

# JOINT COMMITTEE ON GOVERNMENT & FINANCE INTERIM BOOK

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November 7, 2022

# West Virginia Department of Economic Development Office of Broadband Report to the Joint Committee on Government and Finance

Prepared by the West Virginia Office of Broadband November 7, 2022

#### The West Virginia Broadband Investment Plan (WVBIP)

To carry out the Governor's Billion Dollar Broadband Strategy, the West Virginia Department of Economic Development (WVDED), Office of Broadband, in coordination with the West Virginia Broadband Enhancement Council, developed and launched the West Virginia Broadband Investment Plan (WVBIP). The WVBIP is designed to:

- Leverage Private Investment
- Involve Local Governments
- Encourage Public-Private Partnerships
- Connect the Unconnected

The WVBIP includes four separate programs, each designed to meet West Virginia's broadband development needs through efficient utilization of state and federal funding streams. Briefly, the WVBIP programs include:

- a. Line Extension, Advancement and Development (LEAD): Expansions of existing fiber and cable networks,
- b. GigReady: A state incentive for local governments and organizations to pool local ARPA allocations or other local funding,
- c. Major Broadband Project Strategies (MPBS): Significant new networks or major expansions of existing networks, and
- d. Wireless Internet Networks (WIN): Expansions or upgrades of existing fixed wireless networks.

### American Rescue Plan Act (ARPA) Funding

The West Virginia Legislature's allocation of SLFRF and General Revenue funding provided a historic \$100 million investment. This funding will complement West Virginia's allocation of funds through the Capital Projects Funds (CPF), also part of the ARPA. West Virginia was among the first four states in the nation to receive approval from the U.S. Treasury for funding under the ARPA CPF program in June 2022. West Virginia will receive \$136 million to support broadband development.

The ARPA SLFRF and CPF broadband funding allocations represent a major transition to state-led broadband development through which states will oversee the investment of broadband funding. CPF funding, combined with the Legislature's allocation of SLFRF funding in the amount of \$90 million and General Revenue Funding in the amount of \$10 million, provides a combined total of \$236 million for broadband development in West Virginia under ARPA.

# 2022 ARPA Broadband Project Approvals

Governor Justice has issued preliminary project approvals on a rolling basis throughout 2022, as detailed below:

a. **LEAD Approvals:** Governor Justice has announced the approval of 12 applications under the Line Extension, Advancement and Development (LEAD) Program in three separate announcements on January 19, March 18, and August 9, 2022.

The 12 LEAD awards to date represent an allocation of \$27,194,177, through which companies will construct 1,189 miles of fiber, serving 14,936 targeted locations in West Virginia. These

projects will leverage an additional \$14,308,671 in match contributions for a total infrastructure investment of \$43,502,848.

LEAD Applicant	LEAD Project Name	Amount	Matching Funds	Targeted Addresses	Fiber Miles
1. Citynet	Green Valley Line Extension	1,191,535	188,500	265	26
2. Citynet	Shavers Fork, Helvetia, Crestview Line Extension	713,560	162,500	96	10
3. Comcast	Brooke, Hancock, Ohio, Marshall Line Extensions	4,721,590	2,064,978	1,462	59
4. Comcast	Cabell, Kanawha, Morgan, Putnam Line Extensions	2,885,246	1,111,628	716	119
5. Hardynet	East Hardy Line Extension	183,241	64,800	58	10
6. Hardynet	South Mill Creek Line Extension	416,984	140,000	117	5
7. Lingo	East Pendleton Phase I South Mill Creek	2,257,834	297,000	86	31
8. Prodigi	Northcentral Preston	4,592,645	870,500	1,203	93
9. Prodigi	West Preston-Valley District	3,840,913	803,500	1,455	60
10. Shentel	North Fork, Sunset Drive	420,630	238,500	141	9.5
11. Altice	Greater Sissonville	4,000,000	6,062,482	5,895	538
12. Altice	North Lincoln-Alum Creek	2,000,000	2,304,283	3,442	230
LEAD TOTALS		27,194,177	14,308,671	14,936	1,191

\*Table 1: Preliminary LEAD Announcements 2022

b. **MBPS Approvals:** Governor Justice has announced the preliminary approval of over \$34.8 million in grant funding for seven broadband infrastructure projects across the state through the Major Broadband Project Strategies (MBPS) program.

The approved projects will result in more than 910 miles of new fiber infrastructure, providing broadband connectivity to 9,840 homes and businesses in West Virginia. These projects will leverage an additional \$16.3 in match contributions for a total infrastructure investment of \$51 million.

The Governor issued the most recent MBPS Preliminary Approval on September 16, 2022. This announcement included the Micrologic Randolph County MBPS project listed below in Table 2, and the GigReady projects listed in Table 3. Final project determinations for projects that received Preliminary Approval on September 16, 2022, will be completed following the WVDED Public Notification Period, which closed on October 5, 2022.

MBPS Applicant	MBPS Project Name	Amount	Matching Funds	Targeted Addresses	Fiber Miles
1. Citynet	Thornton, Gladesville, Morgantown South	2,200,635	733,545	376	86
2. Comcast	Northern Panhandle Broadband Expansion	14,726,012	6,265,607	1,402	304
3. DQE	Greater Hepzibah Area FTTH	1,088,276	373,000	650	15
4. Frontier	Boone County-Turtle Creek	671,385	1,993,688	1,566	83
5. Frontier	West Mason	1,039,734	3,447,586	1,398	113
6. Shentel	Lewis County Broadband Expansion	1,119,113	466,500	457	27
7. Micrologic	Randolph County MBPS	13,977,410	2,979,000	3,991	282
MBPS TOTALS		\$34,822,567	\$16,258,926	9,840	910

\*Table 2: Preliminary MBPS Announcements 2022

#### Table 3: GigReady Preliminary Announcements 2022

GIGREADY Applicant	MBPS Project Name	Amount	Matching Funds	Targeted Addresses	Fiber Miles
1. Greenbrier Co. Comm.	Greenbrier Co. Broadband Expansion	12,940,988	4,313,663	5,316	177
2. Monroe Co. Commission	Seneca Trail-Green Valley Road	1,797,904	599,301	633	30
3. Raleigh Co. Commission	Ghent Fiber Expansion	5,889,198	1,963,066	1,677	106
4. Roane EDA	Multi-County Broadband	17,057,869	5,685,956	4,878	287
5. Summers Co. Commission	Mountview to Bellepoint	3,703,147	1,234,382	1,036	65
GIGREADY TOTALS		\$41,389,106	\$13,796,368	13,540	665

West Virginia has awarded \$103 million in ARPA funding to date:

- \$70 million in Capital Projects Funds, and
- \$33 million in SLFRF funds

Notably, Internet Service Providers in West Virginia have dedicated matching funds in the amount of \$44 million for a total investment of more than \$147 million in 24 broadband infrastructure projects throughout West Virginia across all projects announced to date.

These projects will result in nearly 3,000 miles of new fiber infrastructure, providing highspeed broadband access to more than 38,000 targeted homes and businesses.

# Infrastructure Investment and Jobs Act (IIJA) Broadband Programs

On May 13, 2022, the National Telecommunications and Information Administration (NTIA) released a Notice of Funding Opportunity (NOFO) for three national broadband programs under the Infrastructure Investment and Jobs Act (IIJA). The IIJA includes three major programs:

- 1. Broadband Equity, Access, and Deployment (BEAD) Program (\$42.5 billion)
- 2. Enabling Middle Mile Broadband Infrastructure Program (\$1 billion)
- 3. State Digital Equity Act programs (\$1.5 billion)

The NTIA Grants Portal is available at: <u>https://grants.ntia.gov/grantsPortal/s/</u>. This portal features information related to IIJA broadband funding programs. Each program is briefly detailed below:

#### 1. Broadband, Equity, Access, and Deployment (BEAD)

- a. The BEAD program provides funding for broadband planning, deployment, mapping, equity, and adoption activities. Each State is eligible to receive a minimum of \$100 million, of which \$5 million can be allocated as Planning Funds.
- b. West Virginia was among the 34 initial states that submitted a Letter of Intent (LOI) to participate in BEAD funding. As of July 15, all 50 states had submitted an LOI to participate in the \$42.5 billion the BEAD Program.
- c. West Virginia's BEAD application was submitted to NTIA on August 11, 2022, in advance of the August 15, 2022, application deadline.
- d. The State's Five-Year Action Plan must be submitted with 270 days of receiving BEAD Planning Funds.
- e. States that do not complete the BEAD Planning process will not be eligible for BEAD Implementation funds.
- f. The Office is conducting an official challenge to submit to the Broadband Data Collection program under the FCC that identifies missing address locations from the BDC map. This demonstration is to ensure the FCC has the most accurate maps to ensure all broadband serviceable locations are included.

# 2. State Digital Equity Planning Grant Program

- a. The State Digital Equity Planning Grant (<u>https://broadbandusa.ntia.doc.gov/resources/grant-programs/digital-equity-programs</u>) will be awarded to States and territories to develop State Digital Equity Plans designed to identify barriers to digital equity and implement strategies to overcome these barriers.
- b. Digital Equity Plans must be included in the BEAD Five-Year Plan.
- c. West Virginia's application was submitted on July 1, 2022, in advance of the July 12, 2022, Digital Equity Planning Grant application deadline. West Virginia's Digital Equity Planning Grant was approved by NTIA on September 30, 2022.

- d. Digital Equity Plans must be submitted with 270 days of receiving Digital Equity Planning Grant funds.
- e. States that to do not complete the Digital Equity planning process will not be eligible for Digital Equity Implementation funds.

#### 3. NTIA Middle Mile Broadband Infrastructure Grant

- a. The Middle Mile Broadband Infrastructure Grant Program (<u>https://broadbandusa.ntia.doc.gov/enabling-middle-mile-broadband-infrastructure-program</u>) provides funding for the construction, improvement, or acquisition of middle-mile infrastructure. Grant funds will be used to expand middle mile infrastructure to reduce the cost of unserved last-mile networks to connect to the internet backbone.
- b. NTIA will prioritize projects that meet at least two of the following five criteria, as outlined in Section 60401(d)(2) of the Infrastructure Act. Preferred projects will:
  - Adopt "fiscally sustainable middle mile strategies"
  - Commit to offering non-discriminatory interconnect
  - Identify specific, documented and sustainable demand for middle mile interconnections
  - Identify conditions/resources to speed up project
  - Demonstrate benefits to national security interests
- c. The Middle Mile Program's Notice of Funding Opportunity states that applicants must coordinate with the Office of Broadband prior to submitting an application *"to ensure that the proposal is consistent with the State's broadband plan and priorities."*<sup>1</sup>
- Middle Mile Program grant applications will be submitted directly to NTIA. NTIA expects to make available awards for grantees ranging from \$5 million to \$100 million.
  Applications are due September 30, 2022, and awards are expected to begin in March 2023.
- e. The Office of Broadband issued Request for Information (RFI) to gauge interest in potential middle mile grant applications from West Virginia on June 24, 2022. The RFI closed on July 20, 2022. The RFI was later extended, to close on August 31, 2022.
- f. Eligible applicants are defined as: "(A) a State, political subdivision of a State, Tribal government, technology company, electric utility, utility cooperative, public utility district, telecommunications company, telecommunications cooperative, nonprofit foundation, nonprofit corporation, nonprofit institution, nonprofit association, regional planning council, Native entity, or economic development authority; or (B) a partnership of two (2) or more entities described in (A)."<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> <u>https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/MIDDLE%20MILE%20NOFO.pdf</u>, page 22-23

<sup>&</sup>lt;sup>2</sup> page 5

g. The intent of the NTIA Middle Mile Program is to complement other programs focused on internet connectivity and digital equity. Eligible projects funded by this program must be middle mile networks capable of providing backhaul connectivity to facilities such as last mile network networks, community anchor institutions, towers and other facilities.<sup>3</sup>

# Wireless Internet Networks (WIN) Program

The West Virginia Department of Economic Development, Office of Broadband, launched the Wireless Internet Networks (WIN) Program on May 20, 2022. Funded through a \$10 million allocation from the West Virginia Legislature, the Program is designed to fund full extensions or upgrades of existing last-

mile wireless broadband networks that can be constructed quickly.

This program is designed to connect unserved locations across West Virginia while also bringing connectivity to the State's parks and surrounding communities. An interactive map featuring

program priority locations is published at

https://broadband.wv.gov/.

The Office of Broadband conducted a webinar to review the WIN program in May 2022. Applications were accepted through June 30, 2022. Five



applications from four companies, representing a combined request of \$9.9 million, were received. The applications included 16 counties with proposed service to an estimated 5,800 locations.

WIN APPLICATION SUMMARY				
Targeted Addresses	County	Park Location		
257	Ohio, Marshall, Wetzel	None		
45	Barbour	Audra		

1,562	Monongalia, Preston, Greenbrier, Pocahontas	Watoga, Cooper's Rock
1,846	Barbour, Berkeley, Jefferson, Preston, Taylor, Tucker, Upshur, Marion	Audra
2,151	Jefferson, Jackson	None

# **Appalachian Regional Commission**

The Appalachian Regional Commission (ARC) announced ARC POWER awards for two broadband projects in West Virginia in October 2022, including:

- a. Summers County Commission: Summers County Broadband Expansion Project; \$2,400,000
- b. **Boone County Community & Economic Development Corporation:** Rock Creek Development Park Broadband Project; \$1,692,507

# FCC Affordable Connectivity Program (ACP)

The West Virginia Broadband Enhancement Council and West Virginia Office of Broadband website prominently features the Affordable Connectivity Program at <u>https://broadband.wv.gov/</u>.

In addition, the FCC has launched a new ACP pre-qualification widget to help streamline the application process. We are determining whether this can be added to the Council website. As of October 31, 2022, approximately 82,000 West Virginians have registered for this benefit.

The ACP helps ensure that households can afford the broadband they need for work, school, healthcare, and more by providing a discount of up to \$30 per month. The Federal Communications Commission (FCC) estimates that about 48 million families are eligible for the program—nearly 40 percent of households in the United States.

# A Look Ahead

The WVDED, Office of Broadband will continue to execute West Virginia's Billion Dollar Broadband Strategy to ensure that all West Virginians gain access to this vital infrastructure.

The Office of Broadband will continue to coordinate ARPA and IIJA funding with other federal funding opportunities, including the Federal Communications Commission's (FCC's) Rural Digital Opportunity Fund (RDOF), the U.S. Department of Agriculture (USDA) ReConnect Program, the Appalachian Regional Commission (ARC), West Virginia's investor-owned utilities, and other federal partners to ensure that grant funds are dedicated to locations with the greatest need.

Major initiatives in 2022 and 2023 include:

- a. GigReady Technical Assistance and Implementation Additional Project Announcements
- b. IIJA Digital Equity Planning
- c. IIJA BEAD Five-Year Plan Development
- d. Mapping and Data Enhancements to align with the FCC's Broadband DATA Act

# JOINT COMMITTEE ON GOVERNMENT AND FINANCE

# (Speaker Pro Tempore Howell)

July 26, 2022

2:00 p.m. - 4:00 p.m.

Senate	House
Blair, Chair	Hanshaw, Chair
Baldwin	Boggs
Plymale	Capito
Takubo	Householder
Tarr	Howell
Trump	Skaff
Weld	Summers (absent)

**Speaker Pro Tempore Howell:** "Committee will please come to order. First item on the agenda is approval of the minutes from May 22, 2022. I recognize the Co-Chair."

**Senator Takubo:** "Thank you, Mr. Chairman I move the minutes of the May 22, 2022, meeting of the Joint Committee on Government and Finance as contained in the member's packets be approved."

**Speaker Pro Tempore Howell:** "Discussion on the minutes? If not, all those in favor signify by saying aye. Opposed? The ayes appear to have it, the ayes do have it, I declare the motion adopted. Committee reports requests...nothing on there? Okay. All

right, next order of business before the committee are monthly and quarterly reports. Members find in their packet reports from the agencies. Roads to Prosperity, Jimmy Wriston, Cabinet Secretary, Department of Transportation."

**Secretary Wriston:** "Thank you, Mr. Chairman. Thank you, committee. I'm very pleased that you guys have the time to speak with us today, I know how busy you are. The...had basically three questions that were submitted to us through Mr. Allred's office and I'd like to address those today.

I think you'd like me to start with the update for the Roads to Prosperity program. I'll first off just generally describe the program. The program consists of two GARVEE bonds, one issued in 2017, one issued in 2018. Four tranches of General Obligation Bonds, which we actually turned into three, we combined two of the tranches together. Two Turnpike bond issuances and then we also constructed a pay-as-you-go program associated with the bonds with the additional revenue that we had prior to selling the bonds. So, having said that the 2017 GARVEE projects are all complete. We're in the process of doing the federal closeout with that. We have a technique called August redistribution in our federal aid program and we intend to use a portion of that to receive repayment for the overruns in the 2017 bond program. So, that money will be reimbursed back to us from the federal aid. The 2018, we're in the process of closing that as well. Once again, we intend to use part of the August redistribution funding that we've requested...and we'll know more about that toward the end of next month...to relieve some of the debt service on that GARVEE bond. So, we could literally end up...given the amount of that August redistribution...we could end up debt free on the GARVEE portion of the Roads to Prosperity. We probably will have a little bit of debt service left over

though. Typically, we'll get just about as much as we ask for in the August redistribution. The way that works is...that's the federal aid from across all fifty states and the two other DOT entities...to where they cannot obligate all of their federal aid funding...so the feds pull all that back in annually and divide it up and we're allowed to request that money each year in August. I think last year we received \$40 million dollars from that, the year before that we received 65, typically it's between 12 and 20. This year, I went for broke and asked for 100 so...

Moving forward, the first tranche of the General Obligation Revenue Bonds, those projects, the big regionally significant projects, are nearing the end of completion. Nearly all of those will be complete by the end of this year. In particularly, the Beckley widening job, the I-70 bridges in Wheeling, we've completed nearly all of those. That bond issuance was \$800 million dollars with \$113 million in premium. There will be some reconciliation to be done. As you go through a two or three-year big construction project you obviously have some overruns, you have some change orders. Sometimes you actually come in a little under so I think there will be a little bit of money left there that we can either fund some additional projects or apply to some matches for the increased federal funding with the IIJA...depending on the amount and how that all reconciles out with the other buckets.

The General Obligation Issuance two...three, the two we combined, almost all of those projects are under contract and under construction. That was a \$600 million dollar issuance, we also received a premium on it...I think the total for that was like \$747 million. All of those projects are moving along pretty much on schedule. You're seeing some of those with the Nitro Saint Albans Bridge, also big regionally significant projects, and a lot of other smaller projects as well in that bucket. We utilized those to take care of a lot of

the slides, to catch up on the big need that we have on slips and slides across the state and we were able to do that. The Bond Council requires us to have a certain service life for these types of projects and the slide project would obviously meet that service life. So, we were able to do some of those projects. Those projects also incorporate some paving, so we were able to combine a few things...and that's a lot of our approach on the IIJA program, will be to combine the buckets and use them as nexus to get as much bang for the buck as we can get. The GO4 Bond issuance, we issued that just last year, all of those projects will be under contract by the end of this year. Most...more than half are now under contract. Those...once again...those are fairly regionally significant but some of those are smaller projects, mostly much needed bridge projects and roadway projects that we targeted that came out as high priorities from our bridge management system and our pavement management system.

The two turnpike issuances, one of those projects has been lagging a little bit, we've had some issues with it. The project in Mercer County from...with the...from the Airport Road to John Nash Boulevard, that project will complete this year as well though. So, that one...that one has been a little bit lagging but the big-ticket item on that project was the safety and operational improvements on Route 10 which was a 70-mile project that included 17 bridge replacements. We developed that project internally with a consultant in 99 days and got it under contract. So, it can be done...it can be done. We took a little a different approach to project management, in a former life I actually managed that project myself through development and that's the model that we're moving forward now to develop our projects. Of course, we'll have to cooperate with the federal regulatory

agencies and that can be challenging but it worked once, it should work again. So, we're going to moving forward in that regard.

The second turnpike bond tranche, we also sold that last year and all of those projects will be under construction as well by the end of this calendar year. So, by the end of this calendar year we should have our entire bond program under contract...moving forward...and then over the next two years we should have those projects completed."

Speaker Pro Tempore Howell: "Questions of our presenter? Gentleman from Clay."

**Speaker Hanshaw:** "Thank you, Mr. Chairman. Mr. Secretary, can you just talk in general terms about the state of inflation and what it's doing to the projects that we...I'm sorry...can you speak in general terms about what the inflationary environment that we're in is doing to projects that are either in motion or that are out for bid or under contract or the impact on plans or...or whatever you'd like us to know."

Secretary Wriston: "It's putting a great deal of stress on our contracting partners. One of the things...we do have escalation clauses for asphalt and fuel in our contracts, we've always had that. So, when fuel prices rise, we can make an adjustment at the end of the projects. One of the things I can tell you...and I just calculated this a few weeks ago...if all of our projects today completed and I had to calculate that asphalt and fuel adjustment and pay that today, it would exceed \$14 million dollars for all the projects that we have out there. So, that's just money that's just blowing away in the wind...of course that's a very big concern. Going forward, there's no way for me to work with our federal aid partners or our contractors for any of the projects that are under contract today to do

anything else to help them or give them any relief on price escalations. Going forward though, we could implement things on projects that we're getting ready to start in the IIJA program. So, that would be a policy decision. I would hope that if we do go down that route, we would do that statewide from all the agencies...you know...the DNR, the DEP, everybody that does construction projects. So, it would be a good thing to have uniformity there.

The concern I have is last week I think I saw the inflation rate was 9.01% across the country, that's an overall inflation rate...that translates to more than 20, maybe as much as 25% in the transportation construction side. So, that's a ¼ of the funding we have that we're not getting the bang for the buck for. That's troubling, that's very troubling...we have the IIJA program which increases our funding but if we're just going to give it back through inflation, we're not going to make near the impact that we could have. We're also still seeing the supply chain issues, we're seeing shortages, we're struggling to procure equipment...vehicles. The Division of Highways runs on its trucks, that's of particular concern to us. So, we're struggling but we're struggling together...we're working through our plans. We're going to put as many projects out as we can afford."

**Speaker Hanshaw:** "Well...as you certainly know we're always anxious to be told what we can do to lower barriers to activation on things. So, if you're trying to adjust or make midcourse corrections on anything that we can do to be helpful on that we'd certainly appreciate knowing it."

**Secretary Wriston:** "Many of the things that you could do...much of the things, you have done—"

Speaker Hanshaw: "Well that's good, I-"

Secretary Wriston: "Giving us...giving us some relief from some of the Purchasing Division rules and regulations...making that waiver. Getting us out of and allowing us to take care of our own human resource needs, big plus there, that helps us tremendously, we've been very successful in doing that. As a matter of fact, just last week I was informed that the West Virginia Division of Highways was named...was awarded Marshall University's Employer of the Year based on our co-op program and our interactions with their student body. That was especially... I got a lot of satisfaction out of that because the selection was made by the students, the ones that are in the co-op program, the ones that we do interact with in our education outreach. So, I think that was...that's something that we're very proud of. We've taken our human resources, we can hire faster...we do have labor shortages though and we're seeing that across the country. Furthermore, our contractors are seeing the same thing. As the inflation rates rise, that's going to be a disincentive for our contractors to invest in new equipment...more pavers, more trucks...that's just going to exacerbate the problem. So, as we move forward it's just going to be...you know, it's a different problem to have but we'll work with it as best we can and I would assure you that if I have a need you guys will be the first to know. We're very appreciative of the bonds that we've formed with the legislature over the last few years and how much you've supported us. I don't think I've made one ask to the legislature in three years that hasn't been granted so...appreciate it."

Speaker Hanshaw: "I'll leave it at that, Mr. Chairman. Thank you."

Speaker Pro Tempore Howell: "Further questions? Gentleman from Braxton."

**Delegate Boggs:** "Jimmy, thank you for being here today. I wanted to ask you something about...on your projects, when utilities have to be relocated, how much of a problem is that and how much is that driving up costs because I'm aware of a few projects that should have started quite some time ago but utilities haven't been relocated and it's my understanding...if I'm being told correctly...that the contractor may well come back on DOH because the utilities haven't been moved in a timely manner. Is that a widespread problem?"

**Secretary Wriston:** "It is...it is, as a matter of fact I know you're well aware of the project. There's a bridge project in your...in your area—"

# Delegate Boggs: "Yes."

Secretary Wriston: "—that it's literally had no work on it for some time due to a utility needing to relocate. The process is really pretty straightforward. When we start a project, we get a utility status...so, what we do is we communicate with those utilities, we put together a utility relocation plan. Either we do it or they do it depending on what type of utility it is and then we generally pay for these. We get what we call a utility status, that utility status gives a date for when we're going to start the project, and then it allows that utility 45 days to move out of the way, and then it's just a matter of whose jurisdiction it falls into to pay for. The ones on our right of way, we pay to move, the ones off, they're on their own.

So, typically with the shortages, the pandemic, and a lot of the issues that we've had particularly over the last three years, the utility companies are struggling to get those things moved in that timeline and they're not doing it. It would be real easy to knee-jerk

and say well let's just put a penalty on them and do those kind of things but then they'll just pass that right back down to the people that we're trying to serve. So, there's a balance to be had there. We...the approach that we've taken is to try to...try to open up the communication channels with them and to see how we can help them. Many times, we can take our contractor and do the relocation as part of the contract and if they're agreeable to that, we can move forward. Sometimes, in the case with yours though, that's a FERC regulated gas line on the project that you're aware of."

#### Delegate Boggs: "Right...right."

Secretary Wriston: "So, my contractor is not...wouldn't be allowed to do that. They would have to do that themselves...so, it's a challenging problem. We have that challenge with many things. Engineering and the design work hardly ever holds up a project. We can...you put more manpower on it, you crank out a set of plans and it's not like...I mean how many times do you have to design a 100-foot bridge? So, there are a lot of standardizations and things like that that we can do to help with that. The things that hold up projects are environmental clearances and permits, utility relocations, and right of way acquisitions. Those are the things that we've always struggled with as far as meeting schedules on projects, and they've been exacerbated by the pandemic and by the general economic condition of the country."

**Delegate Boggs:** "Any idea of how much that that...these...and I know that there's...it's inevitable that some of these are going to happen but is there any idea of how much that actually increases the cost of some of these projects?"

**Secretary Wriston:** "I would be...it would be a disservice for me to give you a number off the top of my head but I can certainly get that number."

Delegate Boggs: "Okay, I would—"

Secretary Wriston: "I could tell you how many projects that I have out there now, and what the scheduled delays are, and what that translates into dollars."

**Delegate Boggs:** "I would appreciate it. Mr. Chairman, if that's something that we could get and could be distributed, I would appreciate it...and Jimmy I just want to tell you how much I appreciate...because I like the fact that you're...and I always have...that you know, you're always trying to work outside the box to try to find solutions to things that generally drag down."

Secretary Wriston: "That's...that's the world we're in and-"

Delegate Boggs: "-So, thank you. Thank you, Mr. Chairman."

**Speaker Pro Tempore Howell:** "Further questions? If not, thank you sir. Next on our agenda...Broadband Update, Mitch Carmichael, Secretary, Economic Development. I don't see the Secretary here, do we have? State your name and who you're with for the record and then—"

Kelly Workman: "Good Afternoon—"

Speaker Pro Tempore Howell: "-give your presentation."

**Kelly Workman:** "—Kelly Workman, Director of the Office of Broadband, representing Secretary Carmichael. So, thank you for the opportunity to present today...you're not seeing what I'm seeing on my screen. I don't know if we have someone who can look at it? I'll go ahead and get started if you'd like? I know you have a full schedule today.

So, we just want to give you an update on where we are with our programs rolling out broadband to the unserved areas of West Virginia, and as you know Governor Justice announced the Billion-Dollar Broadband Strategy back in October, and since that time we've been working at a high speed to deploy broadband to our unserved residents and businesses. The West Virginia Broadband Investment Plan has four main goals. It includes four distinct programs, leverages private investment, involves local governments, encourages public private partnerships, and most importantly connects the unconnected. No luck with that? Sorry."

### Speaker Pro Tempore Howell: "We're working—"

Kelly Workman: "—Okay. So, I do have a map here, I want to show you the projects that we've funded to date. I'll give you a quick recap on projects that we've funded. So, so far out of our LEAD program...that's our line extension program that goes directly to the companies...we've awarded ten projects totaling about \$21 million. Those projects will serve about six-thousand residents, six-thousand locations. Matching funds are about \$6 million. Total project cost is about \$27 million at about...and that generates about 430 miles of fiber infrastructure in the state. The list of projects that we have funded includes two for CityNet, Green Valley, and Shavers Fork. Two projects for Comcast in the Northern Panhandle and in Cabell, Kanawha, Morgan, and Putnam. Two projects for HardyNet, one is in Hardy County and one's in Grant County. One project for Lingo Communications in Pendleton County. Two projects for Prodigi in Preston County and one project for Shentel which serves Grant County.

Okay. So, the two projects that we have funded for Prodigi in Preston County, we actually have a pre-construction meeting with that team tomorrow. That'll be our first project that goes to construction. So, we have two projects in Preston County, one's on the North Central Side, one's on the West Side and with those two projects combined we will generate about 150 miles of fiber infrastructure and serve almost three thousand residents. In our GigReady program we're continuing to work with our technical assistance groupings. We have conducted meetings with those groups on June 8<sup>th</sup>, June 15<sup>th</sup>, and we have another meeting scheduled tomorrow with our Eastern Panhandle group. Thank you...that'll help, won't it? Great, thank you.

So, I'm going to back up just a moment to show you...this is the map of the Preston County project. You'll see North Central is in pink and West Preston are the blue dots. We're down to the address level, so we are pinpointing the address locations where this infrastructure funding will be deployed...and this will give you an idea of our GigReady groupings. As I mentioned, tomorrow we have a meeting with our Eastern Panhandle group to assist them in developing an RFP to seek private partners for their projects. This map shows you a representation of the GigReady applications that we are currently considering for implementation funding and you'll note that some of these projects move into the southern regions of our state. We're mindful that we do need projects in that area...so, we do believe that some of these projects in the southern tier will be funded through our GigReady program.

Moving on to MBPS, which is our Major Broadband Project Strategies program. As you'll note, we had about 72 applications to this program totaling about \$600 million in funding. The Governor announced the first wave of funding through this program last

week and so we funded our first six projects. That includes CityNet, Comcast, DQE, two projects for Frontier, and one project for Shentel...and in total through the LEAD program and the MBPS program we've about sixteen...we've funded sixteen projects...about \$20 million through each program and serving about 14,000 locations in West Virginia. This is a map of all of the applications that we have received. So, you see we have good geographic distribution throughout the state represented by all of the programs and these are the projects that we've funded to date in West Virginia...and you'll note that each project is listed according to the funding source, and the MBPS projects are a little bit different because the LEAD projects are address based....they're pinpointed...excuse me...to the address location but the MBPS projects are area based. So, when a company receives funding through MBPS, they have an obligation to serve all of the unserved locations within that geographic area. That's why those look a little bit different on the map.

Through our WIN program...which is funded through a \$10 million dollar allocation of state funding...we have received five applications. The applications were submitted as of June 30. So, we're into the review stage on those projects. The targeted addresses represented are almost six thousand and about sixteen counties are represented. With this program, it's an innovative program in which we seek to serve state parks and the surrounding communities. So, you'll see here that some of our state parks are represented. We worked with the Division of Natural Resources and the Department of Tourism to develop our priority list for the state parks and Watoga was number one on the priority list. So, we do have an application in hand to serve Watoga State Park and that surrounding community, which as you know is woefully unserved.

So, we've had a couple of questions about our evaluation criteria and we've shared this previously with the Broadband Council and a couple of different committee meetings that we've attended. So, I want to just review this very quickly...that will reviewing technical and operational qualifications, financial resilience, and what we call broadband development impact...and so broadband development impact speaks to things like affordability, economic benefit...we're also looking for areas that haven't had a federal investment or a funded broadband project...and so also looking at those demographic factors. A lot of our projects, we're also noting that the low to moderate income measurements have a correlation to the unserved areas of our state. So, we're tracking all of that data as well. So, the projects that are being selected are scoring well in all three categories. In other words, you couldn't score at the top of the technical evaluation and score very poorly on your financial score and poorly on your broadband development impact score and be in that top tier. So, as you know, the State of West Virginia has received its allocation of Capital Projects Funds. That's \$136 million dollars that's come in through the U.S. Department of Treasury. We have allocated one project through that funding source and that is the Comcast project in the northern panhandle. West Virginia was among the first four states in the nation to be approved for that funding.

So, moving on to the Infrastructure Act, there are several different components to the Infrastructure Act...they're just briefly identified here. The first one that we're working through is actually at the bottom...or number three on this list...The Digital Equity Planning Grant. We've already submitted the application for that funding and the state is set to receive a minimum of \$728,000 for digital equity planning. Once that plan is approved...or once the application is approved, we'll have one year to complete that plan.

The Digital Equity Plan will fold into item number one, which is the BEAD five-year plan, that application is due on August 15<sup>th</sup>, we're already working on it. When that application is approved, we also have one-year to complete that plan. Then the Digital Equity Plan and the BEAD plan come together to form one holistic plan that will enable the state to compete for the implementation funding. If we fail to complete these plans, the State of West Virginia would not be able to access implementation funding under the Infrastructure Act for broadband. So, it's critically important that that process go forward. On the Middle Mile Grant Program, those applications are going directly to NTIA. They are due September 30. The Office of Broadband issued a request for information on June 20 to give companies and organizations and local governments an opportunity to let us know if they are considering an application to NTIA. We'd like to engage with them and assist and provide data and resources...that the RFI closed on July 24<sup>th</sup> and we did receive some response so there are some applications in development out there. We do plan to reissue the RFI on July 27 for two or three more weeks based upon some inquiries we have received in our office. So, that's a quick overview and I'll be happy to answer questions about those programs as we move forward."

Speaker Pro Tempore Howell: "Questions for our presenter? Gentleman from Clay."

**Speaker Hanshaw:** "Thank you, Mr. Chairman. Kelly, I'm particularly concerned...or interested rather, I don't know if I'm concerned yet but I'm certainly interested in what you just said about this slide."

Kelly Workman: "This one?"

**Speaker Hanshaw:** "Specifically in so far as we have to meet certain milestones in order to be able to draw down the remainder of what's available to us from federal sources. Are we...on whom are we reliant to make sure we have done that? The private sector providers with whom we're working or our own work here at the state."

Kelly Workman: "For the planning grants?"

**Speaker Hanshaw**: "All of it, every...I want to be sure that we've leveraged every federal dollar we can to deploy service to homes and—"

Kelly Workman: "Right."

**Speaker Hanshaw:** "—and I'm interested in what you said about what we have to do to be eligible for the balance of it."

**Kelly Workman:** "Yes. So, on item number three, the Digital Equity Planning Grant, we have submitted that application. When we receive that funding from NTIA we'll have one year to complete the plan. If NTIA accepts the state plan, then organizations and companies throughout the state will be able to compete for implementation funding. So, we've engaged with CBER, StartUp West Virginia, the Regional Planning and Development Councils, and the West Virginia Economic Development Council to complete that planning process...we've listed them as partners."

Speaker Hanshaw: "And we're on track to be finished and..."

**Kelly Workman:** "Well the awards from NTIA will start in September but we've already started that process."

Speaker Hanshaw: "Okay."

**Kelly Workman:** "So, we need to complete that planning process within 270 days after the award...basically one year. So, we've got that underway and then the BEAD, number one, the BEAD planning, that's the state's Five-Year Broadband Action Plan and within that plan the state has to develop a plan to achieve universal broadband coverage utilizing the NTIA funding. So, we will submit that plan to NTI...submit the application, excuse me...we'll submit the application to NTIA before the August 15<sup>th</sup> deadline. The state is eligible to receive \$5 million dollars to complete the BEAD Plan. Once NTIA accepts that plan, then the state will have access to 20% of its implementation funding. So, all of the states will receive a minimum of \$100 million dollars. We do anticipate that that number will be greater than \$100 million but we don't yet know the exact amount. So, just be assured that that application will be submitted. We're shooting for August 5<sup>th</sup> to have the application ready to go."

**Speaker Hanshaw:** "Okay, my only concern was whether we were on track to meet the federal milestones to make sure we were drawing down all the resources available to us. Sounds like we are."

Kelly Workman: "Yeah."

Speaker Hanshaw: "Okay."

**Kelly Workman:** "Absolutely. So, one thing I will mention on Middle Mile...because those applications go directly to NTIA...we did have...we had some consultation with the Office of Technology to determine whether the State of West Virginia would be an applicant to this program. So, we have a little bit of time...if that's something that the state wants to pursue, we really need to get started on something like that. The

RFI was geared more toward the companies and electric utilities and other eligible applicants. So, if the State of West Virginia would propose to be an applicant, that's something that we really need to get started on."

Speaker Pro Tempore Howell: "Gentleman from Greenbrier."

**Senator Baldwin:** "Thank you, Mr. Chairman. Thank you for being here today, Kelly. I just had a question about...you mentioned there on page three the GigReady projects..."

Kelly Workman: "Yes."

**Senator Baldwin:** "...and those are the applications that really serve my district. So, I'm inquiring about the timeline for those projects."

**Kelly Workman:** "Yes, we are...so we did our first tier of LEAD, first tier of MBPS, we are now moving on to focus...with more of an emphasis on GigReady. So, those will be the next projects that we move to recommendation. We're hoping within the next 30-45 days that we'll have those solidified."

**Senator Baldwin:** "Okay, time gets away from me especially around this place but I thought those were set to be awarded...as of our last meeting...this summer. Am I remembering that incorrectly? Or is that timeline changed or not changed?"

**Kelly Workman:** "I think that the timeline shifts because of the details that we have to work out with each project that moves forward. So, there's a lot of back and forth with the project teams and the exact locations and the budgets...and it does slip a little bit...and then we also have the Infrastructure Act applications that we have to make sure get completed. So, we do have to juggle around the schedule a little bit but just...those GigReady projects are the highest priority at this point because as I mentioned they are primarily getting into the southern tier of the state that we have not yet had a lot of projects awarded."

Senator Baldwin: "Yes ma'am, I'm well aware."

**Kelly Workman:** "Yes. So, but as you'll...I hope you see that there's a logical progression as to how things are rolling out. So, we're just trying to be very very careful."

Senator Baldwin: "Okay. So, I guess my concern is...is there anything that those folks can do to move that process along because I think they submitted those applications about six months ago now and is there anything additionally that those applicants and commissions for example need to be doing to ensure that everything moves as smoothly as it can?"

**Kelly Workman:** "We are actually engaged with that project team. We have emails going back and forth this week. So, we've asked for a couple of revisions that they are currently working on."

Senator Baldwin: "Okay, thank you ma'am. Appreciate it."

Kelly Workman: "Thank you."

**Speaker Pro Tempore Howell:** "Further questions of our presenter? If not, thank you. Oh, you do...okay, the Senator from Wayne."

**Senator Plymale:** "Thank you, very much. Kelly, the one thing that I didn't quite understand when you were talking about NTIA...I thought the understanding was since

those were going directly to NTIA for a review from the federal standpoint, the deadline that we had put in place was moved to a week before they needed to be submitted, not just in two or three weeks from now. I think in particular if we're talking about doing something from a statewide perspective of a Middle Mile Project, I think that's vitally important as we look at those. That was my understanding that it was a week before the September 30<sup>th</sup> deadline."

Kelly Workman: "What deadline would that be?"

**Senator Plymale:** "You mentioned that there was an arbitrary deadline in here that said the 27<sup>th</sup> I believe that you're going to reissue one for another one but you're only opening it up for two to three weeks. I think that's too short of a time and that wasn't the understanding from conversations I've had with people...that that was going to be a longer period of time than that. I just bring that up that I think that we really need to be looking at that."

**Kelly Workman:** "Okay, well the request for information issued by the Office of Broadband was just to generate information about the potential projects that were being developed. So, my concern would be if you wait until a week before the deadline that might be pushing you too close to that deadline. So, if we could work with you earlier that would be to our benefit I think."

**Senator Plymale**: "Well, I think that that's a goal but I still think that since the decision isn't being made in the state, it's made at the federal level, you just having time to review that...you're not...you could issue a letter of support or you couldn't issue a

letter of support. It's still a decision made at the federal level according to the five guidelines that were outlined in the...okay, thank you."

Kelly Workman: "Okay."

**Speaker Pro Tempore Howell:** "Further questions of our presenter? If not, thank you ma'am."

Kelly Workman: "Okay, thank you."

**Speaker Pro Tempore Howell:** "Next, we have General Revenue/Federal Funds, Mark Muchow, Deputy Secretary, West Virginia Department of Revenue."

**Secretary Muchow:** "Good afternoon, I'm Mark Muchow, Department of Revenue. I want to talk about the just completed fiscal year '22, as well as June collections and I hope that you have been provided some information. Otherwise, I'll be talking about numbers that may be hard to gather but I assume that you have some information on those numbers. Okay.

June was a very good month for tax collections. We had collected \$662.4 million dollars in general revenue, that was \$201.2 million above estimate, and 33.7% ahead of last year. So, big gain for the month, some of that gain was attributable to the items like severance tax which was up for the month by 115% due to higher energy prices. We collected \$120.9 million in severance tax for the month of June compared to the prior year of 56.3, and that was \$80.7 million dollars above estimate. For the entire year we collected \$768.8 million in severance tax compared to \$274.3 million in the prior year, so we were up 180% for the entire year. So, that's the big movement in tax, that was pretty close to a \$500 million dollar movement in tax in one single year and it had very little to do with

production. The production numbers for natural gas up just a little bit, coal is up a little bit, it's basically the energy prices and I think yesterday I brought to the attention there's a big problem in Europe with natural gas. In Europe, the price of natural gas is six to seven times what it is here and the U.S. is trying to supply more natural gas liquids to Europe at the present time to better balance that equation. What West Virginia does lack is the infrastructure necessary to produce a whole lot more natural gas to get that natural gas to those markets that they're demanding the natural gas. That's a problem that has to be overcome but in the present time prices are way up. Might say that natural gas prices are also very volatile and they can move up or down a couple dollars per MCF in a single month. It just...it moves but it's up high right now and probably the poster child for inflation would be natural gas.

On the broader taxes, the sales tax in the month of June, we collected \$192.8 million, that was \$31 million above estimate, and a healthy 9.7% ahead of last year. Some of that was also related to inflation, inflation rate last reported was about 9%, so got a high level of inflation. Year to date or for the full year we collected \$1.65 billion, \$181.7 million above estimate, and 7.7% ahead of the prior year...so good growth in sales tax. Personal income tax in June we collected \$232 million, actually we collected 247 but \$15 million went to the income tax reserve fund. Last year we actually collected about \$201.3 million in personal income tax, about \$45 million went to the income reserve fund in the prior year but the numbers on personal income are very strong. For the month of June, we were up 22.8% when you take all those things into account and for the entire year, we had collections of personal income tax that totaled well over \$2.5 billion. In fact, it was 2.5...almost \$2.55 billion in collections. It was above estimate by \$476 and a half million

dollars and compared to the prior year it was up 16.8% when adjusted for...for various movements of money, so big gain there. Corporate income tax same way, corporate income tax collections in June \$71.7 million, that was 12.3% ahead of last year, and \$46.7 million above estimate. For the entire year we collected \$366.3 million, that was above estimate by over \$200 million...\$206 million...and last year we collected \$320.5 million but remember last year's collections included about somewhere around \$56 million dollars of deferred receipts from the previous year. So, when you take out those deferred receipts from the previous year. So, when you take out those deferred to the year. So, tremendous growth there as well.

Insurance Tax, I'll just give the number for the entire year, Insurance Tax...Insurance Tax we collected \$135.8 million, that was 15.1% ahead of the prior year. So, good growth there. Tobacco Tax, take a tax that doesn't grow very strongly, Tobacco Tax we collected \$165.1 million, that was just a little bit ahead of estimate but that was below last year by 3.6%. Typically, tobacco will decrease a little bit over time as people quit the habit but overall very good numbers. The energy situation is still quite robust for prices and will probably continue so for the rest of this calendar year at least but at some point in time that will straighten itself out, and if you look at the latest EIA...Energy Information Administration projections on natural gas prices, they have a pretty good decrease built in for the coming year but they also always in their...in their projections always say the market is very unpredictable, which it is. So, that's the General Revenue Fund.

The State Road Fund, if you exclude the federal money, in June we collected \$76.3 million, that was below estimate by \$6.7 million dollars, and for the year we collected

\$873.7 million, that was below estimate by close to \$42 million, and below prior year by 17.7%, but we have to keep in mind the prior year had some one-time appropriations from the legislature. If you take out the one-time appropriations from the legislature, the numbers are pretty flat. The collections...adjusted collections are 0.2...basically 1.4% ahead of the prior year in terms of receipts. I might add that the federal tax receipts in June were \$44.3 million and for the year \$474.4 million. That \$474.4 million is probably the best federal aid number that we've seen in a whole number of years. It was up basically \$100 million from the prior when we had \$374 million. So, highways has done a good job of attracting the federal dollars into the treasury for roads. Typically, over the last twenty-five years the federal aid has been consistently around...closer to the 400 to 425 level so 474 is...pretty high number there.

Individual taxes and the Road Fund, the Motor Fuel Excise Tax for the year was...was was down...was up 5% from the prior year but was still \$10.4 million below...below estimate for the entire year. Part of that...the higher energy prices will deter consumption a little bit. Registration fees were down from the prior year by 0.2% and compared the pre-COVID period we're down 6.9% on an average annual basis, or \$32 and a ½ million dollars. The sales tax, compared to pre-pandemic was up significantly, about 8.4% on an annualized basis. However, the sales tax for fiscal year '22, this is Motor Vehicle Sales Tax, was actually just slightly less than the prior year. When interest rates rise as they have been, that will tend to have a negative impact on durable good consumption and the automobiles would be one of the first items that are affected by that. So, we are seeing a slowdown in the automobile area right at the present time. Should add on the inflation front, the legislature has two provisions in the code right now on

inflation. One, allows the DMV to do an inflation adjustment on fees once every five years. That was put in place back in 2017, that's at their option...and the other one, is an annual adjustment to the Motor Fuel Tax. That's on the variable portion, based on average price between July and December. That average price change is a little different than the consumer price index. In Maryland, they just adjusted their fuel tax up about six cents a gallon or so due to CPI adjustment. This is an adjustment based on motor fuel...or cost of gasoline and various motor fuel products, and it's limited by code to be no more than 10% per year. What 10% would mean would be about a 1 and ½ cent adjustment on the tax that would likely take effect January 1<sup>st</sup> of next year, based on the measurement of fuel. Now this is between July and October so, if prices fall significantly in the next couple months that will change but based on where prices are right now, there would probably be a little bit of an inflationary adjustment that would occur beginning of next year. Any questions?"

Speaker Pro Tempore Howell: "Questions of our presenter? Gentleman from Putnam."

**Senator Tarr:** "Thank you, Mr. Chairman. Mark, in a Joint Finance Committee meeting, I can't remember which session it was but you had mentioned that should we go into a recession and start looking at a decline in revenue at any point off that that the severance would kind of lag behind. I want to make sure I understood that correctly, is that still your opinion?"

**Secretary Muchow:** "That's still my opinion, I think severance will be about the last...commodities are driving the prices higher right now and basically you got the federal reserve battling...battling that with interest rate hikes. The interest rate hikes probably are

in and of themselves not very effective at changing the commodity markets. However, long term if things slow down enough, it will slow consumption or demand for products and eventually will put some downward pressure even on the energy markets. I really believe recession will start overseas. Europe, I think has got some real problems and then if it starts overseas, it may have some impact eventually on trade, which then affects our energy sector quite a bit...but energy...sales tax and consumption items like particularly motor vehicle type sales tax is hit first. Property transfer tax, you know, with higher interest rates you'll probably see fewer property transfers...less value...so that'll be affected first. The income tax gets affected later on; we just benefited this past year from a tremendous rise in the U.S. Stock Market. A number of people opened up their 401k statements...well and their...I should say their 1099 statements, they don't have to worry about 401k that's tax deferred...your 1099 statements at the end of the year and said, oh wow, I'm going to owe some income tax...and capital gains by some estimates went up 40% in a single year. The stock market has adjusted for inflation, it's deflated a bit and so I would suspect that capital gain realizations for this current...year which will be reflected on the returns that are filed in early 2023...will be less than what we saw this past year. So, looking for a little bit more sluggishness. Now wage and salary income taxes are still pretty healthy and those folks who receive a royalty check...I'm sure you're getting more from those natural gas wells right now than you were two years ago so that's...but royalty monies are less in magnitude by far than capital gains income. So, I probably...went on too far and talked too much."

Senator Tarr: "So, I guess if...and maybe this isn't some of the information you would have...but if it lags behind for one of the last revenue sources that we see
decline...if I'm stating that correctly, when we see (...inaudible...) indicators that it's coming at some point, how long of a lag does that take from the time you first start seeing indicators? Is there any kind of normalcy to that or is it all over the place to that as well?"

**Secretary Muchow:** "Well when it comes to energy, always I would say you can have a boom and a bust in the same...in the same year."

Senator Tarr: "Boom and a bust in the same month, okay."

Secretary Muchow: "So, all I know is when energy hits, it'll be noticeable—"

Senator Tarr: "All right."

**Secretary Muchow:** "—when it hits but that's our most unpredictable revenue source as you can imagine and—"

Senator Tarr: "Thank you."

Secretary Muchow: "—it used to be more predictable when it was dominated by coal. Coal moves a little bit more slowly on prices up and down but natural gas is a whole lot more volatile than coal and natural gas revenues...I had a chart the other day for folks...natural gas revenues are our primary source of severance tax. Coal is no longer primary, it's secondary."

Senator Tarr: "Okay, thank you."

**Speaker Pro Tempore Howell:** "Further questions of our presenter? If not, thank you sir."

Secretary Muchow: "Thank you."

**Speaker Pro Tempore Howell:** "Next on the agenda, Department of Health and Human Resources, Integrated Eligibility System, Justin Davis, Assistant to the Cabinet Secretary. Please come up."

Justin Davis: "Good afternoon, everyone. Do you need me to state my name?"

#### Speaker Pro Tempore Howell: "Yeah."

**Justin Davis:** "Justin Davis, DHHR...Assistant to the DHHR Cabinet Secretary. My understanding is the committee would like to hear about the implementation of our new Integrated Eligibility System. So, Mr. Chairman if you're agreeable, I'll make a few brief remarks and then address the questions from the committee."

## Speaker Pro Tempore Howell: "You may proceed."

Justin Davis: "Okay. So, DHHR is in the process of implementing a new integrated eligibility solution. It is going to replace and integrate three of our existing systems. We are doing this in a phased approach. The first phase went live in February of 2020, we went operational with a new public portal and online application that replaced...at the time it was our current online application inROADS. So, not only did that modernize the technology platform in which folks are able to apply for benefits online such as Medicaid, SNAP, Energy Assistance...it also integrated our child support application which had historically been a separate application or on a separate website. So, now folks that are applying for Medicaid and Child Support or SNAP and Child Support are able to do that in one location. The solution is also set to replace our current child welfare system and that current system's name is...the acronym is FACTS...our Families and Children's Tracking System. It's also set to replace our existing child support system which is the

Online Support Collections and Reporting Solution or OSCAR, and it is also set to replace our current integrated eligibility system which is RAPIDS, the Recipient Automated Payment Information Decision...or Data...System, excuse me.

So, as I mentioned, it's a phased rollout bringing each of those former systems offline and into the new technology platform. Child Welfare is targeted for this year and then every few months after that we would bring additional programs online. Starting, obviously Child Welfare first, soon followed by our Child Support Program and then we would look to bring on the majority of the family assistance programs which are Medicaid, SNAP, TANF, Energy Assistance, our School Clothing Allowance, Emergency Assistance, Burial, and our Subsidized Child Care...so, that's kind of the context 101.

I did receive some questions from the committee, I'm happy to address those one by one or to take questions directly from the committee members, whichever..."

Speaker Pro Tempore Howell: "Proceed with the questions."

**Justin Davis:** "Okay. So, my understanding, the committee was asking about...our vendor partner Optum had submitted a proposed schedule that would bring...I should have clarified, excuse me. You're going to see Integrated Eligibility Solution, that was the name of the system when we put out the request for proposals or the RFP. In the course of the implementation, we held the naming survey with DHHR staff and the system has been renamed to the West Virginia People's Access to Help or West Virginia PATH. So, if I use IES or PATH, those are synonymous, I'm not talking about two different systems. So, we're working with our vendor partner Optum, as part of the procurement process, they submitted a proposal with a schedule indicating that PATH would be

operational by February of 2020. The committee was asking about the variance between February of 2020 and the current schedule which projects into 2023 and the details associated with that delay. So, to provide a little context, we did issue a request for proposal, we received...we requested in that request for proposal a 24-month implementation. We received two bids, both of which were beyond the 24-month implementation timeline. Optum was ultimately selected as the winner and they had a 29month implementation timeline. Due to purchasing and procurement rules...as you are all aware...there's limited interaction that you're allowed to have with vendors during the procurement process. So, Optum submitted that proposal, it was a draft schedule. The first time that we had an opportunity to sit down and discuss that schedule in detail with Optum was upon contract award. That occurred upon contract award and we moved forward with months of kind of what we call schedule management. So, looking at the schedule, looking at their assumptions, what did they build into it, are these realistic timelines, are they not, and ultimately that lead to an update of around a target of 36 months for implementation. So, we moved forward with that timeline on the project. As I mentioned previously, we were gathering momentum and actually went operational with the public portal phase of the project in February of 2020. As we all know, in March of 2020 the COVID pandemic hit, there's a short-term productivity impact that's very hard to quantify. We immediately overnight had to go from in person working sessions, meetings, to completely virtual. We did support that as best we can but on projects of these size and complexity, a lot of the work that's done particularly with our state staff, you get in rooms, you whiteboard out workflows, you make sure policy requirements are met, it's

much more effective to do that in person. So, we experienced a short-term productivity impact there.

Additionally, over the long term as we've all navigated the pandemic, there's a human resource impact of the availability of staff on both the agency side and the vendor side. In just the review of the system screens and the design, how it's been built, we had over 300 staff participate in that process, all of which had to navigate the various constraints of the pandemic and the vendor team, my understanding is upwards of over 350 staff assigned to the project for that task. So, we were first of all impacted by the COVID pandemic. In addition to the pandemic, the contract with Optum was awarded in the Fall of November 2017, we've received additional federal requirements, additional scope so to speak that has impacted the project directly since that time. Many of these are very complex or big changes and even something that seems somewhat small of a change on a project of this size, something very small can have a small immediate impact but a very large downstream impact when you're talking about building a system, testing a system, making sure that ultimately, it's going to be ready for production.

To highlight a few of those, there was the family...Federal Family First Preventions Services Act which introduced fundamental changes to the way services are provided in child welfare. That had a compliance date of 2020 and we did make minimal changes to our existing system that I mentioned FACTS, to be compliant with that but it did involve heavy redesign of our requirements within our Child Welfare workflows because you're essentially going from one set of federal standards midstream to a new set of federal standards while the feds continued to issue additional sub regulatory guidance that could impact that. There was also the Family First Coronavirus Response Act issued during the

pandemic. We continue to deal with some of the changes of that and the corresponding public health emergency. That has impacted a lot of the eligibility categories that will operate in this system and we continue to work with our federal partners with the ongoing public health emergency and when that will end but that directly impacted a lot of our design that we had and we need to be prepared that if that public health emergency at the federal level is rolled back to be able to correspond with our existing systems and within PATH to maintain business continuity. We also had changes in the addition of new eligibility categories with our Children with Serious Emotional Disorders Waiver that occurred after contract award. Again, in flight adding additional eligibility categories that impact how you move forward with the system.

We also had our Memorandum of Understanding with the Department of Justice that I believe the members are familiar with. It introduced various measures that we need to meet to satisfy requirements for the Department of Justice. It's a combination of program and policy changes that ultimately impact how the system needs to perform as well as various reporting requirements and metrics that we had to build into the system that were not originally part of the scope. Additionally, we have the Google workspace transition, when we awarded the contract and started moving forward we were operating under the assumption that we would be using Microsoft. From a technology standpoint there are various aspects of PATH that do interact with Microsoft whether it be calendar type functionality, the generation of forms and various pieces of correspondence...so there's work gone into what is the impact of that transition and how do we...how do we implement it moving forward? When you have a project of this size that touches as many systems and as many programs as this does, each of those on its own could typically

take about twelve months to ensure that you do the system build correctly. You make sure the design is correct, you test it effectively to make sure that it's going to work, and then you stand it up and stabilize. So, to answer the committee's question, those combination of factors are the leading cause of why you see that variation between February of 2020 and the Summer of 2023. Would you like me to continue Mr. Chair, or field questions on each individual?"

Speaker Pro Tempore Howell: "Gentleman from Putnam."

Senator Tarr: "Thank you, Mr. Chairman. Justin, thanks for being here."

Justin Davis: "Sure."

Senator Tarr: "So, I do have questions about this because when we had this in the Finance hearing in 2022 when we were looking at it. I believe it was in January 2022 and we had Secretary Crouch before the committee going over this. I want you to reflect on some numbers that the committee didn't get to hear. First of all, when was the contract let for this Integrated Eligibility System?"

Justin Davis: "I'm sorry?"

Senator Tarr: "When was the contract let? When was the contract awarded?"

Justin Davis: "It was November of 2017."

**Senator Tarr:** "November 2017...and then what was the cost of the contract at that time?"

Justin Davis: "The total contract is \$308 million dollars over 10 years, sir."

Senator Tarr: "Okay, have there been any change orders that have added any cost to that?"

Justin Davis: "There have not been any change orders that have added to the total contract value of the contract. There have been change orders to clarify certain typographical errors with the contract. There was a commodity line that was not added at award that was in the procurement that should have been added. There have been change orders to extend certain delivery orders as dates have adjusted and there was a change order that did have a monetary value attached to it around \$38 million dollars that did not exceed the total contract value for the contract. It was essentially a rebucketing of existing project funds to ensure that we were mitigating risk and certain technical activities were taken care of on the project."

Senator Tarr: "Are there any federal dollars tied to this at all or is it all state dollars?"

**Justin Davis:** "There is a significant component of federal match tied to this. We receive about 84% federal funding and about 16% state funding. That's not exact, we did have approximately two years of a 90% match under the federal OMB-87 exemption that was introduced through ACA. That did retire and was not renewed so it's a little bit of a hybrid when you combine those two factors."

**Senator Tarr:** "So, the launch date was supposed to have been in 2020, correct? So, 2017 contract was put out, it was supposed to have been completed in 2020, and we're now heading into '23 and still don't have that complete so what's the...still the cost right now is then \$308 million? We're not up above that at this point?"

Justin Davis: "We're not above that, sir."

**Senator Tarr:** "Okay, so are we at risk for having gone over that contract amount, a claw back from any of them federal funds?"

**Justin Davis:** "No, sir. We go through a federal approval process each year. We submit project documentation and they approve our budgets. So, they look at all the materials, where we're at, and what our funding requests are.

I can add some context to the \$308 million over 10 years, that is broken down into various buckets. So, the actual system build for Optum is around \$163 million to build the system, just south of that. That's about 138...projected to be about 138 federal dollars tied to that and that's a milestone-based part of the contract. So, Optum is only compensated that money when work is completed in various segments, they only receive a percentage. About \$112 million of that total contract is for maintenance and operations and obviously Optum's not paid that money until the system is operational and they are running the system. About \$34 million...and I'm rounding so if I'm off a little bit that's why...about \$34 million is discretionary funding for modifications and enhancements to support some of the initiatives I mentioned earlier but those were all built in as commodity lines because we know as things go we have changes and we'll need to make changes throughout the course of this contract."

Senator Tarr: "Who made the decision to go from Microsoft to Google Workspace or whatever that was...yeah from Microsoft to Google Workspace, where did that decision come from? Does that come from the Governor? Does that come from the Executive? Did the legislature give that order to you? How'd we come about that?"

Justin Davis: "I'm not...I'm not aware of the answer to that question, sir."

**Senator Tarr:** "Is there anybody in the audience that can answer that question? From DHHR? Mr. Secretary, I see you sitting back there. Thank you."

**Secretary Crouch:** "Yes sir, that was...I'm Bill Crouch, sorry. That was a decision made out of the Governor's Office, an executive decision for the executive branch as I understand it."

Senator Tarr: "Okay, thank you. So, what delay time is associated with switching from Microsoft to Google Workspace? How much time delay we looking at since we're now into our...being three years late and still not having it finished and we have some time out there that I really don't trust it's going to get done on the next target...how much time did that add to it?"

**Justin Davis:** "It's hard to identify that solely given the multiple factors that I mentioned previously. The initial kind of review of Google, the transition away from Microsoft, we had to work with the system vendor and the Office of Technology and Google on what the impact would be. We are currently in the process of working with the Office of Technology on a potential exemption just for the period of allowing us to go live with Microsoft, the bare minimum of Microsoft so that we would not compound any delay. A lot...the best answer I can give you is, a lot of the work that caused the delay was analysis of what the impact would be, how we would have to redesign it to make it work, and that's when we looked at it and determined that trying to pursue the exemption was in the best interest of the project to not further compound that delay."

**Senator Tarr:** "Part of what's been delayed with this has to do with child welfare, did I hear that correctly?"

Justin Davis: "Child welfare is in scope for the project, sir. Yes."

Senator Tarr: "And so that child welfare piece has still not been implemented?"

Justin Davis: "Correct, sir."

Senator Tarr: "Now going into the third year."

Justin Davis: "Correct, sir."

**Senator Tarr:** "Okay. So, is there a negative impact to the people who would otherwise have access to the child welfare aspect of this over these past three years? What's the impact on the child welfare program for not having this up to date?"

**Justin Davis:** "It's hard for me to answer a hypothetical like that. I can offer you some of the benefits—"

Senator Tarr: "So, give me some practical things. So, what is it that they don't have access to with this...with the current system...that once this is done, what its goal is to do?"

**Justin Davis:** "Yes, sir. So, some of the benefits that the new system will bring. First and foremost is a modernized technology or an up-to-date technology, which should in the future allow us to move more quickly when we do have regulatory changes. Part of this...what makes it difficult right now...is we are in the process of building and implementing. So, everything we do...you're trying to pin Jell-O to a wall because you're moving. Once we've implemented the system and we're on a more modern platform and we have that baseline to start with, future regulatory changes, you're working with the technology that is not as antiquated as our current technology. There's more staff available from the vendor to assist and provide us those updates. So, that's one benefit is we should see regulatory changes come in in a more efficient manner.

The other thing is the integration of all of these programs within the same platform allows us to potentially share data in a way that we never have before. Of course, following all the various security protections, federal laws, state laws...but a good example for you, particularly in child welfare where data quality by the very nature of the program...if we get three calls of a Jane Doe baby on a park bench centralized intake within 15 minutes, we have to take all of those calls. One very in the weeds example for you is...we're implementing a master data management solution as part of PATH and you can think of that as kind of a supped-up phone book where when I go in and I type someone into the system, it will give me a basic kind of acknowledgement or are they already known to the system or not. That's basic info, it's not very specific of what their benefits are, it's to protect...for certain protections...but it can allow you to import things like contact information in hopes of eliminating duplicates, knowing if they're already known to other programs, and then that provides the potential for...if there is outreach between programs...to provide more coordinated services to those individuals. That's kind of at a glance some of the benefits in a very in the weeds example for you, sir."

Senator Tarr: "So, the Department of Justice has taken action right now against the State of West Virginia because the state of our Child Welfare System, that's accurate?"

**Justin Davis:** "I'm certainly not the expert in that area. I...my understanding is that there is a Memorandum of Understanding between the Department of Justice and West Virginia where they have...we are collaborating on a series of outcomes that they would like to see us hit over a certain period of years."

**Senator Tarr:** "I thought, maybe I...maybe it was misreported to me. Mr. Secretary, maybe I'll have you answer this too...was there a change in that recently? Anything between the Department of Justice and the MOU?"

Secretary Crouch: "There has been no change in the-"

Senator Tarr: "There was not?"

Secretary Crouch: "—MOU since it was signed—"

Senator Tarr: "Okay."

**Secretary Crouch:** "—which was subsequent to the...to entering into this contract for...for PATH."

**Senator Tarr:** "Okay. Do you know if this directly affects that MOU? This Integrated Eligibility System, does it affect the Department of Justice situation we have right now with child welfare?"

Secretary Crouch: "What the MOU does is...and it was a signed agreement with the Department of Justice to reduce the number of children in residential care facilities throughout the state and to keep children in homes more than pull children out of homes. Much like Family First, those came about at the same time so there's a big push with that regard. So, because they...we...previously we were not paid for any child...taking care

of any child unless they were taken from the home. So, DHHR took children from the home, took responsibility, we received funding to take care of those children out of the home. Family First and the MOU puts us in a position of taking care of children who remain in the home. So, a lot of the...l'll call those screens...input information had to change because everything as it was originally envisioned, had to do with taking children out of the homes and keeping that documentation as a part of that system. So, that all had to change from the standpoint that that wasn't the only way we were going to take care of kids anymore...any longer."

Senator Tarr: "This helps with the case management in that situation, is that accurate?"

Secretary Crouch: "It should."

Senator Tarr: "Or it should once it's implemented?"

Secretary Crouch: "Yes sir."

Senator Tarr: "And it should have been implemented three years ago."

**Secretary Crouch:** "Well again, we've had a lot of barriers here. This is a complex system. My understanding is we will be the first state in the country to do this, to have this type of system for all of DHHR. So, it is a hugely complex system."

**Senator Tarr:** "Okay, thank you. I'm sorry to the committee for taking so much time but it's \$308 million dollars."

Speaker Pro Tempore Howell: "I understand. Gentleman from Greenbrier."

Senator Baldwin: "Thank you, Mr. Chairman. Yeah, and in addition to that I mean it's lives at stake and so I agree with my Finance Chairman on the importance of this. I appreciate you being here Justin. I wanted to hone in on something that the Finance Chair asked about and that's this transition from the FACTS system to the PATH system...so, Child Welfare. I assume that entails historical documentation...historical information that's in the FACTS system...is that right?"

Justin Davis: "Correct, sir."

Senator Baldwin: "Is that historical information transitioning over to the new PATH system?"

Justin Davis: "The simple is yes, but when it comes to activities around data conversion it's far from simple. So, we have various retention requirements that we have to meet particularly at a federal level for these programs. So, we have to make sure that that data is accessible and I believe in some instances for foster care and adoption it may be up to 99 years. Now, accessible...there's a lot of ways that we can access that information. So, our intent is that...for the day-to-day workers...that we would bring over all open and active case information into PATH for them to continue to do their day jobs and that any of the historically closed information to meet those retention requirements...we would have that available and then look to move that over to a...whether it be a different secure location within PATH or a location where it is accessible. Whether that's hands on keyboard or through a data request or if we were to receive some sort of court order...to have it there but...and the intent of that is if we bring over the open and active information, that would include all of the historical documentation within that case, that that will hopefully lead to cleaner data set for the workers to start

with in PATH because they're not potentially dealing with all of that closed historical information but we would still have access to it."

Senator Baldwin: "So, is that happening in stages then?"

**Justin Davis:** "The goal would be that all the open and active information is there to start with."

**Senator Baldwin:** "So, will...so if I'm a CPS worker, will I need to be trained in FACTS and PATH in order to handle all this at one time while I'm working throughout the system or..."

Justin Davis: "No. So, most folks that are operating in FACTS today are trained in FACTS. There will be in user training for PATH so folks know how to operate within the PATH environment and if there were some need to bring data over from FACTS. I'll just use myself, say I'm Justin Davis and we've brought my information over and for some reason there's a case that was closed five years ago that was also related to me. There would be a process to go and pull that information and bring it over to PATH in the future if we needed it but folks would not need to be trained in two systems. The only potential we have for folks operating in two systems, we are planning...when we do the go live of PATH in child welfare...to leave the child welfare functionality within FACTS operational for a 90-day window and we have some flexibility there for a little longer if needed and the purpose of that is to close out any ongoing intakes and investigations. We don't want to interrupt that process and once those are either corroborated or not corroborated, that's a good clean cut off point to then begin the assessment phase if necessary, in PATH. So, that's the only area where you potentially say folks are operating in two systems. It doesn't

make a lot of sense to move those while they're in flight, we want them to be completed and then move them over in the assessment phase but no we would not plan to have folks have to operate or be trained in two systems."

**Senator Baldwin:** "Okay, just one final question. Maybe I misheard you but did you say not everyone works in PATH...excuse me, in FACTS currently...or not everyone is trained in FACTS currently?"

**Justin Davis:** "No, everyone that works in FACTS should be trained in FACTS. You asked if everyone would have to be trained. My...we're working with the assumption that folks that get access to FACTS today are trained in FACTS."

**Senator Baldwin:** "Okay and so that's my question for PATH. Everyone who works in child welfare will be trained in PATH in—"

Justin Davis: "Correct."

**Senator Baldwin:** "—order to use that existing information that they have to input but also to look at that historical information?"

Justin Davis: "Correct. Everyone—"

Senator Baldwin: "Does that—"

**Justin Davis:** "Sorry. Sorry, sir. Everyone regardless of...the program, any user of PATH will be trained in PATH before they utilize PATH."

**Senator Baldwin:** "Okay so that is...just to be clear...that is not just a CPS worker but that is an intake review as well, for example?"

Justin Davis: "If they utilize PATH for their day job, they will be trained on PATH."

Senator Baldwin: "Okay. Thank you, sir. Thank you, Mr. Chairman."

Speaker Pro Tempore Howell: "Gentleman from Clay."

**Speaker Hanshaw:** "Thank you, Mr. Chairman. I only want to ask one question so that I understand the status of the contract and the timeline we're on. Will we own any intellectual property when that's over? Will we have bought a system that we can then use in perpetuity or will we...will we have to re-up a contract at the end of that ten-year period?"

**Justin Davis:** "So, the...we have a copy of the source code which is placed in escrow that—"

### Speaker Hanshaw: "Okay."

**Justin Davis:** "—we have access to but that would be likely…I don't want to say a policy decision because it's more than that but that's more of a business decision when the contract would come up of how to best potentially pursue a procurement in the future. One of the things that Optum included in their proposal is pieces of what's known as a software...as a service model. So, that would support your question as that's kind of their bringing the service to you via software. You don't own a product like it's your car, your key—"

Speaker Hanshaw: "It's license versus owning."

Justin Davis: "Correct. Correct."

Speaker Hanshaw: "I fully get that."

Justin Davis: "Correct, sir."

Speaker Hanshaw: "That's what I'm trying to tease out here is that—"

Justin Davis: "Yes"

**Speaker Hanshaw:** "—at the end of ten years, will we have owned it that we can then modify and use as we see fit or will we…have we just licensed it for ten years?"

**Justin Davis:** "We would have access to the source code. I'm not trying to be evasive to the question but we would have access to the code. If we had the right staff and folks available, we could potentially operate that or put out a procurement for folks to utilize that."

### Speaker Hanshaw: "Okay"

**Justin Davis:** "But the intent of the model really is that they provide the service, they host the technology, and that we're more in the analysis, validating outcomes, making sure it's working correctly business."

Speaker Hanshaw: "Okay, you've answered the question. Thank you."

Speaker Pro Tempore Howell: "Further questions of our presenter? Thank you, sir."

Justin Davis: "Thank you."

**Speaker Pro Tempore Howell:** "Next, we have All-Payer Claims Database, Cindy Beane, Commissioner, Bureau of Medical Services, and Shaun Charles, Chief Information Officer, DHHR."

**Shaun Charles:** "Hello and thank you, my name is Shaun Charles, I am the CIO for DHHR. I've asked to answer some questions and I thought I'd open up just giving you

a very high overview of what an APCD is and then if it's okay with everybody here I'll just go down through and answer the questions and answer any other questions you may have.

So, in its basic form, an All-Payer Claims Database is a system that collects healthcare claims and related data from all or nearly all entities that pay for healthcare services in a geographic area, such as West Virginia. This includes private and public health plans. As of today, there are 34 states that have or in the process of implementing an All-Payer Claims Database. They have proven to be a valuable tool and virtually anyone with a stake in the healthcare system including consumers, employers, healthcare providers, health insurers, researchers, and policy makers can use this data to help understand the system and find ways to improve it.

To reference some of the questions that I've been asked to answer. As part of the All-Payer Claims Database, we chose to take this data that's coming in from these payers and place it our WVEDSS System. This is a system that's already in place and its contract has been renewed. In reference to the question, if there's any additional costs for the WVEDSS contracts, there was no additional cost incurred on DHHR or the state to put that data in there. The only costs that were incurred was the cost associated with cleaning up that data and getting it imported into the system. At this present time, we currently have...you know...obviously the Medicaid data, PEIA, and historical data. We are currently working with Highmark to get that data, and we have the Medicare data.

So, some of the other questions here we got...does the federal government require that the APCD be included as part of their electronic data warehouse? No, this is not a requirement of the federal government. Some of the policy outcome questions I'm

going...that you have here...I'm going to defer that to Cabinet Secretary Crouch, that's a little bit above my pay grade...where the All-Payer Claims Database is. At this moment, one of the questions we have here is, can West Virginia citizens who do not want their data collected or reviewed by DHHR's APCD have the ability to have it removed from APCD? At this time, that is not something that has been discussed but it's something that has to be discussed and decided on for the State of West Virginia. As I stated before, there are currently 34 states that do have an APCD and 16 states that currently do not have an APCD or have no plans at this point to have one. We had some questions in here about the APCD. Do any other states have stronger privacy protections than West Virginia? At this point in time, right now, we are operating under the security parameters of the HIPAA Security Rule, and Privacy Rule, 45CFR and the NIST guidelines 800 – 52, 800 – 77, and 800 – 113. It really meets all the requirements that we need to transport secure data at rest and also access to that data...and I'm happy to answer any other questions you may have."

Speaker Pro Tempore Howell: "Gentleman from Putnam."

**Senator Tarr:** "Back to the kind of numbers side of this for the committee's sake. How much are we into for the All-Claims Database now...All-Payer...the—"

Shaun Charles: "Excuse me?"

**Senator Tarr:** "The All...I'll get the acronym right here...the All-Claims Payer Database, if I got that order correctly?"

Shaun Charles: "APCD. Yes, sir."

Senator Tarr: "Yeah. So, if...how much are we into this dollars wise now?"

**Shaun Charles:** "So, dollar wise and from the standpoint of working with IBM and our partners to get the data in there and for PEIA it includes historical data, we have roughly \$303,000 dollars. Highmark \$61,000 and Medicare data was \$74,000."

**Senator Tarr:** "Okay. To get it started wasn't it like \$45 million or something? Did I miss that figure?"

Shaun Charles: "That...that's for the WVEDSS, that's the WVEDSS contract."

Senator Tarr: "Okay."

**Shaun Charles:** "We're simply...we are storing the APC data within the structure of WVEDSS, so that we can use the same tools that we have from WVEDSS to help analyze and study the—"

**Senator Tarr:** "I guess what I'm trying to figure out is do you have the data in two different places? Like, do you have a warehouse of data in one spot and a warehouse of data in another spot with this or how's that work?"

Shaun Charles: "It's in the same spot broken down by security. So, just because the APC data is there does not mean everybody can access it that has access to the WVEDSS information."

Senator Tarr: "Okay, all right. Thank you."

Shaun Charles: "You're welcome."

Speaker Pro Tempore Howell: "Further questions? If not, thank you sir."

Shaun Charles: "Thank you."

**Speaker Pro Tempore Howell:** "Next, we have Vital Statistics, Anne Amjad...I hope I pronounced that right...Commissioner, Bureau of Public Health."

**Commissioner Amjad:** "Hello. Do you guys have the slides because this thing is not working? Okay, then I'll just...thank you. So, this is a...I guess a presentation...on the Vital Registration System that we have for our death certificates. We did get some questions as well which I...I was going to use the slides as a backdrop and then go through some of the questions and then answer any questions.

So, on slide one, we did work on a timeline for the initial contract that was rewarded for the Vital Registration System...or most people (...inaudible...) right now the death certificates...and you can see in that timeline that NetSmart was awarded the first contract in January of 2019. One of the questions we got was, if the contracts for NetSmart and then the new one VitalChek could be provided and I believe that was. There was a question as well if DHHR received any contractual assistance in developing the procurement that was released in January of 2019. The answer is yes, the Health Statistics Center contracted with QuantumMark to support process mapping and the development of the technical specifications for the RFP...and that did occur in July 2017 until the contract was awarded with NetSmart, and the cost for QuantumMark to help with that mapping process was \$618,000 dollars.

On slide two, it goes through the rest of the NetSmart contract timeline after it was initiated in January of 2019, and we can see that about a year after that in January through April we had two milestones completed...milestone one and milestone three. Around April of 2020, the project was deemed at risk and you can see that we had listed several instances here. Our team engaged with NetSmart several times about difference in bid

requirements, change orders...a lot of the key personnel who was assigned to DHHR from NetSmart had moved on to other jobs. So, they were working with new staff members there as well...and then throughout this timeline on slide two, you can see that by January of 2021, which is two years after that contract, we did engage our legal counsel to look into that contract for failure to meet their milestones. By April of 2021 is when we...we stopped that contract with NetSmart and in between then was starting to look for another one which is now VitalChek that has completed so far, our death certificate modules that we're using to date.

Another question had come up and it's on our next slide, slide four, how much was paid? NetSmart, the original contract was \$2.4 million, we've paid to date approximately \$141,000. That is for completing...basically two milestones that they had done, which was a point of sale in hosting and then that contract was cancelled...and then VitalChek so far, the amount initially was \$1 million, and we have paid that to date so far for the death registration system that is currently in effect. The other question was are we able to recoup any of the money to NetSmart? As mentioned, we just paid for what was delivered to us, so that was about \$140,000 to date and that can't be recouped. They did perform those services and so that money cannot be taken back. The next question that I received was the status of implementation of these timelines. As far as NetSmart, the initial contract, they just were able to do the death...the point of sale ordering and then the hosting, and then they failed to meet other major timelines that were needed.

Sorry...okay...so, the other question that we received...so, right now on slide five you can see we have about 5,900 users for the electronic system in the state, and that consists of funeral directors, medical certifiers, hospice care facilities, and so on. In 2022,

so far, we have registered over 13,500 deaths...majority of those have been electronic, which has been good. We have received a question if we had any complaints about it? We've had a few...I say a few compared to the amount of users. The most common complaints that we have are providers unable to use the drop-down menu for the cause of death because those are very specific. You can't simply write, you know, COPD, you have to write chronic obstructive pulmonary disease for example. There are questions about if a death certificate is sent to me per se and I did not see the patient, I send it back and then it sends a generated system email to maybe the entire facility...so, there's questions about HIPPA compliance with that.

But other than that, we've gotten pretty good reviews from the funeral homes and some other users, and we did have several months of our staff working with providers...different clinic hours...online and we continue to have people available to answer any specific questions. The benefits of the electronic death certificate system, it does improve accuracy and completeness. If anyone has ever filled out those death certificates...and this has happened to me as well...you know, it comes back to you if there's anything that you...it's not legible. If you write, instead of writing atherosclerotic heart disease, and you put ASHD, it comes back to you. So, that's a delay as well in getting the death certificate to the funeral home. It also gets to the National Center for Health Statistics faster, that verifies the deaths. So, there's an improvement with that as well.

Slide seven outlines that as well, how our percentages has improved since we've started the electronic death certificates. The last question that we received was, based on this experience with the delay of the initial procurement, how do we plan on mitigating

such contract failures in the future? DHHR and our staff strives to do the best RFP requirements and solicit vendors as possible. It is difficult once a project gets started to make sure the deliverables are met with milestones regardless of what else is going on. There's a lot of change orders that try to take place. I do feel like given the timeline of this contract, we moved rather quickly to secure another one who was able to implement the current death certificate within eight months of use. So, that was a rather quick turnaround for them...but our goal is to continue to be as engaged with RFPs and the vendors and to have even staff who will be working with those vendors part of the process in order to meet the requirements more efficiently to avoid any future incidences like this but...I'm open to any questions."

Speaker Pro Tempore Howell: "Questions of our presenter? Gentleman from Kanawha."

Senator Takubo: "Thank you, Dr. Amjad. You know, I guess I'd have to disagree...I think this system has been horrible and the physicians at the hospital have had a tough time about it. My biggest concern about it...you know and I just had one this weekend where a patient had a metastatic cancer through the lungs, died in the intensive care unit...probably spent 10-15 minutes trying to fill out a death certificate and what happens is you...you know in medical school you want to be the most accurate as you possibly can listing the causes of death, and you end up just picking diagnosis that the thing will accept to get the death certificate done and then it still won't let your certify...and so, I've got 2-3 emails today, probably one of those cases where funeral homes are being held up where they can't do this and I sit there in the intensive care unit trying to do this and I've got a text thread I'm looking right now, doctors are still complaining on this where

they're having trouble getting this thing done. So, it may be worth and you know, some of the things you mentioned you can't do...CHF abbreviations, COPD, things like that but it's...the order of what's concerning to me is when somebody dies...the primary cause of death and the secondary factors to that, a lot of times it won't...it won't let you do that and so, I'd be happy to sit with somebody and show examples but I think we may have a bigger problem because I would imagine a lot of these are getting done just because they'll finally just put in diagnosis that a patient will have that the computer system will accept to check it off and let us complete the death certificate but it is not the primary cause of death...and then from a registry standpoint when we're trying to track some of these things, I think it's going to skew data down the road if we aren't able to do that and more importantly I'm really concerned, for example, somebody that has a coal worker's pneumoconiosis and they die from a respiratory failure cause or something. If you can't list these things in there, then that can affect widow death benefits that you know, somebody's already been awarded and etcetera. Now there is places where you can type in and if you can get the top diagnosis to be accepted, you know, maybe that will cover I don't know but I'm just worried there's going to be long term consequences and unforeseen things that is going to affect people."

**Commissioner Amjad:** "No, you're right. I mean those are valid questions and concerns we get and I don't know how to...right now...how to troubleshoot what you're saying. If providers are not finding what they want in those drop-down menus, what are they doing? You know...I would hope they're not just putting something in to get by. They could call in and ask...and maybe we do need to sit down because I don't know how they populate all those different ones either. I would think they have all the lists of the diagnosis

that we would have out there in the world but if there's not and there's some missing, usually if a provider calls someone walks them through it...which I know takes time as well but I think these are some of the things that we're going to have to work through to improve it. Especially since it's not...it's not easy, it takes time to learn, it I mean I've tried to play it on everyday just because I don't know what's happening with that system but it's...what you're saying too, I think we'd have to troubleshoot it. Unless someone tell us, like a provider, we don't know what they're struggling with. So, it's not without fault, I mean we get calls daily."

Senator Takubo: "Is there a twenty...the call in's not 24/7, right?"

**Commissioner Amjad:** "Not anymore, no. I mean beginning...they were doing stuff a little bit more after hours. Now, if you email someone I guess at Health Statistics Center, or even me, we get that to someone rather quickly but if we're seeing a pattern of what you're saying, I think that's good to know because then something is missing. I know we have a call with...I don't know if it's Thomas or General...next week for the same reason. There's a group of physicians not having an easy time. So, I don't want...you know...people to think it's not at fault but any system is going to take time to get out the bugs."

Senator Takubo: "Well I know in the hospital, like this weekend there's...there's nobody on the call center, of course you know the patients are dying...you know, they may die at three o'clock in the morning. So, you got to fill that out because the funeral home's going to come take the patient and then what happens is...is like what I'm going to have to do is (...inaudible...) back in...they'll send you the med. rec. for the patient but they don't tell the facility they were at or...and so for physicians like myself who go to

multiple facilities, now I have to go searching through and logging in at different hospitals trying to figure out where this patient was..."

Commissioner Amjad: "That was supposed to be fixed because-"

Senator Takubo: "Okay."

**Commissioner Amjad:** "—there was another doctor in Beckley who had the same problem and kept calling and they said that next time they send him a name of a patient, it's supposed to say what facility because he also went to four or five different places. I'll have to check on these things because I don't think they...you can't just fix it for one physician, it has to be fixed across the system...but the email is supposed to tell you where the patient is."

Senator Takubo: "Well they may have, I saw that it was...who it was from...I haven't opened these yet so maybe they did fix it but anyhow it would just be helpful to maybe have...you know, it's got the potential to be a quick easy system but there's just some flaws, and I know for a fact that a lot of docs are just putting in diagnosis that the patient does have but were not necessarily the primary secondary cause of what they died...to get the thing to accept because then what we do is, we get calls the following week from the funeral home saying we can't cremate or we can't bury or we can't...you're holding these things up and we're in the middle of a work day on that day and then trying to go back and search and find these people and half the time it's not even people we took care of, it was some...on another service or...so anyways, it just...we got to work this one out a little better."

#### Commissioner Amjad: "Okay."

Speaker Pro Tempore Howell: "Gentleman from Greenbrier."

Senator Baldwin: "Thank you, Mr. Chairman. Thank you, Dr. Amjad. I just wanted to ask a question about something that you and I have talked about before and I don't know if...if it's something that can be worked on in this new system or not. Place of death...is it possible within this new system to not just have the place where the person dies but the person where they've spent the majority of their life?"

**Commissioner Amjad:** "Yes, and so I did ask that to the director of our Health Statistics Center. So, there's a way...so, right now if...even though I live in Raleigh County, if I die in a hospital in Charleston or something then it can be tagged as Kanawha County, but you spend the most of your life in Raleigh County. She told me that there is a way but it has to do with the birth registry and the death certificate...that those are two different things that somehow would have to...if you were interested in that, you would have to be able to see both. So, you would have to see the person's birth certificate and their death certificate in order to link those two. There isn't a piece...there's isn't a block on that form now, the death certificate, that will...can populate all that, but there is a way to merge that possibly later if someone were to ask those questions. So, you could say...how many people in Kanawha County died of lung cancer but grew up in Raleigh County...and then you could find that from their birth registry, and then kind of merge the two but it's not there yet, but that would be..."

**Senator Baldwin:** "It's not there now but it is possible in the future which would allow us, for example, to look at cancer clusters."

Commissioner Amjad: "Yes."

Senator Baldwin: "Okay."

Commissioner Amjad: "That's my understanding."

Senator Baldwin: "Great. Thank you, I appreciate it. Thank you."

Speaker Pro Tempore Howell: "Gentleman from Berkeley."

Delegate Householder: "Thank you, Mr. Chairman...and Commissioner you may or may not be able to answer this question. If not, I would invite Secretary Crouch to come up. Last month I had received several phone calls from several of our medical examiners back home in Berkeley County...and I don't know if it's a systemic problem that's happening. They're telling me, every two weeks, they mail in their invoices to OCME and they're about three months being paid. They seem to have this...it seems to be an ongoing problem every year that they're telling me and they're usually two to three months being paid. As of seven twenty-four, they're all caught up but now I'm finding out that the transport companies and some of the funeral homes are six to ten months behind in getting paid. Did you want to address that and explain to me what's going on or did you want to defer that to Secretary Crouch?"

**Commissioner Amjad:** "I'll answer what I can from that because as with most things, if there is a delay in payment that's that long of course we're all notified and to find out why. I don't have a simple answer. I do know that there are some instances where the invoices are not probably caught up to date. So, our finance unit maybe is not able to track all of them equally. I do know there also is an influx of invoices from all over the state. So, how those are triaged I couldn't speak to but I do know it's an ongoing problem and it's not a good one. How we're going to address that, you know, I think is...we're

going to have to work with our finance unit and how they're receiving information but I know that's a problem because that probably happens every couple of days that there's a company that hasn't gotten, you know, timely payment."

**Delegate Householder:** "Yeah, I just wanted to make sure it wasn't a spending authority where you needed to be granted more spending authority or if it was more of a personnel problem like you just recommended...that these invoices are piling up and you're not able to get to them."

**Commissioner Amjad:** "I don't know about the spending authority part. I mean to me, at least when we reach out, we have to deal with, I'll say personnel issues, of how...you know...whether we have the staff there, what's coming in...I mean that's what's told on my level to...from my staff, I don't know about the spending authority type of question."

**Delegate Householder:** "Yeah, I just didn't know if it was more of a budget related question because if you're towards the end of how much money you're allowed to spend...so, that's...that's why I asked if it was a spending authority issue but no it seems to be an ongoing problem. I would like to see the Bureau of Public Health take care of it, rectify it, because these companies are doing a lot for their deceased...for the deceased that they're picking up and for the families. So, six to ten months is an awful long time to wait for payment so..."

Commissioner Amjad: "Oh no, I agree."

Delegate Householder: "Yeah."

Speaker Pro Tempore Howell: "Gentleman from Kanawha."

**Senator Takubo:** "Thank you again, Mr. Chairman. Thank you, Dr. Amjad. They...they have included the facility now, just wanted to update you on that."

Commissioner Amjad: "Oh okay."

Senator Takubo: "Yeah."

**Commissioner Amjad:** "I'll look at those other things you mentioned and see if those...are coming up a lot."

Speaker Pro Tempore Howell: "Further questions of our presenter? I have one, it's on an unrelated subject. You may have to get back to me on this...something I've been looking into. The State of Virginia, you can go into a DMV office and get a copy of a birth certificate, a marriage certificate, divorce decree...how hard would that be to do in West Virginia? Would we need to change the law? Is that an agreement you could enter into with DMV because with the REAL ID, getting married, changing your name, these are important documents that people need. For example, if you're born in I guess Cabell County, you would have to either get your birth certificate from Cabell County or from Charleston but if you're in Mineral County, this would give them the ability to go into the DMV office and have it printed out there. If they were married in Ohio County, they could print and get their REAL ID on their license or get their name changed. Is that something that you could enter into an agreement with DMV or would that require legislation?"

Commissioner Amjad: "I would have to check in to that, Mr. Chairman."

**Speaker Pro Tempore Howell:** "I would appreciate if you would get back to the committee on that."

Commissioner Amjad: "Okay."

**Speaker Pro Tempore Howell:** "Thank you. Further questions? If not, thank you ma'am."

Commissioner Amjad: "Thanks."

**Speaker Pro Tempore Howell:** "Is there any other business to come before the committee? If not, my Co-Chair."

Senator Takubo: "I move we adjourn."

**Speaker Pro Tempore Howell:** "Gentleman moves we adjourn, all those in favor signify by saying aye, those opposed stay here."

# WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



Budget Division Building 1, Room 314-West Wing 1900 Kanawha Blvd. East Charleston, WV 25301

304-347-4870

November 07, 2022

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

- West Virginia Lottery as of September 30, 2022 Gross profit as of September 30, 2022 was \$147.1 million. Gross profit as of September 30, 2021 was \$141.8 million.
- West Virginia Unemployment Compensation Fund as of August 31, 2022: Total disbursements were \$382 million lower than in fiscal year 2022. Overall ending trust fund balance was \$288.5 million higher on August 31, 2022 than on August 31, 2021.
- General Revenue Fund as of October 31, 2022
  The general revenue collections ended the fourth month of fiscal year 2023 at 140% of the estimate for the year. Total collections were \$575.2 million above the estimate for the fiscal year.
- State Road Fund as of October 31, 2022 ended the fourth month of fiscal year 2023 at 137% of the estimate for the year. Total collections were \$124.5 million above the estimate for the fiscal 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: October 25, 2022
- Re: Review of West Virginia Lottery Financial Information As of September 30, 2022

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for September 30, 2022, 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 \$327 million for July-September of fiscal year 2022-2023. Table games accounted for \$8.7 million of Historic Resort Hotel video lottery accounted this total. for \$1.4 million of total gross receipts. Gross lottery revenue has increased by \$6.8 million or 2% when compared with July-September of fiscal year 2021-2022. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July-September was \$147 million; for July of last fiscal year it was \$142 million. Expressed as a percentage, gross profit is 4% higher for fiscal year 2023 than for fiscal year 2022.
#### Operating Transfers to the State of West Virginia:

A total of \$140,312,000.00 has been accrued to the state of West Virginia for fiscal year 2022-2023. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.

A schedule of cash transfers follows:

Bureau of Senior Services	\$51,638,000.00
Community and Technical College	\$1,497,000.00
Department of Education	\$9,425,000.00
Library Commission	\$7,550,000.00
Higher Education-Policy Commission	\$4,821,000.00
Tourism	\$4,488,000.00
Department of Natural Resources	\$2,355,000.00
Division of Culture and History	\$5,901,000.00
General Revenue Fund	\$000.00
Economic Development Authority	\$3,000,000.00
School Building Authority	\$5,400,000.00
SUBTOTAL BUDGETARY TRANSFERS	\$96,075,000.00

### State Lottery Fund

# Lottery continued

# Excess Lottery Fund

Economic Development Fund	\$6,304,000.00
Higher Education Improvement Fund	\$4,500,000.00
General Purpose Fund	\$12,847,000.00
Higher Education Improvement Fund	\$5,732,000.00
State Park Improvement Fund	\$298,000.00
School Building Authority	\$5,689,000.00
Refundable Credit	\$827,000.00
WV Racing Commission	\$1,195,000.00
WV DHHR	\$000.00
Teacher's Retirement Savings	\$000.00
Division of Human Services	\$16,200,000.00
WV Lottery Statutory Transfers	\$12,060,000.00
Economic Development Authority	\$1,317,000.00
General Revenue Fund	\$000.00
Office of Technology	\$000.00
Excess Lottery Surplus	\$000.00
WV Infrastructure Council Fund	\$9,707,000.00
Total State Excess Lottery Revenue Fund	\$76,676,000.00
Total Budgetary Distributions:	\$172,751,000.00
Veterans Instant Ticket Fund	\$148,000.00
Pension Plan	\$00.00

TOTAL TRANSFERS

\* CASH BASIS

\*\$172,899,000.00

 Total Accrued last FY 2022:
 \$240,180,000.00

 Total Cash Distributions FY 2023:
 \$172,899,000.00

 Applied to FY 2022:
 \$172,899,000.00

 Applied to FY 2023:
 \$0.00

 Accrued for FY 2022 as of September 30:
 \$67,281,000.00

 Accrued for FY 2023 as of September 30:
 \$207,594,000.00



PHONE: 304.558.0500 wvlottery.com

### **MEMORANDUM**

TO: Joint Committee on Government and Finance

FROM: John A. Myers, Director

RE: Monthly Report on Lottery Operations Month Ending September 30, 2022

DATE: October 18, 2022

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

Financial statements of the Lottery for the month ending September 30, 2022 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, sports wagering, and interactive gaming was \$104,953,820 for the month of September.

Transfers of lottery revenue totaling \$43,509,414 made for the month of September 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 12 on pages 20 and 21 of the attached financial statements.

The number of traditional and limited retailers active as of September 30, 2022 was 1,513 and 1,192 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
Riley Moore, Treasurer
J. B. McCuskey, Auditor
Members of the West Virginia Lottery Commission

John A. Myus buy

P.O. BOX 2067 CHARLESTON, WV 25327

# WEST VIRGINIA LOTTERY

# STATE OF WEST VIRGINIA

## FINANCIAL STATEMENTS -UNAUDITED-

September 30, 2022

# WEST VIRGINIA LOTTERY

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

ASSETS		September 30, 2022		June 30, 2022
Current Assets:				
Cash and cash equivalents	\$	236,298	\$	281,709
Accounts receivable		36,156		32,032
Inventory		1,414		1,436
Other assets		5,919		5,989
Total Current Assets	1 1 1	279,787	с <del>.</del>	321,166
Capital assets		62,743		62,487
Less accumulated depreciation and amortization		(20,576)		(20,161)
Net Capital Assets	2	42,167	e e	42,326
Total Noncurrent Assets	,	42,167	-	42,326
Total Assets	\$	321,954	\$_	363,492
Deferred outflows of resources	\$	2,436	\$	2,436
Total assets and deferred outflows	\$	324,390	\$ =	365,928
Current Liabilities:				
Accrued nonoperating distributions to the				
State of West Virginia	\$	207,594	\$	240,181
Estimated prize claims		17,182		16,152
Accounts payable		3,556		4,212
Other accrued liabilities		27,671	_	36,996
Total Current Liabilities		256,003		297,541
Deferred inflows	\$	7,491	-	7,491
Net Position:				
Net Investment in capital assets		42,167		42,326
Unrestricted		18,729	-	18,570
Total Net Position		60,896		60,896
Total net position, liabilities, and deferred inflows	\$_	324,390	\$	365,928

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 THREE MONTH PERIOD ENDED SEPTEMBER 30, 2022

(In Thousands)

-Unaudited-

	CURREN	RRENT MONTH			YEAR	TO	TO DATE	
	FY 2023		FY 2022		FY 2023		FY 2022	
Lottery revenues								
On-line games	\$ 5,515	\$	7,700	\$	22,538	\$	19,101	
Instant games	13,773		13,743		42,558		43,036	
Racetrack video lottery	40,543		37,969		126,209		121,445	
Limited video lottery	39,624		39,460		120,235		122,261	
Table games	2,697		2,791		8,678		8,967	
Historic resort	493		637		1,438		2,394	
Sports Wagering	691		541		1,304		1,021	
Interactive Wagering	1,618		757		4,374		2,302	
	104,954		103,598		327,334		320,527	
Less commissions On-line games	394		543		1,579		1,349	
Instant games	964		961		2,980		3,013	
Racetrack video lottery	22,243		20,832		69,243		66,629	
Limited video lottery	19,416		19,336		58,915		59,908	
Table games	1,145		1,183		3,684		3,800	
Historic resort	229		264		705		1,155	
	44,391	2	43,119		137,106		135,854	
Less on-line prizes	2,571		4,199	5	10,789	2	10,504	
Less instant prizes	2,371 9,410		9,361		28,971		29,304	
Less instant prizes	9,410 181		9,301 179		437		29,304 441	
Less vendor fees and costs	181 994		842					
Less vendor lees and costs	13,156	e	14,581	10	2,953 43,150	÷	2,615 42,864	
		( <b>-</b>		T.		-		
Gross profit	47,407	÷	45,898	3 <del>.</del>	147,078	-	141,809	
Administrative expenses Advertising and promotions	559		747		1,674		1,652	
Wages and related benefits	943		858		2,758		2,641	
Telecommunications	89		43		191		175	
Contractual and professional	883		308		1,853		846	
Rental	27		7		75		59	
Depreciation and amortization	138		138		415		414	
Other administrative expenses	53		392		705		692	
Other administrative expenses	2,692	1	2,493	-	7,671	-	6,479	
Other Operating Income	532		428		2,032	_	1,666	
		-						
Operating Income	45,247		43,833	-	141,439	-	136,996	
Nonoperating income (expense)					4.040		<i>(</i> 2)	
Investment income	464		(18)		1,310		68	
Distributions to municipalities and counties	(777)		(773)		(2,357)		(2,396)	
Distributions -capital reinvestment	(26)		(20)		(80)		(89)	
Distributions to the State of West Virginia	(44,908)		(43,022)	12	(140,312)	-	(134,579)	
	(45,247)	2	(43,833)	С <del>й</del>	(141,439)		(136,996)	
Net income		ē	-	1 23	-	1.	-	
Net position, beginning of period	60,896		57,032		60,896		57,032	
Net position, end of period	\$ 	\$	57,032	\$_	60,896	\$_	57,032	

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

#### WEST VIRGINIA LOTTERY STATEMENTS OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2022

# (In Thousands)

#### -Unaudited-

Cash flows from operating activities:		2023		2022
Cash received from customers and other sources Cash payments for:	\$	325,242	\$	323,481
Personnel costs		(2,758)		(2,641)
Suppliers		(5,022)		(3,407)
Other operating costs		(182,109)		(176,705)
Cash provided by operating activities	-	135,353		140,728
cush provided by operating activities	27	100,000		110,720
Cash flows from noncapital financing activities:				
Nonoperating distributions to the State of West Virginia		(172,899)		(166,652)
Distributions to municipalities and counties		(2,342)		(2,417)
Distributions to racetrack from racetrack cap. reinv. fund		(6,577)		(3,376)
Cash used in noncapital financing activities	-	(181,818)		(172,445)
			_	
Cash flows from capital and related financing acitivities:				
Purchases of capital assets	_	(256)		-
Cash flows from investing activities:		1 010		101
Investment earnings received	-	1,310		181
Increase (decrease) in cash and cash equivalents		(45,411)		(31,536)
Cash and cash equivalents - beginning of period		281,709		198,583
Cash and cash equivalents - end of period	\$	236,298	\$	167,047
		· · · · ·		
Reconciliation of operating income to net cash provided by operating	ng acuvi	141,439	\$	126 006
Operating income Adjustments to reconcile operating income to	Ф	141,439	Ф	136,996
cash provided by operating activities:				
Depreciation and amortization		415		414
Changes in operating assets and liabilities:		415		414
(Increase) decrease in accounts receivable		(4,124)		1,288
(Increase) decrease in inventory		22		(156)
(Increase) decrease in other assets		70		20
Increase (decrease) in estimated prize claims		1,030		1,448
Increase (decrease) in accounts payable		(656)		224
Increase (decrease) in other accrued liabilities		(2,843)		494
Cash provided by operating activities	\$	135,353	\$	140,728
	-		·	2.1.9.20

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

#### **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.

### **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.

# 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 \$755,071 and \$835,830 at June 30, 2022 and 2021, 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.

#### **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 September 30, 2022 the carrying amounts of deposits (overdraft) with financial institutions were \$497 thousand with a bank balance (overdraft) of \$561 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):

	September 30, 2022			June 30, 2022
Deposits with financial institutions	\$	497	\$	\$ 459
Cash on hand at the Treasurer's Office		27,674		24,722
Investments with BTI reported as cash equivalents	·	208,127	-	256,528
	\$	236,298	\$	\$ 281,709

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.

### **NOTE 4 – CAPITAL ASSETS**

A summary of capital asset activity for the month ended September 30, 2022 is as follows (in thousands):

Capital Assets:				
	Historical Cost			Historical Cost
	At June 30, 2022	Additions	Deletions	At September 30, 2022
Construction in				
Progress	1,564	256	-	1,820
Buildings	48,243	-	-	48,243
Land	1,681	-	-	1,681
Equipment	10,999	-	-	10,999
	\$ 62,487	\$ 256	\$ -	\$ 62,743
Accumulated				
Depreciation:				
	Historical Cost			Historical Cost
9	At June 30, 2022	Additions	Deletions	At September 30, 2022
Buildings	\$ 11,398	\$ 309	\$ -	\$ 11,707
Equipment	8,763	106	-	8,869
	\$ 20,161	\$ 415	\$ -	\$ 20,576

#### 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 September 30, 2022 and fiscal year-to-date is as follows:

Revenues	Month		 Y-T-D
Powerball	\$	1,805,211	\$ 5,928,751
Lotto America		563,682	1,771,469
Mega Millions		1,258,466	 9,020,108
Total	\$	3,627,359	\$ 16,720,328
Expenses (Prizes)		Month	 Y-T-D
Powerball	\$	906,255	\$ 2,976,337
Lotta America		281,865	878,347
Mega Millions	s	629,272	 4,510,351
Total	\$	1,817,392	\$ 8,365,035

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

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:

	PowerBall	Lotto America	Mega Millions
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$132,000,000	\$12,000,000	\$110,000,000

At September 30, 2022, the Lotteries share of the prize reserve fund balances were as follows:

Game	Total Prize Reserve	Lottery Share
Powerball	\$ 122,394,597	\$ 1,340,121
Lotto America	6,735,751	512,411
Mega Millions	91,519,943	845,073
Total	\$ 220,650,291	\$ 2,697,605

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

### 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 \$18,190,096 at September 30, 2022, of which the Lottery's share was \$1,406,516.

# **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 (66%) 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%).

### 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 12.

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 September 30, 2022 and fiscal year-todate follows (in thousands):

	Current Month				Year-to	o-Date		
	2023		2022		 2023	2022		
Total credits played	\$	467,004	\$	439,131	\$ 1,450,231	\$	1,387,999	
Credits (prizes) won		(419,684)		(394,487)	(1,303,641)		(1,245,449)	
Promotional credits played		(6,777)		(6,675)	(20,381)		(21,105)	
Gross terminal income	-	40,543		37,969	126,209		121,445	
Administrative costs		(1,622)		(1,519)	(5,048)		(4,858)	
Net Terminal Income		38,921		36,450	 121,161	2 - 2	116,587	
Less distribution to agents		(22,243)	a a	(20,832)	 (69,243)	s 7=	(66,629)	
Racetrack video lottery revenues	\$	16,678	\$	15,618	\$ 51,918	\$	49,958	

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

	Septe	Year-to-Date		
State Lottery Fund	\$	11,676	\$	36,349
State Excess Lottery Revenue Fund		5,002		15,569
Capital Reinvestment Fund		-	6	-
Total nonoperating distributions	\$	\$ 16,678		51,918

#### **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

### **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. This percentage is 50 percent. 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 September 30, 2022 and fiscal year-to-date follows (in thousands):

	Current Month					Year-to-Date				
		2023	20			2023	2023			
Total credits played	\$	523,310	\$	512,846	\$	1,584,761	\$	1,580,306		
Credits (prizes) won		(483,686)		(473,386)		(1,464,526)		(1,458,045)		
Gross terminal income	\$	39,624	\$	39,460	\$	120,235	\$	122,261		
Administrative costs		(792)		(789)		(2,405)		(2,445)		
Gross Profit		38,832	-	38,671		117,830		119,816		
Commissions		(19,416)		(19,336)		(58,915)		(59,908)		
Municipalities and Counties		(777)		(773)		(2,357)		(2,396)		
Limited video lottery revenues	\$	18,639	\$	18,562	\$	56,558	\$	57,512		

# **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 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:

#### **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 12-Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year ended September 30, 2022 were \$7,705,581 and \$24,794,147, 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			
	2023		2022		2023		_	2022
Table Games Privilege Tax	\$	2,697	\$	2,791	\$	8,678	\$	8,967
Interest on Table Games Fund		10		-		31		1
Administrative costs		(231)		(239)		(744)		(769)
Total Available for Distribution	-	2,476		2,552		7,965		8,199
Less Distributions:								
Racetrack Purse Funds		173		179		558		577
Thoroughbred & Greyhound Development Funds		139		144		446		461
Racing Association Pension Plan		68		70		219		226
Municipalities/ Counties		765		790		2,461		2,536
Total Distributions	<u>.</u>	1,145		1,183	-	3,684		3,800
Excess Lottery Fund	\$	1,331	\$	1,369	\$	4,281	\$	4,399

#### **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 September 30, 2022 and fiscal year-to-date follows (in thousands):

	 2023	 2022		2023		2022
Total credits played	\$ 5,331	\$ 6,173	\$	15,653	\$	21,759
Credits (prizes) won Promotional credits played	(4,968) (85)	(5,846) (50)		(14,487) (263)		(20,064) (234)
Gross terminal income	278	277	2	903		1,461
Capital reinvestment	(13)	(13)		(42)		(69)
Excess Lottery Fund	(3)	(2)		(8)		(13)
Administrative costs Hotel commissions	(15) (118)	(15) (117)		(49) (382)		(79) (618)
Net terminal income	129	130	3	422	2 . J	682
Historic Resort Hotel Fund	82	83		268		434
Human Resource Benefit Fund	47	47		154		248

#### **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 September 30, 2022 were \$613,686 and \$1,528,391 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:

	2023		 2022		2023		2022	
Table games privilege tax	\$	215	\$ 360	\$	535	\$	933	
Administrative Costs		(28)	 (46)		(69)		(120)	
Total Available for Distribution		187	314		466		813	
Historic Resort Hotel Fund		156	262		390		680	
Human Resource Benefit Fund		31	52		76		133	

#### 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):

	Cur	Year-to-Date		
Historic Resort Hotel Video Lottery	\$	82	\$	268
Historic Resort Table Games		156		390
Interest on Historic Resort Hotel Fund		3		7
Historic Resort Hotel Fund Net Income		241		665
Municipalities/ Counties		33		93
Excess Lottery Fund		208		572
Total Distributions	\$	241	\$	665

#### **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 September 30, 2022 were \$6,912,957 and \$13,036,143, 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				
	_	<b>2023</b> 2022		2023			2022			
Sports Wagering Privilege Tax	\$	691	\$	541	\$	1,304	\$	1,021		
Interest on Sports Waging Fund		-		-		-		-		
Administrative Costs		(104)		(81)		(196)		(153)		
Total Available for Distribution		587		460		1,108		868		

# **NOTE 11– INTERACTIVE WAGERING**

Interactive Wagering legislation passed in 2019 per House Bill 2934. Each racetrack and historic resort hotel licensee is subject to a privilege tax of fifteen percent (15%) of adjusted gross interactive gaming receipts which will be deposited weekly into the Interactive Wagering Fund.

From the privilege tax deposited into the Interactive 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.

In each fiscal year, the Lottery Commission shall deposit one-quarter of a percent of the net profit into each of the four special funds established by the Racing Commission, pursuant to §29-22A-10 and §29-22C-27 to be used for payment into the pension plan for the employees of the licensed racing associations in this state.

After the reduction for administrative expenses and the pension plans for the racing associations, the net profit shall be deposited into the State Lottery Fund.

The Interactive Wagering adjusted gross interactive gaming receipts for the month and year-to-date periods ended September 30, 2022 were \$10,789,738 and \$29,157,180 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				
	-	2023		2022		2023		2022
Interactive Wagering Privilege Tax	\$	1,618	\$	757	\$	4,374	\$	2,302
Interest on Interactive Wagering Fund		9		-		28		-
Administrative Costs	_	(243)	_	(114)	_	(656)		(345)
Total Available for Distribution	-	1,384	-	643		3,746		1,957

A summary of Interactive Gaming Fund related distributions is as follows (in thousands):

	Current Month	Year-to-Date
Pensions	13	38
Lottery Fund	1,371	3,708
Total Distributions	<b>\$</b> 1,384	\$ 3,746

#### NOTE 12- 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, 2023 the State Legislature budgeted \$134,132,030 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 \$6,536,696 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 September 30, 2022 the Lottery has accrued additional distributions of \$207,593,976. 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):

BUDGETARY DISTRIBUTIONS	September 30, 2022		Year-to-Date	
_State Lottery Fund:				
Community and Technical College	\$	499	\$	1,497
Bureau of Senior Services		7,140		51,638
Department of Education		1,929		9,425
Library Commission		1,545		7,550
Higher Education-Policy Commission		987		4,821
Tourism		918		4,488
General Revenue		-		-
Natural Resources		482		2,355
Division of Culture & History		573		5,901
Economic Development Authority		1,000		3,000
School Building Authority		1,800		5,400
Total State Lottery Fund	\$	16,873	\$	96,075

State Excess Lottery Revenue Fund:			
Economic Development Fund	\$	2,102	\$ 6,304
Higher Education Improvement Fund		1,500	4,500
General Purpose Account		6,563	12,847
Higher Education Improvement Fund		2,928	5,732
State Park Improvement Fund		152	298
School Building Authority		1,896	5,689
Refundable Credit			827
WV Racing Commission		202	1,195
WV Department of Health and Human Resources			
Teacher's Retirement Savings			
Division of Human Services			16,200
WV Lottery Statutory Transfers		6,160	12,060
Economic Development Authority		439	1,317
General Revenue Fund			
Office of Technology			
Excess Lottery Surplus			
West Va. Infrastructure Council	-	4,639	 9,707
Total State Excess Lottery Revenue Fund	\$	26,581	\$ 76,676
Total Budgetary distributions:	\$	43,454	\$ 172,751
Veterans Instant Ticket Fund	\$	56	\$ 148
Total nonoperating distributions to the			
State of West Virginia (cash basis)	\$	43,510	\$ 172,899
Accrued nonoperating distributions, beginning	1	(206,196)	(240,181)
Accrued nonoperating distributions, end		207,594	 207,594
	\$	44,908	\$ 140,312

#### NOTE 13 – 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 cancellable operating leases. Rental expense for the fiscal year-to-date ended September 30, 2022 and September 30, 2021 approximated \$75,181 and \$58,691 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 September 30, 2022 and September 30, 2021 approximated \$269,929 and \$255,483 respectively.

#### **NOTE 14 – COMMITMENTS**

For the year ended June 30, 2022 the Lottery Commission has designated \$4,512,722 of unexpended administrative funds for the acquisition of capital assets. As of June 30, 2022 and 2021, \$7,151,954 and \$7,612,621, respectively, are included in unrestricted net position and net investment in capital assets for this purpose.

#### **NOTE 15 - RETIREMENT BENEFITS**

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

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement 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 10% 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 September 30, 2022 and fiscal year-to-date are as follows (in thousands):

	Septer	mber 30, 2022	Year-to-Date		
Employee contributions	\$	34	\$	118	
Lottery contributions		62		221	
Total contributions	\$	96	\$	339	

#### **NOTE 16 - RISK MANAGEMENT**

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

#### WORKERS' COMPENSATION INSURANCE

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

## PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

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

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 THREE MONTH PERIOD ENDED SEPTEMBER 30, 2022 (In Thousands)

	Current	Month	FISCAI	YEAR	
	Actual	Projected	Actual	Projected	
Gross Revenues					
Instant games	13,773	9,583	42,558	28,750	
On-line games	5,515	5,833	22,538	17,499	
Racetrack video lottery	40,543	36,704	126,209	117,673	
Limited video lottery	39,624	31,151	120,235	91,397	
Racetrack table games	2,697	2,010	8,678	6,404	
Historic resort	493	615	1,438	1,797	
Sports wagering	691	209	1,304	626	
Interactive wagering	1,618	292	4,374	875	
Total gross revenues	104,954	86,397	327,334	265,021	
Lottery Fund Instant games On-line games Racetrack Video Lottery Sports wagering Interactive wagering Total Lottery Fund net nevenues	1,461 1,806 11,812 589 1,371 17,039	1,121 1,674 10,571 177 <u>246</u> 13,789	4,616 7,111 36,716 1,112 3,707 53,262	3,364 5,023 33,890 531 <u>737</u> 43,545	
Excess Lottery Fund Racetrack Video Lottery Limited Video Lottery Limited Video Lottery Fees Racetrack table games Historic resort Total Excess Lottery Fund Net Revenues	5,054 18,844 160 1,331 <u>210</u> 25,599	4,526 14,653 - 986 230 20,395	15,711 57,117 1,049 4,281 	14,515 42,993 - - 3,142 - - 672 61,322	
Total Net Revenues	42,638	34,184	132,000	104,867	

# 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 07, 2022

Re: Status of General Revenue Fund and State Road Fund as of October 31, 2022 (FY 23)

We have read the cash flow of the West Virginia general revenue fund as of October 31, 2022 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 140% of the estimate for the fiscal year. Total collections were \$575.2 million above the estimate for the fiscal year.

Personal Income Tax collections were \$120.1 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$70.7 million above the estimate for the year.

Severance Tax was \$281.8 million above the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$71.1 million above the estimate for the fiscal year.

#### State Road Fund

The state road fund collections were 95% of the estimate for the fiscal year. Total collections were \$25.5 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 \$415,712,299.12 as of October 31, 2022.

*Balance July 1, 2022	\$369,264,049.99
**Fiscal year 22 Surplus	00.00
Earnings/(Loss)	\$ 46,448,249.13
Balance October 30, 2022	\$415,712,299.12

\*\$69.5 million loan to state General Revenue Fund 6/30/2022 for beginning of the year cash flow, to be repaid within 90 days. Loan paid 9/16/2022.

\*\*There was no transfer made to the Rainy Day Fund per the change in the statute, and the year-end balance was above the 20% threshold.

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$474,846,360.26 as of October 31, 2022.

Balance July 1, 2022	\$553,481,351.13
Earnings	(78,634,990.87)
Balance October 31, 2022	\$474,846,360.26

The **Personal Income Tax Reserve** Fund had a \$11,000,000.00 cash balance as of October 31, 2022.

Balance July 1, 2022	\$11,000,000.00
Balance October 31, 2022	\$11,000,000.00

#### REVENUE COLLECTIONS FISCAL YEAR 2023 as of October 31, 2022

GENERAL REVENUE FUND				FINAL				
				MONTHLY			YTD	
	MONTH		ACTUAL	COLLECTIONS	) (TD	ACTUAL	COLLECTIONS	YTD
	MONTH	~	MONTH	OVER	YTD	YTD	OVER	PERCENT
	 ESTIMATES		OLLECTIONS	 ESTIMATES	 ESTIMATES		 ESTIMATES	COLLECTED
Personal Income Tax	\$ 170,100,000	\$	215,128,608	\$ , ,	\$ , ,	\$ 823,288,189	\$ 120,138,189	
Consumer Sales Tax & Use Tax	102,300,000		123,486,119	21,186,119	447,639,000	518,341,636	70,702,636	
Severance Tax	12,000,000		69,079,649	57,079,649	59,400,000	341,230,021	281,830,021	574%
Corporate Net Income Tax	5,000,000		19,144,749	14,144,749	51,000,000	122,065,327	71,065,327	239%
Insurance Tax	17,300,000		24,688,307	7,388,307	35,200,000	50,259,790	15,059,790	
Tobacco Products Tax	14,200,000		12,658,204	(1,541,796)	57,700,000	55,470,792	(2,229,208)	
Business and Occupation	8,600,000		8,596,004	(3,996)	33,600,000	35,813,113	2,213,113	107%
Liquor Profit Transfers	2,500,000		2,525,158	25,158	10,000,000	11,017,599	1,017,599	110%
Departmental Collections	1,500,000		1,333,510	(166,490)	6,200,000	5,706,046	(493,954)	
Property Transfer Tax	1,000,000		1,356,350	356,350	4,700,000	5,704,598	1,004,598	
Property Tax	1,100,000		983,984	(116,016)	4,500,000	4,420,249	(79,751)	
Beer Tax and Licenses	650,000		490,690	(159,310)	2,600,000	2,327,509	(272,491)	) 90%
Miscellaneous Transfers	100,000		-	(100,000)	1,240,000	262,230	(977,771)	
Interest Income	400,000		4,536,984	4,136,984	1,840,000	16,943,956	15,103,956	921%
Refundable Credit Reimb Liability	300,000		563,601	263,601	500,000	1,390,470	890,470	0%
HB 102 - Lottery Transfers	6,000,000		6,142,835	142,835	19,250,000	18,990,229	(259,771)	) 0%
Miscellaneous	120,000		190,555	70,555	480,000	735,181	255,181	153%
<b>Business Franchise Fees</b>	60,000		62,970	2,970	260,000	249,531	(10,469)	) 96%
Estate & Inheritance Tax	-			-	-		-	0%
Liquor License Renewal	101,000		98,757	(2,243)	292,000	442,069	150,069	151%
Special Revenue Transfers	-			-	-		-	0%
Charter Tax	-		125	125	-	1,640	1,640	0%
<b>Telecommunications Tax</b>	-			-	-		-	0%
Video Lottery Transfers	-		12,353	12,353	-	62,855	62,855	0%
July-Dec Retro Rev Adj	-			-	-		-	0%
Cash Flow Transfer	-		-	-	-	-	-	0%
Soft Drink Excise Tax	 1,500,000		1,515,352		 5,100,000	4,729,294		_
SUBTOTALS	\$ 344,831,000	\$	492,594,863	\$ 147,748,511	\$ 1,444,651,000	\$ 2,019,452,322	\$ 575,172,028	_
Less: Cash Flow Transfer	-		-	-	-	-	-	
Less: Special Revenue Transfer	-		-	-	-	-	-	
TOTALS	\$ 344,831,000	\$	492,594,863	\$ 147,748,511	\$ 1,444,651,000	\$ 2,019,452,322	\$ 575,172,028	-
Percent of Estimates			143%			140%		
Collections this day		\$	61,301,212					

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division November 01, 2022

#### STATE OF WEST VIRGINIA COMPARISON OF REVENUE OCTOBER 2021 vs OCTOBER 2022

#### GENERAL REVENUE FUND

						Actual		Actual		YTD	YTD
		Actual		Actual		Collections		Collections		\$ Increase	% Increase
		Collections		Collections		4 Months		4 Months		(Decrease)	(Decrease)
		Oct 2021		Oct 2022		Jul-Oct 2021		Jul-Oct 2022	0	ver prior period	over prior period
Personal Income Tax	\$	172,348,815	\$	215,128,608	\$	685,074,127	\$	823,288,189	\$	138,214,063	20%
Consumer Sales Tax & Use Tax		114,097,572		123,486,119		484,126,039		518,341,636		34,215,597	7%
Severance Tax		19,458,606		69,079,649		116,264,642		341,230,021		224,965,379	193%
Corporate Net Income Tax		11,588,624		19,144,749		86,869,733		122,065,327		35,195,593	41%
Insurance Tax		29,553,681		24,688,307		59,986,660		50,259,790		(9,726,870)	-16%
Tobacco Products Tax		14,336,061		12,658,204		58,216,967		55,470,792		(2,746,175)	-5%
Business and Occupation		6,415,765		8,596,004		32,844,413		35,813,113		2,968,699	9%
Liquor Profit Transfers		3,015,300		2,525,158		9,702,112		11,017,599		1,315,488	14%
Departmental Collections		1,580,977		1,333,510		6,062,641		5,706,046		(356,596)	-6%
Property Transfer Tax		1,421,125		1,356,350		6,655,421		5,704,598		(950,824)	-14%
Property Tax		1,084,756		983,984		4,253,899		4,420,249		166,350	4%
Beer Tax and Licenses		555,262		490,690		2,516,674		2,327,509		(189,165)	-8%
Miscellaneous Transfers		-		-		728,469		262,230		(466,240)	-64%
Interest Income		(398,017)		4,536,984		909,006		16,943,956		16,034,950	1764%
Refundable Credit Reimb Liability		377,101		563,601		557,719		1,390,470		832,751.00	0%
HB 102 - Lottery Transfers		5,964,193		6,142,835		19,252,018		18,990,229		(261,788.28)	0%
Miscellaneous		191,461		190,555		741,019		735,181		(5,839)	-1%
Business Franchise Fees		67,849		62,970		386,871		249,531		(137,340)	-36%
Estate & Inheritance Tax		-				-				-	0%
Liquor License Renewal		101,266		98,757		292,835		442,069		149,234	0%
Special Revenue Transfers		-				-				-	0%
Charter Tax		57		125		(1,010)		1,640		2,650	-262%
Video Lottery Transfers		17,406		12,353		112,986		62,855		(50,132)	-
July-Dec Retro Rev Adj										62,855	0%
Cash Flow Transfer				-		-		-		-	0%
Soft Drink Excise Tax		-		1,515,352	<b>*</b>		<u>^</u>	4,729,294	-	4,729,294	
SUBTOTALS	\$	381,777,862	\$	492,594,863	\$	1,575,553,242	\$	2,019,452,322	\$	443,961,935	
Less: Cash Flow Transfer		-		-		-		-		-	
Less: Special Revenue Transfer	¢	-	۴	-	۴	-	¢	-	¢	-	
TOTALS	\$	381,777,862	\$	492,594,863	\$	1,575,553,242	\$	2,019,452,322	\$	443,961,935	
Increase/Decrease over Prior Period			\$	110,817,002			\$	443,899,080			
% Increase/Decrease over Prior Period				29%				28%			

Source: WV OASIS Prepared by: Legislative Auditor's Office, Budget Division November 07, 2022

#### REVENUE COLLECTIONS FISCAL YEAR 2023 as of October 31, 2022

#### STATE ROAD FUND

				FINAL				YEARLY	
			NET	COLLECTIONS			NET	COLLECTIONS	YTD
	MONTH		MONTH	OVER	YTD		YTD	OVER	PERCENT
	ESTIMATES	CC	DLLECTIONS	ESTIMATES	ESTIMATES	CC	DLLECTIONS	ESTIMATES	COLLECTED
Motor Fuel Tax	\$ 38,800,000	\$	36,662,388	\$ (2,137,612)	\$ 152,300,000	\$	145,383,263	\$ (6,916,737)	95%
Sales/Privilege Tax	26,500,000		28,494,043	1,994,043	109,500,000		112,241,728	2,741,728	103%
Licenses & Registration	12,500,000		8,249,308	(4,250,692)	58,000,000		45,044,374	(12,955,626)	78%
Miscellaneous	3,500,000		1,649,842	(1,850,158)	167,000,000		158,660,026	(8,339,974)	95%
Highway Litter Control	125,000		132,001	7,001	642,000		584,550	(57,450)	91%
Federal Reimbursement	37,000,000		57,034,065	20,034,065	169,000,000		215,174,325	46,174,325	127%
SUBTOTALS	\$118,425,000	\$	132,221,647	\$ 13,796,647	\$ 656,442,000	\$	677,088,267	\$ 20,646,267	
Less: Federal Reimbursement	37,000,000		57,034,065	20,034,065	169,000,000		215,174,325	46,174,325	
TOTALS	\$ 81,425,000	\$	75,187,582	\$ (6,237,418)	\$ 487,442,000	\$	461,913,942	\$ (25,528,058)	
Percent of Estimates			92%				95%		

Collections this day	\$	6,928,077
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#### REVENUE SHORTFALL RESERVE FUND 7005, Part A as of October 31, 2022 : \$415,712,299.12

\$69.5 million loan to General Revenue fund 7/1/22 for beginning of the year cash flow, to be repaid within 90 days. Loan paid 9/16/22.

#### REVENUE SHORTFALL RESERVE FUND 7006, Part B as of October 31, 2022: \$474,846,360.26

SPECIAL INCOME TAX REFUND RESERVE FUND as of October 31, 2022: \$11,000,000.00

Source: WV OASIS Prepared by: Legislative Auditor's Office, Budget Division November 01, 2022

#### STATE OF WEST VIRGINIA COMPARISON OF REVENUE OCTOBER 2021 vs OCTOBER 2022

### STATE ROAD FUND

				Actual	Actual		YTD	YTD
		Actual	Actual	Collections	Collections		Increase	% Increase
		Collections	Collections	4 Months	4 months		(Decrease)	(Decrease)
	(	October 2021	October 2022	Jul-Oct 2021	Jul-Oct 2022	C	over prior period	over prior period
Gasoline & Motor Carrier Rd Tax	\$	33,913,284	\$ 36,662,388	\$ 143,384,702	\$ 145,383,263	\$	1,998,562	1%
Privilege Tax		23,716,622	28,494,043	108,712,632	112,241,728		3,529,096	3%
Licenses & Registration		9,737,862	8,249,308	48,413,827	45,044,374		(3,369,453)	-7%
Miscellaneous		1,876,847	1,649,842	4,720,665	158,660,026		153,939,362	3261%
Highway Litter Control		115,478	132,001	612,264	584,550		(27,713)	-5%
Federal Reimbursement		29,072,874	 57,034,065	 176,965,109	 215,174,325		38,209,216	22%
SUBTOTALS	\$	98,432,966	\$ 132,221,647	\$ 482,809,198	\$ 677,088,267	\$	194,279,069	
Less: Federal Reimbursement		29,072,874	 57,034,065	 176,965,109	 215,174,325		38,209,216	
TOTALS	\$	69,360,092	\$ 75,187,582	\$ 305,844,089	\$ 461,913,942	\$	156,069,853	
Increase/Decrease over Prior Period			\$ 5,827,490		\$ 156,069,853			
% Increase/Decrease over Prior Period			8%		51%			

Source: WV OASIS Prepared by: Legislative Auditor's Office, Budget Division November 07, 2022 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: September 21, 2022
- Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the August 31, 2022 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of August 31, 2022 of fiscal year 2022-2023, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2022	\$ 377,973,650.98
Receipts July 1,2022 thru June 30, 2023	\$ 68,196,677.76
Disbursements July 1,2022 thru June 30, 2023	\$ 55,869,402.10
Balance August 31, 2022	\$ 390,300,926.64

ITEMS OF NOTE:

Regular benefits paid for July-August 2022 were \$ 2.7 million less than July-August 2021.

Federal emergency benefits totaled \$0 for July-August 2022. For July-August 2021, federal emergency benefits totaled -\$25.00

Total disbursements were \$382 million less in July-August 2022 than the preceding July-August 2021.

Receipts as of August 2022, were \$409.2 million less than in August 2021. Overall ending trust fund balance was \$288.5 million higher on August 31, 2022 than on August 31, 2021.

Seasonally adjusted unemployment rates for August 2022 were 3.9 percent for West Virginia and 3.7 percent nationally.

Since August 2021, employment has increased by 20,000. Employment increases included 6,500 in leisure and hospitality, 3,500 in construction, 3,200 in professional and business services, 2,500 in mining and logging, 1,400 in trade, transportation and utilities, 1,400 in manufacturing, 1,000 in financial activities, 300 in other services, 300 in education and health services, and 300 in information. Employment in government declined 400 over the year.


September 20, 2022

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

**RE: Monthly Status Report** 

Dear Mr. Spencer:

Please find attached the Monthly Status Report for the Joint Committee on Government and Finance, Unemployment Compensation Trust Fund for August 2022. If you have any questions or need any additional information, please feel free to contact Jane Shinn at 304-352-3845 or Jane.Shinn@wv.gov.

Sincerely,

0 9

Scott Adkins Acting Commissioner

SSA/smd

Enclosure pc: Jim Justice

1900 Kanawha Blvd. East \* Building 3 Suite 300 \* Charleston, WV 25305

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		JUNE 2021		JULY 2021		AUGUST 2021		JUNE 2022		JULY 2022		AUGUST 2022		THREE MONTH DTAL VARIANCE *
Balance Forward	\$	81,002,956.97	\$	79,377,584.30	\$	88,647,973.81	\$	382,227,662.46	\$	377,973,650.98	\$	380,185,088.84	\$	891,357,887.20
Add Receipts:														
1. Bond Assessment	\$		\$		\$		\$		\$				\$	<ul> <li>1. Bond Assessment</li> </ul>
2. Regular Contributions:		2,554,225.68		14,687,138.52		208,051,492.59		1,285,271.70		9,904,869.53		17,308,661.77		(196,794,053.79) 2. Regular Contributions:
<ol><li>Federal Emergency Benefits (PEUC)</li></ol>		15,217,079.51		818,411.01		322,607.49		22,322.07		18,584.00		51,924.98		(16,265,266.96) 3. Federal Emergency Benefits (PEUC)
4. Federal Share Extended Benefits (EB)		34,718.00		19,505.96		1,123.00						•		(55,346.96) 4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC		39,326,626.53		3,823,584.98		1,903,099.75		204,486.89		138,892.06		187,690.81		(44,522,241.50) 5. Federal Additional Compensation - FPUC
6. Pandemic Unemployment Assistance PUA		3,712,629.43		380,597.50		213,659.00		25,322.00		128.00				(4,281,435.93) 6. Pandemic Unemployment Assistance PU/
<ol><li>UCFE (Federal Agencies)</li></ol>		147,513.37		115,175.24		103,756.35		43,005.21		49,202.62		76,680.94		(197,556.19) 7. UCFE (Federal Agencies)
8. TSFR From Non-Invstd FUA						1. S. S. S.								<ul> <li>8. TSFR From Non-Invstd FUA</li> </ul>
9. EUISAA - EMER US RELIEF		(245,792.02)		4,592,248.85		360,042.36								(4,706,499.19) 9. EUISAA - EMER US RELIEF
10. Treasury Interest Credits		376,790.10		(376,790.10)		•		1,446,864.09						1,446,864.09 10. Treasury Interest Credits
11, UCX (Military Agencies)		35,297.83		27,883.22		42,051.61		41,278.34		29,133.64		41,101.14		6,280.46 11. UCX (Military Agencies)
12. Temporary Compensation				-										<ul> <li>12. Temporary Compensation.</li> </ul>
13. BT to State UI Account														<ul> <li>13. BT to State UI Account</li> </ul>
14. UI Modernization				•								-		<ul> <li>14. UI Modernization</li> </ul>
15. Loan Advance								•						<ul> <li>15. Loan Advance</li> </ul>
16. Return of Overpayments FPUC/PUA/EU0	-		_		_		_	· ·	_		_	•	_	16. Return of Overpayments FPUC/PUA/EU0
Total Monthly Receipts	\$	96,103,930.65	\$	47,555,707.57	\$	429,831,829.61	5	10,606,226.12	\$	23,347,631.45	<u>\$</u>	44,849,046.31	\$	(494,688,563.95) Total Monthly Receipts
Less Disbursements														Less Disbursements:
Debt Bond Repayment		(Retired)		(Retired)		(Retired)		(Retired)		(Retired)		(Retired)		(Retired) Debt Bond Repayment
Regular Benefits:	s	13.352.598.98		9.884.075.15	\$	195,397,989,46		7,085,896.23	s	7,692,361.72	\$	7.208.296.56		(196.648.109.08) Regular Benefits:
Federal Emergency Compensation - PEUC		12,123,301.01		765.337.01		303,375.37		17,499.07	*	20.401.99	*	50,128.99		(130,040,105,00) Regular Benenits. (13,103,983,34) PEUC
Federal Additional Compensation - FPUC		33,393,658.61		3,626,482.24		1,844,125.83		179,305.91		131,128.04		182,917.95		(38,370,914,78) FPUC
Pandemic Unemployment Assistance PUA		3,716,689.43		379,480.50		176,974.00		(45,729.37)				102,011.00		(4.318.873.30) PUA
Federal Emergency Benefits (EUC08)		(30.00)				(25.00)								55.00 Federal Emergency Benefits (EUC08)
Federal Extended - 2112		33.022.00		19,505.96		1,633.00								(54,160.96) Federal Extended - 2112
Emergency Benefits (TEUC)						.,								- Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits		132,158.27		112,169.77		105,795.86		46.351.52		52.351.43		68,120,10		(183,300.85) UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits		33,062.81		30,315.04		43,305.64		39,238.42		33,128.81		40,758.24		6,441.98 UCX (Military Workers) Benefits
Reed Act Funds				-		40,000.04		00,200,72				40,7 50.24		- Reed Act Funds
EUISAA Title IX	_		_		_		_		_		_		_	- EUISAA Title IX
Total Monthly Disbursements		\$97,729,303.33		\$38,285,318.06		\$416,707,171.62		\$14,860,237.60		\$21,136,193.59		\$34,733,208.51	\$	(481,992,153.31) Total Monthly Disbursements
Trust Fund Balance	\$	79,377,584.30	\$	88,647,973,81	\$	101,772,631,79		\$377.973.650.98	\$	380,185,088,84	\$	390,300,926,64	<u>s</u>	878.661.476.56 Trust Fund Balance

#### MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE FOR THREE MONTHS STARTING JUNE 2021 AND JUNE 2022

\* 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: UI 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

Repaid on 5/17/2016

Borrowed on 12/5/2016 Repaid on 5/4/2017

Outstanding Loan from Revenue Shortfall Reserve Fund

\*\*Note: Reed Act funds of \$549,468,24 previously drawn down were unexpended and returned to Trust Fund on deposit with the U.S. Treasury.



#### UC TRUST FUND ACTUAL - 2022

Month		Receipts		Disbursements		Trust Fund Balance
2021						
Balance 1/1/2021					\$	23,544,337
January	\$	95,188,576	\$	108,717,538	\$	10,015,373
February	\$	133,688,137	\$	138,034,358	\$	5,649,152
March	\$	115,410,886	\$	104,337,623	\$	16,722,416
April	\$	218,662,207	\$	168,209,884	\$	67,174,738
May	\$	158,261,915	\$	149,664,548	\$	79,937,020
June	\$	97,054,348	\$	98,146,445	\$	78,844,923
July	\$	47,555,707	\$	38,271,882	\$	88,128,748
August	\$	429,831,829	\$	416,716,670	\$	102,018,654
September	\$	236,522,852	\$	21,517,392	\$	317,033,613
October	\$	23,642,722	\$	18,867,073	\$	321,809,262
November	\$	57,549,198	\$	50,911,517	\$	328,446,942
December	\$	11,256,246	\$	18,891,866	\$	320,721,323
	¢	1 (04 (04 (02	¢	1 222 296 706	¢	220 721 222
<b>Totals - 2021</b>	\$	1,624,624,623	\$	1,332,286,796	\$	320,721,323
2022	\$	1,624,624,623	2	1,532,280,790	Þ	320,721,323
	\$ \$	37,538,718	\$ \$	36,452,450	\$	321,552,258
2022	1					
2022 January	\$	37,538,718	\$	36,452,450	\$	321,552,258
2022 January February	\$ \$	37,538,718 28,916,869	\$ \$	36,452,450 31,697,188	\$ \$	321,552,258 318,771,939
2022 January February March	\$ \$ \$	37,538,718 28,916,869 12,011,605	\$ \$ \$	36,452,450 31,697,188 19,158,780	\$ \$ \$	321,552,258 318,771,939 311,624,765
2022 January February March April	\$ \$ \$ \$	37,538,718 28,916,869 12,011,605 58,377,090	\$ \$ \$ \$	36,452,450 31,697,188 19,158,780 38,864,190	\$ \$ \$ \$	321,552,258 318,771,939 311,624,765 331,141,453
2022 January February March April May	\$ \$ \$ \$ \$ \$	37,538,718 28,916,869 12,011,605 58,377,090 119,518,142	\$ \$ \$ \$ \$	36,452,450 31,697,188 19,158,780 38,864,190 68,430,700	\$ \$ \$ \$ \$ \$	321,552,258 318,771,939 311,624,765 331,141,453 382,227,590
2022 January February March April May June	\$ \$ \$ \$ \$ \$ \$	37,538,718 28,916,869 12,011,605 58,377,090 119,518,142 10,606,226	\$ \$ \$ \$ \$ \$ \$	36,452,450 31,697,188 19,158,780 38,864,190 68,430,700 14,860,237	\$ \$ \$ \$ \$ \$ \$	321,552,258 318,771,939 311,624,765 331,141,453 382,227,590 377,973,650
2022JanuaryFebruaryMarchAprilMayJuneJuly	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	37,538,718 28,916,869 12,011,605 58,377,090 119,518,142 10,606,226 23,347,631	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	36,452,450 31,697,188 19,158,780 38,864,190 68,430,700 14,860,237 21,136,193	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	321,552,258 318,771,939 311,624,765 331,141,453 382,227,590 377,973,650 380,185,088
2022JanuaryFebruaryMarchAprilMayJuneJulyAugust	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	37,538,718 28,916,869 12,011,605 58,377,090 119,518,142 10,606,226 23,347,631 44,849,046	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	36,452,450 31,697,188 19,158,780 38,864,190 68,430,700 14,860,237 21,136,193 34,688,784	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	321,552,258 318,771,939 311,624,765 331,141,453 382,227,590 377,973,650 380,185,088 390,353,159
2022JanuaryFebruaryMarchAprilMayJuneJulyAugustSeptember	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	37,538,718 28,916,869 12,011,605 58,377,090 119,518,142 10,606,226 23,347,631 44,849,046	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	36,452,450 31,697,188 19,158,780 38,864,190 68,430,700 14,860,237 21,136,193 34,688,784	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	321,552,258 318,771,939 311,624,765 331,141,453 382,227,590 377,973,650 380,185,088 390,353,159
2022JanuaryFebruaryMarchAprilMayJuneJulyAugustSeptemberOctober	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	37,538,718 28,916,869 12,011,605 58,377,090 119,518,142 10,606,226 23,347,631 44,849,046	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	36,452,450 31,697,188 19,158,780 38,864,190 68,430,700 14,860,237 21,136,193 34,688,784	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	321,552,258 318,771,939 311,624,765 331,141,453 382,227,590 377,973,650 380,185,088 390,353,159

Benefits and Technical Support Section ● Unemployment Compensation Division 1900 Kanawha Blvd., East ● Building 3, Room 300 ● Charleston, West Virginia 25305 Telephone: (304) 558-3309 ● Fax: (304) 558-3252

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#### MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE FOR THREE MONTHS STARTING JULY 2021 AND JULY 2022

Balance Forward	¢	JULY 2021 79,633,106.11	\$	AUGUST 2021 88.903.495.62	SI \$	EPTEMBER 2021 102,030,681.60	\$	JULY 2022 377,973,650.98	\$	AUGUST 2022 380,192,897.83	s	EPTEMBER 2022 390,353,159.63		HREE MONTH TAL VARIANCE * 877,952,425.11	
Dalance i orward	φ	79,033,100.11	φ	88,903,495.82	φ	102,030,001.00	<u>\$</u>	311,913,050.90	φ	300,192,097.03	φ	390,353,159.65	φ	677,952,425.11	
Add Receipts: 1. Bond Assessment 2. Regular Contributions:	\$	- 14,687,138.52	\$	- 208,051,492.59	\$	- 1,998,882.59	\$	- 9,904,869.53	\$	- 17,308,661.77		910,266.89	\$	- 1. Bo (196,613,715.51) 2. Ro	ond Assessment egular Contributions:
<ol> <li>Federal Emergency Benefits (PEUC)</li> <li>Federal Share Extended Benefits (EB)</li> <li>Federal Additional Compensation - FPUC</li> </ol>		818,411.01 19,505.96 3,823,584.98		322,607.49 1,123.00 1,903,099.75		321,778.23 42,036.71 1,718,102.64		18,584.00 - 138,892.06		51,924.98 - 187,690.81		28,907.98 42.00 89,378.65		(62,623.67) 4. Fe (7,028,825.85) 5. Fe	ederal Emergency Benefits (PEUC) ederal Share Extended Benefits (EB) ederal Additional Compensation - FPUC
<ol> <li>Pandemic Unemployment Assistance PUA</li> <li>UCFE (Federal Agencies)</li> <li>TSFR From Non-Invstd FUA</li> </ol>		380,597.50 115,175.24 -		213,659.00 103,756.35 -		210,549.00 92,270.78 -		128.00 49,202.62 -		- 76,680.94 -		(95,477.32) 68,109.56 -		(117,209.25) 7. L - 8. TS	andemic Unemployment Assistance PUA JCFE (Federal Agencies) SFR From Non-Invstd FUA
<ol> <li>EUISAA - EMER US RELIEF</li> <li>Treasury Interest Credits</li> <li>UCX (Military Agencies)</li> </ol>		4,592,248.85 (376,790.10) 27,883.22		360,042.36 - 42,051.61		473,469.00 583,614.11 31,124.13		- - 29,133.64		- - 41,101.14		- 1,586,713.14 28,970.75		1,379,889.13 10. (1,853.43) 11. U	EUISAA - EMER US RELIEF Treasury Interest Credits UCX (Military Agencies)
12. Temporary Compensation 13. BT to State UI Account 14. UI Modernization		-		-		- 220,559,606.30 -		-		-		- 586.00 -		(220,559,020.30) 13. 8	Temporary Compensation BT to State UI Account JI Modernization
15. Loan Advance 16. Return of Overpayments FPUC/PUA/EU0		-		-		-		-		-		-		- 15. L	.oan Advance Return of Overpayments FPUC/PUA/EU0
Total Monthly Receipts	<u>\$</u>	47,555,707.57	<u>\$</u>	429,831,829.61	<u>\$</u>	236,522,852.00	<u>\$</u>	23,347,631.45	<u>\$</u>	44,849,046.31	<u>\$</u>	9,274,519.47	<u>\$</u>	<u>(636,439,191.95)</u> Tota	al Monthly Receipts
Less Disbursements:				<i>— и</i> в		( <b>-</b> () ))									Disbursements:
Debt Bond Repayment Regular Benefits: Federal Emergency Compensation - PEUC Federal Additional Compensation - FPUC Pandemic Unemployment Assistance PUA	\$	(Retired) 9,884,075.15 765,337.01 3,626,482.24 379,480.50	\$	(Retired) 10,487,953.50 303,375.37 1,844,125.83 174,446.00		(Retired) 8,765,352.20 173,063.31 1,486,197.16 200,694.00	\$	(Retired) 7,692,980.59 20,401.99 131,128.04 -	\$	(Retired) 7,187,409.85 50,128.99 159,907.95 -	\$	(Retired) 5,892,565.61 36,411.98 59,240.35 -		( )	
Federal Emergency Benefits (EUC08) Federal Extended - 2112 Emergency Benefits (TEUC)		- 19,505.96 -		(25.00) 1,633.00 -		(100.00) <i>(20,341.00)</i> -		- - -		-		- 424.00 -		(373.96) <b>F</b> e - Em	deral Emergency Benefits (EUC08) ederal Extended - 2112 nergency Benefits (TEUC)
UCFE (Federal Workers) Benefits UCX (Military Workers) Benefits Reed Act Funds EUISAA Title IX		112,169.77 30,315.04 - -		105,795.86 43,305.64 - -		94,449.79 39,270.27 287,387.96 		52,376.05 24,676.33 - -		67,682.81 40,668.24 - -		72,679.60 25,318.45 2,740,000.00 -		(22,227.93) UC 2,452,612.04 Re	FE (Federal Workers) Benefits X (Military Workers) Benefits ed Act Funds SAA Title IX
Total Monthly Disbursements		<u>\$38,285,318.06</u>	<u>\$</u>	416,704,643.62		<u>\$21,517,392.20</u>		<u>\$21,128,384.60</u>		<u>\$34,688,784.51</u>		<u>\$15,483,661.81</u>	<u>\$</u>	(405,206,522.96) <b>Tota</b>	al Monthly Disbursements
Trust Fund Balance	<u>\$</u>	88,903,495.62	<u>\$</u>	102,030,681.61	<u>\$</u>	317,033,613.41		<u>\$380,192,897.83</u>	<u>\$</u>	390,353,159.63	<u>\$</u>	384,144,017.29	<u>\$</u>	<u>646,719,756.12</u> Trus	st 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: UI 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
Borrowed on 12/5/2016
Repaid on 5/4/2017
Outstanding Loan from Revenue Shortfall Reserve Fund

\*\*Note: Reed Act funds of \$549,468.24 previously drawn down were unexpended and returned to Trust Fund on deposit with the U.S. Treasury.



FOR RELEASE: October 19, 2022 Contact: Andy Malinoski <u>Andy.E.Malinoski@wv.gov</u> 304-957-9318

#### State Unemployment rate Climbs to 4.0 Percent in September

West Virginia's seasonally adjusted unemployment rate inched upward one-tenth of a percentage point to 4.0 percent in September 2022. The number of unemployed state residents rose 500 to 31,500. Total employment declined 1,600 over the month. The national seasonally adjusted unemployment rate declined two-tenths of a percentage point to 3.5 percent.

Total nonfarm payroll employment rose 3,800 in September, with gains of 3,200 in the serviceproviding sector and 600 in the goods-producing sector. Within the goods-producing sector, gains of 500 in construction and 200 in mining and logging easily offset a decline of 100 in manufacturing.

Within the service-providing sector, employment gains included 1,800 in education and health services, 800 in government, almost entirely at the local level, 500 in professional and business services, 200 in trade, transportation, and utilities, and 100 in financial activities. Employment declines included 100 in both information and in leisure and hospitality, while employment was unchanged in other services over the month.

Since September 2021, total nonfarm payroll employment has increased by 26,000. Employment gains included 6,200 in leisure and hospitality, 4,400 in construction, 4,100 in professional and business services, 2,900 in education and health services, 2,800 in mining and logging, 2,600 in trade, transportation, and utilities, 1,300 in manufacturing, 1,200 in financial activities, 200 in other services, 200 in government, and 100 in information.

West Virginia's not seasonally adjusted unemployment rate fell to 3.2 percent in September.

The state's seasonally adjusted labor force participation rate inched downward to 55.1 percent in September 2022.

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#### WEST VIRGINIA

#### (In Thousands - Seasonally Adjusted) September 2022

Septe	ember 2022				
	Prelim.	Revised	Revised	Chang	e from:
	Sep	Aug	Sep	Aug	Sep
	2022	2022	2021	2022	2021
Civilian Labor Force	795.8	796.9	791.2	-1.1	4.6
Total Employment	764.3	765.9	755.2	-1.6	9.1
Total Unemployment	31.5	31.0	36.0	0.5	-4.5
Unemployment Rate	4.0	3.9	4.6	XX	ХХ
Labor Force Participation Rate	55.1	55.2	54.8	ХХ	XX
NONFARM PAYROLL E	MPLOYMENT		ſRY		
Total Nonfarm	710.8	707.0	684.8	3.8	26.0
Total Private	562.8	559.8	537.0	3.0	25.8
Goods Producing	101.0	100.4	92.5	0.6	8.5
Mining and Logging	20.4	20.2	17.6	0.2	2.8
Construction	33.5	33.0	29.1	0.5	4.4
Manufacturing	47.1	47.2	45.8	-0.1	1.3
Durable Goods	27.6	27.8	26.7	-0.2	0.9
Non-Durable Goods	19.5	19.4	19.1	0.1	0.4
Service-Providing	609.8	606.6	592.3	3.2	17.5
Private Service-Providing	461.8	459.4	444.5	2.4	17.3
Trade, Transportation, and Utilities	125.0	124.8	122.4	0.2	2.6
Wholesale Trade	20.3	20.1	18.7	0.2	1.6
Retail Trade	78.2	78.0	78.4	0.2	-0.2
Transportation, Warehousing, and Utilities	26.5	26.7	25.3	-0.2	1.2
Information	7.4	7.5	7.3	-0.1	0.1
Financial Activities	30.8	30.7	29.6	0.1	1.2
Finance and Insurance	24.0	24.0	23.1	0.0	0.9
Real Estate and Rental and Leasing	6.8	6.7	6.5	0.1	0.3
Professional and Business Services	71.9	71.4	67.8	0.5	4.1
Professional, Scientific & Techical Services	27.3	27.2	26.8	0.1	0.5
Administrative and Support and Waste Mgmt	36.8	36.5	33.5	0.3	3.3
Education and Health Services	129.8	128.0	126.9	1.8	2.9
Educational Services	8.2	8.2	7.6	0.0	0.6
Health Care and Social Assistance	121.6	119.8	119.3	1.8	2.3
Leisure and Hospitality	73.4	73.5	67.2	-0.1	6.2
Arts, Entertainment, and Recreation	9.6	9.6	7.9	0.0	1.7
Accommodation and Food Service	63.8	63.9	59.3	-0.1	4.5
Other Services	23.5	23.5	23.3	0.0	0.2
Government	148.0	147.2	147.8	0.8	0.2
Federal Government	25.3	25.2	25.4	0.1	-0.1
State Government	46.0	46.1	45.9	-0.1	0.1
Local Government	76.7	75.9	76.5	0.8	0.2

#### West Virginia Labor Force Statistics by Calendar Year Not Seasonally Adjusted

2022	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	787,600	791,900	785,700	791,300	797,600	811,100	803,400	797,100	793,300				
Employment	752,800	756,100	754,000	762,600	770,200	776,400	762,700	762,700	767,900				
Unemployment Rate	34,800 4.4	35,800 4.5	31,700 4.0	28,700 3.6	27,400 3.4	34,600 4.3	33,600 4.2	24,400 4.3	25,400 3.2				
Participation Rate	54.6	54.9	54.4	54.8	55.3	56.2	55.6	55.2	54.9				
·									_			_	
2021 Labor Force	Jan 771,900	Feb 780,100	Mar 777,500	Apr 786,600	May 787,100	Jun 801,100	Jul 798,500	Aug 794,400	Sep 793,200	Oct 795,100	<b>Nov</b> 790,900	Dec 789,700	AVG 788,800
Employment	719,500	727,200	728,900	742,000	746,300	756,100	758,600	755,900	793,200	766,700	790,900	761,800	749,100
Unemployment	52,400	53,000	48,500	44,600	40,800	45,000	39,900	38,500	30,400	28,500	26,900	27,900	39,700
Rate	6.8	6.8	6.2	5.7	5.2	5.6	5.0	4.8	3.8	3.6	3.4	3.5	5.0
Participation Rate	53.5	54.1	53.9	54.5	54.6	55.5	55.4	55.1	55.0	55.1	54.8	54.7	54.7
2020	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	794,900	800,100	788,800	758,700	775,400	786,200	785,000	785,300	783,800	786,500	777,300	774,200	792,200
Employment	749,400 45,500	753,700 46,400	738,100 50,800	642,200 116,600	679,200 96,100	707,600 78,600	709,800 75,300	722,100 63,100	728,600 55,300	739,700 46,800	732,500 44,800	727,100 47,100	726,000 66,100
Unemployment Rate	43,300 5.7	40,400 5.8	6.4	15.4	12.4	10.0	9.6	8.0	7.1	40,000 5.9	5.8	6.1	8.3
Participation Rate	54.8	55.2	54.4	52.4	53.6	54.4	54.3	54.3	54.2	54.4	53.8	53.6	54.1
2019	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	788,800	792,500	785,200	788,900	792,500	808,100	805,700	802,500	801,700	804,800	796,500	794,100	798,300
Employment	740,500	744,700	742,400	753,700	757,200	767,400	766,300	763,100	768,500	769,300	760,300	756,300	759,000
Unemployment Rate	48,300 6.1	47,800 6.0	42,900 5.5	35,100 4.5	35,300 4.5	40,600 5.0	39,400 4.9	39,300 4.9	33,200 4.1	35,500 4.4	36,200 4.5	37,800 4.8	39,300 4.9
Participation Rate	54.2	54.5	54.0	54.3	54.5	55.6	55.5	55.3	55.2	55.4	54.9	54.7	54.8
·		<b>-</b> .								<b>c</b> .		-	
2018 Labor Force	Jan 779,200	Feb 789,300	Mar 783,900	Apr 791,200	May 795,000	Jun 808,400	Jul 804,800	Aug 795,200	Sep 796.200	Oct 800,000	<b>Nov</b> 791,500	Dec 789,700	AVG 793,400
Employment	731,500	737,800	736,300	791,200	795,000	764,700	763,500	795,200	762,500	765,200	791,500	751,300	793,400
Unemployment	47,700	51,500	47,700	41,700	38,100	43,700	41,400	38,900	33,700	34,700	34,400	38,400	41,200
Rate	6.1	6.5	6.1	5.3	4.8	5.4	5.1	4.9	4.2	4.3	4.3	4.9	5.2
Participation Rate	53.3	54.0	53.7	54.2	54.5	55.4	55.2	54.5	54.6	54.9	54.3	54.2	54.4
2017	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	775,600	779,900	775,100	781,500	780,000	795,200	792,500	790,400	792,900	789,400	784,100	780,400 739,900	783,800
Employment Unemployment	726,200 49,300	730,700 49,200	731,100 44,000	743,000 38,500	744,500 35,500	753,600 41,600	751,500 41,100	747,700 42,700	757,600 35,300	754,300 35,100	745,400 38,700	40,400	742,700 41,000
Rate	6.4	6.3	5.7	4.9	4.6	5.2	5.2	5.4	4.5	4.4	4.9	5.2	5.2
Participation Rate	52.7	53.0	52.7	53.2	53.1	54.2	54.0	53.9	54.1	53.9	53.5	53.3	53.5
2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force Employment	782,600 726,500	787,400 728,800	782,200 727,800	786,200 737,800	788,300 742,300	796,900 746,200	789,000 741,700	785,800 737,600	784,800 741,600	786,700 744,500	778,300 739,100	773,100 732,500	785,100 737,200
Unemployment	56,100	58,500	54,400	48,400	45,900	50,700	47,300	48,300	43,200	42,200	39,300	40,600	47,900
Rate	7.2	7.4	7.0	6.2	5.8	6.4	6.0	6.1	5.5	5.4	5.0	5.2	6.1
Participation Rate	53.0	53.3	53.0	53.3	53.4	54.0	53.5	53.3	53.3	53.4	52.9	52.6	53.3
2015	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force Employment	787,000 730,400	789,700 730,400	784,900 727,800	793,800 741,200	797,700 744,400	806,900 750,700	799,800 744,400	793,900 741,500	788,100 743,100	790,200 745,900	783,900 738,400	782,400 735,300	791,500 739,500
Unemployment	56,600	59,300	57,100	52,600	53,300	56,200	55,400	52,400	45,000	44,400	45,500	47,100	52,100
Rate	7.2	7.5	7.3	6.6	6.7	7.0	6.9	6.6	5.7	5.6	5.8	6.0	6.6
Participation Rate	53.1	53.3	53.0	53.6	53.9	54.5	54.0	53.6	53.3	53.4	53.0	52.9	53.5
2014	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	789,400	795,700	792,000	795,300	800,800	805,300	800,900	796,900	795,800	799,900	791,000	785,700	795,700
Employment	730,800	732,700	733,300	745,400	750,400	753,500	748,000	744,200	749,900	754,700	745,000	739,600	744,000
Unemployment Rate	58,700 7.4	63,100 7.9	58,700 7.4	49,900 6.3	50,400 6.3	51,800 6.4	52,900 6.6	52,700 6.6	45,900 5.8	45,200 5.7	46,000 5.8	46,100 5.9	51,800 6.5
Participation Rate	53.1	53.6	53.3	53.5	53.9	54.2	53.9	53.7	53.6	53.9	53.3	53.0	53.6
2013	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	798,800	798,000	790,900	799,200	802,400	814,200	807,700	802,100	800,700	798,100	792,900	788,800	799,500
Employment	734,500	734,900	733,800	747,400	752,100	758,400	754,200	749,400	752,500	749,100	744,500	739,200	745,800
Unemployment Rate	64,300 8.0	63,100 7.9	57,100 7.2	51,800 6.5	50,300 6.3	55,800 6.9	53,500 6.6	52,700 6.6	48,100 6.0	49,000 6.1	48,400 6.1	49,600 6.3	53,600 6.7
Participation Rate	53.7	53.6	53.2	53.7	54.0	54.8	54.3	53.9	53.8	53.7	53.3	53.1	53.8
2012	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	797,500	802,500	799,100	806,600	815,200	822,700	815,800	809,500	811,600	813,000	802,600	800,200	808,000
Employment Unemployment	736,100 61,400	738,000 64,500	738,900 60,200	750,500 56,100	757,200 58,000	760,400 62,300	754,300 61,500	749,300 60,200	757,500 54,100	759,400 53,600	749,400 53,200	744,000 56,100	749,600 58,400
Rate	61,400 7.7	64,500 8.0	60,200 7.5	56,100 7.0	56,000 7.1	62,300 7.6	7.5	60,200 7.4	54,100 6.7	53,600 6.6	53,200 6.6	56, 100 7.0	56,400 7.2
Participation Rate	53.6	53.9	53.7	54.2	54.8	55.3	54.8	54.4	54.5	54.6	53.9	53.8	54.3

#### West Virginia Labor Force Statistics by Calendar Year Seasonally Adjusted

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	793,300	793,800	794,200	794,600	795,800	797,000	797,400	796,900	795,800			200	
Employment	761,100	763,000	765,200	766,200	767,900	768,400	767,800	765,900	764,300				
Unemployment	32,200	30,800	29,100	28,400	27,900	28,700	29,600	31,000	31,500				
Rate	4.1	3.9	3.7	3.6	3.5	3.6	3.7	3.9	4.0				
Particpation Rate	55.0	55.0	55.0	55.1	55.1	55.2	55.2	55.2	55.1				
2021	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	781,400	782,700	785,000	787,200	789,000	790,200	790,600	790,800	791,200	791,900	792,200	792,300	788,800
Employment	734,900	737,700	740,700	743,600	746,300	748,300	750,400	752,600	755,200	757,400	758,300	758,400	749,100
Unemployment Rate	46,400 5.9	45,100 5.8	44,300 5.6	43,600 5.5	42,700 5.4	41,900 5.3	40,200 5.1	38,200 4.8	36,000 4.6	34,400 4.3	33,900 4.3	33,900 4.3	39,700 5
Particpation Rate	54.1	54.2	54.4	54.6	54.7	54.8	54.8	4.0 54.8	4.0 54.8	4.3 54.9	4.3 54.9	4.3 54.9	55
·													
2020 Labor Force	Jan 800,300	Feb 798,800	Mar 796,500	Apr 763,900	May 777,500	Jun 775,800	<b>Jul</b> 779,600	Aug 779,100	Sep 780,700	Oct 779,800	<b>Nov</b> 780,100	Dec 781,000	AVG 792,200
Employment	759,600	757,800	755,400	645,700	682,900	694,900	706,000	714,600	721,400	726,000	729,500	732,300	792,200
Unemployment	40,800	41,000	41,100	118,200	94,600	80,900	73,600	64,500	59,300	53,800	50,600	48,700	66,100
Rate	5.1	5.1	5.2	15.5	12.2	10.4	9.4	8.3	7.6	6.9	6.5	6.2	8.3
Particpation Rate	55.2	55.1	55.0	52.7	53.7	53.6	53.9	53.9	54.0	54.0	54.0	54.1	
2019	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	794,600	794,000	793,600	793,800	794,600	795,800	797,200	798,400	799,300	800,100	800,700	800,900	798,300
Employment	754,700	754,800	755,200	755,900	756,900	757,900	758,500	758,900	759,300	759,900	760,500	760,400	759,000
Unemployment	39,900	39,200	38,400	37,900	37,700	37,900	38,700	39,500	40,000	40,200	40,200	40,400	39,300
Rate Particpation Rate	5.0 54.6	4.9 54.6	4.8 54.6	4.8 54.6	4.7 54.7	4.8 54.8	4.9 54.9	4.9 55.0	5.0 55.1	5.0 55.1	5.0 55.2	5.0 55.2	4.9
Fanicpation Nate	54.0	54.0	54.0	54.0		54.0			55.1	55.1	55.2	55.2	
2018	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	788,300	789,800	791,900	793,700	795,000	795,500	795,300	795,000	794,800	794,800	795,000	794,900	793,400
Employment	745,600	747,100	749,300	751,600	753,300	754,400	755,000	755,100	755,000	754,800	754,700	754,600	752,200
Unemployment Rate	42,700 5.4	42,700 5.4	42,600 5.4	42,200 5.3	41,600 5.2	41,000 5.2	40,400 5.1	39,900 5.0	39,800 5.0	40,100 5.0	40,300 5.1	40,300 5.1	41,200 5.2
Particpation Rate	53.9	54.0	54.2	54.4	54.5	54.5	54.5	54.5	54.5	54.5	54.6	54.6	5.2
·													
2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	782,300	781,900	781,700	781,900	782,800	783,900	785,300	786,400	787,200	787,400	787,400	787,500	783,800
Employment Unemployment	739,900 42,300	741,000 40,900	741,800 39,900	742,500 39,400	743,400 39,400	744,300 39,700	745,000 40,200	745,500 40,900	745,700 41,500	745,500 41,900	745,100 42,300	745,000 42,500	742,700 41,000
Rate	42,300	40,900	39,900 5.1	39,400 5.0	59,400 5.0	39,700 5.1	40,200 5.1	40,900	41,500	41,900	42,300 5.4	42,500 5.4	41,000 5.2
Particpation Rate	53.2	53.2	53.2	53.2	53.3	53.4	53.5	53.6	53.7	53.7	53.8	53.8	0.2
2016	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	789,400	789,400	788,800	787,500	785,900	784,600	783,600	783,000	782,600	782,300	782,000	781,700	785,100
Employment	739,200	739,300	739,000	738,300	737,300	736,300	735,600	735,300	735,400	735,800	736,700	737,800	737,200
Unemployment	50,200	50,100	49,700	49,200	48,700	48,300	48,000	47,700	47,200	46,400	45,300	44,000	47,900
Rate Particpation Rate	6.4 53.4	6.3 53.5	6.3 53.4	6.2 53.4	6.2 53.3	6.2 53.2	6.1 53.2	6.1 53.1	6.0 53.1	5.9 53.1	5.8 53.2	5.6 53.2	6.1
·													
2015 Labor Force	Jan 793,800	<b>Feb</b> 793,600	Mar 793,800	<b>Apr</b> 794,000	May 794,000	Jun 793,300	Jul 792,000	Aug 790,400	<b>Sep</b> 789,000	Oct 788,300	<b>Nov</b> 788,300	<b>Dec</b> 788,800	AVG 791,500
Employment	742,900	741,800	740,900	740,200	739,800	739,300	738,700	738,200	737,900	737,900	738,200	738,700	739,500
Unemployment	50,900	51,800	52,900	53,800	54,200	54,000	53,200	52,200	51,200	50,500	50,200	50,100	52,100
Rate	6.4	6.5	6.7	6.8	6.8	6.8	6.7	6.6	6.5	6.4	6.4	6.4	6.6
Particpation Rate	53.5	53.5	53.6	53.6	53.6	53.6	53.5	53.4	53.3	53.3	53.3	53.4	
2014	Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	797,600	797,900	797,800	797,100	796,000	795,000	794,400	794,300	794,500	794,700	794,600	794,200	795,700
Employment	743,700	744,300	744,600	744,400	743,900	743,400	743,200	743,300	743,700	744,100	744,200	743,800	744,000
Unemployment Rate	53,800 6.7	53,700 6.7	53,200 6.7	52,700 6.6	52,100 6.5	51,500 6.5	51,100 6.4	50,900 6.4	50,800 6.4	50,600 6.4	50,400 6.3	50,500 6.4	51,800 6.5
Particpation Rate	53.7	53.7	53.7	53.7	53.6	53.5	53.5	53.5	53.5	53.5	53.5	53.5	0.5
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	804,800	802,800	801,200	800,300	799,900	799,700	799,500	798,900	798,000	797,100	796,800	797,000	799,500
Employment	747,900	747,100	746,600	746,800	747,100	747,200	746,900	746,200	745,100	744,100	743,400	743,300	745,800
Unemployment	56,900	55,700	54,600	53,500	52,800	52,500	52,600	52,700	52,800	53,000	53,300	53,700	53,600
Rate	7.1	6.9	6.8	6.7	6.6	6.6	6.6	6.6	6.6	6.7	6.7	6.7	6.7
Particpation Rate	54.1	54.0	53.9	53.8	53.8	53.8	53.8	53.7	53.7	53.6	53.6	53.6	
2012	Jan	Feb	Mar 807,900	<b>Apr</b> 808,200	May	Jun 808,900	Jul 808,900	Aug	<b>Sep</b> 808,700	Oct 808,400	<b>Nov</b> 807,800	<b>Dec</b> 806,600	AVG 808,000
Labor Force Employment	808,100 750,900	807,800 751,000	807,900 750,900	808,200 750,300	808,600 749,700	808,900 749,300	808,900 749,000	808,800 749,000	808,700 749,100	808,400 749,200	807,800 749,100	806,600 748,700	808,000 749,600
													,
Unemployment	57 200	56 800	57 000	57 900	58 900	59 600	59 900	59 800	59 600	59 200	58 700	57 900	58 400
Unemployment Rate	57,200 7.1	56,800 7.0	57,000 7.1	57,900 7.2	58,900 7.3	59,600 7.4	59,900 7.4	59,800 7.4	59,600 7.4	59,200 7.3	58,700 7.3	57,900 7.2	58,400 7.2
	57,200 7.1 54.3	56,800 7.0 54.3	57,000 7.1 54.3	57,900 7.2 54.3	58,900 7.3 54.3	59,600 7.4 54.4	59,900 7.4 54.4	59,800 7.4 54.3	59,600 7.4 54.3	59,200 7.3 54.3	58,700 7.3 54.3	57,900 7.2 54.2	

# BRIM November 2022 Interim Packet

#### West Virginia Board of Risk and Insurance Management

#### Statements of Net Position

#### For the Three Months Ended September 30th

	2	2022		2021
		(In Thousa	nds)	)
Assets				
Current assets:				
Cash and cash equivalents	\$	12,309	\$	14,248
Advance deposits with insurance company and trustee		240,302		249,762
Receivabales		821		1,422
Prepaid insurance		2,475		2,144
Restricted cash and cash equivalents		14,687		12,198
Premiums due from other entities		1,222		1,184
Total current assets		271,815		280,958
Noncurrent assets:				
Equity position in internal investments pools		106,494		123,537
Restricted investments		62,541		71,342
Total noncurrent assets	i	169,035		194,880
Total assets		440,850		475,838
Deferred Outflows of Resources		434		438
Deferred Outflows of Resources - OPEB		61		115
Liabilities				
Current liabilities:				
Estimated unpaid claims and claims adjustment expense		103,306		61,326
Unearned premiums		12,948		10,946
Agent commissions payable		963		1,204
Claims Payable		0		77
Accrued expenses and other liabilities		1,550		1,356
Total current liabilities		118,767		74,909
		100,100		400 770
Estimated unpaid claims and claims adjustment expense net of current portion		183,489		129,770 172
Compensated absences		167 (894)		533
Net pension (asset) liability		182,762		130,474
Total noncurrent liabilities				205,384
Total liabilities		301,529		205,584
Deferred Inflows of Resources		1,156		35
Deferred Inflows of Resources - OPEB		280		351
Net position:				
Restricted by State code for mine subsidence coverage		75,988		80,155
Unrestricted		75,415		196,713
Net Assets (Deficiency)		-13,023		(6,248)
Net position	\$	138,380	\$	270,620

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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

	2022	2021
	(In Th	ousands)
Operating revenues		
Premiums	\$ 23,6	
Less coverage/reinsurance programs	(2,5	
Net operating revenues	21,1	.04 18,758
Operating expenses		
Claims and claims adjustment expense	19,9	,
General and administrative		1,219
Total operating expenses	21,2	222 24,732
Operating income (loss)	(1	18) (5,973)
Nonoperating revenues		
Investment income (loss)	(12,9	05) (275)
Legislative Appropriation		0 0
OPEB Non Operating Income		0 0
Net nonoperating revenues	(12,9	05) (275)
Changes in net position	(13,0	23) (6,248)
Total net position, beginning of year	151,4	103 276,868
Total net position, end of period	\$ 138,	880 \$ 270,620
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Unaudited

#### West Virginia Board of Risk and Insurance Management UNAUDITED BALANCE SHEET AND INCOME STATEMENT For the Three Months Ending September 30, 2022

#### Talking Points for Joint Committee on Government and Finance Meeting November 2022

- 1. **Premium Revenue** for September reflects the premiums earned for the first three months of the current fiscal year. BRIM premiums in FY'23 reflect a slight increase in premium revenue including an increase in premium to fund the higher actuarially estimated losses for the current year.
- 2. Claims Expense reflects net claims payments made through September, plus estimated accruals for the first three months of the fiscal year. Claim payments through September were lower than through September of last year. Please note that claims expense does not include an adjustment of our claims reserves to the actuarial report, as we have not yet received that report for the first quarter. This adjustment could have a significant positive or negative impact on our net income for the quarter.
- 3. Investments for September reflect a loss of nearly 13 million dollars for the three months ended September 30th. While we had slightly under \$1 million in investment income through August, in September we had significant losses in both fixed income and equity investments. Interest rates continue to rise, and the volatility of the equities markets make for an uncertain outlook for investment income for FY'23. These factors contributed to greater investment losses through September than the prior year.
- 4. BRIM continues to pursue pro-active loss control initiatives.
- 5. Premium rates The Boards of Education (BOE) rating group will see liability premium increases for FY'23, which begins July 1, 2022, and for future fiscal years. The increase is the reflection of abuse claim development that has been reported in FY'22 and is driving increases in claim expense payments and in the actuarially estimated IBNR.

# PEIA November 2022 Interim Packet

## PEIA November Interim Talking Points

- > PEIA and RHBT year to date interim financial statements for September 30, 2022 are available for your review.
- > PEIA statements indicate PEIA is currently behind plan by \$10 million. This is primarily due to lower than forecast investment income.
- RHBT statements indicate RHBT is currently behind plan by \$86 million. This is primarily due to lower than forecast investment income.
- > The 2023 year-end reserve for the State Fund, non-State Fund and RHBT is projected to be \$81, \$20 and \$264 million respectively.
- > These reserve levels represent 12%, 13% and 163% of the respective funds' expenses. The required reserve for the State Fund is 12% of expenses.

#### West Virginia Retiree Health Benefit Trust Fund STATEMENT OF CHANGES IN PLAN NET POSITION For Three Months Ending September 30, 2022 In Thousands

ACTUAL	BUDGET	PRIOR YR		BUDGET VAR \$	IANCE %	PRIOR YR VAI \$	RIANCE %
			ADDITIONS Employer Premiums:				
\$511	\$516	\$535	Health premiums - Non Par	(\$5)	(1%)	(\$24)	(4%)
2,380	2,373	2,886	Health Premiums - RLC Health, Life	7	0%	(506)	(18%)
14,808	15,000	24,730	Pay Go Premiums	(192)	(1%)	(9,922)	(40%)
7,500	7,500	7,500	State appropriation - OPEB	-	0%	-	0%
25,199	25,389	35,651	Total Employer Premiums	(190)	(1%)	(10,452)	(29%)
			Other Additions:				
200	249	200	Retiree Drug Subsidy	(49)	(20%)	-	0%
(55,722)	33,990	(10,792)	Investment Income	(89,712)	(264%)	(44,930)	416%
(30,323)	59,628	25,059	TOTAL ADDITIONS	(89,951)	(151%)	(55,382)	(221%)
			DEDUCTIONS				
10,896	11,700	23,979	Payments to Managed Care Org.	804	7%	13,083	55%
6,560	7,044	6,678	Life Insurance Expense	484	7%	118	2%
12,590	13,550	11,649	Medical Claims Expense	960	7%	(941)	(8%)
5,454	7,082	6,282	Pharmacy Claims Expense	1,628	23%	828	13%
352	411	415	Administrative Service Fees (External)	59	14%	63	15%
(14,728)	(14,931)	(16,847)	Member Health premiums	(203)	1%	(2,119)	13%
(6,598)	(7,035)	(6,699)	Member Life Insurance Premiums	(437)	6%	(101)	2%
413	747	580	Other Operating Expenses	334	45%	167	29%
14,939	18,568	26,037	TOTAL DEDUCTIONS	3,629	20%	11,098	43%
(45,262)	41,060	(978)	NET POSITION INCREASE (DECREASE)	(86,322)	(210%)	(44,284)	4,528%
			Net Position Restricted for Post Employment Benefits				
1,624,972	1,624,972	1,673,024	Beginning of Period Total Net Position	-	0%	(48,052)	(3%)
1,297,603	1,383,925	1,403,939	End of Period Net Position - Restricted	(86,322)	(6%)	(106,336)	(8%)
282,107	282,107	268,107	End of Period Net Position - PSR	-	0%	14,000	5%
\$1,579,710	\$1,666,032	\$1,672,046	End of Period Total Net Position	(\$86,322)	(5%)	(\$92,336)	(6%)

#### West Virginia Public Employees Insurance Agency Statement of Changes in Plan Net Position For the Three Months Ending Friday, September 30, 2022 (Dollars in Thousands)

(Unaudited-For Internal Use Only)

				BUDGET VA	RIANCE	PRIOR YR VA	RIANCE
ACTUAL	BUDGET	PRIOR YR		\$	%	\$	9
			OPERATING REVENUE				
			Premium Revenue				
\$109,234	\$110,346	\$102,495	Health Insurance - State Gov Employers	(\$1,112)	(1%)	\$6,739	79
29,766	30,153	30,120	Health Insurance - State Gov Employees	(387)	(1%)	(354)	(1%
35,299	35,978	31,556	Health Insurance - Local Gov All	(679)	(2%)	3,743	129
1,149	1,165	1,238	Administrative Fees, Net of Refunds	(16)	(1%)	(89)	(7%
518	476	475	Other Premium Revenue	42	9%	43	9
175,966	178,118	165,884	Total Operating Revenue	(2,152)	(1%)	10,082	6
			NON-OPERATING REVENUE				
528	607	594	Life Insurance	(79)	(13%)	(66)	(119
13,000	13,000	5,250	Direct Transfer	Ó	0%	7,750	148
(4,896)	2,823	1,173	Interest and Investment Income	(7,719)	(273%)	(6,069)	(517%
14,808	15,000	24,730	WV RHBT Pay Go Premiums	(192)	(1%)	(9,922)	(40%
23,440	31,430	31,747	Total Non-Operating Revenue	(7,990)	(25%)	(8,307)	(26%
199,406	209,548	197,631	TOTAL REVENUE	(10,142)	189%	1,775	1
			EXPENSES				
125,618	116,816	87,499	Claims Expense - Medical	(8,802)	(8%)	(38,119)	(44)
43,847	49,004	40,740	Claims Expense - Drugs	5,157	11%	(3,107)	`(8)
13,570	14,493	13,635	Payments to Managed Care Org.	923	6%	65	Ìa
4,630	5,513	5,819	Administrative Service Fees	883	16%	1,189	20
2	514	143	Wellness and Disease Management	512	100%	141	99
1,113	1,322	1,118	Other Operating Expenses	209	16%	5	C
455	554	527	Life Insurance Expense	99	18%	72	14
120	179	136	ACA Comparative Effectiveness Fee	59	33%	16	12
14,808	15,000	24,730	WV RHBT Pay Go Premiums	192	1%	9,922	40
204,163	203,395	174,347	TOTAL EXPENSES	(768)	(0%)	(29,816)	(17
(4,757)	6,153	23,284	YTD Surplus (Deficit)	(10,910)	(177%)	(28,041)	(120
93,425	93,425	162,360	Total Net Position, Beginning of Period		0%	(68,935)	(42)
\$88,668	\$99,578	\$185,644	<b>Total Net Position, End of Period</b>	(\$10,910)	(166%)	(\$96,976)	(529

## Real Estate Division November 2022 Interim Packet

#### Department of Administration Real Estate Division Leasing Report For the period of October 1 - 31, 2022

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

- 2 New Contract of Lease DOA Owned
- 2 New Contract of Lease
- 5 Straight Renewal
- 4 Renewal with Increase in Rent
- 2 Increase in Square Feet

#### Department of Administration Real Estate Division Leasing Report For the period of October 1 - 31, 2022

#### **NEW CONTRACT OF LEASE – DOA OWNED**

#### GENERAL SERVICES DIVISION

**GSD-019** New Contract of Lease for 2 years, 11 months consisting of 4,072 square feet of office space at the annual per square foot rate of \$12.16, annual cost \$49,515.52, full service, Building #6, 1900 Kanawha Boulevard East, in the City of Charleston, Kanawha County, West Virginia.

#### OFFICES OF THE INSURANCE COMMISSIONER

**INS-040** New Contract of Lease for 2 years consisting of 245 square feet of storage space at the annual per square foot rate of \$6.60, annual cost \$1,617.00, for year 1, with an increase in the annual per square foot rate to \$7.26, annual cost \$1,778.70 full service, Building #86, 1124 Smith Street, in the City of Charleston, Kanawha County, West Virginia.

#### **NEW CONTRACT OF LEASE**

#### WORKFORCE WEST VIRGINIA

**WWV-049** New Contract of Lease for 5 years consisting of 163 square feet of office space at the monthly rate of \$385.00, annual cost \$4,620.00, full service, 426 Leon Sullivan, in the City of Charleston, Kanawha County, West Virginia.

#### DEPARTMENT OF HEALTH AND HUMAN RESOURCES

**HHR-266** New Contract of Lease for 5 years consisting of 100 square feet of office space at the annual rate of \$1.00, full service, 213 Kenmore Drive, in the City of Danville, Boone County, West Virginia.

#### STRAIGHT RENEWAL

#### DEPARTMENT OF HEALTH AND HUMAN RESOURCES

**HHR-257** Renewal for 5 years consisting of 280 square feet of office space at the current monthly rate of \$600.00, annual cost \$7,200.00, full service, 300 Second Street, in the City of Fairmont, Marion County, West Virginia.

#### **DIVISION OF FORESTRY**

**FOR-072** Renewal for 5 years consisting of 450 square feet of office space at the monthly rate of \$275.00, annual cost \$3,300.00, full service, 425 East Main Street, in the City of Kingwood, Preston County, West Virginia.

**FOR-089** Renewal for 2 years consisting of 250 square feet of office space at the current monthly rate of \$500.00, annual cost \$6,000.00, tenant is responsible for janitorial services and supplies, 300-B Second Avenue, in the City of Marlinton, Pocahontas County, West Virginia.

### **STRAIGHT RENEWAL - CONTINUED**

#### WEST VIRGINIA STATE POLICE

**PSA-024** Renewal for 1 year consisting of land for tower/monitoring space at the current annual rate of \$750.00, Curtis District, Roane County, West Virginia.

**PSA-023** Renewal for 1 year consisting of land for tower/monitoring space at the current annual rate of \$800.00 for each of the 2 owners, annual cost \$1,600.00, Union District, Ritchie County, West Virginia.

#### **RENEWAL WITH INCREASE IN RENT**

#### OFFICES OF THE INSURANCE COMMISSIONER

**INS-026** Renewal for 2 years consisting of 7,048 square feet of office space with an increase in the annual per square foot rate from \$14.17 to \$14.45, annual cost \$101,843.60, full service, 1207 Quarrier Street, in the City of Charleston, Kanawha County, West Virginia.

#### DEPARTMENT OF HEALTH AND HUMAN RESOURCES

**HHR-219** Renewal for 10 years consisting of 5,713 square feet of group home space with an increase in the annual per square foot rate from \$18.00 to \$18.75, annual cost \$107,118.72, 113 Faze Court, in the City of Princeton, Mercer County, West Virginia.

**HHR-191** Renewal for 10 years consisting of 36,580 square feet of office space with an increase in the annual per square foot rate from \$12.50 to \$13.44, annual cost \$491,635.20 for years 1 - 5 and then \$14.45, annual cost \$528,581.00 for years 6 - 10, 433 Mid-Atlantic Parkway, in the City of Martinsburg, Berkeley County, West Virginia.

#### **DIVISION OF FORESTRY**

**FOR-056** Renewal for 5 years consisting of 2,490 square feet of office space with an increase in the annual per square foot rate from \$9.75 to \$10.73, annual cost \$26,717.76, 330 Harper Park Drive, in the City of Beckley, Raleigh County, West Virginia.

#### **INCREASE IN SQUARE FEET**

#### DEPARTMENT OF HEALTH AND HUMAN RESOURCES

**HHR-263** Increase of square feet from 200 square feet to 300 square feet of office space at the current annual per square foot rate of \$30.00, annual cost \$9,000.00, full service, 703 Seventh Avenue, in the City of Huntington, Cabell County, West Virginia.

**HHR-170** Increase of square feet from 140 square feet to 280 square feet of office space at the current annual per square foot rate of \$25.71, annual cost \$7,200.00, full service, 330 West Main Street, in the City of Clarksburg, Harrison County, West Virginia.

#### Real Estate Division Monthly Summary of Lease Activity October 1 - 31, 2022

ctober 1 - 31,							Term	
# of				Square	Rental	Annual	in	Tota
ransactions	Agency	Lease #	County	Feet	Rate	Rent	years	Aggregat
1	General Services Division	GSD-019	Kanawha	4,072	12.16	49,516	3.00	148,54
2	Offices of the Insurance Commissioner	INS-040	Kanawha	245	6.60	1,617	1.00	1,61
-	Offices of the Insurance Commissioner	INS-040	Kanawha	245	7.26	1,779	1.00	1,77
3	Workforce West Virginia	WWV-049	Kanawha	163	28.34	4,620	5.00	23,10
4	Department of Health and Human Resources	HHR-266	Boone	100	1.00	1	5.00	
5	Department of Health and Human Resources	HHR-257	Marion	280	25.71	7,200	5.00	36,00
6	Division of Forestry	FOR-072	Preston	450	7.33	3,300	5.00	16,50
7	Division of Forestry	FOR-089	Pocahontas	250	24.00	6,000	2.00	12,00
8	West Virginia State Police	PSA-024	Roane	1	1.00	750	1.00	75
9	West Virginia State Police	PSA-023	Ritchie	1	1.00	1,600	1.00	1,60
10	Offices of the Insurance Commissioner	INS-026	Kanawha	7,048	14.45	101,844	2.00	203,68
11	Department of Health and Human Resources	HHR-219	Mercer	5,713	18.75	107,119	10.00	1,071,18
12	Department of Health and Human Resources	HHR-191	Berkeley	36,580	13.44	491,635	5.00	2,458,17
_	Department of Health and Human Resources	HHR-191	Berkeley	36,580	14.45	528,581	5.00	2,642,90
13	Division of Forestry	FOR-056	Raleigh	2,490	10.73	26,718	5.00	133,58
14	Department of Health and Human Resources	HHR-263	Cabell	300	30.00	9,000	2.00	18,00
15	Department of Health and Human Resources	HHR-170	Harrison	280	25.71	7,200	5.17	37,20

241.95

 Total Rentable Square Feet
 94,798

 Average Annual Rental Rate
 14.23

 Total Annual Rent
 1,348,478

\* Indicates the rental amount will exceed \$1,000,000 within the term of the lease.



## Department of Health and Human Resources

**Bureau for Medical Services** 

Medicaid Report AUGUST 2022

Submitted to

Joint Committee on Government and Finance and Legislative Oversight Commission on Health and Human Resources Accountability

## OCTOBER 2022

#### WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES BUREAU FOR MEDICAL SERVICES EXPENDITURES BY PROVIDER TYPE SFY2023

MONTH OF AUGUST 2022	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
			Current	Current	Year To-Date	09/01/22
	SFY2022	SFY2023	Month Ended	Month Ended	Thru	Thru
			08/31/22	08/31/22	08/31/22	6/30/2023
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	73,343,477	92,540,273	3.547.869	8.328.625	7.035.072	85.505.201
Inpatient Hospital - DSH	68,763,919	53,500,000	13,290,817	4,815,000	13,290,817	40,209,183
npatient Hospital - Supplemental Payments	808,013	-		-	-	
Inpatient Hospital - GME Payments	13,553,905	14,786,078	3,456,509	1,330,747	3,456,509	11,329,569
Mental Health Facilities	9,025,749	8,892,278	518,484	800,305	972,362	7,919,916
Mental Health Facilities - DSH Adjustment Payments	20,710,419	18,887,045	4,721,761	1,699,834	4,721,761	14,165,284
Nursing Facility Services - Regular Payments <sup>(3)</sup>	829,272,856	844,281,073	70,991,410	75,985,297	136,429,383	707,851,690
Nursing Facility Services - Supplemental Payments		-		10,000,201	-	101,001,000
Intermediate Care Facilities - Public Providers						_
Intermediate Care Facilities - Private Providers	63,783,478	61,466,617	5,504,901	5,531,996	11,405,526	50,061,091
Intermediate Care Facilities - Supplemental Payments	00,700,470		0,004,001	0,001,000		00,001,001
Physicians Services - Regular Payments	27,358,244	27,442,773	2,324,447	2,469,850	4,318,873	23,123,900
Physicians Services - Supplemental Payments	27,000,244	27,442,770	2,024,447	2,400,000	4,010,070	20,120,000
Physician and Surgical Services - Evaluation and Management						
Physician and Surgical Services - Evaluation and Management						
Outpatient Hospital Services - Regular Payments	36,113,574	36,323,042	3,392,211	3,269,074	6,627,926	29,695,116
Outpatient Hospital Services - Supplemental Payments	30,113,074	50,525,042	5,552,211	5,203,074	0,027,320	23,033,110
Prescribed Drugs	863,893,847	887,195,598	83,184,089	79,847,604	153,363,190	733,832,408
Drug Rebate Offset - National Agreement	(492,992,320)	(466,000,000)	(3,830,025)	(41,940,000)	(70,995,002)	(395,004,998)
Drug Rebate Offset - State Sidebar Agreement	(69,893,026)	(48,000,000)	(2,104,831)	(4,320,000)	(21,316,164)	(26,683,836)
Drug Rebate Offset - MCO National	(14,142,519)	(12,600,000)	(335,731)	(1,134,000)	(21,310,104)	(10,829,425)
Drug Rebate Offset - MCO National Drug Rebate Offset - MCO State Sidebar Agreement	(14, 142, 519)	(12,000,000)	(335,731)	(1,134,000)	(1,770,575)	(10,029,425)
OUD Medication Assisted Treatment–Drugs	33.307.091	-	8,053,973	-	15.016.595	- (15,016,595)
Dental Services	4,519,576	4,388,445	438,571	394,960	791,923	3,596,522
Other Practitioners Services - Regular Payments	25,859,285	17.866.132	2,006,194	1.607.952	3,791,033	14,075,099
Other Practitioners Services - Regular Payments Other Practitioners Services - Supplemental Payments	23,039,203	17,000,132	2,000,194	1,007,952	3,791,033	14,075,099
Clinic Services	1,896,883	1,912,397	150,519	172,116	207,362	1,705,035
Lab & Radiological Services	5,537,165	6,026,059	533,427	542,345	990,083	5,035,976
Home Health Services	21,680,938	31,592,194	2,417,543	2,843,297	3,809,542	27,782,652
Hysterectomies/Sterilizations	21,080,938	9,816	2,417,543	2,043,297	2,884	6,932
Pregnancy Terminations <sup>(2)</sup>	7,039	14,326	1,113	1,289	2,004	14,326
EPSDT Services	972,247	966,443	129,994		209,416	757,027
	· · · · · · · · · · · · · · · · · · ·	,		86,980	· · · · ·	1,864,660
Rural Health Clinic Services	2,194,582	2,226,407 29,277,144	190,504 2,317,627	200,377	361,747 4,622,816	24,654,328
Medicare Health Insurance Payments - Part A Premiums	26,474,671	, ,	2,317,627	2,634,943		24,654,328 136,422,253
Medicare Health Insurance Payments - Part B Premiums	143,032,832	161,917,620		14,572,586	25,495,367	, ,
120% - 134% Of Poverty	13,677,719	13,803,220	1,324,058	1,242,290	2,637,740	11,165,480
135% - 175% Of Poverty		-		- 1 100 077		-
Coinsurance And Deductibles	12,754,173	12,333,082	1,309,323	1,109,977	2,282,942	10,050,140

#### WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES BUREAU FOR MEDICAL SERVICES EXPENDITURES BY PROVIDER TYPE SFY2023

MONTH OF AUGUST 2022	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
			Current	Current	Year To-Date	09/01/22
	SFY2022	SFY2023	Month Ended	Month Ended	Thru	Thru
			08/31/22	08/31/22	08/31/22	6/30/2023
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	2,557,486,965	2,516,888,533	197,855,509	226,519,968	397,933,887	2,118,954,646
Medicaid MCO - Evaluation and Management	-	-	-	-	-	-
Medicaid MCO - Vaccine Codes	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	1,806,080	2,102,489	204,148	189,224	565,457	1,537,032
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (IDD)	399,132,220	423,654,313	29,764,387	38,128,888	56,234,583	367,419,730
Home & Community-Based Services (Aged/Disabled)	168,890,148	157,496,579	13,460,433	14,174,692	24,254,037	133,242,542
Home & Community-Based Services (Traumatic Brain Injury)	2,439,619	2,374,251	189,124	213,683	356,338	2,017,913
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-
Personal Care Services - Regular Payments	94,539,187	86,313,057	6,188,672	7,768,175	12,090,476	74,222,581
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	2,705,088	2,114,330	306,873	190,290	511,646	1,602,684
Primary Care Case Management Services	-	-	-	-	· -	-
Hospice Benefits	26,947,181	27,674,479	2,643,419	2,490,703	5,348,208	22,326,271
Emergency Services Undocumented Aliens	1,007,796	600,000	77,887	54,000	655,544	(55,544)
Federally Qualified Health Center	6,788,867	6,480,457	3,439,174	583,241	3,893,741	2,586,716
Non-Emergency Medical Transportation	37,138,633	44,435,613	3,554,130	3,999,205	7,093,501	37,342,112
Physical Therapy	936,459	979,776	94,832	88,180	171,627	808,149
Occupational Therapy	433,066	431,700	39,085	38,853	76,210	355,490
Services for Speech, Hearing & Language	267,992	267,448	24,893	24,070	46,866	220,582
Prosthetic Devices, Dentures, Eyeglasses	656,807	632,759	76,495	56,948	154,104	478,655
Diagnostic Screening & Preventive Services	59,427	62,899	5,788	5,661	10,478	52,421
Nurse Mid-Wife	108,545	100,733	7,034	9,066	13,170	87,563
Emergency Hospital Services	-	-	-	-	-	-
Critical Access Hospitals	24,146,104	24,081,090	2,598,824	2,167,298	4,867,131	19,213,959
Nurse Practitioner Services	4,052,010	3,834,296	398,778	345,087	716,721	3,117,575
School Based Services	34,336,767	29,998,075	523,019	2,699,827	866,855	29,131,220
Rehabilitative Services (Non-School Based)	32,559,913	26,684,942	3,335,975	2,223,745	5,777,436	20,907,506
2a) Opioid Treatment Program (OTP) - Methadone services	9,314,229	-	(138,602)	-	(135,012)	135,012
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	2,359,158	-	415,795		722,969	(722,969)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	3,437,675	-	718,150		1,129,950	(1,129,950)
2a) OUD Medicaid Assisted Treatment Services	6,551,909	-	1,768,920		2,809,129	(2,809,129)
2a) Opioid Treatment Program (OTP) - Other	433,875	-	62,100	_	90,504	(90,504)
Private Duty Nursing	7,276,356	4,783,407	497,449	430,507	923,913	3,859,494
Freestanding Birth Centers	-	-	-	-		-
Health Home for Enrollees w Chronic Conditions	2,496,573	2,494,799	227,924	224,532	428,558	2,066,241
Other Care Services	23,477,740	24,892,898	2,659,325	2,240,361	4,316,796	20,576,102
Less: Recoupments		-	(259,461)		(352,933)	352,933
NET MEDICAID EXPENDITURES:	5,173,325,653	5,190,426,986	487,032,061	466,960,529	839,331,018	4,351,095,968

#### WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES BUREAU FOR MEDICAL SERVICES EXPENDITURES BY PROVIDER TYPE SFY2023

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
			Current	Current	Year To-Date	09/01/22
	SFY2022	SFY2023	Month Ended	Month Ended	Thru	Thru
			08/31/22	08/31/22	08/31/22	6/30/2023
Collections: Third Party Liability (line 9A on CMS-64)	(10,061,843)	-	-	-	-	-
Collections: Probate (line 9B on CMS-64)	(576,955)	-	-	-	-	-
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(79,688)	-	-	-	-	-
Collections: Other (line 9D on CMS-64)	(16,141,663)	-	-	-	-	-
		1				
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	5,146,465,505	5,190,426,986	487,032,061	466,960,529	839,331,018	4,351,095,968
Plus: Medicaid Part D Expenditures	36,875,489	52,225,540	3,386,430	4,700,299	6,743,137	45,482,404
Plus: State Only Medicaid Expenditures	210,396	296,842	11,839	26,716	24,940	271,902
Plus: Money Follow the Person Expenditures	1,046,209	1,056,776	75,599	95,110	137,628	919,148
	i					
TOTAL MEDICAID EXPENDITURES	\$5,184,597,598	\$5,244,006,144	\$490,505,929	\$471,782,653	\$846,236,722	\$4,397,769,422
Plus: Reimbursables <sup>(1)</sup>	4,353,934	-	426,823	-	716,112	(716,112)
Plus: NATCEP/PASARR/Eligibility Exams	288,102	58,550	875	5,269	3,510	55,040
Plus: HIT Incentive Payments	-	-	-	-	-	-
		. <u> </u>	·	. <u> </u>		
TOTAL EXPENDITURES	\$5,189,239,635	\$5,244,064,693	\$490,933,627	\$471,787,923	\$846,956,344	\$4,397,108,349

(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 \$4,007,371.87 is the amount paid to State Facilities year to date.

#### WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES BUREAU FOR MEDICAL SERVICES MEDICAID CASH REPORT SFY2023

MONTH OF AUGUST 2022		ACTUALS		ACTUALS		ACTUALS		PROJECTED		TOTAL
				Current		Year-To-Date	-	09/01/22		
		SFY2022	r	Month Ended		Thru		Thru		SFY2023
EVENUE SOURCES				08/31/22		08/31/22		06/30/23		
Beg. Bal. 7/01/22 (5084/1020 prior mth)		139,436,683		68,444,670		81,507,579		-		81,507,579
MATCHING FUNDS										
General Revenue (0403/189)		307,763,411		19,621,147		39,242,295		255,074,918		294,317,21
IDD Waiver (0403/466)		108,541,736		7,236,116		14,472,232		94,069,504		108,541,73
Rural Hospitals Under 150 Beds (0403/940)		2,596,000		216,333		432,666		2,163,334		2,596,0
Tertiary Funding (0403/547)		6,356,000		529,667		1,059,334		5,296,666		6,356,0
Traumatic Brain Injury (0403/835)		800,000		53,333		106,667		693,333		800,0
Title XIX Waiver for Seniors (0403-533)		13,593,620		906,241		1,812,482		11,781,138		13,593,6
Medical Services Surplus (0403/633)		-		880,000		880,000		7,920,000		8,800,0
Waiver for Senior Citizens Surplus (0403/526)		-		-		-		-		
Lottery Waiver (Less 550,000) (5405/539)		4,015,503		3,400,876		3,400,876		10,202,625		13,603,5
Lottery Waiver (0420/539)		29,950,955		4,903,239		4,903,239		14,709,718		19,612,9
Lottery Transfer (5405/871)		16,400,070		4,100,017		4,100,017		12,300,053		16,400,0
Excess Lottery (5365/189)		16,302,960		-		-		26,697,960		26,697,9
Lottery Surplus (5405/68199)		16,000,000		-		-		14,750,000		14,750,0
Lottery Surplus (5365/68100)		17,000,000		-		-		16,200,000		16,200,0
Trust Fund Appropriation (5185/189)		24,535,507		-		-		54,764,957		54,764,9
Provider Tax (5090/189)		257,437,072		36,210,000		36,210,000		530,212,918		566,422,9
NSGO UPL (5084/6717)		-		-		-		-		
Expirations (5084)		-		-		-		-		
Certified Match		12,931,908		579,285		1,119,582		10,521,168		11,640,7
Reimbursables - Amount Reimbursed		2,240,609		107,495		107,495		(107,495)		
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015		1,017		-		-		-		
CHIP State Share		-		-		-		-		
CMS - 64 Adjustments		(2,219,739)		-		-		-		
TOTAL MATCHING FUNDS	\$	973,683,311	\$	147,188,419	\$	189,354,465	\$	1,067,250,797	\$	1,256,605,
FEDERAL FUNDS		4,294,542,939		400,569,043		714,531,344		3,554,741,240		4,269,272,
	٩	5 268 226 250	٩	547 757 462	٩	003 885 800	¢	4 621 002 037	٩	5,525,877,
TOTAL MATCHING FUNDS FEDERAL FUNDS OTAL REVENUE SOURCES	\$ \$		\$		\$		44	44	44 3,554,741,240	44 3,554,741,240
OTAL EXPENDITURES:							[ <b></b>		_	
Provider Payments	\$	5,189,239,635	\$	490,933,627	\$	846,956,344	\$	4,397,108,349	\$	5,244,064
DTAL	\$	78,986,616	\$	56,823,835	\$	56,929,465	\$	224,883,688	\$	281,813,

Note: FMAP (80.88% applicable Jul. 2022 - Sep. 2022)



## Department of Health and Human Resources

**Bureau for Medical Services** 

Medicaid Waiver Report AUGUST 2022

Submitted to

Joint Committee on Government and Finance and Legislative Oversight Commission on Health and Human Resources Accountability

## OCTOBER 2022

#### WV Department of Health and Human Resources Bureau for Medical Services A&D Waiver Program Report

Aged &	Disabled Waiver Reported August 30, 2022	FY2022	Jul-22	Aug-22		Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY2023 YTD
Slots Approved B	y CMS	7,500	7,500	7,500							-			7,500
-Slots Available for	Traditional (ADW-WV) enrollees	7,424	7,424	7,424										7,424
-Slots reserved for	Take Me Home-WV (TMH-WV) enrollees	70	70	70										70
-Slots reserved for	Money Follows the Person (MFP-WV) enrollees	76	76	76										76
	embers served YTD (unduplicated slots used) (1) icts most recent month's count	8,418	7,386	7,555										7,555
Applicants determi	ned eligible this month and added to MEL (2)	2,871	246	268										514
Applicants determi	ned ineligible	113	8	15										23
	ACTIVE MEMBERS													
Active Traditional N	Members at the end of the month	7,236	7,259	7,384										7,384
Active Take Me Ho	ome Members at the end of the month	52	50	54										54
Active Money Follo	ws the Person Members at the end of the month	52	50	54										54
	ers at the end of the month (unduplicated slots active) icts most recent month's count	7,288	7,309	7,438										7,438
Active members	enrolled during the calendar month	1,793	127	252										379
-Total Active Traditional members enrolled during the calendar month		1,737	123	247										370
-Total Active TMH-WV members enrolled during the calendar month		56	4	5										9
-Total Active TMH-WV members enrolled during the calendar month -Total Active MFP-WV members enrolled during the calendar month		50	4	5										9
Members discharge	ed during the calendar month	1,480	106	122										228
ADW Members	Member is deceased	1,036	76	68										144
whose case was closed by reason	Other (3)	444	30	54										84
	ANAGED ENROLLMENT LIST (MEL)													
# Eligible applicant MEL)	s closed during the calendar month (removed from	3,668	371	234										605
ADW Applicants	Applicant offered a slot (Traditional + MFP)	1,737	255	140										395
removed from	Applicant became deceased	241	19	10										29
the MEL	Other (4)	2,200	97	84										181
	AEL who are in a nursing facility ts # members in setting during reporting month	4	0	1										1
	/IEL receiving Personal Care ts # members receiving service during reporting month	3	4	4										4
Applicants at some month	stage in the application process - not released at end of	525	20	37										57
Days -Average time	e spent on the MEL to date Minus MFP Applicants	43	75	88										82

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

(2) 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.

(3) Other reasons 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.

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

NOTE: July data updated subsequent to September report submission. Original data will not match subsequent reports.

		Bureau	for Medical	Services I/	DD Waiver	Program I	Report								
Intellectua	I/Developmental Disabilities Waiver Reported August 30, 2022	FY2022	July-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	YTD2023
Slots approved by C	CMS	6,115	6,115	6,115											6,115
Total number of mer	mbers served YTD (unduplicated slots used) (1)	6,079	5,989	6,002											6,002
Total number of mer	mbers served YTD in Traditional Slots	6,078	5,989	6,002											6,002
Total number of mer	mbers served YTD in Adult Ben H. slots (Active)	1	0	0											0
Total number of mer	mbers served YTD in Children Ben H. slots (Active)	0	0	0											0
Applicants determin	ed eligible (2)	43	28	42											70
Applicants determin	ed ineligible (3)	55	23	54											77
	ACTIVE MEMBERS						1		1			1			
# of active members	s at the end of the month (unduplicated slots active) (1)	5,880	5,978	5,972											5,972
Discharged member	rs at the end of the calendar month	216	12	19											31
	Deceased	106	3	6											9
	Left program to enter a facility	65	5	7											12
	a. Hospital	0	0	0											0
Discharged	b. ICF/IID	29	3	2											5
members who were discharged by	c. Nursing Facility	35	2	5											7
reason	d. Psychiatric Facility	0	0	0											0
	e. Rehabilitation Facility	0	0	0											0
	f. Other Facility	0	0	0											0
	Other (6)	48	4	6											10
	MANAGED ENROLLMENT LIST (MEL)		-	-			-		-						
Total number of app	licants on the MEL at the end of the month	271	187	213											213
Number of applicant	ts added to the MEL (4)	421	28	42											70
Applicants enrolled	(removed from the MEL)	337	110	13											123
Applicants removed	from the MEL due to Death (5)	3	1	0											1
Applicants removed	from the MEL due to Other (6)	21	2	3											5
Applicants on the M	EL who are in a Nursing Facility	0	0	0											0
Applicants on the M	EL who are in an ICF/IID Group Home	8	6	7											0
	EL receiving Personal Care Services each month	8	4	4											0
Longest on the MEL	to date (7)	839	870	901											901

#### WV Department of Health and Human Resources

Bureau for Medical Services I/DD Waiver Program Report

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

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

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

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

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

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

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

Traumatic Br	ain Injury Waiver Reported August 30, 2022	FY2022	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY2023 YTD
Slots Approved By	CMS (1)	96	96	96	96	96	96	96	96	96	96	96	96	96	96
-Slots Available for	Traditional (non TMH-WV) enrollees	96	92	92											92
-Slots reserved for	Take Me Home-WV (TMH-WV) enrollees	0	4	4											4
	embers served YTD (unduplicated slots used) (2) cts most recent month's count	92	85	85											85
Applicants determi	ned eligible this month and added to MEL (3)*	8	0	1											1
Applicants determi	ned ineligible	0	0	0											0
	ACTIVE MEMBERS		•												
	the end of the month (unduplicated slots active) cts most recent month's count	84	84	84											84
Active members enrolled during the calendar month		10	1	0											1
-Total Active Tradi	-Total Active Traditional members enrolled during the calendar mon			0											1
-Total Active TMH-	-Total Active TMH-WV members enrolled during the calendar month			0											0
•	ed during the calendar month	11	1	0											1
TBIW Members	Member is deceased	5	0	0											0
whose case was closed by reason	Other (4)	6	1	0											1
	NAGED ENROLLMENT LIST (MEL)														
# Eligible applicant MEL)	s closed during the calendar month (removed from	8	0	0											0
TBIW Applicants	Applicant offered a slot	8	0	0											0
	Applicant became deceased	0	0	0											0
MEL	Other (5)	2	0	0											0
Applicants on the M	MEL who are in a nursing facility	1	0	0											0
Applicants on the M	MEL receiving Personal Care	1	0	0											0
Applicants on the	MEL at the end of the month	0	0	0											
	e spent on the MEL to date (6) cts average # of days	52	0	0											0

(1) CMS Approved 96 slots. Of the 96 slots approved by CMS, four (4) are reserved for the Money Follows the Person and Rebalancing Demonstration Grant for SFY 2023.

(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.\* NO MEL

(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



## West Virginia Department of Health and Human Resources

## Children's Health Insurance Program

NOVEMBER 2022 Report

to

Joint Committee on Government and Finance

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, 2022 and September 30, 2021

Г	Annual	Budget	Actual	Actual	Actual		Budget	
	Budget 2023	Year-to-Date	September 30, 2022	September 30, 2021	Varianc	e	Variance	
					\$	%	\$	%
Beginning Operating Fund Balance			\$6,699,256	\$7,418,708	(\$719,452)	-10%		
Revenues								
Federal Grants	\$53,211,908	\$13,302,977	\$8,692,939	\$12,210,758	(\$3,517,819)	-29%	(\$4,610,038)	-35%
State Appropriations	\$7,090,665	\$1,772,666	\$1,405,854	\$1,418,899	\$0	0%	(\$366,812)	-21%
Premium Revenues	\$82,500	\$20,625	\$8,377	\$13,511	(\$5,135)	-38%	(\$12,249)	-59%
Investment Earnings (Interest) Total Operating Fund Revenues	<u>\$100,000</u> <b>\$60,485,073</b>	<u>\$25,000</u> <b>\$15,121,268</b>	<u>(\$24,647)</u> <b>\$10,082,523</b>	<u>\$3,878</u> <b>\$13,647,046</b>	(\$28,525) (\$3,564,523)	<u>-736%</u> -26%	(\$49,647) <b>(\$5,038,745)</b>	-199% - <b>33%</b>
	0000000	<u>v.0(121(200</u>	<u>0.0002(020</u>	<u></u>	(00100 11020)	_0/0	(++,++++,++++)	0070
Expenditures:								
Claims Expenses:								
Managed Care Organizations			\$8,741,345	\$9,906,415	(\$1,165,070)	-12%		
Prescribed Drugs			\$2,335,071	\$2,681,829	(\$346,758)	-13%		
Physicians & Surgical			\$487,012	\$581,191	(\$94,179)	-16%		
Inpatient Hospital Services			\$73,906	\$202,026	(\$128,120)	-63%		
Dental			\$19,029	\$38,628	(\$19,599)	-51%		
Outpatient Services			\$86,871	\$91,036	(\$4,165)	-5%		
Therapy Other Dervices			\$15,782	\$25,066	(\$9,284)	-37%		
Other Services Inpatient Mental Health			\$12,079 \$6,500	\$19,457 \$9,195	(\$7,378)	-38% -29%		
Vision			\$0,500 \$1,776	\$9,195 \$7,688	(\$2,695) (\$5,912)	-29%		
Durable & Disposable Med. Equip.			\$1,230	\$7,000 \$3,407	(\$3,912) (\$2,177)	-64%		
Outpatient Mental Health			\$898	\$3,407 \$892	(\$2,177)	-04 %		
Medical Transportation			\$3,543	\$23,623	(\$20,080)	-85%		
Less: Other Collections**			(\$9,486)	(\$5,795)	(\$3,691)	64%		
Drug Rebates	(\$2,517,954)	(\$629,489)	(\$295,973)	(\$0,780) <u>\$0</u>	(\$295,973)	0%	(\$324,029)	51%
Total Claims Expenses	\$60,430,294	\$15,107,574	\$11,479,584	<u>\$13,584,658</u>	(\$2,105,074)	-15%	(\$3,627,990)	-24%
Administrative Expenses:	,, .	, . ,.	<u> </u>	<u></u>	<u></u>			
Salaries and Benefits	\$669,704	\$167,426	\$88,498	\$119,891	(\$31,393)	-26%	(\$78,928)	-47%
Program Administration	\$4,393,877	\$1,098,469	\$1,181,951	\$316,160	\$865,791	274%	\$83,481	8%
Outreach & Health Promotion			\$0	\$0	\$0	0%	\$0	0%
Health Service Initiative	\$225,000	\$56,250	\$0	\$0	\$0	0%	(\$56,250)	-100%
Current	<u>\$175,000</u>	\$43,750	\$7,226	\$11,625	(\$4,399)	-38%	(\$36,524)	-83%
Total Administrative Expenses in Operating Fund	<u>\$5,463,581</u>	<u>\$1,365,895</u>	\$1,277,675	\$447,676	\$829,999	185%	(\$88,220)	<mark>-6%</mark>
Total Operating Fund Expenditures	<u>\$65,893,875</u>	<u>\$16,473,469</u>	<u>\$12,757,259</u>	<u>\$14,032,334</u>	<u>(\$1,275,075)</u>	-9%	(\$3,716,210)	<mark>-23%</mark>
Adjustments			<u>\$289,614</u>	<u>\$55,502</u>				
Ending Operating Fund Balance			\$4,314,134	\$7,088,922	(\$2,774,788)	-39%		
Money Market			\$3,674,236	\$13,071	<u>(\$2,114,100)</u>	-3370		
Bond Pool			\$0,074,200 \$0	\$3,790,031				
Cash on Deposit			\$639,898	\$3,285,820				
···· · · · · · · · · · · · · · · · · ·			,,					
Revenues Outside of Operating Funds:								
Federal Grants			\$853,520	<u>\$0</u>	\$853,520	0%		
Total WVCHIP Revenues			\$10,936,043	\$13,647,046	(\$2,711,003)	-20%		
Program Expenses outside of Operating Funds:								
Eligibility	<u>\$500,000</u>	<u>\$125,000</u>	\$853,520	\$103,710	\$749,810	723%	\$728,520	583%
Total Administrative Expenses	<u>\$5,963,581</u>	\$1,490,895	\$2,131,195	\$551,386	\$1,579,809	287%	\$640,300	43%
Total WVCHIP Expenditures	<u>\$66,393,875</u>	<u>\$16,598,469</u>	<u>\$13,610,779</u>	<u>\$14,136,044</u>	<u>(\$525,265)</u>	-4%	(\$2,987,690)	-18%

Footnotes:

1) Statement is on cash basis.

Distinuit is of cash basis.
 Estimate of Incurred but Not Reported (IBNR) claims on September 30, 2022 is \$360,000. The September 30, 2021 estimate was \$740,000.
 Administrative Accounts Payable balance on September 30, 2022 was \$358,984. The September 30, 2021 balance was \$792,741.

4) 2023 and 2022 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. WVCHIP's Federal Matching Assistance Percentage (FMAP) during SFY23 is 85.0% through 9/30/2022 and 81.81% starting 4/1/2023. SFY22 was 85.0%.

6) Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills 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.
 9) Eligibility costs outside the fund represent the costs allocated to the WVCHIP for eligibility and enrollment processing (RAPIDS/WVPATH). Unaudited - For Management Purposes Only

PRELIMINARY STATEMENT

## WVCHIP Enrollment Report SEPTEMBER 2022

	County Pop. 2018 Est.	BLUE	GOLD	PREM	MATE BLUE	RNITY PREM	Total CHIP Enrollment	Total Medicaid Enrollment	Total CHIP/Medicaid	CHIP/Medicaid Enrollment	2018 SAHIE	2018 SAHIE
<u>County</u>	<u>(0-18 Yrs)</u>	<u>Sep-22</u>	<u>Sep-22</u>	<u>Sep-22</u>	<u>Sep-22</u>	<u>Sep-22</u>	<u>Sep-22</u>	Sep-22	Enrollment	% of Population	Uninsured Est.	% Uninsured
Barbour	3,332	103	22	82	2	0	209	2,189	2,398	72.0%	122	3.7%
Berkeley	27,917	969	291	590	14	17	1,881	15,016	16,897	60.5%	896	3.2%
Boone	4,775	81	47	50	1	1	180	3,331	3,511	73.5%	157	3.3%
Braxton	2,784	71	14	40	1	1	127	1,671	1,798	64.6%	122	4.4%
Brooke	4,065	0	0	0	0	0	0	59	59	1.5%	111	2.7%
Cabell	18,770	395	163	214	9	9	790	10,982	11,772	62.7%	560	3.0%
Calhoun	1,393	38	18	9	1	1	67	984	1,051	75.4%	57	4.1%
Clay	1,961	57 35	13 11	28 16	1 0	1 1	100 63	1,539 828	1,639 891	83.6% 68.1%	72 50	3.7% 3.8%
Doddridge Fayette	1,308 9,011	230	65	173	4	8	480	5,824	6,304	70.0%	314	3.5%
Gilmer	1,184	38	3	19	4	0	400 60	676	736	62.2%	40	3.4%
Grant	2,331	60	11	37	1	0	109	1,378	1,487	63.8%	90	3.9%
Greenbrier	6,860	250	71	135	4	3	463	4,296	4,759	69.4%	257	3.7%
Hampshire	4,388	107	49	69	1	1	227	2,786	3,013	68.7%	223	5.1%
Hancock	5,674	225	85	115	0	1	426	4,686	5,112	90.1%	178	3.1%
Hardy	2,862	84	38	43	3	1	169	1,789	1,958	68.4%	132	4.6%
Harrison	14,835	363	147	268	6	3	787	7,676	8,463	57.0%	500	3.4%
Jackson	6,264	130	44	81	1	1	257	3,635	3,892	62.1%	203	3.2%
Jefferson	13,200	352	80	185	2	4	623	4,369	4,992	37.8%	440	3.3%
Kanawha	36,965	820	294	623	15	14	1,766	22,610	24,376	65.9%	1182	3.2%
Lewis	3,480	86	28	55	2	3	174	2,354	2,528	72.6%	122	3.5%
Lincoln	4,638	95	22	50	2	1	170	3,342	3,512	75.7%	180	3.9%
Logan	6,835	132	60	87	1	4	284	5,040	5,324	77.9%	259	3.8%
Marion	3,764	299	84	205	6	6	600	6,144	6,744	179.2%	152	4.0%
Marshall	11,544	104	47	62	0	5	218	3,042	3,260	28.2%	344	3.0%
Mason	6,140	114	36 124	61 233	1 0	2 6	214	3,260	3,474	56.6% 80.2%	190 423	3.1% 3.4%
Mercer Mineral	12,368 5,476	342 155	41	233 59	3	0 1	705 259	9,213 2,779	9,918 3,038	80.2% 55.5%	423 159	3.4% 2.9%
Mingo	5,369	91	48	49	1	1	190	4,330	4,520	84.2%	199	3.7%
Monongalia	17,965	451	125	224	1	6	807	6,834	7,641	42.5%	594	3.3%
Monroe	2,687	73	30	81	1	2	187	1,483	1,670	62.2%	134	5.0%
Morgan	3,320	96	29	77	1	0	203	1,790	1,993	60.0%	142	4.3%
McDowell	5,708	76	42	27	1	0	146	3,109	3,255	57.0%	189	3.3%
Nicholas	5,199	181	77	119	2	2	381	3,237	3,618	69.6%	190	3.7%
Ohio	8,098	207	69	131	1	1	409	4,538	4,947	61.1%	222	2.7%
Pendleton	1,304	36	13	26	0	1	76	657	733	56.2%	61	4.7%
Pleasants	1,457	25	9	11	0	1	46	764	810	55.6%	37	2.5%
Pocahontas	1,495	45	16	30	0	0	91	898	989	66.2%	60	4.0%
Preston	6,586	222	69	163	2	2	458	3,402	3,860	58.6%	237	3.6%
Putnam	13,145	358	117	234	2	3	714	4,876	5,590	42.5%	373	2.8%
Raleigh	15,751	392	105	295	4	4	800	10,519	11,319	71.9%	459	2.9%
Randolph	5,474	153	53	132	0	3	341	3,452	3,793	69.3%	191	3.5%
Ritchie	1,972	33	4	20	1	0	58	1,232 1,828	1,290	65.4% 69.7%	80 128	4.1%
Roane Summers	2,970 2,160	92 62	46 14	101 33	0 2	2 0	241 111	1,669	2,069 1,780	82.4%	75	4.3% 3.5%
Taylor	3,493	71	33	56	2	0	162	1,851	2,013	57.6%	112	3.2%
Tucker	1,063	42	22	33	1	4	102	628	730	68.7%	39	3.7%
Tyler	1,792	30	4	22	0	0	56	978	1,034	57.7%	57	3.2%
Upshur	5,076	143	44	89	0	1	277	3,210	3,487	68.7%	174	3.4%
Wayne	8,373	173	74	92	3	3	345	5,382	5,727	68.4%	312	3.7%
Webster	1,690	44	12	32	0	2	90	1,381	1,471	87.0%	58	3.4%
Wetzel	3,126	47	18	28	0	0	93	2,085	2,178	69.7%	110	3.5%
Wirt	1,269	29	4	18	0	0	51	795	846	66.7%	48	3.8%
Wood	18,016	445	100	212	3	11	771	10,182	10,953	60.8%	600	3.3%
Wyoming	<u>4,317</u>	<u>107</u>	<u>37</u>	<u>76</u>	<u>1</u>	<u>3</u>	<u>224</u>	<u>2,990</u>	<u>3,214</u>	<u>74.4%</u>	<u>151</u>	<u>3.5%</u>
Totals	<u>372.999</u>	<u>9.459</u>	<u>3.122</u>	<u>6.000</u>	<u>110</u>	<u>147</u>	<u>18.838</u>	215.598	234.436	<u>62.9%</u>	<u>12.567</u>	<u>3.4%</u>

#### **WVCHIP Enrollment Report**

SEPTEMBER 2022



The above map shows the most recent 2018 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 3.4%, 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

August 31, 2022



## Participant Plans Allocation & Performance Net of Fees

## Period Ending: August 31, 2022

	6/30/2022		8/31/2022		Performance %								
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Yea	
/VIMB Fund Assets	22,991,842	100.0	23,279,983	100.0									
ension Assets	18,829,116	81.9	19,078,034	82.0									
Public Employees' Retirement System	8,004,835	34.8	8,074,248	34.7	(1.7)	(3.3)	1.6	(6.0)	9.5	8.0	8.9	8.	
Teachers' Retirement System	8,980,424	39.1	9,029,405	38.8	(1.7)	(3.3)	1.6	(6.0)	9.5	8.0	8.9	8.	
EMS Retirement System	112,407	0.5	114,005	0.5	(1.7)	(3.3)	1.6	(6.0)	9.5	8.0	8.9		
Public Safety Retirement System	767,508	3.3	770,535	3.3	(1.7)	(3.2)	1.6	(5.9)	9.6	8.0	8.9	8.	
Judges' Retirement System	259,323	1.1	262,714	1.1	(1.7)	(3.3)	1.6	(6.0)	9.6	8.0	8.9	8.	
State Police Retirement System	289,417	1.3	294,125	1.3	(1.7)	(3.3)	1.6	(6.1)	9.5	8.0	8.9	8.	
Deputy Sheriffs' Retirement System	293,315	1.3	297,161	1.3	(1.7)	(3.3)	1.6	(6.0)	9.5	8.0	8.9	8.	
Municipal Police & Firefighter Retirement System	26,796	0.1	27,648	0.1	(1.7)	(3.2)	1.5	(6.0)	9.5	7.9	8.7		
Natural Resources Police Office Retirement System	24,467	0.1	24,898	0.1	(1.7)	(3.3)	1.6	(6.0)					
Municipal Model A (I)	68,337	0.3	180,993	0.8	(0.9)	(2.4)	2.4	(4.8)	10.1	8.5			
Municipal Model B (I)	2,287	0.0	2,302	0.0	(2.5)	(4.1)	1.4	(12.9)	4.7				
surance Assets	3,007,901	13.1	3,030,657	13.0									
Workers' Compensation Old Fund	881,990	3.8	876,242	3.7	(1.7)	(2.7)	1.3	(9.5)	3.9	3.8	4.4		
Workers' Comp. Self-Insured Guaranty Risk Pool	35,691	0.1	36,048	0.1	(1.5)	(2.5)	1.3	(8.8)	4.2	4.0	4.7		
Workers' Comp. Self-Insured Security Risk Pool	48,590	0.2	48,740	0.2	(1.5)	(2.5)	1.3	(8.8)	4.2	4.0			
Workers' Comp. Uninsured Employers' Fund	15,559	0.1	15,830	0.1	(1.5)	(2.5)	1.3	(8.8)	4.1	3.9	4.6		
Pneumoconiosis	207,487	0.9	207,370	0.9	(1.5)	(2.5)	1.3	(8.8)	4.2	4.0	4.7	5.	
Board of Risk & Insurance Management	175,463	0.8	177,782	0.8	(1.5)	(2.5)	1.3	(8.8)	4.3	4.0	4.7		
Public Employees' Insurance Agency	134,812	0.6	136,584	0.6	(1.6)	(2.5)	1.3	(8.9)	3.6	3.7	4.5		
WV Retiree Health Benefit Trust Fund	1,508,309	6.6	1,532,061	6.6	(1.7)	(3.3)	1.6	(6.1)	9.5	8.0	8.8		
ndowment Assets	1,154,825	5.0	1,171,292	5.0									
Berkeley County Development Authority	7,886	0.0	8,011	0.0	(1.7)	(3.3)	1.6	(6.1)	9.5	8.0			
Wildlife Fund	73,641	0.3	75,015	0.3	(1.7)	(3.3)	1.6	(6.0)	9.5	8.0	8.9	8.	
WV State Parks and Recreation Endowment Fund	14,770	0.1	18,279	0.1	(1.7)	(3.2)	1.5	(6.2)					
Revenue Shortfall Reserve Fund	329,802	1.4	332,705	1.4	(2.1)	(1.7)	0.9	(8.7)	(0.6)	1.2	1.5		
Revenue Shortfall Reserve Fund - Part B	498,719	2.2	503,930	2.2	(2.2)	(2.7)	1.0	(10.9)	2.5	3.0	4.0		
WV DEP Trust	10,357	0.0	10,572	0.0	(2.1)	(4.1)	2.1	(11.2)	7.1	5.6	7.3		
WV DEP Agency	219,650	1.0	222,780	1.0	(1.6)	(3.0)	1.4	(10.2)	4.7	4.3			


## Composite Asset Allocation & Performance Net of Fees

Period Ending: August 31, 2022

						Perform	ance %			
	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
Investment Pools Composite	23,286,952	100.00								
Portable Alpha Composite +/- S&P 500 Index	4,986,678	21.41	(4.02) 0.06	(4.23) <i>(0.35)</i>	4.99 0.22	(11.44) <i>(0.21)</i>				
Large Cap Domestic Equity Composite +/- S&P 500 Index	332,015	1.42	(3.99) <i>0.09</i>	(3.76) 0.12	4.89 0.12	<mark>(11.19)</mark> <i>0.04</i>	12.46 <i>0.07</i>	11.53 <i>(0.29)</i>	12.99 <i>(0.09)</i>	9.66 <i>(0.08)</i>
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	1,019,384	4.38	(0.10) 2.56	<mark>(1.53)</mark> 1.32	10.91 <i>3.50</i>	<mark>(10.51)</mark> 5.03	10.28 <i>0.71</i>	8.75 0.21	10.77 <i>(0.19)</i>	10.39 <i>0.08</i>
International Equity Composite +/- MSCI AC World ex US IMI Index (b)	4,090,490	17.57	(3.13) <i>(0.02)</i>	(9.37) <i>(0.98)</i>	(1.43) <i>(2.00)</i>	(19.64) <i>(0.09)</i>	4.75 1.11	1.70 <i>(0.51)</i>	5.98 <i>0.86</i>	7.59 0.70
Fixed Income Composite +/- Bloomberg Universal (c)	3,574,562	15.35	(1.54) <i>1.06</i>	<mark>(1.86)</mark> 0.29	0.15 <i>0.30</i>	<mark>(11.23)</mark> 0.62	<mark>(0.55)</mark> 1.27	1.30 <i>0.67</i>	2.39 0.75	4.15 <i>0.55</i>
Core Fixed Income Composite +/- Bloomberg US Aggregate	1,066,031	4.58	(2.38) 0.45	(1.77) 0.24	(0.46) (0.01)	<mark>(10.53)</mark> <i>0</i> .99	<mark>(1.12)</mark> 0.88	1.23 0.71	1.97 <i>0.62</i>	
Total Return Fixed Income Composite (j) +/- Bloomberg Universal	2,508,531	10.77	<mark>(1.18)</mark> 1.42	<mark>(1.90)</mark> 0.25	0.41 0.56	<mark>(11.54)</mark> 0.31	<mark>(0.34)</mark> 1.48	1.31 <i>0.68</i>	2.57 0.93	4.50 0.77
TIPS Composite +/- Bloomberg US TIPS	444,475	1.91	(2.63) <i>0.03</i>	<mark>(1.61)</mark> 0.03	1.61 0.03	<mark>(5.96)</mark> 0.02	2.75 0.10	3.30 <i>0.08</i>	1.76 <i>0.0</i> 3	
Cash Composite +/- FTSE 3 Month US T-Bill (d)	178,534	0.77	0.17 0.02	0.36 0.04	0.29 0.04	0.43 (0.01)	0.47 (0.09)	1.03 <i>(0.07)</i>	0.64 (0.02)	1.29 <i>(0.03)</i>
Private Equity Composite +/- Russell 3000 + 3% (e, f)	2,799,943	12.02	(0.02) 3.47	(3.58) <i>(0.81)</i>	(0.01) <i>(5.80)</i>	8.59 18.87	26.48 11.58	24.19 9.90	18.73 2.87	
Real Estate Composite +/- NCREIF + 1% (e)	2,532,810	10.88	(0.49) (1.64)	2.56 (1.62)	0.00 (2.31)	15.97 (6.63)	9.09 (1.93)	8.80 <i>(0.96)</i>	9.43 (1.22)	
Hedge Fund Composite +/- HFRI FOF + 1% (g)	2,483,155	10.66	1.37 0.55	0.42 0.00	1.51 (0.16)	3.04 6.68	6.76 1.12	5.65 1.10	5.33 1.26	
Private Credit & Income Composite +/- CS Leveraged Loan + 2% (e, k)	844,906	3.63	(1.13) <i>(2.83)</i>	0.63 (1.17)	0.21 (3.55)	7.54 5.36	7.12 2.11	6.76 1.22		



## Participant Plans Allocation vs. Strategy

	Equity Actual % Str		Fixed Ir Actual %		Private I Actual % S		Real Es		Private Credit 8 Actual % Str		Hedge F Actual % St		Cash ctual % Str	ategy %
Pension Assets														
Public Employees' Retirement System	47.5	50.0	11.9	15.0	13.6	10.0	12.3	10.0	4.1	5.0	10.5	10.0	0.1	0.0
Teachers' Retirement System	47.5	50.0	12.0	15.0	13.6	10.0	12.3	10.0	4.1	5.0	10.5	10.0	0.0	0.0
EMS Retirement System	47.3	50.0	12.2	15.0	13.5	10.0	12.2	10.0	4.1	5.0	10.5	10.0	0.2	0.0
Public Safety Retirement System	47.7	50.0	11.8	15.0	13.6	10.0	12.3	10.0	4.1	5.0	10.5	10.0	0.0	0.0
Judges' Retirement System	47.3	50.0	12.1	15.0	13.6	10.0	12.3	10.0	4.1	5.0	10.5	10.0	0.1	0.0
State Police Retirement System	47.3	50.0	12.3	15.0	13.5	10.0	12.2	10.0	4.1	5.0	10.5	10.0	0.1	0.0
Deputy Sheriffs' Retirement System	47.3	50.0	12.2	15.0	13.6	10.0	12.3	10.0	4.1	5.0	10.5	10.0	0.0	0.0
Municipal Police & Firefighter Retirement System	47.2	50.0	12.2	15.0	13.4	10.0	12.1	10.0	4.0	5.0	10.4	10.0	0.7	0.0
Natural Resources Police Office Retirement System	47.3	50.0	12.1	15.0	13.5	10.0	12.2	10.0	4.1	5.0	10.5	10.0	0.3	0.0
Municipal Model A	18.1	50.0	4.7	15.0	5.2	10.0	4.7	10.0	1.6	5.0	4.0	10.0	61.7	0.0
Municipal Model B	55.0	55.0	43.1	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	0.0
Insurance Assets														
Workers' Compensation Old Fund	30.3	30.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	15.7	15.0	4.0	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	29.8	30.0	44.7	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.7	20.0	4.8	5.0
Workers' Comp. Self-Insured Security Risk Pool	29.8	30.0	44.9	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.8	20.0	4.5	5.0
Workers' Comp. Uninsured Employers Fund	29.6	30.0	44.5	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.6	20.0	5.3	5.0
Pneumoconiosis	30.0	30.0	45.1	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.9	20.0	4.0	5.0
Board of Risk & Insurance Mgmt.	29.8	30.0	44.5	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.7	20.0	5.0	5.0
Public Employees' Insurance Agency	24.6	25.0	54.7	55.0	0.0	0.0	0.0	0.0	0.0	0.0	20.7	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	47.2	50.0	12.4	15.0	13.5	10.0	12.3	10.0	4.1	5.0	10.5	10.0	0.0	0.0
Endowment Assets														
Berkeley County Development Authority	47.2	50.0	12.4	15.0	13.5	10.0	12.3	10.0	4.1	5.0	10.5	10.0	0.0	0.0
Wildlife Fund	47.1	50.0	12.4	15.0	13.5	10.0	12.2	10.0	4.1	5.0	10.5	10.0	0.2	0.0
WV State Parks and Recreation Endowment Fund	44.0	50.0	11.0	15.0	12.0	10.0	10.8	10.0	3.6	5.0	9.3	10.0	9.3	0.0
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	22.2	22.5	77.8	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	64.9	65.0	14.6	15.0	0.0	0.0	0.0	0.0	0.0	0.0	20.5	20.0	0.0	0.0
WV DEP Agency	39.7	40.0	39.6	40.0	0.0	0.0	0.0	0.0	0.0	0.0	20.7	20.0	0.0	0.0

- (a) As of January 2019, the PERS Base is 60% MSCI ACWI Gross and 40% Bloomberg Universal. From January 2014 to December 2018, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (IMI), and 40% Bloomberg Universal. From April 2008 to December 2013, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (Standard), and 40% Bloomberg Universal. Prior periods were 42% Russell 3000, 18% MSCI ACWI ex USA, and 40% Bloomberg US Aggregate.
- (b) Prior to January 2014, the index was the MSCIACW ex USA (Standard).
- (c) Prior to April 2008, the index was Bloomberg US Aggregate.
- (d) Prior to January 2014, the index was FTSE 3 Month US T-Bill plus 15 basis points.
- (e) Private Equity, Real Estate, and Private Credit & Income consist primarily of private market investments. The time lag in determining the fair value of these investments makes the comparison to their public market benchmarks less meaningful over shorter time periods.
- (f) Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (g) Prior to January 2014, the index was Libor plus 400 basis points.
- (h) As of July 2019, the Franklin Benchmark is 50% JPM EMBI Global Diversified ex GCC and 50% JPM GBI EM Diversified. Prior periods were 50% JPM EMBI Global Diversified and 50% JPM GBI EM Diversified.
- (i) Prior to April 2008, the index was a custom index.
- (j) From October 2015 to March 2017, performance returns from the Opportunistic Income Pool were included in the Total Return Fixed Income Composite.
- (k) Prior to April 2017, the index was CS Leveraged Loan plus 250 basis points.
- (I) In July 2020 the municipal plan potential investment models were condensed to Model A and Model B. The June 30, 2020 asset values for Model C and Model D are included in Model A. Model B was formerly Model F.
- (m) From January 2021 to August 2021, the index was S&P 500 Index 2.2x minus 3 Month Libor minus 15 basis points. Prior to January 2021, the index was S&P 500 Index 2.5x minus 3 Month Libor minus 15 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 INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

September 30, 2022



## Participant Plans Allocation & Performance Net of Fees

Period Ending: September 30, 2022

	6/30/2022		9/30/2022	-				Perform	ance %			
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Yea
WVIMB Fund Assets	22,991,842	100.0	22,006,273	100.0								
Pension Assets	18,829,116	81.9	18,027,372	81.9								
Public Employees' Retirement System	8,004,835	34.8	7,640,631	34.7	(5.2)	(3.7)	(3.7)	(9.2)	7.1	6.6	8.1	8.2
Teachers' Retirement System	8,980,424	39.1	8,516,590	38.7	(5.1)	(3.7)	(3.7)	(9.2)	7.1	6.6	8.1	8.0
EMS Retirement System	112,407	0.5	108,372	0.5	(5.2)	(3.7)	(3.7)	(9.2)	7.1	6.6	8.1	
Public Safety Retirement System	767,508	3.3	726,574	3.3	(5.2)	(3.7)	(3.7)	(9.1)	7.1	6.6	8.1	8.2
Judges' Retirement System	259,323	1.1	249,297	1.1	(5.2)	(3.7)	(3.7)	(9.2)	7.1	6.6	8.2	8.2
State Police Retirement System	289,417	1.3	279,772	1.3	(5.2)	(3.7)	(3.7)	(9.2)	7.1	6.6	8.1	8.1
Deputy Sheriffs' Retirement System	293,315	1.3	281,988	1.3	(5.2)	(3.7)	(3.7)	(9.2)	7.1	6.6	8.1	8.2
Municipal Police & Firefighter Retirement System	26,796	0.1	27,130	0.1	(5.1)	(3.6)	(3.6)	(9.1)	7.1	6.6	7.9	
Natural Resources Police Office Retirement System	24,467	0.1	23,748	0.1	(5.1)	(3.7)	(3.7)	(9.2)				
Municipal Model A (I)	68,337	0.3	171,159	0.8	(5.2)	(2.9)	(2.9)	(8.1)	7.7	7.1		
Municipal Model B (I)	2,287	0.0	2,111	0.0	(6.9)	(5.5)	(5.5)	(17.3)	1.7			
Insurance Assets	3,007,901	13.1	2,868,432	13.1								
Workers' Compensation Old Fund	881,990	3.8	823,075	3.7	(5.1)	(3.9)	(3.9)	(13.1)	1.8	2.6	3.7	
Workers' Comp. Self-Insured Guaranty Risk Pool	35,691	0.1	34,204	0.2	(4.9)	(3.7)	(3.7)	(12.3)	2.3	2.9	4.1	
Workers' Comp. Self-Insured Security Risk Pool	48,590	0.2	46,145	0.2	(4.9)	(3.7)	(3.7)	(12.3)	2.2	2.8		
Workers' Comp. Uninsured Employers' Fund	15,559	0.1	15,113	0.1	(4.9)	(3.6)	(3.6)	(12.2)	2.1	2.7	3.9	
Pneumoconiosis	207,487	0.9	195,716	0.9	(4.9)	(3.7)	(3.7)	(12.3)	2.2	2.8	4.0	5.1
Board of Risk & Insurance Management	175,463	0.8	168,035	0.8	(4.9)	(3.7)	(3.7)	(12.3)	2.3	2.9	4.0	
Public Employees' Insurance Agency	134,812	0.6	133,255	0.6	(4.9)	(3.7)	(3.7)	(12.6)	1.7	2.6	3.9	
WV Retiree Health Benefit Trust Fund	1,508,309	6.6	1,452,889	6.6	(5.2)	(3.7)	(3.7)	(9.2)	7.1	6.6	8.1	
Endowment Assets	1,154,825	5.0	1,110,469	5.0								
Berkeley County Development Authority	7,886	0.0	7,597	0.0	(5.2)	(3.7)	(3.7)	(9.3)	7.1	6.6		
Wildlife Fund	73,641	0.3	69,190	0.3	(5.2)	(3.7)	(3.7)	(9.2)	7.0	6.6	8.1	8.2
WV State Parks and Recreation Endowment Fund	14,770	0.1	22,685	0.1	(4.6)	(3.1)	(3.1)	(8.8)				
Revenue Shortfall Reserve Fund	329,802	1.4	315,584	1.4	(5.3)	(4.4)	(4.4)	(12.9)	(2.2)	0.2	0.9	
Revenue Shortfall Reserve Fund - Part B	498.719	2.2	474.846	2.2	(5.8)	(4.8)	(4.8)	(15.0)	0.3	1.8	3.3	
WV DEP Trust	10,357	0.0	9,848	0.0	(6.8)	(4.9)	(4.9)	(15.5)	4.0	3.8	6.3	
WV DEP Agency	219,650	1.0	210,719	1.0	(5.4)	(4.1)	(4.1)	(13.9)	2.4	2.9	0.0	



### Composite Asset Allocation & Performance Net of Fees

Period Ending: September 30, 2022

			Performance %							
	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
Investment Pools Composite	22,015,544	100.00								
Portable Alpha Composite +/- S&P 500 Index	4,339,434	19.72	(8.72) 0.49	<mark>(4.17)</mark> 0.71	(4.17) 0.71	(14.55) 0.92				
Large Cap Domestic Equity Composite +/- S&P 500 Index	286,863	1.30	(9.23) <i>(0.02)</i>	<mark>(4.78)</mark> 0.10	(4.78) 0.10	(15.47) 0.00	8.18 <i>0.02</i>	8.91 <i>(</i> .33)	11.61 <i>(0.09)</i>	9.76 (0.08)
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	911,477	4.14	(10.59) <i>(1.06)</i>	(0.83) 1.99	(0.83) 1.99	<mark>(20.14)</mark> <i>0</i> .97	5.46 0.10	5.62 0.17	9.32 (0.26)	10.26 <i>0.04</i>
International Equity Composite +/- MSCI AC World ex US IMI Index (b)	3,806,678	17.29	(9.77) 0.32	(11.06) <i>(1.48)</i>	(11.06) <i>(1.48)</i>	(26.01) <i>(0.67)</i>	<mark>(0.02)</mark> 0.81	(0.75) <i>(0.43)</i>	4.46 0.84	7.49 0.57
Fixed Income Composite +/- Bloomberg Universal (c)	3,497,502	15.89	(3.85) <i>0.46</i>	(3.71) 0.74	(3.71) 0.74	(14.08) <i>0.85</i>	<mark>(1.96)</mark> 1.15	0.49 0.67	1.92 <i>0.75</i>	3.86 0.57
Core Fixed Income Composite +/- Bloomberg US Aggregate	1,044,604	4.75	(3.81) <i>0.51</i>	(4.26) 0.49	(4.26) 0.49	(13.27) 1.33	<mark>(2.20)</mark> 1.06	0.57 0.84	1.55 <i>0.66</i>	
Total Return Fixed Income Composite (j) +/- Bloomberg Universal	2,452,898	11.14	(3.87) 0.44	(3.47) 0.98	(3.47) 0.98	(14.44) 0.49	(1.89) 1.22	0.44 0.62	2.08 <i>0.91</i>	4.21 0.78
TIPS Composite +/- Bloomberg US TIPS	409,634	1.86	(6.64) <i>(0.02)</i>	<mark>(5.14)</mark> 0.00	<mark>(5.14)</mark> 0.00	<mark>(11.57)</mark> 0.00	0.88 <i>0.09</i>	2.02 0.07	1.01 <i>0.03</i>	
Cash Composite +/- FTSE 3 Month US T-Bill (d)	106,754	0.48	0.20 <i>0.00</i>	0.49 <i>0.04</i>	0.49 0.04	0.61 <i>(0.02)</i>	0.48 (0.09)	1.05 <i>(0.08)</i>	0.66 (0.02)	1.29 (0.04)
Private Equity Composite +/- Russell 3000 + 3% (e, f)	2,754,661	12.51	<mark>(0.12)</mark> 8.91	<mark>(0.13)</mark> 3.59	<mark>(0.13)</mark> 3.59	8.41 23.04	26.40 15.70	24.05 12.43	18.61 <i>4.14</i>	
Real Estate Composite +/- NCREIF + 1% (e)	2,501,820	11.36	(0.87) (2.02)	(0.87) <i>(4.35)</i>	(0.87) <i>(4.35)</i>	15.51 (6.95)	8.72 (2.50)	8.60 (1.26)	9.32 (1.35)	
Hedge Fund Composite +/- HFRI FOF + 1% (g)	2,558,046	11.62	<mark>(0.58)</mark> 1.35	0.92 1.37	0.92 1.37	1.67 7.51	6.68 1.65	5.51 1.51	5.18 <i>1.</i> 37	
Private Credit & Income Composite +/- CS Leveraged Loan + 2% (e, k)	842,675	3.83	(2.68) <i>(0.68)</i>	(2.48) (4.17)	(2.48) (4.17)	4.63 5.25	6.15 2.03	6.18 1.18		



## Participant Plans Allocation vs. Strategy

	Equity Actual % Str		Fixed Ir Actual % S		Private E		Real Es		Private Credit & Actual % Str		Hedge F Actual % St		Cash ctual % Str	
Pension Assets														
Public Employees' Retirement System	44.7	50.0	12.5	15.0	14.1	10.0	12.8	10.0	4.3	5.0	11.4	10.0	0.2	0.0
Teachers' Retirement System	44.8	50.0	12.4	15.0	14.1	10.0	12.8	10.0	4.3	5.0	11.4	10.0	0.2	0.0
EMS Retirement System	44.5	50.0	12.7	15.0	14.0	10.0	12.7	10.0	4.3	5.0	11.4	10.0	0.4	0.0
Public Safety Retirement System	44.9	50.0	12.3	15.0	14.1	10.0	12.9	10.0	4.3	5.0	11.5	10.0	0.0	0.0
Judges' Retirement System	44.6	50.0	12.7	15.0	14.0	10.0	12.8	10.0	4.3	5.0	11.4	10.0	0.2	0.0
State Police Retirement System	44.5	50.0	12.8	15.0	14.0	10.0	12.7	10.0	4.3	5.0	11.3	10.0	0.4	0.0
Deputy Sheriffs' Retirement System	44.6	50.0	12.7	15.0	14.0	10.0	12.8	10.0	4.3	5.0	11.4	10.0	0.2	0.0
Municipal Police & Firefighter Retirement System	43.5	50.0	12.3	15.0	13.5	10.0	12.2	10.0	4.1	5.0	10.9	10.0	3.5	0.0
Natural Resources Police Office Retirement System	44.5	50.0	12.6	15.0	13.9	10.0	12.7	10.0	4.3	5.0	11.3	10.0	0.7	0.0
Municipal Model A	45.3	50.0	12.2	15.0	13.9	10.0	12.7	10.0	4.3	5.0	11.2	10.0	0.4	0.0
Municipal Model B	52.9	55.0	45.8	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Insurance Assets														
Workers' Compensation Old Fund	28.2	30.0	50.2	50.0	0.0	0.0	0.0	0.0	0.0	0.0	17.2	15.0	4.4	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	28.0	30.0	44.2	45.0	0.0	0.0	0.0	0.0	0.0	0.0	22.6	20.0	5.2	5.0
Workers' Comp. Self-Insured Security Risk Pool	28.1	30.0	44.3	45.0	0.0	0.0	0.0	0.0	0.0	0.0	22.7	20.0	4.9	5.0
Workers' Comp. Uninsured Employers Fund	27.7	30.0	43.9	45.0	0.0	0.0	0.0	0.0	0.0	0.0	22.4	20.0	6.0	5.0
Pneumoconiosis	28.2	30.0	44.5	45.0	0.0	0.0	0.0	0.0	0.0	0.0	22.8	20.0	4.5	5.0
Board of Risk & Insurance Mgmt.	28.1	30.0	44.4	45.0	0.0	0.0	0.0	0.0	0.0	0.0	22.7	20.0	4.8	5.0
Public Employees' Insurance Agency	22.7	25.0	52.7	55.0	0.0	0.0	0.0	0.0	0.0	0.0	22.0	20.0	2.6	0.0
WV Retiree Health Benefit Trust Fund	44.6	50.0	12.9	15.0	14.0	10.0	12.8	10.0	4.3	5.0	11.4	10.0	0.0	0.0
Endowment Assets														
Berkeley County Development Authority	44.6	50.0	12.8	15.0	14.1	10.0	12.8	10.0	4.3	5.0	11.4	10.0	0.0	0.0
Wildlife Fund	44.5	50.0	12.8	15.0	14.0	10.0	12.8	10.0	4.3	5.0	11.4	10.0	0.2	0.0
WV State Parks and Recreation Endowment Fund	35.3	50.0	9.5	15.0	10.4	10.0	9.5	10.0	3.2	5.0	8.4	10.0	23.7	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	99.9	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Revenue Shortfall Reserve Fund - Part B	21.3	22.5	78.7	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	62.2	65.0	14.6	15.0	0.0	0.0	0.0	0.0	0.0	0.0	23.2	20.0	0.0	0.0
WV DEP Agency	37.5	40.0	39.8	40.0	0.0	0.0	0.0	0.0	0.0	0.0	22.7	20.0	0.0	0.0



- (a) As of January 2019, the PERS Base is 60% MSCI ACWI Gross and 40% Bloomberg Universal. From January 2014 to December 2018, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (IMI), and 40% Bloomberg Universal. From April 2008 to December 2013, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (Standard), and 40% Bloomberg Universal. Prior periods were 42% Russell 3000, 18% MSCI ACWI ex USA, and 40% Bloomberg US Aggregate.
- (b) Prior to January 2014, the index was the MSCIACW ex USA (Standard).
- (c) Prior to April 2008, the index was Bloomberg US Aggregate.
- (d) Prior to January 2014, the index was FTSE 3 Month US T-Bill plus 15 basis points.
- (e) Private Equity, Real Estate, and Private Credit & Income consist primarily of private market investments. The time lag in determining the fair value of these investments makes the comparison to their public market benchmarks less meaningful over shorter time periods.
- (f) Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (g) Prior to January 2014, the index was Libor plus 400 basis points.
- (h) As of July 2019, the Franklin Benchmark is 50% JPM EMBI Global Diversified ex GCC and 50% JPM GBI EM Diversified. Prior periods were 50% JPM EMBI Global Diversified and 50% JPM GBI EM Diversified.
- (i) Prior to April 2008, the index was a custom index.
- (j) From October 2015 to March 2017, performance returns from the Opportunistic Income Pool were included in the Total Return Fixed Income Composite.
- (k) Prior to April 2017, the index was CS Leveraged Loan plus 250 basis points.
- (I) In July 2020 the municipal plan potential investment models were condensed to Model A and Model B. The June 30, 2020 asset values for Model C and Model D are included in Model A. Model B was formerly Model F.
- (m) From January 2021 to August 2021, the index was S&P 500 Index 2.2x minus 3 Month Libor minus 15 basis points. Prior to January 2021, the index was S&P 500 Index 2.5x minus 3 Month Libor minus 15 basis points.

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## WEST VIRGINIA OFFICES OF THE INSURANCE COMMISSIONER

Allan L. McVey Insurance Commissioner

**Status Report:** 

## **Workers' Compensation**

Joint Committee on Government & Finance

November 2022

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#### Introduction

The passage of S.B. 1004 in January 2005 brought significant changes to workers' compensation insurance in West Virginia. The Stateadministered monopolistic system effectively ended when a new, legislatively created domestic mutual insurance company, "BrickStreet"<sup>1</sup>, was formed to thereafter issue workers' compensation insurance. BrickStreet began writing new workers' compensation insurance policies in January 2006 (Brickstreet also retained the workers' compensation insurance premium and incurred liability starting in July 2005). The West Virginia workers' compensation insurance market was further privatized and opened to full competition beginning in July 2008.

When Brickstreet was formed 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. This legacy liability was retained by the State of West Virginia in what is known as the "Old Fund." The Old Fund consists of all historical claims with dates of injuries or last exposure through June 30, 2005. In addition to the following sections that specifically reference other "funds," the "private market," or the "self-insured" community (which began in July 2004), this report to the Joint Committee on Government & Finance concerns the workers' compensation legacy liability of the State of West Virginia, i.e., the Old Fund.

As of January 2008, there were 47,961 active Old Fund workers' compensation insurance claims. In December 2020, the number of active claims fell to less than 10,000 for the first time and, as of October 2022, there were 7,645 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 Insurance Commissioner by the Legislature.

<sup>&</sup>lt;sup>1</sup> As a result of their merger, Motorists Insurance Group and BrickStreet Mutual Insurance Co. are now the Encova Mutual Insurance Group.

#### **Definitions:**

<u>Appeal (BOR)</u>: 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.

<u>Claim Reserve:</u> 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.

<u>Coal Workers' Pneumoconiosis Fund (CWP)</u>: 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 statues 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.

<u>Med Only</u>: claim under which <u>only</u> 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.

<u>Self-Insured</u>: 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.

<u>Self-Insured Guaranty Fund</u>: State managed fund consisting of those funds transferred to it from the guaranty pool created pursuant to 85 CSR (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 <u>after</u> 07/01/2004.

<u>Self-Insured Security Fund</u>: State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR (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 <u>before</u> 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.

<u>TPD:</u> (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.

<u>Uninsured Fund</u>: 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 CASH STATEMENT OCTOBER 31, 2022

Cook Beginning Belences	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances Revenues	919,242,416	1,080,592,100	(161,349,685)	1,080,592,100	993,229,138	1,077,104,966
Personal Income Tax	-	_	-	_	_	_
Severance Tax	-	-	-	-	-	-
Debt Reduction Surcharge	-	-	-	-	-	-
Self-Insured Debt Reduction Surcharge	-	-	-	-	-	-
Video Lottery	-	-	-	-	-	-
Employer Premium	11,386	202,700	(191,315)	238,786	189,298	138,119
Other Income - Return of Unclaimed Property	-	-	-	· -	-	-
Operating Revenues	11,386	202,700	(191,315)	238,786	189,298	138,119
Investment / Interest Earnings (Losses)	(70,029,787)	6,250,011	(76,279,797)	(52,668,067)	187,370,470	48,614,936
Total Revenues	(70,018,401)	6,452,711	(76,471,112)	(52,429,280)	187,559,768	48,753,055
Expenditures						
Claims Benefits Paid:						
Medical	5,204,371	5,164,190	40,181	14,588,442	16,509,277	21,141,087
Permanent Total Disability	19,566,350	21,808,465	(2,242,115)	63,031,618	69,561,392	75,310,561
Permanent Partial Disability	27,691	91,243	(63,551)	163,078	112,956	70,989
Temporary Disability	-		-	-	-	(486)
Fatals	5,396,863	5,832,271	(435,408)	17,124,757	18,386,146	19,297,908
104 weeks death benefit	1,644,770	1,806,446	(161,676)	6,011,709	6,353,928	5,474,959
Settlements	954,651	717,741	236,910	2,382,067	2,708,581	4,452,419
Loss Adjustment Expenses	463,164	637,346	(174,182)	1,284,295	1,095,241	1,603,551
Total	33,257,860	36,057,701	(2,799,841)	104,585,967	114,727,520	127,350,987
Less: Claims credits and overpayments	140,444	90,646	49,798	454,800	334,334	982,782
Total Benefits Paid	33,117,416	35,967,055	(2,849,639)	104,131,167	114,393,187	126,368,205
Administrative Expenses	871,388	937,526	(66,138)	4,789,237	5,803,619	6,260,679
Total Expenditures	33,988,805	36,904,581	(2,915,776)	108,920,405	120,196,805	132,628,883
Excess (Deficiency) of Revenues over Expenditures	(104,007,206)	(30,451,870)	(73,555,335)	(161,349,685)	67,362,963	(83,875,828)
Transfer from Operating Fund	-	-	-	-	20,000,000	000 000 400
Cash Ending Balances	815,235,210	1,050,140,230	(234,905,020)	919,242,416	1,080,592,100	993,229,138

Three Year History for years ended:

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, 2022

Three Year History for years ended	Three	Year Histor	y for years	ended:
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Revenues	Cash Beginning Balances	YTD FY2023 215,931,727	YTD FY2022 246,613,162	Change (30,681,436)	FY2022 246,613,162	FY2021 220,914,521	FY2020 232,485,887
Investment Earnings (Losses)		(15,649,840)	1,411,219	(17,061,059)	(11,131,323)	43,567,242	9,366,126
Other Income - Return of Unclaime	d Property	-	-	-	-	-	-
	Total Revenues	(15,649,840)	1,411,219	(17,061,059)	(11,131,323)	43,567,242	9,366,126
Expenditures							
Claims Benefits Paid:							
Medical		989,409	2,237,107	(1,247,699)	6,033,252	5,107,159	7,541,269
PTD and Fatal Indemnity		3,009,593	2,919,183	90,410	9,518,418	8,726,207	8,899,722
Settlements		-	-	-	1,837	-	-
Loss Adjustment Expenses		1,568,929	1,628,054	(59,126)	3,513,844	3,343,071	3,933,266
Total		5,567,931	6,784,345	(1,216,414)	19,067,350	17,176,438	20,374,258
Less: Claims Credits and Overpayr	nents	40,724	48,324	(7,600)	387,376	94,896	360,474
Total Benefits Paid		5,527,207	6,736,021	(1,208,814)	18,679,974	17,081,541	20,013,784
Administrative Expenses		103,268	276,231	(172,963)	870,138	787,060	923,707
	Total Expenditures	5,630,475	7,012,252	(1,381,776)	19,550,112	17,868,601	20,937,491
Excess (Deficiency) of F	Revenues over Expenditures	(21,280,315)	(5,601,032)	(15,679,283)	(30,681,436)	25,698,641	(11,571,365)
	Cash Ending Balances	194,651,412	241,012,130	(46,360,717)	215,931,727	246,613,162	220,914,521

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, 2022

				Three Year	History for year	s ended:
	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances Revenues	37,187,942	39,659,496	(2,471,554)	39,659,496	33,724,356	33,373,873
Guaranty Risk Pool Assessments	5,000	-	5,000	10,000	-	_
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	(2,702,974)	220,128	(2,923,102)	(1,884,585)	6,763,880	1,367,274
Total Revenues	(2,697,974)	220,128	(2,918,102)	(1,874,585)	6,763,880	1,367,274
Expenditures						
Claims Benefits Paid:						
Medical	67,051	71,106	(4,055)	178,127	280,185	346,473
Permanent Total Disability	18,299	21,239	(2,940)	63,717	89,242	102,389
Permanent Partial Disability	21,090	48,881	(27,791)	83,562	91,922	225,842
Temporary Disability	-	-	-	-	-	-
Fatals	68,999	68,999		206,996	206,996	223,506
104 Weeks Death Benefit	2,940	-	2,940	-	-	-
Settlement Agreements	18,000	62,000	(44,000)	62,000	39,699	10,000
Non Awarded Partial Disability Loss Adjustment Expenses	- 44,762	- 9,858	- 34,904	- 31,743	- 52,455	- 76,110
Total	241,141	282,083	(40,942)	626,144	760,498	984,319
Less: Claims Credits and Overpayments	241,141	25,544	(25,535)	53,649	150	45,480
Total Benefits Paid	241,132	256,538	(15,407)	572,495	760,348	938,840
Administrative Expenses	(2,112)	12,129	(14,241)	24,473	68,392	77,951
Total Expenditures	239,020	268,667	(29,648)	596,968	828,740	1,016,791
Excess (Deficiency) of Revenues over Expenditures	(2,936,994)	(48,540)	(2,888,454)	(2,471,554)	5,935,140	350,483
Cash Ending Balances	34,250,949	39,610,956	(5,360,008)	37,187,942	39,659,496	33,724,356

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, 2022

#### Three Year History for years ended:

	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances	50,605,643	55,995,948	(5,390,305)	55,995,948	49,568,499	50,905,481
Revenues						
Security Risk Pool Assessments	-	-	-	-	-	-
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	(3,668,139)	313,114	(3,981,253)	(2,592,281)	9,805,453	2,087,341
Total Revenues	(3,668,139)	313,114	(3,981,253)	(2,592,281)	9,805,453	2,087,341
Expenditures						
Claims Benefits Paid:						
Medical	288,450	159,427	129,023	585,099	531,814	549,908
Permanent Total Disability	370,547	402,466	(31,919)	1,177,138	1,250,688	1,379,159
Permanent Partial Disability	8,906	-	8,906	11,540	4,243	(60)
Temporary Disability	-	-	-	-	-	-
Fatals	302,012	280,121	21,891	838,483	918,152	979,631
104 Weeks Death Benefit	8,738	29,630	(20,892)	50,458	171,468	78,073
Settlement Agreements	-	30,750	(30,750)	61,325	315,463	162,665
Loss Adjustment Expenses	21,340	17,853	3,486	36,980	73,223	118,818
Total	999,993	920,248	79,745	2,761,024	3,265,052	3,268,194
Less: Claims Credits and Overpayments	38,580	1,105	37,475	31,348	84,004	102,299
Total Benefits Paid	961,412	919,143	42,270	2,729,676	3,181,048	3,165,895
Administrative Expenses	(9,730)	35,332	(45,062)	68,348	196,956	258,428
Total Expenditures	951,682	954,475	(2,792)	2,798,024	3,378,004	3,424,323
Excess (Deficiency) of Revenues over Expenditures	(4,619,821)	(641,360)	(3,978,461)	(5,390,305)	6,427,449	(1,336,982)
Cash Ending Balances	45,985,822	55,354,588	(9,368,766)	50,605,643	55,995,948	49,568,499

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.

	Cash Beginning Balances	YTD FY2023 16,195,294	YTD FY2022 16,844,759	Change (649,465)	FY2022 16,844,759	FY2021 13,817,714	FY2020 13,211,915
Revenues Fines and Penalties		163,986	118,349	45,637	341,220	322,680	385,577
Investment Earnings (Losses)		(1,181,258)	84,714	(1,265,971)	(828,855)	2,767,995	517,439
	Total Revenues	(1,017,272)	203,063	(1,220,334)	(487,635)	3,090,675	903,016
Expenditures							
Claims Benefits Paid:		47.074	0.400	45 400	440.070	0.000	7 4 6 0
Medical Permanent Total Disability		17,871	2,468	15,403	118,279	2,096	7,169
Permanent Partial Disability		- 4,845	- 533	- 4,311	- 6,929	-	- 15,617
Temporary Disability		-,0+0	38,065	(38,065)	64,151	3,048	22,059
Fatals		-	8,534	(8,534)	19,201	25,601	37,816
104 Weeks Death Benefit		-	-	(0,001)	-		-
Settlement Agreements		17,000	-	17,000	22,000	44,276	82,000
Loss Adjustment Expenses		14,292	10,244	4,048	39,974	26,492	46,867
Total	—	54,007	59,843	(5,836)	270,534	101,513	211,528
Less: Employer Reimbursemer	nt	33,997	-	33,997	-	-	-
Less: Claims Credits and Over		-	6,230	(6,230)	116,115	42,742	7,535
Total Benefits Paid	_	20,010	53,614	(33,604)	154,419	58,770	203,993
Administrative Expenses		477	2,100	(1,623)	7,410	4,860	93,224
	 Total Expenditures	20,487	55,714	(35,227)	161,829	63,630	297,217
Excess (Deficiency) of R	evenues over Expenditures	(1,037,758)	147,349	(1,185,107)	(649,465)	3,027,045	605,799
	Cash Ending Balances	15,157,536	16,992,108	(1,834,572)	16,195,294	16,844,759	13,817,714

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.

# BOARD OF TREASURY INVEST VIRGINIA

#### CALENDAR NOTE

Board Meeting October 27, 2022

#### Board of Treasury Investments

315 70<sup>th</sup> Street, SE Charleston WV 25304 (304) 340-1564 www.wvbti.com

#### **Board of Directors**

Riley M. Moore, State Treasurer, Chairman

James C. Justice II, Governor

John B. McCuskey, State Auditor

Patrick M. Smith, CPA Appointed by the Governor

Mark A. Mangano, 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

## **OPERATING REPORT SEPTEMBER 2022**

## Total Net Assets Under Management

\$9,749,112,000

Last Month \$9,369,861,000 Beginning of Fiscal Year \$9,234,695,000



Net Assets for the Past 12 Months

## Total Net Income & Changes in Fair Value

Fiscal Year \$42,941,000



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

## **Money Market Pools**

As of September 30, 2022

<u>Pool</u>	30-Day <u>Avg. Yield *</u>	<u>W.A.M.</u> **	<u>Net Assets</u>
WV Money Market	2.6551%	18 Days	\$8.7 Billion
WV Gov't Money Market	2.4507%	20 Days	\$259.4 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 2022

#### **Time Will Tell if Inflation is Beat**

#### Et Tu, Brute?

The third quarter brought no relief from the year-to-date declines in financial markets around the globe. The month of September was particularly difficult, led by the U.S. CPI print and then our friends in the United Kingdom. The new Prime Minister and new Chancellor surprisingly announced a large package of tax cuts and fiscal spending. This news drove sterling to an historic low against the dollar and led to a rise in interest rates that was unprecedented in swiftness and steepness. In turn, the UK bond market went into free fall, in part due to UK pensions' liability driven strategies, which utilize derivatives in their hedging strategies. As rates rose, the hedges required margin calls and forced selling to raise cash caused a downward spiral. The Bank of England stepped in to support the bond market and the situation calmed, but not before Sterling reached all-time lows against the dollar

#### **Stock and Bond Markets**

Despite the brief summer rally, stock market declines in the month of September (-9.2% for S&P 500) contributed to the quarter being down about 5% for both the large capitalization S&P 500 and the small capitalization S&P 600 Index. Non-US markets fared worse, led by dollar strength and on-going geopolitical and financial difficulties abroad.

Despite an extremely volatile bond environment globally, declines in stocks have not been accompanied by increased volatility. As shown below the VIX volatility index, also known as the fear gauge, remains at about 30.

In the bond markets, the month of September saw declines (Bloomberg Aggregate -4.3%) and provided the bulk of the quarter's losses of -4.8% for the Aggregate Index. The rising rate environment continued to punish longer duration assets with the Long Treasury index down -9.6% in the quarter. In this 'no place to hide' environment, credit, Mortgage-backed securities, non-US assets and even short duration bonds were all negative in the month and quarter.

After these difficult three quarters, what should we be thinking about for the fourth quarter? Last quarter we suggested that we needed to see evidence of a) slowing of interest rate increases, particularly that the market was done front running expectations of where the Fed would or would not pause, b) indications that the pricing of risk assets reflect enough negative outlook on earnings that bargain hunters and institutional investors would begin buying, or c) a consistent deceleration in inflation readings. While inflation last month surprised to the upside, we did see year over year declines in many categories in July and August, and on many measures, it is expected to continue to decline from the highs we experienced earlier in the year. Only time will tell if inflation is beat, and the Federal Reserve will be able to pause its interest rate hikes. In the meantime, full employment and positive wage increases continue providing support for consumer spending and the economy.

## West Virginia Board of Treasury Investments Financial Highlights as of September 30, 2022

#### WV Short Term Bond Pool



#### Summary of Value and Earnings (In Thousands)

Pool	Net Asset Value	Sep Net Income (Loss)	Net	cal YTD Income Loss)	Percent of Total Net Asset Value
WV Money Market	\$ 8,749,308	\$ 18,830	\$	47,416	= Loans, 0.1%
WV Gov't Money Market	259,373	529		1,260	WV Bank, 0.3%
WV Short Term Bond	686,428	(6,322)		(6,091)	WV Short Term
WV Bank	65	0		9	Bond, 7.0%
Loans	11,647	2		256	WV Govt Money Market, 2.7%
Reserve	3	1		73	WV Money Market,
Participant Accounts	42,288	3		18	89.7%
	\$ 9,749,112	\$13,043	\$	42,941	



#### WEST VIRGINIA BOARD OF TREASURY INVESTMENTS SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED SEPTEMBER 30, 2022

(In Thousands)

	(In Thousands)									
	WV Money Markat Baal	WV Government V Money Money Market		WV Short Term Bond	WV Bank Pool		Other Pools		Participant Directed	Total
Assets	Market Pool		Pool	Pool	P	001	Otne	r Pools	Accounts	Total
Investments:										
At amortized cost	\$ 8,743,294	\$	260,277	s -	\$	65	\$	11,645	s -	\$ 9,015,281
At fair value	-		-	685,140		-		-	42,250	727,390
Other assets	6,990		140	17,465		1		9	39	24,644
Total assets	8,750,284	260,417		702,605	66		11,654		42,289	9,767,315
Liabilities										
Accrued expenses, dividends payable &										
payables for investments purchased	976		1,044	16,177	1		4		1	18,203
Total liabilities	976		1,044	16,177						18,203
Net Position										
Held in trust for investment pool participants	8,749,308		259,373	686,428	- 65			-	-	9,695,109
Held in trust for individual investment										
account holders	-		-	-				11,650	42,288	54,003
Total net position	\$ 8,749,308	\$	259,373	\$ 686,428	\$				\$ 42,288	\$ 9,749,112
Additions										
Investment income:										
Interest and dividends	\$ 9,642	\$	213	\$ 1,263	\$		\$	4	\$ 16	\$ 11,138
Net (amortization) accretion	\$ 9,042 9,514	Ф	328	(227)	Ф	-	э	4	5 10 (1)	9,614
Provision for uncollectible loans	9,514		528	(227)		-		-	(1)	9,014
Total investment income	19,156		- 541	1,036	-	-		- 4	- 15	20,752
	19,150		541	1,050		-		4	15	20,732
Investment expenses: Investment advisor, custodian bank &										
administrative fees	228		12	4.4				1		205
	328		12	44		-		1		385
Total investment expenses	328		12	44		-		1		385
Net investment income	18,828		529	992		-		3	15	20,367
Net realized gain (loss) from investments	2		-	(813)		-		-	-	(811)
Net increase (decrease) in fair value of	_			(0.00)						(000)
investments			-	(6,501)		-		-	(12)	(6,513)
Net increase (decrease) in net position from operations	18,830		529	(6,322)		_		3	3	13,043
1	- ,			(						- ,
Participant transaction additions:										
Purchase of pool units by participants	1,565,680		41,618	2		-		-	-	1,607,300
Reinvestment of pool distributions	18,826		529	926		-		-	-	20,281
Contributions to individual investment										
accounts			-	-		2		41		43
Total participant transaction additions	1,584,506		42,147	928	2		41			1,627,624
Total additions	1,603,336		42,676	(5,394)	2		44		3	1,640,667
Deductions										
Distributions to pool participants:										
Net investment income	18,828		529	992		-		-	-	20,349
Net realized gain (loss) from investments	2		-	(813)		-		-	-	(811)
Total distributions to pool participants	18,830		529	179		-		-	-	19,538
Participant transaction deductions:										
Redemption of pool units by participants	1,196,409		24,304	1,036		-		_	-	1,221,749
Withdrawals from individual investment	,,.02		,	-,000						,,, .,
accounts	-		-	-		2		20,127	-	20,129
Total participant transaction deductions	1,196,409		24,304	1,036		2		20,127	-	1,241,878
Total deductions	1,215,239		24,833	1,215		2		20,127	-	1,261,416
			/							
Net increase (decrease) in net position from operations	388,097		17,843	(6,609)		-	(	20,083)	3	379,251
-	•							-		
Inter-pool transfers in	-		-	-		-		-	-	-
Inter-pool transfers out			-	-		-				-
Net inter-pool transfers in (out)			-			-				
			17.042	(6,600)				20.002	2	270 251
Change in net position	388,097		17,843	(6,609)		-		20,083)	3	379,251
Change in net position Net position at beginning of period Net position at end of period	388,097 8,361,211 \$ 8,749,308	\$	241,530 259,373	(6,609) 693,037 \$ 686,428	\$	- 65 65		20,083) 31,733 11,650	42,285 \$ 42,288	9,369,861 \$ 9,749,112



#### WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

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

Jimmy Wriston, P.E. Secretary of Transportation Commissioner of Highways

July 29, 2022

The Honorable Craig Blair President, West Virginia Senate 1900 Kanawha Boulevard, East Building One, Room 229 M Charleston, West Virginia 25305

**ELECTRONICALLY SUBMITTED** 

The Honorable Roger Hanshaw Speaker, West Virginia House of Delegates 1900 Kanawha Boulevard, East Building One, Room 228 M Charleston, West Virginia 25305

Joint Committee on Government and Finance 1900 Kanawha Boulevard, East Building One, Room 214W Charleston, West Virginia 25305

Dear President Blair, Speaker Hanshaw, and Committee Members:

Pursuant to W. Va. Code §17-30-1 and federal requirements under the Infrastructure Investment Jobs Act (IIJA), please find the web address for the Division of Highways' Electric Vehicle Infrastructure Development Plan for West Virginia. <u>Go.wv.gov/nevi.</u> A hot link to the site has been provided in the transmitting email.

I appreciate your continued support and interest in highway matters. Should you require additional information, please do not hesitate to contact my office.

Sincerely,

Whit, S.E.

Jimmy D. Wriston, P.E. Secretary of Transportation Commissioner of Highways

JDW/h

cc: Deputy Chief Ann Urling Director of Federal Funds and Grants Vic Sprouse West Virginia

## NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE (NEVI) DEPLOYMENT PLAN

July 28, 2022



Prepared By:



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## Introduction

The West Virginia National Electric Vehicle (EV) Infrastructure Deployment Plan (Plan) overviews how West Virginia intends to use the National Electric Vehicle Infrastructure (NEVI) Formula Program funds. The program's purpose is to expand access to electric vehicle charging by:

- Accelerating equitable adoption of EVs, including for those who cannot reliably charge at home.
- Reducing transportation-related greenhouse gas emissions and help put the U.S. on a path to net-zero emissions by no later than 2050.
- Positioning U.S. industries to lead global transportation electrification efforts and help create family-sustaining union jobs that cannot be outsourced.

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Additionally, West Virginia legislature passed House Bill 4797 in June of 2022. It directs the West Virginia Department of Transportation (WVDOT) to create the EV Infrastructure Development Plan for the State. It states the plan:

#### "..shall take a holistic approach, considering the future charging infrastructure needs of school systems, public transportation, counties and municipalities, and other public and private users."

To meet both federal and State goals, West Virginia will need access to new publicly available EV chargers. The West Virginia EV Infrastructure Development Plan is the State's road map to invest the NEVI Formula Program funds.
NEVI program funds are apportioned from the Infrastructure Investment and Jobs Act (IIJA), sometimes referred to as the Bipartisan Infrastructure Law (BIL). This Plan was developed using guidance provided by the NEVI program to create a framework to support build-out of the public EV charging network in the State.

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## Key Elements of NEVI program in West Virginia:

- Five-year program
- *Estimated \$45.7 million will be apportioned to West Virginia over five years*
- Estimated 912 new public charging ports will be constructed, increasing the public EV charging network by 3,145%

The program will be implemented in two phases over the five-year program in West Virginia. Phase 1 is focused on build-out of NEVI-required stations along the designated electric Alternative Fuel Corridors (AFC) in the State. The NEVI program requires electric AFCs in each state to have a spacing of 50 miles or fewer between EV charging stations. The goal is to provide reliable regional and interstate EV travel across the U.S. It is estimated that Phase 1 will take two fiscal years to complete.

Phase 2 will be focused on community-based public EV charging. Criteria for site selection during this phase will be based on community input and priority setting. The NEVI program requirements for this phase include a station must be on any public road or in other publicly accessible locations that are open to the general public or to authorized commercial motor vehicle operators from more than one company. The focus for this phase will be on increasing access to EV charging and EV-related jobs, particularly in historically disadvantaged communities.

#### Figure 1. Phases

# **PHASE 1:** ELECTRIC AFC CHARGING



# **IMPORTANT YEAR 1 SCHEDULE MILESTONES**

In West Virginia, NEVI program funds will be administered by the WVDOT Division of Highways. The NEVI program requires each state to submit an EV Infrastructure Deployment Plan. This Plan satisfies this requirement.

Each state plan must be approved by the Joint Office of Energy and Transportation (Joint Office) before NEVI funds can be distributed to each respective state. Each year during the five-year program, the plan will be updated to document program progress in West Virginia and meet NEVI program requirements related to reporting. Table 1 highlights key dates for the first fiscal year of the NEVI program in West Virginia.

Anticipated Date	Milestone
May – July 2022	Development of Plan
August 2022	Plan Submitted to Joint Office
September 2022	Plan to be Approved by Joint Office
Winter 2022/2023	Publish Solicitation for Phase 1 AFCs
Spring 2023	Award Contracts for Phase 1 AFCs

#### Table 1. Anticipated NEVI Implementation by WVDOT



Figure 2. West Virginia Electric Alternative Fuel Corridors



# **State Agency Coordination**

Interagency coordination will be a critical part of West Virginia's path to success for the NEVI program. WVDOT will lead NEVI program coordination in West Virginia and work closely with other agencies to ensure all elements of the program are implemented in accordance with federal and state requirements as well as community priorities.

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# COORDINATION WITH OTHER STATE AGENCIES

WVDOT will be the lead agency administering the NEVI program in West Virginia.

Responsibilities include receiving funds from the Federal government, managing program administration, and overseeing program compliance with federal and State requirements.

WVDOT is also the lead agency for the Volkswagen Environmental Mitigation Trust Settlement program. One of four funding priorities for the settlement program is EV charging equipment. The Volkswagen and NEVI programs will be coordinated to support the shared goal of increasing public access to EV charging.

WVDOT will also work closely with the West Virginia Office of Energy (WVOE). WVOE is responsible for the State's Alternative Fuel program. This program includes research, planning, and funding for alternative fuel infrastructure. WVDOT and WVOE will coordinate infrastructure implementation as well as public engagement with stakeholders and the general public.

Economic development and workforce training will also be a focus with the NEVI program. WVDOT will coordinate with the West Virginia Department of Economic Development (WVDED). WVDED will also be leading the focus on small business opportunities through the Small Business Development Center (SBDC) as well as tourism through implementation of the Tourism Development Act. The goal is to support visitors, businesses, and residents by providing access to public EV charging.

Lastly, WVDOT will work closely with utility

partners across the state, including the State's regulated utilities. The focus will be on coordinating investments to grid improvements that support the NEVI-funded EV stations as well as coordinating EV charging investments utilities are making themselves.

## U.S. - MADE SUPPLY EQUIPMENT

WVDOT is prepared to adhere to Buy America requirements following guidance of the Federal Highway Administration (FHWA) and the Joint Office for the NEVI program. However, WVDOT also asks for continued focus on providing a flexible definition of Buy America. Given supply chain disruptions and the current marketplace production of EV chargers, using the current guidance for Buy America may delay deployment of infrastructure, limit competition, and increase program costs. WVDOT will continue to work with FHWA, the Joint Office, and State agency partners to comply with the latest program guidance over the five-year program.

# **B** Public Engagement

Public engagement will be an integral part of NEVI program success. The purpose of this section of the Plan is to provide a blueprint for public involvement over the five-year program. This blueprint will guide the process but will remain flexible enough to allow engagement to evolve over the five-year life of the program.

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# STAKEHOLDERS INVOLVED IN PLAN DEVELOPMENT

During the development of this plan, stakeholder engagement focused on inter-agency coordination and industry outreach. After the plan is approved, WVDOT will conduct a larger outreach effort that is outlined later in this section.

In June of 2022, a listening session was hosted with the West Virginia Electric Auto Association (WVEAA). Members of the association shared their goals, needs, and EV opportunities in West Virginia. The input received has been incorporated into this plan. Additionally, future NEVI program outreach will be coordinated with WVEAA members as well as other stakeholder groups across the State.

### Year 1 Public Engagement Schedule

A tentative public engagement schedule has been developed for the West Virginia NEVI program.

Anticipated Date	Milestone		
August 2022	Plan Submitted to Joint Office		
September 2022 Plan to be Approved by Joint Office			
	Virtual Public Information Sessions to Confirm Phase 1		
Fall 2022	priorities		
Winter 2022/2023	Publish Solicitation for Phase 1		
Carrian 0000	Award Contracts for Phase 1 and Host Public Information		
Spring 2023	Sessions to Set Priorities for Phase 2		

#### **Table 2. Public Engagement Dates**

# PUBLIC OUTREACH

Public engagement activities for NEVI will include in-person and virtual public meetings as well as surveys, a program website, social media, and regular reporting. Each of these activities is described briefly below.



#### **Public Information Sessions**

WVDOT will host virtual and in-person public information meetings to provide information on the NEVI program. The purpose of these meetings is to share updates about ongoing program implementation as well as business and workforce development opportunities associated with the program.

#### **Educational Activities**

In partnership with other organizations, WVDOT will conduct educational activities around the State. These activities will take place at community events, like the EV promotional events.

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#### Webpage

WVDOT will create and maintain a webpage specifically devoted to the NEVI program in West Virginia. The webpage will serve as the central repository for information about the program, including procurement documents, reports, and upcoming events.



#### Social Media

Social media content and a social media schedule will be developed to share information about the NEVI program and create dialogue and awareness.

#### **Issue Tracking and Summary Report**



The primary purpose of public engagement is to inform the public and to understand and respond to community priorities. Input and progress will be documented regularly over the five-year program. At a minimum, WVDOT will create an annual NEVI plan update to report progress and communicate priorities for the upcoming fiscal year of the program.

# Plan Vision and Goals

The overall goal for the West Virginia NEVI program is to expand access to clean energy in the future through a growing network of publicly accessible EV chargers and to ensure equitable access to this network, particularly for historically disadvantaged communities.

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The West Virginia EV Infrastructure Plan will use NEVI formula program funding in a costefficient way that creates a reliable and accessible public EV charging network. The plan will have two phases. Phase 1, in accordance with NEVI program guidance, will first build EV charging stations every 50 miles along the electric AFCs. The priority for this phase is interstate and regional travel. After the NEVI requirements of Phase 1 are met, Phase 2 will focus on community-based charging. The priority for this phase will be expanding local access to reliable public EV charging.

# THE GOALS OF THE WEST VIRGINIA NEVI PROGRAM ARE:









# Build a reliable and easily accessible EV charging network

As part of the plan, corridors will be built out in segments to be immediately useful for travel and priority will be given to corridors that do not have existing chargers. As EV adoption and deployment continues in West Virginia, the State will continue efforts in creating a network of EV chargers that are accessible and connected.

# Increase overall network reliability

Through data collection requirements in the solicitation process, various performance metrics will be required to ensure the charging infrastructure is operational at least 95 percent of the time. The charger locations and real-time operational status will be available to drivers for seamless trip planning.

# Ensure equitable location of EV chargers, particularly in historically disadvantaged communities

For the entire five-year program, disadvantaged communities and rural areas of the State will be prioritized for EV charging infrastructure. Education is a key component of EV deployment and West Virginia will continue to ensure equitable and communitybacked decision-making processes to ensure that chargers are installed to meet the needs of communities that have historically been under-funded and under-invested.

# Expand access to economic opportunities

A portion of the West Virginia NEVI program will focus on jobs, skills training, as well as business development investments to develop and train local workers in Electric Vehicle Supply Equipment (EVSE) construction and maintenance.

# **5** Contracting

WVDOT will manage the NEVI program and work with third-party entities to construct, operate, and maintain EV chargers installed with NEVI funds. To do this, WVDOT will manage a competitive bidding and contracting process for NEVI-funded EV stations. Community priorities and federal and State requirements will be incorporated into the contracting process to ensure compliance and goals are achieved.

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WVDOT will contract with third-party entities to develop EV infrastructure in West Virginia. Phase 1 contracting will focus on the selection of a third-party vendor or vendors to implement stations along the electric AFCs. Phase 2 contracting will focus on the selection of more than one third-party vendors to implement stations throughout West Virginia.

The contracting strategy for charging includes a variety of topics that are discussed below. The formal contract will include further detail than what is provided.

- Solicitation The solicitation will include the information required as a part of the federal requirements and guidelines. The priorities and selection criteria will be provided as a part of the solicitation.
- Proposals Applicants will provide the specific location/site, status of site negotiation, number of existing and proposed chargers, and DCFC power-level capabilities. Phase 1 solicitations will also require applicants to document the distance between NEVI-compliant charging stations. Applicants can choose to upgrade existing charging stations, build out existing charging stations further (particularly if a conduit already exists for expansion), and build new charging stations. Preference will likely be given to new charging stations given the implications of new service areas but both cases will be considered when evaluating applications. Proposals should include standard components including schedule, scope of work, budget, terms and conditions beyond what is included in the grant solicitation, regular project management calls/reports, and compliance reviews during construction, as well as periodic reviews to ensure ongoing operations and maintenance after award.
- Small Businesses Enterprise (SBE)/Disadvantaged Business Enterprise (DBE) Opportunities for small businesses will be provided based on 23 U.S.C. 304. A DBE goal will be required and preference will be given for meeting said goal. DBE partners must be clearly stated in an application and a fee estimate must be provided for the SBE/DBE as a part of the budget.
- Funding The proposal must include clarification from the applicant of how the remaining 20 percent of funding (based on the 80 percent federal funding match) will be provided. If awarded through the NEVI program, the remaining 20 percent must come from non-State sources.
- Other stipulations A variety of stipulations may be included as a part of the grant solicitation or be listed as evaluation metrics for the proposals submitted. These can include level of public access, operating hours, multiple forms of payment (cash, credit, debit), availability of customer support and assistance in multiple languages, adequate safety measures (lighting, visibility), Americans with Disabilities Act (ADA) accessibility, and data sharing and monitoring provisions.

# Existing and Future Conditions Analysis

This section of the plan analyzes existing and future conditions specific to West Virginia regarding EV infrastructure, State geography and climate conditions, and existing EV charging locations. Specific risks and challenges are also summarized.



#### Figure 3. Existing EV Ownership

As of June of 2022, 14 stations and 28 EV ports that are publicly accessible; these numbers exclude Tesla EV ports because the Tesla network is currently available only to Tesla owners. DCFC ports make up 14% of the public charging network in the State. 86% of the network is Level II EV ports.

Overall, the average number of EV ports per station in the State is two. The minimum number of NEVI-program required ports per station along the AFCs is four.

Currently, 83% of the public EV ports (Level II and DCFC) in West Virginia are within one mile of an electric AFC. However, no stations meet the NEVI station requirements of four or more ports with 150KW capacity within one mile of an electric AFC.

#### Tables 3. Existing Publicly Accessible EV Ports in West Virginia<sup>1</sup>

	EV Ports Statewide	EV Ports within 1 mile of AFCs	AFC EV Port share of Statewide EV Ports
Level II	4	3	75%
Level III/DCFC	24	21	88%
Total	28	20	71%

1. Data excludes Tesla-network chargers

### INDUSTRY/MARKET CONDITIONS

#### **GRID CAPACITY**

West Virginia's electricity is coordinated by the PJM Interconnection, a regional transmission organization (RTO) that operates a competitive wholesale electricity market for part or all of 13 states. West Virginia and all state areas that border West Virginia are within the PJM Interconnection network.

In 2020, according to the U.S. Energy Information Administration (EIA), West Virginia ranked second in the nation for coal production, and coal-fired power plants contributed 88 percent of the State's net electricity generation. Renewable energy, namely hydroelectric power and wind energy, contributed 6% of net electricity generation, and natural gas contributed roughly 3%. West Virginia's crude oil production, including natural gas, reached an all-time high in 2020 due to drilling in the State's northern panhandle. Subsequently, the State ranked fifth in the nation for natural gas marketed production in 2020.

In 2020, the EIA reported that West Virginia's net electricity generation was 56,661,533 megawatts per hour. West Virginia ranked fifth in the nation for total energy production in 2019.

#### ELECTRIC UTILITIES THAT SERVICE THE STUDY AREA

Residents of West Virginia primarily receive electricity from four investor-owned companies: Appalachian Power Company, Wheeling Power, Monongahela Power Company, and Potomac Edison Company. According to the Public Service Commission (PSC) of West Virginia, these companies account for 96% of residential electric sales and 98% of commercial electric sales. Furthermore, the PSC regulates rates and charges for these companies as well as the reasonableness of their acts, practices, and services. Additionally, five independent non-generation electric companies purchase wholesale power from suppliers served by PJM Interconnection and distribute that power at retail rates to residential, commercial, and industrial customers. These companies are the Harrison Rural Electrification Association, Black Diamond Power Company, Craig-Botetourt Electric Cooperative, New Martinsville Municipal Utilities, and Philippi Municipal Electric.

#### EV OWNERSHIP/AVAILABILITY

In 2020, West Virginia ranked number 44 of the 50 states for EV sales. In 2020, electric vehicles sales, including battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV) accounted for less than 1% of all car sales in the State.

While EV sales and ownership are low in West Virginia compared to other states, West Virginia is ranked number four in the country for the number of charging ports per 100 EVs. Existing access relative to potential demand is relatively high when compared to other states.

Two regulatory conditions are impacting EV sales and potentially reducing demand for EVs. West Virginia currently does not allow direct-to-consumer sales. Changing this restriction would help EV sales increase, as many auto manufacturers are moving to direct-toconsumer sales business models. Additionally, West Virginia charges an additional registration fee for new alternative fuel vehicles. Adjusting registration fee costs may also be a way to increase EV sales. It should be noted that the higher registration fee for EVs is done in part to offset lost revenue from gas-tax collection to pay for transportation infrastructure. All states are developing policy strategies and researching how to make these adjustments as EVs increase as a share of total vehicles on the road.

### **FUTURE NEEDS**

To meet the station spacing requirements of NEVI, stations must have at least four 150KW Level III chargers. Additionally, the stations need to be within one mile of an electric AFC and stations must be spaced no more than 50 miles. Based on these requirements, it is estimated that West Virginia will need at least 12 NEVI-compliant stations. Figure 4 below illustrates the approximate location that new NEVI compliant stations need to be placed to meet the NEVI program requirements along electric AFCs.





# ALTERNATIVE FUEL CORRIDORS (AFCS)

The FHWA has created the Alternative Fuel Corridors program. The goal of the program is to create a national network of charging and fueling infrastructure along the National Highway System (NHS). The AFCs used for this plan include those approved by FHWA from Rounds 1 through 6. Additionally, AFC corridor segments are designated as "Ready" or "Pending." Ready means the corridor meets the AFC requirements for EV station spacing distance and proximity to AFCs. In West Virginia, I-81 is designated as Ready. All other Electric AFCs are designated as Pending. When Phase 1 of the West Virignia NEVI program is complete, all of the AFCs will be designated as Ready.

Corridor	Miles	Start	End	AFC Ready or
1-64	15 Miles	Kentucky State Line	Huntington	Pending? Pending
1-64	44 Miles	Huntington	Charleston	Pending
1-64	61 Miles	Charleston	Beckley	Pending
1-77	31 Miles	Beckley	Princeton	Pending
-77	9 Miles	Princeton	Virginia State Line	Pending
1-64	49 Miles	Beckley	Lewisburg	Pending
1-64	15 Miles	Lewisburg	Virginia State Line	Pending
-77	36 Miles	Charleston	Ripley	Pending
-77	38 Miles	Ripley	Parkersburg	Pending
-77	11 Miles	Parkersburg	Ohio State Line	Pending
1-79	66 Miles	Charleston	Flatwoods	Pending
I-79	32 Miles	Flatwoods	Weston	Pending
I-79	50 Miles	Weston	Morgantown	Pending
I-79	11 Miles	Morgantown	Pennsylvania State Line	Pending
1-68	24 Miles	Morgantown	Maryland State Line	Pending
I-70	5 Miles	Ohio State Line	Wheeling	Pending
I-70	9 Miles	Wheeling	Pennsylvania State Line	Pending
-81	13 Miles	Virginia State Line	Martinsburg	Ready
I-81	13 Miles	Martinsburg	Maryland State Line	Ready

#### **Tables 4. Electric AFC Ready and Pending**

# STATE GEOGRAPHY, TERRAIN, CLIMATE AND LAND USE PATTERNS

West Virginia is bordered by Virginia, Kentucky, Ohio, Maryland, and Pennsylvania. The entire State is part of the Appalachian Mountains, with forest covering more than three fourths of the land and an average elevation of 1,500 feet above sea level. Within the system, the State's terrain is subdivided into the Appalachian Plateau Province and the Ridge and Valley Province. The Appalachian Plateau Province covers the western two thirds of the State and drains into the Ohio River Basin. The eastern edge and panhandle of the State falls within the Ridge and Valley Province and the Potomac River Basin.

West Virginia has a humid continental climate except for along the eastern panhandle, which has a marine modification. Mean temperatures range from 56 °F in the south, 52 °F in the north, and 48 °F in the mountainous regions. January is the coldest month and July is the warmest. Average annual precipitation ranges from 60 inches in the mountains to 35 inches in the rain shadow east of the mountains. Snowfall makes up 8% of total precipitation. Flooding and heavy snow are the most common natural disasters in the State.

West Virginia is a rural state. 51% of the population lives in rural areas, with 49% living in urban areas. Most of the counties in West Virginia are designated as rural. With a more dispersed population and longer destinations between many destinations, supporting EV charging in all parts of the State will be important. It will support not only inter-state and regional travel, but local travel, too.

# STATE TRAVEL PATTERNS, PUBLIC TRANSPORTATION NEEDS, FREIGHT AND OTHER SUPPLY CHAIN NEEDS

WVDOT is aligned with NEVI program goals and is focusing on creating a reliable statewide network of EV chargers. Below is a summary of State travel patterns, freight needs, and supply chain considerations as they relate to EV charging network implementation in the State.

#### **STATE TRAVEL PATTERNS**

As of 2019, West Virginia has approximately 39,000 miles of public roads and 19 billion vehicle miles traveled (VMT). Of these totals, there are 555 miles of Interstate System carrying approximately 6 billion VMT per year. West Virginia has a VMT per capita of 10,600, which surpasses the national average of 9,800. This is likely a function of the rural nature of the State and the longer travel distances needed for both local and regional travel.

West Virginia's roadway network is the backbone for moving the State's freight, and there are 302 miles of the National Highway Freight Network (NHFN) in the State. Within the NHFN, there are 285 miles of Primary Highway Freight System (PHFS) routes. This includes 119 miles of I-64 and 39 miles of I-77 in the western part of the State, 14 miles of I-70 in the north, and 26 miles of I-81 in the northeast corner. Additionally, there are 17 miles of intermodal connectors that join to the PHFS surrounding Huntington.

Coal is the most transported good moved to, from, and within West Virginia. Most of the freight shipped from West Virginia goes to Virginia, North Carolina, Maryland, Pennsylvania, and Ohio. The majority of inbound products come from Ohio and Kentucky. West Virginia has a special transportation network called the Coal Resource Transportation System that allows coal haulers to purchase permits thats increases the maximum gross vehicle weight (GVW) to 120,000 pounds. By 2045, West Virginia expects over 30,000 tons of annual freight flow along all major interstates within the State, as shown below.



Figure 5. Annual Freight Analysis Framework (FAF) Truck Tonnage (2045)

There are seven public transportation agencies that receive direct funding from the Division of Multimodal Transportation Facilities' Public Transit Division. The largest public transportation agency in West Virginia is the Kanawha Valley Regional Transportation Authority (KRT), in Charleston. KRT operate buses and vans throughout the Charleston metro area along U.S. and State highways. Another large agency, the Mountain Transit Authority (MTA), services Greenbrier, Nicholas, Pocahontas, and Webster counties with seven regular bus routes and 250,000 miles covered per year. The Potomac Valley Transit Authority (PVTA) operates bus routes in Grant, Hampshire, Hardy, Mineral, and Pendleton counties.

WVDOT anticipates that supply chain issues and shortages of personnel and equipment will increase the difficulty of current roadway work as well as the implementation of future projects. Currently, there have been delays in obtaining generators, guardrails, and steel needed for projects. Additionally, WVDOT has noticed the effects of inflation with an increase of 20% for the transportation construction industry. As such, the agency will work with vendor and private-sector partners to encourage speedy installation and to mitigate as much of the construction cost risk as possible.

#### SUPPLY CHAIN NEEDS

During the COVID-19 pandemic, labor force participation became a challenge and has had difficulties recovering to pre-pandemic levels. This, in conjunction with ongoing supply chain issues and overall material shortages, will present challenges in implementation moving forward. WVDOT recognizes the potential barriers that may influence the ultimate deployment in terms of speed and timeline. The agency will work with vendors and third-party partners to encourage speedy installation and to minimize construction delays.

### **KNOWN RISKS AND CHALLENGES**

Deployment of a program of this scope and scale has inherent risks and challenges. WVDOT is focused on four key risk and challenge factors.

- Site Conditions Site conditions will vary across the State of West Virginia. For example, in more remote areas of the State, there may be a need for utility upgrades and enhanced wireless cellular coverage for data transmission.
- **Supply Chain** Significant numbers of Electric Vehicle Supply Equipment (EVSE) along with electrical transformers and other components will be needed to deploy this plan. Based on the statewide and nationwide deployment, significant delays in acquiring needed equipment may occur.
- **Skilled Labor** Labor shortages for supportive industries like electricians and installers could contribute to further delays of equipment installation.
- Safety Risks and Considerations There are certain safety-related risks during the installation of equipment or directly by users and the general public. Ensuring safe deployment is a priority and is a known challenge.

# **EV Charging** Infrastructure Deployment

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Over the five-year NEVI program, it is estimated that the number of public EV ports will increase in West Virginia by 3,145%. To achieve this projected outcome and meet the goals and requirements of the NEVI program, WVDOT will work with the public and third-party partners. The goal is to create a convenient and reliable public EV charging network that is accessible for visitors and residents in West Virginia. Deployment of the NEVI funds for implementation will occur in two phases. Phase 1 will build out the EV charging stations along the electric AFCs as required by the NEVI plan. It is estimated that this phase will require 12 stations, each with four ports. Based on initial cost estimates, it is projected to require funding from FY2022 and FY2023 of the NEVI program to build out the NEVI AFC station requirement.

Phase 2, as previously described in this Plan, will focus on community-based charging. Site selection will be based on NEVI requirements and selection criteria based on statewide priorities and public input.

Phase 1 and 2 implementation will use a competitive solicitation process managed by WVDOT. Phase 1 will include one funding grant application cycle for FY2022 and FY2023. Third-party vendors will be selected for Phase 1. Once AFCs have met the NEVI requirements and are designated as "Ready," the West Virginia NEVI program will move to annual solicitation cycles for the remaining three fiscal years of the program. Figure 5 shows the electric AFCs with proposed station locations to meet the 50-miles or less requirement.



#### Figure 6. Electric AFCs with the Proposed Station Locations

# STATION STANDARDS

## For stations funded as part of Phase 1, the typical standards will be:

- 150-350kW Max Power
- Access to 3 phase 480-volt power (typically 1000 amps, 660 kva)
- Site must include a minimum of four 150kw DCFC ports with Combined Charging System (CCS) ports (three parking spaces for general use and one parking space with ADA-compliant access)

# Additional standards for all stations will include:

- 45-minute charging time limit
- Idle fee after charging is complete/time limit is exceeded
- Safety lighting, restrooms, ADA accessibility
- Standard bollards and charger protection
- Open to the public and accessible 24/7 to both chargers and amenities
- Plug to Charge preferred (payment handles by vehicle when plugging in) but payments by phone/app/card will also be required
- Adequate signage to charger stations
- Spaces marked EV only
- Signs recommending charging to 80%
- Vendor required to make usage data per location available to WVDOT as needed
- Signage directing users to charging locations from the AFCs
- Real-time data sharing, including location, charger status, and fees available online. See Strategies for EVSE Data Collection & Sharing Section for additional data sharing requirements.

### For stations funded as part of Phase 2, the typical standards will be:

- J1772 Connector (industry standard)
- 6.6kW-19.2kW Max Power for Level II chargers
- 50kW-350kW Max Power for Level III chargers
- Same requirements for number of chargers, signage, markings, payment options, and data sharing as Phase 1

# FUNDING SOURCES

The NEVI formula program will fund an estimated \$45,683,164 for West Virginia over five years under the IIJA. For FY2022, a portion of the NEVI formula program state apportions are to be applied to administrative takedown and set-aside funds. After these appropriations, West Virginia's NEVI federal funding for FY2022 is estimated to be \$6,761,785. It is assumed in FY2023-2026, the set-aside funds will be approximately 10% of West Virginia's total NEVI formula program funds.

Each project that receives NEVI formula funding is eligible to receive 80% federal share of the cost of the project. The remaining 20% is to be funded by a non-federal source. For the West Virginia NEVI program, the 20% match will be the responsibility of the third party vendors. The operation and maintenance of projects are eligible costs for federal funds. These costs will be covered for the first five years of station operations and will be funded as part of the 80% federal share of a project's costs.

	Total Site	Total O&M	<b>Total Site Costs</b>	Federal Share	Grant Applicant	
	Costs	(Five Years)	and O&M	(80%)	Share (20%)	
Phase 1	\$16,800,000	\$1,200,000	\$18,000,000	\$14,400,000	\$3,600,000	
Phase 2	\$31,080,000	\$2,280,000	\$33,360,000	\$26,688,000	\$6,672,000	
Total	\$47,880,000	\$3,480,000	\$51,360,000	\$41,088,000	\$10,272,000	

#### Table 5. NEVI Formula Program Funding Plan

# PHASE 1 INFRASTRUCTURE DEPLOYMENT

The approximate location of proposed Phase 1 new charging station installations are listed in Table 6 and shown previously in Figure 6.

EV Charging Station Location Unique ID*	City Charging Station Location	AFC Signage	Route Name	County	Located in Disadvantaged Community (DAC)
1	Beckley	Ready	I-64	Raleigh	Yes
2	Charleston	Ready	I-64	Kanawha	Yes
3	Huntington	Ready	1-64	Cabell	Yes
4	Morgantown	Ready	I-79	Monongalia	No
5	Parkersburg	Ready	I-77	Wood	No
6	Ripley	Ready	I-77	Jackson	No
7	Princeton	Ready	I-77	Mercer	No
8	Lewisburg	Ready	I-64	Greenbrier	Yes
9	Flatwoods	Ready	I-79	Braxton	Yes
10	Weston	Ready	I-79	Lewis	No
11	Wheeling	Ready	I-70	Ohio	No
12	Martinsburg	Ready	I-81	Berkeley	Yes

#### Table 6. Proposed EV Charging Stations

\*Sites 1 through 4 are priority sites identified as part of the Volkswagen Environmental Mitigation Trust Settlement Beneficiary Mitigation Plan. For more information about the mitigation plan, see the Trust Settlement site. <u>go.wv.gov/volkswagen</u>

## Figure 7. AFC Buildout



# UPGRADES OF CORRIDOR PENDING DESIGNATIONS TO CORRIDOR READY DESIGNATIONS

WVDOT will continue to manage electric AFC designation and status with FHWA and incorporate any needed station additions to meet NEVI requirements over the five-year program. AFC designation and whether NEVI requirements are met will be evaluated annually. If additional stations are needed, they will be incorporated into the grant cycle for that fiscal year.

# Increases of Capacity/Redundancy along Existing AFC

The charging time for EVs depends primarily on their battery capacities, which is expressed in terms of kilowatthours (kWh), and a charger's power, which is given in kW. An EV with a higher battery capacity is comparable to a conventional car with a larger gas tank; a higher battery capacity allows an EV to store more charge, so it can travel more miles before needing a recharge. When selling EVs, manufacturers will provide battery capacities based on laboratory tests in controlled conditions.

Different EV chargers provide different amounts of electricity to EVs. Theoretically, the charging time of an EV can be calculated by dividing its battery capacity by the charging power of the charger being used, but factors like an EV's external temperatures and battery life can cause EV charging times to diverge from manufacturers' estimates. EV's in extremely cold temperatures and EV's with nearly full batteries will start to charge slower. Conversely, if EV's are in hot temperatures or have nearly depleted batteries, they will start to charge faster. Depending on an EV's initial battery level when it begins charging, the charging time will vary based on an EV's "charging curve"; EV's do not charge at the same rate at every battery level.

Manufacturers typically recommend drivers to charge their EVs to 80% instead of 100%, since charging occurs the quickest between battery levels of 10% and 80%. Additionally, drivers do not actually have access to EVs' full battery capacities because EVs' management systems prevent batteries from reaching 0% or 100% to preserve long-term battery life. While battery life will naturally deteriorate over time, most EV batteries are estimated to last well over a decade. The Environmental Protection Agency (EPA) offers several resources to give drivers a more accurate idea of their mileage, which in turn can provide a better estimate of charging time. Drivers can use the EPA's Trip Calculator to estimate how much electricity their specific EV would need to make a trip based on the trip's percentage of city driving. The EPA also has a database of EVs' observed mileage based on user-submitted data.

Chargers that will be installed as Phase 1 of this plan will be DCFC and have a minimum of 150kW output. DC Fast chargers provide DC power directly to the battery, increasing the charging speed when compared to a Level II (AC power) charger. In general for DC Fast Charging, to determine the charge time, the EV battery capacity (kWh) is divided by the charger output (kW). For example, a Tesla Model Y vehicle has a battery capacity of 75kWh, so it would take approximately 33 minutes to reach max charge using a 150kW charger. Another example, a Ford Mach-E with a standard range 68kWh battery capacity would take approximately 31 minutes to reach max charge using the same 150kW charger.

reach on a full charge varies based on the car specifications. In this example, the Tesla Model Y would have a range of approximately 330 miles and the Ford Mach-E would have a range of approximately 230 miles. Many manufacturers recommend charging EV batteries to 80% rather than 100%, so these mileage ranges might be lower in practice.

This Plan aims to build out the Alternative Fuel Corridors in West Virginia with EV charging infrastructure approximately every 50 miles, so even vehicles with an approximate 150-mile range could reach the next charging station on less than a full charge.

# **Electric Vehicle Freight Considerations**

After the NEVI Program requirements are met in Phase 1 of this Plan, EV chargers for freight are eligible to apply for funding as part of the competitive grant process of Phase 2 of this Plan. More information will be given pending the FHWA's release of additional NEVI Formula Program requirements for EV freight chargers.

# **Public Transportation Considerations**

Purchasing electric buses generally involves purchasing the necessary charging equipment as well. Electric buses have high power requirements and typically require separate charging infrastructure from personal EVs. The majority of charging for public transit and school bus fleets will take place at fleet facilities that are not open to the public for general use.

There may be opportunities and a need to support off-site charging for public transportation vehicles. Additionally, public transit agency fleet facilities may be ideal sites for shared commercial or public charging, such as at a park-and-ride lot, so long as chargers at these locations are publicly accessible. WVDOT will coordinate with public transit agencies and school districts during the NEVI program engagement. If their projects meet the community goals and program requirements, they can be eligible and encouraged to participate in applying for NEVI funding.

# FY22-26 INFRASTRUCTURE DEPLOYMENTS

The estimated number of chargers that could be implemented each year for Phase 1 and 2 of the West Virginia NEVI Plan are shown in Table 7.

	DES	CRIPTION	# of Sites	TYPE	SIZE	PORTS PER SITE	TOTAL PER SITE ESTIMATE	Total Cost Estimate
SE 1	FY2022	AFC DCFC	5	DCFC	150 kW	4	\$1,500,000	\$7,500,000
PHASE		AFC DCFC	7	DCFC	150 kW	4	\$1,500,000	\$10,500,000
	FY2023	DCFC	1	DCFC	50 kW	4	\$250,000	\$250,000
		Level II	8	LEVEL II	6.6-19.2 kW	4	\$35,000	\$280,000
		AFC DCFC	0	DCFC	150 kW	4	\$1,500,000	\$0
	FY2024	DCFC	43	DCFC	50 kW	4	\$250,000	\$10,750,000
2		Level II	6	LEVEL II	6.6-19.2 kW	4	\$35,000	\$210,000
PHASE		AFC DCFC	0	DCFC	150 kW	4	\$1,500,000	\$0
Ы	FY2025	DCFC	38	DCFC	50 kW	4	\$250,000	\$9,500,000
		Level II	41	LEVEL II	6.6-19.2 kW	4	\$35,000	\$1,435,000
	FY2026	AFC DCFC	0	DCFC	150 kW	4	\$1,500,000	\$0
		DCFC	38	DCFC	50 kW	4	\$250,000	\$9,500,000
		Level II	41	LEVEL II	6.6-19.2 kW	4	\$35,000	\$1,435,000

### Table 7. Infrastructure Deployment Plan By Fiscal Year

# STATE, REGIONAL, AND LOCAL POLICY

The Appalachian Power Company, one of West Virginia's four investor-owned electricity companies, has created incentives for individuals to invest in EV chargers. The Appalachian Power Company offers a rebate for customers who have purchased or installed EV charging equipment in their homes as part of the Charge Forward Program. On a greater scale, the Appalachian Power Company has joined the National Electric Highway Coalition (NEHC), a collaboration and commitment by investor-owned electric companies across the U.S. to create a network of DCFC stations connecting major highway systems by the end of 2023. Each participating company is responsible for devising efficient, fast-charging deployment plans that do not interfere with existing DCFC stations or other coalition companies.

Beyond the Appalachian Power Company's EV initiatives, additional policies at the local, regional, and state levels can support the EV infrastructure deployment outlined in this Plan. This section outlines short-term, long-term, and on-going policies that can support tge deployment of EV infrastructure as well as policies that support other important considerations based on NEVI program guidance (e.g. equity, workforce development, etc.).

# Short-term

- Identify leads for program action items and include specific individuals and/or roles within an organization to implement actions.
- Create an educational and technical assistance program for EV charging that is accessible to stakeholders and West Virginia residents. Fact sheets and any additional educational content should be presented in multiple languages and available in different levels of technical detail for various audience members.
- Coordinate with WVDOT and local public works departments to develop universal signage and signage installation standards for EV infrastructure.
- Identify strategic locations for EV deployment, including State-owned properties and federally-owned lands. Work with the appropriate agencies to make deployment in these areas possible.
- Include EV considerations as a part of Metropolitan Planning Organization (MPO) long-range transportation plans. This step can help with regional EV network coordination.

# Ongoing

- Work to streamline EV permitting at local jurisdictions. This can include the creation of permitting standards and guidelines, target timeframes for approval, and checklists. The development of website resources and electronic applications to speed up the permitting process is recommended.
- Work to ensure that once permitted, the installation of EVSE or chargers is speedy and efficient. This includes processes at the state and local level, as well as private processes (e.g., utilities) and ensuring that site planning, permitting, and utility coordination are streamlined and expedited.
- Organize a working group of stakeholders that assess the accessibility of EV charging and related barriers. Ensure this research focuses on the needs of low-income, rural, and disadvantaged communities.
- Ensure that zoning ordinances and building codes are updated to become more specific and enforceable to support EV charging station deployment. These changes should include site-specific requirements, such as parking ordinances.



An important part of the public charging network in West Virginia is that it is reliable and easily accessible. This section covers topics that will be addressed over the fiveyear program to ensure EV stations funded by the NEVI program support this goal.

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# STRATEGIES FOR EVSE OPERATIONS & MAINTENANCE

Entities awarded contracts under the WVDOT NEVI program will be required to provide a cost and implementation plan for five years of operations and maintenance (0&M). Operations and maintenance costs should include comprehensive warranties for the EV chargers and associated electrical equipment. Operations and maintenance costs for five years at each station is estimated at 7% of the installation cost.

	# of Stations	Total O&M
Phase 1	12	\$2,800,000
Phase 2	216	\$6,955,000
Total	228	\$9,755,000

# Table 8. Estimated Operations and Maintenance Costs forProposed EV Stations

Monitoring of sites and individual ports will be required under this program. The station owners will be expected to report to the State regarding uptime availability of the individual ports, usage, and explain any downtime greater than 3%.

WVDOT will develop a program policy and funding provisions that will make maintenance and operations funding contingent on meeting uptime requirements. For example, operations and maintenance funds may be distributed as a reimbursement at the end of each fiscal year after station owners have submitted operations and maintenance reports documenting they met operation and performance requirements.

### STRATEGIES FOR IDENTIFYING EV CHARGER SERVICE PROVIDERS AND STATION OWNERS

WVDOT will use existing solicitation methods to advertise, select, and award contracts for NEVI program applicants. Additionally, WVDOT will develop a list of other potential applicants that could be eligible to apply for the grant and work to ensure they receive grant notices. Examples include utility companies, city or county governments, and school districts.

WVDOT will also host industry forums. The purpose of the forums will be to answer grant application questions about the NEVI program, provide updates on program schedules, and answer other program-specific questions. The goal is to support a robust, diversified, and skilled marketplace for public EV charging implementation and operations in West Virginia.

# STRATEGIES FOR EVSE DATA COLLECTION & SHARING

To ensure accountability and the implemention of a data-driven program, WVDOT will require regular reporting of charger utilization and reliability. Requirements will be compliant with NEVI program requirements. This reporting may include the following data points, collected quarterly or annually as required by FHWA and submitted to WVDOT. This data will be shared with the United States Department of Transportation (USDOT) and the United States Department of Energy (USDOE) as required by further NEVI Program guidance.

#### • Summary report per EV charging station:

- Location: Site name, EVSE ID number, address, city, zip, county,
- Operational uptime,
- Number of charge events,
- Number of unique vehicles,
- Average charge time per event (mins),
- Average kW per charge event,
- Total kW consumed,
- Gallons of gasoline and/or diesel fuel displaced,
- Estimated cumulative miles driven from charge,
- Estimated cumulative gallons of gasoline and/or diesel fuel displaced,
- Total monthly cost of electricity for charging station operator, and
- Monthly maintenance and repair cost.

#### • Details per charging event:

- Location: Site name, EVSE ID number, address, city, zip, county,
- Charge event date time,
- Time charging,
- Length of time connected,
- kW provided,
- Vehicle make, and model year (on events where available).

#### Additional data to be reported

• EV charging station owners are required to share real-time data sharing on charger location, charger status, and fees publicly on online directories, including on the Alternative Fuel Data Center's Station Locator.



# STRATEGIES TO ADDRESS RESILIENCE, EMERGENCY EVACUATION, SNOW REMOVAL/SEASONAL NEEDS

According to the National Oceanic and Atmospheric Administration (NOAA), West Virginia is afflicted with a variety of extreme weather events, such as floods, droughts, extreme temperatures, residual hurricane effects, tornadoes, ice storms, and snowstorms. While tornadoes occur on average two to five times a year, they are usually weak. The State experiences extreme precipitation due to its rugged topography, causing flooding, which is the State's costliest and most severe weather event. Precipitation is also projected to increase over this century with the largest increases occurring in the winter and the spring. Due to the frequency and severity of flooding, the West Virginia Emergency Management Division (WVEMD) has educated people about emergency preparedness, including measures that can be taken to protect properties. Some strategies to mitigate flood damage can be extended to EV chargers. For example, EV chargers should be installed above base flood heights when possible.

During emergency events, people rely on the performance, reliability, and accessibility of EV chargers. This Plan prioritizes implementing stations along major transportation routes, and future planning should ensure that EV charging stations located along major routes are prepared to serve intense periods of increased demand and withstand extreme weather conditions.

EVs, EV chargers, and EV cables are designed to be weatherproof, especially regarding water. EV charging ports are designed to flush water and drain when they are charged, and EV chargers and cables are designed to protect users from electric shock. Additional steps during charger installation can maximize their resistance to severe weather, such as watertight covers on any outlets and plugs.

WVDOT will continuously explore opportunities to incorporate emergency preparedness into NEVI program planning and implementation. Examples include the incorporation of EV stations along major routes as a scoring criteria or promotion of battery storage (an eligible expense with NEVI funds) as part of station development. Reliability is a goal for the NEVI program in West Virginia. Reliability includes the use of EV charging stations during emergency events.

# STRATEGIES TO PROMOTE STRONG LABOR, SAFETY, TRAINING, AND INSTALLATION STANDARDS

The West Virginia Department of Economic Development (WVDED) will lead workforce training initiatives related to the NEVI program. Additionally, WVDOT will work with other partners across the State to create a skilled workforce, as well as new opportunities for business and employment.

Requirements for training certifications through the West Virginia NEVI program solicitation process can help ensure installation standards across EV charging infrastructure projects. The Electric Vehicle Infrastructure Training Program (EVITP) is one example of a training program that provides skill upgrades to help electricians meet the new demand for EV charging station installations. Partnerships with trade schools and community colleges, as well as State and local workforce development programs, particularly in disadvantaged communities, could provide training programs like this to West Virginia workers at a low or no-cost.

Lastly, one of the goals of this Plan is to create opportunities for small businesses to participate in the construction of West Virginia's EV charging network. As part of the solicitation process for the NEVI program, small and disadvantaged business requirements will be included to ensure opportunities for participation with implementation.
# **O** Civil Rights

There are two areas of focus for civil rights with the NEVI program. One area is the promotion and support of equal access to employment and business opportunities. The second area is enforcing Federal and State laws and regulations that prohibit discrimination on the basis of race, color, national origin, disability, age, and in certain circumstances, genetics, sex, and religion. This chapter summarizes how both of these focus areas will be implemented for the West Virginia NEVI program.

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The WVDOT Civil Rights Compliance Division will be responsible for leading NEVI activities related to civil rights. Specific programs managed by the Division are:

- Americans with Disabilities Act (ADA)
- Contract Compliance
- Disadvantaged Business Enterprise (DBE)
- Internal Equal Employment Opportunity (EEO)
- Labor Compliance
- Title VI

WVDOT Division of Highways and Civil Rights Compliance Division will work closely to share staff resources. The goal is to ensure State and federal requirements for the NEVI program are met by WVDOT, supporting agencies, and any awarded contracts for NEVI projects.

## **Equity Considerations**

The Justice40 Initiative was created to deliver 40% of overall benefits of federal investments in climate and clean energy, including sustainable transportation, to disadvantaged communities (https://www.transportation.gov/equity-Justice40). Signed as Executive Order 14008, Justice40 has a myriad of programs that support this initiative, one of which is the NEVI program. As prioritized both in NEVI guidelines and Justice40, the Plan prioritizes charging infrastructure that serves lower-income and disadvantaged communities. WVDOT commits to at least 40% of NEVI program investments to disadvantaged communities.

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#### IDENTIFICATION AND OUTREACH TO DISADVANTAGED COMMUNITIES (DACs) IN THE STATE

Transportation planning and associated infrastructure investments in West Virginia follow a decisionmaking process driven by performance measures and metrics. WVDOT and the State are committed to EV implementation throughout the State, especially those areas that have disadvantaged communities. This Plan adopts Interim Guidance for Justice40 that was used to identify disadvantaged communities. The interim definition for DACs includes 22 indicators that are grouped into six categories of disadvantaged characteristics: transportation access, health, environment, economic, resilience, and equity. The definition itself is consistent with the Office of Management and Budget and relevant statutory authorities. As of summer 2022, a tool was developed by the USDOT to indicate whether a proposed project is located in a DAC (https://usdot.maps.arcgis. com/apps/dashboards/d6f90dfcc8b44525b04c7ce748a3674a).

In West Virginia, 72% of the population lives in a census tract designated as a Justice40 community. Additionally, 43% of the State's population is within a Justice40 designated community and along an AFC. For Phase 1 and Phase 2 NEVI implementation in West Virginia, priority and focus will be given to ensure job opportunities and infrastructure are in Justice40-designated census tracts.

	Population	% of Statewide Population
Statewide Justice40 communities	1,305,549	72%
Alternative Fuel Corridor Justice40 communities	781,208 (within 2 miles of AFCs)	43%

#### Table 9. West Virginia Disadvantaged Communities (DACs)



Figure 8. West Virginia Justice40 Disadvantaged Communities

#### PROCESS TO IDENTIFY, QUANTIFY, AND MEASURE BENEFITS TO DACs

The WVDOT Civil Rights Compliance Division will develop a tracking and reporting plan for the West Virginia NEVI program. The tracking and reporting will cover the following topics.

- General Deployment and Access. As infrastructure is deployed, WVDOT will refine and update the analysis to identify where there may be network gaps and develop an implementation plan to address gaps that exist within DACs. Data and maps will be developed so the deployment can be actively updated. Information regarding the location, deployment type, charge capacity, and overall coverage (and coverage within DACs) will be tracked.
- **Funding.** A critical piece to understanding the effects of EV deployment and DACs is provided through funding and financing. WVDOT will develop metrics to track investments across the State and whether they are made in DACs.
- Air Quality. In partnership with the WVDEP Division of Air Quality, WVDOT will monitor changes in air quality where data is available in DACs over the five-year NEVI program. The goal is to improve air quality, particularly in DACs, across the State.
- Creation of a webpage and materials specific for EV information and assistance.
  WVDOT will create, maintain, and update a repository of resources for those who are unfamiliar with EVs.
  These materials will be in English as well as other common languages spoken in West Virginia. Online website clicks and resource downloads will be tracked to understand how communities are continuing to engage with the NEVI program.

### Labor and Workforce Considerations

Access to clean energy and technology, as well as creating opportunities for disadvantaged communities to participate and have access to these jobs are all key parts

of the West Virginia NEVI program.

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WVDOT and WVDED will be responsible for workforce training and education. Both agencies have programs, resources, and partnerships with school districts and universities across the State. They will be leveraged to support skills acquisition that can be quickly applied during the five-year NEVI program.

Also, within the WVDOT Civil Rights Compliance Division is the DBE Program. This program will focus on creating opportunities for small and historically disadvantaged business to participate in the NEVI program. For all West Virginia NEVI program solicitations, vendors will be required to submit a DBE performance plan. The DBE performance plan will identify the overall budget dedicated to supporting DBEs. The performance plan will also describe how DBEs will be engaged with vendor projects and the strategies for reporting compliance with the projects' DBE commitment.

For the West Virginia NEVI program, the WVDOT Civil Rights Compliance Division will create an annual report documenting labor and workforce activities. It will also track and report progress towards achieving DBE goals for the NEVI program.



A critical part of creating a reliable public EV charging network is network and data security. Today, data is not just information but a critical piece of infrastructure. The West Virginia NEVI program will establish standards for data sharing and management to ensure the public EV charging network is secure.

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### As part of the West Virginia NEVI program, WVDOT will focus on five policy topics:

- Asset, Catalog, and Push Asset Data. Cataloguing where chargers are located and pushing real-time data about charger availability is essential to ensure ease of travel, access, and reliability. WVDOT will require all vendors to participate in the latest national and industry open-data specifications to ensure the traveling public has accurate and timely data about the public EV charging network in West Virginia.
- Open Data Specifications and Interoperability. Hardware and software should work for customers, regardless of the vendor or system. Open-data standards will create a seamless marketplace for customers. WVDOT will work with FHWA and industry partners to incorporate the latest open-data specifications for the NEVI-funded EV network in West Virginia.
- Data Management. Data management will be important for WVDOT and third-party providers building and operating EV chargers funded by the NEVI program. WVDOT will develop policies for the data it receives and establish standards for data management grant recipients, particularly as it relates to data security and privacy. WVDOT will also consider cybersecurity strategies such as addressing user identity and access management, intrusion and malware detection, event logging and reporting, management of software updates, and secure operation during communication outages.
- Data Capacity. As part of the grant application process, proposals will need to document the EV charging providers have sufficient data capacity to meet operations and reporting requirements for the NEVI program. Additionally, WVDOT will create sufficient storage policies to ensure collected data is managed and maintained for the entire five-year program.
- **Data Privacy.** WVDOT will require vendors to adopt and maintain a data privacy policy. The policy will confirm customer privacy related data is collected, stored, used, and shared. Additionally, WVDOT will require that any data that is reported and shared as part of the NEVI program is anonymized. This requirement will ensure that data can be used to analyze trends and performance while also protecting consumer privacy.

## **13** Program Evaluation

The reporting and monitoring progress will be a regular part of the West Virginia NEVI program. The purpose of the program evaluation will be to document regulatory compliance and create public transparency about the benefits and impacts of the program.

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WVDOT will evaluate the West Virginia NEVI program annually. Performance measures will be developed in partnership with the Joint Office, State agencies, the business community, and community members. During the Fall of 2022, WVDOT will develop key performance indicators (KPIs) for the five-year program. The indicators will be developed based on FHWA program guidance as well as public input. WVDOT will focus on four main topics:

- **Regulatory Compliance.** These KPIs will focus on documenting and reporting the federal and State regulatory and performance requirements for the NEVI program. Examples include the number of NEVI-compliant stations constructed each fiscal year and funding distributed each fiscal year.
- **Community Characteristics and Demographics.** These KPIs will document community characteristics about who is using the NEVI-funded charging network as well as access characteristics, like the population within a certain distance of stations.
- **Economic Impact.** This topic will focus on how NEVI funds are supporting the West Virginia economy. Example KPIs include jobs created, people trained, and number of small business or disadvantaged businesses supported by the NEVI program.
- Equity. In line with the Justice40 initiative at the federal level, this topic will focus on measuring impacts and benefits of the NEVI program in historically DACs. Example KPIs include the number of stations and chargers installed in DACs and the number of people hired that live in DACs. The WVDOT Civil Rights Compliance Division will take the lead developing and tracking these KPIs.

# Discretionary Exceptions

West Virginia is a rural and mountainous state. WVDOT will focus on meeting the NEVI program requirements and ask for exceptions when deviations are needed to meet unique site, geographic, cost, or other technical conditions.

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Over the course of the five-year NEVI program, there may be a need to adjust the federal NEVI program requirements for a particular site. WVDOT will work with the Joint Office to coordinate and receive approval for exceptions.

There are two exception requests for NEVI station locations along the electric AFCs. Both exceptions are for the 50-mile spacing requirement. A description of each exception is provided on the subsequent pages of this chapter.

#### **EV DEPLOYMENT PLAN EXCEPTION REQUESTS**

#### SUMMARY OF REQUESTS

Exception 1	Туре	Distance of Deviation	Included in Round 6 AFC Nomination	Reason for Exception Request
Charleston to Flatwoods	50 miles apart	66.3 miles	Yes	Geography

#### JUSTIFICATION FOR EXCEPTION(S)

An exception to the 50-mile EV charging station spacing NEVI criteria is requested for stations proposed at Charleston and Flatwoods. Due to the existing geography and spacing of communities along the AFC corridor approximately 50 miles from Charleston, WV, Flatwoods is the closest community to Charleston that has the necessary services and amenities for an EV charging station. Flatwoods has various retail locations already developed within one mile of the AFC corridor, as well as regional draw due to its recreation areas and airport, and it is the preferred location for a NEVI-compliant charging station.



#### Figure 9. Exception 1

#### **EV DEPLOYMENT PLAN EXCEPTION REQUESTS**

#### SUMMARY OF REQUESTS

Exception 2	Туре	Distance of Deviation	Included in Round 6 AFC Nomination	Reason for Exception Request
Charleston to Beckley	50 miles apart	60.9 miles	Included in Round 5	Geography

#### JUSTIFICATION FOR EXCEPTION(S)

An exception to the 50-mile EV charging station spacing NEVI criteria is requested for stations proposed at Charleston and Beckley. Beckley is a large community in West Virginia located just over 50 miles from Charleston, but it is the preferred location for a NEVI EV charging station. Beckley has well developed retail, medical, and art destinations within one mile of the AFC corridor, as well as a regional draw due to the nearby airport, Tamarack, and New River Gorge National Park. Beckley is the closest community to Charleston that has the necessary services and amenities for a NEVI-compliant charging station.



#### Figure 10. Exception 2

## **Glossary of Terms**



- AADT Annual Average Daily Traffic
- ADA American Disabilities Act
- AFC –Alternative Fuel Corridors
- **BEV-** Battery Electric Vehicles
- BIL Bipartisan Infrastructure Law
- DACs Disadvantaged Communities
- DBE Disadvantaged Business Enterprise
- DCFC Direct Current Fast Charging/Level III
- EEO Equal Employment Opportunity
- EIA U.S. Energy Information Administration
- EPA Environmental Protection Agency
- **EV- Electric Vehicle**
- EVITP Electric Vehicle Infrastructure Training Program
- EVSE Electric Vehicle Supply Equipment
- FAF Freight Analysis Framework
- FHWA Federal Highway Administration
- IIJA Infrastructure Investment and Jobs Act
- Joint Office Joint Office of Energy and Transportation
- KPI Key Performance Indicators
- KRT Kanawha Valley Regional Transportation Authority
- kWh Kilowatt-hours
- MPO Metropolitan Planning Organization

NEHC – National Electric Highway Coalition NEVI Formula Program – National Electric Vehicle Infrastructure Formula Program NHFN – National Highway Freight Network NHS – National Highway System 0&M – Operations and Maintenance PHEV – Plug-in Hybrid Electric Vehicles PHFS – Primary Highway Freight System PSC – Public Service Commission of West Virginia RTO – Regional Transmission Organization SBE – Small Businesses Enterprise USDOE – United States Department of Energy USDOT - United States Department of Transportation VMT - Vehicle Miles Traveled WVDED – West Virginia Department of Economic Development WVDEP - West Virginia Department of **Environmental Protection** WVDOT - West Virginia Department of Transportation WVEAA – West Virginia Electric Auto Association WVEMD – West Virginia Emergency Management Division

WVOE - West Virginia Office of Energy



Delegate Boggs: "Any idea of how much that that...these...and I know that there's...it's inevitable that some of these are going to happen but is there any idea of how much that actually increases the cost of some of these projects?"

Secretary Wriston: "I would be ... it would be a disservice for me to give you a number off the top of my head but I can certainly get that number."

Delegate Boggs: "Okay, I would-"

Secretary Wriston: "I could tell you how many projects that I have out there now, and what the scheduled delays are, and what that translates into dollars."

Delegate Boggs: "I would appreciate it. Mr. Chairman, if that's something that we could get and could be distributed, I would appreciate it...and Jimmy I just want to tell you how much I appreciate...because I like the fact that you're...and I always have...that you know, you're always trying to work outside the box to try to find solutions to things that generally drag down."

DISTRICT	SPN	PROJECT NAME	UTILITY	COST	NOTES
	JEN	PROJECT MAINE	UTILIT	COST	NOTES
1	S340-34-9.87	WV 34: Hurricane Traffic Signal	AEP & Frontier	\$150,000.00	Some recent progress to try to start work, but utilities still impacting the project
1	X303-119-15.15 02	Rock Creek I/C	AEP & Frontier	\$100,000.00	
1	U340-64-41.37 00	Nito St Albans Br.	NS/WATCO	??	Bridge Piers. Also waiting on RR Agreement from Watco.
1	U340-64-41.37 00	Nito St Albans Br.	Solutia	65,000?	Aerial to underground within CA R/W
1	U306-64-31.6500	Culloden I/C	All	\$150,000.00	
2	E323-3/19-0.1100	Sawmill Slide	AEP	????	Contractor is waiting on steel
2	S306-31-0.045	Roach Churck +2	RR	???	Awaiting RR agreement going on 2 yrs
2		Union Ridge Piling Wall	AEP	????	AEP waiting on agreement in order to move lines
3	U354-2-23.11 07	Parkersburg-St. Marys		<u> ???</u>	Delay anticipated within the next month
3	S354-95/1.01 00	Mowish Drainage	Frontier	???	Delay began 8/15/22
4		Rivesville PO Paving	Sewer	???	Sewer line project holding up the project
4	U331-119-16.00 03	Mileground	Comcast, Segra, Frontier, FAA line, Mub	\$650,000.00	Contractor only given conditional NTP pending utility work. ROW delay prevented utilities from starting relocations
4	S317-20-30.57	Dola Br	CSX	???	Contractor resumed worked but is in the process of a redesign of the abutment that adjoins CSX structure final details pending
6	X305-2-23.00	Wellsburg Br.	Mon Power	?	DBT responsibility, DBT submitted plan for signal P/S late and is going through Mon Power review. May not have impact.

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5	U333-522-11.92 00	US 522	FE, Frontier, Comcast, Shentel	\$9,000,000.00	Delay not only due to utilities. \$9M submission from contract to be mitigated/negotiated by D5 Construction
5	U302-10-1.38 00	Rock Cliff Drive	FE, Frontier, Comcast, Shentel, Segra	\$1,000,000.00	Contractor has no equip on site. Relocation is not expected to be completed prior to completion date of 10/2022. Request for additional costs is expected.
5	\$314-50-31.02 00	Capon Br	Frontier, Sewer	minimal	contractor is working
5	\$302-51-9.34 00	Middle Way	First Energy, Segra	minimal	contractor is working
7	S304-4-17.86 00	Upper Gassaway Br	Dominion	\$750,000.00	Gas pipeline work is completed and is in service. New station installed and is in service. Restoration complete on both. Old station removal is taking place. Other utilities should now be relocated.
7	U349-32-12.84	Alton Deck Girder**	Mon Pwr, Frontier	\$50,000.00	Best case clear by Oct. 1st
7	S321-10/8-2.42 00	Freemansburg Arch Bridge**	Frontier	???	Frontier to be relocated by 9/2/22. Other utilities to remain in place.
7	S321-N16/70-0.02 00	4th Street Arch Bridge**	Mon Pwr, Dominion, Sewer	???	Mon Power was to have line relocated by June 24th. Dominion was to have line relocated by July 08th. To my knowledge, neither has taken place. Sewer to be
10	\$324-1-1.86	Mohawk Arch	Frontier		??-NTP has been held for 10 months

		ROW D	ELAYS		
DISTRICT	SPN	PROJECT NAME	ROW	COST	NOTES
3	U354-2-23.11 07	Parkersburg-St. Marys		???	Delay probable within next month
4	U331-55-1.10	University Ave-Collins Ferry I/S	Parcel 1	???	Parcel in Condemnation 1/10/2019 No
			Parcel 7-1,7- 2,11-1 (CSX),11- 2(CSX), 14-		Parcels 7-1 & 7-2 in condemnation. Parcels 11-1 & 11-2 with CSX being handled by Central R/W. Parcel 14-T1 Tenant not available property is vacated and clear.
4	U325-79-131.72	S. Fairmont-Pleasant Valley	T1,17	???	Parcel 17 in condemnation.
6	S335-40-6.65 00	Monument Place Br	Pharmacy	???	TCE condemnation overrrulled, delayed the
6	U326-2-4.50	Kent-Franklin RD	CSX	\$0.00	4 PDEs need aquired from CSX, Sarah
6	U352-2-11.66 00	WV 2 Proctor-Kent D/B	All parcels		DBT responsibility, RW plans cannot be
4	U331-119-16.00 03	Mileground	Comcast, Segra, Frontier, FAA line, Mub FE, Frontier,	\$650,000.00	Contractor only given conditional NTP pending utility work. ROW delay prevented utilities from starting relocations Delay not only due to utilities. \$9M
5	U333-522-11.92 00	US 522	Comcast, Shentel	\$9,000,000.00	submission from contract to be
8	X342-H-40.21 05	WV 72 I/C - Parsons	3 parcels not acquired	\$9,000,000.00	mitigated/negotiated by D5 Construction NTP has not be given at this time
7	S321-10/8-2.42 00	Freemansburg**		???	Parcel 1 vacant, in condemnation. Parcel 4 vacant, in condemantion. Per proposal, both should be available 10/15/22. John Fitzsimmons indicated entry hearing held 8/22. Charleston office to provide DOH with checks for the court this week, to allow our entry.

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7	S321-N16/70-0.02 00	4th Street Arch Bridge**	???	Parcel 6 vacant, in condemnation and shoul be available August 30, 2022. Per John Fitzsimmons, entry hearing is next week.



### **NEST LIBERTY UNIVERSITY**

Office of the President 208 University Drive Campus Union Box #142 West Liberty, WV 26074

W. Franklin Evans, Ph.D. Office: (304) 336-8000 Fax: (304) 336-8403 president@westliberty.edu

August 22, 2022

West Virginia Legislature Joint Committee on Government and Finance 1900 Kanawha Boulevard, East Building 1, Room E-132 Charleston, WV 25305

Dear Members of the West Virginia Legislature:

In September 2018, West Liberty University purchased 5.3 acres of land situated on the westerly side of Route 88 for the purpose of future development. At this time, it is the intent of West Liberty University to sell approximately 1.5 acres (part of parcels 53, 54, 58 and/or 60) of the property.

The West Liberty University Board of Governors, at its August 17, 2022 meeting, approved the possible sale of the property in accordance with *WV State Code §18B-19-10*. *Authorization to sell and transfer property; use of proceeds*. A copy of the resolution from said meeting is attached.

Sincerely, the vano

W. Franklin Evans, Ph.D. President

Enclosure

WFE/mae



### **WEST LIBERTY UNIVERSITY**

Office of the President 208 University Drive Campus Union Box #142 West Liberty, WV 26074 W. Franklin Evans, Ph.D. Office: (304) 336-8000 Fax: (304) 336-8403 president@westliberty.edu

August 18, 2022

The West Liberty University Board of Governors, at its August 17, 2022 meeting, was asked to approve the authorization of the President of the University to initiate all actions and execute all documents and instruments to carry into effect and finalize the possible sale of the property located on Route 88 including parcels 53, 54, 58, and/or 60, West Liberty, in accordance with WV State Code §18B-19-10. Authorization to sell and transfer property; use of proceeds.

On motion and second, it was unanimously adopted by the West Liberty University Board of Governors to approve the authorization as stated above.

Sincerely,

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W. Franklin Evans, Ph.D. President

WFE/mae



#### STATE OF WEST VIRGINIA **DEPARTMENT OF HEALTH AND HUMAN RESOURCES Bureau for Public Health**

**Bill J. Crouch** Cabinet Secretary **Commissioner's Office** 

Avne Amjad, MD, MPH **Commissioner & State Health Officer** 

September 2, 2022

Joint Committee on Government and Finance

Re: Answer to Question from the July 26, 2022, Interim Meeting

Dear Committee Members:

This letter serves as the West Virginia Department of Health and Human Resources (DHHR), Bureau for Public Health's (BPH) response to the question posed during the July 26, 2022, interim meeting regarding the feasibility of obtaining copies of vital records at regional Division of Motor Vehicle (DMV) offices.

#### 1. Is a statutory amendment necessary to allow West Virginia residents to obtain copies of vital records at regional offices of the West Virginia Division of Motor Vehicles (WVDMV)? (In Virginia, for example, vital records can be obtained at the Virginia Department of Motor Vehicles.)

First, based on our understanding, vital records were only accessible in Virginia at the central office in Richmond, and Virginia expanded access through its DMV, making them available more broadly across the Commonwealth. In West Virginia, all vital records are already available across the state in each county clerk office, with birth and death certificates being centrally registered with the State Registrar of Vital Statistics in the Office of Vital Registration and marriage and divorce certificates being filed locally with the county clerk.

To allow for all vital records to be available at regional offices of the WVDMV, multiple statutory amendments would be required that redefine the roles, responsibilities, policies, and procedures of the Office of Vital Registration, county and circuit clerks, and the WVDMV. Additional resources would also be needed to support implementation of the change. For example, as per a fiscal note prepared and submitted by the WVDMV in response to HB2512 during the 2019 Regular Session, the WVDMV reported that an additional \$2.3 million would be needed annually for implementation of a similar initiative.

If you require any further information, please do not hesitate to contact us. Thank you.

Sincerely,

Avne Amiad, MD, MPH Commissioner and State Health Officer

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