



BIC Pre-legislative Conference Highlights Hope in W.Va.

Optimism, momentum and unity were dominant themes during the West Virginia Business & Industry Council's 2018 Pre-Legislative Conference, held Dec. 5 at the newly renovated Charleston Civic Center.

"The Road Ahead" pre-legislative conference has become an annual event for BIC, providing an opportunity for government and business leaders to gather and discuss the upcoming legislative session.

BIC Chairman Chris Hamilton opened the conference by speaking of a new level of hope and excitement that has not been seen in West Virginia in a long time, possibly ever. On that note, Hamilton introduced Gov. Jim Justice by thanking him for bold leadership in conjunction with the West Virginia Legislature.

"We're on the cusp of greatness," said Gov. Jim Justice. "We've created a business climate that is really moving, we're changing how the state is perceived, and we're getting things done!"

Highlighting New Investments

Speaking to a crowd surpassing 120 and comprised of state legislators, executive branch officials and business leaders, Justice touted the many positive economic announcements occurring in the state, including the historic \$83.7 billion investment by the China Energy Investment Corp.

"President Trump, with my involvement, has brought the 800-pound gorilla to West Virginia in China Energy," Justice said. "This deal, which could result in over \$80 billion in investment in our state's energy, chemical and natural gas sectors, is truly a game changer at any level."

Speaking to the potential magnitude of the investment, Justice said, "You could bulldoze all the buildings in the West Virginia and rebuild them and likely not spend \$83 billion. It's unfathomable, and even if we only realized a small portion of that investment it would still change the complexion of our economy forever more."

Senate President Mitch Carmichael and House Speaker Tim Armstead joined the governor in addressing the forum.

"There are no social programs that will replace the benefits of a good job," Carmichael said. "With the multiple investment and expansion announcements over the past year, we are seeing job openings around the state."

Armstead said the state may not be out of the woods yet, but "we are light years ahead of where we were this time last year from a budget and economic standpoint."

"Our severance tax revenues are up for both coal and gas and revenues are growing at 4 percent overall," he said.

Both leaders touted that they are on the same page in terms of 2018 legislative priorities. Regulatory reform, education, tax and tort reform are the foundation of the policy initiatives that will be pursued when the session begins on Jan. 10, 2018.

Hamilton presented Armstead, Carmichael and Justice with BIC awards to recognize their outstanding leadership of West Virginia.

The Road Ahead, Literally and Budget-wise

Also taking center stage during the forum was discussion on the implementation of the road bond funding, which passed overwhelmingly in a special referendum in November. West Virginia Department of Transportation Secretary Tom Smith provided a detailed overview of where, how and when projects would be initiated.

“We will roll out \$2.8 billion worth of road and highway projects over the next four years,” Smith said. “The number of projects that we will engage in next year alone would have taken us eight years to complete under normal funding circumstances. This includes 187 projects on secondary roads, 60 miles of interstate projects and many others.”

House and Senate Finance Chairmen Eric Nelson and Craig Blair provided their budget outlook and legislative priorities for 2018.

“From a budget standpoint, I believe we’ve hit the trough and are coming up the other side,” said Nelson. “We are less than 1 percent below budget estimates now, where we were significantly under water this time last year. We will meet our budget this year.”

Nelson said a year ago, the state’s projected fiscal year revenue shortfall far exceeded \$400 million. This year, the projected shortfall is about \$150 million, a sum Nelson said would be far more manageable than the protracted budget struggles of last year.

Senator Blair highlighted his goal of pursuing income tax reform this upcoming session and changing on the budget hearing process for government departments and agencies.

“We tested every avenue last year, and we’re in a position in 2018 to make it a reality,” Blair said.

BIC Policy Committee Updates

Also during the BIC conference, participants heard direction from the leaders of six new policy committees that are helping to shape the organization’s legislative agenda going forward.

The committees and some of their policy priorities are as follows:

- Energy – led by Anne Blankenship, Charlie Burd and Bill Raney:
 - Natural Gas: Mineral efficiency – making use of mineral property to allow for modern drilling methods; and property tax reforms
 - Coal: Reduction in coal severance taxes; Economic Opportunity Tax Credit; “No stricter than” regulatory reform
- Health Care – led by Joe Letnaunchyn, Pat Kelly and Austin Wallace
 - Fund Medicaid
 - Target state funding for certain higher education programs; related workforce issues
 - Novel intervention programs for the opioid crisis
 - Reduce lawsuit abuse
 - Health care spending examination
- Manufacturing – led by Rebecca McPhail and Bryan Hoylman

- Inventory/Machinery & Equipment Tax Repeal
- Regulatory Balance
- Competitive Electric Rates
- Workforce Development
- Infrastructure/Roads – led by Mike Clowser and Traci Nelson
 - Make adequate infrastructure a priority as it impacts the basic needs of West Virginia citizens.
 - Highlight innovative ways for the state and municipalities to modernize their respective infrastructures.
 - Introduce new sources of funding for infrastructure, including private/public collaboration and community partnerships to help municipalities with their infrastructure challenges.
 - Review efficiencies of technology services in different state agencies to reduce redundancies through consolidation to take advantage of economies of scale, and review the federal and state permitting process that delays the design and construction of infrastructure development.
- Agriculture/Forestry – led by Dwayne Odell and Frank Stewart
 - Remediating Loggers' Worker Compensation coverages
 - Modernizing log/wood truck weight limits
 - Updating methods to identify markets for forest and agricultural products
 - Enhancing broadband and other rural/community infrastructures
- General Business – led by Ruth Lemmon and Bridget Lambert
 - Civil justice reform: achieve further stabilization of the business climate
 - Business Impact Taxes: Economic development impact taxes; metro government and municipal tax increases; inventory tax

'Trumponomics' and W.Va. Forward

Other speakers during the conference included West Virginia native John McNabb, a global energy industry leader and vice chairman of the American Leadership Council. McNabb spoke about his West Virginia upbringing and pathway to business success and becoming involved in the campaign of then-candidate and now-President Donald Trump.

McNabb also introduced Stephen Moore, distinguished visiting fellow at the Project for Economic Growth, part of the Institute for Economic Freedom and Opportunity at The Heritage Foundation.

Moore's presentation, "Why Trumponomics is Good for West Virginia" explained why the federal tax reform package sought by President Trump will spur more economic growth than it's projected price tag. He also stressed that the stock market already is responding favorably to the potential for tax reform. Failure to pass it, he said, could cause markets to plunge and wipe out recent gains in the economy.

The final speaker of the pre-legislative conference was West Virginia University President E. Gordon Gee, who presented some of the findings of the McKinsey Report, the foundation document for his West Virginia Forward initiative.

He said the McKinsey study was predicated on the question of how West Virginia can take advantage of being West Virginia. The report sets out how to reinforce the state's foundation for economic growth

and move forward using a five-part approach: build on existing assets, grow/diversify, find disruptive trends, consider regional impact and find quick wins.

In closing, Gee said the overwhelming victory of the Roads to Prosperity Amendment sends a big message to state leaders: “The Road Bond victory tells us voters said it’s about damn time we invested in ourselves.”

With a new level of excitement and hope in West Virginia’s future, Gee said it’s time to move West Virginia forward in a big way.