



JOINT COMMITTEE
ON GOVERNMENT & FINANCE
INTERIM BOOK

Materials Distributed
April 14, 2024



Joint Committee on Government & Finance Interim Book

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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
April 10, 2024

<https://broadband.wv.gov>

<https://internetforallwv.wv.gov>

American Rescue Plan Act (ARPA) Funding

The West Virginia Legislature's allocation of State Local Fiscal Recovery Funds (SLFRF) and General Revenue funding provided a historic \$100 million investment for broadband development in West Virginia. This funding will complement West Virginia's allocation of funds through the Capital Projects Funds (CPF), also part of the American Rescue Plan Act (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 received \$136 million in ARPA CPF funding 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.

With the use of CPF, in 2021, Governor Justice launched West Virginia's Billion Dollar Broadband Strategy. The Governor announced the State's broadband initiative on Friday, October 15, 2021. Learn more about the Governor's announcement here: [Gov.-Justice-announces-Billion-Dollar-Broadband-Strategy](#).

To carry out the Governor's Billion Dollar Broadband Strategy, the West Virginia Department of Economic Development, 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 three separate programs for projects that can be awarded funding from Capital Projects Fund or State and Local Fiscal Recovery Fund (SLFRF), each designed to meet West Virginia's broadband development needs through efficient utilization of state and federal funding streams. The programs were developed to align with ARPA rules and guidance and contain three well defined infrastructure grant initiatives.

Following Treasury guidelines, ARPA programs focus on last mile connections to locations without access to reliable wireline service of 25/3 Mbps. Deployed networks will deliver a minimum of 100/20 Mbps and are scalable to symmetrical 100 Mbps.

ARPA Key Performance Indicators

Progress reports are collected from grantees and submitted to the U.S. Treasury on a quarterly basis. As of the first quarter of 2024, 47 ARPA funded projects have been announced. Upon completion, these projects will result in approximately 4,800 miles of broadband infrastructure, serving more than 53,000 locations in 42 counties. The most recent application cycle for ARPA LEAD Round 3 funds closed on November 30, 2023. Total investment to date includes \$119 million in U.S. Treasury Capital Projects

Funds and \$71 million in State Local Fiscal Recovery Funds. Private investment has exceeded \$86 million, for a total investment of \$271 million under West Virginia’s ARPA initiative. Six ARPA projects are currently under construction, two of which have already been completed. For those that have yet to move to construction, the pole permitting process is the most common obstacle.

West Virginia Broadband Investment Plan

ARPA Funds Awarded to Date

\$191 Million

- \$119.7 Million CPF
- \$71.3 Million SLFRF

Matching Funds \$86.8 Million

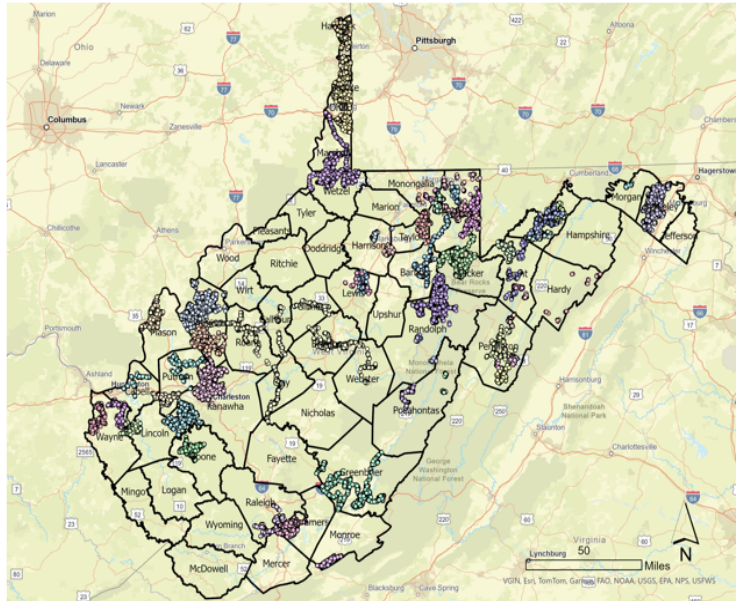
Total Investment \$271.8 Million

Last-Mile Projects 47

42 Counties

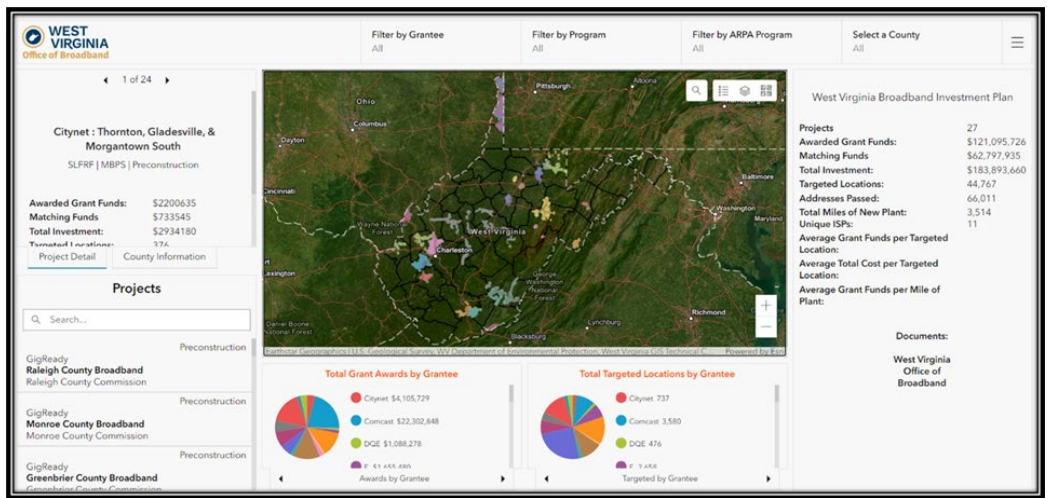
4,867 Miles of Infrastructure

53,125 Targeted Locations



ARPA Project Dashboard

To demonstrate awards announced under ARPA, the WVDED has created an interactive application for end users to learn more about project details. This dashboard is available at broadband.wv.gov and ARPA Dashboard (arccgis.com).



Infrastructure Investment and Jobs Act (IIJA) Broadband Programs

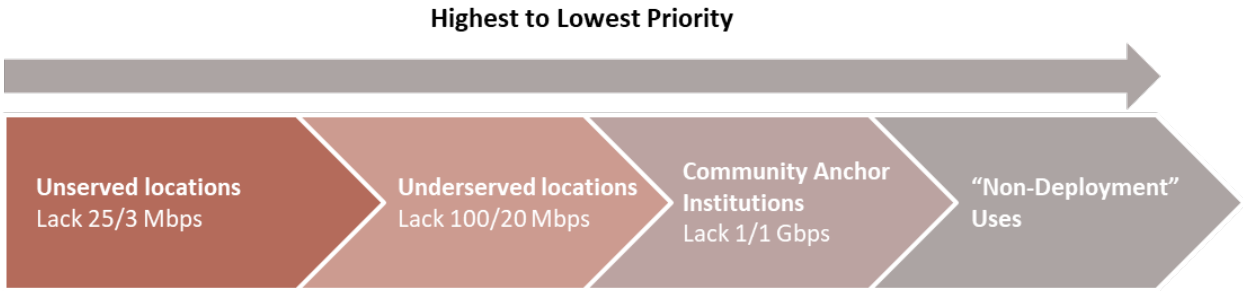
In June 2023, NTIA announced that West Virginia would be awarded \$1.2 billion in federal Broadband Equity, Access and Deployment (BEAD) funding for broadband development in West Virginia. BEAD is administered by the National Telecommunication and Information Administration (NTIA). This historic investment in broadband infrastructure and related digital inclusion efforts will support West Virginia’s universal broadband access vision:

West Virginia Vision for Digital Equity and BEAD

Achieve universal broadband coverage and digital equity throughout the State through aggressive broadband deployment goals and a commitment to closing the digital divide through robust equity and inclusion initiatives.

The BEAD application requires several steps: a Five-Year Action Plan, Initial Proposal Volumes I and II, followed by a Final Proposal. Additionally, the BEAD Program requires states to coordinate efforts with Digital Equity planning, capacity building, and workforce development. West Virginia’s Initial Proposal Volumes I and II will build upon the goals, objectives, and strategies outlined in West Virginia’s BEAD Five-Year Action Plan.

As directed by NTIA, BEAD funding places the highest priority on expanding broadband to unserved locations, followed by underserved locations, community anchor institutions, and non-deployment uses.



West Virginia’s broadband access gap is significant, and the State currently ranks near the bottom of broadband availability in the U.S.¹ As of December 31, 2022, Federal Communications Commission (FCC)

¹ West Virginia is 50th of 50 states, Washington, D.C., and Puerto Rico.

data shows that only 65.3% of West Virginia's Broadband Serviceable Locations (BSLs) are classified as fully served.²

To be considered fully served, a BSL must have a terrestrial or licensed fixed wireless internet service provider that provides, or could easily provide, a minimum connection speed of 100/20 Mbps, with latency less than or equal to 100 milliseconds. Underserved locations are subsequently defined as BSLs with maximum speeds between 25/3 Mbps, and 100/20 Mbps. Finally, unserved locations are defined by the BEAD program as BSLs with speeds less than 25/3 Mbps.³

Unserved and underserved locations exclude those with existing enforceable federal, state, or local commitments to provide service.⁴ Ongoing state and federal investments are projected to increase the number of connected BSLs, but there is still a long way to go to reach 100%.⁵ This gap in broadband access impedes full participation in an increasingly digital society, preventing access to telemedicine, remote work, personal connections, and online news media, among other things. West Virginia's Five-Year Action Plan serves as a guide to achieve universal connectivity and close the digital divide.

The IIJA includes three major programs:

- 1. Broadband Equity, Access, and Deployment (BEAD) Program (\$42.5 billion)**
- 2. State Digital Equity Act programs (Digital Equity Capacity Grant and Digital Equity Competitive Grant (\$2.75 billion))**

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.
 - b. On June 26, 2023, NTIA announced that West Virginia will receive \$1,210,800,969.15 in BEAD funding.
 - c. West Virginia's Five-Year Action Plan is approved by NTIA. The plan is posted at broadband.wv.gov.
 - d. West Virginia was among the first states in the nation to gain NTIA approval of its Initial Proposal Volume 1. The plan approval date of January 29, 2024, and is posted at broadband.wv.gov.
 - e. West Virginia was among the first states in the nation to begin its BEAD Challenge Process. The process began on February 10 and will conclude on April 14, 2024.
 - f. West Virginia's Initial Proposal Volume 2 was posted for a 30-day public comment period at <https://broadband.wv.gov/> through November 20, 2023. Curing revisions were submitted on March 15, 2024. As of April 10, 2024, West Virginia is awaiting final NTIA approval of Volume 2.

Key Takeaways from the BEAD Planning Process

- WVDED is coordinating the deployment of BEAD funding with other existing broadband infrastructure programs in the State.

² West Virginia's broadband availability falls short; of all 50 states, the District of Columbia, and Puerto Rico, West Virginia ranks 50th. This number reflects residential broadband availability rankings; the FCC does not provide data for statewide combined residential, mixed-use, and non-residential rankings.

³ <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>, p16 and p17

⁴ NTIA, Notice of Funding Opportunity (NOFO) Broadband Equity, Access, and Deployment Program, <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>, p36

⁵ Derived from calculations by WVDED. For more details, please see Section 3.1.

- Only 65% of broadband serviceable locations in West Virginia are served, according to NTIA's definitions.
- **BEAD funding will support deployment to the 167,965 unserved and underserved locations that do not have existing enforceable commitments.**
- In addition to NTIA's community anchor institution categories, WVDED will consider adding correctional and rehabilitation facilities, courthouses, job training centers, and senior centers because they facilitate greater use of broadband service by vulnerable populations.
- **To ensure "future-proof" broadband service, any location served through DSL will be considered "underserved" for the purposes of the BEAD program.**

Recent BEAD Benchmarks

- The BEAD Challenge Process began February 10, 2024, with a 30-day window for submission of challenges to location eligibility ending March 10, 2024. Challengers were required to register for submission using a Challenge Portal created via contract with Ready.net.
- The Rebuttal Submission window, during which registered entities can choose to respond or provide counter evidence to challenged locations, ran from March 11 to April 13, 2024.
- The Final Determination Evaluation phase of the Challenge Process will occur for 30 days from April 14, 2024. During this period, the Office of Broadband will make final determinations to sustain or reject challenges, approaching completion of the final map of eligible BEAD locations.
- On March 11, 2024, WVDED posted Draft Target Areas for BEAD, or "BDC Fabric Locations", for public review and comment through April 5th. Five comments were received for review. These locations are subject to change.
- The Office of Broadband opened the BEAD Pre-application Phase and submission portal on March 18, through May 17, 2024. WVDED has conducted three training sessions on the BEAD Pre-application Process, two virtual on February 29 and April 10, 2024, and one in-person on March 28, 2024, at the Robert H. Mollohan Research Center in Fairmont, WV.

Next Steps for BEAD

Initial Proposal Volume 2, currently awaiting final approval by NTIA, addresses the remaining BEAD requirements and allows West Virginia the opportunity to request initial BEAD funds. Taken together, Volume 1 and Volume 2 will serve as the backbone for deploying affordable and reliable broadband internet to all West Virginians, drawing on all funding available to accomplish this goal. While awaiting final approval of Volume 2, West Virginia is collecting required Pre-applications, and preparing for the

BEAD Application Phase through a slate of upcoming workshops and webinars:

Topic	Location	Date	
Pre-Application	Webinar	March 14, 2024	✓
Pre-Application	Portal Opens	March 18, 2024	✓
Pre-Application	Onsite Workshop – North	March 28, 2024	✓
Pre-Application	Online Workshop	April 10, 2024	
Pre-Application	Portal Closes	May 17, 2024	
Full Application	Webinar	May 8, 2024	
Full Application	Portal Opens	May 2024	
Full Application	Onsite Workshop – South	May 23, 2024	
Full Application	Onsite Workshop – North	June 6, 2024	
Full Application	Online Workshop	June 12, 2024	
Full Application	Portal Closes	July 2024	
Review and Final Proposal		Late 2024	

BEAD Pre-Application Phase Outreach Schedule

- March 14: WEBINAR— 9:30 am to 12 Noon; BEAD Pre-Application
- March 28: ONSITE WORKSHOP— (Fairmont, WV) The Robert H. Mollohan Research Center, 1-79 Technology Park, 1000 Galliher Drive, Fairmont
- April 10: WEBINAR— 9:30 am to 12 Noon; BEAD Pre-Application
- May 8: WEBINAR — 9:30 am to 12 Noon: BEAD Full Application Workshop
- May 23: ONSITE WORKSHOP— (Charleston, WV) To Be Determined
- June 6: ONSITE WORKSHOP— (Morgantown, WV) WVU Erickson Alumni Center, 1 Alumni Drive, Morgantown
- June 12: WEBINAR— 9:30 am to 12 Noon: BEAD Full Application Workshop

Draft versions of BEAD Deployment Program Procedures are available at broadband.wv.gov, subject to change pending final approval by NTIA. Significant coordination is also ongoing with partner funding agencies and existing funding sources to ensure that West Virginia maximizes use of available funds in partner with, or in complement with BEAD funding to maximize deployment efforts in the mission to **support deployment to the approximate 167,965 unserved and underserved locations that do not have existing enforceable commitments.**

BEAD Non-Deployment

The West Virginia Office of Broadband has posted draft procedures for BEAD Non-Deployment Programs broadband.wv.gov including Workforce, Device Distribution, and Digital Navigator. While WVDED expects that BEAD funds will be available for these non-deployment programs, the final budget will not be known until funds are budgeted for BEAD deployment projects for all unserved and underserved locations statewide. To facilitate the efficient and impactful deployment of anticipated non-deployment activities, WVDED is pursuing Appalachian Regional Commission (ARC) funding to complement BEAD efforts to provide technical assistance to applicants, and to create and implement a Broadband Industry Career Exploration Program through the West Virginia Department of Education. Priorities are being

refined and Workforce needs explored in part through the West Virginia Broadband Workforce Council, in particular through a Council Workforce Subcommittee which is meeting quarterly.

West Virginia’s Digital Equity Program

The Digital Equity Act is a component of the Infrastructure Investment and Jobs Act (IIJA). The goal of the Digital Equity Act is to close the “digital divide” across the nation, ensuring that everyone has access to affordable, high-speed internet service, affordable digital devices, and the tools and training necessary to make full use of the internet’s benefits—all of which should be accessible to everyone, regardless of their background.

West Virginia Vision for Digital Equity

Ensure that all West Virginians have the resources they need to participate in the digital world and achieve the economic benefits of digital equity

High quality, accessible, and affordable broadband for all is critical for a more just and equitable West Virginia, a healthier society, and an economy that offers opportunity for everyone. West Virginia’s low rate of access to broadband, coupled with its demographic profile, creates many challenges for digital equity⁶:

1. 97% of West Virginians fall into one or more of the Digital Equity Act’s targeted populations categories.
2. More than 35% of its citizens live in unserved or underserved areas as defined by the NTIA.⁷
3. West Virginia has the highest rate in the U.S. of individuals living in a rural area (90%).⁸

The Digital Equity Act contains three grant programs:

1. The Digital Equity Planning Grant (\$60 million)
2. The Digital Equity Capacity Grant (\$1.44 billion)
3. The Digital Equity Competitive Grant (\$1.25 billion)

Digital Equity Planning Grant

West Virginia was allocated over \$700,000 to complete a State Digital Equity Plan. Grant funds were used to collect data, coordinate with partners and relevant stakeholders, and draft the plan. After a public comment period, multiple rounds of revisions, and two rounds of curing, the West Virginia Digital Equity Plan was completed and submitted to NTIA on December 14, 2023. **West Virginia’s Plan was approved by NTIA on February 29, 2024—one of the first six states to be granted approval.**

Digital Equity Capacity Grant

⁶ NTIA defines digital equity as a condition in which all individuals and communities have the information technology capacity needed for full participation in our society, democracy, and economy. Digital equity is necessary for access to essential services, civic and cultural participation, employment, and lifelong learning.

⁷ Calculated using National Broadband Availability Data provided by the Federal Communications Commission, available at <https://broadband477map.fcc.gov/#/data-download>.

⁸ Ibid.

On March 29, 2024, NTIA released the Notice of Funding Opportunity (NOFO) for the \$1.44 billion Digital Equity Capacity Grant Program. This grant program is for each state and territory to implement its Digital Equity Plan.

The first of three NOFOs under the program has **tentatively allocated over \$9 million to West Virginia to increase adoption of high-speed internet through affordability, digital skills training, and device access programs**. West Virginia's funding allocation was determined by its total population, percentage of covered populations, and lack of broadband availability and adoption compared to other states. **The Office of Broadband must complete and submit an application for DE Capacity Grant funding by May 28, 2024.**

The Office of Broadband will be updating and amending the Digital Equity Plan as a part of its application package. With the official wind-down of the Affordable Connectivity Program (ACP), WVDED will be exploring new methods of ensuring the affordability of high-speed internet service.

- a. The Digital Equity Capacity Grant Program is meant to fund implementation and revision of each state Digital Equity Plan (https://broadbandusa.ntia.doc.gov/funding-programs/Digital_Equity_Capacity_Grant_Program)
- b. NTIA announced the opening of the application period and released the Notice of Funding Opportunity (NOFO) on March 29, 2024. Applications from States are due by May 28, 2024.
- c. West Virginia has tentatively been allocated over \$9 million to carry out the State Digital Equity Plan for the next five years. Two more funding allocations will become available in 2025 and 2026.
- d. The Office of Broadband is currently working on the Capacity Grant application.

Digital Equity Competitive Grant

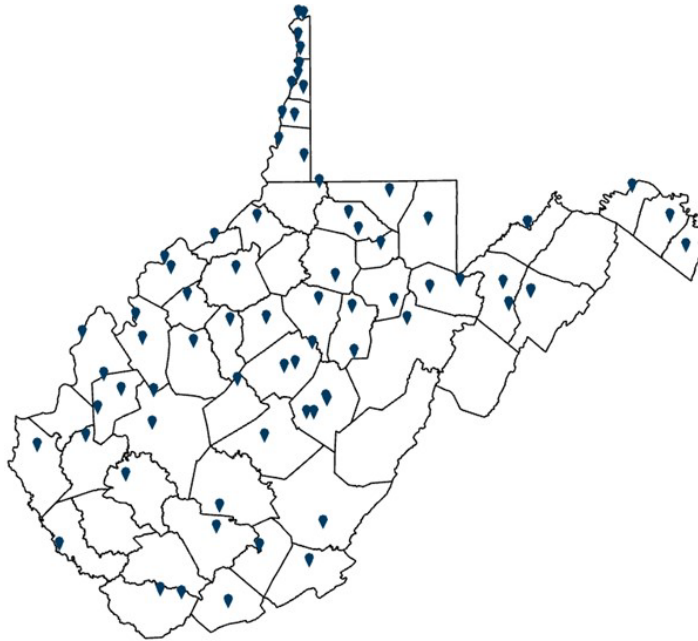
The Digital Equity Competitive Grant Program will allocate \$1.25 billion to community anchor institutions, nonprofit organizations, and other types of organizations to implement digital inclusion projects. This will be a five-year, annual grant program expected to open in Fall 2024. The West Virginia Office of Broadband will be spreading awareness and providing assistance to potential applicants.

West Virginia Digital Equity Outreach

A core activity under the Digital Equity Planning Grant was data collection and public outreach. Through partnership with West Virginia's 11 Regional Planning and Development Councils (RPDCs), small-to-mid-sized listening sessions were held across the state with broad representation from members of covered populations and organizations that serve them.

Under RPDC leadership, data was collected from residents at 145 events over a four-month period in 2023, with broad representation from members of covered populations and organizations that serve them. The vast majority of events were in-person listening sessions though paper and digital questionnaires were also utilized. A total of 1,967 West Virginians participated in the statewide listening sessions. More information about the listening sessions can be found in the State Digital Equity Plan on broadband.wv.gov.

Figure 4: Non-exhaustive map of listening session locations



A statewide survey was also conducted to collect data on barriers to high-speed internet access and adoption in Summer 2023. An in-depth survey result report can also be found on broadband.wv.gov.

FCC Affordable Connectivity Program (ACP)

The Affordable Connectivity Program (ACP) helps ensure that households can afford the broadband they need for work, school, healthcare, and more by providing a discount of \$30 per month (\$75 for eligible households on tribal lands). On January 11, 2024, the FCC announced that the program would officially wind-down due to a lack of continued funding for the program. An enrollment freeze took effect on February 8, 2024. **At the time of the enrollment freeze, over 128,000 West Virginia households were enrolled in the ACP.**

The FCC determined that April 2024 would be the final month of the full \$30 benefit to enrolled households, with a partial benefit of \$7-16 in May 2024. The West Virginia Broadband Enhancement Council and West Virginia Office of Broadband had widely promoted the ACP among West Virginia residents and partners organizations. Both websites prominently feature the Affordable Connectivity Program at <https://broadband.wv.gov/> and <https://internetforallwv.wv.gov/>.

The West Virginia Office of Broadband received a \$400,000 grant from the FCC to promote the ACP through a media campaign and in-person awareness and enrollment assistance events. Due to the official wind-down and subsequent FCC guidance, the Office of Broadband ceased ACP promotional activities on February 2, 2024, and transitioned to spreading awareness of the program's end. **West Virginia households enrolled in the Affordable Connectivity Program are strongly encouraged to contact their service provider to confirm their service and billing details after the official end of the ACP.**

February 9, 2024

The Honorable Craig Blair
President
West Virginia Senate
Room 229M
State Capitol Complex
Charleston, WV 25305

The Honorable Roger Hanshaw
Speaker
West Virginia House of Delegates
Room 228M, Building 1
State Capitol Complex
Charleston, WV 25305


Dear President Blair and Speaker Hanshaw:

Pursuant to W.Va. Code §31G-1A-7, I hereby certify to the Joint Committee on Government and Finance that the below itemized projects are being awarded funds from the American Rescue Plan Act (ARPA) Capital Projects Fund (CPF) and the West Virginia Broadband Development Fund (BDF). These projects will provide broadband connectivity to approximately 5,287 locations throughout West Virginia, in compliance with regulations issued pursuant to ARPA.

1. Armstrong Telecommunications, Inc. - Putnam: Hurricane, Culloden, Scott Depot - \$4,559,777 (CPF)
2. Armstrong Telecommunications, Inc. - Wayne-Cabell Fiber Expansion - \$4,315,394 (CPF)
3. Armstrong Telecommunications, Inc. - Wayne County Fiber Expansion - \$4,205,571 (CPF)
4. Citynet, LLC - Marshall-Wetzel Fiber Expansion - \$7,488,000 (BDF)
5. Comcast Cable Communications, LLC - Mineral North - \$3,572,213 (CPF)
6. Comcast Cable Communications, LLC - Mineral South - \$3,355,443 (CPF)
7. Comcast Cable Communications, LLC - Mineral: Keyser, New Creek, Burlington - \$3,325,088 (CPF)
8. Spruce Knob Seneca Rocks Telephone, Inc. - Pendleton: Brandywine - \$401,025 (CPF)
9. Spruce Knob Seneca Rocks Telephone, Inc. - Pendleton: Upper Tract - \$899,007 (CPF)
10. Spruce Knob Seneca Rocks Telephone, Inc. - Pocahontas: Green Bank, Arbovale, Durbin - \$611,315 (CPF)

Should you need additional information, please contact my office at 304-558-2234.

Sincerely,


Mitch B. Carmichael

Secretary

West Virginia Department of Economic Development

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

(Speaker Hanshaw)

January 7, 2024

4:00 p.m. – 5:00 p.m.

Senate	House
Blair, Chair	Hanshaw, Chair
Nelson	Capito (absent)
Takubo (absent)	Criss
Tarr	Hornbuckle
Trump	Householder
Weld	Howell
Woelfel (absent)	Summers

Speaker Hanshaw: "...meeting to order. Good afternoon, all. We are awaiting the arrival of a quorum. So, we'll forego approval of the minutes until we do have a quorum present. Let's jump right into our first regular report today, Mr. Secretary, welcome to the Joint Committee!"

Secretary Pack: "Thank you, Mr. Speaker, thanks for the opportunity to come in front of you. I look forward to serving in my new role and if I can help any of you in any way, please let me know. I've just got a few talking points. You want me to go ahead?"

Speaker Hanshaw: "Yes, sir."

Secretary Pack: "Very good. We're halfway through our fiscal year 2024. We were able to discern some trends and they're all very, very positive, or generally very positive."

The great news is that our personal income tax is down only 0.3% year to date, despite a 21¼ % tax cut. That clearly indicates that West Virginians are earning more and paying more taxes and we're very thankful for that. Corporate net continues to do very well, it's up year to date by 13%, and it's consistently exceeded estimates for every month this year, I believe. Our consumer sales tax is also up year to date 4½ %. This is our largest revenue source, and it continues to be very steady and consistent month to month. But the best news overall is that our overall general revenue...revenues are only down 9.4% year to date from last year's all-time record despite the largest tax cut in history. So, good report, the trends look really good as far as the high-level markets here. If you have any...any questions at all, if it's high enough level, I'll try to answer them myself."

Speaker Hanshaw: "Very good. Questions of any of our members for Secretary Pack? President Blair."

President Blair: "I've got one..."

Secretary Pack: "Yes, sir."

President Blair: "...and in this Capitol, it's been over the last week or two, and I don't know where it come from but it was my understanding that there's a little bit of concern that some of the businesses have not changed their tax tables for the payroll deductions and do you...is that just a rumor or?"

Secretary Pack: "We've heard that rumor as well. We don't think that's the case. Most people are currently doing their taxes based on computers and those have been updated to the larger payroll services...but again, anecdotally we've heard the same rumor."

President Blair: “Well, that’s the way I’ve seen it and I figured that that rumor...if it was true, it would be coming from the tax department, where they were seeing that and I would think it be minimal, you know, I was a small business owner and I had four or five employees, but none of that...everything’s done electronically and if there’s a change in the tax schedules and everything, that gets updated automatically before you can even do your payroll again. So, only somebody that is actually scratching it out in the ledger or something like that would that apply to. So, the reason I asked that question is, is that I wanted to minimize the risk as we start moving through our session here if...that you know...if this ends up being a \$100 million dollar problem, that’s a big deal. If this is a million dollar or less problem than (...inaudible...) and you want to elaborate your thoughts on that or you want Mark to?”

Secretary Pack: “We...we do not believe it’s a material problem at all.”

President Blair: “That...thank you. You have just put to rest that rumor far as I’m concerned from that standpoint, and we can move through with business as usual from that standpoint. All right.”

Speaker Hanshaw: “Okay, questions from any other members. Going once, going twice. Mr. Secretary, thank you very much.”

Secretary Pack: “Thank you.”

Speaker Hanshaw: “Okay folks, I do note the arrival of a quorum for this meeting. So, if we can return to the draft set of minutes that are contained in your packets. We do have before us the draft minutes of the December 12th, 2023, meeting of the committee. So, if you’ll take a moment and familiarize yourself with that draft, if you’ve not already

done so, we'll dispense with that. Questions from any of the members about the draft available in your packets? Okay if not, President Blair.”

President Blair: “Mr. Speaker, I move the minutes from December the 12th, 2023’s meeting of the Joint Committee on Government Finances as contained in the packets be approved.”

Speaker Hanshaw: “President’s motion is that the draft set of minutes of the December 12th, 2023, meeting of the committee be approved as distributed. Is there discussion on the motion? If not, those in favor of adoption of the motion will please say aye. Those opposed, please say no. The ayes have it, chair declares the motion adopted and the draft minutes approved.

Okay, back into our periodic reports. Mr. Muchow, do you have something for us today?”

Deputy Secretary Muchow: “Good afternoon, Mark Muchow, Department of Revenue. We had a great December in terms of revenue collections. We collected \$553.2 million in December, the estimate was 433.1, we were \$120 million above estimate, and 0.1% ahead of last year. Now that...this certainly had a 21¼ % tax cut involved in there so those are very good...very good December numbers and year to date, we're \$406.4 million above estimate, only 9.4% down from last year. Biggest component and the biggest component of change in the month of December was personal income tax, personal income tax collections in December total \$236.8 million, that was \$70.7 million above estimate, and 21.3% ahead of last year. So, we had we had a good...good month in December. The...a lot of December is a month where some folks will make estimated

payments to get the maximal...maximum federal tax deduction...and we saw big tick up in estimated payments particularly from the business side in December. Whereas the due date for those estimated payments isn't until the middle of January. Year to date on the personal income tax \$1.174 billion, that's \$201 million above estimate, and only down 0.3%. It was mentioned that folks were worried about withholding tax. I can tell you that, you know, almost all withholding taxpayers have adjusted the rates down and the year-to-date withholding tax is actually down 13.3% from last year. So, withholding taxes shows...shows that...those adjustments. So, I wouldn't be worried at all about...for the most part...about withholding tax, the numbers are about where they're supposed to be. The consumer sales tax, second biggest tax for the state, we were...collected \$168.4 million in December, that was \$3.7 million above estimate, four and a half percent ahead of last year...and for the year to date, similar scenarios \$870.1 million, \$21 million above estimate, four and a half percent ahead of last year. So, consider that pretty good, that's running above what we had projected. The corporate income tax has been...continues to be pretty strong, we collected fifty-six and a half million in December, that was 16.4 above estimate. It was a little bit lower than last year, but we had higher...higher refunds in December this year versus last year. So, I wouldn't make too much of it. Year to date \$218.3 million in collections, that's \$109.1 million above estimate, and 13% ahead of last year. So, corporate is very strong. The severance tax, I mentioned last month that the severance tax was getting better over time versus the estimate, and that shows up in December. We collected \$35.8 million, that was eleven and a half million above estimate, still down from last year by 58.9%, but that's been an improvement over recent months and we should continue to see some improvement as the year goes on. Year to date

\$112.1 million in severance tax, that's \$33 million below estimate, 79.3% below last year. Again, that \$33 million we...within two months we should see that \$33 million dollar shortfall relative to estimate disappear on the...on the severance side.

Moving to the State Road Fund, State Road Fund collections totaled \$126.9 million in December versus an estimate of \$123.5 million, that was \$3.4 million above estimate, 5.7% ahead of last year. Year to date, we've collected \$1.09 billion, that's \$116.8 million above estimate, 45.7% ahead of last year. Now the gain from last year, it has largely to do with federal reimbursements. We're on a record pace for federal reimbursements. In December, we had \$60.8 million dollars in federal reimbursements, that was 16.2% ahead of last year, and for the year to date through six months \$457.1 million, which is again 45.7% ahead of...ahead of last year for the reimbursements on the...on the federal side...and we've gone many years where we don't get \$457 million dollars in reimbursements for a whole year. Through six months we have \$457 million in reimbursements. On the major taxes for the road fund, the motor fuel tax we collected basically \$35 million in December, that was about \$3.2 million above estimate, on par with last year. Year to date, two hundred twenty-one and a half million in collections, we're slightly below estimate about \$1.9 million, 2.9% ahead of last year, and by the end of the year we should be pretty much on estimate for the fuel tax. Motor vehicle sales tax, we collected \$20.4 million in December, it was about \$400,000 above estimate, it was a little bit down from last year by 14%. Year to date, we've collected one hundred fifty-six and a half million in motor vehicle sales tax, that's \$11 million above estimate, and a little bit less than last year, down 2%. I believe I mentioned last month the used car prices which were very, very high were coming down and as car prices come down that will have an

impact on the on the motor vehicle sales tax...on new sales. Plus, some...we have fairly high interest rates right now, with higher interest rates that may slow down the purchase of major ticket items such as motor vehicles. Registration fees, in December we collected \$8.4 million dollars, that was \$1.7 million below estimate, it was ahead of last year by about 24%, and for the year to date we've collected \$59.2 million, \$14.7 million below estimate, and 6.4% below...below last year...and with that I'll open up to any questions you might have.”

Speaker Hanshaw: “Mr. Muchow, thank you very much. Questions from the members? Delegate Criss.”

Delegate Criss: “Thank you, Mr. Chairman. The wholesale tax on the fuel is adjusted in January, is that correct?”

Deputy Secretary Muchow: “Adjusted in January and per...per code it went down one and a half cents a gallon, down to the minimum. Which brings it...that wholesale tax down to...have to figure that out...the overall tax I think is 35.7 now. So, the wholesale tax would be about 14.2.”

Delegate Criss: “Okay and—”

Deputy Secretary Muchow: “—15.2...15.2.”

Delegate Criss: “15.2. So, that tax will have an immediate effect on the last six months of this fiscal year?”

Deputy Secretary Muchow: “We had already built it in the estimates. A year ago, we had very high diesel fuel prices that pulled the number up, diesel prices came down

this year. Overall gasoline prices have been down a bit as well. So, it'll start showing up with the...at the end of February in collection...the collections run about a month behind, but we already built it into the estimates. So—”

Delegate Criss: “Okay.”

Deputy Secretary Muchow: “—we were projecting that.”

Delegate Criss: “All right. All right, thank you.”

Speaker Hanshaw: “Other questions for Mr. Muchow? Delegate Hornbuckle.”

Delegate Hornbuckle: “Thank you, Mr. Chair. Thank you, Mr. Secretary, and you might have said this...I didn't catch it...but severance tax, year to date, is down 428 million?”

Deputy Secretary Muchow: “Yes, that's correct.”

Delegate Hornbuckle: “And could you speak to the...maybe the factors or the reasoning for that?”

Deputy Secretary Muchow: “The biggest factor is natural gas prices. Natural gas prices back in 2022 averaged about...at least a taxable price...averaged about \$5.00 an MCF and now we're down in that one...one dollar, one dollar fifty range. Overall receipts from natural gas are down somewhere around 80% so far this fiscal year, so that's a big change. Oil is down, oil prices are lower than they have been in recent past. So, oil is down significantly although oil is not nearly as big in size as gas and...and coal is down a little bit, not much, but down a little bit from...from last year.”

Delegate Hornbuckle: “Thank you.”

Speaker Hanshaw: “Senator Trump.”

Senator Trump: “Thank you, Mr. Speaker, Mark, we had...we passed last year legislation authorizing refunds or rebates of amounts equal to what people were paying in ad valorem personal property taxes and I think in special session, if I remember right, we picked up the second half of 2023 and authorized that to be paid in 2024.”

Deputy Secretary Muchow: “We...we basically said that if you made your payment that was normally due in twenty-four, if you made it early in twenty-three, we wouldn't count it against you, you would still be counted as a twenty-four payment.”

Senator Trump: “So, but what...I'm just wondering about the timing of all that. The 2024 tax bills, ad valorem tax bills, won't come out until July 15th. So, is largely this going to be something that we're going to be dealing with in the succeeding fiscal year's budget, or is there an impact in what we're going to have to pay out this...in the first half of calendar year 2024 or second half of FY 2020?”

Deputy Secretary Muchow: “This whole thing gets a little bit confusing because the property tax year runs on a fiscal year basis and the income tax year runs on a calendar year basis. So, on...on a fiscal year basis, that second-half payment that you make, that's due in March, would be a twenty-four payment, and then the first half of the following year which is due September 1st, would be...also be a twenty-four payment. So, any payment that you made in twenty-four that's due in twenty-four would count as a credit against your income taxes when you file your income tax return sometime in twenty-five because this credit first became effective for the twenty-four tax year...for income

taxes. So, no...there's no property tax credits when you file your returns that you're getting ready to file here in February, March, April this year. The credits will be—”

Senator Trump: “Even if...let me interrupt you...even if people paid the second half 2023 taxes in calendar year 2023? They can't go ahead and claim that credit when they file this April?”

Deputy Secretary Muchow: “No, the credit does not start until the beginning of 2024.”

Senator Trump: “Okay.”

Deputy Secretary Muchow: “So, no credits this year when you file returns for this year, which is last year, but there will be credits for twenty-four, which is this year which you file next year. So, hopefully that doesn't get too confusing, but that's...that's the way it's going to work.”

Senator Trump: “Thank you.”

Speaker Hanshaw: “Other questions from anyone for Mr. Muchow. If not, President Blair.”

President Blair: “Thank you, Mr. Speaker, I've got a couple of them here and one...some of it's refreshing. I lose track of time. So, you have to forgive me. The social security tax that...the three-year phase in for seniors where we eliminated it under...\$100,000 or lower, that's fully implemented now, correct?”

Deputy Secretary Muchow: “Yes, yes, that's correct.”

President Blair: “Okay. So, that's one of the reasons...well, we're...when we talk about the 21.25%, we're not even factoring that in also, is that correct?”

Deputy Secretary Muchow: “Well, the...the 21¼ % reduction effects all taxpayers who pay income taxes.”

President Blair: “No, I'm talking about when we look at our revenues that are coming in, we have actually reduced down also because we finally finished up for the ...the social security under \$100,000—”

Deputy Secretary Muchow: “That phase—”

President Blair: “—did you have that built into your budget on this?”

Deputy Secretary Muchow: “That was built into the numbers before we got...yeah.”

President Blair: “Okay, that helped me with that. The PIT Reserve Fund, I haven't seen that in here, it may be, but I may have missed it. That's \$400 million dollars that is parked out there somewhere and it's in an interest-bearing account if I remember right. What's...thank you, I didn't see that. It's 460 now?”

Deputy Secretary Muchow: “460. We already had \$60 million dollars in that account and then last year, the legislature appropriated another \$400 million dollars to the account to bring the balance to \$460 million.”

President Blair: “Okay, I did not realize that the sixty was in there all this time, so forgive me for that. So, what's the interest on that?”

Deputy Secretary Muchow: “Well, I'd have to look at what the Treasurer gets right now, but I believe it's somewhere around 5¼ %, give or take a little bit. So, multiply that by 5¼ % divide by twelve and you're getting over...over a couple million dollars a month of interest incomes coming back to general revenue because of that, that account. Somewhere around 5¼ % I...the Treasurer's Office would have a more...”

President Blair: “Do me a favor and add that into the next report going out so that we can actually see what the...what is truly in that fund month to month. Is that possible?”

Deputy Secretary Muchow: “No, now the money does not accrue to that fund. The interest that's earned on that 460 million goes into the state General Revenue Fund. So, it's showing up as a General Revenue Fund deposit. So, it actually helps in...in a roundabout way...helps the General Revenue Fund out with extra interest income.”

President Blair: “Okay. I'm learning what we did even though I should know. Severance tax, on that one the production of both the coal and gas is up, it's the prices that's down. Am I correct?”

Deputy Secretary Muchow: “That's correct, especially with natural gas. Production of natural gas is up in the neighborhood of 10% this year...or the...2023. Production of coal is somewhere around four or four and a half percent higher. Coal prices are down closer to 10%, whereas natural gas prices are down about 80%, and most of the decline in coal prices is in the metallurgical coal area.”

President Blair: “Okay. So, then the reason I want to do that or was bringing this up because that's an important component to...to what we got going on here, but we also

had an extraordinary year...of last year, when it comes to the severance tax. I believe if my calculations—”

Deputy Secretary Muchow: “Yes.”

President Blair: “—probably about \$900 million dollars above the revenue estimates.”

Deputy Secretary Muchow: “Yeah, they...we had on...for 2022, the average price on a tax return for natural gas was somewhere in the neighborhood of \$5.00 an MCF and that would be considered to be far above what one would normally expect long term. So, that was a...that was a...a bump up in the air and had a lot of different factors. The biggest factor was there was big concern that Europe was going to freeze because of lack of supply from Russia and so there was a big ramp up to get supply over to Europe last winter and then when it turned out to be milder than expected in Europe and things eased up a bit and we...basically inventories got rebuilt and now inventories are higher than they've been in the past and when you have high inventories, you have lower prices.”

President Blair: “And when Mountain Valley Pipeline comes on board, that is going to be able to give us a boost that we didn't have before.”

Deputy Secretary Muchow: “That should help us out a little bit because we continue to run at a price discount relative to the national average price. The national average standard is Henry Hub. The eastern hub price always tends to run at a discount to Henry Hub and that should lower that...that gap and also be able to supply more capacity for the markets that are demanding the natural gas from West Virginia.”

President Blair: “I’m going to add one last thing on this and that is...is that I don't care what the West Virginia Center for Budget and Policies got to say...but to be frank with you, the...the two finance chairmen in here and the governor's office for making it so that our general revenue budget is not dependent on severance taxes. They should be applauded for the work that everybody has done from that standpoint because we all know the cyclic nature of it and we've gotten away from that and hopefully that we can stay away from that into the future and then when it is high, we can invest in ourselves because that's one time monies, but you can do deferred maintenances, capital improvements, all the things that we...that need to be done that has been out there. So, I can't say enough good things when it comes to how the severance tax is being managed, whether it be the governor's office or our finance chairs and the committees that are managing that through for us. So...”

Deputy Secretary Muchow: “And if I could add one more thing, when we did the estimates for this year, which were done back in November of last year, we estimated a significant downturn in...in severance tax, which is where we got...so, we were expecting that downturn to occur. It wasn't as if it was catching us by surprise.”

President Blair: “Right. So, kudos...it helps long term for our budgeting...for what's going on. Thank you, Mr. Speaker.”

Speaker Hanshaw: “Delegate Summers.”

Delegate Summers: “Thank you, Mr. Speaker. Mark, doesn't this mean though, the low prices, that our constituents will have lower heating bills for...for natural gas and oil due to the low price?”

Deputy Secretary Muchow: “Well, the...the price of oil is...some of it is heating oil, but a good part of it's for...for motor fuel. So, we've seen it already at the pump. People are paying a little less now than they paid in the past and outlook...immediate outlook looks pretty favorable that way. On the natural gas side that...those lower prices will eventually translate into lower heating bills for consumers. We have our...we're a regulated price environment so we're...sometimes the regulated price is always running a little bit behind so that folks are playing catch up to what happened in the past and so it's not exactly...it doesn't flow exactly at the same...at the same rate as that...as the markets but eventually it will catch up and it'll be lower heating prices—”

Delegate Summers: “Okay, thanks.”

Deputy Secretary Muchow: “—on natural gas.”

Speaker Hanshaw: “Others? Okay Mark, thank you very much. Let's move to our next report now. Ladies and gentlemen, at our last meeting of the Post Audit Committee, we took up consideration of state-owned property for one of the audit reports done by our staff. As a result of that audit, we invited the Department of Transportation to...to give us a deeper...deeper view on that issue today and we do have Secretary Wriston here today to present that presentation to us. So, Mr. Secretary, we welcome...welcome you and your team.”

Secretary Wriston: “Thank you, Mr. Speaker, President Blair, committee members. Indeed...indeed this real property for the Department of Transportation we...we focused mostly on highways for the...for the audit and the post audit discussions and this for...with good reason, that's the vast majority of the...the property that that state

owns in the Department of Transportation. This...the latest audit, this was a repeat finding, and we all knew it would be a repeat finding based on the first finding where we had agreed that we would start to inventory this. I believe the Senate President's analogy was he didn't know what was in his basement. Therefore, the first step would be to do a...take an inventory, and that's what we have been working on for the past couple of years, that inventory. I can report that we're approximately 96 to 98% completed with that inventory in the Department of Highways.

As part of our post audit discussions with the auditor, they had recommended that we take a look at the other agencies in the Department of Transportation and we...we found that they were in much better shape, they had a lot lesser properties and we do indeed have those inventories for the other agencies. Those agencies being State Rail that is in Multimodal, Parkways, DMV, all the...all of the other transportation agencies. So, really the issue and...and we felt like it's a really important issue too but especially with the great success we've had with economic development to be able to know exactly what properties we have and what's available for site development and to get these properties that we really don't need off the state rolls and back into the tax rolls. So, we're working on that, I think we're in the final stages of getting that inventory together and it'll be...it'll be in a database that's queueable so that we can actually find these things. We can work...we can and do work very well with the Development Office. They need a site in a certain area, we would be able to tell them where that's...where the sites were that we already owned.

I would caution that a lot of these properties are what we refer to as uneconomic remnants. When we purchase right away for a road construction project, an uneconomic

remnant if we have...taking a partial take for a piece of property that would leave a...leave a certain amount of that property, and if it was unusable for anything of any significance. I think there's a federal definition of uneconomic remnant and a state, they're substantially the same. I think the...I think the majority of the properties that that we're inventorying are...are in that category, uneconomic remnants and they're...they're typically small...small strips along roadway projects. I'd be happy to take any questions.”

Speaker Hanshaw: “Wonderful. Thank you, Mr. Secretary. Questions from the members? President Blair.”

President Blair: “So, those properties, do they go back to the original property owner by contract or...or are they going to be a sliver of land that...because I've heard it both ways.”

Secretary Wriston: “No, they...they tend to be that once...once we have the...once we've completed this...this operation, let's call it, we'll be able to actually put these properties up for sale if someone...someone needs them or someone wants them. The way we look at it is did...do we need it for the operation of the highways? If we don't need it, we want to get it back on the tax rolls...but no, they do not revert back to the property owners. We actually pay for those uneconomic remnants the same way we do the regular takes.”

President Blair: “The reason why I'm asking the question like that is because if those are resources that aren't valued to the state but have value, then that makes it so that if you're able to offload those that you can actually go buy properties for future projects and be one step ahead of the curve on that. That's...and then I'd heard that...that

there are times when the property reverted back if they didn't use it. That's and...but you're saying that that's not the case?"

Secretary Wriston: "No, it's not the case. Typically, what would happen is...is once we identified a noneconomic remnant that we don't need, we...we would put that up for auction and then there are rules in place where adjacent property owners would have a first choice or that type of thing as well."

President Blair: "Okay, thank you. Thank you, Mr. Speaker."

Speaker Hanshaw: "Yes, sir. Questions...Delegate Howell."

Delegate Howell: "Thank you, Mr. Speaker. Have you identified any tracks that are commercially viable at this point or are you still working on that?"

Secretary Wriston: "I don't know the answer to that. If...once we complete this work, I would imagine that that would be the first step we would take is to go straight to the Economic Development Office and say, look, we've got fifteen of these and these are 15 acres or more, 25 acres or more...categorize those. So, that they would...they'd be well known, and sites would be available for development."

Delegate Howell: "Okay, thank you."

Speaker Hanshaw: "Other questions for Secretary Wriston?"

Secretary Wriston: "Thank you."

Speaker Hanshaw: "Okay if not, Mr. Secretary, thank you very much. For the benefit of everyone here, the Board of Treasury report is available for inspection. It's also contained in your packets."

We do have an item of ancillary business to come before the committee today. In an effort to aid our staff and our members and all those affiliated with the process for planning your year for 2024, we do have at the desk of every member today a proposed list of dates for the interim meetings for 2024. So that...for those listening and watching, that list includes meetings on April 14th, 15th, and 16th...May 19th, 20th, and 21st. No meetings in the months of June or July. Meetings in August on the 11th, 12th, and 13th. Meetings in September on the 8th, 9th, and 10th in Parkersburg, West Virginia. Meetings on October 6th, 7th, and 8th. Meetings on November 10th, 11th, and 12th. Meetings on December 8th, 9th, and 10th. Questions from any of our members about that list of proposed dates? Senator Trump.”

Senator Trump: “Thank you, Mr. Speaker. Not a question. I just want to, on behalf of all of us, compliment you and the President on doing this so early and the...and the staff involved in it. I'm sure...I know picking these dates is not always easy, but to have them right now, at the start of the year, it's going to help all of us. So, thank you very much.”

Speaker Hanshaw: “Others? Okay if not, President Blair:.”

President Blair: “Wait a minute. I want to add, it makes me very happy. I've been here since 2003 and the... as the Senator from Morgan just spoke...by golly, we're proactive now and it's a wonderful thing as members need to have this. Everybody needs to have this in advance so that you can plan. I love it. Mr. Speaker, I move we adjourn.”

Speaker Hanshaw: “Let's first have a motion to approve these dates.”

President Blair: “Oh! Oh, excuse me.”

Speaker Hanshaw: “That we're all so proud of.”

President Blair: “Mr. Speaker, I move that we approve the proposed 2024 interim dates.”

Speaker Hanshaw: “Question is on the motion that the list of dates distributed to the members be approved as distributed. Is there discussion? If not, those in favor will please say aye, those opposed please say no. The ayes have it, that motion is adopted, those dates are approved. Now...”

President Blair: “Any other business?”

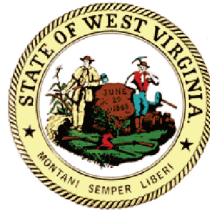
Speaker Hanshaw: “No, sir.”

President Blair: “I move we adjourn.”

Speaker Hanshaw: “Question is on the motion to adjourn, those in favor of the motion will please say aye, those opposed please say no. The ayes have it, we are adjourned. Thanks to all.”

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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Charleston, WV 25301*

304-347-4870

April 02, 2024

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

- West Virginia Lottery as of February 29, 2024
Gross profit as of February 29, 2024, was \$390.5 million. Gross profit as of February 29, 2023, was \$398.3 million.
- West Virginia Unemployment Compensation Fund as of February 29, 2024
Total disbursements were \$48.3 million higher than in fiscal year 2023. Overall ending trust fund balance was \$20.4 million higher on February 29, 2024, than on February 28, 2023.
- General Revenue Fund as of March 31, 2024
The general revenue collections ended the ninth month of fiscal year 2024 at 115% of the estimate for the year. Total collections were \$522.9 million above the estimate for the fiscal year.
- State Road Fund as of March 31, 2024
The road revenue collections ended the ninth month of fiscal year 2024 at 103% of the estimate for the year. Total collections were \$28.4 million above the estimate for the fiscal year.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



*Budget Division
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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: March 22, 2024

Re: Review of West Virginia Lottery Financial Information
As of February 29, 2024

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for February 29, 2024, 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 \$853.8 million for July-February of fiscal year 2023-2024. Table games accounted for \$21.5 million of this total. Historic Resort Hotel video lottery accounted for \$4.7 million of total gross receipts. Gross lottery revenue has decreased by \$25 million or -2.8% when compared with July-February of fiscal year 2022-2023. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July-February was \$390.5 million; for July-February of last fiscal year it was \$398.3 million. Expressed as a percentage, gross profit is -2% lower for fiscal year 2024 than for fiscal year 2023.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$372,148,000.00 has been accrued to the state of West Virginia for fiscal year 2023-2024. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.

A schedule of cash transfers follows:

State Lottery Fund

Bureau of Senior Services	\$79,479,000.00
Community and Technical College	\$3,998,000.00
Department of Education	\$14,386,000.00
Library Commission	\$11,514,000.00
Higher Education-Policy Commission	\$7,430,000.00
Tourism	\$6,956,000.00
Department of Natural Resources	\$3,779,000.00
Division of Culture and History	\$4,284,000.00
General Revenue Fund	\$000.00
Economic Development Authority	\$7,995,000.00
School Building Authority	\$14,400,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$154,221,000.00

Lottery continued

Excess Lottery Fund

Economic Development Fund	\$16,816,000.00
Higher Education Improvement Fund	\$12,000,000.00
General Purpose Fund	\$44,607,000.00
Higher Education Improvement Fund	\$19,901,000.00
State Park Improvement Fund	\$1,032,000.00
School Building Authority	\$15,151,000.00
Refundable Credit	\$3,449,000.00
WV Racing Commission	\$2,173,000.00
WV DHHR	\$000.00
Teacher's Retirement Savings	\$000.00
Division of Human Services	\$17,000,000.00
WV Lottery Statutory Transfers	\$41,877,000.00
Economic Development Authority	\$3,514,000.00
General Revenue Fund	\$000.00
Office of Technology	\$000.00
Excess Lottery Surplus	\$000.00
WV Infrastructure Council Fund	\$32,249,000.00
Total State Excess Lottery Revenue Fund	\$209,789,000.00

Total Budgetary Distributions:	\$364,010,000.00
Veterans Instant Ticket Fund	\$356,000.00
Pension Plan	\$00.00
TOTAL TRANSFERS	*\$364,366,000.00

* CASH BASIS

Lottery continued

Total Accrued last FY 2023:	\$252,394,000.00
Total Cash Distributions FY 2024:	\$364,366,000.00
Applied to FY 2023:	\$252,394,000.00
Applied to FY 2024:	\$111,972,000.00
Accrued for FY 2024 as of February 29:	\$260,176,000.00



P.O. BOX 2067
CHARLESTON, WV 25327

JOHN A. MYERS
DIRECTOR

PHONE: 304.558.0500
wvlottery.com

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John A. Myers, Director

A handwritten signature in blue ink that reads "John A. Myers".

RE: Monthly Report on Lottery Operations
Month Ending February 29, 2024

DATE: March 15, 2024

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

Financial statements of the Lottery for the month ending February 29, 2024 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, sports wagering, and interactive gaming was \$104,990,656 for the month of February.

Transfers of lottery revenue totaling \$31,715,353 made for the month of February 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 February 29, 2024 was 1,521 and 1,185 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
Larry Pack, Acting Cabinet Secretary – Dept. of Revenue
Riley Moore, Treasurer
J. B. McCuskey, Auditor
Members of the West Virginia Lottery Commission

WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

February 29, 2024

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

ASSETS	February 29, 2024	June 30, 2023
Current Assets:		
Cash and cash equivalents	\$ 295,606	\$ 288,680
Accounts receivable	35,161	35,255
Inventory	1,184	1,228
Other assets	210	1,407
Total Current Assets	<u>332,161</u>	<u>326,570</u>
Capital assets	63,747	63,256
Less accumulated depreciation and amortization	<u>(22,978)</u>	<u>(21,847)</u>
Net Capital Assets	<u>40,769</u>	<u>41,409</u>
Total Noncurrent Assets	<u>40,769</u>	<u>41,409</u>
Total Assets	<u>\$ 372,930</u>	<u>\$ 367,979</u>
Deferred outflows of resources	<u>\$ 2,340</u>	<u>\$ 2,340</u>
Total assets and deferred outflows	<u>\$ 375,270</u>	<u>\$ 370,319</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 260,176	\$ 252,394
Estimated prize claims	19,041	18,081
Accounts payable	2,654	3,672
Other accrued liabilities	31,203	33,976
Total Current Liabilities	<u>313,074</u>	<u>308,123</u>
Deferred inflows	<u>\$ 766</u>	<u>766</u>
Net Position:		
Net Investment in capital assets	40,769	41,409
Unrestricted	<u>20,661</u>	<u>20,021</u>
Total Net Position	<u>61,430</u>	<u>61,430</u>
Total net position, liabilities, and deferred inflows	<u>\$ 375,270</u>	<u>\$ 370,319</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE EIGHT MONTH PERIOD ENDED FEBRUARY 29, 2024

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	FY 2024	FY 2023	FY 2024	FY 2023
Lottery revenues				
On-line games	\$ 5,869	\$ 6,273	\$ 64,578	\$ 70,278
Instant games	12,232	13,328	110,306	114,324
Racetrack video lottery	38,986	40,602	311,909	326,905
Limited video lottery	41,674	41,695	319,841	322,730
Table games	2,738	2,817	21,473	23,196
Historic resort	501	570	4,734	4,275
Sports Wagering	362	295	3,752	3,899
Interactive Wagering	2,629	1,928	17,246	13,208
	<u>104,991</u>	<u>107,508</u>	<u>853,839</u>	<u>878,815</u>
Less commissions				
On-line games	420	435	4,520	4,916
Instant games	856	933	7,722	8,002
Racetrack video lottery	18,756	19,647	167,148	174,144
Limited video lottery	20,420	20,431	156,722	158,138
Table games	1,167	1,199	9,150	9,858
Historic resort	269	287	2,399	2,128
	<u>41,888</u>	<u>42,932</u>	<u>347,661</u>	<u>357,186</u>
Less on-line prizes	2,818	3,125	31,410	35,905
Less instant prizes	8,386	9,098	75,387	77,896
Less ticket costs	113	115	1,379	1,268
Less vendor fees and costs	996	1,145	7,532	8,224
	<u>12,313</u>	<u>13,483</u>	<u>115,708</u>	<u>123,293</u>
Gross profit	<u>50,790</u>	<u>51,093</u>	<u>390,470</u>	<u>398,336</u>
Administrative expenses				
Advertising and promotions	468	139	3,905	4,128
Wages and related benefits	1,046	924	8,748	7,809
Telecommunications	180	54	566	503
Contractual and professional	917	933	7,361	7,697
Rental	23	18	164	192
Depreciation and amortization	141	141	1,131	1,121
Other administrative expenses	270	98	1,924	1,639
	<u>3,045</u>	<u>2,307</u>	<u>23,799</u>	<u>23,089</u>
Other Operating Income	<u>338</u>	<u>281</u>	<u>3,772</u>	<u>3,591</u>
Operating Income	<u>48,083</u>	<u>49,067</u>	<u>370,443</u>	<u>378,838</u>
Nonoperating income (expense)				
Investment income	1,238	973	9,462	5,334
Distributions to municipalities and counties	(817)	(817)	(6,269)	(6,326)
Distributions -capital reinvestment	(827)	(820)	(1,488)	(1,800)
Distributions to the State of West Virginia	(47,677)	(48,403)	(372,148)	(376,046)
	<u>(48,083)</u>	<u>(49,067)</u>	<u>(370,443)</u>	<u>(378,838)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>61,430</u>	<u>60,896</u>	<u>61,430</u>	<u>60,896</u>
Net position, end of period	<u>\$ 61,430</u>	<u>\$ 60,896</u>	<u>\$ 61,430</u>	<u>\$ 60,896</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE EIGHT MONTH PERIOD ENDED FEBRUARY 29, 2024

(In Thousands)

-Unaudited-

	2024	2023
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 857,705	\$ 870,451
Cash payments for:		
Personnel costs	(8,748)	(7,809)
Suppliers	(14,000)	(15,913)
Other operating costs	(458,128)	(478,271)
Cash provided by operating activities	<u>376,829</u>	<u>368,458</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(364,366)	(362,967)
Distributions to municipalities and counties	(6,243)	(6,271)
Distributions to racetrack from racetrack cap. reinv. fund	(8,265)	(7,785)
Cash used in noncapital financing activities	<u>(378,874)</u>	<u>(377,023)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(491)</u>	<u>(725)</u>
Cash flows from investing activities:		
Investment earnings received	<u>9,462</u>	<u>5,334</u>
Cash provided by investing activities	<u>9,462</u>	<u>5,334</u>
Increase (decrease) in cash and cash equivalents	6,926	(3,956)
Cash and cash equivalents - beginning of period	<u>288,680</u>	<u>281,709</u>
Cash and cash equivalents - end of period	<u>\$ 295,606</u>	<u>\$ 277,753</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 370,443	\$ 378,838
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,131	1,121
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	94	(11,955)
(Increase) decrease in inventory	44	64
(Increase) decrease in other assets	1,197	66
Increase (decrease) in estimated prize claims	960	1,932
Increase (decrease) in accounts payable	(1,018)	(1,382)
Increase (decrease) in other accrued liabilities	3,978	(226)
Cash provided by operating activities	<u>\$ 376,829</u>	<u>\$ 368,458</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

COMPENSATED ABSENCES – The Lottery has accrued \$807,352 and \$755,071 at June 30, 2023 and 2022, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in another postemployment benefits plan.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At February 29, 2024 the carrying amounts of deposits (overdraft) with financial institutions were \$498 thousand with a bank balance (overdraft) of \$524 thousand. Of this balance \$250 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

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

	<u>February 29, 2024</u>	<u>June 30, 2023</u>
Deposits with financial institutions	\$ 498	\$ 458
Cash on hand at the Treasurer's Office	6,061	13,834
Investments with BTI reported as cash equivalents	<u>289,047</u>	<u>274,388</u>
	<u>\$ 295,606</u>	<u>\$ 288,680</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended February 29, 2024 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2023	Additions	Deletions	Historical Cost At February 29, 2024
Construction in Progress	2,152	491	-	2,643
Buildings	48,243	-	-	48,243
Land	1,681	-	-	1,681
Equipment	11,180	-	-	11,180
	<u>\$ 63,256</u>	<u>\$ 491</u>	<u>\$ -</u>	<u>\$ 63,747</u>
Accumulated Depreciation:				
	Historical Cost At June 30, 2023	Additions	Deletions	Historical Cost At February 29, 2024
Buildings	\$ 12,631	\$ 823	\$ -	\$ 13,454
Equipment	9,216	308	-	9,524
	<u>\$ 21,847</u>	<u>\$ 1,131</u>	<u>\$ -</u>	<u>\$ 22,978</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

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

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, LOTTO AMERICA®, and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended February 29, 2024 and fiscal year-to-date is as follows:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 2,173,779	\$ 30,376,831
Lotto America	400,618	3,653,874
Mega Millions	1,470,224	15,081,236
Total	\$ 4,044,621	\$ 49,111,941

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,091,237	\$ 15,184,835
Lotta America	200,309	1,827,002
Mega Millions	735,115	7,517,713
Total	\$ 2,026,661	\$ 24,529,550

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

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

At February 29, 2024, the Lotteries share of the prize reserve fund balances were as follows:

<u>Game</u>	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 126,419,526	\$ 1,159,438
Lotto America	8,854,039	681,521
Mega Millions	100,982,173	766,957
Total	\$ 236,255,738	\$ 2,607,916

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to direct obligations of the United States Government, perfected repurchase agreements, and obligations issued or guaranteed as to payment of

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

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 \$18,920,295 at February 29, 2024, of which the Lottery's share was \$210,306.

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%).

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

The remaining net terminal revenue (51%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 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 February 29, 2024 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2024	2023	2024	2023
Total credits played	\$ 454,676	\$ 479,718	\$ 3,674,183	\$ 3,785,915
Credits (prizes) won	(408,962)	(431,522)	(3,306,193)	(3,403,093)
Promotional credits played	(6,728)	(7,594)	(56,081)	(55,917)
Gross terminal income	38,986	40,602	311,909	326,905
Administrative costs	(692)	(758)	(10,998)	(11,192)
Net Terminal Income	38,294	39,844	300,911	315,713
Less distribution to agents	(18,756)	(19,647)	(167,148)	(174,144)
Racetrack video lottery revenues	<u>\$ 19,538</u>	<u>\$ 20,197</u>	<u>\$ 133,763</u>	<u>\$ 141,569</u>

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

	February 29, 2024	Year-to-Date
State Lottery Fund	\$ 4,980	\$ 80,391
State Excess Lottery Revenue Fund	13,771	52,183
Capital Reinvestment Fund	787	1,189
Total nonoperating distributions	<u>\$ 19,538</u>	<u>\$ 133,763</u>

NOTE 7 - LIMITED VIDEO LOTTERY

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 7 - LIMITED VIDEO LOTTERY (continued)

stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. 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 February 29, 2024 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2024	2023	2024	2023
Total credits played	\$ 555,530	\$ 549,229	\$ 4,261,318	\$ 4,258,007
Credits (prizes) won	(513,856)	(507,534)	(3,941,477)	(3,935,277)
Gross terminal income	\$ 41,674	\$ 41,695	\$ 319,841	\$ 322,730
Administrative costs	(833)	(834)	(6,397)	(6,455)
Gross Profit	40,841	40,861	313,444	316,275
Commissions	(20,420)	(20,431)	(156,722)	(158,138)
Municipalities and Counties	(817)	(817)	(6,269)	(6,326)
Limited video lottery revenues	\$ 19,604	\$ 19,613	\$ 150,453	\$ 151,811

NOTE 8 – TABLE GAMES

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 8 – TABLE GAMES (continued)

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

The cash transferred to the State Excess Lottery Revenue Fund in the current month is included in Note 12- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year ended February 29, 2024, were \$7,824,053 and \$61,352,046, 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	
	2024	2023	2024	2023
Table Games Privilege Tax	\$ 2,738	\$ 2,817	\$ 21,473	\$ 23,196
Interest on Table Games Fund	28	21	214	121
Administrative costs	(235)	(241)	(1,841)	(1,988)
Total Available for Distribution	<u>2,531</u>	<u>2,597</u>	<u>19,846</u>	<u>21,329</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	176	181	1,380	1,491
Thoroughbred & Greyhound Development Funds	141	145	1,104	1,193
Racing Association Pension Plan	70	72	548	588
Municipalities/ Counties	780	801	6,118	6,586
Total Distributions	<u>1,167</u>	<u>1,199</u>	<u>9,150</u>	<u>9,858</u>
Excess Lottery Fund	<u>\$ 1,364</u>	<u>\$ 1,398</u>	<u>\$ 10,696</u>	<u>\$ 11,471</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL

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

Historic Resort Video Lottery

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

A summary of historic resort hotel video lottery revenues for the month ended February 29, 2024 and fiscal year-to-date follows (in thousands):

	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Total credits played	\$ 4,621	\$ 5,657	\$ 39,669	\$ 44,001
Credits (prizes) won	(4,173)	(5,181)	(35,807)	(40,533)
Promotional credits played	(76)	(101)	(700)	(705)
Gross terminal income	372	375	3,162	2,763
Capital reinvestment	(17)	(17)	(149)	(130)
Excess Lottery Fund	(3)	(3)	(28)	(25)
Administrative costs	(20)	(20)	(171)	(149)
Hotel commissions	(157)	(159)	(1,338)	(1,168)
Net terminal income	175	176	1,476	1,291
Historic Resort Hotel Fund	112	112	939	821
Human Resource Benefit Fund	63	64	537	470

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL (continued)

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month and year ended February 29, 2024 were \$368,398 and \$4,490,293 respectively.

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

	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Table games privilege tax	\$ 129	\$ 195	\$ 1,572	\$ 1,512
Administrative Costs	<u>(17)</u>	<u>(25)</u>	<u>(202)</u>	<u>(194)</u>
Total Available for Distribution	112	170	1,370	1,318
Historic Resort Hotel Fund	94	142	1,145	1,102
Human Resource Benefit Fund	18	28	225	216

Historic Resort Hotel Fund

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

- 1) Eighty-six percent (86%) is paid to the State Excess Lottery Revenue Fund;
- 2) Four percent (4%) is paid to the county where the gaming facility is located;
- 3) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 4) Two and one-half percent (2.5%) is divided and paid in equal shares to the remaining municipalities in the county where the gaming facility is located;
- 5) Two and one-half percent (2.5%) is divided and paid in equal shares, to each county commission in the state where the gaming facility is not located;
- 6) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

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

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 112	\$ 939
Historic Resort Table Games	94	1,145
Interest on Historic Resort Hotel Fund	6	52
Historic Resort Hotel Fund Net Income	<u>212</u>	<u>2,136</u>
Municipalities/ Counties	31	299
Excess Lottery Fund	<u>181</u>	<u>1,837</u>
Total Distributions	<u>\$ 212</u>	<u>\$ 2,136</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 10– SPORTS WAGERING

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

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

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

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

The Sports Wagering adjusted gross wagering receipts for the month and year-to-date periods ended February 29, 2024 were \$3,620,822 and \$37,519,813, 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	
	2024	2023	2024	2023
Sports Wagering Privilege Tax	\$ 362	\$ 295	\$ 3,752	\$ 3,899
Interest on Sports Waging Fund	-	-	-	-
Administrative Costs	(54)	(44)	(563)	(585)
Total Available for Distribution	308	251	3,189	3,314

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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 February 29, 2024 were \$17,524,763 and \$114,973,966 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	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interactive Wagering Privilege Tax	\$ 2,629	\$ 1,928	\$ 17,246	\$ 13,208
Interest on Interactive Wagering Fund	51	21	386	113
Administrative Costs	<u>(394)</u>	<u>(289)</u>	<u>(2,587)</u>	<u>(1,981)</u>
Total Available for Distribution	<u>2,286</u>	<u>1,660</u>	<u>15,045</u>	<u>11,340</u>

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

	Current Month	Year-to-Date
Pensions	23	150
Lottery Fund	2,263	14,895
Total Distributions	<u>\$ 2,286</u>	<u>\$ 15,045</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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, 2024 the State Legislature budgeted \$144,069,148 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 \$6,537,211 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 February 29, 2024 the Lottery has accrued additional distributions of \$260,175,854. The Lottery is a non-appropriated state agency and therefore does not have a legally adopted annual budget.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>February 29, 2024</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 3,998
Bureau of Senior Services		79,479
Department of Education		14,386
Library Commission		11,514
Higher Education-Policy Commission		7,430
Tourism		6,956
General Revenue		-
Natural Resources		3,779
Division of Culture & History		4,284
Economic Development Authority	999	7,995
School Building Authority	1,800	14,400
Total State Lottery Fund	<u>\$ 3,299</u>	<u>\$ 154,221</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 2,102	\$ 16,816
Higher Education Improvement Fund	1,500	12,000
General Purpose Account	6,351	44,607
Education Improvement Fund	2,834	19,901
State Park Improvement Fund	147	1,032
School Building Authority	1,896	15,171
Refundable Credit	2,422	3,449
WV Racing Commission	195	2,173
WV Department of Health and Human Resources		
Teacher's Retirement Savings		
Department of Education		
Division of Human Services		17,000
WV Lottery Statutory Transfers	5,963	41,877
Economic Development Authority	439	3,514
General Revenue Fund		
Office of Technology		
Excess Lottery Surplus		
West Va. Infrastructure Council	4,509	32,249
Total State Excess Lottery Revenue Fund	<u>\$ 28,358</u>	<u>\$ 209,789</u>
Total Budgetary distributions:	<u>\$ 31,657</u>	<u>\$ 364,010</u>
Veterans Instant Ticket Fund	\$ 58	\$ 356
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 31,715	\$ 364,366
Accrued nonoperating distributions, beginning	(244,214)	(252,394)
Accrued nonoperating distributions, end	<u>260,176</u>	<u>260,176</u>
	<u>\$ 47,677</u>	<u>\$ 372,148</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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 February 29, 2024 and February 28, 2023 approximated \$164,436 and \$192,310 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 February 29, 2024 and February 28, 2023 approximated \$711,287 and \$719,810 respectively.

NOTE 14 – COMMITMENTS

For the year ended June 30, 2023 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. For the year ended June 30, 2022 the Lottery Commission designated \$4,512,722 of unexpended administrative funds for the acquisition of capital assets. As of June 30, 2023 and 2022, \$5,986,994 and \$7,075,367, 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 February 29, 2024 and fiscal year-to-date are as follows (in thousands):

	<u>February 29, 2024</u>	<u>Year-to-Date</u>
Employee contributions	\$ 38	\$ 325
Lottery contributions	69	590
Total contributions	<u>\$ 107</u>	<u>\$ 915</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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)

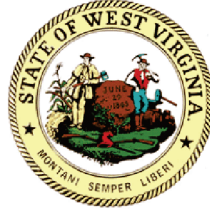
The Lottery participates in the West Virginia Board of Risk and Insurance Management (BRIM), a common risk pool currently operating as a common risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The Lottery pays 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 EIGHT MONTH PERIOD ENDED FEBRUARY 29, 2024
 (In Thousands)**

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	Current Month		FISCAL YEAR	
	Actual	Projected	Actual	Projected
Gross Revenues				
Instant games	12,232	12,084	110,306	96,667
On-line games	5,869	5,834	64,578	46,667
Racetrack video lottery	38,986	34,854	311,909	295,393
Limited video lottery	41,674	38,734	319,841	295,322
Racetrack table games	2,738	2,028	21,473	16,497
Historic resort	501	470	4,734	4,769
Sports wagering	362	298	3,752	2,381
Interactive wagering	2,629	663	17,246	5,301
Total gross revenues	104,991	94,965	853,839	762,997
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	1,307	1,423	12,199	11,382
On-line games	1,922	1,674	20,389	13,394
Racetrack Video Lottery	5,114	4,530	82,644	77,385
Sports wagering	315	253	3,244	2,024
Interactive wagering	2,262	557	14,894	4,460
Total Lottery Fund net revenues	10,920	8,437	133,370	108,645
Excess Lottery Fund				
Racetrack Video Lottery	14,124	12,201	53,537	47,635
Limited Video Lottery	20,045	18,220	154,102	138,919
Limited Video Lottery Fees	4	-	973	-
Racetrack table games	1,364	995	10,696	8,093
Historic resort	185	179	1,865	1,813
Total Excess Lottery Fund Net Revenues	35,722	31,595	221,173	196,460
Total Net Revenues	46,642	40,032	354,543	305,105

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: April 02, 2024

Re: Status of General Revenue Fund and State Road Fund as of
March 31, 2024 (FY 24)

We have read the cash flow of the West Virginia general revenue fund as of March 31, 2024, which is the ninth month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 115% of the estimate for the fiscal year. Total collections were \$522.9 million above the estimate for the fiscal year.

Personal Income Tax collections were \$184.1 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$23.7 million above the estimate for the year.

Severance Tax was \$25.4 million above the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$131.4 million above the estimate for the fiscal year.

State Road Fund

The state road fund collections were 103% of the estimate for the fiscal year. Total collections were \$28.4 million above the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve **Fund A** (Rainy Day Fund) had a cash balance of \$696,957,305.22 as of March 31, 2024.

Balance July 1, 2023	\$ 435,167,871.58
Fiscal year 23 Surplus	\$ 231,584,774.65
*Loan to General Revenue Fund	\$ (70,000,000.00)
Loan paid off 09-23-23	\$ 70,000,000.00
Earnings/(Loss)	\$ 30,204,658.99
March 31, 2024	\$ 696,957,305.22

*\$70 million loan to state General Revenue Fund 7/01/2023 for beginning of the year cash flow, to be repaid within 90 days. Loan was paid off 09-23-2023.

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$541,462,764.36 as of March 31, 2024.

Balance July 1, 2023	\$ 508,162,521.37
Earnings	\$33,300,242.99
Balance March 31, 2024	\$ 541,462,764.36

The **Personal Income Tax Reserve** Fund had a \$460,000,000.00 cash balance as of March 31, 2024.

Balance July 1, 2023	\$60,000,000.00
**Budget surplus September 8, 2023	\$400,000,000.00
Balance March 31, 2024	\$460,000,000.00

**HB 2024 appropriation to be used to pay for the first year of the Personal Income Tax and Personal Property Tax exemption.

**REVENUE COLLECTIONS
FISCAL YEAR 2024
as of March 31, 2024**

GENERAL REVENUE FUND

			FINAL				
	MONTH	ACTUAL	MONTHLY	YTD	ACTUAL	YTD	YTD
	ESTIMATES	MONTH	COLLECTIONS	ESTIMATES	YTD	COLLECTIONS	PERCENT
		COLLECTIONS	OVER	ESTIMATES	COLLECTIONS	OVER	COLLECTED
			ESTIMATES			ESTIMATES	
Personal Income Tax	\$ 149,500,000	\$ 198,280,394	\$ 48,780,394	\$ 1,450,900,000	\$ 1,634,998,505	\$ 184,098,505	113%
Consumer Sales Tax & Use Tax	141,600,000	147,173,138	5,573,138	1,291,900,000	1,315,617,271	23,717,271	102%
Severance Tax	22,100,000	48,158,948	26,058,948	222,300,000	247,514,961	25,214,961	111%
Corporate Net Income Tax	8,500,000	15,378,234	6,878,234	127,600,000	258,981,223	131,381,223	203%
Insurance Tax	23,700,000	20,661,970	(3,038,030)	85,400,000	89,452,662	4,052,662	105%
Tobacco Products Tax	13,800,000	11,362,854	(2,437,146)	118,400,000	115,940,523	(2,459,477)	98%
Business and Occupation	12,000,000	11,758,483	(241,517)	82,500,000	83,854,396	1,354,396	102%
Liquor Profit Transfers	2,000,000	2,012,350	12,350	20,000,000	22,153,877	2,153,877	111%
Departmental Collections	1,500,000	1,634,989	134,989	20,704,000	21,916,609	1,212,609	106%
Property Transfer Tax	700,000	855,433	155,433	7,900,000	9,434,790	1,534,790	119%
Property Tax	2,100,000	1,702,923	(397,077)	6,550,000	7,788,723	1,238,723	119%
Beer Tax and Licenses	400,000	560,079	160,079	4,700,000	4,801,919	101,919	102%
Miscellaneous Transfers	120,000	-	(120,000)	1,680,000	805,923	(874,077)	48%
Interest Income	2,300,000	14,847,459	12,547,459	32,900,000	170,149,967	137,249,967	517%
Refundable Credit Reimb Liability	1,900,000	2,822,906	922,906	3,850,000	6,271,700	2,421,700	0%
HB 102 - Lottery Transfers	9,000,000	8,630,963	(369,037)	55,800,000	53,237,544	(2,562,456.17)	0%
Miscellaneous	250,000	344,617	94,617	1,570,000	13,447,793	11,877,793	857%
Business Franchise Fees	60,000	109,823	49,823	550,000	737,898	187,898	134%
Estate & Inheritance Tax	-	-	-	-	-	-	0%
Liquor License Renewal	45,000	42,642	(2,358)	543,000	552,123	9,123	102%
Special Revenue Transfers	-	-	-	-	-	-	0%
Charter Tax	-	1,764	1,764	-	4,539	4,539	0%
Telecommunications Tax	-	-	-	-	-	-	0%
Video Lottery Transfers	-	42,720	42,720	-	385,141	385,141	0%
July-Dec Retro Rev Adj	-	-	-	-	-	-	0%
Cash Flow Transfer	-	-	-	-	-	-	0%
Soft Drink Excise Tax	1,000,000	1,052,702	52,702	9,900,000	10,514,328	614,328	106%
SUBTOTALS	\$ 392,575,000	\$ 487,435,389	\$ 94,860,389	\$ 3,545,647,000	\$ 4,068,562,415	\$ 522,915,415	
Less: Cash Flow Transfer	-	-	-	-	-	-	
Less: Special Revenue Transfer	-	-	-	-	-	-	
TOTALS	\$ 392,575,000	\$ 487,435,389	\$ 94,860,389	\$ 3,545,647,000	\$ 4,068,562,415	\$ 522,915,415	

Percent of Estimates

124%

115%

Collections this day

\$ 33,174,224

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

April 01, 2024

**STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
MARCH 2023 vs MARCH 2024**

GENERAL REVENUE FUND

	Actual Collections March 2023	Actual Collections March 2024	Actual Collections 9 Months Jul-Mar 2023	Actual Collections 9 Months Jul-Mar 2024	YTD \$ Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Personal Income Tax	\$ 200,251,038	\$ 198,280,394	\$ 1,805,089,317	\$ 1,634,998,505	\$ (170,090,812)	-9%
Consumer Sales Tax & Use Tax	139,721,813	147,173,138	1,269,120,318	1,315,617,271	46,496,953	4%
Severance Tax	84,781,188	48,158,948	786,964,583	247,514,961	(539,449,622)	-69%
Corporate Net Income Tax	18,466,915	15,378,234	232,887,502	258,981,223	26,093,720	11%
Insurance Tax	22,953,724	20,661,970	82,822,926	89,452,662	6,629,736	8%
Tobacco Products Tax	11,264,570	11,362,854	117,590,977	115,940,523	(1,650,453)	-1%
Business and Occupation	11,261,420	11,758,483	84,846,956	83,854,396	(992,560)	-1%
Liquor Profit Transfers	2,010,233	2,012,350	24,075,450	22,153,877	(1,921,572)	-8%
Departmental Collections	1,794,812	1,634,989	22,392,242	21,916,609	(475,633)	-2%
Property Transfer Tax	757,451	855,433	10,464,404	9,434,790	(1,029,614)	-10%
Property Tax	1,230,005	1,702,923	6,411,828	7,788,723	1,376,895	21%
Beer Tax and Licenses	495,579	560,079	4,780,381	4,801,919	21,537	0%
Miscellaneous Transfers	126,638	-	683,168	805,923	122,755	0%
Interest Income	10,176,336	14,847,459	78,473,168	170,149,967	91,676,798	117%
Refundable Credit Reimb Liability	1,914,808	2,822,906	4,720,302	6,271,700	1,551,398.00	0%
HB 102 - Lottery Transfers	8,968,289	8,630,963	55,816,065	53,237,544	(2,578,520.70)	0%
Miscellaneous	339,748	344,617	1,948,146	13,447,793	11,499,648	590%
Business Franchise Fees	109,150	109,823	640,621	737,898	97,276	15%
Estate & Inheritance Tax	-	-	-	-	-	0%
Liquor License Renewal	42,642	42,642	748,546	552,123	(196,422)	-26%
Special Revenue Transfers	-	-	-	-	-	0%
Charter Tax	803	1,764	3,680	4,539	858	23%
Video Lottery Transfers	66,406	42,720	352,631	385,141	32,510	0%
July-Dec Retro Rev Adj	-	-	-	-	-	0%
Cash Flow Transfer	-	-	-	-	-	0%
Soft Drink Excise Tax	1,040,056	1,052,702	10,336,338	10,514,328	177,990	100%
SUBTOTALS	\$ 517,773,625	\$ 487,435,389	\$ 4,601,169,549	\$ 4,068,562,415	\$ (532,607,134)	
Less: Cash Flow Transfer	-	-	-	-	-	
Less: Special Revenue Transfer	-	-	-	-	-	
TOTALS	\$ 517,773,625	\$ 487,435,389	\$ 4,601,169,549	\$ 4,068,562,415	\$ (532,607,134)	
Increase/Decrease over Prior Period		\$ (30,338,235)		\$ (532,607,134)		
% Increase/Decrease over Prior Period		-5.86%		-11.58%		

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
April 02, 2024

**REVENUE COLLECTIONS
FISCAL YEAR 2024
as of March 31, 2024**

STATE ROAD FUND

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Motor Fuel Tax	\$ 29,600,000	\$ 28,772,152	\$ (827,848)	\$ 334,900,000	\$ 325,826,765	\$ (9,073,235)	97%
Sales/Privilege Tax	26,000,000	23,621,417	(2,378,583)	211,000,000	230,477,147	19,477,147	109%
Licenses & Registration	13,875,000	11,897,161	(1,977,839)	109,575,000	89,794,552	(19,780,448)	82%
Miscellaneous	5,000,000	19,189,769	14,189,769	191,500,000	229,399,624	37,899,624	120%
Highway Litter Control	168,000	136,783	(31,217)	1,242,000	1,139,451	(102,549)	92%
Federal Reimbursement	61,000,000	45,518,457	(15,481,543)	506,300,000	576,988,427	70,688,427	114%
SUBTOTALS	\$ 135,643,000	\$ 129,135,740	\$ (6,507,260)	\$ 1,354,517,000	\$ 1,453,625,965	\$ 99,108,965	
Less: Federal Reimbursement	61,000,000	45,518,457	(15,481,543)	506,300,000	576,988,427	70,688,427	
TOTALS	\$ 74,643,000	\$ 83,617,282	\$ 8,974,282	\$ 848,217,000	\$ 876,637,538	\$ 28,420,538	
Percent of Estimates		112%			103%		

Collections this day \$ 14,146,113

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of March 31, 2024 : \$696,957,305.22

\$70 million loan to General Revenue fund 7/1/23 for beginning of the year cash flow, to be repaid within 90 days, not reflected.
Loan paid off 9/15/23.

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of March 31, 2024: \$ 541,462,764.36

SPECIAL INCOME TAX REFUND RESERVE FUND as of March 31, 2024: \$460,000,000.00

\$400 million appropriated on 9/8/23 - HB 2024 will be used to pay for the first year of the Personal Income Tax and Personal Property Tax Exemption.

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

April 01, 2024

**STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
MARCH 2023 vs MARCH 2024**

STATE ROAD FUND

	Actual Collections Mar 2023	Actual Collections Mar 2024	Actual Collections 9 Months Jul-Mar 2023	Actual Collections 9 months Jul- Mar 2024	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Gasoline & Motor Carrier Rd Tax	\$ 17,416,731	\$ 28,772,152	\$ 319,331,050	\$ 325,826,765	\$ 6,495,714	2%
Privilege Tax	29,335,835	23,621,417	236,458,544	230,477,147	(5,981,398)	-3%
Licenses & Registration	13,249,125	11,897,161	97,190,479	89,794,552	(7,395,927)	-8%
Miscellaneous	1,826,878	19,189,769	167,527,306	229,399,624	61,872,318	37%
Highway Litter Control	213,055	136,783	1,251,301	1,139,451	(111,850)	-9%
Federal Reimbursement	62,188,375	45,518,457	483,427,454	576,988,427	93,560,972	19%
SUBTOTALS	\$ 124,230,001	\$ 129,135,740	\$ 1,305,186,135	\$ 1,453,625,965	\$ 148,439,830	
Less: Federal Reimbursement	62,188,375	45,518,457	483,427,454	576,988,427	93,560,972	
TOTALS	\$ 62,041,625	\$ 83,617,282	\$ 821,758,681	\$ 876,637,538	\$ 54,878,858	
 Increase/Decrease over Prior Period		\$ 21,575,657		\$ 54,878,858		
 % Increase/Decrease over Prior Period		34.8%		6.7%		

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
April 02, 2024

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: March 28, 2023

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the February 29, 2023, monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of February 29, 2023, of fiscal year 2023-2024, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2023	\$ 419,876,988.10
Receipts July 1,2023 thru June 30, 2024	\$ 229,086,645.46
Disbursements July 1,2023 thru June 30, 2024	\$ 259,273,963.61
Balance February 29, 2024	\$ 389,689,669.95

ITEMS OF NOTE:

Regular benefits paid for July-February 2024 were \$ 25.7 million more than July-February 2023.

Federal emergency benefits totaled \$0 for July-February 2024. For July-February 2023, federal emergency benefits totaled \$0.

Total disbursements were \$48.3 million more in July-February 2024 than the preceding July-February 2023.

Receipts as of July-February 2024, were \$26.8 million more than in July-February 2023. Overall ending trust fund balance was \$20.4 million higher on February 29, 2024, than on February 28, 2023.

Seasonally adjusted unemployment rates for February 2024 were 4.3 percent for West Virginia and 3.9 percent nationally.

Since February 2023, employment has increased by 13,700. Employment increases included 5,900 in private education and health services, 500 in construction, 4,600 in government, 1,200 in professional and business services, 1,400 in leisure and hospitality, 200 in other services, 200 in manufacturing, and 900 in financial activities. Employment declines included 1,000 in trade, transportation, and utilities, and 200 in information. Employment in mining and logging was unchanged for the year.

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING DECEMBER 2022 AND DECEMBER**

	DECEMBER 2022	JANUARY 2023	FEBRUARY 2023	DECEMBER 2023	JANUARY 2024	FEBRUARY 2024	THREE MONTH TOTAL VARIANCE *	
Balance Forward	<u>\$ 388,928,030.69</u>	<u>\$ 382,161,959.12</u>	<u>\$ 376,904,507.02</u>	<u>\$ 416,967,898.02</u>	<u>\$ 406,309,428.10</u>	<u>\$ 400,286,828.76</u>	<u>\$ 75,569,658.05</u>	
Add Receipts:								
1. Bond Assessment							\$ -	1. Bond Assessment
2. Regular Contributions:	811,953.07	10,878,668.75	5,806,182.39	935,842.78	11,978,417.76	5,251,169.43	668,625.76	2. Regular Contributions:
3. Federal Emergency Benefits (PEUC)	50,607.07	72,104.29	49,863.37	6,244.83	78.00	-	(166,251.90)	3. Federal Emergency Benefits (PEUC)
4. Federal Share Extended Benefits (EB)	(5,609.62)	540.00	-	-	-	-	5,069.62	4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC	33,699.51	6,179.89	12,299.82	60,471.15	2,399.93	6,526.34	17,218.20	5. Federal Additional Compensation - FPUC
6. Pandemic Unemployment Assistance PUA	(16,902.20)	(514.00)	(1,397.00)	(248.40)	(411.00)	(27,170.00)	(9,016.20)	6. Pandemic Unemployment Assistance PUA
7. UCFE (Federal Agencies)	71,272.77	70,549.01	73,642.25	55,470.84	98,328.45	110,142.05	48,477.31	7. UCFE (Federal Agencies)
8. TSFR From Non-Invstd FUA	-	-	-	-	-	-	-	8. TSFR From Non-Invstd FUA
9. EUISAA - EMER US RELIEF/STC	8,950.40	8,532.73	5,802.57	-	-	-	(23,285.70)	9. EUISAA - EMER US RELIEF/STC
10. Treasury Interest Credits	1,638,583.15	-	-	2,745,303.64	-	-	1,106,720.49	10. Treasury Interest Credits
11. UCX (Military Agencies)	(13,678.07)	14,615.99	16,262.98	43,001.30	61,599.45	49,420.40	136,820.25	11. UCX (Military Agencies)
12. Temporary Compensation	-	-	-	-	-	-	-	12. Temporary Compensation
13. BT to State UI Account	-	-	-	-	-	-	-	13. BT to State UI Account
14. UI Modernization	-	-	-	-	-	-	-	14. UI Modernization
15. Loan Advance	-	-	-	-	-	-	-	15. Loan Advance
16. Return of Overpayments FPUC/PUA/EUO	-	-	-	-	-	-	-	16. Return of Overpayments FPUC/PUA/EUO
Total Monthly Receipts	<u>\$ 12,704,112.31</u>	<u>\$ 35,795,306.84</u>	<u>\$ 25,495,204.73</u>	<u>\$ 16,677,941.59</u>	<u>\$ 41,041,993.18</u>	<u>\$ 26,824,885.58</u>	<u>\$ 10,550,196.47</u>	Total Monthly Receipts
Less Disbursements:								
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	Debt Bond Repayment
Regular Benefits:	\$ 9,278,377.33	\$ 16,112,554.92	\$ 13,375,847.44	\$ 14,260,361.06	\$ 18,005,998.32	\$ 15,808,780.25	9,308,359.94	Regular Benefits:
Federal Emergency Compensation - PEUC	(7,363.08)	8,085.00	17,716.98	6,246.73	73.43	-	(12,118.74)	PEUC
Federal Additional Compensation - FPUC	(40,795.20)	26,838.70	39,663.37	62,631.15	4,765.41	3,860.87	45,550.56	FPUC
Pandemic Unemployment Assistance PUA	(7,781.20)	-	(1,397.00)	(248.40)	(411.00)	(27,170.00)	(18,651.20)	PUA
Federal Emergency Benefits (EUC08)	-	-	-	-	-	-	-	Federal Emergency Benefits (EUC08)
Federal Extended - 2112	-	-	-	-	-	-	-	Federal Extended - 2112
Emergency Benefits (TEUC)	-	-	-	-	-	-	-	Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	68,363.18	77,257.60	67,525.85	60,637.43	96,580.14	103,337.27	47,408.21	UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	50,805.84	72,777.29	48,430.60	48,595.18	56,005.63	50,643.79	(16,769.13)	UCX (Military Workers) Benefits
Reed Act Funds	-	-	-	-	-	-	-	Reed Act Funds
EUISAA Title IX/STC	8,950.40	8,532.73	5,802.57	66,332.91	-	47,794.85	90,842.06	EUISAA Title IX/STC
Total Monthly Disbursements	<u>\$19,470,183.88</u>	<u>\$ 41,052,758.94</u>	<u>\$33,091,940.73</u>	<u>\$27,336,411.51</u>	<u>\$47,064,592.52</u>	<u>\$37,422,044.39</u>	<u>\$ 18,208,164.87</u>	Total Monthly Disbursements
Trust Fund Balance	<u>\$382,161,959.12</u>	<u>\$ 376,904,507.02</u>	<u>\$369,307,771.02</u>	<u>\$406,309,428.10</u>	<u>\$400,286,828.76</u>	<u>\$389,689,669.95</u>	<u>\$ 67,911,689.65</u>	Trust Fund Balance

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

Indicates prior month values that have been updated

**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 – 2024

Month	Receipts	Disbursements	Trust Fund Balance
2023			
Balance 1/1/2023			\$ 382,161,959
January	\$ 35,795,306	\$ 41,052,758	\$ 376,904,507
February	\$ 25,495,204	\$ 33,091,940	\$ 369,307,771
March	\$ 17,679,370	\$ 25,286,212	\$ 361,700,928
April	\$ 53,423,465	\$ 41,376,931	\$ 373,747,462
May	\$ 135,614,882	\$ 83,183,401	\$ 426,178,943
June	\$ 14,588,998	\$ 20,890,953	\$ 419,876,988
July	\$ 40,323,764	\$ 37,362,605	\$ 422,838,147
August	\$ 31,593,212	\$ 30,899,660	\$ 423,531,699
September	\$ 13,233,259	\$ 19,721,305	\$ 417,043,653
October	\$ 37,545,497	\$ 33,067,426	\$ 421,521,724
November	\$ 21,846,092	\$ 26,399,918	\$ 416,967,898
December	\$ 16,677,941	\$ 27,336,411	\$ 406,309,428
Totals - 2023	\$ 443,816,990	\$ 419,669,520	\$ 406,309,428
2024			
January	\$ 41,041,993	\$ 47,064,592	\$ 400,286,829
February	\$ 28,824,885	\$ 37,422,044	\$ 389,689,670
March	\$	\$	\$
April	\$	\$	\$
May	\$	\$	\$
June	\$	\$	\$
July	\$	\$	\$
August	\$	\$	\$
September	\$	\$	\$
October	\$	\$	\$
November	\$	\$	\$
December	\$	\$	\$
Totals - 2024	\$	\$	\$

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING DECEMBER 2022 AND DECEMBER**

	DECEMBER 2022	JANUARY 2023	FEBRUARY 2023	DECEMBER 2023	JANUARY 2024	FEBRUARY 2024	THREE MONTH TOTAL VARIANCE *	
Balance Forward	<u>\$ 388,928,030.69</u>	<u>\$ 382,161,959.12</u>	<u>\$ 376,904,507.02</u>	<u>\$ 416,967,898.02</u>	<u>\$ 406,309,428.10</u>	<u>\$ 400,286,828.76</u>	<u>\$ 75,569,658.05</u>	
Add Receipts:								
1. Bond Assessment							\$ -	1. Bond Assessment
2. Regular Contributions:	811,953.07	10,878,668.75	5,806,182.39	935,842.78	11,978,417.76	5,251,169.43	668,625.76	2. Regular Contributions:
3. Federal Emergency Benefits (PEUC)	50,607.07	72,104.29	49,863.37	6,244.83	78.00	-	(166,251.90)	3. Federal Emergency Benefits (PEUC)
4. Federal Share Extended Benefits (EB)	(5,609.62)	540.00	-	-	-	-	5,069.62	4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC	33,699.51	6,179.89	12,299.82	60,471.15	2,399.93	6,526.34	17,218.20	5. Federal Additional Compensation - FPUC
6. Pandemic Unemployment Assistance PUA	(16,902.20)	(514.00)	(1,397.00)	(248.40)	(411.00)	(27,170.00)	(9,016.20)	6. Pandemic Unemployment Assistance PUA
7. UCFE (Federal Agencies)	71,272.77	70,549.01	73,642.25	55,470.84	98,328.45	110,142.05	48,477.31	7. UCFE (Federal Agencies)
8. TSFR From Non-Invstd FUA	-	-	-	-	-	-	-	8. TSFR From Non-Invstd FUA
9. EUISAA - EMER US RELIEF/STC	8,950.40	8,532.73	5,802.57	-	-	-	(23,285.70)	9. EUISAA - EMER US RELIEF/STC
10. Treasury Interest Credits	1,638,583.15	-	-	2,745,303.64	-	-	1,106,720.49	10. Treasury Interest Credits
11. UCX (Military Agencies)	(13,678.07)	14,615.99	16,262.98	43,001.30	61,599.45	49,420.40	136,820.25	11. UCX (Military Agencies)
12. Temporary Compensation	-	-	-	-	-	-	-	12. Temporary Compensation
13. BT to State UI Account	-	-	-	-	-	-	-	13. BT to State UI Account
14. UI Modernization	-	-	-	-	-	-	-	14. UI Modernization
15. Loan Advance	-	-	-	-	-	-	-	15. Loan Advance
16. Return of Overpayments FPUC/PUA/EUO	-	-	-	-	-	-	-	16. Return of Overpayments FPUC/PUA/EUO
Total Monthly Receipts	<u>\$ 12,704,112.31</u>	<u>\$ 35,795,306.84</u>	<u>\$ 25,495,204.73</u>	<u>\$ 16,677,941.59</u>	<u>\$ 41,041,993.18</u>	<u>\$ 26,824,885.58</u>	<u>\$ 10,550,196.47</u>	Total Monthly Receipts
Less Disbursements:								
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	Debt Bond Repayment
Regular Benefits:	\$ 9,278,377.33	\$ 16,112,554.92	\$ 13,375,847.44	\$ 14,260,361.06	\$ 18,005,998.32	\$ 15,808,780.25	9,308,359.94	Regular Benefits:
Federal Emergency Compensation - PEUC	(7,363.08)	8,085.00	17,716.98	6,246.73	73.43	-	(12,118.74)	PEUC
Federal Additional Compensation - FPUC	(40,795.20)	26,838.70	39,663.37	62,631.15	4,765.41	3,860.87	45,550.56	FPUC
Pandemic Unemployment Assistance PUA	(7,781.20)	-	(1,397.00)	(248.40)	(411.00)	(27,170.00)	(18,651.20)	PUA
Federal Emergency Benefits (EUC08)	-	-	-	-	-	-	-	Federal Emergency Benefits (EUC08)
Federal Extended - 2112	-	-	-	-	-	-	-	Federal Extended - 2112
Emergency Benefits (TEUC)	-	-	-	-	-	-	-	Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	68,363.18	77,257.60	67,525.85	60,637.43	96,580.14	103,337.27	47,408.21	UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	50,805.84	72,777.29	48,430.60	48,595.18	56,005.63	50,643.79	(16,769.13)	UCX (Military Workers) Benefits
Reed Act Funds	-	-	-	-	-	-	-	Reed Act Funds
EUISAA Title IX/STC	8,950.40	8,532.73	5,802.57	66,332.91	-	47,794.85	90,842.06	EUISAA Title IX/STC
Total Monthly Disbursements	<u>\$19,470,183.88</u>	<u>\$ 41,052,758.94</u>	<u>\$33,091,940.73</u>	<u>\$27,336,411.51</u>	<u>\$47,064,592.52</u>	<u>\$37,422,044.39</u>	<u>\$ 18,208,164.87</u>	Total Monthly Disbursements
Trust Fund Balance	<u>\$382,161,959.12</u>	<u>\$ 376,904,507.02</u>	<u>\$369,307,771.02</u>	<u>\$406,309,428.10</u>	<u>\$400,286,828.76</u>	<u>\$389,689,669.95</u>	<u>\$ 67,911,689.65</u>	Trust Fund Balance

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

Indicates prior month values that have been updated

**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.

FOR RELEASE: March 20, 2024
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State Unemployment Rate Remains at 4.3 Percent in February 2024

West Virginia's seasonally adjusted unemployment rate remained at 4.3 percent in February 2024. The number of unemployed state residents climbed 800 to 33,700. Total employment declined 300 over the month. The national seasonally adjusted unemployment rate climbed two-tenths of a percentage point to 3.9 percent in February.

Total nonfarm payroll employment climbed 1,600 in February, with gains of 1,000 in the service-providing sector and 600 in the goods-producing sector.

Within the goods-producing sector, both construction and mining and logging added 300 jobs. Manufacturing employment was unchanged over the month.

Within the service-providing sector, employment gains included 800 in private education and health services, 400 in leisure and hospitality, 300 in trade, transportation, and utilities, 100 in other services, and 100 in government. Employment declines included 500 in professional and business services, 100 in financial activities, and 100 in information.

Since February 2023, total nonfarm payroll employment has risen 13,700. Employment gains included 5,900 in private education and health services, 4,600 in government, 1,400 in leisure and hospitality, 1,200 in professional and business services, 900 in financial activities, 500 in construction, 200 in manufacturing, and 200 in other services. Employment declines included 1,000 in trade, transportation, and utilities and 200 in information. Employment in mining and logging was unchanged over the year.

West Virginia's not seasonally adjusted unemployment rate climbed two-tenths of a percentage point to 5.0 percent in February,

The state's seasonally adjusted labor force participation rate slipped one-tenth of a percentage point to 55.2 percent in February 2024.

WEST VIRGINIA
(In Thousands - Seasonally Adjusted)
February 2024

	Prelim. Feb 2024	Revised Jan 2024	Revised Feb 2023	Change from:	
				Jan 2024	Feb 2023
Civilian Labor Force	791.6	791.1	780.1	0.5	11.5
Total Employment	757.9	758.2	752.8	-0.3	5.1
Total Unemployment	33.7	32.9	27.2	0.8	6.5
Unemployment Rate	4.3	4.3	3.5	xx	xx
Labor Force Participation Rate	55.3	55.2	54.5	xx	xx
NONFARM PAYROLL EMPLOYMENT BY INDUSTRY					
Total Nonfarm	721.9	720.3	708.2	1.6	13.7
Total Private	566.4	564.9	557.3	1.5	9.1
Goods Producing	101.8	101.2	101.1	0.6	0.7
Mining and Logging	21.1	20.8	21.1	0.3	0.0
Construction	34.3	34.0	33.8	0.3	0.5
Manufacturing	46.4	46.4	46.2	0.0	0.2
Durable Goods	28.6	28.4	28.1	0.2	0.5
Non-Durable Goods	17.8	18.0	18.1	-0.2	-0.3
Service-Providing	620.1	619.1	607.1	1.0	13.0
Private Service-Providing	464.6	463.7	456.2	0.9	8.4
Trade, Transportation, and Utilities	122.1	121.8	123.1	0.3	-1.0
Wholesale Trade	19.5	19.6	19.3	-0.1	0.2
Retail Trade	77.6	77.6	78.0	0.0	-0.4
Transportation, Warehousing, and Utilities	25.0	24.6	25.8	0.4	-0.8
Information	7.8	7.9	8.0	-0.1	-0.2
Financial Activities	26.4	26.5	25.5	-0.1	0.9
Finance and Insurance	19.4	19.4	18.7	0.0	0.7
Real Estate and Rental and Leasing	7.0	7.1	6.8	-0.1	0.2
Professional and Business Services	73.8	74.3	72.6	-0.5	1.2
Professional, Scientific & Technical Services	29.7	30.0	28.8	-0.3	0.9
Administrative and Support and Waste Mgmt	37.0	37.2	36.5	-0.2	0.5
Private Education and Health Services	137.1	136.3	131.2	0.8	5.9
Educational Services	6.8	6.7	6.7	0.1	0.1
Health Care and Social Assistance	130.3	129.6	124.5	0.7	5.8
Leisure and Hospitality	73.3	72.9	71.9	0.4	1.4
Arts, Entertainment, and Recreation	9.1	9.0	8.9	0.1	0.2
Accommodation and Food Service	64.2	63.9	63.0	0.3	1.2
Other Services	24.1	24.0	23.9	0.1	0.2
Government	155.5	155.4	150.9	0.1	4.6
Federal Government	26.6	26.5	25.5	0.1	1.1
State Government	48.5	48.6	46.8	-0.1	1.7
Local Government	80.4	80.3	78.6	0.1	1.8

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

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	790,900	790,400											
Employment	756,800	756,400											
Unemployment	34,000	34,000											
Rate	4.3	4.3											
Participation Rate	55.3	55.2											
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	779,400	780,100	780,800	781,900	783,300	785,100	786,900	788,600	789,900	790,600	790,500	790,200	786,700
Employment	751,500	752,800	753,800	754,500	754,800	755,200	755,500	755,900	756,200	756,400	756,400	756,300	756,900
Unemployment	27,900	27,200	27,000	27,400	28,500	29,900	31,400	32,700	33,700	34,200	34,100	33,900	29,800
Rate	3.6	3.5	3.5	3.5	3.6	3.8	4.0	4.2	4.3	4.3	4.3	4.3	3.8
Participation Rate	54.5	54.5	54.6	54.7	54.8	54.9	55.0	55.1	55.2	55.2	55.2	55.2	54.9
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	777,400	778,700	779,500	779,700	779,400	778,800	778,300	778,000	777,800	777,900	778,300	778,800	778,700
Employment	747,000	748,900	750,000	750,200	749,500	748,400	747,300	746,500	746,400	747,000	748,300	750,000	748,300
Unemployment	30,400	29,700	29,400	29,500	29,900	30,400	31,000	31,400	31,400	30,900	30,000	28,900	30,400
Rate	3.9	3.8	3.8	3.8	3.8	3.9	4.0	4.0	4.0	4.0	3.8	3.7	3.9
Participation Rate	54.2	54.3	54.4	54.4	54.4	54.4	54.4	54.4	54.4	54.3	54.4	54.4	54.4
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	771,500	771,600	772,600	773,800	774,800	775,400	774,900	774,300	773,800	774,000	774,800	775,900	788,800
Employment	724,400	725,600	727,400	729,600	731,900	733,800	735,200	736,600	738,200	740,100	742,300	744,600	749,100
Unemployment	47,100	46,100	45,300	44,300	43,000	41,600	39,700	37,600	35,600	33,800	32,400	31,300	39,700
Rate	6.1	6.0	5.9	5.7	5.5	5.4	5.1	4.9	4.6	4.4	4.2	4.0	5.0
Participation Rate	53.6	53.6	53.7	53.8	53.9	53.9	53.9	53.8	53.8	53.9	53.9	54.0	54.7
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	797,900	795,900	792,900	791,100	772,900	769,700	772,800	771,500	773,700	772,500	772,300	772,400	792,200
Employment	755,800	753,300	750,400	750,200	676,900	689,000	700,200	708,800	715,400	719,400	721,900	723,300	726,000
Unemployment	42,100	42,500	42,500	41,900	96,000	80,700	72,600	62,700	58,300	53,100	50,500	49,000	66,100
Rate	5.3	5.3	5.4	5.3	12.4	10.5	9.4	8.1	7.5	6.9	6.5	6.3	8.3
Participation Rate	55.0	54.9	54.7	52.6	53.6	53.4	53.6	53.5	53.7	53.6	53.6	53.6	54.1
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	793,400	792,500	791,700	791,700	792,300	793,600	795,100	796,500	797,600	798,500	798,900	798,800	798,300
Employment	753,700	753,400	753,400	753,800	754,700	755,800	756,600	757,100	757,700	758,100	758,200	757,500	759,000
Unemployment	39,700	39,100	38,400	37,800	37,600	37,800	38,500	39,300	39,900	40,300	40,800	41,400	39,300
Rate	5.0	4.9	4.8	4.8	4.7	4.8	4.8	4.9	5.0	5.1	5.1	5.2	4.9
Participation Rate	54.5	54.5	54.4	54.5	54.5	54.6	54.7	54.9	54.9	55.0	55.0	55.1	54.8
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	788,500	789,900	791,700	793,400	794,500	795,000	794,900	794,600	794,500	794,600	794,700	794,500	793,400
Employment	746,000	747,400	749,400	751,500	753,100	754,200	754,700	754,900	754,800	754,700	754,500	754,300	752,200
Unemployment	42,500	42,500	42,300	41,900	41,400	40,800	40,200	39,800	39,700	39,900	40,200	40,200	41,200
Rate	5.4	5.4	5.3	5.3	5.2	5.1	5.1	5.0	5.0	5.0	5.1	5.1	5.2
Participation Rate	53.9	54.0	54.2	54.3	54.4	54.5	54.5	54.5	54.5	54.5	54.5	54.6	54.4
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	739,900	741,000	741,800	742,500	743,400	744,300	745,000	745,500	745,700	745,500	745,100	745,000	742,700
Unemployment	42,300	40,900	39,900	39,400	39,400	39,700	40,200	40,900	41,500	41,900	42,300	42,500	41,000
Rate	5.4	5.2	5.1	5.0	5.0	5.1	5.1	5.2	5.3	5.3	5.4	5.4	5.2
Participation 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	53.5
2016	Jan	Feb	Mar	Apr	May	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	6.4	6.3	6.3	6.2	6.2	6.2	6.1	6.1	6.0	5.9	5.8	5.6	6.1
Participation Rate	53.4	53.5	53.4	53.4	53.3	53.2	53.2	53.1	53.1	53.1	53.2	53.2	53.3
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	793,800	793,600	793,800	794,000	794,000	793,300	792,000	790,400	789,000	788,300	788,300	788,800	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
Participation 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	53.5
2014	Jan	Feb	Mar	Apr	May	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	53,800	53,700	53,200	52,700	52,100	51,500	51,100	50,900	50,800	50,600	50,400	50,500	51,800
Rate	6.7	6.7	6.7	6.6	6.5	6.5	6.4	6.4	6.4	6.4	6.3	6.4	6.5
Participation 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	53.6
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
Participation 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	53.8
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	808,100	807,800	807,900	808,200	808,600	808,900	808,900	808,800	808,700	808,400	807,800	806,600	808,000
Employment	750,900	751,000	750,900	750,300	749,700	749,300	749,000	749,000	749,100	749,200	749,100	748,700	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
Rate	7.1	7.0	7.1	7.2	7.3	7.4	7.4	7.4	7.4	7.3	7.3	7.2	

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

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	782,500	783,800											
Employment	745,200	744,900											
Unemployment	37,200	38,900											
Rate	4.8	5.0											
Participation Rate	54.7	54.8											
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	770,000	776,400	775,400	781,100	783,600	797,900	793,000	794,400	793,400	793,100	787,100	782,300	786,700
Employment	738,700	744,300	744,500	753,600	755,600	765,000	761,600	759,200	763,900	763,700	758,300	751,500	756,900
Unemployment	31,300	32,100	30,900	27,500	28,000	32,900	31,400	35,300	29,500	29,400	28,800	30,800	29,800
Rate	4.1	4.1	4.0	3.5	3.6	4.1	4.0	4.4	3.7	3.7	3.7	3.9	3.8
Participation Rate	53.8	54.3	54.2	54.6	54.8	55.8	55.4	55.5	55.4	55.4	55.0	54.7	54.9
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	770,500	776,300	773,200	776,500	781,700	792,200	784,800	782,800	779,500	781,000	774,200	771,800	778,700
Employment	734,700	739,900	740,500	747,200	753,900	758,100	752,200	749,300	753,900	755,000	748,100	746,500	748,300
Unemployment	35,800	36,400	32,600	29,400	27,800	34,200	32,500	33,500	25,600	26,000	26,100	25,300	30,400
Rate	4.6	4.7	4.2	3.8	3.6	4.3	4.1	4.3	3.3	3.3	3.4	3.3	3.9
Participation Rate	53.7	54.2	54.0	54.2	54.6	55.3	54.8	54.7	54.5	54.6	54.1	53.9	54.4
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	760,700	767,900	765,700	773,800	775,200	787,900	783,700	779,000	776,100	775,300	770,100	768,000	788,800
Employment	708,700	715,500	716,900	728,300	733,400	742,800	743,600	740,500	745,600	747,000	742,600	741,200	749,100
Unemployment	52,000	52,400	48,800	45,500	41,800	45,100	40,200	38,500	30,600	28,300	27,500	26,800	39,700
Rate	6.8	6.8	6.4	5.9	5.4	5.7	5.1	4.9	3.9	3.6	3.6	3.5	5.0
Participation Rate	52.8	53.4	53.2	53.8	53.9	54.8	54.5	54.2	54.0	54.0	53.6	53.5	54.7
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	790,800	795,500	785,800	754,900	772,700	781,300	778,400	777,400	776,900	778,700	768,100	765,100	792,200
Employment	745,200	749,000	733,000	636,800	674,400	703,000	703,700	715,800	721,700	732,100	723,400	718,400	726,000
Unemployment	45,600	46,400	52,800	118,100	98,300	78,400	74,800	61,600	55,200	46,600	44,700	46,700	66,100
Rate	5.8	5.8	6.7	15.6	12.7	10.0	9.6	7.9	7.1	6.0	5.8	6.1	8.3
Participation Rate	54.5	54.9	54.2	52.3	53.6	54.2	54.0	53.9	53.9	54.0	53.3	53.1	54.1
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	786,600	789,900	783,000	786,800	791,400	807,000	804,200	800,400	800,200	803,000	793,900	792,000	798,300
Employment	739,400	743,300	740,400	751,000	755,700	766,400	764,500	761,200	766,300	767,000	757,200	753,600	759,000
Unemployment	47,200	46,600	42,600	35,800	35,600	40,600	39,700	39,200	33,900	35,900	36,700	38,400	39,300
Rate	6.0	5.9	5.4	4.5	4.5	5.0	4.9	4.9	4.2	4.5	4.6	4.8	4.9
Participation Rate	54.0	54.3	53.8	54.1	54.5	55.6	55.4	55.1	55.1	55.3	54.7	54.6	54.8
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	779,100	789,200	783,600	790,400	794,700	808,800	805,300	794,500	795,600	799,400	791,300	789,200	793,400
Employment	731,800	738,000	736,000	748,900	756,800	765,100	763,800	755,700	762,000	764,800	757,000	751,200	752,200
Unemployment	47,300	51,300	47,600	41,500	37,800	43,600	41,400	38,800	33,600	34,600	34,300	38,000	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	4.8	5.2
Participation Rate	53.3	54.0	53.6	54.1	54.5	55.4	55.2	54.5	54.6	54.9	54.3	54.2	54.4
2017	Jan	Feb	Mar	Apr	May	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	783,800
Employment	726,200	730,700	731,100	743,000	744,500	753,600	751,500	747,700	757,600	754,300	745,400	739,900	742,700
Unemployment	49,300	49,200	44,000	38,500	35,500	41,600	41,100	42,700	35,300	35,100	38,700	40,400	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	782,600	787,400	782,200	786,200	788,300	796,900	789,000	785,800	784,800	786,700	778,300	773,100	785,100
Employment	726,500	728,800	727,800	737,800	742,300	746,200	741,700	737,600	741,600	744,500	739,100	732,500	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	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	787,000	789,700	784,900	793,800	797,700	806,900	799,800	793,900	788,100	790,200	783,900	782,400	791,500
Employment	730,400	730,400	727,800	741,200	744,400	750,700	744,400	741,500	743,100	745,900	738,400	735,300	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	May	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	58,700	63,100	58,700	49,900	50,400	51,800	52,900	52,700	45,900	45,200	46,000	46,100	51,800
Rate	7.4	7.9	7.4	6.3	6.3	6.4	6.6	6.6	5.8	5.7	5.8	5.9	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	May	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	64,300	63,100	57,100	51,800	50,300	55,800	53,500	52,700	48,100	49,000	48,400	49,600	53,600
Rate	8.0	7.9	7.2	6.5	6.3	6.9	6.6	6.6	6.0	6.1	6.1	6.3	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	May	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	736,100	738,000	738,900	750,500	757,200	760,400	754,300	749,300	757,500	759,400	749,400	744,000	749,600
Unemployment	61,400	64,500	60,200	56,100	58,000	62,300	61,500	60,200	54,100	53,600	53,200	56,100	58,400
Rate	7.7	8.0	7.5	7.0	7.1	7.6	7.5	7.4	6.7	6.6	6.6	7.0	

BRIM
April 2024
Interim Packet

West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET AND INCOME STATEMENT
For the Eight Months Ending February 29, 2024

Talking Points for Joint Committee on Government and Finance Meeting
April 2024

1. **Premium Revenue** for February reflects the premiums earned for the first eight months of the current fiscal year. BRIM premiums in FY'24 reflect an 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 February plus estimated accruals for the first eight months of the fiscal year. Also included is the reserve adjustment for the December 31st actuarial report. Claim payments made in the first eight months of the fiscal year are lower than last year.
3. **Investments** reflect a gain of \$10.6 million year to date. Investment returns through February of last year were negative due to interest rates rising and volatility in the equities markets at that time. Interest rates could continue to fluctuate, but at a slower pace, and the volatility of the equities markets make for an uncertain outlook for investment income for FY'24.
4. BRIM continues to pursue pro-active loss control initiatives.

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Eight Months Ended February 29th

	2024	2023
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 21,006	\$ 11,655
Advance deposits with insurance company and trustee	255,286	249,139
Receivables	29,026	7,459
Prepaid insurance	5,092	2,653
Restricted cash and cash equivalents	8,302	17,077
Premiums due from other entities	1,534	1,222
Total current assets	<u>320,247</u>	<u>289,205</u>
Noncurrent assets:		
Equity position in internal investments pools	56,533	111,861
Restricted investments	31,598	66,316
Total noncurrent assets	<u>88,131</u>	<u>178,178</u>
Total assets	<u>408,378</u>	<u>467,383</u>
Deferred Outflows of Resources	399	434
Deferred Outflows of Resources - OPEB	59	61
Liabilities		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	189,423	103,306
Unearned premiums	25,340	19,734
Agent commissions payable	1,122	945
Claims Payable	18	231
Accrued expenses and other liabilities	22,058	2,981
Total current liabilities	<u>237,961</u>	<u>127,197</u>
Estimated unpaid claims and claims adjustment expense net of current portion	94,869	249,968
Compensated absences	192	167
Net pension liability	148	(894)
Total noncurrent liabilities	<u>95,209</u>	<u>249,241</u>
Total liabilities	<u>333,170</u>	<u>376,438</u>
Deferred Inflows of Resources	0	1,156
Deferred Inflows of Resources - OPEB	137	280
Net position:		
Restricted by State code for mine subsidence coverage	32,363	75,988
Unrestricted	36,438	75,415
Net Assets (Deficiency)	6,730	(61,400)
Net position	<u>\$ 75,531</u>	<u>\$ 90,003</u>

Unaudited

West Virginia Board of Risk and Insurance Management
 Statements of Revenues, Expenses, and Changes in Net Position

For the Eight Months Ended February 29th

	2024	2023
	<i>(In Thousands)</i>	
Operating revenues		
Premiums	\$ 77,713	\$ 64,266
Less coverage/reinsurance programs	(9,730)	(6,317)
Net operating revenues	67,983	57,949
Operating expenses		
Claims and claims adjustment expense	67,935	114,313
General and administrative	3,932	3,749
Total operating expenses	71,867	118,061
Operating income (loss)	(3,884)	(60,112)
Nonoperating revenues		
Investment income	10,614	(1,287)
Legislative Appropriation	0	0
OPEB Non Operating Income	0	0
Net nonoperating revenues	10,614	(1,287)
Changes in net position	6,730	(61,400)
Total net position, beginning of year	68,801	151,403
Total net position, end of period	\$ 75,531	\$ 90,003

Unaudited

PEIA
April 2024
Interim Packet

PEIA April Interim Talking Points

- **PEIA and RHBT FY 2024 year to date interim financial statements for February 29, 2024, are available for your review.**
- **PEIA statements indicate PEIA is currently behind plan by \$30 million. This is due to higher than forecast claims expense.**
- **RHBT statements indicate RHBT is currently ahead of plan by \$40 million. This is due to higher than forecast investment income.**
- **The 2024 year-end reserve for the State Fund, non-State Fund and RHBT is projected to be \$111, \$25 and \$214 million respectively.**
- **These reserve levels represent 15%, 15% and 130% 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 Eight Months Ending Thursday, February 29, 2024
In Thousands

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			ADDITIONS				
			Employer Premiums:				
\$1,350	\$1,318	\$1,348	Health premiums - Non Par	\$32	2%	\$2	0%
5,170	5,442	6,128	Health Premiums - RLC Health, Life	(272)	(5%)	(958)	(16%)
-	-	39,582	Pay Go Premiums	-	0%	(39,582)	(100%)
20,000	20,000	20,000	State appropriation - OPEB	-	0%	-	0%
26,520	26,760	67,058	Total Employer Premiums	(240)	(1%)	(40,538)	(60%)
			Other Additions:				
333	667	533	Retiree Drug Subsidy	(334)	(50%)	(200)	(38%)
128,409	82,718	67,891	Investment Income	45,691	55%	60,518	89%
155,262	110,145	135,482	TOTAL ADDITIONS	45,117	41%	19,780	15%
			DEDUCTIONS				
34,623	34,877	30,087	Payments to Managed Care Org.	254	1%	(4,536)	(15%)
17,624	18,419	17,612	Life Insurance Expense	795	4%	(12)	(0%)
42,699	38,851	32,632	Medical Claims Expense	(3,848)	(10%)	(10,067)	(31%)
16,810	17,295	12,981	Pharmacy Claims Expense	485	3%	(3,829)	(29%)
1,254	1,217	1,248	Administrative Service Fees (External)	(37)	(3%)	(6)	(0%)
(38,670)	(39,412)	(38,960)	Member Health premiums	(742)	2%	(290)	1%
(17,585)	(18,467)	(17,575)	Member Life Insurance Premiums	(882)	5%	10	(0%)
1,902	1,427	1,558	Other Operating Expenses	(475)	(33%)	(344)	(22%)
58,657	54,207	39,583	TOTAL DEDUCTIONS	(4,450)	(8%)	(19,074)	(48%)
96,605	55,938	95,899	NET POSITION INCREASE (DECREASE)	40,667	73%	706	1%
			Net Position Restricted for Post Employment Benefits				
1,795,666	1,795,666	1,624,972	Beginning of Period Total Net Position	-	0%	170,694	11%
1,610,164	1,569,497	1,438,764	End of Period Net Position - Restricted	40,667	3%	171,400	12%
282,107	282,107	282,107	End of Period Net Position - PSR	-	0%	-	0%
\$1,892,271	\$1,851,604	\$1,720,871	End of Period Total Net Position	\$40,667	2%	\$171,400	10%

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Eight Months Ending Thursday, February 29, 2024
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
OPERATING REVENUE							
Premium Revenue							
\$400,566	\$393,838	\$291,954	Health Insurance - State Gov. - Employers	\$6,728	2%	\$108,612	37%
98,610	98,383	79,511	Health Insurance - State Gov. - Employees	227	0%	19,099	24%
109,090	111,039	92,723	Health Insurance - Local Gov. - All	(1,949)	(2%)	16,367	18%
3,203	3,184	3,217	Administrative Fees, Net of Refunds	19	1%	(14)	(0%)
1,525	1,843	1,388	Other Premium Revenue	(318)	(17%)	137	10%
612,994	608,287	468,793	Total Operating Revenue	4,707	1%	144,201	31%
NON-OPERATING REVENUE							
1,540	1,404	1,343	Life Insurance	136	10%	197	15%
0	0	34,667	Direct Transfer	0	0%	(34,667)	(100%)
9,940	5,611	3,783	Interest and Investment Income	4,329	77%	6,157	163%
0	0	39,582	WV RHBT Pay Go Premiums	0	0%	(39,582)	(100%)
11,480	7,015	79,375	Total Non-Operating Revenue	4,465	64%	(67,895)	(86%)
624,474	615,302	548,168	TOTAL REVENUE	9,172	1%	76,306	14%
EXPENSES							
406,152	383,237	335,125	Claims Expense - Medical	(22,915)	(6%)	(71,027)	(21%)
151,729	132,513	115,727	Claims Expense - Drugs	(19,216)	(15%)	(36,002)	(31%)
42,723	45,165	36,288	Payments to Managed Care Org.	2,442	5%	(6,435)	(18%)
14,647	15,514	15,893	Administrative Service Fees	867	6%	1,246	8%
319	62	111	Wellness and Disease Management	(257)	(415%)	(208)	(187%)
4,147	3,698	3,638	Other Operating Expenses	(449)	(12%)	(509)	(14%)
1,226	1,455	1,225	Life Insurance Expense	229	16%	(1)	(0%)
315	318	320	ACA Comparative Effectiveness Fee	3	1%	5	2%
0	0	39,582	WV RHBT Pay Go Premiums	0	0%	39,582	100%
621,258	581,962	547,909	TOTAL EXPENSES	(39,296)	(7%)	(73,349)	(13%)
3,217	33,339	257	YTD Surplus (Deficit)	(30,122)	(90%)	2,960	1,152%
124,830	124,830	93,425	Total Net Position, Beginning of Period	0	0%	31,405	34%
128,047	158,169	93,682	Total Net Position, End of Period	(\$30,122)	(19%)	\$34,365	37%

Real Estate Division
April 2024
Interim Packet

Department of Administration Real Estate Division Leasing Report

For the period of March 1 - 31, 2024

There are 13 leasing changes for this period, and they are as follows:

- 1 - New Contract of Lease- DOA Owned
- 2 - New Contract of Lease
- 4 - Straight Renewal
- 3 - Renewal with Increase in Rent
- 1 - Increase in Square Feet
- 1 - Cancellation
- 1 - Non-Renewal

Department of Administration Real Estate Division Leasing Report

For the period of March 1 - 31, 2024

NEW CONTRACT OF LEASE – DOA OWNED

WEST VIRGINIA OFFICE OF TECHNOLOGY

OOT-012 New Contract of Lease for 2 years consisting of 3,000 square feet of office space at the annual per square foot rate of \$11.83, annual cost \$35,481.38, full service, Building #33, 321 Michigan Avenue, in the City of Charleston, Kanawha County, West Virginia.

NEW CONTRACT OF LEASE

DIVISION OF CORRECTIONS AND REHABILITATION, BUREAU OF JUVENILE SERVICES

BJS-046 New Contract of Lease for 5 years consisting of 3,800 square feet of office space at the annual per square foot rate of \$8.85, annual cost \$33,630.00, utilities included, 225 McColloch Street, in the City of Wheeling, Ohio County, West Virginia.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-193 New Contract of Lease for 5 years consisting of 578 square feet of office space at the annual per square foot rate of \$12.00, annual cost \$6,936.00, full service, 76 Conservation Way, in the City of Parkersburg, Wood County, West Virginia.

STRAIGHT RENEWAL

GENERAL SERVICES DIVISION

GSD-012 Renewal for 1 year consisting of 70 parking spaces at the current monthly rate of \$1,400.00, annual cost \$16,800.00, full service, commonly known as the "Moose Parking Lot", between West Main & West Pike Streets, adjacent to the building at 168 W. Main St., known as 1 Lot Main & Pike Streets, in the City of Clarksburg, Harrison County, West Virginia.

GSD-010 Renewal for 1 year consisting of 152 parking spaces at the current monthly rate of \$300.00, annual cost \$45,600.00, full service, located 405 Adams Street, in the City of Fairmont, Marion County, West Virginia.

WORKFORCE WEST VIRGINIA

WWV-016 Renewal for 6 months consisting of 4,794 square feet of office space at the current annual per square foot rate of \$13.40, annual cost \$64,239.60, full service, 830 North Side Drive, in the City of Summersville, Nicholas County, West Virginia.

DIVISION OF MOTOR VEHICLES

DMV-025 Renewal for 10 years consisting of 6,000 square feet of office space with an increase in the annual per square foot rate from \$13.25 to \$15.65, annual cost \$93,900.00, 1408 Kanawha Street, in the City of Point Pleasant, Mason County, West Virginia.

RENEWAL WITH INCREASE IN RENT

BOARD OF FUNERAL SERVICE EXAMINERS

EMB-001 Renewal for 3 years consisting of 1,555 square feet of office space with an increase in the annual per square foot rate from \$12.71 to \$13.20, annual cost \$20,532.00, full service, 179 Summers Street, in the City of Charleston, Kanawha County, West Virginia.

WEST VIRGINIA MASSAGE THERAPY LICENSURE BOARD

BMT-004 Renewal for 3 years consisting of 601 square feet of office space with an increase in the annual per square foot rate from \$13.50 to \$14.00, annual cost \$8,412.00, full service, 179 Summers Street, in the City of Charleston, Kanawha County, West Virginia.

DEPARTMENT OF HUMAN SERVICES

HUM-002 Renewal for 5 years consisting of 19,240 square feet of office space with an increase in the annual per square foot rate from \$8.50 to \$10.00, annual cost \$192,399.96, 91 Arnold Avenue, in the City of Weston, Lewis County, West Virginia.

INCREASE IN SQUARE FEET

WEST VIRGINIA CONSERVATION AGENCY

SCC-007 Increase of square feet from 1,154 square feet to 1,464 square feet of office space together with 1,152 square feet of storage space for a total of 2,616 square feet at the current annual per square foot rate of \$11.52, annual cost \$30,126.00.00, full service, 201 Scott Avenue, in the City of Morgantown, Monongalia County, West Virginia.

CANCELLATION

DEPARTMENT OF ENVIRONMENTAL PROTECTION, AIR QUALITY OFFICE

APC-020 Lease cancellation consisting of 224 square feet of land for an air monitoring station, at the monthly rate of \$75.00, annual cost \$900.00, 134 Nick Way, in the City of New Cumberland, Hancock County, West Virginia.

NON-RENEWAL

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-139 Lease non-renewal consisting of 224 square feet of land for an air monitoring station, at the monthly rate of \$125.00 annual cost \$1,500.00, 2210 McKims Ridge Road, in the City of Colliers, Brooke County, West Virginia.

Real Estate Division
 Monthly Summary of Lease Activity
 March 1 - 31, 2024

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	West Virginia Office of Technology	OOT-012	Kanawha	3,000	11.83	35,481	2.00	70,963
2	DOCR, Bureau of Juvenile Services	BJS-046	Ohio	3,800	8.85	33,630	5.00	168,150
3	Department of Environmental Protection	DEP-193	Wood	578	12.00	6,936	5.00	34,680
4	General Services Division	GSD-012	Harrison	70	240.00	16,800	1.00	16,800
5	General Services Division	GSD-010	Marion	152	300.00	45,600	1.00	45,600
6	Workforce West Virginia	WWV-016	Nicholas	4,794	13.40	64,240	0.50	32,120
7	Division of Motor Vehicles	DMV-025	Mason	6,000	15.65	93,900	10.00	939,000
8	Board of Funeral Service Examiners	EMB-001	Kanawha	1,555	13.20	20,532	3.00	61,596
9	WV Massage Therapy Licensure Board	BMT-004	Kanawha	601	14.00	8,412	3.00	25,236
10	Department of Human Services	HUM-002	Lewis	19,240	10.00	192,400	5.00	962,000
11	WV Conservation Agency	SCC-007	Monongalia	2,616	11.52	30,126	3.00	90,378

650.44
Total Rentable : 42,406
Average Annual Rental Rate 12.80
Total Annual Rent 548,057

TERMINATIONS

# of	Agency	Lease #	County	Square	Rental	Annual
12	DEP - Air Quality Office	APC-020	Hancock	224	4.02	900
13	Department of Environmental Protection	DEP-139	Brooke	224	6.70	1,500

Total Rentable Square Feet 448
Total Annual Rent 2,400

Department of Human Services
Bureau for Medical Services

Medicaid Report
FEBRUARY 2024

Submitted to
Joint Committee on Government and Finance
and
Legislative Oversight Commission on Health and Human
Resources Accountability
APRIL 2024

WV DEPARTMENT OF HUMAN SERVICES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2024

MONTH OF FEBRUARY 2024

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2023	SFY2024	Current Month Ended 02/29/24	Current Month Ended 02/29/24	Year To-Date Thru 02/29/24	03/01/24 Thru 6/30/2024
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	81,103,148	92,979,426	4,636,342	8,368,148	55,901,302	37,078,124
Inpatient Hospital - DSH	57,339,873	53,500,000	12,000,000	4,815,000	36,459,900	17,040,100
Inpatient Hospital - Supplemental Payments	1,098,674	-	-	-	-	-
Inpatient Hospital - GME Payments	14,461,737	13,452,984	3,737,007	1,210,769	11,218,977	2,234,007
Mental Health Facilities	6,295,274	9,855,666	534,014	887,010	6,306,401	3,549,265
Mental Health Facilities - DSH Adjustment Payments	16,372,757	18,887,045	1,567,406	1,699,834	16,416,460	2,470,585
Nursing Facility Services - Regular Payments	909,736,563	910,851,905	81,052,122	81,976,671	673,989,994	236,861,911
Nursing Facility Services - Supplemental Payments	-	25,000,000	-	2,250,000	-	25,000,000
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	70,285,738	61,773,950	6,107,641	5,559,656	47,824,828	13,949,122
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	27,303,815	27,571,075	2,713,297	2,481,397	20,931,909	6,639,167
Physicians Services - Supplemental Payments	-	-	-	-	-	-
Physician and Surgical Services - Evaluation and Management	-	-	-	-	-	-
Physician and Surgical Services - Vaccine Codes	-	-	-	-	-	-
Outpatient Hospital Services - Regular Payments	34,572,879	36,497,510	2,968,131	3,284,776	26,973,606	9,523,904
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	889,666,463	961,587,502	64,675,108	86,542,875	604,410,791	357,176,711
Drug Rebate Offset - National Agreement	(591,930,088)	(466,000,000)	(1,760,838)	(41,940,000)	(321,916,156)	(144,083,844)
Drug Rebate Offset - State Sidebar Agreement	(97,081,651)	(48,000,000)	(664,268)	(4,320,000)	(81,616,359)	33,616,359
Drug Rebate Offset - MCO National	(8,746,526)	(12,600,000)	(49,712)	(1,134,000)	(4,407,047)	(8,192,953)
Drug Rebate Offset - MCO State Sidebar Agreement	17,601	-	-	-	-	-
ODD Medication Assisted Treatment—Drugs	86,680,518	-	7,100,457	-	62,032,585	(62,032,585)
Dental Services	4,326,025	4,399,087	327,425	395,918	3,384,419	1,014,667
Other Practitioners Services - Regular Payments	146,588,874	17,263,355	16,114,792	1,553,702	142,992,809	(125,729,454)
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	2,442,194	1,433,269	340,675	128,994	2,400,900	(967,631)
Lab & Radiological Services	5,444,721	6,061,343	569,533	545,521	4,169,672	1,891,671
Home Health Services	22,635,227	31,691,744	2,161,242	2,852,257	13,502,971	18,188,773
Hysterectomies/Sterilizations	7,015	2,928	-	264	3,348	(420)
Pregnancy Terminations ⁽²⁾	-	19,089	-	1,718	-	19,089
EPSDT Services	1,214,270	771,690	122,348	69,452	1,091,372	(319,682)
Rural Health Clinic Services	2,449,746	2,237,118	247,659	201,341	2,563,322	(326,204)
Medicare Health Insurance Payments - Part A Premiums	28,308,602	30,240,573	2,451,238	2,721,652	19,878,883	10,361,690
Medicare Health Insurance Payments - Part B Premiums	150,906,037	170,705,833	12,943,665	15,363,525	97,832,725	72,873,108
120% - 134% Of Poverty	15,979,491	16,226,884	1,405,287	1,460,420	11,177,420	5,049,464
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	13,687,829	12,394,747	1,380,437	1,115,527	8,771,386	3,623,361

WV DEPARTMENT OF HUMAN SERVICES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2024

	MONTH OF FEBRUARY 2024		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2023	SFY2024	Current Month Ended 02/29/24	SFY2024	Current Month Ended 02/29/24	Current Month Ended 02/29/24	Year To-Date Thru 02/29/24	03/01/24 Thru 6/30/2024
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	2,699,447,506	2,316,592,754	147,694,994		208,493,348		1,507,616,924	808,975,830
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	2,311,560	2,219,207	184,662		199,729		1,761,567	457,640
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-	-	-
Home & Community-Based Services (IDD)	399,436,614	425,644,479	26,067,087		38,308,003		219,658,734	205,985,745
Home & Community-Based Services (Aged/Disabled)	114,651,033	162,465,610	4,007,007		14,621,905		35,286,315	127,179,295
Home & Community-Based Services (Traumatic Brain Injury)	3,938,462	2,368,144	85,439		213,133		813,436	1,554,708
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	58,767,481	86,842,302	1,378,341		7,815,807		10,409,391	76,432,911
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-	-	-
Targeted Case Management Services - State Wide	1,953,673	2,125,804	49,245		191,322		480,951	1,644,853
Primary Care Case Management Services	-	-	-	-	-	-	-	-
Hospice Benefits	30,179,762	27,812,852	3,117,531		2,503,157		25,349,148	2,463,704
Emergency Services Undocumented Aliens	1,591,557	599,899	120,442		53,991		515,424	84,475
Federally Qualified Health Center	11,339,883	6,515,541	1,195,430		586,399		12,869,183	(6,353,642)
Non-Emergency Medical Transportation	41,612,362	42,182,568	3,247,785		3,796,431		26,980,012	15,202,556
Physical Therapy	1,001,192	985,693	94,486		88,712		689,368	296,325
Occupational Therapy	417,926	408,056	38,923		36,725		277,903	130,153
Services for Speech, Hearing & Language	286,823	236,711	22,565		21,304		193,964	42,747
Prosthetic Devices, Dentures, Eyeglasses	799,272	564,182	70,504		50,776		581,475	(17,293)
Diagnostic Screening & Preventive Services	74,116	63,414	6,084		5,707		65,606	(2,192)
Nurse Mid-Wife	96,015	101,173	11,359		9,106		90,964	10,209
Emergency Hospital Services	-	-	-	-	-	-	-	-
Critical Access Hospitals	23,286,462	21,496,408	1,651,548		1,934,677		15,827,303	5,669,104
Nurse Practitioner Services	4,696,653	3,859,208	558,381		347,329		3,955,289	(96,081)
School Based Services	32,482,763	29,998,882	176,316		2,699,899		2,003,650	27,995,232
Rehabilitative Services (Non-School Based)	36,592,651	26,807,946	2,508,446		2,233,995		21,705,432	5,102,513
2a) Opioid Treatment Program (OTP) - Methadone services	146,007	-	(102,559)		-		(104,457)	104,457
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	2,322,357	-	-		-		4,567	(4,567)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	7,008,425	-	1,002,225		-		7,495,525	(7,495,525)
2a) OUD Medicaid Assisted Treatment Services	16,386,491	-	1,571,850		-		12,236,326	(12,236,326)
2a) Opioid Treatment Program (OTP) - Other	629,873	-	65,657		-		463,543	(463,543)
Private Duty Nursing	4,636,150	4,807,324	315,091		432,659		3,497,941	1,309,383
Freestanding Birth Centers	-	-	-	-	-	-	-	-
Health Home for Enrollees w Chronic Conditions	2,657,501	2,507,273	189,542		225,655		1,421,070	1,086,204
Other Care Services	26,284,761	36,847,337	2,399,527		3,316,260		22,338,318	14,509,019
Less: Recoupments	-	-	(6,217,273)		-		(6,406,505)	6,406,505
NET MEDICAID EXPENDITURES:	5,416,202,136	5,182,857,492	414,191,643		466,278,455		3,390,374,787	1,792,482,705

WV DEPARTMENT OF HUMAN SERVICES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2024

MONTH OF FEBRUARY 2024

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2023	SFY2024	Current Month Ended 02/29/24	Current Month Ended 02/29/24	Year To-Date Thru 02/29/24	03/01/24 Thru 6/30/2024
Collections: Third Party Liability (line 9A on CMS-64)	(8,071,960)	-	-	-	(2,509,997)	2,509,997
Collections: Probate (line 9B on CMS-64)	(2,609,787)	-	-	-	(2,679,921)	2,679,921
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(917,727)	-	-	-	(394,540)	394,540
Collections: Other (line 9D on CMS-64)	(35,290,306)	-	-	-	(21,031,671)	21,031,671
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	5,369,312,356	5,182,857,492	414,191,643	466,278,455	3,363,758,658	1,819,098,833
Plus: Medicaid Part D Expenditures	43,535,275	52,661,876	4,268,245	4,739,569	33,630,477	19,031,399
Plus: State Only Medicaid Expenditures	187,230	262,845	12,620	23,656	121,886	140,959
Plus: Money Follow the Person Expenditures	1,170,896	1,037,688	67,113	93,392	734,948	302,740
TOTAL MEDICAID EXPENDITURES	\$5,414,205,758	\$5,236,819,901	\$418,539,622	\$471,135,071	\$3,398,245,970	\$1,838,573,931
Plus: Reimbursables ⁽¹⁾	4,404,092	-	592,528	-	3,750,737	(3,750,737)
Plus: NATCEP/PASARR/Eligibility Exams	241,251	29,578	1,714	2,662	178,309	(148,731)
Plus: HIT Incentive Payments	-	-	-	-	-	-
TOTAL EXPENDITURES	\$5,418,851,102	\$5,236,849,480	\$419,133,864	\$471,137,734	\$3,402,175,017	\$1,834,674,463

(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 \$22,042,852 is the amount paid to State Facilities year to date.

**WV DEPARTMENT OF HUMAN SERVICES
BUREAU FOR MEDICAL SERVICES
MEDICAID CASH REPORT
SFY2024**

MONTH OF FEBRUARY 2024	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2023	Current Month Ended 02/29/24	Year-To-Date Thru 02/29/24	03/01/24 Thru 06/30/24	SFY2024
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	81,507,579	32,386,860	127,247,384	-	127,247,384
MATCHING FUNDS					
General Revenue (0403/189)	292,112,801	23,366,509	142,165,813	125,036,961	267,202,774
IDD Waiver (0403/466)	108,541,736	9,045,145	63,677,819	44,863,917	108,541,736
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	1,730,666	865,334	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	4,237,334	2,118,666	6,356,000
Traumatic Brain Injury (0403/835)	800,000	66,667	469,334	330,666	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	1,132,802	7,974,924	5,618,696	13,593,620
Medical Services Surplus (0403/633)	8,800,000	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	13,603,501	5,781,658	17,344,974	5,781,659	23,126,633
Lottery Waiver (0420/539)	19,612,957	2,709,956	8,129,868	2,709,957	10,839,825
Lottery Transfer (5405/871)	16,400,070	4,100,018	12,300,054	4,100,016	16,400,070
Excess Lottery (5365/189)	26,697,960	-	-	60,716,750	60,716,750
Lottery Surplus (5405/68199)	14,750,000	-	-	14,750,000	14,750,000
Lottery Surplus (5365/68100)	16,200,000	-	17,000,000	-	17,000,000
Trust Fund Appropriation (5185/189)	14,208,033	6,320,750	18,886,388	52,199,611	71,085,999
Provider Tax (5090/189)	290,400,000	40,857,236	346,957,236	292,294,425	639,251,662
NSGO UPL (5084/6717)	-	-	-	-	-
Expirations (5084)	-	-	-	-	-
Certified Match	15,218,760	668,197	7,588,318	6,117,682	13,706,000
Reimbursables - Amount Reimbursed	7,427,510	707,727	4,155,851	(4,155,851)	-
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	10,461	60,835	264,650	(264,650)	-
CHIP State Share	-	-	-	-	-
CMS - 64 Adjustments	196,666	-	1,460,817	(1,460,817)	-
TOTAL MATCHING FUNDS	\$ 949,033,654	\$ 127,950,361	\$ 781,591,430	\$ 611,623,023	\$ 1,393,214,454
FEDERAL FUNDS	4,596,740,061	317,496,160	2,646,985,253	1,456,035,071	4,103,020,324
TOTAL REVENUE SOURCES	\$ 5,545,773,715	\$ 445,446,521	\$ 3,428,576,683	\$ 2,067,658,094	\$ 5,496,234,777
TOTAL EXPENDITURES:					
Provider Payments	\$ 5,418,851,102	\$ 419,133,864	\$ 3,402,175,017	\$ 1,834,674,463	\$ 5,236,849,480
TOTAL	\$ 126,922,614	\$ 26,312,658	\$ 26,401,667	\$ 232,983,631	\$ 259,385,298

Note: FMAP (74.10% applicable Jan 2024 - Jun 2024)

Department of Human Services
Bureau for Medical Services

Medicaid Waiver Report
FEBRUARY 2024

Submitted to
Joint Committee on Government and Finance
and
Legislative Oversight Commission on Health and Human
Resources Accountability
APRIL 2024

**WV Department of Human Services
Bureau for Medical Services A&D Waiver Program Report**

Aged & Disabled Waiver Reported February 29, 2024		FY2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY2024 YTD
Slots Approved By CMS (1)		8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,750	8,750					8,750
-Slots Available for Traditional (ADW-WV) enrollees		8,424	8,424	8,424	8,424	8,424	8,424	8,424	8,674	8,674					8,674
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees		76	76	76	76	76	76	76	76	76					76
-Slots reserved for Money Follows the Person (MFP-WV) enrollees															
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count		8,613	7,675	7,772	7,846	7,889	8,010	8,050	8,223	8,290					8,290
Applicants determined eligible this month and added to MEL (3) * 118 of 175 are awaiting Financial Eligibility not yet on MEL		2,416	137	157	125	151	141	149	179	175*					175*
Applicants determined ineligible		123	11	10	7	4	3	7	6	6					6
ACTIVE MEMBERS															
Active Traditional Members at the end of the month		7,559	7,554	7,596	7,599	7,596	7,616	7,602	7,622	7,640					7,640
Active Take Me Home Members at the end of the month		48	41	44	42	45	46	50	46	47					47
Active Money Follows the Person Members at the end of the month															
Total Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		7,607	7,595	7,640	7,641	7,641	7,662	7,652	7,668	7,687					7,687
Active members enrolled during the calendar month		1,835	187	195	113	153	127	113	169	159					1,216
-Total Active Traditional members enrolled during the calendar month		1,787	186	190	108	151	120	109	166	153					1,183
-Total Active TMH-WV members enrolled during the calendar month		48	1	5	5	2	7	4	3	6					33
-Total Active MFP-WV members enrolled during the calendar month															
Members discharged during the calendar month		1,516	199	150	112	153	106	123	153	140					1,136
ADW Members whose case was closed by reason	Member is deceased	874	71	31	33	74	63	66	89	77					504
	Other (4)	642	128	119	79	79	43	57	64	63					632
MANAGED ENROLLMENT LIST (MEL)															
# Eligible applicants closed during the calendar month (removed from MEL)		2,499	248	164	173	178	209	214	211	205					1,602
ADW Applicants removed from the MEL	Applicant offered a slot (Traditional + MFP)	1,330	143	69	74	79	83	105	98	106					757
	Applicant became deceased	222	12	8	16	8	13	11	12	4					84
	Other (5)	947	93	87	83	91	113	98	101	95					761
Applicants on the MEL who are in a nursing facility YTD Column reflects # members in setting during reporting month		0	0	1	1	1	0	1	0	0					0
Applicants on the MEL receiving Personal Care YTD Column reflects # members receiving service during reporting month		1	0	4	4	0	0	0	1	0					0
Applicants on the MEL at the end of month		83	5	25	22	18	20	15	31	36					36
Days - Average time spent on the MEL to date Minus MFP Applicants		127	28	2	3	1	1	3	1	3					5

(1) Beginning January 1, 2024, an additional 250 slots were approved by CMS, increasing the total to 8750. Of these slots, 76 are reserved for Money Follows the Person and Rebalancing Demonstration Grant.

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

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

(4) Other 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.

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

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

Intellectual/Developmental Disabilities Waiver Reported February 29, 2024		FY2023	July-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	YTD2024
Slots approved by CMS		6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115					6,115
Total number of members served YTD (unduplicated slots used) (1)		6,075	6,015	6,017	6,023	6,032	6,068	6,073	6,078	6,083					6,083
Total number of members served YTD in Traditional Slots		6,073	6,013	6,015	6,021	6,029	6,065	6,070	6,074	6,078					6,078
Total number of members served YTD in Adult Ben H. slots (Active)		2	0	1	1	2	2	2	3	3					3
Total number of members served YTD in Children Ben H. slots (Active)		2	1	1	1	1	1	1	1	2					2
Applicants determined eligible (2)		503	31	28	43	37	35	43	34	42					293
Applicants determined ineligible (3)		546	40	58	49	61	47	41	38	48					382
ACTIVE MEMBERS															
# of active members at the end of the month (unduplicated slots active) (1)		5,905	6,004	5,994	5,987	5,993	6,004	6,006	5,998	5,992					5,992
Discharged members at the end of the calendar month		183	19	14	14	3	27	4	14	12					107
Discharged members who were discharged by reason	Deceased	67	7	5	5	2	12	2	4	5					42
	Left program to enter a facility	56	4	2	4	0	5	0	2	5					22
	a. Hospital	0	0	0	0	0	0	0	0	0					0
	b. ICF/IID	30	1	0	3	0	3	0	1	3					11
	c. Nursing Facility	25	3	2	1	0	2	0	1	2					11
	d. Psychiatric Facility	0	0	0	0	0	0	0	0	0					0
	e. Rehabilitation Facility	0	0	0	0	0	0	0	0	0					0
	f. Other Facility	1	0	0	0	0	0	0	0	0					0
Other (6)	60	8	7	5	1	10	2	8	2					43	
MANAGED ENROLLMENT LIST (MEL)															
Total number of applicants on the MEL at the end of the month		548	459	483	516	540	537	571	588	623					623
Number of applicants added to the MEL (4)		503	31	28	43	37	35	43	34	42					293
Applicants enrolled (removed from the MEL)		208	118	4	7	9	38	6	6	6					194
Applicants removed from the MEL due to Death (5)		2	1	0	1	1	0	0	0	0					3
Applicants removed from the MEL due to Other (6)		17	1	0	2	3	0	3	11	1					21
Applicants on the MEL who are in a Nursing Facility		1	3	3	5	4	4	4	3	3					3
Applicants on the MEL who are in an ICF/IID Group Home		20	20	24	22	20	21	25	28	28					28
Applicants on the MEL receiving Personal Care Services each month		10	10	13	13	8	9	10	6	10					10
Longest on the MEL to date (7)		1173	1,204	1,235	1,265	1,296	1,326	1,357	1,213	1,242					1,242

(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 Human Services
Bureau for Medical Services TBI Waiver Program Report**

Traumatic Brain Injury Waiver Reported February 29, 2024	FY2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY2024 YTD
Slots Approved By CMS (1)	96	96	96	96	96	96	96	96	96					96
-Slots Available for Traditional (non TMH-WV) enrollees	95	92	92	92	92	92	92	92	94					94
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees	1	4	4	4	4	4	4	4	2					2
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count	96	92	90	93	93	93	94	94	96					96
Applicants determined eligible this month and added to MEL (3)	12	1	3	2	1	2	2	1	0					12
Applicants determined ineligible	0	0	0	0	0	0	0	0	0					0
ACTIVE MEMBERS														
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count	92	92	90	92	92	91	92	91	91					91
Active members enrolled during the calendar month	13	0	0	7	0	0	1	0	3					11
-Total Active Traditional members enrolled during the calendar month	12	0	0	6	0	0	0	0	3					9
-Total Active TMH-WV members enrolled during the calendar month	1	0	0	1	0	0	1	0	0					2
Members discharged during the calendar month	5	0	2	5	0	1	0	1	3					12
TBIW Members whose case was closed by reason														
Member is deceased	1	0	1	1	0	1	0	0	0					3
Other (4)	4	0	1	4	0	0	0	1	3					9
MANAGED ENROLLMENT LIST (MEL)														
# Eligible applicants closed during the calendar month (removed from MEL)	0	0	2	4	0	0	1	0	5					12
TBIW Applicants removed from the MEL														
Applicant offered a slot	0	0	2	4	0	0	1	0	5					12
Applicant became deceased	0	0	0	0	0	0	0	0	0					0
Other (5)	0	0	0	0	0	0	0	0	2					2
Applicants on the MEL who are in a nursing facility	0	0	0	0	1	0	0	0	0					1
Applicants on the MEL receiving Personal Care	0	1	0	0	0	0	0	1	0					2
Applicants on the MEL at the end of the month	2	3	4	2	3	5	6	7	2					2
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days	15	46	31	23	54	84	115	146	116					77

(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 2024. Four (4) slots are reserved for TMH applicants. 2/2024-two (2) reserved slots released for non TMH applicants.

(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year. Two (2) funded slots became available, no services paid for this SFY .

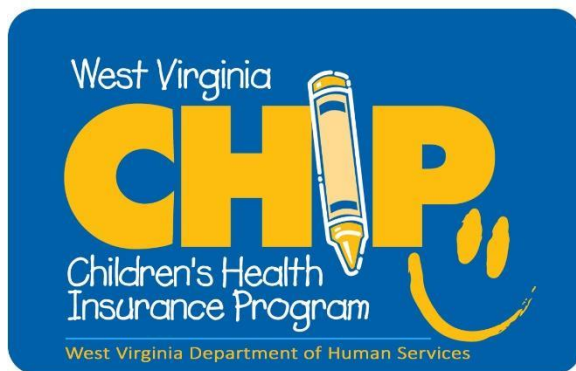
(3) Monthly number added to MEL is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

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

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

(6) Reported in actual number of days on the MEL.

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



WEST VIRGINIA CHILDREN'S HEALTH INSURANCE PROGRAM ANNUAL REPORT 2023



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West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget-to-Actual
For the 12 Months Ending June 30, 2023 and June 30, 2022

	Annual Budget 2023	Actual June 30, 2023	Actual June 30, 2022	Actual Variance \$	%	Budget Variance \$	%
Beginning Operating Fund Balance		\$6,999,256	\$7,418,708	(\$419,452)	-6%		
Revenues							
Federal Grants	\$53,211,908	\$42,274,614	\$46,635,861	(\$4,361,247)	-9%	(\$10,937,294)	-21%
State Appropriations	\$7,090,665	\$6,921,508	\$6,929,972	\$0	0%	(\$169,157)	-2%
Premium Revenues	\$82,500	\$93,746	\$52,127	\$41,619	80%	\$11,246	14%
Investment Earnings (Interest)	\$100,000	\$37,926	(\$100,340)	\$138,267	-138%	(\$62,074)	-62%
Total Operating Fund Revenues	\$60,485,073	\$49,327,794	\$53,517,620	(\$4,189,826)	-8%	(\$11,157,279)	-18%
Expenditures:							
Claims Expenses:							
Managed Care Organizations		\$37,307,335.17	\$36,918,281.92	\$389,053	1%		
Prescribed Drugs		\$9,213,924	\$10,404,502	(\$1,190,578)	-11%		
Physicians & Surgical		\$2,493,965	\$2,306,426	\$187,539	8%		
Inpatient Hospital Services		\$616,348	\$561,840	\$54,508	10%		
Outpatient Services		\$339,141	\$272,449	\$66,691	24%		
Dental		\$144,989	\$133,787	\$11,202	8%		
Therapy		\$86,041	\$77,454	\$8,587	11%		
Other Services		\$59,806	\$69,266	(\$9,460)	-14%		
Medical Transportation		\$44,793	\$72,642	(\$27,849)	-38%		
Inpatient Mental Health		\$44,330	\$24,265	\$20,065	83%		
Outpatient Mental Health		\$10,336	\$7,172	\$3,165	44%		
Vision		\$7,804	\$12,941	(\$5,137)	-40%		
Durable & Disposable Med. Equip.		\$4,618	\$5,568	(\$950)	-17%		
Less: Other Collections**		(\$138,117)	(\$12,684)	(\$125,433)	989%		
Drug Rebates	(\$2,517,954)	(\$3,222,763)	(\$265,674)	(\$2,957,089)	1113%	\$842,926	-33%
Total Claims Expenses	\$60,430,294	\$47,012,550	\$50,588,236.79	(\$3,575,687)	-7%	(\$13,417,744)	-22%
Administrative Expenses:							
Salaries and Benefits	\$669,704	\$326,850	\$335,577	(\$8,727)	-3%	(\$342,854)	-51%
Program Administration	\$4,393,877	\$3,334,190	\$2,708,906	\$625,284	23%	(\$1,059,687)	-24%
Eligibility		\$0	\$0	\$0	0%	\$0	0%
Outreach & Health Promotion		\$0	\$0	\$0	0%	\$0	0%
Health Service Initiative	\$225,000	\$225,000	\$225,000	\$0	0%	\$0	0%
Current	\$175,000	\$45,460	\$36,033	\$9,427	26%	(\$129,540)	-74%
Total Administrative Expenses in Operating Fund	\$5,463,581	\$3,931,501	\$3,305,517	\$625,984	19%	(\$1,532,080)	-28%
Total Operating Fund Expenditures	\$65,893,875	\$50,944,050	\$53,893,754	(\$2,949,703)	-5%	(\$14,949,825)	-23%
Adjustments		(\$0)	(\$43,318)				
Ending Operating Fund Balance		\$5,382,999	\$6,999,256	(\$1,616,257)	-23%		
Money Market		\$3,736,809	\$3,698,883				
Bond Pool		\$0	\$0				
Cash on Deposit		\$1,646,190	\$3,300,374				
Revenues Outside of Operating Funds:							
Federal Grants		\$1,550,000	\$1,751,468	(\$201,468)	-12%		
Total WVCHIP Revenues		\$50,877,794	\$55,269,087	(\$4,391,293)	-8%		
Program Expenses outside of Operating Funds:							
Eligibility	\$500,000	\$2,726,279	\$1,165,573	\$1,560,706	134%	\$2,226,279	445%
Total Administrative Expenses	\$5,963,581	\$6,657,780	\$4,471,090	\$2,186,690	49%	\$694,199	12%
Total WVCHIP Expenditures	\$66,393,875	\$53,670,330	\$55,059,327	(\$1,388,997)	-3%	(\$12,723,545)	-19%

Footnotes:

- Statement is on cash basis.
- Estimate of Incurred but Not Reported (IBNR) claims on June 30, 2023 is \$558,624. The June 30, 2022 estimate was \$360,000.
- Administrative Accounts Payable balance on June 30, 2023 was \$558,624. The June 30, 2022 balance was \$953,313.
- 2022 adjustment to fund balance represents timing issues between the payment of expense and the draw-down of federal revenues.
- Revenues are primarily federal funds. WVCHIP's Federal Matching Assistance Percentage (FMAP) during SFY23 is 85.0%. SFY22 was 85.0%.
- Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills WVCHIP paid - primarily auto).
- Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.
- Other Services includes home health, chiropractors, psychologists, podiatrists, and nurse practitioners.
- Eligibility costs outside the fund represent the costs allocated to the WVCHIP for eligibility and enrollment processing (RAPIDS/WVPATH).

Unaudited - For Management Purposes Only

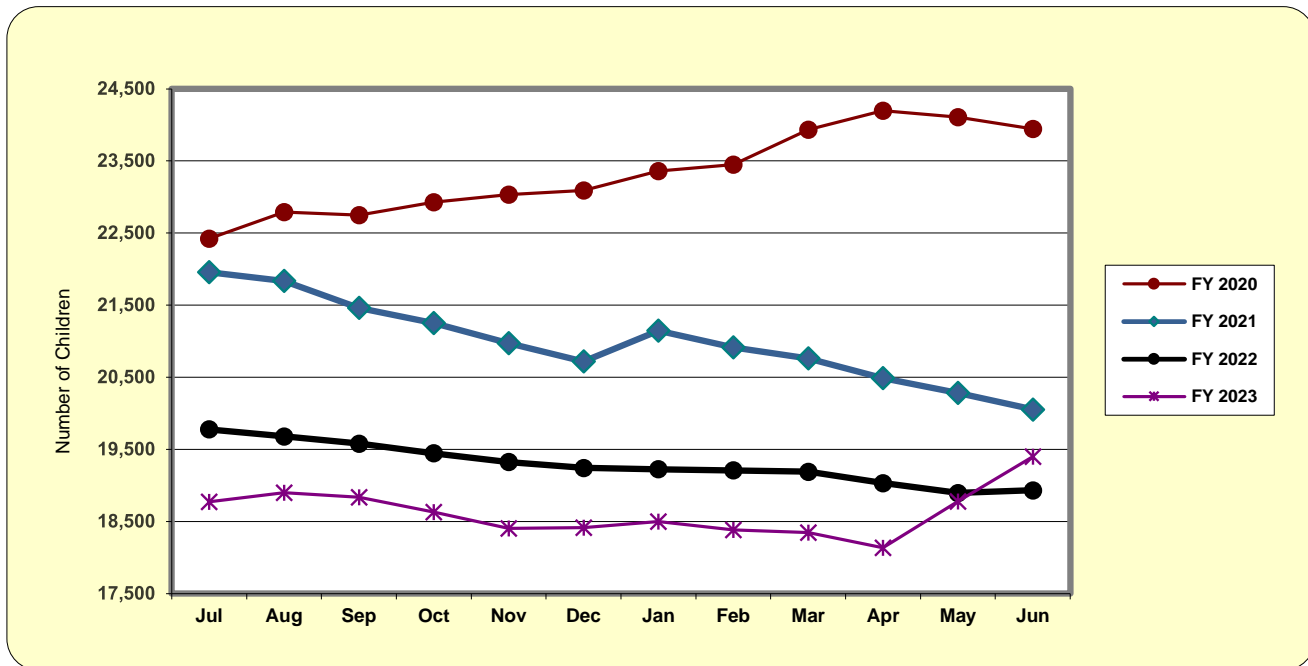
**West Virginia Children's Health Insurance Program
Changes in Federal Allotment Balance
For the 12 Months Ending June 30, 2023**

Beginning Balance 7/01/2022	
CHP22	<u>\$74,082,774</u>
	\$74,082,774
New Allotments	
CHP23	<u>\$83,113,918</u>
Total Allotment Available	<u>\$157,196,692</u>
Adjustments	<u>\$0</u>
Adjusted Available Allotments	<u>\$157,196,692</u>
Draw-downs	
SCHIP	(\$43,824,614)
MCHIP	<u>(\$37,300,965)</u>
Ending Balance 6/30/2023	<u>\$76,071,113</u>
Draws In Transit	
MCHIP QE 3/31/2023 & 6/30/2023	(\$15,475,897)
SCHIP Cost Distribution for Eligibility through 6/30/2023	<u>(\$999,837)</u>
Adjusted Ending Balance 6/30/2023	<u>\$59,595,379</u>

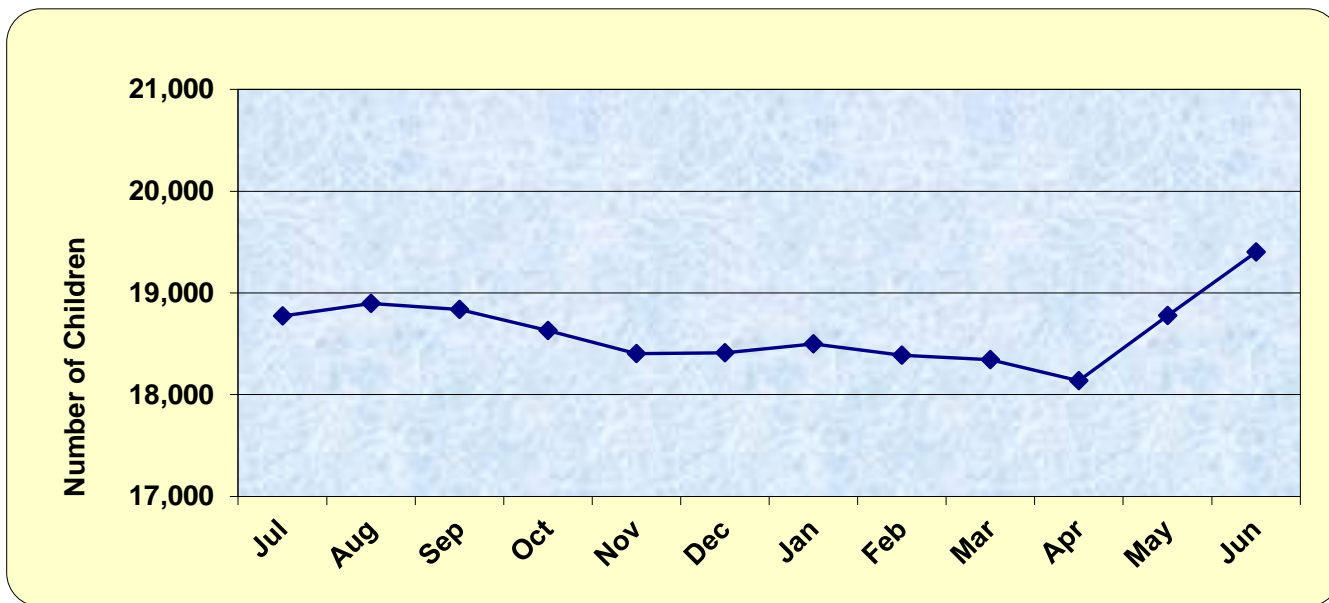
FOOTNOTES:

- 1) WVCHIP is federally funded through annual block grants
- 2) SCHIP = the State's separate CHIP (children over 133% FPL up to 300% FPL)
- 3) MCHIP = the State's CHIP-Medicaid expansion (Medicaid children ages 6 to 18 over 108% FPL up to 133% FPL without other insurance)
- 4) Cost Distribution represents WVCHIP's cost allocation for eligibility & enrollment processes

Enrollment

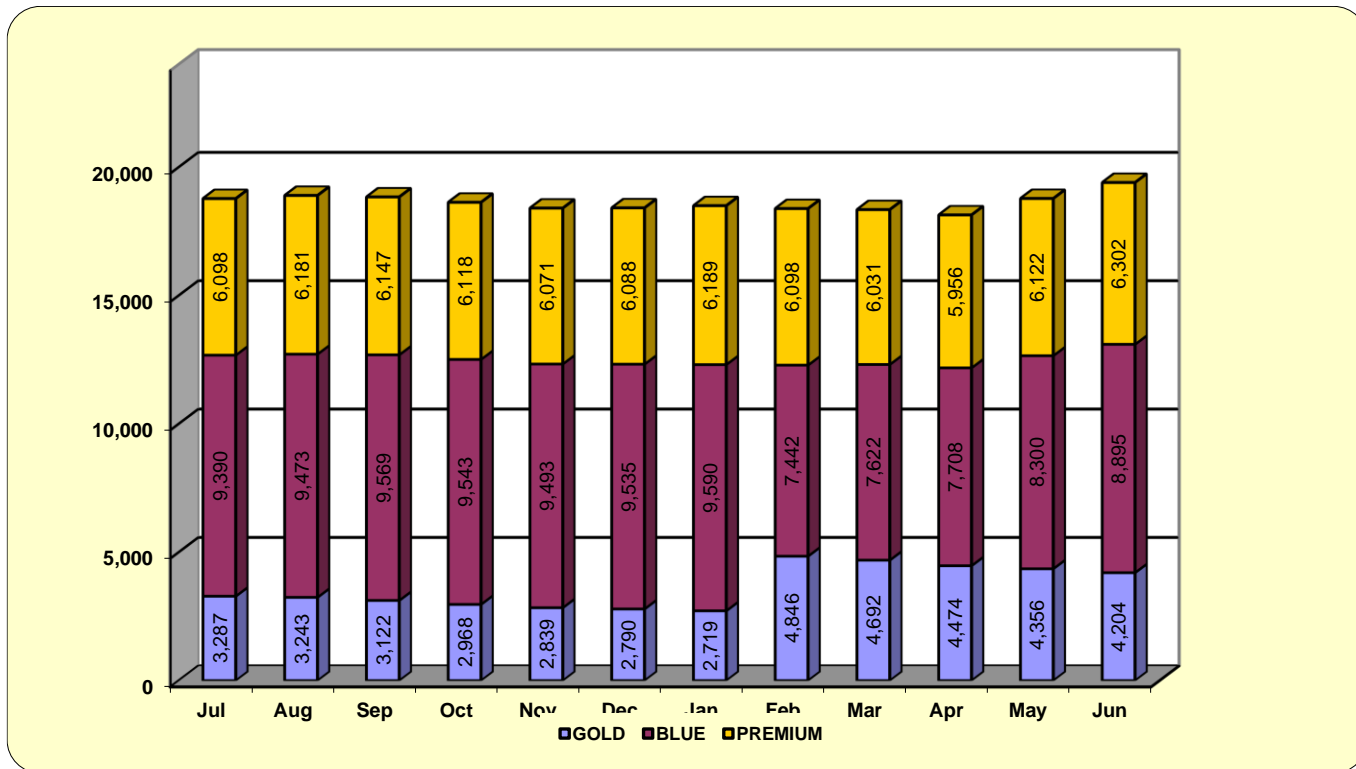


Monthly Enrollment SFY 2023



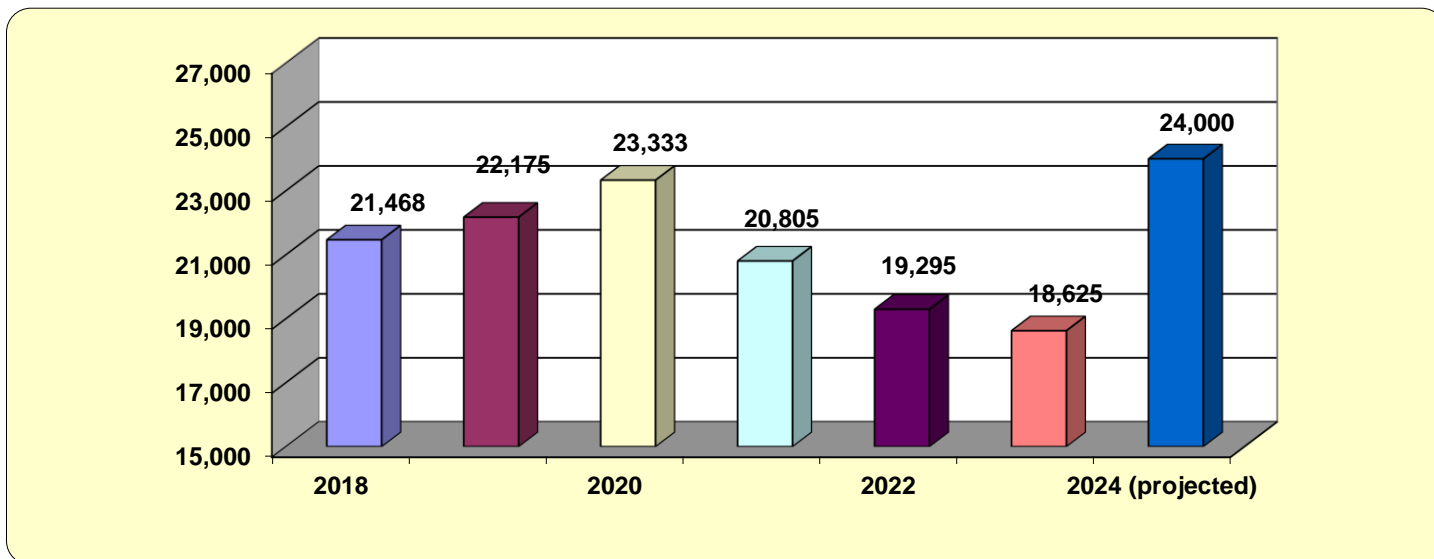
The COVID-19 Public Health Emergency ended on May 11, 2023. Medicaid eligibility unwinding began in May 2023 resulting in higher CHIP enrollment for May and June 2023 due to children being determined ineligible for Medicaid but eligible for CHIP.

Monthly Enrollment by Group SFY 2023



CHIP members are enrolled in one of three groups based on family income compared to the federal poverty level (FPL): GOLD is $\leq 150\%$ FPL; BLUE is $\leq 211\%$ FPL; PREMIUM is $>211\%$ FPL.

Average Monthly Enrollment SFYs 2018 - 2023



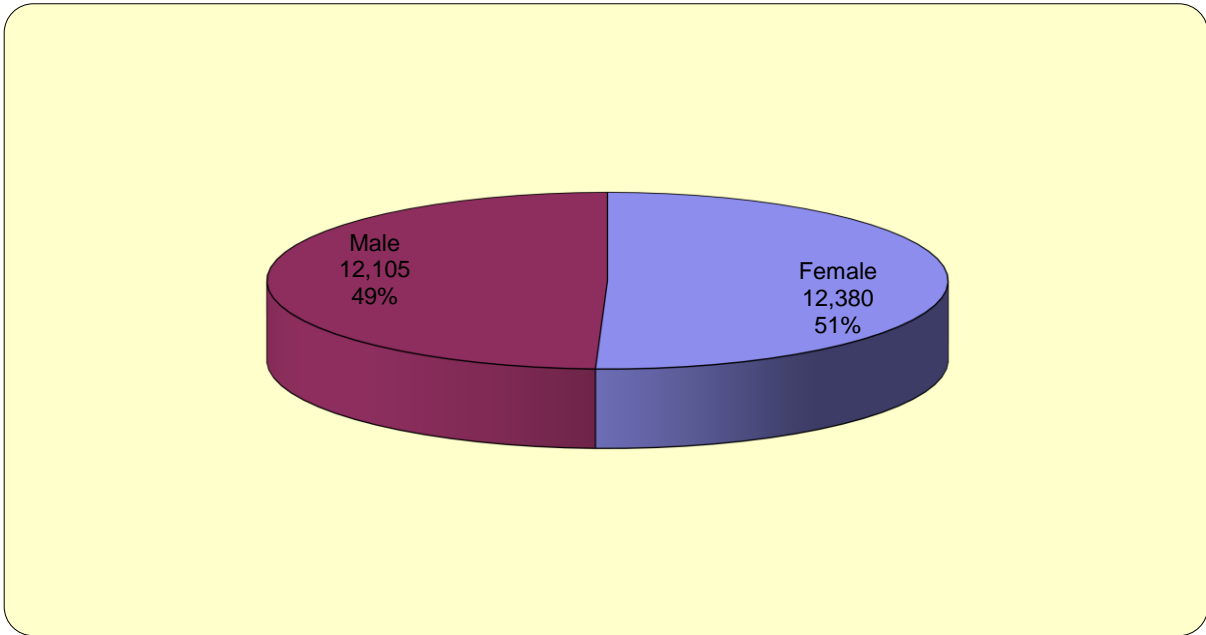
**Unduplicated Count of Children Served
In WVCHIP Each Year on June 30**

<u>Year</u>	<u>Number</u>	<u>% Change</u>
2001	30,006	
2002	33,569	+11.9%
2003	33,709	+0.4%
2004	35,495	+5.3%
2005	36,978	+4.2%
2006	38,064	+2.9%
2007	38,471	+1.1%
2008	37,707	-0.7%
2009	37,874	+0.4%
2010	37,758	-0.3%
2011	37,835	-0.2%
2012	37,608	-0.5%
2013	37,413	-0.5%
2014	34,438	-8.0%
2015	34,729	+0.8%
2016	30,829	-11.2%
2017	30,989	+0.5%
2018	32,147	+3.7%
2019	33,005	+0.3%
2020	30,411	-7.9%
2021	25,231	-17.0%
2022	22,672	-10.1%
2023	24,485	+8.0%

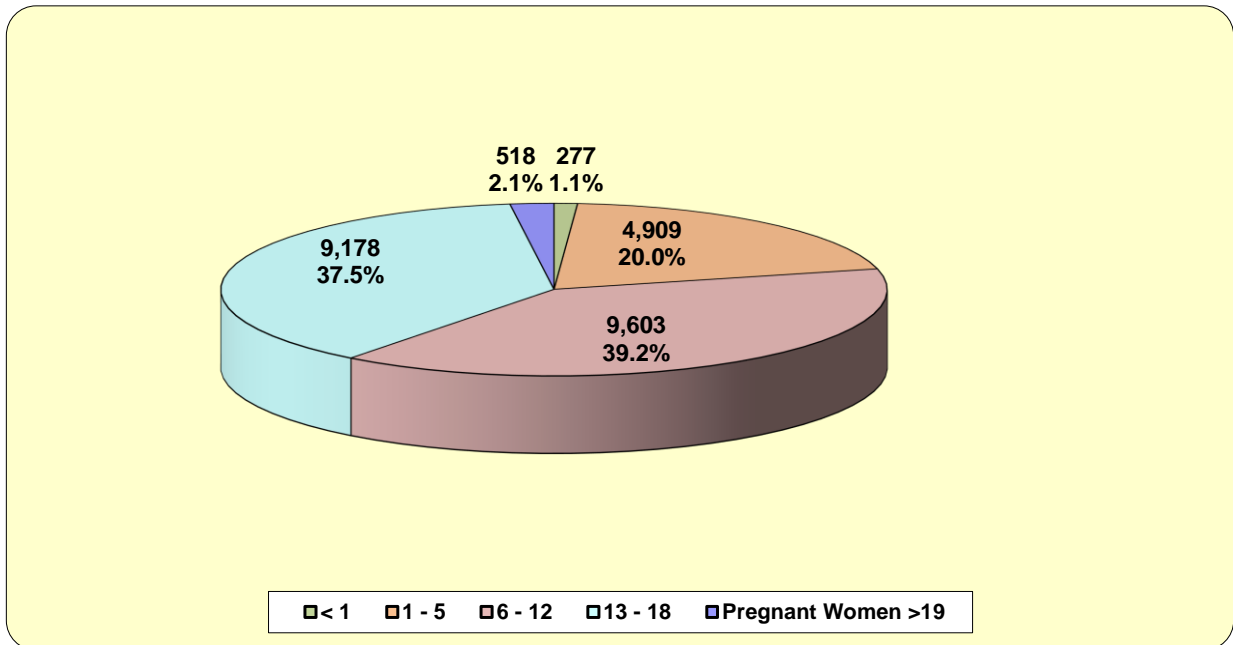
**Total unduplicated number of children ever enrolled as of
June 30, 2023, in WVCHIP since inception:**

216,744

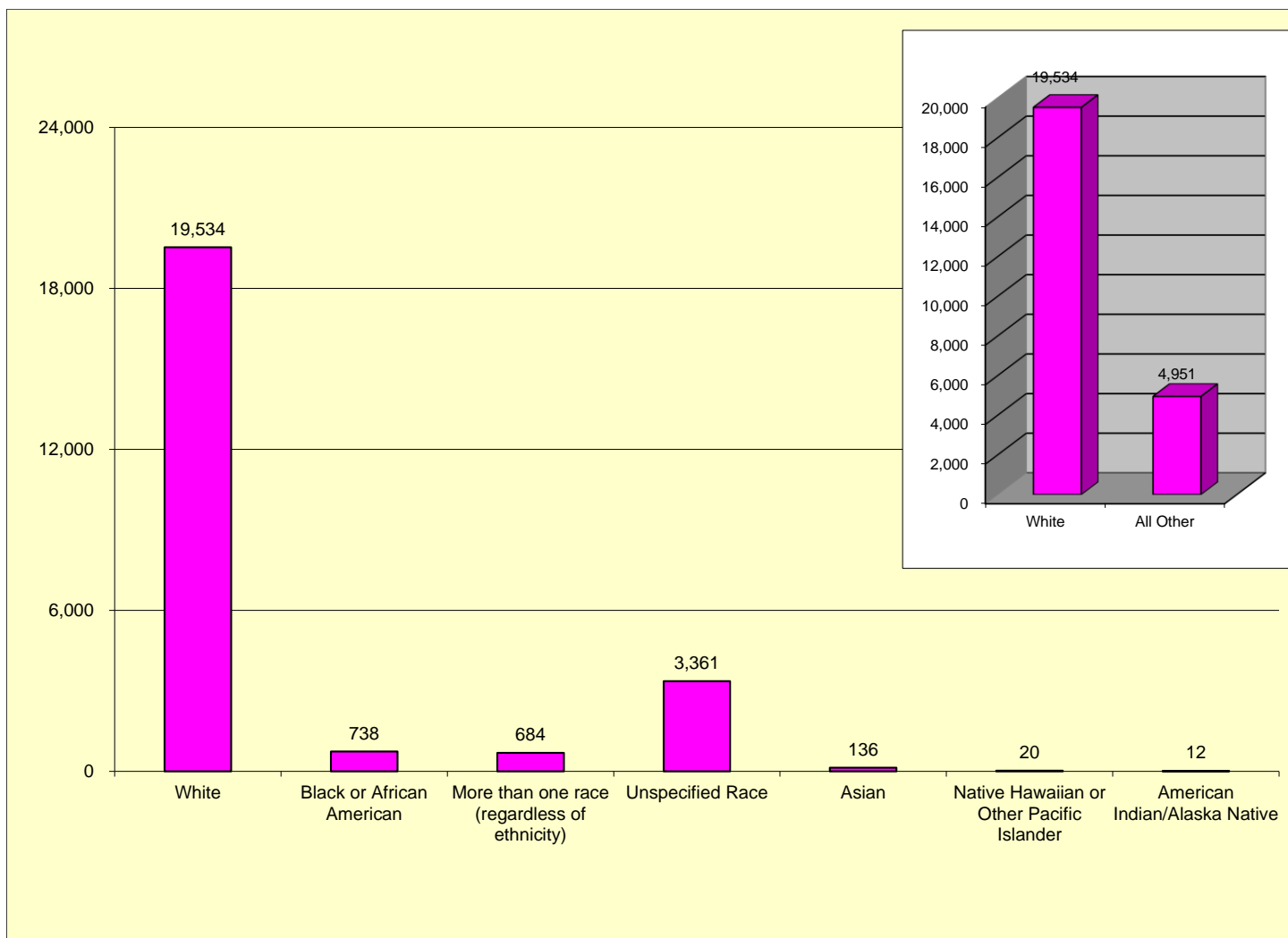
SFY 2023 Enrollment by Gender



SFY 2023 Enrollment by Age

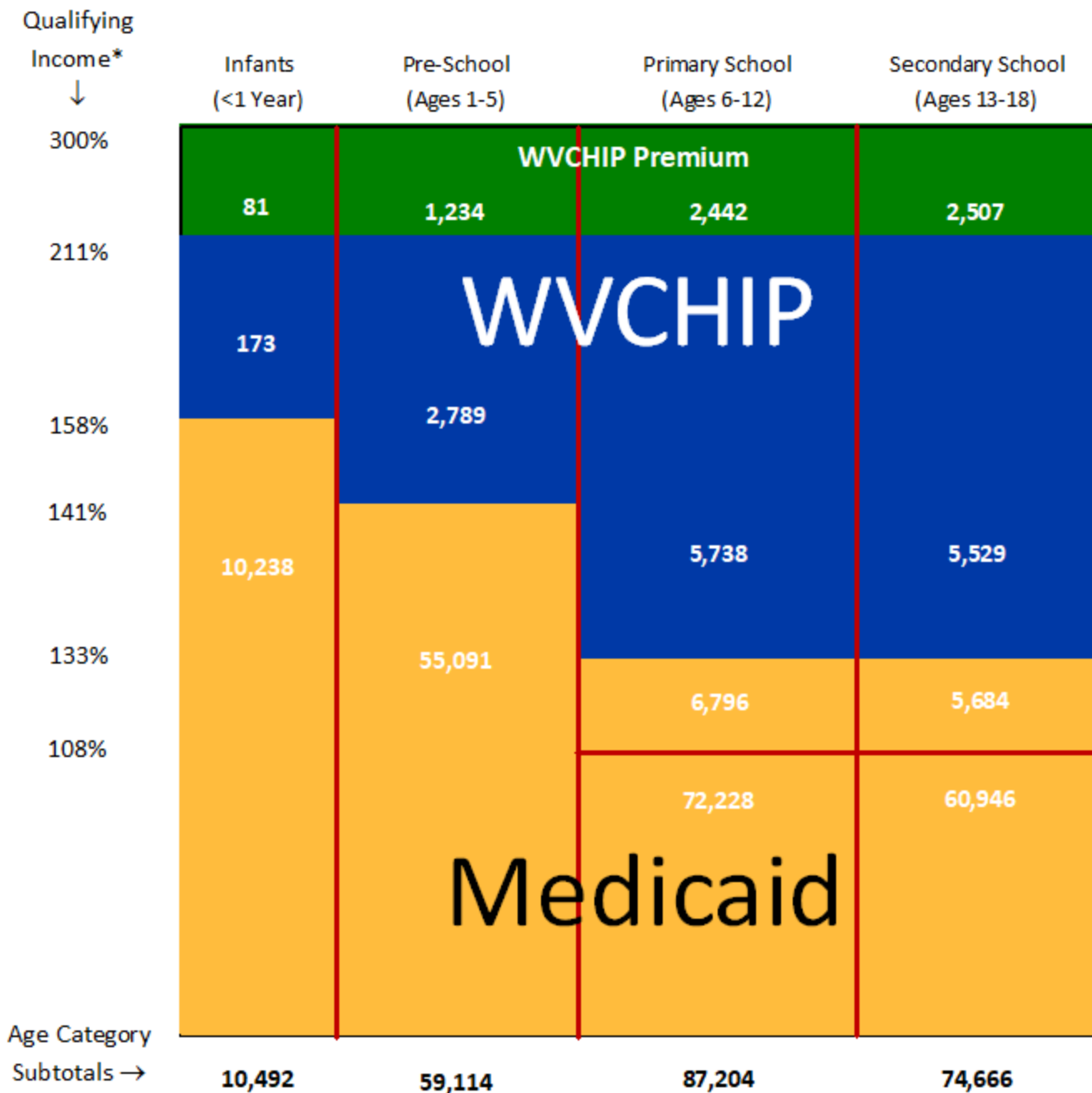


SFY 2023 Enrollment by Race



<u>Race/Ethnicity</u>	<u>WV CHIP Population</u>	<u>% of WV CHIP Population</u>	<u>WV Population Under 18 Years</u>	<u>% of WV Population Under 18 Years</u>
White	19,534	79.8%	337,542	92.1%
Black or African American	738	3.0%	12,094	3.3%
More than one race (regardless of ethnicity)	684	2.8%	11,361	3.1%
Unspecified Race	3,361	13.7%	1,832	0.5%
Asian	136	0.6%	2,565	0.7%
Native Hawaiian or Other Pacific Islander	20	0.1%	366	0.1%
American Indian/Alaska Native	12	0.0%	733	0.2%
Total	24,485	100.0%	366,495	100.0%

Health Coverage of West Virginia Children by WVCHIP and West Virginia Medicaid June 30, 2023



*Household incomes through 300% of the Federal Poverty Level (FPL)

Total CHIP-Medicaid Expansion 12,480
Total WVCHIP Enrollment 20,493 Total WV Medicaid Enrollment 210,983
Total # of Children Covered by WVCHIP and Medicaid 231,476

Enrollment Changes by County

As Percent Difference from July 2021 to June 2022

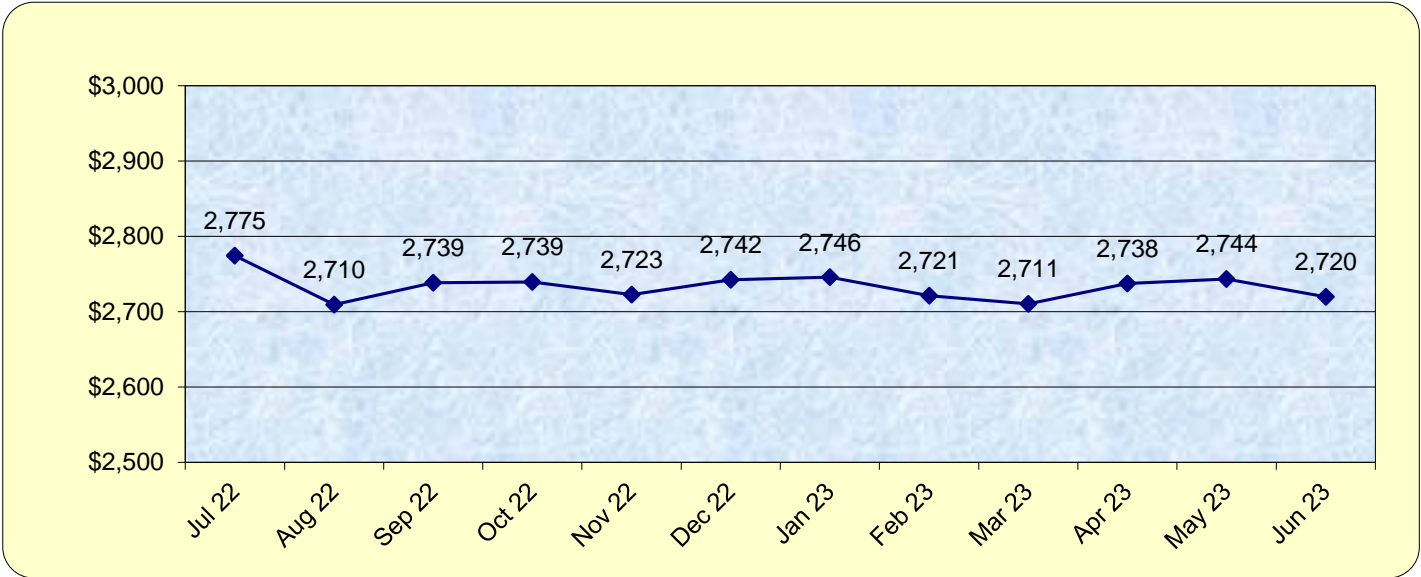
<u>County</u>	<u>Total Enrollees July 2021</u>	<u>Total Enrollees June 2022</u>	<u>Difference</u>	<u>% Change</u>
Clay	97	111	14	13%
Grant	91	104	13	13%
Nicholas	321	365	44	12%
Putnam	614	692	78	11%
Wirt	44	49	5	10%
McDowell	145	157	12	8%
Roane	228	241	13	5%
Berkeley	1,801	1,890	89	5%
Braxton	120	123	3	2%
Preston	448	457	9	2%
Hampshire	244	244	0	0%
Tucker	106	106	0	0%
Harrison	808	802	-6	-1%
Ritchie	60	59	-1	-2%
Barbour	213	209	-4	-2%
Monongalia	818	802	-16	-2%
Calhoun	78	76	-2	-3%
Ohio	416	403	-13	-3%
Lewis	182	176	-6	-3%
Brooke	0	1	1	-4%
Jefferson	641	615	-26	-4%
Monroe	206	197	-9	-5%
Cabell	821	779	-42	-5%
Kanawha	1,885	1,787	-98	-5%
Marion	612	580	-32	-6%
Pocahontas	92	87	-5	-6%
Morgan	220	208	-12	-6%
Mercer	777	726	-51	-7%
Wetzel	106	99	-7	-7%
Greenbrier	505	471	-34	-7%
Hancock	470	436	-34	-8%
Mason	235	218	-17	-8%
Fayette	536	491	-45	-9%
Wood	860	785	-75	-10%
Marshall	245	222	-23	-10%
Jackson	282	255	-27	-11%
Upshur	334	300	-34	-11%
Logan	324	290	-34	-12%
Gilmer	66	59	-7	-12%
Mineral	272	243	-29	-12%
Lincoln	203	181	-22	-12%
Mingo	217	192	-25	-13%
Raleigh	911	806	-105	-13%
Taylor	181	160	-21	-13%
Randolph	387	342	-45	-13%
Summers	126	111	-15	-14%
Hardy	187	164	-23	-14%
Wayne	390	340	-50	-15%
Webster	96	83	-13	-16%
Pendleton	86	74	-12	-16%
Boone	197	169	-28	-17%
Wyoming	277	234	-43	-18%
Pleasants	51	42	-9	-21%
Doddridge	83	67	-16	-24%
Tyler	69	53	-16	-30%
Totals	19,784	18,933	-851	-4%
12-Mo. Avg.		19,294	-15	-6%

Enrollment Changes by County

As Percent of Children Never Before Enrolled from July 2021 to June 2022

County	Total Enrollees	Total Enrollees	New Enrollees	New Enrollees
	<u>July 2021</u>	<u>June 2022</u>	<u>Never in Program</u>	<u>As % of June 2022</u>
Clay	97	111	54	49%
McDowell	145	157	63	40%
Nicholas	321	365	141	39%
Mingo	217	192	69	36%
Wirt	44	49	15	31%
Preston	448	457	138	30%
Braxton	120	123	37	30%
Berkeley	1,801	1,890	551	29%
Wetzel	106	99	28	28%
Webster	96	83	23	28%
Cabell	821	779	213	27%
Lewis	182	176	48	27%
Gilmer	66	59	16	27%
Ritchie	60	59	16	27%
Monroe	206	197	53	27%
Tucker	106	106	28	26%
Putnam	614	692	181	26%
Roane	228	241	63	26%
Marshall	245	222	58	26%
Marion	612	580	145	25%
Hancock	470	436	106	24%
Mason	235	218	53	24%
Ohio	416	403	96	24%
Hampshire	244	244	58	24%
Summers	126	111	26	23%
Grant	91	104	24	23%
Jefferson	641	615	137	22%
Harrison	808	802	171	21%
Monongalia	818	802	161	20%
Calhoun	78	76	15	20%
Kanawha	1,885	1,787	352	20%
Pocahontas	92	87	17	20%
Pleasants	51	42	8	19%
Mineral	272	243	46	19%
Jackson	282	255	48	19%
Taylor	181	160	30	19%
Wood	860	785	144	18%
Logan	324	290	53	18%
Morgan	220	208	38	18%
Barbour	213	209	38	18%
Upshur	334	300	53	18%
Mercer	777	726	124	17%
Wayne	390	340	58	17%
Tyler	69	53	9	17%
Fayette	536	491	81	16%
Hardy	187	164	27	16%
Pendleton	86	74	12	16%
Raleigh	911	806	111	14%
Randolph	387	342	47	14%
Lincoln	203	181	24	13%
Greenbrier	505	471	62	13%
Wyoming	277	234	30	13%
Boone	197	169	18	11%
Doddridge	83	67	6	9%
Brooke	0	1	0	0%
Totals	19,784	18,933	4,223	22%
12-Mo. Avg.		19,294	352	1.8%

Annualized Health Care Expenditures (Cost Per Child) SFY 2023

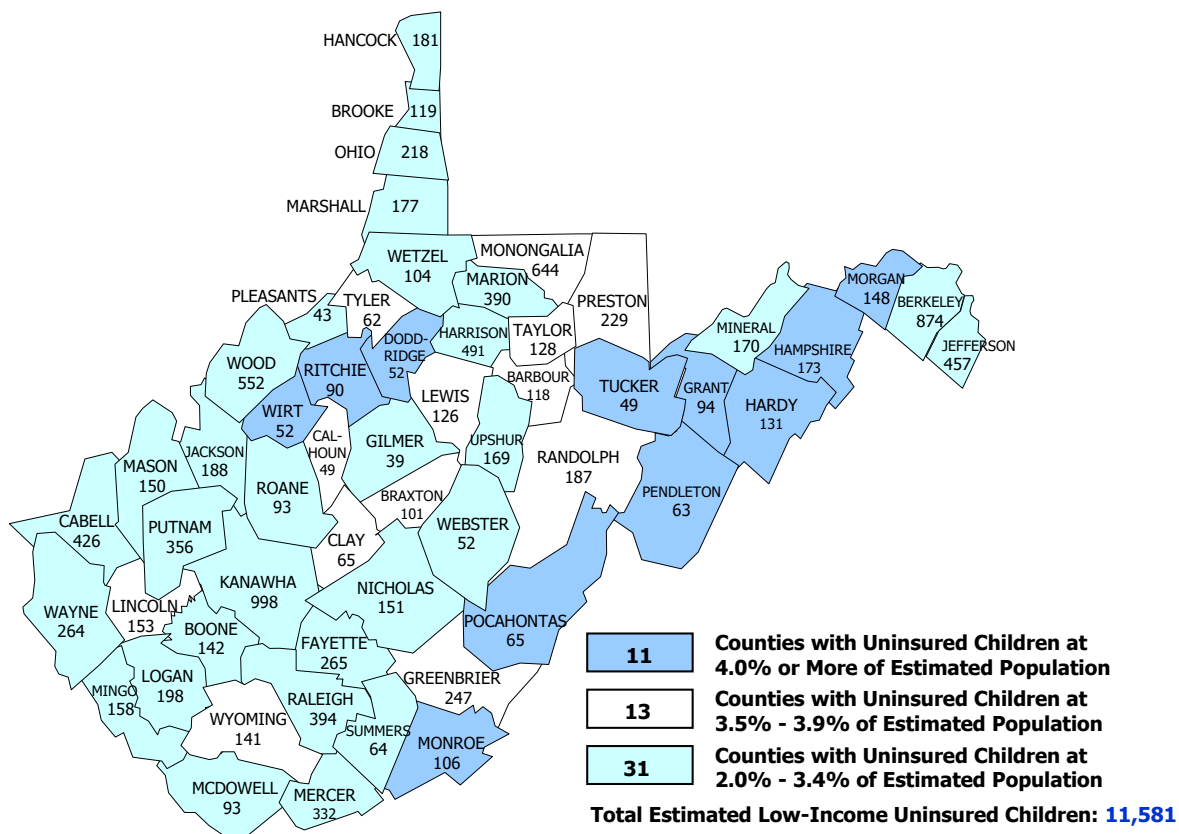


Uninsured Children, Program Outreach, and Health Initiatives

WVCHIP works with many community partners and entities as identified in its State Plan; however, as enrollment has stabilized, efforts to promote public awareness of the program have shifted from an enrollment focus to one of promoting child health awareness and prevention messaging on topics such as childhood health screening, child development, immunizations, quality improvement and the importance of a medical home.

Rate of Uninsured Children

Based on health insurance survey data from the U.S. Census Bureau's 2022 Annual Community Survey (ACS), WVCHIP continues to monitor uninsured rates for West Virginia children in its monthly and quarterly reports to the legislative health committees reflecting both WVCHIP and West Virginia Medicaid enrollment data for children at the county level. West Virginia is ranked within the top 10 states based on the percentage of uninsured children. The uninsured rate for West Virginia children decreased in 2022 slightly to 2.8 percent, approximately 11,000 children. West Virginia ranks 8th in the nation in the percentage of uninsured children. West Virginia's 2021 rate was 3.3 percent, around 13,000 kids, and West Virginia ranked 7th in the nation. The U.S. Census Bureau Small Area Health Insurance Estimates (SAHIE) provides uninsured information for children under 19 broken down to the county level, based on ACS estimates. 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 activities at the county level. The ACS information is more widely cited by researchers and advocates. The map below depicts uninsured estimates by county using the most current 2023 SAHIE.



Public Information via the HelpLine, Website, WVPATH, and Healthcare.gov

WVCHIP makes application and program information available through its 1-877-982-2447 toll-free HelpLine, which averages 600 calls a month and mails out applications and program materials upon request. Information is also available through the agency's website at www.chip.wv.gov where program guidelines and applications can be downloaded and printed. The WVCHIP website provides a wealth of information to the public about the agency, its governance, applying and enrolling for benefits, major annual reports, program statistics, and other program and health-related information.

An online application process that allows people to apply from the convenience of home and print out their own applications is made available by West Virginia Department of Health and Human Resources (DHHR) at www.wvpath.wv.gov. Many WV PATH users who have evaluated the online application process have commented on its ease of use, costs avoided from travel to pick up applications, and time savings from not having to wait in line at local offices. Since the implementation of the Affordable Care Act in 2013, the WV inROADS and now the WV PATH application, the replacement for WV inROADS, is also linked to the www.healthcare.gov website. This linkage of the federal state insurance marketplace with the WV PATH online application process for both WVCHIP and West Virginia Medicaid provides a "no wrong door" approach for any member of the public interested in health care coverage.

Health Collaborative Efforts

Collaborations are important to allow multiple agencies and entities inside and outside state government to integrate efforts related to a statewide mission for the health of West Virginia children. WVCHIP prioritizes prevention efforts to support West Virginia's Healthy People objectives for children. WVCHIP hopes to expand these collaborations jointly with the contracted managed care organizations to support the healthy development of West Virginia's children.

WVCHIP Set of Pediatric Core Measures 2023

In 2010, the Secretary of the U.S. Department of Health and Human Services identified 24 pediatric core measures for which state CHIP and Medicaid programs could begin voluntarily reporting. WVCHIP extracts this information to the extent possible from administrative and claims data according to specifications developed for the Healthcare Effectiveness Data and Information Set (HEDIS®). Some core measures were developed by other states or entities that are the measure stewards (the expert group setting the measure specifications) and were recommended for inclusion in the core set by national panels of experts. The most common measure steward is the National Committee of Quality Assurance (NCQA). The NCQA oversees and revises its HEDIS® specification sets annually. Since 2010, the Centers for Medicare and Medicaid Services (CMS) has expanded the number of national core pediatric measures to 27. Mandatory reporting of the core pediatric measure set for all states' CHIP and Medicaid child health programs starts in 2024. In addition, West Virginia's CHIP and Medicaid programs require reporting of specific pediatric measures through their managed care contracts to drive measurement and improvement in child population health.

The HEDIS® set of standardized health performance measures identifies only those individuals with continuous 12-month enrollment for the measurement period before treatment or visit data can be included in calculating the measure. This helps to ensure that the population measured is comparable from one health plan to another. It also only captures a subset of the child enrollees in the CHIP each year as the denominator. Continuous 12-month enrollment is defined as those members with no more than a 45-day break in enrollment throughout the measurement year. Measures are mostly based on prior calendar year data. Therefore, 2023 measures are typically based on calendar year 2022 data. Some measures do have different measurement periods. These are available on the CMS website at: <https://www.medicaid.gov/medicaid/quality-of-care/performance-measurement/adult-and-child-health-care-quality-measures/child-core-set-reporting-resources/index.html> .

The Center for Medicaid and CHIP Services (CMCS) decided that the Child Core Healthcare Quality Measure Sets for reporting year 2023 would add two new measures. There new measures are: 1) Follow-up After Emergency Department Visit for Mental Illness: Ages 6 to 17 (FUA-CH); and 2) Follow-up After Emergency Department Visit for Alcohol and Other Drug Abuse or Dependence (FUM-CH). West Virginia uses all reportable measures to assess, monitor, and identify areas for improvement in the care being provided to its members.

The measures are broken out into six domains: Primary Care Access and Preventive Care (8 measures), Maternal and Perinatal Health (5 measures), Care of Acute and Chronic Conditions (3 measures), Behavioral Health Care (7 measures), Dental and Oral Health Services (3 measures), and Experience of Care (1 measure).

The measures on the following pages are the ones that WVCHIP reports to CMS. More information on CMS core measures is located on www.medicaid.gov.

Health Care Quality Measures CMS – Child Core Set 2023

	Measure	Numerator	Denominator	Rate
WCC-CH	Weight Assessment & Counseling for Nutrition and Physical Activity for Children/Adolescents: Body Mass Index Assessment for Children/Adolescents Ages 13 to 17 - Body Mass Index Assessment Percentage	8,491	9,771	86.9%
CHL-CH	Chlamydia Screening in Women Ages 16 - 20	169	684	24.7%
CIS-CH	Childhood Immunization Status - Combo #10	73	237	30.8%
W30-CH	Well-Child Visits in the First 30 Months of Life - 15 to 30 Months	201	258	77.9%
IMA-CH	Immunizations for Adolescents - Combo #2	264	962	27.4%
DEV-CH	Developmental Screening in the First Three Years of Life	685	1,290	53.1%
WCV-CH	Child and Adolescent Well-Care Visits - Ages 3 to 21	7,516	13,467	55.8%
LSC-CH	Lead Screening in Children	118	237	49.8%
PPC-CH	Prenatal and Postpartum Care: Timeliness of Prenatal Care	101	103	98.1%
CCP-CH	Contraceptive Care - Postpartum Women Ages 15 to 20	NR	NR	NR
CCW-CH	Contraceptive Care - All Women Ages 15 to 20	623	2,130	29.2%
AAB-CH	Avoidance of Antibiotic Treatment for Acute Bronchitis/Bronchiolitis: Ages 3 Months to 17 Years	210	376	55.9%
AMR-CH	Asthma Medication Ratio: Ages 5 to 18	109	122	89.3%
AMB-CH	Ambulatory Care: Emergency Department (ED) Visits - Visits per 1,000 Member Months Ages 0 to 19	5,607	202,171	27.7
ADD-CH	Follow-up Care for Children Prescribed Attention-Deficit/Hyperactivity Disorder (ADHD) Medication - Initiation Phase	75	181	41.4%

Health Care Quality Measures CMS – Child Core Set 2023

	Measure	Numerator	Denominator	Rate
CDF-CH	Depression Screening and Follow-up Plan Ages 12 to 17	NR	NR	NR
FUH-CH	Follow-up After Hospitalization for Mental Illness Ages 6 to 17	60	72	83.3%
APM-CH	Metabolic Monitoring for Children and Adolescents on Antipsychotics - Glucose Monitoring	37	70	52.9%
APP-CH	Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics - Ages 1 to 17	21	32	65.6%
FUA-CH	Follow-up After Emergency Department Visit for Substance Use: Ages 13 to 17	NR	NR	NR
FUM-CH	Follow-up After Emergency Department Visit for Mental Illness: Ages 6 to 17 - Within 30 Days	29	48	60.4%
OEV-CH	Oral Evaluations, Dental Services	NR	NR	NR
TFL-CH	Topical Fluoride for Children	NR	NR	NR
SFM-CH	Sealant Receipt on Permanent First Molars	NR	NR	NR

NR = Not Reported. Changes have been made to this measure or the denominator is less than 10 and results are not yet available.

	Measure	Description
WCC-CH	Weight Assessment & Counseling for Nutrition and Physical Activity for Children/Adolescents	Percentage of children ages 3 to 17 who had an outpatient visit with a primary care practitioner (PCP) or obstetrician/gynecologist (OB/GYN) and who had evidence of the following during the measurement year: 1) Body mass index (BMI) percentile documentation; 2) Counseling for nutrition; and 3) Counseling for physical activity. Because BMI norms for youth vary with age and gender, this measure evaluates whether BMI percentile is assessed, rather than an absolute BMI value. WVCHIP publishes the measure for BMI documentation. Other measures for nutrition and physical activity counseling are available on request.
CHL-CH	Chlamydia Screening in Women Ages 16-20	Percentage of women ages 16 to 20 who were identified as sexually active and who had at least one test for chlamydia during the measurement year.
CIS-CH	Childhood Immunization Status - Combo #10	Percentage of children age 2 who had four diphtheria, tetanus and acellular pertussis (DTaP); three polio (IPV); one measles, mumps and rubella (MMR); three haemophilus influenza type B (HiB); three hepatitis B (Hep B), one chicken pox (VZV); four pneumococcal conjugate (PCV); one hepatitis A (HepA); two or three rotavirus (RV); and and two influenza (flu) vaccines by their second birthday. The measure calculates a rate for each vaccine and three separate combination rates. WVCHIP publishes the Combination #10 rate in its Annual Report and the results of the other rates are available upon request.

Health Care Quality Measures

CMS – Child Core Set 2023

Measure		Description
W30-CH	Well-Child Visits in the First 30 Months of Life	Percentage of children who had the following number of well-child visits with a primary care practitioner (PCP) during the last 15 months. The following rates are reported: 1) Well-Child Visits in the First 15 Months. Children who turned age 15 months during the measurement year: Six or more well-child visits; and 2) Well-Child Visits for Age 15 Months–30 Months. Children who turned age 30 months during the measurement year: Two or more well-child visits. WVCHIP publishes the rate for Age 15- 30 months with 2 or more visits in its Annual Report. Rates are available for children Age 15 months with 6 or more visits upon request.
IMA-CH	Immunizations for Adolescents - Combo #2	Percentage of adolescents age 13 who had one dose of meningococcal vaccine, one tetanus, diphtheria toxoids and acellular pertussis (Tdap) vaccine, and have completed the human papillomavirus (HPV) vaccine series by their 13th birthday. The measure calculates a rate for each vaccine and two combination rates. WVCHIP publishes the Combination #2 rate in its Annual Report and the other rates are available upon request.
DEV-CH	Developmental Screening in the First Three Years of Life	Percentage of children screened for risk of developmental, behavioral, and social delays using a standardized screening tool in the 12 months preceding or on their first, second, or third birthday. WVCHIP publishes an overall rate in its Annual Report and the other rates are available upon request.
WCV-CH	Child and Adolescent Well-Care Visits	Percentage of children ages 3 to 21 who had at least one comprehensive well-care visit with a primary care practitioner (PCP) or an obstetrician/gynecologist (OB/GYN) during the measurement year. WVCHIP publishes an overall rate in its Annual Report. Three other measures by age groupings are available upon request.
LSC-CH	Lead Screening in Children	Percentage of children 2 years of age who had one or more capillary or venous lead blood test for lead poisoning by their second birthday.
PPC-CH	Prenatal and Postpartum Care: Timeliness of Prenatal Care	Percentage of deliveries of live births on or between October 8 of the year prior to the measurement year and October 7 of the measurement year that received a prenatal care visit in the first trimester, on or before the enrollment start date or within 42 days of enrollment.
CCP-CH	Contraceptive Care - Postpartum Women Ages 15 to 20	The percentage of women, aged 15-20 years, who had a live birth and were provided a 'most effective' or a 'moderately effective' method of contraception within 3 and 90 days of delivery. Among women ages 15 to 20 who had a live birth, the percentage that: 1) were provided a most effective or moderately effective method of contraception within 3 and 90 days of delivery; and 2) were provided a long-acting reversible method of contraception (LARC) within 3 and 90 days of delivery.
CCW-CH	Contraceptive Care - All Women Ages 15 to 20	The percentage of women, aged 15-20 years, who are at risk of unintended pregnancy and were provided a 'most effective' or a 'moderately effective' or a long-acting reversible (LARC) method of contraception during the measurement year. Excludes women who are infertile due to non-contraceptive reasons (e.g., hysterectomy, oophorectomy, menopause), those who had a live birth during the last three months of the measurement year, and those who were still pregnant at the end of the measurement year. Rates are also available for the percentage of women who were provided a long-acting reversible method of contraception (LARC) upon request. Separate rates for 'most' and 'moderately' effective contraception and LARC are available upon request.
AAB-CH	Avoidance of Antibiotic Treatment for Acute Bronchitis/Bronchiolitis: Ages 3 Months to 17 Years	Percentage of episodes for beneficiaries ages 3 months to 17 years with a diagnosis of acute bronchitis/bronchiolitis that did not result in an antibiotic dispensing event.
AMR-CH	Asthma Medication Ratio: Ages 5 to 18	The percentage of children and adolescents ages 5 to 18 who were identified as having persistent asthma and had a ratio of controller medications to total asthma medications of 0.50 or greater during the measurement year.

Health Care Quality Measures CMS – Child Core Set 2023

Measure		Description
AMB-CH	Ambulatory Care: Emergency Department (ED) Visits	Rate of emergency department (ED) visits per 1,000 beneficiary months among children up to age 19.
ADD-CH	Follow-up Care for Children Prescribed Attention-Deficit/Hyperactivity Disorder (ADHD) Medication - Initiation Phase	Percentage of children newly prescribed attention-deficit/hyperactivity disorder (ADHD) medication who had at least three follow-up care visits within a 10-month period, one of which was within 30 days of when the first ADHD medication was dispensed. Two rates are reported: 1) Initiation Phase: Percentage of children ages 6 to 12 with a prescription dispensed for ADHD medication, who had one follow-up visit with a practitioner with prescribing authority during the 30-day Initiation Phase; and 2) Continuation and Maintenance (C&M) Phase: Percentage of children ages 6 to 12 with a prescription dispensed for ADHD medication who remained on the medication for at least 210 days and who, in addition to the visit in the Initiation Phase, had at least two follow-up visits with a practitioner within 270 days (9 months) after the Initiation Phase ended. WVCHIP publishes the Initiation Phase rate in its Annual Report. The C&M Phase rate is available upon request.
CDF-CH	Depression Screening and Follow-up Plan Ages 12 to 17	The percentage of children ages 12 to 17 years screened for depression on the date of the encounter or 14 days prior using an age appropriate standardized depression screening tool, and if positive, a follow-up plan is documented on the date of the eligible encounter. This measure is not reported because changes are being made to how data is pulled to calculate the measure.
FUH-CH	Follow-Up After Hospitalization for Mental Illness Ages 6 to 17	Percentage of discharges for children ages 6 to 17 who were hospitalized for treatment of selected mental illness or intentional self-harm diagnoses and who had a follow-up visit with a mental health provider. Two rates are reported: 1) Percentage of discharges for which the beneficiary received follow-up within 30 days after discharge; and 2) Percentage of discharges for which the beneficiary received follow-up within 7 days after discharge. WVCHIP publishes the rate for 7 days follow-up. Rates for 30 days after discharge are available upon request.
APM-CH	Metabolic Monitoring for Children and Adolescents on Antipsychotics	Percentage of children and adolescents ages 1 to 17 who had two or more antipsychotic prescriptions and had metabolic testing. Three rates are reported: 1) Percentage of children and adolescents on antipsychotics who received blood glucose testing; 2) Percentage of children and adolescents on antipsychotics who received cholesterol testing; and 3) Percentage of children and adolescents on antipsychotics who received blood glucose and cholesterol testing. WVCHIP publishes the result of the blood glucose and cholesterol measure and the other two rates are available upon request.
APP-CH	Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics	Percentage of children and adolescents ages 1 to 17 who had a new prescription for an antipsychotic medication and had documentation of psychosocial care as first-line treatment.
FUA-CH	Follow-up After Emergency Department Visit for Substance Use: Ages 13 to 17	Percentage of emergency department (ED) visits for beneficiaries ages 13 to 17 years with a principal diagnosis of substance use disorder (SUD), or any diagnosis of drug overdose, for which there was follow-up. Two rates are reported: 1) Percentage of ED visits for which the beneficiary received follow-up within 30 days of the ED visit (31 total days); and 2) Percentage of ED visits for which the beneficiary received follow-up within 7 days of the ED visit (8 total days). WVCHIP does not report this measure because the denominator is less than 10 members.

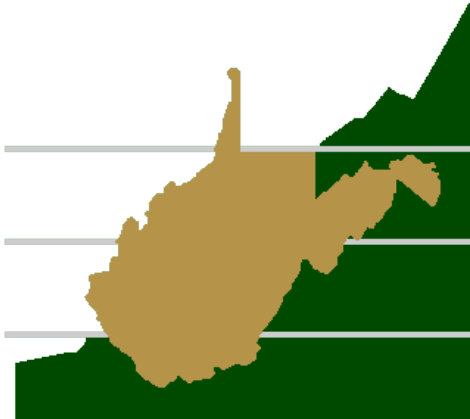
Health Care Quality Measures CMS – Child Core Set 2023

Measure		Description
FUM-CH	Follow-up After Emergency Department Visit for Mental Illness: Ages 6 to 17	Percentage of emergency department (ED) visits for beneficiaries ages 6 to 17 with a principal diagnosis of mental illness or intentional self-harm and who had a follow-up visit for mental illness. Two rates are reported: 1) Percentage of ED visits for mental illness for which the beneficiary received follow-up within 30 days of the ED visit (31 total days); and 2) Percentage of ED visits for mental illness for which the beneficiary received follow-up within 7 days of the ED visit (8 total days). WVCHIP publishes the rate for 30-days follow-up and the rate for 7-days follow-up is available upon request.
OEV-CH	Oral Evaluation, Dental Services	Percentage of enrolled children under age 21 who received a comprehensive or periodic oral evaluation within the measurement year. This measure is under development and should be available in January 2024.
TFL-CH	Topical Fluoride for Children	Percentage of enrolled children ages 1 through 20 who received at least two topical fluoride applications as: (1) dental or oral health services, (2) dental services, and (3) oral health services within the measurement year. This measure is under development and results should be available in January 2024.
SFM-CH	Sealant Receipt on Permanent First Molars	Percentage of enrolled children who have ever received sealants on permanent first molar teeth: (1) at least one sealant and (2) all four molars sealed by the 10th birthdate. This measure is under development and should be ready in January 2024.

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

February 29, 2024



Participant Plans Allocation & Performance Net of Fees

Period Ending: February 29, 2024

	6/30/2023		2/29/2024		Performance %							
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
WVIMB Fund Assets	24,219,305	100.0	25,516,091	100.0								
Pension Assets	19,790,811	81.7	20,738,759	81.3								
Public Employees' Retirement System	8,398,434	34.7	8,807,918	34.5	2.3	5.6	7.3	11.7	6.7	9.2	8.2	7.7
Teachers' Retirement System	9,319,703	38.5	9,698,606	38.0	2.4	5.6	7.3	11.6	6.7	9.2	8.1	7.5
EMS Retirement System	125,180	0.5	136,256	0.6	2.3	5.6	7.2	11.6	6.6	9.2	8.1	
Public Safety Retirement System	778,439	3.2	797,546	3.1	2.4	5.6	7.3	11.7	6.7	9.3	8.2	7.7
Judges' Retirement System	278,545	1.2	296,010	1.2	2.3	5.6	7.3	11.7	6.7	9.3	8.2	7.7
State Police Retirement System	320,094	1.3	349,343	1.4	2.3	5.6	7.3	11.6	6.6	9.2	8.2	7.6
Deputy Sheriffs' Retirement System	316,039	1.3	338,939	1.3	2.3	5.6	7.3	11.6	6.6	9.2	8.2	7.7
Municipal Police & Firefighter Retirement System	34,945	0.1	42,010	0.2	2.3	5.6	7.2	11.6	6.5	9.2	8.0	
Natural Resources Police Office Retirement System	27,643	0.1	30,503	0.1	2.3	5.6	7.3	11.6	6.6			
Municipal Model A	189,153	0.8	238,580	0.9	2.3	5.7	7.8	12.1	7.3	9.7	8.4	
Municipal Model B	2,636	0.0	3,048	0.0	2.1	6.8	8.6	14.5	3.1			
Insurance Assets	3,216,097	13.3	3,251,287	12.7								
Workers' Compensation Old Fund	851,245	3.4	840,600	3.3	1.1	4.5	6.4	9.7	1.8	5.1	4.6	
Workers' Comp. Self-Insured Guaranty Risk Pool	37,044	0.2	39,209	0.1	1.1	4.5	6.3	9.7	2.2	5.4	4.7	
Workers' Comp. Self-Insured Security Risk Pool	48,517	0.2	50,005	0.2	1.1	4.5	6.3	9.7	2.2	5.3	4.6	
Workers' Comp. Uninsured Employers' Fund	16,767	0.1	17,886	0.1	1.1	4.5	6.4	9.8	2.2	5.2	4.5	
Pneumoconiosis	200,150	0.8	201,625	0.8	1.1	4.5	6.4	9.8	2.2	5.4	4.6	5.0
Board of Risk & Insurance Management	183,857	0.8	88,132	0.3	1.1	4.5	6.4	9.8	2.2	5.4	4.6	
Public Employees' Insurance Agency	135,642	0.6	144,151	0.6	0.8	4.4	6.3	9.3	1.8	4.9	4.4	
WV Retiree Health Benefit Trust Fund	1,742,875	7.2	1,869,679	7.3	2.3	5.6	7.3	11.6	6.6	9.2	8.2	
Endowment Assets	1,212,397	5.0	1,526,045	6.0								
Berkeley County Development Authority	8,558	0.0	6,545	0.0	2.3	5.5	6.8	11.1	6.5	9.1		
Wildlife Fund	72,283	0.3	72,990	0.3	2.3	5.6	7.3	11.6	6.6	9.2	8.2	7.6
WV State Parks and Recreation Endowment Fund	35,050	0.1	43,865	0.2	2.3	5.6	7.3	11.7				
Revenue Shortfall Reserve Fund	334,187	1.4	594,150	2.3	(0.2)	2.9	4.4	7.0	(0.4)	1.9	2.0	
Revenue Shortfall Reserve Fund - Part B	514,884	2.2	541,463	2.1	0.3	3.8	5.2	8.3	0.2	3.9	3.9	
WV DEP Trust	11,478	0.0	12,392	0.1	2.4	6.0	8.0	13.0	4.5	8.0	6.9	
WV DEP Agency	235,957	1.0	254,640	1.0	1.6	5.7	7.9	12.0	3.0	6.2	5.4	

Composite Asset Allocation & Performance Net of Fees

Period Ending: February 29, 2024

	Asset (\$000)	%	Performance %								
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year	
Investment Pools Composite	25,524,300	100.00									
Portable Alpha Composite +/- S&P 500 Index	5,670,010	22.21	5.74 0.40	12.83 0.85	16.20 0.48	29.88 (0.57)	11.65 (0.26)				
Large Cap Domestic Equity Composite +/- S&P 500 Index	332,200	1.30	5.33 (0.01)	12.01 0.03	15.72 0.00	30.43 (0.02)	11.83 (0.08)	14.76 0.00	12.55 (0.15)	9.95 0.05	
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	1,194,745	4.68	7.73 2.29	15.08 1.39	13.55 2.72	13.21 0.96	6.74 4.59	10.80 1.96	8.96 0.60	9.68 0.73	
International Equity Composite +/- MSCI AC World ex US IMI Index (a)	4,283,767	16.78	2.65 0.31	6.71 0.18	9.33 1.87	13.70 0.97	1.90 0.26	6.49 0.52	5.25 0.74	7.07 1.00	
Fixed Income Composite +/- Bloomberg Universal (b)	4,434,264	17.37	(1.01) 0.19	2.65 0.35	3.43 1.16	5.92 1.86	(1.71) 1.10	1.82 0.97	2.50 0.77	3.69 0.28	
Core Fixed Income Composite +/- Bloomberg US Aggregate	1,991,090	7.80	(1.27) 0.14	2.52 0.44	2.07 0.44	4.08 0.75	(2.30) 0.86	1.45 0.89	2.06 0.63		
Total Return Fixed Income Composite (c) +/- Bloomberg Universal	2,443,174	9.57	(0.80) 0.40	2.75 0.45	4.54 2.27	7.48 3.42	(1.22) 1.59	2.10 1.25	2.74 1.01	4.12 0.83	
TIPS Composite +/- Bloomberg US TIPS 1-10 Yr (d)	489,527	1.92	(0.86) 0.04	1.53 0.00	2.24 (0.06)	3.61 0.01	(0.48) 0.04	2.98 0.07	2.22 0.03		
Cash Composite +/- FTSE 3 Month US T-Bill (e)	165,933	0.65	0.41 (0.02)	1.31 (0.07)	3.54 (0.19)	5.22 (0.23)	2.44 (0.11)	1.89 (0.13)	1.30 (0.05)	1.55 (0.03)	
Private Equity Composite +/- Russell 3000 + 3% (f, g)	2,723,865	10.67	0.78 (4.88)	0.16 (12.82)	0.98 (16.57)	6.57 (25.03)	17.97 5.07	19.67 2.73	17.69 2.66		
Real Estate Composite +/- NCREIF + 1% (f)	2,452,248	9.61	(0.31) 0.62	(1.90) 0.32	(3.75) 0.86	(7.54) (0.45)	4.38 (1.68)	4.19 (1.45)	6.94 (1.06)		
Hedge Fund Composite +/- HFRI FOF + 1% (h)	2,699,195	10.58	1.81 (0.21)	5.15 (0.03)	8.92 1.68	9.04 0.59	6.40 3.02	7.20 1.29	5.02 0.64		
Private Credit & Income Composite +/- SOFR + 4% (f, i)	1,078,546	4.23	0.31 (0.45)	0.43 (1.91)	2.78 (3.52)	4.81 (3.57)	6.93 0.98	6.42 0.27			

Participant Plans Allocation vs. Strategy

Period Ending: February 29, 2024

	Equity		Fixed Income		Private Equity		Real Estate		Private Credit & Income		Hedge Funds		Cash	
	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %

Pension Assets

Public Employees' Retirement System	47.7	45.0	14.7	15.0	11.7	12.0	10.5	12.0	4.6	6.0	10.5	10.0	0.3	0.0
Teachers' Retirement System	47.9	45.0	14.6	15.0	11.7	12.0	10.5	12.0	4.6	6.0	10.5	10.0	0.2	0.0
EMS Retirement System	47.4	45.0	14.5	15.0	11.6	12.0	10.4	12.0	4.6	6.0	10.4	10.0	1.1	0.0
Public Safety Retirement System	48.0	45.0	14.5	15.0	11.7	12.0	10.5	12.0	4.6	6.0	10.5	10.0	0.2	0.0
Judges' Retirement System	47.7	45.0	14.9	15.0	11.7	12.0	10.5	12.0	4.6	6.0	10.5	10.0	0.1	0.0
State Police Retirement System	47.4	45.0	14.8	15.0	11.6	12.0	10.5	12.0	4.6	6.0	10.4	10.0	0.7	0.0
Deputy Sheriffs' Retirement System	47.6	45.0	14.6	15.0	11.6	12.0	10.5	12.0	4.6	6.0	10.5	10.0	0.6	0.0
Municipal Police & Firefighter Retirement System	46.5	45.0	14.2	15.0	11.4	12.0	10.3	12.0	4.5	6.0	10.2	10.0	2.9	0.0
Natural Resources Police Office Retirement System	47.5	45.0	14.2	15.0	11.6	12.0	10.4	12.0	4.6	6.0	10.4	10.0	1.3	0.0
Municipal Model A	47.8	45.0	14.7	15.0	11.7	12.0	10.5	12.0	4.6	6.0	10.5	10.0	0.2	0.0
Municipal Model B	54.9	55.0	41.1	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0

Insurance Assets

Workers' Compensation Old Fund	26.3	25.0	44.5	45.0	4.0	4.0	3.6	4.0	1.6	2.0	16.0	15.0	4.0	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	26.2	25.0	44.0	45.0	3.9	4.0	3.5	4.0	1.6	2.0	15.9	15.0	4.9	5.0
Workers' Comp. Self-Insured Security Risk Pool	26.4	25.0	44.1	45.0	3.9	4.0	3.5	4.0	1.6	2.0	15.9	15.0	4.6	5.0
Workers' Comp. Uninsured Employers' Fund	26.3	25.0	43.9	45.0	3.9	4.0	3.5	4.0	1.5	2.0	15.8	15.0	5.1	5.0
Pneumoconiosis	26.4	25.0	44.3	45.0	3.9	4.0	3.6	4.0	1.6	2.0	16.0	15.0	4.2	5.0
Board of Risk & Insurance Management	26.3	25.0	43.9	45.0	3.9	4.0	3.5	4.0	1.6	2.0	15.8	15.0	5.0	5.0
Public Employees' Insurance Agency	20.8	20.0	53.4	55.0	2.0	2.0	1.8	2.0	0.8	1.0	21.2	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	47.6	45.0	15.1	15.0	11.7	12.0	10.5	12.0	4.6	6.0	10.5	10.0	0.0	0.0

Endowment Assets

Berkeley County Development Authority	47.6	45.0	15.1	15.0	11.7	12.0	10.5	12.0	4.6	6.0	10.5	10.0	0.0	0.0
Wildlife Fund	47.5	45.0	15.1	15.0	11.6	12.0	10.5	12.0	4.6	6.0	10.4	10.0	0.3	0.0
WV State Parks and Recreation Endowment Fund	47.1	45.0	14.9	15.0	11.5	12.0	10.3	12.0	4.5	6.0	10.3	10.0	1.4	0.0
Revenue Shortfall Reserve Fund	10.9	10.0	79.0	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.1	10.0
Revenue Shortfall Reserve Fund - Part B	18.9	17.5	71.2	72.5	2.0	2.0	1.8	2.0	0.8	1.0	5.3	5.0	0.0	0.0
WV DEP Trust	52.0	50.0	15.0	15.0	9.8	10.0	8.9	10.0	3.9	5.0	10.4	10.0	0.0	0.0
WV DEP Agency	36.2	35.0	38.6	40.0	1.9	2.0	1.7	2.0	0.8	1.0	20.8	20.0	0.0	0.0

Footnotes

- (a) Prior to January 2014, the index was the MSCIACW ex USA (Standard).
- (b) Prior to April 2008, the index was Bloomberg US Aggregate.
- (c) From October 2015 to March 2017, performance returns from the Opportunistic Income Pool were included in the Total Return Fixed Income Composite.
- (d) Prior to June 2023, the index was Bloomberg US TIPS.
- (e) Prior to January 2014, the index was FTSE 3 Month US T-Bill plus 15 basis points.
- (f) 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.
- (g) Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (h) Prior to January 2014, the index was Libor plus 400 basis points.
- (i) From April 2017 to May 2023, the index was CS Leveraged Loan plus 200 basis points. Prior to April 2017, the index was CS Leveraged Loan plus 250 basis points.

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

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WEST VIRGINIA OFFICES *OF THE* INSURANCE COMMISSIONER

Allan L. McVey
Insurance Commissioner

Insurance Commissioner

April 2024 Report

to

Joint Committee on Government & Finance

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Introduction

The passage of S.B. 1004 in January 2005 brought historic changes to workers' compensation insurance in West Virginia. The State-administered monopolistic system was phased out and the West Virginia workers' compensation insurance market was privatized and opened to full competition beginning in July 2008.

Although workers' compensation insurance in WV was privatized, a large legacy liability existed from the 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.

As of March 2024, there were 6,303 active claims remaining in the Old Fund. This report provides updates on the status of the various workers' compensation funds and the activities associated with the regulation of workers' compensation insurance by the Insurance Commissioner.

Definitions:

Board of Review: The Board of Review (BOR) is charged with adjudicating objections to claims decisions made by private carriers, self-insured employers or the Insurance Commissioner, if applicable, regarding claims made pursuant to the provisions of W.Va. Coe §23-5-1a. The BOR conducts hearings, receives and weighs evidence, and issues written decisions on objections filed in regard to initial claims management decisions. A final decision of the Board of Review may be appealed to the Intermediate Court of Appeals.

Intermediate Court of Appeals: The Intermediate Court of Appeals (ICA) is the appellate court created in W.Va. Code §51-11-1, et seq., the *West Virginia Appellate Reorganization Act*, with appellate jurisdiction over final orders or decisions of the BOR issued pursuant to W.Va. Code 23-5-1, et seq., after June 30, 2022. Any employer, employee, claimant, or dependent who is aggrieved by a decision of the BOR may appeal to the West Virginia Intermedial Court of Appeals. The ICA may reverse, vacate, modify, or remand a decision of the BOR. Any appeal taken from an ICA final order must be filed with the West Virginia Supreme Court of Appeals.

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

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

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

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

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

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

FBL Non-active Claim: an FBL claim for which an award had been sought but was not afforded. Federal statutes permit an appeal process which lasts for 1 year, so the claim would be reopened for consideration upon appeal. Denied FBL claims are closed administratively after 6 months, as the TPA’s bill for claims management services monthly on an open claims basis.

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

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

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

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.

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

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

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

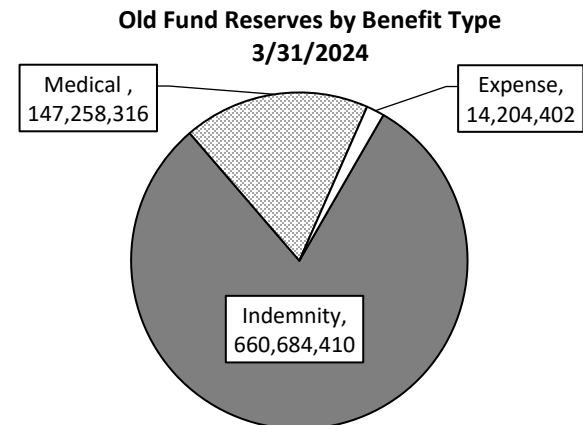
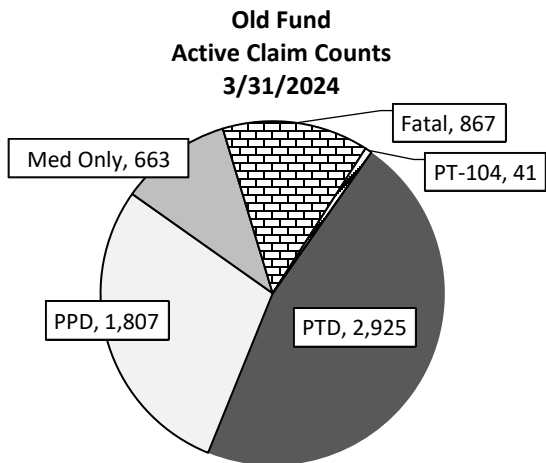
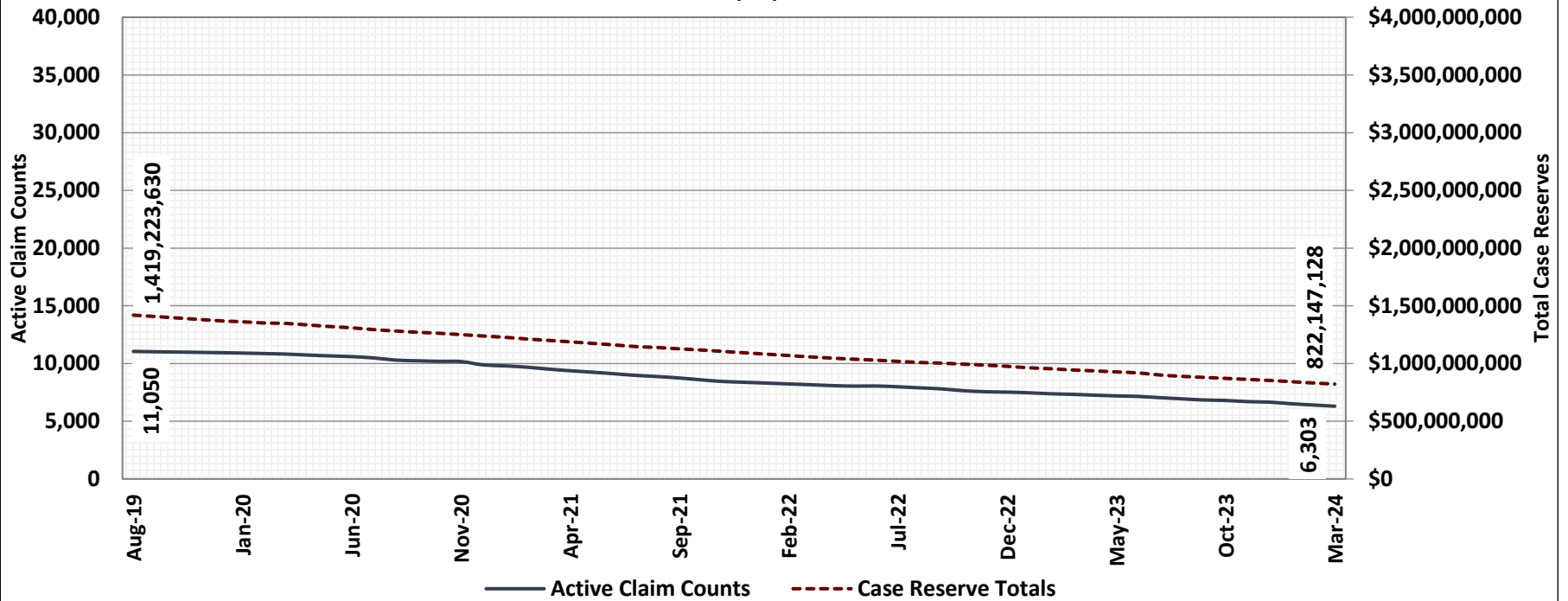
Self-Insured Guaranty Fund: State managed fund consisting of those funds transferred to it from the guaranty pool created pursuant to 85 CSR §19 (2004) and any future funds collected through continued administration of that exempt legislative rule as administered by the WVOIC and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure after 07/01/2004.

Self-Insured Security Fund: State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to claimants of those self-insured employers who have defaulted on their claims obligations after 12/31/2005.

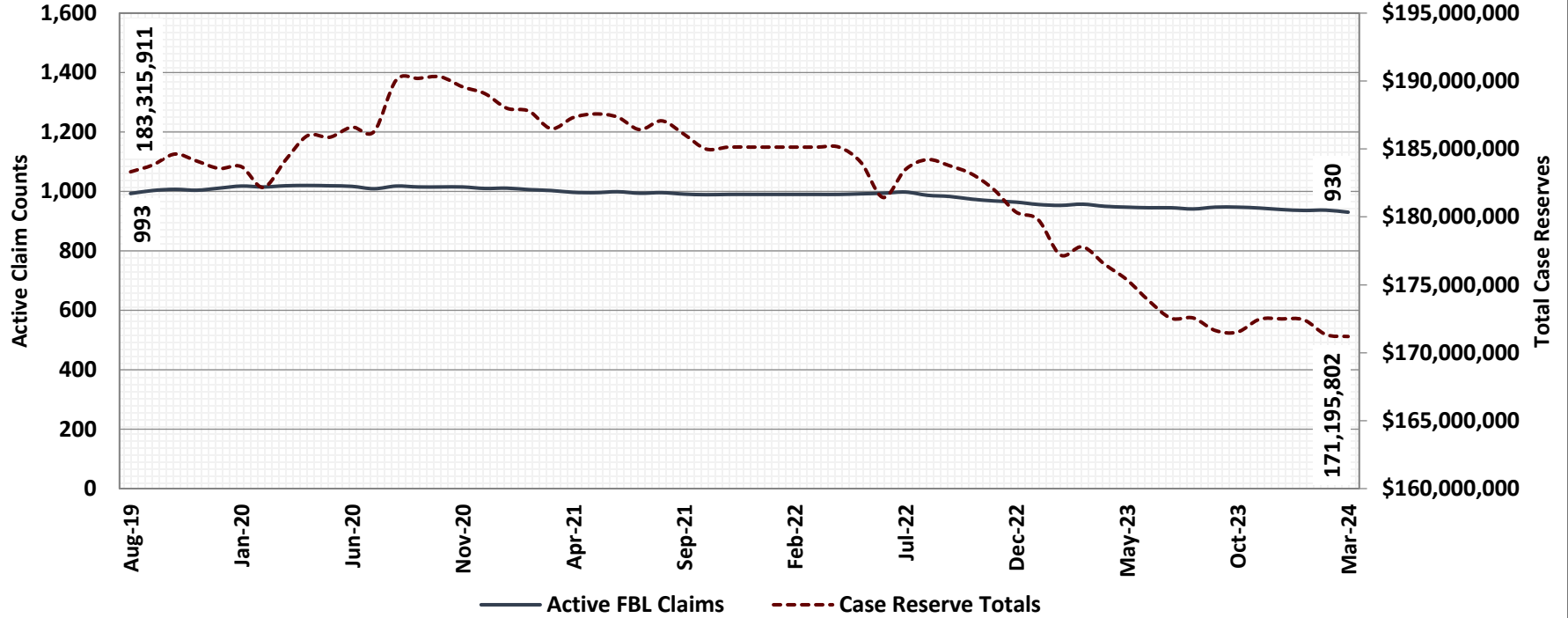
TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified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

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

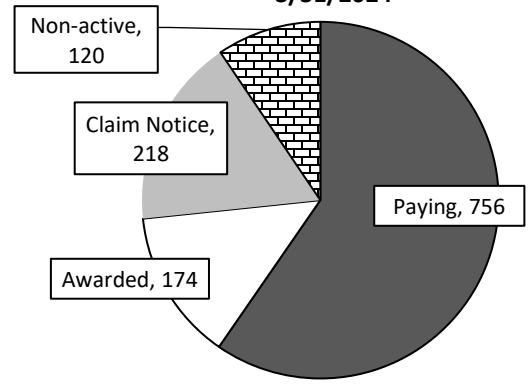
**Old Fund
Active Claim Counts and Case Reserves
3/31/2024**



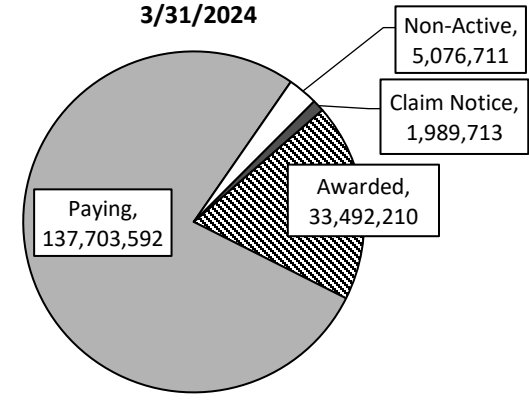
CWP Fund (FBL)
Active Claim Counts and Case Reserves
3/31/2024



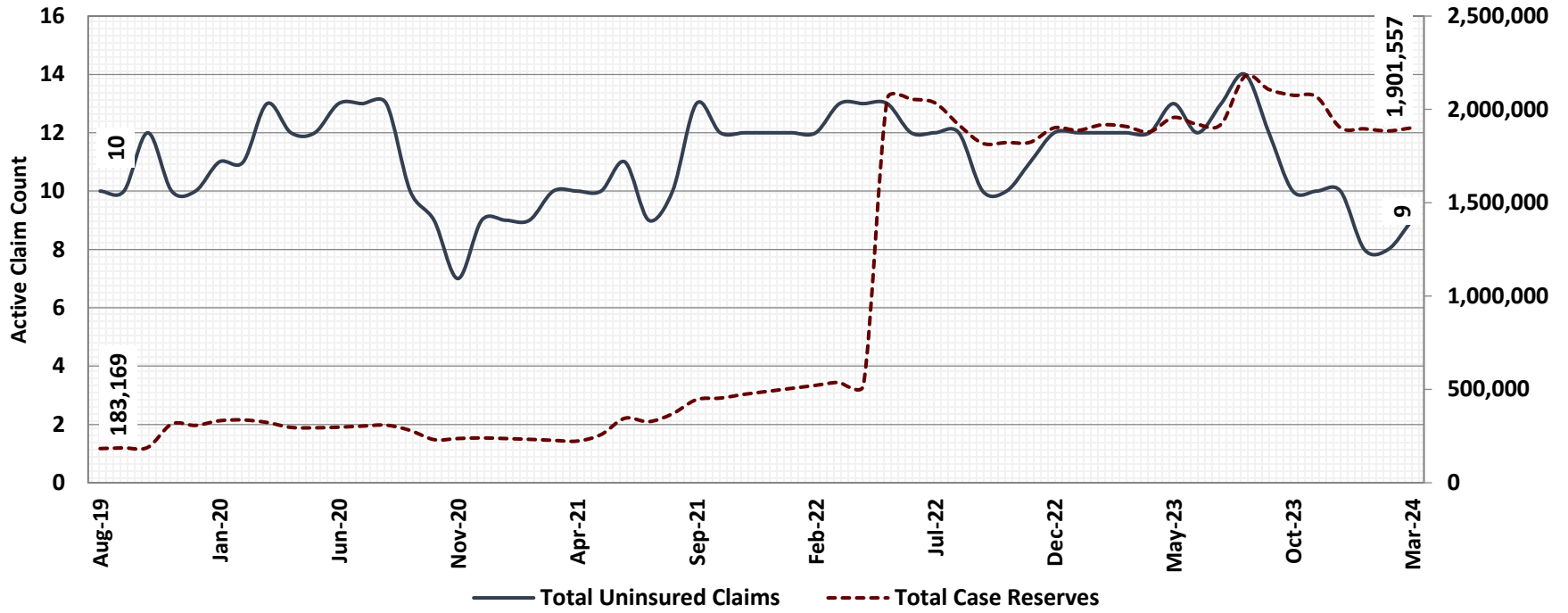
CWP Fund (FBL)
Active and Inactive Claims
3/31/2024



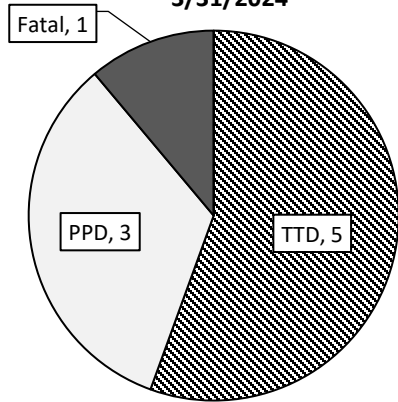
CWP Fund Reserves by Benefit Type
3/31/2024



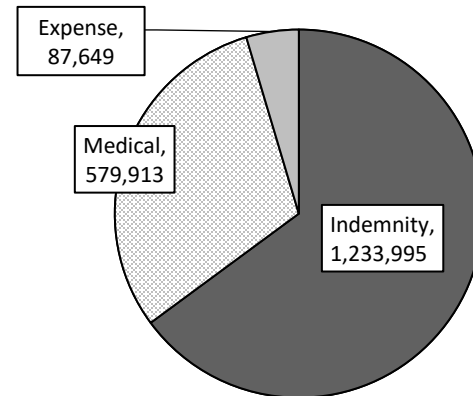
**Uninsured Fund
Active Claim Counts and Case Reserves
3/31/2024**



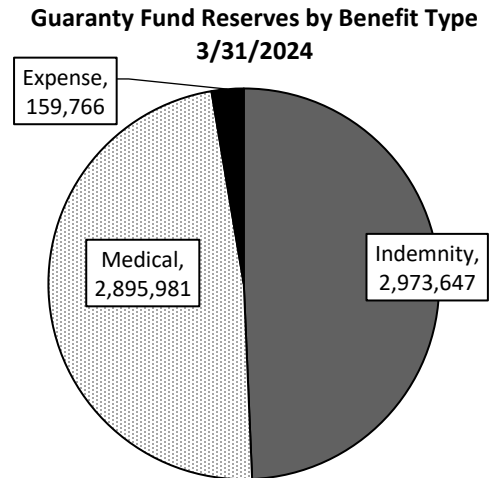
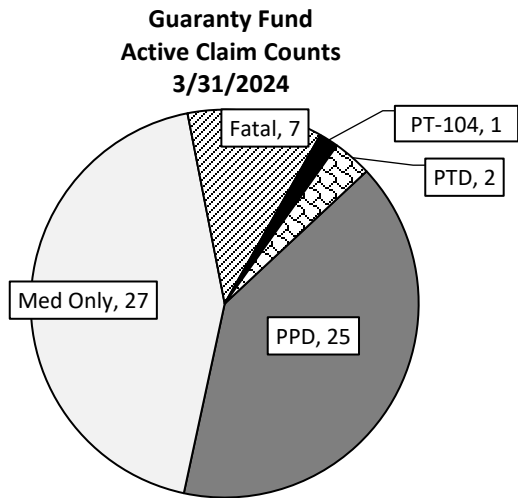
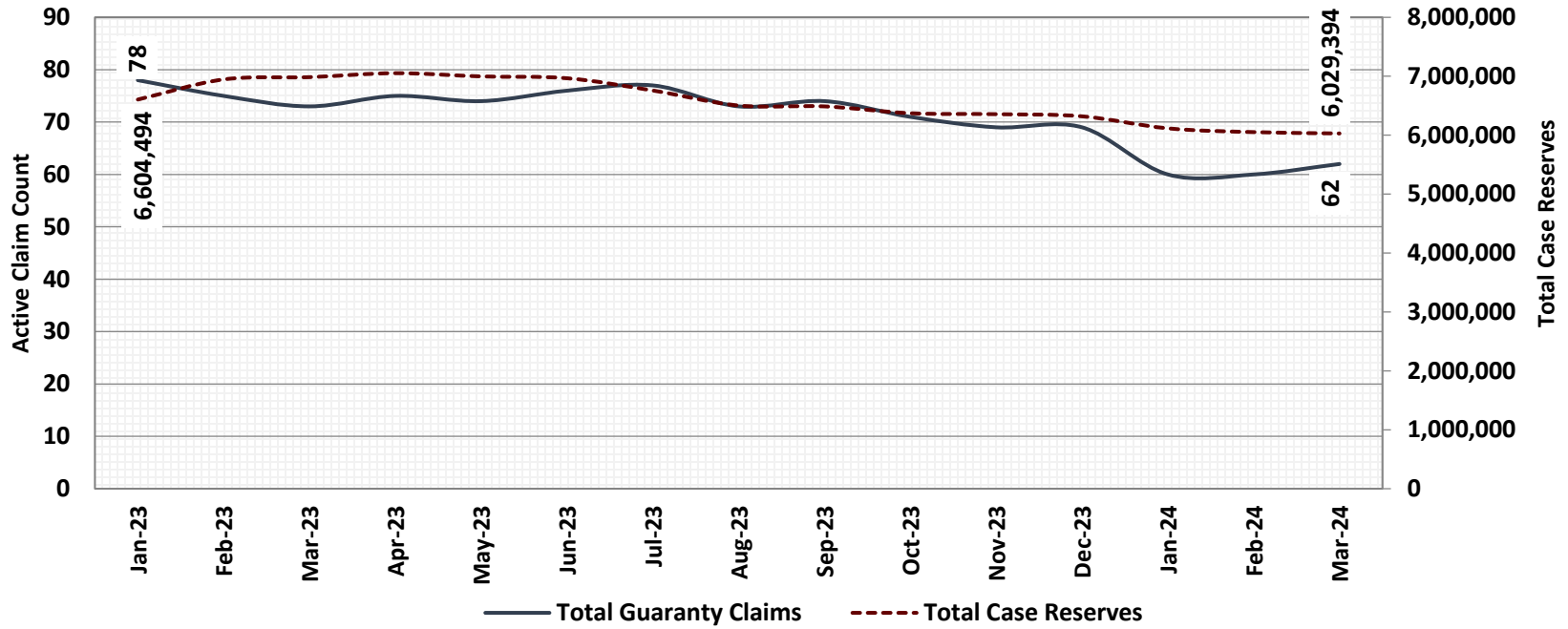
**Uninsured Fund
Active Claim Counts
3/31/2024**



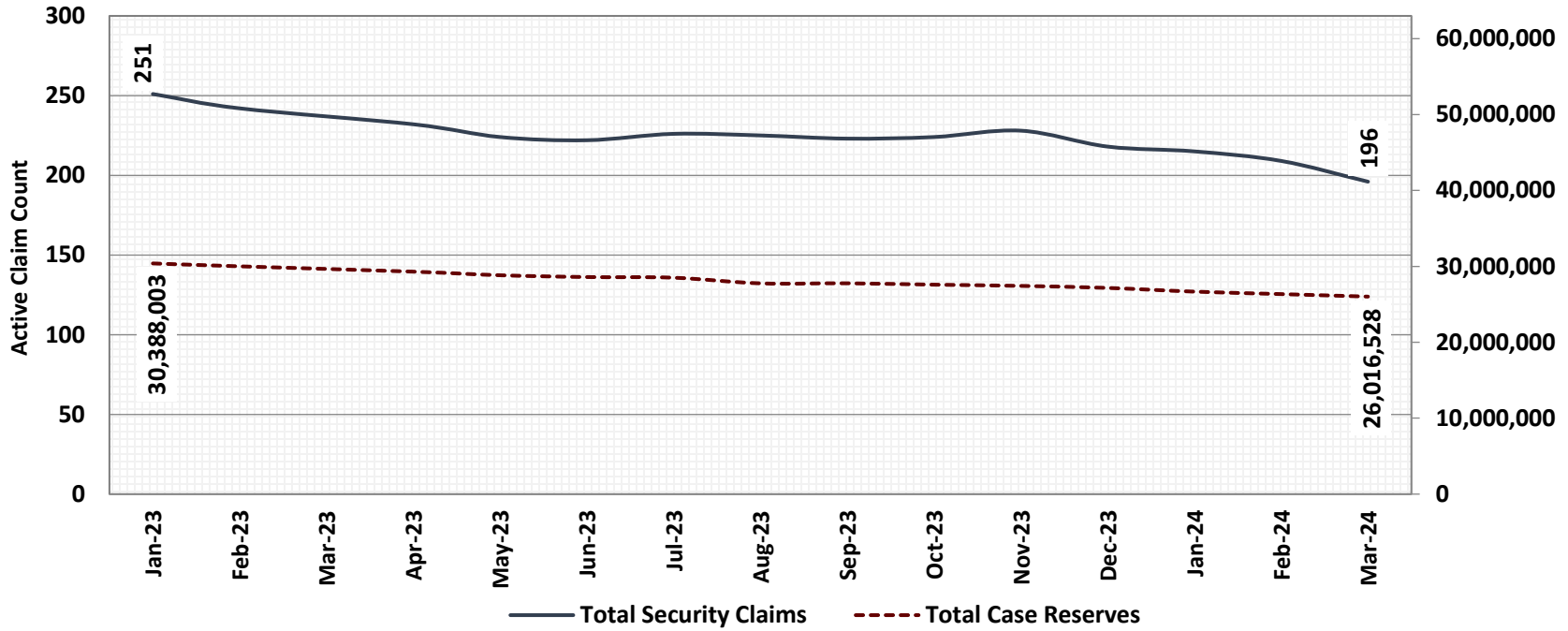
**Uninsured Fund Reserves by Benefit Type
3/31/2024**



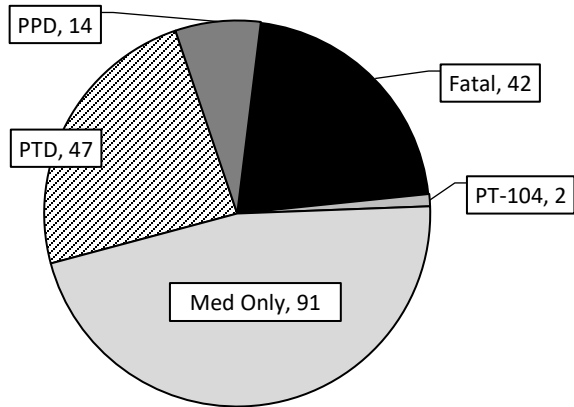
**Guaranty Fund
Active Claim Counts and Case Reserves
3/31/2024**



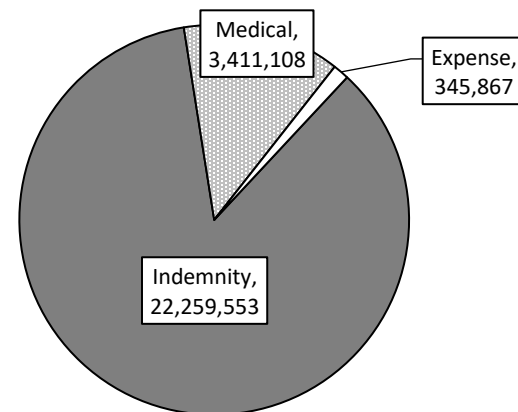
**Security Fund
Active Claim Counts and Case Reserves
3/31/2024**



**Security Fund
Active Claim Counts
3/31/2024**



**Security Fund Reserves by Benefit Type
3/31/2024**



OLD FUND CASH STATEMENT

MARCH 31, 2024

		Three Year History for years ended:					
	Cash Beginning Balances	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021
		834,791,874	919,242,416	(84,450,541)	919,242,416	1,080,592,100	993,229,138
Revenues							
Employer Premium		29,541	31,504	(1,963)	41,326	238,786	189,298
Other Income		-	-	-	-	-	-
Operating Revenues		29,541	31,504	(1,963)	41,326	238,786	189,298
Investment / Interest Earnings (Losses)		67,939,431	(21,082,199)	89,021,630	(11,188,287)	(52,668,067)	187,370,470
Total Revenues		67,968,972	(21,050,695)	89,019,667	(11,146,961)	(52,429,280)	187,559,768
Expenditures							
Claims Benefits Paid:							
Medical		11,279,142	11,358,069	(78,928)	14,732,152	14,588,442	16,509,277
Permanent Total Disability		39,814,806	43,270,674	(3,455,868)	57,045,856	63,031,618	69,561,392
Permanent Partial Disability		59,785	55,353	4,432	66,107	163,078	112,956
Temporary Disability		-	-	-	-	-	-
Fatals		11,535,490	12,152,236	(616,746)	16,153,932	17,124,757	18,386,146
104 weeks death benefit		3,418,152	3,625,512	(207,360)	4,611,340	6,011,709	6,353,928
Settlements		505,342	1,145,672	(640,329)	1,249,524	2,382,067	2,708,581
Loss Adjustment Expenses		460,595	780,874	(320,279)	899,017	1,284,295	1,095,241
Total		67,073,312	72,388,390	(5,315,078)	94,757,927	104,585,967	114,727,520
Less: Formulary Rebates		422,999	-	422,999	-	-	-
Less: Claims credits and overpayments		285,398	297,018	(11,621)	550,422	454,800	334,334
Total Benefits Paid		66,364,916	72,091,372	(5,726,456)	94,207,505	104,131,167	114,393,187
Administrative Expenses		2,656,134	2,802,795	(146,661)	4,096,075	4,789,237	5,803,619
Total Expenditures		69,021,050	74,894,167	(5,873,117)	98,303,580	108,920,405	120,196,805
Excess (Deficiency) of Revenues over Expenditures		(1,052,078)	(95,944,862)	94,892,784	(109,450,541)	(161,349,685)	67,362,963
Transfer from Operating Fund		-	20,000,000	(20,000,000)	25,000,000	-	20,000,000
Cash Ending Balances		833,739,796	843,297,553	(9,557,757)	834,791,874	919,242,416	1,080,592,100

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

MARCH 31, 2024

Three Year History for years ended:

	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021
Cash Beginning Balances	196,484,406	215,931,727	(19,447,321)	215,931,727	246,613,162	220,914,521
Revenues						
Investment Earnings (Losses)	16,192,834	(3,893,589)	20,086,423	(1,550,178)	(11,131,323)	43,567,242
Other Income	-	-	-	-	-	-
Total Revenues	16,192,834	(3,893,589)	20,086,423	(1,550,178)	(11,131,323)	43,567,242
Expenditures						
Claims Benefits Paid:						
Medical	1,679,741	2,358,556	(678,815)	2,799,907	6,033,252	5,107,159
PTD and Fatal Indemnity	7,919,296	7,846,910	72,386	10,613,261	9,518,418	8,726,207
Settlements	-	-	-	-	1,837	-
Loss Adjustment Expenses	2,886,385	3,835,564	(949,179)	4,660,713	3,513,844	3,343,071
Total	12,485,422	14,041,030	(1,555,608)	18,073,881	19,067,350	17,176,438
Less: Formulary Rebates	82,800	-	82,800	-	-	-
Less: Claims Credits and Overpayments	611,647	113,911	497,736	738,146	387,376	94,896
Total Benefits Paid	11,790,975	13,927,119	(2,136,144)	17,335,735	18,679,974	17,081,541
Administrative Expenses	495,435	398,181	97,254	561,407	870,138	787,060
Total Expenditures	12,286,410	14,325,300	(2,038,890)	17,897,142	19,550,112	17,868,601
Excess (Deficiency) of Revenues over Expenditures	3,906,425	(18,218,889)	22,125,313	(19,447,321)	(30,681,436)	25,698,641
Cash Ending Balances	200,390,831	197,712,838	2,677,994	196,484,406	215,931,727	246,613,162

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
MARCH 31, 2024

	Cash Beginning Balances	YTD FY2024	YTD FY2023	Change	Three Year History for years ended:		
					FY2023	FY2022	FY2021
Revenues		36,425,695	37,187,942	(762,247)	37,187,942	39,659,496	33,724,356
Guaranty Risk Pool Assessments		213,674	10,000	203,674	15,000	10,000	-
Collateral Proceeds		-	-	-	-	-	-
Investment Earnings (Losses)		3,063,944	(631,704)	3,695,648	(209,276)	(1,884,585)	6,763,880
Total Revenues		3,277,618	(621,704)	3,899,322	(194,276)	(1,874,585)	6,763,880
Expenditures							
Claims Benefits Paid:							
Medical		210,525	136,655	73,870	167,151	178,127	280,185
Permanent Total Disability		12,316	30,148	(17,832)	37,257	63,717	89,242
Permanent Partial Disability		48,535	33,839	14,696	33,839	83,562	91,922
Temporary Disability		-	-	-	-	-	-
Fatals		139,462	155,247	(15,784)	201,734	206,996	206,996
104 Weeks Death Benefit		26,460	17,640	8,820	26,460	-	-
Settlement Agreements		-	43,500	(43,500)	43,500	62,000	39,699
Non Awarded Partial Disability		-	-	-	-	-	-
Loss Adjustment Expenses		30,244	58,543	(28,299)	63,319	31,743	52,455
Total		467,542	475,572	(8,029)	573,261	626,144	760,498
Less: Formulary Rebates		3,191	-	3,191	-	-	-
Less: Claims Credits and Overpayments		12,209	429	11,779	409	53,649	150
Total Benefits Paid		452,143	475,142	(22,999)	572,851	572,495	760,348
Administrative Expenses		-	(3,979)	3,979	(4,880)	24,473	68,392
Total Expenditures		452,143	471,163	(19,020)	567,971	596,968	828,740
Excess (Deficiency) of Revenues over Expenditures		2,825,475	(1,092,867)	3,918,342	(762,247)	(2,471,554)	5,935,140
Cash Ending Balances		39,251,169	36,095,075	3,156,094	36,425,695	37,187,942	39,659,496

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
MARCH 31, 2024

Three Year History for years ended:						
	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021
Cash Beginning Balances	47,666,403	50,605,643	(2,939,240)	50,605,643	55,995,948	49,568,499
Revenues						
Security Risk Pool Assessments	150,000	-	150,000	-	-	-
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	3,955,722	(885,924)	4,841,646	(325,785)	(2,592,281)	9,805,453
Total Revenues	4,105,722	(885,924)	4,991,646	(325,785)	(2,592,281)	9,805,453
Expenditures						
Claims Benefits Paid:						
Medical	501,543	606,571	(105,028)	717,600	585,099	531,814
Permanent Total Disability	785,281	821,484	(36,203)	1,086,424	1,177,138	1,250,688
Permanent Partial Disability	8,996	8,906	91	8,906	11,540	4,243
Temporary Disability	-	-	-	-	-	-
Fatals	588,354	650,657	(62,303)	849,667	838,483	918,152
104 Weeks Death Benefit	28,146	21,065	7,081	35,632	50,458	171,468
Settlement Agreements	-	16,000	(16,000)	16,000	61,325	315,463
Loss Adjustment Expenses	20,917	33,203	(12,287)	39,671	36,980	73,223
Total	1,933,238	2,157,886	(224,649)	2,753,900	2,761,024	3,265,052
Less: Formulary Rebates	13,181	-	13,181	-	-	-
Less: Claims Credits and Overpayments	51,837	67,667	(15,830)	117,966	31,348	84,004
Total Benefits Paid	1,868,219	2,090,219	(221,999)	2,635,934	2,729,676	3,181,048
Administrative Expenses	37	(18,328)	18,365	(22,479)	68,348	196,956
Total Expenditures	1,868,256	2,071,891	(203,635)	2,613,455	2,798,024	3,378,004
Excess (Deficiency) of Revenues over Expenditures	2,237,466	(2,957,815)	5,195,280	(2,939,240)	(5,390,305)	6,427,449
Cash Ending Balances	49,903,868	47,647,828	2,256,040	47,666,403	50,605,643	55,995,948

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.

UNINSURED EMPLOYERS FUND

MARCH 31, 2024

Three Year History for years ended:

	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021
Cash Beginning Balances	16,468,190	16,195,294	272,895	16,195,294	16,844,759	13,817,714
Revenues						
Fines and Penalties	291,865	365,007	(73,142)	477,594	341,220	322,680
Investment Earnings (Losses)	1,396,171	(263,955)	1,660,127	(74,574)	(828,855)	2,767,995
Total Revenues	1,688,036	101,052	1,586,984	403,021	(487,635)	3,090,675
Expenditures						
Claims Benefits Paid:						
Medical	188,578	44,091	144,487	46,236	118,279	2,096
Permanent Total Disability	-	-	-	-	-	-
Permanent Partial Disability	30,534	5,809	24,725	5,809	6,929	-
Temporary Disability	34,340	24,272	10,068	26,145	64,151	3,048
Fatals	7,800	-	7,800	-	19,201	25,601
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	6,000	17,000	(11,000)	54,000	22,000	44,276
Loss Adjustment Expenses	29,128	28,023	1,106	34,594	39,974	26,492
Total	296,379	119,195	177,185	166,784	270,534	101,513
Less: Employer Reimbursement	80,422	39,931	40,490	40,241	-	-
Less: Formulary Rebates	889	-	889	-	-	-
Less: Claims Credits and Overpayments	79	332	(253)	332	116,115	42,742
Total Benefits Paid	214,989	78,931	136,058	126,210	154,419	58,770
Administrative Expenses	1,065	3,093	(2,028)	3,915	7,410	4,860
Total Expenditures	216,054	82,024	134,031	130,125	161,829	63,630
Excess (Deficiency) of Revenues over Expenditures	1,471,982	19,028	1,452,954	272,895	(649,465)	3,027,045
Cash Ending Balances	17,940,171	16,214,322	1,725,849	16,468,190	16,195,294	16,844,759

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

WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
April 25, 2024

OPERATING REPORT

FEBRUARY 2024

Board of Treasury Investments

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

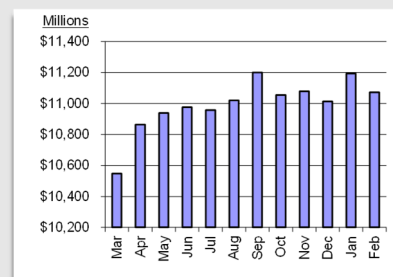
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$11,071,530,000

Last Month
\$11,193,136,000

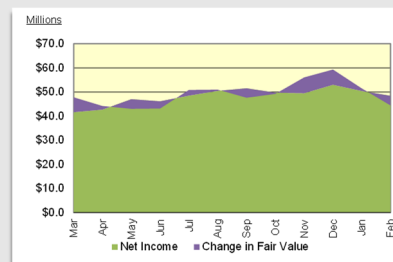
Beginning of Fiscal Year
\$10,975,194,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$411,298,000



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

Money Market Pools

As of February 29, 2024

Pool	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	5.5460%	40 Days	\$9.9 Billion
WV Gov't Money Market	5.3472%	37 Days	\$490.4 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

FEBRUARY 2024

Tug-of-war Between Economic Data and Rate Cuts

Overview:

February was a solid month for equities, but bonds struggled amidst stronger growth and increased inflation fears. The CPI in January increased 0.3% after rising less (0.2%) in December, with a year/year increase of 3.1%. PCE numbers were released in late February and were also higher at 0.3% for January and 2.4% year/year. The same patterns as noted in prior releases were evident; goods inflation was lower, and services inflation was higher (including housing as notably strong). This, coupled with strong labor numbers, fueled bond market anxiety about interest rate cuts materializing in the near term.

Equity Markets

Global stocks continued the January trend and were positive in the month, including emerging markets which has been a laggard of late. Small cap growth stocks led the month with a return of 8.1% as growth stocks across all capitalization sizes continued to outperform value stocks. Notably, all sectors of the S&P 500 had a positive month, led by the Consumer Discretionary sector (+8.7%) and Industrials (+7.2%). The S&P 500 Index returned 5.3% in the month, bringing the two month return to 7.1%, a strong showing year to date. Non-US stocks as measured by the EAFE had a positive month (+1.8%) and China led the emerging markets return in the month (+8.4%), although year to date China is still negative (-3.1%), as is the emerging markets index at -0.1%.

Fixed Income

Another down month for the fixed income markets was reflected by the Bloomberg Aggregate (-1.4%), and long Treasuries were down the most (-2.3%). Even shorter duration Treasuries posted a negative return (-0.4%), as did investment grade credit (-1.4%). High yield bonds posted a modestly positive return (+0.3%).

Looking Forward

With year-end earnings season largely behind us - and although sector-by-sector and company-by-company differences continue to provide more nuanced results - earnings were positive 4.0%. This was the second straight quarter of year-over-year earnings growth, which helped boost stocks. Bonds have struggled to digest the recent strong economic data relative to wishful expectations for interest rate cuts. The increase in yields during February took the 10-year Treasury back to levels last seen in the summer/fall of 2023. It seems the market has again adjusted to more of a higher for longer mentality, although cuts are still priced in for later in the year. While incoming data will continue to drive the outcome, the tug-of-war between resilient economic data and rate cut enthusiasm rages on.

West Virginia Board of Treasury Investments Financial Highlights as of February 29, 2024

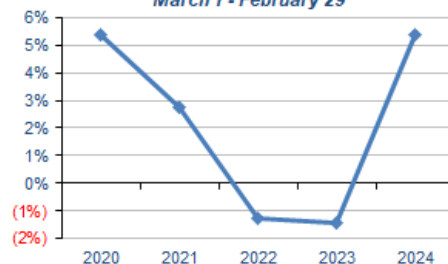
WV Short Term Bond Pool

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

March 1 - February 29	Return	Net Assets At Feb 29 (In Millions)
2024	5.4%	\$ 673.2
2023	(1.5%)	\$ 694.1
2022	(1.3%)	\$ 804.3
2021	2.8%	\$ 818.6
2020	5.4%	\$ 827.8

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

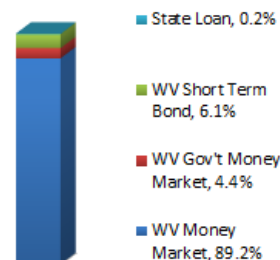
WV Short Term Bond Pool Rates of Return Past 12 Months March 1 - February 29



Summary of Value and Earnings (In Thousands)

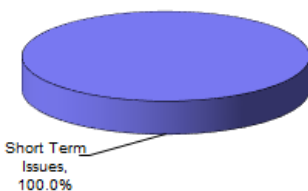
Pool	Net Asset Value	Feb Net Income (Loss)	Fiscal YTD Net Income (Loss)
WV Money Market	\$ 9,880,358	\$ 43,719	\$ 367,666
WV Gov't Money Market	490,449	2,159	15,506
WV Short Term Bond	673,248	(1,546)	27,733
WV Bank	0	0	1
Loans	26,471	48	346
Participant Accounts	1,004	3	46
	<u>\$ 11,071,530</u>	<u>\$ 44,383</u>	<u>\$ 411,298</u>

Percent of Total Net Asset Value

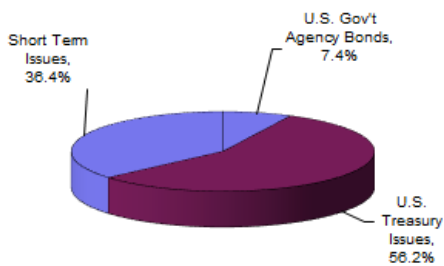


Securities by Type for Operating Pools (Percentage of Asset Value)

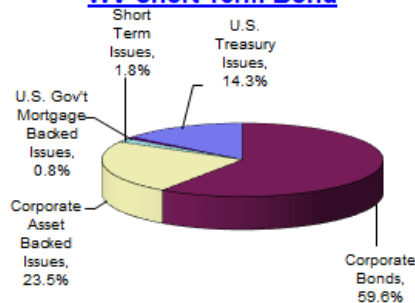
WV Money Market



WV Gov't Money Market



WV Short Term Bond



SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED

FEBRUARY 29, 2024

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	Other Pools	Participant Directed Accounts	Total
Assets						
Investments:						
At amortized cost	\$ 9,851,807	\$ 494,983	\$ -	\$ 26,372	\$ -	\$ 10,373,162
At fair value	-	-	678,344	-	1,000	679,344
Other assets	29,308	425	7,842	100	4	37,679
Total assets	9,881,115	495,408	686,186	26,472	1,004	11,090,185
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased	757	4,959	12,938	1	-	18,655
Total liabilities	757	4,959	12,938	1	-	18,655
Net Position						
Held in trust for investment pool participants	9,880,358	490,449	673,248	-	-	11,044,055
Held in trust for individual investment account holders	-	-	-	26,471	1,004	27,475
Total net position	\$ 9,880,358	\$ 490,449	\$ 673,248	\$ 26,471	\$ 1,004	\$ 11,071,530
Additions						
Investment income:						
Interest and dividends	\$ 19,053	\$ 1,195	\$ 2,371	\$ 49	\$ 3	\$ 22,671
Net (amortization) accretion	25,031	984	131	-	-	26,146
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	44,084	2,179	2,502	49	3	48,817
Investment expenses:						
Investment advisor, custodian bank & administrative fees	365	20	43	1	-	429
Total investment expenses	365	20	43	1	-	429
Net investment income	43,719	2,159	2,459	48	3	48,388
Net realized gain (loss) from investments	-	-	(598)	-	-	(598)
Net increase (decrease) in fair value of investments	-	-	(3,407)	-	-	(3,407)
Net increase (decrease) in net position from operations	43,719	2,159	(1,546)	48	3	44,383
Participant transaction additions:						
Purchase of pool units by participants	921,612	29,273	-	-	-	950,885
Reinvestment of pool distributions	43,657	2,159	1,835	-	-	47,651
Contributions to individual investment accounts	-	-	-	-	-	-
Total participant transaction additions	965,269	31,432	1,835	-	-	998,536
Total additions	1,008,988	33,591	289	48	3	1,042,919
Deductions						
Distributions to pool participants:						
Net investment income	43,655	2,159	2,459	-	-	48,273
Net realized gain (loss) from investments	-	-	(599)	-	-	(599)
Total distributions to pool participants	43,655	2,159	1,860	-	-	47,674
Participant transaction deductions:						
Redemption of pool units by participants	1,084,483	32,112	150	-	-	1,116,745
Withdrawals from individual investment accounts	-	-	-	51	55	106
Total participant transaction deductions	1,084,483	32,112	150	51	55	1,116,851
Total deductions	1,128,138	34,271	2,010	51	55	1,164,525
Net increase (decrease) in net position from operations	(119,150)	(680)	(1,721)	(3)	(52)	(121,606)
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net inter-pool transfers in (out)	-	-	-	-	-	-
Change in net position	(119,150)	(680)	(1,721)	(3)	(52)	(121,606)
Net position at beginning of period	9,999,508	491,129	674,969	26,474	1,056	11,193,136
Net position at end of period	\$ 9,880,358	\$ 490,449	\$ 673,248	\$ 26,471	\$ 1,004	\$ 11,071,530



West Virginia Judges' Retirement System

Actuarial Valuation as of July 1, 2023

April 2024



110 W. Berry Street
Suite 1300
Fort Wayne, IN 46802

April 2, 2024

West Virginia Consolidated Public Retirement Board
West Virginia Judges' Retirement System
601 57th Street SE, Suite 5
Charleston, WV 25304

Dear Board Members:

We respectfully present our report on the actuarial valuation of the West Virginia Judges' Retirement System (JRS) as of July 1, 2023. This valuation presents the annual cost and related liabilities of the System as of the valuation date.

The valuation indicates that the recommended State contribution for fiscal year 2025, projected from the FY 2024 valuation results, is \$1,220,000.

The valuation results reflect that Family Court Judges are allowed to transfer from PERS to JRS effective July 24, 2022.

Valuation results presented in this report are developed for use by the West Virginia Consolidated Public Retirement Board in assessing the funding requirements of the System. Measurements made for financial reporting purposes under GASB Statements Nos. 67 and 68 are reported separately. Use of this report for any other purpose or by other parties may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, Buck recommends requesting its advance review of any statement, document, or filing to be based on information contained in this report. Buck will accept no liability for any such statement, document, or filing made without its prior review.

Future actuarial measurements may differ significantly from current measurements due to system experience differing from that anticipated by the actuarial assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in system provisions or applicable law or regulations. An analysis of the potential range of such future differences is beyond the scope of this valuation.

Actuarial Standard of Practice No. 51 requires certain disclosures of potential risks to the System and provides useful information for intended users of actuarial reports that determine plan contributions or evaluate the adequacy of specified contribution levels to support benefit provisions. The disclosures required under Actuarial Standard of Practice No. 51 are included in Section 4 of this report. This section also contains information on the Low-Default-Risk Obligation Measure (LDRM) now required by Actuarial Standard of Practice No. 4.

The valuation is based on member data as of June 30, 2023, maintained by the West Virginia Consolidated Public Retirement Board, and financial information received from the West Virginia Investment Management Board. Buck reviewed the data for reasonableness and consistency with data provided for prior valuations but did not audit the data. The accuracy of the results of the valuation is dependent on the accuracy of the data.

This report fairly presents the actuarial position of the West Virginia Judges' Retirement System as of July 1, 2023, in accordance with Actuarial Standards of Practice applied on a basis consistent with that of the preceding valuation. In our opinion, the assumptions used in preparing the liabilities and costs are individually reasonable in view of JRS experience and represent our best estimate of anticipated future experience under the System. In our professional judgment, the combined effect of the assumptions is expected to have no significant bias. The mortality improvement assumption was selected in accordance with Actuarial Standard of Practice No. 35.

Actuarial Standards of Practice No. 27 and No. 35 require the actuary to disclose the information and analysis used to support the actuary's determination that the assumptions selected by the Board do not significantly conflict with those that, in the actuary's professional judgment, are reasonable for the purpose of the measurement. Buck provides advice on reasonable assumptions when performing periodic experience studies. The Board selects the assumptions used, and the signing actuaries review the assumptions annually through discussion with the Board Actuary and analysis of actuarial experience.

In the case of the Board's selected assumed rate of return on assets, the signing actuaries have used economic information provided by Buck's Investment Consulting and Financial Risk Management practices. Buck's Capital Market Assumptions provide relevant expected returns, standard deviations, and correlations. Projected returns are then developed for the portfolio using the GEMS[®] Economic Scenario Generator from Conning. This sophisticated model uses a multifactor approach to create internally consistent, realistic economic scenarios for all asset classes that reflect the current economic environment as a starting point. Equity returns include stochastic volatility with jumps to reflect extreme, infrequent events. However, such scenarios do not typically impact the 5th through 95th percentiles of projected returns. Corporate bond yields are generated by adding credit spreads to the corresponding zero-coupon Treasury yields. The credit spreads are driven by several factors, including equity returns, and also contain a shock process to allow the model to generate such scenarios as the 2008 Financial Crisis. GEMS[®] does not, however, model specific risks such as war, pandemics, political risks, severe economic dislocations occurring with greater frequency or severity than predicted by the model, or the risk that relationships among macroeconomic variables may differ from those of the past. From these scenarios, a probabilistic model of expected returns is created, reflecting the duration of investment and the approximate allocation of assets in the portfolio to various asset classes. Under current calibrations, GEMS[®] will tend to show higher expected returns for longer durations and a greater divergence between arithmetic and geometric average returns at higher standard deviations of portfolio return.

Based on their analysis, including consistency with other assumptions used in the valuation, discussions with Buck's investment consultants, the percentiles generated by the GEMS[®] model, and review of actuarial gain/loss analysis, the signing actuaries believe the assumptions, in their professional judgment, are reasonable for the purposes of the measurements.

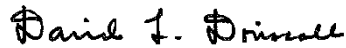
Where presented, the "funded ratio" and "unfunded accrued liability" are typically measured using the market value of assets. The funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the plan if the plan were to settle (i.e., purchase annuities to cover) a portion or all of its liabilities.

Actuarial Standard of Practice No. 56 provides guidance to actuaries performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. In addition to the GEMS[®] model disclosed above, Buck uses third-party software to perform annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the System's provisions using data and assumptions as of the measurement date under the funding methods specified in this report. The output from the third-party vendor software is used as input to an internally developed model that applies applicable funding methods and policies to the derived liabilities and other inputs, such as plan assets and contributions, to generate many of the exhibits found in this report.

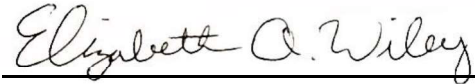
Buck maintains an extensive review process in which the results of the liability calculations are checked using detailed sample life output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other funding outputs and the internal model are similarly reviewed in detail and at a higher level for accuracy, reasonability, and consistency with prior results. Buck also reviews the third-party model when significant changes are made to the software. This review is performed by experts within Buck who are familiar with applicable funding methods, as well as the manner in which the model generates its output. If significant changes are made to the internal model, extra checking and review are completed.

We are Fellows of the Society of Actuaries and Members of the American Academy of Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions about it.

Buck Global, LLC



David L. Driscoll, FSA, EA, MAAA, FCA
Principal, Consulting Actuary



Elizabeth A. Wiley, FSA, EA, MAAA, FCA
Senior Consultant, Retirement Actuary

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2.	Summary of System Provisions	16
3.	Actuarial Assumptions and Methods	20
4.	Risk Information	22

1. Summary of Valuation

This report presents the results of the July 1, 2023, actuarial valuation of the West Virginia Judges' Retirement System (JRS). Table 1 presents the development of the results. A summary of the plan features, a summary of the method, factors, and assumptions, and supplementary membership tables used in the valuation are also included.

Valuation Results

The West Virginia Judges' Retirement System is a defined benefit plan. For current members, the plan provides unreduced monthly benefits upon retirement at age 65 after completing 16 years of service or at any age with 24 years of service. The plan also provides reduced early retirement benefits, benefits in the event of disability or death while active, and deferred benefits to members who terminate prior to retirement, providing plan eligibility conditions are met.

The plan is funded through member contributions of 7.00% of payroll and employer contributions as appropriated by the State Legislature upon consideration of the actuary's recommendation. Effective with the July 1, 2022 valuation, the JRS contribution is determined as the State normal cost plus a level-dollar amortization of the July 1, 2022 primary unfunded actuarial liability projected forward one year and amortized over 10 years plus level-dollar amortizations of the experience gains and losses and assumption changes over 15 years, plan changes for pensioners over 6 years and plan changes for actives and terminated vested participants over 10 years for each fiscal year thereafter, with future bases determined at the valuation date and projected forward one year before amortizing. When the projected unfunded actuarial liability net of any plan change bases becomes negative, all prior bases, except plan change bases, will be fully amortized. The total amortization will be set to \$0 if it is negative. Effective July 1, 2015, the recommended State contribution will be offset for funding in excess of 122.5% of the present value of future benefits but will not be less than the expected member contributions. As of July 1, 2023, the System has no unfunded actuarial liability.

The major purpose of the valuation is to determine the recommended employer contribution amount with respect to funding expected plan liabilities. The valuation indicates that the recommended State contribution for Fiscal Year 2025, projected from the FY 2024 valuation results, is \$1,220,000.

The valuation includes the assumption that judges currently participating in the Public Employees' Retirement System elect to transfer their membership to this plan as of the valuation date.

The valuation results reflect that Family Court Judges are allowed to transfer from PERS to JRS effective July 24, 2022. As of July 1, 2023, there are 46 Family Court Judges who are allowed to transfer from PERS to JRS.

Comments on Valuation Results

Table 1 presents the development of the valuation results as of July 1, 2023, and for comparison purposes July 1, 2022. The unfunded liability as of July 1, 2023, is \$(156,777,000). The valuation results for July 1, 2023, were determined using an interest rate of 7.25%. The return on assets for the year ending June 30, 2023, for valuation purposes, was 8.50%, which is higher than the assumed rate of return of 7.25%.

The valuation develops a recommended State contribution of \$1,134,000 for the fiscal year 2024, which may be compared to the projected FY 2024 contribution of \$854,000 developed in the prior year's valuation. The projected fiscal year 2025 State contribution is \$1,220,000.

1. Summary of Valuation

Under the funding method, the annual cost is expected to remain level from year to year when measured as a percentage of payroll. The method anticipates that payroll for continuing members will increase each year, which would produce an increasing dollar amount of contribution for a group with the same members each year. However, actual pay increases occur approximately every five years. Expressing the cost of the System as a percentage of payroll for periods between statutory pay increases could thus be misleading. As a result, commencing with the July 1, 2000, valuation, the projected contribution has been expressed in dollar amounts rather than as a percentage of pay.

The cost for fiscal year 2024 is the normal cost plus the amortization amount necessary to fund the unfunded accrued liability in level dollar amounts over the statutorily required period minus plan assets in excess of 122.5% of the present value of future benefits, with the resulting amount not less than the expected member contributions for the year. As of July 1, 2023, there is no unfunded accrued liability. However, the plan change of giving eligibility for Family Court Judges to transfer from PERS to JRS increased the actuarial accrued liability by \$13.3 million and is amortized over 10 years. The projected cost for fiscal year 2025 is the same as that for fiscal year 2024, except that the normal cost and expected member contributions are projected to fiscal year 2025 by applying the assumed salary increase.

Under the Board's funding policy of contributing the actuarially determined contribution, and under the assumption that there are no future experience gains or losses, future expected plan contributions are expected to remain constant as a percent of pay. The System's funded percentage is expected to remain at or above 100%. As of July 1, 2023, the System is 228.8% funded.

The total Employer Cost is compliant with the definition of a reasonable actuarially determined contribution under ASOP 4. When determining the smoothing period for the amortization period for the unfunded actuarial accrued liability, the following items were considered: (i) the balance among benefit security, intergenerational equity, and stability of actuarially determined contributions, (ii) the timing and duration of expected benefit payments, and (iii) the nature and frequency of plan amendments. Plan amendments are amortized over periods appropriate for the nature of the change or are funded at the time of the change based on decisions by the plan sponsor.

Table 2a presents the development of the actuarial gain/(loss) as of July 1, 2023. Table 2b presents a reconciliation of the unfunded liability compared to the prior year. Table 2c provides detail on the sources of the liability gain/(loss).

The actual unfunded actuarial accrued liability of \$(156.8) million differed from the expected amount of \$(147.4) million due to the following reasons:

- The demographic and salary experience resulted in a net liability gain of \$5.5 million, which is 4.35% of the expected liability.
- The return on the actuarial value of assets for the year ending June 30, 2023, was approximately 8.50%, which was higher than the assumed return of 7.25%. This favorable investment experience resulted in an experience gain of \$3.8 million.

Table 3 presents the schedule of amortization bases of the unfunded liability.

1. Summary of Valuation

System Membership

A summary of System membership, with a comparison to the prior valuation, follows:

	July 1, 2023	July 1, 2022
Active Participants in JRS	38	32
Potential Transfers from PERS	86	49
Retired Participants	43	41
Beneficiaries	14	15
Disabled Retirees	1	1
Terminated Vested Participants	2	2
Terminated Non-vested Entitled to Return of Contributions	0	0
Total Number Included in the Valuation	184	140

Tables 6, 7, 8, and 9 present additional information on System membership.

1. Summary of Valuation

Table 1
Development of Valuation Results

	July 1, 2023	July 1, 2022
1. Present Value of Future Benefits (PVFB)		
a. Active members	\$ 92,562,000	\$ 70,414,000
b. Inactive members	69,132,000	64,789,000
c. Total Present Value of Future Benefits	<u>\$ 161,694,000</u>	<u>\$ 135,203,000</u>
2. Actuarial Accrued Liability (AAL)		
a. Active members	\$ 52,578,000	\$ 43,462,000
b. Inactive members		
- Retirees	56,330,000	52,096,000
- Beneficiaries	8,860,000	8,903,000
- Disabled Retirees	1,713,000	1,697,000
- Vested Terminated	2,229,000	2,093,000
- Refundable contributions of nonvesteds	-	-
- Total Inactive Liability	<u>69,132,000</u>	<u>64,789,000</u>
c. Total Accrued Liability	<u>\$ 121,710,000</u>	<u>\$ 108,251,000</u>
3. Assets for Valuation	<u>\$ 278,487,000</u>	<u>\$ 259,242,000</u>
4. Unfunded Accrued Liability (UAL) (2.c. - 3.)	\$ (156,777,000)	\$ (150,991,000)
a. Primary Unfunded	\$ (170,122,000)	\$ (150,991,000)
b. Plan change for Family Court Judge eligibility	\$ 13,345,000	\$ -
5. Funded Status		
a. Funded Status on AAL basis (3. / 2.c.)	228.8%	239.5%
a. Funded Status on PVFB basis (3. / 1.c.)	172.2%	191.7%
6. Normal Cost: Pre 7/1/2005 Group		
a. Present value of future normal cost	\$ -	\$ -
b. Present value of future pay	-	-
c. Total Normal Cost as a % of Payroll (6.a. / 6.b.)	0.0000%	0.0000%
d. Member share	7.0000%	7.0000%
e. Share from assumed transfer of PERS members	0.0000%	0.0000%
f. State share (6.c. - 6.d. - 6.e., not less than 0)	0.0000%	0.0000%
g. Total payroll	\$ 1,951,000	\$ 2,367,000
h. Member share (mid year) (6.d. x 6.g. x 1.035616)	141,000	172,000
i. State share (6.f. x 6.g.)	\$ -	\$ -
7. Normal Cost: Post 7/1/2005 Group		
a. Present value of future normal cost	\$ 39,984,000	\$ 26,952,000
b. Present value of future pay	127,265,000	82,890,000
c. Total Normal Cost as a % of Payroll (7.a. / 7.b.)	31.4179%	32.5154%
d. Member share	7.0000%	7.0000%
e. Share from assumed transfer of PERS members	1.8145%	0.9916%
f. State share (7.c. - 7.d. - 7.e.)	22.6034%	24.5238%
g. Total payroll	\$ 13,704,000	\$ 8,922,000
h. Member share (mid year) (7.d. x 7.g. x 1.035616)	993,000	647,000
i. State share (7.f. x 7.g.)	\$ 3,098,000	\$ 2,188,000
8. Recommended State Contribution (assumed to be made mid year)		
a. State share of normal cost (mid year) (6.i. + 7.i.) x 1.035616	\$ 3,208,000	\$ 2,266,000
b. Number of Years to Amortize the UAL	N/A	N/A
c. Annual Payment on primary UAL (mid year)	-	-
d. FY 2025 (2024) Annual Payment on plan change UAL (mid year)	1,991,000	-
e. Credit for PVFB funding greater than 122.5% (mid year)	83,276,000	96,953,000
f. Member share of normal cost (mid year) (6.h. + 7.h.)	1,134,000	819,000
g. FY 2024 (2023) Recommended Contribution ((8.a. + 8.c. - 8.e.) but not less than 8.f.)	\$ 1,134,000	\$ 819,000
h. FY 2025 (2024) Actuarially Determined Contribution for Budgeting (8.a. x 1.0756 + 8.c. + 8.d. - 8.e.) but not less than (8.f. x 1.0756) (8.a. x 1.0425 + 8.c. + 8.d. - 8.e.) but not less than (8.f. x 1.0425) previously	\$ 1,220,000	\$ 854,000

1. Summary of Valuation

Table 2a

Actuarial Gain/(Loss) as of July 1, 2023

	Amount
1. Expected Actuarial Accrued Liability	
a. Actuarial Accrued Liability as of July 1, 2022	\$ 108,251,000
b. Normal Cost	2,901,000
c. Interest on (a) and (b) at 7.25%	8,059,000
d. Benefit Payments and Transfers	(5,134,000)
e. Interest on (d) at 7.25%, Adjusted for Timing	(183,000)
f. Assumption Changes	0
g. Plan Changes	13,345,000
h. Expected Actuarial Accrued Liability as of July 1, 2023	<u>\$ 127,239,000</u>
2. Actual Actuarial Accrued Liability as of July 1, 2023	\$ 121,710,000
3. Liability Gain/(Loss): (1h) - (2)	\$ 5,529,000
4. Expected Actuarial Asset Value	
a. Actuarial Value of Assets as of July 1, 2022	\$ 259,242,000
b. Interest on (a) at 7.25%	18,795,000
c. Member Contributions	1,083,000
d. Employer Contributions	797,000
e. Interest on (c) and (d) at 7.25%, Adjusted for Timing	67,000
f. Benefit Payments and Transfers	(5,134,000)
g. Interest on (f) at 7.25%, Adjusted for Timing	(183,000)
h. Expected Actuarial Asset Value as of July 1, 2023	<u>\$ 274,667,000</u>
5. Actual Actuarial Asset Value as of July 1, 2023	\$ 278,487,000
6. Actuarial Asset Value Gain/(Loss): (5) - (4h)	\$ 3,820,000
7. Total Actuarial Gain/(Loss): (3) + (6)	\$ 9,349,000

1. Summary of Valuation

Table 2b

Change in Unfunded Actuarial Accrued Liability (UAAL) during FY 2023

	Amount
1. UAAL as of July 1, 2022	\$ (150,991,000)
a. Interest on UAAL at 7.25%	\$ (10,947,000)
b. Normal Cost	2,901,000
c. Member Contributions	(1,083,000)
d. Employer Contributions	(797,000)
e. Interest on (b) through (d) at 7.25%, Adjusted for Timing	144,000
f. Assumption Changes	0
g. Plan Changes	13,345,000
h. Expected Change in UAAL during FY 2023	<u>\$ 3,563,000</u>
2. Expected UAAL as of July 1, 2023: (1) + (1h)	\$ (147,428,000)
a. Liability (Gain)/Loss during FY 2023	\$ (5,529,000)
b. Actuarial Assets (Gain)/Loss during FY 2023	<u>(3,820,000)</u>
c. Total Actuarial (Gain)/Loss during FY 2023	<u>\$ (9,349,000)</u>
3. Actual UAAL as of July 1, 2023: (2) + (2c)	\$ (156,777,000)

1. Summary of Valuation

Table 2c

Liability Gain/(Loss) by Source as of July 1, 2023

	Gain/(Loss)
1. Demographic and Salary Experience	
a. Retirement Experience	\$ 4,638,000
b. Termination Experience	-
c. Disability Experience	-
d. Active Mortality Experience	-
e. Inactive Mortality Experience	639,000
f. Salary Increases	824,000
g. New Entrants and Rehires	(44,575)
h. Benefit Payments Different Than Expected	274,000
i. Miscellaneous ¹	(801,425)
j. Total	<u>\$ 5,529,000</u>
2. Assumption Changes	\$ 0
3. Plan Changes	\$ (13,345,000)
4. Total	\$ (7,816,000)

¹ Includes the effects of data updates typical of the annual reconciliation, programming revisions, software updates, and other experience which does not fit the other demographic categories.

1. Summary of Valuation

Table 3
Schedule of Amortization Bases

	Date Established	Original Amount	Original Period *	Outstanding Balance at 7/1/2023	Projected Outstanding Balance at 7/1/2024 *	Outstanding period at 7/1/2024	Amortization Amount for FY 2025 (MOY)
Plan change	7/1/2023	13,345,000	10	13,345,000	14,313,000	10	1,991,000
				13,345,000	14,313,000		1,991,000

* The JRS amortization policy projects the UAAL from the current valuation date to the following valuation date using the information from the current valuation date and the known current employer contribution that is determined as of the previous valuation date. Each new gain or loss base and new assumption change base will be determined as of the valuation date, then projected to the following valuation date using a \$0 amortization amount for the upcoming fiscal year. New bases are then amortized over 10 years (6 years for plan changes for in-pay participants) starting from the following valuation date.

1. Summary of Valuation

Table 4A
Valuation Assets as of June 30, 2023

	June 30, 2023	June 30, 2022
Assets		
Cash with State Treasurer	\$ 63,000	\$ 31,000
Investments at Fair Value	278,545,000	259,323,000
Contributions Receivable	-	-
Participant Loans Receivable	-	-
Total Assets	<u>\$ 278,608,000</u>	<u>\$ 259,354,000</u>
Liabilities		
Accrued Expenses and other Payables	<u>121,000</u>	<u>112,000</u>
Net Assets for Pension Benefits	\$ 278,487,000	\$ 259,242,000

1. Summary of Valuation

Table 4B

Statement of Changes in Net Assets for Benefits For Year Ended June 30, 2023

Net Assets for Pension Benefits - Beginning of Year	\$ 259,242,000
Additions	
Contributions	
Member	369,000
Member PERS Transferred	714,000
Employer	797,000
Subtotal	1,880,000
Investment Income	
Net Appreciation in Fair Value ¹	22,031,000
Interest	-
Subtotal	22,031,000
Other Income	589,000
Total	24,500,000
Deductions and Transfers	
Benefit Expense	5,134,000
Refunds of Contributions	-
Administrative Expenses	121,000
Transfers (to)/from plans	-
Total	5,255,000
Net Increase	19,245,000
Net Assets for Pension Benefits - End of Year	\$ 278,487,000
Investment Return for Year:	
Valuation purposes (assumes mid-year transactions and offsets investment income by investment and administrative expense)	8.50%
Per Investment Management Board (time-weighted, excluding administrative expense)	8.50%

¹ Net of Investment Expense

1. Summary of Valuation

Table 5
Estimated Progress of Pension Plan from Fiscal Year 2024 through Fiscal Year 2038

Fiscal Year	Fund Balance at Beginning of Year	Contributions During Year	Disbursements	Income	Increase to Fund During Year	Fund Balance at End of Year
2024	\$ 278,487,000	\$ 1,708,000	\$ 7,114,000	\$ 19,998,000	\$ 14,592,000	\$ 293,079,000
2025	293,079,000	2,050,000	7,773,000	21,044,000	15,321,000	308,400,000
2026	308,400,000	2,074,000	8,263,000	22,139,000	15,950,000	324,350,000
2027	324,350,000	2,086,000	8,595,000	23,284,000	16,775,000	341,125,000
2028	341,125,000	2,130,000	8,877,000	24,491,000	17,744,000	358,869,000
2029	358,869,000	2,198,000	9,612,000	25,754,000	18,340,000	377,209,000
2030	377,209,000	2,164,000	9,948,000	27,070,000	19,286,000	396,495,000
2031	396,495,000	2,200,000	10,632,000	28,446,000	20,014,000	416,509,000
2032	416,509,000	2,154,000	11,518,000	29,863,000	20,499,000	437,008,000
2033	437,008,000	2,054,000	12,882,000	31,297,000	20,469,000	457,477,000
2034	457,477,000	1,840,000	14,135,000	32,729,000	20,434,000	477,911,000
2035	477,911,000	1,632,000	15,228,000	34,164,000	20,568,000	498,479,000
2036	498,479,000	1,450,000	15,586,000	35,636,000	21,500,000	519,979,000
2037	519,979,000	1,414,000	16,176,000	37,173,000	22,411,000	542,390,000
2038	542,390,000	1,304,000	16,832,000	38,770,000	23,242,000	565,632,000

Notes:

1. The fund balance as of July 1, 2023 is the market value of the fund.
2. The contribution payable for FY 2024 is determined from the prior year's valuation. Due to the funding level in excess of 122.5% of PVFB, the contribution payable for FY 2025 and later is determined as 7% of anticipated covered payroll paid by the state (equal to member contribution rate) plus 7.00% member contributions, all adjusted with interest to mid year. Payroll for FY 2025 and later is projected under the valuation assumptions on a closed-group basis.
3. The projection of future benefit payments is based on all participants included in the valuation, including active participants who are not yet receiving benefits.

1. Summary of Valuation

Table 6
Reconciliation of Plan Participants

	Active	Eligible PERS Judges	Non-Vested Terms	Vested Terms	Disabled Retirees	Service Retirees	Beneficiaries	Total
Census as of July 1, 2022	32	49	0	2	1	41	15	140
New Entrants	8	43	0	0	0	0	0	51
Returned to Active Status	0	0	0	0	0	0	0	0
Retired	-3	-1	0	0	0	4	0	0
Disabled	0	0	0	0	0	0	0	0
Died	0	0	0	0	0	-2	-2	-4
Terminated								
- Vested	0	0	0	0	0	0	0	0
- Non Vested	0	0	0	0	0	0	0	0
- Withdrew Contributions	0	0	0	0	0	0	0	0
New Beneficiaries	0	0	0	0	0	0	1	1
New QDROs	0	0	0	0	0	0	0	0
Transferred	1	-1	0	0	0	0	0	0
Adjustments	0	-4	0	0	0	0	0	-4
Census as of July 1, 2023	38	86	0	2	1	43	14	184

1. Summary of Valuation

Table 7A
Number and Total Annual Compensation of Full-time Active Participants Currently Participating in JRS as of July 1, 2023

Attained Age	Years of Contributory Service										Total No./ Comp.
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	
Under 25											-
25 to 29											-
30 to 34											-
35 to 39											-
40 to 44											-
45 to 49	1 138,600	1 138,600									2 277,200
50 to 54			3 415,800								3 415,800
55 to 59	1 138,600		4 565,400	2 242,550	1 138,600						8 1,085,150
60 to 64			3 415,800	2 242,550							5 658,350
65 to 69			1 138,600	1 103,950		2 277,200		2 277,200			6 796,950
70 & up				3 381,150	2 207,900	3 415,800	3 426,800	2 277,200		1 138,600	14 1,847,450
Total	2 277,200	1 138,600	11 1,535,600	8 970,200	3 346,500	5 693,000	3 426,800	4 554,400	-	1 138,600	38 5,080,900

1. Summary of Valuation

Table 7B
Number and Total Annual Compensation of Full-time Active Participants Currently Participating in PERS as of July 1, 2023

Attained Age	Years of Contributory Service										Total No./ Comp.
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	No./ Comp.	
Under 25											-
25 to 29											-
30 to 34											-
35 to 39	2 242,550	2 253,550	1 103,950								5 600,050
40 to 44			1 138,600								1 138,600
45 to 49	2 207,900	8 1,039,500	8 900,900								18 2,148,300
50 to 54		2 281,100	8 970,200	2 207,900							12 1,459,200
55 to 59	2 242,550	5 704,000	6 693,000	2 242,550		2 207,900					17 2,090,000
60 to 64	1 103,950	2 281,100	5 623,700	3 381,150	1 138,600	1 103,950					13 1,632,450
65 to 69		3 381,150	7 900,900	1 138,600		1 103,950	1 103,950	1 138,600			14 1,767,150
70 & up		1 149,600	3 346,500	1 103,950	1 138,600						6 738,650
Total	7 796,950	23 3,090,000	39 4,677,750	9 1,074,150	2 277,200	4 415,800	1 103,950	1 138,600	-	-	86 10,574,400

1. Summary of Valuation

Table 8
Distribution of the Number and Average Monthly Benefits of Retired Participants by Fifth Age as of July 1, 2023

Current Age	Service or Disability Retirees			Beneficiaries			Total			
	Number	Average Age	Average Monthly Benefit	Number	Average Age	Average Monthly Benefit	Number	Average Age	Average Monthly Benefit	
Under 60	-	-	\$ -	-	-	\$ -	-	-	\$ -	
60-64	1	64	8,663	2	63	4,620	3	64	5,968	
65-69	7	68	8,451	1	67	4,410	8	68	7,946	
70-74	11	72	8,663	5	72	4,603	16	72	7,394	
75-79	14	78	8,447	2	79	4,803	16	78	7,991	
80-84	6	82	8,663	1	83	4,620	7	82	8,085	
85-89	5	87	8,800	2	89	4,504	7	87	7,572	
90-94	-	-	-	-	-	-	-	-	-	
95 & over	-	-	-	1	95	4,410	1	95	4,410	
Total	44	76	\$ 8,576	14	76	\$ 4,593	58	76	\$ 7,615	
Total Annual Benefits			\$ 4,528,037				\$ 771,687	\$ 5,299,724		

Table 9

Distribution of the Number and Average Monthly Benefits of Participants Entitled to Deferred Benefits as of July 1, 2023

Current Age	Deferred Vested		
	Number	Average Age	Average Monthly Benefit
Under 45	-	-	-
45-49	-	-	-
50-54	1	54	7,948
55-59	-	-	-
60-64	1	61	8,663
65 & over	-	-	-
Total	2	57	\$ 8,305

Total Annual Benefits \$ 199,325

2. Summary of System Provisions

Plan Name

The West Virginia Judges' Retirement System.

Effective Date

The West Virginia Judges' Retirement System for Judges of Courts of Record was originally enacted in 1949.

Plan Membership

Every individual serving as a judge of any court of record of the State of West Virginia is eligible to participate in the Judges' Retirement System. Within 30 days of taking office, a judge may notify the State Auditor or county court that he or she elects not to participate and will instead participate in the Public Employees' Retirement System. Any judge who elects not to participate in the plan may thereafter elect to participate by paying to the Fund all contributions that would have been paid had he or she elected to participate when first eligible.

Final Average Salary

The average annual compensation measured over the highest 36 consecutive months of compensation received by the member as a judge of any court of record.

Contributions

Member Contributions

Effective July 1, 2013, members contribute 7.0% of their salary to the system (10.5% from July 1, 2005, to June 30, 2013, 9.0% from January 1, 1995, to June 30, 2005, and 6.0% prior to January 1, 1995).

Employer Contributions

The State contributes annually to the system the actuarially determined contribution recommended in the actuarial valuation for the Plan.

Credited Service

Credited Service for plan purposes includes:

Contributory Service

Years during which a member makes contributions to the retirement system while serving as a judge of a court of record.

Military Service

Active service in the U.S. military is credited up to a maximum of 5 years, provided the member has 12 or more years of Contributory Service or 14 or more years of Contributory Service if appointed or elected for the first time as a judge of a court of record after July 1, 2005.

Other Service

Any member who was sitting as a judge of a court of record as of March 14, 1987, receives credit for periods of time served as a prosecuting attorney prior to January 1, 1989. This is contingent on the member having 12 or more years of Contributory Service and contributing to the Fund 9.0% of the salary received as a prosecuting attorney, plus applicable interest.

2. Summary of System Provisions

Normal Retirement Benefit

Eligibility

A member is eligible for a normal retirement benefit upon attaining any of the following requirements:

- Age 65, with 16 years of credited service that include at least 12 years of Contributory Service or at least 14 years of Contributory Service if appointed or elected for the first time as a judge of a court of record **after** July 1, 2005.
- Any age, with 24 years of credited service that include at least 12 years of Contributory Service or at least 14 years of Contributory Service if appointed or elected for the first time as a judge of a court of record **after** July 1, 2005.
- Any age, upon completion of 8 years of Contributory Service earned after attaining age 65 (or 6 years of contributing service after age 65 if the member becomes incapacitated). This eligibility provision does not apply to any member who was appointed or elected for the first time as a judge of a court of record **after** July 1, 2005.

Amount

The annual normal retirement benefit, payable in monthly installments, is equal to 75% of the highest salary of the office from which the member retires. Benefits for retirees and survivors are increased in proportion to salary increases given to sitting judges.

The annual normal retirement benefit, payable in monthly installments, for a member who was appointed or elected for the first time as a judge of a court of record **after** July 1, 2005, is equal to 75% of the member's Final Average Salary. The retirement benefit of a member who was appointed or elected for the first time as a judge of a court of record **after** July 1, 2005, is not increased by virtue of any salary increases given to sitting judges.

Normal Form

Single Members

The normal form of the retirement benefit is a single life cash refund annuity. This provides for a pension payable only during the member's lifetime. If the member dies before receiving pension payments at least equal to the amount of his accumulated contributions (without interest) at the time of his retirement, then the difference will be paid to his beneficiary.

Married Members

The normal form of the retirement benefit is a joint and survivor annuity with his or her spouse as beneficiary, providing 40% of the highest salary of the office continuing to the surviving spouse during the spouse's remaining lifetime following the death of the member.

The normal form of the retirement benefit for a member who was appointed or elected for the first time as a judge of a court of record **after** July 1, 2005, is a joint and survivor annuity with his or her spouse as the beneficiary, providing 40% of the member's Final Average Salary continuing to the surviving spouse during the spouse's remaining lifetime following the death of the member.

2. Summary of System Provisions

Early Retirement Benefit

Eligibility

A member is eligible for an early retirement benefit upon attainment of age 62 with 16 years of credited service, which includes at least 12 years of Contributory Service or at least 14 years of Contributory Service if appointed or elected for the first time as a judge of a court of record **after** July 1, 2005.

Amount

The early retirement benefit is payable in monthly installments under the same normal or optional forms as the normal retirement benefit and is equal to the normal retirement benefit actuarially reduced for the number of years by which his early retirement precedes age 65.

Disability Benefits

Eligibility

A member may receive disability retirement after completing 10 years of Contributory Service (at least 6 years if the member is over age 65), provided that the member becomes incapacitated to perform the duties of his office as a judge during the remainder of his term, as determined by the Governor upon application by the member.

Amount

An annual amount, payable monthly in the following amount(s):

- For a judge who was a member in the system before April 1, 1987, the member's full salary until what would have been the end of the member's term of office, and thereafter the Normal Retirement Benefit as defined above.
- For other members, the Normal Retirement Benefit as defined above.

Deferred Vested Benefit

Eligibility

A terminating member who has completed 16 years of service, including at least 12 years of Contributory Service or at least 14 years of Contributory Service if appointed or elected for the first time as a judge of a court of record **after** July 1, 2005, is entitled to a deferred vested benefit commencing at age 65.

Amount

The deferred vested pension, payable in monthly installments, is equal to 75% of the highest salary of the office from which the member terminates or 75% of the member's Final Average Salary if the member was appointed or elected for the first time as a sitting judge of a court of record **after** July 1, 2005.

Pre-Retirement Death Benefits

Eligibility

The surviving spouse of a deceased member dying in service who has served at least 5 years as a sitting judge of a court of record is eligible to receive a "widow's annuity." The surviving spouse of a retired judge receives a similar annuity.

Amount

The benefit is the continuation portion of the Joint and Survivor annuity of the Normal Retirement Benefit for married members as described above.

2. Summary of System Provisions

Post-Retirement Death Benefits

Other than the death benefit inherent in the cash refund feature of the normal form of benefit and the survivor's annuity in the case of a joint-and-survivor pension, no post-retirement death benefits are payable under this retirement plan.

Other Terminations

A member who terminates employment other than by death and prior to becoming eligible for a normal retirement, early retirement, deferred vested or disability benefit, will receive a refund of his contributions, without interest. After receiving a refund of contributions, a member has no further right to benefits under this retirement system.

Membership in PERS

When a judge begins employment, he or she may elect to participate in either the Judges' Retirement System (JRS) or the Public Employees' Retirement System (PERS). Judges participating in PERS may at any time thereafter elect to transfer their membership to JRS. To do so, a judge must transfer his or her accumulated member's contributions from PERS plus an additional amount determined so that the total amount transferred to the JRS fund will equal what the member's JRS contributions would have totaled in JRS at the transfer date, had the member initially elected to participate in JRS and the member's contributions had then compounded at an annual interest rate determined by the State.

Changes in Plan Provisions Since the Prior Valuation

Family Court Judges are allowed to transfer from PERS to JRS effective July 24, 2022. As of July 1, 2023, there are 46 Family Court Judges who are allowed to transfer from PERS to JRS.

3. Actuarial Assumptions and Methods

Valuation Date

July 1, 2023

Funding Method

The valuation is prepared using the Entry Age Normal Cost Method, with individually computed accrued liabilities. The Normal Cost is calculated in aggregate. Entry age is based on date of hire. Active liabilities include amounts calculated for judges currently participating in the Public Employees' Retirement System (PERS) who may transfer to JRS in the future, with an adjustment for the anticipated transfer of required member contributions.

Basis for Assumptions

Experience studies are performed at least once in every 5-year period. This valuation was prepared using demographic assumptions recommended to and adopted by the Board based on the 2021 Assumption Review, which covered the period from July 1, 2015, to June 30, 2020. These assumptions will remain in effect for valuation purposes until the Board adopts revised demographic assumptions.

The valuation reflects economic assumptions, including a rate of investment return of 7.25% per annum, as adopted by the Board, and assumed future salary increases, based on the findings presented in the July 1, 2015 – June 30, 2020 Experience Study. These assumptions will remain in effect for valuation purposes until the Board adopts revised economic assumptions.

Interest Rate and Expenses

The valuation interest assumption is 7.25% per annum, with no loading for plan expenses.

Salary Scale

4.25% annually from the current valuation date. Increases are assumed to be delayed, occurring every few years. Missed increases are assumed to be made up at the CPI-U inflation rate for such missed years by not less than 0% but not more than the 4.25% salary scale assumption for each year. The valuation year salary scale increase of 4.25% is adjusted to include the missed inflation increases at the end of the valuation year. The most recent pay increase occurred on July 1, 2022.

Automatic Cost-of-Living Increases to Pensions

Pensions for judges appointed or elected prior to July 2, 2005, are assumed to increase at the same time as active judges' salaries increase and by the same percentage.

Post-Retirement Mortality

The post-retirement and active after-decrement mortality tables are as follows:

- Retiree males 100% of Pub-2010 General Retiree, above-median, amount-weighted, projected generationally with scale MP-2020
- Retiree females 100% of Pub-2010 General Retiree, above-median, amount-weighted, projected generationally with scale MP-2020
- Disabled males 100% of Pub-2010 General/Teachers Disabled, amount-weighted, projected generationally with scale MP-2020
- Disabled females 100% of Pub-2010 General/Teachers Disabled, amount-weighted, projected generationally with scale MP-2020

3. Actuarial Assumptions and Methods

- Beneficiary males ¹ 100% of Pub-2010 Contingent Survivor, above-median, amount-weighted, projected generationally with scale MP-2020
- Beneficiary females ¹ 100% of Pub-2010 Contingent Survivor, above-median, amount-weighted, projected generationally with scale MP-2020

Pre-Retirement Mortality

No pre-retirement mortality is assumed due to the small number of active members.

Withdrawal from Service

No withdrawal is assumed due to the small number of active members.

Disablement Rates

No disablement is assumed due to the small number of active members.

Retirement Rates and Service

For those eligible to retire prior to age 65, 5% are assumed to retire each year through age 64, with 100% retiring at age 65. For those first eligible at age 65 or later, 100% are assumed to retire when they become eligible.

Family Composition

All judges are assumed to be married. Where spousal data are unavailable, it is assumed that male judges are 5 years older than their spouses and female judges are 5 years younger than their spouses. Surviving children's benefits were not explicitly valued.

Transfers from PERS

All judges in PERS who earn sufficient service to vest under JRS are assumed to join JRS. Liabilities for potential transfers from PERS are included in this valuation and are calculated as if the judge had always been a member of JRS. Accumulated member contributions under PERS are treated as an offset to plan liabilities for valuation purposes. The shortfall of PERS accumulated member contributions versus the amount members would have contributed to the System had they always participated in JRS is recognized in the development of the normal cost.

System Contributions

Both employee and employer contributions to JRS are assumed to be paid in the middle of the year.

Asset Valuation Method

Market value.

Actuarial Assumption Changes Since the Prior Valuation

The maximum CPI-U to be used for missed years of salary increases was updated to 4.25% per year to align with the annual salary scale assumption.

¹ The credibility-weighted Pub-2010 Contingent Survivor mortality tables are also applied to spouses and designated beneficiaries while the member is alive.

4. Risk Information

Funding future retirement benefits prior to the time those benefits become due requires assumptions regarding future economic and demographic experience. These assumptions are applied to calculate actuarial liabilities, current contribution requirements, and the funded status of the plan. However, to the extent future experience deviates from the assumptions used, variations will occur in these calculated values. These variations create risk to the plan. Understanding the risks to the funding of the plan is important. Actuarial Standard of Practice No. 51 (“ASOP 51”) requires certain disclosures of potential risks to the plan and provides useful information for intended users of actuarial reports that determine plan contributions or evaluate the adequacy of specified contribution levels to support benefit provisions.

Under ASOP 51, risk is defined as the potential for actual future measurements to deviate from expected future measurements as a result of differences between actual experience and assumptions. It is important to note that not all risk is negative, but all risk should be understood and accepted based on knowledge, judgement and educated decisions. Future measurements may deviate in ways that produce positive or negative financial impacts for the plan.

In the actuary’s professional judgment, the following risks may reasonably be anticipated to significantly affect the plan’s future financial condition.

- Investment Risk – The potential that the investment return will be different than the 7.25% expected in the actuarial valuation.
- Longevity Risk – The potential that participants live longer than expected on the basis of the valuation mortality assumptions.
- Contribution Risk – The potential that contributions will differ from the recommended contributions developed in the actuarial valuation.

The following information is provided to comply with ASOP 51 and furnish beneficial information on potential risks to the plan. This list is not all-inclusive; it is an attempt to identify the more significant risks and how those risks might affect the results shown in this report.

Note that ASOP 51 does not require the actuary to evaluate the ability or willingness of the plan sponsor to make contributions to the plan when due, or to assess the likelihood or consequences of potential future changes in law. In addition, this valuation report is not intended to provide investment advice or to provide guidance on the management or reduction of risk.

Investment Risk

System costs are sensitive to the market return on assets. Returns below those assumed will increase costs. The lower market return will cause the market value of assets to be lower than expected, which means a higher-than-expected unfunded liability.

The System invests in a diversified portfolio of assets with the objective of maximizing investment returns at a reasonable level of risk. Actuarial Standard of Practice No. 4 (ASOP 4) requires the actuary to disclose a Low-Default-Risk Obligation Measure (LDRM) of the plan’s liability and provide commentary to help the intended users of this report understand the significance of the LDRM with respect to funded status, contributions, and participant benefit security.

The LDRM is based on discount rates derived from low-default-risk fixed-income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future. The LDRM shown here represents what the System’s liability would be if it invested its assets solely in a portfolio of high-quality bonds whose cash flows approximately match future benefit payments. Consequently, the difference between the LDRM and the actuarial accrued liability represents the taxpayer savings from investing in a diversified portfolio of assets versus only investing in high-quality bonds. Furthermore, this difference also represents the cost of reducing investment risk.

4. Risk Information

As of July 1, 2023, the LDRM is \$150.2 million based on an interest rate of 5.36%. The interest rate used for the LDRM was determined by calculating a single equivalent discount rate using projected benefit payments and the Buck Above Median Yield Curve as of June 30, 2023. Please note that the interest rate used for the LDRM is based on bond yields as of the measurement date and will therefore vary for different measurement dates. All other assumptions are the same as those used for funding purposes as shown in this report.

Actuaries play a role in helping to determine funding methods and policies that can achieve affordable and appropriate contributions and risk management. The funded status based on the actuarial accrued liability, as well as the actuarially determined contributions, are calculated using the expected return on assets, which reflects the actual investment portfolio. Since the assets are not invested solely in an all-bond portfolio, the LDRM does not indicate the System's funded status or progress, nor does it provide information on necessary plan contributions.

Regarding participant benefit security, if the System were to be funded on an LDRM basis, participant benefits currently accrued as of the measurement date might be considered more secure since the investment risk might be significantly reduced. However, the fact that assets are invested in a diversified portfolio does not mean that the participant benefits are not secure. Security of participants' benefits relies on a combination of the assets in the plan, the investment returns generated from those assets, and the promise of future contributions from the plan sponsor. Reducing investment risk by investing solely in bonds may significantly increase the actuarially determined contributions, and thereby increase contribution risk by decreasing the ability of the plan sponsor to make necessary contributions to fund the benefits. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security. Participant benefits will remain secure if reasonable and appropriate contributions with managed risk are calculated and paid.

Longevity Risk

System costs will increase as participants are expected to live longer. This is because:

- Benefits are projected to be paid over a longer period when life expectancies increase. The longer projected duration of payments leads to higher liabilities.
- Health care has been improving, which increases the life expectancy of participants. As health care improves, the cost of the plan will thus increase.
- The mortality assumption for the System does include a provision for future improvement in longevity. Future improvements in longevity greater than those incorporated in the current mortality assumption would lead to increased costs for the Plan.
- The plan provides cost of living adjustments (COLAs) on some benefits, which increases longevity risk because such benefit increases will be paid longer than expected.

4. Risk Information

Contribution Risk

There is a risk associated with the employer's contribution when the actual amount and recommended amount differ. This is because:

- If actual contributions are lower than the recommended contributions, the System may not be sustainable in the long term.
- Any underpayment of the contribution will increase the future contribution amounts required to amortize the additional Unfunded Actuarial Accrued Liability.

System Maturity Measures

There are certain measures that may aid in understanding the significant risks to the System.

Ratio of Retired Liability to Total Liability

As of July 1	2023	2022	2021	2020	2019
1. Retiree and Beneficiary Accrued Liability	66,903,000	62,696,000	63,064,000	57,600,000	65,414,000
2. Total Accrued Liability	121,710,000	108,251,000	106,682,000	98,800,000	110,476,000
3. Ratio [(1) / (2)]	55.0%	57.9%	59.1%	58.3%	59.2%

For a mature plan, this ratio is often above 60% - 65%. An increasing ratio may indicate a need for a less risky asset allocation, which may lead to a lower assumed rate of return on assets and increased costs.

Ratio of Cash Flow to Assets

During FYE June 30	2023	2022	2021	2020	2019
1. Contributions	1,880,000	1,371,000	1,181,000	1,092,000	1,110,000
2. Benefit Payments	5,134,000	5,046,000	4,810,000	4,897,000	4,933,000
3. Cash Flow [(1) – (2)]	(3,254,000)	(3,675,000)	(3,629,000)	(3,805,000)	(3,823,000)
4. Market Value of Assets	278,487,000	259,242,000	280,660,000	215,688,000	212,653,000
5. Ratio [(3) / (4)]	(1.2%)	(1.4%)	(1.3%)	(1.8%)	(1.8%)

When this cash flow ratio is negative, more cash is disbursed than deposited in the fund. Negative cash flow means the fund needs to rely on investment returns to cover benefit payments and, at the same time, may need to invest in more liquid assets to cover benefit payments. More liquid assets may earn lower returns than less liquid assets and thereby increase investment risk. However, the low magnitude of the ratio indicates that i) there may already be enough liquid assets to cover the benefit payments, ii) less investment return is needed to cover the shortfall, or iii) only a small portion of assets will need to be converted to cash. Therefore, the investment risk is likely not amplified at this time. This maturity measure should be monitored for continual negative trend with greater magnitude.

4. Risk Information

Contribution Volatility

As of July 1	2023	2022	2021	2020	2019
1. Market Value of Assets	278,487,000	259,242,000	280,660,000	215,688,000	212,653,000
2. Payroll	15,655,000	11,289,000	10,504,000	9,752,000	9,752,000
3. Asset Volatility Ratio [(1) / (2)]	17.8	23.0	26.7	22.1	21.8
4. Accrued Liability	121,710,000	108,251,000	106,682,000	98,800,000	110,476,000
5. Liability Volatility Ratio [(4) / (2)]	7.8	9.6	10.2	10.1	11.3

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 10 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 5. Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, if an assumption change increases the liability of two plans by the same percent, the plan with a liability-to-payroll ratio of 10 may experience twice the contribution volatility than a plan with a liability-to-payroll ratio of 5.