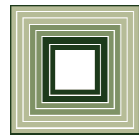


Overview of the Economic Development Inventory

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Joint Select Committee on Economic Development Incentives
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FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Economic Development Inventory

- What is an Economic Development Inventory?
- What is included in an EDI?
- What data will be collected?
- What will be in the report?
- Challenges



Economic Development Inventory

What is an Economic Development Inventory?

- A picture of the state's total spending on economic development
 - Present state spending data in a concise format
 - Describe what programs and commitments the state undertakes
 - Provide data on the state's economic development efforts
 - Compare changes in economic development spending over time



Economic Development Inventory

What spending is included in the EDI?

- All state spending on economic development
 - Two types of spending:
 - Direct incentives
 - Support
 - Four spending program areas:
 - Education
 - Transportation
 - Commerce
 - Tax expenditures

Education Programs

Community Colleges

Direct Incentives

- Customized Industry Training
- Focused Industrial Training
- New and Expanding Industry Training

Support

- Small Business Centers
- Hosiery Tech Center
- Textile Center
- Military Business Center

Education (cont.)

Universities –

- Development centers and extension service programs
- Small Business and Technology development centers

Transportation*

Direct Incentives

- Rail Industrial Access Program
- Short Line Infrastructure Program
- Transportation Improvement Program (directly related to economic development projects)

Support

- Public Access Fund
- Small Construction
- SB 1005 Discretionary Funding (not a current program)
- Highway Fund Economic Development
- Public Access Fund
- Contingency Fund

* Often public roads and accesses are improved as a direct result of a development project, yet may not always be targeted directly to assist a specific business

Commerce Programs

Direct Incentives:

- JDIG
- One NC
- One NC Small Business
- Job Maintenance & Capital Development Fund
- Green Business Fund
- Industrial Development Fund

Support:

- Regional Offices
- Economic Development Information System (EDIS)
- Office of International Trade
- Finance
- Executive Aircraft

Commerce (cont.)

Recurring State Funding to Non-profits:

- Rural Economic Development Center
- Regional Economic Development Partnerships
- Council of Government (COG) Funds
- Biotechnology Center
- NC Institute of Minority Economic Development

Non-GF Funding to Non-profits

- Golden LEAF

Tax expenditures

Off-budget spending such as the William S. Lee Act/Article 3J tax credits

- Sales & Use Tax exemptions and refunds
- Corporate & Personal Income Tax deductions and credits
- Franchise Tax deductions and credits

Data Collection

What data will be collected?

- On-budget and Off-budget expenditures
 - Appropriated and actual expenditures
 - Tax credits and deduction granted and taken
 - Grants awarded and disbursed
- Other state expenditures and economic data
- Expenditure data from FY2002-03 going forward

Data collection (cont.)

NC Community College System NEW AND EXPANDING INDUSTRY TRAINING (NEIT)

Created in 1958, the NEIT program provides customized training assistance in support of new, full-time production positions created in the State of North Carolina. Resources may support training, assessment, program development, instructional costs, and training delivery.

Budget and Expenditures														
Fiscal Year	2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09	
Appropriation	\$	6,028,541	\$	6,028,541	\$	6,033,126	\$	6,028,541	\$	6,028,541	\$	6,028,541	\$	6,028,541
HB 275	\$	5,217,577	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Carryforward	\$	9,645,548	\$	9,989,181	\$	9,053,569	\$	10,930,286	\$	11,094,476				
Total	\$	20,891,666	\$	16,017,722	\$	15,086,695	\$	16,958,827	\$	17,123,017	\$	6,028,541	\$	6,028,541
Expended	\$	5,456,139	\$	4,324,263	\$	4,156,409	\$	5,864,351	\$	6,431,095				
Balance	\$	15,435,527	\$	11,693,459	\$	10,930,286	\$	11,094,476	\$	10,691,922				

General Statute Authorization: G.S. 115D-5.1

Eligibility: Companies creating 12 or more production jobs in excess of their previous 3-year maximum employment level are eligible for assistance through NEIT. Eligible trainees include new front-line personnel involved in the direct production of goods and services and their first-line supervisors.

The Economic Development Inventory Report

What will be in the report?

- Annualized summary of economic development spending
- Timeline of spending growth and how priorities may have changed
- Comparison with other state spending programs
- Spending in relationship with the size of the state's economy

Economic Development Inventory

Challenges

- Defining economic development spending
- Identifying all development spending by the state
 - Is the purpose economic development?
 - Is the spending actually state spending?
- Some spending may not be identified or quantified
- Consistently account for spending over time
- Produce a valuable tool for understanding the state's economic development efforts