



The Real Cost of Cuccinelli

The Threat to Virginia's Competitiveness and Middle Class

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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.¹ Moreover, Virginia has been listed among the best-managed states in the nation for the past two decades.² 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.³ 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.⁴
- **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.⁵ In 2007, Cuccinelli—then a state senator—opposed a minimum-wage increase, while three-fourths of his colleagues supported raising it.⁶ He continues to oppose a real living wage today.⁷
- **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.⁸

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