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JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

January 11, 2011

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
December 15, 2010

1:00 - 2:00 p.m.

Senate Finance Room

1. **Approval of November 17, 2010, minutes**
2. **Committee Reports/Requests:**
3. **Monthly/Quarterly Reports Distribution:**
Status Reports on the Lottery Commission, Unemployment Compensation Trust Fund,
and General Revenue Fund
4. **Division of Highways**
5. **Workforce WV Unemployment Compensation Trust Fund Distribution**
6. **Monthly/Quarterly Reports Distribution**
PEIA
BRIM
CHIP
Real Estate Report
7. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources**
Medicaid Report
8. **Investment Management Board**
9. **Workers' Compensation**
10. **Board of Treasury Distribution**
11. **WV Higher Education Policy Commission**
12. **Other Business**
13. **Scheduled Interim Dates:** January 9-11 (Sunday, Monday and Tuesday)
14. **Adjournment**

December 15, 2010

2:00 - 3:00 p.m.

Joint Committee on Government and Finance

Senate

Tomblin, Chair (absent)
Chafin (absent)
Helmick
Kessler
Plymale
Deem
Hall

House

Thompson, Chair
Boggs
Caputo
Miley
White
Armstead (absent)
Border

Speaker Thompson, Cochair, presided.

1. Approval of Minutes

Upon motion by Delegate Boggs, properly adopted, the minutes of the November 17, 2010, meeting were approved.

2. Committee Reports/Requests:

None

3. Lottery, General Revenue Reports and Unemployment Compensation Trust Fund

Distributed to members of the Committee were the following: Lottery Commission reports for the month ended October 31, 2010; General Revenue Fund report for the month ended November 30, 2010; and the Unemployment Compensation Trust Fund report as of October 31, 2010. Distributed with each of the reports were an analysis and a summary of the reports.

4. Division of Highways

Marvin Murphy, State Highway Engineer for Division of Highways, reported to the Committee that the paving cycle is from 20 to 31 years. Mr. Murphy said 95% of projects that were planned in 2010 were completed.

5. Workforce WV - Unemployment Compensation Trust Fund

A report of the Workforce WV - Unemployment Compensation Trust Fund was distributed. Russell Fry, Acting Executive Director said there is \$85 million in trust fund and prediction is slightly better than last year.

6. **PEIA, BRIM and CHIP Reports**

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending October 31, 2010.

The following reports from CHIP were distributed: A report of enrollment for November 30, 2010 and financial statements for period ending October 31, 2010. Secretary Ferguson said the enrollment is 2% lower than last year.

The following monthly PEIA reports were distributed: Monthly Management Report and Prescription Drug Report for October 2010. Secretary Ferguson said prescription claims are up about 10% this year and 5% higher on medical claims.

7. **Real Estate Report, Department of Administration**

A real estate report for November 1, 2010 through November 30, 2010, was distributed.

8. **Departments of Health and Human Resources (DHHR) Monthly Reports**

A Medicaid report for September 2010 data was distributed. John Law, Assistant Secretary, introduced the new DHHR Secretary, Dr. Mike Lewis.

9. **Investment Management Board**

An Investment Management Board report dated October 31, 2010, was distributed.

10. **Workers' Compensation**

A Workers' Compensation report dated December 9, 2010, was distributed.

11. **Board of Treasury Investments Report Distribution**

A Board of Treasury Investments Report dated October 31, 2010 was distributed.

12. **WV Higher Education Policy Commission**

A WV Higher Education Policy Commission Authority purchase of property letter was distributed.

13. **Division of Highways Distribution**

A Division of Highways report of activities and accomplishments was distributed.

14. **Other Business**

The meeting was adjourned.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

*Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590*



304-347-4870

January 5, 2011

Executive Summary of Lottery, Unemployment, General Revenue and State Road Fund Reports to Joint Committee

Lottery Commission as of November 30, 2010 :

Gross profit for the months of July - November 2010 (FY 2011) was \$ 250.5 million.

General Revenue Fund as of December 31, 2010:

Revenue collections for the first half of the fiscal year 2011 were 109% of the estimate.

State Road Fund as of December 31, 2010:

Fund collections were at 101.24% of the yearly estimate.

Unemployment Compensation Trust as of November 30, 2010:

Regular benefits paid for fiscal year 2011 were \$ 76.6 million less than in July - November of fiscal year 2010. Trust fund ending balance on November 30, 2010 was \$93,265,045.88.

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590



. 304-347-4870

MEMORANDUM

To: Honorable Chairmen and Members of the Joint Committee on
Government and Finance

From: Ellen Clark, CPA *EC*
Director Budget Division
Legislative Auditor's Office

Date: January 5, 2011

Re: Review of West Virginia Lottery Financial Information
As of November 30, 2010 (FY 2011)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the months of July - November of the 2010-2011 fiscal year from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$ 580,969,000.00 for July - November of fiscal year 2011. Table games accounted for \$25.6 million of this total. Historic Resort Hotel video lottery and table games accounted for \$2.7 million of total gross receipts. These gross receipts were \$578,420,000.00 for July - November of the preceding fiscal year, 2009-2010. Gross lottery revenue has increased by less than 1 percent (0.44) from the preceding fiscal year. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July - November

Lottery

Joint Committee on Government and Finance

Lottery continued

2010 was \$250,660,000.00; for July - November of last fiscal year it was \$249,915,000.00. Expressed as a percentage, gross profit is less than 1% (0.30) higher for fiscal year 2011 than for fiscal year 2010.

Operating Income:

Operating income was \$ 240,504,000.00 for July - November 2010. For the preceding July - November it was \$ 240,490,000.00. This was an increase of less than 1% (0.01%). After additions and subtractions of non-operating income and expenses, distributions to the state were \$235,934,000.00 for July - November 2010 (FY 2011).

Operating Transfers to the State of West Virginia:

A total of \$ 235,934,000.00 has been accrued to the state of West Virginia for fiscal year 2010-2011. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. (Amounts owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$ 51,368,000.00
Community and Technical College	\$2,500,000.00
Department of Education	\$ 24,402,000.00
Library Commission	\$ 8,646,000.00
Higher Education-Central Office	\$ 8,956,000.00
Tourism	\$ 5,862,000.00
Department of Natural Resources	\$ 2,674,000.00

Lottery

Lottery continued

Division of Culture and History	\$ 4,513,000.00
Department of Education and Arts	\$ 876,000.00
State Building Commission	\$ 5,000,000.00
School Building Authority	\$ 9,000,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$123,797,000.00

Excess Lottery Fund

General Purpose Fund	\$ 65,000,000.00
Economic Development Fund	\$ 9,500,000.00
Excess Lottery Surplus	\$ 0.00
Education Improvement Fund	\$ 5,000,000.00
WV Infrastructure Council Fund	\$ 31,814,000.00
Higher Education Improvement Fund	\$ 29,000,000.00
Refundable Credit	\$ 737,000.00
State Park Improvement Fund	3,977,000.00
School Building Authority	9,500,000.00
TOTAL EXCESS LOTTERY FUND	\$154,528,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	629,000.00
State Debt Reduction Fund	187,000.00
Tourism Promotion Fund	29,000.00
Total Historic Hotel	845,000.00

Lottery

Lottery continued

Veterans Instant Ticket Fund 315,000.00
 Table Games State Debt Reduction Fund 10,534,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$3,982,000.00
Development Office Promo Fund	\$1,086,000.00
Research Challenge Fund .5%	\$1,448,000.00
Capitol Renovation and Improvement Fund .6875%	\$1,991,000.00
Parking Garage Fund .0625%	\$181,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,170,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$1,227,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$22,585,000.00
TOTAL TRANSFERS	*\$312,604,000.00

* CASH BASIS

Total Accrued last FY 2010: 241,039,000.00
 Total Cash Distributions FY 2011: 312,604,000.00
 Applied to FY 2010: 241,039,000.00
 Total Applied to FY 2011 71,565,000.00
 Total Accrued for FY 2010 0
 Accrued for FY 2011 as of November 30: 164,369,000.00

Lottery



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Earl Ray Tomblin
Governor

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director 

RE: Monthly Report on Lottery Operations
Month Ending November 30, 2010

DATE: December 14, 2010

This report of the Lottery operations is provided pursuant to the State Lottery Act.

Financial statements of the Lottery for the month ending November 30, 2010 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$108,624,383 for the month of November.

Transfers of lottery revenue totaling \$42,099,834 made for the month of November to the designated state agencies per Senate Bill 213, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 18 and 19 of the attached financial statements.

The number of traditional and limited retailers active as of November 30, 2010 was 1,591 and 1,592 respectively.

A listing of the names and amounts of prize winners has been provided to the Clerk of the Senate, the Clerk of the House and Legislative Services.

If any member of the Committee has questions concerning the Lottery, please call me. Also if any members of the Legislature wish to visit the Lottery offices, I would be pleased to show them our facilities and discuss the Lottery with them.

JCM/rd
Attachment

pc: Honorable Earl Ray Tomblin, Governor
John Perdue, Treasurer
Glen B. Gainer III, Auditor
Members of the West Virginia Lottery Commission

www.wvlottery.com



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

November 30, 2010

WEST VIRGINIA LOTTERY

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WEST VIRGINIA LOTTERY
BALANCE SHEETS
(In Thousands)
-Unaudited-

ASSETS	November 30, 2010	June 30, 2010
Current Assets:		
Cash and cash equivalents	\$ 166,985	\$ 256,355
Accounts receivable	40,286	26,986
Inventory	569	683
Other assets	<u>2,168</u>	<u>2,273</u>
Total Current Assets	<u>210,008</u>	<u>286,297</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	8,355	8,355
Capital assets	40,094	39,524
Less accumulated depreciation and amortization	<u>(16,908)</u>	<u>(16,175)</u>
Net Capital Assets	<u>23,186</u>	<u>23,349</u>
Total Noncurrent Assets	<u>31,541</u>	<u>31,704</u>
Total Assets	<u>\$ 241,549</u>	<u>\$ 318,001</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 164,369	\$ 241,039
Deferred LVL permit fees	6,419	-
Estimated prize claims	12,716	13,128
Accounts payable	2,398	3,050
Other accrued liabilities	<u>19,264</u>	<u>24,401</u>
Total Current Liabilities	<u>205,166</u>	<u>281,618</u>
Total Liabilities	<u>205,166</u>	<u>281,618</u>
Net Assets:		
Invested in capital assets	23,186	23,349
Unrestricted	4,842	4,679
Restricted assets (see note 12)	<u>8,355</u>	<u>8,355</u>
Total Net Assets	<u>36,383</u>	<u>36,383</u>
Total Liabilities and Net Assets	<u>\$ 241,549</u>	<u>\$ 318,001</u>

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FIVE MONTH PERIOD ENDED NOVEMBER 30, 2010

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2010	2009	2010	2009
Lottery revenues				
On-line games	\$ 6,072	\$ 5,858	\$ 30,747	\$ 36,129
Instant games	9,033	6,746	42,218	37,230
Racetrack video lottery	55,427	58,798	316,825	328,356
Limited video lottery	31,923	31,123	162,872	163,069
Table games	5,551	2,259	25,605	13,444
Historic resort	618	132	2,702	192
	<u>108,624</u>	<u>104,916</u>	<u>580,969</u>	<u>578,420</u>
Less commissions				
On-line games	426	410	2,153	2,528
Instant games	633	473	2,955	2,606
Racetrack video lottery	30,333	32,192	184,124	191,185
Limited video lottery	15,642	15,250	79,807	79,904
Table games	2,385	888	11,004	5,286
Historic resort	291	62	1,377	89
	<u>49,710</u>	<u>49,275</u>	<u>281,420</u>	<u>281,597</u>
Less on-line prizes	3,821	3,013	16,080	18,067
Less instant prizes	6,157	4,524	28,797	25,121
Less ticket costs	118	95	887	548
Less vendor fees and costs	600	520	3,125	3,172
	<u>9,896</u>	<u>8,152</u>	<u>48,889</u>	<u>46,908</u>
	<u>49,018</u>	<u>47,489</u>	<u>250,660</u>	<u>249,915</u>
Gross profit				
Administrative expenses				
Advertising and promotions	773	747	4,314	2,901
Wages and related benefits	951	870	4,850	4,523
Telecommunications	52	53	256	335
Contractual and professional	334	288	1,782	1,845
Rental	55	47	277	285
Depreciation and amortization	147	149	733	826
Other administrative expenses	103	80	648	461
	<u>2,415</u>	<u>2,234</u>	<u>12,860</u>	<u>11,176</u>
Other Operating Income	<u>160</u>	<u>85</u>	<u>2,704</u>	<u>1,751</u>
Operating Income	<u>46,763</u>	<u>45,340</u>	<u>240,504</u>	<u>240,490</u>
Nonoperating income (expense)				
Investment income	24	21	137	153
Distributions to municipalities and counties	(626)	(610)	(3,192)	(3,196)
Distributions - capital reinvestment	(1,235)	(1,292)	(1,515)	(1,497)
Distributions to the State of West Virginia	(44,926)	(43,454)	(235,934)	(235,916)
	<u>(46,763)</u>	<u>(45,335)</u>	<u>(240,504)</u>	<u>(240,456)</u>
Net income	<u>-</u>	<u>5</u>	<u>-</u>	<u>34</u>
Net assets, beginning of period	<u>36,383</u>	<u>83,217</u>	<u>36,383</u>	<u>83,188</u>
Net assets, end of period	<u>\$ 36,383</u>	<u>\$ 83,222</u>	<u>\$ 36,383</u>	<u>\$ 83,222</u>

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE FIVE MONTH PERIOD ENDED NOVEMBER 30, 2010

(In Thousands)

-Unaudited-

	2010	2009
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 576,792	\$ 575,273
Cash payments for:		
Personnel costs	(4,317)	(4,523)
Suppliers	(8,874)	(4,457)
Other operating costs	<u>(322,048)</u>	<u>(330,262)</u>
Cash provided by operating activities	<u>241,553</u>	<u>236,031</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(312,604)	(229,230)
Distributions to municipalities and counties	(3,191)	(3,220)
Distributions to racetrack from racetrack cap. reinv. fund	<u>(14,695)</u>	<u>(12,791)</u>
Cash used in noncapital financing activities	<u>(330,490)</u>	<u>(245,241)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(570)</u>	<u>(275)</u>
Cash flows from investing activities:		
Investment earnings received	<u>137</u>	<u>153</u>
Cash provided by investing activities	<u>137</u>	<u>153</u>
Increase (decrease) in cash and cash equivalents	(89,370)	(9,332)
Cash and cash equivalents - beginning of period	<u>264,710</u>	<u>295,225</u>
Cash and cash equivalents - end of period	<u>\$ 175,340</u>	<u>\$ 285,893</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 240,504	\$ 240,490
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	733	826
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(13,300)	(4,899)
(Increase) decrease in inventory	114	158
(Increase) decrease in other assets	105	97
Increase (decrease) in estimated prize claims	(412)	(884)
Increase (decrease) in accounts payable	(652)	664
Increase (decrease) in deferred revenue	6,419	-
Increase (decrease) in other accrued liabilities	<u>8,042</u>	<u>(421)</u>
Cash provided by operating activities	<u>\$ 241,553</u>	<u>\$ 236,031</u>

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

The West Virginia Lottery (Lottery) was established by the State Lottery Act (Act) passed April 13, 1985, which created a special fund in the State Treasury designated as the "State Lottery Fund." The purpose of the Act was to establish and implement a state-operated lottery under the supervision of a state lottery commission (Commission) and a director. The Commission, consisting of seven members and the Director are appointed by the Governor. Under the Act, the Commission has certain powers and the duty to establish rules for conducting games, to select the type and number of gaming systems or games and to enter into contracts and agreements, and to do all acts necessary or incidental to the performance of its duties and exercise of its power and duty to operate the Lottery in a highly efficient manner. The Act provides that a minimum annual average of 45% of the gross amount received from each lottery shall be allocated for prizes and also provides for certain limitations on expenses necessary for operation and administration of the Lottery. To the extent available, remaining net profits are to be distributed to the State of West Virginia. As the State is able to impose its will over the Lottery, the Lottery is considered a component unit of the State and its financial statements are presented in the comprehensive annual financial report of the State as a blended proprietary fund component unit.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of the Lottery is presented below.

BASIS OF PRESENTATION -- The West Virginia Lottery is a component unit of the State of West Virginia, and is accounted for as a proprietary fund special purpose government engaged in business type activities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," and with accounting principles generally accepted in the United States of America, the financial statements are prepared on the accrual basis of accounting which requires recognition of revenue when earned and expenses when incurred. As permitted by Governmental Accounting Standards Board (GASB) Statement No. 20, "*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*," the Lottery has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989 unless the GASB specifically adopts such FASB statements or interpretations.

The Lottery is included in the State's basic financial statements as a proprietary fund and business type activity using the accrual basic of accounting. Because of the Lottery's presentation in these financial statements as a special purpose government engaged in business type activities, there may be differences in presentation of amounts reported in these financial statements and the basic financial statements of the State as a result of major fund determination.

USE OF ESTIMATES -- The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and develop assumptions that affect the amounts reported in the financial statements and related notes to financial statements. Actual results could differ from management's estimates.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

LOTTERY GAME OPERATIONS -- The West Virginia Lottery derives its revenues from four basic types of lottery games: instant, on-line, video type games, and table games. The Lottery develops multiple game themes and prize structures to comply with its enabling legislation, including aggregate annual minimum prize provisions. All bonded retailers and agents comprised principally of grocery and convenience stores serve as the primary distribution channel for instant and on-line lottery sales to the general public.

The Lottery has contracted with a private vendor to manufacture, distribute, and provide data processing support for instant and on-line games. Under the terms of the agreements, the Lottery pays a percentage of gross revenues or gross profits for the processing and manufacture of the games.

Revenue from instant games is recognized when game tickets are sold to the retailers, and the related prize expense is recorded based on the specific game prize structure. Instant ticket sales and related prizes do not include the value of free plays issued for the purpose of increasing the odds of winning a prize.

Sales of on-line lottery tickets are made by licensed agents to the public with the use of computerized terminals. On-line games include POWERBALL®, a multi-state "jackpot" game; HOT LOTTO®, a multi-state "lotto" game; Mega Millions®, a multi-state "jackpot" game; Cash25 "lotto" game; Daily 3 and 4 "numbers" games; and Travel, a daily "keno" game. Revenue is recognized when the agent sells the tickets to the public. Prize expense is recognized on the basis of actual drawing results.

Commissions are paid to instant game retailers and on-line agents at the rate of seven percent of gross sales. A portion of the commission not to exceed one and one quarter percent of gross sales may be paid from unclaimed prize moneys. The amount paid from unclaimed prize moneys is credited against prize costs. In addition, retailers and agents are paid limited bonus incentives that include prize shares on winning tickets they sold and a ticket cashing bonus on winning tickets they cash. On a weekly basis, retailers and agents must remit amounts due to the Lottery. Retailers may not be able to order additional instant tickets if payment has not been made for the previous billing period, while an agent's on-line terminal may be rendered inactive if payment is not received each week. No one retailer or agent accounts for a significant amount of the Lottery's sales or accounts receivable. Historically credit losses have been nominal and no allowance for doubtful accounts receivable is considered necessary.

Video lottery is a self-activated video version of lottery games which is operated by an authorized licensee. The board-operated games allow a player to place bets for the chance to be awarded credits which can either be redeemed for cash or be replayed as additional bets. The coin operated games allow a player to use coins, currency, or tokens to place bets for the chance to receive coin or token awards which may be redeemed for cash or used for replay in the coin operated games. The video lottery games' prize structures are designed to award prizes, or credits, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as video lottery revenue "gross terminal income" equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to the private and local government entities are reported as commissions. WV Lottery statutes have established specific requirements for video lottery and imposed certain restrictions limiting the licensing for operation of video lottery games to horse and dog racetracks in West Virginia (subject to local county elections permitting the same), limited licensed retailer areas restricted for adult amusement, and licensed historic resort hotels as defined by WV Code.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The legislation further stipulates the distribution of revenues from video lottery games, and requires any video lottery licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

Table games are lotteries as each game involves consideration, the possibility of a prize, and their outcome is determined predominantly by chance, which the common law of West Virginia has long held are the three essential elements of a lottery. Table games are the exclusive intangible intellectual property of the state of West Virginia. Table games legislation has established specific requirements for table games and imposed certain restrictions limiting the licensing for operation of table games to horse and dog racetracks in West Virginia (subject to local county elections permitting the same), and licensed historic resort hotels as defined by WV Code. Each licensee as an agent of the Lottery Commission to operate West Virginia table games shall have written rules of play for each table game it operates which must be approved by the Commission. All wagers and pay-offs of winning wagers shall be made according to those rules of play. For the privilege of holding a table games license, there is levied a privilege tax of thirty-five percent of each licensee's adjusted gross receipts for the operation of West Virginia Lottery table games. Amounts required by statute to be paid to private and local government entities are reported as commissions. The legislation further stipulates the distribution of revenues from West Virginia table games, and requires any licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents primarily consist of interest-earning deposits in an external investment pool maintained by the West Virginia Board of Treasury Investments (BTI). The BTI pool is a 2a-7 like pool carried at amortized cost which approximates fair value of the underlying securities.

INVENTORY – Inventory consists of instant game tickets available for sale to approved Lottery retailers and is carried at cost as determined by the specific identification method.

OTHER ASSETS – Other assets consist of deposits restricted for payment of certain Multi-State Lottery Association activities and prepaid expenses.

CAPITAL ASSETS – The Lottery has adopted a policy of capitalizing assets with individual amounts exceeding \$25,000. These assets include leasehold improvements and purchased equipment, comprised principally of technology property, office furnishings and equipment necessary to administer lottery games, are carried at cost. Depreciation is computed by the straight-line method using three to ten year lives.

ADVERTISING AND PROMOTIONS – The Lottery expenses the costs of advertising and promotions as they are incurred.

COMPENSATED ABSENCES – The Lottery has accrued \$500,740 and \$467,815 of at June 30, 2010 and 2009, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in an other postemployment benefits plan (see Note 16).

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NET ASSETS – Net assets are presented as restricted, unrestricted and invested in capital assets which represent the net book value of all property and equipment of the Lottery. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

OPERATING REVENUES AND EXPENSES – Operating revenues and expenses for proprietary funds such as the Lottery are revenues and expenses that result from providing services and producing and delivering goods and/or services. Operating revenues for the Lottery are derived from providing various types of lottery games. Operating expenses include commissions, prize costs, other direct costs of providing lottery games, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 3 - CASH AND CASH EQUIVALENTS

At November 30, 2010 the carrying amounts of deposits (overdraft) with financial institutions were (\$11) thousand with a bank balance (overdraft) of \$13 thousand. Of this balance \$250 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

A summary of the amount on deposit with the West Virginia Board of Treasury Investments (BTI) is as follows (in thousands):

	<u>November 30, 2010</u>	<u>June 30, 2010</u>
Deposits with financial institutions	\$ (11)	\$ (60)
Cash on hand at the Treasurer's Office	26,041	40,006
Investments with BTI reported as cash equivalents	<u>149,310</u>	<u>224,764</u>
	<u>\$ 175,340</u>	<u>\$ 264,710</u>

The deposits with the BTI are part of the State of West Virginia's consolidated investment cash liquidity pool. Investment income is pro-rated to the Lottery at rates specified by the BTI based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pool. Such funds are available to the Lottery with overnight notice.

WEST VIRGINIA LOTTERY
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NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended November 30, 2010 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2010	Additions	Deletions	Historical Cost At November 30, 2010
Construction in Progress	\$ 20,174	\$ 442	\$ -	\$ 20,616
Land	1,434	-	-	1,434
Improvements	1,170	-	-	1,170
Equipment	16,746	128	-	16,874
	<u>\$ 39,524</u>	<u>\$ 570</u>	<u>\$ -</u>	<u>\$ 40,094</u>
Accumulated Depreciation:				
	Historical Cost At June 30, 2010	Additions	Deletions	Historical Cost At November 30, 2010
Improvements	\$ 1,131	\$ 5	\$ -	\$ 1,136
Equipment	15,044	728	-	15,772
	<u>\$ 16,175</u>	<u>\$ 733</u>	<u>\$ -</u>	<u>\$ 16,908</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

The Lottery is a member of the Multi-State Lottery (MUSL), which operates the semi-weekly POWERBALL® jackpot lotto game, the HOT LOTTO® game, and the MEGA MILLIONS® jackpot game on behalf of participating state lotteries. MUSL is currently comprised of 33 member state lotteries, including the District of Columbia and the United States Virgin Islands. MUSL is managed by a Board of Directors, which is comprised of the lottery directors or their designee from each of the party states. The Board of Directors' responsibilities to administer the Multi-State Lottery Powerball, Hot Lotto, and Mega Millions games are performed by advisory committees or panels staffed by officers and independent contractors appointed by the board. These officers and consultants serve at the pleasure of the board and the board prescribes their powers, duties and qualifications. The Executive Committee carries out the budgeting and financing of MUSL, while the board contracts the annual independent audit. A copy of the audit may be obtained by writing to the Multi-State Lottery Association, 1701-48th Street, Suite 210, West Des Moines, Iowa 50266-6723.

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, HOT LOTTO® and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended November 30, 2010 and year-to-date is as follows:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY (continued)

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 2,887,819	\$ 14,704,556
Hot Lotto	573,231	2,535,075
Mega Millions	534,382	3,037,999
Total	\$ 3,995,432	\$ 20,277,630

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,378,748	\$ 7,283,157
Hot Lotto	273,574	1,251,810
Mega Millions	281,576	1,568,316
Total	\$ 1,933,898	\$ 10,103,283

MUSL places a percentage of game sales from each game in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. The applicable sales percentage contribution as well as the reserve fund limit for the MUSL games is as follows:

	<u>PowerBall</u>	<u>Hot Lotto</u>	<u>Mega Millions</u>
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$125,000,000	\$9,000,000	N/A

At November 30, 2010, the Lotteries share of the prize reserve fund balances were as follows:

<u>Game</u>	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 116,022,572	\$ 2,389,260
Hot Lotto	7,141,370	443,972
Mega Millions	(955,083)	(5,333)
Total	\$ 122,208,859	\$ 2,827,899

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to direct obligations of the United States Government, perfected repurchase agreements, and obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY (continued)

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$15,848,900 at November 30, 2010, of which the Lottery's share was \$1,755,415.

NOTE 6 - RACETRACK VIDEO LOTTERY

The Racetrack Video Lottery legislation stipulates the distribution of racetrack video lottery revenues. This legislation has been amended since inception to restate revenue distribution based on revenue benchmarks. Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. Sixty-six percent (66%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (47%); other private entities associated with the racing industry (17%); and the local county and municipal governments (2%). The remaining revenues (34%) of net terminal revenue is allocated for distribution to State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 10 titled "Nonoperating Distributions to the State of West Virginia."

The first benchmark occurs when the current year net terminal revenue meets the fiscal year 1999 net terminal revenue. The counties and incorporated municipalities split 50/50 the two percent (2%) net terminal revenue.

The second benchmark occurs when the current year gross terminal revenue meets the fiscal year 2001 gross terminal revenue. The four percent (4%) is no longer allocated for lottery administrative costs; instead the State receives this for distribution as specified by legislation or the State budget.

The final benchmark occurs when the current year net terminal revenue meets the fiscal year 2001 net terminal revenue. At this point a 10% surcharge is applied to net terminal revenue, with 58% of the surcharge allocated for distribution to the State as specified by legislation or the State budget, and 42% of the surcharge allocated to separate capital reinvestment funds for each licensed racetrack.

After deduction of the surcharge, 55% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (11%); and the local county and incorporated municipality governments (2%). The remaining net terminal revenue (45%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 10. Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframe; otherwise amounts accumulated in the fund revert to the state excess lottery revenue fund.

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of 4% of the amount wagered. A summary of racetrack video lottery revenues for the month ended November 30, 2010 and year-to-date follows (in thousands):

WEST VIRGINIA LOTTERY
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NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

	Current Month		Year-to-Date	
	2011	2010	2011	2010
Total credits played	\$ 616,333	\$ 641,976	\$ 3,470,061	\$ 3,523,743
Credits (prizes) won	(553,667)	(577,282)	(3,116,794)	(3,174,333)
Promotional credits played	(7,018)	(5,486)	(34,970)	(19,217)
MWAP Contributions	(221)	(410)	(1,472)	(1,837)
Gross terminal income	55,427	58,798	316,825	328,356
Administrative costs	(1,009)	(1,074)	(11,088)	(11,487)
Net Terminal Income	54,418	57,724	305,737	316,869
Less distribution to agents	(30,333)	(32,192)	(184,124)	(191,185)
Racetrack video lottery revenues	<u>\$ 24,085</u>	<u>\$ 25,532</u>	<u>\$ 121,613</u>	<u>\$ 125,684</u>

A summary of video lottery revenues paid or accrued for certain state funds to conform with the legislation follows (in thousands):

	November 30, 2010	Year-to-Date
State Lottery Fund	\$ 7,262	\$ 81,035
State Excess Lottery Revenue Fund	13,592	16,118
Capital Reinvestment Fund	1,218	1,429
Tourism Promotion Fund 1.375%	692	4,135
Development Office Promotion Fund .375 %	188	1,128
Research Challenge Fund .5 %	252	1,504
Capitol Renovation & Improvement Fund .6875 %	346	2,068
Parking Garage Fund .0625 %	31	188
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	252	1,254
Capitol Dome & Capitol Improvements Fund .5 %	252	1,254
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 24,085</u>	<u>\$ 121,613</u>

NOTE 7 - LIMITED VIDEO LOTTERY

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. Such percentage is between 30 and 50 percent and is subject to change on a quarterly basis. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 - LIMITED VIDEO LOTTERY (continued)

video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses. A summary of limited video lottery revenues for the month ended November 30, 2010 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2011	2010	2011	2010
Total credits played	\$ 377,364	\$ 367,198	\$ 1,921,330	\$ 1,918,726
Credits (prizes) won	(345,441)	(336,075)	(1,758,458)	(1,755,657)
Gross terminal income	\$ 31,923	\$ 31,123	\$ 162,872	\$ 163,069
Administrative costs	(638)	(623)	(3,257)	(3,262)
Gross Profit	31,285	30,500	159,615	159,807
Commissions	(15,642)	(15,250)	(79,807)	(79,904)
Municipalities and Counties	(626)	(610)	(3,192)	(3,196)
Limited video lottery revenues	<u>\$ 15,017</u>	<u>\$ 14,640</u>	<u>\$ 76,616</u>	<u>\$ 76,707</u>

NOTE 8 - TABLE GAMES

Table Games legislation passed in 2007 per House Bill 2718. Table games include blackjack, roulette, craps, and various types of poker. Each racetrack licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts which will be deposited weekly into the Racetrack Table Games Fund.

From the gross amounts deposited into the Racetrack Table Games Fund, the Commission, on a monthly basis shall:

Retain 3% of the adjusted gross receipts for administrative expenses of which at least \$100,000 and not more than \$500,000 annually will be transferred to the Compulsive Gambling Treatment Fund. Transfer two and one-half percent of adjusted gross receipts from all thoroughbred racetracks with West Virginia Lottery table games to the special funds established by each thoroughbred racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee and transfer two and one-half percent of adjusted gross receipts from all greyhound racetracks with West Virginia Lottery table games to the special funds established by each greyhound racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee. Transfer two percent of the adjusted gross receipts from all licensed racetracks to the Thoroughbred Development Fund and the Greyhound Breeding Development Fund to be divided pro rata among the development funds. Transfer one percent of the adjusted gross receipts from each licensed racetrack to the county commissions of the counties where racetracks with West Virginia Lottery table games are located to be divided pro rata among the counties. Transfer two percent of the adjusted gross receipts from each licensed racetrack to the governing bodies of municipalities within counties where racetracks with West Virginia Lottery table games are located as prescribed by statute. And transfer one-half of one percent of the adjusted gross receipts to the governing bodies of municipalities in which a racetrack table games licensee is located to be divided equally among the municipalities. The Commission will distribute the remaining amounts, hereinafter referred to as the net amounts in the Racetrack Table Games Funds as follows:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 – TABLE GAMES (continued)

- 1) Transfer four percent into a special fund to be established by the Racing Commission to be used for payment into the pension plan for all employees of each licensed racing association;
- 2) Transfer ten percent, to be divided and paid in equal shares, to each county commission in the state where table games are not located;
- 3) Transfer ten percent, to be divided and paid in equal shares, to the governing bodies of each municipality in the state where table games are not located; and
- 4) Transfer seventy-six percent to the State Debt Reduction Fund.

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10-Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month ended November 30, 2010 and year-to-date were \$15,859,558 and \$73,156,763, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2011	2010	2011	2010
Table Games Privilege Tax	\$ 5,551	\$ 2,259	\$ 25,605	\$ 13,444
Interest on Table Games Fund	¹ (635)	¹ (194)	³ (2,927)	¹ (1,152)
Administrative costs				
Total Available for Distribution	4,917	2,065	22,681	12,293
<u>Less Distributions:</u>				
Racetrack Purse Funds	396	161	1,829	960
Thoroughbred & Greyhound Development Funds	317	129	1,463	768
Racing Association Pension Plan	133	62	615	369
Municipalities/ Counties	1,539	536	7,097	3,189
Total Distributions	2,385	888	11,004	5,286
State Debt Reduction Fund	<u>\$ 2,532</u>	<u>\$ 1,177</u>	<u>\$ 11,677</u>	<u>\$ 7,007</u>

NOTE 9 – HISTORIC RESORT HOTEL

In 2009, the Legislature passed Senate Bill 575 which permits video lottery and table games at a licensed historic resort hotel which is defined as “a resort hotel registered with the United States Department of the Interior as a national historic landmark in its National Registry of Historic Places having not fewer than five hundred guest rooms under common ownership and having substantial recreational guest amenities in addition to the gaming facility.”

Historic Resort Video Lottery

According to Senate Bill 575, thirty six percent (36%) of gross terminal income is allocated to Historic Resort Hotel Fund and seventeen percent (17%) of gross terminal income is allocated to the Human Resource Benefit Fund. The remaining forty-seven percent (47%) of gross terminal income is then subject to a ten percent (10%) surcharge which is allocated to separate capital reinvestment funds for each licensed historic resort hotel. The remaining forty-two and three-tenths percent (42.3%) of gross terminal income is retained by the

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – HISTORIC RESORT HOTEL (continued)

historic resort hotel. A summary of historic resort hotel video lottery revenues for the month ended November 30, 2010 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2011	2010	2011	2010
Total credits played	\$ 3,863	\$ 717	\$ 21,114	\$ 974
Credits (prizes) won	(3,484)	(641)	(19,213)	(871)
Promotional credits played	(21)	-	(72)	-
Gross terminal income	358	76	1,829	103
Capital reinvestment	(17)	(4)	(86)	(5)
Administrative costs	(19)	(4)	(99)	(5)
Hotel commissions	(152)	(32)	(774)	(44)
Net terminal income	170	36	870	49
Historic Resort Hotel Fund	109	23	559	32
Human Resource Benefit Fund	61	13	311	17

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month ended November 30, 2010 and year-to-date were \$742,157 and \$2,494,976, respectively.

The following table shows the month and year -to- date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2011	2010	2011	2010
Table games privilege tax	\$ 260	\$ 56	\$ 873	\$ 90
Administrative Costs	(33)	(7)	(112)	(12)
Total Available for Distribution	227	49	761	78
Historic Resort Hotel Fund	190	41	636	65
Human Resource Benefit Fund	37	8	125	13

Historic Resort Hotel Fund

Of the monies deposited into the Historic Resort Hotel Fund, fifteen percent (15%) is allocated for lottery administrative costs. The remaining Historic Resort Hotel Fund net income (gross deposits less 15%) is distributed as follows:

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NOTE 9 – HISTORIC RESORT HOTEL (continued)

- 1) Sixty-four percent (64%) is paid to the State of West Virginia General Revenue Fund;
- 2) Nineteen percent (19%) is paid to the State Debt Reduction Fund;
- 3) Three percent (3%) is paid to the State of West Virginia Tourism Promotion Fund;
- 4) Four percent (4%) is paid to the county where the gaming facility is located;
- 5) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 6) Two and one-half percent (2.5%) is divided and paid in equal shares to the remaining municipalities in the county where the gaming facility is located;
- 7) Two and one-half percent (2.5%) is divided and paid in equal shares, to each county commission in the state where the gaming facility is not located;
- 8) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

A summary of Historic Resort Hotel Fund revenues and related distributions is as follows (in thousands):

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 109	\$ 559
Historic Resort Table Games	190	636
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	<u>299</u>	<u>1,195</u>
Municipalities/ Counties	42	167
State General Revenue Fund	191	766
State Debt Reduction Fund	57	227
State Tourism Promotion Fund	9	35
Total Distributions	<u>\$ 299</u>	<u>\$ 1,195</u>

NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2011 the State Legislature budgeted \$166,119,364 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$1,000,000, and \$500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$4,800,000 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended November 30, 2010 the Lottery made such distributions and accrued additional distributions of \$40,125,133. The Lottery is a non-appropriated state

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NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)

agency and therefore does not have a budget adopted by the Legislature. Since the enactment of the Racetrack Video Lottery Act, the Lottery is also statutorily required to distribute income from racetrack video lottery operations as described in Note 6. For the month ended November 30, 2010, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of \$673,187, \$2,531,584, and \$257,082, respectively.

Note 7 describes the Limited Video Lottery Act and the statutory distributions required to be made from limited video lottery operations. Note 8 describes the Table Games Act and the statutory distributions required to be made from table games operations. Note 9 describes the Historic Resort Hotel statutory distributions to be made from historic resort operations.

A summary of the cash distributions made to certain state agencies to conform to the legislation follows (in thousands):

<u>BUDGETARY DISTRIBUTIONS</u>	<u>November 30, 2010</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 2,500
Bureau of Senior Services	7,437	51,368
Department of Education	3,533	24,402
Library Commission	1,252	8,646
Higher Education-Policy Commission	1,297	8,956
Tourism	849	5,862
Natural Resources	387	2,674
Division of Culture & History	653	4,513
Department of Education & Arts	127	876
Building Commission	1,000	5,000
School Building Authority	1,800	9,000
Total State Lottery Fund	<u>\$ 18,835</u>	<u>\$ 123,797</u>

WEST VIRGINIA LOTTERY
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NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,900	\$ 9,500
Higher Education Improvement Fund	1,000	5,000
General Purpose Account	-	65,000
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	1,543	3,977
School Building Authority	1,900	9,500
Refundable Credit	-	737
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	12,345	31,814
Total State Excess Lottery Revenue Fund	\$ 18,688	\$ 154,528
Total Budgetary distributions:	\$ 37,523	\$ 278,325
Veterans Instant Ticket Fund	\$ 38	\$ 315

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 658	\$ 3,982
Development Office Promotion Fund .375%	179	1,086
Research Challenge Fund .5%	240	1,448
Capitol Renovation & Improvement Fund .6875%	329	1,991
Parking Garage Fund .0625 %	30	181
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	240	1,170
Capitol Dome & Cap. Improvements Fund .5%	240	1,227
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 1,916	\$ 22,585

Table Games State Debt Reduction Fund	\$ 2,414	\$ 10,534
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Historic Resort Hotel distributions:

State General Revenue Fund	\$ 156	\$ 629
State Debt Reduction Fund	46	187
Tourism Promotion Fund	7	29
Total	\$ 209	\$ 845

**Total nonoperating distributions to the
State of West Virginia (cash basis)**

\$ 42,100 \$ 312,604

Accrued nonoperating distributions, beginning

(161,543) (241,039)

Accrued nonoperating distributions, end

164,369 164,369

\$ 44,926 \$ 235,934

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the year-to-date ended November 30, 2010 and November 30, 2009 approximated \$276,589 and \$285,290 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the month ended November 30, 2010 and year-to-date were \$86,197 and \$431,232, respectively. Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2011	\$ 538
2012	939
2013	962
2014	986
2015	248
Total	\$ 3,673

NOTE 12 – RESTRICTED NET ASSETS

On June 14, 2006, House Bill 106 was enacted by the West Virginia State Legislature to set aside unexpended administrative expenses of the Lottery up to the limits for such expenses established by the enabling legislation of traditional, racetrack video lottery, and limited video lottery games in an amount not to exceed \$20,000,000 beginning in fiscal year 2006 and each year through fiscal year 2012. These assets are to be set aside for the design and construction of a building for the use of the Lottery and certain other State of West Virginia governmental entities. Contributions to the fund for fiscal years ending June 30, 2010 and June 30, 2009 were as follows:

	June 30, 2010	June 30, 2009
Beginning balance	\$ 69,870	\$ 58,487
Additions		
Enabling legislation additions		10,817
Interest earned on restricted net assets	93	566
Deductions		
Asset acquisition	(21,608)	-
Surplus of excess funds	(40,000)	-
Ending balance	\$ 8,355	\$ 69,870

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 13 - COMMITMENTS

For the year ended June 30, 2010, the Lottery Commission has designated \$3,031,185 of unexpended administrative funds for the acquisition of capital assets. As of June 30, 2010 and 2009, \$5,921,057 and \$12,817,601, respectively, are included in unrestricted net assets and invested in capital assets for this purpose.

NOTE 14 - RETIREMENT BENEFITS

All full-time Lottery employees are eligible to participate in the State of West Virginia Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit public employee retirement system. The PERS is one of several plans administered by the West Virginia Consolidated Public Retirement (CPRB) under the direction of its Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, Secretary of the Department of Administration, and nine members appointed by the Governor. CPRB prepares separately issued financial statements covering all retirement systems it administers, which can be obtained from Consolidated Public Retirement Board, 4101 MacCorkle Ave. S.E., Charleston, West Virginia 25304-1636.

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement. Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 12.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending November 30, 2010 and year-to-date are as follows (in thousands):

	November 30, 2010	Year-to-Date
Lottery contributions	\$ 76	\$ 393
Employee contributions	27	141
Total contributions	\$ 103	\$ 534

NOTE 15 - RISK MANAGEMENT

The Lottery is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Lottery participates in several risk management programs administered by the State of West Virginia. Each of these risk pools has issued separate audited financial reports on their operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract and ten-year claim development information. Complete financial statements of the individual insurance enterprise funds can be obtained directly from their respective administrative offices.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 15 - RISK MANAGEMENT (continued)

WORKERS' COMPENSATION INSURANCE

The Lottery carries workers compensation insurance coverage through a privatized business entity, BrickStreet Mutual Insurance Company (BrickStreet), established January 1, 2006, and named the administrator of former state workers' compensation fund activities. BrickStreet is paid a monthly administrative fee and rated premium to provide compensations for injuries sustained in the course of employment. The monthly administrative fee for the Lottery has been set at levels consistent with prior year payments and any rate or premium increases will be established on an experience rated basis.

The Lottery participates in the BrickStreet experience rated pool, which is rate adjusted on a quarterly basis. The BrickStreet risk pool retains all risk related to the compensation of injured employees under the program in exchange for the premiums paid.

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

The Lottery participates in the Public Employees' Insurance Agency which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State agencies, institutions of higher education, Boards of Education and component units of the State. In addition, local governmental entities and certain charitable and public service organizations may request to be covered by PEIA. PEIA provides a base employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Underwriting and rate setting policies are established by PEIA. The cost of all coverage as determined by PEIA shall be paid by the participants. Premiums are established by PEIA and are paid monthly, and are dependent upon, among other things, coverage required, number of dependents, state vs. non state employees and active employees vs. retired employees and level of compensation. Coverage under these programs is limited to \$1 million lifetime for health and \$10,000 of life insurance coverage.

The PEIA risk pool retains all risks for the health and prescription features of its indemnity plan. PEIA has fully transferred the risks of coverage to the Managed Care Organization (MCO) Plan to the plan provider, and has transferred the risks of the life insurance coverage to a third party insurer. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan. Altogether, PEIA insures approximately 205,000 individuals, including participants and dependents.

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

The Lottery participates in the West Virginia Board of Risk and Insurance Management (BRIM), a common risk pool currently operating as a common risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The Lottery pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains the risk of the first \$1 million per property event and purchases excess insurance on losses above that level. Excess coverage, through an outside insurer under this program is limited to \$200 million per event, subject to limits on certain property. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 16- OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Lottery participates in the West Virginia Other Postemployment Benefits Plan (OPEB Plan) of the West Virginia Retiree Health Benefit Trust Fund (Trust), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the West Virginia Public Employee Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers. The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit provisions to the WVPEIA board of trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, 601 57th Street, South East, Suite 2, Charleston, West Virginia, or by calling 1-888-680-7342.

Funding Policy

The Code requires the OPEB Plan bill the participating employers 100% of the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month.

The ARC rate is \$903 and \$901 per employee per month for the years ending June 30, 2011 and 2010 respectively. Through June 30, 2010 and 2009, the Lottery has paid premiums of \$226,212 and \$185,563. As of June 30, 2010 and 2009, the Lottery has recorded a liability of \$1,484,546 and \$251,867 on its balance sheet for OPEB.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

*Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590*



, 304-347-4870

Memorandum

To: Honorable Chairmen and Members of the Joint Committee on
Government and Finance

From: Ellen Clark, C.P.A. *EC*
Director Budget Division
Legislative Auditor's Office

Date: January 5, 2011

Re: Status of General Revenue Fund and State Road Fund
December 31, 2010

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the first half of fiscal year 2010-2011. The status of the fund collections are as follows:

The net collections were **109.00%** of the estimate for the fiscal year as of December 31, 2010. **The amount above estimate was \$159 million for the year.**

Personal Income Tax collections were \$ 35 million over the estimate for the fiscal year.

Consumer sales and use tax collections were \$21 million over the estimate for the fiscal year.

Severance tax collections were \$26.8 million over the estimate.

Liquor License renewal is \$ 8.6 million over the estimated amount.

Corporate Income and Business Franchise Tax collections were \$63

Joint Committee on Government and Finance

million over the estimate as of December 31, 2010

State Road Fund

The state road fund was collected at 101.24% of the estimate for the months of July - December 2010. Privilege tax collections were \$ 8 million over the estimate. Gasoline tax was \$ 8 million over the estimate. The entire fund was \$ 3.7 million above the estimate for the year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A(Rainy Day Fund) had a cash balance of \$ 334,653,139.45 as of December 31, 2010.

Balance July 1, 2010	276,949,590.37
Cash flow loan to General Revenue on July 1, 2010. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands; repaid in September. Repaid September 2010.	- 56,000,000.00 + 56,000,000.00
Revenues (Surplus previous fiscal year)	51,314,324.75
Earnings	6,389,224.33
Balance December 31, 2010	334,653,139.45

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 298,323,023.70 as of December 31, 2010.

Balance July 1, 2010	279,073,099.52
Earnings	19,249,924.18
Balance December 31, 2010	298,323,023.70

The Special Income Tax Reserve Fund had a cash balance of \$45,019,319.21 as of December 31, 2010.

Balance July 1, 2010	45,019,319.21
Revenues	-0-
Balance December 31, 2010	45,019,319.21

Monthly Revenue Estimates

as of December 30, 2010 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	120,700,000	112,240,957	-8,459,043	682,300,000	717,870,079	35,570,079
Consumer Sales Tax & Use Tax	91,900,000	95,653,661	3,753,661	560,100,000	581,119,607	21,019,607
Severance Tax	30,000,000	33,414,543	3,414,543	168,050,000	194,914,470	26,864,470
Corp Income /Business Franchise	40,300,000	78,021,463	37,721,463	98,500,000	161,621,026	63,121,026
HB 102 - Lottery Transfers	0	8,006,691	8,006,691	65,000,000	73,006,691	8,006,691
Tobacco Products Tax	9,490,000	10,730,291	1,240,291	57,500,000	57,273,464	-226,536
Business and Occupation	8,100,000	3,398,076	-4,701,924	52,900,000	51,980,071	-919,929
Insurance Tax	50,000	50,413	413	51,250,000	51,223,400	-26,600
Interest Income	1,300,000	-1,416,484	-2,716,484	6,900,000	4,994,406	-1,905,594
Liquor Profit Transfers	750,000	765,000	15,000	6,150,000	6,495,958	345,958
Liquor License Renewal	40,000	167,708	127,708	5,760,000	14,385,667	8,625,667
Departmental Collections	790,000	798,844	8,844	5,220,000	5,632,873	412,873
Property Transfer Tax	670,000	761,528	91,528	4,530,000	4,416,608	-113,392
Beer Tax and Licenses	540,000	622,750	82,750	3,980,000	4,110,752	130,752
Property Tax	160,000	139,493	-20,507	3,590,000	3,512,872	-77,128
Miscellaneous Receipts	650,000	293,392	-356,608	3,440,000	1,540,834	-1,899,166
Business Franchise Fees	20,000	-20,923	-40,923	450,000	665,252	215,252
Miscellaneous Transfers	40,000	0	-40,000	370,000	331,589	-38,411
Refundable Credit Reim LTY	0	0	0	300,000	736,776	436,776
Racing Fees	0	0	0	0	20,810	20,810
Charter Tax	0	11,246	11,246	0	88,963	88,963
Telecommunications Tax	0	16,798	16,798	0	-27,712	-27,712
Estate and Inheritance Tax	0	0	0	0	3,193	3,193
Video Lottery Transfers	0	102,245	102,245	0	239,026	239,026
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	305,500,000	343,757,690	38,257,690	1,776,290,000	1,936,156,674	159,866,674
Minus Cash Flow Transfer	0	0	0	0	0	0
Percent of Estimates		112.52%			109.00%	
TOTALS	305,500,000	343,757,690	38,257,690	1,776,290,000	1,936,156,674	159,866,674
Percent of Estimates		112.52%			109.00%	
Collections this day		13,295,249				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2010-2011
 Monthly Revenue Estimates
 as of December 30, 2010 WVFIMS

FINAL

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	30,200,000	23,903,736	-6,296,264	187,500,000	184,759,248	-2,740,752
Privilege Tax	9,577,000	11,814,678	2,237,678	75,990,000	84,172,622	8,182,622
Licenses & Registration	5,840,000	5,382,917	-457,083	39,562,000	37,805,060	-1,756,940
Highway Litter Control	111,000	121,395	10,395	755,000	827,229	72,229
TOTALS	45,728,000	41,222,726	-4,505,274	303,807,000	307,564,160	3,757,160

Percent of Estimates

90.15%

101.24%

Collections this day

3,203,030

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF December 1, 2010 : \$337,127,806.41

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF December 1, 2010 : \$300,666,850.96

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF December 1, 2010: \$45,019,319.21

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590



, 304-347-4870

To: Honorable Chairmen and Members of the Joint Committee on
Government and Finance

From: Ellen Clark, C.P.A. *EC*
Director Budget Division
Legislative Auditor's Office

Date: January 5, 2011

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the November 2010 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. November is the fifth month of fiscal year 2011.

For July 1, 2010 to November 30, 2010 of fiscal year 2010-2011, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2010	\$95,528,960.38
Receipts July 1, 2010 thru June 30, 2011	\$200,219,882.53
Disbursements July 1, 2010 thru June 30, 2011	\$202,483,797.03
Balance November 30, 2010	\$93,265,045.88

ITEMS OF NOTE:

Regular benefits paid for July - November 2010 were \$76.6 million less than July - November 2009.

Federal emergency benefits totaled \$ 67 million for the July - November 2010; for July - November 2009 federal emergency benefits totaled \$ 62 million.

Joint Committee on Government and Finance
Unemployment

Total disbursements were \$ 41 million less in July - November 2010 than the preceding July - November.

Receipts for July - November 2010 were \$ 3.2 million more than in July - November 2009. Overall ending trust fund balance was \$ 52 million less on November 30, 2010 than on November 30, 2009.

West Virginia's unemployment rate for the month of November 2010 was 8.8 percent. National unadjusted employment rate was 9.3 percent.

Seasonally adjusted unemployment rates were 9.3 percent for West Virginia and 9.8 percent nationally.

Since November 2009 employment has increased by 6,700. Employment gains were as follows: 2,900 in leisure and hospitality; 2,700 in mining and logging; 1,300 in government; 900 in educational and health services; 700 in other services; 500 in manufacturing; 400 in information; and 300 in professional and business services. Declines were as follows: 2,100 in trade, transportation and utilities; 700 in financial services; and 200 in construction.

Unemployment

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING SEPTEMBER 2009 AND SEPTEMBER 2010**

	SEPTEMBER 09	OCTOBER 09	NOVEMBER 09	SEPTEMBER 2010	OCTOBER 2010	NOVEMBER 2010	THREE MONTH TOTAL VARIANCE *
Balance Forward	<u>\$181,863,574.40</u>	<u>\$168,094,290.32</u>	<u>\$154,600,094.39</u>	<u>\$105,500,318.34</u>	<u>\$93,832,461.16</u>	<u>\$85,967,231.67</u>	<u>(\$219,357,937.95)</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$1,033,507.56	\$11,145,336.91	\$22,030,369.50	\$1,187,504.82	\$12,513,530.40	\$20,797,675.70	\$289,496.95
3. Federal Emergency Benefits (EUCDB)	\$12,432,429.99	\$12,685,450.43	\$16,108,203.94	\$15,331,176.74	\$13,756,096.10	\$16,319,492.12	\$4,180,680.60
4. Federal Share Extended Benefits (EB)	\$3,839,413.77	\$3,869,984.43	\$2,416,681.54	\$3,300,647.00	\$3,199,886.52	\$3,572,958.00	(\$52,588.22)
5. Temp Federal Additional Comp (FAC)	\$4,158,152.00	\$3,834,369.00	\$4,124,306.00	\$2,675,575.00	\$2,289,735.00	\$2,557,104.00	(\$4,584,413.00)
6. UCFE (Federal Agencies)	\$210,489.95	\$207,179.29	\$262,192.24	\$172,011.15	\$193,863.43	\$298,425.90	(\$15,561.00)
7. Special Administrative Transfer **	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$11,058,877.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$11,058,877.00)
10. Treasury Interest Credits	\$2,066,520.18	\$0.00	\$0.00	\$991,813.88	\$0.00	\$0.00	(\$1,074,706.30)
11. UCX (Military Agencies)	\$320,153.62	\$280,079.22	\$329,718.26	\$491,291.37	\$448,319.52	\$537,732.21	\$547,392.00
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CMIA Receipts	\$6,493.00	\$0.00	\$0.00	\$1,903.00	\$0.00	\$0.00	(\$4,590.00)
Total Monthly Receipts	<u>\$35,126,037.07</u>	<u>\$32,022,399.28</u>	<u>\$45,271,471.48</u>	<u>\$24,151,922.96</u>	<u>\$32,411,430.97</u>	<u>\$44,083,387.93</u>	<u>(\$11,773,165.97)</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$28,807,284.01	\$24,851,224.51	\$28,972,815.54	\$14,346,580.77	\$17,733,713.60	\$15,218,653.18	(\$35,332,376.51)
Federal Emergency Benefits (EUCDB)	\$11,784,833.99	\$12,652,896.43	\$17,204,760.94	\$14,969,694.76	\$15,572,816.08	\$14,717,028.10	\$3,617,047.58
Federal Share Extended Benefits (EB)	\$3,938,756.49	\$3,588,753.69	\$2,866,421.39	\$3,108,376.23	\$3,164,346.22	\$3,725,170.16	(\$396,038.96)
Emergency Benefits (TEUC)	(\$2,150.00)	(\$195.00)	(\$630.00)	(\$205.00)	(\$812.21)	(\$485.00)	\$1,472.79
Temp Federal Additional Comp (FAC)	\$3,950,875.00	\$3,798,204.00	\$4,420,046.00	\$2,600,980.00	\$2,546,801.00	\$2,360,777.00	(\$4,660,567.00)
UCFE (Federal Workers) Benefits	\$196,165.62	\$251,521.33	\$331,925.75	\$148,842.15	\$202,960.98	\$276,670.43	(\$151,139.14)
UCX (Military Workers) Benefits	\$312,071.64	\$356,152.69	\$410,650.61	\$461,394.71	\$465,998.24	\$487,759.85	\$336,277.86
Reed Act Funds	\$0.00	\$0.00	\$0.00	\$167,138.82	\$578,881.08	\$0.00	\$746,019.90
Special Administrative Transfer**	\$7,484.40	\$18,027.56	\$4,917.15	\$16,977.70	\$11,955.47	\$0.00	(\$1,505.94)
Total Monthly Disbursements	<u>\$48,895,331.15</u>	<u>\$45,516,585.21</u>	<u>\$54,210,907.38</u>	<u>\$35,819,780.14</u>	<u>\$40,276,660.46</u>	<u>\$36,785,573.72</u>	<u>(\$35,840,809.42)</u>
Trust Fund Balance	<u>\$168,094,290.32</u>	<u>\$154,600,094.39</u>	<u>\$145,660,658.49</u>	<u>\$93,832,461.16</u>	<u>\$85,967,231.67</u>	<u>\$93,265,045.88</u>	<u>(\$195,290,294.50)</u>

* Three month total variance column is the difference between the sum of the previous year's three months data for each category and the current year's three months data. The purpose of the report is to show significant changes in receipts, disbursements, or balances.

**The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of \$500 million to be used for certain administrative purposes. On February 27, 2009, the U.S. Treasury distributed West Virginia's amount of \$2,369,759 to the Unemployment Insurance Trust Fund. Attachment IV to the Unemployment Insurance Program Letter No. 14-09 issued by the U.S. Department of Labor on February 26, 2009 specifies the permissible uses of the administrative transfer. The special administrative transfer is not available for the payment of Unemployment Compensation (UC) benefits; therefore the Trust Fund Balance must be reduced by the Special Administrative Transfer on line 7 to obtain the balance available for UC benefits.

UC TRUST FUND PROJECTIONS - 2010
 January 5, 2011

Month	Revenues	Benefits	Trust Fund Balance
Balance 12/31/2009			123,000,000
January	6,034,000	31,578,000	97,456,000
February	16,419,000	28,000,000	85,875,000
March	5,220,000	30,188,000	60,907,000
April	28,659,000	22,300,000	67,266,000
May	64,119,000	22,992,000	108,393,000
June	6,529,000	19,393,000	95,529,000
July	18,050,000	18,710,000	94,869,000
August	32,111,000	21,480,000	105,500,000
September	2,679,000	14,347,000	93,832,000
October	9,869,000	17,734,000	85,967,000
November	22,516,000	15,218,000	93,265,000
December	666,000	20,239,000	73,692,000
Totals	212,871,000	262,179,000	73,692,000

2011

January	6,275,000	30,363,000	49,604,000
February	17,044,000	26,972,000	39,676,000
March	5,435,000	28,992,000	16,119,000
April	30,024,000	21,286,000	24,857,000
May	67,285,000	21,910,000	70,232,000
June	6,847,000	18,491,000	58,588,000
July	18,930,000	17,839,000	59,679,000
August	33,622,000	20,514,000	72,787,000
September	2,811,000	13,672,000	61,926,000
October	10,344,000	16,918,000	55,352,000
November	23,588,000	14,526,000	64,414,000
December	696,000	16,670,000	48,440,000
Totals - 2011	222,901,000	248,153,000	48,440,000

EXECUTIVE DIVISION
 112 CALIFORNIA AVENUE
 CHARLESTON, WV 25305

An agency of the Department of Commerce

An equal opportunity employer/program and auxiliary aids are available upon request to individuals with disabilities.

www.workforcewv.org



Prescription Drug Report November 2010

*West Virginia Legislative Interims
January 2010*



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 11/2010 - 11/2010

Previous Period: 11/2009 - 11/2009

	Current Period	Previous Period	% Change
Overall Performance			
Plan Cost PMPM	\$78.96	\$69.10	14.3 %
Average Mbrs/Month	167,939	165,228	1.6 %
Average Subs/Month	79,660	76,108	4.7 %
% Utilizing Members	47.3 %	46.3 %	2.2 %
% Retail Utilizing Members	47.0 %	46.0 %	2.1 %
% Mail Utilizing Members	0.7 %	0.6 %	14.9 %
Rx Measures			
Rxs PMPM	1.41	1.33	5.4 %
Retail Rxs PMPM	1.39	1.32	5.3 %
Mail Rxs PMPM	0.01	0.01	14.7 %
Average Admin Fee/Rx	\$0.00	\$0.00	-98.8 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.00	-98.8 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$56.16	\$51.78	8.5 %
Avg Retail Plan Cost/Rx	\$55.61	\$51.35	8.3 %
Avg Mail Plan Cost/Rx	\$112.63	\$99.38	13.3 %
Average Mbr Contrib/Rx	\$11.83	\$11.41	3.7 %
Avg Retail Mbr Contrib/Rx	\$11.75	\$11.35	3.5 %
Avg Mail Mbr Contrib/Rx	\$20.21	\$18.39	9.9 %
Average Ing Cost/Rx	\$66.85	\$61.90	8.0 %
Avg Retail Ing Cost/Rx	\$66.21	\$61.40	7.8 %
Avg Mail Ing Cost/Rx	\$132.84	\$117.77	12.8 %
Average AWP/Rx	\$122.69	\$114.34	7.3 %
Avg Retail AWP/Rx	\$121.36	\$113.36	7.1 %
Avg Mail AWP/Rx	\$258.46	\$223.32	15.7 %
Average Days Supply/Rx	33.6	32.6	3.1 %
Avg Retail Days/Rx	33.3	32.3	2.9 %
Avg Mail Days/Rx	73.0	69.8	4.6 %
Average Plan Cost/Day	\$1.67	\$1.59	5.2 %
Avg Retail Plan Cost/Day	\$1.67	\$1.59	5.2 %
Avg Mail Plan Cost/Day	\$1.54	\$1.42	8.4 %
% Plan Cost	82.6 %	81.9 %	0.8 %
% Member Contribution	17.4 %	18.1 %	-3.6 %
% Retail Plan Cost	82.6 %	81.9 %	0.8 %
% Retail Mbr Contrib	17.4 %	18.1 %	-3.6 %
% Mail Plan Cost	84.8 %	84.4 %	0.5 %
% Mail Member Contrib	15.2 %	15.6 %	-2.6 %



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 11/2010 - 11/2010

Previous Period: 11/2009 - 11/2009

	Current Period	Previous Period	% Change
Rx Sources			
% Mail Rxs	1.0 %	0.9 %	8.8 %
% Retail Rxs	99.0 %	99.1 %	-0.0 %
% Member Submit Rxs	0.0 %	0.0 %	-93.9 %
Rx Types			
Avg SSB Plan Cost/Rx	\$193.70	\$162.56	19.2 %
Avg Retail SSB Plan Cost/Rx	\$192.27	\$161.66	18.9 %
Avg Mail SSB Plan Cost/Rx	\$312.52	\$249.22	25.4 %
Avg MSB Plan Cost/Rx	\$43.29	\$60.30	-28.2 %
Avg Retail MSB Plan Cost/Rx	\$42.07	\$59.59	-29.4 %
Avg Mail MSB Plan Cost/Rx	\$141.01	\$121.00	16.5 %
Avg GEN Plan Cost/Rx	\$19.78	\$14.42	37.2 %
Avg Retail GEN Plan Cost/Rx	\$19.57	\$14.24	37.5 %
Avg Mail GEN Plan Cost/Rx	\$42.83	\$36.69	16.7 %
% Single-Source Brand Rxs	20.8 %	24.9 %	-16.5 %
% Multi-Source Brand Rxs	0.9 %	1.0 %	-12.2 %
% Generic Rxs	78.3 %	74.1 %	5.7 %
% Retail Single-Source Brand	20.8 %	24.9 %	-16.6 %
% Retail Multi-Source Brand	0.9 %	1.0 %	-12.2 %
% Retail Generic	78.4 %	74.1 %	5.7 %
% Mail Single-Source Brand	25.5 %	29.0 %	-12.1 %
% Mail Multi-Source Brand	1.1 %	1.3 %	-14.2 %
% Mail Generic	73.4 %	69.7 %	5.3 %
% Formulary Rxs	91.8 %	94.6 %	-2.9 %
% Retail Formulary Rxs	91.9 %	94.6 %	-2.9 %
% Mail Formulary Rxs	88.2 %	93.5 %	-5.6 %
% DAW Rxs	0.5 %	0.6 %	-8.1 %
% Retail DAW Rxs	0.5 %	0.6 %	-9.4 %
% Mail DAW Rxs	1.3 %	0.6 %	126.2 %
% Generic Conversion	98.9 %	98.7 %	0.2 %
% Retail GEN Conversion	98.9 %	98.7 %	0.2 %
% Mail GEN Conversion	98.5 %	98.2 %	0.3 %
Period Totals			
Total Plan Cost	\$13,260,702.93	\$11,416,842.66	16.2 %
Retail Plan Cost	\$13,003,904.08	\$11,222,462.79	15.9 %
Mail Plan Cost	\$256,798.85	\$194,379.87	32.1 %
Total Member Contribution	\$2,794,118.07	\$2,516,403.61	11.0 %



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 11/2010 - 11/2010

Previous Period: 11/2009 - 11/2009

	Current Period	Previous Period	
Retail Member Contrib	\$2,748,035.07	\$2,480,425.28	10.8 %
Mail Member Contrib	\$46,083.00	\$35,978.33	28.1 %
Total Rx Count	236,131	220,490	7.1 %
Retail Rx Count	233,846	218,457	7.0 %
Member Submit Rxs	5	77	-93.5 %
Mail Rx Count	2,280	1,956	16.6 %
Total Admin Fee	\$12.50	\$962.50	-98.7 %
Total UC Savings	\$10,760,161.31	\$9,987,147.68	7.7 %
Total Lost Savings	\$35,699.86	\$27,642.07	29.2 %

Demographics

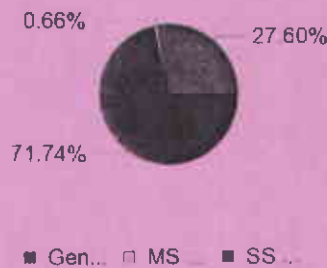
Average Age	39.1	38.8	1.0 %
% Male Members	46.4 %	46.6 %	-0.4 %
% Female Members	53.6 %	53.4 %	0.4 %

Graphs based on Current Period: 11/2010 - 11/2010

Claim Source by Rx Count



Drug Type by Plan Cost



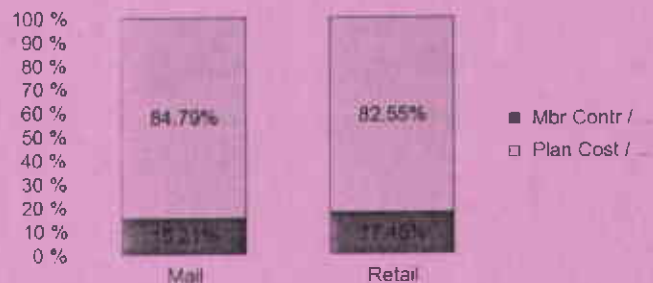
Formulary Status by Rx Count



Drug Formulary Status by Plan Cost



Cost Share Distribution by Claim Source





EXPRESS SCRIPTS®

Utilization Report by Population Level

WVA - WV Public Employees Ins
 Prescriptions Filled From 11/2010 - 11/2010

Reporting Level 2	Avg Mbr Count	Avg UHL Mbr/Mnth	Rx Count	Plan Cost	Member Contr/Rx	Plan Cost/Rx	Mail % Rx	Gen % Rx	Form % Rx	Gen Conv %	PMPM Plan Cost
COBRA (COBRA)	368	204	718	\$64,079	\$13.28	\$89.25	4.0%	77.9%	91.9%	99.5%	\$174.13
NON STATE AGENCIES (02)	18,964	8,491	25,431	\$1,321,607	\$11.23	\$51.97	0.7%	79.2%	92.5%	99.1%	\$69.69
NON STATE AGENCIES-HDHP (02C)	49	15	21	\$273	\$11.15	\$13.00	0.0%	95.2%	100.0%	100.0%	\$5.57
NON STATE AGENCIES PLAN B (02B)	3,920	1,618	4,319	\$176,801	\$13.99	\$40.94	1.8%	81.8%	92.2%	99.4%	\$45.10
NON STATE RETIREES (08)	1,306	863	3,262	\$204,352	\$10.86	\$62.65	1.6%	78.0%	93.3%	99.1%	\$156.47
NON STATE RETIREES 60 (0860)	13	10	53	\$1,695	\$3.97	\$31.97	0.0%	86.8%	98.1%	97.9%	\$130.35
STATE AGENCIES (01)	122,532	56,514	162,671	\$9,107,814	\$11.73	\$55.99	0.9%	78.5%	91.7%	98.9%	\$74.33
STATE AGENCIES (01B)	5,333	1,597	3,561	\$146,947	\$15.83	\$41.27	2.1%	82.3%	91.3%	99.1%	\$27.55
STATE AGENCIES-HDHP (01C)	254	66	133	\$3,747	\$31.16	\$28.17	5.3%	81.2%	91.7%	99.1%	\$14.75
STATE RETIREES (07)	15,144	9,964	35,768	\$2,224,175	\$12.11	\$62.18	1.3%	76.2%	91.8%	98.7%	\$146.87
STATE RETIREES ASST 60 (0760)	56	48	194	\$9,215	\$7.21	\$47.50	1.0%	83.5%	92.8%	99.4%	\$164.55
Grand Total	167,939		236,131	\$13,260,703	\$11.83	\$56.16	1.0%	78.3%	91.8%	98.9%	\$78.96



Monthly Management Report Total Claims November 2010

*West Virginia Legislative Interims
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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
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Reporting Category	Type of Service	Current		12 Months Prior		Rolling Avg		Current Fiscal Yr		Previous Fiscal Yr	
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	290,131.36	245,605.06	152,002.95	207,723.56	1,252,905.15	1,004,580.52				
	MATERNITY	150,952.85	178,058.40	116,109.36	165,816.56	937,045.51	764,648.80				
	MEDICAL AND SURGICAL	7,955,908.53	7,102,682.07	4,335,175.73	6,093,406.40	36,717,767.15	28,224,182.93				
	NEONATAL COMPLICATIONS	9,093.00	100,194.88	41,767.46	80,950.34	159,322.69	229,701.77				
SUM	8,406,085.74	7,626,540.40	4,645,055.50	6,547,896.87	39,067,040.50	30,223,114.02					
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	43,204.89	48,555.06	30,155.30	45,426.41	265,799.62	212,407.18				
	DIALYSIS	111,283.70	131,687.11	35,119.77	130,301.68	675,166.06	563,392.72				
	EMERGENCY ROOM	596,018.60	613,659.86	509,334.65	526,398.19	3,143,244.50	2,345,149.27				
	MATERNITY	62,113.40	53,280.25	34,188.68	44,045.71	315,399.47	183,444.69				
SUM	9,292,868.88	8,976,038.01	6,630,673.18	8,099,137.01	47,925,390.62	35,815,530.00					
PHARMACY		10,105,489.47	9,823,220.28	7,239,471.58	8,845,309.01	52,325,000.27	39,119,923.86				
	SUM	12,452,047.97	11,895,649.15	10,813,603.88	10,554,382.93	59,238,660.29	52,497,871.60				
PROFESSIONAL SERVICES		12,452,047.97	11,895,649.15	10,813,603.88	10,554,382.93	59,238,660.29	52,497,871.60				
	SUM	357,041.58	402,917.10	309,612.10	461,249.12	1,878,824.56	1,807,930.77				
PRESCRIPTION DRUGS	AMBULANCE	328,965.70	264,924.65	184,400.01	199,541.05	1,487,181.62	1,031,732.95				
	ANESTHESIA	571,840.73	734,571.97	561,841.95	685,586.50	3,703,655.80	3,267,087.02				
	BEHAVIORAL	341,656.94	356,614.05	325,619.28	322,085.76	1,623,073.26	1,472,964.01				
	CARDIOVASCULAR MEDICINE	277,252.53	320,735.89	241,073.72	342,952.21	1,454,050.16	1,423,350.79				
	CERVICAL CANCER SCREENING	17,432.75	17,365.16	15,052.35	17,752.26	89,396.99	97,370.54				
	DIALYSIS	12,597.00	17,132.96	12,681.09	10,744.64	81,556.82	65,764.60				
	DME	400,475.97	437,538.31	285,083.52	418,655.47	2,109,952.31	1,780,867.30				
	SUM	12,452,047.97	11,895,649.15	10,813,603.88	10,554,382.93	59,238,660.29	52,497,871.60				
	SUM	12,452,047.97	11,895,649.15	10,813,603.88	10,554,382.93	59,238,660.29	52,497,871.60				
	SUM	12,452,047.97	11,895,649.15	10,813,603.88	10,554,382.93	59,238,660.29	52,497,871.60				

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
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Reporting Category	Type of Service	Current		12 Months Prior		12 Months Prior		Current Fiscal Yr		Previous Fiscal Yr	
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	4,727,999.65	5,150,882.79	4,635,714.97	4,734,099.74	26,371,696.52	23,691,301.67	1,901,713.04	1,746,518.71	3,659,291.19	2,945,996.11
	IMMUNIZATION	471,890.53	309,550.75	404,375.45	323,562.76	738,347.91	781,440.17	3,425,461.08	3,158,221.43	2,234,281.82	1,760,225.34
	INJECTION	766,493.29	762,544.11	502,102.08	715,707.91	2,967,435.14	3,427,198.30	3,097,445.86	2,727,161.83	41,439.98	51,941.87
	LAB AND PATHOLOGY	664,865.25	759,078.74	536,483.47	722,866.16	3,134,897.61	2,786,586.35	14,541.74	11,337,805.74	72,372,006.03	65,361,465.50
	MAMMOGRAPHY	126,921.73	138,457.92	137,902.68	143,087.97						
	OTHER	401,836.10	419,458.63	285,296.90	373,878.85						
	OTHER IMAGING	553,890.88	679,505.66	630,399.45	758,990.10						
	OTHER MEDICINE	478,234.10	696,788.73	394,631.06	698,951.85						
	PHYSICAL MEDICINE	621,289.44	664,692.42	649,479.11	619,960.90						
	PROSTATE CANCER SCREENING	8,681.42	9,849.54	7,630.85	14,541.74						
	SURGICAL	2,242,220.79	2,537,160.19	1,864,939.11	2,447,883.40						
*****	SUM	13,371,586.38	14,679,769.56	11,984,319.15	14,012,098.37	223,002,707.09	187,202,374.98				

sum 44,335,209.56 44,025,179.40 34,682,450.11 39,959,687.18 223,002,707.09 187,202,374.98

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES
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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
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Reporting Category	Type of Service	Current		12 Months Prior		Rolling Avg		Current Fiscal Yr		Previous Fiscal Yr		
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	1.7559	1.6056	.9501	1.3998	7.5971	6.3363	7.5971	6.3363	7.5971	6.3363	
	MATERNITY	.9136	1.1630	.7257	1.1180	5.6818	4.8229	5.6818	4.8229	5.6818	4.8229	
	MEDICAL AND SURGICAL	48.1499	46.4136	27.0962	41.0928	222.6405	178.0206	222.6405	178.0206	222.6405	178.0206	
	NEONATAL COMPLICATIONS	.0550	.6568	.2611	.5470	.9661	1.4488	.9661	1.4488	.9661	1.4488	
*****		50.8744	49.8390	29.0330	44.1576	236.8855	190.6286	236.8855	190.6286	236.8855	190.6286	
sum												
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.2615	.3170	.1885	.3063	1.6117	1.3397	1.6117	1.3397	1.6117	1.3397	
	DIALYSIS	.6735	.8598	.2195	.8783	4.0939	3.5535	4.0939	3.5535	4.0939	3.5535	
	EMERGENCY ROOM	3.6072	4.0095	3.1835	3.5519	19.0593	14.7917	19.0593	14.7917	19.0593	14.7917	
	MATERNITY	.3759	.3477	.2137	.2975	1.9124	1.1571	1.9124	1.1571	1.9124	1.1571	
*****		56.2413	58.6376	41.4438	54.6442	290.5987	225.9021	290.5987	225.9021	290.5987	225.9021	
sum		61.1594	64.1716	45.2490	59.6782	317.2760	246.7441	317.2760	246.7441	317.2760	246.7441	
PHARMACY		75.3610	77.7706	67.5884	71.2048	359.1974	331.1239	359.1974	331.1239	359.1974	331.1239	
	*****	75.3610	77.7706	67.5884	71.2048	359.1974	331.1239	359.1974	331.1239	359.1974	331.1239	
sum												
PROFESSIONAL SERVICES	ADVANCED IMAGING	2.1609	2.6337	1.9352	3.1156	11.3924	11.4033	11.3924	11.4033	11.3924	11.4033	
	AMBULANCE	1.9909	1.7309	1.1526	1.3442	9.0176	6.5075	9.0176	6.5075	9.0176	6.5075	
	ANESTHESIA	3.4608	4.7994	3.5117	4.6249	22.4574	20.6068	22.4574	20.6068	22.4574	20.6068	
	BEHAVIORAL	2.0677	2.3318	2.0352	2.1737	9.8416	9.2905	9.8416	9.2905	9.8416	9.2905	
	CARDIOVASCULAR MEDICINE	1.6780	2.0969	1.5058	2.3150	8.8167	8.9776	8.8167	8.9776	8.8167	8.9776	
	CERVICAL CANCER SCREENING	.1055	.1135	.0941	.1197	.5421	.6142	.5421	.6142	.5421	.6142	
	DIALYSIS	.0762	.1120	.0793	.0722	.4945	.4148	.4945	.4148	.4945	.4148	
	DWE	2.4237	2.8594	1.7819	2.8254	12.7938	11.2326	12.7938	11.2326	12.7938	11.2326	

	sum											

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES

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Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments	
		Current PEIA Payments	Rolling Avg 12 Months Prior PEIA Payments	Current PEIA Payments	Rolling Avg 12 Months Prior PEIA Payments			
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	28.6143	33.6550	28.9747	31.9283	159.9065	149.4300	
	IMMUNIZATION	2.8559	2.0213	2.5275	2.1830	11.5312	11.0160	
	INJECTION	4.6389	4.9849	3.1383	4.8330	22.1883	18.5815	
	LAB AND PATHOLOGY	4.0238	4.9628	3.3532	4.8769	20.7705	19.9201	
	MAMMOGRAPHY	.7681	.9044	.8619	.9648	4.4770	4.9288	
	OTHER	2.4320	2.7398	1.7832	2.5221	13.5477	11.1024	
	OTHER IMAGING	3.3522	4.4435	3.9402	5.1192	17.9932	21.6166	
	OTHER MEDICINE	2.8943	4.5530	2.4666	4.7224	18.7816	17.2012	
	PHYSICAL MEDICINE	3.7601	4.3457	4.0594	4.1844	19.0087	17.5761	
	PROSTATE CANCER SCREENING	.0525	.0644	.0477	.0983	.2513	.3276	
	SURGICAL	13.5701	16.5811	11.6565	16.5124	75.0203	71.5118	
	*****		80.9261	95.9337	74.9057	94.5354	438.8323	412.2594
	SUM		268.3210	287.7149	216.7762	269.5760	1,352.1913	1,180.7560

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES
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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
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 NOVEMBER 2010

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Reporting Category Type of Service Current Period 12 Months Prior Current Fiscal Yr Previous Fiscal Yr

Reporting Category	Type of Service	Current Period 12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0015	.0006	.0052
	MATERNITY	.0011	.0004	.0047
	MEDICAL AND SURGICAL	.0083	.0049	.0425
	NEONATAL COMPLICATIONS	.0002	.0002	.0016

sum		.0111	.0062	.0540

OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0028	.0026	.0146
	DIATYSIS	.0057	.0028	.0242
	EMERGENCY ROOM	.0242	.0240	.1249
	MATERNITY	.0028	.0019	.0127
	MEDICAL AND SURGICAL	.2023	.1911	1.0638

sum		.2377	.2222	1.2402

PHARMACY	PRESCRIPTION DRUGS	.9553	.9216	4.8654

sum		.9553	.9216	4.8654

PROFESSIONAL SERVICES	ADVANCED IMAGING	.0187	.0187	.1085
	AMBULANCE	.0041	.0029	.0208
	ANESTHESIA	.0157	.0162	.1024
	BEHAVIORAL	.0386	.0367	.2162
	CARDIOVASCULAR MEDICINE	.0273	.0302	.1522
	CERVICAL CANCER SCREENING	.0042	.0036	.0230
	DIATYSIS	.0009	.0007	.0039
	DME	.0245	.0188	.1281
	EVALUATION AND MANAGEMENT	.4424	.4651	2.4660
	IMMUNIZATION	.0804	.0770	.2213

sum		4.7839	4.7839	21.2313

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYERS INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
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Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
PROFESSIONAL SERVICES	INJECTION	.0274	.0225	.1440	.1293
	LAB AND PATHOLOGY	.1492	.1544	.8124	.8260
	MAMMOGRAPHY	.0140	.0149	.0845	.0911
	OTHER	.0412	.0331	.1655	.1519
	OTHER IMAGING	.0791	.0839	.4629	.4623
	OTHER MEDICINE	.0725	.0627	.1960	.1606
	PHYSICAL MEDICINE	.0932	.1037	.5070	.4996
	PROSTATE CANCER SCREENING	.0045	.0036	.0231	.0241
	SURGICAL	.0717	.0642	.4100	.3829
*****		1.2095	1.2128	6.4677	6.2659

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

**West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET**

DRAFT

	November 30	
	2010	2009
	(in thousands)	
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 26,887	\$ 27,963
Advance Deposit with Carrier/Trustee	190,476	179,441
Receivables - Net	5,709	1,649
Prepaid Insurance	3,538	3,175
Total Short Term Assets	226,610	212,228
Long Term Assets		
Investments	127,623	117,083
Total Long Term Assets	127,623	117,083
TOTAL ASSETS	354,233	329,311
LIABILITIES		
Short Term Liabilities		
Accounts payable	5,377	1,479
Claims Payable	165	680
OPEB Liability	181	87
Agents Commissions Payable	568	529
Unearned Revenue	10,692	11,447
Current Estimated Claim Reserve	44,765	49,402
Total Short Term Liabilities	61,748	63,624
Long Term Liabilities		
Compensated Absences	66	58
Estimated Noncurrent Claim Reserve	89,745	104,725
Total Long Term Liabilities	89,811	104,783
TOTAL LIABILITIES	151,559	168,407
Prior Year Net Assets	192,207	150,958
Current Year Earnings	10,467	9,946
TOTAL NET ASSETS	202,674	160,904
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 354,233	\$ 329,311

DRAFT - Unaudited - Management Purposes Only

West Virginia Board of Risk and Insurance Management
UNAUDITED INCOME STATEMENT
For the five months ending



	November 30	
	2010	2009
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 22,295	\$ 24,565
Less - Excess Insurance	(2,527)	(2,606)
Total Operating Revenues	19,768	21,959
Operating Expenses		
Claims Expense	16,911	23,100
Property & MS Claims Expense	1,665	4,472
Personal Services	578	538
General & Administrative Expense	1,129	1,135
Total Operating Expenses	20,283	29,245
Operating Income (Loss)	(515)	(7,286)
Nonoperating Revenues		
Fees and Assessments	13	16
Investment Income	10,969	17,216
Total Nonoperating Revenues	10,982	17,232
Net Income	10,467	9,946

DRAFT - Unaudited - Management Purposes Only

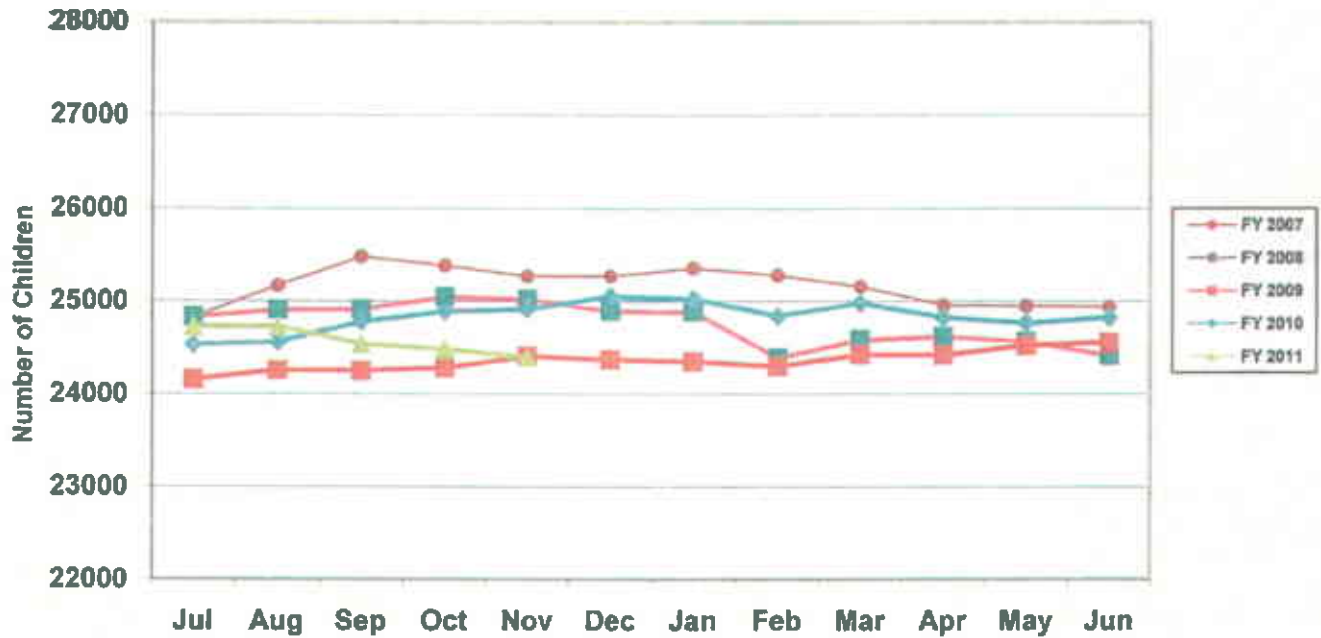


**West Virginia
Children's Health Insurance Program
1018 Kanawha Boulevard East
Suite 209
Charleston, WV 25301
Phone: 304-558-2732
Toll-Free: 1-877-WVA CHIP
Fax: 304-668-2741
www.wvchip.org**

**Joint Committee on
Government and Finance
Report**

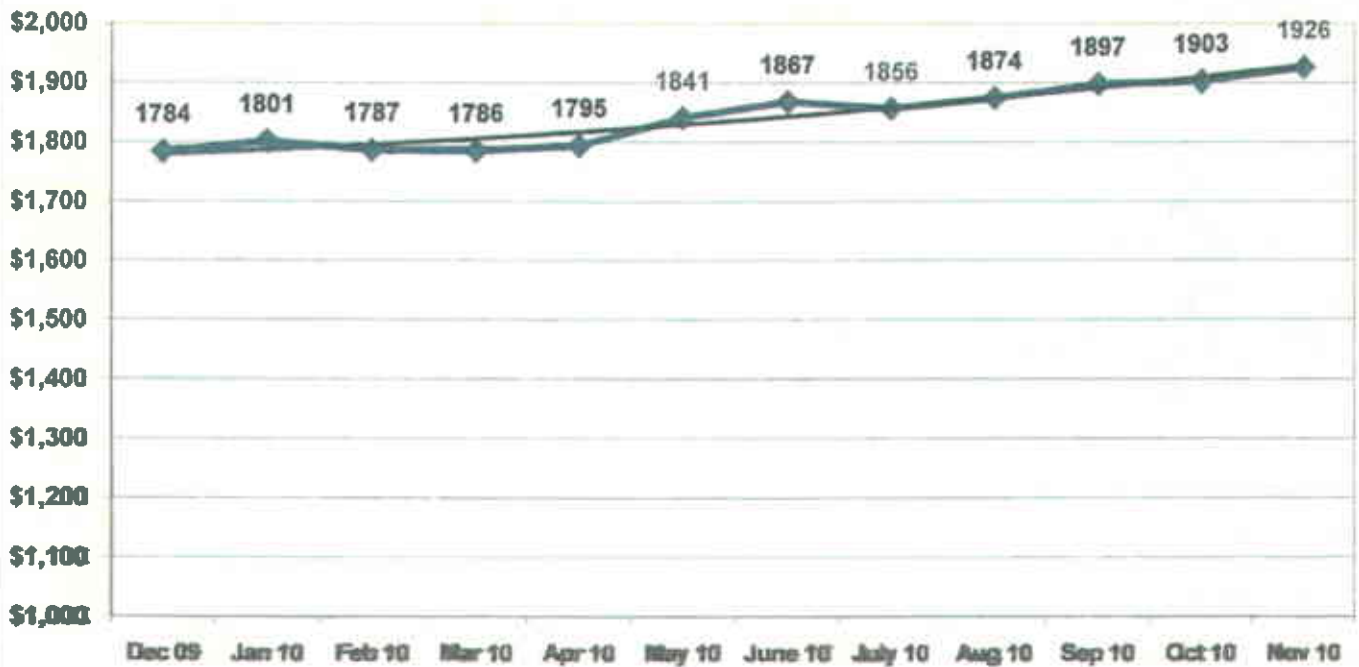
January 2011

WV CHIP Enrollment



November 30th Enrollment 24,397

Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
November 2010 and 2009
(Accrual Basis)**

	November 30, 2010	November 30, 2009	Variance	
Assets:				
Cash & Cash Equivalents	\$12,999,760	\$11,274,286	\$1,725,474	15%
Due From Federal Government	\$3,350,070	\$3,272,300	\$77,770	2%
Due From Other Funds	\$772,079	\$726,600	\$45,479	6%
Accrued Interest Receivable	\$27,191	\$32,791	(\$5,600)	-17%
Fixed Assets, at Historical Cost	<u>\$68,563</u>	<u>\$69,738</u>	<u>(\$1,175)</u>	<u>-2%</u>
Total Assets	<u>\$17,217,663</u>	<u>\$15,375,715</u>	<u>\$1,841,948</u>	<u>12%</u>
Liabilities:				
Due to Other Funds	\$327,149	\$358,900	(\$31,751)	-9%
Deferred Revenue	\$2,462,045	\$2,007,085	\$454,960	23%
Unpaid Insurance Claims Liability	<u>\$3,795,000</u>	<u>\$3,640,000</u>	<u>\$155,000</u>	<u>4%</u>
Total Liabilities	<u>\$6,584,194</u>	<u>\$6,005,985</u>	<u>\$578,209</u>	<u>10%</u>
Fund Equity	<u>\$10,633,469</u>	<u>\$9,369,730</u>	<u>\$1,263,739</u>	<u>13%</u>
Total Liabilities and Fund Equity	<u>\$17,217,663</u>	<u>\$15,375,715</u>	<u>\$1,841,948</u>	<u>12%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Five Months Ending November 30, 2010 and November 30, 2009
(Modified Accrual Basis)

	November 30, 2010	November 30, 2009	Variance	
Revenues				
Federal Grants	16,875,781	15,803,011	1,072,770	7%
State Appropriations	4,378,764	4,608,538	(229,774)	-5%
Premium Revenues	178,026	125,935	52,091	41%
Investment Income:				
Investment Earnings	113,463	16,176	97,287	601%
Unrealized Gain On Investments*	47,486	21,778	25,688	100%
Total Investment Income	<u>160,929</u>	<u>37,954</u>	<u>122,975</u>	<u>324%</u>
Total Revenues	<u>21,593,500</u>	<u>20,575,438</u>	<u>1,018,062</u>	<u>5%</u>
Expenditures:				
Claims:				
Outpatient Services	4,955,481	5,077,554	(122,073)	-2%
Physicians & Surgical	4,359,761	4,193,877	165,884	4%
Prescribed Drugs	3,688,056	3,561,034	127,022	4%
Dental	2,707,968	2,013,081	694,885	35%
Inpatient Hospital Services	1,842,356	1,109,665	532,691	48%
Outpatient Mental Health	523,011	446,459	76,552	17%
Durable & Disposable Med. Equip.	493,333	546,739	(53,406)	-10%
Inpatient Mental Health	418,462	306,353	112,109	37%
Vision	363,536	315,282	48,254	15%
Therapy	215,003	190,754	24,249	13%
Medical Transportation	203,254	113,402	89,852	79%
Other Services	38,423	(6,046)	44,469	-736%
Less: Collections**	<u>(181,458)</u>	<u>(262,931)</u>	<u>81,473</u>	<u>-31%</u>
Total Claims	<u>19,427,184</u>	<u>17,605,223</u>	<u>1,821,961</u>	<u>10%</u>
General and Admin Expenses:				
Salaries and Benefits	214,469	210,992	3,477	2%
Program Administration	1,116,946	1,273,322	(156,376)	-12%
Eligibility	167,072	161,072	6,000	4%
Outreach & Health Promotion	85,043	157,044	(72,001)	-46%
Current	<u>58,823</u>	<u>52,083</u>	<u>6,740</u>	<u>13%</u>
Total Administrative	<u>1,642,353</u>	<u>1,854,513</u>	<u>(212,160)</u>	<u>-11%</u>
Total Expenditures	<u>21,069,537</u>	<u>19,459,736</u>	<u>1,609,801</u>	<u>8%</u>
Excess of Revenues				
Over (Under) Expenditures	523,963	1,115,702	(591,739)	-53%
Fund Equity, Beginning	<u>10,109,506</u>	<u>8,254,028</u>	<u>1,855,478</u>	<u>22%</u>
Fund Equity, Ending	<u>10,633,469</u>	<u>9,369,730</u>	<u>1,263,739</u>	<u>13%</u>

* Short Term Bond Fund Investment began in November 2009

** Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2011
For the Five Months Ended November 30, 2010**

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Actual Amt Nov-10	Actual Amt Oct-10	Actual Amt Sep-10
Projected Cost	\$48,263,300	\$20,109,708	\$19,389,218	\$720,493	4%	\$4,021,942	\$4,253,811	\$4,690,293	\$3,900,388
Premiums	350,000	145,833	178,026	(\$32,192)	22%	\$29,167	36,224	36,018	34,563
Subrogation & Rebates	543,140	<u>226,308</u>	<u>181,913</u>	<u>44,395</u>	-20%	<u>45,262</u>	<u>456</u>	<u>0</u>	<u>170,730</u>
Net Benefit Cost	47,370,160	\$19,737,567	\$19,029,277	\$708,290	4%	\$3,947,513	4,217,132	4,654,275	3,695,075
Salaries & Benefits	\$580,500	\$246,075	\$214,489	\$31,606	13%	\$47,675	\$41,365	\$41,409	\$40,858
Program Administration	3,346,959	1,550,566	1,198,419	352,147	23%	252,913	194,278	76,924	382,311
Eligibility	420,000	175,000	139,387	35,613	20%	35,000	10,124	10,635	85,578
Outreach	300,000	125,000	57,639	67,361	54%	25,000	0	26,696	8,350
Current Expense	160,000	<u>66,667</u>	<u>60,820</u>	<u>5,847</u>	9%	<u>13,333</u>	<u>10,134</u>	<u>10,615</u>	<u>11,695</u>
Total Admin Cost	\$4,807,459	\$2,163,308	\$1,670,734	\$492,574	23%	\$373,922	\$255,901	\$166,279	\$526,790
Total Program Cost	<u>\$52,177,619</u>	<u>\$21,900,875</u>	<u>\$20,700,011</u>	<u>\$1,200,864</u>	5%	<u>\$4,321,435</u>	<u>\$4,473,033</u>	<u>\$4,820,554</u>	<u>\$4,221,865</u>
Federal Share 81.83%	42,216,962	\$17,873,086	\$16,886,775	986,311	6%	3,536,230	3,635,234	3,917,665	3,454,752
State Share 18.17%	<u>9,960,657</u>	<u>\$4,027,789</u>	<u>\$3,813,236</u>	<u>214,553</u>	5%	<u>785,205</u>	<u>837,799</u>	<u>902,890</u>	<u>767,113</u>
Total Program Cost **	<u>\$52,177,619</u>	<u>\$21,900,875</u>	<u>\$20,700,011</u>	<u>\$1,200,864</u>	5%	<u>\$4,321,435</u>	<u>\$4,473,033</u>	<u>\$4,820,554</u>	<u>\$4,221,865</u>

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2010 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

1/ Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenario dated 6/30/10 Final worksheet Net Paid Program Costs.

2/ Federal Share for FFY 2010 is 81.83%. Federal Share for FFY 2011 (10/1/10 - 9/30/11) is set at 81.27%.

WVCHIP Enrollment Report

ATTACHMENT 1

December 2010

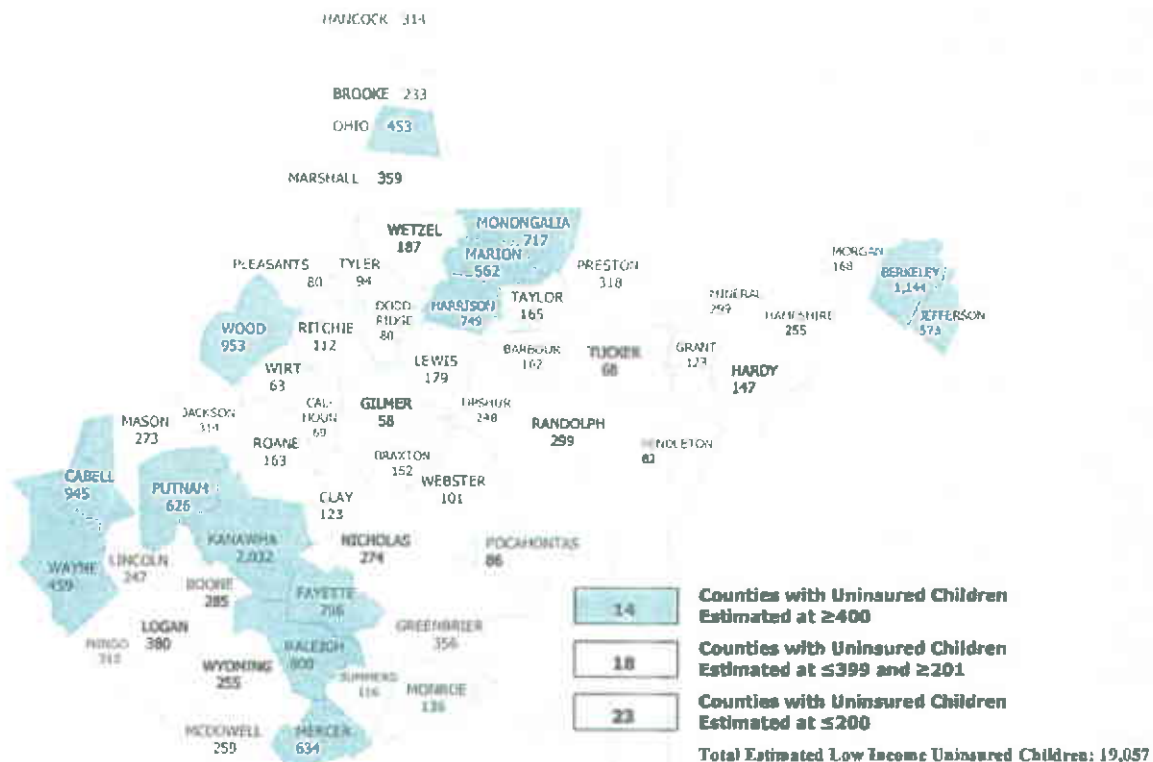
County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Dec-10	Total Medicaid Enrollment Dec-10	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009	2009
						Est. Uninsured 5%	# Children Uninsured Ranking*
Barbour	3,248	249	1,575	1,824	56.2%	162	38
Berkeley	22,882	1,291	7,776	9,067	39.6%	1,144	2
Boone	5,706	306	2,638	2,944	51.6%	285	24
Braxton	3,044	226	1,570	1,796	59.0%	152	39
Brooke	4,658	288	1,533	1,821	39.1%	233	32
Cabell	18,900	1,054	8,431	9,485	50.2%	945	4
Calhoun	1,389	122	877	999	71.9%	69	52
Clay	2,454	174	1,458	1,632	66.5%	123	43
Doddridge	1,607	128	708	836	52.0%	80	50
Fayette	9,692	817	4,657	5,474	56.5%	485	12
Gilmer	1,154	88	617	705	61.1%	58	55
Grant	2,463	198	986	1,182	48.0%	123	42
Greenbrier	7,110	578	2,911	3,489	49.1%	356	17
Hampshire	5,110	321	2,117	2,438	47.7%	255	28
Hancock	6,270	358	2,455	2,813	44.9%	314	20
Hardy	2,950	159	1,260	1,419	48.1%	147	40
Harrison	14,873	914	5,940	6,854	45.8%	749	6
Jackson	6,277	400	2,793	3,193	50.9%	314	19
Jefferson	11,465	436	2,983	3,419	29.8%	573	10
Kanawha	40,647	2,280	17,231	19,511	48.0%	2,032	1
Lewis	3,577	292	1,798	2,090	58.4%	179	34
Lincoln	4,945	382	2,769	3,151	63.7%	247	31
Logan	7,610	555	3,922	4,477	58.8%	380	15
Marion	11,245	689	4,447	5,136	45.7%	562	11
Marshall	7,176	327	2,913	3,240	45.1%	359	16
Mason	5,461	271	2,761	3,032	55.5%	273	26
McDowell	5,170	311	3,280	3,591	69.5%	259	27
Mercer	12,687	1,134	6,864	7,998	63.0%	634	8
Mineral	5,973	289	2,024	2,313	38.7%	299	22
Mingo	6,204	351	3,167	3,518	56.7%	310	21
Monongalia	14,348	728	4,295	5,023	35.0%	717	7
Monroe	2,728	226	1,052	1,278	46.8%	136	41
Morgan	3,365	257	1,232	1,489	44.3%	168	35
Nicholas	5,478	390	2,694	3,084	56.3%	274	25
Ohio	9,068	469	3,087	3,556	39.2%	453	14
Pendleton	1,632	109	511	620	38.0%	82	49
Pleasants	1,593	106	550	656	41.2%	80	51
Pocahontas	1,717	140	691	831	48.4%	88	48
Preston	6,354	516	2,399	2,915	45.9%	318	18
Putnam	12,522	681	3,544	4,225	33.7%	626	9
Raleigh	15,992	1,231	7,463	8,694	54.4%	800	5
Randolph	5,971	403	2,643	3,046	51.0%	299	23
Ritchie	2,234	150	900	1,050	47.0%	112	45
Roane	3,266	316	1,684	2,000	61.2%	163	37
Summers	2,322	196	1,195	1,391	59.9%	116	44
Taylor	3,307	227	1,399	1,626	49.2%	165	36
Tucker	1,354	102	515	617	45.6%	68	53
Tyler	1,887	133	758	892	47.3%	94	47

WVCHIP Enrollment Report

ATTACHMENT 1

December 2010

County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Dec-10	Total Medicaid Enrollment Dec-10	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Upshur	4,956	386	2,317	2,703	54.5%	248	30
Wayne	9,176	533	4,183	4,716	51.4%	459	13
Webster	2,020	159	1,168	1,327	65.7%	101	46
Wetzel	3,732	214	1,662	1,876	50.3%	187	33
Wirt	1,268	113	596	709	55.9%	63	54
Wood	19,063	1,152	8,516	9,668	50.7%	953	3
Wyoming	5,092	400	2,597	2,997	58.9%	255	29
Totals	382,490	24,323	162,113	186,436	48.7%	19,125	



Note 1: The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.

Legislative Oversight Commission on
Health and Human Resources Accountability

JANUARY 2011

Department of Administration

State Children's Health Insurance Program
UPDATE



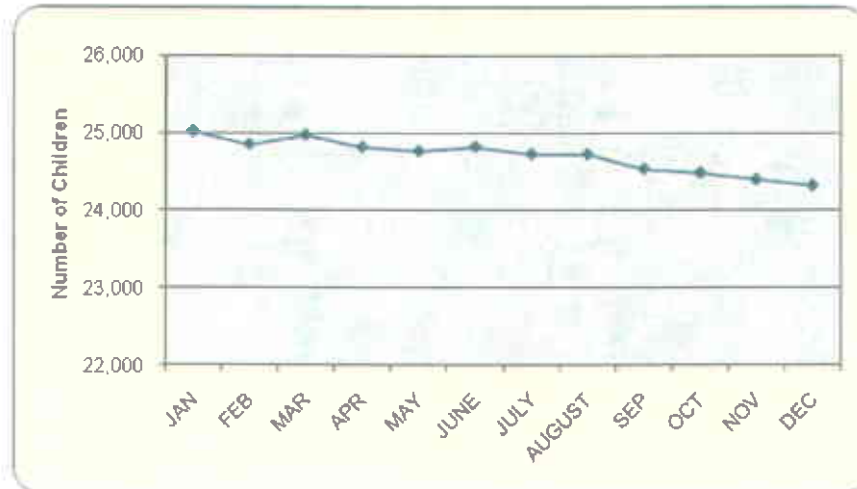
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR JANUARY 2011

I. Enrollment on December 30, 2010: 24,323

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: January 2010 through December 2010



Enrollee Totals: September 2010 to November 2010

Month	Total	1 Year	Total
September	1,830	Average	1,757
October	1,659	High	2,037
November	1,537	Low	1,476

New Enrollee (Never Before on CHIP) Totals: September 2010 to November 2010

Month	Total	1 Year	Total
September	654	Average	673
October	635	High	770
November	586	Low	575

II. Re-enrollment for 3 Month Period: September 2010 to November 2010

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
September	1,992	1,176	59%	169	8%	612	31%
October	1,802	1,046	58%	186	10%	538	30%
November	1,466	879	59%	105	7%	458	31%

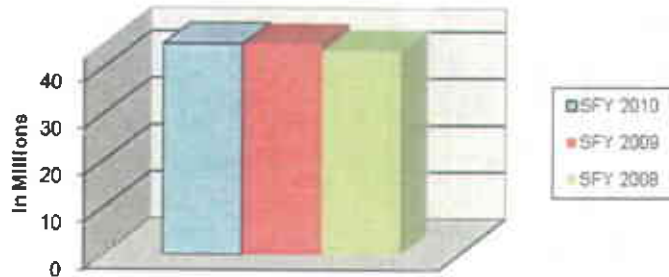
III. Financial Activity

Please see this month's financial statement at Attachment 2.

The average annualized claims cost per child for the month ended November 2010 was \$2,069.

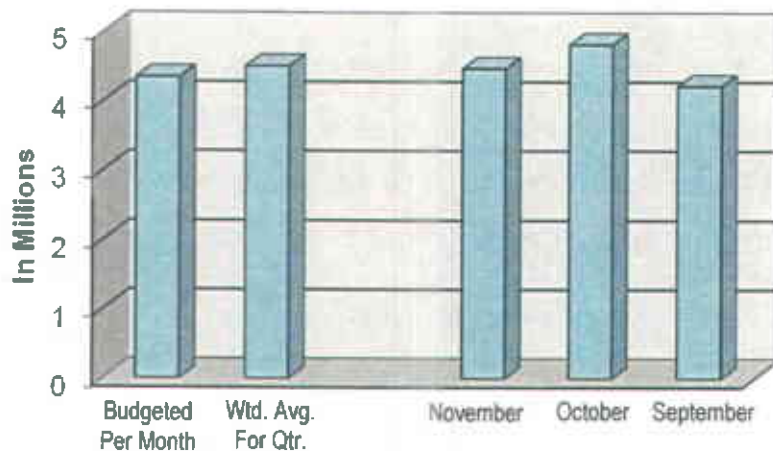
Annual Expenditures for a 3 Year Period: SFY 2008 – SFY 2010

	SFY 2010	FFP% 2010	SFY 2009	FFP% 2009	SFY 2008	FFP% 2008
Federal	38,675,336	81.83	37,550,029	81.61	35,626,232	81.98
State	8,618,874	18.17	8,417,193	18.39	7,947,861	18.02
Total Costs	47,294,210	100.00	45,967,222	100.00	43,574,093	100.00



Monthly Budgeted and Current 3 Month Period: September 2010 – November 2010

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			November 2010	October 2010	September 2010
Federal	3,518,058	3,669,217	3,635,234	3,917,665	3,454,752
State	830,077	835,934	837,799	902,890	767,113
Total	4,348,135	4,505,151	4,473,033	4,820,555	4,221,865



IV. Other Highlights

- ◆ WVCHIP submitted its 2010 Annual Report to the Governor and Legislature on December 30, 2010. This report is available on the Legislative website and on our website at: www.chip.wv.gov.
- ◆ This year's annual report includes an expanded set of pediatric quality measures, including Emergency Room Utilization and new dental and mental health measures (see page 56 – 71 of the report).
- ◆ Beginning last month, enrollees for CHIP's Premium Plan are able now to make their monthly premium payments online at www.chip.wv.gov.

WVCHIP Enrollment Report

ATTACHMENT 1

December 2010

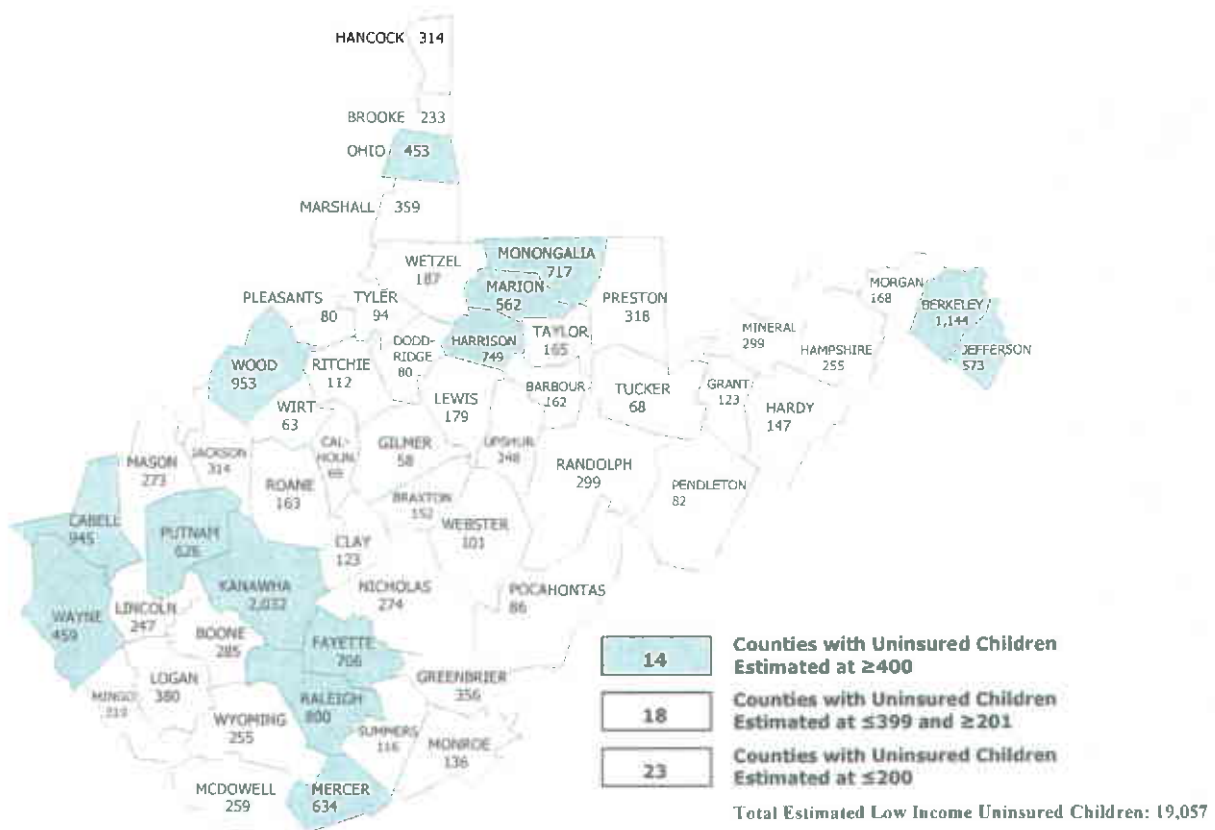
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Braxton	3,044	226	1,570	1,796	59.0%	152	39
Brooke	4,658	288	1,533	1,821	39.1%	233	32
Cabell	18,900	1,054	8,431	9,485	50.2%	945	4
Calhoun	1,389	122	877	999	71.9%	69	52
Clay	2,454	174	1,458	1,632	66.5%	123	43
Doddridge	1,607	128	708	836	52.0%	80	50
Fayette	9,692	817	4,857	5,474	56.5%	485	12
Gilmer	1,154	88	617	705	61.1%	58	55
Grant	2,463	196	986	1,182	48.0%	123	42
Greenbrier	7,110	578	2,911	3,489	49.1%	356	17
Hampshire	5,110	321	2,117	2,438	47.7%	255	28
Hancock	6,270	358	2,455	2,813	44.9%	314	20
Hardy	2,950	159	1,260	1,419	48.1%	147	40
Harrison	14,973	914	5,940	6,854	45.8%	749	6
Jackson	6,277	400	2,793	3,193	50.9%	314	19
Jefferson	11,465	436	2,983	3,419	29.8%	573	10
Kanawha	40,647	2,280	17,231	19,511	48.0%	2,032	1
Lewis	3,577	292	1,798	2,090	58.4%	179	34
Lincoln	4,945	382	2,769	3,151	63.7%	247	31
Logan	7,610	555	3,922	4,477	58.8%	380	15
Marion	11,245	689	4,447	5,136	45.7%	562	11
Marshall	7,176	327	2,913	3,240	45.1%	359	16
Mason	5,461	271	2,761	3,032	55.5%	273	26
McDowell	5,170	311	3,280	3,591	69.5%	259	27
Mercer	12,687	1,134	6,864	7,998	63.0%	634	8
Mineral	5,973	289	2,024	2,313	38.7%	299	22
Mingo	6,204	351	3,167	3,518	56.7%	310	21
Monongalia	14,346	728	4,295	5,023	35.0%	717	7
Monroe	2,728	226	1,052	1,278	46.8%	136	41
Morgan	3,365	257	1,232	1,489	44.3%	168	35
Nicholas	5,478	390	2,694	3,084	56.3%	274	25
Ohio	9,068	469	3,087	3,556	39.2%	453	14
Pendleton	1,632	109	511	620	38.0%	82	49
Pleasants	1,593	106	550	656	41.2%	80	51
Pocahontas	1,717	140	691	831	48.4%	86	48
Preston	6,354	516	2,399	2,915	45.9%	318	18
Putnam	12,522	681	3,544	4,225	33.7%	626	9
Raleigh	15,992	1,231	7,463	8,694	54.4%	800	5
Randolph	5,971	403	2,643	3,046	51.0%	299	23
Ritchie	2,234	150	900	1,050	47.0%	112	45
Roane	3,266	316	1,684	2,000	61.2%	163	37
Summers	2,322	196	1,195	1,391	59.9%	116	44
Taylor	3,307	227	1,399	1,626	49.2%	165	36
Tucker	1,354	102	515	617	45.6%	68	53
Tyler	1,887	133	759	892	47.3%	94	47

WVCHIP Enrollment Report

ATTACHMENT 1

December 2010

County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Dec-10	Total Medicaid Enrollment Dec-10	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Upshur	4,956	386	2,317	2,703	54.5%	248	30
Wayne	9,176	533	4,183	4,716	51.4%	459	13
Webster	2,020	159	1,168	1,327	65.7%	101	46
Wetzel	3,732	214	1,662	1,876	50.3%	187	33
Wirt	1,268	113	596	709	55.9%	63	54
Wood	19,063	1,152	8,516	9,668	50.7%	953	3
Wyoming	5,092	400	2,597	2,997	58.9%	255	29
Totals	382,490	24,323	162,113	186,436	48.7%	19,125	



Note 1: The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Five Months Ending November 30, 2010 and November 30, 2009
(Modified Accrual Basis)

	November 30, 2010	November 30, 2009	Variance	
Revenues				
Federal Grants	16,875,781	15,803,011	1,072,770	7%
State Appropriations	4,378,764	4,608,538	(229,774)	-5%
Premium Revenues	178,026	125,935	52,091	41%
Investment Income:				
Investment Earnings	113,463	16,176	97,287	601%
Unrealized Gain On Investments*	47,466	21,778	25,688	100%
Total Investment Income	<u>160,929</u>	<u>37,954</u>	<u>122,975</u>	<u>324%</u>
Total Revenues	<u>21,593,500</u>	<u>20,575,438</u>	<u>1,018,062</u>	<u>5%</u>
Expenditures:				
Claims:				
Outpatient Services	4,955,481	5,077,554	(122,073)	-2%
Physicians & Surgical	4,359,761	4,193,877	165,884	4%
Prescribed Drugs	3,688,056	3,561,034	127,022	4%
Dental	2,707,966	2,013,081	694,885	35%
Inpatient Hospital Services	1,642,356	1,109,665	532,691	48%
Outpatient Mental Health	523,011	446,459	76,552	17%
Durable & Disposable Med. Equip.	493,333	546,739	(53,406)	-10%
Inpatient Mental Health	418,462	306,353	112,109	37%
Vision	363,536	315,282	48,254	15%
Therapy	215,003	190,754	24,249	13%
Medical Transportation	203,254	113,402	89,852	79%
Other Services	38,423	(6,046)	44,469	-736%
Less: Collections**	<u>(181,458)</u>	<u>(262,931)</u>	<u>81,473</u>	<u>-31%</u>
Total Claims	<u>19,427,184</u>	<u>17,605,223</u>	<u>1,821,961</u>	<u>10%</u>
General and Admin Expenses:				
Salaries and Benefits	214,469	210,992	3,477	2%
Program Administration	1,116,946	1,273,322	(156,376)	-12%
Eligibility	167,072	161,072	6,000	4%
Outreach & Health Promotion	85,043	157,044	(72,001)	-46%
Current	<u>58,823</u>	<u>52,083</u>	<u>6,740</u>	<u>13%</u>
Total Administrative	<u>1,642,353</u>	<u>1,854,513</u>	<u>(212,160)</u>	<u>-11%</u>
Total Expenditures	<u>21,069,537</u>	<u>19,459,736</u>	<u>1,609,801</u>	<u>8%</u>
Excess of Revenues				
Over (Under) Expenditures	523,963	1,115,702	(591,739)	-53%
Fund Equity, Beginning	<u>10,109,506</u>	<u>8,254,028</u>	<u>1,855,478</u>	<u>22%</u>
Fund Equity, Ending	<u>10,633,469</u>	<u>9,369,730</u>	<u>1,263,739</u>	<u>13%</u>

* Short Term Bond Fund Investment began in November 2009

** Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
November 2010 and 2009
(Accrual Basis)**

	November 30, 2010	November 30, 2009	Variance	
Assets:				
Cash & Cash Equivalents	\$12,999,760	\$11,274,286	\$1,725,474	15%
Due From Federal Government	\$3,350,070	\$3,272,300	\$77,770	2%
Due From Other Funds	\$772,079	\$726,600	\$45,479	6%
Accrued Interest Receivable	\$27,191	\$32,791	(\$5,600)	-17%
Fixed Assets, at Historical Cost	<u>\$68,563</u>	<u>\$69,738</u>	<u>(\$1,175)</u>	<u>-2%</u>
Total Assets	<u>\$17,217,663</u>	<u>\$15,375,715</u>	<u>\$1,841,948</u>	<u>12%</u>
Liabilities:				
Due to Other Funds	\$327,149	\$358,900	(\$31,751)	-9%
Deferred Revenue	\$2,462,045	\$2,007,085	\$454,960	23%
Unpaid Insurance Claims Liability	<u>\$3,795,000</u>	<u>\$3,640,000</u>	<u>\$155,000</u>	<u>4%</u>
Total Liabilities	<u>\$6,584,194</u>	<u>\$6,005,985</u>	<u>\$578,209</u>	<u>10%</u>
Fund Equity	<u>\$10,633,469</u>	<u>\$9,369,730</u>	<u>\$1,263,739</u>	<u>13%</u>
Total Liabilities and Fund Equity	<u>\$17,217,663</u>	<u>\$15,375,715</u>	<u>\$1,841,948</u>	<u>12%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
WVFIMS Fund 2154
For the Month Ended November 30, 2010
(Accrual Basis)

Investment Account

Funds Invested	\$12,240,816
Interest Earned	<u>113,463</u>
Total	<u>\$12,354,279</u>

Unaudited - For Management Purposes Only - Unaudited

Department of Administration Real Estate Division Leasing Report
For the period of December 1, 2010 through December 31, 2010

NEW CONTRACT OF LEASE

DIVISION OF JUVENILE SERVICES

DJS-023 New Contract of Lease for 1 year consisting of 270 square feet of office space at the monthly rate of \$500.00, annual cost \$6,000.00, full service, in the City of Madison, Boone County, West Virginia

OFFICES OF THE INSURANCE COMMISSIONER

INS-031 New Contract of Lease for 10 years consisting of 3,835 square feet of office space at the annual per square foot rate of \$13.50, annual cost \$51,772.56, full service excluding janitorial, in the City of Beckley, Raleigh County, West Virginia.

STRAIGHT RENEWAL

ATTORNEY GENERAL'S OFFICE

AGO-013 Renewal for 1 year consisting of 4,000 square feet of storage space at the current annual per square foot rate of \$4.50, annual cost \$18,000.00, electric, in the City of Charleston, Kanawha County, West Virginia.

COAL HERITAGE HIGHWAY

CHH-005 Renewal for 2 years consisting of 3,500 square feet for a visitor center at the current annual rate of \$1.00, in the City of Bramwell, Mercer County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-207 Renewal for 2 years consisting of 5,655 square feet of office space at the current annual per square foot rate of \$8.00, annual cost \$45,240.00, full service, in the City of Hinton, Summers County, West Virginia.

HHR-174 Renewal for 1 year consisting of 3,022 square feet of office space at the current annual per square foot rate of \$9.29, annual cost \$28,074.36, full service, in the City of Beckley, Raleigh County, West Virginia.

HHR-163 Renewal for 1 year consisting of 189 square feet of office space at the current annual per square foot rate of \$6.35, annual cost \$1,200.00, full service, in the City of Charleston, Kanawha County, West Virginia.

HHR-152 Renewal for 1 year consisting of 2,878 square feet of office space at the current annual per square foot rate of \$6.50, annual cost \$18,708.00, full service, in the City of Kerneysville, Jefferson County, West Virginia.

DIVISION OF CORRECTIONS

COR-046 Renewal for 3 years consisting of jail space at the current rate of \$15.00 per inmate per day, full service, in the City of Wheeling, Ohio County, West Virginia.

STRAIGHT RENEWAL CONTINUED

DIVISION OF CORRECTIONS

COR-035 Renewal for 3 years consisting of 2,176 square feet of office space at the current annual per square foot rate of \$4.14, annual cost \$9,000.00, full service, in the City of Huntington, Cabell County.

DIVISION OF REHABILITATION SERVICES

DRS-069 Renewal for 5 years consisting of 2,128 square feet of office space at the current annual per square foot rate of \$3.52, annual cost \$7,500.00, water/sewer, in the City of Sistersville, Tyler County, West Virginia.

FAIRMONT STATE UNIVERSITY

FSC-016 Renewal for 1 year consisting of 200 square feet of storage space at the current annual per square foot rate of \$4.20, annual cost \$840.00, electric, in the City of Fairmont, Marion County, West Virginia.

FSC-015 Renewal for 1 year consisting of 300 square feet of storage space at the current annual per square foot rate of \$3.67, annual cost \$1,100.40, electric, in the City of Fairmont, Marion County, West Virginia.

FSC-008 Renewal for 1 year consisting of 4,224 square feet of office space at the current annual per square foot rate of \$7.47, annual cost \$31,560.00, in the City of Fairmont, Marion County, West Virginia.

WEST VIRGINIA BOARD OF VETERINARY MEDICINE

VMB-003 Renewal for 3 years consisting of 800 square feet of office space at the current annual per square foot rate of \$8.44, annual cost \$6,752.04, water/sewer, in the City of Cross Lanes, Kanawha County, West Virginia.

Real Estate Division
 Monthly Summary of Lease Activity
 December 1-31, 2010

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Division of Juvenile Services	DJS-023	Boone	270		6,000
2	Offices of the Insurance Commissioner	INS-031	Raleigh	3,835	13.50	51,773
3	Attorney General's Office	AGO-013	Kanawha	4,000	4.50	18,000
4	Coal Heritage Highway	CHH-005	Mercer	3,500		1
5	Department of Health and Human Resources	HHR-207	Summers	5,655	8.00	45,240
6	Department of Health and Human Resources	HHR-174	Raleigh	3,022	9.29	28,074
7	Department of Health and Human Resources	HHR-163	Kanawha	189	6.35	1,200
8	Department of Health and Human Resources	HHR-152	Jefferson	2,878	6.50	18,707
9	Division of Corrections	COR-046	Ohio			0
10	Division of Corrections	COR-035	Cabell	2,176	4.14	9,000
11	Division of Rehabilitation Services	DRS-069	Tyler	2,128	3.52	7,500
12	Fairmont State University	FSC-016	Marion	200	4.20	840
13	Fairmont State University	FSC-015	Marion	300	3.67	1,101
14	Fairmont State University	FSC-008	Marion	4,224	7.47	31,560
15	WV Board of Veterinary Medicine	VMB-003	Kanawha	800	8.44	6,752

Total Rentable Square Feet	33,177
Average Annual Rental Rate	6.63
Total Annual Rent	225,748

Joint Committee on Government and Finance

January 2011

Department of Health and Human Resources

MEDICAID REPORT

October 2010 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2011

MONTH OF OCTOBER 2010	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2010	SFY2011	Current Month 10/31/10	Current Month 10/31/10	Year To-Date Thru 10/31/10	11/1/10 Thru 09/30/11
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	204,310,662	168,827,456	11,351,803	16,330,812	61,438,671	116,388,868
Inpatient Hospital - DSH	64,852,962	54,818,400	-	-	13,771,623	41,046,477
Inpatient Hospital - Supplemental Payments	34,034,819	134,060,573	5,301,825	5,301,900	24,084,804	106,976,868
Inpatient Hospital - GMS Payments	4,810,343	4,807,200	-	-	1,257,820	3,549,280
Mental Health Facilities	70,673,548	72,946,200	7,463,382	8,908,370	25,004,061	47,841,138
Mental Health Facilities - DSH Adjustment Payments	18,687,045	18,888,800	-	-	4,721,761	14,165,039
Nursing Facility Services - Regular Payments	473,728,322	497,879,818	40,170,854	41,117,817	160,893,760	336,786,868
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	63,010,181	69,762,600	6,048,657	5,813,542	20,824,841	48,637,659
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	129,410,078	120,038,363	12,288,336	11,125,548	40,608,090	80,328,273
Physicians Services - Supplemental Payments ***	41,048,663	38,978,303	8,839,122	8,744,676	13,848,838	25,328,462
Outpatient Hospital Services - Regular Payments	84,162,811	83,718,039	10,781,427	8,591,432	34,844,036	58,672,000
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	331,666,890	393,856,332	35,689,829	34,362,327	115,748,434	237,909,899
Drug Rebate Offset - National Agreement	(147,827,304)	(143,274,400)	(32,442,818)	(23,368,663)	(76,968,130)	(66,706,270)
Drug Rebate Offset - State Sides Agreement	(21,789,226)	(26,384,200)	(6,326,069)	(4,138,003)	(9,016,783)	(18,367,417)
Dental Services	48,303,517	30,288,031	6,214,890	2,889,727	26,871,705	3,414,328
Other Practitioners Services - Regular Payments	11,885,027	12,806,481	1,319,735	1,260,803	4,060,655	8,746,426
Other Practitioners Services - Supplemental Payments ***	-	-	-	-	8,271	(6,271)
Clinic Services	5,262,896	4,390,661	383,735	421,685	1,379,887	2,980,694
Lab & Radiological Services	13,249,742	11,920,239	2,242,626	1,142,536	7,274,709	4,845,627
Home Health Services	39,662,721	37,868,621	4,346,673	3,911,549	14,130,675	23,828,148
Hysterectomies/Sterilizations	224,886	269,682	17,740	25,136	115,292	184,670
Pregnancy Terminations	-	-	-	-	-	-
EP&DT Services	1,732,388	2,123,689	148,637	202,889	528,031	1,688,564
Rural Health Clinic Services	8,319,046	7,337,074	707,436	676,945	2,268,696	5,070,476
Medicare Health Insurance Payments - Part A Premiums	17,241,148	18,323,600	1,487,875	1,526,967	5,818,128	12,506,474
Medicare Health Insurance Payments - Part B Premiums	76,342,310	83,414,100	7,002,305	6,851,176	27,856,702	65,566,398
120% - 134% Of Poverty	5,268,770	-	-	-	2,103,700	(2,103,700)
135% - 175% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	7,148,859	8,110,300	604,647	779,637	2,171,648	6,838,662
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	330,652,406	417,884,601	26,783,719	37,290,421	88,087,630	319,788,971
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	(1,517)	1,517
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	440,070	481,800	38,019	44,378	142,140	318,360
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	245,383,161	272,426,167	22,623,081	26,194,725	83,384,382	189,040,816
Home & Community-Based Services (MR/DD)	92,398,637	109,518,267	10,511,242	10,530,701	32,316,818	77,202,689
Home & Community-Based Services (Aged/Disabled)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1916(I) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1916(J) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	41,282,601	43,764,629	3,692,704	4,218,635	14,604,856	29,269,873
Personal Care Services - Regular Payments	-	-	-	-	1,013	(1,013)
Personal Care Services - SDS 1919(I)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	3,849,231	4,298,443	263,929	409,059	1,220,969	3,077,474
Targeted Case Management Services - State Wide	401,643	643,100	28,544	52,221	106,084	433,018
Primary Care Case Management Services	17,828,513	16,010,006	2,231,738	1,516,850	7,785,463	8,264,536
Hospice Benefits	169,722	230,700	14,089	22,163	72,193	168,507
Emergency Services Undocumented Aliens	18,167,857	19,548,542	1,680,318	1,837,620	4,882,888	14,666,664
Federally Qualified Health Center	8,410,142	5,606,896	1,760,769	641,308	7,692,245	(1,988,348)
Non-Emergency Medical Transportation	1,684,662	1,684,156	171,234	171,062	607,488	1,266,688
Physical Therapy	200,012	187,831	20,680	17,077	69,633	117,898
Occupational Therapy	281,219	300,181	25,206	27,859	77,926	222,176
Services for Speech, Hearing & Language	1,871,774	1,892,499	219,716	176,389	563,732	1,322,767
Prosthetic Devices, Dentures, Eyeglasses	373,901	388,116	66,169	33,626	177,622	188,196
Diagnostic Screening & Preventive Services	338,876	438,690	26,824	41,468	79,113	358,777
Nurse Mid-Wife	-	-	-	-	-	-

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2011

MONTH OF OCTOBER 2010	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2010	SFY2011	Current Month 10/31/10	Current Month 10/31/10	Year To-Date Thru 10/31/10	11/1/10 Thru 09/30/11
Emergency Hospital Services	9,269,934	9,130,131	70,239	836,700	1,296,774	7,833,357
Critical Access Hospitals	26,262,186	26,628,567	2,878,078	2,344,996	9,949,899	15,676,868
Nurse Practitioner Services	1,087,368	1,025,679	128,408	93,715	401,868	623,813
School Based Services	61,626,905	49,295,728	2,540,280	4,740,338	20,674,600	28,891,128
Rehabilitative Services (Non-School Based)	74,166,286	75,742,323	6,642,498	6,271,935	21,246,783	64,483,560
Private Duty Nursing	3,281,847	2,903,948	443,778	289,209	1,416,764	1,487,894
Other Care Services	33,718,624	19,884,624	2,180,034	1,813,017	7,412,213	12,452,411
Less: Recoupments	-	-	(180,048)	-	(428,283)	428,283
NET EXPENDITURES:	2,542,009,600	2,764,227,102	204,803,405	229,691,270	826,677,541	1,924,848,661
Collections: Third Party Liability (line 9A on CMS-64)	(6,100,072)	-	-	-	(2,214,136)	2,214,135
Collections: Probate (line 9B on CMS-64)	(160,018)	-	-	-	(15,888)	16,863
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(1,684)	-	-	-	(396)	396
Collections: Other (line 9D on CMS-64)	(3,703,948)	-	-	-	(664,018)	664,019
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	2,630,054,281	2,764,227,102	204,803,405	229,691,270	826,693,323	1,927,533,778
Plus: Medicaid Part D Expenditures	23,936,817	26,663,823	1,608,879	2,216,700	887,623	28,176,700
Plus: State Only Medicaid Expenditures ***	8,078,436	4,629,803	381,339	423,467	1,694,906	2,934,685
TOTAL MEDICAID EXPENDITURES	2,660,069,534	\$2,794,720,328	\$206,893,423	232,330,427	\$829,078,155	\$1,955,644,174
Plus: Reimbursables (1)	6,578,968	6,129,008	490,875	574,978	1,796,946	4,382,059
TOTAL EXPENDITURES	\$2,666,648,502	\$2,799,849,333	\$207,464,368	232,905,406	\$830,843,101	\$1,960,006,232

(1) This amount will revert to State Only if not reimbursed.

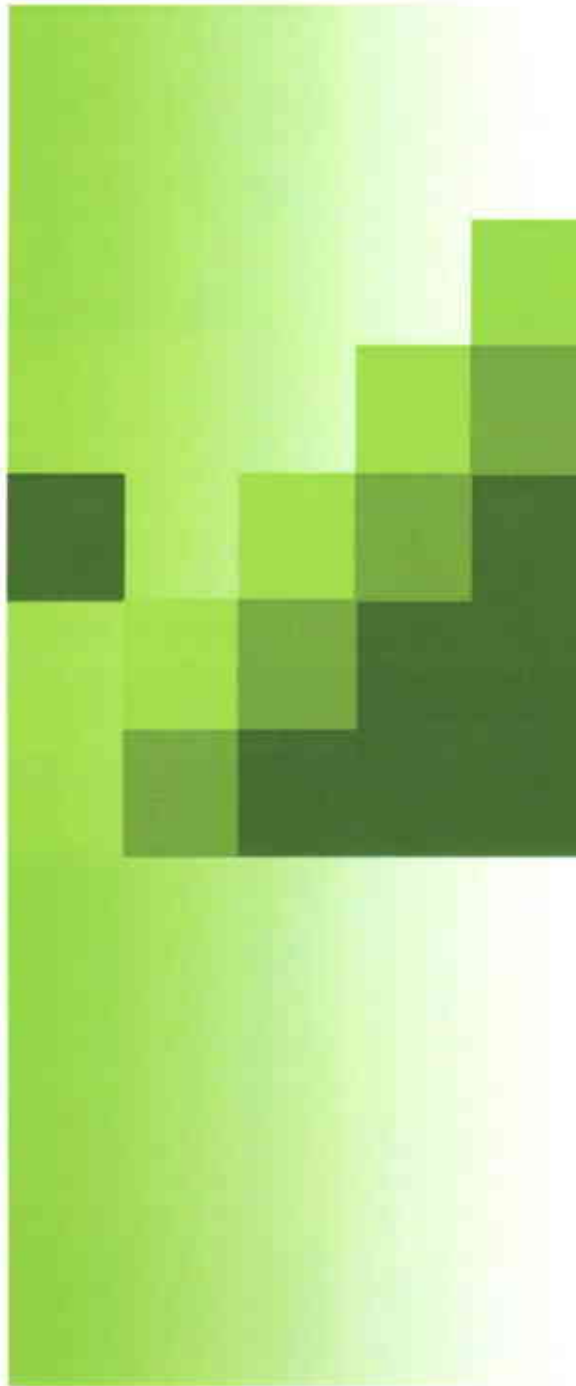

***CMS is currently reviewing portions of these payments. Until review is completed these expenses will be classified as state-only on the CMS-64. With all outside reviews, there is a potential for a portion of these costs to remain state-only if any of them are disallowed.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2011

4 Months Actuals 8 Months Remaining

MONTH OF OCTOBER 2010	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2010	Current Month Ended 10/31/10	Year-To-Date Thru 10/31/10	11/1/2010 Thru 8/30/11	SFY2011
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	116,583,948	204,162,921	\$213,690,990		\$213,690,990
MATCHING FUNDS					
General Revenue (0403/189)	252,345,204	14,872,929	47,050,043	179,421,369	226,471,412
MRDD Waiver (0403/466)	-	6,435,256	23,985,953	63,767,530	87,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	649,000	1,298,000	1,298,000	2,596,000
Tertiary Funding (0403/547)	6,356,000	1,589,000	3,178,000	3,178,000	6,356,000
Title XIX Waiver for Seniors (0403-533)	-	550,000	2,050,000	5,450,000	7,500,000
Lottery Waiver (Less 550,000) (5405/539)	25,772,578	-	8,000,000	23,272,578	31,272,578
Lottery Transfer (5405/871)	8,670,000	-	2,200,000	6,470,000	8,670,000
Trust Fund Appropriation (5185/189)	-	-	0	30,556,594	30,556,594
Provider Tax (5090/189)	162,659,512	10,730,343	41,280,438	111,574,457	152,854,895
Certified Match	13,731,424	836,379	4,715,020	11,756,694	16,471,714
Reimbursables - Amount Reimbursed	5,195,782	266,059	1,274,434	4,854,571	6,129,005
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	(446,371)	31,701	203,998	(203,998)	0
CMS - 64 Adjustments	69,986	-	277,239	-277,239	0
TOTAL MATCHING FUNDS	673,887,546	\$240,125,588	\$349,204,114	\$441,118,557	\$790,322,671
FEDERAL FUNDS	2,108,528,674	166,355,751	683,914,079	\$1,551,593,014	\$2,235,507,093
TOTAL REVENUE SOURCES	2,782,416,220	\$406,481,339	\$1,033,118,193	\$1,992,711,571	\$3,025,829,764
TOTAL EXPENDITURES:					
Provider Payments	2,565,649,502	\$207,484,398	\$832,778,426	\$1,958,070,907	\$2,790,849,333
TOTAL	216,766,718	\$198,996,941	\$200,339,767		\$234,980,431

Note: FMAP (83.05% applicable July - Dec. 2010) (80.05% applicable Jan. 2011 - Mar. 2011) (78.05% applicable Apr. 2011 - Jun. 2011)



West Virginia Investment Management Board

Monthly Performance Report

November 30, 2010

STRATEGIC INVESTMENT SOLUTIONS, INC.

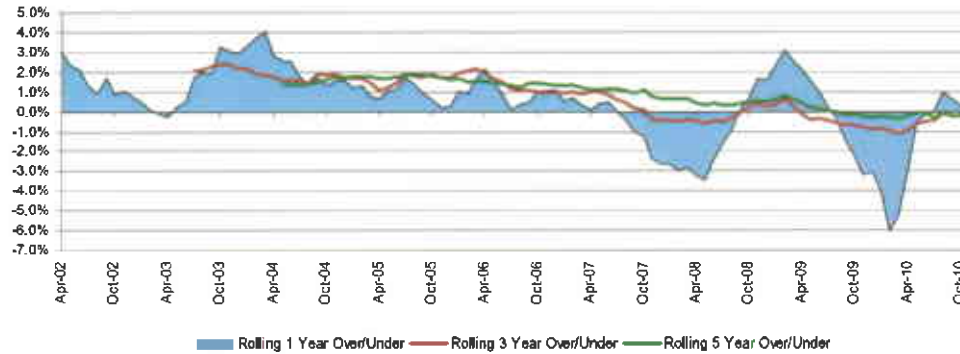
333 Bush Street, Suite 2000
San Francisco, CA 94104
(415) 362-3484

West Virginia Investment Management Board
 Participant Plans Allocation & Performance Net of Fees
 As of November 30, 2010

	6/30/2010		11/30/2010		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	10,658,972	100.0	11,722,501	100.0							
Pension Assets	8,456,704	79.4	9,197,930	78.5							
Public Employees' Retirement System	3,682,115	34.5	4,017,227	34.3	-1.2	6.7	10.0	10.4	-0.6	3.9	5.3
Teachers' Retirement System	4,099,339	38.5	4,415,623	37.6	-1.2	6.7	10.0	10.4	-0.6	3.9	5.3
Teachers' Employers Cont. Collection A/C	355	0.0	29,258	0.3	0.0	0.0	0.1	0.1	1.0		
EMS Retirement System	23,345	0.2	27,301	0.2	-1.2	6.9	10.3	10.8			
Public Safety Retirement System	404,446	3.8	433,473	3.7	-1.2	6.8	10.2	10.8	0.2	4.4	5.7
Judges' Retirement System	102,814	1.0	112,725	1.0	-1.2	6.8	10.1	10.8	0.2	4.4	5.6
State Police Retirement System	52,739		60,583	0.5	-1.2	6.7	10.0	10.8	0.3	4.4	5.6
Deputy Sheriffs' Retirement System	91,548	0.9	101,717	0.9	-1.2	6.8	10.1	10.8	0.3	4.4	5.6
Municipal Police & Firefighter Retirement System	3	0.0	23	0.0	0.0	0.0	0.1				
Insurance Assets	1,632,789	15.3	1,872,401	16.0							
Workers' Compensation Old Fund	888,780	8.3	894,474	7.6	-0.7	2.0	4.1	7.5	1.6		
Workers' Comp. Self-Insured Guaranty Risk Pool	8,066	0.1	8,687	0.1	-0.6	0.9	1.0	1.0	1.3		
Workers' Comp. Uninsured Employers Fund	8,852	0.1	8,902	0.1	-0.6	-0.6	-0.6	-0.5	0.8		
Pneumoconiosis	244,191	2.3	254,234	2.2	-0.6	3.6	5.9	8.6	2.8		
Board of Risk & Insurance Mgmt.	120,331	1.1	127,623		-0.6	3.6	6.1	9.0	4.3	5.7	
Public Employees' Insurance Agency	131,127	1.2	168,217	1.4	-0.6	2.5	4.8	8.2	3.4	4.9	
WV Retiree Health Benefit Trust Fund	229,477	2.2	408,077	3.5		2.0	9.0				
AccessWV	1,965	0.0	2,187	0.0	-1.0	7.5	11.3				
Endowment Assets	569,479	5.3	652,170	5.5							
Wildlife Fund	34,874	0.3	37,310	0.3	-1.2	6.8	10.2	10.8	0.3	4.4	6.3
Prepaid Tuition Trust	77,283	0.7	81,951	0.7	-0.5	7.4	10.3	10.9	1.7	5.3	6.2
Revenue Shortfall Reserve Fund	178,632	1.7	234,586		-1.1	0.3	2.5	7.1	-2.1		
Revenue Shortfall Reserve Fund - Part B	278,690	2.6	298,323	2.5	-0.8	4.4	7.0	9.4	-1.4		

West Virginia Investment Management Board
 PERS Performance Impact
 As of November 30, 2010

Strategy Impact



	Policy Benchmark	Strategy Impact	Allocation Impact	Implementation Impact	Actual Results
One Month	-1.24%	-0.01%	-0.01%	0.08%	-1.18%
Three Months	7.15%	-0.87%	0.00%	0.46%	6.74%
One Year	8.71%	0.27%	0.23%	1.51%	10.72%
Three Years	-0.34%	0.01%	0.02%	0.53%	0.22%
Five Years	4.23%	-0.25%	0.23%	0.22%	4.43%
Ten Years	4.48%	0.73%	N/A	0.44%	5.65%
Since March 31, 2004	5.09%	-0.03%	0.21%	0.10%	5.37%

Implementation Impact



West Virginia Investment Management Board
Composite Asset Allocation & Performance Net of Fees
As of November 30, 2010

	Asset (\$000)	%	Performance %						
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Investment Pools Composite	11,727,485	100.00							
Total Equity Composite	5,282,498	45.05	-1.57	11.97	15.98	12.15	-3.43	3.28	4.64
<i>Total Equity Policy Index</i>			-1.63	11.87	16.33	9.21	-5.71	1.98	3.56
Excess Return			0.06	0.10	-0.35	2.94	2.28	1.30	1.08
US Equity Composite	2,604,506	22.21	0.76	14.61	17.07	13.75	-4.04	1.33	3.37
<i>Russell 3000 Index</i>			0.58	14.37	16.56	12.63	-4.33	1.42	1.66
Excess Return			0.18	0.24	0.51	1.12	0.29	-0.09	1.71
Large Cap Composite	2,122,722	18.10	0.20	13.38	15.89	11.26	-5.04	0.82	0.75
<i>S&P 500 Index</i>			0.01	13.08	15.54	9.94	-5.15	0.98	0.81
Excess Return			0.19	0.30	0.35	1.32	0.11	-0.16	-0.06
Non-Large Cap Composite	481,784	4.11	3.31	20.34	22.52	26.94	-0.23	3.35	8.43
<i>Russell 2500 Index</i>			2.81	18.96	19.80	26.26	-0.19	3.38	7.08
Excess Return			0.50	1.38	2.72	0.68	-0.04	-0.03	1.35
International Equity Composite	2,677,992	22.84	-3.74	9.51	14.89	10.42	-3.07	6.50	6.82
<i>MSCI AC World ex US Index</i>			-3.84	9.36	16.02	5.69	-7.41	4.69	5.53
Excess Return			0.10	0.15	-1.13	4.73	4.34	1.81	1.29
Fixed Income Composite	3,203,473	27.33	-0.32	1.14	3.47	8.42	5.59	5.78	6.69
<i>Fixed Income Policy</i>			-0.66	0.17	2.73	6.77	6.61	6.36	6.21
Excess Return			0.34	0.97	0.74	1.65	-1.02	-0.58	0.48
Core Fixed Income	1,048,499	8.94	-0.34	0.75	3.23	7.43			
<i>Barclays Capital Aggregate</i>			-0.57	-0.11	2.25	6.02			
Excess Return			0.23	0.86	0.98	1.41			
Total Return Fixed Income	2,154,974	18.39	-0.31	1.37	3.57	9.20	6.28	6.42	7.31
<i>Barclays Capital US Universal</i>			-0.66	0.17	2.73	6.77	6.43	6.30	6.38
Excess Return			0.35	1.20	0.84	2.43	-0.15	0.12	0.93
TIPS Composite	810,804	6.91	-1.79	1.35	3.22	5.65			
<i>Barclays Capital U.S. TIPS</i>			-1.69	1.52	3.42	5.61			
Excess Return			-0.10	-0.17	-0.20	0.04			
TRS Annuity	155,267	1.32	0.36	1.10	1.86	4.50			
Cash Composite	184,496	1.57	0.01	0.04	0.08	0.15	1.10	2.72	2.56
<i>Citigroup 90 Day T-Bill + 15 bps</i>			0.02	0.07	0.12	0.26	1.03	2.64	2.59
Excess Return			-0.01	-0.03	-0.04	-0.11	0.07	0.08	-0.03
Private Equity Composite	849,329	7.24	-2.20	1.05	7.63	14.95			
Real Estate Composite	138,846	1.18	-0.78	2.33	4.36	6.24			
Hedge Funds Composite	1,102,772	9.40	0.16	2.68	4.03	7.01			

West Virginia Investment Management Board
Manager Asset Allocation & Performance Net of Fees
As of November 30, 2010

	Asset (\$000)	%	Performance %					Since Inception	Inception Date	
			1 Month	3 Month	FYTD	1 Year	3 Year			5 Year
Large Cap Equity										
INTECH	1,088,292	9.28	0.37	13.31	15.99	12.24	-4.52	1.45	3.04	Dec-2004
<i>S&P 500 Index</i>			0.01	13.08	15.54	9.94	-5.15	0.98	2.19	
Excess Return			0.36	0.23	0.45	2.30	0.63	0.47	0.85	
SSgA S&P 500 Index	1,034,430	8.82	0.02	13.44	15.80	10.31			12.61	Oct-2009
<i>S&P 500 Index</i>			0.01	13.08	15.54	9.94			12.19	
Excess Return			0.01	0.36	0.26	0.37			0.42	
Non-Large Cap Equity										
Aronson+Johnson+Ortiz	235,927	2.01	3.63	18.83	20.95	26.81	-1.71	1.27	9.32	Feb-1999
<i>Russell 2500 Value Index</i>			1.74	16.13	17.75	23.75	-0.22	2.30	8.61	
Excess Return			1.89	2.70	3.20	3.06	-1.49	-1.03	0.71	
Westfield	245,857	2.10	3.00	21.82	24.05	26.95	1.13	7.89	13.23	Oct-2002
<i>Russell 2500 Growth Index</i>			4.03	22.24	22.13	29.16	-0.24	4.24	11.33	
Excess Return			-1.03	-0.42	1.92	-2.21	1.37	3.65	1.90	
International Equity										
LSV	896,501	7.64	-4.06	10.12	16.69	6.94	-6.85	4.86	8.86	Oct-2004
<i>MSCI AC World ex US Index</i>			-3.84	9.36	16.02	5.69	-7.41	4.69	8.15	
Excess Return			-0.22	0.76	0.67	1.25	0.56	0.17	0.71	
Silchester	827,490	7.06	-4.33	5.76	10.40	8.46	0.02	7.43	12.34	Oct-1998
<i>MSCI EAFE Index</i>			-4.79	8.35	14.96	1.55	-9.63	2.27	4.95	
Excess Return			0.46	-2.59	-4.56	6.91	9.65	5.16	7.39	
Pictet	237,226	2.03	-2.95	13.74	17.85	12.17			34.63	Mar-2009
<i>MSCI EAFE Small Cap Index</i>			-3.57	11.60	17.75	10.46			44.25	
Excess Return			0.62	2.14	0.10	1.71			-9.62	
Brandes	483,176	4.12	-3.23	12.47	16.90	17.52	6.25	14.75	14.75	Dec-2005
<i>MSCI Emerging Markets (Net) Index</i>			-2.64	11.32	18.25	15.34	-2.47	12.52	12.52	
Excess Return			-0.59	1.15	-1.35	2.18	8.72	2.23	2.23	
SSgA Emerging Markets	233,599	1.99	-2.17	11.19	17.98	14.38			18.06	Nov-2009
<i>MSCI Emerging Markets (Net) Index</i>			-2.64	11.32	18.25	15.34			18.62	
Excess Return			0.47	-0.13	-0.27	-0.96			-0.56	

West Virginia Investment Management Board
 Manager Asset Allocation & Performance Net of Fees
 As of November 30, 2010

	Asset (\$000)	%	Performance %					Since Inception	Inception Date	
			1 Month	3 Month	FYTD	1 Year	3 Year			5 Year
Core Fixed Income										
JPMorgan	1,048,499	8.94	-0.34	0.81	3.35	7.90		9.30	Mar-2009	
<i>Barclays Capital Aggregate</i>			-0.57	-0.11	2.25	6.02		8.59		
Excess Return			0.23	0.92	1.10	1.88		0.71		
Total Return Fixed Income										
Dodge & Cox	1,075,711	9.18	-0.33	0.66	2.83			5.85	Feb-2010	
<i>Barclays Capital Aggregate</i>			-0.57	-0.11	2.25			6.08		
Excess Return			0.24	0.77	0.58			-0.23		
Western Asset Management	1,079,263	9.21	-0.30	1.93	4.15	9.90	6.69	6.66	7.58	Jul-1996
<i>Western Benchmark</i>			-0.66	0.17	2.73	6.77	6.28	6.34	6.78	
Excess Return			0.36	1.76	1.42	3.13	0.41	0.32	0.80	
TIPS										
SSgA	810,804	6.91	-1.79	1.35	3.22	5.65		7.76	Nov-2009	
<i>Barclays Capital U.S. TIPS</i>			-1.69	1.52	3.42	5.61		7.88		
Excess Return			-0.10	-0.17	-0.20	0.04		-0.12		
Cash										
JPMorgan	184,496	1.57	0.01	0.04	0.08	0.15	1.10	2.72	3.67	Jul-1996
<i>Citigroup 90 Day T-Bill + 15 bps</i>			0.02	0.07	0.12	0.26	1.03	2.64	2.39	
Excess Return			-0.01	-0.03	-0.04	-0.11	0.07	0.08	1.28	
Private Equity										
Private Equity - Partnerships	191,048	1.63	0.90	0.20	3.37	9.31			-3.46	Apr-2008
Bridgewater	658,281	5.61	-3.06	1.23	8.70	16.38			0.53	Apr-2008
Real Estate										
Private Real Estate - Partnerships	101,952	0.86	0.43	2.74	4.30	2.35			-7.92	Apr-2008
EII REIT	18,354	0.16	-4.14	4.64	14.67				10.05	Mar-2010
<i>FTSE NAREIT All REITs</i>			-1.62	7.45	15.46				21.72	
Excess Return			-2.52	-2.81	-0.79				-11.67	
ING REIT	18,540	0.16	-3.76	7.28	16.12				10.03	Mar-2010
<i>FTSE NAREIT All REITs</i>			-1.62	7.45	15.46				21.72	
Excess Return			-2.14	-0.17	0.66				-11.69	
Hedge Funds										
Hedge Funds	1,102,772	9.40	0.16	2.68	4.03	7.01			2.55	Jul-2008

West Virginia Investment Management Board
 Participant Plans Allocation vs. Targets
 As of November 30, 2010

	Domestic Equity		Int'l Equity		Fixed Income		Private Equity		Real Estate		Hedge Funds		Cash	
	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %

Pension Assets

Public Employees' Retirement System	25.4	25.0	26.2	25.0	27.3	28.0	9.2	10.0	1.5	2.0	10.0	10.0	0.5	0.0
Teachers' Retirement System	25.3	25.0	26.3	25.0	27.2	28.0	9.2	10.0	1.5	2.0	10.0	10.0	0.5	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	25.2	25.0	26.0	25.0	27.0	28.0	9.2	10.0	1.5	2.0	9.9	10.0	1.2	0.0
Public Safety Retirement System	25.3	25.0	26.4	25.0	27.1	28.0	9.5	10.0	1.5	2.0	10.1	10.0	0.1	0.0
Judges' Retirement System	25.2	25.0	26.4	25.0	27.4	28.0	9.3	10.0	1.5	2.0	10.0	10.0	0.2	0.0
State Police Retirement System	25.3	25.0	25.8	25.0	27.4	28.0	9.2	10.0	1.5	2.0	9.9	10.0	1.0	0.0
Deputy Sheriffs' Retirement System	25.2	25.0	26.1	25.0	27.4	28.0	9.3	10.0	1.5	2.0	10.0	10.0	0.5	0.0
Municipal Police & Firefighter Retirement System	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0

Insurance Assets

Workers' Compensation Old Fund	10.2	10.0	9.8	10.0	69.8	70.0	0.0	0.0	0.0	0.0	0.1	0.0	10.1	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	9.7	10.0	10.1	10.0	53.8	55.0	0.0	0.0	0.0	0.0	19.8	20.0	6.6	5.0
Workers' Comp. Uninsured Employers Fund	10.1	10.0	0.0	10.0	64.6	55.0	0.0	0.0	0.0	0.0	20.1	20.0	5.2	5.0
Pneumoconiosis	10.3	10.0	10.5	10.0	54.5	55.0	0.0	0.0	0.0	0.0	20.2	20.0	4.5	5.0
Board of Risk & Insurance Mgmt.	10.1	10.0	10.5	10.0	54.3	55.0	0.0	0.0	0.0	0.0	20.1	20.0	5.0	5.0
Public Employees' Insurance Agency	5.1	5.0	5.3	5.0	74.4	75.0	0.0	0.0	0.0	0.0	10.1	20.0	5.1	5.0
WV Retiree Health Benefit Trust Fund	17.3	17.5	18.1	17.5	44.8	45.0	0.0	0.0	0.0	0.0	20.0	20.0	0.0	0.0
AccessWV	0.1	0.0	1.2	0.0	98.7	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Endowment Assets

Wildlife Fund	25.0	25.0	25.0	25.0	25.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid Tuition Trust	34.9	35.8	17.9	19.2	48.0	45.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	99.9	100.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	10.6	10.0	10.1	10.0	79.2	80.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0

Statutory Limitations

- Public Equity - 75%
- International Proportions of Equity, Fixed Income, and Real Estate - 30%
- Real Estate - 25%
- Private Equity and Hedge Funds - 20% in aggregate

West Virginia Investment Management Board

Footnotes

As of November 30, 2010

PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Universal as of 4/1/08. Prior periods, 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Barclays Capital Aggregate.

Total Equity Policy is 50% Russell 3000 and 50% MSCI ACW ex USA as of April 2008. Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.

Fixed Income Policy is 100% Barclays Capital Universal as of April 2008. Prior periods were the Barclays Capital Aggregate.

Western Policy Index is 100% Barclays Capital Universal as of April 2008. Prior periods were a custom index.

Returns are net of management fees. Returns shorter than one year are unannualized.



Status Report Workers' Compensation

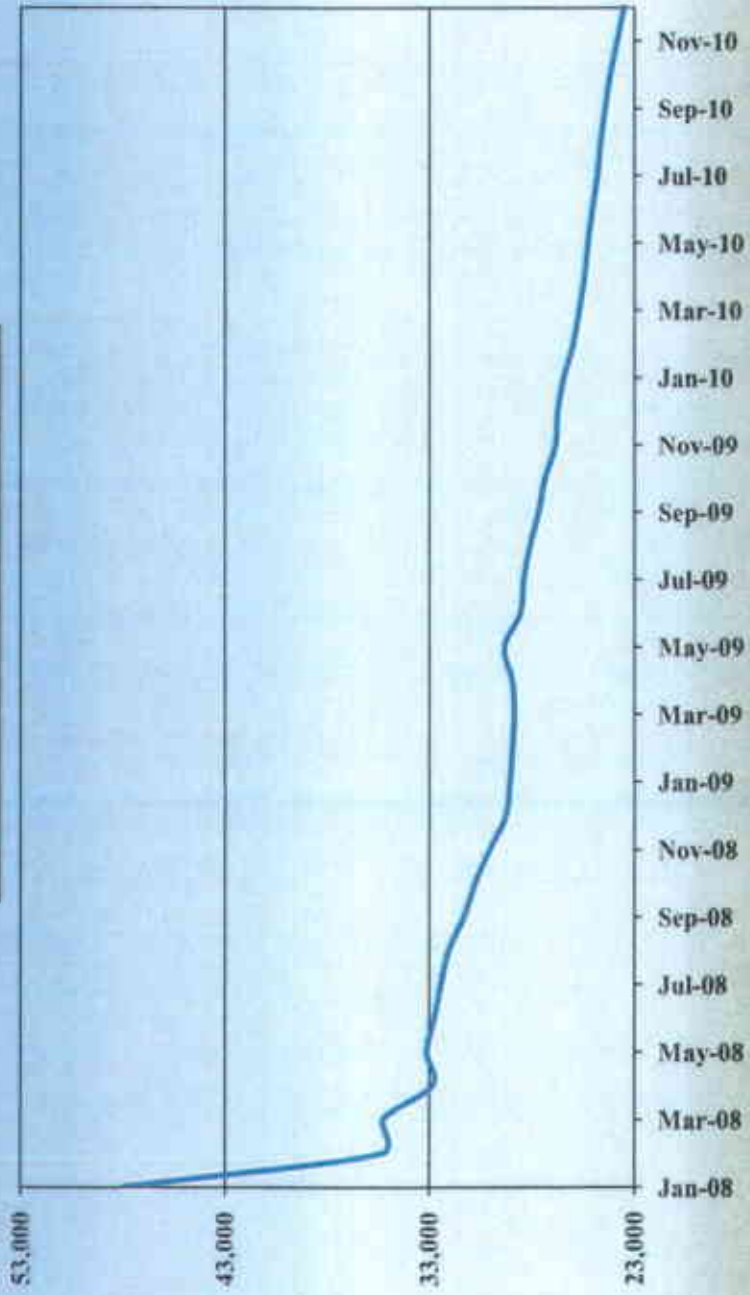
Joint Committee on
Government & Finance

01/06/11

Provided by the West Virginia Offices of the Insurance Commissioner



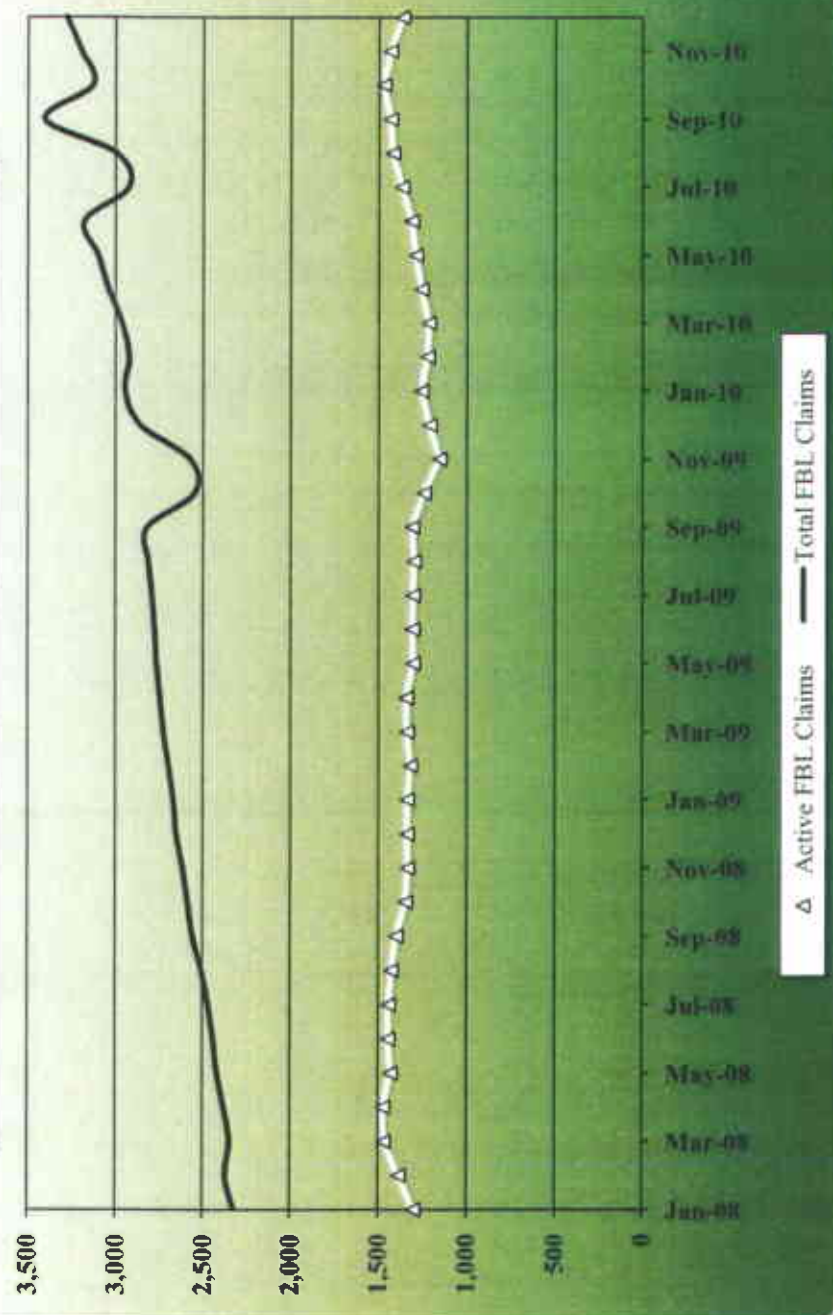
Total Active Claim Counts



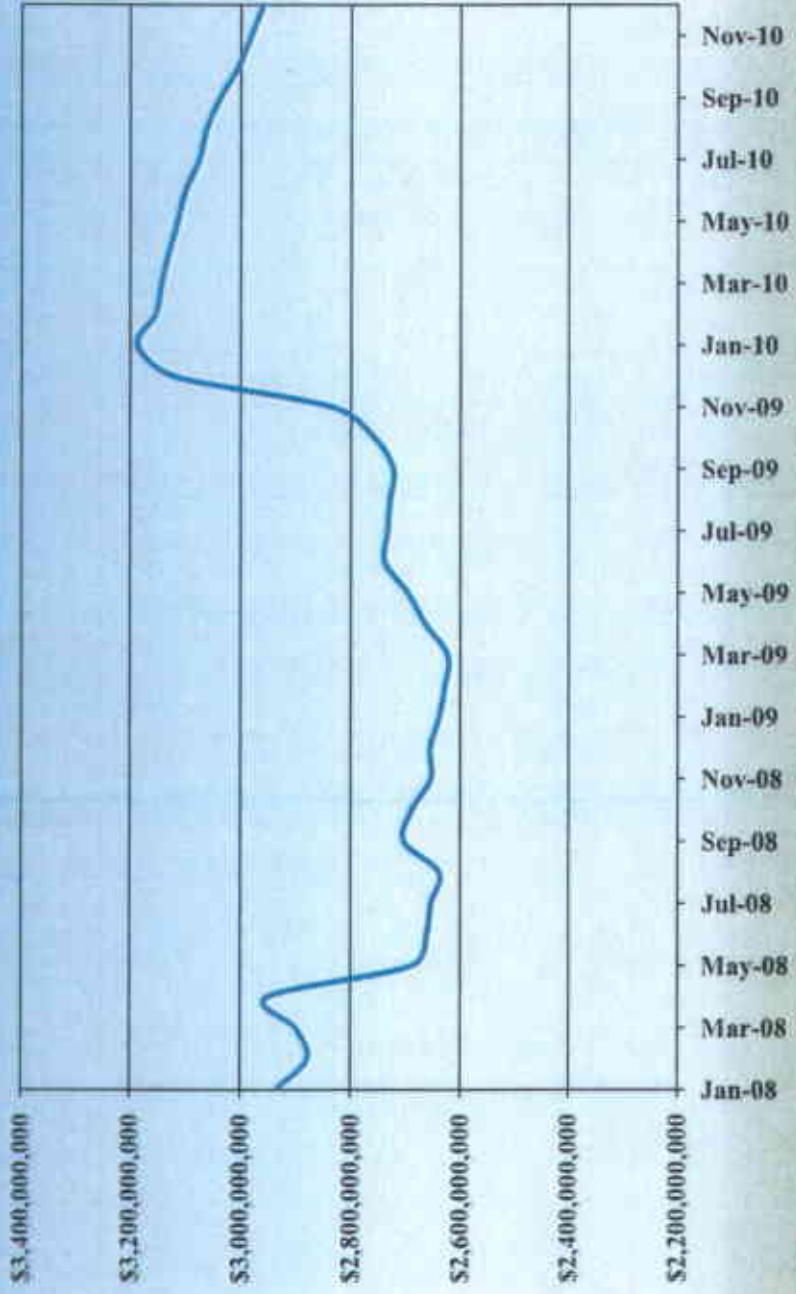
Non-FBL Active Claim Counts



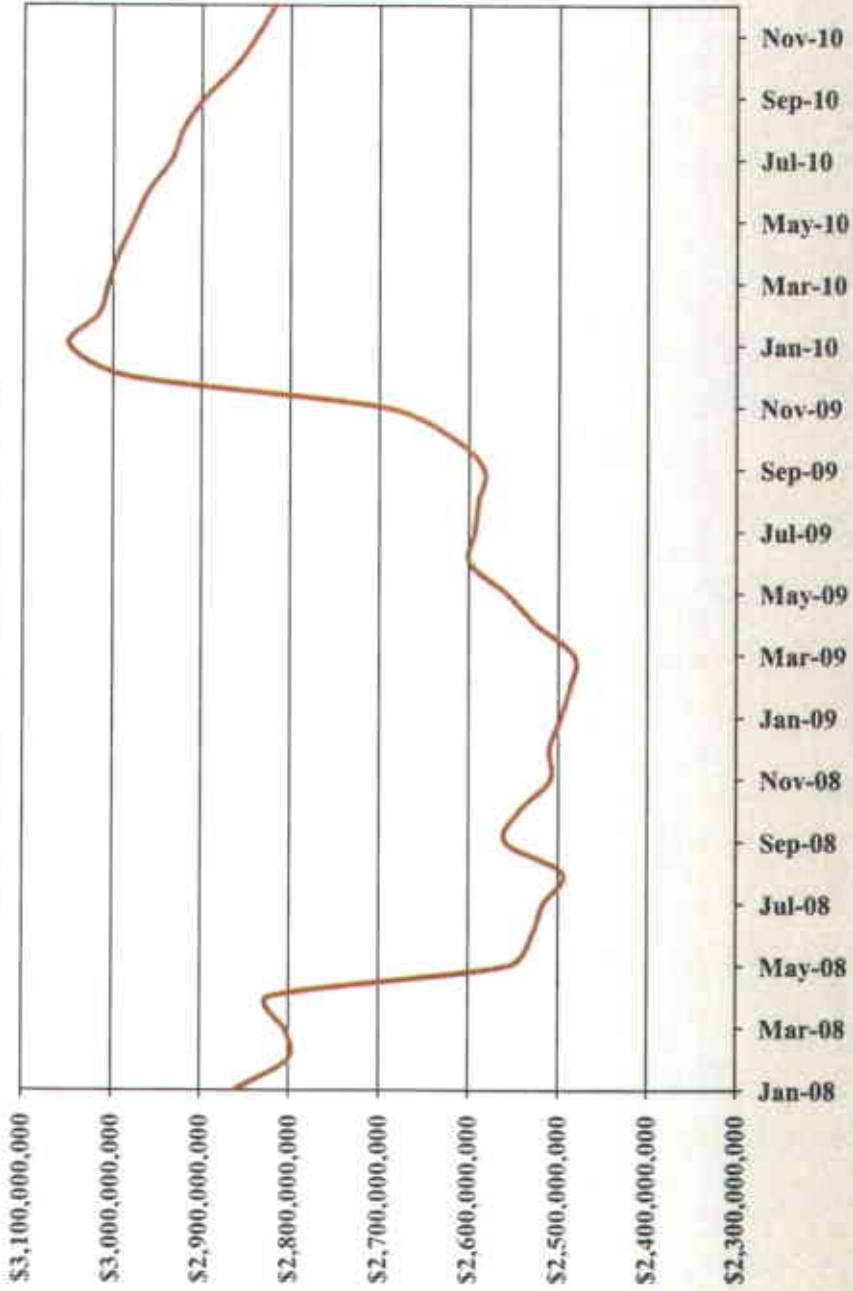
Active and Total (+ inactive) FBL Claim Counts



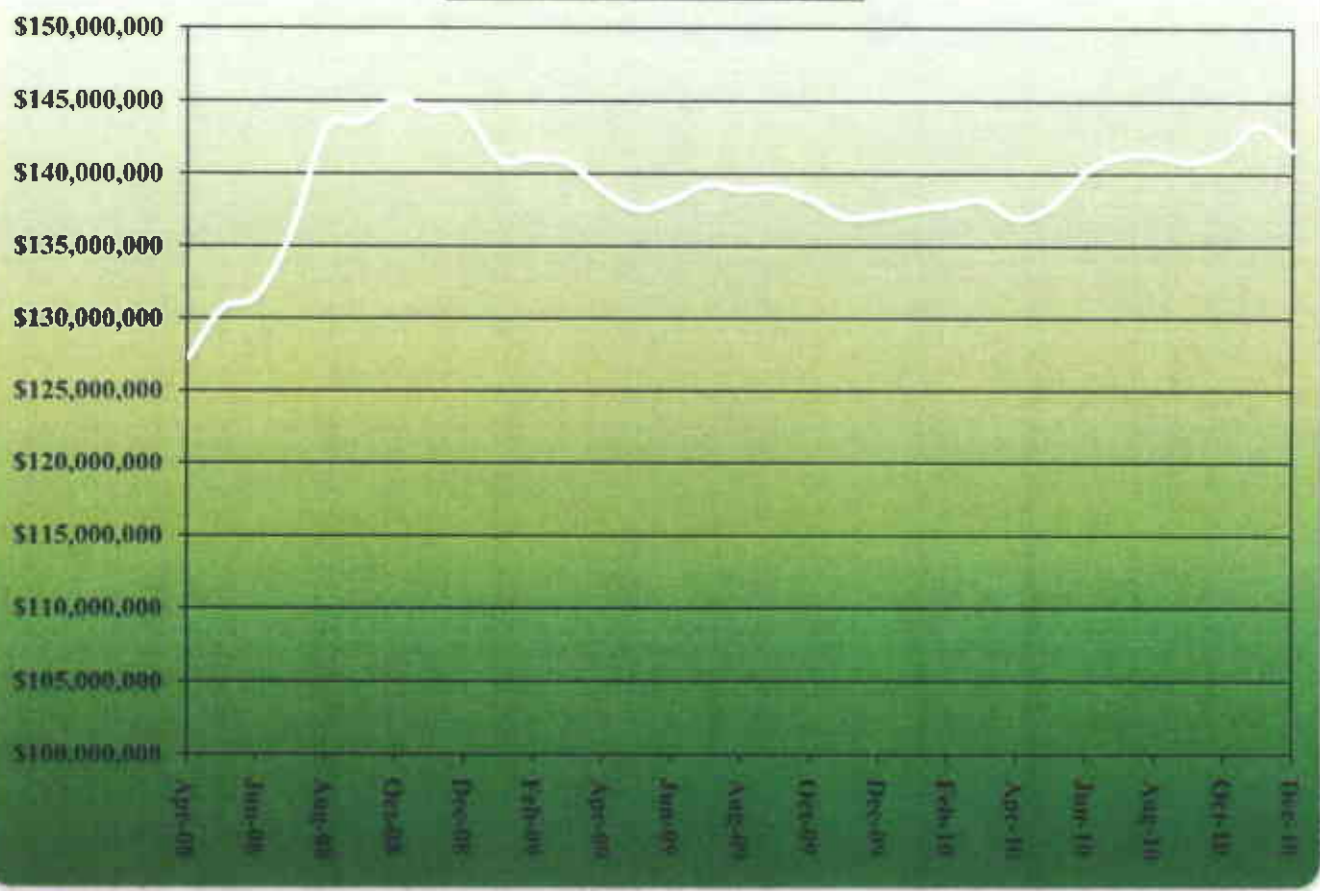
Total Case Reserves



Non-FBL Case Reserves



FBL Case Reserves



12/31/2010					Prior Month	
	Sedgwick	Wells Fargo	American Mining	Totals	Total	Change
Total Non-FBL Reserves	\$2,395,427,721	\$231,277,850	\$190,288,677	\$2,816,994,248	\$2,837,499,774	-0.7%
Non-FBL Claims						
	Sedgwick	Wells Fargo	American Mining	Totals	Total	Change
Med Only	1,558	3	288	1,849	1,889	-2.2%
PTD	6,803	555	335	7,693	7,746	-0.7%
PPD	4,358	1,001	587	5,946	6,080	-2.3%
TTD	938	0	25	963	959	0.4%
TPD	0	0	0	0	2	-200.0%
Payment Agreements	0	14	11	25	27	-8.0%
Fatal	1,589	486	165	2,240	2,238	0.1%
Partial Awd	1	91	0	92	113	-22.8%
OP/OD	3,292	1,977	779	3,292	3,322	-0.9%
Total Non-FBL Claims	18,539	2,150	1,411	22,100	22,376	-1.2%
Total FBL Reserves						
	Sedgwick	Wells Fargo	American Mining	Totals	Total	Change
	\$0	\$31,694,881	\$109,951,909	\$141,646,789	\$143,354,511	-1.2%
FBL Claims						
	Sedgwick	Wells Fargo	American Mining	Totals	Prior Month Total	
	0	127	1,239	1,366	1,435	-5.1%
FBL						
					Inactive	All Total
					1,912	3,278

WEST VIRGINIA
OFFICES OF THE INSURANCE COMMISSIONER
SCHEDULE OF NET ASSETS
Workers' Compensation Old Fund – Debt Reduction
(In Thousands)
FY2011

	June 30, 2010	December 31, 2010	Change
Assets:			
Cash and Cash Equivalents	892,466	894,920	2,454
Receivables, Net:	<u>20,659</u>	<u>20,659</u>	<u>-</u>
Total Assets	<u>913,125</u>	<u>915,579</u>	<u>2,454</u>
Liabilities:			
Estimated Liability for Unpaid Claims	2,022,700	1,945,389	(77,311)
Other Liabilities	<u>1,453</u>	<u>1,453</u>	<u>-</u>
Total Liabilities	<u>2,024,153</u>	<u>1,946,842</u>	<u>(77,311)</u>
Net Assets:			
Unrestricted	<u>(1,111,028)</u>	<u>(1,031,263)</u>	<u>79,765</u>
Total Net Assets	<u><u>(1,111,028)</u></u>	<u><u>(1,031,263)</u></u>	<u><u>79,765</u></u>

*Debt Reduction estimates are updated on a monthly basis. See note on "Old Fund Liability Estimate" sheet.

Old Fund Liability Estimate

FY2011

	December
Undiscounted Beginning Reserve Amount	3,070,780,664
Claim Payments	21,329,671
Undiscounted Ending Reserve Amount	3,049,450,993
Estimated Ending Reserve Amount - Discounted at 5%	1,945,388,832

Note:

The discounted estimate of the Old Fund liabilities is derived using a formula that reduces the reserve amount at the beginning of each month by the amount of claims payments made during the month. Claims payments were \$21,329,671 for December 2010.

The formula makes an adjustment for the time value of money, assuming that claim payments are evenly distributed through the month. This calculation has been prepared in order to provide an interim estimate on the status of the deficit.

Old Fund / Debt Reduction FY2011

	1st Quarter	2nd Quarter	Y-T-D FY2011	Y-T-D FY2010	Change
Revenues					
Personal Income Tax	-	31,800,000	31,800,000	31,800,000	-
Severance Tax	22,025,208	21,155,013	43,180,221	45,361,422	(2,181,201)
Debt Reduction Surcharge	8,857,456	11,815,510	20,672,966	18,698,213	1,974,753
Self-Insured Debt Reduction Surcharge	1,777,733	2,039,664	3,817,397	3,158,720	658,677
Video Lottery	11,000,000	-	11,000,000	11,000,000	-
Employer Premium	2,399,978	513,011	2,912,988	1,211,672	1,701,316
Other Income - Return of Unclaimed Property	1,077	14,410	15,487	31,194	(15,707)
Total Revenues	46,061,452	67,337,607	113,399,059	111,261,221	2,137,838
Surplus Note Principal Payments	-	-	-	43,500,000	(43,500,000)
Investment / Interest Earnings (Losses)	23,095,895	17,526,185	40,622,080	80,502,932	(39,880,852)
Expenditures					
Claims Benefits Paid:					
Medical	12,127,841	10,142,490	22,270,332	25,921,608	(3,651,276)
Permanent Total Disability	35,131,918	34,255,956	69,387,874	74,248,338	(4,860,464)
Permanent Partial Disability	763,081	691,264	1,454,344	2,938,217	(1,483,873)
Temporary Disability	117,290	144,226	261,516	815,904	(554,388)
Fatafs	7,514,947	7,524,300	15,039,248	16,033,573	(994,325)
104 weeks death benefit	1,527,745	1,557,300	3,085,046	2,995,902	89,144
Settlement Agreements	15,764,770	11,532,935	27,297,704	8,268,628	19,029,076
Loss Adjustment Expenses	1,397,144	1,768,476	3,165,620	1,265,758	1,899,862
Total	74,344,735	67,616,948	141,961,683	132,487,928	9,473,755
Less: Claims credits and overpayments	2,134,198	1,463,734	3,597,932	1,924,871	1,673,061
Total Benefits Paid	72,210,537	66,153,214	138,363,751	130,563,057	7,800,694
Administrative Expenses	4,869,605	4,403,832	9,273,437	10,207,391	(933,954)
Total Expenditures	77,080,143	70,557,046	147,637,188	140,770,448	6,866,741
Excess (Deficiency) of Revenues over Expenditures	(7,922,796)	14,306,747	6,383,951	94,493,705	
Cash Beginning Balances	888,535,954	880,613,158	888,535,954		
Cash Ending Balances	880,613,158	894,919,905	894,919,905		

Old Fund / Debt Reduction 1st Quarter FY2011

	July 2010	August 2010	September 2010	Quarter-to-Date
Revenues				
Personal Income Tax	-	-	-	-
Severance Tax	5,116,779.70	9,026,745.37	7,881,682.99	22,025,208.06
Debt Reduction Surcharge	8,769,528.72	95,819.00	(7,891.97)	8,857,455.75
Self-Insured Debt Reduction Surcharge	1,401,614.89	70,788.17	305,330.02	1,777,733.08
Video Lottery	3,885,341.88	4,046,095.90	3,068,562.22	11,000,000.00
Employer Premium	113,955.91	92,719.43	2,193,302.56	2,399,977.90
Other Income - Return of Unclaimed Property	-	1,076.78	-	1,076.78
Total Revenues	19,287,221.10	13,333,244.65	13,440,985.82	46,061,451.57
*Investment / Interest Earnings (Losses)	4,527,112.81	14,544,793.42	4,023,988.78	23,095,895.01
Expenditures				
Claims Benefits Paid:				
Medical	4,632,087.97	3,534,601.88	3,961,151.53	12,127,841.38
Permanent Total Disability	11,551,635.68	12,114,184.95	11,466,096.92	35,131,917.55
Permanent Partial Disability	254,935.24	261,275.59	246,869.72	763,080.55
Temporary Disability	23,670.59	43,483.66	50,135.47	117,289.72
Fatales	2,519,576.31	2,556,640.44	2,438,730.74	7,514,947.49
104 weeks death benefit	528,883.58	505,925.05	492,936.68	1,527,745.31
Settlement Agreements	4,669,443.34	5,872,763.97	5,222,562.36	15,764,769.67
Loss Adjustment Expenses	450,587.51	591,991.44	354,564.79	1,397,143.74
Total	24,630,820.22	25,480,866.98	24,233,048.21	74,344,735.41
Less: Claims credits and overpayments	580,796.53	405,519.49	1,147,882.04	2,134,198.06
Total Benefits Paid	24,050,023.69	25,075,347.49	23,085,166.17	72,210,537.35
Administrative Expenses	1,584,348.85	1,641,948.52	1,643,307.81	4,869,605.18
Total Expenditures	25,634,372.54	26,717,296.01	24,728,473.98	77,080,142.53
Excess (Deficiency) of Revenues over Expenditures	(1,820,038.63)	1,160,742.06	(7,263,499.38)	(7,922,795.95)
Cash Beginning Balance	888,535,953.68	886,715,915.05	887,876,657.11	888,535,953.68
Cash Ending Balances	886,715,915.05	887,876,657.11	880,613,157.73	880,613,157.73

**Old Fund / Debt Reduction
2nd Quarter FY2011**

	October 2010	November 2010	December 2010	Quarter-to-Date
Revenues				
Personal Income Tax	10,600,000.00	10,600,000.00	10,600,000.00	31,800,000.00
Severance Tax	5,257,237.26	9,203,108.57	6,694,667.04	21,155,012.87
Debt Reduction Surcharge	11,575,261.93	218,697.00	21,551.40	11,815,510.33
Self-Insured Debt Reduction Surcharge	697,594.09	807,291.74	534,777.89	2,039,663.72
Video Lottery	-	-	-	-
Employer Premium	131,814.41	54,999.79	326,196.39	513,010.59
Other Income - Return of Unclaimed Property	7,146.74	7,263.22	-	14,409.96
Total Revenues	28,269,054.43	20,891,360.32	18,177,192.72	67,337,607.47
*Investment / Interest Earnings (Losses)	14,629,093.72	8,795,713.94	(5,898,622.34)	17,526,185.32
Expenditures				
Claims Benefits Paid:				
Medical	2,774,670.79	3,865,156.97	3,502,662.72	10,142,490.48
Permanent Total Disability	11,287,336.33	11,675,033.77	11,293,586.00	34,255,956.10
Permanent Partial Disability	212,195.95	273,352.08	205,715.83	691,263.86
Temporary Disability	71,290.19	14,909.86	58,025.96	144,226.01
Fatais	2,582,247.99	2,446,806.13	2,495,246.14	7,524,300.26
104 weeks death benefit	474,007.71	591,712.96	491,579.63	1,557,300.30
Settlement Agreements	4,123,973.72	4,904,920.69	2,504,040.19	11,532,934.60
Loss Adjustment Expenses	285,391.62	444,788.07	1,038,296.52	1,768,476.21
Total	21,811,114.30	24,216,680.53	21,589,152.99	67,616,947.82
Less: Claims credits and overpayments	441,879.05	762,373.32	259,481.54	1,463,733.91
Total Benefits Paid	21,369,235.25	23,454,307.21	21,329,671.45	66,153,213.91
Administrative Expenses	1,024,837.36	2,043,574.24	1,335,420.13	4,403,831.73
Total Expenditures	22,394,072.61	25,497,881.45	22,665,091.58	70,557,045.64
Excess (Deficiency) of Revenues over Expenditures	20,504,075.54	4,189,192.81	(10,386,521.20)	14,306,747.15
Cash Beginning Balance	880,613,157.73	901,117,233.27	905,306,426.08	880,613,157.73
Cash Ending Balances	901,117,233.27	905,306,426.08	894,919,904.88	894,919,904.88

COAL WORKERS PNEUMOCONIOSIS FUND
Quarterly Summary
FY2011

	1st Quarter	2nd Quarter	YTD FY 2011	YTD FY 2010	Change
Revenues					
Investment Earnings (Losses)	5,580,564	8,928,033	14,508,597	26,189,988	(11,681,391)
Other Income - Return of Unclaimed Property	-	-	-	-	-
Total Revenues	5,580,564	8,928,033	14,508,597	26,189,988	(11,681,391)
Expenditures					
Payment of Claims	2,481,727	2,672,708	5,154,435	5,075,670	78,764
Contractual / Professional	13,391	3,291	16,682	35,046	(18,364)
Total Expenditures	2,495,118	2,675,999	5,171,117	5,110,716	60,400
Excess (Deficiency) of Revenues over Expenditures	3,085,446	6,252,035	9,337,481	21,079,271	(11,741,791)
Cash Beginning Balances	244,074,613	247,160,059	244,074,613		
Cash Ending Balances	247,160,059	253,412,093	253,412,093		

SELF-INSURED GUARANTY FUND
Quarterly Summary
FY 2011

	1st Quarter	2nd Quarter	YTD FY 2011	YTD FY 2010	Change
Revenues					
Guaranty Risk Pool Assessments	331,688	253,473	585,162	709,816	(124,654)
Investment Earnings (Losses)	2,896	77,690	80,586	5,750	74,836
Total Revenues	334,584	331,164	665,748	715,566	(49,818)
Expenditures					
Payment of Claims	11,273	5,603	16,876	14,794	2,082
Contractual / Professional	6,459	12,364	18,823	32,296	(13,473)
Total Expenditures	17,732	17,967	35,699	47,089	(11,390)
Excess (Deficiency) of Revenues over Expenditures	316,852	313,196	630,049	668,477	(38,428)
Cash Beginning Balances	8,112,918	8,429,770	8,112,918		
Cash Ending Balances	8,429,770	8,742,967	8,742,967		

SELF-INSURED SECURITY FUND
Quarterly Summary
FY2011

	1st Quarter	2nd Quarter	YTD FY 2011
Revenues			
Security Risk Pool Assessments	31,272	70,372	101,644
Investment Earnings (Losses)	-	-	-
Total Revenues	31,272	70,372	101,644
Expenditures			
Payment of Claims	-	64	64
Claim Payment Reimbursement to Old Fund	73,516	-	73,516
Contractual / Professional	9,255	-	9,255
Total Expenditures	82,771	64	82,835
Excess (Deficiency) of Revenues over Expenditures	(51,499)	70,308	18,809
Cash Beginning Balances	173,041	121,542	173,041
Cash Ending Balances	121,542	191,849	191,849

**UNINSURED FUND
Quarterly Summary
FY2011**

	1st Quarter	2nd Quarter	YTD FY 2011	YTD FY 2010	Change
Revenues					
Fines and Penalties	227,102	194,357	421,459	473,116	(51,657)
Investment Earnings (Losses)	3,149	(51,023)	(47,873)	6,997	(54,871)
Total Revenues	230,251	143,334	373,585	480,113	(106,528)
Expenditures					
Payment of Claims	133,213	168,679	301,892	247,653	54,239
Contractual/Professional	1,394	7,092	8,486	8,168	318
Total Expenditures	134,607	175,771	310,378	255,821	54,557
Excess (Deficiency) of Revenues over Expenditures	95,644	(32,437)	63,207	224,292	(161,085)
Cash Beginning Balances	8,905,444	9,001,088	8,905,444		
Cash Ending Balances	9,001,088	8,968,651	8,968,651		

OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL

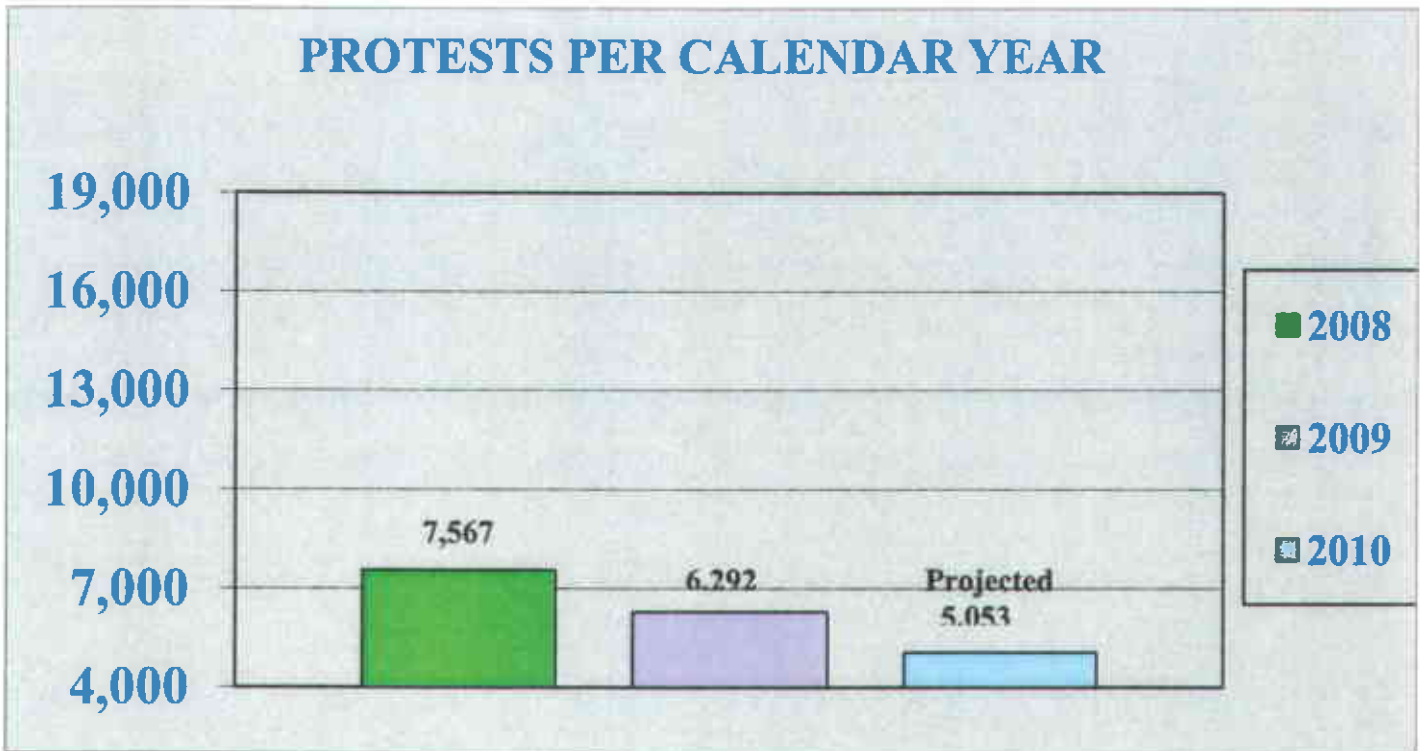
January 4, 2011

I. Statistical Analysis

A. Protests Acknowledged: 2009 Dec. 2010
 6292 431 5052

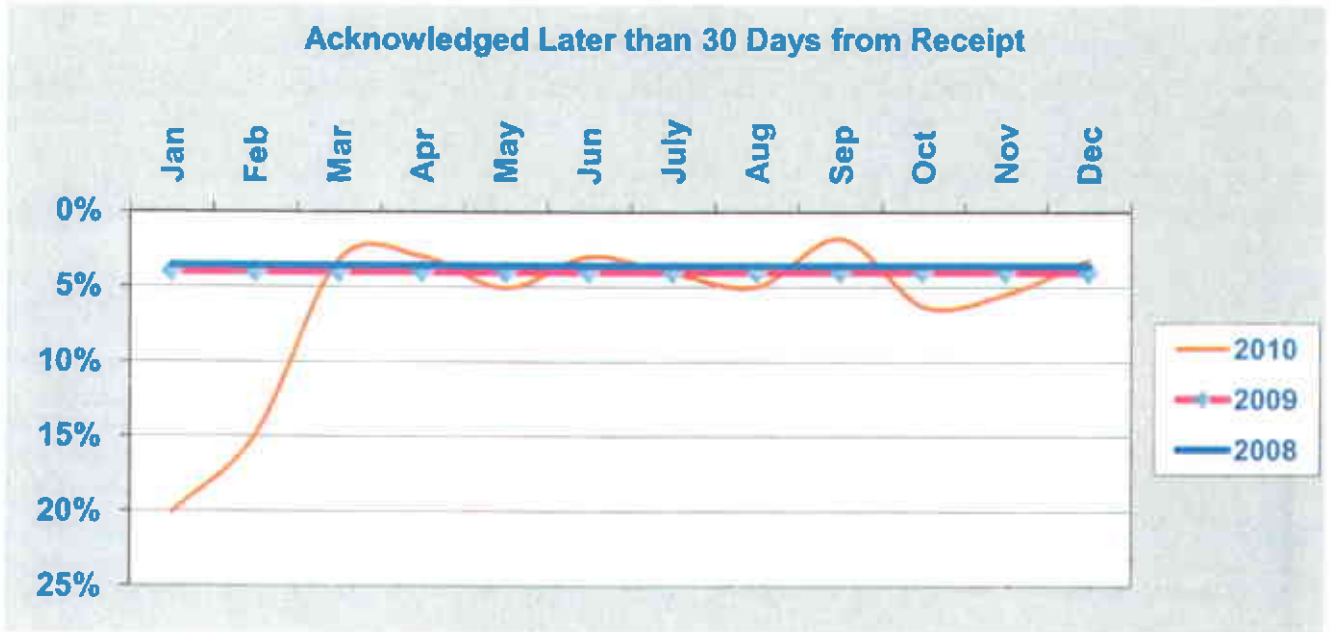
Fund Involved:

FUND	2009	% of protests	Dec. '10	% of protests	2010	% of protests
Old Fund	1277	24.13%	82	19.03%	1045	20.68%
Priv. Carrier	2661	50.28%	258	59.86%	2885	57.11%
Self-Insured	1354	25.59%	91	21.11%	1122	22.21%
Subtotal	5292		431		5052	
Temporary	1000		83		997	
Total	6292		514		6049	



D.

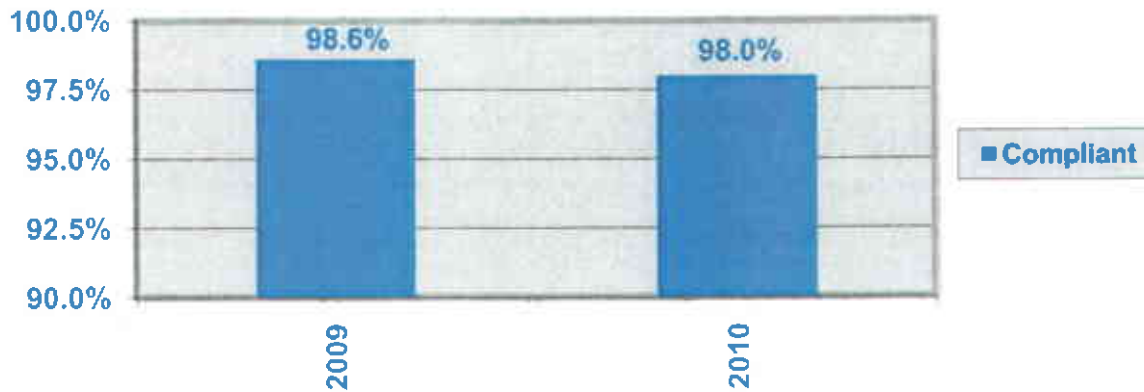
Acknowledgment Timeliness:	2009	Dec.	YTD
1. Protest Ackn. >30 days	4.0%	3.2%	6.1%
2. Protest Ackn. 24-30 days	3.0%	0.2%	1.7%
3. Protest Ackn. 11-23 days	22.6%	37.6%	23.2%
4. Protest Ackn. <11 days	70.4%	58.9%	68.9%



E. Protests Resolved:	Dec. '10	2010
1. Protests decided:	226	3442
2. Withdrawals:	59	967
3. "No Evidence" Dismissals:	63	650

F. Final Decision Timeliness	2009	Dec. '10	2010
1. <30 days:	49.2%	41.3%	45.4%
2. 30-60 days:	29.3%	49.6%	34.2%
3. 60-90 days:	20.1%	8.7%	18.4%
4. +90 days:	1.4%	0.4%	2.0%

Decision Within Rule's Time Limits



G. Time Standard Compliance	2009	Dec.	2010
	88.9%	88.0%	88.2%

Tuesday, January 04, 2011

Time Standard Compliance

Report Dates: From 12/1/2010 thru 12/31/2010

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
OP NON-MED	1	0	0%	1	100%
OPBD	10	8	80%	2	20%
PPD	33	32	97%	1	3%
REOPENING	11	10	90.9%	1	9.1%
COMPENSABILITY	27	26	96.3%	1	3.7%
DEP BEN FATAL	2	0	0%	2	100%
IEB DETERMINATION	1	1	100%	0	0%
TRMT/EQUIP CL	61	51	83.6%	10	16.4%
TTD	21	19	90.5%	2	9.5%
Total	167	147	88%	20	12%

Final Decision Compliance

Report Dates: From 12/1/2010 thru 12/31/2010

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
OP NON-MED	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
SPECIAL CATEGORY	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
COMPENSABILITY	59	27	45.8%	22	37.3%	10	16.9%	0	0.0%
DEP BEN FATAL	6	4	66.7%	2	33.3%	0	0.0%	0	0.0%
IEB DETERMINATION	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
OPBD	9	3	33.3%	6	66.7%	0	0.0%	0	0.0%
PPD	36	11	30.6%	21	58.3%	4	11.1%	0	0.0%
REOPENING	15	7	46.7%	7	46.7%	1	6.7%	0	0.0%
TRMT/EQUIP CL	74	34	45.9%	38	51.4%	2	2.7%	0	0.0%
TTD	28	9	32.1%	16	57.1%	2	7.1%	1	3.6%
Totals	230	95	41.3%	114	49.6%	20	8.7%	1	0.4%

Tuesday, January 04, 2011

Motion Resolution Compliance

Report Dates: From 12/1/2010 thru 12/31/2010

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
APPLICATION THRESHOLD	1	1	100%	0	0%
BENEFIT RATE	1	1	100%	0	0%
DEP BEN FATAL	15	14	93.3%	1	6.7%
IEB DETERMINATION	5	5	100%	0	0%
OP NON-MED	2	2	100%	0	0%
OPBD	35	34	97.1%	1	2.9%
TRMT/EQUIP CL	224	220	98.2%	4	1.8%
BENEFIT OVERPAYMENT	2	2	100%	0	0%
COMPENSABILITY	221	207	93.7%	14	6.3%
FAILURE TO ACT 30 DAY	2	1	50%	1	50%
PPD	162	153	94.4%	9	5.6%
PTD ENTITLEMENT	10	10	100%	0	0%
REOPENING	40	40	100%	0	0%
TEMP	1	1	100%	0	0%
TTD	95	87	91.6%	8	8.4%
Total	816	778	95.3%	38	4.7%

* Action Date < Motion Date

** Action Date > Motion Date

Tuesday, January 04, 2011

Acknowledgement Goal

Report Dates: From 12/1/2010 thru 12/31/2010

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
BENEFIT RATE	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CBR - CL PRSTS BEN RATE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
COMPENSABILITY	Total: 76	4	5.3%	1	1.3%	44	57.9%	27	35.5%
CCS - CL SEC CONDITION	12	0	0.0%	0	0.0%	2	16.7%	10	83.3%
CHC - CL COMPENSABILITY	5	0	0.0%	0	0.0%	4	80.0%	1	20.0%
CIS - CL SI SEC.CONDITION	6	1	16.7%	0	0.0%	1	16.7%	4	66.7%
CPI - CL SI REJECT CLAIM	5	0	0.0%	0	0.0%	3	60.0%	2	40.0%
CPJ - CL REJECT CLAIM	41	3	7.3%	1	2.4%	28	68.3%	9	22.0%
CQR - CL SI REJ OCCDISEASE	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
CRZ - CL REJ OCC DISEASE	5	0	0.0%	0	0.0%	4	80.0%	1	20.0%
DEP BEN FATAL	Total: 4	0	0.0%	0	0.0%	3	75.0%	1	25.0%
CDF - CL DENY/GRNT DTH BEN	3	0	0.0%	0	0.0%	3	100.0%	0	0.0%
CIF - CL SI DY/GNT DTH BEN	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
FAILURE TO ACT 10 DAY	Total: 7	0	0.0%	0	0.0%	7	100.0%	0	0.0%
C5N - CL FTA NOT COVERED	7	0	0.0%	0	0.0%	7	100.0%	0	0.0%
FAILURE TO ACT 15 DAY	Total: 3	2	66.7%	0	0.0%	1	33.3%	0	0.0%
C01 - CL FTA INJ COMPENSAB	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
C03 - CL FTA TREATMENT	2	1	50.0%	0	0.0%	1	50.0%	0	0.0%
FAILURE TO ACT 30 DAY	Total: 2	1	50.0%	0	0.0%	1	50.0%	0	0.0%
C7A - CL FTA RO TTD/MED	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
C7D - CL FTA REF FOR EXAM	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
IEB DETERMINATION	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CEB - CL IEB DETERMINATION	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
OP NON-MED	Total: 1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CIR - CL SI NON-MED ORDER	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
OPBD	Total: 37	0	0.0%	0	0.0%	19	51.4%	18	48.6%
CAO - CL ADD BOARD FINDING	11	0	0.0%	0	0.0%	6	54.5%	5	45.5%
CBF - CL % BOARD FINDING	9	0	0.0%	0	0.0%	4	44.4%	5	55.6%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CSF - CL% SI BOARD FINDING	7	0	0.0%	0	0.0%	3	42.9%	4	57.1%
CSO - CL SI AD.BRD FINDING	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
EAO - EM ADD BOARD FINDING	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
EBF - EM % BOARD FINDING	5	0	0.0%	0	0.0%	5	100.0%	0	0.0%
PPD	Total: 109	3	2.8%	0	0.0%	39	35.8%	67	61.5%
CAA - CL ADDL % AWARD D/G	14	0	0.0%	0	0.0%	1	7.1%	13	92.9%
CAD - CL % AWARD DENY/GRNT	66	3	4.5%	0	0.0%	28	42.4%	35	53.0%
CIE - CL SI ADD% AWARD D/G	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CIG - CL SI %AWARD DNY/GNT	25	0	0.0%	0	0.0%	9	36.0%	16	64.0%
PTD ENTITLEMENT	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CKC - CL DENY/GRANT PTD	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
REOPENING	Total: 16	0	0.0%	0	0.0%	6	37.5%	10	62.5%
CIQ - CL SI DY/GNT R/O PPD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CIY - CL SI DY/GNT R/O TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CJV - CL DNY/GRNT R/O PPD	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CRD - CL DENY/GRNT R/O TTD	11	0	0.0%	0	0.0%	4	36.4%	7	63.6%
TRMT/EQUIP CL	Total: 120	2	1.7%	0	0.0%	27	22.5%	91	75.8%
CBX - CL TRMT DENY	81	1	1.2%	0	0.0%	19	23.5%	61	75.3%
CSX - CL SI TRMT DENY	28	1	3.6%	0	0.0%	5	17.9%	22	78.6%
CYY - CL TRMT GRANT	11	0	0.0%	0	0.0%	3	27.3%	8	72.7%
TTD	Total: 51	2	3.9%	0	0.0%	14	27.5%	35	68.6%
CCC - CL CLOSING THE CLAIM	39	2	5.1%	0	0.0%	12	30.8%	25	64.1%
CIC - CL SI CLSING THE CLM	6	0	0.0%	0	0.0%	0	0.0%	6	100.0%
CIJ - CL SI TTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CJS - CL TTD	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CPX - CL INITIAL TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
Totals: Claims 384	431	14	3.2%	1	0.2%	162	37.6%	254	58.9%

Tuesday, January 04, 2011

Resolution of Issues

Report Dates: Decision Date from 12/1/2010 thru 12/31/2010

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
COMPENSABILITY	73	27	37	30	41.1	6	8.2	10	13.7	0	0	0	0	0	0	0	0
DEP BEN FATAL	6	1	16.7	5	83.3	0	0	0	0	0	0	0	0	0	0	0	0
PTD ENTITLEMENT	2	0	0	0	0	0	0	1	50	0	0	1	50	0	0	0	0
TRMT/EQUIP CL	108	23	21.3	48	44.4	17	15.7	16	14.8	1	0.9	3	2.8	0	0	0	0
TTD	53	12	22.6	14	26.4	10	18.9	15	28.3	1	1.9	1	1.9	0	0	0	0
IEB DETERMINATION	3	0	0	1	33.3	1	33.3	1	33.3	0	0	0	0	0	0	0	0
OP NON-MED	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
OPBD	20	2	10	7	35	3	15	8	40	0	0	0	0	0	0	0	0
PPD	82	18	22	15	18.3	22	26.8	24	29.3	2	2.4	1	1.2	0	0	0	0
REOPENING	22	6	27.3	10	45.5	4	18.2	2	9.1	0	0	0	0	0	0	0	0
SPECIAL CATEGORY	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
Totals	371	89	24	132	35.6	63	17	77	20.8	4	1.1	6	1.6	0	0	0	0

OOJ – Petition for Attorney Fees for Unreasonable Denial

Petitions received 9/1/2005 through 12/31/10

	53
Petitions denied on face:	19
Petitions denied by ALJ Decision:	23
Petitions granted:	6
Petitions withdrawn through settlement:	2
Petitions currently pending:	3

Failure to Timely Act Process

Petitions filed 9/1/05 through 12/31/10

Filed:	224
Denied/dismissed:	90
Withdrawn:	11
Reports to OIC:	93
Pending	30

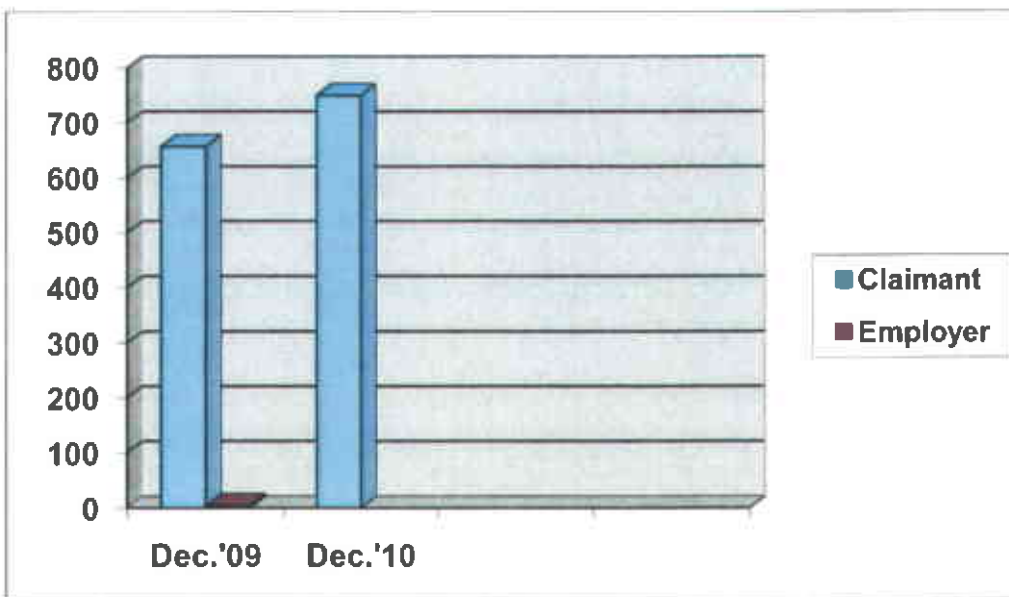
Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2006	7	0	2	1	7	4	8	2	5	7	6	3	52
2007	12	4	5	5	1	12	9	4	5	5	4	2	68
2008	3	2	1	11	1	6	11	8	6	4	8	4	65
2009	5	6	5	4	10	14	10	6	12	4	5	9	90
2010	13	2	6	9	4	7	12	8	11	10	15	15	112

OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year	
Party	Month Dec. '10	% Protests	Month Dec. '09	% Protests
Claimant	750	20.53%	657	16.44%
Employer			5	
Total	750		662	

Pending Treatment Issues



Pro Se Claimant Information

Pending Protests Involving Pro Se Claimants: 556

Pending Claims Involving Pro Se claimants: 511

Earl Ray Tomblin
Governor

W. Jack Stevens
Chairman

James D. Gray
Member

Rita Hedrick-Helmick
Member

Workers' Compensation Board of Review

Offices located at 1207 Quarrier St, Charleston
All communications should be addressed to the Board of Review
at the address shown at the bottom of this page.

MEMORANDUM

To: Jane L. Cline, Commissioner
Bill Dean, Chairman
Kent Hartsog, Vice Chairman
Dan Marshall
Honorable Brooks McCabe
Honorable Nancy Peoples Guthrie
Jim Dissen

From: W. Jack Stevens, Chairman

Date: January 4, 2011

Re: Workers' Compensation Board of Review Monthly Report

Attached, please find the Board of Review's December 2010 monthly report.

A number of changes have been made to the Board's reports. You will find a total of eight reports as opposed to the two reports you previously received. These reports include the following:

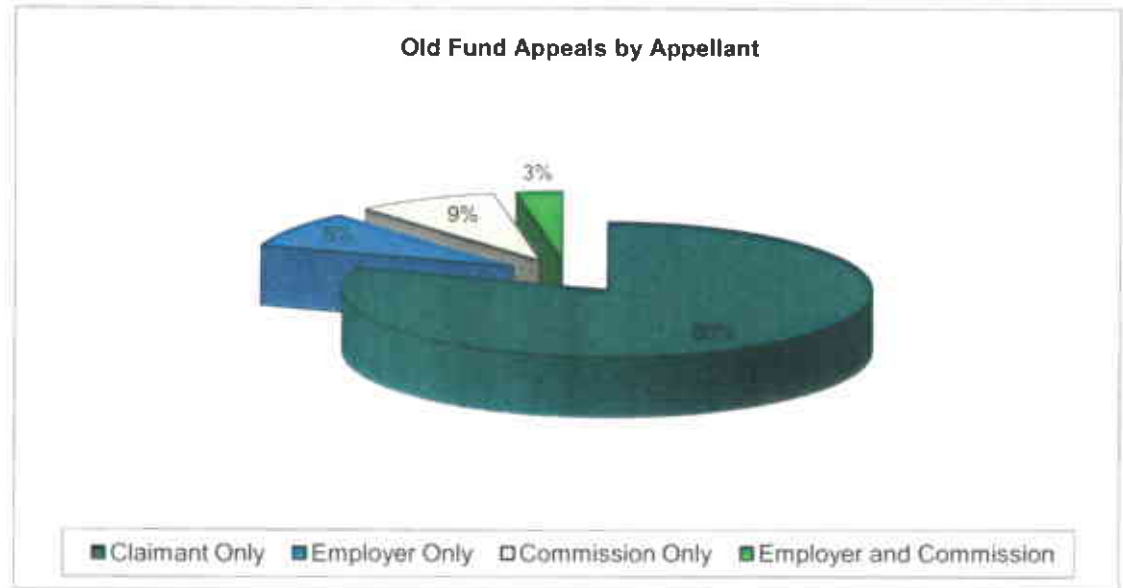
1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by Issue
8. Yearly Summary of Dispositions by Issue

Please do not hesitate to contact me in the event of any questions.

Appeals Received
From December 1, 2010 Thru December 31, 2010

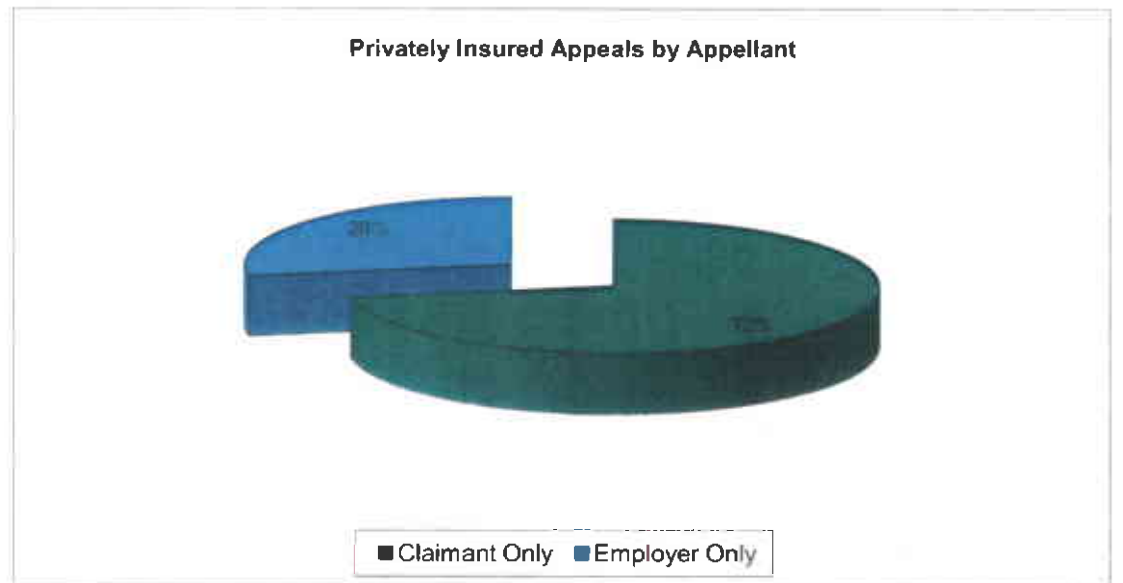
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	28
Employer Only	3
Commission Only	3
Employer and Commission	1
Old Fund Total	35



Privately Insured Appeals (DOI > Jun-30-2005)

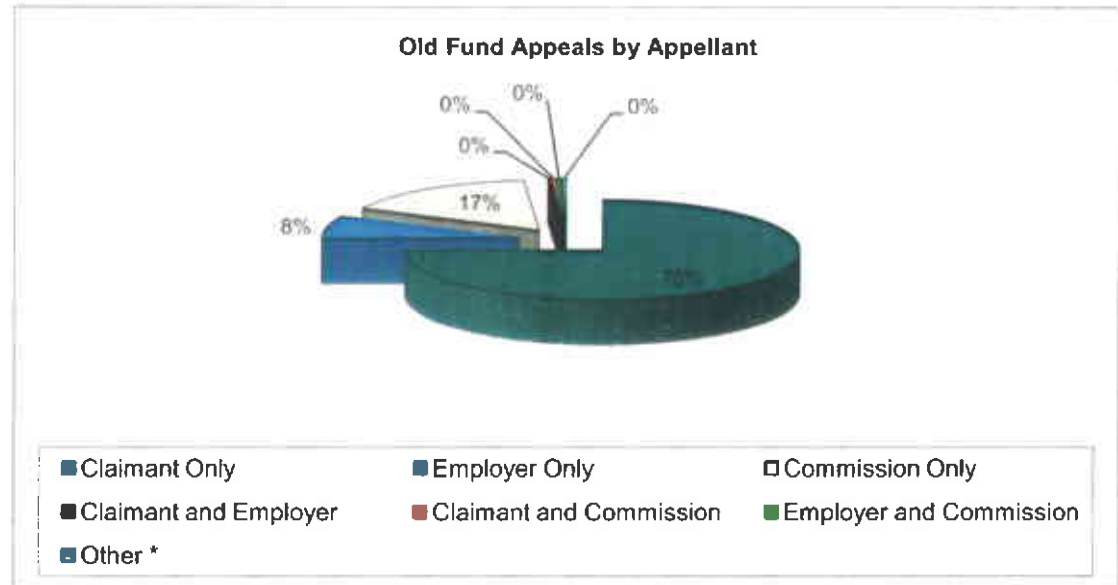
Appellant	Count
Claimant Only	44
Employer Only	17
Privately Insured Total	61
Total Appeals	96



Yearly Appeals Received
From January 1, 2010 Thru December 31, 2010

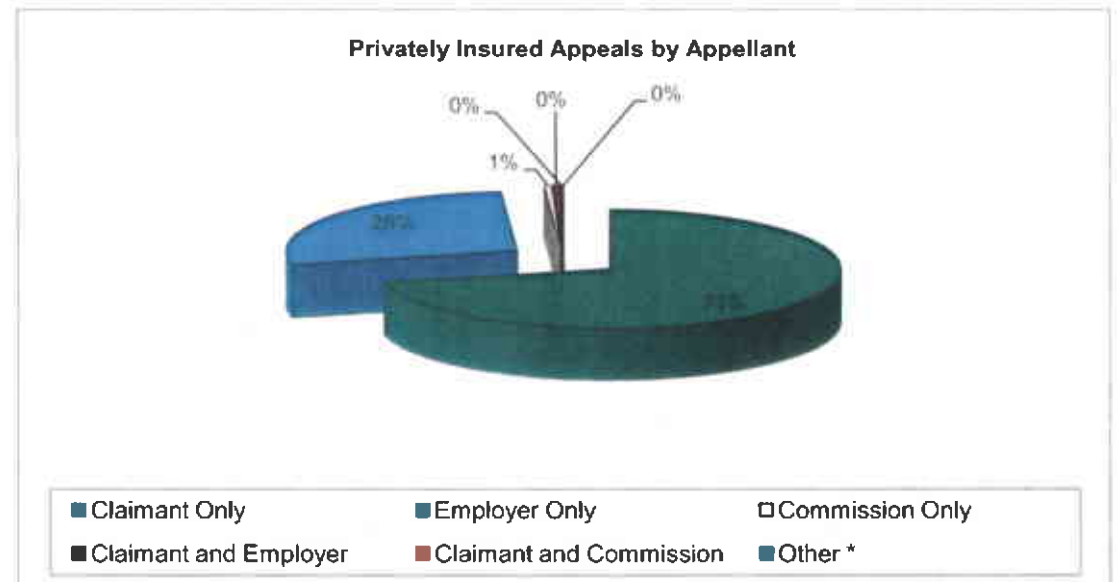
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	408
Employer Only	41
Commission Only	90
Claimant and Employer	1
Claimant and Commission	2
Employer and Commission	2
Other *	2
Old Fund Total	546



Privately Insured Appeals (DOI > Jun-30-2005)

Appellant	Count
Claimant Only	616
Employer Only	238
Commission Only	4
Claimant and Employer	4
Claimant and Commission	1
Other *	1
Privately Insured Total	864
Total Appeals	1410

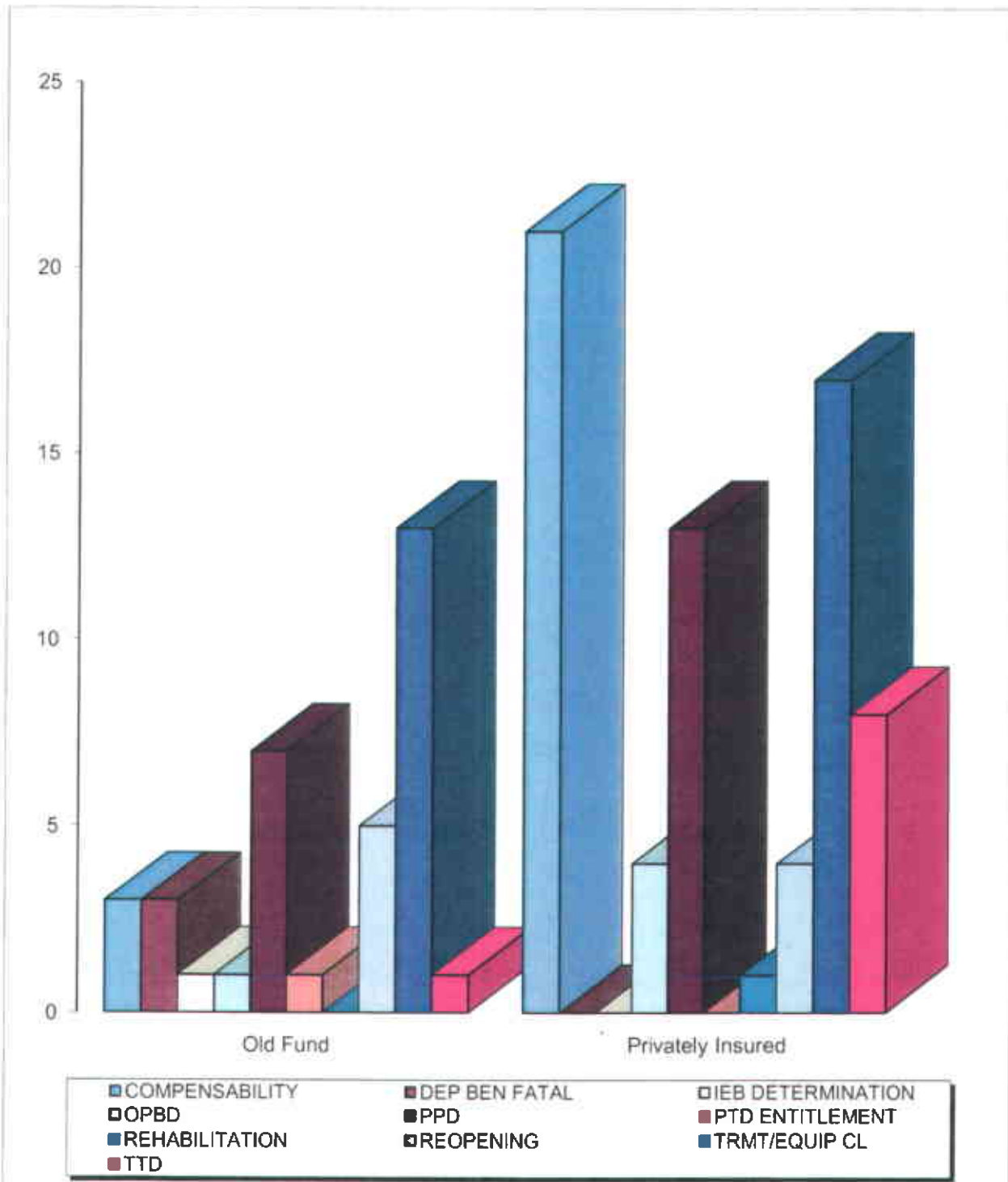


* Appeals requiring research

Appeals Received by Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)
 From December 1, 2010 thru December 31, 2010

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
COMPENSABILITY	24	3	12.5	21	87.5
DEP BEN FATAL	3	3	100.0	0	0.0
IEB DETERMINATION	1	1	100.0	0	0.0
OPBD	5	1	20.0	4	80.0
PPD	20	7	35.0	13	65.0
PTD ENTITLEMENT	1	1	100.0	0	0.0
REHABILITATION	1	0	0.0	1	100.0
REOPENING	9	5	55.6	4	44.4
TRMT/EQUIP CL	30	13	43.3	17	56.7
TTD	9	1	11.1	8	88.9
Totals	103	35	34.0	68	66.0

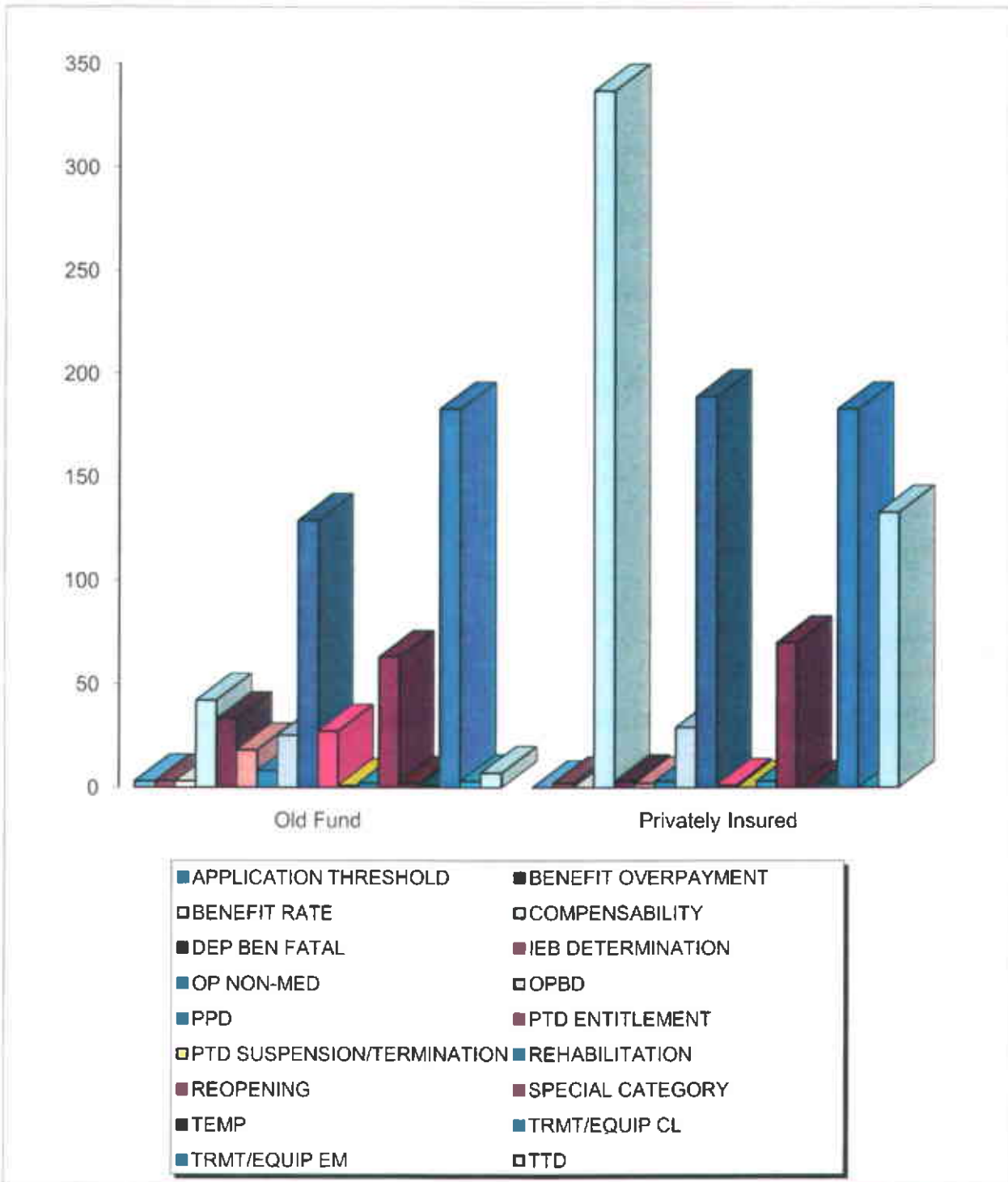
Appeals Received by Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)
 From December 1, 2010 thru December 31, 2010



Yearly Appeals Received by Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)
 From January 1, 2010 thru December 31, 2010

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	3	3	100.0	0	0.0
BENEFIT OVERPAYMENT	5	3	60.0	2	40.0
BENEFIT RATE	3	3	100.0	0	0.0
COMPENSABILITY	379	42	11.1	337	88.9
DEP BEN FATAL	36	33	91.7	3	8.3
IEB DETERMINATION	20	18	90.0	2	10.0
OP NON-MED	11	8	72.7	3	27.3
OPBD	54	25	46.3	29	53.7
PPD	318	129	40.6	189	59.4
PTD ENTITLEMENT	28	27	96.4	1	3.6
PTD					
SUSPENSION/TERMINATION	1	1	100.0	0	0.0
REHABILITATION	5	2	40.0	3	60.0
REOPENING	133	63	47.4	70	52.6
SPECIAL CATEGORY	2	2	100.0	0	0.0
TEMP	3	1	33.3	2	66.7
TRMT/EQUIP CL	366	183	50.0	183	50.0
TRMT/EQUIP EM	3	3	100.0	0	0.0
TTD	140	7	5.0	133	95.0
Totals	1510	553	36.6	957	63.4

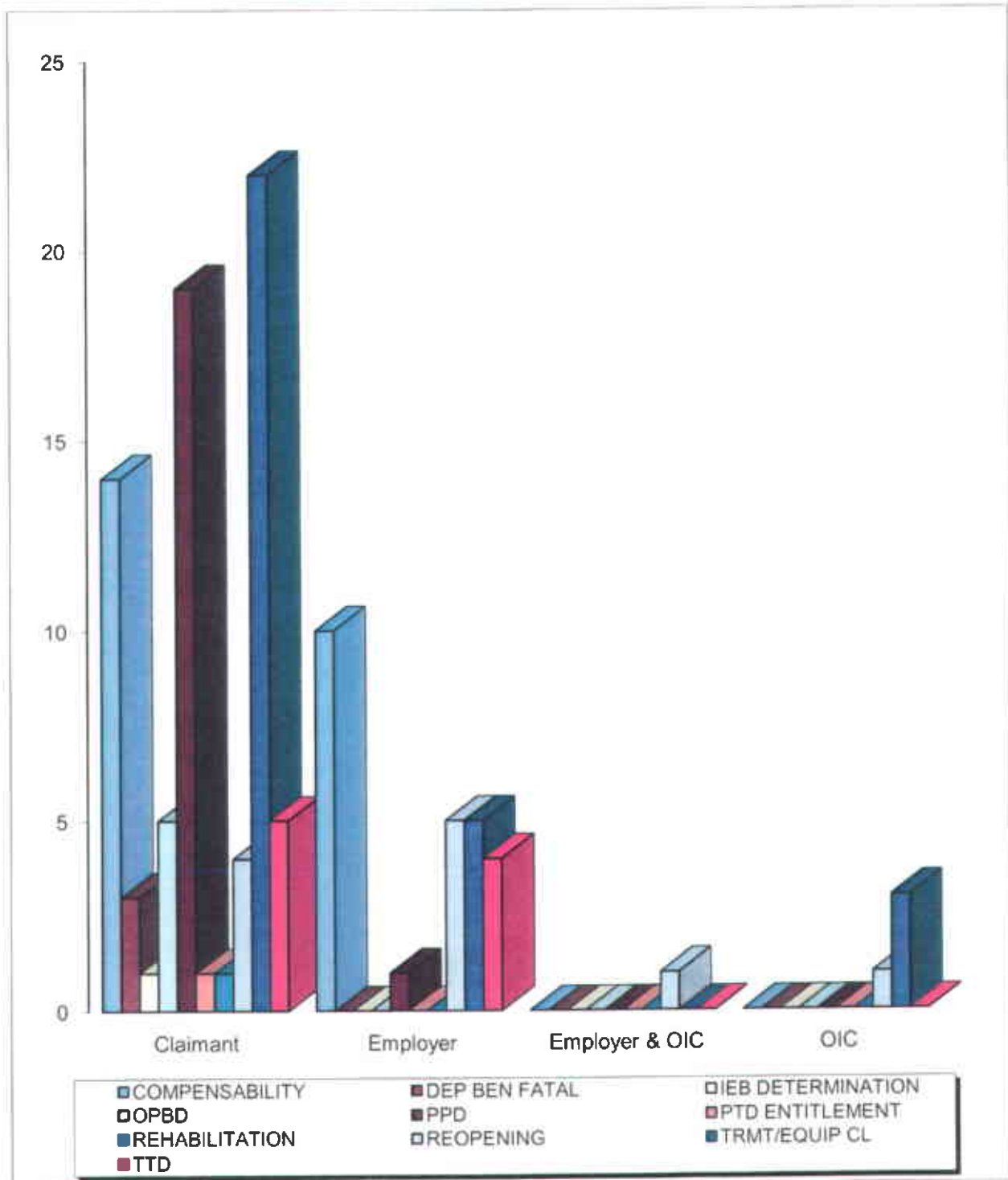
Yearly Appeals Received by Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)
 From January 1, 2010 thru December 31, 2010



Appeals Received by Issue
From December 1, 2010 Thru December 31, 2010

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
COMPENSABILITY	24	14	58.3	10	41.7	0	0.0	0	0.0
DEP BEN FATAL	3	3	100.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0
OPBD	5	5	100.0	0	0.0	0	0.0	0	0.0
PPD	20	19	95.0	1	5.0	0	0.0	0	0.0
PTD ENTITLEMENT	1	1	100.0	0	0.0	0	0.0	0	0.0
REHABILITATION	1	1	100.0	0	0.0	0	0.0	0	0.0
REOPENING	11	4	36.4	5	45.5	1	9.1	1	9.1
TRMT/EQUIP CL	30	22	73.3	5	16.7	0	0.0	3	10.0
TTD	9	5	55.6	4	44.4	0	0.0	0	0.0
Totals	105	75	71.4	25	23.8	1	1.0	4	3.8

Appeals Received by Issue
 From December 1, 2010 Thru December 31, 2010



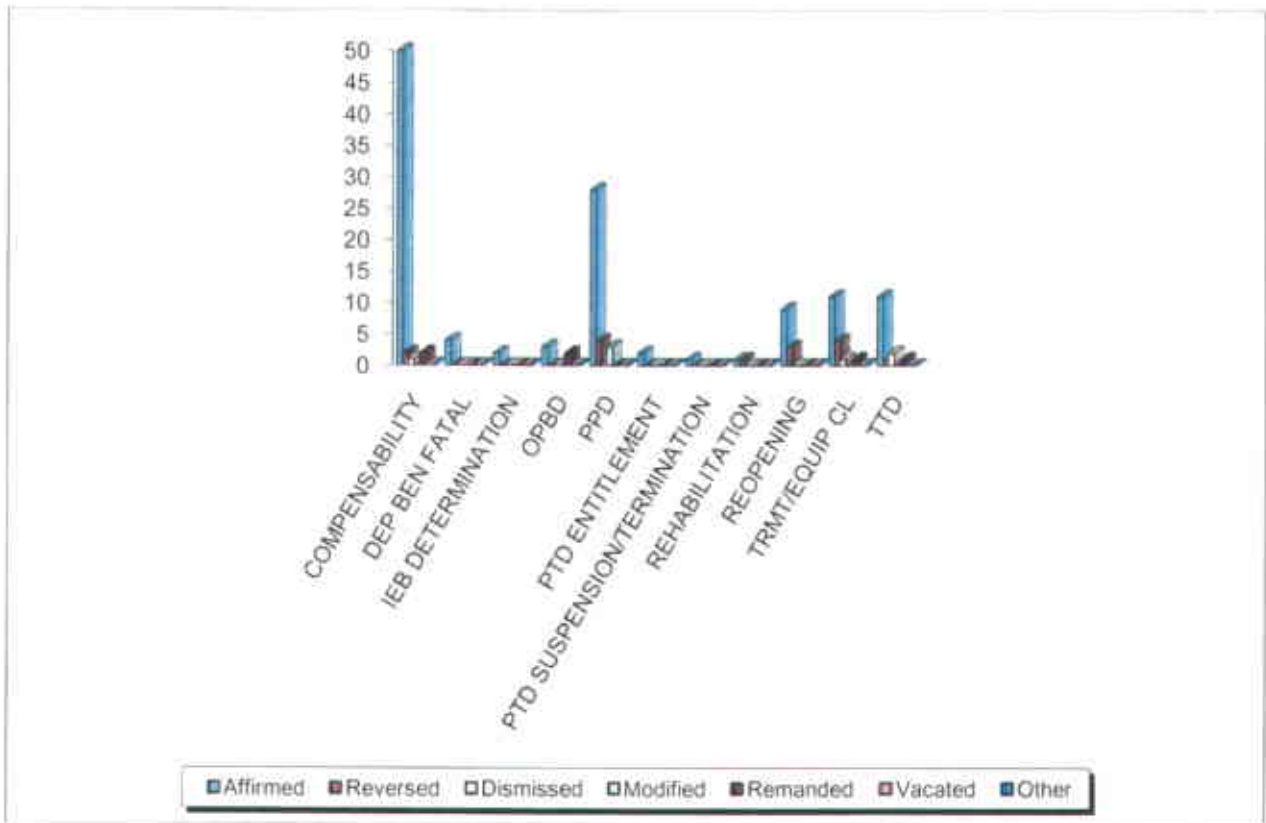
**WORKER COMPENSATION BOARD OF REVIEW
FOR DECEMBER 2010**

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
CLAIMANT	AFFIRMED	88	89.8%	61.5%	775	92.0%	62.7%
	DISMISSED				1	0.1%	0.1%
	MODIFY	3	3.1%	2.1%	3	0.4%	0.2%
	MOOT				4	0.5%	0.3%
	REMAND	4	4.1%	2.8%	26	3.1%	2.1%
	REVERSE	3	3.1%	2.1%	32	3.8%	2.6%
	VACATE				1	0.1%	0.1%
	Total Dispositions	98			842		
CLAIMANT/EMPLOYER	AFFIRMED	1	100.0%	0.7%	6	66.7%	0.5%
	REVERSE				3	33.3%	0.2%
	Total Dispositions	1			9		
EMPLOYER	ABEYANCE				1	0.3%	0.1%
	AFFIRMED	25	75.8%	17.5%	183	63.1%	14.8%
	DISMISSED				5	1.7%	0.4%
	MOOT				3	1.0%	0.2%
	REMAND	1	3.0%	0.7%	14	4.8%	1.1%
	REVERSE	7	21.2%	4.9%	83	28.6%	6.7%
	VACATE				1	0.3%	0.1%
	Total Dispositions	33			290		
DIVISION/OIC	AFFIRMED	6	54.5%	4.2%	53	55.2%	4.3%
	DISMISSED				1	1.0%	0.1%
	REVERSE	5	45.5%	3.5%	42	43.8%	3.4%
	Total Dispositions	11			96		
	Grand Totals	143			1237		

Dispositions By Issues
BOR Orders Mailed From December 1, 2010 Thru December 31, 2010

Type of issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
COMPENSABILITY	55	50	90.9	2	3.6	1	1.8	0	0.0	2	3.6	0	0.0	0	0.0
DEP BEN FATAL	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	5	3	60.0	0	0.0	0	0.0	0	0.0	2	40.0	0	0.0	0	0.0
PPD	35	28	80.0	4	11.4	0	0.0	3	8.6	0	0.0	0	0.0	0	0.0
PTD ENTITLEMENT	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PTD															
SUSPENSION/TERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	12	9	75.0	3	25.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	17	11	64.7	4	23.5	1	5.9	0	0.0	1	5.9	0	0.0	0	0.0
TTD	15	11	73.3	1	6.7	2	13.3	0	0.0	1	6.7	0	0.0	0	0.0
Totals	150	122	81.3	15	10.0	4	2.7	3	2.0	6	4.0	0	0.0	0	0.0

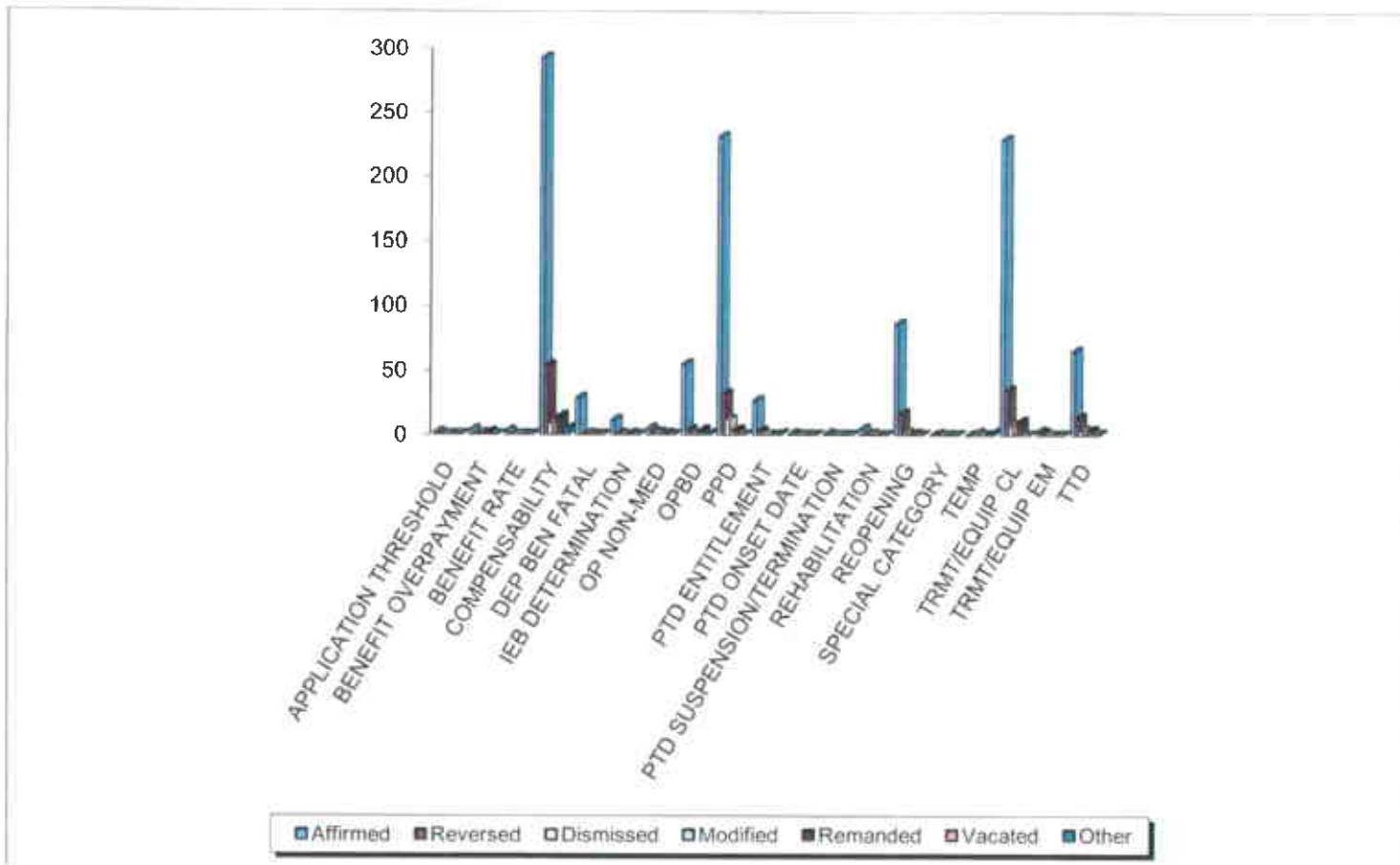
Dispositions By Issues
 BOR Orders Mailed From December 1, 2010 Thru December 31, 2010



Yearly Dispositions By Issues
BOR Orders Mailed From January 1, 2010 Thru December 31, 2010

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
BENEFIT OVERPAYMENT	7	4	57.1	0	0.0	1	14.3	0	0.0	2	28.6	0	0.0	0	0.0
BENEFIT RATE	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	380	293	77.1	54	14.2	9	2.4	0	0.0	15	3.9	1	0.3	5	1.3
DEP BEN FATAL	30	29	96.7	0	0.0	1	3.3	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	14	12	85.7	1	7.1	0	0.0	0	0.0	1	7.1	0	0.0	0	0.0
OP NON-MED	10	5	50.0	2	20.0	2	20.0	0	0.0	1	10.0	0	0.0	0	0.0
OPBD	64	55	85.9	4	6.3	0	0.0	0	0.0	4	6.3	0	0.0	1	1.6
PPD	282	231	81.9	32	11.3	12	4.3	3	1.1	4	1.4	0	0.0	0	0.0
PTD ENTITLEMENT	31	27	87.1	3	9.7	0	0.0	0	0.0	0	0.0	0	0.0	1	3.2
PTD ONSET DATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PTD															
SUSPENSION/TERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	7	5	71.4	1	14.3	1	14.3	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	106	86	81.1	17	16.0	2	1.9	0	0.0	1	0.9	0	0.0	0	0.0
SPECIAL CATEGORY	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	4	0	0.0	0	0.0	2	50.0	0	0.0	0	0.0	0	0.0	2	50.0
TRMT/EQUIP CL	283	229	80.9	35	12.4	8	2.8	0	0.0	11	3.9	0	0.0	0	0.0
TRMT/EQUIP EM	5	3	60.0	2	40.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TTD	90	65	72.2	14	15.6	4	4.4	0	0.0	4	4.4	1	1.1	1	1.1
Totals	1321	1051	79.6	166	12.6	42	3.2	3	0.2	43	3.3	2	0.2	10	0.8

Yearly Dispositions By Issues
 BOR Orders Mailed From January 1, 2010 Thru December 31, 2010



Workers' Compensation Revenue Recovery

Revenue Recovery Activity	November 2010
COLLECTION ACTIVITY	
Receipts - Old Fund (Employer out of business)	\$ 14,753.63
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 60,109.13
Receipts - Payment Agreements	\$ 16,703.86
# of active accounts uninsured (cumulative)	771
\$ of active accounts uninsured (cumulative)	\$ 2,699,718.60
Telephone contacts	1,539
Walk-ins	12
LIENS	
Liens sent to county clerks for recordation	60
Liens sent to county clerks for release	20
Intent to lien letters sent to employer/owner/officer/member	46
INJUNCTIONS	
Affidavits for injunction submitted to legal	-
Hearings attended	3
# of injunction complaints filed	0
# of injunctions granted	2
# of agreed orders entered	0
PAYMENT AGREEMENTS	
# of repayment agreements applications	98
Agreements set up	3
Total # of agreements on system (cumulative)	98
Intent to void letters mailed	13
Agreements voided	0
MISCELLANEOUS	
Terminations Processed	65
Rule 11 Letters Mailed	263
Rule 11 hearings	0
Uninsured Policies Resolved	212
All Cash Receipts from WC accounts	\$ 91,566.62

WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTES

CD Auction
January 12, 2011

Quarterly Board Meeting
January 25, 2011

OPERATING REPORT

NOVEMBER 30, 2010

Board of Treasury Investments

1900 Kanawha Boulevard East
Suite E-122
Charleston WV 25305
(304) 340-1578
www.wvbt.com

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Earl Ray Tomblin,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser, Esq.
Attorney
Appointed by the
Governor

Richard "Chap"
Donovan, CPA
Appointed by the
Governor

Executive Staff

Executive Director
Glenda Probst,
CPA, CTP

Chief Financial
Officer

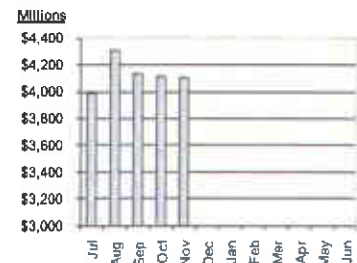
Kara K. Brewer,
CPA, MBA

Total Net Assets Under Management

\$4,108,084,000

Last Month
\$4,111,246,000

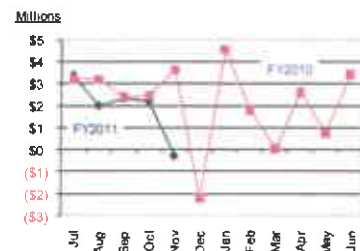
Beginning of Fiscal Year
\$3,925,206,000



4.7% Growth This Fiscal Year

Total Net Income & Gains

Fiscal Year
\$9,609,000



Fiscal Year Comparison

Money Market Pools

As of November 30, 2010

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1936%	.1923%	.1918%	50 Days	\$2.9 Billion
WV Gov't Money Market	.1866%	.1811%	.1740%	53 Days	\$255.2 Million

* Yields represent the simple money market yield net of fees.

** W.A.M. is the weighted average maturity.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

NOVEMBER 2010

Economic Recovery Different This Time Around

While the current economic recovery remains different than most, and has some asking if it is sustainable, one must pause and remember the downturn that preceded it was unprecedented in our lifetime with the possible exception of the Great Depression. So being different might not be such a bad thing.

There may very well be a bump or two in the road as we move forward with this recovery. Look at this month's job report as an example. Only 39,000 jobs were added compared to the estimated 150,000, and the unemployment rate edged up to 9.8%. Things are improving, however, albeit at a slow pace.

The current backdrop seems supportive of higher corporate earnings in 2011, which gives rise to optimism that the economy is now entrenched in a steady slow-growth mode.

Leading the way on the improving news front, third-quarter GDP was revised upward from 2.0% to 2.5%, marking a stronger than thought improvement over second-quarter growth of 1.7%. Embedded within the revision was improvement in the composition: consumer spending increased by 2.8% rather than 2.5%, particularly in durable goods. Consensus estimates for 2011 GDP growth average 2.5% but appear to be on the rise.

The manufacturing sector continued to expand for the 16th consecutive month as the ISM Manufacturing index fell slightly from 56.9 to 56.6 in November. QE2 pressure on the dollar might bode well for the manufacturing sector should exports improve as a result of a falling dollar.

The Conference Board's sentiment index moved higher in November to 54.1 from 49.9 the previous month, marking the highest level for the index in five months. Gains were concentrated in the expectations component. The Conference Board's index was not the only one indicating that consumers were growing more optimistic. The University of Michigan Consumer Sentiment hit a five-month high in November rising to 69.3 only to jump again in December to 74.2.

Based on recent retail sales figures, it would appear that increased optimism is resulting in improved sales figures and that optimistic consumers are spending money. Following a strong third-quarter, retail sales jumped 1.2% in October (data released in November) and then yet again in November (data released in December) by 0.8% reflecting a higher than expected level.

Interest rates continued to rise across the Treasury yield curve in November. The largest increases (20 to 30 basis points) occurred across the 3 to 10 year maturity spectrum. A high level of volatility accompanied the increase in rates, with daily movements of 10 or more basis points occurring regularly throughout the period. The rate on the 10 year note approached 3% late in the month – a level not seen since July – before settling back to end the month at 2.80%.

The rise in rates across the curve occurred as the Federal Reserve resumed its purchases of Treasury bonds in an effort to lower longer-term interest rates in order to stimulate economic growth. Futures markets predict the Fed will keep the Fed Funds rate at the current 0-0.25% range well into 2011.

The Barclays Capital Aggregate Index fell by 0.57% for the month (YTD up 7.70%), while securitized sectors held up better than corporates when compared to their same-duration Treasuries. CMBS performed best, a result of low Treasury yields, stabilizing fundamentals and strong supply/demand. The MBS area also experienced positive excess returns, as the recent back-up in spreads for fixed-rate agency MBS led to an increase in investor demand during November.

The Merrill Lynch 3-Month T-Bill Index returned 0.01% in November outpacing the -0.19% return of the Merrill Lynch 1-3 Year Government / Corporate A+ Index. The 3-Month T-Bills returned 0.11% for the year while the 1-3 Year Government / Corporate Index A+ returned 2.80%.

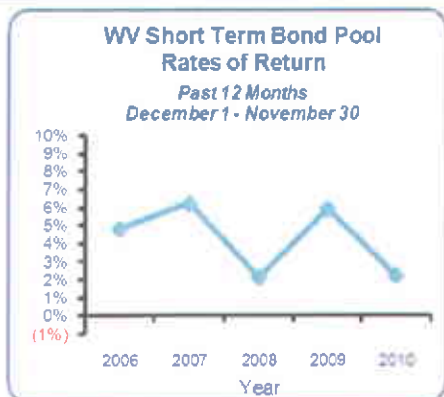
West Virginia Board of Treasury Investments

Financial Highlights as of November 30, 2010

WV Short Term Bond Pool

Rates of Return for the Past 12 Months *Net of All Fees*

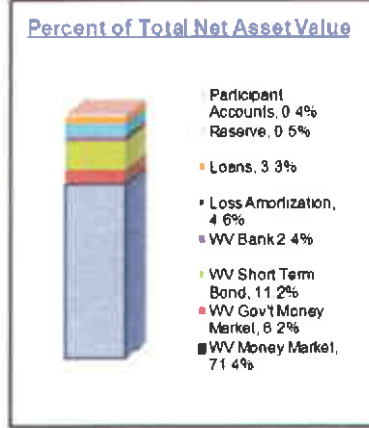
December 1 - November 30	Return	Net Assets At Nov. 30 <i>(In Millions)</i>
2010	2.2%	\$ 459.1
2009	5.9%	\$ 350.4
2008	2.1%	\$ 314.6
2007	6.2%	\$ 238.2
2006	4.8%	\$ 274.9



Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings *(In Thousands)*

Pool	Net Asset Value	Nov. Net Income <i>(Loss)</i>	Fiscal YTD Net Income
WV Money Market	\$ 2,934,764	\$ 468	\$ 2,570
WV Gov't Money Market	255,178	37	199
WV Short Term Bond	459,088	(1,033)	4,903
WV Bank	99,178	27	122
Loss Amortization	188,208	(4)	482
Loans	135,776	225	1,148
Reserve	19,110	8	49
Participant Accounts	16,782	(11)	136
	\$ 4,108,084	(\$283)	\$ 9,609



Securities by Type for Operating Pools *(Percentage of Asset Value)*



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF NET ASSETS, OPERATIONS & CHANGES IN NET ASSETS – UNAUDITED

NOVEMBER 30, 2010

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
Assets						
Investments:						
At amortized cost	\$ 2,971,312	\$ 255,142		\$ 99,000	\$ 154,653	\$ 13,640
At fair value	-	-	\$ 464,732	-	188,208	3,076
Cash	-	-	-	-	-	-
Collateral for securities loaned	45,507	-	-	-	-	-
Other assets	749	57	985	180	236	66
Total assets	3,017,568	255,199	465,717	99,180	343,097	16,782
Liabilities						
Payable for securities loaned	45,507	-	-	-	-	-
Other liabilities	37,297	21	6,629	2	3	-
Total liabilities	82,804	21	6,629	2	3	-
Net Assets	\$ 2,934,764	\$ 255,178	\$ 459,088	\$ 99,178	\$ 343,094	\$ 16,782
Investment income						
Interest and dividends	\$ 433	\$ 54	\$ 762	\$ 29	\$ 236	\$ 34
Securities lending income	-	-	-	-	-	-
Provision for securities lending loss	-	-	-	-	-	-
Net accretion (amortization)	177	(3)	(233)	-	617	(13)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	610	51	529	29	853	21
Expenses						
Fees	142	14	48	2	3	-
Securities lending borrower rebates	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-
Total expenses	142	14	48	2	3	-
Net investment income	468	37	481	27	850	21
Net realized gain (loss)						
from investments	-	-	2,881	-	-	-
Net increase (decrease)						
in fair value of investments	-	-	(4,395)	-	(621)	(32)
Net gain (loss) from investments	-	-	(1,514)	-	(621)	(32)
Net increase (decrease) in net assets from operations	468	37	(1,033)	27	229	(11)
Distributions to participants	464	37	3,367	27	233	-
Participant activity						
Purchases, reinvestment of units and contributions	725,657	42,144	1,329	27	239	251
Redemptions and withdrawals	710,567	45,031	-	-	12,377	422
Inter-pool transfers in	-	-	-	2	-	-
Inter-pool transfers out	2	-	-	-	-	-
Net increase (decrease) in net assets from participant activity	15,088	(2,887)	1,329	29	(12,138)	(171)
Increase (decrease) in net assets	15,092	(2,887)	(3,071)	29	(12,142)	(182)
Net assets at beginning of period	2,919,672	258,065	462,159	99,149	355,236	16,964
Net assets at end of period	\$ 2,934,764	\$ 255,178	\$ 459,088	\$ 99,178	\$ 343,094	\$ 16,782



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 20, 2010

LEGISLATIVE

JAN - 4 1

MANAGER

Mr. Aaron Allred
West Virginia Legislature
Building 1, Room E-132
1900 Kanawha Boulevard, East
Charleston, WV 25305

Dear Mr. Allred:

This letter is to serve as notification that I, Secretary of State Natalie E. Tennant, have begun soliciting funds for the 2011 National Association of Secretaries of State (NASS) Conference. The Almost Heaven 2011 conference will be held at the Glade Springs Resort in Daniels, West Virginia. The conference will take place from July 10-13, 2011.

We currently have not received any funds for the conference. Proposals have been sent to 11 organizations. The proposals are the same except for the letter accompanying the proposal, which requests a different level of sponsorship for various organizations (i.e.: West Virginia Coal Association, Rhododendron sponsorship). Sample proposals have been included for your records. If you have any questions then please feel free to contact me at 304-558-6000.

Sincerely,

Natalie E. Tennant
Secretary of State



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 17, 2010

Dear Patti:

The National Association of Secretaries of State and I are pleased to announce the **Almost Heaven 2011 National Association of Secretaries of State Summer Conference**. The conference will be held at Glade Springs Resort in Daniels, West Virginia on July 10-13th, 2011. This premier conference will showcase the many treasures of West Virginia with three days of informational demonstrations, workshops, and entertaining social opportunities.

We would like to invite the West Virginia Association of Counties to help us make this conference one of the best in the nation. In order to achieve our desired level of exceptional hospitality—we need your participation. Your sponsorship will allow us to create the best environment for our distinguished attendees and it will provide you with a perfect forum in which to address them. Sponsorship of the Almost Heaven 2011 conference will provide your organization with a great state-wide marketing opportunity.

This national conference will attract over 200 attendees including Secretaries of State, senior government officials, industry leaders and other influential decision makers that will offer an invaluable networking opportunity for your organization. The benefits of your sponsorship are limitless and will only strengthen the image of the West Virginia Association of Counties in the community.

There are several different levels of sponsorship available. We would like the West Virginia Association of Counties to be a Kanawha Sponsor. The sponsorships available provide an attractive portfolio of outreach and exposure opportunities. This sponsorship would allow the West Virginia Association of Counties to achieve the greatest return on investment possible. To learn more about the sponsorship opportunities available or if we may answer any questions, please call Patrick Folio at (304) 558-6000 or (404) 569-5604. Thank you in advance for your consideration, time and your participation in this national event.

Take Care,

Natalie E. Tennant
Host Committee Chair
West Virginia Secretary of State



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 17, 2010

Dear Lorrie:

The National Association of Secretaries of State and I are pleased to announce the **Almost Heaven 2011 National Association of Secretaries of State Summer Conference**. The conference will be held at Glade Springs Resort in Daniels, West Virginia on July 10-13th, 2011. This premier conference will showcase the many treasures of West Virginia with three days of informational demonstrations, workshops, and entertaining social opportunities.

We would like to invite United Bank to help us make this conference one of the best in the nation. In order to achieve our desired level of exceptional hospitality—we need your participation. Your sponsorship will allow us to create the best environment for our distinguished attendees and it will provide you with a perfect forum in which to address them. Sponsorship of the Almost Heaven 2011 conference will provide your organization with a great national marketing opportunity.

This national conference will attract over 200 attendees including Secretaries of State, senior government officials, industry leaders and other influential decision makers that will offer an invaluable networking opportunity for your organization. The benefits of your sponsorship are limitless and will only strengthen the image of your firm in the community.

There are several different levels of sponsorship available. We would like United Bank to consider joining us as a Rhododendron Sponsor. Several of the sponsorship levels include an opportunity to address attendees during the conference. Sponsorship of the conference provides an attractive portfolio of outreach and exposure opportunities, which would allow you to achieve the greatest return on investment possible. To learn more about the sponsorship opportunities available or if we may answer any questions, please call Patrick Folio at (304) 558-6000 or (404) 569-5604. Thank you in advance for your consideration, time and participation in this national event.

Take Care,

Natalie E. Tennant
Host Committee Chair
West Virginia Secretary of State



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 17, 2010

Dear Andrew:

The National Association of Secretaries of State and I are pleased to announce the **Almost Heaven 2011 National Association of Secretaries of State Summer Conference**. The conference will be held at Glade Springs Resort in Daniels, West Virginia on July 10-13th, 2011. This premier conference will showcase the many treasures of West Virginia with three days of informational demonstrations, workshops, and entertaining social opportunities.

We would like to invite Pritchard Mining Company, Inc. to help us make this conference one of the best in the nation. In order to achieve our desired level of exceptional hospitality—we need your participation. Your sponsorship will allow us to create the best environment for our distinguished attendees and it will provide you with a perfect forum in which to address them. Sponsorship of the Almost Heaven 2011 conference will provide your organization with a great national marketing opportunity.

This national conference will attract over 200 attendees including Secretaries of State, senior government officials, industry leaders and other influential decision makers that will offer an invaluable networking opportunity for your organization. The benefits of your sponsorship are limitless and will only strengthen the image of Pritchard Mining Company, Inc. in the community.

There are several different levels of sponsorship available. We would like Pritchard Mining Company, Inc. to be a Cardinal Sponsor. The sponsorships available provide an attractive portfolio of outreach and exposure opportunities. This sponsorship would allow Pritchard Mining Company, Inc. to achieve the greatest return on investment possible. To learn more about the sponsorship opportunities available or if we may answer any questions, please call Patrick Folio at (304) 558-6000 or (404) 569-5604. Thank you in advance for your consideration, time and your participation in this national event.

Take Care,

Natalie E. Tennant
Host Committee Chair
West Virginia Secretary of State



Almost Heaven 2011
NASS 2011 Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 17, 2010

Dear Linda:

It was a pleasure meeting you in the office. I want to congratulate nTelos on completing the acquisition of the Fiber Net business from One Communications Corp. As I mentioned the other day, The National Association of Secretaries of State and I are pleased to have the **Almost Heaven 2011 National Association of Secretaries of State Summer Conference** in West Virginia. The conference will be held at Glade Springs Resort in Daniels, West Virginia on July 10-13th, 2011. This premier conference will showcase the many treasures of West Virginia with three days of informational demonstrations, workshops, and entertaining social opportunities.

We would like to invite nTelos to help us make this conference one of the best in the nation. In order to achieve our desired level of exceptional hospitality—we need your participation. Your sponsorship will allow us to create the best environment for our distinguished attendees and it will provide you with a perfect forum in which to address them. Sponsorship of the Almost Heaven 2011 conference will provide your organization with a great national marketing opportunity.

This national conference will attract over 200 attendees including Secretaries of State, senior government officials, industry leaders and other influential decision makers that will offer an invaluable networking opportunity for your organization. The benefits of your sponsorship are limitless and will only strengthen the image of your firm in the community.

There are several different levels of sponsorship available. We would like nTelos to consider joining us as a Cardinal Sponsor. The sponsorship includes an opportunity to address the group during the event. The sponsorship provides an attractive portfolio of outreach and exposure opportunities. This sponsorship would allow you to achieve the greatest return on investment possible. To learn more about the sponsorship opportunities available or if we may answer any questions, please call Patrick Folio at (304) 558-6000 or (404) 569-5604. Thank you in advance for your consideration, time and your participation in this national event.

Take Care,

Natalie E. Tennant
Host Committee Chair
West Virginia Secretary of State



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 17, 2010

Dear Sandy:

The National Association of Secretaries of State and I are pleased to announce the **Almost Heaven 2011 National Association of Secretaries of State Summer Conference**. The conference will be held at Glade Springs Resort in Daniels, West Virginia on July 10-13th, 2011. This premier conference will showcase the many treasures of West Virginia with three days of informational demonstrations, workshops, and entertaining social opportunities.

We would like to invite the West Virginia Coal Association to help us make this conference one of the best in the nation. In order to achieve our desired level of exceptional hospitality—we need your participation. Your sponsorship will allow us to create the best environment for our distinguished attendees and it will provide you with a perfect forum in which to address them. Sponsorship of the Almost Heaven 2011 conference will provide your organization with a great national marketing opportunity.

This national conference will attract over 200 attendees including Secretaries of State, senior government officials, industry leaders and other influential decision makers that will offer an invaluable networking opportunity for your organization. The benefits of your sponsorship are limitless and will only strengthen the image of the West Virginia Coal Association.

There are several different levels of sponsorship available. We would like the West Virginia Coal Association to be a Rhododendron Sponsor which includes many networking and marketing opportunities that are outlined below. The sponsorships available provide an attractive portfolio of outreach and exposure opportunities. This sponsorship would allow the West Virginia Coal Association to achieve the greatest return on investment possible. To learn more about the sponsorship opportunities available or if we may answer any questions, please call Patrick Folio at (304) 558-6000 or (404) 569-5604. Thank you in advance for your consideration, time and your participation in this national event.

Take Care,

Natalie E. Tennant
Host Committee Chair
West Virginia Secretary of State



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 17, 2010

Dear Brett:

The National Association of Secretaries of State and I are pleased to announce the **Almost Heaven 2011 National Association of Secretaries of State Summer Conference**. The conference will be held at Glade Springs Resort in Daniels, West Virginia on July 10-13th, 2011. This premier conference will showcase the many treasures of West Virginia with three days of informational demonstrations, workshops, and entertaining social opportunities.

We would like to invite Enterprise Rent-A-Car to help us make this conference one of the best in the nation. In order to achieve our desired level of exceptional hospitality—we need your participation. Your sponsorship will allow us to create the best environment for our distinguished attendees and it will provide you with a perfect forum in which to address them. Sponsorship of the Almost Heaven 2011 conference will provide your organization with a great national marketing opportunity.

This national conference will attract over 200 attendees including Secretaries of State, senior government officials, industry leaders and other influential decision makers that will offer an invaluable networking opportunity for your organization. The benefits of your sponsorship are limitless and will only strengthen the national image of Enterprise.

There are several different levels of sponsorship available. We would like Enterprise Rent-A-Car to be Cardinal Sponsor. The sponsorship includes an opportunity to address the group during the conference. The sponsorships available provide an attractive portfolio of outreach and exposure opportunities. This sponsorship would allow Enterprise Rent-A-Car to achieve the greatest return on investment possible. To learn more about the sponsorship opportunities available or if we may answer any questions you have, please call Patrick Folio at (304) 558-6000 or (404) 569-5604. Thank you in advance for your consideration, time and your participation in this national event.

Take Care,

Natalie E. Tennant
Host Committee Chair
West Virginia Secretary of State



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 17, 2010

Dear Paul:

The National Association of Secretaries of State and I are pleased to announce the **Almost Heaven 2011 National Association of Secretaries of State Summer Conference**. The conference will be held at Glade Springs Resort in Daniels, West Virginia on July 10-13th, 2011. This premier conference will showcase the many treasures of West Virginia with three days of informational demonstrations, workshops, and entertaining social opportunities.

We would like to invite Comcast to help us make this conference one of the best in the nation. In order to achieve our desired level of exceptional hospitality—we need your participation. Your sponsorship will allow us to create the best environment for our distinguished attendees and it will provide you with a perfect forum in which to address them. Sponsorship of the Almost Heaven 2011 conference will provide your organization with a great national marketing opportunity.

This national conference will attract over 200 attendees including Secretaries of State, senior government officials, industry leaders and other influential decision makers that will offer an invaluable networking opportunity for your organization. The benefits of your sponsorship are limitless and will only strengthen the image of Comcast in the community.

There are several different levels of sponsorship available. We would like Comcast to consider joining us as a Rhododendron or Cardinal Sponsor which includes an opportunity to address the group during the conference. The sponsorships available provide an attractive portfolio of outreach and exposure opportunities. This sponsorship would allow Comcast to achieve the greatest return on investment possible. To learn more about the sponsorship opportunities available or if we may answer any questions, please call Patrick Folio at (304) 558-6000 or (404) 569-5604. Thank you in advance for your consideration, time and your participation in this national event.

Take Care,

Natalie E. Tennant
Host Committee Chair
West Virginia Secretary of State



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 17, 2010

Dear Maribeth:

The National Association of Secretaries of State and I are pleased to announce the **Almost Heaven 2011 National Association of Secretaries of State Summer Conference**. The conference will be held at Glade Springs Resort in Daniels, West Virginia on July 10-13th, 2011. This premier conference will showcase the many treasures of West Virginia with three days of informational demonstrations, workshops, and entertaining social opportunities.

We would like to invite Chesapeake Energy to help us make this conference one of the best in the nation. In order to achieve our desired level of exceptional hospitality—we need your participation. Your sponsorship will allow us to create the best environment for our distinguished attendees and it will provide you with a perfect forum in which to address them. Sponsorship of the Almost Heaven 2011 conference will provide your organization with a great national marketing opportunity.

This national conference will attract over 200 attendees including Secretaries of State, senior government officials, industry leaders and other influential decision makers that will offer an invaluable networking opportunity for your organization. The benefits of your sponsorship are limitless and will only strengthen the image of Chesapeake Energy in the community.

There are several different levels of sponsorship available. We would like Chesapeake Energy to consider a sponsorship at the Rhododendron or Cardinal level. Both of these levels include an opportunity to address the group during the conference. The sponsorships available provide an attractive portfolio of outreach and exposure opportunities. This sponsorship would allow Chesapeake Energy to achieve the greatest return on investment possible. To learn more about the sponsorship opportunities available or if we may answer any questions, please call Patrick Folio at (304) 558-6000 or (404) 569-5604. Thank you in advance for your consideration, time and your participation in this national event.

Take Care,

Natalie E. Tennant
Host Committee Chair
West Virginia Secretary of State



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 17, 2010

Dear Judy:

The National Association of Secretaries of State and I are pleased to announce the **Almost Heaven 2011 National Association of Secretaries of State Summer Conference**. The conference will be held at Glade Springs Resort in Daniels, West Virginia on July 10-13th, 2011. This premier conference will showcase the many treasures of West Virginia with three days of informational demonstrations, workshops, and entertaining social opportunities.

We would like to invite Bowles Rice McDavid Graff & Love LLP to help us make this conference one of the best in the nation. In order to achieve our desired level of exceptional hospitality—we need your participation. Your sponsorship will allow us to create the best environment for our distinguished attendees and it will provide you with a perfect forum in which to address them. Sponsorship of the Almost Heaven 2011 conference will provide your organization with a great national marketing opportunity.

This national conference will attract over 200 attendees including Secretaries of State, senior government officials, industry leaders and other influential decision makers that will offer an invaluable networking opportunity for your organization. The benefits of your sponsorship are limitless and will only strengthen the image of your firm in the community.

There are several different levels of sponsorship available. We would like Bowles Rice McDavid Graff & Love LLP to consider joining us as a Potomac Sponsor. The sponsorship includes an opportunity to address the group during the conference. The sponsorship provides an attractive portfolio of outreach and exposure opportunities. This sponsorship would allow you to achieve the greatest return on investment possible. To learn more about the sponsorship opportunities available or if we may answer any questions, please call Patrick Folio at (304) 558-6000 or (404) 569-5604. Thank you in advance for your consideration, time and participation in this national event.

Take Care,

Natalie E. Tennant
Host Committee Chair
West Virginia Secretary of State



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 17, 2010

Dear Gaylene:

The National Association of Secretaries of State and I are pleased to announce the **Almost Heaven 2011 National Association of Secretaries of State Summer Conference**. The conference will be held at Glade Springs Resort in Daniels, West Virginia on July 10-13th, 2011. This premier conference will showcase the many treasures of West Virginia with three days of informational demonstrations, workshops, and entertaining social opportunities.

We would like to invite the American Association of Retired Persons to help us make this conference one of the best in the nation. In order to achieve our desired level of exceptional hospitality—we need your participation. Your sponsorship will allow us to create the best environment for our distinguished attendees and it will provide you with a perfect forum in which to address them. Sponsorship of the Almost Heaven 2011 conference will provide your organization with a great national marketing opportunity.

This national conference will attract over 200 attendees including Secretaries of State, senior government officials, industry leaders and other influential decision makers that will offer an invaluable networking opportunity for your organization. The benefits of your sponsorship are limitless and will only strengthen the national image of the AARP.

There are several different levels of sponsorship available. We would like AARP to be a Potomac Sponsor. The sponsorship includes an opportunity to address the group during the conference. The sponsorship provides an attractive portfolio of outreach and exposure opportunities. This sponsorship would allow you to achieve the greatest return on investment possible. To learn more about the sponsorship opportunities available or if we may answer any questions, please call Patrick Folio at (304) 558-6000 or (404) 569-5604. Thank you in advance for your consideration, time and your participation in this national event.

Take Care,

Natalie E. Tennant
Host Committee Chair
West Virginia Secretary of State

Sponsorship Proposal

For



WEST VIRGINIA COAL ASSOCIATION

**West Virginia, Almost Heaven 2011
National Association of Secretaries of State
Summer Conference**



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 27, 2010

Sandy Davison
WV Coal Association
PO Box 3923
Charleston, WV 25339

Dear Sandy:

Recently, I sent a proposal requesting support for the 2011 NASS Summer Conference that will be held at the Glade Springs Resort in Daniels, West Virginia. A couple of changes had to be made to the original proposal (i.e. sponsorship titles, pg. 2 and disclaimer, pg. 7). Please disregard the original mailing and use the enclosed proposal for your reference. If you have any questions, please do not hesitate to contact me at 304-558-6000. I appreciate your consideration in working with us for this national conference.

Take Care,

Natalie E. Tennant
Secretary of State



Almost Heaven 2011
NASS Summer Conference
P.O. Box 11278
Charleston, WV 25339

December 17, 2010

Dear Bill:

The National Association of Secretaries of State and I are pleased to announce the **Almost Heaven 2011 National Association of Secretaries of State Summer Conference**. The conference will be held at Glade Springs Resort in Daniels, West Virginia on July 10-13th, 2011. This premier conference will showcase the many treasures of West Virginia with three days of informational demonstrations, workshops, and entertaining social opportunities.

We would like to invite the West Virginia Coal Association to help us make this conference one of the best in the nation. In order to achieve our desired level of exceptional hospitality—we need your participation. Your sponsorship will allow us to create the best environment for our distinguished attendees and it will provide you with a perfect forum in which to address them. Sponsorship of the Almost Heaven 2011 conference will provide your organization with a great national marketing opportunity.

This national conference will attract over 200 attendees including Secretaries of State, senior government officials, industry leaders and other influential decision makers that will offer an invaluable networking opportunity for your organization. The benefits of your sponsorship are limitless and will only strengthen the image of the West Virginia Coal Association.

There are several different levels of sponsorship available. We would like the West Virginia Coal Association to be a Rhododendron Sponsor which includes many networking and marketing opportunities that are outlined below. The sponsorships available provide an attractive portfolio of outreach and exposure opportunities. This sponsorship would allow the West Virginia Coal Association to achieve the greatest return on investment possible. To learn more about the sponsorship opportunities available or if we may answer any questions, please call Patrick Folio at (304) 558-6000 or (404) 569-5604. Thank you in advance for your consideration, time and your participation in this national event.

Take Care,

Natalie E. Tennant
Host Committee Chair
West Virginia Secretary of State

~~NASS Summer Conference~~ - Information

The Almost Heaven 2011 National Association of Secretaries of State (NASS) Summer Conference will be hosted and managed by the West Virginia Secretary of State's Office and NASS staff. The conference will be held July 10th-13th at Glade Springs Resort in Daniels, West Virginia.

The conference will attract an estimated 200 attendees from around the country. These attendees will be comprised of elected and appointed Secretaries of State/Lieutenant Governors, senior and administrative staff of the Secretaries of State, elections officials and other state officials, corporate affiliates, exhibitors, vendors, and many more influential decision makers representing the public and private sectors.

The conference will feature many educational and informational sessions and demonstrations for the attendees focused on the issues or topics pertaining to the duties of Secretaries of State nationwide. Session topics include but are not limited to elections and voting, licensing of corporations and limited liability corporations, civic engagement, advances in communication and technology, management, and social media.

The National Association of Secretaries of State - Background

Founded in 1904, The National Association of Secretaries of State is the oldest non-partisan professional organization representing public officials. NASS represents Secretaries of State or Lieutenant Governors in the 50 states, the District of Columbia, Puerto Rico, American Samoa, Guam and the U.S. Virgin Islands.

The association serves as a medium for the exchange of information and fosters cooperation between state governments in the development of public policy. NASS has key initiatives in the areas of elections and voting, state business services, electronic government and digital archiving.

The first elected President of NASS was the 14th West Virginia Secretary of State, Stuart F. Reed. He served in that capacity from 1915-1917. The current President of NASS is Maine Secretary of State, Matt Dunlap.

This is the first NASS Conference to be held in West Virginia.

NASS 2011 Available Sponsorships

As a valuable asset not only to West Virginia but the entire country we understand the importance of providing positive community and public relations for your organization. It is a meaningful goal of ours to provide you with maximum exposure and the highest return on your investment. We are very confident that your sponsorship of the conference will be beneficial in both the short and long term. Following are the sponsorship levels available for your review.

- **Rhododendron Sponsor - \$50,000**

- Logo Displayed on Event Signage
- Logo Displayed on Promotional Materials (brochures, e-marketing, programs, etc)
- Opportunity to sponsor one of two Conference Dinners
- Opportunity to Place Logo Gift Item in Attendee Gift Bag
- Opportunity to Address Attendees During the Conference
- Complimentary Exhibit Space Available During Conference
- Press Conference & Press Release Opportunities
- 4 Complimentary Registrations for Duration of Conference
- 4 Additional One Day Registrations
- 4 Tickets for Corporate Affiliate and Sponsor Only Reception

- **Cardinal Sponsor - \$25,000**

- Logo Displayed on Event Signage
- Logo Displayed on Promotional Materials (brochures, e-marketing, programs, etc)
- Opportunity to Place Gift Item In Attendee Gift Bag
- Opportunity to Address Attendees During the conference
- Complimentary Exhibit Space Available During Conference
- 4 Complimentary Registrations for Duration of Conference
- 2 Additional One Day Registrations
- 2 Tickets for Corporate Affiliate and Sponsor Only Reception

- **Black Bear Sponsor – \$15,000**

- Logo Displayed on Event Signage
- Logo Displayed on Promotional Materials (brochures, e-marketing, programs, etc)
- Opportunity to Address Attendees During the conference
- Opportunity to Provide Attendees with a Gift in the attendee gift bag

- 2 Complimentary Registrations for Duration of Conference
 - 1 Additional One Day Registration
 - 2 Tickets for Corporate Affiliate and Sponsor Only Reception
- **Monongalia Sponsor – \$10,000**
 - Logo Displayed on Event Signage
 - Logo Displayed on Promotional Materials (brochures, e-marketing, programs, etc)
 - Opportunity to Address Attendees During the Conference
 - Opportunity to Provide Attendees with a Gift in the Attendee Gift Bag
 - 2 Complimentary Registrations for Duration of Conference
 - 1 Additional One Day Registration for the Conference
 - 2 Tickets for Corporate Affiliate and Sponsor Only Reception
- **Potomac Sponsor – \$8,500**
 - Logo Displayed on Event Signage
 - Name Displayed on Promotional Materials (brochures, e-marketing, programs, etc)
 - Opportunity to provide attendees with a Gift in Attendee Gift Bag
 - Opportunity to Address Attendees During the Conference
 - 2 Complimentary Registrations for Duration of Conference
 - 1 Additional One Day Registration for the Conference
 - 2 Tickets for Corporate Affiliate and Sponsor Only Reception
- **Kanawha Sponsor – \$5,000**
 - Logo Displayed on Event Signage
 - Name Displayed on Promotional Materials (brochures, e-marketing, programs, etc)
 - Opportunity to Place Logo Gift Item in Attendee Gift Bag
 - Opportunity to Address Attendees During the Conference
 - 2 Complimentary Registrations for Duration of Conference
 - 1 Additional One Day Registration for the Conference
 - 2 Tickets for Corporate Affiliate and Sponsor Only Reception
- **Gauley Sponsor – \$ 2,500**
 - Name Displayed on Event Signage
 - Name Displayed on Promotional Materials (brochures, e-marketing, programs, etc)
 - 1 Complimentary Registrations for Duration of Conference
 - 1 Additional One Day Registration for the Conference
 - 2 Tickets for Corporate Affiliate and Sponsor Only Reception
- **Cacapon Sponsor – \$1,000**
 - Name Displayed on Event Signage
 - Name Displayed on Promotional Materials (brochures, e-marketing, programs, etc)
 - 1 Complimentary Registration for Duration of Conference
 - 1 Ticket for Corporate Affiliate and Sponsor Only Reception

We propose that the ***West Virginia Coal Association*** to be a **Rhododendron Sponsor** at the Almost Heaven 2011 Summer Conference. We envision several on-site and off-site events for our delegates, which will provide you with numerous marketing and community relation opportunities.

Your sponsorship of the conference provides your organization the exclusive opportunity for networking with a significant number of current and future officials on the state and federal levels of government and the private sector.

Benefits of the sponsorship include but are not limited to:

- Logo Displayed on Event Signage
- Name Displayed on Promotional Materials (brochures, e-marketing, programs, etc)
- Opportunity to Place Promotional Materials on Tables
- Opportunity to Address Attendees During the Conference
- Opportunity to Provide Attendees with a Gift
- Complimentary Registrations for Duration of Conference
- Complimentary One Day Registration
- Tickets for Corporate Affiliate and Sponsor Only Reception

Value of Sponsorship Opportunity

The sponsorship investment will provide a valuable opportunity for the West Virginia Coal Association. The community and public relations exposure and networking availability will exceed the cash investment of your organization. The sponsorship investment will go toward paying for the costs associated with providing conference attendees with general conference items. This includes but is not limited to; food and beverage, resort service fees, taxes, general marketing, and operational costs. This proposal is fluid and an invitation for negotiation is welcome.

Cash Investment **\$50,000**

Other Investment* **\$500 - \$2,000**

**This investment is not required for sponsorship of event though it has become an accustomed gesture of sponsoring organizations. The West Virginia Coal Association will have the opportunity to provide the Secretaries of State and all conference attendees with a minimal gift or promotional items (coffee mug, keychain, booklet, etc) with a combined value of under \$20.00. The host may place the items in the rooms of guests for their arrival, at each lunch place setting or the item may be placed in the conference tote bag that will be handed out to attendees during registration.*

The Host State Committee requires that twenty-five percent of the cash investment be received upon signing of the sponsorship contract with the remaining investment due before March 1, 2011.

This solicitation is endorsed by, Natalie Tennant, Secretary of State. This endorsement does not imply support of the soliciting organization, nor of the sponsors who may respond to the solicitation. Copies of all solicitations are on file with the West Virginia Legislature's Joint Committee on Government and Finance, with the West Virginia Secretary of State and with the West Virginia Ethics Commission and are available for public review.

About Secretary of State Natalie E. Tennant



Natalie E. Tennant was elected as West Virginia's 29th Secretary of State in 2008. Since taking office, Secretary Tennant has focused on initiatives to create an open and engaging government for our citizens, maintaining fair and honest elections and implementing efficient technologies to better serve the businesses and agencies of our state.

Secretary Tennant is dedicated to using a practical and common sense approach in fulfilling her duties as the Secretary of State. It is her principle belief that being an elected official allows for her to be a servant to the people of West Virginia.

Tennant is very active within the National Association of Secretaries of State and currently acts as Co-Chair of the International Relations Committee. She was named one of only twenty four individuals to the Aspen Institute's Rodel Fellowship program in public service. She is the first and only West Virginian to receive the fellowship in its existence.

Secretary Tennant attended West Virginia University where she earned a bachelor's degree in Journalism and a master's degree in Corporate & Organizational Communication. While at WVU, she was selected as the first female Mountaineer mascot.

She currently resides in Charleston with husband State Senator Erik Wells and daughter Delaney.

Notable Past Secretaries of State

Many current and former state and federal politicians have served in the capacity of Secretary of State. It is not uncommon for Secretaries of State to later become Governors, U.S. Senators, and members of the U.S. House of Representatives and other elected board of public work offices. Below is a partial listing of some of the most notable:

U.S. Senator Jay Rockefeller (D-WV)	U.S. Senator Joe Manchin (D-WV)
U.S. Senator Evan Bayh (D-IN)	Governor Chet Culver (D-IA)
U.S. Senator Sherrod Brown (D-OH)	Governor Jim Douglas (R-VT)
U.S. Senator Max Cleland* (D-GA)	Governor Matt Blunt* (R-MO)
Congressman Mike Coffman (R-CO)	Governor Jerry Brown* (D-CA)
Congressman Tom Cole (R-OK)	Governor Mario Cuomo* (D-NY)
Congresswoman Candice Miller (R-MI)	Governor Don Siegelman* (D-AL)
Congressman Roy Blunt* (R-MO)	Governor Bob Taft* (R-OH)

* Denotes former office holders.



Contact Information

Host State Committee:

Almost Heaven, NASS 2011
P.O. Box 11278
Charleston, WV 25339

Phone: (304) 558-6000
Fax: (304) 558-0900

Mr. Patrick Folio, NASS Coordinator:

PFolio@wvsos.com

National Organization:

National Association of Secretaries of State
(NASS)

Hall of States
444 North Capitol Street, NW
Suite 401
Washington, DC 20001

Phone: (202) 624-3525
Fax: (202) 624-3527

Ms. Leslie Reynolds, Executive Director
Ms. Staci Fisher, Meeting Coordinator

sfisher@sso.org
sfisher@sso.org

Website: www.nass.org

Federal Non-Profit, EIN 1332655

INTERIM COMMITTEE REPORTS — 2010

- Agriculture and Agri-business Committee** (Senator White, Chair; Delegate Butcher and Delegate Talbott, Vice-Chairs)
- Joint Commission on Economic Development** (Senator Browning and Delegate Kominar, Chairs)
- Equal Pay Commission** (Senator Palumbo and Delegate Mahan, Chairs)
- Joint Standing Committee on Finance** (Senator Helmick and Delegate White, Chairs)
- Forest Management Review Commission** (Senator Helmick and Delegate Michael, Chairs)
- Joint Committee on Government Organization** (Senator Bowman and Delegate Morgan, Chairs)
- Legislative Oversight Commission on Health and Human Resources Accountability** (Senator Perdue and Delegate Perdue, Chairs)
- Commission on Interstate Cooperation** (Senator Jenkins and Delegate Doyle, Chairs)
- Parks, Recreation and Natural Resources Subcommittee** (Senator Fanning and Delegate Eldridge, Chairs)
- Joint Standing Committee on Pensions and Retirement** (Senator Foster and Delegate Spencer, Chairs)
- Select Committee on Children, Juveniles and Other Issues** (Senator Prezioso and Delegate Mahan, Chairs)
- Select Committee on Health** (Senator Prezioso and Delegate Perdue, Chairs)
- Select Committee on Infrastructure** (Senator Unger and Delegate Martin, Chairs)
- Select Committee on Minority Issues** (Senator Foster and Delegate Moore, Chairs)
- Select Committee on PEIA, Seniors and Long Term Care** (Senator Unger and Delegate Williams, Chairs)
- Select Committee on Veterans' Affairs** (Senator Wells, Delegate Iaquina and Delegate Fleischauer, Chairs)
- Legislative Oversight Commission on Workforce Investment for Economic Development** (Senator McCabe and Delegate Kominar, Chairs)

**West Virginia Legislature
Agriculture and Agri-business Committee**

2010-2011 Interims

January 11, 2011

Senate Members

Senator Randy White, Chair
Senator Karen L. Facemyer
Senator William R. Laird, IV
Senator Joseph M. Minard
Senator Herb Snyder
Senator Bob Williams

House Members

Delegate Greg Butcher, Vice-Chair
Delegate Joe Talbott, Vice-Chair
Delegate William Anderson
Delegate Allen V. Evans
Delegate Nancy Peoples Guthrie
Delegate Lynwood "Woody" Ireland
Delegate Carol Miller
Delegate Brady Paxton
Delegate Dave Pethtel
Delegate Patti Eagloski Schoen
Delegate Randy Swartzmiller
Delegate Larry A. Williams- Nonvoting

Final Report of the

Agriculture and Agri-business Committee

Your Agriculture and Agri-business Committee considered a variety of topics relating to agriculture and related areas.

MAY 2010 MEETING: Bob Tabb, Assistant Commissioner of the WV Department of Agriculture addressed the committee giving an update on agriculture in West Virginia.

Also, Paul Poling, an apiary specialist, gave a report on the bee industry in West Virginia.

JUNE 2010 MEETING: Dr. Orland McMeans, Ph.D., Dean and Director of the Gus R. Douglas Institute and Bill Woodrum, Associate Director, WV State University Extension Center gave a presentation regarding local foods economy in West Virginia.

JULY 2010 MEETING: Betty Caplan, counsel, discussed spay and neuter laws in the United States. Betty Burkett, Federation of Humane Organizations of WV discussed funding for spay and neuter programs.

AUGUST 2010 MEETING: Tom McConnell, WVU Extension Service, discussed the current programs of the Small Farms Center at WVU and current and potential local food opportunities. Kellie Boles, Jefferson County Agricultural Development Officer discussed the Farm to School program and the efforts being made at the VA Hospital.

SEPTEMBER 2010 MEETING: Herk Conner, Program Coordinator for WV Community Development HUB, and Savanna Lyons, Program Manager for HUB's WV Food and Farm Coalition, discussed the codification of Local Foods Council.

OCTOBER 2010 MEETING: Bob Tabb, Assistant Commissioner, WV Department of Agriculture, gave an update on the drought conditions and discussed the codification of Local Foods Council.

NOVEMBER 2010 MEETING: Dr. Wayne Dunn, Wood County Commissioner, gave a presentation on the final report of the Wood County Task Force regarding animal control and proposed legislation derived from the report.

DECEMBER 2010 MEETING: The committee discussed modernizing the West Virginia Code as to dogs and cats and creating a spay/neuter assistance fund. Rob Casto, WV Humane Society, and Patti Hamilton, WV Association of Counties, answered questions from the committee.

JANUARY 2011 MEETING: The committee discussed possible legislation and ways of funding spay/neuter programs.

Although legislation was discussed, the committee has no recommendations at this time.

Respectfully submitted,



Senator Bob Williams,
Vice-Chair



Delegate Greg Butcher,
Vice-Chair

WEST VIRGINIA LEGISLATURE
Joint Commission on Economic Development

FINAL REPORT

to

Joint Committee on Government and Finance
2010 - 2011 Interims
January 11, 2011

Members

Senate

Senator Richard Browning, Chair
Senator Walt Helmick
Senator Jeffrey V. Kessler
Senator Brooks McCabe
Senator Michael A. Oliverio, II
Senator Robert H. Plymale
Senator Roman W. Prezioso, Jr
Senator Ron Stollings
Senator John R. Unger, II
Senator Clark S. Barnes
Senator Karen L. Facemyer
Senator Jon Shott

House

Delegate K. Steven Kominar, Chair
Delegate Larry W. Barker, Vice Chair
Delegate Thomas W. Campbell
Delegate Kevin J. Craig
Delegate Orphy Klempa
Delegate Daniel Poling
Delegate Mary M. Poling
Delegate Tim Miley
Delegate Harry Keith White
Delegate Craig P. Blair
Delegate Mitch Carmichael
Delegate Bill Hamilton
Delegate Ron Walters (nonvoting)
Delegate John Doyle (nonvoting)
Delegate Barbara Fleischauer (nonvoting)

Your Joint Commission on Economic Development was appointed following the 2010 Regular Session of the Legislature. Section 5, Article 3, Chapter 5B of the Code of West Virginia requires that the Commission:

(1) Study the feasibility of establishing common regional configurations for such purposes as local workforce investment areas, regional educational service agencies and for all other purposes the commission considers feasible as well as review the existing levels of cooperation between state and local economic developers;

(2) Study the effectiveness and fiscal impact of incentives for attracting and growing businesses, especially technology-intensive companies; and

(3) Review existing economic and community development resources that would allow the states to successfully compete in the new global economy.

During the 2010-2011 Interim Meetings of the Legislature, in accordance with these requirements and the authority given to the Commission pursuant to Section 2, Article 3, Chapter 5B of the West Virginia Code, Your Commission has met and studied the following topics:

HCR 131 – Requesting a study on the impact of the ski resort industry on West Virginia's economy

HCR 102 - Requesting a study of the issues relating to creating a matching grant pilot project

HCR 107 - Requesting a study on the benefits of supporting the development of renewable energy resources

HCR 134 - Requesting study on the issues relating to evaluation of job creation and retention incentives, penalties and reporting requirements

SCR 31 - Requesting Joint Committee on Government and Finance study tourism industry development

SCR 73 - Requesting Joint Committee on Government and Finance study green public policy initiatives

RECOMMENDATIONS:

Your Commission **RECOMMENDS** that the State of West Virginia invest resources in a tourism master plan that will enable the state to strategically maximize the amount of tourism in the state of West Virginia and position West Virginia as a leading tourism destination in the United States;

Your Commission **RECOMMENDS** that the West Virginia Legislature passes Senate Bill 235 from the 2010 regular legislative session to create a pilot program that would administer grants to local governments for the purposes of creative communities;

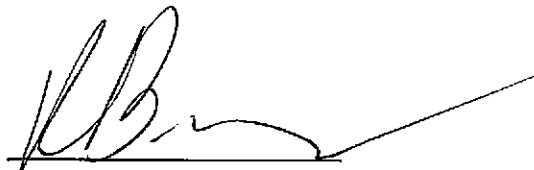
Your Commission **RECOMMENDS** that the West Virginia Legislature consider the viability of a renewable energy expansion fund that would encourage the development of renewable energies in the State of West Virginia;

Your Commission **RECOMMENDS** that the potential outsourcing of any technology departments of the State of West Virginia be examined carefully by the West Virginia Legislature prior to any decision being made by the West Virginia Office of Technology;


Your Commission **RECOMMENDS** that the West Virginia Legislature adopt legislation that would provide that nonprofit organizations with youth service as their primary purpose be eligible to claim the property tax exemption granted by Chapter 11, Article 3, Section 9 despite minimal leasing to a for-profit entity;

Your Commission **FURTHER RECOMMENDS** that the State of West Virginia consider a careful examination and evaluation of the economic development incentives currently existing in the state and their effectiveness in creating jobs and increasing revenues in the State of West Virginia.

Respectfully Submitted,



Senator Richard Browning
Co-Chairman



Delegate Steve Kominar
Co-Chairman



WEST VIRGINIA LEGISLATURE
CHARLESTON, WV

WEST VIRGINIA LEGISLATURE'S
EQUAL PAY COMMISSION

COREY PALUMBO
Senate Co-Chairman

VIRGINIA MAHAN
House Co-Chairwoman

Senate Members

Senator Corey Palumbo, Co-Chairman
Senator Douglas Facemire
Senator Dan Foster
Senator Karen Facemyer
Senator Mike Hall

House of Delegates Members

Delegate Virginia Mahan, Co-Chairwoman
Delegate Orphy Klempa
Delegate Barbara Evans Fleischauer
Delegate Linda Goode Phillips
Delegate Larry Barker

Citizen Members

Rita Albury
Tara Martinez
Jann Hoke

The West Virginia Legislature's Equal Pay Commission met each month during the 2010-2011 interim period beginning in May and ending in January 2011 to discuss and study topics relating to salary compensation inequities within state government. At its meetings, the Equal Pay Commission received testimony from the following individuals:

Sara Walker, Director; West Virginia Division of Personnel

Director Walker appeared before the Equal Pay Commission to present information regarding the Hay Group's examination into the state's job classification system. Director Walker also appeared before the Commission often to discuss and answer questions regarding possible legislation to be recommended to the Joint Committee on Government and Finance and the full Legislature.

Jann Hoke, Director; West Virginia Equal Employment Opportunity Office

Director Hoke appeared before the Equal Pay Commission to present information regarding the

history of and the obligations as the Director of the West Virginia Equal Employment Opportunity Office. Also as a citizen member, Director Hoke attended each meeting of the Commission offering perspective on the discussions at hand.

Tara Martinez, Director; West Virginia Women's Commission

Director Martinez appeared before the Equal Pay Commission to present information regarding the obligations of the West Virginia Women's Commission and her duties as director of the agency. Also a citizen member, Director Martinez attended each meeting of the Commission offering perspective on the discussions at hand.

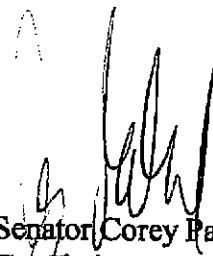
Tari Crouse, West Virginia Division of Personnel

Ms. Crouse appeared before the Equal Pay Commission and presented the 2010 pay equity salary adjustment recommendations made by the Division of Personnel to the Commission for its approval. Ms. Crouse was also available throughout the interim period to answer questions from the Commission members.

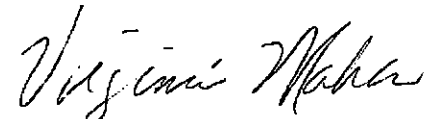
The Commission voted and approved the following to be recommended for passage by the full Legislature:

- The Commission approved the 2010 Pay Equity Salary Adjustments as recommended by the West Virginia Division of Personnel. The salary adjustments will affect nearly 1,400 state employees and will be effective January 1, 2011;
- **SB/HB **** - Codifying the Equal Employment Opportunity Office**
This bill would codify the Equal Employment Opportunity Office (EEOO.) The EEOO has existed within the Governor's Office by Executive Order since 1990. The bill would provide relevant definitions and general duties of the EEOO, including investigations of allegations discrimination. The bill would provide for a Director of the EEOO, along with requisite qualifications, salary and specific duties;
- **SB/HB **** - Creating an Equal Pay Coordinator within the Office of the Governor**
This bill would create a full-time position of Equal Pay Coordinator within the Office of the Governor. The Equal Pay Coordinator would be charged with:
 - 1) evaluating the current status of pay inequity in state government employees and collaborate with existing agencies undertaking a similar focus;
 - 2) researching different models to achieve pay equity in state government;
 - 3) monitoring litigation resulting from pay inequity;
 - 4) reporting to the Joint Committee on Government and Finance annually regarding the status of pay inequity, along with any measures undertaken to remedy such inequity; and
 - 5) developing a statewide strategic plan to address pay inequity, that will include the current status of pay inequity, recommendations of necessary legislative action or policies and ongoing monitoring of pay inequity.The coordinator shall have rule making authority.

Respectfully submitted,



Senator Corey Palumbo
Co-Chairman



Delegate Virginia Mahan
Co-Chairwoman

**West Virginia Legislature
Forest Management Review Commission**

FINAL REPORT

to

**Joint Committee on Government and Finance
2010 - 2011 Interims
January 9, 2011**

Members

Senate

Senator Walt Helmick, Chair
Senator Edwin J. Bowman
Senator Douglas E. Facemire
Senator Karen L. Facemyer
Senator Bob Williams

House

Delegate Harold Michael, Chair
Delegate William G. Hartman, Vice Chair
Delegate Mike Caputo
Delegate William R. Romine
Delegate Larry A. Williams (nonvoting)

Citizen Members

Robert Alexander
Richard Bowlby
Betty D. Crookshanks
Thomas Hawse, III
Ed McCoy
Lannes C. Williamson
James Willison

Your Forest Management Review Commission, appointed pursuant to Article 24, Chapter 5 of the Code of West Virginia, and granted the power, duty and responsibility to:

(a) Generally assist in the retention, expansion and attraction of forestry and forestry related industries by creating a climate for the development and support of the industry;

(b) Coordinate the current efforts to enhance and promote the expansion of the forestry industry among the several state and federal agencies, commissions, boards, committees, associations and other entities;

(c) Urge the development of multiple-use sustained-yield management plans for nonindustrial timber tracts;

(d) Develop products and markets for the grade of materials that currently comprise a majority of the state's resources;

(e) Recommend a stable and predictable tax program for both new and existing firms in the state;

(f) Develop a centralized and enhanced protection program that will reduce risks from fire and pestilence;

(g) Develop financial assistance for the attraction and expansion of new and existing secondary manufacturing facilities, with special emphasis on assistance for smaller firms employing less than twenty persons;

(h) Utilize recognized research expertise of appropriate existing educational, public and industrial institutions or agencies of the state. Research shall include economic development efforts in West Virginia, including silviculture, wood land management, forest management, the development of new products as well as other products designed to aid forestry development; and

(i) Employ, if needed, and only with prior approval of the West Virginia Legislature's Joint Committee on Government and Finance, such staff as may be necessary. In the event an executive director may be necessary, such individual shall be a forestry graduate of a four-year college of forestry and shall, in addition, have administrative and research experience, preferably, but not mandatorily, with at least five years' experience in government.

During the 2010 – 2011 Legislative Interim meetings, your Commission has met with the representatives of state government and the forest industry to discuss the following topics:

(1) Randy Dye - State Forester, West Virginia Division of Forestry, provided updates on the Division of Forestry and forest industries and reviewed the strategic plan on the sustainability of West Virginia forests;

(2) Dr. John Brooks, Professor of Forest Management at West Virginia University, discussed the sustainability of lands managed by the Division of Forestry;

(3) Joe Scarberry, Supervisor, West Virginia Division of Natural Resources, gave a report on mineral rights on state forests;

(4) Greg Cook, Deputy State Forester, West Virginia Division of Forestry, provided an update on the forestry industry;

(5) Dan Kincaid, Assistant State Forester, West Virginia Division of Forestry, provided a statewide forest assessment and strategy (as required by the 2008 Farm Bill);

(6) Curt Hassler of the Mountain Logger Association and Jim Scronce, an independent logger, discussed logging industry challenges, provided recommendations and expressed their support for Senate Bill No. 505 - updating the Logging Sediment Control Act;

(7) Greg Cook, Deputy State Forester, presented a short video, produced by the Division of Forestry, promoting the forest services industry in West Virginia;

(8) Rick Jeffries, Compliance Specialist with the Occupational Safety and Health Administration (OSHA), discussed the inspection of forest logging sites in comparison to other states, as well as the fines and procedures of the Law Enforcement Program;

(9) Mary Jane Pickens, General Counsel for the Insurance Commission, discussed workers' compensation issues facing the logging industry, including concerns regarding the exemption letter process and minimal worker's compensation policies cancelled;

(10) Tanya Gillespie, Rating Services, Office of the Insurance Commissioner, discussed worker's compensation issues facing the logging industry. Rating information was distributed to the Committee;


(11) Marvin Murphy, Division of Highways, discussed state road bonding issues for loggers. The Division of Highways has been working with regulatory agencies and industry to develop procedures for state road bonding for loggers. This plan is currently being reviewed by Governor Earl Ray Tomblin's office; and

(12) Randy Dye, State Forester, presented a status update on the Clemens State Nursery, the timber sales that have been approved and are underway, and the proposed legislation (reintroduction of SB 505 and SB 536) for this session.


The Forest Management Review Commission **REPORTS** as follows:

Your Commission **RECOMMENDS** that it continue to receive updates related to the forest industry.

Respectfully Submitted,



Senator Walt Helmick
Co-Chair



Delegate Harold Michael
Co-Chair



WEST VIRGINIA LEGISLATURE
JOINT COMMITTEE ON GOVERNMENT ORGANIZATION
STATE CAPITOL
CHARLESTON, WEST VIRGINIA 25305

JOINT COMMITTEE ON GOVERNMENT ORGANIZATION

INTERIM REPORT TO THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
JANUARY 11, 2011

Senate Members:

Senator Bowman - Chair
Senator Snyder - Vice Chair
Senator Boley
Senator Browning
Senator Foster
Senator Kessler
Senator McCabe
Senator Minard
Senator Palumbo
Senator Shott
Senator Sypolt
Senator White
Senator Williams
Senator Yost

House Members:

Delegate Morgan - Chair
Delegate Stephens - Vice Chair
Delegate Argento
Delegate Azinger
Delegate Boggs
Delegate Butcher
Delegate Cann
Delegate Cowles
Delegate Givens
Delegate Hall
Delegate Hartman
Delegate Hatfield
Delegate Manypenny
Delegate Martin
Delegate McGeehan
Delegate Miller, C.
Delegate Miller, J.
Delegate Poling, D.
Delegate Poore
Delegate Porter
Delegate Rowan
Delegate Staggers
Delegate Swartzmiller
Delegate Talbott
Delegate Walker, T.

Introduction

During the 2010-2011 interim period, the Joint Committee on Government Organization studied the following topics:

House Concurrent Resolution 91, a study of the authority and structure of professional and occupational licensing boards.

House Concurrent Resolution 92, a study of the advisability and feasibility of the creation of an administrative unit of state government to assist professional licensing boards.

Senate Concurrent Resolution 84, a study of creating uniform set of statutory provisions for Chapter Thirty Boards.

Senate Concurrent Resolution 85, a study updating article one provisions.

House Concurrent Resolution 100 and SCR 51, a study of the law governing the West Virginia Occupational, Safety and Health Act for public employees.

House Concurrent Resolution 99, a study of the powers and duties of the Division of Criminal Justice Services.

House Concurrent Resolution 85, a study on the utility of transferring licensing authority of private investigative and security services.

House Concurrent Resolution 93, a study of the Board of Examiners of Psychologists and the scope of practice of psychologists and school psychologists.

House Concurrent Resolution 9 and **House Concurrent Resolution 94**, a study of the law governing the West Virginia Board of Examiners for Speech-Language Pathology and Audiology.

House Concurrent Resolution 6 and **House Concurrent Resolution 96**, a study of the law governing the West Virginia Board of Hearing Aid Dealers and Fitters.

House Concurrent Resolution 95, a study of the law governing the West Virginia Board of Medicine.

House Concurrent Resolution 101, a study of the law governing the West Virginia Board of Dental Examiners.

House Concurrent Resolution 109, a study of the law governing the West Virginia State Board of Pharmacy.

House Concurrent Resolution 97, a study of the policies and procedures for awarding vendor preferences in state purchasing contracts.

House Concurrent Resolution 98, a study of the powers and duties regarding real estate acquisition and services for real estate held by the State of West Virginia.

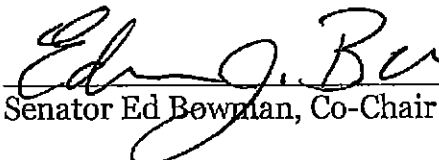
Senate Concurrent Resolution 81, a study of emergency dispatch centers and emergency medical services.

A study of the Division of Personnel.

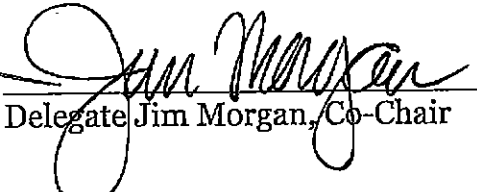
Conclusions

The Chairs sent each resolution to a subcommittee. The subcommittees heard a presentation on each resolution assigned to it. The committee did not recommend any legislation for passage during the 2011 legislative session. All handouts and information contained in the minutes for the meetings are on file in the offices of the House and Senate Government Organization Committees. The committee will continue to follow the topics throughout the regular session.

Respectfully Submitted,



Senator Ed Bowman, Co-Chair



Delegate Jim Morgan, Co-Chair

**West Virginia Legislature
Commission on Interstate Cooperation**

**2010-2011 Interims
January 11, 2011**

Senate Members

Senator Evan H. Jenkins, Chair
Senator Herb Snyder, Vice Chair
Senator Richard Browning
Senator Corey Palumbo
Senator Erik Wells
Senator John H. Shott
Senator Dave Sypolt

President Earl Ray Tomblin,
Ex-Officio, Non-Voting Member

House Members

Delegate John Doyle, Chair
Delegate Nancy Guthrie, Vice Chair
Delegate Michael Ferro
Delegate John Frazier
Delegate Doug Reynolds
Delegate Craig P. Blair
Delegate Ron Walters

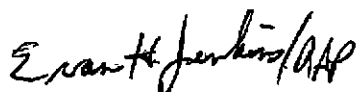
Speaker Richard Thompson,
Ex-Officio, Non-Voting Member

**Final Report of the
Joint Commission on Interstate Cooperation**

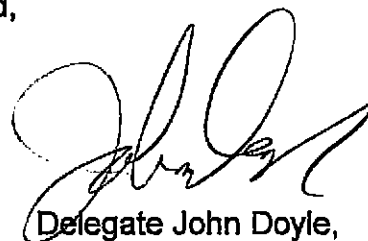
Your Joint Commission on Interstate Cooperation established pursuant to West Virginia Code §29-1B-1, *et seq.*, has had under consideration the Uniform Real Property Electric Recording Act, Uniform Trust Code Act and the Uniform Power of Attorney Act.

On the issue of the Uniform Real Property Electric Recording Act, the Uniform Trust Code Act and the Uniform Power of Attorney Act, your Commission **recommends** the passage of legislation.

Respectfully submitted,



Senator Evan H. Jenkins,
Co-Chair



Delegate John Doyle,
Co-Chair

**WEST VIRGINIA LEGISLATURE
LEGISLATIVE OVERSIGHT COMMISSION ON
HEALTH AND HUMAN RESOURCES ACCOUNTABILITY**

2010-2011 Interims

SENATE MEMBERS

Senator Roman W. Prezioso, Jr., Chair
Senator Dan Foster
Senator Evan Jenkins
Senator Ron Stollings
Senator John Unger
Senator Donna Boley
Senator John H. Shott
President Tomblin, *ex officio, Nonvoting*

HOUSE MEMBERS

Delegate Don Perdue, Chair
Delegate Barbara Hatfield
Delegate Cliff Moore
Delegate Ricky Moyes
Delegate Margaret Staggers
Delegate Larry Border
Delegate Ralph Rodighiero, *Nonvoting*
Speaker Thompson, *ex officio, Nonvoting*

**Final Report of
LEGISLATIVE OVERSIGHT COMMISSION ON
HEALTH AND HUMAN RESOURCES ACCOUNTABILITY**

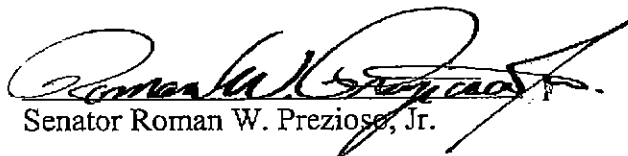
The Legislative Oversight Commission on Health and Human Resources Accountability was appointed pursuant to the provisions of West Virginia Code §16-29E-1, *et seq.* Following the 2010 Regular Session of the 79th Legislature.


During the 2010-2011 interim period the Legislative Oversight Commission on Health and Human Resources Accountability met and received information on various topics of study and other important healthcare and human services issues from state agencies, political subdivisions, advocacy groups and other pertinent sources. The Commission was not assigned any new specific study topics during the 2010-2011 interim period. The Commission, therefore, spent its time reviewing different programs of the Department of Health and Human Resources and different topics that were of interest from the previous interim period.

Topics of discussion before the Commission included behavioral health; drug addiction treatment; child care; Medicaid; Medicaid managed care for special populations; medical home demonstration projects; and various aspects of the effects of the federal Patient Protection and Accountable Care Act of 2010 on West Virginia's health system, state code, and budget.

Although the presentations and discussions on these issues were stimulating, enlightening, and interesting the Commission reached no consensus on any of them. Therefore, the Commission has no recommendations to make at this time.

Respectfully Submitted,


Senator Roman W. Prezioso, Jr.


Delegate Don Perdue

WEST VIRGINIA LEGISLATURE

JOINT COMMITTEE ON PENSIONS AND RETIREMENT

2010 Interims

SENATE MEMBERS

Senator Foster-Chair
Senator McCabe-Vice Chair
Senator Deem
Senator Edgell
Senator Hall
Senator Oliverio
Senator Plymale

HOUSE MEMBERS

(Vacancy) - Chair
Delegate Pethtel- Vice Chair
Delegate Givens
Delegate Reynolds
Delegate Stevens
Delegate Canterbury
Delegate Duke

Final Report of

JOINT COMMITTEE ON PENSIONS AND RETIREMENT

The Joint Committee on Pensions and Retirement was required by West Virginia Code 8-22-18A (k) to study Defined Retirement Option Programs (DROPs).

During the course of the 2010 interim period the Joint Committee on Pensions and Retirement met and reviewed information on DROPs. Speakers at the meetings included representatives of the WV Consolidated Public Retirement Board (CPRB); Becky Neal of Neal Lobbying Firm, representing Fraternal Order of Police; Brian Jones, President of W. Va. Firefighters Association; and Blair Taylor, representing the State Treasurer's Office.

The Joint Committee on Pensions and Retirement, pursuant to the statutory charge, has studied DROPs and has provided opportunities for professional police officer and firefighter organizations to present information on DROPs to the Committee.

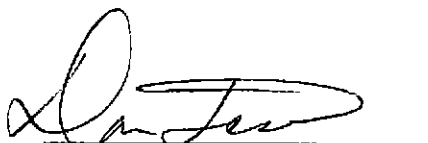
DROPs generally allow for members to agree to continue to work a few years beyond their normal retirement age, freeze their retirement benefits at the

time agreement is made, and receive deferred retirement benefits at the end of the agreed period of continued work. The Committee has considered and evaluated elements of some of the programs to assess how the programs may best serve the public interest.

Mr. Robin C. Capehart, President of West Liberty University, presented to the committee a Faculty Severance Plan for voluntary early retirement to help the University implement programmatic changes in accordance with statutory goals and objectives. On motion properly made and seconded, the committee approved the plan pursuant to W. Va. Code §18B-1-1d. The entire cost of the plan is to be borne by West Liberty University.

The Committee **RECOMMENDS** that it continue to study DROPs and report any further findings and recommendations to the Joint Committee on Government and Finance .

Respectfully submitted



Dan Foster
Senate Chair



Vacancy
House Chair



WEST VIRGINIA LEGISLATURE
STATE CAPITOL
CHARLESTON, WEST VIRGINIA 25305

WEST VIRGINIA LEGISLATURE

Final Report of Select Committee on Children, Juveniles and Other Issues

2010- 2011 Interim Legislative Session

SENATE MEMBERS

Senator Roman W. Prezioso, Jr., Chair
Senator Corey Palumbo, Vice Chair
Senator Larry J. Edgell
Senator Dan Foster
Senator Jeffrey V. Kessler
Senator Joseph Minard
Senator John Unger II
Senator Bob Williams
Senator Donna Boley
Senator Frank Deem
Senator Jesse O. Guills

HOUSE MEMBERS

Delegate Virginia Mahan, Chair
Delegate Barbara Fleischauer, Vice Chair
Delegate Bonnie Brown
Delegate Jeff Eldridge
Delegate Tim Ennis
Delegate Ron Fragale
Delegate John R. Frazier
Delegate Tal Hutchins
Delegate Margaret Donaldson Smith
Delegate Sharon Spencer
Delegate Josh Stowers
Delegate Linda Longstreth
Delegate Linda Goode Phillips
Delegate William Wooton
Delegate Bob Ashley
Delegate Ruth Rowan
Delegate Robert A. Schadler

The Select Committee on Children and Juveniles was appointed by the Joint Committee on Government and Finance following the 2010 Regular Session of the 79th Legislature. During the course of the 2010 - 2011 interim period, the Select Committee on Children, Juveniles and Other Issues met and received information on various topics of study and other important issues related to protection of children and juveniles. Presentations were made and information was received from state agencies, the West Virginia Department of Health and Human Resources, advocacy groups and other pertinent sources.

The Committee **REPORTS** as follows:

MAY 2010

The Committee met and discussed the Safe Reduction Initiative Participation program. The Committee heard testimony regarding this from Ms. Susan Hage from the West Virginia Department of Health and Human Resources, Bureau of Children and Families, and discussed the national movement and efforts to safely reduce the number of children in foster care.

JULY 2010

The Committee heard testimony from Commissioner Jason Najmulski, Bureau for Children and Families, regarding an update on Jacob's Law which created enhanced specialized foster care pilot projects. Jeff Johnson, Senate Counsel, also addressed the Committee regarding the "Safely Reducing the Children in Foster Care" initiative.

AUGUST 2010

The Committee heard testimony from Judge Gary L. Johnson regarding the Child Advocate bill (H.B.4454/S.B.552) introduced during the 2010 regular session. Kathie King, Program Manager for Adult and Children's Policy, Bureau for Children and Families, addressed the Committee regarding the implementation of Jacob's Law.

SEPTEMBER 2010

The Committee heard testimony from Ms. Joan Ohl, Casey Family Programs, regarding the foster care and child welfare system in West Virginia and the national movement to safely reduce the number of children in foster care. Ms. Ohl stressed the importance of placing a child in a safe and permanent environment, encouraging placement with relatives, and keeping siblings together.

OCTOBER 2010

The Committee heard testimony from Commissioner Jason Najmulski, Brenda Howard, and Mike Johnson, all with the Bureau for Children and Families, along with supporting statistics regarding location of child placement, length of stay by a child in a home, and number of homes a child is placed while under supervision of the Bureau.

NOVEMBER 2010

Laura Barno, Program Manager, West Virginia Department of Health and Human Resources, Bureau for Children and Families introduced three young individuals who received services from the West Virginia foster care program. These three individuals detailed their experiences in the foster care program as well as recommendations to improve the current program. The Committee also held a brief question and answer session with Christina Bertelli, Program Manager, Chafee Foster Care Independence Program, West Virginia Department of Health & Human Resources, Bureau for Children and Families, Children and Adult Services and Commissioner Jason Najmulski, West Virginia Department of Health & Human Resources, Bureau for Children and Families.

DECEMBER 2010

Joe Altizer, House Counsel, explained the provisions of draft legislation regarding the creation of an Office of the Child Advocate. The Committee reported the bill from the Committee with the recommendation that the bill do pass after being introduced during the 2011 Regular Session.

Jeff Johnson, Senate Counsel, explained the provisions of draft legislation regarding the definition of imminent danger in abuse and neglect matters. The Committee reported the bill from the Committee with the recommendation that the bill do pass after being introduced during the 2011 Regular Session.

The Committee **RECOMMENDS** that they continue to monitor the foster care program in West Virginia. To accomplish this, that they continue to meet with officials of the Department of Health and Human Resources, advocacy groups and interested parties on this issue.

The Committee **FURTHER RECOMMENDS** the passage of the following pieces of legislation during the 2011 regular Legislation session:

A bill to create an Office of Child Advocate. This office will not only attempt to resolve disputes that arise in foster care cases but will also encompass Juvenile Services within the Department of Corrections.

A bill that clarifies the definition of imminent danger in abuse and neglect matters.

Respectfully submitted:



Senator Roman W. Prezioso, Jr.
Co-Chair



Delegate Virginia Mahan
Co-Chair

WEST VIRGINIA LEGISLATURE

SELECT COMMITTEE ON HEALTH

2010- 2011 Interims

SENATE MEMBERS

Senator Roman W. Prezioso, Jr., Chair
Senator Dan Foster
Senator Mike Hall
Senator Evan Jenkins
Senator Joseph Minard
Senator Ron Stollings
Senator John H. Shott

HOUSE MEMBERS

Delegate Don Perdue, Chair
Delegate William G. Hartman
Delegate Barbara Hatfield
Delegate Tiffany E. Lawrence
Delegate Charlene Marshall
Delegate Harold Michael
Delegate Clif Moore
Delegate Linda Goode Phillips
Delegate Ralph Rodighiero
Delegate Margaret Stagers
Delegate Troy Andes
Delegate Larry Border
Delegate Mitch Carmichael

Final Report of

SELECT COMMITTEE ON HEALTH

Select Committee D on Health was reappointed by the Joint Committee on Government and Finance, following the 2009 Regular Session of the 79th Legislature. The work of the Committee continued over the 2010 interim period pursuant to that reappointment.

During the course of the 2010- 2011 interim period the Select Committee on Health met and received information on various topics of study and other important healthcare issues from state agencies, political subdivisions, advocacy groups and other pertinent sources in response to the four (4) study resolutions and/or topics assigned to the committee.

The Committee **REPORTS** as follows:

House Concurrent Resolution 117 - Requesting a study on the establishment of a commission to make recommendations to the Legislature on the scope of practice of health care professions.

and,

Senate Concurrent Resolution 54 - Requesting Joint Committee on Government and Finance Study establishing health care profession scope of practice commission.

At the September meeting of the Committee, Nancy Tyler, Committee Counsel, presented information to the Committee on the approach of various states in dealing with the complex issue of scope of practice. Ms. Tyler provided the Committee with details on several options. The Committee took no action on this and recommends that this issue be continued for the next interim period.

Modification of the Governor's Office of Health Enhancement and Lifestyle Planning to help for federal healthcare reform and to make it more efficient.

The Committee focused much of their attention during this interim period on the state response to federal healthcare reform. To that end, the Committee received information from a number of groups and individuals on the implementation of healthcare reform in West Virginia. The interim period began with a presentation by Martha Y. Walker, Acting Director of the GO HELP who provided an overview of the steps being taken in West Virginia for full implementation of healthcare reform. Jeremiah Samples of the West Virginia Insurance Commission also provided insight to the Committee on their work in getting the Insurance Exchanges required by the federal healthcare reform bill fully realized.

In addition, the Committee received information from the Public Employees Insurance Agency on the impact which healthcare reform will have upon their services to state employees. Joe Letnaunchyn, President and CEO of the Hospital Association and Sonia Chambers, Chair of the West Virginia Health Care Authority, offered the opinions of their respective groups on the manner in which federal healthcare reform will effect hospitals.

The Committee's final two (2) meetings focused attention on the health care consumer side of healthcare reform. Louise Reese, CEO of the West Virginia Primary Care Association discussed the steps that primary care facilities are taking to ready themselves for healthcare reform.

Additionally, Nancye Bazzle, Deputy Commissioner of the Bureau for Public Health discussed the implications of healthcare reform on public health; particularly the available grant opportunities afforded public health in the federal legislation. Finally, Perry Bryant, Executive Director of West Virginia's for Affordable Health Care gave the Committee some idea of implications to the Medicare consumer as a result of healthcare reform.

The Committee recommends they continue to monitor the progress being made throughout the state as federal healthcare reform progresses.

Treatment Options for Substance Abuse

The Committee was assigned to study options available for the treatment of substance abuse, particularly prescription drug abuse. John Lopez, Project Manager for the Regional Jails in West Virginia, addressed the Committee in the month of September on the problems facing the regional jail system with inmates incarcerated for drug abuse, their means of dealing with this problem and what the future holds for regional jails and these inmates.

Staff counsel, Nancy Tyler, provided some information to the Committee about "K2" a legal, no prescription formula sold in convenience stores and how other states are starting to tackle the issue of regulation of this substance.

The Committee recommends that this issue continue to be studied by the Committee during the 2011 interim period to afford them the opportunity to gain greater insight into the problem and explore potential solutions. The Committee further recommends that should legislation pass and be signed into law by the Governor pertaining to regulation of "K2" or other synthetic controlled substance, they will monitor the implementation of the legislation.

Miscellaneous

The Committee heard from Ed L. Dolly, Deputy Commission at the Bureau for Medical Services on funding options for implementation of health information technology and received an update from Warren Keefer, Deputy Secretary for Administration, West Virginia Department of Health and Human Resources, on the Medicaid medical information storage project.

Conclusion

The Committee does not recommend any legislation for consideration or passage during the 2011 Regular Session of the Legislature. They do recommend that all topics assigned to the Committee during the 2010 - 2011 Interim Period continue to be considered by the Committee during the next interim period.

Respectfully submitted:



Senator Roman W. Prezioso, Jr.
Co-Chair



Delegate Don Perdue
Co-Chair



WEST VIRGINIA LEGISLATURE
CHARLESTON, WV

LEGISLATIVE SELECT COMMITTEE ON INFRASTRUCTURE

JOHN UNGER
Senate Co-Chairman

DALE MARTIN
House Co-Chairman

Senate Members

Senator John Unger, Co-Chairman
Senator John Pat Fanning
Senator Evan Jenkins
Senator Robert Plymale
Senator Karen Facemyer

House Members

Delegate Dale Martin, Co-Chairman
Delegate Larry Barker
Delegate Sam Cann
Delegate Kevin Craig
Delegate Mike Ferro
Delegate Nancy Guthrie
Delegate Orphy Klempa
Delegate Steve Kominar
Delegate Doug Reynolds
Delegate Alex Shook
Delegate Dale Stephens
Delegate Randy Swartzmiller
Delegate Daryl Cowles
Delegate Carol Miller
Delegate Jonathan Miller

The West Virginia's Legislative Select Committee on Infrastructure met each month during the 2010-2011 interim period beginning in May 2010 and ending in January 2011 to discuss topics set forth by the Joint Committee on Government and Finance found within the following resolutions and directives:

SCR 12- Requesting the Joint Committee on Government and Finance study motor carrier industry regulation;

SCR 38- Requesting the Joint Committee on Government and Finance study alternative fuels and vehicular energy consumption;

SCR 40- Requesting the Joint Committee on Government and Finance study inclement weather

effects on roads and highways;

SCR 68- Requesting the Joint Committee on Government and Finance study alternative 'green' road and highway paving processes and construction;

SCR 69- Requesting the Joint Committee on Government and Finance study alternative funding sources for roads ineligible for federal matching dollars;

SCR 73- Requesting the Joint Committee on government and Finance study green public policy initiatives;

SCR 80- Requesting the Joint committee on Government and Finance study school bus turnaround area maintenance;

Alternative sources of funding for the construction and maintenance of state, local, and secondary bridges, roads, and highways;

Study of the feasibility of limiting or prohibiting the use of cell phones and other electronic devices by operators of motor vehicles;

Study of the ad valorem property taxation of antique motor vehicles;

Study of the current status of the REAL ID Act of 2005 and of the action needed by the state to comply with the requirements of the Act;

Study of issues related to the West Virginia Parkways Authority, including alternate funding sources and the costs and methodology of maintenance of the West Virginia Turnpike;

Study of the Division of Highways county highway formula to determine a better means of allocating resources to different areas throughout the state;

Study of the TRAIL power line project regarding the heavy truck traffic destroying roads and roads being restored to the original condition; and

Study of broadband deployment.

The Committee also received testimony from the following individuals throughout the interim period:

May

Chairman Unger recognized Steve Dale, Deputy Commissioner, WV Division of Motor Vehicles (hereinafter "DMV") and Christy Morris, Deputy Cabinet Secretary WV Department of Military Affairs and Public Safety and Acting Director WV Homeland Security, to give an update to the committee on the current status of Real ID and PASS ID legislation and the status of WV's current

compliance status with Real ID. The Deputy Commissioner did not foresee the need for the legislature to take any legislative action at this time.

Chairman Unger called Marvin Murphy, State Highway Engineer, WV Division of Highways (hereinafter "DOH") - to give a presentation on various issues regarding secondary road repairs, maintenance and funding.

June

Chairman Martin recognized Mr. Greg Barr, General Manager, WV Parkways, Economic Development & tourism Authority to discuss issues relating to the WV Parkway Authority, including alternate funding sources and the costs and methodology of maintenance of the WV Turnpike.

Chairman Martin called Mr. Ron Hamilton, Director of maintenance and Engineering for the Parkways Authority to discuss issues relating to maintenance and road repair on the Turnpike.

July

Chairman Martin recognized Joseph Miller, Commissioner, WVDMV to discuss "One Stop Shop for Trucking Companies". The Commissioner outlined a proposal that the legislature undertake a study of the state agencies that regulate the motor carrier industry, including a review of the various functions the DMV, DOH, WV Public Service Commission, WV State Police, and the WV State Tax Department serve in regulating the industry. The goal of the study is to determine the feasibility of consolidating the functions of the state agencies regulating the industry and whether this would improve service to the industry and be cost efficient to the State.

Chairman Martin recognized Marvin Murphy, State Highway Engineer, WVDOH to follow-up on previous discussion on various issues regarding secondary road repairs, maintenance and funding.

Chairman Unger appointed Sub-Committee A to further study the issue of One Stop Shop motor carrier industry legislation. Members of Sub-Committee A were Chairman Unger, Chairman Martin, and Delegate Miller, C.

August

Chairman Unger recognized Kelley Goes, Cabinet Secretary, WV Department of Commerce. She gave an update to the Committee on the progress of the Broadband Deployment Council and plans for the use and expenditure of the Federal stimulus moneys for the expansion of broadband connectivity throughout the State.

Chairman Unger recognized Ken Arndt -President, Frontier, Southeast Region Markets to discuss plans for broadband deployment in the State and its contractual role with the State in the use of Federal stimulus expenditures for broadband infrastructure.

Chairman Unger recognized James Martin, WV Broadband Coalition, CEO & President, Citynet, LLC and Mike Friloux, WVP Business Development, Citynet, LLC. They gave a presentation on West Virginia Broadband Infrastructure.

September

Chairman Unger recognized Joseph Miller, Commissioner, WVDMV - to discuss "One Stop Shop for Trucking Companies"

Chairman Unger recognized Janet Vineyard - President, Omega and WV Trucking Association, to discuss "One Stop Shop for Trucking Companies".

Chairman Unger recognized Marvin Murphy, State Highway Engineer, WVDOH - to discuss:

- 1) Study of Division of Highways county highway formula to determine a better means of allocating resources to different areas throughout the state;
- 2) SCR 69 - study alternative funding sources for roads ineligible for federal matching dollars.

Chairman Unger recognized Nathan Newman, Executive Director of Progressive States Network, to give a presentation on Progressive States Network broadband policy and initiative. The presentation advocated the use of high speed internet to enable states to utilize technology to better access healthcare, promote energy efficient and environmental friendly policies and promote increased educational opportunities. As well as promoting and advancing a green economy.

Chairman Unger recognized Todd Dumire, President, WV Paving, with a follow-up by Chris Frey, WV Paving and Pat Parsons, Director, Asphalt Pavement Association - to discuss and give a presentation on: SCR 68 - "green" road and highway paving processes and construction.

October

Chairman Martin recognized Mike Clowser, Contractor's Association of West Virginia. Mr. Clowser discussed the use of 'green' methods of road and highway paving and various 'green' public policy initiatives including a discussion of construction costs for implementing green building standards in public projects

Chairman Martin recognized Jeff Herholdt, WV Division of Energy. Mr. Herholdt appeared before the Committee to present information regarding the use of various 'green' public policy initiatives, together with a discussion on the costs and relative savings from implementing energy efficient construction standards and initiatives.

Chairman Martin recognized Marvin Murphy, State Highway Engineer, WVDOH, for purposes of making a presentation. Mr. Murphy presented information to the Committee regarding school-bus

turnaround area maintenance and who has responsibility for maintaining school-bus turnaround areas on state roads as well as on areas owned by private entities.

Chairman Martin recognized Ben Shew, Executive Director, Office of School transportation, WV Board of Education for purposes of making a presentation. Mr. Shew presented information to the Committee regarding school-bus turnaround area maintenance and the current practices in various counties regarding responsibility for maintaining school-bus turnaround areas on state roads as well as on areas owned by private entities.

Chairman Martin recognized Norman Herrera, Senior Coordinator for Market Development of Natural Gas Vehicles, Chesapeake Energy for purposes of making a presentation. Mr. Herrera presented information to the Committee regarding natural gas vehicles and infrastructure necessary for natural gas vehicles. Mr. Hererra provided the committee with a natural gas vehicle to observe and was available for demonstration.

Chairman Martin chaired a meeting of Sub-Committee A - Motor Carrier Industry Regulation. "One-Stop-Shop". A brief presentation was made by Joe Miller, Commissioner of the Division of Motor Vehicles on the regulation of the motor carrier industry. Representatives from WV State Tax Department, WV DOH, WV Public Service Commission, WV State Police and an industry representative from WV Trucking Association, were invited and were present for the purposes of providing additional comment.

November

Chairman Martin recognized Marvin Murphy, State Highway Engineer, WVDOH, for purposes of making a presentation. Mr. Murphy presented information to the Committee regarding the use of state roads by the oil and gas industry.

Chairman Martin recognized Corky DeMarco, West Virginia Oil and Natural Gas Association, for purposes of making a presentation. Mr. DeMarco presented information to the Committee regarding the use of state roads by the oil and gas industry from the perspective of the industry itself.

Chairman Martin recognized Anne Bradley, Esq., Independent Oil and Gas Association, for purposes of making a presentation. Ms. Bradley presented information to the Committee regarding the use of state roads by the oil and gas industry from the perspective of the industry itself.

Chairman Martin recognized John Reed, Counsel, who explained HB/SB- Establishing the West Virginia Transportation Finance Commission.

Chairman Martin chaired a meeting of Sub-Committee A - Motor Carrier Industry Regulation. "One-Stop-Shop". Chairman Martin recognized Ed Logsdon, Commissioner, Kentucky DMV (ret.), who made a presentation on One Stop Shop for regulation of the motor carrier industry. Representatives from WV State Tax Department, WV DOH, WV Public Service Commission, WV State Police and an industry representative from WV Trucking Association, were invited and were present for the purpose of providing additional comment. From discussion, it was represented to the sub-committee

that a study could be financed from funds that are available to the WV DOH. The sub-committee requested counsel to draft legislation that would require the Commissioner of the Division of Motor Vehicles to undertake a study to determine the feasibility, costs, and benefits of consolidating the functions of the state agencies regulating the industry.

December

Chairman Unger recognized Jeff Amburgey, Director, Property Tax Division, West Virginia State Tax Department. Mr. Amburgey appeared before the Committee to present information regarding the taxation and valuation of antique motor vehicles.

Chairman Martin recognized John Reed, Counsel, who explained the following legislation for consideration of the committee:

- × **SB/HB ****-** Prohibition of texting while operating a motor vehicle

The bill establishes a new criminal offense of texting while operating a motor vehicle. It provides exceptions and conditions for certain lawful uses and definitions. It makes a violation a misdemeanor criminal offense with a fine.

- × **SB/HB ****-** Establishing the West Virginia Transportation Finance Commission

The purpose of the bill is to create the West Virginia Transportation Finance Commission. The Commission is to provide loans and other financial assistance to government units for transportation infrastructure.

- × **SB/HB ****-** Division of Motor Vehicles Commissioner study of consolidation of government services for the motor carrier industry

The bill would require the Commissioner of the Division of Motor Vehicles to conduct a study of the feasibility of consolidation of government services and enforcement of laws pertaining to the motor carrier industry.

January

The Committee met to discuss and consider the pending legislation presented to the committee at its December meeting, but could not take any committee action on the legislation due to a lack of an established quorum. Co-Chairman Martin informed the Committee members that the Co-Chairs intend to introduce the pending legislation at the beginning of the 2011 Regular Session individually.

Respectfully submitted,

John R. Unger II

Senator John Unger
Co-Chairman

Delegate Dale Martin
Co-Chairman

Dale Martin

WEST VIRGINIA LEGISLATURE

FINAL REPORT

Select Committee on Minority Issues

2010 - 2011 Interim Legislative Session

Senate Members

Senator Foster, Chair
Senator Jenkins
Senator Prezioso
Senator Yost

House Members

Delegate Moore, Chair
Delegate Guthrie
Delegate Lawrence
Delegate Marshall
Delegate Stephens
Delegate Caputo

The Select Committee on Minority Issues was appointed by the Joint Committee on Government and Finance following the 2010 regular session of the 79th Legislature. The Committee was assigned topics that relate to the advancement and resolution of a vast array of issues effecting the minority community within the state.

MAY 2010 MEETING

Mark White, Counsel, reviewed the prior year's final report and recommended legislation.

Larry Rowe, Attorney and Former State Senator, addressed the committee and responded to questions regarding various issues effecting minorities in the state.

JUNE 2010 MEETING

Ron English, Tuesday Morning Group, made a presentation to the committee on the following reports: "Legacy of Inequality: Racial and Economic Disparities in West Virginia" and "The State of African Americans in Kanawha County, WV". Included in this report were recommendations by the Tuesday Morning Group to address some of these issues.

Reverend Mel Hoover, Tuesday Morning Group, additionally addressed the committee and responded to questions regarding the reports.

AUGUST 2010 MEETING

Dr. Pat Kusimo, The Education Alliance, made a presentation to the committee on the education disparities among non-Asian minorities and responded to questions.

SEPTEMBER 2010 MEETING

The Committee engaged in a roundtable discussion regarding various issues effecting the minority population of the State and possible solutions. The individuals participating in the roundtable discussion, in addition to the Committee Members, are as follows: Ralph Miller, Tuesday Morning Group, Bob Hardy, Tuesday Morning Group, Rick Willis, Tuesday Morning Group, James Patterson, Tuesday Morning Group, Delegate Poore, Delegate Walker and Delegate Manypenny.

OCTOBER 2010 MEETING

The committee began a roundtable discussion on creating the Herbert Henderson Office of Minority Affairs with the following individuals participating: James Patterson, Joseph Kusimo, Matthew Watts, Brian O'Donnell, Kenneth Hale, Wendy Lewis, Melvin Hoover, William Thomas and Dennis Sparks.

NOVEMBER 2010 MEETING

The committee discussed legislation regarding the creation of the Herbert Henderson Office of Minority Affairs. The Committee also discussed the creation of a database of constituents and interested parties from around the State of West Virginia to participate in future discussions regarding matters affecting the various minority communities.

DECEMBER 2010 MEETING

Mr. White, House Counsel, explained the purpose of a draft bill relating to the creation of the Herbert Henderson Office of Minority Affairs and responded to questions. The bill was reported out of the committee to be introduced during the 2011 Regular Legislative Session with the recommendation that the bill do pass.

JANUARY 2011 MEETING

The Committee met to discuss and adopt the Final Report from the 2010/2011 Interim Legislative Session.

RECOMMENDED LEGISLATION

The Committee reported out one bill during the interim session and recommended that it be introduced during the 2011 Regular Session for consideration and passage.

The bill that the Committee recommended creates the "Herbert Henderson Office of Minority Affairs" in the office of the Governor. The Office's objective is to identify and promote best practices in to provisions of programs and services to minorities, review information and research, make recommendations regarding policy and allocation of resources, award grants, loans and loan guaranties for minority affairs programs and activities, and make recommendations to the legislature.

The office shall report to the Governor and the Joint Committee on Government and Finance in January 2012 and each year thereafter. This report shall include: the extent to which programs and services for minorities are available in the state, the most appropriate means for the planning, delivery and evaluation of existing and needed programs, recommendations ro the coordination of programs and services to minority groups throughout the state and federal government, recommendations for changes to law to facilitate meeting the objectives of the office and other matter the office may deem necessary.

The Governor will appoint an Executive Director to carry out this work and to oversee staff. The Governor shall provide funding and offices for this purpose.

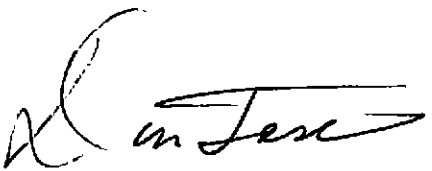
Section 2 creates the Minority Affairs Fund in the State Treasury. This will consist of gifts, grants, bequests, transfers, appropriations or other donations and payments which may be received by the Herbert Henderson Office of Minority Affairs. Expenditures from the fund shall be made by the Executive Director of the Office to provide matching funds to obtain federal funds for the delivery of programs and services, to award grants, loads and loan guaranties, and for the performance of duties of the office as prescribed by this article.

CONCLUSION


This Committee has been in existence since the 2003 Interim Legislative Session and has examined many issues in depth over the past few years and recommended numerous pieces of legislation to address problematic areas. The Committee recommended the aforementioned piece of legislation to be introduced during the 2011 Regular Session for passage. However, certain issues, such as creating an Office of Minority Affairs continue to demand monitoring as new issues appear while the law and application of

the law evolve.

Respectfully submitted:



Senator Dan Foster
Co-Chair



Delegate Clif Moore
Co-Chair

SELECT COMMITTEE ON PEIA, SENIORS AND LONG TERM CARE

**INTERIM REPORT TO THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
JANUARY 11, 2011**

Senate Members:

John Unger, Chair
Dan Foster
Walt Helmick
Mike Hall
Robert Plymale

House Members:

Larry Williams, Chair
Sam Argento
Sam Cann
Don Perdue
Dale Stephens
Sally Susman
David Walker
William Wooton
Larry Border
Bill Hamilton

Introduction

During the 2010-2011 interim period, the Select Committee on PEIA, Seniors and Long Term Care studied the following topics:

House Concurrent Resolution 61, Requesting a study of West Virginia's cemetery industry to determine whether oversight and regulation are needed to protect the public

House Concurrent Resolution 62, Requesting a study of the costs and benefits of the creation of an exemption for social security benefits regarding personal income taxes

House Concurrent Resolution 74, Requesting a study of the use of independent third party peer review in the informal dispute resolution process for nursing homes

House Concurrent Resolution 97 (2009), Requesting a study of a special lifetime senior hunting, fishing and trapping license

Study long-term care and community based services, especially the Medicaid Aged and Disabled Waiver program, with a focus on keeping our seniors in their homes

Guest Speakers

During the May interim meeting, Marcus Canaday, Director of the Office of Home

and Community-Based Services Bureau presented to the committee.

In June, Ted Cheatham, Director of the Public Employees Insurance Agency, updated the committee on PEIA's activities since January 2010.

During the August interim meeting, Scott Brown, Division of Natural Resources, gave a presentation to the committee regarding the creation of a hunting, fishing, and trapping license for seniors.

Gaylene A. Miller, Senior State Director for AARP-West Virginia, presented to the committee in September. She discussed the Patient Protection and Affordable Care Act of 2010 and how passage of this healthcare reform bill affects seniors.

In October, Rick Brennen, Department of Health and Human Resources State Health Access Program (SHAP) Grant Administrator, made a presentation regarding the SHAP grant.

In November, John Mullins, Interim Executive Director of the West Virginia Health Care Authority (WVHCA) addressed the committee regarding the addition of an independent informal dispute resolution process to the current Office of Health Facility Licensure and Certification (OHFLAC) appeals process. He introduced several providers (Tammy Jo Painter, Vice President of Compliance, American Medical Facilities Management; Lynn Elliott, Administrator, Ansted Center; Debbie Keefer, Director of Nursing, Marmet Center) who shared their experiences with the OHFLAC appeals process.

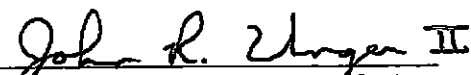
During the December meeting, the West Virginia Long Term Care Partnership and the WVHCA delivered presentations to the committee. Nancy Tolliver, RN, MSIR, Partnership Coordinator of the West Virginia Long Term Care Partnership, made a presentation about the organization and their legislative priorities. Mark Newbrough, Director of the West Virginia Geriatric Education Center, discussed the Long Term Care Partnership's work on workforce development. John Mullins, Interim Executive Director of the WVHCA, presented draft legislation that would add an independent informal dispute resolution process to the current OHFLAC appeals process.


Conclusions

The committee requested additional information from several of the presenters and all handouts and information contained in the minutes for the meetings are on file in the office of the Select Committee on PEIA, Seniors and Long Term Care. The committee will continue to monitor legislation regarding the costs and benefits of the creation of an exemption for social security benefits regarding personal income taxes, special lifetime senior hunting, fishing and trapping license, and long-term care.

The committee recommends that the West Virginia Legislature adopt legislation to establish an independent informal dispute resolution process for nursing homes.

Respectfully Submitted,


Senator John Unger, Co-Chair


Delegate Larry Williams, Co-Chair



WEST VIRGINIA LEGISLATURE
CHARLESTON, WV

LEGISLATIVE SELECT COMMITTEE ON VETERANS' AFFAIRS

Erik Wells
Senate Co-Chairman

Richard J. Iaquinta
House Co-Chairman

Barbara Fleischauer
House Co-Chairwoman

Senate Members

Senator Erik Wells, Co-Chairman
Senator Douglas Face mire
Senator Mike Oliverio
Senator Bob Williams
Senator Jack Yost
Senator Dave Sypolt

House of Delegates Members

Delegate Richard J. Iaquinta, Co-Chairman
Delegate Barbara Fleischauer, Co-Chairwoman
Delegate Jeff Eldridge
Delegate Linda Longstreth
Delegate Dale Stephens
Delegate David Walker
Delegate Tom Azinger

The West Virginia's Legislative Select Committee on Veterans Affairs met each month during the 2010-2011 interim period beginning in May and ending in January 2011 to discuss and study topics relating to issues facing veterans, their families, and ways to enhance benefits available to them. At its meetings, the Committee received testimony from the following individuals:

Maj. General Allen Tackett, The Adjutant General; West Virginia National Guard

Maj. General Tackett appeared before the Committee to present information regarding the current status of the West Virginia National Guard and its various projects. Maj. General Tackett also appeared often to provide updates and answer questions from the Committee members.

Keith Gwinn, Director; West Virginia Division of Veterans' Affairs

Director Gwinn appeared before the Committee at nearly every meeting to provide updates and answer questions regarding the various projects within the Division of Veterans' Affairs.

Stephen Janney, Region Three Veterans Employer Representative; Workforce West Virginia
Steve Dailey, One Stop Operations; Workforce West Virginia

Mr. Janney and Mr. Dailey appeared before the Committee to present information regarding

available programs aimed at helping veterans find employment through the Workforce West Virginia program.

Robert Mellace, Coordinator; West Virginia Department of Education

Mr. Mellace appeared before the Committee to present information regarding the Troops to Teachers program.

Brian Noland, Chancellor; West Virginia Higher Education Policy Commission
Skip Gebhart, Veterans' Coordinator; West Virginia Higher Education Policy Commission

Chancellor Noland and Mr. Gebhart appeared before the Committee numerous times to present information regarding educational opportunities for veterans. Mr. Gebhart also continually updated the Committee on the Veteran Friendly Campus program and the Veteran Initiative Taskforce.

Julie Gifford, Mid-Atlantic State Liaison; Office of the Deputy Under Secretary of Defense

Ms. Gifford appeared before the Committee to present information regarding the 2010 Status Report for West Virginia on the Department of Defense's Ten Key Quality of Life Issues for Service Members and Families. Ms. Gifford also made recommendations for legislation which the Committee adopted and will report to the Legislature.

Dr. Joseph Scotti, Professor; West Virginia University

Dr. Scotti appeared before the Committee to present information regarding new information regarding the statewide veterans' survey commissioned by the committee in 2007.

Robert Beanblossom, District Administrator; West Virginia Division of Natural Resources

Mr. Beanblossom appeared before the Committee to present information regarding various programs throughout the Division of Natural Resources available to veterans and service members.

Elizabeth Wehner, Grants Manager; Legal Aid West Virginia

Ms. Wehner appeared before the Committee to present information regarding the Legal Aid West Virginia's Veterans Legal Support Project.

Deborah Mullen, wife of Chairman Admiral Mike Mullen; Chairman of the Joint Chiefs

Mrs. Mullen appeared before the Committee to present information regarding women service members, families of service members, and women veterans.

Toney Colagrosso, TRICARE Specialist; West Virginia National Guard

Mr. Colagrosso appeared before the Committee to present information regarding the TRICARE healthcare program.

Dr. Hilda Heady, Vice-President; Atlas Research LLC.

Dr. Heady appeared before the Committee to present information regarding TBI and PTSD issues facing veterans; rural healthcare for veterans; and the issues and challenges unique to women veterans. Dr. Heady also made recommendations for legislation which the Committee adopted and will report to the Legislature.

Kim Donahue, Business Development Specialist; U.S. Small Business Administration

Ms. Donahue appeared before the Committee to present information regarding SBA programs available to veterans.

The Committee voted and approved the following to be recommended for passage by the full Legislature:

- **SB/HB ****.** Interstate Compact on Educational Opportunity for Military Children

The purpose of this bill is to provide for the adoption and enactment of the Interstate Compact on Educational Opportunity for Military Children. The bill also establishes the West Virginia Council for Educational Opportunities for Military Children as mandated by the compact; establishes the membership, powers and duties of the Council.

- **SB/HB ****.** Eligibility for unemployment benefits for spouses of transferred military service members

The purpose of this bill is to provide that an individual who has voluntarily quit employment to accompany a spouse serving in active military service who has been reassigned from one military assignment to another shall not be disqualified for unemployment benefits. The bill also provides that the account of the employer of the individual shall not be charged.

- **SB/HB ****.** Disposition of remains of active duty military service members

The purpose of this bill is to provide that disposition of the remains of a deceased military service member who dies while serving in the United States Armed Forces shall be governed by the directives in the United States Department of Defense Record of Emergency Data Form (DD Form 93) executed by the service member.

- **SB/HB ****.** Veteran friendly communities program

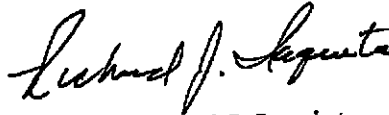
The purpose of this bill is establish a program to promote veteran friendly communities; the bill provides that the Division of Veterans Affairs, in consultation with the Veteran's Council, shall establish a program to assist and encourage the development, availability and utilization of veteran friendly services, benefits and assistance available to veterans in communities in this state.

- **SCR/HCR ****-** Requesting the Joint Committee on Government and Finance study ways to increase TRICARE acceptance by private medical practitioners
- **SCR/HCR ****-** Requesting the Joint Committee on Government and Finance to continue studying the issues facing veterans

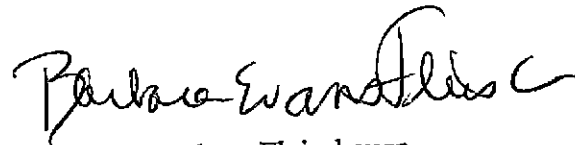
Respectfully submitted,



Senator Erik Wells
Co-Chairman



Delegate Richard J. Iaquinta
Co-Chairman



Delegate Barbara Fleischauer
Co-Chairwoman

WEST VIRGINIA LEGISLATURE
LEGISLATIVE OVERSIGHT COMMISSION
ON WORKFORCE INVESTMENT FOR ECONOMIC DEVELOPMENT

2010- 2011 Interims

SENATE MEMBERS

Brooks McCabe, Chair
Senator Jeffrey V. Kessler
Senator Ron Stollings
Senator Frank Deem

HOUSE MEMBERS

Delegate K. Steven Kominar, Chair
Delegate Larry W. Barker
Delegate Orphy Klempa
Delegate Bill Hamilton
Delegate Craig Blair, (nonvoting)

Final Report of

LEGISLATIVE OVERSIGHT COMMISSION ON
WORKFORCE INVESTMENT FOR ECONOMIC DEVELOPMENT

The Legislative Oversight Commission on Workforce Investment for Economic Development was appointed pursuant to the provisions of West Virginia Code §5B-2B-7, *et seq*, following the 2009 Regular Session of the 79th Legislature and continued their work during the 2010 - 2011 interim period. Pursuant to their statutory charge the Commission was to make a continued investigation, study and review of the practices, policies and procedures of the workforce investment strategies and programs implemented in the state.

During the course of the 2010 interim period the Legislative Oversight Commission on Workforce Investment for Economic Development met and received information on these practices, policies and procedures and other important issues from state agencies, political subdivisions, advocacy groups and other pertinent sources.

The Commission **REPORTS** as follows:

Counsel to the Commission provided an update to the Commission on topics studied during the preceding interim period. Additionally, counsel presented an overview at the initial Commission meeting of the Commission's statutory charge so they were fully aware of their mission. To meet this obligation, the Commission heard at various times throughout the year from Russell L. Fry, the Director of WorkForce West Virginia. Mr. Fry reported about the status of the Unemployment Compensation Fund. In fact, Director Fry appeared on three (3) separate occasions to provide the Commission insight into the current balance in the Unemployment Compensation Fund. In response to Director Fry's presentation, the co-Chairs sent a letter to then Governor Joe Manchin in September expressing their concern with the current status of the fund.

The Commission also continued its interest in the development of partnership between the West Virginia Community and Technical College System and various labor union apprenticeship programs. James L. Skidmore, Chancellor of the West Virginia Council for Community and Technical College Education, gave the Commission an update on the "Learn and Earn Program." This program is designed to make higher education more affordable by allowing students to work in their chosen field through a co-op or apprenticeship program and receive a salary as they attend classes.

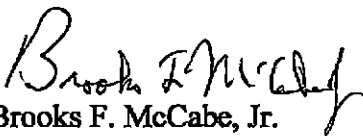
For the month of September, then Secretary of the Department of Commerce, Kelly Goes, gave an excellent presentation to the Commission entitled "Tomorrow's Jobs: The Best Career Opportunities in West Virginia Through 2016." Secretary Goes gave the Commission an in-depth overview of the developing job market in West Virginia and those careers with the most potential for growth and those which may see the sharpest decline.

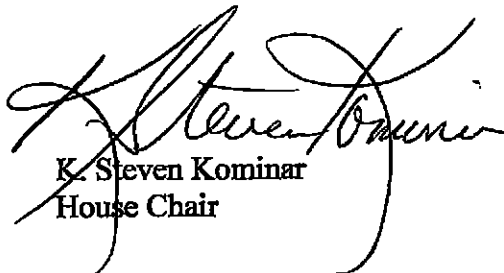
In response to the potential impact of the development of the Marcellus Shale in West Virginia, the Commission heard from Roger Willis, President of Universal Well Services. Mr. Willis discussed the emerging possibilities for growth in West Virginia as this new energy source is developed. This included the types of jobs that would potentially become available and the overall economic impact they could have on the West Virginia economy. Chancellor Skidmore provided some detail on how the West Virginia Community and Technical College System is addressing the career needs that may arise from the development of the Marcellus Shale.

At the final meeting of the Commission during 2010, Joyce Okes, Executive Director of the Workforce Investment Board of the Mid-Ohio Valley, updated the Commission on all the general aspects of the Workforce Investment Board and gave an update on the training issues within the board.

The Commission **RECOMMENDS** that they continue to monitor the financial soundness of the Unemployment Compensation Fund. Additionally, that they remain involved in various aspects of economic and career development that may occur as the Marcellus Shale is developed. Finally, the Commission recommends that they continue as statutorily required to investigate, study and review the practices, policies and procedures of the workforce investment strategies and programs implemented in the state.

Respectfully submitted


Brooks F. McCabe, Jr.
Senate Chair


K. Steven Kominar
House Chair

**West Virginia Legislature
Joint Standing Committee on Finance
2010 - 2011 Interims**

Senate Members

*Senator Helmick, Chair
Senator Boley
Senator Bowman
Senator Chafin
Senator Edgell
Senator Facemire
Senator Facemyer
Senator Fanning
Senator Green
Senator Guills
Senator McCabe
Senator Plymale
Senator Prezioso
Senator Sypolt
Senator Unger
Senator Wells
Senator White*

House Members

*Delegate White, Chair
Delegate Anderson
Delegate Ashley
Delegate Blair
Delegate Border
Delegate Campbell
Delegate Carmichael
Delegate Craig
Delegate Doyle
Delegate Eldridge
Delegate Evans
Delegate Guthrie
Delegate Iaquinta
Delegate Klempa
Delegate Kominar
Delegate Mahan
Delegate Manchin
Delegate Marshall
Delegate Perdue
Delegate Phillips
Delegate Poling, M.
Delegate Reynolds
Delegate Spencer
Delegate Varner
Delegate Walters*

**APPROVED FINAL REPORT OF
THE JOINT STANDING COMMITTEE ON FINANCE
TO THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
January 11, 2011**

Your Joint Standing Committee on Finance was assigned the interim study of the following topics during the 2010-2011 legislative interim period:

- *HCR 130 - Requesting a study on the flexibility for local schools and school systems to acquire and employ technology to improve student performance and progress.*
- *Study of the financial burden to the state of West Virginia as a result of the substance abuse addiction problem.*
- *HCR 135 Requesting a study of the Homestead Exemption for seniors and people with disabilities.*

- *Tax issues generally.*
- *Monies received and expended under the Federal American Recovery and Reinvestment Act of 2009.*
- *SCR 22, Requesting Joint Committee on Government and Finance study coal industry tax burden.*
- *Funding of Workers' Compensation Premiums for Volunteer Fire Departments.*
- *HCR 88 Requesting a study of the West Virginia PELA and participating employer liabilities for other post employment benefits.*
- *Other Post Employment Benefits (OPEB)*
- *State and Local Financing Issues Generally*

Your Committee reports that in addition to the foregoing matters, presentations have been received from the State Budget Office, Department of Revenue, regarding the financial status of the State at the close of Fiscal Year 2009 - 2010; from the State Tax Commissioner regarding the implementation of the State Tax Division's Revenue Accounts Processing Integrated Development System (RAPIDS) Project; and from the Acting Executive Director, Workforce West Virginia, on the condition of the Unemployment Compensation Trust Fund.

Each of the assigned issues itemized above have been considered by Subcommittees A, B and C of Your Committee, and the reports and recommendations of its subcommittees on those matters have been received and adopted by the full Joint Committee on Finance. All of those reports and recommendations, having been so adopted, are made a part of and submitted with this report to the Joint Committee on Government and Finance for its consideration.

Respectfully Submitted,

Senator Walt Helmick
Co-Chairman


Delegate Harry Keith White
Co-Chairman

West Virginia Legislature
Joint Standing Committee on Finance
2010 - 2011 Interims
Subcommittee A

Senate Members:

Senator Ed Bowman, Chair
Senator Roman Prezioso
Senator John Unger
Senator Randy White
Senator Jesse Guills
Senator Walt Helmick, *Ex Officio*

House Members:

Delegate Tom Campbell, Chair
Delegate Richard Iaquina
Delegate Don Perdue
Delegate Doug Reynolds
Delegate Scott Varner
Delegate Bob Ashley
Delegate Craig Blair
Delegate Larry Border
Delegate Harry Keith White, *Ex Officio*

FINAL REPORT OF

SUBCOMMITTEE A

TO THE JOINT STANDING COMMITTEE ON FINANCE
January 11, 2011

Your Subcommittee A was appointed following the 2010 Regular Session of the Legislature and assigned the following topics for study during the interim period:

HCR 130 -Requesting a study on flexibility for local schools and school systems to acquire and employ technology to improve student performance and progress; and

Study of the financial burden to the State of West Virginia as a result of the substance abuse addiction problem.

During the 2010-2011 legislative interim period, Subcommittee A met and received information on these topics of study from state agencies and other sources. Subcommittee A **REPORTS** as follows:

On the issue of HCR 130, the Subcommittee has heard the testimony and recommendations of the West Virginia Department of Education.

Your Subcommittee A RECOMMENDS that the Legislature support legislation that provides the flexibility for local schools and school systems to acquire and employ technology, however, your Subcommittee A RECOMMENDS that the continuation of study on how to best proceed with granting such flexibility be deferred to the Joint Standing Committee on Education .

On the financial burden resulting from substance abuse addiction issue, which is one of the biggest problems facing the state, the Subcommittee has received a voluminous amount of information from the West Virginia Partnership to Promote Community Well-Being, DHHR, Corrections, Regional Jails, and the Supreme Court.

Your Subcommittee A RECOMMENDS that this issue be continued next year to give the committee an opportunity to more fully review the information and provide a forum for all of the affected agencies to come together with a goal of proposing joint recommendations and legislation to address the problem .

Respectfully Submitted,

Senator Edwin Bowman
Co-Chair

Delegate Tom Campbell
Vice-Chair

West Virginia Legislature
Joint Standing Committee on Finance
2010 - 2011 Interims
Subcommittee B

Senate Members:

Senator Helmick, Chair
Senator Fanning
Senator McCabe
Senator Plymale
Senator Wells
Senator Boley
Senator Facemyer

House Members:

Delegate White, Chair
Delegate Craig
Delegate Doyle
Delegate Eldridge
Delegate Guthrie
Delegate Marshall
Delegate Spencer
Delegate Carmichael
Delegate Evans

FINAL REPORT OF
SUBCOMMITTEE B

TO THE JOINT STANDING COMMITTEE ON FINANCE
January 11, 2011

Your Subcommittee B was appointed following the 2010 Regular Session and assigned the following topics for study during the interim period:

***HCR135 - Requesting a study on the Homestead Exemption for seniors and people with disabilities.**

***SCR 22 - Requesting Joint Committee on Government and Finance study coal industry tax burden.**

***Tax issues generally.**

***Monies received and expended under the Federal American Recovery and Reinvestment Act of 2009.**

***Funding of Workers' Compensation Premiums for Volunteer Fire Departments.**

During the 2010-2011 legislative interim period, Subcommittee B met and received information on these topics of study from the following state agencies, political subdivisions and other sources:

Representatives from the West Virginia Department of Revenue, the Streamline Sales and Use Tax Agreement, the Governor's federal American Recovery and Reinvestment Act (ARRA) office (see, www.recovery.wv.gov), the Office of the West Virginia Insurance Commissioner, the State Fire Marshall, the Marshall University Bureau of Business and Economic Research, the West Virginia Center on Budget and Policy, the environmental consulting company Downstream Strategies, and the West Virginia Division of Highways.

Based on the testimony presented, Subcommittee B makes the following recommendations:

Regarding HCR135, Your Subcommittee B **RECOMMENDS** that the Legislature consider proposals for legislation expected at the beginning of the upcoming legislative session from the Governor's Tax Modernization Group. This group has throughout the year been working on proposals to improve upon this Legislature's recent real property tax relief initiatives that have reduced the tax burden on low and middle income seniors and persons with disabilities without the increase in property tax rates which generally results from an increase of an existing homestead exemption. Among those initiatives are (1) the Homestead Income Tax Credit, which equals the amount of real property tax on the first \$20,000 of taxable assessed valuation for those with a federal AGI less than or equal to 150 of the federal poverty guidelines; (2) the Circuit Breaker Tax Credit, which is available regardless of income, which equals the amount of real property taxes paid in excess of 4% of the homestead's household income; and the real property tax increase deferral

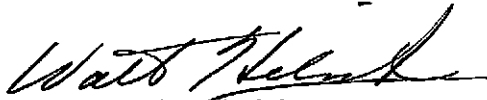
program. The Subcommittee recommends that these proposals be considered when considering any proposals to increase the existing homestead exemption during the upcoming regular session.

Regarding **SCR22**, Your Subcommittee **B RECOMMENDS** that the Legislature continue to consider the benefits and costs of the impact of coal upon the fiscal, economic and social aspects of the lives of the citizens of this state during the upcoming session, including the examination by the full Legislature of the extent of the tax burden imposed upon the coal industry as well as other matters on the subject reported for the Subcommittee's consideration during this interim period, and that this matter be reassigned to your Subcommittee for further consideration during the ensuing interim period.

Regarding **Funding of Workers' Compensation Premiums for Volunteer Fire Departments**, Your Subcommittee **B RECOMMENDS** that the Legislature consider proposals for legislation expected at the beginning of the upcoming legislative session from the Governor's West Virginia Volunteer Fire Departments Workers' Compensation Task Force. This group has throughout the year been working on proposals to provide relief from an impending increase in workers' compensation premiums upon this State's Volunteer Fire Departments and from civil liability for certain work-related actions arising from the performance of the services they provide.

Finally, Your Subcommittee **B RECOMMENDS** the continued study of **tax issues generally** by this Subcommittee during the ensuing interim period, and that the Legislature continue to monitor **Monies received and expended under the Federal American Recovery and Reinvestment Act of 2009** during the upcoming session and until a complete accounting therefor has been performed.

Respectfully Submitted,



Senator Walt Helmick
Co-Chair



Delegate Harry Keith White
Co-Chair

West Virginia Legislature
Joint Standing Committee on Finance
2010 - 2011 Interims
Subcommittee C

Senate Members:

Senator McCabe, Chair
Senator Chafin
Senator Edgell
Senator Facemire
Senator Green
Senator Sypolt
Senator Helmick, *Ex Officio*

House Members:

Delegate Kominar, Chair
Delegate Klempa
Delegate Mahan
Delegate Manchin
Delegate Phillips
Delegate M. Poling
Delegate Anderson
Delegate Walters
Delegate White, *Ex Officio*

FINAL REPORT OF
SUBCOMMITTEE C

TO THE JOINT STANDING COMMITTEE ON FINANCE
January 11, 2011

Your Subcommittee C was appointed following the 2009 Regular Session and assigned the following topics for study:

- *HCR 88- Requesting a study of the West Virginia PEIA and participating employer liabilities for other post employment benefits**
- *Other Post Employment Benefits (OPEB)**
- *State and local financing issues generally**

During the 2010-2011 Legislative interim period, Subcommittee C met monthly for the purpose of studying OPEB and recommending legislation to address the OPEB problem. The subcommittee received information and sought participation from the following state agencies, political subdivisions and other sources: representatives from the West Virginia Public Employees

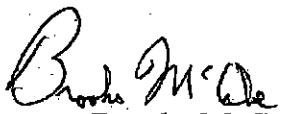
Insurance Agency; the West Virginia Consolidated Public Retirement Board; the West Virginia Division of Personnel; the West Virginia Municipal League; the West Virginia Association of Counties; the West Virginia County Commissioners' Association; the West Virginia Public Transit Association; the West Virginia Rural Water Association; West Virginia Public Defender Services Corporation; local Public Service Districts; the West Virginia School Board Association; the WVEA; and all of the West Virginia AFL-CIO unions. Additionally, Subcommittee C has been working on a **"Working List of Possible OPEB Actions,"** which has changed monthly based on recommendations from Subcommittee members as well as invited participants and is still a work in progress. In November, the Joint Committee on Government and Finance approved this Subcommittee's request to hire Buck Consultants, LLC (Buck) to review changes being considered in West Virginia's Public Employees and Teachers Retirement Systems to provide a deferred retirement option plan (DROP) and to analyze, evaluate, make recommendations concerning the proposed changes and prepare a written report articulating its analysis and evaluation and describing how the proposed changes would impact West Virginia's Public Employees and Teachers Retirement Systems. The report shall also include recommendations on how to best implement a feasible and revenue-neutral DROP program. Staff is awaiting the Buck report and an opportunity to discuss the report with its author in order to finalize the **"List of Possible OPEB Actions."**

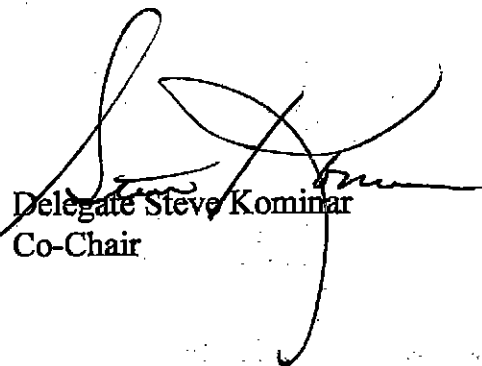
Based on the testimony all of the above, Subcommittee C makes the following findings and recommendations:

Subcommittee C **FINDS** that the most critical financial issue facing the state and local governments is the OPEB liability and that legislation to address this issue must be introduced during the 2011 Legislative session.

Therefore, Subcommittee C **RECOMMENDS** that the Legislature pass legislation during the 2011 Regular Session, which will be introduced by members of this subcommittee and will embody the finalized “**List of Possible OPEB Actions.**”

Respectfully Submitted,


Senator Brooks McCabe
Co-Chair


Delegate Steve Kominar
Co-Chair

**PARKS, RECREATION AND NATURAL
RESOURCES INTERIM SUBCOMMITTEE**

**Annual Report
2010 - 2011**

January 11, 2011

In the 2010 - 2011 interim year, the Parks, Recreation and Natural Resources Subcommittee continued its oversight role of the West Virginia state park system and was also actively involved in other wildlife resources and outdoor recreation issues of importance to the State.

Parks Related Issues

The West Virginia state park system continues to be one of the most operationally self-sufficient in the nation, even though it is one of the few systems in the nation not charging entry fees. While operational self-sufficiency figures did decrease from 60 percent in FY09 to 56 percent in FY10, this was in large part due to the national recession affecting tourist travel. There was an additional construction impact on business at a few major parks, most notably at Twin Falls and Berkeley Springs. System wide, total revenues were down from \$21,969,929 in FY09 to \$20,561,808 in FY10. Current plans call for major expansion of Cacapon, Blackwater, and Twin Falls revenue producing facilities, which should have a major revenue and self-sufficiency impact when complete. Thirteen new Blackwater cabins and 28 additional guest rooms and an indoor pool at Twin Falls will open by mid year. A major new campground will open late in FY11 at Little Beaver. The Cacapon improvements are in the design stage. Further, a major renovation of the Berkeley Springs Main Bathhouse was completed in the fall of 2010. This year it was also learned that a major and long needed rehabilitation of Canaan Valley Resort State Park will be funded by a lottery revenue bond, which should help re-energize business at that park. It should be noted that direct revenues do not measure the full economic benefit of the park system. An economic impact study conducted several years ago by the Marshall University Center for Business and Economic Research very conservatively concluded that state park visitor spending had a total direct and indirect impact of \$127 million on the economy of West Virginia.

Parks issues of interest to the Subcommittee in 2010 - 2011 and speakers who appeared before the Subcommittee to address these issues included:

- *Mike Smith, Superintendent of Droop Mountain Battlefield State Park*, who discussed the Battle of Droop Mountain and its significance in West Virginia civil war history.

- *Ray Swick, Ph.D., Historian for West Virginia State Parks*, who discussed the historical significance of Blennerhassett Island State Park and the Blennerhassetts who lived on the island.

- *Rob Gilligan, Superintendent of Blackwater Falls Resort State Park*, who discussed the partnership with the Central Appalachian Spruce Restoration Initiative, which is a project to restore the red spruce in Blackwater Falls Resort State Park and Canaan Valley Resort State Park, as well as other areas of its native habitat in the region.

Wildlife Resources Related Issues

In the 2010 - 2011 interim year, the Subcommittee also continued its oversight role of outdoor recreation activities managed by the Wildlife Resources Section. Wildlife Resources issues of interest in 2010 - 2011 and speakers who appeared before the Subcommittee included:

- *Paul Johansen, Assistant Chief for Game Management, Wildlife Resources Section*, who discussed the results of the Fall 2010 big game hunting season. Preliminary data collected from game checking stations across the state indicate deer hunters in West Virginia harvested 43,226 bucks during the two-week buck firearms season, which ran from Nov. 22 through Dec. 4. The 2010 buck harvest was 31 percent less than the 2009 harvest of 62,986. The top ten counties for buck harvest were as follows: Preston (2,030), Randolph (1,817), Hardy (1,350), Greenbrier (1,348), Mason (1,264), Hampshire (1,261), Ritchie (1,236), Jackson (1,216), Lewis (1,141) and Wood (1,113). This year's buck harvest is significantly lower than last year, with declines occurring across all DNR Districts. The largest percent decreases occurred in the western and central counties of the state. The harvest was 30th among all recorded antlered buck firearm seasons. Overall, 14 counties were above or within one buck harvested per square of the harvest objective and 37 counties were one or more bucks per square mile below the harvest objective. The below-average acorn crops in 2008 and 2009 (acorn mast in 2009 was the lowest in 40 years) and last year's unusually severe winter had a significant impact on the deer population and the overall 2010 buck firearms season harvest. Fortunately, 2010 has been a banner year for mast and overall, deer are in good physical condition entering the winter months. Wildlife Biologists will analyze data from the combined 2010 deer seasons (i.e., buck, antlerless, archery and muzzleloader) before making appropriate recommendations for next year's deer seasons. These recommendations will be available for public review at 12 regulations meetings scheduled for March 14 and 15, 2011.

Tom Oldham, Fisheries Biologist, Wildlife Resources Section, who discussed the Trout Tagging and Angler Survey. The survey studied the numbers of stocked trout caught by state anglers and how long the stocked fish remained in streams after initial stocking. In order to examine the catch, harvest and availability of these fish following stocking, the trout tagging study was implemented in the spring of 2006 and was repeated in different bodies of water the following two years. The study found that not all of the fish were caught in the first few days following stocking, and that some hatchery-reared trout survived for an extended period after stocking.

Jack Wallace, Environmental Resource Specialist, Endangered Species Unit, Wildlife Resources Section, who discussed the White-nose Bat Syndrome and the devastating effect it is having on the bat population in the eastern United States. The White-nose Syndrome is a fungus that attacks bats during their period of hibernation when they are the most vulnerable. It causes the bats to awaken early from hibernation and, with no food source available at that time, the bats starve to death. The mortality rate of the White-nose Bat Syndrome runs anywhere from seventy percent to over ninety percent per year once it is established in a cave. Hundreds of thousands of bats have

already been affected by the disease and it could cause some bat species, such as the little brown bat, to become extinct in the near future in the eastern region of the country.

- *Chris Ryan, Ph.D., Supervisor, Game Research, Wildlife Resources Section*, discussed the 2010 Fall Hunting Season Outlook and Mast Report. He stated that 18 species are rated for mast conditions during two surveys that are done, one at high elevations and one at low elevations, and discussed how mast conditions influence the state's hunting seasons. While last year had one of the worst mast indexes since the state began producing surveys, this year's showed a dramatic improvement.

Law Enforcement Related Issues

West Virginia DNR law enforcement issues of interest in 2010 - 2011, and speakers who appeared before the Subcommittee included:

- *Tim Colman, Hunting and Boating Education Coordinator, DNR Law Enforcement Section*, who discussed boating under the influence of alcohol or a controlled substance. In 2009 there were 32 boat accidents in the state resulting in 9 deaths. This was one of the highest crash rates, per 100,000 boaters, in the United States. In 2010 there were 18 accidents and 4 deaths. The accident rate was reduced by approximately 50% as a result of a law enforcement strategy developed specifically to target this problem. The three-phase strategy included patrols targeted to problem areas, increased boating safety education and officer retraining.

State Parks and other DNR sites visited by the Subcommittee in 2010

In furtherance of its traditional oversight role, the Subcommittee has made a substantial commitment to visit state park sites, as well as other sites managed by the Division of Natural Resources. This year the Subcommittee conducted on-site visitations to Berkeley Springs State Park, Blennerhassett Historical State Park, Cacapon Resort State Park, Lost River State Park, North Bend Resort State Park, North Bend Rail Trail and Ridge Fish Hatchery. Summaries of these visitations are as follows:

SUMMARY OF OPERATIONS

Lost River State Park

Background Information

The land that is now Lost River State Park was part of a parcel of land granted to Henry Lee, better known as "Light Horse Harry" during the Revolutionary War and father of Robert E. Lee. Lee received the land for service during the war. Prior to this time, in 1746, the area belonged to Thomas Fairfax and was surveyed by a young George Washington. Part of the existing western boundary of the park was part of this survey. In 1848, one of Henry Lee's heirs built a 4,900 square foot boarding house that changed hands and was remodeled several times over the years, before burning down in 1910. This was part of the Lee White Sulphur Springs Resort and stood where the pool parking lot now exists. In 1934 the state legislature appropriated money to purchase the land and establish a state park. Work began in the spring of 1934 and by that winter, the CCC had installed telephone lines, built roads, bridges and trails, cleared 180 acres of land and begun work on a reservoir.

By 1937 they had added a superintendent's residence and 15 cabins, and on July 1, 1937, Lost River State Park was officially opened. In 1939 and 1940, the restaurant, stables, swimming pool and picnic shelter were opened. In the 1950s development included a workshop, assistant superintendent's residence, dining room and kitchen addition for the administration building and nine deluxe cabins. A recreation building was added in 1960 and the 15 original cabins were remodeled the next year. In 1970 the Lee House was placed on the National Register of Historic Places and made into a museum. The 1970s and 1980s mostly saw upgrading and remodeling of the original facilities and the addition of a picnic shelter and fitness trail.

Resource Management Issues

Lost River State Park has experienced problems with an increased black bear population in recent years. Although no bear attacks have been reported and very little aggressive behavior has been noted, this past summer there were several instances of bears walking through public areas in close proximity to people. In one instance a guest of Cabin 3 counted six bears on the garbage dumpster adjacent to their cabin. With this in mind it became apparent that something needed to be done to eliminate our visitor/bear encounters. In 2009 we introduced several bear proof garbage cans at the cabins in the park. This past summer we implemented bear proof dumpster lids on the two dumpsters that hold most of the park's garbage. Once the bears could not access the garbage bear sightings decreased dramatically. Literature explaining bear country etiquette was posted in areas of visitor interest throughout the park which eased our guest's minds and prepared them to remain calm should they see a bear during their visit.

Current/Recent Projects and Improvements

- New furnaces were installed in eight modern cabins and AC added to all modern cabins.
- The drainage system for the Lee Sulphur Springs was repaired.
- The CCC-built retaining wall at the access bridge to Cranny Crow was repaired.
- Removed several trees throughout the park whose root systems threatened to damage and dislodge CCC-built retaining walls.
- The parking lot between Cabins 25 and 26 is being repaved as settling caused large dips in the pavement over the past ten years or so.
- Televisions are being installed in our modern cabins.
- Federal law compliant drain covers were installed in the park's swimming pool.
- Propane logs were added to Cabins 25 and 26.
- Several of the deluxe cabin fire boxes were repaired, and three cabin fireplaces were reinforced with steel plating as a safety precaution.
- The fire tower cabin porch was repaired as part of a series of improvements to the cabin to allow overnight lodging for those who wish to hike up to the top of the remote mountain location.
- New equipment was added to the parks fitness trail.
- New tot swings.
- Repairs to the superintendent residence.

Major Needs

Capital Improvements

- Storage building
- New liner for the adult swimming pool
- Resurfacing of tennis courts
- New queen size beds in all of the cabins
- Construct a new woodshed for storing wood to be used park wide
- Replace laminate floors in kitchens of deluxe and standard cabins
- Cell phone service

Equipment

- Vehicle for the assistant superintendent
- Wood splitter
- Dump truck
- Maintenance truck
- Furniture for standard and modern cabins
- All terrain utility vehicle

Major Repairs and Alterations

- New waterlines
- Rewiring the pool pumphouse

Repairs to standard cabins
Maintenance of park trails
Restoration of foot bridges parkwide

Personnel

Lost River State Park operates with four full-time maintenance employees, one full-time office clerk, eight seasonal housekeepers, and five seasonal maintenance workers. During the summer season, we also utilize four to six lifeguards, a naturalist, and a gift shop clerk.

Superintendent's Comments

Lost River State Park encompasses 3,712 acres. Most of the park's visitor use takes place in a conveniently laid out area which comprises about two tenths of the entire park. The park is used by local visitors primarily for picnicking, hiking, and swimming. Overnight cabin guests tend to be from Washington, D.C., Virginia, Maryland, Pennsylvania, and West Virginia. Currently our primary focus is to preserve, protect, and enhance the park's resources to better serve the public and conserve the natural resources in the park by applying input from the visitors while maintaining our responsibility as stewards of the environment.

Statistical Trends

Lost River State Park	FY2010*	FY2009	FY2008
Attendance	48,821	48,532	51,212
Cabin Occupancy	50.29%	51.91%	53.96%
Operating Revenue	320,456	339,413	323,184
Operating Expenditures	572,291	584,243	503,204
Surplus/(Subsidy)	(251,853)	(244,830)	(180,020)
Self Sufficiency	56%	58%	64%

*FY2010 numbers are unaudited. Final numbers will be received from DNR-Administration later this fall.

Three-Year Revenue Comparison Lost River State Park

Revenue	FY2010*	FY2009	FY2008
Cabin Rentals	303,292	316,479	305,320
Coin Machine Concession	217	364	298
Cot Rental	1,000	1,262	1,923
Equipment Rental	-	-	133
Games	351	438	160
Gas & Oil Lease Royalties	-	-	27
Gift Shop Sales	7,514	11,751	7,200
Miscellaneous Collections	110	929	(132)
Picnic Shelter Fees	3,095	3,291	3,535
Riding Stables	641	620	682
Swimming Fees	3,380	3,173	3,157
Vending Machines	856	1,105	880
TOTAL OPERATING REVENUE			

*FY2010 numbers are unaudited. Final numbers will be received from DNR-Administration later this fall.

Three-Year Expense Comparison Lost River State Park

Expense	FY2010*	FY2009	FY2008
Total Personal Services	272,958	299,325	248,856

Expense	FY2010*	FY2009	FY2008
Total Employee Benefits	92,742	88,398	72,139
CURRENT EXPENSE			
Office/Postal/Freight	4,257	4,567	2,776
Printing/Binding	-	35	32
Utilities	87,318	89,262	90,737
Telephone	7,266	7,035	5,449
Contract/Professional	15,530	17,256	24,590
Travel	-	875	-
Vehicle Rental	-	-	373
Machine Rentals	1,576	1,833	1,426
Association Dues	20	-	-
Fire/Auto & Bond Insurance	-	-	1,241
Clothing/Household	15,747	20,523	20,545
Advertising	-	-	100
Vehicle Maintenance Expense	12,011	10,238	12,197
Research/Education/Medical	-	95	-
Merchandise for Resale	8,098	6,973	9,616
Miscellaneous	1,352	1,100	991
Credit Card Processing Fees	4,537	4,981	4,958
Training	275	40	-
Misc Equipment Purchase	22,154	9,933	1,860
TOTAL CURRENT EXPENSE	180,141	174,746	176,890
REPAIRS AND ALTERATIONS			
Building/Household/Comm	5,437	4,194	3,919
Building Repairs/Alterations	8,577	4,798	(5,013)
Vehicle Repairs	893	(297)	976
Ground Improvements	7,172	2,072	2,914
	2,417	3,148	1,224

Expense	FY2010*	FY2009	FY2008
Farm/Construction Equipment			
Other Repairs/Alterations	569	2,394	1,298
TOTAL REPAIRS AND ALTERATIONS	25,065	16,318	5,319
EQUIPMENT			
Other Equipment	1,385	5,456	-
TOTAL EQUIPMENT	1,385	5,456	-
TOTAL OPERATING EXPENSES	572,291	584,243	503,204

*FY2010 numbers are unaudited. Final numbers will be received from DNR-Administration later this fall.

SUMMARY OF OPERATIONS

Cacapon Resort State Park

Background Information

Officially opened on July 1, 1937, the 6,115 acre Cacapon Resort State Park was constructed by the Civilian Conservation Corps on a site that was once the location for many small farms which died out during the Great Depression. The name Cacapon is a derivative of a word meaning 'medicine waters' in the language of the Shawnee Indian tribe and refers to the long held belief that the waters of the Eastern Panhandle held healing powers. The National Park Service supervised the initial development by the CCC which included the Old Inn (originally a custodian residence, expanded in the 1940s to an 11-room lodge), roadways, beach and bathhouse, picnic areas and shelters, cabins, stables, superintendent's residence, water and sewer systems and nearly 30 miles of hiking and horseback riding trails.

In the 1950s a second stage of development included eleven additional cabins, a maintenance building, staff residences and the modern 50-room lodge and restaurant that were dedicated in June 1956. The 18 hole golf course and clubhouse were added in 1974. In September 1999 the park's new meeting and conference center adjoining the lodge was opened. The park foundation also provided funding and manpower for several recent improvements including a picnic shelter dedicated to the CCC, new playground equipment, game court improvements, construction of a gazebo and the recently completed Nature Center.

Resource Management Issues

Several items need to be considered including continuing to stock carp for weed control in the golf course ponds, dredging the six acre swimming lake, continued monitoring of the gypsy moth outbreak in the area as well as the woolly adelgid and emerald ash borer and controlling encroachment of the park boundaries by local landowners.

Business Management Issues and Trends

- Continue to market the park to the local community for restaurant, conference, meeting and day use.
- Work to create a sales/marketing program for the lodge and conference center that targets appropriate audiences.

- Promote the park as a site for family and class reunions and weddings.
- Work with employees to provide exceptional service in order to compete in the Eastern Panhandle.

Current/Recent Projects and Improvements

Lodge, cabins and other park buildings re-roofed
 Wireless Internet
 New telephone system
 New gas fireplaces in lodge and recreation hall
 Painting of all building exteriors
 New road signs
 New pavilion constructed at the Nature Center by the park foundation
 New overlook on Cacapon Mountain built by the park foundation
 New picnic tables and grills purchased by the park foundation
 CCC structures restored
 Wobble Clay shooting range completed
 Two new water wells
 Main lodge wiring upgrades
 Three new picnic shelters built
 New carriage garage built
 New laundry facility
 New golf starter building
 Last phase of water system improvements completed

Major Needs

Capital Improvements

Lodge expansion per Master Plan
 Indoor swimming pool/spa and fitness room for lodge
 Additional modern cabins
 Remodel Old Inn
 Golf Course maintenance building
 Repave all walkways to cabins and lodges
 ADA upgrades to swimming beach
 Electrical upgrades to deluxe cabins
 General upgrade to lodge
 General upgrades to cabins
 Paving
 New sewer lines in middle and north fork cabin areas

Equipment

Cabin furniture/appliances
 Lodge room furniture

Dump truck
Meeting room equipment
New vehicles
New food service catering van

Major Repairs and Alterations

Lodge plumbing
Lodge window replacement
Continue cabin renovation program
Heating/AC- Old Inn and lodge
Renovations to existing conference room
Golf Pro Shop fire alarm
New tennis courts

Personnel

Cacapon Resort State Park has approximately thirty-four full time civil service positions and approximately ninety-five summer/seasonal positions. These positions are distributed throughout all operational areas of the park including administrative, golf course, programming/special events, grounds and building maintenance, lodge operations, restaurant, gift shop, front desk and summer recreation areas such as boating, swimming and the snack bar.

Superintendent's Comments

Cacapon is well positioned in that it is a full-service resort located just a short drive from several of the major metropolitan areas of the eastern United States and continues to serve as a showplace for the park system to visitors from Washington, Baltimore, Northern Virginia, Pittsburgh and other major cities of the east. The staff continues to strive to provide the very best experience to each and every visitor to draw them back again and help attract new guests through word-of-mouth. At the same time we must preserve and interpret the valuable natural resources that draw these same visitors.

The new conference center has proved to be an outstanding resource for the park and has been well received by all users. It is now time to gain funding for the remaining elements of the expansion plan including additional lodge rooms, an indoor pool and spa, restaurant expansion, golf course renovations and renovation of the existing sewer, water and electromechanical systems. The park is also blessed with a very active and supportive local community and park foundation. The foundation has been instrumental in several recent projects from the picnic area revitalization to the construction of the new Nature Center. The foundation also aided the construction of the accessible walking trail, installation of the gazebo, new picnic grills and playground equipment, renovations to game courts as well as a new Nature Center Pavilion.

Statistical Trends

Cacapon Resort State Park	FY2010*	FY2009	FY2008
Attendance	244,771	256,786	249,105
Lodge Occupancy	46.63%	52.36%	54.09%
Cacapon Inn Occupancy	50.08%	52.82%	43.64%
Cabin Occupancy	63.30%	68.61%	67.52%
Operating Revenue	2,692,336	2,831,907	2,864,224
Operating Expenditures	3,471,109	3,501,492	3,408,701
Surplus/(Subsidy)	(778,773)	(669,585)	(544,477)
Self Sufficiency	78%	81%	84%

*FY2010 numbers are unaudited. Final numbers will be received from DNR-Administration later this fall.

Three-Year Revenue Comparison Cacapon Resort State Park

Revenue	FY2010*	FY2009	FY2008
Boat Rental	8,952	9,743	9,140
Cabin Rentals	520,323	551,976	544,239
Coin Machine Concession	3,537	6,125	5,579
Cot Rental	2,440	2,559	3,123
Driving Range	12,270	11,803	13,340
Equipment Rental	2,843	2,358	2,829
Facility Use Rental	34,232	34,332	36,419
Gift Shop Sales	59,888	69,400	73,309
Gifts & Bequests	(442)	(307)	1
Golf Carts	145,980	162,686	162,333
Greens Fees	408,914	408,665	443,413
Lodge Rooms	601,370	685,383	684,892
Magazine Sales	-	-	3
Miscellaneous Collections	46,676	27,847	31,560
Picnic Shelter Fees	11,225	12,175	9,893
Pro Shop	62,181	74,040	78,665
Restaurants	587,430	615,283	634,797
Riding Stables	2,427	2,684	2,969
Shooting Range	31,586	22,159	-
Snack/Comm/Souv	99,498	94,283	91,894
Swimming Fees	44,128	31,591	29,728
Vending Machines	6,877	7,124	6,099
TOTAL OPERATING REVENUE	2,692,336	2,831,907	2,864,224

*FY2010 numbers are unaudited. Final numbers will be received from DNR-Administration later this fall.

Three-Year Expense Comparison

Cacapon Resort State Park

Expense	FY2010*	FY2009	FY2008
Total Personal Services	1,652,228	1,664,704	1,496,011
Total Employee Benefits	458,767	448,587	419,074
CURRENT EXPENSE			
Office/Postal/Freight	25,550	35,906	15,679
Printing/Binding	447	2,510	6,865
Utilities	245,067	228,365	230,184
Telephone	16,436	21,496	29,472
Contract/Professional	126,107	132,023	131,882
Travel	560	2,495	725
IS&C/WV Net	277	414	932
Vehicle Rental	-	-	8,518
Machine Rentals	7,427	7,702	11,135
Association Dues	478	478	428
Clothing/Household Supplies	98,329	130,907	127,545
Advertising	8,574	7,142	10,390
Vehicle Maintenance Expense	62,492	52,017	50,419
Research/Education/Medical	77	739	-
Maintenance Contracts	4,946	2,564	2,945
Merchandise for Resale	377,626	410,621	453,219
Miscellaneous	12,673	21,727	9,359
Credit Card Processing Fees	39,123	40,548	41,322
Training	120	25	-
Attorney Fees	-	31	-
Misc. Equipment Purchase	19,934	32,622	45,985
TOTAL CURRENT EXPENSE	1,046,241	1,130,332	1,177,004
REPAIRS AND ALTERATIONS			
Office Equipment	10,659	558	7,771
Building/Household/Comm	20,316	44,365	37,297
Building Repairs/Alterations	82,693	62,623	57,719

Expense	FY2010*	FY2009	FY2008
Vehicle Repairs	3,398	4,967	9,727
Ground Improvements	141,182	82,963	165,620
Farm/Construction Equipment	48,634	47,807	36,039
Other Repairs/Alterations	6,991	10,428	2,438
TOTAL REPAIRS AND ALTERATIONS	313,873	253,711	316,613
EQUIPMENT			
Household Equip/Furnishing	-	4,157	-
TOTAL EQUIPMENT	-	4,157	-
TOTAL OPERATING EXPENSES	3,471,109	3,501,492	3,408,701

*FY2010 numbers are unaudited. Final numbers will be received from DNR-Administration later this fall.

SUMMARY OF OPERATIONS

Berkeley Springs State Park

Background Information

Originally known as the Town of Bath, Virginia, more than 200 years ago, the area that is now Berkeley Springs State Park is the oldest state-controlled park in continuous operation in the United States. The mineral rich water from the springs flows at a rate of 2,000 gallons per minute at a constant 74.3 degrees and has long been thought to hold medicinal value. The land once belonged to Thomas Lord Fairfax who conveyed the area to the Colony of Virginia in 1776. A young George Washington visited the area as a member of a survey party and later purchased land in the area along with several signers of the Declaration of Independence and the United States Constitution. A board of trustees was created to govern the land and James Rumsey, inventor of the steamboat, was contracted to build bathhouses and other public buildings around the mid 1780s. Three of these original buildings still stand, the Spring House, the Roman Bath and the Ladies Shower Bath Building, the latter now housing the park office. Other facilities were added in the 19th Century and in the 1920s the administration building, swimming pool and bathhouse complex and bandstand were built. This truly unique and historic site became part of the West Virginia State Park system on July 1, 1970, and on May 24, 1976, it was granted a most deserved place on the National Register of Historic Places. The park and its famed springs are the centerpiece of tourism in a town and region heavily dependent upon that facet of the economy.

Resource Management Issues

Park flooding has long been a problem at Berkeley Springs. The two footbridges that cross Warm Springs Run through the center of the park are too low and cause floodwaters to back up into the park during periods of heavy rainfall and snow melt. Funding is currently being raised through the Berkeley Springs State Park Foundation to replace the lower of the two bridges. Estimated cost to replace each bridge is \$15,000 with all labor being completed by park maintenance staff.

Business Management Issues and Trends

The park serves those who seek to relax and rejuvenate in the famed spring water through massage, steam treatment, showers, Roman baths and other services. The Old Roman Bathhouse, which dates back over 200 years, was renovated around 17 years ago. The Main Bathhouse, constructed in 1929, is currently undergoing a major renovation with a projected completion date of October 2010. The park also offers a gift shop, swimming pool with snack bar, museum and a picturesque gazebo which is the site of numerous special events throughout the year.

Current/Recent Projects and Improvements

- Purchased new 12'x16' storage building
- Repaired and painted swimming pool
- Repaired major water leak at the swimming pool
- Park headquarters exterior pressure washed and painted
- Purchased new John Deere riding mower
- Converted Main Bathhouse boiler to propane
- All Old Roman Bathhouse interior steel doors were reconditioned and painted
- Interior walls of Old Roman Bathhouse and tubs were painted
- Swimming pool filter was reconditioned and repaired
- New federally mandated pool drain cover installed
- Park gazebo was painted
- Restrooms were refurbished and painted

Major Needs

Capital Improvements

The Old Roman Bathhouse is in need of renovation. The tile and grouting in all of the baths is visibly worn and stained. The floor tile in the lobby and hallway need to be replaced with larger non-slip tile.

Equipment

- New vehicle
- New computers
- Bathhouse/massage computerized reservation system
- Office equipment/furniture
- Maintenance equipment

Major Repairs and Alterations

- Replace walkways
- Paint Old Roman Bathhouse roof
- Plumbing and electrical upgrades
- Repair stone wall in Warm Springs Run
- Replaced Warm Springs Run footbridges

Personnel

Berkeley Springs operates year round with 12 full-time personnel, including the park superintendent, one supervisor, a building maintenance supervisor, building maintenance mechanic and eight massagers. Seasonal/summer staff totals 35, covering all areas of operations including the bathhouses, swimming pool, gift shop and maintenance. The greatest personnel challenge is finding professional, certified and licensed massagers and employees who are willing to work in seasonal positions.

Superintendent's Comments

Berkeley Springs State Park has long been a fixture of Morgan County and is often the site of many local events. Continuing growth in the Eastern Panhandle region has been a benefit to the park. The park is popular with visitors from the nearby metropolitan areas of Washington, D.C., Baltimore, MD, Richmond, VA, and Pittsburgh, PA. Berkeley Springs has been recognized as one of the top 100 small art towns in the United States, and tourism in the area has showed a steady increase. With the planned addition of lodge rooms at Cacapon State Park and new ownership of the Country Inn, overnight visitation will be possible for many more guests in the Eastern Panhandle region.

Statistical Trends

Berkeley Springs State Park	FY2010*	FY2009	FY2008
Attendance	99,412	116,873	90,212
Operating Revenue	389,950	571,755	569,572
Operating Expenditures	663,910	786,405	808,253
Surplus/(Subsidy)	(273,960)	(214,651)	(238,681)
Self Sufficiency	59%	73%	70%

***FY2010 numbers are unaudited. Final numbers will be received from DNR-Administration later this fall. Decreases occurred in FY10 due to construction related business disruption**

Three-Year Revenue Comparison Berkeley Springs State Park

Revenue	FY2010*	FY2009	FY2008
Facility Use Rental	510	260	65
Gift Shop Sales	11,401	20,216	22,954
Magazine Sales	12	27	73
Miscellaneous Collections	(311)	564	5,310
Miscellaneous Concessions	41,984	37,419	23,449
Roman Bath	322,525	496,950	501,568
Snack/Comm/Souv.	3,773	4,534	4,232
Swimming Fees	8,373	11,037	11,314
Vending Machines	682	747	608
TOTAL OPERATING REVENUE	389,950	571,755	569,572

*FY2010 numbers are unaudited. Final numbers will be received from DNR-Administration later this fall.

Three-Year Expense Comparison Berkeley Springs State Park

Expense	FY2010*	FY2009	FY2008
Total Personal Services	390,796	420,245	421,045
Total Employee Benefits	124,537	119,190	124,641
CURRENT EXPENSE			
Office/Postal/Freight	1,399	2,036	1,398
Printing/Binding	108	2,187	1,851
Utilities	67,813	139,436	135,947
Telephone	2,326	3,531	4,719
Contract/Professional	15,937	27,840	31,346
Travel	165	43	-
Vehicle Rental	540	-	-
Machine Rentals	113	365	752
Association Dues	50	50	40
Fire/Auto & Bond Insurance	671	-	-
Clothing/Household	12,668	24,445	30,619
Advertising	27	-	227
Vehicle Maintenance Expense	3,632	4,246	6,245
Research/Education/Medical	-	28	-
Maintenance Contracts	173	306	384
Merchandise for Resale	8,122	7,341	13,559
Miscellaneous	988	1,279	721
Credit Card Processing Fees	4,571	7,117	7,654
Training	480	-	678
Misc. Equipment Purchase	4,246	5,015	1,031
TOTAL CURRENT EXPENSE	124,287	225,566	237,170
REPAIRS AND ALTERATIONS			
Building/Household/Comm	564	3,857	9,727
Building Repairs/Alterations	11,028	13,728	6,418
Vehicle Repairs	844	610	-

Expense	FY2010*	FY2009	FY2008
Ground Improvements	1,950	1,939	6,591
Farm/Construction Equipment	791	520	540
Other Repairs/Alterations	511	751	2,122
TOTAL REPAIRS AND ALTERATIONS	15,688	21,405	25,398
EQUIPMENT			
Livestock/Farm/Construction	8,602	-	-
TOTAL EQUIPMENT	8,602	-	-
TOTAL OPERATING EXPENSES	663,910	786,405	808,253

*FY 2010 numbers are unaudited. Final numbers will be received from DNR-Administration later this fall.

SUMMARY OF OPERATIONS

Blennerhassett Island

Historical State Park

Background Information

Blennerhassett Island Historical State Park is a day-use park with two distinct locations- the museum and the island itself. Blennerhassett Museum, located at Second and Juliana Streets in downtown Parkersburg, offers three floors of intriguing archeological and historical exhibits as well as a gift shop. A twelve minute video, which tells the story of Harman and Margaret Blennerhassett and the history of the island, is also available to visitors. The museum is open year round.

Blennerhassett Island, located two miles west of Parkersburg in the Ohio River, is a five hundred acre island accessible via sternwheeler from Point Park, two blocks from the Blennerhassett Museum. For the past two seasons, public access to the sternwheeler has been moved to Civitan Park in nearby Belpre, Ohio. This is due to major renovations being undertaken by the City of Parkersburg at the normal landing at Point Park. Sternwheeler access will return to Point Park once renovations there are complete.

The island is open to the public from May through October and features guided interpretive tours of the reconstructed Blennerhassett Mansion. Presently the Mansion is appointed with authentic 18th century furnishings including many pieces once owned by the Blennerhassett family. In addition to the Mansion, the island offers narrated horse-drawn wagon rides, bicycle rentals, picnic facilities and hiking trails. A gift shop and snack stand are available to serve the public as well. The park has four river vessels and also maintains a boat landing/dock area on the Little Kanawha River near the confluence with the Ohio River.

Master Plan

A master plan for park development was completed by the firm of Scruggs and Hammond, Inc. of Lexington, Kentucky in 1993. In March 2002, the Blennerhassett Historical Foundation, Inc. commissioned the Environmental Design Group (EDG) to update the master plan. The newly updated version of the plan was presented to the foundation and park staff on August 21, 2002. The plan is divided into three phases with a grand total cost ranging from \$1,800,862 to \$2,050,862. The plans take into consideration the potential for growth in attendance and still preserve the unique historical nature of the site. The upper end of the island will continue to exclude modern intrusions and preserve the image of the 19th Century estate created by the Blennerhassett family.

Resource Management Issues

The island deer population, which was at one time far in excess of the capacity of the island to carry, has been reduced by three special hunts held in November 2001, October/November 2002 and November 2007. A spring deer drive was held on April 14, 2010 and the count revealed 161 deer living on the island. Blennerhassett Island is scheduled for two days of hunting on November 8 – 9, 2010. In 1990, an Appalachian Regional Commission grant was received for the development of a park master plan and a bank stabilization project designed primarily to protect the upper end of the island. It was decided to contract with the US Army Corps of Engineers to prepare plans and execute the riprapping project. After several years of delays for new plans to be drawn up, the project was completed in September 1994. Flooding in the winter of 1996 damaged the riprapping and the Corps of Engineers completed repairs in October 1997.

The construction of the Route 50 bridge over the Ohio River was completed in June 2008 and includes four piers on the island. This required mitigation by DOH which has taken the form of a new island shoreline riprap project which is now in the planning stage. It is hoped that this project might also be able to include construction of a new overnight berth for the sternwheeler.

Business Management Issues and Trends

Concession Operations

Two concessionaires operate at Blennerhassett: Hardly Able Carriage operates narrated horse-drawn wagon tours of the island with three large wagons and fourteen horses and Gabbert's Food Service who operate the snack bar on the island and can provide box lunches for large school or tour groups.

Ferry Service

A 149-passenger sternwheeler (Celebration Princess) was purchased by DNR and arrived on Blennerhassett Island on March 24, 2009. A contest was held with local schools to assist the park in the renaming of the sternwheeler. The name was changed to "Island Belle", home port Blennerhassett Island. The park is in charge of the operation and upkeep of the sternwheeler, which is crewed by two boat captains and three deckhands. During the off season the sternwheeler is moored at Holiday Point Marina.

Current/Recent Projects and Improvements

- Museum interior painting
- Storage/lighting project in Museum
- Gift shop interior renovations
- Replaced 453 sprinkler heads in Museum
- Front Mansion steps was replaced
- Mansion exterior painted

Putnam-Houser house completed and open to the public
Golf car was purchased by the Friends of Blennerhassett

Major Needs

Capital Improvements

- Little Kanawha dock replacement
- Island riprap Phase II (already funded as DOH bridge mitigation project)
- Blennerhassett Island dock replacement
- Sternwheeler landing area

Equipment

- Pontoon boat
- Two ton dump truck
- 75 hp pontoon motor

Major Repairs and Alterations

- Mansion dependencies HVAC
- Concession stand expansion
- Rest room renovation
- Building (barn) for horse concessionaire
- Mansion windowpanes

Personnel

Blennerhassett Island Historical State Park is staffed with eight full time employees covering the administrative, maintenance and historical operations of the park. Part-time/Seasonal/Summer staff includes maintenance workers, tour guides, ticket clerks, boat captains and deckhands. More than any other park in the system, Blennerhassett relies extensively on the use of volunteers. Well over one hundred volunteers offer their time to give Mansion tours, work the gift shops and provide other services to visitors.

In 1993 the American Association of Museums performed a Museum Assessment Program review of Blennerhassett and recommended the hiring of a full time curator or collections manager. The Museum has over 100,000 items in the collection that are in desperate need of restoration, cataloging and display. A full time curator has been hired, along with a part time employee, to enter all artifacts that the park owns into a master computer base.

Superintendent's Comments

For the past fourteen years, our primary concerns for the park have been volunteers, security, maintenance and increasing attendance. Our top two priorities are safety and security for all visitors, volunteers and staff. As the superintendent living on the Island itself my number one

rule is visibility to guests. The park has also installed extensive security systems including the video surveillance system in the Museum.

Blennerhassett Island Historical Park is unique in many respects, not least of which is the extensive use of volunteers. The number of volunteers has topped 150 at times. The total number of volunteer hours given to the park often exceeds 18,000 hours in a year, providing around \$130,000 worth of labor based on current minimum wage. In addition to operational volunteers, the park foundation is very active in fund-raising and other efforts to benefit the park. The original foundation was formed in 1983 and is currently made up of a 30 member Board of Directors with several subcommittees covering all aspects of the island operations. The Friends of Blennerhassett are the most important and active standing committee of the foundation. Established in 1984, the Friends began as auxiliary tour guides for the newly completed kitchen of the Mansion.

Statistical Trends

Blennerhassett Island Historical State Park	FY 2010	FY 2009	FY 2008
Attendance	31,480	33,632	34,590
Operating Revenues	245,544	253,365	238,936
Operating Expenditures	650,530	709,394	676,721
Surplus/(Subsidy)	(404,986)	(456,029)	(437,785)
Self Sufficiency	38%	36%	35%

Three Year Revenue Comparison Blennerhassett Island Historical State Park

Revenue	FY 2010	FY 2009	FY 2008
Bicycle Rental	1,336	1,523	1,188
Comm/Snacks/Souv	4,494	4,407	4,317
Entrance Fees	227,686	239,672	224,726
Facility Use Rental	524	799	591
Landing Fees	(9)	(153)	(75)
Miscellaneous Collections	7,433	2,652	3,937
Picnic Shelter Fees	448	685	628
Riding Stables	3,633	3,773	3,619
Vending Machines	-	7	5
TOTAL OPERATING REVENUE	245,544	253,365	238,936

Three Year Expense Comparison Blennerhassett Island Historical State Park

Expense	FY 2010	FY 2009	FY 2008
Total Personal Services	360,237	358,376	333,950
Total Employee Benefits	127,123	124,516	115,017
CURRENT EXPENSE			
Office/Postal/Freight	3,739	4,737	4,908
Printing/Binding	2,889	294	125
Rental Expense	962	-	-
Utilities	63,464	55,692	54,563
Telephone	2,268	2,271	2,249
Contract/Professional	19,191	56,693	64,490
Travel	145	938	337
IS&C/WV Net	77	72	81
Vehicle Rental	1,495	1,623	9,687
Machine Rentals	3,020	2,897	2,117
Association Dues	820	820	820
Fire/Auto/Bond Insurance	31	-	243
Clothing/Household	7,639	8,320	8,874
Advertising	1,876	2,762	1,543
Vehicle Maintenance Expense	15,376	24,124	20,168
Research/Education/Medical	49	49	252
Maintenance Contracts	4,279	5,108	8,023
Merchandise for Resale	377	-	46
Hospitality	1,967	2,073	1,899
Miscellaneous	877	1,122	512
Credit Card Processing Fees	2,313	1,840	1,712
Training	511	-	198
Miscellaneous Equipment	1,723	8,234	3,523

TOTAL CURRENT EXPENSE	135,089	179,766	186,370
REPAIRS AND ALTERATIONS			
Office Equipment	-	298	213
Building/House/Communication	5,853	13,660	8,953
Building Repairs/Alterations	4,951	3,170	9,188
Vehicle Repairs	3,461	8,739	14,998
Ground Improvements	8,305	14,380	5,841
Farm/Construction Equipment	2,378	3,606	1,821
Other Repairs/Alterations	3,133	2,883	371
TOTAL REPAIRS AND ALTERATIONS	28,081	46,736	41,385
EQUIPMENT			
Office/Communication Equipment	-	-	-
Livestock/Farm/Construction	-	-	-
Other Equipment	-	-	-
TOTAL EQUIPMENT	0	0	0
TOTAL OPERATING EXPENSES	650,530	709,394	676,721

SUMMARY OF OPERATIONS

North Bend State Park

Background Information

The land encompassing North Bend State Park was once owned by the Douglas family, Scottish immigrants who came to America in 1818. After briefly living in Pennsylvania and Wheeling, West Virginia, they settled in along the North Fork of the Hughes River. The house that now serves as the superintendent's residence is thought to have been built by a descendant of this original group around 1886. During the 1860's the oil and gas industry flourished and over the next 40 years, more than 50 wells were drilled on land that is now park property.

Around 1915, the Harrisville Southern, a standard gauge railroad was built through the area. More than two miles of this track ran through the park land. The grade is now used as hiking and fishing access along with a unique handicap trail called the "Extra Mile Trail." Much of the development of this trail was accomplished with donated materials and labor. Park development began in the early 1950's when the legislature appropriated funds to purchase the land and by 1954, over 1,400 acres were purchased. At that time, a master plan was developed and work began on roads, trails and picnic areas. The Douglas home was also renovated at this time.

In the early 60's, the swimming pool and Jughandle Campground were completed along with the fishing ponds behind the swimming pool which were originally constructed as a water supply for the pool. The lodge complex was opened in 1966, with the miniature golf course and tennis courts added soon after. In the 1970's, demand led to the construction of an additional campground of 25 sites and the eight modern rental cabins. A ninth cabin, which was constructed off site as a modular unit by a local high school vo-tech center, opened in the summer of 2006. Although successful, the overall cost and difficulty in transport of the unit to the park makes it unlikely that this approach can be repeated.

Special Issue

Approximately 584 acres of land and a 305 acre lake were deeded to the State of West Virginia, Bureau of Commerce, Division of Natural Resources, Public Lands Corporation on December 9 2003. The Hughes River Watershed project was not completed as originally envisioned. The dam and emergency spillway were completed in 2002, but the extensive recreation facilities planned for the project were delayed due to unforeseen expenses and lack of funds. At four different locations the following facilities are complete: two boat ramps, two canoe launch areas, three accessible fishing piers and one small picnic shelter. Access roads and parking lots are also

complete. Construction of the camping facilities and waste water treatment plant in the Cokeley Recreation Area was completed in 2008.

Plans for the three major recreation areas have been adjusted pending additional funding. The Jughandle area will be used for day-use recreation, primarily fishing, picnicking and trail access. The Maple Recreation area has been leased to the Ritchie County Commission who plan to develop a day-use park with picnic shelters, ball fields, fishing and a boat ramp. The Cokeley Recreation area got a smaller campground and waste water treatment plant as well as other infrastructure that will allow future expansion.

Business Management Issues and Trends

The past two years have been strong with respect to occupancy and revenue for North Bend, with FY 2009 in particular being very strong. During the same time period the hospitality industry overall experienced revenue declines. Since then we have not seen the consistent growth that we had during the earlier period, it seems that we are not as immune to the economic downturn as we had hoped.

		2008	2009	2010	5
yr avg.					
January					
Lodge occupancy	16%	26%	15%	21%	
Cabin occupancy	27%	45%	31%	34%	
Camping	Closed	Closed	Closed	Closed	
Revenue		\$ 49,865.16	\$ 60,164.39	\$ 48,221.21	\$ 55,033.05
February					
Lodge occupancy	34%	43%	35%	36%	
Cabin occupancy	45%	43%	45%	46%	
Camping		Closed	Closed	Closed	Closed
Revenue		\$ 65,459.04	\$ 62,787.36	\$ 50,991.02	\$ 57,729.85
March					
Lodge occupancy		35%	41%	45%	40%
Cabin occupancy	51%		49%	44%	50%
Camping		Closed	Closed	Closed	Closed
Revenue		\$ 74,513.16	\$ 82,501.98	\$ 86,760.80	\$ 78,468.87
April					
Lodge occupancy	50%		40%	45%	41%
Cabin occupancy	50%		67%	53%	63%
Camping		18%	19%	20%	15%
Revenue		\$ 80,911.17	\$ 77,136.86	\$ 75,397.15	\$ 79,507.10
May					
Lodge occupancy		42%	47%	44%	47%
Cabin occupancy	63%		75%	63%	65%
Camping		41%	34%	36%	31%
Revenue		\$ 93,132.03	\$ 119,348.21	\$ 103,782.29	\$ 104,759.19
June					
Lodge occupancy		47%	55%		50%
Cabin occupancy	87%		81%		79%
Camping		56%	58%		64%
Revenue		\$ 116,929.42	\$ 133,010.23		\$ 116,622.68
July					
Lodge occupancy		63%	59%		62%
Cabin occupancy	92%		91%		91%
Camping		70%	69%		70%

Current/Recent Projects and Improvements

Lodge guest room remodeling project is ongoing (Bathrooms: floors, tub and surrounds, Countertops, trim and paint. Lodge room: drywall, trim, light fixtures.)
Upgrade of TV system
Pool renovations (new liner)
Two playgrounds have been replaced (Foundation is working on the third)
Renovation of outbuildings (roofs, structural repairs, painting inside and out)
Broadband wireless internet
Improvements to accessible trail (lengthening and installation of a deck)

Major Needs

Capital Improvements

Cokeley Recreation Area development
Multi-purpose building including a kitchen with group camping facilities
Lodge expansion

Equipment

Telephone system
Fire alarm system
Riding mower
1 1/2-ton dump truck
Van
Jeep
Conference room equipment

Major Repairs and Alterations

Replace water line from pool to cabins
Replace Telephone system
Upgrade fire alarm and suppression systems in lodge and cabins
Lodge roof has surpassed its life expectancy
Cabin roofs will need to be replaced in the coming years

Personnel

There are currently 17 full time positions (three vacant) and 52 seasonal and summer employees including activities programmer/naturalist, campground attendants, cooks, evening maintenance/security, front desk clerks, housekeepers, lifeguards, maintenance workers, recreation attendants, and servers.

Superintendent's Comments

During this time of tightening budgets and difficult financial situations two fundamental concepts hold true: we should be thankful that our situation is not as dire it is in other states and our mission and mandated remain unchanged. The staff of North Bend will continue to strive to operate this park as efficiently and effectively as possible with the resources provided or obtainable.

While our goals and priorities remain the same the time tables and methods we employ to achieve these may need to be adjusted. Now more so than in the recent past we must look for innovative solutions to address the obstacles we face.

I feel one of the best things we can do at North Bend is encourage citizens who live nearby to use the park and become involved in it again. Fortunately through the efforts of several people the North Bend State Park Foundation was established just a few years ago. While still relatively young, this Foundation has already been able to complete one project and has a second near completion.

Statistical Trends

North Bend State Park	FY 2010	FY 2009	FY 2008
Attendance	229,924	238,594	245,927
Lodge Occupancy	45.12%	44.86%	40.59%
Cabin Occupancy	62.28%	68.80%	63.62%
Campsite Occupancy	32.45%	31.73%	38.26%
Operating Revenue	990,445	1,007,357	966,610
Operating Expenditures	1,575,835	1,609,752	1,567,586
Surplus/(Subsidy)	(585,389)	(602,395)	(600,976)
Self Sufficiency	63%	63%	62%

Three Year Revenue Comparison North Bend State Park

Revenue	FY 2010	FY 2009	FY 2008
Bicycle Rental	370	1,746	322
Boat Rental	-	-	194
Cabin Rentals	187,997	210,960	201,927
Campsite Rentals	113,773	109,496	93,790
Coin Laundry Machines	373	287	-
Cot Rental	1,020	1,949	935
Facility Use Rental	880	516	286
Firewood Sales	9,378	8,991	8,599
Gas/Oil Lease/Royalties	59	114	165
Gift Shop Sales	64,874	68,641	63,718
Gifts and Bequests	37	64	-
Lodge Rooms	300,369	274,872	266,780
Miniature Golf	-	43	378
Miscellaneous Collections	(2,195)	6,901	(905)
Miscellaneous Concessions	1,206	570	(71)
Picnic Shelter Fees	5,688	5,720	7,003
Restaurants	285,727	295,843	308,884
Snack/Comm/Souv	6,333	5,925	3,403
Swimming Fees	12,786	13,517	8,896
Tennis	-	(1,056)	-
Vending Machines	1,763	2,257	2,307
TOTAL OPERATING REVENUE	990,445	1,007,357	966,610

Three Year Expense Comparison North Bend State Park

Expense	FY 2010	FY 2009	FY 2008
Total Personal Services	695,069	728,513	675,787
Total Employee Benefits	220,331	237,839	231,261
CURRENT EXPENSE			
Office/Postal/Freight	21,808	23,629	11,118
Printing/Binding	724	-	1,148
Utilities	151,345	153,164	136,742
Telephone	14,369	14,348	14,920
Contract/Professional	64,059	59,011	59,102
Travel	768	1,250	1,238
IS&C WV/Net	1,109	371	932
Vehicle Rental	-	1,365	158
Machine Rentals	3,518	3,550	4,676
Association Dues	1,120	-	2,090
Fire/Auto & Bond Insurance	677	-	546
Clothing/Household Supplies	63,903	64,848	61,774
Advertising	3,999	2,708	4,225
Vehicle Maintenance Expense	23,843	35,345	26,629
Research/Education/Medical	132	179	269
Maintenance Contracts	4,879	2,999	3,509
Merchandise for Resale	180,337	181,682	193,163
Farm Expense	375	-	16
Miscellaneous	1,833	2,272	5,384
Credit Card Processing Fees	12,222	12,130	11,796
Training	-	-	243
Attorney Fees	-	4,104	-

Miscellaneous Equipment	34,629	20,500	45,340
TOTAL CURRENT EXPENSE	585,648	583,453	585,018
REPAIRS AND ALTERATIONS			
Office Equipment	263	98	332
Building/Household/Comm	3,413	2,396	7,689
Building Repairs/Alterations	29,689	35,445	35,235
Vehicle Repairs	9,341	3,428	831
Ground Improvements	6,516	3,758	8,003
Farm/Construction Equipment	6,212	2,946	3,086
Other Repairs/Alterations	9,980	11,877	14,095
TOTAL REPAIRS AND ALTERATIONS	65,414	59,946	69,270
EQUIPMENT			
Office/Communication Equipment	4,334	-	-
Household Equip/Furnishing	-	-	-
Vehicles	-	-	6,250
Livestock/Farm/Construction	3,738	-	-
Other Equipment	1,32	-	-
TOTAL EQUIPMENT	9,374	0	6,250
TOTAL OPERATING EXPENSES	1,575,835	1,609,752	1,567,586

SUMMARY OF OPERATIONS

North Bend Rail Trail

Background Information

The North Bend Rail Trail (NBRT) is made up of seventy two miles of abandoned CSX railroad line which was originally developed by the Baltimore and Ohio Railroad between 1853 and 1857. The trail begins in Wood County, near Parkersburg and extends to the east through Ritchie and Doddridge Counties before ending in Harrison County. In 1988 a group of individuals formed the North Bend Rail Trail Foundation in the hope of transforming the abandoned railroad into a multi-use trail. In 1990 the State was approached by the Foundation in an attempt to get the State to acquire the original 61 miles of the trail from CSX to develop it into a rail trail state park. The last 11 miles were acquired in 1996 completing the current 72 mile length.

The NBRT is part of the American Discovery Trail which is a continuous coast-to-coast trail from Delaware to California, linking small local trails while preserving the character, personality and individuality of each. There are many historical attractions along the NBRT including restored depots, historical houses, former stage coach inns and glass factories. The trail runs roughly parallel to Route 50, from Parkersburg to Wolf Summit near Clarksburg, crosses 36 bridges and passes through 10 tunnels, including one bored through 337 feet of solid rock. The trail draws many users from the local area as well as out-of-state visitors who use the trail for hiking, biking and horseback riding throughout the year.

Current/Recent Projects and Improvements

- Paving of a one mile section of the Trail at West Union, made possible by a grant obtained by the Town of West Union.
- A monument was placed near Tunnel # 13, the site of a train accident in 1956, honoring J.C. Riley and Paul Hooten, who were killed in that accident. This project was funded by Michael Hooten.
- A monument was placed near West Union honoring Ephraim Bee the founder of E Clampus Vitus, who was also a member of the Legislature before West Virginia actually became a state. This project was funded by private citizens.
- Repairs were made to a large slip at Cornwallis that required 65 truckloads of fill.
- New signage was placed at several areas of the Trail.

- New gates were made and placed at several crossings on the Trail.
- Extensive ditching and resurfacing at Tunnel 6 in Doddridge County, the first time the tunnel has actually been dry since the inception of the Trail.

Major Needs

Garage/workshop to work on and/or store equipment out of the weather

Trailer to haul backhoe

Mower/Tractor

¾ ton 4WD pickup truck

Rehab/reconstruction of culverts under trail right-of-way (Some of these show signs of beginning to collapse which could cause dangerous temporary impoundment of water on the upflow side of these culverts. A report on this has been sent by DNR to the Administration as funding for this work appears to be daunting in scope.)

Personnel

North Bend Rail Trail currently employs a total of one superintendent and three 10 month seasonal employees. These three employees are classified as maintenance workers but are responsible for all operational tasks.

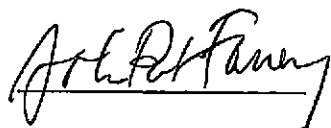
Superintendents Comments

Every year NBRT sees an increase in visitors. It is impossible to obtain an actual count but the increase in traffic is noticeable when we are out working on the trail. Overall improvement to the trail surface has been an ongoing project since I started here in 2003. We have completed numerous ditching and resurfacing projects in different areas on the trail. Slips are common with heavy rainfall. One section of the trail, below Happy Valley toward Parkersburg has eroded into the Little Kanawha River and would require extensive repair. Routine mowing and maintenance of the seventy two miles of Trail is a continuous project.

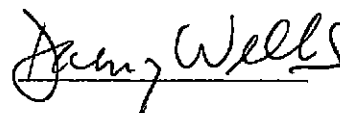
Currently the NBRT Foundation is in the process of trying to obtain a grant for ditching and resurfacing a portion of the Trail in Doddridge County.

There is one major project now underway at Pennsboro with the renovation of the depot and the building of a trailhead there. Within the past year the depot at Salem was damaged by fire and at this time has not been repaired. Efforts to acquire the additional 4.2 miles of abandoned railroad grade to the trail east to Clarksburg from Wolf Summit have so far not been successful.

Respectfully submitted,



John Pat Fanning
Chair
State Senate



Danny Wells
Acting Chair
House of Delegates