to be paid out this fiscal year.



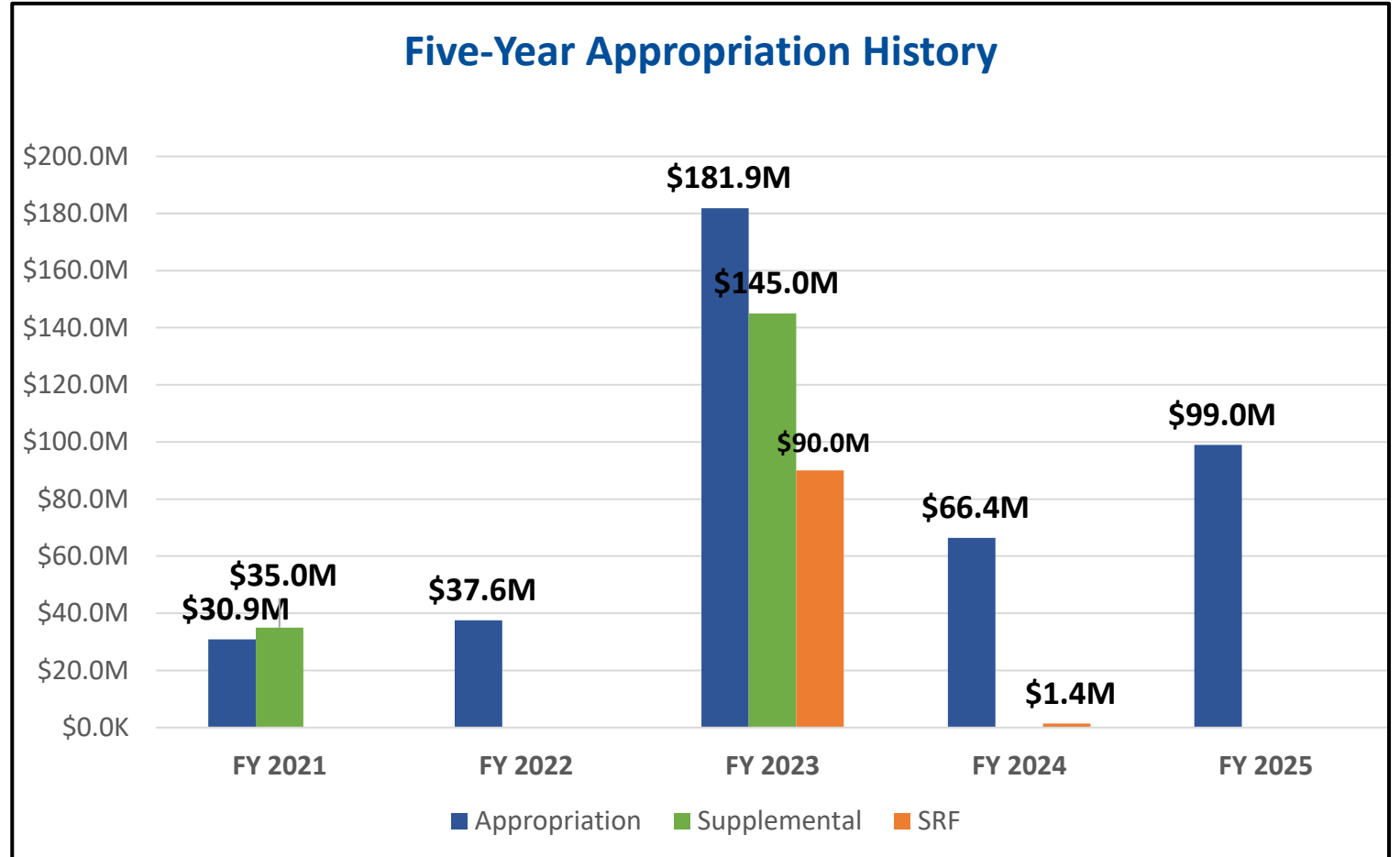


# FY 2025 Budgeted Full Time Equivalents (FTE)

	FY 2025 Budgeted FTE
<b>Total FTE</b>	136.5
<b>Supervisor FTE</b>	23
<b>Supervisors to Total FTE Ratio (%)</b>	16%
<b>Current Budgeted but Unfilled FTE</b>	27

# Appropriation History

Fiscal Year	Legislated Appropriation (\$) <i>(Includes supplementals and SRF/ARPA if applicable.)</i>
FY 2021	\$65,866,497
FY 2022	\$37,552,680
FY 2023	\$416,879,323
FY 2024	\$67,746,002
FY 2025	\$98,951,366



# Financial Resource Analysis

Carryover	FY 2021	FY 2022	FY 2023	FY 2024
Total appropriated carryover amount expended (\$)	\$3,807,338	\$4,199,337	\$20,493,036	\$6,966,569

Historical Cash Balances	FY 2021	FY 2022	FY 2023	FY 2024
Year End Revolving Fund Cash Balances ( <i>All Revolving Funds</i> )	\$45,607,930	\$41,118,675	\$168,561,097	\$184,548,645

Revolving Class Fund # ( <i>Unrestricted only</i> )	Revolving Class Fund Name ( <i>Unrestricted only</i> )	Current cash balance (\$)	Projected FY 2025 year-end cash balance (\$)
#205	Oklahoma Commerce Revolving Fund	\$9,082,573	\$799,589
#		\$	\$
#		\$	\$
#		\$	\$
#		\$	\$
#		\$	\$
	<b>Total Unrestricted Revolving Fund Cash balance:</b>	\$9,082,573	\$799,589

# FY 2023 – 2024 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount FY 2023</i>	<i>Amount FY 2024</i>	<i>Total amount received FY 2023 - 24</i>	<i>Total amount expended by 11/1/2024</i>	<i>Included in FY 2025 approp? (Yes/No)</i>	<i>If not expended fully, please explain.</i>
ACES Program	\$100,000	\$0	\$100,000	\$100,000	Yes	
Automotive Initiative	\$300,000	\$0	\$300,000	\$283,977	Yes	Trade show/event costs and salary/fringe were less than anticipated.
Community Action Agency Partners	\$437,919	\$0	\$437,919	\$437,919	Yes	
Disaster Mitigation and Recovery Matching Fund Act	\$5,000,000	\$0	\$5,000,000	\$0	No	To date, no communities have been identified that meet the program's criteria.
Film and Music Office Moved from OTRD	\$712,279	\$0	\$712,279	\$709,275	Yes	Misc. admin expenses and salary/fringe were less than anticipated.
Community Expansion of Nutrition Assistance (CENA)	\$188,187	\$200,000	\$388,187	\$388,187	Yes	
Substate Planning/COGs Pass-Through Request	\$60,000	\$0	\$60,000	\$60,000	Yes	
REAP Additional Funding	\$14,525,000	\$0	\$14,525,000	\$14,525,000	Yes	
Rogers State University Distance Learning	\$350,000	\$0	\$350,000	\$350,000	Yes	



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2023 – 2024 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount FY 2023</i>	<i>Amount FY 2024</i>	<i>Total amount received FY 2023 - 24</i>	<i>Total amount expended by 11/1/2024</i>	<i>Included in FY 2025 approp? (Yes/No)</i>	<i>If not expended fully, please explain.</i>
Seminole State Rural Business Resource Center for Economic Development	\$503,258	\$400,000	\$903,258	\$903,258	Yes	
OK Small Business Dev Center Network – Pass-Through	\$0	\$150,000	\$150,000	\$150,000	Yes	
Murray State Univ for four-year gunsmithing program	\$0	\$10,000,000	\$10,000,000	\$825,570	No	Subrecipient expenditures were slower than expected in FY24.
Research Mapping/GIS	\$0	\$300,000	\$300,000	\$300,000	Yes	The Placer contract was executed in May 2024 at a cost of \$85,000 for year 1. Year 5 cost is expected to be approximately \$103,000. The cost was originally estimated at \$150,000/year.
Ag Initiative	\$0	\$200,000	\$200,000	\$0	Yes	The ag recruiter position has been vacant throughout the fiscal year.
Protocol Officer	\$0	\$148,650	\$148,650	\$107,249	Yes	Other operating expenses (travel, for example) were less than anticipated during the year.
NEO Rodeo	\$0	\$250,000	\$250,000	\$249,055	No	Subrecipient expenditures were less than expected for FY24.
<b>Totals</b>	\$22,176,643	\$11,648,650	\$33,825,293	\$19,389,490		



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2025 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2026 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
Automotive Initiative	\$109,135	Yes	No	Due to a reevaluation of targeted industries, these funds will be rolled into a more general industry recruitment initiative to allow for flexibility to align with Commerce's strategic plan.
Site Infrastructure	\$250,000	Yes	Yes	
Energy Initiative	\$200,000	Yes	No	Due to a reevaluation of targeted industries, these funds will be rolled into a more general industry recruitment initiative to allow for flexibility to align with Commerce's strategic plan.
Bioscience Initiative	\$200,000	Yes	No	Due to a reevaluation of targeted industries, these funds will be rolled into a more general industry recruitment initiative to allow for flexibility to align with Commerce's strategic plan.
Rural Community Support	\$300,000	Yes	Yes	
Substate Planning/COGs Pass-Through Request	\$150,000	Yes	Yes	



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2025 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2026 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
Community Action Agency Partners	\$220,095	Yes	Yes	
Community Expansion of Nutrition Assistance (CENA)	\$229,946	Yes	Yes	
RX for Oklahoma Pass-Through	\$64,217	No		
Rogers State University STEM Building	\$10,000,000	No		
OK Small Business Dev Center Network – Pass-Through	\$850,000	Yes	Yes	
Workforce Recruitment Initiative	\$10,000,000	No		
Strategic Planning Reports for Product Development and Regional Districts	\$250,000	Yes	Yes	
Murray State Univ for four-year gunsmithing program	\$(10,000,000)	No		
NEO Rodeo	\$(250,000)	No		
<b>Total Adjustments</b>	<b>\$12,573,393</b>			



*\*Do not include SRF / ARPA appropriation increases.*

# Budget & Supplemental Incremental Request Summary

	Request Name	FY 2026 Incremental Appropriation Request Amount (\$) {or FY 2025 for Supplementals}	Type of Request: Recurring, One-time, or Supplemental
1	Business Recruitment and Retention Efforts	\$650,000	Recurring
2	Support of Community Expansion of Nutrition Assistance Pass-Through Program	\$250,000	Recurring
3	Support of Community Action Agency Pass-Through Programs (includes Head Start and Head Start Coordination)	\$242,104	Recurring
4	Support of Substate Planning/Councils of Government Pass-Through Program	\$30,000	Recurring
5			



# (1) Incremental Budget Request

<b>Business Recruitment and Retention Efforts</b>	
Type: Recurring	\$650,000
<p>In the FY 2025 budget, Commerce received \$200,000 for energy recruitment, \$200,000 for bioscience recruitment and \$250,000 for strategic plan development. Due to a reevaluation of targeted industries conducted during FY 2025, Commerce has decided to shift to a more general industry recruitment initiative, which will allow for more flexibility to align with Commerce's strategic plan.</p>	



# (2) Incremental Budget Request

<b>Support of Community Expansion of Nutrition Assistance Pass-Through Program</b>	
Type: Recurring	\$250,000
<p>An increase of \$250,000 will increase the number of meals served to vulnerable senior citizens, especially in rural Oklahoma. Any increase in funding for this program will enhance the quality of life for seniors in the state. As the population shifts from rural to urban, the local resources available in rural Oklahoma continue to diminish. Maintaining a baseline level of service in nutrition programs has become more difficult and expensive. There are almost 500 Senior Centers in the state, with a continually increasing aging population, therefore, an increase of funding is necessary.</p> <p>There are \$500,000 in unfunded reimbursement requests in Oklahoma Senior Centers. Increasing the funding for CENA will realize savings because increased investment in nutrition decreases the need for future emergency services in areas such as healthcare. Increasing funding in the nutrition program allows local partners to expand capacity and increase the quantity and quality of services, especially in rural areas. Increasing local capacity allows for more efficient delivery of critical services, particularly programs like senior nutrition.</p>	



# (3) Incremental Budget Request

## Support of Community Action Agency Pass-Through Programs (includes Head Start and Head Start Coordination)

Type: Recurring

\$242,104

An increase of \$242,104 to ODOC's general community development allocation will allow Community Action Agencies to serve approximately 10% more clients in programs such as early childhood education, prescription assistance, and other anti-poverty programs. Community Action Agencies provide these programs in response to specific, local need in all 77 counties.

Savings are realized because increased investment in education decreases the need for future emergency services in areas such as healthcare, unemployment and emergency shelter. Increasing funding in all community development programs allows local partners to expand capacity and increase the quantity and quality of services, especially in rural areas. Increasing local capacity allows for more efficient delivery of critical services, particularly programs such as Head Start.



# (4) Incremental Budget Request

## Support of Substate Planning/Councils of Government Pass-Through Program

Type: Recurring

\$30,000

An increase of \$30,000 to ODOC's allocation will allow for greater impact in economic development via an increase in funds for substate planning districts. An increase in funding helps address a rural equity issue by assisting towns that have no access to economic planning services of their own. Historically, the substate planning funds have helped COGs access hundreds of federally funded projects with an economic impact of more than \$120 million. Restoring funding for the substate planning districts to previous levels will allow for greater capacity to support more projects in the future.

Expanding the ability of substate planning districts to provide economic development services to rural Oklahoma will help prevent future economic losses by helping to secure leveraged funding from sources such as U.S. EDA.

