

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
July 20, 2022

1. Infrastructure Act (IIJA) Broadband Program

On Friday, May 13, the National Telecommunications and Information Administration (NTIA) released a Notice of Funding Opportunity (NOFO) for three broadband programs:

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

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

Broadband, Equity, Access, and Deployment (BEAD)

- The BEAD program provides funding for broadband planning, deployment, mapping, equity, and adoption activities. Each State is eligible to receive a minimum of \$100 million, of which \$5 million can be allocated for Initial Planning Funds.
- **West Virginia was among the 34 initial states that submitted a Letter of Intent (LOI) to participate in BEAD funding.** As of July 15, all 50 states had submitted an LOI to participate in the \$42.45 billion [Broadband Equity, Access, and Deployment \(BEAD\) Program](#).
- Applications are due by August 15, 2022. Five-Year Action Plans must be submitted with 270 days of receiving Initial Planning Funds.

State Digital Equity Planning Grant Program

- The State Digital Equity Planning Grant will be awarded to States and territories to develop State Digital Equity Plans designed to identify barriers to digital equity and implement strategies to overcome these barriers.
- Digital Equity Plans are required to be included in the Five-Year Plan.
- West Virginia's application was submitted on July 1, 2022, in advance of the July 12, 2022, application deadline.

NTIA Middle Mile Broadband Infrastructure Grant (MMG)

- The Middle Mile Broadband Infrastructure Grant (MMG) Program provides funding for the construction, improvement, or acquisition of middle-mile infrastructure. Grant funds will be used to expand middle mile infrastructure to reduce the cost of unserved last-mile networks to connect to the internet backbone.
- Applications will be submitted directly to NTIA. NTIA expects to make available awards for grantees ranging from \$5 million to \$100 million. Applications are due September 30, 2022, and awards are expected to begin in March 2023.
- In cooperation with the WV Broadband Enhancement Council, the WV Office of Broadband conducted a Middle Mile Grant Program webinar on June 29, 2022.

- The Office of Broadband issued Request for Information (RFI) to gauge interest in potential middle mile grant applications on June 24, 2022. The RFI closed on July 20, 2022.

2. American Rescue Plan Act (ARPA) Update

West Virginia Receives Approval for Capital Projects Funds

West Virginia was among the first four states in the nation to receive approval from the U.S. Treasury for funding under the Capital Projects Fund program American Rescue Plan Act (ARPA). Funds are awarded to West Virginia, Virginia, New Hampshire and Louisiana. West Virginia will receive \$136 million to support broadband development.

ARPA Broadband Project Approvals

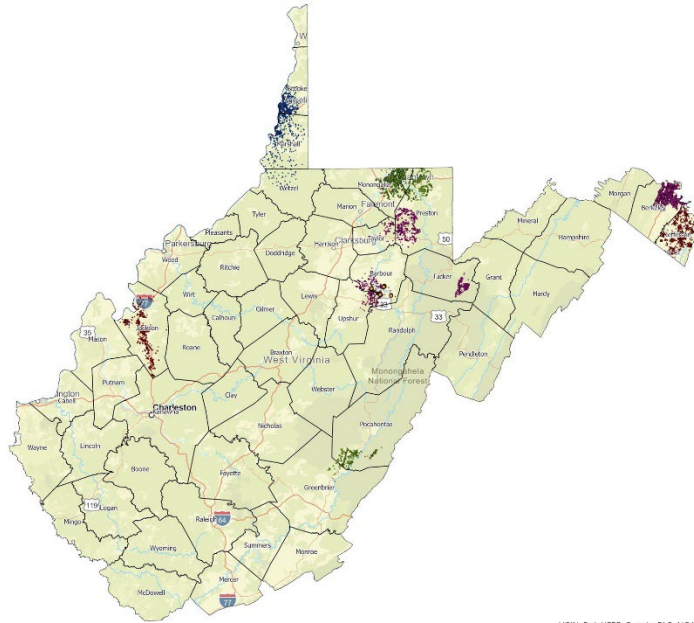
The West Virginia Department of Economic Development (WVDED), in coordination with the West Virginia Broadband Enhancement Council and the Office of Broadband, has officially launched four grant programs to utilize funding under ARPA. The programs are part of the West Virginia Broadband Infrastructure Plan (WVBIP). The application period concluded on January 31, 2022.

- Governor Justice has announced the approval of 10 applications under the Line Extension, Advancement and Development (LEAD) Program in two separate announcements on January 19, 2022, and March 18, 2022.
- The LEAD awards represent an allocation of \$21,716,076, through which companies will invest 428 miles of fiber, serving 5,900 targeted locations in West Virginia. These projects will leverage an additional \$6,071,146 in match contributions for a total infrastructure investment of \$27,814,037. Learn more about the Governor's announcements here: <https://governor.wv.gov/News/press-releases/2021/Pages/Gov.-Justice-announces-Billion-Dollar-Broadband-Strategy.aspx>.
- Governor Justice announced the preliminary approval of over \$20.8 million in grant funding to begin a series of six broadband infrastructure projects across the state through the Major Broadband Project Strategies (MBPS) program. Additional details are available at: <https://governor.wv.gov/News/press-releases/2022/Pages/Governor-Justice-announces-more-grant-funding-for-major-broadband-projects-across-West-Virginia.aspx>.
- This announcement was the first round of grants awarded through the MBPS program. The approved projects will result in more than 628 miles of new fiber infrastructure, providing broadband connectivity to 5,849 homes and businesses in West Virginia.
- Factoring in all funding sources combined, a grand total investment of over \$61.2 million has been committed to undertake 16 major broadband infrastructure projects throughout West Virginia. These projects will result in over 1,000 miles of new fiber infrastructure, providing high-speed broadband access to over 11,000 new homes and businesses.
- The Office of Broadband will continue to work with with internet service providers and local organizations that submitted applications for GigReady, Major Broadband Project Strategies (MBPS) and LEAD to develop future funding announcements.

3. Wireless Internet Networks (WIN) Program

The West Virginia Department of Economic Development, Office of Broadband launched the Wireless Internet Networks (WIN) Program on May 20, 2022. Funded through a \$10 million allocation from the West Virginia Legislature, the Program is designed to fund full extensions or upgrades of existing last-mile wireless broadband networks that can be constructed quickly. This program is designed to connect unserved locations across West Virginia while also bringing connectivity to the State’s parks and surrounding communities.

On Wednesday, May 18, the Department conducted a webinar to review the WIN program. An interactive map with data to be available for download was published at <https://broadband.wv.gov/>.



VGIN, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS

Applications were accepted through June 30, 2022. Five applications from four companies, representing a combined request of \$9.9 million, were received. The applications included 16 counties with proposed service to an estimated 5,800 locations.

WIN APPLICATION SUMMARY		
Targeted Addresses	County	Park Location
257	Ohio, Marshall, Wetzell	None
45	Barbour	Audra
1,562	Monongalia, Preston, Greenbrier, Pocahontas	Watoga, Cooper’s Rock
1,846	Barbour, Berkeley, Jefferson, Preston, Taylor, Tucker, Upshur, Marion	Audra
2,151	Jefferson, Jackson	None

4. Affordable Connectivity Program (ACP)

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

In addition, the FCC has launched a new ACP pre-qualification widget to help streamline the application process. We are determining whether this can be added to the Council website. **As of July 18, approximately 72,885 West Virginians have registered for this benefit.**

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

5. ACTION ITEMS:

1. NTIA BEAD Five-Year Plan: Due August 15, 2022
2. NTIA Middle Mile Program: Applications due September 30, 2022
3. Workforce Development: Work is underway in partnership with the WV Higher Education Policy Commission and the WV Council for Community and Technical College Education, Workforce WV, WV Broadband Enhancement Council and Office of Broadband.

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

(President Blair)

May 22, 2022

1:00 p.m. – 2:00 p.m.

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

President Blair: “Committee will come to order...well, let’s start over here. The Joint Committee on Government and Finance will come to order. The first item on the agenda is the approval of the minutes from April the 26th, 2022. Recognize the...”

Delegate Summers: “Whoever.”

President Blair: “Minority Leader or...the Majority Leader in the House.”

Delegate Summers: “I move the minutes of the April 26th, 2022, meeting of the Joint Committee on Government and Finance as contained in your member’s packets be approved.”

President Blair: “Delegate Summers moves the minutes be approved, is there discussion? All those in favor will say aye, those opposed no. The ayes appear to have it, the ayes do have it, I declare the minutes approved. Next item on the agenda here is I recognize the Majority Leader for a motion.”

Delegate Summers: “Mr. President, I move that the Joint Committee on Government and Finance permit members of the Legislative Oversight Commission for the Department of Transportation Accountability to meet separately as part of the Sub-Committee on Naming Resolutions for the purpose of making recommendations to the Legislative Oversight Commission on Department of Transportation Accountability, the Joint Committee on Government and Finance, and the Legislature, on Naming Resolutions including establishing criteria for Naming Resolutions and time frames to handle them, that the sub-committee may meet at any time including outside of regularly scheduled interim meetings at the discretion of the chairs under the supervision of the Joint Committee on Government and Finance, and all members of the sub-committee are entitled to compensation and reimbursement expenses as authorized per member of the Legislature in accordance with the performance of their interim duties, that the time and place of the meetings or public hearings shall be announced by posting on the legislative website, that at the conclusion of this meeting, the Sub-Committee on Naming Resolutions report to the Legislative Oversight Commission on Department of Transportation Accountability and The Joint Committee a summary report of its findings, that the expenses necessary to prepare a report to draft necessary legislation be paid from legislative appropriation to the Joint Committee on Government and Finance.”

President Blair: “Everyone’s heard the Majority Leader’s motion, is there discussion? No discussion?”

Delegate Summers: “I would just like to say, I think it’s a great idea. We spend a lot of time during session doing this and it gets down to a time crunch at the end of the session. I think it’s a great idea.”

President Blair: “Oh behalf of our Transportation Chairman, which he’ll be happy I’m saying this, he will be very pleased as well. Anybody else? If not, all those in favor of the Majority Leader’s motion say aye, those opposed no, the ayes appear to have it, the ayes do have it, I declare the motion adopted. Before we go to other business, let’s get ready and go down through our book here for a minute and what we deal with each month. I see Craig Slaughter is here, Craig you got a presentation you want to make...or comments you want to make? Please take the podium.”

Craig Slaughter: “Your packets...the data...the performance data that we have mostly recently presented to...or sent to you all is...should be through March 31st of 2022 which is...that was a positive month. We were up 1.1% for the month and that brought us up to 1.6 positive for fiscal year to date and of course 20 years is 8.1%. When things aren’t quite as great, I refer to 20 years because the numbers are great after 20 years. That being said we all know that since March things have not gone well in the markets, they’ve been down a lot. Bonds and stocks have been down as interest rates have been rising and so we...our portfolio probably took...I’m sure it took some pretty significant hits. It may be down as much as 67% for that month, which leaves us in negative territory...so far anyway. May hasn’t been particularly good either, the...now with that being said, I kind of want to jump to a couple of things. One is just to bring you up to date on the Russian

situation. I'm sure some people...although that kind of seems like old hat now but just to clarify how our portfolio dealt with it. You know, Russia was always a small part of our portfolio, it's a small part of the emerging market index quite frankly. It's not really...even though we all think of it as a big country because it is big in geographic size...economically it's a small player. So, our exposure at the time of the invasion was about \$104 million dollars. It's currently priced at zero because it's not tradeable. Now, we know that those assets have value...now what they are it's just...again because they're not traded it's very very difficult to tell. Some of the assets are energy resources which we know have value but the conservative thing to do is price them at zero, so that's what we've done. Just so you'll know, one of our emerging market managers actually extricated us from Russia before the invasion, one did not, that's just the way it is sometimes. All these managers look at geopolitical risk, but some just have better structures for anticipating things than others and that's just one of the risks of dealing with a...in emerging markets. Looking forward, the key issue obvious...well I think it's probably obvious to everyone...is inflation, and what's going to happen to that. I think the...most prognosticators believe that inflation has probably peaked, although at a high level...and the question becomes how quickly does it fall and how much...and if it doesn't fall by as much as expectations or as fast as expectations, you run the risk of you know, more of a kind of a inflationary spiral that sometimes gets out of hand from a psychological standpoint. I read a lot about this and I'll be honest with you, there's good arguments on both sides of the picture. I've heard good arguments that you know inflation's going to fall significantly and that the stock market's going to rise for the rest of this year. I've heard predictions that are just the opposite of that...that inflation's not going to fall and that stocks are going to suffer for the

rest of the year. So, it's anybody's guess essentially. One bit of good news that seems to be out there is fed data suggests that the bank savings for the lowest 20% of the population is shrinking which...the positive about that is it means it's likely to force that percentage of the population into the labor market which may improve the labor supply and help significantly with inflation. So, be happy to answer questions."

President Blair: "Questions of Craig Slaughter? Amy Summers."

Delegate Summers: "I just have one question for you. We are going to be discussing in the next part of our meeting about restructuring how we handle our committee...the makeup of how we pursue our committee agendas. What do you think, from your standpoint, would be the most important time that you would want to come before us in a year to give us an update? Because I don't...I personally don't think it's necessary that you have to come every single time if we get a written report but what do you think would be the most meaningful time that we would want to ask you questions or you present us information in person?"

Craig Slaughter: "Well clearly the most important time is after we get the end of year...the end of fiscal year numbers. So, that would probably...just depends on when your meeting is in August or September."

Delegate Summers: "Okay."

Craig Slaughter: "If it's late enough in August, we often times can have the numbers by then...well, if it's late enough in July but usually it's not...so, we can probably have...we would definitely have them by August and then I would think maybe at the beginning of the session. The first meeting right before the session probably makes

sense. Otherwise, it's probably just if there's something major going on in the markets, you might want to call me and just ask me to come and on an ad hoc basis and I can do that or if I'm not available somebody in our office could come. I mean you've seen other people in my office and they...I've got several people that are perfectly capable of handling anything."

Delegate Summers: "Okay, thank you very much."

President Blair: "Further questions for Craig? I've got one for you before you go and that is that you were talking about the energy stocks and the investments that we've got with Russia and this could fall two different directions over there. One is that it could actually come back full force, if something happens with that government but it could be nationalized as well. Those stocks will be absolutely worth nothing forever, at that point in time. Have you done any reading on that?"

Craig Slaughter: "Uh...no. You know, Putin has kind of surprised a lot of people so it's...I really don't have a sense for how this is going to play out. I mean I...the way things are going I could see the Ukraine being successful which I never...I didn't anticipate that in the beginning, I thought that was a pipe dream but I've been surprised by that and if they are successful then the first scenario you suggested that you know, maybe something you know...they all come back and we're able to somehow or another there's a regime change or something that opens the door but I just wouldn't bet on anything."

President Blair: "I'm just curious about that I'm reading with interest on that on what's taking place and it's almost surprising the Ukraine is doing as well as what they are and so is it a paper tiger or are they just holding back for and there's so there's

discussion taking place right now on that. I'll stop...so, further questions? If not, thank you. It's my understanding somebody is here from the DHHR? Please...welcome!"

Cindy Beane: "Good afternoon, Cindy Beane, Bureau for Medical Services Commissioner, West Virginia DHHR. You have your reports before you, is there any questions about that? Other than that, the big news for West Virginia Medicaid is May 16th was the drop dead date for 60 day notice of the PHE to be ended on the federal level which means we're probably going to get another quarter of our (...inaudible...) enhancement which will take us to the end of the calendar year which is good news for us financially."

President Blair: "Questions of the committee? Delegate Boggs, interested in a question?"

Delegate Boggs: "I'm good today, thank you. Thank you for asking, I appreciate it."

President Blair: "You're welcome. Thank you, appreciate it."

Cindy Beane: "Thank you"

President Blair: "Is there anybody in from any other agencies? Somebody from the Governor's Office want to address the committee? You're welcome. Okay, last served, we're going to go to other business now and this is discussion on how the Joint Committee meetings will be handled moving forward. So, this is an open discussion for the committee. The person that has come in and handed me information from the get-go was Delegate Householder so why don't you start this conversation and then go from there."

Delegate Householder: “All right, thank you Mr. President. I thought our homework assignment was to come up with different ideas of different reports to be added and I’ve provided you and the Speaker a list of things that I would like to see be added. Did you want to read them or have the Majority Leader?”

President Blair: “You’ve got the paperwork in front of you, please do.”

Delegate Householder: “Okay, so I listed five things that I’d like to see added and I’ll just briefly run down through it and it’s not an exclusive list and by all means anything can be changed or added to what I have listed here...with broadband, I would like to see more of a breakdown of federal and state dollars received to date, breakdown on both. I’d like to see total projects completed with total cost to complete, list all the projects that are completed, okay? I think that would help me and answer questions to my constituents...constituents back in my district. I’d like to have a list of new projects with projected start dates and costs. So, any new projects let’s list them out so we know what those new projects are. Total number of new and existing subscribers for each project completed. I don’t know if that’s something that they would be able to follow because that’s all probably third party but I just wanted to list some things and then maybe an update on state parks with the internet services upgrades. So, that’s all under the topic of broadband.

Roman numeral number two, House Bill 4566, I think it’s important that we would have the breakdown. There’s two grants, breakdown of the Economic Enhancement Grant money to include matching grants for available projects for water, sewers, and storm water between the governmental agencies and not for profits. We just funded over \$250 million dollars into House Bill 4566. I think it’s imperative that we find out how those

matching grants are working, and I'd like to see a list of the projects, total appropriation of state dollars, for the counties, municipalities, and federal dollars involved with each project, and provide regional map data to see that available dollars are being dispersed across the state somewhat evenly I would hope. Within House Bill 4566 I'd like to see the breakdown of the enhancement grants sub account to include all the things that I just mentioned in item number one...and I've submitted two copies to the Senate President...and to include a breakdown between the seven specific categories listed in the bill. There are some advantages for those counties that if there's any tourism or economic development, they can participate and have availability to see some of the matching grant money.

On roman numeral number three, Senate Bill 2001, passed in the Second Extraordinary Session, which was a \$600 million dollar investment of the taxpayer dollars. I'd like to see a monthly report added on the revolve...the \$200 million-dollar new revolving loan between the DOT and the State Treasurer's Office. List all the money for any road maintenance or new construction from the Infrastructure Investment Reimbursement Fund, list the projects and dollar amounts and provide regional map data to see that available dollars are being dispersed around the state. \$200 million dollar updates on the Economic Development Fund by the EDA on the high impact projects, obviously they could be limited to what they can share with us but if there's any information that they can share, I think it's important to us...and also the \$200 million dollar update on the loans made to any new existing businesses from the Industrial Development Loans Fund. That makes up the \$600 million dollar money that we funded through Senate Bill 2001.

Roman numeral number four, monthly and yearly data funding on vacant positions across all agencies. I think that's important for us to see how many vacant positions, how much money we are funding in the budget each and every year.

And the last thing, roman numeral number five, updates on Roads to Prosperity, include all projects complete with cost to date and new projects with anticipated start dates. Those were...like I said it's not an exhaustive list just some new reports I thought..."

President Blair: "To the members, I took a picture of this and texted it to all of you, so you've got it in your possession at this point in time. (...inaudible...) meeting, I'll get this information to you."

Delegate Summers: "Yeah, I'd just like to make a comment."

President Blair: "Sure."

Delegate Summers: "I think these are all really great things and when I look through the book too, just about what do we need to keep, what do we need to scale down, I agreed that we need to keep broadband at the forefront and for us to be updated and I think on the roads as well so those...I mean these are things that are so important all across the state. I felt like on DHHR, we need different data and maybe each time we have a meeting, we zero in on one particular thing. So, we have people that come to us and say, you know, I need money for EMS or this is going on with the Medical Examiner's Office, whatever...but if each month we could focus in on one particular agency to get a little deeper dive because we just get a skimming of everything...where we could find out more particulars of that...and I sent a breakdown of ideas for DHHR to Aaron that you

and the Speaker can look at later to see if...if you think that's worthwhile...and I definitely think we need to keep the General Revenue portion of our meeting, of course."

President Blair: "Further discussion? Delegate Howell."

Delegate Howell: "Thank you, Mr. President. On the DOH, one of the things I would kind of like to see is...I'm not sure what the metric would be but we're taking care of a lot of deferred maintenance...so maybe it's like the average age of the asphalt on the state highways, we want to see that number dropping...kind of like...I'd like to see a metric of how we are improving our maintenance."

President Blair: "Discussion on that? Senator Plymale."

Senator Plymale: "Well, two things...if information can be sent to the committee member beforehand, I think there's a lot of the areas that we go over we don't need to have anybody. So, if that can be sent a week before and then we comment back or you all...at your all's discretion as the chairs, decide you know, this information if some member has gotten a hold of you that they need to have somebody there...otherwise I think we waste...we have a lot of people sitting in there and as soon as they give the information they leave and sometimes we don't even have any questions or anything so that's one suggestion I had."

Second thing is on Broadband, I think we're in a critical situation or critical state on the mapping side of this with the FCC getting ready to review the mapping. They are accepting only their information, not our information. So, having some correspondence with somebody from the FCC. I sit on the intergovernmental agency committee on the FCC that reviews...that is supposed to making recommendations, but if I see in the next

6-8 months, the most critical thing is them accepting our mapping and our mapping is much more accurate than theirs. It really determines who's served and who isn't served and if you think that 25/3...twenty-five up and three down, you know, if you think that's being served that's crazy because in the world we're in right now, it's not. I would also like to see us bring in some outside people like PEW Charitable Trusts, Kathryn de Wit is what I have in mind and say this is what's out there, this is the money that's coming down, this is how other places have done it and some different things like that that make sense. In my conversation with Jessica Rosenworcel, the Chair of FCC, these areas are of things that they are going to be looking at and I do think that this regional map disbursement is very important as it relates to what's happening in broadband as well."

President Blair: "Further discussion? All right I've got one and that is that the Governor's Office and the House and the Senate, we've met from time to time...in fact it was going on on a weekly basis with Governor Mansion...or Governor Manchin...Senator Manchin and Senator Caputo's office and the Congressman, their staff, and I think we ought to get ready and (...inaudible...) once every three or once a quarter or every four months something like that...set this meeting up so that we get all our work done like you were talking about and then we have an hour, hour long meeting with them...having the coordination so it's not just the leadership so to speak sitting in a meeting when everybody else is gone and so that we get a feel for what's going on. I think the whole point we're trying to get here on is to start solving the problems in advance, being proactive on things as well. So...and it's my understanding, correct me if I'm wrong Aaron, the Speaker and I set the agendas and we can do things on the fly and make things work so that we end up being more productive. I know the Speaker is in agreement with doing that, we've

worked very very well together on being able to get that done. So...other thoughts? Mr. Speaker you got any thoughts?"

Speaker Hanshaw: "The items that I had come prepared to suggest today that we would begin to add, I don't know about eliminate, I hope you've had some conversation about that already but in terms of the things to add, my thoughts were, that we should keep our financial update, that we all benefit from knowing where we stand financially but in terms of regular periodic things that we know we're dealing with on a almost continual basis now it's our broadband update that's of interest to all of us, it's an update on our flow of federal funds, the massive transfers of money that are coming in and going out seemingly change every week and I think we would all benefit from an updated understanding every time this committee meets as to where we stand with all that flow of funds. Our finance chairs gets some measure of input on that now as it comes and goes but I think we'd all benefit from that. A regular update on infrastructure and highway funding, I think...if I think about my own experience and extrapolate that to the other members the number one thing I get calls about from constituents is where we are on various infrastructure projects, where are we on highway funding. It's the DHHR reorganization that's a priority for all of us that we've been talking about for a long time now...and build our agenda off those as periodic updates for the kinds of problems Mr. President that I think you're describing. Those...those were the contributions that I wanted to make to our standing agenda in addition to whatever the committee has talked about thus far."

President Blair: "All right, we still got a half hour here, let's get ready and work together as a committee and draw a map on what our agendas will look like, unless

somebody's got a problem with it. It'll be less formal and just open discussion across the board on this but the broadband update, we're saying that we want that done every month and keep us up, correct?"

Speaker Hanshaw: "I think we keep that, I think that's one that we all care about that everybody takes a keen interest in."

President Blair: "Everybody in favor say aye...motion passed."

Delegate Summers: "And before you walked in Roger, Senator Plymale had some additional things that he was interested in about broadband that he can give to you guys."

President Blair: "Yeah, we'll weave all that in. So, that'll be part of the agenda every month. So, let's move down to the status reports on lottery."

Delegate Householder: "Can I mention something about—"

President Blair: "Sure."

Delegate Householder: "—broadband? As we start to build to build out these areas, I keep hearing rumors and I don't know that...hey a lot of these states, they're going after these broadband dollars, they're building out these areas but people aren't hooking to the service. That's what I was saying in my list, new and existing subscribers...is there any way for us to figure that out because let's just say we're spending \$600 million dollars in one certain region and we...and I'm just making this up...and only 2,000 subscribers hooked to it. I mean is that something that we should be concerned about?"

President Blair: "Yes, because when that's taking place from what I know—"

Delegate Householder: “So you’re hearing the same rumors or?”

President Blair: “Yeah but it’s happening in urban areas.”

Delegate Householder: “Okay.”

President Blair: “They’re putting the resources in and sometimes it’s their own resources but they’re building right over top of where there’s others so there’s a competitive environment there but it’s not getting the broadband put out here where they have nothing or—”

Delegate Householder: “And I don’t know that Mitch and his team could tell us that answer, can they?”

President Blair: “Oh I think they can.”

Delegate Householder: “With all new subscribers and so forth?”

President Blair: “I think they can.”

Delegate Householder: “Okay.”

President Blair: “I took notes on that one.”

Delegate Householder: “Okay.”

President Blair: “So, we’ll ask...I’m going to get this to Secretary Carmichael just as soon as this meeting’s done so that it’s done and that he can be working on it for next month when we’re back in together.”

Delegate Householder: “All right.”

President Blair: “Lottery...every three months? We’ll be getting the monthly report. Three months? Six months? (...inaudible...) committee? Trump, Charles Trump.”

Senator Trump: “Thank you, Mr. President. My thought would be because we very seldom have...not...it’s not never but we seldom have specific questions. I would like to continue to receive the reports monthly in our packets but maybe invite the director in quarterly or as you know, as requested if you know, if there’s something that comes through in a report that members of this committee have questions about then have the President and the Speaker invite...invite the director in to address those but that would be my thought. Maybe just have him quarterly, at the close of each quarter and I’m thinking sort of the same way with Mr. Slaughter and the Investment Management Board.”

President Blair: “All right, well I was going to go down through this list here on that and on this discussion, somebody coming in per request, that’s a given on any of those so...”

Speaker Hanshaw: “Mr. President, I would say at the outset of the discussion that we would ask Mr. Allred to continue to solicit from the agencies all the reports that we get every month but perhaps not have the representatives physically present but I would like to continue to receive all the written reports.”

President Blair: “I thought that was the intent.”

Speaker Hanshaw: “Agreed.”

President Blair: “That’s been the intent from day one that every report still comes in, you still get it in your packets, you review it and then if we wanted to add somebody to the agenda that is not...for instance, Craig Slaughter from Investment Management

Board...then somebody makes the request and we get him in and we add him to the agenda on the meeting. Otherwise, he's not on the agenda except for on a frequency of every quarter...I'm sitting here thinking I would probably argue that every six months is all right if we're going to do it per request."

Delegate Summers: "I think so too."

President Blair: "Any thoughts on...Delegate Howell."

Delegate Howell: "I would also like the agencies to know that if they see something coming that is...they believe we need to know that they get a hold of you and say hey we probably need to be at your next meeting, that they're fully aware that they can do that."

President Blair: "Good point, we'll get a letter put together and get it to all the agencies and out. Right, Mr. Speaker?"

Speaker Hanshaw: "Yes, I think what we want to achieve with this is creating a forum for this committee when it meets to be more of a discussion for generative strategic conversations about where the legislature needs to work with the executive to either solve problems or get ahead of issues or deal with things in a more thoughtful strategic way as opposed to hearing periodic reports. We need to get that information, we want to get it but what we want more than that is to work with the agencies to deal with actual problems."

President Blair: "I'm going to ask a question about lottery to the committee again because we just got done talking about doing it quarterly. Why don't we just let it up again to the chairs and we can have discussions ...(inaudible)... and then because everything

else is per request. So, what we need to figure out who's just going to be in here every month and that's it. Everything else is per request and then we will recognize...wait a minute okay something's going on at lottery so we get them in for it and once a year updates we can be asking or every six months, not even quarterly. Does that make sense?"

Delegate Summers: "I think that makes sense and Mr. Slaughter told us for him, for his agency, he thought like August and then January right before we start. That seems to make sense with a lot of the different agencies where they're...if it's financially relevant...they're winding up their year and then they're giving us an update before the session starts. I think that that's really good timing but like you said per request but that makes sense."

President Blair: "Senator Plymale."

Senator Plymale: "But I'd also stress that sometimes you don't know as a member until you get the packet and you've looked at it. If we could get the packet a week before, that would be possible. I mean you could send it electronically, everything can be done that way anymore and it's up to us to review it to get back with you beforehand."

President Blair: "Aaron Allred's got a comment on the packets."

Aaron Allred: "That's no problem we can do that. It probably means that agencies will be giving us data from the two months previous not the month before because for example if interims are on the 10th of the month, which sometimes they are, or the 15th, we may not have the data from the agencies to put the book together a week ahead of

time but we will certainly, we'll certainly send you the book out a week ahead of time just the data may be a month later."

President Blair: "I would argue let's just do what we're doing and see how it works out and then we'll make adjustments because I get your point but the logistics of it. So, let's do it the way we've done it, we'll get it in your hands as soon as possible. I would argue that we need a text message out too. I don't know about you guys but I get three and four hundred emails a day okay and so they get lost in the email. So, the text message comes out, you got an iPhone you can text that PDF right out and you can listen to...or read it right on your, from the text message but you don't have an iPhone well, that's not going to happen. All right, you've got everybody's cells anyhow, right? Alrighty. So, we're back to determining what we want every month for sure. Broadband is that way, get the report on all the budgetary constraints is every month as well, correct?"

Delegate Summers: "Yes."

Speaker Hanshaw: "I think we keep that one, that informs almost everything else we talk about and if we don't have a...if we don't have a fairly up to date handle on where we stand with our fiscal house, everything else is effectively for naught."

President Blair: "State Road Fund? Every month?"

Delegate Summers: "Yes"

President Blair: "Okay, Unemployment is that as needed basis?"

Speaker Hanshaw: "Yes, as needed."

President Blair: "Sorry I'm not doing this very formal, but this is discussion."

Delegate Summers: “No, I think it’s okay and now when we had our crisis where there was all this issue with unemployment then you would have requested they come because we had an urgent problem so...as needed too.”

President Blair: “PEIA/BRIM? Same thing?”

Delegate Summers: “Same thing.”

President Blair: “Quarterly or as needed?”

Delegate Summers: “As needed.”

President Blair: “Health and Human Resources?”

Delegate Summers: “Every month.”

Speaker Hanshaw: “Well, let’s be specific about that. What do we want to get every month from DHHR?”

Delegate Summers: “I think it varies; I gave a little talk about it before you came Roger just about each...each meeting that we have I think that we focus on a certain area because it is so massive—”

Speaker Hanshaw: “I think that’s correct.”

Delegate Summers: “—and we can deep dive into something specific. I was explaining to them we people like an EMS that come to us with all these issues, but we don’t always have a full understanding from them because we just hear about the money part of it, the Medicare, the money, you know, the different parts of it. So, I think we have to continue to get their reports. We don’t...CHIP numbers, we just need to know how many, how much that is, how many kids are insured in the state but we don’t need them

to speak to it but I think we are going to have to plan out and say this month we want to hear from this person, this person, whatever, foster care, whatever.”

President Blair: “Delegate Boggs first, he had his hand up.”

Delegate Boggs: “Thank you, Mr. President. There’s lots of critical information in the DHHR report and I agree with the Majority Leader. However, I just really want to make certain that we retain Aged and Disabled, TBI, and the IDD because that has been such an emotional issue with people all over the state and if we could...and I don’t know what the benchmark would be but if we see numbers starting to tick up again where we’re getting a waiting list again, I mean I know we have some in especially the IDD but we need to make sure we don’t revert back to a situation we were in a decade ago where we’ve got thousands of people on a waiting list, many of them in critical condition. So, that’s just something that’s I think it’s not only near and dear to me but I think that every one of our constituents that’s something that is a very important issue. So, whatever we do...if there’s some benchmark, if they see that that is starting to go in a bad direction...we need to know about it before we get a huge waiting list and then trying to figure out how we can scramble to get money or get more slots or whatever need to do.”

President Blair: “You want to make any comments?”

Cindy Beane: “The reports that I heard the committee say that they want to continue to get. Those would be...continue to come and so, you know, it would be leave of the committee how many is that threshold. I know Delegate Boggs, the Aged and Disabled Waiver is something that is very near and dear to your heart and so we haven’t had a waitlist on that program for a number of years now so it would just, you know,

depend. Historically, there's been about eight to nine hundred people roll off those (...inaudible...) every year. So, anytime you would get above an eight to nine hundred...nine-hundred-person waitlist on that program that would be people waiting for over a year. So, that might want to be your threshold or you or you might want to make it much smaller than that but that's just some information it's whatever you want that threshold to be."

President Blair: "Senator Tarr."

Senator Tarr: "Thank you, there's several things have been a crisis situation with DHHR which has led to a lot of discussion about breaking it up and having it looked at to see how...how many sections it should be or shouldn't be. So, some of the things that have been very critical to it have been vital statistics, CPS, EMS as the Majority Leader mentioned, and state hospitals. So, I would like to see when we've got things in there that we have that are the burning fires within DHHR that every time they come up here and they give us the number on the size of that fire and are we making progress or are we not...because some of these have continued to get worse despite hearing when the Secretary comes up he's got plan, got a plan, got a plan, got a plan, I've yet to see a plan implemented to get it done."

President Blair: "I'm going to make a suggestion that since the DHHR is going to be here every month that we send them away with what the request is for the next meeting as part of our agenda item to determine what information we'd like to have back for that next meeting and it can be more under the microscope so to speak, targeted, along with the normal report but then they give us a targeted...and each time we finish up a meeting

or their presentation then we collectively make the next suggestion back for the following month. Does that sound doable, or does that sound unattainable?”

Delegate Summers: “That sounds fine and since the Speaker and you are working on...you will be sort of setting the agenda, you can maybe fine tune the DHHR stuff a little bit more outside of this committee.”

Senator Baldwin: “Can ya’ll hear me?”

President Blair: “Yes.”

Senator Baldwin: “Thank you, Mr. President. If I could chime in on DHHR for just a second. You know there...in terms of specific things that we want to talk about, there was a letter that came from Senate Finance from Chairman Tarr there, back in January I believe, to the Joint Committee asking that we have an in-depth conversation with DHHR about a number of specific issues and I believe in that letter we asked that to happen before session ended. Obviously that’s been several months now and there’s lots going on up at DHHR but that would provide a number of those specific conversations that have already been identified through the legislative process as a starting point for DHHR say at our next meeting if the members think that’s appropriate?”

President Blair: “Sure. Anything else on DHHR? Any other further discussion on that? I think we got where we need to be on that. Delegate Howell”

Delegate Howell: “This may actually be a question for right now. The formula shortage, how’s that effecting WIC program right now?”

Cindy Beane: “I’m with the Medicaid—”

Delegate Howell: “Medicaid side.”

Cindy Beane: “—I really don’t know how the WIC program is handling the formula shortage but I can certainly take that question back.”

Delegate Howell: “Thank you.”

Delegate Summers: “I can update you if you want? So, WIC is guiding all of the people that are members that are utilizing WIC on different formulas they can choose. So, if they’ve been prescribed one thing, they are now allowing them to use other formulas that weren’t covered in the past. So, they’re allowing them...it’s expanded, what kind of things they can do and they’re all...so, they have nutritionists and different things at WIC and so they’re also talking through with the parents and helping them with their pediatrician...is there something else you need changed to? Are you an eleven-month-old infant that can start processing towards whole milk, you know, maybe a week or two sooner? During certain different issues...but they are trying to work with all of their clients on that, so...”

Delegate Howell: “Thank you.”

Delegate Householder: “Mr. President, I don’t know if it’s something that we may want to consider. We heard information, I guess the Governor’s Office, the Executive, put out an RFQ or RFP to hire consultants to monitor DHHR. I don’t know if they’ve done it yet, if that’s been completed but if they have, as the consultants are working on (...inaudible...) review maybe we could have them come to our meeting and discuss some of the results that they’re finding, so...”

Speaker Hanshaw: “Mr. President, if I can chime in on that. Yes, I think that’s exactly right and that was actually what I meant when I said the monthly DHHR report is exactly what the Chairman just said...that we would get a monthly update on the status of that workflow process.”

Delegate Householder: “Okay.”

President Blair: “All right.”

Speaker Hanshaw: “You want to talk about it now?”

President Blair: “I want you to come up here for a moment. Next item on the agenda...are we done with...if we’re not done, timeout. All right, we’re back to order, timeout’s over. Sorry about that but there was something else that pertains to this discussion that is taking place and I don’t...maybe people know at this table, maybe people do not, but they will when we’re finished here and that is that Jeremiah Samples...that all of us here have used extensively over the years for working with DHHR and has been a tremendous asset personally to me and I’ve heard it from many others but anyhow he’s been hired by the Joint Committee between the House and the Senate and as we move forward he’s in a consulting role of working with us and this all in a positive fashion, not a negative. It’s not designed to undermine anybody or anything like that but to be able to...I don’t know about the people sitting at this table but I’ll tell you right now that when I listen to a lot of this, I need an interpreter, I need somebody to explain to me what is going on, I don’t understand it. Jeremiah Samples has been that interpreter for me for many years so I was able to make the right decisions on what’s going on. That’s a common thread, the Majority Leader here just agreed with me on that.

So, the Speaker and I were able to work a deal and to get him to come to work for the Joint Committee is an asset for all of us moving into the future. This is not meant to thumb our nose at the Secretary or thumb our nose at the Governor or anything like that but we have a duty to be able to conduct our business and that...I believe he's a key ingredient and it expands beyond the confines of the DHHR too, it moves over into the insurance, the BRIM, the PEIA, the expertise that he can actually bring to the table. So, I thought well it's a little bit appropriate but the Speaker and I had not had a discussion about whether to bring this up and I don't like doing things without having a discussion before I do it and so we just had that beforehand. Mr. Speaker, would you like to add anything more to that?"

Speaker Hanshaw: "I will, we know that all the work that we have done, are doing, and intend to be doing with the Executive over the last several months and next several months on the reorganization, on some upcoming issues on PEIA, on some other insurance related matters, are going to require some collaborative work, they're going to require the Legislature and the Executive to be holding hands to formulate some plans of action here. So, we're doing a number of things with our staff, bringing on new staff, reorganizing some things within our staff to better prepare us to make some of those decisions throughout the rest of the summer while we're having interim processes as well as come January. So, this is just a part of that larger process."

President Blair: "Any further discussion pertaining to the DHHR? Charlie Trump."

Senator Trump: "Thank you, Mr. President. I would like to at least take the temperature of the group on maybe targeting or focusing the DHHR's next appearance before this committee to one specific area. Senate Finance Chair mentioned Child

Protective Services, CPS...and just a moment ago the House Finance Chair mentioned in his remarks, vacancies. In my communication with judges and prosecutors in our area we still have a terrible problem of vacancies and people leaving who are working as Child Protective Services workers. Mr. President, as you know these are critically important people who respond when there are calls about child safety, children perhaps being abused or neglected and the CPS workers are those which have to intervene and sometimes remove children from their homes. So, what...and I don't think it's a problem that's confined to the eastern panhandle either, I think that there may be vacancies across the state, maybe not as acute as they are in the eastern panhandle but I guess where I'm going with this is...if there's no (...inaudible...) from the committee, I would like that we ask....you know not today, that's not fair, to give them an opportunity to put together data...I would like to know, you know, what's the backlog right now, how many calls, we had...let me back up, we had a bill during the session and I think it passed, not 100% sure, that required them to make public the formula by which they allocate CPS workers in various regions around the state. I would like to know that, how they determine how many CPS workers they need in a region or circuit, what the vacancy situation is region or district, or circuit by circuit, what the backlog is of people who called the hotline about child or children in dangerous situations that haven't been addressed or haven't been responded to yet, and maybe for next month have the DHHR focus a presentation for us on those questions. Also, with you know, what ideas they have for improving the situation where it needs to be improved."

President Blair: "Delegate Summers."

Delegate Summers: “Senator Trump, the only thing I was thinking is the pay raise is going to go into effect July 1 and so maybe we should wait another month or two out and see because we’re talking...are we going to lose more people or did that sort of help us retain some of the people we had...they said you know what hey I’m getting that additional pay raise, I think I’m going to stay...and then when we get the report we’re not hearing the solution to be well you know what we’re going to give them a pay raise. I want that already to be, something that’s already happened because it seems like when we get...when we do get things that come in like that would be like the answer right? Well, we need more money and we’re going to be doing that. Instead, I want to be like beyond that and say okay well these are the other things we are doing to attract and retain workers and let that not be one of the things that they’re saying but I understand about the metrics and the numbers. If we get that report, then six months later we should be able to get the same thing and see if there’s been a difference, but I think it would be better to hold off another month or two on that.”

President Blair: “Senator Tarr.”

Senator Tarr: “I would add that when we do that though, the integrated eligibility system was one of the questions that the Senate Finance committee sent over to get a report on that because it’s been years and years and years behind...”

Delegate Summers: “Yeah.”

Senator Tarr: “...and the bill, one of the bills we had come across suggests they were wanting to put in a new software system, contract that out and do a dashboard, and the last time...I forget how many hundreds of millions we’re at right now, under water on

integrated eligibility system which is also a dashboard for DHHR that has failed to be implemented yet, so...and that has somewhat to do with the success of when DHHR's charged with a task by the legislature to implement it, have they implemented the task? So, I think more than just asking them, what do they need because we've been giving and giving and giving things that have been told they need, it's just not been implemented. So, I would like to see some accountability on the stuff we've been giving them to implement especially when it's costed hundreds of millions of dollars to the taxpayers of West Virginia. So, that...those questions submitted by the Finance Committee as mentioned by Senator Baldwin were directly at that. It was about, you know, here's the things we've given you to solve, here's the dollars we've given you to solve and to apply and yet there's no solution. So, I think that that's a good place to start is with some of those questions that came out of Senate Finance Committee and we can direct...take that directly to CPS as far as application."

President Blair: "Further discussion before I chime in a little bit? Got to take a bite at the apple."

Delegate Householder: "Mr. President, I do support the senator's idea in this. Instead of taking the shotgun approach we narrow and focus on...that way we're not overwhelmed, maybe money might be the motivator but maybe not we may have found out it might be leadership, why people are leaving you know? We're thinking it's money but I'm thinking we drill down and...data, we get the data that we need..."

President Blair: "In the next eight minutes, we've got to come to a determination on what we're actually going to say to the...what the DHHR needs to do for next month so...figure this...Delegate Boggs."

Delegate Boggs: “Mr. Chairman, to go back to the...along those same lines, go back to the...say the waiver programs. We may have sufficient money going into the program, we may have sufficient slots available to serve people, we may not have the workforce available to take care of those folks. So, I think the workforce component is vital. Just like we’re trying to retain, make sure we have workers, CPS workers, APS workers, for the waiver, and then home care, we need to make sure that we’ve got people out there that the agencies can actually serve the people that have been approved.”

President Blair: “Did you get all this? Do we need to put this in a letter format as a request or has it...because there’s a good many things in operation here and we...well, I started to say awhile ago, we got to take a bite at the apple, we can’t choke on it and everything that’s been discussed here is more than an hour-long meeting. So, we got to be able to put it into consumable format and be able to make results out of it.”

Cindy Beane: “If I may, there’s a lot and DHHR’s big so I would assume there would be a lot. So, you know if it were me in this committee you might want to focus on one thing at a time. Whether it be the facilities, you know to have them one month. Once you start getting into all the different commissioners coming up here you’re going to be more than your hour and you have other things that you’re going to want to hear about in that hour. So, you know, do you want to do the facilities, you know, one month have Commissioner Pack in and (...inaudible...) Children and Families here next month, if it’s Medicaid or the Waivers, certainly I would be the most appropriate representative but I think for the committee it would just be (...inaudible...) to decide what they want to prioritize each month but what I heard from Senator Tarr and others there’s a laundry list

of things that you have that you probably want to make one topic per month versus a laundry list of topics in a month.”

President Blair: “And the committee needs to understand that we’ve got interim committees that actually address this so we don’t want to be doing duplicates of work also but we want results so...”

Senator Tarr: “I would suggest we start with that letter from Finance Committee which directly said that we wanted them to report on accountability of the funds that were given to DHHR to implement to address these problems that have not been done and where those dollars went and why haven’t they been implemented...that letter went out and they were supposed to report to Joint...Finance...we asked that the report be before session was over, just didn’t get to that, it’s a good place to start and it’s...and it leads right into the other topics.”

Senator Trump: “Your letter includes CPS, Child Protective Services?”

Senator Tarr: “It includes components of what it would take to improve it...for the charges they’ve been given to do and failed to do so.”

President Blair: “Anybody have a problem with it? Okay, then I think we’re all good to go with doing that to start with to get us out of the gate and then move forward from here. All right, Investment Management Board we’ve already talked about. Workers Compensation, once a year if...otherwise, we’ll be getting the report each month. Is there anything else before the Treasury Report? That’s the same dynamic, correct?”

Delegate Summers: “Yeah, just get the report but they don’t have to come unless we have questions.”

President Blair: “How about reports that aren’t on what we’ve been normally doing? Anything outside the scope, thoughts on that? We’ve got to be finished up here in four minutes.”

Delegate Summers: “I think Delegate Householder brought up about the Department of Personnel as a different report, didn’t you? About vacancies and...”

President Blair: “We’ll be working off that.”

Delegate Summers: “Okay, okay sorry.”

President Blair: “Senator Takubo.”

Senator Takubo: “Thank you, Mr. President. One little area of concern just to bring to the committee’s attention is you know the drug abatement money that these big pharmaceutical companies are settling with counties and cities and they’re going to be getting windfalls of money. There’s guardrails about how that money has to be spent unlike the tobacco where they basically you did whatever you wanted to do with it. This money has to be spent to be directed towards the problem. My only concern is if these counties and cities go spend all this inappropriately it can get claw backed and then once it’s spent where they going to get the money? Because you’re talking hundreds of millions of dollars across counties and municipalities so I don’t know if this would be the appropriate committee but somebody needs to probably be looking to that and watching and seeing that they’re doing things or maybe the state, somebody in the...somebody’s putting some highlight on that before they start getting all this money to make sure that they’re following the fed guidelines. I know with the ARPA stuff, the Governor’s Office does a great job with that but this is going straight to the cities and the counties and so if

we don't keep some guidelines on that then a couple years down the road it gets pulled back, they're going to be coming to us saying well we're bankrupt, we're...the state's got to bail us out of this. So, I don't even know who to direct that towards or..."

President Blair: "Right...I do. There's been a meeting held already with Patrick Morrisey. Had a little bit of a discussion about...on how all that's coming in."

Senator Takubo: "That's to the state but then what happens to the money that comes to the..."

President Blair: "That discussion also took place about the counties but...look here's what I...that discussion would take an hour all on its own. On that...how about the committee put a request in to the Attorney General to be able to give us a report dealing with that and have a discussion and that can be the beginning of that. That sound good? All in favor say aye, motion passes. Anything else? Recognize the Majority Leader for a motion."

Speaker Hanshaw: "Mr. President, let me...if we're going to end, if we're about to adjourn...let me just make this comment for our agency guests, those that are here and those that are maybe listening. Our committees, not just this committee but all the committees of our legislature can often feel like an interrogation when you're the visitor, when you're the guest there at the microphone. I want to impress upon everybody that the conversations that the President and I have had leading up to this meeting have all been based upon how we become collaborative...that we...how we use these processes not to wring information out of the Executive Branch, quite the contrary but rather to say hey we've got this problem, how do we solve it? Or we've got this issue and so we need

you to do such and such so we can deal with it. That's what we want to do, we're...we don't want to...we don't want you to prepare meaningless reports that are a waste of your time. We want you to prepare information for us to tell us what we need to move out of the way so you can do your job in a different and more thorough and better way. We want you to tell us where you're under resourced, where you're understaffed, where you might be overstaffed, and where you might use your personnel better than you're using them today. That's the role we want to play and we're committed to that. Every conversation we've had has been about how do we make the opportunity that we've got together once a month or once every five to six weeks be as productive and strategic and generative as possible, and we can only be as successful as you can help us be and that means giving us the kind of information that you really want us to know. When things are not going well, we want you to tell us they're not going well so we can move them out and out of your way or make whatever change you tell us needs made that's within our power to make. So, don't...don't for any moment take what we're doing here through this exercise and what's going to flow from it as anything other than a desire to be collaborative. That's what we want to see happen."

President Blair: "Thank you, Mr. Speaker. Well said, I'm glad you said that because sometimes we lose sight of what...I did just now, I lost sight on being able to get the meeting done and that was probably the most important thing said in this meeting. That we're in the business of rebuilding a state, of West Virginia, and taking down the barriers, so thank you. Any other comments before we close out? I'll recognize the Majority Leader for a motion."

Delegate Summers: "I move we adjourn."

President Blair: “All those in favor of adjournment say aye, those opposed no, the ayes appear to have it, we’re adjourned.”

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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Charleston, WV 25301*

304-347-4870

July 20, 2022

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

- West Virginia Lottery as of June 30, 2022
Gross profit as of June 30, 2022 was \$583 million. Gross profit as of June 30, 2021 was \$529 million.
- West Virginia Unemployment Compensation Fund as of April 30, 2022:
Total disbursements were \$959 million lower than in fiscal year 2021. Overall ending trust fund balance was \$259.2 million higher on April 30, 2022 than on April 30, 2021.
- General Revenue Fund as of June 30, 2022
The general revenue collections ended the final month of fiscal year 2022 at 129% of the estimate for the year. Total collections were \$1.3 billion above the estimate for the fiscal year.
- State Road Fund as of June 30, 2022 ended the final month of fiscal year 2022 at 95% of the estimate for the year. Total collections were \$42 million below the estimate for the fiscal year.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



*Budget Division
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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: July 20, 2022

Re: Review of West Virginia Lottery Financial Information
As of June 30, 2022

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for June 30, 2022, from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$1.3 billion for July - June of fiscal year 2021-2022. Table games accounted for \$36 million of this total. Historic Resort Hotel video lottery accounted for \$8 million of total gross receipts. Gross lottery revenue has increased by 8% when compared with July - June of fiscal year 2020-2021. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July - June was \$583 million; for July - June of last fiscal year it was \$529 million. Expressed as a percentage, gross profit is 10% higher for fiscal year 2022 than for fiscal year 2021.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$554,577,000.00 has been accrued to the state of West Virginia for fiscal year 2021-2022. 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	\$61,607,000.00
Community and Technical College	\$4,993,000.00
Department of Education	\$14,357,000.00
Library Commission	\$11,514,000.00
Higher Education-Policy Commission	\$7,262,000.00
Tourism	\$6,732,000.00
Department of Natural Resources	\$3,444,000.00
Division of Culture and History	\$4,264,000.00
General Revenue Fund	\$125,000.00
Economic Development Authority	\$9,998,000.00
School Building Authority	\$18,000,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$142,296,000.00

Lottery continued

Excess Lottery Fund

Economic Development Fund	\$21,016,000.00
Higher Education Improvement Fund	\$15,000,000.00
General Purpose Fund	\$65,000,000.00
Higher Education Improvement Fund	\$29,000,000.00
State Park Improvement Fund	\$1,505,000.00
School Building Authority	\$18,987,000.00
Refundable Credit	\$9,009,000.00
WV Racing Commission	\$2,800,000.00
WV DHHR	\$0.00
Teacher's Retirement Savings	\$0.00
Division of Human Services	\$33,303,000.00
WV Lottery Statutory Transfers	\$61,022,000.00
Economic Development Authority	\$4,393,000.00
General Revenue Fund	\$22,500,000.00
Office of Technology	\$0.00
Excess Lottery Surplus	\$0.00
WV Infrastructure Council Fund	\$46,000,000.00
Total State Excess Lottery Revenue Fund	\$329,535,000.00

Total Budgetary Distributions:	\$471,831,000.00
Veterans Instant Ticket Fund	\$678,000.00
Pension Plan	\$00.00
TOTAL TRANSFERS	*\$472,509,000.00

* CASH BASIS

Lottery continued

Total Accrued last FY 2021:	\$166,942,000.00
Total Cash Distributions FY 2022:	\$472,509,000.00
Applied to FY 2021:	\$166,942,000.00
Applied to FY 2022:	\$305,567,000.00
Accrued for FY 2022 as of June 30:	\$249,010,000.00



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 *John A. Myers*
RE: Monthly Report on Lottery Operations
Month Ending June 30, 2022

DATE: July 18, 2022

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

Financial statements of the Lottery for the month ending June 30, 2022 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, sports wagering, and interactive gaming was \$100,146,287 for the month of June.

Transfers of lottery revenue totaling \$703,841 made for the month of June 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 June 30, 2022 was 1,503 and 1,228 respectively.

A listing of the names and amounts of prize winners has been provided to the Clerk of the Senate, the Clerk of the House and Legislative Services.

If any member of the Committee has questions concerning the Lottery, please call me. Also if any members of the Legislature wish to visit the Lottery offices, I would be pleased to show them our facilities and discuss the Lottery with them.

JAM
Attachment

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

WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

June 30, 2022

WEST VIRGINIA LOTTERY

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

	June 30, 2022	June 30, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 281,709	\$ 198,583
Accounts receivable	32,032	35,077
Inventory	1,436	911
Other assets	1,477	1,806
Total Current Assets	<u>316,654</u>	<u>236,377</u>
Noncurrent Assets:		
Capital assets	62,487	60,923
Less accumulated depreciation and amortization	<u>(20,161)</u>	<u>(18,503)</u>
Net Capital Assets	<u>42,326</u>	<u>42,420</u>
Total Noncurrent Assets	<u>42,326</u>	<u>42,420</u>
Total Assets	<u>\$ 358,980</u>	<u>\$ 278,797</u>
Deferred outflows of resources	<u>\$ 2,537</u>	<u>\$ 2,537</u>
Total assets and deferred outflows	<u>\$ 361,517</u>	<u>\$ 281,334</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 249,010	\$ 166,942
Estimated prize claims	16,087	16,445
Accounts payable	4,212	2,265
Other accrued liabilities	32,821	36,295
Total Current Liabilities	<u>302,130</u>	<u>221,947</u>
Deferred inflows	<u>\$ 2,355</u>	<u>2,355</u>
Net Position:		
Net Investment in capital assets	42,326	42,420
Unrestricted	14,706	14,612
Total Net Position	<u>57,032</u>	<u>57,032</u>
Total net position, liabilities, and deferred inflows	<u>\$ 361,517</u>	<u>\$ 281,334</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 TWELVE MONTH PERIOD ENDED JUNE 30, 2022
(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	FY 2022	FY 2021	FY 2022	FY 2021
Lottery revenues				
On-line games	\$ 5,767	\$ 5,233	\$ 73,956	\$ 76,106
Instant games	12,521	15,417	168,838	173,142
Racetrack video lottery	38,276	40,012	474,765	404,235
Limited video lottery	38,871	40,527	490,922	480,612
Table games	2,728	2,679	36,195	26,806
Historic resort	640	597	7,963	7,893
Sports Wagering	218	344	4,485	4,100
Interactive Wagering	1,124	673	12,926	5,077
	<u>100,145</u>	<u>105,482</u>	<u>1,270,050</u>	<u>1,177,971</u>
Less commissions				
On-line games	407	359	5,185	5,321
Instant games	877	1,079	11,818	12,120
Racetrack video lottery	17,855	19,246	245,183	212,774
Limited video lottery	19,047	19,858	240,552	235,500
Table games	1,157	1,135	15,339	11,358
Historic resort	335	355	3,981	4,097
	<u>39,678</u>	<u>42,032</u>	<u>522,058</u>	<u>481,170</u>
Less on-line prizes	2,963	2,612	37,390	37,985
Less instant prizes	8,527	10,481	115,062	117,318
Less ticket costs	197	129	1,998	1,680
Less vendor fees and costs	707	798	10,377	10,620
	<u>12,394</u>	<u>14,020</u>	<u>164,827</u>	<u>167,603</u>
Gross profit	<u>48,073</u>	<u>49,430</u>	<u>583,165</u>	<u>529,198</u>
Administrative expenses				
Advertising and promotions	181	428	5,790	4,338
Wages and related benefits	1,255	1,351	11,015	11,283
Telecommunications	72	50	686	687
Contractual and professional	1,139	453	6,595	5,990
Rental	31	12	276	204
Depreciation and amortization	138	138	1,658	1,659
Other administrative expenses	234	638	2,157	2,058
	<u>3,050</u>	<u>3,070</u>	<u>28,177</u>	<u>26,219</u>
Other Operating Income	<u>537</u>	<u>45,138</u>	<u>14,026</u>	<u>74,238</u>
Operating Income	<u>45,560</u>	<u>91,498</u>	<u>569,014</u>	<u>577,217</u>
Nonoperating income (expense)				
Investment income	232	(33)	111	622
Distributions to municipalities and counties	(762)	(794)	(9,622)	(9,420)
Distributions -capital reinvestment	(971)	(6,890)	(4,926)	(9,009)
Distributions to the State of West Virginia	(44,059)	(83,376)	(554,577)	(559,005)
	<u>(45,560)</u>	<u>(91,093)</u>	<u>(569,014)</u>	<u>(576,812)</u>
Net income	<u>-</u>	<u>405</u>	<u>-</u>	<u>405</u>
Net position, beginning of period	<u>57,032</u>	<u>55,589</u>	<u>57,032</u>	<u>55,589</u>
Net position, end of period	<u>\$ 57,032</u>	<u>\$ 55,994</u>	<u>\$ 57,032</u>	<u>\$ 55,994</u>

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

**WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2022**

(In Thousands)
-Unaudited-

	2022	2021
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 1,287,121	\$ 1,369,581
Cash payments for:		
Personnel costs	(11,096)	(11,261)
Suppliers	(13,819)	(13,770)
Other operating costs	(687,892)	(754,784)
Cash provided by operating activities	<u>574,314</u>	<u>589,766</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(472,509)	(507,388)
Distributions to municipalities and counties	(9,654)	(9,427)
Distributions to racetrack from racetrack cap. reinv. fund	(7,936)	(8,085)
Cash used in noncapital financing activities	<u>(490,099)</u>	<u>(524,900)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(1,564)</u>	<u>629</u>
Cash flows from investing activities:		
Investment earnings received	<u>475</u>	<u>1,015</u>
Cash provided by investing activities	<u>475</u>	<u>1,015</u>
Increase (decrease) in cash and cash equivalents	83,126	66,510
Cash and cash equivalents - beginning of period	198,583	132,073
Cash and cash equivalents - end of period	<u>\$ 281,709</u>	<u>\$ 198,583</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 569,014	\$ 577,217
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,658	1,659
Pension Expense		
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	3,045	117,372
(Increase) decrease in inventory	(525)	(372)
(Increase) decrease in other assets	(35)	(32)
Increase (decrease) in estimated prize claims	(356)	(107,473)
Increase (decrease) in accounts payable	1,948	(118)
Increase (decrease) in other accrued liabilities	(435)	1,513
Cash provided by operating activities	<u>\$ 574,314</u>	<u>\$ 589,766</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 \$755,071 and \$835,830 at June 30, 2022 and 2021, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in another postemployment benefits plan.

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 June 30, 2022 the carrying amounts of deposits (overdraft) with financial institutions were \$459 thousand with a bank balance (overdraft) of \$1,489 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):

	June 30, 2022	June 30, 2021
Deposits with financial institutions	\$ 459	\$ 461
Cash on hand at the Treasurer's Office	24,722	26,655
Investments with BTI reported as cash equivalents	256,528	171,467
	\$ 281,709	\$ 198,583

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 June 30, 2022 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2021	Additions	Deletions	Historical Cost At June 30, 2022
Construction in Progress		1,564	-	1,564
Buildings	48,243	-	-	48,243
Land	1,681			1,681
Equipment	10,999	-	-	10,999
	<u>\$ 60,923</u>	<u>\$ 1,564</u>	<u>\$ -</u>	<u>\$ 62,487</u>

Accumulated Depreciation:

	Historical Cost At June 30, 2021	Additions	Deletions	Historical Cost At June 30, 2022
Buildings	\$ 10,165	\$ 1,233	\$ -	\$ 11,398
Equipment	8,338	425	-	8,763
	<u>\$ 18,503</u>	<u>\$ 1,658</u>	<u>\$ -</u>	<u>\$ 20,161</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 June 30, 2022 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	\$ 2,314,278	\$ 31,466,165
Lotto America	480,765	4,896,281
Mega Millions	1,052,856	12,930,196
Total	\$ 3,847,899	\$ 49,292,642

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,161,793	\$ 15,752,056
Lotto America	247,810	2,455,608
Mega Millions	526,437	6,465,208
Total	\$ 1,936,040	\$ 24,672,872

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

	<u>PowerBall</u>	<u>Lotto America</u>	<u>Mega Millions</u>
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$125,000,000	\$9,000,000	\$45,000,000

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

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 121,461,125	\$ 1,340,121
Lotto America	5,974,726	455,226
Mega Millions	88,624,381	845,073
Total	<u>\$ 216,060,232</u>	<u>\$ 2,640,420</u>

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

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 \$20,493,598 at June 30, 2022, of which the Lottery's share was \$1,477,141.

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 11.

Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframe; otherwise, amounts accumulated in the fund revert to the state excess lottery revenue fund.

A summary of racetrack video lottery revenues for the month ended June 30, 2022 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2022	2021	2022	2021
Total credits played	\$ 437,002	\$ 414,180	\$ 5,435,672	\$ 4,546,773
Credits (prizes) won	(392,302)	(371,779)	(4,883,779)	(4,082,345)
Promotional credits played	(6,424)	(2,389)	(77,128)	(60,193)
Gross terminal income	38,276	40,012	474,765	404,235
Administrative costs	(495)	(709)	(13,729)	(13,035)
Net Terminal Income	37,781	39,303	461,036	391,200
Less distribution to agents	(17,855)	(19,246)	(245,183)	(212,774)
Racetrack video lottery revenues	<u>\$ 19,926</u>	<u>\$ 20,057</u>	<u>\$ 215,853</u>	<u>\$ 178,426</u>

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

	June 30, 2022	Year-to-Date
State Lottery Fund	\$ 3,563	\$ 100,453
State Excess Lottery Revenue Fund	15,423	110,829
Capital Reinvestment Fund	940	4,571
Total nonoperating distributions	<u>\$ 19,926</u>	<u>\$ 215,853</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 June 30, 2022 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2022	2021	2022	2021
Total credits played	\$ 514,539	\$ 531,087	\$ 6,407,567	\$ 6,204,072
Credits (prizes) won	(475,668)	(490,560)	(5,916,645)	(5,723,460)
Gross terminal income	\$ 38,871	\$ 40,527	\$ 490,922	\$ 480,612
Administrative costs	(777)	(811)	(9,818)	(9,612)
Gross Profit	38,094	39,716	481,104	471,000
Commissions	(19,047)	(19,858)	(240,552)	(235,500)
Municipalities and Counties	(762)	(794)	(9,622)	(9,420)
Limited video lottery revenues	\$ 18,285	\$ 19,064	\$ 230,930	\$ 226,080

NOTE 8 – TABLE GAMES

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 8 – TABLE GAMES (continued)

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

The cash transferred to the State Excess Lottery Revenue Fund in the current month is included in Note 11- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year ended June 30, 2022 were \$7,794,341 and \$103,414,024, 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	
	2022	2021	2022	2021
Table Games Privilege Tax	\$ 2,728	\$ 2,679	\$ 36,195	\$ 26,806
Interest on Table Games Fund	5	-	11	3
Administrative costs	(234)	(230)	(3,102)	(2,298)
Total Available for Distribution	<u>2,499</u>	<u>2,449</u>	<u>33,104</u>	<u>24,511</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	175	172	2,327	1,723
Thoroughbred & Greyhound Development Funds	140	138	1,861	1,379
Racing Association Pension Plan	69	67	910	674
Municipalities/ Counties	773	758	10,241	7,582
Total Distributions	<u>1,157</u>	<u>1,135</u>	<u>15,339</u>	<u>11,358</u>
Excess Lottery Fund	<u>\$ 1,342</u>	<u>\$ 1,314</u>	<u>\$ 17,765</u>	<u>\$ 13,153</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 June 30, 2022 and fiscal year-to-date follows (in thousands):

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Total credits played	\$ 4,786	\$ 7,565	\$ 73,505	\$ 88,205
Credits (prizes) won	(4,264)	(6,942)	(67,479)	(81,424)
Promotional credits played	(63)	(87)	(815)	(1,227)
Gross terminal income	459	536	5,211	5,554
Capital reinvestment	(22)	(25)	(245)	(261)
Excess Lottery Fund	(4)	(5)	(47)	(50)
Administrative costs	(25)	(29)	(281)	(300)
Hotel commissions	(194)	(227)	(2,204)	(2,349)
Net terminal income	214	250	2,434	2,594
Historic Resort Hotel Fund	136	159	1,548	1,650
Human Resource Benefit Fund	78	91	886	944

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 June 30, 2022 were \$515,953 and \$7,862,551 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Table games privilege tax	\$ 181	\$ 61	\$ 2,752	\$ 2,339
Administrative Costs	<u>(23)</u>	<u>(8)</u>	<u>(354)</u>	<u>(301)</u>
Total Available for Distribution	158	53	2,398	2,038
Historic Resort Hotel Fund	132	44	2,005	1,704
Human Resource Benefit Fund	26	9	393	334

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	\$ 136	\$ 1,548
Historic Resort Table Games	132	2,005
Interest on Historic Resort Hotel Fund	<u>1</u>	<u>3</u>
Historic Resort Hotel Fund Net Income	269	3,556
Municipalities/ Counties	37	498
Excess Lottery Fund	<u>232</u>	<u>3,058</u>
Total Distributions	<u>\$ 269</u>	<u>\$ 3,556</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 June 30, 2022 were \$2,177,732 and \$44,845,602, 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	
	2022	2021	2022	2021
Sports Wagering Privilege Tax	\$ 218	\$ 344	\$ 4,485	\$ 4,100
Interest on Sports Waging Fund	-	-	-	-
Administrative Costs	(33)	(52)	(673)	(615)
Total Available for Distribution	185	292	3,812	3,485

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 June 30, 2022 were \$7,491,811 and \$86,172,746 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	
	2022	2021	2022	2021
Interactive Wagering Privilege Tax	\$ 1,124	\$ 673	\$ 12,926	\$ 5,077
Interest on Interactive Wagering Fund	5	-	11	1
Administrative Costs	<u>(169)</u>	<u>(101)</u>	<u>(1,939)</u>	<u>(762)</u>
Total Available for Distribution	960	572	10,998	4,316

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

	Current Month	Year-to-Date
Pensions	9	110
Lottery Fund	951	10,888
Total Distributions	<u>\$ 960</u>	<u>\$ 10,998</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, 2022 the State Legislature budgeted \$125,422,650 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 \$6,539,201 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 June 30, 2022 the Lottery has accrued additional distributions of \$249,009,938. 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>June 30, 2022</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$	\$ 4,993
Bureau of Senior Services		61,607
Department of Education		14,357
Library Commission		11,514
Higher Education-Policy Commission		7,262
Tourism		6,732
General Revenue		125
Natural Resources		3,444
Division of Culture & History		4,264
Economic Development Authority		9,998
School Building Authority		18,000
Total State Lottery Fund	\$ -	\$ 142,296

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

State Excess Lottery Revenue Fund:

Economic Development Fund	\$	\$	21,016
Higher Education Improvement Fund			15,000
General Purpose Account			65,000
Higher Education Improvement Fund			29,000
State Park Improvement Fund			1,505
School Building Authority			18,987
Refundable Credit	655		9,009
WV Racing Commission			2,800
WV Department of Health and Human Resources			
Teacher's Retirement Savings			
Division of Human Services			33,303
WV Lottery Statutory Transfers			61,022
Economic Development Authority			4,393
General Revenue Fund			22,500
Office of Technology			
Excess Lottery Surplus			
West Va. Infrastructure Council			46,000
Total State Excess Lottery Revenue Fund	\$	\$	329,535
Total Budgetary distributions:	\$	\$	471,831
Veterans Instant Ticket Fund	\$	\$	678
Total nonoperating distributions to the State of West Virginia (cash basis)	\$	\$	472,509
Accrued nonoperating distributions, beginning	(205,655)		(166,942)
Accrued nonoperating distributions, end	249,010		249,010
	\$	\$	554,577

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 June 30, 2022 and June 30, 2021 approximated \$276,448 and \$203,728 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 June 30, 2022 and June 30, 2021 approximated \$1,079,471 and \$1,085,053 respectively.

NOTE 14 – COMMITMENTS

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

NOTE 15 - RETIREMENT BENEFITS

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

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

Covered employees hired prior to July 1, 2015 are required to contribute 4.5% of their salary to the PERS. Covered employees hired on or after July 1, 2015 will contribute 6.0% of their salary to the PERS Tier II. The Lottery is required to contribute 10% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending June 30, 2022 and fiscal year-to-date are as follows (in thousands):

	June 30, 2022	Year-to-Date
Employee contributions	\$ 30	\$ 386
Lottery contributions	62	884
Total contributions	\$ 92	\$ 1,270

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 TWELVE MONTH PERIOD ENDED JUNE 30, 2022
 (In Thousands)**

	Current Month		FISCAL YEAR	
	Actual	Projected	Actual	Projected
Gross Revenues				
Instant games	12,521	7,500	168,838	90,000
On-line games	5,767	5,033	73,956	60,400
Racetrack video lottery	38,276	35,348	474,765	444,000
Limited video lottery	38,871	27,921	490,922	349,600
Racetrack table games	2,728	2,259	36,195	29,300
Historic resort	640	318	7,963	4,400
Sports wagering	218	208	4,485	2,500
Interactive wagering	1,124	-	12,926	-
Total gross revenues	100,145	78,587	1,270,050	980,200
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	1,707	870	17,627	10,445
On-line games	1,532	1,445	21,119	17,335
Racetrack Video Lottery	4,921	4,529	100,508	95,528
Sports wagering	292	177	3,815	2,125
Interactive wagering	450	-	10,888	-
Total Lottery Fund net revenues	8,902	7,021	153,957	125,433
Excess Lottery Fund				
Racetrack Video Lottery	14,147	12,466	110,970	101,333
Limited Video Lottery	19,027	13,134	230,711	164,452
Limited Video Lottery Fees	44,738	-	10,224	8,500
Racetrack table games	1,315	1,108	17,764	14,374
Historic resort	180	114	3,105	1,598
Total Excess Lottery Fund Net Revenues	79,407	26,822	372,774	290,257
Total Net Revenues	88,309	33,843	526,731	415,690

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: July 19, 2022

Re: Status of General Revenue Fund and State Road Fund as of
June 30, 2022 (FY 22)

We have read the cash flow of the West Virginia general revenue fund as of June 30, 2022 which is the final month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 129% of the estimate for the fiscal year. Total collections were \$1.3 billion above the estimate for the fiscal year.

Personal Income Tax collections were \$461.5 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$181.7 million above the estimate for the year.

Severance Tax was \$438.9 million above the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$206 million above the estimate for the fiscal year.

State Road Fund

The state road fund collections were 95% of the estimate for the fiscal year. Total collections were \$42 million below the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve **Fund A** (Rainy Day Fund) had a cash balance of \$369,264,049.99 as of June 30, 2022.

Balance July 1, 2021	\$441,663,052.88
*Loan-General Revenue Fund 7-1-21	(68,500,000.00)
Loan payback 9-17-21	68,500,000.00
Fiscal year 21 Surplus	15,401,416.45
6-24-21 Special Session appropriation	50,000,000.00
**Loan-General Revenue Fund 6-30-22	(69,500,000.00)
Earnings/(Loss)	(68,300,419.34)
Balance June 30, 2022	\$369,264,049.99

*\$68.5 million loan to state General Revenue Fund 7/1/2021 for beginning of the year cash flow, to be repaid within 90 days. Loan was repaid 9-17-21.

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

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$517,987,748.03 as of June 30, 2022.

Balance July 1, 2021	\$553,481,351.13
Earnings	(35,493,603.10)
Balance June 30, 2022	\$517,987,748.03

The **Personal Income Tax Reserve** Fund had a \$11,000,000.00 cash balance as of June 30, 2022.

Balance July 1, 2021	\$11,000,000.00
Balance June 30, 2022	\$11,000,000.00

**STATE OF WEST VIRGINIA
REVENUE COLLECTIONS
FISCAL YEAR 2022
as of June 30, 2022**

GENERAL REVENUE FUND

	MONTH ESTIMATES	ACTUAL MONTH COLLECTIONS	FINAL MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	ACTUAL YTD COLLECTIONS	FINAL YTD COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Personal Income Tax	\$ 201,000,000	\$ 232,131,320	\$ 31,131,320	\$ 2,041,300,000	\$ 2,502,828,097	\$ 461,528,097	123%
Consumer Sales Tax & Use Tax	161,800,000	192,849,321	31,049,321	1,473,800,000	1,655,483,269	181,683,269	112%
Severance Tax	40,200,000	120,867,497	80,667,497	329,925,000	768,793,845	438,868,845	233%
Corporate Net Income Tax	25,000,000	71,683,668	46,683,668	160,300,000	366,315,709	206,015,709	229%
Insurance Tax	680,000	908,583	228,583	126,600,000	135,846,802	9,246,802	107%
Tobacco Products Tax	13,900,000	14,552,714	652,714	164,600,000	165,066,361	466,361	100%
Business and Occupation	9,400,000	14,325,070	4,925,070	111,000,000	110,502,166	(497,834)	100%
Liquor Profit Transfers	2,100,000	4,630,293	2,530,293	25,100,000	29,473,922	4,373,922	117%
Departmental Collections	1,350,000	1,765,817	415,817	23,700,000	26,344,385	2,644,385	111%
Property Transfer Tax	1,300,000	1,698,190	398,190	13,400,000	17,855,545	4,455,545	133%
Property Tax	110,000	221,303	111,303	7,600,000	7,908,368	308,368	104%
Beer Tax and Licenses	1,020,000	1,054,418	34,418	7,550,000	7,571,090	21,090	100%
Miscellaneous Transfers	210,000	196,050	(13,950)	2,000,000	16,740,119	14,740,119	837%
Interest Income	500,000	4,575,120	4,075,120	5,500,000	(1,705,779)	(7,205,779)	-31%
Refundable Credit Reimb Liability	-	655,038	655,038	10,000,000	9,008,646	(991,354)	0%
HB 102 - Lottery Transfers	-	-	-	65,000,000	65,000,000	-	0%
Miscellaneous	2,500,000	112,211	(2,387,789)	11,000,000	2,467,426	(8,532,574)	22%
Business Franchise Fees	50,000	109,329	59,329	700,000	1,076,453	376,453	154%
Estate & Inheritance Tax	-	-	-	-	-	-	0%
Liquor License Renewal	46,000	45,151	(849)	766,000	766,276	276	100%
Special Revenue Transfers	-	-	-	-	-	-	0%
Charter Tax	-	-	-	-	2,284	2,284	0%
Telecommunications Tax	-	-	-	-	-	-	0%
Video Lottery Transfers	-	28,474	28,474	-	554,115	554,115	0%
July-Dec Retro Rev Adj	-	-	-	-	-	-	0%
Cash Flow Transfer	-	-	-	-	-	-	0%
SUBTOTALS	\$ 461,166,000	\$ 662,409,565	\$ 201,243,565	\$ 4,579,841,000	\$ 5,887,899,096	\$ 1,308,058,096	
Less: Cash Flow Transfer	-	-	-	-	-	-	
Less: Special Revenue Transfer	-	-	-	-	-	-	
TOTALS	\$ 461,166,000	\$ 662,409,565	\$ 201,243,565	\$ 4,579,841,000	\$ 5,887,899,096	\$ 1,308,058,096	

Percent of Estimates

144%

129%

Collections this day

\$ 2,972,907

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

July 01, 2022

**STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
JUNE 2021 vs JUNE 2022**

GENERAL REVENUE FUND

	Actual Collections Jun 2021	Actual Collections Jun 2022	Actual Collections 12 Months Jul-Jun 2021	Actual Collections 12 Months Jul-Jun 2022	YTD \$ Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Personal Income Tax	\$ 156,273,911	\$ 232,131,320	\$ 2,253,788,399	\$ 2,502,828,097	\$ 249,039,698	11%
Consumer Sales Tax & Use Tax	175,751,655	192,849,321	1,537,244,806	1,655,483,269	118,238,463	8%
Severance Tax	56,320,986	120,867,497	274,255,914	768,793,845	494,537,930	180%
Corporate Net Income Tax	63,859,362	71,683,668	320,487,005	366,315,709	45,828,704	14%
Insurance Tax	704,859	908,583	118,061,442	135,846,802	17,785,360	15%
Tobacco Products Tax	16,389,201	14,552,714	171,186,918	165,066,361	(6,120,557)	-4%
Business and Occupation	16,639,710	14,325,070	133,128,056	110,502,166	(22,625,890)	-17%
Liquor Profit Transfers	2,905,383	4,630,293	25,586,585	29,473,922	3,887,337	15%
Departmental Collections	1,407,411	1,765,817	23,880,472	26,344,385	2,463,913	10%
Property Transfer Tax	1,581,278	1,698,190	15,942,799	17,855,545	1,912,746	12%
Property Tax	278,962	221,303	8,121,252	7,908,368	(212,884)	-3%
Beer Tax and Licenses	1,101,608	1,054,418	7,877,098	7,571,090	(306,008)	-4%
Miscellaneous Transfers	980,474	196,050	1,710,304	16,740,119	15,029,815	879%
Interest Income	750,008	4,575,120	9,661,294	(1,705,779)	(11,367,073)	-118%
Refundable Credit Reimb Liability	-	655,038	10,000,000	9,008,646	(991,354.00)	0%
HB 102 - Lottery Transfers	-	-	65,000,000	65,000,000	-	0%
Miscellaneous	190,404	112,211	8,568,148	2,467,426	(6,100,723)	-71%
Business Franchise Fees	76,910	109,329	796,584	1,076,453	279,869	35%
Estate & Inheritance Tax	-	-	-	-	-	0%
Liquor License Renewal	45,151	45,151	1,950,640	766,276	(1,184,364)	0%
Special Revenue Transfers	-	-	-	-	-	0%
Charter Tax	477	-	12,018	2,284	(9,735)	-81%
Video Lottery Transfers	44,537	28,474	317,072	554,115	237,043	-
July-Dec Retro Rev Adj	-	-	-	-	-	0%
Cash Flow Transfer	-	-	-	-	-	0%
SUBTOTALS	\$ 495,302,288	\$ 662,409,565	\$ 4,987,576,806	\$ 5,887,899,096	\$ 900,322,290	
Less: Cash Flow Transfer	-	-	-	-	-	
Less: Special Revenue Transfer	-	-	-	-	-	
TOTALS	\$ 495,302,288	\$ 662,409,565	\$ 4,987,576,806	\$ 5,887,899,096	\$ 900,322,290	

Increase/Decrease over Prior Period **\$ 167,107,277**

% Increase/Decrease over Prior Period **34%** **18%**

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
July 19, 2022

**STATE OF WEST VIRGINIA
REVENUE COLLECTIONS
FISCAL YEAR 2022
as of June 30, 2022**

STATE ROAD FUND

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	FINAL YEARLY COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Motor Fuel Tax	\$ 34,600,000	\$ 34,464,638	\$ (135,362)	\$ 430,000,000	\$ 419,593,109	\$ (10,406,891)	98%
Sales/Privilege Tax	21,844,000	25,002,697	3,158,697	260,000,000	300,582,621	40,582,621	116%
Licenses & Registration	22,362,000	15,157,630	(7,204,370)	174,000,000	136,233,900	(37,766,100)	78%
Miscellaneous	4,000,000	1,540,183	(2,459,817)	50,000,000	15,731,271	(34,268,729)	31%
Highway Litter Control	211,000	145,810	(65,190)	1,700,000	1,593,219	(106,781)	94%
Federal Reimbursement	36,000,000	44,312,115	8,312,115	505,000,000	474,423,890	(30,576,110)	94%
SUBTOTALS	\$ 119,017,000	\$ 120,623,073	\$ 1,606,073	\$ 1,420,700,000	\$ 1,348,158,011	\$ (72,541,989)	
Less: Federal Reimbursement	36,000,000	44,312,115	8,312,115	505,000,000	474,423,890	(30,576,110)	
TOTALS	\$ 83,017,000	\$ 76,310,958	\$ (6,706,042)	\$ 915,700,000	\$ 873,734,121	\$ (41,965,879)	

Percent of Estimates

92%

95%

Collections this day

\$ 10,080,039

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of June 30, 2022 : \$ 369,264,049.99

\$68.5 million loan to General Revenue fund 7/1/21 for beginning of the year cash flow, to be repaid within 90 days.

Loan was repaid 9-17-21

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of June 30, 2022: \$ 517,987,748.03

SPECIAL INCOME TAX REFUND RESERVE FUND as of June 30, 2022: \$11,000,000.00

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

July 01, 2022

**STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
JUNE 2021 vs JUNE 2022**

STATE ROAD FUND

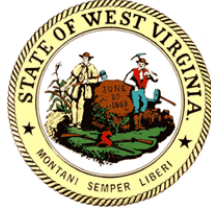
	Actual Collections June 2021	Actual Collections June 2022	Actual Collections 12 Months Jul-Jun 2021	Actual Collections 12 months Jul-Jun 2022	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Gasoline & Motor Carrier Rd Tax	\$ 43,526,278	\$ 34,464,638	\$ 399,541,633	\$ 419,593,109	\$ 20,051,476	5%
Privilege Tax	28,051,168	25,002,697	300,975,366	300,582,621	(392,745)	0%
Licenses & Registration	17,124,546	15,157,630	136,484,255	136,233,900	(250,354)	0%
Miscellaneous	149,143,885	1,540,183	223,090,349	15,731,271	(207,359,078)	-93%
Highway Litter Control	146,689	145,810	1,878,798	1,593,219	(285,580)	-15%
Federal Reimbursement	30,823,943	44,312,115	374,421,865	474,423,890	100,002,025	27%
SUBTOTALS	\$ 268,816,510	\$ 120,623,073	\$ 1,436,392,266	\$ 1,348,158,011	\$ (88,234,256)	
Less: Federal Reimbursement	30,823,943	44,312,115	374,421,865	474,423,890	100,002,025	
TOTALS	\$ 237,992,567	\$ 76,310,958	\$ 1,061,970,401	\$ 873,734,121	\$ (188,236,280)	

Increase/Decrease over Prior Period **\$ (188,236,280)**

% Increase/Decrease over Prior Period **-18%**

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
July 13, 2022

Office of the Legislative Auditor



Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590
304-347-4870

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

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

Date: June 8, 2022

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the April 30, 2022 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of April 30, 2022 of fiscal year 2021-2022, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2021	\$ 79,377,584.29
Receipts July 1,2021 thru June 30, 2022	\$ 943,202,839.13
Disbursements July 1, 2021 thru June 30, 2022	\$ 691,438,970.35
Balance April 30, 2022	\$ 331,141,453.07

ITEMS OF NOTE:

Regular benefits paid for July - April 2022 were \$ 9.5 million less than July - April 2021.

Federal emergency benefits totaled \$(5098) for July - April 2022. For July - April 2021, federal emergency benefits totaled \$(3543).

Total disbursements were \$959 million less in July - April 2022 than the preceding July - April 2021.

Receipts as of July - April 2022, were \$770.4 million less than in July - April 2021. Overall ending trust fund balance was \$259.2 million higher on April 30, 2022 than on April 30, 2021.

Seasonally adjusted unemployment rates for April 2022 were 3.6 percent for West Virginia and 3.6 percent nationally.

Since April 2021, employment has increased by 17,400. Employment increases included 7,400 in leisure and hospitality, 3,500 in trade, transportation and utilities, 2,000 in professional and business services, 1,500 in mining and logging, 1,200 in manufacturing, 900 in other services, 800 in financial activities, 1,300 in construction, and 300 in information. Employment declines included 1,900 in education and health services, and 1,100 in government.

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

Amounts that have been revised

	FEBRUARY 2021	MARCH 2021	APRIL 2021	FEBRUARY 2022	MARCH 2022	APRIL 2022	THREE MONTH TOTAL VARIANCE *
Balance Forward	\$ 10,551,839.17	\$ 8,162,192.32	\$ 21,572,667.78	\$ 321,552,258.38	\$ 318,754,981.10	\$ 311,628,552.98	\$ 911,649,093.19
Add Receipts:							
1. Bond Assessment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Regular Contributions:	17,141,683.89	1,362,765.38	62,240,702.52	8,037,738.68	1,255,370.49	26,531,670.62	(44,920,372.00)
3. Federal Emergency Benefits (PEUC)	20,319,106.52	23,641,692.48	16,415,532.45	6,578.99	(96,471.72)	21,936.93	(60,444,287.25)
4. Federal Share Extended Benefits (EB)	102,849.02	77,072.00	17,300.00	382.00	(14,013.67)	-	(210,852.69)
5. Federal Additional Compensation - FPUC	57,935,377.43	63,020,788.03	43,897,607.10	114,362.77	58,099.93	61,718.94	(164,619,590.92)
6. Pandemic Unemployment Assistance PUA	4,837,291.00	5,064,117.00	4,208,136.00	1,368.00	(547,873.12)	59,974.00	(14,596,075.12)
7. UCFE (Federal Agencies)	234,130.99	376,989.57	173,018.05	79,650.53	76,048.17	61,994.67	(566,445.24)
8. TSFR From Non-Invstd FUA	-	-	-	-	-	292,000.00	292,000.00
9. EUISAA - EMER US RELIEF	487,199.00	533,722.00	-	146,002.00	-	-	(874,919.00)
10. Treasury Interest Credits	-	130,969.17	(130,969.17)	-	1,259,362.40	-	1,259,362.40
11. UCX (Military Agencies)	101,058.68	241,379.30	62,620.25	48,145.49	35,406.38	29,445.71	(292,060.65)
12. Temporary Compensation	-	-	-	-	-	-	-
13. BT to State UI Account	2,529,000.00	2,298,045.18	176,754.95	-	-	-	(5,003,800.13)
14. UI Modernization	-	-	-	-	-	-	-
15. Loan Advance	1,266,565.96	19,157,152.41	2,735,001.66	-	-	-	(23,158,720.03)
Total Monthly Receipts	\$ 167,203,217.18	\$ 166,656,349.61	\$ 221,220,453.78	\$ 28,916,869.26	\$ 12,011,605.34	\$ 58,377,090.84	\$ (455,774,455.13)
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$ 23,702,483.89	\$ 20,127,346.46	\$ 14,740,553.45	\$ 10,726,845.77	\$ 8,642,442.05	\$ 7,039,893.82	(32,161,202.16)
Federal Emergency Compensation - PEUC	20,428,408.94	20,293,999.94	16,423,541.76	39,337.96	33,321.03	21,697.93	(57,051,593.72)
Federal Additional Compensation - FPUC	58,013,641.47	56,138,317.92	43,571,024.41	330,016.46	349,312.79	331,833.74	(156,711,820.81)
Pandemic Unemployment Assistance PUA	4,825,991.00	5,168,467.00	4,087,643.00	13,196.76	24,518.00	57,475.00	(13,986,911.24)
Federal Emergency Benefits (EUC08)	-	-	(240.00)	-	-	-	240.00
Federal Extended - 2112	92,942.02	71,984.00	20,268.00	382.00	-	-	(184,812.02)
Emergency Benefits (TEUC)	-	-	-	-	-	-	-
UCFE (Federal Workers) Benefits	208,411.26	350,438.95	170,283.65	76,645.55	66,054.19	64,488.58	(521,945.54)
UCX (Military Workers) Benefits	72,030.76	232,154.43	57,156.36	45,747.15	36,708.92	30,451.71	(248,433.77)
Reed Act Funds	-	-	-	-	-	-	-
EUISAA Title IX	-	111,508.36	390,270.42	-	-	-	(501,778.78)
Total Monthly Disbursements	\$ 169,592,864.03	\$ 153,245,874.15	\$ 170,885,251.02	\$ 31,714,146.54	\$ 19,138,033.46	\$ 38,864,190.75	\$ (404,007,618.45)
Trust Fund Balance	\$ 8,162,192.32	\$ 21,572,667.78	\$ 71,907,870.54	\$ 318,754,981.10	\$ 311,628,552.98	\$ 331,141,453.07	\$ 859,882,256.51

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

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

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

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

UC TRUST FUND ACTUAL – 2022

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

FOR RELEASE: July 20, 2022
Contact: Andy Malinoski
Andy.E.Malinoski@wv.gov
304-957-9318

State Unemployment Rate Inches Upward in June 2022

West Virginia's seasonally adjusted unemployment rate inched upward one-tenth of a percentage point to 3.6 percent in June 2022. The number of unemployed state residents climbed 800 to 28,700. Total employment grew by 500 over the month. The national unemployment rate remained at 3.6 percent in June.

Total nonfarm payroll employment fell 7,400 in June, with a decline of 7,900 in the service providing sector, due almost entirely to the removal of May election poll workers from the survey, and a gain of 500 in the goods-producing sector. Within the goods-producing sector, employment gains included 400 in manufacturing and 100 in mining and logging. Construction employment was unchanged over the month.

Within the service-providing sector, employment gains included 600 in professional and business services, 400 in education and health services, and 200 in financial activities. Employment declines included 7,700 in government, due to the removal of poll workers from the survey, 800 in trade, transportation, and utilities, 300 in leisure and hospitality, 200 in other services, and 100 in information.

Since June 2021, total nonfarm payroll employment has increased by 20,400. Employment gains included 5,300 in leisure and hospitality, 4,300 in professional and business services, 3,600 in construction, 2,000 in trade, transportation, and utilities, 1,900 in mining and logging, 1,700 in manufacturing, 900 in financial activities, 600 in other services, and 400 in information. Employment declines included 200 in government and 100 in education and health services.

West Virginia's not seasonally adjusted unemployment rate climbed nine-tenths of a percentage point to 4.3 percent in June.

West Virginia's seasonally adjusted labor force participation rate rose one-tenth of a percentage point to 55.2 percent in June 2022.

WEST VIRGINIA
(In Thousands - Seasonally Adjusted)
June 2022

	Prelim. Jun 2022	Revised May 2022	Revised Jun 2021	Change from:	
				May 2022	Jun 2021
Civilian Labor Force	797.0	795.8	790.2	1.2	6.8
Total Employment	768.4	767.9	748.3	0.5	20.1
Total Unemployment	28.7	27.9	41.9	0.8	-13.2
Unemployment Rate	3.6	3.5	5.3	xx	xx
Labor Force Participation Rate	55.2	55.1	54.8	xx	xx
NONFARM PAYROLL EMPLOYMENT BY INDUSTRY					
Total Nonfarm	704.3	711.7	683.9	-7.4	20.4
Total Private	556.6	556.3	536.0	0.3	20.6
Goods Producing	99.6	99.1	92.4	0.5	7.2
Mining and Logging	19.4	19.3	17.5	0.1	1.9
Construction	33.1	33.1	29.5	0.0	3.6
Manufacturing	47.1	46.7	45.4	0.4	1.7
Durable Goods	27.8	27.7	26.4	0.1	1.4
Non-Durable Goods	19.3	19.0	19.0	0.3	0.3
Service-Providing	604.7	612.6	591.5	-7.9	13.2
Private Service-Providing	457.0	457.2	443.6	-0.2	13.4
Trade, Transportation, and Utilities	124.6	125.4	122.6	-0.8	2.0
Wholesale Trade	20.1	19.9	18.6	0.2	1.5
Retail Trade	77.7	79.0	78.6	-1.3	-0.9
Transportation, Warehousing, and Utilities	26.8	26.5	25.4	0.3	1.4
Information	7.5	7.6	7.1	-0.1	0.4
Financial Activities	30.3	30.1	29.4	0.2	0.9
Finance and Insurance	23.8	23.6	23.0	0.2	0.8
Real Estate and Rental and Leasing	6.5	6.5	6.4	0.0	0.1
Professional and Business Services	71.8	71.2	67.5	0.6	4.3
Professional, Scientific & Technical Services	27.3	26.9	26.5	0.4	0.8
Administrative and Support and Waste Mgmt	37.0	36.8	33.4	0.2	3.6
Education and Health Services	127.9	127.5	128.0	0.4	-0.1
Educational Services	8.2	8.1	8.1	0.1	0.1
Health Care and Social Assistance	119.7	119.4	119.9	0.3	-0.2
Leisure and Hospitality	71.3	71.6	66.0	-0.3	5.3
Arts, Entertainment, and Recreation	9.3	9.2	7.7	0.1	1.6
Accommodation and Food Service	62.0	62.4	58.3	-0.4	3.7
Other Services	23.6	23.8	23.0	-0.2	0.6
Government	147.7	155.4	147.9	-7.7	-0.2
Federal Government	25.1	25.1	25.2	0.0	-0.1
State Government	45.4	45.3	46.4	0.1	-1.0
Local Government	77.2	85.0	76.3	-7.8	0.9

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

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	793,300	793,800	794,200	794,600	795,800	797,000							
Employment	761,100	763,000	765,200	766,200	767,900	768,400							
Unemployment	32,200	30,800	29,100	28,400	27,900	28,700							
Rate	4.1	3.9	3.7	3.6	3.5	3.6							
Participation Rate	55.0	55.0	55.0	55.1	55.1	55.2							
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	781,400	782,700	785,000	787,200	789,000	790,200	790,600	790,800	791,200	791,900	792,200	792,300	788,800
Employment	734,900	737,700	740,700	743,600	746,300	748,300	750,400	752,600	755,200	757,400	758,300	758,400	749,100
Unemployment	46,400	45,100	44,300	43,600	42,700	41,900	40,200	38,200	36,000	34,400	33,900	33,900	39,700
Rate	5.9	5.8	5.6	5.5	5.4	5.3	5.1	4.8	4.6	4.3	4.3	4.3	5
Participation Rate	54.1	54.2	54.4	54.6	54.7	54.8	54.8	54.8	54.8	54.9	54.9	54.9	55
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	800,300	798,800	796,500	763,900	777,500	775,800	779,600	779,100	780,700	779,800	780,100	781,000	792,200
Employment	759,600	757,800	755,400	645,700	682,900	694,900	706,000	714,600	721,400	726,000	729,500	732,300	726,000
Unemployment	40,800	41,000	41,100	118,200	94,600	80,900	73,600	64,500	59,300	53,800	50,600	48,700	66,100
Rate	5.1	5.1	5.2	15.5	12.2	10.4	9.4	8.3	7.6	6.9	6.5	6.2	8.3
Participation Rate	55.2	55.1	55.0	52.7	53.7	53.6	53.9	53.9	54.0	54.0	54.0	54.1	
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	794,600	794,000	793,600	793,800	794,600	795,800	797,200	798,400	799,300	800,100	800,700	800,900	798,300
Employment	754,700	754,800	755,200	755,900	756,900	757,900	758,500	758,900	759,300	759,900	760,500	760,400	759,000
Unemployment	39,900	39,200	38,400	37,900	37,700	37,900	38,700	39,500	40,000	40,200	40,200	40,400	39,300
Rate	5.0	4.9	4.8	4.8	4.7	4.8	4.9	4.9	5.0	5.0	5.0	5.0	4.9
Participation Rate	54.6	54.6	54.6	54.6	54.7	54.8	54.9	55.0	55.1	55.1	55.2	55.2	
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	788,300	789,800	791,900	793,700	795,000	795,500	795,300	795,000	794,800	794,800	795,000	794,900	793,400
Employment	745,600	747,100	749,300	751,600	753,300	754,400	755,000	755,100	755,000	754,800	754,700	754,600	752,200
Unemployment	42,700	42,700	42,600	42,200	41,600	41,000	40,400	39,900	39,800	40,100	40,300	40,300	41,200
Rate	5.4	5.4	5.4	5.3	5.2	5.2	5.1	5.0	5.0	5.0	5.1	5.1	5.2
Participation Rate	53.9	54.0	54.2	54.4	54.5	54.5	54.5	54.5	54.5	54.5	54.6	54.6	
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	
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	
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	
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	
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	
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	7.2
Participation Rate	54.3	54.3	54.3	54.3	54.3	54.4	54.4	54.3	54.3	54.3	54.3	54.2	

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

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	787,600	791,900	785,700	791,300	797,600	811,100							
Employment	752,800	756,100	754,000	762,600	770,200	776,400							
Unemployment	34,800	35,800	31,700	28,700	27,400	34,600							
Rate	4.4	4.5	4.0	3.6	3.4	4.3							
Participation Rate	54.6	54.9	54.4	54.8	55.3	56.2							
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	771,900	780,100	777,500	786,600	787,100	801,100	798,500	794,400	793,200	795,100	790,900	789,700	788,800
Employment	719,500	727,200	728,900	742,000	746,300	756,100	758,600	755,900	762,800	766,700	764,000	761,800	749,100
Unemployment	52,400	53,000	48,500	44,600	40,800	45,000	39,900	38,500	30,400	28,500	26,900	27,900	39,700
Rate	6.8	6.8	6.2	5.7	5.2	5.6	5.0	4.8	3.8	3.6	3.4	3.5	5.0
Participation Rate	53.5	54.1	53.9	54.5	54.6	55.5	55.4	55.1	55.0	55.1	54.8	54.7	54.7
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	794,900	800,100	788,800	758,700	775,400	786,200	785,000	785,300	783,800	786,500	777,300	774,200	792,200
Employment	749,400	753,700	738,100	642,200	679,200	707,600	709,800	722,100	728,600	739,700	732,500	727,100	726,000
Unemployment	45,500	46,400	50,800	116,600	96,100	78,600	75,300	63,100	55,300	46,800	44,800	47,100	66,100
Rate	5.7	5.8	6.4	15.4	12.4	10.0	9.6	8.0	7.1	5.9	5.8	6.1	8.3
Participation Rate	54.8	55.2	54.4	52.4	53.6	54.4	54.3	54.3	54.2	54.4	53.8	53.6	54.1
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	788,800	792,500	785,200	788,900	792,500	808,100	805,700	802,500	801,700	804,800	796,500	794,100	798,300
Employment	740,500	744,700	742,400	753,700	757,200	767,400	766,300	763,100	768,500	769,300	760,300	756,300	759,000
Unemployment	48,300	47,800	42,900	35,100	35,300	40,600	39,400	39,300	33,200	35,500	36,200	37,800	39,300
Rate	6.1	6.0	5.5	4.5	4.5	5.0	4.9	4.9	4.1	4.4	4.5	4.8	4.9
Participation Rate	54.2	54.5	54.0	54.3	54.5	55.6	55.5	55.3	55.2	55.4	54.9	54.7	54.8
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	779,200	789,300	783,900	791,200	795,000	808,400	804,800	795,200	796,200	800,000	791,500	789,700	793,400
Employment	731,500	737,800	736,300	749,500	756,900	764,700	763,500	756,300	762,500	765,200	757,100	751,300	752,200
Unemployment	47,700	51,500	47,700	41,700	38,100	43,700	41,400	38,900	33,700	34,700	34,400	38,400	41,200
Rate	6.1	6.5	6.1	5.3	4.8	5.4	5.1	4.9	4.2	4.3	4.3	4.9	5.2
Participation Rate	53.3	54.0	53.7	54.2	54.5	55.4	55.2	54.5	54.6	54.9	54.3	54.2	54.4
2017	Jan	Feb	Mar	Apr	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	7.2
Participation Rate	53.6	53.9	53.7	54.2	54.8	55.3	54.8	54.4	54.5	54.6	53.9	53.8	54.3

MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE

YEAR 2022

	JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022	
Balance Forward	\$ 320,465,991.21	\$ 321,552,258.38	\$ 318,754,981.10	\$ 311,628,552.98	\$ 331,140,149.07	\$ 382,227,662.46	Balance Forward
Add Receipts:							
1. Bond Assessment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1. Bond Assessment
2. Regular Contributions:	13,913,224.57	8,037,738.68	1,255,370.49	26,531,670.62	59,124,882.42	1,285,271.70	2. Regular Contributions:
3. Federal Emergency Benefits PEUC Draws	35,079.18	6,578.99	(96,471.72)	21,936.93	(123,210.64)	22,322.07	3. Federal Emergency Benefits (PEUC)
4. Federal Share Extended Benefits (EB)	4,680.00	382.00	(14,013.67)	-	(2,362.80)	-	4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC	244,563.84	114,362.77	58,099.93	61,718.94	(1,397,025.03)	204,486.89	5. Federal Additional Comp (FPUC)
6. Pandemic Unemployment Assistance PUA	5,035.00	1,368.00	(547,873.12)	59,974.00	(447,008.50)	25,322.00	6. Pandemic Unemployment Assistance PUA
7. UCFE (Federal Agencies)	67,275.99	79,650.53	76,048.17	61,994.67	61,576.33	43,005.21	7. UCFE (Federal Agencies)
8. TSFR From Non-Invstd FUA	-	-	-	292,000.00	-	-	8. TSFR From Non-Invstd FUA
9. EUISAA & REIM US RELIEF	-	146,002.00	-	-	-	-	9. EUISAA & REIM US RELIEF
10. Treasury Interest Credits	-	-	1,259,362.40	-	-	1,446,864.09	10. Treasury Interest Credits
11. UCX (Military Agencies)	49,008.80	48,145.49	35,406.38	29,445.71	38,276.36	41,278.34	11. UCX (Military Agencies)
12. Temporary Federal Compensation	-	-	-	-	-	-	12. Temporary Federal Compensation
13. Reed Act	-	-	-	-	-	-	13. Reed Act
14. BT to State UI Account	-	-	-	-	-	-	14. BT to State UI Account
15. UI Modernization	-	-	-	-	-	-	15. UI Modernization
16. Loan Advance	-	-	-	-	(510.00)	-	16. Loan Advance
Total Monthly Receipts	\$ 37,538,718.03	\$ 28,916,869.26	\$ 12,011,605.34	\$ 58,377,090.84	\$ 119,517,960.90	\$ 10,606,226.12	Total Monthly Receipts
Less Disbursements:							
Debt Bond Repayment	(Retired) 12,888,254.15	(Retired) 10,726,845.77	(Retired) 8,642,442.05	(Retired) 7,041,197.82	(Retired) 6,814,418.68	(Retired) 7,085,896.23	Debt Bond Repayment
Regular Benefits:							Regular Benefits:
Federal Emergency Compensation - PEUC	(127,136.72)	39,337.96	33,321.03	21,697.93	(125,427.64)	17,499.07	Federal Emergency Compensation - PEUC
Federal Additional Compensation - FPUC	376,668.45	330,016.46	349,312.79	331,833.74	(2,444,753.58)	179,305.91	Federal Additional Compensation - FPUC
Pandemic Unemployment Assistance PUA	(22,231.99)	13,196.76	24,518.00	57,475.00	(721,531.71)	(45,729.37)	Pandemic Unemployment Assistance PUA
Federal Emergency Benefits (EUC08)	-	-	-	-	-	-	Federal Emergency Benefits (EUC08)
Federal Extended - EB	(9,333.67)	382.00	-	-	(10,842.57)	-	Federal Extended - EB
Emergency Benefits (TEUC)	-	-	-	-	(510.00)	-	Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	86,973.89	76,645.55	66,054.19	64,488.58	64,055.26	46,351.52	UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	39,406.10	45,747.15	36,708.92	30,451.71	40,477.31	39,238.42	UCX (Military Workers) Benefits
Reed Act Funds	-	-	-	-	-	-	Reed Act Funds
Title IX Funds- Special Legislation EUISAA	-	-	-	-	-	-	Title IX Funds- Special Legislation EUISAA
Temporary Federal Compensation	-	-	-	-	-	-	Temp Fed Comp
Total Monthly Disbursements	\$ 36,452,450.86	\$ 31,714,146.54	\$ 19,138,033.46	\$ 38,865,494.75	\$ 68,430,447.51	\$ 14,860,237.60	Total Monthly Disbursements
Trust Fund Balance	\$ 321,552,258.38	\$ 318,754,981.10	\$ 311,628,552.98	\$ 331,140,149.07	\$ 382,227,662.46	\$ 377,973,650.98	Trust Fund Balance

BRIM
July 2022
Interim Packet

West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET AND INCOME STATEMENT
For the Eleven Months Ending May 31, 2022

Talking Points for Joint Committee on Government and Finance Meeting
July 2022

1. **Premium Revenue** thru May reflects the premiums earned for the first eleven months of the current fiscal year. BRIM premiums in FY'22 reflect a slight increase in premium revenue including an increase in premium to fund the higher actuarially estimated losses for the current year.
2. **Claims Expense** reflects net claims payments made thru May plus significant increases in both the retained case reserves and the actuarially estimated IBNR thru May 31, 2022, plus an estimated accrual thru May.
3. Much higher claims expenses were driven by recent adverse claims development that has created the negative operating results for the current fiscal year to date.
4. **Investments** for fiscal year 2022 reflect a net loss of \$25.1 million for the first eleven months of this year primarily due to the rise in interest rates and volatility of the equities markets resulting in the current year's negative investment returns vs. the prior year. Investment income of \$1.7 million in May decreased our year to date loss.
5. BRIM continues to pursue pro-active loss control initiatives.
6. Premium rates – The Boards of Education (BOE) rating group will see liability premium increases for FY2023, which begins July 1, 2022, and for future fiscal years. The increase is the reflection of abuse claim development that has been reported in FY2022 and is driving an increase in claim expense payments and in the actuarially estimated IBNR.

West Virginia Board of Risk and Insurance Management

Statements of Revenues, Expenses, and Changes in Net Position

For the Eleven Months Ended May 31st

	2022	2021
	<i>(In Thousands)</i>	
Operating revenues		
Premiums	\$ 78,525	\$ 75,236
Less coverage/reinsurance programs	(4,366)	(4,072)
Net operating revenues	74,159	71,165
 Operating expenses		
Claims and claims adjustment expense	125,066	67,593
General and administrative	4,829	4,481
Total operating expenses	129,895	72,074
 Operating income (loss)	 (55,736)	 (910)
 Nonoperating revenues		
Investment income	(25,062)	27,790
Legislative Appropriation		(13,500)
Net nonoperating revenues	(25,062)	14,290
Changes in net position	(80,798)	13,380
 Total net position, beginning of year	 276,868	 257,782
 Total net position, end of period	 \$ 196,070	 \$ 271,163

Unaudited

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Eleven Months Ended May 31st

	2022	2021
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 17,431	\$ 23,842
Advance deposits with insurance company and trustee	245,278	248,671
Receivables	9,679	6,088
Prepaid insurance	392	366
Restricted cash and cash equivalents	13,768	11,354
Premiums due from other entities	711	1,134
Total current assets	287,259	291,455
Noncurrent assets:		
Equity position in internal investments pools	116,901	122,863
Restricted investments	67,510	70,953
Total noncurrent assets	184,411	193,817
Total assets	471,671	485,272
Deferred Outflows of Resources		
Deferred Outflows of Resources - OPEB	438	215
	115	84
Liabilities		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	61,326	69,336
Unearned premiums	19,443	18,118
Agent commissions payable	1,212	1,233
Claims Payable	02	36
Accrued expenses and other liabilities	3,167	3,874
Total current liabilities	85,149	92,597
Estimated unpaid claims and claims adjustment expense net of current portion		
Compensated absences	189,914	121,131
Net pension liability	172	150
Net pension liability	533	214
Total noncurrent liabilities	190,619	121,495
Total liabilities	275,768	214,092
Deferred Inflows of Resources		
Deferred Inflows of Resources - OPEB	35	145
	351	171
Net position:		
Restricted by State code for mine subsidence coverage	80,155	78,617
Unrestricted	196,713	179,166
Net Assets (Deficiency)	(80,798)	13,380
Net position	\$ 196,070	\$ 271,163

Unaudited

PEIA
July 2022
Interim Packet

PEIA July Interim Talking Points

- **PEIA and RHBT year to date financial statements for May 31, 2022 are available for your review.**
- **PEIA statements indicate PEIA is currently behind plan by \$65 million. This is primarily due to higher than forecast claims expense.**
- **RHBT statements indicate RHBT is currently behind plan by \$121 million. This is primarily due to lower than forecast investment income.**
- **The 2022 year-end reserve for the State Fund, non-State Fund and RHBT is projected to be \$108, \$30 and \$268 million respectively.**
- **These reserve levels represent 16%, 19% and 150% of the respective funds' expenses. The required reserve for the State Fund is 14% of expenses.**

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For Eleven Months Ending Tuesday, May 31, 2022
In Thousands

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			ADDITIONS				
			Employer Premiums:				
\$1,941	\$1,968	\$2,022	Health premiums - Non Par	(\$27)	(1%)	(\$81)	(4%)
9,815	10,634	11,726	Health Premiums - RLC Health, Life	(819)	(8%)	(1,911)	(16%)
71,459	91,667	125,793	Pay Go Premiums	(20,208)	(22%)	(54,334)	(43%)
27,500	27,500	27,500	State appropriation - OPEB	-	0%	-	0%
110,715	131,769	167,041	Total Employer Premiums	(21,054)	(16%)	(56,326)	(34%)
			Other Additions:				
733	917	733	Retiree Drug Subsidy	(184)	(20%)	-	0%
(27,677)	95,723	333,604	Investment Income	(123,400)	(129%)	(361,281)	(108%)
83,771	228,409	501,378	TOTAL ADDITIONS	(144,638)	(63%)	(417,607)	(83%)
			DEDUCTIONS				
66,071	97,004	97,130	Payments to Managed Care Org.	30,933	32%	31,059	32%
24,579	25,766	25,103	Life Insurance Expense	1,187	5%	524	2%
50,575	47,780	45,233	Medical Claims Expense	(2,795)	(6%)	(5,342)	(12%)
22,169	24,193	21,704	Pharmacy Claims Expense	2,024	8%	(465)	(2%)
1,443	1,525	1,526	Administrative Service Fees (External)	82	5%	83	5%
(57,965)	(64,756)	(61,517)	Member Health premiums	(6,791)	10%	(3,552)	6%
(24,527)	(26,245)	(24,973)	Member Life Insurance Premiums	(1,718)	7%	(446)	2%
2,464	2,953	2,630	Other Operating Expenses	489	17%	166	6%
84,809	108,220	106,836	TOTAL DEDUCTIONS	23,411	22%	22,027	21%
(1,038)	120,189	394,542	NET POSITION INCREASE (DECREASE)	(121,227)	(101%)	(395,580)	(100%)
			Net Position Restricted for Post Employment Benefits				
1,673,024	1,673,024	1,224,642	Beginning of Period Total Net Position	-	0%	448,382	37%
1,403,879	1,525,106	1,551,077	End of Period Net Position - Restricted	(121,227)	(8%)	(147,198)	(9%)
268,107	268,107	68,107	End of Period Net Position - PSR	-	0%	200,000	294%
\$1,671,986	\$1,793,213	\$1,619,184	End of Period Total Net Position	(\$121,227)	(7%)	\$52,802	3%

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Eleven Months Ending Tuesday, May 31, 2022
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
OPERATING REVENUE							
Premium Revenue							
\$391,812	\$378,463	\$351,301	Health Insurance - State Gov. - Employers	\$13,349	4%	\$40,511	12%
110,638	110,595	110,926	Health Insurance - State Gov. - Employees	43	0%	(288)	(0%)
119,276	115,070	108,914	Health Insurance - Local Gov. - All	4,206	4%	10,362	10%
4,532	4,259	4,485	Administrative Fees, Net of Refunds	273	6%	47	1%
1,792	1,901	1,735	Other Premium Revenue	(109)	(6%)	57	3%
628,050	610,288	577,361	Total Operating Revenue	17,762	3%	50,689	9%
NON-OPERATING REVENUE							
2,120	2,949	2,527	Life Insurance	(829)	(28%)	(407)	(16%)
19,250	19,250	19,250	Direct Transfer	0	0%	0	0%
(10,852)	11,595	39,118	Interest and Investment Income	(22,447)	(194%)	(49,970)	(128%)
71,459	91,667	125,793	WV RHBT Pay Go Premiums	(20,208)	(22%)	(54,334)	(43%)
81,977	125,461	186,688	Total Non-Operating Revenue	(43,484)	(35%)	(104,711)	(56%)
710,027	735,749	764,049	TOTAL REVENUE	(25,722)	(3%)	(54,022)	(7%)
EXPENSES							
475,735	427,327	424,221	Claims Expense - Medical	(48,408)	(11%)	(51,514)	(12%)
183,161	168,828	166,638	Claims Expense - Drugs	(14,333)	(8%)	(16,523)	(10%)
50,094	51,632	49,425	Payments to Managed Care Org.	1,538	3%	(669)	(1%)
18,219	19,100	17,912	Administrative Service Fees	881	5%	(307)	(2%)
143	2,011	131	Wellness and Disease Management	1,868	93%	(12)	(9%)
4,495	4,178	4,690	Other Operating Expenses	(317)	(8%)	195	4%
1,938	2,039	2,337	Life Insurance Expense	101	5%	399	17%
952	375	374	ACA Comparative Effectiveness Fee	(577)	(154%)	(578)	(155%)
71,459	91,667	125,793	WV RHBT Pay Go Premiums	20,208	22%	54,334	43%
806,196	767,157	791,521	TOTAL EXPENSES	(39,039)	(5%)	(14,675)	(2%)
(96,169)	(31,408)	(27,472)	YTD Surplus (Deficit)	(64,761)	206%	(68,697)	250%
162,373	162,373	225,402	Total Net Position, Beginning of Period		0%	(63,029)	(28%)
\$66,204	\$130,965	\$197,930	Total Net Position, End of Period	(\$64,761)	(49%)	(\$131,726)	(67%)

Real Estate Division

July 2022

Interim Packet

Department of Administration Real Estate Division Leasing Report
For the period of June 1 - 30, 2022

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

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

Department of Administration Real Estate Division Leasing Report
For the period of June 1, 2022, through June 30, 2022

NEW CONTRACT OF LEASE – DOA OWNED

WEST VIRGINIA OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY

EEO-004 New Contract of Lease for 3 years consisting of 962 square feet of office space at the annual per square foot rate of \$12.10, annual cost \$11,640.20 for year 1, with an increase in the annual per square foot rate to \$12.16, annual cost \$11,697.92 for years 2 and 3, full service, Building #6, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

NEW CONTRACT OF LEASE

DIVISION OF FORESTRY

FOR-095 New Contract of Lease for 2 years consisting of 1,200 square feet of office space at the annual per square foot rate of \$3.50, annual cost \$4,200.00, utilities and data included, 331 S. Main Street, in the City of Webster Springs, Webster County, West Virginia.

STRAIGHT RENEWAL

WEST VIRGINIA AUDITOR'S OFFICE

SAO-006 Renewal for 3 years consisting of 14,400 square feet of office and storage space at the current annual per square foot rate of \$3.83, annual cost \$55,152.00, 4916 Kanawha Boulevard, in the City of Rand, Kanawha County, West Virginia.

DIVISION OF MOTOR VEHICLES

DMV-056 Renewal for 5 years consisting of 9,000 square feet of office space at the current annual per square foot rate of \$18.84, annual cost \$169,560.00, 38 Severna Parkway, in the City of Martinsburg, Berkeley County, West Virginia.

RENEWAL WITH INCREASE IN RENT – DOA OWNED

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-238 Lease Renewal for 3 years consisting of 46,981 square feet of office and storage space with an increase in the annual per square foot rate from \$19.00 to \$20.90, annual cost \$981,902.90 for year 1, with an increase in the annual per square foot rate to \$22.99, annual cost \$1,080,093.19 for year 2, with an increase in the annual per square foot rate to \$25.29, annual cost \$1,188,149.49 for year 3, full service, Building #54, 416 Adams Street, in the City of Fairmont, Marion County, West Virginia.

RENEWAL WITH INCREASE IN RENT

WORKFORCE WEST VIRGINIA

WWV-041 Renewal for 3 years consisting of 6,684 square feet of office space with an increase in the annual per square foot rate from \$16.75 to \$17.25, annual cost \$115,299.00 for year 1, with an increase in the annual per square foot rate to \$17.77, annual cost \$118,774.68 for year 2, with an increase in the annual per square foot rate to \$18.30, annual cost \$122,317.20 for year 3, full service, 200 Viking Way, Suite 200, in the City of Martinsburg, Berkeley County, West Virginia.

RENEWAL WITH DECREASE IN RENT – DOA OWNED

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-139 Lease Renewal for 3 years consisting of 49,169 square feet of office space with a decrease in the annual per square foot rate from \$17.00 to \$16.15, annual cost \$794,079.35 for year 1, with a decrease in the annual per square foot rate to \$15.34, annual cost \$754,252.46 for year 2, with a decrease in the annual per square foot rate to \$14.58, annual cost \$716,884.02 for year 3, full service, Building #32, 2699 Park Avenue, in the City of Huntington, Cabell County, West Virginia.

RENEWAL WITH INCREASE IN SQUARE FEET

NORTHERN PANHANDLE WORKFORCE DEVELOPMENT BOARD

NPW-001 Renewal for 1 year with an increase of square feet from 776 square feet to 1,202 square feet of office space at the current annual per square foot rate of \$18.45, annual cost \$22,176.90, full service, 100 Municipal Plaza, Suite 350, in the City of Weirton, Hancock County, West Virginia.

RENEWAL WITH DECREASE IN SQUARE FEET AND INCREASE IN RENT- DOA OWNED

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-147 Renewal for 3 years with a decrease of square feet from 11,272 square feet to 10,652 square feet of office space and an increase in the annual per square foot rate from \$11.00 to \$12.10, annual cost \$128,889.20 for year 1, with an increase in the annual per square foot rate to \$12.16, annual cost \$129,528.32 for years 2 and 3, full service, Building #6, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH DECREASE IN SQUARE FEET AND INCREASE IN RENT- DOA OWNED Continued

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-246 Renewal for 3 years with a decrease of square feet from 38,415 square feet to 37,791 square feet of office space and an increase in the annual per square foot rate from \$19.00 to \$20.90, annual cost \$789,831.90 for year 1, with an increase in the annual per square foot rate to \$22.99, annual cost \$868,815.09 for year 2, with an increase in the annual per square foot rate to \$25.29, annual cost \$955,734.39 for year 3, full service, Building #53, 153 West Main Street, in the City of Clarksburg, Harrison County, West Virginia.

CANCELLATION

OFFICES OF THE INSURANCE COMMISSIONER

INS-037 Lease cancellation consisting of 144 square feet of storage space at the monthly rate of \$125.00, annual cost \$1,500.00, electric and exterminating services provided, 800 Piedmont Road, in the City of Charleston, Kanawha County, West Virginia.

Real Estate Division
 Monthly Summary of Lease Activity
 June 1 - 30, 2022

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	WV Office of Equal Employment Opportunity	EEO-004	Kanawha	962	12.10	11,640	1.00	11,640
	WV Office of Equal Employment Opportunity	EEO-004	Kanawha	962	12.16	11,698	2.00	23,396
2	Division of Forestry	FOR-095	Webster	1,200	3.50	4,200	2.00	8,400
3	West Virginia Auditor's Office	SAO-006	Kanawha	14,400	3.83	55,152	3.00	165,456
4	Division of Motor Vehicles	DMV-056	Berkeley	9,000	18.84	169,560	5.00	847,800
5	Department of Health and Human Resources	HHR-238	Marion	46,981	20.90	981,903	1.00	981,903
	Department of Health and Human Resources	HHR-238	Marion	46,981	22.99	1,080,093	1.00	1,080,093
	Department of Health and Human Resources	HHR-238	Marion	46,981	25.29	1,188,149	1.00	1,188,149
6	Workforce West Virginia	WWV-041	Berkeley	6,684	17.25	115,299	1.00	115,299
	Workforce West Virginia	WWV-041	Berkeley	6,684	17.77	118,775	1.00	118,775
	Workforce West Virginia	WWV-041	Berkeley	6,684	18.30	122,317	1.00	122,317
7	Department of Health and Human Resources	HHR-139	Cabell	49,169	16.15	794,079	1.00	794,079
	Department of Health and Human Resources	HHR-139	Cabell	49,169	15.34	754,252	1.00	754,252
	Department of Health and Human Resources	HHR-139	Cabell	49,169	14.58	716,884	1.00	716,884
8	Northern Panhandle Workforce Development Board	NPW-001	Hancock	1,202	18.45	22,177	1.00	22,177
9	Department of Health and Human Resources	HHR-147	Kanawha	10,652	12.10	128,889	1.00	128,889
	Department of Health and Human Resources	HHR-147	Kanawha	10,652	12.16	129,528	2.00	259,057
10	Department of Health and Human Resources	HHR-246	Harrison	37,791	20.90	789,832	1.00	789,832
	Department of Health and Human Resources	HHR-246	Harrison	37,791	22.99	868,815	1.00	868,815
	Department of Health and Human Resources	HHR-246	Harrison	37,791	25.29	955,734	1.00	955,734

330.89
Total Rentable Square Feet 470,905
Average Annual Rental Rate 16.54
Total Annual Rent 9,018,978

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

TERMINATIONS

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Offices of the Insurance Commissioner	INS-037	Kanawha	144	125/month	1,500

Total Rentable Square Feet 144

Department of Health and Human Resources
Bureau for Medical Services

Medicaid Report
MAY 2022

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

JULY 2022

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2022

	MONTH OF MAY 2022		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2021	SFY2022	Current Month Ended 05/31/22	SFY2022	Current Month Ended 05/31/22	Current Month Ended 05/31/22	Year To-Date Thru 5/31/22	6/1/22 Thru 06/30/22
EXPENDITURES:								
Inpatient Hospital - Reg. Payments	84,428,379	89,982,568	6,644,773		7,198,605		67,431,463	22,551,105
Inpatient Hospital - DSH	52,900,181	53,500,000	13,190,668		4,280,000		68,763,919	(15,263,919)
Inpatient Hospital - Supplemental Payments	-	-	-		-		808,013	(808,013)
Inpatient Hospital - GME Payments	11,030,081	13,374,392	3,456,509		1,069,951		13,553,905	(179,513)
Mental Health Facilities	6,565,065	128,725,918	3,021,327		10,298,073		8,575,235	120,150,683
Mental Health Facilities - DSH Adjustment Payments	17,062,464	18,887,045	4,721,761		1,510,964		20,710,419	(1,823,374)
Nursing Facility Services - Regular Payments	790,659,498	830,157,949	68,592,625		66,412,636		763,413,739	66,744,150
Nursing Facility Services - Supplemental Payments	-	25,500,000	-		2,040,000		-	25,500,000
Intermediate Care Facilities - Public Providers	-	-	-		-		-	-
Intermediate Care Facilities - Private Providers	68,387,572	71,800,292	5,687,488		5,744,023		58,569,417	13,230,874
Intermediate Care Facilities - Supplemental Payments	-	-	-		-		-	-
Physicians Services - Regular Payments	29,601,249	36,495,808	2,705,307		2,919,665		25,288,085	11,207,722
Physicians Services - Supplemental Payments	-	-	-		-		-	-
Physician and Surgical Services - Evaluation and Management	-	-	-		-		-	-
Physician and Surgical Services - Vaccine Codes	-	-	-		-		-	-
Outpatient Hospital Services - Regular Payments	38,169,328	47,004,897	3,408,858		3,760,392		33,488,341	13,516,555
Outpatient Hospital Services - Supplemental Payments	-	-	-		-		-	-
Prescribed Drugs	799,557,061	833,558,778	82,526,800		66,684,702		802,535,082	31,023,696
Drug Rebate Offset - National Agreement	(517,706,685)	(466,000,000)	(8,532,585)		(37,280,000)		(424,490,544)	(41,509,456)
Drug Rebate Offset - State Sidebar Agreement	(54,952,249)	(48,000,000)	(144,529)		(3,840,000)		(59,985,370)	11,985,370
Drug Rebate Offset - MCO National	(12,128,958)	(12,600,000)	(177,080)		(1,008,000)		(13,779,178)	1,179,178
Drug Rebate Offset - MCO State Sidebar Agreement	1,546	-	-		-		-	-
ODD Medication Assisted Treatment-Drugs	-	-	8,043,023		-		27,104,835	(27,104,835)
Dental Services	4,639,474	4,480,780	411,175		358,462		4,126,438	354,341
Other Practitioners Services - Regular Payments	7,655,590	4,463,814	2,249,618		357,105		24,438,690	(19,974,876)
Other Practitioners Services - Supplemental Payments	-	-	-		-		-	-
Clinic Services	1,020,452	898,193	52,589		71,855		1,754,420	(856,227)
Lab & Radiological Services	6,475,294	7,488,287	500,526		599,063		5,135,075	2,353,211
Home Health Services	25,690,903	31,555,723	2,464,537		2,524,458		19,666,760	11,888,964
Hysterectomies/Sterilizations	54,130	26,190	880		2,095		24,599	1,591
Pregnancy Terminations ⁽²⁾	27,041	39,867	-		3,189		7,039	32,828
EPSDT Services	747,578	673,291	89,328		53,863		886,031	(212,740)
Rural Health Clinic Services	2,181,319	4,104,901	214,765		328,392		2,042,271	2,062,630
Medicare Health Insurance Payments - Part A Premiums	25,032,749	27,501,864	2,214,523		2,200,149		24,219,687	3,282,177
Medicare Health Insurance Payments - Part B Premiums	128,711,243	149,871,522	12,724,839		11,989,722		130,304,388	19,567,134
120% - 134% Of Poverty	10,805,524	10,914,660	1,292,420		873,173		12,357,403	(1,442,743)
135% - 175% Of Poverty	-	-	-		-		-	-
Coinsurance And Deductibles	12,082,664	13,473,012	1,360,266		1,077,841		11,795,474	1,677,538

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2022

	MONTH OF MAY 2022		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2021	SFY2022	Current Month Ended 05/31/22	SFY2022	Current Month Ended 05/31/22	Current Month Ended 05/31/22	Year To-Date Thru 5/31/22	6/1/22 Thru 06/30/22
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	2,242,614,736	2,514,062,580	188,117,420		201,125,006		2,277,393,965	236,668,615
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	2,089,915	1,586,760	169,109		126,941		1,806,080	(219,320)
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-	-	-
Home & Community-Based Services (IDD)	313,859,226	497,321,983	32,752,831		39,785,759		371,907,077	125,414,906
Home & Community-Based Services (Aged/Disabled)	130,537,179	203,359,736	13,490,081		16,268,779		158,028,045	45,331,691
Home & Community-Based Services (Traumatic Brain Injury)	1,953,384	2,084,341	454,052		166,747		2,254,248	(169,907)
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	72,895,766	119,909,542	6,622,679		9,592,763		88,894,759	31,014,783
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-	-	-
Targeted Case Management Services - State Wide	2,603,240	12,062,600	227,555		965,008		2,456,945	9,605,655
Primary Care Case Management Services	-	-	-	-	-	-	-	-
Hospice Benefits	28,366,378	29,903,554	2,734,576		2,392,284		24,675,671	5,227,883
Emergency Services Undocumented Aliens	981,582	491,378	32,451		39,310		604,046	(112,668)
Federally Qualified Health Center	6,455,228	22,076,655	676,240		1,766,132		6,249,291	15,827,364
Non-Emergency Medical Transportation	44,226,940	40,838,778	3,438,169		3,267,102		33,587,681	7,251,097
Physical Therapy	1,072,716	932,892	104,448		74,631		846,606	86,286
Occupational Therapy	467,792	372,193	42,810		29,775		395,725	(23,532)
Services for Speech, Hearing & Language	225,177	159,278	23,035		12,742		246,242	(86,964)
Prosthetic Devices, Dentures, Eyeglasses	409,992	454,903	70,833		36,392		581,616	(126,713)
Diagnostic Screening & Preventive Services	72,281	99,618	5,472		7,969		54,713	44,905
Nurse Mid-Wife	91,556	164,969	11,483		13,197		99,997	64,972
Emergency Hospital Services	-	80	-		-		-	80
Critical Access Hospitals	21,241,098	25,417,024	2,575,011		2,033,368		22,094,158	3,322,866
Nurse Practitioner Services	3,739,212	3,589,872	410,124		287,190		3,739,591	(149,719)
School Based Services	30,958,232	31,999,621	393,110		2,559,970		3,151,462	28,848,159
Rehabilitative Services (Non-School Based)	28,466,999	7,889,896	2,986,266		2,157,491		30,237,759	(22,347,862)
2a) Opioid Treatment Program (OTP) - Methadone services	13,670,289	18,000,000	-		-		9,164,728	8,835,272
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	1,587,654	-	130,692		-		2,296,524	(2,296,524)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	3,700,900	-	309,700		-		3,199,350	(3,199,350)
2a) OUD Medicaid Assisted Treatment Services	-	-	1,605,240		-		5,303,314	(5,303,314)
2a) Opioid Treatment Program (OTP) - Other	90,140	-	52,918		-		398,383	(398,383)
Private Duty Nursing	6,430,388	7,484,872	653,376		598,790		6,861,854	623,018
Freestanding Birth Centers	-	-	-	-	-	-	-	-
Health Home for Enrollees w Chronic Conditions	2,451,102	2,149,445	287,546		171,956		2,323,759	(174,314)
Other Care Services	24,723,597	31,655,807	2,343,435		2,532,465		21,887,786	9,768,021
Less: Recoupments	-	-	(85,918)		-		(122,549)	122,549
NET EXPENDITURES:	4,524,681,192	5,451,948,129	477,213,669		436,242,150		4,709,364,521	742,583,608

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2022

MONTH OF MAY 2022	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2021	SFY2022	Current Month Ended 05/31/22	Current Month Ended 05/31/22	Year To-Date Thru 5/31/22	6/1/22 Thru 06/30/22
Collections: Third Party Liability (line 9A on CMS-64)	(10,684,041)	-	-	-	(7,595,651)	7,595,651
Collections: Probate (line 9B on CMS-64)	(159,661)	-	-	-	(500,813)	500,813
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(19,438)	-	-	-	(23,342)	23,342
Collections: Other (line 9D on CMS-64)	(11,218,738)	-	-	-	(15,460,018)	15,460,018
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	4,502,599,314	5,451,948,129	477,213,669	436,242,150	4,685,784,697	766,163,432
Plus: Medicaid Part D Expenditures	30,108,117	34,908,744	3,327,422	2,792,700	33,535,616	1,373,128
Plus: State Only Medicaid Expenditures	341,411	352,058	15,791	28,165	194,605	157,453
Plus: Money Follow the Person Expenditures	1,254,161	1,266,828	81,667	101,346	958,571	308,257
TOTAL MEDICAID EXPENDITURES	\$4,534,303,003.09	\$5,488,475,758.99	\$480,638,548.58	\$439,164,360.37	\$4,720,473,488.92	\$768,002,270.08
Plus: Reimbursables ⁽¹⁾	5,295,579	-	462,406	-	4,028,673	(4,028,673)
Plus: NATCEP/PASARR/Eligibility Exams	1,889,696	83,009	7,260	6,641	253,267	(170,258)
Plus: HIT Incentive Payments	(182,398)	-	-	-	-	-
TOTAL EXPENDITURES	\$4,541,305,879.95	\$5,488,558,767.92	\$481,108,214.84	\$439,171,001.09	\$4,724,755,428.79	\$763,803,339.13

(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 \$23,154,968.30 is the amount paid to State Facilities year to date.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2022

11 Months Actuals

1 Months Remaining

MONTH OF MAY 2022	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2021	Current Month Ended 5/31/22	Year-To-Date Thru 5/31/22	6/1/2022 Thru 6/30/22	SFY2022
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	25,964,129	15,483,646	139,436,683	-	139,436,683
MATCHING FUNDS					
General Revenue (0403/189)	276,148,868	36,703,010	265,560,401	52,951,812	318,512,213
IDD Waiver (0403/466)	108,541,736	11,939,591	96,602,145	11,939,591	108,541,736
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	2,379,666	216,334	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	5,826,334	529,666	6,356,000
Traumatic Brain Injury (0403/835)	800,000	88,000	712,000	88,000	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	1,495,298	12,098,321	1,495,299	13,593,620
Medical Services Surplus (0403/633)	-	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	4,015,503	-	4,015,503	-	4,015,503
Lottery Waiver (0420/539)	29,950,955	-	29,950,955	-	29,950,955
Lottery Transfer (5405/871)	16,400,070	-	16,400,070	-	16,400,070
Excess Lottery (5365/189)	66,302,960	-	17,000,000	(697,040)	16,302,960
Lottery Surplus (5405/68199)	14,423,022	-	16,000,000	-	16,000,000
Lottery Surplus (5365/68100)	17,000,000	-	-	17,000,000	17,000,000
Trust Fund Appropriation (5185/189)	64,091,372	11,825,162	24,535,507	12,034,917	36,570,424
Provider Tax (5090/189)	213,581,236	22,687,569	187,876,290	297,954,318	485,830,608
NSGO UPL (5084/6717)	-	-	-	-	-
Expirations (5084)	-	-	-	-	-
Certified Match	11,568,907	548,075	6,549,467	5,739,621	12,289,088
Reimbursables - Amount Reimbursed	5,574,693	-	2,240,609	(2,240,609)	-
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	81	-	1,017	(1,017)	-
CHIP State Share	-	-	-	-	-
CMS - 64 Adjustments	55,713	-	(2,264,211)	2,264,211	-
TOTAL MATCHING FUNDS	\$ 876,964,865.05	\$ 101,516,351.27	\$ 824,920,755.14	\$ 399,275,104.26	\$ 1,224,195,859.40
FEDERAL FUNDS	3,802,320,381	413,957,979	3,931,752,616	548,112,470	4,479,865,086
TOTAL REVENUE SOURCES	\$ 4,679,285,246.51	\$ 515,474,330.60	\$ 4,756,673,371.52	\$ 947,387,573.97	\$ 5,704,060,945.49
TOTAL EXPENDITURES:					
Provider Payments	\$ 4,541,305,879.95	\$ 481,108,214.84	\$ 4,724,755,428.79	\$ 763,803,339.13	\$ 5,488,558,767.92
TOTAL	\$ 137,979,366.56	\$ 34,366,115.76	\$ 31,917,942.73	\$ 183,584,234.84	\$ 215,502,177.57

Note: FMAP (80.88% applicable Oct. 2021 - Jun. 2022)

Department of Health and Human Resources
Bureau for Medical Services

Medicaid Waiver Report
MAY 2022

Submitted to
Joint Committee on Government and Finance
and
Legislative Oversight Commission on Health and Human
Resources Accountability
JULY 2022

**WV Department of Health and Human Resources
Bureau for Medical Services - Aged and Disabled Waiver Program Report**

Aged & Disabled Waiver: MAY 2022	FY 2021	Jul 21	Aug 21	Sep 21	Oct 21	Nov-21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun-22	FY2022 YTD
Slots Approved By CMS (1)	7,672	7,912	7,912	7,912	8,212	8,212	8,212	8,212	8,212	8,212	8,212	8,212		8,212
-Slots Available for Traditional (ADW-WV) enrollees	7,598	7,836	7,836	7,836	8,136	8,136	8,136	8,136	8,136	8,136	8,136	8,136		8,136
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees	76	76	76	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) YTD Column reflects most recent month's count	7,884	7,039	7,172	7,172	7,485	7,632	7,681	7,874	7,992	8,100	8,266	8,376		8,376
Applicants determined eligible this month and FYTD	243	238	252	248	259	238	258	234	261	269	152	216		2,625
Applicants determined ineligible this month FYTD	14	10	12	16	12	8	5	9	7	9	10	3		101
ACTIVE MEMBERS														
Active Traditional Members at the end of the month	6,865	6,930	7,041	7,104	7,109	7,148	7,120	7,156	7,153	7,175	7,238	7,254		7,254
Active Take Me Home Members at the end of the month	53	56	44	48	44	49	47	44	49	44	50	53		53
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	6,973	6,986	7,085	7,152	7,086	7,130	7,215	7,200	7,202	7,219	7,288	7,307		7,307
Active members enrolled during the calendar month	2,007	101	205	197	140	164	168	126	144	166	171	134		1,716
-Total Active Traditional members enrolled during the calendar month	1,938	99	200	192	139	158	166	124	137	156	166	126		1,663
-Total Active TMH-WV members enrolled during the calendar month	69	2	5	5	1	6	2	2	7	10	5	8		53
-Total Active MFP-WV members enrolled during the calendar month														
Members discharged during the calendar month	1,190	88	106	130	139	119	153	141	142	149	102	115		1,384
ADW Members whose case was closed by reason	Member is deceased	824	62	67	92	109	87	107	107	99	95	72	73	970
	Other	366	26	39	38	30	32	46	34	43	54	30	42	414
MANAGED ENROLLMENT LIST (MEL)														
# Eligible applicants closed during the calendar month (removed from MEL)	1,783	380	314	320	483	266	139	376	340	226	197	269		3,310
ADW Applicants removed from the MEL	Applicant offered a slot (Traditional + MFP)	1,071	117	158	69	106	150	103	73	106	165	93	83	1,223
	Applicant became deceased	175	14	22	21	28	19	18	22	18	24	15	19	220
	Other	537	249	134	230	349	97	18	281	216	37	89	167	1,867
Applicants on the MEL who are in a nursing facility YTD Column reflects # members in setting during reporting month	1	8	1	0	1	0	0	1	0	0	5	3		3
Applicants on the MEL receiving Personal Care YTD Column reflects # members receiving service during reporting month	3	8	0	3	2	1	2	5	0	0	4	4		4
Applicants on the MEL at the end of the month	525	383	307	301	62	279	420	137	341	180	378	325		325
Days -Average time spent on the MEL to date Minus MFP Applicants	61	42	44	45	33	45	31	36	42	52	48	55		43

(1) CMS approved 240 additional slots on June 30, 2021, increasing the total number of slots from 7,672 to 7,912. October 2021: 300 Additional Slots Total Slots = 8212

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

Intellectual/Developmental Disabilities Waiver Reported May 31, 2022	FY 20-21	July-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	YTD2022
Slots approved by CMS	5,965	5,965	5,965	5,965	5,965	6,015	6,115	6,115	6,115	6,115	6,115	6,115		6,115
Total number of members served YTD (unduplicated slots used) (1)	5,928	5,861	5,869	5,891	5,908	5,922	5,928	5,959	5,987	6,025	6,061	6,069		6,079
Total number of members served YTD in Traditional Slots	5,918	5,861	5,869	5,891	5,907	5,921	5,927	5,958	5,986	6,024	6,060	6,068		6,078
Total number of members served YTD in Adult Ben H. slots (Active)	6	0	0	0	1	1	1	1	1	1	1	1		1
Total number of members served YTD in Children Ben H. slots (Active)	6	0	0	0	0	0	0	0	0	0	0	0		0
Applicants determined eligible (2)	390	53	53	39	28	46	25	16	27	29	38	24		378
Applicants determined ineligible (3)	448	46	37	44	35	51	39	32	27	37	34	45		427
ACTIVE MEMBERS														
# of active members at the end of the month (unduplicated slots active) (1)	5,761	5,850	5,841	5,849	5,845	5,842	5,823	5,835	5,842	5,860	5,883	5,882		5,880
Discharged members at the end of the calendar month	191	14	17	19	22	17	26	19	21	24	16	10		205
Discharged members who were discharged by reason	Deceased	73	9	9	9	11	8	10	11	13	10	6	5	101
	Left program to enter a facility	35	2	1	5	9	7	11	6	3	10	5	2	61
	a. Hospital	0	0	0	0	0	0	0	0	0	0	0	0	0
	b. ICF/IID	15	0	1	3	5	2	5	2	1	4	3	1	27
	c. Nursing Facility	20	2	0	2	4	4	6	4	2	6	2	1	33
	d. Psychiatric Facility	0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Rehabilitation Facility	0	0	0	0	0	0	0	0	0	0	0	0	0
	f. Other Facility	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (6)	77	3	7	5	2	3	5	2	5	4	5	3	44	
MANAGED ENROLLMENT LIST (MEL)														
Total number of applicants on the MEL at the end of the month	n/a	158	203	214	224	255	271	251	250	231	227	241		271
Number of applicants added to the MEL (4)	390	53	53	39	28	46	25	16	27	29	38	24		378
Applicants enrolled (removed from the MEL)	616	103	8	27	18	14	7	31	28	42	39	9		326
Applicants removed from the MEL due to Death (5)	1	0	0	0	0	1	0	1	0	1	0	0		3
Applicants removed from the MEL due to Other (6)	85	3	0	1	0	0	2	4	0	5	3	1		19
Applicants on the MEL who are in a Nursing Facility (9)	1	2	2	3	3	3	3	1	12	0	0	0		0
Applicants on the MEL who are in an ICF/IID Group Home (9)	4	8	8	9	13	13	14	12	12	7	8	9		8
Applicants on the MEL receiving Personal Care Services each month (8) (9)	3	9	8		8	10	11	7	8	5	8	5		8
Longest on the MEL to date (7)	798	829	860	566	597	627	658	689	717	748	778	809		839

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

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

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

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

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

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

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

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

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

Traumatic Brain Injury Waiver Reported 05/31/2022	FY 2021 YTD	Jul 21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	FY2022 YTD
Slots Approved By CMS (1)	90	90	90	90	90	90	90	90*	90	90	90	90	90	90
-Slots Available for Traditional (non TMH-WV) enrollees	90	86	86	87	88	88	88	90	90	90	90	90	90	90
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees	0	4	4	3	2	2	2	0	0	0	0	0	0	0
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count	90	85	86	86	86	87	88	89	90	90	91	91		91
Applicants determined eligible this month and added to MEL (3)	2	2	0	0	0	2	2	0	0	0	0	1		7
Applicants determined ineligible	0	0	0	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	85	85	86	86	86	87	88	87	87	86	84	84		84
Active members enrolled during the calendar month	12	1	1	0	1	1	1	1	1	0	2	0		9
-Total Active Traditional members enrolled during the calendar month	12	1	1	0	1	1	1	1	1	0	2	0		9
-Total Active TMH-WV members enrolled during the calendar month	0	0	0	0	0	0	0	0	0	0	0	0		0
Members discharged during the calendar month	5	1	0	0	1	0	0	2	1	1	4	0		10
TBIW Members whose case was closed by reason	Member is deceased	0	1	0	0	1	0	0	1	1	0	1	0	5
	Other (4)	5	0	0	0	0	0	0	1	0	1	3	0	5
MANAGED ENROLLMENT LIST (MEL)														
# Eligible applicants closed during the calendar month (removed from MEL)	0	1	1	1	1	0	0	4	0	0	0	0		8
TBIW Applicants removed from the MEL	Applicant offered a slot	0	1	1	1	0	0	4	0	0	0	0		8
	Applicant became deceased	0	0	0	0	0	0	0	0	0	0	0		0
	Other (5)	0	0	0	1	0	0	0	1	0	0	0		2
Applicants on the MEL who are in a nursing facility	1	0	1	0	0	0	0	0	0	0	0	0		1
Applicants on the MEL receiving Personal Care	0	0	0	0	0	0	1	0	0	0	0	0		1
Applicants on the MEL at the end of the month	2	2	2	1	0	0	4	0	0	0	0	0		0
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days	23	31	62	92	100	0	31	49	0	0	0	0		52

(1.)Of the 90 slots approved by CMS, four (4) are reserved for the Money Follows the Person and Rebalancing Demonstration Grant for SFY 2022. 9/2021-TMH released one slot for non TMH eligible applicant. 10/2021-TMH release one slot for non-TMH eligible applicants. Two (2) unduplicated slots for SFY 22 due to members passing, no services accessed are available to be allocated.* Two Funded slots in November were awarded. BMS released all members on the MEL and added two more slots pending CMS approval. All TMH reserved slots were released to Non TMH slots

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

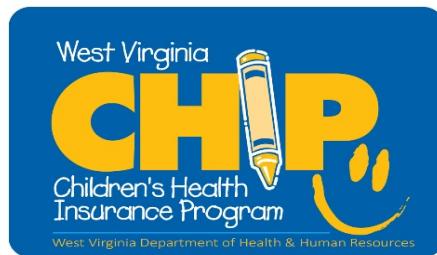
(3) Monthly number added to MEL is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

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

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

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

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



West Virginia
Department of Health and Human Resources

Children's Health Insurance Program

JULY 2022
Monthly Report

to

Joint Committee on
Government and Finance

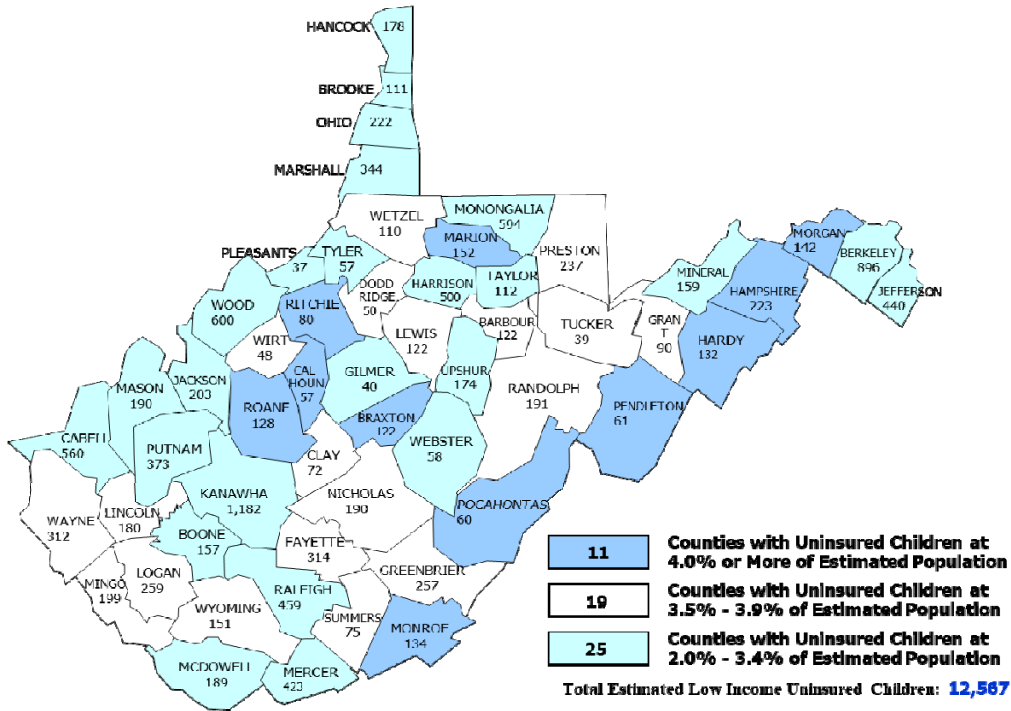
WVCHIP Enrollment Report

JUNE 2022

County	County Pop.	MATERNITY			MATERNITY		Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2018	2018
	2018 Est. (0-18 Yrs)	BLUE Jun-22	GOLD Jun-22	PREM Jun-22	BLUE Jun-22	PREM Jun-22	Enrollment Jun-22	Enrollment Jun-22	CHIP/Medicaid Enrollment	% of Population	SAHIE Uninsured Est.	SAHIE % Uninsured
Barbour	3,332	99	24	83	2	1	209	2,164	2,373	71.2%	122	3.7%
Berkeley	27,917	963	322	577	10	18	1,890	14,672	16,562	59.3%	896	3.2%
Boone	4,775	74	49	46	0	0	169	3,292	3,461	72.5%	157	3.3%
Braxton	2,784	64	21	35	2	1	123	1,664	1,787	64.2%	122	4.4%
Brooke	4,065	1	0	0	0	0	1	56	57	1.4%	111	2.7%
Cabell	18,770	381	169	215	7	7	779	10,910	11,689	62.3%	560	3.0%
Calhoun	1,393	40	18	16	1	1	76	975	1,051	75.4%	57	4.1%
Clay	1,961	55	21	34	1	0	111	1,512	1,623	82.8%	72	3.7%
Doddridge	1,308	37	13	16	0	1	67	815	882	67.4%	50	3.8%
Fayette	9,011	234	78	166	5	8	491	5,781	6,272	69.6%	314	3.5%
Gilmer	1,184	38	3	18	0	0	59	659	718	60.6%	40	3.4%
Grant	2,331	54	11	37	1	1	104	1,365	1,469	63.0%	90	3.9%
Greenbrier	6,860	245	74	145	3	4	471	4,283	4,754	69.3%	257	3.7%
Hampshire	4,388	106	56	80	1	1	244	2,729	2,973	67.8%	223	5.1%
Hancock	5,674	223	89	123	1	0	436	4,705	5,141	90.6%	178	3.1%
Hardy	2,862	88	31	44	1	0	164	1,775	1,939	67.7%	132	4.6%
Harrison	14,835	375	148	271	5	3	802	7,637	8,439	56.9%	500	3.4%
Jackson	6,264	125	47	82	0	1	255	3,607	3,862	61.7%	203	3.2%
Jefferson	13,200	348	82	181	1	3	615	4,321	4,936	37.4%	440	3.3%
Kanawha	36,965	814	318	626	15	14	1,787	22,441	24,228	65.5%	1182	3.2%
Lewis	3,480	81	32	57	2	4	176	2,322	2,498	71.8%	122	3.5%
Lincoln	4,638	95	31	53	1	1	181	3,284	3,465	74.7%	180	3.9%
Logan	6,835	136	61	90	0	3	290	4,984	5,274	77.2%	259	3.8%
Marion	3,764	292	80	198	4	6	580	6,073	6,653	176.8%	152	4.0%
Marshall	11,544	108	49	60	0	5	222	3,025	3,247	28.1%	344	3.0%
Mason	6,140	119	41	57	0	1	218	3,228	3,446	56.1%	190	3.1%
Mercer	12,368	335	140	247	0	4	726	9,082	9,808	79.3%	423	3.4%
Mineral	5,476	137	38	66	2	0	243	2,766	3,009	54.9%	159	2.9%
Mingo	5,369	82	54	55	0	1	192	4,270	4,462	83.1%	199	3.7%
Monongalia	17,965	430	134	230	2	6	802	6,761	7,563	42.1%	594	3.3%
Monroe	2,687	77	29	87	2	2	197	1,429	1,626	60.5%	134	5.0%
Morgan	3,320	92	36	78	1	1	208	1,752	1,960	59.0%	142	4.3%
McDowell	5,708	75	47	34	1	0	157	3,093	3,250	56.9%	189	3.3%
Nicholas	5,199	158	88	115	2	2	365	3,271	3,636	69.9%	190	3.7%
Ohio	8,098	208	70	124	1	0	403	4,472	4,875	60.2%	222	2.7%
Pendleton	1,304	33	15	25	1	0	74	665	739	56.7%	61	4.7%
Pleasants	1,457	18	12	11	0	1	42	759	801	55.0%	37	2.5%
Pocahontas	1,495	38	18	31	0	0	87	879	966	64.6%	60	4.0%
Preston	6,586	220	71	161	2	3	457	3,367	3,824	58.1%	237	3.6%
Putnam	13,145	332	118	234	2	6	692	4,829	5,521	42.0%	373	2.8%
Raleigh	15,751	399	117	284	2	4	806	10,419	11,225	71.3%	459	2.9%
Randolph	5,474	151	56	133	0	2	342	3,411	3,753	68.6%	191	3.5%
Ritchie	1,972	32	4	23	0	0	59	1,227	1,286	65.2%	80	4.1%
Roane	2,970	95	50	95	0	1	241	1,834	2,075	69.9%	128	4.3%
Summers	2,160	65	13	31	2	0	111	1,616	1,727	80.0%	75	3.5%
Taylor	3,493	73	30	55	2	0	160	1,831	1,991	57.0%	112	3.2%
Tucker	1,063	45	24	34	0	3	106	621	727	68.4%	39	3.7%
Tyler	1,792	28	4	21	0	0	53	961	1,014	56.6%	57	3.2%
Upshur	5,076	141	62	96	0	1	300	3,207	3,507	69.1%	174	3.4%
Wayne	8,373	169	71	95	3	2	340	5,325	5,665	67.7%	312	3.7%
Webster	1,690	42	12	27	0	2	83	1,364	1,447	85.6%	58	3.4%
Wetzel	3,126	52	17	30	0	0	99	2,107	2,206	70.6%	110	3.5%
Wirt	1,269	25	3	21	0	0	49	770	819	64.5%	48	3.8%
Wood	18,016	449	107	216	3	10	785	10,109	10,894	60.5%	600	3.3%
Wyoming	4,317	103	42	84	1	4	234	2,986	3,220	74.6%	151	3.5%
Totals	372,999	9,299	3,350	6,053	92	139	18,933	213,462	232,395	62.3%	12,567	3.4%

WVCHIP Enrollment Report

JUNE 2022



The above map shows the most recent 2018 county level data provided by the U.S. Census Bureau Small Area Health Insurance Estimates (SAHIE) for children under 19 years. While the statewide average for children under 19 is now about 3.4%, the SAHIE data reflects more accurately the variation from county to county depending on the availability of employer-sponsored insurance and should be a more accurate way to target outreach than in previous years.

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget-to-Actual
For the Nine Months Ending March 31, 2022 and March 31, 2021

	Annual	Budget	Actual	Actual	Actual		Budget	
	Budget 2022	Year-to-Date	March 31, 2022	March 31, 2021	\$	%	\$	%
Beginning Operating Fund Balance			\$7,418,708	\$6,218,611	\$1,200,097	19%		
Revenues								
Federal Grants	\$53,211,908	\$39,908,931	\$35,906,759	\$33,227,245	\$2,679,514	8%	(\$4,002,172)	-10%
State Appropriations	\$7,090,665	\$5,317,999	\$4,692,414	\$4,682,834	\$0	0%	(\$625,585)	-12%
Premium Revenues	\$82,500	\$61,875	\$39,762	\$63,153	(\$23,391)	-37%	(\$22,113)	-36%
Investment Earnings (Interest)	\$100,000	\$75,000	(\$53,258)	\$79,624	(\$132,882)	-167%	(\$128,258)	-171%
Total Operating Fund Revenues	\$60,485,073	\$45,363,805	\$40,585,678	\$38,052,856	\$2,532,822	7%	(\$4,778,127)	-11%
Expenditures:								
Claims Expenses:								
Managed Care Organizations			\$28,116,355	\$9,536,233	\$18,580,122	195%		
Prescribed Drugs			\$8,075,220	\$7,315,745	\$759,475	10%		
Physicians & Surgical			\$1,824,643	\$7,043,877	(\$5,219,234)	-74%		
Inpatient Hospital Services			\$463,163	\$2,658,311	(\$2,195,148)	-83%		
Dental			\$99,358	\$4,372,540	(\$4,273,182)	-98%		
Outpatient Services			\$219,000	\$3,824,740	(\$3,605,740)	-94%		
Therapy			\$61,375	\$960,708	(\$899,333)	-94%		
Other Services			\$56,203	\$1,598,992	(\$1,542,789)	-96%		
Inpatient Mental Health			\$24,265	\$344,423	(\$320,158)	-93%		
Vision			\$12,303	\$388,244	(\$375,941)	-97%		
Durable & Disposable Med. Equip.			\$5,318	\$218,258	(\$212,940)	-98%		
Outpatient Mental Health			\$3,737	\$170,652	(\$166,915)	-98%		
Medical Transportation			\$66,550	\$209,159	(\$142,609)	-68%		
Less: Other Collections**			(\$4,671)	(\$106,810)	\$102,139	-96%		
Drug Rebates	(\$2,517,954)	(\$1,888,466)	(\$1,681)	(\$2,131,643)	\$2,129,961	-100%	(\$1,882,113)	100%
Total Claims Expenses	\$60,430,294	\$45,322,721	\$39,021,137	\$36,403,430	\$2,617,707	7%	(\$6,301,584)	-14%
Administrative Expenses:								
Salaries and Benefits	\$669,704	\$502,278	\$266,894	\$428,747	(\$161,853)	-38%	(\$235,384)	-47%
Program Administration	\$4,393,877	\$3,295,408	\$2,290,311	\$1,954,410	\$335,901	17%	(\$1,005,097)	-30%
Eligibility	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
Outreach & Health Promotion	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
Health Service Initiative	\$225,000	\$168,750	\$168,750	\$56,250	\$112,500	200%	\$0	0%
Current	\$175,000	\$131,250	\$36,207	\$71,537	(\$35,330)	-49%	(\$95,043)	-72%
Total Administrative Expenses in Operating Fund	\$5,463,581	\$4,097,686	\$2,762,162	\$2,510,944	\$251,218	10%	(\$1,335,524)	-33%
Total Operating Fund Expenditures	\$65,893,875	\$49,420,406	\$41,783,299	\$38,914,374	\$2,868,925	7%	(\$7,637,107)	-15%
Adjustments			(\$34,551)	(\$356,467)				
Ending Operating Fund Balance			\$6,186,536	\$5,000,626	\$1,185,910	24%		
Money Market			\$13,078	\$13,066				
Bond Pool			\$3,687,765	\$3,773,583				
Cash on Deposit			\$2,485,693	\$1,213,977				
Unrealized Gain/Loss on Investment			\$6,186,536	\$5,000,626				
Revenues Outside of Operating Funds:								
Federal Grants			\$0	\$0	\$0	0%		
Total WVCHIP Revenues			\$40,585,678	\$38,052,856	\$2,532,822	7%		
Program Expenses outside of Operating Funds:								
Eligibility	\$500,000	\$375,000	\$883,320	\$1,122,687	(\$239,367)	-21%	\$508,320	136%
Total Administrative Expenses	\$5,963,581	\$4,472,686	\$3,645,482	\$3,633,631	\$11,851	0%	(\$827,204)	-18%
Total WVCHIP Expenditures	\$66,393,875	\$49,795,406	\$42,666,619	\$40,037,061	\$2,629,558	7%	(\$7,128,787)	-14%

Footnotes:

- 1) Statement is on cash basis.
- 2) Estimate of Incurred but Not Reported (IBNR) claims on March 31, 2022 is \$468,000. The March 31, 2021 estimate was \$2,000,000.
- 3) Administrative Accounts Payable balance on March 31, 2022 was \$538,928. The March 31, 2021 balance was \$602,345.
- 4) 2022 and 2021 adjustments to fund balance represent timing issues between the payment of expense and the draw-down of federal revenues.
- 5) Revenues are primarily federal funds. WVCHIP's Federal Matching Assistance Percentage (FMAP) during SFY22 is 85.0%. FMAP during SFY21 was 98.3% through 09/30/20 and 85.00% starting 10/01/20.
- 6) Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills WVCHIP paid - primarily auto).
- 7) Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.
- 8) Other Services include home health, chiropractors, psychologists, podiatrists, and nurse practitioners.
- 9) Eligibility costs outside the fund represent the costs allocated to the WVCHIP for eligibility and enrollment processing (RAPIDS/WVPATH).

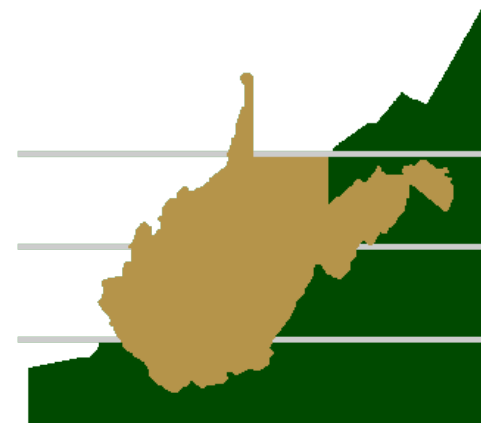
Unaudited - For Management Purposes Only

PRELIMINARY STATEMENT

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

May 31, 2022



Participant Plans Allocation & Performance Net of Fees

Period Ending: May 31, 2022

	6/30/2021		5/31/2022		Performance %							
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
WVIMB Fund Assets	25,345,298	100.0	24,111,806	100.0								
Pension Assets	20,619,195	81.3	19,727,664	81.8								
Public Employees' Retirement System	8,807,095	34.7	8,424,276	34.9	0.4	(2.1)	(1.6)	1.4	11.9	9.5	9.9	8.0
Teachers' Retirement System	9,886,658	39.0	9,365,955	38.8	0.4	(2.1)	(1.6)	1.4	11.8	9.5	9.8	7.8
EMS Retirement System	118,769	0.5	117,906	0.5	0.4	(2.1)	(1.7)	1.3	11.9	9.5	9.9	
Public Safety Retirement System	851,520	3.4	810,083	3.4	0.4	(2.0)	(1.6)	1.4	11.9	9.5	9.9	8.0
Judges' Retirement System	280,670	1.1	272,212	1.1	0.4	(2.1)	(1.7)	1.3	11.9	9.5	9.9	8.0
State Police Retirement System	301,156	1.2	302,820	1.3	0.4	(2.1)	(1.7)	1.3	11.9	9.5	9.9	8.0
Deputy Sheriffs' Retirement System	314,633	1.2	307,936	1.3	0.4	(2.1)	(1.7)	1.3	11.9	9.5	9.9	8.0
Municipal Police & Firefighter Retirement System	23,816	0.1	27,628	0.1	0.4	(2.0)	(1.7)	1.3	11.7	9.4	9.6	
Natural Resources Police Office Retirement System	25,063	0.1	25,507	0.1	0.4	(2.1)	(1.7)	1.3				
Municipal Model A (I)	7,477	0.0	70,973	0.3	0.4	(2.6)	(1.3)	1.8	12.1	9.7		
Municipal Model B (I)	2,338	0.0	2,368	0.0	0.4	(5.5)	(7.9)	(7.2)				
Insurance Assets	3,524,704	14.0	3,186,732	13.2								
Workers' Compensation Old Fund	1,086,608	4.3	927,278	3.8	0.1	(4.3)	(5.9)	(5.3)	5.8	4.9	5.0	
Workers' Comp. Self-Insured Guaranty Risk Pool	39,772	0.2	37,142	0.2	0.1	(4.0)	(5.3)	(4.8)	6.0	5.0	5.3	
Workers' Comp. Self-Insured Security Risk Pool	56,201	0.2	50,745	0.2	0.1	(4.0)	(5.3)	(4.8)	6.0	5.0		
Workers' Comp. Uninsured Employers' Fund	16,909	0.1	16,194	0.1	0.1	(4.0)	(5.3)	(4.9)	5.9	4.9	5.2	
Pneumoconiosis	247,663	1.0	216,973	0.9	0.1	(4.0)	(5.4)	(4.9)	6.0	5.0	5.3	5.5
Board of Risk & Insurance Management	194,839	0.8	184,411	0.7	0.1	(4.0)	(5.4)	(4.9)	6.1	5.1	5.3	
Public Employees' Insurance Agency	270,948	1.1	170,052	0.7	0.1	(4.2)	(5.5)	(5.0)	5.4	4.7	5.0	
WV Retiree Health Benefit Trust Fund	1,611,764	6.3	1,583,937	6.6	0.4	(2.1)	(1.7)	1.3	11.8	9.5	9.7	
Endowment Assets	1,201,399	4.7	1,197,410	5.0								
Berkeley County Development Authority	8,428	0.0	8,282	0.0	0.4	(2.1)	(1.7)	1.3	11.9	9.5		
Wildlife Fund	78,281	0.3	77,198	0.3	0.4	(2.1)	(1.7)	1.3	11.8	9.5	9.8	8.0
WV State Parks and Recreation Endowment Fund	6,465	0.0	14,466	0.1	0.4	(1.9)	(1.9)					
Revenue Shortfall Reserve Fund	293,538	1.2	338,593	1.4	(0.3)	(5.0)	(5.5)	(4.9)	1.1	1.8	1.8	
Revenue Shortfall Reserve Fund - Part B	557,458	2.2	517,988	2.2	0.1	(5.3)	(7.1)	(6.4)	4.5	4.1	4.6	
WV DEP Trust	11,837	0.0	11,115	0.0	0.2	(4.7)	(6.1)	(5.6)	9.5	7.2	8.4	
WV DEP Agency	245,392	1.0	229,768	1.0	0.3	(4.4)	(6.4)	(5.8)	6.8	5.5		

Composite Asset Allocation & Performance Net of Fees

Period Ending: May 31, 2022

	Asset (\$000)	%	Performance %								
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year	
Investment Pools Composite	24,118,714	100.00									
Portable Alpha Composite +/- S&P 500 Index	4,815,323	19.97	0.08 (0.10)	(4.29) 0.87	(2.27) 0.30	(0.07) 0.23					
Large Cap Domestic Equity Composite +/- S&P 500 Index	317,118	1.31	0.15 (0.03)	(5.18) (0.02)	(2.66) (0.09)	(0.39) (0.09)	16.42 (0.02)	13.08 (0.30)	14.26 (0.13)	9.09 (0.05)	
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	930,142	3.86	(1.79) (2.13)	(9.82) (3.07)	(10.47) 2.18	(10.96) 0.66	12.11 0.06	9.76 0.00	11.81 (0.19)	9.44 (0.03)	
International Equity Composite +/- MSCI AC World ex US IMI Index (b)	4,625,296	19.18	0.84 0.26	(6.40) (1.05)	(12.16) (0.58)	(12.58) (0.46)	8.27 1.03	4.96 (0.02)	8.04 1.01	7.42 0.85	
Fixed Income Composite +/- Bloomberg Universal (c)	4,294,024	17.80	0.37 (0.18)	(5.15) 0.65	(8.80) 0.28	(8.10) 0.31	1.09 0.89	2.07 0.74	2.83 0.77	4.44 0.53	
Core Fixed Income Composite +/- Bloomberg US Aggregate	1,276,030	5.29	0.23 (0.41)	(5.58) 0.28	(8.12) 0.74	(7.36) 0.86	0.88 0.88	1.86 0.69	2.33 0.62		
Total Return Fixed Income Composite (j) +/- Bloomberg Universal	3,017,994	12.51	0.43 (0.12)	(4.97) 0.83	(9.09) (0.01)	(8.42) (0.01)	1.14 0.94	2.14 0.81	3.07 1.01	4.82 0.82	
TIPS Composite +/- Bloomberg US TIPS	460,172	1.91	(0.97) 0.02	(4.82) 0.00	(2.04) 0.00	(1.44) 0.01	4.53 0.08	3.76 0.08	2.03 0.03		
Cash Composite +/- FTSE 3 Month US T-Bill (d)	130,890	0.54	0.03 (0.02)	0.06 (0.03)	0.09 (0.04)	0.09 (0.04)	0.54 (0.11)	1.01 (0.08)	0.61 (0.02)	1.30 (0.03)	
Private Equity Composite +/- Russell 3000 + 3% (e, f)	2,893,475	12.00	0.54 0.43	5.64 11.05	12.61 15.87	33.49 34.17	30.56 11.96	26.14 10.39	19.39 2.21		
Real Estate Composite +/- NCREIF + 1% (e)	2,422,202	10.04	0.61 (1.22)	4.77 (1.08)	13.48 (7.22)	17.56 (3.91)	8.82 (1.37)	8.76 (0.52)	9.50 (1.02)		
Hedge Fund Composite +/- HFRI FOF + 1% (g)	2,370,668	9.83	(0.14) 0.76	1.15 2.71	2.74 5.60	2.60 4.84	7.17 1.06	5.78 0.79	5.50 1.31		
Private Credit & Income Composite +/- CS Leveraged Loan + 2% (e, k)	859,404	3.56	2.74 5.09	3.72 5.53	6.85 5.65	10.09 8.32	7.56 2.74	6.99 1.60			

Participant Plans Allocation vs. Strategy

Period Ending: May 31, 2022

	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	46.9	50.0	14.5	15.0	13.5	10.0	11.3	10.0	4.0	5.0	9.6	10.0	0.2	0.0
Teachers' Retirement System	46.8	50.0	14.4	15.0	13.5	10.0	11.3	10.0	4.0	5.0	9.6	10.0	0.4	0.0
EMS Retirement System	46.6	50.0	14.6	15.0	13.5	10.0	11.3	10.0	4.0	5.0	9.6	10.0	0.4	0.0
Public Safety Retirement System	46.0	50.0	13.9	15.0	13.3	10.0	11.1	10.0	3.9	5.0	9.4	10.0	2.4	0.0
Judges' Retirement System	46.8	50.0	14.6	15.0	13.5	10.0	11.3	10.0	4.0	5.0	9.6	10.0	0.2	0.0
State Police Retirement System	46.6	50.0	14.7	15.0	13.5	10.0	11.3	10.0	4.0	5.0	9.6	10.0	0.3	0.0
Deputy Sheriffs' Retirement System	46.8	50.0	14.6	15.0	13.5	10.0	11.3	10.0	4.0	5.0	9.6	10.0	0.2	0.0
Municipal Police & Firefighter Retirement System	45.6	50.0	14.5	15.0	13.2	10.0	11.0	10.0	3.9	5.0	9.4	10.0	2.4	0.0
Natural Resources Police Office Retirement System	46.5	50.0	14.5	15.0	13.4	10.0	11.2	10.0	4.0	5.0	9.5	10.0	0.9	0.0
Municipal Model A	46.7	50.0	14.6	15.0	13.5	10.0	11.3	10.0	4.0	5.0	9.6	10.0	0.3	0.0
Municipal Model B	53.7	55.0	45.1	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.0

Insurance Assets

Workers' Compensation Old Fund	29.3	30.0	51.8	50.0	0.0	0.0	0.0	0.0	0.0	0.0	14.7	15.0	4.2	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	28.9	30.0	46.6	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.4	20.0	5.1	5.0
Workers' Comp. Self-Insured Security Risk Pool	29.0	30.0	46.8	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5	20.0	4.7	5.0
Workers' Comp. Uninsured Employers Fund	28.8	30.0	46.3	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.3	20.0	5.6	5.0
Pneumoconiosis	29.2	30.0	47.2	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.7	20.0	3.9	5.0
Board of Risk & Insurance Mgmt.	28.9	30.0	46.5	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.4	20.0	5.2	5.0
Public Employees' Insurance Agency	23.8	25.0	56.7	55.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	46.8	50.0	14.8	15.0	13.5	10.0	11.3	10.0	4.0	5.0	9.6	10.0	0.0	0.0

Endowment Assets

Berkeley County Development Authority	46.7	50.0	14.9	15.0	13.5	10.0	11.3	10.0	4.0	5.0	9.6	10.0	0.0	0.0
Wildlife Fund	46.8	50.0	14.6	15.0	13.5	10.0	11.3	10.0	4.0	5.0	9.6	10.0	0.2	0.0
WV State Parks and Recreation Endowment Fund	43.4	50.0	13.7	15.0	12.5	10.0	10.4	10.0	3.7	5.0	8.9	10.0	7.4	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	21.7	22.5	78.3	77.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	63.6	65.0	16.6	15.0	0.0	0.0	0.0	0.0	0.0	0.0	19.8	20.0	0.0	0.0
WV DEP Agency	38.7	40.0	41.8	40.0	0.0	0.0	0.0	0.0	0.0	0.0	19.5	20.0	0.0	0.0

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

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

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WEST VIRGINIA OFFICES *OF THE* INSURANCE COMMISSIONER

Allan L. McVey
Insurance Commissioner

Status Report:
Workers' Compensation

Joint Committee on Government & Finance

July 2022

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Introduction

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

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

As of January 2008, there were 47,961 active Old Fund workers' compensation insurance claims. In December 2020, the number of active claims fell to less than 10,000 for the first time and, as of June 2022, there were 8,055 active claims. The first Workers' Compensation Status Report to the Joint Committee on Government and Finance was issued in June 2008. The following pages update the status of the various workers' compensation funds and the activities associated with the administration of the workers' compensation responsibilities transitioned to the Insurance Commissioner by the Legislature.

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

Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

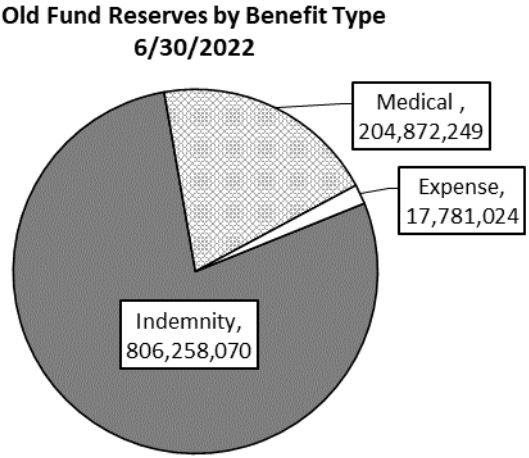
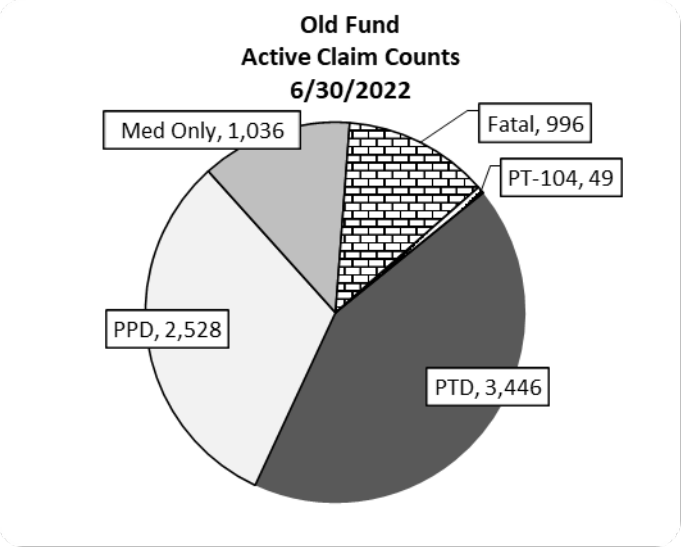
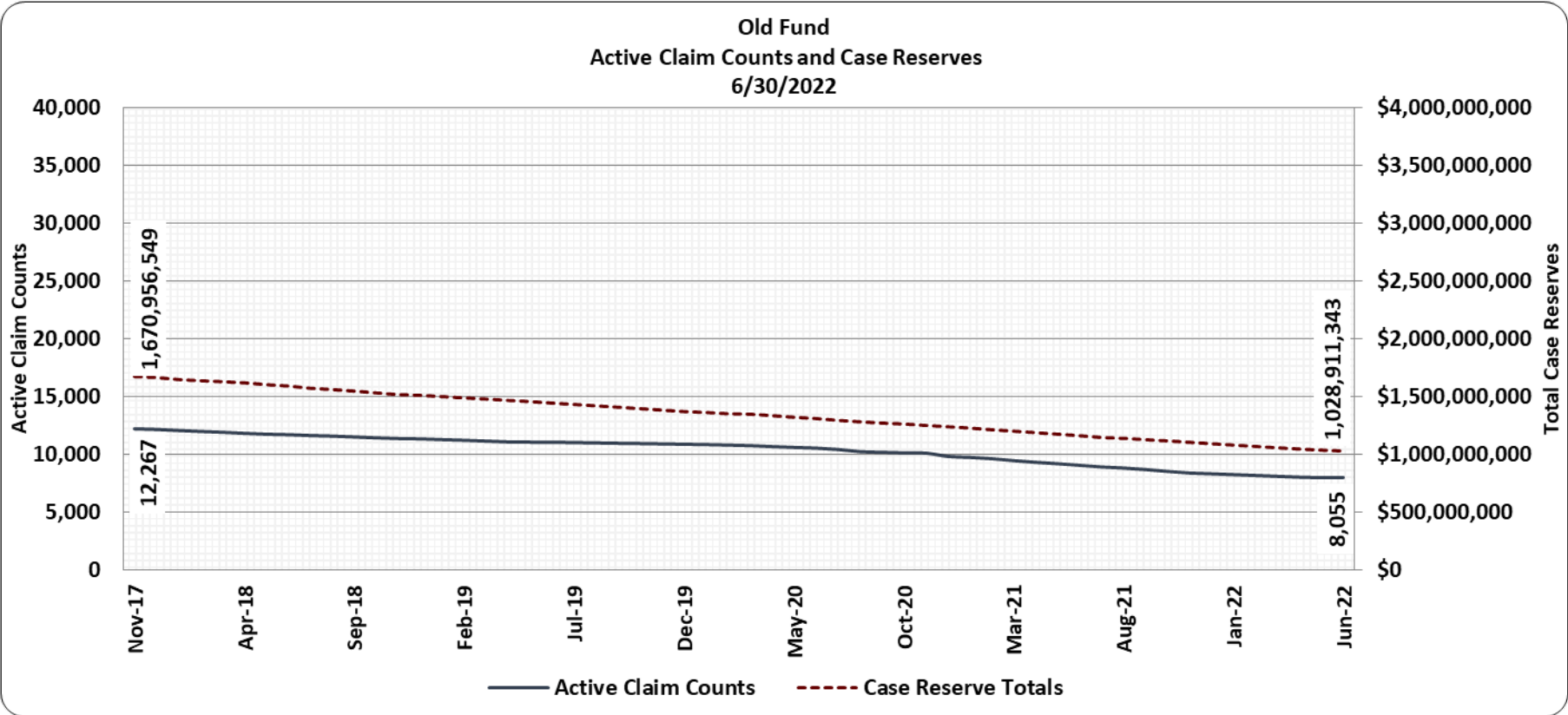
Self-Insured Guaranty Fund: State managed fund consisting of those funds transferred to it from the guaranty pool created pursuant to 85 CSR §19 (2004) and any future funds collected through continued administration of that exempt legislative rule as administered by the WVOIC and out of which workers'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

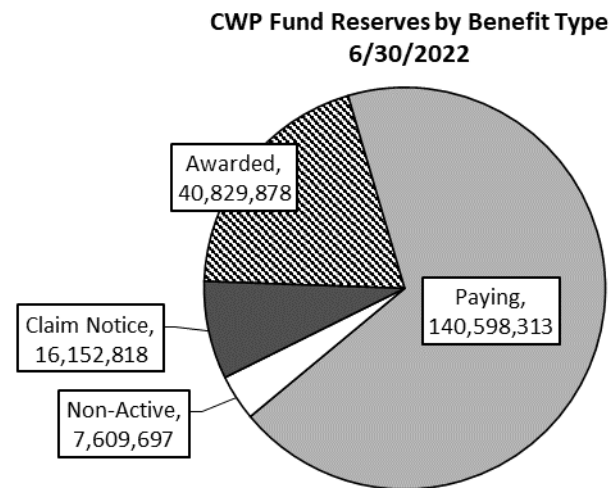
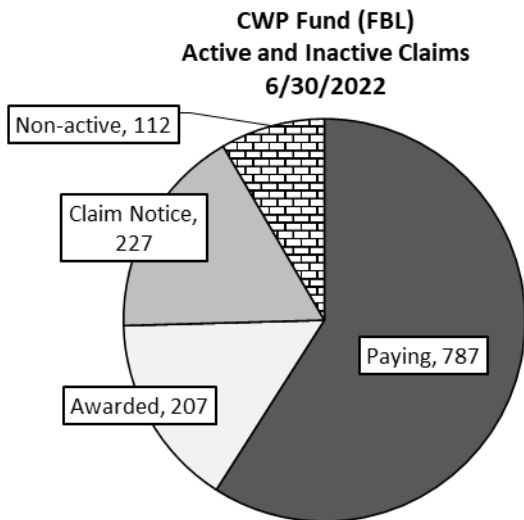
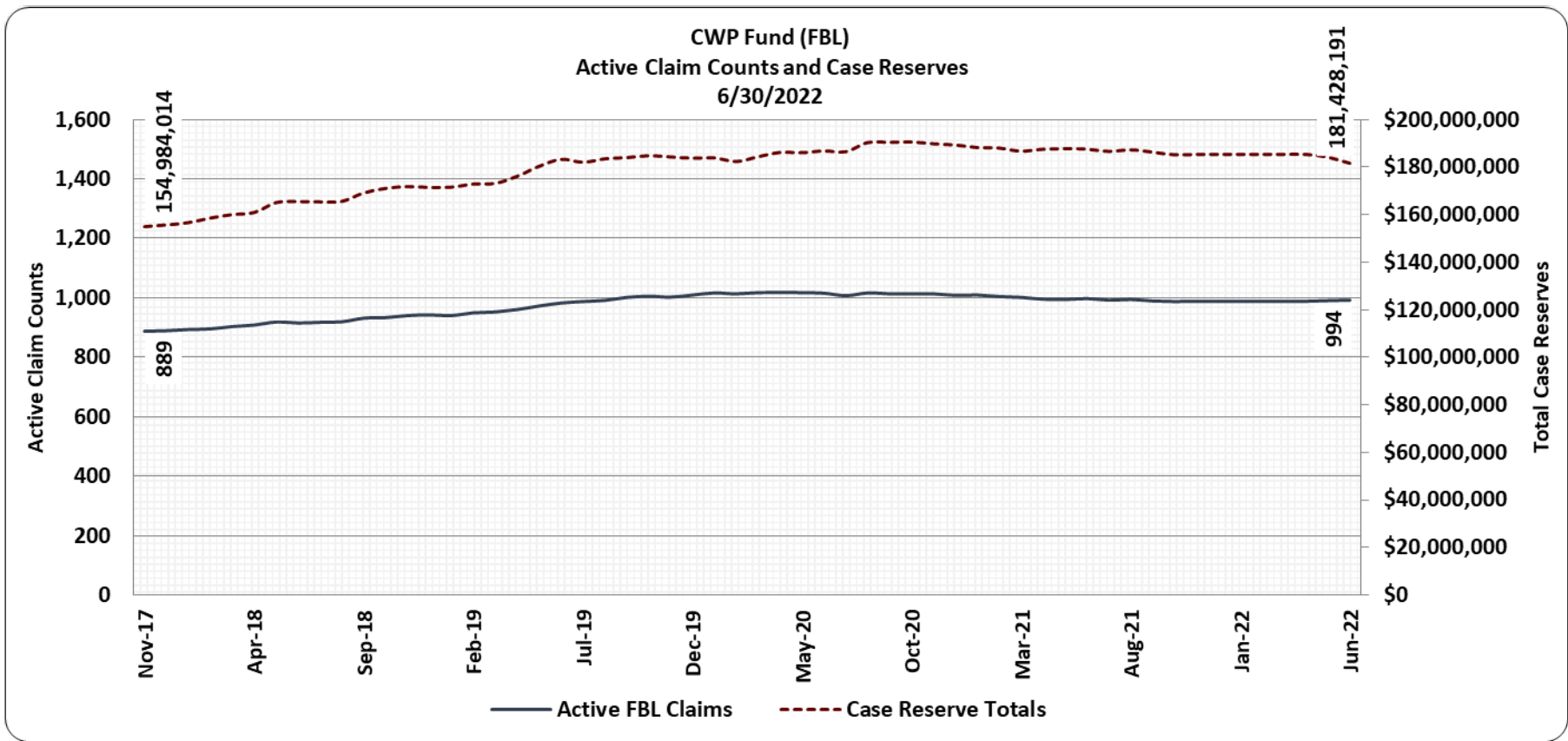
Self-Insured Security Fund: State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last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

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

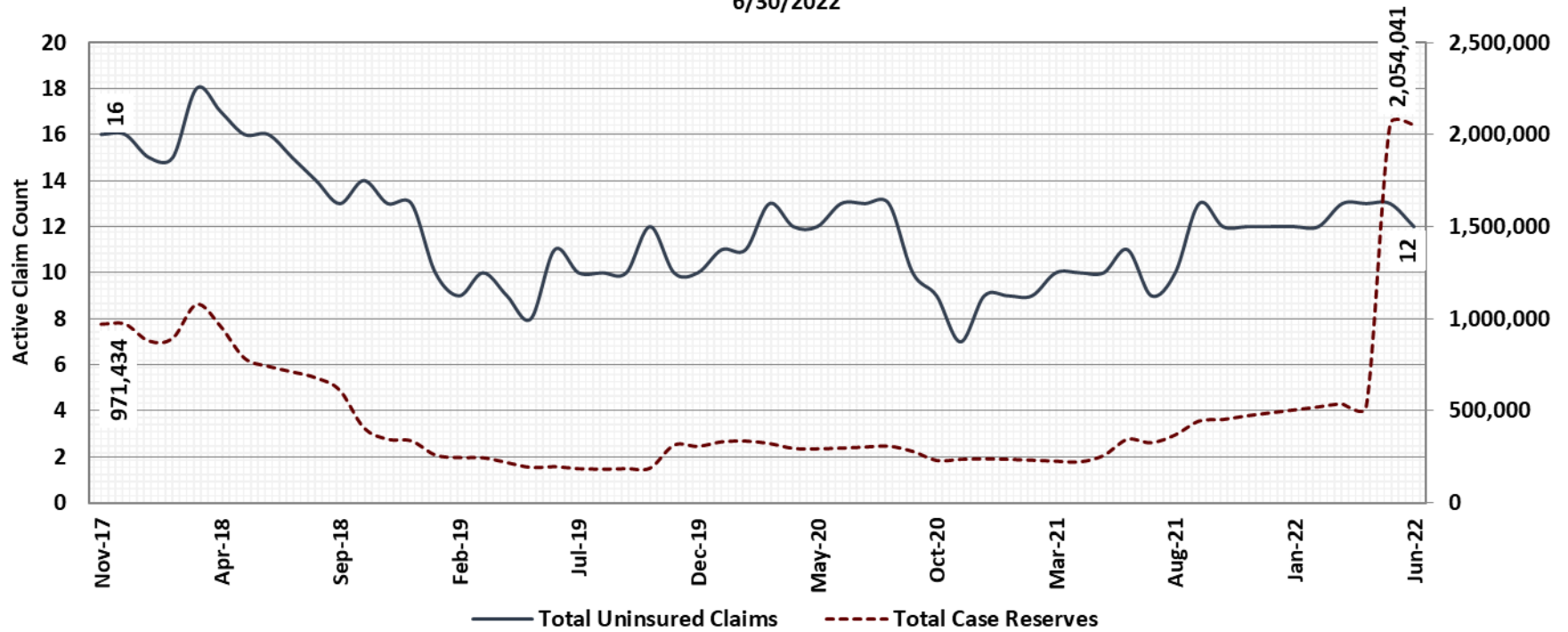
TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified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

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

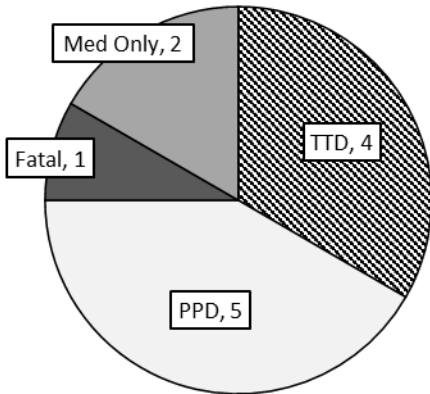




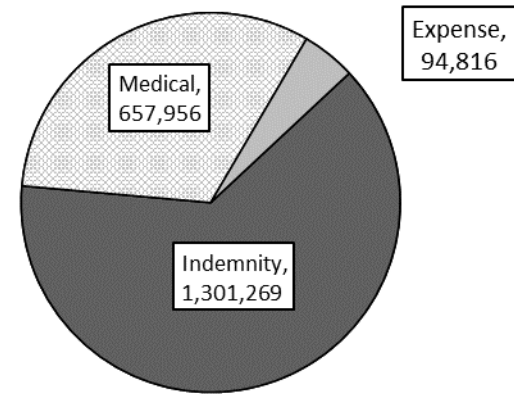
**Uninsured Fund
Active Claim Counts and Case Reserves
6/30/2022**



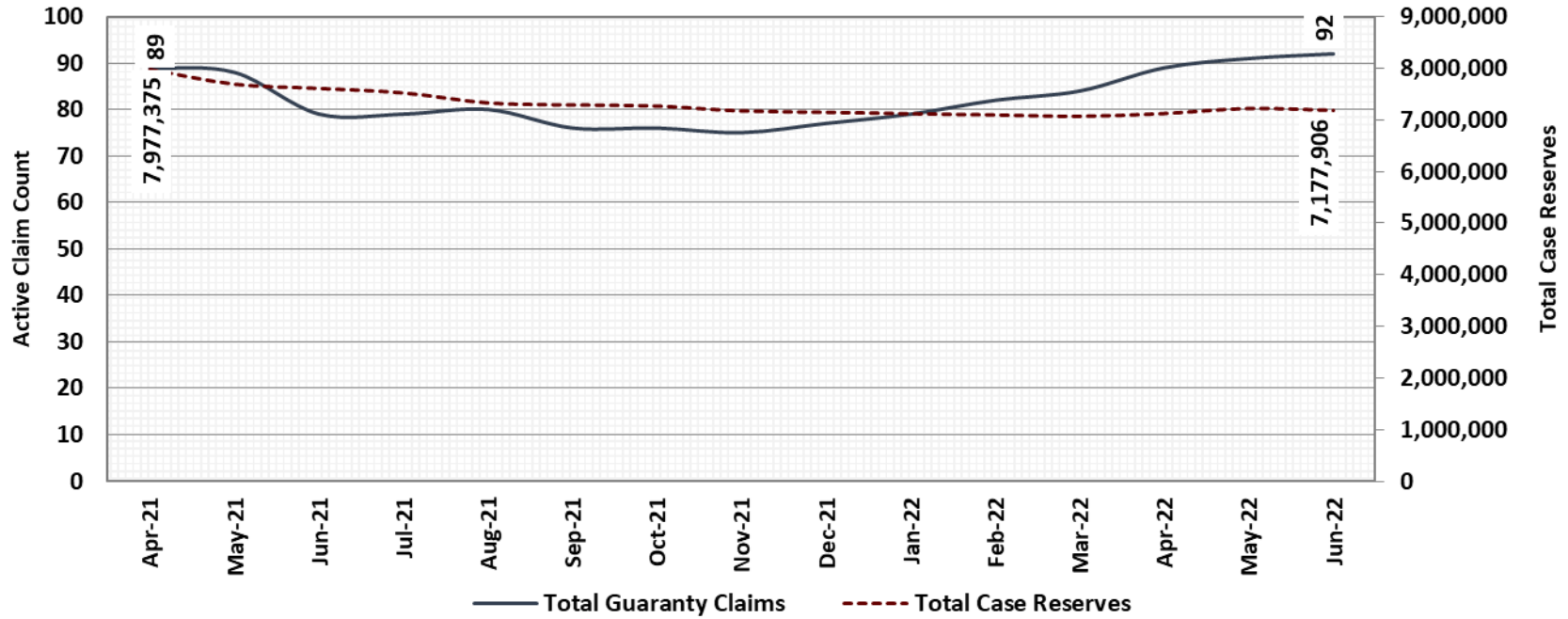
**Uninsured Fund
Active Claim Counts
6/30/2022**



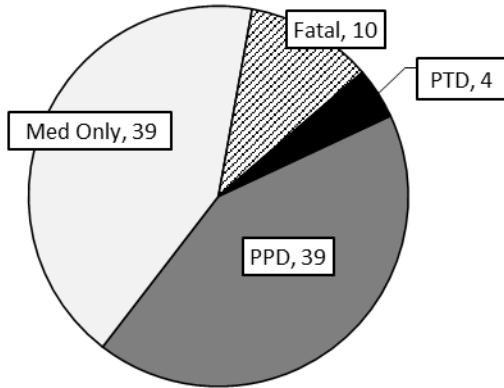
**Uninsured Fund Reserves by Benefit Type
6/30/2022**



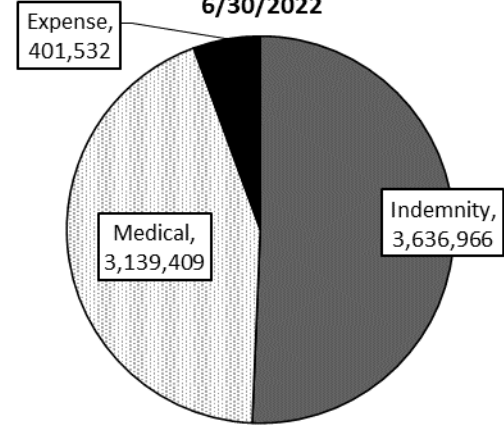
**Guaranty Fund
Active Claim Counts and Case Reserves
6/30/2022**



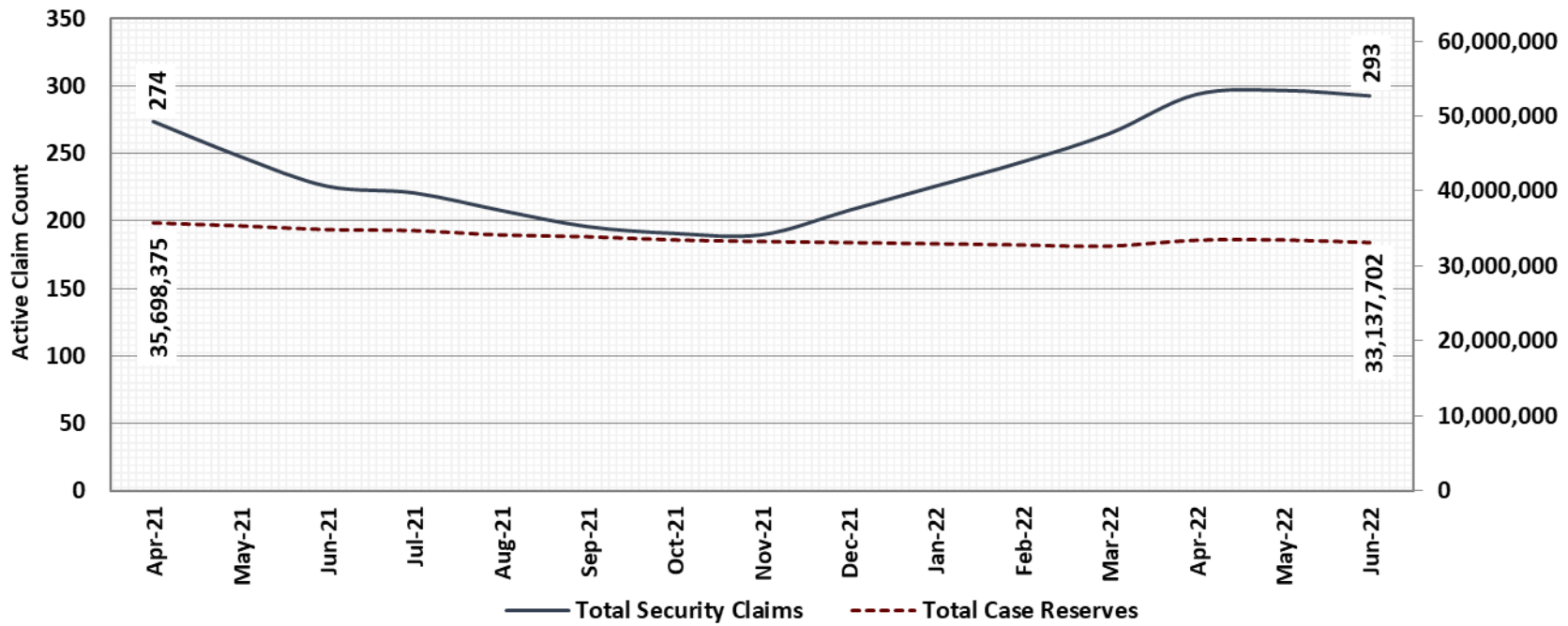
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Active Claim Counts
6/30/2022**



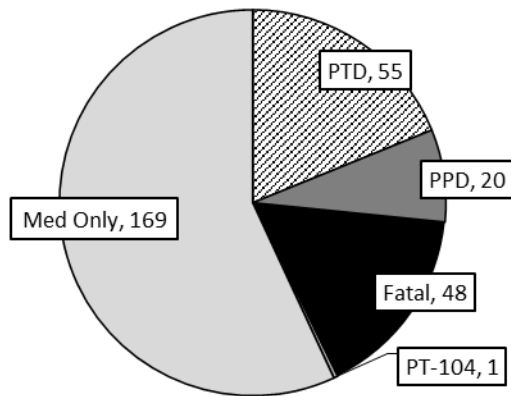
**Guaranty Fund Reserves by Benefit Type
6/30/2022**



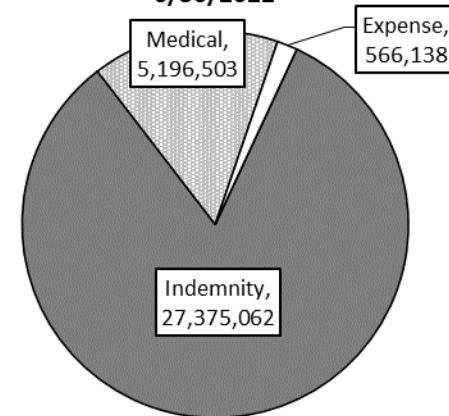
**Security Fund
Active Claim Counts and Case Reserves
6/30/2022**



**Security Fund
Active Claim Counts
6/30/2022**



**Security Fund Reserves by Benefit Type
6/30/2022**



OLD FUND CASH STATEMENT
JUNE 30, 2022

Three Year History for years ended:

	YTD FY2022	YTD FY2021	Change	FY2021	FY2020	FY2019
Cash Beginning Balances	1,080,592,100	993,229,138	87,362,963	993,229,138	1,077,104,966	1,190,163,510
Revenues						
Personal Income Tax	-	-	-	-	-	-
Severance Tax	-	-	-	-	-	812,164
Debt Reduction Surcharge	-	-	-	-	-	4,078,894
Self-Insured Debt Reduction Surcharge	-	-	-	-	-	1,628,881
Video Lottery	-	-	-	-	-	-
Employer Premium	238,786	189,298	49,488	189,298	138,119	70,302
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
Operating Revenues	238,786	189,298	49,488	189,298	138,119	6,590,241
Investment / Interest Earnings (Losses)	(52,668,067)	187,370,470	(240,038,536)	187,370,470	48,614,936	17,915,993
Total Revenues	(52,429,280)	187,559,768	(239,989,048)	187,559,768	48,753,055	24,506,234
Expenditures						
Claims Benefits Paid:						
Medical	14,588,442	16,509,277	(1,920,835)	16,509,277	21,141,087	21,861,068
Permanent Total Disability	63,031,618	69,561,392	(6,529,773)	69,561,392	75,310,561	81,018,639
Permanent Partial Disability	163,078	112,956	50,123	112,956	70,989	120,930
Temporary Disability	-	-	-	-	(486)	49,001
Fatals	17,124,757	18,386,146	(1,261,389)	18,386,146	19,297,908	20,440,045
104 weeks death benefit	6,011,709	6,353,928	(342,219)	6,353,928	5,474,959	4,630,636
Settlements	2,382,067	2,708,581	(326,514)	2,708,581	4,452,419	3,688,819
Loss Adjustment Expenses	1,284,295	1,095,241	189,055	1,095,241	1,603,551	1,400,225
Total	104,585,967	114,727,520	(10,141,553)	114,727,520	127,350,987	133,209,364
Less: Claims credits and overpayments	454,800	334,334	120,466	334,334	982,782	2,443,869
Total Benefits Paid	104,131,167	114,393,187	(10,262,019)	114,393,187	126,368,205	130,765,495
Administrative Expenses	4,775,129	5,350,342	(575,213)	5,803,619	6,260,679	6,799,283
Total Expenditures	108,906,296	119,743,528	(10,837,232)	120,196,805	132,628,883	137,564,778
Excess (Deficiency) of Revenues over Expenditures	(161,335,577)	67,816,240	(229,151,816)	67,362,963	(83,875,828)	(113,058,544)
Transfer from Operating Fund	-	20,000,000	(20,000,000)	20,000,000	20,000,000	20,000,000
Cash Ending Balances	919,256,524	1,081,045,377	(161,788,854)	1,080,592,100	993,229,138	1,077,104,966

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
JUNE 30, 2022

Three Year History for years ended:						
	YTD FY2022	YTD FY2021	Change	FY2021	FY2020	FY2019
Cash Beginning Balances	246,613,162	220,914,521	25,698,641	220,914,521	232,485,887	246,768,365
Revenues						
Investment Earnings (Losses)	(11,131,323)	43,567,242	(54,698,566)	43,567,242	9,366,126	3,546,660
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
Total Revenues	(11,131,323)	43,567,242	(54,698,566)	43,567,242	9,366,126	3,546,660
 Expenditures						
Claims Benefits Paid:						
Medical	6,033,252	5,107,159	926,092	5,107,159	7,541,269	4,623,840
PTD and Fatal Indemnity	9,518,418	8,726,207	792,211	8,726,207	8,899,722	8,683,360
Settlements	1,837	-	1,837			
Loss Adjustment Expenses	3,513,844	3,343,071	170,772	3,343,071	3,933,266	3,620,512
Total	19,067,350	17,176,438	1,890,913	17,176,438	20,374,258	16,927,711
Less: Claims Credits and Overpayments	387,376	94,896	292,480	94,896	360,474	85,884
Total Benefits Paid	18,679,974	17,081,541	1,598,433	17,081,541	20,013,784	16,841,827
Administrative Expenses	870,138	787,060	83,078	787,060	923,707	987,312
Total Expenditures	19,550,112	17,868,601	1,681,511	17,868,601	20,937,491	17,829,139
Excess (Deficiency) of Revenues over Expenditures	(30,681,436)	25,698,641	(56,380,077)	25,698,641	(11,571,365)	(14,282,479)
Cash Ending Balances	215,931,727	246,613,162	(30,681,435)	246,613,162	220,914,521	232,485,887

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
JUNE 30, 2022

	Three Year History for years ended:					
	YTD FY2022	YTD FY2021	Change	FY2021	FY2020	FY2019
Cash Beginning Balances	39,659,496	33,724,356	5,935,140	33,724,356	33,373,873	34,042,831
Revenues						
Guaranty Risk Pool Assessments	10,000	-	10,000	-	-	(354)
Collateral Proceeds	-	-	-	-	-	252,925
Investment Earnings (Losses)	(1,884,585)	6,763,880	(8,648,466)	6,763,880	1,367,274	523,349
Total Revenues	(1,874,585)	6,763,880	(8,638,466)	6,763,880	1,367,274	775,921
Expenditures						
Claims Benefits Paid:						
Medical	178,127	280,185	(102,058)	280,185	346,473	496,368
Permanent Total Disability	63,717	89,242	(25,525)	89,242	102,389	102,389
Permanent Partial Disability	83,562	91,922	(8,360)	91,922	225,842	260,557
Temporary Disability	-	-	-	-	-	13,148
Fatals	206,996	206,996	-	206,996	223,506	226,808
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	62,000	39,699	22,301	39,699	10,000	125,000
Non Awarded Partial Disability	-	-	-	-	-	-
Loss Adjustment Expenses	31,743	52,455	(20,712)	52,455	76,110	112,306
Total	626,144	760,498	(134,354)	760,498	984,319	1,336,576
Less: Claims Credits and Overpayments	53,649	150	53,499	150	45,480	205
Total Benefits Paid	572,495	760,348	(187,853)	760,348	938,840	1,336,371
Administrative Expenses	24,473	64,658	(40,185)	68,392	77,951	108,508
Total Expenditures	596,968	825,006	(228,038)	828,740	1,016,791	1,444,879
Excess (Deficiency) of Revenues over Expenditures	(2,471,554)	5,938,874	(8,410,428)	5,935,140	350,483	(668,958)
Cash Ending Balances	37,187,942	39,663,230	(2,475,288)	39,659,496	33,724,356	33,373,873

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
JUNE 30, 2022

Three Year History for years ended:

	YTD FY2022	YTD FY2021	Change	FY2021	FY2020	FY2019
Cash Beginning Balances	55,995,948	49,568,499	6,427,449	49,568,499	50,905,481	53,404,259
Revenues						
Security Risk Pool Assessments	-	-	-	-	-	-
Collateral Proceeds	-	-	-	-	-	243,007
Investment Earnings (Losses)	(2,592,281)	9,805,453	(12,397,734)	9,805,453	2,087,341	770,092
Total Revenues	(2,592,281)	9,805,453	(12,397,734)	9,805,453	2,087,341	1,013,099
Expenditures						
Claims Benefits Paid:						
Medical	585,099	531,814	53,285	531,814	549,908	527,648
Permanent Total Disability	1,177,138	1,250,688	(73,550)	1,250,688	1,379,159	1,519,062
Permanent Partial Disability	11,540	4,243	7,297	4,243	(60)	5,702
Temporary Disability	-	-	-	-	-	-
Fatals	838,483	918,152	(79,669)	918,152	979,631	1,090,855
104 Weeks Death Benefit	50,458	171,468	(121,010)	171,468	78,073	8,932
Settlement Agreements	61,325	315,463	(254,138)	315,463	162,665	19,065
Loss Adjustment Expenses	36,980	73,223	(36,243)	73,223	118,818	96,587
Total	2,761,024	3,265,052	(504,027)	3,265,052	3,268,194	3,267,851
Less: Claims Credits and Overpayments	31,348	84,004	(52,656)	84,004	102,299	54,962
Total Benefits Paid	2,729,676	3,181,048	(451,371)	3,181,048	3,165,895	3,212,889
Administrative Expenses	68,333	185,014	(116,681)	196,956	258,428	298,987
Total Expenditures	2,798,009	3,366,062	(568,052)	3,378,004	3,424,323	3,511,876
Excess (Deficiency) of Revenues over Expenditures	(5,390,290)	6,439,391	(11,829,682)	6,427,449	(1,336,982)	(2,498,778)
Cash Ending Balances	50,605,658	56,007,890	(5,402,232)	55,995,948	49,568,499	50,905,481

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
JUNE 30, 2022

Three Year History for years ended:

	YTD FY2022	YTD FY2021	Change	FY2021	FY2020	FY2019
Cash Beginning Balances	16,844,759	13,817,714	3,027,045	13,817,714	13,211,915	12,989,971
Revenues						
Fines and Penalties	341,220	322,680	18,540	322,680	385,577	588,767
Investment Earnings (Losses)	(828,855)	2,767,995	(3,596,850)	2,767,995	517,439	179,479
Total Revenues	(487,635)	3,090,675	(3,578,310)	3,090,675	903,016	768,246
Expenditures						
Claims Benefits Paid:						
Medical	118,279	2,096	116,183	2,096	7,169	129,612
Permanent Total Disability	-	-	-	-	-	-
Permanent Partial Disability	6,929	-	6,929	-	15,617	30,633
Temporary Disability	64,151	3,048	61,103	3,048	22,059	35,751
Fatals	19,201	25,601	(6,400)	25,601	37,816	50,030
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	22,000	44,276	(22,276)	44,276	82,000	106,000
Loss Adjustment Expenses	39,974	26,492	13,482	26,492	46,867	52,714
Total	270,534	101,513	169,021	101,513	211,528	404,740
Less: Claims Credits and Overpayments	116,115	42,742	73,372	42,742	7,535	50,676
Total Benefits Paid	154,419	58,770	95,649	58,770	203,993	354,064
Administrative Expenses	7,410	3,810	3,600	4,860	93,224	192,238
Total Expenditures	161,829	62,580	99,249	63,630	297,217	546,302
Excess (Deficiency) of Revenues over Expenditures	(649,465)	3,028,095	(3,677,559)	3,027,045	605,799	221,944
Cash Ending Balances	16,195,294	16,845,809	(650,515)	16,844,759	13,817,714	13,211,915

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.

July 2022

*West Virginia Offices of the
Insurance Commissioner*



Workers' Compensation Safety Initiatives

Allan L. McVey
Insurance Commissioner

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Introduction

W. Va. Code §23-2C-5(c)(6) requires the Industrial Council to present a biennial report to the Legislative Joint Committee on Government and Finance that outlines safety initiatives offered and utilized in the workers' compensation market. The report evaluates current private insurer and self-insured employer risk management strategies used to mitigate workplace accidents and to control losses. The West Virginia Offices of the Insurance Commissioner (WVOIC) compiles the report and presents the analysis to the Industrial Council for review and adoption of the final report.

To comply with this mandate, the WVOIC developed, disseminated and analyzed a web-based survey form. The forms were created by the WVOIC and accessible on the www.wvinsurance.gov webpage. The forms were distributed to the top ten (10) workers' compensation private insurer groups based on 2021 premium market share as well as 52 self-insured employers. The insurer survey consisted of questions including company information, aggregated insured information, safety practices and procedures and the safety opinion of West Virginia employer utilization of insurer services. The self-insured employer survey consisted of questions including company and industry information, safety programs, drug and/or alcohol programs, Return to Work (RTW) programs, industry/employee training, workplace information and additional comments relevant to safety in workplaces. Insurers were asked to submit aggregated responses on behalf of all companies writing workers' compensation within the group. Self-insured employers were instructed to complete a survey for each company with active self-insured status for West Virginia workers' compensation. A copy of each survey form (insurer and self-insured employer) is provided as [Exhibit 1](#) and [Exhibit 2](#).

This report and analysis rely solely on the responses as provided by the insurer or self-insured employer and have not been examined in a regulatory capacity nor independently verified.

Private Insurer Section

Insurer Group Responses

The survey form was distributed electronically to ten (10) carrier groups based on 2021 premium market share. There were 77 total groups that reported workers' compensation premium for West Virginia on the annual financial statements to the National Association of Insurance Commissioners (NAIC). The aggregated market share for the ten (10) groups totaled approximately 85% while the remaining 67 groups reported 15% of overall premium. The ten (10) insurer groups and cumulative market share are provided in the table below.

NAIC Group Code	NAIC Group Name	Cumulative Market Share
291	Encova Mut Ins Grp	45.7%
3548	Travelers Grp	9.6%
111	Liberty Mut Grp	6.0%
457	Argo Grp US Inc Grp	5.9%
213	Erie Ins Grp	5.3%
212	Zurich Ins Grp	4.5%
91	Hartford Fire & Cas Grp	2.7%
12	American Intl Grp (AIG)	2.2%
626	Chubb Ltd Grp	2.2%
2538	AmTrust Financial Serv Grp	1.3%

As displayed above, Encova Mutual Insurance Group represents 45.7% of the overall 2021 written premium and includes responses on behalf of four companies. It is important to note that BrickStreet Mutual Insurance Company is included within the Encova Mut Ins Grp. BrickStreet Mutual Insurance Company represents 34.5% of the overall 2021 workers' compensation market share.

Private Insurer Safety Survey Summary

This section will provide a descriptive analysis of the private insurer responses to the survey questions.

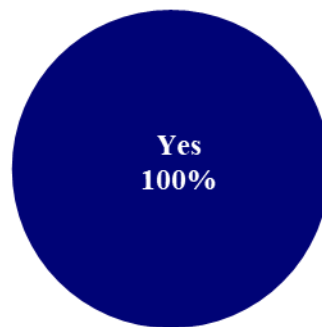
Section 1 questions relate to company and respondent contact information.

Section 2 questions relate to West Virginia policy information and risk management programs available to West Virginia employers. This report is a compilation of insurer responses.

NAIC Group Name	WV Policy Count	WV Written Premium
Encova Mut Ins Grp	9,497	\$107,908,404
Travelers Grp	4,251	\$22,004,077
Liberty Mut Grp	1,037	\$8,076,927
Argo Grp US Inc Grp	320	\$12,993,354
Erie Ins Grp	4,040	\$11,924,046
Zurich Ins Grp	752	\$9,783,677
Hartford Fire & Cas Grp	4,097	\$5,864,598
American Intl Grp (AIG)	1,056	\$4,841,646
Chubb Ltd Grp	2,624	\$4,784,953
AmTrust Financial Serv Grp	1,415	\$2,868,924
Total	29,089	\$191,050,606

The companies reported written premiums totaling \$191,050,606. The overall 2021 written premium for the West Virginia workers' compensation market was \$219,694,760 so the company reported premiums are 87% of the total. As previously stated, the responding insurers made up 85.4% of the 2021 market share and based on the current written premiums provided above, it would appear the insurers maintain a consistent market share.

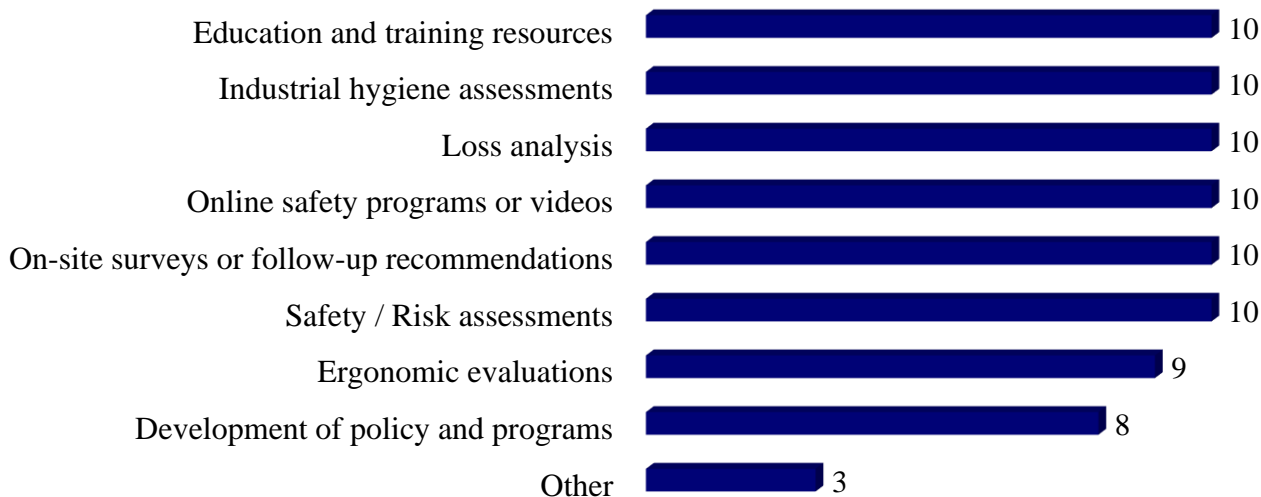
Do you offer safety and loss programs or risk management services to WV employers?



All insurers offer safety and loss programs or risk management services to West Virginia employers.

A second question was posed to the insurers who responded “Yes” to the previous question.

Please check all types of safety programs and initiatives you offer insureds.



The options above were pre-set options that an employer marked if applicable. If “Other” was selected, the comments below were provided by insurers as additional options relating to types of safety services offered to insureds.

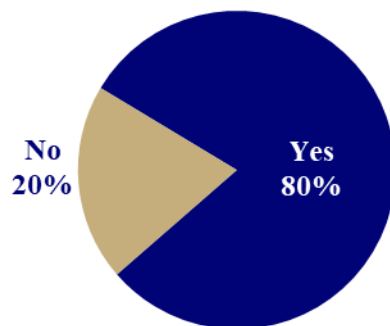
- Erie: Service Planning to develop a strategy to help mitigate, reduce, or prevent claims.
- Travelers: We also provide services with Return-to-work programs, through on-site consultations and online website resources. While we do not assume the employer's responsibility for development of safety policies and programs, we will assist them with their development of policies and programs.
- Chubb: Access to Chubb Risk Engineering Services Online Resource Center and Chubb Online Learning Center

Eight (8) insurers offered a dedicated safety unit to West Virginia policyholders. The insurers offering a dedicated safety unit were Encova, Travelers, Liberty Mutual, Zurich, The Hartford, AIG, Chubb and AmTrust. The following additional comments were received as a part of the response:

- Encova: Approximately 9 Safety and Loss Control consultants are dedicated to WV employers to provide safety and loss control services.
- Travelers: The services checked in the question above are the primary services offered by our Risk Control Staff of 16 consultants.
- Liberty Mutual: Primary services are the same as the ones listed in the question above and approximately 3 consultants are available to WV employers.

- Zurich: Risk/loss/claim division, Loss prevention unit, consultation unit, safety assessment of the worksite, training resources and online tools.
- The Hartford: We provide many services including loss analysis, Industrial Hygiene needs, ergonomic assessments, and overall workplace safety.
- AIG: Loss control services are offered through AIG’s Risk Consulting. Services are provided on a local, national and international basis. Casualty Risk Consultants develop service plans with corporate personnel and company management. Consultants will visit or provide remote service to facilities in all 50 states as needed. Services address employee injury exposures, property, liability, commercial auto and environmental risk. Employee injury related services include:
 - on-site visits to review physical hazards and evaluate the implementation of loss control programs
 - consultative support to support policyholder management to direct and focus efforts
 - loss analyses to identify potential opportunities to focus efforts on key loss drivers
 - Web-based learning management systems (LexTrainer and RiskTool Advantage®)
 - Concierge Services – a hotline for insured risk consulting access
- Chubb: Chubb has a network of close to 500 risk engineers globally available to help WV companies anticipate and minimize exposures. We provide a range of services focused on identifying exposures, assessing the adequacy of existing controls, and helping customers anticipate and mitigate potential costly losses. We offer customized risk management and loss control programs and specialized consulting focused on lessons from losses, industry best practices and consensus standards. The network of risk engineers possesses deep industry knowledge and technical expertise in a wide range of industries. At this time we do not have any risk engineering staff stationed in WV, however, we have several risk engineers who typically provide our services to WV.
- AmTrust: AmTrust North America Loss Control offers comprehensive safety services to all AmTrust policyholders. Services include onsite assessments, safety resources (including a robust website safety library) and safety training. We currently have a staff of 30.

Do you offer regular safety audits to West Virginia employers?

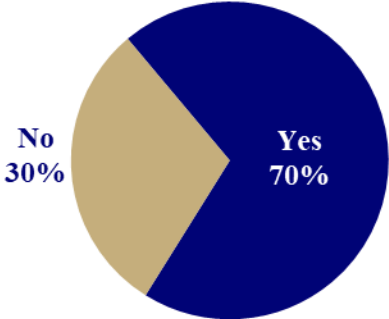


Eight (8) insurers responded “Yes” to this question. All eight (8) insurers affirmed that the information obtained via safety audits is used in the schedule rating process.

NAIC Group Name	WV Employer Utilization	WV Premium Utilization	Utilization Premium Percent of Overall WV Reported Premium
Encova Mut Ins Grp	607	\$104,042,762	96.4%
Travelers Grp	30	\$8,401,113	38.2%
Liberty Mut Grp	10	\$1,462,618	18.1%
Argo Grp US Inc Grp	22	\$8,445,680	65.0%
Erie Ins Grp	149	9420439	79.0%
Zurich Ins Grp	8	\$3,895,182	39.8%
Hartford Fire & Cas Grp	193	\$475,774	8.1%
American Intl Grp (AIG)	0	\$0	0.0%
Chubb Ltd Grp	3	\$96,493	2.0%
AmTrust Financial Serv Grp	1	\$17,849	0.6%
Total	1,023	\$136,257,910	71.3%

The table above displays utilization of services analysis by insurer group. The West Virginia employer utilization includes the policy count for all policyholders utilizing safety services offered by the insurer. The West Virginia utilization premium is the amount of premium generated by employers that utilized safety services offered by the insurer. When comparing the utilization premium to the written premiums reported by insurers in an earlier section of the report, 71.3% of the total written premium is taking advantage of insurer offered safety services. However, when performing the same comparison using the overall West Virginia policy count mentioned in an earlier section to the employer utilization policy count, only 3.5% of policies take advantage of the safety services. The disparity of percentages indicates that the larger, higher premium policies are utilizing safety services while the smaller, lower premium policies are not.

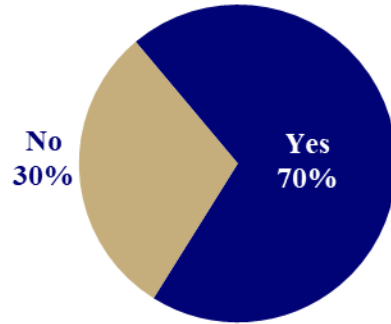
Do you implement follow-up measures to ensure employer utilization of the offered safety services is effective and appropriate?



The seven (7) insurers that affirmed follow-up measures are implemented to ensure employer utilization were then asked to provide quantitative metrics used to measure utilization success. The following responses were provided:

- The metric most utilized to identify success is claims frequency reduction; specifically, indemnity frequency reduction in relation to payroll.
- We have an internal quality program where the countrywide success rate is 92%.
- We track recommendation status, to determine if the customer is making progress, or if the recommendation has been completed. With this internal data, we can quantify the number of recommendations submitted and completed to determine whether the safety services were utilized. We can then compare utilization with loss ratios, measuring utilization success by lower loss ratios.
- 100% follow up recommendations by various business units.
- Reduction in loss ratio; Reduction in experience modification factor; Reduction in average cost per claim.
- If area(s) for improvement are identified during the provision of loss control services, recommendation(s) are offered to policyholders in writing and a response from the policyholder is requested.
- Both Risk Engineering Services and Underwriting are responsible for recommendation follow-up activities and documentation of resolution for all critical recommendations. Our risk engineers will discuss recommendations with the responsible contact during the consultation at the end of the survey. This is then followed up in writing with a letter sent to the contact outlining both risk improvement and critical recommendations. As part of the correspondence, the policyholder is asked to respond to all critical recommendations within 30 days. If no response is received after 30 days from the initial recommendation letter, a second letter is sent automatically to the contact regarding critical recommendation resolution and timeframes, along with copies to the producer. If no resolution after 60 days from the initial recommendation letter, an additional letter with the recommendations is sent via email to the survey contacts regarding resolution and timeframes. If no response is received within an additional 15 days, an Alert is sent to the underwriter informing them the insured has not responded to the critical recommendation(s). The underwriter must then take action to gain resolution of the critical recommendation(s).

If an employer implements a drug and/or alcohol testing program in the workplace do you consider that in the premium determination process?



Seven (7) insurers responded “Yes” to this question while three (3) responded “No”. This question had follow-up questions dependent on whether an insurer responded yes or no. The “Yes” response question included pre-selected options to select as well as an “Other” option to include additional comments. The comments below were submitted dependent on the insurer’s answer to the drug/alcohol testing question.

If you answered "No" to the previous question; please provide how you monitor employer implemented drug/alcohol testing programs?

- This topic is part of our overall risk control discussion with employee safety, as well as regulated fleets.
- This is not covered in our WC surveys or questions. It is, however, a question when we do auto surveys and construction surveys. We address this as part of risk engineering surveys that we conduct for some insureds.
- We will review employers’ drug/safety programs during the underwriting process per underwriter request.

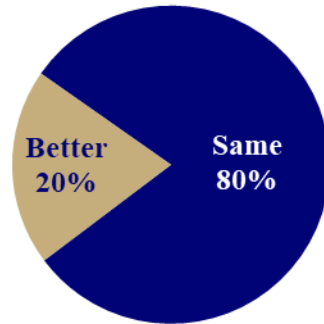
If you answered "Yes" to the question above; what aspects of a drug and/or alcohol testing program would you consider for a premium credit?

Utilization and adherence of the drug/alcohol program		7
Existence of drug / alcohol testing programs		6
Effectiveness of drug/alcohol program		3
Other		1

The “Other” comment was “Percentage of employees tested annually”.

The last section of the private insurer survey involved an insurer’s safety opinion of West Virginia employer utilization compared to other states and the most commonly used safety and loss programs or initiatives employers are utilizing from the insurer offered selections.

Generally speaking, how do you feel WV employers compare to employers in other states regarding the effective use of safety and loss programs and initiatives?

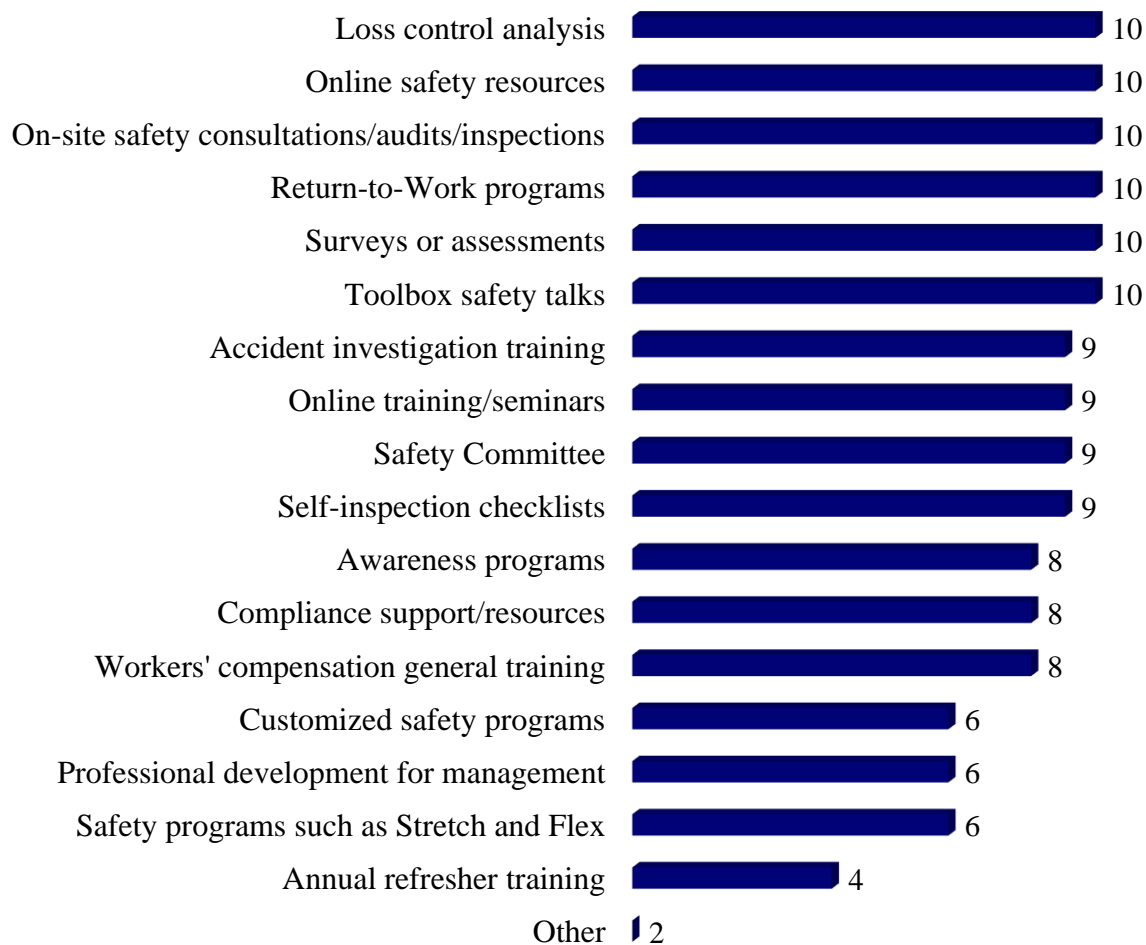


Eight (8) insurers selected “Same” while two (2) insurers selected “Better”. This is the first survey where “Better” was selected by insurers. The response indicates the West Virginia market is attractive to insurers and reiterates that West Virginia employers compare similarly to nationwide employer safety utilization and implementation.

A secondary question asked insurers what the state of West Virginia could do to encourage employers to utilize safety and loss programs and initiatives. The following comments were provided:

- Increase awareness of results of the employers who utilized safety and loss control consultation and program implementations to improve performance.
- An email campaign or safety outreach to employers.
- Educate them on the impacts of the WC experience modification and how the more injuries they prevent, the lower their costs will be. They will also have more engaged employees and likely higher productivity.
- Pattern a Certified Safety Committee program similar to Pennsylvania and offer a 5% credit for certification.
- If the state, working with NCCI, could develop a uniform program for safety credits, it would become more common knowledge for policyholders.

The insurers selected the most commonly used safety and loss programs utilized by West Virginia employers. The submitted responses include both pre-set selections as well as write in answers and are shown in the chart below.



The “Other” comments regarding additional programs offered by insurers included:

— Industrial Hygiene

— AIHA accredited Industrial Hygiene lab services

Private Insurer Conclusions

The survey results concluded that all ten insurer groups offered safety and risk management services to West Virginia policyholders.

The most common safety services offered by all ten insurers included education and training resources, industrial hygiene assessments, loss analysis, online safety programs or videos, on-site surveys or follow-up recommendations and safety / risk assessments.

Twenty percent of the respondent insurers indicated that West Virginia employers perform better than national standards regarding the effective use of safety and loss control programs while 80% indicated that West Virginia employers utilize safety programs at the same national rate. This is an improvement in the insurer perception of the West Virginia workers' compensation market as both the 2018 and the 2020 safety reports have a 100% equivalent or "same" standard. Historically, insurers deemed West Virginia employers lacking in safety initiative utilization equality by reporting 50% in 2012, 73% in 2014 and 90% in 2016. This positive trend in safety utilization has resulted in lowered loss costs and premium rates for employers and provides West Virginia workers a safe workplace environment.

In January 2006, the West Virginia workers' compensation market privatized and completed the transition to an open market in 2008. Since that time, West Virginia has realized 17 consecutive loss cost decreases for a total aggregate decrease of 79.9%. When considering the loss cost decreases as well as the number of insurers offering workers' compensation coverage in the West Virginia (~320) in conjunction with the insurer responses indicating that West Virginia employers are 100% better or equal to employers nationwide, these factors would indicate a definitive safety culture shift from an injury ridden, abused system to an environment focused on protecting employees and preventing injuries using safety and loss programs and initiatives in the workplace.

Self-Insured Employer Section

Employer Responses

The self-insured employer safety survey was tailored to address safety and loss programs implemented by West Virginia employers. As was done with the private carrier survey, the West Virginia Offices of the Insurance Commissioner developed and disseminated a similar web-based survey form that was electronically provided to 52 self-insured employers.

The survey request was sent to the following active self-insured employers:

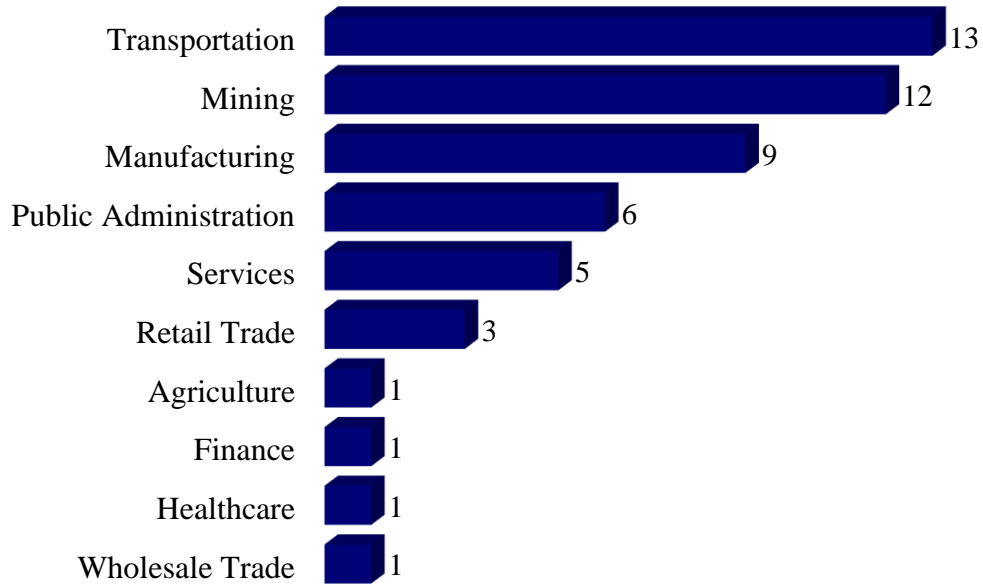
ACNR Resources, Inc.	Highland Mining Company
Alex Energy LLC	Hope Gas Inc.
Alliance Coal LLC	Huntington Alloys Corporation
American Electric Power Company Inc.	Huntington Bancshares Inc.
Aracoma Coal Company LLC	JELD-WEN Inc.
Asplundh Tree Expert LLC	Kingston Mining Inc.
Brooks Run South Mining LLC	Lowes Home Centers LLC
City of Charleston	Marriott International Inc.
City of Fairmont	Monongahela Power Company
City of Huntington	Pepsi-Cola Metropolitan Bottling Co Inc.
City of Parkersburg	Performance Coal Company LLC
City of Wheeling	Pilgrim's Pride Corp Of West Virginia Inc.
Columbia West Virginia Corporation	Potomac Edison Company
CONSOL Mining Company LLC	Residence Inn by Marriott LLC
CONSOL Pennsylvania Coal Company LLC	Spartan Mining Company LLC
Cracker Barrel Old Country Store Inc.	SWVA Inc.
Delhaize America LLC	T-Force Freight Inc.
Dolgencorp LLC	Toyota Motor Manufacturing WV Inc.
Eastern Gas Transmission	U S Silica Company
Encompass Health Corporation	Union Carbide Corporation
Exxon Mobil Corporation	United Parcel Service Inc.
Federal Express Corporation	Virginia Electric and Power Company
FedEx Ground Package System Inc.	Wendy's International LLC
Fiesta Tableware Company	West Virginia Counties Risk Pool Inc.
FirstEnergy Service Company	Weyerhaeuser Company
General Motors LLC	Wheeling Park Commission

All 52, or 100%, of the self-insured employers responded to the survey.

General Safety Programs and Policies

Section 1 of the self-insured employer survey captured company and contact information.

The survey included the respondent’s primary industry. The following graphic provides the responses by industry type.



Transportation includes communications, electric, gas and/or sanitary services.

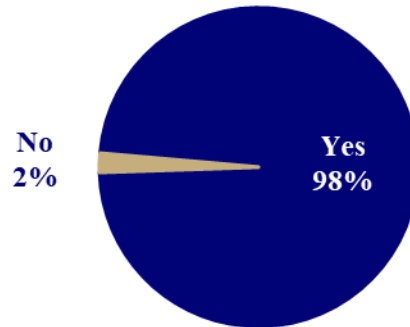
Services include lodging, health recreation, education, legal, restaurant, social services, etc.

Finance includes insurance and/or real estate services.

Section 2 of the self-insured employer safety survey included safety and loss program data as well as West Virginia specific employee information. The responding employers comprise a large population of West Virginia employees and payroll by industry as indicated in the table below.

Industry	WV Employees	WV Annual Payroll
Transportation	10,439	\$446,681,107
Mining	4,229	\$379,234,765
Public Administration	9,782	\$365,404,238
Manufacturing	5,039	\$313,895,142
Retail Trade	5,622	\$158,952,205
Agriculture	1,358	\$52,059,662
Healthcare	829	\$42,276,102
Wholesale Trade	543	\$23,947,388
Services	1,459	\$22,236,035
Finance	230	\$17,400,000
Total	39,530	\$1,822,086,644

Do you have a written safety and loss program for your employees, including provisions for any particular problems associated with the business (such as dust or noise)?



Fifty-one out of 52 employers confirmed they do have a written safety and loss program for employees. The one employer who marked “No” for this question did later provide drug and alcohol testing and Return-to-Work processes so it is assumed the employer does implement general safety practices and procedures but may not have established a written safety policy or any such written plan may not address the provisions for particular problems associated with the business operations.

Self-insured employers were then asked to mark all safety service categories that applied to their operations. The same employer that marked “No” above did not provide a response to this question. The following graphic outlines the responses.



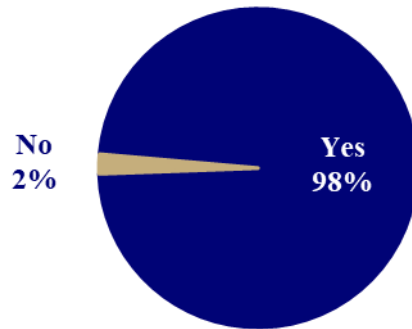
The options above were pre-set options that an employer marked if applicable. If “Other” was selected, the comments below were provided by employers as additional components relating to company safety program.

- Comprehensive Safety Program
- Risk Assessments and Controls Written Programs
- Behavior Based Safety

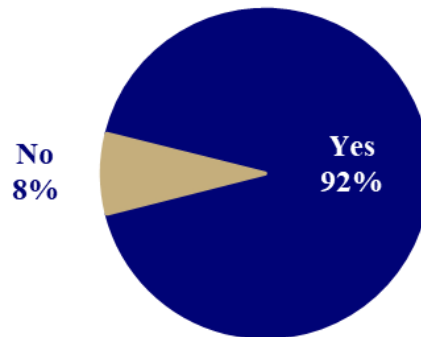
The next set of questions relate to safety program enforcement and implementation process.

The employers were asked whether the safety programs and services they implemented or provided to employees were enforced. Fifty-one employers selected “Yes” the safety program was enforced; while one employer selected “No”. The same employer that marked “No” above did not provide a response to this question and is not included in the graphic below.

Are the safety programs and services selected above enforced?

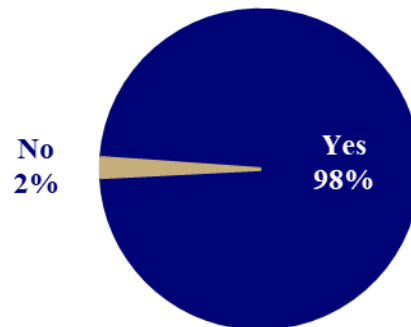


Are the safety program principles or mission statement posted in a conspicuous place(s) at the worksite?



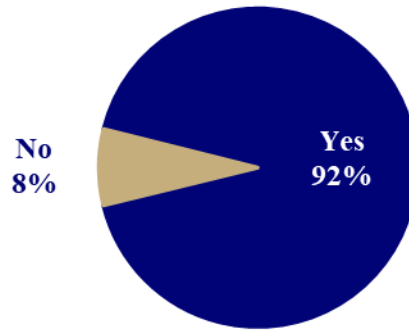
Forty-seven employers selected “Yes”; four employers selected “No”; the same employer that marked “No” above did not provide a response to this question and is not included in the graphic.

Does senior management meet at least once annually to review the safety program to ensure the program is effective, sustainable and continually improving?



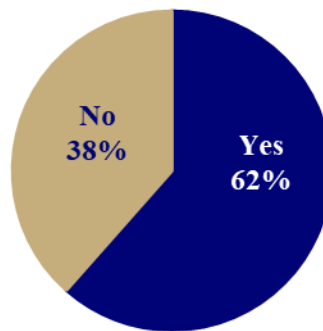
Fifty-one employers selected “Yes” while the remaining one employer selected “No”.

Is safety compliance a performance review measure for management and/or employees?



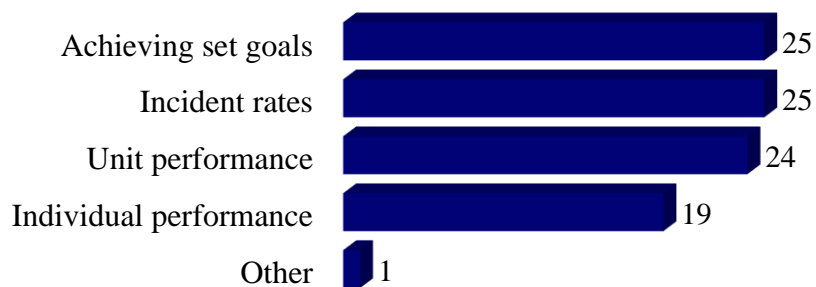
Forty-eight employers selected “Yes” while the remaining four selected “No”.

Do you utilize a safety incentive program for management and/or employees?



Thirty-two employers selected “Yes” while the remaining 20 selected “No”.

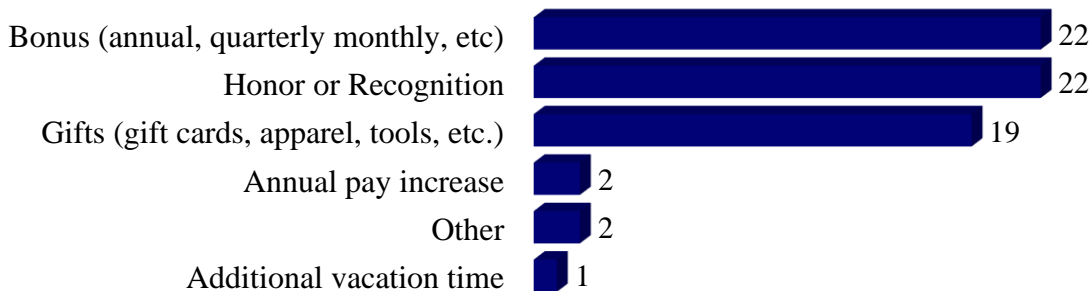
Of the 32 employers who selected “Yes”, a follow-up question was posed to identify options included in company incentive programs.



The options above were pre-set options that an employer marked if applicable. If “Other” was selected, the comments below were provided by employers as additional options relating to company safety incentive program criteria.

— Supporting Safety Program Initiatives

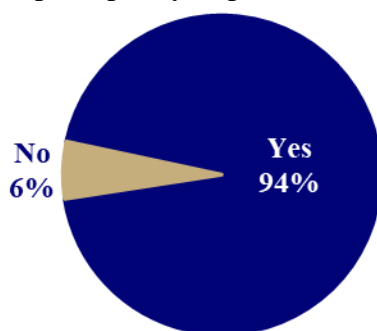
An additional follow-up question was posed to the 32 employers that selected “Yes” for the safety incentive program question to further narrow down incentives specifically used to incentivize employees for safety program compliance.



The options above were pre-set options that an employer marked if applicable. If “Other” was selected, the comments below were provided by employers as additional options used to incentivize employees for safety program compliance.

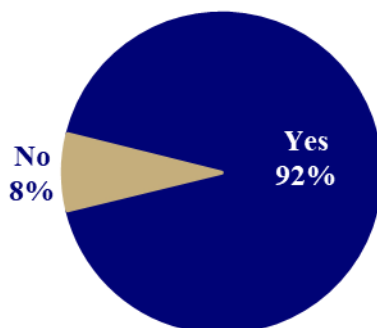
- Supporting Safety Program initiatives
- We provide Lunch and Learn twice a year for management and staff
- Financial incentive

Do you have a progressive discipline policy in place to address safety program violations?



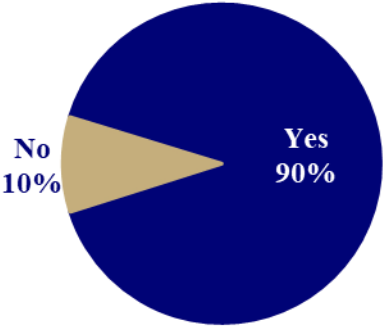
Forty-nine employers selected “Yes” while the remaining three selected “No”.

Do you have a workplace safety committee which meets regularly?



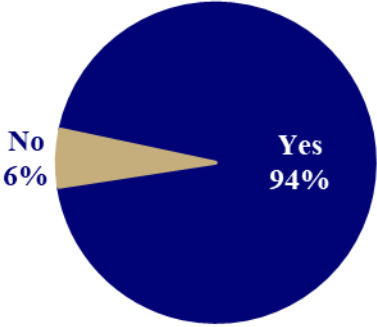
Forty-eight employers selected “Yes” while the remaining four selected “No”.

Do you have at least one full time employee dedicated solely to the safety program oversight and implementation?



Forty-seven employers selected “Yes” while the remaining five selected “No”.

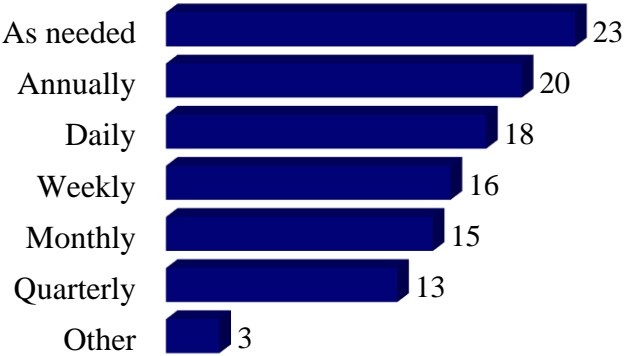
Has a safety survey been completed for each work area and evaluated for occupational safety?



Forty-nine employers selected “Yes” while the remaining three selected “No”.

Several additional questions were asked based on an employer’s response to the above question. If an employer responded “Yes”, they were asked to provide the following supplemental information. The questions below are reported for the 49 employers who affirmatively answered the safety survey for each work area question.

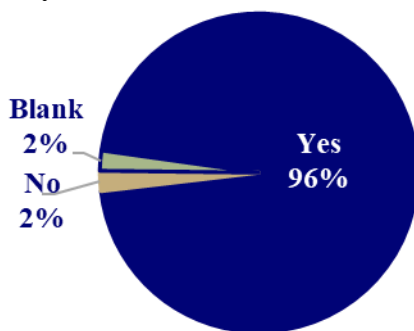
If you answered "Yes" to the question above, how often are safety surveys conducted and/or updated?



The options in the graphic were pre-set options that an employer marked if applicable. The following additional options were also provided by employers that chose “Other” in the question above relating to the frequency of safety surveys.

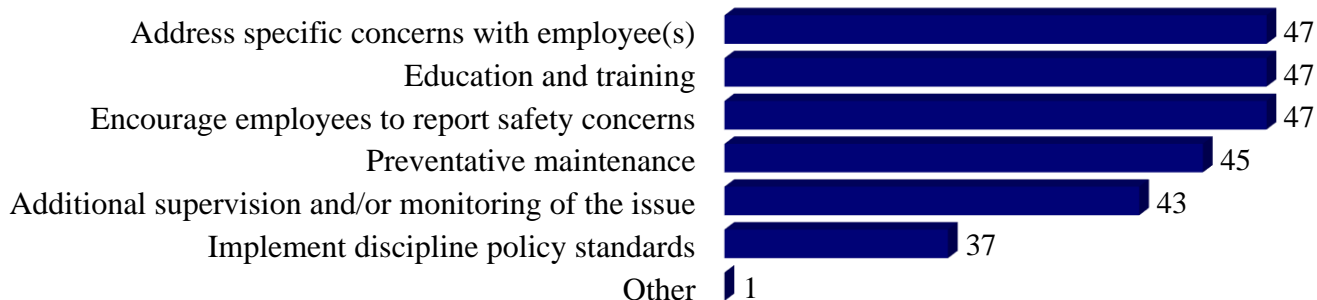
- Each area is reviewed for hazards when the task area in the location is created. After that, any area re-designs, process/task changes, significant events, etc. will prompt a review. There are also entire facility reviews performed quarterly that ensure the areas are maintained and can prompt a review of the area.
- In addition, Safety Committee meets monthly to review reports, discuss any known safety concerns for employees or guests. Safety Committee is comprised of hourly, front-line employees, managers, directors and VP/HR.
- Every 2 years

If you answered "Yes" to the completed safety survey question above; do you have a protocol to address any safety or loss issues reflected in a completed survey?



Forty-seven of the 49 employers responded that they do have protocols in place to address safety and loss issues reflected in a safety survey; one employer selected “No” and one employer did not make a selection.

When asked to select protocols used to address safety concerns resulting from a survey the following responses were received:



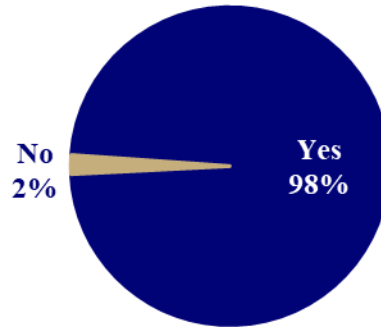
The comment for the “Other” selection comment was the employer implemented:

- Anonymous Speak Up Line

Substance Abuse Programs

This section of the survey captures implementation protocols and measures the effectiveness of drug and/or alcohol programs.

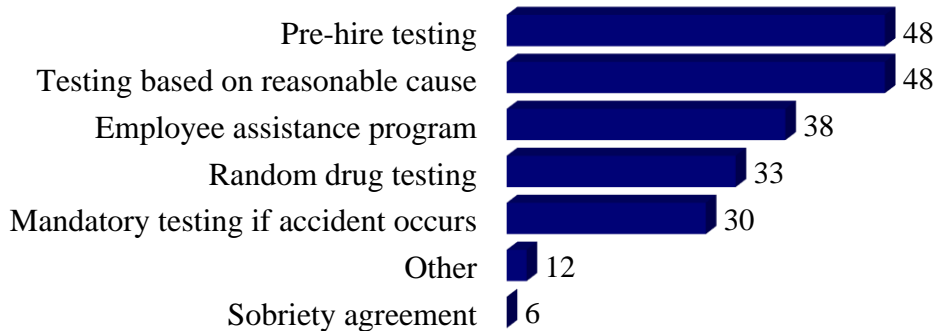
Do you have a written drug and/or alcohol program?



Fifty-one employers selected “Yes” while the remaining one selected “No”.

Of the 51 employers that selected “Yes” for the question above, 36 employers marked that the drug and/or alcohol program applied to testing for all company employees; 11 employers marked “No” and 4 employers did not make a selection for this follow-up question.

When asked to select all policies included within a drug and/or alcohol program, the following responses were received.



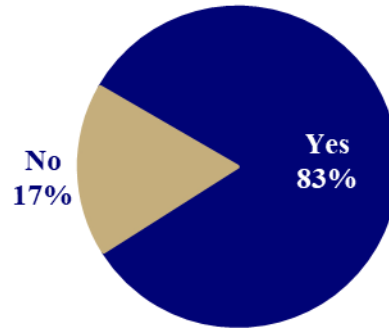
The options above were pre-set options that an employer marked if applicable. The following additional options were provided by employers that selected “Other” relating to the specific criteria or implementation procedures as part of the drug and/or alcohol program:

- Follow-up drug and/or alcohol testing and rehiring testing
- IAW DOT regulations
- Reasonable Suspicion/Fit for Duty Policy: If reasonably suspecting an associate is under the influence of illegal drugs or has misused alcohol while at work or is unfit for duty when a workplace injury takes place, we follow the steps outlined in the "Reasonable Suspicion/Fit for Duty" SPTA (Standard Practice Training Aid) to safely and securely address this concern. If an associate has been in an accident at work and needs to file a worker's compensation claim, we will no longer require a post-accident drug test.

Return to Work Programs

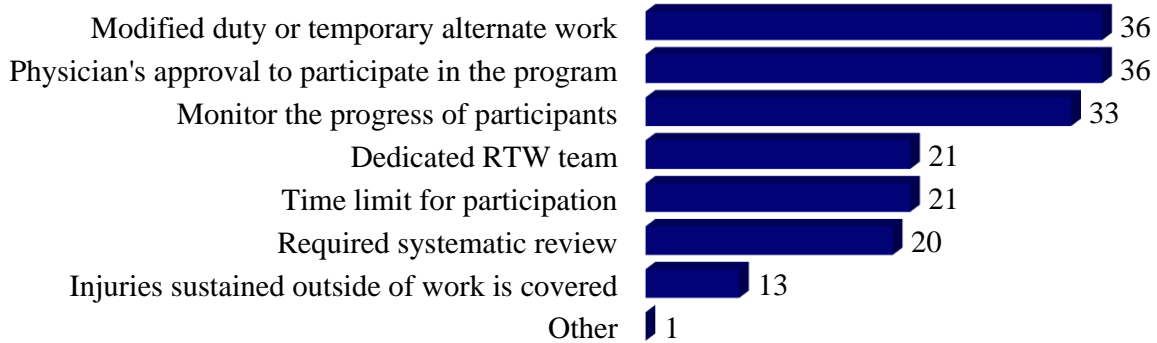
This section of the survey measures the implementation and effectiveness of Return to Work (RTW) programs.

Do you have a written Return to Work (RTW) program complete with an RTW manager at each facility?



Forty-three employers selected “Yes” while the remaining nine selected “No”.

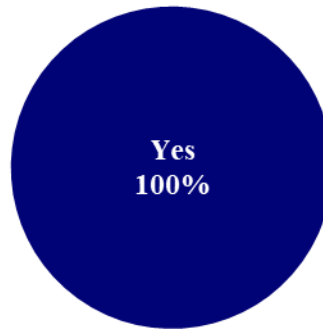
The next question identifies criteria included in an RTW program. The options include:



The options above were pre-set options that an employer marked if applicable. The following additional options were provided by employers that selected “Other” relating to the specific criteria or implementation procedures as part of the return to work program:

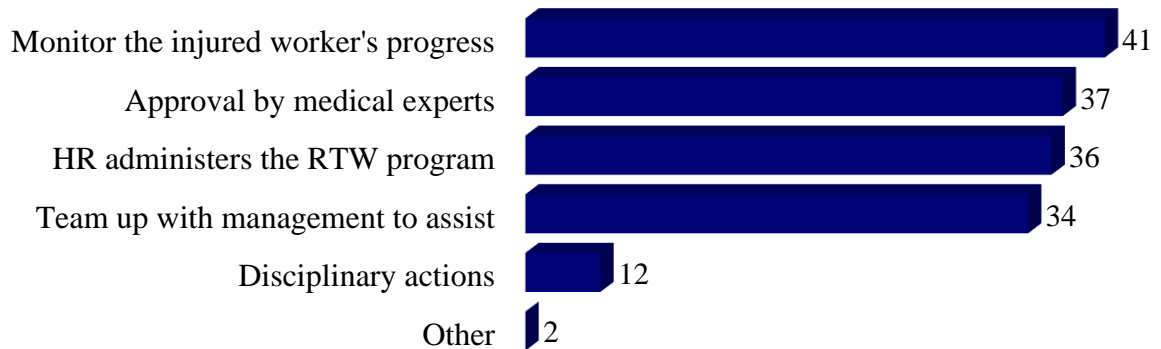
- VP/HR maintains RTW program, communicating with employee, Evaluation Forms are required and adhered to appropriately. We reinforce a culture of safety and offer an appropriate RTW program that provides the best result for our employee for a successful return to full duty. We believe that people heal better physically and mentally when they are a part of a social and productive environment.
-

Is the written RTW program actively utilized by management and employees?



All 43 employers that answered the RTW question affirmatively, also responded “Yes” to this follow-up question.

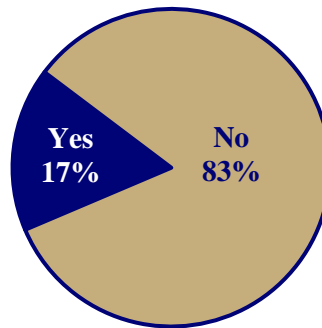
A follow-up question was asked to provide procedures in place to ensure the RTW program is effective. The following options were selected:



The options above were pre-set options that an employer marked if applicable. The following additional options were provided by employers that selected “Other” relating to the procedures in place for an effective return to work program:

- Corporate Risk Management monitors employees who are out of work for work related accidents to ensure return to work is utilized.
 - Home office administers the RTW program for work related injuries.
-

Are there incentives to management and/or employees for reviewing and implementing the RTW program?

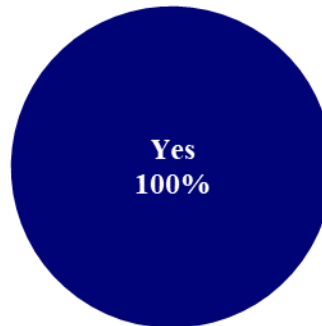


Seven employers selected “Yes”, 35 employers selected “No” and one employer did not make a selection.

Workplace and Employee Training

This section of the survey is dedicated to workplace training provided, mandated or made available to new employees as well as re-training of employees for various reasons.

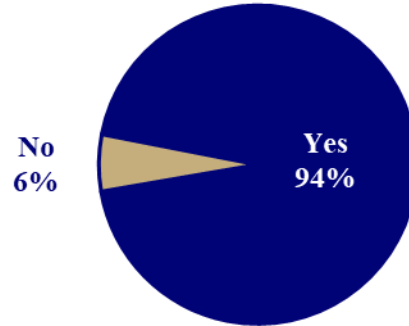
Do you provide initial training for employees and management participating in job activities involving potential workplace hazards?



All 52 employers selected “Yes”.

A follow up question was required for the 52 employers that confirmed they provide initial employee training that addressed potential workplace hazards.

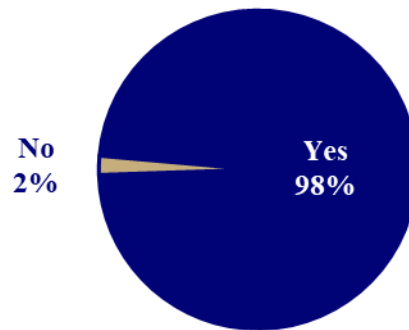
If you answered "Yes" to the question above; does the initial training address all workplace hazards applicable to the industry?



Forty-nine employers selected "Yes" while the remaining three selected "No".

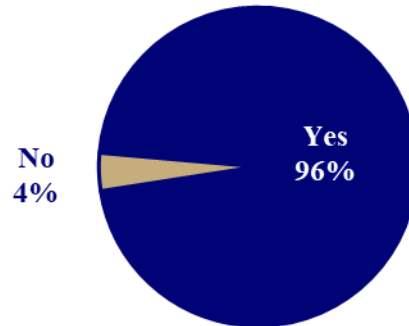
The following questions are related to initial training practices and protocols used in the employer's workplace.

Is all training mandatory for employees and/or management?



Fifty-one employers selected "Yes" while the remaining one selected "No".

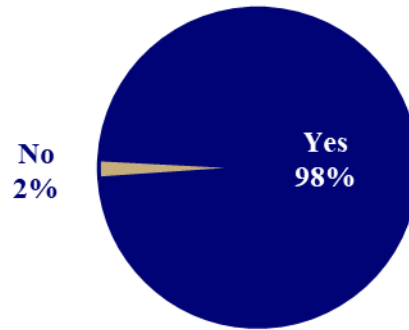
Do you use a developed training curriculum and related materials?



Fifty employers selected "Yes" while the remaining two selected "No".

The questions above were related to initial training that generally occurs pre-hire or soon after hire. Routine work can dull alertness and relaxed attitudes can replace the caution that existed when the job was new and interesting. Periodic safety training is a reminder that workplace danger can exist and that no one is immune to accidents. The following questions focus on re-training options.

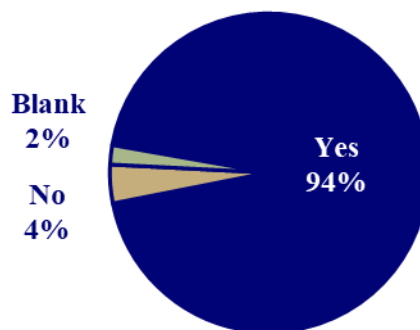
Do you provide re-training for employees and/or management?



Fifty-one employers selected “Yes” while the remaining one selected “No”.

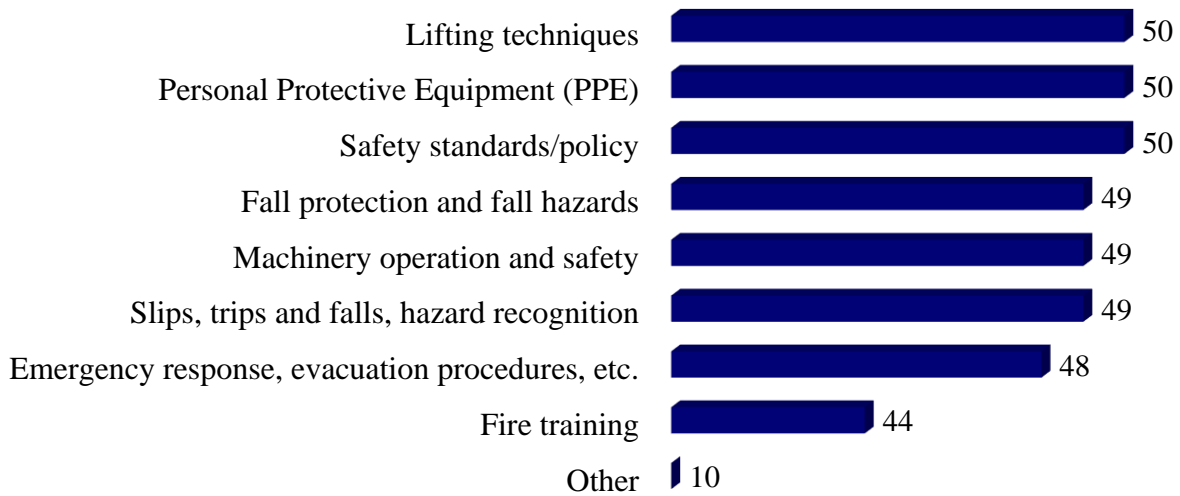
A follow up question was required for the 51 employers who confirmed that re-training was provided to employees and management, asked if the re-training addressed all workplace hazards applicable to their industry.

Does re-training address all workplace hazards applicable to the industry?



49 employers selected “Yes”, 2 employers selected “No” and 1 employer did not make a selection.

Employers were asked to select all hazards that company training or re-training addressed. The selected options included:



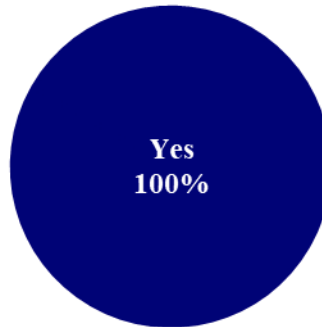
The options above were pre-set options that an employer marked if applicable. The following additional options were provided by employers that selected “Other” relating to industry hazards addressed in company training:

- Constant communications with safety reminders/education on a weekly basis covering the entire range of safety elements with a new topic addressed each time.
- Comprehensive safety program related to the work environment
- Ergonomics, Confined Space, LOTO, Hazard Communications, PIT, etc.
- Driver's Safety, Summer Safety
- Powered Industrial Trucks LockOut /TagOut
- Bloodborne pathogens; pre/post trip inspection; distracted driving
- Energy isolation, hazard communication, industrial hygiene awareness, hot work, lifting and rigging, critical device bypass line of fire, emergency response, excavation and trenching, fire protection and prevention, electrical safety, motor vehicle safety
- Dedicated training manager maintains required training matrix
- Confined spaces, hand safety, crane safety, mobile equipment, etc.
- Workplace violence

Workplace Information

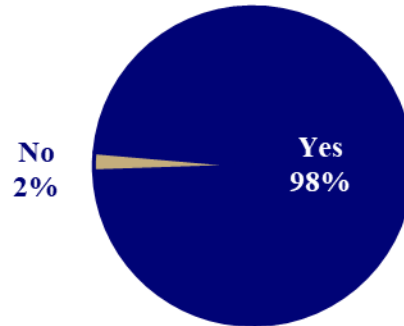
The final section of the self-insured employer survey includes questions regarding workplace safety such as the use of personal protective equipment, workplace hazards, emergency preparedness and other industry information.

Do you provide appropriate personal protection equipment (PPE) to employees who have the potential for exposure to a workplace hazard?



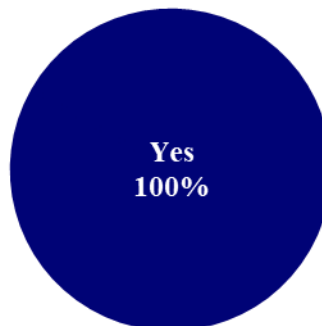
Fifty-two employers selected “Yes”.

Do you provide regular inspection by management to ensure PPE is being used correctly?



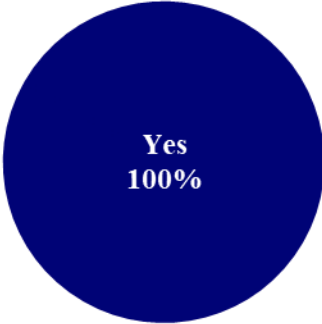
Fifty-one employers selected “Yes” while the remaining one employer selected “No”.

Do you provide access and egress to the facility including proper emergency lighting?



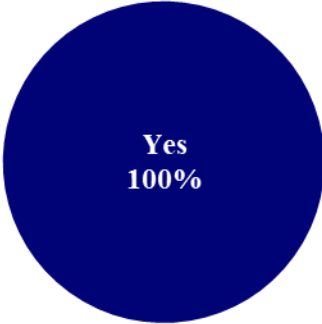
Fifty-two employers selected “Yes”.

Do you have a system in place for regular inspection by management to ensure the access, egress and lighting is properly maintained?



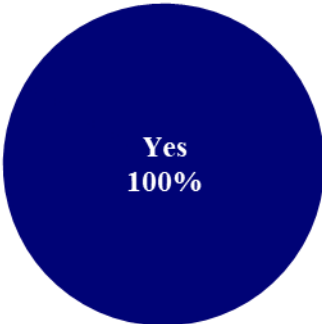
Fifty-two employers selected "Yes".

Are machines (including office equipment) regularly inspected, guarded, maintained and operated?



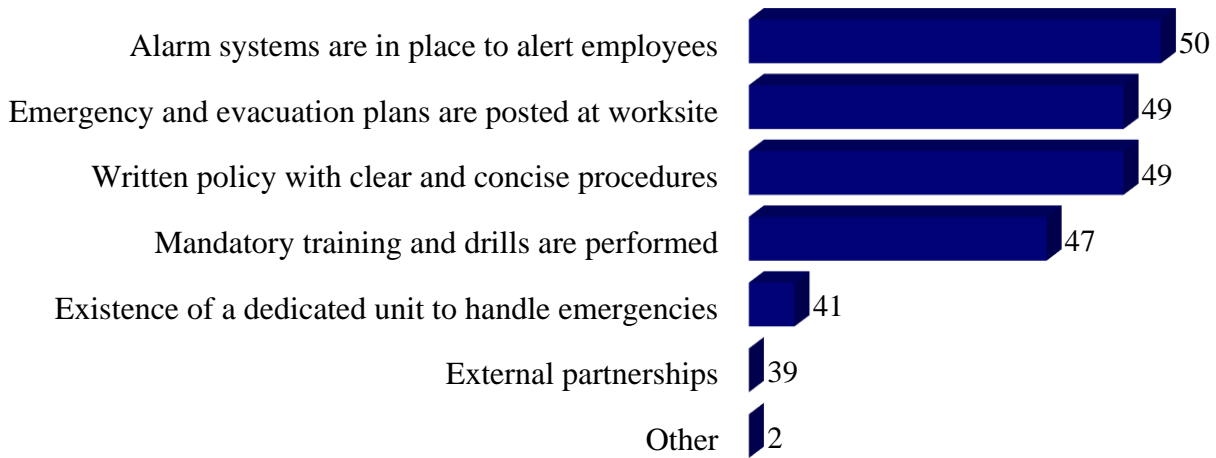
Fifty-two employers selected "Yes".

Do you have a program in place to address emergency preparedness?



Fifty-two employers selected "Yes".

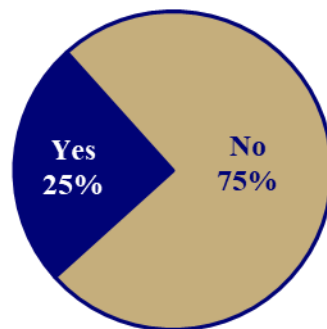
The 52 employers that responded affirmatively were asked to select all options involved in an emergency preparedness plan. The selected options included:



The options above were pre-set options that an employer marked if applicable. The following additional options were provided by employers that selected “Other” relating to emergency preparedness plans:

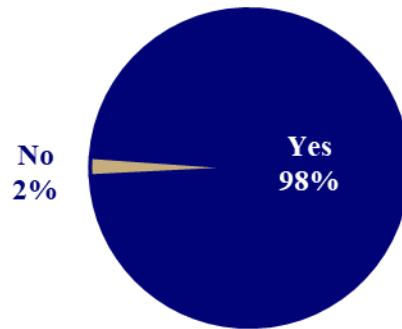
- Preparedness plans are customized for and posted at each location including employee responsibilities during various types of emergency events. Dedicated units versus external partnerships are based on the specific facility.
- Emergency procedures vary as we are a campus type environment.

Are you certified by an international standards organization?



Thirteen employers selected “Yes” while 39 employers selected “No”.

Do you undergo regular internal and/or external safety audits?



Fifty-one employers selected “Yes” while one employer selected “No”.

Additional comments provided by employers relating to any topic or question included in the survey:

- City of Parkersburg: Our Police and Fire are safety certified and train regularly. They also undergo regular internal and/or external safety audits.
 - Wendy's International LLC: Our safety culture is continuously improving in partnership with Operations senior leadership partners. Wendy's employs a dedicated EHS team that has integrated with our Risk Management function. Our Safety programs are built around OSHA compliance and safety awareness, education and training for our valued employees.
 - JELD-WEN Inc.: We have a well-developed, comprehensive safety management system in place at each location.
 - Huntington Bancshares Incorporated: Internal Environmental Health & Safety department conducts audits of large buildings on an annual basis.
 - Columbia Forest Products: WV DOL conducts workplace audits.
-

Self-Insured Employer Conclusions

A compilation and analysis of the self-insured employer responses concluded that most West Virginia self-insured employers have implemented and actively enforce safety programs and procedures in the workplace.

Ten industry types were represented with the highest percentages of employee count (26.4%) and the highest percentage of payroll (24.5%) reported in the transportation category followed closely by the public administration category with similar reported percentages.

Employers reported that the main components of safety programs and initiatives include:

- Accident investigation and follow-up reports; 98.1%
- Accident prevention; 98.1%
- Clearly states standards and procedures; 98.1%
- Promotes a safety culture; 98.1%
- Provides safety training; 98.1%
- Emphasizes a commitment and responsibilities; 96.2%
- Establishes a safety committee; 96.2%
- Personal Protection Equipment; 96.2%

96.2% of employers responded that all safety and loss programs or procedures are enforced and monitored on a regular basis with 90.4% reporting that at least one employee is solely dedicated to the oversight and implementation of the safety program.

A comprehensive review of the submitted responses would indicate that self-insured employers are using safety programs and initiatives in an effective manner to reduce injuries and to provide employees with a hazard free workplace while lowering claim costs.

Exhibits Index

Exhibit 1 – 2022 West Virginia Safety Initiatives in the Workers' Compensation Market Insurer Survey

https://www.wvinsurance.gov/insurer_safety_survey

Exhibit 2 – 2022 West Virginia Safety Initiatives in the Workers' Compensation Market Self-Insured Employer Survey

https://www.wvinsurance.gov/Self-Insured_Safety_Survey

Exhibit 3 – Insurer Groups and Companies

Exhibit 4 – Self-Insured Employers with Industry Type

Exhibit 1



2022 West Virginia Safety Initiatives in the Workers' Compensation Market Insurer Survey

Pursuant to W.Va. Code §23-2C-5(c)(6), this form will serve as a mandatory survey to provide an overview of the safety initiatives currently being utilized by insurers in the West Virginia workers' compensation market.

Please contact Juanita Wimmer at Juanita.D.Wimmer@wv.gov or via telephone at 304-414-8491 with questions or concerns about specific questions or the online form in general.

NAIC Group Code

Company Name and NAIC Company Code* If multiple companies, please list each name separately.

Company Address* If multiple companies, please provide only one address.

Respondent Name

Exhibit 1

Respondent Phone Number

Respondent Email Address

WV Policy Count - CY2021 Year End

WV Total Written Premium - CY2021 Year End

Do you offer safety and loss programs, or risk management services to WV employers?

Yes No

Please check all types of safety programs and initiatives you offer. Multiple selections are accepted.

- On-site surveys or follow-up recommendations
- Loss analysis
- Education and training resources
- Safety / Risk assessments
- Ergonomic evaluations
- Online safety programs or videos
- Development of policy and programs
- Industrial hygiene assessments
- Other

If "Other" was selected, then please provide additional information here.

Do you offer the services of a dedicated safety unit to WV employers?

Yes No

If you answered "Yes" to the question above, please describe the services offered and approximate number of staff dedicated to WV employers for these services.

Exhibit 1

Do you offer regular safety audits to WV employers?

Yes No

If you answered "Yes" to the question above, please answer whether the information obtained from the safety audits is used in the schedule rating credit/debit consideration.

Yes No

How many WV employers utilize the safety and loss programs and initiatives offered by you? (i.e., the count of WV policies utilizing any of the safety services you offer)

Of those WV employers that utilize the safety services that you provided in the previous question, please provide the premium amount for only those employers.

Please describe the most utilized safety programs or options by WV employers and provide an approximate count of employer utilization for each program or option.

Do you implement follow-up measures to ensure employer utilization of the offered safety services is effective and appropriate?

Yes No

If you answered "Yes" to the question above, please provide quantitative metrics used to measure utilization success.

If an employer implements a drug and/or alcohol testing program in the workplace, do you consider that in the premium determination process?

Yes No

If you answered "No" to the question above, please provide how you monitor employer implemented drug/alcohol testing programs.

Exhibit 1

If you answered "Yes" to the question above, what aspects of a drug and/or alcohol testing program would you consider for a premium credit?

- Existence of drug / alcohol testing programs
- Utilization and adherence of the drug/alcohol program
- Effectiveness of drug/alcohol program
- Other

If "Other" was selected, then please provide additional information here.



Generally speaking, how do you feel WV employers compare to employers in other states regarding the effective use of safety and loss programs and initiatives?

- Better
- Same
- Worse

Please provide any suggestions of what the state of West Virginia could do to encourage employers to implement safety and loss programs, and initiatives.



Exhibit 1

Please mark all options below that are most commonly used in your safety and loss programs.

- Online safety resources such as webinars, videos, video chat, etc.
- On-site safety consultations/audits/inspections
- Surveys or assessments
- Safety programs such as Stretch and Flex or other fitness-based routines
- Loss control analysis
- Return-to-Work programs
- Online training/seminars
- Compliance support/resources
- Toolbox safety talks
- Customized safety programs
- Accident investigation training
- Workers' compensation general training
- Safety Committee
- Self-inspection checklists
- Awareness programs (posters, booklets, stickers, etc.)
- Professional development for management
- Annual refresher training based on job function
- Other

If "Other" was selected, then please provide additional programs offered by your company to WV employers.



Please use this section to provide any additional comments relating to this safety survey. Comments may be general in nature or specific to any of the questions included within the survey or related to the distribution and format of the survey.



Exhibit 2



**2022 West Virginia Safety Initiatives in the Workers' Compensation Market
Self-Insured Employer Survey**

Pursuant to W.Va. Code §23-2C-5(c)(6), this form will serve as a mandatory survey to provide an overview of the safety initiatives currently being utilized by self-insured employers. All self-insured employers are required to respond.

Please contact Juanita Wimmer at Juanita.D.Wimmer@wv.gov or via telephone at 304-414-8491 with questions or concerns regarding the survey questions or the online survey form.

Employer Name

Employer Address * If multiple locations, please provide the corporate headquarters mailing address.

Employer Contact Name

Employer Contact Phone Number

Employer Contact Email Address

Exhibit 2

Primary Industry

- Agriculture
- Construction
- Finance, Insurance and/or Real Estate
- Healthcare
- Manufacturing
- Mining
- Public Administration
- Retail Trade
- Services - Hotel, Lodging, Health Recreation, Education, Legal, Restaurant, Social Services, etc.
- Transportation, Communications, Electric, Gas and/or Sanitary
- Wholesale Trade

Count of WV employees

Approximate 2021 calendar year annual WV payroll

Do you have a written safety and loss program for your employees, including provisions for any particular problems associated with your business (such as dust or noise)?

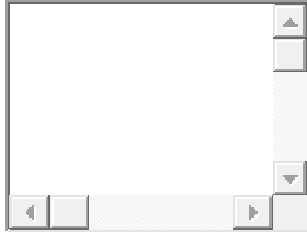
- Yes No

If you answered "Yes" to the question above, please check all components that your safety program addresses.

- Provides safety training
- Personal Protection Equipment
- Promotes a safety culture
- Emphasizes a commitment and responsibilities
- Accident prevention
- Accident investigation and follow-up reports
- Establishes a safety committee
- Clearly states standards and procedures
- Other

Exhibit 2

If "Other" was selected, then please provide additional components of your safety program here.



Is the safety program enforced?

Yes No

Are the safety program principles or mission statement posted in a conspicuous place(s) at the worksite?

Yes No

Does senior management meet at least once annually to discuss and review the safety program, to ensure it is effective, sustainable and continually improving?

Yes No

Is safety compliance a performance review measure for management and/or employees?

Yes No

Do you utilize a safety incentive program for management and/or employees?

Yes No

If you answered "Yes" to the question above, please select any options below that are included within the safety incentive program.

- Achieving set goals
- Unit performance
- Individual performance
- Incident rates
- Other

If "Other" was selected, then please provide additional options included in the safety incentive program.

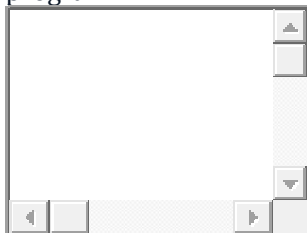


Exhibit 2

If you answered "Yes" to the safety incentive question, please select any options below that are awarded to employees for safety program compliance.

- Bonus (annual, quarterly monthly, etc.)
- Annual pay increase
- Honor or Recognition
- Additional vacation time
- Gifts (gift cards, apparel, tools, etc.)
- Other

If "Other" was selected, then please provide additional awards or honors provided to compliant employees as part of the safety incentive program.



Do you have a progressive discipline policy in place to address safety program violations?

- Yes No

Do you have a workplace safety committee that meets regularly?

- Yes No

Do you have at least one full time employee, dedicated solely to the safety program oversight and implementation?

- Yes No

Has a safety survey been completed for each work area, and evaluated for occupational safety?

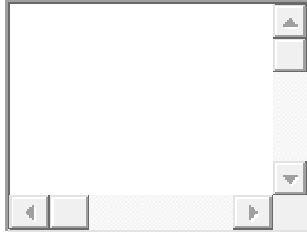
- Yes No

If you answered "Yes" to the question above, how often are safety surveys conducted and/or updated?

- Annually
- Quarterly
- Monthly
- Weekly
- Daily
- As needed
- Other

Exhibit 2

If "Other" was selected, then please provide additional information below.



If you answered "Yes" to the completed safety survey question above, do you have a protocol to address any safety or loss issues reflected in a completed survey?

Yes No

If you answered "Yes" to the question above, please select applicable protocols used to address safety concerns as a result of completed safety surveys.

- Encourage employees to report safety concerns
- Education and training
- Additional supervision and/or monitoring of the issue
- Preventative maintenance
- Address specific concerns with employee(s)
- Implement discipline policy standards
- Other

If "Other" was selected, then please provide additional protocol information here.



Do you have a written drug and/or alcohol program?

Yes No

If you answered "Yes" to the question above, does the program include testing for all employees?

Yes No

Exhibit 2

Please select all options applicable to the drug and/or alcohol program.

- Pre-hire testing
- Testing based on reasonable cause and/or suspect
- Employee assistance program
- Random drug testing
- Sobriety agreement
- Mandatory testing if accident occurs
- Other

If "Other" was selected, then please provide additional options applicable to the drug and/or alcohol program below.



Do you have a written Return-to-Work (RTW) program complete with a RTW manager at each facility?

- Yes No

If you answered "Yes" to the question above, please select options that are included within your RTW program.

- Modified duty or temporary alternate work
- Physician's approval to participate in the program
- Monitor the progress of participants
- Required systematic review
- Injuries sustained outside of work is covered under the program
- Dedicated RTW team
- Time limit for participation
- Other

If "Other" was selected, then please provide additional options that are included in your RTW program.



Exhibit 2

Is the written RTW program actively utilized by management and employees?

Yes No

Please select all procedures that are in place to ensure the RTW program is utilized.

- Human Resources administers the RTW program
- Monitor the injured worker's progress
- Approval by medical experts to determine further procedures
- Team up with different units and management to assist the injured worker
- Disciplinary actions
- Other

If "Other" was selected, then please provide additional procedures that are in place to ensure the RTW program is utilized.



Are there incentives to management and/or employees for reviewing and implementing the RTW program?

Yes No

Do you provide initial training for employees and management participating in job activities involving potential workplace hazards?

Yes No

If you answered "Yes" to the question above, does the initial training address all workplace hazards applicable to the industry?

Yes No

Is safety training mandatory for employees and/or management?

Yes No

Do you use a developed safety training curriculum and related materials?

Yes No

Do you provide re-training for employees and/or management?

Yes No

Does re-training address all workplace hazards applicable to the industry?

Yes No

Exhibit 2

Please select the hazards that are addressed in re-training.

- Personal Protective Equipment (PPE)
- Safety standards/policy
- Emergency response, evacuation procedures, etc.
- Slips, trips and falls, hazard recognition
- Fall protection and fall hazards
- Lifting techniques
- Fire training
- Machinery operation and safety
- Other

If "Other" was selected, then please provide additional hazards or areas of focus involved in re-training.



Do you provide appropriate personal protection equipment (PPE) to employees who have the potential for exposure to a workplace hazard?

Yes No

Do you provide regular inspection by management to ensure PPE is being used correctly?

Yes No

Do you provide appropriate access and egress to the facility including proper emergency lighting?

Yes No

Do you have a system in place for regular inspection by management to ensure the access, egress, and lighting is properly maintained?

Yes No

Are machines (including office equipment) regularly inspected, guarded, maintained and operated?

Yes No

Do you have a program in place to address emergency preparedness?

Yes No

Exhibit 2

If you answered "Yes" to the question above, please select all options relating to your emergency preparedness plan.

- Emergency and evacuation plans are posted at worksites and are easily accessible by employees
- Written policy with clear and concise procedures
- Alarm systems are in place to alert employees
- Mandatory training and drills are performed
- Existence of a dedicated unit to handle emergencies
- External partnerships
- Other

If you selected "Other" on the question above, please provide additional options relating to your emergency preparedness plan.



Are you certified by an international standards organization?

- Yes No

Do you undergo regular internal and/or external safety audits?

- Yes No

Please use this section to provide any additional comments relating to this safety survey. Comments may be general in nature or specific to any of the questions included within this survey.



Exhibit 3

Group Name	Company Name(s)
Encova Mut Ins Grp	BrickStreet Mut Ins Co PinnaclePoint Ins Co SummitPoint Ins Co NorthStone Ins Co
Travelers Grp	Travelers Prop Cas Co Of Amer Travelers Ind Co Of Amer Travelers Cas & Surety Co Charter Oak Fire Ins Co Standard Fire Ins Co Farmington Cas Co Travelers Cas Ins Co Of Amer Travelers Ind Co Of CT Phoenix Ins Co Travelers Ind Co
Liberty Mut Grp	LM Ins Corp Liberty Ins Corp Ohio Security Ins Co First Liberty Ins Corp Liberty Mut Fire Ins Co Employers Ins Co of Wausau Ohio Cas Ins Co American Fire & Cas Co West Amer Ins Co
Argo Grp US Inc Grp	Rockwood Cas Ins Co Argonaut Ins Co Argonaut Midwest Ins Co
Erie Ins Grp	Flagship City Ins Co Erie Ins Exch Erie Ins Prop & Cas Co Erie Ins Co Of NY Erie Ins Co
Zurich Ins Grp	Zurich Amer Ins Co Of IL Zurich Amer Ins Co American Zurich Ins Co American Guar & Liab Ins

Exhibit 3

Group Name	Company Name(s)
Hartford Fire & Cas Grp	Twin City Fire Ins Co Hartford Underwriters Ins Co Hartford Ins Co Of The Midwest Hartford Fire Ins Co Hartford Cas Ins Co Hartford Accident & Ind Co Hartford Ins Co Of The Southeast Property & Cas Ins Co Of Hartford Hartford Ins Co Of IL Trumbull Ins Co Sentinel Ins Co Ltd Nutmeg Ins Co
American Intl Grp	AIU Ins Co New Hampshire Ins Co National Union Fire Ins Co Of Pitts Granite State Ins Co Insurance Co Of The State Of PA Commerce & Industry Ins Co AIG Prop Cas Co
Chubb Ltd Grp	Indemnity Ins Co Of North Amer Ace Amer Ins Co Federal Ins Co Chubb Ind Ins Co Bankers Standard Ins Co Pacific Employers Ins Co Chubb Natl Ins Co Pacific Ind Co Executive Risk Ind Inc Westchester Fire Ins Co Vigilant Ins Co Ace Prop & Cas Ins Co Great Northern Ins Co
AmTrust Financial Serv Grp	Wesco Ins Co Technology Ins Co Inc Sequoia Ins Co

Exhibit 4

Name: ACNR Resources, Inc.
Industry: Mining

Name: CONSOL Mining Company LLC
Industry: Mining

Name: Alex Energy LLC
Industry: Mining

Name: CONSOL Pennsylvania Coal Company LLC
Industry: Mining

Name: Alliance Coal LLC
Industry: Mining

Name: Cracker Barrel Old Country Store Inc.
Industry: Services

Name: American Electric Power Company Inc.
Industry: Transportation

Name: Delhaize America LLC
Industry: Retail Trade

Name: Aracoma Coal Company LLC
Industry: Mining

Name: Dolgencorp LLC
Industry: Retail Trade

Name: Asplundh Tree Expert LLC
Industry: Transportation

Name: Eastern Gas Transmission
Industry: Transportation

Name: Brooks Run South Mining LLC
Industry: Mining

Name: Encompass Health Corporation
Industry: Healthcare

Name: City of Charleston
Industry: Public Administration

Name: Exxon Mobil Corporation
Industry: Transportation

Name: City of Fairmont
Industry: Public Administration

Name: Federal Express Corporation
Industry: Transportation

Name: City of Huntington
Industry: Public Administration

Name: FedEx Ground Package System Inc.
Industry: Transportation

Name: City of Parkersburg
Industry: Public Administration

Name: Fiesta Tableware Company
Industry: Manufacturing

Name: City of Wheeling
Industry: Public Administration

Name: FirstEnergy Service Company
Industry: Transportation

Name: Columbia West Virginia Corporation
Industry: Manufacturing

Name: General Motors LLC
Industry: Manufacturing

Exhibit 4

Name: Highland Mining Company
Industry: Mining

Name: Residence Inn by Marriott LLC
Industry: Services

Name: Hope Gas Inc.
Industry: Transportation

Name: Spartan Mining Company LLC
Industry: Mining

Name: Huntington Alloys Corporation
Industry: Manufacturing

Name: SWVA Inc.
Industry: Manufacturing

Name: Huntington Bancshares Inc.
Industry: Finance

Name: T-Force Freight Inc.
Industry: Transportation

Name: JELD-WEN Inc.
Industry: Manufacturing

Name: Toyota Motor Manufacturing WV Inc.
Industry: Manufacturing

Name: Kingston Mining Inc.
Industry: Mining

Name: U S Silica Company
Industry: Mining

Name: Lowes Home Centers LLC
Industry: Retail Trade

Name: Union Carbide Corporation
Industry: Manufacturing

Name: Marriott International Inc.
Industry: Services

Name: United Parcel Service Inc.
Industry: Transportation

Name: Monongahela Power Company
Industry: Transportation

Name: Virginia Electric and Power Company
Industry: Transportation

Name: Pepsi-Cola Metropolitan Bottling Co Inc.
Industry: Wholesale Trade

Name: Wendy's International LLC
Industry: Services

Name: Performance Coal Company LLC
Industry: Mining

Name: West Virginia Counties Risk Pool Inc.
Industry: Public Administration

Name: Pilgrim's Pride Corp Of West Virginia Inc.
Industry: Agriculture

Name: Weyerhaeuser Company
Industry: Manufacturing

Name: Potomac Edison Company
Industry: Transportation

Name: Wheeling Park Commission
Industry: Services



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

Allan L. McVey
Insurance Commissioner

July 5, 2022

Joint Committee on Government and Finance
Building 1, Room E-140
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610

Honorable Committee Members:

Please find enclosed the Insurance Commissioner's West Virginia Workers' Compensation Safety Initiatives Report for July 2022, required by W. Va. Code §23-2C-5(c)(6) to present an overview of the safety initiatives currently being utilized in the workers' compensation insurance market.

Should you need additional information, please do not hesitate to contact my office.

Sincerely,

Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner

ALM/jlh

Enclosure



BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
August 11, 2022

OPERATING REPORT

JUNE 2022

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

Vacant,
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

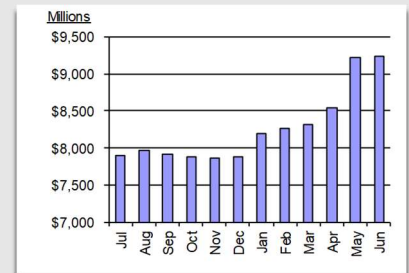
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$9,234,695,000

Last Month
\$9,228,127,000

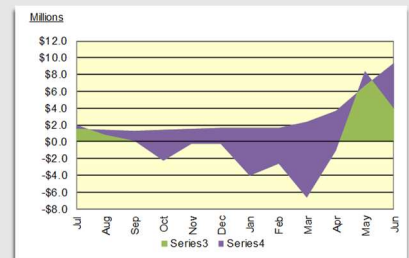
Beginning of Fiscal Year
\$8,119,584,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
(\$1,858,000)



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

Money Market Pools

As of June 30, 2022

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	1.2131%	21 Days	\$8.1 Billion
WV Gov't Money Market	0.9098%	19 Days	\$232.1 Million

* Yields represent the simple money market yield net of fees.

** W.A.M. is the weighted average maturity.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

JUNE 2022

Official Bear Market

Nowhere to Hide

If this past spring was a bear market fling, the start of summer made things official. The breadth and depth of losses across markets in June was striking and tied a bow on the worst first half of a calendar year for the S&P 500 since 1970. The markets continue to react to headline CPI, at its highest level since 1981 and the increases in interest rates. Fixed income did little to soften the blow because of the dramatic rise in rates, with core bonds down by more than -10% year-to-date. Even commodities turned red for the month, although that may be a harbinger for constructive developments for inflation and markets.

Fixed Income

The Federal Reserve hiked rates for a third time this year – this time by 0.75% - which is now reflected in short term Treasury yields, but intermediate and longer-term yields were rather stagnant month over the month. Reflecting increasing acceptance of slower growth in the face of higher rates, we saw a ferocious rate rally the last few weeks of June, with the 10-year yield topping out at nearly 3.5% mid-month before closing the month just below 3.0%. A positive for the total returns of bonds in the second half of 2022 and into 2023 is the yield of the Aggregate Index is up approximately 2% in the first six months of the year.

Along the same narrative of growth concerns, high yield bonds were down -6.7% in the month. Interestingly, Treasury Inflation Protected Securities (TIPS) fell -3.2% in the month and have generated significant negative returns year-to-date, reflecting uncertainty on future growth and inflation. It will be very interesting to watch this tug-of-war in the second half of the year and the impact on future decisions for the Fed.

Equities

After a respite in May, the month of June was negative across all equity markets around the globe apart from China. June saw a slight improvement in performance of growth stocks relative to value stocks, aided in part by the rally in bond yields in the latter half of the month, but more dramatically by a sell-off in energy stocks on the back of lower spot oil prices later in the month. Energy stocks were down approximately -17% for the month, while maintaining gains over +30% year-to-date. Developed markets and emerging market equities continue in negative territory although emerging markets are now outperforming U.S. markets year-to-date (-17.6% vs -20%). Current valuations now reflect a decline in the forward earnings outlook (P/E of 17x vs P/E of 19x at Q1 and 21x at year end). The question for investors is, as earnings reports roll in over the coming weeks, does this reflect enough of a decline in valuations to warrant a buying opportunity?

Looking Ahead

Even with historically low consumer confidence survey numbers, given the positive fundamentals of many parts of the economy, it may be hard to fathom that the second half will repeat the double-digit negative performance of the public markets we experienced in the first half of 2022. That being said, the question remains how much of the growth slowdown has the equity market priced in? As we discussed in the equity review, earnings reports in the next several weeks should give us a bell weather look at the second half environment. Other areas to watch for clues to a bottom include; continued signs of inflation easing, some positive news on the Ukraine crisis, and stability in supply chain issues (maybe helped by China reopening).

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

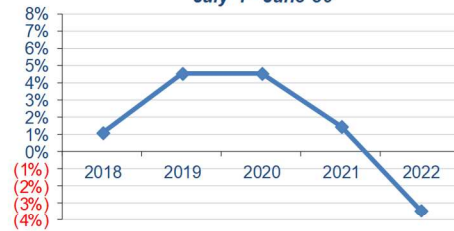
WV Short Term Bond Pool

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

<u>July 1 - Jun 30</u>	<u>Return</u>	<u>Net Assets At Jun 30 (In Millions)</u>
2022	(3.4%)	\$ 691.8
2021	1.4%	\$ 818.3
2020	4.5%	\$ 813.1
2019	4.5%	\$ 737.8
2018	1.1%	\$ 709.5

WV Short Term Bond Pool Rates of Return

*Past 12 Months
July 1 - June 30*

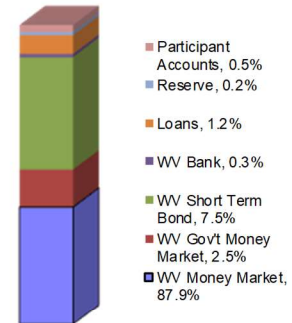


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings *(In Thousands)*

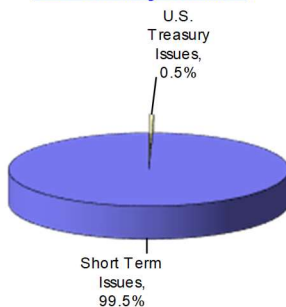
<u>Pool</u>	<u>Net Asset Value</u>	<u>June Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 8,113,154	\$ 8,191	\$ 21,535
WV Gov't Money Market	232,113	174	419
WV Short Term Bond	691,805	(4,601)	(26,135)
WV Bank	20,206	6	113
Loans	115,095	134	1,713
Reserve	20,007	19	65
Participant Accounts	42,315	(1)	432
	<u>\$ 9,234,695</u>	<u>\$ 3,922</u>	<u>\$ (1,858)</u>

Percent of Total Net Asset Value

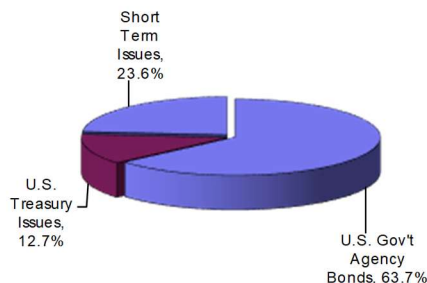


Securities by Type for Operating Pools *(Percentage of Asset Value)*

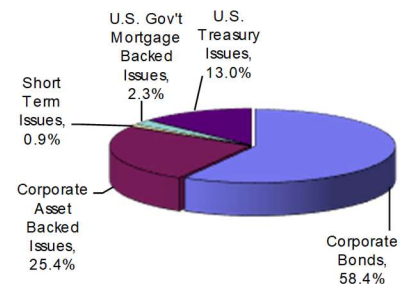
WV Money Market



WV Gov't Money Market



WV Short Term Bond



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

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts	Total
Assets							
Investments:							
At amortized cost	\$ 8,145,595	\$ 234,095	\$ -	\$ 20,178	\$ 134,950	\$ -	\$ 8,534,818
At fair value	-	-	689,880	-	-	42,275	732,155
Other assets	3,403	47	3,018	30	157	41	6,696
Total assets	8,148,998	234,142	692,898	20,208	135,107	42,316	9,273,669
Liabilities							
Accrued expenses, dividends payable & payables for investments purchased							
	35,844	2,029	1,093	2	5	1	38,974
Total liabilities	35,844	2,029	1,093	2	5	1	38,974
Net Position							
Held in trust for investment pool participants	8,113,154	232,113	691,805	-	-	-	9,037,072
Held in trust for individual investment account holders	-	-	-	20,206	135,102	42,315	197,623
Total net position	\$ 8,113,154	\$ 232,113	\$ 691,805	\$ 20,206	\$ 135,102	\$ 42,315	\$ 9,234,695
Additions							
Investment income:							
Interest and dividends	\$ 4,127	\$ 84	\$ 1,193	\$ 6	\$ 155	\$ 14	\$ 5,579
Net (amortization) accretion	4,374	97	(275)	-	-	(1)	4,195
Provision for uncollectible loans	-	-	-	-	-	-	-
Total investment income	8,501	181	918	6	155	13	9,774
Investment expenses:							
Investment advisor, custodian bank & administrative fees	310	7	45	-	2	-	364
Total investment expenses	310	7	45	-	2	-	364
Net investment income	8,191	174	873	6	153	13	9,410
Net realized gain (loss) from investments	-	-	-	-	-	-	-
Net increase (decrease) in fair value of investments	-	-	(5,474)	-	-	(14)	(5,488)
Net increase (decrease) in net position from operations	8,191	174	(4,601)	6	153	(1)	3,922
Participant transaction additions:							
Purchase of pool units by participants	1,118,272	41,763	-	-	-	-	1,160,035
Reinvestment of pool distributions	8,191	173	811	-	-	-	9,175
Contributions to individual investment accounts	-	-	-	9	14	-	23
Total participant transaction additions	1,126,463	41,936	811	9	14	-	1,169,233
Total additions	1,134,654	42,110	(3,790)	15	167	(1)	1,173,155
Deductions							
Distributions to pool participants:							
Net investment income	8,191	174	873	-	-	-	9,238
Net realized gain (loss) from investments	-	-	-	-	-	-	-
Total distributions to pool participants	8,191	174	873	-	-	-	9,238
Participant transaction deductions:							
Redemption of pool units by participants	1,129,236	7,373	7,800	-	-	-	1,144,409
Withdrawals from individual investment accounts	-	-	-	10,009	904	2,027	12,940
Total participant transaction deductions	1,129,236	7,373	7,800	10,009	904	2,027	1,157,349
Total deductions	1,137,472	7,547	8,673	10,009	904	2,027	1,166,587
Net increase (decrease) in net position from operations	(2,773)	34,563	(12,463)	(9,994)	(737)	(2,028)	6,568
Inter-pool transfers in	-	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-	-
Net inter-pool transfers in (out)	-	-	-	-	-	-	-
Change in net position	(2,773)	34,563	(12,463)	(9,994)	(737)	(2,028)	6,568
Net position at beginning of period	8,115,927	197,550	704,268	30,200	135,839	44,343	9,228,127
Net position at end of period	\$ 8,113,154	\$ 232,113	\$ 691,805	\$ 20,206	\$ 135,102	\$ 42,315	\$ 9,234,695

WV Electronic Vital Registration System Project Summary

Dr. Ayne Amjad
Commissioner and State Health Officer
July 2022



January 2019

- Request for Proposals (RFP) for Electronic Vital Registration System (EVRS) released

March 2019

- Solicitation closed with 3 bids received
- 1 vendor disqualified; 2 bids evaluated

April 2019

- Vendor demonstrations held

January 2020

- Vendor contract award to Netsmart

Netsmart Contract Management Timeline

January - April 2020

- Milestone 1 and Milestone 3 were completed

April - June 2020

- Project deemed “at-risk”

August – September 2020

- Engaged with Netsmart leadership to resolve the discrepancy in the bid requirements; Netsmart failed to comply

October 2020

- West Virginia Department of Health and Human Resources (DHHR), Bureau for Public Health (BPH) was notified of key personnel resignations Netsmart

November - March 2020

- Unprecedented COVID surge impacting agency, including DHHR’s Health Statistics Center

December 2020

- Vendor submitted a change order requesting an additional \$2,314,010.75 to accommodate

hosting in years 2-7

- Hosting was included in the bid; per the W. Va. Code, the lower amount for the contract would prevail

January 2021

- BPH legal counsel engaged WV Department of Administration (DOA) and Purchasing Division to resolve change order request and DOA authorized BPH to negotiate on its own behalf

February 2021

- BPH requested in writing that Netsmart summarize contractual concerns

April 2021

- Netsmart contract canceled based on 30-day notice provision

VitalChek Contract

March - April 2021

- DHHR's Bureau for Public Health (BPH) and Office of Management Information Services reviewed proposals from other vendors and viewed online demonstrations of systems

April 2021

- Emergency contract VitalChek for the Electronic Death Registration System (EDRS), point of sale, and hosting

May - August 2021

- BPH and VitalChek implemented the design and configuration of the WV DAVE (WV Database Application for Vital Events) system

September 2021

- User Acceptance Training (UAT) conducted

October 2021

- UAT findings and feedback from BPH personnel incorporated into the configuration

November 2021

- Training was conducted for funeral homes, DHHR's Office of the Chief Medical Examiner, and medical certifiers

December 2021

- Pilot testing, end user training, BPH staff training, and communication to end users continued

January 1, 2022

- The Electronic Death Registration System (EDRS) was launched

Cost Summary: Netsmart and VitalChek

	NetSmart	VitalChek
Contract Award Amount	\$2,438,739	\$1,060,000
Expenditures Paid to Date	\$141,071	
Modules	Electronic death reporting, point of sale and hosting	Electronic death reporting, point of sale and hosting
Timeframe for Implementation	January 2020 – March 2021 (contract canceled)	April 2021 – December 2021

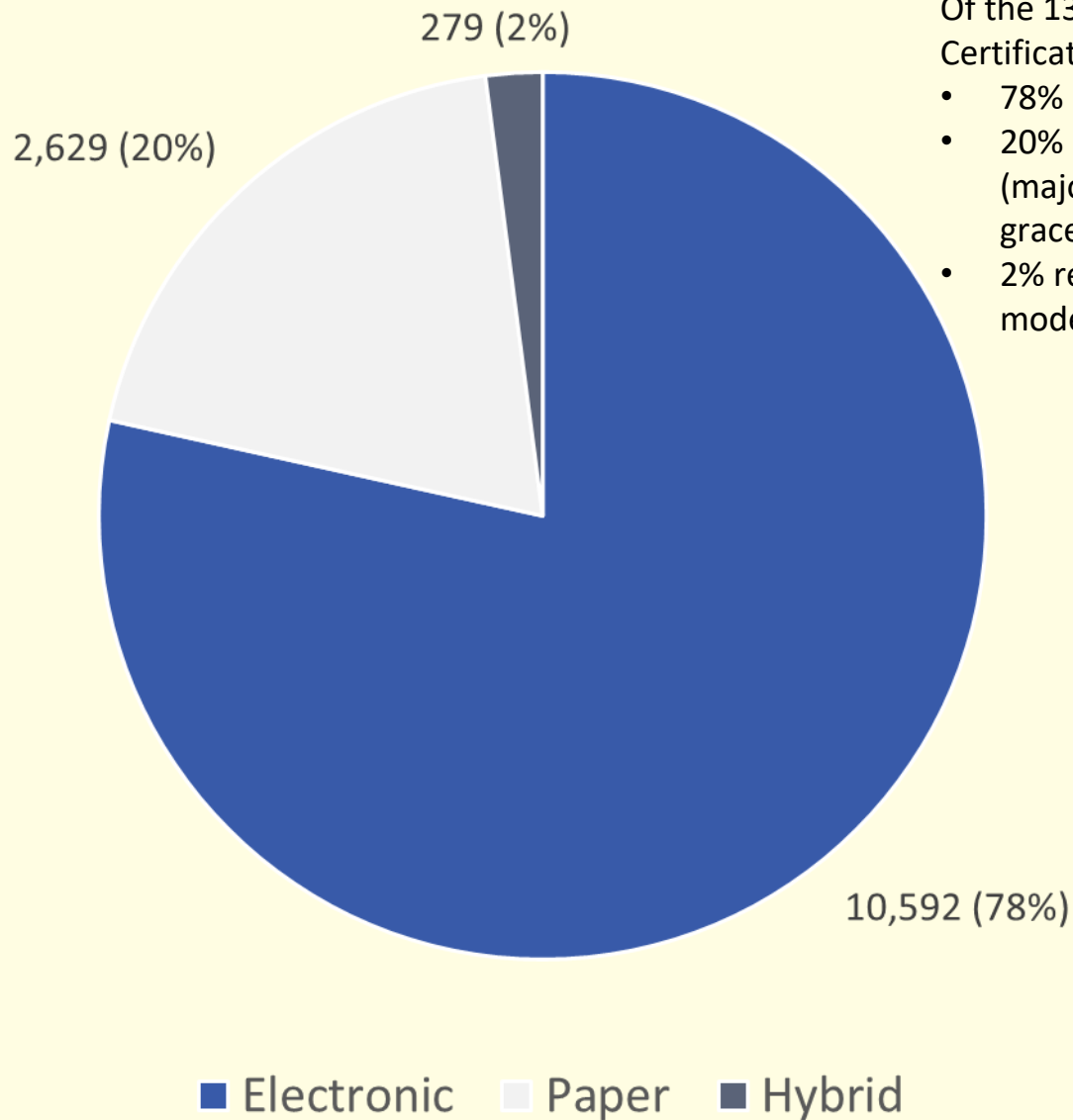
5,915 Registered Users for the EDRS

- 510 funeral directors
- 133 funeral home users
- 3,815 medical certifiers
- 1,344 medical facility users
- 22 medical examiners
- 29 users from DHHR's Office of the Chief Medical Examiner

2022 Deaths

- 13,500 registered
 - 10,592 electronic (78.5% of deaths)
 - 2,629 paper (most received during the 60-day grace period)
 - 279 hybrid

Method of Registering Death Certificate



- Of the 13,500 Registered Death Certificates for 2022:
- 78% registered electronically
 - 20% registered by paper (majority registered during grace period)
 - 2% registered with a hybrid model

Overall Benefits of EDRS

- Improved accuracy, completeness, and timeliness of data
- Reduced typographical errors from data entry
- Improved accuracy of cause of death statements
- Automatic verification of with social security administration
- Reduced percentage of unknowns reported for time of death
 - National Center for Health Statistics (NCHS) standard: 1.13%
 - WV 2021: 5.12%
 - WV 2022: 0.09%
- Improved timeliness of reporting deaths
 - NCHS standard: 85% reporting within 25 days of date of death
 - WV 2021: 11.7%
 - WV 2022: 76.1%

Comments

“The WV DAVE implementation was one of the most successful implementation of a vital records module in VitalChek’s history. I was impressed by the level of expertise and focus of the vital records staff. This is a result of the outstanding leadership at the Health Statistics Center and the Bureau for Public Health. VitalChek looks forward to many years of a successful partnership!”

---Marcus McBride, Director, Product Management, VitalChek Network Inc., a LexisNexis Company

In reviewing West Virginia’s quarterly report, the National Center for Health Statistics stated: *“It is striking how large a proportion of the state death records were registered electronically this past quarter compared even to earlier in the year. It is a testament to the work you did to roll out the system in a way to create buy-in. The timeliness of death registration also shows remarkable improvement.”*

Dr. Ayne Amjad

Commissioner and State Health Officer

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