



THE PEW CHARITABLE TRUSTS

# Strengthening Evaluation Processes

## Maine Tax Expenditure Review Working Group

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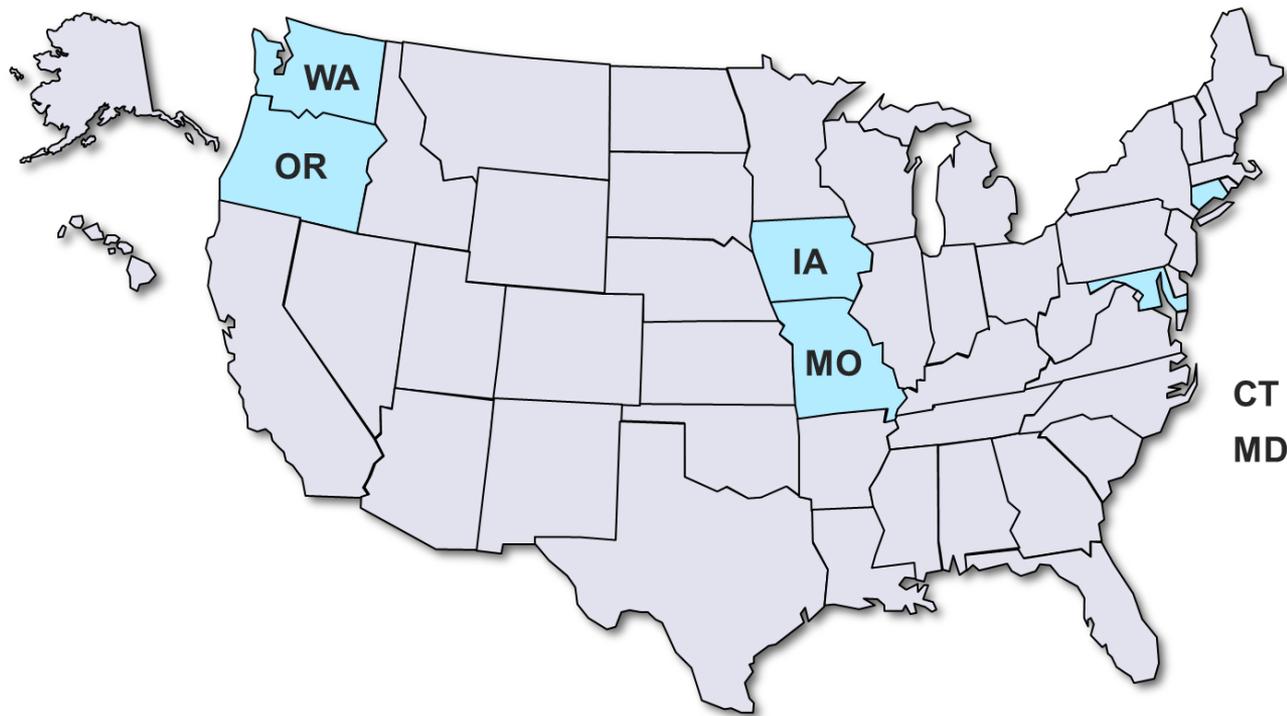
# Pew's tax incentives work

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

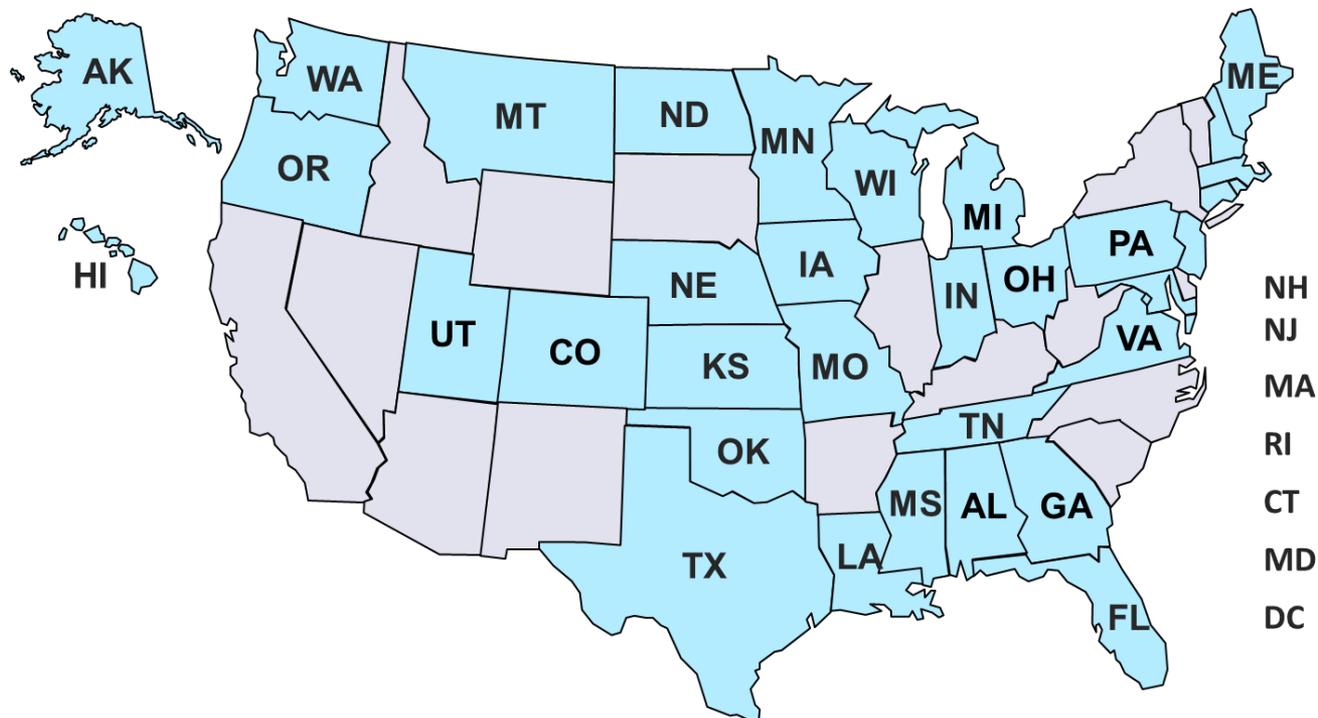
# Overview

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

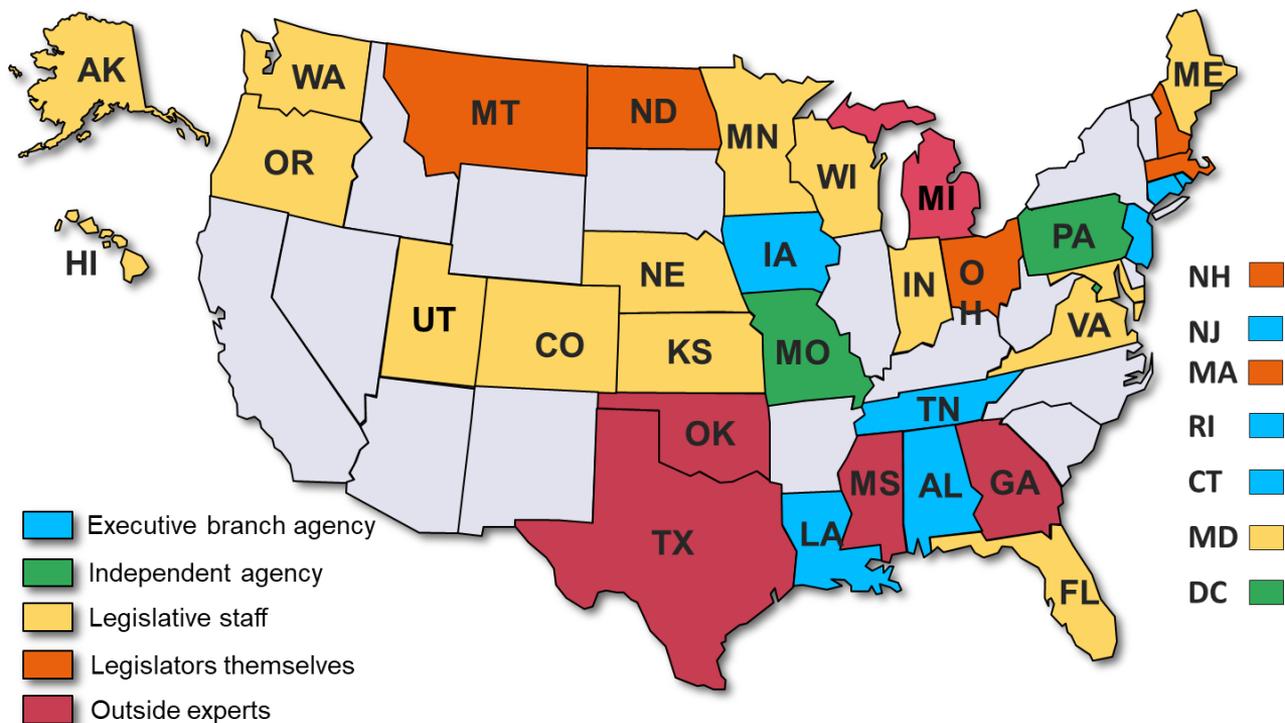
# Evaluation landscape: Pre-2013



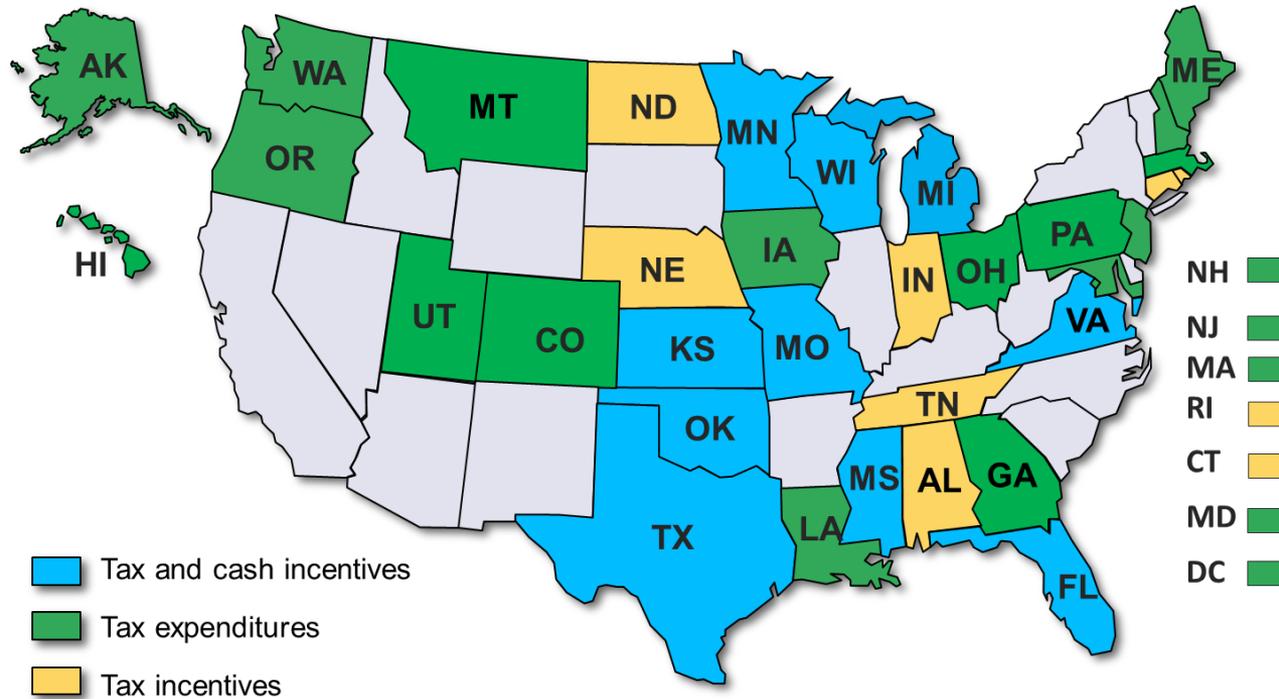
# Fast-forward nine years...



# 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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