

JOBS NOW & FOR THE FUTURE:

WALTER DALTON'S JOBS PLAN

BUILDING MOMENTUM FOR A BETTER, BRIGHTER AND STRONGER NORTH CAROLINA

This election is about our future. We have to decide what kind of future we want for ourselves, our kids and grandkids.

A drive through just about any of our small towns exposes the economic hardship the Great Recession left behind: abandoned factories, boarded-up businesses, roads and homes in need of repair. More of our middle class now struggle to make ends meet; some having to work two or more jobs if they can even find work at all.

North Carolina stands at a critical juncture. We need to abandon rigid ideology that gets in the way of real debate and clouds our judgment when it comes to doing what's right for our state. We must stop determining if an idea holds merit based on if it's a Republican or a Democratic idea, but by whether it's a *good* idea that could move our economy forward and create an environment where everyone can benefit.

As Governor, I will put people first, not politics.

In my jobs plan, I recommend refocusing the way we approach economic development so that we're more strategic in our efforts. I propose ways to retool our policies toward results, ensuring taxpayer dollars are responsibly invested. I advocate for proposals to attract and retain businesses and investors; we need them both to grow our economy and create jobs. Finally, our ability to compete rests on having a strong workforce, which is why I suggest ways to retrain our workers to meet the needs of our businesses.

Although we may still be years away from regaining all of the jobs lost from the nation's financial collapse, North Carolina is moving forward. Let's build on this momentum and create a better, brighter and stronger North Carolina together.

REFOCUS OUR APPROACH

Economic conditions vary depending on the region of the state you live. Urban areas where you expect to find a greater concentration of educated workers usually fair better than suburban and rural areas. If we are to grow our economy in a consistent way and continuously add jobs, we must refocus our approach to respond to the unique challenges of each region and leverage the assets each possess in coordinated ways.

CREATE INDUSTRY-SPECIFIC, VALUE-ADDED RECRUITMENT TEAMS

North Carolina needs to be more proactive in its recruitment efforts, especially in industries that make sense for our state. As Governor, I will ensure that my administration works in partnership with our industry leaders and regional and local economic developers, so no viable economic opportunity slips through the cracks. Where none currently exist, I will establish industry-specific value-added recruitment teams to monitor our supply chains and business activity, so we are better prepared to react to changing trends with more effective outreach to companies primed for expansion. In 2009, ConAgra, a sweet potato processing company, announced it was opening a new plant in Louisiana. The announcement hit sweet potato growers especially hard. North Carolina is the #1 grower of sweet potatoes in the U.S: Why wouldn't ConAgra choose North Carolina for its plant or even seriously consider us for site selection?¹ Losing the plant taught us a valuable lesson. When the time comes for negotiations, this new approach will help ensure North Carolina has a seat at the table. We might not win every deal, but we will fight for every job we go after.

OFFER EMPLOYERS AN INCENTIVE TO HIRE UNEMPLOYED WORKERS

We must get people back to work again. Some employers have become hesitant to hire workers who have been unemployed longer than six months. Unfortunately, this is often in spite of the high number of hardworking, educated and capable people who have spent months searching for jobs. I want to encourage employers to give more long-term unemployed people a chance at employment. As Governor, I will provide a one-time \$2,000 tax credit for each long-term unemployed worker a business hires.

PERFORM MILITARY MAINTENANCE IN NORTH CAROLINA

With the 3rd largest military population in the U.S., North Carolina is very proud to be home to so many heroes.² Our military is a significant part of our economy, contributing \$20 to \$30 billion a year, with expansion possible.³ I led a group of 30

¹ North Carolina Sweet Potato Commission, <http://www.ncagr.gov/agscool/teacher/commodities/swtpot.htm>

² North Carolina Military Foundation, <http://www.ncmilitary.org/content/unique-military-presence>

³ Governor's Logistics Task Force, Final Report, 2012, http://www.ncdot.gov/download/business/committees/logistics/GovernorsReport_Jun2012.pdf

representatives from the private and public sectors as part of the Governor's Logistics Task Force that was established in 2009. The Task Force was to determine how to efficiently and effectively move people, goods and services across the state. We heard about work already underway to assess the feasibility of North Carolina performing ground system maintenance of equipment and vehicles returning from overseas; activities now largely performed by Georgia and Alabama.⁴ The Military Growth Task Force of North Carolina's Eastern Region found that North Carolina offers many advantages over other locations: a robust infrastructure, strong business climate, skilled workforce and we are home to seven military installations that regularly receive ground systems once reset.⁵ Rather than be an end-user, we ought to be refurbishing more equipment and vehicles here. By doing the work closer to our bases, we can save federal tax dollars and strengthen our position in the event that future BRAC cost-saving initiatives are proposed. As Governor, I will do what I can to support new industries consistent with our existing military interests, including working with our Congressional Delegation to achieve common goals.

LEVERAGE THE SUCCESS OF HIGH-GROWTH FIRMS

In 2005, I sponsored a bill that created a fund to help make small businesses more competitive for federal funding and was named a "Champion of Entrepreneurship" in by the UNC Small Business Technology Development Center. From 2006 to 2011, \$16 million in state funds leveraged \$35 million for small businesses to engage in research and development before the program was cut.⁶ We need to protect successful programs, like this one, and identify other opportunities to support small businesses. For example, the tough economy can present a growth opportunity for certain firms that are generally well-managed and implement sound practices. "High-growth firms" can emerge as industry leaders, both in terms of output and job growth. Due to their relatively small size, these firms sometimes go unnoticed, and consequently resources are directed to larger firms often perceived to provide greater impact. The Economic Development Board, through a new bipartisan-supported initiative, is trying to change this. It has directed the Department of Commerce to start identifying high-growth firms throughout the state to leverage each firm's success. The agency is developing tools to identify the top 10 percent of our highest-growing firms. Once known, firms will be offered assistance to further their expansion, leading to more jobs. As Governor, I will actively pursue this approach in order to enhance and expand this initiative.

ESTABLISH MORE LOCAL AND REGIONAL INNOVATION HUBS

Innovation hubs share similar economic features allowing for the design of common economic development strategies across a geographic area. They connect educational institutions, economic developers, investors and community leaders through a network

⁴ Ibid.

⁵ Military Growth Task Force of North Carolina's Eastern Region, Brochure of the North Carolina Defense Logistics Initiative, 2011, <http://www.nceast.org/modules/evolvecms/upload/NCLI%20Brochure.pdf>

⁶ One North Carolina Small Business Program, Fiscal Year 2006-2011, Phase I Small Business Innovation Research (SBIR) and Small Business Technology Transfer (SBTT) matching grants figures

of support resources to achieve common goals, and rely on a shared labor force to work together to grow, retain and attract businesses. Hubs offer community and regional partners a chance to share state resources and leverage federal and private resources to reward communities for working together. Additionally, hubs also provide an opportunity to organize around multi-modal freight centers or “in-land ports,” that facilitate the coordinated delivery of goods, using various forms of transportation and tie businesses more closely to the global economy. Triangle North, formally called Kerr-Tar Hub, is a hub that I’ve actively supported the formation of here in North Carolina. It’s attracting businesses and jobs to northern rural counties outside the Research Triangle hard hit by the closure of manufacturing companies. It created a multi-county network to develop four business parks – one in each of the four participating counties. Each county split the total cost to develop the parks, and will receive an equal share of tax revenue generated from businesses choosing to locate in a park. It’s estimated that the initiative could provide as many as 8,000 jobs for the area.⁷ Triangle North represents an example of regional cooperation, and is a promising model that could be expanded in other depressed areas of our state where jobs are desperately needed. I will provide the leadership to make it happen.

STRENGTHEN AND REVITALIZE OUR RURAL AREAS

Almost half of the state’s workforce lives in rural areas that have been devastated by shifting economic conditions and the recession. Nearly a quarter million people were unemployed as of January 2012.⁸ If we are to put our state’s economy back on track, it must include policies that serve to lift businesses and workers in our 85 rural counties; otherwise, North Carolina’s economy could weaken. During my tenure in the Legislature and as Lt. Governor, I have supported and sponsored several bills to bring opportunity and resources to rural areas: the Clean Water Partners Program, Job-Generating Infrastructure Grants, the Building Reuse and Restoration Program and N.C. Small Towns Economic Prosperity Program, among others – and I will continue to fight for such programs if elected Governor. For example, the Clean Water Partners program secured \$196.6 million in grants and leveraged \$707 million more in funds to construct 758 water and sewer projects that relieved threats to public health and the environment over the last eight years.⁹ Job-Generating Infrastructure Grants have created nearly 11,000 jobs completing infrastructure improvement projects between 2004 and 2012.¹⁰ The Building Reuse and Restoration program leveraged \$731.5 million and served 457 businesses that have created 7,852 jobs restoring vacant buildings. The program also includes the Rural Hope initiative that has renovated and completed construct projects for use as health care facilities in rural North Carolina. The Small Towns Economic Prosperity Program has served 67 small towns with less than

⁷ Nexsen Pruet, *Multi-County Economic Partnership Dream Comes to Fruition at Triangle North*, Ernie Pearson, 2010, <http://www.nexsenpruet.com/news-660.html>

⁸ The North Carolina Rural Economic Development Center, Report to the N.C. General Assembly on program impact since 2004, March 2012

⁹ Ibid.

¹⁰ Ibid.

7,500 people and provides strategic planning and seed money toward implementation. The New Generation Initiative, a newer initiative, will fund entrepreneurship training and other job development services for youth and young adults in rural communities – and the list goes on.¹¹ These are exactly the types of programs that we must preserve and expand: programs that *put people to work*.

EXPAND HIGH-SPEED INTERNET ACCESS

According to the Federal Communications Commission (FCC), nearly 500,000 people in North Carolina’s rural areas lack high-speed Internet access, and we currently rank 38th nationally in rural broadband ability.¹² Lack of access to high-speed Internet access hinders economic growth and limits the delivery of education, job training and health care services. North Carolina is currently undertaking a broadband build-out initiative to expand high-speed Internet access to underserved areas, which will help attract businesses to rural parts of our state, with potential for more jobs. Additionally, the city of Wilmington launched the world’s first commercial deployment of a revolutionary wireless technology, called “white space,” that will provide consumers more affordable high-speed Internet access, using old analog TV spectrum to transmit electronic data.¹³ This technology could serve as another vehicle to supply high-speed Internet access to rural communities that lack it. As Governor, I will ensure that we continue to leverage private and federal funding to reduce the cost of developing affordable broadband services in less populated areas.

RETOOL EFFORTS TOWARD RESULTS

Individuals and businesses benefit from good schools and a sound infrastructure – core services government provides. Every time we provide a tax break whether for businesses or individuals or both, it results in lost revenue for core services. These are the tradeoffs we must carefully weigh, as we seek to devise policies to grow the economy and create jobs.

MADE IN NORTH CAROLINA

Most of us were shocked to learn that our Olympic athletes would wear uniforms designed in America but made in China for the 2012 Olympic Games. Several goods procured in the U.S., including some by North Carolina state government, are neither made in the U.S. nor produced in North Carolina. We must support our state’s businesses and economy by strengthening our preference for state and locally produced goods. My “Made in NC” platform includes the following measures:

¹¹ Ibid.

¹² “High-Speed Internet coming to N.C.’s rural areas,” NewsObserver.com, Yeshwanth Kandimalla, July 27, 2012, <http://www.newsobserver.com/2012/07/27/2225688/high-speed-internet-coming-to.html>

¹³ “Wireless Broadband Has Landed,” PC World, Dan Tynan, January 27, 2012, http://www.pcworld.com/article/248847/white_spaces_the_next_generation_of_wireless_broadband_has_landed.html

§ State agencies must give preference to in-state companies when buying goods or services for all competitively bid contracts. In-state companies whose bids are within 5 percent of the lowest bid from an out-of-state company will have an opportunity to win the state's business by allowing purchasing agencies to consider the income tax revenue North Carolina would receive by using an in-state company as part of the bid decision-making process. Also, presumptively this local presence would provide for faster and better service.

§ Government service bidders must disclose where the work will be performed when applying for other forms of state aid, such as tax incentives, workforce training and other business support services, as part of the bid submission or aid application, and make the information public.

§ Contractors bidding on state funded construction projects and requesting tax incentives must commit to employing at least 50 percent of the project with state residents.

§ Companies that seek economic incentives to locate or expand in North Carolina should commit to using local subcontractors and local workers where feasible.

§ Granting agencies and quasi-governmental entities that receive state funding should give preference to in-state companies when awarding grants.

§ The Department of Commerce and the Department of Administration shall conduct an extensive review of procurement practices and identify any legal, economic or other factors that results in in-state companies being at a disadvantage when competing for bids.

§ Local governments may establish small business enterprise programs to promote the use of local small businesses when awarding contracts.

PROVIDE TAX RELIEF TO SMALL BUSINESSES

North Carolina requires that all businesses – headquartered and doing businesses in the state – pay a corporate tax rate of 6.9 percent, which is levied on net taxable income for a single tax year. A flat rate can disproportionately impact the productivity and performance of small businesses, especially start-ups, as well as affect their ability to obtain capital. As Governor, I will consider exempting up to \$25,000 from corporate taxable income if North Carolina taxable income is less than \$100,000 and up to \$15,000 from taxable income if North Carolina taxable income is less than \$200,000 for small businesses, with the funds returned in the form of a rebate that could be applied to the following year's tax liability, with proof of business size. A rebate would allow small business owners to keep more of what they earn.

CONDUCT A REVIEW OF ALL TAX EXPENDITURES AND ESTABLISH A BETTER REPORTING SYSTEM

North Carolina uses tax incentives as tools to recruit, retain and grow businesses. But just as incentives are necessary to guarantee our state's competitiveness, so are safeguards to prevent taxpayer dollars from being wasted on incentives that are either ineffective or outdated. A 2012 study by the Pew Charitable Trusts found that few states, including North Carolina, have a formal reporting system in place to evaluate an incentive's effectiveness toward promoting economic and job growth.¹⁴ As Governor, I will call for a comprehensive review of all tax expenditures within a year of taking office, with a report back that detail each expenditure and its ongoing cost, so state resources can be more effectively managed and spending decisions better prioritized. Additionally, I will establish a more consistent reporting system for tax expenditures, and as part of this effort, consider requiring staggered expiration dates that allow an incentive to expire after 7 years unless it's proactively renewed.

ALLOW START-UPS TO SELL TAX CREDITS TO EARN REVENUE

It's difficult for start-ups to take advantage of certain business-related tax credits, since businesses are generally required to make a profit to benefit from most credits. As Governor, I will review options for letting start-ups sell their credits to other businesses, which will provide start-ups an opportunity to earn revenue and also extend the life of the credit.

CREATE A MANUFACTURER'S CAPITAL FUND

North Carolina's manufacturing sector employs about 500,000 workers and contributes nearly 20 percent of our state's GDP.¹⁵ Despite these impressive figures, North Carolina continues to lose manufacturing jobs to overseas global competitors with the promise of lower operating costs. A manufacturing capital fund is one way to combat mass exodus and lower operating costs for one of the state's most important industries. The fund will be primed with funds already provided by local banks to manufacturers and pooled together into one fund that the state or one of its partners could then back with a loan guarantee or commitment. It will provide the advantages of lower interest rates and offer more flexible repayment terms. The fund will also reduce the administrative burden for processing multiple loans now born by banks, and therefore incentivize them to provide more capital to fuel domestic manufacturing in North Carolina. Funds could be used for expansions, product development, training and hiring.

¹⁴ The Pew Charitable Trusts, Pew: States Rely Heavily on Tax Incentives, but Few Evaluate Whether They Work, by Nicole Dueffert, April 12, 2012, <http://www.pewstates.org/news-room/press-releases/pew-states-rely-heavily-on-tax-incentives-but-few-evaluate-whether-they-work-85899381193>

¹⁵ North Carolina Chamber of Commerce: <http://www.ncchamber.net/mx/hm.asp?id=manufacturing>

MAINTAIN AND CONSIDER EXPANDING THE LOAN PARTICIPATION PROGRAM FOR BUSINESSES

The economic downturn has made it more difficult for businesses to access loans due to a shortfall in collateral or cash flow coverage that cause underwriting concerns. The North Carolina Loan Participation Program (LPP), administered by the North Carolina Rural Economic Development Center (Rural Center) is a byproduct of the Small Business Assistance Fund that I supported creating and is an example of a promising program that we must work to keep. The LPP purchases up to 20 percent of an eligible loan to lower the risk to lenders in order to increase credit access to businesses needing capital.¹⁶ Twenty-seven lenders are currently enrolled in the program, with 14 having enrolled at least one loan in the program.¹⁷ Since August, 43 loans have been issued totaling about \$65.5 million, with approximately \$13 million covered by the Rural Center, so for every \$1 put in, \$4 of private capital is raised by either the lender or borrower. It's estimated that the loans will save or create 1,130 jobs.¹⁸ As Governor, I will maintain funding for programs with demonstrated results to retain and save jobs, and look for opportunities to expand them whenever possible.

ESTABLISH AN INFRASTRUCTURE BANK (I-BANK)

By partnering with neighboring states, North Carolina could leverage private capital for shared infrastructure needs by creating an Infrastructure Bank (I-Bank). State partners would prime the bank with a one-time infusion of capital, with each state contributing an equal share of funds. States would identify public works projects, such as waste water treatment plants, land revitalization projects or energy projects that lack funding and provide legitimate taxpayer value for the bank to fund. The I-Bank would secure private finance from private investors through long-term and low-cost loans that would be paid back through user fees, with partner states paying no more than half of the total project's cost. An I-Bank is an ideal way to shift available capital from private equity and other funds to address our state's infrastructure needs and put construction workers back to work. Furthermore, creating an I-Bank would foster cooperation with our neighboring states and lead to better efficiencies.

DEVELOP A VOLUNTARY SHARED WORK PROGRAM

During these challenging economic times, declines in business force some employers to lay off employees to stay afloat. As business improves, employers bear the cost associated with hiring and training new employees. Under a voluntary Shared Work program, an employer will have an alternative to layoffs that allow them to maintain their entire experienced workforce. Rather than lay off employees, an employer will be

¹⁶North Carolina Rural Economic Development Center, Inc., North Carolina Loan Participation Program, See August 2012 Approved Loan Report,

http://www.ncruralcenter.org/index.php?option=com_content&view=article&id=544&Itemid=301

¹⁷ Ibid.

¹⁸ Ibid.

able to temporarily reduce the hours and wages of all employees or an entire unit for a defined time period until business resumes. Employees affected by the reduction in hours and wages could apply for partial unemployment insurance (UI) benefits to supplement lost wages. Since states only pay a portion of the benefits, UI funds aren't drained. Several states offer some type of Shared Work program, such as Connecticut, New York, Kansas, Texas and Washington, among others.¹⁹ The program is accredited with saving hundreds of thousands of jobs nationwide.²⁰

ESTABLISH A GLOBAL COMMERCE CENTER

The world population is projected to nearly double by 2030 and people across the globe will need food and fiber that North Carolina's agriculture industry is uniquely positioned to provide.²¹ Additionally, worldwide population growth creates more potential buyers for all kinds of products and services manufactured by North Carolina businesses. That's why I want to make it easier for North Carolina businesses to export. The Global Commerce Center will be an online, interactive tool that provides entrepreneurs and businesses information about exporting. For example, businesses will find advice on the best markets for certain industries, get help identifying potential buyers and trade opportunities and learn what actions are required to export, which will enhance and expand upon services now offered by the state's Department of Commerce's International Trade Division. As part of this effort, I will designate an export councilor responsible for each of our seven foreign trade zones that businesses can turn to if they need additional help navigating the process.

ESTABLISH THE VETERANS BENEFIT CONNECTOR

The federal Veterans Administration reports that there are billions of dollars in unclaimed benefits that should be going to veterans each year. Veterans of Foreign Wars Magazine found \$22 billion in unclaimed veterans' pensions in 2006.²² One reason benefits go unclaimed, is that state government and advocacy organizations fail to maintain current information on the location of veterans. As Governor, I will establish a Veterans Benefit Connector for the state to track veterans in a centralized database. Whenever a veteran renews his or her license they may voluntarily identify themselves as a veteran so that the database can be continually updated, and the state can link veterans with the benefits they are entitled.

¹⁹ *Governing*, Work-Share, Saved Jobs, by Heather Kerrigan, July 2010, <http://www.governing.com/topics/public-workforce/Work-Share-Save-Jobs.html>

²⁰ Ibid.

²¹ OECD Environmental Outlook to 2030, <http://www.oecd.org/environment/environmentalindicatorsmodellingandoutlooks/40200582.pdf>

²² Veterans of Foreign Wars Magazine, "2 Million VA Pensions Untapped," March 1, 2006.

ESTABLISH A COMPREHENSIVE STATE ENERGY PLAN

North Carolina needs a comprehensive energy plan – one that ensures reliability, reduces costs and balances our environmental obligations and economic needs. The plan should include increasing traditional and renewable energy resources toward creating a more diversified electricity generating mix. When I served in the state Senate, I sponsored the bill that created the state’s renewable portfolio standard (RPS), which calls for increasing production of energy from renewable resources, like wind, solar and hydropower, putting us on a path toward diversification. As Governor, I will work to protect incentives that support these emerging technologies as well as continue to invest in our Biofuels Center that sustains and promotes growth within our biofuels industry. Just this year we’ve seen a \$17 million investment in Duplin county to convert swine waste into energy, making better uses of our resources and creating jobs.²³ In addition, we must continue to pursue energy exploration of traditional energy resources, such as natural gas and oil, as long as it’s done responsibly. While I believe potential exists to expand these resources, much more research is needed to ensure that resource extraction won’t impact our drinking water or jeopardize our pristine coastline, putting people’s safety at risk and hurting our tourism industry. We also must make state government more energy efficient, which is why the plan will also include a number of energy conservation measures. As Governor, I will include green building principles in new construction of state government facilities and integrate more fuel efficient vehicles into our state motor fleet. I will also continue moving more paper-based government functions online to reduce waste and to make it easier for citizens to do business with government.

SUPPORT THE DEVELOPMENT OF A “SMART GRID”

Technological advancements in energy efficiency have enabled businesses and individuals to not only consume energy, but also to produce it. Yet the existing electric grid only allows energy to flow in one direction – from the utility company to consumers – and lacks the capacity to capture electricity consumers produce in order to divert it to other users. A publicly funded research project, undertaken by North Carolina State University engineers that together formed the Future Renewable Electric Energy Delivery and Management Center located in the Triangle, is trying to change that by creating a “smart transformer” (also known as a “smart grid”) that will enable consumers to sell extra electricity they generate back to utility companies and ultimately manage power better than conventional transformers.²⁴ Although still in development for widespread use, eventually smart transformers will promote greater diversification of electricity generating resources and allow consumers to more effectively adjust their electricity usage and possibly lower their electric bills in the process.²⁵ As Governor, I will continue to encourage and support research projects, like this one, that have the

²³ *Triangle Business Journal*, May, 15, 2012, <http://www.bizjournals.com/triangle/news/2012/05/10/17m-swine-waste-plant-planned-in.html>

²⁴ Smart Grid Central, NC State University, June 12, 2011, <http://www.ncsu.edu/features/2011/06/smart-grid-central/>

²⁵ *Ibid*

potential to lower operating costs for businesses, ensuring North Carolina remains a business-friendly state.

CALL FOR EXTENDING THE WIND PRODUCTION TAX CREDIT

The federal Production Tax Credit (PTC) for wind energy is set to expire at the end of the year unless Congress acts to extend it. If the PTC is allowed to expire, it could mean a loss of 3,000 jobs in North Carolina's wind energy sector – jobs we can't afford to lose.²⁶ The tax credit goes to those who build wind farms and produce wind energy. With the tax credit, wind is near-parity with other traditional energy resources, and ensures that our state has a diverse energy portfolio. I support extending the PTC and urge our Congressional Delegation to extend it.

RECRUIT BUSINESSES AND INVESTORS

If we are to grow our economy, we must be more active in the way we recruit businesses in the short-term and investors in the long-term.

START THE BIOTECH GROWTH FUND

North Carolina is a national leader in the biotechnology (biotech) industry with more than 500 companies that span numerous sectors using biotech tools in their work – and I want to ensure it stays that way.²⁷ Biotech is an area that actually grew jobs during the recession, which means the potential is there for even more growth and with it the potential for jobs. The industry has a wide-range of possibilities from manufacturing to agriculture and impacts numerous sectors in between. Seed money for the Biotech Growth Fund will come from a small percentage of new state revenue growth generated by biotech companies, and thus create a dedicated revenue source. Proceeds from the fund will then be reinvested in finance, training and research programs to further develop this industry.

DEVELOP A DOLLAR\$ FOR DEVELOPMENT PROGRAM

The Dollar\$ for Development program is an endowment match program that will strengthen North Carolina research institutions, and allow us to recruit and retain top researchers and talented professionals to conduct research with the potential for commercialization. The state will make an initial investment to the fund that will be matched with funds from private donations and venture capital investors. A portion of commercialization proceeds will be paid to investors, with the balance reinvested in the fund. The concept is modeled after Kentucky's successful and nationally recognized, Bucks for Brains program. Since its start in 1997, the program has produced a wealth of

²⁶ "Wind Tax Credit Important to N.C.," The Pilot, August 10, 2012, <http://www.thepilot.com/news/2012/aug/10/wind-tax-credit-important-to-nc/>

²⁷ North Carolina Biotechnology Center, <http://www.ncbiotech.org/billion>

knowledge from applied and basic research, new products, businesses and jobs for the state.²⁸

MAKE OUT-OF-STATE BUSINESSES COMPETE FOR OUR INCENTIVES

I've always said that I don't know anyone who likes tax incentives, but the courts said they're legal. If North Carolina doesn't have incentives as an economic development tool, we're not going to be able to recruit businesses and compete with neighboring states that do. But that doesn't mean we can't change the way we select businesses that receive incentives. Each year, we should invite businesses to North Carolina in high-growth industries and present them with all of the benefits our state offers, including workforce training programs, site-selection assistance, permitting guidance services and incentives, to get them interested in North Carolina, similar to the way a business promotes itself to prospective applicants at a job fair. Then, we ought to let businesses compete for various recruitment packages based on the economic and job benefits they propose to bring to North Carolina. Such an approach would save tax dollars and provide for more efficient recruitment of jobs.

OFFER A BUSINESS RECRUITMENT BONUS

North Carolina businesses are perhaps the best, underused tool in our business recruitment toolbox. Employers know firsthand the benefits of being headquartered or operating in North Carolina, and we should encourage them to help recruit other businesses that could bring jobs to our state. Our employers directly communicate with numerous partners, suppliers and customers every day and collectively reach many more businesses than state government alone has the bandwidth or resources to reach. In return for an employer's successful efforts, we will provide them a recruitment bonus for each recruiting initiative that results in a business locating to North Carolina and creating jobs. The concept is similar to a program launched in Delaware that offers a \$1,000 shared credit between the recruiting and new business for each new employee to the state.²⁹ The credit or finder's fee is good for up to three years in Delaware.

RETRAIN WORKERS

We can't have a strong economy without a highly-skilled and educated workforce. We must invest in educating and training for our workforce and help companies find more skilled workers to fill existing and future vacancies.

²⁸ Kentucky's Bucks for Brain Program, 2011 Summary Report, http://cpe.ky.gov/NR/rdonlyres/FD5EoBC3-5BF7-466A-BBAD-2D0696D32D99/o/14_B4B_Report_Nov_10.pdf and http://cpe.ky.gov/NR/rdonlyres/FD5EoBC3-5BF7-466A-BBAD-2D0696D32D99/o/14_B4B_Report_Nov_10.pdf

²⁹ State of Delaware, BFF Effort Launched to Recruit New Employers to Delaware, <http://governor.delaware.gov/news/2010/1004april/20100422-newemployers.shtml>

PILOT A TRAIN-TO-HIRE PROGRAM

Despite the high unemployment rate, job vacancies exist. A reason for this is that employers can't find applicants with the skills they need. The goal of the Train-to-Hire program is to encourage employers to hire currently unemployed workers. Similar to the Georgia Work\$ program, Train-to-Hire will give qualified Unemployment Insurance (UI) recipients the chance to train with a potential employer for a total of 24 hours per week for up to eight weeks, while still receiving UI benefits.³⁰ An employer benefits from the chance to evaluate the trainee at no cost for possible long-term, permanent employment and is under no obligation to retain a trainee after the training period ends. The program will be limited to employers with current job postings listed with the state Department of Commerce or JobLink Career Centers. Throughout my tenure in state government, I have been a leader on education and workforce development issues. From my work on the Joining Our Businesses and Schools (JOBS) Study Commission to the Early College initiative that I have championed, I have been an integral part of the effort to better align and bolster our education and workforce systems to ensure are workers are better trained and businesses are better served.

ESTABLISH SECTOR-SPECIFIC EMPLOYMENT AND TRAINING CENTERS

As I travel the state, the one thing I routinely hear from employers is that they cannot find enough qualified workers to fill vacancies and struggle to find talent even in this difficult economy. I was a leader in creating the Early Colleges that align education with jobs skills, but we need to do more. Partnered with our community colleges sector-specific employment and training centers will allow us to retool our existing system and provide training, job placement and career advancement opportunities in targeted high-growth industries, such as health care, applied manufacturing and textiles, to close the skills shortage gap and prepare workers for the changing industry demands in order to be stronger job candidates. As Governor, I will continue to effectively match the needs of our businesses with our workforce development system without duplicating efforts and in coordination with other economic initiatives, such as the regional hubs, in order to further the mission of the JOBS Study Commission that I chaired in its charge to align our education and training efforts with the workforce needs of the future. In fact, the JOBS Study Commission was recently honored by the nonpartisan Southern Growth Policies Board with the 2012 Innovator Award for its innovative models used to better prepare North Carolina students for the advanced jobs of the 21st Century.³¹ As Governor, I will help advance this work to the next level.

³⁰ Georgia Department of Labor, Georgia Works, http://www.dol.state.ga.us/em/georgia_works.htm

³¹ Jobs Commission gets award for Innovation, newsobserver.com, June 26, 2012, http://projects.newsobserver.com/under_the_dome/jobs_commission_gets_award_for_innovation

CHAMPION HEALTH CARE JOBS FOR VETERANS

Allied health is an industry poised for job growth in the near future, as baby boomers get older and require more medical care and once the federal Affordable Care Act is fully implemented. North Carolina will need more skilled nursing care and rest home workers, among other health professionals to keep up with the rising demand for medical care. At the same time, we hear about our military veterans unable to find work after they return home from serving overseas. Many of them have military education and experience in health-related jobs. As Governor, I will support legislation to honor veterans' military health care training and experience toward licensure and certification, as nurses, therapists and other health care professions, recognizing their experience while serving, like Virginia does now.³² I will direct my administration to work with the North Carolina Medical Association on licensure issues.

CREATE A "TROOPS TO TRUCKS" PROGRAM

Despite the nation's high unemployment rate, certain industries, like trucking, report significant vacancies. CNNMoney.com reports that 200,000 long-haul trucking jobs are currently unfulfilled nationally.³³ According to the U.S. Bureau of Labor Statistics, North Carolina experienced a 16.8 percent decline of employed truck drivers from 2006-2010.³⁴ Although trucking can be a difficult professional with long hours spent on the road, on average truck drivers earn \$40,000 a year.³⁵ We need to get more truck drivers back on the road and back to work. Labor officials assume a barrier to this profession is the expense of getting certified.³⁶ A new program in Virginia is recruiting military personnel into the trucking profession with the Troops to Trucks that will make it easier and less expensive for military personnel to obtain a Virginia commercial driver's license (CDL).³⁷ The program will provide on-base training and opportunities to complete the written skills portion of licensing requirements, among offering other services toward the successful award of a CDL. In addition, it links up program participants with employers upon program completion. As Governor, I will create a similar program in North Carolina.

³² Virginia Legislative Information System, Licensure or certification by Board of Medicine, Consideration of Military Experience, HB1535: <http://lis.virginia.gov/cgi-bin/legp604.exe?111+sum+HB1535S>

³³ "With 8.2% unemployment, why does nobody want 200,000 trucking jobs?" CNNMoney.com, by Jack Cafferty, July 25, 2012, <http://caffertyfile.blogs.cnn.com/2012/07/25/with-8-2-unemployment-why-does-nobody-want-200000-trucking-jobs/>

³⁴ Road Map: Which States Have Lost the Most Truck Drivers, StateImpact, Joe Wertz, March 15, 2012, <http://stateimpact.npr.org/oklahoma/maps/road-map-which-states-have-lost-the-most-truckers/>

³⁵ Ibid.

³⁶ "With 8.2% unemployment, why does nobody want 200,000 trucking jobs?" CNNMoney.com, by Jack Cafferty, July 25, 2012, <http://caffertyfile.blogs.cnn.com/2012/07/25/with-8-2-unemployment-why-does-nobody-want-200000-trucking-jobs/>

³⁷ Virginia Troops to Trucks Program: <http://www.dmvnow.com/webdoc/pdf/VATroopstoTruckProgram.pdf>

EXPAND ACCESS TO CUSTOMIZED AND SUBSIDIZED WORKFORCE TRAINING PROGRAMS TO HELP MORE BUSINESSES

Customized training is provided to existing and expanding businesses throughout the state through a network of 58 community colleges. In certain cases, these programs are partially subsidized by the state, as a service to businesses. Customized and subsidized training programs serve to enhance our workforce and increase job growth, making North Carolina more economically competitive. However, minimum threshold job creation requirements sometimes impede access to these services for certain businesses. For example, small businesses usually can't commit to creating 15 or more jobs, which is sometimes required for a business to qualify for customized or subsidized training programs. As Governor, I will review our threshold requirements and consider options to increase access for customized and subsidized job training to serve more businesses.

CONCLUSION

The key component to economic growth is providing businesses a good business climate. This entails many things, including a good regulatory environment, fair taxes and a ready workforce that's supported by an educational system that can prepare workers for the jobs of the future. Government working in partnership with business is the best way to achieve this goal.