



JOINT COMMITTEE ON GOVERNMENT AND FINANCE

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NOVEMBER 19, 2019

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
November 19, 2019

4:00 pm – 5:00 pm

Senate Finance Room

1) Approval of September 24, 2019 minutes:

President Carmichael: “The Committee will come to order. The first item on the agenda is the approval of the September 24, 2019 minutes. Speaker Hanshaw is recognized.”

Speaker Hanshaw: “I move the minutes of the September 24, 2019 meeting of the Joint Committee on Government and Finance as contained in the members packets be approved.”

President Carmichael: “Speaker Hanshaw moves that the minutes be approved. Discussion? All in favor say aye, opposed no. The ayes appear to have it, the ayes do have it. The minutes are approved.”

2. Monthly/Quarterly Reports Received:

President Carmichael: The next order of business before the Committee are the Monthly/Quarterly Reports. Members will find in their packets the reports from each Agency.

Status Reports on Lottery, Unemployment Compensation Fund, General Revenue Fund & State Road Fund

(William Spencer, Director, Budget Division)

Status Reports on Lottery

(John Myers, Director, West Virginia Lottery Commission)

General Revenue Fund & State Road Fund

(Mark Muchow, Deputy Secretary, West Virginia Department of Revenue)

WorkForce WV Unemployment Compensation Trust Fund Distribution

(Andy Osborne, Employment Program Manager, WorkForce West Virginia)

Monthly/Quarterly Reports from PEIA, BRIM & Real Estate Report

(Mary Jane Pickens, Deputy Secretary, Department of Administration)

Department of Health & Human Resources, Medicaid Report & Medicaid Waiver Report

(Cindy Beane, Commissioner, West Virginia Bureau for Medical Services)

Children’s Health Insurance Program Report

(Jean Kranz, CHIP Executive Director, WVCHIP)

Investment Management Board Distribution

(Craig Slaughter, Executive Director & Chief Investment Officer, West Virginia Investment Management Board.)

Workers Compensation

(James Dodrill, Insurance Commissioner, West Virginia Offices of the Insurance Commissioner)

Board of Treasury Report Distribution

3. Other Business:

WV Department of Education

(Steven Paine, Superintendent – Discussing student attendance issues.)

Bureau for Public Health

(Dr. Catherine C. Slemp, Commissioner – Progress report on the implementation of the Medical Cannabis Program.)

West Virginia Veterans Housing

Approval of January interim dates prior to the start of the Regular session.

4. Adjournment:

President Carmichael: “Any further business to come before the Committee? If not, I recognize Speaker Hanshaw for a motion to adjourn.”

Speaker Hanshaw: “Mr. President, I move that we adjourn.”

President Carmichael: “All those in favor say aye, opposed no. The ayes appear to have it, the ayes do have it; the meeting is adjourned.”

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West Virginia Veterans Housing

4. **Adjournment**

JOINT COMMITTEE ON GOVERNMENT AND FINANCE
(Speaker Hanshaw)
September 24, 2019

3:00 p.m. – 4:00 p.m.

Senate	House
Carmichael, Chair	Hanshaw, Chair
Blair	Bates
Plymale (absent)	Cowles
Prezioso (absent)	Householder
Takubo (absent)	Miley
Trump	Shott
Weld	Summers

Speaker Hanshaw: “Okay that brings us to a quorum. Let’s go ahead and call the Joint Committee meeting to order. The first order of business today is approval of the minutes from the July 23rd meeting, President Carmichael.”

President Carmichael: “I move that the minutes of the July 23, 2019 meeting of the Joint Committee on Government and Finance as contained in the members packets be approved.”

Speaker Hanshaw: “President Carmichael moves that the July 23rd meeting be approved as distributed in the packets. Is there discussion on the motion? If not those in favor of the motion will say aye, any opposed, no. The ayes have it, the Chair declares the motion adopted and the minutes approved. The first order of business today is the monthly and quarterly reports as received. We’ll invite up Mr. Spencer, Director of the budget division for Unemployment Compensation Fund and General Revenue Fund reports.”

William Spencer: “Thank you Mr. President, Mr. Speaker, and members of the committee. My name is William Spencer and I’m the director of the Legislative Budget Division, here to answer any questions about the monthly status reports.”

Speaker Hanshaw: “Okay, so the members have heard the reports and have them

before you. Are there questions from any of the members about any of the reports under Mr. Spencer's packet? No? Okay, the Chair sees no questions. Mr. Spencer, thank you very much. That brings us to Lottery, Mr. Myers.

John Myers: "Good afternoon Mr. Speaker, Mr. President, members of the committee. We've provided the Lottery's report in your packets today. My staff and I are here to answer any questions should you have any. We can also provide a brief summary of our sports wagering activity, since that seems to be of concern for a lot of folks, and the audited numbers that I have are through the 14th day of September. At that time, we've had \$406,548 worth of tax to the state from the retail operation. We've had \$54,837 from the on-line wagering, or the mobile app as they call it, \$54,837.

Speaker Hanshaw: "Other questions of Mr. Myers about either the report as presented in the packet, or about his presentation here about the on line betting? Delegate Shott.

Delegate Shott: "Thank you. My question is changes that were made to the statute last year that we were informed would benefit the treasury, let me just put it that way. Have you noticed any significant change in terms of the results from those changes? In other words, we allowed additional locations, for instance, to some of these operators and so forth.

John Myers: "On the limited video lotteries side, those were ... "

Delegate Shott: "Yes, I'm sorry."

John Myers: "Those changes have been positive in the last year. We did see an increase on the limited video lottery last year in the neighborhood of 5%. So, it was a significant amount of money, probably in the \$10 million range."

Delegate Shott: "Alright, thank you."

Speaker Hanshaw: "Other questions of Mr. Myers? Yes, Senator Blair."

Senator Blair: "Thank you, Mr. Speaker. I've got one for you, here on page four. I was looking at it and it looks like it's about a 20% increase on instant games. What do you attribute that to? I'm taking it's going to be machines."

John Myers: "A couple of things, we were actually instrumental last year in making a lot of changes to our instant games. As you know, as we've seen over in the Power Ball

and the Mega Millions games over the course of the last few years, jackpots typically drive the sales of those games for us. So, we've made our product exchange in a way that allowed us to have bigger jackpots inside of this ... the scratch off tickets particularly, and that's ... we feel made a lot of difference in the amount of money. Actually, the State of West Virginia last year, of all 50 states, we had the largest percentage increase in our scratch off tickets of any state."

Senator Blair: "So, you don't give any credit to the machines that you got out there that is actually in advertisement form when you walk right by them?"

John Myers: "Well, no. Of course, I think it's all part of a mix that we have. The machines do have ... anytime you can draw somebody's attention. Lottery sales are typically a spur of the moment type of decision to buy. So, we try to have those opportunities in place for them."

Senator Blair: "Let me ask one more last favor. Next month, when you come back for us, bring that information. I'd be curious on instant games, because you're selling \$20 tickets. Are you selling any \$30 tickets? I know other states do."

John Myers: "We don't have a \$30 ticket at this time."

Senator Blair: "Twenty is your max. Bring us a breakdown on the ticket sales on that. Especially because \$20 tickets may actually have a bearing on that too. I'd be curious on which of those numbers are coming in on that, and showing us the path, that maybe those \$20 tickets are going to a different customer base that you would have had before. I don't know."

John Myers: "I think you're on the right track. Your thinking seems to be in line with what we've seen, and that's, we've moved a lot of our ticket sales from having maybe 25 one-dollar tickets in a year, to having more of the two and five dollar tickets, because that larger jackpot generated by that higher sale number, the price point, actually tends to make sales greater, and at a more rapid pace."

Senator Blair: "Thank you. Thank you, Mr. Speaker."

Speaker Hanshaw: "Other questions? If not, Mr. Myers, thank you very much."

John Myers: "Thank you."

Speaker Hanshaw: "General Revenue Fund and State Road Fund, Mr. Muchow."

Mark Muchow: “Mark Muchow, Department of Revenue, and what we have at this point in time is the first two months of revenue for fiscal year '20, and results for August, and let's say that ... yesterday I backed up a little bit into June, because there's an inter relationship between June and July collections, in that there are due dates in June that are unique to June that relate to revenues that otherwise might be deposited in July, and each year is a little different from every other year. And in the month of June we had very good growth. We had 15.2% growth which was far in excess of the growth rate for the entire year, and particularly in the severance tax area. If you go through the months of January through May, we're only running 17% ahead of the prior year. In June, we're up 46.6%, same thing with personal income tax. For the whole quarter, the fourth quarter, we're up 6.8% of withholding tax, but in June we're up 13.6%. So, all of a sudden we moved to July, and in June we have provisions in the code that, if you are supposed to remit \$100,000 or more per month to the state, either in sales tax or income withholding taxes, then half of your payment that you would normally make in July, is due in June, and folks handle that differently from year to year.

But we move from June where we were up 13.6% on withholding tax, July we were down -5.9%. Sales tax, we were down as well, and that severance tax, we basically were below zero on severance tax in July. Add to that, that we had ... that last quarter of last year was a very good quarter overall. So, you know, coal severance taxes were going this way in July. Our payment of local coal severance taxes to local governments was up 21.7% over the prior years. That's the month when we make those quarterly distributions.

We had a big deceleration in sales tax growth, where we had to pay out over \$21 million in local sales tax, the July collections. So, the turn in economy in terms of slow down hit at the same time we had these quarterly distributions, and as a result, July collections were 9.2% below the prior year. Move that to August, in the month of August, we were still down -4.6%. But that was a big improvement over July. It brings the year-to-date down to -6.8%, and August is also going to be a little bit of an abnormal month in that the ... there are some taxes due on the last calendar day of every month, and the last calendar day of August fell on a Saturday. Which is part of Labor Day weekend. So, that meant that whatever we were collecting this August is going to be a little bit less than

what we did a year ago when the ... we had a more favorable end of the month due date. So, I throw all that out there just to say that the results in the first two months are actually worse than reality, and in September we'll see a little bit better revenue picture. Not to say that we don't have some issues, we have some issues. But the revenue picture should improve in September. With that, I hope I didn't bore you too much.

With that, I'll look just the major components for August, and year-to-date for general revenue. For the personal income tax, we exceeded estimate by almost \$3.9 million. We collected nearly \$124 million. That was also 4.2% growth. That's still ... that's a good, positive month. I like 4.2%, it's certainly better than the estimate.

Year-to-date on sales, still a -3.6 below estimate compared to last year, at -0.8. But, again some of that money that came in ... that did not come in July, possibly came in June. So, we had a shift going on there, plus we had that local distribution coming out in July. So, I'm still in pretty good shape on the sales tax, I think, going forward.

Personal income tax in August, \$141.8 million. That was \$5.1 million below estimate for the month, but it was still growth, 1.9% growth over last year. The withholding tax by itself was up 2.9. So, that an encouraging rebound from July, when we were down at -5.9, and again, we were down in July, partly because we were up so much in June and the prior month.

Year-to-date the personal income tax, \$276.8 million is \$21.8 million below estimate, a -2.8. Compared to last year, you'll see improved income tax numbers with the September collections when they come in.

The B&O tax, we exceeded estimate in August by about \$400,000. That was 6.5% above last year. Year-to-date, we're above estimate by \$1.9 million. We're at 10.8% above last year, and the main reason for the growth in B&O tax has to do with the tax on electric power generation. The ... there's a significant tax credit that goes against that tax. The scrubber investment credits are running out, and there's less investment dollars coming in than we expected to replace that. So, that means a lower tax credit, which means a higher net revenue.

The severance tax, we collected 28.8 in August. That was 11.9 below estimate, and 42.5% below last year. Year-to-date we've collected \$25.3 million. Last year it was

\$62.8 million. So, we're down about 60% from last year for the General Revenue Fund. Energy sector is no secret, that there was a big slow down in the energy sector. Natural gas prices are lower. Right now, I just saw this a couple of days ago, we're down on an BTU basis close to \$1.60, and that's below our projection, and we need an improvement on those natural gas prices. But, in the first two months of the fiscal year, natural gas severance tax revenues were down about 48 ... natural gas and gas liquids, down about 48% compared to last year. So, that's the big drop.

Coal severance is also down, but it's down 30%. Both of those are influenced a little bit by, again that due date situation. Both of them pull back into June, and then a bad due date for August. So, we should see a little better performance in September. But there are still some head winds out there on the energy sector. We have a global economic slowdown. Which means folks are selling less steel, and if you're selling less steel, you need less metallurgical coal, and that's affecting that market. And we continue to have ... we're under stiff competition between gas and oil ... gas and coal for steam coal market, and both industries would greatly ... their fortunes would improve if we had some additional pipeline investment. There's ... we're 0 for 2 on pipeline investments. In the forecast we expected one of those two pipelines to resume. So far that hasn't occurred.

Let's see, beyond those taxes, I'm going to ... the only one I'll mention is tobacco tax. You'll notice tobacco tax, \$13.5 million, almost \$5.2 million below estimate and that is down 28.6% from last year. I can assure you that even though there are fewer people smoking today than last year, it's not 28%. That's a timing on cigarette stamp purchases and it bounces around. So, August was down. That probably means that September is going to be up. When folks buy those cigarette stamps, they buy a significant amount at one time. So, overall for general revenue, \$16.9 million below estimate through August, and \$49.8 million for the year-to-date. Those numbers should improve with the September collections.

On the State Road Fund, in ... I'm just going to go to the year-to-date numbers on State Road Fund, because the State Road Fund is also greatly affected by the calendar and the fact that motor fuel tax collections were up 25% in August, did not mean that we

purchased 25% more gasoline. That's just timing when those deposits come in. They're also due on the last calendar day of each month, and it's always up and down on that tax receipt. So, year-to-date on the gasoline tax, \$85.4 million. That's \$5.3 million below estimate, 7.2% below last year. We should make that up. August, again, ended on a Friday ... Saturday the 31st. That's when this tax was due. So, we should make that up during the fiscal year for the most part with the timing of the motor fuel tax.

Registration fees year-to-date, \$26 million. That's down 23.6% from last year. On the registration fees, I thought that this would wain over time. It may or may not, but several years ago the Legislature ... there's a law that was passed, and I don't know how long ago it was, that gave people the option of registering their cars once every two years or once every year, and when folks first got that option, a whole bunch of West Virginians jumped onto "Let's register my car once every two years". So, that caused a surge in revenue. But there's that group, and then there was this group of West Virginians that said, "Nah, we're going to pay every year." So, they had that one surge. So, basically every two years you get this cycle: down, up, down, up. And last year we had a very good year of registration fees. Registration fees are just a little bit cyclical because of that optional biannual registration. I thought that that would wain over time. It may or may not, but we'd have to ask the folks over at DMV on that.

Interesting enough the motor vehicle sales tax is \$10.9 million above estimate, year-to-date, and 23.4% ahead of last year. Which is the ... one of the other possible explanations ... and again, these are two taxes or fees that are collected by DMV, is that maybe money that should have been motor fuel sales ... or motor vehicle sales tax, was accidentally put in the registration fee account a few months ago, and folks did an accounting adjustment there. Because, you know, one is up almost as much as the other one is down. So, I'll throw those two possible explanations out there. I don't know for sure because the revenue department does not collect those fees. That is collected by DMV.

On the federal reimbursement side, in the month of August we were up 78.4% from last year, \$11.2 million. Year-to-date we're down 13.4%. Those come in on a regular basis, but highway folks keep assuring me that every single dollar of federal money that's available is absorbed by the State of West Virginial. So, I wouldn't worry about that, and

they also intentionally set the estimates for federal reimbursement higher than what we would normally receive. Maybe in the hopes that the federal government will let lose a little bit on the purse that way sometime in the future, and West Virginia can benefit from the extra revenue. And with out I'll open up any questions you may have."

Speaker Hanshaw: "Okay, thank you Mark. Questions for Mr. Muchow? Delegate Miley."

Delegate Miley: "Thank you, Mr. Speaker. Mark, I'm not on the Finance Committee, so you may have already covered some of these questions yesterday. But, this past year, for fiscal year, when we took \$100 million of one-time money and put it into the roads, do you recall that?"

Mark Muchow: "That's correct."

Delegate Miley: "Okay, so your estimates that you made for fiscal year ... dollars into the General Revenue Fund and not dedicated to roads?"

Mark Muchow: "Last year was a situation where we were running significant surpluses above budget, and when you have significant surpluses above budget, there's a number of ways the revenue can go. Normally if it's not appropriated, it goes to the ... half of it goes to the State Rainy Day Fund. The Legislature decided to appropriate a significant amount of those to one-time ... I call it one-time deposits that may or may not happen again. One was over \$100 million to PEIA Trust Fund, and the other was \$100 million to State Road Fund. Now a good part of that \$100 million came from that big upswing in energy activity that occurred last year. It only occurs again if you find a reason to appropriate that type of money again, and last year was 12% growth. You're not going to get 12% growth every year. This year we're forecasting a decline in revenues for the year by -1.2%. So, it'd be up to the Legislature to decide whether to include road in the General Revenue Fund for appropriations in the future or not. But certainly, roads compete with all of the other various general revenue appropriations that are out there."

Delegate Miley: "Sure, I guess what I'm driving at ultimately is, what is your projection over the course of this fiscal year? Because despite having one or two down months. I mean, one or two down months doesn't make a year, but instinctively the administration came out almost immediately out of the gate and said we may have to be

prepared to cut the budget by 4.6%, and I presume they spoke with you about that.”

Mark Muchow: “They’ve asked agencies to consider the possibility of midyear budget cuts, and I’ll say that the headwinds on energy are ... we’re not finished with that. They’re just coming on us to clean the coal industry. I’ve seen ... now the coal production numbers that you’ll get out of energy information administration still look pretty strong. But what matters ultimately is how many tons of coal are sold on the market and we’ve seen a little bit of a trend downward on the volume of coal sales as well as the price of coal, and put those two together, you’ve got lower revenues. Then we’re also seeing natural gas prices that are below the target that’s necessary for the estimate. And by the way the estimate for severance tax this year is about 19% below last year. So, we’re forecast to decline severance tax and we’re getting, you know, after two months, down 50-some percent for the entire General Revenue Fund. We’re forecasting after that huge jump last year, we’re forecasting a decline in the neighborhood of 1.2%, and right now with the headwinds on the energy sector, plus the uncertainty on the pipelines. We may not have pipeline activity. That puts us at a position where some of the economic factors are ... and I’m talking energy, not talking about other areas in economy. Some of the economic factors are not where they need to be for purposes of the revenue estimate, particularly in the natural gas side, and if that continues throughout the year, we’re ... we have a greater likelihood of ending up below estimate, even though our estimate is below last year’s collection, still below that estimate. That’s a good possibility. So, I ... you know, I think it’s just, it’s good policy to be cautious on the spending side. I think the Legislature was also a little bit cautious this past year because one of the things that is going to help the situation out is not all \$4.71 billion was appropriated. So, there’s just a little bit left that wasn’t appropriated. Well, that helps out too in terms of making sure that the budget is balanced at the end of the year relative to revenues.”

Delegate Miley: “Yea, I guess what my concern is, when you come out with ... you, meaning the administration comes out so early in the fiscal year, calling for the prospect of a 4.6% budget cut across the board, and all the agencies. Why would you do that and unnerve to some degree the agencies if you didn’t have a real concern that it would be needed ... it would need to happen?”

Mark Muchow: “We do have a concern that that we’re ... have a greater chance, I’d say it’s greater than a 50% chance of that ending up below the estimate for the year. In past years, usually these ... the midyear budget cuts occur around November, but you have to have a plan before they’re put in place in case they’re needed. But the later in the year that the state waits to do something like that, the more significant damage it does to the individual agencies. Because it’s compounded by the fact that you’re cutting a year’s worth of expenditures by a certain percentage over a much-shortened period of time.”

Delegate Miley: “Six months or so.”

Mark Muchow: “So, I don’t think ... this wasn’t meant to cause big panic. It was just, say for planning purposes, let’s put together a plan of “what if”. Hopefully that’s worst-case scenario and by investigating a plan that will also discover in the process what areas of the budget are more sensitive than other areas, and be able to be able to make a smooth transition if one is called for.”

Delegate Miley: “Okay, thank you.”

Speaker Hanshaw: “Other questions for Mr. Muchow? If not, Mark, we thank you. That brings us to Workforce West Virginia, Unemployment Compensation Trust Fund Division. Connie, welcome back.”

Connie Kirk: “Well, thank you. Good afternoon Mr. President, Mr. Speaker, and members of the committee. The trust fund balance projection for September is \$216,266,561. I actually checked the balance as of today, and today the balance is \$216,096,919. The national unemployment rate in August was 3.7 and West Virginia was 4.6, and I’ll be glad to answer any questions that you may have.”

Speaker Hanshaw: “Okay, questions for Ms. Kirk on either her presentation or the materials in your packets. Okay if not, Connie, thank you very much.”

Connie Kirk: “Thank you all. Have a great evening.”

Speaker Hanshaw: “Next we have PEIA, BRIM, and the Real Estate report.”

Bob Paulson: “Yes, good afternoon Mr. President, Mr. Speaker, and members of the committee. My name is Bob Paulson, I’m from the Department of Administration. I believe you should have in your packets PEIA, BRIM, and Real Estate reports. I have folks from those agencies here if you have questions. I may be able to address some on

my own, but ...”

Speaker Hanshaw: “Okay, let’s take them in sequence. Questions about the PEIA report? Okay, if not, the BRIM report? If none, the Real Estate report? Okay, if not, Mr. Paulson, we thank you.”

Bob Paulson: “Thank you very much for your time.”

Speaker Hanshaw: “Next we have DHHR, Medicaid Report, and the Medicaid Waiver Report.”

Cynthia Beane: “Good afternoon Mr. Speaker, Mr. President, members of the committee. Cindy Beane, Commissioner, Bureau for Medical Services. Are there any questions about the reports?”

Speaker Hanshaw: “Delegate Summers.”

Delegate Summers: “Thank you Mr. Speaker, and thank you Cindy for being here. I did have a question. I had heard some discussions about the ... getting the Medicaid contracts renewed for next session. I’d heard some talk about that about Department of Revenue and trying to get extensions. Is that anything that you can talk to us about?”

Cynthia Beane: “So, our Mountain Health Trust, which is our Medicaid MCO procurement, it was scheduled to be renewed and is scheduled to be renewed, and we’re working on a RFP now to release for the July 2020, and so we’re on schedule to do that. We did, due to the immense amount of work we’re doing with foster care and a number of other projects, asked to see if that could be extended. However, the Department of Administration Purchasing reviewed that and said that it could not be extended. Because we would have liked to have waited another year.”

Delegate Summers: “Is there anything ... to me that sort of sounded like a good idea. Because there are so many things with the waiver, and the different things, all that we’re doing, that sounded like a great idea to me. So, is there anything legislatively that can be done to assist you with that? Or you’re going to have to put out a bid for three more years of service in which all those changes will be going on and then you’ll have to keep making changes to that.”

Cynthia Beane: “I’m not aware of anything legislatively. It is the Department of Administration, it is purchasing which is outside of the purview of the Bureau for Medical

Services. But you know, it was a request. It was a request that was denied. It would have been an exception to the current rules that we work under with purchasing. But we are working diligently. We will get the procurement out on time. We will be able to procure the MCOs. We do want to make it favorable for all bidders to come in, and so we are accepting letters of intent and those kinds of things for if a new enter into the market would want to come in and bid on our procurements.”

Delegate Summers: “Because did we used to have four, and now we just have three. Is that correct, we’ve lost one person?”

Cynthia Beane: “You are correct, and we have ... there’s interest from several different companies about the upcoming procurement. So, we anticipate more than three would bid.”

Delegate Summers: “And it would be a three-year or a one-year?”

Cynthia Beane: “It’s three years, but every year we can make some contract changes or provider agreement changes. But, three years, yes.”

Delegate Summers: “So, you could after that one year, since the extension wasn’t and idea, after that one year you could say we’ve had these different changes with our waiver and all those things, those balls that are in the air right now.”

Cynthia Beane: “Yea, the balls are in the air, and those would change with the provider agreements. But whoever would win the award ... so let’s say there were five different bids and we award three, those would be the three players in our market for the next three years. Does that make sense?”

Delegate Summers: “Okay, thank you.”

Speaker Hanshaw: “Delegate Miley.”

Delegate Miley: “To follow up on what Delegate Summers was asking, you know, I’m looking at an email from June where Secretary Crouch asked for the extension, and I’m assuming he asked for it for a good reason, and that is because I ... my understanding is that DHHR was overwhelmed with trying to get the Foster Care, Managed Care contracts prepared, and they didn’t think they would be able to adequately give enough consideration for the bids that were submitted if they had to meet the July 1, 2020 deadline. Is that your understanding?”

Cynthia Beane: “We did. We asked for the extension for the simple reason that you stated. We have several projects going on and lots of different things going on, so it would have been nice to have an extra year to prepare.”

Delegate Miley: “And if you had the extra year, you would have then been able to devote perhaps more scrutinizing attention to the bids, and perhaps gotten more competitive bids for the contract. Is that true?”

Cynthia Beane: “We’re hoping that the bid will be very competitive regardless of the extra year. But yes, I mean anytime you have more time to work on something, you have more time to scrutinize it and make it a better product.”

Delegate Miley: “Well, but is there an issue as far as you know as to whether or not, beyond the ones who are already providing the services and have a contract in place now, is there an issue for any other potential competitors not being able to get their bids in on time, by the July 1, 2020 deadline?”

Cynthia Beane: “I think that the issue is that they would be able to get the bid in, the issue is can they have a network up and running. So, it has a competitor coming in who perhaps doesn’t have network here in West Virginia that will be out getting letters of intent and doing that work without knowing if they are a potential winner.”

Delegate Miley: “So, the extension would allow time for that to happen if that bid was lower than the ones who are already in place and have a network in place?”

Cynthia Beane: “It would allow extra time in this ... with this bid, when you said lower, the one thing about an MCA procurement that’s probably very different than other types of procurement, the rates have to be actuarially sound, and so the rates that the MCOs will ... for the participants that would win the bid would all kind of coincide with those rates. So, it’s not necessarily a price differential.”

Delegate Miley: “Well, whatever the criteria is that you use to select the winning bidder.”

Cynthia Beane: “Sure.”

Delegate Miley: “Okay. Now the contract is for how much?”

Cynthia Beane: “It’s over a billion.”

Delegate Miley: “Like \$1.9 billion?”

Cynthia Beane: “Yea, it’s over a billion.”

Delegate Miley: “Okay, that’s what I’d heard, about \$1.9 billion. That’s a lot of money we’re talking about, so you want to make sure you take your time and do it appropriately.”

Cynthia Beane: “Absolutely.”

Delegate Miley: “Now, I understand that it may not be typical policy, but you all have made it ... there have been exceptions made in the past, haven’t there, with the Deloitte Integrated Eligibility contract? Wasn’t that extended multiple times?”

Cynthia Beane: “I don’t have the details about the Deloitte contract. I do know that with any of our contracts, I mean basically we have to request any kind of extensions through DOA. It’s up to DOA’s purview whether or not they will allow an extension. We did make the request and it was denied.”

Delegate Miley: “And I guess maybe if you could have the secretary send to ... to certainly me and anyone else on the committee who wants it, his thoughts on why he needed the extension and any indication that extensions had been given in the past and what reasons the administration may not have ... that they can give as to why they didn’t extend it.”

Cynthia Beane: “You want me to ask the secretary ... DOA?”

Delegate Miley: “Yes. Whoever can give me that information.”

Cynthia Beane: “Okay.”

Delegate Miley: “If you don’t mind, thank you. Because we have a professional, that being Secretary Crouch asking for an extension that he felt was needed for a \$1.9 billion contract, and it was denied, and my understanding is extensions have been given in the past. So, I’d like to know why it was denied, instead of just summarily denying by the administration.”

Cynthia Beane: “Okay.”

Delegate Miley: “Thank you.”

Speaker Hanshaw: “Senator Trump.”

Senator Trump: “Thank you, Mr. Speaker. Cindy, when West Virginia opted in to the expanded Medicaid program under the Affordable Care Act, initially the carrot from

the federal government was they would take, upfront anyway, 100% of the cost that covered you that population, and then over time it was ratcheting back to, I think to where it went to a 90/10 or ...”

Cynthia Beane: “It’s at 90/10, yes, correct.”

Senator Trump: “And so, are we ... have we absorbed all that we’re going to absorb in terms of additional percentage of that cost, that’s reflected in current fiscal year’s numbers?”

Cynthia Beane: “Yes.”

Senator Trump: “Okay, thank you.”

Speaker Hanshaw: “Delegate Bates, did you want to be recognized?”

Delegate Bates: “Thank you Mr. Speaker, and thank you for providing this information that I’ve requested with regard to the Medicaid Surplus. That’s very helpful. Just to follow up on some of the previous questioning, the request for the proposal for the new Manage Care contract, is it fundamentally a different request than the current contract? Will the request that goes out, is it a significant variation from a contract that’s currently in place?”

Cynthia Beane: “Not significantly. I mean, there are improvements that we’re making and different contract strengths that we’re putting in there, into the RFP. But not significantly as far as the benefit coverage. We haven’t significantly changed our Medicaid benefit, we haven’t significantly had a population change. So, there’s not a huge significant difference, if that’s the question.”

Delegate Bates: “Yea, so there are three players in the game, three companies right now that I think cover individuals.”

Cynthia Beane: “You’re correct.”

Delegate Bates: “And they have this contract from \$1.9 billion that they’re currently operating under that expires when?”

Cynthia Beane: “So, 2020. So, basically, we are getting this procurement out, getting it ready, getting it awarded for the new three, or perhaps the same three will win.”

Delegate Bates: “Which it’s ... that’s the next question.”

Cynthia Beane: “For 2020, July 2020.”

Delegate Bates: "So, at this point we have three current providers."

Cynthia Beane: "Yes."

Delegate Bates: "And that contract is good through that date, and then you'll go to market, and the existing three providers may or may not choose to, but more than likely would be interested in continuing that contract."

Cynthia Beane: "I would anticipate all three of the existing to bid. I would anticipate that we probably have three or four others to bid as well."

Delegate Bates: "Thank you. Thank you, Mr. Speaker."

Speaker Hanshaw: "Other questions for Ms. Beane? Okay if not, Cindy, we thank you. That brings us to the CHIP report."

Jean Kranz: "Good afternoon."

Speaker Hanshaw: "Good afternoon."

Jean Kranz: "Mr. President, Mr. Speaker, members of the committee, I'm Jean Kranz, the Director for West Virginia CHIP and I'm here to see if I can answer any of the questions you might have related to the report that I believe is in your packet."

Speaker Hanshaw: "We do have the CHIP report in the packets. Are there any questions from members about the CHIP report? Okay, if not, Jean, thank you very much. That brings us to the Investment Management Board. Mr. Slaughter, good afternoon."

Craig Slaughter: "Good afternoon, Craig Slaughter, Executive Director and Chief Investment Officer of the West Virginia Investment Management Board. I think you have in your packets the July 31st performance report. Is that correct? And it occurred to me that you ... I haven't had a chance ... I haven't reported on the fiscal year numbers, June 30th numbers today. Which is a much more important number for that matter. The fiscal year numbers, which you don't have there, but the ... and I want to remind you, these are preliminary numbers. Because we true everything up for June 30th for the annual report, or the annual financial statements. So, we go the extra mile to make sure the everything's ... all the I's are dotted, T's are crossed, et cetera, and that usually takes about two to three months. We will probably have that finished in a week. But preliminary numbers are 5.4% for the fiscal year for the pension plans. I actually do know that that number is going to be bumped up a little bit. It should be around the 6% level, which is not too bad all

things considered. I think you all will recall that we had a really rough ... the markets had a really rough time in the last half of the fiscal year. June saved everybody a little bit, and because tiers and pers are both smooth over four years, even though we're a little short of the 7.5, which is the actual assumed rate of return for the year, that's smoothing it out. You know, it being ... that's going to suggest ... that suggests to me that the impact is going to be minimal from a negative standpoint, from a budgetary standpoint. So ... now as far as July goes, July wasn't a particularly great month. It was up .2%. August is ... didn't look very good at all, markets were down quite a bit as you all well know, and September has been so-so. So, it's not a wonderful start to the year, but we got quite a bit of time left.

Speaker Hanshaw: "Okay, questions of Mr. Slaughter? Okay, the Chair sees none. Craig, thank you very much. That brings us to Workers Compensation, Mr. Dodrill."

James Dodrill: "Good afternoon Mr. Speaker, Mr. President, and members of the committee. I am Jim Dodrill, the insurance commissioner and I believe you have a copy of our report in your packet, and if there are any questions, I'll be happy to try to answer them and I have a couple of members of my executive team here as well."

Speaker Hanshaw: "Okay, questions of the workers compensation report as contained in the materials? Okay, there appear to be none. Mr. Dodrill, thank you very much."

Last on the business under quarterly and monthly reports, we have the Board of Treasury Report Distribution. Anyone present to offer comments on that report or field questions from the committee? Okay, the Chair sees none.

That brings us to the end of the regular reports. Let's move into other business now. First on the agenda is the "Motor Voter Act" and a presentation from Secretary Byrd White and Secretary of State, Mac Warner. Are either present? Others appear to be present. Good afternoon."

Adam Holley: "Good afternoon."

Speaker Hanshaw: "Will you identify yourself for us please?"

Adam Holley: "I'm Adam Holley. I'm the acting Commissioner of the Division of Motor Vehicles on behalf of the Department of Transportation, the DMV. We prepared a

report in response to WV Code 3-2-11, and the DMV is now in full compliance with the collection of data required from “Motor Voter” and submission to the Secretary of State’s office.”

Speaker Hanshaw: “Okay, very good. Questions of our guest this afternoon from any member of the committee? Delegate Bates.”

Delegate Bates: “Thank you, Mr. Speaker. So, you just reported to the committee that the DMV is all good?”

Adam Holley: “Yes.”

Delegate Bates: “You’re doing everything that you need to do to comply with the legislation we passed?”

Adam Holley: “We’re collecting all the data and submitting it to the Secretary of State’s office.”

Delegate Bates: “So, on your end there’s no problem.”

Adam Holley: “Right.”

Delegate Bates: “Thank you. Thank you, Mr. Speaker.”

Speaker Hanshaw: “Other questions from any member of the committee? Okay, if not, we thank you very much.”

Donald Kersey: “Good afternoon. Mr. Speaker, Mr. President, members of the committee, my name is Donald Kersey. I’m the General Council for the Secretary of State’s office and before you, you have our report on the AVR implementation. The report details more than what the statute requires, which was just simply a list of the necessary infrastructure. Thanks to the Legislature’s appropriations bill, this summer we were able to secure a statement of work from our voter registration system vendor to upgrade the current voter registration system from version 2.0 to version 9.0. Which hasn’t been updated in nearly a decade. This will allow our county clerks to process the influx of voter registrations that we know will come, once automatic voter registration is implemented in July of 2021, and based on that Statement of Work, I’m pleased to report we highly anticipate it being implemented well before the deadline. Likely at the beginning of 2021. The Statement of Work says February 2021. But if the vendor programs faster and there aren’t any hitches in testing, it could be sooner.”

Speaker Hanshaw: “Okay, thank you very much. Questions of any member of the committee for Mr. Kersey. Okay, if not, thank you very much.”

Donald Kersey: “Thank you.”

Speaker Hanshaw: “Let’s move on then to the second item under other business. DOH Worker Pay and Grievance Board presentation. We have on the agenda Secretary White and James Cox, Director of the Grievance Board. I see Commissioner Wriston approaching the podium. Jimmy, good afternoon.”

James Wriston: “Good afternoon and I thank you, Mr. Speaker, Mr. President, members of the committee. First of all, I’d like to pass on the regrets of Secretary White, he wasn’t able to be with you this evening. His wife is undergoing some treatment and our prayers are with her. So, having said that, I have the HR Director for the Department of Highways, Department of Transportation here to answer any questions.”

Speaker Hanshaw: “Okay, Delegate Summers, the Lady from the 49th.”

Delegate Summers: “Hi, thank you. I was wondering last meeting, I requested the salary schedule plan and you said you would easily be able to get that together for us for this meeting. So, I was wondering if you brought that with you.”

Julian Woods: “Okay, I believe there was a misunderstanding last time and I do apologize for that. Are you requesting the salary schedule plan that’s already been approved by the State Personnel Board, the current?”

Delegate Summers: “We were requesting the state salary schedule plan that was enacted, that was supposed to be enacted in 2017, and we had not seen a copy of that. So, maybe you already have it and you can give it to me.”

Julian Woods: “Okay, I can get that to you. I do apologize.”

Delegate Summers: “Okay, so you’ll get it to me when?”

Julian Woods: “I can have it to you today.”

Delegate Summers: “Okay, excellent, alright. I did have one other question. Can you give us some information too, on the status of hirings and employees and things of that nature?”

Julian Woods: “Sure, I certainly can. Right now, we are doing very well. As of today, September 24, 2019, we have 4,800 employees, permanent employees, at the

Department of Highways. That is up 158 employees from January 2019, and 222 from this time last year. So, we're moving in a great direction. As far as our transportation workers, the guys are actually ... and women that are actually out on the field. We currently have 2,798 transportation workers."

Delegate Summers: "How many?"

Julian Woods: "2,798. And that is up 113 from January, and considerably up from this time last year, over 150, or more."

Delegate Summers: "When you say transportation workers, are you referring to the people that we see out working?"

Julian Woods: "Yes, Ma'am."

Delegate Summers: "Okay, so what about the construction field type people, the inspectors, the engineers, those type of people. How is that?"

Julian Woods: "Okay, as far as engineers are concerned, we are up 11 from January, this past January 2019. We are about even with this time last year, which is a great feat for the Department of Highways, honestly. And we have gained about 13 from this time last year."

Delegate Summers: "Okay, do you feel that you're having ... still having to hire a lot of this work out, or are you being able to do some of it in house, some of this engineering work?"

James Wriston: "We are definitely hiring some of this work out, and, but we're doing everything we can to add efficiencies, restructure a few things, to try to do more and more with what we have internally."

Delegate Summers: "Okay, thank you."

Speaker Hanshaw: "Other questions? Yes, Delegate Shott."

Delegate Shott: "Thank you, Mr. Speaker. How many employees do you lack to be at the staff level you think you need to be at to be able to perform the work that's needed in the state?"

Julian Woods: "Okay, we are currently ascertaining from all of our districts and headquarters to actually ... what that number is. We have a team that we're putting together to try to come up with a formula for determining that number. Currently we are

showing in the neighborhood of about 35 to 40 vacancies in each district. We have ten districts, and I would say somewhere around 50 or so other headquarters here in Charleston.”

Delegate Shott: “And how many of those are engineers? Are you fully staffed with professional engineers, or how short are you, if you aren’t?”

Julian Woods: “I believe we are in the right neighborhood as far as the headquarters are concerned. We still need several engineers in the districts, in each of our districts.”

Delegate Shott: “In each district you need an engineer or more than one engineer?”

Julian Woods: “Or more, yes sir.”

Delegate Shott: “What’s the highest number of engineers you would need in any one district?”

Julian Woods: “Three to five, sir.”

Delegate Shott: “Three to five, and what’s the typical size of an engineering department in a district?”

Julian Woods: “In the district?”

Delegate Shott: “Yes.”

James Wriston: “The district is broken into a maintenance section, a bridge section, and a right-of-way section, construction section, and design section, and you have traffic engineer. Every one of those sections need design type professionals, particularly on the bridge department side and the design side. Maintenance can actually ... most of that work can be done by technical folks with management skills. The higher-level designers or engineers would be the bridge departments and the design side. We’ve had a lot of success with our technicians and construction inspections, and all engineers aren’t good managers.”

Delegate Shott: “Where is your greatest need in the field of engineering?”

James Wriston: “Designing.”

Delegate Shott: “Are you half staffed, 25% staffed, 80% staffed?”

James Wriston: “I would say between 40 and 50 on the design side.”

Delegate Shott: "Okay, so you need about as many as you already have?"

James Wriston: "On the design side, yes."

Delegate Shott: "And what's the impediment to getting those people? You just can't pay what you need to pay?"

James Wriston: "That is part of it. They just don't exist. Our consultant industry is also experiencing a shortage of designers, as well."

Delegate Shott: "So, we need to get the word out to the technical schools around the area. They need to turn out some more of those people."

James Wriston: "We absolutely do. We've been talking with the technical schools and the engineering colleges. We're thinking of some innovative ideas with restructuring our co-op programs, some things like that for the near future."

Delegate Shott: "Alright, thank you."

Speaker Hanshaw: "Okay, other questions of any member? There appear to be none, thank you very much."

Julian Woods: "Thank you very much."

Speaker Hanshaw: "Let's move on then to wait times at tolls. I'm sorry, the Chair is in error. We do have the Grievance Board to offer the second half of the previous item. My apologies."

James Cox: "Mr. President, Mr. Speaker, members of the committee, I'm James Cox, the director of the Public Employees Grievance Board. I did not submit a report. However, I am available to attempt to answer any questions you may have."

Speaker Hanshaw: "Questions for Mr. Cox? Yes, Delegate Summers."

Delegate Summers: "Thank you, thank you, Mr. Speaker. Thank you for being here. So, we're up to over 400 grievances on this thing that's come before you from these highway workers. When is that scheduled to be resolved, and how's that ... what's the process for that?"

James Cox: "I cannot comment on an ongoing grievance."

Delegate Summers: "Not even a date of a hearing? Is that not public?"

James Cox: "No."

Delegate Summers: "Okay, it's all private."

James Cox: "Correct."

Delegate Summers: "Okay."

James Cox: "Unfortunately information has been inappropriately leaked to the media, and unfortunately that compromises the integrity of the process. We are under very strict confidentiality rules. I can assure you and every member of the committee, that the board, the staff, the administrative law judges are working as effectively and efficiently as possible to resolve, it as timely as possible."

Delegate Summers: "Okay, well we appreciate that, thank you."

Speaker Hanshaw: "Okay, with that, we thank you Mr. Cox and we'll move on to wait time at tolls. Good afternoon."

Greg Barr: "Good afternoon. Mr. President, Mr. Speaker, members of the committee, I'm Greg Barr. I'm general manager of the West Virginia Parkways Authority, and I understand there's some interest and concern about some of the wait times we've seen at the toll plazas. They have increased a bit since we doubled the tolls in January. We've always had some backups at the toll plazas, especially at Thanksgiving, the Sunday after Thanksgiving, July 4th, and some minor backups even on peak summer weekends when everybody is traveling to and from the beaches. But we have seen an increase, and part of the reason is the tolls used to be two dollars and now they're four dollars. So, it used to be people would drive through and hand two one-dollar bills to the collector, and drive on, a very quick transaction. Now, almost everybody needs change. Not that many people carry that many ones, so it's always a five, a ten, a twenty, and it takes a few more seconds to make change. Keeping in mind that during these peak periods, Thanksgiving, the weekends on beach traffic, almost 80% of the people are paying cash. So yes, we have E-Z Pass transponders out there to people, but only 20%-30% of the transactions are E-Z Pass. The other 70%-80% are cash transactions, which take a lot longer and that's what creates the backups primarily, because of all the cash people that can't get through quick enough.

Now, if they don't have cash, they like to pay with a credit card. Well, we presently don't accept credit cards. So, that puts us into a situation where we do what we call an Unpaid Toll Receipt and we actually print out a receipt, called a no-pay. Because they

don't have any cash and we don't take credit cards. We hand that to them, and they have to sign it, and then give it back, and then we give them a receipt. They take that down the road and they come to the next toll plaza, and they show the receipt to the toll collector. The toll collector has to key in a 14-digit serial number, print out another receipt and give it to them, and then they can pay that online or mail in a check, and that'll satisfy that transaction.

Well those transactions have increased, as well. Those are up about 70%. So, you add those two things together, now instead of processing 350 cars an hour in each toll lane, we're only able to process about 300. So, we have, let's say five lanes at the toll plaza at Chelyan. So, in one direction, five lanes processing 300 cars an hour is 1,500 cars an hour. But during those heavy Saturdays and peak times between 11:00 and 5:00 when all the beach traffic is clearing out, people going to and from beaches, we have up to 2,100 cars approaching the toll plaza, per hour. Five hundred cars make up a one-mile backup on a two-lane interstate, and it doesn't take long for them to fill up the little capture area around the toll plaza and back up into the two-lane section.

So, that's a dilemma we're faced with, and what we're doing is, we're upgrading our toll system. We're presently under contract to develop a new toll system upgrade. The goals of that upgrade are many, but in particular we want to be able to accept credit cards, to eliminate that dilemma in the lane. We want a more efficient, modernized method of doing the unpaid toll receipts, so that doesn't take up as much time. We're going to put in multi-protocol readers in our toll lanes, so we can read the transponders from North Carolina and Florida and Georgia. They use a different technology, and right now our readers cannot read their ... they're not interoperable with E-Z Pass. So, by putting in the multi-protocol readers, that'll speed up through put quite a bit, by being able to accept the out-of-state non-E-Z Pass transponders, and we're going to look at adding some more tandem booths.

We have tandem booths southbound, and if you've noticed there's these little stand-alone booths after you go through the main plaza, and that's so we can process two transactions simultaneously, and that speeds up our through put by about 150 transactions an hour. So, that helps hold down the backups a little bit. But I know one

complaint we get a lot, and I brought my Director of Toll with me today, Mr. Doug Ratcliff. He's been in the toll operations at the parkways for over 33 years. He has an in-depth knowledge of all of these things, and he can tell you more detail how we try to keep those E-Z Pass lanes open as much as possible without creating longer and bigger backups on the highway.

So, what we have is a lot of complaints that people have a transponder, but they're sitting in that backed up traffic. So, you know, why can't ... I've got a tran ... why can't I get up there and go through a dedicated E-Z Pass lane? Well, let's say we've got five lanes available, all of them take E-Z Pass. All the lanes accept E-Z Pass, but sometimes we try to dedicate one or up to two lanes because only, on those weekends, 20% to 30% of the people have E-Z Pass. So, it would make sense. Why can't you dedicate a lane to that? The reason is, so many people are paying cash, that they fill up the other four lanes, they back up into the two-lane, and then you're backed up two, three miles down the interstate.

So, even if you have an E-Z Pass, you can't get to the E-Z Pass lane if it were open, and if we opened it, it would back up quicker down the two-lane, and longer, and we know that from experience. So, obviously the goal is to try to get greater through put, quicker through put, and you know, the toll system we're putting in now is not just looking at short term, but also midterm and long term, making it adaptable to changing technology.

The last time we put a toll plaza in, was 2011, when we upgraded the toll system. But that was when we knew that the legislation said the tolls would come off in 2019 when the bonds are paid off. And so, we just kind of fixed it up, did enough patching to get us to 2019. But now, that we know that we're going to be here a while. We just issued 30-year bonds, so we're looking longer term on what we're going to do, and of course we know inevitably in the future, we'll be a migration to more open-road tolling, more all electronic tolling, but right now our penetration rate is only 50% E-Z Pass.

If we went ... say we went all electronic tolling right now, everybody would be driving through, 70 mph, we had overhead gantries, we'd be taking picture of license plates, we'd be sending them an invoice. Fifty percent of our revenue, which is like \$70

million, we'd be sending out on invoice, and they don't get paid very easily. Right now, the rate across the country for billing tolls to out-of-state residents is like a 50% collection ratio. So, we'd lose up to \$35 million in revenue trying to invoice it.

There's movements to develop reciprocity with other states for enforcement, to have a hammer by the DMVs to block vehicle registrations. If somebody in Illinois didn't pay their West Virginia toll, we can notify the Illinois DMV, they would block that individual's registration. It's not catching on very good. A lot of states don't want to do it, and it might improve over time. But right now, it's not a very easy thing to get done. Some states, I don't think want to be punishing their citizens for something that happened, you know, five states over, and maybe they don't even have a toll road in their state. So, it's not a very easy thing to get done all the time. But we're working on it.

I guess with that being said, I know there's probably some questions that in order ... this whole thing came up of the wait times and I'm sorry. Believe me, we don't want any wait times. We fully man the toll plazas, we have extra people on hand, so there's never a lane that has to close if somebody has to go to the bathroom, there's somebody there to take their spot and keep processing. We have slow flaggers that we call out from the maintenance department, and flaggers to wave people over to keep the right lanes full, because people tend to not want to fill up those right-hand lanes and so ... and then we have slow flaggers in the back of traffic. So, when the traffic backs up, it could be a safety issue. So, we want to alert people to slow down, there's some backed up traffic coming up soon. So, with that, I'll open it up for questions, and again, perhaps my Director of Toll will help answer them, as well.

Speaker Hanshaw: "Very good, thank you Mr. Barr. Senator Blair."

Senator Blair: "Thank you, Mr. Speaker. I went through the other day and, so I've got some questions. I can't remember everything. There's still gates, right?"

Greg Barr: "No, we have no gates."

Senator Blair: "No, they're gone. Okay, I couldn't remember whether there was or not. I was going over my ..."

Greg Barr: "They used to be on the side tolls years ago, not on the main line."

Senator Blair: "Because I avoid you guys like the plague, because I don't like

paying tolls.”

Greg Barr: “They’re free now with that \$25 a year discount plan, almost free.”

Senator Blair: “That’s alright I can do none of ... but I get what you’ve got going on here. But when I was going through, the process was still slower than what I thought that it should be. Because I handed four dollars, and I still had to sit and pause to wait to be given the go ahead to go through on that, and so I wanted to ask a couple of questions on this. You said you’re taking care of it for credit card.”

Greg Barr: “We’re ... we will take care of it. We’re working on it.”

Senator Blair: “What’s the timeline on that?”

Greg Barr: “Sir, I hate to say it, but the toll system will be one and a half to two years.”

Senator Blair: “You’re kidding me.”

Greg Barr: “I’m not kidding you. It’s a major, major project. That’s industry standard, it takes two to three years to get it all done. But we’re already into the ... we’re six months in.”

Senator Blair: “Let me explain it to you in the private sector, and that is, is that if I’m running the business and I’ve got customers, and they’re lined up. I’m going to do everything I can to get their money in my pocket. Whether it’s a credit card, whether it’s the E-Z Pass, or whatever else it may be, and it may take two or three years in industry to get something set up like that, but that’s still ridiculous.”

Greg Barr: “I understand.”

Senator Blair: “Okay, because then our customers are lined up for a mile or whatever it may be to use that toll road.”

Greg Barr: “I understand what you’re saying.”

Senator Blair: “And I don’t mean to be beating you over the head, but I watch government to do this over and over throughout the years that I’ve been serving here, where things move way too slow, and whenever you see the problem ... we don’t want to ... we want to anticipate problems to solve, not be sitting here having our customers complain because it’s not getting taken care of. Now, going back to that. So, I hand a five-dollar bill and he didn’t have a one ready to go. Now, I would say that you would anticipate

that you're going to get a five-dollar bill, and there's combinations that they know what they're going to get, where you can sit there and peel those off and move people through. But that was not the case, and it wasn't just at that toll booth, it was at the next one too. I was surprised by that."

Greg Barr: "Yea, I am too. I am too. Do you mind if I bring my Director of Toll up? He might add some insight to that."

Senator Blair: "This is coming from a guy who couldn't remember whether there was a gate, but it wasn't important or not. I can remember the light, I just couldn't remember whether there was a gate or not."

Doug Ratcliff: "Doug Ratcliff, Director of Toll for the West Virginia Parkways. Sir, I apologize for your wait time. You're right, it shouldn't be like that. They do have change right in the money drawer. It should be as quick as possible and that's what we train our ..."

Senator Blair: "So, they're working out of a drawer though?"

Doug Ratcliff: "Yes sir. They have a money drawer right in front of them. Their bills are separated; one, five, tens, twenties, fifties, and it's right there in front of them."

Senator Blair: "Well could I suggest that there's got to be a dispenser out there of some sort where you got a stack of a hundred, and you take your finger and pull it, and one-dollar bill comes off of it. You take their five and hand them a one. Instead of ... I know what it's like to be in the drawers. That can be difficult at times and everything, especially if you got one that's fuller than what it should be. I don't know how you do it. I've dealt with drawers before in my life. But where you got a napkin dispenser for lack of a better term. I know that's a ridiculous statement ..."

Doug Ratcliff: "No, I understand completely, and that's basically what it is when they get it out of their drawer, sir. It's right there, right in front of them. There may be some ..."

Senator Blair: "Well I wonder what they were doing when I was going through."

Doug Ratcliff: "I would too, sir, and anytime you have that issue, give me a call and I'll look into it. It's ... it shouldn't be ..."

Senator Blair: "Well, I didn't know to call, and most of us don't know to call. We

sit there in the traffic, if you're backed up and you deal with it. You think that this is a fact of life. But when we're going through and wanting to make it so that the people want to visit West Virginia, do business in West Virginia, and all of that, these things have to occur only when there's an accident. Otherwise we need to be taking care of that type of business, predicting that you guys know what to predict. I know you do. I don't. If I knew that, I wouldn't drive through the toll in that time period, but these people have no clue on that could be backed up and you're adding another half an hour or an hour to your ride. That does not put a good taste in ... it doesn't give a good perspective. I know I'm complaining here.

One last thing. So, you're using the lighting system there. When I pull up to the tolls, lots of times I feel a little bit confused on what lane. I think the LED lighting and some forward, better than what you've got, would help you on that. So that when a driver is coming up there, which ones are which on what's going on. Because I normally have cash because I think that that's the simplest way to go through if you don't have a transponder, of course, transponders. And I didn't ever see any signs saying transponders to the left, you know, two miles back. You don't have those do you?"

Doug Ratcliff: "No, we've got ... our signs say E-Z Pass Accepted All Lanes, and then when you get to the barrier, to the dedicated ... if it's a dedicated E-Z Pass lane, which it is 90% of the time, we have those E-Z Pass signs over top of the dedicated lane."

Senator Blair: "Yea, I see the E-Z Pass sign. It's those ... the rest of us and due to his own testimony, he was talking about a good bit of its cash, 50%, right? It's cash that's coming through. So, you've got to look at it from that standpoint, and If it was me, I would be trying to get two miles back, especially on those bad weekends or bad days that the left lane, transponder only. Just like the high occupancy vehicles that I deal with in the belt way from my area, that we know to stay out of that lane, and so the cash is to the right, or credit cards to the right, transponders to the left. Now you've just helped with that flow there, but they need to have a little bit of notice to do that, and you're not doing that currently."

Doug Ratcliff: "No sir. The signs we have say All Lanes E-Z Pass Accepted. We only have two lanes at each plaza that's capable of running dedicated E-Z Pass, and

those two lanes never change. But, maybe some advance signing would ...”

Senator Blair: “And they’re to the left though, aren’t they?”

Doug Ratcliff: “No sir, they’re to the left of the wide load lane, the outside lane. The two lanes closest to the truck would be the wide load lane at each plaza. They’re two lanes closest to the outside lane.”

Greg Barr: “If you look at the plaza there’s a lane to the far-right hand. So, two lanes next to that one. So, it’s more to the right than to the left.”

Senator Blair: “Really?”

Greg Barr: “Yes, but all lanes take E-Z Pass. But when we have a dedicated E-Z Pass, it’s always those two over to the right side.”

Senator Blair: “I don’t mean to be grilling it, but when I’m used to doing the other toll roads that are to the east ...”

Greg Barr: “I know, our dilemma is we don’t have the penetration rate. So, like on that weekend, if we said E-Z Pass lane to the left, all others, cash to the right, 80% of the travelers would be in that right hand lane, and it would back up 10 miles, and the E-Z Pass lane would have a few cars trickling through, if they could even get ... because once you get up to the toll plaza, probably the people in the right lane are going to start spreading out and that area, the capture area in front of the plaza only holds a hundred cars. So, it’s going to fill up in a few seconds, and it’s just a dilemma we have until our penetration rate gets up to 70% or 75%.”

Senator Blair: “Well, I’ll tell you this much, I can remember going across the Bay Bridge and they charged a toll one direction, and the other direction. They don’t do that anymore. You can go and visit Ocean City, MD whenever you want to now and virtually have no backup whatsoever, and it was driving business away and they finally got it in their head that we’re going to do everything we can to get the people across this bridge.”

Greg Barr: “Yes, one-way tolling.”

Senator Blair: “One-way tolling. They did all kinds of things on that. In fact, you got two new ... or a new bridge there, it’s not new now, but there’s two of them, and you can have three lanes of traffic, or four lanes, some of the traffic is going over, and the peak times are going on both bridges. It’s not one bridge going one way, and this is going

... so they were creative in what they were doing. That's all I'm asking you to do. Take these customers that are wanting to use the road, get creative and find a way to get them through there, and ..."

Greg Barr: "Yes sir, and we've got our consultants looking at it for us too, and like I said, this open-road tolling, we're going to have two add speed lanes in the middle and cash paying customers would go off a ramp to the side and then get back on. But, that's \$100 million of capital improvements. There's a lot of cost to making those changes to building new lanes, new deceleration lanes, acceleration lanes, and it's very costly. So, that ... we look at it, and there's a lot of creative things, but they do have a price tag that's pretty steep sometimes."

Senator Blair: "I'll shut up. But I don't feel any better."

Greg Barr: "No, I hear you. We're going to do all we can, sir. I promise you."

Senator Blair: "Thank you, Mr. Chairman."

Speaker Hanshaw: "Delegate Shott."

Delegate Shott: "Thank you, Mr. Speaker. When the tolls were raised, there were some dire predictions about the effect on traffic volume. What has been your experience? Is the volume down significantly, or is it about the same, or has it actually gone up over the ...?"

Greg Barr: "Actually the passenger cars are about the same. Truck traffic is up a little bit, maybe up to 1%. So, it's ... there was no really diversion that we saw."

Delegate Shott: "So, in terms of the projections that were made when we talked about the bonds and so forth, you're pretty much on projection at this point in terms of the revenue that's been derived ..."

Greg Barr: "We're actually exceeding the projections of what the traffic engineers forecast."

Delegate Shott: "Okay, well that's certainly good news. My other question though, I have three millennials that were raised in my house, and they don't carry cash. They have credit cards. There's a lot of those folks out there. Us dinosaurs that that still live with a wallet and cash are declining in number. Why wasn't there some consideration years ago given to a credit card transactions in the toll booths? There's no business that

I know that doesn't take a credit card."

Greg Barr: "There was. There are still other toll roads that don't take them, some of the old cash toll roads like ours. But they can take a little more time as well. Back in the day, you're talking about. If the card doesn't read the first time, you swipe it again. Hey, this card is not reading, do you have another one? I mean, that takes time in the lane. But now what they're doing, what I'm told the toll industry is doing to speed up the transactions, they swipe the credit card and they don't wait for the credit card to contact and then say it's okay. The toll road takes on the risk of that card not being valid, or not being paid out. So, that speeds up the transaction. You swipe it, you hand the card back, you go. Swipe it, go. So, we're looking at that. But then, nowadays we've got the PCI compliance issues. So, there's all types of new security you have to have in the toll booth to protect the integrity of that credit card and the number and the visibility of it. So, that also has to be protected to meet the banking regulations for credit card integrity and security. So, all that has to be built in to the software in the new system to comply with credit card regulations."

Delegate Shott: "But you'd agree with me that it was pretty foreseeable that there would come a time when you ran into a lot of travelers that just didn't carry cash."

Greg Barr: "Yea, I think what the toll industry is actually moving towards is not even credit cards, because that's time consuming as well. You're exchanging a card, you're swiping, it's taking time. Obviously, they're moving to overhead gantries. They're also looking at mobile payment systems, where you use a chip. Some of the automobile manufacturers are actually putting a chip in the rear-view mirror that can be linked to a transponder, like a transponder-type unit. You can use it for parking, toll roads and different thing, and phones, phone technology. There's ways to preregister a plate, prepay tolls via your phone. There's a lot of emerging technology they tell us. It's not revenue ready yet to take to the bond market and say, "Hey, we're going to sell bonds and here's how we're going to collect our money." But it's coming. I mean, it's in the future. So, when we put this in, we want our system to be adaptable to that type of technology, so we don't have to take two years to rebuild everything. We'll already have a system that we can kind of plug and play to the more modern advances."

Delegate Shott: “It sounds as if, if you wait until technology reaches it's apex, you'll never get it done. Because technology is always changing and always improving. I guess what the travelers that come through the state want to know is how long are we going to have to endure these backups? Until they start looking at a different way to get to where they're going.”

Greg Barr: “Obviously, the ultimate answer would be overhead gantries, everybody drives 70 mph. Don't have toll booths anymore. We're ... we have such a low percentage of people with transponders, and so many out-of-state travelers, that only travel the road once or twice a year, and we're going to be sending them invoices, and we're told by the consultants that we're not going to collect much of that money, maybe 50% if we're lucky. So, we're going to have to go from cash to accounts receivable from every Tom, Dick, and Harry across the northeast and southern part of the country, and it's going to be hard to collect it.”

Delegate Shott: “Well, they may not be driving those roads much longer if word gets out they're going to have to sit in traffic for 45 minutes to get through the toll booth.”

Greg Barr: “Well, like I say, the Sunday after Thanksgiving, I can guarantee you there's not much we can do about that. We've got 3000 cars coming at us an hour. What we try to do there is to remind people ahead of time with overhead message boards, please avoid travel on Sunday between 11:00 and 6:00 to avoid delays. I mean, we have some messages. We try to remind people, if you can avoid the peak travel time on the Sunday after Thanksgiving, you're going to save yourself some time, and you know, it's not just here. I mean, look at the split coming back from Myrtle Beach. I've sat there over an hour, a 13-mile backup because there's only one lane to 77, and one lane to 81.

So, anytime you have a pinch point and you've got more cars coming at you than you can process, it starts backing up. So, our key is to speed up the processing, try not to lose millions of dollars of revenue in doing that. So, we can still pay our debt service and help the state build roads and yet, limit these backups as much as we possibly can as we try to move towards a more modern technology.”

Delegate Shott: “So, what sort of time frame are we looking at to ... I understand the Thanksgiving weekend is a disaster no matter where you are. But, on a normal ... I

mean, I've come back from Charleston on a Friday afternoon during the summer time and wait 25 minutes to get through Chelyan or Beckley."

Greg Barr: "Yea, sometimes we have road construction that leads to the problems. Anytime you have down to one lane, for example, where there's road construction that backs up for, say a mile and a half. That mile and a half traffic ends up at the toll plaza all at the same time, and that slows things down. So, there's a lot of things to look at. But you mean time frame for what, Delegate Shott?"

Delegate Shott: "To try to get this new technology, or whatever technology you're looking at today, rather than waiting a year to start."

Greg Barr: "Rather than wait two years. You know, I ... we can press them for maybe finding a way to do some credit card before two years. But I'm just saying the whole toll system upgrade ... like they're supposed to finalize their analysis by December, then they start writing the request for proposals for the toll integrators to rebuild the new system. So, that's like a ... almost a six-month process. By the time you write the specs, you bid it out, you get the bids in, you select the winning integrator. Then you've got to get the timeline with the integrator to install the system, build it and install it. So, it's ... two to three years, it's common throughout the country when you put in a new toll system. But if there's bits and pieces that we can ramp up quicker, I'll certainly talk to the consultant to see what we can do."

Delegate Shott: "I guess why it's so frustrating is when we passed the extension of the Parkways Authority, you would have thought at that point these kind of plans would have been initiated with the idea in mind, if we're doubling tolls, it's going to be a lot harder to get four one-dollar bills out these people than two, and we can't take credit cards. So, we need to be anticipating the kind of problems that are coming along, and we're what? Two years down the road and now we're looking at a new toll booth."

Greg Barr: "Yea, it seems like the first year, we concentrated our efforts on doing that first bond sale to get the ... get those proceeds into the State Road Construction Fund to build projects, and then the second year we've started on this piece of the puzzle."

Delegate Shott: "Alright, thank you."

Greg Barr: "Yes sir."

Speaker Hanshaw: “Other members with questions?”

President Carmichael: “Just quickly.”

Speaker Hanshaw: “Yes Mr. President.”

President Carmichael: “Yea, very quickly. I’m assuming you guys are going to all the trade shows and watching how other states do tolling and, you know, so we travel around, all of us travel other states and see, you know toll booths that aren’t manned, and so ... It just occurs to me, it seems to me that there was something in our code at some point that required some degree of employment levels within the toll booths. Is that right, or am I remembering something wrong?”

Greg Barr: “Mr. President, I don’t recall that in the code.”

President Carmichael: “Alright, so there’s nothing that requires those to be manned by a person.”

Greg Barr: “Other than the infrastructure, yea.”

President Carmichael: “Yea, I mean, but just the tech ... so, to the extent that technology advances, you can ... okay. I was just making sure of that, and so, I think you’ve heard from all of us here that there’s a big emphasis on making sure those lines get reduced, and so, thank you for your appearance here, and count on you doing that.”

Greg Barr: “Alright sir.”

Speaker Hanshaw: “Other questions for our guests? If not, to the Gentleman, thank you very much. That brings us to the end of our regular agenda. Is there any other business to come before the committee? Senator Trump.”

Senator Trump: “Thank you, Mr. Speaker. I have been requested by our colleague Senator Plymale to make a quick report to the Joint Committee. Under WV Code §20-1-7,** we had in statute a requirement. We haven’t hit this deadline yet. December 1st for the Director of DNR is going to provide to this committee a feasibility study. This is related to Beech Fork State Park, and Senator Plymale ... I got this message from him in circuitous fashion, because he’s out of the country. But the statute also required the DNR to hold a couple of public hearings before October 1st. They’re going to ... they have them scheduled apparently, but not before October 1st. So, on behalf of my colleague, I make that report to the Joint Committee.”

Speaker Hanshaw: "Other miscellaneous reports? Other business of any kind? If not, Mr. President."

President Carmichael: "I move we adjourn."

Speaker Hanshaw: "President Carmichael moves we adjourn. Those in favor will please say aye, any opposed, no. The ayes have it, the meeting is adjourned. Thank you very much."

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

November 18, 2019

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

- West Virginia Lottery as of October 31, 2019:
Gross profit year to date was \$167 million. Gross profit for fiscal year 2019 was \$170.5 million.
- West Virginia Unemployment Compensation Fund as of October 31, 2019:
Total disbursements were \$15 million higher than in fiscal year 2019. Overall ending trust fund balance was \$40.1 million higher on October 31, 2019 than on October 31, 2018.
- General Revenue Fund as of October 31, 2019:
The general revenue collections ended the fourth month of fiscal year 2020 at 98% of the estimate for the year.
- State Road Fund as of October 31, 2019:
The state road fund collections ended the fourth month of fiscal year 2020 at 99% 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: November 18, 2019

Re: Review of West Virginia Lottery Financial Information
As of October 31, 2019

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for October 31, 2019, 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 \$373 million for July - October 2019. Table games accounted for \$11.8 million of this total. Historic Resort Hotel video lottery and table games accounted for \$2.3 million of total gross receipts. Gross lottery revenue has decreased by 2.3% when compared with July - October of fiscal year 2018-2019. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July - October was \$167 million; for July - October of last fiscal year it was \$170.5 million. Expressed as a percentage, gross profit is 2.1% lower for fiscal year 2020 than for fiscal year 2019.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$159,763,000.00 has been accrued to the state of West Virginia for fiscal year 2019-2020. 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:

State Lottery Fund:

Bureau of Senior Services	\$32,813,000.00
Community and Technical College	\$1,999,000.00
Department of Education	\$14,475,000.00
Library Commission	\$8,890,000.00
Higher Education-Policy Commission	\$5,551,000.00
Tourism	\$5,072,000.00
Department of Natural Resources	\$2,566,000.00
Division of Culture and History	\$3,022,000.00
General Revenue Fund	\$0.00
Economic Development Authority	\$3,997,000.00
School Building Authority	\$7,200,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$85,585,000.00

Lottery continued

Excess Lottery Fund

Economic Development Fund	\$8,409,000.00
Higher Education Improvement Fund	\$6,000,000.00
General Purpose Fund	\$15,741,000.00
Higher Education Improvement Fund	\$7,023,000.00
State Park Improvement Fund	\$364,000.00
School Building Authority	\$7,597,000.00
Refundable Credit	\$734,000.00
WV Racing Commission	\$484,000.00
WV DHHR	\$0.00
Teacher's Retirement Savings	\$0.00
Division of Human Services	\$0.00
WV Lottery Statutory Transfers	\$14,777,000.00
Economic Development Authority	\$1,758,000.00
Office of Technology	\$0.00
Excess Lottery Surplus	\$0.00
WV Infrastructure Council Fund	\$12,086,000.00
Total State Excess Lottery Revenue Fund	\$74,973,000.00

Total Budgetary Distributions:	\$160,558,000.00
Veterans Instant Ticket Fund	\$277,000.00
TOTAL TRANSFERS	*\$160,835,000.00

Lottery continued

* CASH BASIS

Total Accrued last FY 2019:	\$162,718,000.00
Total Cash Distributions FY 2020:	\$160,835,000.00
Applied to FY 2019:	\$160,835,000.00
Applied to FY 2020:	\$0.00
Accrued for FY 2019 as of October 31:	\$162,718,000.00
Accrued for FY 2020 as of October 31:	\$161,646,000.00



P.O. BOX 2067
CHARLESTON, WV 25327

JOHN A. MYERS
DIRECTOR

PHONE: 304.558.0500
wvlottery.com

MEMORANDUM

TO: Joint Committee on Government and Finance
FROM: John A. Myers, Director

A handwritten signature in blue ink, reading "John A. Myers".

RE: Monthly Report on Lottery Operations
Month Ending October 31, 2019

DATE: November 15, 2019

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

Financial statements of the Lottery for the month ending October 31, 2019 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$91,754,119 for the month of October.

Transfers of lottery revenue totaling \$37,231,674 made for the month of October 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 11 on pages 19 and 20 of the attached financial statements.

The number of traditional and limited retailers active as of October 31, 2019 was 1,493 and 1,227 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.

JAM
Attachment

pc: Honorable Jim Justice, Governor
Dave Hardy, Cabinet Secretary – Dept. of Revenue
John Perdue, Treasurer
J. B. McCuskey, Auditor
Members of the West Virginia Lottery Commission

WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

October 31, 2019

WEST VIRGINIA LOTTERY

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

ASSETS	October 31, 2019	June 30, 2019
Current Assets:		
Cash and cash equivalents	\$ 192,932	\$ 190,837
Accounts receivable	27,383	33,581
Inventory	562	641
Other assets	1,821	1,790
Total Current Assets	<u>222,698</u>	<u>226,849</u>
 Capital assets	 61,552	 61,552
Less accumulated depreciation and amortization	<u>(15,737)</u>	<u>(15,179)</u>
Net Capital Assets	<u>45,815</u>	<u>46,373</u>
 Total Noncurrent Assets	 <u>45,815</u>	 <u>46,373</u>
 Total Assets	 <u>\$ 268,513</u>	 <u>\$ 273,222</u>
 Deferred outflows of resources	 \$ 1,306	 \$ 1,306
 Total assets and deferred outflows	 <u>\$ 269,819</u>	 <u>\$ 274,528</u>
 Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 161,646	\$ 162,718
Estimated prize claims	15,477	14,918
Accounts payable	1,507	2,260
Other accrued liabilities	33,902	37,345
Total Current Liabilities	<u>212,532</u>	<u>217,241</u>
 Deferred inflows	 <u>\$ 1,666</u>	 <u>1,666</u>
 Net Position:		
Net Investment in capital assets	45,815	46,373
Unrestricted	9,806	9,248
Total Net Position	<u>55,621</u>	<u>55,621</u>
 Total net position, liabilities, and deferred inflows	 <u>\$ 269,819</u>	 <u>\$ 274,528</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 FOUR MONTH PERIOD ENDED OCTOBER 31, 2019
(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	FY 2020	FY 2019	FY 2020	FY 2019
Lottery revenues				
On-line games	\$ 4,421	\$ 16,762	\$ 19,723	\$ 34,726
Instant games	10,633	9,485	41,134	34,964
Racetrack video lottery	39,524	39,958	165,753	170,966
Limited video lottery	33,295	32,225	131,229	126,323
Table games	2,964	2,750	11,773	11,759
Historic resort	610	403	2,347	2,589
Sports wagering	307	59	921	267
	<u>91,754</u>	<u>101,642</u>	<u>372,880</u>	<u>381,594</u>
Less commissions				
On-line games	340	1,169	1,380	2,430
Instant games	745	662	2,880	2,442
Racetrack video lottery	21,684	21,923	90,939	93,799
Limited video lottery	16,314	15,790	64,302	61,898
Table games	1,257	1,166	4,995	4,988
Historic resort	319	212	1,233	1,359
	<u>40,659</u>	<u>40,922</u>	<u>165,729</u>	<u>166,916</u>
Less on-line prizes	2,468	8,374	9,690	17,504
Less instant prizes	7,123	6,314	27,546	23,406
Less ticket costs	132	101	420	380
Less vendor fees and costs	582	1,228	2,571	2,849
	<u>10,305</u>	<u>16,017</u>	<u>40,227</u>	<u>44,139</u>
Gross profit	<u>40,790</u>	<u>44,703</u>	<u>166,924</u>	<u>170,539</u>
Administrative expenses				
Advertising and promotions	390	482	1,931	2,314
Wages and related benefits	859	833	3,512	3,506
Telecommunications	2	26	135	233
Contractual and professional	506	190	1,872	1,847
Rental	26	15	64	79
Depreciation and amortization	140	139	558	558
Other administrative expenses	242	(32)	814	529
	<u>2,165</u>	<u>1,653</u>	<u>8,886</u>	<u>9,066</u>
Other Operating Income	<u>163</u>	<u>261</u>	<u>2,889</u>	<u>2,153</u>
Operating Income	<u>38,788</u>	<u>43,311</u>	<u>160,927</u>	<u>163,626</u>
Nonoperating income (expense)				
Investment income	354	204	1,487	921
Distributions to municipalities and counties	(653)	(632)	(2,572)	(2,476)
Distributions -capital reinvestment	(20)	(14)	(79)	(87)
Distributions to the State of West Virginia	(38,469)	(42,869)	(159,763)	(161,984)
	<u>(38,788)</u>	<u>(43,311)</u>	<u>(160,927)</u>	<u>(163,626)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>55,621</u>	<u>55,199</u>	<u>55,621</u>	<u>55,199</u>
Net position, end of period	<u>\$ 55,621</u>	<u>\$ 55,199</u>	<u>\$ 55,621</u>	<u>\$ 55,199</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE FOUR MONTH PERIOD ENDED OCTOBER 31, 2019

(In Thousands)
- Unaudited -

	2020	2019
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 381,967	\$ 390,263
Cash payments for:		
Personnel costs	(3,512)	(3,506)
Suppliers	(5,562)	(3,027)
Other operating costs	(203,098)	(208,492)
Cash provided by operating activities	<u>169,795</u>	<u>175,238</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(160,835)	(173,742)
Distributions to municipalities and counties	(2,548)	(2,457)
Distributions to racetrack from racetrack cap. reinv. fund	(5,782)	(5,913)
Cash used in noncapital financing activities	<u>(169,165)</u>	<u>(182,112)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Investment earnings received	<u>1,465</u>	<u>930</u>
Increase (decrease) in cash and cash equivalents	2,095	(5,944)
Cash and cash equivalents - beginning of period	190,837	146,661
Cash and cash equivalents - end of period	<u>\$ 192,932</u>	<u>\$ 140,717</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 160,927	\$ 163,626
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	558	558
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	6,198	6,516
(Increase) decrease in inventory	79	(109)
(Increase) decrease in other assets	(9)	(8)
Increase (decrease) in estimated prize claims	559	694
Increase (decrease) in accounts payable	(753)	708
Increase (decrease) in other accrued liabilities	2,236	3,253
Cash provided by operating activities	<u>\$ 169,795</u>	<u>\$ 175,238</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
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

COMPENSATED ABSENCES – The Lottery has accrued \$654,712 and \$631,080 at June 30, 2019 and 2018, 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.

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 October 31, 2019 the carrying amounts of deposits (overdraft) with financial institutions were \$453 thousand with a bank balance (overdraft) of \$497 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):

	October 31, 2019	June 30, 2019
Deposits with financial institutions	\$ 453	\$ 448
Cash on hand at the Treasurer's Office	15,265	12,689
Investments with BTI reported as cash equivalents	177,214	177,700
	<u>\$ 192,932</u>	<u>\$ 190,837</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended October 31, 2019 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2019	Additions	Deletions	Historical Cost At October 31, 2019
Construction in Progress	\$ 629	\$ -	\$ -	\$ 629
Buildings	48,243	-	-	48,243
Land	1,681	-	-	1,681
Equipment	10,999	-	-	10,999
	<u>\$ 61,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,552</u>

**Accumulated
Depreciation:**

	Historical Cost At June 30, 2019	Additions	Deletions	Historical Cost At October 31, 2019
Buildings	\$ 7,699	\$ 411	\$ -	\$ 8,110
Equipment	7,480	147	-	7,627
	<u>\$ 15,179</u>	<u>\$ 558</u>	<u>\$ -</u>	<u>\$ 15,737</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 LOTTO AMERICA® 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, Lotto America, 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®, LOTTO AMERICA®, 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 October 31, 2019 and fiscal year-to-date is as follows:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,653,268	\$ 7,135,555
Lotta America	333,060	1,508,730
Mega Millions	761,908	3,996,144
Total	\$ 2,748,236	\$ 12,640,429

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 918,836	\$ 3,582,352
Lotta America	190,769	754,791
Mega Millions	447,525	1,998,490
Total	\$ 1,557,130	\$ 6,335,633

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>Lotto America</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 October 31, 2019, the Lotteries share of the prize reserve fund balances were as follows:

<u>Game</u>	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 121,889,347	\$ 1,551,961
Lotto America	3,481,755	254,672
Mega Millions	95,893,555	1,034,093
Total	\$ 221,264,657	\$ 2,840,726

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

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

principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

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 \$14,225,998 at October 31, 2019, of which the Lottery's share was \$1,340,810.

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. Sixty-six percent (57%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (46.5%); other private entities associated with the racing industry (8.7%); and the local county and municipal governments (2%). The remaining revenues (42.8%) 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 11 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, 49% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (5%); and the local county and incorporated municipality governments (2%).

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

The remaining net terminal revenue (51%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 11.

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.

A summary of racetrack video lottery revenues for the month ended October 31, 2019 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2020	2019	2020	2019
Total credits played	\$ 446,157	\$ 444,727	\$ 1,856,019	\$ 1,900,566
Credits (prizes) won	(399,829)	(399,009)	(1,663,079)	(1,703,753)
Promotional credits played	(6,804)	(5,760)	(27,187)	(25,847)
MWAP Contributions	-	-	-	-
Gross terminal income	39,524	39,958	165,753	170,966
Administrative costs	(1,581)	(1,598)	(6,630)	(6,839)
Net Terminal Income	37,943	38,360	159,123	164,127
Less distribution to agents	(21,684)	(21,923)	(90,939)	(93,799)
Racetrack video lottery revenues	\$ 16,259	\$ 16,437	\$ 68,184	\$ 70,328

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

	October 31, 2019	Year-to-Date
State Lottery Fund	\$ 11,383	\$ 47,737
State Excess Lottery Revenue Fund	4,876	20,447
Capital Reinvestment Fund	-	-
Total nonoperating distributions	\$ 16,259	\$ 68,184

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
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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 October 31, 2019 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2020	2019	2020	2019
Total credits played	\$ 424,563	\$ 408,384	\$ 1,677,557	\$ 1,597,440
Credits (prizes) won	(391,268)	(376,159)	(1,546,328)	(1,471,117)
Gross terminal income	\$ 33,295	\$ 32,225	\$ 131,229	\$ 126,323
Administrative costs	(666)	(644)	(2,625)	(2,527)
Gross Profit	32,629	31,581	128,604	123,796
Commissions	(16,314)	(15,790)	(64,302)	(61,898)
Municipalities and Counties	(653)	(632)	(2,572)	(2,476)
Limited video lottery revenues	\$ 15,662	\$ 15,159	\$ 61,730	\$ 59,422

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 8 – TABLE GAMES (continued)

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

The cash transferred to the State Excess Lottery Revenue Fund in the current month is included in Note 11- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year ended October 31, 2019 were \$8,467,697 and \$33,637,681, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2020	2019	2020	2019
Table Games Privilege Tax	\$ 2,964	\$ 2,750	\$ 11,773	\$ 11,759
Interest on Table Games Fund	6	5	25	23
Administrative costs	(254)	(236)	(1,009)	(1,008)
Total Available for Distribution	2,716	2,519	10,789	10,774
Less Distributions:				
Racetrack Purse Funds	191	177	757	756
Thoroughbred & Greyhound Development Funds	152	141	605	605
Racing Association Pension Plan	75	69	297	296
Municipalities/ Counties	839	779	3,336	3,331
Total Distributions	1,257	1,166	4,995	4,988
Excess Lottery Fund	\$ 1,459	\$ 1,353	\$ 5,794	\$ 5,786

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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.

A summary of historic resort hotel video lottery revenues for the month ended October 31, 2019 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2020	2019	2020	2019
Total credits played	\$ 7,044	\$ 6,043	\$ 29,201	\$ 29,371
Credits (prizes) won	(6,493)	(5,709)	(26,942)	(27,252)
Promotional credits played	(116)	(47)	(574)	(259)
Gross terminal income	435	287	1,685	1,860
Capital reinvestment	(20)	(13)	(79)	(87)
Excess Lottery Fund	(4)	(2)	(15)	(17)
Administrative costs	(24)	(15)	(91)	(100)
Hotel commissions	(184)	(122)	(713)	(787)
Net terminal income	203	135	787	869
Historic Resort Hotel Fund	129	86	500	553
Human Resource Benefit Fund	74	49	287	316

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL (continued)

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 October 31, 2019 were \$500,051 and \$1,890,674, 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Table games privilege tax	\$ 175	\$ 116	\$ 662	\$ 729
Administrative Costs	<u>(22)</u>	<u>(15)</u>	<u>(85)</u>	<u>(94)</u>
Total Available for Distribution	153	101	577	635
Historic Resort Hotel Fund	128	85	482	531
Human Resource Benefit Fund	25	16	95	104

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) Eighty-six percent (86%) is paid to the State Excess Lottery Revenue Fund;
- 2) Four percent (4%) is paid to the county where the gaming facility is located;
- 3) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 4) 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;
- 5) 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;
- 6) 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	\$ 129	\$ 500
Historic Resort Table Games	128	482
Interest on Historic Resort Hotel Fund	<u>1</u>	<u>4</u>
Historic Resort Hotel Fund Net Income	258	986
Municipalities/ Counties	36	138
Excess Lottery Fund	<u>222</u>	<u>848</u>
Total Distributions	<u>\$ 258</u>	<u>\$ 986</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 10- SPORTS WAGERING

Sports Wagering legislation passed in 2018 per Senate Bill 415. Each racetrack and historic resort hotel licensee is subject to a privilege tax of ten percent (10%) of adjusted gross wagering receipts which will be deposited weekly into the Sports Wagering Fund.

From the privilege tax deposited into the Sports Wagering Fund, the Commission, on a monthly basis shall:

Retain 15% for administrative expenses of which any surplus in excess of \$250,000 shall be reported to the Joint Committee on Government and Finance and remitted to the State Treasurer.

After the reduction for administrative expenses, the net profit shall be deposited into the State Lottery Fund until a total of \$15 million is deposited. The remainder of net profit shall be deposited into the Public Employees Insurance Agency Financial Stability Fund.

The Sports Wagering adjusted gross wagering receipts for the month and year-to-date periods ended October 31, 2019 were \$3,067,570 and \$9,206,224, respectively. The following table shows the month and year-to-date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2020	2019	2020	2019
Sports Wagering Privilege Tax	\$ 307	\$ 59	\$ 921	\$ 267
Interest on Sports Waging Fund	-	-	-	-
Administrative Costs	(46)	(9)	(138)	(40)
Total Available for Distribution	261	50	783	227

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11- 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, 2020 the State Legislature budgeted \$127,808,000 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 \$6,101,112 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 October 31, 2019 the Lottery has accrued additional distributions of \$161,646,040. The Lottery is a non-appropriated state agency and therefore does not have a legally adopted annual budget.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>October 31, 2019</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 1,999
Bureau of Senior Services	5,667	32,813
Department of Education	2,251	14,475
Library Commission	1,373	8,890
Higher Education-Policy Commission	866	5,551
Tourism	770	5,072
Natural Resources	411	2,566
Division of Culture & History	417	3,022
Economic Development Authority	999	3,997
School Building Authority	1,800	7,200
Total State Lottery Fund	\$ 15,054	\$ 85,585

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 2,102	\$ 8,409
Higher Education Improvement Fund	1,500	6,000
General Purpose Account	4,989	15,741
Higher Education Improvement Fund	2,226	7,023
State Park Improvement Fund	115	364
School Building Authority	1,899	7,597
Refundable Credit	341	734
WV Racing Commission	153	484
WV Department of Health and Human Resources		
Teacher's Retirement Savings		
Division of Human Services		
WV Lottery Statutory Transfers	4,684	14,777
Economic Development Authority	440	1,758
Office of Technology		
Excess Lottery Surplus		
West Va. Infrastructure Council	3,670	12,086
Total State Excess Lottery Revenue Fund	\$ 22,119	\$ 74,973
Total Budgetary distributions:	\$ 37,173	\$ 160,558
Veterans Instant Ticket Fund	\$ 58	\$ 277
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 37,231	\$ 160,835
Accrued nonoperating distributions, beginning	(160,408)	(162,718)
Accrued nonoperating distributions, end	161,646	161,646
	\$ 38,469	\$ 159,763

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 October 31, 2019 and October 31, 2018 approximated \$64,195 and \$78,979 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 October 31, 2019 and October 31, 2018 approximated \$355,043 and \$358,369 respectively.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 13 – COMMITMENTS

For the years ended June 30, 2019 and 2018 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2019 and 2018, \$8,535,120 and \$9,414,970, respectively, are included in unrestricted net position and net investment in capital assets for this purpose.

NOTE 14 - RETIREMENT BENEFITS

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

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement.

Covered employees hired prior to July 1, 2015 are required to contribute 4.5% of their salary to the PERS. Covered employees hired on or after July 1, 2015 will contribute 6.0% of their salary to the PERS Tier II. The Lottery is required to contribute 13.5% 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 October 31, 2019 and fiscal year-to-date are as follows (in thousands):

	<u>October 31, 2019</u>	<u>Year-to-Date</u>
Employee contributions	\$ 30	\$ 139
Lottery contributions	<u>62</u>	<u>292</u>
Total contributions	\$ 92	\$ 431

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 15 - RISK MANAGEMENT

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

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.

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.

**SCHEDULE OF REVENUES AND NET REVENUES OF THE
LOTTERY FUND AND EXCESS LOTTERY FUND
FOR THE FOUR MONTH PERIOD ENDED OCTOBER 31, 2019
(In Thousands)**

	Current Month		FISCAL YEAR	
	Actual	Projected	Actual	Projected
Gross Revenues				
Instant games	10,633	7,500	41,134	30,000
On-line games	4,421	5,034	19,723	20,133
Racetrack video lottery	39,524	36,490	165,753	154,163
Limited video lottery	33,295	28,438	131,229	113,644
Racetrack table games	2,964	2,347	11,773	9,851
Historic resort	610	432	2,347	1,633
Sports wagering	307	440	921	1,763
Total gross revenues	<u>91,754</u>	<u>80,681</u>	<u>372,880</u>	<u>331,187</u>
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	1,303	870	5,643	3,482
On-line games	1,022	1,445	5,239	5,778
Racetrack Video Lottery	11,470	10,509	48,033	44,399
Sports wagering	362	375	728	-
Total Lottery Fund net revenues	<u>14,157</u>	<u>13,199</u>	<u>59,643</u>	<u>53,659</u>
Excess Lottery Fund				
Racetrack Video Lottery	4,909	4,500	20,598	19,015
Limited Video Lottery	15,848	13,377	62,473	53,458
Limited Video Lottery Fees	19	-	1,064	-
Racetrack table games	1,459	1,152	5,796	4,832
Historic resort	226	173	864	635
Total Excess Lottery Fund Net Revenues	<u>22,461</u>	<u>19,202</u>	<u>90,795</u>	<u>77,940</u>
Total Net Revenues	<u>36,618</u>	<u>32,401</u>	<u>150,438</u>	<u>131,599</u>



LEGISLATIVE MANAGER

OCT 2 2 2019

RECEIVED

P.O. BOX 2067
CHARLESTON, WV 25327

JOHN A. MYERS
DIRECTOR

PHONE: 304.558.0500
wvlottery.com

October 17, 2019

Aaron Allred
Legislative Manager
1900 Kanawha Blvd. East
Room E-132
Charleston, WV 25305-0610

Dear Mr. Allred,

During the last interim meeting of the Joint Committee on Government and Finance, I was questioned by Senator Blair as to what accounted for the increase in revenues for instant ticket sales between FY2018 and FY 2019. I answered that it was a change in our product mix that accounted for the majority of the increase. Per your request dated October 7, 2019 I am providing details of our changes to reduce the number of tickets at the \$1, \$2, and \$3 price and to have additional games at the \$5, \$10, and \$20 price.

Attached you will find three documents. The first is titled "WVL Instant Game Price Points." This document reflects the changes in our product sold, based on the price point. Customers have shown that they prefer larger jackpots and by offering more tickets at higher price points, it allows the Lottery to attach a larger jackpot to the ticket print run. The resulting sales increases are shown in dollars and in percentage. Our greatest success has been with increase in tickets at the \$5.00 price rather than the \$20.00. Listed below the numbers are a few bullet points showing some of the specific changes. This strategy has continued to be successful through the beginning of this fiscal year as instant ticket sales are 18% ahead of last fiscal year as of this date.

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: November 11, 2019

Re: Status of General Revenue Fund and State Road Fund as of
October 31, 2019 (FY 20)

We have reviewed the cash flow of the West Virginia general revenue fund as of October 31, 2019 which is the fourth month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 98% of the estimate for the fiscal year. Total collections were \$33 million below the estimate for the fiscal year.

Personal Income Tax collections were \$29 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$2.4 million below the estimate for the year.

Severance Tax was \$33.1 million below the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$22.8 million above the estimate for the fiscal year.

State Road Fund

The state road fund collections were 99% of the estimate for the fiscal year. Total collections were \$2 million below 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 \$361,927,335.22 as of October 31, 2019.

Balance July 1, 2019	289,244,341.13
Fiscal year 19 surplus	18,429,034.70
Earnings	54,253,959.39
Balance October 31, 2019	361,927,335.22

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$ 470,937,691.40 as of October 31, 2019.

Balance July 1, 2019	454,257,811.92
Earnings	16,679,879.48
Balance October 31, 2019	470,937,691.40

The **Personal Income Tax Reserve** Fund had a \$11 million cash balance as of October 31, 2019.

Balance July 1, 2019	11,000,000.00
Balance October 31, 2019	11,000,000.00

STATE OF WEST VIRGINIA
REVENUE COLLECTIONS
FISCAL YEAR 2020
as of October 31, 2019

GENERAL REVENUE FUND

FINAL

	MONTH ESTIMATES	ACTUAL MONTH COLLECTIONS	MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	ACTUAL YTD COLLECTIONS	YTD COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Personal Income Tax	\$ 165,000,000	\$ 157,577,770	\$ (7,422,230)	\$ 690,100,000	\$ 661,140,309	\$ (28,959,691)	96%
Consumer Sales Tax & Use Tax	101,600,000	101,179,317	(420,683)	433,900,000	431,472,203	(2,427,797)	99%
Severance Tax	14,900,000	8,156,842	(6,743,158)	100,550,000	67,410,918	(33,139,082)	67%
Corporate Net Income Tax	3,000,000	13,610,979	10,610,979	41,100,000	63,858,823	22,758,823	155%
Insurance Tax	31,500,000	29,694,320	(1,805,680)	62,000,000	60,597,928	(1,402,072)	98%
Tobacco Products Tax	14,300,000	15,393,617	1,093,617	62,800,000	58,279,993	(4,520,007)	93%
Business and Occupation	12,600,000	12,374,024	(225,976)	38,800,000	47,820,385	9,020,385	123%
Liquor Profit Transfers	1,500,000	1,524,250	24,250	6,500,000	7,992,632	1,492,632	123%
Departmental Collections	1,400,000	1,307,323	(92,677)	5,800,000	5,688,638	(111,362)	98%
Property Transfer Tax	1,000,000	954,704	(45,296)	4,800,000	4,251,726	(548,274)	89%
Property Tax	1,160,000	1,350,683	190,683	3,820,000	4,085,126	265,126	107%
Beer Tax and Licenses	450,000	595,799	145,799	2,520,000	2,599,140	79,140	103%
Miscellaneous Transfers	50,000	1,151,994	1,101,994	870,000	1,864,752	994,752	214%
Interest Income	2,900,000	1,596,369	(1,303,631)	11,800,000	10,858,279	(941,721)	92%
Refundable Credit Reimb Liability	200,000.00	341,236	141,236	500,000	734,216	234,216	147%
HB 102 - Lottery Transfers	5,366,000.00	4,989,017	(376,983)	16,256,000	15,740,476	(515,524)	97%
Miscellaneous	600,000	360,401	(239,599)	3,100,000	2,770,118	(329,882)	89%
Business Franchise Fees	40,000	73,635	33,635	240,000	237,194	(2,806)	99%
Estate & Inheritance Tax	-	-	-	-	-	-	0%
Liquor License Renewal	-	2,045,029	2,045,029	0	4,897,194	4,897,194	0%
Special Revenue Transfers	-	-	-	-	-	-	0%
Charter Tax	-	492	492	-	3,970	3,970	0%
Video Lottery Transfers	-	28,796	28,796	-	99,794	99,794	0%
July-Dec Retro Rev Adj	-	-	-	-	-	-	0%
Cash Flow Transfer	-	-	-	-	-	-	0%
SUBTOTALS	\$ 357,566,000	\$ 354,306,597	\$ (3,259,403)	\$ 1,485,456,000	\$ 1,452,403,815	\$ (33,052,185)	
Less: Cash Flow Transfer	0	0	0	0	0	0	
Less: Special Revenue Transfer	0	0	0	0	0	0	
TOTALS	\$ 357,566,000	\$ 354,306,597	\$ (357,566,000)	\$ 1,485,456,000	\$ 1,452,403,815	\$ (33,052,185)	

Percent of Estimates

99%

98%

Collections on this day

\$ 52,073,175

STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
October 2018 vs October 2019

GENERAL REVENUE FUND

	Actual Collections October 2018	Actual Collections October 2019	Actual Collections 12 Months July 2018-October 2019	Actual Collections 12 Months July 2019-October 2020	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Personal Income Tax	155,686,252	\$ 157,577,770	657,997,603	\$ 661,140,309	\$ 3,142,706	0%
Consumer Sales Tax & Use Tax	99,960,358	101,179,317	427,189,234	431,472,203	4,282,969	1%
Severance Tax	24,823,422	8,156,842	121,369,568	67,410,918	-53,958,650	-44%
Corporate Net Income Tax	2,266,760	13,610,979	49,318,891	63,858,823	14,539,932	29%
Insurance Tax	30,844,926	29,694,320	60,747,487	60,597,928	-149,559	0%
Tobacco Products Tax	14,018,472	15,393,617	60,285,250	58,279,993	(2,005,257)	-3%
Business and Occupation	12,787,674	12,374,024	38,553,506	47,820,385	9,266,879	24%
Liquor Profit Transfers	1,518,500	1,524,250	7,725,594	7,992,632	267,038	3%
Departmental Collections	1,191,892	1,307,323	5,126,219	5,688,638	562,419	11%
Property Transfer Tax	1,033,084	954,704	4,767,439	4,251,726	-515,713	-11%
Property Tax	1,231,042	1,350,683	3,713,190	4,085,126	371,936	10%
Beer Tax and Licenses	381,502	595,799	2,617,482	2,599,140	-18,342	-1%
Miscellaneous Transfers	246,560	1,151,994	1,962,371	1,864,752	(97,619)	-5%
Interest Income	1,465,308	1,596,369	5,442,897	10,858,279	5,415,382	99%
Refundable Credit Reimb Liability	232,875	341,236	808,602	734,216	(74,386)	-9%
HB 102 - Lottery Transfers	5,365,638	4,989,017	16,255,640	15,740,476	-515,163	-3%
Miscellaneous	219,565	360,401	2,592,709	2,770,118	177,409	7%
Business Franchise Fees	47,243	73,635	215,931	237,194	21,263	10%
Estate & Inheritance Tax	0	-	0	-	-	0%
Liquor License Renewal	0	2,045,029	0	4,897,194	4,897,194	0%
Special Revenue Transfers	5,830,388	-	11,177,946	-	(11,177,946)	-100%
Charter Tax	1,494	492	4,053	3,970	(83)	-2%
Video Lottery Transfers	6,711	28,796	81,208	99,794	18,586	23%
July-Dec Retro Rev Adj	0	-	0	-	0	0%
Cash Flow Transfer	0	-	0	-	0	0%
SUBTOTALS	\$ 359,159,665	\$ 354,306,597	\$ 1,477,952,820	\$ 1,452,403,815	\$ (25,549,005)	
Less: Cash Flow Transfer	0	0	0	0	0	
Less: Special Revenue Transfer	5,830,388	0	11,177,946	0	(11,177,946)	
TOTALS	\$ 353,329,278	\$ 354,306,597	\$ 1,466,774,873	\$ 1,452,403,815	\$ (14,371,059)	

Increase/Decrease over Prior Period

\$ 977,319 \$ (14,371,059)

% Increase/Decrease over Prior Period

0% -1%

STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
October 2018 vs October 2019

STATE ROAD FUND

	Actual Collections October 2018	Actual Collections October 2019	Actual Collections 8 Months July 2018-October 2019	Actual Collections 8 Months July 2019-October 2019	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Gasoline & Motor Carrier Rd Tax						
Privilege Tax	48,525,343	\$ 41,400,865	169,489,884	\$ 167,778,970	\$ (1,710,915)	-1%
Licenses & Registration	21,704,340	24,798,713	84,170,705	103,456,757	19,286,052	23%
Miscellaneous	9,179,844	9,035,563	54,642,095	46,071,372	-8,570,723	-16%
Highway Litter Control	1,340,551	1,074,205	6,134,040	5,742,050	-391,991	-6%
Federal Reimbursement	81,778	136,404	494,216	621,659	127,443	26%
	0	39,623,364	137,124,603	134,506,052	-2,618,551	-2%
SUBTOTALS	\$ 80,831,856	\$ 116,069,113	\$ 452,055,544	\$ 458,176,860	\$ 6,121,317	
Less: Federal Reimbursement	0	39,623,364	137,124,603	134,506,052	-2,618,551	
TOTALS	\$ 80,831,856	\$ 76,445,749	\$ 314,930,941	\$ 323,670,808	\$ 8,739,867	

Increase/Decrease over Prior Period

\$ (4,386,107)

\$ 8,739,867

% Increase/Decrease over Prior Period

-5.4%

2.8%

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

11/7/2019

STATE OF WEST VIRGINIA
REVENUE COLLECTIONS
FISCAL YEAR 2020
as of October 31, 2019

STATE ROAD FUND

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Motor Fuel Tax	\$ 40,500,000	\$ 41,400,865	\$ 900,865	\$ 180,000,000	\$ 167,778,970	\$ (12,221,030)	93%
Sales/Privilege Tax	21,352,000	24,798,713	\$ 3,446,713	82,804,000	103,456,757	20,652,757	125%
Licenses & Registration	7,867,000	9,035,563	\$ 1,168,563	46,829,000	46,071,372	(757,628)	98%
Miscellaneous	966,000	1,074,205	\$ 108,205	15,550,000	5,742,050	(9,807,950)	37%
Highway Litter Control	85,000	136,404	\$ 51,404	513,000	621,659	108,659	121%
Federal Reimbursement	36,041,000	39,623,364	\$ 3,582,364	201,301,000	134,506,052	(66,794,948)	67%
SUBTOTALS	\$106,811,000	\$ 116,069,113	\$ 9,258,113	\$ 526,997,000	\$ 458,176,860	\$ (68,820,140)	
Less: Federal Reimbursement	36,041,000	39,623,364	\$ 3,582,364	201,301,000	134,506,052	(66,794,948)	
TOTALS	\$ 70,770,000	\$ 76,445,749	\$ 5,675,749	\$ 325,696,000	\$ 323,670,808	\$ (2,025,192)	

Percent of Estimates

108%

99%

Collections on this day

\$ 4,855,774.55

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of October 31, 2019 : \$ 361,927,335.22

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of October 31, 2019: \$470,937,691.40

SPECIAL INCOME TAX REFUND RESERVE FUND as of October 31: \$11,000,000.00

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
November 1, 2019

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: November 13, 2019

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the October 31, 2019 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of October 31, 2019 of fiscal year 2019-2020, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2019	\$ 205,761,370.82
Receipts July 1,2019 thru October 31, 2019	\$ 66,660,477.01
Disbursements July 1, 2019 thru October 31, 2019	\$ 52,509,199.40
Balance October 31, 2019	\$ 219,912,648.43

ITEMS OF NOTE:

Regular benefits paid for July - October 2019 were \$ 15 million more than July - October 2018.

Federal emergency benefits totaled -\$6,573 for July - October 2019. For July - October 2018, federal emergency benefits totaled - \$8,229.

Total disbursements were \$ 15 million more in July - October 2019 than the preceding July - October 2018.

Receipts as of July - October 2019, were \$ 13 million less than in July - October 2018. Overall ending trust fund balance was \$ 40.1 million higher on October 2019 than on October 2018.

Seasonally adjusted unemployment rates for October 2019 were 4.8 percent for West Virginia and 3.6 percent nationally.

Since October 2018, employment has increased by 3,200. Employment gains included 1,700 in educational and health services, 500 in construction, 1,300 in trade, transportation, and utilities, 1,400 in leisure and hospitality, 1,000 in government, 100 in financial activities, and 300 in manufacturing. Employment declines included 1,000 in other services, 1,000 in professional and business services, 500 in mining and logging, and 600 in information.

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING AUGUST 2018 AND AUGUST 2019**

	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	AUGUST 2019	SEPTEMBER 2019	OCTOBER 2019	THREE MONTH TOTAL VARIANCE *
Balance Forward	\$156,766,794.00	\$167,806,683.07	\$161,844,429.69	\$220,676,905.60	\$225,112,243.68	\$215,897,753.02	\$175,268,995.54
Add Receipts							
1 Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2 Regular Contributions	\$20,087,433.11	\$1,013,017.91	\$26,273,050.87	\$16,218,809.84	\$1,183,155.79	\$17,986,287.95	(\$11,985,248.31)
3 Federal Emergency Benefits (EUCOB)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4 Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5 Temp Federal Additional Comp (FAC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6 UCFE (Federal Agencies)	\$66,399.30	\$57,307.00	\$61,385.09	\$48,048.19	\$51,667.60	\$37,232.85	(\$48,142.75)
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	\$0.00	\$909,662.63	\$0.00	\$0.00	\$1,327,053.20	\$0.00	\$417,350.57
11 UCX (Military Agencies)	\$42,393.80	\$39,480.11	\$47,016.32	\$39,422.76	\$49,995.37	\$60,264.33	\$20,792.23
12 WV Senate Bill 558	\$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	\$20,196,226.21	\$2,019,467.65	\$26,381,452.28	\$16,306,280.79	\$2,611,871.96	\$18,083,785.13	(\$11,595,208.26)
Total Monthly Receipts							
Less Disbursements							
Debt Bond Repayment							
Regular Benefits	\$9,055,163.86	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Federal Emergency Benefits (EUCOB)	(\$2,026.00)	\$7,873,469.21	\$8,340,348.94	\$11,781,798.63	\$11,727,836.26	\$13,975,580.84	\$12,216,233.72
Federal Share Extended Benefits (EB)	(\$15.00)	(\$2,349.00)	(\$2,170.00)	(\$1,450.00)	(\$1,735.00)	(\$1,435.00)	\$1,925.00
Emergency Benefits (TEUC)	(\$50.00)	(\$15.00)	(\$65.00)	\$0.00	\$0.00	\$0.00	\$95.00
Temp Federal Additional Comp (FAC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UCFE (Federal Workers) Benefits	\$62,845.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UCX (Military Workers) Benefits	\$40,418.80	\$65,829.07	\$52,214.64	\$50,664.98	\$46,913.90	\$36,442.09	(\$46,868.22)
Reed Act Funds	\$0.00	\$44,786.75	\$41,709.68	\$39,928.10	\$53,347.46	\$58,301.79	\$2,465.12
Special Administrative Transfer**	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Disbursements	\$9,156,337.14	\$7,981,721.03	\$8,432,038.26	\$11,870,942.71	\$11,826,362.62	\$14,068,889.72	\$12,196,098.62
Trust Fund Balance	\$167,806,683.07	\$161,844,429.69	\$179,793,843.71	\$225,112,243.68	\$215,897,753.02	\$219,912,648.43	\$151,477,888.66
Trust Fund Balance							

* 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.

**Note: All Trust Fund Balance includes Trust Fund Loan from the Revenue Shortfall Reserve Fund per Senate Bill 558 passed March 9, 2016.

Borrowed on 3/11/2016 38,000,000.00
Repaid on 5/17/2018 (38,000,000.00)
Borrowed on 12/5/2016 50,000,000.00
Repaid on 5/4/2017 (50,000,000.00)
Outstanding Loan from Revenue Shortfall Reserve Fund \$0.00

**Note: Reed Act funds of \$549,469.24 previously drawn down were unexpended and returned to Trust Fund or deposited with the U.S. Treasury

UC TRUST FUND PROJECTIONS – 2019
November 12, 2019

Month	Receipts	Disbursements	Trust Fund Balance
2018			
Balance 1/1/2018			\$ 82,800,186
January	\$ 15,854,972	\$ 18,180,779	\$ 80,474,379
February	\$ 8,964,249	\$ 16,063,060	\$ 73,375,568
March	\$ 1,556,203	\$ 12,890,572	\$ 62,041,199
April	\$ 67,692,592	\$ 14,518,039	\$ 115,215,752
May	\$ 39,734,526	\$ 10,586,743	\$ 144,363,535
June	\$ 1,857,766	\$ 9,003,254	\$ 137,218,047
July	\$ 31,386,942	\$ 11,838,195	\$ 156,766,794
August	\$ 20,196,226	\$ 9,156,337	\$ 167,806,683
September	\$ 2,019,468	\$ 7,981,721	\$ 161,844,430
October	\$ 26,381,452	\$ 8,432,038	\$ 179,793,844
November	\$ 10,958,388	\$ 9,618,313	\$ 181,133,919
December	\$ 2,114,666	\$ 13,470,105	\$ 169,778,480
Totals - 2018	\$ 228,717,450	\$ 141,739,156	\$ 169,778,480
2019			
January	\$ 18,647,223	\$ 18,646,454	\$ 169,779,249
February	\$ 9,889,316	\$ 20,023,154	\$ 159,645,411
March	\$ 2,774,046	\$ 19,785,639	\$ 142,633,818
April	\$ 72,098,812	\$ 18,777,789	\$ 195,954,841
May	\$ 34,807,294	\$ 15,044,255	\$ 215,717,880
June	\$ 2,439,110	\$ 12,395,619	\$ 205,761,371
July	\$ 29,658,539	\$ 14,743,004	\$ 220,676,906
August	\$ 16,306,281	\$ 11,870,943	\$ 225,112,244
September	\$ 2,611,872	\$ 11,826,363	\$ 215,897,753
October	\$ 18,083,785	\$ 14,068,890	\$ 219,912,648
November	\$ 15,410,051	\$ 12,825,059	\$ 222,497,640
December	\$ 1,896,855	\$ 17,961,038	\$ 206,433,457
Totals - 2019	\$ 224,623,184	\$ 187,968,207	\$ 206,433,457

Benefits and Technical Support Section • Unemployment Compensation Division
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WorkForce
WEST VIRGINIA
A DIVISION OF THE WEST VIRGINIA DEPARTMENT OF COMMERCE

WORKFORCE DEVELOPMENT REPORT

Report for Fiscal Year 2019

State: July 1, 2018 – June 30, 2019

Federal: October 1, 2018 – September 30, 2019

Contact: Scott A. Adkins, Acting Commissioner
(304) 558 - 7024

On behalf of WorkForce West Virginia, it is my pleasure to present the Workforce Development Report for 2018-2019. As required by statute, I am also submitting a copy of the 2019-2020 Memorandum of Understanding for the Workforce Interagency Collaborative Team (ICT).

WorkForce West Virginia continues to expand marketing and services on-line through a newly modernized website. The Responsive Web Design (RWD) allows page layouts to adapt to the user such as desktops, tablets, and mobile phones. In February 2018, new Job Seeker and Employer Portals were rolled out. This new design is a more "user friendly" step-by-step guide to help job seekers get their high school diploma, learn job etiquette, get proper training & education, improve their job seeking skills, and help them find a job. The new site also helps employers find the best qualified worker, explore tax credits and navigate the unemployment processes. From July 1, 2018, through June 30, 2019, the agency website www.workforcewv.org had over 2.3 million page-views, an average of 190,242 page-views per month. Website visitors spent the most time on the Unemployment pages.

During the report period 10 new employer petitions were certified under the Trade Assistance Act (TAA). Currently there are 14 active and 2 pending petitions. TRA recipients may be eligible to receive up to 130 weeks of Income Support payments.

A new Disaster National Dislocated Worker Grant (NDWG) was awarded to West Virginia for the damage received in the counties of Grant, Pendleton, Preston, Randolph and Tucker in the amount of \$975,000. The NDGW for the 2018 Severe Storm grant for both the Eastern Panhandle (ES) and Ohio Valley Region (OVR) was awarded additional funds. In addition to receiving additional funds for the Coal Grant, the performance time period was extended to March 31, 2020. WorkForce West Virginia applied and was approved for funding related to the Opioid Crisis in West Virginia. Project Operators were selected, and funds will be awarded in the upcoming fiscal year.

WorkForce WV has developed and maintained partnerships that allow West Virginia to take full advantage of the Workforce Innovation and Opportunity Act (WIOA) of 2014. WorkForce looks forward to continuing to provide new initiatives in workforce development in West Virginia. The assistance provided by the U.S. Department of Labor in implementing these programs is very much appreciated.

WorkForce WV looks forward to continuing support from the Commission to improve West Virginia's workforce development system.

Sincerely,


Scott A. Adkins
Acting Commissioner

1900 Kanawha Boulevard, East • Building 3, Suite 300 • Charleston, WV 25305-0009

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WorkForce West Virginia

Executive Summary

State of the One-Stop System

The State of the One-Stop System report is a summary document that gives a public account of the current operations, structures, activities, finances, and future direction of One-Stop Centers of West Virginia. The report is published annually, as required by the West Virginia Legislature, and reported to the Joint Committee on Government and Finance and the Legislative Oversight Commission on Education Accountability.

Overall, the progress of West Virginia's One-Stop System during 2018-2019 reflects the continuous evolvement of an *integrated service delivery system* unlike any seen previously in the employment and training arena. The basis of the One-Stop System is the coordination of programs, services and governance structures giving the customer access to a seamless system of workforce investment services that have been integrated and streamlined. WorkForce West Virginia's career centers continue to improve services to more effectively serve employers, employees, and job seekers. The seven regional Local Workforce Development Boards (LWDBs) show strong commitment to bringing a menu of integrated workforce development programs and services to the local level. The working relationship among state agencies and between state and local WDBs continues to grow.

One issue is the uncertainty of funding generally being experienced in most domestic programs that offer workforce development services. Local WDB strategic planning reflects the thorough and innovative ways the One-Stop System is evolving to provide more opportunities to serve more customers in spite of Workforce Innovation Opportunity Act (WIOA) funding decreases. A description of WIOA requirements for establishing One-Stops is followed by a region-by-region description of how partners are participating in One-Stop operations.

The FY19 Funding Stream Report created in compliance with Senate Bill (SB) 461 is designed to describe the sources and uses of funds that either directly or indirectly impact workforce development.

Workforce development is a generic term reflecting the purpose and intent of WIOA. As defined by the act, "The purpose of Title I is to provide workforce development activities that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, which will improve the quality of the work-force, reduce welfare dependency, and enhance the productivity and competitiveness of the nation's economy."

Direct workforce development activities and services are delivered directly through a One-Stop delivery system "under which [the] entities responsible for administering separate workforce investment, educational, and other human resource programs and funding streams (referred to as One Stop partners) collaborate to create a single, customer friendly, seamless system of service delivery that will enhance access to the unified programs' services and improve long-term employment outcomes for individuals receiving assistance."

The purpose of the Funding Stream Report is to quantify the level of both fiscal and programmatic (service delivery) involvement of all the entities involved either directly or tangentially with workforce development in West Virginia.

Twenty (20) programs either directly or indirectly impact workforce development in West Virginia. Seventeen (17) programs are “required” One Stop partners as described by the Workforce Innovation Opportunity Act (WIOA). Ten (10) of the “required” One Stop partners devote 100% of their resources directly to workforce development.

Ten (10) out of seventeen (17) programs required to participate in the One Stop system have restrictive funding (Federal) which clearly stipulates whom is to be served through strict eligibility requirements and prescribes specific performance outcomes required.

West Virginia receives \$ 100,081,177.16 for workforce development. Seventy-six percent (76%) [\$ 76,460,640.00] of those funds are Federal and Twenty-three percent (23%) [\$23,220,877.59] are from State funding sources and one percent (1%) [\$ 85,173.00] are grant dollars.

Continued competitiveness in the struggle to attract and retain businesses in West Virginia depends upon a highly skilled labor force. Reduced funding for workforce development further jeopardizes West Virginia’s place in the nation’s and world’s economy.

Purpose

West Virginia Legislature requires an annual report regarding the source, use and outcomes of all funds received for workforce investment activities in the state.

Specifically, this requirement included:

- Source and amount of federal, state, and other funds received for workforce investment activities;
- Purpose of each of the above funds;
- Services provided in each of the seven regional workforce investment areas;
- The measure used to evaluate program performance (including current and baseline performance data);

All the publicly funded workforce investment programs operating in the state are to include:

- Amount of federal funds expended by each program,
- Amount of state funds expended by each program,
- How the funds are spent,
- The resulting improvement in the workforce.

This summary chart provides the specific funding amounts and highlights of funding use across agencies and programs who reported. *Appendix A* provides a table showing all data requested from the agencies. This information is available in a database maintained by WorkForce West Virginia. Additional data breakdowns reports and specific information will be available for use by the West Virginia Workforce Development Board (WVWDB) and other interested parties.

Reporting Process

WorkForce West Virginia has overall responsibility for the process to collect the Funding Stream Report information and provide the WVWDB the information needed to report to the legislature, Governor's Office, and others. WorkForce West Virginia works with the Interagency Collaborative Team (ICT) as the central clearinghouse for identifying, collecting, and reporting the information.

Each year, WorkForce West Virginia sends out a notice to agencies and programs identified as having a direct or tangential impact on workforce development.

WorkForce West Virginia offers to monitor and provide technical assistance when requested. WorkForce West Virginia has on-going discussions with different agencies to ensure that funds are not counted twice between primary recipients and sub-recipients of funds.

Reporting Periods

The report reflects the most recent complete funding year of the programs. This may be based on the state fiscal year or federal fiscal year, whichever one is the prime driver of the program. In some cases, both sources of funding are associated with a program.

For programs that use state funding or are operated solely on a state fiscal year basis, reports are based on funding, programming, outputs, outcomes, etc. on a state fiscal year. For this report the dates were FY19 (July 1, 2018 through June 30, 2019).

For programs that use federal funding or are operated solely on a federal fiscal year basis, reports are based on funding, programming, outputs, outcomes, etc. on a federal fiscal year. For this report the dates were FY19 (October 1, 2018 through September 30, 2019).

Grants and other sources of funds reported would have been received during one of the two-time periods listed above for federal or state fiscal years.

Reporting Continuum

How best to properly define how reported funds are used regarding workforce investment, as required in SB 461, is a challenge. There is a desire to report only funding that directly supports actual training costs compared to money spent to provide support to individuals in training. Programs such as those in tech prep or higher education can be classified as assisting the development of the state's workforce, even though there are many other activities (e.g., research, economic development, athletics and etc...) that are included as uses of some funding. Rather than only collect a portion of the programs, WorkForce West Virginia has attempted, working with the ICT, to construct a continuum framework that helps separate different types of funding.



Services Transaction Data

This report provides insights into the types of services that were reported in each of the seven (7) regional workforce development areas, through the One-Stop System to the West Virginia Workforce MIS for the period of July 1, 2018 to June 30, 2019.

The report provides total service transactions that result in more than one service per customer. There may also be services that are automatic or performed as a required sequence to another service.

Services are grouped in the following areas:

- WIOA Services
- Employer Services
- Partner Services
- Veteran Services
- Wagner-Peyser Services

**PY2018 ONE-STOP USAGE REPORT
WEST VIRGINIA - LOCAL AREA COMPARATIVE REPORT
PERIOD: 07/01/2018 to 06/30/2019**

Codes	Services Provided	Total	Region1	Region2	Region3	Region4	Region5	Region6	Region7
	Total Customers	133882	32711	25915	17141	16977	10911	26641	14252
	Total Transactions	441716	105304	49246	113387	51668	36655	91333	59655
	WIOA SERVICES								
W1000	WIOA – Status Update	16982	1623	1210	479	5884	3426	2298	2008
W1001	WIOA – Provided HB 4196 Information	2426	434	428	91	491	249	646	87
W1002	WIOA – OSY Post Test Contact	30	1	2	0	7	0	20	0
W1003	WIOA – Assessment Registration	1523	421	16	28	119	244	640	55
W1004	WIOA – Intake Assessment	1975	369	424	75	376	277	408	45
W1005	WIOA – Testing	2138	372	312	147	357	238	576	136
W1006	WIOA – Resume Writer	671	10	1	4	38	479	1	138
W1007	WIOA – Job Search	326	0	0	1	319	0	6	0
W1008	WIOA – Follow-up	15628	2639	2283	250	4649	1614	2906	1287
W1009	WIOA – Research Assignment	1196	249	195	26	169	175	344	39
W1011	WIOA – Received Workforce Information Services	4102	605	196	78	1481	508	608	367
W2001	WIOA – Comprehensive Guidance and Counseling	4707	176	244	3	2608	1	47	44
W2002	WIOA – Individual Counseling, Guidance and Career Planning	933	0	5	10	414	192	321	1

**PY2018 ONE-STOP USAGE REPORT
WEST VIRGINIA - LOCAL AREA COMPARATIVE REPORT
PERIOD: 07/01/2018 to 06/30/2019**

Code	Services Provided	Total	Region1	Region2	Region3	Region4	Region5	Region6	Region7
W2003	WIOA – Tutoring	241	0	140	14	1	54	32	0
W2004	WIOA – Leadership Development	1164	0	7	0	1140	0	17	0
W2005	WIOA – Adult Mentoring	287	0	0	2	107	134	44	0
W2008	WIOA – Work Experience/Internships	377	48	25	2	104	126	40	32
W2009	WIOA – Retention and Placement	124	118	0	0	0	0	0	6
W2010	WIOA – Support Service	2515	337	211	33	1677	25	181	51
W2012	WIOA – Comprehensive Assessment and Testing	22	1	4	16	1	0	0	0
W2015	WIOA – Planned Gap in Service	9	0	0	0	9	0	0	0
W2018	WIOA – Referral to TAA Training	197	24	0	21	1	57	94	0
W2019	WIOA – TAA Case Manager Assessment	224	12	0	25	1	39	147	0
W2020	WIOA – Financial Literacy Education	169	3	7	1	95	0	56	7
W2021	WIOA – Transitional Job	91	40	32	2	13	1	2	1
W3001	WIOA – On-the-Job Training (OJT)	199	14	98	0	47	1	39	0
W3003	WIOA – ITA ind. Tuition and Costs	986	187	181	38	217	155	179	29
W3004	WIOA – Apprenticeship	79	6	0	0	44	20	9	0
W3006	WIOA – Incumbent Working Training	58	0	57	0	0	0	1	0
W3008	WIOA – Enrolled in Training, Secondary, Post-Secondary - Leading to Degree/Certificate	153	0	5	17	48	0	48	35

**PY2018 ONE-STOP USAGE REPORT
WEST VIRGINIA - LOCAL AREA COMPARATIVE REPORT
PERIOD: 07/01/2018 to 06/30/2019**

Code	Services Provided	Total	Region1	Region2	Region3	Region4	Region5	Region6	Region7
E0000	Total Employers	30024	5990	3542	5830	2668	2749	6589	2656
E0250	Employer - EEO/State Labor Compliance Service	142	1	12	73	3	46	8	7
E0300	Job Fair and Events	922	32	132	250	74	53	174	207
E0650	Mass Recruitment and/or Outreach Services	64	1	1	0	0	0	2	52
E0800	Federal Contractor Job Listing Information	13	0	0	0	0	0	13	0
E1050	Job Development Services	25	5	0	16	2	0	2	0
E1051	Veteran Job Development	18	0	0	0	0	0	18	0
E1500	Facilities Usage	243	67	3	13	19	8	105	28
E1850	Referral to Partner Agency	30	3	0	1	25	0	1	0
E6050	Rapid Response Meeting	66	14	4	26	7	1	14	0
E6100	Presentation to Group/Speaking Engagement	94	0	8	4	72	0	10	0
E6200	AJC Systems and Services	1900	159	75	244	236	228	696	262
E6300	Visits to Businesses	3543	372	458	890	465	442	306	610
E6400	Visit to Apprenticeship	89	1	0	2	24	0	2	60
E6450	Workforce Development System Training Contract – Incumbent Worker	21	0	11	0	4	0	6	0
E6550	Workforce Development System Training Contract – Apprenticeship	38	0	0	0	37	0	1	0
E6600	Workforce Development System Training Contract – On-the-Job-Training (OJT)	133	12	64	0	33	5	13	6
E6650	Engaged in Strategic Planning/Economic Development	32	0	0	0	32	0	0	0
E6700	Transitional Jobs	55	32	12	1	4	4	1	1
P3300	Partner – Service Location Referral to Partner Agency	16345	2282	1924	1190	714	129	6032	2913

PY2018 ONE-STOP USAGE REPORT

WEST VIRGINIA - LOCAL AREA COMPARATIVE REPORT

PERIOD: 07/01/2018 to 06/30/2019

Code	Services Provided	Total	Region1	Region2	Region3	Region4	Region5	Region6	Region7
V200	V – Individual Coaching	512	104	206	23	134	13	22	10
V209	V – Assessment Interview	125	32	31	9	18	8	16	11
V224	V – Job Search Planning	240	76	110	10	23	2	12	7
V227	V – Resume Preparation	175	34	46	11	35	5	11	33
V228	V – Labor Market Information	533	192	146	31	57	6	58	43
V271	V – Referred to Supportive Services	152	55	6	25	21	5	38	2
V274	V – Referral to Other Federal Training	53	20	15	0	7	0	8	3
V277	V – Referral to Education Services	26	2	10	0	7	0	7	0
V292	V – Labor Exchange Service	246	45	91	18	29	2	34	27
V294	V – Career Guidance Services	436	111	105	23	148	14	13	22
V331	V – Assigned Case Manager	120	36	29	6	19	5	17	8
V332	V – Veteran Employment Goals – Initial and Follow-up	1904	467	523	115	246	51	225	277
V333	V – Veteran Pre-Employment Coaching	208	86	43	48	13	2	8	8
V370	V – Obtained Employment	58	8	17	2	12	3	10	6
WP001	WP – Work Test	120	13	68	0	32	1	5	1
WP209	WP – Assessment Interview	5525	1280	693	611	455	325	1631	530
WP210	WP – Testing	1467	172	263	230	443	154	205	0
WP221	WP – ES Job Search Workshop	397	6	0	1	0	1	387	2
WP224	WP – Job Search Planning	1344	1	4	0	0	0	1286	53
WP227	WP – Resume Preparation	2216	801	126	64	27	78	884	236
WP228	WP – Labor Market Information	24048	10061	1215	1439	563	681	4325	5464

**PY2018 ONE-STOP USAGE REPORT
WEST VIRGINIA - LOCAL AREA COMPARATIVE REPORT
PERIOD: 07/01/2018 to 06/30/2019**

Code	Services Provided	Total	Region1	Region2	Region3	Region4	Region5	Region6	Region7
WP229	WP – Self Directed Job Search	6796	2056	464	75	2	529	2904	766
WP271	WP – Referred to Supportive Services	518	2	8	0	0	29	398	81
WP274	WP – Referral to Other Federal Training	399	6	0	0	0	0	393	0
WP277	WP – Referral to Educational Services	725	6	10	0	0	32	667	10
WP280	WP – Job Development	69	9	0	0	2	2	1	55
WP292	WP – ES/DVOP/LVER (Labor Exchange Services)	15278	2137	845	1407	2932	930	3197	3830
WP294	WP – Career Guidance Service	5564	1260	874	601	455	324	1435	615
WP295	WP – Bonding Assistance	7990	1835	1706	369	527	918	1657	978
WP296	WP – Equal Opportunity (EO) Rights Notification	5283	1491	1058	271	204	1359	773	127
WP331	WP – Assigned Case Manager	395	1	1	2	390	1	0	0
WP370	WP – Obtained Employment	251	120	9	1	0	8	6	107
WP410	WP – VES – 14 Letter Generated	32	9	5	7	1	2	4	4
WP413	WP – Veteran Referral to DVOP	542	97	95	35	58	19	138	100
WP415	WP – HVRP Grant Number	10	0	0	0	0	0	0	10
WP420	WP – RESEA IRP	5246	1259	667	599	455	322	1416	528
WP421	WP – Received Workforce Information Services	5158	1449	213	1	0	82	1203	2210
WP505	WP – NDWG SP Intake Assessment	1029	216	52	542	218	0	0	1
WP515	WP – NDWG SP Coaching	1011	205	52	51	213	0	0	0
WP525	WP – NDWG SP Referral	52	0	52	0	0	0	0	0

PY2018 ONE-STOP USAGE REPORT
WEST VIRGINIA - LOCAL AREA COMPARATIVE REPORT
PERIOD: 07/01/2018 to 06/30/2019

Code	Services Provided	Total	Region1	Region2	Region3	Region4	Region5	Region6	Region7
WP700	WP – Local Office Contact	92707	28450	18374	4800	12377	7683	12136	8887
WP904	UI – Profile Obtain Employment/Reemployment Plan	15	13	1	0	0	1	0	0
WP910	UI – Master List	989	0	0	989	0	0	0	0
WP920	WP – ERP Local Office Contact	2470	756	139	6	255	223	838	253

Inventory of Required Workforce Development Programs

Program Name Operations Unit Funding Unit State Organization	Brief Program Description	Eligible Population	Evaluation Measurement	Outcome
Adult Education <i>Technical Education and Governors Economic Initiatives Department of Education</i>	Provides funding to local programs for adult education and literacy services (including TASC instruction) to prepare for self-sufficiency	1. Adults & Out-of-School youth seeking a high school equivalency diploma. 2. Adults preparing for college entrance or for enrollment in other postsecondary education or training. 3. Adults seeking to improve basic academic and computer skills for daily living. 4. Unemployed or under-skilled workers seeking to obtain or retain a job or to get a promotion. 5. Parents of young children. 6. Teenage high school dropouts seeking to obtain or retain a driver's license. 7. Adults in correctional facilities or regional jails. 8. Recipients of public assistance. 9. Adults with limited English proficiency seeking to improve English language skills or prepare for U.S. Citizenship and naturalization. 10. Residents of homeless shelters and domestic violence shelters. 11. Home based adult learners seeking on-line basic skills study opportunities	Accountability and performance are based on 16 federal core measures.	Outcomes for FY18 are not available at this time.
Community Services Block Grant <i>Office of Economic Opportunity Department of Commerce</i>	To alleviate poverty addressing both the symptoms and causes of poverty, and supporting community based programs that lift individuals, families, and communities to higher levels of self-sufficiency.	Low income population at or below 125% of poverty guidelines per the US Census Bureau (2009-2013) American Community Survey located in 55 counties of West Virginia.	Low income people to become more self-sufficient.	# unemployed & obtained employment = <u>1,062</u> # of individuals to receive on-the-job training and other work experience = <u>173</u> # of individuals to receive job readiness training = <u>292</u> # of individuals to receive job search coaching = <u>173</u> # of individuals to receive resume development training = <u>192</u> # of individuals to receive job referrals = <u>327</u> # of individuals to receive employment supplies = <u>216</u>
Career Technical & Adult Education <i>Division of Technical Education & Adult Education Services Department of Education</i>	Provide technical and related academic instruction to secondary and adult students in the public schools in order too, prepare them for employment and/or further education and training.	Students planning to enter the workforce with specific skills and national certifications.	ACT WorkKeys® assessments in Reading for Information, Locating Information, and Applied Mathematics	None reported

Inventory of Required Workforce Development Programs (Continued)

Program Name Operations Unit Funding Unit State Organization	Brief Program Description	Eligible Population	Evaluation Measurement	Outcome
Labor Exchange (Wagner-Peyser) <i>ES Field Operations WorkForce West Virginia Department of Commerce</i>	Provides Labor Exchange to employers and job seekers free of charge. Also provides a variety of specialized services for ex-offenders, older workers, dislocated workers, persons with disabilities, veterans and youth.	Job seekers and employers statewide.	Employment Rate 2 nd Quarter 59.0%; Employment Rate 4 th Quarter 71.0%; Median Earnings \$4,600.00	Employment Rate 2 nd Quarter 60.3%; Employment Rate 4 th Quarter 62%; Median Earnings \$5,320.00
Senior Community Service Employment Program <i>Governor's Office Bureau of Senior Services</i>	To provide meaningful part-time paid work experience in community services. Provide opportunities for unsubsidized employment in either the private or public sector.	Low income senior citizens (55+)	Unsubsidized placement; retention; service level; service to most-in-need.	None reported.
Trade Adjustment Act (TAA) <i>Dislocated Worker Services Unit WorkForce West Virginia Department of Commerce</i>	The TAA Program provides aid to workers who have become unemployed or whose hours of work and wages are reduced as a result of increased imports from, or a shift in production to, foreign countries. The goal of the TAA Program is to help trade-affected workers return to suitable employment as quickly as possible.	Workers dislocated or who have experienced a significant reduction in work due to the negative impact of foreign trade.	Entered employment rate (percentage employed 1st quarter after exit); employment retention rate (percentage employed in both the 2 nd and 3 rd quarter after exit); average earnings (average earnings in both the 2 nd and 3 rd quarter after exit).	Entered Employment Rate = 73.3% Employment Retention Rate = 73.3% Average Earnings = \$21,904.00

Inventory of Required Workforce Development Programs (Continued)

Program Name Operations Unit Funding Unit State Organization	Brief Program Description	Eligible Population	Evaluation Measurement	Outcome
Unemployment Compensation <i>WorkForce West Virginia Department of Commerce</i>	The Unemployment Compensation (UC) Division provides unemployment compensation services by paying unemployment benefits to eligible claimants which are funded through the collection of employer taxes.	Eligible unemployed workers.	The UC program had twenty- nine (29) Federal Standards and sixty-eight (68) other measured areas. Primarily these measurements involve timeliness, integrity, and quality and accuracy of UC Benefits and Tax Operations.	West Virginia's Proper Payment Rate was 95.67% for Calendar Year 2018 compared to the National rate of 87.05%.
Veterans Program <i>ES Field Operations WorkForce West Virginia Department of Commerce</i>	Provide on-site services to Veterans with the goal of gainful employment. In addition to providing direct services to veterans, Local Veterans Employment Representatives (LVER) and Disabled Veterans Outreach Program Specialists (DVOPS) also assist veterans in accessing a broader range of services available at One-Stop Centers.	DVOPS - Eligible Veterans with Significant Barriers to Employment LVERs - Employers	Employment Rate 2 nd Quarter 45.9%; Employment Rate 4 th Quarter 50.3%; Median Earnings \$5,351.00	None reported.

Inventory of Required Workforce Development Programs (Continued)

Program Name Operations Unit Funding Unit State Organization	Brief Program Description	Eligible Population	Evaluation Measurement	Outcome
Vocational Rehabilitation <i>Division of Rehabilitation Services</i> <i>Department of Education and the Arts</i>	As a partner in the workforce development system under Title IV of the Workforce Innovation Opportunity Act (WIOA), the Division of Rehabilitation Services (DRS) is required by Federal Statute as the program whose primary role and function is to provide a broad spectrum of intensive and extensive rehabilitation services to West Virginians with disabilities who need assistance and support in order to prepare for, maintain and/or enter into employment.	Individuals with severe mental and/or physical disabilities.	The number of individuals exiting the VR program who achieved an employment outcome during the current performance period compared to the number of individuals who exit the VR program after achieving an employment outcome during the previous performance period is equal to or exceeds the previous year.	<ol style="list-style-type: none"> 1) 1,211 individuals rehabilitated or 460 less than last year. 2) 42.8% were successfully rehabilitated. 3) 100% obtained employment at or above minimum wage. 4) 99.7% of individuals served were individuals with significant disabilities. 5) The average hourly earnings of rehabilitants entering employment were 70% of the average hourly earnings of all unemployed West Virginians. 6) The service rate for all individuals with disabilities from minority backgrounds was 95.7% of the service rate for all non-minority individuals with disabilities.
Workforce Innovation Opportunity Act (Fed) Adult <i>WorkForce West Virginia</i> <i>Department of Commerce</i>	To provide workforce innovation activities that increase the employment, retention and earnings of adults (<i>age 18 and over</i>), and increase occupational skill attainment by participants, which will improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation's economy.	Participants (18 and over) who meet eligibility requirements.	Employment Rate 2 nd Quarter 75.0%; Employment Rate 4 th Quarter 73.0%; Median Earnings \$5,890.00.	Employment Rate 2 nd Quarter 68.6%; Employment Rate 4 th Quarter 71.3%; Median Earnings \$6,865.00.

Inventory of Required Workforce Development Programs (Continued)

Program Name Operations Unit Funding Unit State Organization	Brief Program Description	Eligible Population	Evaluation Measurement	Outcome
Workforce Innovation Opportunity Act (Fed) Dislocated Worker <i>WorkForce West Virginia Department of Commerce</i>	To provide workforce innovation activities that increase the employment, retention and earnings of Dislocated Workers (<i>age 18 and over</i>), and increase occupational skill attainment by participants, which will improve the quality of the workforce, reduce welfare dependency.	Participants (18 and over) who are dislocated and who meet eligibility requirements.	Placement in Education or Employment 2 nd Quarter 78.0%; Placement in Education or Employment 4 th Quarter 78.0%; and Median Earnings \$8,320.00.	Placement in Education or Employment 2 nd Quarter 78.4%; Placement in Education or Employment 4 th Quarter 81.4%; and Median Earnings \$9,697.00.
Workforce Innovation Opportunity Act (Fed) Rapid Response/Special Programs <i>WorkForce West Virginia Department of Commerce</i>	To provide workforce innovation activities that increase the employment, retention and earnings of adults (<i>age 18 and over</i>), and increase occupational skill attainment by participants, which will improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation's economy.	Adults (18 and over) who meet eligibility requirements.	Funds were used to provide local Workforce Development Boards with additional funding to serve their local participants therefore, evaluation is the same formula as WIOA Adult and Dislocated Worker funds. **No federal negotiated performance level.	Outcomes are blended with formula WIOA Adult and Dislocated Worker funds.
Workforce Innovation Opportunity Act (Fed) Youth (Older & Younger) <i>WorkForce West Virginia Department of Commerce</i>	To provide workforce activities that increase the employment, retention and earnings of Youth (<i>age 14 to 21</i>), and increase occupational skill attainment by participants, which will improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation's economy	Participants age 14 to 24 who meet eligibility requirements.	Placement in Education or Employment 2 nd Quarter 65.0%; Placement in Education or Employment 4 th Quarter 50.0%; Attainment of Degree or Certificate 70.0%.	Placement in Education or Employment 2 nd Quarter 60.0%; Placement in Education or Employment 4 th Quarter 65.3%; and Attainment of Degree or Certificate 61.3%.

Inventory of Required Workforce Development Programs (Continued)

Program Name Operations Unit Funding Unit State Organization	Program Purpose	Target Population	Evaluation Measurement	Outcome
Higher Education Adult Part-time Student (HEAP5) <i>Workforce Development West Virginia Community & Technical College</i>	To enable and award grant assistance to needy students who are enrolling specifically in a postsecondary certificate, industry recognized credential, or other skill development program in an in-demand occupation in the state.	Postsecondary students entering programs of study that will offer certification and/or degrees to enter employment or students needing skill upgrades as incumbent workers.	Must be a West Virginia resident; United States citizen or a permanent resident of the United States; must demonstrate financial need; must comply with the Military Selective Service Act; must not be in default on a higher education loan; must be enrolled in postsecondary certificate, industry recognized credential or other skill development program of study.	None reported.
West Virginia Advance Grant & Technical Program Development Initiative <i>West Virginia Community & Technical College System West Virginia Council for Community and Technical College Education</i>	WV Advance is a rapid-response grant program that assists community colleges in meeting an immediate workforce need in the State. Training typically includes skill upgrades, customized training and pre-employment training.	Community and technical colleges and incumbent and potential employees of business and industry.	Not Applicable	Not Applicable
Workforce Development Initiative Grant (HB3009 Funds) <i>West Virginia Community & Technical College System West Virginia Council for Community and Technical College Education</i>	The program provides funding that will be used to offer explicit incentives for partnerships between employers and community and technical colleges to develop comprehensive workforce development services.	Incumbent and potential employees of business and industry.	Not Applicable	Not Applicable

Inventory of Additional Partner's Workforce Development Programs

Program Name Operations Unit Funding Unit State Organization	Program Purpose	Target Population	Evaluation Measurement	Outcome
Governor's Guaranteed Workforce Program (State Funds) <i>Business & Industry Training WV Development Office Department of Commerce</i>	To assist new, expanding, or existing targeted industries in West Virginia with their workforce and training needs to enhance their competitiveness. This program also aids in building a workforce that is competitive and marketable, while creating jobs or averting any layoffs.	West Virginia Manufacturers and other Non-Manufacturers (for example, information technology, business services, and destination tourism) that have clear economic development impact through new job creation, expansion, retention, relocation, or new operations locating in West Virginia.	Creation of jobs, increase in wages paid to employees, health benefits provided, and portable credentials.	Forty-three (43) West Virginia businesses were served with a result of 821 new and 1731 existing workers being trained. Net new jobs created in West Virginia for FY19 were 821 (<i>per applications received</i>).
Workforce Innovation Opportunity Act (WIOA) Alien Labor Certification (ALC) <i>Employment Programs WorkForce West Virginia Department of Commerce</i>	The Alien Labor Certification Program (ALC) staff assists employers with hiring temporary or permanent foreign workers to fill jobs essential to the U.S. economy when there is an insufficient pool of qualified U.S. workers, willing to perform the work. Under this federal grant, the state workforce agency performs all of the DOL funded services. The ALC staff complete prevailing wage determinations for Permanent, H-1B, H-2B, H-1B and E-3 labor certification programs. Services provided for the H-2A program include conducting housing inspections, placing job orders and completing prevailing wage practice surveys. All H-2A and H-2B applications are processed per regulations.	Employers and Migrant Seasonal Farm Workers.	No federal mandated performance objectives.	Not Applicable

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Inventory of Additional Partner's Workforce Development Programs (Continued)

<i>Program Name Operations Unit Funding Unit State Organization</i>	Program Purpose	Target Population	Evaluation Measurement	Outcome
Work Opportunity Tax Credit (WOTC) <i>Work Opportunity Tax Credit Unit WorkForce West Virginia Department of Commerce</i>	This program is intended to encourage employers to hire twelve (12) targeted groups of job seekers by reducing the employer's federal income tax liability by as much as \$2400 to \$9600 per qualified new worker.	1. A member of a family who is receiving or recently received Aid to Families with Dependent Children or Temporary Aid to Needy Families (AFDC/TANF) for 9 out of 18 months. 2. An 18-24 year old member of a family who is receiving or recently received Food Stamps. 3. An 18-24 year old resident of one of the Federally designated Empowerment Zones, Enterprise Communities or Renewal Communities. 4. A 16-17 year old EZ or RC resident hired between May 1 and September 15 as a Summer Youth Employee. 5. A Veteran who is a member of a family who is receiving or recently received Food Stamps. 6. A disabled person who completed or is completing rehabilitative services from a State or the U.S. Dept. of Veterans Affairs. 7. An ex-felon who is a member of a low-income family. 8. A recipient of Social Security Income (SSI). 9. A Long-term TANF recipient who has received Temporary Assistance for Needy Families for at least 18 consecutive months ending on the hiring date or within 2 years of the hire date. 10. A Veteran who has been unemployed for at least 4 weeks. 11. Veteran that has been unemployed for 6 months. 12. Long Term Unemployment- an individual that has been unemployed for 27 weeks.	No federally mandated performance objectives.	As there are a large volume of tax credit applications submitted on an on-going basis, applications are carefully screened for eligibility to certifying as many employers as possible for potential tax benefits

Inventory of Additional Partner's Workforce Development Programs (Continued)

Program Name/Operations Unit/Funding Unit/State Organization	Program Purpose	Target Population	Evaluation Measurement	Outcome
<p>Workforce Innovation Opportunity Act (WIOA) Alien Labor Certification (ALC)</p> <p><i>Employment Programs WorkForce West Virginia Department of Commerce</i></p>	<p>The Alien Labor Certification Program (ALC) staff assists employers with hiring temporary or permanent foreign workers to fill jobs essential to the U.S. economy when there is an insufficient pool of qualified U.S. workers, willing to perform the work. Under this federal grant, the state workforce agency performs all of the DOL funded services. The ALC staff complete prevailing wage determinations for Permanent, H-1B, H-2B, H-1B and E-3 labor certification programs. Services provided for the H-2A program include conducting housing inspections, placing job orders and completing prevailing wage practice surveys. All H-2A and H-2B applications are processed per regulations.</p>	Employers and Migrant Seasonal Farm Workers.	No federal mandated performance objectives.	Not Applicable

**Workforce Innovation Opportunity Act – Required Partners/Programs
FY19 Funding Stream Analysis 2018-2019**

Program Name	Federal \$ Available for Workforce Development	Federal \$ Expended on Workforce Development	State \$ Available for Workforce Development	State \$ Expended on Workforce Development	Other \$ Available for Workforce Development	Other \$ Expended on Workforce Development
Adult Education	\$ 125,483.00	\$ 125,483.00	\$ 365,543.00	\$ 365,543.00	\$ 0.00	\$ 0.00
Career Technical and Adult Education	\$ 70,000.00	\$ 70,000.00	\$ 1,811,370.00	\$ 1,811,370.00	\$ 0.00	\$ 0.00
Community Service Block Grant	\$ 1,062,622.00	\$ 1,062,622.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Labor Exchange (Wagner-Peyser)	\$ 5,329,374.00	\$ 5,329,374.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Senior Community Service Employment Program	\$ 766,553.00	\$ 766,533.00	\$ 0.00	\$ 0.00	\$ 85,173.00	\$ 85,173.00
TAA – Trade Adjustment Act	\$ 7,968,295.00	\$ 4,190,905.38	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Veterans Program	\$ 1,056,652.00	\$ 843,128.89	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Vocational Rehabilitation	\$ 22,730,042.00	\$ 22,730,042.00	\$ 11,019,921.00	\$ 11,019,921.00	\$ 0.00	\$ 0.00
Unemployment Compensation	\$ 12,389,020.48	\$ 11,310,230.32	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Workforce Innovation Opportunity Act (Fed) <i>Adult</i>	\$ 4,943,485.00	\$ 2,640,568.72	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Workforce Innovation Opportunity Act (Fed) <i>Dislocated Worker</i>	\$ 4,506,832.25	\$ 1,619,514.73	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Workforce Innovation Opportunity Act (Fed) <i>Youth (Older & Younger)</i>	\$ 4,959,305.00	\$ 3,085,652.10	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Workforce Innovation Opportunity Act (Fed) <i>Rapid Response/ Special Programs</i>	\$ 3,106,562.00	\$ 997,527.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Carl D. Perkins Act DOE and Higher Education	\$ 0.00	\$ 0.00	\$ 3,051,661.00	\$ 2,976,178.00	\$ 0.00	\$ 0.00
Workforce Development Initiative Grant (HB3009 Funds)	\$ 0.00	\$ 0.00	\$ 2,784,901.00	\$ 1,617,934.04	\$ 281,175.84	\$ 0.00
HEAPS (Higher Education Adult Part-time Student)	\$ 0.00	\$ 0.00	\$ 1,250,000.00	\$ 1,164,330.00	\$ 0.00	\$ 0.00
WV Advance Grant and Technical Program Development Initiative	\$ 0.00	\$ 0.00	\$ 4,915,907.00	\$ 4,717,650.81	\$ 0.00	\$ 0.00
Total	\$ 69,214,275.25	\$ 52,128,372.42	\$ 25,199,303.00	\$ 23,612,876.85	\$ 366,348.84	\$ 85,173.00

Workforce Innovation Opportunity Act - Additional Partners/Programs
FY19 Funding Stream Analysis 2018-2019

Program Name	Federal \$ Available for Workforce Development	Federal \$ Expended on Workforce Development	State \$ Available for Workforce Development	State \$ Expended on Workforce Development	Other \$ Available for Workforce Development	Other \$ Expended on Workforce Development
Governor's Guaranteed Workforce Program (State Funds)	\$ 0.00	\$ 0.00	\$ 1,070,235.59	\$ 1,042,571.63	\$ 0.00	\$ 0.00
Work Opportunity Tax Credit (WOTC)	\$ 154,446.00	\$ 154,446.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Workforce Innovation Opportunity Act (Fed) Alien Labor Certification (ALC)	\$ 54,000.00	\$ 54,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total	\$ 208,446.00	\$ 208,446.00	\$ 1,070,235.59	\$ 1,042,571.63	\$ 0.00	\$ 0.00

Local Workforce Development Board Directors

	Phone	Fax	E-Mail	Website
<u>Region 1</u> Angela M. Henson, Executive Director Region 1 Workforce Development Board 200 New River Town Center, Suite 200 Beckley, West Virginia 25801	304.253.3611 866.253.3611	304.253.0176	ahenson@r1workforcewv.org	http://www.r1wib.org
<u>Region 2</u> Claude J. Hunt, Executive Director South Western West Virginia Workforce Development Board 2699 Park Avenue, Suite 210 Huntington, West Virginia 25704	304.429.5900 877.942.7344	304.429.1715	chunt@wvregion2.org	http://www.wvregion2.org
<u>Region 3</u> Nancy Daugherty Executive Director Region III Workforce Development Board 405 Capitol Street, Suite 506, P.O. Box 3726 Charleston, West Virginia 25337	304.344.5760	304.344.5762	ndaugherty@region3wibkc.org	http://www.region3wib-kc.net
<u>Region 4</u> Janelle Comstock, Program Director Mid-Ohio Valley Workforce Development Board 531 Market Street, P.O. Box 247 Parkersburg, WV 26102	304.424.7271	304.424.6196	janelle.comstock@movrc.org	http://www.vvworkforce.org

Local Workforce Development Board Directors

	Phone	Fax	E-Mail	Website
<u>Region 5</u> Rosemary Guida, Executive Director Northern Panhandle Workforce Development Board 1245 Warwood Avenue Wheeling, WV 26003	304.231.1170 877.738.7246	304.231.1172	npwib@yahoo.com	http://www.npworkforcewv.org
<u>Region 6</u> Maria Larry, Executive Director Region 6 Workforce Development Board 17 Middletown Road White Hall, WV 26554	304.368.9530	304.368.9532	mlarry@region6wv.org	http://www.regionviwv.org
<u>Region 7</u> T.J. VanMeter, Executive Director Region 7 Workforce Development Board 151 Robert C. Byrd Industrial Park Road, Suite 2 Moorefield, WV 26836	304.530.3917	304.530.5107	tjvanmeter@wvregion7wib.org	http://www.wvregion7wib.org

WorkForce West Virginia Comprehensive Centers

Region	Career Center	Address	Phone	Fax
Region 1	Raleigh County WorkForce West Virginia Career Center	921 West Neville Street Beckley, WV 25801	304.253.5500 866.253.1214	304.253.1214
	Mercer County WorkForce West Virginia Career Center	195 Davis Street Princeton, WV 24740	304.425.9362 866.356.9675	304.487.3203
Region 2	Huntington WorkForce West Virginia Career Center	2699 Park Avenue Suite 240 Huntington, WV 25713	304.528.5525	304.528.5529
Region 3	Charleston WorkForce West Virginia Career Center	1321 Plaza East Charleston, WV 25301	304.558.0342	304.558.0349
Region 4	Parkersburg WorkForce West Virginia Career Center	206 Lakeview Center 36 th St. & Murdoch Ave. Parkersburg, WV 26101	304.420.4531 304.424.9328	304.424.6020
Region 5	Wheeling WorkForce West Virginia Career Center	1275 Warwood Avenue Warwood Shopping Plaza Wheeling, WV 26003	304.232.6280	304.233.8007
Region 6	Fairmont Workforce West Virginia Career Center	416 Adams Street, Suite 220 Fairmont, WV 26554	304.363.5550	304.363.4956
Region 7	Martinsburg WorkForce West Virginia Career Center	200 Viking Way Suite 200 Martinsburg, WV 25402	304.264.6133	304.264.6143
	South Branch WorkForce West Virginia Career Center	151 Robert C. Byrd Industrial Park Road Suite 2 Moorefield, WV 26836	304.530.3917	304.530.5107

WorkForce West Virginia Outreach Sites

Region	Outreach Site	Address	Phone	Fax
Region 1	Greenbrier County WorkForce West Virginia Career Center	21 Red Oaks Shopping Center Ronceverte, WV 24970	304.647.7415	304.647.1412
	McDowell County WorkForce West Virginia Career Center	110 Park Avenue Welch, WV 24801	304.436.6464	304.436.4400
	Nicholas County WorkForce West Virginia Career Center	812 North Side Drive, Suite 7E Summersville, WV 26651	304.872.0068	304.872.0817
	Pocahontas County Snowshoe Career Center	206 8 th Street Marlinton, WV 24954	304.799.2509	304.799.2596
Region 2	Logan WorkForce West Virginia Career Center	130 Stratton Street, 2 nd Floor P.O. Box 1619 Logan, WV 25601	304.792.7010	304.792.7013
	Boone County WorkForce West Virginia Learning Center	Ohio Avenue C Madison, WV 25130	304.369.2951	304.369.9130
	Lincoln County WorkForce West Virginia Learning Center	81 Panther Way Southern CTC Hamlin, WV 25523	304.824.2386	-----
	Wayne County WorkForce West Virginia Learning Center	608 Hendricks Street Wayne, WV 25570	304.792.7234	304.792.7239
	Mingo County WorkForce West Virginia Learning Center	1601 Armory Drive, Room 201 Southern CTC Williamson, WV25661	304.235.6090	304.235.6089
	Putnam County WorkForce West Virginia Learning Center	3554 Teays Valley Road, Suite 117 Hurricane, WV 25526	304.693.2877	-----

WorkForce West Virginia Outreach Sites

Region	Outreach Site	Address	Phone	Fax
Region 4	Calhoun County	By Appointment Only	304.373.0313	-----
	Clay County Central Appalachia Empowerment Zone (CAEZ) Valley Fork Learning Center	4208 Wallback Road Wallback, WV 25285	304.557.2686	304.3587.2027
	Jackson County WorkForce West Virginia Career Center	206 Stone Drive Ripley, WV 25271	304.373.0313	304.373.0116
	Mason County WorkForce West Virginia Career Center	404 Main Street Pt. Pleasant, WV 25550	304.675.0857	304.675.0896
	Pleasants County	By Appointment Only	866.420.4531	-----
	Ritchie County	By Appointment Only	866.420.4531	-----
	Roane County WorkForce West Virginia Career Center	321 Market Street Spencer, WV 25276	304.927.0954	-----
	Wirt County WorkForce West Virginia Career Center	304 Lakeview Center Parkersburg, WV 26101	866.420.4531	-----

WorkForce West Virginia Outreach Sites

Region	Outreach Site	Address	Phone	Fax
Region 5	New Martinsville WorkForce West Virginia Career Center	257 N. St. Rt. 2 New Martinsville Plaza New Martinsville, WV 26155	304.455.6184	304.455.6188
	Weirton WorkForce West Virginia Career Center	100 Municipal Plaza, Suite 350 Weirton, WV 26062	304.723.5337	304.723.1997
Region 6	Elkins WorkForce West Virginia Career Center	1023 North Randolph Avenue Elkins, WV 26241	304.637.0255	304.637.0298
	Clarksburg WorkForce West Virginia Career Center	153 W. Main Street, Suite B Clarksburg, WV 26301	304.627.2125	304.627.2129
	Community Resource, Inc. (CRI)	206 E. Main Street Glenville, WV 26351	304.462.8698	-----
	Mountain CAP of West Virginia, Inc.	26 North Kanawha Street Buckhannon, WV 26201	304.472.1500	304.472.9064
	Mountain CAP of West Virginia, Inc.	196 Main Street Sutton, WV 26601	304.765.7738	-----
	Morgantown WorkForce West Virginia Career Center	304 Scott Avenue Morgantown, WV 26505	304.285.3120	304.285.3126
	North Central West Virginia Community Action	Rt. 250 Belington Road Philippi, WV 26416	304.457.3420	304.457.1367
	Raymond Wolfe Center	PO Box 407 Kingwood, WV 26537	304.329.3644	-----
	Tucker County Senior Center	1206 3 rd Street Parsons, WV 26287	304.478.2423	304.478.4828

**Workforce Development Boards
Cash and Non-Cash Contributions
July 1, 2018 – June 30, 2019**

Cash and Non-Cash Contributions
July 1, 2018 – June 30, 2019 Actual Expenses
Programs Authorized and Entities that are Required Partners in the Local Workforce Development Regions

Partner Agency	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Partner Agency Total
*** Title I WIA Programs: Local WIBS; WorkForce West Virginia and Job Corps	\$ 1,310,858.35	\$ 614,361.11	\$ 638,979.32	\$ 773,383.31	\$ 1,640,139.59	\$ 2,717,525.15	\$ 320,460.87	\$ 7,515,707.70
Wagner-Peyser Act WorkForce West Virginia	\$ 520,300.58	\$ 328,143.38	\$ 173,957.86	\$ 236,035.32	\$ 122,821.81	\$ 434,721.60	\$ 279,284.48	\$ 2,095,235.03
Adult Education & Literacy Dept of Education (DOE)	\$ 1,104,978.00	\$ 0.00	\$ 1,620.00	\$ 747,375.00	\$ 6,890.00	\$ 3,546.00	\$ 18,402.00	\$ 3,532,901.44
Parts A and B of Title I of the Rehab. Act Vocational Rehabilitation	\$ 1,355,232.74	\$ 1,363,143.00	\$ 8,113.44	\$ 219,229.26	\$ 583,891.00	\$ 292.00	\$ 0.00	\$ 3,529,901.44
Older Americans Act Bureau of Senior Services	\$ 62,700.00	\$ 29,250.00	\$ 11,328.00	\$ 33,335.00	\$ 92,400.00	\$ 0.00	\$ 0.00	\$ 229,013.00
Carl D. Perkins Act DOE & Higher Education	\$ 5,000.00	\$ 0.00	\$ 8,600.00	\$ 0.00	\$ 24,590.00	\$ 7,820.06	\$ 0.00	\$ 46,010.06
Trade Adjustment Act (TAA) WorkForce West Virginia	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Veterans Program WorkForce West Virginia	\$ 39,083.53	\$ 91,927.00	\$ 73,724.76	\$ 34,700.81	\$ 4,160.88	\$ 79,607.95	\$ 75,554.85	\$ 398,789.78
Community Services Block Grant CAP Agencies	\$ 15,404.00	\$ 0.00	\$ 0.00	\$ 32,250.00	\$ 0.00	\$ 176.88	\$ 0.00	\$ 47,830.88
Housing and Urban Development Unemployment Laws WorkForce West Virginia	\$ 380.00	\$ 0.00	\$ 1,626.32	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 2,006.32
Part A of Title IV of the Social Security Act	\$ 452,888.13	\$ 245,025.72	\$ 261,969.64	\$ 158,052.93	\$ 103,604.60	\$ 533,834.54	\$ 279,284.48	\$ 2,034,660.04
Programs Under Section 212 of the Second Chance Act of 2007	\$ 0.00	\$ 0.00	\$ 2,722.92	\$ 0.00	\$ 1,713,380.00	\$ 0.00	\$ 0.00	\$ 1,716,102.92
Native American Programs Council of Three Rivers American Indian Center, Inc.	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 70,680.00	\$ 0.00	\$ 0.00	\$ 70,680.00
Temporary Assistance for Needy Families (TANF)	\$ 0.00	\$ 787,466.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 787,466.00
Human Resource Development Foundation (HRDF) Youth Build	\$ 0.00	\$ 0.00	\$ 13,342.32	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 13,342.32
TOTAL ONE-STOP	\$ 4,866,826.33	\$ 3,459,316.21	\$ 1,195,984.58	\$ 2,234,361.63	\$ 4,362,557.88	\$ 3,775,342.40	\$ 972,986.68	\$ 20,867,375.71

Cash Contributions
July 1, 2018 – June 30, 2019 Actual Expenses
Programs Authorized and Entities that are Required Partners in the Local Workforce Development Regions

Partner Agency	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Partner Agency Total
*** Title I WDB Programs: Local WDBS; WorkForce West Virginia and Job Corps	\$ 4,555.60	\$ 613,069.98	\$ 633,675.00	\$ 178,806.64	\$ 337,801.00	\$ 2,716,538.53	\$ 320,236.08	\$ 4,804,682.33
Wagner-Peyser Act WorkForce West Virginia	\$ 290,642.47	\$ 173,348.08	\$ 96,921.13	\$ 173,348.08	\$ 122,821.81	\$ 249,174.20	\$ 157,401.91	\$ 1,263,657.68
Adult Education & Literacy Dept of Education (DOE)	\$ 0.00	\$ 0.00	\$ 240.00	\$ 125,054.00	\$ 3,800.00	\$ 0.00	\$ 18,402.00	\$ 147,496.00
Parts A and B of Title I of the Rehab Act Vac. Rehab	\$ 0.00	\$ 1,363,143.00	\$ 2,100.00	\$ 25,000.00	\$ 8,242.00	\$ 0.00	\$ 0.00	\$ 1,376,285.00
Older Americans Act Bureau of Senior Services	\$ 0.00	\$ 29,250.00	\$ 2,400.00	\$ 2,500.00	\$ 3,840.00	\$ 0.00	\$ 0.00	\$ 37,990.00
Carl D. Perkins Act DOE & Higher Education	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,840.00	\$ 0.00	\$ 0.00	\$ 3,840.00
Trade Adjustment Act (TAA) WORKFORCE West Virginia	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Veterans Program WORKFORCE West Virginia	\$ 17,154.84	\$ 52,074.60	\$ 39,231.40	\$ 18,797.00	\$ 4,160.00	\$ 45,973.26	\$ 42,794.55	\$ 220,185.65
Community Services Block Grant CAP Agencies	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Temporary Assistance for Needy Families (TANF)	\$ 0.00	\$ 787,826.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 787,826.00
Housing and Urban Development	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Unemployment Laws WORKFORCE West Virginia	\$ 247,508.16	\$ 137,916.71	\$ 151,564.01	\$ 107,121.83	\$ 103,604.60	\$ 294,825.49	\$ 96,241.96	\$ 1,138,781.94
Part A of Title IV of the Social Security Act Programs Under Section 212 of the Second Chance Act of 2007	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 2,000.00	\$ 0.00	\$ 0.00	\$ 2,000.00
Human Resource Development Foundation (HRDF) Youth Build	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Region Totals	\$ 559,861.07	\$ 3,156,628.37	\$ 926,131.54	\$ 630,627.55	\$ 590,109.41	\$ 3,306,511.28	\$ 635,076.50	\$ 9,804,945.72

Non-Cash Contributions
July 1, 2018 – June 30, 2019 Actual Expenses
Programs Authorized and Entities that are Required Partners in the Local Workforce Development Regions

Partner Agency	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Partner Agency Total
*** Title I WIA Programs: Local WIBS; WORKFORCE West Virginia and Job Corps	\$ 1,306,303.21	\$ 1,207.37	\$ 632,075.00	\$ 594,457.33	\$ 1,301,621.00	\$ 586.08	\$ 106.16	\$ 3,836,356.48
Wagner-Peyser Act WorkForce West Virginia	\$ 229,626.10	\$ 154,786.24	\$ 77,036.73	\$ 100,468.30	\$ 106,136.31	\$ 185,547.18	\$ 121,877.57	\$ 975,478.43
Adult Education & Literacy Dept of Education (DOE)	\$ 1,104,978.00	\$ 0.00	\$ 1,380.00	\$ 622,321.00	\$ 3,050.00	\$ 3,546.00	\$ 0.00	\$ 1,735,275.00
Parts A and B of Title I of the Rehab Act Voc. Rehab	\$ 1,355,232.74	\$ 0.00	\$ 6,013.44	\$ 194,229.26	\$ 575,649.00	\$ 292.00	\$ 0.00	\$ 2,131,416.44
Older Americans Act Bureau of Senior Services	\$ 62,700.00	\$ 0.00	\$ 10,128.00	\$ 30,935.00	\$ 88,560.00	\$ 0.00	\$ 0.00	\$ 192,323.00
Carl D. Perkins Act DOE & Higher Education	\$ 5,000.00	\$ 0.00	\$ 8,600.00	\$ 0.00	\$ 20,750.00	\$ 7,820.06	\$ 0.00	\$ 42,171.06
Trade Adjustment Act (TAA) WorkForce West Virginia	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Veterans Program WorkForce West Virginia	\$ 14,349.94	\$ 39,854.02	\$ 34,493.36	\$ 10,353.89	\$ 6,867.14	\$ 34,134.69	\$ 32,760.00	\$ 172,813.04
Community Services Block Grant CAP Agencies	\$ 15,404.00	\$ 0.00	\$ 0.00	\$ 31,650.00	\$ 0.00	\$ 176.88	\$ 0.00	\$ 47,230.88
Housing and Urban Development	\$ 380.00	\$ 0.00	\$ 1,506.32	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,886.32
Unemployment Laws WorkForce West Virginia	\$ 212,737.83	\$ 111,702.71	\$ 126,709.11	\$ 66,752.80	\$ 89,302.28	\$ 238,009.05	\$ 88,401.61	\$ 933,615.39
Programs Under Section 212 of the Second Chance Act of 2007	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 68,680.00	\$ 0.00	\$ 0.00	\$ 68,680.00
Native American Programs Council of Three Rivers American Indian Center, Inc.	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 2,048.20	\$ 0.00	\$ 2,048.20
Part A of Title IV of the Social Security Act	\$ 0.00	\$ 0.00	\$ 2,722.92	\$ 0.00	\$ 1,713,380.00	\$ 0.00	\$ 0.00	\$ 1,716,102.92
Human Resource Development Foundation (HRDF) Youth Build	\$ 0.00	\$ 0.00	\$ 13,342.32	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 13,342.32
TOTAL ONE-STOP	\$ 4,306,711.82	\$ 307,550.34	\$ 914,007.20	\$ 1,681,500.58	\$ 3,905,315.73	\$ 469,160.14	\$ 243,145.34	\$ 11,868,752.95

Cash and Non-Cash Contributions
July 1, 2018 – June 30, 2019 Actual Expenses
Programs Authorized and Entities that are Not Required Partners in the Local Workforce Development Regions

Partner Agency	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Partner Agency Total
KISRA	\$ 192,557.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 192,557.00
Davis Health System/ Braodddus Hospital	\$ 0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 227.50	\$0.00	\$ 227.50
HIVE	\$ 44,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00
HRDF, Inc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 7,325.00	\$0.00	\$ 7,325.00
SNAP E&T	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 2,153.86	\$0.00	\$ 2,153.86
PIA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00
Disability Action Center	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 480.00	\$0.00	\$ 480.00
Veterans Upward Bound	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 9,360.00	\$0.00	\$ 9,360.00
Creative Works	\$ 31,972.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 31,972.00
Pace Enterprises	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00
Pierpont Community & Technical College	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 1,250.00	\$0.00	\$ 1,250.00
Kenneth Honey Rubenstein Juvenile Center	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 200.00	\$0.00	\$ 200.00
Preston County Senior Citizens	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 12,286.00	\$0.00	\$ 12,286.00
YouthBuild North Central	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 307.50	\$0.00	\$ 307.50
Pocahontas County Chamber of Commerce	\$ 11,730.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 11,730.00
Non-Mandated Partner Contributions	\$0.00	\$0.00	\$0.00	\$0.00	\$ 27,442.00	\$0.00	\$0.00	\$ 27,442.00
Catholic Charities	\$ 5,460.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 5,460.00
Volunteers or America	\$ 241,316.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 247,016.00
Total	\$ 527,635.00	\$0.00	\$0.00	\$0.00	\$ 27,442.00	\$ 33,389.86	\$0.00	\$ 588,774.36



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INTERAGENCY COLLABORATIVE TEAM

MEMORANDUM OF UNDERSTANDING

2019-2020

The Workforce Innovation and Opportunity Act (WIOA) clearly identifies the WorkForce West Virginia One-Stop Career Centers as the service delivery system for programs funded under the WIOA and its partner programs. WorkForce West Virginia consists of local One-Stop Career Centers in which partners come together to administer workforce investment and other workforce development system activities.

This Memorandum of Understanding (MOU) sets forth the terms of agreement for cooperation and consultation with regard to the implementation of the WIOA for the Interagency Collaborative Team in West Virginia and provides a model for the local MOU preparation.

State Level Partners

MEMORANDUM OF UNDERSTANDING

1.1 DESIGNATED PARTNERS

The agencies in the State of West Virginia represented on the Interagency Collaborative Team (ICT) that provide employment and training activities or supportive services shall collaborate to support and advance the workforce investment system operated through the One-Stop Career Centers at the local level. To provide on-going attention to addressing issues that will build and continually improve the overall workforce investment system, the workforce investment Interagency Collaborative Team was established by the West Virginia legislature in 2002 and codified in 2004. The team is the single state-level interagency group for addressing issues or concerns regarding building and maintaining the most effective and efficient implementation of the overall workforce development system in West Virginia. The below listed West Virginia state agencies are included.

WorkForce West Virginia

- West Virginia Employment Service: Activities authorized under Chapter 41 of Title 38, U.S.C. (local veterans' employment representatives and disabled veterans outreach programs), Employment Service (Wagner-Peyser, Unemployment Compensation and Workforce Innovation & Opportunity Act of 2014).
- Other entities under this agency that provide employment and training activities or supportive services.

Bureau of Senior Services

- State Unit on Aging (Title V of the Older American Act).

Council for Community and Technical College Education

Department of Education

- West Virginia Department of Education, Office of Adult Education and Workforce Development (AE)
- Office of Diversion and Transition Programs (ODTP)

Department of Commerce

- Division of Rehabilitation Services (Title I of the Rehabilitation Act)

Department of Health and Human Resources

- Bureau of Children and Families
- Temporary Assistance for Needy Families (Personal Responsibilities and Work Opportunity Reconciliation Act of 1996)
- Food Stamp Employment & Training, United States Department of Agriculture (Farm Security & Rural Investment Act of 2002)

Development Office

- Community Development Division (Community Services Block Grant Act)
 - (Note: The references in Italics represent the entities required by the WIOA)
- BID (Business Industry Development) Representatives

2.0 INTERAGENCY COLLABORATIVE TEAM BACKGROUND

In August 2002, the Interagency Collaborative Team (ICT) was established at a special Summit held in Charleston, West Virginia. As a result of this event, the ICT met on September 30, 2002 and agreed to a vision, mission, guiding principles and an initial work plan. This MOU is an outgrowth of this work.

ICT VISION

West Virginia state agencies effectively collaborating to define, build and sustain an integrated comprehensive workforce development system that:

- Ensures universal access
- Has the right agency doing the right job
- Focuses on meeting the customer requirements
- Is uniform, consistent, and responsive
- Advances a seamless delivery system that maximizes resources
- Remains flexible, yet expandable to grow
- Fosters a continuous improvement culture for quality and innovation

The ICT continues to work together to address issues identified as critical to the success of the workforce development system in West Virginia. This MOU provides more formal commitment to the integration that has been evolving since the ICT began its work.

3.0 PURPOSE

The purpose of this MOU is to establish cooperative and mutually beneficial relationships among the required WIOA state partners and other partners whose participation has been determined to be vital to accomplishing the Governor's workforce investment goals. This MOU also sets forth the relative responsibilities of the partners as they relate to the planning and implementation of the comprehensive workforce investment system in West Virginia at both the state and local levels.

To ensure the maximum flexibility for all partners under this agreement, it is agreed that the partners may enter supplemental, agency-specific state or local agreements that further or complement this agreement. At a minimum, the partners to this MOU agree to enforce the aspects of this agreement at the local level.

4.1 THE WV WORKFORCE INVESTMENT SYSTEM VISION

The Governor's vision for a world-class workforce development system in West Virginia is to:

- Assist individuals in obtaining employment that leads to self-sufficiency;
- Provide employers with access to qualified and appropriately skilled employees who have been assessed, trained and possess appropriate credentials and certifications;
- Have effective programs and services that are delivered through a seamless and integrated delivery system;
- Have a system that continually improves, eliminates duplication of services, reduces administrative costs, enhances participation, accommodates the job-demand needs of employers, and improves customer satisfaction;
- Demonstrate appropriate accountability of organizations, individuals, and process throughout the system;
- React to current demand of target industries; *i.e.* the system should be demand driven and directed to jobs with good wages and benefits;

5.1 SYSTEM-WIDE STATE LEVEL COMMITMENTS

Specific notes regarding individual agency commitments can be found in Section 25.0 of this MOU.

Each partner in this MOU agrees to make the following commitments through the WorkForce West Virginia One-Stop Career Centers:

1. Provide the appropriate core services that are applicable to the partner's program.
2. Use the funds identified in the Funding Stream Report allocated to the partners program for Workforce Development to the extent not inconsistent with Federal law authorizing the program.
3. Participate in a common referral system.
4. Participate in and commit resources, as appropriate and allowable, to a common case management information system, *i.e.* Mid-Atlantic Career Consortium (MACC), within WorkForce West Virginia.
5. Commit to the effective flow and referral of customers through the WorkForce West Virginia One-Stop Career Centers from entry to case management.
6. Commit to the achievement of established performance goals established by the U.S. Department of Labor, West Virginia Workforce Development Board and the One-Stop Career Center partners.
7. Participate in and commit resources, as appropriate, to ensure all Business Services are reported in WorkForce West Virginia MACC system.

Additional core, intensive and training services will be provided as appropriate at the local level. *Specific services to be provided in the local One-Stop Career Centers must be detailed and included in the local partner MOU.*

6.0 OVERALL PERFORMANCE GOALS

To continually improve the quality of each region's workforce through an integrated employment and workforce development system for the benefit of the individuals and employers it serves, the partners to this MOU will strive cooperatively to achieve the following:

Goal 1: Design and implement a comprehensive, fully integrated workforce development system that appropriately balances state and local roles, responsibilities and accountability and fosters true 'local partnering and ownership' for regional workforce development.

Goal 2: Assure every employee, job seeker and employer are aware of and have universal access and choice to the full continuum of available workforce development programs and services in West Virginia.

Goal 3: Increase the labor supply for high demand industries, both current and future in cooperation with state and local economic development strategies through workforce development.

Goal 4: Eliminate unwarranted duplication of services and reduce administrative costs at both state and local levels. Enhance participation and performance of customers served through the system by using a consistent and uniform assessment method.

Goal 5: Serve as leaders increasing the knowledge of the entire workforce development system by encouraging collaboration among education, business, organized labor, and economic development.

Goal 6: Ensure each region's WorkForce has opportunities to improve skills and wages through a system of employment services and lifelong learning opportunities.

Goal 7: Work effectively with economic development organizations to assist in creating employment opportunities and enhance the image of each Workforce Development Board region.

Goal 8: Ensure connectivity between West Virginia economic development initiative and goals and workforce development activities to match career opportunities and programs to well-defined and documented industry-based skill standards and workforce needs that result in a truly skilled workforce. Ensure that Business is recognized as a primary Customer in the workforce system and quality business services and provided in each Workforce Development Board Region.

Goal 9: Through joint planning leverage collaboration, public and private, at all levels and among all stakeholders that build system capacity, optimizes resources and sustains measurable high performance throughout the system.

Goal 10: Build a workforce development system that will increase the workplace skill for West Virginias, economically benefiting the workforce, employers and the state.

Goal 11: Build a workforce development system that gives West Virginia a competitive advantage in the recruitment of new businesses.

Goal 12: Advance a system-wide customer focused, quality culture that is continuously improved. Additional goals may be negotiated at the local level. Any performance criteria must be established cooperatively with all partners.

7.0 CUSTOMER REFERRAL PROCESS

The primary goal of the referral system is the provision of seamless service delivery to both job seekers and employers. Customers will be referred by methods and through processes developed by the local level and described in the state agency/local Workforce Development Board (WDB) MOU. Pilot programs and best practices should be developed for improvement and consistency statewide.

Additionally, information acquired in the One-Stop Career Centers should be mutually accessible. This information will be shared only to the extent permitted by regulations requiring confidentiality of participant records. All labor market information, job leads, programmatic and participant information, as reported on standard forms, will be accessible as allowable and appropriate. All partners agree to cooperate in developing customer identification, tracking, follow-up evaluation, performance, and satisfaction data.

8.0 CONTRIBUTION FOR SERVICES AND SYSTEM OPERATING COSTS

Each state mandated or other contributing partner (agency) agrees to contribute its fair share of resources for providing One-Stop Career Center core and intensive services and supporting the One Stop Career Centers operations proportionate to the benefit derived and the total resources required. Partner resource contributions will be at both state level for the system wide development and at the local level for one stop Career Center operations. Agency totals will be included as such in the annual Funding Stream Report to the Legislative Oversight Committee. At the state level, ICT members will commit resources that support activities such as Workforce West Virginia management information system (MIS) network, cooperative purchasing, training, and professional development. The state level partner contributions will be specified in the Individual Agency Specifications as referenced in Section 19 of this agreement and found in Section 25.

9.0 USE OF COMMON TECHNOLOGY AND INTEGRATED INFORMATION SYSTEMS

The Mid-Atlantic Career Consortium (MACC) or, other replacement system approved by the West Virginia Workforce Development Board, and the CTO.

The MACC, known in West Virginia as WorkForce West Virginia, is the computerized system of record keeping that will include a common data repository for WIOA, Wagner-Peyser, Trade Adjustment Assistance (TAA) and other Title I (B) Activities. All partners agree to enter all client profiles (job and training seekers), job openings and employer information it receives into the WorkForce West Virginia (MACC) to the extent partner modules and access become available.

The WorkForce West Virginia system (MACC) or replacement, will be the system of choice for finding employment or obtaining training through the agencies working together to develop common processes through the system.

A process for allocating both future development costs and ongoing operational costs to include regular maintenance and “help desk” type support for the system will be established.

State agencies accessing and using the workforce West Virginia system (MACC) are encouraged to contribute toward costs of the MACC based on an agreed upon fair and proportionate allocation determined by system use or overall funding. The local WDBs will also contribute proportionately toward the cost.

All partners also agree to treat all data contained in the WorkForce West Virginia system (MACC) as confidential. No partner should permit access of State of West Virginia provided resources to, or disclose data to, any persons or entities other than its staff or data users, under any conditions. For client information to be shared, a release form stipulating what is being released and to whom must be agreed to and signed by the customer.

Other data related to demand and supply side information will use in-house MIS.

10.0 ASSESSMENT COMMON PRACTICES

Wherever and whenever possible assessment processes will be streamlined to reduce duplication to the customers.

11.0 ANNUAL REPORTING REQUIREMENTS

Based on annual reporting requirements in West Virginia state code Chapter 58-28, all parties to the MOU agree to provide information in a timely manner when requested by the workforce system. One annual report requires data from the agencies. The “State of the One-Stop Report” and the “annual Funding Streams and Outcomes” report have been combined into one report, The Workforce Development System Report. This report includes information on funding streams (federal and state), customers served, performance outcomes and other items as outlined under separate cover.

12.0 *APPROPRIATE BALANCE OF RESOURCE USE*

Every effort will be made to ensure balance between state level funding and use of funds and the funding at the regional level and use of funds regionally. There should be fair sharing of efforts targeted to build an effective and efficient workforce development system that is balanced between state and local regional efforts.

13.0 *PLANNING COMPACT FOR WORKFORCE DEVELOPMENT SYSTEM*

Some of the state agencies included in this MOU are required to submit compliance or other plans to one or more Federal Agencies, most of the state partners signing this MOU also do planning as a matter of course in carrying out effective operations. Partners in each comprehensive One-Stop Career Center are encouraged to work together to produce a plan which will effectively deliver services to the client and reduce the total overhead/administration of the One-Stop Career Center.

14.0 *SUPPORT OF COMMON PERFORMANCE MEASURES*

The ICT will support all Federal and State mandated common performance measures. These measures will be part of the planning compact process. All parties to this MOU agree to capture appropriate performance data as required to support the collection of the common performance measures.

15.0 *SKILLS STANDARDS AND CROSS-AGENCY TRAINING*

In order to ensure quality programs and services to all customers across all regions, parties to this MOU agree to develop the expected level of skills needed for operation of the one-Stop

Career Centers. Further, each agency will support the development of cross-agency training for awareness regarding its programs and services within the One Stop Career Centers.

16.0 STAFF DEVELOPMENT/RESOURCES DEVELOPMENT

To ensure and sustain an effective, high quality workforce development system, especially at the state agency level, adequate and knowledgeable staff must be in place. The better the knowledge and skill levels across the system, the greater the experiences and results the system can deliver on a regular basis.

Partners to this MOU will invest in staff development within their agency and collaboratively across agencies to enhance the knowledge and skill levels of all staff engaged in the workforce development system.

Further, the agencies agree to work together toward recruitment and retention of qualified, skilled and dedicated employees to fill state positions needed to have an effective workforce development system. This is especially important as the demand for qualified employees increases as retirements occur in future years.

17.0 CONFIDENTIALITY OF INFORMATION/DATA

All partners recognize the critical nature of protecting and using information/data in the most appropriate matter at all times. Each Partner entering into this MOU has the obligation and authority to control the uses and access of information/data collected or generated as part of its specific work. ICT members agree to work on ways to ensure the confidentiality of records throughout the One-Stop Career Centers. All confidentiality issues will be presented to the ICT for discussion and resolution as to use and access of the identified data and information needing special protection. The confidentiality agreement applies to electronic systems as well as all paper processes.

18.0 INTERAGENCY COLLABORATIVE TEAM WORKING RELATIONSHIP

The ICT agrees to adhere to its initial charter and guiding principles that foster an effective working relationship among both mandated and volunteer partners to this MOU. The ICT

will be originators of this MOU and provide general oversight of its completion and implementation. The ICT will serve as the first level group to address issues arising out of the MOU as to expectations, potential non-compliance, and interpretation of intent. The ICT will also work to continually improve the overall MOU to advance integration, effectiveness and improvements. Other partners may be added to this agreement as contributors identified in the Funding Stream Report.

19.0 INDIVIDUAL AGENCY SPECIFICS

As part of the general MOU, individual agency specifics that outline additional information pertinent to that agency's agreement and participation in this State Level Partners Memorandum of Understanding have been submitted. Section 25 of this MOU contains what has been approved by each agency.

20.0 MOU MODIFICATION PROCESS

Partners may request, in writing, an amendment to this MOU. The changes must be documented, signed, dated under the conditions agreed upon by all of the partners, and attached to the original MOU. If any provision of this MOU is held invalid, the remainder of the MOU will not be affected.

21.0 BREACH OF MOU

The agencies agree that each shall fulfill its responsibilities under this MOU in accordance with the provisions of law and regulations that govern their activities. If at any time an agency is unable to perform its functions under this MOU, such agency shall immediately provide written notice to the Interagency Collaborative Team (ICT) describing its inability to fulfill the requirements of this MOU and establish a date at the earliest convenience, but no more than 30 days, to mutually resolve this issue.

The Executive Officer of the agency will direct appropriate staff to meet at agreed upon intervals to discuss and plan activities to satisfy requirements of this MOU and to ensure efficient and effective implementation of this MOU. However, failure to abide by this agreement is basis for termination by the other party.

22.0 IMPASSE RESOLUTIONS

The agencies agree to communicate openly and directly and that every effort will be made to resolve any problems or disputes in a cooperative manner. For disputes regarding the

provisions of this MOU that cannot be resolved through communication among agency staff, the parties will document the negotiations and efforts that have taken place to resolve the issue. At the first level, the unresolved issue or dispute should be presented to the total ICT membership or an assigned sub-group to attempt to resolve differences to the satisfaction of all parties. If this fails or does not meet the expectations of all parties, then information regarding the impasse and efforts to resolve must be submitted to the West Virginia Workforce Development Board Executive Committee within 30 days of the impasse. Once the information is received by the West Virginia Workforce Development Board Executive Committee, they will meet to seek a resolution and provide that resolution to the partners within 30 days. If the entire process takes more than 60 days, or if the partner is not satisfied with the resolution; the partner may appeal to the Governor. The decision of the Governor shall be final.

23.0 *MOU DURATION AGREEMENT*

This agreement is effective July 1, 2018 and terminates on June 30, 2019. It may be extended through mutual agreement of the parties. The MOU may be terminated by any of the partners upon 30 days of written notice to the other partners with cause or upon 90 days of written notice to the other partners without cause.

24.0 *EQUAL OPPORTUNITY AND NONDISCRIMINATION OBLIGATIONS*

The partners acknowledge familiarity with applicable federal and State of West Virginia laws, rules, regulations, policies, procedures, and reporting requirements and will abide by them. This includes, but is not limited to, discrimination policies, compliance with the Americans with Disabilities Act, and maintenance of drug free workplaces. Reference is made, but not limited to, Sec.181 -"Requirements and Restrictions," and Sec.188 -"Nondiscrimination," of the WIOA.

25.0 *INDIVIDUAL AGENCY INFORMATION*

As called for in the main portion of the MOU, each participating state level agency could provide, background information, special notes and/or conditions regarding its participation in the MOU. The following section contains the information as submitted from the agency.

Table of Entries

<u>Agency</u>	<u>Page</u>
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Possible Individual Agency Requirement	General Purpose/Meaning
Agency Name/Key Contact	WorkForce West Virginia (WFWV) <u>Regina Brogan</u>
Primary Program(s)	<ul style="list-style-type: none"> • Wagner-Peyser/Labor Exchange • Business Service Unit • Work Opportunity Tax Credit • Activities authorized under Chapter 41, Title 38, U.S.C. (Local Veterans' Employment Representatives and Disabled Veterans' Outreach Program) • Unemployment Insurance Program Re-Employment • Alien Labor Certification (ALC) Migrant Seasonal Farmworker Program • Adults, Dislocated Workers, Youth (contracted through the Workforce Development Board [WDB]) • Programs authorized under State Unemployment Compensation (UC) laws (in accordance with applicable federal law) • Workforce Investment and Opportunity Act (WIOA) sec. 121(b)(1)(B)(xii) • Labor Market Information
Basic Career Services	<ul style="list-style-type: none"> • Orientation to information and other services available through the American Job Center (AJC) delivery system. • Job search and job placement assistance (with career counseling when appropriate). • Initial assessment of supportive service needs. • Intake (may include re-employment profiling) • Determinations of whether individuals are eligible to receive assistance under Subtitle B of the Title I of WIOA (If contracted with the WIB). • Labor Market Information Core Products and Services: <ul style="list-style-type: none"> ○ Develop core products and services along ETA guidelines for businesses and WIOA customers with appropriate advice and consent from state WorkForce Development Officials. ○ Support the Employment Service, and the Unemployment Compensation Division with necessary labor market information and research. • Basic Services: <ul style="list-style-type: none"> ○ UC offices are in all AJC's where all unemployment services are available. If unemployment staff are not located in AJC, the following unemployment information is available:

	<ul style="list-style-type: none"> • Brochures which provide basic information about eligibility for benefits; • How to file claims; • How new businesses register and pay UC taxes; • How to file quarterly wage and tax information; • Employer and claimant appeal rights; • How to file appeals.
Contributions	WFWV will contribute staff and other in-kind contributions to the American Job Center (AJC). In-kind contributions may be different at each AJC. WFWV will contribute staff and other resources to the extent identified in the Funding Stream Report.
Performance Measurement Levels	<p>Employment Service – We will support common measures as defined by the Department of Labor.</p> <p>Unemployment Compensation – No special performance issues.</p>
Referral Process	WFWV will support referral procedures as defined by the Operator.
Confidentiality Requirements	Information will be shared to the extent permitted by federal and state laws requiring confidentiality of employers' and job seekers' information. Information will be shared only with customer consent.
Training Activity	All mandated partners will participate in cross training activities in each comprehensive AJC for program awareness.
Case Management	Case management is the responsibility of the local Workforce Development Board; however, a policy to ensure consistency statewide should be implemented.
Planning Compact Cycle	Four-year planning cycle, with annual review and modifications to the plan as needed.
Job Placement	To ensure consistent screening, all partner job orders should be entered into the WorkForce West Virginia MACC System.
Special Conditions/Exceptions	Employer related activities concerning labor exchange services should be coordinated with WFWV. This would not apply to internal business services provided by other entities.

Individual Agency Requirement	General Purpose/Meaning
Agency Name/Key Contact	Bureau of Senior Services (BoSS) <u>Myisha Robinson</u>
Primary Program(s)	Senior Community Service Employment Program (SCSEP)
Core Services	Information, recruitment, referral, on-site trainings and the services described in Section 134(d) (21) of WIOA.
Contributions	BoSS will make appropriate in-kind contributions toward the operation of One-Stop Career Centers located in similar geographical service areas.
Performance Measurement Levels	Community Service, Entered Employment, Work Retention, Average Earnings, Service Levels and Services to Most in Need.
Referral Process	Require all enrollees to register with their local One- Stop Career Center and refer non-eligible seniors (55+) directly to the One-Stop Career Centers.
Confidentiality Requirements	Information will be shared to the maximum extent permitted by applicable state and federal statutes.
Training Activity	The BoSS will participate in cross training with local One-Stop Career Centers.
Case Management	SCSEP sub-grantees, under the auspices of the BoSS, will work with the One-Stop Career Centers, in coordinating case management services to SCSEP enrollees.
Planning Compact Cycles	A state plan is developed every four years with annual updates.
Job Placement	SCSEP and local One-Stop Career Centers will work in partnership to achieve unsubsidized job placement for eligible enrollees.
Special Conditions/Exceptions	SCSEP funding can only be used for eligible participants who are at least age fifty-five (55) and live at or below 125% of the U.S. poverty level.

Possible Individual Agency Requirement	General Purpose/Meaning
Agency Name/Key Contact	West Virginia Community and Technical College System (WVCTCS or CTCS) <u>Nancy Ligu</u>
Primary Program(s)	<ul style="list-style-type: none"> • Customized Training • Certificate Programs • Associate Degrees • Board of Governor Degrees • Continuing Education Classes
Core Services	The delivery of training and education programs to employees, part-time and full-time students enrolled in collegiate credit and non-credit programs and courses.
Contributions*	The participation in WIOA activities vary with each individual community & technical college. CTCS will contribute staff and other resources to the extent identified in the Funding Stream Report.
Performance Measurement Levels	Community and Technical colleges are accountable for Carl D. Perkins Vocational and Technical Education Act core indicators and all public community & technical colleges are accountable through a submission of an Institutional Compact and Master Plan to the Council for Community and Technical College Education.
Referral Process	Referrals are made through agencies, high schools, employers, Workforce Investment Boards and One- Stop Career Centers.
Confidentiality Requirements	All community & technical colleges follow provisions of the Federal Educational Rights and Privacy Act (FERPA) and other student confidentiality requirements.
Training Activity	Customized training for employers, non-collegiate credit training for the general public and continuing education for a variety of professions.
Case Management	Counseling and advising activities are available at all public community & technical colleges to all students.
Planning Compact Cycle	The Carl D. Perkins Vocational and Technical Education Act State Plan is submitted to the United States Department of Education and updated annually during the duration of the Act, and each public community & technical college submitted a six-year compact and Master Plan that is revised annually.
Job Placement	Each public community & technical college has a career planning and placement office available to students.
Special Conditions/Exceptions	None provided.

Possible Individual Agency Requirement	General Purpose/Meaning
Agency Name/Key Contact	Department of Commerce Division of Rehabilitation Services (DRS) <u>Pisnu Bua-lam</u>
Primary Program(s)	Vocational Rehabilitation Services includes 1) Employment Services to individuals with disabilities enabling them to go to work, and 2) Services to Employers to assist businesses in meeting their disability-related needs for employee skills and talents. WV DRS provides services at the intensive level. DRS may serve only eligible individuals who have a physical or mental impairment that constitutes a substantial impediment to employment which interferes with their ability to get, keep or advance in employment and who can benefit from rehabilitation services to successfully reach a competitive integrated employment outcome.
Core Services	Beginning at application Rehabilitation Counselors analyze the information provided to determine an individual's strengths, weaknesses, interests and abilities and discuss services that will enable the person to be successful in meeting his/her employment goals. Vocational rehabilitation services for individuals with disabilities may include: Counseling, School Transition Services (including pre-employment transition services), Training, Job Accommodations, Assistive Technology, Supported Employment, Job Placement. Services to Employers include: match businesses with qualified employees, educating on disability awareness and tax credits, OJT and apprenticeships and accessibility assessments.
Contributions	WV DRS currently has presence in eight WorkForce One-Stop Career Centers: Beckley, Charleston, Hurricane, New Martinsville, Parkersburg, Princeton, Ripley, and Wheeling. DRS also pays the proportionate share of rent and related expenses, based on a cost allocation plan, required to support these staff. Additionally, DRS has a Program Specialist staff to implement and monitor programs related to WorkForce and assist in our collaboration with the WorkForce system. WV DRS continues to contribute staff and other resources when a need is identified.
Performance Measurement Levels	DRS is accountable to performance accountability measures required by the Rehabilitation Act of 1973, as Amended by the Workforce Innovation and Opportunity Act (WIOA). These measures assess outcomes that include the percentage of participants who are in employment during the second and fourth quarter after exit, the median earnings of participants who are in employment during the second quarter after exit, the percentage of participants

	<p>who obtain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent, during participation in or within 1 year after exit, the percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment, and indicators of effectiveness in serving employers. As required by law, customer satisfaction is determined by satisfaction surveys conducted by DRS and the Statewide Rehabilitation Council.</p>
Referral Process	<p>WorkForce core services provided under WIOA are to be universally accessible; consequently, an individual with a disability may choose to receive services directly from the One-Stop Career Centers rather than being automatically referred to DRS. If an individual applies for rehabilitation services and is found eligible, job ready individuals may choose to apply for other workforce services after receiving intensive services received from DRS. DRS will encourage clients to complete the WorkForce application process to access the full range of WorkForce services.</p>
Confidentiality Requirements	<p>WV DRS is guided by numerous federal and state laws governing confidentiality. These include, but are not limited to, confidentiality provisions under the Federal Rehabilitation Act, the Federal Privacy Act, West Virginia Code 18-10A-10. DRS protects the confidentiality of all clients' disability related personal information and will only release information if the client signs a release form that identifies what is being released, to whom and the intended purpose. DRS, WorkForce WV and Adult Basic Ed are mandated partners of the WV Workforce Development System under WIOA. Information may be collected and shared among WIOA partner agencies for the purposes of data reporting, program improvement and vocational planning toward employment.</p>
Training Activity	<p>Payment for training is one of the services that may be provided to eligible individuals to enable them to obtain a successful employment outcome. DRS has negotiated processes with the WIB to share costs of training and support services for individuals accessing training dollars.</p>
Case Management	<p>Case management services are provided for applicants and eligible individuals by Vocational Rehabilitation Counselors. Coordination of case management activities is critical to ensure that vocational goals and services are congruent between the two case management systems and various funding sources.</p>

Planning Compact Cycle	The Unified State Plan for the State's Workforce Development System (which includes the core partners of WorkForce WV, WV Adult Education, and DRS) is submitted every four years to the U.S. Departments of Labor and Education, with updates submitted every two years. In addition to its contribution to the Unified State Plan, DRS also submits attachments specific to vocational rehabilitation (VR) to the State Department of Commerce and to the federal Rehabilitation Services Administration, housed within the U.S. Department of Education.
Job Placement	Eligible individuals receive placement services as part of the Individualized Plan for Employment. DRS recognize the individual's right to privacy and maintains client confidentiality. It is the DRS client's choice whether to disclose to an employer if he/she has received services from the Division of Rehabilitation Services. All job ready individuals are required to register with the WorkForce West Virginia One-Stop Career Centers to aid in their job seeking efforts. DRS District Managers and Employment Specialists participate in Business Services teams and WDB meetings in all the WorkForce regions to enhance the services to state's employers, eliminate duplication, and better serve the employment needs of job seekers and employers.
Special Conditions/Exceptions	The Division of Rehabilitation Services provides services through an eligibility-based program. Eligibility criteria are established by the Rehabilitation Act as Amended by WIOA and its federal regulations. To be eligible for rehabilitation services, an individual must have a physical or mental impairment which constitutes or results in a substantial impediment to employment AND the applicant must require rehabilitation services to prepare for, enter into, engage in, and retain competitive, integrated employment consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, and informed choice. In 2019-2020, DRS will be operating under an order of selection, as there will not be adequate resources to provide to all eligible consumers. DRS will continue to place eligible applicants with non-significant disabilities and eligible applicants with significant disabilities on the waiting list, while eligible applicants with most significant disabilities will be able to receive services.

Possible Individual Agency Requirement	General Purpose/Meaning
Agency Name/Key Contact	Department of Education Office of Adult Education (AE) <u>Mendy Marshall</u>
Primary Program(s)	Adult Basic Education
Core Services	Basic Academic Skills, Job Readiness Skills, Literacy Services, ESL, Distance Learning, Academic Assessment for adults enrolled in ABE.
Contributions	Data matching with WIOA. Instructors, instructional materials, classroom supplies. Department of Education (ABE) will contribute staff and other resources to the extent identified in the Funding Stream Report.
Performance Measurement Levels	Core indicators of performance reported by ABE include: <ul style="list-style-type: none"> • Demonstrated improvements in literacy skill levels • Receipt of a secondary school diploma or its recognized equivalent • Placement in, retention in, or completion of postsecondary education, training, unsubsidized employment, or career advancement.
Referral Process	Collaboration with various agencies and organizations.
Confidentiality Requirements	Strictly Confidential Information: <ul style="list-style-type: none"> • Disclosure of a diagnosed learning disability; • A physical or mental disability; • A diagnosed medical condition; • Use of prescription drugs; • History of drug/alcohol abuse and/or treatment; • Status as HIV positive or having the AIDS virus; • Official transcripts of high school equivalency scores.
Training Activity	The scope of ABE does not include training but does provide for academic and educational achievements that may lead to post-secondary or vocational training that could lead to employment.
Case Management	Student intake counseling only.
Planning Compact Cycle	Five-year plan.

Job Placement	The scope of ABE does not include job placement and is limited to providing educational achievements data to the case management process.
Special Conditions/Exceptions	For students 16 years of age and older, not enrolled in secondary education. The dropout age in WV is 17. Adult Education can only serve 16 years old's if they are married, emancipated from parents, court-ordered to attend, or enrolled in an institutional education program. 17 and 18-year old's may only enroll in adult education if they have withdrawn officially from the public or private school system or completed home schooling and provided proof with an official letter from their county or parent.

Possible Individual Agency Requirement	General Purpose/Meaning
Agency Name/Key Contact	Department of Education Office of Diversion and Transition Programs (ODTP) <u>Kari Rice or Jacob Green</u>
Primary Program(s)	High School Equivalency, HS Diploma, Career and Technical Education/Certification, Transition Life Skills and Post-Secondary.
Core Services	OIEP will not offer any services directly from the One-Stop Career Center, but will offer job training programs, basic education and transition life skills programs to adults and youth in state's custody via placement or incarceration.
Contributions	WVDE, OIEP provides educational programming at all regional jails, adult correctional facilities and juvenile facilities managed by DHHR, Division of Juvenile Services, WV Division of Corrections, and the Department of Military Affairs & Public Safety. WVDE, OIEP will contribute staff and other resources to the extent identified in the Funding Stream Report.
Performance Measurement Levels	High School Equivalency, High School and Post- Secondary completions, grade level skills improvement and career and technical certifications.
Confidentiality Requirements	Students will sign release of information forms for any information that is shared between WVDE/OIEP and One-Stop Career Centers. This will be done prior to their release and will be a part of their portfolios.
Training Activity	Career and technical, academic, and transition life skills programs are offered to incarcerated adult and youth throughout facilities in West Virginia.
Case Management	Student intake counseling only.
Planning Compact Cycle	Internal Strategic Plan for OIEP 2008-2014 which will continually be updated.
Job Placement	Sharing of training and testing information and assistance from transitions specialists with OIEP are available.
Special Conditions/Exceptions	Placement of convicted felons in job market warrants special attention. Benefits available to employers such as federal bonding and tax advantages to employers of convicted felons need to be addressed with business and industry stakeholders.

Possible Individual Agency Requirement	General Purpose/Meaning
Agency Name/Key Contact	Department of Health & Human Resources (DHHR) <u>Bill J. Crouch</u>
Primary Program(s)	Temporary Assistance for Needy Families (TANF); Food Stamp Employment and Training (FSET); Children's Youth Services
Core Services	SPOKES/EXCEL – Open Entry Job Preparations Classes for TANF & WIB participants. Assessment Testing using the TABE, WorkKeys and CASAS along with Learning Disability Screening and the Emotional Health Inventory. FSET – providing employment and training opportunities for unemployed and under employed Food Stamp Recipients (not available in all counties).
Contributions	Assists in funding instructors for the TANF and WIB job readiness classes (SPOKES/EXCEL). Currently providing funding for the One-Stop Career Center staff to operate the FSET program. DHHR will contribute staff and other resources to the extent identified in the Funding Stream Report.
Performance Measurement Levels	TANF participants should have the opportunity to participate in all WorkForce employment/training opportunities. TANF participation rate requirements are established at the Federal level. All FSET participants should be offered an employment/training opportunity that will allow them to maintain their eligibility for Food Stamps.
Referral Process	All TANF participants that complete SPOKES/EXCEL classes should be eligible to participate in WorkForce employment/training opportunities. All FSET participants need to be referred to appropriate activities by One-Stop Career Center staff.
Confidentiality Requirements	The confidentiality of all DHHR customers' needs to be respected and protected with special consideration being given to victims of domestic violence and those receiving child protective services.

Training Activity	That wherever possible, the WorkForce Investment Board provides a classroom where the SPOKES/EXCEL classes can be conducted.
Case Management	<p>The DHHR case manager will be the primary case manager for all TANF customers.</p> <p>One-Stop Career Center case managers need to attend Case Staffing Reviews for TANF customers, as appropriate.</p>
Planning Compact Cycle	The TANF State Plan is rewritten every two years and periodically revised as needed. The FSET State Plan is rewritten every two years and updated annually.
Job Placement	<p>DHHR will assist and provide appropriate support services not otherwise available to DHHR customers who are placed into employment.</p> <p>DHHR is committed to providing every TANF and FSET participants with employment and training opportunities that will lead to employment. DHHR hopes that by participating with other agencies and utilizing the services of the One-Stop Career Centers, a greater range of opportunities will become available to DHHR customers.</p>
Special Conditions/Exceptions	DHHR's understanding is that it is not obligated to pay rent or other expenses for the One-Stop Career Center operation unless arrangements are specially negotiated.

Possible Individual Agency Requirement	General Purpose/Meaning
Agency Name/Key Contact	West Virginia Development Office Business and Industrial Development 304-558-2234 <u>Sharon Adams / B. David Rogers</u>
Primary Program(s)	Governor's Guaranteed WorkForce Program, Competitive Improvement Program
Core Services	Technical assistance for WorkForce Development and Training. Referrals to appropriate partner agencies. Reimbursement for pre-approved customized training (business specific).
Contributions	Will contribute staff and other in-kind contributions to WorkForce West Virginia with information and introductions to West Virginia's new and existing businesses when appropriate. Share information regarding significant layoffs or closures.
Performance Measurement Levels	The West Virginia Development Office, Business and Industrial Development Division is responsible for all state assistance training programs.
Referral Process	Will collaborate, when appropriate, with WorkForce West Virginia by sharing appropriate services.
Special Conditions/Exceptions	WorkForce West Virginia staff will refer employer related training requests, as well as expansion or new prospects, to the West Virginia Development Office, Business and Industrial Development Division.
Training Activity	Customized Training and Development (Business Specific).
Case Management	Case Management for Business and Industry customized WorkForce Training will be controlled by the West Virginia Development Office, Business and Industrial Development Division.
Planning Compact Cycle	July 1 – June 30

Special Conditions/Exceptions	Labor Market Information, layoff, and plant closings.
Confidentiality Requirements	Information will be shared with WorkForce West Virginia to the extent permitted and not restricted by nondisclosure agreements.
Job Placement	To ensure consistent screening, all job order requests received will be shared with WorkForce West Virginia. Employees of the West Virginia Development Division will not be responsible for updating information on the MACC system.

26.0 Signatures

WorkForce West Virginia



Signature

5-8-2019

Date

WV Bureau of Senior Services (BoSS)



Robert Roswall

Signature

5/24/19

Date

Council for Community and Technical College Education



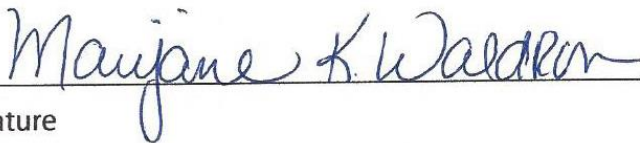
Signature

5/3/19

Date

Sarah Tucker

Department of Commerce / Division of Rehabilitation Services (DRS)



Signature

5-7-19

Date

Superintendent, Department of Education

Steven P. Kaine

6/7/19

Signature

Date

Department of Health & Human Resources (DHHR)

Linda Watts

8/26/19

Signature

Date

West Virginia Development Office

Michael D. Conway

6.28.19

Signature

Date

PEIA

November Interim Talking Points

- **PEIA and RHBT preliminary financial results for September 2019 are available for your review.**
- **PEIA year to date statements indicate PEIA is currently ahead of plan by \$20 million. This is due to lower than forecast medical claim expenses.**
- **RHBT year to date statements indicate RHBT is currently behind plan by (\$4) million. This is due to lower than projected investment income.**
- **The 2020 year-end reserve for the State Fund and non-State Fund is projected to be \$176 and \$52 million respectively.**
- **These reserve levels represent 24% and 34% of the respective funds' expenses. The required reserve for the State Fund is 14% of expenses.**

Jim Justice
Governor



Ted Cheatham
Director

WV Toll-free: 1-888-680-7342 • Phone: 1-304-558-7850 • Fax: 1-304-558-2470 • Internet: www.wvpeia.com

November 7, 2019

Joint Committee on Government and Finance
Senate Finance – 451M
State Capitol Complex
Charleston, WV 25305

1. The June 30, 2019, 2019 Fiscal Year Financial Report issued October 2019, page A-1, indicates the June 30, 2020 fund balances will be as follows:

	PEIA		RHBT
	State Fund	Non-State Fund	OPEB Fund
June 30, 2020	\$176,142,786	\$52,497,137	\$1,214,825,568

2. Per §5-16-25 the statutorily required reserve for the purposes of offsetting unanticipated claims losses (current FY costs) is the actuarial recommended reserve.

The current recommendation is 14% of the fiscal year expenses for PEIA and RHBT. Per the Quarterly Report, the percentage will be as follows at year end:

June 30, 2020	State Fund Reserve	Non-State Fund Reserve	Total
Reserve Balance	\$176,142,786	\$52,497,137	\$228,639,923
Percentage	23.8%	34.1%	25.6%
	reserve/current FY costs		

3. The objective of the OPEB Reserve is to reach a fully funded status of the actuarially accrued liability (AAL). Therefore, the target is 100%. The reserve balance represents 38% of the actuarially required balance:

	RHBT
June 30, 2020	OPEB Reserve
Reserve Balance	\$1,214,825,568
Percentage	38%
	OPEB Reserve/Actuarial Accrued Liability

4. Anticipated events that may significantly reduce or increase the amount of funds:

The primary anticipated reduction events are the ongoing forecast increases in the cost of healthcare. The below chart indicates the actuarial projected increases in costs for the medical and prescription drugs of the plan. These increased costs represent a total increase of \$363 million over the next four years, requiring an average of \$90 million a year in either increased premiums or benefit reductions.

	FY 2021	FY 2022	FY 2023	FY 2024
Medical Trend	8.5%	9.0%	9.5%	10.0%
Rx Trend	12.5%	13.0%	13.5%	14.0%

5. Total amount of benefit payments paid for the month:

	PEIA	RHBT	Total
September 2019	\$47,805,000	\$13,608,000	\$61,413,000

Sincerely,



Jason A. Haught, CPA
Chief Financial Officer

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For Three Months Ending Monday, September 30, 2019
In Thousands

ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE	
			\$	%	\$	%
ADDITIONS						
Employer Premiums:						
	\$815	\$727	\$88	12%	\$73	10%
	3,704	3,651	53	1%	(263)	(7%)
	35,104	35,000	104	0%	(2,856)	(8%)
	7,500	7,500	-	0%	-	0%
	1,251	1,251	-	0%	-	0%
48,374	48,129	51,420	245	1%	(3,046)	(6%)
Other Additions:						
	200	300	(100)	(33%)	(100)	(33%)
	1,635	15,329	(13,694)	(89%)	(15,072)	(90%)
50,209	63,758	68,427	(13,549)	(21%)	(18,218)	(27%)
DEDUCTIONS						
	27,807	28,493	686	2%	6,544	19%
	6,157	6,225	68	1%	(287)	(5%)
	7,890	15,748	7,858	50%	4,920	38%
	6,146	7,562	1,416	19%	384	6%
	-	-	-	0%	8	100%
	650	427	(223)	(52%)	(291)	(81%)
	(17,251)	(17,910)	(659)	4%	503	(3%)
	(6,225)	(6,229)	(4)	0%	300	(5%)
	751	964	213	22%	409	35%
25,925	35,280	38,415	9,355	27%	12,490	33%
24,284	28,478	30,012	(4,194)	(15%)	(5,728)	(19%)
Net Position Restricted for Post Employment Benefits						
1,091,661	1,091,661	963,115	-	0%	128,546	13%
1,077,838	1,082,032	955,020	(4,194)	(0%)	122,818	13%
38,107	38,107	38,107	-	0%	-	0%
\$1,115,945	\$1,120,139	\$993,127	(\$4,194)	(0%)	\$122,818	12%

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Three Months Ending Monday, September 30, 2019
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

		BUDGET VARIANCE		PRIOR YR VARIANCE	
		\$	%	\$	%
OPERATING REVENUE					
Premium Revenue					
Health Insurance - State Gov. - Employees	\$94,186	\$92,124	(0%)	\$1,881	2%
Health Insurance - State Gov. - Employees	30,030	30,702	(2%)	(672)	(2%)
Health Insurance - Local Gov. - All	26,118	24,979	4%	1,139	5%
Administrative Fees, Net of Refunds	1,121	1,110	(1%)	11	1%
Other Premium Revenue	270	385	(30%)	(35)	(11%)
Total Operating Revenue	151,544	151,475	0%	2,324	2%
NON-OPERATING REVENUE					
Life Insurance	363	350	4%	16	5%
Direct Transfer	7,750	7,750	210%	0	0%
Interest and Investment Income	2,241	2,019	(17%)	222	11%
WV RHBT Pay Go Premiums	35,104	37,960	0%	(2,856)	(8%)
Total Non-Operating Revenue	45,458	40,564	12%	(2,618)	(5%)
TOTAL REVENUE	197,002	192,039	3%	(294)	(0%)
EXPENSES					
Claims Expense - Medical	76,405	95,885	20%	10,025	12%
Claims Expense - Drugs	35,631	33,852	(5%)	(4,650)	(15%)
Payments to Managed Care Org.	12,321	12,285	(0%)	(769)	(7%)
Administrative Service Fees	5,809	3,453	(68%)	(2,898)	(100%)
Wellness and Disease Management	0	375	100%	283	100%
Other Operating Expenses	976	1,359	28%	56	5%
Life Insurance Expense	308	322	4%	(2)	(1%)
ACA Comparative Effectiveness Fee	0	0	0%	80	100%
WV RHBT Pay Go Premiums	35,104	35,000	(0%)	2,856	8%
TOTAL EXPENSES	166,554	182,531	9%	4,981	3%
YTD Surplus (Deficit)	30,448	9,508	220%	4,687	18%
Total Net Position, Beginning of Period					
End of Period Net Position, Actuarially Required Reserve	226,389	226,389	0%	31,835	16%
End of Period Net Position, PEIA PSR	116,127	116,127	0%	1,832	2%
	140,710	119,770	17%	34,690	33%
Total Net Position, End of Period	\$256,837	\$235,897	2,601%	\$36,522	17%

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West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET AND INCOME STATEMENT
For the Three Months Ending September 30, 2019

Talking Points for Joint Committee on Government and Finance Meeting
November 2019

1. **Premium Revenue** thru September reflects the premiums earned for the first three months of the fiscal year.
2. **Claims Expense** reflects claims payments made thru September. Claims reserves for the first three months of this year are \$3.4 million higher. This resulted in the increased claims expense when compared to the same quarter last fiscal year.
3. **Investment Income** for fiscal year FY'20 reflects net earnings of \$3.9 million for the first 3 months due to fixed income returns vs. \$1.8 million of earnings driven by net equity returns for the same period of FY'19.
4. BRIM has no un-funded liability and continues to pursue pro-active loss control initiatives.

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Three Months Ended September 30th

	2019	2018
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 25,797	\$ 26,955
Advance deposits with insurance company and trustee	229,179	201,143
Receivables	2,376	1,371
Prepaid insurance	3,848	3,468
Restricted cash and cash equivalents	18,179	14,750
Premiums due from other entities	1,112	878
Total current assets	280,491	248,564
Noncurrent assets:		
Equity position in internal investments pools	101,306	97,196
Restricted investments	58,504	56,131
Total noncurrent assets	159,810	153,327
Total assets	440,301	401,890
Deferred Outflows of Resources	373	438
Deferred Outflows of Resources - OPEB	65	44
Liabilities		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	62,656	50,453
Unearned premiums	10,041	10,045
Agent commissions payable	1,845	1,594
Claims Payable	-	107
Accrued expenses and other liabilities	1,715	1,785
Total current liabilities	76,257	63,985
Estimated unpaid claims and claims adjustment expense net of current portion	131,692	116,741
Compensated absences	124	122
Net pension liability	249	331
Total noncurrent liabilities	132,065	117,194
Total liabilities	208,322	181,179
Deferred Inflows of Resources	200	330
Deferred Inflows of Resources - OPEB	109	73
Net position:		
Restricted by State code for mine subsidence coverage	66,866	66,866
Unrestricted	162,805	149,745
Net Assets (Deficiency)	2,439	4,181
Net position	\$ 232,110	\$ 220,792

Unaudited

West Virginia Board of Risk and Insurance Management

Statements of Revenues, Expenses, and Changes in Net Position

For the Three Months Ended September 30th

	2019	2018
	<i>(In Thousands)</i>	
Operating revenues		
Premiums	\$ 20,732	\$ 21,081
Less coverage/reinsurance programs	(1,736)	(1,825)
Net operating revenues	18,996	19,256
Operating expenses		
Claims and claims adjustment expense	19,374	15,756
General and administrative	1,125	1,098
Total operating expenses	20,499	16,854
Operating income (loss)	(1,503)	2,402
Nonoperating revenues		
Investment income	3,942	1,779
Net nonoperating revenues	3,942	1,779
Changes in net position	2,439	4,181
Total net position, beginning of year	229,671	216,611
Total net position, end of period	\$ 232,110	\$ 220,792

Unaudited

Department of Administration Real Estate Division Leasing Report

For the period of October 1 - 31, 2019

There are 11 leasing changes for this period, and they are as follows:

- 8 – Straight Renewal
- 1 – Renewal with Increase in Rent
- 1 – Renewal with Increase in Rent and Increase in Square Feet
- 1 – Decrease in Square Feet

Department of Administration Real Estate Division Leasing Report

For the period of October 1, 2019 through October 31, 2019

STRAIGHT RENEWAL

STATE TAX DEPARTMENT

TAX-002 Renewal for 3 years consisting of 13,245 square feet of storage space at the current annual per square foot rate of \$2.41, annual cost \$31,920.36, located at 1315 Hansford Street, in the City of Charleston, Kanawha County, West Virginia.

DIVISION OF NATURAL RESOURCES

NAT-135 Renewal for 5 years consisting of 600 square feet of storage space at the current annual per square foot rate of \$2.00, annual cost \$1,200.00, full service, 3562 Greenhills Road, in the City of Ravenswood, Jackson County, West Virginia.

DIVISION OF FORESTRY

FOR-091 Renewal for 5 years consisting of office space at the current annual per square foot rate of \$0.00 (Forestry provides lectures in lieu of rent), annual cost \$0.00, full service, Waco Center at Glenville State College, in the City of Glenville, Gilmer County, West Virginia.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-130 Renewal for 5 years consisting of a 1,200 square foot area for an air monitoring tower, at the current annual cost \$1.00, Lot #49 on Summit Circle, in the City of Weirton, Hancock County, West Virginia.

DEP-171 Renewal for 3 years consisting of 416 square feet of storage space at the current monthly rate of \$180.00, annual cost \$2,160.00, full service, 57 Cory Drive, in the City of Fairmont, Marion County, West Virginia.

LOTTERY COMMISSION

LOT-010 Renewal for 5 years consisting of 268 square feet of office space at the current monthly rate of 268.00, annual cost \$3,216.00, full service, located at Mardi Gras Casino and Resort in Cross Lanes, Kanawha County, West Virginia.

SMALL BUSINESS DEVELOPMENT CENTER

SBD-006 Renewal for 1 year consisting of 240 square feet of office space at the current monthly rate of \$260.00, annual cost \$3,120.00, full service, 800 Fifth Avenue, in the City of Huntington, Cabell County, West Virginia.

COUNCIL OF THREE RIVERS

CTR-001 Renewal for 1 year consisting of 250 square feet of office space at the current monthly rate of \$225.00, annual cost \$2,700.00, full service, located at 1321 Plaza East, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT

WORKFORCE WEST VIRGINIA

WWV-019 Renewal for 10 years consisting of 4,456 square feet of office with an increase in the annual per square foot rate from \$12.62 to \$13.53 for years 1-5, annual cost \$60,289.68, then increases to the annual per square foot rate of \$14.09 for years 6-10, annual cost \$62,785.04, full service, 195 Davis Street, in the City of Princeton, Mercer County, West Virginia.

RENEWAL WITH INCREASE IN RENT AND SQUARE FEET

REAL ESTATE COMMISSION

REC-002 Renewal for 5 years consisting of 4,164 square feet of office space at the current annual per square foot rate of \$13.75 for years 1-3, annual cost \$57,255.00, then increases to the annual per square foot rate of \$14.00 for years 4 and 5, annual cost \$58,296.00, full service, 300 Capitol Street, in the City of Charleston, Kanawha County, West Virginia.

DECREASE IN SQUARE FEET

OFFICES OF THE INSURANCE COMMISSIONER

INS-011 Decrease in square footage from 13,525 square feet to 1,986 square feet of office space at the current annual per square foot rate of \$12.25, annual cost \$24,328.50, full service, located at One Players Club Drive, in the City of Charleston, Kanawha County, West Virginia.

Real Estate Division
Monthly Summary of Lease Activity
October 1 - 31, 2019

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	State Tax Department	TAX-002	Kanawha	13,245	2.41	31,920	3	95,761
2	Division of Natural Resources	NAT-135	Jackson	600	2.00	1,200	5	6,000
3	Division of Forestry	FOR-091	Gilmer	1	0.00	0	5	0
4	Department of Environmental Protection	DEP-130	Hancock	1,200	0.00	1	5	5
5	Department of Environmental Protection	DEP-171	Marion	416	5.19	2,160	3	6,480
6	Lottery Commission	LOT-010	Kanawha	268	12.00	3,216	5	16,080
7	Small Business Development Center	SBD-006	Cabell	240	13.00	3,120	1	3,120
8	Council of Three Rivers	CTR-001	Kanawha	250	10.80	2,700	1	2,700
9	WorkForce West Virginia	WWV-019	Mercer	4,456	13.53	60,290	5	301,448
	WorkForce West Virginia	WWV-019	Mercer	4,456	14.09	62,785	5	313,925
10	Real Estate Commission	REC-022	Kanawha	4,164	13.75	57,255	3	171,765
	Real Estate Commission	REC-022	Kanawha	4,164	14.00	58,296	2	116,592
11	Offices of the Insurance Commissioner	INS-011	Kanawha	1,986	12.25	24,329	2	48,657

	113.02
Total Rentable Square Feet	<u>35,446</u>
Average Annual Rental Rate	<u>10.27</u>
Total Annual Rent	<u>307,272</u>

Department of Administration Real Estate Division Leasing Report

For the period of September 1 - 30, 2019

There are 15 leasing changes for this period, and they are as follows:

- 2 – New Contract of Sub-Lease
- 7 – Straight Renewal
- 1 – Renewal with Decrease in Square Feet
- 2 – Renewal with Increase in Rent
- 1 – Renewal with Increase in Rent and Increase in Square Feet
- 1 – Renewal with Increase in Rent and Decrease in Square Feet
- 1 – Increase in Square Feet – DOA Owned

Department of Administration Real Estate Division Leasing Report

For the period of September 1, 2019 through September 30, 2019

NEW CONTRACT OF SUB-LEASE

DEPARTMENT OF EDUCATION

EDU-031-SUB New Contract of Sub-Lease for 2 years and 3 months consisting of 2,892 square feet of warehouse space at the annual per square foot rate of \$4.50, annual cost \$1,084.50, full service, 908 Bullitt Street, in the City of Charleston, Kanawha County, West Virginia.

WORKFORCE WEST VIRGINIA

WWV-045-SUB New Contract of Sub-Lease for 1 year consisting of one cubicle at the monthly rate of \$225.00, annual cost \$2,700.00, full service, 204 Old Stone Ridge Road, in the City of Ripley, Jackson County, West Virginia.

STRAIGHT RENEWAL

DIVISION OF CORRECTIONS AND REHABILITATION, BUREAU OF JUVENILE SERVICES

BJS-019 Renewal for 5 years consisting of 3,780 square feet of office space at the current annual per square foot rate of \$12.00, annual cost \$45,360.00, 3266 Winfield Road, in the City of Winfield, Putnam County, West Virginia.

BJS-027 Renewal for 1 year consisting of 6,188 square feet of office/storage space at the current annual per square foot rate of \$5.82, annual cost \$36,000.00, full service, 467 Main Street, in the City of Madison, Boone County, West Virginia.

DEPARTMENT OF AGRICULTURE

AGR-054 Renewal for 1 year consisting of 1,200 square feet of office space at the current annual per square foot rate of \$6.00, annual cost \$7,200.00, Tenant pays electric, gas and janitorial, 408 Jones Avenue, in the City of Oak Hill, Fayette County, West Virginia.

DIVISION OF MOTOR VEHICLES

DMV-027 Renewal for 10 years consisting of 7,000 square feet of office space at the current annual per square foot rate of \$12.00, annual cost \$84,000.00, full service, 410 South Main Street, in the City of Moorefield, Hardy County, West Virginia.

DEPARTMENT OF ENVIROMENTAL PROTECTION

DEP-141 Renewal for 5 years consisting of 375 square feet for monitoring space at the current annual rate of \$300.00, South Charleston Public Library 312 Fourth Avenue, in the City of South Charleston, Kanawha County, West Virginia.

STRAIGHT RENEWAL - CONTINUED

SMALL BUSINESS DEVELOPMENT CENTER

SBD-008 Renewal for 1 year consisting of 290 square feet of office space at the current monthly rate of \$500.00, annual cost \$6,000, full service, 830 North Side Drive, in the City of Summersville, Nicholas County, West Virginia.

WEST VIRGINIA PUBLIC EMPLOYEES GRIEVANCE BOARD

EGB-011 Renewal for 5 years for unlimited use of hearing room and waiting room, along with adequate parking, at the current monthly rate of \$600.00, annual cost \$7,200.00, full service, 1614 South Kanawha Street, in the City of Beckley, Raleigh County, West Virginia.

RENEWAL WITH DECREASE IN SQUARE FEET

DIVISION OF CORRECTIONS AND REHABILITATION, BUREAU OF JUVENILE SERVICES

BJS-037 Renewal for 2 years with a decrease of square feet from 7,525 square feet to 5,925 square feet of office/storage space at the current annual per square foot rate of \$3.24, annual cost \$19,200.00, 450 South 1st Avenue, in the City of Paden City, Wetzel County, West Virginia.

RENEWAL WITH INCREASE IN RENT

DIVISION OF CORRECTIONS AND REHABILITATION

COR-051 Renewal for 10 years consisting of 4,700 square feet of office/storage space with an increase in the annual per square foot rate from \$13.00 to \$13.75, annual cost \$64,625.04 for years 1 through 5 then from \$13.75 to \$14.50, annual cost \$68,150.04 for years 6 through 10, full service excluding janitorial service/supplies, 1520 Winchester Avenue, in the City of Martinsburg, Berkeley County, West Virginia.

DIVISION OF CORRECTIONS AND REHABILITATION, BUREAU OF JUVENILE SERVICES

BJS-022 Renewal for 5 years consisting of 2,961 square feet of office space with an increase in the annual per square foot rate from \$12.15 to \$12.77, annual cost \$37,800.00, 1385 Locust Avenue, in the City of Fairmont, Marion County, West Virginia.

RENEWAL WITH INCREASE IN RENT AND INCREASE IN SQUARE FEET

STATE TREASURER'S OFFICE

STO-016 Renewal for 5 years with an increase of square feet from 15,500 square feet to 15,900 square feet of office space and an increase in the annual per square foot rate from \$12.00 to \$12.72, annual cost \$202,248.00, 322 70th Street, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT AND DECREASE IN SQUARE FEET

WEST VIRGINIA BOARD OF EXAMINERS FOR SPEECH LANGUAGE PATHOLOGY & AUDIOLOGY

SPA-001 Renewal for 5 years with a decrease from 768 square feet to 648 square feet of office space and an increase in the annual per square foot rate from \$12.89 to \$13.43 annual per square feet, annual cost \$8,702.64, full service, 99 Edmiston Way, in the City of Buckhannon, Upshur County, West Virginia.

INCREASE IN SQUARE FEET – DOA OWNED

DIVISION OF HIGHWAYS

HWY-001 Increase of square feet from 206,633 square feet to 207,934 square feet of office space at the current annual per square foot rate of \$10.93, annual cost \$2,272,718.64, full service, 1900 Kanawha Boulevard East, in the City of Charleston, Kanawha County, West Virginia.

Real Estate Division
Monthly Summary of Lease Activity
September 1 - 30, 2019

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	Department of Education	EDU-031	Kanawha	2,892	4.50	13,014	2.25	29,282
2	Workforce West Virginia	WWV-045	Jackson	1	225/month	2,700	1	2,700
3	DOCR, Bureau of Juvenile Services	BJS-019	Putnam	3,780	12.00	45,360	5	226,800
4	DOCR, Bureau of Juvenile Services	BJS-027	Boone	6,188	5.82	3,600	1	3,600
5	Department of Agriculture	AGR-054	Fayette	1,200	6.00	7,200	1	7,200
6	Division of Motor Vehicles	DMV-027	Hardy	7,000	12.00	84,000	10	840,000
7	Department of Environmental Protection	DEP-141	Kanawha	375	0.80	300	5	1,500
8	Small Business Development Center	SBD-008	Nicholas	290	20.69	6,000	1	6,000
9	WV Public Employees Grievance Board	EGB-011	Raleigh	1	600/month	7,200	5	36,000
10	DOCR, Bureau of Juvenile Services	BJS-037	Wetzel	5,925	3.24	19,200	2	38,400
11	Division of Corrections and Rehabilitation	COR-051	Berkeley	4,700	13.75	64,625	5	323,125
	Division of Corrections and Rehabilitation	COR-051	Berkeley	4,700	14.50	68,150	5	340,750
12	DOCR, Bureau of Juvenile Services	BJS-022	Marion	2,961	12.77	37,800	5	189,000
13	State Treasurer's Office	STO-016	Kanawha	15,900	12.72	202,248	5	1,011,240 *
14	WV Board of Examiners for Speech-Language Pathology & Audiology	SPA-001	Upshur	648	13.43	8,703	5	43,513
15	Division of Highways	HWY-001	Kanawha	207,934	10.93	2,272,719	1.917	4,356,044 *

	143.15
Total Rentable Square Feet	<u>264,495</u>
Average Annual Rental Rate	<u>10.22</u>
Total Annual Rent	<u>2,842,818</u>

*Indicates the total will be over \$1,000,000.00 during the term of the lease.

Joint Committee on Government and Finance

November 2019

Department of Health and Human Resources

**MEDICAID REPORT
August 2019 Data**

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2020

MONTH OF AUGUST 2019

EXPENDITURES:

Inpatient Hospital - Reg. Payments
Inpatient Hospital - DSH
Inpatient Hospital - Supplemental Payments
Inpatient Hospital - GME Payments
Mental Health Facilities
Mental Health Facilities - DSH Adjustment Payments
Nursing Facility Services - Regular Payments⁽³⁾
Nursing Facility Services - Supplemental Payments
Intermediate Care Facilities - Public Providers
Intermediate Care Facilities - Private Providers
Intermediate Care Facilities - Supplemental Payments
Physicians Services - Regular Payments
Physicians Services - Supplemental Payments
Physician and Surgical Services - Evaluation and Management
Physician and Surgical Services - Vaccine Codes
Outpatient Hospital Services - Regular Payments
Outpatient Hospital Services - Supplemental Payments
Prescribed Drugs
Drug Rebate Offset - National Agreement
Drug Rebate Offset - State Sidebar Agreement
Drug Rebate Offset - MCO National
Drug Rebate Offset - MCO State Sidebar Agreement
Dental Services
Other Practitioners Services - Regular Payments
Other Practitioners Services - Supplemental Payments
Clinic Services
Lab & Radiological Services
Home Health Services
Hysterectomies/Sterilizations
Pregnancy Terminations (2)
EPSDT Services
Rural Health Clinic Services
Medicare Health Insurance Payments - Part A Premiums
Medicare Health Insurance Payments - Part B Premiums
120% - 134% Of Poverty
135% - 175% Of Poverty
Coinsurance And Deductibles

ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
SFY2019	SFY2020	Current Month Ended 08/31/19	Current Month Ended 08/31/19	Year To-Date Thru 08/31/19	09/01/19 Thru 06/30/20
91,526,768	94,511,157	6,488,781	7,875,930	13,842,451	80,668,706
52,868,297	53,789,156	13,238,319	4,482,430	13,238,319	40,550,837
-	-	-	-	-	-
11,267,867	11,659,921	-	971,660	2,914,905	8,745,016
39,995,477	40,947,315	2,888,221	3,412,276	6,438,045	34,509,270
18,881,836	19,301,726	4,721,761	1,608,477	4,721,761	14,579,965
710,863,182	711,478,596	61,118,065	59,289,883	118,745,452	592,733,144
-	19,000,000	-	1,583,333	-	19,000,000
-	-	-	-	-	-
71,779,446	73,705,078	5,821,098	6,142,090	11,721,282	61,983,796
-	-	-	-	-	-
39,178,192	39,386,121	2,979,575	3,282,177	6,463,162	32,922,959
(3)	-	-	-	-	-
(1,520)	-	-	-	-	-
-	-	-	-	-	-
46,637,506	46,133,858	3,902,236	3,844,488	8,829,644	37,304,214
-	-	-	-	-	-
686,585,798	715,636,717	51,817,534	59,636,393	114,641,346	600,995,371
(462,867,276)	(407,000,000)	(2,557,905)	(33,916,667)	(56,353,141)	(350,646,859)
(33,942,859)	(27,000,000)	(1,586,455)	(2,250,000)	(9,917,292)	(17,082,708)
(17,177,552)	(8,000,000)	(141,104)	(666,667)	(570,279)	(7,429,721)
(86,536)	-	-	-	87,490	(87,490)
11,110,378	10,776,073	839,057	898,006	1,766,042	9,010,031
5,653,070	5,785,469	478,770	482,122	1,066,270	4,719,199
-	-	-	-	-	-
1,669,249	1,602,016	125,655	133,501	306,594	1,295,422
7,822,910	8,036,763	676,914	669,730	1,397,560	6,639,203
24,978,914	30,739,710	523,946	2,561,642	2,700,445	28,039,265
26,909	32,002	5,325	2,667	8,037	23,965
180,599	182,177	2,534	15,181	7,003	175,174
1,446,788	1,458,120	117,644	121,510	238,756	1,219,364
4,307,936	4,423,092	372,310	368,591	612,676	3,810,416
21,237,010	22,825,062	1,830,084	1,902,089	3,614,162	19,210,900
114,675,105	128,874,761	9,636,033	10,739,563	19,268,101	109,606,660
9,602,290	9,746,324	814,084	812,194	1,612,857	8,133,467
-	-	-	-	-	-
12,769,254	11,469,614	927,656	955,801	2,013,728	9,455,886

MONTH OF AUGUST 2019

NET MEDICAID EXPENDITURES:

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2020

MONTH OF AUGUST 2019

Collections: Third Party Liability (line 9A on CMS-64)
Collections: Probate (line 9B on CMS-64)
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)
Collections: Other (line 9D on CMS-64)

NET EXPENDITURES and CMS-64 ADJUSTMENTS:

Plus: Medicaid Part D Expenditures
Plus: State Only Medicaid Expenditures
Plus: Money Follow the Person Expenditures

TOTAL MEDICAID EXPENDITURES

Plus: Reimbursables ⁽¹⁾
Plus: NATCEP/PASARR/Eligibility Exams
Plus: HIT Incentive Payments

TOTAL EXPENDITURES

- (1) This amount will revert to State Only if not reimbursed.
(2) Pregnancy Terminations are State Only expenditures and are not currently claimed.
(3) Of the amount in the 'Nursing Facility Services - Regular Payments' line \$2,973,688.02 is the amount paid to State Facilities year to date.

ACTUALS	TOTAL	ACTUALS Current Month Ended 08/31/19	ESTIMATE Current Month Ended 08/31/19	ACTUALS Year To-Date Thru 08/31/19	PROJECTED 09/01/19 Thru 06/30/20
SFY2019	SFY2020				
(9,658,789)	-	-	-	-	-
(173,762)	-	-	-	-	-
(124,527)	-	-	-	-	-
(13,956,496)	-	-	-	-	-
3,992,048,078	4,120,090,513	334,896,143	343,340,876	623,782,826	3,496,307,687
41,299,828	41,983,424	3,335,024	3,498,619	6,635,289	35,348,135
211,906	259,738	20,609	21,645	43,523	216,215
1,628,995	1,637,081	74,111	136,423	170,225	1,466,856
\$4,035,188,807	\$ 4,163,970,756	\$ 338,325,886	\$ 346,997,563	\$ 630,631,863	\$ 3,533,338,894
4,918,621	-	428,280	-	-	(925,976)
332,103	344,155	19,555	28,680	55,905	288,250
2,219,223	3,000,000	175,448	250,000	175,448	2,824,552
\$4,042,658,754	\$ 4,167,314,911	\$ 338,949,169	\$ 347,276,243	\$ 631,789,192	\$ 3,535,525,719

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
MEDICAID CASH REPORT
SFY2020

MONTH OF AUGUST 2019

REVENUE SOURCES

Beg. Bal. (5084/1020 prior mth)

MATCHING FUNDS

General Revenue (0403/189)
MRDD Waiver (0403/466)
Rural Hospitals Under 150 Beds (0403/940)
Tertiary Funding (0403/547)
Traumatic Brain Injury (0403/835)
Title XIX Waiver for Seniors (0403-533)
Medical Services Surplus (0403/633)
Waiver for Senior Citizens Surplus (0403/526)
Lottery Waiver (Less 550,000) (5405/539)
Lottery Waiver (0420/539)
Lottery Transfer (5405/871)
Excess Lottery (5365/189)
Lottery Surplus (5405/68199)
Lottery Surplus (5365/68100)
Trust Fund Appropriation (5185/189)
Provider Tax (5090/189)
NSGO UPL (5084/6717)
Certified Match
Reimbursables - Amount Reimbursed
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015
CHIP State Share
CMS - 64 Adjustments

TOTAL MATCHING FUNDS

FEDERAL FUNDS

TOTAL REVENUE SOURCES

TOTAL EXPENDITURES:

Provider Payments

TOTAL

2 Months Actuals 10 Months Remaining

ACTUALS	ACTUALS Current Month Ended 8/31/19	ACTUALS Year-To-Date Thru 8/31/19	PROJECTED 9/1/2019 Thru 6/30/20	TOTAL SFY2020
SFY2019				
121,710,366	27,603,703	54,359,368	-	54,359,368
408,894,155	30,425,609	60,869,596	303,612,840	364,482,436
88,753,483	5,916,899	13,333,798	75,419,685	88,753,483
2,596,000	216,333	432,666	2,163,334	2,596,000
6,356,000	529,667	1,059,334	5,296,666	6,356,000
800,000	53,333	106,667	693,333	800,000
13,593,620	906,241	1,812,482	11,781,138	13,593,620
-	9,214,517	9,214,517	9,214,518	18,429,035
-	-	-	-	-
4,015,503	1,003,876	1,003,876	3,011,627	4,015,503
29,950,955	7,487,738	7,487,738	22,463,217	29,950,955
14,502,312	4,100,018	4,100,018	12,300,052	16,400,070
-	-	-	44,505,920	44,505,920
6,000,000	-	-	16,000,000	16,000,000
-	-	-	25,000,000	25,000,000
11,395,066	-	-	132,172,171	132,172,171
193,537,029	17,200,000	33,500,000	247,810,035	281,310,035
-	-	-	1,241,403	1,241,403
23,334,733	694,957	1,356,032	8,475,868	9,831,900
2,371,126	-	491,612	(491,612)	-
704,455	59,515	116,717	783,283	900,000
-	-	-	-	-
274,842	-	-	-	-
\$ 928,789,645	\$ 105,412,407	\$ 189,244,420	\$ 921,453,479	\$ 1,110,697,899
3,164,785,003	\$261,071,663	470,378,779	\$2,796,002,517	\$3,266,381,296
\$ 4,093,574,648	\$ 366,484,070	\$ 659,623,200	\$ 3,717,455,996	\$ 4,377,079,196
\$ 4,042,658,754	\$ 338,949,169	\$ 631,789,192	\$ 3,535,525,719	\$ 4,167,314,911
\$ 50,915,894	\$ 27,534,900	\$ 27,834,008		\$ 209,764,284

Note: FMAP (74.34% applicable Oct. 2018 - Jun. 2019)

Joint Committee on Government and Finance

November 2019

Department of Health and Human Resources

MEDICAID WAIVER REPORT

August 2019 Data

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

Aged & Disabled Waiver Reported Aug 31, 2019		FY 2019	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	FY2020 YTD
Slots Approved By CMS (1)		6,192	6,523	6,523											6,523
-Slots Available for Traditional (non TMH-WV) enrollees		6,102	6,447	6,447											6,447
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees		90	76	76											76
Total number of members served YTD (unduplicated slots used) (2)		6,651	5,886	5,911											5,911
YTD Column reflects most recent month's count															
Applicants determined eligible this month and added to MEL (3)		1,364	180	165											345
Applicants determined ineligible		74	4	3											7
ACTIVE MEMBERS															
Active members at the end of the month (unduplicated slots active)		5,897	5,853	5,834											5,834
YTD Column reflects most recent month's count															
Active members enrolled during the calendar month															
-Total Active Traditional members enrolled during the calendar month		1,348	43	49											92
-Total Active TMH-WV members enrolled during the calendar month		1,297	40	46											86
Members discharged during the calendar month		51	3	3											6
ADW Members		1,112	87	68											155
whose case was closed by reason		578	40	32											72
Other (4)		534	47	36											83
MANAGED ENROLLMENT LIST (MEL)															
# Eligible applicants closed during the calendar month (removed from MEL)		1,046	83	250											333
ADW Applicants removed from the MEL	Applicant offered a slot (Traditional + MFP)	696	67	235											302
	Applicant became deceased	136	7	8											15
	Other (5)	214	9	7											16
Applicants on the MEL who are in a nursing facility		2	28	19											24
YTD Column reflects average # members in setting															
Applicants on the MEL receiving Personal Care		12	75	65											70
YTD Column reflects average # members in setting															
Applicants on the MEL at the end of the month		348	445	360											360
Days -Longest time spent on the MEL to date (6)		108	237	169											203
YTD Column reflects average # of days															

- (1) Of the 6523 slots approved by CMS, 76 are reserved for the Money Follows the Person and Rebalancing Demonstration Grant. When it is identified that slots cannot be used for MFP transitions, these slots are made available for traditional (non-MFP) enrollees.
- (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) Reported in actual number of days on the MEL.
- NOTE:** All data reported by Utilization Management Contractor is effective as of the transpire date in the 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 August 31, 2019	FY 2019	Jul -19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	YTD 2020
Slots approved by CMS	4,896	4,896	4,896											4,896
Total number of members served YTD (unduplicated slots used) (1)	4,880	4,821	4,827											4,827
Total number of members served YTD in Traditional Slots	4,868	4,816	4,818											4,818
Total number of members served YTD in Adult Ben H. slots (Active)	6	2	5											5
Total number of members served YTD in Children Ben H. slots (Active)	1	3	4											4
Applicants determined eligible (2)	206	13	30											43
Applicants determined ineligible (3)	221	17	26											43
ACTIVE MEMBERS														
# of active members at the end of the month (unduplicated slots active) (1)	4,759	4,814	4,813											4,813
Discharged members at the end of the calendar month	137	9	10											19
Deceased	55	4	2											6
Left program to enter a facility	20	2	0											2
a. Hospital	0	0	0											0
b. ICF/IID	7	0	4											4
c. Nursing Facility	14	2	2											4
d. Psychiatric Facility	0	0	0											0
e. Rehabilitation Facility	0	0	0											0
f. Other Facility	1	0	0											0
Other (6)	59	3	2											5
MANAGED ENROLLMENT LIST (MEL)														
Total number of applicants on the MEL at the end of the month	1,118	1,058	1,077											1,077
Number of applicants added to the MEL (4)	206	13	30											43
Applicants enrolled (removed from the MEL)	360	64	9											73
Applicants removed from the MEL due to Death (5)	5	0	0											0
Applicants removed from the MEL due to Other (6)	66	9	2											11
Applicants on the MEL who are in a Nursing Facility (9)	2	4	3											3
Applicants on the MEL who are in an ICF/IID Group Home (9)	111	99	107											107
Applicants on the MEL receiving Personal Care Services each month (8) (9)	76	69	74											74
Longest on the MEL to date (7)	1592	1,623	1,601											1,601

(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.

(8) This number is very different from the previous two months. We are working on getting a more accurate report.

(9) The report has been changed to more accurately reflect the correct numbers, no data reported for November due to the reprogramming of the report parameters.

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

Traumatic Brain Injury Waiver Reported August 31, 2019		FY 2019	Jul 19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	FY 2020 YTD
Slots Approved By CMS (1)		82	79	79	79	79	79	79	79	79	79	79	79	79	79
-Slots Available for Traditional (non TMH-WV) enrollees		82	75	75	75	75	75	75	75	75	75	75	75	75	75
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees		0	4	4	4	4	4	4	4	4	4	4	4	4	4
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count		82	75	74											74
Applicants determined eligible this month and added to MEL (3)		9	1	0											1
Applicants determined ineligible		2	0	0											0
ACTIVE MEMBERS															
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		75	74	73											73
Active members enrolled during the calendar month		12	0	0											0
-Total Active Traditional members enrolled during the calendar month		12	0	0											0
-Total Active TMH-WV members enrolled during the calendar month		0	0	0											0
Members discharged during the calendar month		8	1	1											2
TBIW Members whose case was closed by reason	Member is deceased	2	1	0											1
	Other (4)	6	0	1											1
MANAGED ENROLLMENT LIST (MEL)															
# Eligible applicants closed during the calendar month (removed from MEL)		4	0	0											0
TBIW Applicants removed from the MEL	Applicant offered a slot	4	0	0											0
	Applicant became deceased	0	0	0											0
	Other (5)	0	0	0											0
Applicants on the MEL who are in a nursing facility		0	0	0											0
Applicants on the MEL receiving Personal Care		0	2	0											2
Applicants on the MEL at the end of the month		8	9	0											9
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days		121	256	287											287

- (1) Of the 79 slots approved by CMS, 4 are reserved for the Money Follows the Person and Rebalancing Demonstration Grant. Beginning SFY 2019-2020, the program was over the number of slots available for Traditional enrollees. There are no available Traditional slots beginning SFY 2017-2018, therefore medically eligible applicants that are Traditional will be placed on the MEL.
- (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) Reported in actual number of days on the MEL.

NOTE: All data as reported by the Utilization Management Contractor is point-in-time



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Bill J. Crouch
Cabinet Secretary

September 29, 2019

Allan L. McVey
Cabinet Secretary
Department of Administration
1900 Kanawha Blvd East
Building 1, Room E119
Charleston, West Virginia 25305

Secretary McVey,

At the request of Delegate Tim Miley, as presented to the Department of Health and Human Resources (DHHR) during the most recent September legislative interims, DHHR is seeking confirmation of the Department of Administration's (DOA) previously issued position on DHHR's inability to extend its Managed Care Contract (BMS185743) for an additional twelve (12) month period. DHHR is planning to proceed based on previous guidance issued by DOA dated June 27, 2019, in which DOA communicated that no provision within the current contract, Code, or Rule allows for the extension to occur. This position confirmation of that prior notification is to share with those that have made legislative inquiry of the contract.

Thank you for your guidance on this matter. Please let me know if you have any questions by contacting me directly at 304-558-0684 or Bill.J.Crouch@wv.gov.

Sincerely,


Bill J. Crouch
Cabinet Secretary



STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION

ALLAN L. MCVEY
CABINET SECRETARY

October 8, 2019

Bill J. Crouch
Cabinet Secretary
Department of Health and Human Services
One Davis Square, Suite 100 East
Charleston, West Virginia 25301

Secretary Crouch,

I received your letter dated September 29, 2019, in which you inquire about the West Virginia Purchasing Division's ("Purchasing Division") prior denial of the Department of Health and Human Resources' ("DHHR") request to extend the Managed Care Contract (BMS18743), followed by the Department of Administration's ("DOA") confirmation that it would not overturn that decision. Prior to taking this position, it is my understanding that BMS staff was informed on several occasions that this particular contract had reached the end of its term and that all available renewal options had been exercised. When a situation like that occurs, the State has a legal obligation to undertake a competitive bidding process to establish a new contract. Accordingly, the Purchasing Division's and DOA's position that a rebid is now necessary remains unchanged.

I understand DHHR is working on the necessary bid documents and Commissioner Beane indicated at the recent interim Joint Committee on Government and Finance meeting they would be on time. As mentioned previously, our Purchasing Division is here to provide any assistance needed by your Department in having this accomplished. If you have any further questions or need anything else, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Allan L. McVey".

Allan L. McVey

cc: Delegate Tim Miley



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Bill J. Crouch
Cabinet Secretary

October 23, 2019

The Honorable Allan McVey
Cabinet Secretary
Department of Administration
1900 Kanawha Boulevard, East
Building 1, Room E-119
Charleston, WV 25305-0120

Dear Secretary McVey: *Allan,*

Thank you for contacting our office regarding COH1, request for CDO BMS 19*33-PEF:572119. We appreciate the opportunity to respond to your questions.

- 1) How the assessments to be added fall within the scope of the current contract?
 - A. CMA BMS16*3, Commodity line 22, CRFP BMS 15*07
This function involves the vendor conducting the same assessments for the Medicaid population of foster care children as conducted as part of the Children with Serious Emotional Disturbance Waiver (CRFP BMS 15*07, 1.1.B.4.h). This function is mandatory for compliance with the Family First Prevention Services Act and the agreement between the Bureau for Medical Services, Department of Health and Human Resources and the US Department of Justice.
- 2) How the mobilization cost bid out separately would impact the estimated cost. You had mentioned that the estimated cost to add is around \$150,000. Bid separately that cost could be as much as \$1,000,000.
 - A. The current vendor will have established network in place. To bid would cause a risk of a new vendor having to build a network, training all new statewide staff resulting in an increase in expenses and overall costs.
- 3) Infrastructure needs for placing this in a separate contract, generally speaking.
 - A. If placed in a separate contract a child with Serious Emotional Disorder Waiver needs would have the assessment by two entities duplicating efforts for the State, creating adverse effects on a child being assessed multiple times. Assessment by two different entities creates the risk of

The Honorable Allen McVey
October 23, 2019
Page 2

interrater reliability issues which could create a record that would leave the Department vulnerable for appeals and could have an adverse effect on current litigation.

Thank you again for the opportunity to address your questions and provide additional clarification to the request of the Bureau for Medical Services. If you have additional questions or concerns, please do not hesitate to contact me.

Sincerely,



Bill Crouch
Cabinet Secretary

BC/CB/ko

CC: DHHR Purchasing
BMS Purchasing

Joint Committee on
Government and Finance
Report

NOVEMBER 2019

Department of Health and Human Resources

State Children's Health Insurance Program
UPDATE



West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget-to-Actual
For the Three Months Ending September 30, 2019 and September 30, 2018

	Annual Budget 2020	Budget Year-to-Date	Actual September 30, 2019	Actual September 30, 2018	Actual Variance \$	%	Budget Variance \$	%
Beginning Operating Fund Balance			\$5,232,905	\$5,541,320	(\$308,415)	-6%		
Revenues								
Federal Grants			\$13,916,143	\$12,774,045	\$1,142,098	9%		
State Appropriations								
Premium Revenues	\$1,529,958	\$382,490	\$387,534	\$375,412	\$12,122	3%	\$5,045	1%
Investment Earnings (Interest)			\$70,017	\$31,330	\$38,687	123%		
Total Operating Fund Revenues			\$14,373,694	\$13,180,787	\$1,192,907	9%		
Expenditures:								
Claims Expenses:								
Physicians & Surgical			\$3,244,660	\$3,583,587	(\$338,927)	-9%		
Prescribed Drugs			\$2,483,856	\$1,872,908	\$610,948	33%		
Outpatient Services			\$2,240,647	\$1,967,451	\$273,196	14%		
Dental			\$1,993,635	\$1,851,965	\$141,670	8%		
Inpatient Hospital Services			\$914,775	\$935,111	(\$20,336)	-2%		
Other Services			\$813,522	\$587,723	\$225,799	38%		
Therapy			\$553,063	\$456,584	\$96,479	21%		
Inpatient Mental Health			\$118,810	\$164,868	(\$46,058)	-28%		
Vision			\$182,111	\$201,340	(\$19,229)	-10%		
Durable & Disposable Med. Equip.			\$112,528	\$119,468	(\$6,940)	-6%		
Medical Transportation			\$125,225	\$87,802	\$37,423	43%		
Outpatient Mental Health			\$87,204	\$75,338	\$11,866	16%		
Less: Other Collections**			(\$24,619)	(\$83,399)	\$58,781	-70%		
Drug Rebates	(\$2,168,732)	(\$542,183)	(\$743,204)	(\$390,539)	(\$352,665)	90%	\$225,640	-42%
Total Claims Expenses	\$50,481,331	\$12,620,333	\$12,102,213	\$11,430,206	\$672,007	6%	(\$518,119)	-4%
Administrative Expenses:								
Salaries and Benefits								
Program Administration	\$5,679,624	\$1,419,906	\$285,934	\$283,661	\$2,273	1%	(\$1,133,972)	-80%
Eligibility				\$1,170	(\$1,170)	100%		
Outreach & Health Promotion	\$100,000	\$25,000	\$0	\$0	\$0		(\$25,000)	-100%
Current	\$350,000	\$87,500	\$29,394	\$22,229	\$7,165	32%	(\$58,106)	-66%
Total Administrative Expenses in Operating Fund	\$6,129,624	\$1,532,406	\$315,328	\$307,060	\$8,268	3%	(\$1,217,078)	-79%
Total Operating Fund Expenditures	\$56,610,955	\$14,152,739	\$12,417,541	\$11,737,266	\$680,275	6%	(\$1,735,197)	-12%
Adjustments			\$122,574	\$1,443,521				
Ending Operating Fund Balance			\$7,066,484	\$5,541,320	\$1,525,164	28%		
Money Market			\$688,223	\$1,034,261				
Bond Pool			\$4,603,048	\$4,354,040				
Cash on Deposit			\$1,775,213	\$153,019				
Unrealized Gain/Loss on Investment			\$14,890	(\$32,224)	\$47,114	-146%		
Ending Fund Balance (Accrued Basis)			\$7,081,374	\$5,509,096	\$1,572,279	29%		
Program Expenses outside of Operating Funds:								
Salaries and Benefits	\$702,625	\$175,656	\$156,662	\$161,999	(\$5,337)	-3%	(\$18,994)	-11%
Eligibility	\$350,000	\$87,500	\$181,782	(\$44,279)	\$226,061	-511%	\$94,282	108%
Total Administrative Expenses:	\$7,182,249	\$1,795,562	\$653,772	\$424,780	\$228,992	54%	(\$1,141,790)	-64%
Total WVCHIP Expenditures	\$57,663,580	\$14,415,895	\$12,755,985	\$11,854,986	\$900,999	8%	(\$1,659,910)	-12%

Footnotes:

- 1) Statement is on cash basis
- 2) Estimate of Incurred but Not Reported (IBNR) claims on September 30, 2019 is \$4,697,000. The September 30, 2018 estimate was \$4,780,000
- 3) Administrative Accounts Payable balance on September 30, 2019 is \$1,056,684. The September 30, 2018 balance is \$537,728
- 4) 2018 and 2017 adjustments to fund balance represent timing issues between the payment of expense and the draw-down of federal revenues
- 5) Revenues are primarily federal funds. During State Fiscal Years 2019 and 2018 WVCHIP's Federal Matching Assistance Percentage (FMAP) was 100%.
- 6) Other Collections are primarily provider refunds and subrogations (amounts received from other insurers responsible for bill WVCHIP paid - primarily auto).
- 7) Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.
- 8) Other Services include home health, chiropractors, psychologists, podiatrists, and nurse practitioners

Unaudited - For Management Purposes Only

West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2020
For the Month Ending September 30, 2019

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Actual Amt Sep-19	Actual Amt Aug-19	Actual Amt Jul-19
Projected Cost	\$54,180,021	\$13,545,005	\$13,241,841	\$303,164	2%	\$4,515,002	\$4,227,489	\$6,049,574	\$2,964,778
Premiums	1,529,958	\$382,490	\$387,534	\$5,044	1%	\$127,497	\$130,454	\$125,867	\$131,213
Subrogation & Rebates	2,168,732	\$542,183	\$769,681	\$227,498	42%	\$180,728	\$10,856	\$750,272	\$8,553
Net Benefit Cost	\$50,481,331	\$12,620,333	\$12,084,627	\$535,706	4%	\$4,372,445	\$4,086,180	\$5,173,436	\$2,825,012
Salaries & Benefits	\$702,625	\$175,656	\$156,662	\$18,994	11%	\$58,552	\$44,054	\$66,367	\$46,240
Program Administration	\$5,679,624	\$1,419,906	\$285,934	\$1,133,972	80%	\$473,302	\$63,137	\$181,705	\$41,091
Eligibility	\$350,000	\$87,500	\$0	\$87,500	100%	\$29,167		\$0	\$0
Outreach & Health Prom.	\$100,000	\$25,000	\$0	\$25,000	100%	\$8,333		\$0	\$0
Current Expense	\$350,000	\$87,500	\$29,394	\$58,106	66%	\$29,167	\$480	\$21,458	\$7,456
Total Admin Cost	\$7,182,249	\$1,795,562	\$471,990	\$1,323,572	74%	\$598,521	\$107,672	\$269,530	\$94,788
Total Program Cost	\$57,663,580	\$14,415,895	\$12,556,617	\$1,859,278	13%	\$4,970,965	\$4,193,852	\$5,442,966	\$2,919,799
Federal Share 93.958%	\$54,179,546	\$14,415,895	\$11,797,946	\$2,617,949	18%	\$4,970,965	\$3,940,459	\$5,114,102	\$2,743,385
State Share 0%	3,484,034	\$0	\$758,671	(\$758,671)	0%	\$0	\$253,393	\$328,864	\$176,414
Total Program Cost **	\$57,663,580	\$14,415,895	\$12,556,617	\$1,859,278	13%	\$4,970,965	\$4,193,852	\$5,442,966	\$2,919,799

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCA Actuary 3/31/2019 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

WVCHIP Enrollment Report

ATTACHMENT 1

OCTOBER 2019

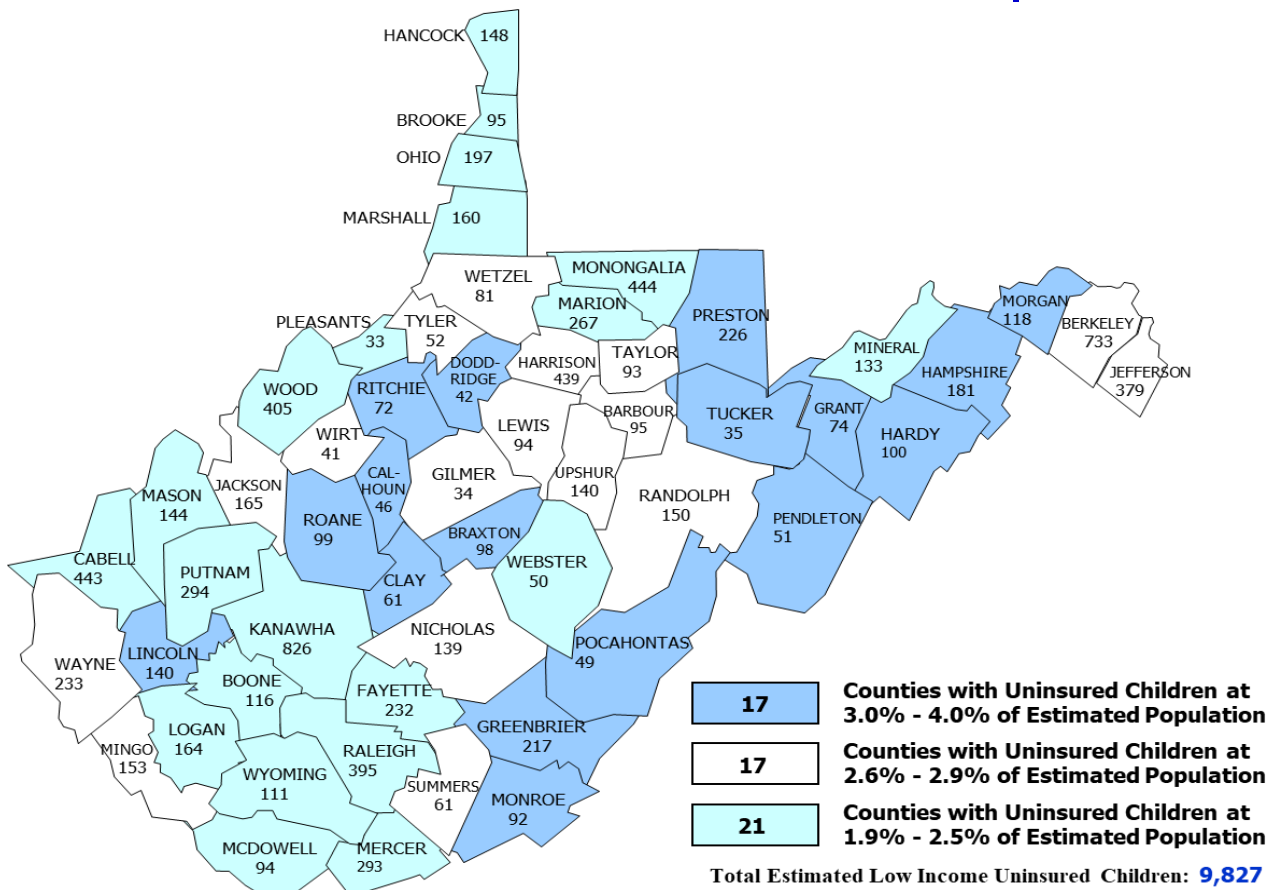
County	County Pop. 2017 Est. (0-18 Yrs)	Total CHIP Enrollment Oct-19	Total Medicaid Enrollment Oct-19	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2017 SAHIE Uninsured Est.	2017 SAHIE % Uninsured
Barbour	3,313	254	1,712	1,966	59.3%	95	2.9%
Berkeley	27,850	1,885	11,942	13,827	49.6%	733	2.6%
Boone	4,870	269	2,888	3,157	64.8%	116	2.4%
Braxton	2,922	147	1,484	1,631	55.8%	98	3.4%
Brooke	4,112	1	72	73	1.8%	95	2.3%
Cabell	19,229	909	9,080	9,989	51.9%	443	2.3%
Calhoun	1,388	98	827	925	66.6%	46	3.3%
Clay	2,031	127	1,305	1,432	70.5%	61	3.0%
Doddridge	1,394	93	685	778	55.8%	42	3.0%
Fayette	9,190	732	5,014	5,746	62.5%	232	2.5%
Gilmer	1,159	84	583	667	57.5%	34	2.9%
Grant	2,381	118	1,200	1,318	55.4%	74	3.1%
Greenbrier	7,002	603	3,619	4,222	60.3%	217	3.1%
Hampshire	4,576	294	2,279	2,573	56.2%	181	4.0%
Hancock	5,835	571	4,014	4,585	78.6%	148	2.5%
Hardy	2,833	221	1,567	1,788	63.1%	100	3.5%
Harrison	15,044	913	6,277	7,190	47.8%	439	2.9%
Jackson	6,419	317	3,032	3,349	52.2%	165	2.6%
Jefferson	13,314	703	3,885	4,588	34.5%	379	2.8%
Kanawha	37,910	2,170	19,080	21,250	56.1%	826	2.2%
Lewis	3,522	219	1,910	2,129	60.4%	94	2.7%
Lincoln	4,737	269	2,908	3,177	67.1%	140	3.0%
Logan	6,850	388	4,313	4,701	68.6%	164	2.4%
Marion	11,604	668	5,258	5,926	51.1%	267	2.3%
Marshall	6,263	311	2,505	2,816	45.0%	160	2.6%
Mason	5,782	255	2,801	3,056	52.9%	144	2.5%
McDowell	3,790	209	2,874	3,083	81.3%	94	2.5%
Mercer	12,553	915	8,015	8,930	71.1%	293	2.3%
Mineral	5,593	296	2,218	2,514	44.9%	133	2.4%
Mingo	5,446	247	3,769	4,016	73.7%	153	2.8%
Monongalia	17,800	908	5,369	6,277	35.3%	444	2.5%
Monroe	2,750	266	1,189	1,455	52.9%	92	3.3%
Morgan	3,319	250	1,497	1,747	52.6%	118	3.6%
Nicholas	5,218	359	2,925	3,284	62.9%	139	2.7%
Ohio	8,251	388	3,856	4,244	51.4%	197	2.4%
Pendleton	1,264	90	574	664	52.5%	51	4.0%
Pleasants	1,491	73	594	667	44.7%	33	2.2%
Pocahontas	1,509	118	790	908	60.2%	49	3.2%
Preston	6,566	421	2,934	3,355	51.1%	226	3.4%
Putnam	13,491	699	4,568	5,267	39.0%	294	2.2%
Raleigh	15,997	1,119	9,072	10,191	63.7%	395	2.5%
Randolph	5,463	456	2,875	3,331	61.0%	150	2.7%
Ritchie	1,974	101	1,111	1,212	61.4%	72	3.6%
Roane	3,035	262	1,697	1,959	64.5%	99	3.3%
Summers	2,212	170	1,478	1,648	74.5%	61	2.8%
Taylor	3,526	208	1,610	1,818	51.6%	93	2.6%
Tucker	1,171	122	523	645	55.1%	35	3.0%
Tyler	1,808	90	724	814	45.0%	52	2.9%

WVCHIP Enrollment Report

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OCTOBER 2019

County	County Pop. 2017 Est. (0-18 Yrs)	Total CHIP Enrollment Oct-19	Total Medicaid Enrollment Oct-19	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2017 SAHIE Uninsured Est.	2017 SAHIE % Uninsured
Upshur	5,112	365	2,908	3,273	64.0%	140	2.7%
Wayne	8,517	439	4,811	5,250	61.6%	233	2.7%
Webster	1,711	125	1,272	1,397	81.6%	50	2.9%
Wetzel	3,164	166	1,795	1,961	62.0%	81	2.6%
Wirt	1,257	66	673	739	58.8%	41	3.3%
Wood	18,379	1,077	8,836	9,913	53.9%	405	2.2%
Wyoming	4,477	302	2,613	2,915	65.1%	111	2.5%
Totals	378,374	22,926	183,410		0.0%	9,827	2.6%



The above map shows the most recent 2017 county level data provided by the U.S. Census Bureau Small Area Health Insurance Estimates (SAHIE) for children under 19 years. While the statewide average for children under 19 is now about 2.6%, the SAHIE data reflects more accurately the variation from county to county depending on the availability of employer sponsored insurance and should be a more accurate way to target outreach than in previous years.

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

July 31, 2019



Participant Plans Allocation & Performance Net of Fees

Period Ending: July 31, 2019

	6/30/2019		7/31/2019		Performance %							
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
WVIMB Fund Assets	19,986,151	100.0	20,016,101	100.0								
Pension Assets	16,174,170	80.9	16,171,313	80.7								
Public Employees' Retirement System	6,895,387	34.5	6,894,153	34.4	0.1	1.9	0.1	4.6	9.4	7.2	9.6	6.9
Teachers' Retirement System	7,836,784	39.1	7,835,653	39.1	0.1	1.9	0.1	4.6	9.4	7.1	9.5	6.7
EMS Retirement System	84,650	0.4	84,691	0.4	0.1	1.9	0.1	4.5	9.4	7.2	9.5	
Public Safety Retirement System	689,820	3.5	686,541	3.4	0.1	1.9	0.1	4.5	9.4	7.2	9.6	6.9
Judges' Retirement System	212,655	1.1	212,506	1.1	0.1	1.9	0.1	4.6	9.5	7.2	9.6	6.9
State Police Retirement System	207,101	1.0	208,180	1.0	0.1	1.9	0.1	4.6	9.4	7.2	9.5	6.9
Deputy Sheriffs' Retirement System	232,576	1.2	232,760	1.2	0.1	1.9	0.1	4.6	9.4	7.2	9.6	6.9
Municipal Police & Firefighter Retirement System	11,090	0.1	11,325	0.1	0.1	1.9	0.1	4.7	9.3	7.0		
Municipal Model A	2,925	0.0	2,925	0.0	0.1	1.9	0.1	5.0	9.6	7.2		
Municipal Model C	1,182	0.0	1,184	0.0	0.2	1.6	0.2	4.1				
Municipal Model F	0	0.0	1,395	0.0	0.2		0.2					
Insurance Assets	2,829,801	14.2	2,864,994	14.4								
Workers' Compensation Old Fund	1,105,721	5.5	1,098,624	5.5	0.3	1.7	0.3	4.2	5.4	4.2	5.7	
Workers' Comp. Self-Insured Guaranty Risk Pool	34,207	0.2	34,295	0.2	0.3	1.6	0.3	4.1	5.6	4.2	4.6	
Workers' Comp. Self-Insured Security Risk Pool	52,220	0.3	52,156	0.3	0.3	1.6	0.3	4.0	5.6	4.2		
Workers' Comp. Uninsured Employers' Fund	13,468	0.1	13,605	0.1	0.3	1.5	0.3	3.8	5.5	4.0	4.3	
Pneumoconiosis	238,605	1.2	238,255	1.2	0.3	1.6	0.3	4.0	5.6	4.2	6.0	5.7
Board of Risk & Insurance Management	158,696	0.8	159,230	0.8	0.3	1.6	0.3	4.1	5.6	4.2	6.1	
Public Employees' Insurance Agency	225,314	1.1	226,144	1.1	0.4	1.9	0.4	4.7	5.6	4.2	6.0	
WV Retiree Health Benefit Trust Fund	1,001,570	5.0	1,042,685	5.2	0.1	1.9	0.1	4.7	9.4	7.2	8.8	
Endowment Assets	982,180	4.9	979,794	4.9								
Berkeley County Development Authority	6,177	0.0	6,184	0.0	0.1	1.9	0.1	4.5	9.4			
Wildlife Fund	65,000	0.3	63,813	0.3	0.1	1.9	0.1	4.6	9.4	7.2	9.5	7.3
Prepaid Tuition Trust	34,513	0.2	30,603	0.2	0.3	2.6	0.3	6.7	6.9	5.9	8.2	6.6
Revenue Shortfall Reserve Fund	197,342	1.0	198,089	1.0	0.4	3.0	0.4	6.7	2.9	2.5	4.2	
Revenue Shortfall Reserve Fund - Part B	465,189	2.4	466,506	2.4	0.3	2.3	0.3	5.5	5.3	4.2	6.2	
WV DEP Trust	9,258	0.0	9,275	0.0	0.2	0.7	0.2	1.9	8.0	5.7		
WV DEP Agency	204,701	1.0	205,324	1.0	0.3	1.4	0.3	3.8	6.5	4.8		

Composite Asset Allocation & Performance Net of Fees

Period Ending: July 31, 2019

	Asset (\$000)	%	Performance %								
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year	
Investment Pools Composite	20,026,548	100.00									
Total Equity Composite +/- Total Equity Base Index (b)	9,529,100	47.58	(0.06) (0.39)	(0.06) (0.75)	(0.06) (0.39)	0.29 (2.46)	9.98 (0.54)	6.75 (0.19)	10.75 0.71	6.72 0.85	
Domestic Equity Composite +/- Russell 3000 Index	4,744,697	23.70	1.32 (0.17)	1.59 0.00	1.32 (0.17)	5.45 (1.60)	12.61 (0.50)	10.57 (0.39)	14.01 0.03	7.43 0.89	
International Equity Composite +/- MSCI/AC World ex US IMI Index (c)	4,784,403	23.88	(1.38) (0.27)	(1.63) (0.83)	(1.38) (0.27)	(4.57) (2.08)	7.36 (0.13)	2.90 0.19	7.38 1.41	6.62 1.81	
Fixed Income Composite +/- Bloomberg Barclays Capital Universal (d)	2,963,070	14.80	0.43 0.13	3.03 (0.24)	0.43 0.13	7.66 (0.51)	4.01 1.35	3.64 0.33	4.95 0.74	5.65 0.48	
Core Fixed Income Composite +/- Bloomberg Barclays Capital Aggregate	887,768	4.43	0.19 (0.03)	3.37 0.09	0.19 (0.03)	8.57 0.49	2.53 0.36	3.44 0.39	4.42 0.67		
Total Return Fixed Income Composite (k) +/- Bloomberg Barclays Capital Universal	2,075,302	10.37	0.53 0.23	2.89 (0.38)	0.53 0.23	7.26 (0.91)	4.66 2.00	3.71 0.40	5.22 1.01	6.12 0.89	
TIPS Composite +/- Bloomberg Barclays Capital U.S.TIPS	399,240	1.99	0.35 0.00	2.88 (0.01)	0.35 0.00	5.77 0.05	1.95 0.04	1.84 0.02			
Cash Composite +/- Citigroup 90 Day T-Bill (e)	248,296	1.24	0.19 (0.01)	0.58 (0.03)	0.19 (0.01)	2.26 (0.07)	1.40 (0.02)	0.91 0.03	0.52 (0.04)	1.92 (0.02)	
Private Equity Composite +/- Russell 3000 + 3% (f, g)	1,942,696	9.70	0.07	10.22	0.07	20.53	20.36	16.66 2.70	15.99 (1.63)		
Real Estate Composite +/- NCREIF + 1% (f)	1,950,461	9.74	(0.03)	2.25	(0.03)	7.27	8.22	9.27 (0.75)	9.42 (0.33)		
Hedge Fund Composite +/- HFR/FOF + 1% (h)	2,391,126	11.94	0.82 0.45	1.62 0.49	0.82 0.45	3.47 1.23	4.84 0.01	3.28 (0.04)	5.09 1.29		
Opportunistic Income Composite +/- CS Leveraged Loan + 2% (l)	602,559	3.01	0.00 (0.95)	3.98 2.71	0.00 (0.95)	7.49 1.39	5.77 (1.55)				

Participant Plans Allocation vs. Strategy

Period Ending: July 31, 2019

Pension Assets

	Equity		Fixed Income		Private Equity		Real Estate		Hedge Funds		Opportunistic Income		Cash	
	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %
Public Employees' Retirement System	51.0	55.0	10.9	15.0	11.3	10.0	11.4	10.0	11.5	10.0	3.5	0.0	0.4	0.0
Teachers' Retirement System	50.7	55.0	10.6	15.0	11.3	10.0	11.3	10.0	11.5	10.0	3.5	0.0	1.1	0.0
EMS Retirement System	51.3	55.0	11.3	15.0	11.1	10.0	11.1	10.0	11.4	10.0	3.4	0.0	0.4	0.0
Public Safety Retirement System	50.0	55.0	10.0	15.0	11.3	10.0	11.4	10.0	11.3	10.0	3.5	0.0	2.5	0.0
Judges' Retirement System	51.2	55.0	11.1	15.0	11.3	10.0	11.3	10.0	11.5	10.0	3.5	0.0	0.1	0.0
State Police Retirement System	51.2	55.0	11.5	15.0	10.9	10.0	11.0	10.0	11.4	10.0	3.4	0.0	0.6	0.0
Deputy Sheriffs' Retirement System	51.3	55.0	11.3	15.0	11.1	10.0	11.2	10.0	11.5	10.0	3.5	0.0	0.1	0.0
Municipal Police & Firefighter Retirement System	49.5	55.0	11.7	15.0	10.2	10.0	10.2	10.0	10.8	10.0	3.2	0.0	4.4	0.0
Municipal Model A	51.2	55.0	10.7	15.0	10.9	10.0	11.0	10.0	11.5	10.0	3.4	0.0	1.3	0.0
Municipal Model C	48.9	50.0	25.4	30.0	5.4	5.0	5.5	5.0	11.5	10.0	1.7	0.0	1.6	0.0
Municipal Model F	0.0	55.0	0.0	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0

Insurance Assets

Workers' Compensation Old Fund	30.9	30.0	47.5	50.0	0.0	0.0	0.0	0.0	17.7	15.0	0.0	0.0	3.9	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	30.7	30.0	41.5	45.0	0.0	0.0	0.0	0.0	23.2	20.0	0.0	0.0	4.6	5.0
Workers' Comp. Self-Insured Security Risk Pool	30.8	30.0	41.3	45.0	0.0	0.0	0.0	0.0	23.5	20.0	0.0	0.0	4.4	5.0
Workers' Comp. Uninsured Employers Fund	30.5	30.0	36.3	40.0	0.0	0.0	0.0	0.0	23.1	20.0	0.0	0.0	10.1	10.0
Pneumococcalosis	30.7	30.0	41.4	45.0	0.0	0.0	0.0	0.0	23.5	20.0	0.0	0.0	4.4	5.0
Board of Risk & Insurance Mgmt.	30.6	30.0	41.5	45.0	0.0	0.0	0.0	0.0	23.0	20.0	0.0	0.0	4.9	5.0
Public Employees' Insurance Agency	25.5	25.0	51.5	55.0	0.0	0.0	0.0	0.0	23.0	20.0	0.0	0.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	49.4	55.0	11.2	15.0	10.6	10.0	10.6	10.0	11.1	10.0	3.3	0.0	3.8	0.0

Endowment Assets

Berkeley County Development Authority	51.6	55.0	11.5	15.0	11.0	10.0	11.0	10.0	11.5	10.0	3.4	0.0	0.0	0.0
Wildlife Fund	51.1	55.0	11.1	15.0	11.3	10.0	11.4	10.0	11.6	10.0	3.5	0.0	0.0	0.0
Prepaid Tuition Trust	0.0	0.0	70.4	70.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.6	30.0
Revenue Shortfall Reserve Fund	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	22.9	22.5	77.1	77.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	65.9	65.0	10.8	15.0	0.0	0.0	0.0	0.0	23.3	20.0	0.0	0.0	0.0	0.0
WV DEP Agency	40.9	40.0	36.0	40.0	0.0	0.0	0.0	0.0	23.1	20.0	0.0	0.0	0.0	0.0

- (a) As of January 2019, the PERS Base is 60% MSCI ACWI Gross and 40% Bloomberg Barclays Capital Universal. From January 2014 to December 2018, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (IMI), and 40% Bloomberg Barclays Capital Universal. From April 2008 to December 2013, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (Standard), and 40% Bloomberg Barclays Capital Universal. Prior periods were 42% Russell 3000, 18% MSCI ACWI ex USA, and 40% Bloomberg Barclays Capital Aggregate.
- (b) As of January 2019, the Total Equity Base Index is 100% MSCI ACWI Gross. From January 2014 to December 2018, the Total Equity Base Index was 50% Russell 3000 and 50% MSCI ACWI ex USA (IMI). From April 2008 to December 2013, the Total Equity Base Index was 50% Russell 3000 and 50% MSCI ACWI ex USA (Standard). Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACWI ex USA.
- (c) Prior to January 2014, the index was the MSCI ACW ex USA (Standard).
- (d) Prior to April 2008, the index was Bloomberg 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) As of July 2019, the Franklin Benchmark is 50% JPM EMBI Global Diversified ex GCC and 50% JPM GBIEM Diversified. Prior periods were 50% JPM EMBI Global Diversified and 50% JPM GBIEM Diversified.
- (j) Prior to April 2008, the index was a custom index.
- (k) From October 2015 to March 2017, performance returns from the Opportunistic Income Pool were included in the Total Return Fixed Income Composite.
- (l) Prior to April 2017, the index was CS Leveraged Loan plus 250 basis points.

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

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WEST VIRGINIA OFFICES OF THE INSURANCE COMMISSIONER

James A. Dodrill
Insurance Commissioner

Status Report: **Workers' Compensation** *Joint Committee on Government & Finance*

November 2019

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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"¹, 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.

At January 2008, there were 47,961 active Old Fund workers' compensation insurance claims. At October 2019, there were 10,994 active 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.

¹ As a result of their merger, Motorists Insurance Group and BrickStreet Mutual Insurance Co. are now **Encova Mutual Insurance Group**.

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 (CWP): State managed fund into which FBL premiums previously 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.

FBL Awarded Claim: an FBL claim that has been awarded but has not yet been accepted by the responsible operator/insurer

FBL Claim Notice: an FBL claim for which not initial decision has yet been made, but evidence in the claims indicates the potential for an award

FBL Non-active 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. Denied FBL claims are closed administratively after 6 months, as the TPA's bill for claims management services monthly on an open claims basis.

FBL Paying Claim: an FBL claim for which an award has been made and the responsible operator/insurer has accepted liability. Payments are being made to the claimant or dependents.

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 was sought or awarded, i.e. no payment of wage replacement benefits (indemnity) is being made.

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.)

Old Fund: The residual assets and liabilities of the former Worker's Compensation Fund are now reported in a fund known as the Workers' Compensation Old Fund. Disbursements from the Old Fund are related to the liabilities and appropriate administrative expenses necessary for the administration of all claims, actual and incurred but not reported, for any claims with a date of injury on or before June 30, 2005.

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.

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 consisting of those funds transferred to it from the guaranty pool created pursuant to 85 CSR §19 (2004) and any future funds collected through continued administration of that exempt legislative rule as administered by the WVOIC 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.

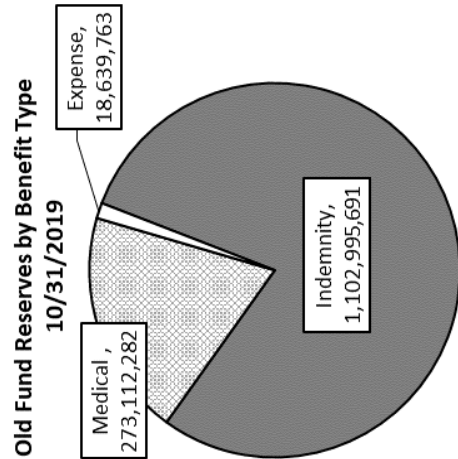
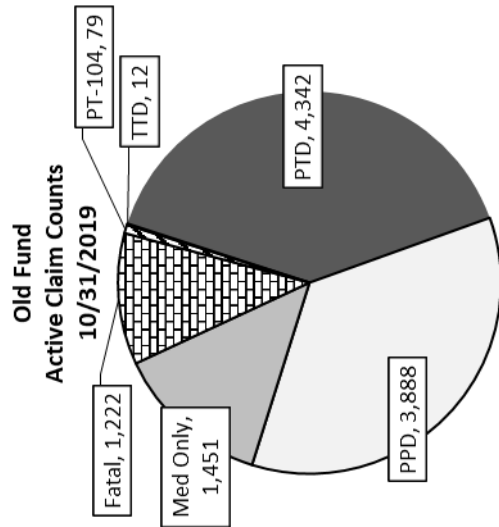
Self-Insured Security Fund: State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last 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.

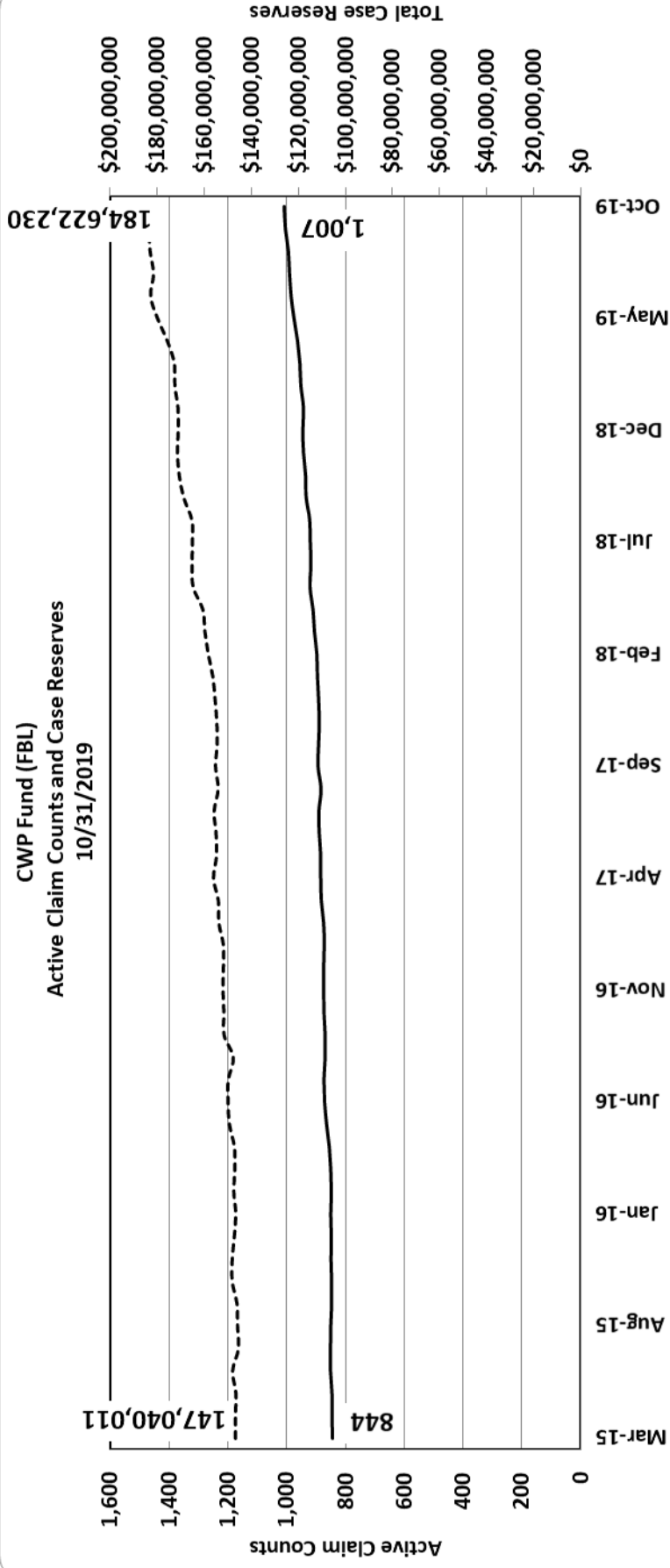
TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified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

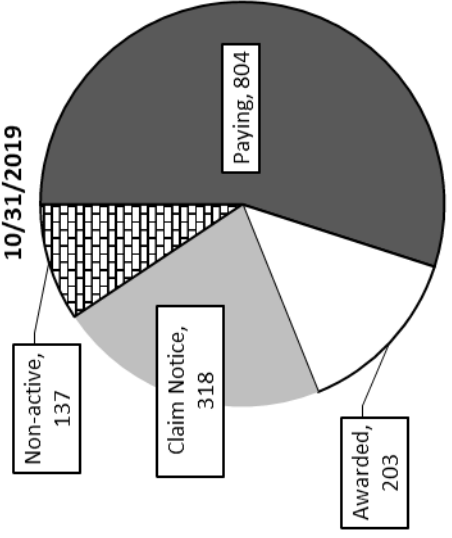
Old Fund Active Claim Counts and Case Reserves 10/31/2019



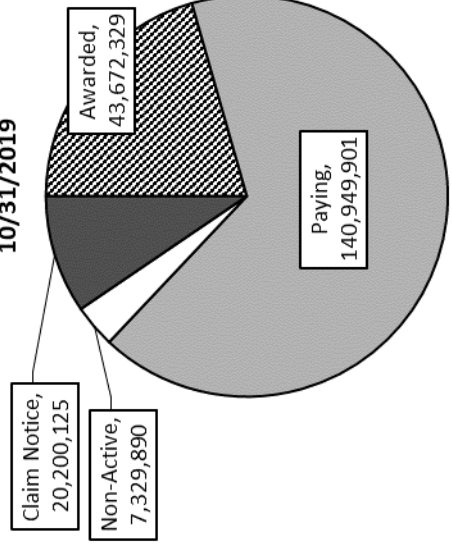
CWP Fund (FBL)
Active Claim Counts and Case Reserves
10/31/2019



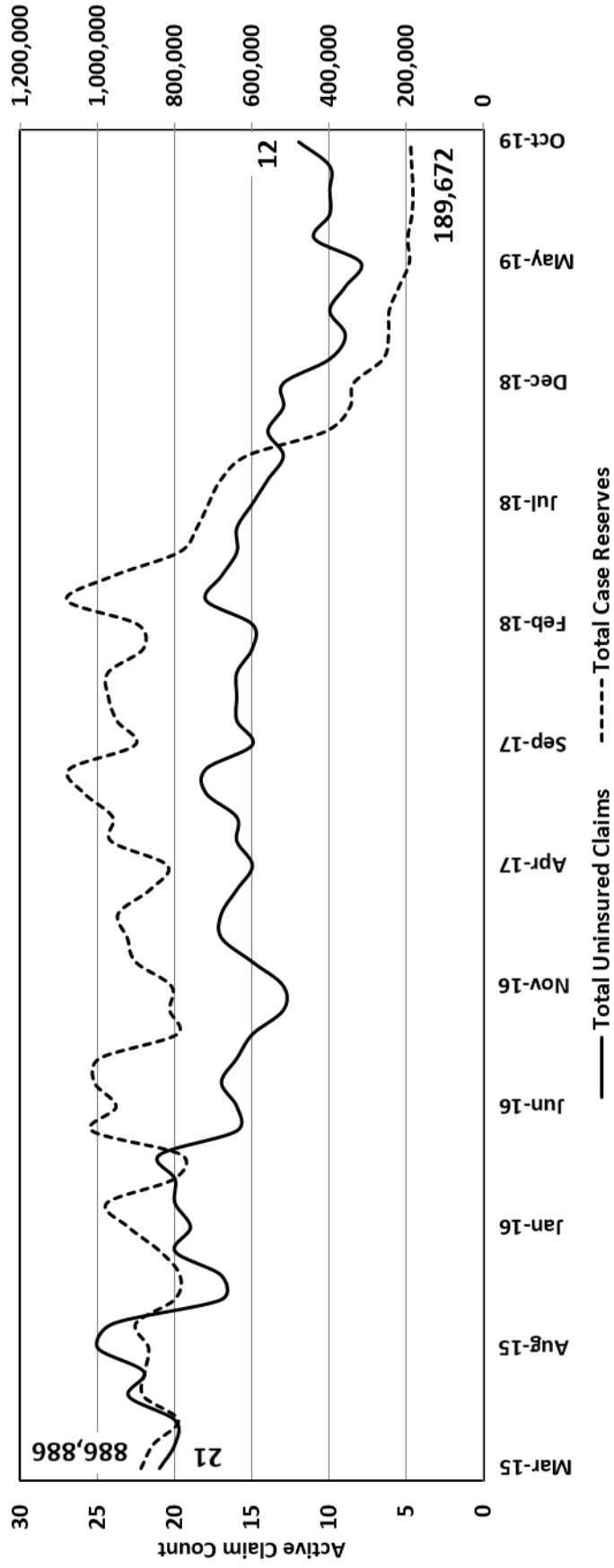
CWP Fund (FBL)
Active and Inactive Claims
10/31/2019



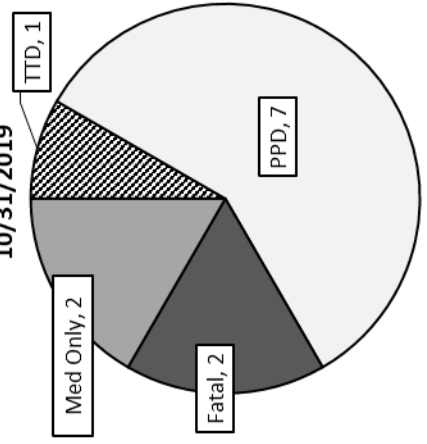
CWP Fund Reserves by Benefit Type
10/31/2019



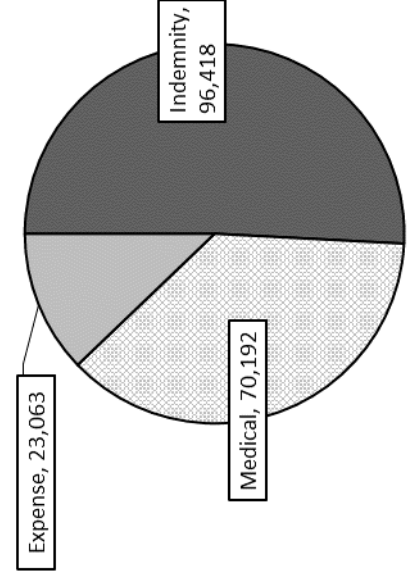
Uninsured Fund
Active Claim Counts and Case Reserves
10/31/2019



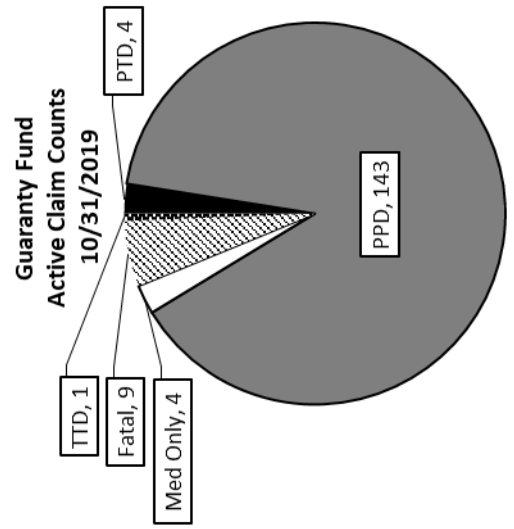
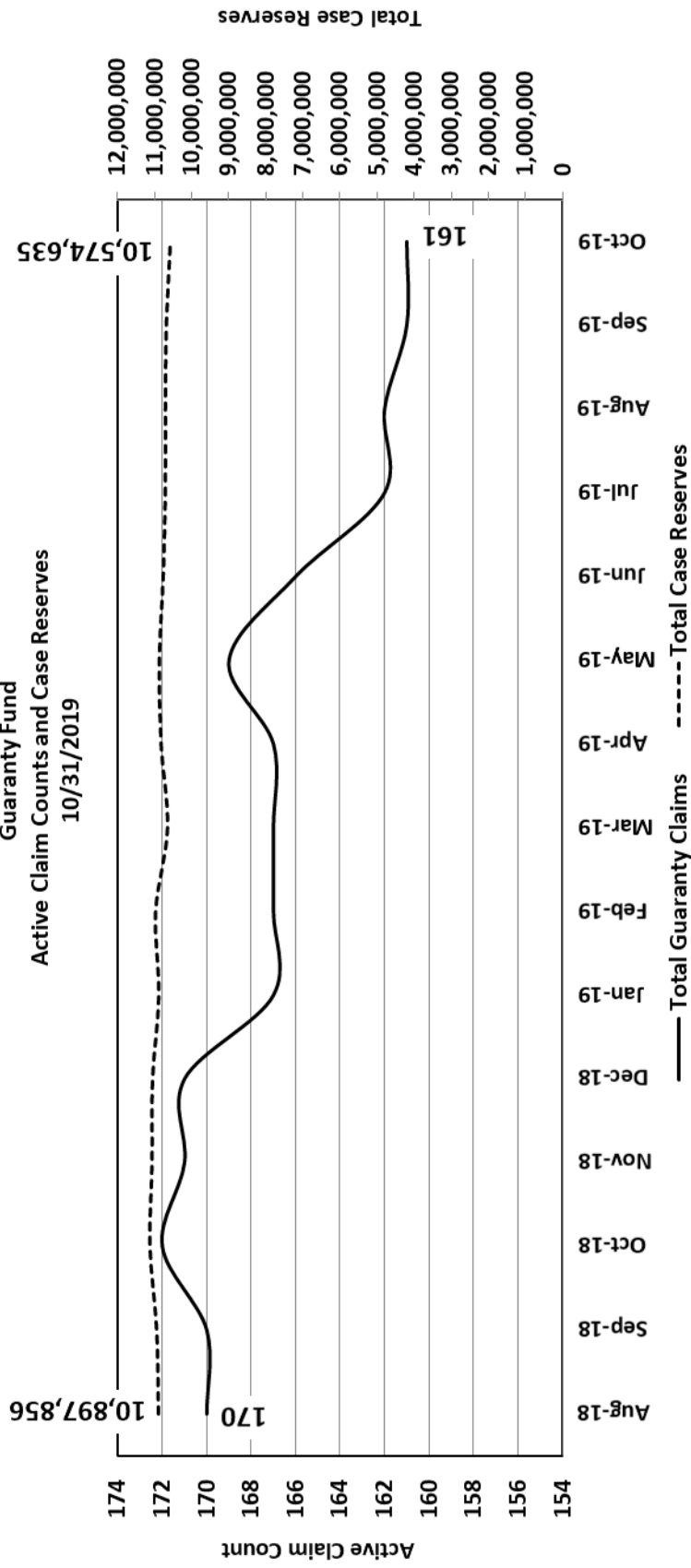
Uninsured Fund
Active Claim Counts
10/31/2019



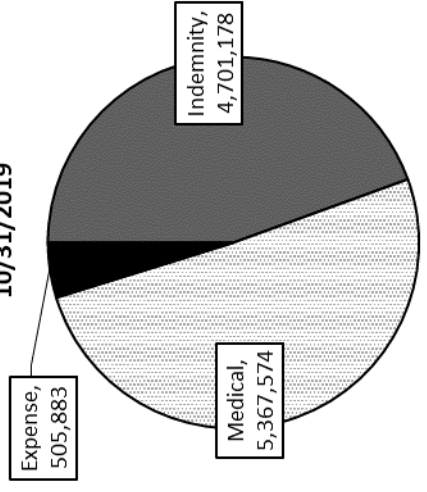
Uninsured Fund Reserves by Benefit Type
10/31/2019



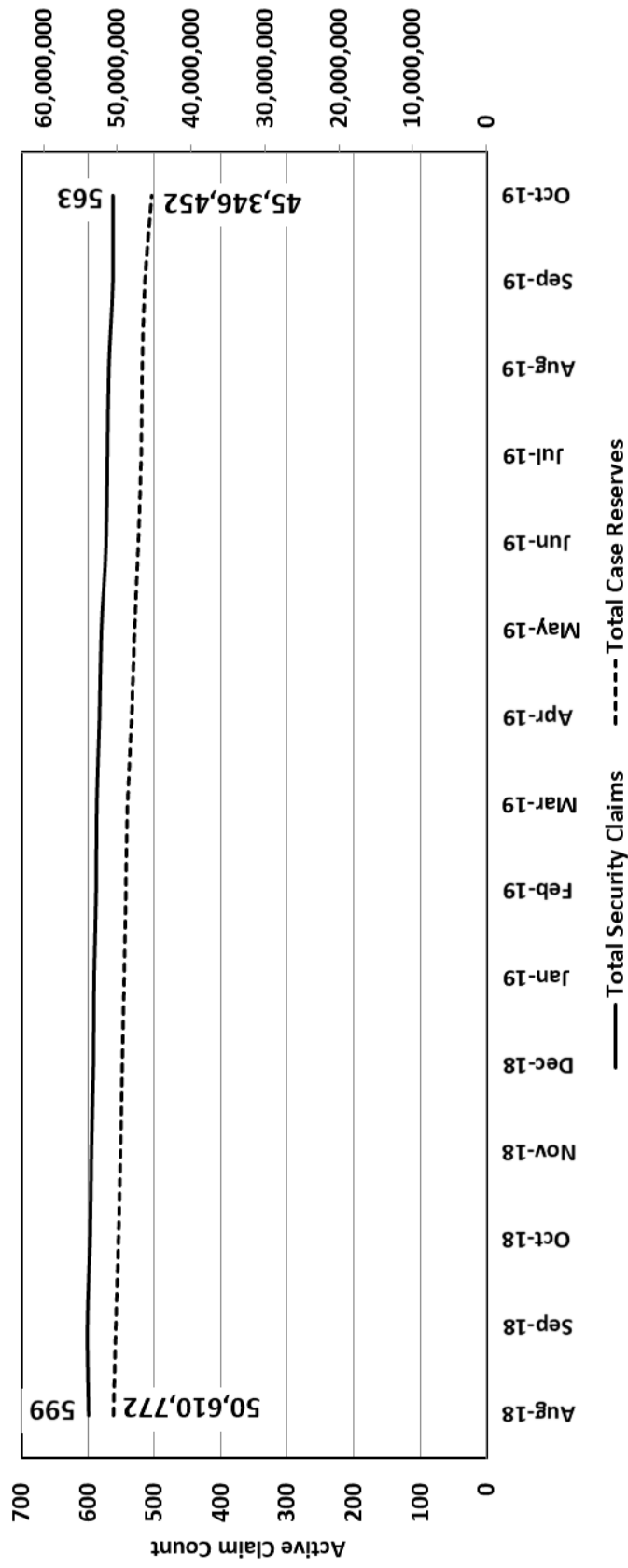
Guaranty Fund
Active Claim Counts and Case Reserves
10/31/2019



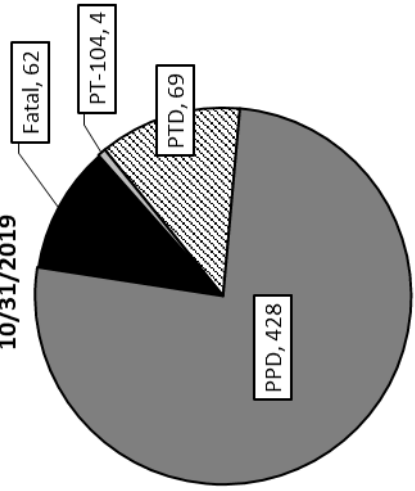
Guaranty Fund Reserves by Benefit Type
10/31/2019



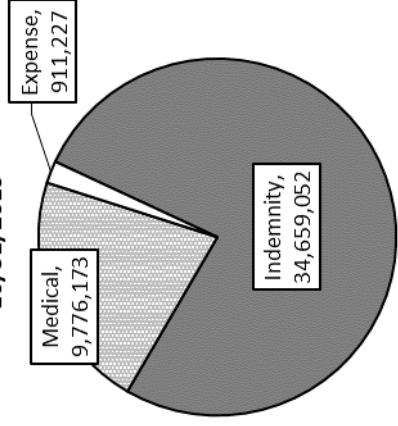
Security Fund Active Claim Counts and Case Reserves 10/31/2019



Security Fund Active Claim Counts 10/31/2019



Security Fund Reserves by Benefit Type 10/31/2019



OLD FUND CASH STATEMENT
OCTOBER 31, 2019

	Three Year History for years ended:			
	YTD FY2020	YTD FY2019	Change	
Cash Beginning Balances	1,077,104,966	1,190,163,510	(113,058,544)	
Revenues				
Personal Income Tax	-	-	-	-
Severance Tax	-	812,164	(812,164)	13,887,551
Debt Reduction Surcharge	-	2,863,300	(2,863,300)	12,336,645
Self-Insured Debt Reduction Surcharge	-	862,682	(862,682)	4,346,111
Video Lottery	-	-	-	5,500,000
Employer Premium	16,081	15,284	797	62,806
Other Income - Return of Unclaimed Property	-	-	-	354,423
Operating Revenues	16,081	4,553,429	(4,537,349)	36,487,535
Investment / Interest Earnings (Losses)	37,810,787	8,170,848	29,639,939	112,116,554
Total Revenues	37,826,868	12,724,278	25,102,591	148,604,089
Expenditures				
Claims Benefits Paid:				
Medical	7,916,657	8,016,556	(99,899)	27,437,375
Permanent Total Disability	25,700,171	27,842,374	(2,142,203)	92,140,733
Permanent Partial Disability	28,733	67,579	(38,846)	336,015
Temporary Disability	-	34,622	(34,622)	-
Fatals	6,540,870	6,851,700	(310,830)	22,990,499
104 weeks death benefit	1,980,579	1,575,288	405,291	5,825,439
Settlements	1,461,411	1,188,755	272,657	11,716,131
Loss Adjustment Expenses	560,336	489,079	71,257	1,446,808
Total	44,188,758	46,065,953	(1,877,195)	161,893,000
Less: Claims credits and overpayments	516,607	1,441,678	(925,070)	5,080,389
Total Benefits Paid	43,672,150	44,624,275	(952,125)	156,812,611
Administrative Expenses	1,610,249	1,767,369	(157,120)	9,066,663
Total Expenditures	45,282,399	46,391,644	(1,109,245)	165,879,274
Excess (Deficiency) of Revenues over Expenditures	(7,455,531)	(33,667,366)	26,211,835	(17,275,184)
Cash Ending Balances	1,069,649,435	1,156,496,143	(86,846,708)	1,263,372,448

Note: The purpose of this report is to enhance the user's ability to monitor the cash activities of the Old Fund. The Old Fund assets consist of cash and investments with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. 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
OCTOBER 31, 2019

Three Year History for years ended:

	YTD FY2020	YTD FY2019	Change	FY2019	FY2018	FY2017
Revenues						
Cash Beginning Balances	232,485,887	246,768,365	(14,282,479)	246,768,365	251,313,328	245,945,240
Investment Earnings (Losses)	7,861,008	1,880,241	5,980,768	3,546,660	13,912,317	22,100,417
Other Income - Return of Unclaimed Property	-	-	-	-	645	8,353
Total Revenues	7,861,008	1,880,241	5,980,768	3,546,660	13,912,961	22,108,770
Expenditures						
Claims Benefits Paid:						
Medical	1,232,097	1,422,164	(190,066)	4,623,840	6,709,112	4,032,649
PTD and Fatal Indemnity	2,836,457	2,853,209	(16,751)	8,683,360	7,945,389	8,174,289
Loss Adjustment Expenses	1,183,912	1,204,043	(20,131)	3,620,512	3,165,542	3,783,923
Total	5,252,466	5,479,415	(226,949)	16,927,711	17,820,043	15,990,861
Less: Claims Credits and Overpayments	33,405	33,377	28	85,884	268,646	125,895
Total Benefits Paid	5,219,062	5,446,038	(226,977)	16,841,827	17,551,397	15,864,966
Administrative Expenses	307,709	249,561	58,148	987,312	906,527	875,715
Total Expenditures	5,526,771	5,695,599	(168,829)	17,829,139	18,457,924	16,740,681
Excess (Deficiency) of Revenues over Expenditures	2,334,238	(3,815,359)	6,149,596	(14,282,479)	(4,544,963)	5,368,089
Cash Ending Balances	234,820,124	242,953,007	(8,132,881)	232,485,887	246,768,365	251,313,328

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. Assets of the CWP Fund are invested with the WV Investment Management Board. The investment earnings are presented in the month in which the State Treasurer records the earnings. 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
OCTOBER 31, 2019

Three Year History for years ended:

	YTD FY2020	YTD FY2019	Change	FY2019	FY2018	FY2017
Cash Beginning Balances	33,373,873	34,042,831	(668,958)	34,042,831	33,836,322	33,462,454
Revenues						
Guaranty Risk Pool Assessments	-	(354)	354	(354)	-	-
Collateral Proceeds	-	252,925	(252,925)	252,925	-	-
Investment Earnings (Losses)	1,127,860	253,656	874,204	523,349	1,873,190	3,012,508
Total Revenues	1,127,860	506,228	621,632	775,921	1,873,190	3,012,508
Expenditures						
Claims Benefits Paid:						
Medical	96,677	125,422	(28,745)	496,368	239,490	503,912
Permanent Total Disability	34,130	34,130	-	102,389	181,821	63,717
Permanent Partial Disability	74,204	113,203	(38,999)	260,557	522,798	972,712
Temporary Disability	-	-	-	13,148	56,649	375,328
Fatals	75,603	75,603	-	226,808	253,055	277,011
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	-	-	-	125,000	170,000	3,800
Non Awarded Partial Disability	-	-	-	-	10,904	4,407
Loss Adjustment Expenses	30,237	44,713	(14,476)	112,306	123,706	255,219
Total	310,850	393,071	(82,221)	1,336,576	1,558,423	2,456,105
Less: Claims Credits and Overpayments	-	205	(205)	205	12,868	2,723
Total Benefits Paid	310,850	392,866	(82,016)	1,336,371	1,545,555	2,453,382
Administrative Expenses	22,799	20,090	2,709	108,508	121,127	185,258
Total Expenditures	333,649	412,956	(79,307)	1,444,879	1,666,682	2,638,640
Excess (Deficiency) of Revenues over Expenditures	794,211	93,272	700,939	(668,958)	206,509	373,868
Cash Ending Balances	34,168,084	34,136,103	31,981	33,373,873	34,042,831	33,836,322

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 assets of the Self-Insured Guaranty Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self-Insured Guaranty Cash Statement is unaudited information.

SELF-INSURED SECURITY RISK POOL
OCTOBER 31, 2019

	YTD FY2020	YTD FY2019	Change	Three Year History for years ended:		
				FY2019	FY2018	FY2017
Cash Beginning Balances						
Revenues						
Security Risk Pool Assessments	-	-	-	-	-	-
Collateral Proceeds	-	243,007	(243,007)	243,007	-	-
Investment Earnings (Losses)	1,721,919	409,566	1,312,354	770,092	3,015,368	4,914,238
Total Revenues	1,721,919	652,572	1,069,347	1,013,099	3,015,368	4,914,238
Expenditures						
Claims Benefits Paid:						
Medical	177,659	176,541	1,118	527,648	802,935	778,632
Permanent Total Disability	478,078	507,853	(29,775)	1,519,062	1,603,037	1,576,942
Permanent Partial Disability	-	5,229	(5,229)	5,702	-	-
Temporary Disability	-	-	-	-	-	-
Fatals	340,819	378,801	(37,982)	1,090,855	1,230,799	1,333,911
104 Weeks Death Benefit	14,132	-	14,132	8,932	37,804	134,935
Settlement Agreements	14,188	4,188	10,000	19,065	207,565	14,165
Loss Adjustment Expenses	24,272	38,616	(14,344)	96,587	88,371	151,558
Total	1,049,148	1,111,229	(62,081)	3,267,851	3,970,511	3,990,143
Less: Claims Credits and Overpayments	76,570	33,394	43,176	54,962	223,585	38,143
Total Benefits Paid	972,579	1,077,835	(105,256)	3,212,889	3,746,926	3,952,000
Administrative Expenses	72,920	50,254	22,666	298,987	312,386	373,374
Total Expenditures	1,045,499	1,128,089	(82,590)	3,511,876	4,059,312	4,325,374
Excess (Deficiency) of Revenues over Expenditures	676,420	(475,517)	1,151,937	(2,498,778)	(1,043,944)	588,865
Cash Ending Balances	51,581,902	52,928,742	(1,346,840)	50,905,481	53,404,259	54,448,203

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 assets of the Self-Insured Security Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self Insured Security Cash Statement is unaudited information.

Three Year History for years ended:

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 assets of the UEF are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. 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.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
October 24 2019

OPERATING REPORT SEPTEMBER 2019

Board of Treasury Investments

315 70th Street, SE
Charleston WV
25304
(304) 340-1564
www.wvbt.com

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

James C. Justice II,
Governor

John B. McCuskey,
State Auditor

Glenda Probst,
Appointed by the
Governor

Michael L. Glasser,
Esq. Attorney
Appointed by the
Governor

Executive Staff

Executive
Director

Kara K. Hughes,
CPA, MBA, CFE,
CGIP

Chief Financial
Officer

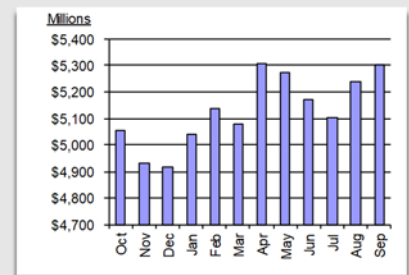
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$5,302,860,000

Last Month
\$5,237,580,000

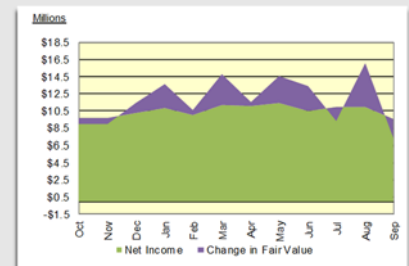
Beginning of Fiscal Year
\$5,169,224,000



**Net Assets for the Past
12 Months**

Total Net Income & Changes in Fair Value

Fiscal Year
\$32,798,000



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

Money Market Pools As of September 30, 2019

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	2.2253%	35 Days	\$4.0 Billion
WV Gov't Money Market	2.0437%	36 Days	\$262.1 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

SEPTEMBER 2019

Seeking Safe-Haven in Fixed Income

Market Results

Risk assets were in the black in September following a challenging summer marked by an escalating trade war between the United States and China, and sluggish economic growth. Global equities rallied as central banks in the US and Europe eased monetary policy to offset concerns around an economic slowdown. The MSCI EAFE Index led the way, increasing 2.9% last month, on the back of a massive, open-ended stimulus plan from the European Central Bank. The S&P 500 Index and the MSCI EM Index gained 1.9% each in September.

Following a rate cut last month by the Federal Reserve, the short-end of the Treasury yield curve moved modestly lower. However, the curve steepened at the 10- and 30-year points by 18 and 16 basis points, respectively. As a result, the Barclays US Treasury Index and Long Treasury Index declined 0.8% and 2.5%, respectively, in September. Global rates also moved higher with the German bund increasing 13 basis points and the 10-year Japanese bond yield moving six basis points higher – reflecting investors' increased appetite for risk following the ECB's stimulus package. In credit, spreads posted a moderate decline across domestic investment-grade indexes. The Barclays US High Yield Index eked out a 0.4% monthly return as spreads on lower-quality indexes fell.

Within real assets, spot WTI crude oil declined 1.7% during the month, with losses of 7.0% for the quarter; that said, year-to-date gains total 19.9% so far this year.

Market Outlook

As we move into the fourth quarter, we remain cautious about risk assets in the face of slowing global growth and the US economy in the late stage of the market cycle. To this end, we encourage reducing return-seeking credit and recommend shorter-duration safe-haven fixed income.

West Virginia Board of Treasury Investments Financial Highlights as of September 30, 2019

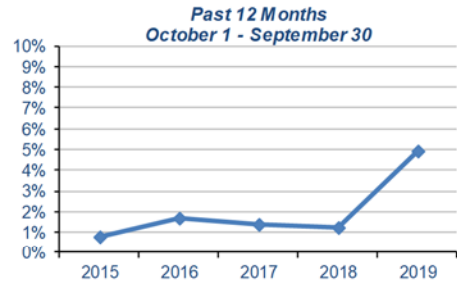
WV Short Term Bond Pool

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

<u>October 1 - September 30</u>	<u>Return</u>	<u>Net Assets At Sept 30 (In Millions)</u>
2019	4.9%	\$ 818.5
2018	1.3%	\$ 712.5
2017	1.4%	\$ 760.0
2016	1.6%	\$ 781.4
2015	0.7%	\$ 804.3

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

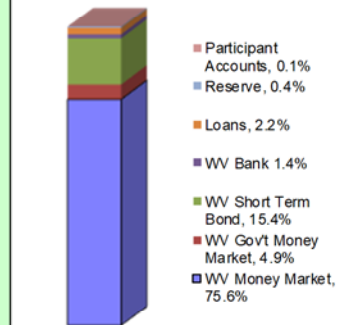
WV Short Term Bond Pool Rates of Return



Summary of Value and Earnings *(In Thousands)*

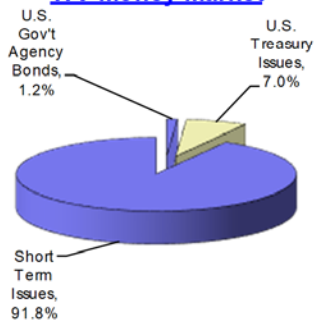
<u>Pool</u>	<u>Net Asset Value</u>	<u>Sep Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 4,011,073	\$ 6,834	\$ 22,838
WV Gov't Money Market	262,067	423	1,421
WV Short Term Bond	818,503	(285)	7,207
WV Bank	71,544	131	470
Loans	117,142	234	723
Reserve	19,701	33	113
Participant Accounts	2,830	(5)	26
	<u>\$ 5,302,860</u>	<u>\$ 7,365</u>	<u>\$ 32,798</u>

Percent of Total Net Asset Value

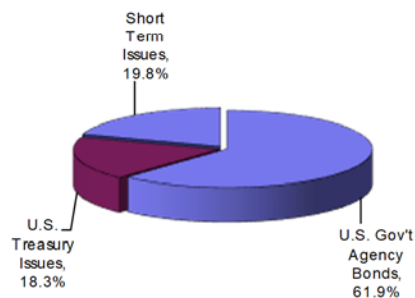


Securities by Type for Operating Pools *(Percentage of Asset Value)*

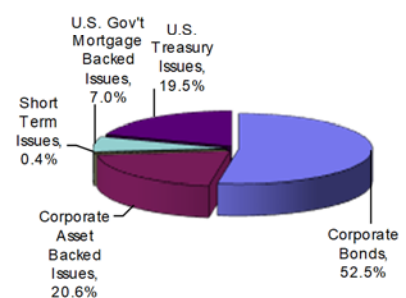
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
SEPTEMBER 30, 2019
(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts	Total
Assets							
Investments:							
At amortized cost	\$ 4,008,974	\$ 262,049	\$ -	\$ 71,080	\$ 136,577	\$ -	\$ 4,478,680
At fair value	-	-	820,133	-	-	2,817	822,950
Other assets	3,067	100	9,196	471	277	14	13,125
Total assets	<u>4,012,041</u>	<u>262,149</u>	<u>829,329</u>	<u>71,551</u>	<u>136,854</u>	<u>2,831</u>	<u>5,314,755</u>
Liabilities							
Accrued expenses, dividends payable & payables for investments purchased	968	82	10,826	7	11	1	11,895
Total liabilities	<u>968</u>	<u>82</u>	<u>10,826</u>	<u>7</u>	<u>11</u>	<u>1</u>	<u>11,895</u>
Net Position							
Held in trust for investment pool participants	4,011,073	262,067	818,503	71,544	136,843	-	5,300,030
Held in trust for individual investment account holders	-	-	-	-	-	2,830	2,830
Total net position	<u>\$ 4,011,073</u>	<u>\$ 262,067</u>	<u>\$ 818,503</u>	<u>\$ 71,544</u>	<u>\$ 136,843</u>	<u>\$ 2,830</u>	<u>\$ 5,302,860</u>
Additions							
Investment income:							
Interest and dividends	\$ 3,464	\$ 163	\$ 1,789	\$ 132	\$ 269	\$ 9	\$ 5,826
Net (amortization) accretion	3,532	272	186	-	-	(1)	3,989
Provision for uncollectible loans	-	-	-	-	-	-	-
Total investment income	<u>6,996</u>	<u>435</u>	<u>1,975</u>	<u>132</u>	<u>269</u>	<u>8</u>	<u>9,815</u>
Investment expenses:							
Investment advisor, custodian bank & administrative fees	163	12	55	1	2	-	233
Total investment expenses	<u>163</u>	<u>12</u>	<u>55</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>233</u>
Net investment income	6,833	423	1,920	131	267	8	9,582
Net realized gain (loss) from investments	1	-	257	-	-	-	258
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>	<u>(2,462)</u>	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>(2,475)</u>
Net increase (decrease) in net position from operations	6,834	423	(285)	131	267	(5)	7,365
Participant transaction additions:							
Purchase of pool units by participants	1,149,932	38,469	-	170	40	-	1,188,611
Reinvestment of pool distributions	6,834	423	2,742	131	267	-	10,397
Contributions to individual investment accounts	-	-	-	-	-	23	23
Total participant transaction additions	<u>1,156,766</u>	<u>38,892</u>	<u>2,742</u>	<u>301</u>	<u>307</u>	<u>23</u>	<u>1,199,031</u>
Total additions	1,163,600	39,315	2,457	432	574	18	1,206,396
Deductions							
Distributions to pool participants:							
Net investment income	6,833	423	1,920	131	267	-	9,574
Net realized gain (loss) from investments	1	-	257	-	-	-	258
Total distributions to pool participants	<u>6,834</u>	<u>423</u>	<u>2,177</u>	<u>131</u>	<u>267</u>	<u>-</u>	<u>9,832</u>
Participant transaction deductions:							
Redemption of pool units by participants	1,081,556	26,021	22,081	170	1,033	-	1,130,861
Withdrawals from individual investment accounts	-	-	-	-	-	423	423
Total participant transaction deductions	<u>1,081,556</u>	<u>26,021</u>	<u>22,081</u>	<u>170</u>	<u>1,033</u>	<u>423</u>	<u>1,131,284</u>
Total deductions	<u>1,088,390</u>	<u>26,444</u>	<u>24,258</u>	<u>301</u>	<u>1,300</u>	<u>423</u>	<u>1,141,116</u>
Net increase (decrease) in net position from operations	75,210	12,871	(21,801)	131	(726)	(405)	65,280
Inter-pool transfers in	1,200	-	-	-	-	-	1,200
Inter-pool transfers out	-	-	-	(1,200)	-	-	(1,200)
Net inter-pool transfers in (out)	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>(1,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	76,410	12,871	(21,801)	(1,069)	(726)	(405)	65,280
Net position at beginning of period	3,934,663	249,196	840,304	72,613	137,569	3,235	5,237,580
Net position at end of period	<u>\$ 4,011,073</u>	<u>\$ 262,067</u>	<u>\$ 818,503</u>	<u>\$ 71,544</u>	<u>\$ 136,843</u>	<u>\$ 2,830</u>	<u>\$ 5,302,860</u>



**WEST VIRGINIA
DEPARTMENT OF TRANSPORTATION**

1900 Kanawha Boulevard East • Building Five • Room 109
Charleston, West Virginia 25305-0440 • (304) 558-0444

Byrd E. White, III
Cabinet Secretary

October 15, 2019

Electronically submitted

West Virginia Legislature
Joint Committee on Government and Finance
Legislative Manager Aaron Allred
1900 Kanawha Blvd., East
Building 1, Room E132
Charleston, West Virginia 25305

Dear Mr. Allred

Thank you for your letter dated October 7, 2019 to Julian Woods, WV Department of Transportation Executive Human Resource Director, requesting the state salary schedule plan that was enacted in 2017.

Attached is the West Virginia Division of Personnel "Pay Plan Policy" that applied to the Division of Highways prior to the passage of SB2003 in 2017. Please be advised, Division of Highways has submitted to Majority Leader Amy Summers, by email, all activities with the State Personnel board since the passage of SB2003. That email correspondences and attachments are attached for your convenience. Should you have any questions or need additional information, please contact my office.

Sincerely

A handwritten signature in blue ink, appearing to read "Byrd E. White, III".

Byrd E. White, III
Secretary of Transportation

Attachments

BEW/h



PAY PLAN POLICY

I. PURPOSE: To establish a uniform policy for the use and application of the salary schedule for the classified service consistent with merit principles. When increases are discretionary, appointing authorities have no obligation to pursue and employees have no entitlement to receive them. Such increases are subject to authorization or limitation by the Governor's Office, appointing authority and/or the State Personnel Board.

II. DEFINITIONS

- A. Allocation. – The assignment of a position to a class by the Director of Personnel based on the duties performed and responsibilities assigned.
- B. Appeal. – A request made to the Director or Board to reconsider a decision.
- C. Appointing Authority. – The executive or head of a department or agency who is authorized by statute to appoint employees in the classified or classified-exempt service. By written notification to the Director of Personnel, the appointing authority may delegate specific powers authorized by this rule to persons who satisfy the definition of employee.
- D. Appointment. – The act of hiring an applicant for employment.
- E. Board. – The State Personnel Board as provided for in W. VA. Code § 29-6-6.
- F. Business Necessity. – The reason or cause for any of a variety of personnel actions based upon the condition of the agency, in whole or in part, or specific program component(s) which may include, but is not limited to, lack of funds or work; abolishment of positions; material changes in mission, duties or organization; loss of budgeted, allocated or available positions; reinstatement of eligible employees returning from military duty or temporary total disability; reinstatement of an employee in compliance with a legal order; and for recall of employees previously laid off.
- G. Class. – One or more positions sufficiently similar in duties, training, experience, and responsibilities, as determined by specifications, that the same title, the same qualifications, and the same schedule of compensation and benefits may be equitably applied to each position in the class.
- H. Class Specification. – The official description of a class of positions for the purpose of describing the nature of work, providing examples of work performed, and identifying the knowledge, skills, and abilities, required while stating the generally accepted minimum qualifications required for employment.



PAY PLAN POLICY

- I. **Classified Employee.** – An employee who occupies a position allocated to a class in the classified service.
- J. **Classified-Exempt Service.** – As established by statute, those positions which satisfy the definitions of “class” and “classify” but which are not covered under the Division of Personnel merit system standards or employment standards of the higher education systems.
- K. **Classified Service.** – Those positions which satisfy the definitions for “class” and “classify” and which are covered under the Division of Personnel merit system standards.
- L. **Compensation Plan.** – The official schedule of pay rates, the compensation range assigned to each class of positions and the salary regulations used in pay administration in the classified service.
- M. **Compensation Range.** – The approved minimum and maximum salary established for a class.
- N. **Demotion.** – A change in the status of an employee from a position in one class to a position in a lower job class as measured by compensation range, minimum qualifications, or duties, or a reduction in an employee’s pay to a lower rate in the compensation range assigned to the class. There are two (2) types of demotion:
 - 1. **Demotion with Prejudice.** – A disciplinary action resulting in the reduction in pay and a change in job class to a lower job class.
 - 2. **Demotion without Prejudice.** – A reduction in pay and/or a change in job class to a lower job class due to business necessity or as a result of an employee being selected for a vacant, posted position for which he or she applied.
- O. **Director.** – The Director of the Division of Personnel, as provided in West Virginia Code § 29-6-7 and § 29-6-9, who serves as the executive head of the Division of Personnel, or his or her designee.
- P. **Division.** – The Division of Personnel within the Department of Administration responsible for the system of personnel administration for the classified and classified-exempt service.



PAY PLAN POLICY

- Q. Exempt Employees. – Those employees exempt from all but the record keeping provisions of the federal Fair Labor Standards Act (FLSA).
- R. Incumbent. – An employee occupying a position.
- S. Market Rate. – A rate established by the Director to approximate the market midpoint compensation level as compared to compensation trends in other public and private organizations.
- T. Nonexempt Employees. – Those employees whose work is regulated by the FLSA minimum wage, overtime, and record keeping provisions.
1. These employees are entitled to overtime compensation for all hours worked in excess of forty (40) hours in the workweek.
 2. The FLSA requires employers to pay nonexempt employees at a rate at least equal to the federal minimum wage and an overtime rate of one and one-half times the employees' regular rate for time worked in excess of forty (40) hours in a workweek. However, a public agency which is a state, a political subdivision of a state, or an interstate governmental agency, may provide compensatory time off in lieu of monetary overtime compensation.
- U. Pay Increment. – The percentage increase amounts established by the Board to implement pay practices including hiring rates, salary advancements, and pay on promotion, reallocation and demotion.
- V. Permanent Employee. – Any classified employee who was hired from a register and who has completed the probationary period prescribed by the Board for the job class, or any classified-exempt employee who was hired to fill a position for an unlimited period of time, notwithstanding the appointing authority's right to terminate the employee for cause or at his or her will.
- W. Personnel Terms. – Additional terminology not defined in this section that shall be used in making determinations pertaining to the provisions of this policy (see Appendix A for additional defined terms).
- X. Promotion. – A change in the status of an employee from a position in one class to a vacant position in another class of higher rank as measured by compensation range and increased level of duties and/or responsibilities.



PAY PLAN POLICY

- Y. Reallocation. – Reassignment by the Director of a position from one class to a different class on the basis of a significant change in the kind and/or level of duties and responsibilities assigned to the position or to address a misalignment of title and duties.
- Z. Resignation. – Voluntary separation from employment, including job abandonment, by an employee.
- AA. Salary Adjustment. – A salary change resulting from a revision of the pay plan, the reassignment of a class to a different compensation range, a Board approved pay differential, a temporary classification upgrade, a general wage increase mandated by the Legislature or the Governor, or the correction of payroll errors.
- BB. Salary Advancement. – A discretionary increase in compensation granted in recognition of the quality of job performance.

III. POLICY

- A. APPOINTMENTS. Appointments above the minimum salary established for a classification may be made at the discretion of the appointing authority and in accordance with the following standards.
 - 1. When making appointments above the minimum salary, the appointing authority may pay an increment of up to 5% above the minimum salary, or special hiring rate if applicable, up to the market rate, for each six (6) months of pertinent experience or equivalent pertinent training above the minimum qualifications in the class specification. This applies to all class specifications except those specifically excluded by official action of the Board. For job classes that have a range for the experience qualifications, the lower year shall be considered as the minimum qualification in determining the rate of pay.
 - 2. When the appointing authority can substantiate severe or unusual recruitment difficulties for the job classification, the Director may authorize an appointment above the market rate of the classification, not to exceed the maximum rate for the compensation range. The rate shall be determined according to the formula of up to 5% above the minimum salary, up to the maximum salary, for each six (6) months of pertinent experience or equivalent pertinent training above the minimum qualifications for the classification.
 - a. Appointing authorities must document the severe or unusual recruitment difficulties. Requests for appointment above the market rate shall be submitted



PAY PLAN POLICY

in writing to the Director. The request shall include the salary rate requested, the recruitment efforts undertaken by the appointing authority, along with any additional documentation that demonstrates the severe or unusual recruiting difficulties. Such documentation shall contain at a minimum the length of time positions in the job class have been vacant; the number of times the positions in the job class were announced, advertised, and/or posted; and the number of internal applicants and eligibles on the register(s) and contact results.

- b. Pertinent experience or equivalent pertinent training above the minimum qualifications means, but is not limited to: extensive experience outside of state government which is relevant to the position to which the applicant is being appointed, education above the minimum which is relevant to the position to which the applicant is being appointed, or specialized skills, education and/or experience that would be of specific value to the agency.
 - c. The Director shall evaluate the request and related documentation as a basis for approval or disapproval of the request.
 - d. The appointing authority shall be responsible for assuring that appointments above the minimum rate for the compensation range are given in a consistent manner with due consideration to the salaries and relative qualifications of incumbent employees in the same classification to ensure internal equity. An appointing authority that creates an internal pay inequity is prohibited from using the employee(s) who benefited as a comparator for purposes of discretionary salary adjustments under this policy for a period of twelve (12) months.
3. Reemployment at a higher salary will only be approved if the employee had a break in state service consisting of a minimum of 120 days. In the case of reemployment within 120 days, compensation will be determined as if the separation had not occurred as follows:
- a. Pay on promotion or demotion based on the provisions of subsection III.B of this policy; or,
 - b. The employee's former salary upon separation for appointment to a classification in the same compensation range.
- B. PROMOTION/REALLOCATION/DEMOTION. When an employee is promoted, reallocated, or demoted his or her pay shall be adjusted as follows:



PAY PLAN POLICY

1. Upon promotion or reallocation, salaries shall be increased 7% the first pay increment, 5% the second pay increment, 4% the third pay increment and 3% for each subsequent pay increment to a maximum of 25%, or to the minimum rate of the compensation range for the class, whichever is greater, except where an employee accepts a lesser increase within the compensation range to obtain the position. If a position is reallocated and an appeal results in an additional reallocation of the position, the employee's salary shall only be increased by the appropriate amount for the additional pay increment(s). For example, if a position is initially reallocated to a classification one pay increment higher and the employee's salary was increased 7%, if on appeal, the position is determined to be another pay increment higher, the employee's salary shall only be increased by an additional 5% for the second pay increment.
2. Additional increments may be granted, at the discretion of the appointing authority, if the employee being promoted or reallocated has qualifications exceeding the minimum required for the new classification. The appointing authority may grant an additional increase of up to 5% for each six (6) months of pertinent training or experience beyond that required for the new classification, not to exceed the maximum rate of the new compensation range.
3. An employee who has been demoted without prejudice or reallocated downward may retain his or her current salary or have his or her salary reduced at the appointing authority's discretion so long as the employee's pay rate is within the compensation range of the job class to which the employee was demoted or reallocated.
4. An employee who is subsequently promoted or reallocated within the next 24 months within the same agency, shall receive a salary increase under this section only to the extent that they would have received a salary increase had they not been demoted or reallocated to a lower compensation range. For example, an employee in Agency A is demoted from compensation range 7 to compensation range 5 with no loss in pay and who is subsequently promoted to compensation range 8 within Agency A 12 months later, would receive a 7% increase (the one pay increment they would have received as a result of being promoted from the original compensation range 7 position).
5. An employee who is demoted with prejudice shall receive a reduction in pay by at least one (1) increment as established by the Board (currently 7% for the first increment) and the employee's pay rate shall not exceed the maximum or be below the minimum of the new compensation range. The reduction may be to any pay rate within the compensation range of the job class to which the employee is demoted.



PAY PLAN POLICY

- C. **SALARY ADVANCEMENTS.** Salary advancements are discretionary and limited to permanent employees. Salary advancement(s) shall be limited to a maximum total of 10% in any 12-month period and shall not cause the new salary to exceed the maximum of the compensation range to which the employee's class is allocated. For the purpose of determining eligibility, the 12-month period shall be the 12-month period immediately preceding the effective date of the salary increase.
1. A salary advancement is limited to a maximum established by the Board and is subject to change, and shall not cause the new salary to exceed the maximum of the compensation range.
 2. A salary advancement shall be based on quality performance as evidenced by the Employee Performance Appraisal 3 (EPA-3) annual employee performance appraisal form for the agency's most current established performance review cycle and shall not be given to any employee whose documented performance appraisal rating is below Meets Expectations.
 3. Salary increases based on reallocation, general wage increases mandated by the Legislature, recruitment or retention incentives approved by the Board, and discretionary in-range salary adjustments provided in subsection III.E of this policy do not count toward the 10% maximum.
- D. **RECRUITMENT AND RETENTION INCENTIVE.** An appointing authority may recommend an in-range salary adjustment to all employees in a job classification, within the agency-defined organizational work unit, for which documented salary non-competitiveness has been established. The appointing authority shall provide documentation to include, but not be limited to, turnover rates for the last twelve (12) months, reasons for separation from employment, the number of filled and vacant positions in the job classification, any recruitment initiatives, the number of internal applicants and eligibles on the register(s) and contact results for the most recent vacancy, and tenure in class for the employees in the job classification. This request must be presented to and approved by the Board.
- E. **DISCRETIONARY PAY DIFFERENTIALS.** The following discretionary pay differentials are established to address circumstances which apply or can be applied to reasonably defined groups of employees. Each discretionary pay differential requires prior approval of the Director before the appointing authority implements salary adjustments under this section of the policy, is limited to a total maximum of 10% in any 12-month period, and shall not cause the new salary to exceed the maximum of the compensation range to which the position occupied by the employee is allocated. Discretionary pay differentials shall be based on the most recent EPA-3 annual employee performance appraisal form



PAY PLAN POLICY

for the agency's most current established performance review cycle which shall accompany any request submitted on the Request for Approval form (see Appendix B) under this section of the policy and a discretionary pay differential shall not be given to any employee whose documented performance appraisal rating is below Meets Expectations.

1. Additional duties/responsibilities. An appointing authority may submit the Request for Approval form recommending an in-range salary adjustment for an employee who has been assigned additional duties on a temporary or permanent basis beyond those expected of the position, where the employee has been in the classification for at least 12 months, where a completed Position Description Form has been reviewed by the Division prior to the request for a discretionary pay differential and where a change in classification is not warranted. The appointing authority shall document the nature and extent of the new duties and/or responsibilities in the request.
 - a. The percent adjustment recommended from the implementation date of the latest revision and going forward shall not be more than 5% of the employee's salary.
 - b. The additional duties must meet one or more of the following criteria:
 - 1) Assignment of responsibility for a distinct new or additional program(s);
 - 2) Assignment of new responsibility due to agency reorganization/realignment;
 - 3) Assignment of substantial additional supervisory responsibility; or,
 - 4) Assignment of a substantial amount of additional duties and/or responsibility.
 - c. The Director shall evaluate the extent of the additional duties relative to the current duties assigned to the position.
 - d. The new duties, when evaluated separately, must be considered a substantial addition to the position, equivalent to or higher than the current classification level of the position, and must add to the variety and scope of the position.
 - e. If an employee receives an in-range salary adjustment for assuming additional duties and is subsequently reallocated within the next twelve (12) months based in part on assuming these additional duties, the appointing authority shall reduce



PAY PLAN POLICY

the salary increase due for the reallocation by the percent amount of the in-range salary adjustment the employee received for assuming additional duties.

- f. Appointing authorities recommending a temporary in-range salary adjustment for a permanent employee assigned additional duties that are temporary in nature shall:

- 1) Include a letter of understanding signed by the employee which details the terms and conditions of the assignment, including at a minimum, the reason, the date the duties commenced, duration, and temporary nature of the upgraded salary. The letter shall be included in the documentation required to process the request and the Personnel Transaction making the salary adjustment effective. A Personnel Transaction is required to discontinue the in-range salary adjustment and return the employee to the previous salary upon conclusion of the assignment. The previous salary shall include any salary increases the employee would have received irrespective of the temporary in-range adjustment.
- 2) Process the Personnel Transaction to return an employee to the appropriate salary after the duties are no longer being performed. Failure to do so will result in exclusion of that agency from participation in discretionary increases under this policy until such time as the agency comes into compliance.
- 3) Inform the Division of any alteration or change in the assigned additional duties, and may be required to submit additional documentation as required by the Director for justification of continued salary adjustment.

2. Internal Equity. In situations in which one or more permanent, current employees are paid no less than 20% less than other permanent, current employees in the same job classification and within the same agency-defined organizational work unit, the appointing authority may submit the Request for Approval form recommending an in-range salary adjustment of up to 10% of current salary to all eligible employees in the organizational unit whose salary is at least 20% less than other employees in the agency-defined work unit.

- a. The following conditions must be met for an employee to qualify for an internal equity in-range salary adjustment:

- 1) The employee must be paid at least 20% less than the employee to whom he or she is being compared (no rounding);



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- 2) The employees must be in the same agency-defined organizational unit;
 - 3) The employees must be in the same classification for at least twelve (12) consecutive months at the time of the request;
 - 4) The employees must have comparable education, unless the employee being paid 20% less has more education;
 - 5) The employees must have comparable training, unless the employee being paid 20% less has more training;
 - 6) The employees must have comparable public and/or private sector experience, unless the employee being paid 20% less has more public and/or private sector experience;
 - 7) The employees must have comparable duties and responsibilities;
 - 8) The employees must have comparable performance levels based upon the EPA-3 for the agency's most current established performance review cycle for each employee, meaning both employees must be rated as Meets Expectations, or both employees must be rated as Exceeds Expectations, except where the employee being paid 20% less has a higher EPA-3 score; and,
 - 9) The employees must have comparable years of classified service.
- b. The purpose of internal equity adjustments is to facilitate more equitable pay among similarly situated employees and not to recognize superior performance. An internal equity in-range salary adjustment is not intended to ensure employees in the same job classification receive the same salary.
 - c. For purposes of this policy, comparable years of classified service shall be defined as within five (5) years with the following exceptions:
 - 1) Employees who have attained ten (10) or more years of classified service experience may be compared to other employees with up to 20 years of classified service.



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- 2) Employees with greater tenure in the classified service may be compared to less tenured employees in the classified service who are paid at a minimum 20% more than the greater tenured employee.
 - d. The employee(s) used for comparison cannot have received a discretionary increase in the last 12 months that caused the inequity, cannot be in a temporary classification upgrade status, cannot be receiving a salary adjustment for additional temporary duties, cannot be receiving a project based incentive salary adjustment, and must have been in the classification a minimum of twelve (12) months.
 - e. When the appointing authority requests an internal equity in-range salary adjustment for all eligible employees, it shall provide a request for and documentation to the Division for all employees in the same job classification within the agency-defined work unit, including their tenure and salary, who may also be eligible for an internal equity in-range salary adjustment.
 - f. The appointing authority shall provide any additional supporting documentation as required by the Division.
3. Professional Skills/Competency Development. Under the following conditions, an appointing authority may submit the Request for Approval form recommending an in-range salary adjustment of up to 10% of current salary for all eligible permanent employees who acquire certain formal training, education, certification, or licensure, not required to meet the minimum qualifications of the job classification to which the position the employee occupies is assigned.
 - a. The appointing authority must file with the Director a request for prior approval of professional skills/competencies, formal training/education, certification, or licensure and related competencies of the job duties for which this type of adjustment is being requested. Failure to obtain prior approval shall result in denial.
 - b. Upon approval of the professional skills/competencies, formal training/education, certification, or licensure, the appointing authority may request a discretionary pay differential under this section. The discretionary pay differential shall not exceed the maximum percentage approved by the Director based upon the Professional Skills/Competency Development Decision Tree (see Appendix C). The appointing authority shall provide a request for and documentation to the Division for all employees who have acquired the same formal training, education,



PAY PLAN POLICY

certification, or licensure within the one (1) year time period set forth in this section. The request shall state the recommended percentage and shall be consistent among all eligible employees. Future pay differential requests for employees who subsequently obtain the same training, education, certification, or licensure are discretionary.

- c. The formal training, education, certification or licensure, must be received subsequent to appointment to the classification.
 - d. The formal training, education, certification or licensure must demonstrate the acquisition of competencies which are used in the essential duties of the job class and/or position and are critical to the ongoing operations of the agency.
 - e. An employee may receive an in-range salary adjustment under this section for which they applied and received reimbursement for employment-related educational expenses under the West Virginia Division of Personnel Education Expense Reimbursement/Leave Program Policy (DOP-P16).
 - f. The request for an in-range salary adjustment shall be submitted within one (1) year of the employee obtaining the formal training, education, certification or licensure.
 - g. No in-range salary adjustment shall be permitted under this policy for any recertification, regardless of whether the employee received an in-range salary adjustment for the original certification.
4. Competitive Salary Offer. Under the following conditions, an appointing authority may submit the Request for Approval form recommending a one-time salary adjustment to retain an employee who has submitted a formal written resignation accepted by the agency to obtain a position outside of the classified service with the same duties for greater compensation.
- a. The appointing authority must verify that the employee is resigning to accept a bona fide written offer of employment for greater salary from a State agency exempt from the pay plan and salary regulations of the Division, or an organization outside of state government.
 - b. The amount of the salary adjustment shall be based on the amount of the offer of employment not to exceed the salary for which the employee would qualify if



PAY PLAN POLICY

being newly hired to his or her current job classification or 10% of the employee's current salary whichever is less.

- c. The appointing authority must provide a copy of the written bona fide offer of employment on the prospective employer's letterhead, the resignation letter from the employee, and the resignation acceptance letter, along with any other documents required by the Director.
 - d. The appointing authority must verify that the one-time salary adjustment would not create an inequity that would place the employee 20% or more above others in the same classification and organizational unit considered comparable as provided in subsection III.E.2 of this policy.
5. **Appointment Incentive.** An appointing authority may submit the Request for Approval form recommending a lump sum payment not to exceed the equivalent of one month's salary to an applicant who accepts employment in a job classification for which there is documented recruitment difficulty. The following conditions must be met prior to the authorization of the payment.
- a. The appointing authority must identify and submit to the Director the job classification(s) and geographic area(s), if applicable, eligible for an appointment incentive.
 - b. The Director shall certify that the job classification(s) and geographic area(s), if applicable, requested are those for which there is documented recruitment difficulty.
 - c. The appointing authority and the Director will assure that the availability of an appointment incentive is made part of all job postings for those positions approved for incentive pay.
 - d. By formal written agreement the new employee must agree to work for the agency for a period of twelve (12) months or repay the entire amount of the appointment incentive if the agreement is not fulfilled.
6. **Project-Based Incentive.** Under the following conditions, an appointing authority may submit the Request for Approval form recommending a temporary in-range salary adjustment of up to 10% of current salary for a permanent employee assigned to a long-term project outside the scope of the essential functions of employee's current position.



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- a. Projects eligible for a project-based incentive must be approved in advance by the Director. Failure to provide documentation in advance shall result in denial. The appointing authority shall provide any additional supporting documentation as required by the Division.
- b. Projects submitted for approval for a project-based incentive must include the following:
 - 1) A project plan submitted to the Division which identifies the project as a collaborative effort to accomplish new work assigned or to develop a more efficient, cost-saving process for performance of ongoing work of the agency;
 - 2) A beginning date and estimated completion date for the project which will encompass a minimum of twelve (12) months;
 - 3) A staffing plan which identifies each employee on the project team by position number, classification, salary;
 - 4) Specific deliverables identified for each employee;
 - 5) For interdepartmental projects, a memorandum of understanding wherein the participating agencies agree on the project scope, timeline, deliverables and conditions of incentive payments to eligible employees; and,
 - 6) A letter of understanding signed by the employee which details the terms and conditions of the assignment, including, at a minimum, the reason, duration and temporarily upgraded salary. The letter shall be included in the documentation required to process the Personnel Transaction making the salary adjustment effective. A Personnel Transaction is required to discontinue the in-range salary adjustment and return an employee to the previous salary upon conclusion of the assignment. The previous salary shall include any salary increases the employee would have received irrespective of the temporary in-range adjustment.
- c. Failure of an agency to process the Personnel Transaction to return an employee who has received a temporary in-range salary adjustment under this section to the appropriate salary after the completion of the project will result in the exclusion of that agency from participation in discretionary increases under this policy until the agency comes into compliance with this policy.



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- F. **OVERTIME ADJUSTMENT.** The appointing authority may seek a discretionary salary adjustment for a permanent employee who meets all requirements to be overtime exempt but who does not meet the salary threshold as prescribed under the FLSA. The salary adjustment can only be utilized if the increase would cause the employee to reach the salary threshold established by the FLSA, and still remain within the compensation range established for the classification. Overtime adjustments are limited to the requisite percentage needed to meet the FLSA threshold and may not exceed 10% in any 12-month period. Any increase under this subsection will be applied toward the maximum total listed in subsections III.C and E of this policy. It is not required that the employee occupy the position for 12 months prior to the request for an overtime adjustment. Employees in a temporary upgrade are not eligible for this salary adjustment. The appointing authority's request must include:
1. The current base salary;
 2. The percentage increase requested;
 3. The FLSA duties test analysis; and
 4. The amount of overtime the employee has worked during the previous 12-month period.
- G. **FORMS.** The Director shall prescribe what documentation is required under each section of this policy and shall prescribe forms upon which each type of recommendation is to be submitted.
- H. **MAXIMUM INCREASE.** An employee may receive no more than a total of 10% in-range salary adjustment(s) as provided in subsections III.E and F, in a 12-month period.
- I. **EXCEPTIONS.** The following provisions apply only to Division of Highways employees in the Transportation Worker classification series:
1. Employees in the Transportation Worker class series are assigned to a specific pay schedule and are therefore ineligible for any salary advancements and/or discretionary pay differentials provided in subsections III.C and E of this policy.
 2. Employees in the Transportation Worker class series who are promoted or demoted into classifications specific to the Division of Highways shall not be used as a comparison employee under subsection III.E.2 of this policy, Internal Equity.



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3. Employees in the Transportation Worker class series who are promoted or demoted shall have their compensation determined based upon the provisions of subsection III.B of this policy, Promotion/Reallocation/Demotion, and pay grade equivalents established by the Director.
- J. RECONSIDERATION. The appointing authority may seek a reconsideration of a decision made by the Division by submitting a written request to the Director within fifteen (15) working days of the disapproval date. Should the request result in the discretionary in-range salary adjustment being granted, there will be no retroactive payments.
- K. PERSONNEL TRANSACTIONS.
 1. Sequence of Multiple Pay Actions. When two (2) or more pay actions have the same effective date, the transactions shall be processed in the sequence that is most beneficial to the employee.
 2. Effective Date. Personnel Transactions under this Policy shall not be effective until all necessary approvals have been obtained. Retroactive wages pertaining to discretionary increases will not be granted under this policy.
- L. AUTHORITY.
 1. Classified Service. Upon approval of this policy, the Board assigns and authorizes the Director to interpret and apply the policy in conjunction with the *Administrative Rule* of the Division or any other applicable Division law, rule or policy in a manner consistent with fair and equitable pay administration.
 2. Classified-Exempt Service. This policy may also apply to classified-exempt positions at the discretion of the Governor's Office, a Cabinet Secretary or an agency head. When adopting this policy for classified-exempt positions, the Cabinet Secretary or agency head shall notify the Director of Personnel of such intent in writing.

IV. REFERENCES

- A. W.Va. Code 29-6-10 *et seq.*
- B. Division of Personnel *Administrative Rule* (143CSR1).
- C. *Largent v. W. Va. Div. of Health and Div. of Pers.*, 192 W.Va. 239, 452 S.E.2d 42 (1994).

**PAY PLAN POLICY**

D. Fair Labor Standards Act of 1938.

V. **EFFECTIVE DATE:** May 1, 1994.

VI. **REVISIONS**

A. Previous Revisions: December 1, 1994 (to include pilot program provisions only); August 1, 1996; January 1, 2002; July 1, 2002; August 1, 2004; July 1, 2005; July 16, 2014; and July 1, 2016.

B. Latest Revision: July 1, 2017.

VII. **POLICY NUMBER:** DOP-P12.

Approved and issued by:


Joe Thomas, Acting Director of Personnel

Date Signed: 
June 15, 2017



PAY PLAN POLICY

APPENDIX A

DIVISION OF PERSONNEL TERMS

1. **Administrative.** - Work activities relating to planning, organizing, directing, controlling, supervising, and budgeting of agency or unit operations, programs, and missions.
2. **Administrative Support.** - Support services such as personnel, budget, purchasing, data processing which support or facilitate the service programs of the agency, also means work assisting an administrator through office management, clerical supervision, data collection and reporting, workflow/project tracking, etc.
3. **Class Series.** - A grouping of two or more classes having the same kind of work, with ascending levels of difficulty and complexity.
4. **Clerical.** - Typically involves established procedures, forms, and deadlines. Involves processing of routine and non-routine information, operation of office machines, greeting customers/visitors or others to exchange information. May involve handling money and/or negotiables. May involve confidential contacts/information.
5. **Examples of Work.** - A part of the class specification describing duties and responsibilities typically assigned to positions in the class; generally listed in order of importance on the class specification with the most important duties listed first or those most representative of positions in the class. It is not necessary that any one position in the class include all the examples of work listed and positions may include examples of work not listed on the class specification.
6. **Expert.** - Recognized expert by peer group or professional society certification.
7. **Job Audit.** - A detailed examination/review of the duties and responsibilities assigned to a position to include reviewing current and previous position description forms, organizational charts, reporting relationships and organizational setting. Audits may include a field audit where the personnel analyst interviews the employee and the supervisor at the work site where the position is located.
8. **Lead Work/Lead Worker.** - This is a level of work at which an incumbent is assigned the ongoing responsibility of scheduling and/or reviewing the work of other co-workers and guiding and training them while performing identical or similar kinds of work.



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9. **Manager/Managerial.** - Oversees a formally designated organization unit or program that requires extensive planning, organizing, and monitoring of work activities of subordinate staff, controlling resources including staff, budget, equipment, and all the means used to accomplish work within the assigned area of responsibility. Employee is held accountable for establishing and meeting the objectives and goals of the unit or program.
10. **Paraprofessional.** - Typically performs some of the duties of a professional or a technician in a support role, which usually requires less formal training and/or experience normally required for a professional or technical status. Usually requires an Associate degree, or business/vocational training.
11. **Performance Levels.** -
 - a. **Entry-Level.** - This level can be both in a training capacity or work of limited complexity, relative to the work in the class series, with little or no latitude to vary methods or procedures. Work is usually performed under close supervision. Work is frequently of a basic and recurring nature.
 - b. **Full-Performance Level.** - This level can be characterized by the performance of a full range of duties relative to the work in the class series. Incumbent has some latitude for independent judgment and may vary work methods and procedures, but usually within prescribed parameters. Work is usually performed under general supervision. Work is frequently of some variety and incumbent may set priorities.
 - c. **Advanced Level.** - This level is assigned to duties and responsibilities which are complex, difficult and varied, relative to the work in the class series. Work requires the development and adoption of non-standard procedures and has more impact and consequence of error than the full-performance level. Work may be performed under limited supervision or under limited direction. Incumbent possesses considerable latitude to accomplish tasks; may include lead worker duties.
 - d. **Expert Level.** - This level is typically reserved for recognized professional classes (i.e. accountant, engineer, etc.) serving as final technical resource on complex technical and professional issues, may require national certification.
12. **Position.** - An authorized and identified group of duties and responsibilities assigned by the proper authority requiring the full-time or part-time employment of at least one person.
13. **Position Description Form.** - The document prepared by the incumbent, if applicable, the position supervisor or the employing agency and approved by the appointing authority, which



PAY PLAN POLICY

describes the officially assigned duties, responsibilities, supervisory relationships and other pertinent information relative to a position. This document is the basic source of official information in position allocation. Position description forms shall be prescribed by the Director.

14. Professional. - Work which requires the application of theories, principles and methods typically acquired through completion of a baccalaureate degree or higher or comparable experience; requires the consistent exercise of discretion and judgment in the research, analysis, interpretation and application of acquired theories, principles and methods to work product.
15. Program. - A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the agency is responsible. A unit can be a division, a section, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service.
16. Project Coordinator. - Continually and on a recurring basis, participating in and leading any and all daily tasks required for the completion of a planned undertaking. Coordination is accomplished by organizing, planning and directing the resources and efforts of the group assigned to the project until its completion.
17. Seasonal Employment. - Employment exempt from the classified service in state forests, parks, and recreational areas for less than 1,733 hours per calendar year.
18. Span of Control. - The number of subordinate employees supervised. Span of control is established at three or more full-time employees or four or more .83 full-time equivalent Seasonal employees.
19. Supervisor. - Formally delegated responsibility for planning, assigning, reviewing, and approving the work of three or more full-time employees or four or more .83 full-time equivalent Seasonal employees which includes initiating disciplinary actions, approving leave requests, conducting performance evaluations, and recommending salary increases.
20. Supervisory Control (Levels of). -
 - a. Immediate or Close Supervision. - Work is well-structured and is performed using well-established guidelines and procedures. Clear, specific, and detailed instructions guide the work activity; employee has limited opportunity or authority to exercise discretion in work determinations; review occurs at the beginning, during and at the conclusion of work assignments.



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- b. General Supervision. - General guidelines/instructions are provided but employee exercises some discretion in selecting method of work and sources of information; only unusual or unfamiliar situations are referred to supervisor; review typically occurs at the conclusion of assignments.
 - c. Limited Supervision. - Control of work is more by advisory guidance rather than established guidelines and procedures; employee works from general goals where precedent are absent; review occurs periodically during project cycle.
21. Technical. - Work requiring the practical application of scientific engineering, mathematical, or design principles.
22. Trainee. - An entry-level position having a defined training period and a formal training program with established competencies to be acquired.
23. Unit. - A division, a section, or a workgroup that contains staff.

WEST VIRGINIA DIVISION OF PERSONNEL
SCHEDULE OF SALARY GRADES 2 – 26
Effective February 1, 2009

Grade	Minimum Rate		Market Rate		Maximum Rate	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
2	\$1,334	\$16,008	\$2,175	\$26,100	\$2,468	\$29,616
3	\$1,401	\$16,812	\$2,284	\$27,408	\$2,592	\$31,104
4	\$1,472	\$17,664	\$2,400	\$28,800	\$2,724	\$32,688
5	\$1,546	\$18,552	\$2,520	\$30,240	\$2,861	\$34,332
6	\$1,624	\$19,488	\$2,648	\$31,776	\$3,005	\$36,060
7	\$1,706	\$20,472	\$2,781	\$33,372	\$3,157	\$37,884
8	\$1,792	\$21,504	\$2,921	\$35,052	\$3,316	\$39,792
9	\$1,882	\$22,584	\$3,068	\$36,816	\$3,482	\$41,784
10	\$1,977	\$23,724	\$3,223	\$38,676	\$3,658	\$43,896
11	\$2,076	\$24,912	\$3,384	\$40,608	\$3,841	\$46,092
12	\$2,180	\$26,160	\$3,554	\$42,648	\$4,033	\$48,396
13	\$2,311	\$27,732	\$3,767	\$45,204	\$4,276	\$51,312
14	\$2,450	\$29,400	\$3,994	\$47,928	\$4,533	\$54,396
15	\$2,597	\$31,164	\$4,234	\$50,808	\$4,805	\$57,660
16	\$2,753	\$33,036	\$4,488	\$53,856	\$5,094	\$61,128
17	\$2,919	\$35,028	\$4,758	\$57,096	\$5,401	\$64,812
18	\$3,095	\$37,140	\$5,045	\$60,540	\$5,726	\$68,712
19	\$3,281	\$39,372	\$5,349	\$64,188	\$6,070	\$72,840
20	\$3,478	\$41,736	\$5,670	\$68,040	\$6,435	\$77,220
21	\$3,687	\$44,244	\$6,010	\$72,120	\$6,821	\$81,852
22	\$3,946	\$47,352	\$6,432	\$77,184	\$7,301	\$87,612
23	\$4,223	\$50,676	\$6,884	\$82,608	\$7,813	\$93,756
24	\$4,519	\$54,228	\$7,366	\$88,392	\$8,361	\$100,332
25	\$4,836	\$58,032	\$7,883	\$94,596	\$8,947	\$107,364
26	\$5,175	\$62,100	\$8,436	\$101,232	\$9,574	\$114,888

NEW TRANSPORTATION WORKER PAY SCALE

UPDATED PAY TIERS SEP. 25, 2015

TW1-H10	HOURLY	ANNUAL	MONTHLY
TIER 1	9.73	20,238.40	1,686.53
TIER 2	10.37	21,569.60	1,797.47
TIER 3	11.00	22,880.00	1,906.67

TW2-H11	HOURLY	ANNUAL	MONTHLY
TIER 1	11.77	24,481.60	2,040.13
TIER 2	12.98	26,998.40	2,249.87
TIER 3	14.41	29,972.80	2,497.73
TIER 4	15.84	32,947.20	2,745.60

TW3-H12	HOURLY	ANNUAL	MONTHLY
TIER 1	16.95	35,256.00	2,938.00
TIER 2	17.84	37,107.20	3,092.27
TIER 3	18.84	39,187.20	3,265.60
CRCH (CREW CHIEF)	20.11	41,828.80	3,485.73

TW4-H15	HOURLY	ANNUAL	MONTHLY
TIER 1	21.11	43,908.80	3,659.07
TIER 2	22.20	46,176.00	3,848.00
TIER 3	23.50	48,880.00	4,073.33



WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

Division of Highways

1900 Kanawha Boulevard East • Building Five • Room 110
Charleston, West Virginia 25305-0430 • (304) 558-3505

Thomas J. Smith, P. E.
Secretary of Transportation/
Commissioner of Highways

June 7, 2018

MEMORANDUM

**TO: C&H Level
Division Directors
District Engineers/Managers**

**FROM: Drema Smith, Acting Director
Human Resources Division**

A handwritten signature in cursive script that reads "Drema Smith".

SUBJECT: Pay Plan Policy

Transmitted herewith is the Division of Highways Pay Plan Policy. This policy went into effect May 1, 2018.

Should you have any questions, please contact the Human Resources Division at 304-558-3111.

DS:r

Enclosure



West Virginia Division of Personnel

An agency under the Department of Administration

Sheryl R. Webb, Director

John A. Myers, Cabinet Secretary

April 20, 2018

Thomas J. Smith, P.E.
Secretary Department of Transportation/
Commissioner of Highways
State Capitol Complex
Building 5, Room 110
Charleston, WV 25305

Dear Secretary Smith:

The State Personnel Board (SPB) at its meeting held on April 19, 2018, approved the Department of Transportation – Division of Highways' (DOH) proposal (SPB #2792) to establish its own Salary Pay Plan, Hourly Pay Plan, Pay Plan Policy and Salary Pay Plan Implementation, effective August 1, 2018.

This proposal was submitted as a result of Senate Bill 2003, which passed during the 2017 Second Extraordinary Session of the West Virginia Legislature and provides "§ 17-2A-24. Special employment procedures for Division of Highways personnel". The bill was effective upon passage with an internal effective date of December 1, 2017. This proposal was presented to the SPB by Jonathan Storage, General Counsel, Division of Highways.

If you should have any questions regarding the SPB's action, please do not hesitate to contact me.

Sincerely,

Sheryl R. Webb
Director

SRW/dg

c: Jill Newman, Deputy Director
Drema Smith, Acting HR Director

Building 3, Suite 500, 1900 Kanawha Boulevard, East, Charleston, West Virginia 25305-0139
TEL: 304.558.3950 VISIT OUR WEBPAGE AT: www.personnel.wv.gov FAX: 304.957-0141

THE DIVISION OF PERSONNEL IS AN EQUAL OPPORTUNITY EMPLOYER

Proposal to the West Virginia State Personnel Board

West Virginia Department of Transportation

Division of Highways

INTRODUCTION

Senate Bill 2003 was passed by the legislature to address problems in the Division of Highways (DOH) with the hiring, classification, and pay of its employees. While not removing the agency's employees from the state civil service system, the bill transferred authority from the Division of Personnel to the Commissioner of Highways to make determinations regarding pay, classification, and qualifications of DOH employees. To facilitate that authority, the bill authorized the commissioner to seek approval of a DOH pay and classification plan by the State Personnel Board. It is for this purpose, as well as to apply necessary changes to the agency's Hourly Pay Plan, that the DOH presents the following proposal.

SALARY PAY PLAN

The DOH proposes to establish its own version of the existing DOP 26 grade schedule. Our plan updates the pay ranges of the existing schedule by increasing the starting pay of each grade. The market rate and maximum rates are increased accordingly.

Our recommended increase is based on a review of West Virginia wage data collected by the Bureau of Labor Statistics (BLS) for 2016 (the most recently published), and, on a more limited basis, the 2016 salary survey of the American Association of State Highway and Transportation Officials (AASHTO). In addition, it sets the bottom hiring rate (pay grade 2) slightly above the state minimum wage of \$8.75 per hour, unlike the existing DOP pay schedule, which does not exceed the minimum wage until reaching pay grade five.

HOURLY PAY PLAN

As a result of the across the board increase granted by the legislature and governor to be effective July 1, 2018, the agency proposes to adjust the hourly pay schedule that applies to the Transportation Worker Apprenticeship Program. Under this program, employees at various levels of apprenticeship must be paid the same hourly rate. Consequently, adjustment of employee pay without adjustment of the schedule would result in new employees being paid at a lesser rate than existing employees. This would violate the requirements of the program as it was approved by the U. S. Department of Labor.

PAY PLAN POLICY

In conjunction with our pay schedule, we propose to adopt the attached Pay Plan Policy, which will prescribe how employees move along and through the salary schedule. This submission is in keeping with SB 2003's authorization for the DOH to have "full authority to exercise its discretion regarding the application of the Division of Personnel's system of compensation"

SALARY PAY PLAN IMPLEMENTATION

On implementation, employees whose pay rate falls below the new minimum rate for their classification will have their rate increased to the new minimum. Any employees whose pay is at or above the new minimum rate will not experience a change in pay. We propose this new schedule be effective August 1, 2018 so that the across the board pay increase granted by the legislature and governor will have already taken effect.



WEST VIRGINIA DIVISION OF HIGHWAYS

PAY PLAN POLICY

PURPOSE: To establish uniform mechanisms for setting the pay of division employees at the time of appointment, promotion, reallocation, demotion, reinstatement, or other points at which it is appropriate to adjust pay. To also establish the hours of pay when employees are called to duty after regular working hours. Such actions will be within the framework of the division's salary and Apprenticeship Program hourly pay schedules as approved by the Commissioner of Highways and the State Personnel Board.

DEFINITIONS

- A. **Allocation:** The assignment of a position to a classification by the Commissioner of Highways based on the duties and responsibilities duly assigned.
- B. **Appeal:** A request made to the commissioner to reconsider a decision made under the authority of this policy.
- C. **Appointment:** The act of hiring an applicant for employment.
- D. **Apprenticeship Program:** The Division of Highways' program for the training and advancement of employees in the Transportation Worker classification series and who are paid pursuant to the division's hourly pay schedule.
- E. **Board:** The state Personnel Board as provided for in W. Va. Code§29-6-6.
- F. **Business Necessity:** The reason or cause for any of a variety of personnel actions based upon the condition of the Division of Highways, in whole or in part, or specific program component(s) which may include, but is not limited to, lack of funds or work; changes or additions to the mission or goals of the organization; reinstatement of eligible employees returning from military duty or temporary total disability; reinstatement of an employee in compliance with a legal order; and for recall of employees previously laid off.
- G. **Class:** One or more positions sufficiently similar in duties, training, experience, and responsibilities, as determined by specifications, that the same title, the same qualifications, and the same schedule of compensation and benefits may be equitably applied to each position in the class.
- H. **Classification Specification:** The official description of a class of positions that describes the nature of work, examples of work performed, the knowledge, skills and abilities required, and the generally accepted minimum qualifications required for employment.



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- I. **Classified Employee:** An employee who occupies a position allocated to a class in the classified service.
- J. **Classified Service:** Those positions which satisfy the definitions for "class" and "classify" and which are covered under the Division of Personnel merit system standards.
- K. **Commissioner:** The Commissioner of Highways or his or her designee.
- L. **Compensation Plan:** The official schedule of pay rates for each class of positions and the salary regulations used in pay administration for employees of the Division of Highways.
- M. **Compensation Range:** The approved minimum and maximum salary established for a class.
- N. **Demotion:** A change in the status of an employee from a position in one class to a position in a lower class as measured by compensation range, or a reduction in an employee's pay to a lower rate within the compensation range assigned to the class.
- O. **Division:** The West Virginia Division of Highways.
- P. **FLSA Exempt Employee:** Those employees exempt from all but the record-keeping provisions of the federal Fair Labor Standards Act (FLSA).
- Q. **FLSA Non-Exempt Employee:** Those employees whose work is regulated by the FLSA minimum wage, overtime, and record-keeping provisions.
- R. **Hourly Classified Service:** The category of employees who are covered by the state civil service system, employed in the division's Apprenticeship Program, and paid pursuant to the division's hourly pay schedule.
- S. **Pay Increment—Salaried Employees:** The percentage increase amounts established by the commissioner and approved by the Board to implement pay practices including hiring rates, salary advancements, salary adjustments, pay on promotion, reallocation, and demotion within the salaried classified service.
- T. **Pay Increment—Hourly Employees:** The tier placement of an hourly employee's rate of pay pursuant to the Apprenticeship Program when appointing, promoting, demoting, or reallocating the employee.



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- U. Permanent employee: Any classified employee who was hired from a competitive list or register and who has completed the prescribed probationary period for the job class, or any classified exempt employee who was hired to fill a position for an undefined period of time, notwithstanding the commissioner's right to terminate the employee at his or her will.
- V. Promotion: A change in the status of an employee from a position in one class to a vacant position in another class of a higher pay grade within the salaried classified service or the hourly classified service.
- W. Reallocation: Reassignment by the commissioner of a position from one class to a different class on the basis of a change in the kind and/or level of duties and responsibilities assigned to the position, or to address a misalignment of title versus duties.
- X. Resignation: Voluntary separation from employment by an employee.
- Y. Salaried Classified Service: The category of employees who are covered by the state civil service system and are paid pursuant to the division's salaried pay schedule.
- Z. Salary Adjustment: A salary change resulting from a revision of the pay plan, the reassignment of a class to a different pay grade, a Board approved pay differential, a temporary classification upgrade, a general wage increase mandated by the Legislature or the Governor, the correction of a payroll error, or as specifically provided hereafter in this policy.
- AA. Salary Advancement: A discretionary increase in compensation granted to an employee in the salaried classified service in recognition of the quality of job performance. Also known as a "merit raise."
- BB. Tier: A benchmark pay level contained in the hourly pay schedule.
- CC. Tier Advancement: A discretionary advancement from one tier to the next within a classification that is included in the Apprenticeship Program.
- DD. Transfer Appointment: Appointment of an employee in the Apprenticeship Program to a position in the Salaried Classified Service, or vice versa.



WEST VIRGINIA DIVISION OF HIGHWAYS

PAY PLAN POLICY

POLICY

A. APPOINTMENTS—SALARIED POSITIONS: Appointments in the Salaried Classified Service fall into two categories: 1) appointment from a register, and 2) appointment by transfer from the Hourly Classified Service. In either case, the salary on appointment is presumed to be at the minimum rate established for the classification, but may be higher subject to the following standards:

- a. The commissioner may pay an increment of up to 5% above the minimum salary for each six (6) months of pertinent experience or equivalent pertinent training above the minimum qualifications. The commissioner may also pay an increment of up to 10% for an applicable professional certification or license held by the prospective employee.
 - i. Pertinent experience or equivalent pertinent training above the minimum qualifications means, but is not limited to: 1) extensive experience outside of state government which is relevant to the position to which the applicant is being appointed, 2) education above the minimum, which is relevant to the position to which the applicant is being appointed, or 3) specialized skills, education and/or experience deemed by the commissioner to be of specific value to the agency.
 - ii. Appointments above the minimum rate for the pay grade shall be made in a consistent manner with due consideration to the salaries and relative qualifications of incumbent employees in the same classification to ensure internal equity.
 - iii. Reemployment of a former employee in the same class, at a higher salary, will only be approved if the period of separation was for at least 120 calendar days. If the period is less than 120 days, the salary will be set at the amount the employee would be receiving if he or she had not separated employment. Reemployment of a former employee in a higher or lower classification will be subject to the provisions of this policy relating to appointments, notwithstanding the period of separation.

B. APPOINTMENTS—APPRENTICE PROGRAM

- a. Appointments to the hourly pay schedule pursuant to the Apprentice Program will be at the Tier 1 rate for the given classification level.



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- b. Employees within the salaried classified service who apply, and are accepted for, a position in the Apprenticeship Program will be placed at Tier 1 for the given classification. The rules for promotion, reallocation, and demotion that apply to classification changes in the salaried classified service do not apply to movements from the salaried service to the hourly service.
- c. Reemployment of a former employee in the same classification within 36 months of separation will be at the same tier. Reemployment in the same classification after 36 months will be at Tier 1.
- d. Reemployment of a former employee in a lower classification within 36 months will be at the tier for which the employee is qualified. Reemployment at a higher classification level will be at Tier 1.

C. PROMOTIONS/REALLOCATIONS/DEMOTIONS—SALARIED EMPLOYEES:

- a. Upon promotion or reallocation, salaries shall be increased 7% for the first pay increment, 5% for the second increment, 4% for the third increment, and 3% for each subsequent increment, up to a maximum of 25%, or to the minimum for the pay grade of the class if necessary. Notwithstanding the provisions of this section, the pay of an employee being promoted or reallocated may not exceed the maximum level of the applicable pay grade. If an employee's position is reallocated, and a subsequent appeal of that reallocation results in an order to further reallocate the position to a higher classification, the pay on the second reallocation will be set according to the provisions of this section as if the initial reallocation had not occurred.
- b. The commissioner may grant additional increments if the employee being promoted or reallocated has qualifications exceeding the minimum required for the new classification in the same manner as for appointments as detailed in Section A(a) of this policy.
- c. An employee who has been demoted without prejudice or reallocated downward may retain his or her current salary or have his or her salary reduced at the commissioner's discretion, so long as the employee's pay rate is within the pay grade for the job class to which the employee is being demoted or reallocated.
- d. An employee who has been demoted or reallocated to a lower pay grade with no loss in pay, and is subsequently promoted or reallocated to a higher class and



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pay grade within the next 24 months shall receive a salary increase under this section only to the extent that he or she would have received a salary increase had he or she not been demoted or reallocated to a lower pay grade.

- e. An employee who is demoted with prejudice shall receive a reduction in pay by at least one (1) increment as defined in this rule, and the employee's pay rate shall not exceed the maximum or be below the minimum of the new compensation range. The reduction may be to any pay rate within the compensation range of the job class to which the employee is demoted.

D. PROMOTIONS/REALLOCATIONS/DEMOTIONS—HOURLY EMPLOYEES

- a. Upon promotion or reallocation, the hourly rate of the employee will be raised to the Tier 1 rate for the new classification. This is the case regardless of the tier occupied by the employee in his or her current classification.
- b. No additional increments may be granted when an hourly employee is promoted or reallocated.
- c. The hourly rate of an employee being demoted without prejudice will be set at the tier for which he or she qualifies according to the Apprenticeship Program requirements for such tier.
- d. The hourly rate of an employee being demoted with prejudice may be set at a tier approved by the commissioner, provided the employee qualifies for that tier and it is no higher than the tier previously held by the employee within the lower classification.

E. SALARY ADVANCEMENTS: Salary advancements are discretionary and limited to permanent employees in the Salaried Classified Service. Salary advancements shall be limited to a maximum of 10% in any 12-month period, and shall not cause the new salary to exceed the maximum of the pay grade to which the employee's class is allocated unless the employee has at least seven (7) years of permanent state service.

- a. A salary advancement shall be based on quality of performance as evidenced by employee performance appraisals for the most recent reportable period or other documented evidence of performance at a "meets expectations" level. Employees who have been disciplined within the most recent 12 months are not eligible for a salary advancement.



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F. TEMPORARY UPGRADE OF HOURLY EMPLOYEES:

- a. Hourly employees classified in the Transportation Worker series shall be temporarily upgraded in pay when required to perform duties of a higher-level classification within the series for at least one hour.
- b. In all cases, employees being temporarily upgraded will be paid the Tier 1 rate for the higher classification, regardless of the employee's tier level in his or her regular classification.
- c. Temporary upgrade of an employee is limited to 1,000 hours in a calendar year. Exceptions to this limitation may be made by the commissioner when deemed necessary for the efficient operation of the given organizational unit.

G. DISCRETIONARY SALARY ADJUSTMENTS—SALARIED CLASSIFIED SERVICE ONLY:

- a. Recruitment and Retention Incentive: The commissioner may grant an in-range salary adjustment to all employees in a job class for which documented salary non-competitiveness has been established. Such documentation may include, but is not limited to, turnover data, comparative private sector salary data, an inadequate applicant pool despite recruitment efforts, feedback from applicants declining employment, or other information that can be reasonably adduced to indicate low pay is a significant cause of employee turnover and the failure to attract new employees to the job class.
- b. Additional duties/responsibilities: The commissioner may grant an in-range salary adjustment of up to 10% for an employee who has been assigned additional duties beyond those expected of his or her current position, where the commissioner determines that a change in classification is not warranted. The duties may be assigned on either a temporary or permanent basis.
 - i. The additional duties must meet one or more of the following criteria:
 1. Assignment of responsibility for a distinct new or additional program.
 2. Assignment of a new responsibility due to agency reorganization or realignment.
 3. Assignment of supervisory or additional supervisory duties or responsibilities.



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- ii. The new duties, when evaluated separately, must be considered an increase in complexity or responsibility, rather than a quantitative increase.
 - iii. If an employee receives an in-range salary adjustment for assuming additional duties and is subsequently reallocated within the next twelve (12) months based in part on assuming these additional duties, the commissioner may reduce the salary increase due for the reallocation by the percent amount of the in-range adjustment received for the previous assumption of additional duties.
 - iv. In the case of a temporary in-range adjustment, the employee shall be required to acknowledge in writing that the salary increase is temporary and will be withdrawn at the end of the additional duty assignment. If the employee declines to provide written acknowledgement the commissioner shall either withdraw the temporary assignment or provide oral notification to the employee documented and witnessed by a third party. Performance of the additional duties after the notification shall constitute the acknowledgement of the employee.
- c. Internal Equity. The commissioner may adjust the salary of one or more employees by up to 10% to more equitably align salaries between employees based on reporting relationships, comparable job duties, or comparable qualifications.
- i. The analysis of whether an equity adjustment is warranted shall be based on factors including, but not limited to:
 - 1. Starting pay;
 - 2. Prior movements between organizations within the agency;
 - 3. Prior assumption of supervisory duties without additional compensation;
 - 4. The absence or presence of across the board increases during the tenure of the employees; or
 - 5. Other personnel actions that may have contributed to the inequity.
 - ii. Equity adjustments are not considered warranted where pay differences are the result of the receipt or non-receipt of merit increases or where an



WEST VIRGINIA DIVISION OF HIGHWAYS

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employee has been granted a salary adjustment for a competitive job offer.

- d. **Pay Benchmarks.** For a given classification or classification series, the commissioner may establish, pursuant to an internal governing policy, pay benchmarks, corresponding to particular percentages of progression within assigned pay grades, to which employees' pay will be adjusted based on a specific set of job duties or tenure within the employee's classification.
- e. **Professional Skills/Competency Development.** The commissioner may grant up to a 10% salary adjustment to employees who acquire, after employment with the division, certain formal training, education, certification, or licensure not required of the position, but that is deemed by the commissioner to positively impact the employee's work or his or her general value to the division.
- f. **Competitive Job Offer.** The commissioner may grant an employee a one-time salary adjustment as an incentive to retain an employee who has submitted a conditional letter of resignation in anticipation of accepting a standing job offer. The letter must contain specifics of the job offer, including the name of the prospective employer, the name of the representative making the offer, the salary, and the location. An offer letter from the prospective employer may be submitted in lieu of the resignation letter.
- g. **Project-Based Incentive.** The commissioner may grant a temporary in-range salary adjustment of up to 10% to a permanent employee assigned to a long-term project that is outside the scope of the essential functions of the employee's current position.
 - i. The employee shall be required to acknowledge in writing that the salary increase is temporary and will be withdrawn at the end of the project assignment. If the employee declines to provide written acknowledgement the commissioner shall either withdraw the project assignment or provide oral notification to the employee, documented and witnessed. Performance of the project-based duties after the notification shall constitute the acknowledgement of the employee.

H. HOURS OF PAY WHEN CALLED TO DUTY AFTER COMPLETION OF NORMAL WEEKLY WORK SCHEDULE:

- a. Employees in both the Salaried and Hourly Classified Services will be paid for hours of actual work performed that occur after the accumulation of 40 hours for the workweek, notwithstanding the fact that annual or sick leave may have been



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attributed to reaching the 40-hour threshold, provided the employee occupies a position that is customarily paid either premium or straight-time for overtime hours worked.

I. Effective Date: May 1, 2018

Approved by:

A handwritten signature in black ink, appearing to read "Thomas J. Smith", written over a horizontal line.

Thomas J. Smith
Secretary of Transportation/Commissioner of Highways

April 13, 2018
Date

WEST VIRGINIA DIVISION OF HIGHWAYS

SCHEDULE OF SALARY GRADES 2-26

Grade	Minimum		Market		Maximum	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
2	\$1,546	\$18,552	\$2,520	\$30,240	\$2,861	\$34,332
3	\$1,624	\$19,488	\$2,648	\$31,776	\$3,005	\$36,060
4	\$1,706	\$20,472	\$2,781	\$33,372	\$3,157	\$37,884
5	\$1,792	\$21,504	\$2,921	\$35,052	\$3,316	\$39,792
6	\$1,882	\$22,584	\$3,068	\$36,816	\$3,482	\$41,784
7	\$1,977	\$23,724	\$3,223	\$38,676	\$3,658	\$43,896
8	\$2,076	\$24,912	\$3,384	\$40,608	\$3,841	\$46,092
9	\$2,180	\$26,160	\$3,554	\$42,648	\$4,033	\$48,396
10	\$2,311	\$27,732	\$3,767	\$45,204	\$4,276	\$51,312
11	\$2,450	\$29,400	\$3,994	\$47,928	\$4,533	\$54,396
12	\$2,597	\$31,164	\$4,234	\$50,808	\$4,805	\$57,660
13	\$2,753	\$33,036	\$4,488	\$53,856	\$5,094	\$61,128
14	\$2,919	\$35,028	\$4,758	\$57,096	\$5,401	\$64,812
15	\$3,095	\$37,140	\$5,045	\$60,540	\$5,726	\$68,712
16	\$3,281	\$39,372	\$5,349	\$64,188	\$6,070	\$72,840
17	\$3,478	\$41,736	\$5,670	\$68,040	\$6,435	\$77,220
18	\$3,687	\$44,244	\$6,010	\$72,120	\$6,821	\$81,852
19	\$3,946	\$47,352	\$6,432	\$77,184	\$7,301	\$87,612
20	\$4,223	\$50,676	\$6,884	\$82,608	\$7,813	\$93,756
21	\$4,519	\$54,228	\$7,366	\$88,392	\$8,361	\$100,332
22	\$4,836	\$58,032	\$7,883	\$94,596	\$8,947	\$107,364
23	\$5,175	\$62,100	\$8,436	\$101,232	\$9,574	\$114,888
24	\$5,537	\$66,447	\$9,027	\$108,318	\$10,244	\$122,930
25	\$5,925	\$71,098	\$9,658	\$115,901	\$10,961	\$131,535
26	\$6,340	\$76,075	\$10,334	\$124,014	\$11,729	\$140,743

DIVISION OF HIGHWAYS HOURLY PAY SCHEDULE

Classification	Pay Grade	Tier 1	Tier 2	Tier 3	Tier 4
Transportation Worker 1	10 H	\$10.77	\$11.41	\$12.04	N/A
Transportation Worker 2	11 H	\$12.81	\$14.02	\$15.45	\$16.88
Transportation Worker 3	12 H	\$17.99	\$18.88	\$19.88	\$21.15
Transportation Worker 4	15 H	\$22.15	\$23.24	\$24.54	N/A

DOHHRLY



**STATE OF WEST VIRGINIA
DEPARTMENT OF VETERANS ASSISTANCE**

**DENNIS E. DAVIS
CABINET SECRETARY**

November 4, 2019

**To: Joint Committee on Health
Chairman Michael J. Maroney, Senate
Chairman Jordan C. Hill, House of Delegates**

**Joint Committee on Government and Finance
Chairman Mitch Carmichael, Senate President
Chairman Roger Hanshaw, House Speaker**

The West Virginia Department of Veterans Assistance (WVDVA), by act of the 2019 State Legislature HB 2926, was required to perform a study of:

- (1) the need for additional veterans' homes;**
- (2) general housing needs for veterans;**
- (3) related housing needs for veterans**
- (4) and, veteran homelessness in West Virginia**

I direct your attention to the attached report, which has been generated from a study of veteran housing needs in West Virginia and is designed to address the three focus areas requested by the Legislature. Because the WVDVA is limited in terms of staff size and because this housing study required not only expertise but a significant investment of time, we partnered with Marshall University's Center for Business and Economic Research to assist with the execution of this study.

Page Two

The WVDVA is greatly appreciative of the interest and concern that the West Virginia Legislature shows toward veterans in our state. On a more specific level, we appreciate the focus on homelessness and corresponding housing availability as it relates to our veterans.

I hope that this study offers some insight into State's status on these timely issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Davis", written over a light gray circular stamp.

Dennis Davis

Cabinet Secretary, West Virginia Department of Veterans Assistance

Attachment



Center for Business and Economic Research

An Assessment of Housing Needs for West Virginia Veterans – 2019

Final Report
October 31, 2019

Prepared for the West Virginia Department of Veterans Assistance

An Assessment of Housing Needs for West Virginia Veterans – 2019

Diana Long, Ed.D.

Director of Workforce Development and Education

Justin Matthews

Senior Research Associate

Kent Sowards

Public Policy Fellow

Prepared for:

West Virginia Department of Veterans Assistance

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Background and Motivation

The West Virginia Department of Veterans Assistance, responding to requirements set forth in West Virginia House Bill 2926 passed during the 2019 Regular Session of the West Virginia Legislature, sought research and analytic assistance from the Center for Business and Economic Research (CBER) at Marshall University. West Virginia State Code¹ calls for the Secretary of the Department of Veterans' Affairs to study three primary topics including 1) the need for additional veterans' homes; 2) general housing needs for veterans; and 3) other veteran needs relating to housing. Further, HB 2926 required that "the secretary shall submit its study to the Joint Committee on Health and the Joint Committee on Government and Finance regarding the housing needs of veterans, including draft legislation addressing those needs, where the need is greatest and the need for additional veterans homes".² This report is submitted to the Department of Veterans Assistance in partial fulfillment of that task.

Project Description

This report seeks to provide Veterans with an assessment of the housing needs for West Virginia veterans using publicly available federal and state-level data sources. A series of targeted stakeholder interviews is used to help understand observations in the data and to better frame current and emerging issues related to housing needs for veterans in the state.

Methodology

To assist with the analysis and later stakeholder interviews, CBER conducted a thorough literature review of scholarly articles and related publications to identify major themes. CBER worked directly with staff from Veterans (or others as appropriate) to review data needs and to develop a list of publicly available sources, supplementing existing data with secondary sources where necessary. Using that information, CBER developed a structured interview format and target list, in consultation with Veterans, for deployment.

CBER reviewed data from publicly available sources as well supplementary, secondary sources where necessary.

¹ §9A-2-1. State homes for veterans.

² Enrolled HB 2926.

Literature Review

A great deal of attention has been paid to the issues of housing and homelessness, that of Veterans in particular. Concerns over the affordability of housing for returning servicemen is apparent at least as early as the post-Civil War era where the public provision for Civil War Veterans was openly defined to counter what was often described as a 'demeaning provision' of charity for paupers (Skocpol, 1992; Cetina, 1977). In the post-WWII era, this attention continued in the form of the introduction and expansion of home loan benefits granted under the World War II and Korean War GI Bills (Fetter, 2011).

Veteran homelessness has been a focus of research for over 3 decades (Tsai and Rosenheck, 2015). Despite this focus, homelessness and the consequences that accompany it (including mental health, physical health and drug use) continue to be problems regionally and nationally (Washington, et al., 2010).

Evaluation in the Literature

Homeless Veterans initially came to the country's attention in the 1970s and 1980s, when homelessness generally was becoming a more prevalent and noticeable phenomenon (Perl, 2015). The wars in Iraq and Afghanistan brought renewed attention to the needs of Veterans, including those of homeless Veterans.

Veterans are overrepresented among the homeless in the United States and are at greater risk than non-veterans of becoming homeless (Tessler, Rosenheck, and Gamache, 2002; Robertson, 1987). Research associating Veteran status with higher risk for homelessness is widespread in the literature and suggests that services (particularly housing and health services) for an aging homeless population will grow in scope and cost (Fargo, et al., 2012).

Homelessness is regularly associated with chronic health conditions, either preceding homelessness or where homelessness complicates treatment (Fargo, et al., 2012). The predisposition to chronic disease and disability for homeless people increases as they age given their lack of housing and stable care. Homeless Veterans will likely disproportionately contribute to the increased demand for long-term care through the Veterans Administration (VA) and related institutions (Kinosian, et al., 2007; Wolitski, et al., 2007).

In addition to the complex set of factors influencing all homelessness, many displaced and at-risk Veterans face staggering effects from post-traumatic stress disorder (PTSD) and substance abuse (Wenzel, 1993). Looking at a panel of Veteran homelessness studies, Tsai and Rosenheck (2015) concluded that the "strongest and most consistent risk factors were substance use disorders and mental illness" followed by income-related factors (p. 13-14). Compounding matters, the changing needs for health and housing support services of an aging homeless population is just becoming better understood and those with the most fragile ties to stability will likely face pressing challenges (Malphurs and Striano, 2001).

The relationship between Veteran homelessness and incarceration is also well documented in the literature (Greenberg and Rosenheck, 2008; Kushel, et al., 2005; Metraux and Culhane, 2004; Metraux, Roman, and Cho, 2007; Roman and Travis, 2004; Tsai and Rosenheck, 2013), suggesting a bidirectional association between these two phenomena where “both homelessness and incarceration share risk factors and each increases the risk of the other” (Cusack and Montgomery, 2017, p. 250).

Estimates suggests that women Veterans are three to four times more likely than non-veteran women to become homeless (Gamache, Rosenheck, and Tessler, 2003) and many of the available programs cannot accommodate or are not structured to address the privacy and other gender-specific concerns of women, particularly those with children or trauma histories (Washington, et al., 2010). Among women, the youngest age groups were at highest risk for homelessness and in general, the period of highest vulnerability for homelessness is when they are heads of household for families with young children (Culhane and Metraux, 1999).

Ensuring that Veterans receive the appropriate supportive services, for which they are entitled, is yet another concern. Byrne et al., examining VA services use among veterans accessing healthcare through the VA, found that 41% of homeless Veterans from a community sample did not access any VA homeless service (Byrne, Montgomery, Treglia, Roberts, & Culhane, 2013). The low reported uptake of VA homeless services suggests there are barriers to care, especially for Veterans who live in rural areas (Tsai et al., 2016). This may be complicated by the fact that younger populations and those not witnessing combat appear less likely to self-identify or be classified as Veterans (Metraux, et al., 2014; Treglia, 2016).

Implications from the Literature

The literature suggests that a multitude of factors are associated with homelessness among veteran populations. Among these, scholars repeatedly identify contributions from low income and poverty, unemployment, drug abuse, incarceration, mental health, age, disability status and gender. Building upon this evidence, we next attempt to analyze available data related to West Virginia Veterans and homelessness to better frame discussions related to capacity. Findings from the literature also frame topics of discussion for the targeted interviews with stakeholders.

Estimates of Demographics and Housing Characteristics for West Virginia Veterans

Understanding demographic data related to veterans helps create a suitable frame for the discussion of housing needs and homelessness in the state. A brief review of population distribution, projections, employment and income are presented in the text below. An examination of characteristics related to veteran homelessness follows.

West Virginia Veteran Demographics

As of 2017, West Virginia ranks 36th in the nation with a veteran population of nearly 143,000 - slightly more than ten percent of the population 18 and over. While percentages of female Veterans and military retirees in West Virginia lag national figures, the percentage of West Virginia Veterans aged 65 and over is higher than for that of the nation. **Table 1** provides a comparison of Veteran characteristics between West Virginia and the United States.

Table 1. Veteran Population Breakdown - West Virginia and the United States, 2017

	West Virginia	United States
Number of Veterans	142,694	19,998,799
Percent of Adult Population that are Veterans	10.22%	6.60%
Number of Women Veterans	10,218	1,882,848
Percent of Women Veterans	7.16%	9.41%
Number of Military Retirees	11,033	2,156,647
Percent of Veterans that are Military Retirees	7.73%	10.78%
Number of Veterans Age 65 and Over	72,607	9,410,179
Percent of Veterans Age 65 and Over	50.88%	47.05%

Source: National Center for Veterans Analysis and Statistics

The West Virginia Veteran population is projected to decline by nearly two percent annually from FY 2015 to FY 2045, only slightly faster than the national estimate.³ This decline roughly mirrors the projection of WV population declines over the same period. 53 of the 55 WV counties are expected to see declines in Veteran population over the projection period. Only Berkeley and Pendleton counties are expected to have increases in Veteran populations. Despite these declines, the distribution of Veterans by age group is roughly stable.

Table 2 provides a breakdown of Veteran population projections by age group and gender. While the total Veteran population in West Virginia declines over the 2015-2045 projection period, certain demographic subsets are expected to hold steady or increase. Projections of the Veteran age group for those 85+ is anticipated to see a moderate increase in 2035, with that figure subsiding close to current numbers by 2045. Further, the percentage of the population Age 65 and over remain relatively constant over the projection period at roughly half of the total.

³ National Center for Veterans Analysis and Statistics, Veteran Population Projections 2016.

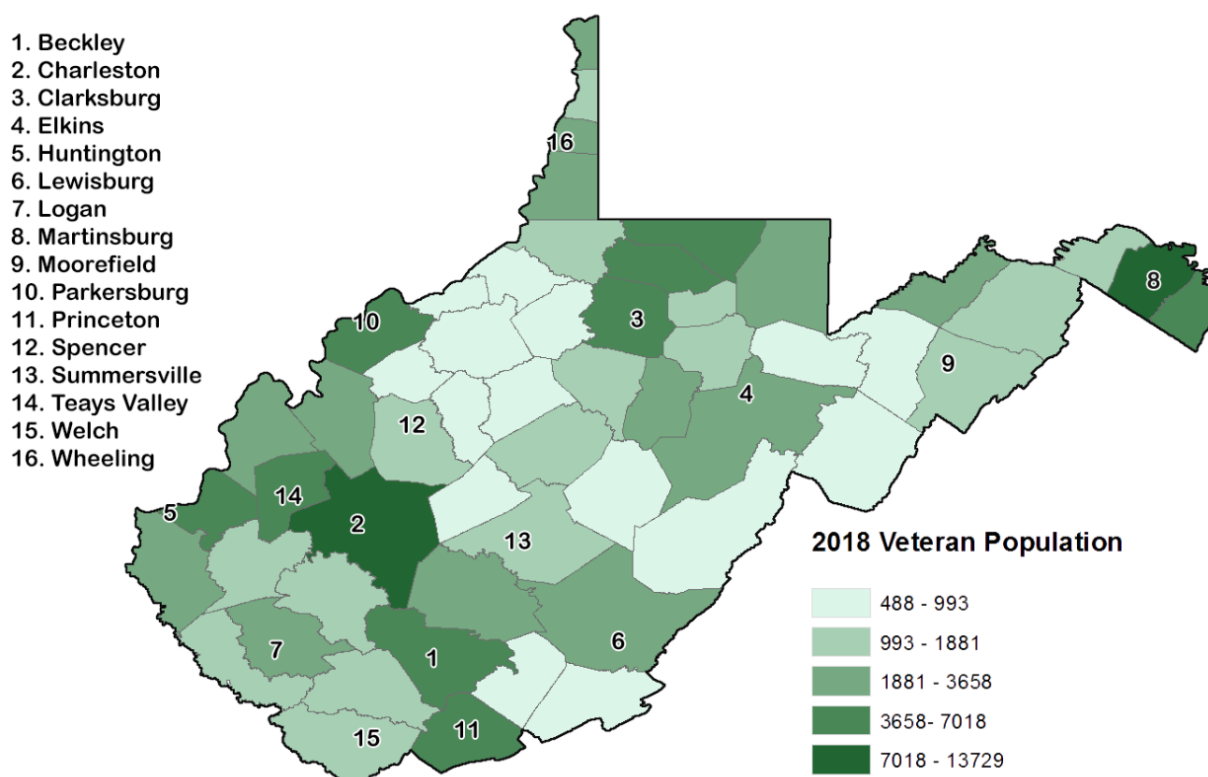
Table 2. Veteran Population Projections - West Virginia, 2015-2045⁴

Group	2015	2025	2035	2045
Age 17-44	27,000	22,000	17,000	16,000
Age 45-64	47,000	38,000	32,000	26,000
Age 65-84	62,000	51,000	36,000	30,000
Age 85+	11,000	11,000	14,000	10,000
Total	147,000	121,000	98,000	81,000
Gender	2015	2025	2035	2045
Male	138,000	110,000	86,000	68,000
Female	10,000	11,000	12,000	13,000

Source: National Center for Veterans Analysis and Statistics, *Veteran Population Projections 2016*

Figure 1 presents West Virginia Veterans by county of residence for 2018. This ranges from a low of 5.7% in Monongalia County to a high of 12.5% in Taylor County. VA field offices are provided as a means of comparing estimates of population and service provision.

Figure 1. West Virginia Veteran Population, 2018



Source: VA Predictive Analytics and Actuary Service, estimated 9/30/2018. Field offices denoted by location.

⁴ Numbers reported to nearest thousand, totals may not sum due to rounding.

West Virginia Veteran Program Participation

Of the more than 142,000 Veterans living in WV in FY2017, more than 79,000 were enrolled in the VA Healthcare System, roughly 35,000 were receiving compensation benefits and more than 21,000 were education beneficiaries. Most of the Veterans receiving compensation and pension benefits were between the ages 65 through 74 (see **Figure 2**). See **Table 3** and **Table 4** for additional information.

Table 3. West Virginia Summary of Beneficiaries, FY 2017

VA Healthcare and Benefits (as of 9/30/2017)	West Virginia	United States
Number of Veterans Receiving Disability Compensation	35,226	4,552,819
Number of Veterans Receiving Pension	2,399	276,570
Number of Dependency & Indemnity Comp Beneficiaries	3,803	411,390
Number of Education Beneficiaries	21,459	987,577
Number of Enrollees in VA Healthcare System	79,183	9,116,200
Number of Unique Patients Treated	57,614	6,035,183

Source: National Center for Veterans Analysis and Statistics, State Summaries FY2017.

Table 4. Compensation and Pension Benefits Recipient Profile - West Virginia, FY2017

	Total Veterans	Age 34 and under	Age 35 - 64	Age 65 - 74	Age 75 and over
Compensation	35,226	2,934	9,509	18,237	4,538
Pension	2,399	6	709	1,060	624

Source: Veterans Benefit Administration, Annual Benefits Report, Fiscal Year 2017. Available at: https://www.benefits.va.gov/REPORTS/abr/docs/2017_abr.pdf.

Figure 2. WV Veterans Receiving Compensation Benefits by Age Group, FY2017



Source: Veterans Benefit Administration, Annual Benefits Report, Fiscal Year 2017. Available at: https://www.benefits.va.gov/REPORTS/abr/docs/2017_abr.pdf.

West Virginia Veteran Employment and Labor Force Participation

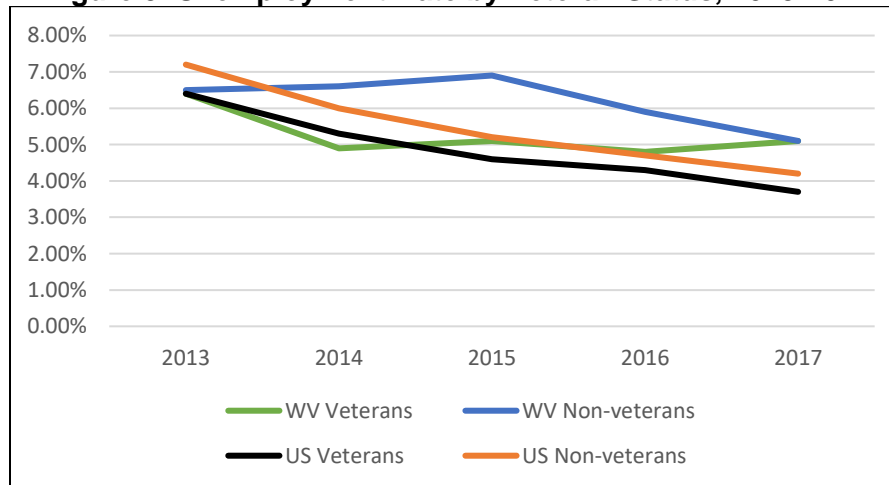
The U.S. Bureau of Labor Statistics⁵ report that Veteran employment declined over the 2013-2017 period in both West Virginia and the nation, while non-veteran employment increased. Unemployment rates for Veterans and non-veterans alike produce a downward trend. However, unemployment and labor force participation rates in West Virginia, lag those for the U.S., particularly among Veteran populations. See **Table 5** and **Figure 3** for more detail.

Table 5. Employment and Labor Force Participation by Veteran Status, 2013-2017

West Virginia		Employment (in 000s)		Unemployment Rate		Labor Force Participation Rate	
Year		Veterans	Non-veterans	Veterans	Non-veterans	Veterans	Non-veterans
2013		72	675	6.4%	6.5%	46.3%	56.4%
2014		64	676	4.9%	6.6%	43.1%	55.9%
2015		60	670	5.1%	6.9%	41.9%	55.6%
2016		62	674	4.8%	5.9%	42.9%	55.9%
2017		61	711	5.1%	5.1%	44.2%	56.0%
United States		Employment (in 000s)		Unemployment Rate		Labor Force Participation Rate	
Year		Veterans	Non-veterans	Veterans	Non-veterans	Veterans	Non-veterans
2013		10,253	132,189	6.4%	7.2%	49.0%	66.1%
2014		10,171	134,589	5.3%	6.0%	50.6%	65.7%
2015		10,263	136,947	4.6%	5.2%	50.7%	65.4%
2016		10,129	139,560	4.3%	4.7%	50.6%	65.5%
2017		9,755	147,957	3.7%	4.2%	49.7%	65.6%

Source: U.S. Bureau of Labor Statistics, Employment Situation of Veterans series

Figure 3. Unemployment Rate by Veteran Status, 2013-2017



Source: U.S. Bureau of Labor Statistics, Employment Situation of Veterans series

⁵ Employment status of veterans 18 years and over. Please see: <https://www.bls.gov/news.release/vet.toc.htm>.

Income, Poverty and Disability

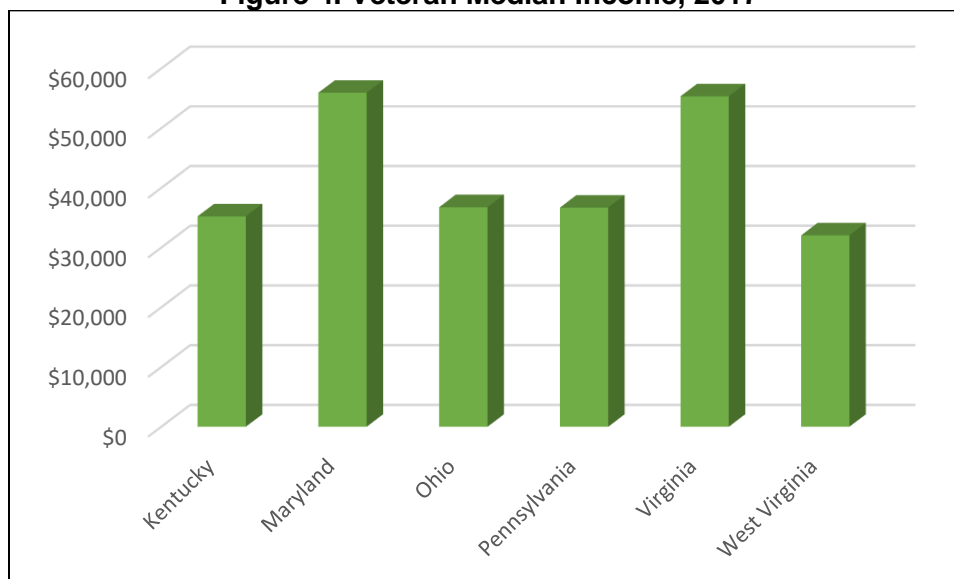
Estimated 2017 Median Incomes for West Virginia populations (non-veterans and male, female and total Veterans) lag those for surrounding states, particularly Maryland and Virginia. Veteran groups, however, generally exceed those for their non-veteran counterparts. **Table 6** and **Figure 4** provide additional detail.

Table 6. Median Income by Veteran Status and Gender – West Virginia and Surrounding States, 2017

State	Non-Veterans	Veterans		
	Median Income	Median Income	Median Income - Male	Median Income - Female
Kentucky	\$26,254	\$35,232	\$35,561	\$30,486
Maryland	\$39,235	\$55,937	\$55,572	\$59,006
Ohio	\$29,726	\$36,770	\$37,124	\$30,802
Pennsylvania	\$30,800	\$36,700	\$37,085	\$31,010
Virginia	\$34,891	\$55,344	\$56,221	\$50,312
West Virginia	\$24,254	\$32,054	\$32,182	\$30,165

Source: U.S. Census Bureau, American Community Survey, 2017 1-Year Estimates.⁶

Figure 4. Veteran Median Income, 2017



Source: U.S. Census Bureau, American Community Survey, 2017 1-Year Estimates.⁷

⁶ American Community Survey 2017, 1 Year Estimates, Table S2101.

⁷ American Community Survey 2017, 1 Year Estimates, Table S2101.

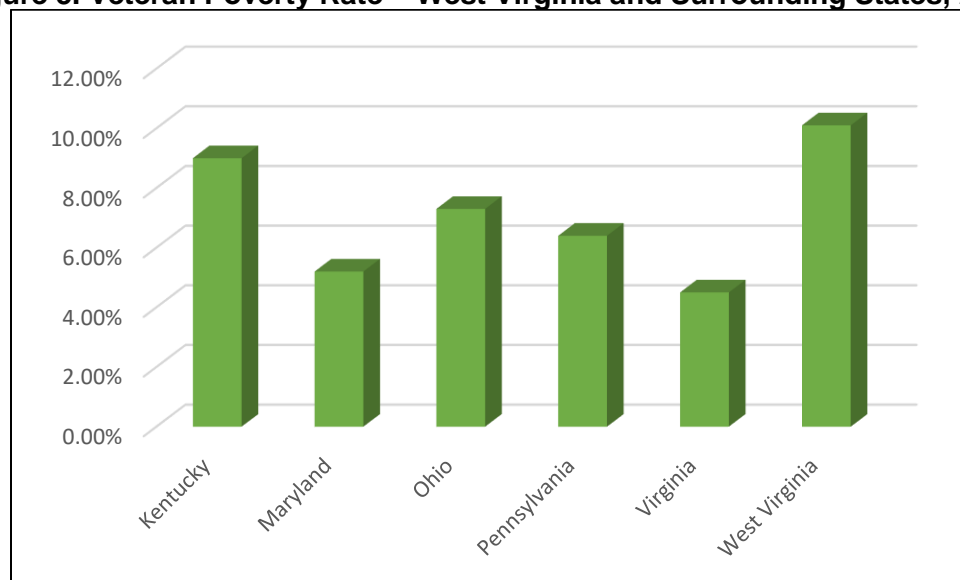
Estimates of poverty and disability in Veteran populations for 2017 suggest that higher percentages of West Virginia Veterans had incomes below the federal poverty level and higher percentages were classified as having some type of disability when compared to those in surrounding states. Roughly ten percent of West Virginia Veterans were living below the poverty level and more than 38 percent were classified as having a disability. See **Table 7** for a full comparison. **Figure 5** and **Figure 6** illustrate Veteran poverty and disability rates respectively.

Table 7. Veteran Poverty and Disability - West Virginia and Surrounding States, 2017

State	Veteran Population	Below Poverty Level	With Any Disability
Kentucky	258,559	9.0%	33.0%
Maryland	362,661	5.2%	22.3%
Ohio	698,515	7.3%	29.1%
Pennsylvania	724,863	6.4%	30.7%
Virginia	677,052	4.5%	22.2%
West Virginia	124,881	10.1%	38.3%

Source: U.S. Census Bureau, American Community Survey, 2017 1-Year Estimates.⁸

Figure 5. Veteran Poverty Rate – West Virginia and Surrounding States, 2017

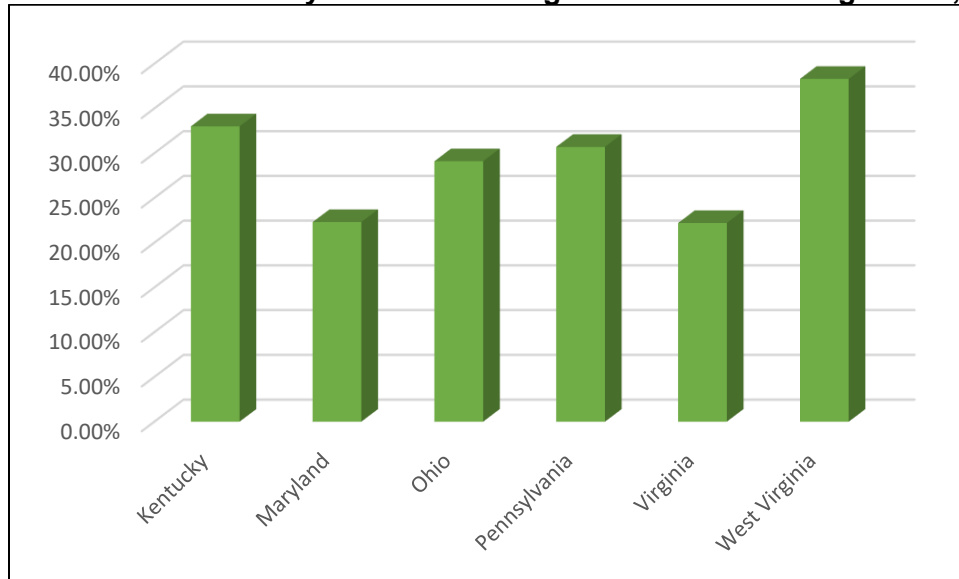


Source: U.S. Census Bureau, American Community Survey, 2017 1-Year Estimates.⁹

⁸ American Community Survey 2017, 1 Year Estimates, Table S2101.

⁹ American Community Survey 2017, 1 Year Estimates, Table S2101.

Figure 6. Veteran Disability Rate – West Virginia and Surrounding States, 2017



Source: U.S. Census Bureau, American Community Survey, 2017 1-Year Estimates.¹⁰

Similarly, West Virginia Veterans were estimated to have higher rates of service-connected disabilities in comparison to those in most surrounding states and for the nation. Only Virginia reported a higher rate. Please see **Table 8** for a full comparison.

Table 8. Veteran Service-Connected Disabilities, West Virginia and Surrounding States

State	No Service-Connected Disability Rating		Has a Service-Connected Disability Rating	
	Number	Percent	Number	Percent
Kentucky	217,714	78.0%	61,439	22.0%
Maryland	309,682	81.4%	70,873	18.6%
Ohio	631,665	84.0%	120,488	16.0%
Pennsylvania	687,484	85.6%	115,936	14.4%
Virginia	521,739	75.8%	166,797	24.2%
West Virginia	106,954	77.2%	31,554	22.8%
United States	15,039,603	79.4%	3,899,616	20.6%

Source: U.S. Census Bureau, American Community Survey, 2017 5-Year Estimates.¹¹

Table 9 outlines Veteran service-connected disability ratings for West Virginia, surrounding states and the nation. Higher percentages of West Virginia Veterans are estimated to have service-connected disability ratings at 70 percent or greater than each of those in surrounding states and higher than that of the nation.

¹⁰ American Community Survey 2017, 1 Year Estimates, Table S2101.

¹¹ American Community Survey 2017, 5 Year Estimates, Table B21100.

Table 9. Veteran Service-Connected Disability Ratings, West Virginia and Surrounding States

State	Service-Connected Disability Rating Percentages					
	0%	10 or 20%	30 or 40%	50 or 60%	70% or Higher	Not Reported
Kentucky	5%	26%	18%	12%	33%	6%
Maryland	5%	29%	20%	13%	27%	6%
Ohio	6%	32%	17%	13%	25%	7%
Pennsylvania	6%	30%	17%	11%	30%	6%
Virginia	5%	28%	19%	15%	28%	4%
West Virginia	4%	26%	14%	13%	36%	8%
United States	5%	30%	17%	13%	30%	6%

Source: U.S. Census Bureau, American Community Survey, 2017 5-Year Estimates¹²

Thirty-one of West Virginia's Fifty-five counties report percentages of Veterans with a service-connected disability that is higher than that for the nation. Mercer County ranks 4th in the state by count and 3rd in the state in percentage terms. The five highest counties by number and percentage are displayed in **Table 10**. Please see **Appendix A** for percentages for each West Virginia County.

Table 10. Service-Connected Disability Ratings, West Virginia Counties

WV County	Highest Number	WV County	Highest Percent
Berkeley	2,864	Wayne	34.6%
Kanawha	2,561	Gilmer	33.5%
Raleigh	2,140	Mercer	32.9%
Mercer	1,509	Raleigh	32.9%
Cabell	1,450	Greenbrier	32.0%

Source: U.S. Census Bureau, American Community Survey, 2017 5-Year Estimates¹³

¹² American Community Survey 2017, 5 Year Estimates, Table B21100.

¹³ American Community Survey 2017, 5 Year Estimates, Table B21100.

Educational Attainment

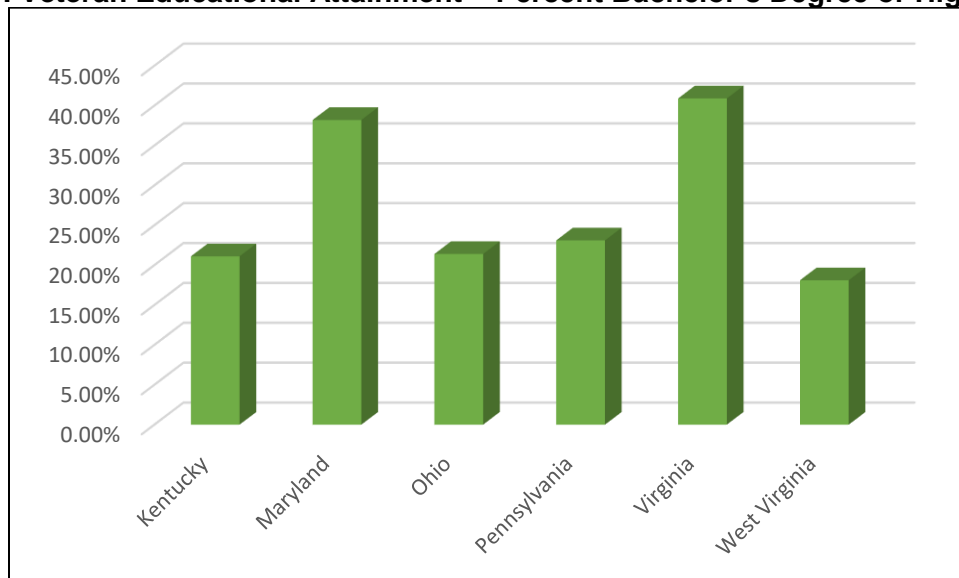
Estimates suggest lower educational attainment for West Virginia Veterans as compared to those in surrounding states. More than 43 percent of West Virginia Veterans indicate High School and Equivalency as their highest level of education attained, while slightly more than 18 percent claim a Bachelor's Degree or Higher. **Table 11** provides a full comparison and **Figure 7** illustrates percentages of veterans with a Bachelor's Degree or Higher.

Table 11. Veteran Educational Attainment - West Virginia and Surrounding States, 2017

State	Civilian Population Age 25 and Higher				
	Veteran Population	Less Than High School	High School and Equivalency	Some College or Associate's Degree	Bachelor's Degree or Higher
Kentucky	260,609	8.4%	33.5%	37.0%	21.1%
Maryland	362,397	5.1%	25.5%	31.2%	38.2%
Ohio	706,684	7.1%	37.2%	34.3%	21.4%
Pennsylvania	736,392	6.9%	40.9%	29.1%	23.1%
Virginia	672,321	4.7%	20.4%	34.0%	40.9%
West Virginia	126,037	8.0%	43.5%	30.4%	18.1%

Source: U.S. Census Bureau, American Community Survey, 2017 1-Year Estimates.¹⁴

Figure 7. Veteran Educational Attainment – Percent Bachelor's Degree or Higher, 2017



Source: U.S. Census Bureau, American Community Survey, 2017 1-Year Estimates.¹⁵

¹⁴ American Community Survey 2017, 1 Year Estimates, Table S2101.

¹⁵ American Community Survey 2017, 1 Year Estimates, Table S2101.

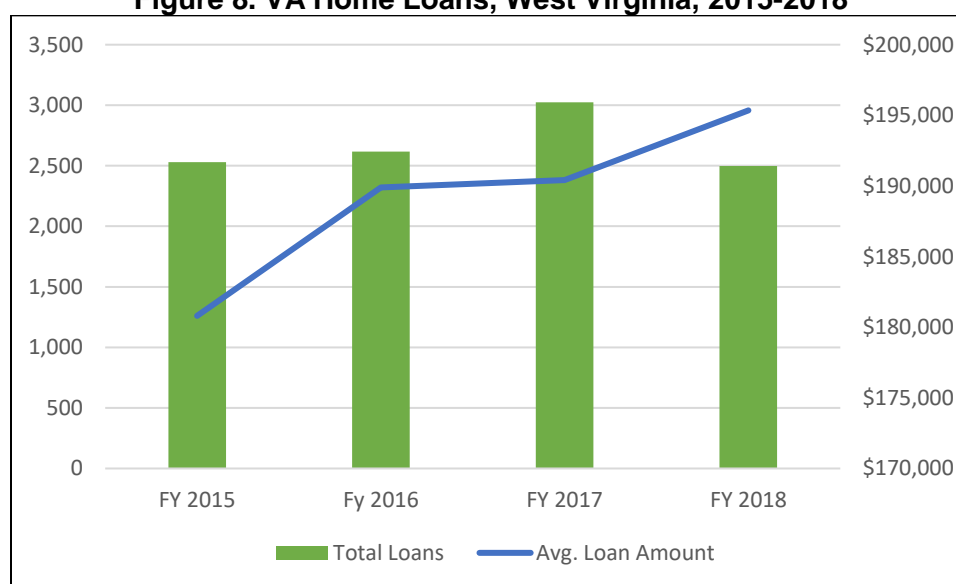
The U.S. Veterans Benefits Administration measures VA home loan volume at the national and state level. Between 2015 and 2018, West Virginia VA home loans peaked at 3,025 in 2017. Average loan amounts in West Virginia lag those for the nation but increase in each year for which data is available. A comparison between West Virginia and U.S. VA home loans is provided in **Table 12**. **Figure 8** illustrates the volume of total loans and average loan amounts in West Virginia for 2015-2018.

Table 12. VA Home Loans, West Virginia and the U.S. 2015-2018

West Virginia	Total Loans	Avg Loan Amount	Total Loan Sum
2015	2,531	\$180,803	\$457,611,799
2016	2,616	\$189,901	\$496,780,110
2017	3,025	\$190,418	\$576,013,759
2018	2,497	\$195,348	\$487,783,927
United States	Total Loans	Avg Loan Amount	Total Loan Sum
2015	631,131	\$243,166	\$153,469,474,425
2016	705,392	\$253,244	\$178,636,453,834
2017	740,381	\$254,859	\$188,692,800,206
2018	610,512	\$264,197	\$161,295,325,718

Source: U.S. Veterans Benefits Administration, Lender Statistics series¹⁶

Figure 8. VA Home Loans, West Virginia, 2015-2018



Source: U.S. Veterans Benefits Administration, Lender Statistics series¹⁷

¹⁶ https://www.benefits.va.gov/HOMELOANS/Lender_Statistics.asp.

¹⁷ https://www.benefits.va.gov/HOMELOANS/Lender_Statistics.asp.

Breaking down VA loans by type and value, we see a steep drop-off in the number of interest rate reduction refinancing loans (IRRRL) in West Virginia from 2017 to 2018, making up a substantial portion of the total loan activity decrease. **Table 13** provides additional detail.

Table 13. VA Home Loans, West Virginia, 2015-2018

West Virginia	2015	2016	2017	2018
Total Purchase Loans	1,371	1,350	1,584	1,565
Total Purchase Loans %	54.2%	51.6%	52.4%	62.7%
Loan Amount Avg - Purchase	\$186,408	\$194,391	\$198,269	\$200,203
Total Loan Amount - Purchase	\$255,564,863	\$262,427,343	\$314,058,325	\$313,317,028
Total IRRRL Loans	587	609	636	230
Total IRRRL Loans %	23.2%	23.3%	21.0%	9.2%
Loan Amount Avg - IRRRL	\$184,539	\$198,187	\$190,436	\$189,297
Total Loan Amount - IRRRL	\$108,324,229	\$120,695,717	\$121,117,371	\$43,538,305
Total Cash-Out Loans	573	657	805	702
Total Cash-Out %	22.6%	25.1%	26.6%	28.1%
Loan Amount Avg - Cash-Out	\$163,565	\$172,994	\$174,954	\$186,508
Total Loan Amount - Cash-Out	\$93,722,707	\$113,657,050	\$140,838,063	\$130,928,594

Source: U.S. Veterans Benefits Administration, Lender Statistics series¹⁸

Comparing VA loan data across states, we see significantly lower total loan activity in West Virginia. Virginia reported the largest total loan volume (34,757) accounting for more than 40 percent of regional loan activity. Please see **Table 14** for more detail.

Table 14. VA Home Loans, West Virginia and Surrounding States, 2018

State	Total Loans	Purchase Loans %	IRRRL Loans %	Cash-Out Loans %
Kentucky	7,174	62.3%	9.5%	28.2%
Maryland	14,685	60.1%	14.6%	25.3%
Ohio	16,123	63.8%	9.3%	26.9%
Pennsylvania	13,069	60.8%	11.3%	27.9%
Virginia	34,757	66.7%	11.6%	21.8%
West Virginia	2,497	62.7%	9.2%	28.1%
United States	610,512	62.8%	11.0%	26.2%

Source: U.S. Veterans Benefits Administration, Lender Statistics series¹⁹

¹⁸ https://www.benefits.va.gov/HOMELOANS/Lender_Statistics.asp.

¹⁹ https://www.benefits.va.gov/HOMELOANS/Lender_Statistics.asp.

Group Quarters Populations

The U.S. Census Bureau defines group quarters as a place where people live or stay, in a group living arrangement, that is owned or managed by an entity or organization providing housing and/or services for the residents. This is not a typical household-type living arrangement. Institutionalized population include those people living in adult correctional facilities or nursing/skilled nursing facilities, while non-institutionalized group quarters refer to college/university student housing. Figures represent totals and percentages of the 18 and over population for a given geography.

American Community Survey data indicate that 2,440 West Virginia Veterans are living in group quarters populations. Of those, 1,830 are in institutionalized group quarters with slightly more than half in nursing or skilled nursing facilities. **Table 15** and **Table 16** compare percentages for group quarters Veteran populations for West Virginia and surrounding states.

Table 15. Group Quarter Population - West Virginia and Surrounding States

State	Veteran Population	Percent Veteran	Group Quarters Population, Veteran	Group Quarters Population, Percent Veteran	Institutionalized Group Quarters Population - Veteran	Institutionalized Group Quarters Population - Percent Veteran
Kentucky	279,153	8.2%	7,055	5.8%	5,597	8.4%
Maryland	380,555	8.2%	7,247	5.6%	4,643	7.2%
Ohio	752,153	8.4%	17,262	5.6%	14,994	9.3%
Pennsylvania	803,420	8.0%	21,091	5.1%	18,288	9.6%
Virginia	688,536	10.8%	10,832	5.4%	9,168	9.5%
West Virginia	138,508	9.5%	2,440	5.2%	1,830	6.9%
United States	18,939,219	7.7%	412,950	5.5%	315,993	8.3%

Source: U.S. Census Bureau, American Community Survey, 2017 5-Year Estimates.²⁰

²⁰ American Community Survey 2017, 5 Year Estimates, Table B26107.

Table 16. Veteran Group Quarter Population Breakdown

Institutionalized and Non-Institutionalized Group Quarters Population - Veterans								
	Adult Correctional Facilities		Nursing/Skilled Nursing Facilities		College/University Student Housing		Other	
State	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Kentucky	2,144	30.4%	3,278	46.5%	69	1.0%	1,564	22.2%
Maryland	1,287	17.8%	3,136	43.3%	282	3.9%	2,542	35.1%
Ohio	4,417	25.6%	10,496	60.8%	145	0.8%	2,204	12.8%
Pennsylvania	5,507	26.1%	12,572	59.6%	271	1.3%	2,741	13.0%
Virginia	4,619	42.6%	4,344	40.1%	132	1.2%	1,737	16.0%
West Virginia	802	32.9%	982	40.2%	16	0.7%	640	26.2%
United States	116,278	28.2%	193,369	46.8%	5,112	1.2%	98,191	23.8%

Source: U.S. Census Bureau, American Community Survey, 2017 5-Year Estimates.²¹

Notes on National Veteran Program Participation

Figures from the FY2016 VA Utilization Profile indicate that 7.1 million veterans received one or more benefits provided by the Veteran's Administration, including 2.6 million veterans receiving loan guaranty benefits (including Special Housing Allowance or Special Adaptive Housing benefits). The percentage of benefit users has increased among the Veteran population concurrent with an overall decline in population (38% in 2007, 48% in 2016). Nationwide, the number Home Loan Guaranty beneficiaries showed a sharp decrease from 2008 to 2009 consistent with the overall housing market, but afterward has been recovering steadily.

A 2010 survey of veterans nationwide²² asked respondents to describe their living arrangements, particularly with respect to renting vs owning and their knowledge about the Home Loan Guaranty program. Approximately 60 percent of respondents indicated the presence of a mortgage or contract rental agreements. Roughly one-third indicated no mortgage balance or occupying dwelling with no payment of cash rent. More than 68 percent of respondents indicated that they were aware of the Home Loan Guaranty program. Corresponding data for West Virginia was not tabulated as part of the final report and no questions related to mortgages or rent with regards to length or comparison to household income were included.

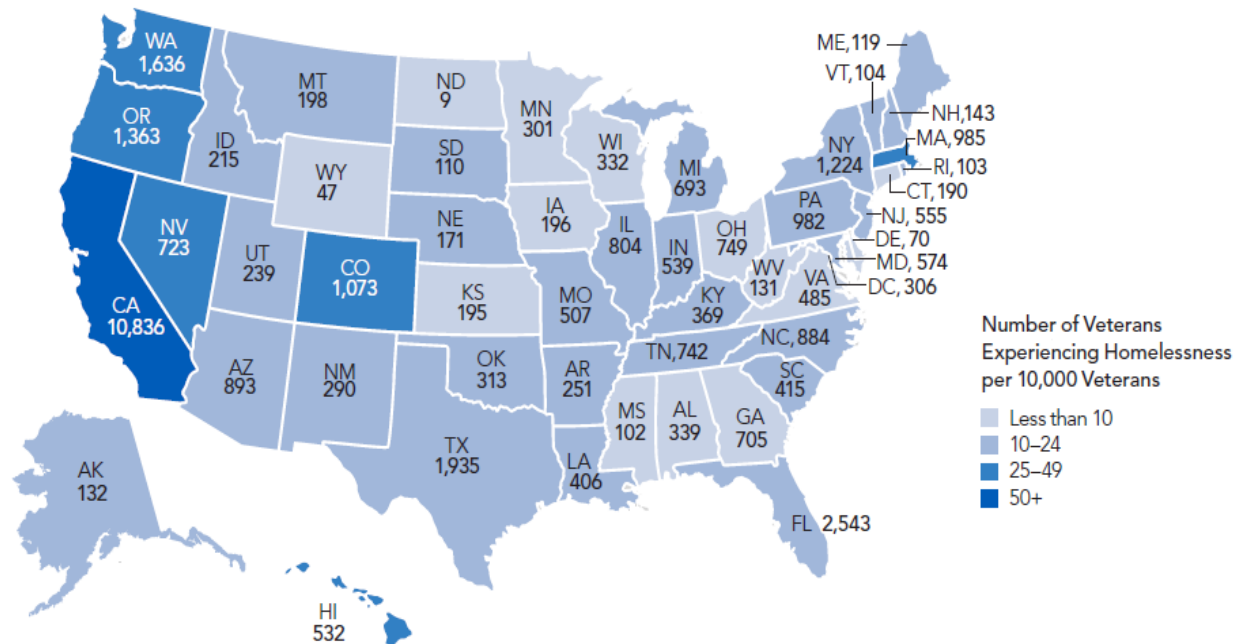
²¹ American Community Survey 2017, 5 Year Estimates, Table B26107.

²² 2010 National Survey of Veterans. Conducted by Westat on behalf of the U.S Veterans Administration.

West Virginia Veteran Homelessness

Nationally the number of Veterans experiencing homelessness has been cut nearly in half since 2009, by 48 percent (or 35,489 people), reaching a new low of 37,878 in 2018.²³ **Figure 9** displays the estimates of homeless Veterans by state.

Figure 9. Estimates of Homeless Veterans by State, 2018



Source: The U.S. Department of Housing and Urban Development.
The 2018 Annual Homeless Assessment Report to Congress: Part 1.

West Virginia homeless Veteran counts are estimated annually in an effort led by the U.S. Department of Housing and Urban Development (HUD) known as the Point-in-Time (PIT) Count.²⁴ The count of homeless West Virginia veterans as reported by the PIT Count, dropped significantly from 2015 to 2016 and continues to decline. Unsheltered homeless Veterans in West Virginia peaked in 2015 and declined significantly from 2015 to 2016. An uptick in unsheltered homeless Veterans in West Virginia was reported in 2018. **Table 17 17** and **Figure 10** provides a comparison for West Virginia and the U.S.

²³ The U.S. Department of Housing and Urban Development. Office of Community Planning and Development. The 2018 Annual Homeless Assessment Report to Congress: Part 1.

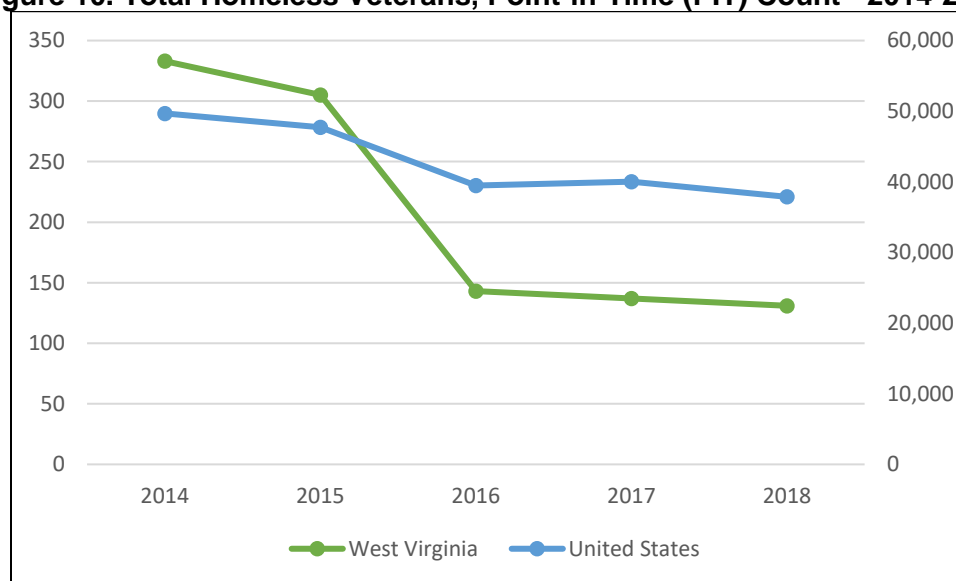
²⁴ The Point-in-Time (PIT) Count is an annual effort led by the U.S. Department of Housing and Urban Development (HUD) to estimate the number of Americans, including Veterans, without safe, stable housing. It is one of the tools used to assess progress each year toward VA's priority goal of ending homelessness among Veterans. Data are available at: https://www.va.gov/HOMELESS/pit_count.asp.

Table 17. Homeless Veterans, Point-in-Time (PIT) Count - 2014-2018

Year	Homeless Veterans		Sheltered Total Homeless Veterans		Unsheltered Homeless Veterans	
	West Virginia	United States	West Virginia	United States	West Virginia	United States
2014	333	49,689	303	32,119	30	17,570
2015	305	47,725	227	31,505	78	16,220
2016	143	39,471	126	26,404	17	13,067
2017	137	40,020	124	24,690	13	15,330
2018	131	37,878	106	23,312	25	14,566

Source: United States Department of Veteran Affairs, Point-in-Time (PIT) Count series

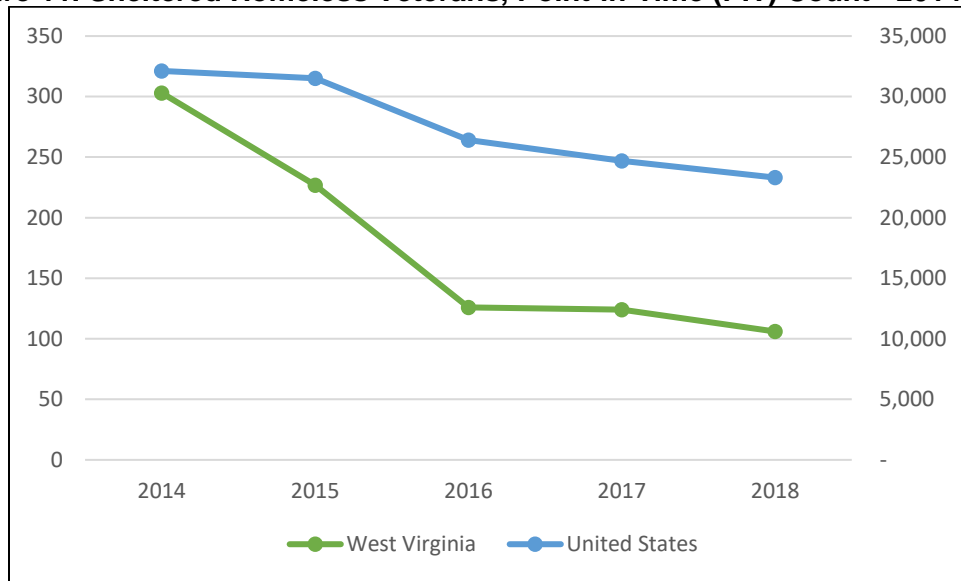
Figure 10. Total Homeless Veterans, Point-in-Time (PIT) Count - 2014-2018



Source: United States Department of Veteran Affairs, Point-in-Time (PIT) Count series

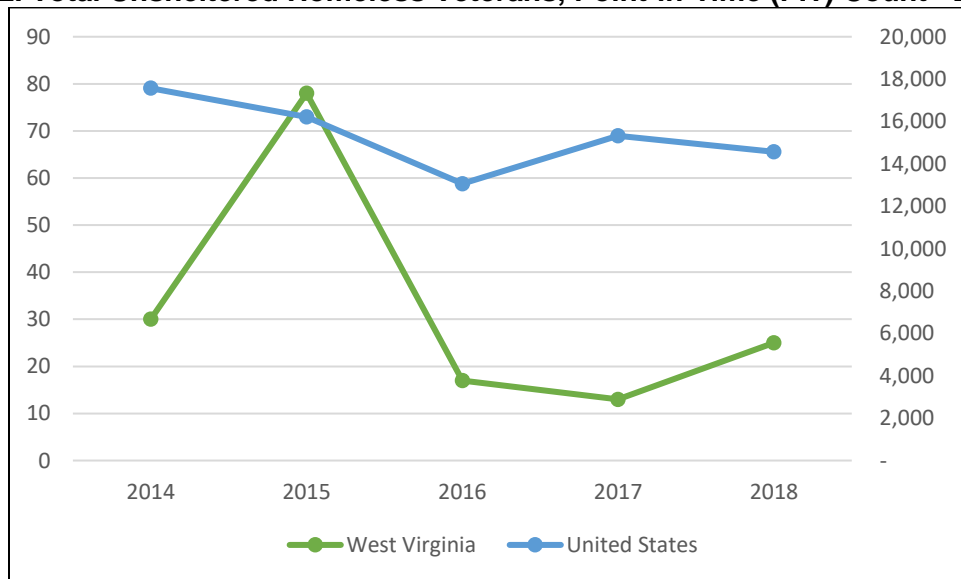
Figure 11 and **Figure 12** graphically illustrate the number of sheltered and unsheltered homeless Veterans in West Virginia and the U.S. for 2014 to 2018, respectively. For both West Virginia and the U.S, the number of sheltered homeless Veterans decline over the 2014-2018 time period. The number of unsheltered homeless Veterans in West Virginia shows less stability, despite an overall declining trend.

Figure 11. Sheltered Homeless Veterans, Point-in-Time (PIT) Count - 2014-2018



Source: United States Department of Veteran Affairs, Point-in-Time (PIT) Count series

Figure 12. Total Unsheltered Homeless Veterans, Point-in-Time (PIT) Count - 2014-2018



Source: United States Department of Veteran Affairs, Point-in-Time (PIT) Count series

From 2014 to 2018, the number of homeless Veterans in West Virginia declined faster than in any surrounding state (60.7%). **Table 18** provides detail for West Virginia and surrounding states.

Table 18. Total Homeless Veterans, PIT Count, West Virginia and Surrounding States

State	Total Homeless Veterans						Percent Change 2014-2018
	2014	2015	2016	2017	2018	Change 2014-2018	
Kentucky	600	591	512	489	369	(231)	(38.5%)
Maryland	654	714	555	536	574	(80)	(12.2%)
Ohio	1,236	1,183	930	862	749	(487)	(39.4%)
Pennsylvania	1,411	1,375	1,136	963	982	(429)	(30.4%)
Virginia	620	604	515	478	485	(135)	(21.8%)
West Virginia	333	305	143	137	131	(202)	(60.7%)

Source: United States Department of Veteran Affairs, Point-in-Time (PIT) Count series

The number of unsheltered homeless Veterans in surrounding states is more volatile from year to year. Despite an overall reduction regionally, only Ohio reported declines each year from 2014 to 2018. **Table 19** provides the number of unsheltered homeless Veterans by state.

Table 19. Unsheltered Homeless Veterans, PIT Count, West Virginia & Surrounding States

State	Total Homeless Veterans					
	2014	2015	2016	2017	2018	Change 2014-2018
Kentucky	42	50	60	44	61	19
Maryland	99	128	119	96	104	5
Ohio	134	110	85	77	55	(79)
Pennsylvania	75	80	48	88	72	(3)
Virginia	85	91	76	94	85	0
West Virginia	30	78	17	13	25	(5)

Source: United States Department of Veteran Affairs, Point-in-Time (PIT) Count series

PIT Count are also tabulated by Continuum of Care (CoC).²⁵ There are four CoC's in West Virginia:

- Wheeling, Weirton Area;
- Huntington/Cabell, Wayne Counties;
- Charleston/Kanawha, Putnam, Boone, Clay Counties; and
- West Virginia - Balance of State

Much of the reduction in reported in both total and sheltered Veteran homelessness in West Virginia was observed in the "Balance of the State" CoC (279 in 2014 down to 93 in 2018).

Table 20 provides detail on total homeless Veterans by West Virginia CoC.

²⁵ See: <https://www.hudexchange.info/programs/coc/>.

Table 20. Total Homeless Veterans, PIT Count, WV Continuum of Care - 2014-2018

Total Homeless Veterans				
Year	Wheeling, Weirton Area	Huntington/Cabell, Wayne Counties	Charleston/Kanawha, Putnam, Boone, Clay Counties	West Virginia - Balance of State
2014	5	18	31	279
2015	9	13	37	246
2016	9	11	24	99
2017	4	17	34	82
2018	8	14	16	93

Source: United States Department of Veteran Affairs, Point-in-Time (PIT) Count series

Table 21 and **Table 22** display figures for sheltered and unsheltered Veteran populations by West Virginia CoC respectively.

Table 21. Sheltered Homeless Veterans, PIT Count, WV Continuum of Care - 2014-2018

Sheltered Homeless Veterans				
Year	Wheeling, Weirton Area	Huntington/Cabell, Wayne Counties	Charleston/Kanawha, Putnam, Boone, Clay Counties	West Virginia - Balance of State
2014	4	15	29	255
2015	7	4	33	183
2016	8	8	19	91
2017	4	16	31	73
2018	6	12	11	77

Source: United States Department of Veteran Affairs, Point-in-Time (PIT) Count series

Table 22. Unsheltered Homeless Veterans, PIT Count, WV Continuum of Care - 2014-2018

Unsheltered Homeless Veterans				
Year	Wheeling, Weirton Area	Huntington/Cabell, Wayne Counties	Charleston/Kanawha, Putnam, Boone, Clay Counties	West Virginia - Balance of State
2014	1	3	2	24
2015	2	9	4	63
2016	1	3	5	8
2017	0	1	3	9
2018	2	2	5	16

Source: United States Department of Veteran Affairs, Point-in-Time (PIT) Count series

The Beckley community (defined here as the WV/Beckley VAMC Catchment Area, including City of Beckley and Raleigh, Fayette, Nicholas, Summers, Greenbrier, Monroe, Pocahontas, Wyoming, Mercer, McDowell and Clay counties)²⁶ has been recognized as ending Veteran homelessness. Criteria established by the United States Interagency Council on Homelessness²⁷ defines such success for communities where "homelessness is prevented whenever possible, or if it can't be prevented, it is a rare, brief, and one-time experience". Specifically, the community can:

- Quickly identify and engage people at risk of and experiencing homelessness.
- Intervene to prevent people from losing their housing and divert people from entering the homelessness services system.
- Provide people with immediate access to shelter and crisis services without barriers to entry if homelessness does occur.
- Quickly connect people experiencing homelessness to housing assistance and services tailored to their unique needs and strengths to help them achieve and maintain stable housing.

These figures suggest that efforts made nationally, combined with those at the state, local and private levels have made significant headway in addressing the issue of Veteran homelessness in the state.

²⁶ <https://www.usich.gov/communities-that-have-ended-homelessness>.

²⁷ https://www.usich.gov/resources/uploads/asset_library/Vet_Criteria_Benchmarks_V3_February2017.pdf.

An Analysis of Capacity

Several programs and institutions across West Virginia provide services that help address homeless populations in the state. These include federal programs through the U.S Department of Veteran Affairs and the U.S. Department of Housing and Urban Development. Although a brief overview of some of these programs is provided, the information presented here is not intended to be comprehensive. For a detailed description of many activities and process directed toward addressing veteran homelessness, including the Mayors Challenge to End Veteran Homelessness and SOAR (SSI/SSDI Outreach, Access and Recovery), please refer to links in the footnotes and *Ending Veteran Homelessness in WV* produced by the WV Coalition to End Homelessness.²⁸

Federal Programs

Specialized homelessness programs at the U.S Department of Veteran Affairs provide health care to almost 150,000 homeless veterans. Additionally, more than 40,000 homeless Veterans receive compensation or pension benefits each month. Since 1987 the VA, using its own resources or in partnerships with others, has secured nearly 15,000 residential rehabilitative and transitional beds and more than 30,000 permanent beds for homeless Veterans throughout the nation. These partnerships are credited with reducing the number of homeless veterans by 70% since 2005.²⁹

U.S. Department of Housing and Urban Development-VA Supportive Housing (HUD-VASH)³⁰

A collaborative program between HUD and VA, HUD-VASH combines rental assistance vouchers for privately owned housing with case manager assistance toward support services such as health care, mental health treatment and substance use counseling. Among VA homeless continuum of care programs, HUD-VASH enrolls the largest number and largest percentage of Veterans who have experienced long-term or repeated homelessness.

The 2017 HUD-VASH Exit Study concluded that of participants staying in the program those who exited with leased-housing, 87 percent remained in the program for at least 1 year and 60 percent for at least 2 years. Of those who exited, nearly 93 percent of leased-housing exiters and 90 percent of non-leased exiters did not return to VA homeless programs during the observation period.³¹ The investigated HUD-VASH at four sites: Houston, TX; Los Angeles and Palo Alto, CA; and Philadelphia, PA. As such comparative data for West Virginia is unavailable.

²⁸ *Ending Veteran Homelessness in WV*, WV Coalition to End Homelessness. Rachael Coen, Project Specialist.

²⁹ <https://www.va.gov/homeless/housing.asp>.

³⁰ <https://www.va.gov/homeless/hud-vash.asp>.

³¹ <https://www.huduser.gov/portal/sites/default/files/pdf/HUD-VASH-Exit-Study.pdf>.

Homeless Providers Grant and Per Diem (GPD) Program³²

State, local and tribal governments and nonprofits receive capital grants and per diem payments to develop and operate transitional housing—including short-stay bridge housing—and/or service centers for Veterans who are homeless. VA funds an estimated 600 agencies that provide over 14,500 beds for eligible Veterans. The maximum stay in this housing is up to 24 months, with the goal of moving Veterans into permanent housing.

In 2019, Mountain Comprehensive Care Center in Prestonsburg, KY (case Management) and Way Station, Inc. in Frederick, MD (Special Needs) received grant awards to provide services in portions of West Virginia under the GPD Program.

Enhanced-Use Lease (EUL) Program³³

EUL is a VA portfolio management tool that allows certain land and buildings to be leased to eligible private entities for veterans who lack without safe, affordable housing particularly in areas where real estate is underused. VA's EUL partners often provide Veterans with job training, financial management, haircuts, computer and laundry facilities, fitness centers and other services. To-date no EUL projects have been awarded specifically to address properties in West Virginia.³⁴

Supportive Services for Veteran Families (SSVF)³⁵

For very low-income Veterans, SSVF provides case management and supportive services to prevent the imminent loss of a Veteran's home or identify a new, more suitable housing situation for the individual and his or her family; or to rapidly re-house Veterans and their families who are homeless and might remain homeless without this assistance.

Through referrals and direct outreach, nonprofit agencies and community cooperatives use SSVF funding to quickly house Veterans and their families who are homeless and keep others from slipping into homelessness by providing time-limited supportive services that promote housing stability. Case management includes help securing VA and other benefits such as educational aid and financial planning. **Table 23** provides the SSVF provider listing for FY2020 including the geographic service area.

³² <https://www.va.gov/homeless/gpd.asp>.

³³ <https://www.va.gov/ASSETMANAGEMENT/index.asp>.

³⁴ <https://www.va.gov/assetmanagement/docs/awardedProjects.XLSX>.

³⁵ <https://www.va.gov/homeless/SSVF/>.

Table 23. Supportive Services for Veteran Families (SSVF) Provider List FY2020³⁶

SSVF Provider Award Number	Organization	Continuum of Care Served	Counties to be Served
14-WV-303	The Greater Wheeling Coalition for the Homeless, Inc.	(WV-500) Wheeling, Weirton Area CoC	Hancock, Brooke, Ohio, Marshall and Wetzel Counties in West Virginia.
14-WV-304	Helping Heroes, Inc.	(WV-500) Wheeling, Weirton Area CoC	Hancock, Brooke, Ohio, Marshall and Wetzel Counties in West Virginia.
14-WV-305	West Virginia Community Action Partnerships Inc	(WV-500) Wheeling, Weirton Area CoC, (WV-501) Huntington/Cabell, Wayne Counties CoC, (WV-503) Charleston/Kanawha, Putnam, Boone, Clay Counties CoC, (WV-508) West Virginia Balance of State CoC	Barbour, Berkeley, Boone, Braxton, Brooke, Cabell, Calhoun, Clay, Doddridge, Fayette, Gilmer, Grant, Greenbrier, Hampshire, Hancock, Hardy, Harrison, Jackson, Jefferson, Kanawha, Lewis, Lincoln, Logan, Marion, Marshall, Mason, Mercer, Mineral, Mingo, Monongalia, Monroe, Morgan, McDowell, Nicholas, Ohio, Pendleton, Pleasants, Pocahontas, Preston, Putnam, Raleigh, Randolph, Ritchie, Roane, Summers, Taylor, Tucker, Tyler, Upshur, Wayne, Webster, Wetzel, Wirt, Wood and Wyoming Counties in West Virginia.

Source: U.S Department of Veterans Affairs, Supportive Services for Veteran Families Program

³⁶ <https://www.va.gov/homeless/ssvf/>

WV Department of Veterans Assistance Facilities

As part of its mission, the West Virginia Department of Veterans Assistance operates 16 field and claims offices throughout the state, with staff members conducting more than 250 benefits consultations daily. Additionally, the department operates the West Virginia's State Veteran's cemetery, a veterans nursing facility and a veterans-only homeless shelter.

The West Virginia Veterans Nursing Facility³⁷ is a 120,000-square-foot, 120-bed facility located Clarksburg. The facility, which opened in 2008 features private and semi-private rooms, as well as a 20-bed unit reserved for residents in need of specialized care because of Alzheimer's Disease or Dementia.

Authorized in 1975 and opened in 1981, the West Virginia Veterans Home³⁸ is a 150-bed facility located on 23 acres in Barboursville, WV. The home is not a treatment facility and cannot accommodate veterans in need of daily care or skilled assistance. The facility features the "214 Program." In recognition of the nature of homelessness, this program, which is unique among the nation's Veterans' homes, allows homeless veterans to be housed and clothed prior to completing the normal admission process, a process that can take several weeks.

The average weekly number of residents at the West Virginia Veterans Home for CY2018 was 86 residents per day, allowing the facility to react to the emergent needs of the homeless veteran population. The department's 214 Program has served 107 Veterans, allowing the facility to house Veterans who have not yet completed the long prerequisite screening program to be housed at a VA-sponsored domiciliary.³⁹

³⁷ <https://veterans.wv.gov/offices-facilities/Pages/WV-Veterans-Nursing-Facility.aspx>.

³⁸ <https://veterans.wv.gov/offices-facilities/Pages/WV-Veterans-Home.aspx>.

³⁹ WV Department of Veterans Assistance – CY 2018 Annual Report. Available at: <https://veterans.wv.gov/Documents/WVDVA-2018%20Annual%20Report.pdf>.

Estimates of Bed Capacity

The U.S. Department of Housing and Urban Development produces a Housing Inventory Count (HIC) to provide a snapshot of beds available to people experiencing homelessness.⁴⁰ The count is conducted annually during the last ten days in January, and data are available at the national and state level, as well as for each CoC. The reports summarize the number of beds and units available, and include beds dedicated to serve persons who are Veterans. Year-round bed counts are categorized by program type including Emergency Shelter, Transitional Housing⁴¹ and Safe Havens⁴². Additional data is collected relating to the estimates of available beds categorized as Rapid Re-Housing (RRH)⁴³, Permanent Supportive Housing (PSH)⁴⁴ and Other Permanent Housing.⁴⁵

From 2017 to 2018, Total Year-Round Beds and those dedicated to Veterans declined in West Virginia, its surrounding states and the nation. Kentucky saw the largest percentage decline in total beds over the time period (-18.8%), while West Virginia's Total Year-Round bed count declined only slightly more than the national rate (4 percent vs. 2 percent respectively). West Virginia only lost 2 dedicated Veteran beds from 2017 to 2018, while Kentucky lost nearly one-quarter of its capacity in that area. 2017 and 2018 HIC data for West Virginia and surrounding geographies, for total and Veteran-dedicated beds is provided in **Table 24**.

Table 24. Total Housing Inventory Count, West Virginia and Surrounding States 2017-18

State	Total Year-Round Beds (ES, TH, SH)			Dedicated Veteran Beds (ES, TH, SH)		
	2017	2018	Change 2017-2018	2017	2018	Change 2017-2018
Kentucky	3,540	2,875	(665)	350	265	(85)
Maryland	5,616	5,529	(87)	447	435	(12)
Ohio	9,420	9,269	(151)	662	643	(19)
Pennsylvania	14,246	12,909	(1,337)	779	762	(17)
Virginia	5,628	5,303	(325)	163	153	(10)
West Virginia	1,657	1,593	(64)	116	114	(2)
United States	399,439	389,622	(9,817)	20,751	19,134	(1,617)

Source: The U.S. Department of Housing and Urban Development. Housing Inventory Count.

⁴⁰ <https://www.hudexchange.info/programs/coc/coc-housing-inventory-count-reports/>.

⁴¹ Transitional housing (TH) is designed to provide homeless individuals and families with the interim stability and support to successfully move to and maintain permanent housing. Transitional housing may be used to cover the costs of up to 24 months of housing with accompanying supportive services.

⁴² The Safe Haven program component is no longer eligible under the CoC Program. No **new** Safe Haven projects will be funded, but all projects eligible under the McKinney-Vento Act may be renewed to continue ongoing leasing, operations, supportive services, rental assistance, HMIS operation, and administrative functions.

⁴³ <https://files.hudexchange.info/resources/documents/Rapid-Re-Housing-Brief.pdf>

⁴⁴ Permanent supportive housing is permanent housing with indefinite leasing or rental assistance paired with supportive services to assist homeless persons with a disability or families with an adult or child member with a disability achieve housing stability.

⁴⁵ This includes permanent housing with services (where no disability is required for entry) and permanent housing where no services are provided.

With respect to Total Year-Round Beds, most of the capacity is made up of Emergency Shelter (ES) beds. Nationwide, ES beds make up nearly three-fourths of Total Year-Round beds. For West Virginia in 2018, that number exceeded 81 percent. However, figures for Year-Round beds that are dedicated to Veterans the reverse is largely true. Nearly three-fourths of the U.S Year-Rounds beds dedicated to Veterans come in the form of Transitional Housing (TH). Transitional Housing beds make up more than 67 percent of the Year-Round capacity dedicated to Veterans. **Table 25** provides a full comparison of Year-Round capacity.

Table 25. Housing Inventory Count by Type, West Virginia & Surrounding States 2018

State	2018 Total Year-Round Beds			2018 Dedicated Veteran Beds		
	Emergency Shelter (ES)	Transitional Housing (TH)	Safe Haven (SH)	Emergency Shelter (ES)	Transitional Housing (TH)	Safe Haven (SH)
Kentucky	2,310	565	0	39	226	0
Maryland	3,470	1,970	89	102	319	14
Ohio	7,265	1,905	99	134	452	57
Pennsylvania	8,096	4,501	312	142	575	45
Virginia	4,184	1,079	40	52	79	22
West Virginia	1,292	287	14	37	77	0
United States	286,203	101,029	2,390	4,348	13,817	969

Source: The U.S. Department of Housing and Urban Development. Housing Inventory Count.

Permanent Supportive Housing (PSH), where permanent housing with indefinite leasing or rental assistance paired with supportive services for disabilities, make up 70 percent of 2018 Permanent Housing capacity in West Virginia. Figures for surrounding states and the nation are roughly comparable (only Virginia has a significantly larger percentage of Rapid Re-Housing capacity). Permanent Supportive Housing makes up even larger percentages of Veteran-dedicated, permanent housing capacity regionally. More than 80 percent of Veteran-dedicated, permanent housing capacity in West Virginia is made up of Permanent Supportive Housing. **Table 26** provides additional detail related to Permanent Housing by type.

Table 26. Permanent Housing by Type, West Virginia and Surrounding States 2018

State	2018 Total Year-Round Beds			2018 Dedicated Veteran Beds		
	Rapid Re-Housing (RRH)	Permanent Supportive Housing (PSH)	Other Permanent Housing (OPH)	Rapid Re-Housing (RRH)	Permanent Supportive Housing (PSH)	Other Permanent Housing (OPH)
Kentucky	1,069	3,253	443	152	932	4
Maryland	1,262	7,194	1,911	191	1,315	5
Ohio	5,352	17,895	46	567	2,981	20
Pennsylvania	4,824	12,895	375	619	2,918	29
Virginia	3,119	4,375	849	243	1,689	3
West Virginia	387	1,261	154	131	550	0
United States	109,095	361,386	36,790	14,665	103,783	1,684

Source: The U.S. Department of Housing and Urban Development. Housing Inventory Count.

Total Year-Round bed capacity has largely held constant for the Wheeling/Weirton CoC and the Huntington/Cabell, Wayne CoC. The Charleston and Balance of the State CoC's, however, report declines in total year-round beds for the same period, where combined the two areas have lost roughly one-fourth of that capacity. Data related to Veteran-dedicated beds has only been published for the two most recent HICs, but these figures roughly mirror the trends for total year-round capacity. The Wheeling/Weirton CoC, as an exception, added Veteran-dedicated, year-round capacity from 2017 to 2018. A full breakdown is provided in **Table 27**.

Table 27. Total Housing Inventory Count by Type, WV Continuum of Care - 2014-2018

Year	Total Year-Round Beds (ES, TH, SH)			
	Wheeling, Weirton Area	Huntington/Cabell, Wayne Counties	Charleston/Kanawha, Putnam, Boone, Clay Counties	West Virginia - Balance of State
2014	117	261	430	1,157
2015	107	261	431	1,106
2016	113	292	383	943
2017	108	263	347	939
2018	107	275	310	901
Year	Dedicated Veteran Beds (ES, TH, SH) ⁴⁶			
	Wheeling, Weirton Area	Huntington/Cabell, Wayne Counties	Charleston/Kanawha, Putnam, Boone, Clay Counties	West Virginia - Balance of State
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	0	13	22	81
2018	7	13	17	77

Source: The U.S. Department of Housing and Urban Development. Housing Inventory Count.

⁴⁶ Data related to veteran-dedicated beds collected as part of the HIC program beginning in 2017.

Estimates of Utilization

In 1999, Congress directed HUD to collect unduplicated counts of clients served, demographic information and outcomes of homelessness projects. In 2001, Congress charged HUD to work with communities to further analyze patterns of service and program effectiveness largely through consistent, longitudinal data in what has become known as Homeless Management Information Systems (HMIS).⁴⁷

Data estimates (building on HMIS) published by the West Virginia Coalition to End Homelessness (WVCEH) are useful tools to help understand the relationship between capacity and utilization. With respect to Veterans in West Virginia, WVCEH publishes statistics related to housing placements and usage of HUD-VASH vouchers for the state and each CoC. Further data related to bed occupancy is published for all persons experiencing homelessness.⁴⁸

State total Veteran housing placements decline over the 2015 to 2017 period, by roughly 50 percent (roughly corresponding to PIT estimate declines over the same time period). Declines are also observed in each CoC. Please see **Table 28** for more detail.

Table 28. Annual Veteran Housing Placements by West Virginia CoC

Continuum of Care (CoC)	Annual Veteran Housing Placements		
	2015	2016	2017
Wheeling, Weirton Area	33	21	15
Huntington/Cabell, Wayne Counties	126	74	48
Charleston/Kanawha, Putnam, Boone, Clay Counties	76	58	31
West Virginia -Balance of State	516	294	282
West Virginia State Total	751	547	376

Source: West Virginia Coalition for the Homeless; Data Visualization Tools

Data related to the utilization of HUD-VASH vouchers indicate increases over the period for which data is available. Selected points are provided in **Table 29**.

Table 29. HUD-VASH Voucher Tracking, West Virginia

West Virginia	June 2016	Dec 2016	Jun 2017
HUD-VASH Vouchers Available	442	442	442
Vouchers in use by Veterans	353	376	392
Percent Vouchers in Use	80%	85%	89%

Source: West Virginia Coalition for the Homeless; Data Visualization Tools

⁴⁷ <https://www.huduser.gov/portal/periodicals/em/summer12/highlight2.html>.

⁴⁸ <https://www.wvceh.org/tools-resources/data-visualization.html>.

Bed inventory utilization on the night of PIT counts, for all homeless persons (not just Veterans). Data presented in **Table 30** suggest a slight downward trend for those in Emergency Shelters, Transitional Housing and Permanent Supportive Housing, but with some volatility year to year.

Table 30. Housing Inventory Bed Utilization, by Housing Type, 2012-2016

Housing Type	Bed Occupancy, Night of PIT, All Homeless				
	2012	2013	2014	2015	2016
Emergency Shelter	70%	62%	72%	58%	60%
Transitional Housing	81%	82%	76%	80%	69%
Permanent Supportive Housing	95%	90%	83%	93%	91%

Source: West Virginia Coalition for the Homeless; Data Visualization Tools

Stakeholder Interviews

Stakeholder interviews were included in the scope of work for this project to determine whether the literature review and data analysis reflected the experiences and perceptions of the people with “boots on the ground”, i.e., the various agencies and individuals working with Veterans every day in the state of West Virginia. CBER, in consultation with staff from the Department of Veterans Assistance, produced a list of interview targets. Using themes gleaned from the literature review, a supporting interview structure was developed in order to guide the collection of information along participants to help provide consistency across responses. A draft list of questions was submitted to Department staff and a final draft of questions were approved. The final question list included:

1. Estimates suggest a significant decline in Veteran homelessness in recent years. Do you feel these estimates reflect the situation in your region and/or the state?
2. Do veteran housing providers have enough capacity to shelter homeless Veterans or those at risk?
3. As the Veteran populations ages, do you feel the state/region is adequately prepared to provide housing for older Veterans?
4. How well are groups in WV working to prevent homelessness among Veterans?
5. How well are groups in WV working to preserve existing housing for Veterans?
6. Research suggests that much more attention is given to our male Veteran populations than to our female Veteran population. Does that appear to be true in WV? What are some solutions?
7. A history of incarceration and/or substance abuse has been correlated with Veteran homelessness. What programs are in place or have been effective in breaking this cycle?
8. Do you feel there are significant issues related to Veteran homelessness that have become prominent since the conflicts in Iraq and Afghanistan?
9. Homelessness has been a substantial problem among Veterans for many generations. What issues do you see in rural areas of WV that have an impact on this problem as well?
10. What are some potential solutions to the problem of homelessness among Veterans in WV?

A list of 20 stakeholders were compiled, and Veterans selected 10 contacts to be interviewed. The interviews were conducted via telephone October 21, 2019 – October 29, 2019. The results of the interviews include quotes and paraphrases of the stakeholders and reflect their viewpoints.

Interviews by stakeholder institution, representative and date completed:

- **WV Veterans Home.** Ethan Anderson, Social Worker. October 21, 2019
- **Helping Heroes, Inc.** Holden Smith, Director of Programs. October 21, 2019
- **Partnership of African American Churches.** Elvin Campbell, Veteran Social Worker. October 21, 2019
- **Roark-Sullivan Lifeway Center.** John Thompson, Executive Director. October 22, 2019
- **WV Department of Veterans Assistance.** Kasey Voloski, Veterans Outreach Social Worker, October 25, 2019
- **Disabled American Veterans, Chapter 3.** Donna Decker, Adjutant. October 25, 2019
- **West Virginia Coalition to End Homelessness.** Zach Brown, Chief Executive Officer. October 25, 2019 and written.
- **Greater Wheeling Coalition for the Homeless.** Lisa Badia, Executive Director. October 28, 2019
- **West Virginia Housing Development Fund.** Erica Boggess, Executive Director. October 28, 2019
- **Beckley VA Medical Center.** Canceled.

Summary of Stakeholder Responses

1. Estimates suggest a significant decline in Veteran homelessness in recent years. Do you feel these estimates reflect the situation in your region and/or the state?

The stakeholders' perceptions tended to think the population has remained stagnant or perhaps witnessed a small decline, no one believed there has been a significant decline. Important points to note:

- There was a decline three or four years ago, when many agencies began to focus on Veterans.
- Data may be skewed because portions of the homeless population will travel into a region if they hear of certain services available.
- The Housing First initiative has been successful.
- There has been a decline in Stand Down attendance, but it is believed that there are more homeless Veterans out there, it's just that outreach activities are not always successful.

2. Do veteran housing providers have enough capacity to shelter homeless Veterans or those at risk?

The consensus of the stakeholders is there are not enough emergency shelters in the state. Centralized areas have more capacity than the rural areas, but even the more populated areas of the state lack capacity. There is a need for rural housing, but emergency shelters are in greater demand. Important points include:

- Capacity shortages are created when shelters decide to shelter only males or females, vs. having co-habitation policies. Male only are the most common.
- Local government organizations work to shut down emergency shelters.
- Only Veterans with an Honorable or General Discharge may be served. Agencies are seeing some veterans with Bad Conduct discharges receiving mental health treatments.
- There is a push from HUD and VA for Rapid Re-Housing to direct people from emergency shelters to transitional housing. There is only one transitional housing program in the state.

3. As the Veteran populations ages, do you feel the state/region is adequately prepared to provide housing for older Veterans?

The stakeholders believe the state is not adequately prepared to provide housing and emergency services for elderly Veterans. They each had specific points to describe the variance and depth of the issues; they are summarized and paraphrased below.

- The aging Veterans are low income and have higher needs. Many do not meet the criteria for nursing homes.
- The chronic homeless, those who can't be or won't be housed are out there. What happens when they become frail or sick? There is not a place for them to go.
- Currently, a trend in WV known as 'Drug and Nuisance Ordinances' are making it increasingly difficult to house people experiencing homelessness. Generally, these ordinances allow municipalities to order an eviction on persons in affordable rental units after two calls to the police have been made on the person/unit.
- Many aging Veterans have a mountain of problems. They resist asking for services. Once they do, they are in dire conditions which require quick response.
- Many Veterans need assisted living or nursing facilities. One person indicated they saw more post 9/11 Veterans than elderly, but this population also has multi-faceted needs and need nursing/assisted living.
- The state has one Veterans' home in Barboursville and one nursing facility in Clarksburg. Geographic distribution and poor transportation limit access.
- Housing that is available is often in a state of bad repair and not adequate for Veterans with mobility issues. Apartments are not equipped to handle aging difficulties such as stairs, safety bars, etc.

- The nursing facility in Clarksburg does not serve the Veterans living in the southern part of the state. It is difficult for families to visit, so many Veterans choose not to apply.

4. How well are groups in WV working to prevent homelessness among Veterans?

There is an overwhelming consensus among the stakeholders that the service providers in the state do an outstanding job of working together. Private funding is enabling aggressive targeted prevention and diversion to prevent first-time homelessness. They are networked and understand the strengths and weaknesses of each and are committed to assisting each other whenever possible. Example, some agencies can pay first month rent, some can pay deposits, etc. Some notes of interest:

- Serving the homeless Veterans require a three-pronged approach: the landlords, the community partners and the Veterans themselves. A strong network must be in place to be effective.
- Community agencies are established to improve communication between the different entities
- The funding that is going into drug recovery program enables veterans to go directly to those facilities and bypass the VA. This may contribute to Veterans going under the radar.
- Community agencies are trying to promote that the term “homeless” is not a noun but a person that is experiencing being without housing. The perspective promotes more empathy for the person.
- There is a lack of services available to rural areas. There are places in the state where no services are available.
- There is a need to involve more involvement with local and state government. The Governor’s Council on Homelessness⁴⁹ and the Transportation Coordinating Council⁵⁰ are currently inactive.

5. How well are groups in WV working to preserve existing housing for veterans?

The stakeholders rate the state lower in the services available to preserve existing housing for Veterans than they rated the services available to prevent homelessness. Some notes of interest:

- Non-profits are increasing and becoming more sustainable. Unique project exists in Jackson County in which Operation Jackson County Veterans received a land donation and then built tiny houses for housing.

⁴⁹ <http://www.wvich.org/>.

⁵⁰ <https://transportation.wv.gov/publictransit/Pages/WVTransportation.aspx>.

- There is one transitional facility in WV. If more facilities are funded it is important to note that success is not just placing the veteran in housing, but services are also needed to keep the home. Case managers are needed to help manage finances, maintain and repair the house, in addition to servicing the veteran and the issues that resulted in the homelessness.
- Suggest that agencies work with landlords to provide fair and transparent MOU. The programs should not be marketed in a way that is over inflated with success. The warning should be, “Pitch a dream—deal with a nightmare”. It is suggested the message should be, “We want to give you the best tenant we can.” Put together a packet for landlords.
- There is an advantage to using private, flexible money in order to provide those entering the system a way to be diverted from homelessness and the homeless service system.
- Rapid Resolution is should not be viewed as a “time clock” but more training is needed to help case workers ask the right question to lift barriers and work with other agencies to review their policies and procedures that could be relaxed to give case workers time to find solutions.

6. Research suggests that much more attention is given to our male Veteran populations than to our female Veteran population. Does that appear to be true in WV? What are some solutions?

Stakeholders believe that much more attention is given to male Veterans, but not sure if it is a ratio issue or if the female veterans are more hidden. However, female Veterans are more likely to have different issues related to their gender. They are often the last people to ask for help, and have developed keen survival skills, because they are the hub of the family and they need to feed their family. Some notes of interest:

- There are lower numbers of female Veterans in WV, but the number is estimated around 10,000 that need services. Women have different issues than males. Many of the women have experienced domestic violence, sexual assault and abuse during their military service and do not consider services available through Veteran services a safe place.
- There are no transitional housing programs for women in this state.
- There is a lack of emergency shelter beds. If the women know there is a lack of capacity, does that keep them from coming in and asking for services? There is a need for more shelters that have a section for females.
- Treatment programs should segregate services, whether it be for Post-Traumatic Stress Disorder (PTSD), drug or alcohol abuse.
- There are cultural issues that starts with the VA and treatment of female service members. The general public perceives soldiers as clean cut, white males. Need to show what the population looks like, even in films. Females face identity issues, lack of family support, poverty, addiction and no access to health care.
- The military needs to start transitional services before discharge.

- The female Veterans need to engage, show their face, discuss their needs. There are opportunities to become involved as volunteers, speakers, members of community action groups, etc.

7. A history of incarceration and/or substance abuse has been correlated with Veteran homelessness. What programs are in place or have been effective in breaking this cycle?

The stakeholders acknowledged that the opioid crisis in WV has affected the entire state and the Veteran population has not been spared. Everyone agrees they are seeing more Veterans with addiction issues, mental health issues which links to a history of incarceration. The VA mental health services are multifaceted and include, medical treatment, sobriety counselors and social workers, but there are veterans who are not coming in for services, or who do not have access to services in rural areas. Points of interest discussed:

- It is estimated that 98% of homeless Veterans are either; an active drug user; a person receiving medical assisted treatments; a person not receiving medical assisted treatments but working to stay clean; or they are not a user but are homeless because of someone else's addiction. Intervention programs should address all these Veterans.
- WV is doing a better job of developing discharge plans with Veterans before they are released from incarceration.
- Focus should be on the root of the Veteran's problem, not the punishment.
- Need more Veterans Service Organizations (VSOs) trained in peer support.
- If a Veteran's apportionment could go to the families, while the Veteran was incarcerated, it could help keep the family support system in place for the Veteran when released.
- Treatment programs in place are not adequately funded. Programs are staffed with part time, low waged positions, and many are unfilled. Until staff is offered a competitive wage positions, full time, with benefits, programs can't be very successful.

8. Do you feel there are significant issues related to Veteran homelessness that have become prominent since the conflicts in Iraq and Afghanistan?

Most of the stakeholders believed there are more incidents of PTSD, Traumatic-Brain Injury (TBI) and more drug issues for the younger veterans. One stakeholder, who has worked in the field for many years and has served WWII, Korean and Vietnam Veterans stated that he believes that the limited social support for Veterans has always been an issue and does not see a lot of difference in the younger Veterans who become homeless. Points of interest:

- The younger Veterans have more issues, but at the same time, there are more resources available.
- Younger Veterans have problems with reintegration issues. Maybe they graduated from high school and enlisted in the military and have never been independent. They return to

a life with no structure, no family support and this leads to substance abuse and the vicious cycle of incarceration and homelessness.

- The use of the reservists to fight in today's conflicts is part of the root cause. Weekend military personnel deployed as active duty soldiers have a hard time adjusting to full time conflict and have a hard time coming back and returning to a "normal" life.
- Need more programs to follow up once the Veteran is in housing to prevent them from falling back into homelessness.
- Families of Veterans do not know how to support the returning Veterans. Many of the families of the Post 9/11 Veterans do not have a military background and lack a knowledge of the realities of war.
- Law enforcement do not receive training on how to manage a PTSD victim.

9. Homelessness has been a substantial problem among Veterans for many generations. What issues do you see in rural areas of WV that have an impact on this problem as well?

Each stakeholder identified two main issues in rural areas of West Virginia. There are no transportation services in rural areas and there is a lack of services available in rural areas. Even if limited services are available in a small community, and if the Veteran knows they are available and if the Veteran does not have family with a car, they cannot access. Other points of interest discussed:

- First time homelessness is increasing in rural areas because of opioids. Once the pain pills are gone, there are no jobs or services. They go to more populated areas for services. The increase is more intra-state transition to cities than homelessness coming from other states.
- DAV funds have been cut, and rural areas with low participation rates are often the first to be cut.
- There is a culture in many rural areas that promote intergenerational poverty. "Do not ask for help." "Do not try to improve yourself".
- West Virginia has a small minority population. African Americans may not trust a white VSO and an African American VSO is often reluctant to travel into some rural areas.
- Housing costs are very high in some areas of the state because of the gas drillers demand for temporary housing.
- Rural housing is difficult. No one wants to develop housing in rural areas because there is a lack of qualified contractors and sub-contractors. There is not enough money to distribute and rural areas are competing with more urban areas for funds.

10. What are some potential solutions to the problem of homelessness among Veterans in WV?

The stakeholders were very positive and forthcoming with responses. Every one of them mentioned more funding: more funding for social workers, more funding for non-profits, more funding for transportation, but also there were specific recommendations. They are listed below (without order of preference):

- There is a need for more transitional housing for males and females.
- There is a need for more Veteran friendly shelters for males and female.
- There is a tremendous need for a nursing facility in the southern part of the state.
- Mayors should participate in the VA's Mayor Challenge program to truly serve homeless Veterans in their cities.
- Improve military preparation before they transition out of service. Give them training in life management, financial management and knowledge of services available.
- Stop treating with prescription drugs. Take an empathetic approach. Veterans want you to know how they served and how they are doing.
- There needs to be more landlords willing to house sex offenders.
- Increase more interagency communication including state and local government, Family Resource Networks and nonprofits.
- There needs to be additional funding sources not tied to federal program requirements. The federal programs are too complicated, and the Veterans need more leeway.
- There is a strong correlation between brick and mortar and maintenance. Supportive housing and services need to be paired with housing.
- Support Continuum of Care groups.
- Support public housing authority to prioritize Veteran's preference points.
- Grant funders need to remove barriers to success. Programs need more than social workers or case managers. They do not support or understand the need for administrative staff. Every program comes with needs for financial managers, documentation, reporting, etc. Grant funds should allow these expenses.
- Increase funds for training.
- Allow for maintenance cost. If a Veteran is on a limited income, there is a great chance they are not going to finance preventive maintenance tasks.

Summary of Findings

This report attempts to quantify housing needs for West Virginia Veterans using publicly available federal and state-level data sources. A series of targeted stakeholder interviews understand observation in the data and to better frame current and emerging issues related to housing needs for Veterans in the state.

A great deal of attention has been paid to the issues of housing and homelessness, that of Veterans in particular. **With respect to the literature relaying to homelessness and Veterans, we find that:**

- Despite decades of research, homelessness and the consequences that accompany it (including mental health, physical health and drug use) continue to be problems nationally and regionally.
- Veterans are overrepresented among the homeless in the United States and are at greater risk than non-veterans of becoming homeless.
- Veterans' higher risk for homelessness suggests that services (particularly housing and health services) for an aging homeless population will grow in scope and cost.
- Changing needs for health and housing support services of an aging Veteran population is just becoming better understood and those with the most fragile ties to stability will likely face pressing challenges.
- Homelessness and incarceration share risk factors, and each increases the risk of the other, particularly for Veterans.
- Many of the available programs cannot accommodate or are not structured to address the privacy and other gender-specific concerns of women, particularly women with children or those with trauma histories.
- The low reported uptake of VA homeless services suggests there are barriers to care, especially for Veterans who live in rural areas.

The share of the WV population with military experience is higher than that of the nation but is expected to decline. Along with that decline, the demographic profile of Veterans is expected to change with an increase in the percentage of female veterans. An older, less affluent population with high percentages of service-connected disability imply the need for significant health services, compensation benefits and housing. **With respect to Veteran demographics we observe that:**

- West Virginia Veterans account for roughly 9.5% of the 18 and over population (based on US Census data for 2017; data from the U.S. Department of Veterans Affairs is roughly consistent but slightly higher).
- The percentage of the adult population that are Veterans is roughly one and one-half times that of the national estimate (10.2% in West Virginia; 6.6% for the U.S.).
- Veterans aged 65 and over make up nearly half of the total Veteran population in West Virginia as of FY 2015.

- A population projection of the Veteran age group for those 85+ is expected to see a moderate increase in 2035, with that figure subsiding close to current numbers by 2045.
- Of the more than 142,000 Veterans living in WV in FY2017, more than 79,000 were enrolled in the VA Healthcare System, roughly 35,000 were receiving compensation benefits and more than 21,000 were education beneficiaries.
- Most of the Veterans receiving compensation and pension benefits were between the ages 65 through 74.
- Unemployment rates for Veterans and non-veterans alike produce a downward trend. However, unemployment and labor force participation rates in West Virginia, lag those for the nation, particularly among Veteran populations.
- Roughly ten percent of West Virginia Veterans were living below the poverty level and more than 38 percent were classified as having a disability. These figures are higher than those for surrounding states.
- Higher percentages of West Virginia Veterans are estimated to have service-connected disability ratings at 70 percent or greater than each of those in surrounding states and higher than that of the nation.
- More than 43 percent of West Virginia Veterans indicate that High School and Equivalency as their highest level of education, while slightly more than 18 percent claim a Bachelor's Degree or Higher.
- 2,440 West Virginia Veterans are living in group quarters populations. Of those, 1,830 are in institutionalized group quarters with slightly more than half in nursing or skilled nursing facilities.

In most cases, people with acceptable options for permanent housing do not choose homelessness. Persistent engagement and best practice approaches across a multitude of programs have helped reduce the number of unsheltered veterans. The combination of service providers, federal and state agencies, business and concerned members of the community are committed to help achieving the goal of ending homelessness for West Virginia Veterans. That commitment is on display in terms of published estimates of the number of homeless veterans in the state. **With respect to Veteran homelessness we find that:**

- The count of homeless West Virginia Veterans as reported by the PIT Count, dropped significantly from 2015 to 2016 and continues to decline.
- Unsheltered homeless Veterans in West Virginia peaked in 2015 and declined significantly from 2015 to 2016 but an uptick in unsheltered homeless Veterans in West Virginia was reported in 2018.
- From 2014 to 2018, the number of homeless Veterans in West Virginia declined faster than in any surrounding state (60.7%).
- Declines in total homeless Veterans were observed in the two largest West Virginia CoCs (Balance of the State and Charleston/Kanawha, Putnam, Boone, Clay Counties) while figures for the remaining CoCs were low, but relatively constant.

The West Virginia Department of Veterans Assistance operates the 120-bed West Virginia Veterans Nursing Facility in Clarksburg and the 150-bed West Virginia Veterans Home in Barboursville. Additional counts from The Department of Housing and Urban Development suggest a decline in total year-round beds addressing homelessness, albeit with smaller declines with respect to Veteran-dedicated capacity. **With respect to housing and dedicated capacity for Veterans we find that:**

- From 2017 to 2018, Total Year-Round Beds declined in West Virginia, its surrounding states and the nation.
- Despite those declines, West Virginia Veteran-dedicated beds remained roughly constant, while other states in the region saw larger declines for beds dedicated to Veterans.
- With respect to Total Year-Round Beds, most of the capacity is made up of Emergency Shelter (ES) beds. Nationwide, ES beds make up nearly three-fourths of Total Year-Round beds. For West Virginia in 2018, that number exceeded 81 percent.
- However, figures for Year-Round beds that are dedicated to Veterans the reverse is largely true. Nearly three-fourths of the U.S Year-Rounds beds dedicated to Veterans come in the form of Transitional Housing (TH).
- Permanent Supportive Housing (PSH), where permanent housing with indefinite leasing or rental assistance paired with supportive services for disabilities, make up 70 percent of 2018 Permanent Housing capacity in West Virginia and more than 80 percent of Veteran-dedicated, permanent housing capacity in West Virginia is PSH.

Estimates of housing utilization for Veterans from publicly available sources is less abundant. However, **with respect to housing utilization we find that:**

- State total Veteran housing placements decline over the 2015 to 2017 period, by roughly 50 percent (roughly corresponding to PIT estimate declines over the same time period).
- However, HUD-VASH voucher utilization data indicate increases in utilization in the program from June 2016 to June 2017 (from 80 percent to 89 percent).
- Bed inventory utilization for all homeless persons suggest a slight downward trend but with some volatility year to year.

Using themes gleaned from the literature review, a supporting interview structure was developed in order to guide the collection of information along participants to help provide consistency across responses. A total of XX interviews were conducted with representatives from federal and state government entities, charitable organizations and individual volunteers.

From the stakeholder interviews we determine that:

- The Veteran homeless population decline from official counts may not be telling the whole story because of migration to services and the fact that outreach efforts to find homeless Veterans have limitations.
- Capacity is an issue, particularly for emergency shelters and housing in rural areas. Despite the higher amount of resources, larger areas often lack capacity.

- Emergency shelters are in great demand but differing priorities for HUD/VA, local governments and service providers are moving toward transitional housing.
- Aging Veterans present significant challenges for care and many homeless Veterans do not seek out services until the need is dire.
- The housing stock that exists may not be able to support Veterans with mobility or other age-related issues.
- The geographic distribution of state facilities limit access and transportation options are wanting. Stakeholders felt that there is need for a nursing facility in the southern part of the state.
- An unintended consequence of drug recovery efforts is that Veterans seek treatment/care through those programs, effectively being “under the radar” for Veteran services.
- There is a need to involve more involvement with local and state government. The Governor’s Council on Homelessness and the Transportation Coordinating Councils are currently inactive.
- The stakeholders rate the state lower in the services available to preserve existing housing for Veterans than they rated the services available to prevent homelessness.
- Females face identity issues, lack of family support, poverty, addiction and less access to health care. Many of the women have experienced domestic violence, sexual assault and abuse during their military service and do not consider services available through Veteran services a safe place.
- Younger Veterans have problems with reintegration into society. They return to a life with no structure, no family support and this leads to substance abuse and the vicious cycle of incarceration and homelessness.
- Families do not know how to support the returning Veterans. Many of the families of the Post 9/11 Veterans do not have a military background and lack a knowledge of the reality of war.
- First time homelessness is increasing in rural areas because of opioids. Once the pain pills are gone, there are no jobs or services. They go to more populated areas for services.
- Housing costs are very high in some areas of the state because of the gas drillers demand for temporary housing.
- Rural housing is a difficult proposition due to a lack of stock, qualified contractors and lower profit motives. There is not enough money to distribute and rural areas are competing with more urban areas for funds.

Recommendations for Future Analysis

The review of publicly available data and targeted interviews suggest that West Virginia Veterans are a population that needs (and will continue to require) substantial compensation as well as health and housing-related services. Therefore, the development of an understanding the population of Veterans who are not homeless but are at risk for homelessness can inform stakeholders about potential numbers of Veterans who may require housing and/or other services. Based upon research conducted as part of this report, we recommend:

- As stakeholders identify capacity and transportation related challenges associated with geography, the Department of Veterans Assistance should conduct a full-scale feasibility study related to a Veterans' nursing facility in the southern part of the state.
- Recognizing the importance of local government participation in addressing issues related to Veteran Homelessness, efforts to coordinate local stakeholders with the Governor's Council on Homelessness, the WV Transportation Coordinating Council, state agencies and service providers should be fostered.
- Support training for emergency responders and state/local government service providers to identify and respond to Veterans dealing with Post-Traumatic Stress Disorder and related challenges.
- Work with stakeholders to develop informational packets for families of returning Veterans with pertinent, West Virginia-specific phone numbers, internet links and other resources to help family members identify needs and support Veterans.
- Building upon surveys (like the 2010 National Survey of Veterans), the Department should conduct a canvass of West Virginia Veterans with regards to the stability of income and housing, particularly those who are not viewed as "at-risk" to better inform future policy decisions.
- Routinely comparing data related to Veteran demographics, particularly data related to poverty, disability and drug abuse and its relation to incarceration are vital to better implement assistance programs including housing provision, treatment options and prevent recidivism across correctional and rehabilitative settings.⁵¹
- Developing the capacity through partnerships to collect and analyze program data such as HMIS and other sources to create data sets specifically related to Veteran homelessness and monitor program activities. This is particularly important in terms of better understanding the make-up and need for services in the female Veteran population.

⁵¹ Data for justice-involved veterans in West Virginia is not released as part of the National Prisoner Statistics (NPS) Program. However, a report produced by the Bureau of Justice Statistics entitled *Veterans in Prison and Jail, 2011–12*, estimated that 181,500 veterans (8% of all inmates in state and federal prison and local jail excluding military-operated facilities) were serving time in correctional facilities. This represented a decrease from 2004 estimates (9% of the total incarcerated population).

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Supplemental Appendices

Appendix A – West Virginia Veteran Service-Connected Disability Ratings by County

Geography	Percent Veterans: Service-Connected Disability	Geography	Percent Veterans: Service-Connected Disability
Barbour County	20.90%	Mineral County	22.70%
Berkeley County	27.90%	Mingo County	25.70%
Boone County	24.10%	Monongalia County	18.30%
Braxton County	26.30%	Monroe County	27.30%
Brooke County	19.10%	Morgan County	28.50%
Cabell County	22.20%	Nicholas County	26.50%
Calhoun County	14.10%	Ohio County	16.80%
Clay County	26.10%	Pendleton County	20.20%
Doddridge County	24.80%	Pleasants County	12.50%
Fayette County	25.00%	Pocahontas County	27.60%
Gilmer County	33.50%	Preston County	19.30%
Grant County	14.80%	Putnam County	16.70%
Greenbrier County	32.00%	Raleigh County	32.90%
Hampshire County	17.30%	Randolph County	23.70%
Hancock County	13.50%	Ritchie County	16.90%
Hardy County	16.40%	Roane County	28.80%
Harrison County	22.60%	Summers County	28.40%
Jackson County	10.00%	Taylor County	22.50%
Jefferson County	22.50%	Tucker County	16.20%
Kanawha County	18.40%	Tyler County	17.60%
Lewis County	25.40%	Upshur County	19.30%
Lincoln County	18.90%	Wayne County	34.60%
Logan County	27.00%	Webster County	16.20%
Marion County	22.30%	Wetzel County	14.60%
Marshall County	15.60%	Wirt County	17.20%
Mason County	25.40%	Wood County	20.40%
McDowell County	24.00%	Wyoming County	31.20%
Mercer County	32.90%		

Source: American Community Survey 2017, 5 Year Estimates, Table B21100.