

THE PEW CHARITABLE TRUSTS

Strengthening Evaluation Processes

Maine Tax Expenditure Review Working Group

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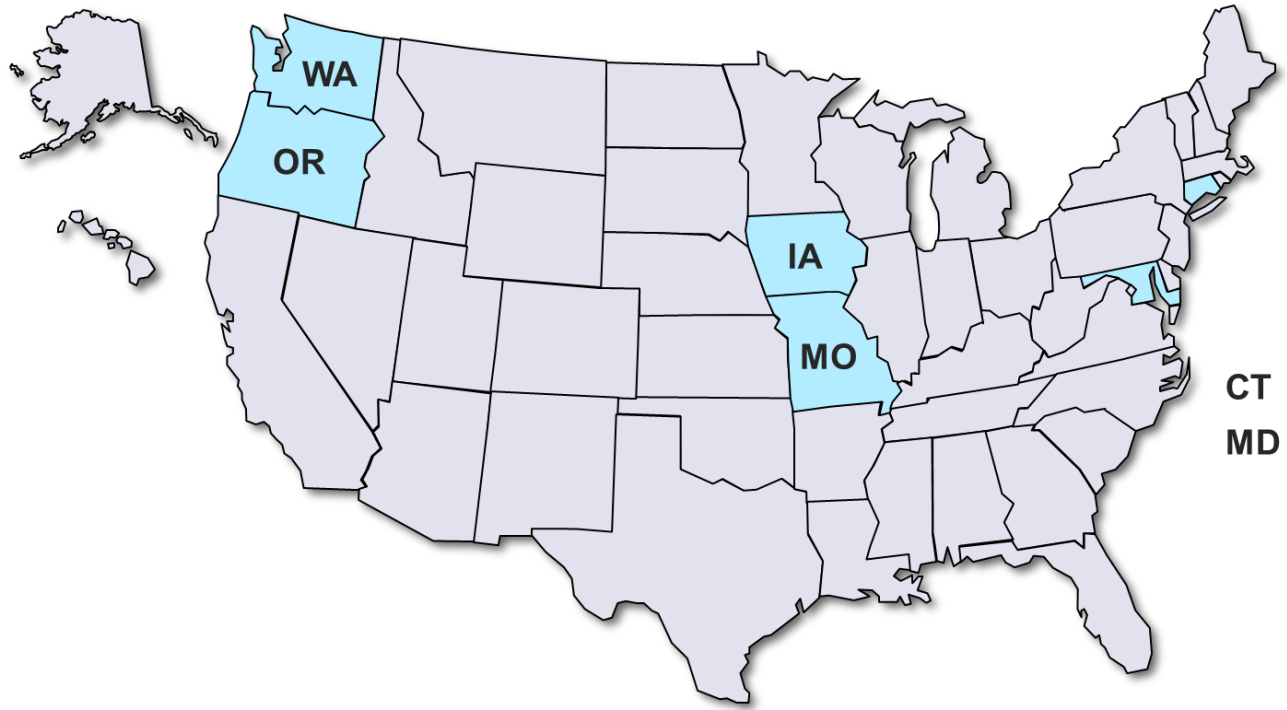
Pew's tax incentives work

- Helping states design and administer effective incentives
- Improving programs with regular and rigorous evaluation processes
- Informing policy discussions

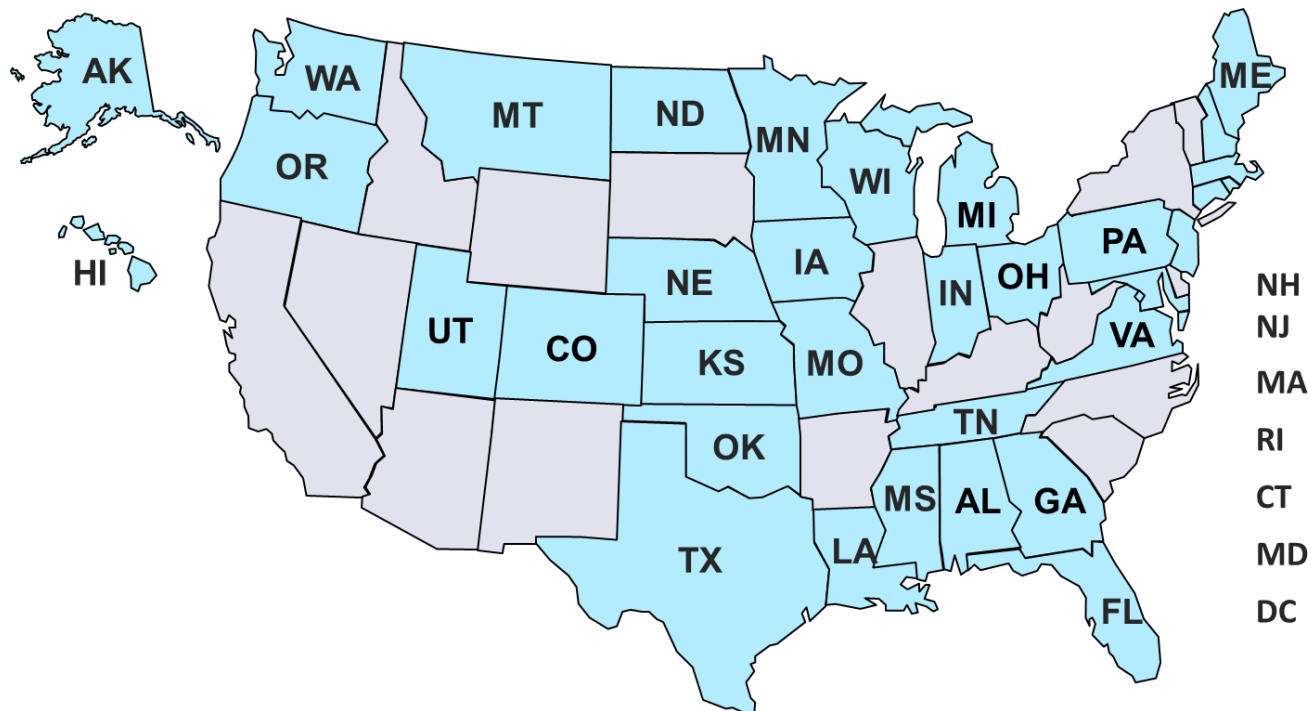
Overview

- Landscape of tax incentive evaluations
- Best practices within Maine's process
- Strategies to further strengthen and preserve successes

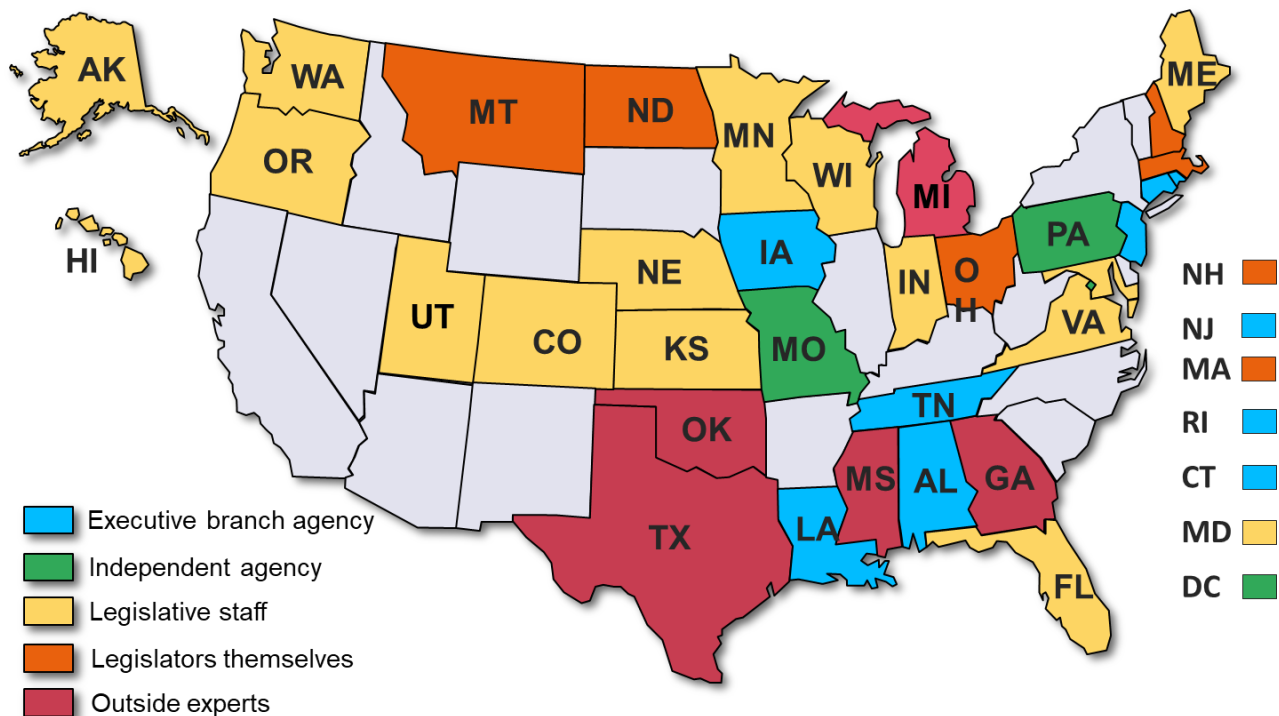
Evaluation landscape: Pre-2013



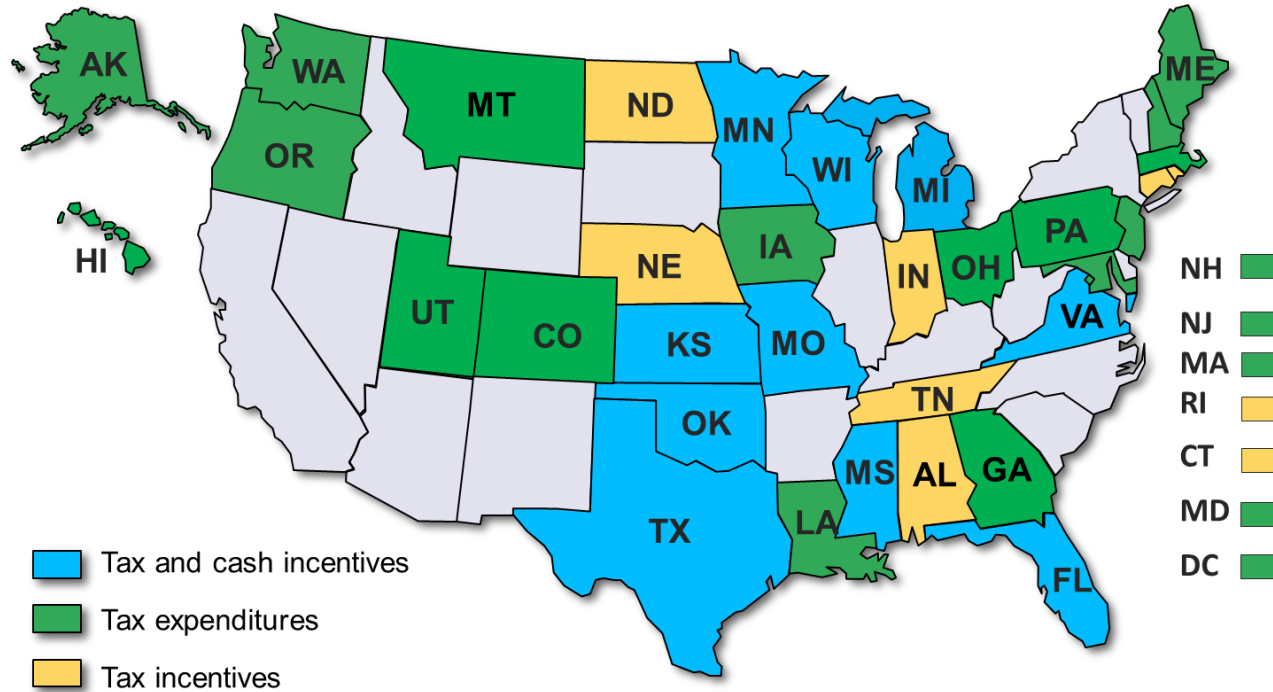
Fast-forward nine years...



Who are the evaluators?



What gets reviewed?



Why Maine's process leads other states

- Evaluation scope = all major economic development incentives
- Reviews are high-quality and conducted by a nonpartisan office
- Policymakers have used process to improve programs

Strategies to reinforce quality work

- Does the scope of the evaluation process reflect legislative priorities and evaluator capacity?
 - Quantity and quality of reviews
 - Differing levels of resources, time
 - States can balance workload issues
 - Washington, Colorado
 - Staffing estimates: 1-2.5 FTEs
 - Dependent on frequency, level of detail, other responsibilities

Strategies, continued:

- Is the process suitably linked with policymaking?
 - Many states benefit from connections to committees
 - Kansas and Virginia
 - Contracted evaluators tied to legislative oversight
 - Oklahoma
 - States should consider what works well for them

Strategies, continued:

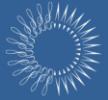
- Does the review schedule yield maximum benefit?
 - Rotating review schedules help manage workloads
 - Offers predictable timelines for lawmakers
 - Cycle lengths can vary
 - 3-6 years for economic development incentives
 - 7-10 for all tax expenditures
 - Matching need for timely analysis with limited bandwidth
 - Maryland

Strategies, continued:

- Can evaluators securely access relevant data?
 - Cross-state coordination can help offices get the data they need without sacrificing confidentiality or security
 - Washington, D.C., Michigan

Final thoughts

- High quality information is key
- Maine's evaluation process is effective
- Reflecting on process ensures it will continue to meet state needs



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Questions?

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