

**FY 2026 Budget Performance Review
Oklahoma Department of Commerce - 160**

Version Revision 01
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Agency Mission

To help create an environment where economic growth will occur.

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

43 - Community Services

Community Services fosters economic development by helping communities understand and implement infrastructure projects and comprehensive planning in order to maximize their resources.

43 - Main Street

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.

45 - Business Services

This division currently includes the Aerospace Commerce Economic Services, and Automotive Initiative (Auto). The purpose of ACES and Auto is to create a partnership of education and training, research, and economic development in the Aerospace and Auto industries.

67 - Contracts for Community & 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.

70 - Operational Support Services

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. EDGE Group is also included in this division 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.

88 - ISD Data Processing

Information technology expenditures must be budgeted as a separate line item within agency budgets. (62 O.S. § 34.43) All IT expenses should be budgeted in division 88 unless otherwise approved.

93 - Rural Economic Action Plan

This is a continuing fund, not subject to fiscal year limitations, for economic development in rural areas with populations of less than 7,000. Funds have to be used for one of the following items: rural water quality, rural waste, rural sanitary sewage, rural roads, rural health services, rural fire protection, rural telecommunications, municipal energy employment projects, and other projects approved by 2/3 of the substate governing board. The Community Development Services Division annually monitors the REAP program at each COG.

FY'25 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
30	ARPA Infrastructure Grants			\$10,000,000			\$10,000,000
40	PREP Infrastructure Grants			\$10,000,000			\$10,000,000
41	PREP Southern Regional Airpark			\$5,000,000			\$5,000,000
42	PREP State Fair Project			\$5,000,000			\$5,000,000
44	PREP International Recruiting			\$294,024			\$294,024
50	ARPA Workforce Coordination			\$600,000			\$600,000
60	PREP Rural Dev Grants			\$12,000,000			\$12,000,000
43	Community Development	\$866,618	\$3,748,070	\$158,150			\$4,772,838
43	Main Street Program	\$850,314		\$98,535			\$948,849
45	Business Services	\$2,918,454					\$2,918,454
67	Contracts and Comm. & Economic Dev.	\$21,959,265	\$55,426,123	\$34,440,164			\$111,825,552
70	Operational Support	\$21,409,459	\$0	\$1,565,741			\$22,975,200
88	ISD Data Processing	\$947,256	\$415,500	\$378,350			\$1,741,106
93	REAP (Rural Economic Action Plan)			\$30,000,000			\$30,000,000
Total		\$48,951,366	\$59,589,693	\$109,534,964	\$0	\$0	\$218,076,023

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:

Balances of Appropriated Funds from Prior Fiscal Years						
3-digit Class Fund #	Class Fund Name	GA Bill # and Section #	Fiscal Year of Original Appropriation	Original Appropriation Amount (\$)	Total Expended Amount as of 8/31/2024 (\$)	Balance as of 8/31/2024 (\$)
193	GRF - Duties	SB1040 §44, HB1038X, & SB1125 §171	FY23/FY24	\$99,729,323	\$22,474,484	\$77,254,839
194	GRF - Duties	HB1004X §100 HB1019XX & HB1022XX	FY24	\$36,377,973	\$19,430,959	\$16,947,014
386	Progressing Rural Economic Prosperity	HB1022XX	FY23	\$122,150,000	\$4,704,181	\$117,445,819
260	Oklahoma Disaster Mitigation & Recovery Fund	HB3819 §2	FY23	\$5,000,000	\$0	\$5,000,000
Total remaining prior year appropriation balance:						\$216,647,672
Report appropriations that have existing balances from all prior fiscal years at the 3-digit class fund number (i.e. 193, 194). Do not report carryover class funds separately. Include appropriations located in disbursing funds. Report PREP, but not ARPA/SRF, appropriations.						

What changes did the agency make between FY'24 and FY'25?	
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?	The agency continually reviews processes to ensure we are operating efficiently and seeks out best value/lowest cost options when making purchases, allowing us to continue providing the same level of service to customers.
4.) Did the agency provide any pay raises that were not legislatively/statutorily required?	Please see tab labelled FY24 Salary Changes

Appropriation Increase Review					
Appropriation Increase Purpose	Appropriation Increases (Additional to Agency Base Appropriation)			Expenditures	
	FY 2023	FY 2024	Total Amount Received FY 2023-2024	Total Expenditure of Increase as of 6/30/2024	If funds have not been spent, please explain why.
ACES Program	\$100,000	\$100,000	\$200,000	\$1,661,786	The ACES program was designated \$3,082,902 which includes \$1,259,778 in FY23 carryover. To date, ACES has spent \$1,697,983 and currently there is \$581,445 encumbered.
Automotive Initiative	\$300,000	\$300,000	\$600,000	\$193,878	The AUTO program was designated \$640,566 which includes \$249,701 in FY23 carryover. To date, AUTO has spent \$205,333 and currently there is \$133,231 encumbered.
Community Action Agency Partners	\$437,919	\$437,919	\$875,838	\$1,812,130	Balance of funds is currently encumbered. We are awaiting final payment requests from the CAAs.
Disaster Mitigation and Recovery Matching Fund Act	\$5,000,000	\$0	\$5,000,000	\$0	Program implementation was delayed due to rollout of other programs and time needed to develop grant
Film and Music Office Moved from OTRD	\$712,279	\$712,279	\$1,424,558	\$603,117	The OFMO program was designated \$997,960 which includes \$273,145 in FY23 carryover. To date, OFMO has spent \$650,910 and currently there is \$22,034 encumbered.
Community Expansion of Nutrition Assistance	\$188,187	\$188,187	\$376,374	\$1,654,147	Balance of funds was encumbered at year end and disbursed after 6/30/24.
Substate Planning/COGs Pass-Through Request	\$60,000	\$60,000	\$120,000	\$132,179	Balance of funds is currently encumbered. The final request is in process as of 10/1/24.
REAP Additional Funding	\$14,525,000	\$0	\$14,525,000	\$27,232,752	According to state statute, the funds related to REAP projects are distributed through the 11 Regional Councils of Government in the state. The COGs are required to submit a plan for the fiscal year funding. Once the plans have been submitted, they are able to request 1/12 of their funds. The remaining balance is approximately one month worth of expenditures and was disbursed after 6/30/24.

Rogers State University Distance Learning	\$350,000	\$0	\$350,000	\$291,667	The remaining balance is approximately one month worth of expenditures and was disbursed after 6/30/24.
Seminole State Rural Business and Resource Center for	\$503,258	\$503,258	\$1,006,516	\$2,500,000	
OK Small Business Dev Center Network -Pass Thru	\$0	\$150,000	\$150,000	\$706,639	Balance of funds is currently encumbered. We are awaiting final payment requests from the SBDC.
OK Community Enhancement of Nutrition Asst (CENA)	\$0	\$200,000	\$200,000	\$1,654,147	Balance of funds was encumbered at year end and disbursed after 6/30/24.
Murray State Univ for four-year gunsmithing program (OT)	\$0	\$10,000,000	\$10,000,000	\$0	Invoice for approximately \$825,000 was submitted in September 2024. 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
Research Mapping/GIS	\$0	\$300,000	\$300,000	\$1,114,320	\$150,000/year.
Ag Initiative	\$0	\$200,000	\$200,000	\$0	The ag recruiter position has been vacant throughout the fiscal year. Other operating expenses (travel, for example) were less than anticipated during the year.
Protocol Officer	\$0	\$148,650	\$148,650	\$116,661	Had to get a revised invoice for June.
Seminole State Rural Business and Resource Center for Economic Development	\$0	\$400,000	\$400,000	\$158,333	As of 9/6/2024, the full 2,900,000 has An invoice has been paid in the amount of \$249,055.23 as of 7/25/2024.
NEO Rodeo	\$0	\$250,000	\$250,000	\$0	
Total:	\$22,176,643	\$13,950,293	\$36,126,936	\$39,831,756	

List appropriation increases that the agency has received in the prior two years. List amounts received in each year. Include PREP, but not ARPA/SRF, appropriations.

FY'26 Requested Funding By Department and Source							
Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
30	ARPA Infrastructure Grants	\$0	\$0	\$10,000,000	\$0	\$10,000,000	0.00%
40	PREP Infrastructure Grants	\$0	\$0	\$10,000,000	\$0	\$10,000,000	0.00%
41	PREP Southern Regional Airpark	\$0	\$0	\$5,000,000	\$0	\$5,000,000	0.00%
42	PREP State Fair Project	\$0	\$0	\$5,000,000	\$0	\$5,000,000	0.00%
44	PREP International Recruiting	\$0	\$0	\$294,024	\$0	\$294,024	0.00%
50	ARPA Workforce Coordination	\$0	\$0	\$600,000	\$0	\$600,000	0.00%
60	PREP Rural Dev Grants	\$0	\$0	\$12,000,000	\$0	\$12,000,000	0.00%
43	Community Development	\$866,618	\$3,748,070	\$158,150	\$0	\$4,772,838	0.00%
43	Main Street Program	\$850,314	\$0	\$98,535	\$0	\$948,849	0.00%
45	Business Services	\$2,918,454	\$0	\$0	\$0	\$2,918,454	0.00%
67	Contracts and Comm. & Economic Dev.	\$11,774,986	\$55,426,123	\$34,440,164	\$0	\$101,641,273	-9.11%
70	Operational Support	\$11,409,459	\$0	\$1,565,741	\$0	\$12,975,200	-43.53%
88	ISD Data Processing	\$947,256	\$415,500	\$378,350	\$0	\$1,741,106	0.00%
93	REAP (Rural Economic Action Plan)	\$0	\$0	\$30,000,000	\$0	\$30,000,000	0.00%
Total		\$28,767,087	\$59,589,693	\$109,534,964	\$0	\$197,891,744	-9.26%

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

FY'26 Top Five Operational Appropriated Funding Increase Requests			
Request by Priority	Request Description	Is this a Supplemental Request? (Yes/No)	Appropriation Request Increase Amount (\$)
Request 1:	Business Recruitment & Retention Efforts	No	\$650,000
Request 2:	Support of CENA OK Program	No	\$250,000
	Support of OK Community Action Agency Partners (Includes Head Start and Head Start Coordination)	No	\$242,104
Request 3:	Start Coordination)	No	\$30,000
Request 4:	Support of OK Substate Planning to Councils of Government	No	\$30,000
Request 5:			
Top Five Request Subtotal:			\$1,172,104
Total Increase above FY-25 Budget (including all requests)			\$ 1,172,104
Difference between Top Five requests and total requests:			\$0

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?		
Description of requested increase in order of priority	Needed State Funding for Project (\$)	Submitted to LRCPC or OCAMP? (Yes/No)
Priority 1		
Priority 2		
Priority 3		

List any requests for new construction from the Legacy Capital Fund		
Description of requested increase in order of priority	Needed State Funding for Project (\$)	Submitted to LRCPC? (Yes/No)
Priority 1		
Priority 2		
Priority 3		

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?
Yes, we have costs associated with the Pathfinder retirement system and federal employees.

How would the agency be affected by receiving the same appropriation for FY '26 as was received in FY '25? (Flat/ 0% change)
Agency would be able to operate at the same level as FY '25.

How would the agency handle a 2% appropriation reduction in FY '26?
Agency would be able to operate at the same level as FY '25 and use carryover to cover any deficits related to one-time expenditures.

Is the agency seeking any fee increases for FY '26?		
Description of requested increase in order of priority	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1		
Increase 2		
Increase 3		

Federal Funds							
CFDA	Federal Program Name	Agency Dept. #	FY 25 budget (\$)	FY 24 actuals (\$)	FY 23 actuals (\$)	FY 22 actuals (\$)	FY 24 budgeted FTE (#)
11.307	EDA - Economic Development Admin	70	0	0	24,000	898,000	0.00
14.228	CDBG - Community Development Block Grant	43, 67, and 88	16,500,000	16,499,797	33,589,026	15,872,196	6.57
14.231	ESG - Emergency Solutions Grant	43, 67, and 88	1,717,500	2,269,591	5,431,245	10,361,447	1.40
14.269	CDBGDR - Community Development Block Grant	43, 67, and 88	6,527,987	3,267,435	0	76,943	1.30
59.061	STEP - State Trade and Export Promotion	70	335,000	231,811	350,928	451,444	0.00
81.041	SEP - State Energy Program	43, 67, and 88	5,538,900	741,407	731,772	645,534	2.50
81.042	DOE - Weatherization Assistance Program	43, 67, and 88	13,831,678	4,994,574	3,010,456	1,879,394	5.93
81.254	DOE - Grid Resilience	43, 67, and 88	4,999,590	11,668			0.14
93.568	DHS - Low-Income Home Energy Assistance	43, 67, and 88	1,090,500	803,152	700,952	1,260,577	0.68
93.569	CSBG - Community Services Block Grant	43, 67, and 88	8,997,637	8,842,616	10,754,332	14,132,337	3.80
93.6	HS - Head Start Collaboration	43 & 67	175,000	147,969	162,264	138,145	0.03
21.027	ARPA Statewide Recovery Fund	10, 43, 50, 60, 67, 7	10,701,692	596,735	16,614,545	\$0	0.00
17.285	WIOA - Apprenticeship State Expansion	43, 67, and 88	210,901	389,430	294,328	406,504	2.00

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 most 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.

FY 2025 Budgeted FTE							
Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
43	Community Development	6	33	0	29	8	2
43	Main Street Program	1	6	0	3	4	0
45	Business Services	2	11.5	0	8	3.5	2
67	Contracts for Community & Economic Dev.	0	0	0	0	0	0
70	Operational Support	15	62	0	35	32	10
Total		24	112.5	0	75	47.5	14

FTE History by Fiscal Year							
Division #	Division Name	FY 2025 Budgeted	FY 2025 YTD	FY 2024	FY 2023	FY 2022	FY 2016
43	Community Development	39.0	33.0	36.0	46.0	43.0	28.0
43	Main Street Program	7.0	6.0	6.0	6.0	6.0	6.0
45	Business Services	13.5	11.5	11.5	5.5	3.0	19.0
67	Contracts for Community & Economic Dev.	0.0	0.0	0.0	0.0	0.0	0.0
70	Operational Support	77.0	59.0	60.0	71.0	73.0	42.0
88	ISD Data Processing	0.0	0.0	0.0	0.0	0.0	0.0
93	REAP (Rural Economic Action Plan)	0.0	0.0	0.0	0.0	0.0	0.0
67	NACEA	0.0	0.0	0.0	0.0	0.0	5.5
Total		136.5	109.5	113.5	128.5	125.0	100.5

Performance Measure Review						
Program Name		FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
KPM #1	Direct New Jobs	10,344	5,763	8,117	6,225	3,977
KPM #2	Average Annual Wage	\$66,803	\$55,028	\$62,010	\$51,083	\$58,862
KPM #3	New Private Investment	\$9.1 Billion*	\$2.13 Billion	\$4.5 Billion	\$2.1 Billion	\$1.8 Billion
KPM #4	New Business Projects	207	210	185	281	N/A
KPM #5	Community Capacity Improvement Projects	531	539	253	226	225
*Note FY24 includes announced projects Rolling Rock, Heart, Albatross 2 & TEO with high investments						

Revolving Funds (200 Series Funds)			
	FY'22-24 Avg. Revenues	FY'22-24 Avg. Expenditures	June '24 Balance
OK Department of Commerce Revolving Fund - 205			
Continuing fund and subject to the administrative direction of the Oklahoma Department of Commerce. <i>Includes Port of Muskogee \$10,000,000 transfer. Approximately 67% of revenue is reimbursement of grant expenditures previously disbursed from Fund 205. Current grant end September 2025.</i>	\$4,101,975	\$1,446,082	\$9,140,113
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. <i>Appropriation only</i>	\$25,158,333	\$25,158,333	\$2,994,521
Oklahoma Rt 66 Centennial Celebration Fund - 226			
These funds are to be used for approved projects in eligible communities along Rt 66 in Oklahoma.	\$6,600,000	\$62,439	\$13,141,278
Oklahoma Main Street Fund - 250			
The Main Street Fund is used for the purpose of providing specific services and training to participating towns or neighborhoods as they begin the process of revitalizing their districts and offering education on the benefits of historic preservation and community commercial development.	\$8,333	\$8,335	\$0
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.	\$858,048	\$2,450,000	\$36,630,355
Disaster Mitigation Fund - 260			
This fund was created to help counties and municipalities impacted by natural disasters or at risk for future loss in their application for recovery and mitigation project financing. The new fund is an opportunity to match federal grant programs like those from FEMA and others. <i>Appropriation only FY23.</i>	\$1,666,667	\$0	\$5,000,000

