

UNDER the DOME



FEBRUARY 14, 2017

Welcome

Under the Dome is an update on actions and activities of the West Virginia Legislature, provided during the regular legislative session, interim sessions and special sessions for West Virginia University faculty and staff by WVU's Office of State and Local Relations. This issue provides a review of the governor's State of the State address, the first week of regular session, legislative budget hearings and recent vacancies and appointments.

State of the State Address

Using a whiteboard to explain his proposals, metaphors to convey his ideas and no teleprompter of scripted remarks, Governor Jim Justice delivered his first State of the State last Wednesday. The governor spoke primarily of the estimated \$500 million budget gap facing the State, and his request for increased revenue and further cuts to fix the problem. The governor proclaimed that his budget was a "responsible" measure that would "generate new revenues, create jobs and invest in the Mountain State's future."

The governor's revenue enhancements would increase teacher pay by 2% and create the "Save Our State (SOS)" fund to invest in road projects, tourism programs and economic development initiatives. He proclaimed that these new revenue enhancement measures would lead to the eventual elimination of the State's income tax.

The governor also spoke on K-12 education changes, investment in drug treatment and the need for economic diversification. He called for the elimination of the Smarter Balanced Achievement Test for students and the A-F school grading system recently adopted by the State Board of Education, while announcing his plans to invest in drug treatment centers in several communities across the state and the appointment of a "Waste Czar" to cut unnecessary programs and positions from the State bureaucracy.

To read a full transcript or the watch the address, visit www.governor.wv.gov/News/press-releases/2017/Pages/Full-Transcript-of-2017-State-of-the-State-Address.aspx.

The Budget

Governor Justice presented a budget for FY 2018 to close the projected \$500 million gap by increasing revenue by \$450 million, utilizing \$30 million in one-time receipts from General Revenue and Lottery Surplus, and cutting \$27 million from programs and agencies.

Revenue Enhancement Changes:

Increasing the Sales Tax from 6% to 6.5%

Removing Sales Tax Exemption from Professional Services

Removing Sales Tax Exemption from Advertising Services

Adding a Commercial Activity Tax of 0.2%

Raising Beer Barrel Tax from \$5.50 to \$8.00

Raising Wholesale Liquor Tax from 28% to 32%

Generates Revenue of:

\$92.7 million

\$82 million

\$5.6 million

\$214.3 million

\$2.8 million

\$2.8 million

For questions or more information, contact Travis Mollohan, director, State and Local Relations, email: tmolloh1@mail.wvu.edu; phone: 304-400-4963

Revenue Enhancement Changes: (continued)

Workers' Compensation Redirect (one time)
No General Revenue Transfer to Highways
Eliminating the Film Tax Credit

Generates Revenue of: (continued)

\$38.250 million
\$11.7 million
\$3 million

Cuts to Agencies and Programs

Eliminate Funding to 8 Regional Education Service Agencies
Cut Funding to West Virginia University by 4.4%
Cut Funding to Marshall University by 4.4%
Cut the West Virginia Network
Cut the College Readiness Program
Cut the Division of Labor
Cut Purchases for the State Vehicle Fleet
Cut the Educational Broadcasting Authority
Cut the Division of Culture and History
Cut the West Virginia Film Office

Generates Revenue of:

\$3.7 million
\$5.9 million
\$2.8 million
\$1.7 million
\$155,000
\$2.7 million
\$369,000
\$4.6 million
\$4.3 million
\$341,000

Additionally, Governor Justice detailed an increased in DMV license plate fees from \$30 to \$50, an increase in the gas tax by \$0.10 and \$1 hike in tolls on the West Virginia Turnpike.

To read the full budget (**SB 199** and **HB 2018**) and follow its progress through the West Virginia Legislature, visit www.wvlegislature.gov/Bill_Text_HTML/2017_SESSIONS/RS/bills/sb199%20intr.pdf.

The governor also outlined an "Alternative Budget" for FY 2018 that showed the type of cuts and position eliminations that would be necessary to reduce government spending by \$450 million. Governor Justice indicated that he could not support such a budget. Full details of the alternative budget plan can be found at www.governor.wv.gov/News/press-releases/2017/Documents/2018AlternativeBudget.pdf.

Introduction of Legislation

595 bills have been introduced so far in the House of Delegates and the State Senate. Bills relating to higher education. Higher profile bills include:

HB 4124 and **SB 7** – Requiring House of Delegates Members Be Elected by Single Member Districts

SB 32 – Increasing Higher Education Student Success

SB 75 – Creating the Small Business Regulatory Review Board

SB 76 and **HB 2107** – Creating the West Virginia Second Chance for Employment Act

SB 181 – Abolishing Regional Education Service Agencies

SB 184 – Transitioning the West Virginia School of Osteopathic Medicine to Nonprofit Corporation

SB 188 – Correcting Definition of Telehealth in Medication-Assisted Treatment Programs

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SB 199 and **HB 2018** – Budget Bill

HB 2071 – Allowing the Medical Use of Cannabis Based Pharmaceutical Products

HB 2079 – Abolishing the Higher Education Policy Commission

HB 2144 – Relating to Relocation or Closure of State Higher Education Institution

HB 2194 – Reducing Personnel Employed by the West Virginia Department of Education

HB 2212 – West Virginia Firearms Freedom Act

HB 2335 – Protecting Academic Freedom in Higher Education

To view all bills introduced, visit the “Bill Status” page of the West Virginia Legislature’s website at www.wvlegislature.gov/Bill_Status/Bills_all_bills.cfm?year=2017&sessiontype=RS&btype=bill.

New Members

Governor Justice recently appointed Charles Clements of Wetzel County to an unexpired term in the State Senate, replacing Agriculture Commissioner Kent Leonhardt. Senator Clements will represent a large portion of Monongalia County.

Legislative Calendar

- Undergraduate Research Day at the Capitol – Friday, February 24, 2017
- Higher Education Day at the Capitol – Wednesday, March 15, 2017
- Innovation and Entrepreneurship Day at the Capitol – Thursday, March 16, 2017
- Monongalia County and Preston County Day at the Capitol – Tuesday, March 21, 2017
- WVU and WVU Extension Day at the Capitol – Tuesday, March 28, 2017
- Last Day of Regular Legislative Session – Saturday, April 8, 2017

WVU at the State Capitol

Travis Mollohan and Rocco Fucillo, both from WVU’s State and Local Relations, represent WVU at the State Capitol during the legislative session. They can answer questions about any issues addressed by the Legislature.

Contact info: Travis Mollohan (tmolloh1@mail.wvu.edu) or Rocco Fucillo (rsfucillo@mail.wvu.edu).

More Information

To learn more about the Legislature, including district maps, bill tracking, committee assignments and a summary of legislative activities, please visit www.legis.state.wv.us/index.cfm.

To learn more about WVU’s legislative initiatives, please visit <http://staterelations.wvu.edu>.