

FILE COPY

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

April 18, 2007

January 9, 2007

3:00 - 4:00 p.m.

Joint Committee on Government and Finance

Senate

Tomblin, Chair
Chafin
Helmick
Kessler
Sharpe
Deem
Sprouse

House

Kiss, Chair (absent)
Amores (absent)
Mahan
Michael (absent)
Staton (absent)
Hall
Trump (absent)

President Tomblin, Cochair, presided.

1. Approval of Minutes

Upon motion, properly adopted, the minutes of the December 12, 2006, meeting were approved.

2. Interim reports for 2006 were received from the following committees:

- a. **Agriculture and Agri-business Committee** (Senator Edgell and Delegate Stemple, Cochairs)
- b. **Joint Commission on Economic Development** (Senator McCabe and Delegate Cann, Cochairs)
- c. **Education Subcommittee A - Public Education** (Senator Edgell and Delegate Williams, Cochairs)
- d. **Education Subcommittee B - No Child Left Behind** (Senator Hunter and Delegate Paxton, Cochairs)
- e. **Education Subcommittee C - School Aid Formula** (Senator Plymale and Delegate Campbell, Cochairs)
- f. **Joint Standing Committee on Finance** (Senator Helmick and Delegate Michael, Cochairs)
- g. **Forest Management Review Commission** (Senator Helmick and Delegate Morgan, Cochairs)
- h. **Legislative Oversight Commission on Health and Human Resources Accountability** (Senator Prezioso and Delegate Leach, Cochairs)
- i. **Insurance Availability and Medical Malpractice Insurance Committee** (Senator Minard and Delegate Kominar, Cochairs)
- j. **Commission on Interstate Cooperation** (Senator Jenkins and Delegate Caputo, Cochairs)
- k. **Parks, Recreation and Natural Resources Subcommittee** (Senator Fanning, Delegate Paxton and Delegate Richard Thompson, Chairs)
- l. **Joint Standing Committee on Pensions and Retirement** (Senator Foster and Delegate Stalnaker, Cochairs)
- m. **Select Committee A - Committee on Children, Juveniles, and other Issues** (Senator Prezioso and Delegate Mahan, Cochairs)
- n. **Select Committee B - Minority Issues** (Senator Hunter and Delegate Webster, Cochairs)
- o. **Select Committee C - Infrastructure** (Senator Unger and Delegate Browning, Cochairs)

3. Lottery, General Revenue Reports, and Unemployment Compensation Trust Fund

Distributed to members of the Committee were the following: Lottery Financial report for the month ended November 30, 2006; the General Revenue Fund status report as of December 31, 2006; and the Unemployment Compensation Trust Fund report for the month ended November 30, 2006. Distributed with each of the reports were an analysis and a summary of the reports.

4. **PEIA, BRIM and CHIP Reports**

The following monthly PEIA reports were distributed: Monthly Management Report, Financial Report, and Prescription Drug Report for November 2006. Robert Ferguson, Jr., Cabinet Secretary, Department of Administration, said medical expenses are ½ percent lower and drugs are up \$8 million higher than last year. Revenues over expenses from July through November are \$51 million. Ted Cheatham, Director, PEIA, said PEIA coordinates with medicare for retirees so there is almost 100% benefit. For the plan year beginning July 1, 2007, employees will be at 80/20 with no increases for employers or employees.

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending November 30, 2006. Secretary Ferguson said the financial position continues to improve. Investment earnings are up from \$2.8 million last year to \$11 million this year. Chuck Jones, Executive Director, BRIM, was requested to see if there is an advantage to the State to move approximately 660 physicians from BRIM to Physicians Mutual.

The following reports from CHIP were distributed: A report of enrollment for November 2006 and the financial statements for period ending November 30, 2006. Secretary Ferguson said currently there is an enrollment of 25,573 enrollees, which is an increase from a year ago. The claim costs are up 5%. CHIP is currently 11% under budget for the first five months of the budget year.

5. **Leasing Report, Department of Administration**

A leasing report for December 5, 2006, through December 21, 2006, was distributed. Robert Ferguson, Jr., Cabinet Secretary, Department of Administration, said there has been 10 changes for the month with 3 new contracts, 4 straight renewals, 1 renewal adding some square footage and 2 renewals with rent increases.

6. **Departments of Health and Human Resources (DHHR) Monthly Report**

A Medicaid Report dated January 2007 was distributed.

7. **Pharmaceutical Cost Management Council**

A Pharmaceutical Cost Management Council handout was distributed. Shana Phares, Acting Pharmaceutical Advocate and Chair of the Pharmaceutical Cost Management Council, reported several highlights from the annual report.

8. **Board of Treasury Investments Report Distribution**

A Board of Treasury Investments Report dated November 2006 was distributed.

9. **WVU Unrestricted Investment Funds Distribution**

A WVU Foundation Report dated December 18, 2006 was distributed.

10. **Mental Health Parity Analysis Report for 2006 Distribution**

A Mental Health Parity Analysis Report for 2006 was distributed.

The meeting was adjourned.

2007 STUDY RESOLUTIONS ADOPTED

- HCR 42 Requesting the Joint Committee on Government and Finance reconstitute Select Committee A on Children, Juveniles and Other Matters
- HCR 48 Requesting the Joint Committee on Government and Finance to study sustainable funding methods to conserve land important to West Virginia's natural resources and economy
- HCR 75 Requesting the Joint Committee on Government and Finance to make a study of the needs of soldiers and veterans who have been injured in the Iraq/Afghanistan wars
- HCR 82 Requesting that the Joint Committee on Government and Finance conduct a study of municipal annexation under article six, chapter eight of the West Virginia Code to facilitate a more effective and responsive annexation process
- SCR 15 Requesting Joint Committee on Government and Finance study effects of coal slurry
- SCR 52 Requesting Joint Committee on Government and Finance study feasibility of constructing covered promenades and handicapped ramps on Capitol second floor outdoor walkways
- SCR 55 Requesting Joint Committee on Government and Finance study authorizing municipalities means to satisfy liens
- SCR 63 Requesting Joint Committee on Government and Finance study regulating Professional Employer Organization industry
- SCR 78 Requesting Joint Committee on Government and Finance study animal protection laws for horses
- SCR 82 Requesting Joint Committee on Government and Finance appoint select interim committee to study health care reform options
- SCR 83 Requesting Joint Committee on Government and Finance study permitting public recreational use of certified managed timberland

2007 STUDY RESOLUTIONS PASSED HOUSE ONLY

- HCR 5 Requesting the Joint Committee on Government and Finance to study the Office of Miners' Health Safety and Training

- HCR 11 Requesting the Joint Committee on Government and Finance to study the effects of underground injection of coal slurry on human health and the environment
- HCR 14 Requesting the Joint Committee on Government and Finance to study the state of the delivery of health care in West Virginia
- HCR 28 Requesting the Joint Committee on Government and Finance to study the potential revenue generating system referred to as the "automatic transaction fee"
- HCR 29 Requesting the Joint Committee on Government and Finance to study the establishment of partnerships between the state's colleges and employers
- HCR 35 Requesting the Joint Committee on Pensions and Retirement study the effects of the contested merger between the Teachers' Defined Contribution Retirement System and the State Teachers Retirement System
- HCR 45 Requesting the Committee on Government and Finance to conduct a study on the adequacy and the abuse of laws regulating the availability of motor vehicle parking facilities for persons with mobility impairments
- HCR 46 Requesting the Committee on Government and Finance to conduct a study on making the offense of operating a passenger vehicle in which the operator and passengers are not wearing a safety belt a primary offense
- HCR 53 Exploring option to improve school health and healthy lifestyles
Requesting the Legislative Oversight Commission on Education Accountability and the Legislative Oversight Commission on Health and Human Resources work with entities within state government of West Virginia to explore options to improve school health and healthy lifestyles
- HCR 54 Requesting the Joint Committee on Government and Finance study the provision of medical care to inmates of the Regional Jails and the Department of Corrections
- HCR 55 Requesting the Joint Committee on Government and Finance undertake a study of alternative processes to ensure the viability of smaller water and sewer utilities
- HCR 57 Requesting the Joint Committee on Government and Finance to conduct a study on the need to eliminate mercury and mercury preservatives in vaccines
- HCR 58 Requesting the Joint Committee on Government and Finance direct the Legislative Oversight Commission on Health and Human Resources Accountability study rebalancing the long-term care system

- HCR 60 Requesting the Committee on Government and Finance to conduct a study of the requirements and restrictions for a license to operate a motor vehicle by individuals with impaired vision
- HCR 62 Requesting the Joint Committee on Government and Finance study large land holdings, county by county, to determine the value taxation of deed holders of lands in excess of one thousand acres
- HCR 66 Requesting the Joint Committee on Government and Finance to study the cost efficiency and effectiveness of employers, self insured for purposes of workers' compensation coverage, who self administer claims
- HCR 68 Requesting the Joint Committee on Government and Finance to make a study on developing an efficient system to promote universal access to comprehensive services that provide quality early childhood development
- HCR 69 Requesting the Joint Committee on Government and Finance to study the closing times of establishments licensed to sell alcoholic beverages for consumption on the premises
- HCR 70 Requesting the Joint Committee on Government and Finance to study the necessity for additional public defender corporations for the delivery of indigent defense services
- HCR 73 Requesting the Joint Committee on Government and Finance to conduct a study on the need to modify the exemptions allowed in bankruptcy proceedings
- HCR 76 Requesting the Joint Committee on Government and Finance to study the feasibility, effectiveness and desirability of granting salary increases to Division of Corrections employees based on years of service
- HCR 77 Requesting the Joint Standing Committee on Government and Finance to conduct a study of the effects of the REAL ID Act of 2005
- HCR 78 Requesting the Joint Committee on Government and Finance to study what the appropriate amount for the homestead exemption in the State should be, as well as, the appropriate means for placing a value on the exemption
- HCR 79 Requesting the Joint Committee on Government and Finance to study West Virginia's costs for incarceration
- HCR 80 Requesting the Committee on Government and Finance to conduct a study on transportation safety in West Virginia

- HCR 84 Requesting the Joint Committee on Government and Finance study prohibiting oil and gas drillers from "daylighting" roads and sites except under certain conditions
- HCR 85 Requesting the Joint Committee on Government and Finance to conduct a study of community colleges and four-year colleges and universities in the State of West Virginia
- HCR 86 Requesting the Joint Committee on Government and Finance to conduct a study of the criminal laws and administrative procedures relating to drunk and drugged driving on the roadways of our state
- HCR 87 Requesting the Joint Committee on Government and Finance to study consumer lending practices and mortgage lending practices
- HCR 88 Requesting that the Joint Committee on Government and Finance to authorize the study of hardships facing West Virginia's agriculture community
- HCR 89 Requesting that the Joint Committee on Government and Finance authorize the study of a monetary incentive program to recruit and retain qualified workers to critically understaffed classifications
- HCR 90 Requesting the Joint Committee on Government and Finance to conduct an interim study on the improvement of access to oral health care services in states that allow dental hygienists to administer services to patients
- HCR 91 Requesting the Joint Committee on Government and Finance to make a study on minimizing the school bus transportation times for students in the pre-kindergarten and elementary grade
- HCR 92 Requesting that the Joint Committee on Government and Finance authorize the study of the need for legislative review of agency rules currently exempt from legislative rule-making and review
- HCR 93 Requesting the Joint Committee on Government and Finance to study what the appropriate amount for the homestead exemption in the state should be
- HCR 94 Requesting the Joint Committee on Government and Finance to study the impact state law and court decisions have on insurance company practices and policies
- HCR 95 Requesting the Joint Committee on Government and Finance to study the implementation of the Uniform Emergency Volunteer Healthcare Practitioners Act

2007 STUDY RESOLUTIONS PASSED SENATE ONLY

- SCR 54 Requesting Joint Committee on Government and Finance study sequestration of carbon dioxide
- SCR 56 Requesting Joint Committee on Government and Finance study practices related to asbestos and silica exposure litigation
- SCR 57 Requesting Joint Committee on Government and Finance study intrastate natural and methane gas pipeline capacity
- SCR 58 Requesting the Joint Committee on Government and Finance study methods to encourage PROMISE scholarship recipients to remain in West Virginia
- SCR 60 Requesting Joint Committee on Government and Finance study role of principals in public schools
- SCR 65 Requesting Joint Committee on Government and Finance study developing tourism attractions in less-developed counties
- SCR 68 Requesting Joint Committee on Government and Finance study economic impact of state and federal prevailing wage laws
- SCR 69 Requesting Joint Committee on Government and Finance study statutory provisions for annexation of unincorporated municipal corporations
- SCR 77 Requesting Joint Committee on Government and Finance study certificate of need review process within Health Care Authority
- SCR 80 Requesting Joint Committee on Government and Finance study cost and benefits of daily physical education classes for students
- SCR 84 Requesting Joint Committee on Government and Finance study vehicle weights on interstates
- SCR 85 Requesting Joint Committee on Government and Finance study acquisition of a failed water or sewer utility

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 332-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590



304-347-4870

April 16, 2007

Executive Summary of Lottery, Unemployment, General Revenue and State Road Fund Reports to Joint Committee

Lottery Commission as of February 28, 2007 :

Appears to be in good condition. Gross receipts for the months of July -February of fiscal year 2006-2007, were \$ 653.3 million; which was 3.90% above the same months of fiscal year 2005-2006.

General Revenue Fund as of March 31, 2007:

Collections were at 103.08% of the yearly estimate as of March 31, 2007.

State Road Fund as of March 31, 2007:

Fund collections were at 108.91% of the yearly estimate.

Unemployment Compensation Trust as of February 28, 2007:

The overall ending trust fund balance was \$16.1 million more on February 28, 2007 than on February 28, 2006.

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 332-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590



304-347-4870

MEMORANDUM

To: Honorable Senate President Tomblin
Honorable House of Delegates Speaker Thompson
Honorable Members of the Joint Committee on Government and
Finance

From: Ellen Clark, CPA *EC*
Director Budget Division
Legislative Auditor's Office

Date: April 16, 2007

Re: Review of West Virginia Lottery Financial Information
As of February 28, 2007 (FY 2007)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the month ended February 28, 2007, from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. This report is for eight months of fiscal year 2006-2007. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games and video lottery. These gross receipts totaled \$653,346,000.00. These gross receipts were 3.90 % ABOVE the total as of February 28, 2006 of preceding fiscal year, 2005-2006. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July 2006 - February 2007 was \$ 435,613,000.00; for the previous fiscal year it was \$409,664,000.00. Expressed as a percentage, gross profit is **6.33% higher** for July - February 2007 than for July - February 2006.

Joint Committee on Government and Finance

Lottery continued

Operating Income:

Operating income was \$ 421,473,000.00 for July 2006 - February 2007. For July 2005- February 2006 it was \$ 396,924,000.00. This was an increase of 6.18%.

Operating Transfers to the State of West Virginia:

A total of \$ 412,852,000.00 has been accrued to the state of West Virginia for fiscal year 2006-2007. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. (Amounts owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$ 42,136,000.00
Department of Education	\$ 32,704,000.00
Educational Broadcasting Authority	
Library Commission	\$ 10,522,000.00
Higher Education-Central Office	\$ 38,834,000.00
Tourism	\$ 7,868,000.00
Department of Natural Resources	\$ 3,428,000.00
Division of Culture and History	\$ 5,222,000.00
Department of Education and Arts	\$ 1,385,000.00
State Building Commission	\$ 8,000,000.00
School Building Authority	\$ 14,400,000.00

Lottery continued

SUBTOTAL BUDGETARY TRANSFERS	\$164,499,000.00
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Excess Lottery Fund

General Purpose Fund	65,000,000.00
Economic Development Fund	15,200,000.00
Traffic Fund	0
Excess Lottery Surplus	0
Education Improvement Fund	8,000,000.00
WV Infrastructure Council Fund	34,018,000.00
Higher Education Improvement Fund	27,000,000.00
State Park Improvement Fund	4,252,000.00
Refundable Credit	1,640,000.00
School Building Authority	16,159,000.00
TOTAL EXCESS LOTTERY FUND	171,269,000.00

Senate Bill 1010 and 1017 104,253,000.00
 (2006 lottery surplus to TRAFFIC,
 Development Office, Office of
 Technology, Capital Outlay Parks)

Veterans Instant Ticket Fund 604,000.00

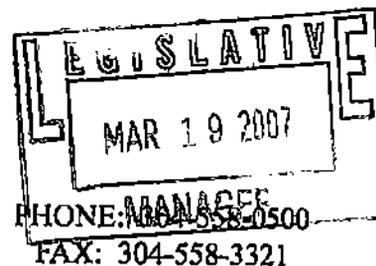
RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund	\$7,999,000.00
Development Office Promo Fund	\$2,182,000.00
Research Challenge Fund .5%	\$2,909,000.00
Capitol Renovation and Improvement Fund .6875%	\$3,999,000.00

Lottery continued

Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$34,270,000.00
TOTAL TRANSFERS	*\$474,895,000.00

* CASH BASIS

Total Applicable to last FY 2006:	147,676,000.00
Total Cash Distributions July -Feb 2007.	474,895,000.00
Total Applied to FY 2006:	147,676,000.00
Total Applied to FY 2007:	327,219,000.00
Total Accrued for FY 2007:	85,632,000.00



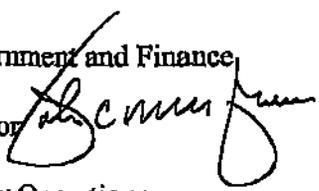
P.O. BOX 2067
CHARLESTON, WV 25327

Joe Manchin III
Governor

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director 

RE: Monthly Report on Lottery Operations
Month Ending February 28, 2007

DATE: March 20, 2007

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

Financial statements of the Lottery for the month ending February 28, 2007 are attached. Lottery revenue, which includes on-line, instant and video lottery sales, was \$119,433,160 for the month of February.

Transfers of lottery revenue totaling \$43,446,010 made for the month of February to the designated state agencies per Senate Bill 125, Veterans Instant Ticket Fund and the Racetrack Video Lottery Act (§29-22A-10). The amount transferred to each agency is shown in Note 8 on pages 14 and 15 of the attached financial statements.

The number of traditional and limited retailers active as of February 28, 2007 was 1,648 and 1,698 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.

JCM/jt
Attachment

pc: Honorable Joe Manchin III
James Robert Alsop, Cabinet Secretary – Dept. of Revenue
John Perdue, Treasurer
Glen B. Gainer III, Auditor
Members of the West Virginia Lottery Commission



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

FEBRUARY 28, 2007

WEST VIRGINIA LOTTERY

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WEST VIRGINIA LOTTERY
BALANCE SHEETS
(In Thousands)
-Unaudited-

ASSETS	February 28, 2007	June 30, 2006
Current assets:		
Cash and cash equivalents	\$ 130,148	\$ 197,719
Accounts receivable	25,478	24,790
Inventory	845	588
Current portion of investments held in trust	27	57
Other assets	1,208	1,455
Total current assets	<u>157,706</u>	<u>224,609</u>
Noncurrent assets:		
Capital assets	12,623	11,719
Less accumulated depreciation and amortization	<u>(11,422)</u>	<u>(11,046)</u>
	1,201	673
Investments held in trust, less current portion	<u>273</u>	<u>612</u>
Total assets	<u>\$ 159,180</u>	<u>\$ 225,894</u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 85,634	\$ 147,676
Estimated prize claims	13,699	15,992
Accounts payable	1,571	2,745
Other accrued liabilities	37,206	38,579
Current portion of deferred jackpot prize obligations	195	336
Total current liabilities	<u>138,305</u>	<u>205,328</u>
Deferred jackpot prize obligations, less current portion	<u>161</u>	<u>316</u>
Total liabilities	<u>138,466</u>	<u>205,644</u>
Net assets:		
Invested in capital assets	1,201	673
Restricted assets (see note 8)	20,464	20,000
Unrestricted (deficit)	<u>(951)</u>	<u>(423)</u>
Total net assets	<u>20,714</u>	<u>20,250</u>
Total liabilities and net assets	<u>\$ 159,180</u>	<u>\$ 225,894</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE EIGHT MONTH PERIOD ENDED FEBRUARY 28, 2007

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2007	2006	2007	2006
Lottery revenues				
On-line games	\$ 6,089	\$ 14,301	\$ 59,187	\$ 69,197
Instant games	8,475	11,887	72,015	76,291
Racetrack video lottery	72,010	74,901	639,613	612,097
Limited video lottery	32,859	31,229	258,294	232,848
	<u>119,433</u>	<u>132,318</u>	<u>1,029,109</u>	<u>990,433</u>
Less commissions				
On-line games	426	1,001	4,144	4,844
Instant games	593	832	5,041	5,340
Racetrack video lottery	37,893	39,616	363,772	350,276
Limited video lottery	17,389	16,526	136,689	126,669
	<u>56,301</u>	<u>57,975</u>	<u>509,646</u>	<u>487,129</u>
Less on-line prizes	3,040	7,247	29,851	34,958
Less instant prizes	5,721	8,183	49,017	52,909
Less ticket costs	123	207	1,044	1,408
Less vendor fees and costs	473	786	3,938	4,365
	<u>9,357</u>	<u>16,423</u>	<u>83,850</u>	<u>93,640</u>
Gross profit	<u>53,775</u>	<u>57,920</u>	<u>435,613</u>	<u>409,664</u>
Administrative expenses				
Advertising and promotions	700	998	5,939	5,107
Wages and related benefits	484	472	3,894	3,689
Telecommunications	375	300	1,716	1,533
Contractual and professional	257	181	2,592	2,350
Rental	59	50	419	385
Depreciation and amortization	48	111	375	909
Other administrative expenses	180	61	961	660
	<u>2,103</u>	<u>2,173</u>	<u>15,896</u>	<u>14,633</u>
Other Operating Income	<u>96</u>	<u>47</u>	<u>1,755</u>	<u>1,893</u>
Operating Income	<u>51,768</u>	<u>55,794</u>	<u>421,472</u>	<u>396,924</u>
Nonoperating income (expense)				
Investment income	492	411	4,696	2,214
Interest expense	(5)	(5)	(29)	(67)
Distributions to municipalities and counties	(644)	(612)	(5,063)	(4,564)
Distributions to racetracks-capital reinvestment	(1,968)	(1,996)	(7,760)	(6,758)
Distributions to the State of West Virginia	(49,561)	(53,592)	(412,852)	(387,749)
	<u>(51,686)</u>	<u>(55,794)</u>	<u>(421,008)</u>	<u>(396,924)</u>
Net income	<u>82</u>	<u>-</u>	<u>464</u>	<u>-</u>
Net assets, beginning of year	<u>20,250</u>	<u>250</u>	<u>20,250</u>	<u>250</u>
Net assets, end of year	<u>\$ 20,332</u>	<u>\$ 250</u>	<u>\$ 20,714</u>	<u>\$ 250</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE EIGHT MONTH PERIOD ENDED FEBRUARY 28, 2007

(In Thousands)

-Unaudited-

	2007	2006
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 1,030,176	\$ 983,338
Cash payments for:		
Personnel costs	(3,894)	(3,707)
Suppliers	(22,550)	2,065
Other operating costs	<u>(577,579)</u>	<u>(585,207)</u>
Cash provided by operating activities	<u>426,153</u>	<u>396,489</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(474,895)	(375,716)
Distributions to municipalities and counties	(5,031)	(4,473)
Distributions to racetrack from racetrack cap. reinv. fund	(17,931)	(15,870)
Deferred jackpot prize obligations and related interest paid	<u>(29)</u>	<u>(67)</u>
Cash used in noncapital financing activities	<u>(497,886)</u>	<u>(396,126)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(904)</u>	<u>-</u>
Cash flows from investing activities:		
Maturities of investments held in trust	387	816
Investment earnings received	<u>4,679</u>	<u>2,194</u>
Cash provided by investing activities	<u>5,066</u>	<u>3,010</u>
Increase (decrease) in cash and cash equivalents	(67,571)	3,373
Cash and cash equivalents - beginning of period	<u>197,719</u>	<u>113,742</u>
Cash and cash equivalents - end of period	<u>\$ 130,148</u>	<u>\$ 117,115</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 421,472	\$ 363,297
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	375	909
Changes in operating assets and liabilities:		
Increase (decrease) in accounts receivable	(688)	8,988
Decrease (increase) in inventory	(256)	149
Increase (decrease) in other assets	247	7
Increase (decrease) in estimated prize claims	(2,293)	1,927
Increase (decrease) in accounts payable	(1,174)	(753)
Decrease (increase) in other accrued liabilities	8,470	21,965
Cash provided by operating activities	<u>\$ 426,153</u>	<u>\$ 396,489</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 discretely presented in the comprehensive annual financial report of the State.

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 basic 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
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

LOTTERY GAME OPERATIONS – The West Virginia Lottery derives its revenues from three basic types of lottery games: instant, on-line, and video type 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; HOT LOTTO, a multi-state “lotto” 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.

Racetrack video lottery is a self-activated video version of lottery games. 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 racetrack 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 racetrack 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. Racetrack video lottery legislation has established specific requirements for racetrack video lottery and imposed certain restrictions limiting the licensing for operation of racetrack video lottery games to horse and dog

WEST VIRGINIA LOTTERY
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

racetracks in West Virginia, subject to local county elections permitting the same. The legislation further stipulates the distribution of revenues from racetrack video lottery games, and requires any licensed racetrack to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

Limited video lottery is also a self-activated video version of lottery games, which were first placed in operation in December 2001, located in limited licensed retailer areas restricted for adult amusement. The games allow a player to use currency to place bets for the chance to receive free games or vouchers which may be redeemed for cash. The limited video lottery games' prize structures are designed to award prizes, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as limited video lottery revenue "gross terminal income" equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to private entities are reported as commissions. Limited video lottery permit holders are statutorily responsible for acquiring equipment and bearing the risk associated with the costs of operating the games.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents primarily consist of interest-earning deposits with the West Virginia Investment Management Board (IMB) and are recorded at fair value.

INVENTORY - Inventory consists of instant game tickets available for sale to approved Lottery retailers and are carried at cost.

OTHER ASSETS - Other assets consist primarily of deposits restricted for payment of certain Multi-State Lottery Association activities.

CAPITAL ASSETS - The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. Portions of these facilities were subleased to the Lottery's game vendor until January 31, 2007. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the eight months ended February 28, 2007 and February 28, 2006 approximated \$419,628 and \$385,112, respectively. Sublease rental income for the eight months ended February 28, 2007 and February 28, 2006 approximated \$51,864 and \$69,152, respectively.

The Lottery has adopted a policy of capitalizing assets with individual amounts exceeding \$25,000. These assets include leasehold improvements, contributed 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.

COMPENSATED ABSENCES - The Lottery has accrued \$281,146 and \$241,126 of vacation and \$468,058 and \$452,850 of sick leave at June 30, 2006 and 2005, respectively, for estimated obligations that may arise in connection with compensated absences for vacation and sick leave at the current rate of employee pay. Employees fully vest in all earned but unused vacation. In accordance with State personnel policies, employees hired prior to July 1, 2001, vest in unused sick leave only upon

WEST VIRGINIA LOTTERY
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

retirement, at which time such unused leave can be converted into employer paid premiums for post-retirement health care coverage or additional periods of credited service for purposes of determining retirement benefits. For employees hired prior to July 1, 1988, the Lottery pays 100% of the post-retirement health care premium. The Lottery pays 50% of the premium for employees hired after June 30, 1988 through July 1, 2001. The estimated obligation for sick leave is based on historical retirement rates and current health care premiums applicable to employee hire dates. Employees hired after June 30, 2001 do not vest in unused sick leave upon retirement.

NET ASSETS – Net assets are presented as restricted, unrestricted and invested in capital assets which represents the net book value of all property and equipment of the Lottery.

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At February 28, 2007 the carrying amounts of deposits (overdraft) with financial institutions were (\$27) thousand with a bank balance of \$15 thousand. Of this balance \$100 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 Investment Management Board (IMB) is as follows (in thousands):

	<u>February 28, 2007</u>	<u>June 30, 2006</u>
Amount on deposit with the IMB	<u>\$130.175</u>	<u>\$197.734</u>

The deposits with the IMB are part of the State of West Virginia's consolidated investment cash liquidity pool and are not separately identifiable as to specific types of securities. Investment income is pro-rated to the Lottery at rates specified by the IMB based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pool. Such funds are available to the Lottery with overnight notice.

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended February 28, 2007 is as follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 – CAPITAL ASSETS (continued)

Capital Assets:

	Historical Cost At June 30, 2006	Additions	Deletions	Historical Cost At February 28, 2007
Improvements	\$ 1,121	\$ -	\$ -	\$ 1,121
Equipment	10,598	904	-	11,502
	<u>\$ 11,719</u>	<u>\$ 904</u>	<u>\$ -</u>	<u>\$ 12,623</u>

Accumulated
Depreciation:

	Historical Cost At June 30, 2006	Additions	Deletions	Historical Cost At February 28, 2007
Improvements	\$ 848	\$ 51	\$ -	\$ 899
Equipment	10,198	325	-	10,523
	<u>\$ 11,046</u>	<u>\$ 376</u>	<u>\$ -</u>	<u>\$ 11,422</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 and HOT LOTTO game, on behalf of participating state lotteries. 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, and HOT LOTTO is 50% of each drawing period's sales, with minimum jackpot levels.

Revenues derived from the Lottery's participation in the MUSL POWERBALL jackpot game for the month and year-to-date periods ended February 28, 2007 were \$3,433,741 and \$36,366,493 while related prize costs for the same periods were \$1,719,869 and \$18,263,675.

Revenues derived from the Lottery's participation in the HOT LOTTO game for the month and year-to-date periods ended February 28, 2007 were \$299,921 and \$3,200,616 while related prize costs for the same periods were \$150,173 and \$1,729,993.

MUSL places 2% of each POWERBALL drawing period's sales in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. Currently, the MUSL Board of Directors has placed a \$75,000,000 limit on the POWERBALL Prize Reserve Fund and a \$25,000,000 limit on the Set Prize Reserve Fund. 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. At February 28, 2007 the POWERBALL prize reserve funds had a

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

balance of \$96,029,748 of which the Lottery's share was \$2,282,390. The Lottery has charged amounts placed into the prize reserve funds to prize costs as the related sales have occurred.

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. 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 (47%); other private entities associated with the racing industry (17%); and the local county and municipal governments (2%). The remaining revenues (34%) 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 8 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, 55% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (11%); and the local county and incorporated municipality governments (2%). The remaining net terminal revenue (45%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 8.

Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframe; otherwise amounts accumulated in the fund revert to the state excess lottery revenue fund. A summary of racetrack video lottery revenues for the month ended February 28, 2007 and year-to-date follows (in thousands):

WEST VIRGINIA LOTTERY
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NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

	<u>Current</u> <u>2007</u>	<u>Month</u> <u>2006</u>	<u>Year-</u> <u>to</u> <u>-Date</u> <u>2007</u>	<u>2006</u>
Total credits played	\$757,802	\$805,383	\$6,758,707	\$6,591,523
Credits (prizes) won	(685,393)	(730,482)	(6,116,314)	(5,979,426)
MWAP Contributions	(399)	-	(2,780)	-
Gross terminal income	<u>\$72,010</u>	<u>\$74,901</u>	<u>\$639,613</u>	<u>\$612,097</u>
Administrative costs	(728)	(911)	(17,398)	(17,385)
Net Terminal Income	<u>\$71,282</u>	<u>\$73,990</u>	<u>\$622,215</u>	<u>\$594,712</u>
Less distribution to agents	(37,893)	(39,616)	(363,772)	(350,276)
Racetrack video lottery revenues	<u>\$33,389</u>	<u>\$34,374</u>	<u>258,443</u>	<u>\$244,436</u>

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

	<u>February 28, 2007</u>	<u>Year-to Date</u>
State Lottery Fund	\$6,679	\$128,781
State Excess Lottery Revenue Fund	22,165	87,087
Capital Reinvestment Fund	1,968	7,759
Tourism Promotion Fund 1.375%	886	8,183
Development Office Promotion Fund .375 %	242	2,234
Research Challenge Fund .5 %	322	2,977
Capitol Renovation & Improvement Fund .6875 %	443	4,095
Parking Garage Fund .0625 %	40	372
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Doms & Capitol Improvements Fund .5 %	644	3,955
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$33,389</u>	<u>\$258,443</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 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. Such percentage is between 30 and 50 percent and is subject to change

WEST VIRGINIA LOTTERY
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NOTE 7 - LIMITED VIDEO LOTTERY (continued)

on a quarterly basis. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses. A summary of limited video lottery revenues for the month ended February 28, 2007 and year-to-date follows (in thousands):

	<u>Current</u> <u>2007</u>	<u>Month</u> <u>2006</u>	<u>Year- to -Date</u> <u>2007</u>	<u>2006</u>
Total credits played	\$396,129	\$380,284	\$3,144,224	\$2,832,725
Credits (prizes) won	(363,270)	(349,055)	(2,885,930)	(2,599,877)
Gross terminal income	<u>\$32,859</u>	<u>\$31,229</u>	<u>\$258,294</u>	<u>\$232,848</u>
Administrative costs	(657)	(625)	(5,165)	(4,657)
Gross Profit	<u>\$32,202</u>	<u>\$30,604</u>	<u>\$253,129</u>	<u>\$228,191</u>
Commissions	(17,389)	(16,526)	(136,689)	(126,669)
Municipalities and Counties	(644)	(612)	(5,063)	(4,564)
Limited video lottery revenues	<u>\$14,169</u>	<u>\$13,466</u>	<u>\$111,377</u>	<u>\$96,958</u>

NOTE 8 - NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

As required under its enabling legislation, net assets of the Lottery may not exceed \$250,000. On June 14, 2006 House Bill 106 established additional capitalization up to \$20,000,000, in each year beginning with FY 2006 and continuing for the next six years. Therefore, the Lottery periodically distributes surplus funds, exclusive of amounts 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, 2007 the State Legislature budgeted \$170,100,000 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 and \$1,000,000 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 \$2,900,000 per month for the first ten months of each fiscal year, with \$1,000,000 of this amount beginning September 2004. 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. During the month ended February 28, 2007 the Lottery made such distributions and accrued additional distributions of \$46,983,894. The Lottery does not have a legally adopted annual budget.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 - NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)

Since the enactment of the Racetrack Video Lottery Act, the Lottery is also statutorily required to distribute income from racetrack video lottery operations as described in Note 6. As of February 28, 2007 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$1,049,035.

Note 7 describes the Limited Video Lottery Act and the statutory distributions required to be made from limited video lottery operations.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>February 28, 2007</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Bureau of Senior Services	\$ -	\$ 42,136
Department of Education	-	32,704
Library Commission	-	10,522
Higher Education-Policy Commission	-	38,834
Tourism	-	7,868
Natural Resources	-	3,428
Division of Culture & History	-	5,222
Department of Education & Arts	-	1,385
Building Commission	1,000	8,000
School Building Authority	1,800	14,400
Total State Lottery Fund	\$ 2,800	\$164,499
<u>State Excess Lottery Revenue Fund:</u>		
Economic Development Fund	\$ 1,900	\$ 15,200
Higher Education Improvement Fund	1,000	8,000
General Purpose Account	-	65,000
Higher Education Improvement Fund	-	27,000
State Park Improvement Fund	2,652	4,252
School Building Authority	10,079	16,159
Refundable Credit	1,431	1,640
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	21,219	34,018
Total State Excess Lottery Revenue Fund	\$ 38,281	\$ 171,269
<u>Senate Bill 1010, 1016 & 1017</u>	\$ -	\$ 104,253
Total Budgetary distributions:	\$ 41,081	\$ 440,021
Veterans Instant Ticket Fund	\$ 32	\$ 604

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 - NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)

<u>Other Racetrack Video Lottery distributions:</u>		
Tourism Promotion Fund 1.375%	\$ 802	\$ 7,999
Development Office Promotion Fund .375%	219	2,182
Research Challenge Fund .5%	292	2,909
Capitol Renovation & Improvement Fund .6875%	400	3,999
Parking Garage Fund .0625 %	37	364
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	583	3,817
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	<u>\$ 2,333</u>	<u>\$ 34,270</u>
 Total nonoperating distributions to the State of West Virginia (cash basis)	 \$43,446	 \$474,895
Accrued nonoperating distributions, beginning	(79,517)	(147,675)
Accrued nonoperating distributions, end	<u>85,632</u>	<u>85,632</u>
 Total nonoperating distributions to the State of West Virginia	 <u>\$ 49,561</u>	 <u>\$412,852</u>

NOTE 9 - DEFERRED JACKPOT OBLIGATIONS AND INVESTMENTS HELD IN TRUST

Prior to becoming a member of the Multi-State Lottery in 1988, the prize structure of certain games operated solely by the Lottery included jackpot prizes. The Lottery, at its discretion, could choose to award such prizes in the form of either a lump sum payment or in equal installments over a period of 10 or 20 years, through February 28, 2007, the Lottery has awarded twenty-one deferred jackpot prizes totaling approximately \$28,868,786. Deferred prize awards were recognized as prize liabilities equivalent to the present value of future prize payments discounted at interest rates for government securities in effect on the date prizes were won. The imputed interest portion of the deferred prize awards is calculated using the effective interest method at rates ranging from 7.11% to 9.13%. A summary of the present value of the remaining obligations for deferred jackpot prize awards follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 - DEFERRED JACKPOT OBLIGATIONS AND INVESTMENTS HELD IN TRUST
(continued)

	<u>February 28, 2007</u>	<u>June 30, 2006</u>
Present value of deferred prize award obligations:		
Discounted obligations outstanding	\$ 338	\$ 615
Imputed interest accrued	<u>18</u>	<u>37</u>
	356	652
Less current portion of discounted obligations and accrued interest	<u>(195)</u>	<u>(336)</u>
Long-term portion of deferred prize award obligations	<u>\$ 161</u>	<u>\$ 316</u>

Future cash payments on deferred prize obligations for each of the remaining three years are as follows (in thousands):

<u>Year Ended</u>	<u>Original Discounted Obligations Outstanding</u>	<u>Imputed Interest</u>	<u>Total</u>
June 30, 2007	59	5	64
June 30, 2008	159	23	182
June 30, 2009	<u>120</u>	<u>10</u>	<u>130</u>
	<u>\$ 338</u>	<u>\$ 38</u>	<u>\$ 376</u>

The Lottery has purchased long-term investments consisting principally of zero coupon government securities to fund deferred jackpot prize award obligations. Such investments are maintained in a separate trust fund administered by the West Virginia Investment Management Board on behalf of the Lottery and the jackpot prize winners, with investment maturities approximating deferred prize obligation installment due dates. Investments are carried at fair value determined by quoted market prices for the specific obligation or for similar obligations. Changes in fair value are included as part of investment income. In accordance with Statement No. 3 of the Government Accounting Standards Board, these investments are classified as to level of risk in Category 1, which includes investments that are insured or registered, or for which the securities are held by the State or its agent in the State's name.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 - 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, Building 5, Room 1000, State Capitol Complex, Charleston, West Virginia 25305-0720.

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 are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 10.5% 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 period ending February 28, 2007 are as follows (in thousands):

	<u>February 28, 2007</u>	<u>Year-to Date</u>
Lottery contributions	\$37	\$297
Employee contributions	16	129
Total contributions	\$53	\$426

NOTE 11 - 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 have 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.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11 - RISK MANAGEMENT (continued)

WEST VIRGINIA WORKERS' COMPENSATION COMMISSION (WCC)

The State of West Virginia operated an exclusive state-managed workers' compensation insurance program (WCC) prior to December 31, 2005. A framework for the privatization of workers' compensation insurance in West Virginia was established with the passage of Senate Bill 1004 and the WCC trust fund was terminated effective December 31, 2005. A privatized business entity, BrickStreet Administrative Services (BAS), was established and became the administrator of the WCC Old Fund, beginning January 1, 2006, and thereafter for seven years, and will have all administrative and adjudicatory authority previously vested in the WCC trust fund in administering old law liabilities and otherwise processing and deciding old law claims. BAS will be paid a monthly administrative fee and rated premium to provide a prompt and equitable system for compensation for injury sustained in the course of and growing out of employment. The monthly administrative fee for the West Virginia Lottery has been set at a level consistent with prior year payments and the new rate or premium will be established on an experience rated basis. The West Virginia Lottery is required to participate in the new BrickStreet Administrative Services (BAS) experience rated pool, which is expected to be rate adjusted on a quarterly basis.

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 educations, 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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11 - RISK MANAGEMENT (continued)

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.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 332-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590



304-347-4870

Memorandum

To: Honorable Senate President Tomblin
Honorable House of Delegates Speaker Thompson
Honorable Members of the Joint Committee on Government and
Finance

From: Ellen Clark, C.P.A. *EC*
Director Budget Division
Legislative Auditor's Office

Date: April 16, 2007

Re: Status of General Revenue Fund March 31, 2007

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the months of July-March of fiscal year 2006-2007. The status of the fund collections are as follows:

The net collections were **103.08%** of the estimate for the fiscal year. **The amount ABOVE estimate was \$ 78 million for the year.**

Corporate income/business franchise tax was \$ 41 million above the estimate.

Severance tax was \$ 12 million above the estimate as of March 31, 2006.

Joint Committee on Government and Finance

State Road Fund

The state road fund was collected at 108.91% of the estimate for the months of July - March. The entire fund was \$ 36.6 million above the estimate for the year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A(Rainy Day Fund) had a cash balance of \$ 226,153,435.74 as of March 31, 2007.

Balance July 1, 2006	124,153,400.18
Cash flow loan to General Revenue on July 6, 2006 To be repaid 90 days. This is a normal occurrence in July due to cash flow demands; will be repaid in September. Loan repaid on September 28, 2006.	- 50,000,000.00 + 50,000,000.00
Revenues July 1, 2005-June 30,2006 (Surplus from FY 2006 to be transferred in August 2006.)	88,817,007.83
Earnings	13,183,027.73
Balance March 31, 2007	226,153,435.74

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 262,846,664.59 as of March 31, 2007.

Balance July 1, 2006	234,897,671.95
Earnings	27,948,992.64
Balance March 31, 2007	262,846,664.59

The Special Income Tax Reserve Fund had a cash balance of \$36,619,318.96 as of March 31, 2007.

Balance July 1, 2006	36,619,318.96
Revenues July 2006-June 2007	
Balance March 31, 2007	36,619,318.96

GENERAL REVENUE FUND FY 2006-2007

Monthly Revenue Estimates - Revised: March 18, 2007
as of March 30, 2007 WVFIMS

SOURCE OF REVENUE	MONTH ESTIMATES	NET MONTH COLLECTIONS	FINAL	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY
			MONTHLY OVER/ UNDER ESTIMATES VS ACTUAL COLLECTIONS			OVER/ UNDER ESTIMATES VS ACTUAL YTD COLLECTIONS
Personal Income Tax	84,100,000	78,070,489	-6,029,511	889,300,000	874,762,043	-14,537,957
Consumer Sales Tax	73,000,000	82,727,712	9,727,712	757,000,000	748,668,998	-8,331,002
Severance Tax	27,400,000	34,663,342	7,263,342	223,700,000	236,564,185	12,864,185
Corp Income /Business Franchise	61,300,000	47,882,485	-13,417,515	185,300,000	227,227,501	41,927,501
Business and Occupation Use Tax	6,100,000	10,171,669	4,071,669	113,400,000	131,214,119	17,814,119
Insurance Tax	8,200,000	7,791,885	-408,115	85,500,000	96,535,186	11,035,186
Cigarette Tax	24,600,000	17,870,677	-6,729,323	81,000,000	74,969,769	-6,030,231
HB 102 - Lottery Transfers	9,000,000	8,433,131	-566,869	78,200,000	79,082,657	882,657
Interest Income	0	12,900,000	12,900,000	65,000,000	77,900,000	12,900,000
Departmental Collections	6,800,000	5,406,615	-1,393,385	27,000,000	39,649,371	12,649,371
Property Transfer Tax	1,200,000	1,029,389	-170,611	13,100,000	11,847,195	-1,252,805
Liquor Profit Transfers	1,000,000	724,101	-275,899	12,200,000	9,369,947	-2,830,053
Beer Tax and Licenses	40,000	14,546	-25,454	6,770,000	6,985,022	215,022
Property Tax	600,000	631,993	31,993	5,700,000	5,658,329	-41,671
Senior Citizen Tax Credit Reimb.	800,000	947,951	147,951	4,000,000	3,973,487	-26,513
Charter Tax	1,100,000	0	-1,100,000	3,900,000	0	-3,900,000
Smokeless Tobacco Tax	100,000	91,554	-8,446	3,700,000	4,210,855	510,855
Racing Fees	400,000	379,389	-20,611	3,600,000	3,679,704	79,704
Business Franchise Fees	0	185,000	185,000	1,300,000	645,000	-655,000
Miscellaneous Transfers	20,000	20,225	225	660,000	572,310	-87,690
Miscellaneous Receipts	100,000	0	-100,000	700,000	2,817,177	2,117,177
Telecommunications Tax	100,000	102,808	2,808	700,000	831,632	131,632
Estate and Inheritance Tax	0	11,910	11,910	0	-462,117	-462,117
Refundable Credit Reim LTY	0	4,429	4,429	0	221,164	221,164
Video Lottery Transfers	0	955,322	955,322	0	2,595,178	2,595,178
Special Revenue Transfer	0	150,824	150,824	0	994,753	994,753
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	305,960,000	311,167,444	5,207,444	2,561,730,000	2,640,513,466	78,783,466
Minus Cash Flow Transfer	0	0	0	0	0	0
Percent of Estimates		101.70%			103.08%	
TOTALS	305,960,000	311,167,444	5,207,444	2,561,730,000	2,640,513,466	78,783,466
Collections this day		66,415,686				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND

FINAL

STATE ROAD FUND FY 2006-2007

Monthly Estimates July 2006 - Revised February 2007

as of March 30, 2007 WVFIMS

SOURCE OF REVENUE	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER/UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER/UNDER ESTIMATES VS ACTUAL YTD COLLECTIONS
Gasoline & Motor Carrier Rd Tax	19,500,000	32,071,298	12,571,298	225,000,000	263,262,996	38,262,996
Privilege Tax	14,500,000	15,310,256	810,256	126,591,000	127,375,547	784,547
Licenses & Registration	8,820,000	8,186,447	-633,553	58,911,000	56,575,318	-2,335,682
Highway Litter Control Fund	167,000	111,446	-55,555	1,113,000	1,086,782	-26,218
TOTALS	42,987,000	55,679,446	12,692,446	411,615,000	448,300,643	36,685,643
Percent of Estimates		129.53%			108.91%	
Collections this day		17,678,459				

REVENUE SHORTFALL RESERVE FUND A as of March 1, 2007 : \$225,164,413.65

REVENUE SHORTFALL RESERVE FUND B as of March 1, 2007 : \$261,600,047.88

SPECIAL INCOME TAX REFUND RESERVE FUND as of March 1, 2007: \$36,619,318.96

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 332-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590



304-347-4870

To: Honorable Senate President Tomblin
Honorable House of Delegates Speaker Thompson
Honorable Members of the Joint Committee on Government
and Finance

From: Ellen Clark, C.P.A. *EC*
Director Budget Division
Legislative Auditor's Office

Date: April 16, 2007

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the February 2007 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. February is the eighth month of the fiscal year 2006-2007.

For the eight months of fiscal year 2006-2007, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2006	\$244,918,539.17
Receipts July 1, 2006 thru June 30, 2007	\$80,589,265.30
Disbursements July 1, 2006 thru June 30, 2007	\$102,177,992.12
Balance February 28, 2007	\$223,329,812.35

ITEMS OF NOTE:

Regular benefits paid for July 2006- February 2007 were \$ 422 thousand more than the same time period in fiscal year 2006. Total disbursements were \$ 4.6 million less than in July 2005-February 2006.

Joint Committee on Government and Finance

Receipts were \$ 202 thousand less than in July 2005 - February 2006. Overall ending trust fund balance was \$ 16.1 million more in February 2007 than in February 2006.

West Virginia's unemployment rate for the month of February 2007 was 5.4 percent. National unadjusted employment rate was 4.9 %.

Seasonally adjusted unemployment rates were 4.3 percent for West Virginia and 4.5 percent nationally.

Since February 2006 employment has risen 5,300 with gains in the following areas: 3,400 in trade, transportation and utilities, 2,100 in leisure and hospitality, 600 in natural resources and mining, 600 in construction, 500 in other services and 200 in government. Declines included 1,900 in manufacturing, and 200 in professional and business services.

**FINANCIAL CONDITION OF THE UNEMPLOYMENT COMPENSATION TRUST FUND
MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING DECEMBER 2005 AND DECEMBER 2006**

	DECEMBER 05	JANUARY 06	FEBRUARY 06	DECEMBER 06	JANUARY 07	FEBRUARY 07	THREE MONTH TOTAL VARIANCE *
Balance Forward	<u>\$231,203,743.87</u>	<u>\$220,211,648.82</u>	<u>\$210,890,000.67</u>	<u>\$248,438,191.88</u>	<u>\$240,863,818.89</u>	<u>\$231,312,111.17</u>	<u>\$58,305,528.39</u>
Add Receipts:							
1. Bond Assessment	\$3,184.03	\$2.62	\$0.00	\$0.00	\$88.07	\$0.00	(\$3,101.48)
2. Regular Contributions:	\$727,810.23	\$8,838,288.88	\$10,350,268.47	\$457,767.22	\$8,738,490.89	\$11,588,319.51	\$808,235.06
3. Extended Benefit Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Emergency Unemployment Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. TEUC Unemployment Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. UCFE (Federal Agencies)	\$80,000.00	\$100,000.00	\$160,000.00	\$0.00	\$100,000.00	\$300,000.00	\$100,000.00
7. Reduced Tax Credits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Reed Act Funds	\$310,713.53	\$0.00	\$0.00	\$313,923.84	\$0.00	\$0.00	\$3,215.11
9. Treasury Interest Credits	\$2,365,354.57	\$0.00	\$0.00	\$2,596,728.06	\$0.00	\$0.00	\$241,371.49
10. UCX (Military Agencies)	\$300,000.00	\$460,000.00	\$400,000.00	\$400,000.00	\$200,000.00	\$500,000.00	(\$60,000.00)
Total Monthly Receipts	<u>\$3,747,082.36</u>	<u>\$7,445,288.38</u>	<u>\$10,900,268.47</u>	<u>\$3,768,421.92</u>	<u>\$7,035,575.98</u>	<u>\$12,388,319.51</u>	<u>\$1,097,720.18</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	NA
Regular Benefits:	\$14,313,317.88	\$18,234,119.88	\$14,108,155.05	\$10,852,827.53	\$16,078,417.89	\$18,930,025.12	\$2,307,477.87
Extended Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Emergency Benefits	(\$2,129.00)	(\$4,334.00)	(\$8,416.00)	(\$213.00)	(\$1,245.00)	(\$2,420.00)	\$8,000.00
UCFE (Federal Workers)Benefits - 211	\$77,751.28	\$100,077.82	\$88,840.47	\$88,806.88	\$123,181.63	\$109,374.17	\$52,893.51
UCX (Military Workers)Benefits - 21	\$350,217.28	\$437,083.38	\$386,480.82	\$290,773.08	\$388,729.26	\$331,639.04	(\$163,810.14)
Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Disbursements	<u>\$14,739,157.51</u>	<u>\$18,768,916.53</u>	<u>\$14,583,891.44</u>	<u>\$11,339,994.61</u>	<u>\$18,587,083.78</u>	<u>\$20,368,818.33</u>	<u>\$2,205,761.24</u>
Trust Fund Balance	<u>\$220,211,648.82</u>	<u>\$210,890,000.67</u>	<u>\$207,208,405.70</u>	<u>\$240,863,818.89</u>	<u>\$231,312,111.17</u>	<u>\$223,329,812.35</u>	<u>\$57,197,487.33</u>

* 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.



Monthly Management Report

TOTAL CLAIMS

FEBRUARY 2007

WEST VIRGINIA PUBLIC EMPLOYERS INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
FEBRUARY 2007

Page: 1

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	141,701.74	174,843.70	110,715.50	163,167.13	1,399,286.40	1,307,197.82
	MATERNITY	126,511.86	154,137.26	90,090.47	137,231.66	1,237,618.39	1,081,702.01
	MEDICAL AND SURGICAL	4,679,143.26	5,983,474.29	5,624,182.43	6,219,328.70	44,364,730.78	50,419,559.96
	NEONATAL COMPLICATIONS	14,603.62	95,247.80	104,799.21	61,486.87	828,175.99	456,669.38

sum		4,961,960.48	6,407,703.04	5,929,787.61	6,581,184.35	47,829,811.56	53,265,129.17
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	42,132.42	49,733.84	34,375.04	42,426.56	363,197.26	340,322.16
	DIALYSIS	246,239.81	231,241.33	227,497.13	196,549.79	1,783,014.91	1,721,559.83
	EMERGENCY ROOM	366,903.99	419,246.82	342,561.12	407,926.91	3,064,062.07	3,296,147.85
	MATERNITY	31,810.46	43,767.70	38,256.73	36,386.66	316,285.59	309,126.21
	MEDICAL AND SURGICAL	6,097,027.76	7,277,340.27	5,986,275.41	7,039,935.82	53,876,931.95	57,874,359.46

sum		6,784,114.44	8,021,329.95	6,628,965.43	7,723,219.75	59,403,491.78	63,541,515.51
PHARMACY	PRESSCRIPTION DRUGS	16,410,539.92	16,518,975.20	15,300,775.28	14,705,678.67	128,138,885.59	114,288,218.45

sum		16,410,539.92	16,518,975.20	15,300,775.28	14,705,678.67	128,138,885.59	114,288,218.45
PROFESSIONAL SERVICES	ADVANCED IMAGING	515,204.73	525,925.02	477,643.95	470,410.48	3,868,105.39	3,779,633.88
	AMBULANCE	238,686.51	275,028.81	249,237.53	235,834.87	2,050,186.68	1,959,291.23
	ANESTHESIA	534,301.69	629,514.11	577,038.35	633,267.76	4,729,325.48	5,157,970.49
	BEHAVIORAL	376,679.02	347,558.54	333,936.20	328,172.09	2,492,821.66	2,506,378.05
	CARDIOVASCULAR MEDICINE	458,805.85	433,608.15	405,865.13	420,039.30	3,091,913.80	3,305,424.76
	CERVICAL CANCER SCREENING	25,508.83	26,754.73	25,571.62	36,128.77	201,230.88	270,303.30
	DIALYSIS	8,861.07	12,818.28	16,430.58	32,445.08	83,726.07	212,880.21
	DME	439,202.53	455,132.45	472,606.31	459,081.21	3,354,222.76	3,837,956.05

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES

NOTE: CLAIMS LISTED ARE ON A PAID BASIS

NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
 FEBRUARY 2007

Page: 2

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	5,850,848.85	4,511,725.32	4,580,776.44	4,307,852.62	35,039,737.10	34,451,073.09
	IMMUNIZATION	172,202.02	184,673.96	159,506.50	134,059.88	1,645,338.98	1,273,629.71
	INJECTION	720,998.70	786,178.36	694,888.13	799,020.90	6,035,569.47	6,251,590.75
	LAB AND PATHOLOGY	713,541.56	626,565.18	572,972.55	552,383.17	4,346,666.24	4,332,832.52
	MAMMOGRAPHY	26,989.43	92,112.23	87,234.65	99,763.95	656,879.54	790,325.82
	OTHER	349,801.15	416,271.85	375,592.08	496,934.33	3,176,156.57	4,085,973.36
	OTHER IMAGING	1,072,379.65	908,774.86	752,655.99	798,610.94	6,828,784.62	6,366,735.58
	OTHER MEDICINE	623,884.85	688,254.36	505,337.89	621,719.24	5,293,750.22	4,778,393.82
	PHYSICAL MEDICINE	660,274.17	581,891.74	533,891.24	530,512.23	4,479,395.79	4,318,026.41
	PROSTATE CANCER SCREENING	15,823.92	16,797.36	13,484.56	12,923.35	114,681.49	108,272.37
	SURGICAL	2,195,590.28	2,612,244.97	2,406,637.97	2,495,626.95	19,399,926.51	20,375,002.96

sum		14,999,584.81	14,131,830.27	13,241,307.67	13,464,787.11	106,888,419.25	108,161,694.36
sum		43,156,199.65	45,079,838.46	41,100,835.99	42,474,869.88	342,260,608.18	339,256,557.49

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

29 rows selected.



Monthly Management Report

PER CAPITA CLAIMS

FEBRUARY 2007

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
 FEBRUARY 2007

Page: 1

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments	
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments			
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.7571	.9609	.5948	.8988	7.4942	7.0362	
	MATERNITY	.6759	.8469	.4840	.7558	6.6283	5.8224	
	MEDICAL AND SURGICAL	24.9998	32.8783	30.2127	34.2523	237.6054	271.3903	
	NEONATAL COMPLICATIONS	.0780	.5237	.5630	.3384	4.4355	2.4581	

SUM		26.5109	35.2097	31.8544	36.2450	256.1634	286.7069	
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.2251	.2733	.1847	.2337	1.9452	1.8318	
	DIALYSIS	1.3156	1.2707	1.2221	1.0824	9.5493	9.2665	
	EMERGENCY ROOM	1.9603	2.3037	1.8402	2.2464	16.4103	17.7420	
	MATERNITY	.1700	.2405	.2055	.2003	1.6939	1.6639	
	MEDICAL AND SURGICAL	32.5753	39.9880	32.1578	38.7692	288.5502	311.5167	

SUM		36.2463	44.0761	35.6103	42.5320	318.1489	342.0210	
PHARMACY	PRESCRIPTION DRUGS	87.6786	90.7790	82.1946	80.9880	686.2769	615.1721	

SUM		87.6786	90.7790	82.1946	80.9880	686.2769	615.1721	
PROFESSIONAL SERVICES	ADVANCED IMAGING	2.7526	2.8899	2.5659	2.5906	20.7165	20.3444	
	AMBULANCE	1.2753	1.5113	1.3389	1.2988	10.9802	10.5462	
	ANESTHESIA	2.8547	3.4592	3.0998	3.4876	25.3290	27.7635	
	BEHAVIORAL	2.0125	1.9096	1.7939	1.8072	13.3509	13.4909	
	CARDIOVASCULAR MEDICINE	2.4513	2.3825	2.1803	2.3133	16.5594	17.7919	
	CERVICAL CANCER SCREENING	.1363	.1470	.1374	.1990	1.0777	1.4549	
	DIALYSIS	.0473	.0704	.0883	.1787	.4484	1.1459	
	DME	2.3466	2.5009	2.5388	2.5283	17.9643	20.6583	

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
 FEBRUARY 2007

Page: 2

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	31.2600	24.7913	24.6076	23.7248	187.6633	185.4377
	IMMUNIZATION	.9200	1.0151	.8569	.7381	8.8120	6.8555
	INJECTION	3.8522	4.3201	3.7329	4.4004	32.3249	33.6501
	LAB AND PATHOLOGY	3.8123	3.4427	3.0780	3.0419	23.2796	23.3221
	MAMMOGRAPHY	.1442	.5062	.4686	.5494	3.5181	4.2540
	OTHER	1.8689	2.2875	2.0177	2.7368	17.0106	21.9933
	OTHER IMAGING	5.7295	4.9931	4.0432	4.3981	36.5731	34.2698
	OTHER MEDICINE	3.3333	3.7815	2.7146	3.4238	28.3519	25.7204
	PHYSICAL MEDICINE	3.5277	3.1972	2.8680	2.9216	23.9904	23.2424
	PROSTATE CANCER SCREENING	.0845	.0923	.0724	.0712	.6142	.5828
	SURGICAL	11.7306	14.3541	12.9283	13.7446	103.9007	109.6713

sum		80.1401	77.6518	71.1313	74.1542	572.4652	582.1953
sum		230.5759	247.7167	220.7906	233.9192	1,833.0545	1,826.0953

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

29 rows selected.



Monthly Management Report

PER CAPITA UTILIZATION

FEBRUARY 2007

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
 FEBRUARY 2007

Page: 1

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0010	.0007	.0085	.0070
	MATERNITY	.0005	.0004	.0048	.0050
	MEDICAL AND SURGICAL	.0160	.0178	.1529	.1466
	NEONATAL COMPLICATIONS	.0001	.0001	.0015	.0017

sum		.0177	.0190	.1678	.1604
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0037	.0030	.0297	.0275
	DIALYSIS	.0035	.0057	.0414	.0477
	EMERGENCY ROOM	.0225	.0222	.1968	.2033
	MATERNITY	.0014	.0014	.0120	.0110
	MEDICAL AND SURGICAL	.1960	.1997	1.8428	1.8806

sum		.2270	.2319	2.1227	2.1702
PHARMACY	PRESCRIPTION DRUGS	1.0540	1.0200	8.6166	8.1940

sum		1.0540	1.0200	8.6166	8.1940
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0295	.0207	.2140	.2126
	AMBULANCE	.0100	.0099	.0812	.0798
	ANESTHESIA	.0194	.0200	.1737	.1891
	BEHAVIORAL	.0367	.0303	.2656	.2708
	CARDIOVASCULAR MEDICINE	.0526	.0484	.4049	.4251
	CERVICAL CANCER SCREENING	.0058	.0059	.0479	.0633
	DIALYSIS	.0012	.0014	.0095	.0179
	DME	.0364	.0388	.3263	.3581
	EVALUATION AND MANAGEMENT	.6543	.5634	4.6040	4.6919
	IMMUNIZATION	.0200	.0217	.2316	.1862

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
 FEBRUARY 2007

Page: 2

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
PROFESSIONAL SERVICES	INJECTION	.0299	.0274	.2528	.2335
	LAB AND PATHOLOGY	.1611	.1280	1.1113	1.0794
	MAMMOGRAPHY	.0060	.0141	.1091	.1318
	OTHER	.0338	.0315	.3662	.3450
	OTHER IMAGING	.1447	.1201	1.0130	1.0609
	OTHER MEDICINE	.0859	.0747	.6934	.6447
	PHYSICAL MEDICINE	.1014	.0863	.8268	.8347
	PROSTATE CANCER SCREENING	.0052	.0040	.0387	.0365
	SURGICAL	.0925	.0912	.7988	.8073

sum		1.5266	1.3377	11.5689	11.6687
sum		2.8254	2.6087	22.4759	22.1933

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

29 rows selected.



Prescription Drug Report

FEBRUARY 2007

WV PEIA - Monthly Trend

Plan Demographics	Jan-07	Feb-07	2006 - 2007 Fiscal	2006 - 2007 Fiscal	% Change
Total Drug Cost	\$22,161,172	\$19,882,669	\$165,327,888	\$162,631,303	8.35%
Amount Paid By Plan Sponsor	\$18,210,378	\$16,389,281	\$129,993,681	\$118,871,043	11.23%
Amount Paid By Members	\$3,950,794	\$3,493,288	\$35,334,304	\$35,660,259	-0.91%
Total Claims	332,303	284,485	2,443,981	2,338,722	4.89%
Average Eligible Member	187,582	187,731	187,797	188,722	0.68%
Average # of Rx's Per Member Per Month	1.77	1.57	1.63	1.68	3.69%
Plan Paid Per Member Per Month (PMPM)	\$97.08	\$87.30	\$86.63	\$78.24	10.89%
Average Eligible Enrollees	67,208	67,253	68,603	65,688	1.06%
Average # of Rx's Per Enrollee Per Month	3.42	3.03	3.18	3.06	3.49%
Plan Paid Per Enrollee Per Month (PEPM)	\$187.33	\$187.33	\$167.69	\$182.38	10.06%
Rx Cost Share					
Avg. Claim Cost to Plan	\$54.80	\$58.68	\$63.18	\$60.01	6.88%
AVG. Member Cost/Claim	\$11.89	\$11.88	\$14.48	\$15.28	-5.28%
Percent member Cost Share	17.8%	17.8%	21.4%	23.4%	-8.58%
Average Ingredient Costs					
Single Source (no generics available)	\$138.35	\$142.04	\$138.00	\$121.31	11.29%
Multi-Source Brand (generics available)	\$39.48	\$39.57	\$38.77	\$32.87	17.85%
Generic Drugs	\$24.04	\$22.88	\$26.47	\$19.79	28.71%
Brand/Generic Dispensing Rates					
Single Source (no generics)	35.33%	35.84%	38.42%	42.54%	-14.37%
Multi-Source Brand (generics available)	1.17%	1.15%	1.28%	1.39%	-9.62%
Generic Drug	63.50%	63.31%	62.32%	56.08%	11.14%
Generics Dispensed when available	68.18%	68.22%	68.02%	67.58%	0.48%
Percent of Plan Cost for Single Source	78.28%	77.97%	75.83%	62.98%	-8.60%
Retail Pharmacy Program					
Avg. Day Supply	33.4	33.5	33.8	33.4	1.48%
Avg. Plan Cost/Day Supply	\$1.63	\$1.65	\$1.55	\$1.48	4.91%
Avg. Claim Cost to Plan	\$54.34	\$55.18	\$52.72	\$49.52	6.47%
Avg. Member Cost / Claim	\$11.82	\$11.78	\$14.37	\$16.18	-5.23%
Percent Member Cost Share	17.87%	17.81%	21.42%	23.44%	-8.64%
Special Maint Netwk (% of claims filled)	12.88%	12.83%	12.78%	11.94%	7.06%
Other Maint (% of claims filled)	1.48%	1.12%	1.52%	1.62%	-8.13%
Avg. Days Supply for Maint. Netwk	87.9	88.0	87.9	87.8	-0.01%
Total # Claims Fills 1-34 Days Supply	282,976	250,827	2,073,088	2,000,507	3.63%
Total # Claims Fills 35-60 Day Supply	2,357	2,008	17,778	18,693	6.48%
Total # Claims Fills 61-90 Day Supply	43,692	38,686	328,473	297,022	10.59%
Total # Claims Fills 91+ Day Supply	64	48	333	277	20.22%
Mail Service Program					
Avg. Days Supply	73.5	74.1	74.1	74.4	-0.40%
Avg. Plan Cost/Days Supply	\$1.39	\$1.39	\$1.35	\$1.37	-1.60%
Avg. Cost to Plan	\$102.04	\$103.09	\$99.77	\$101.80	-1.99%
Avg. Member Cost/Claim	\$18.50	\$18.51	\$23.07	\$28.28	-8.66%
Percent Member Cost Share	16.35%	16.50%	18.78%	19.88%	-5.53%
Total # Claims Fill 1-34 Days Supply	893	775	6509	5848	11.30%
Total # Claims Fills 35-60 Days Supply	10	18	78	53	38.18%
Total # Claims Fills 61-90 Days Supply	2,312	2,125	17,729	18,320	8.63%
Total # Claims Fills 91+ Day Supply					
Formulary Program					
S/S Formulary Drugs (% by claim)	24.57%	24.88%	24.88%	29.28%	-16.12%
S/S Non-Formulary Drugs (% by claim)	10.76%	10.68%	11.88%	13.25%	-10.60%
M/S Drugs (% by claim)	0.03%	0.04%	0.04%	0.02%	94.47%
Generic Drugs (% by Claim)	63.50%	63.81%	62.32%	56.08%	11.14%
S/S Formulary Drugs (% by \$)	59.76%	60.85%	58.48%	64.34%	-8.11%
S/S non-Formulary Drugs (% by \$)	18.52%	17.01%	17.35%	18.63%	-8.83%
M/S Drugs (% by \$)	0.01%	0.10%	0.08%	0.03%	238.90%
Generic Drugs (% by \$)	23.38%	21.89%	23.80%	18.74%	42.21%
Specialty Drugs					
Total Drug Cost	\$1,515,493	\$1,600,632	\$11,894,877	\$10,321,680	16.21%
Amount Paid by Plan Sponsor	\$1,468,393	\$1,456,108	\$11,527,809	\$9,806,784	16.36%
Amount Paid by Members	\$49,101	\$45,524	\$467,067	\$414,878	12.58%
Total Claims	1003	934	8572	8,967	-4.41%
Avg # of Rx's per Member per Month	0.01	0.00	0.01	0.01	-18.32%
Plan Paid Per Member Per Month (PMPM)	\$7.82	\$7.78	\$8.70	\$5.63	1.09%
Avg Claim Cost to Plan	\$1,462.01	\$1,667.93	\$1,318.84	\$1,104.80	19.37%
Avg Claim Cost to Member	\$48.95	\$48.74	\$55.16	\$48.27	19.28%
Percent of Member Cost Share	3.24%	3.03%	4.02%	4.02%	-0.07%

WV PEIA - Monthly Trend

Plan Demographics	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Total Drug Cost	\$18,455,890	\$20,744,896	\$20,286,400	\$21,214,864	\$20,876,358	\$21,686,933
Amount Paid by Plan Sponsor	\$11,183,737	\$18,860,568	\$18,209,082	\$17,208,672	\$17,118,078	\$17,748,769
Amount Paid By Members	\$7,301,953	\$4,784,330	\$4,087,308	\$4,008,182	\$3,856,279	\$3,851,173
Total Claims	274,622	302,930	298,842	313,528	310,488	318,771
Average Eligible Member	187,147	187,078	188,338	188,420	188,654	187,429
Average # of Rx's Per Member Per Month	1.47	1.62	1.69	1.68	1.65	1.69
Plan Paid Per Member Per Month (PMPM)	\$59.60	\$85.31	\$88.06	\$91.32	\$90.74	\$94.68
Average Eligible Enrollees	88,213	86,156	86,889	87,008	87,240	87,285
Average # of Rx's Per Enrollee Per Month	2.85	3.18	3.08	3.23	3.18	3.26
Plan Paid Per Enrollee Per Month (PEPM)	\$116.83	\$166.99	\$167.30	\$177.38	\$176.05	\$182.47
Rx Cost Share						
Avg. Claim Cost to Plan	\$40.61	\$62.69	\$54.24	\$54.88	\$55.13	\$56.02
Avg. Member Cost/Claim	\$28.69	\$18.79	\$13.68	\$12.79	\$12.42	\$12.18
Percent member Cost Share	39.6%	23.1%	20.1%	18.9%	18.4%	17.6%
Average Ingredient Costs						
Single Source (no generics available)	\$131.88	\$133.46	\$132.82	\$132.49	\$133.17	\$136.82
Multi-Source Brand (generics available)	\$35.01	\$50.89	\$38.08	\$34.87	\$36.47	\$36.39
Generic Drugs	\$23.82	\$25.86	\$28.89	\$26.61	\$26.85	\$26.78
Brand/Generic Dispensing Rates						
Single Source (no generics)	38.2%	37.23%	36.57%	36.5%	36.31%	35.96%
Multi-Source Brand % (generics available)	1.4%	1.48%	1.23%	1.2%	1.22%	1.23%
Generic Drug	60.4%	61.28%	62.20%	62.3%	62.47%	62.81%
Generics Dispensed when available	97.8%	97.64%	98.06%	98.1%	98.03%	98.08%
Percent of Plan Cost for Single Source	81.7%	78.18%	74.46%	74.1%	73.89%	74.04%
Retail Pharmacy Program						
Avg. Day Supply	34.3	34.7	34.2	34.0	33.8	33.7
Avg. Plan Cost/Day Supply	\$1.17	\$1.51	\$1.58	\$1.60	\$1.62	\$1.65
Avg. Claim Cost to Plan	\$40.20	\$52.21	\$63.83	\$54.39	\$54.63	\$58.52
Avg. Member Cost / Claim	\$28.45	\$18.67	\$13.59	\$12.71	\$12.35	\$12.35
Percent Member Cost Share	39.7%	23.06%	20.16%	18.9%	18.43%	18.16%
Special Maint Netwk (% of claims filed)	12.6%	13.13%	12.90%	12.6%	12.84%	12.73%
Other Maint (% of claims filed)	1.7%	1.75%	1.89%	1.8%	1.50%	1.54%
Avg. Days Supply for Maint. Netwks	87.8	87.9	87.9	87.9	87.9	88.0
Total # Claims Fills 1-34 Days Supply	233,134	268,173	253,014	266,843	263,204	268,916
Total # Claims Fills 35-60 Day Supply	2,054	2,301	2,249	2,289	2,278	2,239
Total # Claims Fills 61-90 Day Supply	38,575	42,248	40,671	42,228	41,807	42,570
Total # Claims Fills 91+ Day Supply	30	42	28	34	41	48
Mail Service Program						
Avg. Days Supply	73.8	75.3	73.1	74.4	74.7	73.7
Avg. Plan Cost/Days Supply	\$1.10	\$1.30	\$1.32	\$1.39	\$1.39	\$1.48
Avg. Cost to Plan	\$80.94	\$97.88	\$98.61	\$103.31	\$103.67	\$108.94
Avg. Member Cost/Claim	\$39.84	\$27.84	\$22.49	\$20.08	\$19.48	\$19.48
Percent Member Cost Share	33.0%	22.18%	18.88%	16.3%	16.80%	16.16%
Total # Claims Fill 1-34 Days Supply	787	788	821	828	818	821
Total # Claims Fills 35-60 Days Supply	8	13	9	6	8	7
Total # Claims Fills 61-90 Days Supply	2,084	2,369	2,060	2,304	2,345	2,170
Total # Claims Fills 91+ Day Supply						
Formulary Program						
S/S Formulary Drugs (% by claim)	26.2%	24.79%	24.41%	24.4%	24.22%	24.13%
S/S Non-Formulary Drugs (% by claim)	13.0%	12.45%	12.16%	12.1%	12.09%	12.09%
M/S Drugs (% by claim)	0.1%	0.16%	0.01%	0.0%	0.01%	0.01%
Generic Drugs (% by Claim)	60.4%	61.28%	62.20%	62.3%	62.47%	62.47%
S/S Formulary Drugs (% by \$)	63.6%	58.21%	57.16%	58.7%	56.36%	56.91%
S/S non-Formulary Drugs (% by \$)	18.1%	17.98%	17.31%	17.8%	17.63%	17.63%
M/S Drugs (% by \$)	0.0%	0.48%	0.02%	0.0%	0.01%	0.01%
Generic Drugs (% by \$)	18.0%	23.03%	25.24%	25.6%	25.89%	25.69%
Specialty Drugs						
Total Drug Cost	\$1,364,812	\$1,570,302	\$1,638,436	\$1,478,128	\$1,482,468	\$1,565,906
Amount Paid by Plan Sponsor	\$1,278,368	\$1,509,284	\$1,478,197	\$1,423,389	\$1,407,888	\$1,508,098
Amount Paid by Members	\$85,166	\$81,019	\$88,238	\$85,737	\$84,483	\$87,810
Total Claims	1022	1139	1132	1094	1087	1161
Avg # of Rx's per Member per Month	0.01	0.01	0.01	0.01	0.01	0.01
Plan Paid Per Member Per Month (PMPM)	\$8.84	\$9.07	\$7.65	\$7.85	\$7.46	\$8.05
Avg Claim Cost to Plan	\$1,281.82	\$1,328.10	\$1,305.83	\$1,301.09	\$1,295.30	\$1,288.88
Avg Claim Cost to Member	\$83.32	\$83.57	\$81.48	\$80.95	\$80.12	\$80.79
Percent of Member Cost Share	8.24%	8.89%	8.79%	8.77%	8.73%	8.69%



Key Performance Indicators
Comprehensive Indicators
WV Public Employees Ins - w/o AccessWV

Current Period: 02/2007 - 02/2007
Previous Period: 02/2006 - 02/2006

	Current Period	Previous Period	% Change
Overall Performance			
Plan Cost PMPM	\$87.48	\$82.43	6.1 %
Average Mbrs/Month	187,731	186,913	0.4 %
Average Subs/Month	97,253	96,191	1.1 %
% Utilizing Members	50.7 %	50.5 %	0.3 %
% Retail Utilizing Members	50.3 %	50.2 %	0.3 %
% Mail Utilizing Members	0.7 %	0.7 %	6.4 %
Rx Measures			
Rxs PMPM	1.57	1.55	1.5 %
Retail Rxs PMPM	1.56	1.53	1.5 %
Mail Rxs PMPM	0.02	0.01	4.7 %
Average Admin Fee/Rx	\$0.00	\$0.00	-93.4 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.00	-93.4 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$55.66	\$58.22	4.6 %
Avg Retail Plan Cost/Rx	\$55.18	\$52.65	4.8 %
Avg Mail Plan Cost/Rx	\$103.22	\$112.28	-8.1 %
Average Mbr Contrib/Rx	\$11.88	\$13.08	-9.2 %
Avg Retail Mbr Contrib/Rx	\$11.81	\$13.00	-9.2 %
Avg Mail Mbr Contrib/Rx	\$18.96	\$21.37	-11.3 %
Average Ing Cost/Rx	\$65.44	\$64.18	2.0 %
Avg Retail Ing Cost/Rx	\$64.89	\$63.53	2.2 %
Avg Mail Ing Cost/Rx	\$120.68	\$132.15	-8.7 %
Average AWP/Rx	\$102.78	\$95.38	7.8 %
Avg Retail AWP/Rx	\$101.81	\$94.44	7.8 %
Avg Mail AWP/Rx	\$200.06	\$193.53	3.4 %
Average Days Supply/Rx	33.9	33.5	1.1 %
Avg Retail Days/Rx	33.5	33.1	1.1 %
Avg Mail Days/Rx	74.2	75.8	-2.0 %
Average Plan Cost/Day	\$1.64	\$1.59	3.5 %
Avg Retail Plan Cost/Day	\$1.65	\$1.59	3.7 %
Avg Mail Plan Cost/Day	\$1.39	\$1.48	-6.2 %
% Plan Cost	82.4 %	80.3 %	2.7 %
% Member Contribution	17.6 %	19.7 %	-10.9 %
% Retail Plan Cost	82.4 %	80.2 %	2.7 %
% Retail Mbr Contrib	17.6 %	19.8 %	-11.0 %
% Mail Plan Cost	84.5 %	84.0 %	0.6 %
% Mail Member Contrib	15.5 %	16.0 %	-2.9 %



Key Performance Indicators
Comprehensive Indicators
WV Public Employees Ins - w/o AccessWV

Current Period: 02/2007 - 02/2007
Previous Period: 02/2006 - 02/2006

	Current Period	Previous Period	% Change
Rx Sources			
% Mail Rxs	1.0 %	1.0 %	3.2 %
% Retail Rxs	99.0 %	98.9 %	0.1 %
% Member Submit Rxs	0.0 %	0.1 %	-95.5 %
Rx Types			
Avg SSB Plan Cost/Rx	\$122.07	\$105.97	15.2 %
Avg Retail SSB Plan Cost/Rx	\$121.29	\$104.98	15.6 %
Avg Mail SSB Plan Cost/Rx	\$189.27	\$190.85	-0.8 %
Avg MSB Plan Cost/Rx	\$16.73	\$10.93	53.1 %
Avg Retail MSB Plan Cost/Rx	\$16.72	\$10.86	54.0 %
Avg Mail MSB Plan Cost/Rx	\$18.20	\$20.66	-11.9 %
Avg GEN Plan Cost/Rx	\$19.05	\$16.32	16.8 %
Avg Retail GEN Plan Cost/Rx	\$18.84	\$16.19	16.4 %
Avg Mail GEN Plan Cost/Rx	\$42.66	\$32.49	31.3 %
% Single-Source Brand Rxs	35.6 %	41.2 %	-13.8 %
% Multi-Source Brand Rxs	1.1 %	1.3 %	-12.3 %
% Generic Rxs	63.3 %	57.4 %	10.2 %
% Retail Single-Source Brand	35.5 %	41.2 %	-13.7 %
% Retail Multi-Source Brand	1.2 %	1.3 %	-12.1 %
% Retail Generic	63.3 %	57.5 %	10.1 %
% Mail Single-Source Brand	41.4 %	50.5 %	-17.9 %
% Mail Multi-Source Brand	0.7 %	0.9 %	-27.7 %
% Mail Generic	57.9 %	48.6 %	19.1 %
% Formulary Rxs	87.5 %	83.4 %	5.0 %
% Retail Formulary Rxs	87.6 %	83.4 %	5.0 %
% Mail Formulary Rxs	86.7 %	83.8 %	3.5 %
% DAW Rxs	0.8 %	0.8 %	-5.2 %
% Retail DAW Rxs	0.8 %	0.8 %	-8.1 %
% Mail DAW Rxs	1.8 %	1.0 %	67.2 %
% Generic Conversion	98.2 %	97.8 %	0.5 %
% Retail GEN Conversion	98.2 %	97.8 %	0.5 %
% Mail GEN Conversion	98.9 %	98.2 %	0.7 %
Period Totals			
Total Plan Cost	\$16,422,842.01	\$15,407,494.78	6.6 %
Retail Plan Cost	\$16,122,264.71	\$15,096,598.41	6.8 %
Mail Plan Cost	\$300,577.30	\$310,896.37	-3.3 %
Total Member Contribution	\$3,504,299.86	\$3,787,678.08	-7.5 %
Retail Member Contrib	\$3,449,079.32	\$3,728,502.41	-7.5 %



Key Performance Indicators
Comprehensive Indicators
WV Public Employees Ins - w/o AccessWV

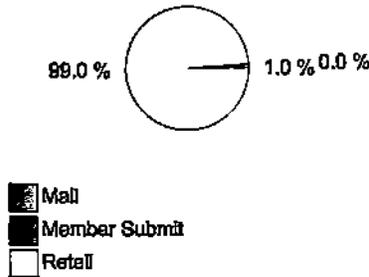
Current Period: 02/2007 - 02/2007
Previous Period: 02/2006 - 02/2006

	Current Period	Previous Period	% Change
Mail Member Contrib	\$55,220.54	\$59,175.87	-6.7 %
Total Rx Count	295,063	289,484	1.9 %
Retail Rx Count	292,137	286,412	2.0 %
Member Submit Rxs	14	303	-95.4 %
Mail Rx Count	2,912	2,769	5.2 %
Total Admn Fee	\$30.00	\$448.50	-93.3 %
Total UC Savings	\$10,449,338.84	\$8,780,355.33	19.0 %
Total Lost Savings	\$17,755.67	\$15,230.95	16.6 %

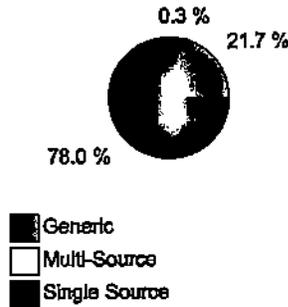
Demographics			
Average Age	45.6	45.3	0.6 %
% Male Members	45.2 %	45.1 %	0.1 %
% Female Members	54.8 %	54.9 %	-0.1 %

Graphs based on Current Period: 02/2007 - 02/2007

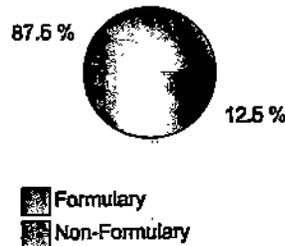
Claim Source by Rx Count



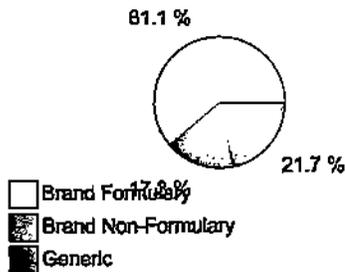
Drug Type by Plan Cost



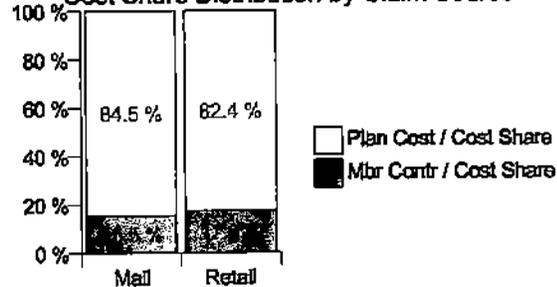
Formulary Status by Rx Count



Drug Formulary Status by Plan Cost



Cost Share Distribution by Claim Source



**Utilization Report by Population Level
 Prescriptions Filled From 02/2007 - 02/2007
 WV Public Employees Ins - w/o AccessWV**



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Div Name (DIV)	Avg Mbr Count	Avg Util Mbr/Month	Rx Count	Plan Cost	Member Contn/Rx	Plan Cost/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
WV PUBLIC EMPLOYEES INSURANCE (WVA)	187,731	96,189	286,083	\$16,422,842	\$11.88	\$65.66	1.0 %	63.3 %	87.5 %	88.2 %	\$87.48
Grand Total	187,731		286,083	\$16,422,842	\$11.88	\$65.66	1.0 %	63.3 %	87.5 %	88.2 %	\$87.48

**Utilization Report by Population Level
 Prescriptions Filled From 02/2007 - 02/2007
 WV Public Employees Ins - w/o AccessWV**



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WV PUBLIC EMPLOYEES INSURANCE (WVA)

Reporting Level I	Avg Mbr Count	Avg Util Mbr/yr	Rx Count	Plan Cost	Member Cost/Rx	Plan Cost/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
STATE (1000)	164,493	84,177	281,516	\$14,667,934.79	\$11.92	\$56.09	1.0 %	63.1 %	87.4 %	98.2 %	\$89.17
NON STATE (2000)	22,858	10,822	32,888	\$1,706,269.91	\$11.50	\$51.84	0.9 %	65.3 %	88.5 %	98.5 %	\$74.61
COBRA (3000)	382	190	651	\$49,848.31	\$13.76	\$76.28	0.5 %	56.1 %	87.3 %	99.2 %	\$129.97
Grand Total	187,734		298,063	\$16,422,842	\$11.88	\$55.69	1.0 %	63.3 %	87.5 %	98.2 %	\$97.48

Utilization Report by Population Level
Prescriptions Filled From 02/2007 - 02/2007
WV Public Employees Ins - w/o AccessWV



WV PUBLIC EMPLOYEES INSURANCE (WVA)

Reporting Level 2	Avg Mbr Count	Avg Util Mbr/Mnth	Rx Count	Plan Cost	Member Contr/Rx	Plan Cost/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
STATE AGENCIES (01)	116,930	61,212	134,892	\$7,426,627.41	\$12.09	\$65.09	0.9 %	63.3 %	87.5 %	98.4 %	\$63.51
STATE RETIREES (07)	37,692	28,856	101,587	\$5,883,549.31	\$12.69	\$67.62	1.2 %	62.1 %	88.9 %	97.9 %	\$155.30
NON STATE AGENCIES (02)	17,120	7,401	20,305	\$1,029,273.81	\$11.68	\$50.54	0.7 %	65.6 %	88.5 %	98.7 %	\$59.95
STATE RETIREES ASST 60 (0760)	4,268	3,310	14,800	\$868,432.40	\$8.76	\$68.68	0.8 %	64.5 %	88.7 %	98.3 %	\$203.48
NON STATE RETIREES (08)	2,628	1,913	7,604	\$433,788.24	\$12.06	\$67.06	1.3 %	62.8 %	87.4 %	97.9 %	\$165.19
STATE RETIREES ASST 40 (0740)	2,250	1,775	7,810	\$408,460.41	\$8.19	\$53.41	1.6 %	66.4 %	89.6 %	98.1 %	\$180.66
NON STATE RETIREES 60 (0860)	605	451	2,060	\$122,615.41	\$8.79	\$59.81	0.8 %	63.7 %	89.1 %	98.8 %	\$202.67
NON STATE AGENCIES PLAN B (02B)	2,185	811	1,991	\$74,384.05	\$14.22	\$37.38	0.6 %	72.4 %	91.7 %	99.4 %	\$34.04
STATE RETIREES ASST 20 (0720)	423	317	1,307	\$68,931.27	\$9.26	\$52.74	2.5 %	66.6 %	89.5 %	97.9 %	\$162.98
COBRA (COBRA)	382	190	651	\$49,648.31	\$13.78	\$78.28	0.5 %	56.1 %	87.3 %	99.2 %	\$129.97
STATE AGENCIES (01B)	2,930	707	1,320	\$44,013.99	\$17.30	\$33.34	1.1 %	70.3 %	90.2 %	98.8 %	\$16.02
NON STATE RETIREES 40 (0840)	260	201	788	\$39,972.15	\$7.79	\$50.73	0.8 %	66.6 %	90.5 %	97.8 %	\$153.74
NON STATE RETIREES 20 (0820)	60	45	158	\$6,227.25	\$9.50	\$62.07	1.9 %	69.0 %	87.3 %	99.1 %	\$137.12
Grand Total:	187,731		295,063	\$18,422,842	\$11.88	\$58.66	1.0 %	63.3 %	87.5 %	98.2 %	\$87.48



Financials

FEBRUARY 2007

**State of West Virginia
Public Employees Insurance Agency and Retiree Health Benefit Trust Fund**

Balance Sheet

February 28, 2007 and 2006

Accrual Basis

(Unaudited-For Internal Use Only)

Assets	February 2007	February 2006	Increase <Decrease>
Cash and cash equivalents	\$ 139,977,228	\$ 100,569,562	\$ 39,407,676
Deposits with third-party administrators	820,472	619,139	201,333
Premium accounts receivable-net of allowance for doubtful accounts	29,040,526	26,837,587	2,202,939
Other accounts receivable	19,604,145	4,859,006	14,745,139
Total current assets	189,442,371	132,865,284	56,557,087
Investments	168,717,475	156,150,715	12,566,760
Furniture and equipment, net of accumulated depreciation	224,888	159,966	64,923
Restricted cash-premium stabilization life insurance	3,942,839	3,942,680	159
Restricted cash-new computer system	3,614,640	3,833,000	(218,360)
Total assets	\$ 365,942,213	\$ 296,971,644	\$ 68,970,569
Liabilities and Retained Earnings			
Claims payable	\$ 53,140,000	\$ 53,960,000	\$ (820,000)
Current claims payable	4,156,368	10,014,040	(5,857,674)
Unearned revenue	8,881,080	4,480,698	4,400,384
Accounts payable	10,725,843	11,111,856	(386,013)
Other accrued liabilities	1,184,634	1,065,466	119,168
Due to over-reserve fund	27,679,595		27,679,595
Total liabilities	105,767,518	80,632,058	25,135,460
Retained earnings	260,174,695	216,339,586	43,835,109
Total liabilities and retained earnings	\$ 365,942,213	\$ 296,971,644	\$ 68,970,569

For internal use only. See financial comments.
Prepared March 22, 2007

State of West Virginia
Public Employees Insurance Agency and Retiree Health Benefit Trust Fund

Statements of Revenues, Expenses and
Changes in Retained Earnings (continued)

February 28, 2007 and 2006

Accrual Basis

(Unaudited-For Internal Use Only)

	Budgeted Eight Months Ended 28-Feb-07	Actual Eight Months Ended 28-Feb-07	Budget Variance Percent	Actual Eight Months Ended 28-Feb-06	This Year vs Last Year Increase <Decrease>	This Year vs Last Year Variance Percent
Operating Revenue						
Premiums						
Employer Premiums-State	\$ 275,551,258	#####	-0.33%	\$ 274,589,411	\$ 65,674	0.02%
Employee Premiums-State	63,967,989	64,072,048	0.16%	54,413,454	9,658,594	17.75%
Local Premiums	47,799,481	48,368,944	1.19%	45,900,340	2,468,604	5.38%
Retiree Premiums	44,328,724	42,996,240	-3.01%	36,480,248	6,515,992	17.86%
Basic Life Insurance	4,513,495	4,106,368	-9.02%	4,291,756	(185,388)	-4.32%
Other Premiums and Adjustments	1,060,120	1,015,933	-4.17%	3,433,682	(2,417,749)	-70.41%
Medicare Part D	13,333,333	13,333,000	0.00%		13,333,000	N/A
Total Premiums	450,554,401	448,547,618	-0.45%	419,108,891	29,438,727	7.02%
Less:						
Payments to managed care organizations	(41,080,566)	(38,416,547)	-6.48%	(37,403,344)	(1,013,203)	2.71%
Life Insurance premiums-basic	(4,513,495)	(4,083,151)	-9.53%	(4,292,412)	209,261	-4.88%
Net premium revenue	404,960,340	406,047,920	0.27%	377,413,135	28,634,785	7.59%
Administrative fees, net of refunds	4,039,299	3,972,844	-1.65%	3,962,386	10,458	0.26%
Net operating revenue	408,999,639	410,020,764	0.25%	381,375,521	28,645,243	7.51%
Operating Expenses						
Claims expense-medical	235,012,222	221,514,133	-5.74%	220,688,942	825,191	0.37%
Claims expense-drugs	124,642,042	124,098,787	-0.44%	109,395,780	14,703,007	13.44%
Administrative service fees	11,150,856	11,517,800	3.29%	10,748,146	769,654	7.16%
Wellness and disease management	1,091,717	1,185,035	8.55%	991,172	193,863	19.56%
Other operating expenses	4,986,418	5,205,446	4.39%	5,017,667	187,779	3.74%
Total operating expense	376,883,256	363,521,201	-3.55%	346,841,707	16,679,491	4.81%
Operating surplus	32,116,384	46,499,563	44.78%	34,533,814	11,965,749	34.65%
Nonoperating Revenues and Transfers						
Interest income,banks, net of fees	-	-	N/A	15,810	(15,810)	-100.00%
Interest and investment income	6,945,469	18,340,767	164.07%	8,319,313	10,021,454	120.46%
Transfer in	4,466,667	4,466,618	0.00%	4,887,369	(420,751)	-8.61%
Total nonoperating revenues and transfers	11,412,136	22,807,385	99.85%	13,222,492	9,584,893	72.49%
Net Surplus	\$ 43,528,520	69,306,948	59.22%	47,756,306	21,550,642	45.13%
Retained Earnings, beginning of period		190,867,747		168,583,280	22,284,467	
Retained Earnings, end of period		#####		\$ 216,339,586	\$ 43,835,109	

For internal use only. See financial comments.
Prepared March 22, 2007

**State of West Virginia
Public Employees Insurance Agency and Retiree Health Benefit Trust Fund
Financial Comments**

**Year-to-Date February 28, 2007 and 2006
Accrual Basis**

(Unaudited-For Internal Use Only)

Amounts indicated in the attached financial statements include the accounts of the West Virginia Public Insurance Agency (PEIA) and the West Virginia Retiree Health Benefit Trust Fund (RHBT).

The Budgeted amounts reflected in these statements have been adjusted to incorporate the changes in premium and expense estimates which resulted from policyholder enrollment changes which took place during open enrollment and other changes in commitments which have occurred. Amounts reported in the Budgeted Column in the attached Statements of Revenues, Expenses, and Changes in Retained Earnings represent a one twelfth per month recognition of the annual budget except for claims expenses, which are from a seasonal budget that was developed by PEIA's Actuary.

PEIA's consulting actuaries have prepared an updated Actuarial Baseline Forecast dated December 29, 2006 which indicates a surplus of \$40,447,263 for Plan Year 2007. The Budget Column indicated in these reports has been adjusted to reflect this update.

**State of West Virginia
Public Employees Insurance Agency**

Balance Sheet

February 28, 2007

Accrual Basis

(Unaudited-For Internal Use Only)

Assets	February 2007
Cash and cash equivalents	\$ 139,977,228
Deposits with third-party administrators	820,472
Premium accounts receivable-net of allowance for doubtful accounts	20,909,179
Other accounts receivable	4,683,963
Due from WV Retiree Trust	128,751,122
	295,141,964
Total current assets	295,141,964
 Investments	 168,717,475
 Furniture and equipment, net of accumulated depreciation	 224,888
Restricted cash-premium stabilization life insurance	3,942,839
Restricted cash-new computer system	3,614,640
	224,888
Total assets	\$ 471,641,806
 Liabilities and Retained Earnings	
Claims payable	\$ 36,700,000
Current claims payable	4,156,366
Unearned revenue	8,856,080
Accounts payable	10,725,843
Other accrued liabilities	1,184,634
Due to over-reserve fund	27,679,595
Due to WV Retiree Trust	134,071,121
	223,373,639
Total liabilities	223,373,639
 Retained earnings	 248,268,167
	248,268,167
Total liabilities and retained earnings	\$ 471,641,806

For internal use only. See financial comments.
Prepared March 30, 2007

State of West Virginia
Public Employees Insurance Agency
Statements of Revenues, Expenses and
Changes in Retained Earnings (continued)
Eight Months Ended February 28, 2007
Accrual Basis
(Unaudited-For Internal Use Only)

	Budgeted Eight Months Ended 28-Feb-07	Actual Eight Months Ended 28-Feb-07	Budget Variance Percent
Operating Revenue			
Premiums			
Employer Premiums-State	\$ 222,261,945	\$ 217,789,884	-2.01%
Employee Premiums-State	\$ 51,468,027	\$ 50,722,262	-1.45%
Local Premiums	\$ 37,790,090	\$ 37,145,216	-1.71%
Basic Life Insurance	\$ 4,513,495	\$ 4,106,368	-9.02%
Other Premiums and Adjustments	\$ 1,060,120	\$ 1,015,600	-4.20%
Total Premiums	317,093,677	310,779,330	-1.99%
Less:			
Payments to managed care organizations	(38,028,598)	\$ (35,335,554)	-7.08%
Life insurance premiums-basic	(4,513,495)	\$ (4,083,151)	-9.53%
Net premium revenue	274,551,584	271,360,625	-1.16%
Administrative fees, net of refunds	\$ 2,967,300	\$ 2,880,459	-2.93%
Net operating revenue	277,518,884	274,241,084	-1.18%
Operating Expenses			
Claims expense-medical	172,272,017	\$ 163,473,895	-5.11%
Claims expense-drugs	59,788,039	\$ 63,037,056	5.43%
Administrative service fees	9,287,000	\$ 8,486,024	-8.62%
Wellness and disease management	1,091,717	\$ 1,185,035	8.55%
Other operating expenses	4,026,250	\$ 3,466,039	-13.91%
Total operating expense	246,465,023	239,648,049	-2.77%
Operating surplus	31,053,861	34,593,035	11.40%
Nonoperating Revenues and Transfers			
Interest and investment income	6,945,469	18,340,767	164.07%
Transfer in	4,466,667	4,466,618	0.00%
Total nonoperating revenues and transfers	11,412,136	22,807,385	99.85%
Net Surplus	\$ 42,465,997	\$ 57,400,420	35.17%
Retained Earnings, beginning of period		190,867,745	
Retained Earnings, end of period		\$ 248,268,167	

For internal use only. See financial comments.
Prepared March 30, 2007

State of West Virginia
WV Retiree Health Benefit Trust Fund
Statement of Plan Net Assets
February 28, 2007
Accrual Basis
(Unaudited-For Internal Use Only)

Assets	February 2007
Due from WV PELA	\$ 134,071,121
Premium accounts receivable-net of allowance for doubtful accounts:	
Employers	6,261,137
Plan Members	1,870,210
Accounts receivable	
Prescription rebates	1,582,317
Retiree drug subsidy	13,333,333
Other Accounts receivable	4,532
Total assets	157,122,650
Liabilities	
Claims payable	16,440,000
Due to WV PELA	128,751,122
Accounts payable	25,000
Total liabilities	145,216,122
Net assets held in trust for postemployment benefits	\$ 11,906,528

For internal use only. See financial comments.
 Prepared February 23, 2007

State of West Virginia
WV Retiree Health Benefit Trust Fund
Statement of Changes in Plan Net Assets
Eight Months Ended February 28, 2007
Accrual Basis
(Unaudited-For Internal Use Only)

	<u>Budgeted</u>	<u>Actual</u>	<u>Budget Variance Percent</u>
Additions			
Contributions:			
Employer	\$ 93,269,466	\$ 96,514,073	3.48%
Plan members	27,939,400	29,013,269	3.84%
Total contributions	121,208,866	125,527,342	3.56%
Other additions:			
Retiree drug subsidy	13,333,333	13,333,333	0.00%
Total additions	134,542,199	138,860,675	3.21%
Deductions			
Payments to managed care organizations	3,051,968	3,080,993	0.95%
Claims expense-medical	62,740,205	58,040,238	-7.49%
Claims expense-drugs	64,854,003	61,061,731	-5.85%
Administrative service fees	1,863,855	3,031,776	62.66%
Other operating expenses	960,168	1,739,408	81.16%
Total deductions	133,470,199	126,954,146	-4.88%
Net Increase	1,072,000	11,906,528	0.00%
Net assets held in trust for post employment benefits			
Beginning of period	\$ -	\$ -	
End of period	\$ 1,072,000	\$ 11,906,528	0.00%

For internal use only. See financial comments.
Prepared February 23, 2007

**State of West Virginia
WV Retiree Health Benefit Trust Fund
Financial Comments**

**Year-to-Date February 28, 2007
Accrual Basis**

(Unaudited-For Internal Use Only)

Amounts reported in the Budgeted Column of the attached Statement of Changes in Plan Net Assets represent a one twelfth per month recognition of the annual budget. A seasonal claims budget is not yet available. The consulting actuaries have prepared an updated Actuarial Baseline Forecast dated December 29, 2006 which indicates that retiree revenue along with the annual retiree subsidy allocation should equal total expenses for fiscal year 2007.

Administrative service fees and other operating expenses are substantially higher than the budgeted amounts because the budget amounts for these items were developed based on a comparison of total revenue from this Trust and other risk pools administered by the Public Employees Insurance Agency. Current year actual expenses charged to the Trust are based on a more specific identification process.

**West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET**

DRAFT

February 28

	2007	2006
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 35,010,560	\$ 48,290,156
Advance Deposit with Carrier/Trustee	113,300,275	70,516,174
Receivables - Net	1,603,890	1,482,461
Prepaid Insurance	2,048,026	1,386,955
Total Short Term Assets	151,962,741	121,655,746
Long Term Assets		
Investments	115,702,811	106,697,829
Total Long Term Assets	115,702,811	106,697,829
TOTAL ASSETS	267,665,552	228,353,575
LIABILITIES		
Short Term Liabilities		
Accounts payable	951,578	243,544
Claims Payable	1,226,857	129,670
Agents Commissions Payable	1,336,295	1,386,890
Unearned Revenue	15,730,726	15,377,907
Current Estimated Claim Reserve	54,432,394	49,774,054
Total Short Term Liabilities	73,677,850	66,912,065
Long Term Liabilities		
Compensated Absences	163,620	166,554
Estimated Noncurrent Claim Reserve	122,833,520	129,910,124
Total Long Term Liabilities	122,997,140	130,076,678
TOTAL LIABILITIES	196,674,990	196,988,743
Prior Year Net Assets (Deficiency)	44,843,685	526,803
Current Year Earnings (Loss)	26,146,877	30,838,029
TOTAL NET ASSETS (DEFICIENCY)	70,990,562	31,364,832
TOTAL LIABILITIES AND RETAINED EARNINGS (DEFICIENCY)	\$ 267,665,552	\$ 228,353,575

DRAFT - Unaudited - Management Purposes Only

04/11/07

West Virginia Board of Risk and Insurance Management
UNAUDITED INCOME STATEMENT
For the eight months ending

DRAFT

	February 28	
	2007	2006
Operating Revenues		
Premium Revenues	\$ 53,955,912	\$ 56,991,617
Less - Excess Insurance	(4,096,052)	(2,757,772)
Total Operating Revenues	49,859,860	54,233,845
Operating Expenses		
Claims Expense	32,184,555	25,928,556
Property & MS Claims Expense	3,942,242	1,469,120
Personal Services	848,002	806,300
Operating Expenses	2,005,710	2,023,906
Total Operating Expenses	38,980,509	30,227,882
Operating Income (Loss)	10,879,351	24,005,963
Nonoperating Revenues		
Court Fees	15,180	20,296
Claim Interest Income	189,219	-
Investment Income	15,063,127	6,811,770
Total Nonoperating Revenues	15,267,526	6,832,066
Net Income (Loss)	26,146,877	30,838,029

DRAFT - Unaudited - Management Purposes Only

04/11/07

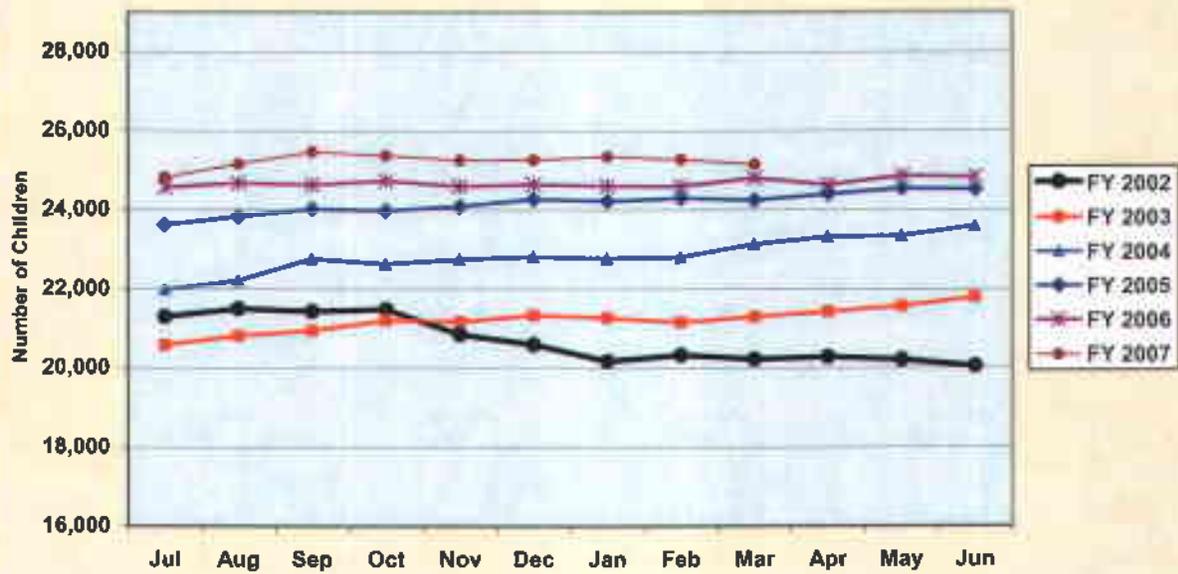


**West Virginia
Children's Health Insurance Program
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Phone: 304-558-2732
Toll-Free: 1-877-WVA CHIP
Fax: 304-558-2741
www.wvchip.org**

Joint Committee on Government and Finance Report

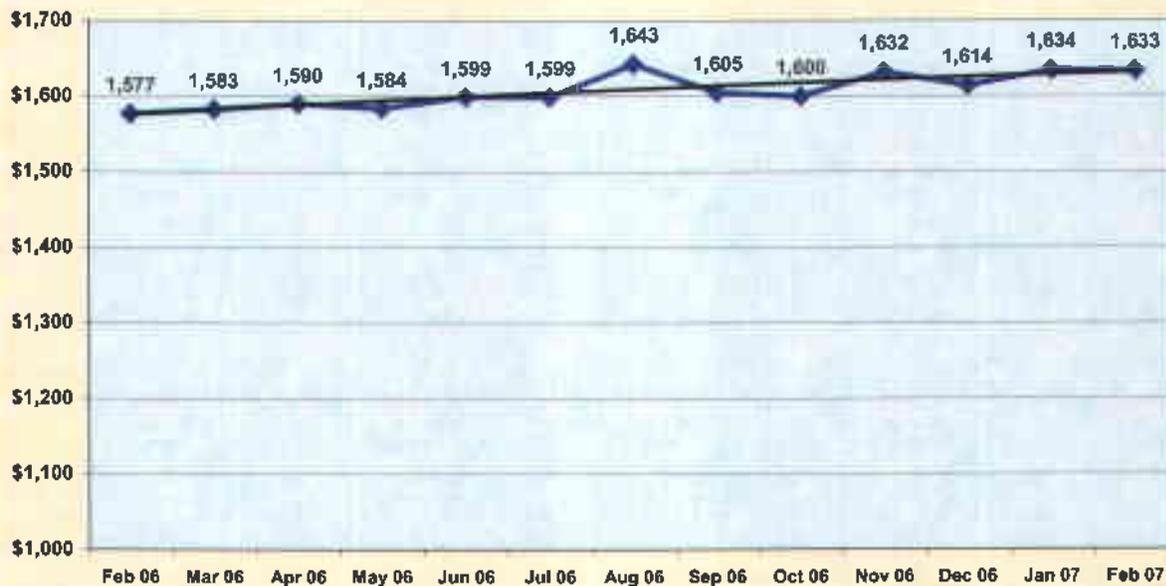
April 2007

WV CHIP Enrollment



March 31, 2007 Enrollment 25,159

Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
February 28, 2007 and 2006
(Accrual Basis)**

	February 28, 2007	February 28, 2006	Variance	
Assets:				
Cash & Cash Equivalents	\$4,487,954	\$1,899,303	\$2,588,651	136%
Due From Federal Government	\$3,241,846	\$3,531,421	-\$289,575	-8%
Due From Other Funds	\$761,916	\$756,913	\$5,002	1%
Accrued Interest Receivable	\$16,763	\$6,118	\$10,645	174%
Fixed Assets, at Historical Cost	<u>\$66,070</u>	<u>\$79,512</u>	<u>-\$13,442</u>	<u>-17%</u>
Total Assets	<u>\$8,574,550</u>	<u>\$6,273,268</u>	<u>\$2,301,282</u>	<u>37%</u>
Liabilities:				
Due to Other Funds	\$173,762	\$257,425	-\$83,663	-33%
Deferred Revenue	\$3,449,176	\$1,323,212	\$2,125,965	161%
Unpaid Insurance Claims Liability	<u>\$3,830,000</u>	<u>\$3,745,290</u>	<u>\$84,710</u>	<u>2%</u>
Total Liabilities	<u>\$7,452,938</u>	<u>\$5,325,927</u>	<u>\$2,127,011</u>	<u>40%</u>
Fund Equity	<u>\$1,121,612</u>	<u>\$947,341</u>	<u>\$174,271</u>	<u>18%</u>
Total Liabilities and Fund Equity	<u>\$8,574,550</u>	<u>\$6,273,268</u>	<u>\$2,301,282</u>	<u>37%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Eight Months Ended February 28, 2007 and February 28, 2006
(Modified Accrual Basis)

	February 28, 2007	February 28, 2006	Variance	
Revenues:				
Federal Grants	22,549,234	20,360,964	2,188,270	11%
State Appropriations	5,389,006	6,773,626	(1,384,620)	-20%
Premium Revenues	1,656	-	1,656	
Investment Earnings	<u>92,579</u>	<u>31,996</u>	<u>60,583</u>	189%
Total Operating Revenues	<u>28,032,475</u>	<u>27,166,586</u>	<u>865,889</u>	<u>3%</u>
Operating Expenditures:				
Claims:				
Outpatient Services	6,544,461	6,718,018	(173,557)	-3%
Prescribed Drugs	5,650,858	5,036,692	614,166	12%
Physicians & Surgical	5,616,069	5,713,063	(96,994)	-2%
Dental	3,204,291	3,176,456	27,835	1%
Inpatient Hospital Services	2,351,188	1,919,617	431,571	22%
Outpatient Mental Health	931,700	935,661	(3,961)	0%
Vision	798,497	865,615	(67,118)	-8%
Inpatient Mental Health	596,763	366,389	230,374	63%
Durable & Disposable Med. Equip.	282,187	259,569	22,618	9%
Medical Transportation	246,513	167,597	78,916	47%
Therapy	229,375	221,934	7,441	3%
Other Services	95,889	51,661	44,228	86%
Less: Collections*	<u>(459,143)</u>	<u>(295,207)</u>	<u>(163,936)</u>	56%
Total Claims	<u>26,088,648</u>	<u>25,137,065</u>	<u>951,583</u>	<u>4%</u>
General and Admin Expenses:				
Salaries and Benefits	303,272	299,102	4,170	1%
Program Administration	1,276,193	1,210,405	65,788	5%
Eligibility	190,340	253,794	(63,454)	-25%
Outreach & Health Promotion	13,731	80,623	(66,892)	-83%
Current	<u>66,056</u>	<u>153,601</u>	<u>(87,545)</u>	-57%
Total Administrative	<u>1,849,592</u>	<u>1,997,525</u>	<u>(147,933)</u>	<u>-7%</u>
Total Expenditures	<u>27,938,240</u>	<u>27,134,590</u>	<u>803,650</u>	<u>3%</u>
Excess of Revenues				
Over (Under) Expenditures	94,235	31,996	62,239	195%
Fund Equity, Beginning	<u>1,027,377</u>	<u>974,341</u>	<u>53,036</u>	<u>5%</u>
Fund Equity, Ending	<u>1,121,612</u>	<u>1,006,337</u>	<u>115,275</u>	<u>11%</u>

* Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2007
For the Eight Months Ended February 28, 2007**

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Feb-07	Jan-07	Dec-06
Projected Cost	\$44,518,706	\$29,679,137	\$25,499,744	\$4,179,393	14%	\$3,709,892	\$3,289,571	\$2,593,068	\$3,309,422
Medical Copays	560,000	\$373,333	\$0	373,333	-100%	46,667	0	0	0
Drug Copays	475,000	\$316,667	\$0	316,667	-100%	39,583	0	0	0
Subrogation & Rebates	<u>300,000</u>	\$200,000	<u>\$461,634</u>	<u>(261,634)</u>	131%	<u>25,000</u>	<u>37,180</u>	<u>71,015</u>	<u>36,157</u>
Net Benefit Cost	43,183,706	\$28,789,137	\$25,038,110	\$3,751,027	13%	3,598,642	3,252,391	2,522,053	3,273,265
Salaries & Benefits	\$600,000	\$400,000	\$303,273	\$96,727	24%	\$50,000	\$39,293	\$39,097	\$36,736
Program Administration	1,951,762	\$1,301,175	\$1,145,752	155,422	12%	162,647	146,717	28,379	186,046
Eligibility	324,000	\$216,000	\$214,082	1,918	1%	27,000	104,686	2,790	2,698
Outreach	100,000	\$66,667	\$13,302	53,365	80%	8,333	0	3,389	97
Current Expense	<u>169,480</u>	\$112,987	<u>\$77,341</u>	<u>35,646</u>	32%	<u>14,123</u>	<u>20,779</u>	<u>7,495</u>	<u>6,384</u>
Total Admin Cost	\$3,145,242	\$2,096,828	\$1,753,750	\$343,078	16%	\$262,104	\$311,475	\$81,150	\$231,961
Total Program Cost	<u>\$46,328,948</u>	<u>\$30,885,965</u>	<u>\$26,791,860</u>	<u>\$4,094,105</u>	13%	<u>\$3,860,746</u>	<u>\$3,563,866</u>	<u>\$2,603,203</u>	<u>\$3,505,226</u>
Federal Share 80.97%	37,526,448	\$25,017,632	\$21,705,389	3,312,243	13%	3,127,204	2,885,662	2,107,813	2,838,181
State Share 19.03%	<u>8,802,500</u>	<u>\$5,868,333</u>	<u>\$5,086,471</u>	<u>781,862</u>	13%	<u>733,542</u>	<u>678,204</u>	<u>495,389</u>	<u>667,044</u>
Total Program Cost **	<u>\$46,328,948</u>	<u>\$30,885,965</u>	<u>\$26,791,860</u>	<u>\$4,094,105</u>	13%	<u>\$3,860,746</u>	<u>\$3,563,866</u>	<u>\$2,603,203</u>	<u>\$3,505,226</u>

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2006 Report

Please note: Medical and Drug Co-pay figures are incomplete

Unaudited - Cash Basis For Management Purposes Only - Unaudited

WV CHIP Enrollment Report

ATTACHMENT 1

March 2007

County Ranking	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Mar-07	Total Medicaid Enrollment Mar-07	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	Total % Insured 3/2002*	# Children Insured Ranking*	Est. # Uninsured Eligible*
Barbour	3,248	311	1,606	1,917	59.0%	92.5%	34	255
Berkeley	22,882	1,132	5,559	6,691	29.2%	93.9%	21	1,084
Boone	5,706	348	2,579	2,927	51.3%	97.9%	4	133
Braxton	3,044	214	1,560	1,774	58.3%	95.6%	13	155
Brooke	4,658	291	1,453	1,744	37.4%	98.5%	3	0**
Cabell	18,900	991	7,912	8,903	47.1%	91.6%	39	1,218
Calhoun	1,389	146	836	982	70.7%	88.0%	52	207
Clay	2,454	194	1,364	1,558	63.5%	95.1%	15	94
Doddridge	1,607	141	741	882	54.9%	96.4%	6	60
Fayette	9,692	984	4,721	5,705	58.9%	92.1%	36	706
Gilmer	1,154	107	559	666	57.7%	92.8%	32	115
Grant	2,463	171	908	1,079	43.8%	95.8%	11	82
Greenbrier	7,110	576	2,823	3,399	47.8%	94.8%	17	306
Hampshire	5,110	303	1,804	2,107	41.2%	91.3%	40	295
Hancock	6,270	401	2,189	2,590	41.3%	92.9%	31	443
Hardy	2,950	142	993	1,135	38.5%	93.6%	26	200
Harrison	14,973	975	5,975	6,950	46.4%	98.9%	1	0**
Jackson	6,277	379	2,332	2,711	43.2%	93.9%	22	340
Jefferson	11,465	395	2,104	2,499	21.8%	93.9%	23	651
Kanawha	40,647	2,091	16,711	18,802	46.3%	96.4%	7	772
Lewis	3,577	331	1,750	2,081	58.2%	88.0%	53	431
Lincoln	4,945	436	2,561	2,997	60.6%	93.3%	27	327
Logan	7,610	490	3,860	4,350	57.2%	92.1%	37	654
Marion	11,245	782	4,277	5,059	45.0%	95.9%	10	516
Marshall	7,176	427	2,731	3,158	44.0%	97.5%	5	217
Mason	5,461	312	2,510	2,822	51.7%	95.7%	12	249
McDowell	5,170	426	3,561	3,987	77.1%	93.8%	25	373
Mercer	12,687	1,142	6,552	7,694	60.6%	91.0%	41	1,268
Mineral	5,973	278	2,017	2,295	38.4%	90.7%	43	251
Mingo	6,204	436	3,332	3,768	60.7%	88.5%	51	566
Monongalia	14,346	693	4,112	4,805	33.5%	92.6%	33	1,144
Monroe	2,728	264	916	1,180	43.2%	93.1%	29	196
Morgan	3,365	240	955	1,195	35.5%	89.2%	49	285
Nicholas	5,478	474	2,486	2,960	54.0%	94.4%	19	324
Ohio	9,068	474	3,099	3,573	39.4%	95.6%	14	480
Pendleton	1,632	131	430	561	34.4%	99.0%	2	19
Pleasants	1,593	105	473	578	36.3%	93.9%	24	88
Pocahontas	1,717	153	650	803	46.8%	87.7%	54	224
Preston	6,354	554	2,391	2,945	46.3%	90.2%	47	236
Putnam	12,522	616	3,168	3,784	30.2%	93.2%	28	486
Raleigh	15,992	1,308	6,879	8,187	51.2%	91.7%	38	1,395
Randolph	5,971	480	2,428	2,908	48.7%	89.7%	48	653
Ritchie	2,234	148	791	939	42.0%	96.2%	9	81
Roane	3,266	317	1,644	1,961	60.0%	90.5%	44	336
Summers	2,322	204	1,183	1,387	59.7%	88.9%	50	315
Taylor	3,307	226	1,434	1,660	50.2%	90.9%	42	356
Tucker	1,354	179	469	648	47.9%	93.1%	30	103
Tyler	1,887	106	870	976	51.7%	94.9%	16	93

**Legislative Oversight Commission on
Health and Human Resources Accountability**

APRIL 2007

Department of Administration

**State Children's Health Insurance Program
UPDATE**



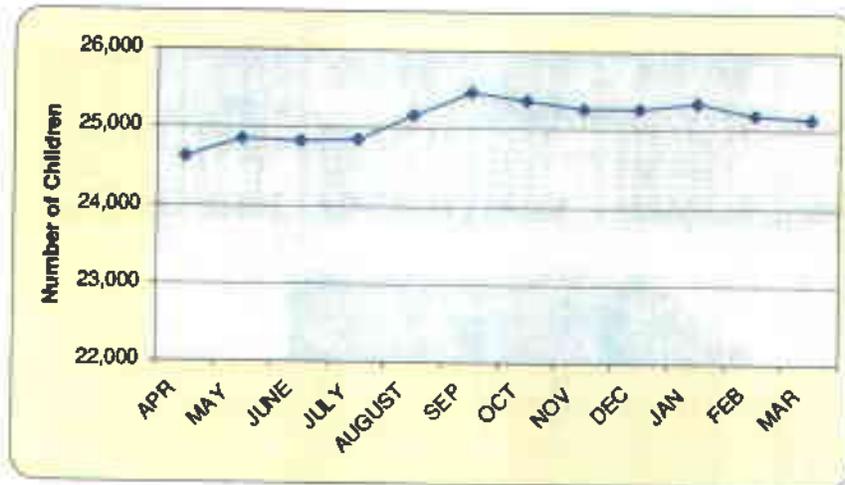
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR APRIL 2007

I. Enrollment on March 30, 2007: 25,158

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: April 2006 through March 2007



Enrollee Totals: January 2007 to March 2007

Month	Total	I Year	Total
January	1,749	Average	1,856
February	1,595	High	2,205
March	1,674	Low	1,507

New Enrollee (Never Before on CHIP) Totals: January 2007 to March 2007

Month	Total	I Year	Total
January	787	Average	908
February	742	High	1,149
March	670	Low	667

II. Re-enrollment for 3 Month Period: January 2007 to March 2007

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
January	1,749	1,030	59%	171	10%	548	31%
February	2,070	1,109	54%	297	14%	664	32%
March	2,084	1,218	58%	249	12%	617	30%

IV. WVCHIP Premium

- February was the first month for enrollees to receive coverage under WVCHIP Premium. There have been approximately 123 applicants for the months of February and March with 23 enrolled.
- March is the month in which the qualifying income index increases, so some families that applied in January or February were dropped back into regular CHIP after one month because of these changes.

WV CHIP Enrollment Report

March 2007

County Ranking	County Pop. 2005 Est (0-18 Yrs)	Total CHIP Enrollment Mar-07	Total Medicaid Enrollment Mar-07	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	Total % Insured 3/2002*	# Children Insured Ranking*	Est. # Uninsured Eligible*
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Braxton	3,044	214	1,560	1,774	58.3%	95.6%	13	155
Brooke	4,658	291	1,453	1,744	37.4%	98.5%	3	0**
Cabell	18,800	991	7,912	8,903	47.1%	91.6%	39	1,218
Calhoun	1,389	146	836	982	70.7%	88.0%	52	207
Clay	2,454	194	1,364	1,558	63.5%	95.1%	15	94
Doddridge	1,607	141	741	882	54.9%	96.4%	6	60
Fayette	9,892	984	4,721	5,705	58.9%	92.1%	36	706
Gilmer	1,154	107	559	666	57.7%	92.8%	32	115
Grant	2,463	171	908	1,079	43.8%	95.8%	11	82
Greenbrier	7,110	576	2,823	3,399	47.8%	94.8%	17	306
Hampshire	5,110	303	1,804	2,107	41.2%	91.3%	40	285
Hancock	6,270	401	2,189	2,590	41.3%	92.9%	31	443
Hardy	2,950	142	993	1,135	38.5%	93.6%	26	200
Harrison	14,973	975	5,975	6,950	46.4%	99.9%	1	0**
Jackson	6,277	379	2,332	2,711	43.2%	93.9%	22	340
Jefferson	11,465	395	2,104	2,499	21.8%	93.9%	23	651
Kanawha	40,847	2,091	16,711	18,802	46.3%	96.4%	7	772
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Logan	7,610	490	3,680	4,350	57.2%	92.1%	37	654
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McDowell	5,170	426	3,561	3,987	77.1%	93.8%	25	373
Mercer	12,687	1,142	6,552	7,694	60.6%	91.0%	41	1,268
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Mingo	6,204	436	3,332	3,768	60.7%	88.5%	51	566
Monongalia	14,346	693	4,112	4,805	33.5%	92.6%	33	1,144
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Morgan	3,365	240	955	1,195	35.5%	89.2%	49	285
Nicholas	5,478	474	2,486	2,960	54.0%	94.4%	18	324
Ohio	9,068	474	3,099	3,573	39.4%	95.6%	14	480
Pendleton	1,632	131	430	561	34.4%	99.0%	2	19
Pleasants	1,593	105	473	578	36.3%	93.9%	24	88
Pocahontas	1,717	153	650	803	46.8%	87.7%	54	224
Preston	6,354	554	2,391	2,945	46.3%	90.2%	47	236
Putnam	12,522	616	3,168	3,784	30.2%	93.2%	28	486
Raleigh	15,992	1,308	6,879	8,187	51.2%	91.7%	38	1,395
Randolph	5,971	480	2,428	2,908	48.7%	89.7%	48	653
Ritchie	2,234	148	791	939	42.0%	96.2%	9	81
Roane	3,266	317	1,644	1,961	60.0%	90.5%	44	336
Summers	2,322	204	1,183	1,387	59.7%	88.9%	50	315
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West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Eight Months Ended February 28, 2007 and February 28, 2006
(Modified Accrual Basis)

ATTACHMENT 2

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Total Expenditures	<u>27,938,240</u>	<u>27,134,590</u>	<u>803,650</u>	<u>3%</u>
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Fund Equity, Ending	<u>1,121,612</u>	<u>1,006,337</u>	<u>115,275</u>	<u>11%</u>

* Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
WVFIMS Fund 2154
For the Month Ended February 28, 2007
(Accrual Basis)

Investment Account

Funds Invested	\$4,273,030
Interest Earned	<u>92,579</u>
Total	<u>\$4,365,609</u>

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2007
For the Eight Months Ended February 28, 2007**

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Feb-07	Jan-07	Dec-06
Projected Cost	\$44,518,706	\$29,679,137	\$25,499,744	\$4,179,393	14%	\$3,709,892	\$3,289,571	\$2,593,068	\$3,309,422
Medical Copays	560,000	\$373,333	\$0	373,333	-100%	46,667	0	0	0
Drug Copays	475,000	\$316,667	\$0	316,667	-100%	39,583	0	0	0
Subrogation & Rebates	<u>300,000</u>	\$200,000	<u>\$461,634</u>	<u>(261,634)</u>	131%	<u>25,000</u>	<u>37,180</u>	<u>71,015</u>	<u>36,157</u>
Net Benefit Cost	43,183,706	\$28,789,137	\$25,038,110	\$3,751,027	13%	3,598,642	3,252,391	2,522,053	3,273,265
Salaries & Benefits	\$600,000	\$400,000	\$303,273	\$96,727	24%	\$50,000	\$39,293	\$39,097	\$36,736
Program Administration	1,951,762	\$1,301,175	\$1,145,752	155,422	12%	162,647	146,717	28,379	186,046
Eligibility	324,000	\$216,000	\$214,082	1,918	1%	27,000	104,686	2,790	2,698
Outreach	100,000	\$66,667	\$13,302	53,365	80%	8,333	0	3,389	97
Current Expense	<u>189,480</u>	<u>\$112,987</u>	<u>\$77,341</u>	<u>35,646</u>	32%	<u>14,123</u>	<u>20,779</u>	<u>7,495</u>	<u>6,384</u>
Total Admin Cost	\$3,145,242	\$2,096,828	\$1,753,750	\$343,078	16%	\$262,104	\$311,475	\$81,150	\$231,961
Total Program Cost	<u>\$46,328,948</u>	<u>\$30,885,965</u>	<u>\$26,791,860</u>	<u>\$4,094,105</u>	13%	<u>\$3,860,746</u>	<u>\$3,563,866</u>	<u>\$2,603,203</u>	<u>\$3,505,226</u>
Federal Share 80.97%	37,526,448	\$25,017,632	\$21,705,389	3,312,243	13%	3,127,204	2,885,662	2,107,813	2,838,181
State Share 19.03%	<u>8,802,500</u>	\$5,868,333	<u>\$5,086,471</u>	<u>781,862</u>	13%	<u>733,542</u>	<u>678,204</u>	<u>495,389</u>	<u>667,044</u>
Total Program Cost **	<u>\$46,328,948</u>	<u>\$30,885,965</u>	<u>\$26,791,860</u>	<u>\$4,094,105</u>	13%	<u>\$3,860,746</u>	<u>\$3,563,866</u>	<u>\$2,603,203</u>	<u>\$3,505,226</u>

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2006 Report.

Please note: Medical and Drug Co-pay figures are incomplete.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

**Department of Administration Leasing Report
For The Period of December 22, 2006 through March 31, 2007**

NEW CONTRACT OF LEASE

DIVISION OF REHABILITATION SERVICES

DRS-092 New contract of Lease for 5 years containing 5,436 square feet of office space at \$14.00 per square foot, full service, with a 2% annual rent increase with Berkeley Business Park, in Martinsburg, Berkeley County.

BUREAU OF EMPLOYMENT PROGRAMS

EMS-104 New Contract of Lease for 5 years, containing 5,153 square feet of office space at \$14.00 per square foot, full service with a 2% annual rent increase with Berkeley Business Park in the City of Martinsburg, Berkeley County.

EMS-103 New Contract of Lease for 10 years containing 7,210 square feet of office space at \$9.03 per square foot with a 5% rental increase every 2 years, with Parkersburg Center, in the City of Parkersburg, Wood County.

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE

SWV-015 New Contract of Lease for 3 years, containing 2,300 square feet of classroom space at \$4.17 per square foot, with 5% annual rent increase with D B & P Properties in the City of Madison, Boone County.

DIVISION OF CORRECTIONS

COR-081 New Contract of Lease for 1 year, containing of classroom space, meals and lodging for \$8,500 per month full service with WV Baptist Conference Center in the City of Ripley, Jackson County.

COR-080 New Contract of Lease for 3 years containing 1,776 square feet of office space at \$9.85 per square foot, includes utilities trash and snow removal, with CGP Development, in the City of Elkins, Randolph County.

MILITARY AFFAIRS AND PUBLIC SAFETY

MAPS-002 New contract of lease for 1 year containing of 3,476 square feet of office space at \$9.50 per square foot full service with Department of Administration, in the City of Charleston, Kanawha County.

NEW CONTRACT OF LEASE CONTINUED

WEST VIRGINIA STATE COLLEGE

WVS-002 New contract of lease for 1 year containing 1,694 square feet of office space at \$10.00 per square foot full service, with WVSU- R&D Corp., in the City of Institute, Kanawha County.

DIVISION OF HIGHWAYS

HWY-022 New Contract of lease for 4 years containing 1,088 square feet of office space at \$6.62 per square foot includes utilities with Cameron Holding, in the City of Cameron, Marshal County.

COAL HERITAGE HIGHWAYS

CHH-003 New Contract of Lease containing 450 square feet of warehouse space at \$3.00 per square foot, full service with Bluefield College, in the City of Bluefield, Mercer County.

DEPARTMENT OF EDUCATION

EDU-022 New Contract of Lease containing 216 square feet of office space at \$5.56 per square foot, full service with RESA I, in the City of Beckley, Raleigh County.

STRAIGHT RENEWALS

DEPARMENT OF ENVIRONMENTAL PROTECTION

DEP-109 Renewal for 2 years, containing 1,521 square feet of warehouse space, at the same rate of \$1.00 per square foot, between Philippi Municipal Building Commission, in the City of Philippi, Barbour County.

DEP-173 Renewal for 1 year containing 100 square feet of storage space, at the same rate of \$7.20 per square foot or \$60.00 per month with Bridgeport Storage in the City of Clarksburg, Harrison County.

DEP-175 Renewal for 2 years containing 300 square feet of warehouse space for \$4.60 per square foot, full service with Secure Storage, LLC in the City of Summersville, Nicholas County.

STRAIGHT RENEWALS CONTINUED

DIVISION OF NATURAL RESOURCES

NAT-102 Renewal for 3 years, containing 241 square feet of office space at the same rate of \$10.00 per square foot, full service with the Department Agriculture in the City of Inwood, Berkeley County.

NAT-112 Renewal for 3 years containing 1,000 square feet of office space at the same rate of \$8.20 per square foot full service, with Elkins Metro Corporation, in the City of Elkins, Randolph County.

NAT-107 Renewal for 1 year containing 300 square feet of storage warehouse space at the same rental rate of \$4.60 per square foot, includes trash and snow removal with Southern Mini Storage, in the City of Nitro, Kanawha County.

MILITARY AFFAIRS AND PUBLIC SAFETY

PSA-078 Renewal for 3 years containing 2,670 square feet of office space at \$3.00 per square foot, full service with Boone County Commission in the City of Danville, Boone County.

PSA-098 Renewal for 1 year containing 1,000 square feet of office space at \$11.40 per square foot, full service with Donnie Turner, in the City of Bluefield, Mercer County.

PSA-104 Renewal for 3 years containing 1,200 square feet of office space at the same rental rate of \$8.00 per square foot, with Samuel L. Baxa, in the City of Buckhannon, Upshur County.

PSA-108 Renewal for 3 years containing 4,800 square feet of office space at the same rental rate of \$1.03 per square foot, with Columbia Gas Transmission, in the City of Hundred, Wetzel County.

DIVISION OF FORESTRY

FOR-071 Renewal for 1 year tower site at the same rental rate of \$150.00 month with F & L Electronics, in the City of Milton, Cabell County.

FOR-078 Renewal for 3 years for monitoring tower site at same rental rate of \$150.00 per month with Lloyd Hoff Holding in the City of Glenville, Gilmer County.

STRAIGHT RENEWALS CONTINUED

HUMAN RIGHTS COMMISSION

HRC-002 Renewal for 1 year containing 489 square feet of office space at the same rate of \$7.36 per square foot full service except custodial with WV Division of Highways in the City of Huntington, Cabell County.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-102 Renewal for 1 year containing 100 square feet of warehouse space at the same rental rate of \$4.56 per square foot with Preston Parts, in the City of Kingwood, Preston County.

HHR-150 Renewal month to month containing 2,825 square feet of office space at the same rate of \$5.71 per square foot (full service except janitorial) with Stalnaker Rentals in the City of Glenville, Gilmer County.

HHR-149 Renewal for 3 years containing 6,652 square feet of office space at the same rental rate of \$6.25 per square foot (includes water, sewer and trash removal) with Bruce Hyre, Jr. in the City of Petersburg, Grant County.

HHR-148 Renewal for 5 years containing 21,280 square feet of office space the same rental rate of \$8.47 per square foot with J & S Partnership in the City of Fairlea, Greenbrier County.

HHR-147 Renewal for 1 year containing 19,850 square feet of office space at the same rental rate of \$9.50 per square foot, full service with the Department of Administration, in the City of Charleston, Kanawha County.

HHR-146 Renewal for 2 years containing 2,800 square feet of office space at the same rental rate of \$8.00 per square foot includes now removal, with Michael J. Lewis, in the City of St. Marys, Pleasants County.

HHR-151 Renewal for 2 years containing 480 square feet of office space at the same rental rate of \$9.75 per square foot, full service with Riverview Presbyterian Church, in the City of Charleston, Kanawha County.

HHR-035 Renewal for 1 year containing 52,143 square feet of office space at the same rental rate of \$9.50 per square foot, full service with the Department of Administration, in the City of Charleston, Kanawha County.

DHS-089 Renewal for 1 year containing 11,480 square feet of office space at the same rental rate of \$7.50 per square foot, includes snow removal with Charles McElfish, in the City of Teays Valley, Putnam County.

STRAIGHT RENEWALS CONTINUED

SUPREME COURT OF APPEALS

SCA-004 Renewal for 1 year containing an entire house for office and storage space at the same rental rate of \$325.00 per month, with the Department of Administration, in the City of Charleston, Kanawha County.

BLUEFIELD STATE COLLEGE

BSC-005 Renewal for 1 year containing 3,743 square feet of office space at the same rate of \$8.66 per square foot with Jefferson Office Park in the City of Lewisburg, Greenbrier County.

BSC-001 Renewal for 1 year containing 12,552 square feet of classroom space at the same rate of \$10.49 per square foot with W. W. L. Properties in the City of Beckley, Raleigh County.

BUREAU OF EMPLOYMENT PROGRAMS

EMS-091 Renewal month to month containing 10,000 square feet of office space at the same rate of \$10.00 per square foot full service with Harrison Holdings, Inc. in the City of Clarksburg, Harrison County.

DIVISION OF CORRECTIONS

COR-049 Renewal for 1 year containing 2,143 square feet of office space at the same rate of \$11.00 per square foot full service with Grandeotto, Inc. in the City of Clarksburg, Harrison County.

DIVISION OF HIGHWAYS

HWY-001 Renewal for 1 year containing 207,499 square feet of office space at the same rate of \$9.50 per square foot full service with Department of Administration in the City of Charleston, Kanawha County.

BANKING COMMISSION

BAN-001 Renewal month to month containing 6,720 square feet of office space at the same rate of \$9.50 per square foot full service with the Department of Administration in the City of Charleston, Kanawha County.

STRAIGHT RENEWALS CONTINUED

PUBLIC EMPLOYEES INSUARANCE

PEI-002 Renewal for 1 year containing 4,000 square feet of storage space at the same rental rate of \$1.20 per square foot with Corey Realty Company in the City of Charleston, Kanawha County.

GOVERNORS' CABINET ON CHILDREN AND FAMILY

GCC-004 Renewal for 3 years containing 8,000 square feet of office space at the same rental rate of \$11.00 per square foot with Atlantic Development in the City of Charleston, Kanawha County.

FINANCE AND ACCOUNTING

F&A-029 Renewal for 1 year containing 2,490 square feet of warehouse space at the same rental rate of \$9.50 per square foot, full service with the Department of Administration, in the City of Charleston, Kanawha County.

DIVISION OF MOTOR VEHICLES

DMV-049 Renewal for 3 years containing 4,576 square feet of office space at the same rental rate of \$12.00 per square foot, full service with Miller Systems, Inc. in the City of Charleston, Kanawha County.

BORAD OF FUNERAL SERVICE EXAMINERS

EMB-001 Renewal for 1 year containing 973 square feet of office space at the same rental rate of \$11.08 per square foot, full service with Kanawha Investment, Inc, in the City of Charleston, Kanawha County.

SOUTHERN WEST VIRGINIA AND COMMUNITY COLLEGE

SWV-014 Renewal for 2 years containing 39,000 square feet of office space/classroom space for the same rental rate of \$0.92 per square foot or \$3,000.00 per month, full service with Hill Realty, Inc., in the City of Logan, Logan County.

FAIRMONT STATE COLLEGE

FSC-024 Renewal for 1 year containing 1,400 square feet of office space at the same rental rate of \$4.29 per square foot with Teresa Puccio, in the City of Fairmont, Marion County.

STRAIGHT RENEWALS CONTINUED

FSC-025 Renewal for 1 year containing 200 square feet of climate controlled storage space at the same rental rate of \$7.14 per square foot, full service with K&K Storage, in the City of Fairmont, Marion County.

FSC-027 Renewal 1 year containing 250 square feet of office space at the same rental rate of \$11.03 per square foot, full service with Upshur County Development Authority, in the City of Buckhannon, Upshur County.

DIVISION OF REHABILITATION SERVICES

DRS-083 Renewal for 1 year containing 819 square feet of office space at the same rental rate of \$8.50 per square foot, full service, with the Department of Administration, Charleston, Kanawha County.

DRS-061 Renewal for 2 years containing 1,435 square feet of office space at the same rental rate of \$9.16 per square foot includes water, sewer, and trash and snow removal, with ROLYAT, Inc. in the City of Spencer, Roane County.

DIVISION OF JUVENILE SERVICES

DJS-010 Renewal for 1 year containing 450 square feet of office space at the same rental rate of \$6.67 per square foot, includes water, sewer and trash, with GAMM Company in the City of Keyser, Mineral County.

COAL HERITAGE HIGHWAYS

CHH-001 Renewal for 1 year containing 1,450 square feet of office space at the same rental rate of \$7.45 per square foot includes electric, water, sewer and snow removal with Beckley-Raleigh County Chamber of Commerce, in the City of Beckley, Raleigh County.

VETERANS AFFAIRS

VET-006 Renewal for 3 years containing 529 square feet of office space at the same rental rate of \$5.67 per square foot, full service with the County Commission, in the City of Parkersburg, Wood County.

RENEWAL/RENT INCREASES

DIVISION OF ENVIRONMENTAL PROTECTION

DEP-176 Renewal for 2 years containing 132 square feet of office space with a rent increase from \$8.00 per square foot to \$10.00 per square foot full service with the Department of Agriculture in the City of Inwood, Berkeley County.

DEP-092 Renewal for 3 years containing 2,700 square feet of office and storage space with an increase from \$5.00 per square foot to \$6.00 per square foot, full service with Department of Agriculture, in the City of Charleston, Kanawha County.

DEP-087 Renewal for 1 year containing 4,000 square feet of office space with an increase from \$8.00 per square foot to \$8.32 per square foot includes utilities with Earl T. Jones, in the City of Welch, McDowell County.

MINERS HEALTH AND SAFETY

MHS-029 Renewal for 3 years containing 5,972 square foot office space with at 3% rent increase from \$6.00 per square foot to \$6.18 per square foot, (includes janitorial) with Jackaline S. Roberts in the City of Danville, Boone County.

DIVISION OF CORRECTIONS

COR-041 Renewal for 3 years containing 738 square feet of office space with a rental increase from \$6.83 per square foot to \$6.99 per square foot (includes trash, water and sewer) with Adrian Goff in the City of Oak Hill, Fayette County.

DIVISION OF FORESTRY

FOR-077 Renewal month to month containing 288 square feet of office space with a rental increase from \$11.50 per square foot to \$12.50 per square foot full service with Frankie Walkup in the City of Lewisburg, Greenbrier County.

DEPARTMENT OF MOTOR VEHICLES

DMV-044 Renewal for 1 year containing 4,772 square feet of office space with an increase from \$11.25 per square foot to \$11.59 per square foot full service with J & S Partnership in the City of Lewisburg, Greenbrier County.

DMV-012 Renewal for 3 years containing 8,866 square feet of office and storage space with an increase from \$3.25 per square foot to \$3.29 per square foot with R. H. Kyle Furniture, in the City of Charleston, Kanawha County.

RENEWAL WITH RENT INCREASES CONTINUED

DMV-042 Renewal for 3 years containing 14,184 square feet of office space with an increase from \$8.54 per square foot to \$8.99 per square foot with R-Cas-Co Rental, in the City of Charleston, Kanawha County.

BOARD OF EXAMINERS OF PSYCHOLOGISTS

PSY-001 Renewal for 1 year containing 600 square feet of office space with an increase in rent from \$6.50 per square foot to \$6.69 per square foot, full service with 1206 Virginia Street, Inc. in the City of Charleston, Kanawha County.

MINERS HEALTH AND SAFETY

MHS-004 Renewal for 3 years containing 7,417 square feet of office space with an increase from \$8.44 per square foot to \$8.78 per square foot, full service with Agnes R. Cassis and Betty Risk, in the City of Charleston, Kanawha County.

EMPLOYEE GRIEVANCE BOARD

EGB-006 Renewal for 2 years containing 3,150 square feet of office space with an increase from \$7.27 per square foot to \$7.49 per square foot with Pine Grove Realty in the City of Charleston, Kanawha County.

WV GEOLOGICAL AND ECONOMICAL SURVEY

GES-001 Renewal for 5 years containing 1,188 square feet of office space with an increase from \$12.75 per square foot to \$14.75 per square foot, full service with Morris Square Associates, in the City of Charleston, Kanawha County.

DIVISION OF NATURAL RESOURCES

NAT-125 Renewal for 2 years containing 200 square feet of storage space with an increase from \$5.70 per square foot to \$6.60 per square foot with Loudon Preferred Storage, in the City of South Charleston, Kanawha County.

VETERINARY MEDICINE BOARD

VMB-003 Renewal for 1 year containing 800 square feet of office space with an increase from \$7.95 per square foot to \$8.19 per square foot includes water, sewer and trash removal, with Summit Properties, in Cross Lanes, Kanawha County.

RENEWAL WITH RENT INCREASES CONTINUED

DMV-042 Renewal for 3 years containing 14,184 square feet of office space with an increase from \$8.54 per square foot to \$8.99 per square foot with R-Cas-Co Rental, in the City of Charleston, Kanawha County.

BOARD OF EXAMINERS OF PSYCHOLOGISTS

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VETERINARY MEDICINE BOARD

VMB-003 Renewal for 1 year containing 800 square feet of office space with an increase from \$7.95 per square foot to \$8.19 per square foot includes water, sewer and trash removal, with Summit Properties, in Cross Lanes, Kanawha County.

RENEWAL WITH RENT INCREASES CONTINUED

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

DHS-034 Renewal for 10 years containing 15,000 square feet of office space with an increase from \$6.51 per square foot to \$8.00 per square foot with L. C. & G. B. Company, in the City of Hamlin, Lincoln County.

LOTTERY

LOT-003 Renewal for 5 years containing 6,498 square feet of office space with an increase from \$8.00 per square foot to \$9.00 per square foot with Pin Oak Properties, in the City of Fairmont, Marion County.

DEPARMTENT OF AGRIGULCUTURE

AGR-029 Renewal for 2 years containing 206 square feet of office space with an increase from \$10.49 per square feet to \$12.50 per square foot, full service with Monongahela Soil Conservation District, in the City of Morgantown, Monongalia County.

ADJUTANT GENERALS OFFICE

ADG-002 Renewal for 5 years increasing rent from \$1,650.00 per month to \$2,000.00 per month for airport runway with Wood County Airport, in the City of Parkersburg, Wood County.

RENEWAL, ADDING SQUARE FOOTAGE AND INCREASING RENT

WV CONSERVATION AGENCY

SCC-009 Renewal for 3 years and adding 2,050 square feet of office space for a total of 3,400 square feet, with a 2% increase each year, current rate was \$12.50 per square foot and adding new space at \$8.16 per square foot giving a blended rate of 9.88 per square foot with HIO Corporation in the City of Oak Hill, Fayette County.

DIVISION OF HEALTH AND HUMAN RESOURCES

HHR-128 Renewal for 5 years and adding 4,650 square feet of office space for a total of 7,650 square feet, with a rental increase from \$5.00 per square foot to \$8.00 per square foot due to renovations, with Home Holdings in the City of Welch, Marion County.

RENEWAL, ADDING SQUARE FOOTAGE AND INCREASING RENT CONTINUED

STATE TREASURERS OFFICE

STO-007 Renewal for 3 years and adding 84 square feet of office space for a total of 992 square feet, with a rental increase from \$7.93 per square foot at \$8.47 per square foot full service, with Forward Southern, in the City of Beckley, Raleigh County.

RENEWAL AND COMBINING LEASES

DIVISION OF REHABILITATION SERVICES

DRS-081 Renewal for 5 years, combining lease DRS-085 with DRS-081, containing 672 square feet of office space at the same rental rate of \$12.00 per square foot full service, with Harco Investments in the City of Moorefield, Hardy County.

RENEWAL , DECREASE SPACE AND RENTAL INCREASE

TAX DEPARTMENT

TAX-030 Renewal for 1 year relinquishing 3,476 square feet for a current total of 7,799 square feet and increasing the rental rate from \$8.75 per square foot to \$9.50 per square foot full service with the Department of Administration, in the City of Charleston, Kanawha County.

RENEWAL AND DECREASE IN SQUARE FOOTAGE

WEST VIRGINIA DEVELOPMENT OFFICE

CID-002 Renewal for 1 year and relinquishing 4,925 square feet of office for a current total of 33,773 square feet of office space at the same rental rate of \$9.50 per square foot with Department of Administration, in the City of Charleston, Kanawha County.

DECREASING SQUARE FOOTAGE

INSURANCE COMMISSION

INS-012 Decreasing space by 2,500 square feet leaving a total square footage of 9,906 square foot of office and storage space at the same rental rate of \$5.95 per square foot, with O. V. Smith and Sons, in the City of Big Chimney, Kanawha County.

ADDING SQUARE FOOTAGE

HEALTH CARE AUTHORITY

HCA-001 Adding 756 square feet of office space for a total of 16,795 square feet of office space at the same rental rate of \$11.04 per square foot, with IRISH Inc., in the City of Charleston, Kanawha County.

BUREAU OF EMPLOYMENT PROGRAMS

EMS-101 Adding 312 square feet of storage space for a total of 4,012 square feet of storage at a blended rate of \$2.77 per square foot, includes electric, with PP&B Properties, in the City of Charleston, Kanawha County.

REAL ESTATE COMMISSION

REC-002 Adding 220 square feet of office space for a total of 3,606 square feet of office space at \$11.25 per square foot, full service with KVB partners in the City of Charleston, Kanawha County.

RENEWAL AND ADDING SQUARE FEET

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-145 Renewal for 1 year and adding 2,820 square feet of office space for a total of 25,110 square feet at the same per square foot rate of \$8.50, full service, with the Department of Administration, in the City of Fairmont, Marion County.

**STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION**

General Services Division



**FIVE YEAR
FACILITIES MASTER PLAN**

March 19, 2007

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Introduction

EXECUTIVE SUMMARY

For nearly 75 years the State Capitol, at its current location, has served as the cornerstone of state government in West Virginia. Laws are passed; programs are administered; and history continues to be made within the confines of the interior marble walls and the Indiana limestone exterior of this structure.

Since the construction of the State Capitol started in 1923, additional buildings have been added to create a campus environment conducive to providing centralized and effective state government operations. Many of these buildings were constructed between the 1940s and 1960s and have had only limited upgrades since their construction. Maintenance and improvements to these aging facilities is a critical focal point of this administration.

The General Services Division is charged with the maintenance, operation and construction of all facilities owned by the Department of Administration. The 28 state office buildings located in various cities throughout West Virginia, include the State Capitol, the Governor's Mansion and the Holly Grove Mansion.

As the gatekeepers of these buildings, it is the goal of the Department of Administration's General Services Division to provide a functional, safe and aesthetically pleasing environment for all state employees and visitors. To assure this goal is met, there are many projects which must be completed to insure the structural integrity and safety within these state-owned buildings.

Previous administrations have provided Capitol master plans which focus on future expansion of the campus. This administration concurs with recommendations to expand in an eastward direction along Washington Street toward the 35th Street Bridge should additional buildings be constructed in the future. However, expansion of the Capitol campus should not be pursued until the existing buildings can be upgraded to current standards.

Within this *Five-Year Facilities Master Plan*, critical projects have been categorized as 'Priority 1; Necessary as 'Priority 2' and other projects as 'Priority 3', with proposed schedules, budgets and current status included. These categories are based on such factors as structural integrity, security, electrical, mechanical, and fire safety needs.

Our valuable state facilities must be upgraded to meet modern building standards with respect to asbestos, environmental, electrical, fire safety, mechanical, plumbing, heating, ventilation and air conditioning requirements.

This five-year plan outlines the efforts of this administration to restore our facilities to more effectively serve the citizens of the State of West Virginia.


David M. Oliverio
Director - General Services Division

Priority One Projects:

Revenue Funded Projects:

Building 1 - Main Capitol	
Exterior Cleaning	\$ 1,500,000
Parapet Repairs	\$ 307,000
Plaster Repairs / Painting	\$ 350,000
Senate and House Bulkheads	\$ 55,000
Governor's Portrait Restoration	\$ 200,000
Capitol Cafeteria	\$ 2,323,334
Senate Air Conditioning	\$ 1,600,000
Supreme Court Heating and Cooling	\$ 123,000
Loading Dock Water Infiltration	\$ 500,000
Transformer / Electrical Upgrades	\$ 10,000,000
Capitol Campus	
Energy Savings Project	\$ 3,500,000
Standpipes /Sprinkler Service & Repair	\$ 150,000
Sprinkler Systems	TBD
Building 5	
Steam Boiler	\$ 400,000
Buildings 5, 6,& 7	
Fire Panel Service and Testing	\$ 180,000
Building 11 - Central Chiller Plant	
Secondary power Upgrade	\$ 125,000
Building 13 - Capitol Parking Garage	
Repairs	\$ 380,000
Building 22 - Tax & Revenue Building	
Repairs	\$ 245,000
All Buildings -	
Elevators	\$ <u>2,579,031</u>

TOTAL Revenue Funded Priority One Projects:

\$ 24,517,365

Special Funding Projects:

Building 3	
Refurbishment	\$ <u>30,000,000</u>

TOTAL Priority One Projects:

\$ 54,517,365

BUILDING 1 – MAIN CAPITOL

Exterior Cleaning



All exterior stone of the State Capitol will be cleaned and repaired in a manner consistent with preservation techniques prescribed by the National Parks Service. Auxiliary components of the project will include replacement of failing joint compounds between stone to preclude water penetration, and a comprehensive survey (to include construction plans) for repairs to the upper dome lights, Capitol windows, and yellow terra cotta portico roofing.

Project Schedule: 2007

Project Budget: \$1.5M

Priority 1

BUILDING 1 – MAIN CAPITOL

Parapet Repairs



The parapet repairs involve the removal of all stonework surrounding the rooftop perimeter of the State Capitol (the parapet), replacing existing flashing with newly designed flashing, and reworking/resealing all the stone joints (to include expansion joints) to preclude water penetration.

This project will address damage to the interior trim and ceiling plaster throughout the top floors of the Capitol building. The completion of this project, in conjunction with the Senate and House bulkhead repairs, will protect the State Capitol from further roof leaks and associated deterioration in the future.

Project Schedule: 2007

Project Budget: \$3.3M

Remaining: \$307,000

**Priority 1 -
In Progress**

BUILDING 1 – MAIN CAPITOL

Plaster Repairs / Painting



This project includes the replacement and/or repair of water damaged plaster throughout the Capitol Building. As the plaster is repaired, the project must also include the restoration and painting of surrounding surfaces and trim.

The project will proceed in several phases, beginning with half of the stairwells being renovated followed by corridor and additional stairwell renovations.

All work is being coordinated with roof repairs to ensure that areas are dry prior to the initiation of plaster repairs.

Project Schedule: 2007-2009

Project Budget: \$350,000

Priority 1

BUILDING 1 – MAIN CAPITOL

Senate and House Bulkheads



The bulkheads, which consist of brick areas that support the skylights and flagpoles over the Senate and House chambers, have experienced leaking problems for many years, causing significant deterioration to the plasterwork in a number of visible areas. Repairs to these bulkheads include the demolition of the exterior brick walls and replacement with brick and newly designed flashing. This project also consists of replacing the existing EPDM (rubber) roofing, painting the flagpoles and installing newly designed safety access rails, and replacing the old chamber ductwork with new duct to include new HVAC controls.

Project Schedule: 2005-2007

Project Budget: \$790,000

Remaining: \$55,000

In Progress

Priority 1

BUILDING 1 – MAIN CAPITOL

Capitol Cafeteria



The Capitol cafeteria was closed in September of 2006 due to health and safety concerns. Furnishings and equipment were not salvageable. The kitchen, service area and dining room have been demolished and prepared for new construction. Significant infrastructure issues must be addressed, including electrical, plumbing, mechanical, and ventilation.

Construction of the new space will require upgrades to the existing infrastructure, including electrical plumbing, HVAC, lighting, fire alarm, sprinkler systems and communication wiring. These upgrades will allow the cafeteria to be in compliance with standards acceptable throughout the food service industry, while complying with all health regulations.

Project Schedule: 2007

Design Budget \$323,334

Construction Budget: \$2M

Priority 1

BUILDING 1 – MAIN CAPITOL

Senate Air Conditioning



The system providing heating and air conditioning to the Senate is not able to maintain comfort. In addition the overflow or drain pans and the constant drip of non-insulated piping are damaging the plaster ceilings and wall of the office areas. The General Services Division developed a project to replace the current fan coil system with an air system located in one of four existing air handler rooms located on the first and second floors of the main unit. The project will be completed in 4 phases. The system will confine the hot, chilled, and condensate water in the mechanical spaces.

Project Schedule: 2007-2008

Project Budget: \$1.6M

Priority 1

BUILDING 1 – MAIN CAPITOL

Supreme Court Heating and Cooling



The current system providing heating and air conditioning to the Supreme Court Chambers/Court Room does not have the ability to maintain appropriate comfort levels.

The General Services Division has developed a project to rebuild the current air system, provide new cooling coils and connect the system to the central chilled water system. This project will allow the existing dedicated chiller to be used as a standby unit. The cooler water of the central system will allow for a rebalance of the air system reducing noise, providing additional comfort, and reducing maintenance.

Project Schedule: June, 2007

Project Budget: \$123,000

Priority 1

BUILDING 1 – MAIN CAPITOL

East / West Loading Dock Excessive Water Infiltration



The east and west loading dock areas in the State Capitol are subjected to flooding during heavy rains. Exterior storm water overloads the old pumps and piping located in the Capitol basement.

The initial short-term project intends to address the flooding issue by correcting piping problems and providing separate exterior pumps for storm water. Long-term aspects of this project must address issues such as the separation of storm and sanitary sewage flows in the Capitol, planning for future growth and impending regulatory issues.

To be proactive for future campus needs, this project must be extended to address the overall storm water issues on campus, identification of sanitary sewers and planning for the replacement of old deteriorated lines.

Project Schedule: 2007-2011

Project Budget: \$500,000

Priority 1

BUILDING 1 – MAIN CAPITOL

Transformer / Electrical Upgrades



During a recent scheduled maintenance of the Primary Electrical Feed significant cable deterioration was discovered. The result was the inability of Appalachian Power Company to return Building 1 to the normal feed after the maintenance period was complete.

Additional problems were discovered in the transformer vault of Building 1. Years of neglect have rendered the main transformers undependable. The General Services Division is working with Appalachian Power Company and General Electric to provide short-term solutions. The cables were spliced and the transformers were tested and serviced; Appalachian Power Company is providing an additional service for the Chiller Plant (Building 11).

A goal for General Services Division is to remove transformers from Building 1. This action will involve a pad-mounted transformer located adjacent to Building 4 and a duct bank to route 4160 volts under California Avenue to the Building 1 east wing mechanical room. The basement of Building 4 will be used to house a generating plant to provide emergency power for Buildings 1, 4 and 11. The large oil-filled transformers located in the Building 1 basement will be eliminated. Smaller and safer dry-type transformers will reduce the 4160 volts to the 208/3/60 used by Building 1.

Project Schedule: 2007-2009

Project Budget: \$10M

Priority 1

CAPITOL CAMPUS...

Energy Savings Project



New line for HVAC system.



Abandoned communication line.

An energy savings project for the Capitol campus is underway. The completed project will provide infrastructure enhancements to the campus.

Bonds will finance the project, with payments for the bonds made from actual energy savings; meaning, lower utility bills will provide necessary funds to pay for this project. An added component is reduced maintenance costs and increased reliability.

The first phase of the project, which is complete, involved savings from campus-wide water consumption which will be reduced with the installation of various valve and plumbing devices.

The second phase of the project involves campus-wide electrical consumption. The electrical savings will be achieved by the replacement of light bulbs, ballasts and motors with more energy efficient components.

The third phase of the project involves a reduction in natural gas usage. Thirteen (13) steam boilers will be replaced with a central steam plant to provide heat to the buildings (1, 3, 4, 5, 6, and 7) on the Capitol campus using an underground distribution system. More efficient high-pressure boilers located in the penthouse of Building 5 will provide the necessary steam.

Energy Savings Project . . . (Contd)

A change order for \$1,800,000 was executed to connect the Cultural Center to the Governor's Mansion and Holly Grove, resulting in enhanced energy efficiency and the reduction of maintenance intensive equipment. Also, as forethought, distribution piping was installed for future expansion of the system.



Unreliable equipment to be retired upon completion of the Energy Savings Project.

Project Schedule: July 2007

Project Budget: \$12 M

Remaining: \$ 3.5 M

Priority 1

In Progress

Department of Administration...

All Buildings

Standpipes / Sprinkler Service and Repair



This modified service contract is designed to have all fire panels and associated equipment properly tested, documented, repaired and brought to current NFPA code compliance to enhance the life-safety of all occupants and visitors in all Department of Administration owned facilities.

Since there has been no inspection or maintenance of these systems since installation, the current condition is unknown. Therefore, inspection and associated maintenance must be performed to ensure code compliance.

Project Schedule: 2007

Project Budget: \$150,000

Priority 1

CAPITOL CAMPUS...

Capitol Complex Sprinkler Systems



Building 3



Building 4



Building 5



Building 6

The buildings of the Capitol Complex are under orders from the West Virginia Fire Marshalls Office to have our High Rise structures equipped with fire protection sprinkler systems no later than the year 2016. The buildings on the main campus that are considered high rises by the fire code are buildings #3, #4, #5, and #6. As each building on the campus is renovated, fire protection sprinklers will be included as part of the renovation. As recommended by BRIM, fire sprinkler systems will ultimately be installed in all buildings.

Project Schedule: 2006-2016

Project Budget: TBD

Priority 1

BUILDING 3...

Renovation



Documented reports dating more than 15 years detail the outdated and failing systems in this facility, including electrical, HVAC, plumbing, and office layout systems. There is a lack of adequate electrical capacity, causing safety concerns.

Some of the tasks necessary in this refurbishment include asbestos abatement, installation of fire alarms and sprinkler systems, HVAC, electrical upgrades, and engineered smoke control system.

This project calls for a complete overhaul of the facility to be performed within historic preservation guidelines. The building, which was designed by Cass Gilbert, Jr., is on the National Historic Register.

It will be necessary to temporarily relocate employees while working on this project. Relocation issues will be coordinated and communicated with the affected agencies in advance for proper planning.

Project Schedule: 2007-2009

Project Budget: \$30M

Priority 1

BUILDING 5...

Steam Boiler



The boiler plant project, provided by the Energy Savings Contract, is currently in the construction phase. Three high pressure steam boilers are provided under the contract and will occupy the 11th floor of Building 5.

However, due to the critical nature of the heating requirements and for the continued operation of state government, an additional steam boiler will be installed to serve as a standby for the three boilers currently provided by the contract.

The additional boiler will allow for the rotation of run time and allow for outages during scheduled maintenance.

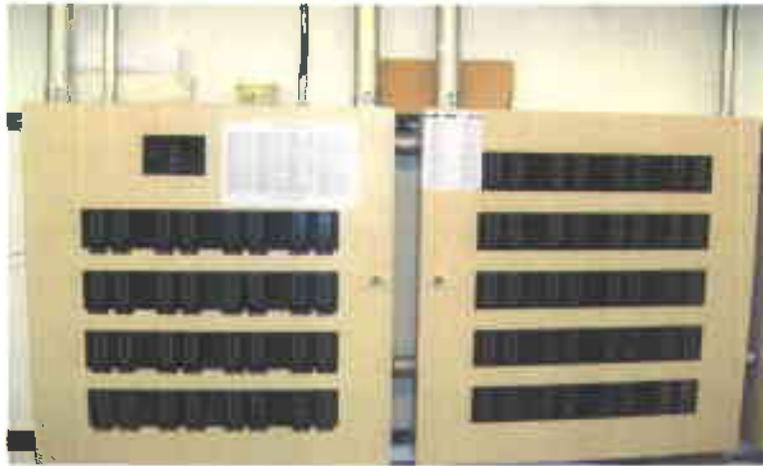
Project Schedule: July 2007

Project Budget: \$400,000

Priority 1

BUILDINGS 5, 6, 7...

Fire Panel Service and Testing



This is a modified service contract designed for all fire panels and associated equipment to be properly tested, documented, and, when necessary, repaired and brought to current NFPA code compliance to enhance the life-safety of all occupants and visitors.

Project Schedule: 2007-2008

Project Budget: \$180,000

Priority 1

BUILDING 11-CENTRAL CHILLER PLANT

Secondary Power Upgrade



Major problems with the campus medium voltage electrical system have recently been discovered through recent upgrades by Appalachian Power Company.

Being the only major building on campus not having a second feed from Appalachian Power Company, Building 11 (Chiller Plant) experienced a scheduled outage affecting several areas on campus, including computer/server rooms in the State Capitol, which are dependent on cooling year-round. The proposed upgrade will provide a second primary feeder as a backup to the chiller plant.

As an additional precaution, the basement of Building 4 will be used to house a generating plant to provide emergency power for Building 11 as part of the State Capitol electrical upgrade.

Project Schedule: 2007-2009

Project Budget: \$125,000

Priority 1

BUILDING 13 - PARKING GARAGE

Parking Garage Repairs



Although approximately seven years old, this building has fallen into disrepair. Poor quality of materials coupled with deferred maintenance have allowed the building to deteriorate at an accelerated rate.

The scope of this work includes project investigation and the preparation of a repair specification and construction management.

The sequential tasks involved in this project include a detailed inspection followed with design of repairs to extend the building life.

Project Schedule: 2006-2008

Project Budget: \$380,000

Priority 1

BUILDING 22 - TAX & REVENUE

Repairs



For more than 20 years, the Tax & Revenue Building has not realized any significant rehabilitation.

In addition to a separate elevator project, water and mold damaged drywall and framing are currently being replaced by General Service Division.

Some of the problematic issues include the ductwork of the HVAC system, which has dirt particles noticeable on the ceiling tiles and surrounding surfaces. In addition to maintenance problems and higher energy costs, the dirt is becoming a safety concern.

The roof of this building was installed approximately 20 years ago when the building was acquired; the estimated life for the existing roof was 10-15 years. The existing roof is in early stages of failure.

Although some emergency repairs have recently been completed, a roof replacement is necessary and is currently in the planning stages before this issue becomes a more serious problem causing property depreciation.

Project Schedule:	2007-2008
Project Budget	
(Duct Cleaning):	\$45,000
(Roof Replacement):	\$200,000
	In Progress
	Priority 1

Elevators...

Elevator Consulting Services

Elevators in most State Buildings are in serious condition and will require extensive repairs. Due to the highly specialized nature of elevator systems and the elevator code requirements, the General Services Division must call on the expertise of an elevator consultant to properly evaluate the condition, code deficiencies and future needs. This expertise is being used in planning and preparing drawings and specifications for the following projects.

Project Schedule: 2007-2008

Project Budget: \$100 per hour

Priority 1

BUILDINGS 5, 6 & 7...

Building 5: Install a card security system for allowing authorized personnel access to mechanical and electrical floors.

Building 6 & 7: These elevators were all installed during the late 1960's and have long exceeded their life expectancy. The current elevators condition requires full replacement. Two Building 6 elevators are currently being replaced with the remaining two to follow. Both Building 7 elevators will also be replaced. All replacements will be completed in 2007.

Project Schedule: 2007-2008

Project Budget: \$748,588

Priority 1

Building 36:

One Davis Square: While the three passenger elevators were installed in the mid 1980's and do not require replacement, safety systems must be updated. The freight elevator, installed in the mid-1950's, will be replaced.

Project Schedule: 2007-2008

Project Budget: \$750,000

Priority 1

Elevators...(contd)

BUILDINGS 4, 15, 17...

Building 4: Both elevators were installed in 1953 with limited upgrades completed in 1991. New safety systems, control panels, mechanical systems and cab upgrades are needed.

Building 15, 17: The Building 15 elevator was installed in 1997 and Building 17's was installed in 1978. Both elevators require mechanical and safety upgrades to be brought to current standards.

Project Schedule: 2007-2008
Project Budget: \$300,000
Priority 1

BUILDING 22...

WV Department of Tax (Charleston): All three elevators in Building 22 will be replaced. This elevator project is approximately one third complete with one new elevator certified for use, a second to be completed near the beginning of March and the final replacement completed by June 2007.

Project Schedule: 2007
Project Budget: \$331,443
Priority 1

BUILDING 20...

WV Supreme Court Storage (Charleston): Both of Building 20's elevators were installed in 1955. One of these elevators, out of operation for more than ten years, must be replaced. No upgrades are planned for the second functioning elevator.

Project Schedule: 2007
Project Budget: \$449,000
Priority 1

Priority Two Projects:

Revenue Funded Projects:

Building 1 - Main Capitol	
Public Restroom Facilities	\$ 500,000
General Services Division Office	\$ 500,000
Capitol Campus -	
Sidewalk Repair / Replacement	\$ 300,000
Building 4 -	
Window Replacement	\$ 500,000
Building 8 - Governor's Mansion	
Driveway Repair	\$ 155,000
Building 11 - Central Chiller Plant	
Air Conditioning Installation	\$ 50,000
Building 21 - Fairmont State Office Building	
Structural Renovations	\$ 1,000,000
Building 29 - Airport Hanger	
Renovations	\$ 40,000
Building 34 - Weirton State Office Building	
Heating / Cooling & Security	<u>\$ 5,050</u>

Total Revenue Funded Priority Two Projects:

\$ 3,050,050

Special Funding Projects:

Buildings 5, 6 & 7 -	
Refurbishment	<u>\$ 85,300,000</u>

TOTAL Priority Two Projects:

\$ 88,350,050

BUILDING 1 – MAIN CAPITOL

Public Accessible Restroom Facilities



Public restrooms in the main unit of the State Capitol were designed and constructed during the early 1930's. Cass Gilbert, a renowned master of design and function, was the architect for the State Capitol.

The restrooms have been used extensively for more than 70 years. Over these years, few repairs have been confirmed in accordance with the original design and architectural intent.

The scheduled repairs to four restrooms on the ground floor of the main unit include ventilation, plumbing, fixtures, and "milkglass" walls. Original lighting fixtures will be maintained for historical purposes.

The renovation and repairs are intended to maintain both the historic and architectural integrity of the Capitol Building.

Project Schedule: 2007

Project Budget: \$500,000

Priority 2

BUILDING 1 – MAIN CAPITOL

General Services Division Office



Due to changes in staff and in the mission of the General Services Division, the division has outgrown its existing office space. The current proposal to remodel the Capitol cafeteria will extend the cafeteria dining space across the existing corridor into the area currently occupied by the division office staff. The area of the main basement, currently occupied by the crafts shop and inventory, will be remodeled to provide an efficient office for the division.

Currently, the General Services Division offices consist of numerous isolated poorly designed spaces throughout the Capitol basement. Office, shop and storeroom space will be renovated to house all division administrative offices in one central area.

Project Schedule: 2007-2008

Project Budget: \$500,000

Priority 2

CAPITOL CAMPUS...

Sidewalk Repair / Replacement



The Capitol campus sidewalks provide pedestrian access to buildings, as well as serve many other functions, including delivery routes and access for heavy loads for maintenance, special events and emergency needs. Over the years, damage has resulted on most of the campus walkways.

An immediate project to replace damaged sidewalks in the area of Buildings 5, 6 and 7 must be expanded to evaluate all campus sidewalks. The initial project work will include new design standards and an evaluation of campus traffic needs. In order to minimize future damage and maintenance, the design standards must be reevaluated to recognize the higher traffic loadings. Damage to brick paving has resulted in ADA non-compliance for handicapped accessibility, drainage problems and potential tripping hazards.

Sidewalk replacement must also be coordinated with future utility needs and replacement and other remodeling work on campus buildings. With design, planning and critical replacement projects planned within the next year, this project addressing all campus walkways will continue over the next five years.

Project Schedule: 2007-2011

Project Budget: \$300,000

Priority 2

BUILDING 4...

Window Replacement



The windows in Building 4 need replacement due to age, disrepair, lack of efficiency and functionality. These windows are primarily single-paned, allowing the inflow of air in all seasons, which is not conducive to the weatherization required to efficiently maintain air quality and occupant comfort.

Project Schedule: 2008

Project Budget: \$500,000

Priority 2

BUILDINGS 5, 6 and 7...

Refurbishment



Outdated and failing systems are prevalent in this facility. The project requires complete refurbishment of all systems including, but not limited to, electrical, HVAC, plumbing, and life-safety.

In addition, other tasks are necessary such as asbestos abatement and emergency power. Because these structures are not on the National Historic Register, there is an increase latitude in forward-thinking refurbishment options.

It will be necessary to temporarily relocate employees while working on this project. Relocation issues will be coordinated and communicated with the affected agencies in advance for proper planning.

Project Schedule: 2007-2008

Project Budget: \$85.3M

Priority 2

BUILDING 8 – GOVERNOR’S MANSION

Governor’s Driveway



This project is being undertaken to resolve issues, including water leaking into the garage, other drainage issues, potential tripping hazards and replacement of old surfacing. Elevation must be corrected to ensure positive drainage away from the Governor’s Mansion.

Project Schedule: 2007

Project Budget: \$155,000

Priority 2

BUILDING 11-CENTRAL CHILLER PLANT

Central Plant Air Conditioning Installation



This project is targeted to add heating and cooling to the office areas located inside the plant. The available space located inside this building will be restructured to provide office space for the expanding staff of the General Services Division.

The project will not only add HVAC to these areas, but is designed to bring all life-safety systems inside the plant into full code compliance.

Project Schedule: 2007

Project Budget: \$50,000

Priority 2

BUILDING 21 - FAIRMONT STATE OFFICE BUILDING

Structural Renovation



The Fairmont State Office Building was purchased by the State and remodeled in 1986. Other than build-outs of unused space, little long-term maintenance or refurbishment has been performed on this building since 1987.

Necessary work includes roof replacement, structural repairs, plaza deck replacement, extensive repairs to the exterior finish and caulking, resolution of moisture problems in the basement, and exterior drainage issues. Moisture issues have resulted in complaints and indoor air quality problems.

The roof, originally estimated to serve the building for 10-15 years, has been in place more than 20 years. The plaza decking had a life expectancy of 5-10 years; after 20 years without maintenance, the decking is extensively damaged. Areas of the exterior finish (EIFS) system that cover the original brick are damaged or failing. In addition, the caulking has not been replaced and is failing.

Aside from repairs required to weatherproof the building, the existing interior finishes need refurbishment. Multiple projects are being planned to resolve these issues.

Project Schedule: 2007-2008

Project Budget: \$1M

Priority 2

BUILDING 29- Airport Hanger

Yeager Airport Hanger



The current hanger owned by the Department of Administration at Yeager Airport has had office space added intermittently over several years. The ever-increasing size and scope of the office space has created space that does not meet current building codes, causing fire and life safety concerns.

This project will include the removal of the office space and the reconstruction using code compliant construction techniques.

Project Schedule: 2007-2008

Project Budget: \$40,000

Priority 2

BUILDING 34 - WEIRTON STATE OFFICE BUILDING

Heating/Cooling and Security Program



This small-scale project will allow the remote access of heating and cooling (HVAC) controls and security programming software from the offices of General Services Division in Charleston. Currently, only designated General Services Division maintenance personnel may access the system, and must remain on a "full-time, on-call" basis to provide response to customer requests.

This project will allow the system to be fully monitored and adjusted from remote computers in Charleston.

Project Schedule: 2007

Project Budget: \$5,050

Priority 2

Priority Three Projects:

Revenue Funded Projects:

Building 1 - Main Capitol	
Governor's Press Conference Room	\$ 50,000
Lighting Upgrades	\$ 395,000
Building 10 - Holley Grove	
Restoration	\$ 3,800,000
Building 53 - Governor's Drive Guardhouse	
Repairs	\$ <u>45,000</u>

Total Revenue Funded Priority Three Projects:

\$ 4,290,000

Special Funding Projects:

Building 4 -	
Refurbishment	\$ 19,000,000

TOTAL Priority Three Projects:

\$ 23,290,000

BUILDING 1 – MAIN CAPITOL

Governor's Press Conference Room



The Governor's Press Conference Room is located in the Secretary of State's office. Access to the Governor's Press Conference Room is from the internal Secretary of State area and, more directly, from the rotunda area via a hallway in the Secretary of State area. A more private and secure entrance is necessary.

The work necessary to this area includes upgraded telecommunications, improvements in the HVAC system, and new furnishings.

A redesigned entrance is necessary to eliminate intrusion to the Secretary of State's office.

Project Schedule: 2009

Project Budget: \$50,000

Priority 3

BUILDING 1 – MAIN CAPITOL

Lighting Upgrades



This task includes new wiring and wiring sockets and light fixtures throughout the Capitol common areas.

The overall condition of the lighting wiring is in poor condition. The wiring for some light fixtures is spliced and visible when looking at the light fixture. The structural conditions of the fixtures and their connections to the building must also be corrected. This condition raises serious safety concerns.

Project Schedule: 2007-2008

Project Budget: \$395,000

Priority 3

BUILDING 10 - HOLLY GROVE

Restoration



The original structure of the Holly Grove Mansion was constructed in 1815, as the home of Daniel Ruffner, whose family helped develop the early salt industry in the Kanawha Valley. The mansion underwent several remodeling iterations, the first occurring in 1832 and the second in 1903, when the third floor and porches were added.

The building was acquired by the State in 1975 for office space usage. The last tenant of this building was the Commission on Aging, which relocated their office in September of 2004. The facility has since remained unoccupied.

The facility is in a significant state of disrepair due to deferred maintenance. This project consists of a complete renovation, in accordance with historic preservation techniques, to fully update the existing structural, mechanical, electrical, plumbing, and interior/exterior deficiencies. Specific usage of Holly Grove Mansion has not yet been determined. The immediate objective is to 'mothball' the building and stabilize the structure until a future use is determined.

Project Schedule: 2008

Project Budget: \$3.8M

Priority 3

BUILDING 4...

Refurbishment



Documented reports dating back 10 years detail the outdated and failing systems in this facility including electrical, HVAC, plumbing, and office layout systems. The project calls for a complete overhaul of facility systems including the fire alarm, emergency power and sprinkler systems.

It will be necessary to temporarily relocate employees while working on this project. Relocation issues will be coordinated and communicated with the affected agencies in advance for proper planning.

Project Schedule: 2008-2011

Project Budget: \$19M

Priority 3

BUILDING 53 – GOVERNOR’S DRIVE GUARDHOUSE

Repair



The Governor’s Drive guardhouse plays an important role in the security of the western edge of the campus.

This current project will include electrical upgrades, security concerns and improved communications capabilities. This project is currently being coordinated with proposed Protective Services projects at the Governor’s Drive entrance.

Project Schedule: 2007

Project Budget: \$45,000

Priority 3

Appendix 1:

PROJECTED CASH FLOW

Projected Cash Flow:

Current Balance as of 3/1/07: \$26,550,000

Projected Revenue*:

3/07 to 6/07	3,400,000
FY '08	9,360,000
FY '09	8,253,000
FY '10	8,427,000
FY '11	<u>8,631,000</u>

\$38,071,000

Total Funding Through FY'11 \$64,621,000

Project Priority Subtotals:

Priority One	24,517,365
Priority Two	3,050,050
Priority Three	4,290,000

\$31,857,415

Special Funding Projects:

Building 3 - Priority One	30,000,000
Buildings 5, 6 & 7	
- Priority Two	85,300,000
Building 4 - Priority Three	<u>19,000,000</u>

\$134,300,000

* Projections provided by West Virginia Lottery

Appendix 2:

PROPOSED FIVE YEAR SCHEDULE

GENERAL SERVICES DIVISION
PROPOSED FIVE YEAR SCHEDULE



Project Funding Special Funding

Joint Committee on Government and Finance

April 2007

Department of Health and Human Resources

**MEDICAID REPORT
STATE PLAN AMENDMENT 07-03**

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
SFY 2007 MEDICAID CASH REPORT
As Of April 5, 2007

6 Months Actuals 6 Months Remaining

MONTH OF DECEMBER 2006	ACTUALS	ACTUALS	PROJECTED	TOTAL
	12/1/06 Thru 12/31/06	Year-To-Date Thru 12/31/06	1/1/2007 Thru 06/30/07	SFY2007
REVENUE SOURCES				
Beg. Bal. 12/01/06 (5084/1020 prior mth)	18,462,605	\$22,969,601		\$22,969,601
MATCHING FUNDS				
General Revenue (0403/189)	28,923,083	175,650,388	218,755,299	394,405,687
Rural Hospitals Under 150 Beds (0403/940 & 046)	216,333	1,298,000	1,298,000	2,596,000
Tertiary Funding (0403/547 & 074)	258,833	1,678,000	1,678,000	3,356,000
Lottery Waiver (Less 450,000) (5405/539)	0	10,550,000	2,000,000	12,550,000
Lottery Transfer (5405/871)	0	8,000,000	2,300,000	10,300,000
Trust Fund Appropriation (5185/all activities)		0	30,556,594	30,556,594
Provider Tax (5090/096)	12,152,113	76,599,172	97,216,828	173,816,000
Certified Match	2,268,735	11,025,826	13,335,578	24,361,404
Reimbursables ⁽¹⁾	1,412	1,223,739	3,875,742	5,099,481
CMS - 64 Adjustments		(435,563)	435,563	0
TOTAL MATCHING FUNDS	\$62,283,115	\$308,559,163	\$371,451,604	\$680,010,767
FEDERAL FUNDS	129,920,018	748,705,466	\$896,965,451	\$1,645,670,917
TOTAL REVENUE SOURCES	\$192,203,133	\$1,057,264,629	\$1,268,417,055	\$2,325,681,684
TOTAL EXPENDITURES:				
Provider Payments	\$178,161,806	\$1,042,877,872	\$1,250,865,906	\$2,293,743,778
TOTAL	\$14,041,326	\$14,386,757		\$31,937,906

Note: Proj. FMAP (06' - 72.99% applicable July - Sept. 2006) (07' - 72.82% applicable Oct. 2006 - June 2007)

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

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 SFY 2007 EXPENDITURES BY PROVIDER TYPE
 As of April 5, 2007

MONTH OF DECEMBER 2006	ACTUALS	ESTIMATED	ESTIMATED	ACTUALS	ACTUALS	PROJECTED
	Actual SFY2006	SFY2007	Current Month Dec-06	Current Month Dec-06	Year To-Date Thru 12/31/06	01/01/06 Thru 06/30/07
EXPENDITURES:						
Inpatient Hospital Services	209,860,932	248,593,096	19,122,546	12,696,058	101,954,568	146,638,528
Inpatient Hospital Services - DSH Adjustment Payments	53,916,150	53,935,110	-	-	26,886,053	27,049,057
Mental Health Facilities	36,085,565	42,090,761	3,237,751	2,220,031	19,266,821	22,823,940
Mental Health Facilities - DSH Adjustment Payments	20,354,226	18,887,045	-	-	9,397,475	9,489,570
Nursing Facility Services	402,903,863	416,786,290	34,732,191	37,504,173	204,358,365	212,427,925
Intermediate Care Facilities - Public Providers	160	-	-	-	-	-
Intermediate Care Facilities - Private Providers	53,642,336	59,538,870	4,961,573	4,991,943	29,770,160	29,768,710
Physicians Services	126,950,184	117,945,021	9,072,694	15,502,976	63,053,933	54,891,088
Outpatient Hospital Services	93,921,521	103,013,506	7,924,116	8,515,667	47,963,141	55,050,365
Prescribed Drugs	378,095,030	310,458,195	23,881,400	26,280,987	145,125,143	165,333,052
Drug Rebate Offset - National Agreement	(112,878,531)	(116,033,400)	(3,626,044)	(6,171,740)	(49,422,148)	(67,611,252)
Drug Rebate Offset - State Sidebar Agreement	(29,528,976)	(29,276,640)	(73,192)	(262,384)	(13,773,177)	(15,503,463)
Dental Services	38,320,543	40,972,725	3,151,748	3,288,969	19,039,628	21,933,097
Other Practitioners Services	20,069,824	21,174,205	1,628,785	1,648,397	10,215,994	10,958,211
Clinic Services	46,750,545	37,478,034	2,882,926	3,263,637	18,915,070	18,562,964
Lab & Radiological Services	13,045,112	13,892,145	1,068,627	705,450	3,775,938	10,116,207
Home Health Services	26,490,072	27,896,140	2,145,857	2,474,612	12,694,480	15,201,660
Hysterectomies/Sterilizations	682,237	693,464	53,343	56,429	315,706	377,758
Pregnancy Terminations	-	39,092	3,007	-	-	39,092
EPSDT Services	3,450,995	10,881,433	837,033	202,085	1,346,369	9,535,064
Rural Health Clinic Services	7,652,987	7,621,694	586,284	480,521	3,276,893	4,344,801
Medicare Health Insurance Payments - Part A Premiums	17,903,197	17,191,600	1,432,633	1,394,595	8,266,935	8,924,665
Medicare Health Insurance Payments - Part B Premiums	61,584,326	64,000,000	5,333,333	4,999,154	30,245,307	33,754,693
120% - 134% Of Poverty	2,861,904	-	-	307,615	1,735,299	(1,735,299)
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	213,950,846	241,784,020	20,148,668	18,858,740	114,737,798	127,046,222
Medicaid Health Insurance Payments: Group Health Plan Payments	289,548	346,380	28,865	-	85,876	260,504
Home & Community-Based Services (MR/DD)	185,607,767	207,361,030	15,950,848	16,001,927	93,291,984	114,069,046
Home & Community-Based Services (Aged/Disabled)	60,658,000	59,874,724	4,605,748	4,674,864	27,251,814	32,622,910
Community Supported Living Services	-	-	-	13	38	(38)
Personal Care Services	27,037,173	36,554,021	2,811,848	3,168,046	18,104,416	18,449,605
Targeted Case Management Services	9,026,219	9,285,672	714,282	625,409	4,015,733	5,269,939
Primary Care Case Management Services	599,855	796,780	66,398	61,275	366,345	430,435
Hospice Benefits	6,545,960	9,357,560	719,812	656,249	4,240,844	5,116,716
Federally Qualified Health Center	17,133,735	16,681,010	1,283,155	1,438,542	7,049,063	9,631,947
Other Care Services	117,082,516	132,236,166	10,172,013	9,707,955	65,306,623	66,929,543
Less: Recoupments	-	-	-	(78,254)	(3,323,123)	3,323,123
NET EXPENDITURES:	2,110,065,831	2,182,055,749	174,858,249	175,213,961	1,026,535,361	1,155,520,388

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
SFY 2007 EXPENDITURES BY PROVIDER TYPE
As of April 5, 2007

MONTH OF DECEMBER 2006	ACTUALS	ESTIMATED	ESTIMATED	ACTUALS	ACTUALS	PROJECTED
	Actual SFY2006	SFY2007	Current Month Dec-06	Current Month Dec-06	Year To-Date Thru 12/31/06	01/01/06 Thru 06/30/07
Plus: Medicaid Part D Expenditures	8,942,213	29,504,480	2,458,707	2,328,131	14,009,967	15,494,513
Plus: State Only Medicaid Expenditures	4,507,995	3,500,000	269,231	365,738	2,252,141	1,247,859
TOTAL MEDICAID EXPENDITURES	\$2,123,516,038	\$2,215,060,229	\$177,586,187	\$177,907,831	\$1,042,787,488	\$1,172,282,780
Plus: Reimbursables ⁽¹⁾	4,448,208	3,500,000	269,231	263,876	1,744,164	1,755,846
TOTAL EXPENDITURES	\$2,127,962,245	\$2,218,560,229	\$177,855,418	\$178,161,806	\$1,044,541,623	\$1,174,018,606

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

BUREAU FOR MEDICAL SERVICES
Medicaid Approved Claims Report
As of April 5, 2007

REF#	CMS 64 Category Of Service	--- SFY 2006 ---				SFY 2007 TENTATIVE	
		JUL-SEP 2005	OCT-DEC 2005	JAN-MAR 2006	APR-JUN 2006	JUL-SEP 2006	OCT-DEC 2006
1A	Inpatient Hospital Services	50,660,147	44,239,858	46,342,049	88,465,831	59,004,884	45,420,674
1B	Inpatient Hospital Services - DSH	13,494,023	13,466,678	13,470,677	13,477,601	13,487,307	13,398,746
2A	Mental Health Facilities	6,454,836	6,912,113	13,562,413	12,299,762	9,611,035	9,654,320
2B	Mental Health Facilities - DSH	4,684,394	6,274,180	4,694,816	4,700,836	4,707,635	4,689,840
3	Nursing Facility Services	98,020,447	98,903,504	100,422,510	96,189,829	97,869,357	102,858,858
4B	Intermediate Care Facilities - Private Providers	12,722,547	13,147,300	14,288,039	13,501,343	14,866,833	14,906,183
5	Physicians Services	33,583,781	30,844,222	32,178,805	35,100,502	22,184,181	27,917,656
6	Outpatient Hospital Services	24,086,719	23,085,591	23,092,102	28,178,798	24,854,201	24,036,809
7	Prescribed Drugs	109,529,189	119,401,991	77,862,448	72,148,648	73,996,679	79,099,520
7	Part D Premium - State Only	0	0	6,871,393	6,832,317	7,036,703	6,973,263
7A1	Drug Rebate Offset - National	(26,479,767)	(34,649,872)	(28,295,179)	(23,449,375)	(31,036,177)	(23,748,198)
7A2	Drug Rebate Offset - State	(6,074,088)	(6,473,002)	(6,236,973)	(10,749,249)	(6,167,738)	(7,473,084)
	Total Rebates	(32,553,855)	(41,122,874)	(34,532,152)	(34,198,624)	(37,203,915)	(31,221,282)
	NET DRUG COST	76,975,334	78,279,117	50,201,689	44,782,341	43,829,467	54,851,501
8	Dental Services	9,309,731	10,225,378	9,538,773	10,675,862	9,747,640	10,030,108
9	Other Practitioners Services	5,745,239	5,127,471	5,390,387	6,262,904	5,011,125	4,708,250
10	Clinic Services	9,029,258	9,030,351	11,577,234	7,711,808	7,646,097	8,289,028
11	Lab & Radiological Services	3,086,682	3,614,604	3,834,362	2,175,779	4,266,918	4,334,075
12	Home Health Services	6,908,765	7,280,231	7,528,844	7,418,116	6,685,878	6,548,543
13	Hysterectomies/Sterilizations	165,370	161,149	207,520	159,288	156,636	161,379
14	Pregnancy Termination	96,251	70,984	90,137	90,528	64,402	34,849
15	EPSDT Services	1,151,400	882,248	691,405	4,229,031	6,283,348	5,972,258
16	Rural Health Clinic Services	2,005,835	1,747,828	2,179,575	2,099,858	1,690,077	1,651,481
17A	Medicare - Part A Premiums	3,620,829	6,261,928	4,152,571	4,108,236	2,784,018	4,185,821
17B	Medicare - Part B Premiums	14,211,799	14,560,223	15,692,417	16,143,572	10,649,879	16,255,310
18A	Managed Care Organizations	42,730,774	51,288,669	60,115,171	59,817,308	60,065,446	68,259,290
18C	Group Health Plan Payments	58,739	96,095	58,501	76,212	85,876	0
19	Home & Community-Based Services (MR/DD)	46,486,558	45,677,907	45,757,241	47,796,799	46,908,117	47,174,803
20	Home & Community-Based Services (Aged/Disabled)	15,894,777	15,026,274	15,203,425	14,647,406	13,700,224	13,512,164
23	Personal Care Services	5,982,676	5,952,653	6,417,084	8,491,635	8,931,805	8,741,934
24	Targeted Case Management	2,210,932	2,398,029	2,284,222	2,593,955	2,125,578	2,022,280
25	Primary Care Case Management	140,880	122,019	140,814	192,360	187,035	234,915
26	Hospice Benefits	1,148,368	1,818,491	1,720,716	2,074,858	2,525,227	2,043,527
28	Federally Qualified Health Center	4,022,834	4,348,762	5,572,223	3,907,444	3,423,360	3,928,153
29	Other Care Services	26,938,503	25,585,317	26,768,853	32,342,339	28,700,010	30,004,526
	Unclassified	9,229	1,855	6,837	10,477	211,611	53
///	TOTALS	521,637,657	526,431,029	523,181,412	569,722,618	512,265,207	546,849,368

This report's data is prepared based on claims received and approved for payment (Modified Accrual basis of Accounting). Therefore, the data presented in this report will not match the CMS-64 Quarterly Reports which are prepared on a cash basis.

The following report approximates the Medicare Part-D Prescription Drug Expenditures related to WV's Part-D Premium (clawback) payments.

7	Medicaid Prescribed Drugs	109,529,189	119,401,991	77,862,448	72,148,648	73,996,679	79,099,520
7.2	Medicare Part D (Estimated)	0	0	28,266,867	28,106,119	28,946,904	28,506,512
///	Estimated Medicaid & Medicare Prescribed Drug Payments	109,529,189	119,401,991	106,129,315	100,254,767	102,943,583	107,606,032



State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wv.gov.org

March 28, 2007

Ted Gallagher, Acting Regional Administrator
U.S. Department of Health and Human Services
Center for Medicare and Medicaid Services
Division of Medicaid and State Operations
Suite 216, The Public Ledger Building
150 S. Independence Mall West
Philadelphia, Pennsylvania 19106-3499

Dear Mr. Gallagher:

I am pleased to submit Transmittal Number 07-03 as an amendment to West Virginia's State Plan.

This plan sets forth the provisions of the employee education about the False Claims Act and provides for the Medicaid agency's oversight and monitoring of providers' compliance.

The Plan provisions are in conformance with the SSA 1902 (a)(68), P.L. 109-171, section 6032.

New Plan pages are: Pages 79y1 – 79y3 and Attachment 4.42 A, page 1

If there are any questions or if additional information regarding this material is needed, please do not hesitate to write or call Shelley Baston, Deputy Commissioner, Bureau for Medical Services, West Virginia Department of Health and Human Resources, 350 Capitol Street Room 251, Charleston West Virginia 25301-3706, telephone (304) 558-1700.

With warmest regards,



Joe Manchin III
Governor

JM:jd
Attach.



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Joe Manchin III
Governor

Bureau for Medical Services
Commissioner's Office
350 Capitol Street - Room 251
Charleston, West Virginia 25301-3706
Telephone: (304) 558-1700 Fax: (304) 558-1509

Martha Yeager Walker
Secretary

MEMORANDUM

DATE: March 26, 2007

TO: The Honorable Joe Manchin III Governor
State of West Virginia

FROM: Martha Yeager Walker, Secretary *myw*
Department of Health and Human Resources

RE: Medicaid State Plan Amendment
Transmittal Number 07-03

Attached is State Plan amendment (SPA) 07-03.

This plan sets forth the provisions of the employee education about the False Claims Act and provides for the Medicaid agency's oversight and monitoring of providers' compliance. This plan will apply to providers who received or made Medicaid payments of at least \$5,000,000 million dollars in federal fiscal year 2006. Federal budget impact in 2007 is \$910.47

A memorandum for your use in forwarding the proposed amendment to the Governor for his review and signature is attached.

NMA:jd

Attachments

cc: Leonard Kelley,
Deputy Commissioner, Finance & Administration

Shelley Baston
Deputy Commissioner, Policy Coordination

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 07-03	2. STATE: West Virginia
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: 1-Jan-07	
5. TYPE OF PLAN MATERIAL (Check One) <input checked="" type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 55A 1902 (a)(88), P.L. 109-171, section 6032		7. FEDERAL BUDGET IMPACT: a. FFY 2007 \$ 910.47 b. FFY 2008 \$ 230.69	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Pages 79Y1, 79Y2, 79Y3 & Attachment 4.42-A Page 1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): NEW	
10. SUBJECT OF AMENDMENT: This plan sets forth the provisions of the employee education about the False Claims Act and provides for the Medicaid agency's oversight and monitoring of providers' compliance.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: <i>Shelley Baston, Deputy Commissioner</i>		16 RETURN TO: Bureau for Medical Services 350 Capitol Street Room 251 Charleston West Virginia 25301	
13. TYPED NAME: Shelley Baston			
14. TITLE: Deputy Commissioner			
15. DATE SUBMITTED:			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL		20. SIGNATURE OF REGIONAL OFFICIAL	
21. TYPED NAME		22. TITLE	
23. REMARKS:			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: West Virginia

Citation
1902(a)(68) of
the Act, P.L.
109-171
(section 6032)

4.4 Employee Education About False Claims Recoveries.

(a). The Medicaid agency meets the requirements regarding establishment of policies and procedures for the education of employees of entities covered by section 1902(a)(68) of the Social Security Act (the Act) regarding false claims recoveries and methodologies for oversight of entities' compliance with these requirements.

(1). Definitions

(A). An "entity" includes a governmental agency, organization, unit, corporation, partnership, or other business arrangement (including any Medicaid managed care organization, irrespective of the form of business structure or arrangement by which it exists), whether for-profit or not-for-profit, which receives or makes payments, under a State Plan approved under title XIX or under any waiver of such plan, totaling at least \$5,000,000 annually.

If an entity furnishes items or services at more than a single location or under more than one contractual or other payment arrangement, the provisions of section 1902(a)(68) apply if the aggregate payments to that entity meet the \$5,000,000 annual threshold. This applies whether the entity submits claims for payments using one or more provider identification or tax identification numbers.

A government component providing Medicaid health care items or services for which Medicaid payments are made would qualify as an "entity" (e.g., a state mental health facility or school district)

TN No. 07-03
Supersedes
TN No. New

Approval Date: _____

Effective Date: _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: West Virginia

providing school-based health services). A government agency which merely administers the Medicaid program, in whole or part (e.g., managing the claims processing system or determining beneficiary eligibility), is not, for these purposes, considered to be an entity.

An entity will have met the \$5,000,000 annual threshold as of January 1, 2007, if it received or made payments in that amount in Federal fiscal year 2006. Future determinations regarding an entity's responsibility stemming from the requirements of section 1902(a)(68) will be made by January 1 of each subsequent year, based upon the amount of payments an entity either received or made under the State Plan during the preceding Federal fiscal year.

- (B) An "employee" includes any officer or employee of the entity.
- (C) A "contractor" or "agent" includes any contractor, subcontractor, agent, or other person which or who, on behalf of the entity, furnishes, or otherwise authorizes the furnishing of, Medicaid health care items or services, performs billing or coding functions, or is involved in the monitoring of health care provided by the entity.
- (2) The entity must establish and disseminate written policies which must also be adopted by its contractors or agents. Written policies may be on paper or in electronic form, but must be readily available to all employees, contractors or agents. The entity need not create an employee handbook if none already exists.

TN No. 07-03
Supersedes
TN No. New

Approval Date: _____

Effective Date: _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: West Virginia

- (3). An entity shall establish written policies for all employees (including management), and of any contractor or agent of the entity, that include detailed information about the False Claims Act and the other provisions named in section 1902(a)(68)(A). The entity shall include in those written policies detailed information about the entity's policies and procedures for detecting and preventing waste, fraud and abuse. The entity shall also include in any employee handbook a specific discussion of the laws described in the written policies, the rights of employees to be protected as whistleblowers and a specific discussion of the entity's policies and procedures for detecting and preventing fraud, waste and abuse.
- (4). The requirements of this law should be incorporated into each State's provider enrollment agreements.
- (5). The State will implement this State Plan amendment on three months from plan approval.
- (b). ATTACHMENT 4.42-A describes, in accordance with section 1902(a)(68) of the Act, the methodology of compliance oversight and the frequency with which the State will re-assess compliance on an ongoing basis.

TN No. 07-03
Supersedes
TN No. New

Approval Date: _____

Effective Date: _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West Virginia**FALSE CLAIMS ACT ATTACHMENT**

1. The Bureau for Medical Services, the West Virginia single state agency, will incorporate into the provider enrollment agreement, the responsibilities of the affected providers in implementing Section 6032 of the Deficit Reduction Act of 2005, the "Employee Education About False Claims Recovery."
2. The Bureau for Medical Services will request copies of an affected provider's written policies, and the plan to disseminate those policies to staff, within three (3) months of State Plan approval.
3. The Bureau for Medical Services will conduct a desk review of the affected providers written policies and procedures and provide a written response of approval and/or suggestions to said policies and dissemination plan. Said policies and procedures will include explanation of the false claims act; the providers' policies and procedures for detecting and preventing waste, fraud and abuse; the rights of employees to be protected as whistle blowers and telephone numbers and/or addresses for reporting fraud and abuse.
4. Thereafter, the Bureau will contact affected providers on a yearly basis for any update or change to its written policies. The Bureau will accomplish this verification by provider survey.
5. New affected providers identified each year will be required to submit their policies and dissemination plan and will be handled per #2, 3, 4.
6. The Bureau for Medical Services has a range of sanctions contained in its administrative regulation for non-compliance with Medicaid policies. These sanctions range from requiring a plan of correction to termination from the Medicaid program. These sanctions will be applied to non-compliance with the "Employee Education About False Claims Recovery."

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTES:

Next Board Meeting:
April 24, 2007
Next CIP Auction:
May 16, 2007

OPERATING REPORT MARCH 2007

Board of Treasury Investments

1900 Kanawha Boulevard East
Suite E-122
Charleston WV 25305
(304) 340-1578
www.wbti.com

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Joe Manchin III,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser,
Esq. Attorney
Appointed by
the Governor

Jack Rossi, CPA
Appointed by
the Governor

Executive Staff

Executive Director
Glenda Probst,
CPA, CTP

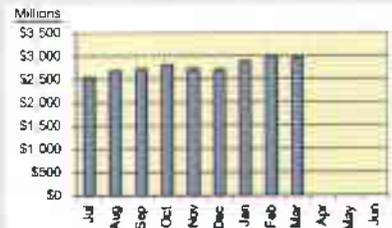
Chief Financial Officer
Kara K. Brewer,
CPA, MBA

Total Net Assets Under Management

\$2,959,809,000

Last Month
\$2,980,570,000

Beginning of Fiscal Year
\$2,481,176,000

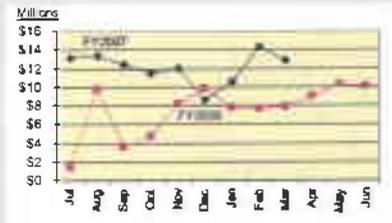


20.1% Growth This Fiscal Year

Total Net Income & Gains

This Month \$12,842,000

Fiscal Year \$109,215,000



Outpacing Last Year

Effective Rates of Return

Time Weighted, Annualized, Net of All Fees

	March 2007	Fiscal Year to Date 2007	Fiscal Year to Date 2006
Cash Liquidity	5.7%	5.4%	4.0%
Gov't Money Mkt	5.5%	5.3%	3.9%
	Fiscal Year 2007 (Past 12 Months)	Fiscal Year 2006 (Past 12 Months)	
Enhanced Yield	5.3%	2.7%	



Returns are annualized fiscal year to date for Cash Liquidity & Gov't Money Mkt; past 12 months for Enhanced Yield

Returns Exceed Prior Year's

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
THE ECONOMIC STATE
MARCH 2007

Consumer Spending Drives Economic Expansion

Fuel, food, tobacco costs lead rising consumer prices

The U.S. unemployment rate fell in March to 4.4%, matching the five-year low last seen in October. The U.S. economy added 180,000 jobs in March, following a revised 113,000 gain in February. The U.S. economy expanded at an annual rate of 2.5% in the fourth quarter, restrained by declines in home construction and business investment. Consumer spending remained the key driver, expanding at a 4.2% annual pace in the fourth quarter after a 2.8% gain in the previous quarter. U.S. consumer prices rose 0.4% in February, led by increases in fuel, food, and medical care. For the trailing twelve months, the CPI rose 2.4%. The core CPI, which excludes food and energy, rose 0.2% in February and 2.7% for the trailing twelve months. The Producer Price Index rose a higher-than-expected 1.3% in February, the most in three months. Higher energy, food and tobacco costs drove the index higher during the month and left the index up 2.5% over the last twelve months. Energy prices increased 3.5% in February, following a -4.6% drop, while gasoline jumped 5.3% and natural gas costs rose 4.1%, the most since October 2005. The core PPI also increased more than anticipated in February and rose 1.8% from a year earlier. Housing starts rebounded 9.0% in February from a nine-year low, easing fears that the real estate slump will worsen and hurt the economic expansion. However, increasing subprime loan defaults and foreclosures will likely deepen the housing slowdown.

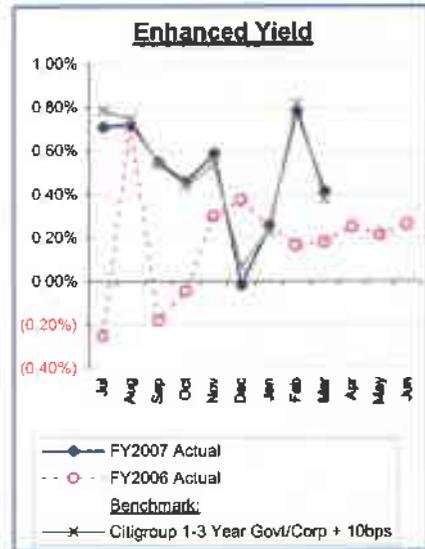
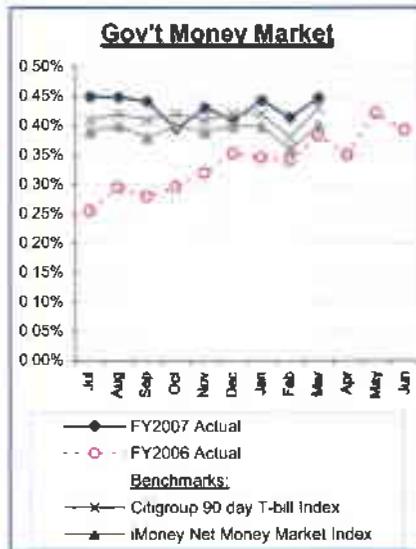
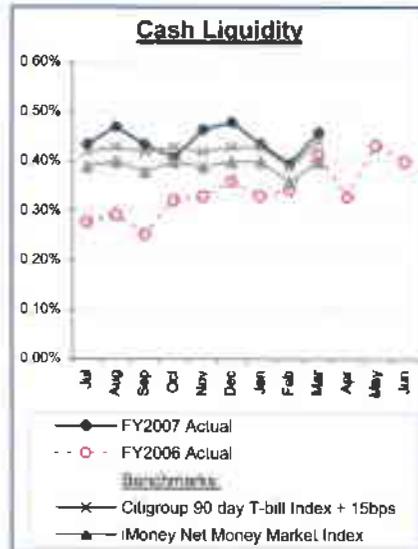
The overnight lending rate remained at 5.25% in March after the Fed left rates unchanged at its last six meetings. Higher inflation figures reduced the Fed's flexibility to respond to a crisis in subprime mortgages, where delinquencies have climbed to a four-year high. For the month of March, yields shifted lower over the short end of the curve while rising on the long end. The yield curve remained inverted at the belly of the curve. The 2-year Treasury yield dropped 7 bps to 4.57% while the 30-year Treasury yield jumped 16 bps to 4.84%. The 3-year Treasury yield fell 3 bps as the 5-year Treasury yield rose slightly, both yielding 4.53% at the end of March. The 10-year Treasury yield rose 8 bps to 4.64%. The yield spread between the 30-year Treasury and the 2-year Treasury widened to 27 bps.

Ninety-Day T-Bills returned 0.45% in March, outperforming the 0.38% return of 1-3 Year Government Bonds. Year-to-date in 2007, 90-Day T-bills have earned 1.25%, while 1-3 Year Government Bonds have returned 1.41%. For the last 12 months, T-bills outperformed slightly with a 5.07% return as 1-3 Year Government Bonds earned 5.01%.

West Virginia Board of Treasury Investments

Financial Highlights as of March 31, 2007

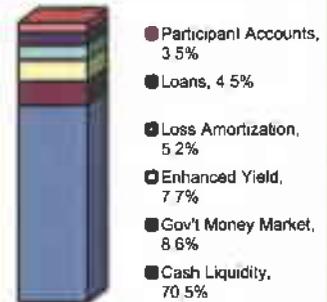
Monthly Rates of Return for Operating Pools (Net of Fees)



Summary of Value and Earnings (In Thousands)

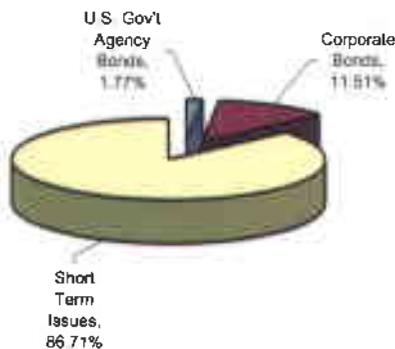
Pool	Asset Value	March Net Income (Loss)	Fiscal YTD Net Income (Loss)
Cash Liquidity	\$ 2,088,404	\$ 9,818	\$ 75,477
Gov't Money Market	253,800	1,102	7,758
Enhanced Yield	227,946	930	11,556
Loss Amortization	155,239	320	9,296
Loans	132,114	320	2,711
Participant Accounts	102,306	352	2,417
	\$ 2,959,809	\$ 12,842	\$ 109,215

Percent of Total Net Asset Value

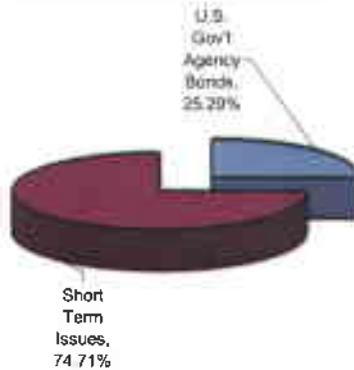


Securities by Type for Operating Pools (Percentage of Asset Value)

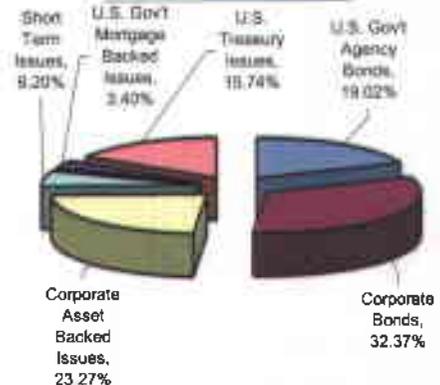
Cash Liquidity Pool



Gov't Money Market Pool



Enhanced Yield Pool



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF NET ASSETS, OPERATIONS & CHANGES IN NET ASSETS –
UNAUDITED

MARCH 31, 2007

(IN THOUSANDS)

	<u>Cash Liquidity</u>	<u>Government Money Market</u>	<u>Enhanced Yield</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>
Assets					
Investments:					
At amortized cost	\$ 2,085,098	\$ 253,527		\$ 131,708	\$ 27,680
At fair value	-	-	\$ 229,015	155,239	73,998
Collateral for securities loaned	146,875	36,097	69,630	-	-
Other assets	3,573	303	1,953	411	629
Total assets	<u>2,235,546</u>	<u>289,927</u>	<u>300,598</u>	<u>287,358</u>	<u>102,307</u>
Liabilities					
Payable for securities loaned	146,875	36,097	69,630	-	-
Other liabilities	267	30	3,022	5	1
Total liabilities	<u>147,142</u>	<u>36,127</u>	<u>72,652</u>	<u>5</u>	<u>1</u>
Net Assets	<u>\$ 2,088,404</u>	<u>\$ 253,800</u>	<u>\$ 227,946</u>	<u>\$ 287,353</u>	<u>\$ 102,306</u>
Investment income					
Interest and dividends	\$ 3,843	\$ 530	\$ 934	\$ 370	\$ 393
Securities lending income	1,213	227	40	-	-
Net accretion (amortization)	6,109	587	34	549	(13)
Provision for uncollectible loans	-	-	-	(45)	-
Total investment income	<u>11,165</u>	<u>1,344</u>	<u>1,008</u>	<u>874</u>	<u>380</u>
Expenses					
Fees	165	20	24	5	1
Securities lending borrower rebates	1,182	222	41	-	-
Total expenses	<u>1,347</u>	<u>242</u>	<u>65</u>	<u>5</u>	<u>1</u>
Net investment income	<u>9,818</u>	<u>1,102</u>	<u>943</u>	<u>869</u>	<u>379</u>
Net realized gain (loss) from investments	-	-	25	-	-
Net increase (decrease) in fair value of investments	-	-	(38)	(229)	(27)
Net gain (loss) from investments	-	-	(13)	(229)	(27)
Net increase (decrease) in net assets from operations	<u>9,818</u>	<u>1,102</u>	<u>930</u>	<u>640</u>	<u>352</u>
Distributions to participants	<u>9,819</u>	<u>1,102</u>	<u>943</u>	<u>320</u>	<u>-</u>
Participant activity					
Purchases, reinvestment of units and contributions	639,837	63,877	876	320	18
Redemptions and withdrawals	671,224	50,684	-	326	4,115
Net increase (decrease) in net assets from participant activity	<u>(31,387)</u>	<u>13,193</u>	<u>876</u>	<u>(6)</u>	<u>(4,097)</u>
Increase (decrease) in net assets	(31,388)	13,193	863	314	(3,745)
Net assets at beginning of period	2,119,792	240,607	227,083	287,039	106,051
Net assets at end of period	<u>\$ 2,088,404</u>	<u>\$ 253,800</u>	<u>\$ 227,946</u>	<u>\$ 287,353</u>	<u>\$ 102,306</u>

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
April 18, 2007

12:00 - 1:00 p.m.

Senate Finance Room

1. **Approval of January 9, 2007, minutes**
2. **2007 Interim Studies**
3. **Monthly/Quarterly Reports Distribution:**
Status Reports on the Lottery Commission, Unemployment Compensation Trust Fund,
and General Revenue Fund
4. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources:**
Medicaid Report
5. **Monthly/Quarterly Reports Distribution:**
PEIA
BRIM
CHIP
Lease Report
General Services Divison
6. **Department of Transportation**
7. **Bureau of Senior Services**
8. **Monthly Report on the Pharmaceutical Cost Management Council**
9. **Other Business**
10. **Scheduled Interim Dates:** May 6 - 8
June 3 - 5
July 8 - 10
August 19 - 21
September 9 - 11
October 7 - 9
November 16 - 18 (Friday, Saturday and Sunday)
December 9 - 11
January 6 - 8, 2008
11. **Adjournment**