

Department of Commerce - 160

Head of Agency: Deby Snodgrass

Lead Financial Officer: Stacie Willis

FY'18 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Community Development	\$708,577	\$1,975,861	\$32,181			\$2,716,619
Business Services	\$2,457,804		\$498,057			\$2,955,861
Contracts and Comm. & Economic Dev.	\$6,040,794	\$60,742,745	\$2,825,049			\$69,608,588
Operational Support	\$4,766,200		\$2,881,199			\$7,647,399
Main Street Program	\$556,780		\$33,010			\$589,790
REAP**			\$9,255,368			\$9,255,368
NACEA	\$5,967,827		\$12,167,225			\$18,135,052
ISD Data Processing	\$320,015		\$265,302			\$585,317
						\$0
Total	\$20,817,997	\$62,718,606	\$27,957,391	\$0	\$0	\$111,493,994

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

FY-18 BWP as of Revision 4. Revolving includes state appropriated carryover and indirect

** REAP budget includes refund of FY 17 revenue failure. Amount requested below is level funding compared to FY 18 appropriation.

FY'17 Carryover by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'17 Carryover	\$2,615,176					\$2,615,176

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

Appropriated carryover includes returned revenue failure funds.

What Changes did the Agency Make between FY'17 and FY'18?	
1.)	Are there any services no longer provided because of budget cuts? None
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? Visits to Site Selectors, business leaders looking to relocate or expand, and fewer trips
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'19 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Community Development	\$708,577	\$1,975,861			\$2,684,438	-1.18%
Business Services	\$2,457,804		\$149,920		\$2,607,724	-11.78%
Contracts and Comm. & Economic Dev.	\$6,040,794	\$60,742,745	\$525,049		\$67,308,588	-3.30%
Operational Support	\$4,766,200		\$297,661		\$5,063,861	-33.78%
Main Street Program	\$556,780		\$1,453		\$558,233	-5.35%
REAP	\$0		\$9,187,761		\$9,187,761	-0.73%
NACEA	\$5,967,827		\$10,000,000		\$15,967,827	-11.95%
ISD Data Processing	\$320,015		\$211,565		\$531,580	-9.18%
Total	\$20,817,997	\$62,718,606	\$20,373,409	\$0	\$103,910,012	-6.80%

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

FY'19 Top Five Appropriation Funding Requests

	\$ Amount
Commerce is requesting a flat budget.	

Total Increase above FY-18 Request \$ -

How would the agency handle a 2% appropriation reduction in FY'19?

A 2% reduction would prompt increased cuts to pass-through funding. Pass through entities make up 65% of the Agency's appropriated budget.

How would the agency handle a 4% appropriation reduction in FY'19?

A 4% reduction would prompt increased cuts to pass-through funding. Pass through entities make up 65% of the Agency's appropriated budget.

How would the agency handle a 6% appropriation reduction in FY'19?

A 6% reduction would prompt increased cuts to pass-through funding. Pass through entities make up 65% of the Agency's appropriated budget.

Is the agency seeking any fee increases for FY'18?

	\$ Amount
Increase 1	
Increase 2	
Increase 3	

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 of 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 due to the elimination of funding used by local governments to improve streets and water treatment facilities and funds used by community action agencies to feed and educate low-income children and weatherize homes of low-income citizens.

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

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 to local governments and community action agencies, 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'19 Budgeted FTE

	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Community Development	4		26		24	2
Business Services	3		22		15	7
Contracts for Community & Economic Dev.	-		0			
Operational Support	14		41		34	7
Main Street Program	1		6		6	
NACEA	-		1		1	
Total	22	0	96	0	80	16

SALARIES ONLY

FTE History

	2018 Budgeted	2017	2014	2011	2007
Community Development	26	27	39	37	43
Business Services	22	24	25	25	31
Contracts for Community & Economic Dev.	-	-	-	-	-
Operational Support	41	43	43	67	62
Main Street Program	6	6	6	4	7
NACEA	1	4	7	11	6
Total	96	104	120	144	149

Performance Measure Review

	FY'17	FY'16	FY'15	FY'14	FY'13
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	4,948	4,539	7,136	7,859	7,473
New Investment*	\$2,475,000,000	\$2,413,186,000	\$2,185,397,775	\$1,481,843,108	\$3,338,893,261
Private Investment in Main Street	\$50,980,780	\$78,090,476	\$55,388,731	\$323,433,939	\$115,511,064
Average Wage of New Jobs	\$47,220	\$62,463	\$53,959	\$52,229	\$68,241
Workforce Training	N/A	N/A	N/A	N/A	14,432
Community Improvement Projects	207	225	108	214	241

* In FY11-13, New Investment was reported for Business Development only; in FY14-16, it was reported for the agency as a whole.

Revolving Funds (200 Series Funds)			
	FY'15-17 Avg. Revenues	FY'15-17 Avg. Expenditures	June '17 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 was extended to March 2019. Per Legislation transferred 1.6 million from Fund 205 to 255 in Nov 2015 .</i>	\$603,082	\$556,804	\$909,529
Native American Cultural & Educ. Revolving Fund- 206 Continuing fund for the Native American Cultural and Educational Authority.	\$0	\$273,843	\$49,290
AICCM Completion Revolving Fund- 207 Continuing fund for the completion of the American Indian Cultural Center and Museum.	\$4,000,000	\$0	\$12,000,000
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.	\$10,453,451	\$10,293,078	\$1,943,025
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>Per Legislation transferred 1.6 million from Fund 205 to 255 in Nov 2015. There is one active project in the program.</i>	\$533,333	\$1,833,333	\$2,825,049
Total All Funds	\$15,589,866	\$12,957,058	\$17,726,893