

FY 2024 Budget Performance Review

62800 - Oklahoma Center for the Advancement of Science & Technology (OCAST)

Lead Administrator: Jennifer McGrail

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 or Program Number and Name

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 (Formerly 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. Manages a data team to provide data driven recommendations to OCAST, the Secretary of Science and Innovation, and other agencies in regards performance, and strategic objectives.

0500001 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. Works to grow the number of partners serving as Innovation Partners to provide services for Oklahoma Businesses.

8800005 Information Technology Program - Information Technology (services, software/hardware) necessary for agency operation.

0530001/0530002 Oklahoma Health Research/Health Fellowship Programs - Competitively awards funding for one to three year research awards related to human health.

0530003/0530004 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 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.

0530007 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.

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

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0570003 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

0600001 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.

FY'23 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
0100001	Administration & Finance	\$720,464					\$720,464
0500001	Programs Division	\$925,253					\$925,253
0510005	Technology Information Systems	\$763,411					\$763,411
0530001	Oklahoma Health Research	\$2,300,273		\$777,291			\$3,077,564
0530002	Health Fellowship	\$150,000					\$150,000
0530003	Oklahoma Applied Research	\$2,066,594					\$2,066,594
0530004	Applied R&D Industry Innovation	\$2,250,000					\$2,250,000
0530005	Oklahoma Intern Partnerships	\$480,833					\$480,833
0530007	Plant Science	\$495,596					\$495,596
0550001	Inventors' Assistance Service	\$450,000					\$450,000
0550003	Small Business Research Assistance (SBRA)	\$282,000					\$282,000
0550005	Industrial Extension Services	\$1,800,000					\$1,800,000
0570001	Oklahoma Technology Commercialization Center	\$1,300,000					\$1,300,000
0570003	*Technology Business Finance Program (Fund 230)	\$0				\$757,123	\$757,123
0600001	Seed Capital Revolving	\$2,759,308					\$2,759,308
8800005	Information Technology	\$102,810					\$102,810
Total		\$16,846,542	\$0	\$777,291	\$0	\$757,123	\$18,380,956

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, Fund 23000, represents repayments for investments. The program is self-sustaining.**

FY'22 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
19201	General Revenue	\$167,208					\$167,208
20000	Research & Support Revolving Fund			\$777,291			\$777,291
23000	Technology Business Finance Program					\$757,123	\$757,123

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'22 and FY'23?

- 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 s
- 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.

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FY'24 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
0100001	Administration & Finance	\$1,200,000	\$0	\$0	\$0	\$1,200,000	66.56%
0500001	Programs Division	\$1,600,000	\$0	\$0	\$0	\$1,600,000	72.93%
0510005	Technology Information Systems	\$1,500,000	\$0	\$0	\$0	\$1,500,000	96.49%
0530001	Oklahoma Health Research	\$0	\$0	\$777,291	\$0	\$777,291	-74.74%
0530002	Health Fellowship	\$0	\$0	\$0	\$0	\$0	-100.00%
0530003	Oklahoma Applied Research**	\$10,000,000	\$0	\$0	\$0	\$10,000,000	383.89%
0530004	Applied R&D Industry Innovation	\$0	\$0	\$0	\$0	\$0	-100.00%
0530005	Oklahoma Intern Partnerships	\$1,500,000	\$0	\$0	\$0	\$1,500,000	211.96%
0530007	Plant Science	\$0	\$0	\$0	\$0	\$0	-100.00%
0550001	Inventors' Assistance Service	\$0	\$0	\$0	\$0	\$0	-100.00%
0550003	Small Business Research Assistance (SBRA)	\$0	\$0	\$0	\$0	\$0	-100.00%
0550005	Industrial Extension Services	\$0	\$0	\$0	\$0	\$0	-100.00%
0570001	Oklahoma Technology Commercialization Center	\$0	\$0	\$0	\$0	\$0	-100.00%
0570003	*Technology Business Finance Program (Fund 230)	\$0	\$0	\$0	\$757,123	\$757,123	0.00%
0600001	Seed Capital Revolving	\$3,000,000	\$0	\$0	\$0	\$3,000,000	8.72%
8800005	Information Technology	\$200,000	\$0	\$0	\$0	\$200,000	94.53%
	Innovation Partner Program***	\$7,000,000	\$0	\$0	\$0	\$7,000,000	
	OCAST Research Development Attraction Act	\$1,000,000	\$0	\$0	\$0	\$1,000,000	
Total		\$27,000,000	\$0	\$777,291	\$757,123	\$28,534,414	55.24%

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

*TBFP is funded through repayments into the fund

**This represents achieving agency operating request #2 to implement the most successful programs for OCAST. We will eventually work to rename this program, however, with it being State

***This will roll the programs for SBRA, Inventors Assistance, Industrial Extension, Technology Commercialization Center under one umbrella and allow us to meet the individual statutes for each of these as well as expand to provide other private-public partnership opportunities to address gaps in the innovation ecosystem to support further diversification of Oklahoma's economy through technology based economic development in the three core areas.

FY'24 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Oklahoma Research and Development Attractions Act	
Request 2:	OCAST Intern Partnership for STEM Workforce	
Request 3:	Build upon the success of the Oklahoma Innovation Partners	\$7,000,000
Request 4:	Implement most successful programs framework in all OCAST programs	\$12,500,000
Request 5:	Maximize capital funding opportunities for the state	\$3,000,000
Top Five Request Subtotal:		\$22,500,000
Total Increase above FY-23 Budget (including all requests)		\$ 27,000,000
Difference between Top Five requests and total requests:		\$4,500,000

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

No.

How would the agency be affected by receiving the same appropriation for FY '24 as was received in FY '23? (Flat/ 0% change)

A flat budget for FY24 would require OCAST to cut programs and focus on administering existing/mandated programs. OCAST has been given the opportunity to manage the Oklahoma Accelerator Program, be the holder and administrator of the federal SSBCI funds, and the program administrator for 6 ARPA projects. Many of these programs do not allow for administrative fees and OCAST has welcomed the opportunity to administer this programs. With a flat budget OCAST would be forced to go into survival mode just to meet the base requirements for these programs and our other mandated programs. We would not be able to leverage the programs to their fullest or build the startups and businesses we work with.

How would the agency handle a 2% appropriation reduction in FY '24?

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. With the additional projects OCAST has been given the opportunity to administer, this would push us to operate in survival mode to meet basic regulatory obligations.

Is the agency seeking any fee increases for FY '24?

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		
Priority 2		
Priority 3		

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Federal Funds							
CFDA	Federal Program Name	Agency Dept. #	FY 23 budgeted	FY 22	FY 21	FY 20	FY 19
11.307	Economic Development Assistance Grant for an Economic Adjust Award to expand technical assistance to oil & gas manufacturing clusters	0550001	\$ -	\$ -	\$ -	\$ -	\$ 86,511
11.307	Economic Development Assistance Grant for an Economic Adjust Award to expand technical assistance to oil & gas manufacturing clusters	0550005	\$ -	\$ -	\$ -	\$ 40,776	\$ 32,929
N/A	CARES Economic Development Program	0400003	\$ -	\$ 149,892	\$ -	\$ -	\$ -
21.031	Small State Business Credit Initiative Technical Assistance	0540001	\$ 684,694	\$ -	\$ -	\$ -	\$ -
N/A	Small State Business Credit Initiative Investments	0620001	\$ 16,139,805	\$ -	\$ -	\$ -	\$ -
N/A	Small State Business Credit Initiative Loans	0620002	\$ 10,804,295	\$ -	\$ -	\$ -	\$ -

Federal Government Impact	
1.) How much federal money received by the agency is tied to a mandate by the Federal Government?	
All SSBCI money is tied to the SSBCI program requirements provided through the US Treasury.	
2.) Are any of those funds inadequate to pay for the federal mandate?	
All SSBCI funds are pass through funds and will go to the Funds, CDFI's, Financial institutions selected through the RFP process.	
3.) What would the consequences be of ending all of the federal funded programs for your agency?	
OCAST will still continue to provide on our mission. Ending federal funds would take away a significant amount of capital necessary for supporting commercialization of technologies in Oklahoma. Additionally as all other states have access to the funding, our funds would go to other states and we would fall far behind in the access to capital needed to grow innovation.	
4.) How will your agency be affected by federal budget cuts in the coming fiscal year?	
SSBCI funds have already been appropriated and federal budget cuts would not impact our access to these funds	
5.) Has the agency requested any additional federal earmarks or increases?	

FY'23 Budgeted FTE							
Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
01	Administration	2	4	0	4	1	1
05	Programs Division	1	5	0	5	1	
05	Technology Information Services	1	2	0	2	1	
Total		4	11	0	11	3	1

FTE History						
Division #	Division Name	2023 Budgeted	2022	2021	2019	2014
01	Administration	6.0	6.0	6.0	6.750	7.75
05	Programs Division	6.0	6.0	5.0	6.000	7.50
05	Technology Information Services	3.0	3.0	3.0	1.000	2.00
Total		15.0	15.0	14.0	13.75	17.25

Performance Measure Review					
Program Name	FY 22	FY 21	FY 20	FY 19	FY 18

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Revolving Funds (200 Series Funds)			
<i>Please provide fund number, fund name, description, and revenue source</i>	FY'20-22 Avg. Revenues	FY'20-22 Avg. Expenditures	June '22 Balance
Fund number: Fund name			
<i>Describe fund purpose and revenue source</i>			
20000 - Research Support Revolving Fund - State Appropriation Revenue plus any overpayments from awardees from incorrect request for payment submissions through the OGX Grant system	\$6,171,297	\$5,443,830	\$8,012,159
NOTE: the June 22 cash balance for Fund 200 does not reflect the outstanding encumbrances yet to be paid in the amount of \$6,752,687.86.			
22000 - Seed Capital Revolving Fund - State Appropriation Line Item	\$2,909,332	\$2,909,332	\$0
23000 - Technology Business Finance Program - Self sustaining fund (repayments from investments).	\$232,899	\$174,804	\$814,185

FY 2023 Current Employee Telework Summary						
<i>List each agency location, then report the number of employees associated with that location in the teleworking categories indicated. Use "No specified location" to account for remote employees not associated with a site. Use actual current employees, not budgeted or actual FTE.</i>			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, Suite 110	Oklahoma City	Oklahoma	5	4	3	12
Not Specified	Tulsa	Tulsa	0	0	1	1
						0
						0
						0
Total Agency Employees						13