

FY 2025 Budget Performance Review

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

Version Original
Lead Administrator: Jennifer McGrail

Date submitted 10/1/2023
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; 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.

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.

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.

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.

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FY'24 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
0100001	Administration & Finance	\$633,338					\$633,338
0500001	Programs Division	\$977,177					\$977,177
0510005	Office of Science and Innovation	\$781,052					\$781,052
0530001	Oklahoma Health Research	\$1,857,406					\$1,857,406
0530002	Health Fellowship	\$75,000					\$75,000
0530003	Oklahoma Applied Research	\$986,520					\$986,520
0530004	Applied R&D Industry Innovation	\$4,341,869		\$1,372,555			\$5,714,424
0530005	Oklahoma Intern Partnerships	\$717,108					\$717,108
0530010	Tulsa Metro Accelerator					\$4,666,667	\$4,666,667
0530010	OKC Metro Accelerator					\$4,000,000	\$4,000,000
0530010	Rural Accelerator					\$4,925,000	\$4,925,000
0550001	Inventors' Assistance Service	\$619,700					\$619,700
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)					\$741,000	\$741,000
0600001	Seed Capital Revolving	\$2,105,817					\$2,105,817
0620001	SSBCI Investments		\$14,415,884				\$14,415,884
0620002	SSBCI Loans		\$9,610,590				\$9,610,590
1710001	ARPA - 36 Degrees North		\$5,000,000				\$5,000,000
1810001	ARPA - The Verge		\$500,000				\$500,000
1910001	ARPA - OCAST Rural Tech Assist Prgrm		\$1,000,000				\$1,000,000
8800005	Information Technology	\$369,555					\$369,555
						\$0	\$0
Total		\$16,846,542	\$30,526,474	\$1,372,555	\$0	\$14,332,667	\$63,078,238

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'23 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
19301	General Revenue	\$71,788					\$71,788
20000	Research & Support Revolving Fund			\$1,372,555			\$1,372,555
22000	Seed Capital Revolving Fund			\$2,759,308			\$2,759,308
23000	Technology Business Finance Program					\$752,622	\$752,622
40000	Small Business Cr Initiate		\$684,693				\$684,693
49700	Statewide Recovery Fund (ARPA)	\$67,137,000					\$67,137,000

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:

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What changes did the agency make between FY'23 and FY'24?

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

Plant Research program. Additionally, OCAST will be rolling the funds for the Health Research and Health Post Doc program into the Applied Research Programs beginning in FY24. The applied research programs provided

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

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

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

Yes, OCAST has long had pay bands significantly under other state agencies. OCAST used the recent compensation evaluation to make determinations on which pay bands needed adjustment and with the approval of the OSTRaD board made some minor adjustments to start to become in alignment with other state agencies. We lost an employee in FY23 to another state agency who offered this person with minimal experience more than our directors with 20+ years of experience were making. In order to afford these adjustments, we elected to leave a director position open and also decreased some other operational expenses.

FY'25 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
0100001	Administration & Finance	\$1,358,338	\$0	\$0	\$0	\$1,358,338	114.47%
0500001	Programs Division	\$2,477,177	\$0	\$0	\$0	\$2,477,177	153.50%
0510005	Office of Science and Innovation	\$1,681,052	\$0	\$0	\$0	\$1,681,052	115.23%
0530001	Oklahoma Health Research	\$1,857,406	\$0	\$0	\$0	\$1,857,406	0.00%
0530002	Health Fellowship	\$75,000	\$0	\$0	\$0	\$75,000	0.00%
0530003	Oklahoma Applied Research	\$986,520	\$0	\$0	\$0	\$986,520	0.00%
0530004	Applied R&D Industry Innovation	\$14,341,869	\$0	\$1,372,555	\$0	\$15,714,424	175.00%
0530005	Oklahoma Intern Partnerships	\$3,717,108	\$0	\$0	\$0	\$3,717,108	418.35%
0530010	Tulsa Metro Accelerator	\$0	\$0	\$0	\$4,666,667	\$4,666,667	0.00%
0530010	OKC Metro Accelerator	\$0	\$0	\$0	\$4,000,000	\$4,000,000	0.00%
0530010	Rural Accelerator	\$0	\$0	\$0	\$4,925,000	\$4,925,000	0.00%
0550001	Inventors' Assistance Service	\$619,700	\$0	\$0	\$0	\$619,700	0.00%
0550003	Small Business Research Assistance (SBRA)	\$282,000	\$0	\$0	\$0	\$282,000	0.00%
0550005	Industrial Extension Services	\$1,800,000	\$0	\$0	\$0	\$1,800,000	0.00%
0570001	Oklahoma Technology Commercialization Center	\$1,300,000	\$0	\$0	\$0	\$1,300,000	0.00%
0570003	*Technology Business Finance Program (Fund 230)	\$0	\$0	\$0	\$741,000	\$741,000	0.00%
0600001	Seed Capital Revolving	\$3,605,817	\$0	\$0	\$0	\$3,605,817	71.23%
0620001	SSBCI Investments	\$0	\$14,415,884	\$0	\$0	\$14,415,884	0.00%
0620002	SSBCI Loans	\$0	\$9,610,590	\$0	\$0	\$9,610,590	0.00%
1710001	ARPA - 36 Degrees North	\$0	\$5,000,000	\$0	\$0	\$5,000,000	0.00%
1810001	ARPA - The Verge	\$0	\$500,000	\$0	\$0	\$500,000	0.00%
1910001	ARPA - OCAST Rural Tech Assist Prgm	\$0	\$1,000,000	\$0	\$0	\$1,000,000	0.00%
8800005	Information Technology	\$469,555	\$0	\$0	\$0	\$469,555	27.06%
Total		\$34,571,542	\$30,526,474	\$1,372,555	\$14,332,667	\$80,803,238	28.10%

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

FY'25 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Advance Research, Development, and Commercialization in Oklahoma	\$10,000,000
Request 2:	Improve Access to Capital	\$1,500,000
Request 3:	Promote STEM Education and Workforce Development	\$3,000,000
Request 4:	Enhance Agency Operations and Efficiency	\$1,725,000
Request 5:	Foster Statewide Collaboration	\$1,500,000
Top Five Request Subtotal:		\$17,725,000
Total Increase above FY-24 Budget (including all requests)		\$ 17,725,000
Difference between Top Five requests and total requests: NOTE: Supplemental Req #1 for \$1,000,000 for FY24 = Oklahoma Attraction Act		\$0

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 '25 as was received in FY '24? (Flat/ 0% change)

OCAST would continue to operate at current delivery levels and continue to miss out on creating new innovative companies in Oklahoma. Also, we stand the risk of losing good employees if we are not able to maintain semi-competitive on compensation plans.

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How would the agency handle a 2% appropriation reduction in FY '25?

OCAST would be forced to absorb this reduction in our direct programs and services at a greater rate than administration levels. We have decreased our overhead expenses as much as possible and any additional cuts would directly impact our programs and services which would then impact the number of Oklahoma based companies we can assist.

Is the agency seeking any fee increases for FY '25?

	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		

Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 24 budgeted	FY 23	FY 22	FY 21	FY 20
11.307	Economic Development Assistance Grant for an Economic Adjust Award to expand technical assistance to oil & gas manufacturing clusters	0550005	\$0	\$0	0	0	40776
n/a	CARES Economic Development Program	0400003	0	0	149,892	\$0	\$0
21.031	SSBCI Tech Assistance	0540001	684,693	684,694	0	\$0	\$0
n/a	SSBCI Investments	0620001	14,415,884	16,139,085	0	\$0	\$0
n/a	SSBCI Loans	0620002	9,610,884	10,804,295	0	\$0	\$0

Federal Government Impact

- How much federal money received by the agency is tied to a mandate by the Federal Government?**
 All federal funds are tied to federal mandates.
- Are any of those funds inadequate to pay for the federal mandate?**
 At this time, SSBCI appears to provide adequate cost recovery
- What would the consequences be of ending all of the federal funded programs for your agency?**
 This would be disastrous to the innovation economy. Oklahoma would be forced to return all \$82 million in SSBCI funding and this would require all the funds we invest in to call in their investments to return the funds. Additionally, as SSBCI funds must be matched by private funds at a minimum of \$1 to \$1, this would mean the total impact would be more than \$164 million.
- How will your agency be affected by federal budget cuts in the coming fiscal year?**
 SSBCI funds have already been funded at the federal level. Unless these funds are clawed back we will see no impact.
- Has the agency requested any additional federal earmarks or increases?**
 We have let the US Treasury know that if additional SSBCI funds become available, we will apply

FY 2024 Budgeted FTE

Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
01	Administration	2	3	0	2	1	2
05	Programs Division	1	5	0	3	2	1
05	Office of Science and Innovation	0	4	0	2	2	0
Total		3	12	0	7	5	3

