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“A Better Deal for the District”

Report: District of Columbia Job Subsidy Practices In Need of Improvement; Lag Behind Nearby Jurisdictions

Washington, DC—Despite the District of Columbia embracing four leading best practices, other basic economic development standards and safeguards remain absent.

Broadly, the District has four major shortfalls: failure to set job creation and job quality standards, lax reporting on project outcomes, failure to enforce existing standards, and the need for an online transparency database.

Despite such shortcomings, experience shows that the District can rapidly change course. For example, recent enhancements raised D.C.’s ranking on job subsidy transparency from dead last to 26th among the states in a 2014 Good Jobs First national report card study.

These are the major findings of *A Better Deal for the District: Enhancing Economic Development Transparency & Accountability in Washington, D.C.*, a report published today by Good Jobs First, a non-profit resource center on economic development based in Washington, DC. The report was commissioned by the Baltimore Washington Laborers and Public Employees District Council.

The report is available at: <http://www.goodjobsfirst.org/ABetterDealForTheDistrict>

An examination of newly obtained documents received pursuant to an information request also highlights poor record-keeping, low standards, and lax enforcement on economic development deals in the District.

“The records we obtained show a clear need not only to put details about subsidy packages online in an open government database, but also to set better standards,” said Thomas Cafcas, Good Jobs First Research Analyst and lead author of the report.

“Every time we spend public dollars on a project, we need to be clear about our return on investment,” said D.C. Council member Elissa Silverman (I - At-Large). “That can only be accomplished with a transparent process that sets enforceable targets for living wage jobs. A Better Deal for the District outlines how we can optimize our spending to meet these important goals.”

Drawing from best practices across the nation, the most important policies for the District to consider in the near future are:

- Building an online transparency portal to digitize existing records and make them easily downloadable, similar to Maryland, Illinois, and Louisiana.
- Upgrading what the District requires in return for economic development subsidies. States such as Virginia and North Carolina mandate market-based wage rates, meaning that subsidized jobs must pay better than average for that labor market. Nearby states also require employers to provide healthcare benefits and cover some of the premium obligation.
- Enforcing economic development standards through money-back guarantees if job subsidy recipients do not meet performance benchmarks. Virginia and Maryland both incorporate strong penalties for failing to meet job creation or quality objectives.

“The District should build upon existing economic development best practices by embracing commonsense transparency and accountability measures,” Cafcas continued. “Strong job creation thresholds along with average-or-better wages and healthcare benefits for workers generate a higher return on economic subsidies and prevent hidden taxpayer costs.”