

Immediate Release

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Fully Funding West Virginia Future Fund a Sensible Way to Protect State from Boom and Bust Energy Cycles

[Charleston, WV] — The recent boom and bust of Marcellus Shale development due to “fracking” has reopened serious questions about resource management in many U.S. states. While the oil and gas boom generated revenue, jobs, and economic development, the recent bust has adversely impacted state budgets due to declining industry investments in exploration and production and job cuts.

A [study released today](#) by the [Brookings Institute](#), “Permanent Trust Funds: Funding Economic Change with Fracking Revenues” reviews the current fracking bust, argues that it was inevitable, and urges states to create severance taxes and permanent funds to better manage future fracking booms and busts.

“This study not only adds additional credibility to our research on creating a permanent mineral trusts fund in the state, but it makes clear that we need to fully fund our state’s Future Fund in order to improve the state’s long-term fiscal health and diversify our economy,” said Ted Boettner, Executive Director with the West Virginia Center on Budget and Policy.

The West Virginia legislature passed a bill to create the West Virginia Future Fund in 2014. The bill was amended to remove reliable funding mechanisms, however, and to-date has failed to be funded. The West Virginia Center on Budget and Policy released [a report](#) in 2012 that provides recommendations on how to make the West Virginia Future Fund successful.

The Brookings report includes five recommendations that West Virginia could consider along with fully implementing its own Future Fund:

- Establish an effective governance framework
- Define the fund’s revenue source, deposit, and withdrawal rules
- Design the investment strategy
- Seize the opportunity to invest fund earnings to economic transformation
- Formulate explicit disclosure and transparency standards

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The West Virginia Center on Budget and Policy (www.wvpolicy.org) is a public policy research organization that is nonpartisan, nonprofit, and statewide. The Center focuses on how policy decisions affect all West Virginians, especially low- and moderate-income families.