



Chairman's 2014 Year End Report

Thanks to supporters like you, the Thomas Jefferson Institute for Public Policy accomplished a great deal in 2014. Outlined below is all that we did over the past year. I hope you will be impressed and continue your support for our work here in Virginia. Your support has helped make the Jefferson Institute the premier non-partisan, independent public policy foundation in Virginia.

January: More than 120 people attended a special breakfast thanking out-going Governor Bob McDonnell for all he accomplished during his four year term including appointing solid center-right advocates to key positions. Among them were Institute Vice President Chris Braunlich to the State Board of Education and yours truly to serve as his Special Advisor to the Commission on Government Reform and Restructuring. Over 60% of that Commission's recommendations were ideas initiated or advocated over the years by the Jefferson Institute.

February: Institute Vice President, Chris Braunlich was unanimously elected President of the Virginia State Board of Education, the state's top education policy board. He serves until his term expires in June, 2015. Chris is a nationally recognized expert in school choice issues and in promoting policies and programs to improve the public education system. His leadership as President of the State Board of Education has gained the praise of school officials across the political spectrum. Chris' leadership is having a positive impact on K-12 public education throughout our state. We are proud of his leadership position.

Also in February, the Institute held our Annual Legislative Leaders Reception with more than 150 registrants honoring Virginia House Speaker Bill Howell. This annual gathering has become a "must attend" event for those in our state capital who are involved in public policy and legislative activities.

March: Prior to the annual Heritage Foundation's Resource Bank meeting in New Orleans, we held our regular Leadership Roundtable on Energy and Environmental Stewardship bringing industry experts together with state and national policy research leaders to discuss important issues on energy development and reasonable environmental actions. The Jefferson Institute has become an important national leader in this energy/environment field among the center-right state public policy groups in the country. Next year this spring Leadership Roundtable will be held in conjunction with the annual Issues Conference of the American Legislative Exchange Council, an organization of over 4,000 center-right state elected officials. These leadership conferences provide important facts and figures on what is actually happening in the energy/environment field that are taken back to the various states and used by center-right public policy foundations and state legislators to promote sensible policies that will enhance economic development, lower energy prices and, at the same time, be environmentally friendly.

May: To encourage support for Virginia's Education Improvement Scholarship Tax Credit (a new law in Virginia that the Jefferson Institute was instrumental in passing through its many years of research and working with those interested parties in the General Assembly and the McDonnell Administration), the Jefferson Institute created a new spin-off called, "The Virginia Alliance for Student Opportunity." Its first project was a mailing to 6,000 top philanthropic donors in Virginia, urging them to support education choice by making scholarship donations and taking advantage of the new state tax credit which became law thanks to the work of the Institute. Several meetings have been held, chaired by Chris Braunlich, with the scholarship foundations involved in this new effort to be sure that best practices are pursued and an exchange of ideas is maintained. More than 1,000 students are now in better schools thanks to this new program and we are proud of the key role the Jefferson Institute played in making this a reality.

June: The Jefferson Institute hosted a daylong meeting where we brought a dozen health care experts together with House members of the Medicaid Reform Commission, Speaker of the House Bill Howell and Majority Leader Kirk Cox to discuss possible reforms that should be considered to this federal entitlement program. These reforms to how Virginia runs Medicaid as well as federal reforms that should take place were considered. This was a good meeting and many of these ideas will likely be part of the reform alternatives that are being crafted today for the 2015 legislative session in Richmond.

For much of the year, we played a key role in blocking Governor McAuliffe's Medicaid expansion program by bringing facts and free market reform ideas to the attention of our elected officials and business leaders in our state. We did this through a series of columns in our *Jefferson Policy Journal* and opinion columns in many newspapers around the state. (See the national coverage we received for our activities in the July area below.)

Also in June, a Leadership Roundtable on Living with Climate Change was held in Richmond with over 50 business and government leaders attending where the practical application of new federal regulations was discussed in depth. Serious discussions were held about these new and stringent regulations, the impact on our household budgets and on the cost of all the manufactured goods that we use each and every day. We are in discussions to hold a series of these Leadership Roundtables around the state.

July: Fred Barnes, *Fox News* commentator and Editor of the *Weekly Standard* wrote in *The Wall Street Journal* about the role of the Thomas Jefferson Institute in Virginia's battle over Medicaid/Obamacare expansion. Barnes noted that, "... merely saying no is politically risky for Republicans. So Mike Thompson of the Thomas Jefferson Institute ... met with (Virginia House Speaker Bill Howell) and advised him to explore alternatives to adding more Medicaid beneficiaries. ... Mr. Howell and four other Republicans spent the day with Mr. Thompson and a group of health-policy experts to discuss ideas such as increasing the number of free clinics and auditing Medicaid to weed out those who are ineligible or already have health insurance."

And in July we held a very successful private lunch with Speaker Bill Howell and our donors and Board Members in Richmond. Over 20 people attended and the Speaker was very open with us on issues brought up by those who joined us. This lunch once again showed the special relationship that the Jefferson Institute has with key leaders in our state.

On July 31, we sponsored our annual “Milton Friedman Birthday” celebration, meeting with the state’s 17 education choice scholarship foundations. The meeting’s focus was “Making school choice work in Virginia,” especially an emphasis on making the scholarship program successful.

August: The PBS television station in Richmond and the Jefferson Institute began discussions on a series of sponsored televised debates on topics of interest to the public such as *Living with Climate Change, Immigration Reform, Drilling for Oil and Gas Offshore*, etc. We have received one grant of \$15,000 for one debate and our goal is to secure the funding for at least four of these over the next year. Over 70,000 people watch the PBS stations that will carry these debates.

September: The Jefferson Institute published an eye-opening report on hospital finances statewide (broken out by region) showing combined profits of nearly \$1.6 billion and net worth of \$15 billion for the hospitals in the state. We used the numbers that are published on the Virginia Hospital Information website. We plan to publish an updated report once the next financial numbers are published on this website. This report was initiated because of the support that the hospitals were giving the proposed expansion of the flawed Medicaid system in our state. This report created quite a stir among the supporters of Medicaid expansion and those who opposed expansion found it most enlightening.

And in September, we published a new study showing that development of off-shore oil and gas could add nearly 32,000 Virginia jobs by 2035. This study received good press coverage and has become a major asset to those advocating for the federal government to allow Virginia to explore and drill for gas and oil 50 miles off our coast. This Virginia report was part of an East Coast report that covered states from Delaware to Georgia.

Also in September, we again hosted our popular and growing National Leadership Roundtable on Energy and the Environment just prior to the State Policy Network’s annual meeting in Denver. Over 65 key state leaders attended this important discussion on energy and environment issues. This annual national event in the fall with state policy leaders has become a “must attend” event. The Thomas Jefferson Institute is having a national impact on the issues of energy and environmental stewardship by providing state policy leaders with meaningful information and policy ideas that can be instituted at the state level.

October: A new paper released by us and the Maryland Public Policy Institute showed the impact that one major dam in Maryland has on the environmental problems faced by the Chesapeake Bay. We are working to re-craft this study to highlight the Virginia statistics and will be releasing in 2015.

In October we also agreed to be the party on an important *Amicus Brief* in a law suit that is challenging the federal government’s effort to change regulations without public comment. Miller Baker, a well-respected constitutional attorney, asked us to be the party on this *Amicus Brief* and we agreed to do so because this law suit is focused on making our federal government more transparent in its regulation making process and that is important to all of our businesses here in Virginia.

Also in October, I chaired a key panel discussion on tax and regulation reform at the annual Virginia Small Business Summit held Northern Virginia and sponsored by the Virginia Small Business Partnership. My major presentation outlined our carefully developed tax restructuring idea that would eliminate job-destroying business taxes and reduce taxes on everyone in the state. Close to 70,000 jobs could be created through this creative tax

restructuring idea. We have gained the support of key business groups for this effort including the small business organization, NFIB, with its 5,000 members in our state, the Virginia Manufacturers Association, the Virginia Retail Federation and others.

November: We completed an analysis showing the impact we have on the news media. More than 220 commentaries and news stories about the Jefferson Institute's work was seen by more than 19 million Virginians. The "Media Value" of those stories was more than \$792,000. And out of all of them, only two stories were a negative attack on our work.

And in November, our Vice President, Chris Braunlich, received the prestigious "Person of the Year" award from the Catholic Business Network of Northern Virginia for his leadership in creating and promoting the Virginia Education Improvement Scholarship Tax Credit.

December: We published a unique and important study called, "*New Technologies for Coping with Climate Change in Virginia*," showing how the private sector is designing new technologies to help meet the new and overly stringent EPA regulations. These new technologies will allow our businesses to better meet new regulations and continue to use our carbon based energy resources – oil, gas and coal -- so we can keep our economy moving forward.

And in December we published our 15th annual *Virginia Economic Forecast* which was distributed to over 25,000 business executives. This annual report is used by business and some local governments in their annual planning efforts. We are proud that his publication has become so well respected.

Also in December, we hosted three issue-focused panel discussions at the Virginia Republican Party's annual "Advance" held in Northern Virginia. At its request we sponsored three seminars with experts for each on these topics: *Fighting Poverty; Immigration Reform; and Energy & Environment Issues Facing Virginia.* Over 200 people attended these seminars and we have been asked to do this again next year.

Finally, in December we hosted one of our special dinner discussions where we bring experts on government policy to talk about alternative center-right policy ideas. This dinner was with a leading government reformer from Mexico, Secretary of Finance Rodolfo Gomez Acosta of the industrialized state of Nuevo Leon. He is part of team of reformers who are trying to bring market reforms to a system that has been overly centralized for a century.

As you can see, we have been busy this year and we will continue to be so next year as we work hard to bring solid, creative and workable alternative ideas to current government programs and policies.

Your support for our work makes all of this possible and we deeply appreciate you and your interest in our state of Virginia.

During this Holiday Season, we wish you the very best.



Michael W. Thompson
Chairman and President