

Jonathan Johnson's Policy Packet



**A successful
businessman**



**JONATHAN
JOHNSON**
GOVERNOR 2016



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[Leadership & Accountability]

I believe the quality of leaders we hire (or elect) determines the quality of government we get. I also believe that leadership is as leadership does. Lip service is not leadership. Neither is taking credit for others' successes.

I want Utahns to judge me by what I do – my actions and achievements. I want Utahns to hold me accountable for what I say I will do. That's why I've prepared this policy guide. I want you to understand who I am and how I plan to govern.

I believe what Thomas Jefferson said is true:



The government closest to the people serves the people best.



The further away we make decisions from those impacted by those decisions, the worse those decisions are likely to be, and the harder they are to correct. Washington bureaucrats make far too many decisions that adversely impact Utahns. And the state makes far too many decisions that adversely impact counties, cities, schools, families and individuals. I will focus on returning decision making power to the people and those closer to the people.

[Guiding & Governing Principles]

As governor, I will apply these five guiding governing principles as I consider legislation and other government action:

- Is the proposed government action constitutional?
- Could someone outside of the government perform the action?
- Can someone closer to those impacted take the action?
- Does the action interfere with fundamental personal liberties?
- Is the action affordable and sustainable?

[Federal Overreach & Dependence]

In 1982, Ronald Reagan said



The federal government is still operating under the outdated and, if I may say so, arrogant assumption that the states can't manage their own affairs.



If that was true over three decades ago, it is glaringly more true today.

The Tenth Amendment clearly states that “powers not delegated to the United States by the Constitution” are “reserved to the States respectively, or to the people.” It protects the rights of the states and the people from federal overreach.

Unfortunately, Washington bureaucrats and federal courts frequently ignore the Tenth Amendment. Worse, states have failed to stand up for their rights as sovereign entities – looking to the federal government to solve problems and fund government programs. The Herbert administration has furthered this troubling trend – even when there were onerous conditions attached to the federal funds.

For example, Governor Herbert's Medicaid expansion proposal sought over \$700 million a year in Obamacare funds – but on conditions which imposed unknown and uncapped liability to Utah taxpayers. In another example, Governor Herbert as chairman of the National Governors Association, lobbied Congress to pass the Every Student Succeeds Act – a law which gives the Secretary of the Department of Education full veto power over Utah's education plan. This law passed, despite all members of the Utah Congressional delegation (other than Senator Orrin Hatch) voting against the bill. These are only two of many examples of Governor Herbert encouraging federal overreach into Utah affairs. Utah's governor should not allow D.C. bureaucrats to mandate how we run our state.

In addition, Governor Herbert has not stood strongly against uninvited federal overreach. For example, he has stood idly by as the Bureau of Land Management and the U.S. Forrest Service have restricted Utahns access to public land in the state – severely hindering many rural Utahns from making a living. Governor Herbert has not used his chairman position in the National Governors Association (or his leadership positions in other governor groups) to meaningfully further the cause of states’ rights. Rather, he has let the staff of these groups advance a pro-federal government agenda.

During his two terms as governor, Governor Herbert has increased Utah’s dependence on the federal government from **\$2.5 billion/year to \$4.0 billion/year** – and it would be much higher if his Medicaid expansion proposals had passed. With every federal dollar, he’s lessened Utah’s ability to stand up to the ever-increasing encroachment of the federal government.

To protect Utahns from further federal overreach and dependence, as governor I will push for laws that:

Require the state legislature to disclose potential costs to Utah taxpayers to maintain Utah government services or programs partially or wholly funded by the federal government if the federal government decreases or eliminates federal funding.

Require the state legislature to have a specific contingency plan to fund, scale back or eliminate any Utah government services or programs if the federal government cuts some or all of the federal funding for such services.

Require the state legislature to disclose if any proposed legislation includes federal funding, including the amount requested.

[K-12 Education Plan]

Providing great K-12 education is vital to Utah's future. It's time for transformational improvements to Utah's K-12 education system, including increasing teacher salaries and reducing bureaucracy to help quality teachers succeed and encourage new teachers to enter the profession. Two principles will guide my education policy: personalization and localization.

Personalization

Education should focus on the individual child and not be beholden to an out-dated, one-size-fits all system.

Reading at grade level by third grade significantly increases a child's chance of success.

Provide a comprehensive reading program which includes early literacy screening, parental notification and individualized reading plans for grades K-3.

Offer reading aides for each 1-3 grade classrooms.

School counselors play an essential mentoring role in the progress of our students.

Reduce the ratio from the current 1 counselor for every 350 students to no more than 1 for every 250 students.

Education Savings Accounts (ESAs), pioneered in Arizona and adopted in several states, allow parents to customize their child's education to best fit his or her needs.

Place ESA funds in a parent-managed account to cover the cost of customized learning for a particular child's education, including online education tutoring, private school tuition, dual enrollment, and even college tuition.

Home schooling is an important part of Utah's education system.

Establish an optional tax credit of \$425 for home school students not using an ESA.

Knowledge-based education lets students advance as they master concepts and skills.

Make it easier to earn general credit for extra-curricular, internship and work activities.

Encourage high achieving students to advance at an accelerated pace.

Promote skills-based certificates for high school students.

Localization

The closer we make decisions to the individual and the family the better. Utah needs to empower parents and local school leaders with more decision-making authority.

Common Core is a not the Utah way.

- Let local school districts decide what standards to teach and test in their schools.
- Continue to allow parents to opt their children out of national and statewide testing.

Local control lessens bureaucracy and allows for decisions closer to the student.

- Allocate more district funds to local schools to increase teacher salaries.
- Empower principals with budget and hiring and firing authority with input from parents, teachers and school community councils.
- Involve school community councils in hiring principals.
- Allow local school districts to implement simplified licensure for teachers and counselors with needed subject matter expertise (e.g., computer coding, STEM subjects).
- Reimburse teachers for out-of-pocket classroom expenses up to \$425 per year.
- Reduce Utah's reliance on federal education funding and its many intrusive mandates.

Charter schools educate 10% of public school students, most doing it effectively and with broad-based parental approval.

- Keep the State Charter School Board autonomous from Utah State Board of Education.
- Encourage collaboration among charter school teachers and district school teachers to share best practices, services and activities with each other.
- Provide equitable funding for charter schools and traditional public schools.

[Public Lands]

It's Time for Utah to Own and Locally Manage its Public Lands

The Situation

The federal government owns nearly **2/3** of the land in Utah. Under federal mismanagement of these **30+ million acres**.

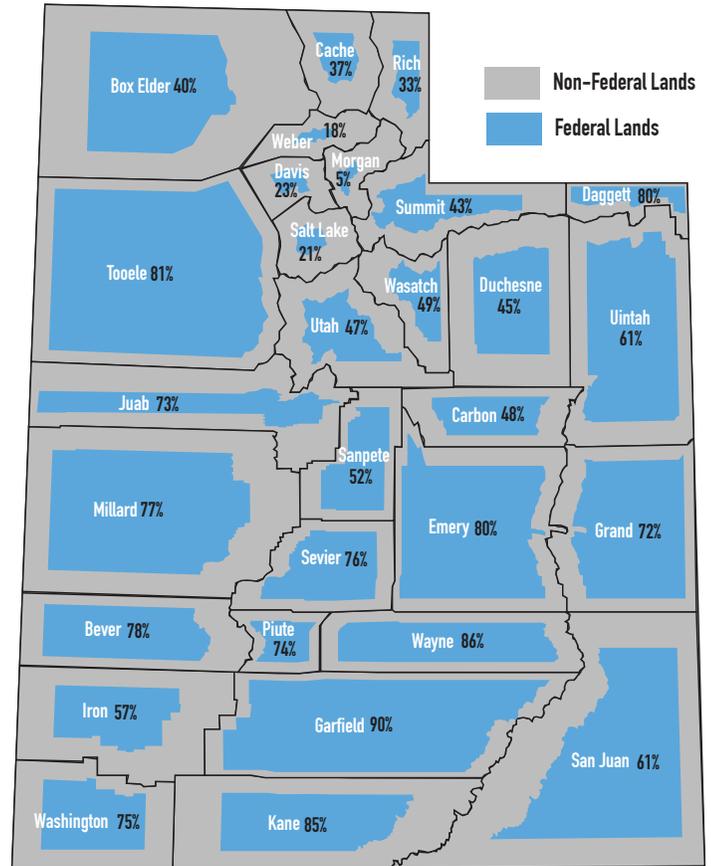
Utah forests, watershed, wildlife and recreation areas have been destroyed or are at great risk.

Utahns (and others) have decreasing access to these lands, often for political reasons.

Rural Utahns are significantly restricted in their ability to earn a living.

Utah's public education system realizes significantly less income from public lands.

Under state ownership and local management, Utah can better protect the health of its public lands and secure better access to them for current and future generations of Utahns. Utah can also increase economic activity in rural counties and provide more funds for education, roads and other services. When referring to public lands in Utah, I specifically mean the Bureau of Land Management and the U.S. Forest Service lands – not National Parks or military bases.



Groundwork laid, but . . .

The Utah legislature has provided the governor with the necessary tools to take action, including:

March 2012

The Utah legislature enacted the Transfer of Public Lands Act calling for the transfer of public lands from the federal government to Utah by December 31, 2014.

That day came and went with no meaningful action from the governor.

November 2014

Three Utah universities issued a report entitled “An Analysis of a Transfer of Public Lands to the State of Utah” which stated “the state of Utah could take ownership of the lands and cover the costs to manage them.”

Again, no action by the governor.

March 2015

The Property and Environmental Research Center issued a study entitled “Divided Lands: State vs. Federal Management in the West” which found that four western states “earn an average of \$14.51 for every dollar spent on state trust land management [while] the U.S. Forest Service and Bureau of Land Management generate only 73 cents in return for every dollar spent on federal land management” in those states.

Still, no action by the governor.

March 2015

The Utah legislature enacted the Catastrophic Public Nuisance Act letting the state abate a catastrophic nuisance on public lands. **No action whatsoever by the governor.**

December 2015

A team of constitutional experts presented a 146-page legal analysis and report to the Utah Commission for the Stewardship of Public Lands which set forth three unified legal paths for Utah to pursue against the federal government. **After reviewing this report, Governor Herbert said, “I don’t want to go to court.”**

The Utah state legislature has done its part.

It’s time for a governor who leads.

My Plan

As a lawyer and business executive, I've been involved in many high stakes negotiations. When negotiating something as important as 30+ million acres of public lands, it is important to remember the end goal: the state's rightful ownership and local management of Utah's public lands.

As governor, I will get the federal government to transfer public lands to Utah by:

Leading out on this issue and enlisting the help of governors and local and federal officials.

Acting quickly and decisively, not just giving lip service when among supportive groups.

Bringing a lawsuit against the federal government.

Doing more than sign laws others champion.

Not bending in the face of adversity.

State ownership and local management means exercising proper stewardship. It does not mean:

Selling large portions of public lands to private parties.

Lessening public access to public land.

Exploiting the land in irresponsible ways.

It's time for Utah to own and manage its public lands.

[Tax Pledge]

The Voter's Choice

In the 2016 gubernatorial election, Utah voters have a clear choice. They can re-elect, for a third term, a governor who has a history of tax increases and attempted tax increases. Or they can elect a new governor who has a tax vision that will protect Utahns from confiscatory tax actions.

The most recent Tax Foundation report shows that among Western states Utah has a higher than average state and local tax burden. And it's getting worse. That will end in a Johnson administration. Jonathan has helped build a billion dollar business by carefully allocating scarce resources. It's time for Utah to hire a leader who will do the same with taxpayer dollars.

Gary Herbert's History of Tax Increases

Ronald Reagan paraphrased the well-known Will Rogers saying "I never met a man I didn't like" when he said "some never met a tax they didn't hike." That might be said of Gary Herbert's history of raising or trying to raise taxes.

As Governor:

In 2015, Herbert raised gasoline taxes by **\$76 million**.

In 2015, Herbert raised property taxes by **\$76 million**.

In 2015, Herbert approved a law placing Prop 1 tax increase on 2015 ballot. The result: 10 counties **raised sales tax by 0.25%**.

In 2015, Herbert approved a **half-cent sales tax increase** option in Salt Lake City for moving the prison.

In 2015, Herbert, and the gang of 6, briefly **proposed increasing the food sales tax** to pay for Medicaid expansion, but quickly reversed after public outcry.

In 2014, Herbert proposed a **\$10 million** e-cigarette tax which the legislature refused to enact.

In 2011, Herbert said he'd **consider putting the sales tax back on food**.

In 2010, Herbert allowed a **\$44 million** tobacco tax to become law without his signature.

As Utah County Commissioner:

In 1997, Herbert approved a **quarter-cent county sales tax increase**.

In 1996, Herbert **opposed a 0.15% decrease** in the restaurant tax.

In 1996, Herbert approved a **\$5.5 million** county property tax increase.

Herbert imposed his 2015 tax increases (totaling more than \$150 million) as Utah experienced a \$739 million surplus – and this was at the same time he gave himself a 37% pay raise.

While Herbert has a history of promising no tax increases, his actions contradict his words. For example:

In March 2014, despite promising to veto a \$44 million tobacco tax – saying he had a set of pens "greased up and ready to go" to veto the tax – Herbert allowed it to become law without his signature. Two months later, he said to a taxpayer conference, "I believe that [a tax increase] was the absolute wrong thing to do in a very fragile economic recovery ... [t]o have the dampening impact of a tax increase that would smother the little flickering flame of recovery."

In December 2014, Herbert touted there were no tax increases in his proposed \$14.3 billion budget even though he was already looking at raising the gasoline tax.

Jonathan Johnson's Tax Pledge

Johnson has signed the American's for Tax Reform pledge. He has committed "to oppose and veto any and all efforts to increase taxes."

Johnson knows government needs to do more with less — and to do so in targeted ways. He will examine the following:

Eliminating or reducing the income tax on military benefits. Many states, including some neighboring states, have already done this. Veterans would benefit from Utah easing this tax burden and Utah would benefit from more veterans living in the state.

Eliminating or reducing the income tax on social security benefits. Utah is one of only 13 states which tax social security benefits as income. Utah should take better care of its seniors.

Eliminating or reducing the corporate income tax. Today the Governor's Office of Economic Development grants large, long-term tax breaks to select companies. This creates an uneven playing field in Utah. The state should treat all Utah businesses, including small Main Street businesses run by Utah entrepreneurs, equally.

Johnson will veto any proposed tax increase. To ensure that future governors cannot easily raise taxes again in the future, he will champion a law requiring that all future tax increases either be:

Approved by a two-thirds vote in each chamber of the legislature; or

Put to the voters as a ballot referendum in an even numbered year.

The Americans for Tax Reform Pledge

The Americans for Tax Reform pledge, signed by well over a thousand federal and state candidates, commits an elected official "to oppose and veto any and all efforts to increase taxes." Pledge signers are bound for the duration of their tenure in the office to which they were elected.

The pledge does not stand in the way of tax reform because it does not require opposition to revenue neutral reform. For tax reform to be considered revenue neutral:

A tax increase must be tied to an offsetting tax cut of at least equal size — generally, the offset must be specified in the same piece of legislation.

The tax increase and tax cut must occur in a reasonable and corresponding time window, meaning a tax increase cannot simply be offset by a tax cut in the out-years.

[Utah's Economy]

The Government doesn't create jobs, businesses and individual entrepreneurs create jobs.

Job growth is the result of the hard work and ingenuity in the private sector. The government should ensure a fertile business environment by lessening regulation and allowing for innovation.

Utah has jobs — we need more careers.

Utah's unemployment rate is 3.4%. It's great that jobs are readily available along the Wasatch Front. However, a recent survey of Utah businesses found **71% have trouble hiring qualified employees for higher skilled positions** — ones that allow workers to buy a home and get ahead. Utah can close this gap by partnering with businesses to ensure government sponsored training programs and certifications better fill the business community's needs. We do this by focusing on career training programs (e.g., manufacturing, nursing, computer programming, skilled labor positions like welding, machinery, mechanics, etc.) where demand is currently unmet.

Promote Utah's Tech Industry

I am an executive of one of Utah's leading tech businesses. I serve on the board of trustees of the Utah Technology Council. I get tech. And I understand what it takes to grow a start-up into a billion dollar business. I will better promote Silicon Slopes, bringing more talent and attracting more capital to Utah. Utah can significantly improve its business regulatory climate — one that currently hinders disruptive technologies like Zenefits, Tesla, and Airbnb from successfully doing business in Utah.

I'm the leader to grow Utah's important tech industry.

Economy in Rural Utah

While the Wasatch Front is experiencing a healthy economy, much of rural Utah is suffering hard times. For example, last year Garfield County declared an economic state of emergency because families there are forced to leave to find work and its school population is dwindling. A strong rural Utah economy means families are able to live and support themselves where they want. Federal overreach is severely suppressing rural Utah's economy. It's time for a state leader who will push back against the decades of growing federal restrictions on the rural economy. I'll be that leader. I'm from a family of eight boys and when any one of us was in a fight, all eight of us were in that fight. Utah can't continue to leave rural Utah to fight the behemoth federal government alone.

Repeal unnecessary laws and regulations

Utah has too many laws and regulations. There is an ever growing bureaucracy that kills the dream of many Utahns of owning their own business.

Utah passes, on average, more than 500 new laws each year. That's way too many! During my first year as governor, I'll **convene a special session of the legislature devoted to repealing needless and bad laws**. I'll ask the legislature to make sunset provisions common practice – creating a natural mechanism for laws that turn out to have been a bad idea to naturally expire. Utah has the 13th highest burden of business licensure in the county. I'll lead an effort to reform Utah's overly burdensome licensure laws.

Ensure adequate infrastructure

A strong business climate requires a functional infrastructure, particularly as Utah's population doubles in the next few decades. As president of Overstock.com, I've scrutinized budgets, held people accountable and eliminated unnecessary spending. I'll do the same as governor.

Under my leadership, Utah will no longer give out state contracts based on campaign donations.

Government shouldn't pick winners and losers

The government shouldn't be in the business of picking winners and losers. But that's what the Governor's Office of Economic Development does today when it grants tax breaks to big and out-of-state businesses. Out-of-state businesses should relocate to Utah because of the state's commitment to the private sector, a well-trained work force, and high quality of life – not because they receive decades-long tax breaks. I'll create a competitive playing field for Utah businesses. The state should treat all Utah businesses, including small Main Street businesses run by Utah entrepreneurs, equally.

[Syrian Refugees]

I understand the plight of refugees. I have three cousins who were orphaned Vietnamese refugees in the 1970's. I've seen how their lives were changed by American generosity. I've seen the meaningful contribution they make to America and my family.

However, Utah cannot allow ISIS terrorists to come here under the guise of refugee status. Utah should not accept Syrian refugees until we know the screening process works. As governor, **I will ensure refugees coming to Utah are not a danger to Utahns.**

Utahns have always been an extremely compassionate and generous people. We should - and will - continue to be charitable to refugees living within our communities.

[Term Limits]

Politics shouldn't be a career. Our elected officials should be citizen servants. As **Governor Herbert said** when he first ran for re-election as governor,



I think our Founding Fathers always believed people would serve for limited periods of time and then go back and live with the laws they've passed.



Apparently, 26 years in elected political offices and two terms as governor isn't a limited period of time.

As governor, during my first 100 days in office I will work with the legislature to put in place a two-term limit on the governor to mirror the Twenty Second Amendment of the U.S. Constitution. I will then ask the citizens of Utah to amend Utah's Constitution so future politicians can't undo the law (like they did in 2003).

[Second Amendment Rights]

I will be a staunch defender of the Second Amendment.

I will fight any federal government overreach that aims to disrupt the Second Amendment rights of law-abiding Utahns.

During his two terms as governor, Governor Herbert has vetoed or threatened to veto Constitutional Carry legislation. We don't need a piece of paper to exercise our First Amendment rights; we shouldn't need a piece of paper to exercise our Second Amendment rights. As conservative governors have done in other states,

I will sign a Constitutional Carry law.

[Caucus & Convention System]

I believe the Utah caucus-convention system works well. I've been a precinct chair and state and county delegate. I know the caucus-convention system makes every neighborhood in Utah important. As a candidate, I've been holding cottage and town hall meetings in neighborhoods all around the state – listening and learning what matters most to Utahns. S.B. 54 seeks to gut the caucus-convention system. It insulates incumbents and favors candidates with the most money. It diminishes the voice of rural Utah. As governor, I will work to repeal S.B. 54.

In Utah, a ballot position should never be for sale.

Governor Herbert has gutted the caucus-convention system by paying a contractor to collect ballot petition signatures. He doesn't trust our delegates to nominate him. **I trust the caucus-convention system . . . and I trust you.**

[Marriage and Religious Liberty]

I believe marriage is ordained of God and is properly between a man and a woman. Until the U.S. Supreme Court ruled otherwise, marriage was always a state issue. I believe it should still be a state issue.

When litigants challenged Utah's Amendment 3 (the Utah Constitution amendment which defined marriage as between a man and a woman), I formed the First Freedom political action committee (now known as Promote Liberty) to promote protection of religious liberties. I worked with members of the state legislature in an effort to amend the Utah Constitution to ensure that the government cannot force a church or its clergy to perform any religious ceremony or rite in a manner contrary to the church's stated tenets. However, legislative leaders tabled this effort during the Amendment 3 lawsuit because they feared the effort to protect religious liberties might hurt the state's case.

As governor, I will renew this effort. I firmly believe in staunchly protecting First Amendment rights. It is important that religious institutions and believers be able to practice their religion free from government interference and to participate in public discourse.

As I took a lead role in defending religious liberty in Utah, the Human Rights Campaign (the nation's largest LGBTQ lobbying group) called for my resignation and sent a letter to every member of the Overstock.com board demanding that I be fired from Overstock.com. This did not deter my efforts. And Overstock.com founder's, despite disagreeing with my position on same sex marriage, defended me in exercising my First Amendment rights.

Against my strong protests, Overstock.com has sponsored the Salt Lake Gay Pride parade. This was the decision of the founder, many members of the management team and some members of the board who support same sex marriage. I did not and do not support this decision. For Governor Herbert to assert that I support same sex marriage is like saying every member of his cabinet supports his tax increases, his Medicaid expansion proposals and the Common Core standards he champions.

[Internet Sales/Use Taxes]

While few shoppers pay sales/use taxes on purchases from out-of-state retailers, under current law these shoppers are required to do so at the end of the year. Because of this non-payment by shoppers, we are now at a point where many states have passed burdensome and unconstitutional laws to force out-of-state retailers to collect and remit these shoppers' taxes.

While readily acknowledging that this is clearly a federal issue, Governor Herbert and some state legislators have again and again pushed for Utah to pass an unconstitutional law to merely send a message to Congress – ignoring the harm such a law would have on Utah businesses. I have consistently fought against these unconstitutional efforts in Utah and in other states.

Under the U.S. Constitution, Congress has exclusive authority to regulate interstate commerce (see Article 1, Section 8). Since this is an interstate commerce issue, Congress (not Utah or any other state) can, and I believe should, frame a law to fairly resolve this already existing state sales/use tax-collection obligation.

As the former president and current chairman of the board of Overstock.com, I have lobbied Congress to enact a **fair law** that allows states to have out-of-state retailers collect an already existing sales/use tax obligation. Any federal law must ease the burdens, complexities and costs out-of-state retailers bear in taking on the states' collection duty across state lines. Governor Herbert, on the other hand, has lobbied Congress to pass the Marketplace Fairness Act – an inaptly named bill I've fought against because it places complex, costly and onerous compliance requirements on out-of-state retailers (including Main Street businesses).



Who will you hire for Utah's next Governor?



**A successful
businessman**



**A 26-year
career politician**

To see a side by side comparison between Jonathan Johnson and Gary Herbert on vital Utah issues please visit:

<http://hirejj.com/comparison/>



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