



West Virginia DEPARTMENT OF
EDUCATION

Economic & Budget Outlook

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Employment 2005-2015

- WV has seen employment decline for much of the last four years.
- Most job losses are due to the downturn in the coal industry and weakness in natural gas.
- Only 53 percent of WV's adult population is either working or looking for work (lowest in all 50 states).

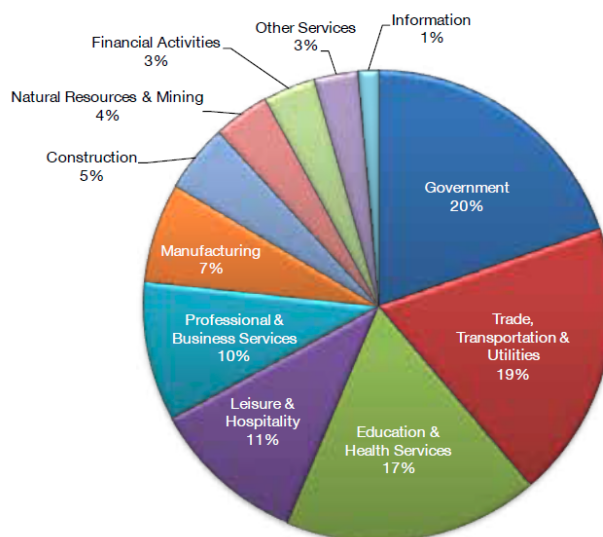
Highlights from the *WV Economic Outlook 2017-2021* by
WVU Bureau of Business and Economic Research.

Employment 2005-2015

- Doddridge saw the fastest rate of job creation.
- Followed by Monongalia, Berkeley, Lewis and Putnam.
- Job losses were primarily in the southern coalfields.

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WV Employment Distribution by Sector (2015)



Source: US Bureau of Labor Statistics

Population 2005-2015

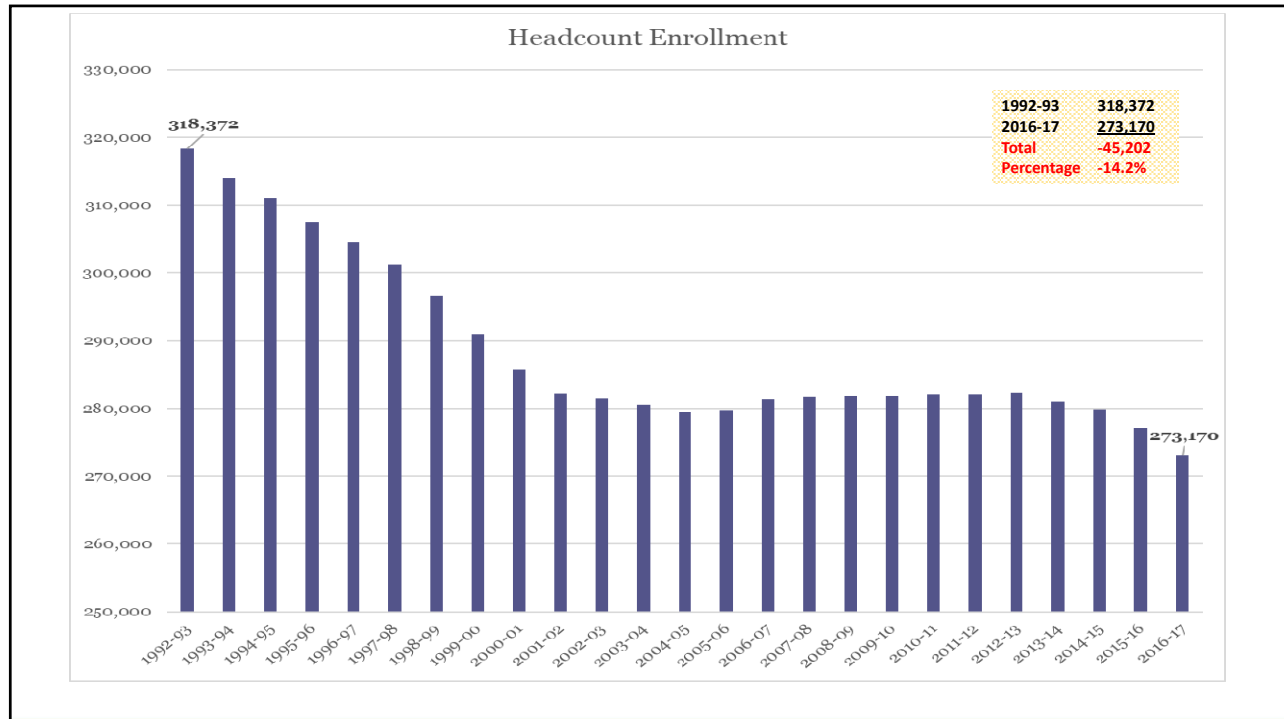
- 32 counties lost population.
- Kanawha had the largest absolute decline.
- Death rates exceeded birth rates because of average age.
- WV 2015 median age 42.1; 4 years higher than nat'l avg (2nd highest).
- Poorer health outcomes.
- Moving out of state for economic reasons.

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Population 2005-2015

- 23 counties gained population.
- 70% of the gain was in Berkeley, Monongalia and Jefferson.
- Putnam as well.

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West Virginia's Road to a Fiscal 2018 Budget

- In addition to states experiencing shortfalls and issues include IL, Washington state, Kansas, CT, Mississippi, Maine, NJ and Alaska.
- NJ shut down for three days when it was unable to approve a budget.
- Alaska depends on oil for 90% of its revenue. OK and LA are also experiencing oil driven revenue shortfalls.
- 33 states faced shortfalls in 2017 bringing in less money than projected.

West Virginia's Road to a Fiscal 2018 Budget

- Illinois hadn't had an approved budget for two years.
- It has unpaid bills, a severely underfunded pension system.
- Its bond rating is on the verge of junk bond status.



West Virginia's Road to a Fiscal 2018 Budget

- **Last year**, the legislative session started on January 13 and ended on March 12.
- A special session began on May 16. The Governor's proclamation included enacting a budget, a tobacco tax, increasing the sales tax, telecommunications tax, furlough bill, etc.
- An amended proclamation included a supplemental appropriation for \$2.174 million for Boone County Schools.



West Virginia's Road to a Fiscal 2018 Budget

- June 2, 2016 Legislature passed a budget.
- June 8, 2016 Governor Tomblin vetoed in its entirety.
- June 14 Legislature approved SB1013 (the budget bill).
- June 17 Governor approved SB1013 with seven line item vetoes.
- SB1013 included a 65 cent tobacco tax, \$120 million in cuts and sweeps plus the use of \$70 million from the Rainy Day fund.

West Virginia's Road to a Fiscal 2018 Budget

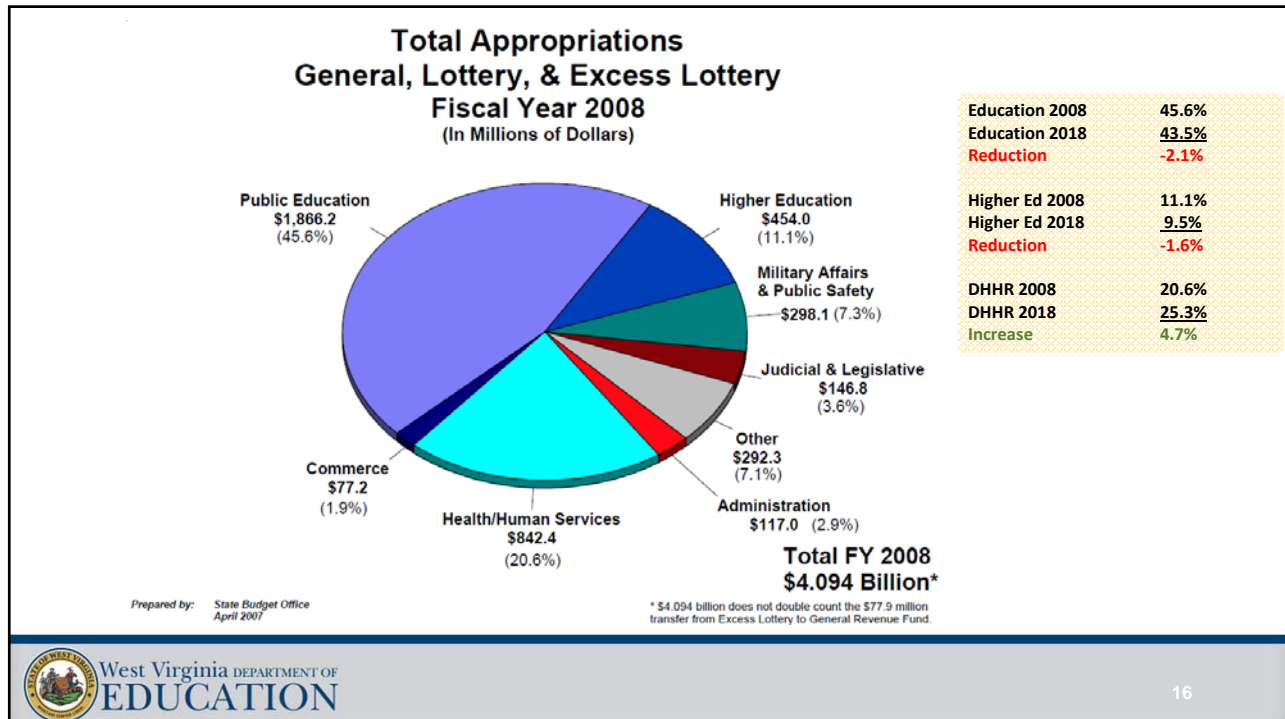
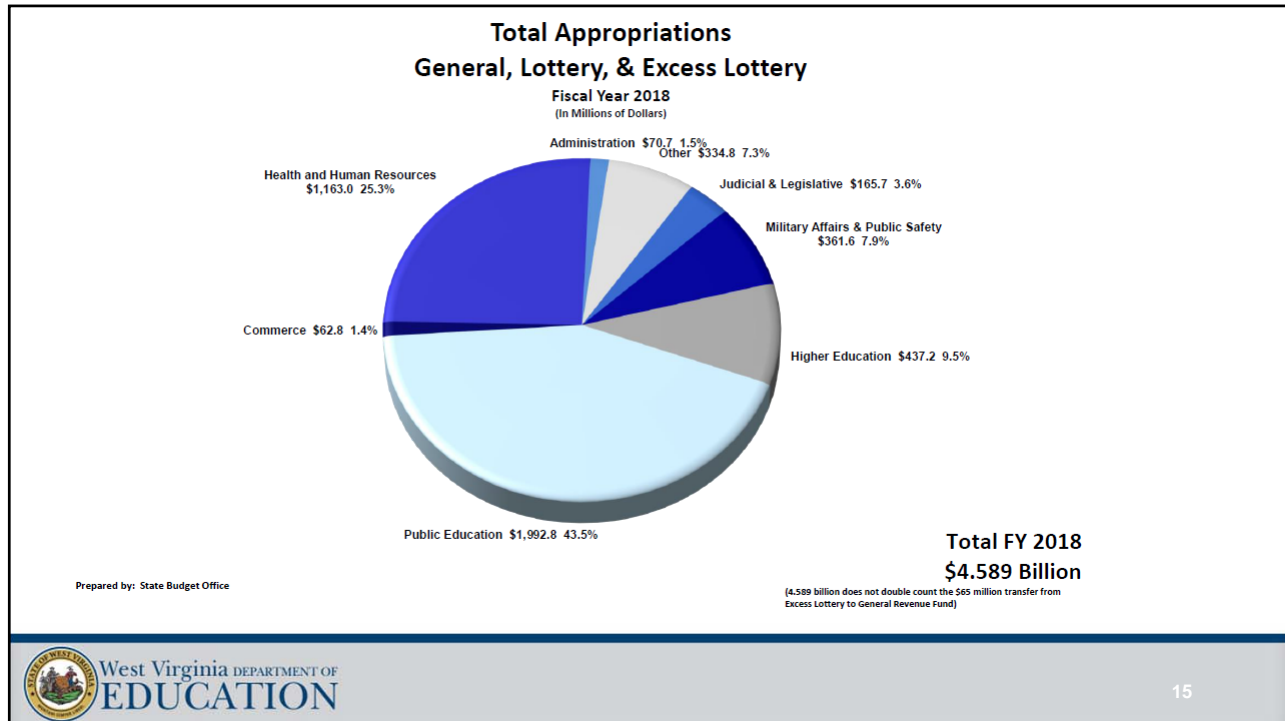
- **This year**, the regular legislative session started on February 8 and ended on April 8.
- Governor vetoed HB2018 on April 13.
- A special session began on May 4. The Governor's proclamation included phase out of personal income tax, raising DMV fees and gas tax and increasing teacher salaries.
- May 15. A second proclamation included increasing tax on vehicles and a furlough bill.
- May 23. A third proclamation included a tax on road construction contracts.

West Virginia's Road to a Fiscal 2018 Budget

- **This year,**
- Legislature passed a budget on June 17.
- June 21 Governor announced he would let SB1013 (the budget bill) to become law without his signature.
- June 26 Legislature adjourns 1st extraordinary session.

Points of Interest

- Final budget was \$280 million less than state of the state proposal.
- \$125 million less than special session proposal.
- No teacher raise.
- No sales tax increase.
- No income tax reductions.
- Vehicle tax increased from 5% to 6%.
- DMV fees increased. Vehicle license from \$30 to \$50.
- WV Public Broadcasting cut \$1 million (22%).



Education's FY2018 Budget...

