

INCENTIVE EVALUATION COMMISSION
Regular Meeting Minutes
Dec. 5, 2024, 10:00 AM
Oklahoma State Capitol
Senate Conference 4s.9
Oklahoma City, OK 73105

MEMBERS PRESENT:

Lyle Roggow, Chair designee of Select Oklahoma and Economic Development Partnership, Inc.
Carlos Johnson, CPA, appointed by the Oklahoma Accountancy Board
Mandy Fuller, Auditor/CPA appointed by the Governor
Earl Sears, appointed by the Speaker of the House of Representatives
Dr. Saleh Tabrizy, an Economist appointed by the President Pro Tempore of the Senate
Mark Wood, Chair of the Oklahoma Tax Commission, Ex-Officio; Non-Voting
Jon Chiappe, Secretary of Commerce designee, Ex-Officio; Non-Voting
Ryan Bair, OMES Executive Director designee

MEMBERS ABSENT: None.**STAFF/GUESTS:**

Beverly Hicks, OMES
Lorena Massey, OTC
Randall Bauer, PFM
Seth Roth, MMR
Tony Toups, Advantage Capital

◆ *Office of Management and Enterprise Services (OMES)* ◆ *Public Financial Management Group Consulting LLC (PFM)*
◆ *OK Tax Commission (OTC)*

1. Announcement of filing of meeting notice and posting of the agenda in accordance with the Open Meeting Act. [Lyle Roggow, chairman]

Chairman Roggow confirmed that the meeting complied with the Open Meeting Act.

2. Call to order and establish a quorum. [Chair]

Chairman Roggow called this regular meeting to order at 10:01 a.m. A roll call was taken, and a quorum was established. A meeting notice was filed with the Secretary of State, and the agenda was posted in accordance with the Open Meeting Act.

3. Welcome/Introductions. [Chair]

Chairman Roggow welcomed commission members and guests to the meeting.

4. Approval of minutes from the November 14, 2024, Commission meeting:

Rep. Earl Sears moved to approve the meeting minutes of November 14. Mandy Fuller seconded the motion. The following votes were recorded, and the motion passed:

Ms. Fuller, yes; Mr. Sears, yes; Dr. Tabrizy, abstain; Mr. Roggow, yes.

5. Discussion and possible action to accept PFM's report containing the results of each incentive evaluated in 2024 with amendment changes. [Chair]

Mr. Bauer reported that the recommendations approved by the Commission for the 2024 incentives in their last meeting in November remained unchanged.

Mr. Bauer informed commission members that the only change made by PFM was a revision in the Rural Jobs Act incentive regarding the impact analysis, specifying that tax credits cannot be taken within the first two years. This does not affect the recommendation to retain the incentive program.

Mr. Baurer also informed the members that, as directed by Senate Bill 745, the report included a review of prior commission recommendations and changes to statute or incentive administration related to incentive evaluation recommendations. The review excluded the current year, as there was no opportunity for the Legislature or administering agencies to act on the 2024 recommendations. As a result, the prior commission tax incentive recommendations report encompasses statutory or administrative changes from the Commission's recommendations in 2019 through 2023.

Rep. Earl Sears moved to accept PFM's report. Mandy Fuller seconded the motion. The following votes were recorded, and the motion passed:

Ms. Fuller, yes; Mr. Sears, yes; Dr. Tabrizy, yes; Mr. Roggow, yes.

6. Discussion and possible action on issuance of the Commission's final report to the Governor, the President Pro Tempore of the Senate, and the Speaker of the Oklahoma House of Representatives. [Chair]

Chairman Roggow gave a brief summary of the 2024 tax incentive evaluation final report, highlighting the first six pages of the report as significant. He asked commission members if they had any comments or suggested changes regarding the contents of their final report or if they would like to proceed with a vote.

Representative Sears requested that, in addition to the final report being submitted electronically, hard copies of the final report be delivered to the Governor, President Pro Tempore of the Senate, and Speaker of the House of Representatives.

Rep. Earl Sears moved approval of the final report. Mandy Fuller seconded the motion. The following votes were recorded, and the motion passed:

Mr. Johnson, yes; Ms. Fuller, yes; Mr. Sears, yes; Dr. Tabrizy, yes; Mr. Roggow, yes.

Commissioner Johnson entered the meeting at 10:05 a.m.

7. Discussion and possible action for the Incentive Evaluation Commission to begin work on Year 10, 2025, Schedule for evaluation incentives. [Chair]

PFM consultant Randall Bauer reported that in January 2024, the Commission approved the four-year schedule, which included the incentives to be evaluated in 2025. He reminded commission members that the four-year schedule in the past was updated annually and due by December 15, but due to the recent changes in the statute that were made in 2023, there is no longer a due date, and the Commission will establish the four-year schedule starting in 2025. The schedule the Commission approved in January 2024 was organized into categories for incentives related to similar roles, specifically those associated with payroll.

Mr. Bauer provided a brief report on the nine incentives to be evaluated in 2025, along with the year each incentive was last evaluated in parenthesis:

Quality Jobs (2021)
Small Employer Quality Jobs (2021)
21st Century Quality Jobs Program (2021)
Aerospace Employer & Employee Tax Credit (2020)
Automotive Employer & Employee Tax Credit (NEW)
Cyber Security Employee Tax Credit (NEW)
Home Office Tax Credit (2021)
Training for Industry (TIP) (2023)
Investment/New Jobs Tax Credit (2022)

The Commission can alter the schedule at any time. The updated four-year schedule will be provided to commission members for consideration at next month's commission meeting in January.

Mandy Fuller moved approval to begin work on 2025 incentives. Rep. Earl Sears seconded the motion. The following votes were recorded, and the motion passed:

Mr. Johnson, yes; Ms. Fuller, yes; Mr. Sears, yes; Dr. Tabrizy, yes; Mr. Roggow, yes.

8. Discussion and possible action on the option to renew the consultant contract with Public Financial Management (PFM) for an additional one-year period of 01/01/2025 – 12/31/2025. [Chair]

Rep. Earl Sears moved to accept the contract for 2025. Mandy Fuller seconded the motion. The following votes were recorded, and the motion passed:

Mr. Johnson, yes; Ms. Fuller, yes; Mr. Sears, yes; Dr. Tabrizy, yes; Mr. Roggow, yes.

9. Announcements: Next meeting date.

Chairman Roggow announced the next commission meeting date as January 23rd at 10 a.m. in Senate Conference Room 4s.9.

10. New Business. [Chair]

Representative Sears thanked Mr. Bauer for the work he and PFM have done on the report.

Mr. Baurer appreciated the compliment and expressed appreciation for the Commission and their engagement. He credited the members for the successful evolution of some of these programs. He

pointed out that when he attends meetings with evaluators throughout the country, Oklahoma is often seen as one of the leaders in this field, which is a credit to this commission.

Chairman Roggow concurred with Mr. Bauer's comments and noted that this was published in the latest Pew report. He emphasized that the Incentive Evaluation Commission sets a standard for their work. He pointed out that what he appreciates about the process is that it is not internal and is third-party-driven.

11. Adjournment

There being no further business, Rep. Earl Sears made the motion to adjourn. Mandy Fuller seconded the motion. Seeing no opposition, the Chair adjourned the meeting at 10:28 a.m.