

The Connecticut General Assembly



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Rep. McCarthy Vahey Praises House Passage of Oversight for Economic Incentive Programs

Requires audits, public hearings on programs' performance

Rep. Cristin McCarthy Vahey (D-Fairfield) praised the House's unanimous passage of legislation she co-sponsored to require increased review and transparency of economic development programs.

[House Bill 7316](#), An Act Concerning Evaluation of Business Assistance and Incentive Programs, requires the Department of Economic and Community Development (DECD) to include information about the programs in their annual report. The report will then be the basis of review by the Auditors of Public Accounts and the legislature's review committees – Appropriations, Commerce, and Finance.

“Particularly in our current fiscal climate, we must ensure that every dollar is spent responsibly. Investments in Connecticut businesses and jobs are crucial to our state's economic growth, but we can't afford for these programs to be exempt from transparency and review,” **Rep. McCarthy Vahey** said. “Increased accountability will allow us to direct funding to the most effective programs, benefitting both businesses and taxpayers.”

Currently, DECD does not have to include a separate analysis of each economic incentive program in its annual report.

Under the legislation, DECD must provide data on the number of new jobs the programs created, how much it cost the state to borrow funds to finance the programs, and the estimated impact the programs had on the state's annual revenues.

The department must also include an analysis of programs administered by other agencies that provide financial assistance and tax incentives to businesses, such as the Labor Department's Subsidized Training and Employment Program and Connecticut Innovation's Angel Investor Tax Credit.

The auditors must assess the programs' performance and submit a report on their findings to the legislature's review committees after each audit of DECD. The committees must then hold either separate or joint public hearings on the findings.

The legislation passed the House by a vote of 146 – 0 and now goes to the Senate.

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