I wanted to cover some issues with the transparency of the state's economic development programs.

Transparency requires the state to tell people what they are going to do, what they did, and what happened afterwards. Michigan's economic development program transparency has been focused on the middle step — telling people what they did through reporting — and that's fine. It's been useful. But we can improve on the other two, and there are bills which have been referred to this committee which make improvements to telling people what is going to be offered and what happens afterward.

In particular, they address five issues which proponents of the programs and skeptics alike ought to support.

What happens afterward is important. Deals don't always go as planned and people should be told what happens to deals after they are announced.

There is some of this information available already in annual reports. But the latest report is 18 months old already, so there are some clear improvements in timeliness which ought to be made.

We already announce deals when they are made, and it shouldn't be much of a burden to report on a web site somewhere if a company is not meeting up their end of the deal, or when a company seeks to change its agreement.

And if deals for jobs are amended to create fewer jobs than expected, then it makes sense that state assistance be reduced proportionally. The state already does this and one of the bills would enshrine the practice into law as state policy.

If deals are made but do not materialize, then no money switches hands. However, this means that the assistance pledged for such funds becomes "unencumbered," which allows for administrators to make new deals. It seems that decisions about what to do with that money should happen at the appropriations level, though. Likewise for the money returned from clawback deals or through successful lending and investing.

Some of the lending and investment programs were created under the premise that they would pay for themselves, for instance. But if the funds come from the state's general revenues and they are never returned to be considered for other uses, then they haven't paid for themselves. They've paid for other economic development spending. If the returns go back into the general fund, this wouldn't prohibit the state from putting the proceeds back into economic development, though — it just changes the default assumption that they would be. And if programs provide positive returns and jobs, administrators can make a case for continued funding.

Another bill fulfills the auditor general's request for statutory clarification about what information can be released about the recipients of the state's MEGA credits. The state's revenue estimators expect to pay out $641 million this year to the handful of companies that were awarded these credits, and current policy prohibits the state from disclosing who and how much each company gets. This should be public information again, as it was prior to 2009.

And the package requires the state to post information about deals before they are made, which provides other stakeholders with the opportunity to weigh in on these projects.

Some criticism has been levied that announcing deals before they are inked would create some unintended consequences, that they would scare away potential business from applying and provide an opportunity for other states to lure businesses away with sweeter offers.

But it seems like the concern is overstated. Michigan announces some of the recipients in agendas made beforehand, which already gives other states some chance at providing an alternative offer. I'm unaware of the state losing a project because it posted a notice that they would get a state deal.

Companies already are free to shop around prior to deals being made. State programs are public information, and most contain formulas and eligibility rules to make it easy to determine what a business project could get in incentives without ever having to apply. And there is an entire site selection consultant industry knowledgeable about the programs states make available who compare locations and incentives prior to helping a client applying for state assistance.

The bill requires sufficient public notice, with documents and details already prepared for each deal, prior to deals being made. If there are other interested parties who may want to share their voice about a project before deals are made, this provides them with the details necessary to inform an opinion.

Again, appropriate transparency requires administrators to tell people what they are going to do, what they did, and what happens afterward. This package provides some important information to the public that has been missing.