



More Than \$1.6 Billion in Stimulus Funds Directed to West Virginia

Story by Walt Williams

Posted Wednesday, February 18, 2009

Infrastructure funding should save or create as many as 20,000 jobs in West Virginia, Rockefeller says.

CHARLESTON – -- More than \$1.6 billion in federal money is on the way to West Virginia through an economic stimulus bill signed by President Obama Feb. 17, with one elected official saying the money will save or create 20,000 jobs in the Mountain State.

The bill approved by Congress contains \$787 billion in spending and tax breaks meant to stimulate an economy now deep in recession. Among the spending items are billions for “shovel-ready” infrastructure projects and health care initiatives. Tax breaks for individuals and families also are in the bill.

More than \$1.6 billion of that money will come to West Virginia, according to Sen. Jay Rockefeller, D-W.Va. That includes \$351 million in job investments, \$551 million for education and technical training and \$664 million in health care for low-income families.

Families also will pay less in taxes with a \$400-per-individual/\$800-per-couple tax credit. Lowering the threshold for the child tax credit from \$12,000 to \$3,000 is expected to benefit more than 200,000 West Virginia families.

“We simply couldn’t wait for the economy to fix itself,” Rockefeller said in a news release. “There is far too much at stake, far too many jobs already lost in our state and far too many families struggling right now.”

Rockefeller said the infrastructure funding alone should save or create as many as 20,000 jobs in West Virginia. The Obama administration estimated the package would create or save 3.5 million jobs across the nation during the next two years and lift more than 2 million people out of poverty.

State officials across the nation have eagerly waited for the funding as they sought to plug huge budget deficits. West Virginia hasn’t experienced the same budget problems, but state leaders still looked forward to the money.

Gov. Joe Manchin said his office crafted its proposed state budget for the upcoming fiscal year not relying on any federal funding from the stimulus package. At the same time, his office is looking at implementing several health care reforms using the money and may delay a proposed hike in the state’s tobacco tax if it has enough funding for the reforms.

The AARP is among the advocates of the stimulus package. David Sloane, AARP’s senior vice president of government relations and advocacy, was following the bill closely as lawmakers hammered out the details in the days leading up to its passage.

“West Virginia is an oasis compared to what is going on around the country,” he said. “It is probably ironic for West Virginians to think of it that way, but there are many states that are in dire, dire shape. We’ve never seen a fiscal picture this bleak.”

Included in the stimulus package for West Virginia is a temporary \$450 million increase in Medicaid funding, \$163 million in additional food stamp support, more than \$20 million for community block grants to help the unemployed make rental and utility payments, \$585,000 for the school lunch program and \$289,000 for Meals on Wheels.

Also in the bill is more than \$19 billion in bonus Medicaid and Medicare payments nationwide for physicians and doctors who adopt electronic health care technologies in their offices. West Virginia lawmakers hope to use the state's share of the money to implement an electronic health care system, which was one of the major recommendations of a task force that spent last year exploring health care reforms.

Sloane said many states already have taken steps to implement such programs in anticipation of federal funding.

"It is not like we're starting from Jump Street," he said. "They've been talking about this for a number of years now."

Education is the next largest recipient after health care. Public schools, colleges and universities will receive \$219 million to help stabilize budget shortfalls. The state will receive another \$156 million in school construction bonds over two years to build and renovate schools in such a way that they will be energy efficient and promote technology.

The state will get \$210 million for road, bridge and highway construction and repair, \$62 million to provide clean drinking water to communities and nearly \$20 million for water and sewer infrastructure.

Other details of the plan include:

- a "making work pay" tax cut of up to \$400 for individuals earning below \$75,000 per year and up to \$800 for couples earning below \$150,000;
- expanding the earned-income tax credit to families with three or more children, helping an estimated 50,000 West Virginia families;
- giving tax relief to 86,000 West Virginians by preventing them from paying the Alternative Minimum Tax;
- \$3.4 billion for clean coal research and development nationwide;
- \$70 million to make West Virginia buildings more energy efficient;
- lowering COBRA health care premiums by 65 percent for unemployed West Virginians for up to nine months; COBRA recipients will be responsible for only 35 percent of COBRA premium costs;
- \$3.2 million in State Employment Service Grants to match unemployed individuals to job openings through state employment service agencies and provide customized reemployment services;
- \$3.6 million in Dislocated Workers State Grants to meet the needs of skilled workers;
- raising the weekly unemployment compensation benefit by \$25 and temporarily suspending federal income taxes on the first \$2,400 of unemployment assistance.