

Show Us the Subsidized Jobs

An Evaluation of State Government Online Disclosure of Economic Development Subsidy Awards and Outcomes

by

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Executive Summary

An analysis of major state economic development programs finds that nine out of ten states now disclose at least some data online about which companies are receiving job subsidies. But while the quantity of such data has grown substantially in recent years, its quality is still often poor, especially when it comes to performance measures such as job creation. Only about one in four major state development programs reports on the number of jobs actually created or workers trained, and only one in eleven reports on wages actually paid. So for most deals, taxpayers cannot even begin to weigh costs versus benefits for the tens of billions of dollars states spend in the name of jobs.

A few states—most notably Illinois—have created informative and convenient online disclosure systems, while others provide the public with seriously incomplete sites that can be hard to find or difficult to search. Four states still keep taxpayers completely in the dark about job subsidy spending: Arkansas, Delaware, Idaho and Kansas.

Transparency is of course no guarantee that a state is spending its economic development dollars wisely. But the absence of company-specific disclosure

makes it impossible for the public to get at even the most basic return on investment, accountability or equity questions. Which companies received subsidies (and what kinds of companies)? Are they delivering on job creation? How good are the new jobs? Where will the jobs be located? Reasonable people cannot have an informed debate and policymakers cannot watch the store without good job-subsidy data.

We examine the online reporting practices of four or five key economic development programs in each of the 50 states and the District of Columbia—246 programs in all. Together, these programs have a total annual cost of more than \$12 billion.

We rate each one based on the inclusion of data such as recipient name, subsidy dollar amounts, job-creation numbers, wage levels in those jobs, the geographic location of the subsidized facility, and whether the project involved a relocation. We also score each program on how easy it is to find and use the online data.

Employing seven primary criteria and a dozen sub-criteria, we rate each program on a scale of 0 to 100. Our study thus includes more than 4,000 separate scoring elements. Compared to

our last disclosure study of December 2010, we “raised the bar” with a tougher set of rating criteria, reflecting rising public expectations about government transparency and improved web technology. Reflecting public desires for jobs in the nation’s long, slow economic recovery, we weighted more heavily whether a program reports actual jobs created and wages paid.

Our key findings:

- Forty-six states and the District of Columbia now provide online recipient disclosure for at least one key subsidy program. This is a significant improvement since our last transparency survey of December 2010, which found 37 states with disclosure; our 2007 report found online data on 23 states.
 - Based on our 100-point scoring system, the states with the best averages across their major programs are: Illinois (65), Michigan (58), North Carolina (48), Wisconsin (46), Vermont (43), Maryland (42) and Texas (40).
 - The moves to disclosure in nine additional states—Georgia, Massachusetts, Mississippi, Nevada, New Mexico, Oregon, South Carolina, Tennessee and Wyoming—and the District of Columbia over the past three
- years have come about through legislation in some places, administrative action in others.
- Of the 246 programs we examined, 135 of them, or 55 percent, have online recipient disclosure (up from 42 percent in 2010).
 - Of the 135 programs with disclosure, 101 require some degree of job reporting, but only 59 report actual jobs created or workers trained. Only 47 provide any form of wage or payroll data, and only 21 provide wage data on jobs actually created or workers trained.
 - Of the 246 programs examined, 145 (59 percent) have neither job nor wage reporting of any kind.
 - Six states practice consistency by providing online recipient reporting for all of the key programs we examined: Maryland, Michigan, North Carolina, Vermont, Washington and Wisconsin. Twelve more states and the District of Columbia have disclosure for all but one of their key programs.
 - For the 246 programs as a whole, the average score is just 21 points out of 100. Leaving out those 111 programs with no disclosure, the average program score is still only 39. Of only nine programs

that score 70 or above, four are from Illinois; Kentucky, Michigan, Minnesota, North Carolina and Texas each have one.

- The most-improved state is Oregon, which had no disclosure in 2010 and is now in our top ten. Wyoming went from having no disclosure to 17th place. Three other states now in the top ten had ranked in the middle in our 2010 report (which used a somewhat different scoring system): Maryland, New York and Washington. Vermont jumped from 13th to 5th.
- Many states fail to practice consistency in disclosure across programs. This is true even of our top-scoring state, Illinois, which gets high scores for four programs and a zero for a fifth because it lacks disclosure.
- While some states have introduced slick interactive portals for their disclosure, we don't always find them especially useful.
- Film production tax credits have become a widely used economic development subsidy, but nearly half of such programs we examined lack recipient disclosure.

- Consistent with our previous state accountability report cards, the existence and quality of subsidy transparency follow no partisan pattern. There are “red” and “blue” states among both disclosure leaders and laggards.

These results tell two different stories. The good news is the steady spread of online transparency across the United States. Whereas only a handful of states disclosed a dozen years ago, today there are only four holdouts. The growth of disclosure has made it possible for us to assemble data on more than 250,000 subsidy awards for our Subsidy Tracker database.

Tempering that positive trend is the very inconsistent quality of this disclosure among states and even within some individual states. The biggest shortcoming is a lack of reporting on job creation and other performance measures, which are the most important information that transparency should convey after disclosing which companies got how much. These inconsistencies explain why the scores for most programs are so dismally low.

The conclusion is clear: the accountability movement has made great advances but still has a long way to go before job subsidies are truly transparent.

STATE SUBSIDY DISCLOSURE SCORES BY RANK AND ALPHABETICALLY

<i>Rank</i>	<i>State</i>	<i>Average</i>
1	Illinois	65
2	Michigan	58
3	North Carolina	48
4	Wisconsin	46
5	Vermont	43
6	Maryland	42
7	Texas	40
8 (tie)	New York	38
8 (tie)	Oregon	38
10 (tie)	Louisiana	36
10 (tie)	Washington	36
12	Kentucky	35
13	Indiana	34
14 (tie)	Connecticut	33
14 (tie)	Missouri	33
16	Florida	32
17	Wyoming	29
18	Virginia	28
19	Iowa	27
20	Pennsylvania	25
21 (tie)	California	21
21 (tie)	Minnesota	21
21 (tie)	Ohio	21
24	Montana	20
25	Colorado	19
26 (tie)	Alaska	17
26 (tie)	District Of Columbia	17
26 (tie)	New Jersey	17
29 (tie)	Massachusetts	16
29 (tie)	Tennessee	16
31	Oklahoma	15
32 (tie)	Arizona	14
32 (tie)	Rhode Island	14
34 (tie)	Mississippi	12
34 (tie)	Utah	12
36	South Dakota	11
37	Nebraska	10
38	New Mexico	7
39	West Virginia	6
40	New Hampshire	5
41 (tie)	Georgia	4
41 (tie)	Maine	4
41 (tie)	North Dakota	4
44	Alabama	3
45 (tie)	Hawaii	1
45 (tie)	Nevada	1
45 (tie)	South Carolina	1
-	Arkansas	0
-	Delaware	0
-	Idaho	0
-	Kansas	0

<i>State</i>	<i>Average</i>	<i>Rank</i>
Alabama	3	44
Alaska	17	26 (tie)
Arizona	14	32 (tie)
Arkansas	0	-
California	21	21 (tie)
Colorado	19	25
Connecticut	33	14 (tie)
Delaware	0	-
District of Columbia	17	26 (tie)
Florida	32	16
Georgia	4	41 (tie)
Hawaii	1	45 (tie)
Idaho	0	-
Illinois	65	1
Indiana	34	13
Iowa	27	19
Kansas	0	-
Kentucky	35	12
Louisiana	36	10 (tie)
Maine	4	41 (tie)
Maryland	42	6
Massachusetts	16	29 (tie)
Michigan	58	2
Minnesota	21	21 (tie)
Mississippi	12	34 (tie)
Missouri	33	14 (tie)
Montana	20	24
Nebraska	10	37
Nevada	1	45 (tie)
New Hampshire	5	40
New Jersey	17	26 (tie)
New Mexico	7	38
New York	38	8 (tie)
North Carolina	48	3
North Dakota	4	41 (tie)
Ohio	21	21 (tie)
Oklahoma	15	31
Oregon	38	8 (tie)
Pennsylvania	25	20
Rhode Island	14	32 (tie)
South Carolina	1	45 (tie)
South Dakota	11	36
Tennessee	16	29 (tie)
Texas	40	7
Utah	12	34 (tie)
Vermont	43	5
Virginia	28	18
Washington	36	10 (tie)
West Virginia	6	39
Wisconsin	46	4
Wyoming	29	17