

FINANCIAL EXPOSURE:

Rating the States on Economic Development Transparency

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

APPENDIX for North Carolina

Transparency scores for major state programs

(* see next page for scoring details)

Program Description	Recent Annual Cost	Online Recipient Disclosure	Recipient Disclosure Score*
Customized Training Program - workforce training programs designed specifically for companies and provided by the state's community college network; in some instances, companies are reimbursed for associated costs.	<u>\$11 million (2020)</u>	<u>Source</u>	30/100
Data Centers Sales and Use Tax Exemptions - three sales and use tax exemptions for purchase of electricity, software, equipment, and business property. Costs are mostly unavailable.	<u>\$4 million (2021)</u>	none	0/100
Job Development Investment Grant (JDIG) - deal-closing, cash grants funded by worker personal income tax withholding for firms which meet job-creation and investment requirements. It is paid over 12, 20, or 30 years.	<u>\$43 million (2020)</u>	<u>Source</u>	71/100
North Carolina Film and Entertainment Grant - a cash rebate equal to 25% of qualifying expenditures; the state budget automatically allocates \$31 million to the program per fiscal year; any unused funds roll over to the next fiscal year.	<u>\$20 million (2020)</u>	<u>Source</u>	51/100
One North Carolina Program - "deal closing" grants for firms which meet wage requirements; local communities must commit matching funds.	<u>\$9 million (2021)</u>	<u>Source 1</u> <u>Source 2</u>	57/100

Financial Exposure: Rating the States on Economic Development Transparency	Maximum possible score	Customized Training program	Data Centers Sales and Use Tax Exemptions (three programs)	Job Development Investment Grant (JDIG)	North Carolina Film and Entertainment Grant	One North Carolina Program
Scoring Details for North Carolina Programs						
<i>Score criteria (point values in parentheses)</i>						
PROJECT INFORMATION						
address/coordinates (8); zip code (5); city or county (3)	8	0	0	3	3	3
month + year of agreement/contract/project (1)	1	0	0	1	0	1
nature of project (1)	1	1	0	1	1	0
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	1	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	0	0	0	1
parent company for all awardees (3)	3	0	0	0	0	0
SUBSIDY INFORMATION						
approved/awarded subsidy value (4)	4	0	0	4	0	4
disbursed/claimed subsidy amount (6)	6	6	0	6	6	6
status + penalty actions (10); status only (5)	10	5	0	10	5	10
JOB CREATION REPORTING						
number of projected new/retained jobs/trainees (6)	6	0	0	6	0	6
number of actual new/retained jobs/trainees (14)	14	14	0	14	14	14
WAGES/PAYROLL REPORTING						
projected wage/payroll for new/retained jobs (5)	5	0	0	5	0	5
actual wage/payroll for new/retained jobs (10)	10	0	0	10	10	0
EXPENDITURE/INVESTMENT REPORTING						
projected capital investment/expenditure/cost (1)	1	0	0	1	0	1
actual capital investment/expenditure/cost (4)	4	0	0	4	4	0
DATA ACCESSIBILITY AND USABILITY						
two clicks from program page (3); - 1 for every additional click	3	0	0	1	3	2
unambiguous data and explanations (2)	2	1	0	1	2	1
five years of data placed together (2); on different pages (1)	2	1	0	1	2	0
downloadable to database applications (3); downloadable to PDF (1)	3	1	0	3	1	3
TOTAL PROGRAM SCORE	100	30	0	71	51	57

see next page for scoring notes

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Scoring notes for North Carolina

Job Development Investment Grant (JDIG)

Disclosure link: <https://www.nccommerce.com/reports-policymakers/incentive-programs-reports>

JDIG recipients are disclosed in the Annual Program Reports and in a downloadable Excel attachment to the Annual Economic Development Grant Report, all posted to the North Carolina Commerce Department website. In addition, the Department publishes annual clawback reports that cover the program. Between the sources, all major data points are disclosed. The Annual Program Reports list companies approved for the subsidy, including promised jobs, wages, investment, and subsidy awards. In another section, the reports list active projects and their job, wage, and investment outcomes to date. The spreadsheet includes jobs and wages promised and jobs outcomes to date, as well as net payments to companies.

It can be cumbersome to understand a project performance because one needs to search across multiple documents and tables. Also, it is difficult to find older JDIG Annual Reports. Thus, we deducted points in the data accessibility category.

One North Carolina Program

Disclosure link 1: https://www.nccommerce.com/reports-policymakers/incentive-programs-reports?field_document_type_tid=269&tid=All

Disclosure link 2: <https://www.nccommerce.com/documents/archive-gov-ops-past-reports>

OneNC recipients are disclosed in Quarterly Reports to Legislators and in a downloadable Excel attachment to the Annual Economic Development Grant Report, all posted to the North Carolina Commerce Department website (as of February 2022, the last quarterly report was for Q1 2020 – we deducted points in the data availability category). In addition, the Department publishes annual clawback reports that cover the program. Between the sources, all major data points are disclosed. The quarterly reports list companies approved for subsidy, job, wage, and investment commitments, as well as total subsidy approved. The spreadsheet

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includes jobs and wages promised and jobs outcomes to date, as well as net payments to companies. No outcomes on wages and investment are disclosed. We deduct points in the accessibility category because a user needs to navigate between the sources to understand a company commitments and outcomes.

North Carolina Film and Entertainment Grant

Disclosure link: <https://www.ncdor.gov/news/reports-and-statistics/economic-incentives-reports>

Subsidy recipients are disclosed in annual PDF reports posted on the North Carolina Film Office website. The same reports are included in the Department of Revenue's annual Economic Incentives Reports. Disclosed data includes company name, production county location, expenditures (including on wages), job outcomes, and subsidy paid.

Customized Training program

Disclosure link:

<https://www.ncleg.gov/Committees/CommitteeInfo/NonStanding/110#Reports%20Received>

Recipient information is included in the Annual Expenditures Reports on Customized Training Program posted to the Joint Legislative Education Oversight Committee website, under Documents<Received. Those reports are difficult to find. Disclosure includes company names, subsidy amounts (under Total Expenditures), and number of trainees. A table called "Customized Training Project Completions" includes subsidy allocation and expenditures amounts per project, but it seems that only companies that responded a survey on the training effectiveness are included; this does not merit points in the subsidy awarded category.

Data Centers Sales and Use Tax Exemptions (three programs)

There is no online recipient disclosure for this program.