



West Virginia FY 2027 Budget

2026 Budget and Bites

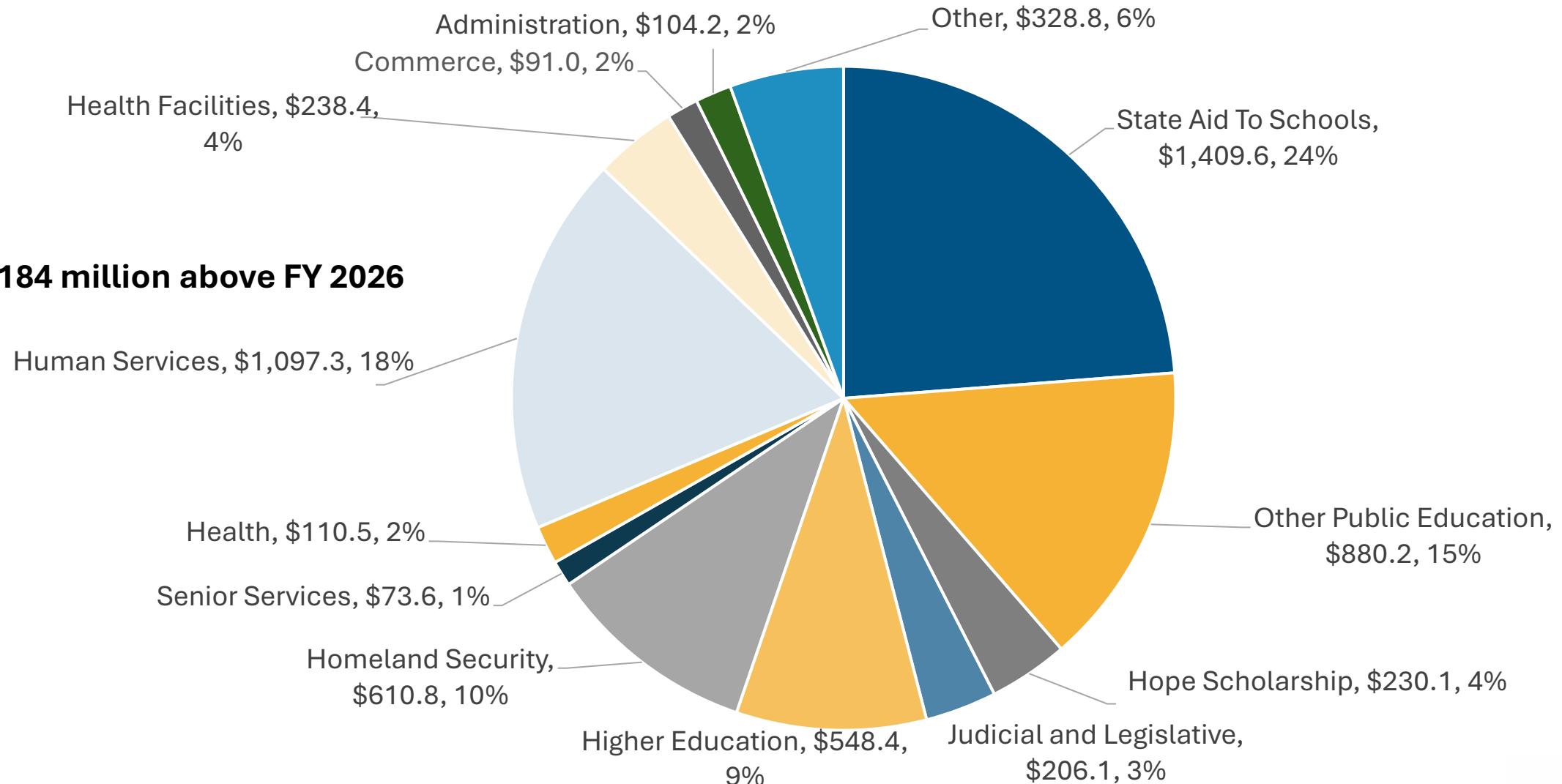
presented by

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FY 2027 Base Budget - \$5.93 Billion

Appropriations from General Revenue, Lottery, and Excess Lottery Funds (millions)



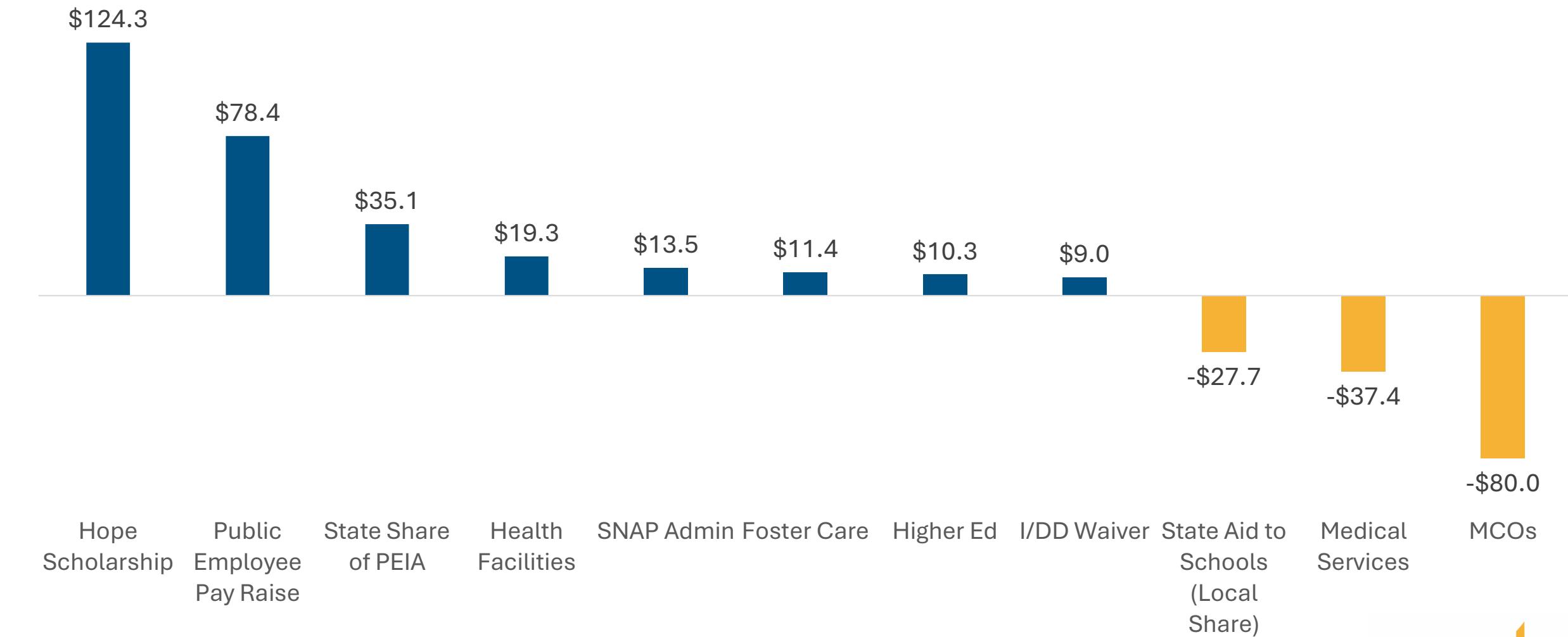
Source: WV State Budget Office

Note: Does not double count \$65 million transfer from Excess Lottery to General Revenue

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Where Are The Changes?

Notable changes in the FY 2027 budget compared to FY 2026 (millions)



Source: WV State Budget Office

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SIX ALTERNATIVES TO SPENDING \$245 MILLION ON THE HOPE SCHOLARSHIP



1

5% (\$3,900-\$4,100) raise for classroom teachers and student support staff (e.g., nurses, counselors, social workers)*

2

7% (\$3,300) raise for service staff (e.g., food service workers, bus operators, maintenance workers)*

3

10% increase in funding for student transportation

4

100% increase in funding for special education

5

Additional 4 to 5 student support staff and 10 classroom teachers for each school district

6

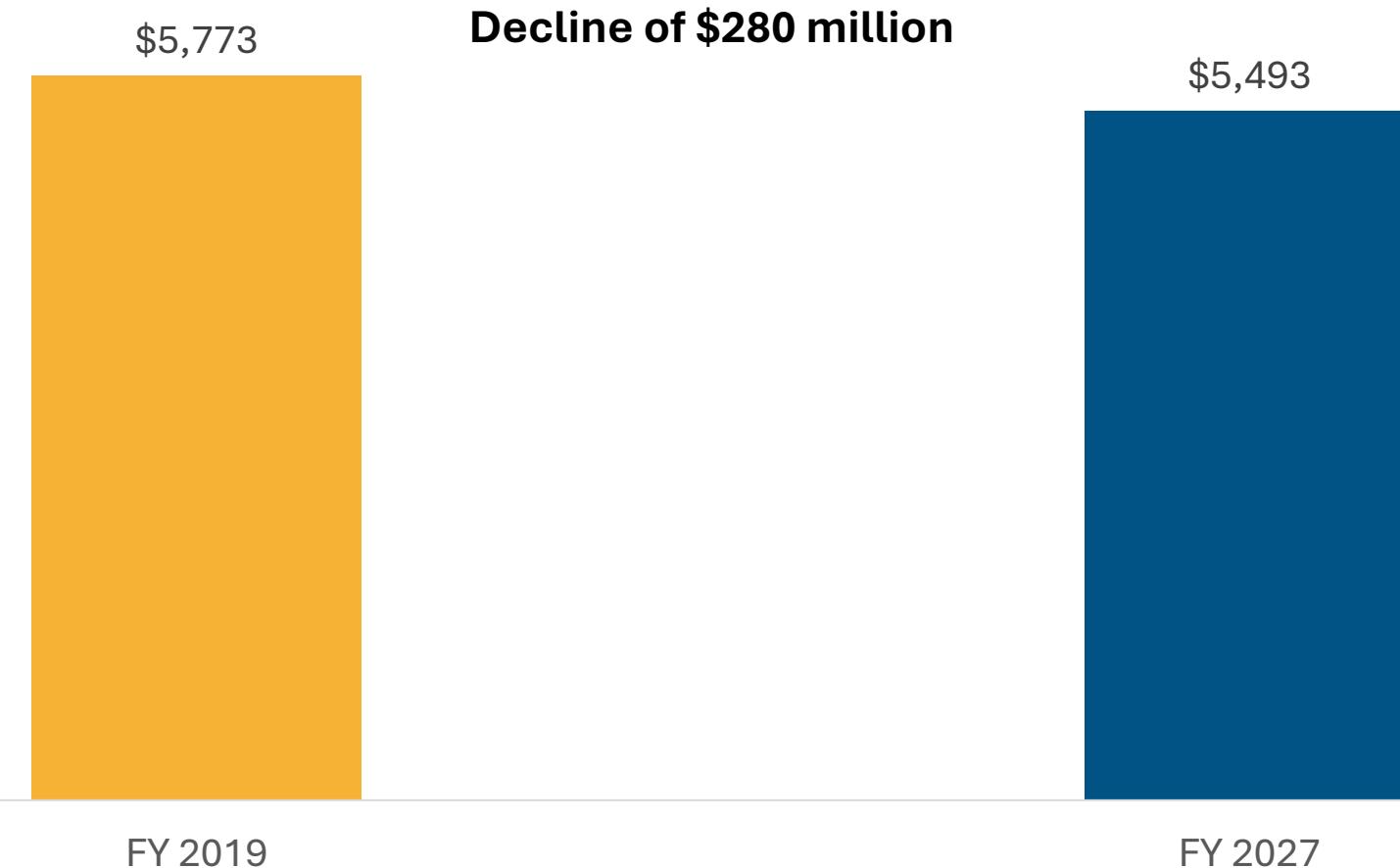
\$50 million in additional funding for PEIA or other needs like parent and family support, community programs, tutoring, and after school or summer programs

*Total compensation including wages, health insurance, social security, retirement and other fringe benefits
Source: WVCBP analysis of WVDE enrollment, personnel, finance, and budget data



FY 2027 General Revenue Spending Still Below Pre-Pandemic Levels

FY 2019 general revenue actual expenditures compared with FY 2027 proposed general revenue expenditures, inflation adjusted to December 2025 dollars (millions)

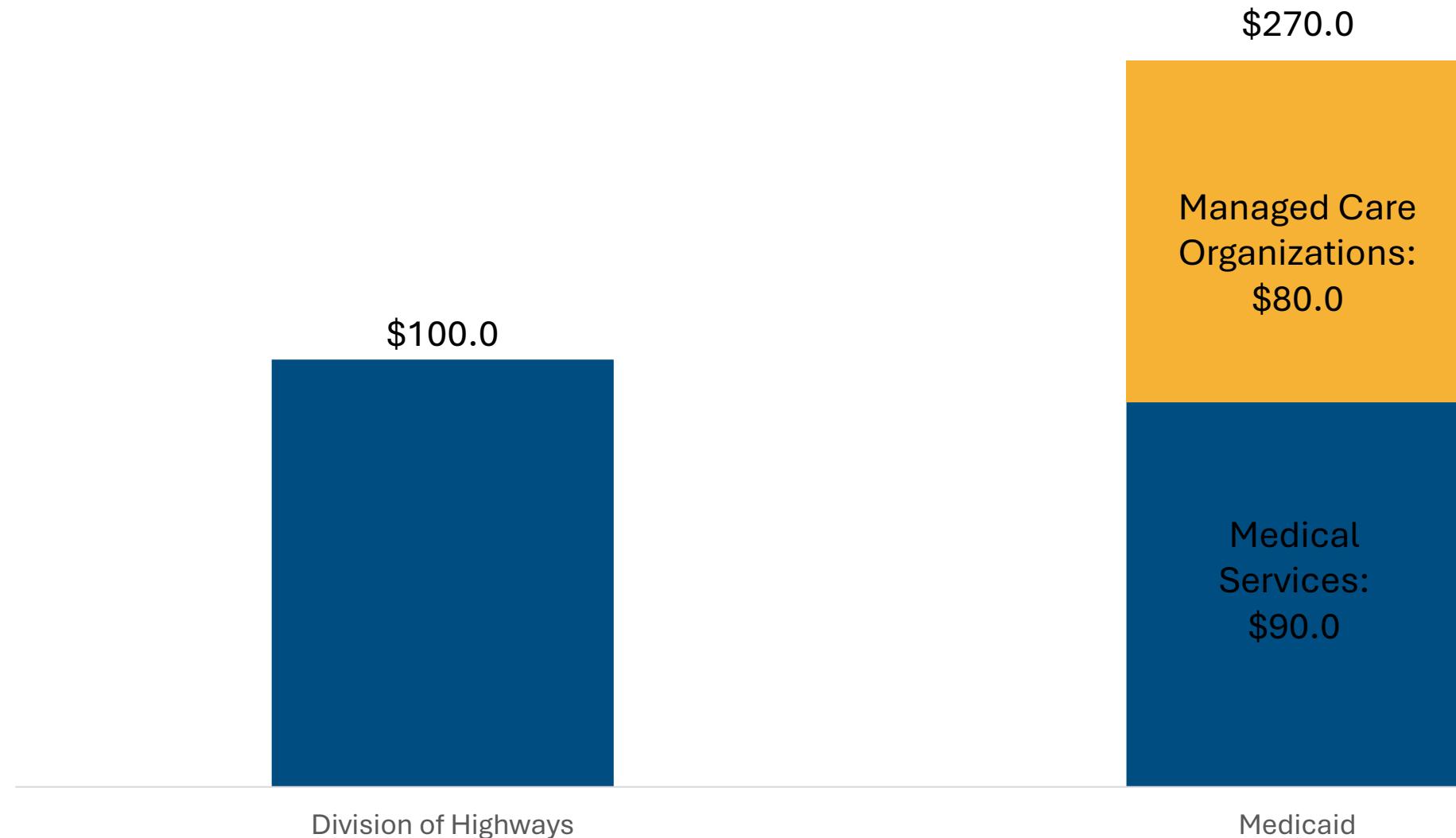


Source: WVCBP analysis WV State Budget Office and Bureau of Labor Statistics data

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One-time Surplus Funding Used to Fund Ongoing Costs in FY 2027 Budget

FY 2027 surplus appropriations (millions)

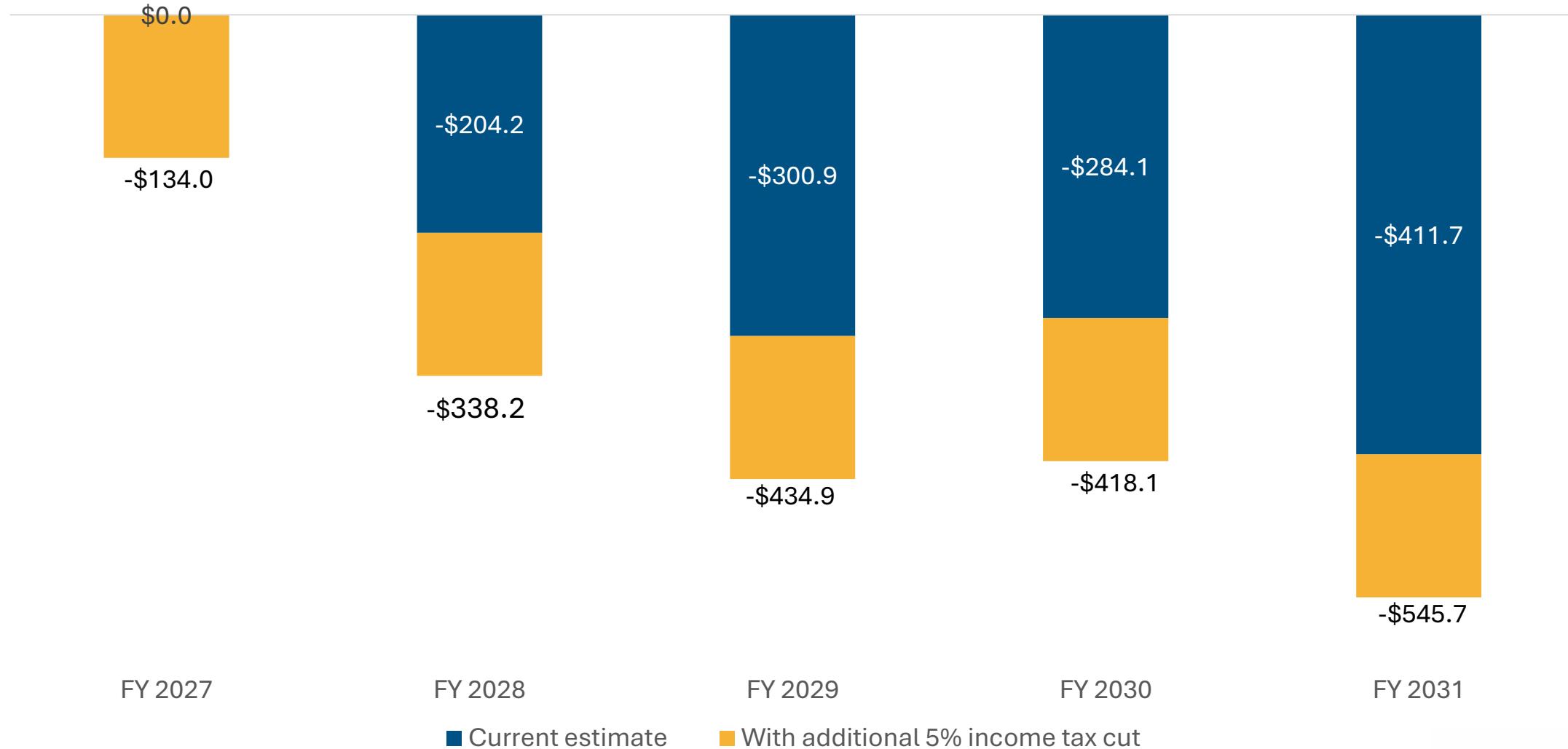


Source: WV State Budget Office

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Hundreds of Millions in Future Budget Gaps

Projected budget gap, with and without additional 5% personal income tax cut, FY 2027 – FY 2031 (millions)

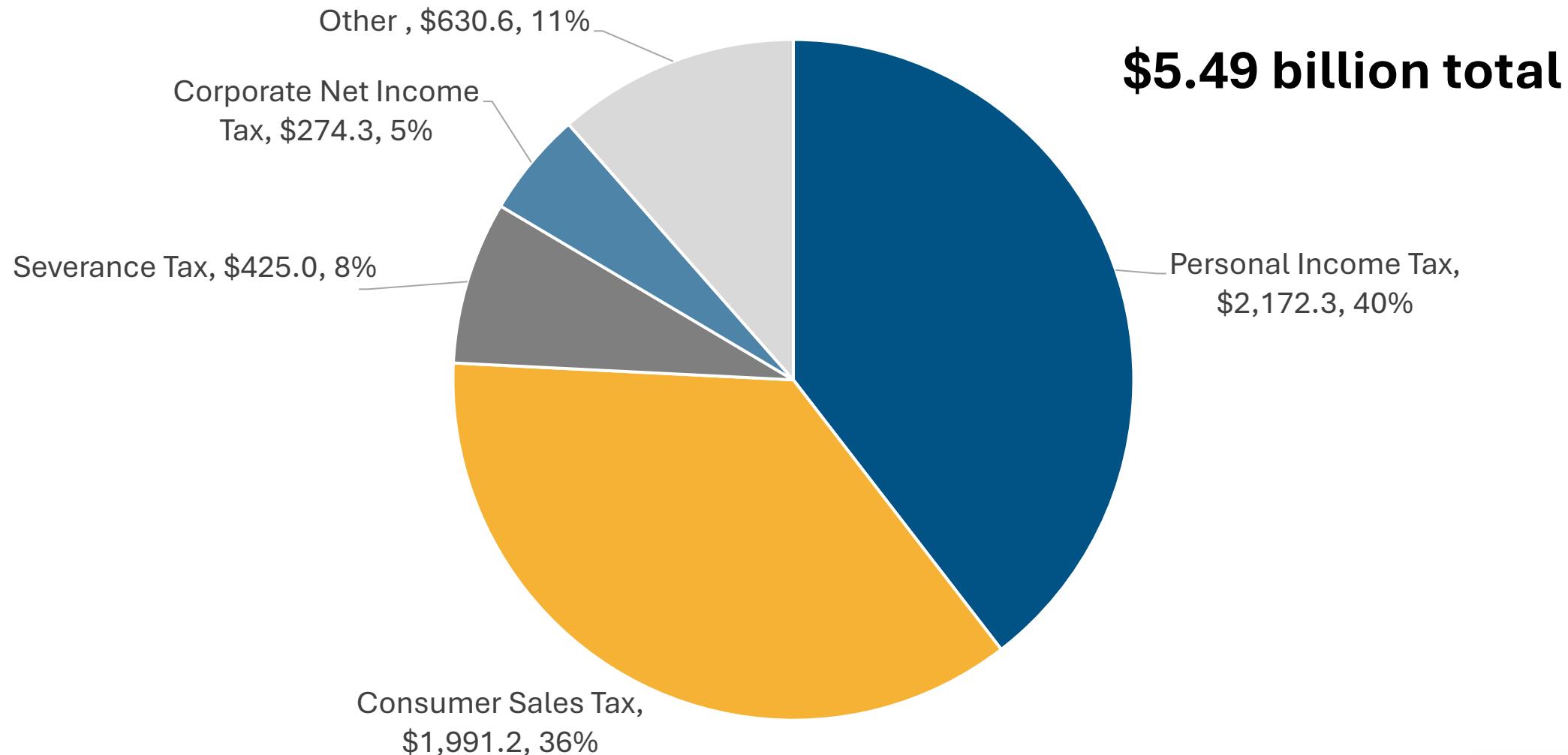


Source: WVCBP analysis of WV State Budget Office data

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Personal Income Tax is Still the Largest Source of General Revenue...

General revenue collections by source, FY 2027 estimate (millions)

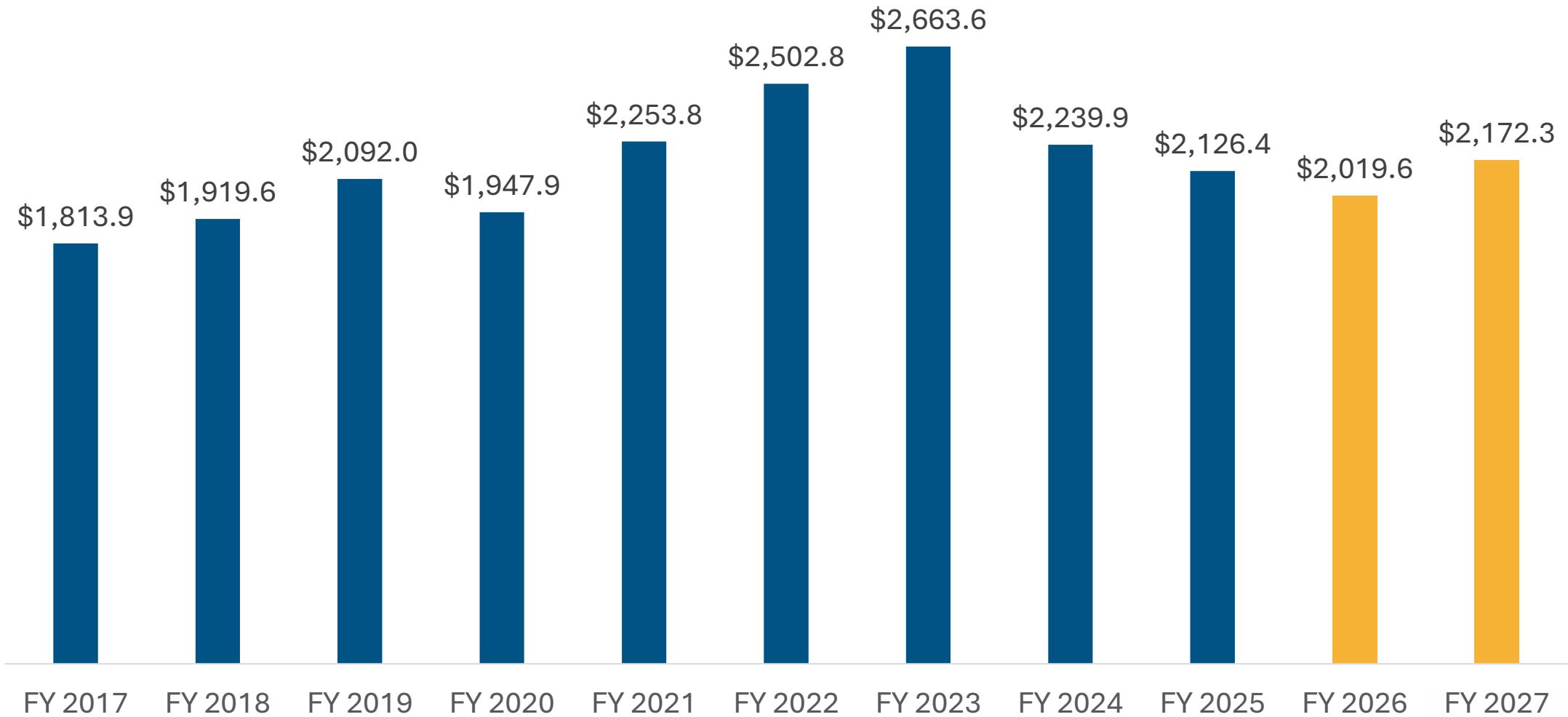


Source: WV State Budget Office

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... But Personal Income Tax Collections are Shrinking

Personal income tax collections, FY 2017 – FY 2027

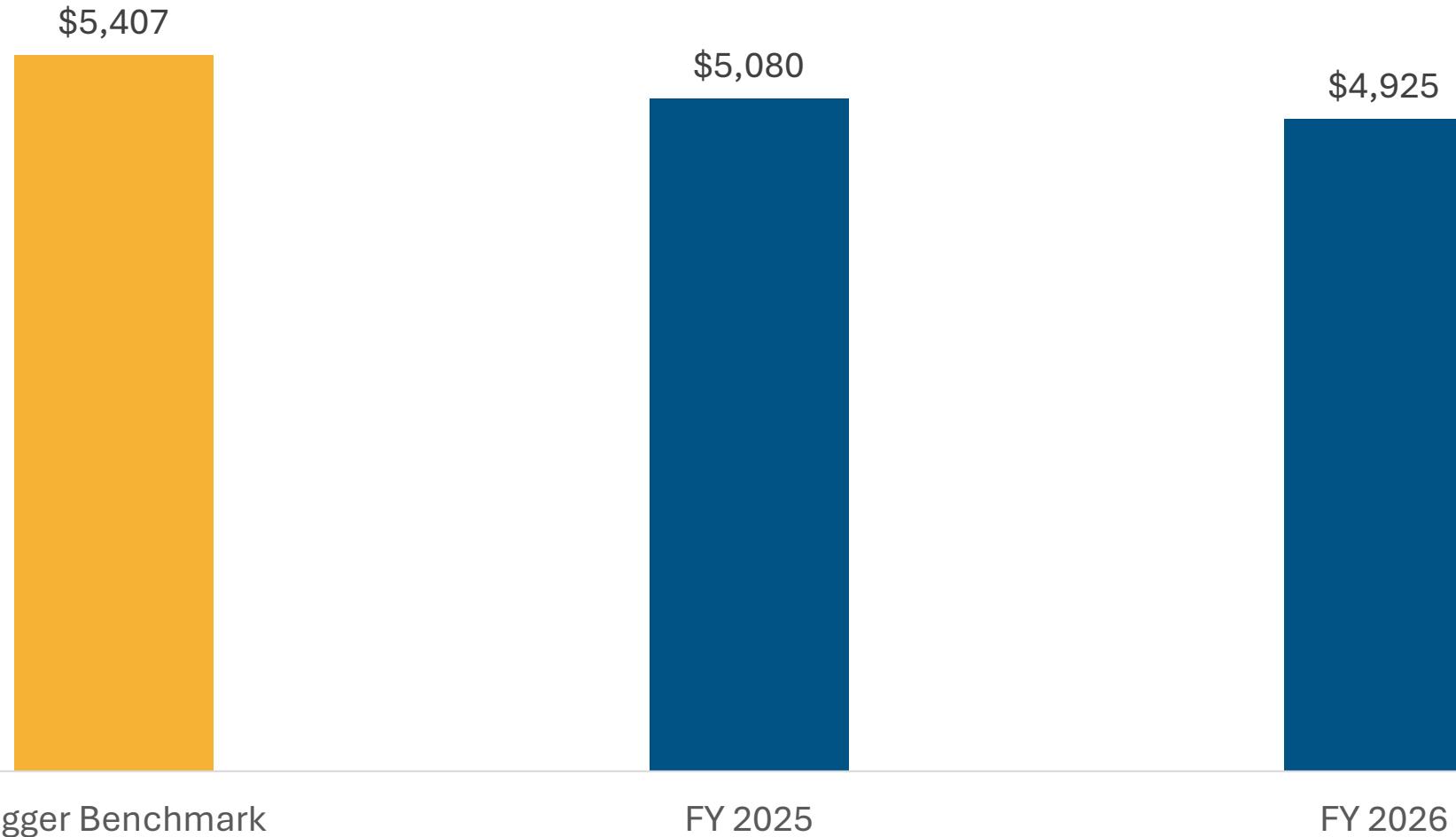


Source: WV State Budget Office

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West Virginia Falling Hundreds of Millions of Dollars Short of Hitting Income Tax Cut Trigger Benchmark

West Virginia general revenue collections, minus severance tax, (millions of 2025 dollars)

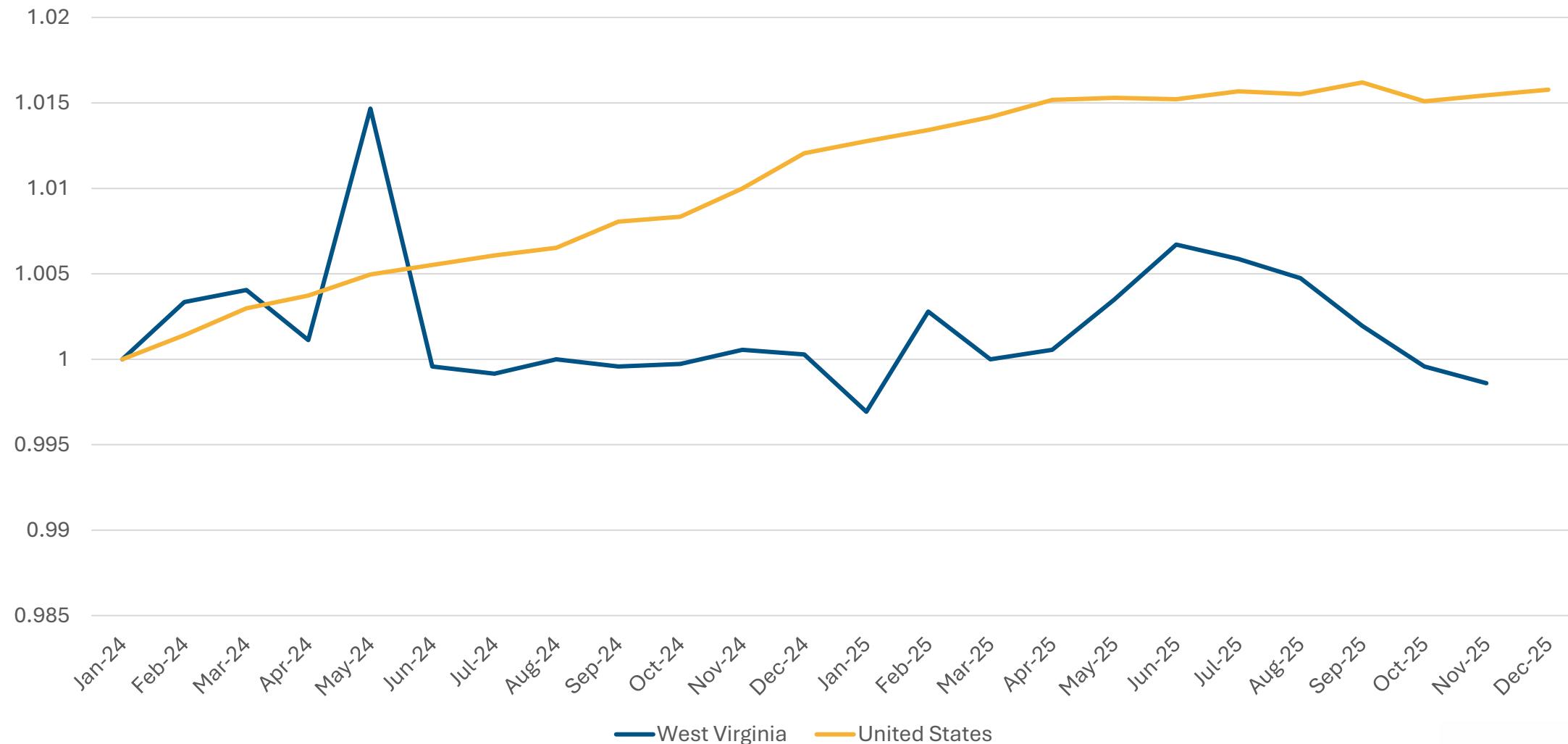


Source: WVCBP analysis WV State Budget Office and Bureau of Labor Statistics data

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Tax Cuts Not Leading to Growth in West Virginia

Total nonfarm employment growth, West Virginia and United States (indexed, January 2025 = 1)

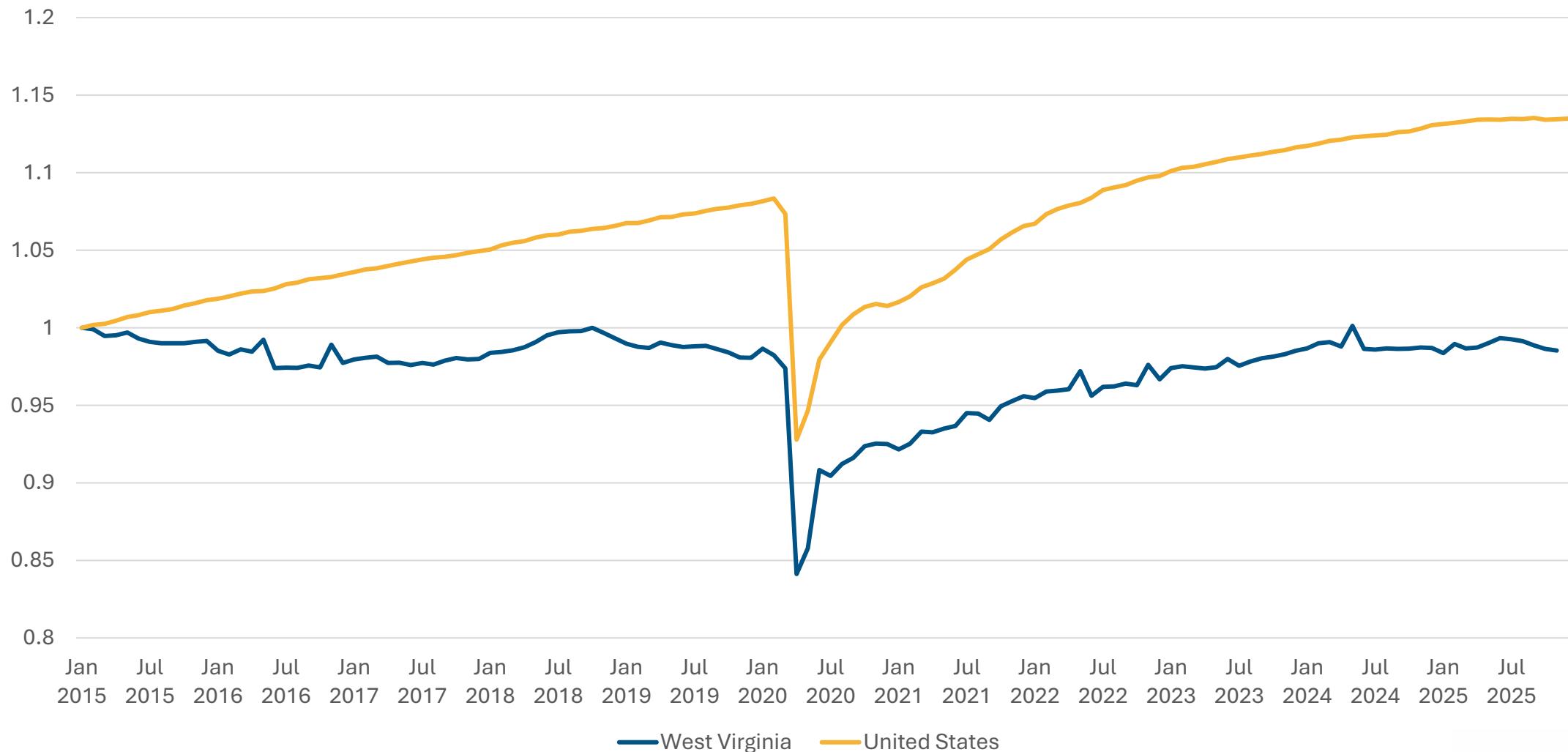


Source: WVCBP analysis of Bureau of Labor Statistics data

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A Lost Decade of Job Growth in West Virginia

Total nonfarm employment growth, West Virginia and United States (indexed, January 2015 = 1)

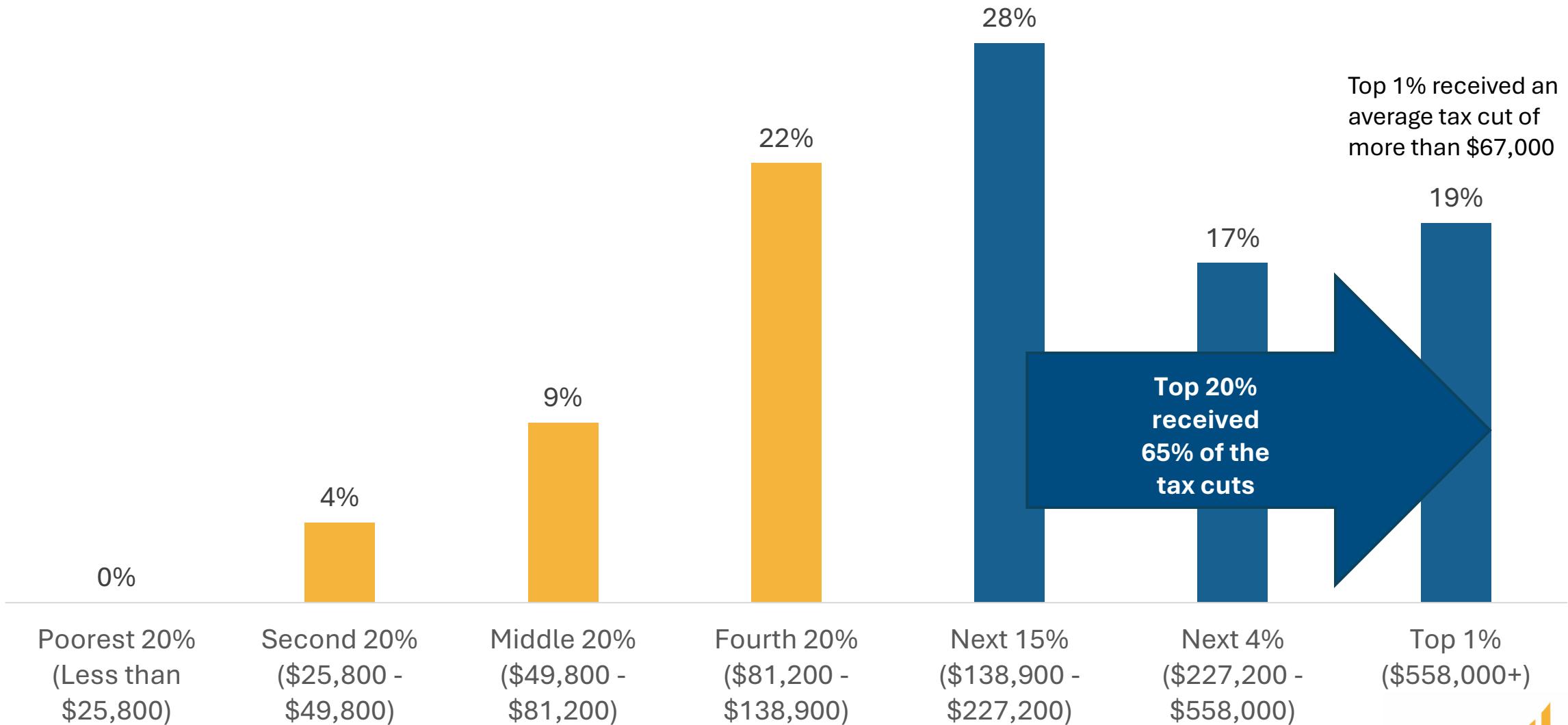


Source: WVCBP analysis of Bureau of Labor Statistics data

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Wealthiest West Virginians Benefited the Most from Recent State and Federal Tax Cuts

Share of total tax change since 2015, by income group, West Virginia (2026 incomes)

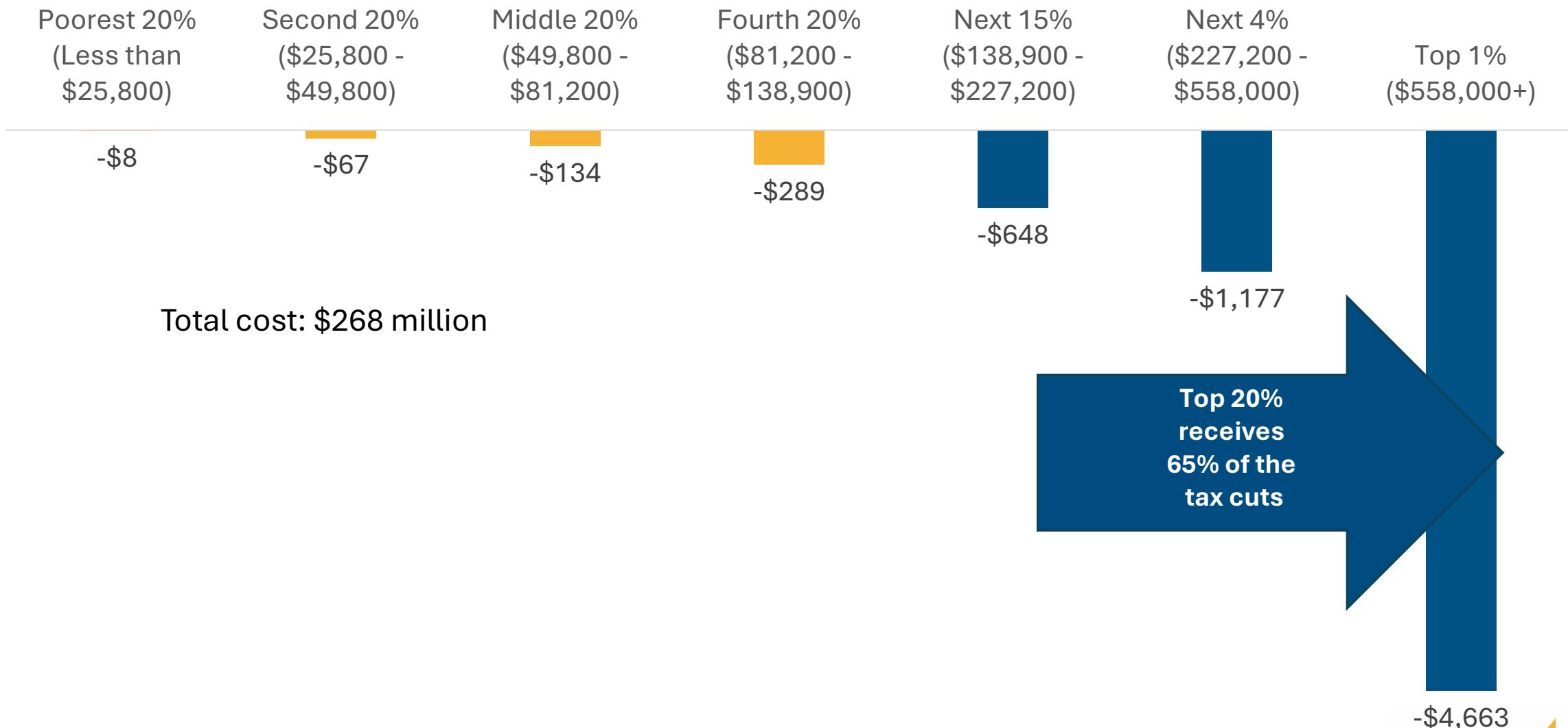


Source: Institute on Taxation and Economic Policy and West Virginia Center on Budget and Policy, December 2025

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Governor's 10% Income Tax Cut is More of the Same, the Wealthiest Benefit the Most

Average tax change by income group from a 10% reduction in state income tax brackets, West Virginia (2026 incomes)

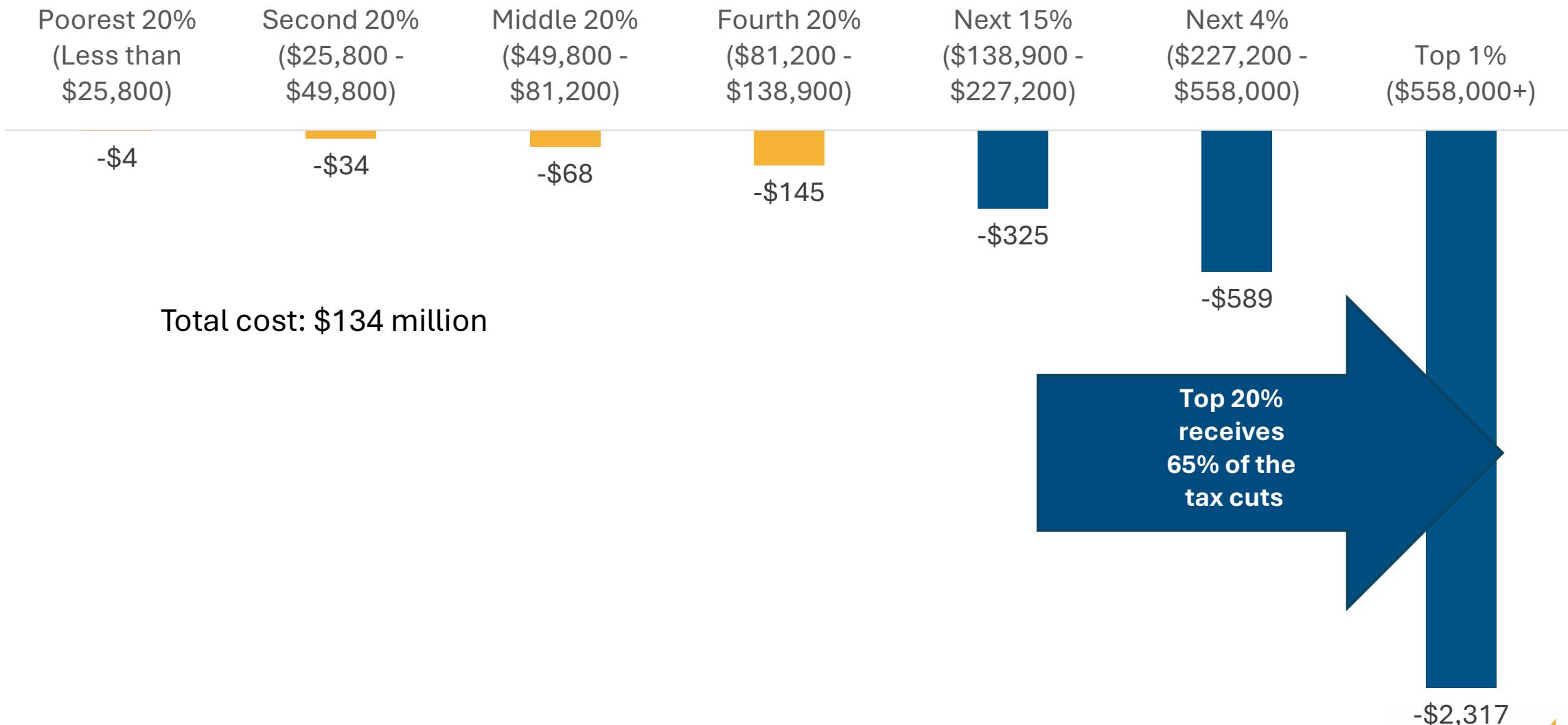


Source: Institute on Taxation and Economic Policy and West Virginia Center on Budget and Policy, January 2026

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5% Income Tax Cut is Not Much Better, Again the Wealthiest Benefit the Most

Average tax change by income group from a 5% reduction in state income tax brackets, West Virginia (2026 incomes)



Source: Institute on Taxation and Economic Policy and West Virginia Center on Budget and Policy, January 2026

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A More Progressive Rate Structure Would Maintain Tax Cuts for Most West Virginians, While Raising \$500 Million

Average tax change by income group from an 8% bracket at \$200,000 and a 12% top rate on income over \$500,000, West Virginia (2026 incomes)



Source: Institute on Taxation and Economic Policy and West Virginia Center on Budget and Policy, January 2026

A New Progressive Rate Structure Restores Some Balance to Recent Tax Cuts

Total tax change by income group since 2015, West Virginia (2026 incomes)

Income Group	Total State and Federal Tax Change Since 2015	Total State and Federal Tax Change with New Progressive Rates
Bottom 20%	-\$1.6 million	-\$1.6 million
Second 20%	-\$119 million	-\$119 million
Middle 20%	-\$282 million	-\$282 million
Fourth 20%	-\$721 million	-\$721 million
Top 20%	-\$2.1 billion	-\$1.6 billion

Source: Source: Institute on Taxation and Economic Policy and West Virginia Center on Budget and Policy, January 2026