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Nearly one-quarter of the 76,000 job commitments JobsOhio says it helped secure for Ohio in 2012 would not have counted under the scoring system the non-profit used the previous year, a Dayton Daily News analysis has found.

The accounting switch doesn't affect the number of jobs added or retained in Ohio, but changes how the state's leading economic development organization reports its performance in helping grow the economy.

For the six months it was operational in 2011, JobsOhio, the state's economic development non-profit, only counted on its performance scoreboard jobs and investment that businesses pledged in exchange for state economic incentives such as grants, loans or tax credits. It inherited this scoring system from the former Ohio Department of Economic Development, which passed the torch for job creation in Ohio to the newly-created JobsOhio at midyear 2011.

In 2012, JobsOhio began counting jobs and investment for projects for which it offered back-end assistance, but no financial incentives. In these instances, JobsOhio staff may have helped arrange meetings between companies with questions about regulations and key state officials, or helped connect companies looking for qualified employees with colleges and universities, said JobsOhio Chief Investment Officer John Minor.

The change runs counter to how other state-level economic development organizations in the Midwest compile jobs statistics.

JobsOhio's non-incentive projects in 2012 accounted for 24 percent of the 76,000

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While the non-profit will still award grants and loans from the more than \$100 million in state liquor profits it will have at its disposal each year, JobsOhio officials say the change to the scoring system reflects their broader philosophy on economic development.

"The best economic development incentive is a jobs-friendly climate of low taxes, a skilled workforce and reasonable regulations, not just a handout," JobsOhio spokeswoman Laura Jones said in an email. "We're actually seeking to move away from a reliance on traditional incentives, so it's necessary to create new metrics to allow us to still track our effectiveness and overall ROI (return on investment), hence the new approach."

Economic development experts contacted for this story said the change broadens the number of projects JobsOhio can claim as wins, but they also said assistance to a business often goes beyond providing grants and loans.

"It's a different perspective on what's viewed as a value added to that company," said Ken Poole, CEO/President of the Center for Regional Economic Competitiveness, a Virginia-based economic development consulting firm. "So yes, there's probably more impact (more projects claimed) because you're reflecting the time and effort that you put into working with companies even if you're not giving them direct resources. But frankly, if a business views the service as a value and are making decisions based on that, then it's actually important for us as taxpayers to know that the staff on these organizations are doing something that give the businesses value."

Minor said JobsOhio does not have a formal policy that says when the organization can claim a project on its jobs scoreboard without incentives.

"We do look at things like 'How did JobsOhio participate in that?' and we look at that closely," Minor said. "I think there are a lot of projects that we do touch, but may not have been instrumental in getting the company to expand here, that we don't count."

“I’m going to say we’re going to be conservative on that measure. We’re not going to

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of reason to hold them to the jobs,” Barbash said.

No industry standard

The newspaper contacted officials in other Midwest states — Michigan, Indiana, Iowa and Wisconsin — with semi-private economic development organizations similar to JobsOhio. All take credit only for job gains for projects tied to the organizations’ financial assistance.

Katelyn Hancock, a spokeswoman for the Indiana Economic Development Corporation, said: “While we do introduce companies to community colleges and brokers all the time, we just want to be able to validate what we’re actually doing, so we’d rather be more on the conservative side, knowing that we probably have a greater impact than what we say.”

There is no industry standard for deciding which projects an economic development organization can include on their scoreboard. Jeff Finkle, executive director of the International Economic Development Council, said the council is working on developing a suggested best practice.

“At the end of the day, it’s for transparency,” Finkle said. “If you’re running a good economic development program, you want people to believe your numbers, and you want them to be stacked up against the best.”

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