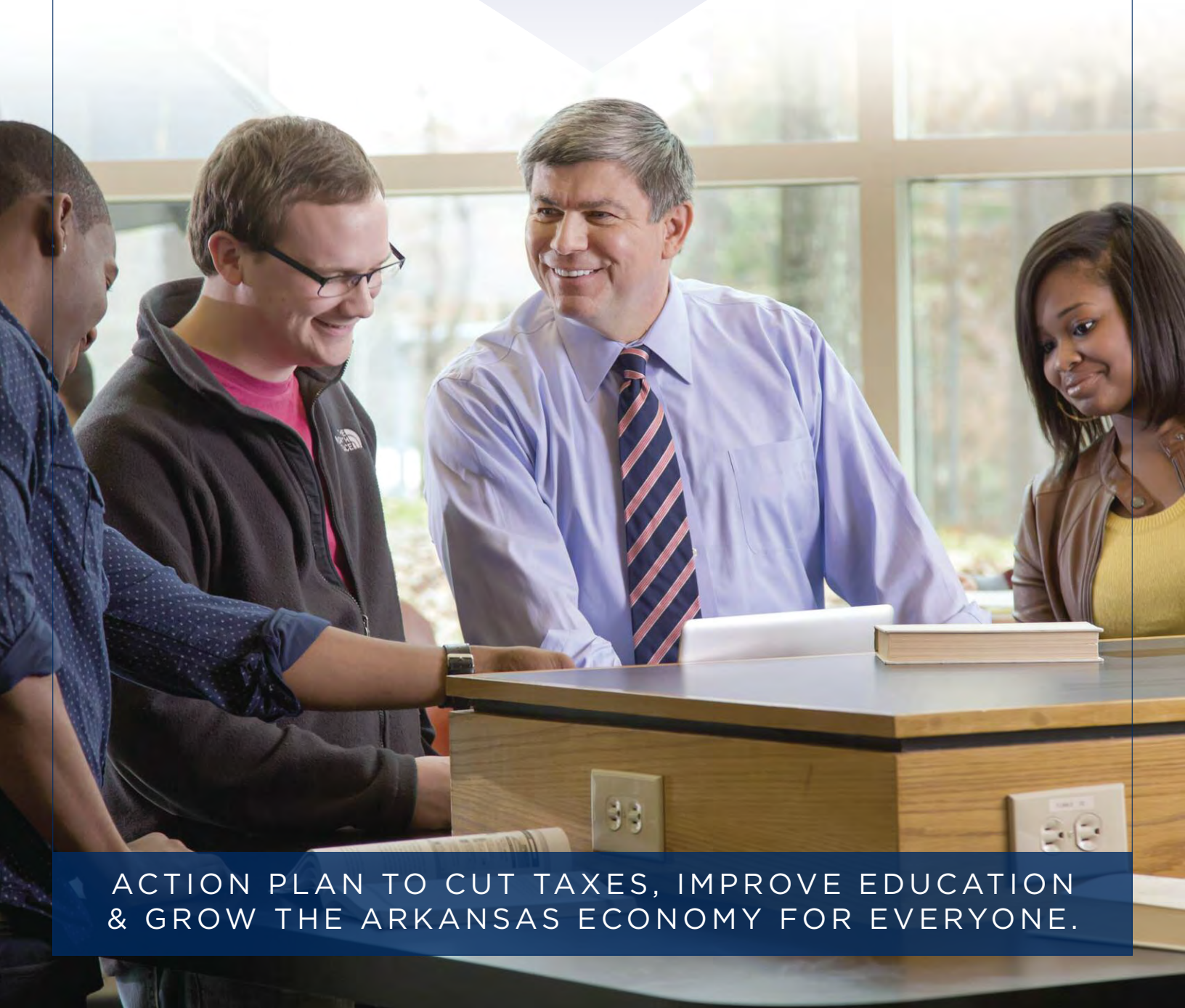


★ MIKE ROSS JOBS FIRST PLAN FOR ARKANSAS



ACTION PLAN TO CUT TAXES, IMPROVE EDUCATION
& GROW THE ARKANSAS ECONOMY FOR EVERYONE.



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EXECUTIVE SUMMARY

Strengthen public education in Arkansas

- Ensure the high quality of pre-kindergarten education in the state of Arkansas
- Make quality pre-kindergarten education accessible to every 4-year-old in Arkansas by 2025
- Encourage innovation in public education by creating the Innovation Laboratory (InLab) Fund so that educators can try innovative, yet proven learning ideas in our schools
- Reform and fully fund the Arkansas School Recognition & Reward Program by:
 - Making funding for the program a permanent part of the state's budget
 - Separating the evaluation criteria of performance and improvement, and provide separate awards for both performance and improvement
- Fully fund the Governor's Distinguished Scholarship
- Encourage public/private partnerships that prioritize career and technical education and workforce training through the "Work Ready Community" certification process

Enact lower, fairer taxes for working families, small business and manufacturers

- Cut income taxes by modernizing the income tax code, saving the average working family in Arkansas \$665 a year when fully implemented
- Gradually phase out the state's sales and use tax on partial replacements and repairs of manufacturing machinery and equipment

Cut the red tape and reduce government regulations

- *Accessibility:* Create a central business licensing system that is an online portal allowing new business owners to establish their businesses in just one week, substantially reducing the time and energy it takes to start a new business
- *Transparency:* Require all rules and regulations issued by state agencies and boards and commissions to be published in a centralized online location and in a user-friendly format
- *Efficiency:* Establish a bipartisan task force to review all rules and regulations issued by state agencies and boards and commissions that have been in place longer than three years, and make recommendations on which rules and regulations to revise or repeal

Put jobs first with a renewed focus on career & technical education and entrepreneurship

- Establish the Governor's Cabinet for Economic Development to help coordinate the state's job creation efforts
- Fully fund the Governor's Quick Action Closing Fund at \$50 million every two years to ensure Arkansas can remain competitive with other states in bringing new jobs to the state
- Create the Strengthening Entrepreneurship & Economic Development (SEED) grant program to provide grants to communities, nonprofit organizations, economic development partnerships and community groups to fund initiatives, projects or programs that encourage or support entrepreneurship and/or innovation
- Create "Engage Arkansas" - a crowdsourcing campaign to encourage state government agencies to think creatively about how to harness the ideas and entrepreneurial talents of Arkansans and give Arkansas's budding entrepreneurs opportunities to be recognized and rewarded for their skills and talents
- Launch an Arkansas Work Ready Community initiative that would be a statewide coordinated effort to encourage and assist communities across Arkansas to attain nationally recognized "Work Ready Community" certifications that prioritize developing an educated, skilled and trained workforce to attract the good-paying jobs from around the country and all over the world



JOBS FIRST: INTRODUCTION

Arkansas is a great place to live, work and raise a family. We are blessed in so many ways, and we are proud of what we have accomplished. However, while our economy gets stronger every day, too many families continue to struggle.

Creating more economic opportunities in this state is a two-way street: we need a highly skilled workforce to attract the jobs of the future, and we need the jobs of the future to keep a highly skilled workforce here.

Mike Ross believes that every single Arkansan, who is willing to work hard and play by the rules, deserves the opportunity to earn a world-class education. With a good education, we can empower more Arkansans to get a good-paying job and live a quality, happy life right here in Arkansas.

As a former small business owner, Mike Ross believes the private sector should create jobs – not the government. What Arkansas can do is create an environment that facilitates job creation, including a fairer and smarter tax code, better public education and fewer government regulations.

While government can help, it doesn't have all the answers, and it can't solve all of our problems. Government should help where it can, and it should get out of the way where it can't.



“As your governor, I will work day and night to be this state’s biggest economic ambassador, and I will put jobs first because I believe in the future of Arkansas and I believe in its people.”

-Mike Ross



We have a lot of resources throughout the state to help, but if we are to put jobs first, it will require an all-hands-on-deck alliance that brings together all of those resources to unite behind one mission: more good-paying jobs. And, that's exactly what Mike Ross will do as Arkansas's next governor.

Mike Ross' comprehensive job creation and economic development plan is called "Jobs First" because putting jobs first is exactly what he will do as Arkansas's next governor. This plan is detailed in the following sections, but the key points are:

- **Strengthen public education and improve workforce training**, so that every Arkansas student graduates ready to pursue college or a career and that our workforce is well positioned for the jobs of the future
- **Cut taxes for working families, small businesses, and manufacturers** so they can keep and invest more of their own money
- **Cut red tape and reduce government regulations on job creators**, particularly our small businesses
- **Foster entrepreneurship and innovation** in Arkansas's economy, making it easier to start and grow a small business
- **Develop "work ready communities" through public/private partnerships** to attract good-paying jobs

Mike Ross has already pledged to be this state's biggest economic ambassador as its next governor, and he will unite all resources of this state to cut taxes, improve education and put jobs first. He will roll out the welcome mat and let the world know that the state of Arkansas is open for business.

EDUCATION

START SOONER, FINISH STRONGER



As the son of public school educators, Mike Ross believes in the power of education and has seen firsthand just how powerful a good education can be in transforming a person's life. With a solid education, we can give every child the opportunity to achieve his or her dreams right here in Arkansas.

Mike is a graduate of Arkansas's public schools, and so are his two children. He has been endorsed by the hard-working

teachers who make up the Arkansas Education Association, and he will work day and night to improve public education in Arkansas. Mike wants every child in Arkansas to start their education sooner and finish stronger, so that every child graduates high school ready for college or a career.

Today's American economy has transformed from a manufacturing-based system to one based on knowledge. Right now, someone who doesn't have a college degree is more than twice as likely to be unemployed than someone who does. And, the average college graduate earns 80 percent more than those who stopped after high school.

That's why Mike Ross believes we need to make college more affordable for more families. We also need to increase access to quality pre-kindergarten education, so that our young people are starting sooner and finishing stronger. And, we need to strengthen our public schools at every level so that more students will get into and graduate from college.

50%

the number of jobs today
in the United States that
did not exist 25 years ago

The reality of today's job market is that half of all jobs today did not exist 25 years ago. The economy is changing at a rapid pace, and it's important for Arkansas to keep up. If we are to grow and be successful, our workforce will have to be better educated, better trained and more adaptive than ever before.



Pre-Kindergarten Education

PROPOSAL #1: INCREASE ACCESS TO PRE-KINDERGARTEN EDUCATION

- Ensure the high quality of pre-kindergarten education in the state of Arkansas
- Make quality pre-kindergarten education accessible to every 4-year-old in Arkansas by 2025

INTRODUCTION

The first five years of a child's life are the most fundamentally important – it's when the brain forms connections that set the stage for lifelong learning, behavior and health. In fact, a study published by Harvard's Center on the Developing Child found that 85 percent of a child's intellect, personality and social skills are developed by age 5. So, these first five years have a direct impact on how children develop learning skills as well as social and emotional abilities throughout their life.

Researchers and educators have determined that early childhood education – particularly participation in high-quality pre-kindergarten (pre-k) education – is no longer a luxury; it is a necessity.

Pew Charitable Trust found that access to high-quality pre-kindergarten education increases a child's chances of succeeding in school and in life. Children who attend high-quality pre-k are less likely to be held back a grade, less likely to need special education or remediation, and more likely to graduate from high school. They also have higher earnings as adults and are less likely to become dependent on welfare or involved with the criminal justice system – meaning investing in pre-kindergarten now will help reduce costs to taxpayers in many other areas down the road.

In fact, Pew Charitable Trust found that pre-k was so vital to a child's success that "high-quality pre-k can no longer be considered a luxury for upper income families or a special program for the disadvantaged. Based on what we now know about children's brain development during these crucial years, pre-k has become just as necessary as kindergarten or first grade."

Along with the education community, economic and business leaders also understand the critical importance of pre-kindergarten to the long-term success of their businesses. Economists find that investing in high-quality pre-k yields significant returns for states and taxpayers, helping reduce the number of its citizens living in poverty and drawing government assistance. The nation's business community agrees that pre-kindergarten will help states develop a more competitive workforce in our global economy.



The Committee for Economic Development, made up of more than 100 of the nation's top business leaders, released a study that found children who attend a quality pre-school are 80 percent more likely to attend college, 23 percent more likely to be employed, and earn 33 percent more than those who did not attend a quality early childhood education program.

The benefits of expanding access to pre-kindergarten are so evident that the idea has received widespread and bipartisan support across the country. For instance, Republican governors in Alabama, Michigan and Tennessee have recently started expanding access to pre-kindergarten, as have Democratic governors in Maryland and Vermont. States around the country are beginning to make pre-kindergarten a top priority, and Arkansas has a unique opportunity to become a national leader in preparing our young people for college and careers.

ARKANSAS BETTER CHANCE PROGRAM



Arkansas has shown a strong commitment to pre-kindergarten education over the past few decades with the Arkansas Better Chance (ABC) and the Arkansas Better Chance for School Success (ABCSS) programs, both of which help provide pre-kindergarten education to low-income 3-year-olds and 4-year-olds throughout the state.

Today, Arkansas has one of the highest-rated pre-kindergarten programs in the country. According to the National Institute for Early Education Research (NIEER), our state's ABC program is consistently rated highly on its quality standard benchmarks, currently meeting 9 of the 10 key benchmarks established to define a high-quality program. Benchmarks include teacher training, number of children in a classroom, ratios of teachers to students, meals, monitoring, and access to services such as health screenings.

NIEER also found that our state's pre-kindergarten program is already producing results. Since establishing the ABC program, the achievement gap in kindergarten readiness for economically disadvantaged students in Arkansas continues to shrink. Particularly, NIEER found that Arkansas children who participated in the ABC program saw significant improvement on their receptive vocabulary and math through grade 2 and on literacy through grade 3. Most notably, Arkansas children who attended an ABC pre-kindergarten program were less likely to have been retained by third grade than those who did not attend pre-kindergarten.



Compared to other states, Arkansas is a success story and is currently ranked 11th nationally for access to quality pre-kindergarten education. But, there is much work to be done to increase the number of children attending pre-kindergarten in Arkansas.

Currently, there are around 20,300 Arkansas 4-year-olds enrolled in either the state's ABC pre-kindergarten program or Head Start, the federal program that promotes the school readiness of children ages birth to 5 from low-income families by enhancing their cognitive, social and emotional development.

Strong evidence suggests the ABC program is working. Multiple studies have found that access to quality pre-kindergarten in Arkansas has done more than any other intervention to help close the education achievement gap among children in our state, working to give every child in Arkansas – regardless of race, income or geography – the opportunity for a bright and successful future.

Arkansas Better Chance is an impressive program for its quality and breadth, but its funding has not increased – even for basic costs – since 2008. Without an increased funding commitment, the program will be forced to lower its quality or reduce the number of children it serves, or worse, make drastic, harmful cuts just to survive.

If we want more of our children to graduate high school and college, if we want to reduce the number of Arkansans in prisons or living on government assistance, if we want a better-educated workforce to attract the jobs of the future, and if we want every child in Arkansas to have the opportunity to achieve his or her dreams, then we must fully support quality pre-kindergarten education and make it accessible to every 4-year-old in Arkansas.





IMPLEMENTATION

Pre-kindergarten funding has remained static since FY 2008, despite rising costs due to inflation. That's why Mike Ross' first priority will be to adequately fund Arkansas Better Chance – the state's existing pre-kindergarten education program – with a cost-of-living adjustment. According to the Arkansas Department of Human Services, the state needs an additional \$3.83 million (a 2.5% cost-of-living adjustment) to adequately meet the needs of its current pre-kindergarten programs and keep pace with inflation.

Mike Ross' next goal will be to gradually increase investments in pre-kindergarten as the state can afford it, until every 4-year-old in Arkansas has access to high-quality pre-kindergarten education by 2025.

Census data estimates there are 39,900 4-year-olds in Arkansas. But today, only about half of the 4-year-olds in Arkansas, or about 20,300 children, have access to quality pre-kindergarten education.

Even though pre-kindergarten will be available to every 4-year-old child, it is estimated that only up to 80 percent of 4-year-olds will take advantage of pre-kindergarten education – an increase of 11,563 students – based on statistics from other states. For example, Oklahoma currently offers universal pre-kindergarten education, but only about 74 percent of parents have elected to enroll their 4-year-olds.

Mike Ross' plan initially calls for a sliding payment scale for families based on household income, but the ultimate and long-term goal will be to make pre-kindergarten free for every child in Arkansas when the state can afford to do so.

First, Mike Ross' pre-kindergarten plan will expand the existing ABC pre-kindergarten program to include families who make below 300 percent of the poverty level (current law sets the limit at 200 percent). This means free pre-kindergarten will be accessible to every family in Arkansas who makes below 300 percent of poverty, or \$59,370 for a family of three – that means nearly two-thirds of all 4-year-old children in Arkansas will have access to free, quality pre-kindergarten education.

Secondly, the state will make the ABC pre-kindergarten program accessible to families who make between 300 percent and 400 percent of the poverty level (between \$59,370 and \$79,159) at a reduced rate of half the cost of the program – currently \$69.97 per week. Finally, the state will eventually make the ABC pre-kindergarten program accessible to families at the full rate (currently \$139.93 per week) for those families who make above 400 percent of the poverty level (or more than \$79,160 for a family of three).



The average cost of basic child care in Arkansas is estimated to be \$90.30 per week. For more than 75 percent of Arkansas's 4-year-old children, they will have access to quality pre-kindergarten education at a cost that is cheaper than basic child care in Arkansas.

To provide more choice and flexibility to families, the pre-kindergarten expansion above 300 percent of the poverty level will include offering both full- and half-day classes. Full-day pre-kindergarten costs are estimated to be \$4,981.50 per student (\$139.93 per week); half-day costs are \$3,322.66 per student (\$93.33 per week).

The Ross Plan to Expand Pre-Kindergarten Education in Arkansas				
Percent of Poverty Level	Household Income for Family of 3	Weekly Cost of Quality Full Day Pre-K for 4-year-old (per child)	Weekly Cost of Full Day Quality Pre-K to Family in Mike Ross Plan (per child)	Percent of children in Arkansas
Below 300%	Below \$59,370	\$139.93	\$0	63.49%
300% - 400%	\$59,370 - \$79,159	\$139.93	\$69.97 (50%)	13.21%
Over 400%	\$79,160 & Over	\$139.93	\$139.93 (100%)	23.30%

Total investment by the state under Mike Ross' pre-kindergarten education plan:

\$3.83M	<i>Ensure the high quality of the current ABC pre-kindergarten program.</i>
\$30.48M	<i>Ensure the state's existing ABC pre-kindergarten program is accessible to families who make up to 300% of the poverty level.</i>
\$3.17M	<i>Make the state's ABC pre-kindergarten program accessible to families who make between 300% and 400% of the poverty level at a reduced rate (50 percent).</i>
\$0	<i>Make the state's ABC pre-kindergarten program accessible to families who make above 400% of the poverty level at the full rate.</i>
\$37.48M	<i>Total State of Arkansas Investment</i>



Mike Ross' pre-kindergarten education plan will gradually increase investments in pre-kindergarten education until it is accessible to every 4-year-old in Arkansas by 2025. Investments will gradually increase with state revenue growth and in a fiscally responsible way that maintains our balanced budget.

This pre-k plan will require a total investment from the state of Arkansas of about \$37.48 million a year when fully implemented. However, economists have shown that investments in pre-k actually save states and taxpayers money in the future by reducing the number of people who live in poverty, depend on government assistance or who are involved in the criminal justice system. In fact, the average return on investment for pre-kindergarten programs is \$10.83 for every dollar invested, according to research reported in the 2013 Policy Report by the National Institute for Early Education Research (NIEER).

Bottom line: When students are given an early start, they finish stronger. With Mike Ross as governor, his top education priority will be increasing access for more children to the state's high-quality pre-kindergarten education program, a proven, successful program that is improving the lives and futures of thousands of 4-year-olds – rural and urban – across Arkansas.



“If we want more of our children to graduate high school and college, if we want to reduce the number of Arkansans in prisons or living on government assistance, if we want a better-educated workforce to attract the jobs of the future, and if we want every child in Arkansas to have the opportunity to achieve his or her dreams, then we must fully support quality pre-kindergarten education and make it accessible to every 4-year-old in Arkansas.”

-Mike Ross



K-12 Education

INTRODUCTION

Arkansas has made great strides in public education over the last few years. For example, our high school graduation rate is at an all-time high at 80.7 percent. However, we continue to graduate too many high school seniors who aren't ready for college or who don't have the skills they need to start a career – and that needs to change.

Mike Ross believes our children deserve good, well-paid educators, safe schools and a world-class education that is second-to-none. Our educators and education support professionals deserve a health insurance system that works for them, and they should be able to spend more time innovating in the classroom and less time filling out paperwork.

Most importantly, Mike Ross believes educators and local school districts should have more control over their own curriculum and have the flexibility necessary to meet the unique needs of their own community.

Mike Ross wants our students to be adaptive and to think critically – to not only memorize an answer, but also explain how they got the answer. He wants our students not only to get into college, but also to graduate from college. Or, if college isn't the right fit, he wants our students to have the opportunity to get a skill or certification that helps them land a good-paying job.

Mike Ross also wants parents and communities to be more involved by working with their children's teachers and schools, and, as governor, he will call for more collaborative family, school and community partnerships. Schools should also be held accountable, and we should do a better job of informing parents how their school is performing as compared to other schools in the state.

If we are to turn around Arkansas's economy and give more Arkansans an opportunity to succeed, we need to continue to improve the condition of and access to education in Arkansas.





PROPOSAL #2: INNOVATION LABORATORY

- Encourage innovation in public education by creating the Innovation Laboratory (InLab) Fund so that educators can try innovative, yet proven learning ideas in our schools.

Every entrepreneur is looking for the next innovative idea. Businesses continue to search for the latest innovative approach to increasing their profits. And, our economy is changing faster than ever before. Innovation is driving the global marketplace at a break-neck pace, and it is absolutely critical that innovation also drives the progress of our schools.

We must also recognize that school districts and communities across the state have very different needs, and a school district should have the flexibility to be able to graduate students who can meet those needs. Whenever possible, we should encourage collaborative family, school and community partnerships that help students get the education and training they need to find jobs and to help communities have the workforce needed to grow the jobs they have and attract new ones.

Our educators and school districts should have the flexibility and support to try innovative ideas and approaches to learning, and we should be able to share these successful approaches or ideas with other educators and schools across the state.

If we are going to properly prepare our young people for the workforce, then we must graduate high school seniors who are adaptive, who can think critically and who graduate college and career ready.

Arkansas's public schools are improving, but to truly accelerate, we need fresh approaches and ideas that will help dramatically improve achievement. State government cannot and should not micromanage local districts. Instead, the state should encourage local projects, programs and initiatives that can transform learning, and then encourage the replication of those successes statewide.

To encourage innovation in public education in Arkansas, Mike Ross will set aside \$5 million from the state's surplus to create the Innovation Laboratory (InLab) Fund. This fund will make small grants available to educators, schools or school districts to implement innovative, yet proven learning strategies, projects and programs that are aimed at reducing the education achievement gap in our schools.

Each recipient will be required to report on the progress of each activity, and, every year the state will publish a public report detailing the progress of all grant recipients. The goal is to share these innovative ideas with educators and schools around the state so that they can replicate the successful ideas in their own communities.



InLab funds can be used to support conversion charter schools, the Arkansas A+ curriculum, social and emotional learning, Montessori classrooms, Schools of Inquiry, flipped classrooms and other learning strategies that lead to successful, critical thinking students. InLab can also be used to support projects and programs that complement and strengthen a child's in-classroom learning experience, such as a greater focus on STEAM education (Science, Technology, Engineering, Arts and Mathematics).

Many of today's highly successful and innovative educational programs and projects started out as small ideas. The goal of InLab is to encourage more of those small ideas in hopes they take off and become another educational success story.



For instance, the EAST (Environmental And Spatial Technologies) Initiative began with one classroom in Greenbrier, Arkansas, in 1996. Tim Stephenson, a first-year teacher and former law enforcement officer, was trying to find an innovative way to engage "at-risk" students under his guidance. His small ideas eventually developed into EAST – a new model of learning that focuses on innovative thinking and project-based learning, collaboration, technology and civic engagement. Today, there are 206 EAST programs in six states serving more than 22,000 students.

By empowering our local schools and school districts to become the agents of change for public education in Arkansas, we are tapping into the inherent creativity of our educators, superintendents, parents and industries in communities throughout our state.

Instead of abandoning our public school system, giving our public schools the flexibility and support they need to become innovators in education – and in turn improving performance among students – strengthens public education and our overall economy here in Arkansas.



PROPOSAL #3: REFORM & FULLY FUND ARKANSAS SCHOOL RECOGNITION & REWARD PROGRAM

- Make the Arkansas School Recognition & Reward Program a permanent part of the state's education budget
- Fully fund the Arkansas School Recognition & Reward Program so that the full awards of \$100 per student for top-tier performing schools and \$50 per student for second-tier performing schools will be rewarded
- Separate the evaluation criteria of performance and improvement, and provide separate awards for performance and improvement

Arkansas has many great public schools across this state that are providing their students with a top-notch education and that are going above and beyond to better serve their students. And, there are just as many public schools that are working hard to improve their performance and finding ways to better serve their students. Fortunately, there is a program that recognizes these efforts and encourages others to do well.

The Arkansas School Recognition and Reward Program provides financial awards to public schools that experience high student performance, student academic growth, and for secondary schools, high graduation rates.

These financial rewards must be used for the following purposes: nonrecurring bonuses to faculty and staff; nonrecurring expenditures for educational equipment or materials to assist in maintaining and improving student performance; or temporary personnel for the school to assist in maintaining and improving student performance. And, a committee made up of the principal, a teacher and a parent is charged with determining how the funds will be used.

This recognition and these rewards are critical because they motivate and incentivize our schools to do well and to always seek to improve themselves. The program also helps reward educators and principals for their hard work and commitment to our students.

Here's how the program works: high student scores on state exams are combined with high achievement growth on those tests to determine a rating and then a ranking among all the schools. For high schools, graduation rates are substituted in the calculation for achievement growth.

The top 10 percent of schools can receive financial awards of up to \$100 per student, and schools within the second-highest 10 percent can receive up to \$50 per student. However, because only \$7 million was allocated to the program for 2014, the top performing schools only received \$90.70 per student and the second-highest tier only received \$45.35 per student.



Therefore, Mike Ross will make the School Recognition and Reward Program a permanent part of the state's budget and will fully fund the program every year.

Also, the current program calculates a school's overall score by combining performance and improvement; it does not separate the two. So, a school that consistently performs at a high level will score low in improvement, and a low-performing school that shows improvement will, nonetheless, still score low in overall performance. This is unfair to both types of schools, and it must be changed.

Mike Ross will also work with policymakers, school districts, superintendents, educators and parents to make the program fairer by recognizing performance and improvement separately, awarding the top 10 percent of highest performing schools in Arkansas and the top 10 percent of most improved schools in Arkansas. Both will be based on the current two-tier system, with the top 5 percent in each category receiving \$100 per student and next top 5 percent in each category receiving \$50 per student.

In the performance ratings, Mike Ross will also encourage policymakers to incorporate national rankings into the overall criteria, so that schools can see not only how they compare against one another in Arkansas, but against schools across the nation as well.

All of these changes will encourage our top-performing schools to do well every year, and it will encourage our struggling schools to consistently seek to improve themselves.

Reforming and fully funding this program will provide a guaranteed reward for our top-performing schools and will encourage others to always seek improvement. These changes will provide our young people with a better education and, in turn, our state with a better-educated workforce to attract the good-paying jobs we so desperately need.



PROPOSAL #4: FORECAST OF CAREERS IN THE UNITED STATES (FOCUS) REPORTS

- Provide 8th and 11th grade students in Arkansas with a Forecast of Careers in the United States (FOCUS) report to empower them to make better education choices that guide them to high-paying, highly-demanded careers



Whether you are about to graduate from high school or are a working adult looking for a career change, choosing a college major or career pathway can be confusing. It can also be a very daunting task because of today's rapidly changing global economy.

It is more important now than ever before that our young people understand the trends that shape the job market and empower them to make a more informed decision allowing them to combine their personal passions and the ability to make ends meet for themselves and their families.

That's why Mike Ross will direct the Arkansas Economic Development Commission, in consultation with the Governor's Cabinet for Economic Development, to issue a Forecast of Careers in the United States (FOCUS) report to each and every 8th grade and 11th grade student and their family.

The FOCUS report will provide a 10- and 25-year forecast of the job market here in Arkansas and across the United States. It will detail what are likely to be the highest-paying and highest-demanded careers when they enter the workforce, and it will make recommendations on suggested areas of study or technical training to pursue those careers – helping our young people better prepare and plan for their academic and career pathways.

For instance, we should encourage more young people to pursue careers in science, technology, engineering, the arts and mathematics (STEAM) because they are, and will continue to be, among the most demanded careers over the next few decades.

STEAM is similar to STEM, but it adds the arts and design element, a critical component in today's economy. Art and design create the innovative products and solutions that will help propel our economy forward in this global and digital age.

"Apple is successful because it's not just technology—it's at the intersection of design and technology. Innovation needs the arts education component to truly flourish," said John Maeda, president of Rhode Island School of Design, which is leading the push for more emphasis on STEAM education.

Here are some straightforward facts our young people should know, and facts like these would be part of the annual FOCUS report:

- 60 percent of U.S. employers are having difficulties finding qualified workers to fill vacancies at their companies.
- In the current overall employment market, unemployed people outnumber job postings nearly 4-to-1. In STEAM occupations, job postings outnumber unemployed people by about 2 to one.
- The top 10 bachelor-degree majors with the highest median earnings are all in STEAM fields.
- In 2010, the unemployment rate for STEAM workers was 5.3 percent; for all other occupations, it was 10 percent.



These FOCUS reports will help young people better know and understand job market trends and recognize where the job demands will be when they enter the workforce. It will also encourage students to have these conversations with their families, mentors and counselors as they are planning their futures.

Studies have also shown that career guidance is an important element in keeping students in school. In fact, one study found that a guidance model using career interest inventories and job readiness training can increase at-risk student engagement by as much as 35 percent.¹

On an individual level, the FOCUS reports will empower our young people to make better and more informed decisions about their own future and help ensure they will have the training they need to get a good-paying job when they enter the workforce. On a broader level, the FOCUS reports will help our state develop a workforce that will be able to meet the future needs of employers – better positioning our state to compete for more and better-paying jobs for years to come.

¹ Bauer, R., & Michael, R. (1993). "They're still in school: Results of an intervention program for at-risk high school students." Paper presented at the annual meeting of the American Educational Research Association, Atlanta.

HIGHER EDUCATION

PROPOSAL #5: GOVERNOR'S DISTINGUISHED SCHOLARSHIP

- Fully fund the Governor's Distinguished Scholarship so that Arkansas can encourage more of its best and brightest students to remain in Arkansas for their college education.

One of the most important actions the state of Arkansas can take to develop an educated, skilled and trained workforce is to ensure we keep more of our own best and brightest students right here in Arkansas. The Governor's Distinguished Scholarship is key to doing just that.



The Governor's Distinguished Scholarship pays up to \$10,000 per year for tuition, mandatory fees, and room and board for eligible, high-performing students at any Arkansas public or private institution of higher education.

Eligible students must meet the following criteria: earn either a 32 composite score on a single ACT or 1410 combined math and critical reasoning score on a single SAT and either a 3.50 academic GPA or selection as a National Achievement Finalist or National Merit Finalist.

If funding allows, up to 300 Governor's Distinguished Scholars may be named. However, funding is not always available to fully fund all eligible students, meaning some of best and brightest students miss out on this important scholarship that keeps them here in Arkansas.

In 2014, for example, nearly 500 students were eligible for the scholarship and chose to stay in state for their education. Because the law only guarantees up to 300 scholarships, it forced 193 students to be placed on a waiting list. Fortunately, the Arkansas Legislative Council approved "rainy-day" funds to fully fund the Governor's Distinguished Scholarship this year, but these scholarships should be guaranteed each and every year.²

As governor, Mike Ross will work with policymakers to prioritize fully funding the Governor's Distinguished Scholarship and ensure we fund scholarships for each eligible student. Fully funding this scholarship is an important investment that helps keep Arkansas's best and brightest here in Arkansas, and helps give our state the well-educated workforce it needs to attract the jobs of the future.

² Beherec, Sean. "Tuition help set for more in state." *Arkansas Democrat Gazette*. 19 April 2014. Web. 25 May 2014.



PROPOSAL #6: ENCOURAGE PUBLIC/PRIVATE PARTNERSHIPS THAT PRIORITIZE CAREER & TECHNICAL EDUCATION & WORKFORCE TRAINING

- Encourage public/private partnerships that prioritize career and technical education and workforce training through the “Work Ready Community” certification process

Mike Ross has a plan to strengthen public education in Arkansas, including increased access to quality pre-kindergarten education, more innovation and accountability in our public schools and helping to make college more affordable. However, career and technical education and workforce training must also be among our state’s top priorities.

18%

the percent of working age
Arkansans with a college degree

Only 18 percent of working age Arkansans 25 and older hold a bachelor’s degree. Across the nation, Arkansas currently ranks 46th in the percentage of working-age adults (25 to 64) with an associate’s degree and 49th in the percentage with a bachelor’s degree or higher.³

We are making progress. Of the states that make up of the 16-member Southern Regional Education Board (SREB), Arkansas has had the 4th highest growth in bachelor’s degrees awarded at public institutions in the most recent five-year period. However, we still have a lot of work ahead of us.

The fact remains that out of 100 9th graders today in Arkansas, 80 of those will graduate high school, only 40 will go to college and only 20 will graduate with an associate’s or bachelor’s degree.⁴ As a state, we must address employment opportunities for the other 80 percent.

Today in the United States, there are 29 million “middle-skilled jobs” that pay \$35,000 or more on average and don’t require a bachelor’s degree. However, by the year 2018, nearly two thirds of all jobs created in the United States will require some form of education or training beyond simply having a high school diploma.⁵

According to the National Dropout Prevention Center, states must stop looking at academic skills and vocational skills as two separate entities, especially since the economy has become global rather than national. Businesses want workers with lifelong-learning skills. Workers will have multiple careers over their life span, so lifelong-learning skills are vital.

³ “Increasing the Competitiveness of the Arkansas Workforce for a Knowledge-Based Economy: How Do Current Higher Education Policies Help or Get in the Way?” *National Center for Higher Education Management Systems*. 12 January 2011. Web. 01 June 2014.

⁴ “The Chronicle of Higher Education: College Completion.” Web. 20 May 2014.

⁵ Carnevale, Anthony; Tamara Jayasundara, Andrew Hanson. “Career and Technical Education: Five Ways That Pay Along the Way to the B.A.” Georgetown University Center on Education and the Workforce & Civic Enterprises. 18 September 2012. Web. 20 May 2014.



The traditional workplace is changing from centralized to decentralized control and needs workers who can think, make decisions, and learn new skills. In today's business climate, advancement is based on knowledge and skills, rather than seniority.⁶

It's time for Arkansas to lead the way in educating and training our workforce for the needs of the labor market. We should be encouraging our schools and community colleges to offer more school-to-work programs to integrate academic and career-based skills and, in turn, raise academic standards for all our students.

We should be exploring new ideas and new models, such as tech prep, career academies, school registered apprenticeships, student internships, career-oriented high schools, and school-based enterprises.⁷ And, our communities, community colleges, local government and local industries should work together and start leading the way.

Mike Ross is proposing Arkansas implement a statewide coordinated effort to encourage communities to prioritize developing a skilled, trained and educated workforce by pursuing Arkansas Work Ready Community certifications.

This proposal is discussed in detail later in this plan (Economic Development Section, Page 42), but Mike Ross will make career and technical education and workforce training a priority by encouraging communities all over Arkansas to achieve a nationally recognized "Work Ready" certification.

To do so, the communities will be encouraged to partner with their community colleges and other higher education institutions and with local industry to create plans to better train job seekers and to increase the number of people in the community who have earned an Arkansas Career Ready Certificate. By meeting these goals, communities across Arkansas will be certified by the state of Arkansas as a nationally recognized "Work Ready" Community helping to attract more and better-paying jobs to more of Arkansas's communities.

"For those folks who didn't go to or finish college, we need a renewed focus on career and technical training to empower these Arkansans to get the skills, training and education they need to get a good-paying job and provide for their families." — Mike Ross

⁶ Clark, D. (1999, April-May). What we have learned. NAIEC (National Association for Industry-Education Cooperation) Newsletter, 35, 1-2.

⁷ Schargel, F. P., & Smink, J. (2001). "Strategies to help solve our school dropout problem." Larchmont, NY: Eye on Education.

TAX CUTS

LOWER, FAIRER TAXES FOR WORKING FAMILIES, SMALL BUSINESSES & MANUFACTURERS



The state of Arkansas provides many essential services that benefit every Arkansas family, such as education, Medicaid, and public safety. These investments, funded by our tax system, provide children with opportunities to succeed, care for our seniors and families, and protect our homes and businesses – helping our state to ensure a higher quality of life with stronger communities and good-paying jobs.

To support these essential state services, our state’s income tax must be part of a fair and reasonable tax structure that rewards work and encourages job creation. This plan moves our state closer to that goal.

Mike Ross’ tax cut plan for Arkansas includes modernizing the state’s income tax code and eliminating the sales and use tax on partial replacements and repairs of manufacturing machinery and equipment – both of which will, when fully implemented, bring fairness to the tax code, cut taxes for working families and job creators, and spur job creation throughout the state.

The plan will also be implemented in a fiscally responsible way that maintains the state’s balanced budget and protects essential state services.

PROPOSAL #1: CUT INCOME TAXES BY MODERNIZING THE INCOME TAX CODE

- Gradually modernize the state’s income tax code in a way that creates lower, fairer taxes for working families and small businesses in Arkansas and saves the average working family in Arkansas \$665 a year when fully implemented.

Our current income tax code is unfair and morally wrong because it disproportionately punishes lower- and middle-class families and small businesses in Arkansas. It is past time to address this inequity in the tax code.



Arkansas's current personal income tax system consists of six brackets and a top rate of 7 percent, which ranks 13th highest among states levying an individual income tax. It is also among the most regressive income tax codes in the country as the top tax bracket starts at \$34,000 – meaning a single mom in Arkansas making \$34,000 pays the same top income tax rate as a family making \$340,000 a year.

2012 Tax Brackets				
From	To	Tax Rate	Taxpayers	Percent in Bracket
\$0	\$4,099	1.0%	106,091	9%
\$4,100	\$8,199	2.5%	88,636	8%
\$8,200	\$12,199	3.5%	98,254	8%
\$12,200	\$20,399	4.5%	193,623	16%
\$20,400	\$33,999	6.0%	261,191	22%
\$34,000	and over	7.0%	445,613	37%

How did our tax code become so unfair? Well, the fundamental structure of our state's income tax code hasn't changed since 1971. Back then, the national median household income was just under \$8,000 – today, it's around five times that at \$40,000. In fact, in 1971, very few Arkansans were in the top tax bracket. Now, more than one in three Arkansans is taxed at the highest possible rate. And, almost 60 percent of all taxpayers are in the top two brackets.

Simply put: our current income tax code unfairly punishes lower- and middle-class Arkansas families and it must be changed.

Making matters worse, the cost of living has dramatically increased since 1971. Back then, gasoline was only 36 cents a gallon. Today, it's more than 8 times that at around \$3 a gallon. It's important that income tax brackets move with time, otherwise, they become unfair. If brackets remain constant while inflation and the cost of living go up, then the tax burden goes up and working families' purchasing power and take-home pay go down. And, that is exactly what has happened here in Arkansas.

The result: higher costs, higher taxes and less money in families' pockets. And, when families have less money to spend, our overall economy suffers.

Twenty-five years after the 1971 income tax brackets were created, the state finally recognized that in order to maintain a fair tax code, our brackets must change with inflation so working families aren't punished.



As a result, Act 328 of 1997 began tying future brackets to inflation with a 3 percent cap on indexing, but failed to make the changes retroactive.

If we make Act 328 retroactive for that 25-year period – if we can go back and tie inflation to the original 1971 brackets – then we can bring fairness to the tax code and cut taxes for working families and small businesses in Arkansas.

In terms of job creation, Arkansas – at 7 percent – has one of the highest income tax rates in the region for households earning \$40,000 a year. If we wish to remain competitive with our neighboring states, if we want a fairer tax code for middle class families and if we want to put more of people’s own hard-earned money back into their pockets to strengthen our economy, then we must modernize the state’s income tax and cut income taxes.

The Mike Ross Lower, Fairer Tax Cut plan:

- Systematically implement a new income tax code structured on making Act 328 of 1997 retroactive for the 25 years that the brackets were not adjusted for inflation. The new plan essentially calculates what the state’s tax brackets would be today if the state had tied its 1971 income tax bracket structure to inflation with a 3 percent cap on indexing.
- The result is a top tax bracket that starts at \$75,100 – instead of \$34,000 – meaning only about 14 percent of Arkansans would be taxed at the highest possible rate (instead of 37 percent today).
- Today, only 25 percent of taxpayers are in the lowest three brackets – this tax cut plan changes that to 55 percent of taxpayers in the lowest three brackets. Moreover, the current income tax code taxes almost 60 percent of working Arkansans in the top two highest tax brackets – this tax cut plan reduces that number to 28 percent of working Arkansans taxed in the top two brackets.
- When fully implemented, the end result would be lower, fairer taxes for nearly every single working Arkansas family and many small businesses. And, no one’s income tax will go up a single penny. (Act 1459 of 2013, when fully implemented, will lower each tax bracket by 1/10 of a percent. The proposed new tax brackets maintain these changes.)



Proposed New Tax Brackets (Indexed from 1971 with 3% cap)				
From	To	Tax Rate	Taxpayers	Percent in Bracket
\$0	\$8,999	0.9%	238,955	19%
\$9,000	\$17,999	2.4%	242,122	20%
\$18,000	\$26,999	3.4%	192,684	16%
\$27,000	\$44,999	4.4%	212,160	17%
\$45,000	\$75,099	5.9%	173,489	14%
\$75,100	and over	6.9%	175,357	14%
		Total	1,234,767	100%
Revenue Impact: \$574.5 million				

- When fully implemented, this income tax cut plan will give up to \$465 back to families making \$30,000 a year; \$665 for families making \$40,000; \$880 for families making \$50,000; and up to \$1,148 for families making \$75,000 and up.

Income	Ross Plan Savings
\$30,000	\$465
\$40,000	\$665
\$50,000	\$880
\$75,000 and up	\$1,148

This income tax plan will be systematically implemented as the state experiences revenue growth so we can maintain our state's balanced budget and protect important state services, like education, Medicaid and public safety – just as Governor Mike Beebe has proven can be done by eliminating the sales tax on groceries.

When fully implemented, this tax cut plan will result in a reduction of general revenue for the state of Arkansas of about \$574.5 million, according to official Department of Finance & Administration estimates.

Governor Beebe's leadership demonstrates that we can cut taxes for working families and small businesses in a gradual and responsible way, while also maintaining the state's balanced budget and protecting vital state services.

PROPOSAL #2: ELIMINATE THE MANUFACTURING SALES & USE TAX

- Gradually phase out the state's sales and use tax on partial replacements and repairs of manufacturing machinery and equipment.

Manufacturing is a major part of our state's economy, making up 14 percent of our state's total output. In fact, there are more than 150,000 manufacturing jobs here in Arkansas. Currently, all manufacturers, from large factories to small businesses, pay a sales and use tax of 6.5 percent on partial replacements and repairs of machinery and equipment used in manufacturing, but new locations and expansions are exempt. Recent legislation will reduce that rate from 6.5 percent to 4.875 percent in FY2015.

Most states already completely exempt this type of sales and use tax, while other states use a reduced rate. Arkansas taxes partial replacements and repairs of manufacturing machinery and equipment at the full tax rate of 6.5 percent.

According to Randy Zook, CEO of the Arkansas Chamber of Commerce, "Arkansas is uncompetitive with surrounding states and states in the

Southeast region on this issue. Upgrades, repairs and refurbishing of machinery and equipment used directly in manufacturing should be exempt from sales and use tax."



Mr. Zook also cites the Arkansas Business and Economic Development Incentives Study, which classifies Arkansas as the single "worst" of the 12 states in the Southeast Region on the taxation of industrial materials used in manufacturing.

Our key manufacturing competitors – like Alabama, Mississippi and North Carolina – are beginning to phase out this unfair and uncompetitive tax, and it is time Arkansas does too. When big manufacturers across the country face hardship during an economic downturn are forced to close facilities, they often look to the most out-of-date, antiquated or dilapidated facilities first. Why close a manufacturing plant in which you have recently invested millions in modernizing it?



If manufacturers have updated existing facilities in Arkansas, they will be much less likely to close those same facilities when tough decisions need to be made. By eliminating this unfair and uncompetitive tax, we are encouraging manufacturers to modernize and grow here in Arkansas, helping to save critical jobs in this state and grow new ones.

The elimination of this tax is also a matter of fairness. New manufacturers and expansions are already exempt from the sales and use tax on manufacturing machinery and equipment, so why are we punishing businesses that are already putting people to work here in Arkansas? It is an inequity in the tax code that must be fixed now.

Phasing out the state's sales and use tax on partial replacements and repairs of manufacturing machinery and equipment will:

- Encourage our current manufacturers – large and small – to upgrade their facilities so they can modernize, remain competitive and continue to grow and hire more workers
- Make Arkansas more competitive with our surrounding states that don't tax this type of investment
- Make the state's tax structure fairer for businesses – large and small – already in the state and will help save jobs important to many families and grow new ones
- Encourage Arkansas manufacturers to modernize and invest in their facilities, helping to save critical jobs during future economic downturns

The current tax rate is 6.5 percent, but the state legislature has already reduced that rate to 4.875 percent effective FY2015. The lowest to which this rate can be lowered is 0.625 percent because of a 1/8-cent conservation tax passed by voters.

Phasing out the sales and use tax on partial replacements and repairs of manufacturing machinery and equipment will result in a reduction of general revenue for the state of Arkansas of about \$38.25 million, according to official Department of Finance & Administration estimates.

This tax cut will be gradually phased in as growth in state revenue allows, and in a fiscally responsible way that maintains our state's balanced budget and protects essential state services.



CONCLUSION

Lower, fairer taxes for working families and small businesses in Arkansas is key to creating good-paying jobs and giving every Arkansan the opportunity to get ahead.

This tax cut plan will create more good-paying jobs and help save the ones we already have; it will help our small businesses grow; it will encourage more investments in manufacturing jobs; it will help keep the next generation right here in Arkansas working at good jobs and raising their families here; and it will put more of people's hard-earned money back into their pockets.

As a proven fiscal conservative, Mike Ross will gradually implement these tax cuts as the state can afford to do so. His top priority will always be to maintain our state's balanced budget while funding essential state services like education, Medicaid and public safety.



"I believe we can bring fairness to the tax code and cut taxes for working families, small businesses and job creators like manufacturers, and we can do it in a gradual, fiscally responsible way as the state can afford it – while also protecting vital state services. Unlike my opponents, I will not bankrupt this state to win an election or make a campaign promise I cannot keep."

-Mike Ross



GOVERNMENT EFFICIENCY

CUT THE RED TAPE & REDUCE GOVERNMENT REGULATIONS

Mike Ross and his wife, Holly, started, owned and operated a family pharmacy in their hometown of Prescott for more than 14 years. There, Mike Ross learned firsthand what it's like to make a payroll every Friday, balance the books and treat employees with the respect they deserve.



Mike Ross understands the rewarding experiences that come with starting your own business, but he also knows the challenges – challenges like high taxes, overly burdensome regulations and tightening credit.

Based on his own personal experiences, Mike Ross recognizes that if we want to create more private-sector jobs in Arkansas, we must cut the red tape, reduce the regulatory burden on job creators and make it easier to start, operate and grow your own business in this state.

As a member of Congress, Mike Ross fought against higher taxes, overly burdensome regulations and legislation that made it harder to get loans. He stood up to overly-aggressive regulatory agencies like the Environmental Protection Agency, he voted for tax cuts targeted to job creators and working families, and he voted against legislation like the Dodd Frank bill, which made it harder for businesses to get loans.

As a leader of the fiscally conservative Blue Dog Coalition, Mike Ross fought for fiscal responsibility and government accountability. He led the effort to rein in government spending and pass a balanced budget amendment; to reduce the impact or outright repeal of overly burdensome regulations; to help eliminate waste, fraud and abuse in government; and to pass laws that accelerate economic growth. These same principles will guide Mike Ross as our next governor.

Mike Ross' plan to cut red tape and reduce overly burdensome government regulations in Arkansas is focused on three areas: accessibility, transparency and efficiency.



PROPOSAL #1: ACCESSIBILITY -- CREATE A CENTRAL BUSINESS LICENSING SYSTEM

- Create a central business licensing system that is an online portal allowing new business owners to establish their businesses in a way that will substantially reduce the time and energy it takes to start a new business

Starting a small business in Arkansas, unfortunately, can be a very confusing, complex and time-consuming task. It's time to change that.

Right now, it can take an Arkansas entrepreneur several weeks, even months, to complete and submit all the paperwork and pay all the fees required to start and establish your own business. Moreover, business owners must go to several different state agencies to fill out endless different forms (often asking for the exact same information) and pay the required fees.

As governor, Mike Ross will direct the state to create a central business licensing system that will provide a single online portal for entrepreneurs and small businesses to create and register a new business, complete the appropriate forms and pay all the required fees – all online, all in one spot and anytime, day or night.

The goal of the new central business licensing system will be to reduce the time it takes to start a small business in Arkansas, and to make the process easier, smoother and less confusing for our entrepreneurs.

By making it easier to start your own business here in Arkansas, we can hang the “Open for Business” sign and attract entrepreneurs from across the country. We can also make it easier for Arkansans to start a small business in their own community, just like Mike and Holly did in their hometown of Prescott.

PROPOSAL #2: TRANSPARENCY -- PUBLISH ALL RULES & REGULATIONS ONLINE

- Require all rules and regulations issued by state agencies, boards and commissions to be published in a centralized online location and in a user-friendly format

Currently, there are thousands of rules and regulations issued by various state agencies, boards and commissions. Locating a rule or regulation in Arkansas that affects your business can be a daunting task.

Government operates best when it's transparent and accessible. Every Arkansan should be able to easily find and locate any rule or regulation issued by a state entity. They have a right to know why, how and where regulations exist.



So, as governor, Mike Ross will require all active rules and regulations issued by state agencies and boards and commissions to be published online in one centralized location and in a user-friendly format. State agencies and boards and commissions will also be required to post their respective rules and regulations on their own websites.

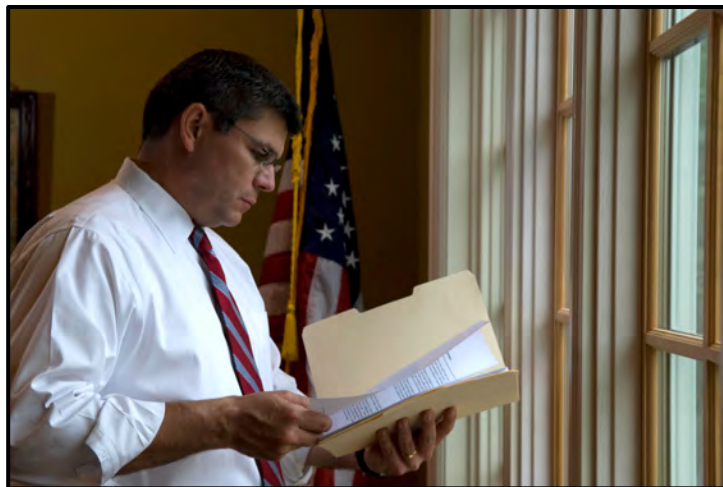
By making government more transparent and by publishing all state rules and regulations in a centralized online location, we can begin to ensure more transparency and accountability in the regulatory process.

PROPOSAL #3: EFFICIENCY -- ESTABLISH A TASK FORCE TO REVIEW ALL RULES & REGULATIONS

- Establish a bipartisan task force to review all rules and regulations issued by state agencies and boards and commissions that have been in place longer than three years, and make recommendations on which rules and regulations to revise or repeal

Over the history of our state, there have been thousands of rules or regulations handed down that regulate everything from farming to construction. Many of these regulations are just a few years old, but many have been around for decades. That's why the state of Arkansas needs to examine whether each of these rules and regulations are still effective or are even still needed.

As a former small business owner, Mike Ross is particularly concerned about the impact of these rules and regulations on our small businesses. Often times, our small businesses are disproportionately burdened by government regulations. It's important that we consider this burden on our small businesses for every rule or regulation the state hands down.



As governor, Mike Ross will establish a bipartisan task force to review all of the state's rules and regulations and will direct all state entities under his authority to participate.

The Task Force on Reducing Rules & Regulations will conduct a top-to-bottom review of every state rule and regulation in place longer than three years.



The Task Force on Reducing Rules & Regulations will examine three key points:

1. Is the rule or regulation still needed?
2. Is the rule or regulation accomplishing the goal it was originally designed to accomplish?
3. Does the rule or regulation have a disproportionate economic burden on small businesses, and is there a way to reduce that burden while accomplishing the original goal of the rule or regulation?

Within two years, the task force will make public recommendations to the proposed Governor's Cabinet for Economic Development, the General Assembly and to the various state agencies on which rules and regulations need to be revised or repealed.

Mike Ross will work with the General Assembly to pursue legislative action based on the recommendations and findings of the task force.

By getting rid of ineffective or out-of-date rules and regulations and by revising even more of them, we can reduce the regulatory burden on Arkansas's job creators. Instead of focusing on regulations, job creators will then be able to focus on growing their own business, hiring more workers and helping to grow our state's economy.



“While government can help, it doesn’t have all the answers, and it can’t solve all of our problems. Government should help where it can, and it should get out of the way where it can’t.”

-Mike Ross



ECONOMIC DEVELOPMENT

PUTTING JOBS FIRST IN ARKANSAS



Mike Ross has a positive vision focused on the future of Arkansas. He is running for governor to help our state prepare for the challenges and opportunities that lie ahead. Mike will unite this state to build on all the unique things that make Arkansas the best place to live, work, start a business and raise a family.

Mike Ross' comprehensive tax cut plan will make Arkansas a more business-friendly state. His proposal to gradually

phase out the state's sales and use tax on partial replacements and repairs of manufacturing machinery and equipment will help more of Arkansas's manufacturers grow and hire more workers.

His plan for lower, fairer taxes will cut income taxes in Arkansas for thousands of small businesses and entrepreneurs in Arkansas who pay their taxes as individual income taxes. By paying less in income taxes, Mike Ross' tax cut plan will allow more entrepreneurs and small businesses to re-invest more of their own money back into their business and get the kick-start they need to succeed, grow and hire more workers.

Mike Ross' "Start Sooner, Finish Stronger" education plan will better prepare our young people for the workforce, giving Arkansas the highly skilled, well-trained workforce it needs to attract the high-tech, good-paying jobs of tomorrow.

Mike Ross' plans to cut government red tape, reduce the regulatory burden on job creators and streamline government for small businesses will more effectively serve our budding entrepreneurs and valued job creators.

Finally, Mike Ross recognizes that Arkansas needs a bold, comprehensive and forward-thinking vision for career and technical training, job creation and economic development to guide its efforts and to always put jobs first, which is exactly what his "Jobs First" economic development plan does.



PROPOSAL #1: GOVERNOR'S CABINET FOR ECONOMIC DEVELOPMENT

- Establish the Governor's Cabinet for Economic Development to help coordinate the state's job creation efforts.

State government can often become disjointed and distracted when it comes to creating jobs. Even worse, state government can become a roadblock to job creation. That's why the state of Arkansas must take every step necessary to support job creation in our state.

Mike Ross wants to know what the state is doing right. He wants to know what the state is doing wrong. And, he wants to know what the state should be doing to show the world Arkansas is open for business. To do so will require an all-hands-on-deck alliance that brings together all resources of the state of Arkansas to unite behind one mission: more good-paying jobs.

Therefore, as governor, Mike Ross will create the Governor's Cabinet for Economic Development, a statewide coordinated effort that will put jobs first and focus on the state's long-term economic future.

John Burkhalter, who is running for Lieutenant Governor, will chair the Cabinet and will utilize his unique set of real-world experiences to help lead the effort and provide better coordination, increased communication and a stronger, more unified strategy for our state's economic development efforts.

John Burkhalter is an Arkansas success story – an entrepreneur who has started numerous successful small businesses and knows what it takes to create jobs and recruit new businesses to our state. He has extraordinary experience as Governor Beebe's appointee to the State Highway Commission and as a former Chairman of the Arkansas Economic Development Commission. He is an engineer by trade and has helped lead numerous nonprofits around the state. His economic development experience is unparalleled in Arkansas, and he will work with Mike Ross to make job creation a top priority.





The Governor's Cabinet for Economic Development will primarily focus on six areas of improvement for the state's job creation efforts: education and career training, innovation, infrastructure, entrepreneurship, economic growth and government reform.

It will unite representatives from nonprofit organizations and key state agencies involved in job creation, including, but not limited to, the:

1. Arkansas Economic Development Commission
2. Arkansas Department of Parks & Tourism
3. Arkansas Science and Technology Authority
4. Arkansas Development Finance Authority
5. Arkansas Department of Workforce Services
6. Arkansas Department of Education
7. Arkansas Department of Career Education
8. Arkansas Department of Higher Education

The Cabinet will serve as an advisory group for the entire state of Arkansas – to become an engine for new, innovative ideas that help businesses of all sizes start, grow or move to Arkansas.

It will explore how the state's agencies and resources, and all the various stakeholders throughout the state, can help grow our existing businesses, help Arkansans start their own businesses and help recruit new businesses to Arkansas.

This is not a new government program, and costs nothing to taxpayers. This alliance is simply an opportunity to bring together all of our resources on a regular basis to help the state of Arkansas become more efficient, more effective and more productive – and to create more long-term and good-paying jobs right here in the state.

Mike Ross' goal is not to hand down government solutions; his goal is to empower Arkansans all over this great state to work hard, make a living and take care of their families. And, to make doing so just a little bit easier.

PROPOSAL #2: GOVERNOR'S QUICK ACTION CLOSING FUND

- Fully fund the Governor's Quick Action Closing Fund at \$50 million every two years to ensure Arkansas can remain competitive with other states in bringing new jobs to the state

The Governor's Quick Action Closing Fund (QACF), proposed by Governor Mike Beebe in 2006, is a fund set aside to help the state of Arkansas quickly close job prospects and help create more jobs in Arkansas. Initially, the QACF was funded at \$50 million every two years.

The QACF has been used for workforce training, infrastructure such as roads and railroad spurs, as well as site preparation and relocation expenses⁸. To date, the Quick Action Closing Fund has led to the announcement of 30,000 new jobs in Arkansas.

And, when a company that received funds from the QACF fails to create the jobs it promised, "clawback provisions" in contracts require these companies to pay parts of it back, allowing the state to recoup its investment.⁹

The Log Cabin Democrat in Conway called the QACF "an unqualified success"¹⁰ and the Arkansas State Chamber of Commerce has said the Closing Fund is important because "consultants, local industry and growing businesses around the world need to know that Arkansas has the capacity to compete when the deal is right."¹¹

Unfortunately, the QACF has not received new funding for 2015, and its balance has dipped below \$7 million as of May 2014.

As governor, Mike Ross will bring Democrats and Republicans together to secure \$50 million every two years to fully fund the Governor's Quick Action Closing Fund so that Arkansas can continue to compete with surrounding states for more and better-paying jobs.



⁸ "Governor Candidates Weigh In On Quick Action Closing Fund." *Talk Business*. 11 May 2014.

<http://talkbusiness.net/2014/05/governor-candidates-weigh-quick-action-closing-fund/>

⁹ "HP, Nordex Expected to Refund Incentive Funds After Failing to Meet Goals." *Arkansas Business*. 26 August 2013.

<http://www.arkansasbusiness.com/article/94250/hp-nordex-expected-to-refund-incentive-funds-after-failing-to-meet-employment-goals?page=all>

¹⁰ "Business Journal: Put your money where your mouth is." *Log Cabin Democrat*. 16 May 2014. Web. 01 June 2014.

¹¹ "Governor Candidates Weigh In On Quick Action Closing Fund." *Talk Business*. 11 May 2014. Web. 01 June 2014.

PROPOSAL #3: STRENGTHENING ENTREPRENEURSHIP & ECONOMIC DEVELOPMENT (SEED) GRANT PROGRAM

- Create the Strengthening Entrepreneurship & Economic Development (SEED) grant program to provide grants to communities, nonprofit organizations, economic development partnerships and community groups to fund initiatives, projects and programs that encourage or support entrepreneurship and/or innovation.

Smaller, high-tech entrepreneurial businesses are the type of businesses that will provide an immediate avenue for growth in Arkansas, especially in areas that need it the most. In fact, small businesses represent more than 96 percent of all employers in Arkansas and they employ half of Arkansas's labor force.

Job creation and economic development in Arkansas rely on our small businesses, start-ups and entrepreneurs being successful. Some of the world's most famous companies were started by a single entrepreneur with a big idea. But, one of the biggest obstacles facing entrepreneurs today, especially in Arkansas and especially within the tech community, is the lack of resources and support to take an idea from the drawing board to the store shelf.

The state of Arkansas must do more to support entrepreneurs who are looking for that next big idea, and we should do more to support initiatives like the Arkansas Regional Innovation Hub in North Little Rock.

Being constructed in North Little Rock's vibrant Argenta Arts District, the Arkansas Regional Innovation Hub is "dedicated to increasing innovative and entrepreneurial activity in Arkansas by creating a collaborative ecosystem and pipelines that mobilize the resources, programs and educational opportunities necessary to develop, attract and retain talent and to build the state's economy."

The Innovation Hub will provide a Launch Pad for inventors and innovators to try out new ideas and make new things, including a wood shop and STEAM lab (to support ideas in science, technology, engineering, the arts and mathematics). It will also provide a co-working space for incubation and business acceleration to "morph great ideas into profitable business ventures."





Finally, it will have a creative space for young people who can turn their artistic abilities into profitable enterprises.

Mike Ross wants to encourage nonprofit organizations, economic development partnerships and local communities all over Arkansas to replicate some of the same components that make up the Arkansas Regional Innovation Hub – and wants the state to help facilitate those investments.

As governor, Mike Ross will create the Strengthening Entrepreneurship & Economic Development (SEED) grant program to foster entrepreneurship, innovation and economic development in Arkansas, particularly in STEAM-related fields and in ways that target smaller, high-tech entrepreneurial business development.

Mike Ross will set aside \$3 million in surplus funds to make grants available for up to two years to communities, nonprofit organizations, economic partnerships or community groups looking to implement programming, resources or initiatives that encourage innovation, foster technical and skills training or provide support and resources for entrepreneurial activity. Grants may also be used to build, update or refurbish facilities or purchase high-tech equipment relevant to those communities' business and entrepreneurial needs.



In order to ensure that applicants have researched the needs of the community and that the proposal has the community's support, grants must have an equal or greater investment from a community, nonprofit, individual or industry partner that matches any state funds awarded. And, applications originating from Tier 3 and Tier 4 communities (underserved communities as defined by the Arkansas Economic Development Commission) will receive priority. Further details and logistics will be decided upon with policymakers as part of the legislative process.

The SEED grant program will help Arkansas grow entrepreneurship and innovation across this state and will better support our budding business startups and shoot-ups, so that we can make Arkansas a national leader in economic development.



PROPOSAL #4: "ENGAGE ARKANSAS" INITIATIVE

- Create "Engage Arkansas" – a crowdsourcing campaign to encourage state government agencies to think creatively about how to harness the ideas and entrepreneurial talents of Arkansans and give Arkansas's budding entrepreneurs opportunities to be recognized and rewarded for their skills and talents.

Arkansas has many talented entrepreneurs with incredible problem solving and technical skills. And, Arkansas's state government often has problems, challenges and opportunities that could use a fresh take or an innovative solution.

From logo designs, to developing more user-friendly websites and mobile phone apps, to ideas for innovative PSA campaigns, to ideas for better minority outreach campaigns, the state would benefit tremendously from the ideas, approaches, plans, talents and skills from entrepreneurs and talented individuals all over Arkansas.

So, as governor, Mike Ross will launch a website called Engage Arkansas to partner the private sector and state government to find innovative solutions for state challenges.

As a part of Engage Arkansas, each state agency will be required to regularly post solicitations for solutions or ideas from Arkansans. These solicitations will be posted to the Engage Arkansas website for a certain number of days to collect applications.

Each entry will offer either a cash prize determined up front (such as for a logo design), the opportunity to award the state contract to the winning applicant (such as for a mobile phone app), and/or a non-monetary prize (such as the opportunity to have the work posted on a state website or showcased at a press conference). The state will reserve the option not to select any entries submitted.

There is already a similar idea being implemented by the federal government at challenge.gov. In fact, the Harvard Kennedy School Ash Center for Democratic Governance and Innovation has labeled this idea as one of its top 25 innovations in government.

Engage Arkansas will bring diversity in solutions and contributors. And, as the Harvard Kennedy School described the idea, "This is a pay-for-performance model that saves money on key initiatives and broadly drives innovation within and beyond government."

Mike Ross believes the state of Arkansas should be doing everything we can to foster entrepreneurship and what better way to do so than to give our budding entrepreneurs the opportunity to improve their state's government, to find ways to save taxpayers' money, and the opportunity to showcase their skills and talents to the rest of the state.



PROPOSAL #5: ARKANSAS WORK READY COMMUNITY INITIATIVE

- Lead a statewide coordinated effort to encourage and assist communities across Arkansas to attain nationally recognized “Work Ready Community” certifications that prioritize developing an educated, skilled and trained workforce to attract the good-paying jobs from around the country and over the world

Mike Ross’ plan calls for a statewide coordinated effort encouraging communities to prioritize developing a skilled, trained and educated workforce by pursuing Arkansas Work Ready Community certifications.

A Work Ready Community is a self-defined community, county or regional partnership certified as having a skilled and trained workforce ready to meet the needs of job creators. This nationally recognized certification would demonstrate a community’s commitment to improving the employability of its job seekers.

Prioritizing Work Ready Community certifications will bring together business, education and government within a local community to develop workforce training and economic development plans tailored to the needs of their community. The certification process will require community leaders to recognize the needs of the workforce and take actions to develop the workforce demanded by business and industry.



According to the Arkansas Governor’s Workforce Cabinet, the Arkansas Work Ready Community initiative could be a powerful alignment tool that would enable multiple agencies to serve students, job seekers and employers with a common language and reliable certification.

STRUCTURE

Arkansas will create a state-specific Work Ready Community initiative based on the national ACT® Work Ready Community certification program and will encourage and incentivize participation in the initiative. ACT is a nonprofit organization with a mission to help people achieve education and workplace success.

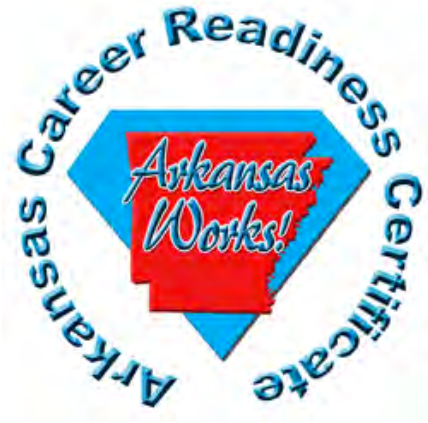


ACT's Work Ready Community process starts at the grassroots level and encourages communities to develop workforce services and economic development plans that:

- Link workforce development to education,
- Align with the economic development needs of the community, region and state, and
- Match individuals to jobs based on skill levels

Workers in Arkansas can already earn an Arkansas Career Readiness Certificate (CRC) – a portable and stackable credential based upon ACT's WorkKeys® assessments that demonstrates to employers an individual possesses the basic workplace skills required for 21st century jobs.

Mike Ross will work to make Arkansas's Career Readiness Certification program a part of ACT's National Career Readiness Certificate™ program so that Arkansas workers will be part of a growing national database of career ready workers that more and more employers are using at a rapid pace.



Getting a CRC will show prospective employers that the job seeker possesses the basic skills the job requires. Even if a job seeker has a high school diploma, GED or post-secondary degree, the Arkansas CRC further verifies that he or she can handle tasks such as reading instructions and directions, working with numbers, and finding information - tasks common in today's workplace.

By coordinating a statewide Work Ready Community initiative, we will dramatically increase participation in this career ready certification program and make more Arkansans ready to be hired by employers.

The process in becoming an Arkansas Certified Work Ready Community (CWRC) will be driven by workforce skills data, updated regularly and specific to the county level, and will incorporate current, emerging and transitioning workforce needs and tools that will position the community for success.

The Governor's Cabinet for Economic Development will establish the framework for Arkansas's Work Ready Community certification criteria and process, which will be based on ACT's CWRC common criteria and additional data as determined by the Cabinet.

Then, individuals across the county workforce earn an industry-recognized skill credential through Arkansas's Career Readiness Certificate (CRC) process, and local employers recognize or recommend the CRC as a part of their hiring process.

Existing funds, such as work training funds from Arkansas Economic Development Commission (AEDC) and the Department of Workforce Services, will be used to assist communities and individuals in achieving these certifications. The state will also better utilize existing staff to help these communities accomplish their workforce training goals.

ADVANTAGES & INCENTIVES

According to ACT, by developing a Work Ready Community initiative, counties, regions and the state of Arkansas will be helping:

- Business and industry know exactly what foundational skills they need for a productive workforce – and to easily communicate their needs
- Individuals understand what skills are required by employers – and how to prepare themselves for success
- Policy makers consistently measure the skills gap in a timely manner at the national, state and local levels
- Educators close the skills gap, via tools integrated into career pathways with stackable industry-recognized credentials
- Economic developers use an on-demand reporting tool to market the quality of their workforce

The Governor's Cabinet for Economic Development will also draft a Work Ready Community rewards and recognition strategy, including a budget, to be submitted to the governor's office and to the General Assembly. The strategic plan will identify ways to reward and/or recognize individuals and communities for participating in the Work Ready Community initiative and achieving their certifications.

A few states around the country are already taking notice of this important tool in preparing their workforce for the jobs of the future. Kentucky claims to have the most rigorous program in the nation and sets goals for each county, like a high school graduation rate of at least 82.32% and requiring at least 9% of the working age population to have a career ready certification.





Jasper County, Missouri, has participated in Missouri's Work Ready Community certification process and has touted its certification as a signal to investors that Jasper County is:

- helping workers understand what skills are required by employers, and how to prepare themselves for success;
- helping businesses effectively communicate their work-force needs to area education and work-force training programs;
- providing educators with the tools needed to close the skills gap by establishing career pathways for students with stackable industry-recognized credentials; and,
- equipping economic development organizations with an on-demand reporting tool to promote the quality of their work force.

CONCLUSION

If we are to attract good-paying jobs in Arkansas, we must have the well-educated, highly skilled workforce to do so. And, the Arkansas Work Ready Community initiative will help Arkansas do just that.

Mike Ross will make career and technical education an economic development priority for Arkansas. The Work Ready Community initiative is a grassroots effort to allow our local communities and regions to tailor their programs, resources and projects to their own specific needs and to increase the employability of job seekers in their area.



The Work Ready Community initiative is beginning to take notice in the economic development community, and many states are considering adopting similar initiatives all over the country. Arkansas has a unique opportunity to lead the way and become a national leader in workforce training and economic development.

By making the Work Ready Community initiative a priority, Arkansas will show the rest of the country and the world that we are open for business.



CLOSING

Mike Ross is running for governor to focus on Arkansas's future and to grow our state's economy for everyone. His Jobs First economic development plan will better position Arkansas to attract the high-tech, good-paying jobs of the future. And, it will help give every child in Arkansas an opportunity to reach their God-given potential and achieve their dreams.

Mike Ross' plan will improve public education in Arkansas by helping our children start sooner and finish stronger. He'll make quality pre-kindergarten education accessible to every 4-year-old in Arkansas. He'll strengthen our public schools by encouraging innovation and accountability. And, he'll help make college more affordable for more Arkansas families.

Mike Ross' tax cut plan will bring fairness to the tax code and will cut income taxes for small businesses and working families, saving the average family in Arkansas \$665 a year. He'll also eliminate the state's sales and use tax on partial replacements and repairs of manufacturing machinery and equipment so that our manufacturers can spend more money growing their business and hiring more workers.

Mike Ross' government efficiency plan will cut burdensome red tape, increase transparency and reduce the regulatory burden on our job creators. He'll get government out of the way where it's overly burdensome, and he'll dramatically cut the time it takes to start a small business in Arkansas.

Mike Ross' economic development plan will put jobs first by creating the Governor's Cabinet for Economic Development to help guide the state's job creation efforts by bringing government, education and industry together. He'll encourage entrepreneurship and innovation by supporting Arkansas's entrepreneurs and making it easier to start your own business. And, he will make career and technical education and skills training top priorities in Arkansas with a grassroots "Work Ready Community" initiative that brings the public sector and private industry together to better train our workforce and better anticipate the needs of employers.

These bold, comprehensive plans will guide Mike Ross' work as Arkansas's next governor. He will use his experience of bringing people together to put good public policy over partisan politics and enact policies that help Arkansas attract more and better-paying jobs.

To learn more about why Mike Ross is running for governor or to read his plans in other policy areas, please visit www.MikeRoss.com. You can also follow the campaign on social media at Facebook.com/MikeRoss or at Twitter.com/MikeRossUpdates.



ACTION PLAN TO CUT TAXES, IMPROVE EDUCATION
& GROW THE ARKANSAS ECONOMY FOR EVERYONE.

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