

FINANCIAL EXPOSURE:

Rating the States on Economic Development Transparency

(read here: <https://goodjobsfirst.org/financialexposure>)

APPENDIX for Kansas

Transparency scores for major state programs

(* see next page for scoring details)

Program Description	Recent Annual Cost	Online Recipient Disclosure	Recipient Disclosure Score*
High Performance Incentive Program (HPIP) - transferable corporate income tax credits for capital investments and training expenses, plus sales tax exemptions on certain expenditures.	\$73 million (2019)	Source	15/100
Kansas Job Creation Fund -a discretionary deal-closing grant program used by the governor and the Commerce Department when there is alleged competition for a project with another state. The program is financed by diverting 2% of all Kansas workers' withholding taxes to a special fund.	\$8.8 million (2020)	Source 1 Source 2	52/100
Promoting Employment Across Kansas (PEAK) - allows eligible companies to retain up to 95% of employees' personal income tax withholding for 10 years.	\$47 million (2019)	Source 1 Source 2	49/100
Research & Development Tax Credit - corporate income tax credit based on increases in R&D spending; this is a carry-forward credit.	\$2.7 million (2019)	none	0/100
STAR Bonds - the program allows localities to issue bonds for redevelopment projects and finance the bond repayment by using new state and local sales tax revenues.	\$36 million (2020)	Source	28/100

Financial Exposure: Rating the States on Economic Development Transparency	<i>Maximum possible score</i>	High Performance Incentive Program (HPIP)	Kansas Job Creation Fund	Promoting Employment Across Kansas (PEAK)	Research & Development Tax Credit	STAR Bonds
Scoring Details for Kansas Programs						
<i>Score criteria (point values in parentheses)</i>						
PROJECT INFORMATION						
address/coordinates (8); zip code (5); city or county (3)	8	8	8	8	0	8
month + year of agreement/contract/project (1)	1	0	1	0	0	0
nature of project (1)	1	0	1	1	0	1
ADVANCE NOTICE AND PUBLIC PARTICIPATION						
full applications (5); applicant names + amounts (2); applicant names (1)	5	0	0	0	0	0
cost-benefit analysis at least 15 days in advance (3)	3	0	0	0	0	0
meeting: full proposal (4); program + applicant (3); agenda (2); dates (1)	4	0	0	0	0	0
full draft agreements ahead of approval (3); full agreements after (1)	3	0	0	0	0	0
RECIPIENT IDENTITY						
federal employer identification number (1)	1	0	0	0	0	0
industry classification NAICS code (1)	1	0	1	0	0	0
parent company for all awardees (3)	3	0	0	0	0	0
SUBSIDY INFORMATION						
approved/awarded subsidy value (4)	4	0	4	4	0	4
disbursed/claimed subsidy amount (6)	6	0	6	6	0	6
status + penalty actions (10); status only (5)	10	0	5	5	0	5
JOB CREATION REPORTING						
number of projected new/retained jobs/trainees (6)	6	0	6	6	0	0
number of actual new/retained jobs/trainees (14)	14	0	14	14	0	0
WAGES/PAYROLL REPORTING						
projected wage/payroll for new/retained jobs (5)	5	0	0	0	0	0
actual wage/payroll for new/retained jobs (10)	10	0	0	0	0	0
EXPENDITURE/INVESTMENT REPORTING						
projected capital investment/expenditure/cost (1)	1	0	1	0	0	0
actual capital investment/expenditure/cost (4)	4	0	0	0	0	0
DATA ACCESSIBILITY AND USABILITY						
two clicks from program page (3); - 1 for every additional click	3	3	2	2	0	2
unambiguous data and explanations (2)	2	2	1	1	0	1
five years of data placed together (2); on different pages (1)	2	0	0	0	0	0
downloadable to database applications (3); downloadable to PDF (1)	3	2	2	2	0	1
TOTAL PROGRAM SCORE	100	15	52	49	0	28

see next page for scoring notes

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Scoring notes for Kansas

The Incentive Transparency Database posted to the Commerce Department website includes subsidy recipient data for major subsidy programs, including all programs we evaluated except Research and Development Tax Credits. The database includes only awards granted after 2019, and the level of recipient disclosed data varies by program. We deducted points in the download category for all four programs because only partial data included in the portal can be downloaded to a spreadsheet.

Disclosure link for all transparent programs:

<https://www.kansascommerce.gov/programs-services/transparency-database/>

High Performance Incentive Program (HPIP)

The database does not include subsidy amounts, job, wage, or investment data for the program recipients. A Yes/ No note indicates if a recipient met training and wage requirements, but there are no details on what the requirements were. Some basic recipient data is also included in the 2020 Annual Incentive Programs Review posted as PDF document to the database webpage.

Kansas Job Creation Fund

Recipient data includes subsidies approved and paid out to date, project address, and jobs proposed each year (a Yes/ No note indicates if a recipient met its obligation); no wage information was found. In addition, the most recent JCF Annual Report is linked on the database webpage and includes recipient information for deals approved that year, including NAICS code (the same data is in the Annual Incentive Programs Review report). One older (2019) JCF Annual Report is posted to the Kansas open government website, KanView. There is no link to the old report on the Transparency Database webpage; thus we deducted a point in the easy-to-find category.

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Promoting Employment Across Kansas (PEAK)

Recipient data includes subsidies approved and paid out to date, total and eligible jobs, project address (all visible after clicking on project detail); there is no data on investment or wages (a Yes/ No note indicates if a recipient met job and wage requirement but there are no details). In addition, the most recent PEAK Annual Report is posted as a PDF document on the database webpage. It includes project type and status but not subsidy amounts (the same data is in the Annual Incentive Programs Review). Several older PEAK annual reports are posted on the Kansas open government website, KanView. There is no link to the old reports on the Transparency Database webpage; thus we deducted points in the multi-year and in the easy-to-find categories.

Research & Development Tax Credit

There is no online recipient disclosure for this program.

STAR Bonds

Recipient data includes developer names, project locations, bond amount issued, and subsidies captured the previous year. Deals included in the database are too new to report on subsidies paid out; nevertheless, we gave the program points in the subsidy outcome category as there is a rubric for reporting this data point. In addition, the most recent STAR Bonds Annual Report is posted to the database webpage. It includes project descriptions and financial statements on each bond issued. These documents are difficult to understand for anyone who is not a financial expert (thus we limited points in the clarity of data category). Older STAR Bonds Annual Reports are posted to the Kansas open government website, KanView. There is no link to the old reports on the Transparency Database webpage; thus we deducted points in the easy-to-find category). Even though the participating localities must approve a project during a public hearing session, we did not find any indication that the state posts online any information on upcoming meetings.