

# Interim Highlights

## Agriculture & Agri-business

According to an abstract provided by House Counsel covering a draft of the Animal Contract Act, the bill would “regulate the sale, possession, use, release and movement of exotic animals in order to protect the health and safety of humans and to protect the state’s agricultural and forestry industries...”

Offered as HB 4167 during the 2004 Legislative Session, the measure was amended in the waning hours and did not meet the full approval of the Legislature. During these interim studies, the Agriculture and Agribusiness Committee are revisiting the bill.

The draft proposal puts exotic animal regulation under the auspices of an Animal Regulation Board. It places the administrative responsibility in the Department of Agriculture and establishes jurisdictions for member agencies, such as the Bureau of Public Health and the Department of Natural Resources (DNR).

The Act clarifies that these agencies only have authority over exotic animals and must report any suspected threat by any exotic species to the Animal Regulation Board within 48 hours.

Some provisions in the draft cover the possession and sale of the animals, bonding requirements, pet shop registration, ownership permitting with exemptions for circuses subject to registration by the USDA, care and treatment requirements, liability insurance coverage, seizure and quarantining requirements, as well as the establishment of civil and criminal penalties.

## Finance Subcommittee A

This committee continued the discussion regarding the Underground Storage Tank (UST) Fund. This month, they heard the Department of Environmental Protection’s (DEP) proposals to address the program deficit.

With respect to the remediation costs involved with the cleaning of these underground tanks, the DEP offered two proposals for the committee to consider. One would include

a nation wide competitive bidding process to remediate the 58 remaining leak sites in the state. The other idea is to institute a voluntary remediation program that would authorize property owners to clean-up sites.

As for revenue sources for either of the options presented, the DEP related two scenarios revolving around waste tires as possible payment choices. One would be to shift a percentage of the money going toward the A. James Manchin Waste Tire Fund, since many of the larger piles have been dealt with, and use that money. Another would be to add a surcharge to the existing Waste Tire Fee with the money funding the UST Insurance Fund.

A third option presented for a possible funding stream for the UST Fund was an added assessment to owners of underground tanks, much like assessments in the abandoned mine and reclamation programs. An annual assessment of \$200 per tank would generate \$1.1 million annually.

## Finance Subcommittee B

This subcommittee heard from a citizen regarding his proposals to eliminate taxes on improvements (buildings), then collect the site rent of land instead. This would be a 15-year phase-in where there will be a Two Rate Property Tax -- a lower rate on improvements and a higher rate on land. Currently, West Virginia uses one property tax rate, which applies to land, improvements and minerals.

In discussing the effects of such a proposal, the speaker stated that taxing the rent of land should help reduce the selling price of the land by reducing the net rent which is capitalized into the sale price. He went on to say that for some owners this tax property tax plan would result in large tax increases, especially if their lot is large and valuable. But in 15 years, landowner improvement will be free of taxes, and if the sales tax is reduced proportionately most citizens will not see any overall difference in taxation. Landowners will tailor their ownership needs to their tax bill.

View Interim Schedules and information on the West Virginia Legislature’s website:

<http://www.legis.state.wv.us/legishp.html>

### Forest Management Review Commission

Continuing their efforts to study and monitor West Virginia's forests, members of this committee met to receive a report on the Forest Protection Program from the West Virginia Division of Forestry (DOF). The Director of the DOF said it is currently preparing for fire season, which begins in mid-October.

He addressed the program's areas of emphasis, including wildfire prevention and education. The Director said people could be educated and preventive, then fires would not be ignited in the first place.

One of the educational initiatives, the Smokey the Bear Program, provides for visitations to each elementary school in the state annually. Another, the Firewise West Virginia public awareness campaign, is a pilot program designed to help reduce the chances of losing a home to fire and targets homes and communities in high-risk areas.

Under the area of wildfire preparedness the DOF has utilized Federal Excess Personal Property, which allows for the acquisition of excess military property to help Volunteer Fire Departments (VFDs). Since January 2004, nearly \$900,000 worth of property has been secured including eight vehicles, three of which are commercial fire trucks.

Also for preparation, VFD members and other volunteers are trained in a federally accredited program. In Fiscal Year 2004, 336 men and women underwent this training.

Additionally, the DOF takes part in hazard mitigation through mine break containment, a fire weather station network and through the Dry Hydrant Program. This program, which was made possible by a grant from the United States Forest Service (USFS), allows for the creation of a fire hydrant from any constant water source. According to the Director, there will be 83 of these across the state which is proven to reduce homeowner insurance.

In addition to aerial efforts and general suppression, the DOF also practices wildfire suppression through an arson bloodhound program and the support of national mobilization. The Director said the bloodhound program, which was implemented in 1995, has been very effective in tracking arsonists. According to the spokesman, since the program began, the number of arson fires has decreased.

The DOF also takes part in national wildfire emergencies by allowing DOF employees, VFD members and other volunteers to go on various assignments throughout the country.

The Director said this experience provides invaluable training for those who participate.

The Director closed by addressing the major issues the DOF is currently facing. These include firefighter and agency liability, new federal radio communication requirements, limited manpower and federal funding uncertainties.

### Government Organization Subcommittee A - 1

Resuming its charge under SCR 70, this committee met to discuss the financial operations of senior centers with the Commissioner of the Bureau of Senior Services. She said all 55 counties have signed a new contract and have agreed to its conditions.

According to the Bureau, the major difference between the new contract and the old is that if a senior center chooses to use any portion of funds from the Bureau, then it is subject to a cap. Additionally, the Bureau has complete authority to review senior centers' funding sources and to evaluate the use of the money.

### Government Organization Subcommittee A - 2

Committee members met to discuss SCR 89, which calls for a study of nonprofit entities that receive state and federal funds. To elaborate on the topic, the CEO of the Greater Kanawha Valley Foundation addressed lawmakers regarding the current efforts of the United States Senate Finance Committee. She presented a document released by the committee that reflects proposals for tax-exempt organizations which are based on staff investigations and research as well as other submitted recommendations.

As the committee continues the study, its priorities may include a five-year review of non-profits by the Internal Revenue Service (IRS) to determine tax exemption, private foundation reforms, applying self-dealing penalties and allowing the IRS to give accreditation to organizations, noted the CEO. In addition, the committee may make it a priority to improve the IRS form and to enact penalties for not filing, which may result in independent audits.

Subsequent proposals contained in the handout include encouraging additional grant-making by private foundations, prohibiting foundation grants to donor-advised funds and limiting amounts paid for travel, meals and accommodations.

### Government Organization Subcommittee B

This Subcommittee continued its discussion of HCR 47, which is a study on providing limitations on nurse overtime policies in hospitals operated by state agencies within West Virginia.

A representative from the Bureau for Behavioral Health and Health Facilities stated a turnover rate for nurses at Pinecrest Hospital for all its nursing positions in 2004 was 33.16 percent in addition to a total number of 32 resignations. Also, data collected from long term care facilities indicated no correlation between medication administration errors and nursing staff overtime. However, in psychiatric hospitals, the data does indicate a slightly higher rate for medication errors than the national average. The study concludes that there appears to be no correlation between overtime and burnout.

Also, another survey found that the need for overtime would always be a factor, no matter how many new people are hired.

### Joint Commission on Economic Development

The Executive Director of the WV Economic Development Authority addressed lawmakers regarding the Economic Grant Committee report.

As lawmakers reviewed the report for the month, they were told 26 projects received funding while others were in the process of putting together paperwork for submission. The start of the disbursement of funds for the projects commenced in January 2004.

While the Director of the Authority presented the report, he informed the committee that the Economic Grant Committee is responsible for the selection of projects that are provided grants. The Authority's mission is to issue bonds on behalf of the state; and as such, follows guidelines established through statute.

In other matters on the agenda, legislative staff provided an explanation for a procedural/interpretive rule 145 CSR 6, as authorized by WV Code Section §5B-2-3, which is exempt from Rulemaking Review. The rule provides for "review by the Council for Community and Economic Development of Infrastructure Projects to be Financed through the Infrastructure Fund; and the Establishment of Application Review Proceedings."

According to the abstract, this "rule establishes guidelines to be used by the Council in evaluating a request by a project sponsor for Infrastructure Fund assistance for the planning, design, acquisition, or construction of infrastructure projects and making recommendations for the funding of the projects through the Infrastructure Fund."

The rule changes interest rates for loans to governmental, quasi-governmental or not-for-profit projects. In addition, it changes the interest rate on any loan to a for-profit project. The rule was changed to limit the interest rate to a minimum of no less than market rate.

### Joint Standing Committee on Finance

Members of this committee met and received an overview of the past Fiscal Year (FY) and an update on the current budget situation from the State Budget Office. Lawmakers learned that at the end of FY 04, the budget was \$41.5 million over original estimates, due in part to a rebound in the economy and higher energy prices.

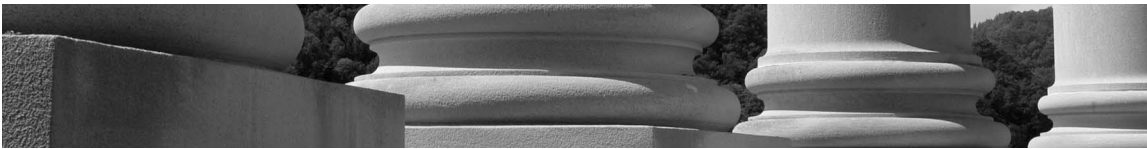
Committee members also were told that state tax revenue is on an upswing with collections in July and August much higher than those in the same months last year. According to an analyst from the Tax Division, severance taxes are up 62.4 percent, corporate net income taxes are up 33 percent and personal income withholding taxes are up 8.9 percent.

Lawmakers also learned that FY 04 lottery revenues continued to remain strong and a surplus in Excess Lottery Fund revenues of \$67 million was realized. As of August 1, 2004, the remaining balance in this fund was \$43.09 million, which will be used to fund FY 05 appropriations. Additionally, lottery revenues are anticipated to remain strong throughout the majority FY 05 and a surplus of 72.4 million is expected in the Excess Lottery Fund.

West Virginia is still facing unfunded liabilities – and the Legislature will be charged with offsetting a projected \$126 million budget shortfall during the 2005 legislative session.

### Joint Standing Committee on Government Organization

The Joint Standing Committee on Government Organization met in September to hear a presentation by the Citizens' Advisory Council of the Governor's Cabinet on Children and Families.



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The Advisory Council has been meeting monthly to connect children, families and communities to state government, providing a forum for their voices to be heard. The Council is authorized by law to advise the Governor and policymakers of the best ways to support families and help them reach their potential. It also develops concrete ways to make sure that state government is spending the funding wisely and working for children and families.

Members of the Council live in communities across West Virginia. They connect with families on a day-to-day basis through personal relationships, neighborhood gatherings, service on nonprofit boards, activities in faith-based organizations, work in the business community, and professions such as medicine and law.

The Council has adopted Operating Principles and much of the work this year has centered on assisting the Cabinet to develop a multi-year cross agency state plan for serving the children and families of the state. It will continue the work throughout the year and hope to have a more detailed plan for the Legislature.

## Judiciary Subcommittee A

Members of this committee met to hear from speakers regarding electronic voting machines and state fire rules applying to bed and breakfasts. The Director of the Business Division of the Secretary of State's Office opened the meeting with a brief overview of voting machine discussions that took place during the National Secretary of States' Conference.

He said during this conference in New Orleans, they saw five different electronic voting systems, three of which produce paper trails. He said currently, each county in West Virginia decides which voting method to use. The Secretary of State's Office has approximately \$18 million to use for voting machines throughout the states.

A representative from Casto & Harris, a company based in Spencer, WV, spoke to committee members regarding election supplies and solutions. He said this company has partnered with Election Systems and Software (ES&S) to provide optical scan paper ballots to 28 counties, punch card ballots to 12 counties, manually-counted ballots to nine counties, lever machine strips to two counties and ES&S Direct Record Election (DRE) iVotronic ballots to two counties. The DRE method provides a touch screen for voters.

The company has talked with customers regarding their opinions on the most efficient methods of conducting electronic

elections. He said the 28 counties that use the optical scan system feel comfortable having both the evidence of a paper ballot and speed of electronic counting. The representative further stated that the requirements of the Help American Vote Act reveal that DRE voting systems are the most widely accessible for all voters, regardless of any physical limitations.

Lawmakers discussed options for paper verification if the DRE system is used. The speaker assured members that both ES&S and Casto & Harris are prepared to provide any election system that is chosen.

Members of this committee also heard from a sales representative from Dalton Legal Bank and from a representative of Hart Intercivic, which is a company that provides election products across the country. The speaker passed around the eSlate electronic voting system – a DRE system – for lawmakers to view.

Shifting gears, committee counsel reviewed SCR 55, which called for a study of state fire code rules as they apply to bed and breakfasts. The resolution outlined that the Legislature is requested to examine ways to preserve the historic characters of bed and breakfasts while maintaining fire safety.

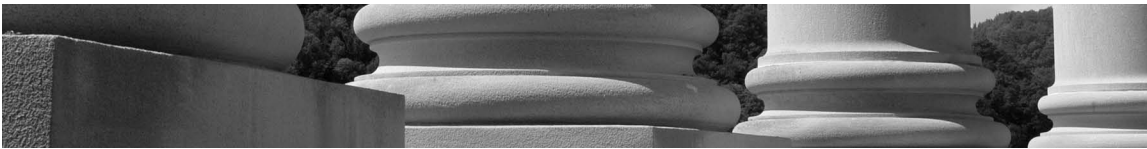
The President of the Mountain State Association of Bed and Breakfasts then addressed lawmakers. She said strict fire rules have made it difficult for people to open bed and breakfasts. The Mountain State Association would like to see one set of rules for businesses with six or less rooms and another for those with more rooms.

The State Fire Marshall told members that although he is willing to work with the owners of bed and breakfasts, he has to assure safety for guests. From another perspective, a representative from Culture and History said she would like to see a policy that doesn't harm the historic fabric of these buildings.

This committee will continue to study both of these topics in future meetings.

## Judiciary Subcommittee B

The committee reviewed the provisions of a proposed bill during the monthly interim meetings Monday that would address consumer complaints about slapdash and abandoned home improvement jobs as well as cracking down on unscrupulous contractors.



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## Juvenile Foster Care, Detention and Placement Task Force

Among other measures, contractors would have to overcome a “rebuttable presumption”- favoring consumers who file complaints over jobs worth more than \$2,500. The bill would also target contractors who set up new companies under different names or with hidden partners to avoid prior complaints or judgments.

The measure would bar a new or renewed license to any company if at least 10 percent of the company is owned or controlled by someone with a suspended or revoked license, an unpaid judgment or who ignored a disciplinary ruling.

Another new proposal would require more data from anyone seeking a license, including Social Security number, name and physical address of the applicant, as well as the name, address and principal occupation of any stockholder with at least 10 percent of the firm’s interest, and of each officer and director of a corporation, and each trustee and beneficiary of an applicant.

Counsel outlined some extra safeguards for homeowners when improvements are made to dwellings. One would require anyone taking an exam for a contractor’s license to be the owner, partner or a corporate officer of the firm, as opposed to an employee. As such, a contractor who lost his license couldn’t have an operative set up a “bogus” corporation and then take the exam himself on behalf of the new company.

State law requires a written contract only on projects worth more than \$10,000. The state had required the \$90-a-year license for any job worth more than \$1,000, but recently increased that level to \$2,500.

Among the 17,000 licensed contractors in West Virginia, some 111 complaints were advanced to the Labor Commissioner’s Office, while the Attorney General’s Office handled 1,562.

Also during the presentation, a representative for low-income clients requested lawmakers put two consumer advocates into a draft of a law designed to protect homeowners from construction fraud. The representative also asked members to consider taking a second step, as other states have done, by creating a special recovery fund to help homeowners victimized by “shoddy” work.

“Helping Children by Helping Their Families – WV Works 2003: Perspectives of Former Recipients Who Have Exhausted Their 60-months of Program Eligibility” is a study done by the WVU Institute for Public Affairs and the School of Applied Social Science. Representatives from the institute and the school detailed their findings to lawmakers during September interims.

As its name indicates, the study focuses on the impacts and consequences regarding welfare reform in West Virginia as required by the federal Personal Responsibility Act.

According to a spokesman for the study, lawmakers should focus on four take-away points: to consider the enduring complexities of the federal Act regarding responsibilities and initiatives; to understand that there continues to be individuals who have nearly exhausted their five year limit of receiving support who remain associated with government safety nets such as the receipt of Medicaid and food stamps; to know that local resources are limited and state support is not always available in certain areas; and, to understand the researchers are continuing to conduct the program assessment so state and federal leaders are kept aware of consequences and successes.

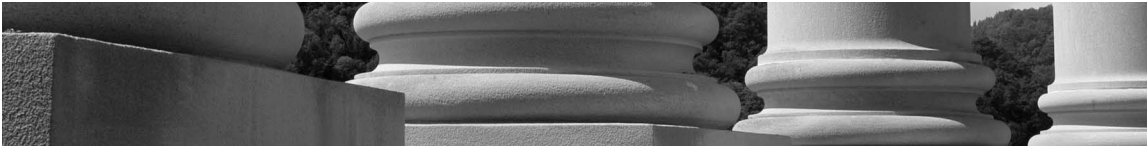
Subjects being counted have incomes under \$21,000 with one-quarter of them employed part-time with full-time employment being non-existent in certain locales. The WVU spokespersons noted people are making every effort to care for themselves but are facing many barriers, such as poor dental health, lack of appropriate professional clothing, lack of transportation, weight and age factors, among other circumstances.

All of the presenters said people were very interested in obtaining employment but economies throughout the state differ from region to region. It also was noted that the reality of a rural state versus the federal law’s “one size fits all” which appears to be designed for urban renewal is not considered in the five-year limit on support.

Listing a variety of barriers including child care services and either both mental and/or physical health problems, the presenters wanted lawmakers to know people are very interested in employment but are up against huge obstacles in some instances.

In other discussions of the committee, the Director of the Student Counseling Center at WVU provided information regarding the increase of suicide among young people attend-

2004 - 2005 Interim Committee Meeting Dates	September 19-21
	October 10-12 (Shepherdstown)
	November 7-9
	December 5-7
	January 9-11-05
	February 6-8-05



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ing institutions of higher learning. She said more students are having panic attacks under the weight of impending job competition; are obsessive about physical appearances; and, struggle to maintain high grade point averages (GPAs) among other stressful factors such as family or social circumstances. Of the 877 students surveyed by the Center, one-half of them maintain a 3.0 or higher GPA.

As such, the Director asked lawmakers to consider developing a task force of mental health providers who work with young adults as well as recipients of services to study mental health concerns with young adults in West Virginia and to develop and support comprehensive Wellness Centers on campus.

During this committee’s second meeting, lawmakers met to hear from three speakers. A representative from the Department of Health and Human Resources opened the meeting with a report on foster care placements on August 31, 2004, both in West Virginia and outside of the state. On that date, the total number of youth placed in the state was 2,469. The total number of children placed out-of-state was 401 – 277 of whom were placed in Group Residential Care.

The Director of Clinical Services at River Park Hospital then provided lawmakers with a presentation on the System of Care Collaborative, which was formed in 2002 to review West Virginia’s service delivery system – and to explore options for what should be changed and/or supported.

She provided committee members with a report from June 2004 that outlined recommendations that would require steps to change the current system into West Virginia’s System of Care – a move that has been studied for the past two years by members of the Collaborative. These changes, as stated in the report, must focus on building stronger families and supportive communities.

According to the speaker, providing a system of care is imperative to prevent the overutilization of out-of-state care. She said a 12-county pilot program, the Mountain State Family Alliance, took place that implemented a system in phases and utilized accountability, family involvement and progressive leadership to help children and adolescents with serious emotional disorders.

Through the community-based services and support for families, she said the number of out-of-state placements decreased in this area, which includes Kanawha, Cabell and Mingo Counties. To provide committee members with a personal account of this success, a parent from Boone County spoke about her experiences. She said the program has helped her to navigate through the many different systems for her son, who has ADHD, bi-polar disease and a brain injury.

The recommendations relate to the areas of assessment, multi-disciplinary teams, care coordination, service array, outcomes, and financing, as well as training, education and awareness. Additionally, the report cited that meaningful family involvement is essential at the individual service planning level and at the local, state and federal levels of policy-making.

The Coordinator of the Safe and Drug-Free School program, which is a part of the West Virginia Department of Education, then spoke to the committee about bullying. According to the speaker, this intentional, aggressive behavior causes depression, anxiety and other short-term and long-term problems for targeted youths.

She also said this behavior needs to stop because students who bully others are more likely to participate in actions such as vandalism, shoplifting, truancy and drug abuse. Additionally, bullying can create a negative school environment that does not facilitate positive social relationships or learning.

The final speaker was the Deputy Attorney General for Civil Rights from the West Virginia Attorney General’s Office. He also spoke to lawmakers about bullying, as well as peer leadership and helping young people become “change agents” in their schools and communities.

He said that discipline is necessary to stop bullying, but more proactive approaches need to be made as well. According to the speaker, these could include education and getting students involved in expediting changes within their schools.

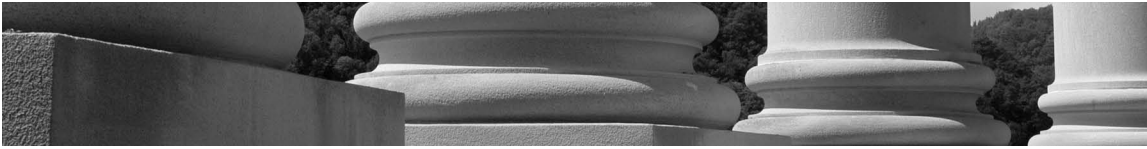
## LOCEA

During the September interims this committee heard from representatives of the Higher Education Policy Commission regarding a progress report on West Virginia Achieves.

West Virginia Achieves is working on implementing strategies to catch up students who may be behind in their learning curve, as dictated by the Federal No Child Left Behind legislation. A second goal of the program is to ensure that in the future, students will not fall behind.

The legislation states that within 12 years, 100 percent of students must make the cut score for mastery on assignments. The exact percentage of students that must be at a mastery level in any given year is called the Adequate Yearly Progress (AYP).

West Virginia had an 11 percent increase in the number of



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schools meeting AYP, one of the more significant increases among states. Of the 720 schools that are in-state and are accountable under WV Achieves, 516 met AYP, while 82 more schools met AYP in 2004 than in 2003. Also, 156 schools identified as year-one AYP improvement schools in 2003 have corrected their problem areas.

The committee will continue its discussion regarding higher education policy and will hear a report next month from a representative of the Community and Technical College Council.

## LOCHHRA

The Committee had a guest speaker this month, a legislator from Maine who is one of the authors of an innovative universal health insurance plan in his state to discuss ways states can help thousands of working uninsured find health coverage.

The lawmaker helped write Maine’s Dirigo Health Reform Act of 2003. A key portion of the law, named for the state’s motto, Latin for “I lead”, will be a low-premium health insurance plan available to small businesses and the self-employed, starting Jan. 1. The speaker said soaring health-care costs pose a looming crisis for all states.

A key component of the Maine plan is a sliding discount on employee premiums, ranging from 20 percent to 80 percent, based on income. Individuals and families with incomes up to 300 percent of federal poverty level — up to \$27,930 for single coverage, and up to \$56,550 for a family of four — will be eligible for the discounts.

The goal of the coverage, which is funded with \$53 million of “seed money” from the state, is to reduce the amount that Maine health-care providers write off as bad debt and charity care from \$250 million this year to \$180 million in 2005, he said.

Although the sign-up period doesn’t open until Oct. 1, there’s been a high level of skepticism from the business community over the program.

## Legislative Oversight Committee on Regional Jail and Correctional Facility Authority

The Mayor of Montgomery spoke to the committee and asked members to consider relocating the Division of Corrections Training Academy to vacant space in the city’s Upper Kanawha Valley Technology Building. She told the committee

that the space in the Technology building would suit perfectly the Training Academy’s needs.

Currently, the academy is operated by the West Virginia University Institute of Technology, but officials there say the current location, in Tech’s dilapidated Maclin Hall, is no longer suitable.

An official from the Office for the Corrections Commissioner told the committee that Montgomery is an ideal location for the academy because of its proximity to the Mount Olive Correctional Center, as well as to Charleston. The representative agreed that it would be best to move the academy into a better building.

Also during the committee meeting, representatives from the Divisions of Corrections and the Regional Jail Authority responded to questions posed by committee members in previous meetings.

Members asked them to see if they had anyone behind bars who were skilled workers, especially those with some experience in the coal industry, who could be put back into their communities so they can work, emphasizing that this would only apply to non-violent offenders.

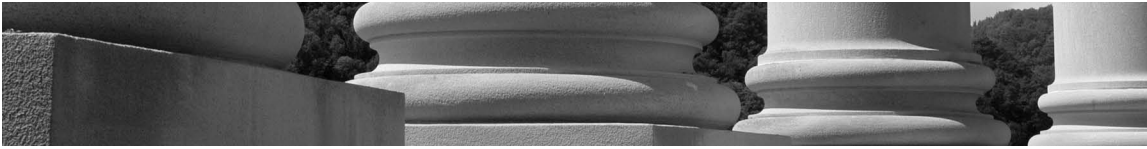
The representatives stated that nearly 80 percent of the inmates kept in the regional jail system have no real work experience and that only 55 inmates in the prison system had some affiliation with the industry, and the extent isn’t verifiable.

## LOCWIED

The Chancellor of the WV Council for Community and Technical College Education presented the Legislative Oversight Commission on Workforce Investment for Economic Development (LOCWIED) with a report on WorkKeys – a national exam provided by the ACT that is aimed at improving the workforce.

By using WorkKeys, students and workers can identify and promote their employability skills – and employers can target and develop workers for a broad range of occupations.

The Chancellor said that for West Virginia to capitalize on any “new economy” jobs, such as allied health and information technology positions, that become available, a conscientious effort needs to be made to impel students to score at high levels on WorkKeys.



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According to him, 50 percent of these jobs require a score of five or higher on WorkKeys. When using WVU Parkersburg as an example, only 33 percent of students score this high.

Members of this committee requested a review on where West Virginia's scores stand in comparison to surrounding states' scores on this exam.

The Chancellor also discussed an initiative that has been employed by companies such as American Electric Power and the Charleston Area Medical Center. He said when faced with shortages of technician employees due to retirement waves, these companies have focused on training current employees in lower-level jobs to fill these positions.

This initiative received funding through legislation passed by the West Virginia Legislature. According to the Chancellor, because money ran out in August 2004, he submitted an improvement package to Governor Wise requesting an additional \$1 million next year – and, if possible, \$400,000 for the current Fiscal Year.

The Executive Director of the Region III Workforce Investment Board (WIB) provided lawmakers with a regular report. According to him, this Board is considering utilizing WorkKeys and is working close with the Governor's Workforce Investment Division. It also is working on expanding the one-stop efforts, especially in areas with dislocated workers.

He said when people lose their jobs in situations such as a plant closing, the Board is challenged with placing workers back into the labor force with wages similar to what they received prior to getting laid off.

In October, this committee will receive a report from the Governor's Workforce Investment Division regarding all of the state's WIBs.

## Joint Standing Committee on Pensions & Retirement

Lawmakers revisited discussions regarding a pension plan for emergency medical services (EMS) personnel. Questions arising from the deliberations included the legality of creating a new state pension plan and numbers regarding the benefit structure of any such plan. Emergency personnel are seeking a retirement system to ease recruitment and retention of qualified emergency technicians and support personnel.

The executive director of the Consolidated Public Retirement Board (CPRB) notified the committee the EMS study plan

has been submitted to the retirement board. In line with a level dollar annual funding amount 30 year amortization with actual 7.5 percent results and estimated 7.0 percent results, the EMS Plan study has projected its financial results based on July 1, 2003 data and is based on numbers relative to the Public Employee Retirement System (PERS).

The maximum accrued benefit percentage would be 67 percent for both the 7.5 percent and 7.0 percent and the expected membership would amount to 449 people. The plan is expected to be 80 percent funded in six years, according to the EMS Plan Study. In addition, according to the CPRB Executive, if the numbers provided are validated, then the EMS plan should be manageable at 7.0 percent.

Members of the committee are exploring the parity issues between the Troopers' Plan B plan relative to the EMS proposed plan. For instance, Trooper Plan B's employee contribution is presently 12 percent while the EMS plan calls for 8.5 percent. While the EMS plan has lower contributions and earlier retirement (age 50), the Trooper Plan B has better benefits.

For further study and to ensure clarity, lawmakers are seeking a full financial and benefits comparison of PRS, the Trooper Plan B and the proposed EMS plan. Also lawmakers are seeking the amount of administrative costs related to the proposal, among other data.

## Select Committee A - Flooding & Railroad Issues

Lawmakers met and received an overview of the recommendations outlined in the Statewide Flood Protection Plan from committee staff and counsel. Among other suggestions, the plan recommends improving the flood warning system in incremental steps, encouraging federal remapping efforts and establishing a flood data repository.

Committee members also received a list compiled by FEMA outlining the top 10 recommendations for state legislators. These included taking a proactive role in floodplain management, insuring public buildings and encouraging constituents to buy flood insurance.

A representative from the National Weather Service then provided the committee with an update on rain gauges and rainfall figures throughout West Virginia. He suggested there currently is insufficient manpower to maintain the state's 280 rainfall gauges and only 60 percent of the devices are in working order.



### Select Committee B - Insurance

A spokesman for the National Association of Insurance Commissioners (NAIC) appeared before the committee to address concerns regarding homeowner's insurance in West Virginia.

The NAIC representative believes West Virginia should look at a competitive rating system which includes developing a valued policy law, cancellation and non-renewal laws, trust in competitive forces and assurances on availability and affordability of homeowners' insurance coverage.

In essence, competitive rating would implement competition within the insurance industry. But, for the plan to be successful, the search for data regarding information would have to be failsafe so no segment of the population is omitted.

The NAIC first adopted competitive rating in the mid-70s when it also first developed monitoring competition systems. Tools of technology, concepts, and collection of data have allowed for state of the art systems, said the spokesman.

In a Powerpoint presentation, lawmakers were given a step-by-step explanation of the competitive rating system developed by the NAIC, why it works, why insurers can't gouge, laws and regulations governing the system, ways to effect its implementation and monitoring the competition. The missing link for West Virginia appears to be lack of data regarding homeowners insurance. Numbers are needed to ensure costs and benefits are analyzed and reasonable market rates and efficient delivery of service are applied.

Consumers, it was suggested, also should be kept well informed so they may select an insurer within a competitive system. A public information hotline, websites, consumer information on prices and differences should be made available, as well as quality of services. The material could be collected by individuals who are on top of market developments, by the state fostering research, by using academics and utilizing the NAIC as a resource.

The NAIC representative noted that while data needs to be gathered, an information overload is not necessary. Propriety information must be protected, with the definition of propriety defined by legislative policy.

Also appearing before the committee was a Consumer Advocate for Homeowners' Insurance coverage. He noted that while many seniors who are not in escrow have asked for information, the very topic of home insurance coverage "glazes-over peoples' eyes" and choices regarding change

are confusing. The advocate also said that regulation is very important and arbitrary treatment (old home v. new home... replacement coverage) is unjust, as is devaluation of property without homeowners' knowledge. Rules on discontinuation should also be clearly established, the advocate said. In closing his presentation, the advocate told lawmakers West Virginia needs a "Regulator" to ensure protection for its citizens. He also suggested that the "Best Practices" model developed by the NAIC should be reviewed.

West Virginia's Insurance Commissioner attended the meeting to provide information regarding a sample of Missouri's Valued Policy Law as well as to respond to other insurance inquiries. Valued policy laws are to prevent a person from over-insuring his or her property. Missouri law notes that valued policy is applicable to both real and personal property: "If there is a total loss, the insurer is liable for the valued stated, less depreciation from the time of issuance to the time of loss. If the loss to the subject property is only partial, and the insured does not elect for the insurer to repair, the insurer shall pay the insured 'a sum of money equal to the damage done to the property.'" Further material on value policy may be obtained from the WV Insurance Commissioner.

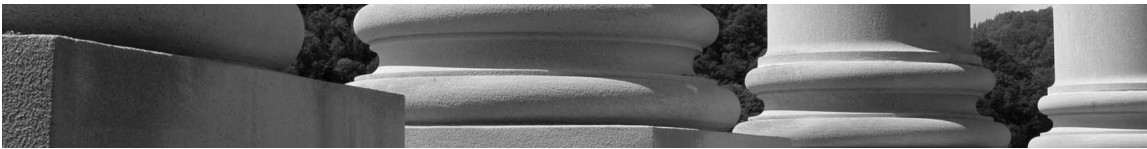
In the final presentations, some trial lawyers addressed the legislative membership to clarify responses made during the August Interims. They reiterated their belief that insurance coverage regarding home coverage is a national issue and not solely a problem for West Virginia. They, too, disavow credit scoring relative to coverage and note that third party lawsuits rarely result from a home insurance claim.

### Select Committee C - Pharmaceutical Availability & Affordability

The Co-Chair of the Pharmaceutical Cost Management Council, which was created under the Legislature's Pharmaceutical Availability and Affordability Act, provided committee members with the Reference Pricing Report and reviewed other associated recommendations. The task of this Council was to study ways to lower the cost of prescription drugs.

As outlined in the report, this Council recommends the Federal Supply Schedule (FSS), which is the most available domestic pricing schedule. The Council also will continue to explore the Australian Pharmaceutical Benefits Scheme (PBS) as a back-up.

She also spoke about the Rx for West Virginia program, which is a call center currently administrated by the pharmaceutical industry. Individuals who utilize the program are advised on pharmaceutical costs. Should the state take over control of



this program, the spokeswoman said it would cost more than \$800,000 each year.

The Council recommends that if the state does assume authority, then the program should be placed in the Department of Administration. However, the Council requested the Joint Committee on Government and Finance to accept its conclusion that a better option would be a state-sponsored central fill pharmacy with bulk replacement from willing manufacturers.

Additionally, the Council recommended that the Legislature consider establishing a position for a Chief Pharmaceutical Advocate. If created, she said, all pharmaceutical purchases should be consolidated into that new office.

### Select Committee D - Water Resources Protection

The committee heard a report from a representative of the Energy Efficiency Program for the State Development Office regarding "Future Gen," a zero emission facility to not only produce electricity, but to double as a research installation.

Given its vast coal reserves and abundance of water, West Virginia stands a better chance than rival states in landing a hydrogen power facility, the representative said. States in the running for the \$1.2 billion federal project must be able to provide both coal and water.

According to the representative, as the nation struggles to become less reliant on foreign energy, it has been predicted that today's imported oil - now at 55 percent of all used domestically - will rise to 75 percent by 2025. America now imports 15 percent of its natural gas, and by the same year, the figure is likely to increase to 25 percent, he said.

Overseeing the project would be a consortium that includes such major corporate players as American Electric Power and Consol Coal. Each consortium member would have to pay \$25 million to join.

Such a facility would burn an estimated 1 million tons of coal annually, but not all of that likely will be mined in West Virginia, since it also is to be used for research. The plant would also need an abundant water supply; it takes 2 million gallons of water daily to complete the process.

The facility would employ some 100 people.

Also during the meeting, a representative for Water and Waste Management for the Department of Environmental

Protection, told the committee that the much-discussed water quantity survey is well under way and promised the inventory would be in the Legislature's hands in a few months. Since geological data hasn't been gathered with any regularity, groundwater resources could prove difficult to estimate.

### Select Committee E - Racial Profiling

Resuming its continued studies on minority issues, this committee convened and first heard from a Recruitment Officer from the West Virginia State Police regarding public safety minority recruitment. He said after attending a recent national conference, he learned that West Virginia is in line with the rest of the country in this effort.

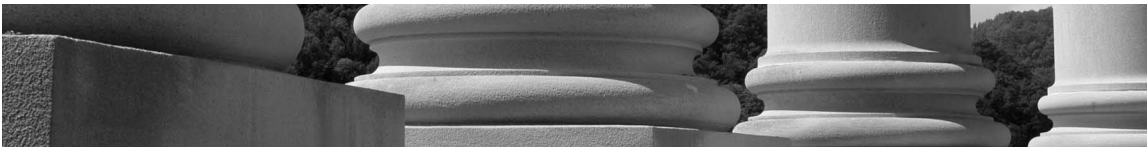
The Director of the West Virginia Economic Development Authority then presented members with the Authority's meeting minutes from September 10, 2004. The two primary conclusions derived from this meeting were that this legislative committee on racial profiling should become permanent and that accountability is essential on any policies implemented regarding minority-owned businesses.

The focus of the meeting then switched to health issues, specifically how sickle-cell diseases affect African Americans. A parent was first to speak on this topic and told lawmakers that there is a need for legislation that requires all hospitals to screen newborns for all sickle-cell diseases.

She said these are recessive diseases that produce abnormal blood cells that clot together and block blood flow. She further explained that most who suffer from a sickle-cell disease experience severe pain and long-term organ damage. Additionally, children often need blood transfusions and life expectancy for someone with one of these diseases is 40 - 50 years of age.

According to the speaker, the benefit of codifying this requirement would be that families and schools could implement managed care. Also, she stated, education could reduce the number of episodes affecting children.

The Director of the Department of Health and Human Resource's Office of Maternal, Child and Family Health then spoke to attending members regarding efforts being made within the medical community to screen newborns. She said although her office has no problem with adding this language to statute, she wants the message delivered that the job is being done. According to the Director, in 2003, 84 percent of newborns were screened and she believes that in 2004, 100 percent will have undergone metabolic screening.



The President of the Black Medical Society then told lawmakers that he believes an ongoing study of minority health issues is needed. He said healthcare disparities should be addressed and the healthcare workforce should be further diversified. Echoing these statements, the President of the Partnership of African-American Churches stressed that accurate data is needed to improve the health of the African American community.

The meeting closed with a report from the Deputy Director of Operations within the WV Division of Criminal Justice Services regarding the racial profiling rule and data collection. In October, this committee may hear from a Black Medical Society spokesperson from the Eastern Panhandle regarding minority health issues.

### Select Committee F - Campaign Finance Reform

Lawmakers have been reviewing fund raising and reporting requirements regarding campaign financing.

A spokesperson from West Virginia's Secretary of State's Office appeared before the committee to provide information regarding campaign reporting requirements.

According to the representative, the campaign law binds only persons who have filed a declaration of intent to run and seek public financing. Questions were raised regarding the amounts of money people can raise prior to qualifying as a candidate.

The Secretary of State's representative noted that all candidates and all committees who support or oppose a candidate must adhere to six reporting periods. Three are directed toward the primary, with a waiver for the first report if less than \$500 has been raised or expanded. Pre-primary reports are to be accomplished between the 10th and 17th day before the primary election. And a post-primary report is expected between the 25th and 31st day after the primary.

General election reports include one on the first Saturday in September and up to six days after; a pre-general report not less than 10 nor more than 17 days before the election and a post-general report no less than 25 nor more than 31 days after the general election.

If there is no debt or bills, a campaign account may be closed. If there is "carry-over" money remaining, a yearly report is required. In essence, a campaign account is to be reported until the account is closed.

Six reports a year have been suggested to be too frequent in a one year cycle for some lawmakers who noted that regular state and federal tax filings are added to a campaign treasurer's workload since many are CPAs or volunteers. A recommendation was made for the Secretary of State to devise a definitive reporting date once a year particularly in "off-election" years.

Members of the committee also were provided copies of New Jersey's Fair and Clean Elections Pilot Project. The pilot project establishes a temporary program for the public financing of candidates seeking election to that state's General Assembly (Legislature). The New Jersey bill presently affects two legislative districts. Legislators were asked to review the proposal before October Interims scheduled for Shepherdstown.

Candidates running for the Office of Secretary of State will be invited to attend the October meetings to participate in discussions regarding campaign finance reform.

View Interim Schedules and information on the West Virginia Legislature's website:  
<http://www.legis.state.wv.us/legishp.html>

<b>2004 - 2005 Interim Committee Meeting Dates</b>	September 19-21
	October 10-12 (Shepherdstown)
	November 7-9
	December 5-7
	January 9-11-05
	February 6-8-05

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