

FINANCIAL EXPOSURE:

Rating the States on Economic Development Transparency
(read here: <https://goodjobsfirst.org/financialexposure>)

APPENDIX for South Carolina

Transparency scores for major state programs
(* see next page for scoring details)

Program Description	Recent Annual Cost	Online Recipient Disclosure	Recipient Disclosure Score*
Closing Fund – “deal closing” grants to attract out-of-state or retain existing major companies.	<u>\$40 million (2020)</u>	<u>Source 1</u> <u>Source 2</u>	55/100
Investment Tax Credit - a one-time, carry-forward, corporate income tax credit equal to 2.5% of a company’s investment in new equipment.	<u>\$46 million (2022)</u>	none	0/100
Job Development Credits - payments based on worker personal income tax withholding for firms which meet job creation, wage, health benefit, and investment requirements.	<u>\$96 million (2022)</u>	<u>Source 1</u> <u>Source 2</u>	39/100
Job Tax Credit - corporate income and other tax credits for job creation, including agribusiness.	<u>\$98 million (2022)</u>	none	0/100
Motion Picture Film Rebates - cash rebates that equal up to 25% payroll expenditures and up to 30% of supply costs.	<u>\$16 million (2022)</u>	<u>Source</u>	20/100

Financial Exposure: Rating the States on Economic Development Transparency	Maximum possible score	Closing Fund	Investment Tax Credit	Job Development Credits	Job Tax Credit	Motion Picture Film Rebates
Scoring Details for South Carolina Programs						
<i>Score criteria (point values in parentheses)</i>						
PROJECT INFORMATION						
address/coordinates (8); zip code (5); city or county (3)	8	3	0	3	0	3
month + year of agreement/contract/project (1)	1	1	0	0	0	0
nature of project (1)	1	0	0	0	0	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	1	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	0
parent company for all awardees (3)	3	0	0	0	0	0
SUBSIDY INFORMATION						
approved/awarded subsidy value (4)	4	4	0	0	0	0
disbursed/claimed subsidy amount (6)	6	6	0	0	0	6
status + penalty actions (10); status only (5)	10	10	0	5	0	0
JOB CREATION REPORTING						
number of projected new/retained jobs/trainees (6)	6	6	0	6	0	0
number of actual new/retained jobs/trainees (14)	14	14	0	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	1	0	1	0	0
actual capital investment/expenditure/cost (4)	4	4	0	4	0	4
DATA ACCESSIBILITY AND USABILITY						
two clicks from program page (3); - 1 for every additional click	3	3	0	3	0	2
unambiguous data and explanations (2)	2	1	0	1	0	2
five years of data placed together (2); on different pages (1)	2	0	0	0	0	2
downloadable to database applications (3); downloadable to PDF (1)	3	1	0	1	0	1
TOTAL PROGRAM SCORE	100	55	0	39	0	20

see next page for scoring notes

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Scoring notes for South Carolina

Starting in 2020, the South Carolina Department of Commerce and the Coordinating Council for Economic Development, a body that approves subsidies, started disclosing recipient level data for the Jobs Development Credits (JDC), the Closing Fund, the Economic Development Set-Aside Fund, and the Rural Infrastructure Fund Activity (the last two are not evaluated in this study). The Council posts on its webpage Annual Reports for the Closing Fund and for Enterprise Zone Activity, which covers JDC. (To access the reports: click on "InformSC" on the Commerce home page; then under Related Documents click on Incentive Reports.) Additionally, the Commerce posts under "InformaSC" an online table which lists grant and JDC recipients.

Closing Fund

Disclosure link 1: https://sccommerce.com/sites/default/files/2021-05/Final%20Revised%20CCED%20Annual%20Report%20-%20May%202021_0.p df
Disclosure link2: <https://sccommerce.com/sc-coordinating-council-economic-development>

The subsidy recipient data is available in two locations on the Commerce website. 1) the Coordinating Council's 2020 Annual Reports include recipient level data points such as subsidy awards and payments, project status and clawbacks, job promises and outcomes. The report, however, does not disclose company names which were granted awards in the report year, but it does disclose those projects' county locations, subsidy amounts, and job/investment obligations. We deducted points in the data accessibility category: the grant programs can only be identified by a letter attached to a grant number (C for Closing Fund). 2) the online table lists companies approved for grants awards. If there is an amount under "Grant Award" it means that a company was approved for one of the three grants, but it is not specified which one.

The Coordinating Council meeting dates are posted online.