

WEST VIRGINIA LEGISLATURE
2016 FIRST EXTRAORDINARY SESSION

Introduced

Senate Bill 1002

BY SENATORS COLE (MR. PRESIDENT) AND KESSLER

(BY REQUEST OF THE EXECUTIVE)

[Introduced May 16, 2016]

1 A BILL expiring funds to the unappropriated balance in the State Fund, General Revenue, for the
2 fiscal year ending June 30, 2016, in the amount of \$12,150,000 from the Joint Expenses,
3 Tax Reduction and Federal Funding Increased Compliance (TRAFFIC), fund 0175, fiscal
4 year 2009, organization 2300, appropriation 64200; in the amount of \$8,500,000 from the
5 Attorney General, Consumer Protection Recovery Fund, fund 1509, fiscal year 2016,
6 organization 1500; in the amount of \$2,500,000 from the Department of Health and Human
7 Resources, West Virginia Health Care Authority – Health Care Costs Review Fund, fund
8 5375, fiscal year 2016, organization 0507; in the amount of \$29,000,000 from the
9 Department of Revenue, Office of the Secretary – Revenue Shortfall Reserve Fund, fund
10 7005, fiscal year 2016, organization 0701; in the amount of \$5,000,000 from the
11 Department of Revenue, Insurance Commissioner – Insurance Commission Fund, fund
12 7152, fiscal year 2016, organization 0704; in the amount of \$4,631,089.49 from the
13 Department of Revenue, Lottery Commission, Operating and Expenses Fund, fund 7200,
14 fiscal year 2016, organization 0705; and in the amount of \$2,000,000 from the Public
15 Service Commission, fund 8623, fiscal year 2016, organization 0926.

16 Whereas, The Governor submitted to the Legislature the Executive Budget document,
17 dated January 13, 2016, which included a Statement of the State Fund, General Revenue, setting
18 forth therein the cash balance as of July 1, 2015, and further included the estimate of revenues
19 for the fiscal year 2016, less net appropriation balances forwarded and regular appropriations for
20 the fiscal year 2016; and

21 Whereas, Current economic and fiscal trends are anticipated to result in projected year-
22 end revenue deficits, including potential significant shortfalls in Severance Tax, and shortfalls in
23 Personal Income Tax and Consumers Sales and Use Tax; and

24 Whereas, Unappropriated balances and projected year-end revenue surpluses in various
25 other General Revenue sources will only offset a small portion of these deficits; and

26 Whereas, The total projected year-end revenue deficit for the General Revenue Fund prior

27 to any budget or revenue adjustments was estimated at \$464.5 million; and

28 Whereas, On October 22, 2015, the Governor issued Executive Order 7-15 which directed
29 a spending reduction for General Revenue appropriations for fiscal year 2016 totaling
30 \$93,379,526; and

31 Whereas, The Legislature agreed to take voluntary action to effect a four percent spending
32 reduction of its General Revenue appropriation for fiscal year 2016 totaling \$938,067; and

33 Whereas, The Governor recommended and the Legislature passed SB 342, that reduced
34 General Revenue appropriations to the Department of Health and Human Resources and the
35 Bureau of Senior Services by \$53,900,000; and

36 Whereas, During the 2016 regular session the Legislature passed HB 4155, which expired
37 \$22,989,375 to the Medical Services Trust Fund from various special revenue balances; and

38 Whereas, The Secretary of the Department of Revenue has submitted a monthly General
39 Revenue Fund Collections Report for the first ten months of fiscal year 2016 as prepared by the
40 State Budget Office; and

41 Whereas, This report, which includes approximately \$110 million of additional revenue
42 collected due to previous legislative actions in SB 364 and SB 419 during the 2016 regular
43 session, demonstrates that the State of West Virginia has experienced a revenue shortfall of
44 approximately \$218.7 million for the first ten months of fiscal year 2016, as compared to the
45 monthly revenue estimates for the first ten months of the fiscal year 2016; and

46 Whereas, An additional \$63 million is anticipated to be collected in May and June due to
47 legislative action in SB 419; and

48 Whereas, There still remains an estimated deficit of \$111 million that must be addressed;
49 and

50 Whereas, The Governor intends to issue an additional Executive Order to reduce
51 spending from General Revenue appropriation for the Department of Health and Human
52 Resources for fiscal year 2016 totaling up to \$45,797,000; and

53 Whereas, The Revenue Shortfall Reserve Fund may be drawn on in the event of a revenue
54 shortfall in lieu of imposing additional reductions in appropriations; and

55 Whereas, The Governor finds that the account balances in the Joint Expenses, Tax
56 Reduction and Federal Funding Increased Compliance (TRAFFIC), fund 0175, fiscal year 2009,
57 organization 2300, appropriation 64200; in the Attorney General, Consumer Protection Recovery
58 Fund, fund 1509, fiscal year 2016, organization 1500; in the Department of Health and Human
59 Resources, West Virginia Health Care Authority – Health Care Costs Review Fund, fund 5375,
60 fiscal year 2016, organization 0507; in the Department of Revenue, Office of the Secretary -
61 Revenue Shortfall Reserve Fund, fund 7005, fiscal year 2016, organization 0701; in the
62 Department of Revenue, Insurance Commissioner – Insurance Commission Fund, fund 7152,
63 fiscal year 2016, organization 0704; in the Department of Revenue, Lottery Commission,
64 Operating and Expenses Fund, fund 7200, fiscal year 2016, organization 0705; and in the Public
65 Service Commission, fund 8623, fiscal year 2016, organization 0926, exceed that which is
66 necessary for the purposes for which the accounts were established; therefore

67 *Be it enacted by the Legislature of West Virginia:*

68 That the balance of the funds available for expenditure in the fiscal year ending June 30,
69 2016, in the Joint Expenses, Tax Reduction and Federal Funding Increased Compliance
70 (TRAFFIC), fund 0175, fiscal year 2009, organization 2300, appropriation 64200, be decreased
71 by expiring the amount of \$12,150,000; in the Attorney General, Consumer Protection Recovery
72 Fund, fund 1509, fiscal year 2016, organization 1500, be decreased by expiring the amount of
73 \$8,500,000; in the Department of Health and Human Resources, West Virginia Health Care
74 Authority – Health Care Costs Review Fund, fund 5375, fiscal year 2016, organization 0507, be
75 decreased by expiring the amount of \$2,500,000; in the Department of Revenue, Office of the
76 Secretary - Revenue Shortfall Reserve Fund, fund 7005, fiscal year 2016, organization 0701, be
77 decreased by expiring the amount of \$29,000,000; in the Department of Revenue, Insurance
78 Commissioner – Insurance Commission Fund, fund 7152, fiscal year 2016, organization 0704, be

79 decreased by expiring the amount of \$5,000,000; in the Department of Revenue, Lottery
80 Commission, Operating and Expenses Fund, fund 7200, fiscal year 2016, organization 0705, be
81 decreased by expiring the amount of \$4,631,089.49; and in the Public Service Commission, fund
82 8623, fiscal year 2016, organization 0926, be decreased by expiring the amount of \$2,000,000,
83 all to the unappropriated balance of the State Fund, General Revenue, to be available during the
84 fiscal year ending June 30, 2016.

NOTE: The purpose of this supplemental appropriation bill is to expire funds from the aforesaid accounts to the State Fund, General Revenue unappropriated balance for the fiscal year 2016.