Policy Brief

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The Governor's Amended FY 2010 and FY 2011 Budgets: Implications and Priorities

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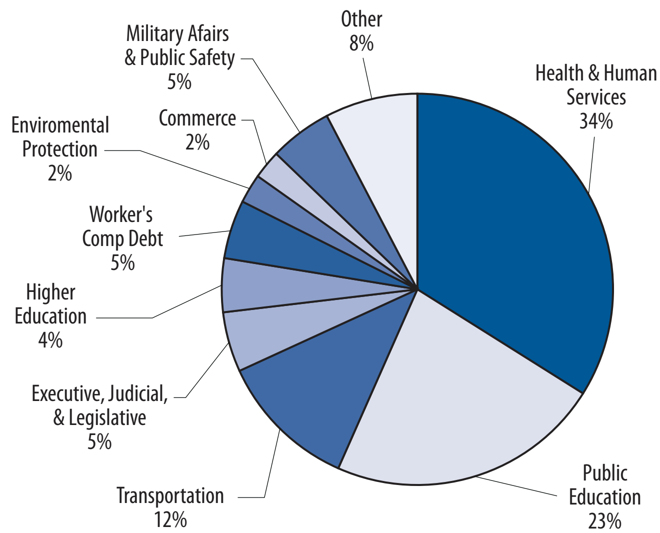
On January 14, 2010 Governor Manchin released his budget for FY 2011 and his plan to deal with an estimated $134 million budget gap. The Governor proposes a state budget of $11.2 billion for FY 2011. This includes both state and federal funds. The Governor's gap-closing plan relies primarily on using "flexible" funds that were included in the federal American Recovery and Reinvestment Act of 2009 (Recovery Act). On December 28, 2010, the Governor issued an executive order than reduced the FY 2010 Budget by $119.5 million. The reductions were based on lower than anticipated revenue from the General Revenue Fund.

This brief provides an overview of the state budget (Part I), describes how the recession has affected public investments (Part II), and offers potential solutions for immediate and longer-term revenue problems (Part III).

FIGURE 1

FY 2011 Budget: $11.2 Billion



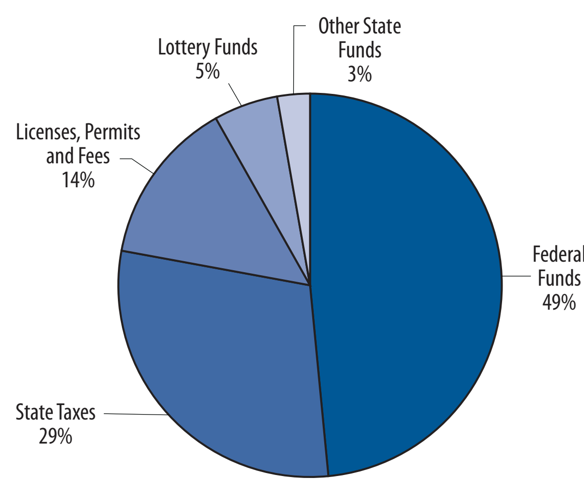
I. Overview of Budget

The Governor's FY 2011 Budget totals $11.2 billion. This is about $400 million less than the FY 2010 budget passed in June 2009. Figure 1 below is a breakdown of spending by category. It includes state and federal spending, including $3.7 billion from the General Revenue Fund, $1.2 billion from the State Road Fund, $546 million from Lottery funds, $4.88 billion from Federal funds and block grants, and $1.4 billion from Special Revenue Fund. More than half (57 percent) of all spending in the FY 2011 budget is related to health, human services, and public education. The budget of the Department of Health and Human Resources makes up $3.85 billion of the budget while the Department of Education Budget comprises $2.57 billion. Medicaid is the single largest program expenditure in the budget, totaling $2.86 billion.

Almost half (49%) of the Governor's $11.2 billion budget will be paid with federal funds. State taxes make up 29 percent, while licenses, permits and fees make up 14% and lottery funds make up 5 percent.

FIGURE 2

FY 2011 Estimated Revenue By Source: $11.2 Billion



Revenues

As Table 1 below shows, total budget revenue for FY 2011 is about $224 million or 2 percent below the amended FY 2010 budget. This is largely due to a 3.4 percent midyear budget cut in FY 2010 and a sharp falloff of federal spending from the Recovery Act that affects the State Road Fund and other federal expenditures.

TABLE 1

Revenue Estimate: Change from FY 2010 to FY 2011
(in thousands)

Fund Source	FY 2010 Budgeted	FY 2011	Difference	% Change
General Revenue	$3,667,200	$3,741,680	$74,480	2.0%
State Road	$1,370,721	$1,192,306	($178,415)	-13.0%
Lottery	$372,775	$418,464	$45,689	12.3%
Special Revenue	$1,469,152	$1,517,559	$48,407	3.3%
Federal	$4,563,794	$4,349,449	($214,345)	-4.7%
TOTAL	$11,443,642	$11,219,458	($224,184)	-2.0%

Governor's Proposed Budget Changes in FY 2011

The Governor's FY 2011 budget will increase the base budget – which includes the General Revenue, Lottery, and Excess Lottery Funds –by an estimated $120 million over the FY 2010 budget with mid-year cuts. There are three major increases in the Governor's FY 2011 budget compared to the FY 2010 Budget:

- **$145 million to shore up the state's pension funds,** including $20 million for an increase in match from 11 percent to 17.3 percent in employer contribution into the Public Employees Retirement System (PERS), $21 million for the Teachers Retirement Savings (TRS) Realized, $4.3 million for normal TRS costs, $85 million for TRS unfunded liability, $13.7 million for State Police retirement unfunded liabilities, and $1 million for an increase in the state contribution for State Police.

- **$16 million for a four-percent increase in premiums and retiree subsidies for PEIA.**

- **$4.8 million increase for corrections to ease overcrowding at state prisons,** including $1.2 million for work release programs in Charleston and Beckley, $500,000 for the Huttonsville work camp, $450,000 for 10 new parole officers, $250,000 for 3 new employees at the Office of Research and Planning at Criminal Justice, $1.5 million for the Jones Treatment Center for Juvenile Services, and $900,000 for 3 additional youth reporting centers within Juvenile Services.

Base Budget Reductions

The Governor is proposing about $28.8 million in permanent line-item reductions in the FY 2011 base budget compared to the budgeted FY 2010 budget. While most cuts are to agency discretionary funds labeled "unclassified," several programs will see a reduction in spending authority under the Governor's proposed budget. Listed in Table 2 are the Governor's proposed spending reductions in the FY 2011 base budget.

While overall line-item appropriations in the Governor's FY 2011 proposed base-budget (including those being restored) are greater than the budget FY 2010, Table 2 identifies about $15 million in line-item reductions in services and programs. While some public education, higher education, community and technical colleges, and Medicaid funding will be restored with federal Recovery Act funds, the Governor's proposed budget doesn't use federal money to fill many of the budget holes.

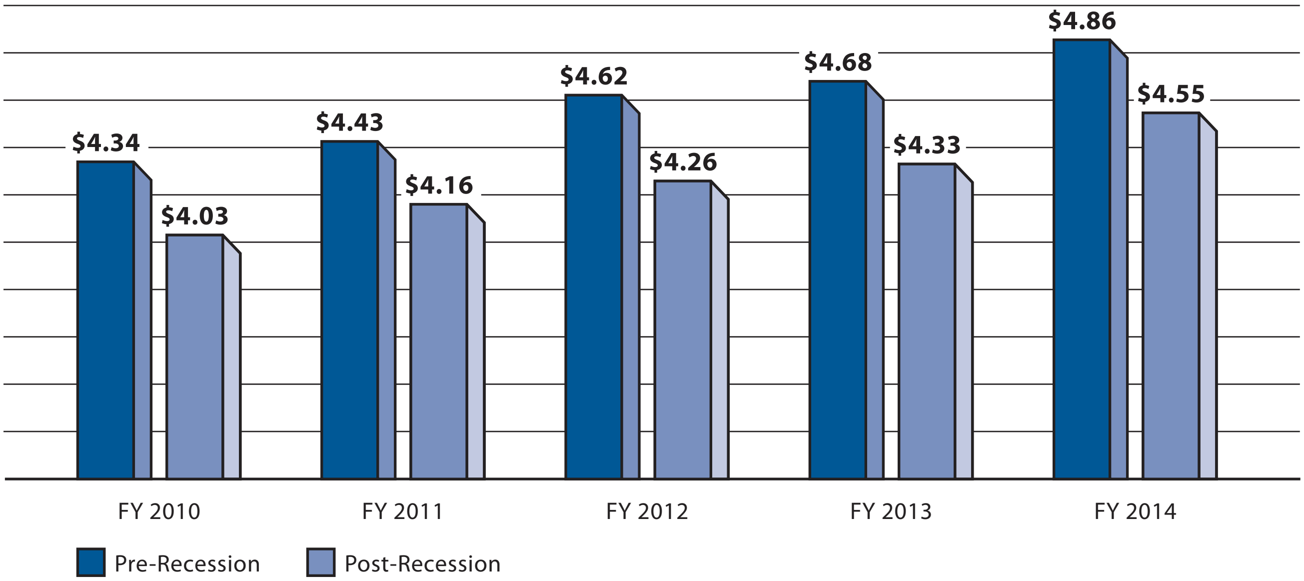
TABLE 2

Gov's Proposed Program and Service Reductions above 5 Percent

Department	Program/Service	Budget FY 2010	Gov's FY 2011	Difference	Percent Change
ALL	"Unclassified"	$47,190,904	$41,852,355	-$5,338,549	-11.3%
Health & Human Services	Assistance to Primary Health Care Centers	$650,000	$0	-$650,000	-100.0%
Health & Human Services	Center for End of Life	$250,000	$0	-$250,000	-100.0%
Health & Human Services	Women's Right to Know	$40,000	$15,000	-$25,000	-62.5%
Health & Human Services	Child Care Development	$1,276,575	$725,747	-$550,828	-43.1%
Health & Human Services	Colin Anderson	$1,164,000	$664,000	-$500,000	-43.0%
Health & Human Services	Child Welfare	$2,682,490	$1,737,403	-$945,087	-35.2%
Health & Human Services	Cardiac Project	$500,000	$350,000	-$150,000	-30.0%
Health & Human Services	Office Managed Care	$2,335,469	$1,835,469	-$500,000	-21.4%
Health & Human Services	Maternal & Child Health Clinics	$8,842,075	$7,229,892	-$1,612,183	-18.2%
Health & Human Services	Tobacco Education Program	$5,687,358	$5,031,040	-$656,318	-11.5%
Health & Human Services	Child Support Enforcement	$6,929,116	$6,156,001	-$773,115	-11.2%
Public Education	Assessment Program	$6,505,945	$5,939,747	-$566,198	-8.7%
MAPS	Educational Opportunity of Deceased Vets	$50,000	$25,000	-$25,000	-50.00%
MAPS	Veteran's Grant Program	$150,000	$75,000	-$75,000	-50.00%
MAPS	Reeducation Assistance	$211,604	$131,604	-$80,000	-37.81%
MAPS	Veteran's Transportation	$625,000	$525,000	-$100,000	-16.00%
MAPS	Mine Response Call Center	$564,360	$517,063	-$47,297	-8.38%
Commerce	Mineral Mapping System	$1,575,140	$1,455,395	-$119,745	-7.60%
Commerce	Personal Services	$1,849,948	$1,711,510	-$138,438	-7.48%
Ed/Arts	Supported Ext Employment Services	$119,032	$46,296	-$72,736	-61.11%
Ed/Arts	Employment Attendant Care Program	$229,000	$156,065	-$72,935	-31.85%
Ed/Arts	Ron Yost Assistance Fund	$400,000	$313,698	-$86,302	-21.58%
Ed/Arts	Workshop	$1,816,149	$1,424,307	-$391,842	-21.58%
Ed/Arts	Benedum Development Council	$1,100,000	$927,500	-$172,500	-15.68%
Ed/Arts	Grants to Public Libraries	$8,348,884	$7,773,595	-$575,289	-6.89%
Ed/Arts	Books and Films	$450,000	$423,000	-$27,000	-6.00%
Ed/Arts	Challenger Learning Center	$125,000	$90,400	-$34,600	-27.68%
Ed/Arts	Theater Arts of West Virginia	$300,000	$250,000	-$50,000	-16.67%
Ed/Arts	Fairs and Festivals	$2,833,000	$2,318,766	-$514,234	-18.15%
Legislative	Repairs Alterations	$450,000	$210,410	-$239,590	-53.24%
Legislative	Computer Systems	$250,000	$150,000	-$100,000	-40.00%
Legislative	Current Expense Contingent Fund	$4,448,980	$3,954,031	-$494,949	-11.12%
Executive	Soil Conservation Projects	$10,662,863	$8,441,303	-$2,221,560	-20.83%
Executive	Gypsy Moth Suppression Program for State Parks	$42,997	$0	-$42,997	-100.00%
Higher Education	RHI Program and Site Support - District Consortia	$2,332,340	$2,213,469	-$118,871	-5.10%
Higher Education	Marshall University Graduate College Writing Project	$24,193	$22,960	-$1,233	-5.10%
Senior Services	Area Agencies Administration	$78,685	$38,684	-$40,001	-50.84%
Senior Services	West Virginia Elder Watch	$150,000	$100,000	-$50,000	-33.33%
Senior Services	In-Home Services and Nutrition for Senior Citizens	$5,700,000	$4,500,000	-$1,200,000	-21.05%
Senior Services	Senior Citizen Centers and Programs	$2,600,000	$2,300,000	-$300,000	-11.54%

FIGURE 3

Pre- and Post-Recession Base Budget Revenue Estimates
(in billions)



Note: *Pre-Recession revenue estimates derive from the Six Year Financial Plan in the Executive Budget for FY 2010. Post-Recession revenue estimates derive from the Six Year Financial Plan in the Executive Budget for FY 2011.*

II. How the Recession has Affected Public Investments

As shown earlier, the Great Recession is the central factor in the decline of state revenues. The decline in revenue is resulting in difficult budget decisions and some cuts to programs and services. Figure 3 below looks at how the current economic downturn has led to major declines in anticipated investments. The graph illustrates base budget revenue projections before the Great Recession (2009 estimates) and afterward (2010 estimates). As shown, the post-recession revenue estimates for FY 2011-14 are substantially lower than the pre-Recession estimates. This downward trend in revenues indicates that over the next few years there remains a significant gap between program and service growth and available revenue.

At $4.16 billion, the Governor's proposed base budget is approximately $230 million less than FY 2009 revenues. Revenues are not expected to exceed FY 2009 levels for another two years (FY 2013). Before the Great Recession took its hold of the state's economy, the Governor's 2009 Executive Budget projected that total base budget expenditures would need to be $4.4 billion in FY 2011 to cover the natural rate of growth in programs and services. This is $320 million less than the Governor's FY 2011 proposed expenditures.

Mid-Year FY 2010 Cuts

The Great Recession that began in December 2008 caused a steep decline in revenue projections for FY 2010. As a result, the FY 2010 contained $200 million less than the Governor's originally proposed budget for FY 2010. New shortfalls opened in December 2009 when the Governor ordered agencies and others to decrease spending by $120 million of 3.4 percent. All together, the FY 2010 base budget is expected to be about $260 million less than the FY 2009.

While the Governor's FY 2011 proposed budget increases spending over FY 2010, this is primarily due to the $120 million in mid-year budget cuts. By ordering mid-year cuts via Executive Order (no.17-09), the Governor was able to trim the baseline budget for FY 2011 and bypass a legislative vote on the budget changes.[1] About 81 percent, or $97.5 million, of the mid-year cuts will be restored using "flexible" federal stimulus funds. This includes $57.6 million for public education, $12.2 million for higher education, and $27.7 million for Medicaid.

The FY 2010 mid-year cuts were prompted by a $13.8 million revenue shortfall in November 2009. This one-month drop led the Department of Revenue to project a year-end revenue deficit of $120 million. This action by the Governor might have been pre-mature. In January, year-to-date revenues exceeded expectations and were $56 million above revenue estimates. Despite being above year-to-date estimates, agencies were told to continue with their spending cuts. A complete list of the cuts was sent to the State Budget Office on January 20, 2010, but the information has not been made public as of this writing.

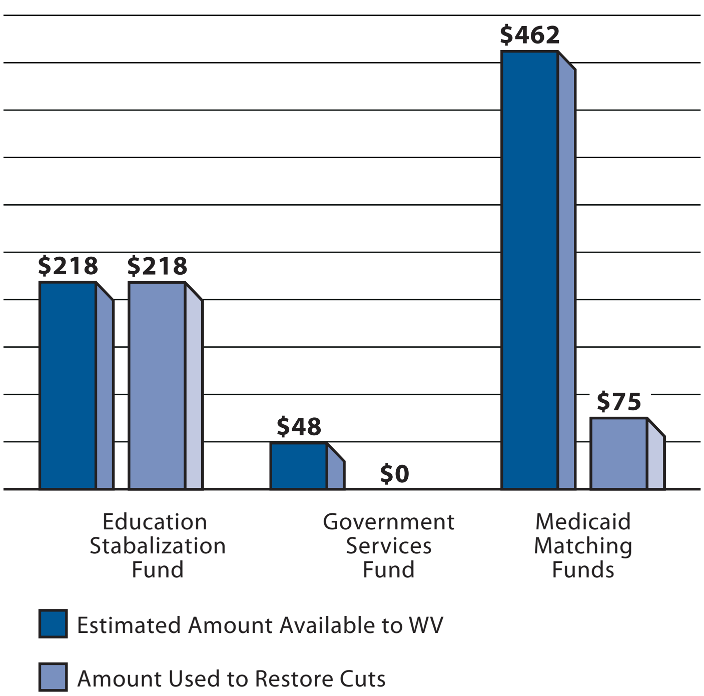
Cuts Replenished with Recovery Act funding

The Governor plans to use the remaining Education Stabilization funds in the Recovery Act to restore cuts to both public education and higher education. The FY 2011 restores $87 million in cuts to public education, and $28 million in cuts to higher education. The Governor also plans to use $28 million from an estimated $462 million in additional Medicaid funding. Figure 3 illustrates the "flexible" state aid in the Recovery Act that has been used to restore budget cuts. The Government Services Fund, which contains $48 million in a flexible block grant for public safety and other government services, has yet to be allocated.

Since October 1, 2008, 51 percent - or $235 million - of the estimated $462 of increased federal Medicaid funding has been drawn down. Of these funds, only $75 million has been used to close budget gaps. According to the Department of Health and Human Services, the state Medicaid Trust Fund is estimated to have a surplus of $317 million in FY 2011. However, the Medicaid Trust Fund is expected to run a deficit of $59 million in FY 2013.

FIGURE 4

Budget Restoration Funds in Recovery Act
(in millions)



III. Budget Outlook and Solutions

According to the latest figures, 39 states have identified mid-year budget gaps, and 41 states are projecting gaps for FY 2011.[2] It's estimated that total state budget shortfalls will reach $180 billion in FY 2011. West Virginia currently estimates a FY 2012 budget shortfall of $192 million (See Figure 5). Farther out, the gap reaches a half billion dollars or more than 10 percent of the base-budget in FY 2015.

The projected budget gaps are not only due to the economic recession, but also several structural revenue problems, including:

- **A projected decline in lottery revenues.** Due to competition from neighboring states, the state is projecting that Lottery revenues will drastically decrease over the next several years. In FY 2009, Lottery funds accounted for 11 percent or $464 million of total base budget revenue. The state projects that by FY 2015 the Lottery will make up only 7 percent of base budget revenues.

- **A steep decline in corporate income and business franchise tax.** The corporate net income tax rate is scheduled to decrease from 8.5 percent to 6.5 percent in 2014. The business franchise tax is being phased out over the next five years and will be eliminated in 2015. These reductions, along with the economic recession, are predicted to lead to a projected five-percent decline over the next four years. In FY 2009, these two taxes collected $270 million in revenue. In FY 2013, it's projected that the state will collect only $198 million.

Other factors affecting the long-term budget outlook include unfunded health and pension liabilities and the growing cost of health care that is driving up PEIA and Medicaid costs.

FIGURE 5

Projected Budget Shortfalls

Revenue Solutions for Revenue Problems

The base budget contains at least $15 million in line-item reductions. Many of these reductions will translate into program cuts that directly impact people and communities still reeling from the Great Recession. Given the immediate fiscal crisis and the long-term structural deficit, new revenues should be part of the solution.

In the short-term, the legislature could consider the following options for FY 2011.

1. **Tap the state's Rainy Day Funds.**
   The state has two main Revenue Reserve Shortfall Reserve Funds (Rainy Day Fund and Rainy Day Fund B). The current balance in these reserve funds is $542 million or 14.5 % of proposed General Revenue spending. State officials strive to keep 10 percent of the General Revenue Fund in these two accounts or $400 million. Even within these parameters, the current balance would allow a portion of this money to be used to fund FY 2011 state programs or services that are being reduced because of the fiscal crisis.

2. **Maximize federal funding under the Recovery Act:**
   The State Fiscal Stabilization Fund contained in the American Recovery and Reinvestment Act of February 2009 provides West Virginia with an estimated $266 million in state aid to address budget shortfalls. This includes $218 million in the Education Stabilization Fund and $48 million in the Government Services Fund. The FY 2010 budget and the Governor's proposed FY 2011 budget will allocate all $218 million in education aid to restore cuts to public education and higher education.

   So far, the $48 million contained in the Government Services Fund has yet to be expended or directly allocated in the budget. According the U.S. Department of Education, this money is to be used to "help create jobs, reduce unemployment, stabilize and improve the State economy, and avert the need to raise taxes." In June 2009, the Governor's Office provided preliminary estimates on how he plans to spend these funds over the next two years. Of the $48 million, the Governor projected to spend 60 percent on economic development initiatives and assistance for working families, 22 percent on public education, 17 percent on school modernization, renovation, and repairs, and 1 percent on higher education.

   The Governor could use part or all of these funds to restore any cuts in services or programs. The Legislature should also explore if they have any statutory authority to allocate money in the Government Services Fund.

   In addition, President Obama's proposed budget for FY 2011 extends certain provisions of the Recovery Act that provide fiscal relief to the states. For example, it would provide a 6-month extension of Medicaid relief (FMAP), extend and improve the TANF Emergency Contingency Fund, and provide additional state stabilization funds.

3. **Decouple on "Cancellation of Debt Income" provision in Recovery Act:**
   The federal Recovery Act contains a tax provision that allows businesses to defer the tax due on debt that is forgiven. This obscure tax provision, know as "cancellation of debt income" (CODI), could cost West Virginia an estimated $9.8 million in FY 2011.

   When money is borrowed it is not considered taxable income because it must be repaid. However, if a lender forgives the loan (CODI) it frees up these assets. The money that would have paid the debt is now treated as taxable income. Normally, this money would be taxed the year the debt was forgiven. A provision in the Recovery Act now allows business to defer the CODI generated from repurchasing business debt in tax years 2009 and 2010 until 2014. The CODI, and the taxes due, can now be spread out over five years, between 2014 and 2018. This allows businesses to wait four years before they pay any tax on their canceled debt.

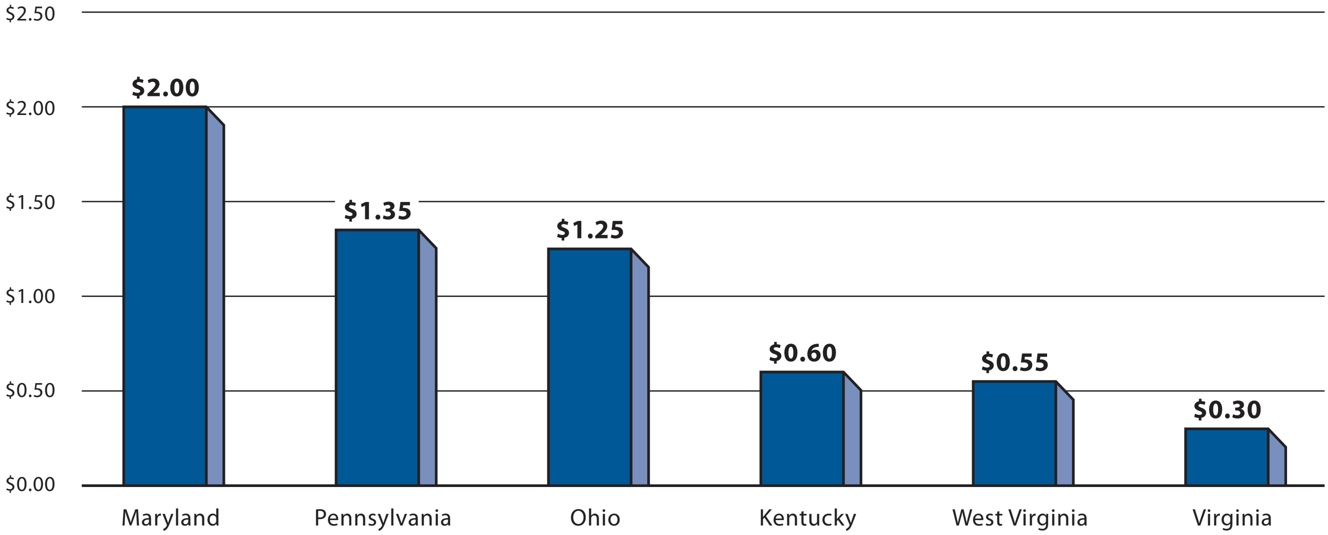
   Last year, the Legislature conformed to this provision by adopting Senate Bill 329. While the state won't be able to recoup the estimated $2.6 million in revenues lost for FY 2010, it can decouple from CODI provision this year and recoup an estimated $9.8 million in FY 2011. Many states, including our border state Maryland, have decoupled from this provision.

4. **Increase the Tobacco Tax to $1.00 per pack**
   Tobacco use is the leading cause of preventable death and disease in the nation and claims the lives of more than 3,800 West Virginians each year. The state has the highest smoking rates in the country among adults and pregnant women, but ranks in the bottom 20 percent in the size of its tobacco tax. Given that tobacco price increases lead to reduced use, the health and economy of West Virginia would be well-served by a tobacco tax increase.

   Since 2003, West Virginia has had a state tax of 55 cents on cigarettes and a 7-percent tax on smokeless tobacco products. In the last several years, most other states have aggressively increased tobacco taxes so that the national average is now $1.20 per pack. West Virginia's cigarette tax is second lowest in the region and in the bottom 20 percent in the nation. (See Figure 6.)

FIGURE 6

State Cigarette Taxes per Pack, 2009



Source: *Campaign for Tobacco-Free Kids*

During the first year, the tobacco tax would generate $120 million, including $110 from cigarette and $10 million from smokeless tobacco. Like other consumption taxes, the tobacco tax imposes a disproportionate burden on people with lower incomes. To reduce this unfairness, most of the tobacco tax revenues should be dedicated Medicaid and other public programs that benefit lower-income individuals and their families.[3] Since these public programs are supported in part by the General Revenue Fund, it would be reasonable to use a portion of the projected tobacco tax revenues — $30 million — to avoid cuts in programs in FY 2011 and beyond.

Long-term solutions to deal with West Virginia's structural revenue problems include the following.

1. **Maintain Workers Compensation Tax on Coal**
   In 2005, the state voted to privatize the state-managed workers' compensation insurance system on January 2006. During that time, the state accumulated all liabilities incurred from injuries on or before July 1, 2005. This became known as the Workers' Compensation Old Fund ("Old Fund"). The total liability was estimated at $1.5 billion. The Legislature dedicated several revenue sources to the liabilities of the Old Fund, including a new severance tax on coal of $0.58 cents per ton.

   As of June 30, 2009, the Old Fund deficit was estimated at $1.29 billion. The state projected in 2008 that the Old Fund Worker's Compensation Debt will be paid in full by FY 2013. The per ton coal severance tax yielded $84.4 million in revenue in FY 2008. One option lawmakers have to address the state's long-term structural deficit would be to keep in place part or all of this tax.

2. **Create New Personal Income Tax Bracket**
   West Virginia has a graduated, marginal personal income tax (PIT) rate that begins at three percent and ends at 6.5 percent (See Table 3). Creating a new 8-percent tax rate on incomes in excess of $100,000 would yield roughly $70 million in additional revenue in 2010. This tax change would affect only the wealthiest 5 percent of West Virginians, a group that would continue to pay much less in federal and sate income taxes than it did in 2000.

TABLE 3

West Virginia's Current Personal Income Tax Schedule

(AGI) Income Bracket	Marginal Rate
0-$10,000	3%
$10,000-$25,000	4%
$25,000-$40,000	4.5%
$40,000-$60,000	6%
over $60,000	6.5%

Source: *West Virginia Tax Department*

While some may claim that increasing West Virginia's PIT rate will hurt the state's economy, there's considerable evidence to the contrary. A recent study of states with PIT rates above 6.5 percent found that there was "not direct link" between income tax levels and private sector job creation.[4] As a matter of fiscal policy, economists Joseph Stiglitz and Peter Orzag found that tax increases are preferable to spending cuts in state services. They wrote:

"Tax increases on higher-income families are the least damaging mechanism for closing state fiscal deficits in the short run. In a weak economy, it is particularly important to minimize reductions in overall spending. And reductions in government spending on goods and services, or reductions in transfer payments to lower-income families, would result in relatively large declines in total expenditures in the state. But tax increases on higher-income families tend to reduce saving, not spending, since such families save a large portion of their income.

Furthermore, consider a little recent history: The increases in federal taxes on upper-income Americans in 1993, which were used to close the yawning budget gap at that time, preceded the strongest boom the US economy has had in more than a generation. There is no evidence that these tax increases harmed the economy—and considerable evidence that the deficit reduction that they helped finance was beneficial."[5]

3. Reinstate Estate Tax

West Virginia should consider reinstating its estate tax at levels matching the federal credit in 2001, when Congress passed legislation to phase out the federal estate tax. This legislation repeals the federal estate tax by 2010 and also effectively repealed by 2005 the state "pickup" taxes through which West Virginia shared in federal estate tax collections. President Obama and Congress look poised to keep the federal estate tax at the 2009 parameters. In 2011, the estate tax will go back to the way it was in 2001 (See Table 4). The phase out of the tax has cost West Virginia millions in lost resources over the last couple of years. The state could prevent any more revenue loss by "decoupling" from current and future federal law by returning to the 2001 estate tax parameters. Approximately 14 states plus the District of Columbia have decoupled from the federal changes and West Virginia lawmakers could do the same.[6] By not acting, West Virginia lawmakers are allowing a tax cut that benefits only millionaires who can pass on large fortunes to their children.

TABLE 4

West Virginia Estate Tax Parameter Under 2001 Tax Law

Year	Exemption (For Couple)	Top Tax Rate
2001	$675,000 ($1.3 million)	55%
2002	$1 million ($2 million)	50%
2003	$1 million ($2 million)	49%
2004	$1.5 million ($3 million)	48%
2005	$1.5 million ($3 million)	47%
2006	$2 million ($4 million)	46%
2007	$2 million ($4 million)	45%
2008	$2 million ($4 million)	45%
2009	$3.5 million ($7 million)	45%
2010	Repeal	
2011	$1 million ($2 million)	55%

Source: *Center on Budget and Policy Priorities*

Before the federal changes to the estate tax, revenue from the state estate tax was $21.1 million in 2000. If West Virginia "decoupled" from the federal estate tax it could generate about this same amount. In 2007, of the 27,676 West Virginians who died, only 76 or 0.4 percent owned any federal estate tax.[7] The Obama administration has proposed to keep intact the estate tax at 2009 parameters. However, his proposal would eliminate the state pick-up – meaning that if West Virginia did nothing it would completely lose its state estate tax.[8]

This would be unfortunate because the state estate tax is one of the most progressive taxes, meaning that it hits only those with large inherited fortunes. This is important because West Virginia's current tax forces low and middle-income people to pay more of their income in taxes than higher income residents. By reinstating the estate tax it would not only improve tax fairness for working families, but would help thwart the growing income inequality in West Virginia.[9]

End Notes

1 In an Executive Order filed on December 28, 2009, the Governor required a spending reduction of 3.4 percent, or $120 million, for all Constitutional Offices, Departments, and Bureaus. The Governor's Executive Order also stipulated that agencies could not furlough employees, that federal and special revenue would not be affected, that Department Secretaries have discretion over where to reduce expenditures and that Secretaries are responsible for fringe benefits and insurance. The Executive Order also exempted a number of programs from spending cuts, including State Aid to Schools, corrections, Aid for Exceptional Children, and others.

2 Elizabeth McNichol and Nicholas Johnson, Recession to Batter State Budgets; State Responses Could Slow Recovery," CBPP, updates on December 23, 2009 http://www.cbpp.org/cms/index.cfm?fa=view&id=711

3 Renate Pore. "Tobacco Tax Benefits Outweigh Concerns." West Virginia Center on Budget and Policy," March 12, 2009. http://www.wvpolicy.org/downloads/2009session/031309TobaccoTax.pdf.

4 Center for Working Families and Fiscal Policy Institute, "Back on Track: Why Progressive Tax Reform is an Essential Part of New York's Budget Solution," March 2009, http://www.fiscalpolicy.org/CWF~FPI~PIT~Report.pdf

5 Peter Orszag and Joseph E. Stiglitz, "Biting the Budget Bullet," The Boston Globe, April 2003, http://www.urban.org/publications/900613.html.

6 Elizabeth McNichol, "Assessing the Impact of the State Estate Taxes," Center on Budget and Policy Priorities, December 19, 2006. http://www.cbpp.org/2-18-04sfp.htm#_ftn1

7 Citizens for Tax Justice, "Latest State-by-State Data Show Obama Should Scale Back His Proposal to Cut the Estate Tax," December 3, 2008. http://www.ctj.org/pdf/estatetax20081203.pdf

8 Chye-Ching Huang, "Congress Should Not Weaken Estate Tax Beyond 2009 Parameters," Center on Budget and Policy, March 11, 2009 http://www.cbpp.org/1-27-09tax.htm

9 West Virginia Center on Budget and Policy, "The State of Working West Virginia: The Great Recession 2009," p. 29. http://www.wvpolicy.org/downloads/WVCBP_Working_WV_2009.pdf