



## Project Name

Evaluation of the Board of Equalization  
21-000-01-BOE-FORECASTS

Rapid Response Evaluation: It is estimated this evaluation will be completed within 90 to 100 days from the date of the entrance conference, which took place on September 24, 2020.

## Project Background

The State Board of Equalization (BOE) was created in 1907 as the Oklahoma Constitution was ratified. The Board is comprised of seven executive branch leaders, six of which are elected. Among other duties, the key role of the BOE is to certify specific sources of revenue by setting their appropriation limit. The Board bases its decision on figures provided by the Office of Management and Enterprise Services, which in turn depends on revenue data from the Oklahoma Tax Commission and other agencies, as well as internal and external economic forecasting models.

## Original Scope and Project Description

### **Project Description:**

Conduct historical analysis of revenue projections compared to certified funds available for appropriation.

### **Scope of Work:**

Examine the difference between certified revenues and actual revenues; identify trends.

## Material Findings from Entrance Conference

The LOFT evaluation team conducted a pre-conference meeting with OMES Budget staff for the purpose of providing background on standard BOE procedures. This meeting preceded the formal entrance conference with the Oklahoma Tax Commission (OTC), where LOFT was provided general and limited information about

OTC's participation in preparing the BOE estimates. LOFT is subsequently preparing a written and detailed data request of OTC.

## Evaluation Objectives

Through this review, the LOFT evaluation team seeks to provide clarity and understanding of the state's process for forecasting revenue, including identifying the inputs that determine the final figures presented to the BOE for certification. This evaluation seeks answers to the following questions:

1. What is the average range of discrepancies between estimates and actual revenues in the last ten fiscal years?
2. What is the process leading up to the presentation of revenue figures to the BOE?
3. What is the process for declaring budget shortfalls in the state?
4. What opportunities exist to better inform policymakers of revenue trends and economic conditions?

## Timeline

The projected completion date for this evaluation is January 2021.

