

From: "Willeford, Emily"
To: "Vestewig, Lauren J.", "Hernandez, Israel"
Cc: "Ullyot, Theodore W.", "Kavanaugh, Brett M.", "Forbes, Kristin J.", "Becker, Glynda A."
Subject: RE: 04-02 Political Briefing (WV)
Sent: Thu, 1 Apr 2004 16:44:00 -0500
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[Updated WV political briefing - please use this one.](#) Thanks.

-----Original Message-----

From: Vestewig, Lauren J.
Sent: Thursday, April 01, 2004 3:15 PM
To: Willeford, Emily; Hernandez, Israel
Cc: Ullyot, Theodore W.; Kavanaugh, Brett M.
Subject: 04-02 Political Briefing (WV)

my suggestions. thanks.

WEST VIRGINIA BRIEFING

STATE ISSUES

BUDGET CUTS

On March 22, the State Legislature passed a \$3.07 billion state budget. This budget is \$27 million less than Governor Bob Wise (D) proposed because the Legislature cut the tax increases the Governor had asked for on cigarettes and smokeless tobacco. Governor Wise claimed there would be a \$50 million Medicaid shortfall unless the Legislature approved the tax increases. The state would also lose Federal money, since it receives three dollars from the Federal government for each one dollar it spends on Medicaid. Legislators used funds from other programs to fill the gap in Medicaid without raising taxes. Governor Wise signed the bill on March 28, after using his line-item veto power to cut \$33.6 million in spending that would have been funded by a surplus from the video lottery. The final budget includes \$3.07 billion in general revenue and \$8.4 billion in overall spending.

WEIRTON STEEL

In May 2003, Weirton Steele filed for bankruptcy. On February 18, Weirton accepted a \$255 million buyout offer from Ohio-based International Steel Group (ISG), Inc., the Nation's number two integrated steelmaker. Other companies have until April 6 to submit counteroffers to buy Weirton; a committee of bondholders is considering such a bid, and an auction is scheduled for April 12. It is expected Weirton or ISG will go before bankruptcy court to stop Weirton's workers' compensation liabilities from being included in the sale.

ISG will not continue to offer Weirton's Independent Steelworkers Union retirees free health care, although it has \$3.7 million set aside for a Voluntary Employee Beneficiary Association to help retirees. On March 28, ISG and the International Steelworkers Union voted to accept a proposed five-year contract to preserve 2,000 of Weirton's 3,000 jobs and offer bonuses and quarterly profit-sharing. On March 15, a bankruptcy judge sustained Weirton's request to terminate payment of health care benefits to retired workers. Payments stopped on April 1.

NO CHILD LEFT BEHIND

On February 4, the State House of Delegates voted 79 to 18 to exempt West Virginia from the No Child Left Behind (NCLB) Act standards. The State Senate and House passed a resolution urging West Virginia's Congressional delegation to seek more Federal funding for the program. West Virginia has seen a \$55 million increase in

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Federal funding since 2001. Opposition to NCLB has come from Republicans and Democrats in both Houses.

MEDICAL MALPRACTICE

West Virginia's rising medical malpractice insurance costs have increasingly left physicians with no choice but to leave the state or seek expensive coverage from the State Board of Risk and Insurance Management. In March 2003, Governor Wise signed a bill to lower medical malpractice damage caps to \$250,000 for the majority of cases and \$500,000 for death, loss of limb, or trauma cases. Despite the reforms, Medical Assurance, the state's largest medical insurance provider, raised its premiums 15 percent. The State Insurance Commissioner said it will take more time for the reforms to result in lower insurance premiums.

The Patient Injury Compensation Fund was also approved last year. This fund would reimburse malpractice victims up to one million dollars for any damages they incurred over the \$500,000 cap. According to a bill recommended on February 27, the fund would start with \$6.6 million taken from health care provider taxes and continue with a tax on doctors.

PRESCRIPTION DRUGS

On March 13, the State House and Senate passed a compromise prescription drug bill. The bill creates a state pharmaceuticals commission to research ways to lower prescription drug costs in West Virginia, including tying the price of drugs to the Federal Supply Schedule. The Federal Supply Schedule, used to calculate the cost of drugs sold to the Federal government, is estimated to be 42 percent cheaper than retail prices. This method could save the state \$50 million. The bill also creates a clearinghouse to help people determine their eligibility for prescription drug discount programs and discount cards. Representatives of the pharmaceutical industry claim that if West Virginia restricts the price of drugs there, drug companies will have to raise prices elsewhere to make up the loss. The companies also contend that over 1,000 sales representatives will lose their jobs. Both Houses must pass a concurrent resolution on the pricing schedule before the plan can be implemented. Governor Wise plans to call a special session to vote on the plan this fall.

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FETAL HOMICIDE LEGISLATION

On March 2, the State Senate unanimously passed a bill making it a separate crime to commit an act of violence with the intent to harm a fetus. Prosecutors would have to prove intent, and the bill provides exemption from prosecution for any medical personnel for miscarriages or fetal deaths occurring during medical treatment, diagnostic testing, or fertility treatment. The bill passed the House of Delegates on March 12, but was vetoed by Governor Wise on March 23. State Senate Judiciary Chairman Jeff Kessler (D), the bill's Senate sponsor, is concerned the Governor may have received an older version of the bill. The version which eventually passed the Legislature included the phrase "in the womb," but the Governor cited the lack of that phrase as one reason for his veto. The Legislature has enough votes to override the Governor's veto, but there may not be enough votes to force the Legislature into a special session without the Governor's support. Legislators can force the Governor to call a special session if three-fifths of the elected members in each house sign a petition.

COUNCIL ON AGING

Bob Graham, Executive Director of Wyoming County's Council on Aging, has been criticized for his \$302,000 salary. The Council on Aging is a nonprofit group that provides homemaker and personal-care services to senior citizens in return for Medicaid reimbursements. One quarter of the reimbursement money comes from the state and three-quarters come from the Federal government. State officials and every member of West Virginia's Congressional delegation have denounced Graham's salary (the average county senior service director's salary of \$42,000). While Graham's salary was set by the Council on Aging's Board of Directors, many claim not to remember approving it. The Bureau of Senior Services, the State Legislature's Commission on Special Investigations, and the United States Attorney's Office are all investigating the Council's spending practices. Graham has said he will not quit. The Board of Directors voted on March 10 to lower his salary to \$99,000. State officials have said his salary was not illegal, because no rules exist concerning what is done with the Medicaid reimbursement money after it is dispensed to agencies. The Wyoming County Council on Aging will not receive any state funds until the investigation into its spending is complete.

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VIDEO LOTTERY

On October 10, 2003, the State Supreme Court heard oral arguments in a case challenging the constitutionality of the State's video lottery and the Economic Development Grant Committee. Governor Wise is concerned the elimination of the video lottery will cost the State \$500 million in revenue. Wise has also supported issuing video lottery revenue bonds worth \$225 million to fund development projects through the grant committee. During this legislative session, Governor Wise is focused on a proposal that would fund higher education research programs with a share of racetrack video lottery proceeds.

SEAT OF GOVERNMENT

When the State Lottery Commission attempted to move from Charleston in Kanawha County to Putnam County, the Kanawha County Commission sued to keep the Lottery Commission where it is. The State Constitution stipulates the "seat of government shall be at Charleston." State House Democrats have introduced legislation to amend the Constitution to allow state agencies to move elsewhere. Republicans and some Democrats oppose the amendment, and the issue has become contentious. Some Democrats on the House Constitutional Revision Committee walked out of a hearing on February 27 before the proposition could be voted on or the hearing could be adjourned, and the amendment was pulled on March 2. House Speaker Bob Kiss (D) reprimanded some Democrat committee chairs on March 3 for siding with the Republican House leadership, prompting some to offer letters of resignation. None of the letters were accepted.

WEST VIRGINIA NATIONAL GUARD

Nearly 500 members of the West Virginia National Guard received an official welcome home on March 31 at Fort Bragg, North Carolina. Members of the 1092nd Engineering Battalion returned to Fort Bragg after 14 months on active duty, including a year in Iraq. Governor Wise and State Adjutant General Alan Tackett participated in the ceremony. The soldiers provided security at oil wells; rebuilt orphanages and schools; and trained the Iraqi citizens in security. The 1092nd is based in Parkersburg, West Virginia.

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STATISTICS

2000 General Election Results
(Presidential):

	Total Votes	% Won
Bush	336,475	52%

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Gore	295,497	46%
Nader	10,680	2%

	Total Votes	% Won
Clinton	327,812	52%
Dole	233,946	37%
Perot	71,639	11%

1996 General Election Results
(Presidential):

The President's victory was one of the widest swings in West Virginia's history, with a 15 percent change for the Republican ticket between 1996 and 2000. The last Republican presidential candidate before President Bush to win West Virginia was Ronald Reagan in 1984, when he swept every state except Minnesota. In 1928, Herbert Hoover was the last non-incumbent Republican before the President to win West Virginia.

CONGRESSIONAL DELEGATION

U.S. SENATE:

- Robert C. Byrd (D), 8th term, re-elected in 2000 with 78%
- John D. Rockefeller (D), 4th term, re-elected in 2002 with 63%

U.S. HOUSE: 3 Total (2D, 1R)

- Alan. B Mollohan (D-01), 11th term, re-elected without opposition
- Shelley Moore Capito (R-02), 2nd term, re-elected with 60%
- Nick J. Rahall, II (D-03), 14th term, re-elected with 70%

STATE GOVERNMENT

Governor Bob Wise (D), 1st term, elected in 2000 with 50%
Secretary of State Joe Manchin, III (D), 1st term, elected in 2000 unopposed
Attorney General Darrell McGraw (D), 3rd term elected in 2000 unopposed
State Treasurer John Perdue (D), 2nd term, elected in 2000 unopposed
State Auditor Glen Gainer (D), 3rd term, elected in 2000 unopposed
State Agriculture Commissioner Gus Douglass (D), 9th term, elected in 2000 without opposition

State House: **100 (69D, 31R)**
Speaker: Robert S. Kiss (D)
Majority Leader: Rick Staton (D)
Minority Leader: Charles S. Trump, IV (R)

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State Senate: 34 (24D, 10R)
President: Earl Ray Tomblin (D)
Majority Leader: Truman Chaffin (D)
Minority Leader: Vic Sprouse (R)

STATE PARTY

Chairman:

Kris Warner
National Committeeman:

Bill Pauley
National Committeewoman: Donna Boley

STATE DEMOGRAPHIC PROFILE

Estimated Population 2000:

West Virginia: 1,808,344, an increase of 0.8% since 1990
National: 281,421,906, an increase of 13.1% since 1990

Race/Ethnicity:

West Virginia: 94.6% White; 3.2% African-American; 0.7% Hispanic; 0.5% Asian; 0.2% Native American
National: 69.1% White; 12.5% Hispanic; 12.3% African-American; 3.6% Asian; 0.9% Native American

Median Age:

West Virginia: 38.9 years (15.3% are 65 years and older)
National: 35.3 years (12.4% are 65 years and older)

College Educated:

West Virginia: 14.8%
National: 24.4%

Median Income:

West Virginia: \$27,696
National: \$41,994

Households:

West Virginia: 68.4% family households; 54.0% married couple families

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WEST VIRGINIA BRIEFING

National: 68.1% family households; 51.7% married couple families

(Source: 2000 U.S. Census Bureau)

YOUR PREVIOUS TRAVEL

Event	Date	City
Congressional Retreat	February 8, 2003	Greenbrier
Rally for Shelly Moore Capito	October 31, 2002	Charleston
Fourth of July Celebration	July 4, 2002	Ripley
Energy and Economy Message Event	January 22, 2002	Charleston
Homeland Defense Event at the West Virginia National Guard Headquarters	February 14, 2001	Charleston

THE VICE PRESIDENT'S PREVIOUS TRAVEL

Event	Date	City
Fundraiser for Shelley Moore Capito	September 15, 2003	Charleston
Fundraiser for Shelley Moore Capito	April 12, 2002	Charleston