

## An Economic Stimulus Plan for North Carolina

North Carolina's working families are increasingly concerned about our slowing national economy. In the midst of this concern, there is a great deal we can do to help state residents. As governor, Richard Moore will enact a number of reforms that are designed to both strengthen the economy and help families that are struggling to make ends meet. Moore successfully steered the state's finances through our last financial downturn just a few years ago. He protected our pension fund, which has been ranked as the second strongest in the nation for three straight years. And he worked diligently to regain our status as one of a handful of states with a triple A credit rating from all three rating agencies – the highest rating possible.

Moore's economic approach focuses on a series of common-sense measures that will help make sure incomes keep up with the cost of living, and that North Carolina continues to offer good jobs and a high quality workforce well into the future. These measures will enable more families to enter the workforce, increase the level of our human capital, make North Carolina more attractive to prospective employers, and provide important new economic activity.

Specifically, Governor Moore will:

- **Reward work by raising the minimum wage by one dollar.** In 2006, State Treasurer Richard Moore made headlines across the state as he fought to raise North Carolina's minimum wage from \$5.15 to \$6.15. With changes made by Congress, the minimum wage will increase to \$7.25 in 2009. As governor, Richard Moore will raise the minimum wage by one dollar to \$8.25 during his first term. This increase will help ensure that the state's minimum wage keeps pace with inflation and grows with our economy. Employees who work hard and play by the rules ought to be able to make ends meet.
- **Keep North Carolina affordable for seniors by freezing and cutting their property taxes.** Moore would double the income limit for the property tax homestead exclusion and freeze property revaluations for seniors. Doubling the income limit for the homestead exclusion from its current level of \$25,000 to include all senior families earning less than \$50,000 would make it available to 200,000 more senior households in North Carolina. The current homestead exclusion reduces the assessed home value of senior homeowners by either \$25,000 or 50 percent, whichever is greater. The freeze on property taxes would work by protecting seniors who have lived in their home for twenty years from future property tax revaluations. These seniors would pay property taxes based on the current value of their home only and would be held harmless from future revaluations. The freeze on new revaluations would also be available to seniors with incomes under \$50,000. The Moore administration will compensate counties and cities that experience significant revenue loss from this property tax relief.
- **Create a gateway to community college for all North Carolina high school seniors by offering free community college tuition and improving vocational education.** Richard Moore will use a combination of Golden LEAF funds and state money to pay two years of community college tuition for students who graduate from a North Carolina high school and then enroll in a community college degree program. A well-trained work force is crucial to success in the global economy and is compatible with Golden LEAF's goal of promoting economic development in 82 targeted counties

across the state. This proposal addresses the fact that the counties with the highest dropout rates are often the counties that have the highest unemployment rates. Making higher education more affordable will be an important step in Richard Moore's strategy to cut the high school dropout rate in half.

We must also enhance vocational education and training at North Carolina's high schools to make the curriculum relevant and prepare students with real job skills. The gateway to community college will offer students the opportunity to immediately build on this training with an associate's degree or other valuable worker training.

- **Cut the cost of a quality North Carolina college education by allowing parents to lock in tuition prices with a pre-paid tuition plan.** Many states have enacted plans that allow parents and grandparents to "pre-pay" tuition at state universities – it is time North Carolina parents and grandparents had the same opportunity. These plans offer the ability to lock in low-cost tuition early—ensuring that future rises of tuition will not be an obstacle for students entering college eighteen years from now. North Carolina should enact a similar plan so parents do not have to worry about unpredictable, rapidly growing tuition costs.
- **Cut taxes for small businesses.** Small businesses are an important engine for our state's economy. Our flat corporate income tax often allows large, multi-state companies to take advantage of incentives and complicated financial structures to pay an effective tax that is far lower than 6.9 percent. But these advantages are typically unavailable to our mom and pop stores and other small businesses. We should start to relieve the tax burden for small businesses by enacting a plan to exempt the first \$25,000 of corporate income taxes for businesses that earn \$100,000 or less annually. Companies that earn between \$100,000 and \$200,000 would receive a \$15,000 exemption.
- **Make access to child care a reality by eliminating the child care waiting list.** As many as 22,000 North Carolina children are eligible to receive a state child care subsidy, but instead languish on a waiting list caused largely by insufficient funding. As governor, Moore will eliminate the child care subsidy waiting list, which will help thousands of working families and our state economy. In families that cannot afford the burdensome cost of quality child care, parents are often limited in their ability to participate in the workforce. A subsidy that makes child care affordable for these families will also encourage labor force participation.
- **Stimulate the economy and update North Carolina's infrastructure with a \$1.5 billion transportation bond.** According to the 2008 Debt Affordability Study, North Carolina can afford a \$1.5 billion transportation bond. The rapid growth of our state has created significant transportation needs that must be addressed to maintain our economic competitiveness. This type of public spending on construction will also stimulate local economies because the projects put thousands of local employees to work and pump millions of dollars into community economies. The Moore administration will work to make the hiring of North Carolina companies and workers a priority for these funds to ensure that the economic benefits of this spending are felt locally. This bond will be subject to a vote of the people and is contingent upon real transportation reform that ensures our precious transportation dollars are being spent wisely and transparently.