Acknowledgments

The West Virginia Center on Budget and Policy first published “Your Guide to the State Budget” in 2008 when our organization was just getting started.

Welcome to the 2019 version, our budget primer’s third edition, written to explain why West Virginia’s budget is so important to our communities, how the budget process works, and how the state pays for its priorities.

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For more information about the West Virginia Center on Budget and Policy or to get copies of this report, please visit our website: www.wvpolicy.org or email info@wvpolicy.org
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The state budget directly affects everyone living in West Virginia. It is the one law that makes state government function. It defines how we plan to use our resources to do the things together that cannot be done alone, such as creating good schools for our children, protecting the environment, making our communities safe, maintaining our roads, and ensuring that our constitutional rights are protected. The items contained in the budget not only reveal the important public structures that improve our quality of life, but also reflect what our priorities are as a state.

**Why is the Budget Important?**

Just as a family budget reveals basic choices about how to live (does money go toward college education or early retirement), the state budget consists of thousands of decisions about our shared responsibility to maintain and improve our state.

These decisions directly affect the lives of every one of the 1.8 million people living in West Virginia. Through the state budget, the Department of Highways oversees 36,000 miles of roads, and over 650 state troopers protect our state. 266,000 children are enrolled in the K-12 public school system, while another 84,000 are enrolled in public higher education institutions in West Virginia. 541,000 children, seniors, disabled and low-income adults receive health care coverage through the West Virginia Medicaid Program and the West Virginia Children’s Health Insurance Program.

While this list is only a small sampling of the public services that make our lives better, it shows how all of us benefit from the state budget. Without a strong and structurally balanced tax system, however, many of these services and public structures would diminish or disappear. A healthy budget keeps our communities safe, provides the necessary infrastructure that businesses need to compete and be profitable, and creates a better quality of life.
Maintaining our roads, police protection, health care and schools helps build a shared prosperity for all of us.

While comparisons are often made to the federal budget or even household budgets, state budgets are unique in how they raise and spend money. Unlike the federal budget, the state budget cannot run deficits, and even though it must be balanced each year, it can take on future spending obligations that are not paid for in advance, like debt for infrastructure projects and unfunded pension obligations.

What the state spends money on also makes it unique. As this guide shows, most of the state budget helps maintain education and health care and this can have a large effect on the state’s finances. For example, when health care costs grow faster than the rest of the economy, as they do almost every year, so, in turn, does state spending. This can create pressures on other areas of the budget.

This guide provides citizens and policymakers with a roadmap of how the West Virginia State Budget makes all of this possible. It includes how our state invests its resources and generates revenue, how the state pays for priorities, how the tax system is structured, a brief overview of the budget process, and guidance on how people can influence the budget and the budget process. We hope this guide to the budget gives readers insights on the fiscal decisions that shape their daily lives and how to influence, or change, these decisions.
CHAPTER ONE
How We Invest Our Money

Each year, lawmakers must adopt and the governor must sign a balanced budget, meaning that the money going out cannot exceed the money coming in. During the first week of each annual regular legislative session the governor unveils a budget plan that includes the state’s spending priorities and the projected amount of revenue it will have to meet those priorities. After the budget is adopted by the legislature and the governor signs it into law, it becomes the “Budget Act.” This chapter focuses on the spending side of state budget, how it has changed over time and how it compares to other states.

Funding the Common Good
In fiscal year 2017 (July 2016 to June 2017) the state budget included more than $11.5 billion in appropriated state and federal funds. This included revenue from the General Revenue Funds, Lottery Funds, Special Revenue Funds, Road Funds, and Federal Funds (Figure 1).

The money from the General Revenue Fund (GRF) comes primarily from taxes, but also includes fees, licenses, and lottery revenues. The GRF pays for many of the state’s key budgetary items, including public education, corrections and public safety, health care and social services, and higher education. About 40 percent of GRF money is used for discretionary purposes (e.g., higher education), while 60 percent is restricted by either constitutional or statutory requirements (e.g., State Aid to Schools). In FY 2017, the GRF made up 36 percent or $4.2 billion of the state’s budget. General revenue spending, along with lottery funds, forms what is referred to as the “base budget.”
More than one-third of the state budget, or $4.4 billion, comes from the federal government. Federal funds consist of matching funds for programs such as Medicaid and block grant funding for programs like Temporary Assistance for Needy Families (TANF). In most cases, the federal government determines where federal funds will be spent in West Virginia.
The State Road Fund makes up about $1.2 billion of the total state budget, of which $442 million comes from federal matching dollars. About $381 million of the State Road Fund came from the state’s gasoline and motor carrier tax in 2017, while $204 million came from the sales tax on vehicles and $104 million from vehicle registration fees.

Making up 12 percent of the budget, the Special Revenue Fund consists of individual accounts created for a specific purpose. These accounts are mostly supported from permits, licenses, fees, and special taxes to fund specific programs and services, and to pay off incurred debt. For example, this fund includes a special tax on health care providers ($185 million) to help pay for Medicaid, various revenues to pay down the state’s Workers’ Compensation Debt Fund ($53 million), and a dedicated tax on coal to fund mine reclamation ($35.4 million).

Lottery Funds make up the smallest revenue source, accounting for four percent of all appropriated revenue, or $473 million. This revenue source is supported by the sale of lottery tickets or games, limited video lottery, and table games. The Lottery Funds are broken into two separate categories, the Lottery Fund ($153 million) and the Excess Lottery Fund ($320 million). The Lottery Fund can only be used for education, senior services, and
tourism and parks, while the Excess Lottery Fund may be used for senior tax credits, higher education (e.g., PROMISE Scholarship), General Revenue Fund expenses, and other programs. In FY 2017 approximately $65 million was transferred from the Excess Lottery Fund to the General Revenue Fund.

West Virginia’s “Base Budget” Spending
When policymakers refer to the “state budget” they usually mean the base budget, which contains General Revenue Funds ($4.2 billion) and Lottery Funds ($473 million) (Figure 2). For planning purposes, the state utilizes these funds, and sometimes the Rainy Day funds, to balance the budget each year. While many of the spending items contained in the Lottery Funds are earmarked for specific purposes, the state transfers revenues from Lottery Funds each year to fund many ongoing budget priorities such as Medicaid.

The base budget also contains most of the state’s taxes and supports most government operations. This is why the base budget receives the most scrutiny from lawmakers.

Public Education: Public education accounts for $2 billion, or 43 percent, of the state’s base budget. Approximately $1.8 billion goes to West Virginia’s 55 school boards to fund K-12 education (State Aid to Schools) through the state’s school aid formula. West Virginia’s state share of K-12 education is one of the highest in the nation, accounting for 55 percent of total public education spending.¹ The rest goes to the Department of Education.

Health Care & Human Services: The West Virginia Medicaid Program and the Children’s Health Insurance Program (SCHIP) provided health coverage to over 541,000 state residents as of September 2018 — an increase of 53 percent since the state expanded Medicaid under the federal Affordable Care Act of 2009.² Of the $4 billion in Medicaid expenditures in FY 2017, the state provided about $900 million in matching Medicaid funds while federal funds accounted for $3.1 billion.³ West Virginia’s matching Medicaid funds include appropriations from the base
budget, as well as funds from special revenue such as the Health Care Provider Tax, and in recent years, transfers from the Rainy Day Fund. West Virginia has the second-highest Medicaid federal match rate (FMAP) in the country. For every dollar the state spends, the federal government provides around two and a half dollars.

Source: WV State Budget Office, Governor’s Executive Budget FY 2019, Volume 1 Budget Report.

Note: The $4.6 billion does not double count the $65 million transferred from Excess Lottery to General Revenue Fund.
Higher Education
The state’s public institutions for higher education account for 10 percent or $452 million of the state’s base budget. West Virginia’s 12 state universities and 10 community colleges had an estimated 71,805 full-time students enrolled during the 2016-2017 school year. Between 2013 and 2017, general revenue higher education funding was reduced by $70 million. According to the Center on Budget and Policy Priorities, state investment in higher education in West Virginia per student fell more than 26 percent from 2008 to 2018 after adjusting for inflation, while average tuition rose more than 51 percent over that same time period.

Military Affairs and Public Safety
Of the $355 million allotted to public safety and military affairs in 2017, $191 million, more than half, went to the state’s correctional system, while $34 million went to juvenile services. The West Virginia National Guard accounted for $18 million and the West Virginia State Police $94 million. Between 1986 and 2013, corrections spending in West Virginia grew by 387 percent, the fourth-highest in the nation.

Other Spending
West Virginia’s base budget also funds a number of other programs and services, including the three branches of government, commerce, senior services, and the state’s parks.

Non-Appropriated Spending
While some Special Revenue Fund expenditures are included in the Budget Act, a good portion is “non-appropriated” and not included in the budget bill. Non-appropriated Special Revenue Funds derive their spending authority from general law and language contained in the Budget Act. In FY 2017, the state’s non-appropriated spending was $10.8 billion. A large portion of non-appropriated funds consists of public employee retirement and health insurance benefits, college tuition payments, municipal bond payments, and workers’ compensation liabilities.
Off-Budget Spending
In addition to appropriated funds, West Virginia also spends hundreds of millions of dollars each year through the tax code by providing tax exemptions to particular groups of individuals or corporations. These tax cuts are referred to as “tax expenditures.” Tax expenditures are forgone revenue that would otherwise be payable to the state. They include tax credits and other tax preferences, such as special exemptions, deductions, rebates, and rate reductions that reduce the amount of tax a person or a business owes, to encourage certain kinds of activities and to aid taxpayers in “special circumstances.”

A common example is the income tax deduction for investing in a SMART 529 account for higher education expenses. Another example is the reduced severance tax rate for thin-seam coal of one to two percent (depending on thickness), instead of the standard five percent, with the goal of encouraging production. As this example illustrates, tax expenditures are similar to spending in the state budget in that they both work to achieve a certain public policy goal. Tax expenditures, however, are not given a line item in the budget and are therefore not subject to the scrutiny of the appropriations process. Despite this difference, both direct state spending and exemptions in the tax code compete with government spending priorities.

For 2019, the West Virginia State Budget Office estimates the cost of the state’s major tax expenditures to be approximately $385 million in forgone revenue to the state’s General Revenue Fund. This includes $110 million in tax credits, $248 million in tax preferences (tax exemptions, etc.), and $27 million from local tax increment financing projects (Figure 3).

State Spending Over Time
One way to put state spending into perspective is to examine it as a share of the state’s personal income over time. This helps compare how much the state is spending in one year compared to another year.
If state spending as a share of personal income remains relatively constant over time, then state expenditures are growing at roughly the same rate as the economy. An examination of General Revenue spending as a share of the state economy from 1997 to 2017 reveals a good deal of fluctuation. On average over this period, the state spent about 6.6 percent of its personal income on General Revenue expenditures. In 2017, it spent about 6.1 percent, lower than in any year except 2011. The drop in spending is associated with budget cuts brought on by the Great Recession and the large tax cuts enacted since 2006 (Figure 4).

**West Virginia Spending Compared to Other States**

Since states differ in how they fund programs, it is important to also combine local spending. In some states, expenditures for programs are the primary responsibility of state government, in others, of local government. For example, 55 percent of K-12 education funding in West Virginia comes from state funds, whereas 34 percent is derived from local government (e.g., property taxes). This differs sharply with Nebraska where 33 percent of K-12 education funding comes from state government.
and 59 percent from local government. Approximately 11 percent of K-12 education funding in West Virginia comes from the federal government.

Because state populations vary, a better way to compare West Virginia’s spending with other states is to measure expenditures per resident.

When looked at this way, in 2016 West Virginia’s spending ranked lower than 29 states at $9,874 per resident. The U.S. state average in 2016 was $10,843. West Virginia also ranked below the national average on per capita spending on corrections and K-12 education and ranked above the national average on per capita spending for higher education.8
West Virginia’s Long-Term Obligations and Fiscal Health

Like most states, West Virginia is required to pass a balanced budget each year. States can make spending commitments that will not come due for years, such as for pensions and retiree health care, or they can borrow for infrastructure projects that deliver services for years in the future. Debt for infrastructure and unfunded retirement liability costs makes claims on future revenues and can create pressure on state finances.

West Virginia’s largest long-term fiscal obligation is for pensions, with a $4.1 billion unfunded pension liability at the end of FY 2017. The state’s two largest pension funds — public employees (PERS) and teachers’ defined benefit (TERS) — had funding ratios of 91.5 percent and 67.1 percent in 2017, respectfully. West Virginia also has a long-term fiscal obligation with retiree health. At the end of fiscal year 2016, the WV Retiree Health Benefit Trust Fund had an unfunded liability of $2.5 billion and a funding ratio of almost 22 percent.

West Virginia ranks better than most states when it comes to long-term obligations and overall fiscal health. West Virginia’s state and local per capita debt obligation in 2015 was $5,677 (42nd lowest,) compared to the national average of $9,327. West Virginia had the 20th highest (best) pension funding ratio in 2015 at 71 percent. The state has made substantial progress since 2003, when West Virginia had the lowest funding ratio in the nation.

While the state has substantial financial liabilities, it also has substantial capital assets. In FY 2017, West Virginia held capital assets worth a net value of $9.6 billion, including buildings, equipment, infrastructure, library holdings, land, and intangible assets. The state also manages about $19.4 billion worth of financial assets (mostly pensions).

West Virginia has a mixed record in other measures of fiscal health. The state’s credit score or bond rating was AA- (S&P Global) in 2017, with 39 states having a better rating and four with a worse rating. West Virginia compares favorably to most
A state’s employment rate (share of population that is employed) can affect both sides of its budget. More people working means more revenue, as paychecks create income tax revenue and generate consumer spending, which produces sales and business income tax revenue. On the other side of the ledger, people who are not working often need more services like Medicaid and other safety-net programs, which increases state expenditures. West Virginia has the lowest employment-to-population rate in the country. 71 percent of West Virginians ages 25 to 54 are employed, compared to 79 percent nationally.
CHAPTER TWO
How We Pay for Our Priorities

Chapter One discussed where West Virginia invests its money. This chapter delves into how the state collects money to pay for its budget priorities. It includes a brief discussion of each type of major state tax and revenue source and how West Virginia’s revenue collections compare to other states.

Paying for Priorities
West Virginia collects revenue through a combination of sources, including a variety of taxes, lottery funds, federal payments, licenses, permits, and fees. In FY 2017, the state appropriated $11.4 billion in revenue from state residents, businesses, and the federal government. Of each dollar collected, 43 cents came from state taxes, 42 cents came from federal government, and 15 cents came from other sources of revenue. The state’s single-largest source of revenue comes from state taxes, which are mainly included in the base budget (General Revenue + Lottery Funds) (Figure 5).

FIGURE 5
Appropriated Budget Revenue by Source, FY 2017
Total Revenue: $11.4 Billion

Source: WV State Budget Office, Governor’s Executive Budget FY 2019, Volume 1 Budget Report.
**Base Budget Revenues**

The personal income and sales and use taxes are the largest sources of revenue in the base budget, accounting for 67 percent of total base budget revenue. Revenue from severance taxes accounts for seven percent, while lottery funds account for nine percent, corporate income and business franchise taxes are three percent, and other revenues and taxes account for the remaining 14 percent (Figure 6).

**FIGURE 6**

**Base Budget Revenue Sources, FY 2017 (in millions)**

Total General Revenue & Lottery Funds Revenue: $4.6 Billion

- **Personal Income Tax**: $1,814 / 40%
- **Sales and Use Tax**: $1,222 / 27%
- **Severance Tax**: $321 / 7%
- **Tobacco & Alcohol Taxes**: $195 / 4%
- **Other Revenue & Taxes**: $368 / 8%
- **Corporate Net Income Tax & Business Franchise Tax**: $116 / 3%
- **Business & Occupation Tax**: $112 / 2%
- **Lottery Revenues**: $411 / 9%

*Source: WV State Budget Office, Governor’s Executive Budget FY 2019, Volume 1 Budget Report.*
Personal Income Tax

The personal income tax is the state’s largest source of tax revenue, accounting for 40 percent or $1.81 billion in FY 2017. West Virginia’s personal income tax was established in 1961 and applies to most types of money income, including wages and salaries, interest, rental income, capital gains, and some business and pension income. Of the last 15 years, the state has relied more heavily on personal income taxes to fund General Revenue Fund expenditures, growing from 37 percent in FY 2000 to about 44 percent in 2017. By FY 2023, personal income taxes are expected to make up 46 percent of General Revenue Fund collections.

West Virginia is one of 43 states that has a personal income tax and, like 29 other states, it links it to the federal definition of adjusted gross income (AGI). Similar to most states, West Virginia also has a number of deductions, exemptions, and credits that lower the income subject to the tax. According to the WV State Tax Department, the state lost an estimated $326 million in revenue from these expenditures in 2017.

West Virginia has a graduated, marginal income tax rate that begins at three percent and ends at 6.5 percent. This means as income increases so does the rate at which it is taxed. The effective rate is the average rate of taxation for all taxable income.

### TABLE 1

**West Virginia Personal Income Tax Schedule**

<table>
<thead>
<tr>
<th>Income Bracket</th>
<th>Marginal Tax Rate</th>
<th>Amount Taxed</th>
<th>Tax Owed</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-$10,000</td>
<td>3.0%</td>
<td>$10,000</td>
<td>$300</td>
</tr>
<tr>
<td>$10,000-$25,000</td>
<td>4.0%</td>
<td>$15,000</td>
<td>$600</td>
</tr>
<tr>
<td>$25,000-$40,000</td>
<td>4.5%</td>
<td>$15,000</td>
<td>$675</td>
</tr>
<tr>
<td>$40,000-$60,000</td>
<td>6.0%</td>
<td>$20,000</td>
<td>$1,200</td>
</tr>
<tr>
<td>$60,000 +</td>
<td>6.5%</td>
<td>$5,000</td>
<td>$325</td>
</tr>
</tbody>
</table>

**Total**  
$65,000  
$3,100

**Source:** WV State Tax Department (Married Filing Jointly).
For example, if your taxable income is $65,000 after any deductions, this does not mean that all of your income will be taxed at the top rate of 6.5 percent (Table 1). Your first $10,000 is taxed at three percent, the next $15,000 at four percent, and so on. Only the last $5,000 is taxed at the top tax rate of 6.5 percent. Your effective tax rate would be about 4.8 percent ($3,100/$65,000). Even those with incomes above $200,000 pay an effective tax rate below 6.5 percent (Figure 7).

FIGURE 7
Effective Personal Income Tax Rates

<table>
<thead>
<tr>
<th>Gross Income Levels</th>
<th>Effective Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $20,000</td>
<td>1.4%</td>
</tr>
<tr>
<td>$20,000-$50,000</td>
<td>3.3%</td>
</tr>
<tr>
<td>$50,000-$80,000</td>
<td>4.3%</td>
</tr>
<tr>
<td>$80,000-$100,000</td>
<td>4.8%</td>
</tr>
<tr>
<td>$100,000-$200,000</td>
<td>5.3%</td>
</tr>
<tr>
<td>$200,000-$300,000</td>
<td>5.8%</td>
</tr>
<tr>
<td>Over $300,000</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

Source: WV State Tax Department (2014).

Similar to 33 states, West Virginia’s personal income tax is progressive, with income tax rates growing with income. This means higher-income residents pay a larger share of their income in personal income taxes compared to low- and middle-income residents. Families that have income below the federal poverty threshold ($25,100 for a family of four in 2018) can receive the Family Tax Credit that eliminates or decreases their income tax liability.
**Sales and Use Tax**

The sales and use tax is the second-largest source of tax revenue, accounting for 27 percent, or about $1.2 billion, of the base budget. In 1934, West Virginia was the first state to enact a sales tax. The state applies a rate of six percent to sales of goods and services unless they are specifically exempted. Exemptions to the sales tax include automobiles, prescription drugs, cellular services, and groceries. According to the Council on State Taxation, West Virginia businesses pay about 49 percent of West Virginia sales and use taxes.\(^{17}\) Sales and use taxes have declined as a share of the General Revenue Fund, from about 35 percent in FY 2000 to 27 percent in FY 2017.

As the state continues to add exemptions, the U.S. economy has shifted from producing goods to producing services. This has reduced the growth of state sales tax revenues. For example, the abolishment of the sales tax on groceries reduced revenue by an estimated $167 million in 2016. Despite this shift, West Virginia taxes more services than all but five states.\(^{18}\) There are many personal services (e.g., haircuts, health clubs, etc.) and professional services (lawyers, accountants, engineers, etc.), however, that are exempt from the sales tax.

**Corporate Net Income and Business Franchise Tax**

These two business taxes generated $116 million in tax revenue in FY 2017, accounting for three percent of base budget revenue. The corporate net income tax is a tax on the net profits of incorporated entities doing business in West Virginia. It applies only to C Corporations, not S Corporations (e.g., Limited Liability Companies) or unincorporated entities that usually pay the personal income tax. This is because S Corporation shareholders include their share of the corporation's income on their individual personal income tax returns. The corporate income tax rate was reduced from 9 percent to 6.5 percent from 2007 to 2015.

West Virginia is a “combined reporting” state. Combined reporting is a method of taxation that closes some corporate tax loopholes that large multi-state companies have used to avoid paying in-state corporate income taxes.
The business franchise tax applies to the net equity of a business for the privilege of conducting business and applies to most corporations, partnerships, and limited liability companies. The business franchise tax was lowered in January 2007 from 0.7 percent to 0.55 percent and lowered each subsequent year, until it was completely phased out in January 2015 with an estimated annual revenue loss of $165 million.\(^{19}\)

**Severance Tax**

Making up seven percent of tax revenue, the severance tax on natural resources brought in $321 million to the base budget, after local distributions and other transfers, in FY 2017. The severance tax is a five-percent gross receipts tax levied on businesses that sever, extract and/or produce natural resource products in West Virginia including oil, coal, natural gas, quarried or mined limestone or sandstone, and other natural resource products. There are reduced rates for underground thin-seam coal (one-two percent) and waste coal (2.5 percent).

In FY 2017, the state collected $209 million from the severance tax on coal, $102 million on natural gas, and about $33 million from oil and other minerals.

**Lottery Revenue**

Lottery revenue in FY 2017 totaled $411 million, or nine percent of the base budget. The two main sources of lottery revenue are Racetrack Video Lottery, which accounts for about 48 percent of lottery revenue, and Limited Video Lottery, which makes up about 42 percent. Other sources of lottery revenue include ticket sales on on-line and instant games, table games, and Historic Resort Hotel Revenues. Some regular lottery funds are dedicated by statute to be used for programs for senior citizens, education, and tourism.

**Other Revenues**

Other sources of revenue made up $675 million, or about 14 percent of the base budget in FY 2017. This money came from a variety of other fees and taxes, many of them considered “sin” taxes on items such as tobacco and alcohol. The insurance premiums tax and the tobacco tax are the two largest sources
of “other” revenue. In FY 2017, the insurance tax produced over $120 million in revenue, while the tobacco products tax produced nearly $195 million.

**Significant Taxes Not in the Base Budget**

**Motor Fuel Excise Tax**
The motor fuel excise tax and motor carrier road tax produced $381 million in FY 2017. This tax contains a flat rate tax of 20.5 cents per gallon and variable rate that is equal to five percent of the average wholesale price of motor fuel. In 2018, the variable rate was 15.2 cents per gallon, for a combined rate of 35.7 cents per gallon. This tax provides funding to the Division of Highways, Division of Motor Vehicles, and the Office of Administrative Hearings.

**Automobile Sales Tax**
The automobile sales tax produced $204 million in FY 2017. The tax is levied at five percent of the value of a vehicle and is imposed when obtaining the certificate of title on a vehicle at the time of purchase or lease. Revenue from the automobile sales tax is appropriated to the State Road Fund.

**Health Care Provider Tax**
The Health Care Provider tax produces revenue that is used for the state’s share of the Medicaid Program. The tax applies to services of ambulatory surgical centers, independent laboratory and x-ray facilities, inpatient and outpatient hospitals, intermediate care facilities for mentally handicapped patients, and nursing homes. The Health Care Provider Tax produced $185 million in FY 2017.

**Who Pays State Taxes?**
West Virginia’s overall tax structure is regressive, meaning that low-income families pay more taxes as a share of their income than high-income families. The lowest-income families (the lowest 20 percent) earn less than $15,900 per year and pay 9.4 percent of their income in state and local taxes, while those with incomes in the top one percent who make, on average, $702,400, pay only 7.4 percent (Figure 8).
The three main state and local taxes paid by West Virginia’s families are the income, sales and excise, and property taxes. West Virginia’s personal income tax is the most progressive of the state and local taxes, since the tax rate rises along with income earned. However, the progressive features of the income tax are not enough to offset the impact of the sales and excise tax, which makes up a larger portion of taxes among low- and middle-income families, making the overall system slightly regressive (Table 2).

A study by the Bureau of Business and Economic Research at West Virginia University concluded that West Virginia’s 14-biggest state taxes are “moderately regressive” due to the state’s over-reliance on sales and excise taxes.20

Rainy Day Funds
There are two revenue shortfall reserve funds that make up the state’s Rainy Day Funds, including the Revenue Shortfall Reserve Fund and the Revenue Shortfall Reserve Fund – Part B. The Rainy Day Fund is intended for revenue shortfalls, emergency funding, or other fiscal needs.
## TABLE 2

### Average Effective State and Local Tax Rates in West Virginia

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Lowest 20%</th>
<th>Second 20%</th>
<th>Middle 20%</th>
<th>Fourth 20%</th>
<th>Next 15%</th>
<th>Next 4%</th>
<th>TOP 1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Range</td>
<td>Less than $15,900</td>
<td>$15,900 to $29,500</td>
<td>$29,500 to $48,100</td>
<td>$48,100 to $81,500</td>
<td>$81,500 to $158,700</td>
<td>$158,700 to $401,600</td>
<td>$401,600 or more</td>
</tr>
<tr>
<td>Average Income in Group</td>
<td>$8,900</td>
<td>$22,700</td>
<td>$37,000</td>
<td>$61,600</td>
<td>$107,400</td>
<td>$220,500</td>
<td>$702,400</td>
</tr>
<tr>
<td><strong>Sales &amp; Excise Taxes</strong></td>
<td>6.6%</td>
<td>5.3%</td>
<td>4.6%</td>
<td>3.6%</td>
<td>2.7%</td>
<td>1.7%</td>
<td>0.9%</td>
</tr>
<tr>
<td>General Sales - Individuals</td>
<td>2.8%</td>
<td>2.7%</td>
<td>2.5%</td>
<td>2.0%</td>
<td>1.5%</td>
<td>1.0%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Other Sales &amp; Excise - Ind.</td>
<td>2.7%</td>
<td>1.7%</td>
<td>1.3%</td>
<td>0.9%</td>
<td>0.6%</td>
<td>0.4%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Sales &amp; Excise on Business</td>
<td>1.0%</td>
<td>0.9%</td>
<td>0.9%</td>
<td>0.7%</td>
<td>0.5%</td>
<td>0.3%</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Property Taxes</strong></td>
<td>2.4%</td>
<td>2.0%</td>
<td>1.4%</td>
<td>1.6%</td>
<td>1.5%</td>
<td>1.4%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Home, Rent, Car - Ind.</td>
<td>2.3%</td>
<td>1.9%</td>
<td>1.2%</td>
<td>1.5%</td>
<td>1.3%</td>
<td>1.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Other Property Taxes</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>1.3%</td>
</tr>
<tr>
<td><strong>Income Taxes</strong></td>
<td>0.5%</td>
<td>1.9%</td>
<td>2.5%</td>
<td>3.6%</td>
<td>4.6%</td>
<td>4.6%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Personal Income Tax</td>
<td>0.4%</td>
<td>1.8%</td>
<td>2.5%</td>
<td>3.6%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Corporate Income Tax</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>TOTAL TAXES</strong></td>
<td>9.4%</td>
<td>9.1%</td>
<td>8.5%</td>
<td>8.8%</td>
<td>8.7%</td>
<td>7.7%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

*Source: Institute for Taxation and Economic Policy.*
The Revenue Shortfall Reserve Fund (sometimes referred to as Part A) was created in 1994. Since that time, $824 million has been deposited into the account, and $225 million has been appropriated for projects such as flood and drought victim assistance, infrastructure, and snow removal. Over the last several years, a total of $330 million has been used to balance the state’s budget due to revenue shortfalls.

In 2006, West Virginia created the Revenue Shortfall Reserve Fund – Part B with funds from its Tobacco Settlement Medical Trust Fund. Expenditures cannot be made from the Rainy Day Fund – Part B until all funds from the Rainy Day Fund A are used. Starting in June 2025, interest and other funds from Part B can be used by the legislature to support programs.

As of October 2018, the Revenue Shortfall Reserve Fund Part A had a balance of $287 million while Revenue Shortfall Reserve Fund B had a balance of $442 million. Collectively, these funds reached a highpoint of $909 million in 2013 or 23 percent of the General Revenue Fund.

As a natural-resource-dependent state, West Virginia is vulnerable to the booms and busts of the energy industry. A robust reserve fund helps protect West Virginia from the revenue volatility that the state’s dependence on natural resource extraction can create. In addition, a healthy reserve fund also helps improve the state’s bond rating, which reduces borrowing costs for investments such as schools and infrastructure.

Through an Executive Order, the governor is allowed to borrow funds from the Rainy Day Funds during shortfalls so that the state can make timely payments on its obligations. The governor has done so every year since August 1996, repaying all of the loans before fiscal year-end. State law requires that 50 percent of all surplus revenues from General Revenue funds accrued during the prior fiscal year be deposited in Revenue Shortfall Reserve Fund Part A until the fund is equal to 13 percent of total General Revenue Fund appropriations for the fiscal year just ended.

Your Guide to the State Budget
West Virginia Revenue Compared to Other States

West Virginia’s total revenue and tax collections are below the national average per person (Table 3). West Virginia ranks near the bottom in property taxes per capita at $889, which is less than 60 percent of the national average. With the elimination of the business franchise tax and the reduction in the corporate net income tax, West Virginia per capita corporate income taxes ranked 36th lowest in 2015 compared to 8th highest in 2007. While West Virginia ranks low on general sales taxes per capita ($711, 43rd), the state ranks 6th highest on selective sales tax at $789 per capita. The selective sales tax includes items such as gasoline, cigarettes, insurance premiums, gross receipts, and alcohol.

<table>
<thead>
<tr>
<th></th>
<th>WV Per Capita State &amp; Local Revenue</th>
<th>National Average</th>
<th>WV Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Taxes</td>
<td>$4,105</td>
<td>$4,883</td>
<td>30th</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$8,912</td>
<td>$9,100</td>
<td>23rd</td>
</tr>
<tr>
<td>Personal Income Tax</td>
<td>$1,050</td>
<td>$1,146</td>
<td>26th</td>
</tr>
<tr>
<td>Total Sales Tax (General/Selective)</td>
<td>$1,500</td>
<td>$1,698</td>
<td>32nd</td>
</tr>
<tr>
<td>Property Tax</td>
<td>$889</td>
<td>$1,521</td>
<td>42nd</td>
</tr>
<tr>
<td>Corporate Income Tax</td>
<td>$103</td>
<td>$178</td>
<td>36th</td>
</tr>
</tbody>
</table>

CHAPTER THREE
A Fair and Reliable Tax System

The previous chapter looked at how West Virginia collects its revenues from different sources. This section concentrates on the principles of a fair and reliable tax system. It analyzes how taxes are distributed among state residents and businesses.

Principles of a Strong Tax System
While state tax systems differ, there is general agreement among government leaders, policymakers, economists, and others that an effective tax system achieves equality and fairness, produces adequate revenues, and provides stability and simplicity.22

Equity
A fair and equal tax system is one that demonstrates both “vertical” and “horizontal” equity. Vertical equity means that people with a greater ability to pay should pay more and that taxes should not absorb a greater share of income from a low-income person than a high-income person. Horizontal equity means that people in similar situations with the same ability to pay should pay equally. For example, the tax on $10,000 in wage income should be no higher than the tax on $10,000 in capital gains (stocks, dividends, etc.) income.

In other words, a fair and equal tax system is one that is progressive (Figure 9), rather than flat or regressive. With a progressive tax, those with lower incomes pay a smaller portion of their income in taxes than those with higher incomes. In contrast, a regressive tax (Figure 10) is one where those with lower incomes pay a larger portion of their income in taxes. A proportional tax (Figure 11) (also known as a flat tax) takes the same percentage of income from everyone regardless of his or her ability to pay. A progressive tax system most exemplifies the “ability to pay” principle and was endorsed by the 2006 West Virginia Tax Modernization workgroup and the 1999 WV Commission on Fair Taxation.23
Efficiency
An efficient tax system encourages neutrality by staying out of the way of economic decisions. In other words, tax rules should not favor one industry or investment over another. For example, giving poorly targeted tax credits to businesses can distort the market and be a wasteful investment for all other taxpayers.

Another way a tax system can be efficient is if it is applied the same regardless of where a purchase is made. For instance, a book purchased online should be subject to the same sales tax rate as one bought at a local bookstore.

Exportability
A tax system that features exportability ensures that individuals and companies based in other states benefiting from our state’s public services pay their fair share. For example, the motor fuel tax is partly exportable since it is paid by not only West Virginians, but also out-of-state travelers and the transportation industry that use West Virginia’s highway system. The severance tax is also highly exportable, since it is largely paid by out-of-state consumers of West Virginia coal and natural gas.

Adequacy
An adequate tax system raises enough funds to sustain the level of public services demanded by citizens and policymakers in the short- and long-term. Two factors that contribute to adequacy of a tax are stability and elasticity. Stability means tax revenue grows at a predictable rate. Elasticity is whether growth in a specific tax keeps up with the economy. For example, income and sales taxes typically grow along with the economy, but the revenue they produce can vary greatly in the face of economic downturns and expansions. In contrast, the property tax is more stable, providing a reliable source of revenue each year, but the revenue it produces tends to grow more slowly than the cost of services that state and local governments provide. State and local governments should rely on a diverse source of tax revenue in order to have adequate revenues that provide consistent levels of service.
Another aspect to consider regarding stability is balancing revenues and expenditures. Tax revenue should at least keep up with the “normal growth of expenditures,” or the amount it would cost to continue providing the existing level of programs and services. When states consistently cannot grow enough revenues to meet the costs of providing government programs and services, they have a structural deficit, which tends to be a long-term, chronic problem different from a budget deficit.

West Virginia is at risk of a structural deficit due to:

- Growth in its elderly population
- Greater than average share of non-elderly population on (SSI) Supplemental Security Income
- Constitutional and statutory property tax limitations that limit both tax rates and revenue growth
- A decline of corporate income taxes as a share of total income taxes
- A growing reliance on volatile severance tax revenue that depends on the extraction of non-renewable natural resources

**Simplicity and Transparency**

A tax system should be easy to understand and navigate, accountable, and transparent. It should not be difficult for governments to monitor and enforce tax collections. A tax system is accountable when it provides sufficient knowledge to evaluate how it works. For instance, tools like fiscal notes, which provide an estimate of the revenues lost or gained by the adoption of legislation, give the public an understanding of how a piece of legislation might affect state revenues.
CHAPTER FOUR
How the Budget Works

This chapter explores the budget process, describes the various budget documents, and lists steps to improve them.

How the Budget is Created
Each year, the legislature, state agencies, and the Governor’s Office wrestle with a spending plan for West Virginia. This process begins one year prior to the beginning of the fiscal year (FY), which begins on July 1 and ends on June 30 (Table 4).

First, state agencies submit budget requests to the State Budget Office by September 1. Between September and October, state agencies hold private budget hearings with the State Budget Office and the Governor’s Office to answer questions, submit additional requests, and discuss any future capital projects. When the hearings are complete, the governor submits the Executive Budget to the legislature recommending spending levels for state agencies, estimated revenue from tax collections and other sources, and state debt and liability. The Governor’s Executive Budget consists of three important documents — the Budget Bill, the Budget Report, and Operating Detail. These documents are discussed in detail below.25

Budget Bill
The Budget Bill is the legislation that appropriates the expenditures required to operate state government each fiscal year. It contains line items from each department and broadly outlines how that money will be spent. Upon the legislature’s approval, the Budget Bill becomes the Budget Act and can now appropriate funds to the different spending units contained in the Budget Bill.
Next, the legislature reviews the Executive Budget and holds hearings before the House and Senate Finance Committees. Both the House and Senate pass a separate budget bill and the differences between the two bills are worked out in the budget conference committee. This usually takes place at the end of each legislative session.

Once the legislature passes the budget bill, the third step is for the governor to sign it or veto certain expenditures or increase spending while ensuring a balanced budget. If the governor does nothing, the bill automatically becomes law after five days. The legislature can override the governor’s veto of any budget item with a two-thirds vote. The budget bill adopted by the legislature and approved by the governor represents spending authority for the next fiscal year and is referred to as the Budget Act.
The last step in the budget process is for expenditure schedule guidelines to be sent to each state agency that outline in detail how they will spend the appropriated funds. On July 1, the appropriations contained in the Budget Act are ready for agencies to process and make payments.

**TABLE 4  
State Budget Timeline**

<table>
<thead>
<tr>
<th>Month</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>The Secretary of Revenue, along with the Governor’s Office and the State Budget Office, issues appropriation guidelines for state agencies.</td>
</tr>
<tr>
<td>July - September</td>
<td>State agencies prepare budget requests and submit them on September 1 and the Secretary of Revenue and the State Budget Office review them.</td>
</tr>
<tr>
<td>September - October</td>
<td>The State Budget Office holds budget hearings with state agencies to discuss their appropriation requests and capital expenditures plans. During this time, agencies also have the opportunity to provide additional information to the Governor’s Office and the Department of Revenue and answer any questions or bring to the forefront any specific needs, such as legislative or federal mandates or court-ordered funding.</td>
</tr>
<tr>
<td>November</td>
<td>The Department of Revenue makes official revenue estimates for the upcoming fiscal year.</td>
</tr>
<tr>
<td>December</td>
<td>The governor releases final revenue estimates and budget recommendations based upon program priorities, requirements, court orders, and the availability of funds.</td>
</tr>
<tr>
<td>Month</td>
<td>Description</td>
</tr>
<tr>
<td>---------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>January</td>
<td>The governor presents the Executive Budget to the legislature on the second Wednesday of January, except following a gubernatorial election when the budget is submitted on the second Wednesday of February.</td>
</tr>
<tr>
<td>January - March (Legislative Session)</td>
<td>The Governor’s Executive Budget is referred to the Senate and House Finance Committees for review and consideration. During this time, these committees hold budget hearings with state agencies to determine their recommended funding for the upcoming year. Both finance committees pass a Budget Bill and present it to their respective legislative bodies for approval. The Budget Conference Committee, made up of House and Senate Finance Committee members, works out any differences and agrees to a single Budget Bill.</td>
</tr>
<tr>
<td>March (Legislative Session)</td>
<td>The legislature passes a balanced budget and presents it to the governor who may veto the Budget Bill or disapprove or reduce items, or parts of items, contained in it. If approved, the bill becomes law and is referred to as the Budget Act. To override the governor’s vetoes, the legislature needs a two-thirds vote.</td>
</tr>
<tr>
<td>April - July 1</td>
<td>Expenditure Schedule Guidelines are filled out by State Agencies and submitted in April. The State Budget Office reviews schedules, and they are approved by the Cabinet Secretary and entered into the WV Financial Information System. On July 1, appropriations are ready for Agencies to process payments.</td>
</tr>
</tbody>
</table>

The State’s Six-Year Financial Plan
One of the most important things to look for each year in the Governor’s proposed budget is the Six-Year Financial Plan. The Six-Year Financial Plan provides a snapshot of the state’s “base budget” that includes the General Revenue Fund and Lottery Funds. It provides a broad overview of the state’s financial position and the assumptions that go into projected revenue and expenditures. The Six-Year Financial Plan includes budget information for six fiscal years, including the prior fiscal year, the current fiscal year, the governor’s proposed budget for the next fiscal year, and projections for the next four fiscal years. It highlights how the governor plans to balance the budget each year and which expenditures and revenues are projected to grow over the next few years.

For example, according to the FY 2019 Six-Year Financial Plan, the corporate net income taxes are projected to nearly double from $116 million in FY 2017 to $215 million by FY 2023. Meanwhile, personal income taxes are projected to outpace sales taxes while taxes on tobacco products and lottery funds are projected to decline (Figure 12).

FIGURE 12
Growth of Major Sources of Revenue in Six-Year Financial Plan FY 2017 to FY 2023

Source: WVCBP analysis of WV Budget Office FY 2016 Executive Budget.
**Improving the Budget Process**
The process described above is lengthy but imperfect. How West Virginia creates its budget needs to be modernized and improved. Here are a number of suggestions to increase transparency and accountability in West Virginia’s budget process:

**Tax Expenditures**
There are several ways the state could improve its evaluations of its tax expenditures. The WV Tax Credit Review and Accountability Report, the complete Tax Expenditure Study, and the WV Tax Credit Disclosure List should be published on an annual basis. Company-specific information pertaining to all major tax credits and incentive programs — including the recipients, amounts, demographics, and job-related outcomes — should be disclosed and published in an online, easily accessible, and searchable database. Tax expenditures should continue to be included in the governor’s budget.27

**Unified Economic Development Budget**
Five states — Rhode Island, New Jersey, Vermont, Texas, and Illinois — have enacted some type of unified economic development budget to compile all on-budget and off-budget economic spending into a single document. This enables policymakers to see how subsidies are distributed from various public agencies between regions, industries, and companies.28 West Virginia could incorporate this policy into its budget process.

**Fiscal Notes**
Requiring a full explanation of budget estimates will create confidence in the fiscal note process. Making all fiscal notes public and searchable will increase accessibility and transparency. The state agencies tasked with providing information for fiscal notes often do not have the resources to give that information and many bills are passed without realistic cost estimates. Creating an independent Legislative Fiscal Office to oversee the production of fiscal notes will increase their neutrality and quality. The majority of other states already has such an office.
Consensus Revenue Estimate
West Virginia’s process for estimating revenues is tilted too far toward the Executive Branch. Unlike many states, the West Virginia legislature does not work with the Executive Branch to produce a consensus forecast. When one branch is excluded from this process, key decision makers are more likely to dismiss or dispute revenue estimates.

An independent Legislative Fiscal Office would also provide nonpartisan oversight of the state’s budget and create greater balance in the decision-making process.29

PAYGO
In West Virginia, as in most states, it is impossible to know whether proposed spending increases or tax cuts are affordable over the long term. This impedes decision-making and leaves states vulnerable to serious long-term budget problems.

PAYGO is a requirement that governors and legislators fully offset the cost of proposed spending increases or tax cuts through spending cuts or revenue increases.

PAYGO, together with multi-year projections and current service budgeting, could help assure that West Virginia does not use temporary spikes in revenues to enact spending increases or tax cuts that it cannot afford over the long term. It could also minimize the need for deep budget cuts and large tax increases when the economy is weak.30

Current Services Baseline Budgeting
Preparing a current services budget promotes government efficiency. A regular, thorough examination of each program’s costs and caseload can help policymakers and the public identify inefficiencies and programs that are no longer needed. And it can help “right-size” programs, avoiding either over-funding or under-funding them.
By preparing and publishing these current services baselines, West Virginia can help involve a broad segment of its residents in decisions about how their tax dollars are spent, as well as provide policymakers with important information to help them evaluate policy proposals.31

Public Comment Period
West Virginia is one of only two states where the governor has full responsibility over the budget and where the legislature may not increase the governor’s budget. This concentration of power can lead to a lack of public involvement and accountability in setting the state’s priorities. Requiring a public comment period while the budget is being drafted would increase transparency and accountability and provide an opportunity for citizens to voice how they believe their money should be spent.32
CHAPTER FIVE
Building a Better Budget

Influencing Your Legislators
Citizens have a responsibility to educate and inform their elected officials and to advocate for policy solutions that best fit the needs of their state. Effectively accomplishing these responsibilities requires knowing the basic steps in educating and informing state legislators.

Knowing What is Happening
The basic source of information is the West Virginia Legislature’s website, http://www.legis.state.wv.us/index.cfm, where one can learn the status of bills, contact information for members of the Senate and the House, and watch a live stream of legislative sessions. Information about the state budget, including the governor’s proposed budget and monthly revenue reports, can be found at the State Budget Office’s website, http://www.budget.wv.gov/Pages/default.aspx. The state’s Comprehensive Annual Financial Report (CAFR), which presents the financial condition of the state, can be found on the Department of Administration’s website, http://www.finance.wv.gov/Pages/default.aspx. The West Virginia Center on Budget and Policy’s website, www.wvpolicy.org, provides additional information regarding the state’s budget.

Introduction of Legislation
A bill is simply an idea that someone would like to see become a law. It can be anything from the penalty for committing a crime to the amount of money that can be spent on a state program. A bill must be drafted in legal language and introduced by any member of the House or Senate. Usually a bill has more than one sponsor. The legislator whose name appears first on the bill is its lead sponsor. When he or she presents the bill, it is assigned to a committee, where the committee chair will schedule it for a hearing.
The date for when the bill is considered by the committee is posted under “Bill Status” on the West Virginia Legislature’s website and is done at least one legislative day before the committee meeting. This gives citizens time to contact their legislators asking them to support or oppose the bill. Citizens can ask for a public hearing if they wish to testify before the committee about the bill.

**Communicating with Legislators**

Members of the West Virginia Legislature regularly hold public meetings in their districts and all have laptops for access to legislative information and communication. There are a number of ways that you can communicate with your legislator:

- **Visiting in their district** – Throughout the session, legislators return home on weekends and visit with constituents. This happens both formally and informally at public gatherings. These gatherings are publicized through local media and various interest groups and give you the opportunity to share your ideas and views on the topics that are being presented before the legislature.

- **Communicating through e-mail** – Each legislator has an e-mail address listed on the West Virginia Legislature website.

- **Communicating through phone and mail** – Phone numbers and addresses for all legislators are available on the West Virginia Legislature website.

- **Visiting outside of chamber** – Legislators are often in the halls of the Capitol. This provides the opportunity to talk to them about a specific piece of legislation.

- **Testifying at a legislative committee** – All bills must be heard by the committee to which they have been assigned. Citizens can provide written testimony or request a public hearing to present their views on the bill.
How to Make Your Case
When communicating with legislators, keep these tips in mind:

1. Introduce yourself, and when writing a letter or an e-mail, sign your name and give your address.
2. Indicate the bill that you are interested in by number and title, because the legislator may not know the specifics of the bill due to his/her heavy workload.
3. Keep in mind that the legislator may not be familiar with the issue you want to discuss.
4. Give concise information regarding the bill that validates and supports your point of view.
5. Share a relevant story to demonstrate your point.
6. Ask the legislator his/her opinion of the bill.
7. Explain what you want to happen.
8. Ask the legislator to vote a certain way to support a particular position.

Testifying before a committee at a public hearing:

1. Be sure to sign in at the door indicating that you want to testify, noting the bill you are addressing by number, and whether you are for or against it.
2. Begin your testimony by introducing yourself and by stating whether you are testifying on behalf of an organization or on your own behalf.
3. Make your points, reinforcing what you have to say with information and/or a story that illustrates those points.
4. End your testimony by asking the committee to vote FOR or AGAINST the bill.
5. Thank the committee and indicate that you will be available for questions.

Making a Difference
Because it directly affects everyone living in West Virginia, the state budget is the ultimate policy document. By understanding West Virginia’s fiscal picture and the budget process, citizens can influence the fiscal policy decisions that they believe serve the best interests of all the state’s residents.
Endnotes


9 Downloaded from https://www.wvretirement.com/Forms/2017Statistics.pdf
10 Downloaded from https://peia.wv.gov/financial_reports/Documents/WVRHBT_GASB7475_2016_Final_07262018.pdf


13 Ibid.


16 Ibid.


19 West Virginia Department of Revenue data.


23 Ibid.


25 These documents are available at the West Virginia Budget Office website, www.wvbudget.gov

26 The Six-Year Financial Plan is located in Governor’s Executive Budget, Volume 1 Budget Report, usually after the Governor’s Message.


28 Ibid.


About Us

The West Virginia Center on Budget and Policy is a policy research organization that is nonpartisan, nonprofit, and statewide.

The Center’s research and analysis is designed to support informed public dialog and policy in West Virginia. The Center consults and collaborates with other organizations to ensure that its analyses are relevant and timely and strives to be a knowledgeable and respected source of credible information on public budget and fiscal issues for policymakers, advocates, media, and the public.

The Center participates in a national network of similar organizations that already exist in over half the states as part of the State Priorities Partnership, sponsored by the Center on Budget and Policy Priorities, and the Economic Analysis and Research Network, an initiative of the Economic Policy Institute.

Our Mission

The West Virginia Center on Budget and Policy’s mission is to use research and analysis to advance the well-being of West Virginia communities, and to promote and support the essential role of government in improving the quality of life in the state.

Our Vision

A prosperous West Virginia where everyone has a meaningful and equitable opportunity to thrive.

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