

FY23 Budget Performance Review

Oklahoma Center for the Advancement of Science and Technology #628

Lead Administrator: C. Michael Carolina

Lead Financial Officer: Elaine Spell

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
- * 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.

Division or Program Number and Name

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.

Technology Information Services - Communicates information about OCAST's research and technology support efforts which may lead to private collaboration or monetary assistance for firms, farms, and education. Handles all local, state, and federal government affairs.

Programs Division - Provides oversight of the Health Research/Health Fellowship, Applied Research, Intern Partnership, Plant Science, Inventors' Assistance, Small Business Research Assistance, Industrial Extension Service, Technology Commercialization, Technology Business Finance Program and Seed Capital programs and seeks new opportunities with industry for increased economic growth.

Information Technology Program - Information Technology (services, software/hardware) necessary for agency operation.

Oklahoma Health Research/Health Fellowship Programs - Competitively awards funding for one to three year research awards related to human health.

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.

Intern Partnerships - The Intern program helps 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. Fostering a successful project outcome, the Oklahoma Center for the Advancement of Science and Technology provides funding that grants students hands-on experience with R&D in a business environment while increasing collaboration between industry and academia to achieve mutually beneficial research goals. OCAST interns, in many instances, are hired by the partnering companies which are always the best Oklahoma has to offer in high-tech industry.

Plant Science - Funding program for basic research in plant productivity, renewable biomass, plant-based environmental applications and chemical platforms, plant-based solutions to improve nutrition, human and/or animal health or performance, process applications and seed management and the development of new products and services that would form the basis of new, high-technology plant science/agriculture industry for Oklahoma.

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.

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

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.

Oklahoma Technology Commercialization Center - A private-public partnership to stimulate the start-up and growth of technology-based firms in Oklahoma.

Technology Business Finance Program - A private-public partnership to promote promising innovation and support efforts for commercialization by providing early pre-seed stage financing to start-up companies, well-established firms and manufacturers

Seed Capital - A private-public partnership to provide seed capital investment in early-stage companies that are engaged in the commercialization of promising new technologies.

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FY'22 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
0100001	Administration and Finance	\$651,628					\$651,628
0400003	CARES Economic Development Program		\$150,000				\$150,000
0500001	Programs Division	\$893,600					\$893,600
0510005	Technology Information Systems	\$771,086					\$771,086
0530001	Oklahoma Health Research	\$1,613,011		\$1,408,674			\$3,021,685
0530002	Health Fellowship	\$300,000		\$149,643			\$449,643
0530003	Oklahoma Applied Research	\$3,434,729		\$179,347			\$3,614,076
0530005	Oklahoma Intern Partnerships	\$559,991					\$559,991
0530007	Plant Science	\$959,198					\$959,198
0550003	Small Business Research Assistance (SBRA)	\$282,000					\$282,000
0550005	Industrial Extension Services	\$1,184,000					\$1,184,000
0570001	Oklahoma Technology Commercialization Center	\$1,393,186					\$1,393,186
0570003	*Technology Business Finance Program (Fund 23000)	\$0				\$628,498	\$628,498
0570003	*Technology Business Finance Program (Fund 19021)	\$0				\$172,849	\$172,849
0600001	Seed Capital Revolving	\$2,759,308					\$2,759,308
8800005	Information Technology	\$102,810					\$102,810
Total		\$14,904,547	\$150,000	\$1,737,664	\$0	\$801,347	\$17,593,558

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: The Technology Business Finance Program (TBFP), Fund 230, represents repayments for investments. The program is self-sustaining. However, in FY2020 the program received \$1,000,000 in appropriated funds. The \$172,849 in fund 19021 is carryover from FY2020 that has been rolled over to the FY2022 budget via a budget revision.

FY'21 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
19011	General Revenue	\$979,709					\$979,709
20000	Research Support Revolving Fund			\$513,524			\$513,524
23000	Technology Business Finance Program Rev Fund					\$524,468	\$524,468

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: Technology Business Finance Program - repayments

What changes did the agency make between FY'21 and FY'22?

1.) Are there any services no longer provided because of budget cuts?

Programs are based on funding availability. In recent years programs and contracting dollars have been reduced and this action dramatically effects the return on investment to the

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

The agency does not collect fees or charge users for services.

3.) What services are still provided but with a slower response rate?

All awards are made with the same response rate but we are providing fewer contract awards each year. These are viable (peer reviewed) applications with significant potential for commercialization and return on investment. This inability to fund approved contracts translates to a loss of additional private and federal investment, loss of new high-wage jobs and reduction in the commercialization of important research for the state.

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?

Per the agency's business plan for performance based upon completion of first year employment and performance for job duties as per PMP evaluation the agency provided increase.

FY'23 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
0100001	Administration and Finance	\$716,791	\$0	\$0	\$0	\$716,791	10.00%
0500001	Programs Division	\$982,960	\$0	\$0	\$0	\$982,960	10.00%
0510005	Technology Information Systems	\$920,118	\$0	\$0	\$0	\$920,118	19.33%
0530001	Oklahoma Health Research	\$1,179,957	\$0	\$0	\$0	\$1,179,957	-60.95%
0530002	Health Fellowship	\$247,500	\$0	\$0	\$0	\$247,500	-44.96%
0530003	Oklahoma Applied Research	\$10,939,800	\$0	\$0	\$0	\$10,939,800	202.70%
0530005	Oklahoma Intern Partnerships	\$653,857	\$0	\$0	\$0	\$653,857	16.76%
0530007	Plant Science	\$641,727	\$0	\$0	\$0	\$641,727	-33.10%
0550001	Inventors' Assistance Service	\$431,194					
0550003	Small Business Research Assistance (SBRA)	\$310,200	\$0	\$0	\$0	\$310,200	10.00%
0550005	Industrial Extension Services	\$1,302,800	\$0	\$0	\$0	\$1,302,800	10.03%
0570001	Oklahoma Technology Commercialization Center	\$1,560,005	\$0	\$0	\$0	\$1,560,005	11.97%
0600001	Seed Capital Revolving	\$5,000,000	\$0	\$0	\$0	\$5,000,000	81.20%
8800005	Information Technology	\$113,091	\$0	\$0	\$0	\$113,091	10.00%
Total		\$25,000,000	\$0	\$0	\$0	\$24,568,806	39.65%

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

FY'23 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Establish at least one supercluster for industry innovation	\$1,799,737
Request 2:	Rebrand OCAST and create a single innovation support program within the agency that includes student internship	\$7,679,245
Request 3:	System and tools for assessing, analysis and communicating the effectiveness of OCAST programs and services.	\$224,476
Request 4:		
Request 5:		
Top Five Request Subtotal:		\$9,703,458
Total Increase above FY-22 Budget (including all requests)		\$ 9,703,458
Difference between Top Five requests and total requests:		\$0

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?

No

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How would the agency be affected by receiving the same appropriation for FY '23 as was received in FY '22? (Flat/ 0% change)

If held flat in FY2023; \$5,097,605 will come off the top for prior year contract obligations; in addition to the requirement of 18% of appropriation for Oklahoma Seed Capital Fund and the annual statutory obligations. Due to flat budget restraints, loss of revolving funds and out year obligations, the agency's ability to execute its mission has been dramatically affected. As the appropriations continue to sink the state will lose additional public private investment including venture capital hindering its ability to compete in a national and global marketplace.

How would the agency handle a 2% appropriation reduction in FY '23?

Historically, the agency has spread the reduction across all programs. Due to agency contractual obligations, programs will not only be reduced but will be cut.

Is the agency seeking any fee increases for FY '23?

AGENCY 628 DOES NOT HAVE ANY FEES TO INCREASE		Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1			
Increase 2			
Increase 3			

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

Description of request in order of priority	Appropriated Amount (\$)	Submitted to LRCPC? (Yes/No)
Priority 1 Upgrade desktops purchased in 2015 with new leased desktops	\$6,000	No.
Priority 2		
Priority 3		

Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 22 budgeted	FY 21	FY 20	FY 19	FY 18
113070000	Economic Development Assistance Grant for an Economic Adjust Award to expand technical assistance to oil & gas manufacturing clusters	0550001	0	0	0	\$86,511	\$275,195
113070000	Economic Development Assistance Grant for an Economic Adjust Award to expand technical assistance to oil & gas manufacturing clusters	0550005	0	0	40,776	\$32,929	\$432,538

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?
None.
2.) Are any of those funds inadequate to pay for the federal mandate?
None.
3.) What would the consequences be of ending all of the federal funded programs for your agency?
No effect.
4.) How will your agency be affected by federal budget cuts in the coming fiscal year?
No effect.
5.) Has the agency requested any additional federal earmarks or increases?
No.

FY'22 Budgeted FTE

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
01	Administration	1		2		1	1
01	Administration & Finance	1		4		3	1
05	Programs Division	1		6		5	1
05	Technology Information Services	1		3		2	1
Total		4	0	15	0	11	4

FTE History

Division #	Division Name	2022 Budgeted	2021	2020	2018	2013
01	Administration	6.0	6.0	6.0	6.0	7.0
05	Programs Division	6.0	5.0	6.0	6.0	8.0
05	Technology Information Services	3.0	3.0	3.0	3.0	3.0
07	Edge	0.0	0.0	0.0	0.0	1.0
Total		15.0	14.0	15.0	15.0	19.0

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Performance Measure Review					
Program Name	FY 21	FY 20	FY 19	FY 18	FY 17
Administration & Finance - 5 Administrative Expense	5%	5%	5%	5%	5%
Programs - Oklahoma Health Research					
*Leverage	\$183.4 M	\$108.50 M	\$136.9 M	\$135.6 M	\$76.3 M
Patent Applications	31	20	25	23	27
Programs - Oklahoma Applied Research					
*Leverage	\$155.2 M	\$133.2 M	\$155.9 M	\$150.4 M	\$115.6 M
Business financial impacts	\$73.5 M	\$101.2 M	\$118.6 M	\$123.7 M	\$94 M
Programs - Plant Science					
*Leverage	\$3.6 M	\$3.2 M	\$2.8 M	\$2.8 M	\$5.7 M
Scientific /technical jobs	58	33	34	32	41
Programs - Oklahoma Industrial Extension					
Jobs created/retained	1,072	1,022	2,008	1,959	1,749
Increase in gross sales	\$228.4 M	\$97.2 M	\$261.9 M	\$261.9 M	\$142 M
* Leverage is defined as payroll+sales+capital investment+follow-on					

Revolving Funds (200 Series Funds)			
Please provide fund number, fund name, description, and revenue source	FY'19-21 Avg. Revenues	FY'19-21 Avg. Expenditures	June '21 Balance
Fund number: Fund name			
20000 - Research Support Revolving Fund - State Appropriation Revenue plus any overpayments from awardees from incorrect request for payment submissions through the OGX Grant system	\$5,552,602	\$5,819,665	\$6,145,045
22000 - Seed Capital Revolving Fund - State Appropriation Line Item	\$2,967,378	\$2,967,378	\$0
23000 - Technology Business Finance Program - Self sustaining fund (repayments from investments) until FY2020 when legislature appropriated \$1,000,000 to fund 190.	\$153,973	\$137,693	\$628,498

