

FY22 Budget Performance Review

Department of Commerce - 16000

Lead Administrator: Brent Kisling

Lead Financial Officer: Stacie Willis

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 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. Business 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 7000. 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'21 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
43	Community Development	\$801,670	\$8,636,171	\$216,280			\$9,654,121
43	Main Street Program	\$550,207	\$0	\$4,957			\$555,164
45	Business Services	\$1,165,800	\$145,000,000	\$251,149			\$146,416,949
67	Contracts and Comm. & Economic Dev.	\$7,209,143	\$79,865,567	\$18,413,997			\$105,488,707
70	Operational Support	\$7,415,044		\$1,931,073			\$9,346,117
88	ISD Data Processing	\$597,816	\$346,000	\$200,963			\$1,144,779
93	REAP (Rural Economic Action Plan)			\$13,133,480			\$13,133,480
Total		\$17,739,680	\$233,847,738	\$34,151,899	\$0	\$0	\$285,739,317

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 departm

FY'20 Carryover by Funding Source

	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
Carryover	\$3,364,415	\$0	\$0	\$0	\$0	\$3,364,415
	\$0					\$0

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:

What changes did the agency make between FY'20 and FY'21?

1.) Are there any services no longer provided because of budget cut? 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 FY20 Salary Changes

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FY'22 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
43	Community Development	\$801,670	\$8,636,171	\$216,280	\$0	\$9,654,121	0.00%
43	Main Street Program	\$1,560,207	\$0	\$4,957	\$0	\$1,565,164	181.93%
45	Business Services	\$1,165,800	\$0	\$251,149	\$0	\$1,416,949	-99.03%
67	Contracts and Comm. & Economic Dev.	\$7,209,143	\$79,865,567	\$28,413,997	\$0	\$115,488,707	9.48%
70	Operational Support	\$8,704,044	\$0	\$1,931,073	\$0	\$10,635,117	13.79%
88	ISD Data Processing	\$756,816	\$346,000	\$200,963	\$0	\$1,303,779	13.89%
93	REAP (Rural Economic Action Plan)	\$0	\$0	\$13,126,817	\$0	\$13,126,817	-0.05%
Total		\$20,197,680	\$88,847,738	\$44,145,236	\$0	\$153,190,654	-46.39%

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

FY'22 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Five State Recruitment Strategy	\$1,000,000
Request 2:	E-Commerce Business Assistance	\$250,000
Request 3:	General Administrative Expenses	\$198,000
Request 4:	Innovation Initiative	\$250,000
Request 5:	Small Business Development Center	\$760,000
Top Five Request Subtotal:		\$2,458,000
Total Increase above FY-21 Budget (including all requests)		\$ -
Difference between Top Five requests and total requests:		-\$2,458,000

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 '22 as was received in FY '21? (Flat/ 0% change)

Agency would be able to operate at the same level as FY '21.

How would the agency handle a 2% appropriation reduction in FY '22?

Agency would be able to operate at the same level as FY '21 and use carryover to cover any deficits related to one-time expenditures.

Is the agency seeking any fee increases for FY '22?

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1	N/A	
Increase 2	N/A	
Increase 3	N/A	

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 21 budgeted	FY 20	FY 19	FY 18	FY 17
11.307	EDA - Economic Development Admin	45	0	0	31,606	91,774	193,716
14.228	CDBG - Community Development Block Grant	43 & 67	33,934,351	12,500,176	13,369,153	10,954,133	14,307,803
14.231	ESG - Emergency Solutions Grant	43 & 67	10,468,340	1,537,009	1,696,486	1,623,671	1,563,915
14.269	CDBGDR - Community Development Block Grant Disas	43 & 67	272,701	2,170,602	3,218,654	15,771,834	34,289,155
59.061	STEP - State Trade and Export Promotion	70	299,000	4,850	0	14,375	176,896
81.041	SEP - State Energy Program	43 & 67	825,480	444,045	967,980	299,540	409,554
81.042	DOE - Weatherization Assistance Program	43 & 67	2,200,394	1,658,101	2,726,665	2,434,774	2,630,858
93.568	DHS - Low-Income Home Energy Assistance	43 & 67	1,550,000	886,758	1,336,868	2,255,570	2,445,804
93.569	CSBG - Community Services Block Grant	43 & 67	14,160,393	8,018,890	8,197,029	8,198,475	7,928,672
93.6	HS - Head Start Collaboration	43 & 67	175,000	167,742	156,812	171,321	150,424
17.278	WIOA - Dislocated Worker	43 & 67	6,995,310	2,558,542	0	0	0
17.259	WIOA - Youth Statewide	43 & 67	8,273,823	826,097	0	0	0
17.258	WIOA - Adult Statewide	43 & 67	7,609,900	2,832,318	0	0	0
17.285	WIOA - Apprenticeship State Expansion	43 & 67	384,046	17,526	0	0	0
17.277	WIOA - COVID Dislocated Worker	43 & 67	1,998,000				

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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 and Workforce Development Divisions. 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'21 Budgeted FTE

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
43	Community Development	8		47	0	37	10
43	Main Street Program	1		5	0	5	0
45	Business Services	1		3	0	0.5	2.5
67	Contracts for Community & Economic Dev.	0		0	0	0	0
70	Operational Support	16		66.3	0	46.3	20
88	ISD Data Processing	0		0	0	0	0
93	REAP (Rural Economic Action Plan)	0		0	0	0	0
Total		26	0	121.3	0	88.8	32.5

Salary only. Does not include benefits.

FTE History

Division #	Division Name	2021 Budgeted	2020	2019	2017	2012
43	Community Development	47.0	43.0	25.0	27.0	37.0
43	Main Street Program	5.0	4.0	5.0	6.0	5.0
45	Business Services	3.0	3.5	2.5	24.0	25.0
67	Contracts for Community & Economic Dev.	0.0	0.0	0.0	-	0.0
70	Operational Support	66.3	63.8	64.55	43.0	62.0
88	ISD Data Processing	0.0	0.0	0.0	-	0.0
93	REAP (Rural Economic Action Plan)	0.0	0.0	0.0	-	0.0
67	NACEA	0.0	0.0	0.0	4.0	11.0
Total		121.3	114.3	97.1	104.0	140.0

Performance Measure Review

Program Name	FY 20	FY 19	FY 18	FY 17	FY 16
KPM #1 Direct New Jobs facilitated by Commerce	4,257	8,730	12,320	5,083	4,539
KPM #2 Average Annual Wage of Direct New Jobs	\$61,042	\$63,332	\$44,205	\$46,881	\$62,463
KPM #3 New Private Investment facilitated by Commerce	\$2.1 Billion	\$1.9 Billion	\$1 Billion	\$2.3 Billion	\$2.4 Billion
KPM #4 Community Capacity Improvement Projects Completed	242	237	234	207	221

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Revolving Funds (200 Series Funds)

<i>Please provide fund number, fund name, description, and revenue source</i>	FY'18-20 Avg. Revenues	FY'18-20 Avg. Expenditures	June '20 Balance
<p align="center">OK Department of Commerce Revolving Fund - 205</p> <p>Continuing fund and subject to the administrative direction of the Oklahoma Department of Commerce. <i>Approximately 62.7% of revenue is reimbursement of grant expenditures previously disbursed from Fund 205. The grant ends September 2021.</i></p>	\$338,502	\$334,750	\$1,058,954
<p align="center">Rural Economic Action Plan Revolving Fund - 225</p> <p>Funds are for the purpose of economic development in rural areas with populations of less than 7,000. <i>Appropriation only</i></p>	\$10,816,019	\$10,813,798	\$1,681,882
<p align="center">Oklahoma Main Street Fund - 250</p> <p>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.</p>	\$6,667	\$6,014	\$1,958
<p align="center">Quick Action Closing Revolving Fund - 255</p> <p>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.</p>	\$7,723,649	\$1,127,025	\$23,015,997
<p align="center">Work Based Learning Fund - 270</p> <p>Funds are to be expended by Workforce Development to develop and maintain a Work-based Learning Program within its jurisdiction to be focused on increasing the number of registered apprenticeships and internship programs, defined as paid and unpaid work experience by the United States Department of Labor as contained in 20 CFR 681.600, in this state to at least an aggregate of twenty thousand positions by the end of the calendar year 2020. Based on FY2020 only. Workforce moved to the Department of Commerce the end of December 2019.</p>	\$0	\$68,819	\$243,651