

INCENTIVE EVALUATION COMMISSION
Regular Meeting
Minutes
January 29, 2026, 10:00 AM
Oklahoma State Capitol
Senate Conference Room 4s.9
Oklahoma City, OK 73105

MEMBERS PRESENT:

Lyle Roggow, Chair Designee, Select Oklahoma and Economic Development Partnership, Inc.
Carlos Johnson, CPA, Appointed by the Oklahoma Accountancy Board
Rita Armer, Auditor/CPA, Appointed by the Governor
Dr. Michael Scott, Economist, Appointed by the Senate President Pro Tempore
Jon Chiappe, Secretary of Commerce Designee, Ex officio, nonvoting
Zack Taylor, Chair, Oklahoma Tax Commission, Ex officio, nonvoting
Mark Wood, Executive Director, OMES, Ex officio, nonvoting

MEMBERS ABSENT:

Earl Sears, Appointed by the Speaker of the House of Representatives

STAFF AND GUESTS:

Beverly Hicks, OMES
Randall Bauer, PFM
Lorena Massey, OTC, Commission Counsel

◆ *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:

Chairman Roggow confirmed that a meeting notice was filed with the Secretary of State and that the agenda was posted in accordance with the Open Meeting Act.

2. Call to order and establish a quorum:

Chairman Roggow called this regular meeting to order at 10:02 a.m. A roll call was taken, and a quorum was confirmed.

3. Welcome/Introductions:

Chairman Roggow welcomed attendees and live-streamed guests to the meeting. He introduced new members Rita Armer, Auditor, and Dr. Michael Scott, Economist.

He also recognized Zack Taylor, serving as an ex officio, non-voting member in his capacity as Chair of the Tax Commission, succeeding Mark Wood, who now serves as an ex officio, non-voting member in his capacity as OMES Director.

4. Approval of minutes from the December 4, 2025 commission meeting:

The December 2025 meeting minutes were presented for approval. A motion to approve was made by Commissioner Johnson and initially seconded by Commissioner Armer, who noted that she had not been present at that meeting.

Commission Counsel, Lorena Massey, advised that because two of the current voting commissioners were not present at the December meeting, it would be more appropriate for a commissioner who had been present, such as Chairman Roggow, to second the motion.

Chairman Roggow then seconded the motion, and a roll call vote was taken, resulting in unanimous approval.

Vice-Chairman Johnson advised that the two newly appointed members who were not present at the December 2025 meeting should abstain when voting. Accordingly, the motion was reconsidered. Upon reconsideration, the vote was retaken and recorded as follows:

Carlos Johnson moved to approve the December 2025 meeting minutes. Lyle Roggow seconded the motion. The following votes were recorded, and the motion passed:

Ms. Armer, abstain; Mr. Johnson, yes; Dr. Scott, abstain; Mr. Roggow, yes.

5. Discussion and possible action on election of the Chairperson.

Carlos Johnson moved to elect Lyle Roggow as Chair of the IEC for 2026. Rita Armer seconded the motion. The following votes were recorded, and the motion passed:

Ms. Armer, yes; Mr. Johnson, yes; Dr. Scott, yes; Mr. Roggow, yes.

6. Discussion and possible action on election of Vice-Chairperson.

Dr. Michael Scott moved to elect Carlos Johnson as Vice-Chair of the IEC for 2026. Rita Armer seconded the motion. The following votes were recorded, and the motion passed:

Ms. Armer, yes; Mr. Johnson, yes; Dr. Scott, yes; Mr. Roggow, yes.

7. Discussion and possible action on 2026-2029 Schedule for Incentives to be evaluated, exempted, and/or determined to have minimal fiscal impact by PFM's Consultant Randall Bauer.

Mr. Randall Bauer presented the proposed 2026–2029 schedule for incentive evaluations. He explained that several incentives are scheduled for evaluation in 2027 due to statutory requirements mandating all qualifying incentives be reviewed within a four-year cycle. Most of these 2027 incentives are new or recently enacted and are expected to have minimal economic or financial impact. Mr. Bauer noted that the Commission can establish a threshold to exempt incentives with limited fiscal impact, which may apply to many of the 2027 incentives.

Mr. Bauer also provided context on statutory changes, noting that the Commission now has flexibility to group similar incentives or prioritize those with greater financial impact, rather than following the original strict “lockstep” schedule. Previous groupings in 2023, particularly for Commerce’s pooled finance incentives, illustrate this flexibility. The Tax Deduction for Eligible Investors is scheduled for 2026 because it has not been previously reviewed; however, PFM has not yet

begun research on this incentive, and its evaluation may depend on whether it meets the Commission's financial impact threshold.

Commissioner Chiappe suggested moving the Strategic Industrial Development Enhancement (SIDE) Act from 2027 to 2026 for evaluation, noting that Commerce has relevant data available. Mr. Bauer confirmed that adding the SIDE Act to 2026 would increase the total number of incentives evaluated from 10 to 11, which remains manageable. Chairman Roggow emphasized the \$1 million threshold and the importance of reviewing the SIDE Act promptly due to its scheduled sunset in 2027.

After discussion, Commissioner Dr. Michael Scott moved to approve the 2026–2029 incentive evaluation schedule and to include the SIDE Act in the 2026 review. Carlson Johnson seconded the motion. The following votes were recorded, and the motion passed:

Ms. Armer, yes; Mr. Johnson, yes; Dr. Scott, yes; Mr. Roggow, yes.

8. Discussion and report from Criteria Subcommittee member Rita Armer on selection of the 2026 Evaluation Criteria for review of incentives. [Criteria Subcommittee Members: Earl Sear and Rita Armer]

Chairman Roggow noted that this would likely include the SIDE Act, which is now scheduled for review in 2026 (previously scheduled for 2027). He identified the committee members as Commission members Earl Sears and Rita Armer, noting that Mr. Sears was not present at the meeting but had shared his views on the criteria for incentives being evaluated this year.

Chairman Roggow asked Commissioner Armer, a new member of the Incentive Evaluation Commission, to report Mr. Sears' statement.

Commissioner Armer read the following:

“I met with Randy and PFM on Monday to go over the criteria for this cycle and agreed with what they proposed.”

Mr. Bauer addressed the Commission regarding the evaluation criteria, which had also been provided to commission members by email. He noted that the criteria are significantly different from past years, as many of these incentives are being evaluated for the second or third time. Because of this, PFM has broadened the criteria to incorporate a longer-term perspective, particularly where data is available on industries or individual companies receiving incentives.

Mr. Bauer explained that PFM is placing greater emphasis on longitudinal data and a macro-level view, including analysis of layering—instances where a single company may use multiple incentives simultaneously. He provided the example of companies in the aerospace industry claiming both employee and employer credits for engineers. In such cases, PFM assesses the economic impact of each incentive individually, as well as in combination, to determine effectiveness. Mr. Bauer stated that this analysis is incorporated into the Commission's review to inform policy discussions.

He further explained that when multiple incentives are used by the same company, it can be challenging to determine how much economic impact is attributable to each incentive individually

versus in combination. He noted that PFM attempts to incorporate this type of analysis into its evaluations to provide the Commission and policy makers with a clearer understanding of incentive effectiveness.

Mr. Bauer emphasized that the Commission's review is informed by both historical performance of the incentives and the broader economic context, allowing for a more comprehensive assessment than in prior evaluation cycles. PFM's approach seeks to balance detailed, data-driven analysis with practical insights for policy decision-making.

Chairman Roggow, referring to the Commission's prior action under Agenda Item 7, asked Mr. Bauer whether certain programs previously grouped together—specifically bond finance programs associated with the Oklahoma Innovation Expansion Program (OIEP) and the Public-Private Partnership (P3) program—would be separated in the analysis provided to the Commission.

Mr. Bauer confirmed that while these programs have been combined in prior schedules, PFM will separate them in the evaluation analysis to provide clearer information to the Commission.

There being no further discussion on this item, Chairman Roggow proceeded to agenda item 9.

Discussion and report only. No action was taken.

9. Discussion and possible action on approving 2026 Evaluation Criteria for each incentive.

Mr. Bauer provided an overview of PFM's role and evaluation process for the new Commission members, outlining the team and their responsibilities. He emphasized the importance of stakeholder input and the need for timely recommendations to the Legislature. He explained that the evaluation process includes meetings with administrative agencies and external stakeholders. PFM generally schedules these meetings after the legislative session, as agencies are particularly busy during that time. External stakeholder meetings have been organized by the Oklahoma State Chamber and the Tulsa and Oklahoma County Chambers to hear from their constituents and incentive users, providing valuable insights for PFM.

Mr. Bauer then reviewed the 2026 incentive evaluation process timeline. He noted that the January meeting (January 29, 2026) is when the Commission approves the four-year evaluation schedule and evaluation criteria. In the March/April meeting (April 9, 2026), PFM discusses each incentive's background document and benchmarking data.

During the August 27, 2026 meeting, PFM provides confidential rough drafts without findings, recommendations, or economic impact and discusses each incentive in detail at the subsequent meeting.

By October 1, 2026, statutory deadlines require draft evaluations to be provided to the Commission, with findings and recommendations discussed at the first October meeting on October 8.

The second October meeting, October 22, 2026, is reserved for a public hearing, after which PFM makes any necessary final edits and provides final drafts to the Commission. The November 12, 2026 meeting is when the Commission votes on each incentive evaluation recommendation(s), and PFM provides a report on outcomes from past recommendations. The December 3, 2026 meeting is when the Commission approves the final report to the Governor and Legislature and votes on whether to extend the contract with PFM.

Following the schedule summary, Chairman Roggow asked whether PFM could coordinate its summer or late spring meetings with the Commission so members are aware of who is being met with.

Mr. Bauer confirmed he could provide a report, explaining that in June, PFM primarily meets with the administering agencies—Commerce and the Tax Commission—along with OCAST, the Oklahoma Finance Development Authority (OFDA), and a few others. Meetings with external stakeholders generally occur in July, and Mr. Bauer will provide information on those as the meetings take place.

Chairman Roggow added that having this information would help track progress and understand which parties are being engaged and who is responsible for each task.

Mr. Bauer concluded by presenting the list of incentives recommended for review by the Criteria Subcommittee and approved by the Commission for evaluation in 2026, including the SIDE Act. The list includes the Quick Action Closing Fund (last evaluated 2022), Capital Gain Deduction (2022), Tax Deduction for Eligible Investors (new), Business Expansion Incentive Program (BEIP) and the Oklahoma Innovation Expansion Program (OIEP) Pooled Finance (2023), Public-Private Partnership (P3) Pooled Finance (2023), Computer Services and Data Processing Tax Exemption (2023), Construction Materials Tax Refund (2023), Oklahoma Affordable Housing Tax Credit (2022), Clean Burning Fuel Tax Credit (2021), Ethanol Fuel Tax Credit (2021), and the Strategic Industrial Development Enhancement (SIDE) Act (new).

Rita Armer moved approval of the 2026 Evaluation Criteria for each incentive. Dr. Michael Scott seconded the motion. The following votes were recorded, and the motion passed:

Ms. Armer, yes; Mr. Johnson, yes; Dr. Scott, yes; Mr. Roggow, yes.

10. Announcements:

Chairman Roggow announced that the next meeting is scheduled for April 9, 2026.

Chairman Roggow commented that the legislative session begins next week and noted that at least two bills referencing the Incentive Evaluation Commission (IEC) have been prefiled. The Commission will monitor these bills and provide information to elected officials as needed. He emphasized the importance of continued engagement and collaboration with the legislature.

11. New Business:

No new business was presented by Commission members.

12. Adjournment:

There being no further business, Dr. Michael Scott made the motion to adjourn. Carlos Johnson seconded the motion. Seeing no opposition, the Chair adjourned the meeting at 10:47 AM.