

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB3252
Version:	PCS1
Request Number:	10319
Author:	Rep. Osburn
Date:	2/28/2024
Impact:	Commerce State Funds: -\$3,095,104.31
	Commerce Federal Funds: -\$21,262,766.32

Research Analysis

The proposed committee substitute for HB3252 modifies the mission statement and duties of the Oklahoma Department of Commerce (ODOC) and the state's five-year economic development plan, which will be renamed the five-year infrastructure and community development plan. The new mission of the department is to support community development by providing technical assistance to local communities to secure federal funding opportunities. ODOC is also directed to convene a working group of state agencies that includes ODOT, OWRB and the Oklahoma Broadband Office to maximize the investment of state and federal funds.

The measure also transfers the following duties from ODOC to other state agencies:

- The Oklahoma Center for the Advancement of Science and Technology will administer the inventor's assistance program and Invest in Oklahoma program;
- The Department of Human Services will administer the disbursement of funds from the Energy Conservation Assistance Fund and Weatherization Revolving Fund; and
- The State Department of Health will administer the County Jail Improvement Fund and Rx For Oklahoma Act.

Fiscal Analysis

HB3252 restructures much of the Oklahoma Department of Commerce (Commerce) moving certain divisions to other state agencies, and narrowing some other programs within Commerce. Below are some of the changes along with the possible financial change to the agency.

Sections 1-6 removes certain economic development programs from the agency, which would decrease Commerce's funding needs by \$2,478,340.47 of state funds.

Section 7 corrects responsibility for the investor's assistance program. This change does not have an impact on Commerce's budget.

Sections 8 and 9 transfer the Invest in Oklahoma program to the Center for Advancement of Science and Technology (OCAST). Commerce does not expect to lose funding or FTEs based on these changes.

Sections 10 and 11 transfers the Energy Conservation Assistance Fund (ECAAF) to the Department of Human Services (DHS). This program has been funded by non-state contributions, and has not been active since 2011. Therefore, there is no change on Commerce's budget.

Section 12 moves the determination of an eligible Oklahoma business venture for receipt of investment from Commerce to OCAST. Commerce does not believe this change will affect the agency's budget.

Section 13 transfers certain responsibilities for certain federal energy laws from Commerce to the Oklahoma Department of Environmental Quality (DEQ). From some of these programs, Commerce is able to use federal funds to offset some indirect costs, and would lose that ability. Additionally, it's likely employees would need to transfer to DEQ. Commerce believes that it will see an increase in State funds of \$174,052.15 and a loss of federal dollars of \$21,262,766.32.

Section 14 moves the Chief International Protocol Office to the Lt. Governor's office. Current funding for this office is \$148,650, which would be a loss to Commerce's budget by that amount.

Sections 15 and 16 moves the County Jail Improvement Fund to the State Department of Health (Health). Commerce states that fund and program has not been active since FY-1988, and therefore, there would be no loss of employees for funding.

Section 17 moves the Weatherization Revolving Fund to DHS. This program has also not been active for some time and therefore, there would be no loss of employees for funding.

Section 18 moves the Rx for Oklahoma Program to Health. Commerce's FY-2024 budget for the program is \$642,166, and are all passed to local entities to administer the program. This move would still remove the funding from Commerce's budget.

Overall, there are several programs who's move would impact Commerce's budget by either a loss of State of Federal funds.

		Estimated Change in State Appropriations	Estimated Change in Federal Funds
Section 1-6	Rescoping Commerce's economic development work	(\$2,478,340.47)	\$0
Section 13	Removing work to DEQ	\$174,052.15	(\$21,262,766.32)
Section 14	International Protocol Office	(\$148,650.00)	\$0
Section 18	Rx for Oklahoma	(\$642,166.00)	\$0
Total		(\$3,095,104.32)	(\$21,262,766.32)

Prepared By: Mariah Searock, House Fiscal Staff

Other Considerations

None.

