

Interim Highlights

Economic Development, Joint Commission

The President of West Virginia University opened the meeting, which was dedicated to reviewing the various effects WVU has on the state's economy. Describing higher education as an "economic engine," he said WVU's impacts are both diverse and extensive, stretching much further than Morgantown. He then introduced a researcher from the Bureau of Business and Economic Research, who provided an overview of a study on this topic.

The University has 31,000 students at its campuses across the state with students from each of West Virginia's 55 counties, as well as hospitals, the state 4-H camp at Jackson's Mill, farms and Extension Services. According to the researcher, the effects go beyond employment opportunities at these locations, as WVU contributes invaluable intellectual capital that is transferred to the private sector.

According to the study, the school has substantial impacts on West Virginia's economy through its education, research and development initiatives.

The Morgantown campus offers 168 degree programs, with additional programs offered through the regional campuses in Keyser, Montgomery and Parkersburg. Additionally, WVU reaches beyond these campuses through satellite and distance learning technology. Expanding its educational scope even further, WVU invests in workforce development initiatives, such as customized training programs that address the needs of West Virginia employers.

Research efforts have expanded to include coal mining, forensics, historic preservation, economic forecasts, biomedical engineering, geographical information systems and Appalachian history and culture. These endeavors often result in intellectual property that is commercialized through technology transfer, resulting in various employment opportunities for state businesses.

Providing an update on the University's economic development projects, the President of the WVU Research Corporation said the current mission is to create a seamless research infrastructure with three main components: a dynamic research enterprise; aggressive technology transfer capabilities; and, a thriving entrepreneurial environment.

He said WVU's research initiatives account for 600-700 full-



The West Virginia Legislature's Interim meetings were held in Morgantown, West Virginia on August 7-9th. Many meetings took place at WVU's student union, the Mountainlair.

time jobs on the Morgantown campus. The current funding level for research is \$150 million and in five years, they hope to increase funding to \$200 million. In the coming years, they plan to hire additional employees for research in various areas of health. The President also said they are in the early stages of developing an energy and environmental research plan.

The Office of Technology Transfer (OTT) at WVU assists in education, research and public service by encouraging innovation, protecting WVU's property rights and supporting the competitiveness of West Virginia's businesses. Since the OTT opened in 1999 and received \$1.75 million from the Benedum Foundation the following year, it has yielded 53 national patents, 29 international patents and 10 start-up companies.

Encouraging an entrepreneurial climate, the WVU Business Incubator, which received \$419,000 from the Benedum Foundation, advocates small start-up businesses in the state by providing marketing support and legal assistance. Once the new Research Park in Morgantown is complete, the Business Incubator will be housed there. With a targeted occupancy date of December 2006, the park is anticipated to span more than 750,000 square feet and provide numerous additional jobs in the area.

View Interim Schedules on the Legislature's website: <http://www.legis.state.wv.us>

According to the study, which focused on the impact of WVU's expenditures on the state's economy in Fiscal Year 2004 (July 2003 - June 2004), the total number of jobs created was 28,603; the total business volume generated was \$2.0 billion; the total employee compensation generated was \$818.5 million; and, the total assorted state taxes resulting from the school was \$46.1 million. The researcher said that for every dollar the Legislature invests in WVU, it is returned 10-fold.



The Legislature's Joint Standing Committee on Education visited Morgantown's Suncrest Middle School during the August Interim meetings.

Education Subcommittee C - School Aid Formula

Continuing their requested review of ways to revamp the School Aid Formula, consultants from Business and Economic Research headquarters of West Virginia University and Marshall University provided attending lawmakers with an initial report on the Formula.

It revealed that West Virginia's spending levels on each student are close to regional and national averages. The state provides nearly 60 percent of the funding for public schools, comprising just more than half of the general revenue budget.

According to the presenters, there is a changing context of school finance through shifting demographics, including growth and diversity of student bodies, older students and early childhood education. Additional factors contributing to this change include new technologies, which result in great prospects for enhanced learning; demands for parental choice and diversity of options for schools; and, increased competition for teachers with appropriate training.

They also told committee members that education is becoming

a performance-oriented enterprise and that adequacy, not equality, is becoming the new legal standard. The consultants said this results in a need for a legal definition of adequate education.

In addition, they discussed an issue concerning county assessors and property taxes, which provide approximately 30 percent of education funding. Counties that do not yield adequate property taxes are qualified to request additional funding through the School Aid Formula. According to the presenters, the initial report revealed that this could be resulting in lower property tax assessments than necessary.

Finance, Joint Standing Committee

Good financial standing was the news from the State's Budget Director to members of the Joint Committee on Finance.

Noting the state's general revenues grew by \$421.9 million - a 13.7 percent increase from last year, the director attributed a 31 percent increase in severance tax collections because of the demand for energy; income generated by racetrack video lottery absent competition from Pennsylvania amounted to an increase of \$100.2 million; strong profit gains allowed the corporation net income/business franchise tax to rise by 55 percent; and, personal income tax collections rose by nine percent because of strong employment gains.

While lawmakers provided ideas on ways to either cut taxes or apply the additional moneys appropriately, the budget director reminded them the increase of 13.1 percent won't continue although increasing costs for Medicaid, education, new correctional centers and insurance will continue to mount.

In conjunction with the recent revenue growth came an influx of thousands of new jobs for West Virginians. Preliminary employment numbers for the month of June 2005 show additional employment since June 2004, including 9,500 new jobs in the private sector and 5,800 new jobs in the goods-producing sector. Too, according to the budget director, construction employment is up by 3,500 and mining employment is up by 1,300 jobs.

Lawmakers also opened debate regarding higher education tuition hikes and increases in gasoline prices. Both areas will be studied in the coming months prior to any action.

In other news, West Virginia's Rainy Day Fund has grown from \$20.6 million in 1995 - the year of its implementation - to \$124.1 million. The budget director noted this amount could rise further, to \$162 million, by the close of the year.

Finance Subcommittee A & Legislative Oversight Committee on Regional Jail and Correctional Facility Authority

Members from both committees convened to receive a report from a Criminal Justice Specialist/Legislative Analyst from the Regional Jail and Correctional Facility Authority. She said that the 10 facilities house approximately 3,800 inmates on any given day. These inmates are either sentenced to the custody of the Authority, the Division of Corrections (DOC) or the United States Marshal Service.

Regarding the costs of operating these facilities, the report stated that the operational budget is solely subsidized through per diem (cost per day for each inmate) collections from counties, municipalities, the DOC, the Marshal Service and other entities that utilize the regional jail system. In addition, the Authority generates revenue through the collection of a \$20 jail processing fee for each inmate at the time of booking.

When asked about the current per diem cost, the presenter said the Authority doesn't believe it can lower the cost now because of the necessary standards that have to be met. To save money, she recommended promoting community rehabilitation programs to focus on individuals who may not need to be placed in a facility.

She told attending lawmakers the Authority is working on legislation that would allow non-violent offenders who meet certain criteria to work in private industries. Included in this legislation, according to the presenter, will be a provision that incarceration costs would be taken from participating inmates' paychecks.

Also in the report were updates on various construction projects, including a dorm and industrial building for the Lakin Correctional Center for Women. This project is in the beginning stages of construction. Also, additions and renovations are continuing at the Huttonsville Correctional Center; progress continues on the Vicki V. Douglas Juvenile Center in Martinsburg; the Johnston School at Salem is in the design and development stage; and, the architect for the Kenneth "Honey" Rubenstein Center for Youth at Davis made a request for additional funds, which the Authority is reviewing.

Finance Subcommittee B

In line with their charge to study the potential benefits of new municipal solid waste landfills, transfer stations and recycling facilities, committee members met to hear from the Chair-

man of the Berkeley County Solid Waste Authority regarding recent waste issues in that area.

The Eastern Panhandle has been experiencing a contentious battle over its waste management. The area's main landfill, LCS Services Inc. in Berkeley County, was forced to close after reaching its monthly tonnage limit, which was at a Class B level, or 10,000 tons per month. The landfill had requested the cap to be increased to a Class A Level, promising to meet the needs of the area, but was denied by the Authority.

According to the speaker, local infrastructure would not support changing LCS to a Class A landfill, so it was determined to open a new facility elsewhere so one community isn't forced to bear all the burden.

According to the speaker, while the Authority was evaluating LCS's request, LCS said there would be a disruption of service. This didn't occur until 2004, when the Authority's decision to deny raising the cap was first communicated to LCS, which blamed this on inadequate landfill capacity. The speaker, however, said LCS had just transferred additional waste from its landfill in Pennsylvania.

The representative said that most urban areas have access to Class A landfills and the Berkeley County area has more people and more garbage than local landfills can serve. He also addressed the problem of uncollected trash in the area and requested the Legislature to consider legislation that would facilitate competition among trash-hauling companies. Similar legislation, Senate Bills 438 and 439, were introduced in the 2005 Regular Session, but failed to reach passage.

Finance Subcommittee C

Subcommittee C of the Finance Committee is studying what actions may be taken to ensure the competitiveness of West Virginia's coal industry.

In Morgantown, the committee heard from several people concerning the West Virginia Geological and Economic Survey. The Survey calculates remaining Appalachian coal resources available for extraction and documents the location of underground and surface mining activity. The Survey also collects, prepares and analyzes coal-bed samples and develops information about the chemical characteristics and properties of coal in West Virginia.

The West Virginia Geological and Economic Survey has drawn highly detailed, computer-based maps of 53 coal beds that snake beneath 31 of the state's 55 counties.

A 1939 survey estimated that 116 billion tons of coal, in seams at least one foot thick, lay beneath West Virginia. The survey is still determining how much of those resources remain or whether that number was on the mark. The Coal Bed Mapping Project will also gauge how much of the resources can be considered reserves, meaning it can be mined economically at any given time.

One consultant, doubted an estimate developed since the 1939 survey that 53 billion tons of mineable coal lay beneath the state. He also contrasted West Virginia's efforts with neighboring Kentucky and Virginia, which produce less coal but have mapped their resources far more extensively.

The project has discovered that West Virginia's remaining seams are thinner, deeper beneath the ground and of poorer quality than what has been mined historically in the state. West Virginia mined 12.6 billion tons of coal between 1883 and last year, he stated.

It was also noted that the state mined a record 181.9 million tons in 1997, the highest in one year since 173.7 million tons were extracted from the ground in 1947. Lawmakers were told while surface mining has increasingly contributed to the state's coal production, underground mines still yield more product.

It was estimated the survey will map the state's mineable coal within five years, and complete the overall project within 10 years. The project has posted its maps online, using Geographic Information System software.

Government Organization, Joint Standing Committee

This standing committee held two meetings during August interims in Morgantown, WV.

During the first meeting the committee discussed the Grievance Board and the policies that guide the boards procedures. At the behest of the Legislature, the Institute for Labor Studies and Research out of West Virginia University has launched a study of the West Virginia Education and State Employees grievance procedures.

A representative for the Institute stated the study will be guided by several points in a resolution which spurred this examination of grievance procedures. First, the Legislature found that the current education and state employee grievance process is unfair, ineffective and unduly costly to all involved parties. The second point the representative cited is the Legislature's belief that the Institute should review what is

grievable, look at all of the grievance processes and receive input from the Legislature to help develop a manageable grievance process for the stated employees.

The representative laid out the goals of the study which are to analyze the cost of the current education and state employee grievance procedures and to recommend a more effective method. In order to accomplish this the Institute will set up a research design structure appropriate to its goals, meet with the Joint Committee on Government Organization and meet with the affected stakeholders.

The Institute also will collect data and information relevant to the study, analyze the efficiency and cost of the current procedures, research other relevant grievance procedures, develop and recommend improved processes and deliver a final report with all of its findings to the committee by the December 2005 interim meetings at a projected total cost of \$20,000.

In a second scheduled meeting of this committee members heard a report regarding SCR 78, which asks the Legislature to study the Board of Examiners of Psychologists. West Virginia is considering adding another category of mental health providers, Licensed Psychological Practitioners, and moving to require a doctoral degree for clinical psychology.

A representative from the Department of Psychology at West Virginia University spoke to the committee regarding this potential accreditation and stated that behavioral problems are the root of a significant number of problems confronting West Virginia. He further stated that the distribution of active psychologists is unequally spread across the state. Currently nine counties have no psychologists and 25 counties have no doctoral-level psychologists. The majority, 62 percent, of doctoral-level providers reside in Cabell, Kanawha, Monongalia and Ohio counties.

Further, he stated that licensed clinical social workers and licensed professional counselors can provide behavioral and mental health care in West Virginia but these professionals are not reimbursed for therapy services by Medicaid or Medicare, making their services unavailable to a number of West Virginians who rely on those programs.

Finally, the speaker stated that West Virginia does not need another category of mental health providers, Licensed Psychological Practitioners, who could not bill federal programs for their services. Such a move could only limit access to behavioral health services, particularly in rural areas. Also, the Masters-level psychologists at the time of licensure actually have more supervised clinical hours than doctoral-level psychologists in West Virginia so a move to restrict clinical

psychology to only doctoral-level psychologists could do more harm in the long term by making access less available.

Government Organization Subcommittee A

Members heard a presentation from several Morgantown area leaders regarding potential legislation to allow cities and counties to consolidate government services, stating that metro government makes financial sense. Last year during the regular session a “Governing in the 21st Century” bill which related to metro governments died on the final night of the 2005 Regular Session.

Representatives of Morgantown noted that Kanawha County has roughly the same population as Monongalia, Marion, and Harrison counties, yet it costs those three counties and their cities nearly \$9 million more a year to provide governmental services than the municipal and county governments in Kanawha County. The north-central counties have duplication of services and cannot take advantage of economies of scale available to metro Kanawha Valley governments.

West Virginia is playing the game with outdated rules a representative told the committee. In terms of local government, he stated West Virginia is playing with 100-year-old rules. The representative urged lawmakers to revisit legislation intended to make it easier for local governments to consolidate services, or form metro governments.

He further stated the Legislature should go a step farther by providing incentives, including community block grants, infrastructure funds and housing development grants, to localities that proceed with consolidation efforts. Currently, it is believed there are several localities in the state that are prepared to take advantage of the legislation if it were to pass.

Government Organization Subcommittee B

Subcommittee B of the Joint Committee on Government Organization is examining state purchasing regulations and studying the awarding of state grants, loans contract and industrial revenue bonds to companies outsourcing certain jobs.

The issue arose last year, when a Department of Health and Human Resources contract for a toll-free call center was subcontracted to a facility in India.

The Executive Coordinator for the state Department of Administration said the state Purchasing Division isn't sure

how much of the \$495.5 million of contracts awarded by the division in fiscal year 2003-04 were outsourced or subcontracted to foreign companies, but officials believe it is a minor problem.

One concern is a new federal law that may prevent states from prohibiting foreign companies from obtaining state contracts.

The committee is also reviewing laws in other states that require all contracted services be provided by U.S. citizens, or at least require bidders to disclose if work will be subcontracted to foreign operations.

In the 2003-04 budget year, 67 percent of all contracts awarded through the Purchasing Division went to West Virginia businesses, although in-state companies accounted for only 59 percent of the total amount spent.

The representative stated that revising state purchasing regulations would not give the division complete control over state contracts, because state law exempts a number of big-spending agencies, including the Division of Highways, institutions of higher education, the Public Employees Insurance Agency and the state Parkways Authority from those rules.

Government Organization Subcommittee C

This subcommittee met in Morgantown to discuss HCR 63, which requests a study of whether the West Virginia Board of Dental Examiners is sufficiently carrying out its purpose.

The committee heard testimony from a family whose daughter died while undergoing oral surgery. The family explained their frustration with the lack of advancement by the Board into the investigation of the events surrounding the death. They also stated that a bill which was passed last session, House Bill 2929, which relates to the administration of anesthesia by dentists, is a step in the right direction but still lacks stringent guidelines for procedures calling for the use of anesthesia.

A representative of the Board of Dental Examiners also spoke to the committee and stated that the handling of complaints and the appeals process can take several years but the process is strictly guided by statute. Last year, the representative states, the Board had asked the Legislature in the form of both a House and Senate bill for the power to shut down dentists offices upon receiving a complaint but the proposed legislation never passed. As it stands now the Board does not have the power to restrict a dentist's practice while an investigation is ongoing.

The committee asked that the Board to resubmit the proposed changes in the statute to committee staff for their review.



The Legislature's Agriculture & Agri-business Committee visited WVU's biodiesel facility during the August Interim meetings.

Judiciary Subcommittee B

According to a representative from the West Virginia University Bureau of Business and Economic Research, raising the minimum wage rates for employed workers could have a negative effect on a state's economy, although statistics and research cannot fully aide in the prediction because exterior factors may play a role in determining the overall impact.

In previous economic theory, experts believed that increases in the minimum wage equated to increases in unemployment and in product pricing, according to the representative. When a company is mandated to raise employee wages, thus reducing overall profit, the difference is made up either through less employment and reductions in staff, or through increases in the cost of goods and services. In addition, reductions in "fringe benefits" and other non-wage compensation programs are conducted as employers find ways to absorb the increases in payroll. The representative stated that in the past, increases in the minimum wage has limited employment, especially for young and less educated workers and industries that have a high labor need.

However, new economic studies have given weight to a new rationale that takes into account additional circumstances that may reduce the negative effect that increases in the minimum wage has on economies, stated the representative. In expanding economies, raises in the minimum wage may not have any effect on the overall economy, or in unemployment rates. In addition, companies that utilize cost-reduction

practices during the production of goods and/or services also find it easier to maintain employment levels as their minimum wage requirement increases, according to the representative.

Overall, the representative stated that no dependable or definitive studies are available to guide localities as they pursue the possibility of increasing their minimum wage requirements.

Judiciary Subcommittee C

With West Virginia's prison population continuing to rise, a representative from the West Virginia Division of Corrections spoke with members of Judiciary Subcommittee C to summarize the overall state of corrections in West Virginia.

The representative state although West Virginia has one of the fastest growing prison populations in the nation, other states still face larger populations and heavier overcrowding problems, adding that West Virginia's prison population is still well below the national trend line. Also, the representative stated that in 2003, West Virginia ranked third in the nation in terms of annual percent change in prison population since 1995, at an increase of over eight percent, but the correctional population is forecasted to grow at a rate less than what was observed during the mid and late 1990s. The correctional population in West Virginia is expected to reach 6,010 inmates in the year 2009 and 6,992 inmates in 2014, which corresponds to an annual growth rate of 3.2 percent over the next decade, which is below the projected national trends, according to the representative.

Although West Virginia's overall crime rate has decreased over the last several years, the prison population continues to grow, which can be attributed to the improvement in law enforcement and law enforcement technology, according to the representative. In addition, the representative said the state has seen progress in dealing with crime through the efforts of multi-disciplinary teams, task forces and lawmakers who have strengthened laws, especially through the Victims Protection Act.

Along with the Division of Corrections, a representative from the West Virginia Parole Board also spoke to members of the committee regarding prison population. The representative stated that contrary to some reports, the state's increasing prison population is not attributable to the perceived low percentage of parole grants given by the Board. West Virginia's parole grant rate for low classification criminals is around 40 percent, which is well in line with the national

average, according to the representative. Inmates who have been convicted of higher crimes are paroled at a lesser rate, around 19 percent. The representative also noted that in 1999, which is the most current data available to the Board regarding recidivism, only 10 percent of paroled inmates returned to prison. The national recidivism rate for paroled inmates sits at around 50 percent.

LOCEA

During Sunday, August 7th's interim meeting of the Legislative Oversight Commission on Education Accountability (LOCEA), representatives from the Higher Education Policy Commission told lawmakers that the Promise Scholarship is fast becoming one of the most important and effective scholarship programs in the state. Statistics provided to the commission show that over 90 percent of students who enrolled in the Fall of 2003 and receive only a Promise Scholarship returned to school for their second year. This is in comparison to an overall retention rate of 73 percent for all students enrolled in four year colleges. That number dips even lower to 66 percent when a student receives no Promise Scholarship or any other higher education grant.

Along with second year retention higher for Promise Scholars, the representatives noted that 75 percent of these students have 30 or more hours of college course work completed after their freshman year. That is in comparison to only 42 percent for all enrolled students and only 30 percent for students who receive no higher education grant money. Also, under five percent of Promise-only recipients are taking developmental classes as a freshman, while the overall rate is 34 percent. The representatives stated that the results of this study adds weight to the argument that the Promise Scholarship is keeping the best and brightest students in West Virginia, which is its primary goal.

In addition, the representatives from the Higher Education Policy Commission stated the Promise Scholarship program in West Virginia has been more successful than in other states. It was noted that 60 to 65 percent of the first class of Promise recipients retained their scholarships for their senior year. Comparatively, the Georgia HOPE scholarship, which is similar to the Promise Scholarship, has only 20 percent of its students retain the scholarship through their senior year. According to the representatives, the Georgia HOPE scholarship only requires potential recipients to hold a 3.0 grade point average upon graduating high school, where as the Promise Scholarship requires passage of college preparatory classes and acceptable SAT or ACT scores, in addition to the 3.0 grade point average.

The representatives from the Higher Education Policy Commission also discussed with members of LOCEA the strides universities and colleges have had on implementing Senate Bill 674, which was passed during the 2005 Regular Legislative Session and mandates schools to prohibit employees from receiving incentives to purchase certain textbooks and requires the posting of textbook listings, including International Standard Book Numbers (ISBNs), in a central campus location and on school Web sites.

According to the representatives, shortly after the passage of Senate Bill 674, most higher education bookstore managers met to review the legislation and discuss its implementation. This meeting, as stated by the representatives, produced general compliance with the requirements listed in the legislation.

Lawmakers also heard an update from representatives of the National Staff Development Council on the professional development study commissioned by the Legislature. Representatives from the NSDC stated that quality professional development leads to improved teaching and overall student achievement. Traditionally, according to the representatives, school districts have taken the lead in implementing professional development programs, however, as state policymakers become more aware and better understand the importance of professional development as a key component to successful education reform, they are seeking increased involvement in professional development strategies.

The NSDC vision is to incorporate high-quality professional learning for all teachers on a daily basis by the year 2007. The representatives stated that West Virginia needs to shift away from the old paradigms of professional development through one-time workshops and in-service training to the implementation of professional development standards that can act as a framework for improved professional development policy and programming.

Representatives from the NSDC provided members of the commission with a draft copy of the West Virginia Study of Professional Development Standards and Best Practices, however specific recommendations for legislative actions have not yet been completed.

During LOCEA's second meeting, lawmakers picked up their continued review of West Virginia's public education system and received a report from the Superintendent of Schools at the Department of Education (DOE). He said as part of an effort to develop a plan for educating students for 21st Century jobs, the DOE recently contacted individuals in the business community to determine skills they look for in the workforce.

He said education now requires a more sophisticated delivery system that focuses on skills necessary for the workforce. These include analytical and problem solving skills, as well as proficiencies in math and science - two subjects in which, according to the Superintendent, West Virginia students are falling behind.

The Superintendent said it is the DOE's goal to bring together the efforts of the Legislature, the Governor's Office and business leaders on this initiative.

The Assistant Superintendent then addressed the committee regarding the High Schools for West Virginia's Future Task Force recommendations. The Task Force was comprised of 70 active participants representing business, higher education, educators and parents.

The recommendations reviewed by the Assistant Superintendent were: ensure that each student has access to at least 15 hours of college credit prior to graduation; provide workplace readiness by working with the business community; offer schools more flexibility in regard to time and structure; review the attendance policy; and, evaluate high school readiness standards for middle school students.

Addressing the final recommendation, the Superintendent said the DOE would like to take this suggestion even further and develop a seamless curriculum that would address each of the transition points between elementary school, middle school and high school.

Attending lawmakers then heard from two representatives of the Appalachian Education Initiative (AEI), which is a non-profit arts education agency located in Morgantown that promotes the arts in West Virginia's public schools. They reviewed the West Virginia State of the Arts Survey, in which all 55 counties participated, that was funded by the Benedum Foundation. The Director of Programs of AEI said this research will be utilized as a needs assessment for funding and programming.

Among the issues revealed through this survey were a need for high quality services from professional artists statewide; lack of materials, supplies and adequate facilities; and, a low percentage of certified drama teachers. Also according to the survey, music and visual arts are bigger priorities in West Virginia schools than dance and drama.

Concluding the meeting was the Chair of the West Virginia Holocaust Education Commission, which was codified in 2001 and serves as a central resource for schools, communities and anyone studying the Holocaust. The Chair said the Commission's office, which is located in Morgantown,

welcomes visitors of all ages, including many students because teachers throughout the state are assigning Holocaust projects that require research.

LOCHHRA

Not only for the past interims, but during the most recent meetings, the Cabinet Secretary for the Department of Health and Human Resources (DHHR) has provided updates on a comprehensive Medicaid redesign for the state. The plan must be submitted to the Center for Medicare and Medicaid Services (CMS) in Baltimore prior to the state making changes. According to the secretary, a meeting with CMS has been scheduled for September and while the state can cut programs initiated by the state, it must seek approval prior to cutting any services mandated by the federal government. A list of proposed Medicaid cuts will be made available to the commission as soon as possible.

However, the secretary told the commission the loss of federal funding will in one way or the other impact all areas presently served by Medicaid dollars.

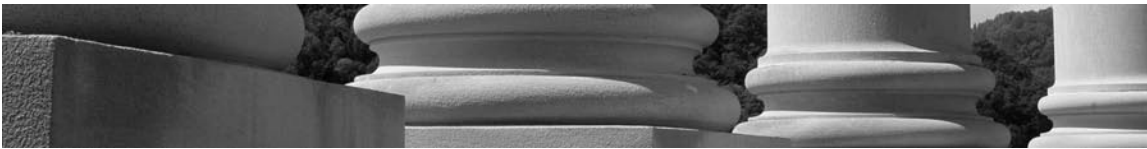
During the August meetings the commission heard concerns regarding payments for mental health hospital beds particularly at Bateman and Sharpe hospitals. An increase in patients has heightened the associated state costs and numbers of types of beds - such as semi-acute care, forensic and transfers - must be determined to meet federal court rulings.

One cost savings noted by the secretary are the newly established rates for emergency transports. A \$9 fee for less than 15 miles was established with an additional 66 cents per mile over 15 miles. Savings from this change will yield approximately \$602,000.

Because of the numbers of people involved with deciphering the affects of cuts in Medicaid grants, the overall plan is not expected to be finalized until December. Medicaid plan's implementation is scheduled to go into effect by July 1, 2006.

In other matters, the Commissioner for the Bureau for Children and Families indicated it is preparing to present a full report to the Legislature by Jan. 1, 2006 regarding out-of-state placement for behavioral treatment for children in foster care under the authority of the DHHR.

A commission, established in accordance with HB 2334, has been working on the ways and means to keep foster children



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in state for treatment determined by the courts. The commission is made up of educators, members of the judiciary, juvenile services and prosecuting attorneys. A Web site has been established indicating the numbers of beds available in West Virginia which may assist judges in placing a foster child in the appropriate treatment center.

Also, a representative of the WV Health Care Authority addressed the legislative commission regarding the issue of distribution of long term care beds. Since 1987, a moratorium has been placed on the numbers of beds in nursing homes because of the Medicaid budget. In 1990 an exception for rural low occupancy hospitals was made by the Legislature and in 1992 it allowed for a few more hospitals to add beds. Today, certain companies want to close beds while others want to open beds. The Authority spokeswoman said the situation could be perceived as a supply and demand issue.

Nursing homes are not the only facilities who provide long term care beds so those beds are only part of the puzzle, according to the spokeswoman. Her options to LOCHHRA included 1) to change nothing, 2) to allow movement of beds under the moratorium limit, or 3) lift the moratorium altogether. Since the numbers of long term care beds are determined by a formula, the spokeswoman thought since the average age of a person's first admission to long term care was 78 years of age and the existing tabulation uses 65 years, it may be better to use 75 years in the formula.

According to a spokesman of the WV Health Care Association the moratorium should have flexibility put into the system based on the need of areas and new facilities and services which may be provided in the future. He noted nursing home care was not diversified because of rules and regulations imposed by law. He said the trend in occupancy has dropped from 98 percent to 92 percent. With Medicaid funding dropping if the occupancy rate is below 90 percent, then 91 percent appears to be the break-even point. With 75 percent of nursing home patients depending on Medicaid, the state has to become more flexible in its calculations.

Also appearing before the legislative committee was the Director of Geriatric Medicine at WVU which is within WVU's Center on Aging who provided information on problems associated with aging. The academian noted teaching facilities should provide specific courses of studies dealing with patients' sense of aging, their illnesses, courses of prevention, postponing some treatments and other age-related scenarios.



The Legislature's Parks, Recreation & Natural Resources Subcommittee and the Forest Mangament Review Commision visited Coopers Rock State Forest during the August Interim meetings.

LOCWIED

Citing West Virginia's abundance of natural resources and its dependence on delivering these resources across the nation, a representative from the West Virginia Office of Adult Education and Workforce Development discussed a proposal to offer an elective course in Energy Resources Technologies in state high schools.

The course, which would be designed to develop a better understanding of today's highly technical energy industries, could provide students with the awareness and training to keep West Virginia in the forefront of energy technology development, according to the representative. West Virginia high school students would be introduced to careers in Energy Technology through the proposed course, and, according to the representative, those students who graduate with state or national industry certification in one of the career-technical areas would have opportunities for both immediate employment and further studies in higher education.

The representative added that a blue ribbon advisory committee would be formed to provide guidance on the development and implementation of this course.

Members of the Commission also heard from a representative of Workforce West Virginia, who stated that two coal mining training academies will be opening this fall. According to the representative, the opening of these academies have been delayed in part because of the lengthy process in securing federal funding from grants offered by the U.S. Department of Labor for job training in energy production fields.

One of the academies will be held at the Dawles Run Mine Training Academy in Morgantown, to be operated in conjunction with the WVU Mining Extension Service. The other will be operated by Southern West Virginia Community and Technical College, with classes being held on its campus until another training facility can be established in the Mingo/Logan county area.

Along with the above mentioned issues, members of the Commission also were presented with an overview of workforce development activities conducted by Fairmont State Community and Technical College (FSC&TC). According to material distributed by the institutions representatives, FSC&TC offered 68 non-credit workforce development training courses, with over 830 participants taking part in these classes during fiscal year 2005. This includes over 4,100 hours of direct course training and over 36,000 contact hours during that fiscal year.

In addition, the institution provided over of 2,400 skill screening tests for private companies and over 420 skill screening tests for individuals during FY 2005. Also, FSC&TC's Center for Workforce Education provides workplace skills assessment, professional certification and licensure services for both private companies and individuals.

Pensions & Retirement, Joint Standing Committee

The Pensions Committee heard from a representative that said the enrollment of all new teachers in the older benefit plan and will shave \$1.45 billion off the state's share of pension contributions by 2034. Reduced overhead and similar savings will reduce the state's costs by an additional \$423 million over the next 29 years, the representative stated.

The representative also briefly touched on the advantages of a defined benefit plan. A defined benefit plan protects against inflation and provides a predetermined retirement benefit. It also allows greater flexibility for early retirement benefits and benefits would be paid monthly for life. As a rule of thumb, while employee turnover will impact comparison, to provide the same benefits at age 65 in a defined contribution plan it would cost twice as much as it would in the defined benefit plan. Also, 51 percent of employees across the country were offered defined benefit plans in 2004, with the highest prevalence of those among Government workers at 82 percent.

View Interim Schedules on the Legislature's website: <http://www.legis.state.wv.us>

Select Committee A - Child Protective Services

Members of Select Committee A on Child Protective Services were provided with an overview of the state's Child Fatality Review Team by a representative from the Office of the Chief Medical Examiner, which acts as an integral part the fatality review process.

The representative stated that the Child Fatality Review Team is an arm of the Office of the Chief Medical Examiner and is charged with reviewing all children's deaths, ages birth to 17, in order to identify and report common factors and circumstances that might help to prevent such deaths in the future. It was noted by the representative that the Team has no investigative or criminal justice powers in prosecuting or assisting in the adjudication of child fatalities. The role of the Team, however, is to simply review every child death individually and look for certain themes, practices and/or actions which aided in the death of that youth.

The Team, according to the representative, looks into the eco-social aspects that may have led to the death of a child, as well as what could have been changed through agency policies, state legislation or other public procedures to prevent these deaths. With the collection of information gathered in these reviews, the Team may offer recommendations for possible changes to policies and state laws to help prevent child deaths in the future.

Along with the discussion as to the operation and function of the Child Fatality Review Team, members of the committee also were presented with an update as to the progress of the state's Child Protective Services (CPS) Program. According to a representative from the West Virginia Bureau for Children and Families, CPS has developed a parent's guide to help inform citizens as to their rights and responsibilities when the agency becomes involved in an investigation. In the past, according to the representative, many parents who have been accused of negligence toward their child had no resource to turn to that explained the CPS process or any of the steps taken by the agency. This handbook attempts to diffuse a normally hostile situation by presenting parents with an explanation and a step-by-step guide to the process. In addition, according to the representative, the handbook looks to establish CPS as a resource for parents accused of negligence, not as an aggressor looking to deny parental rights.

The representative stated that the Bureau believes the handbook is being widely distributed and is utilized by parents because the complaints logged by the Bureau tend to be more informed and better educated than in the past. As

parents begin to understand their rights and their responsibilities throughout the CPS process, the Bureau will be able to assist families in a more productive manner to ensure the safety of a child and provide a healthier family setting, according to the representative.

Select Committee B - Juvenile Studies

Continuing their review of ways West Virginia can decrease or eliminate out-of-state placements of youth, committee members met and heard about a program that deals specifically with prevention to deter future problems with adolescents. The Outpatient Adolescent Treatment Service (OATS) program in Marion County works with the county school system to identify at-risk students and has coupled with Fairmont General Hospital for behavioral modification.

The Superintendent of Marion County Schools said the program started at the beginning of the past school year. Candidates were identified and intervention specialists, who are qualified psychiatrists, provided adolescents and their families with counseling during after-school hours. The referral process entails identifying signs of abuse or violence with help from families, teachers, counselors and administrators. He said working with youth in this setting is much less costly than treating them in the future.

He also told committee members the Marion County Board of Education will be proposing legislation that would allow for more communication among service providers throughout the state.

A judge from the First Judicial Circuit, which covers Hancock, Brook and Ohio Counties, then addressed the committee regarding the process he utilizes to determine when adolescents are to be placed in out-of-state care. He said when he considers this option, the factors he takes into consideration include quality of care, the number of beds available, cost and geographic locations.

He said that above all other factors, the welfare of the child has to be placed first. Oftentimes in his district, in-state facilities are further away from a juvenile's home than an out-of-state facility. Additionally, he often assigns placements in a bordering state because the wait for a bed in West Virginia is too long.

Exactng a deeper insight into ways to keep youth in foster care close to home and their communities, Select Committee B focused on existing data regarding out-of-state placements during its second meeting of the August Interims.

To further explain, "out-of-state" placements include therapy treatment for juveniles who are under the custody of the DHHR. For instance, most of the placements occur when a juvenile has been judged in a court. Based upon the crime, a judge may sentence an offender to certain treatment programs. While West Virginia has 664 juveniles placed in in-state treatment programs, another 336 youths are in out-of-state treatment programs.

Information provided to lawmakers included the demographics of foster youth attending treatment programs which includes age, race/ethnicity, gender and reasons for treatment. In addition, charts and graphs reflected the placements by diagnoses, by diagnostic group and population numbers. Also before the committee were expenditures for foster care. With Medicaid cuts pending, a full tally of the data is being reviewed as more questions are generated by the studies.

The Commissioner of the DHHR's Bureau for Children and Families extolled the efforts of the four work groups who are strategizing on a number of areas directly affecting quality and quantity of care provided to juveniles under its care. Some of these include severely emotionally disturbed (SED) children using federal grant money, the system of care, standards and licensure procedures for the facilities, and another area being scrutinized is a committee seeking new funding streams by various agencies working together.

Too, the Commissioner noted the Bureau has met the requirements of HB 2334 by establishing a Web site on the DHHR page providing numbers on bed availability; the "no refusal" clause in all contracts (both in and out-of-state) has been implemented. In addition, the concept of close to home care is being ushered in with the 50-mile radius factor. It was noted that placements in the Northern and Eastern panhandle will most likely cross the borders into Pennsylvania or Virginia based on the notion of specific treatment programs.

A suggestion was made to review Kansas' "step-down" project. The project essentially allows for treatment in one facility. The juvenile would advance through various programs until he or she is reinitiated back into a community.

Also appearing before the select committee was the Executive Director of the Olympic Center in Preston County. What initially started as a 25-30 day program has been expanded to a 6-month program with a request to expand it further to a 14.5 month program for excellent results.

The director noted that out of 20 kids, only two have returned to using drugs. The Center requires obtaining an education (a GED) and it contracts with a mental health provider in Morgantown. The director believes the program to be effective.

tive and noted that five of its graduates have enlisted in the Army as another proof of success.

Select Committee C - Infrastructure

Providing lawmakers with an update on the Mon-Fayette Expressway, which is a road system that will connect Morgantown to Pittsburgh beginning at Cheat Lake, a representative of the Division of Highways' Engineering Division appeared before the committee. He said that of the Expressway's 64 total miles, the section in West Virginia only consists of 3.4 miles. Currently, two miles of the road and a bridge are complete and Pennsylvania has completed more than half of its section.

The President of the Monongalia County Development Authority then spoke on the economic benefits the Expressway could yield. Using the completed portions of the road in Pennsylvania as examples, he said communities along the highway have seen drastic increases in traffic and additional employment opportunities. He also said industries look for "green roads" on the map for relocation spots.

Remarking on the various colleges and universities situated close to the road, he said the Expressway could open the door for additional travelers coming to Morgantown for sporting and cultural events. He also said this new road, which is slated to be complete in March 2009, could attract more Pennsylvania students to West Virginia University, thereby bringing in additional revenue.

At the conclusion of the presentation, lawmakers expressed concerns regarding whether or not Pennsylvania stands to benefit more economically than West Virginia in this project.

Also during the meeting, the Director of the Bureau of Business and Economic Research at WVU provided a presentation of a project completed in 2004 on the financing of West Virginia's highways. The State Road Fund, which is dedicated to highway construction and maintenance, primarily relies on user fees, as no general revenue funds have been provided since the early 1980s.

The Director said there are three major factors threatening the revenues flowing into the State Road Fund: decreases in the miles driven in the state; changes in fuel consumption; and, the emergence of alternative fuels, including natural gas, electric, gas/electric hybrids and Hydrogen. He said each of these represent a future threat to user revenues.

Additionally, the Director said that while the number of passenger cars continued to increase through 2003, this may change because of the increasing price of gas. And speaking on national issues, he said with the re-authorization of Federal-Aid Highway Funds, a state match of 30 percent of \$94 million will be needed for West Virginia to take advantage of the new federal funds.



The Legislature's Joint Committee on Technology visited WVNet and WVU's technology centers.

2005 - 2006 Interim Committee Meeting Dates

September 11 - 13
October 2 - 4
November 13 - 15
December 11 - 13
January, 2006 8 - 10

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