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## Economic Transition Fund could work in WV, economist says

By Erica Peterson

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December 1, 2010 · There's no shortage of ideas for economic development in WV, but there is a shortage of money to implement the projects. A conversation at Tuesday's annual meeting of the West Virginia Center on Budget and Policy focused on ways to fund these projects.

"Right now we have many more ideas for how to improve the economy in West Virginia than we do have dollars for how to make those improvements," Jill Kriesky said.

She's an economist for the **West Virginia Center on Budget and Policy**, and says creating an Economic Transition Fund in the state would be one way to support programs that will help West Virginia diversify its economy.

"What these funds are generally are what we call permanent funds," she said. "Basically, they work like a trust fund. You put money into them from some source, you invest that money and then that money that you earn from your investment is what is used for the particular project. So we talk about an Economic Transition Fund because we believe that would be one of the very important uses of permanent fund income."

Some sort of money pool could be necessary when revenue from the state's extractive industries—like coal mining and natural gas drilling—dwindle. Kriesky says money could be siphoned from the coal and gas severance tax, or by extending the worker's compensation coal tax.

The economist says the money could be used for anything—whether it's infrastructure improvement or workforce development.

"If we know that our years of employment in extractive industries are limited, let's look at what other sorts of industries can be built up in the state," Kriesky said.

"And also, let's take a look at our workforce development. Can we train the workforce better, targeting their training for the kind of jobs that might be available?"

Attendees at Tuesday's annual meeting of the West Virginia Center on Budget and Policy also heard from someone who's working in the private sector to spur economic development.

Joe Brouse is a business lender with the **Natural Capital Investment Fund**. His company is a nonprofit loan fund that invests and loans money to sustainable businesses throughout the state and the region.

Brouse says good candidates for loans have what's called "triple bottom lines."

"Triple bottom line means that the loans and investments we make, there has to be a socially responsible component to it, an economically feasible project and one that takes care and honors stewardship of the environment as well," he said.

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Natural Capital Investment Fund has extended loans to ecotourism, specialty foods and forest products companies throughout the state.

"I look at it as, if I can help a company in the meantime that's got a sound business project that's going to make sense in the near term and they're able to add folks to their payroll and enhance the environmental quality of the area, that's an impact that we want to see immediately," he said.

State Sen. Brooks McCabe (D-Kanawha) was also part of Tuesday's panel. He says he's not sure when, but he's confident that the Legislature will move towards creating an Economic Transition Fund within the next few years.

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