

Immediate Release

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\$136 million for State Budget at Stake in House Vote Senate-Passed Funding Will Erase Most of State's Deficit for Fiscal Year 2012

West Virginia stands to lose a significant amount of fiscal relief if legislation that the Senate approved last week, and the House is due to take up tomorrow, fails to become law. Both Senator Goodwin and Rockefeller voted in favor of the legislation which would provide \$136 million to West Virginia, including \$81 million in Medicaid funds and \$55 million in education funds. The bill must now go to the US House of Representatives.

"This takes us one step closer to good news for West Virginia's budget – and our state economy. These funds, along with our recent surplus, will help prevent teacher layoffs and other damaging cuts that ripple through the economy and put the recovery at risk", stated Ted Boettner, Executive Director for the West Virginia Center on Budget and Policy. The state ended FY 2010 with a budget surplus of \$90 million, half of which is transferred to the Rainy Day Fund.

The legislation passed with a vote of 61-30 in the US Senate. The proposed Medicaid funding will extend last year's federal support, scheduled to expire at the end of 2010 and allow West Virginia budget relief well into its current fiscal year, which began on July 1.

The federal assistance is as an extension of last year's Recovery Act. Congress hopes to further boost the nation's sluggish economy and help states reduce joblessness and budget deficits.

The state-by-state estimates, released by the Washington, DC-based Center on Budget and Policy Priorities, are available at: <http://www.cbpp.org/cms/index.cfm?fa=view&id=3258>.