

JOINT COMMITTEE ON GOVERNMENT AND FINANCE
(Speaker Hanshaw)

April 26, 2022

9:00 a.m. – 10:00 a.m.

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

Speaker Hanshaw: "...so when a quorum arrives, we'll return to approval of the minutes from our last meeting but let's go ahead and begin taking our monthly and quarterly reports now while we're waiting on the presence of a quorum. Mr. Secretary, the broadband update...Kelly I'm sorry, Miss Workman."

Kelly Workman: "Would you like for me to give the report?"

Speaker Hanshaw: "Please."

Kelly Workman: "I do have a presentation."

Speaker Hanshaw: "Okay."

Kelly Workman: "Ready?"

Speaker Hanshaw: "Yes, ma'am."

Kelly Workman: "Okay great, thank you. Good morning, everyone. I'm Kelly Workman, I'm director of the Office of Broadband representing Secretary Carmichael today. So, I want to give you a quick update on where we are with our West Virginia Broadband Investment Plan. We have rolled out the LEAD program and we have awarded ten projects through that program. Those projects total about \$22 million dollars. We generated matching funds of about \$6 million for total project cost of about \$28 million dollars in broadband investment throughout the state of West Virginia. Those projects represent about 428 miles of new fiber and high-capacity cable construction, and we are targeting about 6,000 addresses with that funding...and you'll see at the bottom of the screen just kind of a recap of the total applications to that program, which are about 87 million with about 63 million in total matching funds.

As we roll out these projects, we are conducting training with each of the companies that are being funded. We have conducted individual meetings with the four companies listed who are executing six projects in our round one funding. Those include CityNet, Hardy Telecommunications, Prodigy, which has two projects, and Comcast, which has two projects. Importantly, we are coordinating with the state Division of Highways and the state Historic Preservation Office on the permit and clearance process. We are also coordinating on pole attachment agreements and make ready...looking at that and making sure that if we anticipate any issues in those areas that we address them. For our LEAD round two funding announcements...those were just issued in March...we funded another four projects. Two grant agreements are in process, those are with Hardy Telecommunications and Shentel and we received two challenges on two of those projects, we're working through that challenge process right now.

For our GigReady program, you can see there the areas shaded in gray represent the counties that have applied for technical assistance and so we have 29 applications total in that program. Excuse me, this slide is the...sorry, I've hit that accidentally...so we have 27 counties represented in the technical assistance program. We are preparing letters of engagement that will enable us to begin working with those counties to help them develop their projects. Once those projects are developed, they might be funded through our state program or they might be recommended to pursue other funding such as USDA, ARC, or other funding sources...and you'll see there's a list there. Under GigReady we also have a pathway to implementation projects. These are construction applications that we have received and you'll see that there are six listed. The Roane County Project is a multi-county project, it includes seven counties. Then we also have applications from the City of Nitro, Monroe County, Raleigh County, the RED partnership up in the northern panhandle that represents Wetzel, Marshall, and Ohio, and then also an application from Summers County. So, we're...those projects are under review right now and you can see on the map the areas that these projects would cover if funded.

Under our Major Broadband Projects Strategies program, we have received 72 applications through that program. Much more than we anticipated, so the review timeline has extended for us. We had \$602 million dollars in requests, total project cost is exceeding \$1 billion dollars. Total targeted addresses included in these projects represent 171,000 households and businesses and total addresses passed are at almost 200,000. These projects represent about 14,000 miles of new fiber infrastructure and encompass about 35 counties in West Virginia.

So, this map gives you an update of all programs combined. If all of these projects were funded, this shows you that we have good geographic distribution within the state of West Virginia. We are coordinating with other federal programs, those include the FCC, any other federal broadband grant programs included the Appalachian Regional Commission, and the U.S. Department of Agriculture...and throughout this process we are constantly updating our mapping to provide better data.

The next program that we will launch will be our fourth program and that will be the WIN program. That program is being funded by a \$10 million dollar allocation from the legislature and it is primarily focused on wireless solutions that may not be eligible under the federal grant program requirements. We are coordinating that program with our state parks, our DNR, and the Department of Tourism. So, we would like to see some connectivity at our state parks and also the surrounding communities...and with this program we are inviting new technologies, innovation, things maybe we hadn't considered. So, we do anticipate that we will post the program procedures on April 29th. We have a webinar tentatively scheduled for May 18th at 9:30. The application portal will open on May 20th and then the application deadline will be June 30.

Other key initiatives that our office is pursuing include funding available under the Infrastructure Act. So, you'll see here we have listed the programs that are included in the Infrastructure Act, namely the BEAD program which is \$42 billion dollars nationally for broadband deployment. The Middle Mile Program which is \$1 billion dollars. We do anticipate that the Middle Mile Program will roll out first so we are in conversation about what the state strategy will be and what that program may look like. We're also beginning to work on our digital equity plan. All of the states need to complete a digital equity plan

in order to access this funding. So, we are in conversation with the Center for Business and Economic Research at Marshall University and other stakeholders on that process. West Virginia will also be able to complete for a Digital Equity Competitive Grant once these other...the planning...the Digital Equity Plan is in place...and then we will also need to prepare a five-year plan, which will be submitted to the U.S. Department of Commerce, the N.T.I.A, National Telecommunication Information Administration. We're also engaging with the Higher Ed Policy Commission, the CTC Board, on a Workforce Development Program in West Virginia. We're taking a look at the program that just rolled out in the state of Ohio and considering what we can do in West Virginia to meet the needs of the industry as the programs get up and running. Happy to take any questions that you might have at this time."

Speaker Hanshaw: "Okay, questions for Miss Workman. Senator Weld."

Senator Weld: "Thank you, Mr. Chairman. There is a...good morning...there's a project and I kind of see it's the same for all the projects, there's no timeline...you know, estimated or proposed or anything for when the projects are really started...are going to start."

Kelly Workman: "The four that I mentioned here that have already been funded, these projects are competing the necessary paperwork that we need to issue a notice to proceed. They will need to go through the permitting process with Highways and Shipppo, that process is getting underway. We hope to see these projects cleared, permitted, ready to start construction in June."

Senator Weld: “What about like the round one projects and round two, I mean do you have any idea for...for them?”

Kelly Workman: “Yeah, the round one projects...so under the ARPA funding, all of these...the programs that I mentioned thus far, the applications that we have in hand...that funding needs to be committed by September 2024 and then all projects need to be completed by December 31, 2026. So, we anticipate being able to award all of our funding in 2022 and then the different programs have different timelines but the LEAD programs which are rolled out first like these initial...the ten initial projects that have been funded...they have a twelve-month construction window. However, we will leave the projects open for 24 months so that they can complete customer drops.”

Senator Weld: “Okay. All right, thank you. Thank you, Mr. Chairman.”

Speaker Hanshaw: “Delegate Summers.”

Delegate Summers: “Thank you, Miss Workman. On...when I’m reviewing this, the third award talks about 278 targeted addresses in Taylor and Randolph County. I know that (...inaudible...) did 284 homes in my area, is this an additional 278 on this award?”

Kelly Workman: “Is that the Green Valley Project?”

Delegate Summers: “LEAD Program Round Two – CityNet - Shavers Fork.”

Kelly Workman: “Shavers Fork, yes that is...so Green Valley was in round one and Shavers Fork is in round two and those are two different areas...different addresses at each area.”

Delegate Summers: “Okay, so I can be reassured that we had these 284, this is 278 new ones going to Taylor and Randolph.”

Kelly Workman: “Yes.”

Delegate Summers: “Okay and then some questions from my constituents. When they go in to the...in to the broadband site, how do they know if their homes have been awarded this grant and that they have...you know...a company that they should be reaching out to if they haven’t reached out to them?”

Kelly Workman: “We are in the process of updating the mapping, so everything that is funded and committed will be included in an update. We’re working on that right now but we haven’t rolled out that new map. We will make the maps available. This...the project that you just mentioned, the Shavers Fork Project, is the subject of a challenge. So, we might have some revisions on the actual addresses in that project but once the challenge process is completed, we’ll issue a new map. So, I would just say that anyone in your area is welcome to call our office. I want to share the correct phone number this time too. We have two different phone numbers out there so...304-352-4163.”

Delegate Summers: “Okay, cause a constituent asked, they said Comcast was coming down their road and that they could hook on for X amount of dollars and I didn’t know if that was a line extension award or if that company is just choosing to do that so...I was trying to verify that for them but...”

Kelly Workman: “Well, Comcast is not in the Shavers Fork area so—”

Delegate Summers: “—Yeah, this is a different...this would be coming from Morgantown down through Taylor County so...”

Kelly Workman: “So, I will say that there is private investment ongoing. So, some of those line extensions are ongoing and they’re not part of our program. So, if there’s a quote out there...you know...if you can connect for a thousand dollars or whatever the case may be—”

Delegate Summers: “Yeah.”

Kelly Workman: “—you know, those are ongoing all the time. So, they wouldn’t be included in our program, however what we’re looking for is...you know...a cluster of unserved areas and that is where the state can come in and provide that funding to extend into a community.”

Delegate Summers: “Yeah because I know that that area was awarded a Starlink...is that under RDOF? I don’t remember which particular thing but I remember seeing geographic area was...had...Starlink had won something but I don’t know when that company ever says to those people, this is an option for you.”

Kelly Workman: “Right. So, SpaceX was included in the RDOF and they did bid in the gigabit tier. So, we have carved out those areas...we’re not funding projects in areas where there is an RDOF commitment. So, it’s going to be separate.”

Delegate Summers: “And so how do they find out the timeline on that, on when the Starlink or SpaceX as you say, is going to be available for them to call them?”

Kelly Workman: “They can certainly call our office and we’ll help them.”

Delegate Summers: “Okay.”

Kelly Workman: "But the process with the RDOF is they do have six years to complete that build out."

Delegate Summers: "Oh okay."

Kelly Workman: "But they have to complete 40...I think it's 40% within the first two or three years and then 20% every year thereafter. So, there should be a big push in the beginning, in the first couple of years and there should be some outreach to the communities."

Delegate Summers: "Okay. All right, thank you."

Speaker Hanshaw: "Senator Plymale."

Senator Plymale: "Kelly, let's go back to the mapping side of this. One of the issues is still the FCC is...is holding us to the maps that they have and our maps are so much more accurate than they are. What's the feel for what's going to happen on that because we don't have the full commission...you know we only have four commissioners appointed from the FCC...it's at a stalemate. We really need them to be being more proactive. I serve on an intergovernmental agency with the FCC and this has been talked about a lot. So, what's your thoughts on what's going to happen or what's the Broadband's Office thoughts on what's going to happen on the mapping?"

Kelly Workman: "I think that the state of West Virginia is in a very good position as far as our mapping program goes because we have made the transition to address level data and that will be very important as the FCC rolls out the Broadband Data Act and the new mapping. There will be an opportunity for states to challenge the FCC mapping and if we...if we have data that can challenge those areas, we intend to

challenge. We had previously heard that the new maps would be available in June. Now, we're hearing it's going to be backed up to September. So, the Infrastructure Act funding is contingent upon those new maps but I do feel that that gives us an opportunity update the state's maps again this summer and then be in a better position when we compare our maps to the FCC maps...and if there is a challenge process and we feel that it's prudent on behalf of the state of West Virginia to...to pursue a challenge we will do so."

Senator Plymale: "Well Mr. Speaker, Mr. President, this is a critical area that I think we've got to be following and have some correspondence with FCC as well because the state of West Virginia and this body...our two bodies in the legislature...spent a lot of money to make sure that our maps are accurate. It's really incumbent upon the FCC to accept what we've done and I think that the Broadband Office has done a very very good job of getting this where we need to be. I think we've got to be very strong from both the House and the Senate on this. Let me also go into a couple other things on the challenges that you talked about. The challenges are in what manner? Saying that that area is already served or what is the...what are the challenges?"

Kelly Workman: "That's correct, so we have a challenge process, it's written into our program designs for each of these programs. We felt it was very important to offer that challenge process and so in the beginning, we conducted what we called a request for comment from internet service providers and we took in their data and asked them which addresses do you serve? And so some of the data was better from certain companies than it was from other companies. So, anywhere there was a decision point, we erred on the side of the consumer and if we weren't sure we said well this area's unserved. So, the two projects that I mentioned that we have received challenges on are

in the Shavers Fork area and Pendleton County...and so our process is, if company A did not provide data to us in our request for comment period and they now provide data to us during our challenge process, our office retains the ability to review that information and make a determination that is in the best interest of that community. So, the challenge process is outlined in writing. We post the addresses that are to be funded on our website...I think for ten business days...and we invite other companies to provide information to us. We have an opportunity to review that information and then decide, you know, is this a project that the state will invest in or not.”

Senator Plymale: “Part of that challenge is not affordability, it’s just whether they have service into that area or not.”

Kelly Workman: “That’s correct.”

Senator Plymale: “Okay.”

Kelly Workman: “We also retain the ability to evaluate community benefit. So, that does speak to part of the affordability question.”

Senator Plymale: “Well I’d hope that we’d be strong on that because what I’m seeing right now is not necessarily affordable to the average West Virginian...in what’s being offered. So, I would hope that we could strengthen the affordability side and we can talk about that later that’s not...the last thing that I have is, you talked about some environmental process challenges. It’s not necessarily from what I’m hearing with the SHIPPO Office and things like that, it’s more with fish and wildlife and what they call the alpha...I think Jimmy Wriston calls it the alphabet soup of a...federal—”

Kelly Workman: “Railroad crossings.”

Senator Plymale: “Yeah, so is that the same problem that you’re running into?”

Kelly Workman: “U.S. Fish and...so, if we look at the two different installation methods, the permit process is a little bit different. So, if you have a buried infrastructure project and you’re crossing a river or you have to do a bridge attachment or you have a railroad crossing, the timeline is much much longer...and so we’re hearing for U.S. Fish and Wildlife to even consider an application, it is four months.”

Senator Plymale: “But it’s taking...it actually is taking longer than that.”

Kelly Workman: “Yes.”

Senator Plymale: “So, you know the only reason I bring this up is...we’re having an issue with this on all infrastructure projects including broadband, we really we have sent...I know that we did a Resolution to our Congressional Delegation to get to work on this. This is I think another area where we really need to be forceful in addressing this. The standard shouldn’t be 4-6 months to wait on a checkoff to make sure that it doesn’t meet those. You know, you can have all the information in to them and it’s 4-6 months before they even start to review them if they review them at that time.”

Kelly Workman: “That’s right.”

Senator Plymale: “So, I just bring that up as another area we’ve got to really be cognizant of and take action if we can. Thank you.”

Kelly Workman: “Yes and I will say, on the state process I mentioned that we’re coordinating with SHIPPO and DOH. If it’s an aerial build, I believe that those are going to go faster. Where we might see some hiccups is if there’s a bridge attachment, a railroad

crossing. You know, we're hearing a little bit about MakeReady, so we're monitoring all of that but you know hoping that...so these, the first round of projects that we approved, we issued grant agreements in March and we're hoping to get those permitted and under construction in June. I wish it was faster."

Senator Plymale: "Well now I do agree with you, I think that the railroads in particular are pretty difficult to get permits on but I also think that we have pretty much said the right of way is...of the highways...is not to be, you know, there's no fee for it or anything. The bridge attachments do not cause any structural integrity issues to the bridge, it should be a no brainer. That should be able to pass pretty quickly. Thank you."

Kelly Workman: "Yes and I do have just one comment under the American Rescue Plan Act, those funds are exempt from NEPA in the federal statute. However, if there is a federal interest in the project location or if there's any federal trigger, that triggers NEPA. So, DOH is...they are working with us because they do believe that that is a federal trigger and that there will an environmental review process but it's an expedited review I think."

Senator Plymale: "Okay."

Kelly Workman: "And they just require that letter from SHIPPO but I think that process is going to work out."

Senator Plymale: "Thank you."

Kelly Workman: "Okay."

Speaker Hanshaw: “I’m going to call on Senator Baldwin next but Kelly I want to follow up on that point just...I just want to make absolutely clear I heard what you just said. Did you just say that ARP funds are exempt from NEPA?”

Kelly Workman: “Yes but there’s a checklist—”

Speaker Hanshaw: “—Categorically or just for broadband?”

Kelly Workman: “I believe it’s categorically but I would like to check that. So, there’s an environmental checklist and so each project team needs to run through that checklist and it lists all of the federal statutes that may apply under NEPA...and so if any of those questions is a yes, then that review process is triggered.”

Speaker Hanshaw: “Okay, we’ll dig into that. That’s not a fair question for you but that just...we’ll make note of that. Senator Baldwin.”

Senator Baldwin: “Thank you, Mr. Speaker. Thank you, Director Workman. First question is about the LEAD program. How many rounds of LEAD awards will there be?”

Kelly Workman: “We anticipate at least one more round. So, we’ve had LEAD one and LEAD two. Right now, we’d like to focus on getting our GigReady clients under an engagement agreement and then also work through our major broadband strategies approvals and then turn next to LEAD round three. So, we do have some LEAD applications still pending I would say. Once we work through all of those, if we fund everything that we believe is fundable we may...and if we have additional funding...we may open that program up again for new applications.”

Senator Baldwin: “Okay, so at least one more round and it sounds like it’s going to be awhile for that additional round though because of the other programs that are first in line.”

Kelly Workman: “I would anticipate in June/July.”

Senator Baldwin: “Oh, okay. Switching gears a little bit to GigReady. One general and one specific question...maybe we’ll go the specific route first...I saw on the map that, for example, Greenbrier County was shown but it was not listed. Is that because it’s a phase two application as explained in point number four under GigReady where they’re not requiring technical assistance but just submitting directly to Phase Two?”

Kelly Workman: “I apologize, that’s just an oversight. It is mapped but it’s not listed.”

Senator Baldwin: “Okay.”

Kelly Workman: “Yeah, it should be listed there.”

Senator Baldwin: “Okay, thank you I’m glad to hear that.”

Kelly Workman: “It might, yeah...there might be an involvement with Raleigh County and so it might be just listed under Raleigh but we know it’s Greenbrier.”

Senator Baldwin: “Yes, I think you’re correct. What about the timeline for the GigReady projects?”

Kelly Wokman: “For GigReady, we hope to issue the letters of engagement in May and I would anticipate that even the projects listed here that are...that have applied for construction funding, that they...they will be involved in some level of technical

assistance from our office just to perfect the project designs and work through some issues. So, as soon as we can get any of these projects ready to be funded, we would fund them out of the GigReady budget and then those...oops sorry I'm going around the way...those that are funded or requesting only TA...here...would be engaged with us in a little bit longer period of technical assistance. I do believe that some of these applicants will be able to move to a construction project as a result of that TA or we may recommend that they apply for Appalachian Regional Commission Funding or some other funding sources...but the program is designed for us to be able to assist them with that process."

Senator Baldwin: "Thank you, ma'am."

Kelly Workman: "Okay, thank you."

Speaker Hanshaw: "Other questions for Miss Workman? Okay if not, Kelly we thank you very much."

Kelly Workman: "Thank you sir, I appreciate it."

Speaker Hanshaw: "Okay, let's move on to the Lottery Report today."

John Myers: "Good morning."

Speaker Hanshaw: "Good morning."

John Myers: "Mr. Speaker, Mr. President, members of the committee. We submitted our financial reports through the end of March. You should have those available to you but I did want to hit a few highlights real quickly before any questions. Been a good year for lottery so far, we've had...scratch tickets were up 2.23% over the previous year, which had been double digit increases for like three years in a row. So, we still continue

to have a small rise, we're at \$137,093,000 through April 16th. Our draw games are down this year, we're at \$59,465,000 down 3.77% and that's mostly due to the Mega Millions product having the jackpot hit quite frequently over the past year. Racetrack/Video Lottery has rebounded significantly at the casinos, they're at \$376,263,000 up 21.54%. Limited video lottery is at \$391,541,000 they're up 4.37%. Table games at the casinos up 42.87% at \$28,941,000. Sports wagering is up 11% at \$3,766,000 and iGaming which didn't start until July 15th of 2021 is up 192% but that number is at \$9,951,000 so we expect that will end up somewhere in the \$12 million dollar range for the year. So, iGaming has been a good product so far. We typically have a goal each year to exceed a billion dollars in gross sales at the lottery, we did exceed that number through last week...so, we're at \$1,013,000,000 through that...and those are gross numbers. So, any questions?"

Speaker Hanshaw: "Thank you, Mr. Myers. Questions for the director? Yup, Delegate Howell."

Delegate Howell: "Thank you, Mr. Chairman. You know recently here, I guess starting about the middle of March, through the middle of April, the state of Maryland eliminated their gas tax. A lot of my small Mom and Pap convenience stores in my area were saying, look, we lost a bunch of revenue. The people that were buying gas are now going into Maryland. Those same people at the time bought lottery tickets when they were purchasing their fuel. Do you have any numbers...and it may not be until next month...that shows if along the Maryland border when that...during that time frame, did we see a drop in lottery sales on our border?"

John Myers: "I haven't taken a look at that in a particular regional area, just the overall but I can certainly ask for that information. We work with a company called IGT,

International Game Technologies and they have records as to what sales come from what areas and I can get that for you.”

Delegate Howell: “Thank you, sir.”

John Myers: “Sure.”

Speaker Hanshaw: “Other questions for the director? Okay if not, Mr. Myers we thank you. Let’s go ahead and take up our General Fund update.”

Mark Muchow: “Mark Muchow, with the Department of Revenue and here to present the March numbers...and March was a very strong month revenue collection wise. Overall, collections for March for \$488.1 million, the estimate was a little bit less than \$338 million so we were \$150.1 million ahead of estimate in March but even more interesting, we were ahead compared to last year by 29.9%, so tremendous growth in the March collections. Of particular note was the personal income tax, personal income tax collections totaled \$204.3 million, the estimate was only 125.7, that was \$78.6 million above estimate. So more than half of the total March surplus was personal income tax and personal income tax change from the prior year was 49.9%. Income withholding tax has consistently been growing about 10% a month and that continued in March but the one item in March is...March is the month when pass-through entities...your S corporations, your partnerships...file their annual returns and we had a tremendous surge in non-resident withholding tax collections in March. That means that some folks made money, particularly last year. I’d say energy was a part of that and as a result of that very high levels of collections in non-resident withholding tax. In fact, the non-resident withholding component was so high in March it was equivalent to what we might collect

in a year...in some past years, recent past years...so, that's a lot of collections. Year to date on personal income tax \$1.64 billion dollars, that's nearly \$245 million above estimate, 3.3% ahead of last year but last year we collected \$144 million dollars of one time deferred collections. When I account for that it's actually 13.6% growth for personal income tax for the year to date. So, that's the one highlight, the other highlight is the severance tax. We collected \$83.9 million in March, that was \$52 million above estimate, and 78% ahead of last year. Year to date for general revenue through March \$500.5 million in collections, that's \$264 million above estimate and 202% ahead of last year which means that you take last year's collections, you multiply it by three. We've tripled last year's collections and that is...90 plus percent is...energy prices. Metallurgical coal, about a year ago was maybe about \$100 a ton, now I'm consistently seeing over \$300 a ton for metallurgical coal. Natural gas seeing five, six, seven dollars per thousand cubic foot...you know a year ago it was closer to \$2 or \$3...so those energy prices are a major contributing to growth. Gas production's up a little bit but it's single digits. In past years we would grow double digits, last year...this past year's by single digits, maybe 6-7%...and coal's up a little bit as well but we're still pretty close to the...actually the forecast on coal production...so it's not really out of this world in terms of the numbers. Sales tax, sales tax in March we collected \$126.6 million, that was \$18.3 million above estimate, 11% ahead of last year. For the year to date, \$1.189 billion, a surplus of a hundred...almost \$112 million dollars, that's 9 and ½ percent ahead of last year so the sales tax still relatively strong. The other tax, even though corporate net's not a big tax in March, the big collections on corporate net is...are going to come in April. For the year to date, on corporate net, \$191.4 million, that's \$101.6 million above estimate, 4.1% ahead

of last year. Keep in mind last year we collected \$56 million in one-time collections, you remove that it's pretty close to 50% growth in the corporate collections. So, the business...income taxes across the board very very strong in West Virginia and I think that you'll see that if you see other state numbers that corporate net strength is across the United States in terms of numbers. So, overall year to date about \$740 million dollars above estimate, \$3.966 billion, 14.6% ahead of last year. Adjusted for those one-time collections last year, we're ahead 21.6%, so very very very strong growth.

I'll move over to the Road Fund and the Road Fund I like to go... I like to go year to date as opposed to monthly because particularly the Motor Fuel Tax, Motor Fuel Tax is always due on the last day of every month. A year ago, the last day of February was on a Sunday, that's a bad last day...so, we had a lot of extra collections in March. This year, it's on a Monday, better situation...but yeah so the year to date I think's a better indicator on Road Fund...and year to date for the Motor Fuel Tax \$315.8 million, that's about \$5.4 million below estimate but it's 4.7% ahead of last year as we're recovering and should be pretty darn close to the estimate by the year end. Registration fees, we've collected \$92.8 million, the estimate was 120.3, that's 27 and 1/2 million below estimate and we're 6.6% below last year. So, registration area is still an area of concern and I think you'll see some expired registrations out there that just need to be renewed. Motor vehicles sales tax, the other strength of the road fund, \$224.6 million for the year to date, that's \$36 million above estimate, and 4.7% ahead of last year. I'm going to skip over the litter fees, the miscellaneous category you'll notice that we're down last year by about \$62.7 million dollars but a lot of that has to do with a year ago we had a one-time \$50 million dollar deposit from Cares monies from Medical Access Highways, that was one

time. If you remove that, year to date collections on Road Fund...state collections that is...is up pretty close to \$5 million dollars from last year, 0.7% and typically the Road Fund performance is going to be relatively static over time. Motor fuel tax can only be adjusted once a year due to any inflationary increases and the motor vehicle sales tax is your other area of growth, registration fees are going to...if they're collected...they're going to be pretty flat from time to time. Although, I believe in September of this year...under the legislation that was passed a few years...there's a provision to allow for an inflationary adjustment for registration fees that DMV would implement in September of this year. If there's any questions?"

Speaker Hanshaw: "Questions for Mr. Muchow? If not, Mark if I understand the news correctly, Chairman Powell's predicting a half a point in the Fed. Funds rate next month?"

Mark Muchow: "Yeah, I think...I really believe that's...that's a certainty. They've been advertising for a month and half so that's probably a certainty."

Speaker Hanshaw: "How are you modeling that?"

Mark Muchow: "Well that...that will have an impact in a couple ways, one I believe the property transfer collections...which we're transitioning from state collections to local collections over time...property transfer's been very very healthy recently because low mortgage rates, lot of stimulus money, and a lot of interest in buying homes. As mortgage rates rise, home prices rise, incomes will rise but maybe not quite as quickly...that you should see a slowdown on the property transfer side. I don't think that's going to have an impact on home sales. On the other side you'll notice that interest income for the year to

date is actually negative. That's because State Treasurer's not earning much in the way of interest. The money market is basically close to zero and we're invested a little bit in short-term bond pole but the short-term bond pole market has been very volatile and it's resulted in some loses. You will see interest income improving as months go on so that...in fact it could very well end up on a positive side by the end of this year and it should be more positive next year...but ultimately beyond that, it will have some impact on the economy particularly next fiscal year. The old rule of thumb, I don't think people have mentioned it recently, but rule of thumb is these interest rate hikes take about nine months to really hit the economy where you start seeing the impact but interest rate hikes typically if there's significant tightening...and not only are interest rates rising but the fed is also basically divested itself of assets that have accumulated over a long time. So, we got two different sources of tightening going on that will have a slowing effect on the economy which will then have an impact on all the other taxes...the income and sales and of course if the...if this is successful in helping curb inflation, you also see less inflation in the numbers and those numbers will ease back down as a result of lower inflation as well if they're successful in doing that."

Speaker Hanshaw: "All right, other questions for Mr. Muchow? If not Mark, we thank you. Folks we are...well there is another meeting in this room so I'm going to apologize to our guests but briefly take the rest of these reports. Do we have questions from any of the members on the Workforce West Virginia Unemployment Compensation Report this month? If not, I'm going to skip over that. How about the BRIM PEIA and Real Estate Report? Okay if not, the DHHR Report on Medicaid and CHIP? The Investment Management Board? Workers Compensation? Okay I...with my apologies to our guests

who waited around for us but we're already...we're already into somebody else's meeting. We do have one other item of business; the Chair recognizes Delegate Summers."

Delegate Summers: "Thank you, Mr. Speaker. Under other business, I know you had...the President and yourself had asked us for input on changing our committee format up. So, I'd like to move to allow the Speaker and the President to adjust our agenda as they received input from the members."

Speaker Hanshaw: "Okay the question before the members is on the lady's motion that the Speaker and the President be authorized to restructure our agenda for the next meeting and we would welcome input from each of you on what topics we might add or subtract from that. I know I have some notes made myself of what I would like to see us begin to take up in future meetings. So, any discussion on that motion? Okay if not, please do let us know your thoughts on how we might structure that. Those in favor of the motion will please say aye, any opposed will please say no. Okay the ayes have it, that motion is adopted. Before we adjourn, let's dispense with the approval of last meeting's minutes. So, the draft minutes are in your binders, is there discussion on the minutes? If not, Mr. President."

President Blair: "Mr. Speaker, I move the minutes for March 11, 2022."

Speaker Hanshaw: "Okay the President moves that the draft minutes of the March 11, 2022 meeting be approved as distributed. Those in favor of the motion will please say aye, those opposed will please say no. The ayes have it that motion is adopted, those meeting minutes are approved. Okay, Mr. President."

President Blair: "I move we adjourn."

Speaker Hanshaw: "The question is on the motion to adjourn the meeting. Those in favor will please say aye, those opposed will please say no. The ayes have it, we are adjourned. Thank you all."