Money for Something

Job creation and job quality standards in state economic development subsidy programs

GOOD JOBS FIRST

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Money for Something:

Job Creation and Job Quality Standards in State Economic Development Subsidy Programs

By Philip Mattera,

Thomas Cafcas, Leigh McIlvaine,

Andrew Seifter and Kasia Tarczynska

Good Jobs First

1616 P Street NW Suite 210
Washington, DC 20036
202-232-1616
www.goodjobsfirst.org

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Executive Summary

At a time when unemployment remains high and states and cities are spending an estimated $70 billion a year in the name of economic development, taxpayers are right to ask if such expenditures are creating a substantial number of good jobs. An analysis of major state economic development programs finds that many subsidy programs require little if any job creation. Fewer than half provide any kind of wage standard for the workers at subsidized companies, and fewer than a fourth require any sort of healthcare coverage.

Some individual programs have exemplary safeguards, and the fact that almost every state has some programs with decent job creation or job quality standards makes it clear that these are not "business climate" impediments. Yet no state includes a high level of protection in all of its major subsidy programs, and some states are highly erratic across programs.

These findings come from a careful analysis by Good Jobs First of the most significant subsidy programs in all 50 states and the District of Columbia—238 programs in all, which together cost taxpayers more than $11 billion a year (amounts are not available for 20 of them). The programs include corporate income tax credits (for job creation, capital investment, and/or research & development), cash grants, low-cost or forgivable loans, enterprise zones, reimbursement for worker training expenses and other types of company-specific state assistance. (Subsidies that are enabled by state law but whose costs are borne by local governments, such as property tax abatements, are not among the programs examined.)

We rate each of the 238 programs on three primary criteria (and several derivative qualities): whether they require recipient companies to meet job-creation or other quantifiable performance standards; whether the subsidized companies have to pay their workers above a certain wage level; and whether the companies have to provide their workers healthcare coverage or other employee benefits.

Using these criteria, we rate each program on a scale of 0 to 100; we also offer up to 25 possible "extra credit" points for five more advanced safeguards. We average the scores of each state's programs and rank the states and the District of Columbia by their averages.

We are concerned, as the title of our study implies, about whether states are getting something for their money, but this is not a formal cost-benefit or fiscal break-even study of the various programs.

Performance Requirements: Common but Often Weak in Their Fine Print

- Nearly all the programs (222 of 238) have some kind of quantifiable performance requirement, but only 135 relate directly to job creation, job retention or training of a certain number of workers. Of the other 87 that require some specific activity, most are based on capital investment or qualified expenditures.

- Those programs without a job-related performance requirement cost taxpayers more than $7 billion per year.

- The District of Columbia stands out negatively: four of its five major programs have no performance requirements.

- On the positive side, many programs seek to promote job security and prevent shell games: 98 of the 135 programs with job-related requirements require that new jobs remain in existence for a minimum period of time and/or that a subsidized facility remain open for a designated period, and 92 bar companies from receiving subsidies for simply moving existing jobs from another facility.

Job Quality Standards: Less Common and Often not Market-Based

- Fewer than half (98) of the 238 programs impose a wage requirement on subsidized employers, and only 53 of those wage standards are tied to labor market rates, which are a more effective benchmark for economic development than fixed amounts that can stagnate in the manner of the federal minimum wage.

- Only 11 of the wage requirements serve to raise overall wage levels by mandating rates that are somewhat above existing market averages for the geographic area or industry sector.

- Wage requirements, which can be found in 42 states, vary enormously—from just above the federal minimum wage to more than $40 an hour in certain circumstances for a handful of programs. Using the lower end for those with ranges, the average of the hourly wage requirements is $14.76; the median is $11.82.

- Those programs without any wage requirement—which together cost more than $8 billion a year—can potentially result in jobs that pay so little that workers must rely on social safety net programs such as food stamps, Medicaid, State Children's Health Insurance and the Earned Income Tax Credit. These hidden taxpayer costs may also occur from wage requirements that are sometimes set *below* market levels.

- Only 51 programs (in 28 states) require that a subsidized employer make available healthcare coverage of some kind, and only 31 of these require that the employer contribute to the cost of the premium.

Grading the States: Lots of Room for Improvement

- Based on our criteria, the states with the best average program scores are: Nevada (82), North Carolina (79), Vermont (77), Iowa (70), Maryland (68), and Oklahoma (66). The worst averages are: District of Columbia (4), Alaska (5), Wyoming (10), Oregon (13), Washington (18), Hawaii (19) and North Dakota (19). Twenty-three states score above 40, which is the average for all the states. See below for a complete list of state scores and ranks.

- There is much greater variation in the scores by individual program, with 12 scoring 100 or above (thanks to extra credit). At the same time, many programs have abysmal scores: 13 get a zero and another 80 score below 25.

- While almost every state has more than one program with job-creation and/or job quality standards, some states are quite erratic: 13 have divergences of more than 80 points between programs. The biggest divergences are in Rhode Island (98 points), Iowa (96), Kansas (93), Nebraska (93), North Carolina (93), and South Carolina (90). Clearly, states know how to build in strong safeguards but some fail to do it uniformly for all their subsidy programs.

- State economic development policies typically evolve over many years, so current administrations do not deserve all the credit or blame.

From these results we conclude that job-related performance requirements and job quality standards are both widely embraced in state economic development subsidy programs, but when the fine print is examined, many program rules turn out to be deficient. Moreover, states are not consistent in how they apply such safeguards across their full line-up of programs.

Policy Recommendations

To assist policymakers and practitioners in improving their practices, we offer the following policy recommendations:

- Every economic development program should contain job creation, job retention or training requirements.

- Each of those requirements should be strengthened by provisions barring employers from shifting existing jobs from other facilities and mandating that the jobs be kept in place for a minimum period of time—preferably for at least the duration of the subsidy (e.g., the number of years a tax break is allowed).

- Every job or training position in a subsidized facility should be subject to a wage requirement, preferably tied to dynamic labor market averages (rather than a fixed amount or a poverty rate) and structured in a way that raises wages at subsidized firms above existing market levels. Those requirements should be posted in the subsidized workplace, the way that federal minimum wage rules have to be displayed.

- Those jobs and training positions should also offer a package of employee benefits, including healthcare coverage in which the employer contributes to the cost of the premium.

- Wage and benefit requirements should be applied not only to full-time, permanent employees but also to part-time, temporary and contract workers. Job quality standards covering direct employees should not create a perverse incentive for contingent employment.

Adopting these provisions does not guarantee that any given subsidy program is a good use of taxpayer funds. Even if there are job-creation requirements, they can be set too low. Even if there are wage requirements, they can be too meager. Even if there are health benefit requirements with an employer contribution, the contribution level can be insufficient in relation to rising premium costs.

And even if all these measures are in place, they do not guarantee that a program's benefits will outweigh its costs. A subsidy could be needlessly generous; it may pay companies to do what they would have done anyway. Sometimes the only sensible course of action is to eliminate a program altogether, which is exactly what has happened in several cases in recent years. Yet as long as a program remains in existence, it should be bolstering the economy by creating a significant number of good jobs.

Note: The adoption of strong performance requirements and job quality standards must be accompanied by aggressive enforcement of those rules. In a companion report to be issued soon, Good Jobs First will grade the states on their monitoring and enforcement practices, including the use of safeguards such as clawbacks to penalize subsidy recipients that do not meet their obligations. There are indications that some states with strong job-creation and/or job quality standards may not enforce those standards rigorously.

A summary of state scores and ranks is on the following page.

State Performance and Job Quality Scoring by Rank and Alphabetically

Rank	State	Average	Grade		State	Average	Grade	Rank
1	Nevada	82	B		Alabama	34	D+	31
2	North Carolina	79	B-		Alaska	5	D-	50
3	Vermont	77	B-		Arizona	46	C-	17 (tie)
4	Iowa	70	B-		Arkansas	41	C-	23
5	Maryland	68	C+		California	23	D	42
6	Oklahoma	66	C+		Colorado	51	C	13 (tie)
7	Virginia	62	C+		Connecticut	30	D+	36
8 (tie)	Florida	58	C		Delaware	46	C-	17 (tie)
8 (tie)	Rhode Island	58	C		D.C.	4	D-	51
10	Tennessee	54	C		Florida	58	C	8 (tie)
11	Missouri	53	C		Georgia	51	C	13 (tie)
12	Wisconsin	52	C		Hawaii	19	D-	45 (tie)
13 (tie)	Colorado	51	C		Idaho	26	D	40 (tie)
13 (tie)	Georgia	51	C		Illinois	29	D	37
13 (tie)	Kansas	51	C		Indiana	36	D+	27 (tie)
16	Nebraska	48	C-		Iowa	70	B-	4
17 (tie)	Arizona	46	C-		Kansas	51	C	13 (tie)
17 (tie)	Delaware	46	C-		Kentucky	36	D+	27 (tie)
17 (tie)	Mississippi	46	C-		Louisiana	35	D+	30
20	South Carolina	45	C-		Maine	43	C-	21
21	Maine	43	C-		Maryland	68	C+	5
22	Texas	42	C-		Massachusetts	20	D	43 (tie)
23	Arkansas	41	C-		Michigan	31	D+	33 (tie)
24	New Jersey	39	D+		Minnesota	38	D+	25
25	Minnesota	38	D+		Mississippi	46	C-	17 (tie)
26	West Virginia	37	D+		Missouri	53	C	11
27 (tie)	Indiana	36	D+		Montana	31	D+	33 (tie)
27 (tie)	Kentucky	36	D+		Nebraska	48	C-	16
27 (tie)	New Hampshire	36	D+		Nevada	82	B	1
30	Louisiana	35	D+		New Hampshire	36	D+	27 (tie)
31	Alabama	34	D+		New Jersey	39	D+	24
32	Utah	32	D+		New Mexico	27	D	39
33 (tie)	Michigan	31	D+		New York	20	D	43 (tie)
33 (tie)	Montana	31	D+		North Carolina	79	B-	2
33 (tie)	Ohio	31	D+		North Dakota	19	D-	45 (tie)
36	Connecticut	30	D+		Ohio	31	D+	33 (tie)
37	Illinois	29	D		Oklahoma	66	C+	6
38	South Dakota	28	D		Oregon	13	D-	48
39	New Mexico	27	D		Pennsylvania	26	D	40 (tie)
40 (tie)	Idaho	26	D		Rhode Island	58	C	8 (tie)
40 (tie)	Pennsylvania	26	D		South Carolina	45	C-	20
42	California	23	D		South Dakota	28	D	38
43 (tie)	Massachusetts	20	D		Tennessee	54	C	10
43 (tie)	New York	20	D		Texas	42	C-	22
45 (tie)	Hawaii	19	D-		Utah	32	D+	32
45 (tie)	North Dakota	19	D-		Vermont	77	B-	3
47	Washington	18	D-		Virginia	62	C+	7
48	Oregon	13	D-		Washington	18	D-	47
49	Wyoming	10	D-		West Virginia	37	D+	26
50	Alaska	5	D-		Wisconsin	52	C	12
51	D.C.	4	D-		Wyoming	10	D-	49

Letter grading system: A+ (97 and above); A (93-96); A- (89-92); B+ (83-86); B (80-83); B- (70-79); C+ (60-69); C (50-59); C- (40-49); D+ (30-39); D (20-29); D- (1-19); F (0)

Chapter 1: Introduction and Methodology

As the federal government remains gridlocked on measures to address the country's need for rapid job creation, increased attention is being paid to state economic development policies. Site location magazines continue to issue annual "business climate" rankings, and some states (especially Texas) claim to have found solutions to the employment puzzle. At the same time, there have been recent controversies in states such as Iowa, Maine, Ohio, and Wisconsin about the effectiveness of employer tax credits.[1] In this context, there is an urgent need to evaluate the job creation policies of the states. *Money for Something* is a contribution to that effort.

Since they cannot use deficit spending or monetary policy as the basis for job stimulus, states tend to rely instead on economic development subsidies: various forms of financial assistance given to companies to encourage the growth of business activity and job creation within a state's borders. Such growth is supposed to take place through the siting of new factories, distribution centers, office complexes, research facilities, shopping malls or big-box stores.

Most states have dozens of such programs, which in the aggregate cost state and city taxpayers an estimated $70 billion each year.[2] The annual cost of some states' individual programs can run to hundreds of millions of dollars.

Among the main types of state subsidies are:

- *Corporate income tax credits* – dollar-for-dollar reductions in state taxes on corporate income linked to job creation, capital investment, research and development, film/television production or other measures. The most expensive of these are refundable credits: if a company's credits exceed its tax bill, the state pays out the difference in cash. Salable credits allow a company to sell its credits to another firm with a bigger tax liability to offset.
- *Enterprise zones* – designated geographic areas in which companies making investments are entitled to multiple tax breaks (e.g., for taxes on property and equipment).
- *Sales tax exemptions* – exemption from or reimbursement for sales taxes on the purchase of construction materials and/or equipment for new or expanded facilities.
- *Cash grants* – direct payments to companies making new investments, sometimes from "deal-closing" funds under the control of the governor's office.

- *Low-cost capital financing and loan guarantees* – low-interest loans made cheap because the interest paid is tax-free income (loans may also be guaranteed or structured as forgivable if a company meets certain targets).
- *Reimbursement for worker training expenses* – direct payments to companies for training costs or payments to community colleges or other institutions that do the training for employees of specific firms.

Some other quite costly subsidies are state-enabled and regulated, but the costs are largely borne by local governments so they are not included in our universe (except in a few cases in which they are combined with state subsidies). Examples would include property tax abatements and tax increment financing districts.

Although common practice, subsidies are highly controversial. A large body of literature from academics, state auditors, investigative journalists and non-profit research groups finds many recurring problems, such as:

- The tendency of some public officials to give subsidies to companies that do not really need them, for projects that would have happened without public assistance;

- The role of site location consultants in pushing states and localities to bid against one another, especially for big projects, routinely resulting in subsidy packages of more than $100,000 per job;

- The failure of companies to create as many jobs or pay as high a wage as they promised when seeking the subsidy;

- The creation of jobs that are of poor quality as measured by wages, benefits and opportunities for advancement and which can leave the families of employees dependent on social safety-net programs;

- The competitive disadvantage or tax burden shift imposed on existing companies when subsidies are given to newly arriving firms; and

- Cutbacks in vital public services such as education resulting from revenue shortfalls linked to the tax breaks given to new companies, whose arrival can increase the demand for such services.

For years, a movement for economic development accountability has been pushing to reform the subsidy system in many states. Among these reforms are requirements that subsidy recipients create jobs with decent pay rates and adequate health benefits; the imposition of repayment requirements—or clawbacks—on recipients that fail to meet job creation or investment requirements; the targeting of subsidies to areas with true need for revitalization; and the denial of subsidies for projects in urban locations without access to public transit. The movement has also pushed for company-specific disclosure of data on which companies are being awarded subsidies, the value of those awards, the location of subsidized facilities, and performance outcomes, especially those relating to jobs and wages.

Since the founding of Good Jobs First in 1998, we have been deeply involved in this subsidy accountability movement, both in promoting reforms and in assessing their progress. *Money for Something* builds on two of our previous reports: *The Policy Shift to Good Jobs* (last revised in November 2003) and *Show Us the Subsidies* (December 2010).[3]

The objective of *Policy Shift* was to document the growing number of programs that contain wage and benefit requirements. In 2003 the tally came to 116 state programs and 49 standards that applied to local subsidies, often covering multiple programs. Altogether, that amounted to 165 job quality precedents in 89 jurisdictions—43 states, 41 cities and 5 counties.

In *Show Us the Subsidies*, we set out to document online disclosure of company-specific recipient data, but we defined the scope of the research differently. Whereas in *Policy Shift* we included precedents from any state or local economic development subsidy program whatsoever, in *Show Us the Subsidies* we focused on what we deemed to be the most significant state-level programs in each state and the District of Columbia, based on factors such as cost and frequency of use. We also included programs that had been particularly controversial, even if their cost had recently declined. For most states we chose five programs, but for ten states we could find only four of significance. (See *Show Us the Subsidies* for more details on how we made our choices.) We ended up with a list of 245 programs.

Program Universe and Rating Methodology

Our intention in *Money for Something* was to examine the same universe of 245 programs in terms of job-creation and other performance requirements as well as job quality standards. However, since *Show Us the Subsidies* was published, a number of the programs in our sample had been terminated (three in Arizona alone). After eliminating these and making a few other adjustments, we were left with a new universe of 238 programs, which together cost taxpayers more than $11 billion a year (amounts are not available for 20 of the programs).[4]

We gathered our information on each program's performance requirements and job quality standards by, first, carefully reading its enabling legislation and the state regulations governing its operation. We also consulted other material on state agency websites. Once we had absorbed all that information, we then contacted the state agency overseeing the program to confirm our interpretation of what we had read and to request additional details. All the information we collected was entered into a Microsoft Access database.

Based on our long experience in analyzing subsidy programs, we designed a set of criteria that we think are the best measures of efficacy and accountability. The main categories are:

- The presence of a performance standard relating to job creation, job retention, training, investment and other factors that contribute to economic growth. We put special emphasis on the job-related measures.

- Wage requirements, with emphasis on dynamic pay provisions that track labor market rates.

- Employee benefit requirements, with emphasis on provisions that oblige a subsidized employer to provide healthcare coverage and contribute to the cost of the premium.

We assigned scores to each of the three primary criteria (and several derivative ones) and rated each of the programs on a scale of 0 to 100, with up to 25 points of extra credit possible for five less common but desirable features. The following section of this report contains more details on our scoring system and summarizes our overall findings. Scoring details for each state can be found in the online state appendices at www.goodjobsfirst.org/moneyforsomething.

Note: The adoption of strong performance requirements and job quality standards must be accompanied by aggressive enforcement of those rules. In a second report to be issued soon, Good Jobs First will evaluate the states on their monitoring and enforcement practices, including the use of techniques such as clawbacks to penalize subsidy recipients that do not meet their obligations. There are indications that some states with strong job-creation and/or job quality standards may not enforce those standards rigorously.

Chapter 2: Findings

State economic development subsidy programs, in nearly all cases, contain provisions to ensure that companies generate some new business activity in exchange for taxpayer assistance. Few programs cling to the old practice—exposed by the spate of plant closing disputes and lawsuits in the late 1980s and early 1990s—of subsidizing companies with no strings attached.

Yet saying that a state requires performance can be falsely reassuring. In this study we found many programs with significant loopholes in their safeguards. If a company can simply move an existing job and call it "new," that's not job creation. If the workers at a subsidized company get such low pay and benefits that they must rely on Medicaid and food stamps, few would consider that "economic development."

Unlike our previous study *Show Us the Subsidies*, which found that 13 states and the District of Columbia provided no online recipient disclosure data, *Money for Something* finds that every state has at least some performance requirements relating to job creation or job quality. However, the coverage of those requirements varies greatly, and some states have the bare minimum. Eleven states and the District of Columbia still have one or more major program with no corporate quid pro quo. In the District that applies to four of its five major programs, and in Alaska two of four.

As in *Show Us the Subsidies*, we developed a scoring system to rate the most important subsidy programs in each state and the District. We based our evaluation on three primary factors: the inclusion of quantifiable performance measures such as job creation requirements, rules relating to the minimum wage rates that must be paid to workers at subsidized facilities, and requirements relating to the employee benefits that must be provided to those workers.

We find that 222 of the 238 programs in our universe have some kind of quantifiable performance measure, but only 106 have a wage or health benefit requirement.

Digging into the fine print, we rate each of the 238 programs on a scale of 0 to 100. We also award up to 25 extra credit points in five more advanced features. See Appendix 1 for a sample scoring sheet.

We then average the program scores in each state (and the District) and rank them according to those averages. Under this system, the average state score is an unimpressive 40; the median is 37.

Top- and Bottom-Rated States

The top state averages are: Nevada (82), North Carolina (79), Vermont (77), Iowa (70), Maryland (68), and Oklahoma (66).

The bottom state averages are: District of Columbia (4), Alaska (5), Wyoming (10), Oregon (13), Washington (18), Hawaii (19) and North Dakota (19). Below is a table with each state's score and rank.

As in *Show Us the Subsidies*, we also provide letter grades, but in a way that diverges from the usual system used in schools. We limit the failing grade of F to states with no performance measures at all (none, it turns out), and we stretch out the range for the lower passing grades (see the note at the bottom of the table for details). Even with this generous grading system, no state gets better than a B. Nevada is the only state to receive that grade, while North Carolina, Iowa and Vermont get a B-minus. Three states get a C-plus; eight get a C; eight get a C-minus; 13 get a D-plus; eight get a D; and seven (including the District of Columbia) get a D-minus.

State policies have evolved over many years in most cases, so current administrations do not deserve all the credit or blame.

Leading the Pack

There is no mystery about how Nevada wins the top score. All four of its programs in our sample have job-related performance standards and requirements that subsidized facilities remain in operation for a minimum period; three of the four have wage standards linked to market rates and requirements that subsidized employers provide healthcare coverage and pay a portion of the premium. Nevada's programs receive little in the way of extra credit points.

In second-place North Carolina, four of the five programs have job-related performance requirements, requirements that employers do not shift workers from existing facilities and that they keep subsidized facilities in operation for a minimum period, wage standards that for two programs are linked to market rates, and requirements that subsidized employers provide healthcare coverage and pay a portion of the premium. It also benefited little from extra credit. North Carolina's low-scoring film tax credit program cost it first place.

Third-place Vermont has job-related performance requirements for all five of its programs, along with market-based wage requirements for two and healthcare requirements with an employer premium contribution for three. Two of its programs receive extra credit for requiring other forms of benefits.

The following table summarizes the averages, grades and ranks:

State Performance and Job Quality Scoring by Rank and Alphabetically

Rank	State	Average	Grade		State	Average	Grade	Rank
1	Nevada	82	B		Alabama	34	D+	31
2	North Carolina	79	B-		Alaska	5	D-	50
3	Vermont	77	B-		Arizona	46	C-	17 (tie)
4	Iowa	70	B-		Arkansas	41	C-	23
5	Maryland	68	C+		California	23	D	42
6	Oklahoma	66	C+		Colorado	51	C	13 (tie)
7	Virginia	62	C+		Connecticut	30	D+	36
8 (tie)	Florida	58	C		Delaware	46	C-	17 (tie)
8 (tie)	Rhode Island	58	C		D.C.	4	D-	51
10	Tennessee	54	C		Florida	58	C	8 (tie)
11	Missouri	53	C		Georgia	51	C	13 (tie)
12	Wisconsin	52	C		Hawaii	19	D-	45 (tie)
13 (tie)	Colorado	51	C		Idaho	26	D	40 (tie)
13 (tie)	Georgia	51	C		Illinois	29	D	37
13 (tie)	Kansas	51	C		Indiana	36	D+	27 (tie)
16	Nebraska	48	C-		Iowa	70	B-	4
17 (tie)	Arizona	46	C-		Kansas	51	C	13 (tie)
17 (tie)	Delaware	46	C-		Kentucky	36	D+	27 (tie)
17 (tie)	Mississippi	46	C-		Louisiana	35	D+	30
20	South Carolina	45	C-		Maine	43	C-	21
21	Maine	43	C-		Maryland	68	C+	5
22	Texas	42	C-		Massachusetts	20	D	43 (tie)
23	Arkansas	41	C-		Michigan	31	D+	33 (tie)
24	New Jersey	39	D+		Minnesota	38	D+	25
25	Minnesota	38	D+		Mississippi	46	C-	17 (tie)
26	West Virginia	37	D+		Missouri	53	C	11
27 (tie)	Indiana	36	D+		Montana	31	D+	33 (tie)
27 (tie)	Kentucky	36	D+		Nebraska	48	C-	16
27 (tie)	New Hampshire	36	D+		Nevada	82	B	1
30	Louisiana	35	D+		New Hampshire	36	D+	27 (tie)
31	Alabama	34	D+		New Jersey	39	D+	24
32	Utah	32	D+		New Mexico	27	D	39
33 (tie)	Michigan	31	D+		New York	20	D	43 (tie)
33 (tie)	Montana	31	D+		North Carolina	79	B-	2
33 (tie)	Ohio	31	D+		North Dakota	19	D-	45 (tie)
36	Connecticut	30	D+		Ohio	31	D+	33 (tie)
37	Illinois	29	D		Oklahoma	66	C+	6
38	South Dakota	28	D		Oregon	13	D-	48
39	New Mexico	27	D		Pennsylvania	26	D	40 (tie)
40 (tie)	Idaho	26	D		Rhode Island	58	C	8 (tie)
40 (tie)	Pennsylvania	26	D		South Carolina	45	C-	20
42	California	23	D		South Dakota	28	D	38
43 (tie)	Massachusetts	20	D		Tennessee	54	C	10
43 (tie)	New York	20	D		Texas	42	C-	22
45 (tie)	Hawaii	19	D-		Utah	32	D+	32
45 (tie)	North Dakota	19	D-		Vermont	77	B-	3
47	Washington	18	D-		Virginia	62	C+	7
48	Oregon	13	D-		Washington	18	D-	47
49	Wyoming	10	D-		West Virginia	37	D+	26
50	Alaska	5	D-		Wisconsin	52	C	12
51	D.C.	4	D-		Wyoming	10	D-	49

Letter grading system: A+ (97 and above); A (93-96); A- (89-92); B+ (83-86); B (80-83); B- (70-79); C+ (60-69); C (50-59); C- (40-49); D+ (30-39); D (20-29); D- (1-19); F (0)

Looking at programs rather than states, the average score is also 40, but there is much more variation than in the state averages. Twelve programs score 100 or better (thanks to extra credit points). Here are the top-scoring programs:

Table: Top Scoring State Programs

State	*Program*	*Score*
OK	21st Century Quality Jobs	109
RI	Corporate Income Tax Rate Reduction for Job Creation	108
IA	High Quality Job Creation Program	106
KS	Promoting Employment Across Kansas (PEAK) Program	103
NC	William S. Lee Quality Jobs and Business Expansion Act (Article 3A)	103
NE	Customized Job Training	103
VT	Vermont Employment Growth Incentive (VEGI)	103
NC	One North Carolina Fund	100
SC	Job Development Credits	100
TX	Texas Economic Development Act (Ch. 313)	100
WV	Economic Opportunity Tax Credit	100
VT	Economic Advancement Tax Incentives (EATI)	100

A total of 32 programs have scores higher than the highest state average (Nevada's 82), and 80 score above 50. At the same time, there are many programs with very low scores: 13 with zero and another 80 with scores below 25.

As in our online disclosure study *Show Us the Subsidies*, we again find a great deal of unevenness within individual states. Among the states listed in the preceding table of highest-scoring programs, all but Oklahoma and Vermont also have a program scored below 20.

Thirteen states have divergences of more than 80 points between programs. The biggest divergences are in Rhode Island (98 points), Iowa (96), Kansas (93), Nebraska (93), North Carolina (93), and South Carolina (90). At the other end is Wyoming, with no difference at all among its programs: they all score a dismal 10.

States that adopt good performance requirements for some of their programs often inexplicably fail to apply those standards to the rest of their offerings. The broad (if uneven) presence of specific rules in nearly every state makes it clear that quid pro quos are not seen as a "business climate" deterrent, but few states apply safeguards in a uniform way across programs.

Disclosure vs. Performance Standards

Performance and job quality standards are just as important as disclosure as measures of accountability in economic development subsidy programs. Yet states do not necessarily give these safeguards equal weight. As shown in the accompanying tables, the line-up of top-scoring states in this report bears little resemblance to the winners in *Show Us the Subsidies.* The only state that makes both lists is North Carolina.

States with Best Performance Standards - vs. - States with Best Subsidy Disclosure

Money for Something Rank	*State*	*Average Score*
1	Nevada	82
2	North Carolina	79
3	Vermont	77
4	Iowa	70
5	Maryland	68
6	Oklahoma	66
7	Virginia	62
8 (tie)	Florida	58
8 (tie)	Rhode Island	58
10	Tennessee	54

Show Us the Subsidies Rank	*State*	*Average Score*
1	Illinois	82
2	Wisconsin	71
3	North Carolina	69
4	Ohio	66
5	Missouri	56
6	Connecticut	48
7	Michigan	47
8	Indiana	46
9	Kentucky	45
10 (tie)	Louisiana	43
10 (tie)	Pennsylvania	43
10 (tie)	Texas	43

Results by Scoring Component

Basic Performance Requirements

In today's depressed economy, the most important economic development requirement is job creation. Increasing employment not only expands business activity but also (hopefully) raises living standards and generates a net increase in tax revenue for state and local governments. We thus award the most points in this category—15—to those programs that either stipulate a minimum number of jobs must be created or by linking the size of the subsidy to the number of new positions.

In some situations, subsidies are awarded not to create new jobs but to induce a company to keep its headcount at the existing level. Such retention subsidies can be abused by companies engaging in job blackmail, but they can also deter layoffs. We thus give the same 15 points when there is a job retention requirement. This is also a practical matter, since numerous programs have requirements that combine job creation and retention standards.

Since training is often a stepping stone to additional job creation, we also give the maximum 15 points to programs that require that the recipient company train a certain number of workers.

We give fewer points—10—to those programs that have other kinds of performance requirements that provide an economic benefit. These include the obligation to invest a certain amount of money in a facility or the obligation to make qualified expenditures (such as research & development spending, spending by a film production company or spending on training without a requirement relating to the number of workers trained).

We give credit in this category for three types of standards:

- those that set specific requirements to qualify for subsidies in the first place;

- those in which meeting benchmarks determines the amount of the subsidy (typically called performance-based); and

- those that provide up-front money but apply penalties later in cases where the company fails to meet specific targets.

Of the 238 programs in our sample, 222 have some sort of performance requirement. Of these, 135 receive the maximum 15 points for requiring job creation, job retention or the training of a certain number of workers. Many of these programs also have requirements relating to investment and/or qualified expenditures. It is worth noting that among the programs with job-related requirements are some—such as New Mexico's Manufacturer's Investment Tax Credit—whose primary purpose is stimulating investment.

In our *Show Us the Subsidies* report last year, we found that only 34 programs provided online disclosure of actual outcomes: i.e., job creation, retention or training numbers. That means that around 100 other programs have job-related standards but do not make it easy for the public to monitor whether companies are fulfilling those obligations.

Eighty-seven programs receive the lower amount of 10 points for having performance requirements lacking direct job provisions. These include 19 with a requirement relating to investment only, 62 with only a requirement relating to qualified expenditures, and four with both. Those programs *without* a job-related requirement cost taxpayers more than $7 billion a year.

Sixteen programs (from a dozen states) have no quantifiable requirements at all. The lack of performance measures is most pronounced in the District of Columbia, where four of the five programs fall into this category, and in Alaska with two. Based on the most recent available data, these 16 programs cost taxpayers a total of more than $1.3 billion (amounts are not available for three of the programs).

Table: Programs Without Quantifiable Requirements

State	*Program*	*Annual Cost*
AK	Commercial Fishing Revolving Loan Program	$4,120,000
AK	Development Finance Program	$364,000,000
DC	Discretionary Property Tax Breaks	$15,255,151
DC	Discretionary Sales and Use Tax Exemptions and Abatements	not available
DC	Payments-In-Lieu-Of-Taxes (PILOTs)	$11,351,564
DC	Tax Increment Financing (TIF)	$24,328,106
ME	Business Equipment Tax Reimbursement Program	$19,431,982
MT	Oil and Natural Gas Production Tax Exemptions	$139,586,214
ND	Income Tax Exemption for New or Expanding Businesses	$2,000,000
NJ	Economic Redevelopment and Growth (ERG) Grant Program	$328,700,000
NM	Tax Increment Development Districts	not available
NY	Empire Zone Program (being phased out)	$423,000,000
OH	Community Reinvestment Area (CRA) Program	not available
PA	Keystone Opportunity Zone (KOZ) Program	$18,700,000
SD	Pooled Bond Program	$7,605,000
UT	Industrial Assistance Fund (Economic Opportunity)	$125,000

Specific requirements in both the job and non-job categories vary greatly among programs and sometimes also among different types of recipients within a single program. It is unfortunately the case that numerous programs set their job benchmarks extremely low, often requiring only one new job. Others do the same for requirements relating to investment or qualified expenditures.

On the other hand, some programs set impressive job-creation and investment requirements. For example, Georgia's Mega Project Tax Credit requires 1,800 jobs and an investment of $450 million (or a payroll of $150 million).

Given these variations both among and within programs, it was not practical to further refine our scoring system based on the details of each performance requirement. We recognize that this may unduly reward some programs with low bars, but our main objective is to distinguish between those programs that impose some sort of performance requirement and those that award money for nothing.

See Appendix 3 below for a summary of performance requirements for all 238 programs we examined.

Maintenance of Effort

Job creation and other performance standards pack more punch if the recipient company has to sustain the results over a period of time. Subsidy spending is wasted if hiring gives way to layoffs or if a facility receiving investment is soon shut down. We thus give 10 additional points to programs that require subsidized jobs to remain in existence for a minimum length of time or require a subsidized facility to remain in operation for a minimum period.

As with general performance requirements, the details of these maintenance-of-effort provisions vary greatly and thus were not factored into our scoring system. Among the best programs in this regard are the Texas Economic Development Act (Ch. 313), which requires that facilities be kept open for 13 years, and the Vermont Employment Growth Incentive, which requires that recipients maintain employment levels for nine years.

Of the 222 programs with performance requirements, 96 require that jobs remain in existence for a minimum period of time, while 46 require that a subsidized facility be kept open for a designated period. Twenty-six programs have both requirements.

Safeguards Against Intrastate Shell Games

A state will receive no net economic benefit from its job-creation subsidies if a recipient company simply shifts existing jobs from one facility in the state to another newly subsidized location. We thus award 10 points to those programs that have a prohibition against job shifting, which is usually accomplished by stating that the subsidized jobs have to be new to the state.

We found 96 programs that have provisions barring subsidies for job-shifting (including four that have no job-related performance requirement). However, states seem to care only about job-shifting within their borders: all but two of the 96 programs refer exclusively to intrastate movements. This is sad evidence of the federal government's failure to deter the zero-sum “economic war among the states,” a phrase coined more than 30 years ago. Only Delaware’s Blue Collar Jobs Tax Credit Program and New Hampshire’s Community Development Investment Program (Investment Tax Credit) have provisions written in a way that could bar an interstate job shift.

In fact, a few programs are explicitly designed to encourage interstate job piracy. We found three subsidies that are awarded *only* for jobs arriving from another state: Georgia’s EDGE (Economic Development, Growth and Expansion) Fund Program, Kansas’s Promoting Employment Across Kansas (PEAK) Program, and Tennessee’s Headquarters Tax Credit.

Wage Standards

It is not enough simply to require subsidy recipients to create jobs. The jobs must pay enough to support decent living standards, create economic ripple effects, and generate a stronger tax base. If subsidy program rules allow companies to pay poverty wages and no benefits, taxpayers incur hidden costs in the form of social safety-net expenditures such as Medicaid, State Children’s Health Insurance Programs, food stamps, and (state and federal) Earned Income Tax Credits.

Wage requirements take two main forms when applied to subsidies. Programs either mandate a flat amount as a minimum, or they link the requirement to some market measure of pay rates.[5] The latter is definitely preferable. Like the federal minimum wage, the real value of flat rates decline with inflation unless they are updated by legislators, which is far from guaranteed. Moreover, some are meaningless. For example, an apparently out-of-date web document about Delaware’s Blue Collar Training Grant Program says it has a wage requirement of “$7+ an hour plus benefits,” which is now below the federal minimum wage. Since 1980, Oklahoma’s Investment/New Jobs Tax Credit has had an annual wage floor of only $7,000, which is now the equivalent of less than half the federal minimum wage. In theory, a flat rate could be set higher than market levels but this is usually not the case.

We award 35 points for wage requirements that are tied to market measures such as area median income or average wages, whether for the locality, the state or for an industry sector.[6] We award 25 points for wage requirements tied to measures that do not change automatically, including the federal minimum wage or the state minimum wage. Although the federal poverty line does get adjusted, it is not pegged to labor market rates, so we also award 25 points for wage rates tied to it.

On the other hand, we give the full 35 points to wage standards based on a state minimum wage where that minimum rate is indexed to the cost of living. This applies to two programs in our universe: the Vermont Employment Growth Incentive and the Vermont Training Program.

We found a total of 98 programs (fewer than 50 percent of our universe) with a wage requirement of some kind, with 42 states represented. The 140 programs *without* a wage requirement cost taxpayers more than $8 billion—and that is only the direct cost without hidden safety-net spending.

Of the 98 with such a requirement, 53 receive 35 points for having a standard that automatically adjusts. In most cases (39) the rate is linked to a local or state average wage; in 18 cases the formula is based on the average wage in a specific sector. Some use more than one type of requirement but in different circumstances. Wage requirements pegged to county pay averages, for instance, can have dozens of rates. There are also programs that limit wage requirements to certain categories of companies or certain geographic areas while imposing none on other categories or areas. Looking at the extent of the requirements, we evaluated each of these programs individually and made a judgment call on whether to award it points for having a wage standard. See below for a discussion of our extra-credit scoring for wage standards that exceed market averages.

Forty-five programs receive 25 points for having a wage requirement that does not automatically adjust according to market rates or inflation. These include 15 in which the program sets a flat rate, 18 in which the standard is tied to the federal minimum wage, 3 in which the standard is tied to the federal poverty level, 5 that are tied to an un-indexed state minimum wage, and 7 others.[7] The Delaware and Oklahoma programs cited above receive no points in this category because their “standards” are meaningless.

In our 2010 report *Show Us the Subsidies*, we found only 15 programs providing online disclosure of the actual wage rates being paid to employees of subsidized companies. Thus, more than 80 programs have wage standards but do not enable taxpayers to readily monitor compliance.

The absolute values of the wage standards vary enormously, from just above the federal minimum wage to more than $40 an hour, though the higher levels often apply only in certain industry sectors or geographic areas. Using the lower end for those with ranges, the average of the hourly wage requirements is $14.76; the median is $11.82.

The following table lists the programs with the highest hourly wage requirements, ranked by the lower end for those with ranges. For a full list, including more details, see Appendix 4 below.

Table: Programs with Highest Hourly Wage Requirements

State	*Program*	*Basis*	*Required Hourly Rate*
OK	21st Century Quality Jobs	300% of average county wage	$36.39 to $45.00
VA	Virginia Economic Development Incentive Grant (VEDIG)	150-200% of average area wages	$34.50 to $ 46.00
KS	High Performance Incentive Program (HPIP)	150% of state average wage	$28.08
TN	Headquarters Tax Credit	150% of state average wage	$27.64
TN	Sales and Use Tax Credit for Qualified Facility to Support an Emerging Industry	150% of state average wage	$27.64
NC	Job Development Investment Grants (JDIG)	Average of targets in individual agreements in 2010	$26.55
FL	Capital Investment Tax Credit	130% to 200% of average private sector wage in area (higher figure is for headquarters projects)	$25.46 to $39.16
VA	Virginia Investment Partnership (VIP) & Major Eligible Employer Grant (MEE)	200% of local area wage rate (MEE); average area manufacturing wage (VIP)	$24.83 to $46.00
CO	Job Growth Incentive Tax Credit	110% of the average county wage	$24.73
FL	Quick Action Closing Fund	125% of the state private sector average wage	$24.48
CA	Employment Training Panel	State average hourly wage	$24.40
FL	Qualified Target Industry Tax Refund	115% of the state or county average private sector wage	$22.52
CO	Strategic Fund	100% to 110% of county average wage	$22.48 to $24.73
TX	Texas Economic Development Act (Ch. 313)	110% of the county average wage in manufacturing	$22.33

Healthcare Benefits

Since most U.S. workers depend on their employers for healthcare coverage, the job quality standards attached to subsidies should also include a requirement to provide medical insurance. The problem is that the word "provide" can have many different meanings. Many low-wage employers, especially in the retail sector, do nothing more than create bare-bones group plans that workers can participate in at their own expense. Many of those workers either cannot afford to participate or regard the coverage as inadequate in relation to the cost.

Therefore, we award the maximum of 30 points in this category only to those subsidy programs that require recipient companies to provide their workers access to healthcare coverage *and* require that the employer contribute to the cost of the premium. Since access to group coverage without an employer contribution is better than nothing at all, we award 10 points in those cases.

Of the 238 programs we examined, a total of only 51—fewer than one in four—require that the company make available healthcare coverage of some kind, with 28 states represented. Of those, only 31 receive our maximum score by requiring that the employer contribute to the cost of the premium. Four of those programs are in North Carolina, which attaches the requirement to all but one of its major subsidy programs. Here is a list of the programs with an employer healthcare premium obligation:

Table: Programs with Employer Healthcare Premium Obligation

State	*Program*	*Employer Premium Obligation*
AZ	Quality Jobs Tax Credit Program	65% of premium
DE	Bank Franchise Tax Credits	50% of premium
IA	Enterprise Zone (Business Only)	80% of premium for employee-only coverage; 50% for family coverage
IA	High Quality Job Creation Program	80% of premium for employee-only coverage; 50% for family coverage
KS	Promoting Employment Across Kansas (PEAK) Program	50% of premium
KY	Kentucky Business Investment (KBI) Program	15% of required wage must go toward benefit costs
LA	Quality Jobs Program	at least $1.25 an hour
MD	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2, Significant Strategic Economic Development Opportunities & Local Economic Development Opportunities	Employer must contribute but minimum amount is not specified
MD	Sunny Day Fund	Employer must contribute but minimum amount is not specified
MO	Quality Jobs Program	50% of premium
NC	Job Development Investment Grants (JDIG)	50% of premium
NC	One North Carolina Fund	50% of premium
NC	Tax Credits for New and Expanding Businesses (Article 3J Credits)	50% of premium
NC	William S. Lee Quality Jobs and Business Expansion Act (Article 3A)	50% of premium
NE	Customized Job Training	15% of hourly wage
NM	Industrial Revenue Bonds	50% of premium (in certain geographic areas only)
NV	Modified Business Tax Abatement	25% of premium
NV	Personal Property Tax Abatement	25% of premium
NV	Sales and Use Tax Abatement	25% of premium
OK	21st Century Quality Jobs	50% of premium
OK	Quality Jobs	50% of premium
OK	Training for Industry	50% of premium
RI	Corporate Income Tax Rate Reduction for Job Creation	Employer must contribute but minimum amount is not specified
SC	Job Development Credits	15% of premium
TX	Texas Economic Development Act (Ch. 313)	80% of premium
VT	Economic Advancement Tax Incentives (EATI)	50% of premium
VT	Vermont Employment Growth Incentive (VEGI)	Typically at least 60% of premium
VT	Vermont Training Program	50% of premium
WI	Customized Labor Training Fund	Typically 50% of premium
WI	Economic Development Tax Credit Program	50% of premium
WV	Economic Opportunity Tax Credit	Recipients are generally required to contribute to premium costs but no minimum is mandated

Extra Credit 1: Wage Standards that Help Raise Market Levels

As we noted above, the wage standards included in subsidy programs take a wide variety of forms. Although our main concern is with the existence of standards that bar recipients from creating low-paying jobs, recipients should be expected to do more than that. Ideally, they should not only match labor market wage averages but *exceed* them, thereby raising living standards.

We award 6 extra credit points to programs that achieve this by setting a wage floor that is at least 5 percent higher than a market rate, which means that employers must pay at least 105 percent of the average wage for the state, the local area or the industry sector.[8] We also award the extra points to programs with flat-rate requirements (including a multiple of the state or federal minimum wage) if their value is equal to at least 105 percent of the current average wage for the state.

Only 11 of the 98 programs with wage standards qualify for extra credit. They are the following:

Table: Programs Receiving Extra Credit for Wage Standards

State	*Program*	*Wage Standard*
AR	Targeted Business Incentives	Depending on where the business is located, 150% to 180% of the lesser of the state or county average hourly wage.
CO	Job Growth Incentive Tax Credit	Average wage rates at the recipient company must equal at least 110% of average county wage.
FL	Qualified Target Industry Tax Refund	115% of the state or county average private sector wage (waived for projects in a rural county, a brownfield, or an enterprise zone); an additional bonus applies if a company pays at least 150% or 200% of the average area wage.
FL	Quick Action Closing Fund	125% of the state private sector average wage.
GA	Quality Jobs Tax Credit	To receive a tax credit of $2,500/job, an employer must pay at least 110% of the average county weekly wage; to receive $5,000 credit/job it must pay at least 200%.
IA	High Quality Job Creation Program	New jobs must pay at least 130% of the county or regional average wage by project completion.
IN	Economic Development for a Growing Economy (EDGE) Tax Credits	Except in rare instances, 105% of average compensation for workers at other companies with the same NAICS industry code.
OK	21st Century Quality Jobs	Annualized wages must be at least 300% of the Oklahoma County average wage or 300% of the average county wage where the project is located, whichever is lower.
TN	Headquarters Tax Credit	150% of Tennessee's average occupational wage.
TN	Sales and Use Tax Credit for Qualified Facility to Support an Emerging Industry	150% of Tennessee's average occupational wage.
VA	Virginia Economic Development Incentive Grant (VEDIG)	Varies depending on the type of project but generally 50-100% above the average wage in the area.

Extra Credit 2: Other Types of Employee Benefits

Wage and healthcare standards are not the only ways to make sure that subsidies are creating good jobs. Requiring subsidized employers to provide other kinds of employee benefits also enhance job quality. These include retirement benefits, paid vacation and sick days, and family/parental leave.

We award 5 extra credit points to programs that require any one of these additional benefits, and 10 points if more than one is mandated.

Of the 238 programs we examined, only 14 require any non-healthcare benefits. Just three require more than one type:

- Vermont's Economic Advancement Tax Incentives (retirement benefit, paid sick days and vacation time)
- Vermont Training Program (must have three of the following: retirement, dental, paid vacation and holidays, child care, parental leave benefits)
- Wisconsin's Economic Development Tax Credit Program (paid sick days and vacation time)

Here is a summary of the benefits required by the other 11 programs:

<u>Retirement Benefits</u>
DE: Blue Collar Training Grant Program
MD: Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2
MD: One Maryland Tax Credit
MD: Sunny Day Fund
ME: Employment TIF
ME: Pine Tree Development Zones
RI: Corporate Income Tax Rate Reduction for Job Creation
VA: Virginia Investment Partnership & Major Eligible Employer Grant

<u>Vacation Time</u>
RI: Enterprise Zone Tax Credits
VA: Governor's Opportunity Fund
VA: Virginia Economic Development Incentive Grant

Extra Credit 3: Applying Wage and Benefit Standards to Contingent Workers

Subsidy programs that seek to generate new jobs tend to focus on full-time, permanent positions. Some, however, also take into account part-time and temporary positions.

Because of the growth of the size of the contingent workforce, this an important safeguard. Moreover, it would be a perverse and unintended consequence if job quality standards for permanent employees created an incentive for companies to hire more contingent workers.

We give 3 extra credit points to those programs that apply wage and/or benefit standards to part-timers and/or temps. We do the same for programs that apply those standards to employees of contractors and/or tenants at subsidized projects.

Only 24 programs apply a wage and/or benefit requirement to at least one of these worker categories. Of these, 18 apply a wage standard to part-timers, and two do the same with benefits. Three programs apply a wage rule to temps, and 8 do the same for contract workers. Three programs apply a benefits requirement to contract workers. The following table summarizes these results:

Table: Programs that Apply Job Quality Standards to Contingent Workers

State	*Program*	*Contingent Workers*
AR	Arkansas Advantage Income Tax Credit	Wage: PT/Temp/Contractor
AR	InvestArk Sales and Use Tax Credits	Wage: PT/Temp/Contractor
AR	TaxBack Sales and Use Tax Refund	Wage: PT/Temp/Contractor
AZ	Arizona Job Training Program	Wage: PT
CO	Colorado FIRST/Existing Industry Training Program	Wage: PT
HI	Enterprise Zones	Benefit: Contractors
ID	Workforce Development Training Fund Program	Wage: PT
KS	High Performance Incentive Program (HPIP)	Wage: PT
KS	Promoting Employment Across Kansas (PEAK) Program	Wage: PT
MN	Minnesota Investment Fund	Wage: PT
MT	Primary Sector Workforce Training Grant	Wage: PT
NC	William S. Lee Quality Jobs and Business Expansion Act	Wage: PT
NE	Customized Job Training	Wage: PT; Benefit: PT
NE	Nebraska Advantage	Wage: PT
NJ	Business Employment Incentive Program (BEIP)	Wage: Contractors
NJ	Economic Redevelopment and Growth (ERG) Grant Program	Wage: Contractors
NV	Modified Business Tax Abatement	Wage: PT
NY	Empire Zone Program	Wage: PT
RI	Corporate Income Tax Rate Reduction for Job Creation	Wage: PT; Benefit: PT
RI	Manufacturing and High Performance Manufacturing Investment Tax Credits	Wage: PT
VA	Governor's Opportunity Fund (GOF)	Wage: Contractors; Benefit: Contractors
VA	Virginia Economic Development Incentive Grant (VEDIG)	Wage: Contractors
VT	VT Economic Development Authority loans	Wage: PT
WI	Customized Labor Training Fund	Wage: Contractors; Benefit: Contractors

Extra Credit 4: Geographic Hiring Preferences

When public money is used to provide economic development subsidies to companies, taxpayers who bear the cost reasonably expect to share in the economic benefits. One key way to do this is to require or encourage companies to hire residents from the jurisdiction awarding the tax break, grant or other type of assistance.

When advocacy coalitions have negotiated project-specific community benefit agreements with developers receiving local subsidies, they have often sought a commitment to local hiring. For the state subsidy programs examined in this report, geographic hiring preferences take different forms. Some programs that limit their subsidies to designated enterprise zones or comparable districts may require companies to hire workers living in those zones. Alternatively, a program may allow only jobs filled by state residents to count for subsidy eligibility purposes. This is especially important for projects located near a state border, for which there is a risk that a substantial share of those hired will be residents of a neighboring state. We award 3 extra credit points to programs that have either a zone or statewide geographic hiring provision.

The District of Columbia has a law on the books requiring local hiring by subsidy recipients, but the rule has not been implemented.[9] We thus did not award points to the District in this category.

Of the 238 programs we examined, 25 have geographic hiring preferences or requirements—8 relating to enterprise zones and 17 statewide provisions. They are as follows:

Table: Programs with Geographic Hiring Provisions

State	*Program*	*Geographic Preference*
AL	Enterprise Zone Credit	enterprise zone
CT	Enterprise Zone and Urban Jobs Tax Credits	enterprise zone
DE	Blue Collar Training Grant Program	statewide
FL	Enterprise Zone Program	enterprise zone
GA	Mega Project Tax Credit	statewide
IA	Industrial New Jobs Training Program (260E)	statewide
IL	Film Production Services Tax Credit	statewide
KY	Bluegrass State Skills Corporation	statewide
KY	Kentucky Business Investment (KBI) Program	statewide
LA	Enterprise Zones	enterprise zone
LA	Motion Picture Investor Tax Credit	statewide
LA	Quality Jobs Program	statewide
MI	Film Tax Credits	statewide
NJ	Urban Enterprise Zone Program	enterprise zone
NM	Film Tax Credit	statewide
NV	Train Employees Now	statewide
OK	21st Century Quality Jobs	statewide
OR	Strategic Investment Program	enterprise zone
RI	Enterprise Zone Tax Credits	statewide
TX	Texas Moving Image Industry Incentive Program	statewide
UT	Targeted Business Tax Credits	enterprise zone
VT	Vermont Employment Growth Incentive (VEGI)	statewide
WA	New Jobs in Rural Counties and CEZ Tax Credit	enterprise zone
WI	Film Tax Credit Program	statewide
WV	Film Industry Investment Act	statewide

Extra Credit 5: Labor Relations Provisions

Job-quality standards are important in promoting good jobs, but union representation is an even more effective way to achieve this end. As a matter of law, states cannot make unionization a criterion in subsidy eligibility. There are, however, ways that state agencies can ensure that subsidies are not used in ways that could undermine existing collective bargaining relationships. We award 3 extra credit points for programs that have such provisions.

Of the 238 programs we examined, 12 have provisions that relate to collective bargaining:

Table: Programs with Labor Relations Provisions

State	*Program*	*Labor Relations Provision*
CA	Employment Training Panel	Prior to presenting a funding application, the employer needs to notify appropriate collective bargaining units.
CO	Enterprise Zone Program	Labor agreements must be maintained when a company is approved for participation.
DC	New E-Conomy Transformation Act of 2000 (NET 2000)	Qualified employees cannot include those employed as the result of a strike or lockout.
IL	Film Production Services Tax Credit	Rules state that "if any of the provisions in this Section conflict with any existing collective bargaining agreements, the terms and conditions of those collective bargaining agreements shall control."
KY	Bluegrass State Skills Corporation	A company has to notify a union, if there is one, about an application for assistance, and an employer cannot ask a job applicant about his/her union affiliation or sentiment toward the organized labor; it is also prohibited to deny a job based on an applicant's affiliation with a union.
MI	Michigan Economic Growth Authority (MEGA) Tax Credits	The state may not discriminate against a company on the basis of its collective bargaining status.
MN	Job Skills Partnership Program	The program must be consistent with existing collective bargaining agreements covering health and human services workers.
MO	New Jobs Training	If there is a bargaining unit in a facility, the employer has to formally request the bargaining agent for written comments on the proposed training project.
MO	Rebuilding Communities	If a recipient company's relocation violates or terminates a collective bargaining agreement at its previous location, the company is not eligible the tax credit.
NH	Job Training Fund	The committee that reviews applications must include a member representing labor.
WA	New Jobs in Rural Counties and CEZ Tax Credit	No recipient may use tax credits approved under this program to decertify a union.
WV	Governor's Guaranteed Work Force Program	Funds may not be awarded or reimbursed to any business or industry for the training, retraining or upgrading of skills of potential employees with the purpose of replacing or supplanting employees engaged in an authorized work stoppage.

Chapter 3: Conclusions & Recommendations

Our findings on performance requirements and job quality standards in state economic development programs suggest two different conclusions. The first is that states have come a long way from the days when large sums of money were awarded to companies and the public could do little more than hope it would generate jobs and other economic benefits. Very few programs still come with no strings attached, and such common-sense safeguards are not detrimental to a state's "business climate."

On the other hand, the strings attached to many programs are weak ones. It is good that 222 of the 238 programs we examined have some sort of quantifiable performance requirement, but many do not necessarily result in job creation. The requirements may simply be that the company invest a certain amount of money in plant and equipment, which can sometimes result in a *lower* headcount. Only 135 of the programs have a requirement relating to job creation, job retention or worker training. And some of those requirements are weakened by the absence of provisions barring employers from simply shifting existing jobs from other facilities and rules mandating that the jobs be kept in existence for a minimum period of time.

The findings relating to job quality are even more disappointing. Only 106 of the 238 programs impose any wage or benefit requirement on subsidized employers. Health benefit requirements are especially limited, appearing in only 51 programs.

Although our main concerns (and scoring criteria) in this report are on whether programs have performance or job quality standards, we are also concerned about the wide variation in the strength of the specific safeguards. Some programs have minimal job creation requirements, some set minimum wage rates at near-poverty levels, and some have bare-bones employee benefit rules. Clearly, many states still have a great deal of work to do to ensure that their subsidy spending really pays off for workers, communities and taxpayers.

Towards that goal, here are our key policy recommendations based on our findings in *Money for Something*:

- Every economic development program should contain job creation, job retention or training requirements.

- Each such requirement should be strengthened by provisions excluding any existing jobs that are shifted from other facilities (inside or outside the state) and mandating that the jobs be kept in place for a minimum period of time (preferably for at least the duration of the subsidy, such as the length of a loan or the number of years a tax break is allowed).

- Every job or training position in a subsidized facility should be subject to a wage requirement, preferably tied to dynamic labor market averages (rather than a fixed amount or a poverty rate) and structured in a way that raises wages at subsidized firms above existing market levels. Those requirements should be posted in the subsidized workplace, the way that federal minimum wage rules have to be displayed.

- Those jobs and training positions should also offer a package of employee benefits, including healthcare coverage in which the employer contributes to the cost of the premium.

- Wage and benefit requirements should be applied not only to full-time, permanent employees but also to part-time, temporary and contract workers. Job quality standards covering direct employees should not create a perverse incentive for contingent employment.

- Subsidy recipients should be barred from actions that impair collective bargaining rights.

To the broader issue of taxpayer return on investment, we are not asserting here that including all of these provisions would guarantee that any given subsidy program or deal is a good use of taxpayer funds. Even if there are job-creation requirements, they can be set too low. Even if there are wage requirements pegged to market levels, they can end up being too meager. Even if there are health benefit requirements with an employer contribution, the contribution level can be insufficient in relation to rising premium costs.

And even if all these measures are in place, they do not guarantee that a program's benefits will outweigh its costs. Sometimes the only sensible course of action is to eliminate a program altogether, which is exactly what has happened in several cases in recent years. Yet as long as a program remains in existence, it should be bolstering the economy by creating a significant number of good jobs.

Our next study will extend our deep analysis of state development programs into another aspect of basic accountability: how well are the states monitoring actual job outcomes? And how well are they protecting taxpayer interests when deals fail to deliver?

Endnotes

[1] See, for example, articles by the Associated Press (http://newsok.com/article/feed/323010), the *Des Moines Register* (http://www.desmoinesregister.com/article/20111115/NEWS/311150062/1001/NEWS) and the *Wausau Daily Herald* (http://www.wausaudailyherald.com/apps/pbcs.dll/article?AID=20111112505490.

[2] Kenneth P. Thomas. *Investment Incentives and the Global Competition for Capital*. New York: Palgrave Macmillan, 2011, p.96.

[3] *The Policy Shift to Good Jobs* can be found online at http://www.goodjobsfirst.org/sites/default/files/docs/pdf/jobquality.pdf and *Show Us the Subsidies* at http://www.goodjobsfirst.org/showusthesubsidies

[4] The following programs from *Show Us the Subsidies* were excluded in *Money for Something* because they no longer have a fiscal impact: Arizona: 21st Century Energy Demonstration Projects Grant Program; Arizona: Enterprise Zone Income and Premium Tax Credits; Arizona: Motion Picture Production Tax Incentive Program; Colorado: Job Creation Performance Incentive Program; Iowa: Film, Television and Video Project Promotion Program; Maine: Governor's Training initiative; Massachusetts: Job Creation Performance Incentive Program; Oregon: Business Energy Tax Credit; Texas: Tax Refund for Economic Development; and Washington: Motion Picture 'Contributions' B&O Tax Credit. We added the following three programs: Arizona: Quality Jobs Tax Credit Program; Massachusetts: Life Sciences Investment Tax Credit; and Utah: Industrial Assistance Fund (Economic Opportunity). Note: We retained various programs that are slated for extinction but are still providing financial benefits to some recipients.

[5] We looked for wage standards tied to minimum family budgets such as those calculated by Wider Opportunities for Women for its Family Economic Self-Sufficiency Standards, but we did not find any.

[6] We do not award the full 35 points if the market-based wage requirement mandates a percentage less than 100, since that will tend to lower rather than raise market levels. The

programs that fall into this category are Iowa's Enterprise Zone; Nebraska Advantage; Nevada's Train Employees Now; North Carolina's Tax Credits for New and Expanding Businesses; and South Dakota's Workforce Development Program. We also deny the full 35 points to programs that base wage requirements on the lowest county average in the state, since that too will tend to lower pay levels. The programs in that category are the Arkansas Advantage Income Tax Credit and the Georgia Job Tax Credit. All the programs mentioned in this note are awarded 25 points.

[7] The seven others are the ones listed in the previous note.

[8] Here are other criteria that we applied in deciding which wage standards should get the extra credit: (1) Those that do not apply across *all* industrial sectors do not qualify unless the program is designed to subsidize only that sector; (2) They must apply to all geographic areas in the state; (3) Subsidy bonuses for higher than average wages do not qualify; (4) Those based on more than 105% of the *median* state or local wage must also equal at least 105% of the average state wage; (5) statewide requirements based on 105% or more of the *lowest* area average in the state do not qualify; (6) those based on the lesser of at least 105% of the local average wage or 105% of the state average wage receive extra credit because by at least one measure this is bringing wages up; (7) those that require companies to meet a high wage threshold at some point during the course of the project are awarded extra credit even if that standard is not required from the beginning of the project. NOTE: Indiana's EDGE Tax Credit program allows a company to pay employees only 200% of the federal minimum wage (less than 105% of the state or county average wage) if they are the first business of their industry type in the state; all other businesses must pay employees at least 105% of the average compensation for workers in that industry. We granted this program extra credit because it would be highly unusual for a company to be the first of its industry type in the entire state.

[9] The failure to implement the local hiring provisions of the living wage law is discussed in a May 2010 DC Auditor's report which can be found at http://dcauditor.org/sites/default/files/DCA082010.pdf

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Massachusetts Budget and Policy Center
MASSPIRG (Massachusetts)
Michigan League for Human Services
Mississippi Economic Policy Center
Missouri Budget Project
Montana Budget and Policy Center
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North Carolina Justice Center
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NJPIRG (New Jersey)
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Appendix 1: SAMPLE SCORING RUBRIC

Money For Something. **Scoring Details for a State's Programs**		*Maximum possible score for category*
Performance requirements	Job creation, job retention or training requirement (15 pts) Only investment and/or qualified expenditures requirements (10 pts) No performance requirements (0 pts)	*15*
	Rule on shifting jobs from an existing facility (10 pts)	*10*
	Duration requirement regarding jobs/facility (10pts)	*10*
Wage requirements	Market-based wage requirement (35 pts) Non-market based wage requirement (25 pts) No wage requirement (0 pts)	*35*
Healthcare requirements	Healthcare with employer premium obligation (30 pts) Healthcare without employer premium obligation (10 pts) No healthcare requirement (0 pts)	*30*
Total before extra credit		***100***
Extra credit categories	Has a wage requirement equal to at least 105% of average wage for the state, local area or industry sector (6 pts)	*6*
	Has one other benefit required beyond healthcare (5 pts); more than one other (10 pts)	*10*
	Wage or benefit requirements apply to part-time, temporary or contract workers, or employees of tenants in subsidized facilities (3 pts)	*3*
	Geographic hiring requirement (3 pts)	*3*
	Requirement regarding respect for labor rights (3pts)	*3*
Total extra credit		*25*
TOTAL AFTER EXTRA CREDIT		***125***

Appendix 2: STATE SUBSIDY PROGRAM SCORES AND COSTS

State	Program	*Money for Something* score (0 to 100)	Annual cost (most recent year available)
Alabama	Alabama Industrial Development Training	50	$3,457,995
	Enterprise Zone Credit	38	not available
	Film Production Rebates	10	$10,000,000
	Income Tax Capital Credit	60	$49,685,106
	Industrial Development Grant Program	10	$1,700,000
Alaska	Alaska's Clear and Equitable Share/ Oil and Gas Production Tax Credits	10	$550,000,000
	Commercial Fishing Revolving Loan Program	0	$4,120,000
	Development Finance Program	0	$364,000,000
	Film Industry Tax Credit	10	$3,654,000
Arizona	Arizona Job Training Program	38	$15,000,000
	Quality Jobs Tax Credit Program	90	$30,000,000
	Research and Development Income Tax Credit	10	$47,998,117
Arkansas	Arkansas Advantage Income Tax Credit	48	$1,786,161
	Business and Industry Training Program	10	not available
	InvestArk Sales and Use Tax Credits	48	$21,631,239
	Targeted Business Incentives	51	not available
	TaxBack Sales and Use Tax Refund	48	$5,781,280
California	Employment Training Panel	58	$36,400,000
	Enterprise Zone Program	15	$670,000,000
	Film and TV Production Tax Credit	10	$100,000,000
	Research and Development Tax Credit	10	$1,265,000,000
Colorado	Colorado FIRST/Existing Industry Training Program	38	$2,700,000
	Enterprise Zone Program	38	$62,700,000
	Job Growth Incentive Tax Credit	66	$4,041,960

State	Program	*Money for Something* score (0 to 100)	Annual cost (most recent year available)
Colorado	Strategic Fund	60	$3,070,000
Connecticut	Enterprise Zone and Urban Jobs Tax Credits	38	$4,200,000
	Film Tax Credits (Industry, Infrastructure, Digital Animation)	15	$41,000,000
	Jobs Creation Tax Credit (aka New Jobs Creation Tax Credit)	35	$10,000,000
	Manufacturing Assistance Act	25	$20,272,000
	Urban and Industrial Site Reinvestment Tax Credit	35	$40,400,000
Delaware	Bank Franchise Tax Credits	55	not available
	Blue Collar Jobs Tax Credits	35	$3,250,000
	Blue Collar Training Grant Program	33	$1,500,000
	Delaware Strategic Fund	60	$30,400,000
District of Columbia	Discretionary Property Tax Breaks	0	$15,255,151
	Discretionary Sales and Use Tax Exemptions and Abatements	0	not available
	New E-Conomy Transformation Act of 2000 (NET 2000)	18	$5,900,000
	Payments-In-Lieu-Of-Taxes (PILOTs)	0	$11,351,564
	Tax Increment Financing (TIF)	0	$24,328,106
Florida	Capital Investment Tax Credit	70	$10,000,000
	Economic Development Transportation Fund	25	$11,041,927
	Enterprise Zone Program	63	$87,577,658
	Qualified Target Industry Tax Refund	66	$13,637,769
	Quick Action Closing Fund	66	$31,500,000
Georgia	Investment Tax Credit	10	$3,000,000
	Job Tax Credit	70	$9,000,000
	Mega Project Tax Credit	73	not available
	OneGeorgia EDGE (Economic Development, Growth and Expansion) Fund Program	25	$29,188,513
	Quality Jobs Tax Credit	76	$21,000,000

State	Program	*Money for Something* score (0 to 100)	Annual cost (most recent year available)
Hawaii	Capital Goods Excise Tax Credit	20	$14,700,000
	Employment and Training Fund Statewide Training Grants	15	$1,024,065
	Enterprise Zones	38	$1,600,000
	Film & Digital Media Income Tax Credit (Act 88)	10	$129,000,000
	High-Technology Tax Credits (Act 221/ACT 215)	10	$121,200,000
Idaho	3% Investment Income Tax Credit	10	$33,292,000
	New Jobs Income Tax Credit	60	$1,500,000
	Production Equipment and Supplies Sales Tax Exemption	10	$130,445,000
	Research and Development Activity Income Tax Credit	10	$289,000
	Workforce Development Training Fund Program	38	$3,300,000
Illinois	Economic Development for a Growing Economy (EDGE) Tax Credit	35	$35,757,000
	Enterprise Zone Program	35	$93,906,000
	Film Production Services Tax Credit	16	$11,125,000
	IDOT Economic Development Program	25	$7,349,858
	Large Business Development Assistance Program	35	$600,000
Indiana	Economic Development for a Growing Economy (EDGE) Tax Credits	76	$62,000,000
	Enterprise Zone Program	20	$39,000,000
	Hoosier Business Investment Tax Credit (HBITC)	55	$107,000,000
	Skills Enhancement Fund (SEF)	20	$1,000,000
	Twenty-First Century Research and Technology Fund (21 Fund)	10	$12,650,000
Iowa	Enterprise Zone (Business Only)	90	$21,019,350
	High Quality Job Creation Program	106	$20,759,334
	Industrial New Jobs Training Program (260E)	73	$22,517,459
	Research Activities Credit (RAC)	10	$45,226,114
Kansas	Business Machinery and Equipment Credit	10	$36,892,337

State	Program	*Money for Something* score (0 to 100)	Annual cost (most recent year available)
Kansas	High Performance Incentive Program (HPIP)	48	$54,928,738
	Investments in Major Projects and Comprehensive Training Program (IMPACT)	60	$15,325,018
	Kansas Economic Opportunity Initiatives Fund	35	$5,650,000
	Promoting Employment Across Kansas (PEAK) Program	103	$4,800,000
Kentucky	Bluegrass State Skills Corporation	56	$8,000,000
	Coal Used in the Manufacture of Electricity	10	$89,300,000
	Kentucky Business Investment (KBI) Program	93	$37,400,000
	Kentucky Enterprise Initiative Act	10	$21,500,000
	Machinery for New and Expanded Industry and Certain Industrial Machinery	10	$75,600,000
Louisiana	Enterprise Zones	38	$109,564,764
	Industrial Tax Exemption Program	20	$745,309,000
	Motion Picture Investor Tax Credit	13	$164,215,821
	Purchases of Manufacturing Machinery and Equipment Exemption	10	$18,019,401
	Quality Jobs Program	93	$87,853,790
Maine	Business Equipment Tax Reimbursement Program	0	$19,431,982
	Employment TIF	85	$7,156,182
	Pine Tree Development Zones	75	$692,143
	Research Expense Tax Credits and Super R&D Tax Credit	10	$3,064,263
Maryland	Enterprise Zone - Real Property Tax Credits	15	$38,060,000
	Job Creation Tax Credit	60	$22,500,000
	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2, Significant Strategic Economic Development Opportunities & Local Economic Development Opportunities	95	$7,237,000
	One Maryland Tax Credit	75	$4,800,000
	Sunny Day Fund	95	$4,000,000
Massachusetts	Economic Development Incentive Program	35	$19,600,000

State	Program	*Money for Something* score (0 to 100)	Annual cost (most recent year available)
Massachusetts	Film Tax Credit	10	$10,100,000
	Investment Tax Credit (Manufacturing)	10	$44,500,000
	Life Sciences Investment Tax Credit	35	$25,000,000
	Research Tax Credit	10	$80,300,000
Michigan	Brownfield Redevelopment Credits (aka Brownfield Zone Credits)	10	$76,800,000
	Film Tax Credits	13	$75,000,000
	Michigan Economic Growth Authority (MEGA) Tax Credits	63	$109,400,000
	Michigan's Advanced Battery Credits (MABC)	35	$40,000,000
	Renaissance Zone Program	35	$22,300,000
Minnesota	Business Development Public Infrastructure Grant Program	60	$11,000,000
	Job Opportunity Building Zones (JOBZ)	50	$34,358,000
	Job Skills Partnership Program	18	$9,700,000
	Minnesota Investment Fund	53	$6,400,000
	Research and Development Tax Credits	10	$21,500,000
Mississippi	Advantage Jobs Incentive Program	80	$11,000,000
	Jobs Tax Credit	35	$5,000,000
	Major Economic Impact Act	70	not available
	Manufacturing Investment Tax Credit	10	$10,000,000
	Rural Economic Development (RED) Credits	35	$13,500,000
Missouri	Business Use Incentives for Large-scale Development (BUILD)	70	$7,074,994
	Film Production Tax Credit	10	$4,886,079
	New Jobs Training	73	$4,175,591
	Quality Jobs Program	90	$53,137,000
	Rebuilding Communities	23	$1,548,622
Montana	Big Sky Economic Development Trust Fund	60	$1,381,950
	Oil and Natural Gas Production Tax Exemptions	0	$139,586,214

State	Program	*Money for Something* score (0 to 100)	Annual cost (most recent year available)
Montana	Primary Sector Workforce Training Grant	53	$2,828,912
	Qualified Research Credit	10	$102,037
Nebraska	Customized Job Training	103	$25,000,000
	Employment and Investment Growth Act	25	$75,083,363
	Manufacturing Machinery and Equipment Exemption	10	$17,000,000
	Nebraska Advantage	53	$53,910,691
Nevada	Modified Business Tax Abatement	93	not available
	Personal Property Tax Abatement	90	not available
	Sales and Use Tax Abatement	90	not available
	Train Employees Now	53	$523,000
New Hampshire	Community Development Investment Program (Investment Tax Credit)	70	$3,000,000
	Economic Revitalization Zone Tax Credits	50	$37,000
	Job Training Fund	13	$465,531
	Research and Development Credit	10	$926,000
New Jersey	Business Employment Incentive Program (BEIP)	63	$106,000,000
	Business Retention and Relocation Assistance Grant (BRRAG)	35	$2,700,000
	Economic Redevelopment and Growth (ERG) Grant Program	38	$328,700,000
	Research and Development Tax Credits	30	$65,600,000
	Urban Enterprise Zone Program	28	$132,600,000
New Mexico	Film Tax Credit	13	$65,900,000
	High Wage Jobs Tax Credit	40	$4,600,000
	Industrial Revenue Bonds	55	not available
	Manufacturer's Investment Tax Credit	25	$7,000,000
	Tax Increment Development Districts	0	not available
New York	Brownfield Cleanup Program	10	$354,000,000

State	Program	*Money for Something* score (0 to 100)	Annual cost (most recent year available)
New York	Empire State Film Production Credit	10	$276,000,000
	Empire Zone Program	28	$423,000,000
	Excelsior Jobs Program	25	$30,000,000
	Industrial Development Agencies	25	$496,000,000
North Carolina	Credit for qualifying expenses of a production company	10	$7,153,242
	Job Development Investment Grants (JDIG)	90	$15,000,000
	One North Carolina Fund	100	$4,240,441
	Tax Credits for New and Expanding Businesses (Article 3J Credits)	90	$14,260,364
	William S. Lee Quality Jobs and Business Expansion Act (Article 3A)	103	$56,845,597
North Dakota	Development Fund – PACE loans and Regional Rural Revolving Loan Fund	25	$3,394,079
	Income Tax Exemption for New or Expanding Businesses	0	$2,000,000
	New Jobs Training	50	$2,600,000
	Renaissance Zones	10	$21,200,000
	Wage and Salary Credit	10	not available
Ohio	Community Reinvestment Area (CRA) Program	10	not available
	Job Creation Tax Credit	60	$56,800,000
	Job Retention Tax Credit	35	$21,500,000
	Ohio Workforce Guarantee	35	$11,600,000
	Rapid Outreach Program	15	$9,000,000
Oklahoma	21st Century Quality Jobs	109	not available
	Investment/New Jobs Tax Credit	25	$118,700,000
	Opportunity Fund	45	$102,779
	Quality Jobs	95	$61,763,332
	Training for Industry	55	$5,500,000
Oregon	Employer Workforce Training Fund/Governor's Strategic Training Fund	20	not available

State	Program	*Money for Something* score (0 to 100)	Annual cost (most recent year available)
Oregon	Oregon Production Investment Fund	10	$2,900,000
	Research Tax Credit	10	$6,950,000
	Strategic Investment Program	13	$95,600,000
Pennsylvania	Film Production Tax Credit	10	$75,000,000
	Job Creation Tax Credit	60	$22,500,000
	Keystone Opportunity Zone (KOZ) Program	0	$18,700,000
	Opportunity Grant Program	50	$25,000,000
	Research and Development Tax Credit	10	$40,000,000
Rhode Island	Corporate Income Tax Rate Reduction for Job Creation	108	$14,077,580
	Enterprise Zone Tax Credits	88	$875,575
	Job Training Tax Credit	35	$2,000,000
	Manufacturing and High Performance Manufacturing Investment Tax Credits	48	$17,000,000
	Motion Picture Production Tax Credit	10	$2,359,672
South Carolina	Investment Credit	20	$24,357,670
	Job Development Credits	100	$70,317,520
	Job Tax Credit	35	$51,248,095
	readySC	60	$13,000,000
	Research & Development Credit	10	$16,098,321
South Dakota	Pooled Bond Program	0	$7,605,000
	Revolving Economic Development and Initiative (REDI) Fund	40	$16,154,104
	South Dakota Agricultural Processing and Export Loan Program (APEX)	15	$653,787
	Workforce Development Program	55	$1,999,455
Tennessee	FastTrack Job Training Assistance	35	$6,000,000
	Headquarters Tax Credit	76	not available
	Jobs Tax Credit	35	$25,200,000

State	Program	*Money for Something* score (0 to 100)	Annual cost (most recent year available)
Tennessee	Sales and Use Tax Credit for Qualified Facility to Support an Emerging Industry	76	not available
	Tennessee Job Skills	50	$5,285,200
Texas	Texas Economic Development Act (Ch. 313)	100	$164,500,000
	Texas Emerging Technology Fund (ETF)	20	$61,538,000
	Texas Enterprise Fund (TEF)	35	$30,295,000
	Texas Moving Image Industry Incentive Program	13	$5,708,793
Utah	Economic Development Tax Increment Financing	60	$4,500,000
	Industrial Assistance Fund	60	$7,700,000
	Industrial Assistance Fund (Economic Opportunity)	0	$125,000
	Motion Picture Incentive Fund (MPIF) & Other Film Incentives	10	$4,000,000
	Targeted Business Tax Credits	28	$300,000
Vermont	Economic Advancement Tax Incentives (EATI)	100	$592,391
	Vermont Employment Growth Incentive (VEGI)	103	$15,864,572
	Vermont Training Program	90	$1,176,852
	VT Economic Development Authority loans	53	$19,482,899
	Workforce Education and Training Fund	40	$1,029,085
Virginia	Enterprise Zone Real Property Investment Grant	10	$9,498,370
	Governor's Opportunity Fund (GOF)	88	$11,194,000
	Major Business Facility Job Tax Credit	35	$3,174,753
	Virginia Economic Development Incentive Grant (VEDIG)	94	$10,000,000
	Virginia Investment Partnership (VIP) & Major Eligible Employer Grant (MEE)	85	$3,250,000
Washington	Aircraft Pre-production Expenditures B&O Tax Credit	10	$6,200,000
	High Technology B&O Tax Credit for R&D Spending	10	$31,500,000
	High Technology Sales and Use Tax Deferral/Waiver	10	$74,300,000
	New Jobs in Rural Counties and CEZ Tax Credit	41	$3,000,000

State	Program	*Money for Something* score (0 to 100)	Annual cost (most recent year available)
West Virginia	Economic Opportunity Tax Credit	100	$2,600,000
	Film Industry Investment Act	18	$2,600,000
	Governor's Guaranteed Work Force Program	28	$3,670,000
	Manufacturing Investment Tax Credit	20	$2,400,000
	Strategic R&D Tax Credit	20	$1,700,000
Wisconsin	Customized Labor Training Fund	78	$788,196
	Economic Development Tax Credit Program	90	$31,761,834
	Film Tax Credit Program (Film Production Services & Production Company Investment Tax Credits)	23	$500,000
	Major Economic Development Program (MED)	35	$6,000,000
	Transportation Economic Assistance Program (TEA)	35	$4,000,000
Wyoming	Data Processing Center – Sales/Use Tax Exemption	10	not available
	Film Industry Financial Incentive	10	$206,854
	Sales and Use Tax Exemption for Purchases of Manufacturing Equipment (HB 44)	10	not available
	Workforce Development Training Fund	10	$2,381,807

Appendix 3: Summary of Performance Requirements

State	Program	Performance Standard
Alabama	Alabama Industrial Development Training	A company must create at least 10 full-time jobs but is not required to hire trainees.
	Enterprise Zone Credit	A company has to invest at least $10,000 and hire at least 5 employees for at least 9 months. At least 30% of new employees must have been formerly unemployed; 35% of workers must be enterprise zone residents and must have received public assistance, have been considered unemployable, or lacking basic skills.
	Film Production Rebates	A production company must have expenditures between $500,000 and $10 million (or for a soundtrack project between $50,000 and $300,000). For a sales, use and lodging tax exemption, a company must spend $150,000 within 12 months.
	Income Tax Capital Credit	Depending on the type of industry, size of a business and location, a company must invest between $500,000 and $100 million and create between 5 and 50 full-time jobs. A company has to maintain the required minimum of jobs for the life of the credit.
	Industrial Development Grant Program	A company is required to invest in a qualifying project. The subsidy is a percentage of the capital costs.
Alaska	Alaska's Clear and Equitable Share/ Oil and Gas Production Tax Credits	There are 5 different tax credits covered by this program, each based only on the amount of capital expenditures made with no minimum amount required. The two primary credits are 1) a qualified expenditure credit and 2) either a credit for expenses not offset by revenue (losses) or an income tax deduction for profits.
	Commercial Fishing Revolving Loan Program	None
	Development Finance Program	None
	Film Industry Tax Credit	Producers must spend at least $100,000 in qualified expenditures.
Arizona	Arizona Job Training Program	Companies must pay 25-50% of training costs to receiving matching funds from state.

State	Program	Performance Standard
Arizona	Quality Jobs Tax Credit Program	Companies must hire 25 new employees and invest $5 million in urban areas. In rural areas, they must hire 5 new employees and invest $1 million.
	Research and Development Income Tax Credit	Increases in research and development expenditures over the last tax year's expenditures may be claimed against tax liability as credits.
Arkansas	Arkansas Advantage Income Tax Credit	Corporate income tax credit for job creation based on the payroll of new, full-time, permanent employees hired as a result of the project. Four different payroll thresholds (ranging from $50,000 to $125,000) depending on predetermined zones within the state. Jobs must be in existence for the entire time the company is receiving the credit.
	Business and Industry Training Program	Companies receive financial assistance to recruit workforce required for new and expanding businesses.
	InvestArk Sales and Use Tax Credits	Requires at least a $5 million investment in plant or equipment for new construction, expansion or modernization. The investment threshold must be reached within 4 years.
	Targeted Business Incentives	Companies must have an annual payroll between $100,000 and $1 million.
	TaxBack Sales and Use Tax Refund	The company must spend $100,000 in capital investments over a 4-year period.
California	Employment Training Panel	All trainees must be guaranteed jobs; no minimum number of trainees needed to qualify.
	Enterprise Zone Program	Companies must hire the unemployed or zone residents to receive tax credits. Tax benefits are also available for various business expenditures.
	Film and TV Production Tax Credit	Qualified expenditures on film productions may be taken as credits against tax liability.
	Research and Development Tax Credit	Qualified increases in expenditures on research and development activities may be taken as credits against tax liability.
Colorado	Colorado FIRST/ Existing Industry Training Program	Recipients must use funds to train new employees whose wages meet certain thresholds and pay 40% of job training expenses.

State	Program	Performance Standard
Colorado	Enterprise Zone Program	Companies that construct a new business facility are entitled to a raft of credits against tax liability. Most credits are based on making capital investment or hiring new employees.
	Job Growth Incentive Tax Credit	Recipients must create 20 jobs, unless they are in a rural enterprise zone, in which case the requirement is 5 new jobs.
	Strategic Fund	Recipients must create an unspecified number of new jobs that will be maintained for 1 year, make capital investment of greater than $100,000 per employee, and receive matching local subsidy commitments.
Connecticut	Enterprise Zone and Urban Jobs Tax Credits	Recipients must create at least 300 jobs and/or make eligible capital investments. Recipients creating more than 2,000 jobs may be eligible to receive a larger subsidy. Facilities receiving subsidies must maintain operations in the state for 10 years.
	Film Tax Credits (Industry, Infrastructure, Digital Animation)	All three versions of film tax credits require the recipient to report back to the state about jobs and payroll. To qualify for the digital animation credit, recipients must create 200 jobs. To qualify for the infrastructure credit, recipients must make a $3 million capital investment.
	Jobs Creation Tax Credit (aka New Jobs Creation Tax Credit)	Recipients must create at least 10 jobs. Previously, recipients had to create 50 jobs; however, the state recently lowered that threshold. Companies have 3 years to create the jobs once approved for the subsidy, and jobs must be kept for 4 years.
	Manufacturing Assistance Act	Performance requirements vary tremendously among deals. Most requirements are facility-specific and some contain loose job creation requirements. Those with job creation requirements are tracked years after the award is made. Some companies are required to keep jobs over a short period of time, typically around three years. These requirements are disclosed in the Department of Economic and Community Development's annual report.

State	Program	Performance Standard
Connecticut	Urban and Industrial Site Reinvestment Tax Credit	Companies must invest at least $5 million, unless the project involves preservation or redevelopment of at least four housing units, in which case at least $2 million must be invested. The program states that companies must only create a "significant" number of jobs. Some documents imply that if the company receives more than $1 million in subsidies, it must hire at least 100 or more full-time employees. Subsidized facilities and jobs must be maintained for 10 years.
Delaware	Bank Franchise Tax Credits	Companies receive a credit for each new qualified employee in excess of 50 above the number employed by the company during the base year. This job-creation threshold will increase from 50 to 200 employees on January 1, 2012. A new investment of $15,000 per qualified employee is also required.
	Blue Collar Jobs Tax Credits	Businesses must invest at least $200,000 and hire at least five employees during a 12-month period. The jobs cannot be shifted from another facility and must be maintained for the entire duration that the company is receiving tax credits.
	Blue Collar Training Grant Program	Companies must train at least 5 employees, make an investment of at least $200,000, and provide a minimum 1:1 match of training funds.
	Delaware Strategic Fund	Financial assistance is based on the projected tax revenue from the number of net new jobs created in the state. Job-creation targets and requirements that jobs be kept in place for a certain period of time are built into individual contracts with companies.
District of Columbia	Discretionary Property Tax Breaks	None
	Discretionary Sales and Use Tax Exemptions and Abatements	None
	New E-Conomy Transformation Act of 2000 (NET 2000)	For the tax credits tied to wages, recipients must relocate at least 2 qualified employees to DC. Companies receiving property tax abatements or a statutory rate reduction are not required to meet any performance benchmarks.
	Payments-In-Lieu-Of-Taxes (PILOTs)	None
	Tax Increment Financing (TIF)	None

State	Program	Performance Standard
Florida	Capital Investment Tax Credit	A company in a high-impact sector must create at least 100 new jobs and make a $25 million investment; a company is a target industry must create or retain 1,000 jobs (at least 100 jobs must be new) and make an investment of $100 million; a headquarters facility must create at least 1,500 jobs and make an investment of $250 million.
	Economic Development Transportation Fund	There is no specific number of jobs to be created, but rather the subsidy is based on the number of created or retained jobs (up to $7,000/job) and the total project cost. The subsidy is granted to local authorities to "alleviate transportation problems" and cannot be used to relocate companies from one part of the state to another unless there is a compelling reason.
	Enterprise Zone Program	For credits against wages paid to workers, there is no specific number of jobs to be created but the total number of full-time jobs has to be greater than the total was 12 months before the application date. Jobs have to remain in existence for a minimum of 3 months.
	Qualified Target Industry Tax Refund	A company must create at least 10 full-time equivalent jobs or, if expanding, increase employment by 10%, whichever is greater. The subsidy cannot be used to relocate companies from one part of the state to another unless there is a compelling reason.
	Quick Action Closing Fund	A company must create jobs and make an investment; details are specified in individual contracts.
Georgia	Investment Tax Credit	A manufacturing or telecommunications company must invest at least $50,000 and must have been in operation in the state for three years prior to that investment.
	Job Tax Credit	In tier 1, a company has to create 5 jobs; in tier 2, 10 jobs; in tier 3, 15 jobs; in tier 4, 25 jobs; and in areas of "pervasive poverty," 2 jobs. Jobs have to be maintained in each year the credit is claimed and have to be retained for one year before the credit is received. Jobs cannot be transferred and cannot have a predetermined end date.
	Mega Project Tax Credit	Within 6 years, a company has to create and retain for 5 years at least 1,800 new full time jobs and either invest $450 million in property or have $150 million in annual payroll. Jobs cannot have a predetermined end date. Credits are allowed on up to 3,300 jobs.

State	Program	Performance Standard
Georgia	OneGeorgia EDGE (Economic Development, Growth and Expansion) Fund Program	A company must create or retain jobs and make an investment; details are included in a Performance and Accountability Agreement. A project cannot relocate from one community in the state to another.
	Quality Jobs Tax Credit	A company must create at least 50 new jobs with no predetermined end date and maintain them for 5 years in order to receive the credit.
Hawaii	Capital Goods Excise Tax Credit	Companies receive a tax credit on the purchase of capital goods with no minimum investment required. The depreciable property the company is receiving the credit on must be maintained for at least three years.
	Employment and Training Fund Statewide Training Grants	The employer is required to contribute 50% of the training costs. The number of employees to be trained are written into individual contracts.
	Enterprise Zones	Businesses already in an EZ must increase their average annual number of full-time employees by at least 10% by the end of the first year, maintain that level for years 2 and 3, and increase the average annual number of full-time employees by at least 15% annually in years 4 to 7. Businesses that start up in or move to an EZ must increase their average annual number of full-time employees by at least 10% by the end of the first year. The average annual number of full-time employees at the end of years 2 to 7 can fluctuate but cannot be less than the number of employees required at the end of the first year.
	Film & Digital Media Income Tax Credit (Act 88)	Companies must spend a minimum of $200,000 in qualified production costs and make a financial or in-kind contribution for educational or workforce development efforts, in partnership with related local industry labor organizations, educational institutions, educational institutions, or both. This contribution must be at least .001% of total expenditures, up to $1000.
	High-Technology Tax Credits (Act 221/ACT 215)	A business must be designated as a Qualified High-Tech Business by establishing either 1) that more than 50% of all activities are qualified research, and 75% of that research takes place in Hawaii, or 2) that 75% of the business' gross income is derived from qualified research and received from products sold or services performed in the state. There are no minimum thresholds for investment.

State	Program	Performance Standard
Idaho	3% Investment Income Tax Credit	Companies eligible for the federal investment tax credit can also apply those qualified capital expenditures against state tax.
	New Jobs Income Tax Credit	One new full time employee must be hired to qualify for this credit.
	Production Equipment and Supplies Sales Tax Exemption	Qualified expenditures on certain production equipment supplies are exempted from tax.
	Research and Development Activity Income Tax Credit	Qualified expenditures on research and development are exempt from taxation.
	Workforce Development Training Fund Program	Qualified training expenses are reimbursed.
Illinois	Economic Development for a Growing Economy (EDGE) Tax Credit	Different thresholds apply depending on the size of the company. For companies with more than 100 employees: must create 25 new jobs and invest $5 million. For less than 100 employees: must create 5 new jobs and invest $1 million. EDGE tax credits typically last 10 years meaning that those jobs and facilities must be kept in Illinois for the duration of the contract.
	Enterprise Zone Program	Illinois Enterprise Zones allow for a wide variety of subsidies. The law specifically allows for 8 different kinds of state subsidies and 5 different kinds of local subsidies. For this study, we focused on the requirements relating to the State Utility Tax Exemption and the Machinery and Equipment Sales Tax Exemption. Specifically, these programs require capital investment, are tied to making qualified expenditures, and require the creation of jobs. The state does not appear to set minimum thresholds on these requirements. The state requires jobs and facilities in the zone to last for the duration of the subsidy. Subsidies last an initial 5 years and can be extended indefinitely for 5 year-year periods.
	Film Production Services Tax Credit	Recipients must make qualified film expenditures. 30% of Illinois production spending can be reimbursed as well as 15% of Illinois labor expenditures.

State	Program	Performance Standard
Illinois	IDOT Economic Development Program	The program does not have mandatory minimum job creation/retention thresholds, but it does require job creation or retention be an aspect of the project. The recipient has 5 years from the date of funding in which to complete the job creation metrics. The recipient must report on job creation for five years. The law does not require jobs to be created and kept over a period of time.
	Large Business Development Assistance Program	Forgivable loans and grants made through this program must create or retain 300 full-time equivalent jobs. The state caps the amount of project costs it will support at 25%. The state also caps the cost-per-job at $5,000. Jobs typically cannot be shifted from another facility within the state; however, this requirement can be waived the project results in "significant job growth." Jobs must be created or retained over a 2-year period.
Indiana	Economic Development for a Growing Economy (EDGE) Tax Credits	The program requires a positive fiscal impact to the state; the key driver in the model is new payroll. There is no specific number of jobs required, but unless the recipient creates a significant number of jobs, it would not create a positive fiscal impact. The facility and jobs must be maintained for 2 years beyond the contract. Typically, contracts last for 10 years and therefore jobs and facilities must be kept in the state for 12 years.
	Enterprise Zone Program	There is no specific job creation or other requirement from the state. Local enterprise zones may create various eligibility standards. The state forbids intra-state job shifting.
	Hoosier Business Investment Tax Credit (HBITC)	This tax credit is tied to the size of capital investment. Up to 30% of capital investment expenditures may be turned into tax credits. Facilities and jobs associated with the subsidy must be kept in Indiana for 10 years or the useful life of the facility according to federal tax rules.
	Skills Enhancement Fund (SEF)	Recipients must make qualified training expenditures which are matched by the state on a 1:1 basis. Jobs and facilities must be kept for 5 years.
	Twenty-First Century Research and Technology Fund (21 Fund)	According to state officials, jobs are not factored into award calculations. The program requires recipients to raise matching seed funding or achieve progress developing the business as laid forth in its business plan.

State	Program	Performance Standard
Iowa	Enterprise Zone (Business Only)	A company must investment at least $500,000 and create or retain 10 full-time equivalent jobs over 3 years. The jobs must be maintained for additional 2 years. A company cannot relocate form one area in the state to the Enterprise Zone.
	High Quality Job Creation Program	Up to 30 full-time equivalent jobs must be created or retained and up to $500,000 investment must be made to receive between a credit of 1% to 5% or a refund; if a company creates 31-101 or more jobs and invest at least $10 million, it can receive up to 10% credit, refund or exemption. Jobs have to be created within 3 years and maintained for 2 years. A company cannot relocate from one area in the state to another one.
	Industrial New Jobs Training Program (260E)	A company has to increase employment by at least 10% to receive "up to 50% of the annual gross payroll costs expended for on-the-job training." All of the new workers are eligible for the program training. A company cannot relocate from one area in the state to another one.
	Research Activities Credit (RAC)	A company must have expenditures on research activities (no minimum required). The Iowa credit is based on the federal research credit.
Kansas	Business Machinery and Equipment Credit	Companies receive a tax credit for purchases of commercial and industry machinery and equipment with no minimum expenditure required.
	High Performance Incentive Program (HPIP)	Companies receive an income tax credit for eligible capital investment that exceeds $50,000 at the company's facility, with a carry-forward that can be used in any of the next 10 years in which the qualified facility re-qualifies for HPIP. Beginning January 1, 2012, the minimum investment threshold of $50,000 is increased to $1 million for urbanized counties (Douglas, Johnson, Sedgwick, Shawnee and Wyandotte), but remains at $50,000 for all other counties. Additionally, the 10-year limitation on the carryforward of HPIP investment credits will be extended to 16 years.

State	Program	Performance Standard
Kansas	Investments in Major Projects and Comprehensive Training Program (IMPACT)	Companies creating new positions are typically required to create and train a minimum of 100 net new positions. Companies in Douglas, Johnson, Leavenworth, Sedgwick, Shawnee and Wyandotte counties that are involved in retraining/retention projects must retrain a minimum of 250 existing positions. Companies in the remaining counties of the state that are involved in retraining/retention projects must retrain 100 existing positions. Companies must maintain jobs through the life of the contract.
	Kansas Economic Opportunity Initiatives Fund	Specific job creation or payroll commitments are built into each individual contract. Jobs created under the program must be in place for five years and cannot be shifted from another facility in the state.
	Promoting Employment Across Kansas (PEAK) Program	Companies must commit to creating 5 new jobs in non-metropolitan counties or 10 new jobs in the metropolitan counties of Shawnee, Douglas, Wyandotte, Johnson, Leavenworth and Sedgwick over a two-year period. These must be net new jobs for the state and they must be maintained for the duration of the agreement.
Kentucky	Bluegrass State Skills Corporation	Grants and tax credits to reimburse companies for training expenditures. Skills Training Investment Credit portion requires eligible workers, whether trained or not, to be retained for one year of training/approval period, plus 90 days.
	Coal Used in the Manufacture of Electricity	A company has to have qualified expenditures on Kentucky coal (no minimum requirement).
	Kentucky Business Investment (KBI) Program	A company must create and retain for the life of the subsidy at least 10 full-time jobs and make an investment of at least $100,000 in eligible costs.
	Kentucky Enterprise Initiative Act	A company must investment at least $500,000 within 7 years. To additionally qualify for a refund for electronic processing equipment, a company must spend $50,000.
	Machinery for New and Expanded Industry and Certain Industrial Machinery	Expenditures on machinery used in manufacturing or processing (no minimum required).

State	Program	Performance Standard
Louisiana	Enterprise Zones	A company must increase its workforce by 10% within 1 year or create at least 5 new jobs within 2 years (first 5 jobs must be full-time; additional jobs can be part-time and must exist for at least 26 consecutive weeks). At least 35% of new workers must live in the enterprise zone, receive public assistance, lack basic skills, or be unemployable by traditional standards.
	Industrial Tax Exemption Program	A company must make a new investment such as improvements to the land, buildings, equipment, etc. (no minimum requirement).
	Motion Picture Investor Tax Credit	A production company must have expenditures of at least $300,000.
	Purchases of Manufacturing Machinery and Equipment Exemption	A company must sale, use, lease and rent machinery or equipment that is used in a plant facility during a manufacturing process.
	Quality Jobs Program	A company must create a minimum of 5 jobs within 3 years and must have annual payroll of at least $250,000 if it employs fewer than 50 workers statewide, or at least $500,000 if it has more than 50 employees.
Maine	Business Equipment Tax Reimbursement Program	None
	Employment TIF	A company must create 5 full-time new jobs within 2 years. Jobs cannot be shifted from another facility in the state. To be able to get the reimbursement for the life of the program (10 years), a company has to retain the job each year the reimbursement is claimed.
	Pine Tree Development Zones	A company must create at least 1 full-time new job in 2 years. Existing jobs cannot be shifted from another facility in the state.
	Research Expense Tax Credits and Super R&D Tax Credit	For Research Expense Tax Credits, a company must have research expenses in excess of its average research expenditures for the previous 3 years. For Super Research & Development Tax Credit, a company's qualified research expenses must exceed 150% of its average research expenses for the previous three years.
Maryland	Enterprise Zone - Real Property Tax Credits	Recipients must hire new employees or make a capital investment.

State	Program	Performance Standard
Maryland	Job Creation Tax Credit	Recipient must create at least 60 positions, although that threshold is lowered to 30 if the pay is high and 25 if it is located in a Priority Funding Area. 95% of the jobs must remain in existence for 3 years.
	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2	Recipients must make a capital investment of $5 for every dollar of subsidy received. The state doesn't require a specific number of jobs to created, but it does require that a "significant" number of jobs be created or retained. Positions must be created by certain dates. For the duration of the contract, the facility must remain in operation in the state. Contracts vary greatly from deal to deal.
	One Maryland Tax Credit	Recipients must create 25 qualified positions within 24 months of the agreement date and can receive as much as $500,000 for qualified start-up costs. Jobs must be filled for 12 months.
	Sunny Day Fund	When the Sunny Day Fund was first created, it was very much centered around training. Training can be a performance requirement, but rarely is this the case. There is no specific job creation requirement, but the number of jobs must be deemed "substantial." Recipients also must make a capital investment of $5 for every dollar of subsidy received. The capital investment ratio can be waived, but only in circumstances where a project is being leased in an urban area that created indirect capital investment by a developer. Both the faculty and the jobs must be maintained for a period of time after the award is received. Officials state that they strive to retain jobs created for 10 years.
Massachusetts	Economic Development Incentive Program	Most EDIP projects do not require specific number of jobs to be created. Enhanced Expansion projects require 100 new jobs; Manufacturing Retention projects require 25 new jobs or 50 retained jobs.
	Film Tax Credit	Qualified expenditures on film productions may be taken as credits against tax liability.
	Investment Tax Credit (Manufacturing)	Qualified expenditures on manufacturing may be taken as credits against state tax liability.
	Life Sciences Investment Tax Credit	Companies are certified to receive incentives through this program after presenting detailed business plans to the Life Sciences Center. There is no baseline hiring or investment requirement.

State	Program	Performance Standard
Massachusetts	Research Tax Credit	Qualified expenditures on research and development may be taken as credit against excise tax.
Michigan	Brownfield Redevelopment Credits (aka Brownfield Zone Credits)	Recipients must make capital investments, of which 15% are reimbursed through a tax credit. Recipients may also receive a tax credit for 20% of hard costs associated with a brownfield project. Being revamped and merged with another program.
	Film Tax Credits	Until Oct. 1, 2011, the program allowed up to 42% of film expenditures to be turned into tax credits. Going forward, the program has been proposed to be turned into a grant program capped at $25 million rather than an uncapped tax credit. Projects are evaluated on five criteria: 1. Financial viability; 2. Use of existing MI infrastructure; 3. The number of Michigan workers hired and their wages; 4. Promotion of the state; 5. The magnitude of expenditures made in MI vs. other states.
	Michigan Economic Growth Authority (MEGA) Tax Credits	Being phased out but will continue to have a fiscal impact for years. Recipients have been required to create 50 jobs for expansions, 25 jobs for locating in an enterprise or Renaissance Zone and 5 jobs for locating in a rural area. The state also required recipients to make at least $50,000 in capital investment for each job created. Requirements have varied contract-to-contract, but generally the jobs and the facility must be kept in the state for 4 years, even though recipients can claim subsidies for up to 20 years.
	Michigan's Advanced Battery Credits (MABC)	Being eliminated but existing recipients will continue to receive benefits. Recipients must make a capital investment of $200 million, produce advanced batteries for the state, create 300 jobs, and can get credits applied against engineering and other types of qualified spending. The law requires contracts to be signed stipulating that the facility and associated jobs be kept for a certain period of time.
	Renaissance Zone Program	Job and investment criteria are determined on a case-by-case basis. For tool and die zones, recipients must create at least 75 jobs.

State	Program	Performance Standard
Minnesota	Business Development Public Infrastructure Grant Program	Recipients must keep or create new jobs, increase a city's tax base or enhance economic development. Recipients must also make capital investments in industrial parks. Capital investments are reimbursed by a state grant of up to 50% of capital costs. Jobs must be maintained as long as is stipulated in grant agreement and application, typically 5 years but no less than 30 months.
	Job Opportunity Building Zones (JOBZ)	Recipients must create at least 5 jobs and retail jobs are prohibited. Jobs and facilities must be kept for 5 years from the time of the first benefit.
	Job Skills Partnership Program	Recipients must train employees and make qualified expenditures related to training.
	Minnesota Investment Fund	The state has general requirements about making capital investments or creating jobs or increasing payroll but without specific thresholds. The facility must be kept in operation for 5 years. The recipient must meet job creation goals within 2 years.
	Research and Development Tax Credits	Recipient must make research and development investments. However, because of the way the credit is calculated, some companies can decrease such spending and still receive the credit.
Mississippi	Advantage Jobs Incentive Program	Data/information processing businesses must create at least 200 new jobs and other businesses must create at least 25 jobs. The business must maintain jobs for a period of 4 consecutive quarters to receive subsidy for that year.
	Jobs Tax Credit	In Tier 1, a company has to create and maintain for the life of the credit (5 years) at least 20 full-time jobs; in Tier 2, 15 jobs; in Tier 3 and in an “economically distressed community” at least 10 jobs. Alternative Energy Suppliers must create at least 25 jobs; no minimum is required in brownfields. If a company moves within the state, it has to increase employment.
	Major Economic Impact Act	Performance standards vary among industry types (combination of investment and/or job creation with required minimums). Jobs cannot be shifted within the state, but the rules can be waived.
	Manufacturing Investment Tax Credit	Requires an investment of at least $1 million (a building and/or equipment used in manufacturing).

State	Program	Performance Standard
Mississippi	Rural Economic Development (RED) Credits	Depending on an industry, a company must create a minimum number of jobs and must make a minimum investment.
Missouri	Business Use Incentives for Large-scale Development (BUILD)	Within 3 years, a company must invest $15 million and create 100 full-time new jobs; or, if an office project, invest $10 million and create 500 full-time new jobs (or 200 if located in a distressed community). For 3 years after an approval to the program, employment at an "essential industry" has to retain the same as it was at the site in a year preceding the application year.
	Film Production Tax Credit	A production company must have expenditures of at least $100,000 for films over 30 minutes in length or $50,000 for those shorter than 30 minutes.
	New Jobs Training	There is no minimum job creation requirement but enough full-time, permanent jobs must be created to generate the funds necessary to pay back the training costs (typically, at least 100 new jobs); training costs are repaid by withholding of new workers' personal income taxes.
	Quality Jobs Program	Small, expanding businesses must create at least 20 jobs in rural areas and at least 40 jobs in non-rural areas; technology businesses must create at least 10 jobs; and high impact businesses must create at least 100 jobs. Retention projects must invest at least $70 million, or invest at least $30 million and have a payroll of at least $70 million each year a tax credit is claimed.
	Rebuilding Communities	A new or relocating company must have eligible expenditures or investment (no minimum required). For existing businesses, a tax credit is available if the business exceeds its average equipment expenditures of the previous 2 years. Additionally, an existing business can double the number of its full-time employees in a distressed community to receive higher tax credit.
Montana	Big Sky Economic Development Trust Fund	Program requires matching funds (1:1 for a regular county and 1:2 for a high-poverty county). There is no minimum number of jobs that must be created, but job creation targets are built into individual contracts.
	Oil and Natural Gas Production Tax Exemptions	None

State	Program	Performance Standard
Montana	Primary Sector Workforce Training Grant	Companies must provide a match of at least $1 for every $3 in assistance requested. There is no minimum job creation or training requirement, but the match requirement is written into individual contracts.
	Qualified Research Credit	Must make qualified research expenditures.
Nebraska	Customized Job Training	This program has two parts: Customized Training Projects for New Workers requires the hiring of new full-time employees in order for companies to receive training assistance. Customized Training to Improve Productivity provides training support when there is a new investment of capital (usually machinery and equipment) related to new skills development, and there is an increase in wages as a result of the training (no new jobs are required). In both cases, the number of employees to be trained is built into individual contracts.
	Employment and Investment Growth Act	Must be a non-retail company that invests at least $3 million in the state and creates at least 30 new jobs. Participating companies cannot move from one in-state location to another within 360 days prior to the date of the application.
	Manufacturing Machinery and Equipment Exemption	Must purchase, lease, or rent manufacturing machinery or equipment.
	Nebraska Advantage	There are six tiers of the Nebraska Advantage program, and each tier has a different set of performance standards (a combination of job creation and/or investment requirements). Tier 1: $1 million investment and 10 jobs created; Tier 2: $3 million investment and 30 jobs created; Tier 3: $10 million investment and 30 jobs created; Tier 4: $11 million investment and 100 jobs created; Tier 5: $33 million investment and maintain current employment levels; and Tier 6: $10 million investment and 75 jobs created OR $100 million investment and 50 jobs created. Companies may not shift jobs from another in-state facility.
Nevada	Modified Business Tax Abatement	Companies must either create 75 jobs and invest $1 million, or create 15 jobs and invest $250,000 depending on their location in the state.
	Personal Property Tax Abatement	Recipients must fulfill 2 of 3 requirements: 1) pay 100% of county wide average hourly wage, 2) create 75 or 15 jobs, depending on their location, and 3) make a large investment, the value of which is also depending on location.

State	Program	Performance Standard
Nevada	Sales and Use Tax Abatement	Recipients must fulfill 2 of 3 requirements: 1) pay 100% of county wide average hourly wage, 2) create 75 or 15 jobs, depending on their location, and 3) make a large investment, the value of which is also depending on location.
	Train Employees Now	Businesses must hire 10 employees to participate and make qualified expenditures on training.
New Hampshire	Community Development Investment Program (Investment Tax Credit)	All projects are required to serve a "community benefit," which includes projects approved on the basis that they will "increase or maintain threatened primary employment." Job creation targets are written into individual contracts. The "community benefit" must be in place for 10 years, so job creation promises must last at least that long. The project shall not result in a substantial increase in unemployment in the area of original location of any business or establishment relocated as part of the project.
	Economic Revitalization Zone Tax Credits	Businesses must invest a certain amount of capital based on the market value of the property. The amount of credit they get is tied to the number of net new FTE jobs they create (and the salaries paid to those employees). A minimum threshold for new jobs is not established in the program rules; job creation targets are built into individual contracts.
	Job Training Fund	Companies must spend at least $750 in training costs to be eligible for a 1:1 match on a reimbursement basis. There is no minimum number of employees that must be trained.
	Research and Development Credit	Businesses must make "qualified manufacturing research and development" expenditures, defined as wages paid to employees of the business organization for services rendered in NH which qualify and are reported as a credit by the business.
New Jersey	Business Employment Incentive Program (BEIP)	Most companies must create 25 new jobs, but certain high tech and biotech companies must create just 10 jobs.
	Business Retention and Relocation Assistance Grant (BRRAG)	Recipients must commit to relocating in-state or retain at least 50 full time jobs in the state.
	Economic Redevelopment and Growth (ERG) Grant Program	No hard requirements for qualification.
	Research and Development Tax Credits	Qualified expenditures on research and development expenses may be taken as credits against tax liability.

State	Program	Performance Standard
New Jersey	Urban Enterprise Zone Program	UEZ participants that hire new employees or make certain qualified investments are eligible for tax credits and other tax benefits.
New Mexico	Film Tax Credit	Qualified expenditures on film productions may be taken as credits against tax liability.
	High Wage Jobs Tax Credit	Any business creating new jobs with salaries above certain levels is entitled to credits, regardless of the number of jobs.
	Industrial Revenue Bonds	No state level requirements for qualification. Local governments may develop their own rules.
	Manufacturer's Investment Tax Credit	Companies must maintain one job per $500,000 invested under $30 million and one job per $1 million invested over $30 million in order to qualify for this credit.
	Tax Increment Development Districts	No hard requirements to qualify for this program.
New York	Brownfield Cleanup Program	A portion of remediation and redevelopment costs at qualified brownfield sites can be used as credits against corporate income taxes and real property taxes. There is no specific job-creation requirement but the number of employees at the qualified site is used as a factor in determining the amount of the property tax credit.
	Empire State Film Production Credit	Credits are based on a percentage of qualified expenditures. There are requirements relating to the portion of total expenses that must be made in the state.
	Empire Zone Program	There is a general requirement that a company create jobs but no explicit standards are imposed.
	Excelsior Job Program	Jobs Tax Credits are based on the number of qualified jobs created. Investment Tax Credits are based on the size of the qualified expenditures. R&D Tax Credits are based the size of qualified research expenditures.
	Industrial Development Agencies	Projects receiving sales tax exemptions tend to have specific job-creation or retention requirements written into individual contracts; those receiving bond financing only may not.
North Carolina	Credit for qualifying expenses of a production company	Qualified expenses of at least $250,000.

State	Program	Performance Standard
North Carolina	Job Development Investment Grants (JDIG)	A company must create at least 10 full-time jobs in Tier 1 and 20 full-time jobs in Tiers 2 and 3, and maintain operation at the project site for at least 150% of the term of the grant.
	One North Carolina Fund	A Company Performance Agreement specifies the number of jobs to be created or retained, and the maintenance period (but at least 90% jobs must be maintained for 1 to 2 years after the subsidy period). Jobs cannot be transferred within the state.
	Tax Credits for New and Expanding Businesses (Article 3J Credits)	A company can choose between job creation (between 5 and 15 jobs depending on a Tier and if jobs are located in “urban progress zones” or “agrarian growth zones”) and investment in real property ($1 million to $2 million for Tiers 2 and 3; no minimum requirement in Tier 1 and UPZ/AGZ). A company must create 200 jobs and invest $10 million in Tier 1 to receive credits for investment in real property. Jobs cannot be transferred within the state and the number of employees has to be maintained at least at the same level as it was in a year prior to qualifying to the program.
	William S. Lee Quality Jobs and Business Expansion Act (Article 3A)	Performance standards vary among industry types and the type of credit a company decides to take (job creation, investment, or activity requirements, or combination of these).
North Dakota	Development Fund – PACE loans and Regional Rural Revolving Loan Fund	Companies receive $30,000 in loans for each job created (these figures are general guidelines and can be altered based on the economic impact of the investment).
	Income Tax Exemption for New or Expanding Businesses	None
	New Jobs Training	A new employer must create a minimum of 5 new jobs; expanding businesses must increase their base employment level by a minimum of 1 job. Eligible companies are reimbursed for training expenses.
	Renaissance Zones	Tax exemptions and credits for the purchase, lease, rehabilitation, purchase with major improvements, and/or historical preservation or renovation of a building, or an investment in utility infrastructure within a designated Renaissance Zone. Rehabilitation projects must be equal to or greater than 50% of the current value for commercial buildings and 20% for single-family homes.

State	Program	Performance Standard
North Dakota	Wage and Salary Credit	Corporations engaged in assembling, fabricating, manufacturing, mixing or processing of an agricultural, mineral or manufactured product that are doing business in North Dakota for the first time are allowed an income tax credit based on the annual amount of wages and salaries paid during the first 5 years.
Ohio	Community Reinvestment Areas	No specific investment or job creation requirements made by the state, but communities may attach their own requirements.
	Job Creation Tax Credit	Recipients must agree to create at least 10 jobs at specific wage levels.
	Job Retention Tax Credit	Recipients must employ at least 500 workers at the site and invest $50 million (manufacturers) or $20 million (nonmanufacturers) in the site.
	Ohio Workforce Guarantee	Qualified expenditures on training expenses are reimbursed through this program.
	Rapid Outreach Program	No specific job creation requirement but general program guidelines state that job retention or creation must be significant in order to qualify.
Oklahoma	21st Century Quality Jobs	A minimum of 10 new full-time jobs within 3 years.
	Investment/New Jobs Tax Credit	A company must invest at least $50,000 (employment cannot decrease due to the investment) or create jobs, with no minimum required.
	Opportunity Fund	A company must create or retain jobs or have capital investment (details are specified in individual contracts).
	Quality Jobs	A company must achieve $2.5 million in annual payroll for new full-time employees. Food processors, research & development and other companies locating on former military installations must have $1.5 million in annual payroll. There is no payroll requirement for companies locating on Superfund sites. Jobs must be new to the state and could not have existed within previous 6 months.
	Training for Industry	A company must create new full-time jobs but no minimum number is required. For pre-employment training, there is no obligation to hire trainees.

State	Program	Performance Standard
Oregon	Employer Workforce Training Fund/Governor's Strategic Training Fund	Qualified training expenses are reimbursed.
	Oregon Production Investment Fund	Production companies must spend at least $750,000 in order to qualify for rebates.
	Research Tax Credit	Qualified research expenses may be taken as a credit against tax liability.
	Strategic Investment Program	Recipients must invest $100 million inside urban growth boundaries or $25 million outside of the UGB.
Pennsylvania	Film Production Tax Credit	Film production companies may take certain qualified expenditures as credits against tax liability.
	Job Creation Tax Credit	Recipients must create 25 new jobs or increase employment by 20% over three years.
	Keystone Opportunity Zone (KOZ) Program	No specific investment or hiring requirements are made of KOZ participants.
	Opportunity Grant Program	Companies must make a matched investment of $4:$1 and hire or retain 100 full time job within three years or increase employment by 20%, or provide a "substantial" number of new jobs in certain industries or in areas with a high need for jobs.
	Research and Development Tax Credit	Qualified research expenses may be taken as a credit against tax liability.
Rhode Island	Corporate Income Tax Rate Reduction for Job Creation	Companies are eligible to receive a tax reduction based on increased employment in the state. Companies with fewer than 100 employees must increase employment by 10 to qualify; those with more than 100 employees must increase employment by 50 to qualify. Companies are required to go through an approval process which weighs a number of factors including wage rates, benefits, and total job creation. Jobs must be maintained for three years.

State	Program	Performance Standard
Rhode Island	Enterprise Zone Tax Credits	Firms that locate in a state-designed enterprise zone and increase employment at registered enterprise zone locations by at least 5 percent annually may be eligible for a state business tax credit equal to 75% of the total wages paid to employees living in an enterprise zone or 50% of wages paid to workers not living in an enterprise zone. The maximum credit is $5,000 per enterprise zone resident employee and $2,500 for other enterprise zone employees. Jobs must be maintained so long as the recipient receives the tax credits.
	Job Training Tax Credit	Recipients must make qualified expenditures on training, which the state matches on a 1:1 basis.
	Manufacturing and High Performance Manufacturing Investment Tax Credits	Recipients must make a capital investment, but there is no minimum threshold.
	Motion Picture Production Tax Credit	Recipient must make qualified film expenditures in order to qualify for tax credits.
South Carolina	Investment Credit	A company must invest in new production equipment .If a company choose to carry forward the credit for an extended period of time, it has to create between 800 and 1,000 jobs, have total capital investment of $500-$700 million and have made a total capital investment of at least $50 million in previous 5 years. Property for which the tax credit is claimed cannot be removed from the state during the year in which the credit is claimed.
	Job Development Credits	Even though the statue requires a company to create at least 10 new full-time jobs, the Coordinating Council for Economic Development generally requires more than 10 jobs.
	Job Tax Credit	A company must create a monthly average of 10 new jobs in one year (certain types of companies have job requirements greater than 10). Two part-time jobs can be counted as one full-time position if they require a minimum of 20 hours/week.
	readySC	A company must create jobs and train workers (no minimum is specified).
	Research & Development Credit	A company must have qualified research expenses (no minimum specified).
South Dakota	Pooled Bond Program	None

State	**Program**	**Performance Standard**
South Dakota	Revolving Economic Development and Initiative (REDI) Fund	The administrative rules list a number of factors to be taken into account when making a decision on an application, including the number of primary jobs created and retained, the project's economic and environmental impact, and the company's payroll and benefit structure. While there are no set thresholds, these figures are written into contracts between the Governor's Office of Economic Development and the recipient.
	South Dakota Agricultural Processing and Export Loan Program (APEX)	Recipients must provide employment opportunities for low-income persons or displaced farm families "to the maximum extent practicable."
	Workforce Development Program	Companies are eligible for a 1-to-1 match of training costs for new and existing employees. There is no minimum threshold for the expenses or minimum number of employees who must be trained. Existing employees must receive an increase in their wages as a result of the training; new jobs created under the program must be maintained for at least 6 months.
Tennessee	FastTrack Job Training Assistance	A company must create new job and have workers training expenditures (no minimum specified).
	Headquarters Tax Credit	A company must either investment $50 million in a headquarters building or invest $10 million and create at least 100 new, full-time jobs.
	Jobs Tax Credit	A company must invest at least $500,000 and create 25 net new jobs (job creation requirement can be waived).
	Sales and Use Tax Credit for Qualified Facility to Support an Emerging Industry	A company must invest at least $100 million and create at least 50 new full time jobs.
	Tennessee Job Skills	A company must create new jobs, have training expenditures, and certify that the new jobs will be filled by trainees (no minimum requirements).
Texas	Texas Economic Development Act (Ch. 313)	Recipients in urban areas must create 25 new jobs, in rural areas, the requirement is 10 new jobs. Recipients must also make major investments at the facility, but there is no minimum capital investment requirement. Jobs and the facility must be maintained for 3 years beyond the subsidy period. Contracts typically last 10 years.

State	Program	Performance Standard
Texas	Texas Emerging Technology Fund (ETF)	Recipients must make large capital investments, but there is no minimum capital investment. Recipients must also promise to commercialize or manufacture in-state any product resulting from research and development conducted at the subsidized facility.
	Texas Enterprise Fund (TEF)	A new law which just took effect now requires each TEF contract to include a minimum job creation requirement and specify the date by which the recipient intends to create jobs. Recipients are required to maintain jobs and the keep the facility in operation over a period of time, but these requirements vary from deal to deal.
	Texas Moving Image Industry Incentive Program	Recipients must make qualified film production expenditures in order to receive tax credits.
Utah	Economic Development Tax Increment Financing	Projects must create at least 50 jobs in urban counties. No requirement in rural counties. Recipients must also secure funding from local governments and commit to significant purchases from Utah vendors.
	Industrial Assistance Fund	In urban counties, recipients must create 50 jobs. No job requirement in rural counties. Companies must also demonstrate that they will be spending in the state at a ratio of 2:1 with regard to subsidy level.
	Industrial Assistance Fund (Economic Opportunity)	No specific investment or hiring requirements.
	Motion Picture Incentive Fund (MPIF) & Other Film Incentives	Film production companies must spend at least $1 million in the state to be eligible for refunds of up to 25%.
	Targeted Business Tax Credits	A number of tax credits are available through this program, but in order to claim hiring tax credits, employment growth must be continuous year-over-year.
Vermont	Economic Advancement Tax Incentives (EATI)	Closed to new participants since 2007 but some companies are still receiving benefits. Job creation requirements varied from deal to deal but were written into contracts. In order to receive capital investment subsidies, large capital investments had to be made. Jobs created were required to be maintained for 5 years.

State	Program	Performance Standard
Vermont	Vermont Employment Growth Incentive (VEGI)	VEGI does not require a mandatory minimum in terms of job creation or capital investment; however, each deal is evaluated for its long term fiscal impact. 90% of subsidies are required to create a positive fiscal impact to the state. Job creation and investment thresholds are written into each contract. Jobs must be kept for 9 years.
	Vermont Training Program	Recipients must agree to train a certain number of workers and make qualified expenditures to train workers. Recipients must also agree to hire or continue employing workers at the end of the training and not use newly trained workers to replace existing employees.
	VT Economic Development Authority loans	Recipients may utilize VT EDA loans as a lender of last resort. Once deemed creditworthy, a recipient's below-market interest rate is determined by three factors: wage rates and benefits, the amount of private leverage and whether the loan exceeds $25,000 per job created. If a certain number of jobs move out of state, the loan immediately becomes due in full. Business collateral (buildings, machinery and equipment) must remain in the state of Vermont over the life of the loan. Employers cannot shift more than 50% of their employees out of state over a three-year period without the loan coming due.
	Workforce Education and Training Fund	Recipients are required to train a certain number of workers, but there is no minimum.
Virginia	Enterprise Zone Real Property Investment Grant	Recipients must make capital investment upgrades to eligible properties. Recipients may also be reimbursed for qualified expenditures related to property improvements. There are no job creation requirements.
	Governor's Opportunity Fund (GOF)	Recipients must make a capital investment of $5 million and create at least 50 jobs. If the project makes a capital investment of $100 million, the job creation requirement drops to 25 jobs. If locating in a high poverty or unemployment area, the threshold can drop to either $2.5 million in capital investment and 25 jobs or $1.5 million and 15 jobs. The jobs and the facility must be maintained for 3 years or whenever the state reaches the "break even point" on the subsidy deal.
	Major Business Facility Job Tax Credit	Tier 1 requires 50 jobs to be created. Tier 2 (i.e. projects located in distressed areas) requires 25 jobs to be created. Jobs must be maintained for 5 years.

State	Program	Performance Standard
Virginia	Virginia Economic Development Incentive Grant (VEDIG)	Job creation and capital investment requirements vary depending on the deal. At a minimum, recipients must create 200 jobs and invest $5 million. The facility and jobs must be kept for at least 5 years.
	Virginia Investment Partnership (VIP) & Major Eligible Employer Grant (MEE)	MEE recipients must create at least 400 high wage jobs or 1000 new jobs and invest at least $100 million in capital investment to qualify. VIP recipients have no minimum threshold for jobs, but job creation promises are written into contracts and all existing jobs must be retained. VIP recipients must make a minimum capital investment of at least $25 million. Jobs must be retained for 5 years after the first payment is made.
Washington	Aircraft Pre-production Expenditures B&O Tax Credit	Qualified expenditures on aerospace product development may be taken as a credit against tax liability.
	High Technology B&O Tax Credit for R&D Spending	Qualified research expenditures made by high tech companies may taken as a credit against tax liability.
	High Technology Sales and Use Tax Deferral/Waiver	Sales and use tax on qualified expenditures made by high tech companies may be waived.
	New Jobs in Rural Counties and CEZ Tax Credit	To be granted the credit, the business's average qualified employment at the facility must increase by 15% over the next year.
West Virginia	Economic Opportunity Tax Credit	Companies that create 20-280 jobs receive a 20% tax credit on their qualified investment; companies that create 280-580 jobs receive a 25% tax credit; companies that create 581+ jobs receive a 30% tax credit. Companies that move their corporate headquarters to West Virginia are eligible for a 10% tax credit if they create 15+ jobs, and small businesses are eligible for a 10% tax credit if they create 10+ jobs. Must be new jobs in the taxpayer's business enterprise in West Virginia.
	Film Industry Investment Act	Companies must spend at least $25,000 in production costs to be eligible for a 27% tax credit. If the company employs 10 or more full-time employees during principal photography, it is eligible for an additional 4% tax credit (31% total).

State	Program	Performance Standard
West Virginia	Governor’s Guaranteed Work Force Program	Companies that create at least ten jobs over a one-year period are eligible to receive up to 100% or $2,000 (whichever is less) of the cost of training new employees. Companies are not allowed to shift jobs from a facility elsewhere in the state.
	Manufacturing Investment Tax Credit	Companies receive a credit equal to 5% of their qualified manufacturing investment, provided the investment property isn’t disposed of or ceases to be used in an industrial capacity within 4 years.
	Strategic R&D Tax Credit	The credit covers both qualified expenditures and capital investment. The portion of the expenditure/investment that is eligible for the subsidy is based on the property's useful life, as determined by the tax commissioner. Tax credits are forfeited if the property is disposed of or ceases to be used in a qualified research and development activity prior to the end of its useful life.
Wisconsin	Customized Labor Training Fund	Recipients must make qualified expenditures on training, which the state matches on a 1:1 basis or up to $2,500 per employee. Jobs must be maintained for 2 years after the training, and the facility must be kept in operation for 5 years.
	Economic Development Tax Credit Program	Recipients must either undertake a job creation project, a capital investment project, an employment training project or a corporate headquarters project. Job creation projects have no statutory minimums, but requirements are stipulated in contracts. Capital investment projects require either $10,000 of investment per job created, $1 million in capital investment or retention of jobs that would be lost "but-for" the project. Employee training projects require a dollar-for-dollar public-private match. Corporate headquarters projects must create at a minimum one job per $4,000 in subsidies. Companies paying higher wages may receive a larger per-job benefit of up to $10,000 per job. Jobs and the facilities must be maintained for 5 years.
	Film Tax Credit Program (Film Production Services & Production Company Investment Tax Credits)	Recipients must make qualified film production expenditures in order to receive tax credits. No recipient may receive more than $100,000. For film production company investment tax credits, the facility must be kept in operation for 5 years.

State	Program	Performance Standard
Wisconsin	Major Economic Development Program (MED)	Recipients must create at least 100 jobs and make a capital investment of at least the amount of the subsidy. The facility must be kept in operation for 5 years.
	Transportation Economic Assistance Program (TEA)	There is no precise job creation metric that must be met, but jobs must be created. In the first three years, recipients must create or retain the jobs promised. In the last four years, recipients must retain the jobs promised. Facilities must be kept in operation for 7 years.
Wyoming	Data Processing Center – Sales/Use Tax Exemption	Must make an initial $5 million capital investment in the state within 5 years of March 5, 2010 OR $50 million capital investment within 5 years of April 1, 2011 if claiming an exemption for power/infrastructure related expenses. Must purchase at least $2 million in qualifying equipment within the calendar year. Must create "a number of jobs in Wyoming that is appropriate to the size and stage of development of the data servicing center." There is no specific number of jobs that need to be created.
	Film Industry Financial Incentive	To qualify for the baseline 12% tax credit, production expenditures of at least $200,000 must be made. The company can receive up to a 15% tax credit depending on how much of the production is located in Wyoming.
	Sales and Use Tax Exemption for Purchases of Manufacturing Equipment (HB 44)	Companies obtain a sales tax exemption certificate relating to manufacturing expenditures that they provide to the seller at the time of purchase. There is no pre-approval process.
	Workforce Development Training Fund	Businesses must provide a 40% match of training expenses. The minimum grant amount after the 40% match is $300. There is no requirement to train a certain number of workers.

Appendix 4: Summary of Wage and Benefit Requirements

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Alabama	Alabama Industrial Development Training	Flat rate of $10/hour (annually $20,800); rural areas might be exempt from the wage requirement.	$10.00		
	Income Tax Capital Credit	Lesser of a designated hourly wage rate which is indexed yearly (in 2011 the rate for "favored geographic areas" was $12.18; for other areas it was $15.23) or the average hourly wage of the county where the project is located. County average wages tend to be higher than the designated rate.	$12.18 - $15.23		
Arizona	Arizona Job Training Program	Jobs must pay at least a flat annual qualifying wage, which differs by county. Standards apply to part time positions.	$8.86 - $19.08		
	Quality Jobs Tax Credit Program	Jobs must pay the median county wage. (State median wage for all occupations is $15.89.)	$15.89	Employers must provide healthcare insurance and pay for 65% of health premiums.	
Arkansas	Arkansas Advantage Income Tax Credit	For scientific and technical services businesses only, 150% of the county or state average hourly wage, whichever is less. For all other recipients, the lowest county average hourly wage.	$10.13 - $25.58		
	InvestArk Sales and Use Tax Credits	For scientific and technical services businesses only, 150% of the county or state average hourly wage, whichever is less. No wage requirement for other recipients.	$15.63 - $27.56		
	Targeted Business Incentives	Depending on where the business is located, 150% to 180% of the lesser of the state or county average hourly wage.	$15.63 - $33.07		
	TaxBack Sales and Use Tax Refund	For scientific and technical services businesses only, 150% of the county or state average hourly wage, whichever is less. No wage requirement for other recipients.	$15.63 - $27.56		

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
California	Employment Training Panel	Trainees must be guaranteed the state average hourly wage.	$24.40		
Colorado	Colorado FIRST/Existing Industry Training Program	In urban areas employers must pay an average wage of $10.46 an hour, and in rural areas the wage standard is $8.21 per hour.	$8.21 - $10.46		
	Job Growth Incentive Tax Credit	Average wage rates must equal at least 110% of the average county wage. (110% of the state average hourly wage is $24.73.)	$24.73		
	Strategic Fund	Average annual wages must at least equal the county average annual wage in order to earn a $2,000 credit. Each 10% incremental increase in the average wage earns the employer an additional $1,000 in credit. Outside enterprise zones, the wage minimum is 110% of the county average.	$22.48 - $24.73		
Delaware	Bank Franchise Tax Credits			Employer must provide health coverage and pay 50% of the premium.	
	Blue Collar Training Grant Program	An apparently-outdated "$7 an hour plus" provision that is less than the federal minimum wage and is thus meaningless.		Employer must offer health benefits but is not required to contribute to premium costs.	Retirement benefits.
	Delaware Strategic Fund	Financial assistance increases when wage is high enough to create positive tax revenue (approx. $24,000/year).	$11.54		
District of Columbia	Discretionary Property Tax Breaks	No wage requirement. The District of Columbia has a Living Wage ordinance that should apply to subsidies greater than $100,000; however, auditors have shown that the requirements are not implemented. See Living Wage Fact Sheet: http://app.ocp.dc.gov/pdf/DCHC-2009-R-0002_Att1.pdf See Auditor's report: http://dcauditor.org/sites/default/files/DCA082010.pdf			

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
District of Columbia	Discretionary Sales and Use Tax Exemptions and Abatements	See discussion above.			
District of Columbia	New E-Conomy Transformation Act of 2000 (NET 2000)	See discussion above.			
District of Columbia	Payments-In-Lieu-Of-Taxes (PILOTs)	See discussion above.			
District of Columbia	Tax Increment Financing (TIF)	See discussion above.			
Florida	Capital Investment Tax Credit	A company in a targeted industry has to pay at least 130% of the average private sector wage in the area; a headquarters facility has to pay at least 200% of the state average annual private sector wage. There is no wage requirement for "high-impact sectors," which include aviation, aerospace, automotive, silicon technology industries and other industries. The state calculates its private sector average wage for 2011 at $40,728 which makes the requirements above $52,946 and $81,456. These are converted to hourly figures in the next column.	$25.46 - $39.16		
Florida	Economic Development Transportation Fund	No requirements, but during the application process the state considers the average hourly wage proposed by a company.			
Florida	Enterprise Zone Program	There is a wage requirement but only for workers who participate in a "welfare program," who must be paid $4 to $8 an hour above the federal minimum wage for the employer to receive different levels of subsidies.	$11.25 - $15.25		
Florida	Qualified Target Industry Tax Refund	115% of the state or county average private sector wage (the state average is currently $46,841 annually). Waived for projects located in a rural county, a brownfield, or an enterprise zone. An additional per-job bonus applies if a company pays at least 150% or 200% of the state's average annual wage.	$22.52		

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Florida	Quick Action Closing Fund	125% of the state private sector average wage.	$24.48		
Georgia	Job Tax Credit	A company must pay at least the lowest county average wage in the state. In 2010, Glascock County had the lowest average weekly wage of $435 ($22,620 annually).	$10.88	Employer must offer health benefits but is not required to contribute to premium costs	
	Mega Project Tax Credit	Tier 1 (most developed areas) requires at least 120% of the lowest average county wage in the state; tier 2 requires 110%, and tiers 3 and 4 (the least developed areas) require 105%.	$11.42 - $13.05	Employer must offer health benefits but is not required to contribute to premium costs	
	OneGeorgia EDGE (Economic Development, Growth and Expansion) Fund Program	No wage or benefit requirements, but a company can receive extra points during the application process for proposing to pay higher wages and providing benefits.			
	Quality Jobs Tax Credit	The tax credit is based on a sliding scale: from a $2,500 credit/job for 110% to 120% of the average weekly county wage to a $5,000 credit/job for 200% and more of the average weekly county wage. The range to the right reflects 110% of the lowest county average wage and 200% of the highest county average wage.	$11.96 - $59.85		
Hawaii	Enterprise Zones			Employer must offer health benefits but is not required to contribute to premium costs.	
Idaho	New Jobs Income Tax Credit	In counties with unemployment rates of 10% or higher, wage requirements are $12.00 per hour. Lower unemployment rate counties command wages of $15.00 per hour.	$12.00 - $15.00	Employers must offer healthcare coverage but are not required to contribute to premium costs.	

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Idaho	Workforce Development Training Fund Program	Recipients must pay $10 per hour to all trained employees.	$10.00		
Illinois	Economic Development for a Growing Economy (EDGE) Tax Credit	Illinois requires recipients to maintain wages promised in the application for the subsidy. Points were not awarded because the wages are not tied to a standard set by the state. Wage promises are disclosed online.		Illinois requires recipients to provide the benefits set forth in the application; however, the state does not require any specific healthcare standard.	Illinois requires recipients to provide the benefits stated in the application; however, the state does not require any specific other benefits.
	Enterprise Zone Program	See discussion of EDGE Tax Credits above.		See discussion of EDGE Tax Credits above.	See discussion of EDGE Tax Credits above.
	IDOT Economic Development Program	See discussion of EDGE Tax Credits above.		See discussion of EDGE Tax Credits above.	See discussion of EDGE Tax Credits above.
	Large Business Development Assistance Program	See discussion of EDGE Tax Credits above.		See discussion of EDGE Tax Credits above.	See discussion of EDGE Tax Credits above.
Indiana	Economic Development for a Growing Economy (EDGE) Tax Credits	For retention subsidies, total compensation including benefits must exceed the greater of: (1) 200% of the federal minimum wage; (2) 105% of average wages within that NAICS code for the county; or (3) 105% of the average wages within that NAICS code for the state. Average hourly compensation for all workers in Indiana in 2010 was $18.76, implying that average compensation exceeds $19.70 for the typical company.	$14.50 - $19.70	No healthcare requirement. Benefits provided to employees can be counted towards total compensation of employees.	No benefits requirements. Officials stated that benefits provided to employees are a consideration, but not a strict requirement.
	Enterprise Zone Program	Indiana requires recipients to maintain wages promised in the application for the subsidy. Points were not awarded because the wages are not tied to a standard set by the state.			

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Indiana	Hoosier Business Investment Tax Credit (HBITC)	150% of the federal minimum wage	\$10.88		The state has a generalized requirement about benefits, but nothing specific written into rules, policy, or statute.
	Skills Enhancement Fund (SEF)	Officials stated that company wages are reported to the state and are a major evaluation criteria; however, the state has no fixed standard.			
Iowa	Enterprise Zone (Business Only)	90% of the average county or regional wage, whichever is lower but not below \$7.50/hour. In rare situations wage and benefit requirements can be waived.	\$10.29 - \$16.44	Employer must provide medical and dental insurance and pay 80% of the premiums for employee-only coverage (50% for family coverage) or pay a higher wage in place of providing benefits.	
	High Quality Job Creation Program	New jobs must pay at least 100% of the county or regional average wage, whichever is less, at the start of the project and 130% of that level by project completion. Retained jobs must pay the lesser of 130% of the county or regional average wage by project completion. Wage and benefit requirements can be waived in rare instances.	\$11.44 - \$23.75	Employer must provide medical and dental insurance and pay 80% of the premiums for employee-only coverage (50% for family coverage) or pay for some level of medical and dental coverage and provide the monetary equivalent value through other employee benefits.	

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Iowa	Industrial New Jobs Training Program (260E)	If the wage rate of new employees exceeds the average county or regional wage, whichever is lower, then the company is eligible for a higher subsidy.	$11.44 - $18.27	The statutes do not require benefits, but individual contracts tend to include some kind of benefit package.	
Kansas	High Performance Incentive Program (HPIP)	Either the company's three- or four-digit NAICS code or 1.5 times the state average wage (which equals $58,397/year), the latter of which is used to calculate the hourly figure to the right.	$28.08		
	Investments in Major Projects and Comprehensive Training Program (IMPACT)	$11/hour in metropolitan regions (Douglas, Johnson, Leavenworth, Sedgwick, Shawnee and Wyandotte counties) and $9.50/hour in all other counties.	$9.50 - $11.00		
	Promoting Employment Across Kansas (PEAK) Program	Sliding scale based on 100% to 140% of the county median wage, or at least 100% of the North American Industry Classification System (NAICS) average wage for their industry (figures to right are based on county median wages). A company can elect to use either its employees' aggregate median or average wage to meet the standard.	$8.98 - $25.12	Employer must provide health coverage and pay 50% of the premium.	
Kentucky	Bluegrass State Skills Corporation	90% of trained employees must earn at least 150% of the federal minimum wage. If the pre-training wages are lower than the required minimum, the wages have to increase to the required minimum after the training.	$10.88	The employer must provide benefits equal in value to 15% of the required wage and must contribute to premium costs for at least one benefit. If benefits are less than 15% of the required wage, a company can pay 115% of required wage instead.	

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Kentucky	Kentucky Business Investment (KBI) Program	At least 90% of full-time employees in enhanced incentive counties must receive hourly wages of at least 125% of the federal minimum wage and in other counties at least 150% of the federal minimum wage.	$9.06 - $10.88	The employer must provide benefits equal in value to 15% of the required wage and must contribute to premium costs for at least one benefit. If benefits are less than 15% of the required wage, a company can pay 115% of required wage instead.	
Louisiana	Enterprise Zones	If a credit is claimed for a worker receiving public assistance, the wage must be sufficient to disqualify the worker from the program; there is no wage standard for other workers.			
	Quality Jobs Program	To qualify for a 5% cash rebate of annual gross payroll, an employer must pay at least $14.50/hour; if the wage is at least $19.10, then the subsidy rate is 6%. The hourly wage in the next column includes a required healthcare contribution of $1.25/hour.	$14.50 - $19.10	Employer must provide health benefits and is required to contribute at least $1.25/hour to the premium cost.	
Maine	Employment TIF	Wages must be at least equal to the per-capita income of a county where the project is located. A company can use benefit costs to meet this requirement if it hires and retains more than 250 workers, or if it cannot otherwise meet the requirement.	$14.04 - $21.71	Employer must offer health benefits but is not required to contribute to premium costs.	Employer must offer access to a retirement plan but is not required to contribute to it.
	Pine Tree Development Zones	Wages must be at least equal to the per-capita income of a county where the project is located. A company can use benefit costs to meet this requirement if it hires and retains more than 250 workers, or if it cannot otherwise meet the requirement.	$14.04 - $21.71	Employer must offer health benefits but is not required to contribute to premium costs.	Employer must offer access to a retirement plan but is not required to contribute to it.

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Maryland	Enterprise Zone - Real Property Tax Credits	Maryland's Real Property Tax Credits, unlike the state's Corporate Income Tax Credits available to Enterprise Zone businesses, do not contain wage requirements. The Corporate Income Tax Credits require 150% of the federal minimum wage. No points were awarded.			
	Job Creation Tax Credit	150% of the federal minimum wage	$10.88		There is a preference for recipients to provide benefits but no specific requirements.
	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2	150% of the federal minimum wage	$10.88	Employers must provide a healthcare package and contribute to premium costs but no minimum percentage is required.	Recipients are required to provide employees with benefit packages, including retirement benefits.
	One Maryland Tax Credit	150% of the federal minimum wage	$10.88	Employers must offer healthcare benefits but are not required to contribute to premium costs.	Recipients are required to provide employees with benefit packages, including retirement benefits.
	Sunny Day Fund	150% of the federal minimum wage	$10.88	Employers must provide a healthcare package and contribute to premium costs but no minimum percentage is required.	Recipients are required to provide employees with benefit packages, including retirement benefits.
Michigan	Michigan Economic Growth Authority (MEGA) Tax Credits	150% of the federal minimum wage; for qualified high-wage incentives, jobs must pay at least 300% of the federal minimum wage.	$10.88 - $21.75		

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Minnesota	Business Development Public Infrastructure Grant Program	110% of federal poverty line for family of four; in 2011, that figure was $24,585, or $11.82 an hour.	$11.82		
	Job Opportunity Building Zones (JOBZ)	110% of federal poverty line for family of four; in 2011, that figure was $24,585, or $11.82 an hour.	$11.82		The state has a general policy preferring that companies offer benefits but nothing specific written into rules, policy, or statute.
	Minnesota Investment Fund	110% of federal poverty line for family of four; in 2011, that figure was $24,585, or $11.82 an hour.	$11.82		
Mississippi	Advantage Jobs Incentive Program	Depending on the industry, the average annual wage of workers must be between 100% (for data/information processing) and 110% (for other businesses) of the county or state average, whichever is lower. Based on the state average, these percentages currently translate into a range of $33,930 to $37,323 per year.	$16.31 - $17.94	Employer has up to 180 days after first subsidy payment to offer health benefits but is not required to contribute to premium costs	
	Jobs Tax Credit	No wage requirement, but there is a bonus of $1,000/job for companies that pay 125% of the state average annual wage; or $2,000/job for paying 200%.			
	Major Economic Impact Act	Wage requirements vary among industry types (different flat rates and 125% to 135% of the state average annual wage). For some industries, there is no wage requirement. The 125% and 135% figures translate into a range of $42,411 to $45,802.	$20.39 - $22.02		
	Rural Economic Development (RED) Credits	Two of the seven industries eligible for the subsidies must pay 150% of the state average wage; the other industries have no wage requirement.			
Missouri	Business Use Incentives for Large-scale Development (BUILD)	Wages must be above the average for the area in which the project is located; county average wages range from $21,952 to $52,214.	$10.55 - $25.10	A healthcare requirement was eliminated from the program.	

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Missouri	New Jobs Training	While there is no statutory wage requirement for new jobs, the Missouri Department of Economic Development requires wages that are competitive with county and state averages. In rare situations a company can be exempted from the wage requirement. The annual state average in 2010 was $39,780.	$10.55 - $25.10		
	Quality Jobs Program	The average wage must equal or exceed the county or state average wage, whichever is lower. Technology and high impact companies can receive an "average wage bonus" if the average wage for new jobs is greater than 120% of the county average wage; this bonus provision is not reflected in the wage range to the right. County averages range from $16,378 to $40,856.	$7.87 - $19.64	Employer must provide health benefits and pay at least 50% of premium costs	
Montana	Big Sky Economic Development Trust Fund	The average county wage, excluding benefits.	$9.61 - $24.57		
	Primary Sector Workforce Training Grant	The average wage for the state or county, whichever is lower.	$9.61 - $16.64		
Nebraska	Customized Job Training	A tiered set of wage thresholds (that correspond with varying subsidy levels) based on 100% to 200% of the average starting hourly entry level wage in the Omaha, Lincoln and Sioux City MSAs and the balance of the state.	$8.36 - $18.58	Employer must pay for a portion of benefits, including healthcare, equal to 15% of the hourly wage.	
	Nebraska Advantage	A tiered set of wage thresholds (that correspond with varying subsidy levels) based on 60% to 125% of the state average wage.	$10.58 - $22.03		
Nevada	Modified Business Tax Abatement	Companies may pay the lesser of state or county-wide average wage.	$19.82	Companies must provide benefits and pay 25% of health premiums.	

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Nevada	Personal Property Tax Abatement	Companies may pay the lesser of state or county-wide average wage.	$19.82	Companies must provide health benefits and pay 25% of the premium.	
	Sales and Use Tax Abatement	Companies may pay the lesser of state or county-wide average wage.	$19.82	Companies must provide health benefits and pay 25% of insurance premiums.	
	Train Employees Now	Wages must exceed 80% of statewide average wage.	$15.86		
New Hampshire	Community Development Investment Program (Investment Tax Credit)	1.5 times the state or federal minimum wage, whichever is higher.	$10.88	Employers must offer adequate fringe benefits, including health insurance, but are not required to contribute to premium costs.	
	Economic Revitalization Zone Tax Credits	Tax credit increases for wages 1.75 and 2.5 times the state minimum wage.	$12.69 - $18.13	Benefits are required but not defined. Typically, program administrators are looking for health insurance to be offered.	
New Jersey	Business Employment Incentive Program (BEIP)	Strong preference is given applicants that pay at least 1.5 times the minimum wage; we treat this as in effect a requirement.	$10.88	Employers must offer healthcare coverage but are not required to contribute to premium costs.	
	Economic Redevelopment and Growth (ERG) Grant Program	The NJEDA requires payment of prevailing wage on all construction contracts for subsidized projects. Depending on the trade, those wage rates currently range from $16.55 to $54.98 an hour (not including the value of fringe benefits).	$16.55 - $54.98		

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
New Jersey	Research and Development Tax Credits			Employers must offer healthcare coverage but are not required to contribute to premium costs.	
New Mexico	High Wage Jobs Tax Credit	2 levels of qualifying wages, with higher wages in more populous municipalities. ($28,000 - $40,000 annually.)	$13.46 - $19.23		
	Industrial Revenue Bonds			Only projects in certain classes of counties or cities with populations of greater than 40,000 are required to provide health coverage; employers must pay 50% of premium costs.	
New York	Empire Zone Program	A $3,000 per job tax credit is limited to the hiring of targeted employees for whom one of the requirements is a wage of at least 135 percent of the state minimum.	$9.79		
	Industrial Development Agencies	A handful of IDAs have wage requirements but most don't.			
North Carolina	Job Development Investment Grants (JDIG)	No general wage requirement, but every Community Economic Development Agreement sets aggregate annual wages that must be paid. The figure to the right is based on averaging the target annual wages for all CY2010 recipients, and converting that average ($55,223/year) into an hourly wage.	$26.55	Employer must provide health benefits and pay at least 50% of premium costs	

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
North Carolina	One North Carolina Fund	No wage requirement in tier 1 and 2. In other tiers, jobs have to pay an average weekly wage that is at least equal to 110% of the applicable average weekly wage for the county in which the project is located."The applicable wage is the lowest of the following: (i) the average wage for all insured private employers in the county; (ii) the average wage for all insured private employers in the State; (iii) the average wage for all insured private employers in the county multiplied by the county income/wage adjustment factor." Based on 2010 figures, 110% of the state average insured wage for private industry is $864.	$21.62	Employer must provide health benefits and pay at least 50% of premium costs	
	Tax Credits for New and Expanding Businesses (Article 3J Credits)	No wage standard in tier 1 (most distressed counties). In tiers 2 and 3, lesser of 110% of average private wages in state and 90% of average private wages in the county. Jobs that are located within Urban Progress Zones or Agrarian Growth Zones but not in tier 1 must pay at least 90% of the state or county average private wage, whichever is lower. The wage requirements for tiers 2 and 3 (excluding UPZ and AGZ) are currently from $832/week and $401/week (the latter is based on the lowest county average).	$10.02 - $20.80	Employer must provide health benefits and pay at least 50% of premium costs	
	William S. Lee Quality Jobs and Business Expansion Act (Article 3A)	No wage standard in tier 1, 2 or in a development zone. For remaining tiers, wage must be at least 110% of the county average wage. Based on 2010 data, 110% of the state average wage is $857/week.	$21.42	Employer must provide health benefits and pay at least 50% of premium costs. Part-time workers can be counted for the credit only when they receive healthcare coverage.	
North Dakota	New Jobs Training	$10/hour.	$10.00		
Ohio	Job Creation Tax Credit	Wages must equal at least 150% of the federal minimum wage.	$10.88		

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Ohio	Ohio Workforce Guarantee	Wages must equal at least 150% of the federal minimum wage.	$10.88		
Oklahoma	21st Century Quality Jobs	Annualized wage must be at least 300% of the Oklahoma County average wage (currently $93,601) or 300% of the average county wage where the project is located, whichever is lower. Average county wages range from $75,684 to $93,601.	$36.39 - $45.00	Employer must provide health benefits within 12 months of hiring and pay at least 50% of premium costs.	
	Investment/New Jobs Tax Credit	New jobs must pay at least $7,000/year. This is a holdover from when the program was originally created. It now translates into less than the federal minimum wage and thus is meaningless.			
	Opportunity Fund			Employer must offer health benefits but is not required to contribute to premium costs	
	Quality Jobs	New jobs must pay the lesser of the county average wage or a state wage threshold that is indexed annually (currently $29,745). Companies located in Opportunity Zones are excluded from the requirement. Haskell County currently has the lowest average annual wage, $25,228.	$12.13 - $14.30	Employer must provide health benefits within 180 days of hiring and pay at least 50% of premium costs. If an employer pays 110% of the average county or state wage, then it can include payment for premiums in meeting the wage requirement.	
	Training for Industry			Employer must provide health benefits and pay at least 50% of premium costs	

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Pennsylvania	Job Creation Tax Credit	Jobs must pay 150% of the federal minimum wage, not including benefits.	$10.88		
	Opportunity Grant Program	Wages must be 150% of the federal minimum wage.	$10.88		
Rhode Island	Corporate Income Tax Rate Reduction for Job Creation	250% of the state minimum wage; Rhode Island's minimum wage is indexed to inflation and therefore increases each year; for 2011, the state minimum wage was $7.40	$18.50	Rhode Island requires employers to provide employees with health insurance typical of that industries' standard. The state does not specify the minimum employer premium obligation.	Rhode Island requires recipient employers to provide retirement benefits to employees plus other benefits typical of the industry.
	Enterprise Zone Tax Credits	105% of the state median annual wage for full-time jobs of the same industry sector in the state of Rhode Island; the median hourly wage for Rhode Island was $17.39 in 2010	$18.26	The law requires a benefits package that includes healthcare insurance, but does not require employers to pay any amount of the premium obligation.	Rhode Island requires recipient employers to provide benefits typical of its industry to employees. The state does not specify which specific benefits must be included, but officials stated that benefits like vacation time were typically included.
	Job Training Tax Credit	150% of the state minimum wage; Rhode Island's minimum wage is indexed to inflation and therefore increases each year; for 2011, the state minimum wage was $7.40	$11.10		

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Rhode Island	Manufacturing and High Performance Manufacturing Investment Tax Credits	Recipients must meet one of the following: (1) median wages must exceed the average wage paid by all employers in the state in the same sector; (2) median wages must exceed 125% of the average wage paid by all employers in the state (which currently amounts to $54,921); (3) For manufacturers - average wages for production workers must exceed the average wages paid to all production workers in the state in the same sector; (4) invest at least 2% of total payroll costs in worker training.	$10.28 - $26.40		
South Carolina	Job Development Credits	To receive the minimum subsidy, a company must pay at least $8.87/hour; to receive the maximum it must pay at least $22.71/hour.	$8.87 - $22.71	Employer are required to contribute 15% of premium costs.	
	Job Tax Credit	There is a wage requirement (150% to 250% of the county or state average wage) only for service facilities in tiers 1, 2 and 3 that create fewer than 250 jobs. Otherwise there is no wage requirement.			
	readySC	Hourly wages must be at least equal to the average county wage where the project is located. The average state wage is $37,920, which is what is used to calculate the hourly figure to the right.	$18.23	Employers must offer a benefit package that includes health insurance but are not required to contribute to premium costs.	
South Dakota	Revolving Economic Development and Initiative (REDI) Fund	$10.50/hour.	$10.50		Employer must provide benefits, but types of benefits are not specified.
	Workforce Development Program	The greater of $10.50/hour or the statewide wage at the 10th percentile for the specific profession as determined by the SD Labor Market Information Center. The table of occupations that is used includes some high wages professions that are unlikely to receive subsidized job training, such as physicians and surgeons, which is the category that represents the maximum in the wage range to the right.	$10.50 - $77.17	Employer must offer health benefits but is not required to contribute to premium costs.	

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Tennessee	FastTrack Job Training Assistance	There is no wage requirement but wages can be set in an agreement between a company and the Tennessee Department of Economic and Community Development.			
	Headquarters Tax Credit	150% of Tennessee's average occupational wage, which currently equals $57,495 annually. The wage criteria can be lowered if a company locates in a Central Business District or Economic Recovery Zone.	$27.64	Even though the statute requires minimum healthcare as described in T.C.A. §56-7-22, no points were assigned since T.C.A. §56-7-22 refers only to small employers of 2 to 25 workers.	
	Jobs Tax Credit	Even though the program sets a wage requirement in special circumstances, no points were assigned since the program does not have a hard wage requirement.		Even though the statute requires minimum healthcare as described in T.C.A. §56-7-22, no points were assigned since T.C.A. §56-7-22 refers only to small employers of 2 to 25 workers.	
	Sales and Use Tax Credit for Qualified Facility to Support an Emerging Industry	150% of Tennessee's average occupational wage, which currently equals $57,495 annually.	$27.64	Even though the statute requires minimum healthcare as described in T.C.A. §56-7-22, no points were assigned since T.C.A. §56-7-22 refers only to small employers of 2 to 25 workers.	

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Tennessee	Tennessee Job Skills	Starting wage must at least equal the prevailing starting wage for that occupation in the local labor market area. The figure to the right represents the state average wage, which is currently $38,330.	$18.43		
Texas	Texas Economic Development Act (Ch. 313)	"80% of jobs must meet the minimum wage requirements. In urban areas wages must equal 110% of the county average wage for manufacturing sector jobs; in rural areas, wages must equal 110% of the average manufacturing wages for the region; if company creates 1,000 or more jobs, then wages must be 110% of county average wages for all jobs in the county. The figure to the right represents 110% of the state average wage.	$22.33	80% of employees must be provided with healthcare benefits; these benefits must cover 80% of premium costs.	
	Texas Enterprise Fund (TEF)	Wage requirements vary greatly from deal to deal. The state stipulates in each contract the average annual compensation level required. No baseline standard is set forth in legislation or administrative rules, and therefore we award no points.		No healthcare requirement. State allows the value of benefits to be counted in total compensation requirements.	No benefits requirements. State allows the value of benefits to be counted in total compensation requirements.
Utah	Economic Development Tax Increment Financing	In rural counties, the wage must equal 100% of the average county wage. In urban counties, the requirement is 125% of the average county wage.	$11.33 - $26.12		
	Industrial Assistance Fund	In rural counties, the wage must equal 100% of the average county wage. In urban counties, the requirement is 125% of the average county wage.	$11.33 - $26.12		
	Targeted Business Tax Credits	If employees are paid 125% of the average county wage, the value of the tax credit is increased by $500 per employee.			

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Vermont	Economic Advancement Tax Incentives (EATI)	Wage requirements vary from deal to deal. Average wages for recipients in 2008 was $39,194 or $18.84 per hour, above the state average wage of $37,574. Average total compensation was $47,773. Officials indicated that deals are structured to meet or exceed local average compensation levels. The average hourly wage in Vermont for 2010 was $20.21.	$18.84	Employers are required to provide employees with healthcare benefits, although there is no minimum premium obligation. Most EATI recipients pay for 50% of premium costs.	Recipients must provide employees with retirement benefits, sick days, and vacation time.
	Vermont Employment Growth Incentive (VEGI)	160% of the state minimum wage of $8.15. The state tries to structure deals so that employers meet or exceed local compensation levels (including wages and benefits) for a particular sector. Frequently the state requires a higher threshold. Vermont's minimum wage increases with inflation. The average hourly wage in Vermont for 2010 was $20.21.	$13.04 - $20.21	Employers are required to provide employees with healthcare benefits, although there is no minimum premium obligation. 79% of jobs associated with VEGI had employers paying between 60% and 100% of premium obligations.	
	Vermont Training Program	200% of the state minimum wage, $16.30 an hour, if no benefits requirements are provided; in 2011, Vermont's minimum wage was $8.15. Vermont's minimum wage is tied to inflation. If an employer provides benefits, the minimum allowable wage is $11.41 per hour. If located in a high unemployment area, wages must be 150% of the state minimum wage, $12.23 for 2011.	$11.41 - $16.30	Employers must pay at least 50% of employee health benefit costs or pay at least $16.30 an hour.	Vermont also requires at least three of the following: retirement, dental, paid vacation and holidays, child care, parental leave benefits and/or other benefits.

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Vermont	VT Economic Development Authority loans	Although this program does not require a specific minimum wage rate to be paid on all loans, wages determine the interest rate charged. As these are not forgivable loans, that makes wage rates a strong incentive. Recipients receive a lower interest rate if the average wage at the facility exceeds $21.00 per hour. Officials indicated that nearly all projects have high-wage and benefit standards. The average wage of the jobs created at recipient companies was $24.19.	$21.00	The benefits being offered are considered during the application process but there are no strict requirements.	The benefits being offered are considered during the application process but there are no strict requirements.
	Workforce Education and Training Fund	The state typically looks for jobs to pay at least $17 an hour. For some hospitality and service sector jobs, the state allows lower wages. Officials stated that no jobs would be allowed to pay less than $10 an hour, but this is not written into administrative rules or statute.	$10.00 - $17.00	Officials stated that they prefer jobs to have benefits but do not impose requirements.	Officials stated that they prefer jobs to have benefits but do not impose requirements.
Virgina	Enterprise Zone Real Property Investment Grant	Virginia's Enterprise Zone Real Property Investment Grant, unlike the Enterprise Zone Job Creation Grant, does not require a minimum wage threshold to be paid. For the Job Creation Grant, recipients are required to pay wages between $10.88 and $14.50 an hour. No points were awarded.		Although Job Creation Grants require employers to offer health benefits to employees, Real Property Investment Grant projects do not contain healthcare requirements.	
	Governor's Opportunity Fund (GOF)	Must pay the local average wage, excluding fringe benefits. In high poverty or unemployment areas, wages must only exceed 85% of the local average wage, excluding fringe benefits. The average hourly wage for Virginia in 2010 was $23.00.	$19.55 - $23.00	Recipient employers must offer employees customary employment benefits including healthcare. Healthcare benefits may not be included in the wage calculation.	Recipient employers must offer employees customary employment benefits including vacation benefits. Benefits may not be included in the wage calculation.

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Virgina	Virginia Economic Development Incentive Grant (VEDIG)	For corporate headquarters with lower capital investment and recipients outside metro areas, Virginia requires wages to be 50% higher than local average wages. Large metro areas must either: create at least 400 jobs with wages 50% greater than local average wages or at least 300 jobs with wages 100% greater than local average wages. The average hourly wage in Virginia for 2010 was $23.00.	$34.50 -$ 46.00	Recipients must offer customary employee benefits including healthcare but are not required to contribute to premium costs.	Recipient employers must offer employees customary employment benefits, including vacation benefits.
	Virginia Investment Partnership (VIP) & Major Eligible Employer Grant (MEE)	MEE grants require 200% of the local average wage; VIP grants require wages to exceed the average manufacturing wage for a city or county. The average hourly wage in Virginia for 2010 was $23.00. The average hourly wage for manufacturers in Virginia for 2010 was $24.83.	$24.83 - $46.00	Recipients must offer customary employee benefits including healthcare but are not required to contribute to premium costs.	Recipients must offer employee benefits such as retirement benefits.
Washington	New Jobs in Rural Counties and CEZ Tax Credit	The credit is twice as large ($4,000 vs. $2,000) for each new employee who is provided wages and benefits of more than $40,000 annually.			
West Virginia	Economic Opportunity Tax Credit	Company must pay the statewide average nonfarm payroll wage (currently $36,895/year) to receive the full credit; high-tech manufacturers must pay $45,000/year; companies that don't meet job creation requirements can receive a smaller subsidy if they pay at least $32,000/year (the lowest and highest of these amounts are converted to hourly figures in the next column).	$15.38 - $21.63	Companies that don't meet job creation requirements must provide health insurance to be eligible for a smaller subsidy. That is interpreted as requiring that companies contribute to employees' premiums.	

State	Program	Wage requirement	Hourly Rate	Healthcare requirement	Other benefit requirements
Wisconsin	Customized Labor Training Fund	150% of the federal minimum wage	$10.88	Recipients are required to provide healthcare benefits and contribute to premium costs but no minimum percentage is required. Nearly all recipients pay 50% or more of premium costs.	
	Economic Development Tax Credit Program	150% of the federal minimum wage; recipient employers that pay higher wages, may receive a larger tax credit benefit	$10.88	Recipient companies must provide coverage and pay 50% or more of healthcare premium costs.	Recipient companies must provide employees with sick days and vacation time.
	Transportation Economic Assistance Program (TEA)	No wage requirement but the state prefers to award subsidies to recipient companies paying higher wages. The average wage of jobs associated with the program is $17 per hour.			