

POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES FOR 2015

12TH EDITION



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POLLINA CORPORATE REAL ESTATE, INC. / AMERICAN ECONOMIC DEVELOPMENT INSTITUTE
www.pollina.com

By

Brent A. Pollina, Esq.

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ABOUT THE AUTHOR

I.

DEDICATION

By
Brent A. Pollina, Esq.



Dr. Ronald R. Pollina, Ph.D., 71, Founder of Pollina Corporate Real Estate, Inc. passed away peacefully, surrounded by his family, on August 26th, 2015. While Ron was extraordinarily devoted to his family, he was also a friend and mentor to many. All who knew him felt fortunate to experience his unfailing work ethic, infectious sense of humor, enduring quest for knowledge, and willingness to share all that he had learned (often wrapped in a ridiculous story).

Born and raised in Chicago, Ron and his three brothers attended Barber College after high school and worked with their father and uncles in Chicago barber shops as they put themselves through college and graduate school. Ron received his B.A. from Roosevelt University and his Master's Degree and Ph.D. from the University of Illinois.

An entrepreneur and geoeconomist, Ron was the Founder and President of Pollina Corporate Real Estate, Inc. in 1981. As a recognized expert in corporate location analysis, economic development, and geoeconomic trends, he represented numerous Fortune 500 clients both nationally and internationally. Dr. Pollina authored over 70 published articles on the subjects of commercial real estate, corporate relocation and economic development; and his opinions have been quoted in *The Wall Street Journal*, *Financial Times*, *Business Week*, *Forbes*, *The New York Times*, and *The Chicago Tribune*. From 1989 to 2000, Ron was the editor and primary author of the Pollina Corporate Report, a quarterly whitepaper covering a wide variety of Real Estate issues effecting corporations. From 2004 to 2014, Ron and his son Brent were the authors of the annual Pollina Corporate Top 10 Pro-Business States study, which has received national coverage by a multitude of news outlets. Four years in the making, his book, *Selling Out a Superpower: Where the U.S. Went Wrong and How We Can Turn It Around*, was published by Prometheus Books in 2010. In addition to being interviewed numerous times on television and radio, Ron made scores of presentations before national and international professional groups and several state legislatures. He also served on the faculties of the University of Illinois and DePaul University, on the Board of Directors of the International Development Research Council (IDRC), and was Chairman of the Board of Directors for the International Tenant Representative Alliance (ITRA) and the International Association of Attorneys and Executives in Corporate Real Estate (AECRE).

The final ten years of Ron's career were dedicated to improving the economic condition of our country in an effort to lessen the tremendous poverty, homelessness, and hunger experienced by far too many American citizens, especially children.

Ron's duties at Pollina Corporate will be taken over by Brent Pollina, who has been serving as President for the last year.

II.

EXECUTIVE SUMMARY

“If we got one-tenth of what was promised in these acceptance speeches, there wouldn’t be any inducement to go to heaven.”

Will Rodgers

HOW TO USE STATE RANKINGS

State rankings can be useful, provided you understand what it is they are ranking along with the validity of the data and methodology used. Some rankings are based on number of new jobs or business starts rather than net new jobs or business starts. In another study, a state’s ranking rises based on the number of times a state mentions a location factor (e.g. taxes, utility costs) in their marketing material. Some studies do not rank all states, limiting their ranking to top states only. The potential influence of advertising bought in a publication highlighting state performance is also an issue to consider when looking at publication rankings.

The **Pollina Corporate Top 10 Pro-Business States** study, now in its twelfth year, is based on 32 factors over which state governments have control and that our clients indicate are most important. We weigh all factors based on the requirements of our corporate clients and our three decades of site selection experience.

The Pollina Corporate study reflects state leadership that truly understands the importance of producing the best business environment, and thus the best opportunities for job growth for their constituents (Figure 1). While a state may have a low pro-business rank, individual communities within the state may be very pro-business. This local effort may not be able to change the state’s corporate tax rate or sales and gross receipts tax rank, but it may have a better educational system than the state as a whole and may offer better financial incentives than their state.

Perhaps the biggest danger of weaker rankings is the political implications. It is not uncommon to view a state’s website or see a brochure from a community that heralds a high ranking based on a less than credible or misleading data. Worse is to see a ranking from a publication that sells rankings to state publicity departments based on ad space purchased. Some of these rankings are meant to impress political leaders and local economic development departments in their states more than companies seeking locations. Most politicians want to believe they are doing a great job for their states and actually believe their own propaganda.

In the U.S. today, if you combine state, local, and federal taxes, the tax burden on companies is among the highest the world. Add labor costs, and we are one of the highest cost nations to do business in. American companies, if they are to survive in a global economy, must be located in the most pro-business locations possible. Our political leaders need to understand the truth, difficult as it may be.

FIGURE 1

POLLINA CORPORATE REAL ESTATE, INC. TOP 10 PRO-BUSINESS STATES 2015					
1	UTAH		6	NORTH DAKOTA	
2	NEBRASKA		7	NORTH CAROLINA	
3	INDIANA		8	WYOMING	
4	VIRGINIA		9	MISSOURI	
5	KANSAS		10	MICHIGAN	

SELECTING THE RIGHT SITE EXPERT

Even the best rankings should be used only as a rough guideline. There is no substitute for thorough analysis based on each operation’s unique requirement. For example, a state with a high ranking may prove to be the wrong place based on access to customers or unique labor requirements. Also, while a state that offers \$100,000 or more per new employee in financial incentives may sound attractive, the state may not be suitable for other reasons (e.g. labor costs, taxes) that outweigh the incentives. A knowledgeable site selector can analyze all factors to save time, effort, and avoid location mistakes while maximizing incentives for the right location.

There is a significant difference between a site selector and a real estate broker. A real estate broker’s job is to match buyer and seller or lessee and lessor. A site selector can perform complex location analysis, including items such as labor analysis, taxation, utility availability and cost, infrastructure condition, customer and materials access, and transportation cost. A good site selector is also trained in state and local incentive acquisition, evaluation, and negotiations.

Finding a good real estate broker trained in site selection is rare. With a few major commercial real estate brokerage firms dominating the national and international markets, it is very common to see the same brokerage firm representing both sides of a transaction (e.g. buyer and seller, lessor and lessee) as dual agents. This allows one brokerage firm to receive both the buyer/seller or lessee/lessor sides of any commission (paid by property owner). This can result in the buyer/lessee being shown primarily property listings on which a dual fee will be received along with other listings that do not meet all of a buyer or tenants criteria, often referred to as “Ringer Property.”

Selection of a firm that specializes solely in tenant or buyer representation such as members of **ITRA Global, the International Tenant Representative Alliance**, will assure all suitable listed properties from all brokers are shown and unbiased advice and negotiations are provided.

PICKING THE BEST CORPORATE LOCATION

The **Pollina Corporate Top 10 Pro-Business States** study examines 32 factors relative to state efforts to be pro-business and is the most comprehensive examination of states available. It has also been recognized as the most impartial. The study is limited to factors over which state governments have control. Therefore, the states listed in Figure 1 exhibited leadership that truly highlights the importance of producing the best business environment, and thus the best opportunities for job growth for their constituents.

The **Pollina Corporate Top 10 Pro-Business States** selection process is based on a comprehensive two-stage approach. Stage I, Labor, Taxes and Other Factors, is based on 19 factors, including taxes, human resources, Right-to-Work legislation, energy costs, infrastructure spending, worker compensation legislation, and jobs lost or gained (Appendix A, Figures 12 – 30). These 19 factors, all of which are controlled by state government, comprise 68 percent of the total possible score. States are also subjected to a Stage II, Incentives and State Economic Development Agency Factors evaluation, which examined 13 additional state government-controlled factors, including incentive programs and state economic development department evaluations (Figure 31).

STATE FINANCIAL INCENTIVES

As new elections put new governors and legislators into office, some new state political leaders have decided that state-offered financial incentives can be substantially reduced or eliminated. They often have the misconception that these incentives are there to help them compete with the state next door, but incentives are critically important if states are to compete on an international basis. They help level the international playing field, making U.S. states somewhat more competitive with countries like China, India, Brazil, and Mexico.

A strong incentive program can help reduce tax, labor, and other discrepancies. For example, a good job training program can cut a company's cost allowing it to automate, making it more capable of competing with low cost foreign labor. Such programs save American jobs, yet some states have no job training programs or plan to eliminate existing programs.

State financial incentives are often confusing and difficult for most companies to access. Industry experts agree that most companies, when relocating, expanding, or consolidating facilities in the U.S., receive only 10 to 15 percent of the incentives that are potentially available to them. This is the case even among the largest corporations.

Companies must know what to ask for, whether they will qualify for programs, and what the true values of programs are. It is a negotiation process for those who know the programs, the states, and how to extract the assistance to receive the most benefits. Based on our extensive experience in negotiating incentives throughout the nation and our research for this study, we can say that there is a considerable difference among states, communities, and counties relative to incentives (Appendix B). They can include tax breaks, job-training, free land, subsidized rent, free infrastructure, forgivable loans, and numerous other creative forms of assistance. ***This study is the only one of its kind that examines each states incentive programs annually.***

WINNERS

All of the **Pollina Corporate Top 10 Pro-Business States** (Figure 1) are to be congratulated for their exemplary efforts. Utah achieved the #1 rank for 2015 by a large margin of twenty points—up considerably from last year’s margin of four points. Utah ranked #1 for Stage I, Labor, Taxes and Other Factors, and #18 for Stage II, Incentives and State Economic Development Agency Factors. In terms of Incentives, Utah received a grade of “D” and a grade of “A” for Marketing/Website/Response to new and existing employers (Appendix B). If Utah hopes to maintain its lead, it needs to improve its Incentive scores. Nebraska holds the #2 position for 2015 by 3 points over 3rd place Indiana. Nebraska achieved this by ranking #5 in both the Stage I and Stage II evaluations.

OVERALL STAGE I & II WINNERS

Only Nebraska #2 (Stage I #5, Stage II #5), Virginia #4 (Stage I #9, Stage II #1), and Kansas #5 (Stage I #5, Stage II #7) ranked among the Top 10 for both Stages I & II. For 2015, Nebraska, Virginia, and Kansas are the best examples of how economic development should be done. These states in particular should be commended for creating an extremely balanced environment in which their businesses can thrive. They have the winning combination of labor, taxes, and low cost business environment as well as outstanding economic development programs. All three have an excellent balance of Stage I and Stage II scores (Figure 7). This strong showing and balance will assure these states remain Top 10 Pro-Business choices.

Without a strong Stage II program, a state that ranks strong in Stage I is not maximizing its ability to attract employers and the tax revenue that comes with them. Other states that ranked in the Top 15 for both Stages I & II include Indiana #3 and North Carolina #7.

THE WEST

	<u>STATES</u>	<u>PERCENT OF ALL STATES</u>
States in Top 10	6	12%

The West, with Utah #1, Nebraska #2, Kansas #5, North Dakota #6, Wyoming#8 and Missouri #9, has become the nation’s clear regional pro-business leader. North Dakota and Wyoming, while ranking very high in Stage I, Labor, Taxes & Other Factors (Figure 5), did not do very well in terms of Stage II, Incentives and Economic Agency Factors (Figure 6). Nebraska and Kansas ranked very high in both Stage I and Stage II categories.

THE SOUTH

	<u>STATES</u>	<u>PERCENT OF ALL STATES</u>
States in Top 10	2	4%

For the sixth year in the history of the **Pollina Corporate Top 10 Pro-Business States** report, the Southeast is not the dominant region in the study. In fact, only Virginia #4 and North Carolina #7 made the Top 10. While the region is still strong, increased competition from the West has resulted in changes among the top ranked states.

North Carolina, which ranked #5 in 2010, dropped to the #15 spot for 2013 and moved up to #7 this year. South Carolina, which ranked #13 in 2013, took the #10 spot in 2014 but fell to #13 in 2015. Florida and Georgia (11), and Tennessee (15) have been rising significantly in the last three years and can be serious contenders next year. Historically, most of the Southeastern states understood the importance of creating a pro-business/pro-jobs environment. Grouped tightly geographically, they tended to compete with each other. Such a long history of success has started to breed complacency in some states.

THE NORTH

	<u>STATES</u>	<u>PERCENT OF ALL STATES</u>
States in Top 10	2	4%

In 2011, Indiana #5 finally broke through the wall, becoming the first Northern state to make the Top 10 since 2005. In 2004 Michigan ranked #7 and fell to a low of #45 in 2010, but is now back in the Top 10 at #10 for 2015. Northern states, with the exception of Indiana #3, rapidly excelling Michigan #10, and Ohio #20, did poorly. This dismal showing is especially troublesome considering the region's major loss of jobs experienced during the latter half of the 20th century and the recent recession. State legislators in this region clearly need to make a major effort if they are to provide a stronger economy and more and better employment opportunities for their constituents.

MOST IMPROVED AND GREATEST DROP IN RANKING FOR 2015

Each year, Pollina Corporate designates the state we consider to have made the most significant improvements in terms of creating a pro-business environment. It is important to give this state recognition for its extraordinary and consistent efforts. By examining three years' worth of results, Pollina Corporate picked the state that has made the most progress in our evaluation during that time.

Also, we felt it important to draw attention to those states that have shown the greatest decline in rank. For the greatest three-year drop in rank, we set the standard high – a state would have to move down in rank a minimum of ten places, or 20 percent, over the three-year period. We felt that these states, whose business climates are not keeping pace with their peers, deserve notice so that their leadership can make appropriate corrections:

Most Improved State

Michigan #10 +14

Michigan is the 2015 Most Improved State because of a spectacular 14-position climb in rank from 2013 to 2015. Most Improved State status reflects state political leadership that has come to grips with 21st century international competition for jobs and business investment. The rapid improvement in their ranking reflects a solid economic development plan and implementation along with consistent political support. Michigan had a very strong Stage I, Labor, Taxes & Other Factors rank of #10, and a somewhat lower Stage II, Incentives and Economic Agency Factors rank of #22. An examination of the state's report card indicates the state's primary weakness for Stage II, Incentives and Economic Agency Factors is its low grade of "F" for Incentives. In terms of Marketing/Website/Response to new & existing employers the state received a grade of "A."

It should also be noted that Tennessee has shown significant improvement in the last year, moving from #27 to #15.

Greatest Three Year Drop In Rank

Arkansas -13
Alaska -13

III.

CLEAR WINNERS AND CONTENDERS

“To achieve great things, two things are needed: a plan, and not quite enough time.”

Leonard Bernstein

WHAT IT TAKES TO BE A WINNER

Over the twelve years this study has been conducted, there have been many changes in the ranking of states from year-to-year impacted by Stage I, Labor Taxes and other Factors, or by Stage II, Incentives and Economic Development Agency Factors (See Appendix A Figures 12 – 31).

Upward changes may be the result of a particular governor’s efforts, an enlightened legislature, or a strong economic development staff with solid professional leadership. Moreover, as is often the case, a state’s ranking may be lowered simply because it has not made the necessary effort to stay ahead of the curve.

We have seen administrations come and go during our 30-plus years of representing companies across the nation. The changes are not always positive. In some cases, we see these new administrations destroying strong programs and state economic development organizations while in others we see progress being made. Regardless of how enlightened a new administration is, they all go through a nine to 18-month educational period. During such transitions, it can often be difficult to work with a new administration’s economic development department.

HOW THE STATES RANK

Figure 2 provides the scores each of the Top 10 states received and illustrates a range in points of 62 between top ranked Utah and #10 Michigan. Figure 3 provides the 2015 Pro-Business ranking for all 50 states. Figure 4 illustrates the fluid nature of the rankings. Few states have held the same rank for more than two consecutive years. Two states have shown exceptional merit by making the **Pollina Corporate Top 10 Pro-Business States** list every year since its inception in 2004. These states are Virginia and Wyoming. This year we have two states who were previous winners but fell from the list over time. Both North Carolina and Michigan are back on the list after extended absences.

FIGURE 2

POLLINA CORPORATE REAL ESTATE, INC. TOP 10 PRO-BUSINESS STATES 2015		
STATE		SCORE
UTAH		346
NEBRASKA		326
INDIANA		324
VIRGINIA		323
KANSAS		319
NORTH DAKOTA		315
NORTH CAROLINA		297
WYOMING		293
MISSOURI		285
MICHIGAN		284

FIGURE 3**2015 – PRO-BUSINESS 50-STATE RANKINGS**

RANK	STATE		RANK	STATE
1	UTAH		26	MONTANA
2	NEBRASKA		27	NEW YORK
3	INDIANA		28	KENTUCKY
4	VIRGINIA		29	TEXAS
5	KANSAS		30	WASHINGTON
6	NORTH DAKOTA		31	DELAWARE
7	NORTH CAROLINA		32	OREGON
8	WYOMING		33	NEW MEXICO
9	MISSOURI		34	MAINE
10	MICHIGAN		35	CONNECTICUT
11	FLORIDA		36	ARKANSAS
12	GEORGIA		37	HAWAII
13	SOUTH CAROLINA		38	MARYLAND
14	ARIZONA		39	WISCONSIN
15	TENNESSEE		40	NEW HAMPSHIRE
16	SOUTH DAKOTA		41	MINNESOTA
17	IDAHO		42	MASSACHUSETTS
18	IOWA		43	ALASKA
19	OKLAHOMA		44	PENNSYLVANIA
20	OHIO		45	WEST VIRGINIA
21	ALABAMA		46	VERMONT
22	NEVADA		47	ILLINOIS
23	COLORADO		48	NEW JERSEY
24	LOUISIANA		49	RHODE ISLAND
25	MISSISSIPPI		50	CALIFORNIA

FIGURE 4**TOP 25 RANKED STATES**

RANK	2008	2009	2010	2011	2012	2013	2014	2015
1	North Carolina	Virginia	Virginia	Virginia	Utah	Utah	Utah	Utah
2	Florida	Utah	Utah	Utah	Virginia	Nebraska	Wyoming	Nebraska
3	Virginia	North Carolina	Wyoming	North Dakota	Wyoming	North Dakota	Nebraska	Indiana
4	South Carolina	Wyoming	South Carolina	Wyoming	North Dakota	Virginia	Virginia	Virginia
5	Wyoming	South Carolina	North Carolina	Nebraska	Indiana	Wyoming	Kansas	Kansas
6	South Dakota	South Dakota	Nebraska	Kansas	Nebraska	Kansas	North Dakota	North Dakota
7	Georgia	Kansas	Kansas	South Dakota	South Dakota	Indiana	Indiana	North Carolina
8	Alabama	Georgia	South Dakota	Missouri	Kansas	South Dakota	Missouri	Wyoming
9	Utah	Florida	Alabama	South Carolina	Missouri	Missouri	South Carolina	Missouri
10	Kansas	Nebraska	Missouri	Indiana	Oklahoma	Alabama	South Dakota	Michigan
11	Washington	Alabama	North Dakota	Alabama	South Carolina	Oklahoma	North Carolina	Florida
12	Idaho	Missouri	Idaho	Idaho	Idaho	Idaho	Alabama	Georgia
13	Oregon	Oregon	Georgia	North Carolina	Alabama	South Carolina	Idaho	South Carolina
14	Tennessee	Tennessee	Florida	Colorado	North Carolina	Louisiana	Iowa	Arizona
15	Nebraska	Oklahoma	Oklahoma	Florida	Georgia	North Carolina	Florida	Tennessee
16	Missouri	Colorado	Tennessee	Oklahoma	Louisiana	Georgia	Louisiana	South Dakota
17	Maryland	Idaho	Connecticut	Montana	Arizona	Ohio	Nevada	Idaho
18	Nevada	North Dakota	Nevada	Louisiana	Florida	Florida	Michigan	Iowa
19	North Dakota	Washington	Colorado	Georgia	Mississippi	Montana	Arizona	Oklahoma
20	Oklahoma	Iowa	Louisiana	Iowa	Ohio	Mississippi	Oklahoma	Ohio
21	Delaware	Indiana	Montana	Arizona	Montana	Arizona	Mississippi	Alabama
22	Arkansas	Montana	Washington	New Mexico	Iowa	Iowa	Georgia	Nevada
23	Indiana	Texas	Indiana	Tennessee	Tennessee	Arkansas	Ohio	Colorado
24	Connecticut	Mississippi	Iowa	Mississippi	Arkansas	Michigan	Montana	Louisiana
25	Iowa	Nevada	Ohio	Delaware	New Mexico	Colorado	Colorado	Mississippi

FIGURE 5***PHASES I - TOP RANKED STATES 2008 – 2015***

PHASE I LABOR, TAXES & OTHER FACTORS								
RANK	2008	2009	2010	2011	2012	2013	2014	2015
1	Wyoming	Utah	Wyoming	Virginia	Utah	Utah	Utah	Utah
2	Florida	Wyoming	South Dakota	Wyoming	Wyoming	Wyoming	Wyoming	Wyoming
3	South Dakota	South Dakota	Utah	North Dakota	South Dakota	North Dakota	North Dakota	North Dakota
4	Utah	Virginia	Virginia	Utah	North Dakota	South Dakota	South Dakota	Indiana
5	Nevada	Kansas	Nebraska	South Dakota	Virginia	Nebraska	Nebraska	Nebraska
6	Oregon	Florida	North Dakota	Nebraska	Indiana	Indiana	Virginia	Kansas
7	South Carolina	Colorado	Idaho	Idaho	Nebraska	Virginia	Kansas	South Dakota
8	Idaho	North Carolina	Kansas	Colorado	Arizona	Idaho	Nevada	Nevada
9	Maryland	South Carolina	Florida	Kansas	Idaho	Montana	Indiana	Virginia
10	North Carolina	Oregon	Nevada	Florida	Montana	Arizona	Idaho	Michigan

FIGURE 6

PHASE II - TOP RANKED STATES 2008 – 2015

PHASE II								
INCENTIVES AND ECONOMIC DEVELOPMENT AGENCY FACTORS								
RANK	2008	2009	2010	2011	2012	2013	2014	2015
1	North Carolina	North Carolina	North Carolina	Virginia	Virginia	Missouri	South Carolina	Virginia
2	Virginia	Virginia	Virginia	South Carolina	Missouri	Virginia	Missouri	South Carolina
3	South Carolina	South Carolina	South Carolina	Louisiana	North Carolina	Kansas	Virginia	Missouri
4	Georgia	Georgia	Alabama	North Carolina	Louisiana	Louisiana	Louisiana	Louisiana
5	Michigan	Michigan	Missouri	Alabama	South Carolina	Nebraska	North Carolina	Nebraska
6	Washington	Ohio	Georgia	Missouri	Ohio	South Carolina	Nebraska	Alabama
7	Oklahoma	Nebraska	Ohio	Nebraska	Nebraska	North Carolina	Kansas	Kansas
8	Nebraska	Alabama	Kansas	Oklahoma	Kansas	Ohio	Alabama	Ohio
9	Alabama	Missouri	Arkansas	Ohio	Alabama	Oklahoma	Ohio	New Mexico
10	Kansas	Kansas	Louisiana	Kansas	Mississippi	New Mexico	New Mexico	Mississippi

In Appendix A (Figure 31), the factors used to evaluate each state’s economic development department’s professionalism, marketing efforts, and responsiveness to employers are identified. Unlike Stage I factors that generally take both the governor and the legislature to change, Stage II factors are under greater control of the governor. When we have a state ranking low in this category, we generally find a governor with a significant lack of concern, business knowledge, or an inability to manage their economic development efforts. Rhetoric alone does not make a governor pro-business and pro-jobs.

HOW TO IMPROVE A STATE’S RANKING

Over the twelve years we have been producing this study, we have been approached by governors, lieutenant governors, state legislators, and heads of economic development departments who want to know how to improve their ranking. Generally, making changes to Stage I, Labor, Taxes and Other Factors, is often difficult, especially when we look at changing a state’s method of taxation, educational achievement levels, or Right-to-Work status. Such changes often take a long time, as they require educating and motivating slow moving legislators. Developing a strong Stage II, Incentives & Economic Development Agency Factors program is less difficult and within the control of the governor. Amazingly, many governors tend to ignore these factors over which they have considerable control.

A good business analogy for a state's economic development department would be to compare it to a company's marketing and customer service departments. A good department makes businesses aware of the benefits of locating in a state as well as makes sure they are happy with the services the state provides and reassuring them that they are in a business climate in which they can thrive.

These economic development departments are the engines that drive a state's economic growth and can place the state's economy on a strong footing. This is the department in state government that should be responsible, not only for the creation of new jobs, but also for the maintenance of existing jobs. It is this department's responsibility to strive to diversify a state's economic base so that it will better weather any particular industry downturn.

There are many states that are, for all practical purposes, one-industry states tied to the ups and downs of their dominant industry (e.g. energy, agriculture, tourism, automotive). Too often we see these states ignoring or paying lip service to efforts to diversify their economies. As long as the current administration and legislature is riding the up-cycle for their industry, all is well and they take the credit and do little, if anything, to diversify. However, if the cycle turns, they are quick to lay the blame at the feet of the industry and explain that it is not their fault that the state has fiscal difficulties and is losing jobs.

The key to understanding the rankings for Stage II factors is that these are relative positions (Figure 6). Oklahoma, which ranked #14 in 2014 and 2015, #9 in 2013, #11 in 2012, #9 in 2011, and #15 in 2010 and 2009, had its best ranking in 2004 at #2 and worst in 2008 at #20.

This may not be an indication that the state has done something negative, but rather that other states have done more things right, and it had failed to keep up. As discussed earlier, what can happen in some cases is that a new administration comes into office and will take a successful department, cut its budget, and bring in new leadership and staff. Such moves are almost sure to set a successful program back temporarily, if not permanently, depending on the changes.

If you were to take the Stage II leaders Virginia and South Carolina, you will find they have consistently been more aggressive and focused on their economic development efforts. More recent leaders like Missouri, Kansas, Nebraska, and Ohio are coming on very aggressively. Each is looking at the other's programs to see what works best and then making improvements to their own programs. Political leaders in these states also are willing to take a leadership role regarding economic development within their states, as is true for all the Stage II top-ranked states. Unfortunately for many local and county governments across the nation that rank low in Stage II, the lion's share of the burden in terms of expertise and funding falls to them, and not to the state.

WINNERS

Utah received the greatest number of points of all states and ranked number one, but each of the **Pollina Corporate Top 10 Pro-Business States** listed has something to learn from the others. All 10 top-ranked states should be held up as models for the other 40 states and the federal government. The difference between the total scores (Stage I & II) for #1 ranked Utah (346 pts.), and the number ten-ranked state, Michigan (284 pts.), was 62 points (Figure 7).

FIGURE 7

2015 - TOP 10 PRO-BUSINESS SCORES

STATE	<u>PHASE I</u> LABOR, TAXES AND OTHER FACTORS	<u>PHASE II</u> INCENTIVES AND ECONOMIC DEVELOPMENT AGENCY FACTORS	TOTAL SCORE
UTAH	278	68	346
NEBRASKA	240	86	326
INDIANA	252	72	324
VIRGINIA	228	95	323
KANSAS	240	79	319
NORTH DAKOTA	260	55	315
NORTH CAROLINA	224	73	297
WYOMING	265	28	293
MISSOURI	192	93	285
MICHIGAN	226	58	284

FIGURE 8

***TOP 10 RANKED SCORES BY MAJOR CATEGORY
STAGES I AND II***

PHASE I LABOR, TAXES & OTHER FACTORS		PHASE II INCENTIVES AND ECONOMIC DEVELOPMENT AGENCY FACTORS	
STATE	SCORE	STATE	AGENCY SCORE
UTAH	278	VIRGINIA	95
WYOMING	265	SOUTH CAROLINA	94
NORTH DAKOTA	260	MISSOURI	93
INDIANA	252	LOUISIANA	88
NEBRASKA	240	NEBRASKA	86
KANSAS	240	ALABAMA	83
SOUTH DAKOTA	240	KANSAS	79
NEVADA	230	OHIO	77
VIRGINIA	228	NEW MEXICO	76
MICHIGAN	226	MISSISSIPPI	75

Seven states—Utah, Wyoming, North Dakota, South Dakota, Indiana, Michigan, and Nevada—ranked among the Top 10 states for Stage I, Labor, Taxes, and Other Cost Factors, but did not make the Top 10 relative to Stage II, Incentives and State Economic Development Agency Factors (Figure 8). With improvements in Stage II factors, these states could substantially improve their ability to attract and retain high-quality and high-paying jobs.

It is important to note that of the Pollina Corporate Top 10 Pro-Business States, nine are Right-to-Work states (Figure 17) -- a factor that was weighted heavily in the evaluation process. Our experience shows that Right-to-Work status is a significant asset when competing for manufacturing jobs. It has been our experience that many manufacturers will not even consider non-Right-to-Work states unless there is some compelling reason to be in such a state. There are methods for reducing the impact of non-Right-to-Work status that can be accomplished with some compromise from unions.

CONTENDERS

Among the Top 25 States, Florida and Georgia tied at #11, have an excellent chance of making it into the ranks of nation's ten most pro-business states in 2016 due to only being a single point away from tying for #10 with Michigan. South Carolina #13, Arizona #14, and Tennessee #15 and are strong contenders and with additional improvements could make it into the Top 10 in 2016. Figure 9 shows how all states ranked under both Stages.

FIGURE 9

OVERALL RANK WINNERS AND CONTENDERS

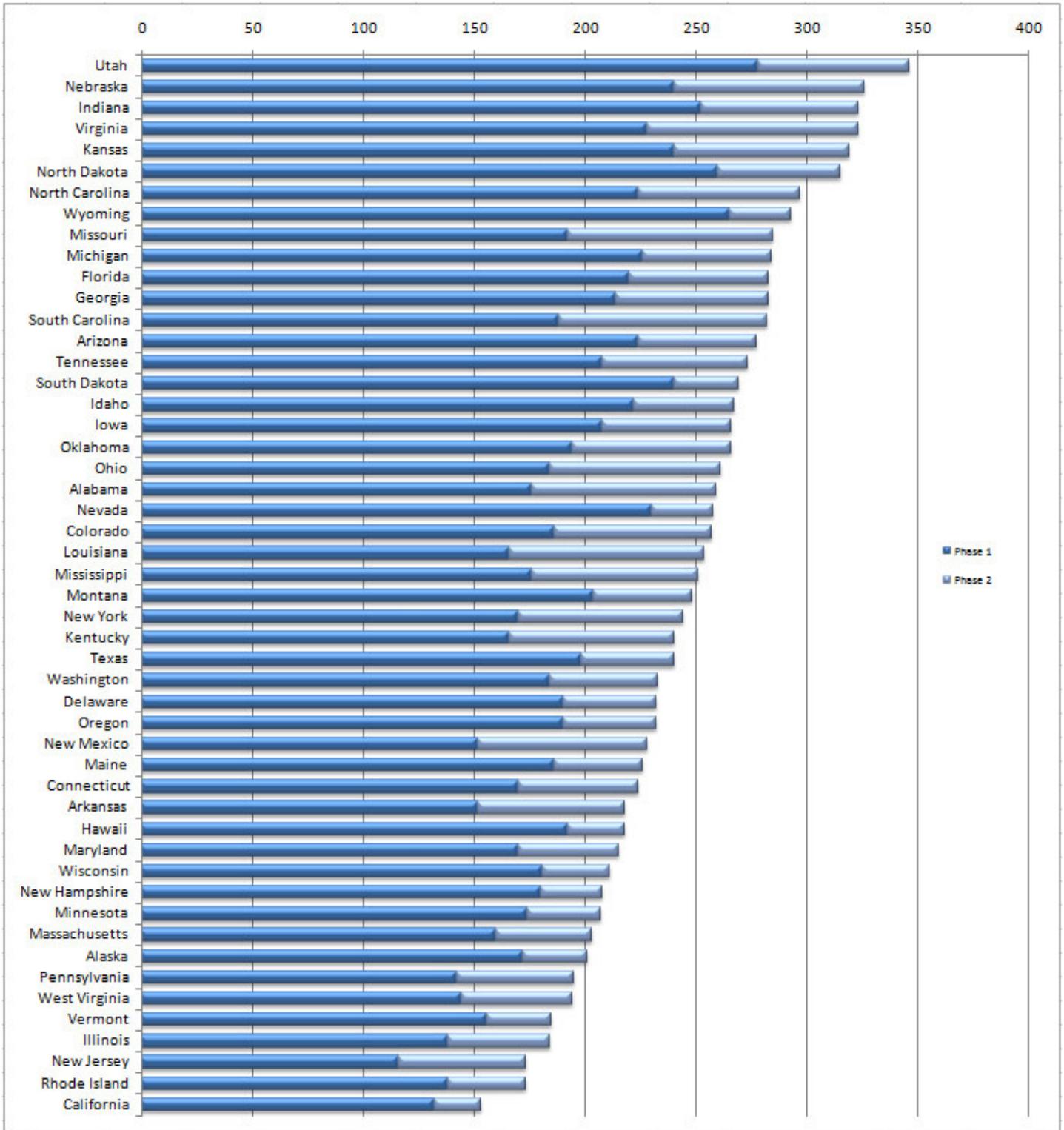


FIGURE 10

TOP 25 AND BOTTOM 25 RANKED STATES



THE BOTTOM 25

Those states that did not make it into the Top 25 should seriously evaluate their economic development capabilities. These bottom-ranked states need to have their state political leaders rethink their efforts to attract and maintain jobs for their constituents. Among these bottom-ranked states are some that have such weak or non-existent programs, or are so inept in their procedures, that they are pushing jobs out of their states.

“Winning is not a sometime thing; it's an all-time thing. You don't win once in a while, you don't do things right once in a while, you do them right all the time. Winning is habit. Unfortunately, so is losing.”

Vince Lombardi

IV.

REGIONAL DISTRIBUTION OF WINNERS

As Figure 11 illustrates, the geographic distribution of the **Pollina Corporate Top 10 Pro-Business States** (shaded area) is dominated by the West, with two states in the Southeast and two in the North. The biggest gaps are in New England, and the Pacific states.

FIGURE 11

POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES MAP



THE WEST

“The Great American Desert” was the term used during the first half of the nineteenth century, to describe an indefinite territory west of the Mississippi River and east of the Rocky Mountains.

For 2015, the West—with star quality states like Utah #1, Nebraska #2, Kansas #5, North Dakota #6, Wyoming #8, and Missouri #9—clearly maintains the lead it took from the South in 2010. This change represents a dramatic shift in the economic development geography of the nation.

Beginning in 2008, Western states like Utah, Nebraska, Kansas, and Missouri began to make consistent improvements in Stage I factors as well as continuing to refine their economic development efforts to better meet the needs of business.

UTAH #1

A true success story under Governor Gary Herbert’s leadership, Utah #1 has held the top position for the fourth year in a row. In 2005, Utah ranked #23 and by 2012 it ranked #1 moving up in rank 22 places in only seven years. Utah is a great example of what enlightened and motivated political leadership can accomplish across multiple administrations with a solid plan. Utah has been a consistent national leader when it comes to being pro-business and shows no signs of slowing down any time in the future with low taxes, an excellent workforce, and a top notch economic development agency.

Governor Herbert, has proven that not only is he able to preserve the efforts of past administrations but he has the ability to build on these past efforts to maintain Utah’s very pro-business operating environment.

Utah continues to be the most pro-business state with close proximity to West Coast markets, lending strong weight for distribution and other industries that rely on being a day’s drive from California. Unless there is a compelling reason to remain in #50 California, #32 Oregon, or #30 ranked Washington, Utah #1 presents an exceptionally pro-business western U.S. alternative.

Considerable credit for achieving the #1 rank and holding for four consecutive years must be given to the highly-regarded **Economic Development Corporation of Utah**. Governor Herbert and his administration should be commended for their efforts to remain competitive in this highly competitive region, as they have clearly worked consistently over time to preserve the tools that Utah needs to remain the most pro-business state in the country.

Utah ranked #1 in Stage I, Labor, Taxes and Other Factors, and scored highly in High School Completion (A), College Completion (B), Unemployment Rate (A), and Workers Compensation (A). The state also scored very strongly across all tax categories such as Corporate Tax (A), Individual Income Tax (B), Sales & Gross Receipt Tax (B), Business Inventory Tax (A), and Property Tax (A). Utah had a strong showing in terms of Right-to-Work legislation (A), Regulatory Environment (A), Litigation Environment (A), and Cost of Electricity (B). The two areas where Utah has room for improvement are Teacher Compensation (C), and College Funding Per-Student (D).

In terms of Stage II, Incentives and Economic Development Agency Factors, Utah ranked #18. The state scored highly for their state Marketing/Website/Response to new & existing employers (A) but has room for improvement in the state Incentive programs (D).

NEBRASKA #2

If you're a corporate executive who has never considered Nebraska as a possible location, then you should probably add Nebraska to your list of possibilities. Governor Ricketts, with the support of the legislature "gets it," and they are working hard and smart to develop an economy that will work for to the benefit of all its corporate partners and Nebraskans alike. For the past seven years Nebraska has become solidly entrenched as a pro-business leader on a national level due to a strong 5th place ranking in Stage I, Labor, Taxes and Other Factors, and a strong 5th place in Stage II, Incentives and Economic Development Agency Factors. Nebraska is the best example of the year for a well-rounded strategy of workforce, taxes, infrastructure, and economic development that will allow companies to prosper.

In terms of Stage I, Labor, Taxes and Other Factors, Nebraska ranked #5. The state scored reasonably well in High School Completion (B), College Completion (B), and College Funding Per-Student (B). The state did not score highly across most tax categories such as Corporate Tax (D), Individual Income Tax (C), Sales & Gross Receipt Tax (C), and Property Tax (D). Relative to Business Inventory Taxes the state received a grade of A.

Nebraska had a strong showing relative to Unemployment Rate (A), Right-to-Work legislation (A), Regulatory Environment (A), Litigation Environment (A), Transportation Infrastructure (A), and Long-Term Budget Planning (A). The areas where Nebraska has room for improvement under Stage I are Corporate Tax (D) and Property Tax (D).

In terms of Stage II, Incentives and Economic Development Agency Factors, Nebraska ranked #5. Nebraska scored very high for Incentives (A) and Marketing/Website/Response to new and existing employers (A).

KANSAS #5

The State of Kansas has changed a lot from 2004 when this study's first edition was published. In 2004, Kansas ranked #23, rising to #10 two years later, and then falling out of the Top 10 in 2007. By 2008, Kansas rejoined the Top 10 and has remained a solid Pollina Corporate Top 10 leader for the past 8 years.

One of the reasons for Kansas's success is that they have taken a well-rounded approach to being pro-business, scoring highly in our Stage I, Labor, Taxes and Other Factors (5), as well as our Stage II, Incentives and Economic Development Agency Factors (7). This well-rounded approach to economic development as well as the state's continuing effort to diversify its economy has been responsible for its success. While remaining dedicated to its agricultural heritage, the state has built a diverse industry base that includes bioscience, animal health, energy technology, aviation, advanced manufacturing, and agriculture.

In terms of Stage I, Labor, Taxes and Other Factors, Kansas scored reasonably well in High School Completion (B) and College Completion (B), but poorly in terms of Average Teacher Compensation (F) and College Funding Per-Student (D). The state did not score highly across most tax categories such as Corporate Tax (D), Sales & Gross Receipt Tax (C), and Property Tax (C). Relative to Business Inventory Tax the state received a grade of "A" and a "B" for Individual Income Tax.

Kansas had a strong showing relative to Unemployment Rate (B), Right-to-Work legislation (A), Unemployment Insurance (A), Workers Compensation (B), Regulatory Environment (A), Litigation Environment (B), Transportation Infrastructure (A), and Long-Term Budget Planning (B). Kansas has room for improvement under Cost of Electricity (D) and Crime Rate (C).

In terms of Stage II, Incentives and Economic Development Agency Factors, Kansas ranked #7. Kansas scored very high for Incentives (A) and Marketing/Website/Response to new and existing employers (B).

NORTH DAKOTA #6

The state of North Dakota is certainly no stranger to being included among the top business states in the nation. In 2011, North Dakota rocketed onto the Top 10 as the most Improved State for the year and has remained entrenched among the most pro-business states in the country. Blessed with abundant natural resources, a strong workforce, and a low tax structure, North Dakota is ready for business. While the state is currently experiencing a minor slow down due to the decline in gas prices, North Dakota's efforts to diversify its economy have reduced the decline in natural resource prices.

In terms of Stage I, Labor, Taxes and Other Factors, North Dakota ranked #3. The state scored well in High School Completion (A), and College Funding Per-Student (B), but poorly in terms of Average Teacher Compensation (D). The state did well overall across most tax categories such as Corporate Tax (B), Sales & Gross Receipt Tax (B), Business Inventory Tax (A), and Property Tax (A).

North Dakota had a strong showing relative to Unemployment Rate (A), Right-to-Work legislation (A), Unemployment Insurance (B), Workers Compensation (A), Regulatory Environment (A), Litigation Environment (B), Transportation Infrastructure (A), and Crime Rate (B). North Dakota has room for improvement under Cost of Electricity (D) and Long-Term Budget Planning (D).

In terms of Stage II, Incentives and Economic Development Agency Factors, North Dakota ranked #25. The State scored average for Incentives (C) and Marketing/Website/Response to new and existing employers (C).

WYOMING #8

If Pollina Corporate gave an award for consistency over time, Wyoming would be the clear winner, ranking among the Top 10 Pro-business States since the study was started in 2004. The state has continuously shown extremely well in terms of Stage I, Labor, Taxes and Other Factors, placing in the top two positions for twelve years in a row (Figure 5).

Governor Mead and the state's legislature have worked to maintain a competitive tax policy that encourages businesses to create jobs, innovate, and invest. The state's substantial revenue from mineral production has historically helped keep taxes at a minimum. There is little question that from a tax burden perspective, Wyoming is an excellent choice for doing business. Today, the mineral extraction industry and travel and tourism sector are the main drivers behind Wyoming's economy, however the state needs to diversify its economy to provide a wider range of jobs and to withstand slumps in its key industries.

In terms of Stage I, Labor, Taxes and Other Factors, Wyoming ranked #2. The state scored highly in High School Completion (A), Average Teacher Compensation (B), and College Funding Per-Student (A). The state also scored strongly across most tax categories such as Corporate Tax (A), Individual Income Tax (A), Sales & Gross Receipt Tax (B), and Business Inventory Tax (A).

Wyoming had a strong showing relative to Unemployment Rate (A), Workers Compensation (B), Right-to-Work legislation (A), Regulatory Environment (B), Litigation Environment (A), Transportation Infrastructure (A), Cost of Electricity (B), Crime Rate (A), and Long-Term Budget Planning (A). The three areas where Wyoming has room for improvement under Stage I are College Completion (D), Unemployment Insurance (D), and Property Taxes (D).

In terms of Stage II, Incentives and Economic Development Agency Factors, Wyoming ranked #46. The state has some catching up to do with its competition. Wyoming scored poorly for Incentives (F), and Marketing/Website/Response to new and existing employers (D).

Wyoming really must begin to look at its Stage II, Incentives and Economic Development Agency Factors scores, and particularly its incentive program. Other states in the region are working hard to improve theirs, which is in part responsible for Wyoming's decline in rankings over the past few years. Improvements in its Stage II ranking can convert this state into a real economic powerhouse which will allow the state greater diversification of its economy.

MISSOURI #9

Until 2006, Missouri (#22) did not rank among the nation's Top 25 pro-business states. In 2010 Missouri breached the Top 10 with a 10th place position and now is in its sixth year as a member of nation's elite pro-business states, and it gives no indication of giving up its place in the rankings any time soon.

Governor Jay Nixon has continued to show that he understands how to create an environment that fosters job creation and the tax revenue that results from strong economic development. Credit for this success also needs to be given to organizations like the **Missouri Partnership** and **Missouri Economic Development Council**, along with other political leaders that understand what it takes to succeed in today's marketplace.

In terms of Stage I, Labor, Taxes and Other Factors, Missouri ranked #21. The state scored poorly in College Completion (D), Average Teacher Compensation (D), and College Funding Per-Student (D). The state, however, also scored well across three tax categories: Corporate Tax (A), Business Inventory Tax (A), and Property Tax (A).

Missouri had a good showing relative to Transportation Infrastructure (B) and Unemployment Insurance (B). Four areas where Missouri has room for improvement under Stage I are Litigation Environment (F), Unemployment Rate (D), Right-to-Work legislation (F), and Crime Rate (D).

In terms of Stage II, Incentives and Economic Development Agency Factors, Missouri ranked #3. The state continues to perform very strongly. Missouri scored very high for Incentives (A) and Marketing/Website/Response to new and existing employers (A).

THE SOUTH

George Orwell said, "Whoever is winning at the moment will always seem to be invincible." For many years, the rest of the nation and certainly the economic development community believed the Southeastern states to be invincible. During the first six years of this study, the Southeast dominated the ranking with few other states able to hold their own against this business friendly juggernaut. At its peak, states from the region held six of the Top 10 positions; today only Virginia #4 and North Carolina #7 represent the South in the Top 10.

The Southeast has fallen from its former dominant position due to complacency and the inability to keep ahead of advancements in the competitive Western states. This trend may be starting to reverse in the near future. While only 2 Southern states made it into the top 10 this year Florida and Georgia tied at (11), South Carolina (13), and Tennessee (15) are all within striking distance of the 2016 Top 10.

VIRGINIA #4

Clearly a national leader in the twelve years of this study, no other state comes close to Virginia when it comes to being a consistent pro-business state. Virginia holds the distinction of being the only state to remain within the top five pro-business states for the entire history of this study. Consistency counts a lot in corporate site selection where companies often live with decisions for years or decades. In today's business world, with all its uncertainties, a state's reputation as a consistent pro-business winner is very valuable.

The key to Virginia's success is its ability to balance low taxes, a good labor force, and a strong economic development program. With a Stage I rank of #9 and a Stage II rank of #1, Virginia has one of the most well-rounded business climates in the nation.

Governor Terry McAuliffe and the **Virginia Economic Development Partnership** should be commended for their efforts to consistently remain competitive, as they have clearly worked to preserve the tools Virginia needs to remain one of the most pro-business state in the country.

In terms of Stage I, Labor, Taxes and Other Factors, Virginia ranked #9. The state scored poorly in education Average Teacher Compensation (D) and College Funding Per-Student (F), with the exception of College Completion (A). The state scored well in two tax categories such as Corporate Tax (A) and Sales & Gross Receipt Tax (A), but poorly in Individual Income Tax (D) and Business Inventory Tax (F).

Virginia had a strong showing relative to Unemployment Rate (B), Workers Compensation (A), Right-to-Work legislation (A), Regulatory Environment (A), Litigation Environment (B), and Crime Rate (A). The areas where Virginia has room for improvement under Stage I are Unemployment Insurance (D), Average Teacher Compensation (D), and College Funding Per-Student (F).

In terms of Stage II, Incentives and Economic Development Agency Factors, Virginia ranked #1. The state continues to be a leader when it comes to Incentives (A) and Marketing/Website/Response to new and existing employers (A).

NORTH CAROLINA #7

After falling from the ranks of the Top 10 in 2011, North Carolina is back in the Top Ten at #7 for 2015. By fighting their way back into the Top 10, North Carolina showed that they know how to be a pro-business leader and were willing to make the changes necessary to get back to the top.

In terms of Stage I, Labor, Taxes and Other Factors, North Carolina ranked #11. The state scores poorly under labor factors with High School Graduation (D) and Average Teacher Compensation (F), however they did score strongly for College Funding Per-Student (A). Taxation in North Carolina is mostly average except for Individual Income Tax (B) and Sales & Gross Receipt Tax (D).

North Carolina had a strong showing relative to Right-to-Work legislation (A), Unemployment Insurance (B), Regulatory Environment (B), Litigation Environment (A), Cost of Electricity (B), Long-Term Budget Planning (B), and Transportation Infrastructure (B).

In terms of Stage II, Incentives and Economic Development Agency Factors, North Carolina ranked #13. The state scored highly for Incentives (A) and Marketing/Website/Response to new and existing employers (B).

THE NORTH

For decades, Northern states have suffered from inconsistent and poor leadership when it comes to creation of pro-business environments. Today, if you exclude Indiana #3, Michigan #10, and Ohio #20, which are progressing rapidly, you have a region with political leaders who appear to be content with their failure. Of the ten worst ranked states (#41 - #50), eight are Northern states, including Massachusetts #21, Pennsylvania #44, Vermont #46, Illinois #47, New Jersey #48, and Rhode Island #49.

With jobs comes prosperity, but to develop jobs you must have a pro-business environment based on a comprehensive strategic economic development plan. Cutting costs is only a small part of the problem, and until these governors create an environment that will foster job growth, their states and constituents will continue to suffer with fewer services, higher taxes, and weakening job opportunities. Voters in these states are not insisting on comprehensive economic development plans, and with very few exceptions, are not receiving them.

Corporate leaders in this region simply respond by expanding outside of the region or offshore. Without a major effort by the states of this region, their problems will continue to multiply and this region will fall further behind the rest of the nation.

INDIANA #3

Indiana is the most dominant pro-business state for 2015. After Jumping from #23 in 2010, to #10 in 2011, to an all-time high of #3 in 2015, the state of Indiana has shown no signs of slowing down. Indiana's rapid improvement in their ranking reflected a solid economic development plan and implementation along with consistent legislative political support. Under Governor Mike Pence's leadership, the current legislature has shown they have the understanding of what business needs to create jobs and revenue for the state.

Indiana has shown the rest of the Northern states that with a solid economic development plan and placing the good of the voters above political bickering, any Northern state can place itself in a position to be an attractive place for companies to grow and to create jobs.

In terms of Stage I, Labor, Taxes and Other Factors, Indiana ranked #4. When it comes to education, Indiana did not score well – High School Completion (D), College Completion (F), Average Teacher Compensation (D), and College Funding Per-Student (F).

The state scored strongly across most tax categories such as Individual Income Tax (A), Sales & Gross Receipt Tax (A), Property Tax (A), and Business Inventory Tax (A).

Indiana had a strong showing relative to Workers Compensation (A), Right-to-Work legislation (A), Unemployment Insurance (A), Regulatory Environment (A), and Litigation Environment (B). The areas where Indiana has room for improvement under Stage I are College Completion (F), College Funding Per-Student (F), Transportation Infrastructure (D), and Long-Term Budget Planning (D).

In terms of Stage II, Incentives and Economic Development Agency Factors, Indiana ranked #15. The state is scoring better than average with good scores in Incentives (B) and Marketing/Website/Response to new and existing employers (B).

MICHIGAN #10

Under Governor Rick Snyder's leadership and supported by the Michigan legislature, the state has made very significant progress in their pro-business standing. After taking office in 2011, Governor Snyder pushed through the repeal of the maligned MBT business tax and then shortly after worked to pass Right-to-Work legislation gaining significant attention to a state many businesses had written off. Now through numerous bold improvements Michigan is back on the Top 10 Pro-Business States for 2015. Michigan needs to keep up its strong momentum and continue to support its economic development arm the Michigan Economic Development Corporation.

In terms of Stage I, Labor, Taxes and Other Factors, Michigan ranked #10. Michigan had a strong showing relative to Average Teacher Compensation (A), Right-to-Work legislation (A), Workers Compensation (B), Corporate Tax (A), Individual Income Tax (B), Sales & Gross Receipt Tax (A), Regulatory Environment (B), Crime Rate (B), and Long-Term Budget Planning (B).

Michigan has some significant room for improvement in the categories of College Completion (D), College Funding Per-Student (F), Unemployment Insurance (F), Transportation Infrastructure (D), and Cost of Electricity (D).

In terms of Stage II, Incentives and Economic Development Agency Factors, Michigan ranked #22. The state has some catching up to do with its competition when it comes to Incentives (F), but they did score very high when it came to Marketing/Website/Response to new and existing employers (A).

THE 2015 POLLINA CORPORATE MOST IMPROVED PRO BUSINESS STATE

MICHIGAN			
STATE	2015 RANK	2013 RANK	CHANGE
Michigan	#10	#24	14

THE 2015 POLLINA CORPORATE MOST IMPROVED PRO-BUSINESS STATE

We examined the **Pollina Corporate Top 10 Pro-Business States** scores for all 50 states over a period of three years to determine which state has shown the most significant and consistent progress. By looking at three years' worth of data results, we eliminated states that might receive a one-time boost by making a change in a single program to improve their business climate. Instead, we looked for a consistent pattern over time and among multiple factors that resulted in a steady and consistent increase in rank. We set the standard high.

To make the Pollina Corporate Top 10 Pro-Business States Most Improved list, a state would have to move up in rank a minimum of ten places over the three-year comparison period. This ten-spot jump is necessary because an increase of ten spots is only possible with major changes being made to either multiple lower scored factors or a large scale change to a heavily weighted factor, such as restructuring corporate taxes or restructuring or creating a new set of incentive programs.

For 2015 the most improved state once again is Michigan #10. After five years of significant changes, Michigan is back on the Pollina Corporate Top 10. In 2011, Indiana #5 became the first Northern state to make the Top 10 since Michigan ranked #7 in 2004. Michigan moved from #32 in 2010 to #24 in 2013 and then to #10 in 2015, indicating a significant turnaround in the business climate of the state. It is important to give this state recognition for its extraordinary and consistent efforts.

Michigan's Most Improved State status reflects state political leadership that has come to grips with 21st century international competition for jobs and business investment. The rapid improvement of this state in the Pollina Corporate Top 10 Pro-Business States ranking reflects solid economic development planning and implementation along with consistent legislative political support. Michigan's political leaders have not been complacent and have had the daring necessary to make changes that have brought the state's rank up fourteen places in three years.

Looking at the data on Michigan (Appendix A) and the state's Report Card (Appendix B), some weakness still remain for Michigan to get back its position as one of the nation's greatest job generating states.

STATES THAT HAVE SHOWN GREATEST DROP IN RANK

As with the Most Improved State comparison, we also looked at the states that have shown the greatest drop in rank over the last three-year comparison period. Consequently, we eliminated states that might receive a one-time drop due to the deletion of a single program or increase in taxes. Examining three years of results also provides more of a consistent pattern over time and among multiple factors that resulted in a steady and consistent drop in rank. We set the standard high – a state would have to move down in rank a minimum of ten places or 20 percent over the three-year period.

We felt that these states, whose business climates are not keeping pace with their peers, deserve special notice so that their leadership can make appropriate corrections:

Greatest Three Year Drop In Rank

Arkansas	-13
Alaska	-13

V.

APPENDIX A

TOP 10 SELECTION PROCESS

The Pollina Corporate Top 10 Pro-Business States selection process is broken down into two stages: the first evaluated factors related to Labor, Taxes and Other Factors and the second examined factors related to Incentives and Economic Development Agency Factors. A perfect score would be 480 points, with a maximum of 320 for Stage I, Labor, Taxes and Other Factors and 160 points for Stage II, Incentives and Economic Development Agency Factors.

STAGE I – EVALUATIONS

Under Stage I, worth 67 percent of all possible points, all states were evaluated based on the data provided in Figures 12 – 30. Each factor was weighted, based on its potential impact on a corporation and based on the experience of the Pollina Corporate team of consultants. Stage I factors can be grouped into three major categories. The first category includes Labor-Related Factors, which are High School Graduation (Figure 12), College Completion (Figure 13), Average Teacher Compensation (Figure 14), State and Local Funding per Full-Time College Student (Figure 15), Unemployment Rate Index (Figure 16), Right-to-Work States (Figure 17), Unemployment Insurance (Figure 18), and Workers' Compensation (Figure 19). The second category, Tax-Related Factors, includes Corporate Tax (Figure 20), Individual Income Tax (Figure 21), Sales & Gross Receipts Tax (Figure 22), Inventory Personal Property Tax (Figure 23), and Property Tax (Figure 24). The third category, Other Factors, includes Regulatory Environment (Figure 25), Litigation Environment Index (Figure 26), Transportation Infrastructure Index (Figure 27), Average Cost of Electricity (Figure 28), Crime Rate Index Grades (Figure 29), and State Budget Planning (Figure 30).

Of the maximum 320 points that could be allocated to the three major categories of Stage I, the maximum percentage per category is as follows: Labor-Related Factors, 38 percent; Tax-Related Factors, 44 percent; and Other Factors, 18 percent. Individual factors within a category could be weighed considerably heavier than other category factors. For example, under Tax-Related Factors, factors such as Corporate Tax (Figure 20) is given more weight than other factors in the category. The Tax-Related Factors are all based on **The Tax Foundation's** 2015 State Business Tax Climate Index study.

There are two equally weighted sub-indexes that make up the Corporate Tax Index. One sub-index measures how taxes are structured and the other measures the composition of the business tax base. The composite score represents the state's corporate income tax index. The higher the score, the more neutral the state's corporate income tax is to the economic activities of incorporated businesses. Low scores reflect a poorly designed corporate tax code and an impediment to business.

The Individual Income Tax Index/Ranking (Figure 21) is also a significant factor as labor constitutes a major part of total business costs. Complicated high tax rates can have an adverse impact on labor availability and quality. Plus, S-Corporations, sole proprietorships, and partnerships report income on an individual basis. This index is comprised of top managerial tax rates, starting points of top brackets, number of brackets and average width of brackets. Tax bases for states are assessed on a number of factors, including how the tax code treats married couples, potential for double taxation, and if the code is indexed for inflation.

Sales and Gross Receipts Tax Index/Ranking (Figure 22) is comprised of the rate itself and the common categories of business-to-business transactions that may or may not be exempt, including agricultural products, services, machinery, computer software, and leased or rented items. Taxpayers are accustomed to point of sales tax on goods and services. Since these taxes vary from state-to-state and community to community, they can have an impact on business location and customer sales. Sales taxes levied on business-to-business transactions can have a significant impact on business location. If a company must pay a tax on raw materials, component parts, or equipment, the tax is passed on to their customers. This added tax may make the company less competitive. Unlike retail locations, which are heavily tied to specific markets, a community or a particular heavy traffic intersection, companies generally have wider geographic latitude. Since most businesses operate in more than one state, the more unique the tax rules and definitions are in a particular state, the more difficult and costly it is for businesses to comply.

The Unemployment Insurance Tax Index/Ranking (Figure 18) represents taxes paid by employers into a state program to provide benefits for recently unemployed workers. All states have such programs, and all are based on complex variable-rate formulas. Rates can also vary based on industry and the assets in the unemployment insurance fund. Failing businesses with large lay-offs generally pay higher rates that can contribute to their bankruptcy. This index is based on two sub-indexes. One index measures the tax base and the other the state tax rate, each weighted equally.

As can be seen from Figures 12 – 30, states were ranked by factor, and then points were allocated based on relative rank. In the case of Inventory Tax (Figure 23) and Right-To-Work States (Figure 17), where a limited number of states have such a tax or legislation, a state would lose points if it had a unitary or inventory tax, and receive additional points if it was a Right-to-Work state. For example, Right-to-Work states were allocated a higher number of points than might be lost as a result of a state having one of the other taxes. The Pollina Corporate team's experience with corporate executives shows clearly that Right-to-Work status is a significant positive factor when evaluating locations for manufacturing and distribution. Even states that may have low union activity are often eliminated from further consideration if the state is not a Right-to-Work state.

The combined Human Resource Index is an evaluation of a state's human capital based off four separate factors – High School Graduation (Figure 12), College Attainment (Figure 13), Average Teacher Compensation (Figure 14), and State Funding/College Student (Figure 15). These factors combine to reflect the education and skill level available in a state's workforce.

The Unemployment Rate Index (Figure 16), is taken from **The United States Department of Labor's** Unemployment Rates for States. This index measures the level of unemployment for each state and ranks them relative to each other.

The Regulatory Environment (Figure 25) factor information is provided by the **Mercatus Center at George Mason** and consists of the following categories of data: Tort Abuse, Property Right Protection, Health Insurance Labor Market, Occupational Licensing, Cable and Telecom, and Miscellaneous Regulatory.

Transportation Infrastructure Index Grades (Figure 27) is taken from **The Reason Foundation** – 21st Annual Report on the Performance of State Highway Systems. This index is based on eleven indicators that make up each state's overall rating and cover highway expenditures, pavement and bridge condition, urban congestion, fatality rates, and narrow lanes. The study is based on spending and performance data submitted to the federal government by the state highway agencies.

The Crime Rate Index (Figure 29) is taken from the **Federal Bureau of Investigation Report, Crime in the United States 2014**. This index compares Violent Crimes and Property Crimes per 100,000 inhabitants in a state.

State Long-Term Budget Planning (Figure 30) comes from the **Center on Budget and Policy Priorities** study that evaluates a states approach to their long-term budget planning. They rank the states on the degree to which they use ten proven tools to help states chart their fiscal course accurately and make mid-course corrections when needed. The ten tools in the report fall into three broad categories: 1) A roadmap of the budget's immediate and future impacts on the state's fiscal health; 2) Standards and oversight to guarantee that the budget's impacts are professional, credible, and prepared without political influence; and 3) Mechanisms in place to trigger any needed changes during the budget year.

All information used for the evaluation was taken from sources deemed reliable and the most current as of November 2015. Certainly, state legislators will continue to change legislation that could impact a state's ranking.

STAGE II – EVALUATIONS

The second stage, which received 33 percent or 160 points of the overall potential points, was based on a state's economic development programs (e.g., job training, tax abatement, grants), and the resources devoted to, and the professionalism of their economic development departments (Figure 31). The Pollina Corporate consultants all agree that next to labor and taxes, incentives have become the prime motivators in location decisions for most companies. While the tax climate has long been an important factor in how companies judge how pro-business a state is, increasingly, a state's incentive programs have become the deciding factor in where a company locates in the U.S., and often whether it locates abroad.

Each state's incentive programs were evaluated and compared to other states and then ranked. This portion of the analysis was most difficult, as each of the incentive programs of the 50 states had to be examined and evaluated based on their potential value to a corporation, their difficulty in applying for and qualifying for these programs, their flexibility, and any risk that could jeopardize future benefits. For example, as stated previously, some states refuse to provide written agreements that obligate the state to provide the incentives offered. Also, some states reserve the right to rescind programs at a later date, if the legislature so desires. These are certainly difficult concepts for business executives to deal with, especially since these states rarely identify these restrictions up front. In some cases, through negotiations, states will waive certain restrictions.

Each of the 50 state Economic Development agencies was evaluated based on their marketing efforts, including websites. Unfortunately, many states had very weak marketing efforts and, in some cases, virtually no effort was being made to expose the state to the national business community, much less the international community. States were also examined relative to how they responded to new companies looking at their state, and how existing companies within their state were dealt with when they requested assistance. It was found that the majority of states have no or very few programs for existing companies, and most state agencies devote little or no resources to contacting existing companies in their state in an effort to assist them. From a location consultant's perspective, states and communities without a strong retention program vastly underestimate the impact this has on job loss.

At the beginning of a site search, a website is often the first resource used to pre-qualify a state to determine if it warrants further consideration. A state's web presence can be its first impression on a potential business; and as the saying goes, "You never get a second chance to make a first impression." From a corporation's and its consultant's perspective, a state's website is a considerably more valuable tool for marketing than advertising.

If a company or its consultant is looking at a large geographic area that must be culled down quickly, a state's website may be its first and last opportunity to interest the company. In spite of the importance of websites in positioning a state to attract new employers and investment, our review of state websites found an extremely wide range of quality, both in the presentation of the site and especially in the content of the information presented. There were state websites that made it very clear that they were pro-business by providing the type of information a corporation needs to make a location decision. There were, however, far too many that were baffling as to the site's purpose. While every website emphasizes quality of life, some did so without providing any other critical information. This can show a lack of understanding of how corporations work and what they need to be successful.

Website factors examined:

1. *Ease of Navigation*
2. *Real Estate Information*
3. *Economic Information*
4. *Incentives Information*
5. *Workforce Information*
6. *Demographics Information*
7. *Quality of Life*

FIGURE 12

HIGH SCHOOL COMPLETION			
STATE	PERCENT	STATE	PERCENT
WYOMING	93.6	MISSOURI	89.0
MONTANA	93.2	NEW JERSEY	88.4
NEW HAMPSHIRE	92.6	VIRGINIA	88.3
MINNESOTA	92.2	DELAWARE	88.1
MAINE	92.1	ILLINOIS	87.9
NORTH DAKOTA	91.9	INDIANA	87.6
UTAH	91.6	FLORIDA	86.8
ALASKA	91.6	OKLAHOMA	86.7
IOWA	91.6	RHODE ISLAND	86.3
VERMONT	91.5	ARIZONA	85.8
SOUTH DAKOTA	91.3	NORTH CAROLINA	85.7
HAWAII	91.0	TENNESSEE	85.6
WISCONSIN	90.6	GEORGIA	85.6
NEBRASKA	90.6	NEW YORK	85.4
COLORADO	90.5	SOUTH CAROLINA	85.4
KANSAS	90.3	NEVADA	85.2
WASHINGTON	90.2	ALABAMA	84.9
MASSACHUSETTS	90.1	WEST VIRGINIA	84.6
CONNECTICUT	89.7	ARKANSAS	84.5
OREGON	89.6	KENTUCKY	83.9
IDAHO	89.4	NEW MEXICO	83.7
MICHIGAN	89.4	LOUISIANA	83.0
MARYLAND	89.3	MISSISSIPPI	82.3
PENNSYLVANIA	89.2	TEXAS	81.9
OHIO	89.1	CALIFORNIA	81.7

Percent of population, 25 years old and over, Completing High School or higher

Source: U.S. Census Bureau – QuickFacts: 2014

FIGURE 13

COLLEGE COMPLETION			
STATE	PERCENT	STATE	PERCENT
MASSACHUSETTS	40.1	MAINE	28.0
COLORADO	37.7	WISCONSIN	27.8
CONNECTICUT	37.5	NORTH DAKOTA	27.8
MARYLAND	37.3	TEXAS	27.5
NEW JERSEY	36.4	ARIZONA	27.5
VIRGINIA	36.1	FLORIDA	27.2
NEW HAMPSHIRE	35.1	WYOMING	27.1
VERMONT	34.2	MISSOURI	27.0
NEW YORK	33.9	MICHIGAN	26.9
MINNESOTA	33.6	NEW MEXICO	26.3
WASHINGTON	32.8	IDAHO	26.2
RHODE ISLAND	32.7	OHIO	26.0
ILLINOIS	32.3	IOWA	26.0
HAWAII	31.4	SOUTH DAKOTA	25.9
UTAH	31.3	SOUTH CAROLINA	25.9
CALIFORNIA	31.1	TENNESSEE	24.7
KANSAS	30.9	OKLAHOMA	24.0
OREGON	30.4	INDIANA	23.7
NEBRASKA	30.3	ALABAMA	23.5
DELAWARE	29.6	LOUISIANA	22.7
MONTANA	29.3	KENTUCKY	22.6
ALASKA	29.2	NEVADA	22.4
PENNSYLVANIA	28.6	ARKANSAS	20.6
GEORGIA	28.4	MISSISSIPPI	20.5
NORTH CAROLINA	28.3	WEST VIRGINIA	18.8

Percent of population, 25 years old and over who have a Bachelor's degree

Source: U.S. Census Bureau – QuickFacts: 2014

FIGURE 14

AVERAGE ANNUAL TEACHER SALARY PUBLIC ELEMENTARY AND SECONDARY SCHOOLS			
STATE	SALARY	STATE	SALARY
NEW YORK	76,566	ARIZONA	51,109
MASSACHUSETTS	73,736	IDAHO	50,945
CONNECTICUT	70,584	KENTUCKY	50,705
CALIFORNIA	70,126	UTAH	50,659
NEW JERSEY	70,060	COLORADO	50,651
ALASKA	66,739	INDIANA	50,644
MARYLAND	64,868	MONTANA	49,893
RHODE ISLAND	64,696	NEBRASKA	49,545
PENNSYLVANIA	64,072	TEXAS	49,270
MICHIGAN	61,866	VIRGINIA	49,233
DELAWARE	60,571	MAINE	49,232
ILLINOIS	60,124	NORTH DAKOTA	48,666
OREGON	58,597	SOUTH CAROLINA	48,425
WYOMING	57,910	ALABAMA	48,413
NEVADA	57,391	MISSOURI	48,329
OHIO	57,270	KANSAS	48,221
MINNESOTA	57,230	TENNESSEE	48,049
NEW HAMPSHIRE	57,057	ARKANSAS	46,950
HAWAII	56,291	FLORIDA	46,691
WISCONSIN	54,717	NEW MEXICO	45,727
VERMONT	53,656	WEST VIRGINIA	45,583
GEORGIA	52,924	NORTH CAROLINA	45,355
LOUISIANA	52,259	OKLAHOMA	44,277
WASHINGTON	52,236	MISSISSIPPI	42,187
IOWA	51,662	SOUTH DAKOTA	40,023

Source: Digest of Education Statistics, National Center for Education Statistics 2013 - 2014

FIGURE 15

STATE AND LOCAL FUNDING PER FULL-TIME COLLEGE STUDENT				
STATE	FY 2012		STATE	FY 2012
WYOMING	\$14,105		TENNESSEE	\$5,582
ALASKA	\$11,909		WEST VIRGINIA	\$5,575
NORTH CAROLINA	\$8,735		LOUISIANA	\$5,551
ILLINOIS	\$8,554		MASSACHUSETTS	\$5,259
TEXAS	\$7,938		RHODE ISLAND	\$5,226
NEW YORK	\$7,542		FLORIDA	\$5,130
NEW MEXICO	\$7,430		MISSOURI	\$4,984
CONNECTICUT	\$7,354		UTAH	\$4,830
OKLAHOMA	\$7,008		WASHINGTON	\$4,788
KENTUCKY	\$6,959		DELAWARE	\$4,663
NORTH DAKOTA	\$6,938		KANSAS	\$4,647
SOUTH DAKOTA	\$6,938		MINNESOTA	\$4,607
NEBRASKA	\$6,933		ARIZONA	\$4,567
HAWAII	\$6,898		SOUTH CAROLINA	\$4,515
ARKANSAS	\$6,873		IOWA	\$4,390
NEVADA	\$6,676		VIRGINIA	\$4,272
MARYLAND	\$6,668		INDIANA	\$4,258
GEORGIA	\$6,644		MICHIGAN	\$4,185
CALIFORNIA	\$6,577		MONTANA	\$4,007
MAINE	\$6,071		PENNSYLVANIA	\$3,875
NEW JERSEY	\$6,051		OREGON	\$3,851
MISSISSIPPI	\$6,033		OHIO	\$3,663
ALABAMA	\$5,855		COLORADO	\$2,551
IDAHO	\$5,661		VERMONT	\$2,512
WISCONSIN	\$5,639		NEW HAMPSHIRE	\$1,583

NOTE: Funds are for operating expenses. Student council based on full-time equivalents.

Source: State Higher Education Executive Officers
Barbara Hanson, USA Today, September 2013

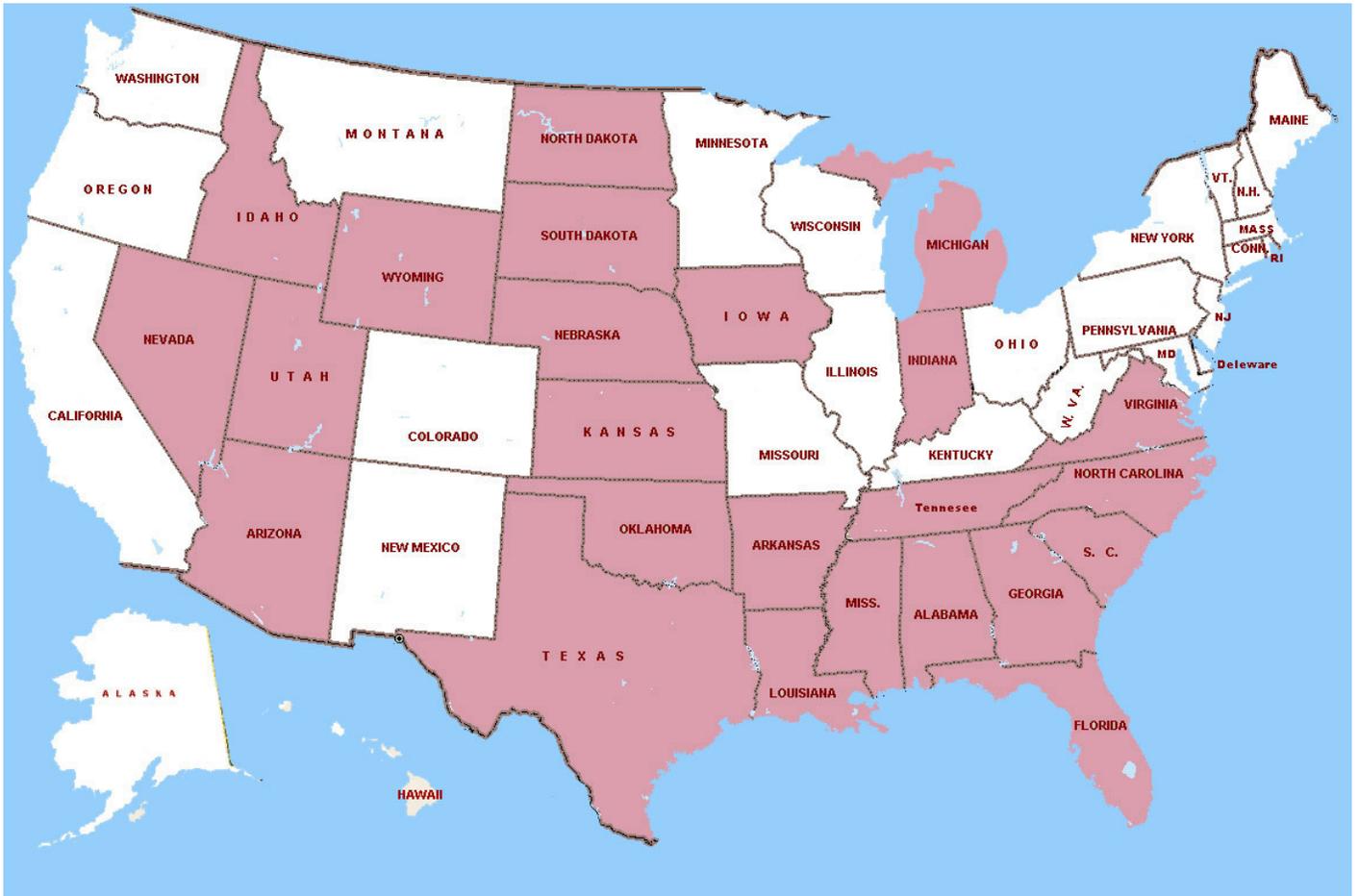
FIGURE 16

UNEMPLOYMENT RATE ANNUAL AVERAGE 2015			
STATE	RATE	STATE	RATE
NEBRASKA	2.8	KENTUCKY	5.2
NORTH DAKOTA	2.9	NEW YORK	5.2
HAWAII	3.5	CONNECTICUT	5.3
NEW HAMPSHIRE	3.6	FLORIDA	5.3
VERMONT	3.6	WASHINGTON	5.3
IOWA	3.7	ARKANSAS	5.4
SOUTH DAKOTA	3.7	PENNSYLVANIA	5.4
UTAH	3.7	ILLINOIS	5.6
MINNESOTA	4	MISSOURI	5.6
WYOMING	4	RHODE ISLAND	5.6
MONTANA	4.1	NEW JERSEY	5.7
TEXAS	4.1	TENNESSEE	5.7
COLORADO	4.2	GEORGIA	5.9
IDAHO	4.2	NORTH CAROLINA	5.9
MAINE	4.5	LOUISIANA	6
VIRGINIA	4.5	SOUTH CAROLINA	6
WISCONSIN	4.5	CALIFORNIA	6.1
INDIANA	4.6	OREGON	6.1
KANSAS	4.6	ALABAMA	6.2
OKLAHOMA	4.6	ARIZONA	6.3
MASSACHUSETTS	4.7	MISSISSIPPI	6.3
OHIO	4.7	ALASKA	6.6
DELAWARE	4.9	NEW MEXICO	6.7
MARYLAND	5.1	NEVADA	6.8
MICHIGAN	5.1	WEST VIRGINIA	7.6

Source: United States Department of Labor - Unemployment Rates for States August 2015

FIGURE 17

RIGHT TO WORK STATES



ALABAMA	NEBRASKA
ARIZONA	NEVADA
ARKANSAS	NORTH CAROLINA
FLORIDA	NORTH DAKOTA
GEORGIA	OKLAHOMA
IDAHO	SOUTH CAROLINA
INDIANA	SOUTH DAKOTA
IOWA	TENNESSEE
KANSAS	TEXAS
LOUISIANA	UTAH
MICHIGAN	VIRGINIA
MISSISSIPPI	WYOMING

FIGURE 18

UNEMPLOYMENT INSURANCE TAX INDEX RANKING				
STATE	RANK		STATE	RANK
OKLAHOMA	1		TENNESSEE	26
DELAWARE	2		WISCONSIN	27
FLORIDA	3		HAWAII	28
ARIZONA	4		MINNESOTA	29
OHIO	5		OREGON	30
LOUISIANA	6		NEW YORK	31
INDIANA	7		NEW JERSEY	32
MISSISSIPPI	8		IOWA	33
KANSAS	9		WYOMING	34
NEW MEXICO	10		COLORADO	35
NORTH CAROLINA	11		GEORGIA	36
MISSOURI	12		VIRGINIA	37
NEBRASKA	13		ILLINOIS	38
CALIFORNIA	14		ARKANSAS	39
TEXAS	15		SOUTH CAROLINA	40
NORTH DAKOTA	16		SOUTH DAKOTA	41
VERMONT	17		MAINE	42
MONTANA	18		NEVADA	43
WASHINGTON	19		NEW HAMPSHIRE	44
CONNECTICUT	20		KENTUCKY	45
MARYLAND	21		IDAHO	46
UTAH	22		MICHIGAN	47
WEST VIRGINIA	23		MASSACHUSETTS	48
ALASKA	24		RHODE ISLAND	49
ALABAMA	25		PENNSYLVANIA	50

Source: Tax Foundation, 2015 State Tax Climate Index

FIGURE 19

WORKERS' COMPENSATION COMPARATIVE COST RANK			
STATE	RANK	STATE	RANK
NORTH DAKOTA	1	SOUTH DAKOTA	26
INDIANA	2	IOWA	27
ARKANSAS	3	WISCONSIN	28
MASSACHUSETTS	4	TENNESSEE	29
VIRGINIA	5	MISSOURI	30
NEVADA	6	NEW MEXICO	31
UTAH	7	RHODE ISLAND	32
WEST VIRGINIA	8	MINNESOTA	33
OREGON	9	WASHINGTON	34
COLORADO	10	SOUTH CAROLINA	35
KENTUCKY	11	PENNSYLVANIA	36
KANSAS	12	IDAHO	37
MISSISSIPPI	13	MAINE	38
ARIZONA	14	NEW HAMPSHIRE	39
TEXAS	15	MONTANA	40
MARYLAND	16	LOUISIANA	41
MICHIGAN	17	DELAWARE	42
OHIO	18	VERMONT	43
GEORGIA	19	ILLINOIS	44
WYOMING	20	OKLAHOMA	45
NEBRASKA	21	ALASKA	46
ALABAMA	22	NEW YORK	47
FLORIDA	23	NEW JERSEY	48
HAWAII	24	CONNECTICUT	49
NORTH CAROLINA	25	CALIFORNIA	50

Source: Oregon Workers' Compensation Premium Rate Ranking, Oregon Dept. of Consumer and Business Services - October 2014

FIGURE 20

CORPORATE TAX RANKING				
STATE	RANK		STATE	RANK
NEVADA	1		OHIO	26
SOUTH DAKOTA	1		ALABAMA	27
WYOMING	1		WASHINGTON	28
MISSOURI	4		KENTUCKY	29
UTAH	5		ALASKA	30
VIRGINIA	6		NEBRASKA	31
OKLAHOMA	7		CONNECTICUT	32
GEORGIA	8		WISCONSIN	33
HAWAII	9		CALIFORNIA	34
MICHIGAN	10		NEW MEXICO	35
MISSISSIPPI	11		OREGON	36
COLORADO	12		MASSACHUSETTS	37
SOUTH CAROLINA	13		KANSAS	38
FLORIDA	14		TEXAS	39
TENNESSEE	15		ARKANSAS	40
MARYLAND	16		NEW JERSEY	41
WEST VIRGINIA	17		VERMONT	42
MONTANA	18		RHODE ISLAND	43
NORTH DAKOTA	19		MINNESOTA	44
NEW YORK	20		MAINE	45
IDAHO	21		PENNSYLVANIA	46
INDIANA	22		ILLINOIS	47
LOUISIANA	23		NEW HAMPSHIRE	48
ARIZONA	24		IOWA	49
NORTH CAROLINA	25		DELAWARE	50

The higher the Index Score, the higher the ranking

Source: Tax Foundation, 2015 State Business Tax Climate Index

FIGURE 21

INDIVIDUAL INCOME TAX RANKING			
STATE	RANK	STATE	RANK
ALASKA	1	WEST VIRGINIA	26
FLORIDA	1	LOUISIANA	27
NEVADA	1	ARKANSAS	28
SOUTH DAKOTA	1	MISSOURI	29
WYOMING	1	KENTUCKY	30
TEXAS	6	OREGON	31
WASHINGTON	6	IOWA	32
TENNESSEE	8	DELAWARE	33
NEW HAMPSHIRE	9	CONNECTICUT	34
INDIANA	10	NEW MEXICO	35
ILLINOIS	11	NORTH DAKOTA	36
UTAH	12	HAWAII	37
MASSACHUSETTS	13	RHODE ISLAND	38
MICHIGAN	14	VIRGINIA	39
NORTH CAROLINA	15	OKLAHOMA	40
COLORADO	16	SOUTH CAROLINA	41
PENNSYLVANIA	17	GEORGIA	42
KANSAS	18	WISCONSIN	43
ARIZONA	19	VERMONT	44
MONTANA	20	MARYLAND	45
MISSISSIPPI	21	MINNESOTA	46
MAINE	22	OHIO	47
ALABAMA	23	NEW JERSEY	48
IDAHO	24	NEW YORK	49
NEBRASKA	25	CALIFORNIA	50

Source: Tax Foundation, 2015 State Business Tax Climate Index

FIGURE 22

SALES AND GROSS RECEIPTS TAX RANKING				
STATE	RANK		STATE	RANK
DELAWARE	1		RHODE ISLAND	26
NEW HAMPSHIRE	2		NEBRASKA	27
MONTANA	3		MISSISSIPPI	28
OREGON	4		MISSOURI	29
ALASKA	5		KANSAS	30
VIRGINIA	6		CONNECTICUT	31
MICHIGAN	7		OHIO	32
MARYLAND	8		NORTH CAROLINA	33
MAINE	9		ILLINOIS	34
INDIANA	10		SOUTH DAKOTA	35
KENTUCKY	11		TEXAS	36
FLORIDA	12		MINNESOTA	37
WYOMING	13		OKLAHOMA	38
WISCONSIN	14		NEVADA	39
HAWAII	15		NEW YORK	40
VERMONT	16		ALABAMA	41
GEORGIA	17		CALIFORNIA	42
SOUTH CAROLINA	18		COLORADO	43
UTAH	19		ARKANSAS	44
NORTH DAKOTA	20		NEW MEXICO	45
MASSACHUSETTS	21		WASHINGTON	46
IDAHO	22		TENNESSEE	47
IOWA	23		NEW JERSEY	48
PENNSYLVANIA	24		ARIZONA	49
WEST VIRGINIA	25		LOUISIANA	50

Source: Tax Foundation, 2015 State Business Tax Climate Index

FIGURE 23

BUSINESS INVENTORY TAXATION	
STATE	
ALASKA	Partial
ARKANSAS	Yes
KENTUCKY	Yes
LOUISIANA	Yes
MARYLAND	Yes
MASSACHUSETTS	Partial
MICHIGAN	Partial
MISSISSIPPI	Yes
OKLAHOMA	Yes
TEXAS	Yes
VERMONT	Yes
VIRGINIA	Yes
WEST VIRGINIA	Yes

Source: Tax Foundation, 2015 State Business Tax Climate Index

FIGURE 24

PROPERTY TAX RANKING				
STATE	RANK		STATE	RANK
NEW MEXICO	1		VIRGINIA	26
NORTH DAKOTA	2		MICHIGAN	27
IDAHO	3		KANSAS	28
UTAH	4		NORTH CAROLINA	29
INDIANA	5		GEORGIA	30
ARIZONA	6		WISCONSIN	31
MISSOURI	7		ALASKA	32
MONTANA	8		MISSISSIPPI	33
NEVADA	9		MINNESOTA	34
ALABAMA	10		WYOMING	35
OKLAHOMA	11		TEXAS	36
HAWAII	12		TENNESSEE	37
DELAWARE	13		IOWA	38
CALIFORNIA	14		NEBRASKA	39
OREGON	15		MAINE	40
FLORIDA	16		MARYLAND	41
KENTUCKY	17		PENNSYLVANIA	42
SOUTH DAKOTA	18		NEW HAMPSHIRE	43
ARKANSAS	19		ILLINOIS	44
OHIO	20		MASSACHUSETTS	45
SOUTH CAROLINA	21		NEW YORK	46
COLORADO	22		RHODE ISLAND	47
WASHINGTON	23		VERMONT	48
LOUISIANA	24		CONNECTICUT	49
WEST VIRGINIA	25		NEW JERSEY	50

Source: Tax Foundation, 2015 State Business Tax Climate Index

FIGURE 25

REGULATORY ENVIRONMENT RANKING				
STATE	RANK		STATE	RANK
INDIANA	1		MISSOURI	26
DELAWARE	2		NEW HAMPSHIRE	27
IOWA	3		ALASKA	28
NORTH DAKOTA	4		VERMONT	29
NEBRASKA	5		OREGON	30
SOUTH DAKOTA	6		PENNSYLVANIA	31
UTAH	7		FLORIDA	32
IDAHO	8		CONNECTICUT	33
VIRGINIA	9		KENTUCKY	34
KANSAS	10		MONTANA	35
WYOMING	11		MASSACHUSETTS	36
TENNESSEE	12		WASHINGTON	37
ARIZONA	13		ALABAMA	38
NORTH CAROLINA	14		NEW MEXICO	39
WISCONSIN	15		ARKANSAS	40
GEORGIA	16		HAWAII	41
OKLAHOMA	17		ILLINOIS	42
MINNESOTA	18		RHODE ISLAND	43
MICHIGAN	19		MARYLAND	44
NEVADA	20		MISSISSIPPI	45
OHIO	21		LOUISIANA	46
COLORADO	22		NEW YORK	47
SOUTH CAROLINA	23		NEW JERSEY	48
TEXAS	24		WEST VIRGINIA	49
MAINE	25		CALIFORNIA	50

Source: *Freedom in the 50 States, 2014 Regulatory Environment* - Mercatus Center at George Mason University

FIGURE 26

LITIGATION ENVIRONMENT RANKING			
STATE	RANK	STATE	RANK
DELAWARE	1	RHODE ISLAND	26
VERMONT	2	OHIO	27
NEBRASKA	3	MARYLAND	28
IOWA	4	WASHINGTON	29
NEW HAMPSHIRE	5	HAWAII	30
IDAHO	6	GEORGIA	31
NORTH CAROLINA	7	OREGON	32
WYOMING	8	OKLAHOMA	33
SOUTH DAKOTA	9	MONTANA	34
UTAH	10	NEVADA	35
VIRGINIA	11	SOUTH CAROLINA	36
ALASKA	12	PENNSYLVANIA	37
MINNESOTA	13	NEW JERSEY	38
MAINE	14	KENTUCKY	39
NORTH DAKOTA	15	TEXAS	40
COLORADO	16	ARKANSAS	41
MASSACHUSETTS	17	MISSOURI	42
INDIANA	18	MISSISSIPPI	43
KANSAS	19	FLORIDA	44
WISCONSIN	20	NEW MEXICO	45
NEW YORK	21	ALABAMA	46
CONNECTICUT	22	CALIFORNIA	47
TENNESSEE	23	ILLINOIS	48
MICHIGAN	24	LOUISIANA	49
ARIZONA	25	WEST VIRGINIA	50

Source: Institute for Legal Reform – Lawsuit Climate 2015

FIGURE 27

TRANSPORTATION INFRASTRUCTURE RANKING				
STATE	RANK		STATE	RANK
WYOMING	1		OREGON	26
NEBRASKA	2		ILLINOIS	27
SOUTH DAKOTA	3		MINNESOTA	28
SOUTH CAROLINA	4		UTAH	29
KANSAS	5		IDAHO	30
NORTH DAKOTA	6		FLORIDA	31
NEW MEXICO	7		MICHIGAN	32
MISSISSIPPI	8		COLORADO	33
MONTANA	9		WEST VIRGINIA	34
KENTUCKY	10		ARKANSAS	35
TEXAS	11		INDIANA	36
MISSOURI	12		DELAWARE	37
GEORGIA	13		VERMONT	38
OHIO	14		MARYLAND	39
WISCONSIN	15		LOUISIANA	40
MAINE	16		PENNSYLVANIA	41
TENNESSEE	17		WASHINGTON	42
IOWA	18		NEW YORK	43
ARIZONA	19		CONNECTICUT	44
NORTH CAROLINA	20		CALIFORNIA	45
ALABAMA	21		MASSACHUSETTS	46
OKLAHOMA	22		RHODE ISLAND	47
NEW HAMPSHIRE	23		NEW JERSEY	48
NEVADA	24		ALASKA	49
VIRGINIA	25		HAWAII	50

Source: Reason Foundation – 21th Annual Report on the Performance of State Highway Systems

FIGURE 28

AVERAGE COST OF ELECTRICITY INDUSTRIAL USER BY STATE (CENTS PER KWH)			
STATE	CENTS/KWH	STATE	CENTS/KWH
WASHINGTON	4.61	TENNESSEE	7.31
LOUISIANA	5.2	COLORADO	7.42
TEXAS	5.65	MAINE	7.5
KENTUCKY	5.68	MISSOURI	7.51
OKLAHOMA	5.72	SOUTH DAKOTA	7.56
MONTANA	5.85	DELAWARE	7.62
NEW YORK	6.15	KANSAS	7.65
WEST VIRGINIA	6.18	MINNESOTA	7.69
SOUTH CAROLINA	6.29	MARYLAND	7.91
OREGON	6.41	GEORGIA	7.94
ILLINOIS	6.44	MICHIGAN	8.06
NEW MEXICO	6.62	WISCONSIN	8.18
WYOMING	6.7	NEBRASKA	8.34
INDIANA	6.72	NORTH DAKOTA	8.4
ARKANSAS	6.81	FLORIDA	8.58
ALABAMA	6.82	NEVADA	9.28
ARIZONA	6.97	VERMONT	10.25
VIRGINIA	7	NEW JERSEY	11.38
UTAH	7.02	NEW HAMPSHIRE	11.74
NORTH CAROLINA	7.05	RHODE ISLAND	11.96
MISSISSIPPI	7.1	CONNECTICUT	12.19
PENNSYLVANIA	7.15	MASSACHUSETTS	12.87
IDAHO	7.17	CALIFORNIA	13.3
IOWA	7.29	ALASKA	15.48
OHIO	7.29	HAWAII	23.46

Source: U.S. Energy Information Administration - Average Retail Price of Electricity to Ultimate Customers by State
Year to date July 2015

FIGURE 29

CRIME RATE GRADES			
STATE	SCORE	STATE	SCORE
RHODE ISLAND	1,521.00	MARYLAND	2,953.00
VERMONT	1,623.00	INDIANA	3,014.00
NEW JERSEY	1,995.00	KANSAS	3,083.00
IDAHO	2,067.00	OHIO	3,084.00
NEW YORK	2,100.00	UTAH	3,094.00
MAINE	2,114.00	OREGON	3,111.00
VIRGINIA	2,126.00	MISSISSIPPI	3,199.00
CONNECTICUT	2,157.00	NORTH CAROLINA	3,202.00
NEW HAMPSHIRE	2,158.00	NEVADA	3,261.00
WYOMING	2,160.00	HAWAII	3,309.00
SOUTH DAKOTA	2,190.00	MISSOURI	3,349.00
PENNSYLVANIA	2,245.00	ALASKA	3,395.00
MASSACHUSETTS	2,248.00	OKLAHOMA	3,396.00
WEST VIRGINIA	2,336.00	TEXAS	3,425.00
IOWA	2,367.00	DELAWARE	3,471.00
NORTH DAKOTA	2,375.00	ARIZONA	3,597.00
WISCONSIN	2,378.00	ALABAMA	3,605.00
ILLINOIS	2,445.00	GEORGIA	3,658.00
KENTUCKY	2,458.00	TENNESSEE	3,669.00
MICHIGAN	2,471.00	ARKANSAS	3,818.00
MINNESOTA	2,526.00	FLORIDA	3,956.00
MONTANA	2,796.00	SOUTH CAROLINA	3,958.00
NEBRASKA	2,803.00	LOUISIANA	3,973.00
CALIFORNIA	2,837.00	WASHINGTON	3,991.00
COLORADO	2,839.00	NEW MEXICO	4,139.00

Indicates total Violent and Property Crimes per 100k People

Source: Federal Bureau of Investigations – Crime in the United States 2014

FIGURE 30

STATE LONG-TERM BUDGET PLANNING				
STATE	RANK		STATE	RANK
CONNECTICUT	1		MISSISSIPPI	24
MARYLAND	2		MISSOURI	24
TENNESSEE	2		OHIO	24
LOUISIANA	4		PENNSYLVANIA	24
WASHINGTON	4		TEXAS	24
MAINE	6		VIRGINIA	24
NEBRASKA	6		CALIFORNIA	33
NEVADA	6		IDAHO	33
NEW YORK	6		NORTH DAKOTA	33
VERMONT	6		SOUTH CAROLINA	33
WYOMING	6		HAWAII	37
ARIZONA	12		INDIANA	37
FLORIDA	12		IOWA	37
NORTH CAROLINA	12		MASSACHUSETTS	37
OREGON	12		NEW HAMPSHIRE	37
RHODE ISLAND	12		NEW MEXICO	37
DELAWARE	17		WEST VIRGINIA	37
KANSAS	17		ALABAMA	44
MICHIGAN	17		ARKANSAS	44
MINNESOTA	17		COLORADO	44
UTAH	17		ILLINOIS	44
WISCONSIN	17		MONTANA	44
ALASKA	24		NEW JERSEY	49
GEORGIA	24		OKLAHOMA	50
KENTUCKY	24		SOUTH DAKOTA	50

Source: Center on Budget and Policy Priorities: *Budgets for the Future: Fiscal Planning Tool Can Show the Way* – February 2014

FIGURE 31

STATE ECONOMIC DEVELOPMENT INCENTIVE PROGRAMS AND DEPARTMENT EVALUATION CRITERIA	
INCENTIVE PROGRAMS EXAMINED	DEPARTMENT EVALUATIONS
Cash grants	Certified economic developers
Low-interest and forgivable loans	Member of International Economic Development Council
Investment tax credits	Marketing efforts
Job-creation tax credits	Ability to respond to new companies considering the state
Job training	Ability to respond to existing companies' needs (retention)
Property tax abatement	State economic development web site
Growth and Retention Incentives	
Zones (e.g., enterprise, renaissance, keystone)	
Other incentive programs	

VI.

APPENDIX B

2015 STATE REPORT CARDS



**ALABAMA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	F	Crime Rate Grade	F
College Completion	F	Long-Term Budget Planning	F
Average Teachers Compensation	D		
Funding/College Student	C		
Unemployment Rate	F	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	C	Incentives (9 factors)	A
Workers Compensation	C	Marketing/Website/Response to new & existing employers (4 factors)	A
Corporate Tax Index	C		
Individual Tax Index	C		
Sales & Gross Receipt Tax	F	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	A	2015	C
Regulatory Environment	D	2014	B
Litigation Environment	F	2013	A
Transportation Infrastructure	C	2012	B
Cost of Electricity	B	2011	B

**ALASKA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	A	Crime Rate Grade	D
College Completion	C	Long-Term Budget Planning	C
Average Teachers Compensation	A		
Funding/College Student	A		
Unemployment Rate	F	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	C	Incentives (9 factors)	F
Workers Compensation	F	Marketing/Website/Response to new & existing employers (4 factors)	F
Corporate Tax Index	C		
Individual Tax Index	A		
Sales & Gross Receipt Tax	A	OVERALL GRADE	
Business Inventory Tax	C		
Property Tax	D	2015	F
Regulatory Environment	C	2014	C
Litigation Environment	B	2013	C
Transportation Infrastructure	F	2012	D
Cost of Electricity	F	2011	D

**ARIZONA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	D	Crime Rate Grade	F
College Completion	C	Long-Term Budget Planning	B
Average Teachers Compensation	C		
Funding/College Student	D		
Unemployment Rate	F	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	A	Incentives (9 factors)	D
Workers Compensation	B	Marketing/Website/Response to new & existing employers (4 factors)	B
Corporate Tax Index	C		
Individual Tax Index	B		
Sales & Gross Receipt Tax	F	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	A	2015	B
Regulatory Environment	B	2014	B
Litigation Environment	C	2013	C
Transportation Infrastructure	B	2012	B
Cost of Electricity	B	2011	C

**ARKANSAS REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	F	Crime Rate Grade	F
College Completion	F	Long-Term Budget Planning	F
Average Teachers Compensation	F		
Funding/College Student	B		
Unemployment Rate	D	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	D	Incentives (9 factors)	A
Workers Compensation	A	Marketing/Website/Response to new & existing employers (4 factors)	C
Corporate Tax Index	D		
Individual Tax Index	C		
Sales & Gross Receipt Tax	F	OVERALL GRADE	
Business Inventory Tax	F		
Property Tax	B	2015	D
Regulatory Environment	D	2014	C
Litigation Environment	F	2013	C
Transportation Infrastructure	D	2012	C
Cost of Electricity	B	2011	D

**CALIFORNIA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	F	Crime Rate Grade	C
College Completion	B	Long-Term Budget Planning	D
Average Teachers Compensation	A		
Funding/College Student	B		
Unemployment Rate	F	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	B	Incentives (9 factors)	F
Workers Compensation	F	Marketing/Website/Response to new & existing employers (4 factors)	F
Corporate Tax Index	D		
Individual Tax Index	F		
Sales & Gross Receipt Tax	F	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	B	2015	F
Regulatory Environment	F	2014	F
Litigation Environment	F	2013	F
Transportation Infrastructure	F	2012	F
Cost of Electricity	F	2011	F

**COLORADO REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	B	Crime Rate Grade	C
College Completion	A	Long-Term Budget Planning	F
Average Teachers Compensation	C		
Funding/College Student	F		
Unemployment Rate	B	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	D	Incentives (9 factors)	B
Workers Compensation	A	Marketing/Website/Response to new & existing employers (4 factors)	B
Corporate Tax Index	B		
Individual Tax Index	B		
Sales & Gross Receipt Tax	F	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	C	2015	C
Regulatory Environment	C	2014	C
Litigation Environment	B	2013	C
Transportation Infrastructure	D	2012	C
Cost of Electricity	C	2011	B

**CONNECTICUT REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	B	Crime Rate Grade	A
College Completion	A	Long-Term Budget Planning	A
Average Teachers Compensation	A		
Funding/College Student	A		
Unemployment Rate	C	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	B	Incentives (9 factors)	B
Workers Compensation	F	Marketing/Website/Response to new & existing employers (4 factors)	D
Corporate Tax Index	D		
Individual Tax Index	D		
Sales & Gross Receipt Tax	D	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	F	2015	D
Regulatory Environment	D	2014	F
Litigation Environment	C	2013	D
Transportation Infrastructure	F	2012	D
Cost of Electricity	F	2011	D

**DELAWARE REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	C	Crime Rate Grade	D
College Completion	B	Long-Term Budget Planning	B
Average Teachers Compensation	B		
Funding/College Student	D		
Unemployment Rate	C	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	A	Incentives (9 factors)	C
Workers Compensation	F	Marketing/Website/Response to new & existing employers (4 factors)	F
Corporate Tax Index	F		
Individual Tax Index	D		
Sales & Gross Receipt Tax	A	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	B	2015	D
Regulatory Environment	A	2014	C
Litigation Environment	A	2013	C
Transportation Infrastructure	D	2012	C
Cost of Electricity	D	2011	C

**FLORIDA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	D	Crime Rate Grade	F
College Completion	D	Long-Term Budget Planning	B
Average Teachers Compensation	F		
Funding/College Student	D		
Unemployment Rate	C	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	A	Incentives (9 factors)	C
Workers Compensation	C	Marketing/Website/Response to new & existing employers (4 factors)	B
Corporate Tax Index	B		
Individual Tax Index	A		
Sales & Gross Receipt Tax	B	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	B	2015	B
Regulatory Environment	D	2014	B
Litigation Environment	F	2013	B
Transportation Infrastructure	D	2012	B
Cost of Electricity	D	2011	B

**GEORGIA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	D	Crime Rate Grade	F
College Completion	C	Long-Term Budget Planning	C
Average Teachers Compensation	C		
Funding/College Student	B		
Unemployment Rate	D	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	D	Incentives (9 factors)	B
Workers Compensation	B	Marketing/Website/Response to new & existing employers (4 factors)	B
Corporate Tax Index	A		
Individual Tax Index	F		
Sales & Gross Receipt Tax	B	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	C	2015	B
Regulatory Environment	B	2014	B
Litigation Environment	D	2013	B
Transportation Infrastructure	B	2012	B
Cost of Electricity	D	2011	B

HAWAII REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	B	Crime Rate Grade	D
College Completion	B	Long-Term Budget Planning	D
Average Teachers Compensation	B		
Funding/College Student	B		
Unemployment Rate	A	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	C	Incentives (9 factors)	F
Workers Compensation	C	Marketing/Website/Response to new & existing employers (4 factors)	F
Corporate Tax Index	A		
Individual Tax Index	D		
Sales & Gross Receipt Tax	B	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	B	2015	D
Regulatory Environment	F	2014	C
Litigation Environment	C	2013	D
Transportation Infrastructure	F	2012	F
Cost of Electricity	F	2011	C

IDAHO REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	C	Crime Rate Grade	A
College Completion	D	Long-Term Budget Planning	D
Average Teachers Compensation	C		
Funding/College Student	C		
Unemployment Rate	B	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	F	Incentives (9 factors)	B
Workers Compensation	D	Marketing/Website/Response to new & existing employers (4 factors)	F
Corporate Tax Index	C		
Individual Tax Index	C		
Sales & Gross Receipt Tax	C	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	A	2015	B
Regulatory Environment	A	2014	B
Litigation Environment	A	2013	B
Transportation Infrastructure	C	2012	B
Cost of Electricity	C	2011	B

**ILLINOIS REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	C	Crime Rate Grade	B
College Completion	B	Long-Term Budget Planning	F
Average Teachers Compensation	B		
Funding/College Student	A		
Unemployment Rate	D	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	D	Incentives (9 factors)	C
Workers Compensation	F	Marketing/Website/Response to new & existing employers (4 factors)	D
Corporate Tax Index	F		
Individual Tax Index	B		
Sales & Gross Receipt Tax	D	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	F	2015	F
Regulatory Environment	F	2014	F
Litigation Environment	F	2013	F
Transportation Infrastructure	C	2012	F
Cost of Electricity	B	2011	F

**INDIANA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	D	Crime Rate Grade	C
College Completion	F	Long-Term Budget Planning	D
Average Teachers Compensation	D		
Funding/College Student	F		
Unemployment Rate	B	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	A	Incentives (9 factors)	B
Workers Compensation	A	Marketing/Website/Response to new & existing employers (4 factors)	B
Corporate Tax Index	C		
Individual Tax Index	A		
Sales & Gross Receipt Tax	A	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	A	2015	A
Regulatory Environment	A	2014	A
Litigation Environment	B	2013	A
Transportation Infrastructure	D	2012	A
Cost of Electricity	B	2011	A

**IOWA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	A	Crime Rate Grade	B
College Completion	D	Long-Term Budget Planning	D
Average Teachers Compensation	C		
Funding/College Student	D		
Unemployment Rate	A	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	D	Incentives (9 factors)	D
Workers Compensation	C	Marketing/Website/Response to new & existing employers (4 factors)	B
Corporate Tax Index	F		
Individual Tax Index	D		
Sales & Gross Receipt Tax	C	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	D	2015	B
Regulatory Environment	A	2014	B
Litigation Environment	A	2013	C
Transportation Infrastructure	B	2012	C
Cost of Electricity	C	2011	B

**KANSAS REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	B	Crime Rate Grade	C
College Completion	B	Long-Term Budget Planning	B
Average Teachers Compensation	F		
Funding/College Student	D		
Unemployment Rate	B	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	A	Incentives (9 factors)	A
Workers Compensation	B	Marketing/Website/Response to new & existing employers (4 factors)	B
Corporate Tax Index	D		
Individual Tax Index	B		
Sales & Gross Receipt Tax	C	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	C	2015	A
Regulatory Environment	A	2014	A
Litigation Environment	B	2013	A
Transportation Infrastructure	A	2012	A
Cost of Electricity	D	2011	A

KENTUCKY REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	F	Crime Rate Grade	B
College Completion	F	Long-Term Budget Planning	C
Average Teachers Compensation	C		
Funding/College Student	A		
Unemployment Rate	C	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	F	Incentives (9 factors)	B
Workers Compensation	B	Marketing/Website/Response to new & existing employers (4 factors)	A
Corporate Tax Index	C		
Individual Tax Index	C		
Sales & Gross Receipt Tax	B	OVERALL GRADE	
Business Inventory Tax	F		
Property Tax	B	2015	C
Regulatory Environment	D	2014	C
Litigation Environment	D	2013	D
Transportation Infrastructure	A	2012	C
Cost of Electricity	A	2011	F

LOUISIANA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	F	Crime Rate Grade	F
College Completion	F	Long-Term Budget Planning	A
Average Teachers Compensation	C		
Funding/College Student	C		
Unemployment Rate	D	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	A	Incentives (9 factors)	A
Workers Compensation	F	Marketing/Website/Response to new & existing employers (4 factors)	A
Corporate Tax Index	C		
Individual Tax Index	C		
Sales & Gross Receipt Tax	F	OVERALL GRADE	
Business Inventory Tax	F		
Property Tax	C	2015	C
Regulatory Environment	F	2014	B
Litigation Environment	F	2013	B
Transportation Infrastructure	D	2012	B
Cost of Electricity	A	2011	B

**MAINE REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	A	Crime Rate Grade	A
College Completion	C	Long-Term Budget Planning	A
Average Teachers Compensation	D		
Funding/College Student	B		
Unemployment Rate	B	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	F	Incentives (9 factors)	C
Workers Compensation	D	Marketing/Website/Response to new & existing employers (4 factors)	F
Corporate Tax Index	F		
Individual Tax Index	C		
Sales & Gross Receipt Tax	A	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	D	2015	D
Regulatory Environment	C	2014	F
Litigation Environment	B	2013	F
Transportation Infrastructure	B	2012	D
Cost of Electricity	C	2011	F

**MARYLAND REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	C	Crime Rate Grade	C
College Completion	A	Long-Term Budget Planning	A
Average Teachers Compensation	A		
Funding/College Student	B		
Unemployment Rate	C	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	C	Incentives (9 factors)	C
Workers Compensation	B	Marketing/Website/Response to new & existing employers (4 factors)	D
Corporate Tax Index	B		
Individual Tax Index	F		
Sales & Gross Receipt Tax	A	OVERALL GRADE	
Business Inventory Tax	F		
Property Tax	F	2015	D
Regulatory Environment	F	2014	C
Litigation Environment	C	2013	D
Transportation Infrastructure	D	2012	D
Cost of Electricity	D	2011	D

**MASSACHUSETTS REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	B	Crime Rate Grade	B
College Completion	A	Long-Term Budget Planning	D
Average Teachers Compensation	A		
Funding/College Student	C		
Unemployment Rate	C	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	F	Incentives (9 factors)	C
Workers Compensation	A	Marketing/Website/Response to new & existing employers (4 factors)	F
Corporate Tax Index	D		
Individual Tax Index	B		
Sales & Gross Receipt Tax	C	OVERALL GRADE	
Business Inventory Tax	C		
Property Tax	F	2015	F
Regulatory Environment	D	2014	C
Litigation Environment	B	2013	F
Transportation Infrastructure	F	2012	F
Cost of Electricity	F	2011	F

**MICHIGAN REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	C	Crime Rate Grade	B
College Completion	D	Long-Term Budget Planning	B
Average Teachers Compensation	A		
Funding/College Student	F		
Unemployment Rate	C	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	F	Incentives (9 factors)	F
Workers Compensation	B	Marketing/Website/Response to new & existing employers (4 factors)	A
Corporate Tax Index	A		
Individual Tax Index	B		
Sales & Gross Receipt Tax	A	OVERALL GRADE	
Business Inventory Tax	C		
Property Tax	C	2015	A
Regulatory Environment	B	2014	B
Litigation Environment	C	2013	C
Transportation Infrastructure	D	2012	D
Cost of Electricity	D	2011	C

**MINNESOTA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	A	Crime Rate Grade	C
College Completion	A	Long-Term Budget Planning	B
Average Teachers Compensation	B		
Funding/College Student	D		
Unemployment Rate	A	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	C	Incentives (9 factors)	F
Workers Compensation	D	Marketing/Website/Response to new & existing employers (4 factors)	D
Corporate Tax Index	F		
Individual Tax Index	F		
Sales & Gross Receipt Tax	D	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	D	2015	F
Regulatory Environment	B	2014	D
Litigation Environment	B	2013	F
Transportation Infrastructure	C	2012	F
Cost of Electricity	D	2011	D

**MISSISSIPPI REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	F	Crime Rate Grade	D
College Completion	F	Long-Term Budget Planning	C
Average Teachers Compensation	F		
Funding/College Student	C		
Unemployment Rate	F	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	A	Incentives (9 factors)	A
Workers Compensation	B	Marketing/Website/Response to new & existing employers (4 factors)	C
Corporate Tax Index	B		
Individual Tax Index	C		
Sales & Gross Receipt Tax	C	OVERALL GRADE	
Business Inventory Tax	F		
Property Tax	D	2015	C
Regulatory Environment	F	2014	B
Litigation Environment	F	2013	B
Transportation Infrastructure	A	2012	B
Cost of Electricity	C	2011	C

**MISSOURI REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	C	Crime Rate Grade	D
College Completion	D	Long-Term Budget Planning	C
Average Teachers Compensation	D		
Funding/College Student	D		
Unemployment Rate	D	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	B	Incentives (9 factors)	A
Workers Compensation	C	Marketing/Website/Response to new & existing employers (4 factors)	A
Corporate Tax Index	A		
Individual Tax Index	C		
Sales & Gross Receipt Tax	C	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	A	2015	A
Regulatory Environment	C	2014	A
Litigation Environment	F	2013	A
Transportation Infrastructure	B	2012	A
Cost of Electricity	C	2011	A

**MONTANA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	A	Crime Rate Grade	C
College Completion	C	Long-Term Budget Planning	F
Average Teachers Compensation	D		
Funding/College Student	F		
Unemployment Rate	B	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	B	Incentives (9 factors)	D
Workers Compensation	D	Marketing/Website/Response to new & existing employers (4 factors)	D
Corporate Tax Index	B		
Individual Tax Index	B		
Sales & Gross Receipt Tax	A	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	A	2015	C
Regulatory Environment	D	2014	B
Litigation Environment	D	2013	B
Transportation Infrastructure	A	2012	C
Cost of Electricity	A	2011	B

**NEBRASKA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	B	Crime Rate Grade	C
College Completion	B	Long-Term Budget Planning	A
Average Teachers Compensation	D		
Funding/College Student	B		
Unemployment Rate	A	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	B	Incentives (9 factors)	A
Workers Compensation	C	Marketing/Website/Response to new & existing employers (4 factors)	A
Corporate Tax Index	D		
Individual Tax Index	C		
Sales & Gross Receipt Tax	C	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	D	2015	A
Regulatory Environment	A	2014	A
Litigation Environment	A	2013	A
Transportation Infrastructure	A	2012	A
Cost of Electricity	D	2011	A

**NEVADA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	F	Crime Rate Grade	D
College Completion	F	Long-Term Budget Planning	A
Average Teachers Compensation	B		
Funding/College Student	B		
Unemployment Rate	F	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	F	Incentives (9 factors)	F
Workers Compensation	A	Marketing/Website/Response to new & existing employers (4 factors)	D
Corporate Tax Index	A		
Individual Tax Index	A		
Sales & Gross Receipt Tax	D	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	A	2015	C
Regulatory Environment	B	2014	B
Litigation Environment	D	2013	C
Transportation Infrastructure	C	2012	D
Cost of Electricity	F	2011	C

**NEW HAMPSHIRE REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	A	Crime Rate Grade	A
College Completion	A	Long-Term Budget Planning	D
Average Teachers Compensation	B		
Funding/College Student	F		
Unemployment Rate	A	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	F	Incentives (9 factors)	F
Workers Compensation	D	Marketing/Website/Response to new & existing employers (4 factors)	D
Corporate Tax Index	F		
Individual Tax Index	A		
Sales & Gross Receipt Tax	A	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	F	2015	D
Regulatory Environment	C	2014	C
Litigation Environment	A	2013	F
Transportation Infrastructure	C	2012	D
Cost of Electricity	F	2011	D

**NEW JERSEY REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	C	Crime Rate Grade	A
College Completion	A	Long-Term Budget Planning	F
Average Teachers Compensation	A		
Funding/College Student	C		
Unemployment Rate	D	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	D	Incentives (9 factors)	C
Workers Compensation	F	Marketing/Website/Response to new & existing employers (4 factors)	C
Corporate Tax Index	F		
Individual Tax Index	F		
Sales & Gross Receipt Tax	F	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	F	2015	F
Regulatory Environment	F	2014	F
Litigation Environment	D	2013	F
Transportation Infrastructure	F	2012	F
Cost of Electricity	F	2011	F

**NEW MEXICO REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	F	Crime Rate Grade	F
College Completion	D	Long-Term Budget Planning	D
Average Teachers Compensation	F		
Funding/College Student	A		
Unemployment Rate	F	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	A	Incentives (9 factors)	B
Workers Compensation	D	Marketing/Website/Response to new & existing employers (4 factors)	A
Corporate Tax Index	D		
Individual Tax Index	D		
Sales & Gross Receipt Tax	F	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	A	2015	D
Regulatory Environment	D	2014	C
Litigation Environment	F	2013	C
Transportation Infrastructure	A	2012	C
Cost of Electricity	B	2011	D

**NEW YORK REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	D	Crime Rate Grade	A
College Completion	A	Long-Term Budget Planning	A
Average Teachers Compensation	A		
Funding/College Student	A		
Unemployment Rate	C	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	D	Incentives (9 factors)	A
Workers Compensation	F	Marketing/Website/Response to new & existing employers (4 factors)	C
Corporate Tax Index	B		
Individual Tax Index	F		
Sales & Gross Receipt Tax	D	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	F	2015	C
Regulatory Environment	F	2014	C
Litigation Environment	C	2013	D
Transportation Infrastructure	F	2012	D
Cost of Electricity	A	2011	D

**NORTH CAROLINA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	D	Crime Rate Grade	D
College Completion	C	Long-Term Budget Planning	B
Average Teachers Compensation	F		
Funding/College Student	A		
Unemployment Rate	D	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	B	Incentives (9 factors)	A
Workers Compensation	C	Marketing/Website/Response to new & existing employers (4 factors)	B
Corporate Tax Index	C		
Individual Tax Index	B		
Sales & Gross Receipt Tax	D	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	C	2015	A
Regulatory Environment	B	2014	B
Litigation Environment	A	2013	B
Transportation Infrastructure	B	2012	B
Cost of Electricity	B	2011	B

**NORTH DAKOTA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	A	Crime Rate Grade	B
College Completion	C	Long-Term Budget Planning	D
Average Teachers Compensation	D		
Funding/College Student	B		
Unemployment Rate	A	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	B	Incentives (9 factors)	C
Workers Compensation	A	Marketing/Website/Response to new & existing employers (4 factors)	C
Corporate Tax Index	B		
Individual Tax Index	D		
Sales & Gross Receipt Tax	B	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	A	2015	A
Regulatory Environment	A	2014	A
Litigation Environment	B	2013	A
Transportation Infrastructure	A	2012	A
Cost of Electricity	D	2011	A

**OHIO REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	C	Crime Rate Grade	C
College Completion	D	Long-Term Budget Planning	C
Average Teachers Compensation	B		
Funding/College Student	F		
Unemployment Rate	C	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	A	Incentives (9 factors)	B
Workers Compensation	B	Marketing/Website/Response to new & existing employers (4 factors)	B
Corporate Tax Index	C		
Individual Tax Index	F		
Sales & Gross Receipt Tax	D	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	B	2015	B
Regulatory Environment	C	2014	B
Litigation Environment	C	2013	B
Transportation Infrastructure	B	2012	B
Cost of Electricity	C	2011	C

**OKLAHOMA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	D	Crime Rate Grade	D
College Completion	F	Long-Term Budget Planning	F
Average Teachers Compensation	F		
Funding/College Student	A		
Unemployment Rate	B	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	A	Incentives (9 factors)	A
Workers Compensation	F	Marketing/Website/Response to new & existing employers (4 factors)	B
Corporate Tax Index	A		
Individual Tax Index	D		
Sales & Gross Receipt Tax	D	OVERALL GRADE	
Business Inventory Tax	F		
Property Tax	B	2015	B
Regulatory Environment	B	2014	B
Litigation Environment	D	2013	B
Transportation Infrastructure	C	2012	A
Cost of Electricity	A	2011	B

OREGON REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	B	Crime Rate Grade	D
College Completion	B	Long-Term Budget Planning	B
Average Teachers Compensation	B		
Funding/College Student	F		
Unemployment Rate	F	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	C	Incentives (9 factors)	C
Workers Compensation	A	Marketing/Website/Response to new & existing employers (4 factors)	D
Corporate Tax Index	D		
Individual Tax Index	D		
Sales & Gross Receipt Tax	A	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	B	2015	D
Regulatory Environment	C	2014	C
Litigation Environment	D	2013	D
Transportation Infrastructure	C	2012	C
Cost of Electricity	A	2011	D

PENNSYLVANIA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	C	Crime Rate Grade	B
College Completion	C	Long-Term Budget Planning	C
Average Teachers Compensation	A		
Funding/College Student	F		
Unemployment Rate	D	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	F	Incentives (9 factors)	D
Workers Compensation	D	Marketing/Website/Response to new & existing employers (4 factors)	C
Corporate Tax Index	F		
Individual Tax Index	B		
Sales & Gross Receipt Tax	C	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	F	2015	F
Regulatory Environment	D	2014	D
Litigation Environment	D	2013	D
Transportation Infrastructure	F	2012	F
Cost of Electricity	C	2011	D

**RHODE ISLAND REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	D	Crime Rate Grade	A
College Completion	B	Long-Term Budget Planning	B
Average Teachers Compensation	A		
Funding/College Student	C		
Unemployment Rate	D	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	F	Incentives (9 factors)	D
Workers Compensation	D	Marketing/Website/Response to new & existing employers (4 factors)	F
Corporate Tax Index	F		
Individual Tax Index	D		
Sales & Gross Receipt Tax	C	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	F	2015	F
Regulatory Environment	F	2014	F
Litigation Environment	C	2013	F
Transportation Infrastructure	F	2012	F
Cost of Electricity	F	2011	F

**SOUTH CAROLINA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	D	Crime Rate Grade	F
College Completion	D	Long-Term Budget Planning	D
Average Teachers Compensation	D		
Funding/College Student	D		
Unemployment Rate	D	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	D	Incentives (9 factors)	A
Workers Compensation	D	Marketing/Website/Response to new & existing employers (4 factors)	A
Corporate Tax Index	B		
Individual Tax Index	F		
Sales & Gross Receipt Tax	B	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	C	2015	B
Regulatory Environment	C	2014	A
Litigation Environment	D	2013	B
Transportation Infrastructure	A	2012	B
Cost of Electricity	A	2011	A

SOUTH DAKOTA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	B	Crime Rate Grade	B
College Completion	D	Long-Term Budget Planning	F
Average Teachers Compensation	F		
Funding/College Student	B		
Unemployment Rate	A	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	F	Incentives (9 factors)	F
Workers Compensation	C	Marketing/Website/Response to new & existing employers (4 factors)	C
Corporate Tax Index	A		
Individual Tax Index	A		
Sales & Gross Receipt Tax	D	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	B	2015	B
Regulatory Environment	A	2014	A
Litigation Environment	A	2013	A
Transportation Infrastructure	A	2012	A
Cost of Electricity	C	2011	A

TENNESSEE REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	D	Crime Rate Grade	F
College Completion	F	Long-Term Budget Planning	A
Average Teachers Compensation	F		
Funding/College Student	C		
Unemployment Rate	D	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	C	Incentives (9 factors)	C
Workers Compensation	C	Marketing/Website/Response to new & existing employers (4 factors)	C
Corporate Tax Index	B		
Individual Tax Index	A		
Sales & Gross Receipt Tax	F	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	D	2015	B
Regulatory Environment	B	2014	B
Litigation Environment	C	2013	C
Transportation Infrastructure	B	2012	C
Cost of Electricity	C	2011	D

TEXAS REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	F	Crime Rate Grade	D
College Completion	C	Long-Term Budget Planning	C
Average Teachers Compensation	D		
Funding/College Student	A		
Unemployment Rate	B	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	B	Incentives (9 factors)	D
Workers Compensation	B	Marketing/Website/Response to new & existing employers (4 factors)	D
Corporate Tax Index	D		
Individual Tax Index	A		
Sales & Gross Receipt Tax	D	OVERALL GRADE	
Business Inventory Tax	F		
Property Tax	D	2015	C
Regulatory Environment	C	2014	C
Litigation Environment	D	2013	D
Transportation Infrastructure	B	2012	D
Cost of Electricity	A	2011	D

UTAH REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	A	Crime Rate Grade	C
College Completion	B	Long-Term Budget Planning	B
Average Teachers Compensation	C		
Funding/College Student	D		
Unemployment Rate	A	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	C	Incentives (9 factors)	D
Workers Compensation	A	Marketing/Website/Response to new & existing employers (4 factors)	A
Corporate Tax Index	A		
Individual Tax Index	B		
Sales & Gross Receipt Tax	B	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	A	2015	A
Regulatory Environment	A	2014	A
Litigation Environment	A	2013	A
Transportation Infrastructure	C	2012	A
Cost of Electricity	B	2011	A

**VERMONT REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	A	Crime Rate Grade	A
College Completion	A	Long-Term Budget Planning	A
Average Teachers Compensation	C		
Funding/College Student	F		
Unemployment Rate	A	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	B	Incentives (9 factors)	D
Workers Compensation	F	Marketing/Website/Response to new & existing employers (4 factors)	F
Corporate Tax Index	F		
Individual Tax Index	F		
Sales & Gross Receipt Tax	B	OVERALL GRADE	
Business Inventory Tax	F		
Property Tax	F	2015	F
Regulatory Environment	C	2014	F
Litigation Environment	A	2013	F
Transportation Infrastructure	D	2012	F
Cost of Electricity	F	2011	F

**VIRGINIA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	C	Crime Rate Grade	A
College Completion	A	Long-Term Budget Planning	C
Average Teachers Compensation	D		
Funding/College Student	F		
Unemployment Rate	B	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	D	Incentives (9 factors)	A
Workers Compensation	A	Marketing/Website/Response to new & existing employers (4 factors)	A
Corporate Tax Index	A		
Individual Tax Index	D		
Sales & Gross Receipt Tax	A	OVERALL GRADE	
Business Inventory Tax	F		
Property Tax	C	2015	A
Regulatory Environment	A	2014	A
Litigation Environment	B	2013	A
Transportation Infrastructure	C	2012	A
Cost of Electricity	B	2011	A

**WASHINGTON REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	B	Crime Rate Grade	F
College Completion	B	Long-Term Budget Planning	A
Average Teachers Compensation	C		
Funding/College Student	D		
Unemployment Rate	C	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	B	Incentives (9 factors)	D
Workers Compensation	D	Marketing/Website/Response to new & existing employers (4 factors)	C
Corporate Tax Index	C		
Individual Tax Index	A		
Sales & Gross Receipt Tax	F	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	C	2015	C
Regulatory Environment	D	2014	C
Litigation Environment	C	2013	D
Transportation Infrastructure	F	2012	C
Cost of Electricity	A	2011	C

**WEST VIRGINIA REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015**

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	F	Crime Rate Grade	B
College Completion	F	Long-Term Budget Planning	D
Average Teachers Compensation	F		
Funding/College Student	C		
Unemployment Rate	F	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	C	Incentives (9 factors)	D
Workers Compensation	A	Marketing/Website/Response to new & existing employers (4 factors)	C
Corporate Tax Index	B		
Individual Tax Index	C		
Sales & Gross Receipt Tax	C	OVERALL GRADE	
Business Inventory Tax	F		
Property Tax	C	2015	F
Regulatory Environment	F	2014	F
Litigation Environment	F	2013	D
Transportation Infrastructure	D	2012	D
Cost of Electricity	A	2011	F

WISCONSIN REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	B	Crime Rate Grade	B
College Completion	C	Long-Term Budget Planning	B
Average Teachers Compensation	B		
Funding/College Student	C		
Unemployment Rate	B	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	F		
Unemployment Insurance	C	Incentives (9 factors)	F
Workers Compensation	C	Marketing/Website/Response to new & existing employers (4 factors)	F
Corporate Tax Index	D		
Individual Tax Index	F		
Sales & Gross Receipt Tax	B	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	D	2015	D
Regulatory Environment	B	2014	F
Litigation Environment	B	2013	F
Transportation Infrastructure	B	2012	F
Cost of Electricity	D	2011	F

WYOMING REPORT CARD
POLLINA CORPORATE TOP 10 PRO-BUSINESS STATES 2015

STAGE I LABOR, TAXES & OTHER FACTORS	GRADE	STAGE I LABOR, TAXES & OTHER FACTORS	GRADE
High School Completion	A	Crime Rate Grade	A
College Completion	D	Long-Term Budget Planning	A
Average Teachers Compensation	B		
Funding/College Student	A		
Unemployment Rate	A	STAGE II STATE ED AGENCY FACTORS	GRADE
Right-to-Work	A		
Unemployment Insurance	D	Incentives (9 factors)	F
Workers Compensation	B	Marketing/Website/Response to new & existing employers (4 factors)	D
Corporate Tax Index	A		
Individual Tax Index	A		
Sales & Gross Receipt Tax	B	OVERALL GRADE	
Business Inventory Tax	A		
Property Tax	D	2015	A
Regulatory Environment	B	2014	A
Litigation Environment	A	2013	A
Transportation Infrastructure	A	2012	A
Cost of Electricity	B	2011	A



Brokerage

- **Office and Industrial Facilities**
Headquarters
Sales Offices
Research & Development
Call Centers
Backroom Operations
Warehouse Distribution
Manufacturing
- **Real Estate Market Analysis**
- **Negotiations**
Proposals
Leases
Dispositions
Acquisition Contracts
Sales/Leasebacks
Operating Expenses & Taxes
Architectural/Engineering Contracts
Developer Agreements
- **Lease Management**
- **Financial Analysis**
Buy vs. Lease
Equity Participation
Sale/Leasebacks

Consulting

- **Strategic Planning**
- **Location Analysis**
Over 380 variables including:
Labor Market Analysis
Transportation Costs
Utility Costs & Availability
Taxation
Market Accessibility
- **State and Local Incentive Negotiations**
Statutory Incentives
Job Training
Tax Abatements
Tax Increment Financing
Enterprise Zones
Negotiated Incentives
Free or Subsidized Land or Building
Cash Grants
Infrastructure Improvements
- **Surplus Property Analysis & Marketability**

Economic Development

- **Local and State Economic Development Consulting**
Community and Regional Economic Development Assessment
M4 EDS
M1 Macro Study
M2 Micro Study
M3 Marketing Strategy
M4 Monitoring
- **State Business Climate Comparison**
Labor, Taxes, Infrastructure, Workforce Quality, Incentives
- **State Incentive Program and Economic Development Comparisons**
- **Assessing and Structuring Regional Economic Development Organizations**

PUBLIC SPEAKING

The author of the Pollina Corporate Top 10 Pro-Business States, Brent A. Pollina, Esq., speaks extensively on a wide range of topics, including:

- Surviving the Site Tour: How your community can make a good first impression.
- How to tailor your RFP responses to better meet the needs of site selectors and businesses.
- Is your state a pro-business state? What changes can your state make to be more competitive?
- What do corporations look for when searching for a site? The biggest mistakes you can make.

ABOUT THE AUTHOR

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Brent Pollina works closely with corporations in order to ensure that they achieve and surpass all of their real estate goals. He actively represents corporations in all aspects of the company's real estate transactions, including Site and Building Selection, Lease Negotiations, Incentive Negotiations, and Negotiating Development Agreements.

As a consultant, he assists clients nationally with strategic planning and all other forms of real estate consulting. His responsibilities include real estate financial analysis, such as lease vs. buy analysis, and sale/leasebacks. Mr. Pollina also conducts location analysis studies, which include analysis of all relevant location factors such as state and local taxation, labor availability, cost and reliability, transportation costs, and utility costs. As part of the Pollina Corporate negotiating team, he is active in analyzing and negotiating state and local incentives on behalf of corporate clients. In addition to working for many corporate clients, Mr. Pollina has performed numerous economic development studies for various State, Regional, and Local Economic Development groups as well as Chambers of Commerce and business organizations.

Mr. Pollina spoken before numerous economic development groups as well as authored multiple articles on site selection and state and local incentives. His credits also include articles and interviews in publications such as *Forbes*, *Site Selection*, *Corporate Real Estate Journal*, and *Area Development Magazine*. His opinions on real estate have been quoted in *The Wall Street Journal*, *Financial Times*, *Business Week*, *Forbes*, *Chicago Tribune*, and *The New York Times*. From 2004 to 2006, he contributed to the publication of the Pollina Corporate Top 10 Pro-Business States Report, and from 2008 on, Mr. Pollina has been the primary author of the study.

Mr. Pollina received his Bachelor's degree in Psychology from Drake University and then went on to earn his Juris Doctorate from Marquette University. Mr. Pollina has been admitted to practice law before the Illinois and Wisconsin Supreme Courts and is an active member of the American, Illinois, and Wisconsin Bar Association. In addition, Mr. Pollina is also a member of the International Tenant Representative Alliance (ITRA).