

**JOINT COMMITTEE ON
GOVERNMENT AND FINANCE**

Materials Distributed

January 13, 2015

(President Kessler presides)

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
January 13, 2015

1:00 - 2:00pm


Senate Finance Room

- 1. Approval of December 17, 2014 minutes**
- 2. Committee Reports/Requests:**
- 3. Monthly/Quarterly Reports Distribution:**
Status Report on Unemployment Compensation.
- 4. Workforce WV Unemployment Compensation Trust Fund Distribution:**
- 5. Monthly/Quarterly Reports Distribution:**
PEIA
BRIM
CHIP
Real Estate Report
- 6. Monthly/Quarterly Report Distribution from Department of Health and Human Resources:**
Medicaid Report
Medicaid Waiver
- 7. Investment Management Board Distribution:**
- 8. Workers' Compensation:**
- 9. Board of Treasury Report Distribution**
- 10. Annual Reports**
- 11. Other Business**
Legislative Oversight Committee on Regional Jail and Correctional Facility Authority - Proposal for Plan to Address Recruitment, Retention and Vacancies in WV Prisons, Jails and Juvenile Services - which is: An across the board salary increase of \$2,000, an increase of minimum starting salaries and current salaries by \$2,000, a longevity pay plan, and education cost reimbursements.
- 12. Adjournment**



West Virginia Legislature

1ST SESSION OF THE 81ST LEGISLATURE



Senate	House	Joint	Bill Status	WV Code	Audits/ Reports	Educational
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Interim Committee Attendance - Results

Tuesday, January 13, 2015 - 01:00 PM

Joint Committee on Government and Finance

Attended:

Delegate White
Delegate Manchin
Delegate Cowles
Delegate Caputo
Delegate Boggs
Delegate Armstead
Speaker Miley
Senator Unger
Senator Prezioso
Senator Palumbo
Senator Hall
President Kessler

Submittor:

Marlene

Phone:

X4802

[Back to Attendance](#)

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Joint Committee on Government and Finance

December 17, 2014

12:00pm - 1:00pm

Senate

Kessler, Chair
Palumbo
Plymale
Prezioso
Unger
Barnes (Absent)
Hall

House

Miley, Chair
Boggs
Caputo
Manchin
White
Armstead (Absent)
Cowles

Speaker Miley presides:

Speaker Miley: "The committee will come to order. The clerk will take a silent roll call. The first item on the Agenda is the approval of the minutes of November 19, 2014. President Kessler moves the adoption of the minutes. Any amendments or discussion? All those in favor say aye, all those opposed, the ayes appear to have it. The ayes do have it, I declare the motion adopted."

Speaker Miley: "First item on the Agenda is the presentation of Workforce West Virginia by Ms. Beth Carenbauer."

Beth Carenbauer: "Good afternoon Mr. Speaker, Mr. President and members of the Committee. I'm Beth Carenbauer, I am the Director of Unemployment Compensation for Workforce WV. As of this morning, the Trust Fund had a balance of \$112,664,000. According to the projections listed in your report, as of December 4th we are projecting Revenues this year of \$225,266,000 and Benefits of \$227,948,000 for a balance of \$99,483,000. I would be happy to answer any questions."

Speaker Miley: "Any other questions of Ms. Carenbauer? Thank you."

Speaker Miley: "Next we have Mr. Pizatella, Acting Secretary of Finance and Administration."

Mr. Pizatella: "Thank you Mr. Speaker, Mr. President and Members of the Committee. I am pleased to be here this afternoon to provide our presentation from the Department of Administration. I do have representatives here with me from PEIA, CHIP, Board of Risk Insurance Management and the Real Estate Divisions if there are any questions, which I cannot answer. I don't have

anything to report beyond yesterday's report to the Council of Finance and Administration and also what's in your packets. We will have during the January interims and before the regular session begins, we will have the November and December financials for you for the PEIA and the Board of Risk Insurance Management. You will note in your packets the data is through the end of October because we run a month behind on those financials but we will have those for you in January. "

Speaker Miley: "Are there questions from Acting Secretary Mr. Pizatella. There don't appear to be any. Thank you."

Mr. Pizatella: "Thank you sir."

Speaker Miley: "Next item on the Agenda would be the monthly report from the Department of Health and Human Resources by Cindy Beane, Acting Commissioner of the WV Bureau of Medical Service."

Cindy Beane: "Good afternoon Mr. Chairman and Members of the Committee. Your reports are in your packet. If there are any questions, I would happy to answer them."

Speaker Miley: "Are there any questions of Ms. Beane? Delegate Boggs."

Delegate Boggs: "Thank you. Cindy, thanks for being here again today and as always what is the status of Aged and Disabled Waiver Program?"

Ms. Beane: "I would be happy to report that to you. As of 12/9 I'm pleased to report that our wait list is now down to 1505 people. If the Committee remembers at one time last year we were up to over 2500 on the wait list. So our processes and policies of sending out the letters asking people to go ahead and do their financial eligibility is being successful. In addition we are also trying to give out the slots that we currently have. We have currently this year since the beginning of the fiscal year have mailed out 1378 letters trying to give out our remaining slots on the program that we have available for this year. "

Delegate Boggs: "Of that reduction that you made down to 1505, how many have been, because they have been excluded, because they are not financial eligible or haven't expressed interest or versus how many have actually been placed on the program?"

Ms. Beane: "We have a lot that haven't expressed interest. We have very few right now because we are still waiting for those letters to come back. We're

around 40 individuals right now that have not been found financially eligible for the program."

Delegate Boggs: "How many?"

Ms. Beane: "Most of the letters Delegate Boggs are us offering the slots to the individual and they for one reason or another have decided that they are not wanting the program."

Delegate Boggs: "When you say offer the slot, does that mean that they would become immediate if they accepted, they would immediately start receiving services?"

Ms. Beane: "If they are one of those individuals who have already received their financial eligibility, then yes. That is our new policy and its been very successful. We had somebody who got the slot offered and within the week actually had services in their home. I think this new policy will streamline for individuals. The old policy which we still have people on, is basically they get the letter and they have 60 days to go down to the local county office, get their financial eligibility and then go ahead and get on the program."

Delegate Boggs: "So it has been streamlined substantially?"

Ms. Beane: "Substantially. We are seeing improvements."

Delegate Boggs: "One other question. Where are we at budget number wise at this point in the fiscal year with what monies were available for the program. I mean are we running at a surplus or we running deficient, where are we at?"

Ms. Beane: "I will say that the way this program is budgeted, we budgeted by slots and utilization of those slots. We have budgeted for this fiscal year 5864 slots. Right now as of 12/15 we have 5772 of those slots filled. We anticipate because we are mailing out letters every two weeks that we will fill all of those slots, therefore we will be at the budget capacity for this program."

Delegate Boggs: "I know in recent years there have been times that actually there was a surplus, I think a couple of years ago maybe as much as \$17M and it was expended for other purposes because all of it wasn't utilized because of the unduplicated slots issue where somebody may have been on the program just a few days or a few weeks but then that money was locked in for all year. There was no way that slot could be filled because of CMS Regulations but the money was still there but we just weren't able to use it. It is my understanding

because of the unduplicated slots. Am I correct in that?"

Ms. Beane: "I do not believe that is a correct statement in the fact that when we actually budget for the slots, they look at the average utilization. Even though somebody might get the slot, and you are correct, if they get the slot for one day and then maybe move to Florida or unfortunately pass away, then that slot is gone for the year. But then we also in our budget, the financial people crunch those numbers and they look at average daily utilization so even though that the budget might be for, I'm not going to say the true number, \$100M a year, if they budget that \$100M is so many people on that program not at 365 days a year."

Delegate Boggs: "If you would and Mr. Chairman and leave of the Committee, if you would look into the last couple of years as far as the end of the fiscal year what has been available if it's not all been utilized and where that money has gone. I want to check some of my figures. Maybe next month you could give us a report."

Ms. Beane: "Absolutely not a problem."

Delegate Boggs: "Ok. Thank you. Thank you Mr. Chairman."

Speaker Miley: "Further questions of Ms. Beane? There doesn't appear to be any. Thank you Ma'am."

Speaker Miley: "Next item on the Agenda is a report by the Investment Management Board by Mr. Slaughter."

Mr. Slaughter: "Gentlemen, I'm Craig Slaughter, Executive Director of the Investment Manage Board. The monthly report (Participant Plan Performance Report) for October 31, 2014, it shows that we are from fiscal year to date through October 31st we are down just a little bit, .4%. November was up probably a little over 1% so we are in positive territory through 5 months it looks like. That is not really great given its 5 months out of 12. Longer term its 7.5% and 10 year number is 7.5%. Questions?"

Speaker Miley: "Are there questions of Mr. Slaughter? Delegate White."

Delegate White: "Thank you Mr. Speaker. We wouldn't by any chance have any investments of Russian rubles, would we?"

Mr. Slaughter: "We have had some investments, I will be honest with you, our

exposure to Russia has always been small. Off the top of my head I can't say what our exposure is right now. I would have to go back and look at the financials. Everybody has seen it. Its been a troubling place for awhile now. We don't have a currency exposure outside of just the stocks we own in various places. If that is what you are asking."

Delegate White: "Short oil possibly?"

Mr. Slaughter: "Off the top I can't tell you that either. I should probably have checked that knowing it might be a question that might come up here."

Delegate White: "Thank you Mr. Speaker."

Speaker Miley: "Further questions of Mr. Slaughter. There being none, thank you sir."

Speaker Miley: "Next presentation will be by Commissioner Riley on Workers Compensation."

Mr. Riley: "Good afternoon Mr. Speaker, Mr. President and Committee members. Mike Riley, Insurance Commissioner. Workers Comp Fund Numbers ending November 30th are Old Fund Active Claims 15,365; Coal Workers 876 and the Uninsured Fund 24. The Old Fund Cash Statement on page 11 Operating Revenues Year to Date including investments \$99.9M; Claims Payments \$78.6M, leaving an ending cash balance of \$1.2B. I would happy to answer any questions."

Speaker Miley: "Any questions of Mr. Riley? Apparently none. Thank you sir."

Speaker Miley: "Is there any other business to come before the committee, if not, President Kessler moves we adjourn. All of those in favor say aye, all those oppose. The ayes appear to have it, that ayes do have it. I declare the meeting 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, 2015

Executive Summary WV Lottery, Unemployment Trust, General Revenue and State Road Fund

- West Virginia Lottery as of November 30, 2014:
Gross profit for July 2014 – November 2014 was \$219 million.
- West Virginia Unemployment Compensation Fund as of November 30, 2014:
Total disbursements were \$ 44 million less than last fiscal year. Overall ending trust fund balance was \$ 843 thousand lower on November 30, 2014, than on November 30, 2013.
- General Revenue Fund as of December 31, 2014:
The general revenue collections ended the sixth month of fiscal year 2014-2015 at 98.3% of the estimate for the year.
- State Road Fund as of December 31, 2014:
The state road fund collections ended the sixth month of fiscal year 2014-2015 at 112.5% of the estimate for the year.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

MEMORANDUM

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

From: William Spencer, CPA
Director Budget Division
Legislative Auditor's Office

Date: December 24, 2014

Re: Review of West Virginia Lottery Financial Information
As of November 30, 2014

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for November 30, 2014, 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 \$486 million for July – November 30, 2014. Table games accounted for \$19.6 million of this total. Historic Resort Hotel video lottery and table games accounted for \$2.8 million of total gross receipts. Gross lottery revenue has decreased by 5.4% when compared with July – November of fiscal year 2013-2014. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July – November 2014 was \$219 million; for July – November of last fiscal year it was \$221 million. Expressed as a percentage, gross profit is 1% lower for fiscal year 2015 than for fiscal year 2014.

Operating Transfers to the State of West Virginia:

A total of \$208,303,000.00 has been accrued to the state of West Virginia for fiscal year 2014-2015. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount 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	\$41,943,000.00
Community and Technical College	\$2,498,000.00
Department of Education	\$17,399,000.00
Library Commission	\$10,153,000.00
Higher Education-Central Office	\$6,495,000.00
Tourism	\$7,143,000.00
Department of Natural Resources	\$2,833,000.00
Division of Culture and History	\$4,207,000.00
Economic Development Authority	\$4,998,000.00
Department of Education and Arts	\$1,483,000.00
School Building Authority	\$9,000,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$108,152,000.00

Lottery continued

Excess Lottery Fund

Economic Development Fund	\$9,493,000.00
Higher Education Improvement Fund	\$7,500,000.00
WV Infrastructure Council Fund	\$9,272,000.00
Higher Education Improvement Fund	\$10,341,000.00
Refundable Credit	\$522,000.00
General Purpose Fund	\$23,179,000.00
DHHR	\$0.00
State Park Improvement Fund	\$1,783,000.00
School Building Authority	\$9,497,000.00
Excess Lottery Surplus	\$0.00
WV Lottery Statutory Transfers	\$24,951,000.00
WV Racing Commission	\$713,000.00
Total State Excess Lottery Revenue Fund	\$97,251,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	\$148,000.00
State Debt Reduction Fund	\$44,000.00
Tourism Promotion Fund	<u>\$7,000.00</u>
Total Historic Hotel	\$199,000.00

Veterans Instant Ticket Fund \$214,000.00

Table Games State Debt Reduction Fund \$ 1,765,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$175,000.00
Development Office Promo Fund .375%	\$47,000.00
Research Challenge Fund .5%	\$64,000.00

Lottery continued

Capitol Renovation and Improvement Fund .6875%	\$88,000.00
Parking Garage Fund .0625%	\$8,000.00
Parking Garage Fund 1%	\$0.00
Cultural Facilities and Cap. Resources Fund .5%	\$0.00
Capitol Dome & Cap. Improvements Fund .5%	\$128,000.00
Workers Compensation Debt Reduction Fund 7%	\$0.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$510,000.00
TOTAL TRANSFERS	*\$208,091,000.00

* CASH BASIS

Total Accrued last FY 2014:	\$114,914,000.00
Total Cash Distributions FY 2015:	\$208,091,000.00
Applied to FY 2014:	\$114,914,000.00
Applied to FY 2015:	\$93,177,000.00
Accrued for FY 2015 as of November 30:	\$115,126,000.00




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1-800-WVA-CASH

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, 2014

DATE: December 15, 2014

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, 2014 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$90,455,231 for the month of November.

Transfers of lottery revenue totaling \$38,810,142 made for the month of November to the designated state agencies per Senate Bill 160, 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 19 and 20 of the attached financial statements.

The number of traditional and limited retailers active as of November 30, 2014 was 1,537 and 1,415 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
Attachment

pc: Honorable Earl Ray Tomblin, Governor
Robert S. Kiss, Cabinet Secretary – Dept. of Revenue
John Perdue, Treasurer
Glen B. Gainer III, Auditor
Members of the West Virginia Lottery Commission

MEMORANDUM

TO: Joint Committee on Government and Finance
FROM: John C. Musgrave, Director

RE: Monthly Report on Lottery Operations
Month Ending November 30, 2014

DATE: December 15, 2014

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pc: Honorable Earl Ray Tomblin, Governor
Robert S. Kiss, Cabinet Secretary – Dept. of Revenue
John Perdue, Treasurer
Glen B. Gainer III, Auditor
Members of the West Virginia Lottery Commission



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

November 30, 2014

WEST VIRGINIA LOTTERY

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WEST VIRGINIA LOTTERY
STATEMENT OF NET POSITION
(In Thousands)
-Unaudited-

	November 30, 2014	June 30, 2014
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 141,814	\$ 149,712
Accounts receivable	33,355	34,790
Inventory	592	633
Other assets	1,875	1,946
Total Current Assets	<u>177,636</u>	<u>187,081</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	1,238	1,397
Capital assets	47,625	47,391
Less accumulated depreciation and amortization	<u>(9,377)</u>	<u>(8,646)</u>
Net Capital Assets	<u>38,248</u>	<u>38,745</u>
Total Noncurrent Assets	<u>39,486</u>	<u>40,142</u>
Total Assets	<u>\$ 217,122</u>	<u>\$ 227,223</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 115,126	\$ 114,914
Deferred LVL permit fees	-	-
Estimated prize claims	14,668	14,983
Accounts payable	1,829	1,505
Other accrued liabilities	30,479	40,801
Total Current Liabilities	<u>162,102</u>	<u>172,203</u>
Total Liabilities	<u>162,102</u>	<u>172,203</u>
Net Position:		
Restricted by enabling legislation	1,238	1,397
Net Investment in capital assets	38,248	38,745
Unrestricted	15,534	14,878
Total Net Position	<u>55,020</u>	<u>55,020</u>
Total Net Position	<u>\$ 217,122</u>	<u>\$ 227,223</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FIVE MONTH PERIOD ENDED NOVEMBER 30, 2014

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	FY 2015	FY 2014	FY 2015	FY 2014
Lottery revenues				
On-line games	\$ 6,025	\$ 6,075	\$ 30,910	\$ 35,245
Instant games	6,483	8,004	41,509	43,849
Racetrack video lottery	44,285	48,908	239,835	253,960
Limited video lottery	29,477	31,100	151,704	155,783
Table games	3,762	4,218	19,588	22,140
Historic resort	423	553	2,836	3,202
	<u>90,455</u>	<u>98,858</u>	<u>486,382</u>	<u>514,179</u>
Less commissions				
On-line games	412	421	2,158	2,464
Instant games	454	560	2,906	3,069
Racetrack video lottery	24,297	30,988	131,583	149,910
Limited video lottery	14,444	15,239	74,335	76,334
Table games	1,594	1,841	8,300	9,666
Historic resort	226	290	1,393	1,568
	<u>41,427</u>	<u>49,339</u>	<u>220,675</u>	<u>243,011</u>
Less on-line prizes	2,935	2,896	15,139	17,182
Less instant prizes	4,310	5,276	27,499	28,951
Less ticket costs	(14)	125	613	785
Less vendor fees and costs	511	570	3,121	3,384
	<u>7,742</u>	<u>8,867</u>	<u>46,372</u>	<u>50,302</u>
Gross profit	<u>41,286</u>	<u>40,652</u>	<u>219,335</u>	<u>220,866</u>
Administrative expenses				
Advertising and promotions	260	183	2,173	2,198
Wages and related benefits	934	898	4,374	4,455
Telecommunications	30	79	372	315
Contractual and professional	590	364	2,118	1,921
Rental	25	22	119	122
Depreciation and amortization	129	169	731	848
Other administrative expenses	75	104	501	552
	<u>2,043</u>	<u>1,819</u>	<u>10,388</u>	<u>10,411</u>
Other Operating Income	<u>100</u>	<u>182</u>	<u>2,207</u>	<u>2,042</u>
Operating Income	<u>39,343</u>	<u>39,015</u>	<u>211,154</u>	<u>212,497</u>
Nonoperating income (expense)				
Investment income	79	23	206	103
Distributions to municipalities and counties	(578)	(610)	(2,973)	(3,053)
Distributions -capital reinvestment	(15)	(23)	(84)	(113)
Distributions to the State of West Virginia	(38,829)	(38,405)	(208,303)	(209,434)
	<u>(39,343)</u>	<u>(39,015)</u>	<u>(211,154)</u>	<u>(212,497)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>55,020</u>	<u>54,866</u>	<u>55,020</u>	<u>54,866</u>
Net position, end of period	<u>\$ 55,020</u>	<u>\$ 54,866</u>	<u>\$ 55,020</u>	<u>\$ 54,866</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, 2014

(In Thousands)

-Unaudited-

	2015	2014
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 490,024	\$ 516,637
Cash payments for:		
Personnel costs	(4,242)	(4,403)
Suppliers	(4,958)	(5,510)
Other operating costs	(268,462)	(287,388)
Cash provided by operating activities	<u>212,362</u>	<u>219,336</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(208,091)	(253,108)
Distributions to municipalities and counties	(2,969)	(3,050)
Distributions to racetrack from racetrack cap. reinv. fund	(9,332)	(11,868)
Cash used in noncapital financing activities	<u>(220,392)</u>	<u>(268,026)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(234)</u>	<u>(151)</u>
Cash flows from investing activities:		
Investment earnings received	<u>207</u>	<u>103</u>
Cash provided by investing activities	<u>207</u>	<u>103</u>
Increase (decrease) in cash and cash equivalents	(8,057)	(48,738)
Cash and cash equivalents - beginning of period	<u>151,109</u>	<u>275,058</u>
Cash and cash equivalents - end of period	<u>\$ 143,052</u>	<u>\$ 226,320</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 211,154	\$ 212,497
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	731	848
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	1,435	416
(Increase) decrease in inventory	41	8
(Increase) decrease in other assets	70	188
Increase (decrease) in estimated prize claims	(315)	729
Increase (decrease) in accounts payable	324	(557)
Increase (decrease) in other accrued liabilities	(1,078)	5,207
Cash provided by operating activities	<u>\$ 212,362</u>	<u>\$ 219,336</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 basis 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
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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
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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 \$573,313 and \$555,325 of at June 30, 2014 and 2013, 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 another postemployment benefits plan (see Note 16).

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NET POSITION – Net position is presented as restricted, unrestricted and net investment 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 position 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, 2014 the carrying amounts of deposits (overdraft) with financial institutions were \$477 thousand with a bank balance (overdraft) of \$498 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):

	November 30, 2014	June 30, 2014
Deposits with financial institutions	\$ 477	\$ 473
Cash on hand at the Treasurer's Office	18,317	21,310
Investments with BTI reported as cash equivalents	124,258	129,326
	\$ 143,052	\$ 151,109

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
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended November 30, 2014 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2014	Additions	Deletions	Historical Cost At November 30, 2014
Construction in Progress	\$ 792	\$ 160	\$ -	\$ 952
Buildings	38,084	-	-	38,084
Land	1,434	-	-	1,434
Improvements	260	-	-	260
Equipment	6,821	74	-	6,895
	<u>\$ 47,391</u>	<u>\$ 234</u>	<u>\$ -</u>	<u>\$ 47,625</u>

Accumulated Depreciation:

	Historical Cost At June 30, 2014	Additions	Deletions	Historical Cost At November 30, 2014
Buildings	\$ 2,141	\$ 397	\$ -	\$ 2,538
Improvements	260	-	-	260
Equipment	6,245	334	-	6,579
	<u>\$ 8,646</u>	<u>\$ 731</u>	<u>\$ -</u>	<u>\$ 9,377</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, 2014 and fiscal year-to-date is as follows:

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 2,691,456	\$ 13,035,494
Hot Lotto	402,054	2,404,530
Mega Millions	1,080,426	5,775,328
Total	\$ 4,173,936	\$ 21,215,352
<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,345,863	\$ 6,518,145
Hot Lotto	201,039	1,202,298
Mega Millions	540,257	2,887,754
Total	\$ 2,087,159	\$ 10,608,197

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	\$45,000,000

At November 30, 2014, the Lotteries share of the prize reserve fund balances were as follows:

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 108,186,512	\$ 1,887,126
Hot Lotto	7,609,004	547,805
Mega Millions	35,730,596	561,458
Total	<u>\$ 151,526,112</u>	<u>\$ 2,996,389</u>

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

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

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.

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 \$15,551,276 at November 30, 2014, of which the Lottery's share was \$1,593,130.

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 and has been amended again by HB 101 as passed during the first extraordinary session of 2014. For a complete summary of the impacts of HB 101, see Note 11 titled "Summary Impact of Recent Legislation." Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. For fiscal year 2014, sixty-six percent (66%) and for fiscal year 2015, fifty-seven percent (57%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions as follows:

	FY 2014	FY 2015
Racetracks	46.5%	46.5%
Other private entities associated with the racing industry	17.5%	8.7%
Local county and municipal governments	2%	2%

The remaining revenues (34% for fiscal year 2014 and 42.8% for fiscal year 2015) 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, for fiscal year 2014 and 2015 respectively, 55% and 49% of net terminal revenue is allocated in lieu of commissions as follows:

	FY 2014	FY 2015
Racetracks	42%	42%
Other private entities associated with the racing industry	11%	5%
Local county and municipal governments	2%	2%

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

The remaining net terminal revenue (45% for fiscal year 2014 and 51% for fiscal year 2015) 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 Ohio, 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 .74% of the amount wagered. A summary of racetrack video lottery revenues for the month ended November 30, 2014 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2015	2014	2015	2014
Total credits played	\$ 501,976	\$ 543,909	\$ 2,706,232	\$ 2,850,245
Credits (prizes) won	(450,595)	(488,030)	(2,427,652)	(2,558,198)
Promotional credits played	(7,067)	(6,947)	(38,590)	(37,954)
MWAP Contributions	(29)	(24)	(155)	(133)
Gross terminal income	44,285	48,908	239,835	253,960
Administrative costs	(1,771)	(1,956)	(9,593)	(10,158)
Net Terminal Income	42,514	46,952	230,242	243,802
Less distribution to agents	(24,297)	(30,988)	(131,583)	(149,910)
Racetrack video lottery revenues	<u>\$ 18,217</u>	<u>\$ 15,964</u>	<u>\$ 98,659</u>	<u>\$ 93,892</u>

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

	November 30, 2014	Year-to-Date
State Lottery Fund	\$ 12,754	\$ 69,073
State Excess Lottery Revenue Fund	5,463	29,586
Capital Reinvestment Fund	-	-
Total nonoperating distributions	<u>\$ 18,217</u>	<u>\$ 98,659</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

WEST VIRGINIA LOTTERY
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NOTE 7 - LIMITED VIDEO LOTTERY (continued)

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 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, 2014 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2015	2014	2015	2014
Total credits played	\$ 353,739	\$ 368,357	\$ 1,808,894	\$ 1,846,764
Credits (prizes) won	(324,262)	(337,257)	(1,657,190)	(1,690,981)
Gross terminal income	\$ 29,477	\$ 31,100	\$ 151,704	\$ 155,783
Administrative costs	(589)	(622)	(3,034)	(3,116)
Gross Profit	28,888	30,478	148,670	152,667
Commissions	(14,444)	(15,239)	(74,335)	(76,334)
Municipalities and Counties	(578)	(610)	(2,973)	(3,053)
Limited video lottery revenues	<u>\$ 13,866</u>	<u>\$ 14,629</u>	<u>\$ 71,362</u>	<u>\$ 73,280</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 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. Transfer three 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. For fiscal year 2014 and fiscal year 2015 make transfers as follows:

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

Fiscal Year 2014	Fiscal Year 2015	
2.5% of adjusted gross receipts	2.25% 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
2.5% of adjusted gross receipts	2.25% 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
2% of adjusted gross receipts	1.8% of 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

The Commission will distribute the remaining amounts, hereinafter referred to as the net amounts in the Racetrack Table Games Funds as follows:

- 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 for fiscal year 2014 and to the State Excess Lottery Revenue Fund for fiscal year 2015.

The cash transferred to the State Excess Lottery Revenue 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 and year ended November 30, 2014 were \$10,749,364 and \$55,965,051, 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:

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NOTE 8 – TABLE GAMES (continued)

	Current Month		Year-to-Date	
	2015	2014	2015	2014
Table Games Privilege Tax	\$ 3,762	\$ 4,218	\$ 19,588	\$ 22,140
Interest on Table Games Fund	-	-	1	2
Administrative costs	(322)	(362)	(1,679)	(1,898)
Total Available for Distribution	3,440	3,856	17,910	20,244
<u>Less Distributions:</u>				
Racetrack Purse Funds	242	301	1,259	1,581
Thoroughbred & Greyhound Development Funds	193	241	1,007	1,265
Racing Association Pension Plan	95	106	493	557
Municipalities/ Counties	1,064	1,193	5,541	6,263
Total Distributions	1,594	1,841	8,300	9,666
Excess Lottery Fund	\$ 1,846	\$ 2,015	\$ 9,610	\$ 10,578

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 historic resort hotel.

The WV Lottery, along with the Ohio, 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 .75% of the amount wagered. A summary of historic resort hotel video lottery revenues for the month ended November 30, 2014 and fiscal year-to-date follows (in thousands):

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

	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Total credits played	\$ 5,141	\$ 5,749	\$ 26,562	\$ 28,468
Credits (prizes) won	(4,711)	(5,268)	(24,397)	(26,095)
Promotional credits played	(117)	(84)	(374)	(357)
MWAP Contributions	-	-	-	(2)
Gross terminal income	<u>313</u>	<u>397</u>	<u>1,791</u>	<u>2,014</u>
Capital reinvestment	(15)	(19)	(84)	(95)
Excess Lottery Fund	(3)	(4)	(16)	(18)
Administrative costs	(17)	(21)	(97)	(109)
Hotel commissions	<u>(132)</u>	<u>(168)</u>	<u>(758)</u>	<u>(852)</u>
Net terminal income	146	185	836	940
Historic Resort Hotel Fund	93	118	532	598
Human Resource Benefit Fund	53	67	304	342

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 and year ended November 30, 2014 were \$312,842 and \$2,985,784, respectively.

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

	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Table games privilege tax	\$ 110	\$ 156	\$ 1,045	\$ 1,188
Administrative Costs	<u>(14)</u>	<u>(20)</u>	<u>(134)</u>	<u>(153)</u>
Total Available for Distribution	96	136	911	1,035
Historic Resort Hotel Fund	80	114	762	866
Human Resource Benefit Fund	16	22	149	169

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

NOTE 9 – HISTORIC RESORT HOTEL (continued)

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:

- 1) Sixty-four percent (64%) is paid to the State of West Virginia General Revenue Fund for fiscal year 2014 and to the State Excess Lottery Revenue Fund for fiscal year 2015;
- 2) Nineteen percent (19%) is paid to the State Debt Reduction Fund for fiscal year 2014 and to the State Excess Lottery Revenue Fund for fiscal year 2015;
- 3) Three percent (3%) is paid to the State of West Virginia Tourism Promotion Fund and to the State Excess Lottery Revenue Fund for fiscal year 2015;
- 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	\$ 93	\$ 532
Historic Resort Table Games	80	762
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	<u>173</u>	<u>1,294</u>
Municipalities/ Counties	25	182
Excess Lottery Fund	148	1,112
Total Distributions	<u><u>\$ 173</u></u>	<u><u>\$ 1,294</u></u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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, 2015 the State Legislature budgeted \$136,411,350 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 \$5,300,000 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. For the month ended November 30, 2014 the Lottery has accrued additional distributions of \$115,126,149. The Lottery is a non-appropriated state agency and therefore does not have a budget adopted by the Legislature.

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, 2014</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 2,498
Bureau of Senior Services	5,936	41,943
Department of Education	2,462	17,399
Library Commission	1,437	10,153
Higher Education-Policy Commission	919	6,495
Tourism	1,011	7,143
Natural Resources	401	2,833
Division of Culture & History	595	4,207
Department of Education & Arts	210	1,483
Economic Development Authority	1,000	4,998
School Building Authority	1,800	9,000
Total State Lottery Fund	<u>\$ 16,271</u>	<u>\$ 108,152</u>

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

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

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 1,898	\$ 9,493
Higher Education Improvement Fund	1,500	7,500
General Purpose Account	5,665	23,179
Higher Education Improvement Fund	2,527	10,341
State Park Improvement Fund	436	1,783
School Building Authority	1,899	9,497
Refundable Credit	6	522
WV Racing Commission	174	713
WV Department of Health and Human Resources	-	-
WV Development Office	-	-
WV Lottery Statutory Transfers	6,098	24,951
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	2,266	9,272
Total State Excess Lottery Revenue Fund	\$ 22,469	\$ 97,251
Total Budgetary distributions:	\$ 38,740	\$ 205,403
Veterans Instant Ticket Fund	\$ 70	\$ 214

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ -	\$ 175
Development Office Promotion Fund .375%	-	47
Research Challenge Fund .5%	-	64
Capitol Renovation & Improvement Fund .6875%	-	88
Parking Garage Fund .0625 %	-	8
Parking Garage Fund 1 %	-	-
Cultural Facilities & Cap. Resources Fund .5%	-	-
Capitol Dome & Cap. Improvements Fund .5%	-	128
Workers Compensation Debt Reduction Fund 7%	-	-
Total	\$ -	\$ 510
Table Games State Debt Reduction Fund	\$ -	\$ 1,765

Historic Resort Hotel distributions:

State General Revenue Fund	\$ -	\$ 148
State Debt Reduction Fund	-	44
Tourism Promotion Fund	-	7
Total	\$ -	\$ 199

Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 38,810	\$ 208,091
Accrued nonoperating distributions, beginning	(115,107)	(114,914)
Accrued nonoperating distributions, end	115,126	115,126
	\$ 38,829	\$ 208,303

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11 – SUMMARY IMPACT OF RECENT LEGISLATION

The West Virginia Legislature enacted House Bill 101 during the First Extraordinary Session of 2014 which affected the State Excess Lottery Revenue Fund. House Bill 101 created a mechanism by which revenues that were previously transferred pursuant to statutory direction and distributed to certain entities prior to being deposited to either the State Lottery Fund or the State Excess Lottery Revenue Fund will now be deposited directly to the State Excess Lottery Revenue Fund. This new deposit of funds represents additional deposits of: (i) certain video lottery net terminal income (see Note 6) and table games adjusted gross receipts (Note 8) from the four racetrack casinos; and (ii) certain gross terminal income and certain net income from the Greenbrier Casino (Note 9). The impact of House Bill 101 has the effect of reducing commissions as defined in Note 2 and increasing nonoperating income (expense) Distributions to the State of West Virginia.

The impact (in thousands) for the month ended November 30, 2014 to the Statement of Revenues, Expenses, and Changes in Fund Net Positions is summarized as follows:

	<u>Pre HB 101</u>	<u>As Stated</u>	<u>Difference</u>
Less commissions			
Racetrack video lottery	24,658	24,297	(361)
Table games	1,643	1,594	(49)
 Gross profit	 40,876	 41,286	 410
Operating Income	38,933	39,343	410
Nonoperating income (expense)			
Distributions -capital reinvestment	(18)	(15)	3
Distributions to the State of West Virginia	(38,416)	(38,829)	(413)

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11 – SUMMARY IMPACT OF RECENT LEGISLATION (continued)

The impact (in thousands) for the fiscal year-to-date ended November 30, 2014 to the Statement of Revenues, Expenses, and Changes in Fund Net Positions is summarized as follows:

	<u>Pre HB 101</u>	<u>As Stated</u>	<u>Difference</u>
Less commissions			
Racetrack video lottery	133,540	131,583	(1,957)
Table games	8,552	8,300	(252)
 Gross profit	 217,126	 219,335	 2,209
Operating Income	208,945	211,154	2,209
Nonoperating income (expense)			
Distributions -capital reinvestment	(100)	(84)	16
Distributions to the State of West Virginia	(206,078)	(208,303)	(2,225)

NOTE 12 – 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 fiscal year-to-date ended November 30, 2014 and November 30, 2013 approximated \$119,117 and \$122,307 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the fiscal year-to-date ended November 30, 2014 and November 30, 2013 approximated \$431,489 and \$583,112 respectively.

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

NOTE 13 – RESTRICTED NET POSITION

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, 2014 and June 30, 2013 were as follows:

	June 30, 2014	June 30, 2013
Beginning balance	\$ 1,640	\$ 1,690
Additions		
Legislative Appropriations		
Deductions		
Asset acquisition	(243)	(50)
Surplus of excess funds		
Ending balance	\$ 1,397	\$ 1,640

NOTE 14 – COMMITMENTS

For the years ended June 30, 2014 and 2013 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2014 and 2013, \$7,653,177 and \$2,003,028, respectively, are included in unrestricted net position and net investment in capital assets for this purpose.

NOTE 15 - 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

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

NOTE 15 - RETIREMENT BENEFITS (continued)

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 14.5% 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, 2014 and fiscal year-to-date are as follows (in thousands):

	November 30, 2014	Year-to-Date
Lottery contributions	\$ 87	\$ 453
Employee contributions	28	144
Total contributions	\$ 115	\$ 597

NOTE 16 - 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.

WORKERS' COMPENSATION INSURANCE

The Lottery carries workers compensation insurance coverage through a commercial insurance carrier. The commercial insurance carrier is paid a monthly rated premium to provide compensation for injuries sustained in the course of employment.

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.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 16 - RISK MANAGEMENT (continued)

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.

NOTE 17– 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 \$270 and \$257 per employee per month for the years ending June 30, 2014 and 2013 respectively. Through June 30, 2014 and 2013, the Lottery has paid premiums of \$291,750 and \$332,615. As of June 30, 2014 and 2013, the Lottery has recorded a liability of \$4,318,481 and \$4,188,445 on its balance sheet for OPEB.

**SCHEDULE OF REVENUES AND NET REVENUES OF THE
 LOTTERY FUND AND EXCESS LOTTERY FUND
 FOR THE FIVE MONTH PERIOD ENDED NOVEMBER 30, 2014
 (In Thousands)**

	Current Month		FISCAL YEAR	
	<u>Actual</u>	<u>Projected</u>	<u>Actual</u>	<u>Projected</u>
Gross Revenues				
Instant games	6,483	8,750	41,509	43,750
On-line games	6,025	6,284	30,909	31,420
Racetrack video lottery	44,286	36,834	239,835	202,038
Limited video lottery	29,477	31,260	151,704	156,585
Racetrack table games	3,763	3,311	19,588	16,989
Historic resort	422	512	2,806	2,825
Total gross revenues	<u>90,456</u>	<u>86,951</u>	<u>486,351</u>	<u>453,607</u>
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	794	1,181	5,149	5,905
On-line games	1,836	1,814	9,304	9,070
Racetrack Video Lottery	12,757	10,608	69,088	58,187
Total Lottery Fund net revenues	<u>15,387</u>	<u>13,603</u>	<u>83,541</u>	<u>73,162</u>
Excess Lottery Fund				
Racetrack Video Lottery	5,464	4,544	29,591	24,923
Limited Video Lottery	13,940	14,705	71,542	73,659
Limited Video Lottery Fees	7	-	1,484	-
Racetrack table games	1,846	1,624	9,610	8,333
Historic resort	151	198	1,127	1,168
Total Excess Lottery Fund Net Revenues	<u>21,408</u>	<u>21,071</u>	<u>113,354</u>	<u>108,083</u>
Total Net Revenues	<u>36,795</u>	<u>34,674</u>	<u>196,895</u>	<u>181,245</u>

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: William Spencer, C.P.A.
Director, Budget Division
Legislative Auditor's Office

Date: January 5, 2015

Re: Status of General Revenue Fund and State Road Fund as of
December 31, 2014 (FY 15)

We have reviewed the cash flow of the West Virginia general revenue fund as of December 31, 2014 which is the end of the sixth month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 98.3% of the estimate for the fiscal year. Total collections were \$ 34 million below the estimate for the fiscal year.

Personal Income Tax collections were \$ 18.9 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$ 1.6 million below the estimate for the year.

Severance Tax was \$ 31.1 million below the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$ 8.6 million above the estimate for the fiscal year.

State Road Fund

The state road fund collections were 112.5% of the estimate for the fiscal year. Total collections were \$43.3 million above the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$477,342,936.66 as of December 31, 2014.

Balance July 1, 2014	576,905,662.48
Earnings	-99,562,725.82
Balance December 31, 2014	477,342,936.66

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 381,771,701.12 as of December 31, 2014.

Balance July 1, 2014	378,984,822.70
Earnings	2,786,878.42
Balance December 31, 2014	381,771,701.12

The Personal Income Tax Reserve Fund had an \$11 million cash balance as of December 31, 2014.

Balance July 1, 2014	11,000,000.00
Revenues	-0-
Balance December 31, 2014	11,000,000.00

GENERAL REVENUE FUND FY 2014-2015

By Source and by Month

Monthly Revenue Estimates

as of December 31, 2014 OASIS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Personal Income Tax	166,750,000	145,553,185	-21,196,815	857,500,000	838,642,250	-18,857,750
Consumer Sales Tax & Use Tax	100,900,000	104,406,171	3,506,171	607,500,000	605,865,748	-1,634,252
Severance Tax	65,800,000	47,847,855	-17,952,145	221,100,000	189,968,851	-31,131,149
Corp Income /Business Franchise	37,525,000	43,140,436	5,615,436	103,450,000	112,010,966	8,560,966
Insurance Tax	103,000	85,231	-17,769	57,412,000	54,777,274	-2,634,726
Tobacco Products Tax	8,100,000	8,412,222	312,222	53,400,000	53,366,054	-33,946
Business and Occupation	8,500,000	11,367,848	2,867,848	44,600,000	52,446,923	7,846,923
Liquor Profit Transfers	780,000	799,750	19,750	6,350,000	7,022,384	672,384
Departmental Collections	960,000	1,059,941	99,941	6,275,000	6,227,963	-47,037
Property Transfer Tax	1,029,000	664,293	-364,708	5,925,000	5,775,142	-149,858
Property Tax	165,000	142,137	-22,863	3,931,000	3,978,970	47,970
Beer Tax and Licenses	566,000	499,695	-66,305	3,959,000	3,475,947	-483,053
Miscellaneous Transfers	56,000	0	-56,000	661,000	2,886,926	2,225,926
Interest Income	125,000	458,097	333,097	750,000	1,096,541	346,541
Senior Tax Credit Reimbur Lot	0	5,846	5,846	980,000	521,643	-458,357
HB 102 - Lottery Transfers	5,176,000	5,314,391	138,391	26,424,000	28,493,300	2,069,300
Miscellaneous Receipts	3,497,000	3,272,490	-224,510	8,650,000	8,187,842	-462,158
Business Fran Registration Fees	40,000	50,823	10,823	320,000	352,604	32,604
Liquor License Renewal	21,000	21,054	54	226,000	225,664	-336
Special Revenue Transfer	0	0	0	0	0	0
Charter Tax	0	574	574	0	31,538	31,538
Telecommunications Tax	0	0	0	0	0	0
Video Lottery Transfers	0	11,013	11,013	0	90,976	90,976
Racing Fees	0	0	0	0	0	0
Estate and Inheritance Tax	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	400,093,000	373,113,053	-26,979,947	2,009,413,000	1,975,445,503	-33,967,497
Minus Cash Flow Transfer		0			0	
TOTALS	400,093,000	373,113,053	-26,979,947	2,009,413,000	1,975,445,503	-33,967,497

Percent of Estimates

93.26%

98.31%

Collections this day

23,974,263.93

Prepared by Legislative Auditor's Office, Budget Division

**STATE ROAD FUND FY 2014-2015
By Source and by Month
Monthly Revenue Estimates
as of December 31, 2014 OASIS**

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES
Gasoline & Motor Carrier Rd Tax	58,000,000	56,586,136	-1,413,864	218,000,000	226,531,424	8,531,424
Privilege Tax	11,032,000	16,239,369	5,207,369	88,643,000	103,810,521	15,167,521
Licenses & Registration	6,016,000	7,634,920	1,618,920	40,753,000	43,963,167	3,210,167
Miscellaneous	0	674,182	674,182	0	16,523,281	16,523,281
Highway Litter Control	114,000	154,219	40,219	770,000	669,179	-100,821
TOTALS	75,162,000	81,288,825	6,126,825	348,166,000	391,497,573	43,331,573

Percent of Estimates

108.15%

112.45%

Collections this day

16,629,237

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of December 31, 2014 : \$477,342,936.66

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of December 31, 2014: \$381,771,701.12

PERSONAL INCOME TAX REFUND RESERVE FUND as of December 31, 2014: \$11,000,000.00

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: William Spencer, C.P.A.
Director Budget Division
Legislative Auditor's Office

Date: December 22, 2014

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the November 30, 2014 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of November 30, 2014 of fiscal year 2014-2015, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2014	\$ 111,805,447.81
Receipts July 1, 2014 thru November 30, 2014	\$ 86,802,683.24
Disbursements July 1, 2014 thru November 30, 2014	\$ 75,271,196.58
Balance November 30, 2014	\$ 123,336,934.47

ITEMS OF NOTE:

Regular benefits paid for July 2014 - November 2014 were \$ 7 million less than July 2013 - November 2013.

Federal emergency benefits totaled \$ -114 thousand for July 2014 - November 2014. For July 2013 - November 2013, federal emergency benefits totaled \$ 35.7 million.

Total disbursements were \$ 44 million less in July 2014 - November 2014 than the preceding July 2013 - November 2013.

Receipts as of November 2014 were \$ 36.7 million less than in July 2013 - November 2013. Overall ending trust fund balance was \$ 843 thousand lower on November 30, 2014 than on November 30, 2013.

Seasonally adjusted unemployment rates for November 2014 were 6.3 percent for West Virginia and 5.8 percent nationally.

Since November 2013, employment has increased by 7,200. Employment gains included 1,500 in mining and logging, 400 in manufacturing, 2,500 in educational and health services, 1,400 in financial activities, 4,400 in professional and business services, 200 in leisure and hospitality, 900 in government, and 300 in other services. Employment declines included 3,800 in construction, 200 in information and 400 in trade, transportation, and utilities.

December 12, 2014

William Spencer
Budget Division
Office of the Legislative Auditor
Building 1, Room 332-West Wing
1900 Kanawha Boulevard East
Charleston, WV 25305-0590

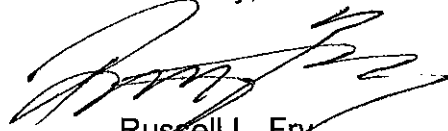
RE: Monthly Status Report

Dear Mr. Spencer:

The Monthly Status Report for the Unemployment Compensation Trust Fund for the months of September, October, and November 2014 is included with this letter.

If you have any questions or need any additional information, please feel free to contact Brock Jarrett at 304-558-2631 or Brock.A.Jarrett@wv.gov.

Sincerely,



Russell L. Fry
Acting Executive Director

RLF/mlp

Enclosure

pc: Earl Ray Tomblin

Fiscal and Administrative Management
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

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING SEPTEMBER 2013 AND SEPTEMBER 2014**

	SEPTEMBER 2013	OCTOBER 2013	NOVEMBER 2013	SEPTEMBER 2014	OCTOBER 2014	NOVEMBER 2014	THREE MONTH TOTAL VARIANCE *
Balance Forward	<u>\$135,499,026.95</u>	<u>\$121,779,486.86</u>	<u>\$121,868,553.96</u>	<u>\$130,924,458.04</u>	<u>\$118,795,122.45</u>	<u>\$120,949,919.31</u>	<u>(\$8,467,567.97)</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$1,562,699.97	\$14,853,196.29	\$17,441,209.77	\$1,454,591.75	\$15,170,501.44	\$16,985,990.55	(\$246,022.29)
3. Federal Emergency Benefits (EUC08)	\$7,263,859.85	\$6,417,339.26	\$5,834,239.85	\$2,212.97	\$4,840.99	\$66.99	(\$19,508,318.01)
4. Federal Share Extended Benefits (EB)	\$0.00	\$707.00	\$143.00	\$0.00	\$0.00	\$0.00	(\$850.00)
5. Temp Federal Additional Comp (FAC)	\$15.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$15.00)
6. UCFE (Federal Agencies)	\$121,636.82	\$175,088.49	\$123,633.16	\$90,218.01	\$94,742.63	\$96,967.45	(\$138,430.38)
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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$766,600.59	\$0.00	\$0.00	\$721,166.06	\$0.00	\$0.00	(\$45,434.53)
11. UCX (Military Agencies)	\$248,161.48	\$266,370.27	\$247,168.01	\$182,814.99	\$182,136.05	\$175,171.26	(\$221,577.46)
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CMA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Receipts	<u>\$9,962,973.71</u>	<u>\$21,712,701.31</u>	<u>\$23,646,393.79</u>	<u>\$2,451,003.78</u>	<u>\$15,452,221.11</u>	<u>\$17,258,196.25</u>	<u>(\$20,160,647.67)</u>
Less Disbursements:							
Debt Bond Repayment							
Regular Benefits:	\$15,675,526.83	\$15,128,963.53	\$15,112,846.76	\$14,341,836.16	\$13,042,134.08	\$14,593,761.94	(\$3,939,604.94)
Federal Emergency Benefits (EUC08)	\$7,607,973.35	\$6,073,719.63	\$5,882,960.78	(\$19,830.54)	(\$14,979.38)	(\$28,552.78)	(\$19,628,016.46)
Federal Share Extended Benefits (EB)	(\$3,159.00)	\$186.00	(\$1,864.00)	(\$505.00)	(\$100.00)	(\$1,774.00)	\$2,458.00
Emergency Benefits (TEUC)	\$0.00	(\$70.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$70.00
Temp Federal Additional Comp (FAC)	\$46.00	\$537.90	\$58.00	\$0.00	\$0.00	\$0.00	(\$641.90)
UCFE (Federal Workers) Benefits	\$125,496.25	\$170,575.14	\$97,822.70	\$84,957.11	\$91,812.98	\$111,110.19	(\$106,013.81)
UCX (Military Workers) Benefits	\$266,548.24	\$249,637.90	\$242,968.46	\$173,881.54	\$178,556.57	\$196,635.74	(\$210,080.65)
Reed Act Funds	\$82.13	\$84.11	\$0.00	\$0.00	\$0.00	\$0.00	(\$166.24)
Special Administrative Transfer**	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Disbursements	<u>\$23,672,513.80</u>	<u>\$21,623,634.21</u>	<u>\$21,334,792.70</u>	<u>\$14,580,339.37</u>	<u>\$13,297,424.25</u>	<u>\$14,871,181.09</u>	<u>(\$23,881,996.00)</u>
Trust Fund Balance	<u>\$121,779,486.86</u>	<u>\$121,868,553.96</u>	<u>\$124,180,155.05</u>	<u>\$118,795,122.45</u>	<u>\$120,949,919.31</u>	<u>\$123,336,934.47</u>	<u>(\$4,746,219.64)</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.

UC TRUST FUND PROJECTIONS FOR 2015

January 7, 2015

Month	Revenues	Benefits	Trust Fund Balance
2014			
Balance - 1/1/2014			\$ 102,165,000
January	\$ 11,870,000	\$ 25,508,000	\$ 88,527,000
February	\$ 13,435,000	\$ 23,548,000	\$ 78,414,000
March	\$ 1,966,000	\$ 24,909,000	\$ 55,471,000
April	\$ 32,023,000	\$ 18,904,000	\$ 68,590,000
May	\$ 75,811,000	\$ 14,612,000	\$ 129,789,000
June	\$ 2,894,000	\$ 20,878,000	\$ 111,805,000
July	\$ 23,213,000	\$ 16,876,000	\$ 118,142,000
August	\$ 27,921,000	\$ 15,139,000	\$ 130,924,000
September	\$ 2,175,000	\$ 14,304,000	\$ 118,795,000
October	\$ 15,170,000	\$ 13,016,000	\$ 120,949,000
November	\$ 16,985,000	\$ 14,598,000	\$ 123,336,000
December	\$ 2,113,000	\$ 19,449,000	\$ 106,000,000
Totals - 2014	\$ 225,576,000	\$ 221,741,000	\$ 106,000,000

2015			
January	\$ 11,360,000	\$ 26,650,000	\$ 90,710,000
February	\$ 13,250,000	\$ 23,875,000	\$ 80,085,000
March	\$ 1,937,000	\$ 25,270,000	\$ 56,752,000
April	\$ 30,053,000	\$ 20,144,000	\$ 66,661,000
May	\$ 72,141,000	\$ 15,354,000	\$ 123,448,000
June	\$ 2,850,000	\$ 21,195,000	\$ 105,103,000
July	\$ 23,213,000	\$ 16,876,000	\$ 111,440,000
August	\$ 28,378,000	\$ 14,895,000	\$ 124,923,000
September	\$ 2,213,000	\$ 14,057,000	\$ 113,079,000
October	\$ 14,904,000	\$ 13,248,000	\$ 114,735,000
November	\$ 16,692,000	\$ 14,853,000	\$ 116,574,000
December	\$ 2,113,000	\$ 19,449,000	\$ 99,238,000
Totals - 2015	\$ 219,104,000	\$ 225,866,000	\$ 99,238,000

The average projected unemployment rate for West Virginia for CY 2014 is 6.2%

The average projected unemployment rate for West Virginia for CY 2015 is 6.4%

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.

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Financial Statements

November 2014

West Virginia Legislative Interims
January 2015

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Assets

For the Five Months Ending Sunday, November 30, 2014
(Dollars in Thousands)

(Unaudited-For Internal Use Only)

(\$ 0 0 0 ' s)		
ACTUAL	BUDGET	PRIOR YR
\$195,571	\$197,331	\$197,417
49,404	50,331	52,734
47,237	45,547	46,169
884	927	884
958	3,467	9,025
797	944	954
1,954	1,931	1,948
296,805	300,478	309,131

PREMIUM REVENUE	
Health Insurance - State Gov. - Employers	
Health Insurance - State Gov. - Employees	
Health Insurance - Local Gov. - All Life Insurance	
Interest and Investment Income	
Other Premium Revenue	
Administrative Fees, Net of Refunds	
TOTAL REVENUE	

	BUDGET VARIANCE		PRIOR YR VARIANCE	
	\$	%	\$	%
	(\$1,760)	(1%)	(\$1,846)	(1%)
	(927)	(2%)	(3,330)	(6%)
	1,690	4%	1,068	2%
	(43)	(5%)		0%
	(2,509)	(72%)	(8,067)	(89%)
	(147)	(16%)	(157)	(16%)
	23	1%	6	0%
	(3,673)	(1%)	(12,326)	(4%)

OPERATING EXPENSES

169,758	153,998	152,440
51,073	49,574	47,252
16,308	16,949	15,958
5,625	5,568	5,498
884	927	884
601	1,075	1,093
144	144	143
3,542	3,542	2,042
1,791	2,083	2,034
62,460	62,500	67,002
312,186	296,360	294,346

Claims Expense - Medical	(15,760)	(10%)	(17,318)	(11%)
Claims Expense - Drugs	(1,499)	(3%)	(3,821)	(8%)
Payments to Managed Care Org.	641	4%	(350)	(2%)
Administrative Service Fees	(57)	(1%)	(127)	(2%)
Life Insurance Expense	43	5%		0%
Wellness and Disease Management	474	44%	492	45%
ACA Comparative Effectiveness Fee		0%	(1)	(1%)
ACA Reinsurance Contribution		0%	(1,500)	(73%)
Other Operating Expenses	292	14%	243	12%
WV RHBT Pay Go Premiums	40	0%	4,542	7%
TOTAL EXPENSES	(15,826)	(5%)	(17,840)	(6%)

YTD SURPLUS (DEFICIT)

(15,381)	4,118	14,785
-----------------	--------------	---------------

(19,499)	(474%)	(30,166)	(204%)
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181,388	181,388	198,348
\$166,007	\$185,506	\$213,133

Total Net Assets, Beginning of Period	(16,960)	(9%)
TOTAL NET ASSETS, END OF PERIOD	(\$47,126)	(22%)

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
 For the Five Months Ending Sunday, November 30, 2014
 (In Thousands)

ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE	PRIOR YR VARIANCE
\$	\$	\$	%	%
ADDITIONS				
Employer Premiums:				
\$1,351	\$1,353	\$1,368	(2)	(1%)
52,013	52,125	55,749	(112)	(7%)
56	0	952	56	(94%)
53,420	53,478	58,068	(58)	(8%)
Member Premiums:				
32,662	33,261	32,440	(599)	2%
10,436	10,375	11,253	61	1%
9,549	9,174	9,293	375	4%
52,647	52,810	52,985	(163)	(0%)
106,067	106,288	111,054	(220)	(4%)
Other Additions:				
333	333	400	0	0%
3,631	17,676	44,996	(14,045)	(79%)
6,949	4,071	0	2,878	71%
116,981	128,368	156,449	(11,387)	(9%)
TOTAL ADDITIONS				
Transfer from Premium Stabilization Reserve				
			2,878	71%
			(11,387)	(9%)
			6,949	0%
			(39,469)	(25%)
DEDUCTIONS				
Payments to Managed Care Org.				
54,856	57,875	55,991	3,018	5%
8,999	9,174	9,187	174	2%
29,148	26,185	28,133	(2,964)	(11%)
13,008	12,043	9,800	(966)	(8%)
13	15	15	3	17%
354	333	212	(21)	(6%)
811	740	737	(72)	(10%)
1,117	1,163	1,133	47	4%
108,307	107,527	105,209	(780)	(1%)
8,673	20,841	51,240	(12,167)	(58%)
NET POSITION INCREASE				
Net Position Restricted for Post Employment Benefits				
634,149	634,149	532,821	0	0%
8,673	20,841	51,240	(12,168)	(58%)
642,823	654,990	584,060	(12,168)	(2%)
Beginning of Period- PSR				
57,409	57,409	57,409	0	0%
(6,949)	(4,071)	0	(2,878)	71%
50,461	53,338	57,409	(2,878)	(5%)
Beginning of Period Total Net Position				
691,558	691,558	590,230	0	0%
\$693,283	\$708,328	\$641,470	(15,046)	(2%)
End of Period Total Net Position				
			101,328	17%
			\$51,813	8%

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



November 30

	2014	2013
	(in thousands)	
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 21,720	\$ 20,942
Advance Deposit with Carrier/Trustee	203,187	213,314
Receivables - Net	5,473	5,852
Prepaid Insurance	3,630	3,336
Total Short Term Assets	234,010	243,444
Long Term Assets		
Investments	141,032	140,130
Total Long Term Assets	141,032	140,130
TOTAL ASSETS	375,042	383,574
LIABILITIES		
Short Term Liabilities		
Accounts payable	1,581	5,620
Claims Payable	-	126
OPEB Liability	388	372
Agents Commissions Payable	470	401
Unearned Revenue	12,361	11,055
Current Estimated Claim Reserve	53,448	53,327
Total Short Term Liabilities	68,249	70,901
Long Term Liabilities		
Compensated Absences	76	64
Estimated Noncurrent Claim Reserve	102,297	94,793
Total Long Term Liabilities	102,373	94,857
TOTAL LIABILITIES	170,622	165,758
Prior Year Net Assets	208,911	215,048
Current Year Earnings (Deficiency)	(4,491)	2,768
TOTAL NET ASSETS	204,420	217,816
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 375,042	\$ 383,574

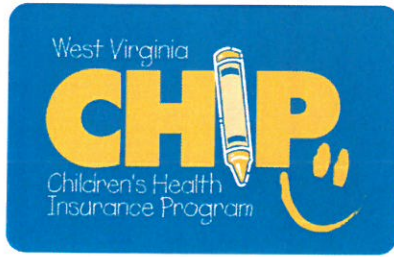
DRAFT - Unaudited - Management Purposes Only

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



	November 30	
	2014	2013
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 24,403	\$ 22,891
Less - Excess Insurance	(2,565)	(2,749)
Total Operating Revenues	21,838	20,142
Operating Expenses		
Claims Expense	26,229	23,149
Property & MS Claims Expense	1,017	692
Personal Services	560	585
General & Administrative Expense	755	1,023
Total Operating Expenses	28,561	25,449
Operating Income (Loss)	(6,723)	(5,307)
Nonoperating Revenues		
Investment Income	2,232	8,075
Total Nonoperating Revenues	2,232	8,075
Net Income (Loss)	\$ (4,491)	\$ 2,768

DRAFT - Unaudited - Management Purposes Only

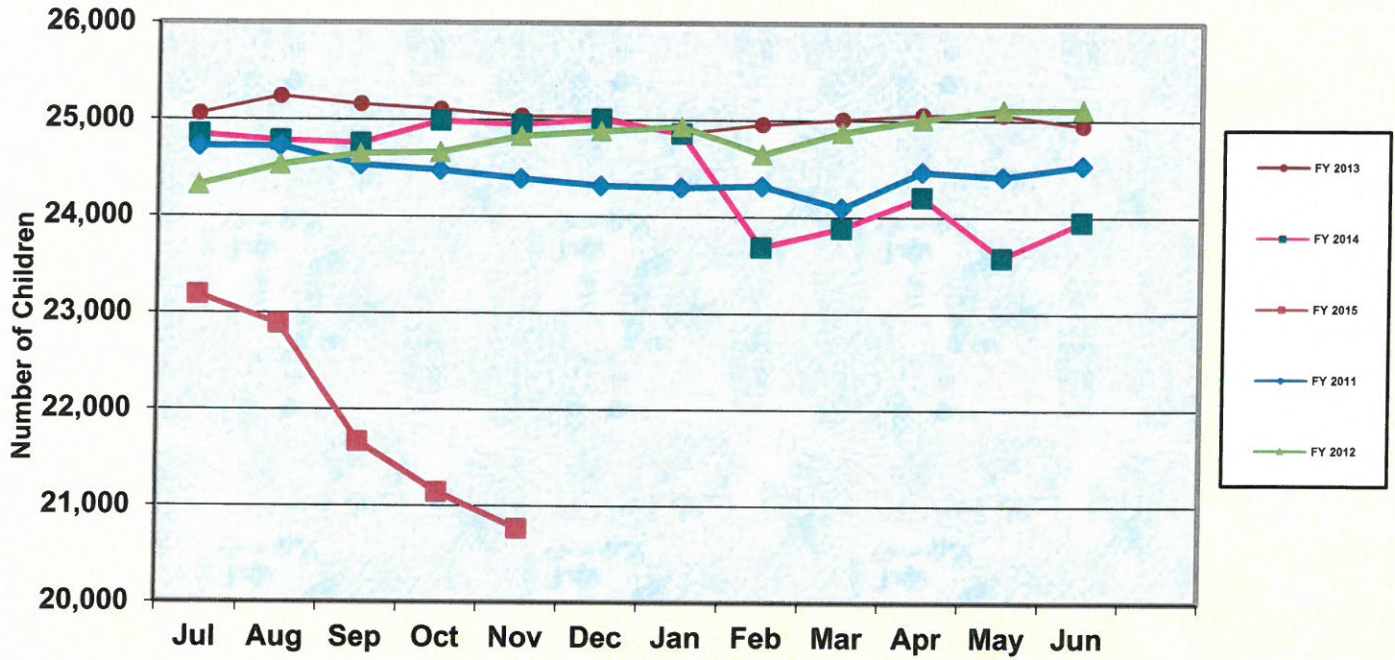


West Virginia Children's Health Insurance Program
2 Hale Street
Suite 101
Charleston, WV 25301
304-558-2732 voice / 304-558-2741 fax
Helpline 877-982-2447
www.chip.wv.gov

Joint Committee on Government and Finance Report

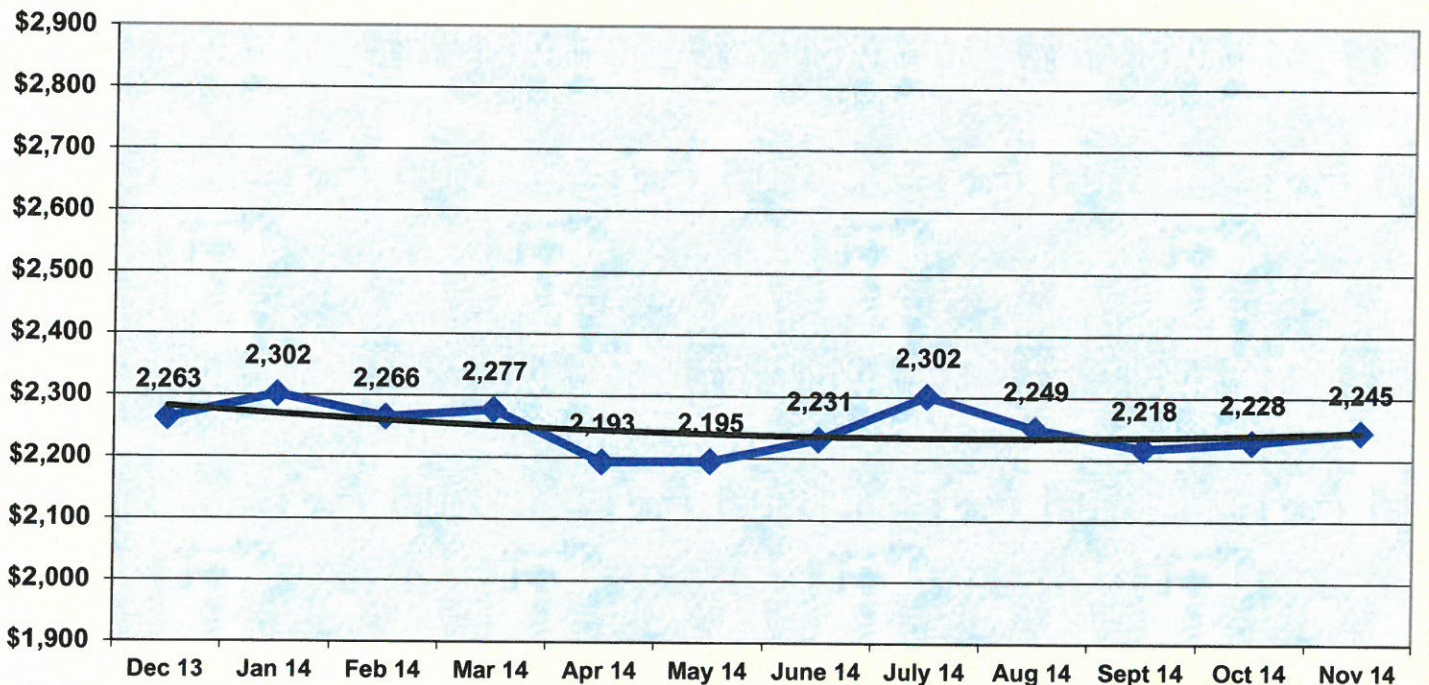
January 2015

WV CHIP Enrollment



November 30th Enrollment 20,768

Annualized Health Care Expenditures (Cost per Child)



West Virginia Children's Health Insurance Program
Comparative Balance Sheet
November 2014 and 2013
(Accrual Basis)

	November 30, 2014	November 30, 2013	Variance	
Assets:				
Cash & Cash Equivalents	\$13,451,714	\$13,705,855	(\$254,140)	-2%
Due From Federal Government	\$3,724,776	\$5,135,734	(\$1,410,958)	-27%
Due From Other Funds	\$909,247	\$1,079,487	(\$170,239)	-16%
Accrued Interest Receivable	\$8,949	\$7,911	\$1,038	13%
Fixed Assets, at Historical Cost	<u>\$93,386</u>	<u>\$93,386</u>	<u>\$0</u>	<u>0%</u>
Total Assets	<u>\$18,188,073</u>	<u>\$20,022,373</u>	<u>(\$1,834,300)</u>	<u>-9%</u>
Liabilities:				
Accounts Payable	\$534,899	\$293,432	\$241,467	82%
Deferred Revenue	\$663,263	\$1,370,049	(\$706,786)	-52%
Unpaid Insurance Claims Liability	<u>\$4,000,000</u>	<u>\$5,040,000</u>	<u>(\$1,040,000)</u>	<u>-21%</u>
Total Liabilities	<u>\$5,198,162</u>	<u>\$6,703,481</u>	<u>(\$1,505,319)</u>	<u>-22%</u>
Fund Equity	<u>\$12,989,911</u>	<u>\$13,318,892</u>	<u>(\$328,981)</u>	<u>-2%</u>
Total Liabilities and Fund Equity	<u>\$18,188,073</u>	<u>\$20,022,373</u>	<u>(\$1,834,300)</u>	<u>-9%</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, 2014 and November 30, 2013
(Modified Accrual Basis)

	November 30, 2014	November 30, 2013	Variance	
Revenues				
Federal Grants	18,192,858	19,895,231	(1,702,373)	-9%
State Appropriations	4,195,490	4,194,852	638	0%
Premium Revenues	419,610	343,125	76,485	22%
Investment Income:				
Investment Earnings	<u>39,035</u>	<u>32,607</u>	<u>6,428</u>	<u>20%</u>
Total Revenues	<u>22,846,993</u>	<u>24,465,815</u>	<u>(1,618,822)</u>	<u>-7%</u>
Expenditures:				
Claims:				
Outpatient Services	5,987,518	5,874,126	113,392	2%
Physicians & Surgical	4,488,569	3,935,716	552,853	14%
Prescribed Drugs	3,290,494	4,269,399	(978,905)	-23%
Dental	3,090,369	3,605,013	(514,644)	-14%
Inpatient Hospital Services	1,426,620	2,211,863	(785,243)	-36%
Outpatient Mental Health	627,914	647,497	(19,583)	-3%
Inpatient Mental Health	464,648	612,894	(148,246)	-24%
Durable & Disposable Med. Equip.	529,393	587,524	(58,131)	-10%
Vision	384,657	401,145	(16,488)	-4%
Therapy	275,527	317,950	(42,423)	-13%
Medical Transportation	210,442	170,222	40,220	24%
Other Services	41,074	46,627	(5,553)	-12%
Less: Collections**	<u>(230,294)</u>	<u>(436,280)</u>	<u>205,986</u>	<u>-47%</u>
Total Claims	<u>20,586,931</u>	<u>22,243,696</u>	<u>(1,656,765)</u>	<u>-7%</u>
General and Admin Expenses:				
Salaries and Benefits	268,944	264,204	4,740	2%
Program Administration	1,368,525	1,046,621	321,904	31%
Eligibility	36,000	211,848	(175,848)	-83%
Outreach & Health Promotion	361,977	256,927	105,050	41%
Current	<u>100,764</u>	<u>76,938</u>	<u>23,826</u>	<u>31%</u>
Total Administrative	<u>2,136,210</u>	<u>1,856,538</u>	<u>279,672</u>	<u>15%</u>
Total Expenditures	<u>22,723,141</u>	<u>24,100,234</u>	<u>(1,377,093)</u>	<u>-6%</u>
Excess of Revenues				
Over (Under) Expenditures	123,852	365,581	(241,729)	-66%
Unrealized Gain(loss) On Investments*	(52)	11,987	(12,039)	-100%
Fund Equity, Beginning	<u>12,866,112</u>	<u>12,941,324</u>	<u>(75,212)</u>	<u>-1%</u>
Fund Equity, Ending	<u>12,989,911</u>	<u>13,318,892</u>	<u>(328,981)</u>	<u>-2%</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 2015
 For the Five Months Ended November 30, 2014

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*	Monthly Budgeted Amt	Actual Amt Nov-14	Actual Amt Oct-14	Actual Amt Sep-14
Projected Cost	\$44,941,229	\$18,725,512	\$20,012,112	(\$1,286,600)	\$3,745,102	\$2,997,702	\$4,888,724	\$3,804,915
Premiums	1,687,540	703,142	\$419,610	(\$283,532)	140,628	75,373	91,578	89,690
Subrogation & Rebates	1,100,607	458,586	\$230,294	(228,293)	91,717	0	31,947	186,695
Net Benefit Cost	42,153,082	17,563,784	\$19,362,208	(\$1,798,424)	3,596,831	2,922,329	4,765,199	3,528,531
Salaries & Benefits	\$680,653	\$283,605	\$268,945	\$14,660	\$56,721	\$51,166	\$51,166	\$51,166
Program Administration	1,781,676	742,365	\$1,263,377	(521,012)	148,473	276,169	263,217	254,064
Eligibility	250,000	104,167	\$22,205	81,962	20,833	3,910	0	18,295
Outreach & Health Prom.	380,900	158,708	\$170,804	(12,096)	31,742	4,738	152,290	5,085
Current Expense	220,000	91,667	\$103,514	(11,847)	18,333	28,287	14,062	24,915
Total Admin Cost	\$3,313,229	\$1,380,512	\$1,828,845	(\$448,333)	\$276,102	\$364,270	\$480,735	\$353,525
Total Program Cost	\$45,466,311	\$18,944,296	\$21,191,053	(\$2,246,757)	\$3,872,933	\$3,286,599	\$5,245,934	\$3,882,056
Federal Share 79.95%	36,350,316	15,145,965	\$16,918,196	(1,772,231)	3,089,052	2,627,636	4,194,124	3,096,328
State Share 20.05%	9,115,995	3,798,331	\$4,272,857	(474,526)	783,882	658,963	1,051,810	785,728
Total Program Cost **	\$45,466,311	\$18,944,296	\$21,191,053	(\$2,246,757)	\$3,872,933	\$3,286,599	\$5,245,934	\$3,882,056

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2014 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 Scenerio dated 6/30/14 Final worksheet Net Paid Program Costs.

2/. Federal Share for FFY 2015 is 79.95%. Federal Share for FFY 2014 (10/1/13 - 9/30/14) is set at 79.76%.

Department of Administration Real Estate Division Leasing Report
For the period of December 1, 2014 through December 31, 2014

NEW CONTRACT OF LEASE

DIVISION OF REHABILITATION SERVICES

DRS-123 New Contract of Lease for 3 years consisting of 254 square feet of office space at the monthly rate of \$250.00, annual cost \$3,000.00, full service, 1601 Armory Drive, in the City of Williamson, Mingo County, West Virginia.

PUBLIC EMPLOYEE'S GRIEVANCE BOARD

EGB-015 New Contract of Lease for 1 year consisting of unlimited use of the Conference Room, and/or the Video Conferencing Room when available at the monthly rate of \$225.00, annual cost \$2,700.00, full service, 10 11th Street, in the City of Elkins, Randolph County, West Virginia.

DEPARTMENT OF VETERANS ASSISTANCE

VET-041 New Contract of Lease for 5 years consisting of 1,500 square feet of office space at the annual per square foot rate of \$10.00, annual cost \$15,000.00, full service, 111 Randolph Street, in the City of Beckley, Raleigh County, West Virginia.

STRAIGHT RENEWAL

DIVISION OF CULTURE AND HISTORY

DCH-002 Renewal for 1 year consisting of 270 square feet of storage space at the current monthly rate of \$391.00, annual cost \$4,692.00, 200 Piedmont Road, in the City of Charleston, Kanawha County, West Virginia.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-175 Renewal for 2 years consisting of 300 square feet of storage space at the current monthly rate of \$115.00, annual cost \$1,380.00, full service, 800 Northside Drive, in the City of Summersville, Nicholas County, West Virginia.

DEP-113 Renewal for 5 years consisting of an air monitoring site at the current annual rate of \$1, Oak Street, in the City of Weirton, Hancock County, West Virginia.

DIVISION OF FORESTRY

FOR-089 Renewal for 1 year consisting of 250 square feet of office space at the current monthly rate of \$250.00, annual cost \$3,000.00, full service, 300-B Second Avenue, in the City of Marlinton, Pocahontas County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-212 Renewal for 3 years consisting of 1,355 square feet of office space at the current annual per square foot rate of \$13.50, annual cost \$18,292.50, full service, 405 Capitol Street, Suite 800, in the City of Charleston, Kanawha County, West Virginia.

STRAIGHT RENEWAL - CONTINUED

BOARD OF OSTEOPATHY

OST-002 Renewal for 5 years consisting of 1,081 square feet of office space at the current annual per square foot rate of \$15.61, annual cost \$16,874.41, full service, 405 Capitol Street, Suite 800, in the City of Charleston, Kanawha County, West Virginia.

DEPARTMENT OF VETERANS ASSISTANCE

VET-037 Renewal for 3 years consisting of 2,620 square feet of office space at the current annual per square foot rate of \$18.65, annual cost \$48,863, full service, 1514 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

INCREASE IN RENT AND SQUARE FEET

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-207 Increase of square feet from 7,855 square feet to 8,473 square feet of office and an increase in the annual per square foot rate from \$8.30 to \$8.33, annual cost \$70,596.48, 320 Summers Street, in the City of Hinton, Summers County, West Virginia.

CANCELLATION

DIVISION OF REHABILITATION SERVICES

DRS-114 Lease cancellation consisting of 200 square feet of office space, at the monthly rate of \$250.00 annual cost \$3,000.00, full service, 16 West 4th Avenue, in the City of Williamson, Mingo County, West Virginia

Real Estate Division
 Monthly Summary of Lease Activity
 December 1- 31, 2014

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	Division of Rehabilitation Services	DRS-123	Mingo	254	0.00	3,000	3	9,000
2	Public Employee's Grievance Board	EGB-015	Randolph	0	0.00	2,700	1	2,700
3	Department of Veterans Assistance	VET-041	Raleigh	1,500	10.00	15,000	5	75,000
4	Division of Culture and History	DCH-002	Kanawha	270	0.00	4,692	1	4,692
5	Department of Environmental Protection	DEP-175	Nicholas	300	0.00	1,380	2	2,760
6	Department of Environmental Protection	DEP-113	Hancock	0	0.00	1	5	5
7	Division of Forestry	FOR-089	Marlinton	250	0.00	3,000	1	3,000
8	Department of Health and Human Resources	HHR-212	Kanawha	1,355	13.50	18,293	3	54,878
9	Board of Osteopathy	OST-002	Kanawha	1,081	15.61	16,874	5	84,372
10	Department of Veterans Assistance	VET-037	Kanawha	2,620	18.65	48,863	3	146,589
11	Department of Health and Human Resources	HHR-207	Summers	8,473	8.33	70,596	6	423,576

Total Rentable Square Feet 16,103
 Average Annual Rental Rate 66.09
 Total Annual Rent 184,399

CANCELLATIONS

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Division of Rehabilitation Services	DRS-114	Mingo	200	0.00	3,000

Total Rentable Square Feet 200

Joint Committee on Government and Finance

January 2015

Department of Health and Human Resources

MEDICAID REPORT

November 2014 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2015

MONTH OF NOVEMBER 2014

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2014	SFY2015	Current Month Ended 11/30/14	Current Month Ended 11/31/2014	Year To-Date Thru 11/30/14	12/1/14 Thru 6/30/15
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	202,966,397	296,972,557	18,789,462	22,857,577	97,965,035	199,007,522
Inpatient Hospital - DSH	54,939,002	55,093,200	13,430,303	13,773,300	27,893,414	27,199,786
Inpatient Hospital - Supplemental Payments	95,218,203	99,243,734	1,846,008	1,841,226	27,926,054	71,317,680
Inpatient Hospital - GME Payments	5,949,840	6,326,500	1,581,469	1,619,337	3,049,965	3,276,535
Mental Health Facilities	87,806,454	122,932,546	7,099,490	9,719,883	44,175,117	78,757,429
Mental Health Facilities - DSH Adjustment Payments	18,887,345	18,890,400	4,703,995	4,722,600	9,426,846	9,463,554
Nursing Facility Services - Regular Payments ⁽²⁾	559,628,460	578,734,134	51,868,446	48,253,130	242,646,180	336,087,954
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	67,221,628	72,056,000	5,410,845	6,004,667	28,227,489	43,828,511
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	116,054,513	155,238,580	18,124,270	11,951,824	87,224,570	68,014,010
Physicians Services - Supplemental Payments	28,165,918	27,215,100	-	-	13,942,147	13,272,953
Physician and Surgical Services - Evaluation and Management	29,338,785	18,441,600	1,294,266	1,418,585	6,772,881	11,668,719
Physician and Surgical Services - Vaccine Codes	110,721	75,600	8,146	5,815	26,180	49,420
Outpatient Hospital Services - Regular Payments	123,004,028	161,803,026	15,619,648	12,459,886	79,683,596	82,119,430
Outpatient Hospital Services - Supplemental Payments	69,977,049	72,726,937	18,039,988	17,183,729	36,510,049	36,216,888
Prescribed Drugs	287,304,468	372,497,808	34,406,007	28,960,292	183,551,794	188,946,014
Drug Rebate Offset - National Agreement	(168,922,640)	(168,924,131)	(3,700,824)	(2,212,906)	(89,860,153)	(79,063,978)
Drug Rebate Offset - State Sidebar Agreement	(12,751,219)	(12,751,272)	(660,430)	(167,042)	(6,491,273)	(6,259,999)
Drug Rebate Offset - MCO National	(27,180,928)	(27,180,975)	(674,041)	(356,071)	(17,902,186)	(9,278,789)
Drug Rebate Offset - MCO State Sidebar Agreement	(2,850,937)	(2,850,937)	(379,986)	(37,347)	(1,776,867)	(1,074,070)
Dental Services	45,190,521	30,845,122	2,776,900	2,375,893	14,158,233	16,686,889
Other Practitioners Services - Regular Payments	12,358,000	18,652,949	1,829,624	1,456,694	8,503,409	10,149,540
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	4,864,483	6,887,054	460,722	536,879	2,751,761	4,135,294
Lab & Radiological Services	29,768,394	40,200,330	4,476,769	3,103,448	20,630,077	19,570,253
Home Health Services	46,115,847	66,394,723	4,278,744	5,144,970	24,042,231	42,352,492
Hysterectomies/Sterilizations	190,026	223,510	43,277	17,193	174,746	48,764
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	532,619	970,556	85,035	74,686	402,482	568,074
Rural Health Clinic Services	9,274,142	13,370,879	951,119	1,030,942	5,129,064	8,241,815
Medicare Health Insurance Payments - Part A Premiums	18,059,667	18,933,000	1,509,099	1,577,750	6,246,900	12,686,100
Medicare Health Insurance Payments - Part B Premiums	85,786,596	96,349,700	7,720,055	8,029,142	38,684,362	57,665,338
120% - 134% Of Poverty	6,855,111	6,826,900	636,533	525,146	3,139,236	3,687,664
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	8,655,028	9,076,700	685,297	698,208	4,050,662	5,026,038

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2015

	MONTH OF NOVEMBER 2014		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2014	SFY2015	Current Month Ended 11/30/14	SFY2015	Current Month Ended 11/31/2014	Current Month Ended 11/31/2014	Year To-Date Thru 11/30/14	12/1/14 Thru 6/30/15
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	539,256,030	504,449,230	47,410,940	504,449,230	47,410,940	42,037,436	248,211,641	256,237,589
Medicaid MCO - Evaluation and Management	25,540,683	14,586,600	1,689,480	14,586,600	1,689,480	1,215,550	8,462,025	6,124,575
Medicaid MCO - Vaccine Codes	1,356,766	799,200	85,796	799,200	85,796	66,600	429,880	369,320
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	466,213	475,900	37,390	475,900	37,390	36,608	200,110	275,790
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	353,850,681	377,765,200	30,354,485	377,765,200	30,354,485	29,058,862	154,428,593	223,336,607
Home & Community-Based Services (Aged/Disabled)	105,482,065	113,605,917	7,796,623	113,605,917	7,796,623	8,759,292	42,301,332	71,304,585
Home & Community-Based Services (Traumatic Brain Injury)	613,943	3,617,500	67,317	3,617,500	67,317	278,269	324,046	3,293,454
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-	-	-
Personal Care Services - Regular Payments	68,109,380	70,724,789	6,352,404	70,724,789	6,352,404	5,440,554	31,205,419	39,519,370
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-	-	-
Targeted Case Management Services - State Wide	2,704,666	3,829,030	196,438	3,829,030	196,438	295,229	1,168,666	2,660,364
Primary Care Case Management Services	135,444	186,888	8,487	186,888	8,487	14,376	45,015	141,873
Hospice Benefits ⁽³⁾	27,186,553	41,011,855	1,653,011	41,011,855	1,653,011	3,154,758	10,382,746	30,629,109
Emergency Services Undocumented Aliens	266,289	476,654	4,146	476,654	4,146	36,666	32,412	444,242
Federally Qualified Health Center	22,567,905	33,064,597	3,242,553	33,064,597	3,242,553	2,548,995	21,948,108	11,116,488
Non-Emergency Medical Transportation	26,428,386	26,128,337	3,405,120	26,128,337	3,405,120	2,009,970	15,455,036	10,673,302
Physical Therapy	2,705,214	3,678,956	428,495	3,678,956	428,495	283,014	2,404,608	1,274,348
Occupational Therapy	475,840	660,048	38,685	660,048	38,685	50,773	240,463	419,585
Services for Speech, Hearing & Language	482,117	696,670	46,091	696,670	46,091	53,590	252,058	444,612
Prosthetic Devices, Dentures, Eyeglasses	1,866,935	2,663,040	189,830	2,663,040	189,830	204,973	998,515	1,664,525
Diagnostic Screening & Preventive Services	878,891	1,005,483	161,596	1,005,483	161,596	77,364	733,039	272,444
Nurse Mid-Wife	264,176	576,179	24,917	576,179	24,917	44,321	184,046	392,133
Emergency Hospital Services	(3,569)	(3,700)	(80)	(3,700)	(80)	(285)	(64)	(3,636)
Critical Access Hospitals	41,779,836	63,464,847	5,931,235	63,464,847	5,931,235	4,883,279	30,750,739	32,714,108
Nurse Practitioner Services	2,455,160	5,257,135	244,966	5,257,135	244,966	404,570	1,553,817	3,703,318
School Based Services	41,449,335	50,270,801	2,724,227	50,270,801	2,724,227	3,866,996	20,354,300	29,916,500
Rehabilitative Services (Non-School Based)	84,277,000	124,593,380	6,925,052	124,593,380	6,925,052	9,633,056	39,861,401	84,731,979
Private Duty Nursing	6,330,885	9,043,296	537,664	9,043,296	537,664	695,638	3,194,439	5,848,857
Health Home for Enrollees w Chronic Conditions	-	-	18,828	-	18,828	-	20,103	(20,103)
Other Care Services	22,375,566	36,116,931	2,338,597	36,116,931	2,338,597	2,793,843	13,437,064	22,679,867
Less: Recoupments	-	-	(105,902)	-	(105,902)	-	(290,847)	290,847
NET EXPENDITURES:	3,181,819,910	3,644,016,591	334,068,627	3,644,016,591	334,068,627	320,513,733	1,549,192,711	2,094,823,881

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2015

MONTH OF NOVEMBER 2014

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2014	SFY2015	Current Month Ended 11/30/14	Current Month Ended 11/31/2014	Year To-Date Thru 11/30/14	12/1/14 Thru 6/30/15
Collections: Third Party Liability (line 9A on CMS-64)	(7,458,103)	-	-	-	(1,461,977)	1,461,977
Collections: Probate (line 9B on CMS-64)	(529,196)	-	-	-	(262,455)	262,455
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(173,874)	-	-	-	-	-
Collections: Other (line 9D on CMS-64)	(5,395,229)	-	-	-	(4,958,443)	4,958,443
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	3,168,263,508	3,644,016,591	334,068,627	320,513,733	1,542,509,836	2,101,506,756
Plus: Medicaid Part D Expenditures	37,132,361	36,765,889	3,097,066	3,063,824	15,409,741	21,356,148
Plus: State Only Medicaid Expenditures	2,040,451	2,067,598	78,155	159,046	409,955	1,657,643
Plus: Money Follow the Person Expenditures	677,570	4,319,230	92,393	332,248	456,644	3,862,587
TOTAL MEDICAID EXPENDITURES	\$ 3,208,113,890	\$ 3,687,169,308	\$ 337,336,241	\$ 324,068,851	\$ 1,558,786,175	\$ 2,128,383,133
Plus: Reimbursables ⁽¹⁾	6,526,128	7,593,130	362,706	584,087	2,020,638	5,572,492
TOTAL EXPENDITURES	\$ 3,214,640,017	\$ 3,694,762,438	\$ 337,698,947	\$ 324,652,938	\$ 1,560,806,813	\$ 2,133,955,625

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

(2) Of the amount in the "Nursing Facility Services-Regular Payments" line, \$9,345,238 is the amount paid to State Facilities year to date.

(3) Of the amount in the "Hospice Benefits" line, \$7,573,565 is the amount paid to Nursing Facilities for Hospice Benefits year to date.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2015

5 Months Actuals

7 Months Remaining

MONTH OF NOVEMBER 2014	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2014	Current Month Ended 11/30/14	Year-To-Date Thru 11/30/14	12/1/14 Thru 6/30/15	SFY2015
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	\$ 34,992,812	\$ 17,678,366	\$ 19,168,922	\$ -	\$ 19,168,922
MATCHING FUNDS					
General Revenue (0403/189)	276,200,578	28,044,495	134,559,713	178,016,379	312,576,092
MRDD Waiver (0403/466)	88,753,483	6,508,589	30,767,875	57,985,608	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	1,081,666	1,514,334	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	2,648,334	3,707,666	6,356,000
Traumatic Brain Injury (0403/835)	800,000	58,667	277,334	522,666	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	996,865	4,712,455	8,881,165	13,593,620
Medical Services Surplus (0403/633)	7,400,000	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	1,000,000	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	21,335,090	4,402,192	8,204,384	8,804,384	17,008,768
Lottery Waiver (0420/539)	10,131,368	3,989,423	7,978,846	7,978,844	15,957,690
Lottery Transfer (5405/871)	50,588,667	2,167,500	4,335,000	4,335,000	8,670,000
Excess Lottery (5365/189)	96,543,971	-	-	26,228,418	26,228,418
Trust Fund Appropriation (5185/189)	67,559,964	8,650,000	95,924,230	36,357,047	132,281,277
Provider Tax (5090/189)	220,735,944	14,448,332	83,929,422	119,151,585	203,081,007
Certified Match	20,992,555	1,515,188	9,655,486	13,867,501	23,522,988
Reimbursables - Amount Reimbursed	6,824,604	1,555,726	1,710,878	5,882,251	7,593,130
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	5,845,141	47,634	540,817	1,625,586	2,166,403
CMS - 64 Adjustments	690,029	-	221,957	(221,957)	-
TOTAL MATCHING FUNDS	\$ 932,939,826	\$ 90,808,977	\$ 405,717,320	\$ 474,636,478	\$ 880,353,798
FEDERAL FUNDS	\$ 2,332,959,079	\$ 259,406,373	\$ 1,172,999,594	\$ 1,600,269,512	\$ 2,773,269,106
TOTAL REVENUE SOURCES	\$ 3,265,898,904	\$ 350,215,351	\$ 1,578,716,914	\$ 2,074,905,990	\$ 3,653,622,904
TOTAL EXPENDITURES:					
Provider Payments	\$ 3,214,640,017	\$ 337,698,947	\$ 1,560,806,813	\$ 2,133,955,625	\$ 3,694,762,438
TOTAL	\$ 51,258,887	\$ 12,516,403	\$ 17,910,101	\$ -	\$ (41,139,534)

Note: FMAP (71.09% applicable Jul. - Sep. 2014) (71.35% applicable Oct. 2014 - Jun. 2015)

Joint Committee on Government and Finance

January 2015

Department of Health and Human Resources

MEDICAID WAIVER REPORT

November 2014 Data

**WV Department of Health and Human Resources
Bureau for Medical Services AD Waiver Program Report**

Aged Disabled Waiver Reported November 30, 2014		FY 2014 YTD	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD 2015
Slots Approved By CMS (1)		6,409	6,199	6,199	6,199	6,199	6,199								6,199
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count		6,183	5,412	5,544	5,654	5,675	5,731								5,731
Applicants determined eligible this month and added to MEL (3)		1,245	199	70	224	190	194								877
Applicants determined ineligible		210	8	11	18	25	12								74
ACTIVE MEMBERS															
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		5,330	5,412	5,453	5,535	5,480	5,520								5,520
Active members enrolled during the calendar month		470	101	181	143	131	70								626
Members discharged during the calendar month		853	0	140	61	186	30								417
ADW Members whose case was closed by reason	Member is deceased	518	0	77	16	70	10								173
	Other (4)	267	0	63	45	116	20								244
MANAGED ENROLLMENT LIST (MEL)															
# Eligible applicants closed during the calendar month (removed from)		new	529	216	284	347	186								1,562
ADW Applicants removed from the MEL	Applicant offered a slot	new	458	207	200	270	59								1,194
	Applicant became deceased		532	29	9	50	24	19							131
	Other (5)	new	40	0	34	53	108								235
Applicants on the MEL who are in a nursing facility YTD Column reflects average # members in setting		55	138	88	51	82	82								88
Applicants on the MEL receiving Personal Care YTD Column reflects average # members in setting		140	69	227	199	173	167								167
Applicants on the MEL at the end of the month		2,119	1,789	1,643	1,583	1,426	1,434								N/A
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days		Jul-12	510	541	539	450	465								501

(1) Of the 6,199 slots approved by CMS, 70 are reserved for the Money Follows the Person and Rebalancing Demonstration Grant. This includes slots created by legislative appropriations but not yet submitted to CMS for approval due to the State-wide transition plan requirement.

(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(3) Monthly number added to MEL is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

(4) Other reason for closing a case may include, but is not limited to: No services for 180 days, unsafe environment, member non-compliance with program, member no longer desires services, member no longer a WV resident, member no longer medically or financially eligible.

(5) "Other" includes those who are no longer a WV resident, voluntarily decline the program, etc.

(6) Was previously reported in month/year. Now reported in actual days on the MEL

All data reported by Utilization Management Contractor is effective as of transpire date in web-based system. Data is point-in-time.

**WV Department of Health and Human Resources
Bureau for Medical Services I/DD Waiver Program Report**

Intellectual/Developmental Disabilities Waiver Reported November 30, 2014	FY 2014	July-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD 2015
Slots approved by CMS	4,534	4,634	4,634	4,634	4,634	4,634								4,634
Total number of members served YTD (unduplicated slots used) (1)	4,534	4,634	4,634	4,634	4,634	4,634								4,634
Applicants determined eligible (2)	348	52	35	34	35	37								193
Applicants determined ineligible (3)	292	38	33	31	42	29								173
ACTIVE MEMBERS														
# of active members at the end of the month (unduplicated slots active) (1)	4,435	4,603	4,607	4,596	4,591	4,585								4,585
Discharged members at the end of the calendar month	114	8	11	12	9	6								46
Discharged members who were discharged by reason	Deceased	49	3	6	5	4	4							22
	Left program to enter a facility	10	0	0	3	1	0							4
	Other (6)	55	5	5	4	4	2							20
MANAGED ENROLLMENT LIST (MEL)														
Total number of applicants on the MEL at the end of the month	972	848	868	899	932	966								966
Number of applicants added to the MEL (4)	348	52	35	34	35	37								193
Applicants enrolled (moved from the MEL)	155	176	15	0	6	0								197
Applicants removed from the MEL due to Death (5)	10	0	0	1	1	0								2
Applicants on the MEL who are in a Nursing Facility	2 Avg.	3	3	3	3	3								3
Applicants on the MEL who are in an ICF/IID Group Home	52 Avg.	53	54	57	57	59								59
Applicants on the MEL receiving Personal Care Services each month	40 Avg.	47	51	54	56	57								57
Longest on the MEL to date (7)	945	738 Days	769 Days	799 Days	830 Days	860 Days								860 Days

(1) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(2 and 3) Numbers determined medically eligible and ineligible reflect the activity for the month reported. Financial eligibility is not determined until after slot release.

(4) Monthly managed enrollment is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on the date the Medical Eligibility Contract Agent (MECA) determines medical eligibility.

(5) Currently there is no way to track other reasons why someone may leave the MEL for reasons such as moved out of state, decided not to participate in program, etc.

(6) Other reason for program discharge may include, but is not limited to, member is no longer financial or medically eligible, moved out of state, no longer wants the service, etc.

(7) Longest number of days an applicant has been on the MEL.

**WV Department of Health and Human Resources
Bureau for Medical Services TBI Waiver Program Report**

Traumatic Brain Injury Waiver Reported November 30, 2014		FY 2014	July-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	YTD 2015
Slots Approved By CMS		125	125	125	125	125	125	125	125	125	125	125	125	125	125
Total number of members served YTD (unduplicated slots used) (1)		46	43	44	48	48	50								50
Applicants determined eligible and became active this month (2)		37	6	1	4	0	2								13
Applicants determined ineligible (3)		17	0	0	0	0	2								2
ACTIVE MEMBERS															
Active members at the end of the month (unduplicated slots active)		37	43	44	48	44	46								44
Closed member at the end of the calendar month		9	0	0	0	4	0								4
TBI Members whose case was closed by reason	Deceased	1	0	0	0	1	0								1
	Left program to enter a faculty	1	0	0	0	0	0								0
	Other (4)	7	0	0	0	3	0								3
MANAGED ENROLLMENT LIST (MEL) *															
Total number of applicants on the MEL at the end of the month		N/A	N/A	N/A	N/A	N/A	N/A								N/A
Number of applicants added to the MEL		N/A	N/A	N/A	N/A	N/A	N/A								N/A
Applicants enrolled (moved from the MEL due to slot releases)		N/A	N/A	N/A	N/A	N/A	N/A								N/A
Applicants removed from the MEL due to death		N/A	N/A	N/A	N/A	N/A	N/A								N/A
New Applicants on the MEL who are in a nursing facility		N/A	N/A	N/A	N/A	N/A	N/A								N/A
New Applicants on the MEL receiving Personal Care each month		N/A	N/A	N/A	N/A	N/A	N/A								N/A
Longest on the MEL to date		N/A	N/A	N/A	N/A	N/A	N/A								N/A

(1) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(2 and 3) Numbers determined eligible and ineligible reflect the activity for the month reported. Eligibility refers to medical eligibility only. Financial eligibility is determined at a later date.

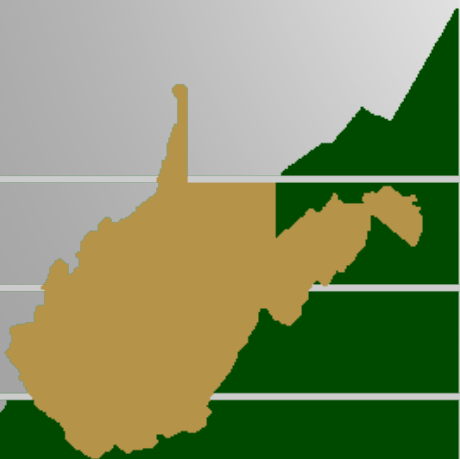
(4) Currently there is no way to track other reasons why someone may leave the MEL for reasons such as moved out of state, decided not to participate in program, etc.

* There is currently no Managed Enrollment List for the TBI Waiver Program.

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

November 30, 2014



West Virginia Investment Management Board
 Participant Plans Allocation & Performance Net of Fees
 As of November 30, 2014

	6/30/2014		11/30/2014		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	16,877,312	100.0	16,708,564	100.0							
Pension Assets	13,389,464	79.3	13,273,899	79.4							
Public Employees' Retirement System	5,629,812	33.4	5,617,447	33.6	1.0	(0.4)	0.6	8.7	12.4	10.5	7.3
Teachers' Retirement System	6,655,376	39.3	6,558,969	39.3	1.0	(0.4)	0.6	8.7	12.3	10.4	7.0
EMS Retirement System	53,343	0.3	53,199	0.3	1.0	(0.4)	0.6	8.7	12.3	10.4	
Public Safety Retirement System	601,077	3.6	589,440	3.5	1.0	(0.4)	0.6	8.6	12.4	10.5	7.2
Judges' Retirement System	165,239	1.0	165,226	1.0	1.0	(0.4)	0.6	8.7	12.3	10.5	7.2
State Police Retirement System	120,572	0.7	123,268	0.7	1.0	(0.4)	0.6	8.7	12.3	10.4	7.2
Deputy Sheriffs' Retirement System	161,491	1.0	163,496	1.0	1.0	(0.4)	0.6	8.7	12.3	10.5	7.3
Municipal Police & Firefighter Retirement System	1,150	0.0	1,460	0.0	1.0	(0.4)	0.6	8.5	11.5		
Municipal Model A	1,404	0.0	1,394	0.0	1.0	(0.4)	0.6	8.5			
Insurance Assets	2,449,418	14.5	2,457,888	14.7							
Workers' Compensation Old Fund	1,197,954	7.0	1,212,478	7.2	0.4	(0.6)	0.1	5.2	6.3	6.0	
Workers' Comp. Self-Insured Guaranty Risk Pool	15,707	0.1	15,691	0.1	0.7	(0.3)	0.4	5.6	7.1	5.2	
Workers' Comp. Self-Insured Security Risk Pool	7,165	0.0	8,371	0.1	0.6	(0.4)	0.3				
Workers' Comp. Uninsured Employers' Fund	10,704	0.1	10,743	0.1	0.7	(0.3)	0.4	5.4	7.0	4.8	
Pneumoconiosis	269,556	1.6	264,435	1.6	0.7	(0.3)	0.4	5.7	7.1	6.7	5.4
Board of Risk & Insurance Management	147,378	0.9	141,032	0.8	0.7	(0.3)	0.5	5.7	7.2	6.9	5.9
Public Employees' Insurance Agency	214,210	1.3	215,168	1.3	0.7	(0.3)	0.4	5.9	7.0	6.7	
WV Retiree Health Benefit Trust Fund	584,257	3.5	587,833	3.5	1.0	(0.4)	0.6	8.7	11.5	9.4	
AccessWV	2,487	0.0	2,137	0.0	0.0	0.0	0.0	1.3	2.0		
Endowment Assets	1,038,430	6.2	976,777	5.9							
Wildlife Fund	52,488	0.3	52,442	0.3	1.0	(0.4)	0.6	8.7	12.3	10.4	7.2
Prepaid Tuition Trust	77,100	0.5	72,181	0.4	1.0	0.4	1.6	7.5	10.0	9.2	7.0
Revenue Shortfall Reserve Fund	477,831	2.8	377,322	2.3	0.2	(0.6)	(0.1)	4.1	2.7	4.6	
Revenue Shortfall Reserve Fund - Part B	381,423	2.3	381,772	2.3	0.4	(0.7)	0.1	5.3	6.4	6.7	
WV DEP Trust	8,717	0.1	8,775	0.1	1.1	(0.4)	0.7	8.0	12.4		
WV DEP Agency	40,871	0.2	84,285	0.5	0.7	0.1	0.9	6.5			

West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees

As of November 30, 2014

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	16,714,326	100.00								
Total Equity Composite	8,405,702	50.29	1.05	(1.73)	(0.64)	8.31	16.55	12.70	8.00	
+/- Total Equity Policy Index (b)			(0.46)	(0.47)	(0.19)	0.39	1.01	1.57	1.27	
US Equity Composite	4,403,435	26.35	2.24	3.21	5.51	15.41	20.96	16.94	8.64	
+/- Russell 3000 Index			(0.18)	0.16	0.26	(0.12)	0.12	0.66	0.32	
Large Cap Composite	3,555,851	21.28	2.76	4.37	7.03	17.43	21.00	16.50	8.31	
+/- S&P 500 Index			0.07	0.65	0.65	0.57	0.07	0.54	0.25	
Non-Large Cap Composite	847,584	5.07	0.11	(1.02)	0.28	8.66	20.33	19.02	9.66	
+/- Russell 2500 Index			(0.76)	(0.94)	0.58	0.35	0.81	1.35	0.67	
International Equity Composite	4,002,267	23.94	(0.23)	(6.74)	(6.76)	1.25	12.11	8.37	8.07	
+/- MSCI AC World ex US IMI Index (c)			(0.82)	(1.28)	(0.83)	0.55	1.82	2.34	1.68	
Fixed Income Composite	3,400,923	20.34	0.13	0.17	0.78	5.11	4.75	5.24	5.03	
+/- Barclays Capital Universal (d)			(0.41)	(0.55)	(0.71)	(0.18)	1.09	0.65	0.00	
Core Fixed Income	1,064,930	6.37	0.67	1.03	1.91	5.21	3.70	4.84		
+/- Barclays Capital Aggregate			(0.04)	0.02	0.04	(0.06)	0.70	0.74		
Total Return Fixed Income	2,335,993	13.97	(0.11)	(0.21)	0.28	5.06	5.32	5.50	5.54	
+/- Barclays Capital Universal			(0.65)	(0.93)	(1.21)	(0.23)	1.66	0.91	0.51	
TIPS Composite	430,400	2.58	0.24	(1.40)	(1.03)	3.21	0.80	3.87		
+/- Barclays Capital U.S. TIPS			(0.02)	0.01	(0.08)	(0.08)	(0.03)	(0.02)		
Cash Composite	133,704	0.80	0.01	0.02	0.04	0.11	0.13	0.13	1.70	
+/- Citigroup 90 Day T-Bill (e)			0.01	0.02	0.03	0.07	(0.02)	(0.07)	0.00	
Private Equity Composite	1,405,536	8.41	1.68	1.50	3.50	17.34	13.77	14.16		
+/- Russell 3000 + 3% (f, g)								(6.13)		
Real Estate Composite	1,428,309	8.55	0.84	2.47	3.09	12.34	10.62	9.54		
+/- NCREIF + 1% (f)								(2.01)		
Hedge Fund Composite	1,509,752	9.03	1.48	1.59	2.26	6.20	7.80	6.35		
+/- HFRI FOF + 1% (h)			0.21	0.98	1.01	1.96	3.49	2.04		

West Virginia Investment Management Board

Participant Plans Allocation vs. Strategy

As of November 30, 2014

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

Pension Assets

Public Employees' Retirement System	28.4	27.5	26.0	27.5	14.9	15.0	10.1	10.0	10.4	10.0	9.7	10.0	0.5	0.0
Teachers' Retirement System	28.5	27.5	26.1	27.5	14.6	15.0	10.2	10.0	10.4	10.0	9.8	10.0	0.4	0.0
EMS Retirement System	28.1	27.5	25.9	27.5	15.1	15.0	10.1	10.0	10.3	10.0	9.7	10.0	0.8	0.0
Public Safety Retirement System	28.8	27.5	26.7	27.5	14.8	15.0	10.2	10.0	10.4	10.0	9.0	10.0	0.1	0.0
Judges' Retirement System	28.4	27.5	26.0	27.5	15.1	15.0	10.1	10.0	10.4	10.0	9.6	10.0	0.4	0.0
State Police Retirement System	28.5	27.5	25.9	27.5	15.1	15.0	10.1	10.0	10.3	10.0	9.3	10.0	0.8	0.0
Deputy Sheriffs' Retirement System	28.4	27.5	26.1	27.5	15.1	15.0	10.1	10.0	10.4	10.0	9.5	10.0	0.4	0.0
Municipal Police & Firefighter Retirement System	26.5	27.5	24.3	27.5	14.0	15.0	9.4	10.0	9.9	10.0	8.9	10.0	7.0	0.0
Municipal Model A	28.8	27.5	26.3	27.5	13.9	15.0	10.1	10.0	10.3	10.0	9.9	10.0	0.7	0.0

Insurance Assets

Workers' Compensation Old Fund	15.4	15.0	13.5	15.0	65.7	70.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4	0.0
Workers' Comp. Self-Insured Guaranty Risk Pool	15.5	15.0	14.2	15.0	45.3	45.0	0.0	0.0	0.0	0.0	20.0	20.0	5.0	5.0
Workers' Comp. Self-Insured Security Risk Pool	15.6	15.0	14.3	15.0	45.6	45.0	0.0	0.0	0.0	0.0	20.1	20.0	4.4	5.0
Workers' Comp. Uninsured Employers Fund	15.5	15.0	14.2	15.0	40.2	40.0	0.0	0.0	0.0	0.0	20.0	20.0	10.1	10.0
Pneumoconiosis	15.7	15.0	13.9	15.0	45.7	45.0	0.0	0.0	0.0	0.0	20.0	20.0	4.7	5.0
Board of Risk & Insurance Mgmt.	15.6	15.0	13.6	15.0	46.4	45.0	0.0	0.0	0.0	0.0	19.0	20.0	5.4	5.0
Public Employees' Insurance Agency	15.6	15.0	14.2	15.0	50.2	50.0	0.0	0.0	0.0	0.0	20.0	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	28.4	27.5	26.0	27.5	15.2	15.0	10.1	10.0	10.4	10.0	9.9	10.0	0.0	0.0
AccessWV	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

Endowment Assets

Wildlife Fund	29.0	27.5	26.2	27.5	13.7	15.0	10.2	10.0	10.6	10.0	9.7	10.0	0.6	0.0
Prepaid Tuition Trust	30.4	30.0	15.0	16.0	53.1	54.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	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	0.0	0.0	0.1	0.0
Revenue Shortfall Reserve Fund - Part B	15.7	15.0	13.5	15.0	70.7	70.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
WV DEP Trust	38.5	37.0	26.5	28.0	15.2	15.0	0.0	0.0	0.0	0.0	19.8	20.0	0.0	0.0
WV DEP Agency	20.0	20.0	19.2	20.0	43.8	40.0	0.0	0.0	0.0	0.0	14.8	20.0	2.2	0.0

West Virginia Investment Management Board

Footnotes

As of November 30, 2014

- (a) As of January 2014, the PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA (IMI), and 40% Barclays Capital Universal. From April 2008 to December 2013, the PERS Policy was 30% Russell 3000, 30% MSCI ACW ex USA (Standard), and 40% Barclays Capital Universal. Prior periods were 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Barclays Capital Aggregate.
- (b) As of January 2014, the Total Equity Policy Index is 50% Russell 3000 and 50% MSCI ACW ex USA (IMI). From April 2008 to December 2013, the Total Equity Policy Index was 50% Russell 3000 and 50% MSCI ACW ex USA (Standard). Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.
- (c) Prior to January 2014, the index was the MSCI ACW ex USA (Standard).
- (d) Prior to April 2008, the index was Barclays Capital Aggregate.
- (e) Prior to January 2014, the index was Citigroup 90 Day T-Bill plus 15 basis points.
- (f) The Private Equity Composite and Real Estate Composite are long-term programs whose benchmarks are only reported for 5 years and beyond.
- (g) Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (h) Prior to January 2014, the index was Libor plus 400 basis points.
- (i) Franklin Benchmark is 50% JPM EMBI Global Diversified and 50% JPM GBI EM Diversified.
- (j) Prior to April 2008, the index was a custom index.
- (k) Security Capital Benchmark is 40% Wilshire US REIT Index, 30% Wells Fargo Hybrid & Preferred Securities REIT Index, and 30% BC REIT Bond Index.

Note: Participant returns are net of fees. Portfolio returns are net of management fees. Returns shorter than one year are unannualized.



Status Report:
Workers' Compensation

Joint Committee on Government & Finance

January 2015

Provided by the West Virginia Offices of the Insurance Commissioner



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Introduction

With the passage of S.B. 1004 in January 2005, significant changes were made to workers' compensation insurance in West Virginia. The State administered monopolistic fund effectively ended when a new domestic mutual insurance company, "BrickStreet", was formed to issue workers' compensation insurance on a going forward basis. BrickStreet began writing new workers' compensation insurance liabilities effective January 2006. (They also retained the workers' compensation insurance premium and incurred liability starting in July 2005.) The West Virginia workers' compensation insurance market was later opened to competition beginning in July 2008.

At the time when the domestic mutual insurance company was formed in order to begin to privatize the workers' compensation insurance market in West Virginia, a large legacy liability existed stemming from the historical operation of the State administered monopolistic fund. Subsequent to privatization, this legacy liability was retained by the State of West Virginia in what is now known as the "Old Fund." The Old Fund consists of all historical claims with dates of injuries or last exposure through June 30, 2005. Apart from those sections which specifically reference other "funds," the "private market," or the "self-insured" community (which began in July 2004), this report concerns the workers' compensation legacy liability of the State of West Virginia, i.e. the Old Fund.

Although belonging to the State of West Virginia, the administration of the Old Fund was initially placed via statute with BrickStreet. By January 2008, however, BrickStreet relinquished the administration of the Old Fund back to the State to be managed by the West Virginia Offices of the Insurance Commissioner. The West Virginia Offices of the Insurance Commissioner contracted with three Third Party Administrators (TPA's: Sedgwick Claims Management Services, Wells Fargo Disability Management, and American Mining Insurance Company) to ensure timely claim payments and proper claims management with the ultimate goal of claim resolution.

At January 2008, there were 47,961 active Old Fund workers' compensation insurance claims. The first Workers' Compensation Status Report to the Joint Committee on Government and Finance was issued in June 2008. The following pages update the status of the various workers' compensation funds and the activities associated with the administration of the workers' compensation responsibilities transitioned to the Offices of the Insurance Commissioner.

Definitions:

Appeal (BOR): A formal procedure conducted by the Board of Review at which a decision of an administrative law judge (OOJ) having presided over a matter of workers' compensation (Old Fund or Privately Insured) is to be afforded additional consideration. An appeal may be filed by any aggrieved party, such as a claimant, employer, dependent of a claimant, private insurance carrier, etc.

Board of Review: (BOR) A three judge panel that serves as an intermediate appellate tribunal in workers' compensation litigation. Specifically, the Board of Review reviews all appeals taken from any final decision of the Office of Judges. The BOR may reverse, vacate, modify or remand a decision of the Office of Judges. Any appeal taken from a Board of Review final order must be filed with the West Virginia Supreme Court of Appeals.

Claim Reserve: individual claim level cost estimate that is projected on the ultimate probable exposure; must be the best projection based on the facts and findings of the claim. This function is to capture the key components that impact the range of any impending cost in workers' compensation claims. No discounting is applied. The Indemnity Reserve is adjusted to cover the cost of loss or exposure both on a temporary and permanent basis. The reserve should also be adjusted to include the projected cost of any death and/or dependent benefits when appropriate. The Medical Reserve covers medical cost, hospital stays, specialized treatment, rehabilitation, durable medical equipment, and medications, etc. The Expense Reserve is placed for the cost of legal defense and investigations, etc. The reserves may be reduced based on the findings of early mortality factors.

Coal Workers' Pneumoconiosis Fund: State managed fund into which FBL premiums received are held, and out of which FBL benefits are paid. This fund was closed to future liabilities as of 12/31/2005. Because of the latency period between the date of last exposure and the onset of disease, new FBL claims will occur.

Fatal: claim under which the worker died as a result of injury or illness.

FBL: claim for Occupational Pneumoconiosis (Black Lung) benefits under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

Inactive FBL Claim: an FBL claim for which an award had been sought, but was not afforded. Federal statutes permit an appeal process which lasts for 1 year, so the claim would be reopened for consideration upon appeal. Some variance in the number of reported "inactive" claims has occurred in the past due to one TPA holding active reserves on "inactive" claims. This has subsequently been rectified. Denied Old Fund FBL claims are closed administratively after 6 months, as the TPA's bill for claims management services monthly on an open claims basis.

Indemnity: statutory wage replacement benefits awarded as a result of a worker's occupational illness or injury.

Med Only: claim under which only the payment of medical benefits were sought or awarded, i.e. no payment of wage replacement benefits (indemnity) is being made.

Non-FBL: claim for benefits other than a Federal Black Lung award, i.e. all other claim types.

Office of Judges: (OOJ) An office comprised of administrative law judges who are charged with resolving protests or appeals to workers' compensation claims management decisions. The Office of Judges conducts hearings, receives and weighs evidence and arguments, and issues written decisions on protests or appeals from initial claim management decisions. Any final decision of the Office of Judges may be appealed to the workers' compensation Board of Review. The OOJ hears protests involving Old Fund claims as well as those arising from the private market (private carrier or privately insured.)

OP/OD: claim of Occupational Pneumoconiosis or Occupational Disease. An OP claim could be considered the State level equivalent of an FBL claim; however, State OP claims provide for varying percentages of impairment where the FBL applicant must prove total impairment to be eligible. (State OP claims are awarded more frequently than FBL, but afford lesser benefits.) An example of an OD claim would be occupational hearing loss.

Partial Award: claim for which benefits are being paid, but no official award has been made.

Payment Agreement: individual legal agreements that were made in order to settle a particular payment issue on a specific claim. These are different than your "standard" claim types, such as PTD or TPD. They identify a sub-set of claims that are not settled in the same philosophy that is practiced today. This normally references a situation in which a PT was granted years ago and the "onset" date was in litigation. A compromise was reached and a settlement was executed to the agreed up "onset" date. Although a settlement was executed, it was only applicable to an issue, not to the entire claim, so monthly payments continue to pay on these claims.

Protest (OOJ): An objection to a ruling of a workers' compensation claim administrator (Old Fund or Private Market) which prompts the initiation of the adjudication process at the Office of Judges.

PPD: (Permanent Partial Disability) paid to compensate an injured worker for permanent impairment that results from an occupational injury or disease. The American Medical Association defines permanent impairment as impairment that has become static or well stabilized with or without medical treatment and is not likely to remit despite medical treatment. It should be noted, some injuries that are total loss by severance have statutory impairment ratings that are defined per WV Code §23-4-6(f). Payment for PPD is based upon 4 weeks of compensation for each one percent of disability.

PTD: (Permanent Total Disability) A disability which renders a claimant unable to engage in gainful employment requiring skills or abilities which can be acquired or which are comparable to those of any gainful employment in which the claimant previously engaged with some regularity. While the comparison of pre-injury income and post-disability income is not a factor to be considered in determining whether or not a claimant is permanently and totally disabled, the geographic availability of gainful employment should be considered. Specifically, the geographic availability of gainful employment within a 75 mile driving distance of the claimant's

home, or within the distance from the claimant's home to his or her pre-injury employment, whichever is greater, is a factor to be considered in determining whether or not a claimant is PTD.

Self-Insured: an employer who has met certain specific guidelines, and who is then permitted to guarantee their own payment and handling of workers' compensation claims to their employees in accordance with WV statutes.

Self-Insured Guaranty Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure after 07/01/2004.

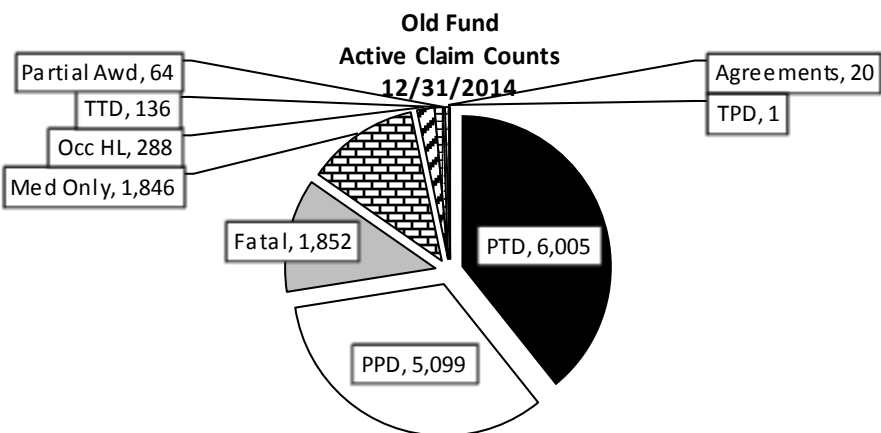
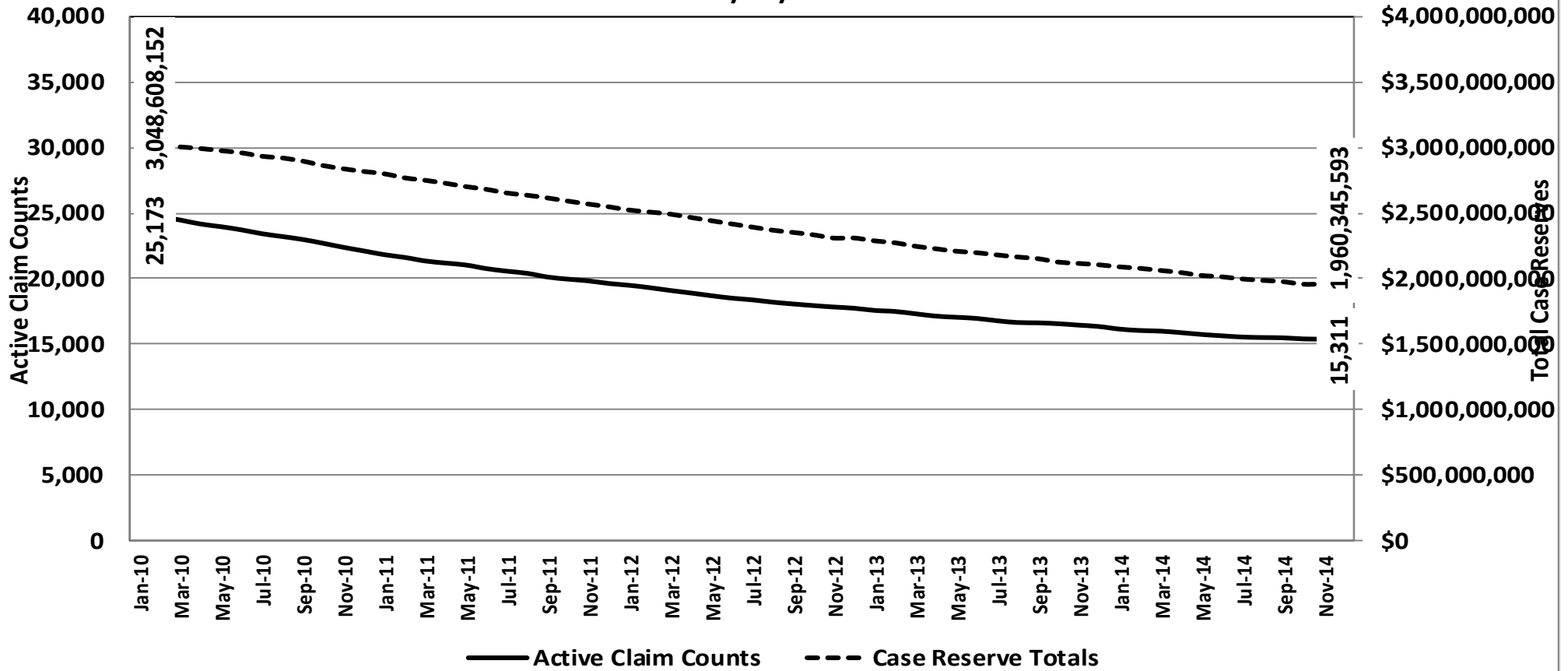
Self-Insured Security Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to claimants of those self-insured employers who have defaulted on their claims obligations after 12/31/2005.

TPD: (Temporary Partial Disability) also referred to as TPR, is paid when an injured worker is released to return to work with restrictions or modifications that restrict he/she from obtaining their pre-injury wages. The TPD benefit is paid at seventy percent of the difference between the average weekly wage earnings earned at the time of injury and the average weekly wage earnings earned at the new employment.

TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified disabled due to the compensable injury by his/her treating physician.

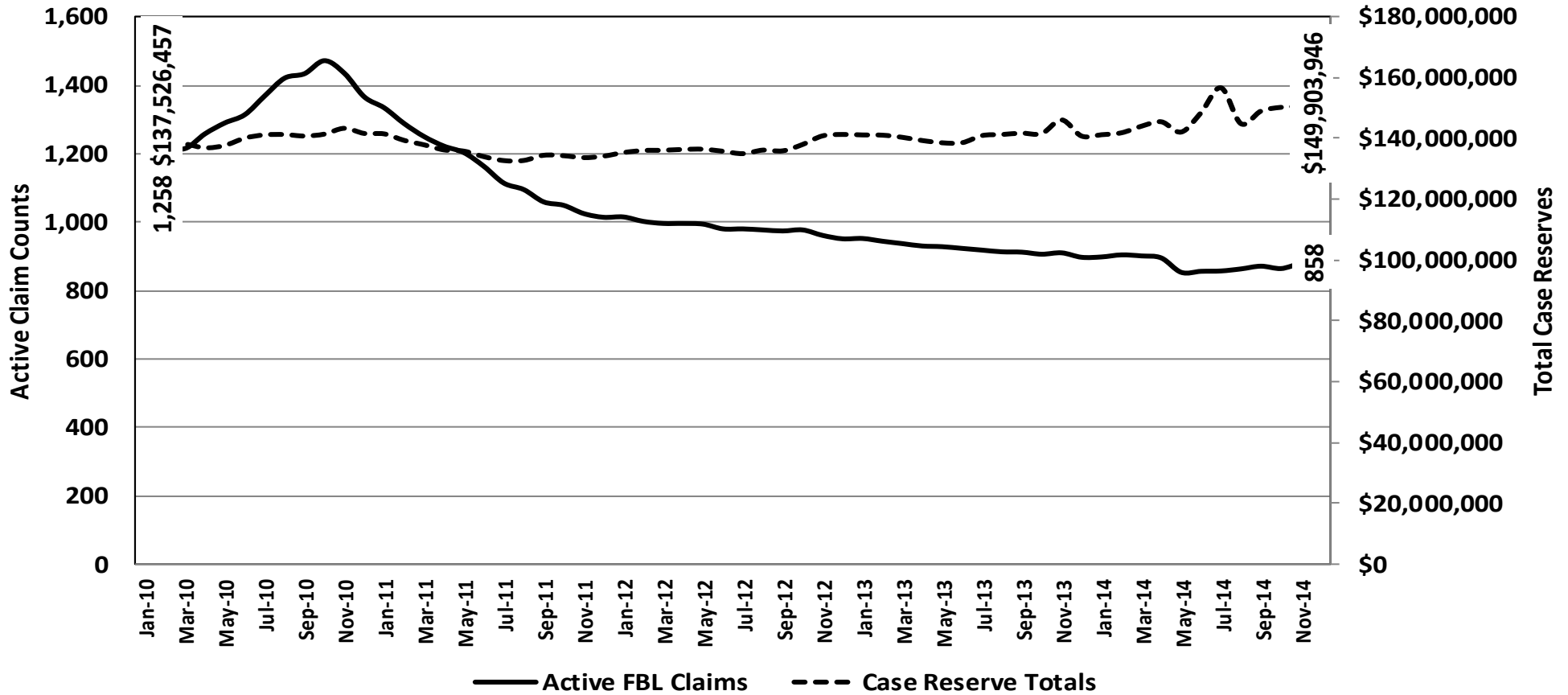
Uninsured Fund: State managed fund into which assessments to carriers or employers received are held, and out of which workers' compensation benefits may be paid to claimant employees of employers who were uninsured if the date of injury or date of last exposure is January 1, 2006 or later.

Old Fund Active Claim Counts and Case Reserves 12/31/2014

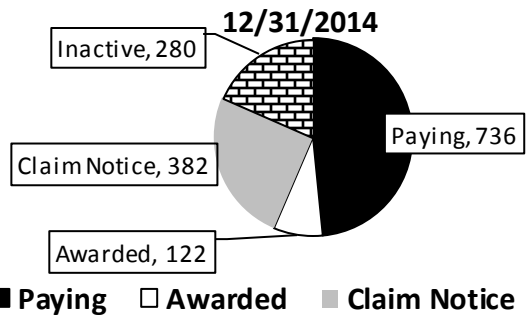


- Agreements** – a legal agreement to settle a payment issue
- Fatal** – worker died due to injury or illness
- Med Only** – payment of medical benefits without wage replacement
- OP/OD** - Occupational Pneumoconiosis or Occupational Disease
- Partial Awd** – benefits being paid without official awards
- PPD** - Permanent Partial Disability; unlikely to improve with treatment
- PTD** - Permanent Total Disability; unable to engage in employment
- TPD** - Temporary Partial Disability released to work with restrictions
- TTD** - Temporary Total Disability; unable to engage in employment

CWP Fund (FBL) Active Claim Counts and Case Reserves 12/31/2014



CWP Fund (FBL) Active and Inactive Claims 12/31/2014



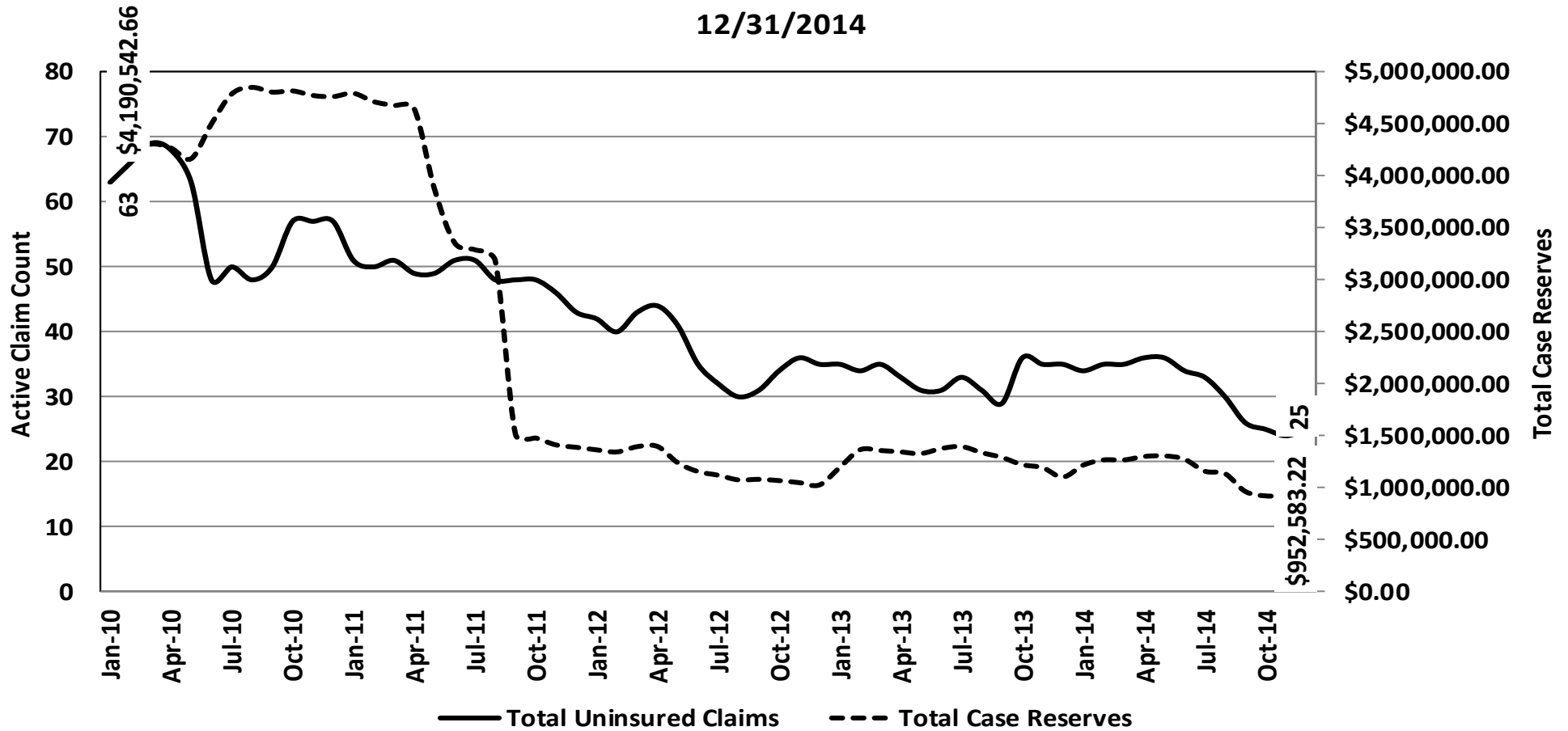
Active – Benefits being paid to claimant/beneficiary

CWP Fund - Coal Worker's Pneumoconiosis; miners/beneficiaries disabled or deceased

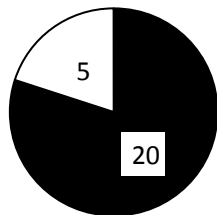
FBL - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

Inactive – claim for which an award was sought, but not afforded. Federal statutes permit an appeal, so claim may be reopened

Uninsured Fund Active Claim Counts and Case Reserves 12/31/2014



**Uninsured Fund
Active Claim Counts
12/31/2014**



■ Indemnity □ Med Only

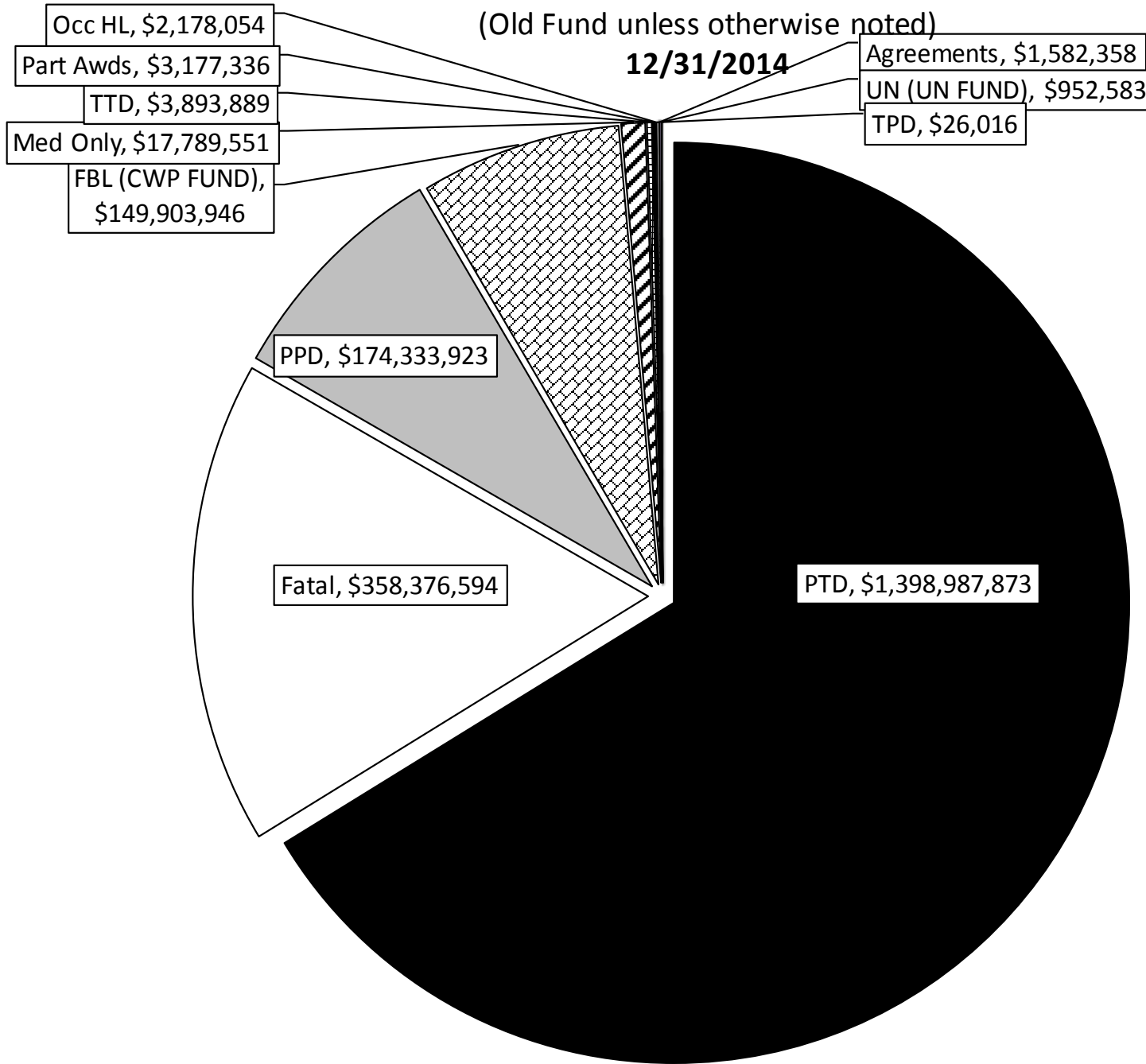
Indemnity – statutory wage replacement and medical benefits awarded

Med Only – payment of medical benefits without wage replacement

Uninsured (Employer’s) Fund - (UEF) established January 1, 2006 to provide worker’s compensation benefits to injured workers of uninsured WV employers. The Commissioner may recover all payments made from this fund, including interest, from an uninsured employer who is found liable for benefits paid from the UEF.

Total Case Reserves by Fund
(Old Fund unless otherwise noted)

12/31/2014



OLD FUND CASH STATEMENT

December 31, 2014

	Three Year History for years ended:					
	YTD FY2015	YTD FY2014	Change	FY2014	FY2013	FY2012
Cash Beginning Balances	1,190,142,811	1,061,595,681	128,547,130	1,061,595,681	942,505,408	943,172,539
Revenues						
Personal Income Tax	31,800,000	31,800,000	-	95,400,000	95,400,000	95,400,000
Severance Tax	57,460,419	50,684,431	6,775,988	109,467,900	94,562,969	93,947,355
Debt Reduction Surcharge	18,376,599	18,723,297	(346,698)	34,138,820	36,853,941	39,758,082
Self-Insured Debt Reduction Surcharge	4,153,950	4,133,215	20,735	8,493,207	8,733,494	9,620,197
Video Lottery	4,821,943	11,000,000	(6,178,057)	11,000,000	11,000,000	11,000,000
Employer Premium	75,959	77,739	(1,780)	284,075	335,102	575,167
Other Income - Return of Unclaimed Property	-	74,177	(74,177)	92,953	48,332	202,103
Operating Revenues	116,688,870	116,492,860	196,010	258,876,955	246,933,837	250,502,904
Investment / Interest Earnings (Losses)	10,938,250	20,293,203	(9,354,953)	67,734,120	77,380,803	18,284,929
Total Revenues	127,627,120	136,786,063	(9,158,942)	326,611,075	324,314,640	268,787,833
Expenditures						
Claims Benefits Paid:						
Medical	15,179,639	16,232,971	(1,053,332)	31,791,671	33,512,816	39,226,318
Permanent Total Disability	53,170,177	56,324,362	(3,154,185)	111,490,282	118,396,619	124,963,432
Permanent Partial Disability	218,884	396,545	(177,661)	720,723	1,137,910	1,822,571
Temporary Disability	-	-	-	7,741	59,227	188,666
Fataals	12,799,458	13,269,161	(469,703)	26,407,057	26,966,847	28,139,830
104 weeks death benefit	2,872,721	2,918,154	(45,433)	6,200,020	6,670,578	6,729,656
Settlements	6,693,146	5,180,270	1,512,876	9,136,495	9,011,730	56,164,626
Loss Adjustment Expenses	1,022,142	705,684	316,458	1,467,221	998,774	2,333,885
Total	91,956,167	95,027,147	(3,070,980)	187,221,209	196,754,501	259,568,984
Less: Claims credits and overpayments	544,510	2,101,855	(1,557,345)	3,265,629	4,617,178	8,161,625
Total Benefits Paid	91,411,657	92,925,291	(1,513,634)	183,955,580	192,137,323	251,407,359
Administrative Expenses	4,942,884	7,330,992	(2,388,108)	14,108,365	13,087,043	18,047,605
Total Expenditures	96,354,541	100,256,283	(3,901,742)	198,063,945	205,224,366	269,454,964
Excess (Deficiency) of Revenues over Expenditures	31,272,579	36,529,780	(5,257,201)	128,547,130	119,090,274	(667,131)
Cash Ending Balances	1,221,415,390	1,098,125,461	123,289,930	1,190,142,811	1,061,595,681	942,505,408

Note: The purpose of the report is to enhance the user's ability to monitor the cash activities of the Old Fund. The Old Fund assets consist of the Old Fund cash, IMB and BTI Investment accounts and any deposits in transit from the Debt Reduction Fund. The liabilities of the Old Fund consist of the worker's compensation claims and related expenses for all claims, actual and incurred but not reported for claims with dates of injury on or before June 30, 2005. This report is intended to provide a summary of the cash based transactions related to the Fund's assets and liabilities and is not an accrual based presentation. The Old Fund Cash Statement is unaudited information.

COAL WORKERS PNEUMOCONIOSIS FUND

December 31, 2014

				Three Year History for years ended:		
	YTD FY2015	YTD FY2014	Change	FY2014	FY2013	FY2012
Cash Beginning Balances	267,173,190	266,720,430	452,760	266,720,430	254,523,752	262,926,105
Revenues						
Investment Earnings (Losses)	3,569,224	6,837,648	(3,268,424)	17,915,475	24,801,113	2,745,783
Total Revenues	3,569,224	6,837,648	(3,268,424)	17,915,475	24,801,113	2,745,783
Expenditures						
Payment of Claims	6,779,390	10,502,591	(3,723,201)	17,376,923	12,550,216	11,131,012
Contractual / Professional	510,325	6,594	503,731	85,747	53,287	17,124
Legal	-	-	-	-	932	-
General and Administrative	180	-	180	45	-	-
Total Expenditures	7,289,895	10,509,185	(3,219,290)	17,462,715	12,604,435	11,148,136
Excess (Deficiency) of Revenues over Expenditures	(3,720,671)	(3,671,536)	(49,134)	452,760	12,196,678	(8,402,353)
Cash Ending Balances	263,452,519	263,048,894	403,626	267,173,190	266,720,430	254,523,752

Note: The Coal Worker's Pneumoconiosis Fund (CWP Fund) ceased operations December 31, 2005 and is in run-off status under the administrative oversight of the Insurance Commissioner. Established in 1973, the CWP Fund existed to provide insurance coverage to companies for liabilities incurred as a result of the Federal Coal Mine Health and Safety Act of 1969. Participation in the CWP Fund was voluntary for employers. The current revenues of the CWP Fund are limited to the earnings from invested assets. The liabilities of the CWP Fund consist of the claims for coal miners who are totally disabled or beneficiaries of coal miners who have died as a result of coal worker's pneumoconiosis. To be eligible for benefits from the CWP Fund, the date of last exposure of the coal miner must be on or before December 31, 2005. The Coal Workers Cash Statement is unaudited information.

SELF-INSURED GUARANTY RISK POOL

December 31, 2014

	YTD FY2015	YTD FY2014	Change	Three Year History for years ended:		
				FY2014	FY2013	FY2012
Cash Beginning Balances	15,603,319	14,815,337	787,982	14,815,337	10,829,975	9,744,809
Revenues						
Guaranty Risk Pool Assessments	34,328	50,482	(16,154)	124,520	851,410	1,093,066
Collateral Proceeds	-	-	-	-	2,399,380	-
Investment Earnings (Losses)	202,076	384,698	(182,622)	1,027,230	1,186,338	125,813
Total Revenues	236,405	435,179	(198,775)	1,151,751	4,437,128	1,218,879
Expenditures						
Payment of Claims	98,679	130,364	(31,685)	255,607	332,894	28,466
Contractual / Professional	19,884	23,668	(3,784)	107,348	92,122	105,247
Legal	-	49	(49)	815	26,750	-
Total Expenditures	118,562	154,081	(35,519)	363,769	451,765	133,713
Excess (Deficiency) of Revenues over Expenditures	117,842	281,098	(163,256)	787,981	3,985,363	1,085,166
Cash Ending Balances	15,721,161	15,096,436	624,726	15,603,319	14,815,337	10,829,975

The Self-Insured Guaranty Risk Pool covers the claims liabilities of bankrupt or defaulted self-insured employers with dates of injury subsequent to July 1, 2004. The revenues of the Self-Insured Guaranty Fund are comprised of the guaranty risk pool assessments levied on all self-insured employers and the earnings on invested assets. The Self Insured Guaranty Cash Statement is unaudited information.

SELF-INSURED SECURITY RISK POOL
December 31, 2014

	YTD FY2015	YTD FY2014	Change	Three Year History for years ended:		
				FY2014	FY2013	FY2012
Cash Beginning Balances	7,137,316	6,754,601	382,715	6,754,601	203,518	205,705
Revenues						
Security Risk Pool Assessments	1,569,104	7,498	1,561,606	1,072,311	2,575,705	-
Collateral Proceeds	-	-	-	-	4,657,620	-
Investment Earnings (Losses)	91,097	-	91,097	151,334	-	-
Total Revenues	1,660,201	7,498	1,652,703	1,223,645	7,233,325	-
Expenditures						
Payment of Claims	356,168	452,145	(95,977)	789,254	530,804	2,187
Contractual / Professional	20,821	28,896	(8,075)	48,446	60,413	-
Legal	96	146	(50)	3,230	91,025	-
Total Expenditures	377,085	481,187	(104,102)	840,930	682,242	2,187
Excess (Deficiency) of Revenues over Expenditures	1,283,116	(473,689)	1,756,805	382,715	6,551,083	(2,187)
Cash Ending Balances	8,420,432	6,280,912	2,139,520	7,137,316	6,754,601	203,518

The Self-Insured Security Risk Pool is liable for the worker's compensation claims of bankrupt or defaulted self-insured employers with dates of injury prior to July 1, 2004. However, the obligations of this Fund are limited to the exposures of self-insured employers who default subsequent to December 31, 2005. The Self Insured Security Cash Statement is unaudited information.

UNINSURED EMPLOYERS FUND

December 31, 2014

	YTD FY2015	YTD FY2014	Change	Three Year History for years ended:		
				FY2014	FY2013	FY2012
Cash Beginning Balances	11,714,178	10,801,353	912,825	10,801,353	9,574,065	9,086,330
Revenues						
Fines and Penalties	375,265	395,063	(19,798)	768,532	747,771	948,896
Investment Earnings (Losses)	132,149	260,174	(128,025)	682,644	871,603	99,906
Total Revenues	507,414	655,237	(147,822)	1,451,176	1,619,374	1,048,802
Expenditures						
Payment of Claims	499,853	171,128	328,725	286,421	262,002	553,676
Contractual/Professional	7,684	16,227	(8,543)	26,825	15,024	7,392
General and Administrative	30	60	(30)	105	60	-
Insurance	55,000	115,000	(60,000)	225,000	115,000	-
Total Expenditures	562,567	302,415	260,152	538,351	392,086	561,067
Excess (Deficiency) of Revenues over Expenditures	(55,153)	352,822	(407,975)	912,825	1,227,288	487,735
Cash Ending Balances	11,659,025	11,154,175	504,850	11,714,178	10,801,353	9,574,065

The Uninsured Employer's Fund (UEF) was established January 1, 2006 to provide worker's compensation benefits to injured workers of uninsured WV employers. The revenues of the UEF consist of fines levied on uninsured employers and the earnings on invested assets. The Insurance Commissioner has the right to levy assessments on employers in order to maintain the solvency of the Fund. The Commissioner may recover all payments made from this fund, including interest, from an uninsured employer who is found liable for benefits paid from the UEF. The Uninsured Cash Statement is unaudited information.

OFFICE OF JUDGES

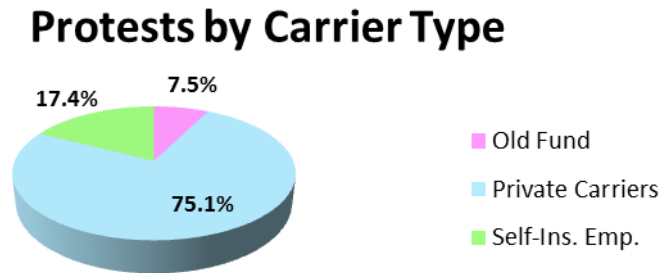
STATISTICAL ANALYSIS

Protests Acknowledged:	<u>2013</u>	<u>Dec.</u>	<u>2014</u>
	4612	281	4090

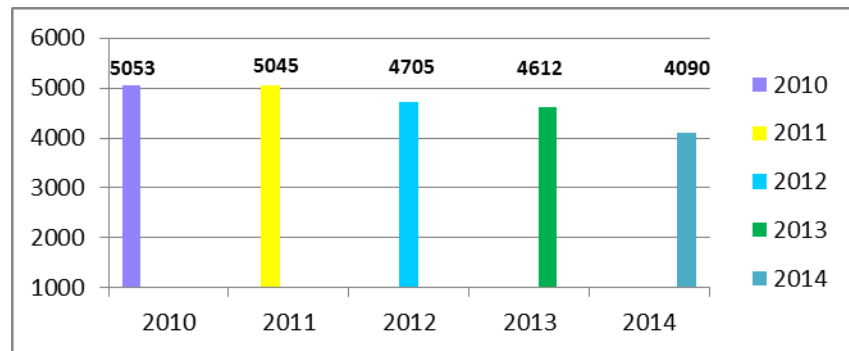
FUND	2013	% of Protests	Dec. '14	% of Protests	2014	% of Protests
Old Fund	498	10.80%	21	7.47%	348	8.51%
Private Carriers	3343	72.48%	211	75.09%	3048	74.52%
Self-Insured Employers	771	16.72%	49	17.44%	694	16.97%
Subtotal	4612		281		4090	
Temporary Category	577		48		615	
Total	5189		329		4705	

Source: AIMS Database Reports

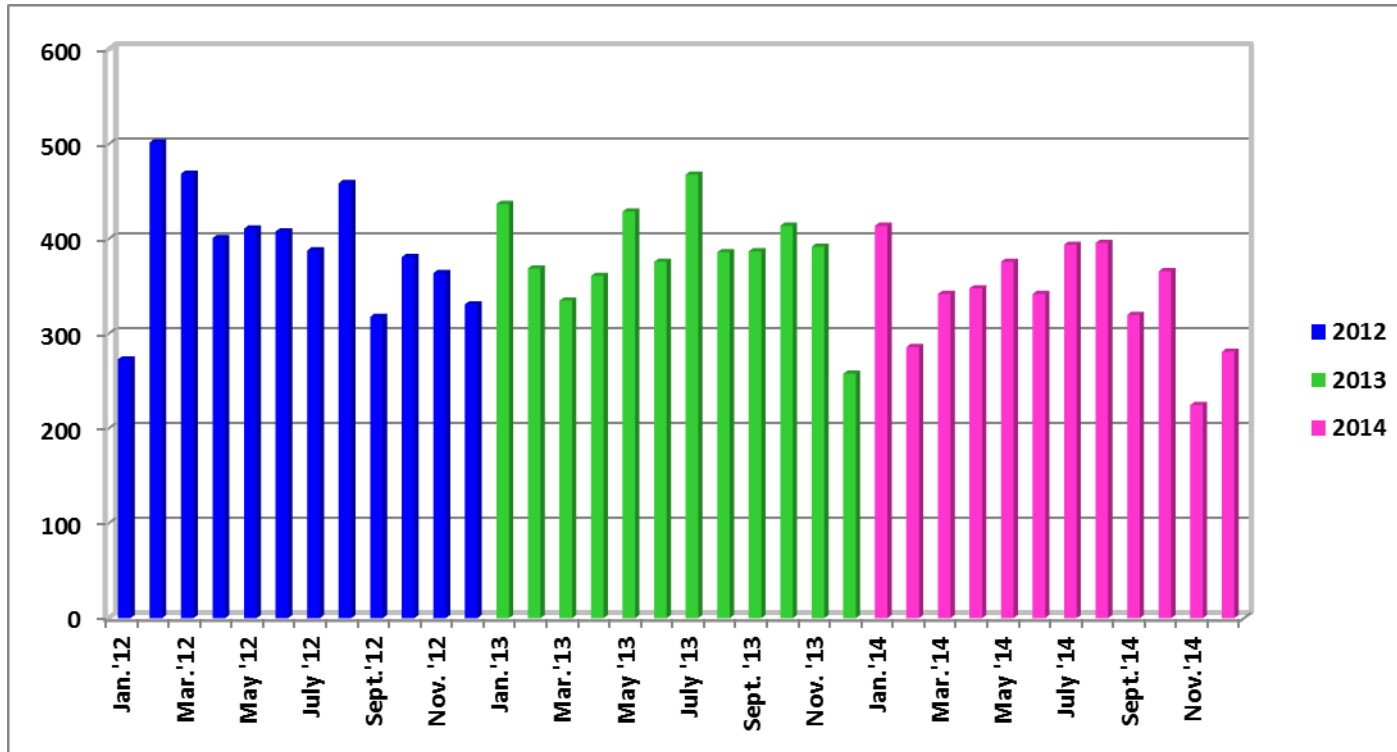
Protests Acknowledged in Dec. 2014
by Carrier Type



Protests Acknowledged by Year



PROTEST COMPARISON BY MONTH/YEAR



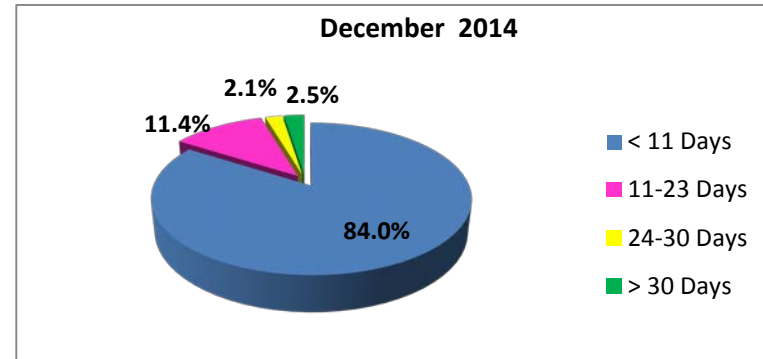
PROTEST ACKNOWLEDGMENTS – DECEMBER 2014

Description	Acknowledged	Days to Acknowledgement							
		> 30 Days		30 - 24		23 - 11		<11	
		Count	%	Count	%	Count	%	Count	%
BENEFIT OVERPAYMENT	Total: 3	0	0	0	0	1	33	2	66
CBO-CL BEN. OVERPAYMENT	3	0	0	0	0	1	33	2	66
BENEFIT RATE	Total: 1	0	0	1	100	0	0	0	0
CBR-CL PRSTS BEN RATE	1	0	0	1	100	0	0	0	0
COMPENSABILITY	Total: 56	1	1	2	3	7	12	46	82
CCS-CL SEC.CONDITION	13	0	0	0	0	0	0	13	100
CHC-CL COMPENSABILITY	1	0	0	0	0	0	0	1	100
CIS-CL SI SEC.CONDITION	5	0	0	0	0	2	40	3	60
CLB-CL COMP ON LIMITED BASIS	1	0	0	1	100	0	0	0	0
CPI-CL SI REJECT CLAIM	3	0	0	0	0	0	0	3	100
CPJ-CL REJECT CLAIM	29	1	3	1	3	5	17	22	75
CRZ-CL REJ OCC DISEASE	4	0	0	0	0	0	0	4	100
DEP BEN FATAL	Total: 2	0	0	0	0	0	0	2	100
CDF-CL DENY/GRNT DTH BEN	1	0	0	0	0	0	0	1	100
CIF-CL SI DY/GNT DTH BEN	1	0	0	0	0	0	0	1	100
FAILURE TO ACT 15 DAY	Total: 4	0	0	0	0	3	75	1	25
C01-CL FTA INJ COMPENSAB	1	0	0	0	0	0	0	1	100
C03-CL FTA TREATMENT	2	0	0	0	0	2	100	0	0
FTA Multiple Issues-FTA MULTIPLE ISSUES	1	0	0	0	0	1	100	0	0
OP NON-MED	Total: 1	0	0	0	0	0	0	1	100
CNR-CL NON-MED ORDER	1	0	0	0	0	0	0	1	100
OPBD	Total: 17	0	0	0	0	3	17	14	82
CAO-CL ADD BOARD FINDING	3	0	0	0	0	1	33	2	66
CBF-CL % BOARD FINDING	3	0	0	0	0	0	0	3	100
CSF-CL% SI BOARD FINDING	3	0	0	0	0	1	33	2	66
CSO-CL SI AD.BRD FINDING	1	0	0	0	0	0	0	1	100
EBF-EM % BOARD FINDING	3	0	0	0	0	0	0	3	100
ESF-EM% SI BOARD FINDING	3	0	0	0	0	1	33	2	66
ESO-EM SI AD.BRD FINDING	1	0	0	0	0	0	0	1	100
PPD	Total: 69	2	2	1	1	6	8	60	86
CAA-CL ADDL % AWARD D/G	1	0	0	0	0	0	0	1	100
CAD-CL % AWARD DENY/GRNT	56	0	0	1	1	3	5	52	92

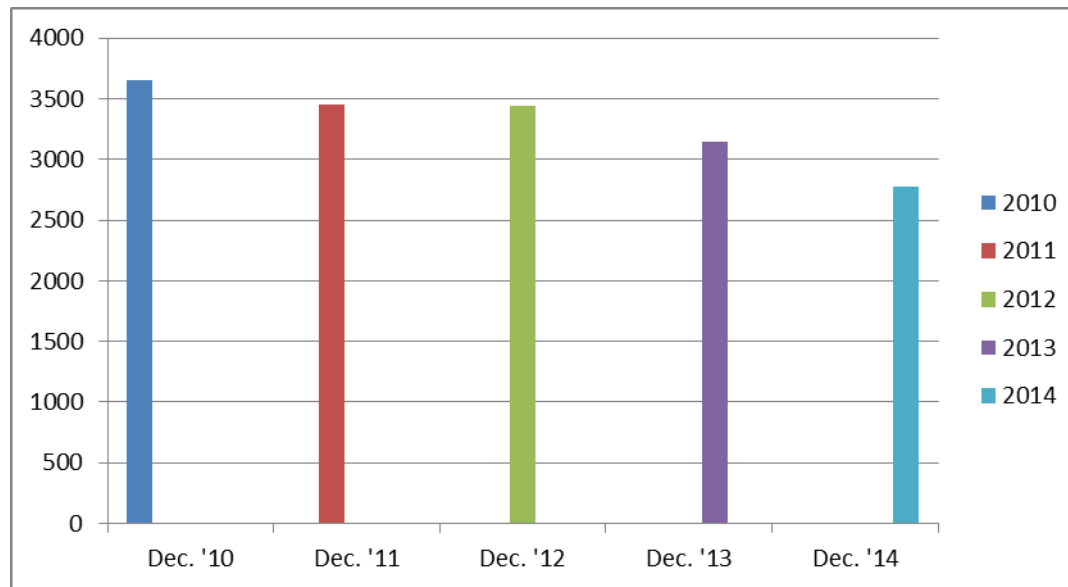
Description	Acknowledged	Days to Acknowledgement							
		> 30 Days		30 - 24		23 - 11		<11	
		Count	%	Count	%	Count	%	Count	%
CIG-CL SI %AWARD DNY/GNT	10	1	10	0	0	3	30	6	60
EAD-EM % AWARD DENY/GRNT	1	0	0	0	0	0	0	1	100
EIG-EM SI %AWARD DNY/GNT	1	1	100	0	0	0	0	0	0
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	Total: 1	0	0	0	0	0	0	1	100
CZB-CL SI IEB DETRM'TION	1	0	0	0	0	0	0	1	100
REHABILITATION	Total: 2	0	0	0	0	0	0	2	100
CPB-CL GRNT/DNY VOC REHA	2	0	0	0	0	0	0	2	100
REOPENING	Total: 12	1	8	0	0	3	25	8	66
CIQ-CL SI DY/GNT R/O PPD	1	0	0	0	0	0	0	1	100
CIY-CL SI DY/GNT R/O TTD	2	0	0	0	0	1	50	1	50
CJV-CL DNY/GRNT R/O PPD	3	0	0	0	0	1	33	2	66
CLH-CL DNY/GRNT R/O PTD	1	1	100	0	0	0	0	0	0
CRD-CL DENY/GRNT R/O TTD	5	0	0	0	0	1	20	4	80
SPECIAL CATEGORY	Total: 3	0	0	0	0	0	0	3	100
CNW-CL SPL CATEGORY	3	0	0	0	0	0	0	3	100
TRMT/EQUIP CL	Total: 84	3	3	2	2	8	9	71	84
CBX-CL TRMT DENY	64	1	1	2	3	7	10	54	84
CED-CL EQUIP DENY/GRANT	3	0	0	0	0	0	0	3	100
CKN-CL D/G PROV CHNG	1	0	0	0	0	0	0	1	100
CSX-CL SI TRMT DENY	13	0	0	0	0	1	7	12	92
CYY-CL TRMT GRANT	3	2	66	0	0	0	0	1	33
TTD	Total: 26	0	0	0	0	1	3	25	96
CCC-CL CLOSING THE CLAIM	17	0	0	0	0	0	0	17	100
CIC-CL SI CLSING THE CLM	4	0	0	0	0	1	25	3	75
CJS-CL TTD	2	0	0	0	0	0	0	2	100
CPX-CL INITIAL TTD	3	0	0	0	0	0	0	3	100
TOTALS:	281	7	2.5	6	2.1	32	11.4	236	84.0

PROTEST ACKNOWLEDGMENT TIMELINESS

Acknowledgment Timeliness	2013	Dec. '14	2014
Protest Ack. < 11 Days	78.0%	84.0%	81.7%
Protest Ack. 11 – 23 Days	16.1%	11.4%	12.1%
Protest Ack. 24 – 30 Days	2.3%	2.1%	1.9%
Protest Ack. > 30 Days	3.6%	2.5%	4.3%



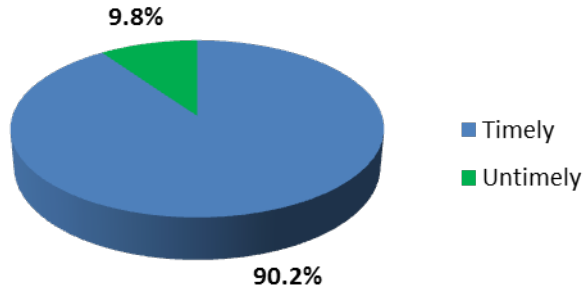
PENDING CASELOAD COMPARISON BY MONTH/YEAR



Pending as of January 5, 2015	2776
Pending 1 Month Before	2882
Pending 2 Months Before	2957
Pending 3 Months Before	2989
Pending 6 Months Before	3063
Pending 12 Months Before	3147

TIME STANDARD COMPLIANCE

Time Standard Compliance
December 2014



2013	December	2014
94.9%	90.2%	94.1%

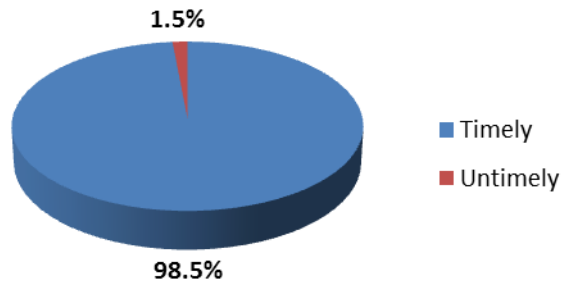
Time Standard Compliance – December 2014

Time Standard	Issues		Timely		Late	
	Resolved	Count	%	Count	%	
BENEFIT OVERPAYMENT	1	0	0	1	0	
COMPENSABILITY	11	11	100	0	100	
OP NON-MED	1	1	100	0	100	
OPBD	11	11	100	0	100	
PPD	35	35	100	0	100	
REHABILITATION	2	2	100	0	100	
REOPENING	1	1	100	0	100	
TRMT/EQUIP CL	33	26	78.8	7	78.8	
TTD	7	5	71.4	2	71.4	
TOTALS:	102	92	90.2	10	9.8	

MOTION RESOLUTION COMPLIANCE

2013	December	2014
97.7%	98.5%	98.5%

Motion Compliance
Dec. 2014



Motion Resolution Compliance – December 2014

Motion Resolution	Total	TIMELY		UNTIMELY	
	Motions	Count	%	Count	%
APPLICATION THRESHOLD	2	2	100	0	0
BENEFIT OVERPAYMENT	2	2	100	0	0
COMPENSABILITY	201	196	97.5	5	2.5
DEP BEN 104	1	1	100	0	0
DEP BEN FATAL	8	8	100	0	0
FAILURE TO ACT 15 DAY	2	2	100	0	0
FAILURE TO ACT 30 DAY	3	2	66.7	1	33.3
OP NON-MED	11	11	100	0	0
OPBD	37	37	100	0	0
PPD	199	197	99	2	1
PTD ENTITLEMENT	1	1	100	0	0
PTD REVIEWING BODY IMPAIRMENT DETERMINATION	1	1	100	0	0
REHABILITATION	3	3	100	0	0
REOPENING	29	29	100	0	0
SPECIAL CATEGORY	11	10	90.9	1	9.1
TEMP	1	1	100	0	0
TRMT/EQUIP CL	235	233	99.1	2	0.9
TRMT/EQUIP EM	1	1	100	0	0
TTD	65	64	98.5	1	1.5
TOTALS:	813	801	98.5	12	1.5

PROTEST RESOLUTIONS

Protests Resolved:	Dec. 2014	2014
Protests Decided	241	2855
Withdrawals	53	766
"No Evidence" Dismissals	35	403

Resolution of Issues – December 1, 2014 through December 31, 2014

Time Standard	Decisions		REVERSED		AFFIRMED		AFFIRMED by RULE		DISMISSED		MODIFIED		MOOT		OTHER		REMANDED	
	Issued	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	
BENEFIT OVERPAYMENT	1	0	0	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0
BENEFIT RATE	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPENSABILITY	74	30	40.5	25	33.8	5	6.8	10	13.5	2	2.7	0	0	2	2.7	0	0	
DEP BEN FATAL	5	2	40	3	60	0	0	0	0	0	0	0	0	0	0	0	0	
FAILURE TO ACT 15 DAY	2	0	0	0	0	0	0	2	100	0	0	0	0	0	0	0	0	
FAILURE TO ACT 30 DAY	2	0	0	0	0	0	0	2	100	0	0	0	0	0	0	0	0	
OP NON-MED	2	1	50	1	50	0	0	0	0	0	0	0	0	0	0	0	0	
OPBD	28	2	7.1	13	46.4	6	21.4	7	25	0	0	0	0	0	0	0	0	
PPD	106	14	13.2	21	19.8	16	15.1	53	50	1	0.9	1	0.9	0	0	0	0	
PTD ENTITLEMENT	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0	
REHABILITATION	2	0	0	1	50	0	0	1	50	0	0	0	0	0	0	0	0	
REOPENING	10	1	10	7	70	0	0	2	20	0	0	0	0	0	0	0	0	
SPECIAL CATEGORY	8	0	0	6	75	0	0	2	25	0	0	0	0	0	0	0	0	
TRMT/EQUIP CL	110	23	20.9	61	55.5	5	4.5	15	13.6	3	2.7	1	0.9	2	1.8	0	0	
TTD	26	2	7.7	13	50	2	7.7	8	30.8	1	3.8	0	0	0	0	0	0	
TOTALS:	378	75	19.8	153	40.5	35	9.3	102	27.0	7	1.9	2	0.5	4	1.1	0	0.0	

FINAL DECISION TIMELINESS

Final Decision Timeliness:	2013	Dec. 2014	2014
< 30 Days	35.5%	27.5%	25.4%
30 – 60 Days	59.6%	58.5%	62.7%
60 – 90 Days	4.6%	11.0%	9.8%
>90 Days	0.3%	3.0%	2.1%

Final Decision Compliance – December 1, 2014 through December 31, 2014

Final Decision Compliance	Days to Decision									
	Issues		< 30 Days		30 - 60		61 - 90		Over 90	
	Resolved	Count	%	Count	%	Count	%	Count	%	
BENEFIT RATE	1	0	0	1	100	0	0	0	0	
COMPENSABILITY	57	16	0	32	0	7	0	2	0	
DEP BEN FATAL	5	2	0	1	0	2	0	0	0	
OP NON-MED	2	2	100	0	0	0	0	0	0	
OPBD	15	4	0	11	0	0	0	0	0	
PPD	41	13	0	26	0	1	0	1	0	
PTD ENTITLEMENT	1	0	0	0	0	1	100	0	0	
REHABILITATION	1	0	0	1	100	0	0	0	0	
REOPENING	8	2	0	4	0	2	0	0	0	
SPECIAL CATEGORY	6	0	0	5	0	1	0	0	0	
TRMT/EQUIP CL	83	22	0	47	0	10	0	4	0	
TTD	16	4	0	10	0	2	0	0	0	
TOTALS:	236	65	27.5	138	58.5	26	11.0	7	3.0	

FAILURE TO TIMELY ACT PROCESS

Failure to Timely Act Process	
Petitions Filed 1/1/14 through 12/31/2014	
Filed:	113
Denied/Dismissed:	68
Reports to OIC:	55
Pending:	23
<i>(Resolutions include petitions filed from previous year)</i>	

EXPEDITED HEARING PROCESS

YEAR	MONTHLY TOTAL FOR DECEMBER	YEARLY TOTAL
2012	10	113
2013	11	173
2014	25	161

PETITIONS FOR ATTORNEY FEES

Petitions for Attorney Fees & Costs WV Code §23-5-16(c)

Petitions Received 1/1/14 through 12/31/2014	81
Granted	50
Denied	21
Pending	5
Other (<i>Forwarded to BOR</i>)	5

Petitions for Attorney Fees for Unreasonable Denial WV Code §23-2C-21(c)

Petitions Received 1/1/14 through 12/31/2014	9
Granted	6
Denied on face	3
Denied by ALJ decision	2
Withdrawn (including settlements)	2
Pending*	0
<i>(Resolved petitions include 4 filed in prior year)</i>	

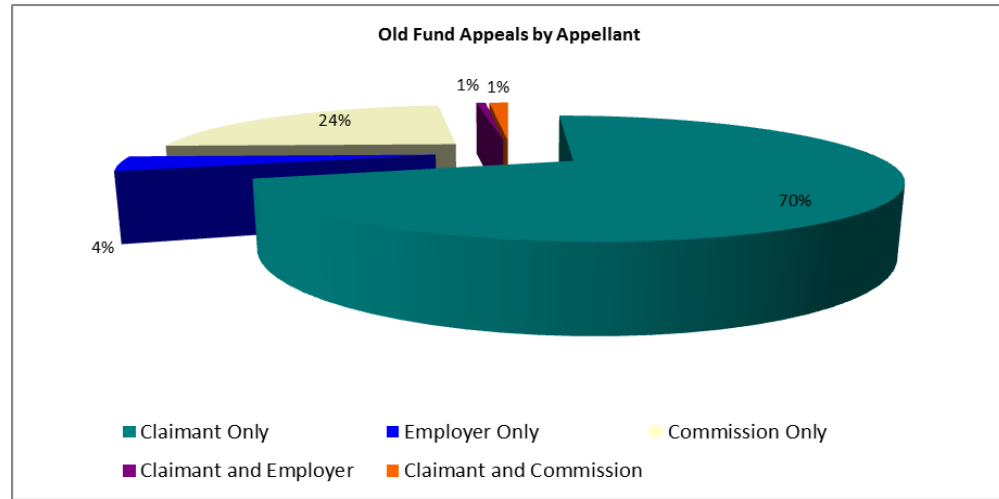
BOARD OF REVIEW

Yearly Appeals Received

From January 1, 2014 Thru December 31, 2014

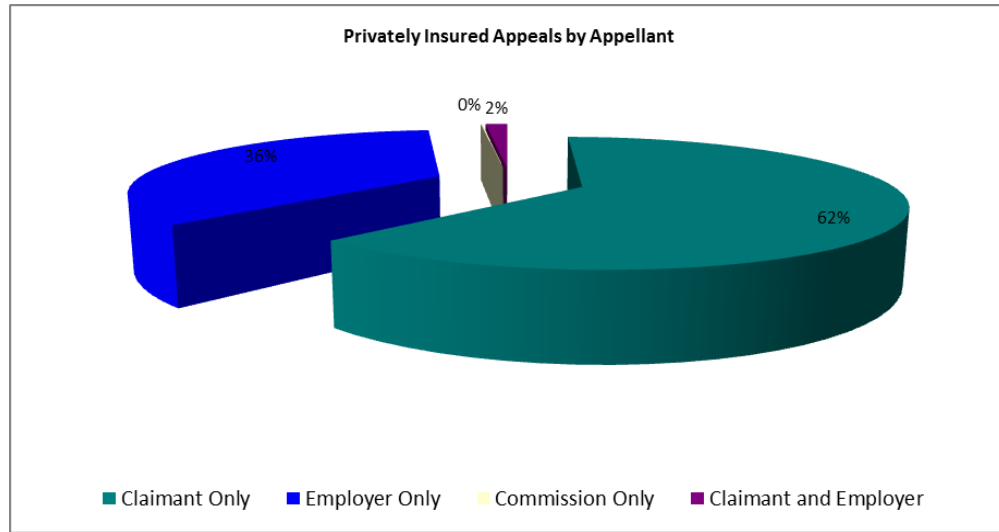
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	105
Employer Only	6
Commission Only	35
Claimant and Employer	1
Claimant and Commission	2
Old Fund Total	149



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

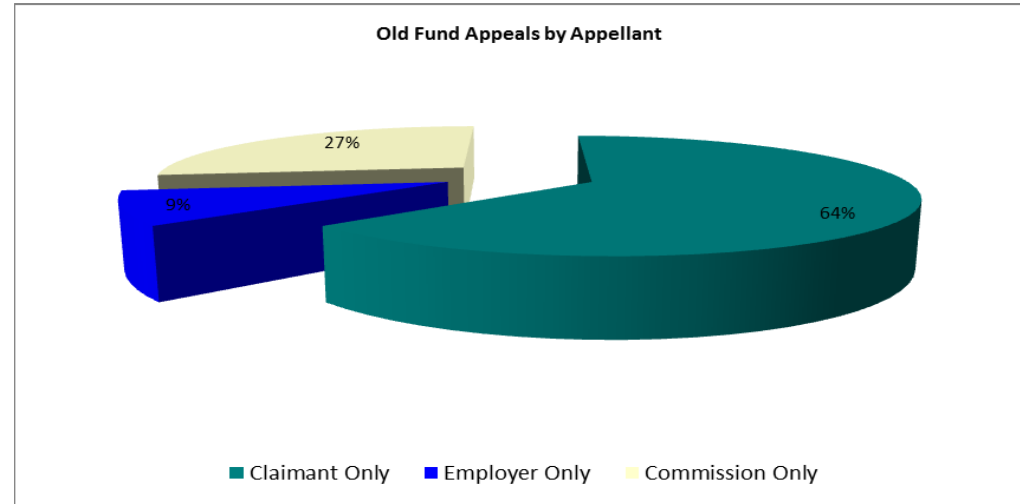
Appellant	Count
Claimant Only	504
Employer Only	290
Commission Only	1
Claimant and Employer	12
Privately Insured Total	807
Total Appeals	956



Appeals Received
From December 1, 2014 thru December 31, 2014

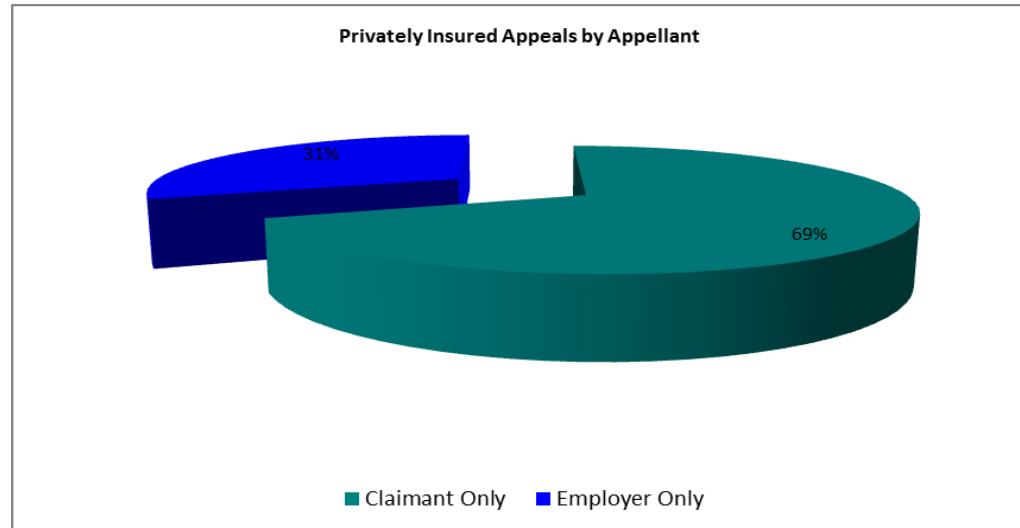
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	7
Employer Only	1
Commission Only	3
Old Fund Total	11



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

Appellant	Count
Claimant Only	61
Employer Only	27
Privately Insured Total	88
Total Appeals	99



Appeals counted more than once:

Appeals Received By Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
 From December 1, 2014 Thru December 31, 2014

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	11	0	0.0	11	100.0
CL % BOARD FINDING	1	0	0.0	1	100.0
CL ADDL % AWARD D/G	2	0	0.0	2	100.0
CL BEN. OVERPAYMENT	1	0	0.0	1	100.0
CL CLOSING THE CLAIM	5	0	0.0	5	100.0
CL COMP ON LIMITED BASIS	1	0	0.0	1	100.0
CL COMPENSABILITY	2	0	0.0	2	100.0
CL D/G PROV CHNG	2	0	0.0	2	100.0
CL DENY/GRANT PTD	1	1	100.0	0	0.0
CL DENY/GRNT R/O TTD	2	0	0.0	2	100.0
CL INITIAL TTD	1	0	0.0	1	100.0
CL REJ OCC DISEASE	3	0	0.0	3	100.0
CL REJECT CLAIM	18	0	0.0	18	100.0
CL SEC.CONDITION	8	0	0.0	8	100.0
CL SI %AWARD DNY/GNT	1	0	0.0	1	100.0
CL SI ADD% AWARD D/G	1	1	100.0	0	0.0
CL SI AUT/RPR HA D/G	1	0	0.0	1	100.0
CL SI BEN. OVR PAYMT	1	0	0.0	1	100.0
CL SI CLSING THE CLM	2	0	0.0	2	100.0
CL SI DY/GNT DTH BEN	2	1	50.0	1	50.0
CL SI NON-MED ORDER	1	1	100.0	0	0.0
CL SI REJECT CLAIM	2	0	0.0	2	100.0
CL SI SEC.CONDITION	1	0	0.0	1	100.0
CL SI SL CATEGORY	1	0	0.0	1	100.0
CL SI TRMT DENY	8	0	0.0	8	100.0
CL SPL CATEGORY	2	0	0.0	2	100.0
CL TRMT DENY	26	5	19.2	21	80.8
CL TRMT GRANT	1	1	100.0	0	0.0
CL TTD	2	0	0.0	2	100.0
CL% SI BOARD FINDING	1	1	100.0	0	0.0
EM % BOARD FINDING	1	0	0.0	1	100.0
EM SI AD.BRD FINDING	1	0	0.0	1	100.0
Totals	113	11	9.7	102	90.3

Yearly Appeals Received By Issue
 Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
 From January 1, 2014 thru December 31, 2014

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL % AWARD DENY/GRNT	125	4	3.2	121	96.8
CL % BOARD FINDING	8	1	12.5	7	87.5
CL ADD BOARD FINDING	2	0	0.0	2	100.0
CL ADDL % AWARD D/G	15	1	6.7	14	93.3
CL APP.THRESHOLD	4	3	75.0	1	25.0
CL BEN. OVERPAYMENT	4	1	25.0	3	75.0
CL CLOSING THE CLAIM	70	0	0.0	70	100.0
CL COMP ON LIMITED BASIS	6	0	0.0	6	100.0
CL COMPENSABILITY	9	0	0.0	9	100.0
CL D/G PROV CHNG	6	0	0.0	6	100.0
CL DENY/GRANT PTD	4	4	100.0	0	0.0
CL DENY/GRNT 104 WKS	1	1	100.0	0	0.0
CL DENY/GRNT DTH BEN	10	7	70.0	3	30.0
CL DENY/GRNT R/O TTD	33	2	6.1	31	93.9
CL DNY/GRNT R/O PPD	11	6	54.5	5	45.5
CL DNY/GRNT R/O PTD	2	2	100.0	0	0.0
CL EQUIP DENY/GRANT	2	2	100.0	0	0.0
CL FTA ACT UPON PPD	1	0	0.0	1	100.0
CL GRNT/DNY TP REHAB	2	0	0.0	2	100.0
CL GRNT/DNY VOC REHA	4	0	0.0	4	100.0
CL INITIAL TTD	4	0	0.0	4	100.0
CL NON-MED ORDER	10	4	40.0	6	60.0
CL OIC REJECT CLAIM	1	0	0.0	1	100.0
CL PRSTS BEN RATE	3	1	33.3	2	66.7
CL PTD REV. BODY DETERMINATION	7	4	57.1	3	42.9
CL REJ OCC DISEASE	24	1	4.2	23	95.8
CL REJECT CLAIM	152	1	0.7	151	99.3
CL SEC.CONDITION	89	7	7.9	82	92.1
CL SI %AWARD DNY/GNT	32	2	6.3	30	93.8
CL SI AD.BRD FINDING	1	1	100.0	0	0.0
CL SI ADD% AWARD D/G	7	4	57.1	3	42.9
CL SI AUT/RPR HA D/G	1	0	0.0	1	100.0
CL SI BEN. OVR PAYMT	1	0	0.0	1	100.0
CL SI CLSING THE CLM	11	0	0.0	11	100.0

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
CL SI COMP ON LIMITED BASIS	1	0	0.0	1	100.0
CL SI DY/GNT DTH BEN	9	7	77.8	2	22.2
CL SI DY/GNT R/O PPD	2	0	0.0	2	100.0
CL SI DY/GNT R/O TTD	5	0	0.0	5	100.0
CL SI DY/GRNT RHB PL	1	0	0.0	1	100.0
CL SI EQUIP DNY/GRNT	1	1	100.0	0	0.0
CL SI NON-MED ORDER	4	4	100.0	0	0.0
CL SI REJ OCCDISEASE	3	0	0.0	3	100.0
CL SI REJECT CLAIM	32	1	3.1	31	96.9
CL SI SEC.CONDITION	17	1	5.9	16	94.1
CL SI SL CATEGORY	1	0	0.0	1	100.0
CL SI TRMT DENY	51	8	15.7	43	84.3
CL SI TTD	4	0	0.0	4	100.0
CL SPL CATEGORY	20	3	15.0	17	85.0
CL TRMT DENY	255	65	25.5	190	74.5
CL TRMT GRANT	7	7	100.0	0	0.0
CL TTD	14	0	0.0	14	100.0
CL% SI BOARD FINDING	5	2	40.0	3	60.0
EM % BOARD FINDING	2	0	0.0	2	100.0
EM NON-MED ORDER	1	0	0.0	1	100.0
EM OIC COMPENSABLE	1	0	0.0	1	100.0
EM SI AD.BRD FINDING	1	0	0.0	1	100.0
NonPrstable Protest	1	0	0.0	1	100.0
Not All Parties cc'd	3	2	66.7	1	33.3
PRT NOT CC-NoEMP ORD	1	1	100.0	0	0.0
UnTimely Protest	1	0	0.0	1	100.0
Totals	1105	161	14.6	944	85.4

Appeals Received By Issue
From December 1, 2014 Thru December 31, 2014

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	11	7	63.6	4	36.4	0	0.0	0	0.0
CL % BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	2	2	100.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	1	0	0.0	1	100.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	5	5	100.0	0	0.0	0	0.0	0	0.0
CL COMP ON LIMITED BASIS	1	1	100.0	0	0.0	0	0.0	0	0.0
CL COMPENSABILITY	2	2	100.0	0	0.0	0	0.0	0	0.0
CL D/G PROV CHNG	2	2	100.0	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	1	0	0.0	0	0.0	0	0.0	1	100.0
CL DENY/GRNT R/O TTD	2	2	100.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	1	0	0.0	1	100.0	0	0.0	0	0.0
CL REJ OCC DISEASE	3	1	33.3	2	66.7	0	0.0	0	0.0
CL REJECT CLAIM	18	8	44.4	10	55.6	0	0.0	0	0.0
CL SEC.CONDITION	8	6	75.0	2	25.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI AUT/RPR HA D/G	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI BEN. OVR PAYMT	1	0	0.0	1	100.0	0	0.0	0	0.0
CL SI CLSING THE CLM	2	1	50.0	1	50.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	2	1	50.0	1	50.0	0	0.0	0	0.0
CL SI NON-MED ORDER	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	2	0	0.0	2	100.0	0	0.0	0	0.0
CL SI SEC.CONDITION	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI SL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	8	7	87.5	1	12.5	0	0.0	0	0.0
CL SPL CATEGORY	2	1	50.0	1	50.0	0	0.0	0	0.0
CL TRMT DENY	26	23	88.5	2	7.7	0	0.0	1	3.8
CL TRMT GRANT	1	0	0.0	0	0.0	0	0.0	1	100.0
CL TTD	2	2	100.0	0	0.0	0	0.0	0	0.0
CL% SI BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
EM % BOARD FINDING	1	1	100.0	0	0.0	0	0.0	0	0.0
EM SI AD.BRD FINDING	1	0	0.0	1	100.0	0	0.0	0	0.0
Totals	113	80	70.8	30	26.5	0	0.0	3	2.7

**WORKER COMPENSATION BOARD OF REVIEW
FOR DECEMBER 2014**

Appealed By	BOR Disposition	Disposition		Year to Date			
		Count	Disp %	Total %	Date	Disp %	Total %
CLAIMANT	AFFIRMED	29	82.9%	47.5%	446	82.6%	49.8%
	DISMISSED	4	11.4%	6.6%	39	7.2%	4.4%
	MODIFY				6	1.1%	0.7%
	MODIFY AND REMAND				2	0.4%	0.2%
	MOOT				1	0.2%	0.1%
	REMAND	1	2.9%	1.6%	17	3.1%	1.9%
	REVERSE	1	2.9%	1.6%	29	5.4%	3.2%
	Total Dispositions	35			540		
CLAIMANT/EMPLOYER	AFFIRMED				6	50.0%	0.7%
	DISMISSED				1	8.3%	0.1%
	MODIFY				1	8.3%	0.1%
	REVERSE				4	33.3%	0.4%
	Total Dispositions				12		
EMPLOYER	AFFIRMED	17	77.3%	27.9%	193	64.3%	21.6%
	DISMISSED	2	9.1%	3.3%	37	12.3%	4.1%
	MODIFY				14	4.7%	1.6%
	REMAND	1	4.5%	1.6%	10	3.3%	1.1%
	REVERSE	2	9.1%	3.3%	46	15.3%	5.1%
	Total Dispositions	22			300		
DIVISION/OIC	AFFIRMED	1	25.0%	1.6%	18	41.9%	2.0%
	DISMISSED	1	25.0%	1.6%	5	11.6%	0.6%
	MODIFY				2	4.7%	0.2%
	REMAND	1	25.0%	1.6%	3	7.0%	0.3%
	REVERSE	1	25.0%	1.6%	15	34.9%	1.7%
	Total Dispositions	4			43		
Grand Totals		61			895		

Dispositions by Issues
BOR Orders Mailed From December 1, 2014 Thru December 31, 2014

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	7	7	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	4	3	75.0	0	0.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	4	3	75.0	0	0.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0
CL NON-MED ORDER	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL REJECT CLAIM	10	9	90.0	0	0.0	1	10.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SEC.CONDITION	6	5	83.3	0	0.0	1	16.7	0	0.0	0	0.0	0	0.0	0	0.0
CL SI %AWARD DNY/GNT	3	2	66.7	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI EQUIP DNY/GRNT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJECT CLAIM	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI SEC.CONDITION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI TRMT DENY	4	2	50.0	1	25.0	0	0.0	0	0.0	1	25.0	0	0.0	0	0.0
CL SPL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TRMT DENY	13	8	61.5	2	15.4	1	7.7	0	0.0	2	15.4	0	0.0	0	0.0
CL TRMT GRANT	2	1	50.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
CL TTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
EM OIC COMPENSABLE	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	68	54	79.4	4	5.9	7	10.3	0	0.0	3	4.4	0	0.0	0	0.0

Yearly Dispositions by Issues
BOR Orders Mailed From January 1, 2014 thru December 31, 2014

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL % AWARD DENY/GRNT	112	84	75.0	7	6.3	14	12.5	3	2.7	4	3.6	0	0.0	0	0.0
CL % BOARD FINDING	9	8	88.9	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADD BOARD FINDING	3	2	66.7	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ADDL % AWARD D/G	10	8	80.0	1	10.0	1	10.0	0	0.0	0	0.0	0	0.0	0	0.0
CL APP.THRESHOLD	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL BEN. OVERPAYMENT	4	2	50.0	1	25.0	0	0.0	1	25.0	0	0.0	0	0.0	0	0.0
CL CLOSING THE CLAIM	50	35	70.0	7	14.0	6	12.0	1	2.0	0	0.0	0	0.0	1	2.0
CL COMP ON LIMITED BASIS	3	2	66.7	0	0.0	0	0.0	0	0.0	1	33.3	0	0.0	0	0.0
CL COMPENSABILITY	8	5	62.5	2	25.0	1	12.5	0	0.0	0	0.0	0	0.0	0	0.0
CL D/G PROV CHNG	3	2	66.7	0	0.0	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0
CL DENY/GRANT PTD	3	2	66.7	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0	0	0.0
CL DENY/GRNT DTH BEN	18	14	77.8	2	11.1	0	0.0	1	5.6	1	5.6	0	0.0	0	0.0
CL DENY/GRNT R/O TTD	31	27	87.1	1	3.2	2	6.5	0	0.0	1	3.2	0	0.0	0	0.0
CL DNY/GRNT R/O PPD	11	9	81.8	1	9.1	1	9.1	0	0.0	0	0.0	0	0.0	0	0.0
CL DNY/GRNT R/O PTD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL EQUIP DENY/GRANT	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL EXTRA WKS D/G	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL FTA ACT UPON PPD	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL GRNT/DNY TP REHAB	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL GRNT/DNY VOC REHA	5	4	80.0	1	20.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL INITIAL TTD	7	5	71.4	1	14.3	0	0.0	0	0.0	1	14.3	0	0.0	0	0.0
CL NON-MED ORDER	9	4	44.4	0	0.0	2	22.2	1	11.1	2	22.2	0	0.0	0	0.0
CL OIC REJECT CLAIM	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
CL ONSET DATE ISSUE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PRSTS BEN RATE	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL PTD REV. BODY DETERMINATION	14	8	57.1	2	14.3	3	21.4	0	0.0	1	7.1	0	0.0	0	0.0
CL REJ OCC DISEASE	21	12	57.1	2	9.5	4	19.0	1	4.8	2	9.5	0	0.0	0	0.0
CL REJECT CLAIM	122	92	75.4	10	8.2	12	9.8	5	4.1	3	2.5	0	0.0	0	0.0
CL SEC.CONDITION	79	64	81.0	8	10.1	4	5.1	1	1.3	1	1.3	0	0.0	1	1.3
CL SI %AWARD DNY/GNT	32	23	71.9	4	12.5	4	12.5	0	0.0	1	3.1	0	0.0	0	0.0
CL SI AD.BRD FINDING	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI ADD% AWARD D/G	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI AUT/RPR HA D/G	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI CLSING THE CLM	9	9	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI COMP ON LIMITED BASIS	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
CL SI COMPENSABLE	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI D/G 104 WKS	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DENY/GRANT PTD	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
CL SI DY/GNT DTH BEN	9	7	77.8	1	11.1	1	11.1	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O PPD	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI DY/GNT R/O TTD	13	12	92.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	7.7
CL SI DY/GRNT RHB PL	1	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0
CL SI EQUIP DNY/GRNT	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI NON-MED ORDER	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
CL SI REJ OCCDISEASE	5	5	100	0	0	0	0	0	0	0	0	0	0	0	0
CL SI REJECT CLAIM	25	23	92	1	4	1	4	0	0	0	0	0	0	0	0
CL SI SEC.CONDITION	16	15	93.75	1	6.25	0	0	0	0	0	0	0	0	0	0
CL SI SL CATEGORY	2	2	100	0	0	0	0	0	0	0	0	0	0	0	0
CL SI TRMT DENY	60	48	80	8	13.333	1	1.6667	1	1.6667	2	3.3333	0	0	0	0
CL SI TTD	6	5	83.333	0	0	0	0	1	16.667	0	0	0	0	0	0
CL SPL CATEGORY	15	10	66.667	2	13.333	2	13.333	1	6.6667	0	0	0	0	0	0
CL TRMT DENY	240	175	72.917	30	12.5	20	8.3333	4	1.6667	10	4.1667	0	0	1	0.4167
CL TRMT GRANT	8	6	75	1	12.5	1	12.5	0	0	0	0	0	0	0	0
CL TTD	13	11	84.615	0	0	1	7.6923	1	7.6923	0	0	0	0	0	0
CL% SI BOARD FINDING	3	2	66.667	0	0	0	0	1	33.333	0	0	0	0	0	0
EM % BOARD FINDING	2	1	50	0	0	0	0	1	50	0	0	0	0	0	0
EM DENY/GRNT DTH BEN	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
EM OIC COMPENSABLE	1	0	0	0	0	1	100	0	0	0	0	0	0	0	0
EM OIC SPL CATEGORY	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0
NonPrstable Protest	1	0	0	0	0	1	100	0	0	0	0	0	0	0	0
Not All Parties cc'd	3	2	66.667	1	33.333	0	0	0	0	0	0	0	0	0	0
PRT NOT CC-NoEMP ORD	1	1	100	0	0	0	0	0	0	0	0	0	0	0	0
UnTimely Protest	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0
Totals	1023	774	75.66	102	9.9707	86	8.4066	26	2.5415	31	3.0303	0	0	4	0.391

REVENUE RECOVERY

Workers' Compensation - December 2014

COLLECTION ACTIVITY	Current Month	Fiscal Year 2015
Receipts - Old Fund (Employer out of business)	\$ 1,765.70	\$ 21,679.84
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 51,471.50	\$ 330,214.80
Receipts - Payment Agreements (Old Fund and UEF Combined)	\$ 9,844.04	\$ 59,012.90
# of active accounts uninsured (cumulative) /(average)	379	1,038
\$ of active accounts uninsured (cumulative) / (average)	\$ 1,410,063.20	3,905,568.50
	1,033	7,437
Telephone contacts		
Walk-ins	2	34

LIENS	Current Month	Fiscal Year 2015
Liens sent to county clerks for recordation	112	637
Liens sent to county clerks for release	20	183
Intent to lien letters sent to employer/owner/officer/member	66	7260

Uninsured Accounts Resolved	180	1178
All Cash Receipts from WC accounts	\$ 63,081.24	\$ 408,907.54

INJUNCTIONS	Current Month	Fiscal Year 2015
Affidavits for injunction submitted to legal	10	38
Hearings attended	1	6
# of injunction complaints accepted by court	2	11
# of injunctions granted	0	4
# of agreed orders entered	0	0
PAYMENT AGREEMENTS	Current Month	Fiscal Year 2015
# of repayment agreements applications	3	19
Agreements set up	3	19
Total # of agreements on system (cumulative) / (average)	51	150
Intent to void letters mailed	3	26
Agreements voided	1	9

MISCELLANEOUS	Current Month	Fiscal Year 2015
Terminations Processed	58	332
Rule 11 Letters Mailed	200	1107
Rule 11 hearings	1	3

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
January 29, 2015

OPERATING REPORT

NOVEMBER 2014

Board of Treasury Investments

1900 Kanawha
Boulevard East
Suite E-122
Charleston WV
25305
(304) 340-1564
www.wvbti.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

Kara K. Hughes,
CPA, MBA, CFE

Chief Financial
Officer

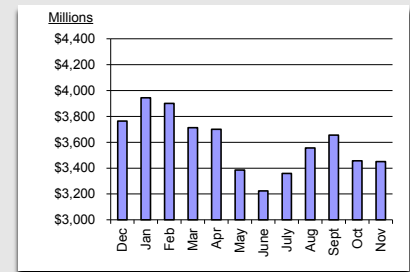
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$3,451,075,000

Last Month
\$3,457,246,000

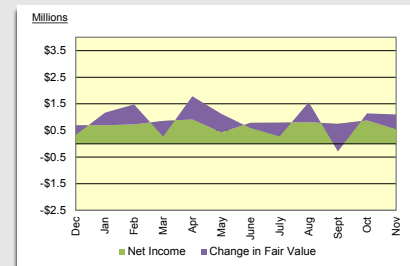
Beginning of Fiscal Year
\$3,223,614,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$3,795,000



Monthly Net Income & Changes in Fair Value for the Past 12 Months

Money Market Pools

As of November 30, 2014

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	0.1098%	43 Days	\$2.1 Billion
WV Gov't Money Market	0.0216%	55 Days	\$279.6 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 2014

November Posts Strong Results for US Bond Market

Market Environment

After a spike in volatility in October and a subsequent recovery, it was back to more of the same for US markets in November as many domestic equity indices scaled new highs. Conversely, 10-year government bond yields in many countries such as Germany, France, Italy, Spain, Portugal, and Japan dropped to all-time lows late in the month, as growth prospects in many developed countries remained muted. November's biggest headline maker was oil, which experienced a precipitous price decline as the GSCI Crude Oil Index lost 17.8% during the month and is down 28.5% for the year. The energy sell-off moderated global equity returns which, with the exception of emerging markets, were mostly positive. The S&P 500 and the MSCI EAFE each gained 2.7% as the actions of the Federal Reserve and European Central Bank, though diverging, were in line with market expectations. US GDP growth in the third quarter, estimated at 3.9%, up from an initial estimate of 3.5%, also bolstered investor confidence. Consistent with much of the developed world, US Treasury yields at the middle and long-end of the curve declined as the Barclays US Long Treasury Index gained 2.8%, bringing its year-to-date return to 21.6%. The US dollar remained in a position of strength, especially relative to the Japanese yen, which slid further amid expanded stimulus, and the Russian ruble which declined significantly due, in part, to lower energy prices.

Despite the divergence of central banking policies, a theme we addressed frequently in 2014, regional sources of equity outperformance have remained relatively consistent year over year, favoring those with a US bias. Globally-oriented investors have not missed the rally in recent years, but the divergence has been especially marked in 2014 as the S&P 500 has returned 14.0%, outpacing almost all other developed market countries. The MSCI EAFE has returned -1.5% on the year as US dollar appreciation has eaten into equity gains in Japan and Europe. This creates a noteworthy conundrum for investors as equity valuations are more compelling outside the US, but the potential for further dollar strength poses a risk and recent US growth indicators remain supportive compared to European counterparts. While there is no panacea for these challenges, we believe a highly active approach to global and emerging equities will be beneficial in mitigating country specific risks and exploiting opportunities that come with divergence. We continue to encourage investors with significant developed foreign currency exposure to consider implementing a partially hedged approach. In the fixed income space, current yield levels on traditional core and global bonds do not appear attractive relative to duration and expected risk levels. We remain constructive on fixed income strategies with an unconstrained approach as a stand-in for benchmark-like core strategies. We believe a commitment to a diversified portfolio target is an important virtue to maintain, especially after a period of time when its benefits have been limited.

Equity Market Results

US equity market return indices posted positive results during November. After a big rally in October, small cap stocks paused in November, rising a mere 0.09% as measured by the Russell 2000 Index. Large cap US equities assumed the leadership position by posting solid gains of 2.62% during the month. Year-to-date results for the Russell 3000 Index, a broad measure of the US equity markets, have risen 12.56%.

International equity markets posted mixed results during the month. Developed international markets, represented by the MSCI EAFE Index, rose 1.36%, while their less established brethren, represented by the MSCI Emerging Markets Index, fell 1.06%. Year-to-date, the results from international equities have been mixed, with the MSCI EAFE Index falling 1.49%, while the MSCI Emerging Markets has risen 2.54%.

Bond Market Results

Continuing last month's rally, US bond market investors enjoyed strong results during November. The Barclays Capital Aggregate Index, a leading index for bond investors, rose 0.70%. Year-to-date, the Barclays Aggregate index has generated a strong 5.86% return. International bonds, as represented by the Citigroup World Government Bond Index (WGBI) hedged, rose 1.15%, pushing its year-to-date return to 7.45%. Cash-like instruments continued post small returns, with the BofA ML 3-month T-bill generating a 0.00% return. Year-to-date, the 3-month T-bill has risen a mere 0.03%.

West Virginia Board of Treasury Investments

Financial Highlights as of November 30, 2014

WV Short Term Bond Pool

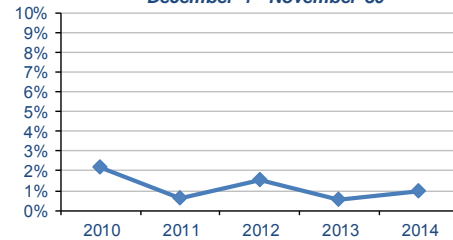
Rates of Return for the Past 12 Months Net of All Fees

<u>December 1 - November 30</u>	<u>Return</u>	<u>Net Assets At Nov 30 (In Millions)</u>
2014	1.0%	\$ 784.1
2013	0.5%	\$ 718.5
2012	1.5%	\$ 501.9
2011	0.6%	\$ 505.5
2010	2.2%	\$ 459.1

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

WV Short Term Bond Pool Rates of Return

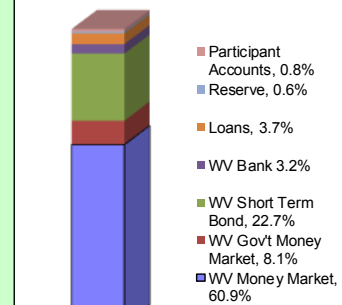
Past 12 Months
December 1 - November 30



Summary of Value and Earnings (In Thousands)

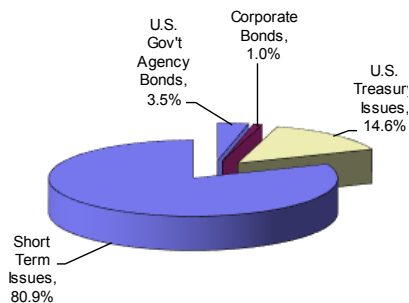
<u>Pool</u>	<u>Net Asset Value</u>	<u>Nov Net Income (Loss)</u>	<u>Fiscal YTD Net Income(Loss)</u>
WV Money Market	\$2,100,644	\$ 191	\$ 1,009
WV Gov't Money Market	279,629	5	24
WV Short Term Bond	784,079	849	2,552
WV Bank	110,065	11	48
Loans	127,937	14	62
Reserve	20,689	4	22
Participant Accounts	28,032	28	78
	<u>\$3,451,075</u>	<u>\$ 1,102</u>	<u>\$ 3,795</u>

Percent of Total Net Asset Value

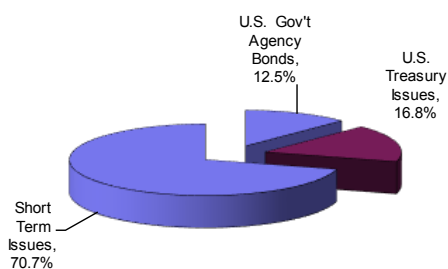


Securities by Type for Operating Pools (Percentage of Asset Value)

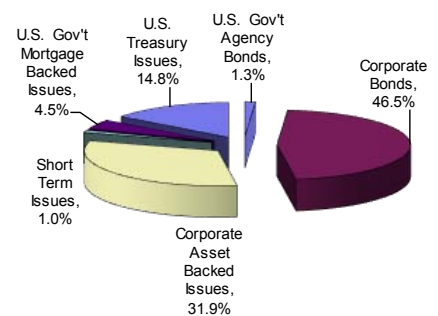
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED

NOVEMBER 30, 2014

(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>	<u>Total</u>
Assets							
Investments:							
At amortized cost	\$ 2,098,307	\$ 279,421	\$ -	\$ 110,026	\$ 148,612	\$ 24,186	\$ 2,660,552
At fair value	-	-	782,407	-	-	3,802	786,209
Other assets	2,617	246	2,145	45	22	44	5,119
Total assets	<u>2,100,924</u>	<u>279,667</u>	<u>784,552</u>	<u>110,071</u>	<u>148,634</u>	<u>28,032</u>	<u>3,451,880</u>
Liabilities							
Accrued expenses, dividends payable & payables for investments purchased	280	38	473	6	8	-	805
Total liabilities	<u>280</u>	<u>38</u>	<u>473</u>	<u>6</u>	<u>8</u>	<u>-</u>	<u>805</u>
Net Position							
Held in trust for investment pool participants	2,100,644	279,629	784,079	110,065	148,626	-	3,423,043
Held in trust for individual investment account holders	-	-	-	-	-	28,032	28,032
Total net position	<u>\$ 2,100,644</u>	<u>\$ 279,629</u>	<u>\$ 784,079</u>	<u>\$ 110,065</u>	<u>\$ 148,626</u>	<u>\$ 28,032</u>	<u>\$ 3,451,075</u>
Additions							
Investment income:							
Interest and dividends	\$ 522	\$ 51	\$ 889	\$ 14	\$ 22	\$ 33	\$ 1,531
Net (amortization) accretion	(199)	(27)	(501)	-	-	(23)	(750)
Provision for uncollectible loans	-	-	-	-	-	-	-
Total investment income	<u>323</u>	<u>24</u>	<u>388</u>	<u>14</u>	<u>22</u>	<u>10</u>	<u>781</u>
Investment expenses:							
Investment advisor, custodian bank & administrative fees	133	19	84	3	4	-	243
Total investment expenses	<u>133</u>	<u>19</u>	<u>84</u>	<u>3</u>	<u>4</u>	<u>-</u>	<u>243</u>
Net investment income	190	5	304	11	18	10	538
Net realized gain (loss) from investments	1	-	-	-	-	-	1
Net increase (decrease) in fair value of investments	-	-	545	-	-	18	563
Net increase (decrease) in net position from operations	191	5	849	11	18	28	1,102
Participant transaction additions:							
Purchase of pool units by participants	812,033	64,394	1,000	11	4	-	877,442
Reinvestment of pool distributions	191	5	645	11	18	-	870
Contributions to individual investment accounts	-	-	-	-	-	46	46
Total participant transaction additions	<u>812,224</u>	<u>64,399</u>	<u>1,645</u>	<u>22</u>	<u>22</u>	<u>46</u>	<u>878,358</u>
Total additions	812,415	64,404	2,494	33	40	74	879,460
Deductions							
Distributions to pool participants:							
Net investment income	190	5	304	11	18	-	528
Net realized gain (loss) from investments	1	-	-	-	-	-	1
Total distributions to pool participants	<u>191</u>	<u>5</u>	<u>304</u>	<u>11</u>	<u>18</u>	<u>-</u>	<u>529</u>
Participant transaction deductions:							
Redemption of pool units by participants	815,162	68,521	-	11	1,056	-	884,750
Withdrawals from individual investment accounts	-	-	-	-	-	353	353
Total participant transaction deductions	<u>815,162</u>	<u>68,521</u>	<u>-</u>	<u>11</u>	<u>1,056</u>	<u>353</u>	<u>885,103</u>
Total deductions	815,353	68,526	304	22	1,074	353	885,632
Net increase (decrease) in net position from operations	(2,938)	(4,122)	2,190	11	(1,034)	(279)	(6,172)
Inter-pool transfers in	-	-	-	2,992	-	-	2,992
Inter-pool transfers out	(2,992)	-	-	-	-	-	(2,992)
Net inter-pool transfers in (out)	<u>(2,992)</u>	<u>-</u>	<u>-</u>	<u>2,992</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(5,930)	(4,122)	2,190	3,003	(1,034)	(279)	(6,172)
Net position at beginning of period	<u>2,106,574</u>	<u>283,751</u>	<u>781,889</u>	<u>107,062</u>	<u>149,660</u>	<u>28,311</u>	<u>3,457,247</u>
Net position at end of period	<u>\$ 2,100,644</u>	<u>\$ 279,629</u>	<u>\$ 784,079</u>	<u>\$ 110,065</u>	<u>\$ 148,626</u>	<u>\$ 28,032</u>	<u>\$ 3,451,075</u>

Annual Reports

1. Agriculture and Rural Development
2. Forest Management Review Commission
3. Joint Committee on Children and Families
4. Joint Committee on Health
5. Legislative Oversight Commission on Health and Human Resources Accountability
6. Legislative Oversight Committee on Regional Jail and Correctional Facility Authority
7. Parks, Recreation and Natural Resources Subcommittee
8. Select Committee on Infrastructure
9. Select Committee on PEIA, Seniors and Long-Term Care
10. Select Committee on Veterans' Affairs

WEST VIRGINIA LEGISLATURE

Legislative Oversight Committee on Regional Jail and Correctional Facility Authority
(West Virginia Code §31-20-26)

Building 1, Room E-132
1900 Kanawha Boulevard, East
Charleston, WV 25305-0610
(304) 347-4800 Main



Senator William R. Laird, IV Chair
Delegate David Perry, Chair

December 16, 2014

The Honorable Jeffrey V. Kessler, President
West Virginia State Senate

The Honorable Timothy R. Miley, Speaker
West Virginia House of Delegates

Re: *Proposed Plan to Address Recruitment, Retention & Vacancies in West Virginia Prisons, Jails and Juvenile Services*

Dear President Kessler and Speaker Miley:

As per a motion of the Legislative Oversight Committee on Regional Jail and Correctional Facility Authority, we submit the attached *Proposed Plan to Address Recruitment, Retention & Vacancies in West Virginia Prisons, Jails and Juvenile Services* for your consideration. The Committee fully endorses the plan, which contains four main employee recruitment and retention proposals. They are, as follows: an across the board salary increase of \$2,000, an increase of minimum starting salaries and current salaries by \$2,000, a longevity pay plan, and educational cost reimbursements. The Committee strongly recommends that the Joint Committee adopt this plan, to the extent that the budget will allow, so that the Division of Corrections, the Regional Jail and Correctional Facility Authority and the Division of Juvenile Services are better able to recruit and retain correctional employees.

Thank you for your cooperation in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "William R. Laird, IV".

Senator William R. Laird, IV

Chairman/Legislative Oversight Commission on Regional Jails & Correctional Authority

A handwritten signature in black ink, appearing to read "David Perry".

Delegate David Perry

Chairman/Legislative Oversight Commission on Regional Jails & Correctional Authority



Proposed Plan To Address Recruitment, Retention & Vacancies

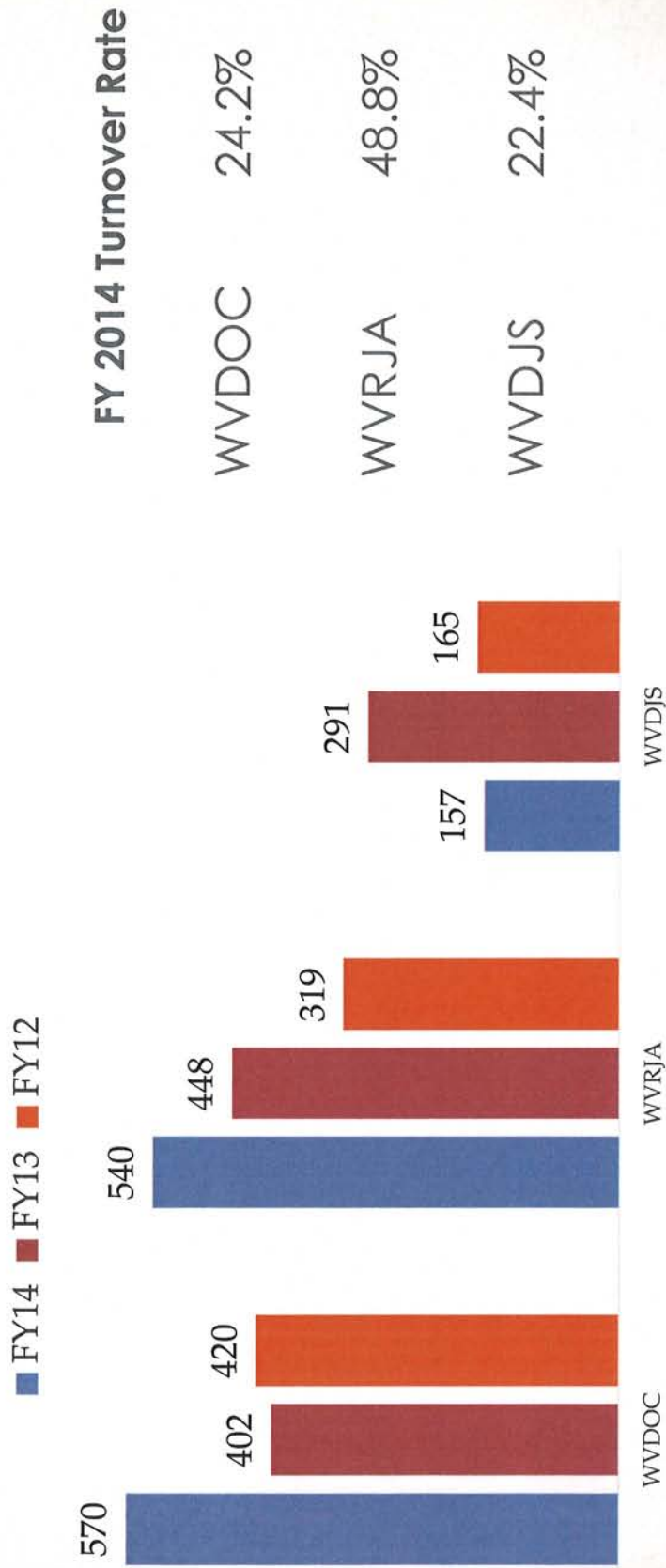
IN WEST VIRGINIA PRISONS, JAILS AND JUVENILE SERVICES

Jim Rubenstein, Deputy Secretary
DMAAPS

September 2014

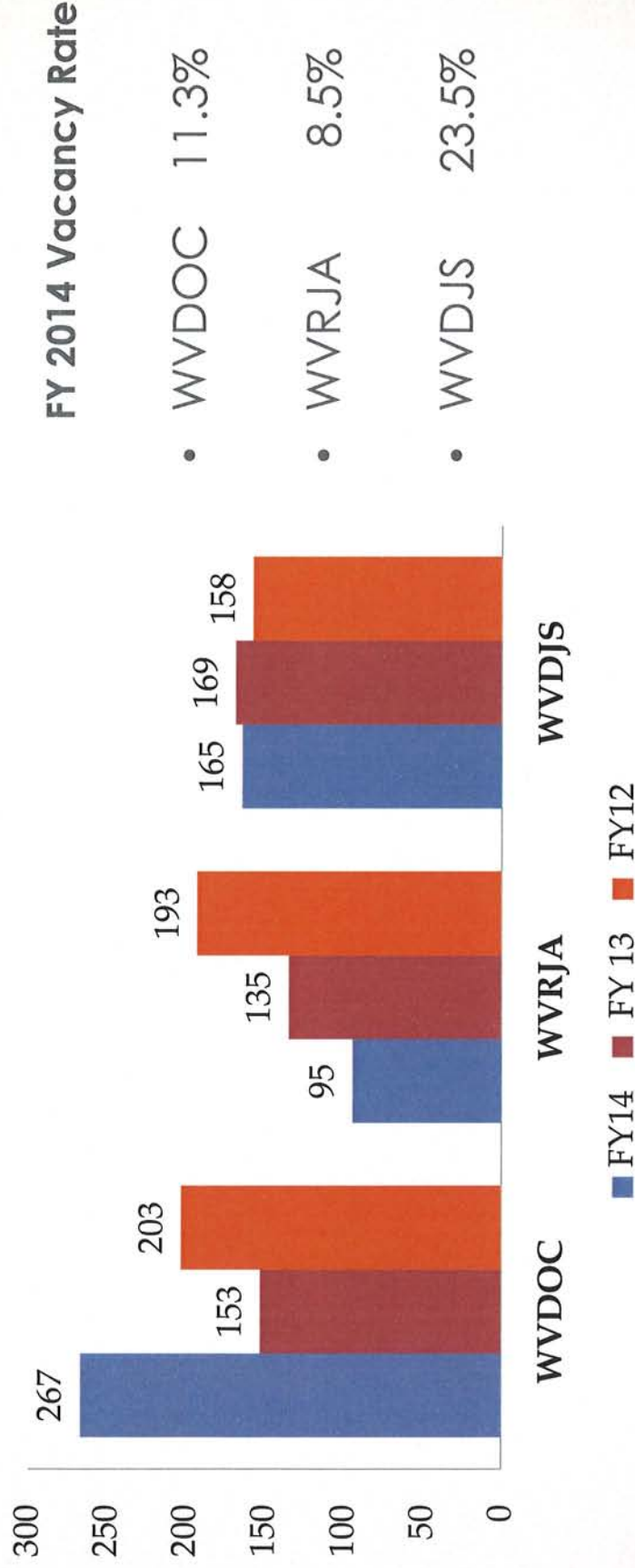
Where We Are...

Employee Separations/Turnover Rates



Where We Are...

Staff Vacancy Averages FY12-FY14

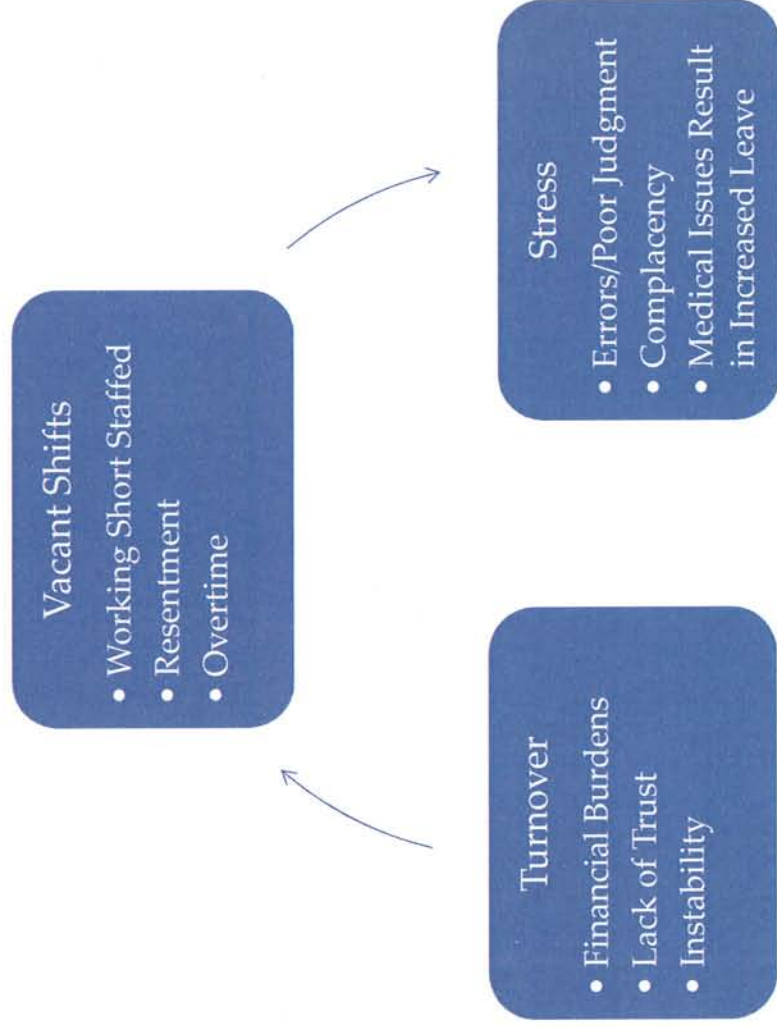


Where We Are... Overtime

	FY 2012	FY 2013	FY 2014	% Change from FY12- FY14
WV DOC	\$4,704,528	\$5,596,771	\$6,443,622	↑26.9%
WV RJA	\$7,151,000	\$6,966,000	\$5,334,000	↓34.0%
WV DJS	\$555,742	\$563,035	\$874,273	↑36.4%

*RJA — allocation of additional positions has been successful in reducing overtime

Vicious Cycle



Comparisons...

Correctional Officer

State Correctional Officer

- **Qualifications:** HS Diploma + 1 Year full time paid general experience OR substitute completed college study in related field
- **Benefits:** Annual Increment, Holidays, Annual/Sick Leave
- **Starting Salary:** \$22,584

Federal Correctional Officer

- **Qualifications:** Bachelors Degree in any field OR 3 years full time general experience
- **Benefits:** Student Loan Repayment Program (up to \$60,000), Evening and Sunday Rates, Elder Care, Holidays, Personal/Sick Leave
- **Starting Salary:** \$39,012

Comparisons...

Parole & Probation Officers

Parole Officer

- **Qualifications:** Bachelors Degree in related field
- **Incentives:** After 2 years (and there is a vacancy), a POI, can apply for PO II position; After 4 years (and there is a vacancy), a POI or POII can apply for PO III position

Probation Officer

- **Qualifications:** Bachelors Degree in any field OR 3 years full time general experience
- **Benefits:** Educational Incentives—1 step up salary increase with Masters Degree & Supervisory Pay Differential

Parole & Probation Officer Comparisons

Parole Services Staff in WVDOC	68	Probation Staff in WV	265
Separations in FY14	10	Separations in FY14	19
Turnover Rate FY 14	14.7%	Turnover Rate FY 2014	7.1%

PO 1 Salary

With Bachelors Degree	\$24,912
With Masters Degree	\$24,912

PO 1 Salary

With Bachelors Degree	\$36,264
With Masters Degree	\$39,204

PO II Salary

With Bachelors Degree	\$26,160
With Masters Degree	\$26,160

PO II Salary

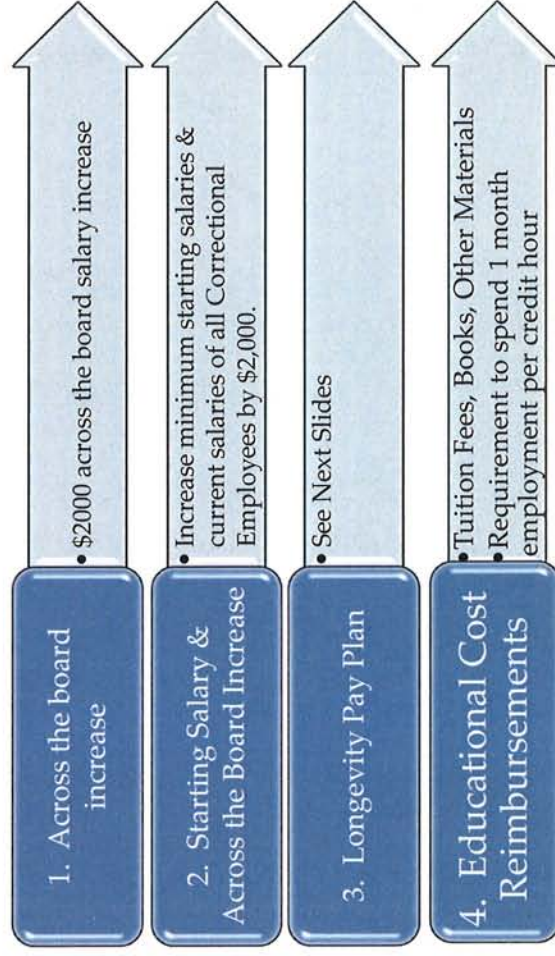
With Bachelors Degree	\$41,400
With Masters Degree	\$45,120

Comparisons...

Non-Uniformed Staff Salary Comparison

	State	Federal
• Cor. Case Manager:	\$26,160	• Cor. Treatment Specialist: \$49,520
• Unit Office Asst. II:	\$18,552	• Unit Secretary: \$39,012
• Accounting Tech:	\$18,552	• Accounting Tech: \$41,130
• Recreation Specialist:	\$22,584	• Recreation Specialist: \$50,066

Agency Recruitment & Retention Proposals



Proposed Longevity Pay Plan CO Trainee Through Corporal

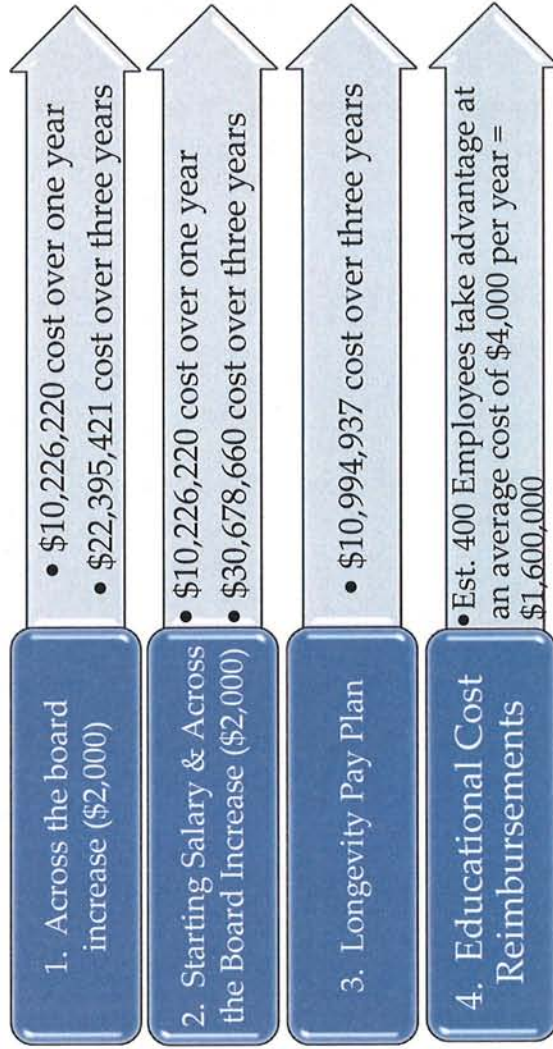
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 8
CO Trainee	\$22,584					
CO		\$23,713				
Senior CO			\$24,305			
CO 1 st Class				\$24,912	\$25,534	
Corporal						\$26,810

- Automatic advancements Year 2-5 (Good Standing- No Disciplinary)
- CO 1st Class Automatically advances to Corporal after 8th year of service (Good Standing- No Disciplinary)

Sample Proposed Longevity Pay Plan for all Staff

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 8	Year 11	Year 14 (And ever 3rd Year)
Example Starting Salary	5%	5%	2.5%	2.5%	2.5%	5%	3%	3%

Cost of Proposals



West Virginia Correctional Agency Longevity Pay Plan Proposal

Jim Rubenstein, Deputy Secretary of Military Affairs and Public Safety/Commissioner of Corrections
Joe DeLong, Executive Director of the Regional Jail and Correctional Facility Authority
Stephanie Bond, Director of the Division of Juvenile Services

The West Virginia Department of Military Affairs and Public Safety (DMAPS) on behalf of the WV Division of Corrections (DOC), the WV Regional Jail and Correctional Facility Authority (RJA), and the Division of Juvenile Services (DJS), respectfully proposes the following plan be adopted to address the persistent recruitment and retention difficulties experienced by correctional agencies in West Virginia.

Longevity Pay

DMAPS proposes an incremental step plan be adopted whereby correctional employees would receive pay increases based on years of service, in the following manner:

Years of Service	% Increase
2nd	5.00%
3rd	2.50%
4th	2.50%
5th	2.50%
8th	5.00%
11th	3.00%
14th	3.00%
17th	3.00%
20th	3.00%
23rd	3.00%
26th	3.00%
29th	3.00%

Increases in this manner would allow WV correctional agencies to be competitive in recruiting when compared to competing organizations and increase our ability to retain staff in the long term. We propose that these increases be applicable to all employees of DOC, RJA, and DJS. Further we propose the following reorganized rank structure for Correctional Officers:

2014 State of West Virginia Proposed Correctional Officer Compensation Plan Draft of 31 July 2014

Years of Service	% Increase	Rank								
		Correctional Officer Trainee	Correctional Officer	Senior Correctional Officer	Correctional Officer First Class	Correctional Corporal	Correctional Sergeant	Correctional Lieutenant	Correctional Captain	Correctional Major
1 st		\$ 22,584.00								
2 nd	5.00%		\$ 23,713.20							
3 rd	2.50%			\$ 24,306.03						
4 th	2.50%				\$ 24,913.68					
5 th	2.50%				\$ 25,536.52					
8 th	5.00%					\$ 26,813.35				
11 th	3.00%					\$ 27,617.75	+10% above Corporal	+10% above Sergeant	+10% above Lieutenant	+10% above Captain
14 th	3.00%					\$ 28,446.28				
17 th	3.00%					\$ 29,299.67				
20 th	3.00%					\$ 30,178.66				
23 rd	3.00%					\$ 31,084.02				
26 th	3.00%					\$ 32,016.54				
29 th	3.00%					\$ 32,977.04				

The Ranks of Correctional Officer Trainee through Corrections Corporal would be automatic rank and salary increases based on years of service provided the employee has clear conduct during that year, and would not be supervisory positions. The ranks of Correctional Sergeant through Correctional Major would be competitive based and have supervisory duties. The supervisory ranks would receive a 10% increase over their current base pay at the correct compensation for their years of service upon promotion.