

# MAINE STATE LEGISLATURE

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OPEGA  
ANNUAL  
REPORT



Office of Program Evaluation and  
Government Accountability

Annual Report  
2021

January  
2022

a report to the  
Government Oversight Committee and the Legislature  
from the  
Office of Program Evaluation & Government Accountability  
of the Maine State Legislature

## GOVERNMENT OVERSIGHT COMMITTEE OF THE 130<sup>TH</sup> LEGISLATURE

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Senator Lisa Keim  
Senator Donna Bailey  
Senator Richard Bennett  
Senator Jeffrey Timberlake  
Senator Susan Deschambault

Representative Genevieve McDonald, Chair  
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Requests for OPEGA reviews are considered by the Government Oversight Committee in accordance with a standard process. Requests must be made in writing and must be initiated or sponsored by a legislator. Individual legislators or citizens should review the process and FAQ that are posted on OPEGA's website at <http://legislature.maine.gov/opega/request-for-a-review>. There is also a form there to help facilitate the GOC's consideration of the request. Legislative committees can request reviews directly through a written communication to the Government Oversight Committee.

Copies of OPEGA's reports are free.

Reports are available in electronic format at:

<http://legislature.maine.gov/opega/opega-reports>

Hard copies may be obtained by contacting OPEGA at:

(207) 287-1901



LUCIA A. NIXON  
DIRECTOR

MAINE STATE LEGISLATURE  
OFFICE OF PROGRAM EVALUATION AND  
GOVERNMENT ACCOUNTABILITY

January 14, 2022

The Honorable Nathan Libby, Senate Chair  
The Honorable Genevieve McDonald, House Chair  
Members of the Government Oversight Committee  
82 State House Station  
Augusta, Maine 04333

The Honorable Troy D. Jackson, President of the Senate  
Members of the 130<sup>th</sup> Maine Senate  
3 State House Station  
Augusta, Maine 04333

The Honorable Ryan M. Fecteau, Speaker of the House  
Members of the 130<sup>th</sup> Maine House of Representatives  
2 State House Station  
Augusta, Maine 04333

Dear Government Oversight Committee Members, Senators and Representatives:

In accordance with 3 MRSA §995(4), I respectfully submit the Office of Program Evaluation and Government Accountability (OPEGA) Annual Report for 2021. OPEGA's service to the Legislature as an independent, non-partisan resource is meant to support the important role of legislative oversight and to help improve the performance of State government. The staff of OPEGA and I continue to be committed to serving Maine's legislators and citizens as a trusted source of objective, credible information.

Sincerely,

A handwritten signature in cursive script that reads 'Lucia Nixon'.

Lucia A. Nixon  
Director

cc: Darek M. Grant, Secretary of the Senate  
Robert B. Hunt, Clerk of the House

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# About OPEGA

## History

The Office of Program Evaluation and Government Accountability (OPEGA) is a non-partisan, independent legislative office created by Public Law 2001, Chapter 702. The Office first became operational in January 2005. Its authorizing statute is 3 MRSA §§991-1001.

## Organization

OPEGA is part of a unique organizational arrangement within the Legislature that ensures both independence and accountability. This structure is critical to ensuring that OPEGA can perform its function in an environment as free of political influence and bias as possible.

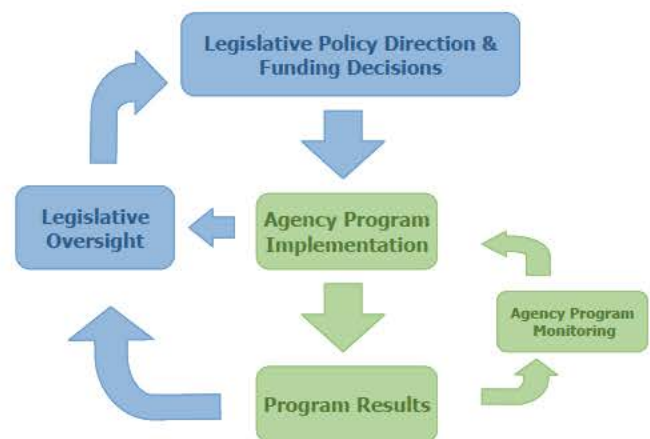
The Legislative Council appoints the Director of OPEGA for five-year terms and sets the Director's salary. OPEGA's activities are overseen by the Government Oversight Committee (GOC), a 12-member bi-partisan and bi-cameral committee appointed by legislative leaders according to Joint Rule. The GOC approves OPEGA's budget and annual work plan and monitors OPEGA's use of resources and performance.

## Staffing

OPEGA has an authorized permanent staff of nine full-time positions including the Director, the Administrative Secretary, who also serves as the GOC Committee Clerk, and a group of analysts, senior analysts and a principal analyst. Two of OPEGA's positions were added in 2015 as a result of Public Law 2015, Chapter 344 which added evaluations of tax expenditures as part of an on-going legislative review process to OPEGA's responsibilities.

## Function

OPEGA primarily supports legislative oversight by conducting independent program evaluations of State government programs as directed by the GOC<sup>1</sup>. As legislators perform their oversight function, they often have questions about how policies are being implemented, how programs are being managed, how money is being spent and what results are being achieved.



The GOC and OPEGA address those questions from an unbiased perspective through rigorous program evaluations, including performance audits. The independence and authorities granted in the statute governing the GOC and OPEGA provide the Legislature with a valuable supplement to the oversight conducted by the policy committees. In addition, the GOC and OPEGA are in an excellent position to examine governmental programs and activities that cut across State agencies and span the jurisdictions of multiple policy committees.

The results of OPEGA's reviews are provided to legislators and the public through formal written reports and public presentations.

<sup>1</sup> When directed to do so, OPEGA also has authority to perform program evaluations of non-State entities that receive State funds or have been established to perform governmental functions.

## Mission

The Office of Program Evaluation and Government Accountability exists to support the Legislature in monitoring and improving the performance of State government by conducting independent, objective reviews of State programs and activities with a focus on effectiveness, efficiency and economical use of resources.

## Vision

OPEGA is valued as a credible source of objective information that contributes to good government and benefits Maine's citizens.

## Values

OPEGA seeks to be a model for best practices in government and is committed to:

- ◆ Independence and objectivity
- ◆ Professionalism, ethics and integrity
- ◆ Participatory, collaborative approach
- ◆ Timely, effective communications
- ◆ Valuable recommendations
- ◆ Continuous improvement
- ◆ Using skilled and knowledgeable staff
- ◆ Minimizing disruption of operations
- ◆ Identifying root causes
- ◆ Measuring its own performance
- ◆ Smart use of its own resources

## Overall Goals

- A. Provide timely, relevant and useful information and recommendations.
- B. Conduct all work with objectivity and accuracy.<sup>2</sup>
- C. Communicate regularly on our activities, results and impacts.
- D. Utilize OPEGA's resources effectively, efficiently and economically.

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<sup>2</sup> OPEGA adheres as fully as possible to the performance auditing standards issued by the United States Government Accountability Office (GAO), known as the *Generally Accepted Government Auditing Standards* (GAGAS) or Yellow Book standards. Adherence to professional standards ensures OPEGA's work is objective and accurate and reported results are appropriately supported.

# The Year in Review

During 2021, OPEGA completed four review projects, conducted ongoing work on three additional projects, and continued follow-up activities on three projects from prior years.

**Table 1 - OPEGA Project Work in 2021**

	Project Approved	Scope of Work Approved	Project Status as of 12/31/21	Report Date
<b>Projects Completed in 2021</b>				
Maine Citizen Initiative and People's Veto Process	11/2017	1/2018	Completed	6/2021
Seed Capital Investment Tax Credit Evaluation	~	1/2020 <sup>3</sup>	Completed	8/2021
Tax Credit for Rehabilitation of Historic Properties Evaluation	~	5/2021 <sup>3</sup>	Completed	11/2021
2021 Tax Expenditure Expedited Reviews	~	~	Completed	11/2021
<b>Projects with Substantial Work In-Progress</b>				
Child Protective Services, DHHS/OCFS	7/2021	8/2021	Active	
Research Expense Tax Credit Evaluation	~	5/2021 <sup>3</sup>	Active	
Maine Commission on Indigent Legal Services (MCILS) - Part II: Indigency Determination <sup>4</sup>	4/2019	12/2019	Paused	
<b>Past Projects with Follow-up Activities</b>				
Pine Tree Development Zones Part II	8/2019	12/2019	Completed	11/2020
Maine Commission on Indigent Legal Services (MCILS) - Part I	4/2019	12/2019	Completed	11/2020
Child Protective Services Information Briefs 2018 - Two Cases of Child Death 2019 - Frontline Workers in State CPS	3/2018 6/2018	~	Completed	5/2018 2/2019

## Projects Completed in 2021

### 1. Maine's Citizen Initiative and People's Veto Process

OPEGA completed an evaluation of the Maine Citizen Initiative and People's Veto process. Maine citizens may initiate legislation, or propose to reject recently-enacted legislation, through the citizen initiative and people's veto processes, which are guided by the Maine Constitution and state law. These processes are administered in part by the Maine Secretary of State and in part by the Maine Commission on Governmental Ethics and Election Practices.

<sup>3</sup> For tax expenditure evaluations, the listed date under "approved by GOC" represents the date the evaluation parameters were approved by the GOC following preliminary research, since these projects, being required by statute, do not have approval dates prior to point in the process.

<sup>4</sup> Part I of the MCILS project was completed in November 2020.



OPEGA's review followed the scope approved by the GOC and focused on the following areas:

- Trends in activity and characteristics for citizen initiative and people's veto efforts over time, including geographic distribution for signatures collected and the extent to which citizen initiatives that qualified for the ballot dealt with matters previously before the Legislature;
- Opportunities to improve the efficiency, effectiveness, economical use of resources, transparency and accountability in the citizen initiative and people's veto processes.

For the analysis of trends and characteristics, OPEGA examined the frequency with which the public uses the citizen initiative and people's veto process, the types of subjects addressed through this process, the number of petitions issued, the number and types of initiatives that qualify for the ballot, the results of referendum votes and related legislative activity, as well as the use of paid signature gatherers, and expenditures and contributions for citizen initiative or people's veto attempts. OPEGA identified opportunities to improve the citizen initiative and veto process in the following areas:

- Transparency and accountability in the signature collection process;
- Efficiency of the signature validation process;
- Transparency and effectiveness of data on organizers of petition circulation, contributions to initiative campaign, and campaign expenditures;
- Efficiency and economical use of resources by BQC/PAC committees and the Commission.

In this review, OPEGA found that the SOS's established procedure for signature validation does not adequately address a scenario in which signatures for a citizen initiative or people's veto attempt are received by the SOS in more than one discrete submission made at different points in time. Under current procedures, such a scenario presents the risk that an initiative could qualify for the ballot with less than the required number of valid signatures.

OPEGA presented the Final Report on Maine's Citizen Initiative and People's Veto Process to the Government Oversight Committee on June 25, 2021. The GOC held a public comment period and work session and voted to endorse the report on August 11, 2021. The GOC transmitted the report to the Joint Standing Committee on Veterans and Legal Affairs (VLA), referring the report to VLA for consideration of the identified opportunities for improvement and submit legislation as deemed appropriate.

## 2. Evaluation of the Seed Capital Investment Tax Credit

OPEGA completed an evaluation of the Maine Seed Capital Tax Credit (MSCTC) in accordance with 3 MRSA §999. The MSCTC, authorized by 36 MRSA §5216-B, is a long-standing tax expenditure program that seeks to incentivize private equity investment in small businesses by offering investors an income tax credit equal to a percentage of their investment in an eligible Maine business. The credit was enacted in 1998, making it the first of its kind in the nation. In 2020, the annual cap for tax credits was tripled, from \$5 million to \$15 million. The MSCTC is administered by the Finance Authority of Maine (FAME).

OPEGA's review followed parameters approved by the GOC and focused on the following areas:

- Program structure and administration;
- Program data available for oversight; and
- Program alignment and performance relative to goals.

OPEGA observed that the MSCTC is associated with substantial private equity investments in Maine businesses. However, OPEGA was unable to fully or reliably assess the effectiveness of the MSCTC in achieving the goals of increasing investment, increasing jobs, and increasing municipal tax bases. Overall, OPEGA found that the MSCTC program design is not well-aligned with the program goals, resulting in a situation where one cannot necessarily expect the program goals to be achieved. This suggests that the program goals or the program design or both should be adjusted.

OPEGA made the following recommendations:

- That the Legislature, in consultation with FAME, the Department of Economic and Community Development (DECD), and other stakeholders as appropriate, re-evaluate and clearly define program goals and what “success” looks like in terms of outcomes. Thereafter, the program design should be adjusted, through amendments to statute or agency rules as appropriate, to ensure the program requirements align with the goals;
- That the Legislature, in consultation with FAME and DECD as appropriate, adjust the program’s reporting requirements to allow for effective oversight of whether the program is meeting its goals; and
- That FAME improve their processes for program data collection, analysis, and reporting.

OPEGA presented the Final Report on the Maine Seed Capital Tax Credit to the Government Oversight Committee on August 11, 2021. The GOC held a public comment period and work session and voted to endorse the report on September 8, 2021. The GOC also sent a letter to FAME requesting an action plan to address the Recommended Management Action and inviting the agency’s comment on defining goals and success as described under Recommended Legislative Actions. FAME reported back to the GOC on November 10, 2021 and the GOC has submitted FAME’s responses to the Taxation Committee for consideration.

### 3. Evaluation of the Historic Rehabilitation Tax Credit

OPEGA completed an evaluation of the Historic Rehabilitation Tax Credit (HRTC) in accordance with 36 MRSA §999. The HRTC, authorized by 36 MRSA §5219-BB, provides a refundable income tax credit to taxpayers who rehabilitate certain income-producing historic properties in Maine. The credit was enacted in 2008 and was made retroactively available to taxpayers with qualified rehabilitation expenditures determined to meet program standards after January 1, 2008. The Maine HRTC is administered by Maine Historic Preservation Commission (MHPC) in consultation with Maine Revenue Services (MRS).

OPEGA’s review followed parameters approved by the GOC and focused on the following areas:

- Program structure and administration;
- Comparison to best practices;
- Program data available for oversight; and
- Program alignment and performance relative to goals.

Overall, OPEGA found that the HRTC was well-administered and designed in a way that supported the program goals. OPEGA also found that available data indicated that the program was performing in a way that supported the program goals.

OPEGA made the following recommendations:

- That MHPC improve data management, including internal guidance on data processing and documentation to ensure traceable reporting;
- That MHPC improve guidance to reporting entities and consider streamlining the reporting process;
- That policymakers consider centralizing data management for tax expenditure programs as a possible avenue to addressing a growing interest in using data for oversight of tax expenditures;
- That policymakers decide the degree to which jobs information is important to their oversight of the HRTC and whether it is worth pursuing new methods for what is collected and reported given the lack of centrality to the program and potential cost;
- That policymakers consider whether biennial reporting for the HRTC is meeting the Legislature's needs and is efficient;
- That the Legislature clearly specify one or more legislative committees to which reports must be submitted and consider whether this should include the policy committees with jurisdiction over relevant areas;
- That policymakers work with MHPC and stakeholders to clarify the small project credit's purpose so that its effectiveness can be measured in the future;
- And that policymakers consider whether expanding eligibility for the HRTC aligns with State policy priorities while weighing the costs and benefits of expanding eligibility.

OPEGA presented the Final Report on the Historic Rehabilitation Tax Credit to the Government Oversight Committee on November 10, 2021. The public comment period and work session on this report will be scheduled in early 2022.

#### **4. Tax Expenditures Expedited Review 2021**

Each year, OPEGA is required by statute (3 MRSA §1000(2)) to provide information to support expedited reviews of tax expenditures conducted by the Joint Standing Committee on Taxation (3 MRSA §1000(1)). The annual reviews are grouped into tax policy areas, or categories, over a 6-year cycle. In 2021, the tax expenditures assigned for expedited review covered three tax policy areas: Inputs to Taxable Products; Conformity with Internal Revenue Code; and Non-Taxable Services. In accordance with statute, OPEGA compiled and prepared the following specific information for the Taxation Committee:

- a description of the tax policy under review;
- descriptions of each tax expenditure associated with that policy, including the mechanism through which it is distributed and its intended beneficiaries;
- the legislative history of each tax expenditure; and
- the fiscal impact of the tax policy and each related tax expenditure, including past and future impacts.

In 2021, OPEGA prepared the required information for the three policy areas and 13 specific tax expenditures associated with those areas. These tax expenditures included exemptions from the sales and use tax and exemptions from income tax. A summary of the estimated fiscal impact of these tax expenditures is presented in Table 2. The fiscal impact estimates presented here come from the Maine State Tax Expenditure Report (MSTER) produced by Maine Revenue Services (MRS). The

estimates represent estimated foregone State General Fund revenue due to the exemptions from sales and use tax and income tax.

	FY18	FY19	FY20	FY21	FY22	FY23
Inputs to Tangible Products	\$276.4M	\$291.0M	\$275.1M	\$274.4M	\$277.7M	\$284.3M
Conformity with IRC	\$739.1M	\$760.4M	\$820.7M	\$867.1M	\$917.5M	\$982.2M
Non-Taxable Services	\$2,130.0M	\$2,243.4M	\$2,061.0M	\$2,078.6M	\$2,135.4M	\$2,193.0M
<b>Totals</b>	<b>\$3,145.5M</b>	<b>\$3,294.8M</b>	<b>\$3,156.7M</b>	<b>\$3,220.0M</b>	<b>\$3,330.5M</b>	<b>\$3,459.4M</b>

Source: Estimates for FY18 & FY19 are from the 2020-2021 MSTER while the estimates for FY20 through FY23 are from the 2022-2023 MSTER. Notes: Where ranges are reported in MSTER, the average of the lower and upper end of the range is used.

OPEGA submitted its report “Information to Support 2021 Expedited Reviews of Maine State Tax Expenditures” to the Taxation Committee on November 30, 2021.<sup>5</sup>

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## Projects with Substantial Work In-Progress

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During 2021, OPEGA conducted substantial work on the following three projects that continued in progress toward completion at the close of the year:

### 1. Maine Commission on Indigent Legal Services, Part II

In 2021, OPEGA conducted work on the second part of a two-part review of the Maine Commission on Indigent Legal Services. MCILS was established as an independent commission in 2009 to provide efficient, high quality representation to indigent criminal defendants, juvenile defendants and children and parents in child protective cases. The first part of this review project, completed in 2020, addressed two areas prioritized by the GOC: (1) the extent to which the systems and procedures used by MCILS to process payments and expenditures associated with providing legal representation are adequate; and (2) whether the oversight structure of MCILS is adequate. The second part of this project, which is in progress, is designed to examine reasonableness and consistency in determining whether a client is indigent and in determining, ordering and monitoring payments towards counsel fees by partially indigent clients. During 2021, OPEGA developed the work plan and carried out field work including data collection and analysis.

### 2. Evaluation of the Research Expense Tax Credit

The GOC approved project parameters for the Research Expense Tax Credit (R&D Credit) in accordance with 3 MRSA §999 in May of 2021. The state’s R&D Credit is built upon the federal R&D credit and provides a tax credit for qualifying research expenditures over a base amount. OPEGA began work on the review during 2021, but as a lower priority project than the Historic Rehabilitation Tax Credit review, which was approved at the same time. The R&D Credit review

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<sup>5</sup> The report is available here: [“Information to Support 2021 Expedited Reviews of Maine State Tax Expenditures”](#)

parameters are focused on the credit's structure and administration; the data available for oversight; and alignment and performance relative to its goals. During 2021, OPEGA developed the work plan and carried out field work including data collection and analysis. OPEGA expects to complete the review of the R&D Credit in early 2022.

### **3. Review of Child Protective Services (DHHS/OCFS)**

In July 2021, the GOC directed OPEGA to initiate an immediate review of child protective services (CPS) administered by the Department of Health and Human Services (DHHS), Office of Child and Family Services (OCFS). This immediate review was initiated in response to heightened concerns about the safety of Maine children in their homes following four child deaths. The GOC approved the scope of work for the CPS review in August 2021. The Committee divided this comprehensive review project into three components with specific deliverables to be completed in the following order:

1. Oversight of Child Protective Services – Information Brief
2. Protecting Child Safety: Initial Investigation and Assessment – Evaluation Report
3. Protecting Child Safety: Reunification and Permanency – Evaluation Report.

During August-December 2021, OPEGA developed the work plan, conducted research and began drafting the information brief on oversight of child protective services. During this time period, OPEGA also developed the work plan and carried out extensive field work, including data collection (interviews and surveys) and analysis, for the evaluation of child safety during initial investigation and assessment.

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## **Activities Related to Past OPEGA Reports**

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Each year, OPEGA and the GOC conduct follow-up work as needed related to previously completed projects and reports and consider additional GOC action as needed. Notable follow-up activities during 2021 included:

### **1. Pine Tree Development Zones – Limited Scope Review**

In early 2021, OPEGA facilitated follow-up work by the GOC on the November 2020 OPEGA report: “Pine Tree Development Zones – A Limited Scope Review.” In February 2021, the GOC held a public comment period and work session on the report. A number of questions for the Department of Economic and Community Development emerged from the public comment and work session. OPEGA assisted the GOC in requesting information those questions from DECD and arranged for the DECD Commissioner to present the responses and answer questions of the GOC at an April 2021 GOC meeting. This wrapped up the GOC's work on this report.

### **2. Maine Commission on Indigent Legal Services, Part I**

During 2021, OPEGA also assisted the GOC with ongoing follow-up work stemming from the November 2020 OPEGA report “Maine Commission on Indigent Legal Services (MCILS) – An evaluation of MCILS's structure of oversight and the adequacy of its systems and procedures to administer payments and expenditures.” Following the public comment period and work session on the report in early February 2021, the GOC requested that OPEGA conduct a piece of work to further assess and analyze MCILS billing data; this was completed and reported to the GOC in March 2021. The GOC also requested quarterly reports from MCILS for the remainder of the 130<sup>th</sup>

Legislature and OPEGA assisted with the coordination of quarterly report presentations in June 2021 and September 2021. OPEGA also coordinated a meeting between the State Auditor and MCILS in April 2021 to discuss possible assistance the State Auditor could provide MCILS.

### 3. Child Protective Services: 2018 & 2019 Information Briefs

The GOC, with support from OPEGA, has conducted ongoing oversight activities related to child protective services as follow-up to information briefs produced by OPEGA in 2018-2019: “Maine’s Child Protection System: A Study of How the System Functioned in Two Cases of Child Death by Abuse in the Home” (May 2018) and “Frontline Workers in the State Child Protective System: Perspectives on Factors That Impact Effectiveness and Efficiency of Child Protective Work (February 2019).

In 2021, OPEGA assisted the GOC in coordinating the following presentations and briefings to update the committee on child protective services matters as part of this ongoing oversight and in conjunction with new requests for review of this topic presented in July of this year:

- March 26, 2021 – Christine Alberi, Child Welfare Services Ombudsman
- April 23, 2021 – Dr. Todd Landry, Director, Office of Child and Family Services, DHHS (status of prioritized initiatives to improve Maine’s child protective system)
- July 14, 2021 – Christine Alberi, Child Welfare Service Ombudsman; Dr. Todd Landry, Director, DHHS/OCFS; Lisa Marchese, Deputy Attorney General, Chief, Criminal Division, Office of the Attorney General
- September 8, 2021 – Introduction to Child Abuse and Prevention Treatment Act (CAPTA) Review Panels
- November 10, 2021 - Presentation of Collaborative Safety Review, Maine Office of Child and Family Services, Summary and Recommendations by Casey Family Programs & Collaborative Safety, with DHHS/OCFS; Child Welfare Ombudsman Update on FY21, presentation by Christine Alberi.

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## Support to the GOC and the Legislature

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### 1. Staffing of the Government Oversight Committee

OPEGA provides staffing services for the Government Oversight Committee. Staff support includes coordinating and giving notice of meetings and agendas, developing and distributing written meeting materials, and preparing written summaries of the meetings. The GOC held 14 meetings in 2021. OPEGA staffed two GOC meetings per month in February, March, April and June, and one meeting per month in January, May, July, August, September and November. Due to the Covid-19 pandemic most GOC meetings were conducted and facilitated electronically over the Zoom platform. In total, the GOC held 11 electronic meetings, 2 in-person meetings, and 1 hybrid (electronic and in-person) meeting. An archive of the meeting summaries from all GOC meetings is maintained on OPEGA’s website.<sup>6</sup> During 2021, the OPEGA director and staff made the following presentations to the GOC:

- Committee Orientation (January 2021)

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<sup>6</sup> Meeting summaries are available here: [Archive of previous meetings](#)

- OPEGA Operations and Administration:
  - Status of OPEGA projects in progress (each GOC meeting)
  - Annual Reports 2019-2020 (March 2021)
  - 2021-2022 Work Plan (March 2021)
  - FY2022-23 Budget (March 2021)
- OPEGA Program Evaluation/Review Projects:
  - Update on Child Protective Services (March 2021)
  - MCILS Part I: Follow-up Data Assessment (March 2021)
  - Overview of Tax Expenditure Review Process (March 2021)
  - Evaluation parameters: Historic Rehabilitation Tax Credit (April 2021)
  - Evaluation parameters: Research Expense Tax Credit (April 2021)
  - Report on the Maine Citizen Initiative and People’s Veto Process (June 2021)
  - Report on the Evaluation of the Maine Seed Capital Tax Credit (August 2021)
  - Report on the Historic Rehabilitation Tax Credit (November 2021)

## 2. Support for GOC Consideration of Review Requests

Each year, OPEGA performs research and gathers information and documentation to support and facilitate the GOC’s consideration of potential topics for OPEGA review projects. To be presented to the GOC for consideration, a request for an OPEGA review must be initiated or sponsored by a Legislator and must be submitted in writing. In 2021, OPEGA processed and conducted background research for the presentation of five review requests to the GOC covering the following four topics: Wild Blueberry Commission; Department of Administrative and Financial Affairs, Workday Maine; RFP Process administered by DPS, Bureau of Highway Safety and associated DAFS Division of Procurement Policies; and DHHS, Office of Child and Family Services. In response to the requests regarding DHHS, OCFS, both presented in July 2021, the GOC voted to direct OPEGA begin work immediately on a review of child protectives services. For the other three requests, two remain under consideration by the GOC for potential future OPEGA review. These concern the Wild Blueberry Commission and Department of Administrative Services, Workday Maine.

OPEGA also fields letters, phone calls and emails throughout the year from individuals seeking information or inquiring about the potential for an OPEGA review of a topic of concern to them. In 2021, OPEGA responded to 30 individuals who contacted the office for this purpose and conducted follow-up work to provide information and guidance by telephone, e-mail or other written communication.

## 3. Support to Legislative Policy Committees

While OPEGA primarily supports the GOC, OPEGA also provides certain support to the Taxation Committee related to tax expenditure evaluation and provides information to other legislative policy committees upon request. During the first regular session and first special sessions of the 130<sup>th</sup> Legislature, OPEGA provided the following to support the work of Legislative committees besides the GOC:

- Briefing on Maine’s Tax Expenditure Review Process to the Joint Standing Committee on Appropriations and Financial Affairs (January 2021) and the Taxation Committee (February 2021)
- Presentation of the 2020 OPEGA report “Information to Support 2020 Expedited Reviews of Maine State Tax Expenditures” to the Taxation Committee (February 2021)

- Attendance at work sessions to be available for questions related to tax expenditures, including:
  - LD 308, "An Act To Promote Research and Development in the State by Increasing and Marketing the Research Expense Tax Credit" (Taxation Committee, April 2021)
  - LD 229, "An Act To Increase Investment Caps in the Maine Seed Capital Tax Credit Program" (Taxation Committee, April 2021), and
  - LD 730, "An Act To Protect Economic Competitiveness in Maine by Extending the End Date for Pine Tree Development Zone Benefits" (Innovation, Development, Economic Advancement & Business Committee, April 2021)

#### 4. Staffing of Legislative Study: Tax Expenditure Working Group

In 2021, OPEGA, along with OFPR, provided staffing services to the “Working Group to Review the Process for Ongoing Review of Tax Expenditures by the Legislature,” established by the 130th Legislature pursuant to S.P. 578, a Joint Study Order. The group was composed of eight members of the Legislature, including four members from the GOC along with four members from the Taxation Committee. OPEGA’s staffing support to the working group included working with OFPR staff on planning and coordinating meetings, preparing and distributing the agenda, developing and presenting materials as requested by the group, and drafting the final report. The Tax Expenditure Working Group met four times during the interim between legislative sessions in 2021 and submitted its report in December 2021 to the Second Regular Session of the 130th Legislature. All meetings were conducted electronically. Additional information regarding the Working Group and the final report are available on the Legislature’s website.<sup>7</sup>

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### OPEGA’s Budget

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OPEGA’s actual expenditures have been under budget each year since beginning operations in 2005 and that trend continued in Fiscal Year 2021. Table 4 shows OPEGA’s adjusted General Fund budget and actual expenses for the past three fiscal years.

	FY2019	FY2020	FY2021
Total General Fund budget	\$1,315,883	\$1,361,492	\$1,403,375
Total General Fund dollars expended	\$1,215,239	\$1,267,023	\$1,242,145
Dollar variance of expenditures to budget	(\$100,644)	(\$94,469)	(\$161,230)
% variance of expenditures to budget	(8%)	(7%)	(11%)

OPEGA’s actual expenditures for FY21 were under budget by \$161,230, or approximately 11% of the total budget. The variance was primarily due to actual costs being less than budgeted in the following expenditure categories: consultant services, travel, employee training, printing and advertising. Travel expenses for GOC members and employee training and related travel expenses were limited in FY21 during the Covid-19 pandemic.

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<sup>7</sup> For additional information, please see: [Tax Expenditure Working Group](#) and [Report](#)



# Acknowledgements

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