



Indiana Economic Development Corporation

Jobs Realization 2013

Prepared On: November 21, 2014

Scope

- IEDC requested Crowe to produce a jobs realization report based on data from the IEDC's Transparency Portal (<https://transparency.iedc.in.gov/Pages/default.aspx>).
 - IEDC has specified the jobs realization be calculated based on active competitive projects reflected in the Transparency Portal.
 - The method used for the 2013 report is based on data from the IEDC Transparency Portal. This method calculates jobs for competitive projects that have an active contract as of 12/31/2013 displayed on the portal regardless of the contract year.

- IEDC requested Crowe to produce a report on Indiana's revenue and cost associated to projects in the 2013 jobs report.
 - The method used to calculate the revenue and cost is based on the data available within IEDC's source system and those projects on the Transparency Portal included in the 2013 jobs report.
 - The IEDC has specified withholdings tax as revenue and payments and certifications as costs.

* The term 'contract year' represents the year of full execution of the agreement between the IEDC and the company as approved and signed by the State Budget Agency.

**The term 'competitive' is defined by IEDC as projects that Indiana was in competition with other outside regions, that would not otherwise have taken place in the manner described to the IEDC were it not for an offer of incentives by the IEDC.

Clarifications

- The Indiana General Assembly requires jobs realization data in IC 5-28-28-6(c), effective July 2013. The realization compares actual jobs with the number of jobs expected for the reporting year January 1, 2013 - December 31, 2013.
- The jobs realization report uses data from the Transparency Portal in order to provide consistent reporting in alignment with the legislatively-required Economic Incentives and Compliance Report (EICR).
- The IEDC has chosen to include additional information related to revenue and cost associated to the performance of projects. This information is not required per the Indiana Code.
- The IEDC identified three projects to be removed from the calculations. The IEDC's reason was to eliminate any possible duplication of jobs count associated with the merging of certain contractual jobs data in the source system. The purpose was to streamline and consolidate contractual reporting for business where IEDC had engaged in more than one project.

Clarifications (continued)

- The IEDC does not subtract jobs numbers for those projects which had less jobs count than the reporting entity's base jobs. The function of IEDC is to promote job creation. In IEDC's view, if there is a reduced job count it is not a result of the IEDC funded project, but rather it must be due to other factors outside of IEDC's control.
- In general, IEDC reports jobs numbers by project location rather than only by recipient.
 - The IEDC's reason is that if a company has multiple locations throughout Indiana, each location is counted as a separate project rather than aggregating the job numbers across locations to produce an actual jobs number by recipient.
- IEDC counts job growth above the base employment associated with the first project, regardless of the number of projects at a specific location.

2013 Jobs Realization – Transparency Portal

Year of Transaction	Number of Projects	Total Expected New Jobs by 2013	Net New Jobs Reported in 2013
All Years	1038	95,522	85,292

* This chart represents data in the IEDC Source System as of July 7, 2014.

** This jobs realization method is based on data from the IEDC Transparency Portal. This method calculates jobs for competitive projects that have an active contract as of 12/31/2013 displayed on the portal regardless of the transaction year.

*** IEDC has chosen to include only competitive reporting projects with active contractual commitments in the Number of Projects.

**** No informal (non-certified) jobs collected throughout the year by IEDC staff were used in the actual jobs count. Only data officially reported by companies was used.

2013 Jobs Realization - State Revenue

	2013 Expected	2013 Actual
Jobs	95,522	85,292
Average Wage	\$20.01**	\$20.30***
Annualized Payroll****	\$3,974,982,149	\$3,602,068,042
Annualized Withholdings Tax Benefit*****	\$123,224,447	\$111,664,109

* This chart represents data in the IEDC Source System as of July 7, 2014.

** Expected average wage is calculated using data from IEDC's Source System based on the contractual commitments for the 2013 reporting year. The expected average wage is the weighted average wage across all projects included in the 2013 jobs realization report.

*** Actual average wage is calculated using data from IEDC's Source System that is certified by IEDC for the 2013 reporting year. The actual average wage is the weighted average wage across all projects included in the 2013 jobs realization report.

**** Payroll is an annualized calculation using the weighted average wage multiplied by 2080 (number of typical hours worked in a calendar year for a full-time employee). The payroll reported by companies is not used because this data may include bonuses and other compensation that the IEDC does not include as part of the average wage.

***** Withholdings tax benefit is an annualized calculation using the annualized payroll multiplied by the withholding rate for the period.

2013 Jobs Realization - State Cost

Payments			Tax Credits		
	2013 Awarded	2013 Payments		2013 Awarded	2013 Certified
Skills Enhancement Fund (SEF)	**	\$6,084,451	Economic Development for a Growing Economy (EDGE)	\$84,533,450	\$58,587,901
Industrial Development Grant Fund (IDGF)	**	\$843,020	Hoosier Business Investment (HBI)	**	\$5,199,370

* These charts represent data in the IEDC Source System as of July 7, 2014.

** An annual awarded amount is not tracked since these incentives provide a period of time in which the recipients are eligible to use the award.

*** Awarded amount is based on data from IEDC's Source System. The awarded amount is the sum of the expected certification on 2013 certification records that are associated to projects included in the 2013 jobs realization report.

**** Payments are calculated based on data from IEDC's Source System. Payment records associated to a project included in the 2013 jobs realization report and with a paid date within the 2013 calendar year are included in the calculation.

***** Certifications are calculated based on data from IEDC's Source System. Certification records associated to a project included in the 2013 jobs realization report and are tied to the 2013 calendar year are included in the calculation.