

# **THOMAS JEFFERSON INSTITUTE FOR PUBLIC POLICY**

**9035 Golden Sunset Lane • Springfield, Virginia 22153**

Michael W. Thompson, Chairman/President  
703/440-9447 (o) 703/455-1531 (fax)  
[info@thomasjeffersoninst.org](mailto:info@thomasjeffersoninst.org)  
[www.thomasjeffersoninst.org](http://www.thomasjeffersoninst.org)

## **Statement by Michael Thompson releasing the new study: “A Transportation Funding Plan for Maintenance: A Friendly Amendment by the Jefferson Institute” Monday, February 11, 2013**

Today the Thomas Jefferson Institute is releasing its analysis of the Governor’s Transportation Plan (the House Plan as passed last week) and an alternative plan that this foundation has crafted. This paper is called, “A Transportation Plan for Maintenance: “A Friendly Amendment by the Jefferson Institute.”

This “friendly amendment” analyzes the Governor’s Plan using our dynamic economic model we have used before and that has enjoyed positive bi-partisan comments. Our analysis, an economic scoring, also focuses on an alternative plan that the Thomas Jefferson Institute is releasing in this study today.

The Thomas Jefferson Institute applauds the Governor for making transportation the key issue of this year’s General Assembly session. It is long past time for Virginia to face up to its transportation needs and to figure out how to resolve them.

Our analysis shows these results:

### **The Governor’s Plan:**

- Private employment increases by 3,700 jobs
- Investment increases by \$23 million
- Real disposable income decreases by \$1.04 billion

After seeing these results, the Jefferson Institute crafted its own plan that would increase the gas tax by 20 percent the first year and then annually index the gas tax to inflation and “off-set” that increase by indexing the state income tax brackets to inflation and making these two elements clearly “revenue neutral.” There can be no question that our plan is revenue neutral.

The economic results of the Jefferson Institute plan are significantly better than those of the Governor’s Plan:

### **Jefferson Institute’s Plan:**

- Private employment increases by 14,950 jobs
- Investment increases by \$80 million
- Real disposable income increases by \$782 million

This differences between these two plans is quite significant as you can see:

- Our Plan generates 11,250 more jobs
- Our Plan generates \$57 million more in investments
- Our Plan generates \$1.8 billion more in disposable personal income

The Jefferson Institute urges the General Assembly to zero in only on the maintenance issue which is the most immediate element in our transportation dilemma today. Solving this problem will be a huge legacy for our Governor.

Then the upcoming gubernatorial campaign can focus on how to build new roads and expand mass transit.

Our policy paper also suggests two other actions that the General Assembly could take: 1) re-passing that part of the 2007 transportation bill known as “HB 3202” that gave authority to raise taxes and fees to locally elected bodies; and 2) urging Congress to block grant to Virginia our federal transportation construction funds thus reducing construction costs significantly.

This “friendly amendment” to the Governor’s Transportation Plan reaches the same goal in maintenance and the economic impact is significantly greater. We hope this idea will be seriously considered by our elected officials as they strive to come up with a serious transportation plan.

-30-

A copy of the Thomas Jefferson Institute study may be found by [clicking here](#).

Summary charts of the Thomas Jefferson Institute analysis may be found by [clicking here](#).