



# The Real Cost of Cuccinelli

## The Threat to Virginia's Competitiveness and Middle Class

---

Jon Shields, Anna Chu, and Emma Shapiro September 2013



# The Real Cost of Cuccinelli

The Threat to Virginia's Competitiveness and Middle Class

---

Jon Shields, Anna Chu, and Emma Shapiro   September 2013

# Contents

- 1 Introduction**
- 3 Cuccinelli's plan**
- 8 Cuccinelli's ideology**
- 12 Conclusion: Cuccinelli's vision for Virginia**
- 13 Methodology and Acknowledgments**
- 14 Endnotes**

# Introduction

When it comes to some of the most telling economic and quality-of-life measures, Virginia leads the nation. In recent years, the commonwealth has been named among the top five best states in which to do business by both *Forbes* magazine and the television network CNBC. The prestigious national education publication, *Education Week*, cites Virginia as being one of the best states to raise a child. Even during the worst of the recession, Virginia maintained a Triple-A bond rating and currently holds a 5.7 percent unemployment rate—a rate lower than the national average and all of its neighboring states.<sup>1</sup> Moreover, Virginia has been listed among the best-managed states in the nation for the past two decades.<sup>2</sup> While economic security is still not a guarantee for every Virginian, the commonwealth has made significant economic progress over the years.

But slow post-recession growth, combined with the devastating effects of the federal sequester, leaves the commonwealth at a crossroads. The state's next governor and general assembly face an immense challenge to maintain Virginia's economic competitiveness while balancing a tight budget. The decisions made will determine whether Virginia takes a pro-growth path or undoes recent progress.

The Center for American Progress Action Fund has examined the economic proposals and public record of Virginia gubernatorial candidate and current state Attorney General Ken Cuccinelli. It is abundantly clear that Cuccinelli and his conservative caucus in the Virginia General Assembly offer a departure from “the Virginia Way” of compromise that has sustained a strong middle class.<sup>3</sup> Conservative legislatures in states such as North Carolina and Ohio have dramatically turned their focus from crucial economic priorities for the middle class to extreme actions on everything from voting rights to women's health. In light of this legislative onslaught from conservatives, it is important to consider just what the Cuccinelli agenda could cost Virginians at this pivotal moment.

The implications of Cuccinelli's plan for Virginians are staggering:

- **Cuccinelli's tax plan would give millionaires additional tax breaks of more than \$6,000, while working-class Virginians get little to no tax relief.** A Virginia millionaire will enjoy a \$6,391 tax cut, while almost 40 percent of low- and middle-income households in Virginia will see little to no tax breaks from Cuccinelli's proposed tax plan.
- **Cuccinelli's tax plan would mean deeper cuts to investments in education and transportation.** Cuccinelli's tax plan would put a \$1.4 billion hole in Virginia's budget during a fragile recovery. Because Virginia has a balanced-budget requirement, this loss in revenue must be made up in other areas. Cuccinelli has not stated how he would pay for this costly and unnecessary tax break for millionaires, but the math suggests that critical services and investments that benefit middle-class Virginia families would be at stake.
- **Cuccinelli's record jeopardizes major investments in transportation.** During his time in public office, Cuccinelli has opposed several measures funding state transportation projects. His history of opposition to transportation funding calls into question his willingness to make needed investments in Virginia's infrastructure.<sup>4</sup>
- **Cuccinelli's continued opposition to increasing Virginia's stagnant minimum wage will hurt Virginia's economy and its workers.** Increasing the minimum wage to \$10.10 would positively impact wages for 758,000 working Virginians.<sup>5</sup> In 2007, Cuccinelli—then a state senator—opposed a minimum-wage increase, while three-fourths of his colleagues supported raising it.<sup>6</sup> He continues to oppose a real living wage today.<sup>7</sup>
- **Cuccinelli's ideological resistance to Medicaid expansion would cost Virginia jobs, billions in revenue, and health care for working families.** Medicaid expansion would help more than 400,000 Virginians access health care coverage and bring \$21 billion to the commonwealth, but Cuccinelli has refused the funds, which will instead flow to other states.<sup>8</sup>



# Cuccinelli's plan

---

## Tax breaks for millionaires but little to nothing for working-class Virginians

Cuccinelli's "Economic Growth & Virginia Jobs Plan," which according to *The Washington Post*, relies on "magical thinking," is sparse on important details.<sup>9</sup> The little information that Cuccinelli has released, however, show that his plan would:

- Reduce the individual income tax rate from 5.75 percent to 5 percent
- Reduce the business income tax rate from 6 percent to 4 percent<sup>10</sup>

Based on the information available, analysis from the Institute on Taxation and Economic Policy shows that Cuccinelli's tax plan will result in big tax savings for the wealthy, while most other Virginians will see a much smaller tax cut or no reduction in their taxes at all. Virginia's top tax rate is currently at 5.75 percent on all income above \$17,000. Unlike the federal tax code that has a graduated, progressive rate, cutting only Virginia's top rate would mean a significant break for the state's wealthiest citizens. Almost half—47 percent—of the total income tax cut proposed by Cuccinelli will go to the top 5 percent of Virginians.<sup>11</sup> Comparably, just 9 percent of the share of Cuccinelli's income tax cut is for the bottom 60 percent of Virginians.<sup>12</sup> This means a minimum-wage worker will see nothing in additional tax cuts, while someone making \$1 million gets an extra \$6,391.<sup>13</sup>

## Who benefits from Cuccinelli's plan?<sup>14</sup>

**\$6,391:** Cuccinelli's tax cut for a Virginia millionaire

**\$985:** Cuccinelli's personal tax cut

**\$98:** Cuccinelli's tax cut on average for Virginians earning \$40,000 to \$63,000

**\$0:** Cuccinelli's tax cut for a single and childless minimum-wage worker

**\$0:** Cuccinelli's tax cut for an elderly taxpayer on Social Security with a part-time job earning \$20,000 or less

Source: Data from the Institute of Taxation and Economic Policy.

The numbers tell the full story: Cuccinelli's plan disproportionately favors the wealthy over middle- and working-class families. In fact, his plan would provide himself with a tax cut that is 10 times higher than the average tax cut for a middle-class family.<sup>15</sup>

---

## 'Tax magic' that jeopardizes Virginia's balanced budget at a pivotal moment

There have been significant challenges to the commonwealth's economic prosperity in recent years. Virginia slipped from the number one spot on CNBC's best state in which to do business because of its failure to invest in infrastructure improvements.<sup>16</sup> Even more telling, the state's failure to adequately invest in education means that the commonwealth has fallen close to last in teacher pay. Some estimates show that Virginia's teacher pay lags behind the national average by \$5,351.<sup>17</sup> Furthermore, Virginia now spends \$695 less per pupil in K-12 education funding—factoring in inflation—than it did prior to the recession.<sup>18</sup> Education and transportation improvements are a primary responsibility of state and local government and represent one of the few ways that Virginia policymakers can have a long-term economic impact.

The federal sequester—the automatic, across-the-board spending cuts—is also taking a toll on the commonwealth’s economy. In Northern Virginia, 37 percent of the economy is affected by the flow of federal dollars.<sup>19</sup> In Hampton Roads, it is estimated that \$1 of every \$2 of the region’s economy is tied to the military and the defense industry, representing roughly half—or \$40 billion—of the economy.<sup>20</sup>

Virginia’s leaders are challenged with reversing any potential downward trend in the commonwealth’s economic indicators and protecting the state from the impacts of the federal sequester. Republican Gov. Bob McDonnell and the Virginia General Assembly have already taken significant steps to insulate Virginia from the sequester. In 2011, they created the Federal Action Contingency Trust Fund, which aims to cover program-funding shortfalls resulting from the federal cuts.<sup>21</sup> In 2013, state leaders set aside an additional \$95 million into Virginia’s rainy-day fund reserve, which now holds \$785 million.<sup>22</sup> These measures will help fill potential revenue gaps in an uncertain economy.

Any reduction in Virginia’s tax revenue at this critical juncture will seriously impact the state’s general fund, which supports education, transportation, and public safety.<sup>23</sup> Cuccinelli’s tax plan, however—with its tax breaks for the wealthy and businesses—would lead to \$1.4 billion in lost revenue annually when fully implemented. Because Virginia has a constitutional requirement of having a balanced budget, a loss of \$1.4 billion in revenue puts vital investments at risk.



## Cost of Cuccinelli's plan

**\$1.4 billion:** total cost of Cuccinelli's tax cut, which includes:

- **\$1.1 billion:** total revenue lost by cutting Virginia's top individual income tax rate
- **\$535 million:** total revenue lost to Cuccinelli's tax cut for the top 5 percent of Virginia income earners with \$310 million that will go to the top 1 percent of Virginia income earners
- **47 percent** of Cuccinelli's income tax cut will go to the top 5 percent of Virginians.

To put these cuts into perspective, a \$535 million tax break for the top 5 percent of Virginians represents more in lost revenue than General Fund spending for a number of vital services. Funding lost to Cuccinelli's tax cut for Virginia's wealthiest is disproportionately greater than current spending on mental health facilities, state police, and community colleges:

- **\$206 million:** spent on mental health treatment centers in FY 2013<sup>24</sup>
- **\$230 million:** spent on the Department of State Police in FY 2013
- **\$377 million:** spent on the community college system in FY 2013

Source: Analysis of data provided by the Institute on Taxation and Economic Policy and from publically available state budget data.

---

## 'Tax magic' that fails to extend to middle- and working-class Virginia families

Cuccinelli has refused to provide specific details on how he would pay for his tax plan. Instead, he suggests that he will target unnecessary tax preferences. Elected leaders from both parties—including Lt. Gov. Bill Bolling (R)—and newspapers across the state have also expressed doubts that the tax cuts could be paid for without cuts to education or transportation.

*“As governor, you can’t just propose tax cuts willy-nilly to score some cheap political points.”<sup>25</sup> — Lt. Gov. Bill Bolling, May 8, 2013*

*“The proposal is more likely to manufacture an unnecessary budget crisis that undermines the commonwealth’s fragile recovery, pushes a greater financial burden onto cities and counties and still leaves the state incapable of fulfilling its responsibilities.”<sup>26</sup> — The Virginian-Pilot, May 9, 2013*

*“If the attorney general wants voters to take his plan seriously, he has to show them his math.”<sup>27</sup> — The Roanoke Times, May 9, 2013*

*“By Mr. Cuccinelli’s facile account, squaring this circle would simply require eliminating loopholes and deductions for those who are coddled by the state’s tax code. That sounds great in the abstract, but which loopholes and deductions does Mr. Cuccinelli have in mind? Naturally, he isn’t saying.”<sup>28</sup> — The Washington Post, August 19, 2013*

Cuccinelli has argued that his tax cuts would be paid for only after working with state legislators to find and eliminate exemptions and loopholes in the tax code. But by failing to state exactly which tax loopholes he would close, Cuccinelli would hand over authority for closing them and do away with exemptions to the Virginia General Assembly, which has proven incapable of reforming the tax code. Instead, state legislators have actually increased tax expenditures by more than 30 percent in recent years and have failed to eliminate any ineffective tax preferences.<sup>29</sup> Without clear priorities and specifics about what loopholes and exemptions Cuccinelli will close, his plan could ultimately result in what would be for all intents and purposes a middle-class tax hike. The loss of \$1.4 billion could threaten any number of tax preferences, including the child and dependent care expenses deduction and the low-income tax credit.

Without any details for targeting specific tax preferences to eliminate or to address sequester cuts already taking effect, working families should expect fewer dollars to be spent in their classrooms and on their roads under Cuccinelli’s tax plan.

# Cuccinelli's ideology

---

## Opposed to a balanced approach to transportation funding

Northern Virginia and the Hampton Roads region have consistently ranked at the top of the worst commutes in the country. One study found that commuters in the Washington, D.C., metro area waste an average of 67 hours stuck in traffic yearly.<sup>30</sup> Those unproductive hours take a huge toll. In Hampton Roads, the cost of congestion in that region for commuters totals \$932 million a year due to inadequate infrastructure.<sup>31</sup>

For more than two decades, the Virginia General Assembly has failed to raise money for a significant transportation investment plan. Despite intense opposition from conservatives in his own party—including Cuccinelli—in May, Gov. McDonnell finally signed a bipartisan compromise that provides about \$6 billion in funding across the state over the next five years for roads, rail, and mass transit.<sup>32</sup>

Cuccinelli's tax plan, with its unpaid tax cuts, would implode Virginia's balanced budget and jeopardize a hard-fought transportation victory. To put the lost revenue under his proposed tax plan in perspective, consider the 2013 transportation funding compromise achieved in this year's budget.<sup>33</sup> Using a rough calculation, if the revenues lost under Cuccinelli's plan hold steady over five years, the state would lose about \$7 billion, completely eclipsing the \$6 billion secured under the transportation deal in that time.<sup>34</sup>

While Virginia's transportation crisis has existed for years, Cuccinelli has actively opposed balanced approaches to meaningful infrastructure investment throughout his political career. In 2002, he opposed a ballot measure to generate new revenue.<sup>35</sup> In 2007, he opposed a major transportation package under former Gov. Tim Kaine (D).<sup>36</sup>

More recently, Cuccinelli has opposed the Metro transit system's silver line, which extends to the Dulles International Airport, saying that the commuter rail

project should be killed all together.<sup>37</sup> Affected Virginia localities are estimating the project's economic impact to total upwards of billions of dollars over the next decade with thousands of jobs flowing into the region.<sup>38</sup> More than 300,000 commuters stand to benefit from the new line, with studies estimating that commuters would save more than \$60 million annually in time that would have been wasted sitting in traffic.<sup>39</sup>

---

## Opposed to Medicaid expansion

Beyond fixing the tax code and a broken transportation system, Virginia has the opportunity to advance economic security for the working class by expanding Medicaid coverage. Expanding Medicaid would help address some of the negative economic impacts surrounding a lack of access to affordable health care and help boost Virginia's economy. But Cuccinelli is steadfastly against Medicaid expansion, which, if implemented, would increase Virginians' economic security.

The lack of access to affordable health care is threatening the economic security for many Virginians—844,000 of whom do not have health insurance.<sup>40</sup> If Virginia expanded Medicaid, more than 400,000 Virginians would gain health care coverage.<sup>41</sup> Additionally, those Virginians would benefit from \$238.9 million in savings on out-of-pocket health care expenditures in the first five years.<sup>42</sup> Those covered would no longer have to live in fear that the next medical bill may put them into bankruptcy and drive them into poverty; medical bills continue to be the number one cause of bankruptcy filings in the United States.<sup>43</sup> More than a million American households will file bankruptcy because of rising medical bills this year.<sup>44</sup> Medicaid expansion in the commonwealth will determine if more Virginians will join the ranks of those bankrupted due to a lack of health insurance coverage.

Medicaid expansion would also be a boon to the state's economy.<sup>45</sup> According to a report commissioned by the Virginia Hospital & Healthcare Association, expanding Medicaid would provide a total annual economic impact of \$3.9 billion to Virginia's economy and add more than 30,000 new jobs in just five years.<sup>46</sup> That is more than four times as many jobs than if Virginia did not expand Medicaid.

Medicaid expansion would also inject more money into Virginia's health care infrastructure, saving businesses money, increasing household spending, and creating new jobs. Businesses would realize an estimated \$20 million in reduced private insurance premiums if the state opts to expand Medicaid.<sup>47</sup>

The lack of access to affordable health care is not only costing businesses, but it is also costing Virginia taxpayers. Taking care of uninsured Virginia citizens costs each person who does have health coverage a “hidden tax” upwards of \$1,017 a year in higher premiums.<sup>48</sup> Medicaid expansion would help hospitals and citizens with private insurance in Virginia by easing the burden of the cost of the uninsured that gets passed on to taxpayers. In the past 10 years, Virginia has already paid \$1 billion in general fund money to support hospitals for the cost of indigent care.<sup>49</sup> If Virginia expanded Medicaid, health care costs and private insurance premiums would go down as they no longer will bear the hidden but very real cost of the uninsured. Accepting nearly \$21 billion in federal funds over seven years would keep billions of Virginia’s taxpayer dollars in the state, create tens of thousands of jobs, and provide health care to more than 400,000 uninsured Virginians.<sup>50</sup>

Despite evidence that Medicaid expansion would help Virginians and boost the state’s economy, Cuccinelli opposes it. He considers programs such as Medicare, Social Security, and Medicaid as “the wrong direction for the country,” suggesting they are “despicable, dishonest, worthy of condemnation.”<sup>51</sup> Without a full expansion of Medicaid, those 400,000 uninsured Virginians could slip through the cracks and never see affordable coverage. Meanwhile, neighboring states such as Maryland and West Virginia become an increasingly attractive option to both businesses and their workers as they expand their Medicaid programs.<sup>52</sup>

---

## Opposed to increasing the minimum wage

By several measures, the minimum wage has not kept up with the real cost of living in America. In 1968, the federal minimum wage was \$1.60 an hour. If it had kept up with inflation, today the minimum wage would be \$10.74 an hour.<sup>53</sup> If you chose worker productivity as a measure, between 1968 and 2012, the minimum wage would have increased by 124 percent to \$22 per hour.<sup>54</sup> While the last increase of the minimum wage was made by Congress in 2007, states can act on their own accord to increase their minimum wage without federal legislation.

Virginia’s next governor could bolster workers by supporting this increase. In a recent report, the Economic Policy Institute demonstrates that a proposal to increase the minimum wage to \$10.10 over three years in Virginia would help 758,000 workers, who would enjoy more than \$1.4 billion in added wages.<sup>55</sup> About 396,000—or one in five—Virginia children with at least one parent would be favorably affected.<sup>56</sup>

A minimum-wage increase would help grow Virginia's economy and create jobs without jeopardizing businesses. In fact, an analysis of state minimum-wage increases shows that states that increased their minimum wage during periods of high unemployment "had job growth slightly above the national average."<sup>57</sup> Two-thirds of low-wage workers actually work for big corporations, most of which have largely recovered from the recession and could therefore afford to increase wages.<sup>58</sup> The three largest employers of low-wage workers in the nation have all seen large profit increases in the past few years—with all three enjoying even greater profits today than they did before the recession.<sup>59</sup>

As it is now set, the current federal minimum wage cannot lift a family of three out of poverty.<sup>60</sup> Raising the minimum wage bolsters women and minorities, since they make up a majority of the low-wage workers.<sup>61</sup> A single mother working full time and earning the minimum wage makes just \$15,080 in a year. That is below the federal poverty level for a family of three. Raising the minimum wage would ensure that hardworking single parents could make ends meet and would provide a real buffer against poverty.

The last time Virginia took up the minimum-wage issue in 2007, Cuccinelli voted against an increase. His vote came at a time when Congress had not increased the minimum wage in 11 years.<sup>62</sup> He continues to oppose any increase to the federal minimum wage of \$7.25. Cuccinelli's staunch opposition to a living wage for hardworking Virginians stifles growth in the state's economy and especially hurts 758,000 workers.<sup>63</sup> If Virginia hopes to maintain its competitive edge in a difficult economic climate, the next governor should consider implementing a living wage for the commonwealth.



# Conclusion: Cuccinelli's vision for Virginia

Virginians are already suffering from the effects of a federal budget impasse. Cuts from the federal sequester disproportionately threaten their economic livelihood. It is estimated that the sequester will cost Virginia more than 85,776 jobs in 2014, with a projected gross domestic product loss of at least \$8.3 billion for the commonwealth.<sup>64</sup> While many state governments are still spared the level of dysfunction seen in Congress, it is clear that Virginia's next governor must avoid the same kind of extreme, no-compromise partisanship found across the Potomac in Washington. State leaders will need to find a way to grow Virginia's economy from the middle out while fiscal challenges at the federal level hit the middle class.

The Cuccinelli economic vision for Virginia invokes a deep skepticism of programs designed to bolster the working and middle class. In his book, *The Last Line of Defense: The New Fight for American Liberty*, Cuccinelli echoes Republican presidential candidate Mitt Romney's infamous remarks on the "47 percent" of voters who see themselves as victims entitled to government assistance. To that point, Cuccinelli writes:

*Sometimes bad politicians set out to grow government in order to increase their own power and influence. This phenomenon doesn't just happen in Washington; it happens at all levels of government. The amazing this [sic] is that they often grow government without protest from citizens, and sometimes they even get buy-in from citizens -- at least from the ones getting the goodies. One of their favorite ways to increase their power is by creating programs that dispense subsidized government benefits, such as Medicare, Social Security, and outright welfare (Medicaid, food stamps, subsidized housing, and the like).<sup>65</sup>*

With a tax plan that primarily benefits the rich, a political ideology that refuses to support any significant investments in infrastructure and education, and an opposition to expanding Medicaid coverage to working families, it is clear that Cuccinelli will stifle Virginia's growth and progress now and well into the future.

---

## Methodology

The report's analysis relied primarily on calculations from the Institute on Taxation and Economic Policy. The ITEP analysis covers the individual income tax only. This analysis did not look into cutting the corporate tax rate from 6 percent to 4 percent, though doing so would have revealed Cuccinelli's plan to be even more regressive, since the shareholders that benefit most from corporate tax cuts are significantly wealthier than average. The hypothetical middle- to low-income taxpayers presented have simple financial circumstances and are assumed to utilize the basic standard deduction or personal exemption for their Virginia tax filing.

For the millionaire scenario, it is assumed the taxpayer would itemize—with a total deduction equal to about 13 percent of adjusted growth income—the average for taxpayers at this income level.

In order to estimate the size of Republican gubernatorial candidate and current state Attorney General Ken Cuccinelli's personal tax savings, we recalculated his 2012 tax liability as though his proposed tax cuts had been in effect that year. The Cuccinelli campaign has not publicly released his full federal and state tax returns, but summary data released by journalists allowed us to estimate Cuccinelli's 2012 Virginia taxable income from his 2012 Virginia tax liability.

---

## Acknowledgments

We would like to thank Kitty Richards for her invaluable assistance with this paper.

## Endnotes

- 1 U.S. Bureau of Labor Statistics, "Unemployment Rates for States," available at <http://www.bls.gov/web/laus/laumstrk.htm> (last accessed September 2013).
- 2 Gregory J. Gilligan, "Virginia Slips to 5<sup>th</sup> in CNBC List of Best States for Business," *Richmond Times-Dispatch*, July 10, 2013, available at [http://www.timesdispatch.com/business/local/va-slips-to-5th-in-cnbc-list-of-best-states/article\\_ab9c79e4-e35b-5187-9274-351fa9e7b514.html](http://www.timesdispatch.com/business/local/va-slips-to-5th-in-cnbc-list-of-best-states/article_ab9c79e4-e35b-5187-9274-351fa9e7b514.html).
- 3 Todd Allen Wilson, "McDonnell Calls for Bipartisanship in State of the Commonwealth Address," *Daily Press*, January 11, 2012, available at [http://articles.dailypress.com/2012-01-11/news/dp-nws-mcdonnell-state-of-the-commonwealth-address-20120111\\_1\\_bob-mc-donnell-virginia-retirement-system-higher-education;DonaldLuzzatto,'LostontheVirginiaWay,'TheVirginian-Pilot,July14,2013,availableathttp://hamp-tonroads.com/2013/07/lost-virginia-way](http://articles.dailypress.com/2012-01-11/news/dp-nws-mcdonnell-state-of-the-commonwealth-address-20120111_1_bob-mc-donnell-virginia-retirement-system-higher-education;DonaldLuzzatto,'LostontheVirginiaWay,'TheVirginian-Pilot,July14,2013,availableathttp://hamp-tonroads.com/2013/07/lost-virginia-way).
- 4 Laura Vozzella, "Cuccinelli Opinion Threatens Medicaid, Transportation Deals," *The Washington Post*, February 23, 2013, available at [http://www.washingtonpost.com/local/va-politics/cuccinelli-opinion-threatens-medicaid-transportation-deals/2013/02/23/be2f8b96-7dcf-11e2-82e8-61a46c2cde3d\\_story.html](http://www.washingtonpost.com/local/va-politics/cuccinelli-opinion-threatens-medicaid-transportation-deals/2013/02/23/be2f8b96-7dcf-11e2-82e8-61a46c2cde3d_story.html).
- 5 Economic Policy Institute, "Characteristics of Workers Who Would be Affected by Increasing the Federal Minimum wage to \$10.10 by July 1, 2015" (2013), available at <http://www.epi.org/files/2013/EPI-federal-minimum-wage-state-impact.pdf>.
- 6 "SB 1327 Minimum Wage; Increase Per Hour," Legislative Information System, February 5, 2007, available at <http://leg1.state.va.us/cgi-bin/legp504.exe?071+vot+S.V08965B1327+SB1327>.
- 7 Millie Rothrock, "Cuccinelli, McAuliffe stump in Wytheville," *SWVA Today*, August 6, 2013, available at [http://www.tricities.com/swvatoday/news/wytheville/article\\_8f0b54e8-fed6-11e2-892d-001a4bcf6878.html](http://www.tricities.com/swvatoday/news/wytheville/article_8f0b54e8-fed6-11e2-892d-001a4bcf6878.html).
- 8 Michael Martz, "Va. Looks to Reform Medicaid Program," *Richmond Times-Dispatch*, December 16, 2012, available at [http://www.timesdispatch.com/entertainment-life/health/medical/va-looks-to-reform-medicaid-program/article\\_cda63929-8e88-56cb-8f2d-09a82b1202ae.html](http://www.timesdispatch.com/entertainment-life/health/medical/va-looks-to-reform-medicaid-program/article_cda63929-8e88-56cb-8f2d-09a82b1202ae.html).
- 9 Editorial Board, "The Fuzzy Math of Ken Cuccinelli's Economic Plan," *The Washington Post*, August 19, 2013, available at [http://articles.washingtonpost.com/2013-08-19/opinions/41424100\\_1\\_transportation-plan-mcdonnell-general-ken-cuccinelli-ii](http://articles.washingtonpost.com/2013-08-19/opinions/41424100_1_transportation-plan-mcdonnell-general-ken-cuccinelli-ii).
- 10 Cuccinelli for Governor, "The Cuccinelli Economic Growth and Virginia Jobs Plan," available at <http://www.cuccinelli.com/wp-content/uploads/2013/07/Job-Plan.pdf> (last accessed September 2013).
- 11 Analysis of data provided by the Institute on Taxation and Economic Policy.
- 12 Ibid.
- 13 Ibid.
- 14 Ibid.
- 15 Ibid.
- 16 Gilligan, "Virginia Slips to 5<sup>th</sup> in CNBC List of Best States for Business."
- 17 Virginia Education Association, "VEA Will Fight for 3-Percent Pay Increase," available at <http://www.veanea.org/home/472.htm> (last accessed September 2013).
- 18 Michael Leachman and Chris Mail, "Most States Funding Schools Less Than Before the Recession" (Washington: Center on Budget and Policy Priorities, 2013), available at <http://www.cbpp.org/cms/index.cfm?fa=view&id=4011>.
- 19 Trip Gabriel, "Virginia's Feast on U.S Funds Nears an End," *The New York Times*, March 2, 2013, available at <http://www.nytimes.com/2013/03/03/us/politics/virginias-feast-on-us-funds-nears-an-end.html>.
- 20 Jamelle Bouie, "Virginia, Say Hello to the Sequester," *The American Prospect*, March 4, 2013, available at <http://prospect.org/article/virginia-say-hello-sequester>.
- 21 Olympia Meola, "McDonnell on Cuts: We're as Prepared as We Could Be," *Richmond Times-Dispatch*, March 1, 2013, available at [http://www.timesdispatch.com/news/state-regional/government-politics/virginia-worked-to-build-buffer-against-sequestration/article\\_d7de451d-141d-5309-8620-a6ef207ef01d.html](http://www.timesdispatch.com/news/state-regional/government-politics/virginia-worked-to-build-buffer-against-sequestration/article_d7de451d-141d-5309-8620-a6ef207ef01d.html).
- 22 Ibid.
- 23 Virginia Department of Planning and Budget, "Frequently asked Questions," available at <http://dppb.virginia.gov/budget/faq.cfm#wherego> (last accessed September 2013).
- 24 Virginia Department of Planning and Budget, "Amended Budget for the 2012-2014 Biennium," available at <https://solutions.virginia.gov/pbreports/rdPage.aspx?rdReport=dwBudgetWiz&rdAgReset=True&selTabName=ChapterByFnd&selFieldList=AgencyCode&selTitleList=AgencyTitle&selChapterID=43&selValueColumns=Total%20Dollars%2cTotal%20Positions&iptSubmitted=True&chkInitial=True&chkAmended=True&chkCaboose=True&iptFirstPageCall=False&iptShowInput=DontShow&iptShowToggle=Show&QLinks=Agy&rdShowModes=Show> (last accessed September 2013).
- 25 Jim Nolan, "Cuccinelli Proposes \$1.4 Billion in Tax Cuts," *Richmond Times-Dispatch*, May 8, 2013, available at [http://www.timesdispatch.com/news/state-regional/government-politics/article\\_2c63bc06-64ab-5ec6-bd28-4e8a3a308553.html](http://www.timesdispatch.com/news/state-regional/government-politics/article_2c63bc06-64ab-5ec6-bd28-4e8a3a308553.html).
- 26 "Candidate Cuccinelli's Economic Gimmick," *The Virginian-Pilot*, May 9, 2013, available at <http://hamp-tonroads.com/2013/05/candidate-cuccinellis-economic-gimmick>.
- 27 "Show Voters the Numbers on Tax Plans," *The Roanoke Times*, May 9, 2013, available at <http://www.roanoke.com/opinion/editorial/1917951-12/show-voters-the-numbers-on-tax-plans.html>.
- 28 Editorial Board, "The Fuzzy Math of Ken Cuccinelli's Economic Plan."
- 29 Michael Cassidy and Sara Okos, "A Drop in the Bucket?" (Richmond: The Commonwealth Institute, 2009), available at [http://www.thecommonwealthinstitute.org/wp-content/uploads/2011/08/091109\\_drop\\_in\\_the\\_bucket\\_REPORT.pdf](http://www.thecommonwealthinstitute.org/wp-content/uploads/2011/08/091109_drop_in_the_bucket_REPORT.pdf).

- 30 Scott Shenk, "DC Commute Worst In U.S.," *Fredericksburg.com*, February 8, 2013, available at <http://fredericksburg.com/News/FLS/2013/022013/02082013/753190/index.html?page=1>.
- 31 "Hampton Roads Traffic Congestion Gets Worse," *Daily Press*, February 9, 2013, available at [http://articles.dailypress.com/2013-02-09/news/dp-nws-street-smart-0209-20130208\\_1\\_traffic-congestion-texas-transportation-institute-vdot](http://articles.dailypress.com/2013-02-09/news/dp-nws-street-smart-0209-20130208_1_traffic-congestion-texas-transportation-institute-vdot).
- 32 Gov. Bob McDonnell, "Governor McDonnell Ceremonially Signs Virginia's Historic Bi-Partisan Transportation Funding Bill," Press release, May 13, 2013, available at <http://www.governor.virginia.gov/news/viewRelease.cfm?id=1809>.
- 33 Julian Walker, "McDonnell signs \$6 billion transportation funding bill," *The Virginian-Pilot*, May 14, 2013, available at <http://hamptonroads.com/2013/05/mcdonnell-signs-6-billion-transportation-funding-bill>.
- 34 Ibid.
- 35 Editorial Board, "Cuccinelli misleads Virginians on transportation," *The Washington Post*, March 17, 2013, available at [http://articles.washingtonpost.com/2013-03-17/opinions/37795544\\_1\\_transportation-fund-landmark-transportation-bill-general-fund](http://articles.washingtonpost.com/2013-03-17/opinions/37795544_1_transportation-fund-landmark-transportation-bill-general-fund).
- 36 Ibid.
- 37 Editorial Board, "Ken Cuccinelli's incomprehensible war against the Silver Line," *The Washington Post*, June 24, 2013, available at [http://articles.washingtonpost.com/2013-06-24/opinions/40164476\\_1\\_northern-virginia-virginia-s-transportation](http://articles.washingtonpost.com/2013-06-24/opinions/40164476_1_northern-virginia-virginia-s-transportation).
- 38 Dana Hedgpeth, "Va. transportation chief Sean Connaughton lays out position on Silver Line," *The Washington Post*, May 9, 2012, available at [http://articles.washingtonpost.com/2012-05-09/local/35458430\\_1\\_labor-agreement-loudoun-county-project](http://articles.washingtonpost.com/2012-05-09/local/35458430_1_labor-agreement-loudoun-county-project).
- 39 Lauren Donnelly, "Dulles Corridor Metrorail Project: A Cost-Benefit Analysis," *Policy Perspectives* 16 (2009).
- 40 Lena H. Sun, "Uninsured will see differing levels of help for Obamacare in Maryland, Virginia, D.C.," *The Washington Post*, August 9, 2013, available at [http://articles.washingtonpost.com/2013-08-09/national/41237654\\_1\\_health-insurance-insurance-market-places-health-care-law](http://articles.washingtonpost.com/2013-08-09/national/41237654_1_health-insurance-insurance-market-places-health-care-law).
- 41 Ibid.
- 42 Chmura Economics and Analytics, "The Economic Impact of the Medicaid Expansion on Virginia's Economy" (2012), available at <http://www.vhha.com/documents.html?id=845>.
- 43 Dan Mangan, "Medical Bills Are the Biggest Cause of US Bankruptcies: Study," *CNBC*, June 25, 2013, available at <http://www.cnbc.com/id/100840148>.
- 44 Ibid.
- 45 Center on Budget Policy, "Status of ACA Medicaid Expansion after Supreme Court Ruling" (2013), available at <http://www.cbpp.org/files/status-of-the-aca-medicaid-expansion-after-supreme-court-ruling.pdf>.
- 46 Virginia Hospital & Healthcare Association, "Medicaid Expansion Economic Impact," available at <http://www.vhha.com/medicaideconomicimpact.html> (last accessed September 2013).
- 47 Chmura Economics & Analytics, "The Economic Impact of the Medicaid Expansion on Virginia's Economy" (2012), available at <http://www.vrha.org/weekly/articles/1-21-13medicaid.pdf>.
- 48 Seung Min Kim, "Study: Insured pay 'hidden tax' for uninsured health care," *USA Today*, May 29, 2009, available at <http://abcnews.go.com/Business/story?id=7693848&page=1>.
- 49 Bobby Scott, "Virginia should expand Medicaid," *The Virginian-Pilot*, August 2, 2013, available at <http://hamptonroads.com/2013/08/virginia-should-expand-medicaid>.
- 50 John McInerney and Michael J. Cassidy, "Making the Right Choice on Medicaid" (Richmond: The Commonwealth Institute, 2012), available at <http://www.thecommonwealthinstitute.org/wp-content/uploads/2012/07/Making-the-Right-Choice-on-Medicaid.pdf>.
- 51 Ian Millhiser, "Medicare Is 'Despicable,' And Nine Other Crazy Ideas From The Man Who Wants To Be Virginia's Next Governor," *ThinkProgress*, February 12, 2013, available at <http://thinkprogress.org/justice/2013/02/12/1578761/medicare-is-despicable-and-nine-other-crazy-ideas-in-ken-cuccinellis-new-book/>.
- 52 Sun, "Uninsured will see differing levels of help for Obamacare in Maryland, Virginia, D.C."
- 53 U.S. Bureau of Labor Statistics, "CPI Inflation Calculator," available at [http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm) (last accessed September 2013).
- 54 John Schmitt, "The Minimum Wage Is Too Damn Low" (Washington: Center for Economic and Policy Research, 2012), available at <http://www.cepr.net/documents/publications/min-wage1-2012-03.pdf>.
- 55 Economic Policy Institute, "Characteristics of workers who would be affected by increasing the federal minimum wage to \$10.10 by July 1, 2015."
- 56 Ibid.
- 57 Travis Waldron, "Studies: Increasing The Minimum Wage During Times Of High Unemployment Doesn't Hurt Job Growth," *ThinkProgress*, June 20, 2012, available at <http://thinkprogress.org/economy/2012/06/20/503112/studies-increasing-the-minimum-wage-during-times-of-high-unemployment-doesnt-hurt-job-growth>.
- 58 Pat Garofalo, "Report: Big Corporations Are Making Huge Profits While Keeping Their Employees Stuck At Minimum Wage," *ThinkProgress*, July 19, 2012, available at <http://thinkprogress.org/economy/2012/07/19/550991/corporations-profits-minimum-wage/>.
- 59 Ibid.
- 60 Travis Waldron, "CHART: Minimum Wage Hasn't Kept Pace With Cost Of College Tuition Or Health Care," *ThinkProgress*, April 3, 2012, available at <http://thinkprogress.org/economy/2012/04/03/457594/chart-minimum-wage-hasnt-kept-pace-with-cost-of-college-tuition-or-health-care/>.

- 61 David Madland and Nick Bunker, "Women Are the Biggest Losers from Failure to Raise Minimum Wage," Center for American Progress Action Fund, June 20, 2012, available at <http://www.americanprogressaction.org/issues/labor/news/2012/06/20/11682/women-are-the-biggest-losers-from-failure-to-raise-minimum-wage-2>.
- 62 Christina Nuckols, "Va. Senate votes for increase in minimum wage," *The Virginian-Pilot*, February 6, 2007, available at <http://hamptonroads.com/node/218611>.
- 63 Rothrock, "Cuccinelli, McAuliffe stump in Wytheville."
- 64 David Brown and Bill Rapp, "Sequestration: Economic Impact by State, 2014" (Washington: Third Way, 2013), available at <http://www.thirdway.org/subjects/7/publications/657>.
- 65 Millhiser, "Medicare Is 'Despicable,' And Nine Other Crazy Ideas From The Man Who Wants To Be Virginia's Next Governor."

---

---

The Center for American Progress Action Fund transforms progressive ideas into policy through rapid response communications, legislative action, grassroots organizing and advocacy, and partnerships with other progressive leaders throughout the country and the world. The Action Fund is also the home of the Progress Report and ThinkProgress.

---

---

Center for American Progress Action Fund

