

Putting the 2004 Elections in Perspective

The 2004 elections have come and gone. The results are known. Now the question is – what does this all mean?

On the surface, not much appears to have changed at either the national or state level.

President George W. Bush won reelection by defeating Sen. John Kerry of Massachusetts. In doing so, the Republican incumbent became the first candidate since 1988 to receive a majority of the votes cast as he garnered a record 59.5 million votes. Bush's reelection has been at least partially attributed to the votes of rural residents and those concerned about the nation's values. Bush carried West Virginia easily and received its five electoral votes.

Also, the Republican Party expanded its majorities in both houses of the U.S. Congress. The party gained four senators, giving it a total of 55. One of those gains came in South Dakota as Tom Thune beat Sen. Tom Daschle, the minority leader. The remainder of the U.S. Senate is 44 Democrats and one Independent. Neither West Virginia Senate seat was up for election in 2004.

Republicans also gained three seats in the U.S. House of Representatives. Right now, the House has 231 Republicans, 201 Democrats, and one Independent, with two of the 435 seats to be decided in runoffs (both in Louisiana). All three West Virginia representatives won reelection: Democrat Alan Mollohan (1st District), Republican Shelley Moore Capito (2nd District), and Democrat Nick Rahall (3rd District).

In West Virginia, the Democratic Party maintained the governorship, with Joe Manchin easily besting Monty Warner. The Democrats also maintained control of both houses of the state Legislature, holding a 68 to 32 majority in the House and a 21 to 13 majority in the Senate.

But there were Republican gains. The party picked up one seat in the House and three in the Senate. It also captured several statewide offices, including Betty Ireland defeating former office holder Ken Heckler for secretary of state and Brent Benjamin unseating incumbent Warren McGraw for a full 12-year term on the state Supreme Court. However, because these gains were less than what had been predicted, there is some turmoil in the state Republican Party.

Overall, two senators and four delegates lost reelection bids. These included a pair of prominent Democrats: Del. Jerry Mezzatesta, (Hampshire County), who chaired the Education Committee prior to being embroiled in an ethics scandal, and Sen. Mike Ross (Randolph), the Transportation Committee chair.

In general, these election results mean that the leadership at the national and state levels will not change much. There will be changes in the presidential leadership team with turnover in the Bush cabinet, and there will be new initiatives. There will be some new leadership in Congress, in particular for the Democrats in the Senate.

In the Mountain State, the Governor's Office will change substantially, though it is anticipated that many of the new people in these posts will be familiar since both the current and incoming governors are from the same party. In the Legislature, there will be a new chair for the Senate Transportation Committee as well as some other reassignments.

Thus, with a few exceptions, many of the same people will be in the decision-making positions as were there two years ago. So, circumstances more than people will influence what gets done.

President Bush's second-term initiatives outlined in his convention acceptance speech include overhauling the tax code, expanding workforce development, pooling small business insurance, reforming medical liability, changing Social Security (through the initiation of private investment accounts), continuing education reform, increasing enrollment of eligible children into governmental medical insurance programs, and continuing to fight the war against terrorism. It remains to be seen how the support he gained from rural residents and those concerned about the nation's values will be translated into definite policy, however.

It will be probably be the war on terror and the burgeoning budget deficit, which exceeded \$400 billion

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2004 Elections in Perspective (cont.)

for FY2004, that will determine how much the president is able to accomplish in the next four years.

Meanwhile, as Governor-elect Manchin prepares to take over the state's top post, he has put together a 44-person transition team. The team is composed of a 21-person steering committee and seven committees – of three to four persons each – focused on major issues affecting the state.

More information is expected on the direction of the new administration between now and when Manchin takes office on Jan. 19, 2005. (See accompanying article for more details.)

Finally, while turnout was up nationally and statewide, a lot of people still did not vote. Almost 60 percent of eligible voters turned out across the country. That means that two out of every five people *did not vote*. Put another way, more people *did not vote* in the presidential election nationally than voted for either candidate. In West Virginia, more than 65 percent of the registered voters made it to the polls – which still means one out three people *did not vote*.

PIE Update Ends First Year

This is the fourth and final issue of the first year of the *PIE Update*. We hope you have found this newsletter useful.

This issue examines the meaning of the November election results. The focus is what changes the election will bring and what situation faces the incoming governor.

Current plans call for this quarterly newsletter to become a Web-based tool sometime in 2005. Until then, the newsletter will be sent to each WVU Extension county office and to each program unit director. (Because of a timing problem, hard copies of the Fall and Winter issues were sent out together.)

Once the *PIE Update* is converted to a Web-only publication, we will be able to include additional topics and articles. Furthermore, we will not necessarily be bound by the quarterly publication schedule, allowing for more timely discussion of major issues as they arise.

Throughout this year, I have tried to bring you news and information as well as occasional analysis of a major issue facing the state or nation. While I plan to continue this, there is another function that the *PIE Update* could fulfill. It is anticipated that Extension work teams will have much they wish to share throughout the organization related to policy issues in the coming months. This newsletter would be one venue where such information could be distributed and archived.

Along those lines, please let me know about any issue or issues that you would like to see examined in an upcoming issue so *PIE Update* can be as useful as possible for you.

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What Will Manchin Mean for West Virginia?

In about two months, West Virginia will have a new governor. Former state senator and current Secretary of State Joe Manchin easily won election. But that may be the easy part.

The seven topical areas of Governor-elect Manchin's transition team – legal, policy, education, economic development and tourism, health care and state-sponsored health plans, social services and government operations – provide some insight as to the issues he may want to address.

There have also been reports that Governor-elect Manchin may call a special session of the Legislature after he is inaugurated on Jan. 19, 2005. Such a session would deal with the structure of state government and the implementation of some recommendations of his transition teams before the Legislature reconvenes its regular session on Feb. 9.

The most pressing matter appears to be the state's financial health. This is not surprising given the previous predictions of ongoing deficits. And it is despite Governor Bob Wise's announcement in early November of a surplus of nearly \$244 million, including about \$190 million for the current fiscal year. Governor Wise has proposed that almost all of those extra funds be used to help reduce the nearly \$10 billion the state has in unfunded liabilities.

"Team Manchin" – the governor-elect's transition team – announced several findings related to the state's fiscal future.

✔ Projected growth in state tax collection will not keep up with expenses. This is because of a lack of population growth and a limited economic base. If the situation remains unchanged (e.g., if there is no additional economic expansion), the new administration will face budget shortfalls totaling \$382 million in its first three years.

✔ An aging state workforce will add to the problems in the near future. More than two of every five state employees are age 50 or older. This means the state's costs of retirement and health care benefits will increase.

✔ Unfunded liabilities continue to have a profound negative effect on the state. The state pension funds are short \$6.4 billion, and Workers' Compensation is short \$3.6 billion. And the state is spending an increasing amount of its budget as part of a 30-year plan to pay down those unfunded liabilities.

The transition team plans to announce important findings as it goes along. Its meetings are not open to the public, however. This means that the direction of the new administration will slowly become clearer over the next few weeks.

Also, the agenda probably will be somewhat conservative for two reasons. One is the state's financial situation described above. The other is the possible "meeting of the minds" of conservatives on "both sides of the aisle" (Republicans and Democrats) in the state Senate.