

STATE BOARD OF EQUALIZATION
December 29, 2022
10:00 AM
Governor's Conference Room
Second Floor – State Capitol Building

MINUTES

The State Board of Equalization met on December 29, 2022 at 10:00 AM in the Governor's Conference Room on the second floor of the State Capitol building. The members were notified by e-mail.

Members present:

Governor J. Kevin Stitt
Cindy Byrd, State Auditor
Joy Hofmeister, Superintendent of Public Instruction
Randy McDaniel, State Treasurer
John O'Connor, Attorney General
Blayne Arthur, Chairman of the Board of Agriculture

Members absent:

Lt. Governor Matt Pinnell

Guests who took part in discussion were:

Brandy Manek, Director, Budget, Policy and Gaming Compliance, Office of Management & Enterprise Services

Agenda Item #1 – Call to Order

Governor Stitt called the meeting to order.

Agenda Item #2 – Roll Call and announcement of quorum

Roll call was taken to establish a quorum.

Agenda Item #3 – Announcement of filing regular meeting notice and posting of the agenda in accordance with the Open Meeting Act.

GOVERNOR STITT ASKED BOE LEGAL COUNSEL, JON DUTTON IF WE HAVE FOLLOWED ALL THE REQUIREMENTS OF THE OPEN MEETING ACT. JON DUTTON RESPONDED WITH YES, WE HAVE.

Agenda Item #4 – Disposition of December 1, 2022 minutes

MR. O'CONNOR MOVED TO ACCEPT THE MINUTES AS PRESENTED. Mr. McDaniel seconded the motion. Roll call was taken and all members present voted "aye".

Brandy Manek made a presentation regarding certification. The Constitution requires a certification of prior fiscal year revenues to the General Revenue Fund and to each Special Revenue Fund appropriated directly by the Legislature at this meeting. Page 1 of the certification document: Column 2 FY2022 Actual Revenue

Agenda Item #5 – Report and certification of total amount of revenue which accrued during the last preceding fiscal year

MR. MCDANIEL MADE A MOTION TO CERTIFY FY-2022 GENERAL REVENUE FUND COLLECTIONS OF \$8,493,673,252 AND FY-2022 TOTAL COLLECTIONS TO ALL CERTIFIED FUNDS OF \$8,779,140,550. Ms. Byrd seconded the motion. Roll call was taken and all members present voted “aye”.

Agenda Item #6 – Report from the Office of Management and Enterprise Service regarding the amount of monies remaining in the General Revenue Cash-flow Reserve Fund which are not necessary for current year cash-flow needs and are available for legislative appropriation as required by Title 62, § 34.54. (Page 2 of the certification document)

Agenda item is for discussion or reporting only. No motion is necessary.

Agenda Item #7 – Report from the Office of Management & Enterprise Services and discussion and possible action regarding statutory procedures and determination of OHLAP funding for the fiscal year FY2024 as required by 62 O.S. 2014, § 34.87

MS. HOFMEISTER MADE A MOTION TO ACCEPT THE FY2024 ESTIMATE OF \$67.7 MILLION AS FUNDS NEEDED FOR THE OKLAHOMA HIGHER LEARNING ACCESS ACT ACCORDING TO TITLE 62, § 34.87, AS SUBMITTED BY THE STATE REGENTS FOR HIGHER EDUCATION.

GOVERNOR STITT ASKED FOR QUESTIONS.

Ms. Byrd asked if any of this money is used for fees to accompany the tuition or are there any plans for that?

Chancellor Garrett - Currently and statutorily the OHLAP money is exclusively used for tuition. The Regents have proposed in the future we signal to our universities they shift a portion of the fees they've collected over into tuition going forward. For the next three years we have sufficient money in the OHLAP trust fund to cover up to 20% of that shift of fees over into tuition so it would be repetitional over the next three (3) years. And then going forward after the end of the three years, if successful, we would ask the board if we should continue that. It would increase the total amount for OHLAP in the future after that three (3) year period.

Ms. Byrd – Thank you for that explanation.

Governor Stitt – You are asking the Legislature to change and start funding fees and tuition?

Chancellor Garrett – We are not making that request we are asking permission for institutions to shift a portion of the fees over into tuition going forward.

Governor Stitt – You could not do that long term; you would have to ask for additional appropriations.

Chancellor Garrett – Yes, we would ask for additional OHLAP funding going forward.

Ms. Arthur – My concern from a regent perspective for the OSU A&M system is that the universities have the opportunity to increase fees, as well. The cost of education is something that is very important to me and I know we have had that discussion. As we go through these three (3) years, I would be very interested to see if those institutions are deciding to adjust fees up as well because if OHLAP starts picking it up, they can increase fees and ultimately that student is still paying potentially the same amount for that education.

Chancellor Garrett – Thank you for that comment.

Ms. Hofmeister - As a regent for the six (6) regional universities, I think this is a very important move. This helps ensure access for more students completing college and it is certainly something that I appreciate the regents thought that went through that. Of course that can't happen without the Legislature in the future covering that. It is something that I appreciate.

Governor Stitt – Just for the record, I love the fact that there is some skin in the game, if you give everything for free sometimes people don't appreciate that. You are already waving tuition so having some people pay a little bit, I think it is not only good but also makes you appreciate what you get more. That is something the Legislature is going to have to take up later on to see if they want to appropriate that.

Mr. McDaniel seconded the motion. Roll call was taken and all members present voted "aye".

Agenda Item #8 – Discussion and possible action to certify the estimate of funds available for appropriation by the Legislature for fiscal year ending June 30, 2024.

Page 3 of the certification document: Certification of FY2024 Revenue.

MR. MCDANIEL MADE A MOTION TO CERTIFY THE FY-2024 ESTIMATED SUMMATION OF STATE CERTIFIED REVENUE OF \$9,401,537,660 AND CERTIFIED STATE REVENUE AVAILABLE FOR APPROPRIATION OF \$8,931,460,777 AND CERTIFIED FEDERAL REVENUE AVAILABLE FOR APPROPRIATION OF \$256,116,591. Mr. O'Connor seconded the motion. Roll call was taken and all members present voted "aye".

Agenda Item #9 – New business – No new business

Agenda Item #10 – Adjournment

MS. HOFMEISTER MADE A MOTION TO ADJOURN. Mr. McDaniel seconded the motion. Roll call was taken and all members present voted “aye”. Governor Stitt declared the meeting adjourned.