

**INCENTIVE EVALUATION COMMISSION  
AMENDED MEETING MINUTES  
Mar. 24, 2022; 10 a.m.  
Oklahoma State Capitol  
Senate Conference Room 4S.9 (419-C)  
Oklahoma City, Oklahoma 73105**

A meeting notice was filed with the Secretary of State, and an agenda was posted in accordance with the Open Meeting Act.

**MEMBERS PRESENT:**

Lyle Roggow, President and Designee of the OK Professional Economic Development Council  
Carlos Johnson, CPA, Designee of the Oklahoma Accountancy Board  
Mandy Fuller, CPA, Auditor of Private Company  
Earl Sears, Lay Person  
Dr. Robert Dauffenbach, Economist  
Mark Wood, Chairman, Tax Commission, Ex-Officio; Non-Voting  
Brent Kisling, Director, Department of Commerce, Ex-Officio; Non-Voting  
John Gilbert, OMES designee, Ex-Officio; Non-Voting

**MEMBERS' ABSENT:** None.

**STAFF/GUESTS:**

Beverly Hicks, Staff to the Commission	Andrea Frymire, Midwest Housing
Megan Holden, Counsel to the Commission	Patricia Sifuentes, Political Action Chair for the State of Oklahoma and the NAACD State Conference.
Randall Bauer, PFM	Andrew McQuade, OMES
Trace Jones, OMES	Pat McFerron, CMA Strategies

**1. Call to order and establish a quorum. [Lyle Roggow, chairman]**

Chairman Roggow called this regular meeting to order at 10:04 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.

**2. Approval of Minutes from January 20, 2022, Commission special meeting:**

Earl Sears moved to approve the meeting minutes as amended for January. Dr. Daufenbach seconded the motion. The following votes were recorded, and the motion passed:

Mr. Roggow, aye; Mr. Sears, aye; Dr. Dauffenbach, aye.

**3. Discussion and update on the progress that includes benchmarking and timelines for incentives review by PFM Consultant Randall Bauer:**

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| <b>1. Oklahoma Affordable Housing Tax Credit</b>           | <b>6. Investment/New Jobs Tax Credits</b>               |
| <b>2. Small Business Incubators Incentives Act</b>         | <b>7. New Products Development Exemption Evaluation</b> |
| <b>3. Oklahoma Applied Research Support (OARS) Program</b> | <b>8. Oklahoma Seed Capital Fund</b>                    |
| <b>4. Oklahoma Health Research Program</b>                 | <b>9. Technology Business Financing Program</b>         |
| <b>5. Quick Action Closing Fund</b>                        | <b>10. Technology Transfer Income Tax Exemption</b>     |

Mr. Bauer reported that after the Commission met in January, PFM started working on this year's ten incentives under review.

The members received a working draft 2022 Incentive Guide from which Mr. Bauer reported on those incentives for review and consideration this year.

The document detailed the 2018 review of findings and recommendations, the changes following the 2018 review, the 2022 evaluation criteria, and the preliminary benchmarking of other states in relation to these incentives. It included changes to some of the statutes based on recommendations made by the Commission members that the Legislature and Governor approved.

Mr. Bauer reported that PFM was not in favor of the *Affordable Tax Credits*. Commissioner Johnson informed Mr. Bauer his opinion of him making that statement was unprofessional. Mr. Johnson reminded him that PFM is engaged to review the effectiveness of the credit and not to provide the Commission with their opinion.

Commissioner Kisling reported on a few changes not seen yet on the *Quick Action Closing Fund*. Changes that were made to the program since the last evaluation are that now, for the closing fund to be used, the business has to be paid above the county average wage, and as one goes through this process that even when the closing fund is used, even if it is layered with other incentives, it still has to be a net benefit to the State. Mr. Bauer commented that this is an example of the IEC impacting public policy when beneficial programs get changed.

Mr. Bauer pointed out that the Quality Jobs Program is another incentive with significant developments since the last evaluation, where the legislature appropriated \$20 million to the *Quick Action Closing Fund* for FY2022. Another past recommendation to the *Quick Action Closing Fund* from the members was that it needed a more regular funding source, so now, a portion of the Quality Jobs Program credits five percent to the *Quick Action Closing Fund*.

Commissioner Sears inquired about the Affordable Housing current federal tax credit amount and asked PFM to report at the next meeting. Commissioner Kisling introduced Ms. Frymire, the head of the Affordable Housing Coalition in Oklahoma, who could answer his question instead. She reported in 2021 that it was under \$11.2 million in federal credits, but that number went down due to a 12.5 percent boost from tax reform during President Trump that ended on December 31, 2021. It is a per capita dollar amount. In 2022, there should be about \$9.8 million. Still, there is less than

that due to the Oklahoma Housing Finance Agency (OHFA) giving some developers extra federal credits they forward funded out of 2022 because of all the Covid construction cost increases. All that is left to allocate this year is about \$7.7 million; if there are no more forward allocations, it should go back up to about \$9.8 or \$10 million.

Chairman Roggow asked PFM that they work toward a condensed one-page fact sheet report for the members to take to elected officials. He would also like to see the written report given to the elected officials by December 1, 2022, instead of December 15, to allow them enough time to craft the language.

Patricia Sifuentes, a citizen at the meeting and a Political Action Chair for the NAACD for the State of Oklahoma, asked about energy and inquired what the State is doing on wind tax credits since windfall tax credits are now on the federal level and what the plans are to bring some of those incentives back that incentivize wind production, solar renewable energy that is more long-term than short-term type of incentives. Commissioner Sears answered that there was nothing the Commission could do because they are charged with reviewing incentives passed by both chambers, the Senate, and the House of Representatives, signed by the Governor, that becomes law. He advised her to start with her elected official if she wants to move forward on incentives for wind.

*Commissioner Fuller joined the meeting at 10:06 a.m.*

*Commissioner Johnson joined the meeting at 10:09 a.m.*

Update and discussion only. No action was taken.

#### **4. Announcements:**

As private citizens, Chairman Roggow announced that he and Mr. Bauer would be participating in a short session as keynote speakers on public policymaking with a group of students at the University of Oklahoma.

The next Incentive Evaluation Commission meeting is on August 25, 2022, at 10:00 a.m.

No action was taken.

#### **5. New Business:**

None to report.

#### **6. Adjournment**

There being no further business, Commissioner Sears made the motion to adjourn. Commissioner Johnson seconded the motion. Seeing no opposition, the meeting adjourned at 11:25 a.m.