

JOINT COMMITTEE
ON GOVERNMENT & FINANCE
INTERIM BOOK

Materials Distributed
September 13, 2022



August 3, 2022

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

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

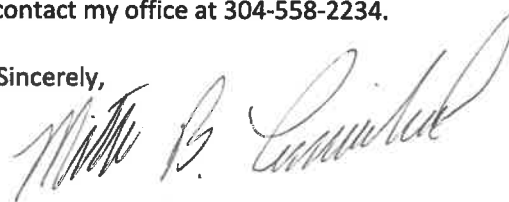
Dear President Blair and Speaker Hanshaw:

I hereby certify to the Joint Committee on Government and Finance that the below itemized projects are being awarded funds from the American Rescue Plan Act (ARPA) Capital Projects Fund. These projects will provide broadband connectivity to approximately 9,330 locations throughout West Virginia, in compliance with regulations issued pursuant to ARPA.

1. Altice USA: North Lincoln-Alum Creek \$2 Million
2. Altice USA: Greater Sissonville \$4 Million

This certification is provided as a courtesy related to utilization of the ARPA Capital Projects Fund. Should you need additional information, please contact my office at 304-558-2234.

Sincerely,



Mitch B. Carmichael

Secretary

West Virginia Department of Economic Development

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

(Speaker Pro Tempore Howell)

July 26, 2022

2:00 p.m. – 4:00 p.m.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Speaker Hanshaw: “Well that’s good, I—”

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

Speaker Hanshaw: “I’ll leave it at that, Mr. Chairman. Thank you.”

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

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

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

Delegate Boggs: “Yes.”

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

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

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

Delegate Boggs: "Right...right."

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

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

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

Delegate Boggs: “Okay, I would—”

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

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

Secretary Wriston: “That’s...that’s the world we’re in and—”

Delegate Boggs: “—So, thank you. Thank you, Mr. Chairman.”

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

Kelly Workman: “Good Afternoon—”

Speaker Pro Tempore Howell: “—give your presentation.”

Kelly Workman: “—Kelly Workman, Director of the Office of Broadband, representing Secretary Carmichael. So, thank you for the opportunity to present today...you’re not seeing what I’m seeing on my screen. I don’t know if we have someone

who can look at it? I'll go ahead and get started if you'd like? I know you have a full schedule today.

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

Speaker Pro Tempore Howell: “We're working—”

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

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

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

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

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

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

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

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

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

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

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

Kelly Workman: "This one?"

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

Kelly Workman: “For the planning grants?”

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

Kelly Workman: “Right.”

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

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

Speaker Hanshaw: “And we’re on track to be finished and...”

Kelly Workman: “Well the awards from NTIA will start in September but we’ve already started that process.”

Speaker Hanshaw: “Okay.”

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

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

Kelly Workman: “Yeah.”

Speaker Hanshaw: “Okay.”

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

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

Speaker Pro Tempore Howell: "Gentleman from Greenbrier."

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

Kelly Workman: "Yes."

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

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

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

Kelly Workman: "I think that the timeline shifts because of the details that we have to work out with each project that moves forward. So, there's a lot of back and forth with the project teams and the exact locations and the budgets...and it does slip a little bit...and then we also have the Infrastructure Act applications that we have to make sure

get completed. So, we do have to juggle around the schedule a little bit but just...those GigReady projects are the highest priority at this point because as I mentioned they are primarily getting into the southern tier of the state that we have not yet had a lot of projects awarded.”

Senator Baldwin: “Yes ma’am, I’m well aware.”

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

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

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

Senator Baldwin: “Okay, thank you ma’am. Appreciate it.”

Kelly Workman: “Thank you.”

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

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

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

Kelly Workman: "What deadline would that be?"

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

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

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

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

Kelly Workman: "Okay."

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

Kelly Workman: "Okay, thank you."

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

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

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

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

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

dollars and compared to the prior year it was up 16.8% when adjusted for...for various movements of money, so big gain there. Corporate income tax same way, corporate income tax collections in June \$71.7 million, that was 12.3% ahead of last year, and \$46.7 million above estimate. For the entire year we collected \$366.3 million, that was above estimate by over \$200 million...\$206 million...and last year we collected \$320.5 million but remember last year's collections included about somewhere around \$56 million dollars of deferred receipts from the previous year. So, when you take out those deferred receipts from the previous year, the corporate tax was up a good 38 and ½ percent for the year. So, tremendous growth there as well.

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

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

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

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

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

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

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

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

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

Senator Tarr: “So, I guess if...and maybe this isn't some of the information you would have...but if it lags behind for one of the last revenue sources that we see

decline...if I'm stating that correctly, when we see (...inaudible...) indicators that it's coming at some point, how long of a lag does that take from the time you first start seeing indicators? Is there any kind of normalcy to that or is it all over the place to that as well?"

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

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

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

Senator Tarr: "All right."

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

Senator Tarr: "Thank you."

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

Senator Tarr: "Okay, thank you."

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

Secretary Muchow: "Thank you."

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

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

Speaker Pro Tempore Howell: “Yeah.”

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

Speaker Pro Tempore Howell: “You may proceed.”

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

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

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

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

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

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

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

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

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

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

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

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

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

Speaker Pro Tempore Howell: "Gentleman from Putnam."

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

Justin Davis: "Sure."

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

Justin Davis: "I'm sorry?"

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

Justin Davis: "It was November of 2017."

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

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

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

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

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

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

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

Justin Davis: “We’re not above that, sir.”

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

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

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

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

Justin Davis: “I’m not...I’m not aware of the answer to that question, sir.”

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

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

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

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

Senator Tarr: “Part of what’s been delayed with this has to do with child welfare, did I hear that correctly?”

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

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

Justin Davis: “Correct, sir.”

Senator Tarr: “Now going into the third year.”

Justin Davis: “Correct, sir.”

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

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

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

Justin Davis: “Yes, sir. So, some of the benefits that the new system will bring. First and foremost is a modernized technology or an up-to-date technology, which should in the future allow us to move more quickly when we do have regulatory changes. Part of this...what makes it difficult right now...is we are in the process of building and implementing. So, everything we do...you’re trying to pin Jell-O to a wall because you’re moving. Once we’ve implemented the system and we’re on a more modern platform and

we have that baseline to start with, future regulatory changes, you're working with the technology that is not as antiquated as our current technology. There's more staff available from the vendor to assist and provide us those updates. So, that's one benefit is we should see regulatory changes come in in a more efficient manner.

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

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

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

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

Secretary Crouch: “There has been no change in the—”

Senator Tarr: “There was not?”

Secretary Crouch: “—MOU since it was signed—”

Senator Tarr: “Okay.”

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

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

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

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

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

Secretary Crouch: "It should."

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

Secretary Crouch: "Yes sir."

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

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

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

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

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

Justin Davis: “Correct, sir.”

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

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

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

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

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

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

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

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

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

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

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

Justin Davis: "Correct."

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

Justin Davis: "Correct. Everyone—"

Senator Baldwin: "Does that—"

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

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

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

Senator Baldwin: “Okay. Thank you, sir. Thank you, Mr. Chairman.”

Speaker Pro Tempore Howell: “Gentleman from Clay.”

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

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

Speaker Hanshaw: “Okay.”

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

Speaker Hanshaw: “It’s license versus owning.”

Justin Davis: “Correct. Correct.”

Speaker Hanshaw: “I fully get that.”

Justin Davis: “Correct, sir.”

Speaker Hanshaw: “That’s what I’m trying to tease out here is that—”

Justin Davis: “Yes”

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

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

Speaker Hanshaw: “Okay”

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

Speaker Hanshaw: “Okay, you’ve answered the question. Thank you.”

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

Justin Davis: “Thank you.”

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

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

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

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

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

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

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

Speaker Pro Tempore Howell: “Gentleman from Putnam.”

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

Shaun Charles: “Excuse me?”

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

Shaun Charles: “APCD. Yes, sir.”

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

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

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

Shaun Charles: “That...that’s for the WVEDSS, that’s the WVEDSS contract.”

Senator Tarr: “Okay.”

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

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

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

Senator Tarr: “Okay, all right. Thank you.”

Shaun Charles: “You’re welcome.”

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

Shaun Charles: “Thank you.”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Commissioner Amjad: “That was supposed to be fixed because—”

Senator Takubo: “Okay.”

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

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

Commissioner Amjad: “Okay.”

Speaker Pro Tempore Howell: “Gentleman from Greenbrier.”

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

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

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

Commissioner Amjad: “Yes.”

Senator Baldwin: “Okay.”

Commissioner Amjad: “That’s my understanding.”

Senator Baldwin: “Great. Thank you, I appreciate it. Thank you.”

Speaker Pro Tempore Howell: “Gentleman from Berkeley.”

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

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

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

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

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

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

Commissioner Amjad: "Oh no, I agree."

Delegate Householder: "Yeah."

Speaker Pro Tempore Howell: "Gentleman from Kanawha."

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

Commissioner Amjad: “Oh okay.”

Senator Takubo: “Yeah.”

Commissioner Amjad: “I’ll look at those other things you mentioned and see if those...are coming up a lot.”

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

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

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

Commissioner Amjad: “Okay.”

Speaker Pro Tempore Howell: “Thank you. Further questions? If not, thank you ma’am.”

Commissioner Amjad: “Thanks.”

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

Senator Takubo: “I move we adjourn.”

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

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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September 06, 2022

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

- West Virginia Lottery as of July 31, 2022
Gross profit as of July 31, 2022 was \$52 million. Gross profit as of July 31, 2021 was \$50 million.
- West Virginia Unemployment Compensation Fund as of July 31, 2022:
Total disbursements were \$17.4 million lower than in fiscal year 2021. Overall ending trust fund balance was \$292.7 million higher on July 31, 2022 than on July 31, 2021.
- General Revenue Fund as of August 31, 2022
The general revenue collections ended the second month of fiscal year 2023 at 136% of the estimate for the year. Total collections were \$234.6 million above the estimate for the fiscal year.
- State Road Fund as of August 31, 2022 ended the second month of fiscal year 2023 at 93% of the estimate for the year. Total collections were \$12.9 million below the estimate for the fiscal year.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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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: August 26, 2022

Re: Review of West Virginia Lottery Financial Information
As of July 31, 2022

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for July 31, 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 \$117 million for July of fiscal year 2022-2023. Table games accounted for \$3 million of this total. Historic Resort Hotel video lottery accounted for \$396 thousand of total gross receipts. Gross lottery revenue has increased by 5% when compared with July of fiscal year 2021-2022. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July was \$52 million; for July of last fiscal year it was \$50 million. Expressed as a percentage, gross profit is 4% higher for fiscal year 2023 than for fiscal year 2022.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$49,203,000.00 has been accrued to the state of West Virginia for fiscal year 2022-2023. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.

A schedule of cash transfers follows:

State Lottery Fund

Bureau of Senior Services	\$19,304,000.00
Community and Technical College	\$499,000.00
Department of Education	\$5,215,000.00
Library Commission	\$4,178,000.00
Higher Education-Policy Commission	\$2,667,000.00
Tourism	\$2,484,000.00
Department of Natural Resources	\$1,303,000.00
Division of Culture and History	\$1,550,000.00
General Revenue Fund	\$000.00
Economic Development Authority	\$1,000,000.00
School Building Authority	\$1,800,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$40,000,000.00

Lottery continued

Excess Lottery Fund

Economic Development Fund	\$2,101,000.00
Higher Education Improvement Fund	\$1,500,000.00
General Purpose Fund	\$000.00
Higher Education Improvement Fund	\$000.00
State Park Improvement Fund	\$000.00
School Building Authority	\$1,896,000.00
Refundable Credit	\$000.00
WV Racing Commission	\$000.00
WV DHHR	\$000.00
Teacher's Retirement Savings	\$000.00
Division of Human Services	\$000.00
WV Lottery Statutory Transfers	\$000.00
Economic Development Authority	\$439,000.00
General Revenue Fund	\$000.00
Office of Technology	\$000.00
Excess Lottery Surplus	\$000.00
WV Infrastructure Council Fund	\$600,000.00
Total State Excess Lottery Revenue Fund	\$6,536,000.00

Total Budgetary Distributions:	\$46,536,000.00
Veterans Instant Ticket Fund	\$47,000.00
Pension Plan	\$00.00
TOTAL TRANSFERS	*\$46,583,000.00

* CASH BASIS

Lottery continued

Total Accrued last FY 2022:	\$240,180,000.00
Total Cash Distributions FY 2023:	\$46,583,000.00
Applied to FY 2022:	\$46,583,000.00
Applied to FY 2023:	\$0.00
Accrued for FY 2022 as of July 31:	\$193,597,000.00
Accrued for FY 2023 as of July 31:	\$242,800,000.00



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 July 31, 2022
DATE: August 16, 2022

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

Financial statements of the Lottery for the month ending July 31, 2022 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, sports wagering, and interactive gaming was \$117,011,497 for the month of July.

Transfers of lottery revenue totaling \$46,584,164 made for the month of July 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 July 31, 2022 was 1,506 and 1,221 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-**

July 31, 2022

WEST VIRGINIA LOTTERY

TABLE OF CONTENTS

	Page
STATEMENT OF NET POSITION.....	3
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION.....	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 – 23
SCHEDULE OF NET REVENUES.....	24

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

ASSETS	July 31, 2022	June 30, 2022
Current Assets:		
Cash and cash equivalents	\$ 271,004	\$ 281,709
Accounts receivable	45,413	32,032
Inventory	1,537	1,436
Other assets	5,991	5,989
Total Current Assets	<u>323,945</u>	<u>321,166</u>
Capital assets	62,487	62,487
Less accumulated depreciation and amortization	<u>(20,300)</u>	<u>(20,161)</u>
Net Capital Assets	<u>42,187</u>	<u>42,326</u>
Total Noncurrent Assets	<u>42,187</u>	<u>42,326</u>
Total Assets	<u>\$ 366,132</u>	<u>\$ 363,492</u>
Deferred outflows of resources	<u>\$ 2,436</u>	<u>\$ 2,436</u>
Total assets and deferred outflows	<u>\$ 368,568</u>	<u>\$ 365,928</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 242,800	\$ 240,180
Estimated prize claims	19,527	16,152
Accounts payable	2,949	4,212
Other accrued liabilities	34,905	36,997
Total Current Liabilities	<u>300,181</u>	<u>297,541</u>
Deferred inflows	<u>\$ 7,491</u>	<u>7,491</u>
Net Position:		
Net Investment in capital assets	42,187	42,326
Unrestricted	<u>18,709</u>	<u>18,570</u>
Total Net Position	<u>60,896</u>	<u>60,896</u>
Total net position, liabilities, and deferred inflows	<u>\$ 368,568</u>	<u>\$ 365,928</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 ONE MONTH PERIOD ENDED JULY 31, 2022
(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	FY 2023	FY 2022	FY 2023	FY 2022
Lottery revenues				
On-line games	\$ 11,443	\$ 5,465	\$ 11,443	\$ 5,465
Instant games	14,725	15,232	14,725	15,232
Racetrack video lottery	45,130	43,867	45,130	43,867
Limited video lottery	40,744	42,087	40,744	42,087
Table games	3,002	3,235	3,002	3,235
Historic resort	396	970	396	970
Sports Wagering	258	230	258	230
Interactive Wagering	1,313	794	1,313	794
	<u>117,011</u>	<u>111,880</u>	<u>117,011</u>	<u>111,880</u>
Less commissions				
On-line games	803	381	803	381
Instant games	1,031	1,067	1,031	1,067
Racetrack video lottery	24,760	24,067	24,760	24,067
Limited video lottery	19,964	20,622	19,964	20,622
Table games	1,274	1,370	1,274	1,370
Historic resort	230	458	230	458
	<u>48,062</u>	<u>47,965</u>	<u>48,062</u>	<u>47,965</u>
Less on-line prizes	5,602	2,648	5,602	2,648
Less instant prizes	10,168	10,354	10,168	10,354
Less ticket costs	133	122	133	122
Less vendor fees and costs	1,247	1,004	1,247	1,004
	<u>17,150</u>	<u>14,128</u>	<u>17,150</u>	<u>14,128</u>
Gross profit	<u>51,799</u>	<u>49,787</u>	<u>51,799</u>	<u>49,787</u>
Administrative expenses				
Advertising and promotions	487	314	487	314
Wages and related benefits	917	928	917	928
Telecommunications	57	99	57	99
Contractual and professional	438	(537)	438	(537)
Rental	23	38	23	38
Depreciation and amortization	139	138	139	138
Other administrative expenses	339	193	339	193
	<u>2,400</u>	<u>1,173</u>	<u>2,400</u>	<u>1,173</u>
Other Operating Income	<u>279</u>	<u>310</u>	<u>279</u>	<u>310</u>
Operating Income	<u>49,678</u>	<u>48,924</u>	<u>49,678</u>	<u>48,924</u>
Nonoperating income (expense)				
Investment income	351	63	351	63
Distributions to municipalities and counties	(799)	(825)	(799)	(825)
Distributions -capital reinvestment	(27)	(34)	(27)	(34)
Distributions to the State of West Virginia	(49,203)	(48,128)	(49,203)	(48,128)
	<u>(49,678)</u>	<u>(48,924)</u>	<u>(49,678)</u>	<u>(48,924)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>60,896</u>	<u>57,032</u>	<u>60,896</u>	<u>57,032</u>
Net position, end of period	<u>\$ 60,896</u>	<u>\$ 57,032</u>	<u>\$ 60,896</u>	<u>\$ 57,032</u>

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

**WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE ONE MONTH PERIOD ENDED JULY 31, 2022**

**(In Thousands)
-Unaudited-**

	2023	2022
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 103,909	\$ 106,342
Cash payments for:		
Personnel costs	(917)	(928)
Suppliers	(2,525)	(867)
Other operating costs	(61,886)	(64,061)
Cash provided by operating activities	<u>38,581</u>	<u>40,486</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(46,583)	(46,587)
Distributions to municipalities and counties	(762)	(794)
Distributions to racetrack from racetrack cap. reinv. fund	(2,292)	(637)
Cash used in noncapital financing activities	<u>(49,637)</u>	<u>(48,018)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Investment earnings received	<u>351</u>	<u>63</u>
Cash provided by investing activities	<u>351</u>	<u>63</u>
Increase (decrease) in cash and cash equivalents	(10,705)	(7,469)
Cash and cash equivalents - beginning of period	281,709	198,583
Cash and cash equivalents - end of period	<u>\$ 271,004</u>	<u>\$ 191,114</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 49,678	\$ 48,924
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	139	138
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(13,381)	(5,849)
(Increase) decrease in inventory	(101)	51
(Increase) decrease in other assets	(2)	-
Increase (decrease) in estimated prize claims	3,440	(769)
Increase (decrease) in accounts payable	(1,263)	(734)
Increase (decrease) in other accrued liabilities	71	(1,275)
Cash provided by operating activities	<u>\$ 38,581</u>	<u>\$ 40,486</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 July 31, 2022 the carrying amounts of deposits (overdraft) with financial institutions were \$469 thousand with a bank balance (overdraft) of \$523 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):

	July 31, 2022	June 30, 2021
Deposits with financial institutions	\$ 469	\$ 459
Cash on hand at the Treasurer's Office	17,638	24,722
Investments with BTI reported as cash equivalents	252,897	256,528
	\$ 271,004	\$ 281,709

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended July 31, 2022 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2022	Additions	Deletions	Historical Cost At July 31, 2022
Construction in Progress	1,564	-	-	1,564
Buildings	48,243	-	-	48,243
Land	1,681	-	-	1,681
Equipment	10,999	-	-	10,999
	<u>\$ 62,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,487</u>

Accumulated Depreciation:

	Historical Cost At June 30, 2022	Additions	Deletions	Historical Cost At July 31, 2022
Buildings	\$ 11,398	\$ 103	\$ -	\$ 11,501
Equipment	8,763	36	-	8,799
	<u>\$ 20,161</u>	<u>\$ 139</u>	<u>\$ -</u>	<u>\$ 20,300</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 July 31, 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	\$ 2,234,059	\$ 2,234,059
Lotto America	554,701	554,701
Mega Millions	6,694,443	6,694,443
Total	\$ 9,483,203	\$ 9,483,203

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,121,528	\$ 1,121,528
Lotta America	269,926	269,926
Mega Millions	3,347,310	3,347,310
Total	\$ 4,738,764	\$ 4,738,764

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 July 31, 2022, the Lotteries share of the prize reserve fund balances were as follows:

<u>Game</u>	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 121,660,805	\$ 1,340,121
Lotto America	6,211,861	473,056
Mega Millions	90,976,657	845,073
Total	\$ 218,849,323	\$ 2,658,250

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 \$20,501,598 at July 31, 2022, of which the Lottery's share was \$1,477,718.

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 July 31, 2022 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2023	2022	2023	2022
Total credits played	\$ 518,564	\$ 500,183	\$ 518,564	\$ 500,183
Credits (prizes) won	(466,305)	(448,597)	(466,305)	(448,597)
Promotional credits played	(7,129)	(7,719)	(7,129)	(7,719)
Gross terminal income	45,130	43,867	45,130	43,867
Administrative costs	(1,805)	(1,755)	(1,805)	(1,755)
Net Terminal Income	43,325	42,112	43,325	42,112
Less distribution to agents	(24,760)	(24,067)	(24,760)	(24,067)
Racetrack video lottery revenues	<u>\$ 18,565</u>	<u>\$ 18,045</u>	<u>\$ 18,565</u>	<u>\$ 18,045</u>

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

	July 31, 2022	Year-to-Date
State Lottery Fund	\$ 12,998	\$ 12,998
State Excess Lottery Revenue Fund	5,567	5,567
Capital Reinvestment Fund	-	-
Total nonoperating distributions	<u>\$ 18,565</u>	<u>\$ 18,565</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 July 31, 2022 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2023	2022	2023	2022
Total credits played	\$ 535,154	\$ 543,391	\$ 535,154	\$ 543,391
Credits (prizes) won	(494,410)	(501,304)	(494,410)	(501,304)
Gross terminal income	\$ 40,744	\$ 42,087	\$ 40,744	\$ 42,087
Administrative costs	(815)	(842)	(815)	(842)
Gross Profit	39,929	41,245	39,929	41,245
Commissions	(19,964)	(20,622)	(19,964)	(20,622)
Municipalities and Counties	(799)	(825)	(799)	(825)
Limited video lottery revenues	<u>\$ 19,166</u>	<u>\$ 19,798</u>	<u>\$ 19,166</u>	<u>\$ 19,798</u>

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 July 31, 2022 were \$8,576,231 and \$8,576,231, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2023	2022	2023	2022
Table Games Privilege Tax	\$ 3,002	\$ 3,235	\$ 3,002	\$ 3,235
Interest on Table Games Fund	9	-	9	-
Administrative costs	(257)	(277)	(257)	(277)
Total Available for Distribution	<u>2,754</u>	<u>2,958</u>	<u>2,754</u>	<u>2,958</u>
<u>Less Distributions:</u>				
Racetrack Purse Funds	193	208	193	208
Thoroughbred & Greyhound Development Funds	154	166	154	166
Racing Association Pension Plan	76	81	76	81
Municipalities/ Counties	<u>851</u>	<u>915</u>	<u>851</u>	<u>915</u>
Total Distributions	<u>1,274</u>	<u>1,370</u>	<u>1,274</u>	<u>1,370</u>
Excess Lottery Fund	<u>\$ 1,480</u>	<u>\$ 1,588</u>	<u>\$ 1,480</u>	<u>\$ 1,588</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 July 31, 2022 and fiscal year-to-date follows (in thousands):

	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Total credits played	\$ 5,304	\$ 8,275	\$ 5,304	\$ 8,275
Credits (prizes) won	(4,879)	(7,593)	(4,879)	(7,593)
Promotional credits played	(85)	(115)	(85)	(115)
Gross terminal income	340	567	340	567
Capital reinvestment	(16)	(27)	(16)	(27)
Excess Lottery Fund	(3)	(5)	(3)	(5)
Administrative costs	(18)	(31)	(18)	(31)
Hotel commissions	(144)	(240)	(144)	(240)
Net terminal income	159	264	159	264
Historic Resort Hotel Fund	101	168	101	168
Human Resource Benefit Fund	58	96	58	96

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 July 31, 2022 were \$159,584 and \$159,584 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Table games privilege tax	\$ 56	\$ 403	\$ 56	\$ 403
Administrative Costs	(7)	(52)	(7)	(52)
Total Available for Distribution	49	351	49	351
Historic Resort Hotel Fund	41	293	41	293
Human Resource Benefit Fund	8	58	8	58

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	\$ 101	\$ 101
Historic Resort Table Games	41	41
Interest on Historic Resort Hotel Fund	2	2
Historic Resort Hotel Fund Net Income	144	144
Municipalities/ Counties	20	20
Excess Lottery Fund	124	124
Total Distributions	<u>\$ 144</u>	<u>\$ 144</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 July 31, 2022 were \$2,583,676 and \$2,583,676, respectively. The following table shows the month and year-to-date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Sports Wagering Privilege Tax	\$ 258	\$ 230	\$ 258	\$ 230
Interest on Sports Waging Fund	-	-	-	-
Administrative Costs	<u>(38)</u>	<u>(35)</u>	<u>(38)</u>	<u>(35)</u>
Total Available for Distribution	220	195	220	195

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 July 31, 2022 were \$8,753,243 and \$8,753,243 respectively. The following table shows the month and year-to-date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2023	2022	2023	2022
Interactive Wagering Privilege Tax	\$ 1,313	\$ 794	\$ 1,313	\$ 794
Interest on Interactive Wagering Fund	7	-	7	-
Administrative Costs	<u>(197)</u>	<u>(119)</u>	<u>(197)</u>	<u>(119)</u>
Total Available for Distribution	1,123	675	1,123	675

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

	Current Month	Year-to-Date
Pensions	11	11
Lottery Fund	1,112	1,112
Total Distributions	<u>\$ 1,123</u>	<u>\$ 1,123</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, 2023 the State Legislature budgeted \$134,132,030 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$1,000,000, and \$500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$6,536,696 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. For the month ended July 31, 2022 the Lottery has accrued additional distributions of \$242,799,860. 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>July 31, 2022</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 499	\$ 499
Bureau of Senior Services	19,304	19,304
Department of Education	5,215	5,215
Library Commission	4,178	4,178
Higher Education-Policy Commission	2,667	2,667
Tourism	2,484	2,484
General Revenue	-	-
Natural Resources	1,303	1,303
Division of Culture & History	1,550	1,550
Economic Development Authority	1,000	1,000
School Building Authority	1,800	1,800
Total State Lottery Fund	<u>\$ 40,000</u>	<u>\$ 40,000</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 2,101	\$ 2,101
Higher Education Improvement Fund	1,500	1,500
General Purpose Account		
Higher Education Improvement Fund		
State Park Improvement Fund		
School Building Authority	1,896	1,896
Refundable Credit		
WV Racing Commission		
WV Department of Health and Human Resources		
Teacher's Retirement Savings		
Division of Human Services		
WV Lottery Statutory Transfers		
Economic Development Authority	439	439
General Revenue Fund		
Office of Technology		
Excess Lottery Surplus		
West Va. Infrastructure Council	600	600
Total State Excess Lottery Revenue Fund	<u>\$ 6,536</u>	<u>\$ 6,536</u>
Total Budgetary distributions:	<u>\$ 46,536</u>	<u>\$ 46,536</u>
Veterans Instant Ticket Fund	\$ 47	\$ 47
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 46,583	\$ 46,583
Accrued nonoperating distributions, beginning	(240,180)	(240,180)
Accrued nonoperating distributions, end	<u>242,800</u>	<u>242,800</u>
	<u>\$ 49,203</u>	<u>\$ 49,203</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 13 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancellable operating leases. Rental expense for the fiscal year-to-date ended July 31, 2022 and July 31, 2021 approximated \$23,289 and \$38,623 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 July 31, 2022 and July 31, 2021 approximated \$89,976 and \$81,077 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 July 31, 2022 and fiscal year-to-date are as follows (in thousands):

	July 31, 2022	Year-to-Date
Employee contributions	\$ 51	\$ 51
Lottery contributions	100	100
Total contributions	\$ 151	\$ 151

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 ONE MONTH PERIOD ENDED JULY 31, 2022
 (In Thousands)**

	Current Month		FISCAL YEAR	
	Actual	Projected	Actual	Projected
Gross Revenues				
Instant games	14,725	9,583	14,725	9,583
On-line games	11,443	5,833	11,443	5,833
Racetrack video lottery	45,130	40,372	45,130	40,372
Limited video lottery	40,744	30,929	40,744	30,929
Racetrack table games	3,002	2,272	3,002	2,272
Historic resort	396	727	396	727
Sports wagering	258	208	258	208
Interactive wagering	1,313	292	1,313	292
Total gross revenues	<u>117,011</u>	<u>90,216</u>	<u>117,011</u>	<u>90,216</u>
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	1,457	1,121	1,457	1,121
On-line games	3,471	1,674	3,471	1,674
Racetrack Video Lottery	13,090	11,627	13,090	11,627
Sports wagering	221	177	221	177
Interactive wagering	1,112	246	1,112	246
Total Lottery Fund net revenues	<u>19,351</u>	<u>14,845</u>	<u>19,351</u>	<u>14,845</u>
Excess Lottery Fund				
Racetrack Video Lottery	5,603	4,981	5,603	4,981
Limited Video Lottery	19,310	14,549	19,310	14,549
Limited Video Lottery Fees	40	-	40	-
Racetrack table games	1,480	1,115	1,480	1,115
Historic resort	127	272	127	272
Total Excess Lottery Fund Net Revenues	<u>26,560</u>	<u>20,917</u>	<u>26,560</u>	<u>20,917</u>
Total Net Revenues	<u>45,911</u>	<u>35,762</u>	<u>45,911</u>	<u>35,762</u>

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: September 06, 2022

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

We have read the cash flow of the West Virginia general revenue fund as of August 31, 2022 which is the second month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 136% of the estimate for the fiscal year. Total collections were \$234.6 million above the estimate for the fiscal year.

Personal Income Tax collections were \$29.4 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$30.5 million above the estimate for the year.

Severance Tax was \$157.4 million above the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$2.3 million above the estimate for the fiscal year.

State Road Fund

The state road fund collections were 93% of the estimate for the fiscal year. Total collections were \$4.5 million below the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve **Fund A** (Rainy Day Fund) had a cash balance of \$370,574,452.17 as of August 31, 2022.

*Balance July 1, 2022	\$369,264,049.99
**Fiscal year 22 Surplus	00.00
Earnings/(Loss)	\$ 1,310,402.18
Balance August 31, 2022	\$370,574,452.17

*\$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, reflected.

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

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$515,047,768.29 as of August 31, 2022.

Balance July 1, 2022	\$553,481,351.13
Earnings	(38,433,582.84)
Balance August 31, 2022	\$515,047,768.29

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

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

**STATE OF WEST VIRGINIA
REVENUE COLLECTIONS
FISCAL YEAR 2023
as of August 31, 2022**

GENERAL REVENUE FUND

	FINAL						
	MONTH ESTIMATES	ACTUAL MONTH COLLECTIONS	MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	ACTUAL YTD COLLECTIONS	YTD COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Personal Income Tax	\$ 170,850,000	\$ 186,021,776	\$ 15,171,776	\$ 317,800,000	\$ 347,245,008	\$ 29,445,008	109%
Consumer Sales Tax & Use Tax	130,800,000	150,884,087	20,084,087	216,639,000	247,162,045	30,523,045	114%
Severance Tax	23,400,000	129,207,367	105,807,367	26,400,000	183,848,586	157,448,586	696%
Corporate Net Income Tax	2,000,000	(6,128,229)	(8,128,229)	6,000,000	8,290,650	2,290,650	138%
Insurance Tax	200,000	415,629	215,629	17,500,000	25,201,547	7,701,547	144%
Tobacco Products Tax	14,400,000	14,773,666	373,666	28,800,000	28,656,818	(143,182)	100%
Business and Occupation	8,500,000	10,994,460	2,494,460	17,300,000	18,279,165	979,165	106%
Liquor Profit Transfers	2,500,000	2,173,768	(326,232)	5,000,000	4,963,266	(36,734)	99%
Departmental Collections	1,500,000	1,625,329	125,329	3,100,000	2,833,994	(266,006)	91%
Property Transfer Tax	1,100,000	1,284,833	184,833	2,600,000	2,932,512	332,512	113%
Property Tax	350,000	396,848	46,848	500,000	478,092	(21,908)	96%
Beer Tax and Licenses	600,000	575,320	(24,680)	1,250,000	1,280,824	30,824	102%
Miscellaneous Transfers	100,000	171,850	71,850	140,000	171,850	31,850	123%
Interest Income	500,000	6,372,229	5,872,229	940,000	7,005,767	6,065,767	745%
Refundable Credit Reimb Liability	200,000	826,869	626,869	200,000	826,869	626,869	0%
HB 102 - Lottery Transfers	6,750,000	6,284,980	(465,020)	6,750,000	6,284,980	(465,020)	0%
Miscellaneous	140,000	235,599	95,599	260,000	328,610	68,610	126%
Business Franchise Fees	60,000	(23,512)	(83,512)	120,000	62,106	(57,894)	52%
Estate & Inheritance Tax	-	-	-	-	-	-	0%
Liquor License Renewal	45,000	116,950	71,950	146,000	218,216	72,216	149%
Special Revenue Transfers	-	-	-	-	-	-	0%
Charter Tax	-	382	382	-	525	525	0%
Telecommunications Tax	-	-	-	-	-	-	0%
Video Lottery Transfers	-	2,700	2,700	-	2,700	2,700	0%
July-Dec Retro Rev Adj	-	-	-	-	-	-	0%
Cash Flow Transfer	-	-	-	-	69,500,000	-	0%
Soft Drink Excise Tax	1,200,000	785,854	-	2,400,000	2,022,565	-	-
SUBTOTALS	\$ 365,195,000	\$ 506,998,754	\$ 142,217,900	\$ 653,845,000	\$ 957,596,695	\$ 234,629,130	
<i>Less: Cash Flow Transfer</i>	-	-	-	-	69,500,000	-	
<i>Less: Special Revenue Transfer</i>	-	-	-	-	-	-	
TOTALS	\$ 365,195,000	\$ 506,998,754	\$ 142,217,900	\$ 653,845,000	\$ 888,096,695	\$ 234,629,130	

Percent of Estimates

139%

136%

Collections this day

\$ 39,032,484

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

September 01, 2022

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

GENERAL REVENUE FUND

	Actual Collections Aug 2021	Actual Collections Aug 2022	Actual Collections 2 Months Jul-Aug 2021	Actual Collections 2 Months Jul-Aug 2022	YTD \$ Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Personal Income Tax	\$ 154,497,859	\$ 186,021,776	\$ 296,274,698	\$ 347,245,008	\$ 50,970,310	17%
Consumer Sales Tax & Use Tax	141,173,306	150,884,087	230,952,365	247,162,045	16,209,680	7%
Severance Tax	45,914,570	129,207,367	49,332,535	183,848,586	134,516,051	273%
Corporate Net Income Tax	2,614,172	(6,128,229)	13,692,283	8,290,650	(5,401,633)	-39%
Insurance Tax	394,358	415,629	29,986,844	25,201,547	(4,785,297)	-16%
Tobacco Products Tax	14,485,868	14,773,666	28,997,267	28,656,818	(340,449)	-1%
Business and Occupation	9,614,316	10,994,460	17,454,320	18,279,165	824,845	5%
Liquor Profit Transfers	2,117,680	2,173,768	4,666,194	4,963,266	297,072	6%
Departmental Collections	1,606,246	1,625,329	3,112,710	2,833,994	(278,716)	-9%
Property Transfer Tax	1,649,840	1,284,833	3,721,205	2,932,512	(788,693)	-21%
Property Tax	335,701	396,848	346,152	478,092	131,940	38%
Beer Tax and Licenses	574,910	575,320	1,338,466	1,280,824	(57,642)	-4%
Miscellaneous Transfers	421,525	171,850	714,456	171,850	(542,606)	-76%
Interest Income	721,613	6,372,229	960,386	7,005,767	6,045,381	629%
Refundable Credit Reimb Liability	180,618	826,869	180,618	826,869	646,251.00	0%
HB 102 - Lottery Transfers	6,769,400	6,284,980	6,769,400	6,284,980	(484,420.12)	0%
Miscellaneous	214,546	235,599	335,810	328,610	(7,199)	-2%
Business Franchise Fees	116,874	(23,512)	211,763	62,106	(149,658)	-71%
Estate & Inheritance Tax	-	-	-	-	-	0%
Liquor License Renewal	45,151	116,950	146,418	218,216	71,798	0%
Special Revenue Transfers	-	-	-	-	-	0%
Charter Tax	(1,567)	382	(1,592)	525	2,118	-133%
Video Lottery Transfers	-	-	-	-	0	-
July-Dec Retro Rev Adj	3,055	2,700	63,378	2,700	(60,678)	0%
Cash Flow Transfer	-	-	68,500,000	69,500,000	1,000,000	0%
Soft Drink Excise Tax	-	785,854	0	2,022,565	2,022,565	
SUBTOTALS	\$ 383,450,041	\$ 506,998,754	\$ 757,755,676	\$ 957,596,695	\$ 199,841,020	
Less: Cash Flow Transfer	-	-	68,500,000	69,500,000	1,000,000	
Less: Special Revenue Transfer	-	-	-	-	-	
TOTALS	\$ 383,450,041	\$ 506,998,754	\$ 689,255,676	\$ 888,096,695	\$ 198,841,020	

Increase/Decrease over Prior Period **\$ 123,548,713**

% Increase/Decrease over Prior Period **32%**

**STATE OF WEST VIRGINIA
REVENUE COLLECTIONS
FISCAL YEAR 2023
as of August 31, 2022**

STATE ROAD FUND

	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Motor Fuel Tax	\$ 45,100,000	\$ 40,651,013	\$ (4,448,987)	\$ 78,100,000	\$ 72,410,258	\$ (5,689,742)	93%
Sales/Privilege Tax	28,000,000	31,876,529	3,876,529	54,000,000	55,785,359	1,785,359	103%
Licenses & Registration	14,500,000	11,820,814	(2,679,186)	31,000,000	26,186,566	(4,813,434)	84%
Miscellaneous	5,000,000	4,788,310	(211,690)	10,000,000	5,845,516	(4,154,484)	58%
Highway Litter Control	200,000	179,088	(20,912)	377,000	323,653	(53,347)	86%
Federal Reimbursement	51,000,000	46,155,448	(4,844,552)	82,000,000	90,387,821	8,387,821	110%
SUBTOTALS	\$ 143,800,000	\$ 135,471,202	\$ (8,328,798)	\$ 255,477,000	\$ 250,939,174	\$ (4,537,826)	
Less: Federal Reimbursement	51,000,000	46,155,448	(4,844,552)	82,000,000	90,387,821	8,387,821	
TOTALS	\$ 92,800,000	\$ 89,315,754	\$ (3,484,246)	\$ 173,477,000	\$ 160,551,353	\$ (12,925,647)	

Percent of Estimates

96%

93%

Collections this day

\$ 2,955,439

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of August 31, 2022 : \$ 370,574,452.17

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

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of August 31, 2022: \$ 515,047,768.29

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

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

September 01, 2022

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

STATE ROAD FUND

	Actual Collections August 2021	Actual Collections August 2022	Actual Collections 2 Months August 2021	Actual Collections 2 months August 2022	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Gasoline & Motor Carrier Rd Tax	\$ 35,747,055	\$ 40,651,013	\$ 73,759,306	\$ 72,410,258	\$ (1,349,048)	-2%
Privilege Tax	30,169,979	31,876,529	56,058,108	55,785,359	(272,749)	0%
Licenses & Registration	12,464,025	11,820,814	28,243,991	26,186,566	(2,057,425)	-7%
Miscellaneous	481,853	4,788,310	1,339,201	5,845,516	4,506,315	336%
Highway Litter Control	146,264	179,088	313,313	323,653	10,340	3%
Federal Reimbursement	60,154,453	46,155,448	95,244,475	90,387,821	(4,856,654)	-5%
SUBTOTALS	\$ 139,163,629	\$ 135,471,202	\$ 254,958,394	\$ 250,939,174	\$ (4,019,220)	
Less: Federal Reimbursement	60,154,453	46,155,448	95,244,475	90,387,821	(4,856,654)	
TOTALS	\$ 79,009,176	\$ 89,315,754	\$ 159,713,919	\$ 160,551,353	\$ 837,434	

Increase/Decrease over Prior Period

\$ 10,306,578

\$ 837,434

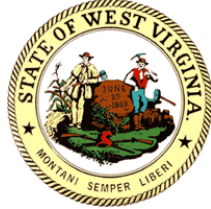
% Increase/Decrease over Prior Period

13%

1%

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
September 06, 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: August 24, 2022

Re: West Virginia Unemployment Compensation Trust Fund

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

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

Trust Fund Beginning Cash Balance 7-1-2022	\$ 377,973,650.98
Receipts July 1,2022 thru June 30, 2023	\$ 23,347,631.45
Disbursements July 1,2022 thru June 30, 2023	\$ 21,136,193.59
Balance July 31, 2022	\$ 380,185,088.84

ITEMS OF NOTE:

Regular benefits paid for July 2022 were \$ 2.4 million less than July 2021.

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

Total disbursements were \$17.4 million less in July 2022 than the preceding July 2021.

Receipts as of July 2022, were \$24.2 million less than in July 2021. Overall ending trust fund balance was \$292.7 million higher on July 31, 2022 than on July 31, 2021.

Seasonally adjusted unemployment rates for July 2022 were 3.7 percent for West Virginia and 3.5 percent nationally.

Since July 2021, employment has increased by 18,900. Employment increases included 5,200 in leisure and hospitality, 2,500 in trade, transportation and utilities, 4,300 in professional and business services, 2,400 in mining and logging, 900 in manufacturing, 500 in other services, 700 in financial activities, 2,200 in construction, and 300 in information. Employment declines included 100 in education and health services. Government was unchanged.

August 22, 2022

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

RE: Monthly Status Report

Dear Mr. Spencer:

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

Sincerely,


Scott Adkins
Acting Commissioner

SSA/smd

Enclosure
pc: Jim Justice

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

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

	MAY 2021	JUNE 2021	JULY 2021	MAY 2022	JUNE 2022	JULY 2022	THREE MONTH TOTAL VARIANCE *
Balance Forward	\$ 71,907,870.54	\$ 80,603,273.31	\$ 78,478,019.43	\$ 331,140,149.07	\$ 382,227,662.46	\$ 377,973,650.98	\$ 860,352,299.23
Add Receipts:							
1. Bond Assessment	\$ -	\$0.00	\$0.00	\$ -	\$ -	\$ -	\$ -
2. Regular Contributions:	31,623,240.36	2,554,225.68	14,687,138.52	59,124,882.42	1,285,271.70	9,904,869.53	21,450,419.09
3. Federal Emergency Benefits (PEUC)	16,008,315.41	\$15,217,079.51	\$818,411.01	(123,210.64)	22,322.07	18,584.00	(32,126,110.50)
4. Federal Share Extended Benefits (EB)	41,251.94	\$34,718.00	\$19,505.96	(2,362.80)	-	-	(97,838.70)
5. Federal Additional Compensation - FPUC	41,092,344.60	\$39,326,626.53	\$3,823,584.98	(1,397,025.03)	204,486.89	138,892.06	(85,296,202.19)
6. Pandemic Unemployment Assistance PUA	3,782,873.29	\$3,712,629.43	\$380,597.50	(447,008.50)	25,322.00	128.00	(8,297,658.72)
7. UCFE (Federal Agencies)	106,198.93	\$147,513.37	\$115,175.24	61,576.33	43,005.21	49,202.62	(215,103.38)
8. TSFR From Non-Invstd FUA	-	\$0.00	\$0.00	-	-	-	-
9. EUISAA - EMER US RELIEF	-	(\$245,792.02)	\$4,592,248.85	-	-	-	(4,346,456.83)
10. Treasury Interest Credits	-	\$376,790.10	(\$376,790.10)	-	1,446,864.09	-	1,446,864.09
11. UCX (Military Agencies)	34,033.89	\$35,297.83	\$27,883.22	38,276.36	41,278.34	29,133.64	11,473.40
12. Temporary Compensation	-	\$0.00	\$0.00	-	-	-	-
13. BT to State UI Account	-	\$0.00	-	-	-	-	-
14. UI Modernization	-	\$0.00	\$0.00	-	-	-	-
15. Loan Advance	-	\$0.00	\$0.00	(510.00)	-	-	(510.00)
16. Return of Overpayments FPUC/PUA/EUO	-	-	-	(2,551,219.00)	-	-	(2,551,219.00)
Total Monthly Receipts	\$ 158,261,915.24	\$ 96,103,930.65	\$ 47,555,707.57	\$ 119,517,960.90	\$ 10,606,226.12	\$ 23,347,631.45	\$ (148,449,734.99)
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$ 14,021,313.22	\$ 13,852,480.18	\$ 10,136,722.85	\$ 6,814,418.68	\$ 7,085,896.23	\$ 7,692,361.72	(16,417,839.62)
Federal Emergency Compensation - PEUC	19,046,721.48	\$12,123,301.01	\$765,337.01	(125,427.64)	17,499.07	20,401.99	(32,022,886.08)
Federal Additional Compensation - FPUC	46,929,595.76	\$ 33,393,658.61	\$ 3,626,482.24	(2,444,753.58)	179,305.91	131,128.04	(86,084,056.24)
Pandemic Unemployment Assistance PUA	3,792,191.29	\$ 3,716,689.43	\$ 379,480.50	(721,531.71)	(45,729.37)	-	(8,655,622.30)
Federal Emergency Benefits (EUC08)	-	(\$30.00)	\$0.00	-	-	-	30.00
Federal Extended - 2112	39,979.94	\$33,022.00	\$19,505.96	(10,842.57)	-	-	(103,350.47)
Emergency Benefits (TEUC)	-	\$0.00	\$0.00	(510.00)	-	-	(510.00)
UCFE (Federal Workers) Benefits	124,204.90	\$132,158.27	\$112,169.77	64,055.26	46,351.52	52,351.43	(205,774.73)
UCX (Military Workers) Benefits	38,849.06	\$33,062.81	\$30,315.04	40,477.31	39,238.42	33,128.81	10,617.63
Reed Act Funds	-	\$0.00	\$0.00	-	-	-	-
EUISAA Title IX	-	\$0.00	\$0.00	-	-	-	-
Total Monthly Disbursements	\$149,566,512.47	\$98,229,184.53	\$38,537,965.76	\$68,430,447.51	\$14,860,237.60	\$21,136,193.59	\$ (181,906,784.06)
Trust Fund Balance	\$ 80,603,273.31	\$78,478,019.43	\$87,495,761.24	\$382,227,662.46	\$ 377,973,650.98	\$ 380,185,088.84	\$ 893,809,348.30

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

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

Borrowed on 3/11/2016
Repaid on 5/17/2016
Borrowed on 12/5/2016
Repaid on 5/4/2017
Outstanding Loan from Revenue Shortfall Reserve Fund

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

UC TRUST FUND ACTUAL – 2022

Month	Receipts	Disbursements	Trust Fund Balance
2021			
Balance 1/1/2021			\$ 23,544,337
January	\$ 95,188,576	\$ 108,717,538	\$ 10,015,373
February	\$ 133,688,137	\$ 138,034,358	\$ 5,649,152
March	\$ 115,410,886	\$ 104,337,623	\$ 16,722,416
April	\$ 218,662,207	\$ 168,209,884	\$ 67,174,738
May	\$ 158,261,915	\$ 149,664,548	\$ 79,937,020
June	\$ 97,054,348	\$ 98,146,445	\$ 78,844,923
July	\$ 47,555,707	\$ 38,271,882	\$ 88,128,748
August	\$ 429,831,829	\$ 416,716,670	\$ 102,018,654
September	\$ 236,522,852	\$ 21,517,392	\$ 317,033,613
October	\$ 23,642,722	\$ 18,867,073	\$ 321,809,262
November	\$ 57,549,198	\$ 50,911,517	\$ 328,446,942
December	\$ 11,256,246	\$ 18,891,866	\$ 320,721,323
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	\$ 23,347,631	\$ 21,136,193	\$ 380,185,088
August	\$	\$	\$
September	\$	\$	\$
October	\$	\$	\$
November	\$	\$	\$
December	\$	\$	\$
Totals - 2021	\$	\$	\$

Benefits and Technical Support Section • Unemployment Compensation Division
 1900 Kanawha Blvd., East • Building 3, Room 300 • Charleston, West Virginia 25305
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**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING MAY 2021 AND MAY 2022**

	MAY 2021	JUNE 2021	JULY 2021	MAY 2022	JUNE 2022	JULY 2022	THREE MONTH TOTAL VARIANCE *	
Balance Forward	\$ 71,907,870.54	\$ 80,603,273.31	\$ 78,478,019.43	\$ 331,140,149.07	\$ 382,227,662.46	\$ 377,973,650.98	\$ 860,352,299.23	
Add Receipts:								
1. Bond Assessment	\$ -	\$ 0.00	\$ 0.00	\$ -	\$ -	\$ -	\$ -	1. Bond Assessment
2. Regular Contributions:	31,623,240.36	2,554,225.68	14,687,138.52	59,124,882.42	1,285,271.70	9,904,869.53	21,450,419.09	2. Regular Contributions:
3. Federal Emergency Benefits (PEUC)	16,008,315.41	\$15,217,079.51	\$818,411.01	(123,210.64)	22,322.07	18,584.00	(32,126,110.50)	3. Federal Emergency Benefits (PEUC)
4. Federal Share Extended Benefits (EB)	41,251.94	\$34,718.00	\$19,505.96	(2,362.80)	-	-	(97,838.70)	4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC	41,092,344.60	\$39,326,626.53	\$3,823,584.98	(1,397,025.03)	204,486.89	138,892.06	(85,296,202.19)	5. Federal Additional Compensation - FPUC
6. Pandemic Unemployment Assistance PUA	3,782,873.29	\$3,712,629.43	\$380,597.50	(447,008.50)	25,322.00	128.00	(8,297,658.72)	6. Pandemic Unemployment Assistance PUA
7. UCFE (Federal Agencies)	106,198.93	\$147,513.37	\$115,175.24	61,576.33	43,005.21	49,202.62	(215,103.38)	7. UCFE (Federal Agencies)
8. TSFR From Non-Invstd FUA	-	\$0.00	\$0.00	-	-	-	-	8. TSFR From Non-Invstd FUA
9. EUISAA - EMER US RELIEF	-	(\$245,792.02)	\$4,592,248.85	-	-	-	(4,346,456.83)	9. EUISAA - EMER US RELIEF
10. Treasury Interest Credits	-	\$376,790.10	(\$376,790.10)	-	1,446,864.09	-	1,446,864.09	10. Treasury Interest Credits
11. UCX (Military Agencies)	34,033.89	\$35,297.83	\$27,883.22	38,276.36	41,278.34	29,133.64	11,473.40	11. UCX (Military Agencies)
12. Temporary Compensation	-	\$0.00	\$0.00	-	-	-	-	12. Temporary Compensation
13. BT to State UI Account	-	\$0.00	-	-	-	-	-	13. BT to State UI Account
14. UI Modernization	-	\$0.00	\$0.00	-	-	-	-	14. UI Modernization
15. Loan Advance	-	\$0.00	\$0.00	(510.00)	-	-	(510.00)	15. Loan Advance
16. Return of Overpayments FPUC/PUA/EUO	-	-	-	(2,551,219.00)	-	-	(2,551,219.00)	16. Return of Overpayments FPUC/PUA/EUO
Total Monthly Receipts	\$ 158,261,915.24	\$ 96,103,930.65	\$ 47,555,707.57	\$ 119,517,960.90	\$ 10,606,226.12	\$ 23,347,631.45	\$ (148,449,734.99)	Total Monthly Receipts
Less Disbursements:								Less Disbursements:
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	Debt Bond Repayment
Regular Benefits:	\$ 14,021,313.22	\$ 13,852,480.18	\$ 10,136,722.85	\$ 6,814,418.68	\$ 7,085,896.23	\$ 7,692,361.72	(16,417,839.62)	Regular Benefits:
Federal Emergency Compensation - PEUC	19,046,721.48	\$12,123,301.01	\$765,337.01	(125,427.64)	17,499.07	20,401.99	(32,022,886.08)	PEUC
Federal Additional Compensation - FPUC	46,929,595.76	\$ 33,393,658.61	\$ 3,626,482.24	(2,444,753.58)	179,305.91	131,128.04	(86,084,056.24)	FPUC
Pandemic Unemployment Assistance PUA	3,792,191.29	\$ 3,716,689.43	\$ 379,480.50	(721,531.71)	(45,729.37)	-	(8,655,622.30)	PUA
Federal Emergency Benefits (EUC08)	-	(\$30.00)	\$0.00	-	-	-	30.00	Federal Emergency Benefits (EUC08)
Federal Extended - 2112	39,979.94	\$33,022.00	\$19,505.96	(10,842.57)	-	-	(103,350.47)	Federal Extended - 2112
Emergency Benefits (TEUC)	-	\$0.00	\$0.00	(510.00)	-	-	(510.00)	Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	124,204.90	\$132,158.27	\$112,169.77	64,055.26	46,351.52	52,351.43	(205,774.73)	UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	38,849.06	\$33,062.81	\$30,315.04	40,477.31	39,238.42	33,128.81	10,617.63	UCX (Military Workers) Benefits
Reed Act Funds	-	\$0.00	\$0.00	-	-	-	-	Reed Act Funds
EUISAA Title IX	-	\$0.00	\$0.00	-	-	-	-	EUISAA Title IX
Total Monthly Disbursements	\$149,566,512.47	\$98,229,184.53	\$38,537,965.76	\$68,430,447.51	\$14,860,237.60	\$21,136,193.59	\$ (181,906,784.06)	Total Monthly Disbursements
Trust Fund Balance	\$ 80,603,273.31	\$78,478,019.43	\$87,495,761.24	\$382,227,662.46	\$ 377,973,650.98	\$ 380,185,088.84	\$ 893,809,348.30	Trust Fund Balance

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

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

Borrowed on 3/11/2016
Repaid on 5/17/2016
Borrowed on 12/5/2016
Repaid on 5/4/2017
Outstanding Loan from Revenue Shortfall Reserve Fund

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

FOR RELEASE: August 17, 2022
Contact: Andy Malinoski
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304-957-9318

State Unemployment Rate Inches Upward in July 2022

West Virginia's seasonally adjusted unemployment rate inched upward one-tenth of a percentage point to 3.7 percent in July 2022. The number of unemployed state residents climbed 900 to 29,600. Total employment declined 500 over the month. The national seasonally adjusted unemployment rate inched downward to 3.5 percent.

Total nonfarm payroll employment climbed 3,000 in July, with gains of 2,700 in the service-providing sector and 300 in the goods-producing sector. Within the goods-producing sector, a gain of 600 in mining and logging offset a decline of 300 in construction. Employment in manufacturing was unchanged over the month.

Within the service-providing sector, employment gains included 800 in government, 600 in trade, transportation, and utilities, 500 in professional and business services, 500 in leisure and hospitality, 200 in financial activities, and 100 in other services. Employment was unchanged in both information and education and health services.

Since July 2021, total nonfarm payroll employment has increased by 18,900. Employment gains included 5,200 in leisure and hospitality, 4,300 in professional and business services, 2,500 in trade, transportation, and utilities, 2,400 in mining and logging, 2,200 in construction, 900 in manufacturing, 700 in financial activities, 500 in other services, and 300 in information. Employment declined 100 in education and health services and was unchanged in government.

West Virginia's not seasonally adjusted unemployment rate declined one-tenth of a percentage point to 4.2 percent in July.

The state's seasonally adjusted labor force participation rate remained at 55.2 percent in July 2022.

WEST VIRGINIA
(In Thousands - Seasonally Adjusted)
July 2022

	Prelim. Jul 2022	Revised Jun 2022	Revised Jul 2021	Change from:	
				Jun 2022	Jul 2021
Civilian Labor Force	797.4	797.0	790.6	0.4	6.8
Total Employment	767.8	768.3	750.4	-0.5	17.4
Total Unemployment	29.6	28.7	40.2	0.9	-10.6
Unemployment Rate	3.7	3.6	5.1	xx	xx
Labor Force Participation Rate	55.2	55.2	54.8	xx	xx
NONFARM PAYROLL EMPLOYMENT BY INDUSTRY					
Total Nonfarm	706.6	703.6	687.7	3.0	18.9
Total Private	558.5	556.3	539.6	2.2	18.9
Goods Producing	99.2	98.9	93.7	0.3	5.5
Mining and Logging	20.0	19.4	17.6	0.6	2.4
Construction	32.4	32.7	30.2	-0.3	2.2
Manufacturing	46.8	46.8	45.9	0.0	0.9
Durable Goods	27.5	27.7	26.6	-0.2	0.9
Non-Durable Goods	19.3	19.1	19.3	0.2	0.0
Service-Providing	607.4	604.7	594.0	2.7	13.4
Private Service-Providing	459.3	457.4	445.9	1.9	13.4
Trade, Transportation, and Utilities	125.3	124.7	122.8	0.6	2.5
Wholesale Trade	20.2	20.1	18.8	0.1	1.4
Retail Trade	78.3	77.9	78.6	0.4	-0.3
Transportation, Warehousing, and Utilities	26.8	26.7	25.4	0.1	1.4
Information	7.5	7.5	7.2	0.0	0.3
Financial Activities	30.5	30.3	29.8	0.2	0.7
Finance and Insurance	24.0	23.8	23.3	0.2	0.7
Real Estate and Rental and Leasing	6.5	6.5	6.5	0.0	0.0
Professional and Business Services	72.2	71.7	67.9	0.5	4.3
Professional, Scientific & Technical Services	27.4	27.2	26.7	0.2	0.7
Administrative and Support and Waste Mgmt	37.1	37.0	33.7	0.1	3.4
Education and Health Services	127.9	127.9	128.0	0.0	-0.1
Educational Services	8.3	8.3	8.0	0.0	0.3
Health Care and Social Assistance	119.6	119.6	120.0	0.0	-0.4
Leisure and Hospitality	72.2	71.7	67.0	0.5	5.2
Arts, Entertainment, and Recreation	9.6	9.4	7.7	0.2	1.9
Accommodation and Food Service	62.6	62.3	59.3	0.3	3.3
Other Services	23.7	23.6	23.2	0.1	0.5
Government	148.1	147.3	148.1	0.8	0.0
Federal Government	25.2	25.1	25.3	0.1	-0.1
State Government	46.0	45.7	46.4	0.3	-0.4
Local Government	76.9	76.5	76.4	0.4	0.5

BRIM

September 2022

Interim Packet

West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET AND INCOME STATEMENT
For the One Month Ending July 31, 2022

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

1. **Premium Revenue** for July reflects the premiums earned for the first month of the current fiscal year. BRIM premiums in FY'23 reflect a slight increase in premium revenue including an increase in premium to fund the higher actuarially estimated losses for the current year.
2. **Claims Expense** reflects net claims payments made through July, plus an estimated accrual for July.
3. **Investments** for July reflect net income of just over \$8 million for the month. Interest rates continue to rise, and the volatility of the equities markets make for an uncertain outlook for investment income for FY'23.
4. BRIM continues to pursue pro-active loss control initiatives.
5. Premium rates – The Boards of Education (BOE) rating group will see liability premium increases for FY'23, which began July 1, 2022, and for future fiscal years. The increase is the reflection of abuse claim development that has been reported in FY'22 and is driving an increase in claim expense payments and in the actuarially estimated IBNR.

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the One Month Ended July 31st

	2022	2021
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,979	\$ 25,229
Advance deposits with insurance company and trustee	241,451	247,543
Receivables	6,918	4,653
Prepaid insurance	00	0
Restricted cash and cash equivalents	13,170	11,682
Premiums due from other entities	1,222	1,184
Total current assets	285,740	290,290
Noncurrent assets:		
Equity position in internal investments pools	113,686	123,837
Restricted investments	66,796	71,516
Total noncurrent assets	180,481	195,353
Total assets	466,222	485,643
Deferred Outflows of Resources	434	438
Deferred Outflows of Resources - OPEB	61	115
Liabilities		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	103,306	61,326
Unearned premiums	17,866	15,115
Agent commissions payable	1,621	1,572
Claims Payable	00	16
Accrued expenses and other liabilities	936	822
Total current liabilities	123,729	78,850
Estimated unpaid claims and claims adjustment expense net of current portion	182,489	128,770
Compensated absences	167	172
Net pension liability	(894)	533
Total noncurrent liabilities	181,762	129,474
Total liabilities	305,491	208,325
Deferred Inflows of Resources	1,156	35
Deferred Inflows of Resources - OPEB	280	351
Net position:		
Restricted by State code for mine subsidence coverage	75,988	80,155
Unrestricted	75,415	196,713
Net Assets (Deficiency)	8,386	616
Net position	\$ 159,789	\$ 277,484

Unaudited

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

For the One Month Ended July 31st

	2022	2021
	<i>(In Thousands)</i>	
Operating revenues		
Premiums	\$ 7,661	\$ 6,933
Less coverage/reinsurance programs	(41)	(54)
Net operating revenues	7,620	6,879
Operating expenses		
Claims and claims adjustment expense	6,777	7,838
General and administrative	471	466
Total operating expenses	7,248	8,304
Operating income (loss)	372	(1,425)
Nonoperating revenues		
Investment income	8,014	2,041
Legislative Appropriation	0	0
OPEB Non Operating Income	0	0
Net nonoperating revenues	8,014	2,041
Changes in net position	8,386	616
Total net position, beginning of year	151,403	276,868
Total net position, end of period	\$ 159,789	\$ 277,484

Unaudited

PEIA
September 2022
Interim Packet

PEIA

September Interim Talking Points

- **PEIA and RHBT year to date interim financial statements for July 31, 2022 are available for your review.**
- **PEIA statements indicate PEIA is currently ahead of plan by \$6 million. This is primarily due to lower than forecast claims expense.**
- **RHBT statements indicate RHBT is currently ahead of plan by \$39 million. This is primarily due to higher than forecast investment income.**
- **The 2023 year-end reserve for the State Fund, non-State Fund and RHBT is projected to be \$63, \$17 and \$265 billion respectively.**
- **These reserve levels represent 11%, 9% and 164% of the respective funds' expenses. The required reserve for the State Fund is 12% of expenses.**

**West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the One Month Ending Sunday, July 31, 2022**

(Dollars in Thousands)

(Unaudited-For Internal Use Only)-DRAFT

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
OPERATING REVENUE							
Premium Revenue							
\$36,433	\$36,782	\$34,194	Health Insurance - State Gov. - Employers	(\$349)	(1%)	\$2,239	7%
9,951	10,051	9,999	Health Insurance - State Gov. - Employees	(100)	(1%)	(48)	(0%)
11,734	11,993	10,513	Health Insurance - Local Gov. - All	(259)	(2%)	1,221	12%
270	388	373	Administrative Fees, Net of Refunds	(118)	(30%)	(103)	(28%)
163	159	132	Other Premium Revenue	4	3%	31	23%
58,551	59,373	55,211	Total Operating Revenue	(822)	367%	3,340	6%
NON-OPERATING REVENUE							
186	202	210	Life Insurance	(16)	(8%)	(24)	(11%)
4,333	4,333	1,750	Direct Transfer	0	0%	2,583	148%
3,932	941	1,216	Interest and Investment Income	2,991	318%	2,716	223%
4,939	5,000	8,249	WV RHBT Pay Go Premiums	(61)	(1%)	(3,310)	(40%)
13,390	10,476	11,425	Total Non-Operating Revenue	2,914	28%	1,965	17%
71,941	69,849	66,636	TOTAL REVENUE	2,092	3%	5,305	8%
EXPENSES							
47,385	37,996	36,976	Claims Expense - Medical	(9,389)	(25%)	(10,409)	(28%)
4,041	16,838	11,822	Claims Expense - Drugs	12,797	76%	7,781	66%
4,517	4,831	4,555	Payments to Managed Care Org.	314	6%	38	1%
1,668	1,838	1,889	Administrative Service Fees	170	9%	221	12%
0	171	0	Wellness and Disease Management	171	100%	0	0%
306	441	314	Other Operating Expenses	135	31%	8	3%
285	185	176	Life Insurance Expense	(100)	(54%)	(109)	(62%)
40	60	34	ACA Comparative Effectiveness Fee	20	33%	(6)	(18%)
4,939	5,000	8,249	WV RHBT Pay Go Premiums	61	1%	3,310	40%
63,181	67,360	64,015	TOTAL EXPENSES	4,179	6%	834	1%
8,760	2,489	2,621	YTD Surplus (Deficit)	6,271	252%	6,139	234%
63,781	63,781	162,373	Total Net Position, Beginning of Period	0	0%	(98,592)	(61%)
\$72,541	\$66,270	\$164,994	Total Net Position, End of Period	\$6,271	9%	(\$92,453)	(56%)

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For One Month Ending Sunday, July 31, 2022
In Thousands
PRELIMINARY

<u>ACTUAL</u>	<u>BUDGET</u>	<u>PRIOR YR</u>		<u>BUDGET VARIANCE</u>		<u>PRIOR YR VARIANCE</u>	
				\$	%	\$	%
			ADDITIONS				
			Employer Premiums:				
\$172	\$172	\$180	Health premiums - Non Par	\$0	0%	(\$8)	(4%)
791	791	967	Health Premiums - RLC Health, Life	-	0%	(176)	(18%)
4,939	5,000	8,249	Pay Go Premiums	(61)	(1%)	(3,310)	(40%)
2,500	2,500	2,500	State appropriation - OPEB	-	0%	-	0%
8,402	8,463	11,896	Total Employer Premiums	(61)	(1%)	(3,494)	(29%)
			Other Additions:				
67	83	67	Retiree Drug Subsidy	(16)	(19%)	-	0%
49,977	11,330	516	Investment Income	38,647	341%	49,461	9,585%
58,446	19,876	12,479	TOTAL ADDITIONS	38,570	194%	45,967	368%
			DEDUCTIONS				
3,635	3,900	8,018	Payments to Managed Care Org.	265	7%	4,383	55%
2,166	2,348	2,204	Life Insurance Expense	182	8%	38	2%
4,545	4,046	4,323	Medical Claims Expense	(499)	(12%)	(222)	(5%)
1,109	2,407	2,144	Pharmacy Claims Expense	1,298	54%	1,035	48%
115	137	133	Administrative Service Fees (External)	22	16%	18	14%
(4,882)	(4,977)	(5,611)	Member Health premiums	(95)	2%	(729)	13%
(2,194)	(2,345)	(2,230)	Member Life Insurance Premiums	(151)	6%	(36)	2%
198	249	43	Other Operating Expenses	51	20%	(155)	(360%)
4,692	5,765	9,024	TOTAL DEDUCTIONS	1,073	19%	4,332	48%
53,754	14,111	3,455	NET POSITION INCREASE (DECREASE)	39,643	281%	50,299	1,456%
			Net Position Restricted for				
			Post Employment Benefits				
1,627,333	1,627,333	1,673,024	Beginning of Period Total Net Position	-	0%	(45,691)	(3%)
1,412,980	1,373,337	1,408,372	End of Period Net Position - Restricted	39,643	3%	4,608	0%
268,107	268,107	268,107	End of Period Net Position - PSR	-	0%	-	0%
\$1,681,087	\$1,641,444	\$1,676,479	End of Period Total Net Position	\$39,643	2%	\$4,608	0%

Real Estate Division
September 2022
Interim Packet

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

There are 17 leasing changes for this period, and they are as follows:

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

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

NEW CONTRACT OF LEASE – DOA OWNED

HUMAN RESOURCE DEVELOPMENT FOUNDATION, INC.

HRD-004 New Contract of Sublease for 1 year consisting of 132 square feet of office space at the monthly rate of \$250.00, annual cost \$3,000.00, full service, Building #53, 153 West Main Street, in the City of Clarksburg, Harrison County, West Virginia.

NEW CONTRACT OF LEASE

HUMAN RESOURCE DEVELOPMENT FOUNDATION, INC.

HRD-005 New Contract of Sublease 1 year consisting of 120 square feet of office space at the monthly rate of \$175.00, annual cost \$2,187.50, full service, 1023 North Randolph Avenue, in the City of Elkins, Randolph County, West Virginia.

STRAIGHT RENEWAL

WEST VIRGINIA BOARD OF EXAMINERS IN COUNSELING

BEC-001 Renewal for 5 years consisting of 639 square feet of office space at the current annual per square foot rate of \$13.36, annual cost \$8,537.04, full service, 815 Quarrier Street, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT – DOA OWNED

STATE TAX DEPARTMENT

TAX-025 Renewal for 2 years consisting of 2,271 square feet of office space with an increase in the annual per square foot rate from \$13.15 to \$14.47, annual cost \$32,861.37 for year 1, with an increase in the annual per square foot rate to \$15.91, annual cost \$36,131.61 for year 2, full service, Building #25, in the City of Parkersburg, Wood County, West Virginia.

WORKFORCE WEST VIRGINIA

WWV-036 Renewal for 3 years consisting of 6,255 square feet of office space with an increase in the annual per square foot rate from \$19.00 to \$20.90, annual cost \$130,729.50 for year 1, with an increase in the annual per square foot rate to \$22.99, annual cost \$143,802.45 for year 2, with an increase in the annual per square foot rate to \$25.29, annual cost \$158,188.95 for year 3, full service, Building #54, 416 Adams Street, in the City of Fairmont, Marion County, West Virginia.

REGION VI WORKFORCE INVESTMENT BOARD, INC.

WIB-005 Renewal for 1 year consisting of one cubicle of office space with an increase in the monthly rate from \$225.00 to \$260.00, annual cost \$3,120.00, full service, Building #53, 153 West Main Street, in the City of Clarksburg, Harrison County, West Virginia.

WIB-003 Renewal for 1 year consisting of one cubicle of office space with an increase in the monthly rate from \$225.00 to \$260.00, annual cost \$3,120.00, Building #53, 153 West Main Street, in the City of Clarksburg, Harrison County, West Virginia.

RENEWAL WITH INCREASE IN RENT – DOA OWNED - Continued

REGION 2 WORKFORCE INVESTMENT BOARD

WB2-005 Renewal for 2 years consisting of 948 square feet of office space with an increase in the annual per square foot rate from \$12.00 to \$13.20, annual cost \$12,513.60 for year 1, with an increase in the annual per square foot rate from \$13.20 to \$14.52, annual cost \$13,764.96 for year 2, full service, Building #55, 130 Stratton Street, in the City of Logan, Logan County, West Virginia.

RENEWAL WITH INCREASE IN RENT

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-218 Renewal for 10 years consisting of 6,300 square feet Group Home with an increase in the annual per square foot rate from \$18.50 to \$19.43, annual cost \$122,409.00 for years 1-5, with an increase in the annual per square foot rate to \$20.40, annual cost \$128,520.00 for years 6–10, full service, 124 Hummingbird Lane, in the City of Independence, Preston County, West Virginia.

HHR-170 Renewal for 5 years consisting of 140 square feet of office space with an increase in the monthly rate from \$200.00 to \$300.00, annual cost \$3,600.00, full service, 330 West Main Street, in the City of Clarksburg, Harrison County, West Virginia.

HHR-182 Renewal for 5 years consisting of 1,589 square feet of office space with an increase in the annual per square foot rate from \$9.73 to \$10.95, annual cost \$17,399.52, full service, 124 Court Street, in the City of Parkersburg, Wood County, West Virginia.

HHR-264 Renewal for 5 years consisting of 5,698 square feet of office space with an increase in the annual per square foot rate from \$12.00 to \$12.48, annual cost \$71,111.04, full service, 100 Thorn Creek Road, in the City of Franklin, Pendleton County, West Virginia.

RENEWAL WITH DECREASE IN RENT – DOA OWNED

WORKFORCE WEST VIRGINIA

WWV-004 Renewal for 3 years consisting of 9,564 square feet of office space with a decrease in the annual per square foot rate from \$17.00 to \$16.15, annual cost \$154,458.60 for year 1, with a decrease in the annual per square foot rate to \$15.34, annual cost \$146,711.76 for year 2, with a decrease in the annual per square foot rate to \$14.58, annual cost \$139,443.12 for year 3, full service, Building #32, 2699 Park Avenue in the City of Huntington, Cabell County, West Virginia.

WEST VIRGINIA DEPARTMENT OF ECONOMIC DEVELOPMENT

ECO-001 Renewal for 3 years consisting of 41,183 square feet of office space with a decrease in the annual per square foot rate from \$19.00 to \$18.05, annual cost \$743,353.15 for year 1, with a decrease in the annual per square foot rate to \$17.15, annual cost \$706,288.45 for year 2, with a decrease in the annual per square foot rate to \$16.29, annual cost \$670,871.07 for year 3, full service, Building #3, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

DECREASE IN RENT – DOA OWNED

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

DHS-161 Lease Purchase consisting of 17,764 square feet of office space with a decrease in the annual per square foot rate from \$17.00 to \$16.15, annual cost \$286,888.56 for year 1, with a decrease in the annual per square foot rate to \$15.69, annual cost \$278,717.16 for remainder of term, 203 East Third Avenue, in the City of Williamson, Mingo County, West Virginia.

RENEWAL WITH DECREASE IN SQUARE FEET & INCREASE IN RENT– DOA OWNED

DIVISION OF MOTOR VEHICLES

DMV-050 Renewal for 3 years with a decrease in square footage from 6,099 to 6,048 square feet of office space with an increase in the annual per square foot rate from \$17.00 to \$18.45, annual cost \$111,585.60, full service, Building #34, 100 Municipal Plaza, in the City of Weirton, Hancock County, West Virginia.

CANCELLATION – DOA OWNED

GENERAL SERVICES DIVISION

GSD-016 Cancellation consisting of 11,424 square feet of office space, at the annual per square foot rate of \$11.00, annual cost \$125,664.00, full service, Building #4, 112 California Avenue, in the City of Charleston, Kanawha County, West Virginia.

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

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	Human Resource Development Foundation, Inc.	HRD-004	Harrison	132	22.73	3,000	1.00	3,000
2	Human Resource Development Foundation, Inc.	HRD-005	Randolph	120	18.23	2,188	1.00	2,188
3	West Virginia Board of Examiners in Counseling	BEC-001	Kanawha	639	13.36	8,537	5.00	42,685
4	State Tax Department	TAX-025	Wood	2,271	14.47	32,861	1.00	32,861
	State Tax Department	TAX-025	Wood	2,271	15.91	36,132	1.00	36,132
5	Workforce West Virginia	WWV-036	Marion	6,255	20.90	130,730	1.00	130,730
	Workforce West Virginia	WWV-036	Marion	6,255	22.99	143,802	1.00	143,802
	Workforce West Virginia	WWV-036	Marion	6,255	25.29	158,189	1.00	158,189
6	Region VI Workforce Investment Board, Inc.	WIB-005	Harrison	cubicle	260/month	3,120	1.00	3,120
7	Region VI Workforce Investment Board, Inc.	WIB-003	Harrison	cubicle	260/month	3,120	1.00	3,120
8	Region 2 Workforce Investment Board	WB2-005	Logan	948	13.20	12,514	1.00	12,514
	Region 2 Workforce Investment Board	WB2-005	Logan	948	14.52	13,765	1.00	13,765
9	Department of Health and Human Resources	HHR-218	Preston	6,300	19.43	122,409	5.00	612,045 *
	Department of Health and Human Resources	HHR-218	Preston	6,300	20.40	128,520	5.00	642,600 *
10	Department of Health and Human Resources	HHR-170	Harrison	140	25.71	3,600	5.00	18,000
11	Department of Health and Human Resources	HHR-182	Wood	1,589	10.95	17,400	5.00	86,998
12	Department of Health and Human Resources	HHR-264	Pendleton	5,698	12.48	71,111	5.00	355,555
13	Workforce West Virginia	WWV-004	Huntington	9,564	16.15	154,459	1.00	154,459
	Workforce West Virginia	WWV-004	Huntington	9,564	15.34	146,712	1.00	146,712
	Workforce West Virginia	WWV-004	Huntington	9,564	14.58	139,443	1.00	139,443
14	WV Department of Economic Development	ECO-001	Charleston	41,183	18.05	743,353	1.00	743,353 *
	WV Department of Economic Development	ECO-001	Charleston	41,183	17.15	706,288	1.00	706,288 *
	WV Department of Economic Development	ECO-001	Charleston	41,183	16.29	670,871	1.00	670,871 *
15	Department of Health and Human Resources	DHS-161	Mingo	17,764	16.15	286,889	1.00	286,889 *
	Department of Health and Human Resources	DHS-161	Mingo	17,764	15.69	278,717	14.00	3,902,040 *
16	Division of Motor Vehicles	DMV-050	Hancock	6,048	18.45	111,586	1.00	111,586

418.42
Total Rentable Square Feet 239,938
Average Annual Rental Rate 17.43
Total Annual Rent 4,129,315

* 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	General Services Division	GSD-016	Kanawha	11,424	11.00	125,664

Total Rentable Square Feet 11,424

Department of Health and Human Resources
Bureau for Medical Services

Medicaid Report
JUNE 2022

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

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

MONTH OF JUNE 2022

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	DIFFERENCE
	SFY2021	SFY2022	Current Month Ended 06/30/22	Current Month Ended 06/30/22	Year To-Date Thru 6/30/22	Budget vs 06/30/22
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	84,428,379	89,982,568	3,361,266	7,198,605	70,792,729	19,189,839
Inpatient Hospital - DSH	52,900,181	53,500,000	-	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	-	1,069,951	13,553,905	(179,513)
Mental Health Facilities	6,565,065	128,725,918	450,514	10,298,073	9,025,749	119,700,169
Mental Health Facilities - DSH Adjustment Payments	17,062,464	18,887,045	-	1,510,964	20,710,419	(1,823,374)
Nursing Facility Services - Regular Payments	790,659,498	830,157,949	65,674,191	66,412,636	829,087,990	1,069,959
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	5,212,708	5,744,023	63,782,125	8,018,166
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	29,601,249	36,495,808	2,051,842	2,919,665	27,339,927	9,155,880
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	2,624,253	3,760,392	36,112,594	10,892,302
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	799,557,061	833,558,778	61,186,492	66,684,702	863,721,574	(30,162,796)
Drug Rebate Offset - National Agreement	(517,706,685)	(466,000,000)	(68,508,560)	(37,280,000)	(492,999,104)	26,999,104
Drug Rebate Offset - State Sidebar Agreement	(54,952,249)	(48,000,000)	(9,163,913)	(3,840,000)	(69,149,283)	21,149,283
Drug Rebate Offset - MCO National	(12,128,958)	(12,600,000)	(1,109,283)	(1,008,000)	(14,888,461)	2,288,461
Drug Rebate Offset - MCO State Sidebar Agreement	1,546	-	-	-	-	-
ODD Medication Assisted Treatment-Drugs	-	-	6,201,271	-	33,306,106	(33,306,106)
Dental Services	4,639,474	4,480,780	371,061	358,462	4,497,499	(16,720)
Other Practitioners Services - Regular Payments	7,655,590	4,463,814	1,420,595	357,105	25,859,285	(21,395,471)
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	1,020,452	898,193	142,463	71,855	1,896,883	(998,690)
Lab & Radiological Services	6,475,294	7,488,287	400,080	599,063	5,535,155	1,953,131
Home Health Services	25,690,903	31,555,723	1,786,739	2,524,458	21,453,499	10,102,225
Hysterectomies/Sterilizations	54,130	26,190	847	2,095	25,446	744
Pregnancy Terminations ⁽²⁾	27,041	39,867	-	3,189	7,039	32,828
EPSDT Services	747,578	673,291	86,216	53,863	972,247	(298,956)
Rural Health Clinic Services	2,181,319	4,104,901	150,986	328,392	2,193,257	1,911,644
Medicare Health Insurance Payments - Part A Premiums	25,032,749	27,501,864	2,254,984	2,200,149	26,474,671	1,027,193
Medicare Health Insurance Payments - Part B Premiums	128,711,243	149,871,522	12,728,444	11,989,722	143,032,832	6,838,690
120% - 134% Of Poverty	10,805,524	10,914,660	1,320,316	873,173	13,677,719	(2,763,059)
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	12,082,664	13,473,012	958,699	1,077,841	12,754,173	718,839

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

	MONTH OF JUNE 2022		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	DIFFERENCE
	SFY2021	SFY2022	Current Month Ended 06/30/22	SFY2022	Current Month Ended 06/30/22	Current Month Ended 06/30/22	Year To-Date Thru 6/30/22	Budget vs 06/30/22
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	2,242,614,736	2,514,062,580	280,093,000		201,125,006	201,125,006	2,557,486,965	(43,424,385)
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	-	-	126,941	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	27,062,688	497,321,983	39,785,759	39,785,759	398,969,765	98,352,218
Home & Community-Based Services (Aged/Disabled)	130,537,179	203,359,736	10,846,799	203,359,736	16,268,779	16,268,779	168,874,844	34,484,892
Home & Community-Based Services (Traumatic Brain Injury)	1,953,384	2,084,341	183,718	2,084,341	166,747	166,747	2,437,966	(353,625)
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	5,640,761	119,909,542	9,592,763	9,592,763	94,535,520	25,374,022
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	248,143	12,062,600	965,008	965,008	2,705,088	9,357,512
Primary Care Case Management Services	-	-	-	-	-	-	-	-
Hospice Benefits	28,366,378	29,903,554	2,270,581	29,903,554	2,392,284	2,392,284	26,946,252	2,957,302
Emergency Services Undocumented Aliens	981,582	491,378	403,750	491,378	39,310	39,310	1,007,796	(516,418)
Federally Qualified Health Center	6,455,228	22,076,655	516,664	22,076,655	1,766,132	1,766,132	6,765,955	15,310,700
Non-Emergency Medical Transportation	44,226,940	40,838,778	3,512,824	40,838,778	3,267,102	3,267,102	37,100,505	3,738,273
Physical Therapy	1,072,716	932,892	89,853	932,892	74,631	74,631	936,459	(3,567)
Occupational Therapy	467,792	372,193	37,341	372,193	29,775	29,775	433,066	(60,873)
Services for Speech, Hearing & Language	225,177	159,278	21,750	159,278	12,742	12,742	267,992	(108,714)
Prosthetic Devices, Dentures, Eyeglasses	409,992	454,903	74,350	454,903	36,392	36,392	655,966	(201,063)
Diagnostic Screening & Preventive Services	72,281	99,618	4,714	99,618	7,969	7,969	59,427	40,191
Nurse Mid-Wife	91,556	164,969	8,548	164,969	13,197	13,197	108,545	56,424
Emergency Hospital Services	-	80	-	80	-	-	-	80
Critical Access Hospitals	21,241,098	25,417,024	2,043,725	25,417,024	2,033,368	2,033,368	24,137,883	1,279,141
Nurse Practitioner Services	3,739,212	3,589,872	312,419	3,589,872	287,190	287,190	4,052,010	(462,138)
School Based Services	30,958,232	31,999,621	31,192,343	31,999,621	2,559,970	2,559,970	34,343,805	(2,344,184)
Rehabilitative Services (Non-School Based)	28,466,999	7,889,896	2,322,154	7,889,896	2,157,491	2,157,491	32,559,913	(24,670,016)
2a) Opioid Treatment Program (OTP) - Methadone services	13,670,289	18,000,000	149,501	18,000,000	-	-	9,314,229	8,685,771
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	1,587,654	-	62,634	-	-	-	2,359,158	(2,359,158)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	3,700,900	-	238,325	-	-	-	3,437,675	(3,437,675)
2a) OUD Medicaid Assisted Treatment Services	-	-	1,248,595	-	-	-	6,551,909	(6,551,909)
2a) Opioid Treatment Program (OTP) - Other	90,140	-	35,492	-	-	-	433,875	(433,875)
Private Duty Nursing	6,430,388	7,484,872	413,839	7,484,872	598,790	598,790	7,275,693	209,179
Freestanding Birth Centers	-	-	-	-	-	-	-	-
Health Home for Enrollees w Chronic Conditions	2,451,102	2,149,445	172,814	2,149,445	171,956	171,956	2,496,573	(347,128)
Other Care Services	24,723,597	31,655,807	1,589,954	31,655,807	2,532,465	2,532,465	23,477,740	8,178,067
Less: Recoupments	-	-	(73,660)	-	-	-	(196,209)	196,209
NET EXPENDITURES:	4,524,681,192	5,451,948,129	460,325,830	5,451,948,129	436,242,150	436,242,150	5,169,690,351	282,257,778

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

MONTH OF JUNE 2022

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

NET EXPENDITURES and CMS-64 ADJUSTMENTS:

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

TOTAL MEDICAID EXPENDITURES

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

TOTAL EXPENDITURES

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	DIFFERENCE
	SFY2021	SFY2022	Current Month Ended 06/30/22	Current Month Ended 06/30/22	Year To-Date Thru 6/30/22	Budget vs 06/30/22
	(10,684,041)	-	-	-	(7,595,651)	7,595,651
	(159,661)	-	-	-	(500,813)	500,813
	(19,438)	-	-	-	(23,342)	23,342
	(11,218,738)	-	-	-	(15,460,018)	15,460,018
	4,502,599,314	5,451,948,129	460,325,830	436,242,150	5,146,110,526	305,837,603
	30,108,117	34,908,744	3,339,872	2,792,700	36,875,489	(1,966,744)
	341,411	352,058	15,791	28,165	210,396	141,662
	1,254,161	1,266,828	87,638	101,346	1,046,209	220,619
	\$ 4,534,303,003	\$5,488,475,759	\$463,769,131	\$439,164,360	\$5,184,242,620	\$304,233,139
	5,295,579	-	325,261	-	4,353,934	(4,353,934)
	1,889,696	83,009	34,835	6,641	288,102	(205,093)
	(182,398)	-	-	-	-	-
	\$ 4,541,305,880	\$ 5,488,558,768	\$ 464,129,228	\$ 439,171,001	\$ 5,188,884,656	\$ 299,674,112

(1) This amount will revert to State Only if not reimbursed.

(2) Pregnancy Terminations are State Only expenditures and are not currently claimed.

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

12 Months Actuals 0 Months Remaining

MONTH OF JUNE 2022	ACTUALS	ACTUALS	ACTUALS	DIFFERENCE	TOTAL
	SFY2021	Current Month Ended 6/30/22	Year-To-Date Thru 6/30/22	Budget vs Actual	SFY2022
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	25,964,129	34,238,297	139,436,683	-	139,436,683
MATCHING FUNDS					
General Revenue (0403/189)	276,148,868	42,203,010	307,763,411	10,748,802	318,512,213
IDD Waiver (0403/466)	108,541,736	11,939,591	108,541,736	-	108,541,736
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,334	2,596,000	-	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,666	6,356,000	-	6,356,000
Traumatic Brain Injury (0403/835)	800,000	88,000	800,000	-	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	1,495,299	13,593,620	-	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	16,302,960	16,302,960	-	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	-	24,535,507	12,034,917	36,570,424
Provider Tax (5090/189)	213,581,236	69,560,782	257,437,072	228,393,536	485,830,608
NSGO UPL (5084/6717)	-	-	-	-	-
Expirations (5084)	-	-	-	-	-
Certified Match	11,568,907	6,389,658	12,939,125	(650,037)	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	\$ 182,963,598	\$ 973,646,056	\$ 250,549,804	\$ 1,224,195,859
FEDERAL FUNDS	3,802,320,381	362,790,323	4,294,542,939	185,322,147	4,479,865,086
TOTAL REVENUE SOURCES	\$ 4,679,285,247	\$ 545,753,920	\$ 5,268,188,995	\$ 435,871,951	\$ 5,704,060,945
TOTAL EXPENDITURES:					
Provider Payments	\$ 4,541,305,880	\$ 464,129,228	\$ 5,188,884,656	\$ 299,674,112	\$ 5,488,558,768
TOTAL	\$ 137,979,367	\$ 81,624,693	\$ 79,304,338	\$ 136,197,839	\$ 215,502,178

Note: FMAP (74.68% applicable Oct. 2021 - Jun. 2022)

Department of Health and Human Resources
Bureau for Medical Services

Medicaid Waiver Report
June 2022

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

AUGUST 2022

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

Aged & Disabled Waiver Reported 06/30/2022	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
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	8,500	8,500
-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	8,448	8,448
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees	76	76	76	76	76	76	76	76	76	76	76	76	52	52
-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	8,434	8,434
Applicants determined eligible this month and FYTD	243	238	252	248	259	238	258	234	261	269	152	216	246	2,871
Applicants determined ineligible this month FYTD	14	10	12	16	12	8	5	9	7	9	10	3	12	113
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	7,236	7,236
Active Take Me Home Members at the end of the month	53	56	44	48	44	49	47	44	49	44	50	53	52	52
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	7,288	7,288
Active members enrolled during the calendar month	2,007	101	205	197	140	164	168	126	144	166	171	134	77	1,793
-Total Active Traditional members enrolled during the calendar month	1,938	99	200	192	139	158	166	124	137	156	166	126	74	1,737
-Total Active TMH-WV members enrolled during the calendar month	69	2	5	5	1	6	2	2	7	10	5	8	3	56
-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	96	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	66	970
Other	366	26	39	38	30	32	46	34	43	54	30	42	30	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	358	3,668
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	4	1,227
Applicant became deceased	175	14	22	21	28	19	18	22	18	24	15	19	21	241
Other	537	249	134	230	349	97	18	281	216	37	89	167	333	2,200
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	4	4
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	3	3
Applicants on the MEL at the end of the month	525	383	307	301	62	279	420	137	341	180	378	325	224	224
Days -Average time spent on the MEL to date Minus MFP Applicants	61	42	44	45	33	45	31	36	42	52	48	55	55	44

(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 May 2022: Added 282 Total = 8500

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

Intellectual/Developmental Disabilities Waiver Reported June 30, 2022		FY2021	July-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	FY2022
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	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	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	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	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	0
Applicants determined eligible (2)		390	53	53	39	28	46	25	16	27	29	38	24	43	421
Applicants determined ineligible (3)		448	46	37	44	35	51	39	32	27	37	34	45	55	482
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	5,880
Discharged members at the end of the calendar month		191	14	17	19	22	17	26	19	21	24	16	10	13	218
Discharged members who were discharged by reason	Deceased	73	9	9	9	11	8	10	11	13	10	6	5	5	106
	Left program to enter a facility	35	2	1	5	9	7	11	6	3	10	5	2	4	65
	a. Hospital	0	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	2	29
	c. Nursing Facility	20	2	0	2	4	4	6	4	2	6	2	1	2	35
	d. Psychiatric Facility	0	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	0
	f. Other Facility	0	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	4	48	
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	271
Number of applicants added to the MEL (4)		390	53	53	39	28	46	25	16	27	29	38	24	43	421
Applicants enrolled (removed from the MEL)		616	103	8	27	18	14	7	31	28	42	39	9	11	337
Applicants removed from the MEL due to Death (5)		1	0	0	0	0	1	0	1	0	1	0	0	0	3
Applicants removed from the MEL due to Other (6)		85	3	0	1	0	0	2	4	0	5	3	1	2	21
Applicants on the MEL who are in a Nursing Facility (9)		1	2	2	3	3	3	3	1	12	0	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	10	8
Applicants on the MEL receiving Personal Care Services each month (8) (9)		3	9	8		8	10	11	7	8	5	8	5	6	8
Longest on the MEL to date (7)		798	829	860	566	597	627	658	689	717	748	778	809	839	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 06/30/2022		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
Slots Approved By CMS (1)		90	96	96	96	96	96	96	96	96	96	96	96	96	96
-Slots Available for Traditional (non TMH-WV) enrollees		90	92	92	93	94	94	94	96	96	96	96	96	96	96
-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	92	92
Applicants determined eligible this month and added to MEL (3)*		2	2	0	0	0	2	2	0	0	0	0	1	1	8
Applicants determined ineligible		0	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	84
Active members enrolled during the calendar month		12	1	1	0	1	1	1	1	1	0	2	0	1	10
-Total Active Traditional members enrolled during the calendar month		12	1	1	0	1	1	1	1	1	0	2	0	1	10
-Total Active TMH-WV members enrolled during the calendar month		0	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	1	11
TBIW Members whose case was closed by reason	Member is deceased	0	1	0	0	1	0	0	1	1	0	1	0	0	5
	Other (4)	5	0	0	0	0	0	0	1	0	1	3	0	1	6
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	0	8
TBIW Applicants removed from the MEL	Applicant offered a slot	0	1	1	1	1	0	0	4	0	0	0	0	0	8
	Applicant became deceased	0	0	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	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	0	1
Applicants on the MEL receiving Personal Care		0	0	0	0	0	0	1	0	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	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	0	52

(1) CMS Approval of 96 slots was received on June 29, 2022, one day before the end of the SFY. Of the 96 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.* NO MEL since Jan-22. Eligible applicants received a funded slot.

(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



PATHWAYS TO PROGRESS: MOVING TOWARD A HEALING-CENTERED STATE

West Virginia ACEs Workgroup Report

Introduction

According to the Centers for Disease Control and Prevention (CDC), National Center for Injury Prevention and Control, Division of Violence Prevention, Adverse Childhood Experiences (ACEs) are potentially traumatic events that occur in childhood (ages 0-17 years). ACEs are categorized into three groups: abuse, neglect, and household challenges. Each category is further divided into the ensuing subcategories.

Abuse

- Emotional abuse
- Physical abuse
- Sexual abuse

Neglect

- Emotional neglect
- Physical neglect

Household Challenges

- Mother treated violently
- Substance abuse in the household
- Mental illness in the household
- Parental separation or divorce
- Incarcerated household member

These negative experiences can affect a child's educational, emotional and behavioral development, which can result in long-term health problems.

Sponsored by Delegates Ellington, Estep-Burton, Lavender-Bowe, Lovejoy, Pushkin, Pyles, Rohrbach, Rowan, Staggers, and Zukoff, House Bill 4773 passed the West Virginia Legislature on March 4, 2020, with the charge of creating an ACEs workgroup built of expert members of various professions to study the impact of ACEs on the people of West Virginia. This workgroup required members to examine the root causes and varied influences of ACEs, and develop recommendations to foster resilience and enhance protective factors.

Led by Dr. Ayne Amjad, Commissioner of the West Virginia Department of Health and Human Resources, Bureau for Public Health and State Health Officer, and in partnership with the West Virginia School of Osteopathic Medicine, the workgroup endeavored to bring awareness to the commonality of ACEs and their lasting effects, including, but not limited to, health issues, social determinants, the negative impact of educational and job opportunities and living with toxic stress. Fortunately, ACEs are not inevitable. With this report, it is expected that a pathway to progress is created to facilitate West Virginia's transition towards becoming a more healing-centered state.

Background

In 1998, the results of the CDC and Kaiser Permanente Adverse Childhood Experiences Study were first published. Over 17,000 members of Kaiser Permanente, a Southern California Health Maintenance Organization, completed confidential surveys regarding their childhood experiences and current health status and behaviors. The study concluded that ACEs are common across all populations, with nearly two-thirds of study participants having reported at least one ACE, and more than one in five having reported three or more ACEs. The total sum of the different categories of ACEs reported by the participants, i.e., ACE score, directly correlated with the prevalence and risk for smoking, severe obesity, physical inactivity, depressed mood, and suicide attempts. In other words, as the number of ACEs increases so does the risk for negative outcomes.¹



High levels of stress in childhood, whether acute or chronic, can affect the developing brain with stress hormones that can alter brain development. The parts of the brain that are responsive to threat may be over-developed; meanwhile, the parts of the brain that are needed for learning and healthy interaction can be under-developed. The result is poor mental and emotional health.

Likewise, childhood adversity and poor physical health are also linked. Cardiovascular disease, hypertension, diabetes, asthma, lung disease, liver disease, and obesity are more prevalent in adults who experience early childhood stressors. Many of the health risks are associated with coping behaviors. For example, an individual may self-medicate with drugs and alcohol to manage emotional pain or anxiety. According to the CDC, ACEs are associated with numerous risk factors, chronic disease, and health outcomes. Early experiences have a broad and profound impact on an individual's development and subsequent emotional, cognitive, social and biological functioning.

The CDC reports that 61% of adults surveyed across 25 states reported they had experienced at least one type of ACE before age 18, and nearly one in six reported they had experienced four or more types of ACEs. Moreover, the relationship between ACEs and health outcomes persists with a higher number of adverse childhood exposures being associated with a higher number of risk factors for leading causes of death in adults. A 2017 study² found that adults with four or more ACEs, compared with adults with none, were associated with a number of adverse health outcomes including:

- Drug abuse and interpersonal and self-directed violence (very strong associations).
- Sexual risk-taking behaviors, poor mental health and alcohol abuse (strong associations).
- Smoking, heavy alcohol use, poor self-rated health, cancer, heart disease and respiratory disease (moderate associations).

¹ Prevention, Violence. About the CDC-Kaiser ACE Study. Available online: <https://www.cdc.gov/violenceprevention/aces/about.html> (accessed on 07 June 2022).

² Hughes, K., et al. (2017). The effect of multiple adverse childhood experiences on health: a systematic review and meta-analysis. *The Lancet Public Health*, 2(8), e356-e366.

- Physical inactivity, overweight or obesity and diabetes (weak or modest associations).

Each of these adverse health outcomes are major issues within West Virginia, particularly as the State continues to combat the rising opioid epidemic and obesity issues that burden residents. As West Virginia becomes a healing-centered state, preventative ACEs guidelines should be implemented to protect children and equip adults suffering from the toxic stress that comes from lifelong abuse.

ACEs in West Virginia

Data from the following sources were examined to better understand the impact of ACEs on the people of West Virginia.

- National Child Abuse and Neglect Data System
- Youth Risk Behavior Surveillance System
- National Survey of Children's Health
- Behavioral Risk Factor Surveillance System

The National Child Abuse and Neglect Data System (NCANDS) is a federally sponsored effort that collects and analyzes annual data on child abuse and neglect. The data are submitted voluntarily to Children's Bureau in the Administration on Children, Youth and Families, the Administration for Children and Families within the U.S. Department of Health and Human Services by the 50 states, the District of Columbia, and the Commonwealth of Puerto Rico.

In some states, reports of maltreatment may be assigned to differential or alternative response.³ Cases receiving this response often include early determinations that the children have a low or moderate risk of maltreatment. A determination of maltreatment is not made, and a perpetrator is not determined. Nationwide, approximately 14% of screened in allegations (called referrals) of abuse and neglect receive a differential or alternative response. West Virginia does not have an alternative response program. Consequently, all screened in referrals to Child Protective Services (CPS) receive an investigation. Table 1 below represents the West Virginia and national rates per 1,000 children who received an investigation or alternative response. For the past five years of available data, West Virginia's rate is nearly triple the national rate.

³ The provision of a response other than an investigation that determines if a child or family needs services.

Table 1. Children Who Received an Investigation or Alternative Response, 2016–2020					
State	2016 Rate per 1,000 Children	2017 Rate per 1,000 Children	2018 Rate per 1,000 Children	2019 Rate per 1,000 Children	2020 Rate per 1,000 Children
West Virginia ⁴	140.1	141.7	143.2	148.4	137.9
Nation	46.7	47.1	47.8	47.2	42.9

Source: U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children’s Bureau. (2022). Child Maltreatment 2020. Available from <https://www.acf.hhs.gov/cb/data-research/child-maltreatment>.

A referral may be either screened in or screened out. An allegation of child maltreatment that meets the state’s standards for acceptance is screened in and receives an investigation or alternative response⁵ from CPS. Referrals that do not meet agency criteria are screened out or diverted from CPS to other community agencies. As noted in Table 2, West Virginia’s screened-in referral percentage rate is above the national average.

Table 2. Screened-In and Screened-Out Referrals, 2020					
State	Screened-In Referrals (Reports)	Screened-Out Referrals	Total Referrals	Screened-In Referrals Percent	Screened-Out Referrals Percent
West Virginia	24,104	13,591	37,695	63.9	36.1
Nation	2,120,316	1,522,916	3,643,232	54.2	45.8

Source: U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children’s Bureau. (2022). Child Maltreatment 2020. Available from <https://www.acf.hhs.gov/cb/data-research/child-maltreatment>.

The number of victims represents a unique count of victims with a disposition of substantiated or indicated. Table 3 covers a five-year span with West Virginia seeing an increase in child victims for three years, with a decrease in the fourth and fifth years. Nonetheless, the last three years indicate that the rates of child victims per 1,000 children in West Virginia are more than double the national rates.

Research indicates that although parental stressors may have increased during the COVID-19 pandemic, child maltreatment rates declined thus signifying notable lessons for prevention.⁶

⁴ By far, West Virginia had the highest rate in the country each.

⁵ To reiterate, West Virginia does not have an alternative response program.

⁶ Sege, R., & Stephens, A. (2022). Child physical abuse did not increase during the pandemic. *JAMA Pediatrics*, 176(4), 338-340.

Table 3. Child Victims, 2016–2020

State	2016 Rate per 1,000 Children	2017 Rate per 1,000 Children	2018 Rate per 1,000 Children	2019 Rate per 1,000 Children	2020 Rate per 1,000 Children
West Virginia	15.9	17.2	19.0	18.7	17.2
Nation	9.1	9.1	9.2	8.9	8.4

Source: U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children’s Bureau. (2022). Child Maltreatment 2020. Available from <https://www.acf.hhs.gov/cb/data-research/child-maltreatment>.

The CDC created the Youth Risk Behaviors Surveillance System (YRBSS) to examine health behaviors and experiences among students across the country. The primary data source for the YRBSS is the Youth Risk Behavior Survey that is biannually administered to a nationally representative sample of high school students in public and private schools in the United States.

One of the categories of health-related behaviors monitored by the YRBSS is behaviors contributing to unintentional injuries and violence. As evidenced by Figure 1 below, the percentage of West Virginia students who report electronic bullying is higher than the national average but has been decreasing since 2015.

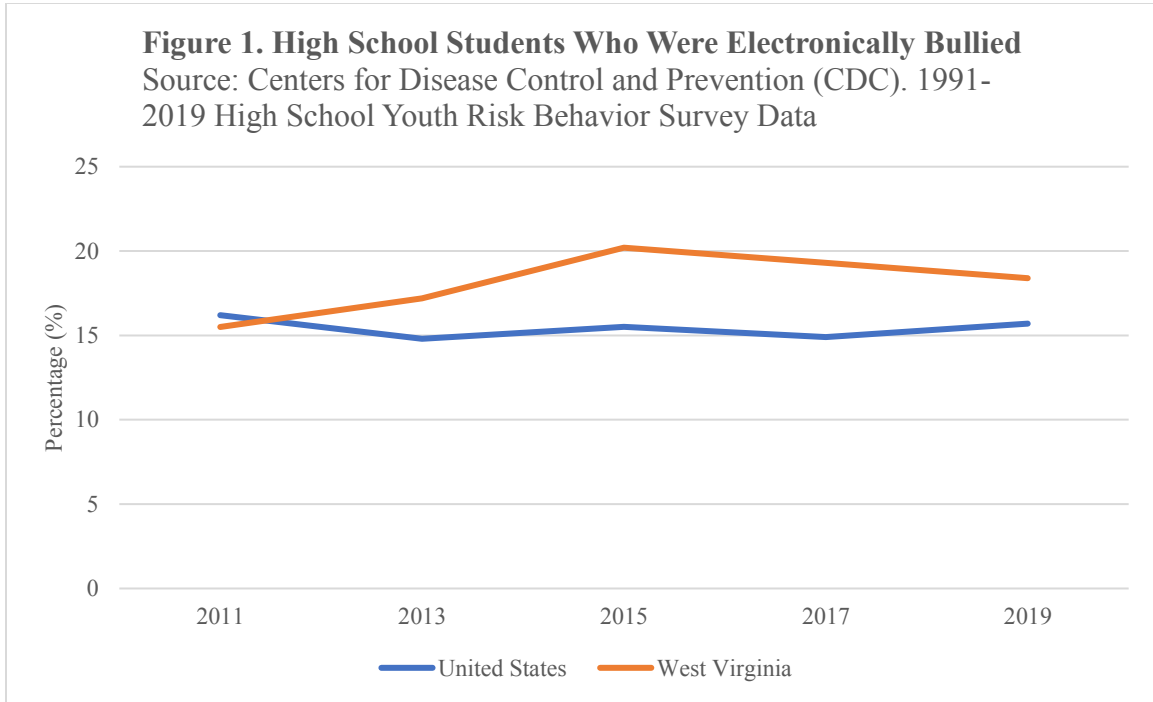
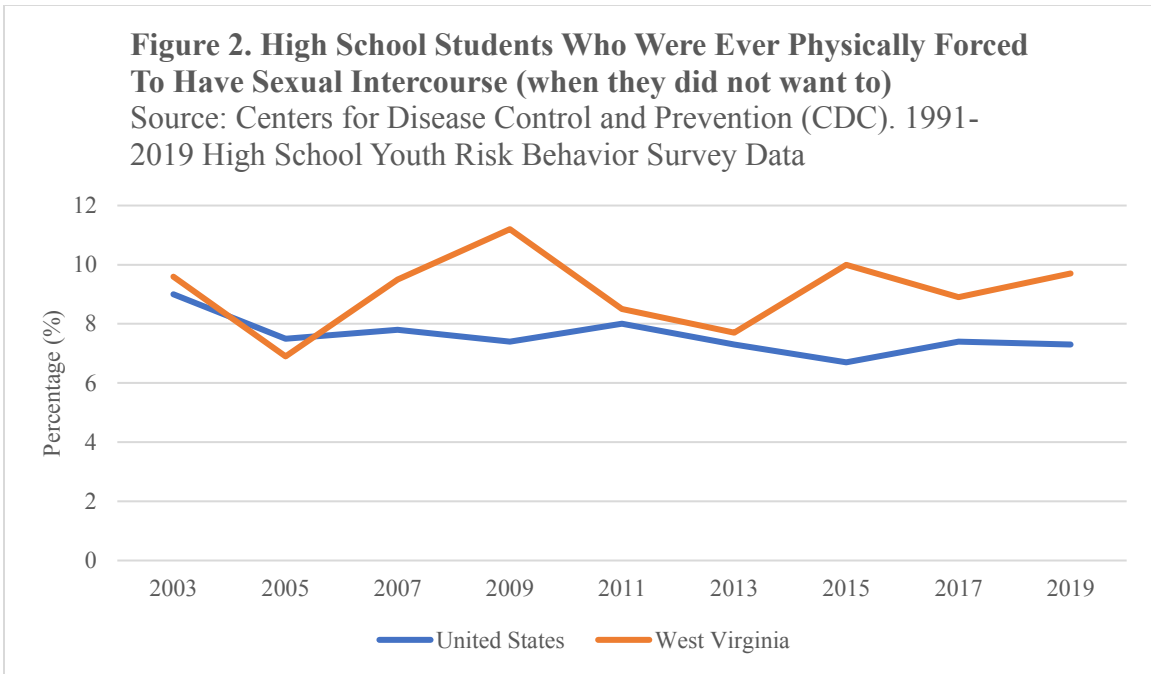
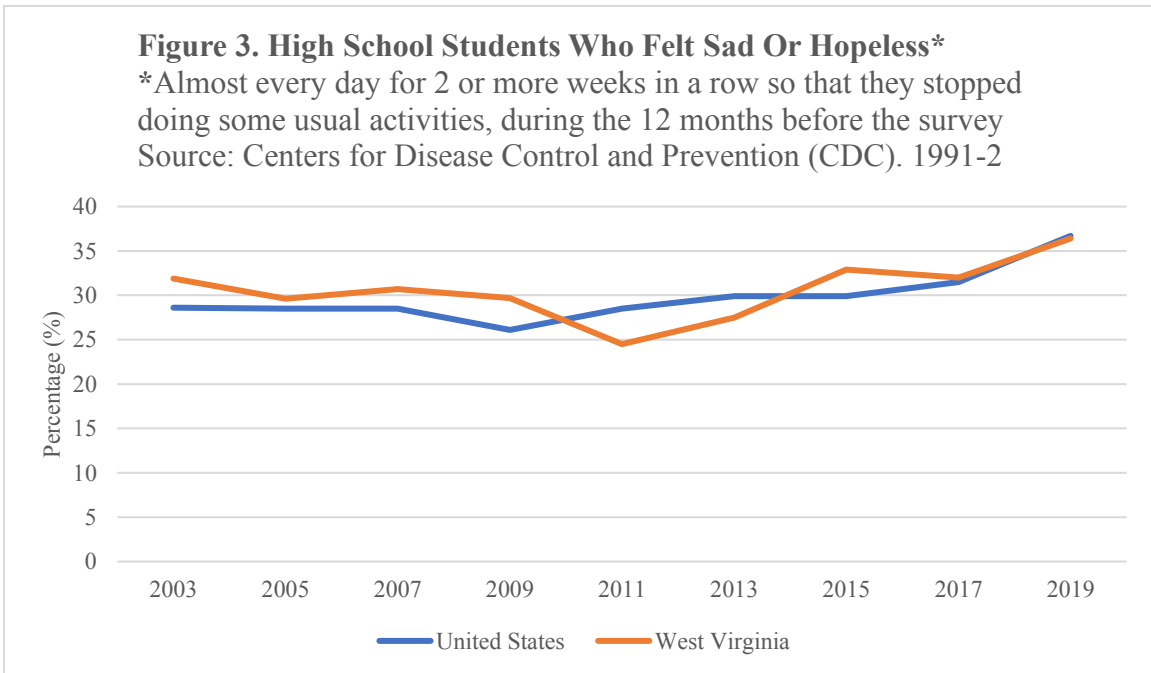


Figure 2 shows that the percentage of West Virginia students who report being physically forced to have sexual intercourse happens more often than the national average.



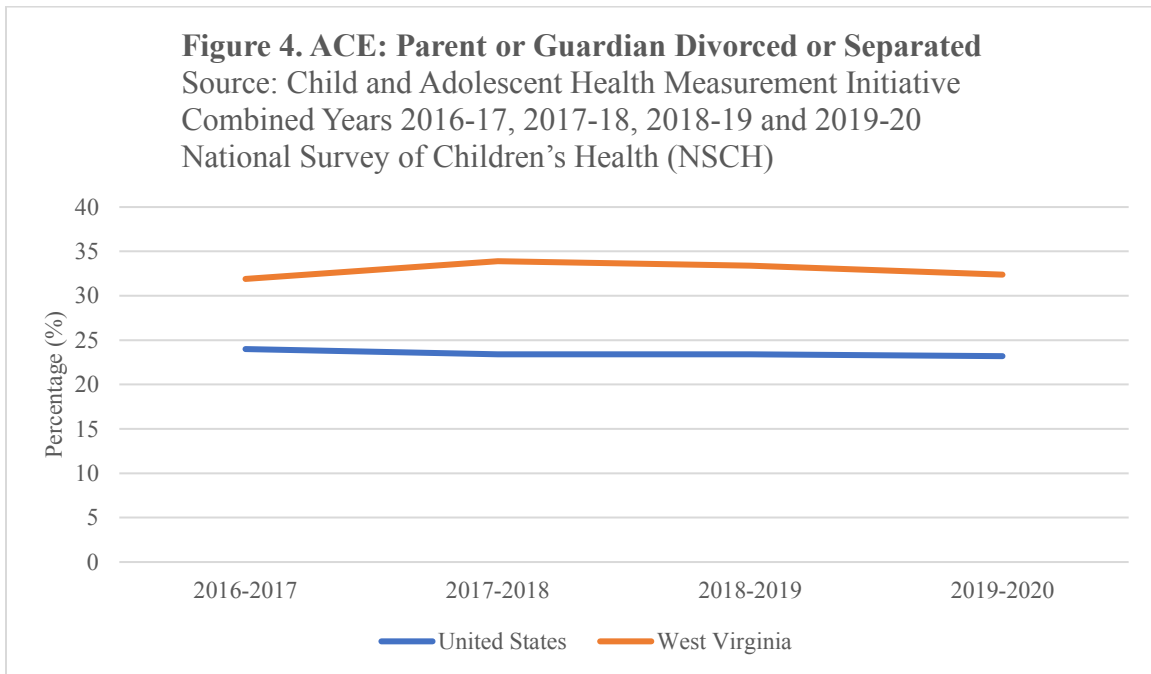
The percentage of West Virginia students who report feeling sad or helpless is comparable to the national average, as represented in Figure 3 below.



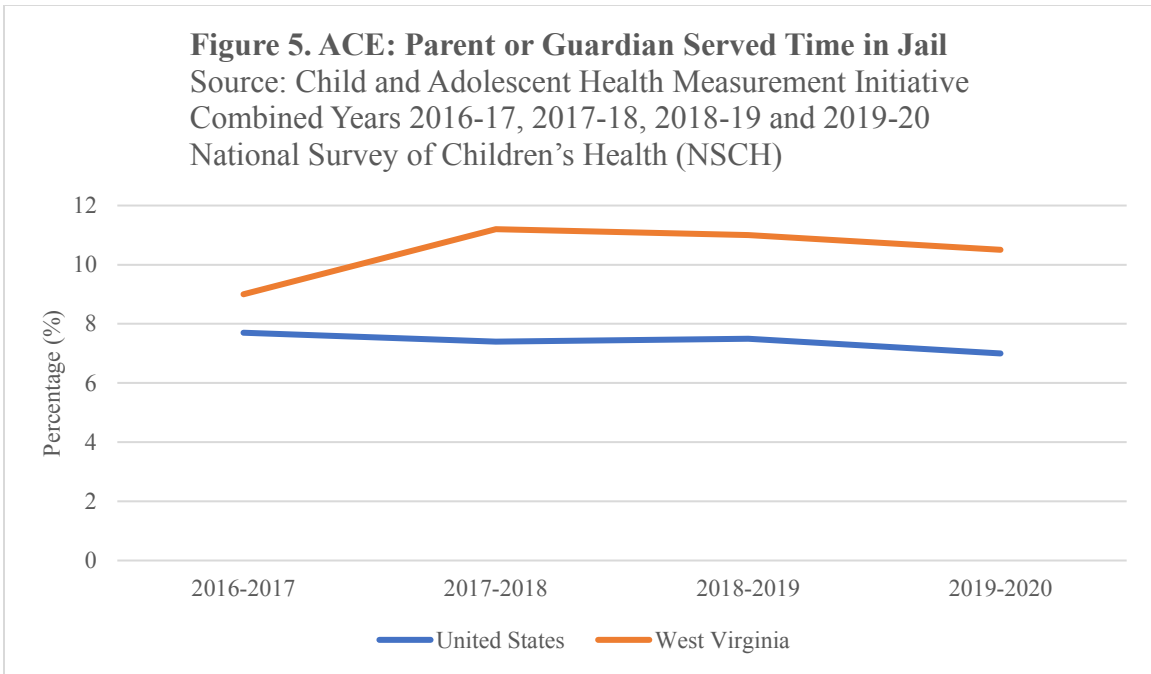
The Maternal and Child Health Bureau at the federal Health Resources and Services Administration in partnership with Census Bureau, National Center for Health Statistics at the CDC, Child and Adolescent Health Measurement Initiative, and a National Technical Expert Panel administers the National Survey of Children’s Health (NSCH). The NSCH samples non-institutionalized children, ages 0-17, in the United States, and is weighted to be representative of United States population.

The NSCH also looked at trends over time in each of the sub-component areas of the ACEs score. As evidenced by the ensuing Figures 4-10 and Figure 12, West Virginia has remained relatively consistent over time with higher rates of ACEs than other states.

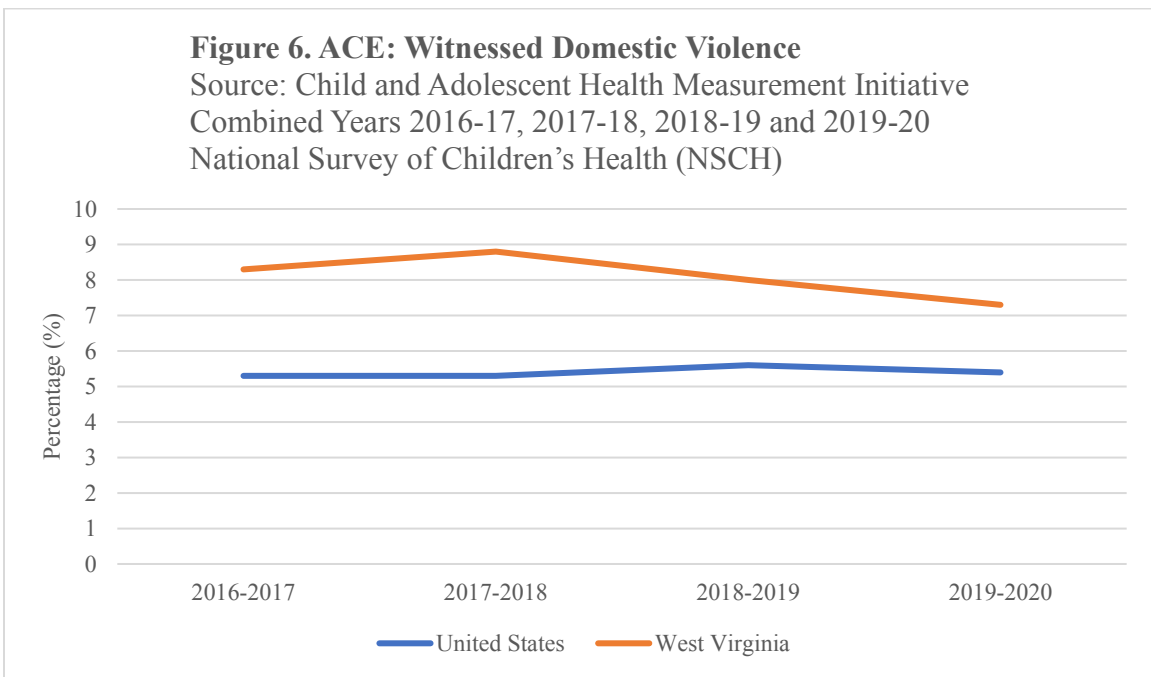
Figure 4 below shows the most prevalent ACE, parent or guardian divorced or separated. For each of the combined years, West Virginia had the highest percentage of affirmative responses for this ACE among all States and the District of Columbia.



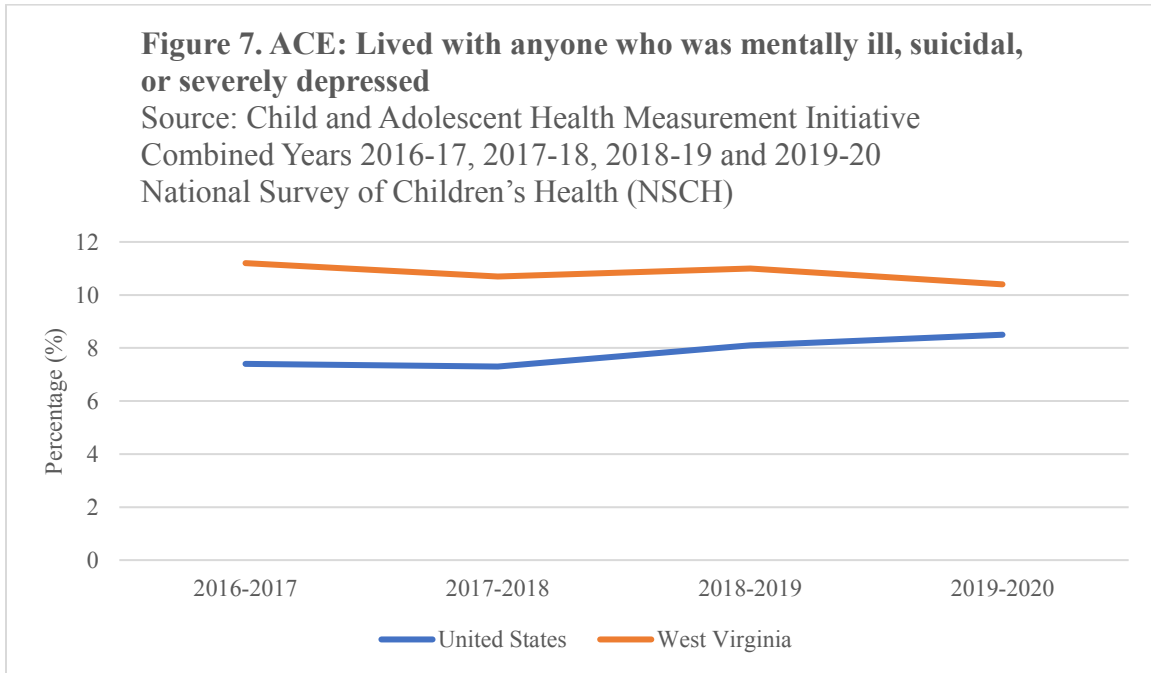
As indicated by Figure 5, the percentage of West Virginian children who have parents or guardians that served time in jail is higher than the national average. For each of the combined years, West Virginia ranked in the top 10 states and the District of Columbia having affirmative responses for this ACE.



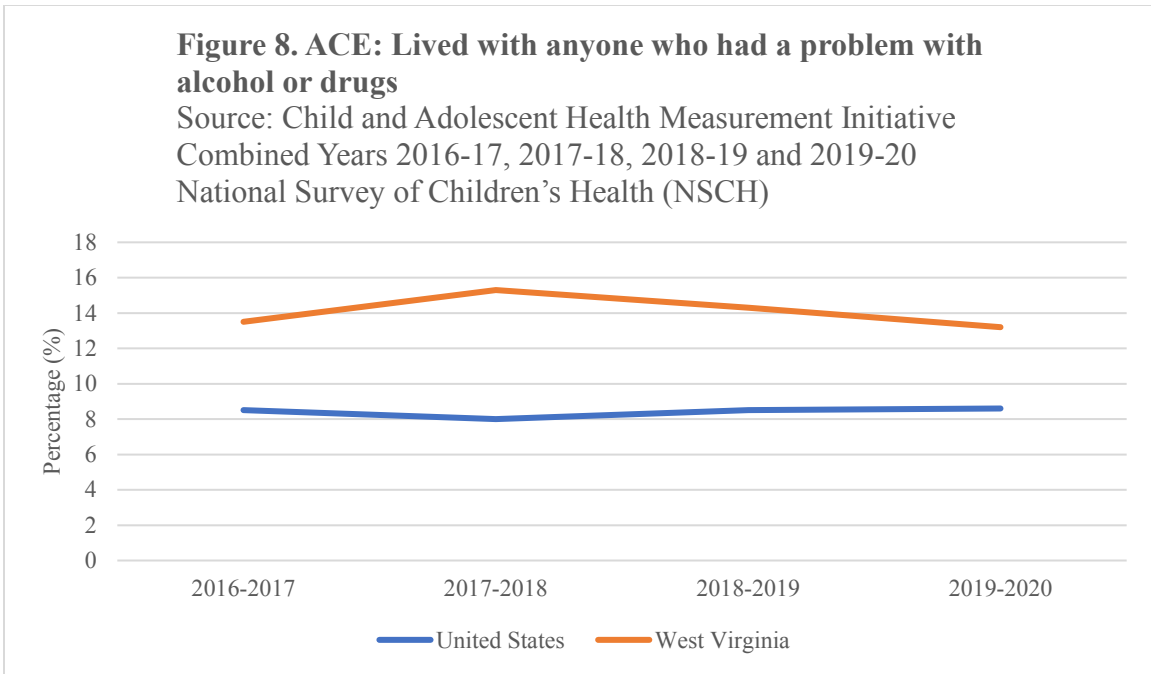
As indicated by Figure 6 below, the percentage of West Virginian children who witnessed domestic violence is higher than the national average. For each of the combined years, West Virginia ranked in the top 10 states and the District of Columbia having affirmative responses for this ACE.



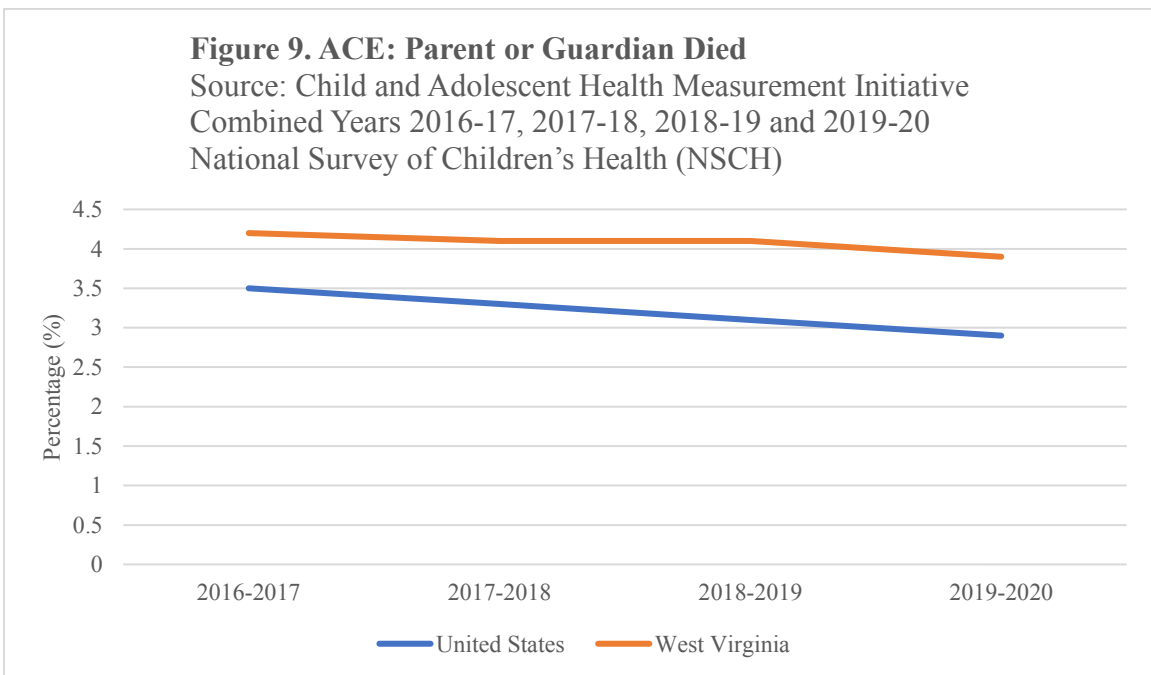
As indicated by Figure 7 below, the percentage of West Virginia children who lived with anyone mentally ill, suicidal, or severely depressed is higher than the national average. For combined years 2016-2017 and 2017-2018, West Virginia ranked in the top 10 states and the District of Columbia having affirmative responses for this ACE. For combined years 2018-2019 and 2019-2020, West Virginia ranked in the top 20 states and the District of Columbia having affirmative responses for this ACE.



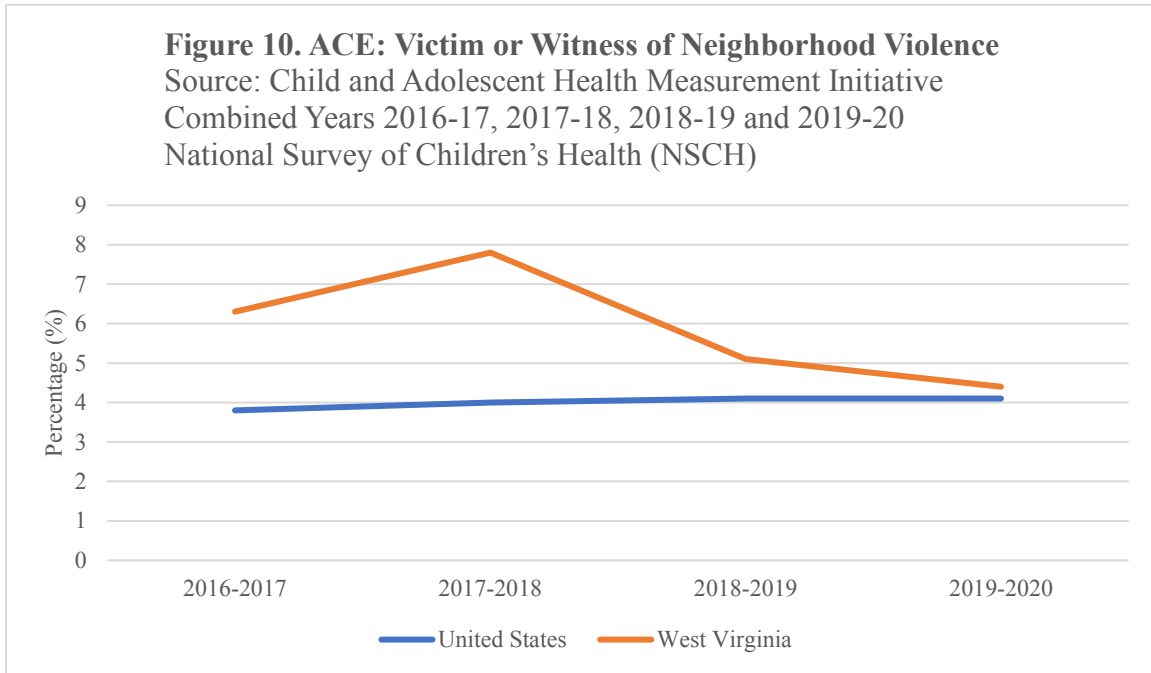
As indicated by Figure 8, the percentage of West Virginia children who lived with anyone who had a problem with alcohol or drugs is higher than the national average. For the combined years 2016-2017, 2017-2018 and 2018-2019, West Virginia ranked in the top five states and the District of Columbia having affirmative responses for this ACE. For combined years 2019-2020, West Virginia ranked in the top 10 states and the District of Columbia having affirmative responses for this ACE.



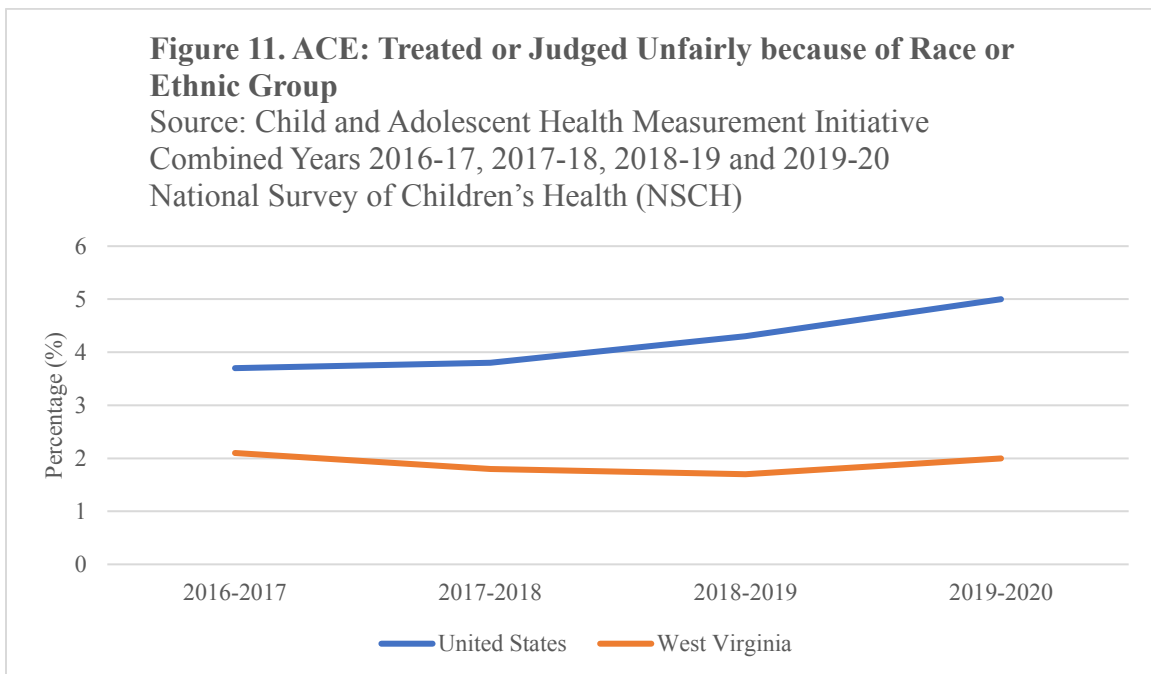
As represented by Figure 9 below, the percentage of West Virginia children who experience the death of a parent or guardian is higher than the national average. For combined years 2016-2017 and 2017-2018, West Virginia ranked in the top 15 states and the District of Columbia having affirmative responses for this ACE. For combined years 2018-2019 and 2019-2020, West Virginia ranked in the top 10 states and the District of Columbia having affirmative responses for this ACE.



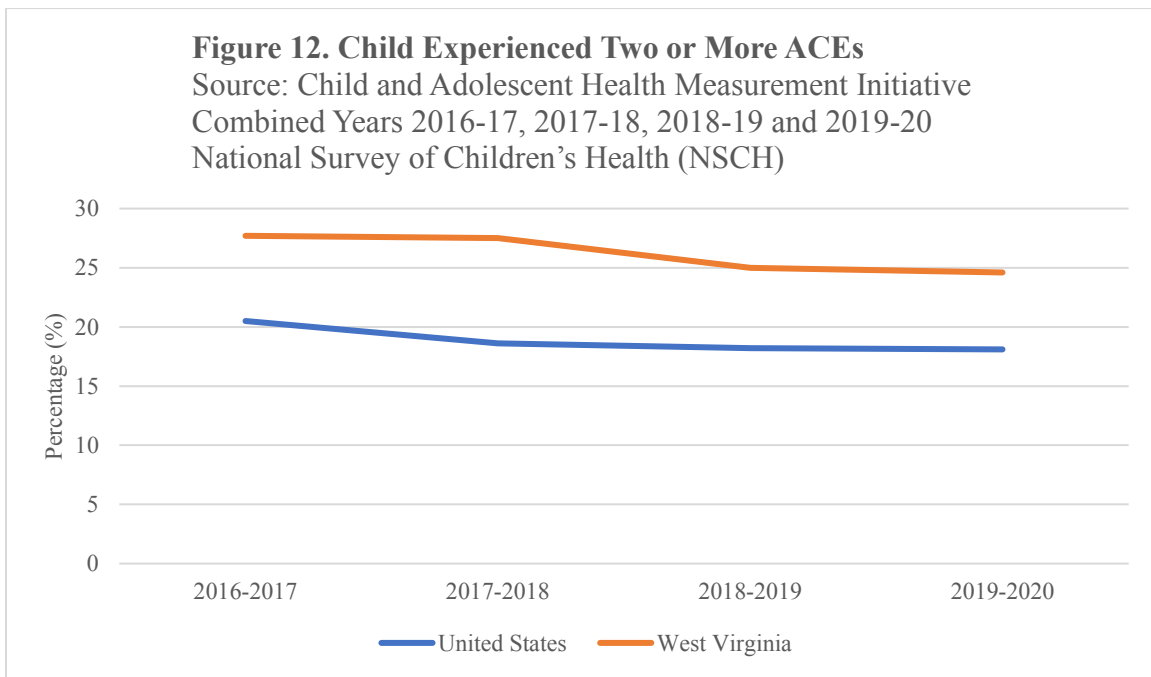
As represented by Figure 10 below, the percentage of West Virginia children who are a victim or witness of neighborhood violence is higher than the national average.



As represented by Figure 11 below, the percentage of West Virginia children who were treated or judged unfairly because of race or ethnic group was significantly below the national average.



As represented by Figure 12 below, the percentage of West Virginia children who experienced two or more is higher than the national average. Recognized as the state with the 2nd highest percentage with 2 or more ACEs in 2016- 2017 and 2017-2018, West Virginia had improved to being the 7th by 2018-2019. West Virginia fell back to 5th place for 2019-2020. For the combined years 2016-2017 and 2017-2018, West Virginia ranked in the top five states and the District of Columbia for children experiencing two or more ACEs. For combined years 2018-2019 and 2019-2020, West Virginia ranked in the top 10 states and the District of Columbia for children experiencing two or more ACEs.



PATHWAYS TO PROGRESS: MOVING TOWARD A HEALING-

The Behavioral Risk Factor Surveillance System (BRFSS) is a national system of health-related telephone surveys, funded by the CDC. These surveys gather statewide data on health-related behaviors, chronic diseases, and use of preventive services.⁷

As represented in the table below, West Virginia adults cope with a high level of adverse childhood experiences.

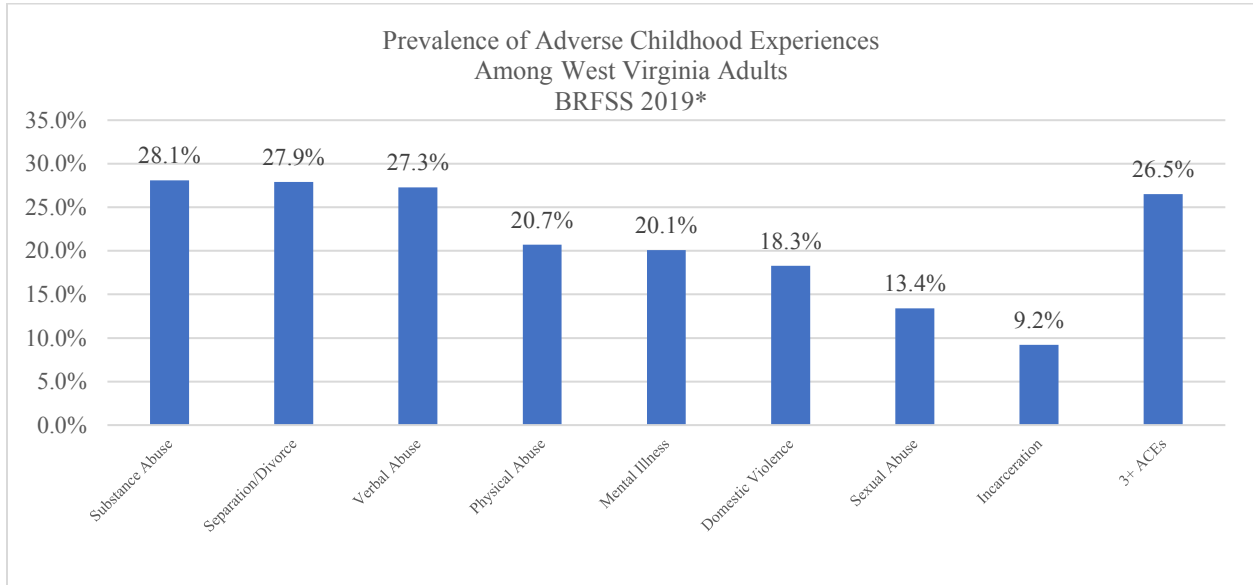


Table 4

*The West Virginia Health Statistics Center is the CDC partner agency for the BRFSS.

⁷ Centers for Disease Control and Prevention (CDC). *BRFSS*. <https://www.cdc.gov/brfss/index.html>. May 4, 2022. Accessed June 9, 2022.

Toxic Stress

The statistics addressed previously represent experiences that can negatively affect a child and their development. The long-term effects of ACEs include health issues such as obesity and mental health issues and struggles with various aspects of adulthood (holding a job and unstable relationships), but toxic stress is a component of ACEs.⁸

According to Harvard University, “toxic stress occurs when a child experiences strong, frequent and/or prolonged adversity, without adequate adult support.” This requires the stress response system to prolong activation and disrupt the development of the brain architecture and other organ systems, which leads to an increase in the risk for stress-related diseases and cognitive impairment into adulthood. This can last a lifetime. The National Scientific Council on the Developing Child coined the term “toxic stress” in the early 2000s to describe the stress response systems’ effect on the development of a child’s brain, immune system, metabolic regulatory system and cardiovascular system. It is noted that when children experience community ACEs, in addition to ACEs at home, the stress response cannot distinguish environments, only threats, and goes on high alert.⁹

One of the best ways to treat toxic stress is to find a trusted adult to foster a relationship with the child, such as a caregiver. Physical activity, therapy, and spending time in nature are three additional noted techniques to help children overcome the trauma of toxic stress.¹⁰

Current Efforts to Study ACEs

According to America’s Health Report Rankings model, there are four drivers or determinants of health: “social and economic factors, physical environment, clinical care and behaviors all of which influence the fifth model category, health outcomes. The model reflects those determinants of health that directly influence health outcomes.”¹¹



The initial ACE Study concluded that individuals who experienced a higher number of ACEs were more likely to experience more mental and physical health problems.

⁸ *Fast Facts: Preventing Childhood Adverse Experiences*. CDC, <https://www.cdc.gov/violenceprevention/aces/>, (Accessed June 2, 2022).

⁹ *Fast Facts: Preventing Childhood Adverse Experiences*. CDC, <https://www.cdc.gov/violenceprevention/aces/>, (Accessed June 2, 2022).

¹⁰ *ACEs and Toxic Stress: Frequently Asked Questions*, Harvard University Center on the Developing Child, <https://developingchild.harvard.edu/resources/aces-and-toxic-stress-frequently-asked-questions/>, (Accessed June 2, 2022).

¹¹ *Executive Brief Annual Report 2021*, America’s Health Rankings, <https://assets.americashealthrankings.org>, (Accessed April 9, 2022).

Individuals with four or more ACEs were found to be substantially more likely to have serious health concerns. The West Virginia ACES Coalition analysis of West Virginia data also indicates a substantial increased likelihood of poor health outcomes linked with higher numbers of ACEs. One of the most urgent reasons to address ACEs is the link between opioid addiction and early childhood adversity.¹²

A 2016 study found that individuals who reported five or more ACEs were three times more likely to misuse prescription pain medication and 5 times more likely to engage in injection drug use. Another study found that over 80% of the patients seeking treatment for opioid addiction had at least one form of childhood trauma. A 2010 study concluded that a male child with six or more ACEs is 46 times more likely to become an intravenous drug user as an adult than a male child with zero ACEs.¹³



Ellis, W., Dietz, W. (2017) A New Framework for Addressing Adverse Childhood and Community Experiences: The Building Community Resilience (BCR) Model. *Academic Pediatrics*. 17 (2017) pp. S86-S93. DOI information: 10.1016/j.acap.2016.12.011

¹² *Stumbling Blocks or Stepping Stones, Findings on Adverse Childhood Experiences (ACEs) in West Virginia*. West Virginia ACEs Coalition, <http://www.wvaces.org>, (Accessed April 9, 2022).

¹³ *ACEs and Toxic Stress: Frequently Asked Questions*, Harvard University Center on the Developing Child, <https://developingchild.harvard.edu/resources/aces-and-toxic-stress-frequently-asked-questions/>, (Accessed June 2, 2022).

Mitigating Programs/Policies Already in Place



There are ongoing efforts within the state to prevent and mitigate the harms of ACEs. Various policies and training opportunities have been established within the West Virginia Department of Education (WVDE) regarding the licensure of professionals and trauma-informed training. It is now mandatory to report child abuse and use trauma-informed and social-emotional best practices. WVDE is also receiving national and state funded initiatives to continue supporting children’s mental health and resiliency. Moving forward,

WVDE will continue to provide more trainings on resiliency, while looking for creative ways to address shortages, expand current initiatives, promote self-care, and continue to identify caring adults to mentor students.

The Office of Children, Youth, and Families in DHHR’s Bureau for Behavioral Health is working on the Strategic Prevention Framework, which uses three tiers of prevention supports: universal, selective and indicative, and requires all strategies to be proven and effective before implementing, as well as creating the West Virginia Prevention Strategic Plan and the West Virginia Expanded School Mental Health Strategic Plan.

The West Virginia Home Visitation Program, a component of DHHR’s Bureau for Public Health’s Office of Maternal, Child and Family Health, includes several evidenced-based models, including:

- [Parents As Teachers](#)
- [Healthy Families America](#)
- [Early Head Start](#)
- The [West Virginia Home Visitation Program](#) also administers the State’s Medicaid Home Visitation Program, [Right From the Start \(RFTS\)](#), targeting high risk, pregnant women and infants up to one year for medical case management to ensure linkage to services. Moreover, the Neuroscience, Epigenetics, ACEs, and Resilience (NEAR) toolkit is used in Home Visitation Programs as a strategy for engaging parents in discussing and using the ACEs questionnaire in a safe, respectful, and effective way for both the home visitor and family.

Prevention Strategies

The CDC specified six strategies to prevent adverse childhood experiences and mitigate adversities already experienced. These strategies focus on creating positive family and community norms that allow children to grow up in safe and stable environments. In order to maximize outcomes, a multi-generational approach is used to benefit both children and the adults responsible for creating the environment in which they live. These strategies are designed to work together to provide a comprehensive framework for building resiliency and creating positive outcomes.¹⁴



1. Strengthen Economic Supports to Families

The CDC recommends strengthening household financial security and developing family-friendly work policies. Encouragement for West Virginia Pathways to strengthening economic support to families may look like:

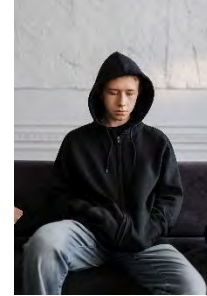
- Expanding awareness about free tax preparation programs through Volunteer Income Tax Assistance (VITA) and Mountain Heart West Virginia to assist families in receiving refunds and early payout of refunds.
- Promoting and offering tax breaks and incentives to businesses that provide childcare to employees onsite.
- Continuing to study the multigenerational effects of poverty and the impact on creating different social norms within families and communities, including existing or new programs that mitigate ACEs and address the impact of children in the foster care system.
- Economically incentivizing parents for making healthy choices for their children and families, including well child visits, and regular medical visits.
- Supporting policy changes that provide income or child tax credits for working families.
- Expanding access to programs that teach family life skills such as, Strengthening Families, Nurturing Parent, Good News Mountaineer Garage (transportation assistance), and self-sufficiency programs, such as the Supplemental Nutrition Assistance Program that allows families to buy their own seeds and edible plants and promote the use of Family Resource Networks.
- Engaging local community agencies, faith-based initiatives, and local programs to provide supports, and skill, and education assistance to families to lift families out of poverty:
 - Providing accessible job training to youth.
 - Providing accessible high school equivalency training and testing (some communities have no local access to these programs).
 - Expanding existing and new programs to stop the cycle of teen pregnancy such as Mission WV's THINK program. Lowering teen pregnancy rates increases participation in skilled job training and education.

¹⁴ *Preventing Adverse Childhood Experiences: Leveraging the Best Available Evidence*, Center for Disease Control and Prevention (2019), National Center for Injury Prevention and Control, <https://www.cdc.gov/violenceprevention/pdf/preventingACES.pdf>, (Accessed April 9, 2022).

- Exploring evidence-based successful programs across the state with demonstrated results and impact and expand model programs.
- Developing family centered practices that lift people up and encourage participation in economic, social, and medical programs.
- Supporting policies that strengthen household financial security (e.g., tax credits, childcare subsidies, other forms of temporary assistance, and livable wages).
- Enacting Paid Family Medical Leave.
 - Research suggests that paid maternity leave may be protective against intimate partner violence (IPV), which is another ACE exposure.¹⁵

2. Promote Social Norms that Protect Against Violence and Adversity

The CDC recommends public education campaigns, legislative approaches to reduce corporal punishment, bystander approaches, and men and boys as allies in prevention. West Virginia Pathways suggestions to promote social norms that protect against violence and adversity suggestions are to:



- Develop a statewide comprehensive evidence-based educational campaign to reframe ACEs as a public health issue, increase public and community involvement and reduce stigma for those seeking help.
 - Encourage and provide support to those with high ACEs scores to share relatable, personal stories.
 - Establish book clubs that promote reading and understanding about ACEs and Positive Childhood Experiences (PCEs).
 - Incorporate social emotional learning and create safe spaces to learn and communicate about ACEs.
- Develop a common language and framework for discussing ACEs and how to best articulate trauma-informed principles.
- Develop and implement community-based training to increase trauma awareness and resources.
- Expand upon non-violence campaigns that address domestic violence.
- Establish relationship building programs to build confidence with children who have experienced ACEs.
- Explore policy changes to reduce corporal punishment approaches.



3. Ensure a Strong Start for Children

The CDC recommends early childhood home visitation, high-quality childcare, and preschool enrichment with family engagement. Recommendations for West Virginia Pathway to ensure a strong start for children includes:

¹⁵ Gartland, D., Hemphill, S. A., Hegarty, K., & Brown, S. J. (2011). Intimate partner violence during pregnancy and the first year postpartum in an Australian pregnancy cohort study. *Maternal and Child Health Journal*, 15(5), 570-578.

- Maximizing investments in evidence-based home visitation programs to assure a universal system of availability for families, including Medicaid reimbursement for referral and outreach services; continuing to increase awareness and support to reduce stigma and fear of voluntary participation.
- Expanding screening of ACEs early by piloting a hospital-based program at birth or at the first newborn visit to gain knowledge and connect families to support programs, including in-home family education.
 - Identifying appropriate standardized screening tools to be tested before implementation and ensuring that providers can refer to identified needs of the screening.
 - Selecting an evidence-based screening tool and train clinical staff. Exploring integration of a tool with Birth Score and ways hospital systems can redesign sections of the medical record to capture social determinants of health.
- Developing a multi-faceted care coordination approach to connect existing children and family service providers to seamlessly engage with families, including a billing infrastructure to support care team interaction with each other and with patients within provider offices. This would explore how programs can integrate with Women, Infants and Children program as another partner in linking families to care and support.
- Supporting and assisting families in finding high quality childcare and preschool enrichment programs which are staffed by trained providers.
- Children experiencing difficulties are rarely asked what would help them. Focus on the voice and perspective of children to gather useful information regarding strategies to prevent ACEs from happening in the first place, as well as strategies to mitigate the harms of ACEs; collaborating with Federally Qualified Health Centers, community health care clinics, DHHR's Women, Infants, and Children program and other community partners to identify children and align them with a care team.



4. Teach Skills to Help Parents and Youths Handle Stress, Manage Emotions, and Tackle Everyday Challenges

The CDC recommends social-emotional, safe dating and healthy relationship skill programs, and parenting skills and family relationship approaches. Ideas for West Virginia Pathways to teach skills to help parents and youths handle

stress, manage emotions, and tackle everyday challenges are to:

- Continue to build, expand, and implement with fidelity trauma-informed, evidence-based best practice policies, universal social skill building programs, and curricula across school systems such as: yoga and mindfulness-based interventions, social and emotional skill development, safe dating, and healthy relationship skills, bullying prevention programs, positive parenting programs, and teacher well-being modules.

- Partner with WVDE to expand home visitation programming to strengthen parent, family and caregiver resilience and knowledge in Pre-K and childcare settings.
- Expand access to after-school programs as a critical system of support for children and youth and to help reduce economic stressors for parents when they are at work or looking for work.
- Identify and promote existing prenatal and birthing resource programs to enhance the skills of first-time parents and develop recommendations to enhance access.
- Coordinate trauma-informed care and skill development training opportunities across multiple settings and systems to improve responses to children and families.

5. Connect Youth to Caring Adults and Activities

With the CDC recommendations of mentoring and after-school programs, West Virginia Pathways to connect youth to caring adults and activities suggests:



- Developing creative ways to create a culture and climate where students feel comfortable to talk to adults and continuing to model and build in social-emotional learning in both school and after-school programs, including 1st Century Afterschool, Communities in Schools, and Summer Student Opportunities for Learning and Engagement (SOLE).
- Expanding both formal and informal mentoring opportunities to connect youth with caring adults and role models including teachers, coaches, community, and natural volunteers, and connecting them to extracurricular opportunities of interest, including sports, arts, science, and technology.
- Developing stronger partnerships with the faith-based community to create cultures of support for children and families, and to reduce barriers such as transportation to participate in community activities and build upon and continue to create safe virtual spaces.
- Creating a shared vision for a statewide response to ACEs and a call to action to West Virginians and expand support and awareness of training programs such as Connections Matter - TEAM for West Virginia Children.
- Exploring partnerships with universities and community and technical colleges to formalize and build a larger mentoring pool of caring adults to match with children and youth.
- Celebrating and highlighting successful mentoring and leadership development programs such as Girl Scouts, Boy Scouts, Common Ground, and Big Brothers Big Sisters that connect youth to positive role models and activities.



6. Intervene to Lessen Immediate and Long-Term Harms

The CDC recommends enhanced primary care, victim-centered services, treatment to lessen the harms of ACEs, treatment to prevent problem behavior and future involvement in violence, and family-centered treatment for substance use disorders. With this, West Virginia Pathways to intervene to lessen immediate and long-term harms by:

- Supporting integrated primary and behavioral health care models across settings to prevent and mitigate ACE exposures through screenings, therapeutic treatments, and intervention supports, including telehealth.
- Coordinating a family warmline service to connect adults and youth with a trained individual to deescalate situations and provide crisis intervention supports when law enforcement is not available and linking families to essential community resources through programs such as West Virginia 211.
- Continuing to build upon and replicate positive response strategies such as Handle with Care to help traumatized children heal and thrive.
- Connecting at-risk children to early childcare education programs to establish safe, supported environments to help children thrive and to connect families with resources.



Recommendations Moving Forward

With the desire to be a trauma-informed, healing-centered state where children and families thrive, West Virginians must collaborate on projects that bring awareness to the prevention of ACEs.

Goals:

1. The top recommendation is that a workgroup continues to meet, study and refine findings specific to the residents of West Virginia and finalize recommendations for action. In order to build resiliency, it is essential to fully comprehend where West Virginia, as a state, stands with experiencing ACEs and the impact they are having on our communities.
2. An expansion of a dedicated, state-level position to explore revenue sources and implement ACEs recommendations must be considered.

Partnerships:

Because partnerships are of dire importance, we recommend the following.

1. Supporting ongoing, academic research to provide valuable insight and opportunities to reach and educate families on the impact of ACEs.

PATHWAYS TO PROGRESS: MOVING TOWARD A HEALING-

2. Providing training to those who work closely with children and families to allow a greater number of individuals access to life-altering education, equipping them on how to handle situations that cause toxic stress or are harmful.
3. Educating and engaging with community partners, such as the West Virginia ACEs Coalition, faith-based centers and other community organizations.

By addressing the stigma of ACEs and emphasizing resiliency, West Virginia can highlight success stories and programs, which will engage other families and allow them the chance at healing; thus, providing happier and healthier lives for generations to come.

Workgroup Contributors:

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Pamela Woodman-Kaehler, Foster Care Ombudsman
Dr. Dave Didden, DHHR's Physician Director for the Office of Maternal, Child and Family Health

Resources Shared by Workgroup Members

Child Abuse Prevention Month Resource Guide:

<https://www.childwelfare.gov/topics/preventing/preventionmonth/resources/resource-guide/>

Children's Trust Fund Alliance Book Club: <https://ctfalliance.org/partnering-with-parents/book-club/>

Foster Club: <https://www.fosterclub.com/>

Generations United: www.gu.org

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NEAR Evaluation Process Report for First Cohort: https://teamwv.org/wp-content/uploads/2019/04/ACEs_NEAR_FULL_Impact-Evaluation-Report.pdf

NEAR (Neuroscience, Epigenetics, ACES, and Resilience) toolkit: <https://www.startearly.org/where-we-work/washington/nearathome/>

Positive childhood experiences and adult mental and relational health in a statewide sample: Associations across adverse childhood experiences levels. Bethell, C., Jones, J., Gombojav, N., Linkenbach, J., & Sege, R. (2019). Journal of the American Medical Association (JAMA) Pediatrics, 173(11), e193007-e193007. Available at: <https://jamanetwork.com/journals/jamapediatrics/fullarticle/2749336>

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Surgeon General Report: <https://www.hhs.gov/about/news/2021/12/07/us-surgeon-general-issues-advisory-on-youth-mental-health-crisis-further-exposed-by-covid-19-pandemic.html>

The West Virginia Substance Use Response Plan: https://dhhr.wv.gov/office-of-drug-control-policy/news/Documents/FINAL%20-%20West%20Virginia%202020_2022%20Council%20Substance%20Use%20Plan_January%2020%2c%202020%20%28as%20filed%29.pdf

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- CDC, Behavioral Risk Factor Surveillance System, 2020
- CDC, Fast Facts: Preventing Adverse Childhood Experiences, 2022
- U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy, 2014-2018
- U.S. Census Bureau, American Community Survey, 2019

- Federal Bureau of Investigation, Uniform Crime Reporting Program, 2019
- U.S. Census Bureau, American Community Survey, 2015-2019
- U.S. HHS, Centers for Medicare & Medicaid Services, Office of Minority Health, Mapping Medicare Disparities Tool, 2019
- Center for Climate and Energy Solutions, 2020
- U.S. Bureau of Labor Statistics, Census of Fatal Occupational Injuries, 2017-2019
- U.S. Environmental Protection Agency, 2018-2020
- CDC, National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention Atlas, 2019
- U.S. HHS, Centers for Medicare & Medicaid Services, National Plan and Provider Enumeration System, September 2021
- CDC WONDER, Multiple Cause of Death Files, 2017-2019
- U.S. Energy Information Administration, State Energy Data System, 2019
- America's Health Rankings composite measure, 2021
- Denver Health and Hospital Authority, RADARS® System Survey of Non-Medical Use of Prescription Drugs Program, 2021
- CDC, Behavioral Risk Factor Surveillance System, 2019
- CDC, Water Fluoridation Reporting System, 2018
- CDC WONDER Online Database, Single-Race Population Estimates, 2020
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West Virginia
Department of Health and Human Resources

Children's Health Insurance Program

SEPTEMBER 2022
Report

to

Joint Committee on
Government and Finance

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget-to-Actual
For the Twelve Months Ending June 30, 2022 and June 30, 2021

	Annual	Budget	Actual	Actual	Actual		Budget	
	Budget 2022	Year-to-Date	June 30, 2022	June 30, 2021	Variance		Variance	
					\$	%	\$	%
Beginning Operating Fund Balance			\$7,418,708	\$6,218,611	\$1,200,097	19%		
Revenues								
Federal Grants	\$53,211,908	\$53,211,908	\$46,635,861	\$46,645,067	(\$9,206)	0%	(\$6,576,047)	-12%
State Appropriations	\$7,090,665	\$7,090,665	\$6,929,972	\$6,992,924	\$0	0%	(\$160,693)	-2%
Premium Revenues	\$82,500	\$82,500	\$52,127	\$79,621	(\$27,494)	-35%	(\$30,373)	-37%
Investment Earnings (Interest)	\$100,000	\$100,000	(\$100,340)	\$91,367	(\$191,707)	-210%	(\$200,340)	-200%
Total Operating Fund Revenues	\$60,485,073	\$60,485,073	\$53,517,620	\$53,808,979	(\$291,359)	-1%	(\$6,967,453)	-12%
Expenditures:								
Claims Expenses:								
Managed Care Organizations			\$36,918,282	\$18,844,776	\$18,073,506	96%		
Prescribed Drugs			\$10,404,502	\$9,579,290	\$825,212	9%		
Physicians & Surgical			\$2,306,426	\$7,635,542	(\$5,329,116)	-70%		
Inpatient Hospital Services			\$561,840	\$2,808,685	(\$2,246,845)	-80%		
Dental			\$133,787	\$4,432,891	(\$4,299,104)	-97%		
Outpatient Services			\$272,449	\$3,897,807	(\$3,625,358)	-93%		
Therapy			\$77,454	\$1,003,430	(\$925,976)	-92%		
Other Services			\$69,266	\$1,628,984	(\$1,559,718)	-96%		
Inpatient Mental Health			\$24,265	\$387,621	(\$363,356)	-94%		
Vision			\$12,941	\$392,277	(\$379,336)	-97%		
Durable & Disposable Med. Equip.			\$5,568	\$221,125	(\$215,557)	-97%		
Outpatient Mental Health			\$7,172	\$171,776	(\$164,604)	-96%		
Medical Transportation			\$72,642	\$212,685	(\$140,043)	-66%		
Less: Other Collections**			(\$12,684)	(\$103,623)	\$90,939	-88%		
Drug Rebates	(\$2,517,954)	(\$2,517,954)	(\$265,674)	(\$2,131,643)	\$1,865,969	-88%	(\$2,239,596)	89%
Total Claims Expenses	\$60,430,294	\$60,430,294	\$50,588,237	\$48,981,623	\$1,606,614	3%	(\$9,842,057)	-16%
Administrative Expenses:								
Salaries and Benefits	\$669,704	\$669,704	\$335,577	\$547,749	(\$212,172)	-39%	(\$334,127)	-50%
Program Administration	\$4,393,877	\$4,393,877	\$2,708,906	\$2,755,542	(\$46,636)	-2%	(\$1,684,971)	-38%
Eligibility			\$0	\$0	\$0	0%	\$0	0%
Outreach & Health Promotion			\$0	\$0	\$0	0%	\$0	0%
Health Service Initiative	\$225,000	\$225,000	\$225,000	\$225,000	\$0	0%	\$0	0%
Current	\$175,000	\$175,000	\$36,033	\$100,393	(\$64,360)	-64%	(\$138,967)	-79%
Total Administrative Expenses in Operating Fund	\$5,463,581	\$5,463,581	\$3,305,517	\$3,628,684	(\$323,167)	-9%	(\$2,158,064)	-39%
Total Operating Fund Expenditures	\$65,893,875	\$65,893,875	\$53,893,754	\$52,610,307	\$1,283,447	2%	(\$12,000,121)	-18%
Adjustments			(\$43,318)	\$1,426				
Ending Operating Fund Balance			\$6,999,256	\$7,418,708	(\$419,452)	-6%		
Money Market			\$3,698,883	\$13,069				
Bond Pool			\$0	\$3,792,700				
Cash on Deposit			\$3,300,374	\$3,612,940				
Revenues Outside of Operating Funds:								
Federal Grants			\$1,751,468	\$414,404	\$1,337,064	323%		
Total WVCHIP Revenues			\$55,269,087	\$54,223,383	\$1,045,704	2%		
Program Expenses outside of Operating Funds:								
Eligibility	\$500,000	\$500,000	\$1,165,573	\$1,277,417	(\$111,844)	-9%	\$665,573	133%
Total Administrative Expenses	\$5,963,581	\$5,963,581	\$4,471,090	\$4,906,101	(\$435,011)	-9%	(\$1,492,491)	-25%
Total WVCHIP Expenditures	\$66,393,875	\$66,393,875	\$55,059,327	\$53,887,724	\$1,171,603	2%	(\$11,334,548)	-17%

Footnotes:

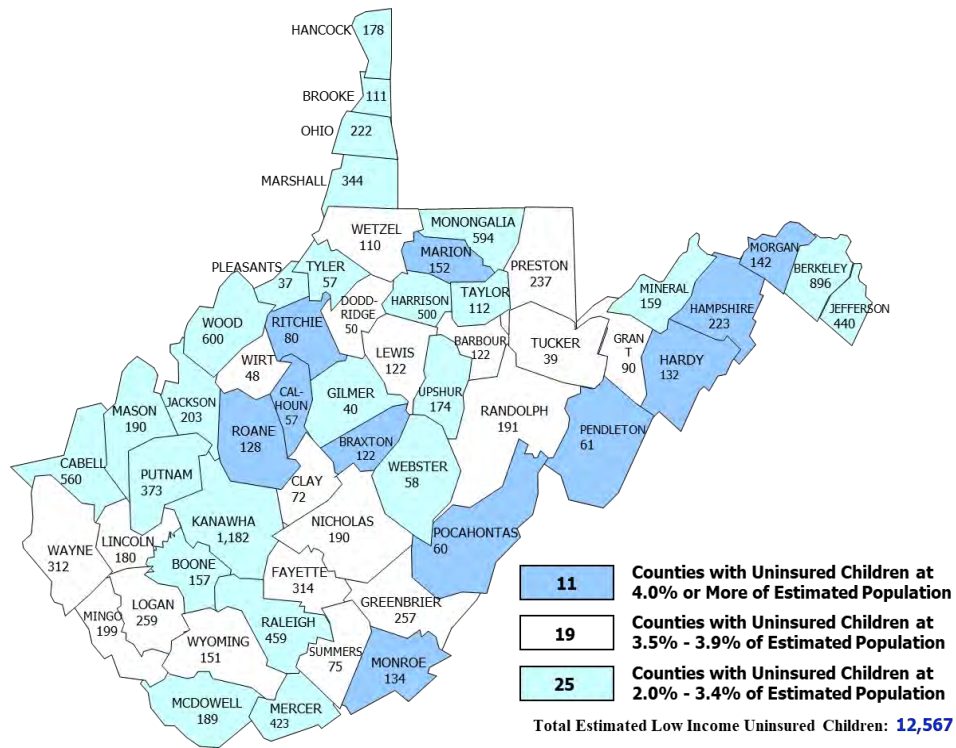
- Statement is on cash basis.
- Estimate of Incurred but Not Reported (IBNR) claims on June 30, 2022 is \$360,000. The June 30, 2021 estimate was \$401,980.
- Administrative Accounts Payable balance on June 30, 2022 was \$953,313. The June 30, 2021 balance was \$814,806.
- 2022 and 2021 adjustments to fund balance represent timing issues between the payment of expense and the draw-down of federal revenues.
- Revenues are primarily federal funds. WVCHIP's Federal Matching Assistance Percentage (FMAP) during SFY22 was 85.0%. FMAP during SFY21 was 98.3% through 09/30/20 and 85.00% starting 10/01/20.
- Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills WVCHIP paid - primarily auto).
- Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.
- Other Services include home health, chiropractors, psychologists, podiatrists, and nurse practitioners.
- Eligibility costs outside the fund represent the costs allocated to the WVCHIP for eligibility and enrollment processing (RAPIDS/WVPATH).

Unaudited - For Management Purposes Only
PRELIMINARY STATEMENT

WVCHIP Enrollment Report

JULY 2022

County	County Pop.	MATERNTY			MATERNTY		Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2018	2018
	2018 Est. (0-18 Yrs)	BLUE Jul-22	GOLD Jul-22	PREM Jul-22	BLUE Jul-22	PREM Jul-22	Enrollment Jul-22	Enrollment Jul-22	CHIP/Medicaid Enrollment	% of Population	SAHIE Uninsured Est.	SAHIE % Uninsured
Barbour	3,332	100	24	81	2	1	208	2,164	2,372	71.2%	122	3.7%
Berkeley	27,917	960	320	577	11	17	1,885	14,672	16,557	59.3%	896	3.2%
Boone	4,775	73	48	46	1	0	168	3,292	3,460	72.5%	157	3.3%
Braxton	2,784	64	18	35	2	1	120	1,664	1,784	64.1%	122	4.4%
Brooke	4,065	0	0	0	0	0	0	56	56	1.4%	111	2.7%
Cabell	18,770	383	169	211	9	7	779	10,910	11,689	62.3%	560	3.0%
Calhoun	1,393	37	18	11	1	1	68	975	1,043	74.9%	57	4.1%
Clay	1,961	51	20	35	1	0	107	1,512	1,619	82.6%	72	3.7%
Doddridge	1,308	38	12	16	0	1	67	815	882	67.4%	50	3.8%
Fayette	9,011	232	77	163	5	8	485	5,781	6,266	69.5%	314	3.5%
Gilmer	1,184	37	2	18	0	0	57	659	716	60.5%	40	3.4%
Grant	2,331	54	11	37	1	1	104	1,365	1,469	63.0%	90	3.9%
Greenbrier	6,860	244	73	141	3	4	465	4,283	4,748	69.2%	257	3.7%
Hampshire	4,388	106	56	75	1	1	239	2,729	2,968	67.6%	223	5.1%
Hancock	5,674	223	88	117	0	0	428	4,705	5,133	90.5%	178	3.1%
Hardy	2,862	88	31	43	2	0	164	1,775	1,939	67.7%	132	4.6%
Harrison	14,835	374	150	267	6	3	800	7,637	8,437	56.9%	500	3.4%
Jackson	6,264	125	45	79	0	1	250	3,607	3,857	61.6%	203	3.2%
Jefferson	13,200	348	83	179	1	4	615	4,321	4,936	37.4%	440	3.3%
Kanawha	36,965	813	310	618	15	15	1,771	22,441	24,212	65.5%	1182	3.2%
Lewis	3,480	82	30	54	2	4	172	2,322	2,494	71.7%	122	3.5%
Lincoln	4,638	101	27	52	2	0	182	3,284	3,466	74.7%	180	3.9%
Logan	6,835	134	60	90	1	3	288	4,984	5,272	77.1%	259	3.8%
Marion	3,764	293	77	198	5	6	579	6,073	6,652	176.7%	152	4.0%
Marshall	11,544	104	51	61	0	5	221	3,025	3,246	28.1%	344	3.0%
Mason	6,140	119	39	59	0	2	219	3,228	3,447	56.1%	190	3.1%
Mercer	12,368	335	131	235	0	4	705	9,082	9,787	79.1%	423	3.4%
Mineral	5,476	140	37	65	2	0	244	2,766	3,010	55.0%	159	2.9%
Mingo	5,369	84	54	51	0	1	190	4,270	4,460	83.1%	199	3.7%
Monongalia	17,965	431	131	224	2	6	794	6,761	7,555	42.1%	594	3.3%
Monroe	2,687	77	28	85	2	2	194	1,429	1,623	60.4%	134	5.0%
Morgan	3,320	92	36	78	1	1	208	1,752	1,960	59.0%	142	4.3%
McDowell	5,708	74	45	30	1	0	150	3,093	3,243	56.8%	189	3.3%
Nicholas	5,199	164	84	116	2	2	368	3,271	3,639	70.0%	190	3.7%
Ohio	8,098	207	77	126	1	0	411	4,472	4,883	60.3%	222	2.7%
Pendleton	1,304	32	13	26	0	0	71	665	736	56.4%	61	4.7%
Pleasants	1,457	19	11	11	0	1	42	759	801	55.0%	37	2.5%
Pocahontas	1,495	40	18	29	0	0	87	879	966	64.6%	60	4.0%
Preston	6,586	223	71	161	2	2	459	3,367	3,826	58.1%	237	3.6%
Putnam	13,145	333	116	234	2	4	689	4,829	5,518	42.0%	373	2.8%
Raleigh	15,751	393	107	280	2	3	785	10,419	11,204	71.1%	459	2.9%
Randolph	5,474	150	56	133	0	1	340	3,411	3,751	68.5%	191	3.5%
Ritchie	1,972	32	4	22	1	0	59	1,227	1,286	65.2%	80	4.1%
Roane	2,970	88	48	97	0	1	234	1,834	2,068	69.6%	128	4.3%
Summers	2,160	62	14	33	2	0	111	1,616	1,727	80.0%	75	3.5%
Taylor	3,493	74	31	56	2	0	163	1,831	1,994	57.1%	112	3.2%
Tucker	1,063	45	25	33	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	137	51	98	0	1	287	3,207	3,494	68.8%	174	3.4%
Wayne	8,373	175	73	90	3	2	343	5,325	5,668	67.7%	312	3.7%
Webster	1,690	43	15	29	0	2	89	1,364	1,453	86.0%	58	3.4%
Wetzel	3,126	50	19	28	0	0	97	2,107	2,204	70.5%	110	3.5%
Wirt	1,269	25	3	20	0	0	48	770	818	64.5%	48	3.8%
Wood	18,016	449	104	212	5	10	780	10,109	10,889	60.4%	600	3.3%
Wyoming	4,317	103	42	78	1	3	227	2,986	3,213	74.4%	151	3.5%
Totals	372,999	9,288	3,287	5,964	102	134	18,775	213,462	232,237	62.3%	12,567	3.4%

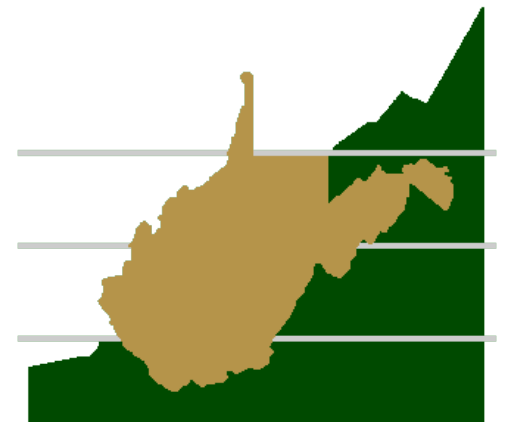


The above map shows the most recent 2018 county level data provided by the U.S. Census Bureau Small Area Health Insurance Estimates (SAHIE) for children under 19 years. While the statewide average for children under 19 is now about 3.4%, the SAHIE data reflects more accurately the variation from county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

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

July 31, 2022



Participant Plans Allocation & Performance Net of Fees - Preliminary

Period Ending: July 31, 2022

	6/30/2022		7/31/2022		Performance %							
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
WVIMB Fund Assets	23,022,818	100.0	23,687,958	100.0								
Pension Assets	18,857,654	81.9	19,400,935	81.9								
Public Employees' Retirement System	8,017,024	34.8	8,257,275	34.9	3.3	(1.1)	3.3	(3.1)	9.7	8.5	9.3	8.4
Teachers' Retirement System	8,993,972	39.1	9,240,316	39.0	3.3	(1.1)	3.3	(3.1)	9.6	8.5	9.3	8.2
EMS Retirement System	112,577	0.5	116,263	0.5	3.3	(1.1)	3.3	(3.2)	9.7	8.5	9.3	
Public Safety Retirement System	768,681	3.3	789,643	3.3	3.3	(1.0)	3.3	(3.0)	9.7	8.6	9.3	8.4
Judges' Retirement System	259,718	1.1	268,126	1.1	3.3	(1.1)	3.3	(3.1)	9.7	8.6	9.3	8.4
State Police Retirement System	289,855	1.3	299,713	1.3	3.3	(1.1)	3.3	(3.2)	9.7	8.5	9.3	8.3
Deputy Sheriffs' Retirement System	293,761	1.3	303,067	1.3	3.3	(1.1)	3.3	(3.1)	9.7	8.5	9.3	8.4
Municipal Police & Firefighter Retirement System	26,835	0.1	28,075	0.1	3.3	(1.0)	3.3	(3.1)	9.6	8.5	9.0	
Natural Resources Police Office Retirement System	24,504	0.1	25,388	0.1	3.3	(1.1)	3.3	(3.2)				
Municipal Model A (I)	68,440	0.3	70,691	0.3	3.3	(1.1)	3.3	(2.7)	9.9	8.8		
Municipal Model B (I)	2,287	0.0	2,378	0.0	4.0	(1.4)	4.0	(9.6)	5.2			
Insurance Assets	3,010,194	13.1	3,093,575	13.1								
Workers' Compensation Old Fund	881,990	3.8	899,535	3.8	3.0	(1.0)	3.0	(7.2)	4.3	4.3	4.6	
Workers' Comp. Self-Insured Guaranty Risk Pool	35,691	0.1	36,665	0.1	2.9	(0.9)	2.9	(6.5)	4.6	4.5	5.0	
Workers' Comp. Self-Insured Security Risk Pool	48,590	0.2	49,728	0.2	2.9	(0.9)	2.9	(6.6)	4.6	4.5		
Workers' Comp. Uninsured Employers' Fund	15,559	0.1	16,014	0.1	2.8	(0.9)	2.8	(6.6)	4.5	4.4	4.8	
Pneumoconiosis	207,487	0.9	211,957	0.9	2.9	(0.9)	2.9	(6.6)	4.6	4.5	5.0	5.5
Board of Risk & Insurance Management	175,463	0.8	180,481	0.8	2.9	(0.9)	2.9	(6.6)	4.7	4.5	5.0	
Public Employees' Insurance Agency	134,812	0.6	138,744	0.6	2.9	(0.9)	2.9	(6.8)	4.1	4.2	4.7	
WV Retiree Health Benefit Trust Fund	1,510,602	6.6	1,560,451	6.6	3.3	(1.1)	3.3	(3.2)	9.7	8.5	9.2	
Endowment Assets	1,154,970	5.0	1,193,448	5.0								
Berkeley County Development Authority	7,898	0.0	8,159	0.0	3.3	(1.1)	3.3	(3.2)	9.7	8.5		
Wildlife Fund	73,753	0.3	76,295	0.3	3.3	(1.1)	3.3	(3.2)	9.6	8.5	9.3	8.4
WV State Parks and Recreation Endowment Fund	14,791	0.1	16,894	0.1	3.2	(1.0)	3.2	(3.3)				
Revenue Shortfall Reserve Fund	329,802	1.4	339,762	1.4	3.0	0.1	3.0	(6.8)	0.7	1.8	1.7	
Revenue Shortfall Reserve Fund - Part B	498,719	2.2	515,048	2.2	3.3	(0.5)	3.3	(8.5)	3.4	3.7	4.3	
WV DEP Trust	10,357	0.0	10,798	0.0	4.3	(1.8)	4.3	(7.8)	7.1	6.2	7.8	
WV DEP Agency	219,650	1.0	226,492	1.0	3.1	(1.2)	3.1	(7.7)	5.0	4.8		

Composite Asset Allocation & Performance Net of Fees - Preliminary

Period Ending: July 31, 2022

	Asset (\$000)	%	Performance %								
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year	
Investment Pools Composite	23,699,453	100.00									
Portable Alpha Composite +/- S&P 500 Index	5,351,359	22.58	9.39 0.17	(0.13) (0.52)	9.39 0.17	(5.05) (0.41)					
Large Cap Domestic Equity Composite +/- S&P 500 Index	337,418	1.42	9.25 0.03	0.38 (0.01)	9.25 0.03	(4.69) (0.05)	13.36 0.00	12.54 (0.29)	13.70 (0.10)	9.95 (0.06)	
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	963,642	4.07	11.01 0.66	(3.20) (3.34)	11.01 0.66	(8.03) 3.24	8.98 (0.09)	8.74 (0.21)	11.40 (0.26)	10.43 (0.05)	
International Equity Composite +/- MSCI AC World ex US IMI Index (b)	4,168,564	17.59	1.76 (2.03)	(5.65) (0.75)	1.76 (2.03)	(15.99) (0.66)	4.38 0.72	2.56 (0.43)	6.59 0.92	7.76 0.70	
Fixed Income Composite +/- Bloomberg Universal (c)	3,571,990	15.07	1.72 (0.79)	0.05 (0.97)	1.72 (0.79)	(9.76) (0.20)	0.32 0.54	1.79 0.45	2.60 0.67	4.39 0.56	
Core Fixed Income Composite +/- Bloomberg US Aggregate	1,078,042	4.55	1.97 (0.47)	0.86 (0.63)	1.97 (0.47)	(8.51) 0.61	0.63 0.84	1.91 0.63	2.26 0.61		
Total Return Fixed Income Composite (j) +/- Bloomberg Universal	2,493,948	10.52	1.61 (0.90)	(0.30) (1.32)	1.61 (0.90)	(10.31) (0.75)	0.16 0.38	1.71 0.37	2.76 0.83	4.76 0.80	
TIPS Composite +/- Bloomberg US TIPS	459,980	1.94	4.36 0.01	0.07 0.02	4.36 0.01	(3.57) 0.01	4.48 0.09	4.07 0.07	2.00 0.03		
Cash Composite +/- FTSE 3 Month US T-Bill (d)	155,543	0.66	0.12 0.02	0.21 (0.01)	0.12 0.02	0.26 (0.03)	0.47 (0.11)	1.01 (0.08)	0.63 (0.02)	1.29 (0.03)	
Private Equity Composite +/- Russell 3000 + 3% (e, f)	2,873,972	12.13	(0.18) (9.81)	(1.19) (2.03)	(0.18) (9.81)	10.69 15.04	27.25 11.70	24.68 9.50	18.99 2.44		
Real Estate Composite +/- NCREIF + 1% (e)	2,512,564	10.60	0.24 (0.91)	2.82 (2.05)	0.24 (0.91)	15.69 (7.05)	9.01 (1.80)	8.72 (0.93)	9.40 (1.23)		
Hedge Fund Composite +/- HFRI FOF + 1% (g)	2,449,519	10.33	0.13 (0.71)	(1.08) 0.62	0.13 (0.71)	2.72 5.83	6.17 1.04	5.48 0.90	5.28 1.25		
Private Credit & Income Composite +/- CS Leveraged Loan + 2% (e, k)	854,902	3.61	1.36 (0.67)	2.92 5.16	1.36 (0.67)	7.06 5.92	6.96 2.57	6.67 1.47			

Participant Plans Allocation vs. Strategy - Preliminary

Period Ending: July 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	48.4	50.0	11.6	15.0	13.7	10.0	12.0	10.0	4.1	5.0	10.1	10.0	0.1	0.0
Teachers' Retirement System	48.1	50.0	11.5	15.0	13.6	10.0	11.9	10.0	4.0	5.0	10.1	10.0	0.8	0.0
EMS Retirement System	48.2	50.0	11.8	15.0	13.6	10.0	11.9	10.0	4.1	5.0	10.1	10.0	0.3	0.0
Public Safety Retirement System	48.5	50.0	11.5	15.0	13.7	10.0	12.0	10.0	4.1	5.0	10.2	10.0	0.0	0.0
Judges' Retirement System	48.3	50.0	11.7	15.0	13.7	10.0	11.9	10.0	4.1	5.0	10.1	10.0	0.2	0.0
State Police Retirement System	48.0	50.0	12.0	15.0	13.6	10.0	11.9	10.0	4.0	5.0	10.1	10.0	0.4	0.0
Deputy Sheriffs' Retirement System	48.2	50.0	11.8	15.0	13.7	10.0	11.9	10.0	4.1	5.0	10.1	10.0	0.2	0.0
Municipal Police & Firefighter Retirement System	47.0	50.0	12.1	15.0	13.3	10.0	11.7	10.0	4.0	5.0	9.9	10.0	2.0	0.0
Natural Resources Police Office Retirement System	47.8	50.0	11.8	15.0	13.5	10.0	11.8	10.0	4.0	5.0	10.0	10.0	1.1	0.0
Municipal Model A	47.7	50.0	11.9	15.0	13.5	10.0	11.8	10.0	4.0	5.0	10.0	10.0	1.1	0.0
Municipal Model B	52.9	55.0	42.5	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.6	0.0

Insurance Assets

Workers' Compensation Old Fund	30.3	30.0	50.1	50.0	0.0	0.0	0.0	0.0	0.0	0.0	15.5	15.0	4.1	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	29.3	30.0	45.2	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.5	20.0	5.0	5.0
Workers' Comp. Self-Insured Security Risk Pool	29.5	30.0	45.3	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.6	20.0	4.6	5.0
Workers' Comp. Uninsured Employers Fund	29.3	30.0	45.1	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.5	20.0	5.1	5.0
Pneumoconiosis	29.6	30.0	45.4	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.6	20.0	4.4	5.0
Board of Risk & Insurance Mgmt.	29.4	30.0	45.0	45.0	0.0	0.0	0.0	0.0	0.0	0.0	20.5	20.0	5.1	5.0
Public Employees' Insurance Agency	24.1	25.0	55.5	55.0	0.0	0.0	0.0	0.0	0.0	0.0	20.4	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	47.9	50.0	12.3	15.0	13.7	10.0	11.9	10.0	4.1	5.0	10.1	10.0	0.0	0.0

Endowment Assets

Berkeley County Development Authority	47.9	50.0	12.3	15.0	13.7	10.0	11.9	10.0	4.1	5.0	10.1	10.0	0.0	0.0
Wildlife Fund	47.8	50.0	12.3	15.0	13.6	10.0	11.9	10.0	4.1	5.0	10.1	10.0	0.2	0.0
WV State Parks and Recreation Endowment Fund	43.8	50.0	11.5	15.0	12.1	10.0	10.5	10.0	3.6	5.0	9.0	10.0	9.5	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	21.9	22.5	78.1	77.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	64.4	65.0	14.9	15.0	0.0	0.0	0.0	0.0	0.0	0.0	20.7	20.0	0.0	0.0
WV DEP Agency	39.3	40.0	40.1	40.0	0.0	0.0	0.0	0.0	0.0	0.0	20.6	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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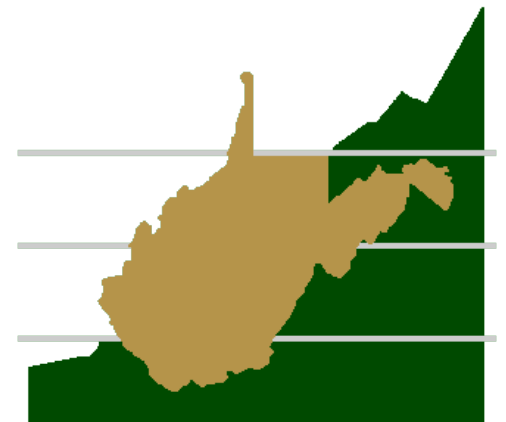
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WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

June 30, 2022



Participant Plans Allocation & Performance Net of Fees - Preliminary

Period Ending: June 30, 2022

	6/30/2021		6/30/2022		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	23,022,818	100.0								
Pension Assets	20,619,195	81.3	18,857,654	81.9								
Public Employees' Retirement System	8,807,095	34.7	8,017,024	34.8	(4.6)	(7.7)	(6.2)	(6.2)	8.5	8.3	9.1	7.9
Teachers' Retirement System	9,886,658	39.0	8,993,972	39.1	(4.6)	(7.6)	(6.2)	(6.2)	8.5	8.2	9.0	7.7
EMS Retirement System	118,769	0.5	112,577	0.5	(4.6)	(7.6)	(6.2)	(6.2)	8.5	8.2	9.1	
Public Safety Retirement System	851,520	3.4	768,681	3.3	(4.6)	(7.6)	(6.2)	(6.2)	8.6	8.3	9.1	8.0
Judges' Retirement System	280,670	1.1	259,718	1.1	(4.6)	(7.7)	(6.2)	(6.2)	8.6	8.3	9.1	7.9
State Police Retirement System	301,156	1.2	289,855	1.3	(4.6)	(7.6)	(6.3)	(6.3)	8.5	8.3	9.1	7.9
Deputy Sheriffs' Retirement System	314,633	1.2	293,761	1.3	(4.6)	(7.6)	(6.2)	(6.2)	8.5	8.3	9.1	7.9
Municipal Police & Firefighter Retirement System	23,816	0.1	26,835	0.1	(4.6)	(7.5)	(6.2)	(6.2)	8.5	8.2	8.8	
Natural Resources Police Office Retirement System	25,063	0.1	24,504	0.1	(4.6)	(7.6)	(6.2)	(6.2)				
Municipal Model A (I)	7,477	0.0	68,440	0.3	(4.6)	(7.7)	(5.8)	(5.8)	8.8	8.5		
Municipal Model B (I)	2,338	0.0	2,287	0.0	(5.5)	(10.2)	(13.0)	(13.0)	3.9			
Insurance Assets	3,524,704	14.0	3,010,194	13.1								
Workers' Compensation Old Fund	1,086,608	4.3	881,990	3.8	(4.0)	(7.4)	(9.6)	(9.6)	3.4	4.0	4.5	
Workers' Comp. Self-Insured Guaranty Risk Pool	39,772	0.2	35,691	0.1	(3.8)	(7.0)	(8.9)	(8.9)	3.8	4.2	4.8	
Workers' Comp. Self-Insured Security Risk Pool	56,201	0.2	48,590	0.2	(3.8)	(7.0)	(8.9)	(8.9)	3.8	4.2		
Workers' Comp. Uninsured Employers' Fund	16,909	0.1	15,559	0.1	(3.8)	(7.0)	(8.9)	(8.9)	3.6	4.1	4.6	
Pneumoconiosis	247,663	1.0	207,487	0.9	(3.8)	(7.0)	(8.9)	(8.9)	3.8	4.2	4.8	5.3
Board of Risk & Insurance Management	194,839	0.8	175,463	0.8	(3.8)	(7.0)	(8.9)	(8.9)	3.8	4.2	4.8	
Public Employees' Insurance Agency	270,948	1.1	134,812	0.6	(3.7)	(6.9)	(9.0)	(9.0)	3.2	3.9	4.6	
WV Retiree Health Benefit Trust Fund	1,611,764	6.3	1,510,602	6.6	(4.6)	(7.7)	(6.3)	(6.3)	8.5	8.3	9.0	
Endowment Assets	1,201,399	4.7	1,154,970	5.0								
Berkeley County Development Authority	8,428	0.0	7,898	0.0	(4.6)	(7.6)	(6.3)	(6.3)	8.5	8.2		
Wildlife Fund	78,281	0.3	73,753	0.3	(4.6)	(7.7)	(6.2)	(6.2)	8.5	8.2	9.1	8.0
WV State Parks and Recreation Endowment Fund	6,465	0.0	14,791	0.1	(4.5)	(7.3)	(6.3)	(6.3)				
Revenue Shortfall Reserve Fund	293,538	1.2	329,802	1.4	(2.6)	(5.3)	(8.0)	(8.0)	(0.2)	1.3	1.5	
Revenue Shortfall Reserve Fund - Part B	557,458	2.2	498,719	2.2	(3.7)	(7.3)	(10.5)	(10.5)	2.3	3.2	4.1	
WV DEP Trust	11,837	0.0	10,357	0.0	(6.0)	(10.8)	(11.8)	(11.8)	5.7	5.8	7.5	
WV DEP Agency	245,392	1.0	219,650	1.0	(4.4)	(8.2)	(10.5)	(10.5)	4.0	4.5		

Composite Asset Allocation & Performance Net of Fees - Preliminary

Period Ending: June 30, 2022

	Asset (\$000)	%	Performance %								
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year	
Investment Pools Composite	23,032,962	100.00									
Portable Alpha Composite +/- S&P 500 Index	4,750,876	20.63	(8.78) (0.53)	(16.40) (0.30)	(10.86) (0.24)	(10.86) (0.24)					
Large Cap Domestic Equity Composite +/- S&P 500 Index	308,837	1.34	(8.25) 0.00	(16.09) 0.01	(10.69) (0.07)	(10.69) (0.07)	10.58 (0.02)	11.06 (0.25)	12.86 (0.10)	9.05 (0.03)	
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	855,561	3.72	(11.22) (1.67)	(20.81) (3.83)	(20.51) 0.49	(20.51) 0.49	5.55 (0.36)	6.76 (0.28)	10.15 (0.34)	9.02 (0.22)	
International Equity Composite +/- MSCI AC World ex US IMI Index (b)	4,167,056	18.09	(8.06) 0.85	(12.75) 1.35	(19.23) 0.23	(19.23) 0.23	3.29 1.29	3.08 0.11	6.53 1.10	7.16 0.85	
Fixed Income Composite +/- Bloomberg Universal (c)	3,946,142	17.13	(2.01) (0.01)	(4.44) 0.69	(10.63) 0.26	(10.63) 0.26	(0.10) 0.84	1.56 0.62	2.57 0.74	4.31 0.55	
Core Fixed Income Composite +/- Bloomberg US Aggregate	1,189,220	5.16	(1.31) 0.26	(4.29) 0.40	(9.32) 0.97	(9.32) 0.97	0.04 0.97	1.61 0.73	2.18 0.64		
Total Return Fixed Income Composite (j) +/- Bloomberg Universal	2,756,922	11.97	(2.31) (0.31)	(4.51) 0.62	(11.19) (0.30)	(11.19) (0.30)	(0.20) 0.74	1.51 0.57	2.76 0.93	4.69 0.82	
TIPS Composite +/- Bloomberg US TIPS	440,765	1.91	(3.17) (0.01)	(6.09) (0.01)	(5.14) 0.00	(5.14) 0.00	3.12 0.08	3.29 0.08	1.76 0.03		
Cash Composite +/- FTSE 3 Month US T-Bill (d)	145,429	0.63	0.07 0.00	0.12 (0.02)	0.15 (0.04)	0.15 (0.04)	0.50 (0.11)	1.01 (0.08)	0.62 (0.02)	1.29 (0.04)	
Private Equity Composite +/- Russell 3000 + 3% (e, f)	2,860,692	12.42	(1.54) 6.58	0.35 16.31	10.87 21.74	10.87 21.74	27.36 14.59	24.80 11.20	19.20 3.49		
Real Estate Composite +/- NCREIF + 1% (e)	2,417,563	10.50	1.96 0.13	4.96 (0.62)	15.70 (7.18)	15.70 (7.18)	8.91 (1.70)	8.68 (0.87)	9.45 (1.16)		
Hedge Fund Composite +/- HFRI FOF + 1% (g)	2,296,584	9.97	(1.07) 0.17	(0.90) 2.80	1.64 6.15	1.64 6.15	6.41 1.48	5.64 1.02	5.39 1.42		
Private Credit & Income Composite +/- CS Leveraged Loan + 2% (e, k)	843,457	3.66	(1.17) 0.72	2.00 5.86	5.60 6.28	5.60 6.28	6.48 2.45	6.39 1.42			

Participant Plans Allocation vs. Strategy - Preliminary

Period Ending: June 30, 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	46.4	50.0	13.6	15.0	14.0	10.0	11.9	10.0	4.1	5.0	9.8	10.0	0.2	0.0
Teachers' Retirement System	46.0	50.0	13.5	15.0	13.9	10.0	11.8	10.0	4.1	5.0	9.7	10.0	1.0	0.0
EMS Retirement System	46.1	50.0	13.8	15.0	14.0	10.0	11.8	10.0	4.1	5.0	9.7	10.0	0.5	0.0
Public Safety Retirement System	46.1	50.0	13.9	15.0	14.1	10.0	11.9	10.0	4.2	5.0	9.8	10.0	0.0	0.0
Judges' Retirement System	46.3	50.0	13.7	15.0	14.0	10.0	11.8	10.0	4.1	5.0	9.8	10.0	0.3	0.0
State Police Retirement System	46.0	50.0	14.0	15.0	14.0	10.0	11.8	10.0	4.1	5.0	9.7	10.0	0.4	0.0
Deputy Sheriffs' Retirement System	46.3	50.0	13.8	15.0	14.0	10.0	11.8	10.0	4.1	5.0	9.8	10.0	0.2	0.0
Municipal Police & Firefighter Retirement System	44.8	50.0	14.3	15.0	13.7	10.0	11.6	10.0	4.1	5.0	9.6	10.0	1.9	0.0
Natural Resources Police Office Retirement System	45.8	50.0	13.8	15.0	13.9	10.0	11.8	10.0	4.1	5.0	9.7	10.0	0.9	0.0
Municipal Model A	45.7	50.0	13.7	15.0	13.9	10.0	11.7	10.0	4.1	5.0	9.6	10.0	1.3	0.0
Municipal Model B	51.9	55.0	44.0	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.1	0.0

Insurance Assets

Workers' Compensation Old Fund	29.7	30.0	54.6	50.0	0.0	0.0	0.0	0.0	0.0	0.0	14.9	15.0	0.8	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	28.3	30.0	47.0	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.6	20.0	5.1	5.0
Workers' Comp. Self-Insured Security Risk Pool	28.5	30.0	47.2	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.7	20.0	4.6	5.0
Workers' Comp. Uninsured Employers Fund	28.3	30.0	47.1	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.6	20.0	5.0	5.0
Pneumoconiosis	28.5	30.0	47.2	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.7	20.0	4.6	5.0
Board of Risk & Insurance Mgmt.	28.6	30.0	47.5	45.0	0.0	0.0	0.0	0.0	0.0	0.0	19.8	20.0	4.1	5.0
Public Employees' Insurance Agency	25.2	25.0	51.0	55.0	0.0	0.0	0.0	0.0	0.0	0.0	23.8	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	46.1	50.0	14.1	15.0	14.0	10.0	11.9	10.0	4.1	5.0	9.8	10.0	0.0	0.0

Endowment Assets

Berkeley County Development Authority	46.1	50.0	14.2	15.0	14.0	10.0	11.8	10.0	4.1	5.0	9.8	10.0	0.0	0.0
Wildlife Fund	46.1	50.0	14.1	15.0	14.0	10.0	11.8	10.0	4.1	5.0	9.7	10.0	0.2	0.0
WV State Parks and Recreation Endowment Fund	42.6	50.0	13.6	15.0	13.1	10.0	11.0	10.0	3.9	5.0	9.1	10.0	6.7	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	21.2	22.5	78.8	77.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	63.2	65.0	16.8	15.0	0.0	0.0	0.0	0.0	0.0	0.0	20.0	20.0	0.0	0.0
WV DEP Agency	38.0	40.0	42.3	40.0	0.0	0.0	0.0	0.0	0.0	0.0	19.7	20.0	0.0	0.0

- (a) As of January 2019, the PERS Base is 60% MSCI ACWI Gross and 40% Bloomberg Universal. From January 2014 to December 2018, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (IMI), and 40% Bloomberg Universal. From April 2008 to December 2013, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (Standard), and 40% Bloomberg Universal. Prior periods were 42% Russell 3000, 18% MSCI ACWI ex USA, and 40% Bloomberg US Aggregate.
- (b) Prior to January 2014, the index was the 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.

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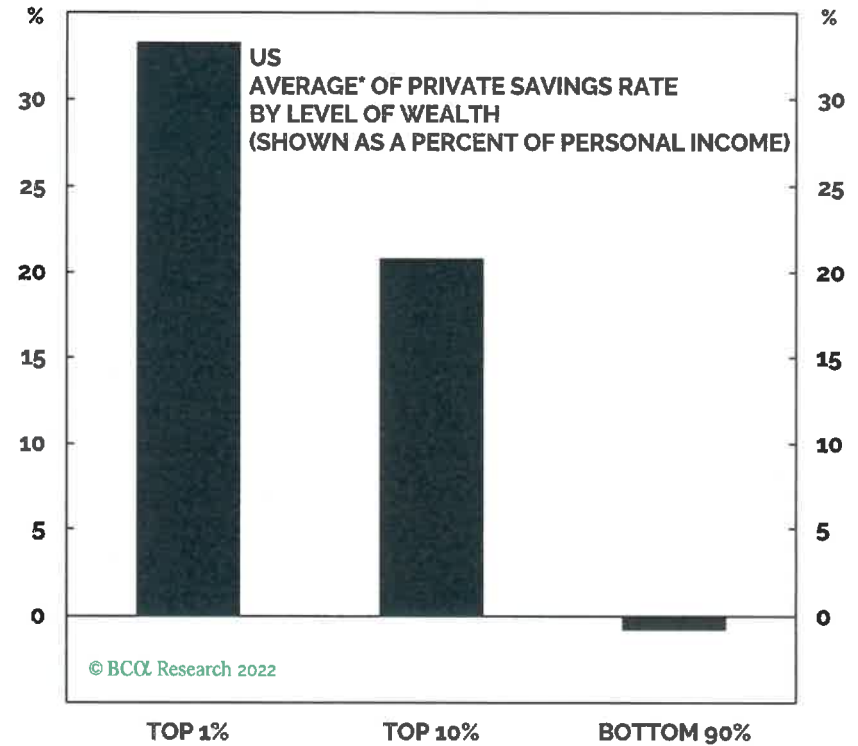
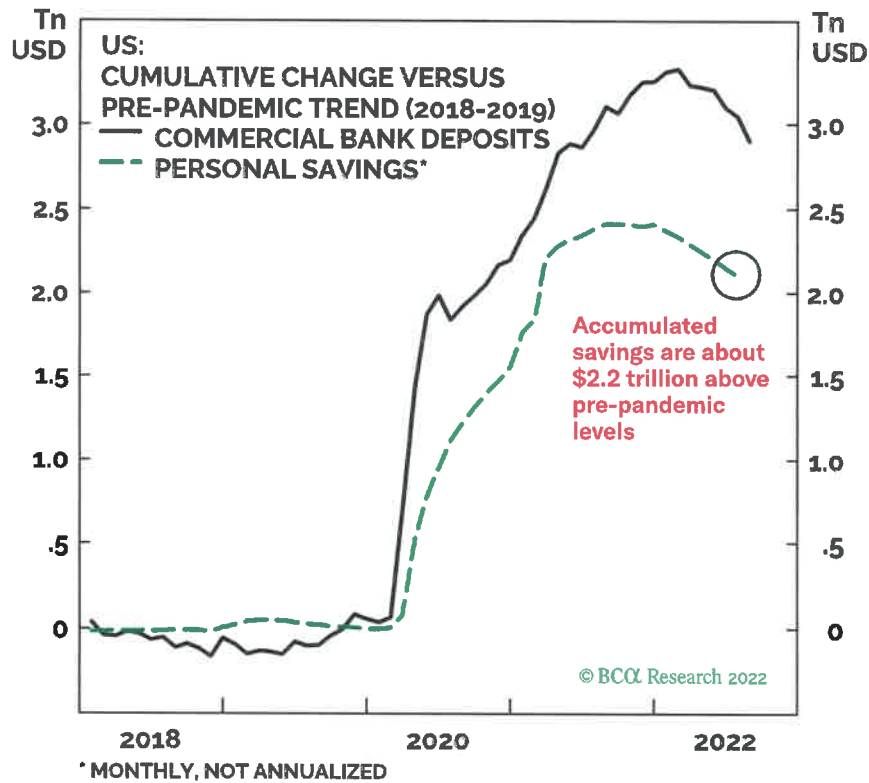
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Pent Up Consumer Demand



* FOR THE PERIOD OF 1990-2011.
 SOURCE: EMMANUEL SAEZ AND GABRIEL ZUCMAN, "WEALTH INEQUALITY IN THE UNITED STATES SINCE 1913: EVIDENCE FROM CAPITALIZED INCOME TAX DATA," NBER WORKING PAPER NO. 20625 (OCTOBER 2014).

The \$100 Trillion World Economy

GLOBAL GDP 2022

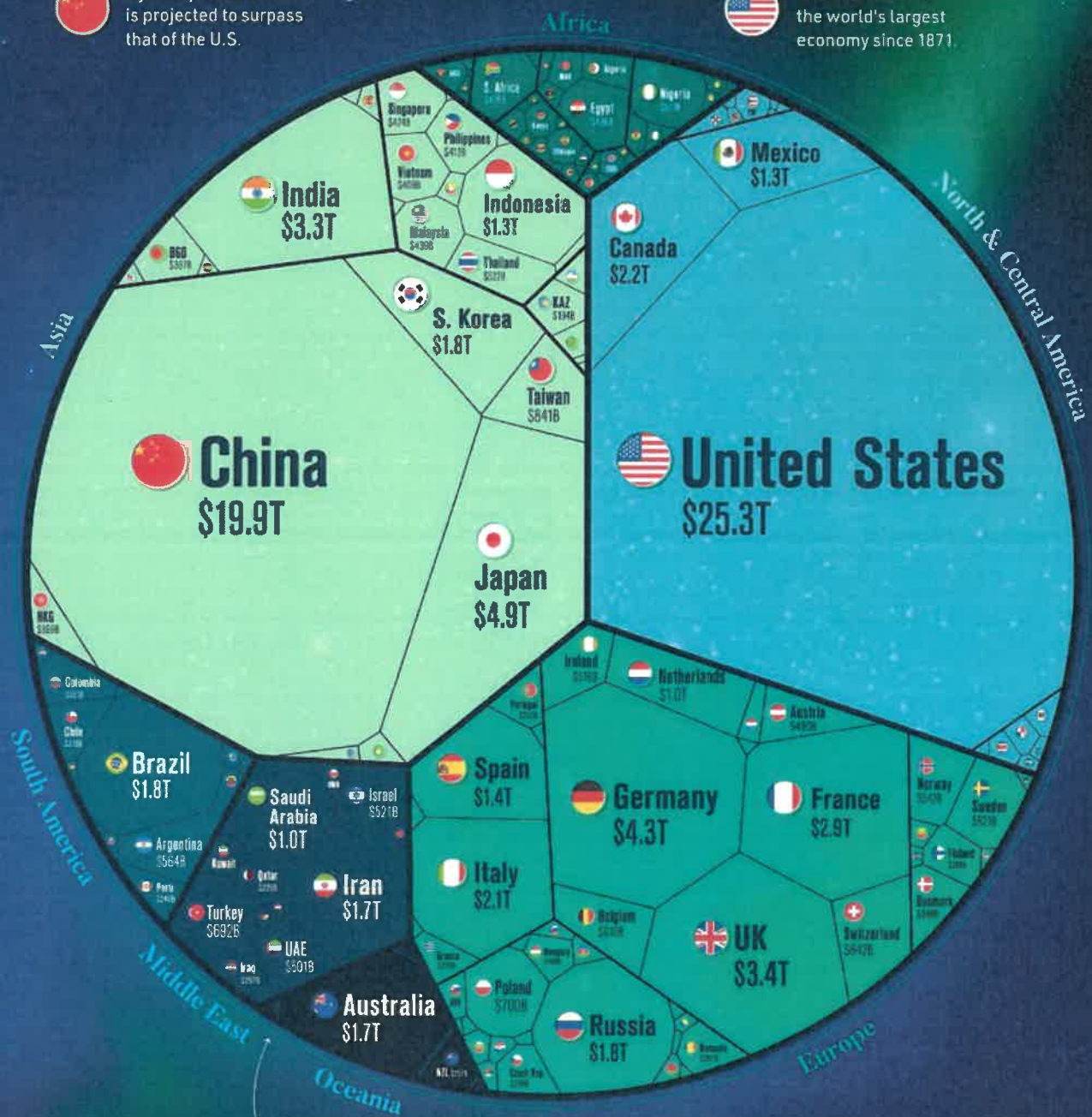
Despite conflict and looming stagflation, the global economy will hit an impressive new milestone, reaching **\$104 trillion**, according to the latest IMF projections for end of year.



By 2030, **China's GDP** is projected to surpass that of the U.S.



The **U.S.** has been the world's largest economy since 1871.



Many of the world's smallest economies are located in the Oceania region, such as **Tuvalu** with a GDP of \$66 million.



Ireland is expected to be the fastest growing economy in the Eurozone, with a 5.2% increase this year.

*2022 data was not available for a handful of countries, including Ukraine and Pakistan. For full data notes and detailed version of this visualization, visit visualcapitalist.com/100-trillion-global-economy/

Source: IMF (April 2022)



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COLLABORATORS RESEARCH • WRITING *Rau Amoros* | ART DIRECTION • DESIGN *Joyce Ma*



WEST VIRGINIA OFFICES *OF THE* INSURANCE COMMISSIONER

Allan L. McVey
Insurance Commissioner

Status Report:
Workers' Compensation

Joint Committee on Government & Finance

August 2022

Table of Contents:

Introduction	3
Definitions	4-6
Monthly Claims Count and Reserve Charts	7-11
Old Fund Cash Statements	12
Coal Workers Pneumoconiosis Fund Cash Statement	13
Self-Insured Guaranty Fund Cash Statement	14
Self-Insured Security Fund Cash Statement	15
Uninsured Employers' Fund Cash Statement	16

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 July 2022, there were 7,984 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.

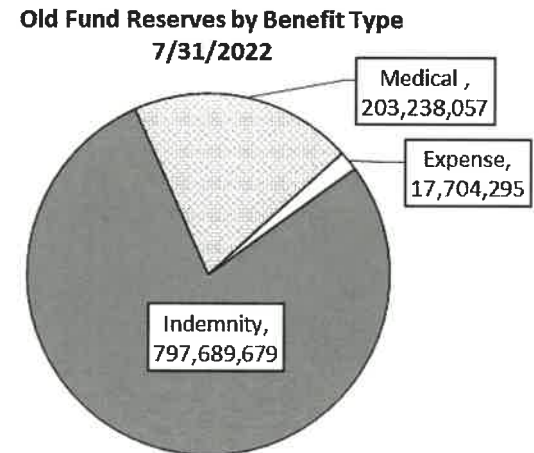
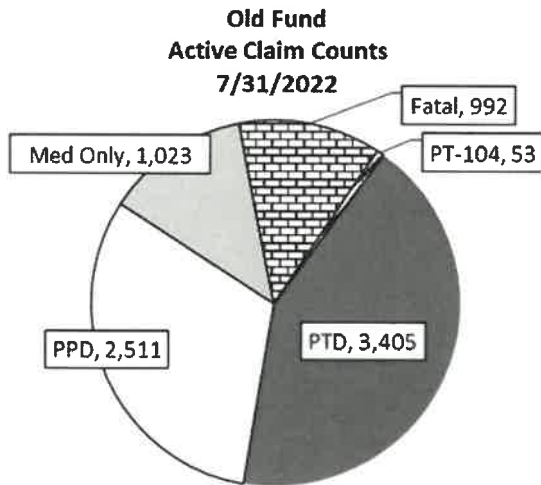
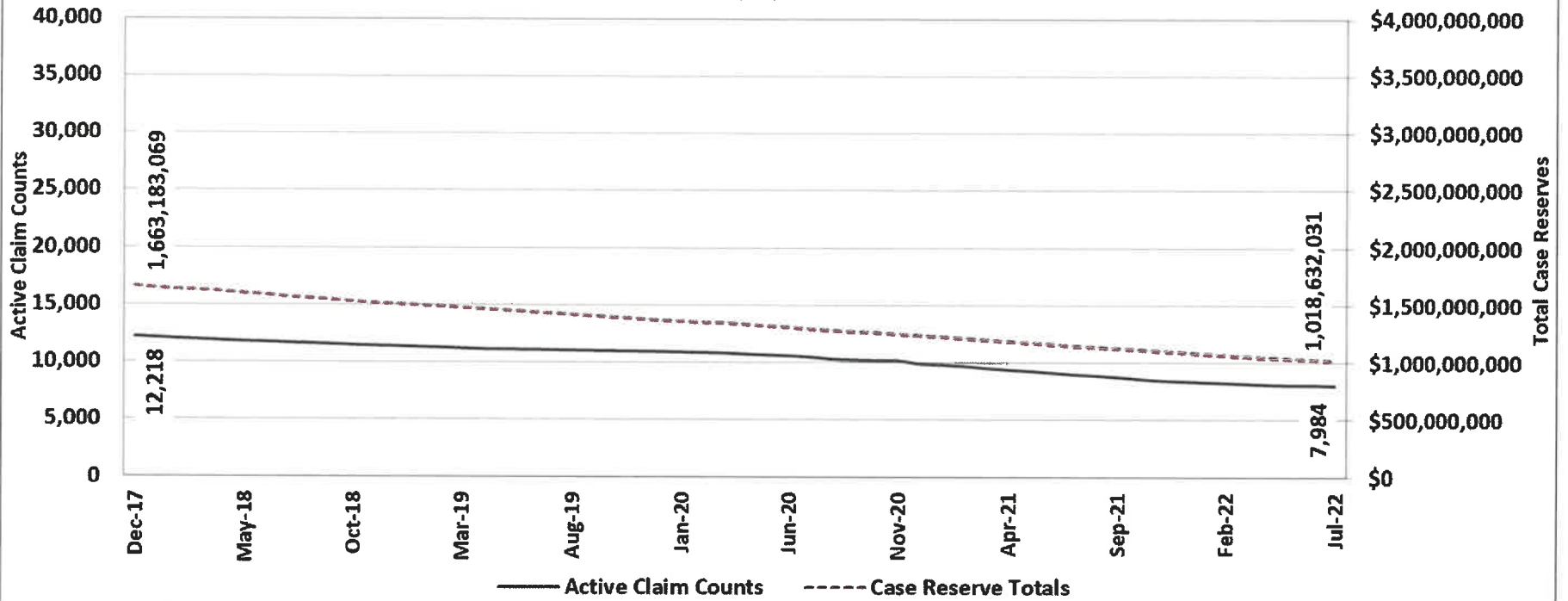
Self-Insured Security Fund: State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last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

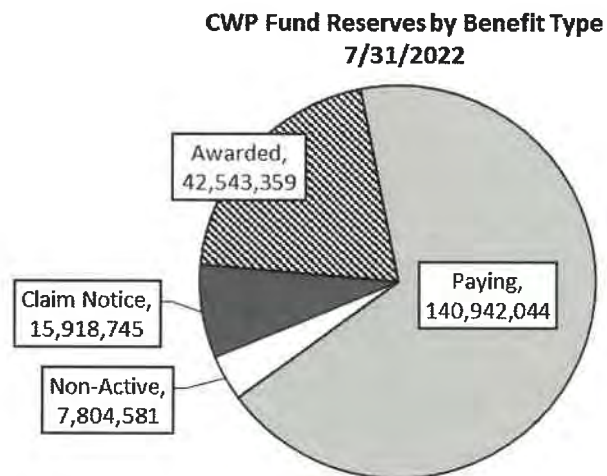
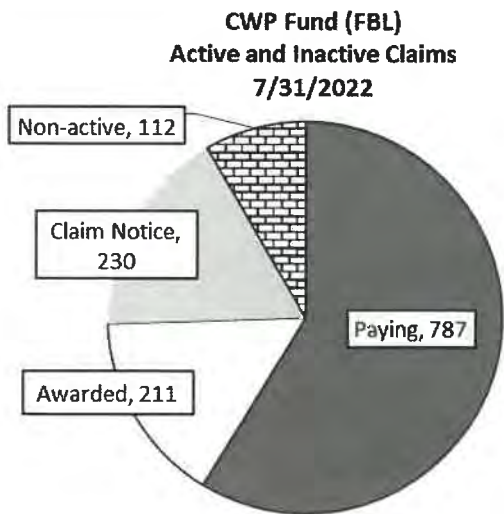
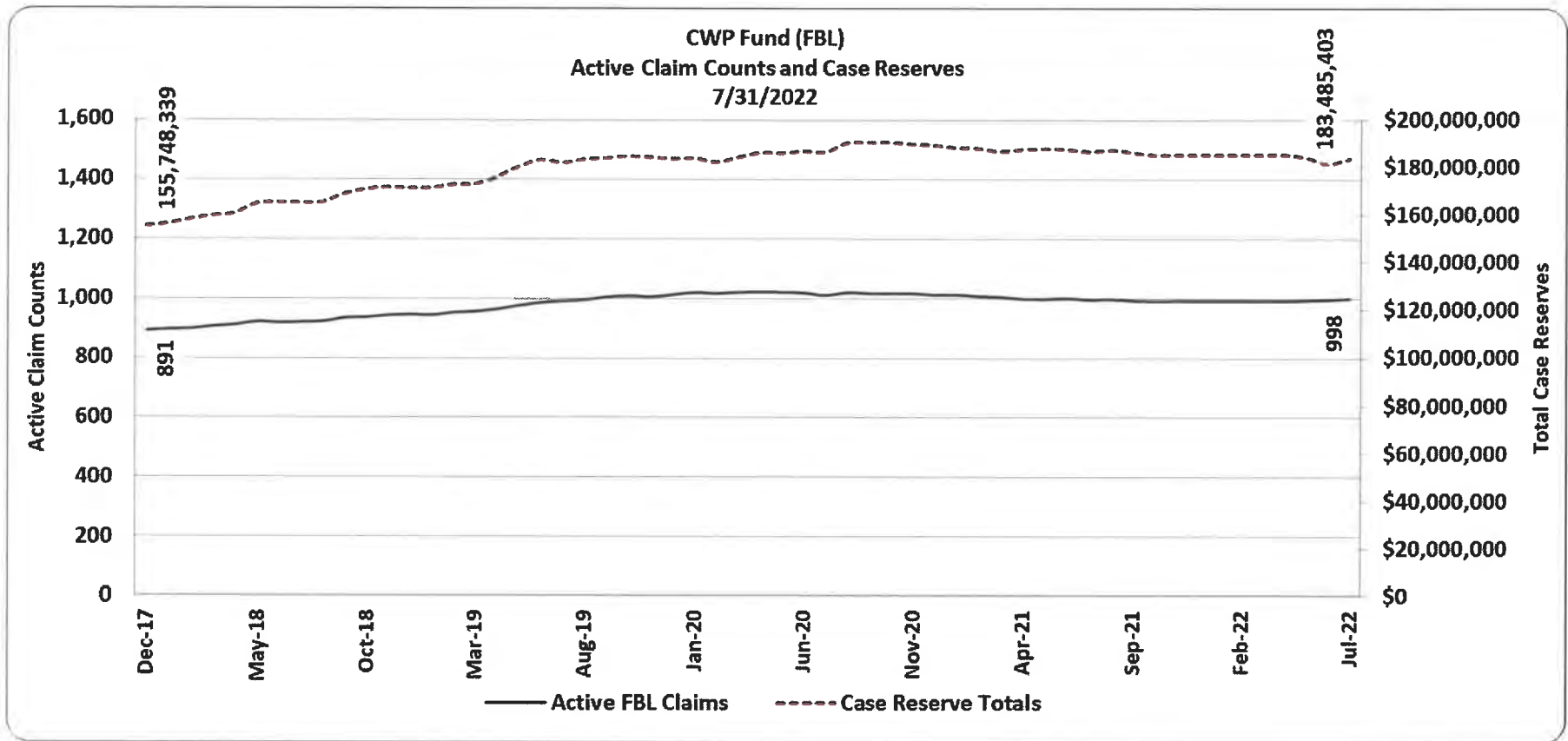
TPD: (Temporary Partial Disability) also referred to as TPR, is paid when an injured worker is released to return to work with restrictions or modifications that restrict, he/she from obtaining their pre-injury wages. The TPD benefit is paid at seventy percent of the difference between the average weekly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

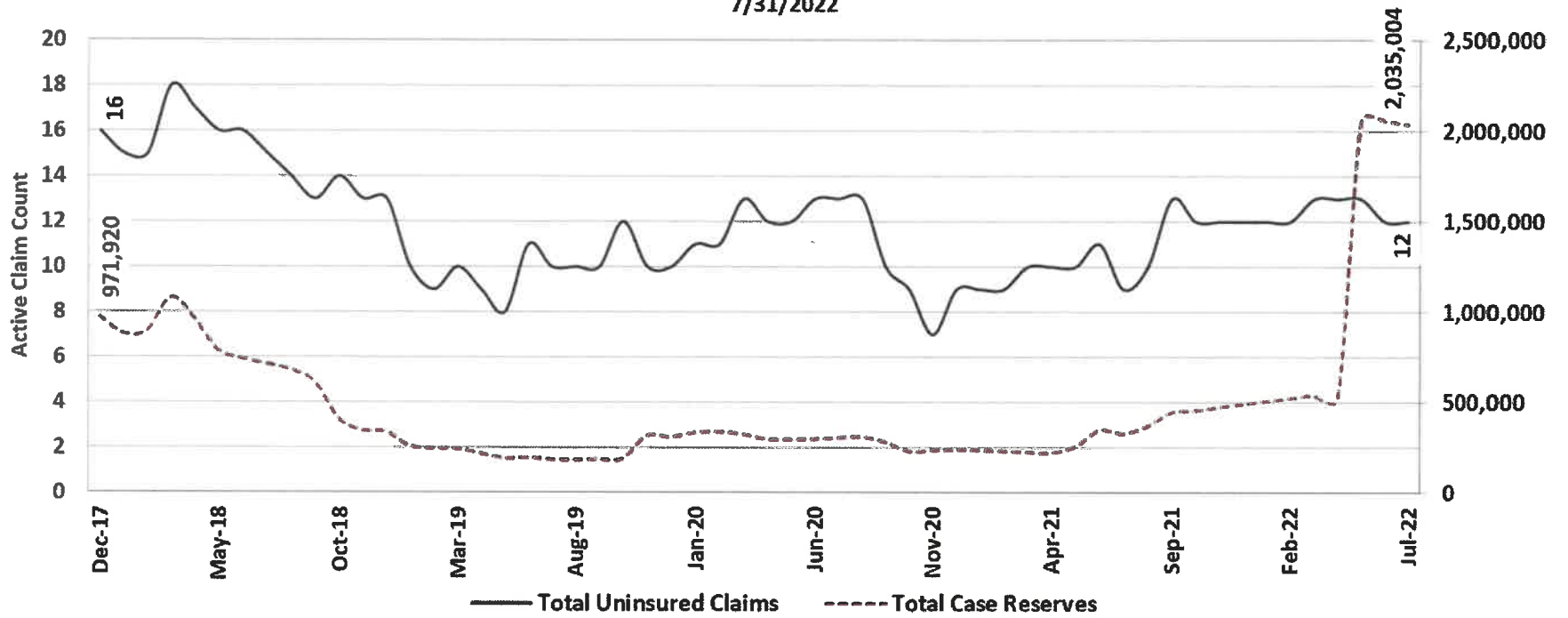
Uninsured Fund: State managed fund into which assessments to carriers or employers received are held, and out of which workers' compensation benefits may be paid to claimant employees of employers who were uninsured if the date of injury or date of last exposure is January 1, 2006 or later.

**Old Fund
Active Claim Counts and Case Reserves
7/31/2022**

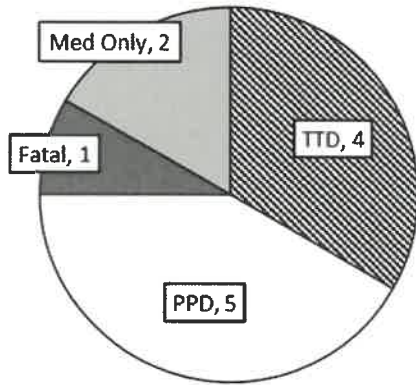




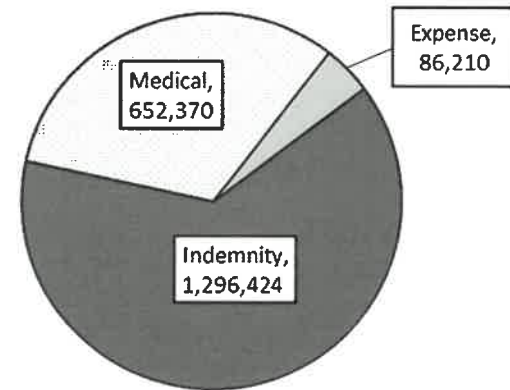
**Uninsured Fund
Active Claim Counts and Case Reserves
7/31/2022**



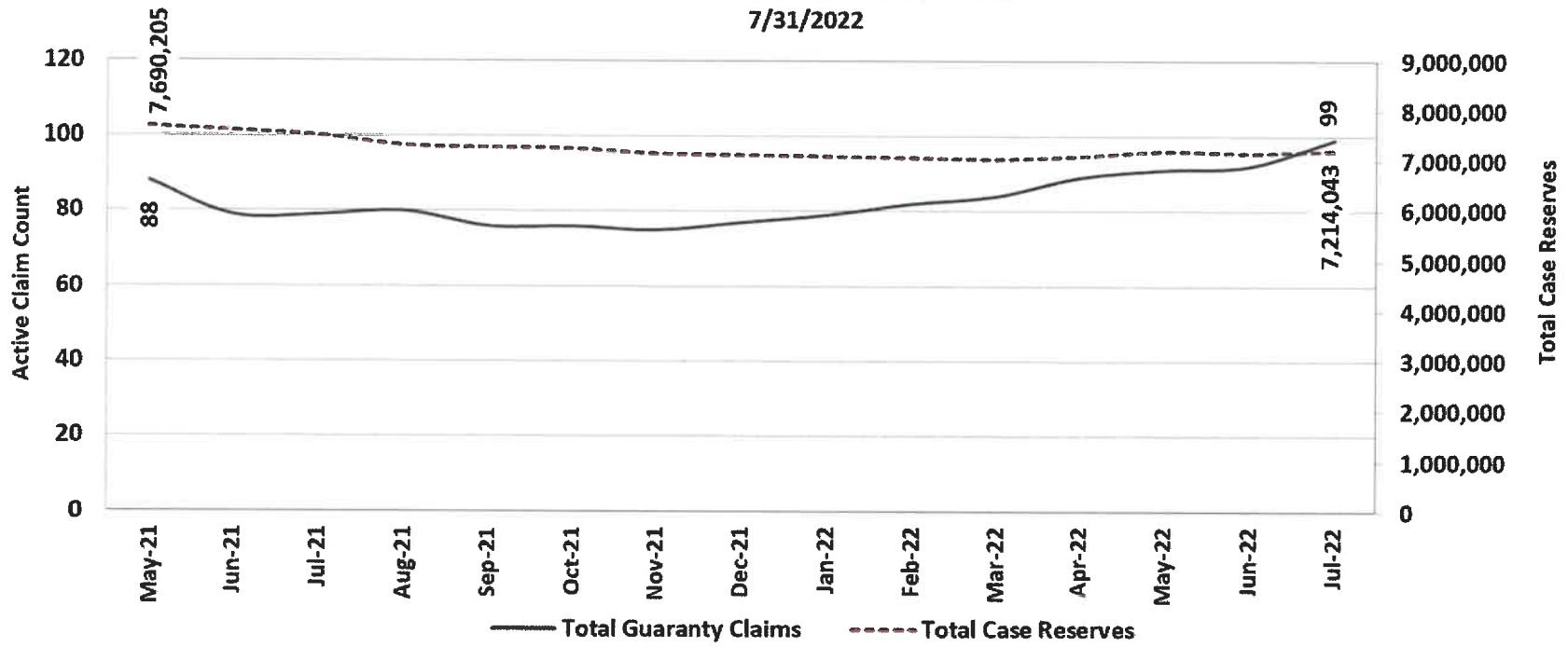
**Uninsured Fund
Active Claim Counts
7/31/2022**



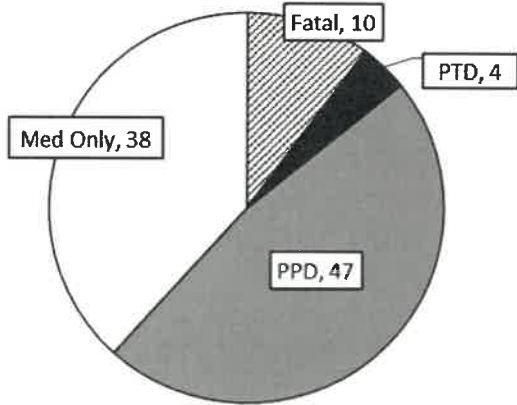
**Uninsured Fund Reserves by Benefit Type
7/31/2022**



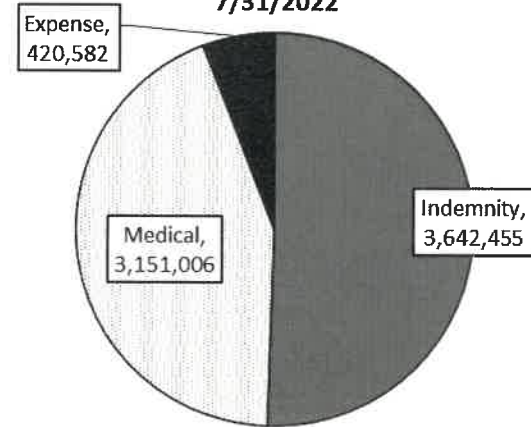
**Guaranty Fund
Active Claim Counts and Case Reserves
7/31/2022**



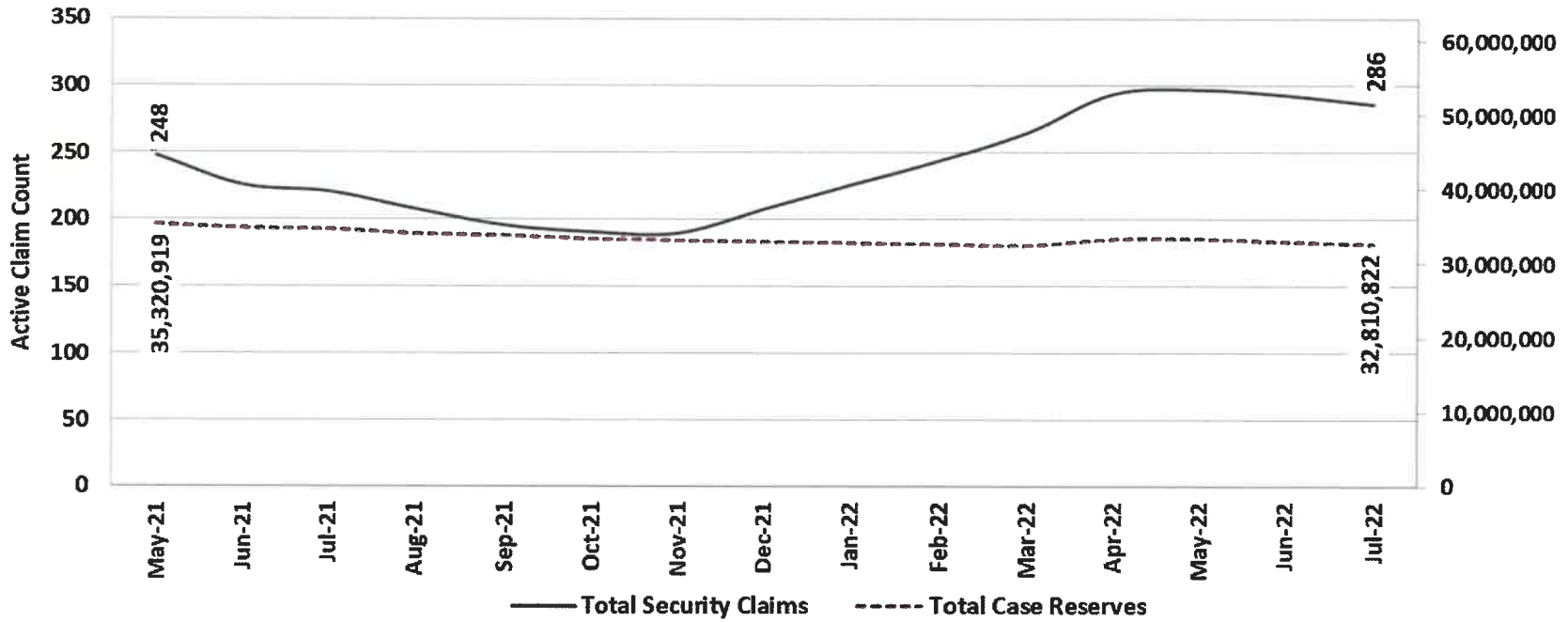
**Guaranty Fund
Active Claim Counts
7/31/2022**



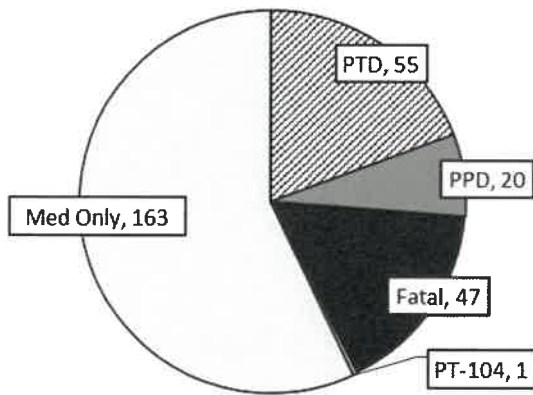
**Guaranty Fund Reserves by Benefit Type
7/31/2022**



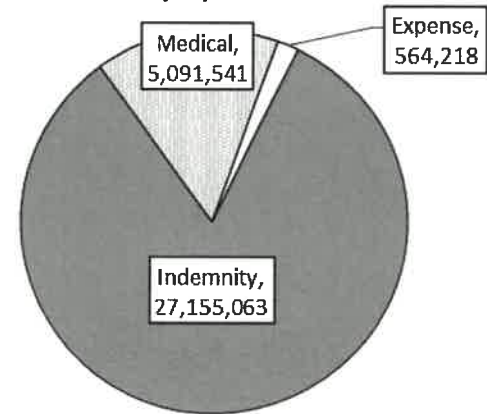
**Security Fund
Active Claim Counts and Case Reserves
7/31/2022**



**Security Fund
Active Claim Counts
7/31/2022**



**Security Fund Reserves by Benefit Type
7/31/2022**



OLD FUND CASH STATEMENT
JULY 31, 2022

Three Year History for years ended:

	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances	919,242,971	1,080,592,100	(161,349,130)	1,080,592,100	993,229,138	1,077,104,966
Revenues						
Personal Income Tax	-	-	-	-	-	-
Severance Tax	-	-	-	-	-	-
Debt Reduction Surcharge	-	-	-	-	-	-
Self-Insured Debt Reduction Surcharge	-	-	-	-	-	-
Video Lottery	-	-	-	-	-	-
Employer Premium	182	175,930	(175,747)	238,786	189,298	138,119
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
Operating Revenues	182	175,930	(175,747)	238,786	189,298	138,119
Investment / Interest Earnings (Losses)	-	6,156,358	(6,156,358)	(52,668,067)	187,370,470	48,614,936
Total Revenues	182	6,332,288	(6,332,106)	(52,429,280)	187,559,768	48,753,055
Expenditures						
Claims Benefits Paid:						
Medical	1,222,944	1,496,265	(273,321)	14,588,442	16,509,277	21,141,087
Permanent Total Disability	4,903,545	5,547,235	(643,690)	63,031,618	69,561,392	75,310,561
Permanent Partial Disability	9,640	13,632	(3,992)	163,078	112,956	70,989
Temporary Disability	-	-	-	-	-	(486)
Fatals	1,365,105	1,455,632	(90,527)	17,124,757	18,386,146	19,297,908
104 weeks death benefit	514,709	387,814	126,895	6,011,709	6,353,928	5,474,959
Settlements	137,705	76,014	61,691	2,382,067	2,708,581	4,452,419
Loss Adjustment Expenses	155,378	71,012	84,366	1,284,295	1,095,241	1,603,551
Total	8,309,026	9,047,604	(738,578)	104,585,967	114,727,520	127,350,987
Less: Claims credits and overpayments	57,050	9,486	47,564	454,800	334,334	982,782
Total Benefits Paid	8,251,976	9,038,118	(786,142)	104,131,167	114,393,187	126,368,205
Administrative Expenses	391,902	55,729	336,173	4,788,682	5,803,619	6,260,679
Total Expenditures	8,643,878	9,093,846	(449,969)	108,919,850	120,196,805	132,628,883
Excess (Deficiency) of Revenues over Expenditures	(8,643,695)	(2,761,558)	(5,882,137)	(161,349,130)	67,362,963	(83,875,828)
Transfer from Operating Fund	-	-	-	-	20,000,000	-
Cash Ending Balances	910,599,275	1,077,830,542	(167,231,267)	919,242,971	1,080,592,100	993,229,138

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
JULY 31, 2022

Three Year History for years ended:

	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances	215,931,727	246,613,162	(30,681,436)	246,613,162	220,914,521	232,485,887
Revenues						
Investment Earnings (Losses)	-	1,303,531	(1,303,531)	(11,131,323)	43,567,242	9,366,126
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
Total Revenues	-	1,303,531	(1,303,531)	(11,131,323)	43,567,242	9,366,126
Expenditures						
Claims Benefits Paid:						
Medical	260,561	530,095	(269,534)	6,033,252	5,107,159	7,541,269
PTD and Fatal Indemnity	720,254	757,259	(37,005)	9,518,418	8,726,207	8,899,722
Settlements	-	-	-	1,837	-	-
Loss Adjustment Expenses	429,580	229,590	199,990	3,513,844	3,343,071	3,933,266
Total	1,410,394	1,516,944	(106,549)	19,067,350	17,176,438	20,374,258
Less: Claims Credits and Overpayments	13,043	2,291	10,752	387,376	94,896	360,474
Total Benefits Paid	1,397,351	1,514,652	(117,301)	18,679,974	17,081,541	20,013,784
Administrative Expenses	51,340	135,650	(84,310)	870,138	787,060	923,707
Total Expenditures	1,448,691	1,650,302	(201,611)	19,550,112	17,868,601	20,937,491
Excess (Deficiency) of Revenues over Expenditures	(1,448,691)	(346,771)	(1,101,920)	(30,681,436)	25,698,641	(11,571,365)
Cash Ending Balances	214,483,035	246,266,391	(31,783,355)	215,931,727	246,613,162	220,914,521

Note: The Coal Worker's Pneumoconiosis Fund (CWP Fund) ceased operations December 31, 2005 and is in run-off status under the administrative oversight of the Insurance Commissioner. Established in 1973, the CWP Fund existed to provide insurance coverage to companies for liabilities incurred as a result of the Federal Coal Mine Health and Safety Act of 1969. Participation in the CWP Fund was voluntary for employers. The current revenues of the CWP Fund are limited to the earnings from invested assets. Assets of the CWP Fund are invested with the WV Investment Management Board. The investment earnings are presented in the month in which the State Treasurer records the earnings. The liabilities of the CWP Fund consist of the claims for coal miners who are totally disabled or beneficiaries of coal miners who have died as a result of coal worker's pneumoconiosis. To be eligible for benefits from the CWP Fund, the date of last exposure of the coal miner must be on or before December 31, 2005. The Coal Workers Cash Statement is unaudited information.

SELF-INSURED GUARANTY RISK POOL
JULY 31, 2022

				Three Year History for years ended:		
	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances	37,187,942	39,659,496	(2,471,554)	39,659,496	33,724,356	33,373,873
Revenues						
Guaranty Risk Pool Assessments	5,000	-	5,000	10,000	-	-
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	-	208,753	(208,753)	(1,884,585)	6,763,880	1,367,274
Total Revenues	5,000	208,753	(203,753)	(1,874,585)	6,763,880	1,367,274
Expenditures						
Claims Benefits Paid:						
Medical	13,174	10,687	2,487	178,127	280,185	346,473
Permanent Total Disability	5,310	5,310	-	63,717	89,242	102,389
Permanent Partial Disability	7,049	10,677	(3,628)	83,562	91,922	225,842
Temporary Disability	-	-	-	-	-	-
Fatals	17,250	17,250	-	206,996	206,996	223,506
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	-	14,000	(14,000)	62,000	39,699	10,000
Non Awarded Partial Disability	-	-	-	-	-	-
Loss Adjustment Expenses	4,787	1,170	3,617	31,743	52,455	76,110
Total	47,570	59,093	(11,523)	626,144	760,498	984,319
Less: Claims Credits and Overpayments	-	24,429	(24,429)	53,649	150	45,480
Total Benefits Paid	47,570	34,664	12,906	572,495	760,348	938,840
Administrative Expenses	-	4,547	(4,547)	24,473	68,392	77,951
Total Expenditures	47,570	39,211	8,359	596,968	828,740	1,016,791
Excess (Deficiency) of Revenues over Expenditures	(42,570)	169,543	(212,113)	(2,471,554)	5,935,140	350,483
Cash Ending Balances	37,145,373	39,829,039	(2,683,666)	37,187,942	39,659,496	33,724,356

The Self-Insured Guaranty Risk Pool covers the claims liabilities of bankrupt or defaulted self-insured employers with dates of injury subsequent to July 1, 2004. The revenues of the Self-Insured Guaranty Fund are comprised of the guaranty risk pool assessments levied on all self-insured employers and the earnings on invested assets. The assets of the Self-Insured Guaranty Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self Insured Guaranty Cash Statement is unaudited information.

SELF-INSURED SECURITY RISK POOL
JULY 31, 2022

Three Year History for years ended:

	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances	50,605,088	55,995,948	(5,390,860)	55,995,948	49,568,499	50,905,481
Revenues						
Security Risk Pool Assessments	-	-	-	-	-	-
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	-	293,985	(293,985)	(2,592,281)	9,805,453	2,087,341
Total Revenues	-	293,985	(293,985)	(2,592,281)	9,805,453	2,087,341
Expenditures						
Claims Benefits Paid:						
Medical	70,658	44,187	26,471	585,099	531,814	549,908
Permanent Total Disability	93,082	100,616	(7,534)	1,177,138	1,250,688	1,379,159
Permanent Partial Disability	235	-	235	11,540	4,243	(60)
Temporary Disability	-	-	-	-	-	-
Fatals	69,208	71,832	(2,624)	838,483	918,152	979,631
104 Weeks Death Benefit	2,250	9,641	(7,391)	50,458	171,468	78,073
Settlement Agreements	-	16,000	(16,000)	61,325	315,463	162,665
Loss Adjustment Expenses	6,056	1,147	4,909	36,980	73,223	118,818
Total	241,490	243,424	(1,934)	2,761,024	3,265,052	3,268,194
Less: Claims Credits and Overpayments	-	-	-	31,348	84,004	102,299
Total Benefits Paid	241,490	243,424	(1,934)	2,729,676	3,181,048	3,165,895
Administrative Expenses	(555)	13,957	(14,512)	68,903	196,956	258,428
Total Expenditures	240,935	257,381	(16,446)	2,798,579	3,378,004	3,424,323
Excess (Deficiency) of Revenues over Expenditures	(240,935)	36,604	(277,539)	(5,390,860)	6,427,449	(1,336,982)
Cash Ending Balances	50,364,153	56,032,553	(5,668,399)	50,605,088	55,995,948	49,568,499

The Self-Insured Security Risk Pool is liable for the worker's compensation claims of bankrupt or defaulted self-insured employers with dates of injury prior to July 1, 2004. However, the obligations of this Fund are limited to the exposures of self-insured employers who default subsequent to December 31, 2005. The assets of the Self-insured Security Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self Insured Security Cash Statement is unaudited information.

UNINSURED EMPLOYERS FUND
JULY 31, 2022

Three Year History for years ended:

	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances	16,195,294	16,844,759	(649,465)	16,844,759	13,817,714	13,211,915
Revenues						
Fines and Penalties	27,186	12,357	14,828	341,220	322,680	385,577
Investment Earnings (Losses)	-	82,492	(82,492)	(828,855)	2,767,995	517,439
Total Revenues	27,186	94,849	(67,663)	(487,635)	3,090,675	903,016
Expenditures						
Claims Benefits Paid:						
Medical	652	126	525	118,279	2,096	7,169
Permanent Total Disability	-	-	-	-	-	-
Permanent Partial Disability	6,056	533	5,522	6,929	-	15,617
Temporary Disability	-	-	-	64,151	3,048	22,059
Fatais	-	2,133	(2,133)	19,201	25,601	37,816
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	-	-	-	22,000	44,276	82,000
Loss Adjustment Expenses	7,323	3,260	4,063	39,974	26,492	46,867
Total	14,030	6,053	7,977	270,534	101,513	211,528
Less: Employer Reimbursement	701	-	701	-	-	-
Less: Claims Credits and Overpayments	-	2,389	(2,389)	116,115	42,742	7,535
Total Benefits Paid	13,329	3,663	9,666	154,419	58,770	203,993
Administrative Expenses	-	-	-	7,410	4,860	93,224
Total Expenditures	13,329	3,663	9,666	161,829	63,630	297,217
Excess (Deficiency) of Revenues over Expenditures	13,857	91,186	(77,329)	(649,465)	3,027,045	605,799
Cash Ending Balances	16,209,151	16,935,945	(726,794)	16,195,294	16,844,759	13,817,714

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.



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

Allan L. McVey
Insurance Commissioner

August 23, 2022

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

Re: Commissioner's Annual Report on Insurance Innovation

Honorable Committee Members:

House Bill 2221, relating to the establishment of an insurance innovation process, passed the Legislature during the 2021 Regular Session and became effective on July 9, 2021. The bill requires that on or before September 1 of each year, the Insurance Commissioner shall submit a written report to the Joint Committee on Government and Finance that contains certain information on applicants to the Regulatory Sandbox. Accordingly, I am providing you with this annual report to update the Legislature on the Insurance Commissioner's actions since House Bill 2221 (2021) was enacted.

Pursuant to W.Va. Code §33-60-10, the Insurance Commissioner was given authority to propose Legislative Rules to assist in administering the article. Currently, I do not feel that a rule is necessary in the West Virginia market.

As noted in W.Va. Code §33-60-10(b), my office developed an application and process for admission to the Regulatory Sandbox. However, we have not received an application to date.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

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



BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
October 27, 2022

OPERATING REPORT

JULY 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

Patrick M. Smith,
CPA
Appointed by the
Governor

Mark A. Mangano,
Esq. Attorney
Appointed by the
Governor

Executive Staff

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

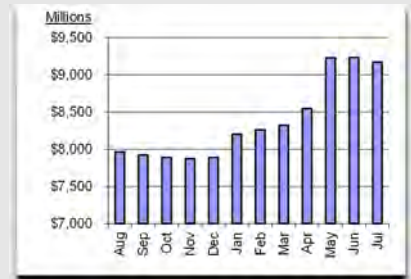
Chief Financial
Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$9,172,110,000

Last Month
\$9,234,695,000

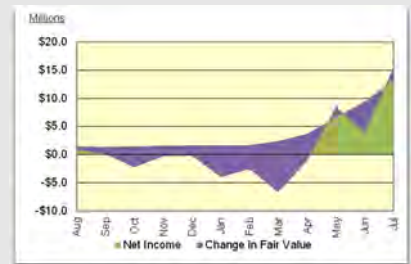
Beginning of Fiscal Year
\$9,234,695,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$15,474,000



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

Money Market Pools

As of July 31, 2022

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	1.7145%	19 Days	\$8.1 Billion
WV Gov't Money Market	1.3936%	18 Days	\$238.6 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

JULY 2022

Market Recovery or Bear Market Rally?

Battling Back

The S&P 500 (+9.2%) had its best month since November 2020 and rewarded resilient equity investors after a difficult June (-8.3%). The combination of better-than-expected earnings and guidance - including from tech behemoths like Apple, Microsoft, Amazon, and Alphabet – and the prospect of a slower pace of future interest rate hikes by the Federal Reserve helped the market find some buyers at these lower prices levels. Bond markets also recovered a portion of this year's sizeable and historic negative returns.

Fixed Income

The Federal Reserve completed its fourth interest rate hike so far in 2022. After consecutive months raising the federal funds rate by 0.75%, the benchmark rate now sits between 2.25% - 2.50%. While short term yields have responded accordingly, intermediate-and longer-dated bond yields fell meaningfully month over month. These lower yields on longer-dated securities continue to reflect skepticism that the economy can withstand meaningfully higher interest rates without tipping into a recession. Meanwhile, interest rate futures markets are building consensus around the possibility of interest rate cuts in the latter part of 2023.

Lower bond yields were, of course, positive for bond prices. That along with improved risk appetite during the month helped the core bond index return 2.4% and retrace some of the year's double-digit negative returns. Lower yields and slightly higher inflation expectations also benefitted U.S. Treasury Inflation Protected Securities (+4.4%), while the strong month for equities carried over into the high yield portion of the market (+5.9%).

Looking Ahead

Was July the early stages of a prolonged market recovery, or simply another bear market rally? On the bright side, energy and industrial commodity prices have in many cases exhibited more range bound behavior (oil) or have fallen (copper and lumber). Natural gas, especially in Europe, is a notable exception. Gasoline is cheaper for consumers since its early June highs. Food prices have eased some. Traveling is slightly more affordable. Some retailers are beginning to cut prices for bulging inventories, as insatiable demand for stuff continues to evolve into insatiable demand to do stuff. Supply chains do seem to be improving albeit slowly. GDP declines in the quarter were driven by decreases in residential investment with the slower housing fundamentals, while personal consumption has remained solid.

A potentially lower CPI reading for July (released on August 10th) would likely bolster sentiment and further fuel the market recovery, but it won't be the end of the Fed's tightening cycle or give workers and consumers total comfort about the cost of living or the cost of things on a day-to-day basis.

As long as the Fed is actively trying to slow economic activity, elevated volatility is likely to continue. However, the market forecasts FUTURE activity, and as we have outlined in previous communications, one of the keys to providing a floor to the declines would be lower trending inflation outlook. Lowering growth will do that and lower inflation without a severe downturn in the economy remains an alluring possibility.

West Virginia Board of Treasury Investments

Financial Highlights as of July 31, 2022

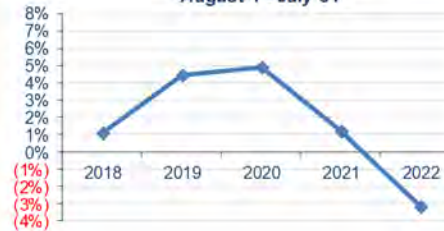
WV Short Term Bond Pool

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

<u>Aug 1 - July 31</u>	<u>Return</u>	<u>Net Assets At Jul 31 (In Millions)</u>
2022	(3.1%)	\$ 695.6
2021	1.2%	\$ 819.7
2020	4.9%	\$ 815.2
2019	4.4%	\$ 829.6
2018	1.1%	\$ 710.9

WV Short Term Bond Pool Rates of Return

*Past 12 Months
August 1 - July 31*

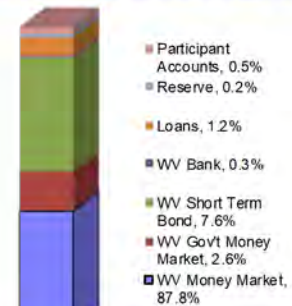


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings (In Thousands)

<u>Pool</u>	<u>Net Asset Value</u>	<u>July Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 8,051,070	\$ 11,837	\$ 11,837
WV Gov't Money Market	238,588	282	282
WV Short Term Bond	695,600	3,162	3,162
WV Bank	10,163	7	7
Loans	114,326	146	146
Reserve	20,039	31	31
Participant Accounts	42,324	9	9
	<u>\$ 9,172,110</u>	<u>\$ 15,474</u>	<u>\$ 15,474</u>

Percent of Total Net Asset Value

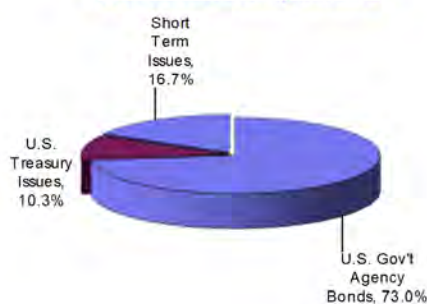


Securities by Type for Operating Pools (Percentage of Asset Value)

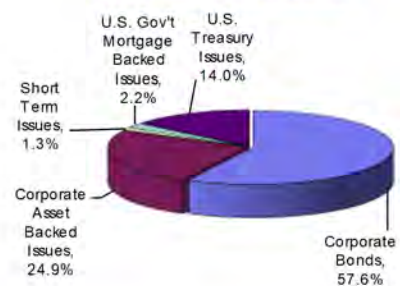
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
JULY 31, 2022
(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>	<u>Total</u>
Assets							
Investments:							
At amortized cost	\$ 8,046,705	\$ 239,571	\$ -	\$ 10,143	\$ 134,192	\$ -	\$ 8,430,611
At fair value	-	-	692,997	-	-	42,270	735,267
Other assets	5,578	67	3,027	22	179	55	8,928
Total assets	<u>8,052,283</u>	<u>239,638</u>	<u>696,024</u>	<u>10,165</u>	<u>134,371</u>	<u>42,325</u>	<u>9,174,806</u>
Liabilities							
Accrued expenses, dividends payable & payables for investments purchased							
	1,213	1,050	424	2	6	1	2,696
Total liabilities	<u>1,213</u>	<u>1,050</u>	<u>424</u>	<u>2</u>	<u>6</u>	<u>1</u>	<u>2,696</u>
Net Position							
Held in trust for investment pool participants	8,051,070	238,588	695,600	-	-	-	8,985,258
Held in trust for individual investment account holders	-	-	-	10,163	134,365	42,324	186,852
Total net position	<u>\$ 8,051,070</u>	<u>\$ 238,588</u>	<u>\$ 695,600</u>	<u>\$ 10,163</u>	<u>\$ 134,365</u>	<u>\$ 42,324</u>	<u>\$ 9,172,110</u>
Additions							
Investment income:							
Interest and dividends	\$ 6,227	\$ 116	\$ 1,215	\$ 7	\$ 178	\$ 15	\$ 7,758
Net (amortization) accretion	5,927	177	(266)	-	-	(2)	5,836
Provision for uncollectible loans	-	-	-	-	-	-	-
Total investment income	<u>12,154</u>	<u>293</u>	<u>949</u>	<u>7</u>	<u>178</u>	<u>13</u>	<u>13,594</u>
Investment expenses:							
Investment advisor, custodian bank & administrative fees	317	11	46	-	1	-	375
Total investment expenses	<u>317</u>	<u>11</u>	<u>46</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>375</u>
Net investment income	11,837	282	903	7	177	13	13,219
Net realized gain (loss) from investments	-	-	(663)	-	-	-	(663)
Net increase (decrease) in fair value of investments	-	-	2,922	-	-	(4)	2,918
Net increase (decrease) in net position from operations	11,837	282	3,162	7	177	9	15,474
Participant transaction additions:							
Purchase of pool units by participants	935,387	20,787	-	-	-	-	956,174
Reinvestment of pool distributions	11,833	282	873	-	-	-	12,988
Contributions to individual investment accounts	-	-	-	6	20	-	26
Total participant transaction additions	<u>947,220</u>	<u>21,069</u>	<u>873</u>	<u>6</u>	<u>20</u>	<u>-</u>	<u>969,188</u>
Total additions	959,057	21,351	4,035	13	197	9	984,662
Deductions							
Distributions to pool participants:							
Net investment income	11,837	282	903	-	-	-	13,022
Net realized gain (loss) from investments	-	-	(663)	-	-	-	(663)
Total distributions to pool participants	<u>11,837</u>	<u>282</u>	<u>240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,359</u>
Participant transaction deductions:							
Redemption of pool units by participants	1,009,304	14,594	-	-	-	-	1,023,898
Withdrawals from individual investment accounts	-	-	-	10,056	934	-	10,990
Total participant transaction deductions	<u>1,009,304</u>	<u>14,594</u>	<u>-</u>	<u>10,056</u>	<u>934</u>	<u>-</u>	<u>1,034,888</u>
Total deductions	<u>1,021,141</u>	<u>14,876</u>	<u>240</u>	<u>10,056</u>	<u>934</u>	<u>-</u>	<u>1,047,247</u>
Net increase (decrease) in net position from operations	(62,084)	6,475	3,795	(10,043)	(737)	9	(62,585)
Inter-pool transfers in							
Inter-pool transfers out	-	-	-	-	-	-	-
Net inter-pool transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(62,084)	6,475	3,795	(10,043)	(737)	9	(62,585)
Net position at beginning of period	8,113,154	232,113	691,805	20,206	135,102	42,315	9,234,695
Net position at end of period	<u>\$ 8,051,070</u>	<u>\$ 238,588</u>	<u>\$ 695,600</u>	<u>\$ 10,163</u>	<u>\$ 134,365</u>	<u>\$ 42,324</u>	<u>\$ 9,172,110</u>



**WEST VIRGINIA
DEPARTMENT OF TRANSPORTATION**
1900 Kanawha Boulevard East • Building Five • Room 109
Charleston, West Virginia 25305-0440 • (304) 558-0444

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

July 29, 2022

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

ELECTRONICALLY SUBMITTED

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

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

Dear President Blair, Speaker Hanshaw, and Committee Members:

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

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

Sincerely,

A handwritten signature in blue ink that reads "Jimmy D. Wriston, P.E.".

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

JDW/h

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

West Virginia

NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE (NEVI) DEPLOYMENT PLAN

July 28, 2022





Prepared By:

Kimley»Horn

Table of Contents

Introduction.....	3
State Agency Coordination	8
Public Engagement	10
Plan and Vision Goals	13
Contracting.....	15
Existing and Future Conditions.....	17
EV Charging Infrastructure Deployment.....	25
Implementation.....	35
Civil Rights	40
Equity Considerations.....	42
Labor and Workforce Considerations.....	46
Cybersecurity	48
Program Evaluation	50
Discretionary Exceptions	52





1

Introduction

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

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

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

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

To meet both federal and State goals, West Virginia will need access to new publicly available EV chargers. The West Virginia EV Infrastructure Development Plan is the State's road map to invest the NEVI Formula Program funds.



NEVI program funds are apportioned from the Infrastructure Investment and Jobs Act (IIJA), sometimes referred to as the Bipartisan Infrastructure Law (BIL). This Plan was developed using guidance provided by the NEVI program to create a framework to support build-out of the public EV charging network in the State.



Key Elements of NEVI program in West Virginia:

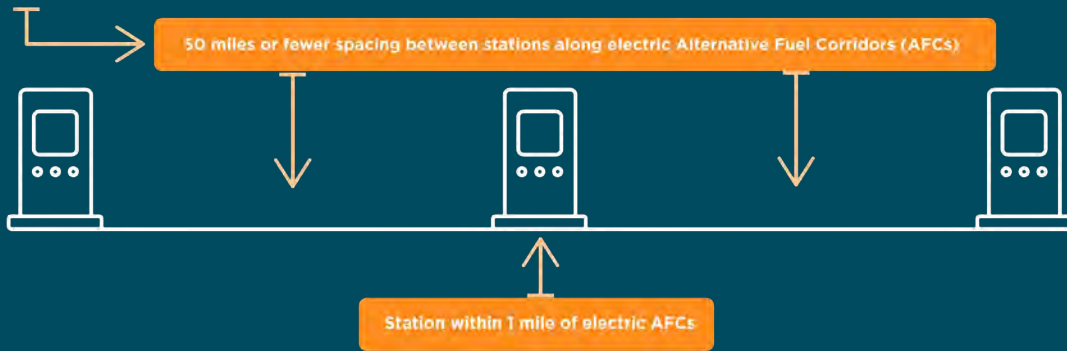
- ▶ *Five-year program*
- ▶ *Estimated \$45.7 million will be apportioned to West Virginia over five years*
- ▶ *Estimated 912 new public charging ports will be constructed, increasing the public EV charging network by 3,145%*

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

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

Figure 1. Phases

PHASE 1: ELECTRIC AFC CHARGING



PHASE 2: COMMUNITY-BASED CHARGING



IMPORTANT YEAR 1 SCHEDULE MILESTONES

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

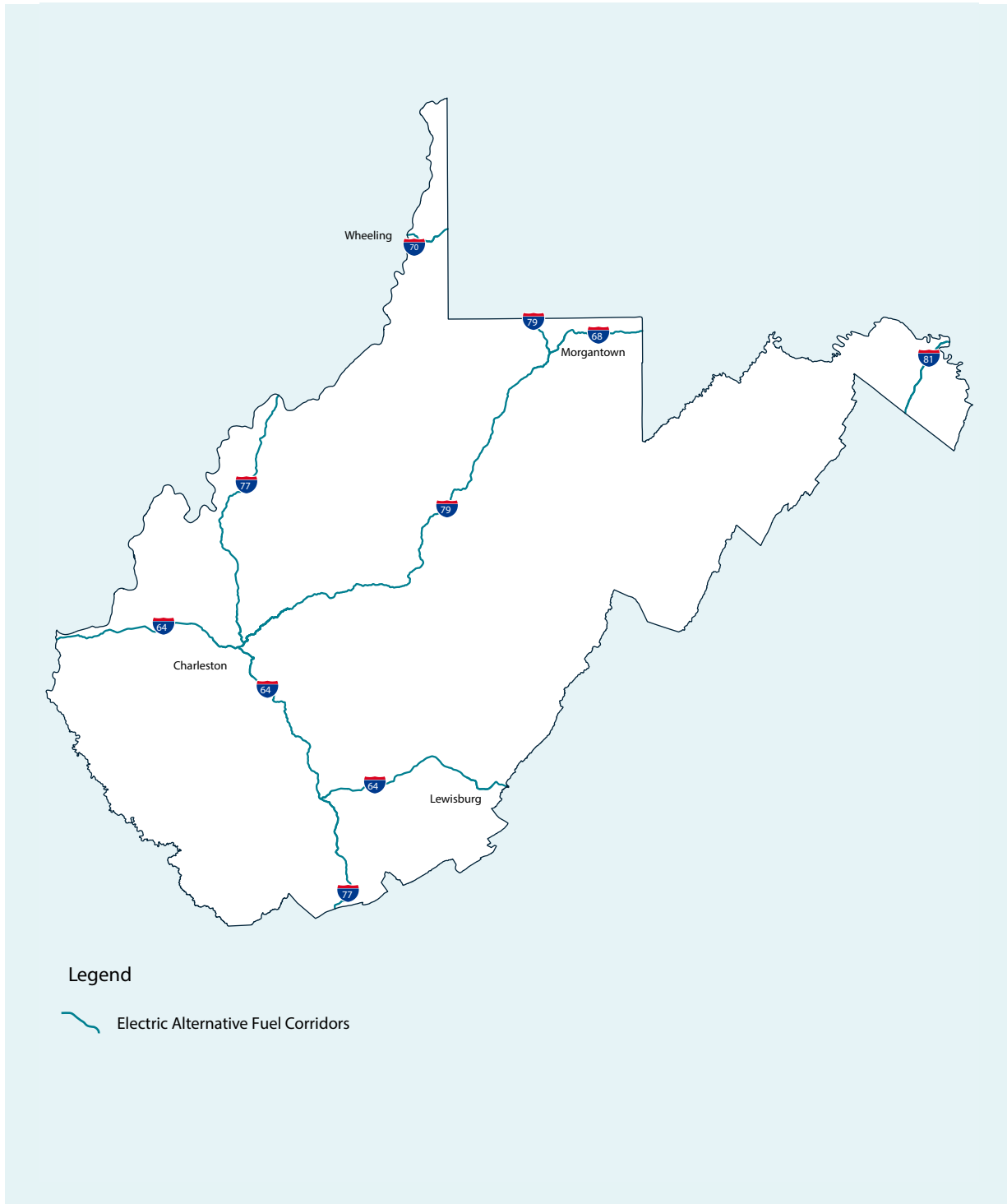
Each state plan must be approved by the Joint Office of Energy and Transportation (Joint Office) before NEVI funds can be distributed to each respective state. Each year during the five-year program, the plan will be updated to document program progress in West Virginia and meet NEVI program requirements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

Table 1. Anticipated NEVI Implementation by WVDOT

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



Figure 2. West Virginia Electric Alternative Fuel Corridors





2

State Agency Coordination



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



COORDINATION WITH OTHER STATE AGENCIES

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

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

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

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

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

Lastly, WVDOT will work closely with utility

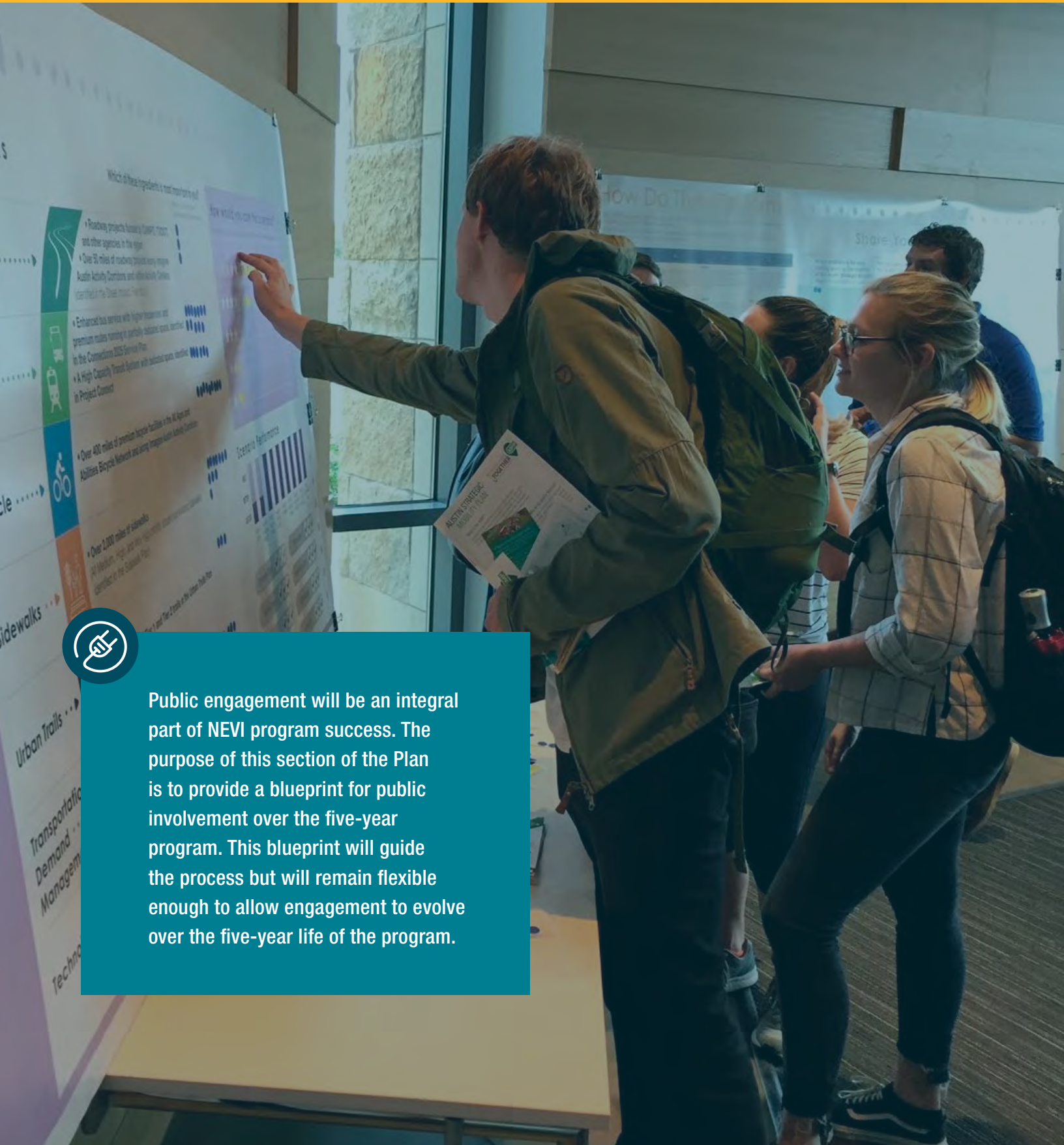
partners across the state, including the State's regulated utilities. The focus will be on coordinating investments to grid improvements that support the NEVI-funded EV stations as well as coordinating EV charging investments utilities are making themselves.

U.S. - MADE SUPPLY EQUIPMENT

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



3 Public Engagement



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

STAKEHOLDERS INVOLVED IN PLAN DEVELOPMENT

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

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

Year 1 Public Engagement Schedule

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

Table 2. Public Engagement Dates

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



PUBLIC OUTREACH

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



Public Information Sessions

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



Educational Activities

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



Webpage

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



Social Media

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



Issue Tracking and Summary Report

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



4 Plan Vision and Goals



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

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

THE GOALS OF THE WEST VIRGINIA NEVI PROGRAM ARE:



Build a reliable and easily accessible EV charging network

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



Increase overall network reliability

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



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

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



Expand access to economic opportunities

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

5 Contracting



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

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

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

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

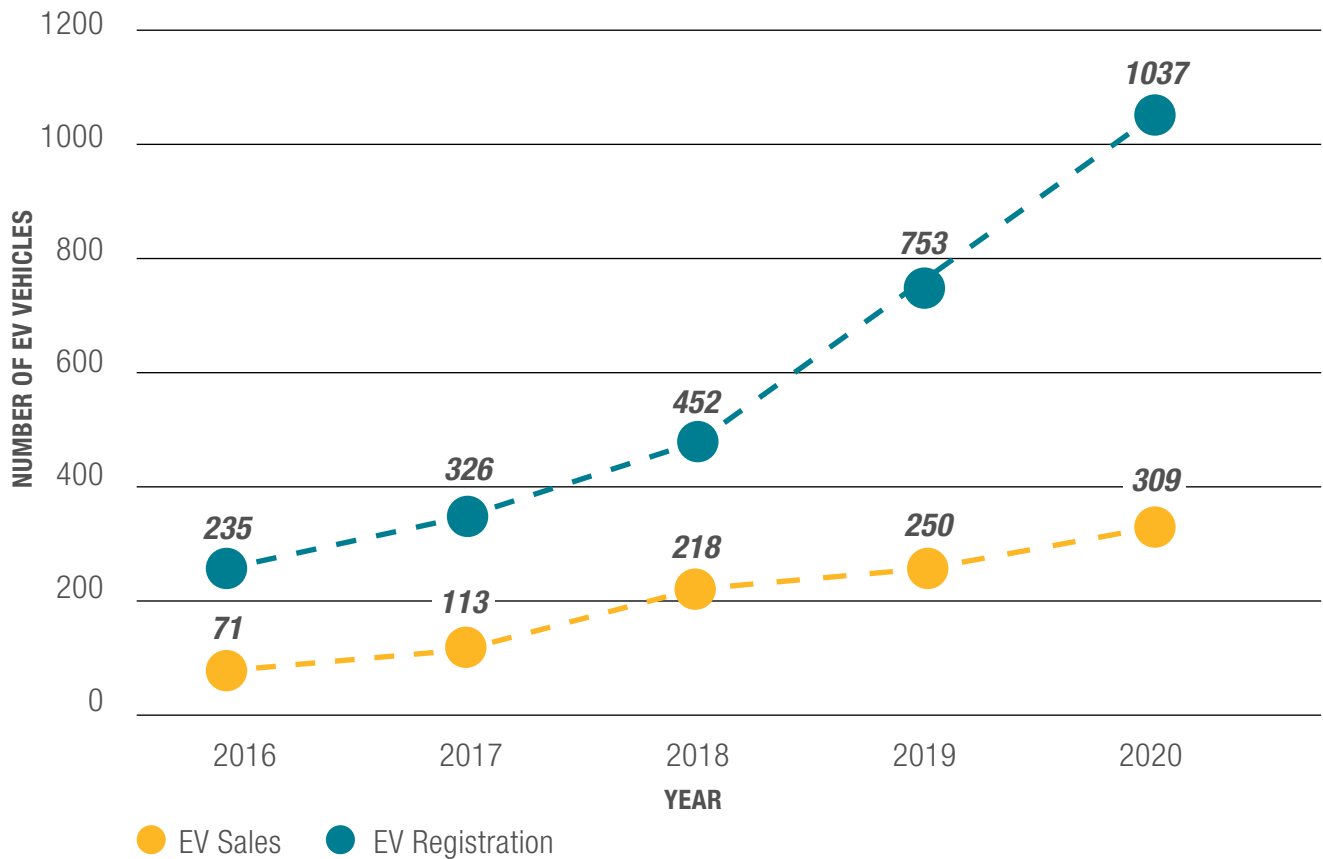
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Existing and Future Conditions Analysis



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

Figure 3. Existing EV Ownership



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

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

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

Tables 3. Existing Publicly Accessible EV Ports in West Virginia¹

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

¹. Data excludes Tesla-network chargers

INDUSTRY/MARKET CONDITIONS

GRID CAPACITY

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

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

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

ELECTRIC UTILITIES THAT SERVICE THE STUDY AREA

Residents of West Virginia primarily receive electricity from four investor-owned companies: Appalachian Power Company, Wheeling Power, Monongahela Power Company, and Potomac Edison Company. According to the Public Service Commission (PSC) of West Virginia, these companies account for 96% of residential electric sales and 98% of commercial electric sales. Furthermore, the PSC regulates rates and charges for these companies as well as the reasonableness of their acts, practices, and

services. Additionally, five independent non-generation electric companies purchase wholesale power from suppliers served by PJM Interconnection and distribute that power at retail rates to residential, commercial, and industrial customers. These companies are the Harrison Rural Electrification Association, Black Diamond Power Company, Craig-Botetourt Electric Cooperative, New Martinsville Municipal Utilities, and Philippi Municipal Electric.

EV OWNERSHIP/AVAILABILITY

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

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

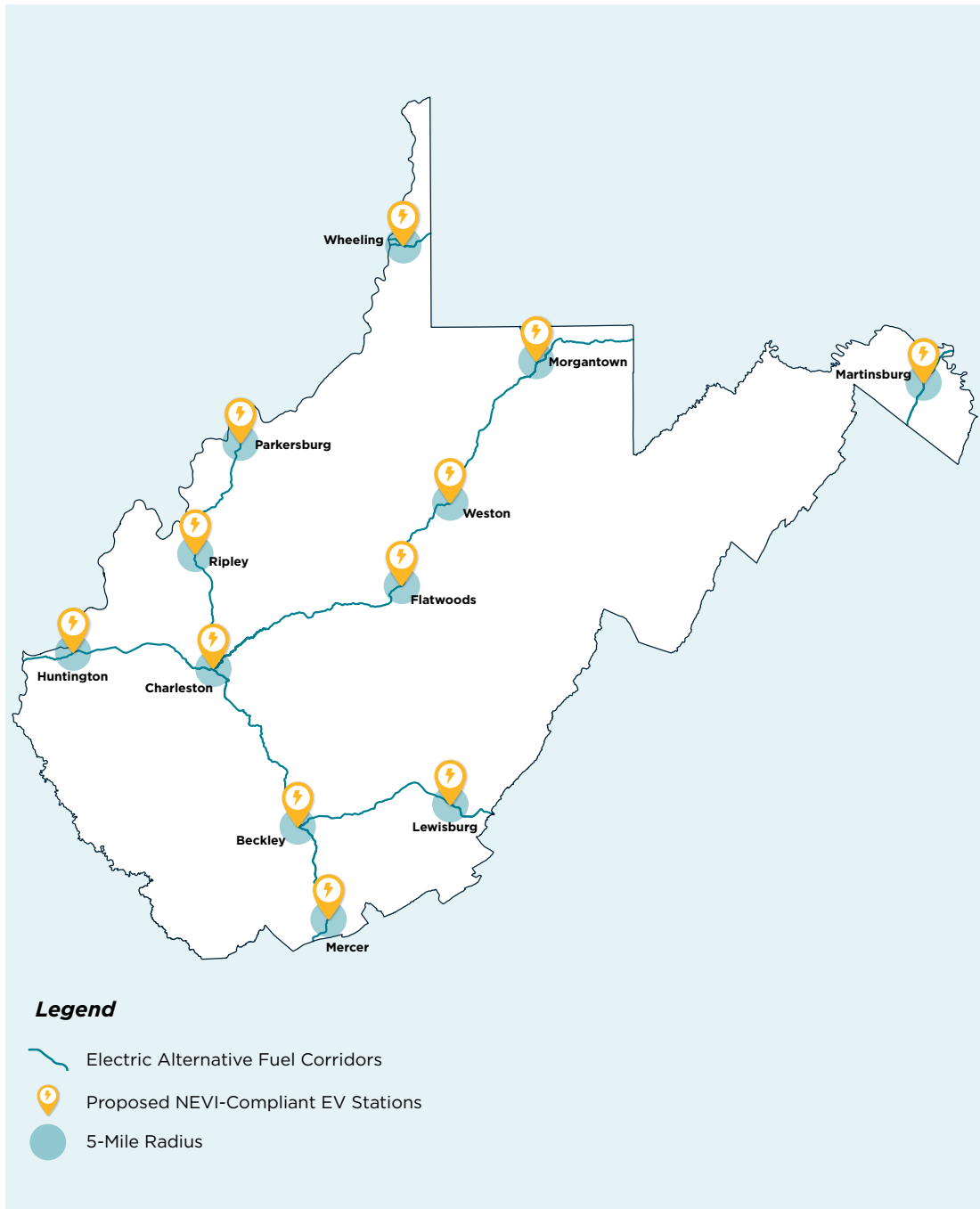
Two regulatory conditions are impacting EV sales and potentially reducing demand for EVs. West Virginia currently does not allow direct-to-consumer sales. Changing this restriction would help EV sales increase, as many auto manufacturers are moving to direct-to-consumer sales business models. Additionally,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



FUTURE NEEDS

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

Figure 4. Future Electric AFC EV Stations



ALTERNATIVE FUEL CORRIDORS (AFCS)

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

Tables 4. Electric AFC Ready and Pending

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



STATE GEOGRAPHY, TERRAIN, CLIMATE AND LAND USE PATTERNS

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

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

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

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

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

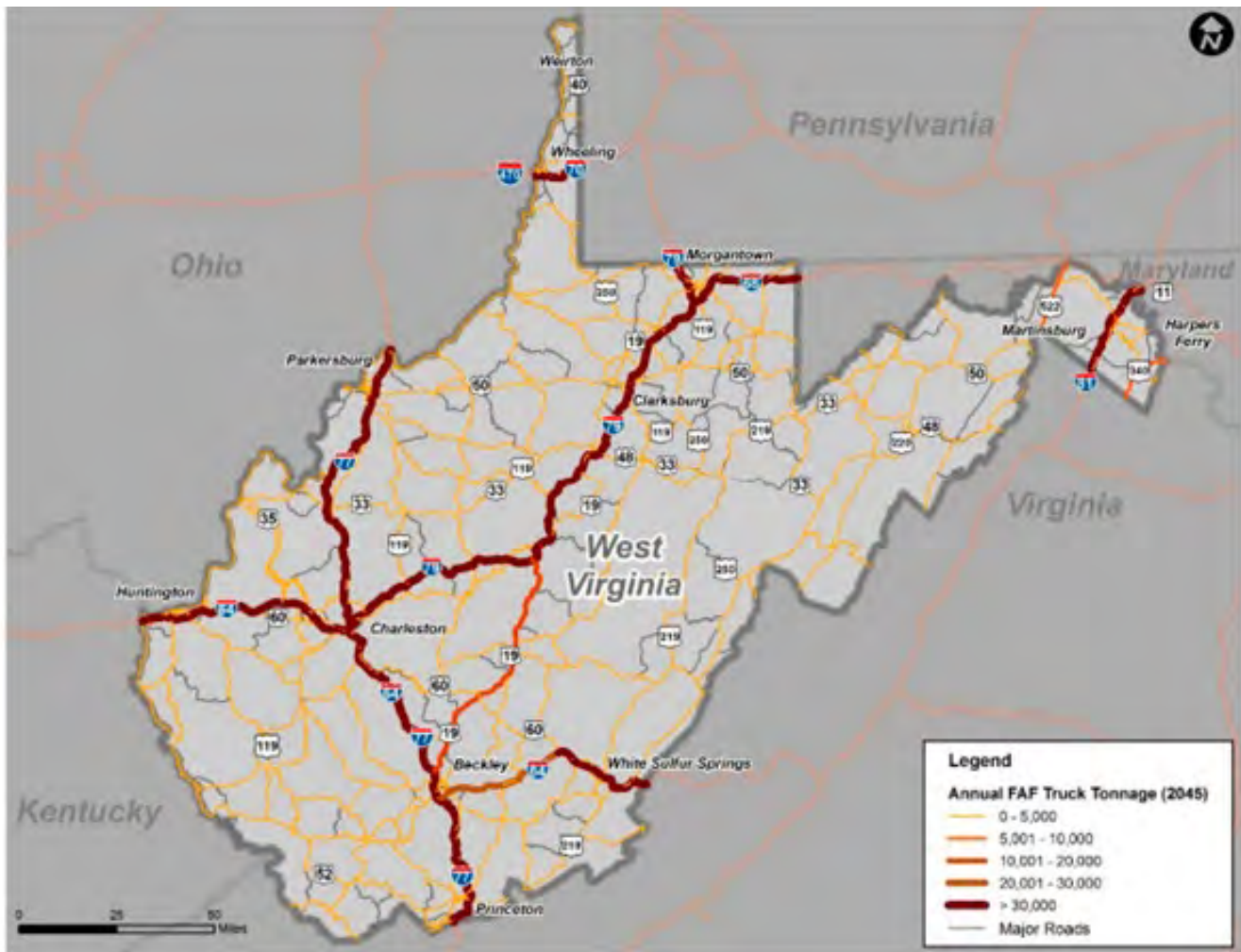
STATE TRAVEL PATTERNS

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

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

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

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



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

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

SUPPLY CHAIN NEEDS

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

KNOWN RISKS AND CHALLENGES

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

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

7 EV Charging Infrastructure Deployment



Over the five-year NEVI program, it is estimated that the number of public EV ports will increase in West Virginia by 3,145%. To achieve this projected outcome and meet the goals and requirements of the NEVI program, WVDOT will work with the public and third-party partners. The goal is to create a convenient and reliable public EV charging network that is accessible for visitors and residents in West Virginia.

Deployment of the NEVI funds for implementation will occur in two phases. Phase 1 will build out the EV charging stations along the electric AFCs as required by the NEVI plan. It is estimated that this phase will require 12 stations, each with four ports. Based on initial cost estimates, it is projected to require funding from FY2022 and FY2023 of the NEVI program to build out the NEVI AFC station requirement.

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

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

Figure 6. Electric AFCs with the Proposed Station Locations



STATION STANDARDS

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

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

Additional standards for all stations will include:

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

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

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



FUNDING SOURCES

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

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

Table 5. NEVI Formula Program Funding Plan

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

PHASE 1 INFRASTRUCTURE DEPLOYMENT

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

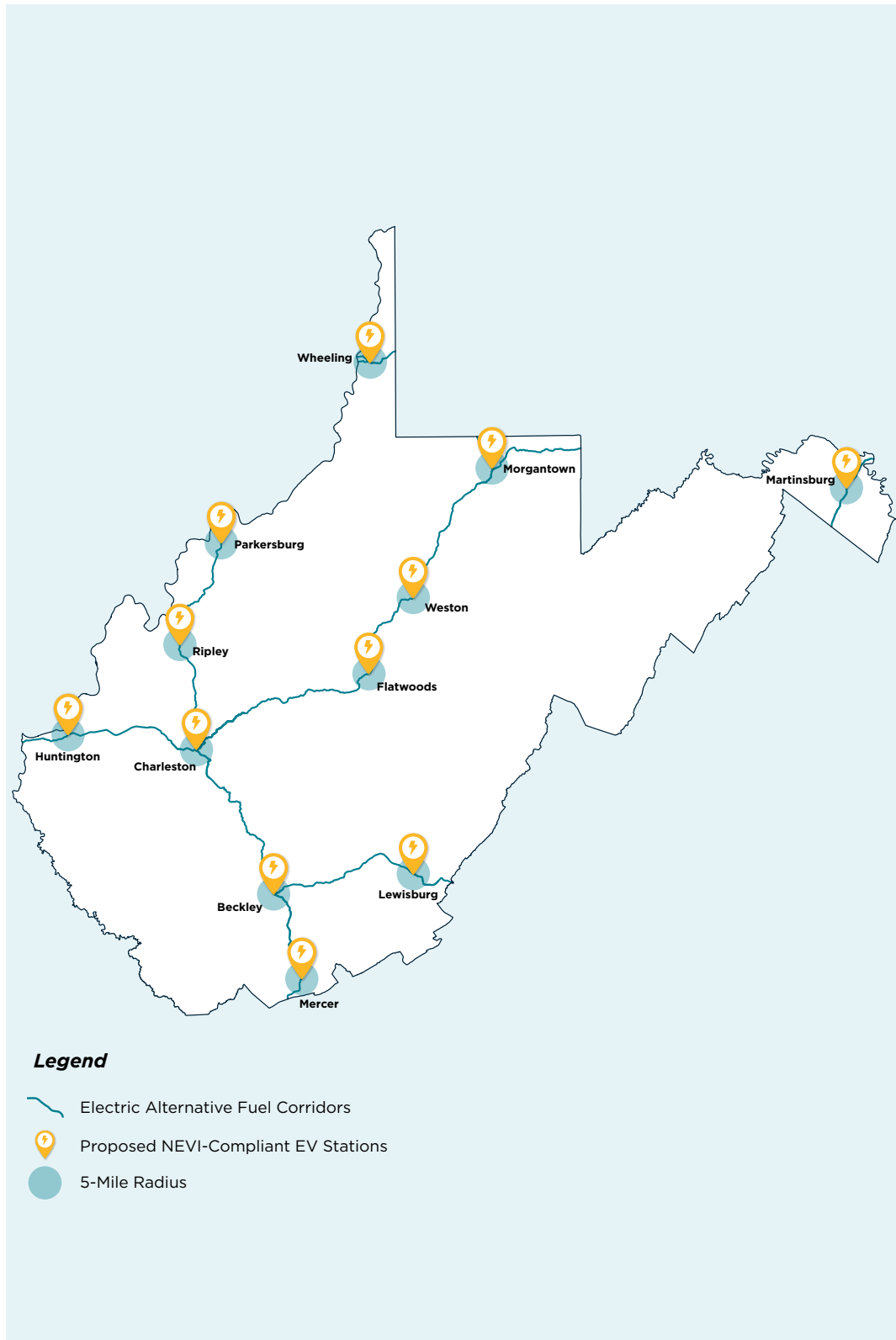
Table 6. Proposed EV Charging Stations

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

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



Figure 7. AFC Buildout



UPGRADES OF CORRIDOR PENDING DESIGNATIONS TO CORRIDOR READY DESIGNATIONS

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

Increases of Capacity/Redundancy along Existing AFC

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

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

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

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



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

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

Electric Vehicle Freight Considerations

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

Public Transportation Considerations

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

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

FY22-26 INFRASTRUCTURE DEPLOYMENTS

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

Table 7. Infrastructure Deployment Plan By Fiscal Year

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



STATE, REGIONAL, AND LOCAL POLICY

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

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

Short-term

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

Ongoing

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

8

Implementation



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

STRATEGIES FOR EVSE OPERATIONS & MAINTENANCE

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

Table 8. Estimated Operations and Maintenance Costs for Proposed EV Stations

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

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

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

STRATEGIES FOR IDENTIFYING EV CHARGER SERVICE PROVIDERS AND STATION OWNERS

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

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

STRATEGIES FOR EVSE DATA COLLECTION & SHARING

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

- **Summary report per EV charging station:**

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

- **Details per charging event:**

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

- **Additional data to be reported**

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



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

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

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

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

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

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

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

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

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



9

Civil Rights



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

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

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

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



10

Equity Considerations



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

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

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

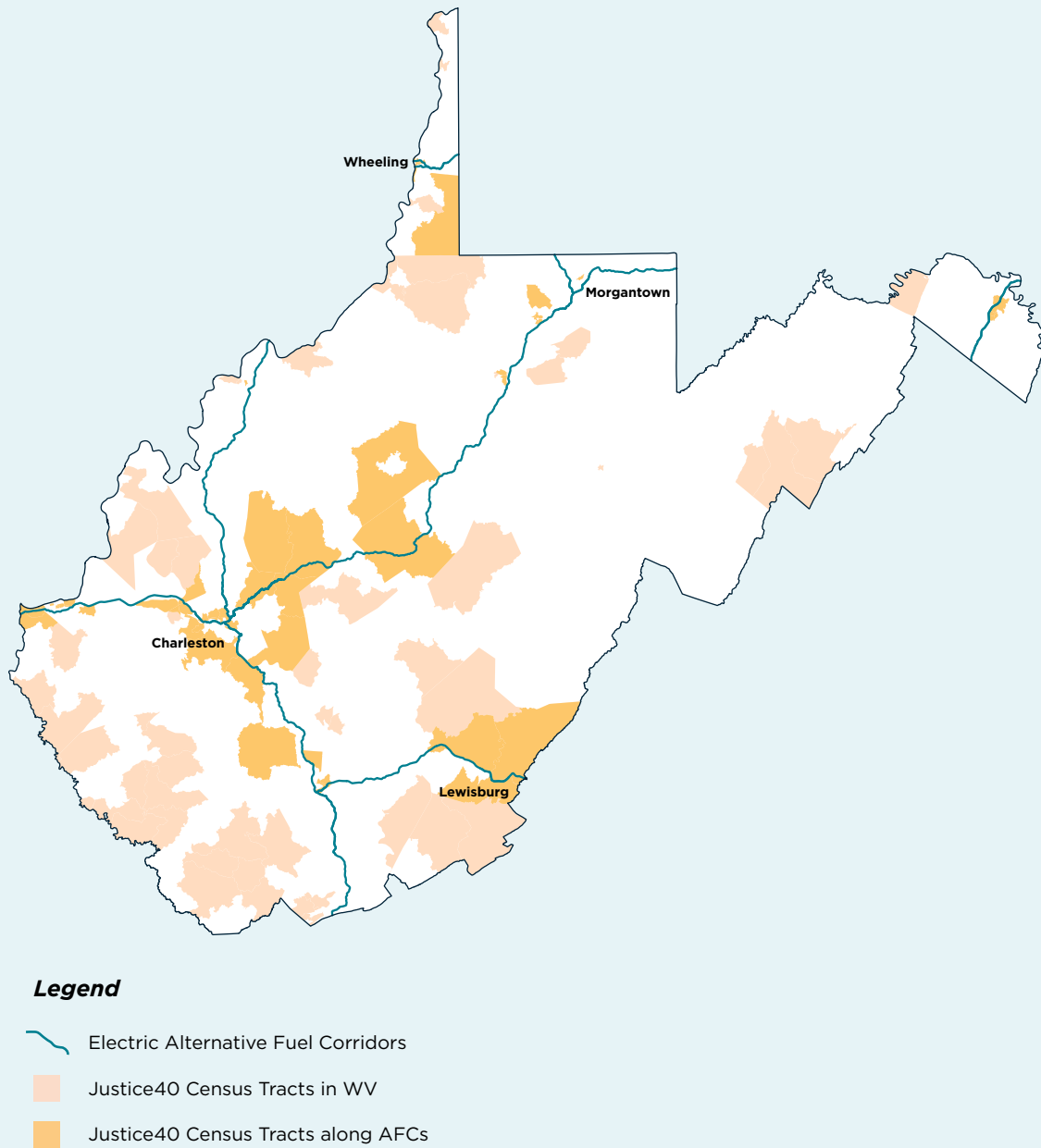
In West Virginia, 72% of the population lives in a census tract designated as a Justice40 community. Additionally, 43% of the State's population is within a Justice40 designated community and along an AFC. For Phase 1 and Phase 2 NEVI implementation in West Virginia, priority and focus will be given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

Table 9. West Virginia Disadvantaged Communities (DACs)

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



Figure 8. West Virginia Justice40 Disadvantaged Communities



PROCESS TO IDENTIFY, QUANTIFY, AND MEASURE BENEFITS TO DACs

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

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



11

Labor and Workforce Considerations



Access to clean energy and technology, as well as creating opportunities for disadvantaged communities to participate and have access to these jobs are all key parts of the West Virginia NEVI program.



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

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

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



12 Cybersecurity



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

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

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



13

Program Evaluation



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

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

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



14

Discretionary Exceptions



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

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

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



EV DEPLOYMENT PLAN EXCEPTION REQUESTS

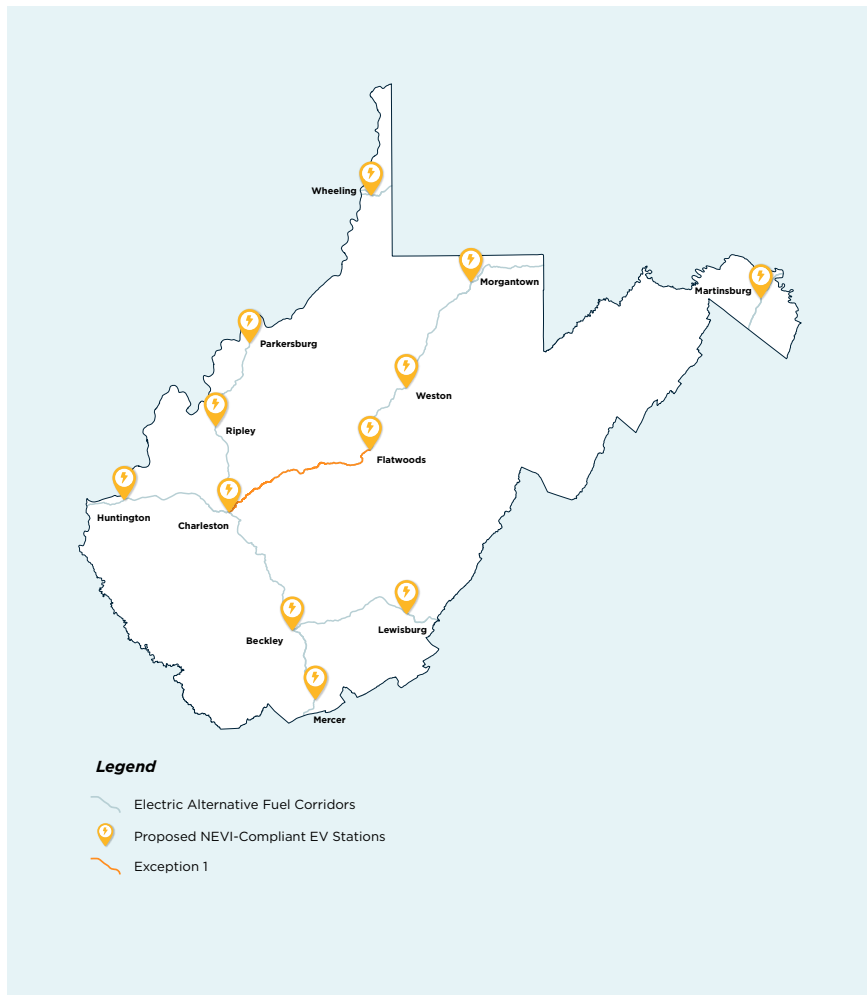
SUMMARY OF REQUESTS

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

JUSTIFICATION FOR EXCEPTION(S)

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

Figure 9. Exception 1



EV DEPLOYMENT PLAN EXCEPTION REQUESTS

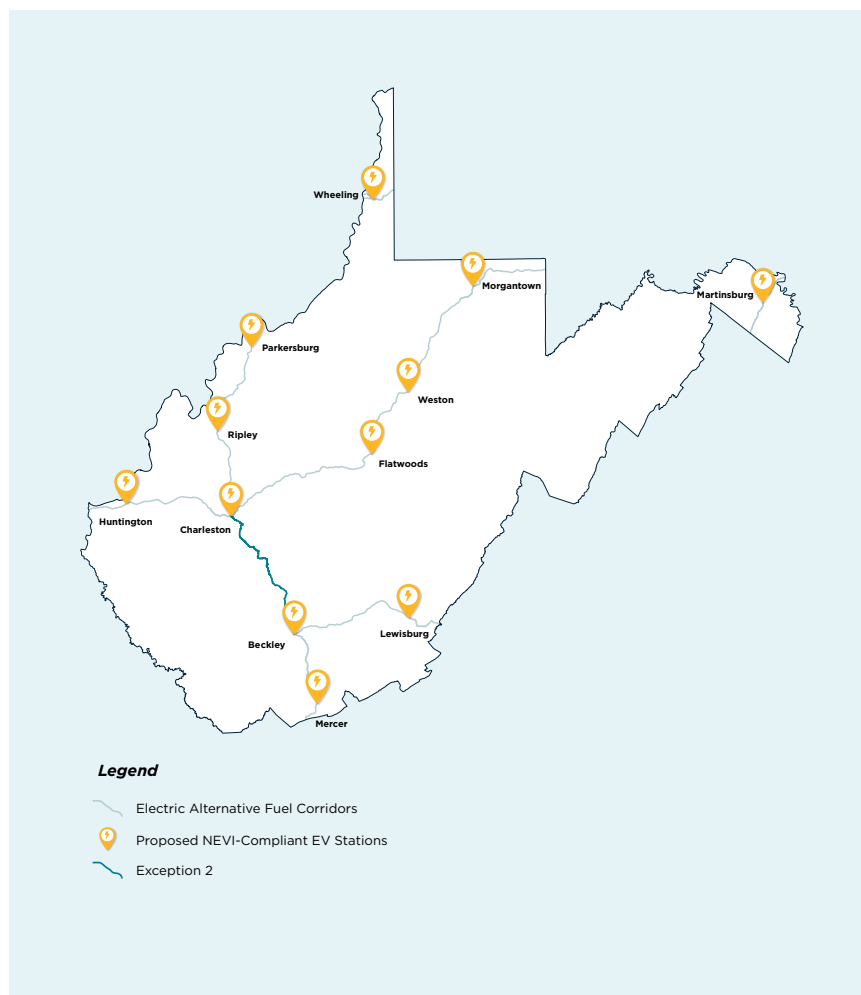
SUMMARY OF REQUESTS

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

JUSTIFICATION FOR EXCEPTION(S)

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

Figure 10. Exception 2



Glossary of Terms



AA DT – Annual Average Daily Traffic	NEHC – National Electric Highway Coalition
ADA – American Disabilities Act	NEVI Formula Program – National Electric Vehicle Infrastructure Formula Program
AFC –Alternative Fuel Corridors	NHFN – National Highway Freight Network
BEV- Battery Electric Vehicles	NHS – National Highway System
BIL – Bipartisan Infrastructure Law	O&M – Operations and Maintenance
DACs – Disadvantaged Communities	PHEV – Plug-in Hybrid Electric Vehicles
DBE – Disadvantaged Business Enterprise	PHFS – Primary Highway Freight System
DCFC – Direct Current Fast Charging/Level III	PSC – Public Service Commission of West Virginia
EEO – Equal Employment Opportunity	RTO – Regional Transmission Organization
EIA – U.S. Energy Information Administration	SBE – Small Businesses Enterprise
EPA – Environmental Protection Agency	USDOE – United States Department of Energy
EV- Electric Vehicle	USDOT – United States Department of Transportation
EVITP – Electric Vehicle Infrastructure Training Program	VMT – Vehicle Miles Traveled
EVSE – Electric Vehicle Supply Equipment	WVDED – West Virginia Department of Economic Development
FAF – Freight Analysis Framework	WVDEP – West Virginia Department of Environmental Protection
FHWA – Federal Highway Administration	WVDOT – West Virginia Department of Transportation
IIJA – Infrastructure Investment and Jobs Act	WVEAA – West Virginia Electric Auto Association
Joint Office – Joint Office of Energy and Transportation	WVEMD – West Virginia Emergency Management Division
KPI – Key Performance Indicators	WVOE – West Virginia Office of Energy
KRT – Kanawha Valley Regional Transportation Authority	
kWh – Kilowatt-hours	
MPO – Metropolitan Planning Organization	





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

9

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

Delegate Boggs: "Okay, I would—"

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

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

CONSTRUCTION UTILITY DELAYS

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

5	U333-522-11.92 00	US 522	FE, Frontier, Comcast, Shentel	\$9,000,000.00	Delay not only due to utilities. \$9M submission from contract to be mitigated/negotiated by D5 Construction
5	U302-10-1.38 00	Rock Cliff Drive	FE, Frontier, Comcast, Shentel, Segra	\$1,000,000.00	Contractor has no equip on site. Relocation is not expected to be completed prior to completion date of 10/2022. Request for additional costs is expected.
5	S314-50-31.02 00	Capon Br	Frontier, Sewer	minimal	contractor is working
5	S302-51-9.34 00	Middle Way	First Energy, Segra	minimal	contractor is working
7	S304-4-17.86 00	Upper Gassaway Br	Dominion	\$750,000.00	Gas pipeline work is completed and is in service. New station installed and is in service. Restoration complete on both. Old station removal is taking place. Other utilities should now be relocated.
7	U349-32-12.84	Alton Deck Girder**	Mon Pwr, Frontier	\$50,000.00	Best case clear by Oct. 1st
7	S321-10/8-2.42 00	Freemansburg Arch Bridge**	Frontier	???	Frontier to be relocated by 9/2/22. Other utilities to remain in place.
7	S321-N16/70-0.02 00	4th Street Arch Bridge**	Mon Pwr, Dominion, Sewer	???	Mon Power was to have line relocated by June 24th. Dominion was to have line relocated by July 08th. To my knowledge, neither has taken place. Sewer to be
10	S324-1-1.86	Mohawk Arch	Frontier		??-NTP has been held for 10 months

Red indicates at least some utilities waiting for ROW acquisition

ROW DELAYS

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

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



WEST LIBERTY UNIVERSITY

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Office: (304) 336-8000
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president@westliberty.edu

August 22, 2022

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

Dear Members of the West Virginia Legislature:

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

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

Sincerely,

W. Franklin Evans, Ph.D.
President

Enclosure

WFE/mae



WEST LIBERTY UNIVERSITY

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August 18, 2022

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

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

Sincerely,

W. Franklin Evans, Ph.D.
President

WFE/mae



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Bureau for Public Health
Commissioner's Office

Bill J. Crouch
Cabinet Secretary

Ayne Amjad, MD, MPH
Commissioner & State Health Officer

September 2, 2022

Joint Committee on Government and Finance

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

Dear Committee Members:

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

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

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

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

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

Sincerely,

A handwritten signature in blue ink that reads "Ayne Amjad".

Ayne Amjad, MD, MPH
Commissioner and State Health Officer

AA:alf