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### Credit for Paper Manufacturing Facility Investment – Evaluation Parameters

Approved April 14, 2023

The Government Oversight Committee (GOC) considered proposed evaluation parameters for OPEGA's full evaluation of the Credit for Paper Manufacturing Facility Investment and received stakeholder input on March 24, 2023. The GOC voted to approve the following evaluation parameters, pursuant to 3 MRSA §999(1)(A) on April 14, 2023.

Purposes, Intent or Goals
<ol style="list-style-type: none"><li>1. To provide incentives for the revitalization of paper manufacturing facilities in counties with high unemployment and to create or retain high-quality jobs in the State by encouraging paper manufacturers to modernize their paper manufacturing equipment to better compete in the marketplace.</li></ol>
Intended Beneficiaries
<p><u>Directly:</u> businesses making investments in paper manufacturing facilities in counties with high unemployment</p> <p><u>Indirectly:</u> job seekers</p>
Evaluation Objectives
<ol style="list-style-type: none"><li>1. The fiscal impact of the tax expenditure, including past and estimated future impacts;</li><li>2. The extent to which the design of the tax expenditure is effective in accomplishing the tax expenditure's purposes, intent or goals and consistent with best practices;</li><li>3. The extent to which the tax expenditure is achieving its purposes, intent or goals, taking into consideration the economic context, market conditions and indirect benefits;</li><li>4. The extent to which those actually benefiting from the tax expenditure are the intended beneficiaries;</li><li>5. The extent to which it is likely that the desired behavior might have occurred without the tax expenditure, taking into consideration similar tax expenditures offered by other states;</li><li>6. The extent to which the State's administration of the tax expenditure, including enforcement efforts, is efficient and effective;</li><li>7. The extent to which there are other state or federal tax expenditures, direct expenditures or other programs that have similar purposes, intent or goals as the tax expenditure, and the extent to which such similar initiatives are coordinated, complementary or duplicative;</li><li>8. The extent to which the tax expenditure is a cost-effective use of resources compared to other options for using the same resources or addressing the same purposes, intent or goals; and</li><li>9. Any opportunities to improve the effectiveness of the tax expenditure in meeting its purposes, intent or goal.</li></ol>

## Performance Measures

1. Number of qualified employees added or retained during the period being reviewed, and comparison to minimum employment requirements;
2. Amount of qualified investment during the period being reviewed, and comparison to the minimum investment requirements;
3. The increase in the vitality and competitiveness of the State's paper industry in the marketplace;
4. The change in the number of paper manufacturers and machinery used for the production of paper products located in the State and the number of modernization projects undertaken at those paper manufacturing facilities during the period being reviewed;
5. Measures of fiscal impact and overall economic impact to the State and to the regions in which certified applicants are located;
6. Annual revenues of each parent company of recipients;
7. CEO salaries, stock buybacks, and executive officer sales of stock following receipt of the tax credit for each recipient; and
8. Summary of information on profitability from SEC filings after receipt of the tax credit for each recipient.