

West Virginia county rejects state-ordered education cuts

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A southern West Virginia county school board voted unanimously last week to reject draconian cuts to employee pay and benefits demanded by the state's school superintendent. The 5-0 vote on Thursday is the second time in as many weeks the Boone County school board rejected deep cuts for the 2016-17 school year and sets the stage for a potential state takeover of the county school district.

In a directive delivered to the Boone County school board on June 30—the day before the start of the new fiscal year—West Virginia schools superintendent Michael Martirano ordered the county to immediately slash its budget for the new school year before the West Virginia Board of Education (BOE) would approve it.

Martirano's directive called for the elimination of all professional and service employee positions not funded by the state school-aid funding formula, unless otherwise approved by his office. According to the *Charleston Gazette-Mail*, the district employed about 660 people and had 111 positions above the school-aid level at the close of the school year last month.

For those that remained employed, their pay was ordered to be cut immediately to “the 1984 amount” which would bring compensation in Boone County schools—currently among the highest in the state—down to the state-minimum salaries, representing pay cuts ranging from \$3,650 to \$4,000 per employee.

The directive also demanded that employer-paid vision and dental insurance be eliminated and retiree coverage be slashed to the minimum legally allowable following the successful passage of an excess levy by voters for the school district. However, in a revised order delivered to the school board last week, Martirano called for the scrapping of retiree coverage entirely.

The *Gazette-Mail* reported that a crowd of 90 people

applauded when the Boone school board voted to reject the state superintendent's directive at their June 30 meeting. A standing-room only crowd of 150 was present when the orders were defied again on July 7—the deadline given by Martirano for the board to pass a “fiscally sufficient” budget.

The state BOE claimed the proposed county school budget for FY 2016-17 submitted on May 16 underestimated expenses and overestimated revenue and would leave the district without enough money to meet payroll and expenses by April 2017. However, they delayed issuing their findings to the district school board until a day before the new fiscal year in an apparent effort to create an emergency situation and secure the desired cuts.

For their part, the three unions covering the district's employees urged a rejection of Martirano's directive on the grounds that the county needed more time to consider what cuts should be made and where.

“If he's [Martirano] going to force this on this board, you guys should not have to bear for his sins, you should not have to justify this flawed document by ratifying it without making him come to the table, explain it to us and allow us to work with him,” American Federation of Teachers representative Wes Toney advised the school board.

With about 85 percent of the county's education budget directly connected to personnel expenses, county schools superintendent Jeff Huffman claimed it would be virtually impossible to make any significant revisions to the budget without further layoffs. However, the legally mandated deadline for personnel changes for the upcoming school year passed on March 1.

Boone County is the epicenter of the crisis in the coal industry which according to *Bloomberg Business*

has lost 94 percent of its market value over the past five years, leading to scores of mine closures, thousands of layoffs, and sending dozens of coal companies to seek the protection of the bankruptcy courts.

Patriot Coal, which assumed the Appalachian coal operations of Peabody Energy and Arch Coal, has already undergone two bankruptcy reorganizations since 2012, while Peabody and Arch themselves entered into bankruptcy this year. Alpha Natural Resources, which purchased the Appalachian operations of Massey Energy in 2011 filed for bankruptcy last year. Murray Energy, which acquired the West Virginia operations of Consol Energy in 2013 is also on the verge of bankruptcy while it threatens to lay off some 4,400 coal miners.

The heart of coal production in West Virginia for decades, Boone was overtaken in 2012 by Marshall County in the Northern Panhandle as the state's top coal-producing county. According to statistics from the West Virginia Office of Miners' Health, Safety, and Training, coal production in Boone has plunged from nearly 21 million tons in 2011 to just over 7 million last year.

With the decline in coal production and the closure of dozens of operations, the county has hemorrhaged jobs. According to an analysis conducted by SNL Energy, Boone County lost more coal mining jobs than any other county in the country. In the four years between the fourth quarter of 2011 and the close of 2015, the county lost 3,169 coal mining jobs. Even this number has been overtaken by the rash of mining layoffs throughout Central Appalachia—southern West Virginia and Eastern Kentucky—since the start of 2016.

The county, whose budget is heavily dependent upon the excise taxes paid by coal operators on each ton of coal extracted, has been devastated by the industry's collapse. The county school district was only able to pay teachers their summer checks this year due to an emergency infusion of \$2.2 million by the state legislature enacted at a special session in June.

While the Boone County assessor had estimated tax revenues for FY 2015-16 would decline by about \$2.4 million, the shortfall turned out to be closer to \$9.3 million, representing an unexpected drop in the county's operating budget of nearly 17 percent. The county has also endured several budget cuts in recent years leveled by the state government.

Over the past year, the school board has voted to close three of the county's 10 elementary schools and eliminate 80 positions. Since the end of FY 2011-12, the school district has drained a reserve fund of about \$8.5 million, ending the most recent 2015-16 year with the largest deficit of any county school district in West Virginia.

Boone County, and southern Appalachia in general, is at the mercy of two interrelated processes. More than a century of coal mining has depleted the easy-to-reach reserves, leaving thinner seams which have placed the region at a disadvantage compared to domestic competitors in the Illinois basin and the massive strip mines of Wyoming's Powder River basin. Meanwhile, cheap and abundant natural gas has continued to capture coal's declining share of domestic energy production.

More fundamentally, however, the crisis enveloping southern West Virginia is an acute expression of the global crisis of capitalism. The collapse of the energy markets is bound up with the deepening stagnation of the global economy.



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