

Minnesota Appendix

Key Subsidy Programs

Program	Annual Cost	Monitoring, Enforcement & Penalty Score*
Business Development Public Infrastructure Grant Program - a funding stream for road infrastructure built primarily to benefit specific companies	\$11,000,000 (2009)	55/100
Job Opportunity Building Zones (JOBZ) - a controversial program allowing state and local tax subsidies for companies locating in special zones; criticized as ineffective it has resulted in numerous clawbacks	\$34,358,000 (2009)	63/100
Job Skills Partnership Program - a grant program that pays educational institutions to provide training for employees of specific companies	\$9,700,000 (2010)	47/100
Minnesota Investment Fund - a cash-grant and loan program which subsidizes businesses creating manufacturing and technology-related jobs	\$6,400,000 (2010)	64/100
Research and Development Tax Credits - a tax credit program subsidizing companies for up to 10 percent of R&D expenditures; a handful of major corporations benefit the most from this subsidy, frequently wiping out between 20 and 60 percent of state corporate tax liabilities	\$21,500,000 (2012)	18/100
Average Monitoring, Enforcement & Penalty Score for All Programs*		49/100

*Adjusted to reflect the program's performance standards score in *Money for Something*. See next page for unweighted scoring details.

Money-Back Guarantees for Taxpayers Scoring Details for Minnesota Programs		<i>Maximum possible score for category</i>	<i>Business Development Public Infrastructure Grant</i>	<i>Job Opportunity Building Zones (JOBZ)</i>	<i>Job Skills Partnership Program</i>	<i>Minnesota Investment Fund</i>	<i>Research and Development Tax Credits</i>
Reporting	Has a requirement that recipients report to agency on performance outcomes (20 pts)	20	20	20	20	20	0
Verification	Agency awarding subsidy verifies performance outcomes reported by recipient (20 pts)	20	0	20	20	20	0
Type of Penalties	Penalty takes the form of recapture (10 pts)	10	10	10	0	10	0
	Penalty takes the form of rescission or program is performance based (5 pts)	5	5	5	5	5	5
	Penalty takes the form of recalibration (5 pts)	5	0	0	5	0	0
Scope of Penalties	Mandatory penalties for failure to meet performance requirements with no exceptions* (20 pts) Mandatory penalties for failure to meet performance requirements with some exceptions (15 pts) Discretionary penalties for failure to meet performance requirements (10 pts)	20	15	15	20	20	20
Online Disclosure of Enforcement Practices	Online publication of statistics on use of penalties (10 pts)	10	0	0	0	0	0
	Online publication of names of companies found to be non-compliant (5 pts)	5	0	5	5	0	0
	Online publication of names of companies penalized and dollar amounts (5 pts)	5	0	0	0	0	0
Total unweighted score		100	50	75	75	75	25
TOTAL SCORE adjusted to reflect the program's performance standards score in <i>Money for Something</i>		100	55	63	47	64	18

*Programs deemed performance based automatically receive points in this category.
For details on the programs see Appendix 4 in www.goodjobsfirst.org/moneyback.