



# INTERIM HIGHLIGHTS

CITIZEN'S GUIDE TO INTERIM COMMITTEE  
MEETINGS OF THE WEST VIRGINIA LEGISLATURE

For information about  
your State Legislature,  
visit our Web site:  
[www.legis.state.wv.us](http://www.legis.state.wv.us)

Volume XXV, Issue 1

November 5, 2013

## Agriculture and Rural Development

### Aging Dam Issues - July Meeting

Brian Farkas, executive director of the West Virginia Conservation Agency, said about 100 of the state's 170 watershed dams do not meet current design standards, but the agency needs to have engineers review the structures to prioritize what should be repaired first and how much those repairs likely would cost.

However, no matter how much the repairs cost, the agency likely would not be able to afford them. Farkas told lawmakers the state Conservation Agency runs on a \$440,000 yearly budget.

He said it would cost about \$2.6 million just to address basic repairs at dams, like cutting the grass, removing debris, fixing minor erosion issues and painting metalwork. That does not include major repairs, however, like repairing landslips and seepage. He called is a "statewide issue that given our current resources, we cannot address."

Of West Virginia's 55 counties, 26 contain at least one watershed dam. Of the state's 170 dams, Farkas said 169 are designated "high hazard." That means, if they should break, high levels of property damage and loss of life likely would occur.

Forty-two of those dams are more than 50 years old. The state's two oldest dams, built in the early 1950s, are in Harrison County in the Salem Fork watershed. Within the next five years, 83 state dams will be at least five decades old.

While no state dams are currently in danger of failing, Farkas notes problems and says the time to beginning looking at ways to address them is now.

Currently, common problems include erosion and slips, deteriorating metals, plugged drains and encroachments on easements.

Farkas said his agency often has no idea where the easements are, where they begin or end. He said the agency is beginning research on those easements, traveling to county courthouses to find out "what we own and what we don't."

In some areas, homes and businesses have been built in easements. Farkas said the state might have to purchase those properties.

He said the Conservation Agency is already taking steps to fix issues with dams, including restructuring its offices so more employees are trained to inspect dams. The agency's main dam office is in Romney, where workers can watch over the 72 dams in the Potomac River watershed area. However, Farkas said it doesn't make any sense for inspectors from Romney to travel to Mercer County just to look at a dam.

He said the agency also has requested help from the Army Corps of Engineers to help prioritize repairs.

### Interim Meeting Schedule & Agendas

Please visit West Virginia Legislature's Web site:  
<http://www.legis.state.wv.us/committees/interims/intcomsched.cfm>



## **Select Committee on Children and Other Issues**

### **Public Hearing on Housing - June Meeting**

When children don't have a stable home they don't achieve, and lawmakers learned of an apparent lack of affordable housing in Wheeling and across Ohio county during the public hearing.

The Select Committee on Children and Other Issues met at Catholic Charities of Wheeling for a public hearing on poverty's effect on children. Committee chairman Sen. John Unger is using a three step approach of food, housing and jobs to address this epidemic. Having passed the Feed to Achieve Act during the 2013 Session, children will now have easy access to two meals a day at school. They next step according to Unger, is safe, affordable and adequate housing.

Unger noted that a large percentage of West Virginia's children younger than age 8 have no stable home in which to live. This causes toxic stress, and inhibits development. It creates uncertainty and anxiety, and affects child achievement. He mentioned instances in West Virginia where children are living in cars and abandoned trailers.

Representatives of local social service agencies present told the panel it is often impossible for lower-income families to afford housing. The local monthly cost for a two-bedroom apartment with utilities can exceed \$1,200, said Lisa Badia, executive director for the Greater Wheeling Coalition for the Homeless.

While she praised the presence of economic development in the area, Badia noted those working in the natural gas industry have an advantage over low-income residents in

renting housing as their employers often cover the higher cost for rent.

"Our folks working tables aren't able to afford what the housing market is dictating," she said.

The committee heard multiple first hand accounts from the homeless and working poor during the meeting. They courageously told their personal stories and described how they felt that despite their best efforts to support themselves, the housing costs in their area had surpassed amounts that they could realistically pay given their income levels.

Marlene Midget, executive director for Northern Panhandle Head Start, said affordable housing "has all but disappeared in the area" She noted that people are on the street because they don't have affordable housing options for their families.

Jodie Gardill, associate director of behavioral health advocacy at Legal Aid of West Virginia, suggested the area needs more public transportation. Not having transportation to a job leads to financial and housing insecurity, she said.

Committee members plan to continue to hold meetings on the issue during future interim dates.

### **Affordable Housing - July Meeting**

The committee on Children and Other Issues heard from speakers regarding affordable housing in West Virginia during July's interim meeting.



## Interim Highlights

First to address the committee was Erica Boggess, Acting Executive Director of the West Virginia Housing Development Fund, who told the committee that many issues for children living in West Virginia are caused by lack of affordable housing. The West Virginia Housing Development Fund tries to address these problems by supplying more affordable residential housing in the state. In her presentation, Boggess gave background information on the Fund itself and what programs and services it provides.

The West Virginia Housing Development Fund was created by the West Virginia Legislature in order to provide construction and permanent mortgage financing to public and private sponsors of affordable residential housing establishments. Over time, the Legislature has expanded the Fund's purpose to include housing for moderate income individuals and also temporary housing for the homeless and disaster victims.

The Fund is a self-supported governmental entity that receives no state appropriations money. It is governed by an 11-member Board that includes the Governor, Attorney General, Commissioner of Agriculture, State Treasurer, and seven private directors appointed by the Governor from the general public. The Governor serves as Chair.

Through its experienced management and financial leadership, the Fund is the only state housing finance agency in the country with AAA/Aaa general obligation debt ratings. This gives them the ability to provide lower cost mortgages for the families they serve, saving \$15 per month on the average loan. There have been 43,000 mortgages done by the Fund with the average income

for the families helped at \$44,000.

Program options the Fund provides are extensive. For those looking to rent, the Fund makes available special needs assistance, leverage loans, HOME Rental, LIHTC and many others. For example, the HOME Rental program is a federally funded HUD program provides financing for homeownership and rental projects for low and very low income families. Eligible tenants but be at or below 80 percent of area median income.

For those seeking home ownership the Fund has First Time Buyer, Movin' Up Buyer, Secondary Market, LAMP, On-Site System Loan, and CASH programs. The First Time Buyer program targets low and moderate income borrowers. The average payment under this program is \$582 which includes taxes and insurance. The average sales price of a home under this program is \$112,564 with the average family income being \$43,865. The Movin' Up program is a new initiative designed to help families upgrade to a better home. Homeowners looking to purchase a bigger home, downsize or simply make a change are eligible. Income limits under this initiative are \$110,640 or \$129,080 for families.

The Fund also provides a Low Income Housing Tax Credit to developers who build affordable housing. To receive the credit, properties must maintain affordable units for a minimum of 30 years, through physical inspections the units must be found to be quality standard, and eligible tenants must be at or below 60 percent of the area median income. This tax credit was established in 1987. Since that time, 13,166 units have been built.



Bogges told the committee that one thing that needs to be changed is the stigma attached to low income housing. She said that we need to educate our citizens and public officials on these projects.

Further information on the West Virginia Housing Development Fund can be found at [www.wvhdf.com](http://www.wvhdf.com). Next to address the committee was Marlena Mullins, Executive Director of West Virginia Affordable Housing Trust Fund.

The Affordable Housing Trust Fund was created by the West Virginia Legislature in 2001 with a similar mission as the West Virginia Housing Development Fund. However, the Affordable Housing Trust Fund was further mandated to encourage stronger partnerships and collaboration with entities in order to contribute capital to community-based organizations that would assist low and moderate income individuals in the state to acquire affordable housing.

Funds were initially provided by the Benedum Foundation and now have a funding mechanism through a \$20 real estate transfer fee. The funding level depends upon the level of real estate activity. The Fund is down \$200,000 from 2008. Of that money collected from the transfer fee, only 10 percent goes to administrative costs.

Organizations eligible for funding from the Affordable Housing Trust Fund include: local governments, local government housing authorities, nonprofit organizations who are 501c(3)s and regional or statewide housing assistance organization that have been recognized as 501c(3).

Eligible activities for the funding include:

- New construction
- Rehabilitation, repair or acquisition of housing to assist low or moderate income citizens
- Matching funds for federal housing monies requiring a local or state match
- Provision of loan guarantees and other financial mechanisms
- Funding for down payments, closing costs, foreclosure prevention, etc.
- Risk underwriting products not provided by private sector entities
- Start-up funds for initial operating expenses of local government programs to reduce substandard housing inappropriate land use patterns.

Executive Director Mullins told the committee that the need for affordable housing is extensive. To show the level of need Mullins said in order to meet the housing shortage, 29,000 units would need to be built immediately.

Mullins also told the committee that the rule of thumb is that renters should spend 30 percent of their income on housing and utilities and those who spend over 30 percent are considered cost burdened. Those spending more than half of their income are considered severely cost burdened. In West Virginia, 29 percent of renter households are extremely low income. The maximum state level income for an extremely low income for a family of four is \$16,083.

**Interim Committee Information**

For information on all Interim Committees, please visit West Virginia Legislature’s Web site: <http://www.legis.state.wv.us> and select the “Joint” link.



# **Joint Commission on Economic Development**

## **June Meeting**

The Joint Commission on Economic Development also held a meeting during the June Interim meetings in Wheeling, WV that was also mostly procedural in nature.

First members discussed the statutory duties and role of the committee. This Commission seeks to bring all agencies which have the goal of economic development together, whether it involves taxes, job, infrastructure, etc, and set yearly goals for those agencies to meet or match. The Commission will also review procedural rules and legislative rules relating to economic development as well as study geographic area concerns facing the different areas of the state.

One issue they briefly touched upon was an initiative called Project Launch Pad, an idea promoted by Vision Shared. The purpose of Project Launchpad is to attract and encourage economic opportunity, greater capital investment and development of emerging or innovative business technologies in the state.

Another issue they will likely discuss which was briefly mentioned was oversight and overview of the West Virginia Port Authority, especially regarding inter-modal cooperation between rails, semi-trucks and shipping lanes especially involving the Pritchard facility in Wayne County.

Other issues discussed as possible study topics included fuel efficient vehicles to include natural gas, etc., and the broad ability to examine alternative sources of energy to include clean coal technology and others.

## **Governor’s five-year Energy Plan - July Meeting**

Division of Energy Director John Herholdt presented the committee with the Governor’s five-year energy plan, summarizing it simply as a “plan to produce more energy for the nation’s use.”

However, the present climate for energy doesn’t look as promising. Herholdt told lawmakers that coal production is slipping and natural gas production is booming but prices are rising and renewable energy sources remain a small piece of the pie.

Coal production fell from 175 million tons in 2001 to 129 million tons in 2012, according to the state’s five-year energy plan. Herholdt attributed that decline to stricter federal standards for coal-burning power plants. He said six state power plants will have to close within the next few years because they cannot afford to upgrade to cleaner-burning technology.

Sen. Ron Stollings asked Herholdt about power plants inside West Virginia burning coal from outside the state. Herholdt said some plants, influenced by low prices outside the Mountain State, burn as little as 50 percent of West Virginia-produced coal.

Going forward, the Division of Energy recommended lawmakers “advocate retention of coal-powered electric generation to ensure the continuation of affordable energy.”

The division also suggested West Virginia should market itself to industry as a place with “affordable, reliable” electricity, and continue development of coal liquefaction plants.



While coal production is slipping, natural gas production has skyrocketed over the last decade. Production increased about 30 percent between 2010 to 2011 alone, going from 297 million cubic feet to more than 400 million.

The state also is seeing a boom in natural gas processing facilities, with 13 plants being built or expanded between now and June 2014

Herholdt told lawmakers there currently is no compelling financial reason for power plants to convert to natural gas, however.

Coal prices are hovering around \$3.50 per million British thermal units, while natural gas is expected to top \$4 per BTU next year. He said plants would not convert to natural gas unless forced to by government regulations.

The Division of Energy suggested lawmakers help the natural gas boom along by promoting use of natural gas-powered vehicles by local governments and businesses in the state. Wind, solar and hydroelectric energy production remains a relatively small part of the state's energy plan. According to the report, West Virginia had the potential to generate 1 megawatt of solar energy in 2011.

The state's wind farms had significantly higher potential, at 583 megawatts. The largest contributor was the NedPower Mount Storm wind farm in Grant County, which has an energy capacity of 264 megawatts. The Division of Energy recommended lawmakers explore the possibility of creating more wind farms on reclaimed surface mine lands.

Hydroelectric plants had a generating capacity of 462 megawatts in 2011. There are 15 dams producing electricity for West Virginia, but nearly a quarter of that power came from the Hawks Nest Dam, which has a generating capacity of 102 megawatts.

More hydroelectric facilities are in the works, however. According to the report, eight more dams have received preliminary permits, with the combined capacity to generate an additional 475 megawatts.

The report also recommends a look at installing small-scale hydroelectric dams at recreational areas and creating tax incentives for individuals or businesses that install hydroelectric generators on their properties.

**Natural Gas Vehicle Conversion - August Meeting**

While gasoline remains the preferred and most widely available option for fueling vehicles, natural gas appears to be catching on according to two experts in the field of vehicle conversion.

They emphasized to the committee that as the trend continues to progress, critical training and safety steps must be taken. To get there, Bill Davis, director of the National Alternative Fuels Training Consortium at West Virginia University, said all phases of the fledgling natural gas industry must be covered.

This must include operators, facilities, fleet managers, technicians and virtually anyone that has a hand in working with alternative fuels.



Davis made sure to point out that the vehicles are not less safe, they are simply different, and the training in how to maintain, fuel and operate the vehicles has to be thoroughly understood. Proper tools and equipment must be used at stations and anyone working at them must undergo all phases of training, he said.

Davis has about 18 years' experience in natural gas-powered vehicles under his belt and recalled the advent of them back around 2000.

Davis said the state had attempted to convert some vehicle fleets to natural gas about 10 years ago but those efforts failed due to only having a single gas company as an investor as well as a general lack of understanding as to how to implement the conversions on a large scale.

Davis ran through a large area of West Virginia where gas pipelines can provide the fuel to keep cars and trucks running, suggesting that this likely won't be the case in southern counties, where the rugged terrain makes it cost prohibitive to lay the lines. He estimated in the more rugged terrain of the state lines would cost upwards of \$10 million per mile.

**LOCEA**

**Superintendent's Report - July Meeting**

State superintendent of schools Jim Phares answered to criticism of West Virginia's new education standards during the meeting, responding to assertions that the standards were developed by a national consortium rather than teachers from throughout the nation and state.

The new standards, West Virginia's version of the federal Common Core state education standards, have been in development since 2008 -- West Virginia's version is called the Next Generation Content Standards and Objectives.

Adoption began in 2011, and the new system for teaching and evaluating West Virginia's students is slated for full adoption by the 2014-15 school year.

The standards, which aim to standardize benchmarks for students in schools across the state and country in the name of increased efficiency and accountability in education, were developed by groups of educators across the nation with support from education groups. So far, 46 states and the District of Columbia have adopted the standards, though many have tweaked them to meet their state's needs. States are allowed to add up to 15 percent of their own material to the national standards.

Phares believes that 15 percent represents a sizable chunk of input on the local level.

"It's my belief as someone who was a local superintendent, and it's the belief of many, that our teachers played a significant role in forming these standards. We didn't want them to feel like it was something pressed on them from the outside so on every level the standards had input from teachers," Phares said.

Phares, in explaining that these standards weren't tied directly to the Obama administration until they pushed the initiative later, said that the state could not have afforded to implement the standards on their own so they used the consortium's work.



Delegate Mary Poling, Education Committee chairwoman, defended the new standards, saying the goals of the national initiative lined up too closely with West Virginia's homegrown standards to be cause for alarm.

**HEPC/CTCS Report - July Meeting**

Paul Hill, Chancellor of the Higher Education Policy Commission (HEPC), and James Skidmore, Chancellor of the Community and Technical College System (CTCS), presented their reports during LOCEA's meeting on July 22nd.

Chancellor Hill's report provided an update on Master Plan, *Leading the Way: Access. Success. Impact*, tuition and fees for the 2013-14 academic year, and a developmental education report.

The Master Plan, *Leading the Way: Access. Success. Impact* was approved by LOCEA in March of this year. Since then, HEC staff began developing the institutional compact document which sets forth how higher learning institutions will proceed in and report on their efforts toward meeting the Plan's objectives.

There are two types of objectives in the Master Plan. The first are objectives in the areas of need for progress such as in enrollment, retention rates, and graduation rates at all institutions. The Commission has identified uniform quantitative metrics for the system and with institution input set system targets. Institutions will be setting their own targets on these metrics, develop strategies for the master planning time period to meet the targets and create a means of assessment. The first step for the

institutions is to look at their historical data in the metrics in order to set their targets. This information is due to the Commission on November 1st. The second type of objectives in the Master Plan is in the areas of access and ensuring academic quality. Institutions will have the latitude to identify the specific focus of their efforts and develop comprehensive plans for addressing their challenges. These institutions will develop the focus of their comprehensive plans during the 2013-14 academic year.

The update on the Master Plan also mentioned that internal Commission planning around the Master Plan implementation is underway. There will be a presentation of the compact document during the August Commission meeting and a presentation on the new Master Plan at this year's Board of Governor's Summit.

The next topic tackled by Chancellor Hill was tuition rate and fee changes for the 2013-14 academic year at four year colleges and universities.

Chancellor Hill told the committee that any tuition increase requests of five percent or more by the institutions must be submitted and approved before implementation.

He also stated that most of the institutions requested a tuition increase which was due in part to overall operating costs rising. Bluefield, WVU West Virginia State University, Shepherd and Fairmont tuition rates all rose over 6 percent. Other institutions saw an increase of 2.2 percent to 4.5 percent and a couple of institutions cutting their rate.





Chancellor Skidmore also informed the committee of tuition rate changes for the state’s community and technical colleges. He told the committee that increases were due in part to the 7.5 percent across the board budget cuts. The average rate increase overall was 8.14 percent. The average dollar amount increase overall is \$234. The largest tuition rate increase is at Southern WV Community and Technical College with a tuition rate increase of 15.24 percent. Over the past three years community and technical colleges have increased their tuition by \$245, or a 3 percent increase.

Skidmore also provided the committee with a consolidation update between Bridgemont Community and Technical College and Kanawha Valley CTC.

The Higher Learning Commission (HLC) change of control process overall has seven steps:

- Initial interaction review by staff
- Application Submission
- Fact-finding review
- HLC staff report
- Institutional response
- HLC Board decision
- Institutional acknowledgement and closing

So far, the initial interaction review by staff has been completed and application submission will be completed on August 1. The fact-finding review will occur in early fall with HLC board action to occur in November.

Until approval of the consolidation is granted by the HLC Bridgemont and Kanawha Valley will operate as two separate institutions.

Lastly, both Chancellors presented a brief report on developmental education initiatives that have occurred at the state’s public two and four-year institutions in the past two years. Approximately 45 percent of first-time college freshmen require remediation and college graduation rates have lowered.

In September 2011, the state was one of 10 states awarded a \$1 million grant from Complete College America in order to improve developmental education instruction throughout West Virginia.

Both the HEPC and the CTCS have coordinated a variety of professional development opportunities for faculty across the state including bringing in national experts and sharing successful strategies at state institutions. Now, every campus is providing students the opportunity to enroll in an accelerated developmental program that allows them matriculate into credit bearing coursework more quickly. A meeting with almost every campus in June provided discussion and opportunities to strategize about areas of improvement over the course of the coming academic year.

## **Joint Standing Committee on Education**

### **WV Northern Community College/Middle College - June Meeting**

Committee members met at West Virginia Northern Community College’s Wheeling campus on June 20 and were presented with information on the college’s new and innovative programs that are being offered.



## Interim Highlights

Dr. Martin Olshinsky, President of Northern Community College, addressed the committee by giving them some facts and figures on the college itself.

Northern Community College was a spinoff of West Liberty University and separated from the University in 1972. Like other community colleges, Northern Community College offers numerous two-year degrees and certifications. There are a total of 68 majors offered at Northern Community College. In 2010 and 2011 Northern Community College was the largest community college in the state, but Dr. Olshinsky said that will probably change this year. However, he did emphasize that the tuition rates are low compared to the other community colleges. When asked by the committee how the college can offer lower tuition rates, Dr. Olshinsky said that he runs a very tight ship when it comes to finances which allows for the lower tuition rates. This allows them to compete with their competitor colleges.

Dr. Olshinsky showed the committee a graph that show enrollment trends which are usually due to the job need at the time. He told the committee that spikes on the graph show an increased enrollment rate when a new industry comes to the state such as Marcellus Shale drilling. In order to meet the demand, Northern Community College tries to offer programs that will provide students the skills needed for these jobs. He stated that the programs change as the need changes. Currently one program that seems to be catching on is in the field of mechatronics.

Michael Koon, Vice President of Workforce Development and the Weirton Campus Dean informed the committee on the Mechatronics and the Petroleum Technology programs.

Mr. Koon told the committee that WV Northern Community College didn't really have many applied technical programs but in the last couple of years have begun building in these program areas beginning with the Mechatronics program.

According to Northern Community College's website, "Mechatronics is a program designed to prepare individuals to be electrical and mechanical maintenance technicians for the highly technological, integrated and automated manufacturing facilities of the modern workplace. The program is designed to integrate mechanical, electrical, process and control skills as employers are demanding technicians who are "cross-trained." Students learn to install, replace, troubleshoot and repair equipment used in manufacturing facilities. All technical courses have an intensive hands-on lab component as students learn skills in electrical systems, motor control, hydraulics and pneumatics, programmable logic controllers, instrumentation, workplace safety, and problem solving and teamwork."

This program provides high tech, high skills and high wages. There were five students in the first graduating class of the program last year. All but one had jobs after graduation. The one without a job was given job offers but was waiting on another facility to open. This fall, the Wheeling campus will have 14 enrolled in the program. Mr. Koon told the committee that jobs are in high demand in this area.

Another program discussed was the Petroleum Technology program, which will begin being offered this fall. The program was a collaborative effort with Pierpont Community College. The focus of the program



is on drilling and production. Students who complete this program will earn up to six industry certifications. More information on Mechatronics and other programs offered at West Virginia Northern Community College can be found at <http://www.wvnc.edu/programs-of-study>.

Dr. Olshinsky also discussed Northern Middle College which is offered at the Wheeling and Weirton campuses. A Middle College combines the resources of a high school with the resources of a community college in an effort to create an education structure for students that promotes schools membership and academic engagement.

Students enrolled in a Middle College may be characterized by the following:

- Disconnected from the typical high school environment but still wanting to complete high school
- Shows discrepancy between standardized test scores and actual grades
- Demonstrates potential maturity to cope with challenges and freedom of a college environment
- Gifted in areas such as music, art or computers but not succeeding in other academic areas
- Creative, independent thinker
- At risk of dropping out of high school
- Eager to get on with life

Outcomes of the Middle College experience for these students include graduating from high school, increased motivation, improved attendance and academic achievement.

Some students of the Middle College were on hand to

tell the committee of their experiences of the Middle College. Each student stated that at the Middle College there was no judging of one another which provided a better learning environment. These students also said that they had problems learning in the typical high school setting and the Middle College provided them with the tools and attention they needed to succeed.

After the presentations, committee members were taken on a tour of the campus including its new technology center.

## **Education Subcommittee A - Public Education**

### **Project 24/Study Topics - July Meeting**

The Senior Policy Analyst for House Education presented Education Subcommittee A members with a review of the five study topics assigned to them this year.

The first topic reviewed comes from House Concurrent Resolution 156 which was introduced during this year's regular session. The Resolution calls for a study on establishing a comprehensive educator career development continuum. The study under the resolution should consider as part of the continuum elements such as:

- Encouraging and supporting an interest in the teaching profession among middle and high school students and increasing their preparation for success in college;
- Increasing the academic and professional practice preparation of graduates from colleges of teacher education



## Interim Highlights

- Improving the efficiency and focus of professional development
- Establishing a progression of required continuing education for periodic certificate renewal;
- Aligning course work and professional development allowed for salary progression with the knowledge and skills directly related to the profession of teaching in the public schools
- Establishing a pathway for master teachers to progress in teacher leadership positions without leaving the classroom completely

The second topic reviewed comes from Senate Concurrent Resolution 74, also introduced during this year's resolution, which calls for a study on local funding of public libraries in the state.

Senate Concurrent Resolution 75 has also been assigned to the committee. This resolution calls for the committee to study privately-owned licensed residential facilities for certain school-aged children.

The other two topics assigned to the committee include looking at possible funding for more probation officers in order to address truancy, Project 24, and other technology issues in the schools.

Committee members also heard from Donna Peduto and John Miller, both of whom are with the West Virginia Board of Education, who provided further information on Project 24.

Project 24 is an initiative of the Alliance for Excellent Education, a Washington D.C.-based national policy and advocacy organization focused on improving student

achievement and is headed by former West Virginia Governor Bob Wise.

Peduto told the committee that even with shrinking budgets schools and counties are being asked to do more with the growing technology needs of their students. The concept of Project 24 is that in the next 24 months the landscape of technology in schools is going to change and a plan should be in place in order to meet those changes. This applies to career and college prep, use of online testing, etc. Project 24 is a free tool that allows school districts to assess their own readiness for digital learning which is an essential components in a district's efforts to achieve higher standards by creating a more flexible, robust, and student-centered digital learning environment.

Project 24 helps districts address seven important concepts: academic supports, budget and resources, curriculum and instruction, data and assessments, professional learning, technology and infrastructure, and use of time.

West Virginia is the first state to implement Project 24 statewide with other states now following.

All state school districts have registered to participate in Project 24, completed the self-assessment, and signed a waiver allowing the West Virginia Board of Education and the West Virginia Department of Education to access their results. School districts have the opportunity to take part in a Massive Open Online Course for Educators (MOOCED) which allows them to collaborate with other districts participating in the planning process as well as experts from the Alliance for Excellent Education. All



school districts in the state will receive guidance from a team of experts as they work through the planning process.

Key points of the proposal and next steps of Project 24 include:

- Creation of a Digital Learning Readiness Report of all district and state self-assessments
- Consideration by the Governor on recommendations of the report in his 2014 State of the State Address
- Plan shared with the community and other stakeholders through various forums

The strategic plan process is being conducted currently in Boone, Webster, Monongalia, and Mercer counties. Both speakers stated that Project 24 is simply offering guidance to these schools and not setting policy.

## **Education Subcommittee B - Higher Education**

### **Study Topics - July Meeting**

During this month’s interim meeting, committee staff provided members with an overview of the three study topics assigned to the committee this year.

House Concurrent Resolution 159, introduced in the House during the 2013 regular session, has been assigned to the committee. Under this resolution, the committee will study higher education governance and capital projects and facilities in West Virginia.

The second topic assigned to the committee is House Concurrent Resolution 161 which was also introduced

during this year’s regular session. This resolution calls for there to be a study regarding the full cost of an education at the state institutions of higher education in West Virginia.

The last study topic assigned to this committee come from House Bill 2738 which was passed by the Legislature but vetoed by Governor. This bill related to the health sciences disciplines and scholarship feasibility program.

Higher Education Policy Commission (HEPC) Chancellor Paul Hill was in attendance and briefly addressed the committee on these topics. He told the committee that regarding HCR 159 the HEPC is working on a draft of a rule to address concerns and issues brought forth within the resolution. With regards to HCR 161 Chancellor Hill told the committee that the HEPC will provide any data and information regarding resident and nonresident students. Lastly regarding HB 2738, Chancellor Hill told the committee that the HEPC has talked to the West Virginia Center for Nursing and both are in full support of the scholarships.

## **Education Subcommittee C - Audit Issues**

### **Study Topics - July Meeting**

During July’s interim meeting, committee staff reviewed the four study topics assigned to Education Subcommittee A for this year.

The first study assignment reviewed comes from House Concurrent Resolution 155 which requested a study be conducted on better connecting the education system to



workforce and career futures. The committee will look at expanding high school options and also be provided more information on work options and careers within West Virginia’s economy.

The next study assignment given to the committee comes from House Concurrent Resolution 157 which deals with restoring the authority, flexibility, and capacity of schools and school systems to improve student learning to meet or exceed the expectations established by the state board and Legislature. Areas that should be addressed to enhance the authority, flexibility and capacity of local school systems and schools to meet the state’s educational objectives for student achievement through local level policy, planning and practices that are the most appropriate for their students, families, employers and community given the characteristics of their districts; The performance and progress of students on the state summative assessment, other state mandated assessments and the National Assessment of Educational Progress, including ten-year trend data, and the amount of instructional time consumed by state mandated assessments; and the results of efforts to improve the operational efficiency of West Virginia’s public elementary and secondary school system.

The third study assignment assigned to the committee was House Concurrent Resolution 158 which will focus on how Regional Education Service Agencies, or RESAS, can be best aligned, focused and directed to assist county boards in achieving administrative and purchasing efficiencies, meeting the professional development needs identified by schools and school systems within the RESA membership, provide specialized services that are otherwise financially difficult or impractical for any

one county of the RESA to provide, and developing programs or services that the county school systems consider beneficial to their goals and that can be more efficiently provided at the RESA level.

The fourth study assignment is a general topic on ways to strengthen school leadership through our school principals.

**HRC 157 - August Meeting**

Committee members heard from various speakers regarding House Concurrent Resolution 157 which requests the committee to conduct a study on restoring the authority, flexibility, and capacity of schools and school systems during the August interim meeting.

First to address the committee was Tom Campbell, member of the state Board of Education and Chair of Commission on School District Governance and Administration.

The Commission on School District Governance and Administration will be reviewing the current governance structure of the 55 county boards of education and the costs that necessitates, during the Commission’s monthly meetings.

Campbell told the committee that during the Commission’s meeting in August, the Commission was provided with some background information on the history of the state’s school districts which totaled 398 districts at one point in time. He also stated that the next meeting is September 18 and during the October meeting he hopes the Commission will be on track to begin making recommendations.



Greg Prudich, Mercer County Board of Education President and West Virginia School Board Association Vice President was next to address the committee on the need for local school boards to have more freedom instead of the constant regulations imposed on them. Prudich told the committee that all of the government policy hinders the local boards and places limitations on what the local level can do for their schools. To give examples of the amount of policy in place for the counties, Prudich told the committee that the local boards have to sift through 787 pages of education statutes and 4,749 pages of State Board of Education policies. This does not include federal policies. While he agreed that some policy is needed, Prudich emphasized more freedom at the local level.

### **Select Committee on Outcomes-Based Funding Models in Higher Education**

#### **Developmental Education - August Meeting**

During the August interim meeting, committee members heard from Higher Education Policy Commission (HEPC) Chancellor Paul Hill discuss how receptive the Board of Governors had been to the idea of outcomes based funding but were concerned about taking out of any institutions base budget at this current time with the across the board 7.5 percent budget cut being implemented. For this reason, Chancellor Hill told the committee that the Board of Governors rejected the idea of implementing outcomes based funding at this time.

The committee also heard from Community and Technical College Systems (CTCS) Chancellor Jim Skidmore who

discussed the topic of developmental education reform in West Virginia. Developmental education reform is becoming much needed according to Skidmore because it is projected that there needs to be 20,000 more college graduates by 2018 in order to meet the workforce demands. Right now, this is not occurring because many students are simply stuck in college because they cannot succeed in the basic core classes.

Skidmore told the committee that there is no way for these students to be successful without developmental education. In order to look more into this option a task force has been put together to look at common learning outcomes, look at best practices in other states, promote data driven decisions, and also look at current policies. The focus of developmental education is to accelerate the process. Through a \$1 million grant work is beginning on implementing developmental education at higher education institutions. There are currently 10 campuses that are doing some form of developmental education.

The task force is in the process of doing a diagnostic assessment in order to pinpoint the weaknesses because current assessment tools such as the ACT are not diagnostic testing. They cannot determine what types of remedial courses some students would need. Institutions of higher learning are on board with developmental education, which Skidmore said was very important in reforming developmental education at these institutions.

### **Joint Finance Committee**

The Joint Finance Committee met several times in Wheeling, WV during July Interim Meetings.



**Organizational - June Meeting**

The first meeting on Wednesday, July 19 was a brief meeting which featured organizational motions setting up the form of the committee and assigning the study topics which will then be assigned to the Finance Subcommittees for further study. Also, the members authorized the agenda and directed staff to do prepare such in the future.

**Table Games Revenues/Licensing Fees - June Meeting**

During the second meeting of the June Interims, committee members heard from Wheeling Island Hotel Casino Racetrack President and General Manager Osi Imomoh regarding table game revenues and licensing fees.

Mr. Imomoh began his presentation by giving a brief history of the Wheeling Island Hotel Casino Racetrack which opened in 1937 as a thoroughbred oval. The hotel portion of the casino was built in 2003 and table games were introduced at Wheeling Island in 2007

Today, the casino has 151 hotel rooms, five restaurants, 1,400 slots, 28 table games, nine poker tables, premier greyhound racing facility, and a 1,000 seat showroom. Since 2010, \$42 million has been spent on improvements. Mr. Imomoh told the committee that the casino currently has 621 associates which prior to the Pennsylvania and Ohio casinos there were 1,200 employed at the casino. The total annual payroll is 21,713,082.

In 2010 the number of slot machines at Wheeling Island Casino was 1,879 and 44 tables. Both numbers decreased for 2013 with 1,419 slot machines and 22 tables now in use. Video lottery is also decreasing with a \$34 million

decline projected in 2014 since the Pennsylvania and Ohio casinos opened. Table games performance is looking at a \$20.7 million decline in 2014 since the Pennsylvania and Ohio casinos opened. The table games may see, after all expenses and taxes paid, \$500,000 to \$700,000 this year and next year.

According to Mr. Imomoh, increased competition from new casinos in neighboring states were influential in keeping West Virginia from experiencing the gaming growth seen by other states. Compared to 2011, West Virginia saw their gross gaming revenues and direct gaming tax receipts decline by 1 percent in 2012. West Virginia was one of the few states that lost revenue last year.

A chart was shown to the committee that provided the rankings of the effective combined tax rates in the country. Rhode Island, Maryland, and Pennsylvania had the highest effective combined tax rate but Mr. Imomoh told the committee that all three states have taken measures to reduce their rates from this point forward. West Virginia ranks 6th in the nation with a 42.4 percent effective combined tax rate. The national average tax rate is 26.6 percent. Mr. Imomoh told the committee that as the tax rate increases, the number of jobs casinos provide decreases.

Mr. Imomoh told the committee that there is a 55 percent tax on video lottery tables, 35 percent tax on table games, and another \$2.5 million in license fees. In order to help the casinos compete with neighboring state casinos, Mr. Imomoh suggested the legislature look at reducing or eliminating table game fees, reduce tax rates on video lottery tables and table games, and also look at engaging





a firm to do deep dive in tax rates and come up with an optimum rate.

Some committee members still raised concerns that reducing the tax rate on West Virginia casinos could cause a dangerous precedent. However, the Chairmen of the committee stated that the gaming industry will be a topic for discussion throughout the year.

**Finance Subcommittee A**

**Health Board & Firefighting Funding - July Meeting**

The Finance Subcommittee A heard a brief discussion regarding House Concurrent Resolution 173, which is one of the subcommittees study topics.

The resolution asks that the committee study the financial status and fee collection needs and authority of local health departments. The Bureau of Public Health has a close working relationship with the 49 established local health departments in West Virginia. There have been audits and other financial indicators which show that some of the state’s local health departments are experiencing financial difficulties including, most recently, the Putnam County Health Department.

Local health departments, with the approval of the Commissioner of the Bureau for Public Health, are currently authorized by law to charge fees for some, but not all, of the health services that are provided to the public. Also, currently, there is a \$16 million annual line item in the state budget dedicated to the support of basic health services provided to local health departments.

The Legislature decided, in this resolution, that it’s important to the health and welfare of the citizens of West Virginia to maintain and support the public health system, creating a proper balance of both open access and availability to the public and assured financial viability of the local health departments. The committee will bring in experts and witnesses to discuss the best way to better fund these departments and will recommend, depending on the findings and conclusion, a best course of action to the full Legislature in 2014.

Members also briefly discussed another study topic, this one based on Senate Concurrent Resolution 45, which requested a study relating to the financial solvency of volunteer and part-volunteer fire companies and departments throughout the State of West Virginia.

Members were reminded that in most areas of West Virginia, the citizens are dependent on their local volunteer or part-volunteer fire companies or departments for residential and commercial building fire protection. Many of these volunteer or part-volunteer fire companies or departments are experiencing significant financial difficulties in paying for their operating costs, including truck fuel, personal protective equipment, educational and training supplies, replacement equipment, uniforms and vehicles and other authorized expenditures.

Many of these volunteer or part-volunteer fire companies or departments are experiencing significant financial difficulties in paying for the departments’ workers’ compensation premiums and workers’ compensation coverage is required for certification by the State Fire Marshal. Any additional revenue provided to these volunteer or part-volunteer fire companies or



departments by the policy surcharge authorized by WV Code is reported to be insufficient to adequately support the maintenance of these fire companies or departments.

For these reasons, the committee will study future possibilities relating to the financial solvency of volunteer and part-volunteer fire companies and departments throughout the State of West Virginia and report to the full Legislature in 2014 the findings and any conclusions or recommendations.

**State Park Funding - August Meeting**

Ken Caplinger, with the Division of Natural Resources, discussed state park funding during Finance Subcommittee A's August meeting.

The committee has been assigned Senate Concurrent Resolution 57, which calls for the committee to look at state park funding. Caplinger provided some background information on the state's parks, current funding, and the major deficiencies, needs of the parks and possible dedicated funding sources that could be looked in to.

There are 49 total areas the park system is responsible for. There are 35 parks, 7 forests, 5 wildlife management areas, and two rail trails. There are 176,648 undeveloped acres and 11,642 acres the park system oversees. Approximately 6.6 million visitors came to these areas last year with 800,000 overnight visitors. The park system is in charge of 354 cabins, 795 lodge rooms, and 1,948 campsites as well. There are also 1,169 miles of trails that are the responsibility of the park system.

Other responsibilities of the park system include:

- 1,496 buildings including 189 that are 75 years old or older/ average age of 42 for all buildings
- 144 picnic shelters; 4,165 picnic tables, 27 swimming pools, and 108 golf holes
- 2,522,946 total square feet of structures
- 433 full-time employees and almost 1,000 hourlies at summer peak. Currently there are 28 vacant full-time slots.

Funding sources for the park system include Account 0265 which is General Revenue, Lottery Account 3267, Special Revenue Account 3265(Park Operating Fund) and Lottery Account 3277(Park Improvement Fund). The FY14 total of all of these total \$38,708,376.

The General Revenue appropriation in FY14 was \$9.7 million and is used solely for classified service salaries and benefits for the majority of staff and a few DNR Administration personnel. Lottery Account 3267 funds in FY14 were around \$2.1 million and are also used for salaries and benefits. Special Revenue Account 3265 will receive approximately \$21.5 million from park revenue producing operations and is used primarily to fund current expenses. Park advertisement funding for FY14 is \$296,851. In Lottery Account 3277 there is \$5million put in each year. Of this amount, \$3,420,800 is used for routine repairs with the remaining money going for equipment replacement and major repair to aging infrastructure. Money for repairs is the biggest need for the park system. Three-year budget plans for major replacement and repairs are updated annually. The parks' engineering section completed an assessment recently that shows \$8.6 million is needed for immediate repairs, \$23.2 million in short-term/two to three year repair needs, and \$16.4 million in less critical deferred maintenance items.



Caplinger told the committee that a minimum of \$3 million more per year in recurrent appropriation is needed for major repairs and equipment replacement. This figure was calculated using a recent legislative performance audit plus the opinion of the park system managers.

While the DNR is not pushing any particular possible funding source for the extra \$3 million Caplinger provided in his presentation some possible options that he found that other states have used. Some options include:

- Soda tax
- Bottled water tax
- Additional mil tax on real estate transfers
- Additional severance taxes on natural resource extraction
- Tourism sales tax
- Petroleum products and motor fuel tax
- Sporting goods tax
- Tobacco tax
- Motor vehicle plate fee
- Entry/Parking fees

Caplinger told the committee that the average self-sufficiency of all state park systems was about 45 percent in FY12. West Virginia was about average at 54 percent in FY12. Beech Fork State Park was at 99 percent operational self sufficiency and Chief Logan Lodge was at 140 percent operational self-sufficiency.

**Interim Committee Information**

For information on all Interim Committees, please visit West Virginia Legislature’s Web site: <http://www.legis.state.wv.us> and select the “Joint” link.

## **Finance Subcommittee B**

### **Study Topics - July Meeting**

Counsel for Finance Subcommittee B went over with the members the study topics assigned to them this year during July’s interim meeting.

The first topic comes from House Concurrent Resolution 71 which was introduced during this year’s regular session. The resolution requests a study of the impact of the Neighborhood Investment Program tax credit.

The next topic reviewed comes from House Concurrent Resolution 149, which was also introduced during this year’s regular session. The resolution calls for the study of proposals of the executive department of this state for the disposition of general revenue surplus revenues. The committee will also look at the state’s declining casino revenues and any other tax issues the committee sees fit.

### **WV Park System Finances - August Meeting**

During the August meeting, member were told about the West Virginia expansive and popular park system and the financial troubles it is currently facing.

Division of Natural Resources (DNR), Parks Director Ken Caplinger spoke to the committee and stated that the parks require millions of dollars in repairs and overhauls and discussed some examples from other states to fill revenue shortfalls in regards to parks. However, he made clear that the DNR wasn’t making any recommendations, since this is a policy decision for lawmakers, he was just providing information.



## Interim Highlights

In other states, revenues for parks are raised by a combination of things including taxes on bottled water and soft drinks, severance taxes on natural resources, entry or parking fees, tobacco taxes, and taxes on sporting goods associated with camping, such as cook stoves, sleeping bags and tents.

The Director told the committee the DNR oversees 35 parks, five wildlife areas and two rail trails, noting that 189 buildings are 75 years old or older, established years ago by the Civilian Conservation Corps. On average, a park building is 42 years old.

A recent study by the legislative auditor's office showed the parks system needs \$3 million annually for maintenance and equipment replacement. At Little Beaver State Park, outside Beckley, the superintendent uses a 1998 model truck that is deemed unfit for highway use.

One year ago, the air conditioning/heating lines at Pipestem, installed when the park was built in 1970, erupted near midnight and triggered an explosion that triggered a fire. Sixty-five people in the lodge were evacuated but were allowed back in when the fire was extinguished. However, the equipment erupted again and were it not for alert security guards it could have been a tragic situation. As it is, the DNR needs about \$1 million to replace those lines.

Without \$1 million to invest in repairs, the Pipestem lodge will have to be closed and a massive outdoor swimming pool on the upper level is crumbling. Similarly, a pool atop the pro shop at Twin Falls State Park likely has about one to two years left, unless repairs are undertaken, he told the committee.

West Virginia's parks boast a self-sufficiency rating of about 54 percent, compared to the national level of 45 percent. Chief Logan, in fact, enjoyed a \$500,000 profit.

But he also cautioned that the next figures out likely will be bleaker, given the devastating effects of the June 29, 2012, power-killing derecho and last October's Frankenstorm that dumped tons of heavy, wet snow on the state.

The park system employs 433 full-time staffers and some 1,000 hourly ones during the summer months. Given the 7.5 percent budget cut imposed on state agencies, the parks system has 28 full-time vacancies.

### **Magistrate Court Case Study - August Meeting**

Steve Canterbury, Administrative Director for the West Virginia Supreme Court of Appeals provided an update on a study that focuses on the court case load for each magistrate in the state during August's interim meeting.

There are 158 magistrates and 158 magistrate assistants within West Virginia. There are at least two magistrates within each county and ten in Kanawha, the largest county. These magistrates have jurisdiction over civil cases in which the financial amount is less than \$5,000. They also hear misdemeanor cases and conduct preliminary examinations in felony cases. Magistrates have the authority to issue emergency protective orders in cases involving domestic violence as well.

Canterbury told the committee that in 2011 alone, 325,430 cases were filed in magistrate courts throughout



West Virginia. Of those, 128, 945 were motor vehicle cases, 81,429 were other misdemeanors, 52,022 were special proceedings, 43, 341 were civil cases, 14,492 were worthless check cases, and 5,201 were Division of Natural Resources (DNR) cases.

This data, along with years 2009 and 2010, will be used by the National Center for State Courts (NCSC) to show a basic overall view of the magistrate case load in West Virginia. Canterbury told the committee that he has just recently received the numbers for 2012 but is still going through it and hopes to have it released soon. The point of the study which the Legislature approved during the regular session is for the NCSC to look at the topic of pay equalization of magistrates in the state. Proponents of the idea of pay equalization argue that small-county magistrates may have higher caseloads than those in larger counties are always on duty or on call. The study will do a case weight which means the length of time each case takes. This information will be collected and entered into a data system.

Canterbury also stated that one possible conclusion the NCSC could make is that assigning magistrates by county isn't the most efficient system especially since the state's jail system is regionalized. He also stated that under the state Constitution Article 8 Section 10 each county must be given a magistrate court but doesn't necessarily mean an individual magistrate.

The first meeting regarding the study was earlier this month. When questions arose regarding education requirements of magistrates in the state, Canterbury stated that education is not a requirement of the study that was approved by the Legislature. Current requirements

for magistrates are either a high school diploma or GED.

WV Mine Safety Technology Tax Credit - August Meeting Committee members of Finance Subcommittee B received a Tax Credit Review and Accountability Report from acting State Tax Commissioner, Mark Matkovich, regarding the West Virginia Innovative Mine Safety Technology Tax Credit during the August interim meeting. The report provides information on the tax credit as of July 12, 2013. The information evaluated in the report includes the number of taxpayers claiming the credit and the cost of the credit.

The report states that the purpose of the tax credit, enacted by the Legislature in 2011, is to encourage new investment in innovative coal mine safety technology in West Virginia because it benefits the public's interest and general welfare of the people of the state.

Those who may apply for the tax credit are coal mining companies that purchases eligible safety property.

Each year the Mine Safety Technology Task Force compiles a proposed list of approved innovative mine safety technologies. The list is then forwarded to the Director of the Office of Miners' Health, Safety and Training or West Virginia Office of Miners' Health, Safety and Training for approval or amendment within 30 days. After the 30 day review period the Director publishes the list of approved innovative mine safety equipment.

The amount of Innovative Mine Safety Technology Tax Credit allowed to eligible taxpayers is equal to 50 percent of the qualified investment in items on the list



of approved technologies. The tax credit is applied over a five-year period at the rate of one-fifth of the credit approved for each tax year beginning with the tax year in which the eligible safety property is first placed in service or use in West Virginia. According to the report, the tax credit may be used to reduce the eligible Taxpayer's Business Franchise Tax and/or Corporation Net Income Tax, but the tax credit cannot reduce the taxpayer's liability for either of these taxes below 50 percent of the tax that would be imposed in the absence of the tax credit.

The tax credit amount allocated in tax year 2012 was \$470,981. This figure shows what has been approved no such credit has been claimed on tax returns. The tax credit for tax year for 2012 would be most likely to be reported on the annual returns due March 15, 2013 for regular corporations or April 15, 2013 for pass-through entities. The first tax credit claims may not be known until late 2013.

The report states that other factors besides the normal slow start-up of a new program which may have resulted in the amount of the credit approved in FY2012 at less than 25 percent of the \$2 million limit include a reduced window for applications in FY2012 and economic conditions.

## **Joint Committee on Government Operations/ Joint Government Organization**

### **Vendor Registration - June Meeting**

During June Interim meetings in Wheeling, WV this committee heard a Special Report and Audit Overview regarding a Vendor Registration study which found that state agencies paid at least \$14,000 to vendors not properly registered with the Secretary of State from January 7- January 11, 2013

In starting out, the Legislative Auditor conducted a study to determine whether vendors doing business with state agencies are registered with the Secretary of State as required by West Virginia Code. The Secretary of State was able to verify the registration of 208 of 355 sampled vendors and contacted the remaining 147 by mail to inform them of registration requirements for corporations and limited liability companies.

At least 5 of the 147 should have been registered. Payments to these agencies totaled over \$14,000 during the five-day evaluated time frame. The majority of organizations failed to respond to the Secretary of State's mailing. The Secretary of State sent a repeat mailing to these organizations, but does not have enforcement authority to pursue the matter further.

Although the Purchasing Director has indicated the Purchasing Division also does not have such authority, a legal opinion obtained by the Legislative Auditor indicates that the Purchasing Division does have enforcement authority to ensure vendors comply with registration requirements.

**View Legislation Online**  
For complete bill history information, roll call votes, amendments, sponsor, veto messages and the full bill text of all legislation from the 2010 Regular Session, please visit Bill Statutus online at:  
[www.legis.state.wv.us/Bill\\_Status/bill\\_status.cfm](http://www.legis.state.wv.us/Bill_Status/bill_status.cfm)



The Legislative Auditor’s inquiries revealed that there is some confusion as to what defines “doing business in the state.”

The Legislative Auditor recommends that the Purchasing Division review the status of the vendors identified in this report to ensure that they comply with registration requirements or verify that they qualify for exemption from these requirements.

## **Legislative Oversight Commission on Health and Human Resources Accountability**

### **Medicaid Expansion - June Meeting**

One of the first meetings on Wednesday, June 19, was the Legislative Oversight Commission on Health and Human Resources Accountability regarding a discussion State Plan Amendments concerning Medicaid Expansion presented by officials with the Bureau of Medical Services (BMS).

The expanding coverage will begin next January, but BMS in the Department of Health and Human Resources (DHHR) is already preparing for what’s considered the most complicated part, the enrollment process. Speaking to the Commission was BMS Deputy Commissioner Cindy Beane. She stated that as the October enrollment period approaches the Bureau is focusing on community awareness and spreading the word about eligibility and enrollment, as well making the process easy to access and understand.

She told the Commission that BMS is working with our

community partners as well as our sister state agencies with regards to how to better reach the community and build awareness, how to streamline the application process and overall, how to make the entire process easier. The new standards for Medicaid under the Affordable Care Act expand availability to those who are 19 to 64 years old and living at 138 percent of the federal poverty line. The state estimates as many as 90 thousand West Virginians will enroll in Medicaid by the end of the year. She further stated that BMS is working with WVCHIP and other similar agencies to align benefits, managed care benefits and other available programs.

### **Medicaid Expansion - July Meeting**

Several members of the committee questioned West Virginia’s decision to expand Medicaid under the federal health care overhaul on Monday, after hearing details of the financial analysis that helped prompt Gov. Earl Ray Tomblin to choose that course in May.

Conducted by CCRC Actuaries with the help of specialists, the study estimates that 91,500 low-income West Virginia would gain coverage starting next year, by increasing the income threshold for enrolling in Medicaid. The analysis also concluded that more than \$5 billion in promised federal funds would cover nearly all resulting costs over the next decade.

The analysts believe West Virginia has enough willing health care providers, but Del. Denise Campbell isn’t so sure. The Randolph County nursing home administrator cited her time both as a nurse working in doctors’ offices, and how Medicaid reimburses for medical care at a lower rate than private insurance.



Sen. Evan Jenkins expressed similar concerns. Jenkins questioned other provisions of the federal overhaul, including the eventual mandate that virtually all Americans carry medical insurance. He cited figures from the analysis that estimate that insurance premiums will soar for younger adults, depending on the level of benefits. That stems from language in the law that prevents insurers from charging older people, who tend to have more health needs, more than three times what they charge younger people. The current ratio, also known as a rating band, is seven-to-one. Jenkins suggested the system is unequal and we have significant winners and losers with regard to coverage.

The analysis found that expanding Medicaid while following other provisions of the federal health care law eventually will reduce the ranks of the state’s uninsured from 246,000 West Virginians to around 76,000. Besides improving health care outcomes, in a state that ranks at or near the bottom for obesity, heart disease, diabetes and other chronic ailments, the overhaul will also help ease the annual burden of uncompensated care now taken on by hospitals by an estimated \$20 million to \$30 million.

**Select Committee on Infrastructure**

**Oil and Gas Impacts on State Highways - June**

The Division of Highways (DOH) educated the committee regarding the oil and gas industry’s effects on the state’s secondary roads.

“Unless you are from the area, it’s really hard to imagine

the major impact this is having,” DOH Regional Maintenance engineer Gary Clayton told legislators. The challenges will grow, as extraction continues and offshoot and support industries grow.”

The roads weren’t designed for the size, weight or amount of traffic involved in horizontal shale gas extraction with up to 18 wells in a pad.

He presented lawmakers with the various issues around the north-central and Northern Panhandle areas.

Clayton showed general wrecks, trucks crashed through bridges and guardrails, destroyed roads and roadways plagued with mud and dust. Some roads are too narrow and the long trucks get stuck on turns and curves.

There are now 37 drilling companies operating in West Virginia, one with 18 operating rigs. Since 2011, the DOH has issued 482 road-use permits to operators. Clayton reminded lawmakers that the figure doesn’t correspond to well permits, since one pad has multiple wells.

To deal with the issue, the DOH has an Oil and Gas Road Policy. Among the highlights:

- The operator must have a road maintenance agreement with a bond — \$250,000 for a district, \$1 million for the whole state. About 6,000 miles of road are under bond. Another 4,000 miles are also affected.
- The operator must sign a road-improvement agreement and have a water supply plan.
- The DOH takes a pre- and post-operation video log of the road to track its condition.





- Operators are encouraged to repair roads before they start work, to help prevent problems.
- To his knowledge, West Virginia is the only state with a road maintenance policy, Clayton said.

Sen. Bill Cole asked if operators pay the actual cost of repairs, or just the bond fee.

Clayton said they pay actual costs. So far this year, one operator has paid \$2.5 million to repair roads.

Sen. Bob Williams asked if they only pay for repairs before and after the job, or during? Clayton said they pay as they go.

State Highway Engineer Marvin Murphy added that if operators don't cooperate, DOH can report them to the Department of Environmental Protection, which can shut them down statewide.

Clayton said they've never had to revoke a bond or shut anyone down. Two times operators failed to comply initially but got in line shortly after a threat from DOH.

Sen. Art Kirkendoll asked if the DOH performs periodic checks on the roads.

Clayton said they do. The DOH has an oil and gas coordinator. That person, along with district supervisors and work crews, keep their eyes on the roads. The DOH is working on hiring more road inspectors.

Charlie Burd, executive director of the Independent Oil and Gas Association West Virginia, told members that the industry began working with the DOH on its policy

about two to three years ago and they welcomed being actively involved in a process that they believe will benefit both industry and citizens alike.

## **Joint Judiciary Committee**

### **Study Topics Review - June Meeting**

Committee members met on June 19 at Independence Hall in order to adopt procedural rules of the committee and to receive their study topics for the year's interim meetings.

There were a total of 11 study topics assigned to the committee, each of which placed in one of three categories; environmental, insurance/legal, and miscellaneous.

Environmental study topics assigned to the committee include:

- The use of coal mine water for hydraulic fracturing or oil and gas wells.
- Jurisdiction at coal mining bond forfeiture sites and the use of the Special Reclamation Fund to pay water treatment costs at those sites
- Integrated leasing for horizontal gas wells
- The necessity of the application of oil and gas conservation law and lease integration principles

Study topics under insurance/legal include:

- Comparing current and proposed insurance underwriting restrictions in West Virginia to those in other states
- Physicians Mutual and state malpractice insurance rates



- The effectiveness of the 2010 West Virginia Supreme Court of Appeals Rules of Appellate Procedure in providing a right to appeal.

Study topics listed under the miscellaneous category include:

- Creating exclusive wine distributorships
- Gun registry purchase prohibition effectiveness for those found mentally incompetent
- Requiring bonding of residential construction projects
- Amending hand count procedures for canvassing election returns.

## Judiciary Subcommittee A

### New Appeals Process - August Meeting

The Clerk of the West Virginia Supreme Court of Appeals told the committee that nearly three years since its implementation, the new process for appeals to the state Supreme Court is coming to fruition.

West Virginia is one of 11 small-population rural states that do not have an intermediate appeals court.

Adopted in December 2010 in the face of calls for the state to create an intermediate appeals court, the new system requires the court to provide written decisions on all cases filed, including cases it decides not to hear. Prior to the change, all appeals to the court were thoroughly reviewed, even those that were refused without comment. He stated that this was a massive undertaking in some respects, and not in some respects, in that they were already doing the work to review all the cases.

By eliminating the court’s ability to refuse cases without written comment, the number of decisions issued by the court has steadily increased, from 162 in 2010, to 678 in 2011, 908 in 2012, and a projected 1,369 decisions this year, he said.

However, the number of cases filed with the court has declined sharply, primarily because changes in state workers’ compensation law have caused workers’ compensation appeals to drop significantly.

In 1999, 65 percent of all cases filed in the court were workers’ comp appeals; today, they account for about 30 percent of all cases. In 1999, 3,569 new cases were filed with the court. By 2012, filings had declined by nearly 60 percent, to 1,524.

Because of the decline in total filings, the Clerk said he believes the court can handle the caseload in a timely manner, even with the increase in written opinions.

Finally, he said that cases involving businesses, torts, contracts and real estate account for about 17 percent of all cases filed with the high court.

## Judiciary Subcommittee C

### Residential Construction Projects - July Meeting

Committee members heard from Brenda Miller, Ohio County Circuit Clerk, and her personal story of the troubles she faced with her contractor while building her home during July’s interim meeting.



She told the committee that those West Virginians living in counties that are very close to bordering states are at risk as those bordering states pass stricter contractor licensing laws those poor quality contractors are finding business in West Virginia.

Miller stated that she worked on a bill, Senate Bill 588, alongside some members of the Legislature during this year's regular session. This bill would have required residential construction projects to be bonded, set forth contractor responsibilities, provide for a period of bond liability and forfeiture of bond to satisfy a lien, require a contractor to provide copy of bond and certain documents and reports to certain persons, and requiring a lender making a loan for residential construction services to issue joint payment and notice of payment to the contractor, property owners and any subcontractor or supplier identified in a request for payment.

In her experience with building her house Miller told the committee that the way the building process is set up the general contractor goes to the bank and takes out money that is supposed to go towards specific things like paying suppliers and subcontractors. However, the general contractor took out the money and did not pay these individuals which led them to walk off of the job because there was no money left to pay for these individuals. Now the homeowner is under scrutiny even though they did everything right. Liens were then placed upon the property because of unpaid services. Miller told the committee that homeowners like herself are simply stuck and that there needs to be something implemented into state law that will protect the consumers in this state. She believes that putting a bond in place for each project should be law instead of simply for commercial projects.

Her house was finally finished. It appraised at \$357,000 but when all was said and done the cost of the home was approximately \$600,000. The general contractor responsible for these issues has had seven lawsuits filed against them.

Representatives from the West Virginia Homebuilders Government Affairs Committee were on hand and told the committee that most consumer complaints they receive were not with licensed contractors and the prospects of bonding would hurt these contractors who are licensed and does good work. It would punish all contractors. They also stated that if a contractor won't go through the process of getting licensed then they won't get bonded either. When discussing licensure, the representatives told the committee that West Virginia is one of few states that require their contractors to be licensed. While they believe that there are some issues to look at bonding is seen as a hindrance than a help for both homeowners and contractors.

**Labor and Workers Safety Issues**

**Correctional Officers Safety - July Meeting**

Committee members heard about workers safety and other labor issues in the corrections officers profession. The committee zeroed in on prisons and jails in its initial meeting, seeking answers to alleviate problems of worker safety at a time when the institutions are overpopulated. Representatives from both the Regional jails and Division of Corrections told lawmakers that low pay, too much unwanted overtime and general stress that comes with working in a volatile and dangerous workplace are the main obstacles to retention and morale within this profession.



One speaker, a former corrections officer (CO) who worked at both the old Moundsville maximum security prison and at Mount Olive told the committee that it was his experience that inmates run the prisons and COs are just there to keep order. He further stated that at any time, prisoners could take over a prison based on pure numbers, however, only about 10 percent of the prisoner population are true troublemakers.

He related a story that in his last week as an officer at Mount Olive, he put in five 16-hour shifts, and that kind of duty wears out staff to the point that the workers cannot function up to speed under such duress. He also made a pitch to increase the pay of correctional officers, telling the committee that retention is so low that many of the ones he sees on visits look like children.

He said that by its nature, COs have a dangerous job and it was his estimation that 90 percent of correctional people have high blood pressure, the divorce rate is high and a lot of them are using alcohol.

Later, Corrections Commissioner Jim Rubenstein suggested that officers would remain at risk because a minority of the convicts simply won't behave. He stated that around eight percent of prisoners are simply troublemakers who have murdered people on the outside and have murdered people on the inside and are a danger to everybody.

Also, Regional Jail Director Joe DeLong said the need to work officers in the 10-unit system up to 20 hours or longer per shift increases the issues they face in a very thankless and demanding job with a higher chance of injury or assault when tired and run down.

He mentioned a pilot project at South Central Regional Jail where 14 officers were added, and this produced an \$18,000 savings compared to the previous months by cutting overtime. In fact, he told the committee, adding sufficient staff can save the state between \$1 million and \$2 million, based on the pilot project figures.

## **Select Committee on Minority Issues**

### **Office of Minority Affairs Update - June Meeting**

Members of the Minority Issues committee met at the Wheeling Island Hotel for June's Interim meeting where they were provided an update on the Herbert Henderson Office of Minority Affairs by the Office's Executive Director Dr. Carolyn Stuart.

The Herbert Henderson Office of Minority Affairs has been operational for almost a year and has met its first large hurdle with the Governor's 7.5 percent budget cut. The Office is appropriated \$176,000 and with the cut reduced the budget to \$162,800 with three-fourths of that going to pay for staffing. This left the Office with \$35,000 to operate during the first year.

Dr. Stuart also told the committee that her Administrative Assistant left this year and it has been difficult to find a qualified replacement at the salary set for that position. Until then, she is currently working by herself which has rendered the office already ineffective.

With all of the hurdles already placed on the Office of Minority Affairs, Dr. Stuart did point out some projects that she is working on including an "efficacy of



social media project.” She has also set up four forums throughout the state with the focus on health.

Dr. Stuart told the committee that for this first year of operations the Office has had more progress with the health aspect however she is also looking at other areas of concern such as the procurement process, women work programs, housing discrimination, etc. Dr. Stuart told the committee that in many of these areas there are programs already created but just simply have not been utilized such as the women work program.

Funding is the primary concern for the Office of Minority Affairs at this point, and Dr. Stuart told the committee that more funding would make the Office more viable. When asked what would be the ideal amount of funding to operate the Office, Dr. Stuart told the committee that \$300,000 would probably be the minimum.

The committee requested Dr. Stuart to put together an ideal budget to present to them during a future interim meeting.

**State Police Funding, Staff Shortage and Retention - July Meeting**

State Police Superintendent Col. Jay Smithers talked about a number of funding challenges his agency faces, while asking lawmakers for the funding needed to give his police force the manpower it needs to perform safely and retain officers.

The superintendent said the State Police is in need of new cadet classes but they need to be scheduled on a consistent basis so that those interested can plan and

know for certain when their opportunity will arrive. He said trying to predict when a new cadet class is going to happen hinders recruiting.

Lt. Reggie Patterson is in charge of recruitment. He said recruiters recently vetted 53 people who were ready to take the class needed to become troopers, but funding constraints forced them to delay the class. Right now, 26 remain. Many prospective officers find other employment before a class is held. There are 36 positions funded by the Legislature that are vacant right now but Smithers said that money has to go to other aspects of the budget. There are also at least 10 troopers who could retire in December, exacerbating the problem.

Smithers said if lawmakers would promise to have cadet classes totaling 250 new troopers over the next five years, he would have no problem filling the classes. He told lawmakers that if he knew the funding would be there in advance, it would be a simple process to advertise and target candidates in their areas of need. The approximately 50 new troopers a year under that time frame would cost about \$11 million according to Capt. Bill Scott, in charge of planning and research for the agency.

Smithers also stressed the need for an increase in pay for civilian workers with the State Police. He said a recent check of the Records Division, where most workers are civilians, showed a high turnover rate. He mentioned recently hiring 36 civilians in the division and having 25 turnovers in that time due to the low starting salaries.

Many of the workers head to other law enforcement agencies because, according to Smithers, those agencies



know the workers have gone through extensive background checks and they've been properly trained. In effect, the State Police gives these workers the skills they need to become marketable and they then move on to other, higher paying jobs.

Patterson provided a breakdown of the agency's employees while noting that in addition to actively trying to recruit minority officers, the agency is currently 275 troopers short of being able to effectively do what they are charged to do in state code. Those numbers are based on a manpower study the state police conducted in 2011.

Of the 698 troopers currently working in the state only 12 are African American. Patterson also said only 18 white women are on the force. There are also five Hispanic men and one Hispanic woman, he said.

Smithers also noted that the agency needs at least \$5 million for a new computer database at its South Charleston headquarters. He said the agency plans to continue to provide information regarding its funding issues during interim meetings until the start of the 2014 legislative session.

## **Parks, Recreation and Natural Resources Subcommittee**

### **Public Hunting Lands - July Meeting**

Committee members heard a report from the Division of Natural Resources (DNR) Director, Frank Jeziro stating that with the trends of leasing large tracts of private lands to members only hunting clubs, finding suitable public places to hunt is becoming harder and harder.

Joined by the DNR's wildlife chief, Curtis Taylor, Jeziro and committee members discussed Senate Concurrent Resolution 60, which directed a study of how to open up more land to hunting and other outdoor pursuits. Jeziro said the task of opening up more private land is even harder in southern West Virginia.

One idea the DNR suggested some years ago was to provide tax incentives to holders of big tracts, but it failed to attract support in the Legislature. With that failing, he contacted the Convention and Visitors Bureau at a state conference and learned of complaints about deer munching away on bushes and causing crop damage. So what has happened, he stated, is the companies that own these large tracts of land are finding it more beneficial, economically, to lease lands to private hunting clubs. And it's not just in West Virginia but around the country that this practice is occurring.

In his research, he contacted two different coal firms who told him that the companies didn't think the DNR could meet its asking price and they would rather lease it to 50 people, rather than have 500 or 1,000 people using that land.

Committee members were told that some firms are leasing land to specific hunting seasons, deer and bear, for instance, then turning around in January and February, and renting it to grouse and rabbit hunting. He also noted that in his opinion it is only going to get worse.

Jeziro stated that he believes it is the obligation of the DNR and state leaders to see that each hunting generation has the same opportunity as previous generations. Jeziro said the DNR attempts to purchase land where it can,



but at times has been leery of anyone wanting to donate acreage because the possibility of toxic land or unusable property.

In a related discussion, an elk restoration program in southern counties all depends on getting some agreements with a large coal or timber outfit. Elk have been known to drift back and forth between Kentucky and West Virginia, prompting the DNR to examine the possibility of a revived hunt in this state. But, he cautioned, it would not be right to invest money from licenses in elk and then have a company say the public would not be allowed in.

Efforts have been made in recent years to help protect landowners from liability issues, but there is no ironclad guarantee that they cannot be hit with a lawsuit, and forced out to shell out \$30,000 to \$40,000, only to have a court exonerate them.

Curtis Taylor stated in relation to hunting lands that the efforts to find more places for the general public doesn't mean some sizable acreage isn't open now. He said the DNR has 15,000 acres available in McDowell County, around 17,000 in Wyoming, 40,000 in Wayne, and 13,000 acres in Mingo. He also said that there is currently no way to know how many private clubs exist in the state, since they aren't required to register.

The committee plans on discussing this issue further during upcoming interim meetings.

## **Select Committee on PEIA, Seniors, and Long Term Care**

### **Alzheimer's Association - July Meeting**

Committee members heard from the Executive Director of the Alzheimer's Association West Virginia Chapter, Laurel Kirksey, who provided updates on topics and issues discussed at the 2013 Alzheimer's Association International Conference in Boston during July's interim meeting.

The conference attracted 4,800 researchers from around the world to discuss experimental research and studies being conducted regarding Alzheimer's. Some of the hot topics included a neuro-imaging product, four research trials, and also cardiovascular and diabetes research and their links to Alzheimer's.

Also addressed at the conference is the hindrance and how unethical the online tests available for individuals to see if they may have Alzheimer's. Kirksey told the committee that the Alzheimer's Association recommends a true diagnosis instead of taking any online testing.

New ways of community outreach was also presented at the conference from research compiled by Columbia University. However, Kirksey said that even with this new information outreach for Alzheimer's is still facing an uphill battle.

Aside from updating the committee on what she learned at the conference, Kirksey also updated the members on services and other issues the West Virginia Chapter of the Alzheimer's Association are engaging in including "Make a Plan," or MAP. The plan in its entirety can be found at [http://www.alz.org/documents/westvirginia/final\\_map\\_report.pdf](http://www.alz.org/documents/westvirginia/final_map_report.pdf).

**Interim Meeting Schedule & Agendas**  
Please visit West Virginia Legislature's Web site:  
<http://www.legis.state.wv.us/committees/interims/intcomsched.cfm>



MAP, adopted by a legislative joint committee in 2012, addresses the present and future impacts of Alzheimer’s disease and related dementias in West Virginia. There are three areas of focus in the plan: Care Systems, Education and Training, and Research and Quality Improvement. MAP is a first step in addressing the growing need for increased care, support and research to help the more than 47,000 individuals in West Virginia and their 100,000 caregivers facing Alzheimer’s disease.

Kirksey told the committee that one task in the plan that is being implemented is the building of a workforce that will help provide care to patients. The first class of students of in-care training class graduated this year. This, for many of these students, is an economic stepping stone. A dementia care field course is also being made available online through WVU.

**Elder Abuse - August Meeting**

A field consultant, Fred Coffindaffer, from the Bureau of Children and Families told the committee that elder abuse is robbing the nation of some \$3 billion each year, and in steadily aging West Virginia, the problem is a drain on the economy.

Last year, there were 14,775 referrals to the asking it to look into suspected elder abuse and neglect. As a result, he said the agency led more than 6,000 investigations and, on average, about 10 percent of such inquiries prove to be genuine. He also referred to elder abuse as “the silent crime of the 21st century” and suggested it can transcend all groups.

Last year, he pointed out, West Virginia’s population stood at 1,855,800 and 16.8 percent were 65 and older. In 17 years the population is expected to rise to 1.9 million, and 24.8 percent of that figure will be classified as senior citizens. Nationally, the percentage will be 20 percent.

The Bureau of Children and Families investigates suspected abuse and neglect on all fronts, homes, the community, institutions such as nursing homes, assisted living facilities and non-residential settings including day treatment programs. Anyone who feels victimized can file an individual report to the proper agency for an investigation.

He also told the committee that between 200 and 300 cases normally are considered actual criminal offenses, but he didn’t immediately have a breakdown as to the numbers committed by family members and nursing facilities. Training is available so that caregivers will understand how to cope with an elderly person and what is expected of them.

**Joint Standing Committee on Pensions and Retirement**

**Review of Pension Legislation - July Meeting**

Les Smith a Financial Accountant with the Municipal Pensions Oversight Board (MPOB) provided a brief review of recent legislation (HB2837 & SB358), administrative rule-making and other matters as they relate to state pension systems

House Bill 2837 was originated by the State Treasurers office. It seeks to eliminate significant legal issues and





allow the pension oversight board to implement new procedures as a result of audit, which is currently being processed.

Senate Bill 358 made several changes to the provisions relating to municipal policemen and firemen pensions. It incorporated the provisions of HB4489 from the 2012 Regular Legislative Session which was vetoed by the Governor for technical reasons.

Among provisions the bill changed, it clarified that the Board for those pensions may investigate the actions or practices of municipal boards of trustees or their administrators or employees that may threaten the security or fiscal integrity of the pension funds and may also initiate or intervene in legal actions to challenge or prevent any action or practice which has the potential to threaten the security or fiscal integrity of the pension funds. The committee was told, however, that no investigations are currently on going.

The Board has also submitted a legislative rule for police/ fire disability pension calculations. Rule seeks to clarify and simplify the process and calculation as outlined in code. MPOB has changed the timing of the actuarial reports, used to be November, December, changed to August, September to allow plans more time to draw down contributions. This change will also allow the board to provide an annual report in November to this committee rather than January.

The representative stated that Fire and Police pensioners are pleased with how the legislation played out to assist payment and balancing of books.

## **Legislative Oversight Committee on Regional Jail and Correctional Facility Authority**

### **Overcrowding, Staffing and Financial Issues - July Meeting**

State corrections commissioner Jim Rubenstein told members of the committee that a lack of cells at prisons around the state has turned Randolph County's Huttonsville Correctional Facility into a "nightmare" for staff.

Rubenstein said there are not enough private or semi-private cells in state prisons, so many inmates at Huttonsville live in a more open, dormitory-style setting. That makes it difficult for staff to isolate potentially dangerous inmates.

He said Huttonsville also is facing a high number of unfilled correctional officer positions. The prison has more unfilled jobs than any other state facility, which is forcing staff members to work overtime.

The prison has 259 correctional officers, but as of last month, it needed 39 more to be fully staffed. The facility houses more than 1,100 inmates.

Rubenstein said Huttonsville previously has not had difficulties with understaffing, noting that Mount Olive Correctional Facility in Fayette County usually leads the state in unfilled positions, but the number of vacancies has jumped significantly over the last few months.

The bad work environment caused by the lack of cells is one reason for the jump in turnover, Rubenstein said, but there are other factors. Officers have to work long



hours and often are required to work overtime too. Federal prisons also lure away experienced correctional officers, with promises of better pay and benefits.

He said the Division of Corrections is working with the West Virginia National Guard to get returning soldiers work in state prisons.

The division also is considering changes to its application process. Rubenstein said potential employees previously were given a written test and then a separate psychiatric evaluation to weed out applicants with a propensity for violence. Now, the psychiatric evaluation is built into the written test, but Rubenstein said the test probably is flagging too many applicants as unfit for service.

Sen. Bill Laird, questioned why the Regional Jail Authority has more than \$60 million in reserve accounts at a time when many counties are struggling to pay regional jail costs and provide other county services.

Executive Director Joe DeLong said much of the funds are restricted to cover bond payments on the 10 regional jails statewide.

The authority had kept \$18 million in the reserve fund, but bond insurers required the authority to set aside another \$11 million because court fees used to retire the bond debt have dropped off sharply.

The fees, imposed on all charges from traffic violations to criminal convictions, have inexplicably dropped off 40 percent since 2004, from \$13 million that year to less than \$8 million in 2012. The authority is budgeted to pay \$9 million a year of its bond debt from those fees.

DeLong also noted that while counties' regional jail costs have increased, it's a factor of more people being incarcerated, noting the per-diem charge has not increased in years, and actually dropped 55 cents, to \$48.25, on July 1.

**Regional Jails Authority Financials - August Meeting**

Tony Atkins, Chief Financial Officer for the Regional Jails Authority, presented the committee with a report on the current financial situation of the state's regional jails during July's interim meeting.

The current financial situation of the Regional Jails Authority shows that there is \$204 million in assets with over \$86 million in liabilities bringing the total net position of the Authority, as of June 2013, to \$118.2 million. Atkins broke down the numbers to the committee to further explain the Authority's assets and debts.

Atkins began by telling the committee of the Regional Jail Authority's bond debt of over \$56 million which will mature in 2021. The initial bond was issued in August 1998 and was in the amount of over \$117 million with a 5.35 percent interest rate. To cover the debt monies collected in court fees were designated to pay on the bond. The Authority makes an annual payment of \$8.9 million on the bond. However, Atkins told the committee that this year court fees collected have dropped which means the Authority must make up the difference elsewhere and as a result the Authority has a funding deficit. In the past seven years the court fee funding deficit has totaled \$5.56 million. As a result, new hires after 2010 do not receive certain benefits in order to make up for some of these costs. For example



these newer employees are ineligible for subsidized retiree health benefits.

Another issue of funding will be Other Post Employment Benefits (OPEB) which will begin appearing on the Authority’s books beginning July 1, 2014. OPEB provides health, dental, and vision plans among other benefits to retirees. The Authority’s liability is \$22.2 million for OPEB. The funding plan by the Authority will be to dedicate \$35 million revenue stream starting in 2016 for 30 years to the Retiree Trust Fund. The Trust will be fully funded in 2038.

Atkins told the committee that when it comes to the breakdown for the Authority’s funding for pension liability there are no definite figures right now because the Governmental Accounting Standards Board (GASB) is implementing new Governmental Accounting Standards Series. These standards state how governments should report pensions on their books or income statements. One change the Net Pension Liability which will be placed on basic government financial statements.

The next line item Atkins discussed was the Authority’s net capital assets which totals \$122.2 million with the average age of the assets being 16.2 years. Atkins stated that the Authority has not made significant investments in the facilities. Ideally the average facility age should be between five and seven years. For fiscal year 2013 through 2015 \$13 million will be spent on capital projects. Such projects include new roofing, doors/gates, parking lots, cameras, and CO detection systems.

The Authority currently has \$44.9 million in cash and cash equivalents. Of that, \$19.2 is set aside for three

months operating reserve, \$13 million to capital projects, and \$8 million to future bond payment deficits which is not funded through per diem revenue. It is unclear how much will go to pension funding at this time.

Atkins also stated that the transfer of 450 Division of Corrections inmates to Salem and Senate Bill 371, the prison overcrowding bill that was passed during this year’s regular session, are future cash flow reduction events for the Authority but do not know how significant they will be.

## **Select Committee on Veterans Affairs**

### **Completed Legislation Review - June Meeting**

The Select Committee on Veterans Affairs reviewed related bills that completed legislation during the 2013 Regular Session, had a representative from the Wheeling region’s veterans hospital speak and addressed general concerns from lawmakers during a brief June meeting.

The bills discussed that completed legislation during the 2013 regular session are as follows:

- HB 2490 - Providing for the appointment of veterans advocates at state institutions of higher education.
- HB 2491- Establishing a uniform course completion policy for veteran students called up for active duty.
- HB 2361 - Relating to the definition of “eligible veteran” for certain state training and employment preference benefits.
- SB 460 - Exempting certain residents’ active duty military pay from state income tax.



John Looney, a clinical social worker with the Division of Veterans Affairs in Ohio County briefed the committee on the number of patients his facility sees and the mental health issues addressed. Looney told the committee that his main function is to work with veterans who experience post traumatic stress disorder (PTSD). He counsels both the veterans and their families so that those in the veteran's support system have as thorough an understanding of the disorder as possible. Looney emphasized that when possible, they try to use group discussion therapy in place of medication.

Looney mentioned that a major issue with treating PTSD stems from the fact that many veterans drop out of the counseling sessions once they are receiving disability. Currently, veterans hospitals have no mechanism to force them to continue counseling, they can only provide the services. Looney said this results in many veterans leaving the program before they have learned the skills and discovered the tools necessary to deal with their PTSD. Looney mentioned that he was hopeful that teleconferencing would be another tool to get those afflicted with PTSD to continue therapy.

In the area of general concerns, Senator Wells mentioned that he would like to see more done to bolster reintegration services for men and women transitioning from active military service or national guard service back into civilian society.

Sen. Boley expressed concern regarding the low pay veterans field officers receive. These are the professionals that help veterans get their benefits. They currently make between \$22,000-\$27,000 a year and with that comes a lot of turnover in the job. Boley noted that without these

officers, many veterans rely on attorneys, who then take a cut of their benefits, at an obvious disadvantage to the veteran. The committee pledged to take a look at this issue during interims.

Del. Iaquina said the main complaint he receives from veteran constituents is the ceiling of how much money you can make a year to qualify for veterans hospital care. He also mentioned how helpful it has been for him to meet with veteran hospital leaders in his area to gain a full understanding of the issues they deal with and the services they provide. He encouraged other lawmakers to do the same in their home regions.

Sen. Yost brought up an apparent logistical issue with regard to the van transportation that is supposed to take veterans from Clarksburg and Morgantown to the hospital in Pittsburgh. The van service is not working properly and Del. Barill added that his repeated attempts to get WVU to donate several vans, currently not being used, has been in vain. Sen. Wells plans to get a representative from Veterans Assistance to brief the committee in July on the issues they are having with the van service.

As of this meeting, study topics for the committee had yet to be assigned.

**General Updates - July Meeting**

In his first appearance in front of lawmakers since taking his new job, Rick Thompson said working as Gov. Earl Ray Tomblin's Cabinet Secretary for Veterans Assistance is more work than being Speaker of the House but that the work is vastly different.



## Interim Highlights

Thompson has spent his first month on the job traveling to his agency’s field offices and visiting veterans’ hospitals around the state, the agency’s nursing home in Clarksburg and its veterans’ home in Barboursville.

He said he is trying to raise public awareness of the state Department of Veterans Assistance, both with the public and other agencies. He noted that many citizens have no idea the wealth of services his agency provides.

The agency has around 300 employees, but Thompson said his office in Charleston only has eight workers, including him.

Veterans Assistance has field offices scattered throughout the state, where representatives help veterans fighting for federal benefits. Field officers also help veterans receive educational benefits, and attend to smaller matters like obtaining a veterans’ license plate.

The agency also has social workers to help former soldiers in need of a job, or housing or emotional and psychological support.

Thompson said he is trying to connect with other state agencies, like the Department of Health and Human Resources or the Higher Education Policy Commission, to collaborate in assisting veterans with a wide variety of services that fall outside of the umbrella of Veterans Assistance.

The agency owns a fleet of vans to help transport veterans to doctors appointments and other engagements. The agency once relied on volunteers to drive the vans but, with legislative approval, began paying those drivers \$75

a day several years ago. Thompson said the agency now pays around \$70,000 a month to van drivers, and only has about \$600,000 per year set aside for their checks.

Thompson said when he took his job, the agency had not paid drivers for May and June. He redistributed money to pay the bills for May, but is still trying to make ends meet for June.

Thompson said the agency has run into the problem for several years now. In mid-July he called representatives from the Disable American Veterans, which runs the program, into his office along with his department’s medical service officials. Thompson said the groups have now hashed out a plan, and have agreed to allow veterans to schedule appointments closer together to limit van trips.

Thompson cited a lack of communication between different organizations within the agency as the reason for the budgetary shortfall within the van program. He believes they can now work within the budget going forward.

Thompson’s only goal is to help his agency help veterans and he plans to do that to the fullest by making sure everyone in his agency is on the same page and working for that common goal.

<b>Interim Committee Meetings</b>	
<b>2013/ 2014</b>	
November	28 - 20, 2013
December	9 - 11, 2013
January	5 - 7, 2014



## Interim Highlights



**Interim  
Highlights**