“...a wise and frugal government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government, and this is necessary to close the circle of our felicities.”

Thomas Jefferson
1801
From the Chairman & President

Jefferson Institute Continues to Impact Public Policy

Turning government toward market based reforms is not an easy task and takes time and patience. Many of the policy changes debated today for confronting the serious problems faced by our state are based on the ideas first brought to the public policy forum by the Thomas Jefferson Institute.

The Thomas Jefferson Institute spent 2008 consolidating our leadership role in offering realistic alternatives to current government policies and programs based on a free market philosophy of limited government, free enterprise and individual responsibility. Our ideas became key parts of policy reform. The state government’s transparency efforts, many originally suggested by the Jefferson Institute, were recognized as among the best in the country. The General Assembly used the re-designed Executive Budget and other management tools created with our support to reduce government spending. Important school choice legislation based on our ideas for more “parental choice” gained critical support in the General Assembly. Universal pre-K remained a limited budget item thanks to the research provided by the Jefferson Institute. Northern Virginia’s HOT (high occupancy toll) lanes began to be built illustrating another Jefferson idea taking root. True environmental stewardship and sensible science gained support thanks to the Institute’s careful science-based work in the public debate swirling around “climate change” and economic development. Key leaders began listened carefully to our market-based environmental ideas for rationally confronting temperature rise without harming our economic vitality and our years long effort to make agricultural best practices (especially no-till farming) a key policy in our state for cleaning the Chesapeake Bay took firm hold in 2008.

And at the end of the year the Thomas Jefferson Institute gained the management of the highly respected state public policy electronic journal, “Bacon’s Rebellion.” The goal is to increase its circulation and focus on issues facing our state and local governments.

As we see more of our ideas become central themes of policy discussions, it is only right to thank those who serve on our Board of Directors and those who have stood by us financially and helped us gain public acceptance and support. Those loyal supporters are deeply appreciated.

Michael W. Thompson
Chairman and President
The Thomas Jefferson Institute worked with state and local officials, government and business leaders as we again promoted reforms in the way taxpayers’ money is spent, how government programs are analyzed and how they can be improved. Our efforts continued to promote efficiency, transparency and accountability of government at the state and local level.

Board Member, former Delegate and budget expert Jack Rust, oversees these government reform efforts at the Jefferson Institute’s Center for Government Reform. His expertise and deep understanding of the way state government works is a huge asset to the work of this foundation. That is why Attorney General Robert McDonnell appointed Rust to chair his Government and Regulatory Reform Task Force which sought to remove unneeded regulations and improve those that created unintended consequences. Rust is highly respected by both Republicans and Democrats and his leadership in this area is a great asset to the Jefferson Institute.

We are honored to have a nationally recognized expert on government reform serve as our Senior Fellow for Government Reform at the Jefferson Institute. Leonard Gilroy, Director of Government Reform at the renown Reason Foundation, is our Senior Fellow on Government Reform. Len’s practical ideas for reforming government are gained from his years of work with state and local governments around the country in efforts to restructure to bring policies and process into the 21st Century.

The knowledge and expertise provided by Jack Rust and Len Gilroy are a huge advantage for the Jefferson Institute as it works with state legislators, the Cost Cutting Caucus, county and state officials, and business leaders who believe government can be managed in a more business-like fashion.

A major theme of the Thomas Jefferson Institute is bringing government spending under better management through the use of proven business practices. We have also promoted transparency in state and local government – where money is spent, what impact that spending has had and opening up state and local government to a more public-friendly way of doing business. Thanks to the increasing capability of the internet and the Jefferson Institute’s ability to work successfully with leaders in the Executive Branch and the General Assembly much more information is now publicly available. But information without the ability to analyze it and compare it between agencies and programs makes it difficult to bring spending under control.
In 2008, the Jefferson Institute worked hard to lay the groundwork for a statewide effort to focus on government transparency. The General Assembly agreed to vote in 2009 on legislation that would make spending more transparent and this was accomplished by a bi-partisan group of State Senators and State Delegates. The Jefferson Institute provided background to the legislators on this important issue so that they better understood how transparency has worked in other states. And we worked at the county level to bring this idea to local government officials. Fairfax County agreed to analyze how the state’s largest county might move forward on this management issue.

The Thomas Jefferson Institute continued to work with the General Assembly’s Cost Cutting Caucus and its Chairman, Delegate Chris Saxman (R-Staunton) to bring spending under better control. Much has been accomplished in this partnership between the Jefferson Institute and the Cost Cutting Caucus over the past years and those efforts are poised to make significant progress in the years ahead.

In 2008, the General Assembly agreed to make the collection of the state’s accounts receivable more efficient; a process was begun to allow taxpayers to use the internet to help improve proposed government regulations; and legislation moved forward that would create a process to close unnecessary government programs and agencies similar to the way Congress closes unneeded military bases.

Delegate Saxman and the Jefferson Institute continue to work together to create a more cost effective government. Over the past few years much has been accomplished with the creation of a more user friendly Executive State Budget, websites that focus on government spending, and an analysis of specific spending areas and where savings might be made in areas such as the transportation fleet, electrical usage, etc.

The Jefferson Institute will now focus on moving to the next level of government reform – improving the tools already created and adding to them so that true budget management can be accomplished by the next Governor and his administration. Those proposed changes will make a transparent government more available to those interested in improving government programs.
Regulation Reform Effort involves key Jefferson Leaders

Attorney General Bob McDonnell appointed a Government and Regulatory Reform Task Force and the Jefferson Institute’s Board Member, Jack Rust, was designated the chairman of this important effort. Mike Thompson, president of the Institute, was appointed to serve on the Infrastructure Committee; vice president Chris Braunlich served on the Education Committee and Dr. David Schnare, our Director of Environmental Stewardship, was an advisor to the Environment Committee. These appointments clearly show the importance that key government leaders give to the work and expertise provided by the Thomas Jefferson Institute here in Virginia.

Fairfax County Budget Report Highlights Need for Reform

Each year the Thomas Jefferson Institute issues an analysis of spending by Virginia’s largest jurisdiction, Fairfax County. The analysis shows what Fairfax County spends over a four year period and what that spending would have been had its annual increases been limited to the growth of population and inflation. This report offers a set of management suggestions to improve budget oversight and better spending analysis. It has been published each year by the Jefferson Institute since 2002 and is based on the work of a Fairfax County Blue Ribbon Commission created under the leadership of former Chairman of the Board of Supervisors Tom Davis.

In 2008, the Fairfax County officials began to take the management actions long advocated by the Thomas Jefferson Institute. Supervisor Pat Herrity of Springfield set up a Citizens Budget Oversight Committee asking key experts to work with him in finding ways to limit government spending and use the taxpayers’ funds more effectively. Mike Thompson, President of the Jefferson Institute and author of its annual budget analysis, is a key member of this committee. Other Supervisors are now considering establishing similar citizen budget committees.

When Pat Herrity announced for Chairman in a special election to replace the Fairfax County Chairman of the Board of Supervisors, he used many of the Jefferson Institute ideas in his platform for better managing the county budget. Those ideas were well received and Herrity came within 1200 votes of winning.
In December, the Jefferson Institute hosted its annual Innovations in Government Conference in Richmond and the theme was, “Government Infrastructure Needs and the Private Sector.” To expand the influence of this annual conference, the Jefferson Institute partnered with the Office of the Governor, the Virginia Association of Counties, the Virginia Municipal League, the Virginia Chamber of Commerce, the Mercatus Center at George Mason University, the Reason Foundation and the General Assembly’s Cost Cutting Caucus.

Almost 70 state government agency executives and several legislators attended this conference to hear experts from the private sector and state government discuss how public/private partnerships are helping to provide needed infrastructure from roads to schools to water plants. The Jefferson Institute presented its annual “Innovations in Government Award” to two cabinet officers who were leaders in bringing reforms to the state government through better business practices in government management and by inviting the private sector to participate in providing infrastructure needs. These awards were presented to the Secretary of Transportation, Pierce Homer, and the Secretary of Technology, Aneesh Chopra, who was appointed soon after our conference by President Barack Obama as the federal government’s Chief Information Officer.

Once again in 2008, Congressman Tom Davis showed his continued support for the Thomas Jefferson Institute. Through letters of support to key financial supporters Congressman Davis once again showed his respect for the work we are doing.

Attorney General Bob McDonnell  
Lt. Governor Bill Bolling  
Congressman Tom Davis
Lt. Governor Bill Bolling asked business leaders and community activists throughout the state to support the Institute in a personal letter to thousands of key Virginians and through a specialized telephone project supporting off-shore drilling for natural gas and oil.

Attorney General Bob McDonnell attended a private dinner briefing for the Thomas Jefferson Institute and about 50 top business leaders. At that dinner he discussed issues facing Virginia and thanked the Institute for all the good ideas it continues to bring to the table of public debate. At that dinner, state Delegate Dave Albo and Springfield Supervisor Pat Herrity also talked about the importance of the work that the Jefferson Institute provides to public leaders.

In December, the Jefferson Institute began publishing Bacon’s Rebellion, the state’s highly respected electronic public policy journal named after its founder, James Bacon. With the acquisition of this journal, this foundation will have a new vehicle to bring public policy alternatives to the public. You can find Bacon’s Rebellion at www.baconsrebellion.com

Competition and reform improves both public and private institutions … and education should be no different.

The Thomas Jefferson Institute’s Center for Excellence in Education continued the fight for improvements in the education of Virginia’s children. The Center is headed by Chris Braunlich, the Jefferson Institute’s Vice President. He served for eight years on the Fairfax County School Board, representing an area that mirrored the changing demographics of the region. As a former official with the National Association of Manufacturers and the Center for Education Reform, Chris brings a breadth of experience that few can match.

In 2008, the Thomas Jefferson Institute put its focus at the Center for Excellence in Education on building a grass-roots network for education reform – particularly reform and competition that improves both public and private institutions.

While Virginia’s Standards of Learning have driven tremendous increases in student test scores, much more work is needed to help at-risk students gain improved opportunities. Despite improvements of the last decade, low-income students and students with disabilities continue to struggle.
The year kicked off when the Institute released its annual fiscal analysis of a Pennsylvania-style tuition tax credit using the latest Virginia Department of Education data. The study is based on the Pennsylvania program that offers corporations a tax credit for donations to scholarship organizations providing low income kids scholarships to the public or private school of their choice. The study again showed a positive fiscal gain for local schools systems and the state budget – and became an important factor in arguing for Delegate Chris Saxman’s (R-Staunton) “Virginia Educational Improvement Tax Credit.” The 2008 analysis included a Forward from civil rights leader Dr. Howard Fuller, chairman of the Black Alliance for Educational Options (BAEO).

The BAEO partnership expanded as Institute Vice President Chris Braunlich conducted a two-day tour with Gerard Robinson, president of BAEO. The tour included visits to Historically Black Colleges and Universities and members of the Legislative Black Caucus to promote expanded charter school options.

BAEO and the Jefferson Institute also united to conduct an education choice survey of black neighborhoods in Richmond, Norfolk, and Petersburg. The list of respondents – more than 4500 of whom support choice options for children in their neighborhood, builds an additional resource to advocate for equal educational opportunity.

The Institute spent much of the 2008 summer preparing for an ambitious program to build grassroots support for choice options, including creation and distribution of an informative brochure describing a Tuition Assistance Grant (scholarship) for Students with Disabilities. This concept, introduced in the General Assembly by State Senator Walter Stosch, exists in five other states and offers the parents of students with disabilities a state-financed scholarship for these students to attend the public or private school of their choice. The amount of the scholarship would be no greater than the amount spent by the state for that child’s education.

The Institute is building a contact list (more than 3,500 and counting!) of parents interested in such a scholarship and its communications efforts will be focused on keeping these parents informed of such scholarship proposals as they work their way through the General Assembly.
Focus on School Boards

The Institute also identified nearly 200 reformers among the state’s 800+ local school board members and planned a vigorous campaign to offer training for current and prospective school board reformers in key education reform issues – from reading curriculum to student funding.

One example of that training took place immediately following the Virginia School Board Association Convention, with an “Education Policy Luncheon” featuring former Virginia Solicitor William Hurd discussing “The Legal Consequences of Scholarships for Students with Disabilities.” The well-attended luncheon included not only school board members but private school operators and parent activists among its attendees.

Center on Environmental Stewardship

The Thomas Jefferson Institute became Virginia’s leading free market environmental advocate in 2008. This was due to the Jefferson Institute’s respect from our state’s leaders and to our highly respected Director of Environmental Stewardship, Dr. David Schnare.

Environmental protection and economic development are not mutually exclusive and do not need to be opposing concepts. Indeed, Americans have found that reliance on a free market often provides a higher long-term quality of life and at less cost to individuals and the society at large. Sound science and successful public policy require that a free market place of well-researched ideas be considered. In the areas of climate change and cleaning up the Chesapeake Bay that is exactly what the Center for Environmental Stewardship is doing in a user-friendly and scientifically-based manner.

Global Warming - Facts and Reality

The Jefferson Institute distributed a special report on international surveys of scientists on the issue of Global Warming taken between 1996 and 2003. We sent this to 10,000 business and government leaders throughout Virginia. This survey was fascinating and showed that many atmospheric scientists have serious doubts about the more alarmist views concerning Global Warming. We received many positive comments from those who received a copy of this survey because it showed that the media coverage on this issue tended to be one-sided.
In 2008, Dr. Schnare was a major speaker at the annual International Conference on Climate Change. He delivered an important paper which offered geo-engineering and a set of policy alternatives for confronting climate change in an economically reasonable manner whether it is a naturally occurring phenomenon or man-made problem. This paper was the subject in follow-up meetings with the staff director for the U.S. Senate Science Subcommittee of the Appropriations Committee.

The Institute’s Center for Environmental Stewardship worked with members of the Governor’s Climate Change Commission to make sure that those who were truly interested gained access to solid science, some of which disagrees with what several members of this commission consider “settled and undisputed science.” The Center provided facts and figures including a growing amount of data showing that the earth is actually cooling and may be entering an extended period when temperatures will be cooler than in the past 20 years. Dr. David Schnare testified to the Virginia Climate Change Commission on two occasions, highlighting scientific facts that had not been brought to the members’ attention and he discussed the geo-engineering concept that a number of internationally recognized scientists have promoted as a way to resolve any possible long-term temperature increase without harming our economic future, while allowing for a shift away from carbon-based energy, should that prove to be necessary.

Dr. Schnare met with a number of state elected leaders to discuss scientific climate change facts that are not often discussed in the mainstream media and too often swept aside by that part of the scientific community which seems more interested in promoting Global Warming fear than a true science-based discussion on what is happening to our climate and what can be done in a economically sensible way.

Dr. Schnare was a featured speaker at the fall Climate Change Conference sponsored by the National Chamber of Commerce and the Virginia Chamber. This conference brought scores of business leaders together to discuss the climate change/environmental issues facing our nation and our state. Dr. Schnare was one of the more popular speakers with his analysis of the current climate change situation and the geo-engineering idea. Dr. Schnare explained that by artificially seeding the atmosphere with non-polluting reflective particles (that slowly descend to the surface of the earth) we can keep the earth’s atmosphere cool as we work to find economically feasible alternatives to carbon-based fuels. This is a more acceptable concept than severely restricting our economic growth through drastic government regulation.
The highly respected Research Triangle Institute (RTI) in Raleigh, North Carolina invited Dr. Schnare to present his ideas as part of its ongoing lecture series that brings nationally recognized speakers to the RTI professional corps. The University of North Carolina School of Public Health took the opportunity to piggy-back on Dr. Schnare’s visit to the area and asked him to speak before students and faculty. The focus of both presentations was not only on the climate science that has been ignored by governments, but also the vested interests of governments and environmental activists which constitute the political reason for their alarmism.

Geoengineering and the Four Climate Change Truths:
Perspectives of a Lawyer-Scientist

A Presentation at the Research Triangle Institute, International
November 18, 2008

Cleaning the Bay Remains a Priority

The Thomas Jefferson Institute continued to promote a market-oriented approach to cleaning up the Chesapeake Bay. A less-polluted Bay can be a huge economic asset to Virginia through improved seafood harvests and more recreational activities. The potential economic power of a cleaner Chesapeake Bay is estimated in the billions of dollars.

In 2008, the Jefferson Institute continued to promote its program to bring more attention to the need to move our farming toward no-till techniques. The Institute met with key policy leaders throughout Virginia to promote no-till farming and how to use a market oriented approach to encourage farmers to move toward this proven best agricultural practice. After three years of promoting this idea by the Thomas Jefferson Institute, the state government now actively advocates this concept. But more needs to be done to encourage farmers to move to no-till farming and the Jefferson Institute has suggested the development of a process where farmers would be able to sell environmental credits for no-till farming and other agricultural best practices that help restore the Bay. This would work similarly to the “smoke stack industry” that currently sells credits for environmentally friendly improvements on the Chicago Carbon Exchange.

A larger scale no-till farming community in our state can have a huge impact on the quality of the Bay while improving the harvest from our farms.
The Thomas Jefferson Institute believes in economic growth with the least amount of government interference as possible. When energy supplies are available to us that can be produced without harming our environment in a significant way, then those resources should be found and developed. That is the case with the potential windfall of natural gas and possibly oil off our Virginia coast. It is the Institute’s belief that the federal government should allow for exploration to determine how much oil and gas there is in these waters. If there is a great deal as some reports indicate, then those resources should be developed in an environmentally sensitive manner.

Lt. Governor Bill Bolling worked with the Jefferson Institute to identify more than 10,000 people in Virginia who agree that exploration for oil and gas should take place off our coast. This statewide survey found overwhelming support for drilling among those reached in this effort. Virginia can be more energy independent than we are today by drilling for oil and gas and this will make the United States more energy independent as well. Natural gas is a clean and environmentally sensible source of energy and should be encouraged.

The Center also provided assistance to the legislature and the public by preparing a straightforward fact bulletin regarding development of off-shore gas and oil. This fact sheet, a “climate friendly energy policy”, received wide attention and brought the debate back from some of the extreme low and high estimates of potential economic gain associated with developing this resource.
Prior to Virginia’s General Assembly returning to a Special Session called by Governor Kaine to focus on transportation, the Jefferson Institute’s president, Mike Thompson, crafted a detailed 13 point “Transportation Agenda” for the consideration by our elected leaders.

This outline of reasoned and well-researched steps to improve the congestion crisis faced here in Virginia clearly showed the path that can be taken by our leaders. This 13 point transportation agenda outlined how to improve our transportation network in a way that brings responsible oversight and reform to the process while building the necessary corridors to bring economic success to our state.

The “Virginia Economic Forecast 2008-09” detailed what Virginia’s premier private economic consulting firm, Chmura Economics and Analytics, projected for our economy over the next year. The state’s top economists studied various economic factors and determined that our state’s economy would continue to grow although at a slower rate. Each year this Economic Forecast is researched and written for the Jefferson Institute by Chmura Economics and Analytics of Richmond.

The public policy issue that Dr. Christine Chmura and her staff focused on in this Forecast was the housing recession that had impacted so severely our state’s and nation’s economy. Chmura detailed the impact of this housing downtown and how it could well affect the economic outlook for the next few years. This late Spring study made it clear that Virginia’s economic future would be impacted by how severe that housing recession played out. This study clearly showed that what happened in the Fall of 2008, with the housing crisis triggering a severe economic downturn, was a concern voiced months earlier by Dr. Chmura, our state’s top private economist, in our annual Economic Forecast.
Michael Thompson: Chairman and President: For over twenty years Mr. Thompson owned his own marketing company. He has been very active in national, state and local politics as well as a number of state and community organizations, commissions, and committees, Springfield, VA.

Randal C. Teague: Secretary/Treasurer: A Partner in the law firm of Vorys, Sater Seymour and Pease, Washington, DC.

John Alderson: President of the John Alderson Insurance Agency, Daleville, VA.

Warren Barry: Former State Senator and small business owner. Heathsville, VA.

William W. Beach: Director of the Center for Data Analysis and John M. Olin Senior Fellow in Economics at the Heritage Foundation in Washington, D.C.

James W. Beamer: Managing Director for Legislative Outreach, Dominion Resources Services, Inc., Richmond, VA.

Stephen Cannon: Chairman, Constantine Cannon, PC, former Sr. VP and General Counsel of Circuit City Stores, Washington DC

James W. Dyke, Jr: Partner, McGuireWoods and former Sec. of Education, McLean, VA.


Alan I. Kirshner: Chairman and CEO of Markel Corporation, Glen Allen, VA.

Jay Poole: Former V. P. for Agriculture Policy and Programs, Altria, Glen Allen, VA.

Joseph Ragan: Founder and President of Joe Ragan’s Coffee, Springfield, VA.

John Rust: Partner, Rust and Rust law firm & former State Delegate, Fairfax, VA.

John Ryan: Retired Senior Counsel & Dir. of Gov’t. Affairs for Bristol Myers Squibb, Washington DC.

Robert W. Shinn: President of Public Affairs, Capital Results, Richmond, VA.

Todd A. Stottlemyer: Exec VP, Inova Health System, Fairfax, VA.

Dr. Robert F. Turner: Law professor at the University of Virginia, Charlottesville, VA.

Robert W. Woltz, Jr: President and CEO of Verizon-Virginia, Richmond, VA.
“Your work with my administration in the area of bringing better business practices to state government has been valuable. As you and I found in the private sector, there is always room for better ideas and more efficient practices.”

US Senator Mark Warner (former Governor)

“The Jefferson Institute leads the way in providing workable ideas for Virginia legislators who believe in limited government, free enterprise and personal responsibility.”

Lt. Governor Bill Bolling

“The Thomas Jefferson Institute is an effective independent, market-oriented, public policy foundation, standing at the forefront of some of the most important issues facing our Commonwealth.”

Attorney General Bob McDonnell

“The Thomas Jefferson Institute’s work is right up there at the top. We use them. I use them to explore new ideas about how to make government work better.”

Speaker of the House William Howell

“The work this Institute provides is well researched, practical and offers us an agenda on “Good Government” that makes sense in the real world.”

Cost Cutting Caucus Chairman, Delegate Chris Saxman

“The creative work of the Jefferson Institute helps light the way for creative government policies, better public education, a more smoothly functioning transportation system, and long-term economic growth. This feisty and creative foundation is the best non-partisan organization of its type here in Virginia.”

Former Senator George Allen