



April 30, 2018

## Memorandum

To: Oklahoma Incentive Evaluation Commission

From: Randall Bauer, The PFM Group

Re: 2018 Incentive Evaluations – Criteria for Evaluation

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In 2018, the Oklahoma Incentive Evaluation Commission will conduct evaluations of 12 state incentive programs with the assistance of the PFM Project Team. The proposed criteria for each incentive is listed below, including strikethrough deletions and underlined additions to previous versions.

### **Affordable Housing Act**

- Number of housing projects funded by the program
- Housing units associated with the credit
- Change qualified housing projects before/after the credit
- Comparison with other states with/without similar credits
- State return on investment

### **Applied Research Support Program**

- Commercially successful products developed as a result of program funding
- Economic activity associated with program funding
- Number/types of collaborative projects associated with funding
- Comparison of collaborative projects before/after the program
- Return on investment

### **Basic and Applied Research**

- Number of times/amount of use of program
- Demonstrated productivity/value add from assistance
- Results versus similar programs in other states
- State return on investment

### **Energy Efficient Residential Construction Tax Credit**

- Change in number of energy efficient residential properties
- Comparison of number of qualified properties versus surrounding states
- Energy savings/environmental impact from qualified properties
- State return on investment



### **Health Research Program**

- Number of health research scientists recruited/retained through the program
- National research funding obtained as a result of the program
- Comparison of national research funding before/after the program initiated
- Comparison of national research funding for states without this type of program
- Health care products and services developed as a result of funding
- State return on investment

### **Investment/New Jobs Tax Credits**

- Change in employment and payroll from qualified facilities
- Change in employment and payroll from qualified industries before/after program
- Change in employment and payroll in qualified industries in other states
- Return on investment analysis

### **New Products Development Income Tax Exemption**

- Use of the program
- Comparison of Oklahoma incentive to other states
- Determination of the amount of layering with Investment/New Jobs Tax Credit

### **Quality Jobs Investment Act**

- History of use of the program
- Investment outcomes - businesses created or expanded, jobs and payroll as a result
- History of returns on investments

### **Quick Action Closing Fund**

- History of use of the program
- Jobs/payroll associated with the program
- Layering of the program with other incentives
- Comparison of job and payroll growth with/without use of this incentive
- State return on investment

### **Small Business Incubators (Tenants & Sponsors)**

- Employment and payroll associated with qualified small businesses
- Change in small business employment before/after incentive
- Change in small business employment for Oklahoma versus surrounding states
- State return on investment



### **Technology Business Finance Program**

- Jobs/payroll associated with the program
- Use of the program over time
- Comparison of participant success rates to tech start-ups, generally
- Return on investment from an equity standpoint

### **Technology Transfer Income Tax Exemption**

- Comparison of Oklahoma incentive to other states
- Number and amount of technology transfers
- Dollar value of the benefit
- Employment and payroll associated with the technology transfer