

JOB DEVELOPMENT INVESTMENT GRANT PROGRAM

JDIG (\$143B 437.50) is a performance-based economic development incentive program that provides annual grant disbursements for a period of up to 12 years to businesses that will newly locate or expand current activity in North Carolina, based on a percentage (ranging from 10% to 75%) of withholding taxes paid by new employees during each calendar year of the grant.

- Grants are made to qualifying companies by the five-member EIC, based on the Criteria for Operation and Implementation of Job Development Investment Grant Program.
- There is a cap of \$15 million on liability in any future grant year for the aggregate of grants made in a particular calendar year.
- Fifteen percent of the grant payment for which a company is eligible for a project in a Tier 2 county, and 25 percent of the grant payment for a project in a Tier 3 county is transferred to the IDF-Utility Account to help fund rural infrastructure.
- **Given the gradual job “ramp up” of new jobs by each company and the fact that many grantees do not reach the annual cap specified in their grant agreements, the maximum state liability is likely to be far less than that suggested by the total initial award amount.**

Table 2 shows activity based on the status of JDIG awards made since January 1, 2007 and whether or not a grant is currently active, terminated prior to completion, withdrawn prior to commencement of the grant, or closed as a result of the grant term being completed. **As grants have an average term of 10 years, no grant in the reporting period has completed its term and closed yet.** Table 2 shows grantee performance reported as of December 31, 2012, with respect to jobs created, jobs retained, and investment. It also shows the amount of the JDIG award made to the company, with the portion targeted for the Utility Account separately shown, as well as funds recaptured from grantees through early 2014, and the resultant cost per job actually created. For active grants, this table also shows the remaining potential JDIG liability to companies, the minimum number of jobs that must be created to receive that amount, and the projected cost per job, if a company were to be eligible for the full amount.

	Initially Projected						Actual Performance					Remaining Potential Liability to Companies
	Number of Awards	Initial Awards Available to Companies	Initial Awards to Utility Account	Minimum Required New Jobs	*Initial Projected Cost Per New Job	Minimum Required Retained Jobs	Disbursements to Companies	Recaptured Funds	Jobs Created	**Cost per Job Created (to date)	Jobs Retained	
Active	103	\$591,561,800	\$171,891,200	29,998	\$19,720	39,958	\$31,292,944	\$0	11,516	\$2,717	19,498	\$544,851,150
Terminated	32	\$163,137,053	\$47,706,922	10,293	\$15,849	15,438	\$2,281,911	\$297,297	2,135	\$930	8,996	\$0
Withdrawn	1	\$2,223,000	\$0	N/A	N/A	N/A	\$0	\$0	N/A	N/A	N/A	\$0
TOTAL	136	\$756,921,853	\$219,598,122	40,291	\$18,786	55,396	\$33,574,855	\$297,297	13,651	\$2,438	28,494	\$544,851,150

Note: Job Creation and Retention Totals may not equal program totals presented in Table 1A as a result of projects receiving both JDIG and One NC awards.

*Initial Projected Cost per New Job = Amount of Initial Award available to Companies divided by Minimum Required New Jobs. Projected Cost per Job is over the life of the grant.

**Cost per Job Created (to date) = (Disbursements to Companies less Recaptured Funds) divided by Jobs Created. Cost per Job does not include retained jobs.

Source: NC Department of Commerce, September 2014. Date for awards, disbursements, recaptures, and remaining liability as of June 30, 2014; job data as of December 31, 2012 for most grants.