

## **Our Views: A better view of state deals**

Advocate Opinion page staff

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Before resigning from the Louisiana House of Representatives to become the executive director of the Louisiana State Exhibit Museum in Shreveport, Wayne Waddell sponsored several bills aimed at giving the public a better view of how state government tries to attract potential industry.

The Legislature approved three of those bills in its most recent session, and Gov. Bobby Jindal signed them into law. But we believe there is still much to do in advancing the transparency of state government's industrial development efforts.

One of Waddell's bills, House Bill 406, dealt with the biannual reports the Louisiana Department of Economic Development provides to the Legislature regarding projects funded by the Mega-Project Development Fund and the Rapid Response Fund, two pots of money the state uses to offer incentives to industries that agree to locate here.

The legislation, now signed into law, requires that these reports be made available "electronically," which presumably could be either through e-mail to interested members of the public or by posting the reports online.

We believe the law should clearly require online accessibility, which would allow anyone to browse the material at any time without requesting it, and thus allowing bureaucrats to keep track of the curious.

HB406 also stipulated various kinds of economic data that must be included in LED's reports to lawmakers.

One shortcoming is that there is still no requirement that these reports include detail about job benefits offered by industries that get state economic development incentives.

"Total payroll is the only measure that is required to describe the quality of jobs created" through these incentive programs, said Jennifer Pike, research director of the Public Affairs Research Council of Louisiana.

House Bill 553, another Waddell bill signed into law, requires that LED develop a formula that would measure the return on investment for projects funded by the state's economic development funds.

The legislation also requires that lists of these projects be made available electronically.

Again, a specific requirement that these lists be posted online would be helpful. The law also should require that these lists be linked to copies of the cooperative endeavor agreements behind each project, so that the public can see clearly who is obligated to do what.

House Bill 559, a third Waddell bill that was signed into law, establishes some statutory requirements for future Rapid Response Fund agreements, stipulating what must be included in such agreements to help ensure that state tax money is being spent wisely.

However, the legislation signed into law "also created a huge loophole for federal and emergency/disaster-related deals and deals made with (other) government entities," Pike said. "Any Rapid Response Fund agreements in those categories do not have to include requirements like minimum number of jobs created or retained, a capital investment requirement and a compliance review process. Essentially, this exception maintains the Rapid Response Fund as a slush fund for that type of project, which is contrary to its original design as a job-creating, deal-making fund."

Secretary of Economic Development Stephen Moret generally was supportive of Waddell's bills regarding economic development transparency, although Waddell withdrew one bill opposed by the Department of Economic Development that would have forced publication of possible industry sites and the nature of a potential industry while negotiations with that industry were ongoing.

Moret and other economic development officials long have argued that Louisiana won't be able to compete with other states in luring large industrial projects if officials can't keep the details of initial negotiations confidential.

We have seen no data that supports the need for such secrecy, and we believe the public interest is best served when taxpayers are allowed to know about these state-sponsored industrial deals sooner rather than later.