

PROGRAM DESCRIPTION

Department: Economic Development

HB Section(s): 7.030

Program Name: Missouri Technology Corporation (MTC)

Program is found in the following core budget(s): Missouri Technology Corporation

1a. What strategic priority does this program address?

MTC drives economic development through the promotion of entrepreneurship and fostering the growth of new and emerging high-tech companies.

1b. What does this program do?

- MTC assists early-stage businesses to raise the private capital necessary to commercialize new technologies and grow their businesses by providing (1) co-investment capital to early-stage ventures through the MTC IDEA Fund; (2) grants to non-profit organizations, higher education institutions, Innovation Centers, and other research institutions that help entrepreneurs raise capital and develop promising new technologies through the MOBEC Grant program; and (3) direct funding to the State's Innovation Centers.
- MTC provides the State match for the federal Manufacturing Extension Partnership (MEP) program, which enables small and medium-sized manufacturers to adopt new technologies and innovative practices to increase their competitiveness in the global marketplace.

2a. Provide an activity measure(s) for the program.

	FY2020		FY2021		FY2022		FY2023	FY2024	FY2025
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Projected	Projected
IDEA Fund Co-Investments Approved	15	7	10	8	10	8	20	30	30
IDEA Fund Co-Investments Allocated	\$2,500,000	\$1,100,000	\$1,500,000	\$1,846,283	\$2,000,000	\$1,500,000	\$6,500,000	\$8,000,000	\$8,000,000
Number of MOBEC Grants Approved	10	8	6	7	8	7	10	20	20
Amount of MOBEC Grant Funds Allocated	\$1,000,000	\$901,022	\$1,000,000	\$1,018,049	\$1,800,000	\$1,113,334	\$2,000,000	\$4,000,000	\$4,000,000

Note 1: MTC's Board of Directors approves MOBEC Grant and IDEA Fund co-investment allocations within a fiscal year based upon the annual budget. However, the disbursement of actual funds may span multiple fiscal years. Therefore, shown are the allocations approved per fiscal year for each program.

Note 2: The entire FY2020 budget was restricted; therefore, allocated program expenses for IDEA Fund and MOBEC Grants were lower than initially projected.

Note 3: For FY2023 and beyond, the increase in IDEA Fund investments and grants awarded reflects the increased FY23 appropriation, the creation of a new grant program, and the program funding from the federally funded State Small Business Credit Initiative which will fund the majority of the IDEA Fund investments.

2b. Provide a measure(s) of the program's quality.

	FY2020	FY2021		FY2022		FY2023	FY2024	FY2025
	Actual	Projected	Actual	Projected	Actual	Projected	Projected	Projected
Customer Service Experience	82%	88%	77%	87%	80%	85%	85%	85%

Note 1: Percentage of customers who rated their experience as "very" or "somewhat" positive.

Note 2: Number of respondents per survey: FY2020 - 28 respondents, FY2021- 26 respondents, FY2022 - 5 respondents.

Note 3: Based on the low response rate for FY2022, MTC will consider distributing its own customer satisfaction survey when it collects its annual reporting data from its core stakeholders, instead of being included in DED's annual customer satisfaction survey.

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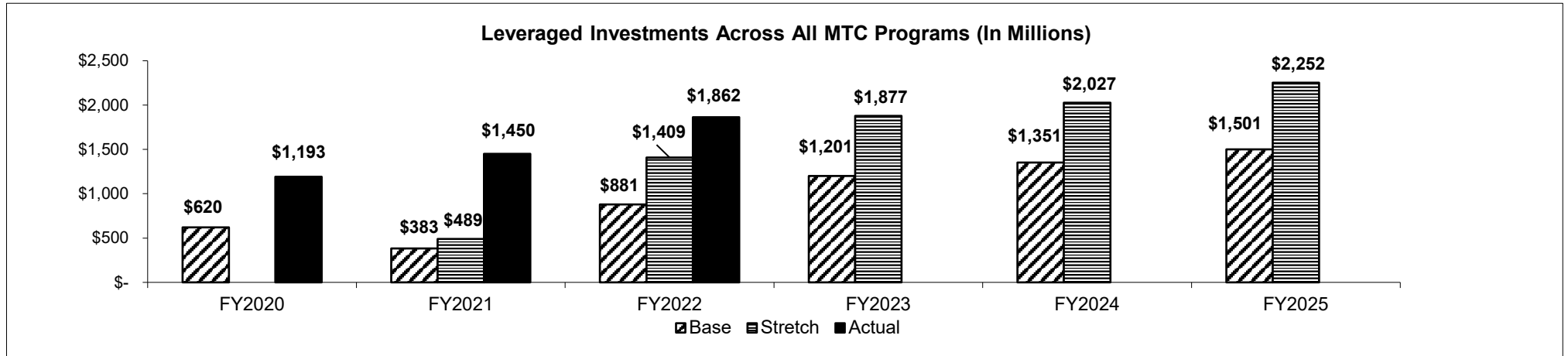
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2c. Provide a measure(s) of the program's impact.



Note 1: Leveraged investments for the IDEA Fund program represent the total amount of new funding raised from private investors and grant funding awarded to companies over the fiscal year. Leveraged investments for the MOBEC Grant program, Innovation Centers, and the Manufacturing Extension Partnership (MEP) program represent capital raised from private investors and grant funding awarded to the grantee's clients.

Note 2: Base and stretch goals are determined based on the 3-year actual average with base goals escalating from 80% to 100% of the average and stretch goals escalating from 125% to 150%.

Note 3: FY2023 and FY2024 represent transitional years for MTC as the organization prepares to launch new programs funded through its FY2023 appropriation and the federal SSBCI program. It will take a couple of years for these programs to have a significant impact on MTC's stakeholder's leveraged investments which is why the base and stretch goals for FY2023 and beyond are based on historical averages.

Clients Served and Full-Time Jobs Created Across All MTC Programs

	FY2020 Actual	FY2021 Actual	FY2022 Projected	FY2022 Actual	FY2023 Projected	FY2024 Projected	FY2025 Projected
Clients Served	6,540	7,152	3,968	7,693	7,128	8,019	8,910
Full-Time Jobs Created	2,603	2,588	2,307	2,801	2,664	2,997	3,330

Note 1: Clients served represents the number of clients served by MOBEC Grant recipients, Innovation Centers, and the Missouri Manufacturing Extension Partnership (MEP).

Note 2: Full-Time jobs created represent the number of jobs created by clients served by MOBEC Grant recipients, Innovation Centers, and the MEP program as well as the jobs created by the IDEA Fund portfolio companies.

Note 3: Projections are determined based on the 3-year actual average with FY2023 through FY2025 projections escalating from 100% to 125% of the average.

Note 4: FY2023 and FY2024 represent transitional years for MTC as the organization prepares to launch new programs funded through its FY2023 appropriation and the federal SSBCI program. It will take a couple of years for these programs to have a significant impact on the numbers of clients served by MTC's stakeholders and on the jobs created by their clients which is why the projections for FY2023 and beyond are based on historical averages.

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2c. Provide a measure(s) of the program's impact. (continued)

As part of MTC's recently completed statewide strategic initiative, MTC engaged TEconomy Partners, a consultant firm that is a global leader in research, analysis, and strategy for innovation-driven economic development, to estimate the economic development impact of the organization's programs.

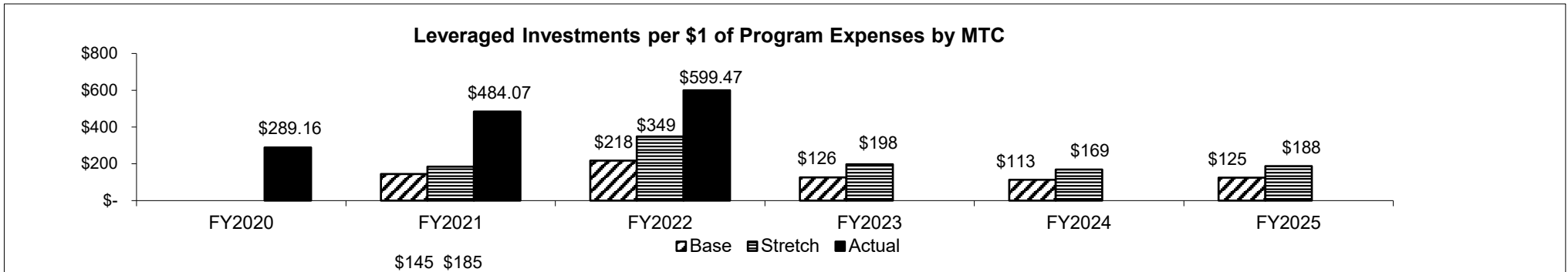
TEconomy determined that from FY2014 to FY2021, the investments of MTC made had an important impact on the state. Capacity for innovation and entrepreneurship was enhanced by the state's 11 innovation centers and 42 organizations receiving MOBEC awards and other sponsored grants. MTC's direct investments in 139 companies also made an important impact.

Specifically, the total cumulative economic impacts of MTC's programs and investments between FY2014 to FY2021 generated and supported:

- More than \$6.4 billion of economic output**
- More than 34,500 job years with wages and benefits totaling more than \$2 billion**
- More than \$15.4 million in state and local tax revenue for the State of Missouri.**

This analysis was performed using a State of Missouri-specific input-output model from IMPLAN. Input-output multipliers are based on the flow of commodities between industries, consumers, and institutions in a regional economy. The premise behind this analysis is that every dollar spent in the economy is re-spent on the purchase of additional goods or services generating further economic activity and impact. The IMPLAN model is the most widely used economic impact model in the nation and is based on the U.S. Bureau of Economic Analysis national accounts data and supplemented with state-level employment data from the U.S. Bureau of Labor Statistics.

2d. Provide a measure(s) of the program's efficiency.



Note 1: The data in this chart shows the leveraged investments (2c.) per dollar in program expenses within a fiscal year. It should be interpreted as for every dollar MTC spent on a program expense in FY2022, \$599 worth of leveraged investments were generated.

Note 2: The base and stretch goals from 2c. are used as the leveraged investment for the calculation of base and stretch goals in the chart.

Note 3: This is a new efficiency measure, therefore base and stretch goals are not available for FY2020.

Note 4: FY2023 and FY2024 represent transitional years for MTC as the organization prepares to launch new programs funded through its FY2023 appropriation and the federal SSBCI program. It will take a couple of years for these programs to have a significant impact on MTC's stakeholder's leveraged investments which is why the base and stretch goals for FY2023 and beyond are based on historical averages.

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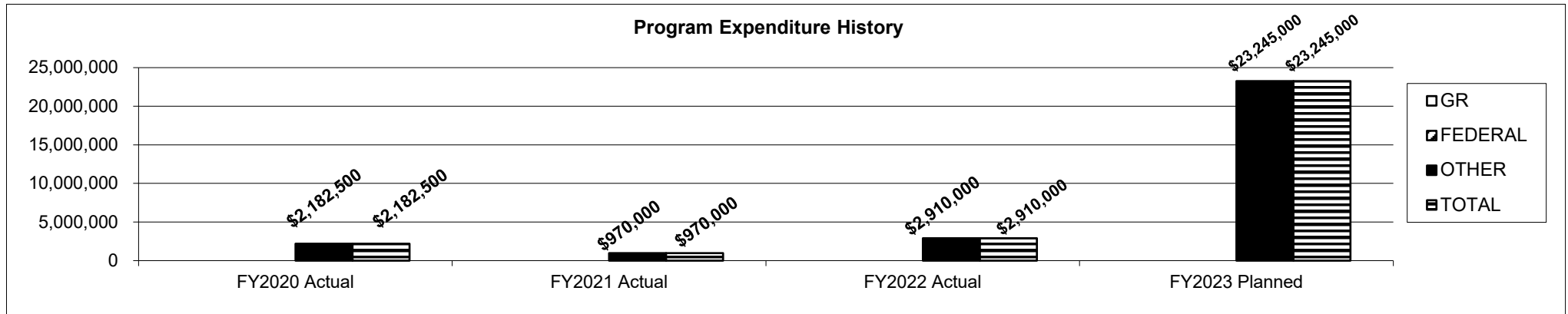
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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



Note: Planned Expenditures for GR reflects 3% Governor's Reserve and appropriation amount from GR transfer.

4. What are the sources of the "Other " funds?

Missouri Technology Investment Fund (0172), requires a General Revenue transfer.

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

MTC authorization in Section 348.251-348.275, RSMo; Innovation Center authorization in Section 348.271, RSMo; and MEP authorization is in 15 USC 278K Title 15 Commerce and Foreign Trade, Chapter 11 National Institute of Standards and Technology, Part 290.

6. Are there federal matching requirements? If yes, please explain.

Yes, the MEP program requires a federal match, which is provided by the U.S. Department of Commerce. The program is designed to form a federal/state/private partnership that results in leveraging public funding sources on a two to one basis.

7. Is this a federally mandated program? If yes, please explain.

No.