

OPTION B - DRAFT 3-10-16

(Amend existing provisions in Title 5 §§13056-A and 13107 to change schedule for both evaluations to every four years with reports due in odd-numbered years, i.e. first regular sessions. Remainder of changes to be captured in a bill for the First Regular Session of the 128th Legislature.)

Act, To Implement Recommendation of the Government Oversight Committee to Change Schedule for Research and Development Evaluation and Comprehensive Economic Development Programs Evaluation

Submitted by the Government Oversight Committee pursuant to Title 3, §997, sub-§2

Sec. 1. 5 MRSA §13056-A is amended to read:

By February 1, 2013, the commissioner shall develop and submit to the Governor and the Legislature a plan for the comprehensive evaluation of state investments in economic development. Beginning February 1, 2014 and ending February 1, 2016, the commissioner shall submit a biennial comprehensive evaluation of state investments in economic development, not to include programs evaluated pursuant to section 13107 or those independent evaluations required by federal programs, to the Governor and the Legislature. Beginning February 1, 2019, and every four years thereafter, the commissioner shall submit a comprehensive evaluation of state investments in economic development, not to include programs evaluated pursuant to section 13107 or those independent evaluations required by federal programs, to the Governor and the Legislature. The evaluation must:

1. Outcome measures. Establish and report on outcome measures considered appropriate by public and private practitioners inside and outside of this State in the field of economic development, including measures that assess the overall economic performance of the programs to be evaluated under subsection 1-A, as demonstrated by the number of jobs created and wages paid that are attributable to the program, and any state revenues that are attributable to the activities of the program;

1-A. Programs identified for evaluation. Include, but is not limited to, the review of the following programs: the Maine Employment Tax Increment Financing Program, pursuant to Title 36, chapter 917; the Governor's Training Initiative Program, pursuant to Title 26, section 2031; the Loring Development Authority of Maine, pursuant to Title 5, section 13080; the visual media production certification program, pursuant to Title 5, section 13090-L; the promotion and marketing of state products through the department, pursuant to Title 5, section 13062; the Maine International Trade Center, pursuant to Title 10, section 945; municipal tax increment financing, pursuant to Title 30-A, section 5227; and the pine tree development zone program, pursuant to Title 30-A, section 5250-J;

2. Reviewers. Use independent, nonpartisan reviewers to assess the effect of economic development activities on the competitiveness of industry sectors in this State; and

3. Recommendations. Include recommendations to the Legislature on existing and proposed state-supported economic development programs and activities to affect economic development in this State.

Sec. 2. 5 MRSA §13107 is amended to read:

The office shall develop and submit to the Governor and the Legislature by July 1, 2012 and on July 1st every 6 years thereafter an evaluation of state investments in research and development, ~~as well as a progress report from the office and the independent reviewers under subsection 2 beginning on February 1, 2014 and on February 1st every even numbered year thereafter.~~ Beginning July 1, 2016, the evaluation required under this section will be due every four years, beginning February 1, 2019 and on February 1st every fourth year thereafter. The evaluation must:

1. Outcome measures. Establish outcome measures considered appropriate by public and private practitioners inside and outside of the State in the fields of research and development and economic development. Practitioners in this State must include, but are not limited to, a representative from the University of Maine System, a representative of the targeted technology sectors, a representative of the Executive Department, Governor's Office of Policy and Management and representatives of other state agencies having economic development responsibility;

2. Independent reviewers. Utilize independent reviewers to assess the competitiveness of technology sectors in this State and the impact of research and development activities in this State on economic development in this State. The independent reviewers must incorporate the goals and objectives described in the State's innovation economy action plan, as described in Title 10, chapter 107-D, in their analysis of the success of the State's investments in research and development; and

3. Recommendations. Include recommendations to the Legislature on existing and proposed state-supported research and development programs and activities to affect technology-based economic development in this State.

By February 1, 2014 and by February 1st every even-numbered year thereafter ending February 1, 2016, the office and the independent reviewers under subsection 2 shall submit to the Governor and the Legislature a progress report related to the 6-year evaluation required under this section. The independent reviewers must incorporate the goals and objectives described in the State's innovation economy action plan, as described in Title 10, chapter 107-D, in their analysis of the success of the State's investments in research and development.

Summary

This bill changes the required cycle for the Department of Economic and Community Development's two, separate independent evaluations of state investments in research and development and economic development from every 2 years, with results reported to the Legislature during second regular sessions, to every 4 years, with results reported during first regular sessions beginning February 1, 2019. This is intended to allow the Department to do both evaluations at the same time with results in one report, as it did in the most recent report issued January 2016. It is also intended to allow the Legislature more time to consider the recommendations from evaluation reports, and allow more time for recommendations to be implemented in between evaluation periods. The Government Oversight Committee was made aware of this opportunity for increased efficiency in the evaluation process during its ongoing

follow up of the recommendations included in the Office of Program Evaluation and Government Accountability's 2006 report on Economic Development Programs in Maine.