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Letters

Show me the results

A recent internal state audit found that Maryland is giving away vast amounts of public money to businesses and doesn't know what it is getting in return.

The findings of the audit further prove what should be obvious to all: the state must publish the results of its economic development deals so that the public knows what government has done with its money.

Maryland gives companies millions of dollars each year in loans and tax breaks. Political leaders often justify using money in this way by promising that it will lead to the creation of high-paying jobs for local residents. Unfortunately, after the press conference is over and the ribbons have been cut, the report suggests that no one bothers to see if the jobs were ever really created.

The audit, released this month by the Maryland Office of Legislative Audits (OLA), found that Maryland forgave \$19.3 million in loans to businesses without verifying whether the company's actually created any new jobs. OLA noted that the state failed to adequately track employment data on 25 loans administered from two economic development funds.

This is not the first time that the state's Department of Business and Economic Development (DBED) has come under fire for failing to disclose the results its business deals. Just last year an audit by the Department of Legislative Services found that, because of inadequate reporting procedures, DBED inflated the number of jobs and investments created through more than \$74 million in public subsidies.

The 2004 audit prompted legislation — strongly supported by the Job Opportunities Task Force and the Maryland State and D.C. AFL-CIO — that would have shed light on the state's economic development efforts. Introduced last year by Del. Adrienne Jones (D-Baltimore Co.) and co-sponsored by over 50 other legislators, the bill would have required state agencies to publish annual reports on the number, nature and quality of

jobs created or retained by each company that receives a publicly funded loan, tax incentive or grant.

DBED strongly opposed the legislation, suggesting that it was too difficult to produce such a report. Now another audit has come out saying that the “simple” reports it does produce are inaccurate and insufficient.

Hopefully, DBED will take the most recent criticism to heart and work with its partners inside and outside government to gather and report on its activities with public dollars. No one wants to prevent DBED or any other state agency from utilizing financial incentives to attract businesses that will lead to high-paying jobs for more Marylanders. All we ask is that it tell us what we got for our money.

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