

January 17, 2025

Just a few updates on the action coming out of the State Capitol this week as Governor Patrick Morrisey was inaugurated on Monday as the State's 37th Governor.

- On Day 1 of his Administration, Governor Morrisey issued a <u>series of Executive Orders</u> to implement various policies, including <u>Executive Order 7</u> related to childhood immunizations (see below). Several other Orders focus on state government efficiency and spending this fiscal year along with a review of state regulations and licensing rules to make West Virginia more competitive with neighboring states. To read a summary of the Executive Orders visit here.
- Executive Order 7 orders the Commissioner of the Bureau for Public Health and the State Health Officer to establish a process to accept religious and conscientious exemptions to immunization requirements for children in state schools and state regulated childcare centers. It further states that "a writing signed by the objector shall be sufficient proof to establish the objection." The order states that the Bureau for Public Health and State Health Officer must submit a plan to the Governor by Feb. 1, 2025, for any legislation and rules to allow the religious and moral belief exemptions to school and childcare immunization requirements. We expect the Legislature to move swiftly on the corresponding legislation when the session begins on Feb. 12 so, please be on the lookout for updates.
- Governor Morrisey also announced more appointments to his Cabinet and Executive Team
 including the new Department of Health Secretary Dr. Arvin Singh. He joins Alex Mayer who
 was appointed as the Secretary of the Department of Human Services earlier this month.
 Mayer will oversee the Medicaid program and the Office of Drug Control Policy among other
 bureaus, departments, and programs. An updated list of appointments by Governor
 Morrisey is available here.
- In a press conference yesterday, Governor Morrisey also spoke extensively about the state's financial outlook and said his administration projects a budget deficit of more than \$400 million for the coming fiscal year FY 26 (July 1, 2025 June 30, 2026). Morrisey described a "structural deficit" built into the baseline including a "heavy reliance on one-shot revenue paying for ongoing obligation." That's represented in the current budget, he said, by \$252 million in funds that really should be one-time spending to pay for ongoing

expenses. Of that, he said, \$153 million is from dollars that would have been set aside for Medicaid matching dollars. Morrisey also noted rising costs for the PEIA program as a major factor in the state's budget problems for FY 26 and cited inflation in the cost of prescription drugs. He also noted that the agency's five-year plan reflects anticipation of continued rising expenses. Other budget challenges cited: rising costs related to education, and some have noted the anticipated additional costs of the Hope Scholarship initiative. Morrisey said his administration would reinstate six-year budget projections that had been discontinued under the Justice administration. He said this will help with transparency, accountability, and responsible budgeting for the short and long term. Governor Morrisey presents his Budget to the Legislature on the first day of the session Feb. 12. Please follow our updates on the budget activity since Medicaid and PEIA have been cited in the Governor's on-going review of the state's financial outlook.

• Senate President Randy Smith, R-Preston, announced the remainder of his leadership team including Chairs and Vice Chairs of major standing committees. Of note, Senator Laura Chapman, R-Ohio, will be the new Senate Health Committee Chair and the Vice Chair will be Senator Vince Deeds, R-Greenbrier. The full Senate list announced this week is available here. Speaker Roger Hanshaw, R-Clay, previously announced his leadership team and Committee Chairs and Vice Chairs and that information is available here. Although Committee make-up for both the Senate and House have not yet been released, you can find a listing of Senate and House members here. We expect Committee appointments to be announced any day now and will keep you posted.

If you have any questions, comments, or concerns, please contact me. Thanks.

Tony