The Honorable Richard Thompson, Chair

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

Materials Distributed

January 10, 2012

November 16, 2011

1:00 - 2:00 p.m. **Joint Committee on Government and Finance**

Senate	House
Kessler, Chair	Thompson, Chair
Palumbo (absent)	Boggs
Plymale (absent)	Caputo (absent)
Prezioso	Miley (absent)
Unger	White
Facemyer (absent)	Armstead
Hall	Carmichael (absent)

President Kessler, Cochair, presided.

1. **Lottery, General Revenue Reports and Unemployment Compensation Trust Fund**

Distributed to members of the Committee were the following: Lottery Commission reports for the month ended September 30, 2011; General Revenue Fund report for the month ended October 31, 2011; and the Unemployment Compensation Trust Fund report as of September 30, 2011. Distributed with each of the reports were an analysis and a summary of the reports.

2. **Workforce WV - Unemployment Compensation Trust Fund**

A report of the Workforce WV - Unemployment Compensation Trust Fund was distributed.

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

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending September 30, 2011.

The following reports from CHIP were distributed: A report of enrollment for October 2011 and financial statements for period ending September 30, 2011.

The following monthly PEIA reports were distributed: Financial Statements for September 2011.

4. **Real Estate Report, Department of Administration**

A real estate report for October 1, 2011 through October 31, 2011, was distributed.

5. **Approval of Minutes**

Upon motion by Speaker Thompson, properly adopted, the minutes of the October 13, 2011, meeting were approved.

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

A Medicaid report for September 2011 data was distributed.

7. **Investment Management Board**

An Investment Management Board report dated September 30, 2011, was distributed.

8. **Workers' Compensation**

A Workers' Compensation report dated November 2011, was distributed.

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

A Board of Treasury Investments Report dated September 30, 2011, was distributed.

10. **Other Business**

A West Virginia Department of Transportation, Division of Highways Audited Financial Statements was distributed.

The meeting was adjourned.

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor

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

304-347-4870

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

- West Virginia Lottery as of November 30, 2011:
  Gross profit for fiscal year 2012 as of November 30, 2011 is $253 million. This is 0.98% above gross profit as of the same period last fiscal year.

- West Virginia Unemployment Compensation Fund as of November 30, 2011:
  Regular benefits paid for fiscal year 2012 as of November 30, 2011 are $13.4 million less than the same period of last fiscal year. Overall ending trust fund balance is $ 25.4 million above the ending trust fund balance at the same period last fiscal year.

- General Revenue Fund as of December 31, 2011:
  The general revenue collections are above the estimated collections by $56 million.

- State Road Fund as of December 31, 2011:
  The state road fund collections are above the estimated collections by $21 million.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 314-West Wing
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Charleston, WV 25305-0590

347-4870

MEMORANDUM

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

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

Date: January 4, 2012

Re: Review of West Virginia Lottery Financial Information
As of November 30, 2011

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the month ending November 30, 2011 from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled $587,020,000.00 at the end of November 2011 of fiscal year 2012. Table games accounted for $31.5 million of this total. Historic Resort Hotel video lottery and table games accounted for $ 2.7 million of total gross receipts. Total gross receipts were $580,969,000.00 for July - November of fiscal year 2010-2011. Gross lottery revenue has increased by 1.04% when compared with the same months of 2010-2011. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July

through November 2011 was $253,128,000.00; for July - November of last fiscal year it was $250,660,000.00. Expressed as a percentage, gross profit is 0.98% higher for the same months of fiscal year 2012 than for fiscal year 2011.

Operating Transfers to the State of West Virginia:

A total of $301,148,000.00 has been accrued to the state of West Virginia for fiscal year 2011-2012. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Revenue Center Construction Fund (State Road Fund) $15,000,0000.00

Bureau of Senior Services	$54,090,000.00
Community and Technical College	$2,500,000.00
Department of Education	$25,521,000.00
Library Commission	$9,406,000.00
Higher Education-Central Office	$6,851,000.00
Tourism	$6,143,000.00
Department of Natural Resources	$2,828,000.00
Division of Culture and History	$4,903,000.00
Department of Education and Arts	$1,535,000.00
State Building Commission	$4,998,000.00
School Building Authority	$9,000,000.00
SUBTOTAL BUDGETARY TRANSFERS	127,775,000.00

Excess Lottery Fund

General Purpose Fund	$65,000,000.00
Economic Development Fund	9,494,000.00
Higher Education Improvement Fund	7,500,000.00
WV Infrastructure Council Fund	2,502,000.00
Higher Education Improvement Fund	29,000,000.00
Refundable Credit	964,000.00
State Park Improvement Fund	272,000.00
School Building Authority	9,500,000.00
Excess Lottery Surplus	-0-
Total State Excess Lottery Revenue Fund	**124,232,000.00**

Historic Resort Hotel Distributions:

State General Revenue Fund	651,000.00
State Debt Reduction Fund	193,000.00
Tourism Promotion Fund	30,000.00
Total Historic Hotel	874,000.00

Veterans Instant Ticket Fund 195,000.00

Table Games State Debt Reduction Fund 14,513,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	$4,100,000.00
Development Office Promo Fund	$1,118,000.00
Research Challenge Fund .5%	$1,491,000.00
Capitol Renovation and Improvement Fund .6875%	$2,050,000.00

Parking Garage Fund .0625%	$186,000.00
Parking Garage Fund 1%	$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	$1,144,000.00
Capitol Dome & Cap. Improvements Fund .5%	$1,338,000.00
Workers Compensation Debt Reduction Fund 7%	$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	**$22,927,000.00**
TOTAL TRANSFERS	***$305,516,000.00**

* CASH BASIS

Total Accrued last FY 2011:	178,218,000.00
Total Cash Distributions FY 2012:	301,148,000.00
Applied to FY 2011:	178,218,000.00
Revenue Ctr Construction Approp	5,977,000.00
Accrued for FY 2012 as of Nov. 31:	167,873,000.00

P.O. BOX 2067
CHARLESTON, WV 25327

Earl Ray Tomblin
Governor

PHONE: 304-558-0500
FAX: 304-558-3321

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 November 30, 2011

DATE: December 14, 2011

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

Financial statements of the Lottery for the month ending November 30, 2011 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was $113,977,413 for the month of November.

Transfers of lottery revenue totaling $40,808,822 made for the month of November to the designated state agencies per House Bill 2012, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act(§29-22C-27). The amount transferred to each agency is shown in Note 10 on pages 18 and 19 of the attached financial statements.

The number of traditional and limited retailers active as of November 30, 2011 was 1,582 and 1,548 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/rd
Attachment

pc: Honorable Earl Ray Tomblin, Governor
Charles O. Lorensen, 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-

November 30, 2011

WEST VIRGINIA LOTTERY

TABLE OF CONTENTS

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

ASSETS	November 30, 2011	June 30, 2011
Current Assets:		
Cash and cash equivalents	$ 185,724	$ 266,196
Accounts receivable	30,360	29,783
Inventory	603	497
Other assets	2,259	2,134
Total Current Assets	218,946	298,610
Noncurrent Assets:		
Restricted cash and cash equivalents	1,693	4,324
Capital assets	47,746	38,965
Less accumulated depreciation and amortization	(7,627)	(8,544)
Net Capital Assets	40,119	30,421
Total Noncurrent Assets	41,812	34,745
Total Assets	$ 260,758	$ 333,355
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	$ 167,873	$ 178,218
Deferred LVL permit fees	-	58,863
Estimated prize claims	11,071	12,011
Accounts payable	4,619	4,440
Other accrued liabilities	32,146	40,751
Total Current Liabilities	215,709	294,283
Total Liabilities	215,709	294,283
Net Assets:		
Invested in capital assets	40,119	30,421
Unrestricted	4,930	6,612
Restricted assets (see note 12)	-	2,039
Total Net Assets	45,049	39,072
Total Liabilities and Net Assets	$ 260,758	$ 333,355

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 FIVE MONTH PERIOD ENDED NOVEMBER 30, 2011
(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2011	2010	2011	2010
Lottery revenues				
On-line games	$ 6,187	$ 6,072	$ 31,215	$ 30,747
Instant games	9,970	9,033	48,313	42,218
Racetrack video lottery	59,262	55,427	313,325	316,825
Limited video lottery	31,961	31,923	159,933	162,872
Table games	5,964	5,551	31,523	25,685
Historic resort	634	618	2,711	2,702
	113,978	108,624	587,020	580,969
Less commissions				
On-line games	421	426	2,178	2,153
Instant games	698	633	3,382	2,955
Racetrack video lottery	33,020	30,333	182,994	184,124
Limited video lottery	15,661	15,642	78,367	79,807
Table games	2,563	2,385	13,546	11,004
Historic resort	339	291	1,394	1,377
	52,702	49,710	281,861	281,420
Less on-line prizes	2,999	3,021	15,682	16,080
Less instant prizes	6,796	6,157	32,036	28,797
Less ticket costs	246	118	901	887
Less vendor fees and costs	767	600	3,412	3,125
	10,808	9,896	52,031	48,889
Gross profit	50,468	49,018	253,128	250,660
Administrative expenses				
Advertising and promotions	216	773	2,446	4,314
Wages and related benefits	1,108	951	5,369	4,850
Telecommunications	92	52	299	256
Contractual and professional	387	334	2,127	1,782
Rental	42	55	255	277
Depreciation and amortization	61	147	220	733
Other administrative expenses	122	103	748	648
	2,028	2,415	11,464	12,860
Other Operating Income	145	160	63,808	2,704
Operating Income	48,585	46,763	305,472	240,504
Nonoperating income (expense)				
Investment income	12	24	69	137
Capital contribution from State of WV	1,019	-	5,977	-
Distributions to municipalities and counties	(626)	(626)	(3,135)	(3,192)
Distributions -capital reinvestment	(1,179)	(1,235)	(1,258)	(1,515)
Distributions to the State of West Virginia	(46,792)	(44,926)	(301,148)	(235,934)
	(47,566)	(46,763)	(299,495)	(240,504)
Net income	1,019	-	5,977	-
Net assets, beginning of period	44,030	36,383	39,072	36,383
Net assets, end of period	$ 45,049	$ 36,383	$ 45,049	$ 36,383

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE FIVE MONTH PERIOD ENDED NOVEMBER 30, 2011
(In Thousands)
-Unaudited-

	2011	2010
Cash flows from operating activities:		
Cash received from customers and other sources	$ 591,388	$ 576,792
Cash payments for:		
Personnel costs	(4,803)	(4,317)
Suppliers	(5,892)	(8,874)
Other operating costs	(334,720)	(322,048)
Cash provided by operating activities	245,973	241,553
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(305,516)	(312,604)
Distributions to municipalities and counties	(3,113)	(3,191)
Distributions to racetrack from racetrack cap. reinv. fund	(10,598)	(14,695)
Cash used in noncapital financing activities	(319,227)	(330,490)
Cash flows from capital and related financing acitivities:		
Purchases of capital assets	(9,918)	(570)
Cash flows from investing activities:		
Investment earnings received	69	137
Cash provided by investing activities	69	137
Increase (decrease) in cash and cash equivalents	(83,103)	(89,370)
Cash and cash equivalents - beginning of period	270,520	264,710
Cash and cash equivalents - end of period	$ 187,417	$ 175,340
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 305,472	$ 240,504
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	220	733
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(577)	(13,300)
(Increase) decrease in inventory	(106)	114
(Increase) decrease in other assets	(125)	105
Increase (decrease) in estimated prize claims	(940)	(412)
Increase (decrease) in accounts payable	179	(652)
Increase (decrease) in deferred revenue	(58,863)	6,419
Increase (decrease) in other accrued liabilities	713	8,042
Cash provided by operating activities	$ 245,973	$ 241,553

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

NOTE 1 - LEGISLATIVE ENACTMENT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The Lottery is included in the State's basic financial statements as a proprietary fund and business type activity using the accrual 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

COMPENSATED ABSENCES – The Lottery has accrued $523,398 and $500,740 of at June 30, 2011 and 2010, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in an other postemployment benefits plan (see Note 16).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At November 30, 2011 the carrying amounts of deposits (overdraft) with financial institutions were ($10) thousand with a bank balance (overdraft) of $11 thousand. Of this balance $250 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

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

	November 30, 2011	June 30, 2011
Deposits with financial institutions	$ (10)	$ (56)
Cash on hand at the Treasurer's Office	39,233	45,547
Investments with BTI reported as cash equivalents	148,194	225,029
	$ 187,417	$ 270,520

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

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended November 30, 2011 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2011	Additions	Deletions	Historical Cost At November 30, 2011
Construction in Progress	$ 8,444	$ 8,321	$ -	$ 16,765
Land	1,434	-	-	1,434
Buildings	20,174	-	-	20,174
Improvements	1,170	-	(910)	260
Equipment	7,743	1,622	(252)	9,113
	$ 38,965	$ 9,943	$ (1,162)	$ 47,746

Accumulated Depreciation:

	Historical Cost At June 30, 2011	Additions	Deletions	Historical Cost At November 30, 2011
Improvements	$ 1,142	$ 3	$ (885)	$ 260
Equipment	7,402	217	(252)	7,367
	$ 8,544	$ 220	$ (1,137)	$ 7,627

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

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

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, HOT LOTTO® and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended November 30, 2011 and year-to-date is as follows:

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

Revenues	Month	Y-T-D
Powerball	$ 3,068,672	$ 15,269,960
Hot Lotto	409,369	2,068,641
Mega Millions	668,308	3,515,713
Total	$ 4,146,349	$ 20,854,314

Expenses (Prizes)	Month	Y-T-D
Powerball	$ 1,534,336	$ 7,635,543
Hot Lotto	204,685	1,034,474
Mega Millions	344,179	1,810,698
Total	$ 2,083,200	$ 10,480,715

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

	PowerBall	Hot Lotto	Mega Millions
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	$125,000,000	$9,000,000	N/A

At November 30, 2011, the Lotteries share of the prize reserve fund balances were as follows:

Game	Total Prize Reserve	Lottery Share
Powerball	$ 125,621,852	$ 2,386,175
Hot Lotto	7,387,159	485,948
Mega Millions	11,427,870	228,658
Total	$ 144,436,881	$ 3,100,781

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to direct obligations of the United States Government, perfected repurchase agreements, and obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

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

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of $13,317,524 at November 30, 2011, of which the Lottery's share was $1,575,580.

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 10 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 10. 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.

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of .74% of the amount wagered. A summary of racetrack video lottery revenues for the month ended November 30, 2011 and year-to-date follows (in thousands):

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	$ 655,495	$ 616,333	$ 3,473,687	$ 3,470,061
Credits (prizes) won	(588,641)	(553,667)	(3,119,806)	(3,116,794)
Promotional credits played	(7,551)	(7,018)	(40,362)	(34,970)
MWAP Contributions	(41)	(221)	(194)	(1,472)
Gross terminal income	59,262	55,427	313,325	316,825
Administrative costs	(1,091)	(1,009)	(11,222)	(11,088)
Net Terminal Income	58,171	54,418	302,103	305,737
Less distribution to agents	(33,020)	(30,333)	(182,995)	(184,124)
Racetrack video lottery revenues	$ 25,151	$ 24,085	$ 119,108	$ 121,613

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

	November 30, 2011	Year-to-Date
State Lottery Fund	$ 8,833	$ 82,004
State Excess Lottery Revenue Fund	12,998	13,030
Capital Reinvestment Fund	1,153	1,153
Tourism Promotion Fund 1.375%	745	4,098
Development Office Promotion Fund .375 %	203	1,118
Research Challenge Fund .5 %	271	1,490
Capitol Renovation & Improvement Fund .6875 %	372	2,049
Parking Garage Fund .0625 %	34	186
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	271	1,240
Capitol Dome & Capitol Improvements Fund .5 %	271	1,240
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	$ 25,151	$ 119,108

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 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

NOTE 7 - LIMITED VIDEO LOTTERY (continued)

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 November 30, 2011 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Total credits played	$ 380,832	$ 377,364	$ 1,883,084	$ 1,921,330
Credits (prizes) won	(348,871)	(345,441)	(1,723,151)	(1,758,458)
Gross terminal income	$ 31,961	$ 31,923	$ 159,933	$ 162,872
Administrative costs	(639)	(638)	(3,199)	(3,257)
Gross Profit	31,322	31,285	156,734	159,615
Commissions	(15,661)	(15,642)	(78,367)	(79,807)
Municipalities and Counties	(626)	(626)	(3,135)	(3,192)
Limited video lottery revenues	$ 15,035	$ 15,017	$ 75,232	$ 76,616

NOTE 8 – TABLE GAMES

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

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

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

NOTE 8 – TABLE GAMES (continued)

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

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 10- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month ended November 30, 2011 and year-to-date were $17,039,387 and $90,065,392, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2012	2011	2012	2011
Table Games Privilege Tax	$ 5,964	$ 5,551	$ 31,523	$ 25,605
Interest on Table Games Fund	-	1	2	3
Administrative costs	(682)	(635)	(3,603)	(2,927)
Total Available for Distribution	5,282	4,917	27,922	22,681
Less Distributions:				
Racetrack Purse Funds	426	396	2,251	1,829
Thoroughbred & Greyhound Development Funds	341	317	1,801	1,463
Racing Association Pension Plan	143	133	757	615
Municipalities/ Counties	1,653	1,539	8,737	7,097
Total Distributions	2,563	2,385	13,546	11,004
State Debt Reduction Fund	$ 2,719	$ 2,532	$ 14,376	$ 11,677

NOTE 9 – HISTORIC RESORT HOTEL

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

Historic Resort Video Lottery

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

NOTE 9 – HISTORIC RESORT HOTEL (continued)

historic resort hotel. A summary of historic resort hotel video lottery revenues for the month ended November 30, 2011 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2012	2011	**2012**	2011
Total credits played	**$ 7,132**	$ 3,863	**$ 29,424**	$ 21,114
Credits (prizes) won	**(6,605)**	(3,484)	**(27,364)**	(19,213)
Promotional credits played	**(55)**	(21)	**(187)**	(72)
Gross terminal income	**472**	358	**1,873**	1,829
Capital reinvestment	**(22)**	(17)	**(88)**	(86)
Administrative costs	**(26)**	(19)	**(101)**	(99)
Modernization Fund	**(4)**	-	**(17)**	-
Hotel commissions	**(200)**	(152)	**(792)**	(774)
Net terminal income	**220**	170	**875**	870
Historic Resort Hotel Fund	**140**	109	**557**	559
Human Resource Benefit Fund	**80**	61	**318**	311

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month ended November 30, 2011 and year-to-date were $461,808 and $2,394,479, respectively.

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

	Current Month		Year-to-Date	
	2012	2011	**2012**	2011
Table games privilege tax	**$ 162**	$ 260	**$ 838**	$ 873
Administrative Costs	**(21)**	(33)	**(108)**	(112)
Total Available for Distribution	**141**	227	**730**	761
Historic Resort Hotel Fund	**118**	190	**610**	636
Human Resource Benefit Fund	**23**	37	**120**	125

NOTE 9 – HISTORIC RESORT HOTEL (continued)

Historic Resort Hotel Fund

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

1) Sixty-four percent (64%) is paid to the State of West Virginia General Revenue Fund;
2) Nineteen percent (19%) is paid to the State Debt Reduction Fund;
3) Three percent (3%) is paid to the State of West Virginia Tourism Promotion Fund;
4) Four percent (4%) is paid to the county where the gaming facility is located;
5) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
6) Two and one-half percent (2.5%) is divided and paid in equal shares to the remaining municipalities in the county where the gaming facility is located;
7) Two and one-half percent (2.5%) is divided and paid in equal shares, to each county commission in the state where the gaming facility is not located;
8) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

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

	Current Month	Year-to-Date
Historic Resort Hotel Video Lottery	$ 140	$ 557
Historic Resort Table Games	118	610
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	258	1,167
Municipalities/ Counties	36	163
State General Revenue Fund	165	747
State Debt Reduction Fund	49	222
State Tourism Promotion Fund	8	35
Total Distributions	$ 258	$ 1,167

NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2012 the State Legislature budgeted $166,297,857 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of $1,800,000, $1,000,000, and $500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are $4,800,000 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be

NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA (continued)

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 November 30, 2011 the Lottery made such distributions and accrued additional distributions of $41,683,754. The Lottery is a non-appropriated state agency and therefore does not have a budget adopted by the Legislature. 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. For the month ended November 30, 2011, the Lottery accrued additional distributions relating to racetrack video lottery, table games, and historic resort operations of $770,062, $2,719,745, and $221,884, respectively.

Note 7 describes the Limited Video Lottery Act and the statutory distributions required to be made from limited video lottery operations. Note 8 describes the Table Games Act and the statutory distributions required to be made from table games operations. Note 9 describes the Historic Resort Hotel statutory distributions to be made from historic resort operations.

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

BUDGETARY DISTRIBUTIONS	November 30, 2011	Year-to-Date
Revenue Center Construction Fund		
State Road Fund	$ -	$ 15,000
State Lottery Fund:		
Community and Technical College	$ 500	$ 2,500
Bureau of Senior Services	8,475	54,090
Department of Education	3,999	25,521
Library Commission	1,474	9,406
Higher Education-Policy Commission	1,073	6,851
Tourism	962	6,143
Natural Resources	443	2,828
Division of Culture & History	768	4,903
Department of Education & Arts	240	1,535
Building Commission	1,000	4,998
School Building Authority	1,800	9,000
Total State Lottery Fund	$ 20,734	$ 127,775

NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA (continued)

State Excess Lottery Revenue Fund:		
Economic Development Fund	$ 1,898	$ 9,494
Higher Education Improvement Fund	1,500	7,500
General Purpose Account	6,947	65,000
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	272	272
School Building Authority	1,900	9,500
Refundable Credit	-	964
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	2,502	2,502
Total State Excess Lottery Revenue Fund	$ 15,019	$ 124,232
Total Budgetary distributions:	$ 35,753	$ 267,007
Veterans Instant Ticket Fund	$ -	$ 195
Other Racetrack Video Lottery distributions:		
Tourism Promotion Fund 1.375%	$ 695	$ 4,100
Development Office Promotion Fund .375%	190	1,118
Research Challenge Fund .5%	252	1,491
Capitol Renovation & Improvement Fund .6875%	347	2,050
Parking Garage Fund .0625 %	31	186
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	252	1,144
Capitol Dome & Cap. Improvements Fund .5%	252	1,338
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	$ 2,019	$ 22,927
Table Games State Debt Reduction Fund	$ 2,787	$ 14,513
Historic Resort Hotel distributions:		
State General Revenue Fund	$ 186	$ 651
State Debt Reduction Fund	55	193
Tourism Promotion Fund	10	30
Total	$ 251	$ 874
Total nonoperating distributions to the State of West Virginia (cash basis)	$ 40,810	$ 305,516
West Virginia Lottery RCC Fund Appropriation	1,019	5,977
Accrued nonoperating distributions, beginning	(162,910)	(178,218)
Accrued nonoperating distributions, end	167,873	167,873
	$ 46,792	$ 301,148

NOTE 11 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the year-to-date ended November 30, 2011 and November 30, 2010 approximated $255,293 and $276,589 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the month ended November 30, 2011 and year-to-date were $83,400 and $407,598, respectively. Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2012	$ 551
2013	962
2014	986
2015	248
Total	$ 2,747

NOTE 12 – RESTRICTED NET ASSETS

On June 14, 2006, House Bill 106 was enacted by the West Virginia State Legislature to set aside unexpended administrative expenses of the Lottery up to the limits for such expenses established by the enabling legislation of traditional, racetrack video lottery, and limited video lottery games in an amount not to exceed $20,000,000 beginning in fiscal year 2006 and each year through fiscal year 2012. These assets are to be set aside for the design and construction of a building for the use of the Lottery and certain other State of West Virginia governmental entities. Contributions to the fund for fiscal years ending June 30, 2011 and June 30, 2010 were as follows:

	June 30, 2011	June 30, 2010
Beginning balance	$ 8,355	$ 69,870
Additions		
Enabling legislation additions		
Interest earned on restricted net assets		93
Deductions		
Asset acquistion		(21,608)
Surplus of excess funds		(40,000)
Ending balance	$ 8,355	$ 8,355

NOTE 13 – COMMITMENTS

For the year ended June 30, 2011, the Lottery Commission has designated $594,218 of unexpended administrative funds for the acquisition of capital assets. As of June 30, 2011 and 2010, $4,480,629 and $5,921,057, respectively, are included in unrestricted net assets and invested in capital assets for this purpose.

NOTE 14 - RETIREMENT BENEFITS

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

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement. Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 14.5% 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 month ending November 30, 2011 and year-to-date are as follows (in thousands):

	November 30, 2011	Year-to-Date
Lottery contributions	$ 98	$ 498
Employee contributions	30	155
Total contributions	$ 128	$ 653

NOTE 15 - RISK MANAGEMENT

The Lottery is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Lottery participates in several risk management programs administered by the State of West Virginia. Each of these risk pools has issued separate audited financial reports on their operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract and ten-year claim development information. Complete financial statements of the individual insurance enterprise funds can be obtained directly from their respective administrative offices.

NOTE 15 - RISK MANAGEMENT (continued)

WORKERS' COMPENSATION INSURANCE

The Lottery carries workers compensation insurance coverage through a privatized business entity, BrickStreet Mutual Insurance Company (BrickStreet), established January 1, 2006, and named the administrator of former state workers' compensation fund activities. BrickStreet is paid a monthly administrative fee and rated premium to provide compensations for injuries sustained in the course of employment. The monthly administrative fee for the Lottery has been set at levels consistent with prior year payments and any rate or premium increases will be established on an experience rated basis.

The Lottery participates in the BrickStreet experience rated pool, which is rate adjusted on a quarterly basis. The BrickStreet risk pool retains all risk related to the compensation of injured employees under the program in exchange for the premiums paid.

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

The Lottery participates in the Public Employees' Insurance Agency which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State agencies, institutions of higher education, Boards of Education and component units of the State. In addition, local governmental entities and certain charitable and public service organizations may request to be covered by PEIA. PEIA provides a base employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Underwriting and rate setting policies are established by PEIA. The cost of all coverage as determined by PEIA shall be paid by the participants. Premiums are established by PEIA and are paid monthly, and are dependent upon, among other things, coverage required, number of dependents, state vs. non state employees and active employees vs. retired employees and level of compensation. Coverage under these programs is limited to $1 million lifetime for health and $10,000 of life insurance coverage.

The PEIA risk pool retains all risks for the health and prescription features of its indemnity plan. PEIA has fully transferred the risks of coverage to the Managed Care Organization (MCO) Plan to the plan provider, and has transferred the risks of the life insurance coverage to a third party insurer. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan. Altogether, PEIA insures approximately 205,000 individuals, including participants and dependents.

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

The Lottery participates in the West Virginia Board of Risk and Insurance Management (BRIM), a common risk pool currently operating as a common risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The Lottery pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains the risk of the first $1 million per property event and purchases excess insurance on losses above that level. Excess coverage, through an outside insurer under this program is limited to $200 million per event, subject to limits on certain property. BRIM has $1 million per occurrence coverage maximum on all third-party liability claims.

NOTE 16– OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Lottery participates in the West Virginia Other Postemployment Benefits Plan (OPEB Plan) of the West Virginia Retiree Health Benefit Trust Fund (Trust), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the West Virginia Public Employee Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers. The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit provisions to the WVPEIA board of trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, 601 57th Street, South East, Suite 2, Charleston, West Virginia, or by calling 1-888-680-7342.

Funding Policy

The Code requires the OPEB Plan bill the participating employers 100% of the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month.

The ARC rate is $961 and $903 per employee per month for the years ending June 30, 2012 and 2011 respectively. Through June 30, 2011 and 2010, the Lottery has paid premiums of $294,952 and $226,212. As of June 30, 2011 and 2010, the Lottery has recorded a liability of $2,749,868 and $1,484,546 on its balance sheet for OPEB.

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor

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

304-347-4870

Memorandum

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

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

Date: January 3, 2012

Re: Status of General Revenue Fund and State Road Fund as of December 31, 2011

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the month ending December 31, 2011 of fiscal year 2011-2012. The status of the fund collections are as follows:

The net collections were ahead of the estimate for the month ending December 31, 2011. Total collections were $56 million over the estimate.

Personal Income Tax collections were $ 10.4 million above the estimate for the fiscal year.

Consumer sales and use tax collections were $ 15.8 million over the estimate as of December 31, 2011.

Severance tax collections were $ 26 million over the estimate as of December 31, 2011.

Corporate Income and Business Franchise Tax collections were $17 million over the estimate for the fiscal year.

State Road Fund
The state road fund collections were $ 21 million over the estimate for the end of the end of the sixth month fiscal year 2011-2012.

Rainy Day and Personal Income Tax Reserve
Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of $ 505,229,555.05 as of December 31, 2011.

Balance July 1, 2011	342,320,537.63
Cash flow loan to General Revenue on July 1, 2011. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands. Repaid September	- 60,000,000.00 + 60,000.000.00
Senate Bill 1001 July 2011 special session WV Code 11B-2-20 transfers	150,667,825.51
Earnings	12,241,191.91
Balance December 31, 2011	505,229,555.05

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of $ 313,918,978.12 as of December 31, 2011.

Balance July 1, 2011	316,806,577.84
Earnings	(2,887,599.72)
Other transfers	0
Balance December 31, 2011	313,918,978.12

The Special Income Tax Reserve Fund had a cash balance of $45,019,319.21 as of December 31, 2011.

Balance July 1, 2011	45,019,319.21
Revenues	-0-
Balance December 31, 2011	45,019,319.21

GENERAL REVENUE FUND FY 2011-2012 FINAL
By Source and by Month
Monthly Revenue Estimates
as of December 30, 2011 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	119,800,000	139,828,976	20,028,976	767,100,000	777,573,631	10,473,631
Consumer Sales Tax & Use Tax	97,200,000	101,405,521	4,205,521	592,300,000	608,180,359	15,880,359
Severance Tax	34,000,000	38,758,722	4,758,722	210,800,000	237,127,569	26,327,569
Corp Income /Business Franchise	33,100,000	36,125,925	3,025,925	83,300,000	101,260,089	17,960,089
HB 102 - Lottery Transfers	0	0	0	65,000,000	65,000,000	0
Tobacco Products Tax	9,540,000	7,655,894	-1,884,106	57,750,000	53,892,794	-3,857,206
Business and Occupation	8,000,000	8,922,079	922,079	53,100,000	51,837,099	-1,262,901
Insurance Tax	50,000	24,295	-25,705	52,850,000	53,988,706	1,138,706
Interest Income	2,500,000	6,253	-2,493,747	12,500,000	-58,714	-12,558,714
Liquor Profit Transfers	750,000	771,500	21,500	6,150,000	6,618,928	468,928
Departmental Collections	900,000	882,388	-17,612	5,930,000	5,895,768	-34,232
Property Transfer Tax	680,000	696,139	16,139	4,580,000	4,335,165	-244,835
Beer Tax and Licenses	560,000	570,770	10,770	4,010,000	4,026,951	16,951
Property Tax	150,000	139,893	-10,107	3,550,000	3,515,626	-34,374
Miscellaneous Receipts	290,000	297,880	7,880	1,610,000	1,564,030	-45,970
Business Fran Registration Fees	20,000	56,546	36,546	520,000	772,580	252,580
Miscellaneous Transfers	40,000	0	-40,000	370,000	528,487	158,487
Senior Tax Credit Reimbur Lot	0	0	0	300,000	964,143	664,143
Liquor License Renewal	21,000	63,162	42,162	226,000	225,664	-336
Racing Fees	0	0	0	0	0	0
Charter Tax	0	8,101	8,101	0	42,585	42,585
Telecommunications Tax	0	7,636	7,636	0	48,930	48,930
Estate and Inheritance Tax	0	0	0	0	15,937	15,937
Video Lottery Transfers	0	118,575	118,575	0	617,168	617,168
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	307,601,000	336,340,257	28,739,257	1,921,946,000	1,977,973,495	56,027,495
	0	0	0	0	0	
Percent of Estimates						
TOTALS	**307,601,000**	**336,340,257**	28,739,257	**1,921,946,000**	**1,977,973,495**	56,027,495
Percent of Estimates		**109.34%**			**102.92%**	
Collections this day		**28,313,660**				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2011-2012
By Source and by Month
Monthly Revenue Estimates
as of December 30, 2011 WVFIMS

FINAL

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	10,600,000	17,061,846	6,461,846	177,700,000	185,971,580	8,271,580
Privilege Tax	9,445,000	13,874,721	4,429,721	75,990,000	90,610,498	14,620,498
Licenses & Registration	5,840,000	4,359,305	-1,480,695	39,559,000	37,819,346	-1,739,654
Highway Litter Control	110,000	68,488	-41,512	746,000	747,484	1,484
TOTALS	25,995,000	35,364,361	9,369,361	293,995,000	315,148,908	21,153,908
Percent of Estimates		**136.04%**			**107.20%**	
Collections this day		**9,812,840**				

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF December 1, 2011 : $505,168,716.48

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF December 1, 2011 : $316,732,752.45

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF December 1, 2011: $45,019,319.21

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 314-West Wing
304-347-4870
Charleston, WV 25305-0590

1900 Kanawha Blvd. East

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

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

Date: January 7, 2012

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the November 30, 2011 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

For July 1, 2011 to November 30, 2011 of fiscal year 2011-2012, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2011	$101,837,094.21
Receipts July 1, 2011 thru June 30, 2012	$ 164,947,137.85
Disbursements July 1, 2011 thru June 30, 2012	$ 148,044,158.47
Balance November 30,2011	$ 118.740,073.59

ITEMS OF NOTE:

Regular benefits paid for July - November 2011 were $13.4 million less than July - November 2010.

Federal emergency benefits totaled $ 57.0 million for the July - November 2011; for July - November 2010 federal emergency benefits totaled $ 81.9 million.

Total disbursements were $ 54.4 million less in July - November 2011 than the preceding July - November 2010.

Receipts for July - November 2011 were $ 35.2 million less than in July - November 2010. Overall ending trust fund balance was $ 25.4 million higher on November 30, 2011 than on November 30, 2010.

West Virginia's unemployment rate for the month of November 2011 was 7.1 percent. National unadjusted employment rate was 8.2 percent.

Seasonally adjusted unemployment rates were 7.9 percent for West Virginia and 8.6 percent nationally.

Since November 2010 employment has increased by 5,800. Employment gains were as follows: 2,300 in educational and health services; 2,100 in mining and logging; 2,000 in professional and business services; 1,600 in trade, transportation and utilities; 300 in information; and 300 in other services. Declines were as follows: 1,600 in government; 600 in financial activities; 300 in leisure and hospitality; 300 in construction.

MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING SEPTEMBER 2010 AND SEPTEMBER 2011

	SEPTEMBER 2010	OCTOBER 2010	NOVEMBER 2010	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011	THREE MONTH TOTAL VARIANCE *
Balance Forward	$105,500,318.34	$83,832,481.16	$86,987,231.67	$121,968,807.20	$111,623,714.33	$109,813,298.02	$58,103,908.35
Add Receipts:							
1. Bond Assessment	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2. Regular Contributions:	$1,187,504.82	$12,513,530.40	$20,797,675.70	$1,548,552.73	$13,282,616.89	$22,444,968.24	$2,757,456.74
3. Federal Emergency Benefits (EUC08)	$15,331,176.74	$13,758,096.10	$16,318,492.12	$11,033,893.13	$11,160,051.66	$10,242,268.43	($12,970,553.74)
4. Federal Share Extended Benefits (EB)	$3,300,647.00	$3,199,886.52	$3,572,958.00	$2,082,813.32	$2,252,708.05	$3,009,838.73	($2,748,431.42)
5. Temp Federal Additional Comp (FAC)	$2,675,575.00	$2,298,735.00	$2,557,104.00	$1,180.90	$1,041.00	$1,302.96	($7,528,889.12)
6. UCFE (Federal Agencies)	$172,011.15	$199,853.43	$298,425.90	$192,011.43	$176,322.46	$191,267.06	($192,699.53)
7. Special Administrative Transfer **	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
8. Reed Act Funds	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
9. UC Modernization Incentive	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
10. Treasury Interest Credits	$991,813.88	$0.00	$0.00	$843,528.97	$0.00	$0.00	($148,284.91)
11. UCX (Military Agencies)	$491,291.37	$448,319.52	$537,732.21	$402,337.05	$535,228.34	$682,222.80	$122,445.29
12. WV Insurance Committee-Senate Bill 246	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
13. CMIA Receipts	$1,903.00	$0.00	$0.00	$0.00	$0.00	$0.00	($1,903.00)
Total Monthly Receipts	$24,151,922.98	$32,411,430.97	$44,083,387.93	$16,084,347.53	$27,389,969.20	$36,551,565.44	($20,620,858.69)
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	$14,346,580.77	$17,733,713.60	$18,218,653.18	$12,515,104.04	$14,288,478.39	$14,308,572.73	($8,199,792.39)
Federal Emergency Benefits (EUC08)	$14,989,694.76	$15,572,816.05	$14,717,028.10	$10,953,487.16	$11,736,922.63	$9,780,382.45	($12,818,856.69)
Federal Share Extended Benefits (EB)	$3,108,376.23	$3,164,346.22	$3,725,170.16	$2,019,293.16	$2,504,188.87	$2,883,377.28	($2,611,032.26)
Emergency Benefits (TEUC)	($205.00)	($512.21)	($485.00)	($514.00)	($70.00)	($954.00)	($35.79)
Temp Federal Additional Comp (FAC)	$2,600,680.00	$2,546,601.00	$2,380,777.00	$1,180.90	$1,439.99	$903.99	($7,505,033.12)
UCFE (Federal Workers) Benefits	$148,842.15	$202,960.98	$278,670.43	$151,970.16	$161,620.95	$169,602.65	($155,279.77)
UCX (Military Workers) Benefits	$461,394.71	$465,998.24	$487,769.65	$358,018.98	$519,903.55	$534,924.76	($2,305.51)
Reed Act Funds	$167,138.82	$576,881.08	$0.00	$429,000.00	$0.00	$0.00	($317,019.90)
Special Administrative Transfer**	$16,977.70	$11,955.47	$0.00	$0.00	$0.00	$0.00	($28,933.17)
Total Monthly Disbursements	$35,819,780.14	$40,276,660.46	$38,786,573.72	$26,427,540.40	$29,200,385.51	$27,624,769.87	($29,629,298.54)
Trust Fund Balance	$93,832,461.16	$85,967,231.67	$93,265,045.88	$111,623,714.33	$109,813,298.02	$118,740,073.59	$67,112,347.23

* 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.

**The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of $500 million to be used for certain administrative purposes. On February 27, 2009, the U.S. Treasury distributed West Virginia's amount of $2,369,759 to the Unemployment Insurance Trust Fund. Attachment IV to the Unemployment Insurance Program Letter No. 14-09 issued by the U.S. Department of Labor on February 26, 2009 specifies the permissible uses of the administrative transfer. The special administrative transfer is not available for the payment of Unemployment Compensation (UC) benefits; therefore the Trust Fund Balance must be reduced by the Special Administrative Transfer on line 7 to obtain the balance available for UC benefits.

WORKFORCE West Virginia

Earl Ray Tomblin, Governor
Russell L. Fry, Acting Executive Director
Keith Burdette, Cabinet Secretary

UC TRUST FUND PROJECTIONS - 2012

January 4, 2012

Month	Revenues	Benefits	Trust Fund Balance
2011			
Balance 1/1/2011			76,901,000
January	7,572,000	25,494,000	58,079,000
February	17,990,000	21,179,000	55,890,000
March	4,193,000	21,185,000	38,898,000
April	27,569,000	17,361,000	49,106,000
May	82,582,000	16,967,000	114,721,000
June	3,556,000	16,440,000	101,837,000
July	14,808,000	16,757,000	99,888,000
August	38,217,000	16,139,000	121,966,000
September	2,172,000	12,515,000	111,623,000
October	12,476,000	14,286,000	109,813,000
November	23,233,000	14,306,000	118,740,000
December	2,102,000	15,674,000	105,168,000
Totals - 2011	**236,570,000**	**208,303,000**	**105,168,000**
2012			
January	9,082,000	21,533,000	92,717,000
February	20,164,000	18,894,000	93,987,000
March	4,784,000	18,564,000	80,207,000
April	30,360,000	15,764,000	94,803,000
May	94,694,000	14,796,000	174,701,000
June	3,822,000	15,293,000	163,230,000
July	14,223,000	17,445,000	160,008,000
August	38,705,000	15,533,000	184,180,000
September	2,353,000	11,552,000	174,981,000
October	13,188,000	13,513,000	174,656,000
November	22,596,000	14,708,000	182,544,000
December	2,130,000	15,467,000	169,207,000
Totals - 2012	**257,108,000**	**193,062,000**	**169,207,000**

The average unemployment rate in West Virginia for CY 2011 was 8.4%

The average projected unemployment rate in West Virginia for CY 2012 is 7.8%

Executive Division
2012 California Avenue
Charleston, WV 25305

Financial Statements
November 2011

West Virginia Legislative Interims
January 2012

Public Employees Insurance Agency
West Virginia Public Employees Insurance Agency
Statement of Net Assets
November 30, 2011
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

	CURRENT YR	PRIOR YR	VARIANCE $	VARIANCE %
Assets				
Cash and cash equivalents	$47,752	$34,056	$13,696	40%
Deposits with third party administrators	2,249	1,301	948	73%
Due from RHBT	23,890	30,055	(6,165)	(21%)
Premiums accounts receivable-net of allowance for doubtful accounts	14,704	23,302	(8,598)	(37%)
Other accounts receivable	11,891	10,905	986	9%
Total Current Assets	**100,486**	**99,619**	**867**	**1%**
Investments	175,630	168,217	7,413	4%
Furniture and equipment, net of accumulated depreciation	3,121	5,138	(2,017)	(39%)
Restricted cash-premium stabilization life insurance	7,739	7,739		0%
Total Assets	**$286,976**	**$280,713**	**$6,263**	**2%**
Liabilities				
Claims payable	$47,230	$58,265	($11,035)	(19%)
Premium deficiency reserve	32,488		32,488	0%
Deferred revenue	10,133	3,124	7,009	224%
Accounts payable	5,066	9,315	(4,249)	(46%)
Other accrued liabilities	2,617	1,560	1,057	68%
Premium stabilization fund	7,739	7,739		0%
Total Liabilities	**105,273**	**80,003**	**25,270**	**32%**
Net Assets				
Invested in capital assets	3,121	5,138	(2,017)	(39%)
Unrestricted	178,582	195,572	(16,990)	(9%)
Total Net Assets	**$181,703**	**$200,710**	**($19,007)**	**(9%)**

STATE OF WV - RETIREE HEALTH BENEFIT TRUST FUND
STATEMENT OF CHANGES IN PLAN NET ASSETS
For the Five Months Ending November 30, 2011

($000's) ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE $	BUDGET VARIANCE %	PRIOR YR VARIANCE $	PRIOR YR VARIANCE %
			ADDITIONS				
			Employer Premiums:				
$1,282	$1,596	$1,493	Health premiums	($314)	(20%)	($211)	(14%)
52,441	51,901	50,176	Pay Go Premiums	540	1%	2,265	5%
678	0	1,284	Annual required contributions	678	0%	(606)	(47%)
54,400	**53,497**	**52,953**	**Total Employer Premiums**	**903**	**2%**	**1,447**	**3%**
			Member Premiums:				
29,623	28,387	28,144	Health premiums	1,236	4%	1,479	5%
10,695	10,599	10,243	Pay Go Premiums	96	1%	452	4%
7,068	7,025	5,831	Life Insurance Premiums	43	1%	1,237	21%
47,385	**46,011**	**44,217**	**Total Member Premiums**	**1,374**	**3%**	**3,168**	**7%**
101,785	**99,508**	**97,170**	**Total Premium Additions**	**2,277**	**2%**	**4,615**	**5%**
			Other Additions:				
345	585	145	Retiree Drug Subsidy	(240)	(41%)	200	138%
(13,890)	13,354	13,708	Investment Income	(27,244)	(204%)	(27,599)	(201%)
88,240	**113,447**	**111,024**	**TOTAL ADDITIONS**	**(25,207)**	**(22%)**	**(22,784)**	**(21%)**
			DEDUCTIONS				
21,989	20,620	20,050	Payments to Managed Care Org.	(1,369)	(7%)	(1,939)	(10%)
7,115	7,025	5,816	Life Insurance Expense	(90)	(1%)	(1,300)	(22%)
26,468	27,566	24,305	Medical Claims Expense	1,098	4%	(2,164)	(9%)
39,204	40,756	37,741	Pharmacy Claims Expense	1,552	4%	(1,464)	(4%)
3,612	3,863	3,588	Administrative Service Fees (External)	250	6%	(25)	(1%)
1,479	1,420	1,331	Other Operating Expenses	(59)	(4%)	(148)	(11%)
0	165	0	Bad Debt Expense	165	100%	0	0%
99,868	**101,415**	**92,829**	**TOTAL DEDUCTIONS**	**1,547**	**2%**	**(7,038)**	**(8%)**
(11,628)	**12,032**	**18,194**	**NET FUND INCREASE**	**(23,660)**	**(197%)**	**(29,822)**	**(164%)**
			Net Assets Held in Trust for Post Employment Benefits				
472,079	472,079	422,636	Beginning of period	0	0%	49,443	12%
$460,451	**$484,111**	**$440,830**	**End of period**	**($23,660)**	**(5%)**	**$19,621**	**4%**

West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET

	November 30 2011	November 30 2010
	(in thousands)	
ASSETS		
Short Term Assets		
Cash and Equivalents	$ 26,185	$ 26,887
Advance Deposit with Carrier/Trustee	199,216	190,476
Receivables - Net	969	5,709
Prepaid Insurance	3,202	3,538
Total Short Term Assets	229,572	226,610
Long Term Assets		
Investments	132,570	127,623
Total Long Term Assets	132,570	127,623
TOTAL ASSETS	362,142	354,233
LIABILITIES		
Short Term Liabilities		
Accounts payable	1,289	5,377
Claims Payable	201	165
OPEB Liability	182	181
Agents Commissions Payable	489	568
Unearned Revenue	10,442	10,692
Current Estimated Claim Reserve	46,638	44,765
Total Short Term Liabilities	59,241	61,748
Long Term Liabilities		
Compensated Absences	75	66
Estimated Noncurrent Claim Reserve	84,064	89,745
Total Long Term Liabilities	84,139	89,811
TOTAL LIABILITIES	143,380	151,559
Prior Year Net Assets	219,828	192,207
Current Year Earnings (Deficiency)	(1,066)	10,467
TOTAL NET ASSETS	218,762	202,674
TOTAL LIABILITIES AND RETAINED EARNINGS	$ 362,142	$ 354,233

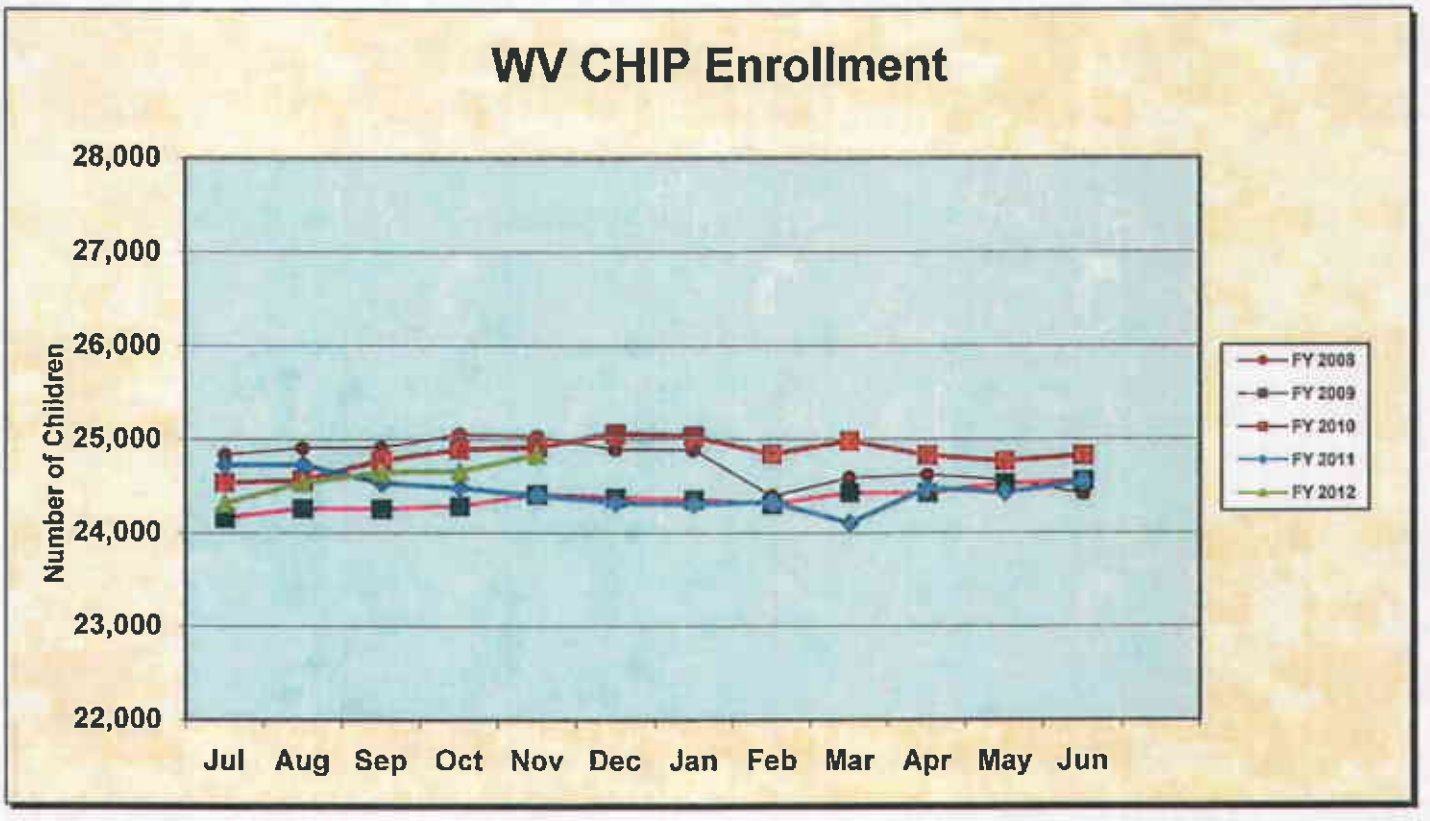
West Virginia Board of Risk and Insurance Management
UNAUDITED INCOME STATEMENT
For the five months ending

	November 30 2011	2010
	(in thousands)	
Operating Revenues		
Premium Revenues	$ 21,710	$ 22,308
Less - Excess Insurance	(2,271)	(2,527)
Total Operating Revenues	19,439	19,781
Operating Expenses		
Claims Expense	21,384	16,911
Property & MS Claims Expense	1,992	1,665
Personal Services	598	578
General & Administrative Expense	1,068	1,129
Total Operating Expenses	25,042	20,283
Operating Income (Loss)	(5,603)	(502)
Nonoperating Revenues		
Investment Income	4,537	10,969
Total Nonoperating Revenues	4,537	10,969
Net Income (Loss)	$ (1,066)	$ 10,467

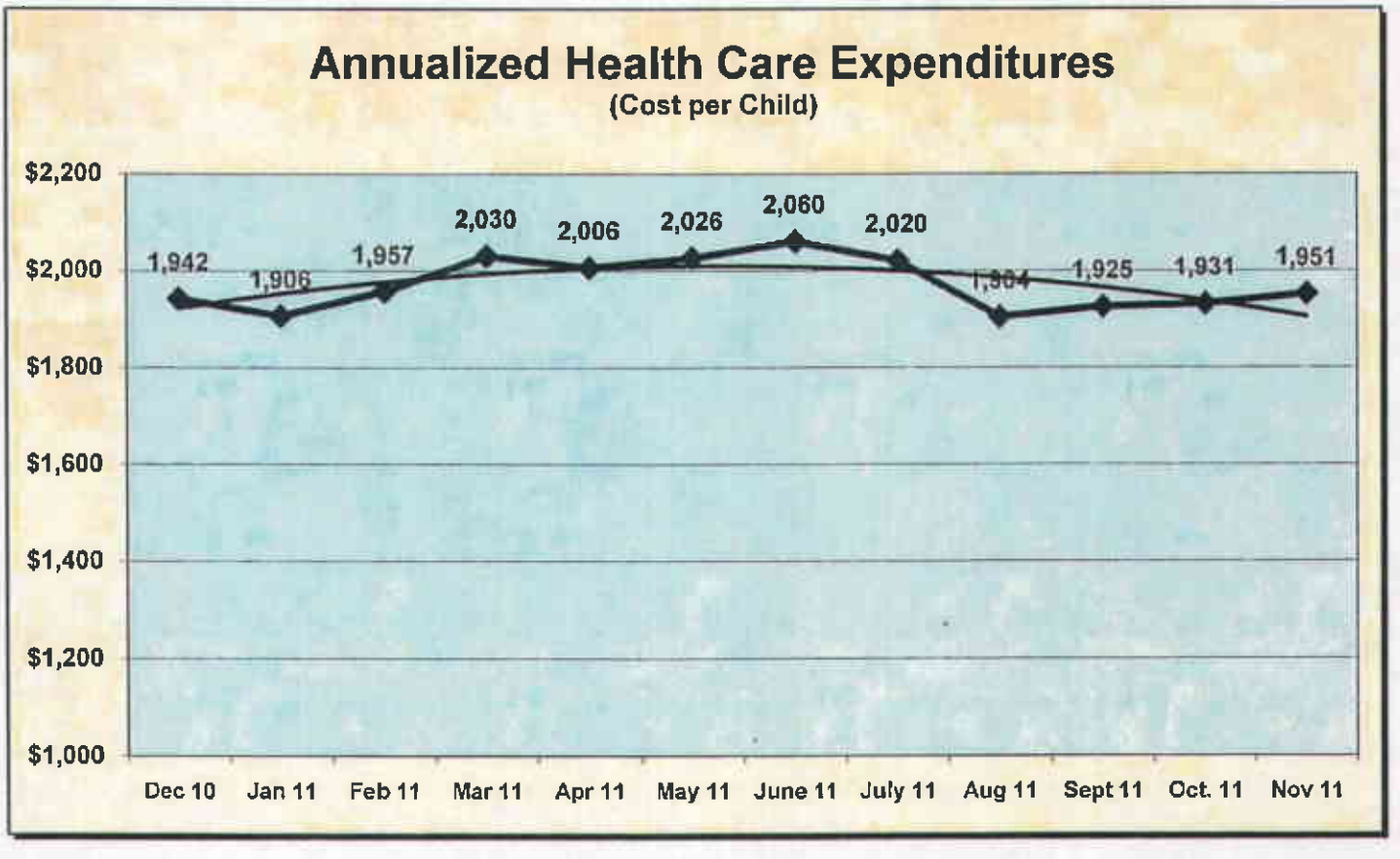
West Virginia Children's Health Insurance Program
2 Hale Street
Suite 101
Charleston, WV 25301
304-558-2732 voice / 304-558-2741 fax
Helpline 877-982-2447
www.chip.wv.gov

Joint Committee on Government and Finance Report

January 2012



November 30th Enrollment 24,835



West Virginia Children's Health Insurance Program
Comparative Balance Sheet
November 2011 and 2010
(Accrual Basis)

	November 30, 2011	November 30, 2010	Variance	
Assets:				
Cash & Cash Equivalents	$13,805,555	$12,999,760	$805,795	6%
Due From Federal Government	$4,235,050	$3,350,070	$884,980	26%
Due From Other Funds	$765,901	$772,079	($6,178)	-1%
Accrued Interest Receivable	$11,381	$27,191	($15,810)	-58%
Fixed Assets, at Historical Cost	$89,262	$68,563	$20,699	30%
Total Assets	$18,907,149	$17,217,663	$1,689,486	10%
Liabilities:				
Due to Other Funds	$243,665	$327,149	($83,484)	-26%
Deferred Revenue	$1,592,840	$2,462,045	($869,205)	-35%
Unpaid Insurance Claims Liability	$3,760,000	$3,795,000	($35,000)	-1%
Total Liabilities	$5,596,505	$6,584,194	($987,689)	-15%
Fund Equity	$13,310,643	$10,633,469	$2,677,174	25%
Total Liabilities and Fund Equity	$18,907,149	$17,217,663	$1,689,486	10%

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 Five Months Ending November 30, 2011 and November 30, 2010
(Modified Accrual Basis)

	November 30, 2011	November 30, 2010	Variance	
Revenues				
Federal Grants	17,112,611	16,875,781	236,830	1%
State Appropriations	4,588,716	4,378,764	209,952	5%
Premium Revenues	270,570	178,026	92,544	52%
Investment Income:				
Investment Earnings	71,733	113,463	(41,730)	-37%
Unrealized Gain(loss) On Investments*	(62,421)	47,466	(109,887)	100%
Total Investment Income	9,312	160,929	(151,617)	-94%
Total Revenues	**21,981,210**	**21,593,500**	**387,710**	**2%**
Expenditures:				
Claims:				
Outpatient Services	5,664,767	4,955,481	709,286	14%
Physicians & Surgical	4,307,885	4,359,761	(51,876)	-1%
Prescribed Drugs	4,008,748	3,688,056	320,692	9%
Dental	3,278,415	2,707,966	570,449	21%
Inpatient Hospital Services	1,583,219	1,642,356	(59,137)	-4%
Durable & Disposable Med. Equip.	584,373	493,333	91,040	18%
Outpatient Mental Health	547,469	523,011	24,458	5%
Vision	368,592	363,536	5,056	1%
Inpatient Mental Health	307,863	418,462	(110,599)	-26%
Therapy	223,060	215,003	8,057	4%
Medical Transportation	122,195	203,254	(81,059)	-40%
Other Services	66,730	38,423	28,307	74%
Less: Collections**	(15,966)	(181,458)	165,492	-91%
Total Claims	21,047,350	19,427,184	1,620,166	8%
General and Admin Expenses:				
Salaries and Benefits	208,693	214,469	(5,776)	-3%
Program Administration	784,418	1,116,946	(332,528)	-30%
Eligibility	196,329	167,072	29,257	18%
Outreach & Health Promotion	269,113	85,043	184,070	216%
Current	102,808	58,823	43,985	75%
Total Administrative	1,561,361	1,642,353	(80,992)	-5%
Total Expenditures	**22,608,711**	**21,069,537**	**1,539,174**	**7%**
Excess of Revenues Over (Under) Expenditures	**(627,501)**	**523,963**	**(1,151,464)**	**-220%**
Fund Equity, Beginning	**13,938,145**	**10,109,506**	**3,828,639**	**38%**
Fund Equity, Ending	**13,310,643**	**10,633,469**	**2,677,174**	**25%**

* Short Term Bond Fund Investment began in November 2009
** 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 2012
For the Five Months Ended November 30, 2011

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Nov-11	Actual Amt Oct-11	Actual Amt Sep-11
Projected Cost	$54,634,844	$22,764,518	$20,831,395	$1,933,123	8%	$4,552,904	$4,821,772	$3,742,987	$5,574,959
Premiums	680,592	$283,580	270,570	$13,010	-5%	$56,716	62,025	59,047	49,388
Subrogation & Rebates	731,381	$304,742	100,692	204,050	-67%	$60,948	0	32,864	42,172
Net Benefit Cost	53,222,871	$22,176,196	$20,460,133	$1,716,063	8%	$4,435,239	4,759,747	3,651,076	5,483,399
Salaries & Benefits	$580,500	$241,875	$208,692	$33,183	14%	$48,375	$39,457	$39,609	$39,609
Program Administration	3,116,505	$1,298,544	740,756	557,788	43%	$259,709	141,995	146,363	140,151
Eligibility	420,000	$175,000	196,329	(21,329)	-12%	$35,000	196,329	0	0
Outreach	300,000	$125,000	268,768	(143,768)	-115%	$25,000	2,600	43,363	7,865
Current Expense	160,000	$66,667	120,931	(54,264)	-81%	$13,333	3,898	14,634	22,049
Total Admin Cost	$4,577,005	$1,907,085	$1,535,476	$371,609	19%	$381,417	$384,279	$243,969	$209,674
Total Program Cost	$57,799,876	$24,083,282	$21,995,609	$2,087,673	9%	$4,816,656	$5,144,026	$3,895,045	$5,693,073
Federal Share 80.83%	46,719,640	19,466,517	$17,836,060	1,630,457	8%	3,893,303	4,157,916	3,148,365	4,626,761
State Share 19.17%	11,080,236	4,616,765	$4,159,549	457,216	10%	923,353	986,110	746,680	1,066,313
Total Program Cost *	$57,799,876	$24,083,282	$21,995,609	$2,087,673	9%	$4,816,656	$5,144,026	$3,895,045	$5,693,073

* Positive percentages indicate favorable variances
** Budgeted Year Based on CCRC Actuary 6/30/2011 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

1/. Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenerio dated 6/30/11 Final worksheet Net Paid Program Costs.

2/. Federal Share for FFY 2012 is 80.83%. Federal Share for FFY 2011 (10/1/10 - 9/30/11) is set at 81.27%.

ATTACHMENT 1

WVCHIP Enrollment Report

December 2011

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Dec-11	Total Medicaid Enrollment Nov-11	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
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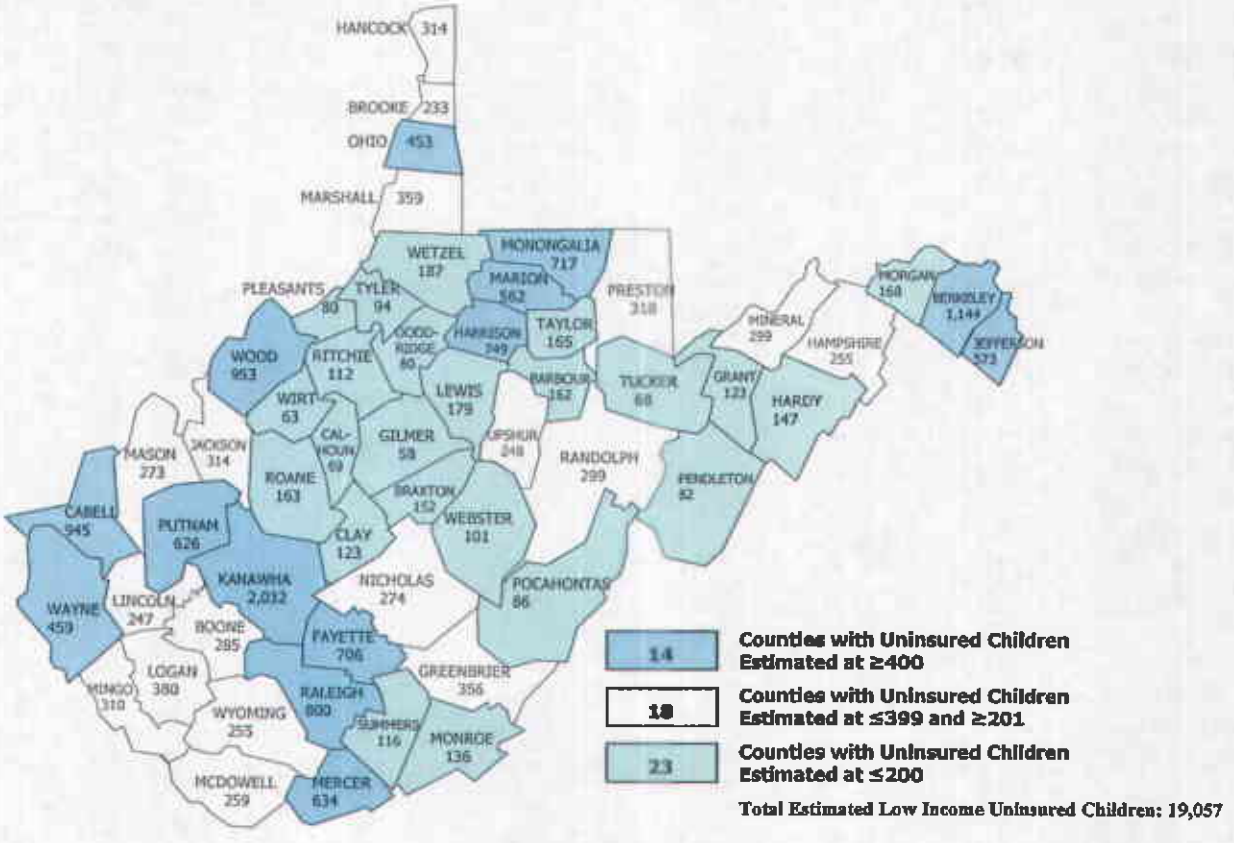
Berkeley	26,251	1,291	7,894	9,185	35.0%	1,313	2
Boone	5,615	294	2,539	2,833	50.5%	281	25
Braxton	3,006	218	1,575	1,793	59.6%	150	40
Brooke	4,573	254	1,507	1,761	38.5%	229	31
Cabell	18,879	978	8,617	9,595	50.8%	944	4
Calhoun	1,518	129	825	954	62.9%	76	51
Clay	2,215	170	1,426	1,596	72.1%	111	44
Doddridge	1,673	139	689	828	49.5%	84	48
Fayette	9,438	823	4,592	5,415	57.4%	472	13
Gilmer	1,260	77	578	655	52.0%	63	54
Grant	2,555	185	987	1,172	45.9%	128	42
Greenbrier	7,131	611	2,882	3,493	49.0%	357	16
Hampshire	5,392	321	2,205	2,526	46.8%	270	27
Hancock	6,166	386	2,476	2,862	46.4%	308	20
Hardy	3,015	161	1,217	1,378	45.7%	151	39
Harrison	15,202	939	5,666	6,605	43.4%	760	7
Jackson	6,602	427	2,813	3,240	49.1%	330	18
Jefferson	12,679	515	3,064	3,579	28.2%	634	10
Kanawha	39,771	2,318	17,051	19,369	48.7%	1,989	1
Lewis	3,389	273	1,733	2,006	59.2%	169	37
Lincoln	4,930	335	2,718	3,053	61.9%	247	30
Logan	7,496	504	3,833	4,337	57.9%	375	15
Marion	11,227	695	4,288	4,983	44.4%	561	11
Marshall	6,886	353	2,759	3,112	45.2%	344	17
Mason	5,929	290	2,732	3,022	51.0%	296	21
McDowell	4,423	325	3,120	3,445	77.9%	221	32
Mercer	12,764	1,179	6,816	7,995	62.6%	638	9
Mineral	5,868	331	2,005	2,336	39.8%	293	23
Mingo	5,905	338	3,073	3,411	57.8%	295	22
Monongalia	15,294	793	4,347	5,140	33.6%	765	6
Monroe	2,835	230	1,012	1,242	43.8%	142	41
Morgan	3,596	297	1,348	1,645	45.7%	180	34
Nicholas	5,561	356	2,606	2,962	53.3%	278	26
Ohio	8,444	509	3,034	3,543	42.0%	422	14
Pendleton	1,462	116	513	629	43.0%	73	52
Pleasants	1,551	105	561	666	42.9%	78	50
Pocahontas	1,561	164	660	824	52.8%	78	49
Preston	6,536	497	2,368	2,865	43.8%	327	19
Putnam	13,150	799	3,435	4,234	32.2%	658	8
Raleigh	16,403	1,272	7,337	8,609	52.5%	820	5
Randolph	5,705	478	2,599	3,077	53.9%	285	24
Ritchie	2,205	150	884	1,034	46.9%	110	45
Roane	3,239	328	1,615	1,943	60.0%	162	38
Summers	2,521	209	1,192	1,401	55.6%	126	43
Taylor	3,514	226	1,378	1,604	45.6%	176	35
Tucker	1,371	127	492	619	45.1%	69	53
Tyler	1,924	120	762	882	45.8%	96	47

ATTACHMENT 1

WVCHIP Enrollment Report

December 2011

County	County Pop. 2010 Est. (0-18 Yrs)	Total CHIP Enrollment Dec-11	Total Medicaid Enrollment Nov-11	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Upshur	4,996	378	2,314	2,692	53.9%	250	29
Wayne	9,516	543	4,033	4,576	48.1%	476	12
Webster	1,977	151	1,173	1,324	67.0%	99	46
Wetzel	3,466	226	1,576	1,802	52.0%	173	36
Wirt	1,201	92	620	712	59.3%	60	55
Wood	18,956	1,178	8,446	9,624	50.8%	948	3
Wyoming	5,116	413	2,484	2,897	56.6%	256	28
Totals	387,459	24,888	159,988	184,876	47.7%	19,373	



Note 1: *The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.*

Note 2: *It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.*

Legislative Oversight Commission on

Health and Human Resources Accountability

JANUARY 2012

Department of Administration

State Children's Health Insurance Program
UPDATE

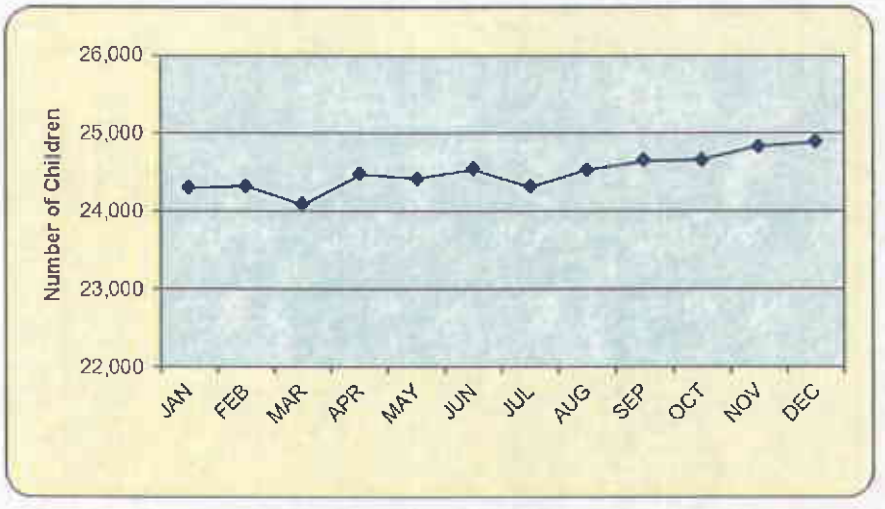
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR JANUARY 2012

I. Enrollment on December 30, 2011: 24,888

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: January 2011 through December 2011



Enrollee Totals: October 2011 to December 2011

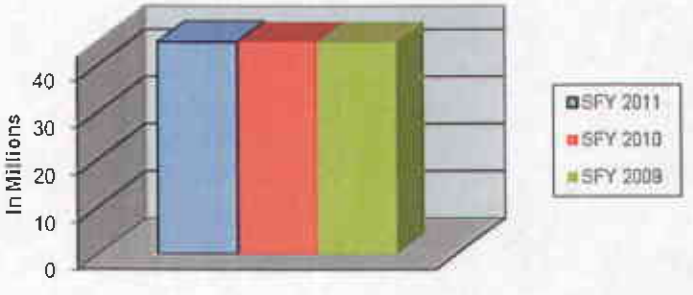
Month	*Total*		*1 Year*	*Total*
October	1,629		*Average*	1,770
November	1,544		*High*	2,215
December	1,325		*Low*	1,325

II. Financial Activity

Please see this month's financial statement at Attachment 2.
The average annualized claims cost per child for the month ended November 2011 was $1,951.

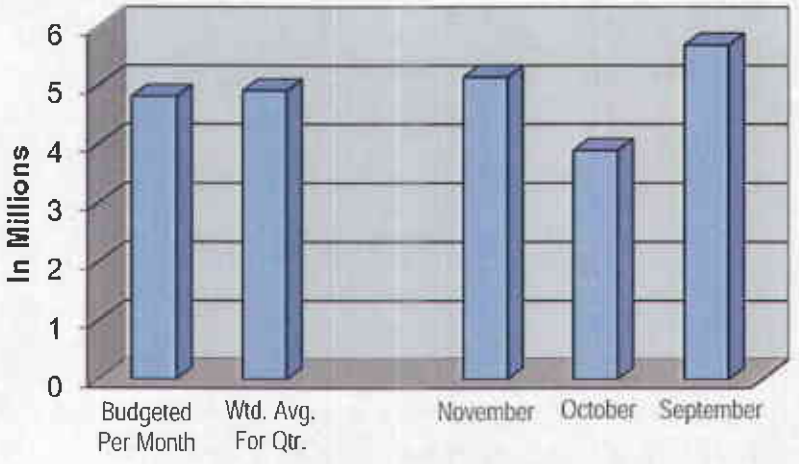
Annual Expenditures for a 3 Year Period: SFY 2008 – SFY 2010

	SFY 2011	FFP% 2011	SFY 2010	FFP% 2010	SFY 2009	FFP% 2009
Federal	42,531,719	81.27	38,675,336	81.83	37,550,029	81.61
State	9,631,322	18.73	8,618,874	18.17	8,417,193	18.39
Total Costs	**52,163,041**	**100.00**	**47,294,210**	**100.00**	**45,967,222**	**100.00**



Monthly Budgeted and Current 3 Month Period: September 2011 – November 2011

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			November 2011	October 2011	September 2011
Federal	3,893,303	3,977,680	4,157,916	3,148,365	4,626,760
State	923,353	933,034	986,110	746,680	1,066,313
Total	**4,816,656**	**4,910,715**	**5,144,026**	**3,895,045**	**5,693,073**



III. Other Highlights

- The CHIP Premium expansion (250% to 300% FPL) enrollment stands at 363 children as of December 28, 2011.
- In November, CHIP received CMS approval for its State Plan Amendment to establish Prospective Payment rates for Federally Qualified Health Centers and Rural Health Centers.

ATTACHMENT 1

WVCHIP Enrollment Report

December 2011

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WVCHIP Enrollment Report

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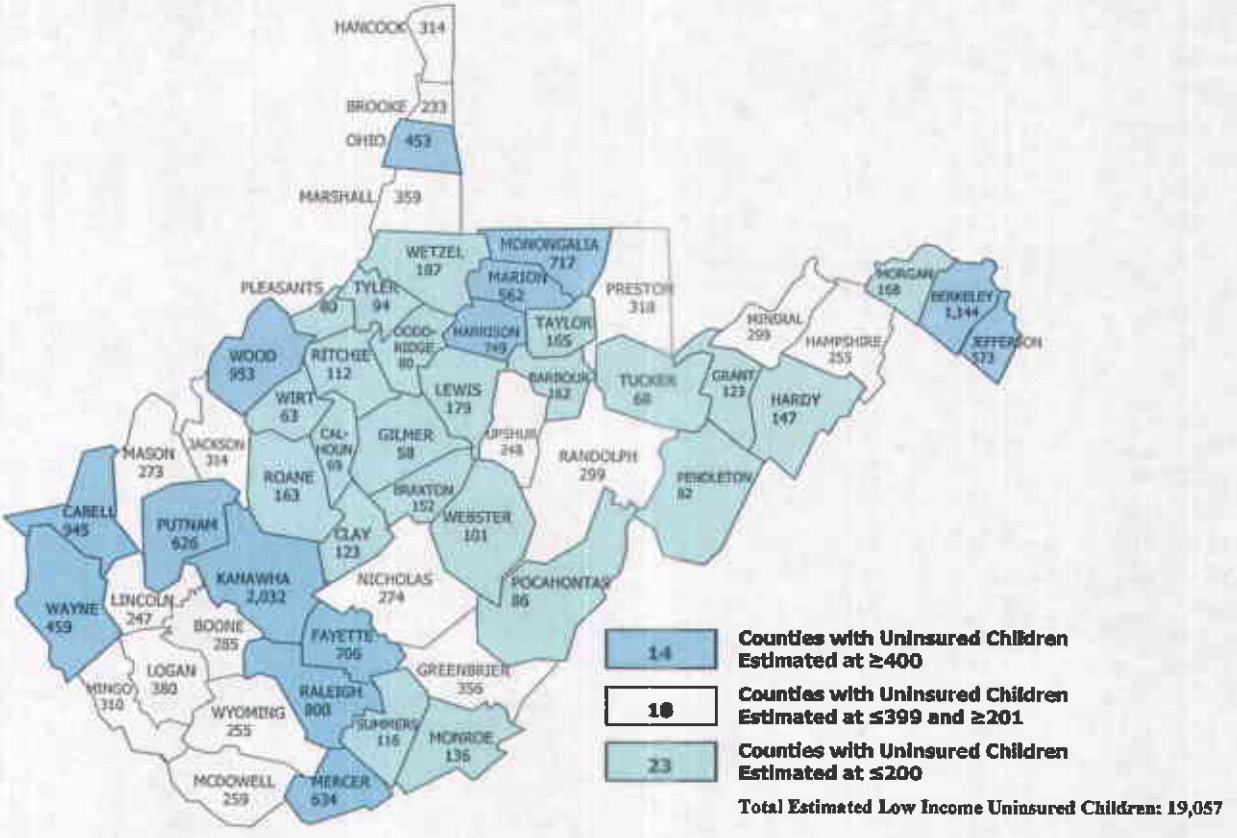

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West Virginia Children's Health Insurance Program
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November 2011 and 2010
(Accrual Basis)

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Assets:				
Cash & Cash Equivalents	$13,805,555	$12,999,760	$805,795	6%
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Due From Other Funds	$765,901	$772,079	($6,178)	-1%
Accrued Interest Receivable	$11,381	$27,191	($15,810)	-58%
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PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

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Inpatient Mental Health	307,863	418,462	(110,599)	-26%
Therapy	223,060	215,003	8,057	4%
Medical Transportation	122,195	203,254	(81,059)	-40%
Other Services	66,730	38,423	28,307	74%
Less: Collections**	(15,966)	(181,458)	165,492	-91%
Total Claims	21,047,350	19,427,184	1,620,166	8%
General and Admin Expenses:				
Salaries and Benefits	208,693	214,469	(5,776)	-3%
Program Administration	784,418	1,116,946	(332,528)	-30%
Eligibility	196,329	167,072	29,257	18%
Outreach & Health Promotion	269,113	85,043	184,070	216%
Current	102,808	58,823	43,985	75%
Total Administrative	1,561,361	1,642,353	(80,992)	-5%
Total Expenditures	**22,608,711**	**21,069,537**	**1,539,174**	**7%**
Excess of Revenues Over (Under) Expenditures	**(627,501)**	**523,963**	**(1,151,464)**	**-220%**
Fund Equity, Beginning	**13,938,145**	**10,109,506**	**3,828,639**	**38%**
Fund Equity, Ending	**13,310,643**	**10,633,469**	**2,677,174**	**25%**

* Short Term Bond Fund Investment began in November 2009

** 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 November 30, 2011
(Accrual Basis)

Investment Account

Funds Invested	$13,609,416
Interest Earned	2,762
Total	**$13,612,178**

Unaudited - For Management Purposes Only - Unaudited

Department of Administration Real Estate Division Leasing Report

For the period of December 1, 2011 through December 31, 2011

NEW CONTRACT OF LEASE

DIVISION OF NATURAL RESOURCES

NAT-133 New Contract of Lease for 5 years consisting of 200 square feet of storage space at the monthly rate of $65.00, annual cost $780.00, in the City of Fairmont, Marion County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-213 New Contract of Lease for 3 years consisting of 6,000 square feet of storage/office space at the annual per square foot rate of $7.00, annual cost $42,000.00, in the City of Poca, Putnam County, West Virginia.

HHR-212 New Contract of Lease for 1 year consisting of 1,255 square feet of office space at the annual per square foot rate of $13.50, annual cost $16,942.55, full service, in the City of Charleston, Kanawha County, West Virginia.

DIVISION OF MOTOR VEHICLES

DMV-056 New Contract of Lease for 10 years consisting of 9,000 square feet of office space at the annual per square foot rate of $18.47, annual cost $166,230.00, in the City of Martinsburg, Berkeley County, West Virginia.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-185 New Contract of Lease for 1 year consisting of 500 square feet of storage space at the monthly rate of $100.00, annual cost $1,200.00, full service, in the City of Morgantown, Monongalia County, West Virginia.

STRAIGHT RENEWAL

DIVISION OF VETERANS AFFAIRS

VET-003 Renewal for 1 year consisting of 499 square feet of office space at the current monthly rate of $300.00, annual cost $3,600.00, full service, in the City of Lewisburg, Greenbrier County, West Virginia.

WEST VIRGINIA CONSERVATION AGENCY

SCC-009 Renewal for 1 year consisting of 3,400 square feet of office space at the current annual per square foot rate of $10.70, annual cost $36,380.04, full service, in the City of Oak Hill, Fayette County, West Virginia.

DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

OES-015 Renewal for 1 year consisting of 4,000 square feet of office space at the current annual per square foot rate of $4.89, annual cost $19,560.00, in the City of Big Chimney, Kanawha County, West Virginia.

STRAIGHT RENEWAL - CONTINUED

DIVISION OF NATURAL RESOURCES

NAT-124 Renewal for 3 years consisting of one covered boat slip at the current monthly rate of $185.00, annual cost $2,220.00, electric and water/sewer, in the City of St. Albans, Kanawha County, West Virginia.

NAT-102 Renewal for 3 years consisting of 241 square feet of office space at the current monthly rate of $220.92, annual cost $2,651.04, full service, in the City of Inwood, Berkeley County, West Virginia.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-139 Renewal for 2 years consisting of 224 square feet of tower/monitoring space at the current monthly rate of $100.00, annual cost $1,200.00, in the City of Colliers, Brooke County, West Virginia.

COAL HERITAGE HIGHWAY AUTHORITY

CHH-006 Renewal for 2 years consisting of 2,300 square feet of office space at the current annual per square foot rate of $12.00, annual cost $27,600.00, full service without janitorial, in the City of Oak Hill, Fayette County, West Virginia.

WEST VIRGINIA BOARD OF CHIROPRACTIC EXAMINERS

BCE-004 Renewal for 2 years consisting of 373 square feet of office space at the current monthly rate of $299.95, annual cost $3,600.00, full service, in the City of South Charleston, Kanawha County, West Virginia.

AIR QUALITY OFFICE, DIVISION OF ENVIRONMENTAL PROTECTION

APC-020 Renewal for 2 years consisting of a 14 foot by 16 foot plot of land at the current monthly rate of $50.00, annual cost $600.00, in the City of New Cumberland, Hancock County, West Virginia.

WEST VIRGINIA DEPARTMENT OF AGRICULTURE

AGR-029 Renewal for 1 year consisting of 206 square feet of office space at the current monthly rate of $278.96, annual cost $3,347.50, full service, in the City of Morgantown, Monongalia County, West Virginia.

RENEWAL WITH INCREASE IN RENT

WORKFORCE WEST VIRGINIA

WWV-027 Renewal for 1 year consisting of 4,012 square feet of storage space with an increase in the annual per square foot rate from $2.77 to $2.88, annual cost $11,554.56, electric only, Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT - CONTINUED

COAL HERITAGE HIGHWAY AUTHORITY

CHH-003 Renewal for 2 years consisting of 450 square feet of storage space with an increase in the monthly rate from $112.50 to $121.88, annual cost $1,462.56, full service without janitorial, in the City of Bluefield, Mercer County, West Virginia.

WEST VIRGINIA REAL ESTATE APPRAISER LICENSING AND CERTIFICATION BOARD

APR-002 Renewal for 3 years consisting of 900 square feet of office space with an increase in the annual per square foot rate from $15.67 to $17.44, annual cost $15,696.00, full service, in the City of Charleston, Kanawha County, West Virginia.

ATTORNEY GENERAL'S OFFICE

AGO-014 Renewal for 1 year consisting of 10,183 square feet of office space with an increase in the annual per square foot rate from $12.00 to $12.50, annual cost $127,287.50, full service, in the City of Charleston, Kanawha County, West Virginia.

INCREASE IN RENT

DIVISION OF FORESTRY

FOR-085 Renewal for 5 years consisting of 2,500 square feet of office space with an increase in the annual per square foot rate from $8.64 to $9.00, annual cost $22,500.00, full service without janitorial, in the City of Elizabeth, Wirt County, West Virginia.

RENEWAL AND COMBINING OF TWO LEASES

WORKFORCE WEST VIRGINIA

WWV-028 Renewal and combined two leases for a total of 6,806 square feet of office space at the current annual per square foot rate of $15.76, annual cost $107,262.60, full service, in the City of Martinsburg, Berkeley County, West Virginia.

DECREASE OF SQUARE FOOTAGE – DOA OWNED

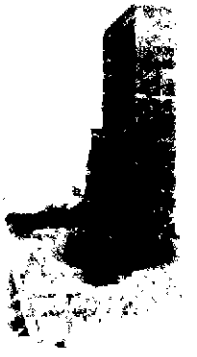
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-147 Renewal for 1 year with a decrease of 9,617 square feet for a total of 10,233 square feet of office space at the current annual per square foot rate of $9.50, annual cost $97,213.56, full service, in the City of Charleston, Kanawha County, West Virginia.

Real Estate Division
Monthly Summary of Lease Activity
December 1 - 31, 2011

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Division of Natural Resources	NAT-133	Marion	200	0.00	780
2	Department of Health and Human Resources	HHR-213	Putnam	6,000	7.00	42,000
3	Department of Health and Human Resources	HHR-212	Kanawha	1,255	13.50	16,943
4	Division of Motor Vehicles	DMV-056	Berkeley	9,000	18.47	166,230
5	Department of Environmental Protection	DEP-185	Monongalia	500	0.00	1,200
6	Division of Veterans Affairs	VET-003	Greenbrier	499	0.00	3,600
7	West Virginia Conservation Agency	SCC-009	Fayette	3,400	10.70	36,380
8	Div of Homeland Security & Emergency Management	OES-015	Kanawha	4,000	4.89	19,560
9	Division of Natural Resources	NAT-124	Kanawha	0	0.00	2,220
10	Division of Natural Resources	NAT-102	Berkeley	241	0.00	2,651
11	Department of Environmental Protection	DEP-139	Brooke	224	0.00	1,200
12	Coal Heritage Highway Authority	CHH-006	Fayette	2,300	12.00	27,600
13	West Virginia Board of Chiropractic Examiners	BCE-004	Kanawha	373	0.00	3,599
14	Air Quality Office, Div of Environmental Protection	APC-020	Hancock	0	0.00	600
15	West Virginia Department of Agriculture	AGR-029	Monongalia	206	0.00	3,348
16	Workforce West Virginia	WWV-027	Kanawha	4,012	2.88	11,555
17	Coal Heritage Highway Authority	CHH-003	Mercer	450	0.00	1,463
18	WV Real Estate Appraiser Licensing & Certification Board	APR-002	Kanawha	900	17.44	15,696
19	Division of Forestry	FOR-085	Wirt	2,500	9.00	22,500
20	Attorney General's Office	AGO-014	Kanawha	10,183	12.50	127,288
21	Workforce West Virginia	WWV-028	Berkeley	6,806	15.76	107,263
22	Department of Health and Human Resources	HHR-147	Kanawha	10,233	9.50	97,214
					133.64	
			Total Rentable Square Feet	63,282		
			Average Annual Rental Rate		11.14	
			Total Annual Rent			710,887

WV DESIGN-BUILD BOARD



Annual Report

December 30, 2011

This annual report sets forth a description of the projects approved during the preceding year. Additionally, monthly monitoring reports submitted to the Board are included and made a part of the annual report.

Project	Description	Date Approved	Status
Grant County Development Authority	Construction of a data center facility and fiber optic broadband network	September 23, 2010	The Board revoked Grant County Development Authority's project on September 15, 2011, as they changed the scope of the project from what was approved by the Board.
McDowell County Schools	Construction of bleachers, restrooms, concession stands, and locker rooms for new athletic facility at Riverview High School.	March 17, 2011	Design-Build contract awarded. Project construction has started and is proceeding on schedule and within budget.
Marshall University	Construction of a parking garage.	June 16, 2011	Technical and cost evaluations complete. Intent to award a Design-Build contract filed. Expect project construction to start January 2012.
Monongalia County Urban Mass Transportation Authority	Solar panel project for bus transportation.	July 7, 2011	Technical and cost evaluations complete. Intent to award a Design-Build contract filed. Awarding of contract stalled due to filing of a protest.

State of West Virginia
Design-Build Procurement Act

Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by ***West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.***

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: McDowell County Board of Education

Address: 30 Central Avenue

City/State/Zip: Welch, WV 24801

Contact Person: James K. Spence, Sr., Assistant Superintendent

Telephone Number: (304) 436-8441 ext. 224 Fax Number: (304) 436-4219

E-Mail Address: jkspence@access.k12.wv.us

Date Project Approved by Board:

March 17, 2011

(Please check the appropriate box below)

Task	On Schedule		
Criteria Developer Selected?	Yes X	No ___	Completed X
Preparation for Invitation for Qualification?	Yes ___	No ___	Completed X
Release of Invitation for Qualification?	Yes ___	No ___	Completed X
Responses to Invitation for Qualification received?	Yes ___	No ___	Completed X
Evaluation of Invitation for Qualification complete?	Yes ___	No ___	Completed X
Preparation for Invitation for Proposal?	Yes ___	No ___	Completed X
Release of Invitation for Proposal?	Yes ___	No ___	Completed X
Responses to Invitation for Proposals received?	Yes X	No ___	Completed ___
Evaluation of Invitation for Proposal complete?	Yes X	No ___	Completed ___
Notice of Intent to award contract done?	Yes X	No ___	Completed ___
Contract Awarded?	Yes X	No ___	Completed ___
Design Phase Complete?	Yes X	No ___	Completed ___
Approval of final designs?	Yes X	No ___	Completed ___
Construction started on required date?	Yes X	No ___	Completed ___
Construction progressing on schedule?	Yes X	No ___	Completed ___
Construction progressing on budget?	Yes X	No ___	Completed ___
Substantial completion?	Yes X	No ___	Completed ___

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

Comments:

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

JAMES K. SPENCE, SR.
Name of Representative

ASSISTANT SUPERINTENDENT
Title

Dated this 26th day of MAY, 2011.

State of West Virginia
Design-Build Procurement Act

Monthly Status Report

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1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: McDowell County Board of Education

Address: 30 Central Ave

City/State/Zip: Welch, WV 24801

Contact Person: Will Chapman

Telephone Number: 304-436-8441 Fax Number: 304-436-4008

E-Mail Address: wechapman@access.k12.wv.us

Date Project Approved by Board:

6/23/2011

(Please check the appropriate box below)

Task
On Schedule

Criteria Developer Selected?	Yes	____	No	____	Completed	x
Preparation for Invitation for Qualification?	Yes	____	No	____	Completed	x
Release of Invitation for Qualification?	Yes	____	No	____	Completed	x

Responses to Invitation for Qualification received?	Yes _____	No _____	Completed x
Evaluation of Invitation for Qualification complete?	Yes _____	No ___	Completed x
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Release of Invitation for Proposal?	Yes _____	No _____	Completed x
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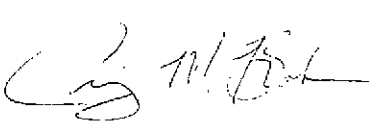
Evaluation of Invitation for Proposal complete?	Yes _____	No _____	Completed x
Notice of Intent to award contract done?	Yes _____	No _____	Completed x
Contract Awarded?	Yes _____	No _____	Completed x
Design Phase Complete?	Yes _____	No x	Completed _____
Approval of final designs?	Yes _____	No x	Completed ___
Construction started on required date?	Yes _____	No ___	Completed _____
Construction progressing on schedule?	Yes ____	No _____	Completed _
Construction progressing on budget?	Yes _____	No _____	Completed _____
Substantial completion?	Yes _____	No _____	Completed _____

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

None to date

Comments: Qualitative proposals were opened at the office of the McDowell County BOE on 6/3/11. Qualitative scores were approved by the board on 6/16/11 at the DBB meeting in Charleston. Cost proposals were opened at the office of the McDowell County BOE on 6/21/11. Cost proposals and final scores were presented to the DBB on 6/23/11 at their office in Charleston.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.



Signature

Craig M. Baker
Name of Representative

Project Manager
Title

Dated this 28 day of June, 2011.

State of West Virginia
Design-Build Procurement Act

Monthly Status Report

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Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: McDowell County Board of Education

Address: 30 Central Ave

City/State/Zip: Welch, WV 24801

Contact Person: Will Chapman

Telephone Number: 304-436-8441 Fax Number: 304-436-4008

E-Mail Address: wechapman@access.k12.wv.us

Date Project Approved by Board:

6/23/2011

(Please check the appropriate box below)

Task
On Schedule

Criteria Developer Selected?	Yes	____	No	____	Completed	x
Preparation for Invitation for Qualification?	Yes	____	No	____	Completed	x
Release of Invitation for Qualification?	Yes	____	No	____	Completed	x

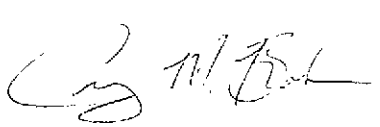
Responses to Invitation for Qualification received?	Yes _____	No _____	Completed x
Evaluation of Invitation for Qualification complete?	Yes _____	No ___	Completed x
Preparation for Invitation for Proposal?	Yes _____	No _____	Completed x
Release of Invitation for Proposal?	Yes _____	No _____	Completed x
Responses to Invitation for Proposals received?	Yes _____	No _____	Completed x
Evaluation of Invitation for Proposal complete?	Yes _____	No _____	Completed x
Notice of Intent to award contract done?	Yes _____	No _____	Completed x
Contract Awarded?	Yes _____	No _____	Completed x
Design Phase Complete?	Yes _____	No x	Completed _____
Approval of final designs?	Yes _____	No x	Completed _____
Construction started on required date?	Yes _____	No x	Completed _____
Construction progressing on schedule?	Yes _____	No _____	Completed _____
Construction progressing on budget?	Yes _____	No _____	Completed _____
Substantial completion?	Yes _____	No _____	Completed _____

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

None to date

Comments: Due to the proposed field house building being located in the flood way, FEMA and the local flood plain coordinator, are requiring changes be made to the initial plans to help reduce the amount of building in this area. A meeting was held on 7/19 on site with all necessary parties to make a determination of the best solution. A solution that worked best for all parties was achieved. The design phase will start immediately and it is anticipated that construction will begin around 8/22. There will be cost increases to the contract for changes required for moving the building.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.



_____

Signature

Craig M. Baker	Project Manager
Name of Representative	Title

Dated this 28 day of July, 2011.

State of West Virginia
Design-Build Procurement Act

Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

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Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: McDowell County Board of Education

Address: 30 Central Ave

City/State/Zip: Welch, WV 24801

Contact Person: Will Chapman

Telephone Number: 304-436-8441 Fax Number: 304-436-4008

E-Mail Address: wechapman@access.k12.wv.us

Date Project Approved by Board:

6/23/2011

(Please check the appropriate box below)

Task
On Schedule

Criteria Developer Selected?	Yes		No		Completed	x
Preparation for Invitation for Qualification?	Yes		No		Completed	x
Release of Invitation for Qualification?	Yes		No		Completed	x

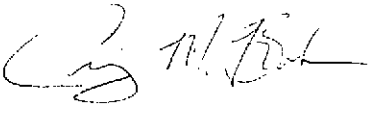
Responses to Invitation for Qualification received?	Yes	_____	No	_____	Completed	x	
Evaluation of Invitation for Qualification complete?	Yes	_____	No	___	Completed	x	
Preparation for Invitation for Proposal?	Yes	_____	No	_____	Completed	x	
Release of Invitation for Proposal?	Yes	_____	No	_____	Completed	x	
Responses to Invitation for Proposals received?	Yes	_____	No	_____	Completed	x	
Evaluation of Invitation for Proposal complete?	Yes	_____	No	_____	Completed	x	
Notice of Intent to award contract done?	Yes	_____	No	_____	Completed	x	
Contract Awarded?	Yes	_____	No	_____	Completed	x	
Design Phase Complete?	Yes	x	No	_____	Completed	_____	
Approval of final designs?	Yes	x	No	x	Completed	___	
Construction started on required date?	Yes	_____	No	___	Completed	x	
Construction progressing on schedule?	Yes	x	No	_____	Completed	_	
Construction progressing on budget?	Yes	x (see below)	No	_____	Completed	___	
Substantial completion?	Yes	_____	No	x	Completed	_____	

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

Due to changes required by FEMA and the local flood plain coordinator, the building was required to be shifted on the site which in turn added $30,299.19 in additional construction cost and design fees. Additional funding to cover the changes was obtained by the Board of Education.

Comments: Construction started as planned on 8/22. A major push will be made to make the facility usable for HS Football playoffs in early Nov.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.



Signature

Craig M. Baker — Project Manager

Name of Representative	Title
Dated this 28 day of August, 2011.	

State of West Virginia
Design-Build Procurement Act

Monthly Status Report

*This monthly report is being presented to the Design-Build Board as required by **West Virginia Code, §5-22A-2** and **Legislative Rules, 148-CSR-11.***

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Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: McDowell County Board of Education

Address: 30 Central Ave

City/State/Zip: Welch, WV 24801

Contact Person: Will Chapman

Telephone Number: 304-436-8441 Fax Number: 304-436-4008

E-Mail Address: wechapman@access.k12.wv.us

Date Project Approved by Board:

6/23/2011

(Please check the appropriate box below)

Task
On Schedule

Criteria Developer Selected? Yes ____ No ____
Completed x
Preparation for Invitation for Qualification? Yes ____ No ____

Completed x				
Release of Invitation for Qualification?	Yes ____	No ____		
Completed x				
Responses to Invitation for Qualification received?	Yes ____	No ____	Completed	
Evaluation of Invitation for Qualification complete?	Yes ____	No ____	Completed	
Preparation for Invitation for Proposal?	Yes ____	No ____		
Completed x				
Release of Invitation for Proposal?	Yes ____	No ____		
Completed x				
Responses to Invitation for Proposals received?	Yes ____	No ____		
Completed x				
Evaluation of Invitation for Proposal complete?	Yes ____	No ____		
Completed x				
Notice of Intent to award contract done?	Yes ____	No ____		
Completed x				
Contract Awarded?	Yes ____	No		
Completed x				
Design Phase Complete?	Yes ____	No ___		
Completed x				
Approval of final designs?	Yes ____	No ___		
Completed x				
Construction started on required date?	Yes ____	No x see below		
Completed ____				
Construction progressing on schedule?	Yes x	No ____		
Completed ____				
Construction progressing on budget?	Yes x	No ____		
Completed ____				
Substantial completion?	Yes ____	No x		
Completed ____				

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

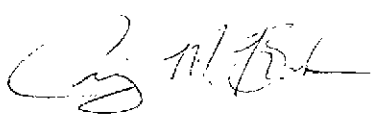
Due to changes required by FEMA and the local flood plain coordinator, the building was required to be shifted on the site which in turn added $30,299.19 in additional construction cost and design fees. Additional funding to cover the changes was obtained by the Board of Education.

Comments: The schedule was modified prior to execution of the agreement due to the delays encountered with the local flood plain coordinator. Due to the close proximity of the site to the creek, some modifications needed to be made to the site plan at the direction of FEMA and the local flood plain coordinator. The project was delayed approximately 45 days due to this and execution of the agreement due to the County being under the control of the State Board of Education.

Construction is now underway. The following is an update on the progress: The building pad and surrounding areas are graded, Building Footings are poured, foundation walls are installed, all under slab piping and conduit is installed, the floor slab is scheduled to be poured the week of 9/26.

It is anticipated that construction will wrap up around the end of October in time for the final game of the season and/or playoffs.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.



Signature

Craig M. Baker
Name of Representative

Project Manager
Title

Dated this 23 day of September, 2011.

State of West Virginia
Design-Build Procurement Act

Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
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c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: McDowell County Board of Education

Address: 30 Central Ave

City/State/Zip: Welch, WV 24801

Contact Person: Will Chapman

Telephone Number: 304-436-8441 Fax Number: 304-436-4008

E-Mail Address: wechapman@access.k12.wv.us

Date Project Approved by Board:

6/23/2011

(Please check the appropriate box below)

Task
On Schedule

Criteria Developer Selected?	Yes	____	No	____	Completed	x
Preparation for Invitation for Qualification?	Yes	____	No	____	Completed	x
Release of Invitation for Qualification?	Yes	____	No	____	Completed	x

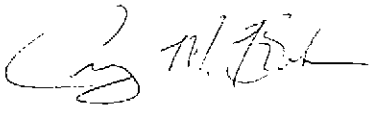
Responses to Invitation for Qualification received?	Yes	____	No	_____	Completed	x
Evaluation of Invitation for Qualification complete?	Yes	____	No	___	Completed	x
Preparation for Invitation for Proposal?	Yes	_____	No	_____	Completed	x
Release of Invitation for Proposal?	Yes	_____	No	_____	Completed	x
Responses to Invitation for Proposals received?	Yes	_____	No	_____	Completed	x
Evaluation of Invitation for Proposal complete?	Yes	_____	No	_____	Completed	x
Notice of Intent to award contract done?	Yes	_____	No	_____	Completed	x
Contract Awarded?	Yes	_____	No	_____	Completed	x
Design Phase Complete?	Yes	_____	No	_____	Completed	x
Approval of final designs?	Yes	_____	No	_____	Completed	x
Construction started on required date?	Yes	x	No	___	Completed	_____
Construction progressing on schedule?	Yes	x	No	_____	Completed	
Construction progressing on budget?	Yes	x	No	_____	Completed	_____
Substantial completion?	Yes	_____	No	x	Completed	_____

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

There have been no change orders issued since the original one that was required due to FEMA and the local flood plain coordinator requiring changes be made to insure that the building met local plain requirements.

Comments: The project is moving along nicely. It is estimated that the project is approximately 60% complete.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.



Signature

Craig M. Baker — Project Manager

Name of Representative	Title
Dated this 28 day of October, 2011.	

State of West Virginia
Design-Build Procurement Act

Monthly Status Report

*This monthly report is being presented to the Design-Build Board as required by **West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.***

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: McDowell County Board of Education

Address: 30 Central Ave

City/State/Zip: Welch, WV 24801

Contact Person: Will Chapman

Telephone Number: 304-436-8441 Fax Number: 304-436-4008

E-Mail Address: wechapman@access.k12.wv.us

Date Project Approved by Board:

6/23/2011

(Please check the appropriate box below)

Task
On Schedule

Criteria Developer Selected?	Yes	____	No	____	Completed x
Preparation for Invitation for Qualification?	Yes	____	No	____	Completed x
Release of Invitation for Qualification?	Yes	____	No	____	Completed x

Responses to Invitation for Qualification received?	Yes x	No	Completed
Evaluation of Invitation for Qualification complete?	Yes x	No	Completed
Preparation for Invitation for Proposal?	Yes	No	Completed x
Release of Invitation for Proposal?	Yes	No	Completed x
Responses to Invitation for Proposals received?	Yes	No	Completed x
Evaluation of Invitation for Proposal complete?	Yes	No	Completed x
Notice of Intent to award contract done?	Yes	No	Completed x
Contract Awarded?	Yes	No	Completed x
Design Phase Complete?	Yes	No	Completed x
Approval of final designs?	Yes	No	Completed x
Construction started on required date?	Yes x	No	Completed
Construction progressing on schedule?	Yes x	No	Completed
Construction progressing on budget?	Yes x	No	Completed
Substantial completion?	Yes	No x	Completed

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

There have been no change orders issued since the original one that was required due to FEMA and the local flood plain coordinator requiring changes be made to insure that the building met local plain requirements.

Due to delays caused by inclement weather the project substantial completion date has been extended to mid-January.

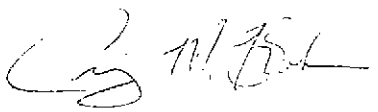
Comments: The project is moving along slower than originally anticipated due to delays caused by inclement weather; however this has not caused any issues with the intended use of the facility due to fall sports season being over.

The field house, concession, restrooms and ticket booths shells are complete and "dried in".

Approximate completion percentage for all project components is estimated to be at around 80% with interior finishes and exterior finish grading being the last remaining work to be completed. In my opinion the project looks very nice and is a great compliment to the existing facilities at the school and will serve the needs of the students well.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the

information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.



Signature

Craig M. Baker
Name of Representative

Project Manager
Title

Dated this 28 day of December, 2011.

State of West Virginia
Design-Build Procurement Act

Monthly Status Report

*This monthly report is being presented to the Design-Build Board as required by **West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.***

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: McDowell County Board of Education

Address: 30 Central Ave

City/State/Zip: Welch, WV 24801

Contact Person: Will Chapman

Telephone Number: 304-436-8441 Fax Number: 304-436-4008

E-Mail Address: wechapman@access.k12.wv.us

Date Project Approved by Board:

6/23/2011

(Please check the appropriate box below)

Task
On Schedule

Criteria Developer Selected? Yes ____ No ____
Completed x
Preparation for Invitation for Qualification? Yes ____ No ____

Completed	x						
Release of Invitation for Qualification?	Yes		No		Completed	x	
Responses to Invitation for Qualification received?	Yes	x	No		Completed		
Evaluation of Invitation for Qualification complete?	Yes	x	No		Completed		
Preparation for Invitation for Proposal?	Yes		No		Completed	x	
Release of Invitation for Proposal?	Yes		No		Completed	x	
Responses to Invitation for Proposals received?	Yes		No		Completed	x	
Evaluation of Invitation for Proposal complete?	Yes		No		Completed	x	
Notice of Intent to award contract done?	Yes		No		Completed	x	
Contract Awarded?	Yes		No		Completed	x	
Design Phase Complete?	Yes		No		Completed	x	
Approval of final designs?	Yes		No		Completed	x	
Construction started on required date?	Yes	x	No		Completed		
Construction progressing on schedule?	Yes	x	No		Completed		
Construction progressing on budget?	Yes	x	No		Completed		
Substantial completion?	Yes		No	x	Completed		

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

There have been no change orders issued since the original one that was required due to FEMA and the local flood plain coordinator requiring changes be made to insure that the building met local plain requirements.

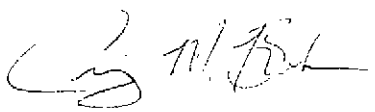
Due to delays caused by inclement weather the project substantial completion date has been extended to mid-January.

Comments: The project is moving along slower than originally anticipated due to delays caused by inclement weather; however this has not caused any issues with the intended use of the facility due to fall sports season being over.

The field house, concession, restrooms and ticket booths shells are complete and "dried in".

Approximate completion percentage for all project components is estimated to be at around 80% with interior finishes and exterior finish grading being the last remaining work to be completed. In my opinion the project looks very nice and is a great compliment to the existing facilities at the school and will serve the needs of the students well.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.



Signature

Craig M. Baker
Name of Representative

Project Manager
Title

Dated this 28 day of December, 2011.

State of West Virginia
Design-Build Procurement Act
Marshall University
Parking Garage
August 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Marshall University

Address: One John Marshall Drive

City/State/Zip: Huntington, WV 25755

Contact Person: Ronald J. May

Telephone Number: (304)-696-6415 Fax Number: (304)-696-3297

E-Mail Address: mayr@marshall.edu

Date Project Approved by Board:

June 16, 2011

(Please check the appropriate box below)

Task	**On Schedule**		
Criteria Developer Selected?	Yes X	No ___	Completed ___
Preparation for Invitation for Qualification?	Yes X	No ___	Completed ___
Release of Invitation for Qualification?	Yes ___	No X	Completed ___
Responses to Invitation for Qualification received?	Yes ___	No X	Completed ___
Evaluation of Invitation for Qualification complete?	Yes ___	No X	Completed ___
Preparation for Invitation for Proposal?	Yes ___	No X	Completed ___
Release of Invitation for Proposal?	Yes ___	No X	Completed ___
Responses to Invitation for Proposals received?	Yes ___	No X	Completed ___
Evaluation of Invitation for Proposal complete?	Yes ___	No X	Completed ___
Notice of Intent to award contract done?	Yes ___	No X	Completed ___
Contract Awarded?	Yes ___	No X	Completed ___
Design Phase Complete?	Yes ___	No X	Completed ___
Approval of final designs?	Yes ___	No X	Completed ___
Construction started on required date?	Yes ___	No X	Completed ___
Construction progressing on schedule?	Yes ___	No X	Completed ___
Construction progressing on budget?	Yes ___	No X	Completed ___
Substantial completion?	Yes ___	No X	Completed ___

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

The selection of the Criteria Developer delayed the project about 8 weeks. The Design Build Board approved the new scheduled on September 1.

Comments:

The RFQ will be released on September 16. The RFQ responses will be received October 7.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

Ronald J. May — Name of Representative

Director, Facilities Planning and Management — Title

Dated this 6th day of September, 2011.

State of West Virginia
Design-Build Procurement Act
Marshall University
Parking Garage
October 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Marshall University

Address: One John Marshall Drive

City/State/Zip: Huntington, WV 25755

Contact Person: Ronald J. May

Telephone Number: (304)-696-6415 Fax Number: (304)-696-3297

E-Mail Address: mayr@marshall.edu

Date Project Approved by Board:

June 16, 2011

(Please check the appropriate box below)

Task	On Schedule		
Criteria Developer Selected?	Yes X	No ___	Completed X
Preparation for Invitation for Qualification?	Yes X	No ___	Completed X
Release of Invitation for Qualification?	Yes X	No ___	Completed X
Responses to Invitation for Qualification received?	Yes X	No ___	Completed X
Evaluation of Invitation for Qualification complete?	Yes X	No ___	Completed X
Preparation for Invitation for Proposal?	Yes X	No ___	Completed X
Release of Invitation for Proposal?	Yes X	No ___	Completed X
Responses to Invitation for Proposals received?	Yes ___	No X	Completed ___
Evaluation of Invitation for Proposal complete?	Yes ___	No X	Completed ___
Notice of Intent to award contract done?	Yes ___	No X	Completed ___
Contract Awarded?	Yes ___	No X	Completed ___
Design Phase Complete?	Yes ___	No X	Completed ___
Approval of final designs?	Yes ___	No X	Completed ___
Construction started on required date?	Yes ___	No X	Completed ___
Construction progressing on schedule?	Yes ___	No X	Completed ___
Construction progressing on budget?	Yes ___	No X	Completed ___
Substantial completion?	Yes ___	No X	Completed ___

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

None

Comments:

RFP released on October 24, 2012. RFP Pre-Proposal meeting is scheduled for November 4, 2012. Proposals are due December 2, 2012.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

Ronald J. May Ronald J May 11/1/11 Director of Facilities Planning and Management
Name of Representative Title

Dated this 28th day of October, 2011.

State of West Virginia
Design-Build Procurement Act
Marshall University
Parking Garage
November 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Marshall University

Address: One John Marshall Drive

City/State/Zip: Huntington, WV 25755

Contact Person: Ronald J. May

Telephone Number: (304)-696-6415 Fax Number: (304)-696-3297

E-Mail Address: mayr@marshall.edu

Date Project Approved by Board:

June 16, 2011

(Please check the appropriate box below)

Task	On Schedule		
Criteria Developer Selected?	Yes X	No ___	Completed X
Preparation for Invitation for Qualification?	Yes X	No ___	Completed X
Release of Invitation for Qualification?	Yes X	No ___	Completed X
Responses to Invitation for Qualification received?	Yes X	No ___	Completed X
Evaluation of Invitation for Qualification complete?	Yes X	No ___	Completed X
Preparation for Invitation for Proposal?	Yes X	No ___	Completed X
Release of Invitation for Proposal?	Yes X	No ___	Completed X
Responses to Invitation for Proposals received?	Yes ___	No X	Completed ___
Evaluation of Invitation for Proposal complete?	Yes ___	No X	Completed ___
Notice of Intent to award contract done?	Yes ___	No X	Completed ___
Contract Awarded?	Yes ___	No X	Completed ___
Design Phase Complete?	Yes ___	No X	Completed ___
Approval of final designs?	Yes ___	No X	Completed ___
Construction started on required date?	Yes ___	No X	Completed ___
Construction progressing on schedule?	Yes ___	No X	Completed ___
Construction progressing on budget?	Yes ___	No X	Completed ___
Substantial completion?	Yes ___	No X	Completed ___

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

None

Comments:

RFP released on October 24, 2012. RFP Pre-Proposal was held on November 4, 2012. Proposals are due December 7, 2012.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

Ronald J. May — Director of Facilities Planning and Management

Ronald J. May
Name of Representative

Director of Facilities Planning and Management
Title

Dated this 2nd day of December, 2011.

State of West Virginia
Design-Build Procurement Act
Marshall University
Parking Garage
November 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Marshall University

Address: One John Marshall Drive

City/State/Zip: Huntington, WV 25755

Contact Person: Ronald J. May

Telephone Number: (304)-696-6415 Fax Number: (304)-696-3297

E-Mail Address: mayr@marshall.edu

Date Project Approved by Board:

June 16, 2011

(Please check the appropriate box below)

Task	On Schedule		Completed
Criteria Developer Selected?	Yes X	No ___	Completed X
Preparation for Invitation for Qualification?	Yes X	No ___	Completed X
Release of Invitation for Qualification?	Yes X	No ___	Completed X
Responses to Invitation for Qualification received?	Yes X	No ___	Completed X
Evaluation of Invitation for Qualification complete?	Yes X	No ___	Completed X
Preparation for Invitation for Proposal?	Yes X	No ___	Completed X
Release of Invitation for Proposal?	Yes X	No ___	Completed X
Responses to Invitation for Proposals received?	Yes ___	No X	Completed ___
Evaluation of Invitation for Proposal complete?	Yes ___	No X	Completed ___
Notice of Intent to award contract done?	Yes ___	No X	Completed ___
Contract Awarded?	Yes ___	No X	Completed ___
Design Phase Complete?	Yes ___	No X	Completed ___
Approval of final designs?	Yes ___	No X	Completed ___
Construction started on required date?	Yes ___	No X	Completed ___
Construction progressing on schedule?	Yes ___	No X	Completed ___
Construction progressing on budget?	Yes ___	No X	Completed ___
Substantial completion?	Yes ___	No X	Completed ___

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

None

Comments:

RFP released on October 24, 2012. RFP Pre-Proposal was held on November 4, 2012. Proposals are due December 7, 2012.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

Ronald J. May — Director of Facilities Planning and Management

Ronald J. May
Name of Representative

Director of Facilities Planning and Management
Title

Dated this 2nd day of December, 2011.

State of West Virginia
Design-Build Procurement Act
Marshall University
Parking Garage
December 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Marshall University

Address: One John Marshall Drive

City/State/Zip: Huntington, WV 25755

Contact Person: Ronald J. May

Telephone Number: (304)-696-6415 Fax Number: (304)-696-3297

E-Mail Address: mayr@marshall.edu

Date Project Approved by Board:

June 16, 2011

(Please check the appropriate box below)

Task	On Schedule		Completed
Criteria Developer Selected?	Yes X	No ___	Completed X
Preparation for Invitation for Qualification?	Yes X	No ___	Completed X
Release of Invitation for Qualification?	Yes X	No ___	Completed X
Responses to Invitation for Qualification received?	Yes X	No ___	Completed X
Evaluation of Invitation for Qualification complete?	Yes X	No ___	Completed X
Preparation for Invitation for Proposal?	Yes X	No ___	Completed X
Release of Invitation for Proposal?	Yes X	No ___	Completed X
Responses to Invitation for Proposals received?	Yes X	No ___	Completed X
Evaluation of Invitation for Proposal complete?	Yes X	No ___	Completed X
Notice of Intent to award contract done?	Yes ___	No X	Completed ___
Contract Awarded?	Yes ___	No X	Completed ___
Design Phase Complete?	Yes ___	No X	Completed ___
Approval of final designs?	Yes ___	No X	Completed ___
Construction started on required date?	Yes ___	No X	Completed ___
Construction progressing on schedule?	Yes ___	No X	Completed ___
Construction progressing on budget?	Yes ___	No X	Completed ___
Substantial completion?	Yes ___	No X	Completed ___

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

None

Comments:

Proposals were received December 7, 2011. The Qualitative Proposals were evaluated on December 8 and 9. The Qualitative Proposals were scored on December 14. The Design Build Board approved the Qualitative process on December 15. The Cost Proposals were opened and scored on December 19. That Cost Scores will be presented to the Design Build Board on January 5, 2012.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

Ronald J. May

Ronald J May — Name of Representative

Director of Facilities Planning and Management — Title

Dated this 3RD day of January, 2012.

State of West Virginia
Design-Build Procurement Act
SOLAR POWER PLANT
Monongalia Urban Mass Transit Authority
July 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Monongalia Urban Mass Transit Authority

Address: 420 DuPont Road

City/State/Zip: Morgantown, WV 26501

Contact Person: David Bruffy

Telephone Number: (304)-296-3680 Fax Number: (304)-291-7429

E-Mail Address: Bruffy@busride.org

Date Project Approved by Board:

July 7, 2011

(Please check the appropriate box below)

Task	On Schedule					
Criteria Developer Selected?	Yes	X	No		Completed	
Preparation for Invitation for Qualification?	Yes	X	No		Completed	X
Release of Invitation for Qualification?	Yes	X	No		Completed	X
Responses to Invitation for Qualification received?	Yes		No	X	Completed	
Evaluation of Invitation for Qualification complete?	Yes		No	X	Completed	
Preparation for Invitation for Proposal?	Yes		No	X	Completed	
Release of Invitation for Proposal?	Yes		No	X	Completed	
Responses to Invitation for Proposals received?	Yes		No	X	Completed	
Evaluation of Invitation for Proposal complete?	Yes		No	X	Completed	
Notice of Intent to award contract done?	Yes		No	X	Completed	
Contract Awarded?	Yes		No	X	Completed	
Design Phase Complete?	Yes		No	X	Completed	
Approval of final designs?	Yes		No	X	Completed	
Construction started on required date?	Yes		No	X	Completed	
Construction progressing on schedule?	Yes		No	X	Completed	
Construction progressing on budget?	Yes		No	X	Completed	
Substantial completion?	Yes		No	X	Completed	

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

None

Comments:

The RFQ was released on July 15, 2011. A pre-proposal meeting was held on July 25, 2011.

The responses to the RFQ are due on August 16.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

David Bruff — General Manager

Name of Representative — Title

Dated this 29th day of July, 2011.

State of West Virginia
Design-Build Procurement Act
SOLAR POWER PLANT
Monongalia Urban Mass Transit Authority
July 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Monongalia Urban Mass Transit Authority

Address: 420 DuPont Road

City/State/Zip: Morgantown, WV 26501

Contact Person: David Bruffy

Telephone Number: (304)-296-3680 Fax Number: (304)-291-7429

E-Mail Address: Bruffy@busride.org

Date Project Approved by Board:

July 7, 2011

(Please check the appropriate box below)

Task	**On Schedule**					
Criteria Developer Selected?	Yes	X	No		Completed	
Preparation for Invitation for Qualification?	Yes	X	No		Completed	X
Release of Invitation for Qualification?	Yes	X	No		Completed	X
Responses to Invitation for Qualification received?	Yes		No	X	Completed	
Evaluation of Invitation for Qualification complete?	Yes		No	X	Completed	
Preparation for Invitation for Proposal?	Yes		No	X	Completed	
Release of Invitation for Proposal?	Yes		No	X	Completed	
Responses to Invitation for Proposals received?	Yes		No	X	Completed	
Evaluation of Invitation for Proposal complete?	Yes		No	X	Completed	
Notice of Intent to award contract done?	Yes		No	X	Completed	
Contract Awarded?	Yes		No	X	Completed	
Design Phase Complete?	Yes		No	X	Completed	
Approval of final designs?	Yes		No	X	Completed	
Construction started on required date?	Yes		No	X	Completed	
Construction progressing on schedule?	Yes		No	X	Completed	
Construction progressing on budget?	Yes		No	X	Completed	
Substantial completion?	Yes		No	X	Completed	

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

None

Comments:

The RFQ was released on July 15, 2011. A pre-proposal meeting was held on July 25, 2011.

The responses to the RFQ are due on August 16.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

David Bruffy
Name of Representative

General Manager
Title

David Bruffy

Digitally signed by David Bruffy
DN: cn=David Bruffy, o=Mountain Line Transit Authority, ou, email=Bruffy@busride.org, c=US
Date: 2011.08.03 10:52:24 -04'00'

Dated this 29th day of July, 2011.

State of West Virginia
Design-Build Procurement Act
SOLAR POWER PLANT
Monongalia Urban Mass Transit Authority
September 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Monongalia Urban Mass Transit Authority

Address: 420 DuPont Road

City/State/Zip: Morgantown, WV 26501

Contact Person: David Bruffy

Telephone Number: (304)-296-3680 Fax Number: (304)-291-7429

E-Mail Address: Bruffy@busride.org

Date Project Approved by Board:

July 7, 2011

(Please check the appropriate box below)

Task	On Schedule		
Criteria Developer Selected?	Yes X	No ___	Completed X
Preparation for Invitation for Qualification?	Yes X	No ___	Completed X
Release of Invitation for Qualification?	Yes X	No ___	Completed X
Responses to Invitation for Qualification received?	Yes X	No ___	Completed X
Evaluation of Invitation for Qualification complete?	Yes X	No ___	Completed X
Preparation for Invitation for Proposal?	Yes X	No ___	Completed X
Release of Invitation for Proposal?	Yes X	No ___	Completed X
Responses to Invitation for Proposals received?	Yes ___	No X	Completed ___
Evaluation of Invitation for Proposal complete?	Yes ___	No X	Completed ___
Notice of Intent to award contract done?	Yes ___	No X	Completed ___
Contract Awarded?	Yes ___	No X	Completed ___
Design Phase Complete?	Yes ___	No X	Completed ___
Approval of final designs?	Yes ___	No X	Completed ___
Construction started on required date?	Yes ___	No X	Completed ___
Construction progressing on schedule?	Yes ___	No X	Completed ___
Construction progressing on budget?	Yes ___	No X	Completed ___
Substantial completion?	Yes ___	No X	Completed ___

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

None

Comments:

The responses to the RFP are due on October 4.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

David Bruffy — Name of Representative

General Manager — Title

Dated this 5th day of September, 2011.

State of West Virginia
Design-Build Procurement Act
SOLAR POWER PLANT
Monongalia Urban Mass Transit Authority
August 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Monongalia Urban Mass Transit Authority

Address: 420 DuPont Road

City/State/Zip: Morgantown, WV 26501

Contact Person: David Bruffy

Telephone Number: (304)-296-3680 Fax Number: (304)-291-7429

E-Mail Address: Bruffy@busride.org

Date Project Approved by Board:

July 7, 2011

(Please check the appropriate box below)

Task	On Schedule			
Criteria Developer Selected?	Yes X	No ___	Completed ___	
Preparation for Invitation for Qualification?	Yes X	No ___	Completed ___	
Release of Invitation for Qualification?	Yes X	No ___	Completed ___	
Responses to Invitation for Qualification received?	Yes X	No ___	Completed ___	
Evaluation of Invitation for Qualification complete?	Yes X	No ___	Completed ___	
Preparation for Invitation for Proposal?	Yes X	No ___	Completed ___	
Release of Invitation for Proposal?	Yes X	No ___	Completed ___	
Responses to Invitation for Proposals received?	Yes ___	No X	Completed ___	
Evaluation of Invitation for Proposal complete?	Yes ___	No X	Completed ___	
Notice of Intent to award contract done?	Yes ___	No X	Completed ___	
Contract Awarded?	Yes ___	No X	Completed ___	
Design Phase Complete?	Yes ___	No X	Completed ___	
Approval of final designs?	Yes ___	No X	Completed ___	
Construction started on required date?	Yes ___	No X	Completed ___	
Construction progressing on schedule?	Yes ___	No X	Completed ___	
Construction progressing on budget?	Yes ___	No X	Completed ___	
Substantial completion?	Yes ___	No X	Completed ___	

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

None

Comments:

Four responses to the RFQ were received on August 16. They were evaluated and scored on August 23 with 3 Design Builders making the short list. The Design Build Board approved the RFQ process on September 1. The RFP was released on September 2. Their will be a pre-proposal meeting on September 13. The responses to the RFP are due on October 4.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

David Bruffy DB
Name of Representative

General Manager
Title

David Bruffy
Digitally signed by David Bruffy
DN: cn=David Bruffy, o=Mountain Line Transit Authority, ou, email=Bruffy@busride.org, c=US
Date: 2011.09.06 08:04:36 -04'00'

Dated this 6th day of July Sept., 2011.

State of West Virginia
Design-Build Procurement Act

SOLAR POWER PLANT

Monongalia Urban Mass Transit Authority
October 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Monongalia Urban Mass Transit Authority

Address: 420 DuPont Road

City/State/Zip: Morgantown, WV 26501

Contact Person: David Bruffy

Telephone Number: (304)-296-3680 Fax Number: (304)-291-7429

E-Mail Address: Bruffy@busride.org

Date Project Approved by Board:

July 7, 2011

(Please check the appropriate box below)

Task	On Schedule		
Criteria Developer Selected?	Yes X	No ___	Completed X
Preparation for Invitation for Qualification?	Yes X	No ___	Completed X
Release of Invitation for Qualification?	Yes X	No ___	Completed X
Responses to Invitation for Qualification received?	Yes X	No ___	Completed X
Evaluation of Invitation for Qualification complete?	Yes X	No ___	Completed X
Preparation for Invitation for Proposal?	Yes X	No ___	Completed X
Release of Invitation for Proposal?	Yes X	No ___	Completed X
Responses to Invitation for Proposals received?	Yes X	No ___	Completed X
Evaluation of Invitation for Proposal complete?	Yes X	No ___	Completed X
Notice of Intent to award contract done?	Yes ___	No X	Completed ___
Contract Awarded?	Yes ___	No X	Completed ___
Design Phase Complete?	Yes ___	No X	Completed ___
Approval of final designs?	Yes ___	No X	Completed ___
Construction started on required date?	Yes ___	No X	Completed ___
Construction progressing on schedule?	Yes ___	No X	Completed ___
Construction progressing on budget?	Yes ___	No X	Completed ___
Substantial completion?	Yes ___	No X	Completed ___

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

None

Comments:

The RFP Proposals were received on October 10. The Qualitative Proposals were evaluated and scored on October 12. The Design Build Board approved the Qualitative Proposal process on October 20. The Cost Proposals were opened on October 25. We are meeting with the Design Build Board on November 3 for approval of the Cost Proposal process.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

David Bruffy — General Manager — David Bruffy

Digitally signed by David Bruffy
DN: cn=David Bruffy, o=Mountain Line Transit Authority, ou, email=Bruffy@bustride.org, c=US
Date: 2012.01.03 08:23:24 -05'00'

Name of Representative — Title

Dated this 5th day of ~~September~~ October, 2011.

State of West Virginia
Design-Build Procurement Act
SOLAR POWER PLANT
Monongalia Urban Mass Transit Authority
November 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Monongalia Urban Mass Transit Authority

Address: 420 DuPont Road

City/State/Zip: Morgantown, WV 26501

Contact Person: David Bruffy

Telephone Number: (304)-296-3680 Fax Number: (304)-291-7429

E-Mail Address: Bruffy@busride.org

Date Project Approved by Board:

July 7, 2011

(Please check the appropriate box below)

Task	On Schedule							
Criteria Developer Selected?	Yes	X	No		Completed	X		
Preparation for Invitation for Qualification?	Yes	X	No		Completed	X		
Release of Invitation for Qualification?	Yes	X	No		Completed	X		
Responses to Invitation for Qualification received?	Yes	X	No		Completed	X		
Evaluation of Invitation for Qualification complete?	Yes	X	No		Completed	X		
Preparation for Invitation for Proposal?	Yes	X	No		Completed	X		
Release of Invitation for Proposal?	Yes	X	No		Completed	X		
Responses to Invitation for Proposals received?	Yes	X	No		Completed	X		
Evaluation of Invitation for Proposal complete?	Yes	X	No		Completed	X		
Notice of Intent to award contract done?	Yes	X	No		Completed			
Contract Awarded?	Yes		No	X	Completed			
Design Phase Complete?	Yes		No	X	Completed			
Approval of final designs?	Yes		No	X	Completed			
Construction started on required date?	Yes		No	X	Completed			
Construction progressing on schedule?	Yes		No	X	Completed			
Construction progressing on budget?	Yes		No	X	Completed			
Substantial completion?	Yes		No	X	Completed			

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

Due to the Design-Build Board's determination that the highest score was not responsive without a valid Bid Bond and the resulting hearings, the project has been delayed one month. This may result in further delays due to seasonal weather.

Comments:

The Design Build Board reviewed the Cost Proposal Opening process on November 3rd and determined that MTV Solar's Bid Bond was not valid. The Board approved MCUMTA to proceed with negotiations with March-Westin first and then with G. A. Brown 2nd. MTV Solar requested a hearing of the Board on November 17 where the Board did not rescind their previous decision.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

David Bruffy — Name of Representative

General Manager — Title

Dated this 2nd day of November, 2011.

State of West Virginia
Design-Build Procurement Act
SOLAR POWER PLANT
Monongalia Urban Mass Transit Authority
November 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Monongalia Urban Mass Transit Authority

Address: 420 DuPont Road

City/State/Zip: Morgantown, WV 26501

Contact Person: David Bruffy

Telephone Number: (304)-296-3680 Fax Number: (304)-291-7429

E-Mail Address: Bruffy@busride.org

Date Project Approved by Board:

July 7, 2011

(Please check the appropriate box below)

Task	On Schedule		
Criteria Developer Selected?	Yes X	No ___	Completed X
Preparation for Invitation for Qualification?	Yes X	No ___	Completed X
Release of Invitation for Qualification?	Yes X	No ___	Completed X
Responses to Invitation for Qualification received?	Yes X	No ___	Completed X
Evaluation of Invitation for Qualification complete?	Yes X	No ___	Completed X
Preparation for Invitation for Proposal?	Yes X	No ___	Completed X
Release of Invitation for Proposal?	Yes X	No ___	Completed X
Responses to Invitation for Proposals received?	Yes X	No ___	Completed X
Evaluation of Invitation for Proposal complete?	Yes X	No ___	Completed X
Notice of Intent to award contract done?	Yes X	No ___	Completed ___
Contract Awarded?	Yes ___	No X	Completed ___
Design Phase Complete?	Yes ___	No X	Completed ___
Approval of final designs?	Yes ___	No X	Completed ___
Construction started on required date?	Yes ___	No X	Completed ___
Construction progressing on schedule?	Yes ___	No X	Completed ___
Construction progressing on budget?	Yes ___	No X	Completed ___
Substantial completion?	Yes ___	No X	Completed ___

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

Due to the Design-Build Board's determination that the highest score was not responsive without a valid Bid Bond and the resulting hearings, the project has been delayed one month. This may result in further delays due to seasonal weather.

Comments:

The Design Build Board reviewed the Cost Proposal Opening process on November 3rd and determined that MTV Solar's Bid Bond was not valid. The Board approved MCUMTA to proceed with negotiations with March-Westin first and then with G. A. Brown 2nd. MTV Solar requested a hearing of the Board on November 17 where the Board did not rescind their previous decision.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

David Bruffy — General Manager

Name of Representative — Title

Dated this 2nd day of December, 2011.

State of West Virginia
Design-Build Procurement Act
SOLAR POWER PLANT
Monongalia Urban Mass Transit Authority
December 2011 Monthly Status Report

This monthly report is being presented to the Design-Build Board as required by West Virginia Code, §5-22A-2 and Legislative Rules, 148-CSR-11.

Please forward your completed status report to:
Design-Build Board
c/o West Virginia Department of Administration
1900 Kanawha Boulevard, East
Room E-119
Charleston, WV 25305

PLEASE TYPE OR PRINT CLEARLY ALL INFORMATION

Name of Agency: Monongalia Urban Mass Transit Authority

Address: 420 DuPont Road

City/State/Zip: Morgantown, WV 26501

Contact Person: David Bruffy

Telephone Number: (304)-296-3680 Fax Number: (304)-291-7429

E-Mail Address: Bruffy@busride.org

Date Project Approved by Board:

July 7, 2011

(Please check the appropriate box below)

Task	On Schedule							
Criteria Developer Selected?	Yes	X	No		Completed	X		
Preparation for Invitation for Qualification?	Yes	X	No		Completed	X		
Release of Invitation for Qualification?	Yes	X	No		Completed	X		
Responses to Invitation for Qualification received?	Yes	X	No		Completed	X		
Evaluation of Invitation for Qualification complete?	Yes	X	No		Completed	X		
Preparation for Invitation for Proposal?	Yes	X	No		Completed	X		
Release of Invitation for Proposal?	Yes	X	No		Completed	X		
Responses to Invitation for Proposals received?	Yes	X	No		Completed	X		
Evaluation of Invitation for Proposal complete?	Yes	X	No		Completed	X		
Notice of Intent to award contract done?	Yes	X	No		Completed			
Contract Awarded?	Yes		No	X	Completed			
Design Phase Complete?	Yes		No	X	Completed			
Approval of final designs?	Yes		No	X	Completed			
Construction started on required date?	Yes		No	X	Completed			
Construction progressing on schedule?	Yes		No	X	Completed			
Construction progressing on budget?	Yes		No	X	Completed			
Substantial completion?	Yes		No	X	Completed			

Please identify any change orders that have been required on the project and state whether they will delay the construction time line or the project cost that was provided to the Board.

Due to the issue of the Design Builder receiving the highest score not providing a valid Bid Bond and the resulting hearings the project has been delayed two months. This may result in further delays due to seasonal weather.

Comments:

The Design Build Board reviewed the Cost Proposal Opening process on November 3rd and determined that MTV Solar's Bid Bond was not valid. The Board approved MCUMTA to proceed with negotiations with March-Westin first and then with G. A. Brown 2nd. MTV Solar requested a hearing of the Board on November 17 where the Board did not rescind their previous decision. The MCUMTA has received a protest form MTV requesting that their proposal be reinstated. The MCUMTA has asked the Design Build Board to resolve the protest. The Design Build Board at the December 15 meeting decided to obtain legal counsel prior to addressing MCUMTA request.

As the authorized agent of the Agency named above, I do hereby solemnly swear that the information contained in this "Monthly Status Report" is true and complete to the best of my knowledge.

David Bruffy
Name of Representative

General Manager
Title

David Bruffy

Digitally signed by David Bruffy
DN: cn=David Bruffy, o=Mountain Line Transit Authority, ou, email=Bruffy@bustide.org, c=US
Date: 2012.01.03 08:39:43 -05'00'

Dated this 3rd day of January, 2012.

Joint Committee on Government and Finance

January 2012

Department of Health and Human Resources

MEDICAID REPORT

November 2011 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2012

MONTH OF NOVEMBER 2011	ACTUALS SFY2011	TOTAL SFY2012	ACTUALS Current Month Ended 11/30/11	ESTIMATED Current Month 11/30/11	ACTUALS Year To-Date Thru 11/30/11	PROJECTED 12/1/11 Thru 06/30/12
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	164,043,833	176,928,067	12,351,022	17,035,921	66,981,642	109,946,425
Inpatient Hospital - DSH	54,602,728	55,616,400	11,487,593	13,904,100	25,099,076	30,517,324
Inpatient Hospital - Supplemental Payments	150,374,918	79,066,286	-	-	25,068,496	53,997,790
Inpatient Hospital - GME Payments	5,178,062	5,128,800	1,531,678	1,282,200	2,838,398	2,290,402
Mental Health Facilities	82,205,443	83,604,219	6,293,970	8,087,615	31,038,166	52,566,053
Mental Health Facilities - DSH Adjustment Payments	18,870,766	18,866,400	4,720,942	4,716,600	9,442,647	9,423,753
Nursing Facility Services - Regular Payments	497,490,876	533,935,963	45,852,110	44,518,200	215,273,911	318,662,052
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	62,315,850	68,807,100	5,502,907	5,733,925	26,674,754	42,132,346
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	120,938,365	129,796,223	9,855,651	12,527,271	45,699,030	84,097,194
Physicians Services - Supplemental Payments	28,779,948	30,575,400	-	-	13,361,272	17,214,128
Outpatient Hospital Services - Regular Payments	104,867,944	107,096,383	8,313,799	10,317,252	43,713,812	63,382,571
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	355,934,526	368,792,906	31,235,052	35,925,710	149,876,013	218,916,893
Drug Rebate Offset - National Agreement	(178,030,580)	(156,989,600)	(3,786,000)	(6,436,263)	(102,406,734)	(54,582,866)
Drug Rebate Offset - State Sidebar Agreement	(18,264,735)	(20,042,600)	(176,328)	(781,864)	(7,581,702)	(12,460,898)
Dental Services	65,110,306	61,522,537	5,005,901	5,935,789	22,848,352	38,674,185
Other Practitioners Services - Regular Payments	11,297,560	13,106,060	949,441	1,333,548	4,699,419	8,406,641
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	5,014,428	5,507,120	(97,845)	546,308	1,591,697	3,915,423
Lab & Radiological Services	23,034,934	23,867,397	2,109,196	2,338,775	9,583,954	14,283,443
Home Health Services	44,244,071	45,150,371	3,692,086	4,396,529	21,216,941	23,933,430
Hysterectomies/Sterilizations	202,721	221,100	14,328	21,260	80,262	140,838
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	1,393,791	1,692,037	103,506	163,558	560,949	1,131,088
Rural Health Clinic Services	7,938,113	9,400,347	678,088	915,423	2,892,056	6,508,292
Medicare Health Insurance Payments - Part A Premiums	17,589,540	19,087,800	1,482,066	3,181,300	7,087,195	12,000,605
Medicare Health Insurance Payments - Part B Premiums	86,800,107	101,265,000	7,685,717	16,877,500	37,924,462	63,340,538
120% - 134% Of Poverty	6,412,164	7,018,300	605,158	674,837	2,951,701	4,066,599
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	7,200,103	7,611,400	586,478	731,865	2,720,398	4,891,002

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2012

MONTH OF NOVEMBER 2011	ACTUALS SFY2011	TOTAL SFY2012	ACTUALS Current Month Ended 11/30/11	ESTIMATED Current Month 11/30/11	ACTUALS Year To-Date Thru 11/30/11	PROJECTED 12/1/11 Thru 06/30/12
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	331,340,463	332,146,800	28,584,696	27,678,900	140,889,792	191,257,008
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	430,840	474,700	-	45,644	148,971	325,729
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	22,935	-	-	-	-	-
Home & Community-Based Services (MR/DD)	250,190,675	291,985,942	16,857,593	26,230,980	101,538,880	190,447,062
Home & Community-Based Services (Aged/Disabled)	105,384,910	157,141,155	12,217,696	11,082,710	52,013,674	105,127,481
Home & Community-Based Services (Traumatic Brain Injury)	-	2,600,925	-	250,089	-	2,600,925
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	11,987	(11,987)
Personal Care Services - Regular Payments	43,271,225	54,253,564	4,014,189	4,522,077	19,580,438	34,673,126
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	3,683,372	4,102,733	220,119	398,385	1,260,720	2,842,013
Primary Care Case Management Services	311,397	362,800	15,975	34,885	111,365	251,435
Hospice Benefits	23,031,071	23,968,000	2,439,831	2,304,615	9,830,780	14,137,220
Emergency Services Undocumented Aliens	250,549	252,200	25,148	24,250	122,969	129,231
Federally Qualified Health Center	17,062,376	18,053,125	2,067,716	1,754,317	7,809,013	10,244,112
Non-Emergency Medical Transportation	22,846,997	23,329,348	1,859,432	2,245,683	10,379,610	12,949,738
Physical Therapy	1,950,648	1,993,133	184,721	191,933	838,486	1,154,647
Occupational Therapy	259,371	223,033	23,426	21,760	145,654	77,379
Services for Speech, Hearing & Language	322,095	261,398	45,440	25,500	249,649	11,749
Prosthetic Devices, Dentures, Eyeglasses	1,750,474	1,982,028	180,385	191,817	790,138	1,191,890
Diagnostic Screening & Preventive Services	506,980	555,348	52,469	53,519	217,638	337,710
Nurse Mid-Wife	241,124	280,900	9,689	27,010	95,635	185,265
Emergency Hospital Services	1,340,493	5,903,671	(1,362)	567,808	7,303	5,896,368
Critical Access Hospitals	31,130,998	33,377,270	2,485,424	3,213,404	12,242,067	21,135,203
Nurse Practitioner Services	1,296,506	1,242,745	97,968	119,913	527,177	715,568
School Based Services	55,049,683	66,000,436	3,280,004	6,350,596	17,373,035	48,627,401
Rehabilitative Services (Non-School Based)	76,039,609	88,073,374	5,968,344	8,019,952	32,392,287	55,681,087
Private Duty Nursing	4,856,304	5,087,998	281,012	512,538	1,895,455	3,192,543
Other Care Services	20,936,984	22,969,227	1,764,038	2,209,659	8,872,917	14,096,310
Less: Recoupments	-	-	(149,306)	-	(259,262)	259,262
NET EXPENDITURES:	2,719,053,859	2,913,253,269	238,521,164	282,025,303	1,078,322,546	1,834,930,724

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2012

MONTH OF NOVEMBER 2011	ACTUALS SFY2011	TOTAL SFY2012	ACTUALS Current Month Ended 11/30/11	ESTIMATED Current Month 11/30/11	ACTUALS Year To-Date Thru 11/30/11	PROJECTED 12/1/11 Thru 06/30/12
Collections: Third Party Liability (line 9A on CMS-64)	(9,341,740)	-	-	-	(1,452,280)	1,452,280
Collections: Probate (line 9B on CMS-64)	(81,809)	-	-	-	(38,068)	38,068
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(396)	-	-	-	(1,205)	1,205
Collections: Other (line 9D on CMS-64)	(7,250,803)	-	-	-	(2,848,009)	2,848,009
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	2,702,379,111	2,913,253,269	238,521,164	282,025,303	1,073,982,984	1,839,270,286
Plus: Medicaid Part D Expenditures	18,156,396	33,719,754	2,875,740	3,242,284	13,127,460	20,592,294
Plus: State Only Medicaid Expenditures	4,750,829	4,580,645	319,192	454,641	1,467,774	3,112,872
Plus: Money Follow the Person Expenditures	-	3,964,312	-	381,184	-	3,964,312
TOTAL MEDICAID EXPENDITURES	$ 2,725,286,336	$ 2,955,517,980	$ 241,716,095	$ 286,103,412	$ 1,088,578,217	$ 1,866,939,763
Plus: Reimbursables [1]	5,304,734	5,832,222	496,877	559,166	2,532,096	3,300,126
TOTAL EXPENDITURES	$ 2,730,591,069	$ 2,961,350,203	$ 242,212,972	$ 286,662,578	$ 1,091,110,313	$ 1,870,239,889

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

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
MEDICAID CASH REPORT
SFY2012

MONTH OF NOVEMBER 2011	ACTUALS SFY2011	ACTUALS Current Month Ended 11/30/11	ACTUALS Year-To-Date Thru 11/30/11 (5 Months Actuals)	PROJECTED 12/1/2011 Thru 6/30/12 (7 Months Remaining)	TOTAL SFY2012
REVENUE SOURCES					
Beg. Bal (5084/1020 prior mth)	$ 213,690,990	$ 94,858,173	$ 210,933,113	$ -	$ 210,933,113
MATCHING FUNDS					
General Revenue (0403/189)	222,471,412	13,434,880	53,285,927	165,184,671	218,470,598
MRDD Waiver (0403/466)	87,753,483	6,508,589	30,767,875	57,985,608	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	1,081,666	1,514,334	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	2,648,334	3,707,666	6,356,000
Traumatic Brain Injury (0403/835)	-	66,667	333,334	466,666	800,000
Title XIX Waiver for Seniors (0403-533)	7,500,000	703,083	3,323,666	8,763,834	12,087,500
Lottery Waiver (Less 550,000) (5405/539)	23,272,578	8,000,000	16,000,000	15,272,578	31,272,578
Lottery Transfer (5405/871)	16,670,000	2,200,000	4,400,000	4,270,000	8,670,000
Trust Fund Appropriation (5185/189)	-	-	-	30,556,594	30,556,594
Provider Tax (5090/189)	152,750,473	21,865,000	67,240,000	95,042,760	162,282,760
Certified Match	16,726,042	1,646,429	8,779,411	15,973,447	24,752,858
Reimbursables - Amount Reimbursed	3,688,478	766,566	3,581,522	2,250,701	5,832,222
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	712,458	73,220	357,882	(357,882)	-
CMS - 64 Adjustments	898,977	-	43,389	(43,389)	-
TOTAL MATCHING FUNDS	$ 755,086,891	$ 150,868,607	$ 402,776,118	$ 400,587,588	$ 803,363,706
FEDERAL FUNDS	$ 2,191,395,795	$ 167,340,695	$ 779,321,546	$ 1,348,824,590	$ 2,128,146,136
TOTAL REVENUE SOURCES	$ 2,946,482,686	$ 318,209,302	$ 1,182,097,664	$ 1,749,412,178	$ 2,931,509,842
TOTAL EXPENDITURES:					
Provider Payments	$ 2,730,591,069	$ 242,212,972	$ 1,091,110,313	$ 1,870,239,889	$ 2,961,350,203
TOTAL	$ 215,891,617	$ 75,996,330	$ 90,987,351		$ (29,840,361)

Note: FMAP (83.05% applicable July - Dec. 2010) (80.05% applicable Jan. 2011 - Mar. 2011) (78.05% applicable Apr. 2011 - Jun. 2011)

West Virginia Investment Management Board

Monthly Performance Report

November 30, 2011

West Virginia Investment Management Board
Participant Plans Allocation & Performance Net of Fees
As of November 30, 2011

	6/30/2011		11/30/2011		Performance %						
	Asset ($000)	%	Asset ($000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	**12,849,850**	**100.0**	**12,413,135**	**100.0**							
Pension Assets	**10,191,097**	**79.3**	**9,659,275**	**77.8**							
Public Employees' Retirement System	4,359,025	33.8	4,141,192	33.3	-1.5	-0.8	-4.4	4.8	15.2	2.6	6.0
Teachers' Retirement System	5,010,212	38.9	4,710,017	37.8	-1.5	-0.8	-4.4	4.7	14.6	2.1	5.7
Teachers' Employers Cont. Collection A/C	-	0.0	30,974	0.3	0.0	0.0	0.0	0.0	0.2		
EMS Retirement System	31,963	0.3	31,717	0.3	-1.5	-1.0	-4.5	4.6	15.0		
Public Safety Retirement System	482,005	3.8	448,065	3.6	-1.5	-0.9	-4.5	4.8	15.2	2.6	6.1
Judges' Retirement System	124,587	1.0	118,569	1.0	-1.5	-0.9	-4.4	4.7	15.1	2.6	6.0
State Police Retirement System	70,756	0.6	70,139	0.6	-1.5	-1.0	-4.5	4.6	15.0	2.6	5.9
Deputy Sheriffs' Retirement System	112,488	0.9	108,504	0.9	-1.5	-0.9	-4.4	4.7	15.1	2.6	6.0
Municipal Police & Firefighter Retirement System	61	0.0	98	0.0	-1.5	-1.5	-1.5	-1.4			
Insurance Assets	**1,968,581**	**15.3**	**1,912,071**	**15.4**							
Workers' Compensation Old Fund	933,073	7.3	906,115	7.3	-0.9	-0.2	-1.0	4.0	11.9	3.0	
Workers' Comp. Self-Insured Guaranty Risk Pool	9,627	0.1	9,993	0.1	-0.8	-0.3	-1.4	3.8	1.7	2.7	
Workers' Comp. Uninsured Employers Fund	8,911	0.1	8,778	0.1	-0.9	-0.3	-1.5	3.7	1.2	2.3	
Pneumoconiosis	261,558	1.9	253,097	2.0	-0.9	-0.4	-1.5	3.8	12.2	3.6	
Board of Risk & Insurance Mgmt.	140,522	1.1	132,570	1.1	-0.8	-0.2	-1.3	3.9	13.1	4.5	
Public Employees' Insurance Agency	175,171	1.4	175,630	1.4	-0.7	0.0	0.3	4.4	12.5	4.0	
WV Retiree Health Benefit Trust Fund	437,457	3.4	423,543	3.4	-1.2	-0.6	-3.2	3.8	13.0		
AccessWV	2,262	0.0	2,345	0.0	-0.1	1.0	3.7	7.2			
Endowment Assets	**690,172**	**5.4**	**841,789**	**6.8**							
Wildlife Fund	40,380	0.3	38,770	0.3	-1.5	-0.8	-4.5	4.7	15.1	2.6	6.1
Prepaid Tuition Trust	84,791	0.7	77,885	0.6	-0.9	0.0	-3.2	5.1	16.6	3.5	6.5
Revenue Shortfall Reserve Fund	242,748	1.9	405,041	3.3	0.0	1.2	4.0	7.6	13.7	1.8	
Revenue Shortfall Reserve Fund - Part B	315,738	2.4	313,919	2.5	-0.9	-0.1	-0.6	4.8	13.7	1.6	
WV DEP Trust	6,515	0.1	6,174	0.1	-1.5	-0.7	-5.7				

West Virginia Investment Management Board
Composite Asset Allocation & Performance Net of Fees
As of November 30, 2011

	Asset ($000)	%	Performance % 1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Investment Pools Composite	12,417,706	100.00							
Total Equity Composite	5,459,137	43.96	-2.40	-1.96	-10.76	2.40	16.91	0.24	5.54
Total Equity Policy Index			*-2.68*	*-2.13*	*-10.89*	*0.63*	*14.60*	*-1.41*	*4.69*
Excess Return			0.28	0.17	0.13	1.77	2.31	1.65	0.85
US Equity Composite	2,895,466	23.32	-0.06	2.75	-5.97	8.63	15.73	0.32	4.62
Russell 3000 Index			*-0.27*	*2.58*	*-5.78*	*7.00*	*15.29*	*0.06*	*3.57*
Excess Return			0.21	0.17	-0.19	1.63	0.44	0.26	1.05
Large Cap Composite	2,165,513	17.44	-0.09	3.12	-4.44	8.85	14.92	0.04	2.87
S&P 500 Index			*-0.22*	*2.90*	*-4.67*	*7.83*	*14.13*	*-0.18*	*2.91*
Excess Return			0.13	0.22	0.23	1.02	0.79	0.22	-0.04
Non-Large Cap Composite	729,953	5.88	0.02	1.73	-10.23	8.00	20.04	2.04	7.97
Russell 2500 Index			*-0.35*	*1.92*	*-9.99*	*4.65*	*20.42*	*1.29*	*7.13*
Excess Return			0.37	-0.19	-0.24	3.35	-0.38	0.75	0.84
International Equity Composite	2,563,671	20.64	-4.92	-6.85	-15.68	-3.91	17.55	0.57	7.88
MSCI AC World ex US Index			*-5.08*	*-6.71*	*-15.83*	*-5.49*	*13.70*	*-1.67*	*7.01*
Excess Return			0.16	-0.14	0.15	1.58	3.85	2.24	0.87
Fixed Income Composite	3,361,617	27.07	-0.79	-0.16	0.72	3.58	12.90	4.99	5.82
Fixed Income Policy			*-0.30*	*0.56*	*3.16*	*5.22*	*8.65*	*6.22*	*5.63*
Excess Return			-0.49	-0.72	-2.44	-1.64	4.25	-1.23	0.19
Core Fixed Income	1,134,887	9.14	-0.01	0.70	3.70	5.74			
Barclays Capital Aggregate			*-0.09*	*0.75*	*3.84*	*5.52*			
Excess Return			0.08	-0.05	-0.14	0.22			
Total Return Fixed Income	2,226,730	17.93	-1.18	-0.61	-0.79	2.43	13.60	5.17	6.35
Barclays Capital US Universal			*-0.30*	*0.56*	*3.16*	*5.22*	*8.65*	*6.05*	*5.83*
Excess Return			-0.88	-1.17	-3.95	-2.79	4.95	-0.88	0.52
TIPS Composite	947,375	7.63	0.79	2.42	7.30	11.76			
Barclays Capital U.S.TIPS			*0.77*	*2.41*	*7.28*	*11.76*			
Excess Return			0.02	0.01	0.02	0.00			
TRS Annuity	105,783	0.86	0.36	1.10	1.86	4.49			
Cash Composite	184,787	1.49	0.00	0.01	0.02	0.10	0.23	1.74	2.08
Citigroup 90 Day T-Bill + 15 bps			*0.01*	*0.04*	*0.08*	*0.27*	*0.30*	*1.72*	*2.12*
Excess Return			-0.01	-0.03	-0.06	-0.17	-0.07	0.02	-0.04
Private Equity Composite	982,754	7.91	-0.61	-0.30	5.37	14.54	14.42		
Real Estate Composite	304,243	2.45	-0.65	0.30	0.34	9.67	5.84		
Hedge Funds Composite	1,072,010	8.63	-0.40	-0.94	-2.11	1.48	8.23		
LIBOR + 400 bps			*0.37*	*1.09*	*1.81*	*4.33*	*4.47*		
Excess Return			-0.77	-2.03	-3.92	-2.85	3.76		

West Virginia Investment Management Board
Participant Plans Allocation vs. Targets
As of November 30, 2011

	Domestic Equity		Int'l Equity		Fixed Income		Private Equity		Real Estate		Hedge Funds		Cash	
	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %
Pension Assets														
Public Employees' Retirement System	27.0	25.0	23.8	25.0	26.3	27.0	10.1	10.0	3.2	3.0	9.3	10.0	0.3	0.0
Teachers' Retirement System	26.9	25.0	23.9	25.0	26.4	27.0	10.2	10.0	3.2	3.0	9.1	10.0	0.3	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	27.0	25.0	23.6	25.0	26.1	27.0	9.9	10.0	3.0	3.0	9.6	10.0	0.8	0.0
Public Safety Retirement System	26.9	25.0	24.0	25.0	26.2	27.0	10.2	10.0	3.1	3.0	9.5	10.0	0.1	0.0
Judges' Retirement System	27.3	25.0	23.9	25.0	25.8	27.0	10.1	10.0	3.1	3.0	9.6	10.0	0.2	0.0
State Police Retirement System	27.2	25.0	23.5	25.0	25.9	27.0	9.9	10.0	3.0	3.0	9.6	10.0	0.9	0.0
Deputy Sheriffs' Retirement System	26.8	25.0	23.7	25.0	26.3	27.0	10.0	10.0	3.0	3.0	9.7	10.0	0.5	0.0
Municipal Police & Firefighter Retirement System	22.5	0.0	22.3	0.0	24.4	0.0	9.1	0.0	2.0	0.0	9.2	0.0	10.5	100.0
Insurance Assets														
Workers' Compensation Old Fund	10.7	10.0	9.7	10.0	69.5	70.0	0.0	0.0	0.0	0.0	0.0	0.0	10.1	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	10.6	10.0	9.5	10.0	53.7	55.0	0.0	0.0	0.0	0.0	18.7	20.0	7.5	5.0
Workers' Comp. Uninsured Employers Fund	10.7	10.0	9.9	10.0	54.6	55.0	0.0	0.0	0.0	0.0	19.8	20.0	5.0	5.0
Pneumoconiosis	10.6	10.0	9.7	10.0	55.4	55.0	0.0	0.0	0.0	0.0	19.8	20.0	4.5	5.0
Board of Risk & Insurance Mgmt.	10.9	10.0	9.7	10.0	54.6	55.0	0.0	0.0	0.0	0.0	19.8	20.0	5.0	5.0
Public Employees' Insurance Agency	5.3	5.0	5.1	5.0	75.2	75.0	0.0	0.0	0.0	0.0	9.5	10.0	4.9	5.0
WV Retiree Health Benefit Trust Fund	18.7	17.5	17.2	17.5	44.7	45.0	0.0	0.0	0.0	0.0	19.4	20.0	0.0	0.0
AccessWV	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Endowment Assets														
Wildlife Fund	26.8	25.0	23.6	25.0	26.7	27.0	10.0	10.0	3.0	3.0	9.7	10.0	0.2	0.0
Prepaid Tuition Trust	33.6	32.9	16.2	16.1	48.9	51.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	10.5	10.0	9.8	10.0	79.6	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
WV DEP Trust	38.3	35.0	27.6	30.0	34.0	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0

Statutory Limitations
- Public Equity - 75%
- International Proportions of Equity, Fixed Income, and Real Estate - 30%
- Real Estate - 25%
- Private Equity and Hedge Funds - 20% in aggregate

PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Universal as of 4/1/08. Prior periods, 42% Russell 3000, 18% MSCI ACW ex USA, and 40% Barclays Capital Agggregate.

Total Equity Policy is 50% Russell 3000 and 50% MSCI ACW ex USA as of April 2008. Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.

Fixed Income Policy is 100% Barclays Capital Universal as of April 2008. Prior periods were the Barclays Capital Aggregate.

Western Policy Index is 100% Barclays Capital Universal as of April 2008. Prior periods were a custom index.

Returns are net of management fees. Returns shorter than one year are unannualized.

Status Report:

Workers' Compensation

Joint Committee on Government & Finance

January 2012

Provided by the West Virginia Offices of the Insurance Commissioner

Table of Contents:

Introduction

With the passage of S.B. 1004 in January 2005, significant changes were made to workers' compensation insurance in West Virginia. The State administered monopolistic fund effectively ended when a new domestic mutual insurance company, "BrickStreet", was formed to issue workers' compensation insurance on a going forward basis. BrickStreet began writing new workers' compensation insurance liabilities effective January 2006. (They also retained the workers' compensation insurance premium and incurred liability starting in July 2005.) The West Virginia workers' compensation insurance market was later opened to competition beginning in July 2008.

At the time when the domestic mutual insurance company was formed in order to begin to privatize the workers' compensation insurance market in West Virginia, a large legacy liability existed stemming from the historical operation of the State administered monopolistic fund. Subsequent to privatization, this legacy liability was retained by the State of West Virginia in what is now known as the "Old Fund." The Old Fund consists of all historical claims with dates of injuries or last exposure through June 30, 2005. Apart from those sections which specifically reference other "funds," the "private market," or the "self-insured" community (which began in July 2004), this report concerns the workers' compensation legacy liability of the State of West Virginia, i.e. the Old Fund.

Although belonging to the State of West Virginia, the administration of the Old Fund was initially placed via statute with BrickStreet. By January 2008, however, BrickStreet relinquished the administration of the Old Fund back to the State to be managed by the West Virginia Offices of the Insurance Commissioner. The West Virginia Offices of the Insurance Commissioner contracted with three Third Party Administrators (TPA's: Sedgwick Claims Management Services, Wells Fargo Disability Management, and American Mining Insurance Company) to ensure timely claim payments and proper claims management with the ultimate goal of claim resolution.

At January 2008, there were 47,961 active Old Fund workers' compensation insurance claims. The first Workers' Compensation Status Report to the Joint Committee on Government and Finance was issued in June 2008. The following pages update the status of the various workers' compensation funds and the activities associated with the administration of the workers' compensation responsibilities transitioned to the Offices of the Insurance Commissioner.

Definitions:

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

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

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

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

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

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

Inactive FBL Claim: an FBL claim for which an award had been sought, but was not afforded. Federal statues permit an appeal process which lasts for 1 year, so the claim would be reopened for consideration upon appeal. Some variance in the number of reported "inactive" claims has occurred in the past due to one TPA holding active reserves on "inactive" claims. This has subsequently been rectified. Denied Old Fund FBL claims are closed administratively after 6 months, as the TPA's bill for claims management services monthly on an open claims basis.

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

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

Non-FBL: claim for benefits other than a Federal Black Lung award, i.e. all other claim types.

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

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

Partial Award: claim for which benefits are being paid, but no official award has been made.

Payment Agreement: individual legal agreements that were made in order to settle a particular payment issue on a specific claim. These are different than your "standard" claim types, such as PTD or TPD. They identify a sub-set of claims that are not settled in the same philosophy that is practiced today. This normally references a situation in which a PT was granted years ago and the "onset" date was in litigation. A compromise was reached and a settlement was executed to the agreed up "onset" date. Although a settlement was executed, it was only applicable to an issue, not to the entire claim, so monthly payments continue to pay on these claims.

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

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

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

of gainful employment within a 75 mile driving distance of the claimant's home, or within the distance from the claimant's home to his or her pre-injury employment, whichever is greater, is a factor to be considered in determining whether or not a claimant is PTD.

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

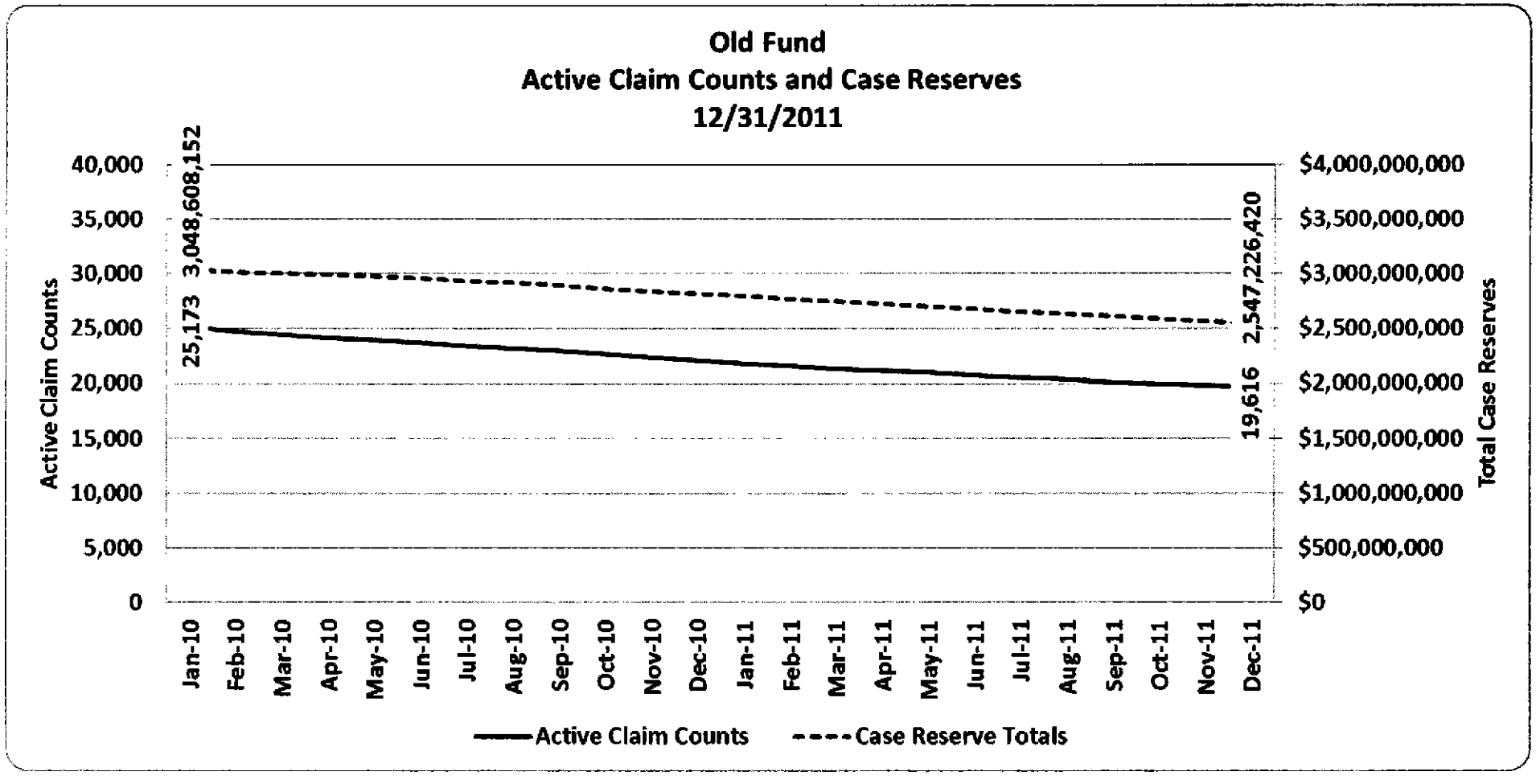
Self-Insured Guaranty Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure after 07/01/2004.

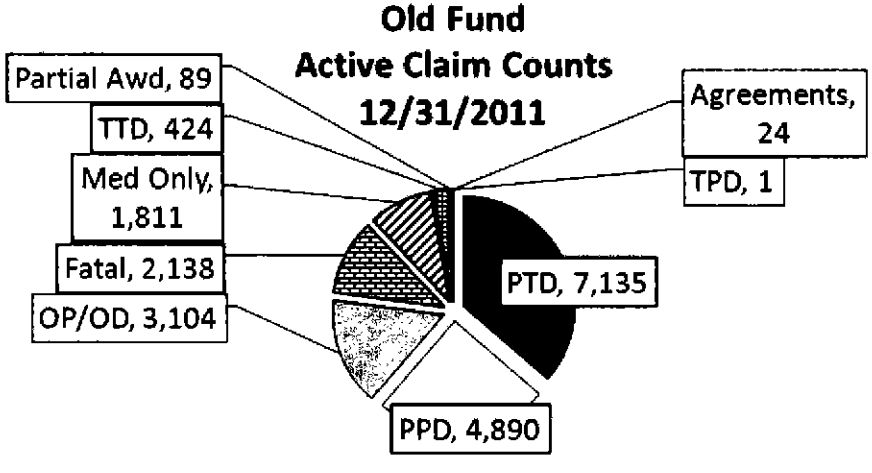
Self-Insured Security Fund: State managed fund into which premiums received are held, and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to claimants of those self-insured employers who have defaulted on their claims obligations after 12/31/2005.

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

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

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





Agreements – a legal agreement to settle a payment issue

Fatal – worker died due to injury or illness

Med Only –payment of medical benefits without wage replacement

OP/OD - Occupational Pneumoconiosis or Occupational Disease

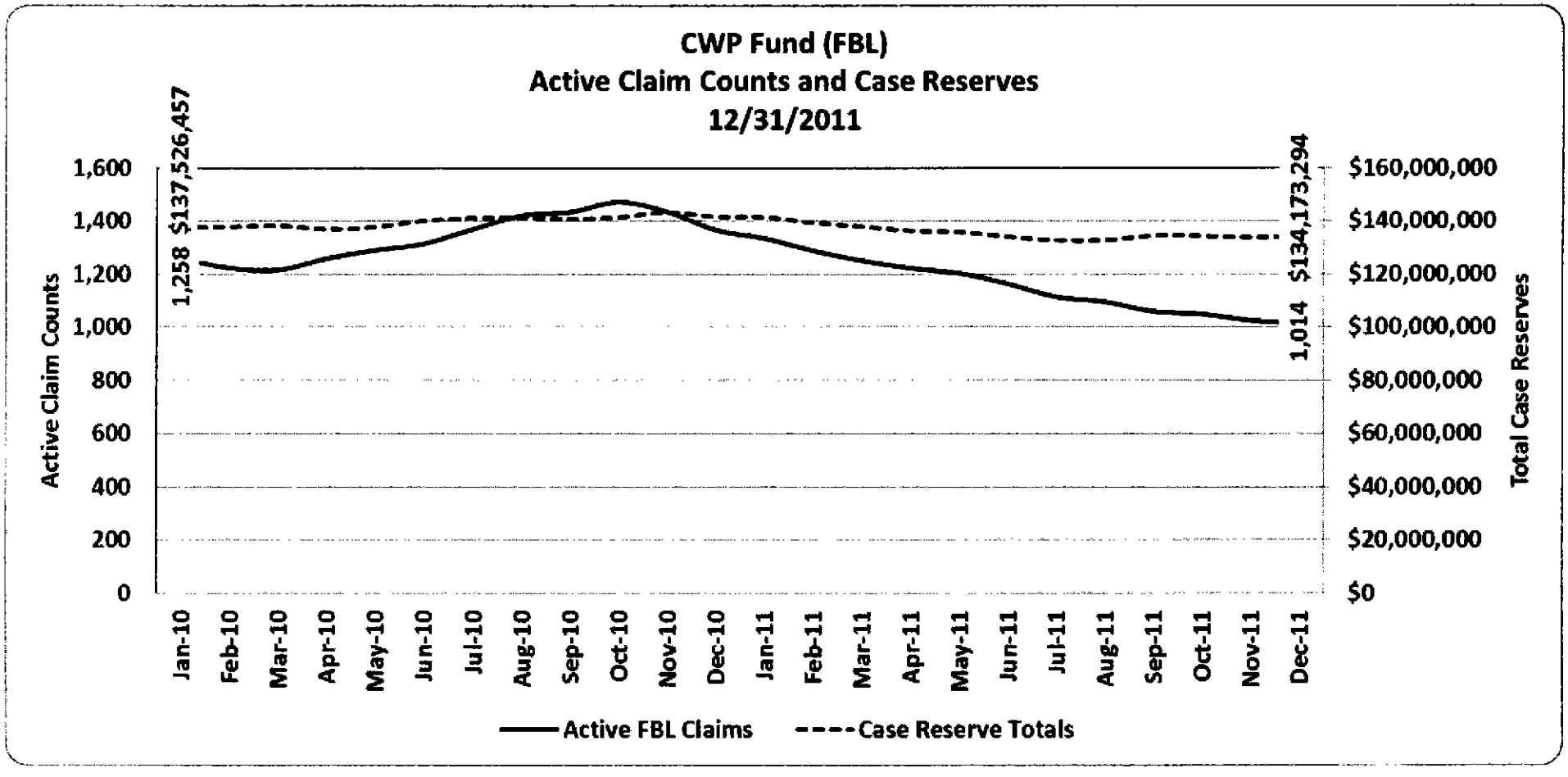
Partial Awd – benefits being paid without official awards

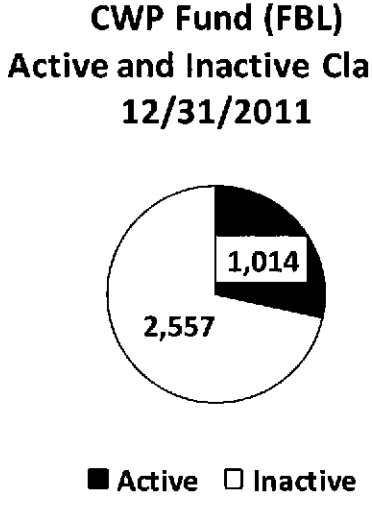
PPD - Permanent Partial Disability; unlikely to improve with treatment

PTD - Permanent Total Disability; unable to engage in employment

TPD - Temporary Partial Disability released to work with restrictions

TTD - Temporary Total Disability; unable to engage in employment



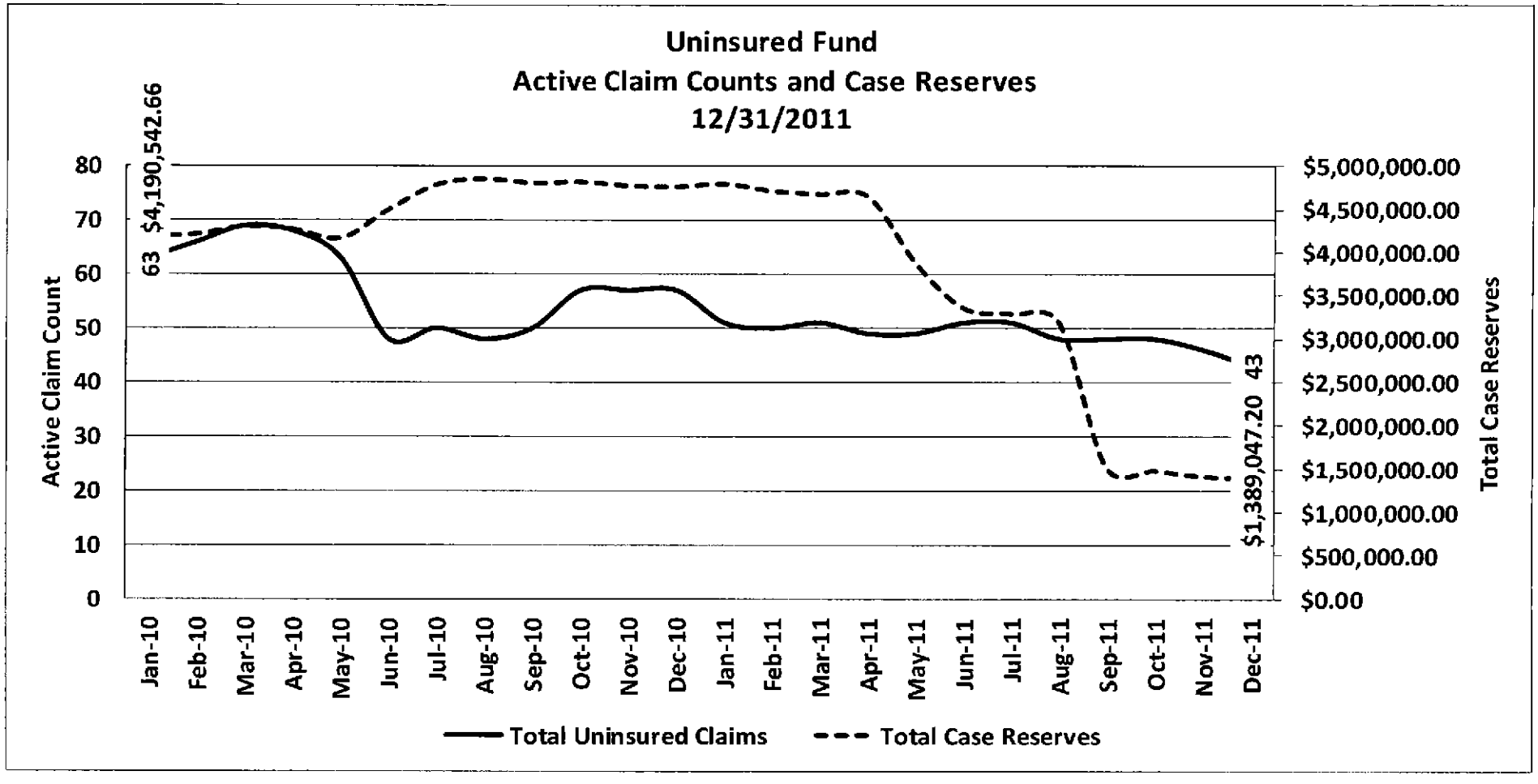


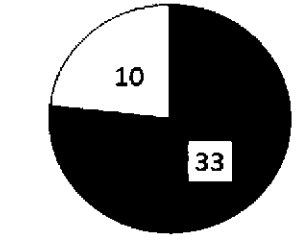
Active – Benefits being paid to claimant/beneficiary

CWP Fund - Coal Worker's Pneumoconiosis; miners/beneficiaries disabled or deceased

FBL - Occupational Pneumoconiosis (Black Lung) under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. Federal Black lung, or FBL.

Inactive – claim for which an award was sought, but not afforded. Federal statues permit an appeal, so claim may be reopened

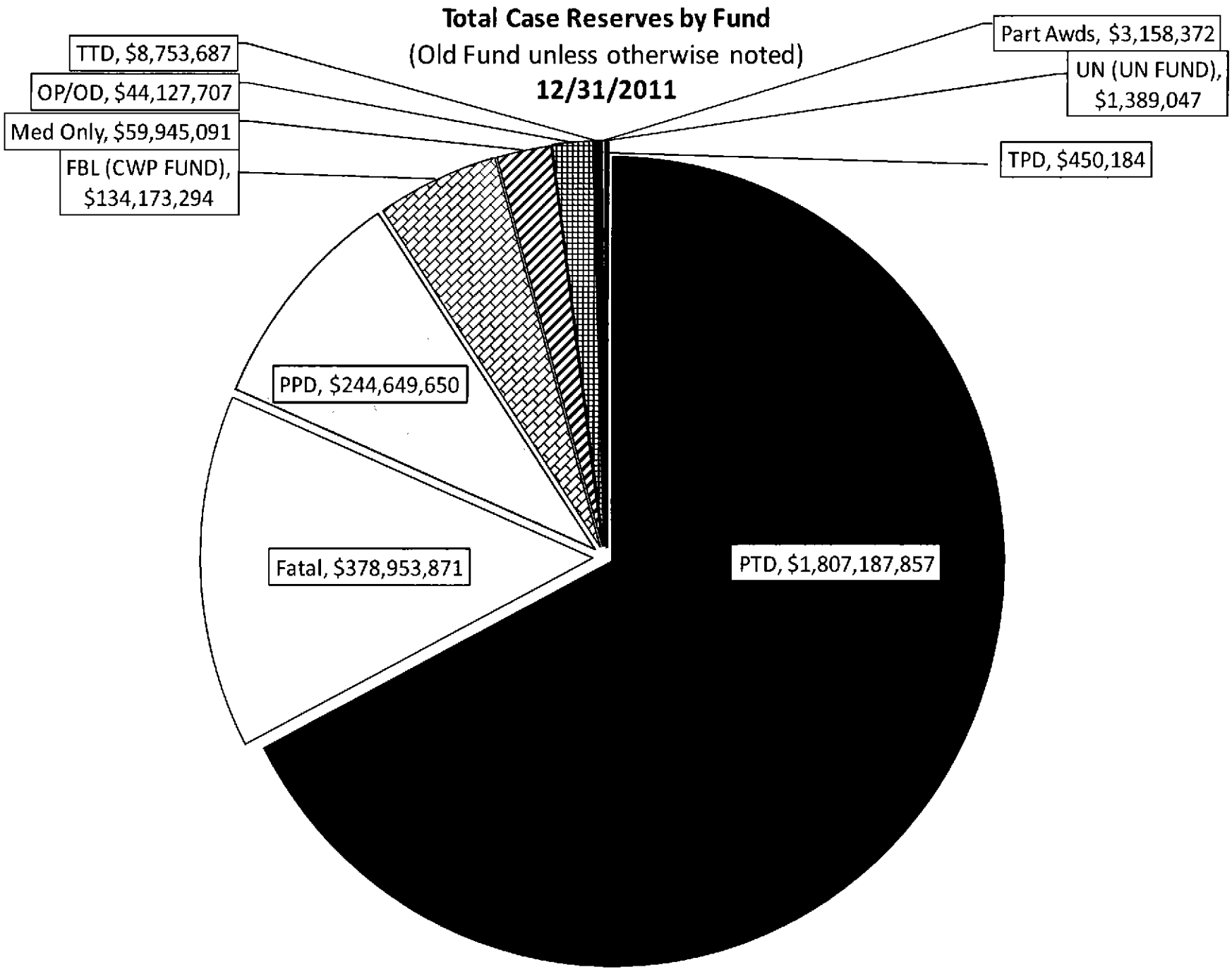




Indemnity – statutory wage replacement and medical benefits awarded

Med Only –payment of medical benefits without wage replacement

Uninsured (Employer's) Fund - (UEF) established January 1, 2006 to provide worker's compensation benefits to injured workers of uninsured WV employers. The Commissioner may recover all payments made from this fund, including interest, from an uninsured employer who is found liable for benefits paid from the UEF.


Total Case Reserves by Fund
(Old Fund unless otherwise noted)
12/31/2011
TTD, $8,753,687
OP/OD, $44,127,707
Med Only, $59,945,091
FBL (CWP FUND), $134,173,294
Part Awds, $3,158,372
UN (UN FUND), $1,389,047
TPD, $450,184
PPD, $244,649,650
Fatal, $378,953,871
PTD, $1,807,187,857

OLD FUND CASH STATEMENT
December 31, 2011

	1st Quarter To Date	2nd Quarter To Date	YTD FY2012	YTD FY2011	Change	FY2011	FY2010	FY2009
Cash Beginning Balances	**943,172,539**	**910,921,879**	**943,172,539**	**888,535,954**	**54,636,585**	**888,535,954**	**795,869,972**	**734,195,514**
Revenues								
Personal Income Tax	-	31,800,000	**31,800,000**	**31,800,000**	**-**	**95,400,000**	**95,400,000**	**95,400,000**
Severance Tax	22,788,115	22,795,286	**45,583,401**	**43,180,221**	**2,403,180**	**93,112,747**	**91,573,307**	**125,672,963**
Debt Reduction Surcharge	7,186,309	11,936,954	**19,123,263**	**20,672,966**	**(1,549,703)**	**41,096,360**	**39,594,122**	**40,115,329**
Self-Insured Debt Reduction Surcharge	2,048,300	2,540,628	**4,588,928**	**3,817,397**	**771,532**	**8,058,590**	**6,562,051**	**6,568,235**
Video Lottery	11,000,000	-	**11,000,000**	**11,000,000**	**-**	**11,000,000**	**11,000,000**	**11,000,000**
Employer Premium	147,817	139,178	**286,995**	**2,912,988**	**(2,625,994)**	**3,120,389**	**1,783,840**	**2,945,069**
Other Income - Return of Unclaimed Property	44,160	1,764	**45,924**	**15,487**	**30,437**	**191,860**	**95,620**	**39,392**
Operating Revenues	**43,214,701**	**69,213,810**	**112,428,511**	**113,399,059**	**(970,548)**	**251,979,946**	**246,008,940**	**281,740,988**
Surplus Note Principal Payments	-	-	-	-	-	-	**43,500,000**	**145,000,000**
Investment / Interest Earnings (Losses)	**(10,660,824)**	**(1,797,279)**	**(12,458,103)**	**40,622,080**	**(53,080,184)**	**88,270,887**	**102,218,697**	**(94,861,549)**
Total Revenues	**32,553,877**	**67,416,530**	**99,970,408**	**154,021,139**	**(54,050,732)**	**340,250,833**	**391,727,637**	**331,879,439**
Expenditures								
Claims Benefits Paid:								
Medical	9,371,214	10,228,659	**19,599,873**	**22,270,332**	**(2,670,459)**	**41,972,430**	**55,134,617**	**49,512,377**
Permanent Total Disability	32,450,414	31,565,594	**64,016,008**	**69,387,874**	**(5,371,866)**	**136,800,060**	**152,789,051**	**150,152,910**
Permanent Partial Disability	605,151	499,674	**1,104,826**	**1,454,344**	**(349,519)**	**2,513,255**	**4,890,325**	**8,171,853**
Temporary Disability	75,843	30,320	**106,163**	**261,516**	**(155,353)**	**384,571**	**1,322,403**	**2,033,710**
Fatals	7,239,636	7,050,626	**14,290,262**	**15,039,248**	**(748,986)**	**29,994,599**	**34,822,223**	**32,537,625**
104 weeks death benefit	1,669,209	1,930,949	**3,600,158**	**3,085,046**	**515,112**	**6,321,554**	**6,394,618**	**6,615,381**
Settlements	12,826,183	17,166,746	**29,992,929**	**27,297,704**	**2,695,225**	**50,628,569**	**24,145,535**	**3,219,641**
Loss Adjustment Expenses	523,464	595,363	**1,118,826**	**3,165,620**	**(2,046,794)**	**4,514,323**	**3,794,198**	**2,047,418**
Total	64,761,114	69,067,930	**133,829,044**	**141,961,683**	**(8,132,639)**	**273,129,360**	**283,292,970**	**254,290,915**
Less: Claims credits and overpayments	2,747,747	1,916,835	**4,664,583**	**3,597,932**	**1,066,651**	**7,666,404**	**4,327,846**	**2,612,892**
Total Benefits Paid	62,013,367	67,151,094	**129,164,462**	**138,363,751**	**(9,199,290)**	**265,462,956**	**278,965,124**	**251,678,023**
Administrative Expenses	2,791,170	6,687,340	**9,478,509**	**9,273,437**	**205,073**	**20,151,292**	**20,096,531**	**20,473,309**
Total Expenditures	**64,804,537**	**73,838,434**	**138,642,971**	**147,637,188**	**(8,994,217)**	**285,614,248**	**299,061,655**	**272,151,332**
Closing Transfer from Private Carrier Fund								**1,946,351**
Excess (Deficiency) of Revenues over Expenditures	**(32,250,660)**	**(6,421,904)**	**(38,672,563)**	**6,383,951**	**(45,056,515)**	**54,636,585**	**92,665,982**	**61,674,458**
Cash Ending Balances	**910,921,879**	**904,499,975**	**904,499,975**	**894,919,905**	**9,580,070**	**943,172,539**	**888,535,954**	**795,869,972**

Note: The purpose of the report is to enhance the user's ability to monitor the cash activities of the Old Fund. The Old Fund assets consist of the Old Fund cash, IMB and BTI Investment accounts and any deposits in transit from the Debt Reduction Fund. The liabilities of the Old Fund consist of the worker's compensation claims and related expenses for all claims, actual and incurred but not reported for claims with dates of injury on or before June 30, 2005. This report is intended to provide a summary of the cash based transactions related to the Fund's assets and liabilities and is not an accrual based presentation. The Old Fund Cash Statement is unaudited information.

COAL WORKERS PNEUMOCONIOSIS FUND
December 31, 2011

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended: FY2011	FY2010	FY2009
Cash Beginning Balances	262,926,105	244,074,613	18,851,492	244,074,613	221,866,212	261,695,430
Revenues						
Investment Earnings (Losses)	(5,225,259)	14,508,597	(19,733,857)	29,283,335	32,224,147	(28,434,390)
Other Income - Return of Unclaimed Property	-	-	-	-	899	132
Total Revenues	(5,225,259)	14,508,597	(19,733,857)	29,283,335	32,225,046	(28,434,258)
Expenditures						
Payment of Claims	5,512,406	5,154,435	357,971	10,415,160	9,978,121	11,395,319
Contractual / Professional	16,920	16,682	238	16,683	38,524	(359)
Total Expenditures	5,529,325	5,171,117	358,209	10,431,843	10,016,645	11,394,960
Excess (Deficiency) of Revenues over Expenditures	(10,754,585)	9,337,480	(20,092,065)	18,851,492	22,208,401	(39,829,218)
Cash Ending Balances	252,171,521	253,412,093	(1,240,572)	262,926,105	244,074,613	221,866,212

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

SELF-INSURED GUARANTY RISK POOL
December 31, 2011

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended: FY2011	FY2010	FY2009
Cash Beginning Balances	9,744,809	8,112,918	1,631,891	8,112,918	6,969,307	5,177,977
Revenues						
Guaranty Risk Pool Assessments	560,941	585,162	(24,221)	1,119,674	1,283,687	1,767,189
Investment Earnings (Losses)	(190,600)	80,586	(271,187)	592,165	9,237	68,517
Total Revenues	370,341	665,748	(295,407)	1,711,839	1,292,924	1,835,706
Expenditures						
Payment of Claims	11,405	16,876	(5,471)	28,707	104,821	44,376
Contractual / Professional	59,607	18,823	40,784	51,241	44,492	-
Total Expenditures	71,012	35,699	35,313	79,948	149,313	44,376
Excess (Deficiency) of Revenues over Expenditures	299,329	630,049	(330,720)	1,631,891	1,143,611	1,791,330
Cash Ending Balances	10,044,138	8,742,967	1,301,171	9,744,809	8,112,918	6,969,307

The Self-Insured Guaranty Risk Pool covers the claims liabilities of bankrupt or defaulted self-insured employers with dates of injury subsequent to July 1, 2004. The revenues of the Self-Insured Guaranty Fund are comprised of the guaranty risk pool assessments levied on all self-insured employers and the earnings on invested assets. The Self Insured Guaranty Cash Statement is unaudited information.

SELF-INSURED SECURITY RISK POOL
December 31, 2011

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended: FY2011	FY2010	FY2009
Cash Beginning Balances	**205,705**	**173,041**	**32,664**	**173,041**	-	-
Revenues						
Security Risk Pool Assessments	-	**101,644**	**(101,644)**	**115,568**	**173,041**	-
Total Revenues	-	**101,644**	**(101,644)**	**115,568**	**173,041**	-
Expenditures						
Payment of Claims	**1,708**	**73,580**	**(71,872)**	**73,649**	-	-
Contractual / Professional	-	**9,256**	**(9,256)**	**9,255**	-	-
Total Expenditures	**1,708**	**82,836**	**(81,128)**	**82,904**	-	-
Excess (Deficiency) of Revenues over Expenditures	**(1,708)**	**18,808**	**(20,516)**	**32,664**	**173,041**	-
Cash Ending Balances	**203,997**	**191,849**	**12,147**	**205,705**	**173,041**	-

The Self-Insured Security Risk Pool is liable for the worker's compensation claims of bankrupt or defaulted self-insured employers with dates of injury prior to July 1, 2004. However, the obligations of this Fund are limited to the exposures of self-insured employers who default subsequent to December 31, 2005. The Self-Insured Security Cash Statement is unaudited information.

UNINSURED EMPLOYERS FUND
December 31, 2011

	YTD FY2012	YTD FY2011	Change	Three Year History for years ended: FY2011	FY2010	FY2009
Cash Beginning Balances	9,086,330	8,905,444	180,886	8,905,444	8,588,268	8,164,225
Revenues						
Fines and Penalties	489,168	421,459	67,709	939,626	892,806	977,167
Investment Earnings (Losses)	(178,223)	(47,873)	(130,349)	474,728	10,923	100,907
Total Revenues	310,945	373,585	(62,640)	1,414,354	903,729	1,078,074
Expenditures						
Payment of Claims	307,043	301,892	5,151	1,224,982	577,819	654,031
Contractual/Professional	7,237	8,486	(1,249)	8,486	8,734	-
Total Expenditures	314,280	310,378	3,902	1,233,468	586,553	654,031
Excess (Deficiency) of Revenues over Expenditures	(3,335)	63,207	(66,543)	180,886	317,176	424,043
Cash Ending Balances	9,082,995	8,968,651	114,344	9,086,330	8,905,444	8,588,268

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

West Virginia Offices of the Insurance Commission

OFFICE OF JUDGES' REPORT

TO INDUSTRIAL COUNCIL – January 3, 2012

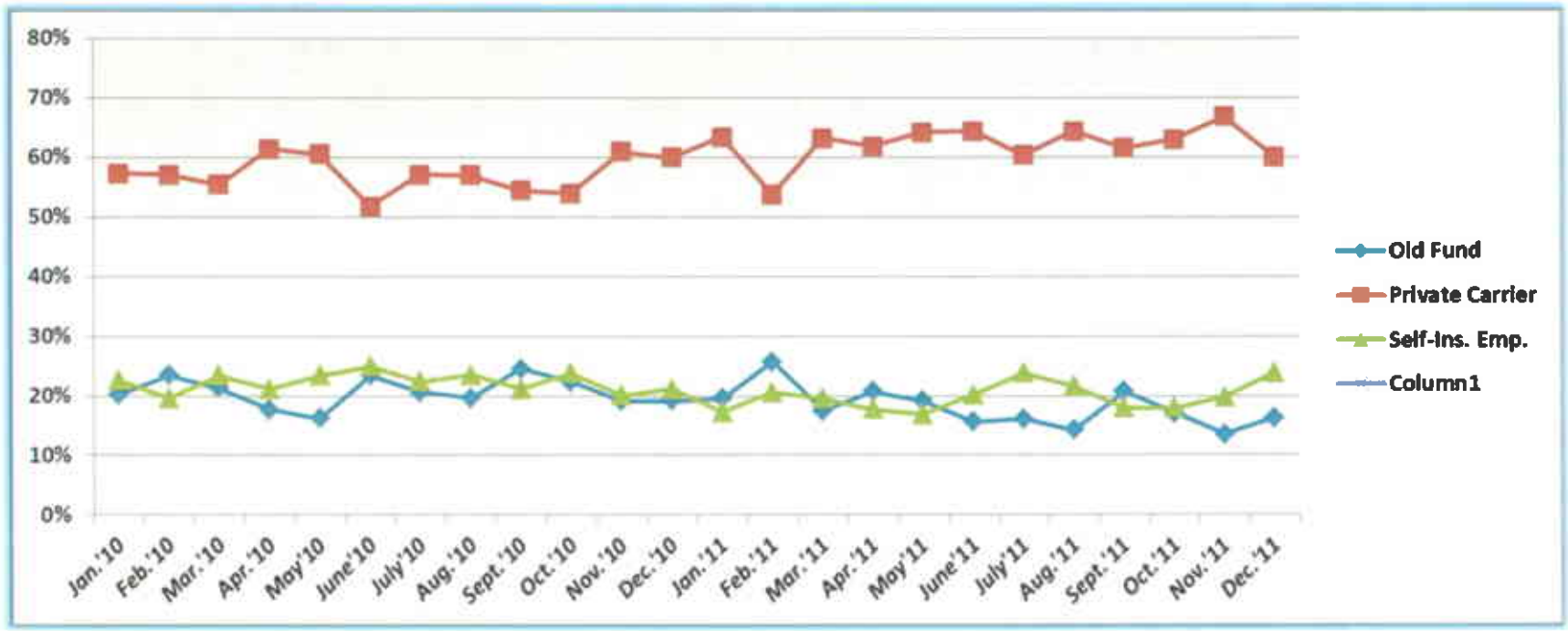
Rebecca A. Roush, Chief Administrative Law Judge

Statistical Analysis

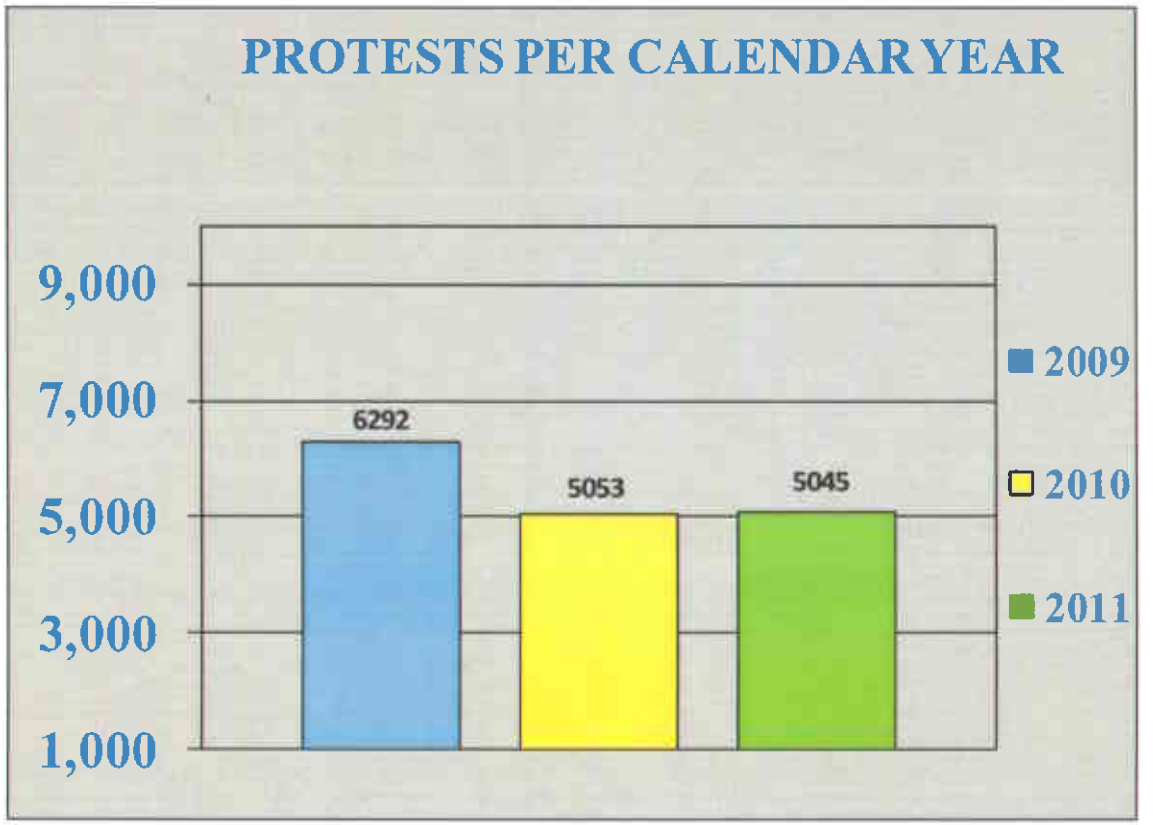
		2010	Dec.	2011
A.	Protests Acknowledged:	5052	377	5045

Fund Involved:

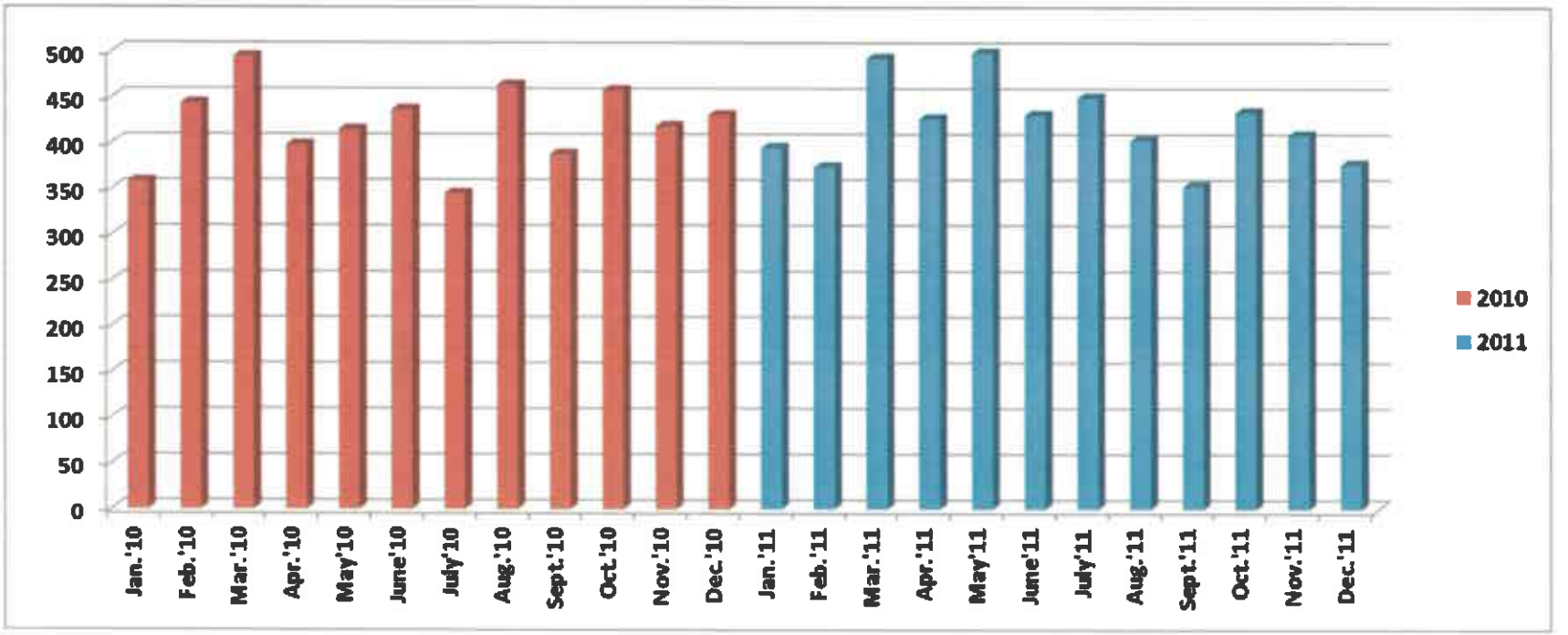
FUND	2010	% of protests	Dec.'11 2011	% of protests	2011	% of protests
Old Fund	1045	20.68%	61	16.18%	903	17.90%
Private Carrier	2885	57.11%	226	59.95%	3158	62.60%
Self-Insured	1122	22.21%	90	23.87%	984	19.50%
Subtotal	5052		377		5045	
Temporary	997		70		1029	
Total	6049		447		6074	



Protests Acknowledged by Carrier Type



Protests Including Projection for 2011



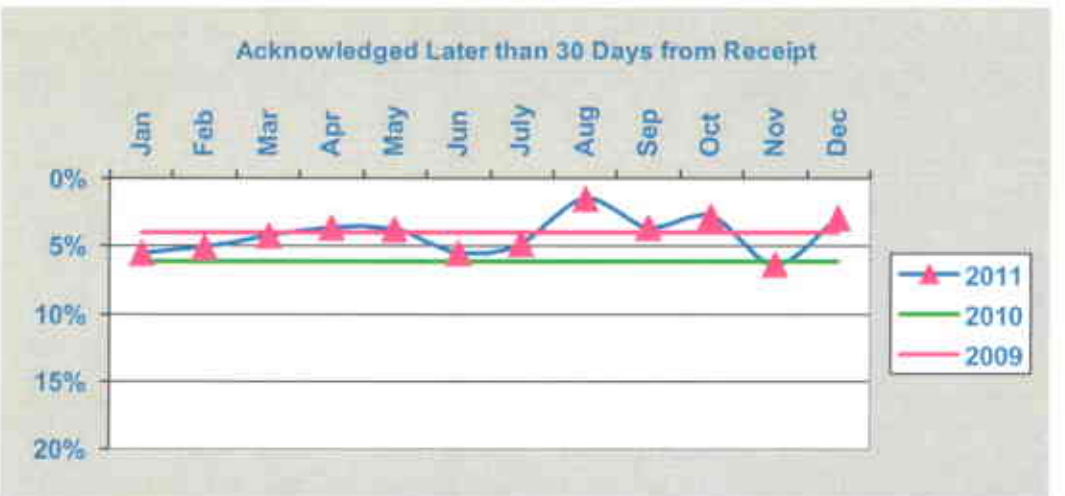
Protests Acknowledged by Month

B. Issues Resolved:	2010	Dec.	2011
	5327	449	5125

C. **Pending Caseload Report**

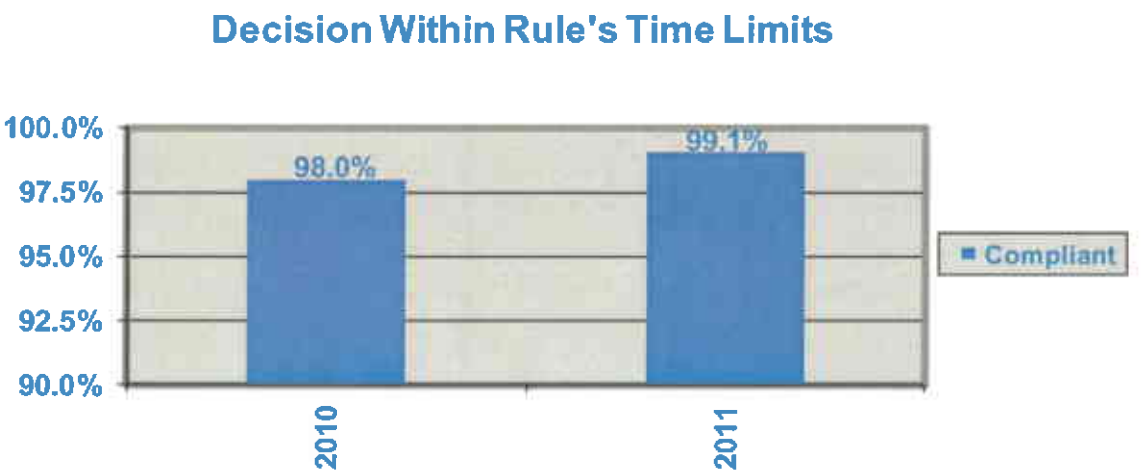
PENDING END OF December, 2011	3450
PENDING 1 MONTH BEFORE	3545
PENDING 2 MONTHS BEFORE	3528
PENDING 3 MONTHS BEFORE	3537
PENDING 6 MONTHS BEFORE	3691
PENDING 12 MONTHS BEFORE	3654

D. Acknowledgment Timeliness:	2010	Dec.	YTD
Protest Ackn. >30 days	6.1%	2.9%	4.3%
Protest Ackn. 24-30 days	1.7%	1.1%	2.3%
Protest Ackn. 11-23 days	23.2%	34.0%	31.1%
Protest Ackn. <11 days	68.9%	62.0%	62.3%



		Dec '11	2011
E.	**Protests Resolved:**		
	1. Protests decided:	233	3328
	2. Withdrawals:	70	814
	3. "No Evidence" Dismissals:	83	654

		2010	Dec. '11	2011
F.	**Final Decision Timeliness**			
	1. <30 days:	45.4%	41.4%	43.2%
	2. 30-60 days:	34.2%	57.7%	49.8%
	3. 60-90 days:	18.4%	0.8%	6.1%
	4. +90 days:	2.0%	0.0%	0.9



		2010	Dec.	2011
G.	**Time Standard Compliance**	88.2%	96.1%	92.4%

Tuesday, January 03, 2012

Time Standard Compliance

Report Dates: From 12/1/2011 thru 12/31/2011

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
OP NON-MED	1	1	100%	0	0%
SPECIAL CATEGORY	1	1	100%	0	0%
COMPENSABILITY	33	32	97%	1	3%
TRMT/EQUIP CL	48	45	93.8%	3	6.3%
IEB DETERMINATION	1	1	100%	0	0%
REOPENING	3	3	100%	0	0%
TTD	13	12	92.3%	1	7.7%
OPBD	8	7	87.5%	1	12.5%
PPD	46	46	100%	0	0%
Total	**154**	**148**	**96.1%**	**6**	**3.9%**

Tuesday, January 03, 2012

Final Decision Compliance

Report Dates: From 12/1/2011 thru 12/31/2011

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
APPLICATION THRESHOLD	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
OP NON-MED	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
PTD ENTITLEMENT	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
IEB DETERMINATION	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
SPECIAL CATEGORY	2	0	0.0%	1	50.0%	1	50.0%	0	0.0%
COMPENSABILITY	61	27	44.3%	34	55.7%	0	0.0%	0	0.0%
OPBD	6	2	33.3%	4	66.7%	0	0.0%	0	0.0%
DEP BEN FATAL	4	1	25.0%	3	75.0%	0	0.0%	0	0.0%
FAILURE TO ACT 30 DAY	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
PPD	21	10	47.6%	10	47.6%	1	4.8%	0	0.0%
REOPENING	9	0	0.0%	9	100.0%	0	0.0%	0	0.0%
TTD	28	8	28.6%	20	71.4%	0	0.0%	0	0.0%
TRMT/EQUIP CL	103	50	48.5%	53	51.5%	0	0.0%	0	0.0%
Totals	239	99	41.4%	138	57.7%	2	0.8%	0	0.0%

Tuesday, January 03, 2012

Motion Resolution Compliance

Report Dates: From 12/1/2011 thru 12/31/2011

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
APPLICATION THRESHOLD	4	3	75%	1	25%
BENEFIT OVERPAYMENT	4	4	100%	0	0%
FAILURE TO ACT 30 DAY	2	2	100%	0	0%
IEB DETERMINATION	7	7	100%	0	0%
PTD ENTITLEMENT	15	14	93.3%	1	6.7%
SPECIAL CATEGORY	2	2	100%	0	0%
PTD ONSET DATE	2	2	100%	0	0%
COMPENSABILITY	258	254	98.4%	4	1.6%
DEP BEN FATAL	16	15	93.8%	1	6.3%
REHABILITATION	2	2	100%	0	0%
TRMT/EQUIP CL	328	317	96.6%	11	3.4%
PPD	214	208	97.2%	6	2.8%
OP NON-MED	2	2	100%	0	0%
OPBD	63	62	98.4%	1	1.6%
REOPENING	58	58	100%	0	0%
TEMP2	3	3	100%	0	0%
TTD	102	99	97.1%	3	2.9%
Total	**1,082**	**1,054**	**97.4%**	**28**	**2.6%**

* Action Date < Motion Date
** Action Date > Motion Date

Tuesday, January 03, 2012

Acknowledgement Goal

Report Dates: From 12/1/2011 thru 12/31/2011

Description	Protests Acknowledged	Days to Acknowledge Protests > 30 Count	> 30 Percent	30-24 Count	30-24 Percent	23-11 Count	23-11 Percent	< 11 Count	< 11 Percent
APPLICATION THRESHOLD	**Total: 1**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**1**	**100.0%**
CFA - CL APP.THRESHOLD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
BENEFIT OVERPAYMENT	**Total: 1**	**0**	**0.0%**	**0**	**0.0%**	**1**	**100.0%**	**0**	**0.0%**
CBO - CL BEN. OVERPAYMENT	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
COMPENSABILITY	**Total: 67**	**3**	**4.5%**	**1**	**1.5%**	**33**	**49.3%**	**30**	**44.8%**
CCS - CL SEC.CONDITION	12	0	0.0%	0	0.0%	1	8.3%	11	91.7%
CHC - CL COMPENSABILITY	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIS - CL SI SEC.CONDITION	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CPI - CL SI REJECT CLAIM	8	1	12.5%	0	0.0%	4	50.0%	3	37.5%
CPJ - CL REJECT CLAIM	38	2	5.3%	1	2.6%	23	60.5%	12	31.6%
CRZ - CL REJ OCC DISEASE	4	0	0.0%	0	0.0%	4	100.0%	0	0.0%
EPJ - EM REJECT CLAIM	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
DEP BEN FATAL	**Total: 2**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**2**	**100.0%**
CIF - CL SI DY/GNT DTH BEN	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EIF - EM SI DY/GNT DTH BEN	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
FAILURE TO ACT 15 DAY	**Total: 5**	**0**	**0.0%**	**0**	**0.0%**	**3**	**60.0%**	**2**	**40.0%**
C01 - CL FTA INJ COMPENSAB	5	0	0.0%	0	0.0%	3	60.0%	2	40.0%
FAILURE TO ACT 30 DAY	**Total: 2**	**0**	**0.0%**	**0**	**0.0%**	**1**	**50.0%**	**1**	**50.0%**
C6A - CL FTA ACT UPON PPD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
C7E - CL FTA CPLY OJ/BR/SC	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
OP NON-MED	**Total: 1**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**1**	**100.0%**
CNR - CL NON-MED ORDER	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
OPBD	**Total: 20**	**0**	**0.0%**	**1**	**5.0%**	**11**	**55.0%**	**8**	**40.0%**
CAO - CL ADD BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CBF - CL % BOARD FINDING	6	0	0.0%	0	0.0%	3	50.0%	3	50.0%
CSF - CL% SI BOARD FINDING	5	0	0.0%	0	0.0%	4	80.0%	1	20.0%
CSO - CL SI AD.BRD FINDING	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
EBF - EM % BOARD FINDING	3	0	0.0%	1	33.3%	1	33.3%	1	33.3%
ESF - EM% SI BOARD FINDING	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
ESO - EM SI AD.BRD FINDING	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
PPD	**Total: 99**	**4**	**4.0%**	**0**	**0.0%**	**29**	**29.3%**	**66**	**66.7%**
C8Q - CL OIC ADD% AWRD D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CAA - CL ADDL % AWARD D/G	7	1	14.3%	0	0.0%	1	14.3%	5	71.4%
CAD - CL % AWARD DENY/GRNT	58	2	3.4%	0	0.0%	19	32.8%	37	63.8%
CIE - CL SI ADD% AWARD D/G	8	0	0.0%	0	0.0%	1	12.5%	7	87.5%
CIG - CL SI %AWARD DNY/GNT	25	1	4.0%	0	0.0%	8	32.0%	16	64.0%
PTD ENTITLEMENT	**Total: 1**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**1**	**100.0%**
CIT - CL SI DENY/GRANT PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REHABILITATION	**Total: 1**	**0**	**0.0%**	**0**	**0.0%**	**1**	**100.0%**	**0**	**0.0%**
CIP - CL SI G/D TP REHAB	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
REOPENING	**Total: 18**	**1**	**5.6%**	**0**	**0.0%**	**4**	**22.2%**	**13**	**72.2%**
CIY - CL SI DY/GNT R/O TTD	5	0	0.0%	0	0.0%	2	40.0%	3	60.0%
CJV - CL DNY/GRNT R/O PPD	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CLH - CL DNY/GRNT R/O PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CRD - CL DENY/GRNT R/O TTD	8	1	12.5%	0	0.0%	1	12.5%	6	75.0%
SPECIAL CATEGORY	**Total: 1**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**1**	**100.0%**
CNW - CL SPL CATEGORY	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
TRMT/EQUIP CL	**Total: 119**	**2**	**1.7%**	**1**	**0.8%**	**34**	**28.6%**	**82**	**68.9%**
CBX - CL TRMT DENY	83	1	1.2%	1	1.2%	23	27.7%	58	69.9%
CHH - CL AUTH HA/RPR D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CSX - CL SI TRMT DENY	25	0	0.0%	0	0.0%	7	28.0%	18	72.0%
CYY - CL TRMT GRANT	10	1	10.0%	0	0.0%	4	40.0%	5	50.0%
TTD	**Total: 39**	**1**	**2.6%**	**1**	**2.6%**	**11**	**28.2%**	**26**	**66.7%**
CCC - CL CLOSING THE CLAIM	25	1	4.0%	0	0.0%	7	28.0%	17	68.0%
CIC - CL SI CLSING THE CLM	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CJS - CL TTD	6	0	0.0%	0	0.0%	2	33.3%	4	66.7%
CPX - CL INITIAL TTD	5	0	0.0%	1	20.0%	1	20.0%	3	60.0%
Totals: Claims 327	377	11	2.9%	4	1.1%	128	34.0%	234	62.1%

Tuesday, January 03, 2012

Resolution of Issues

Report Dates: Decision Date from 12/1/2011 thru 12/31/2011

Time Standard	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
COMPENSABILITY	88	27	30.7	30	34.1	13	14.8	15	17	2	2.3	1	1.1	0	0	0	0
OP NON-MED	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
PTD ENTITLEMENT	3	0	0	1	33.3	0	0	2	66.7	0	0	0	0	0	0	0	0
DEP BEN FATAL	4	0	0	4	100	0	0	0	0	0	0	0	0	0	0	0	0
FAILURE TO ACT 30 DAY	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
SPECIAL CATEGORY	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
APPLICATION THRESHOLD	2	0	0	1	50	1	50	0	0	0	0	0	0	0	0	0	0
REOPENING	19	5	26.3	2	10.5	2	10.5	9	47.4	1	5.3	0	0	0	0	0	0
TTD	51	8	15.7	19	37.3	5	9.8	16	31.4	0	0	2	3.9	1	2	0	0
REHABILITATION	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
IEB DETERMINATION	2	0	0	1	50	0	0	1	50	0	0	0	0	0	0	0	0
OPBD	27	0	0	5	18.5	5	18.5	16	59.3	0	0	0	0	1	3.7	0	0
TRMT/EQUIP CL	150	30	20	66	44	20	13.3	30	20	2	1.3	1	0.7	1	0.7	0	0
PPD	99	9	9.1	11	11.1	37	37.4	42	42.4	0	0	0	0	0	0	0	0
Totals	**449**	**79**	**17.6**	**142**	**31.6**	**83**	**18.5**	**133**	**29.6**	**5**	**1.1**	**4**	**0.9**	**3**	**0.7**	**0**	**0**

OOJ – Petition for Attorney Fees for Unreasonable Denial

Petitions received 9/1/2005 through 12/31/11	**85**
Petitions denied on face:	26
Petitions denied by ALJ Decision:	33
Petitions granted:	11
Petitions withdrawn through settlement:	3
Petitions currently pending:	12

Failure to Timely Act Process

Petitions filed 9/1/05 through 12/31/11	
Filed:	**303**
Denied/dismissed:	120
Withdrawn:	12
Reports to OIC:	142
Pending	29

Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2009	5	6	5	4	10	14	10	6	12	4	5	9	**90**
2010	13	2	6	9	4	7	12	8	11	10	15	15	**112**
2011	10	16	11	15	21	16	11	13	9	8	12	10	**152**

Pro Se Claimant Information as of December 31, 2011

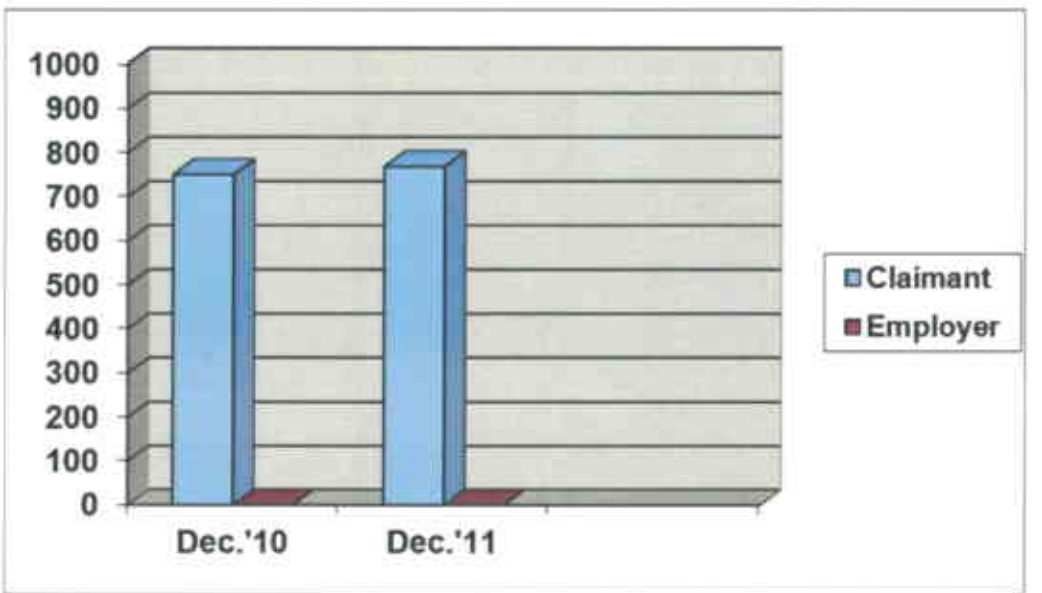
Pending Protests Involving Pro Se Claimants: 564

Pending Claims Involving Pro Se claimants: 518

OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year	
Party	**Month Dec.'11**	**% Protests**	**Month Dec.'10**	**% Protests**
Claimant	768	22.26%	750	20.53%
Employer				
Total	**768**		**750**	

Pending Treatment Issues



Workers' Compensation Board of Review
Offices located at 1207 Quarrier St, Charleston
All communications should be addressed to the Board of Review
at the address shown at the bottom of this page.
an equal opportunity/affirmative action employer

MEMORANDUM

To: Mike Riley, Acting Commissioner
Bill Dean, Chairman
Kent Hartsog,Vice Chairman
Dan Marshall
Honorable Brooks McCabe
Honorable Nancy Peoples Guthrie
Jim Dissen

From: Rita Hedrick-Helmick, Chairperson

Date: January 3, 2012

Re: Workers' Compensation Board of Review Monthly Report

Attached, please find the Board of Review's December 2011 monthly report.

A number of changes have been made to the Board's reports. You will find a total of eight reports as opposed to the two reports you previously received. These reports include the following:

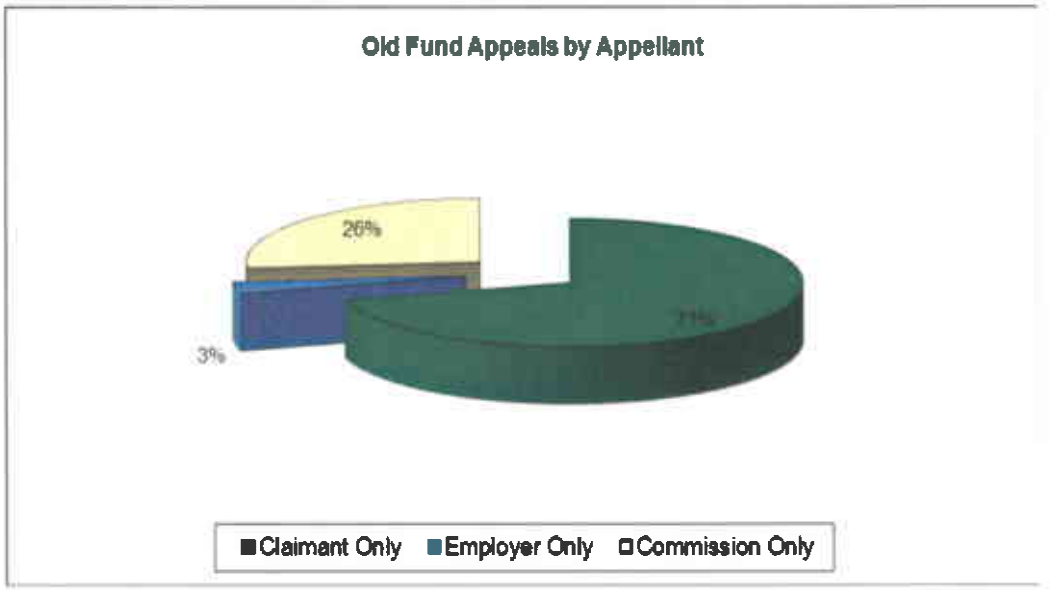
1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by Issue
8. Yearly Summary of Dispositions by Issue

Please do not hesitate to contact me in the event of any questions.

Appeals Received
From December 1, 2011 Thru December 31, 2011

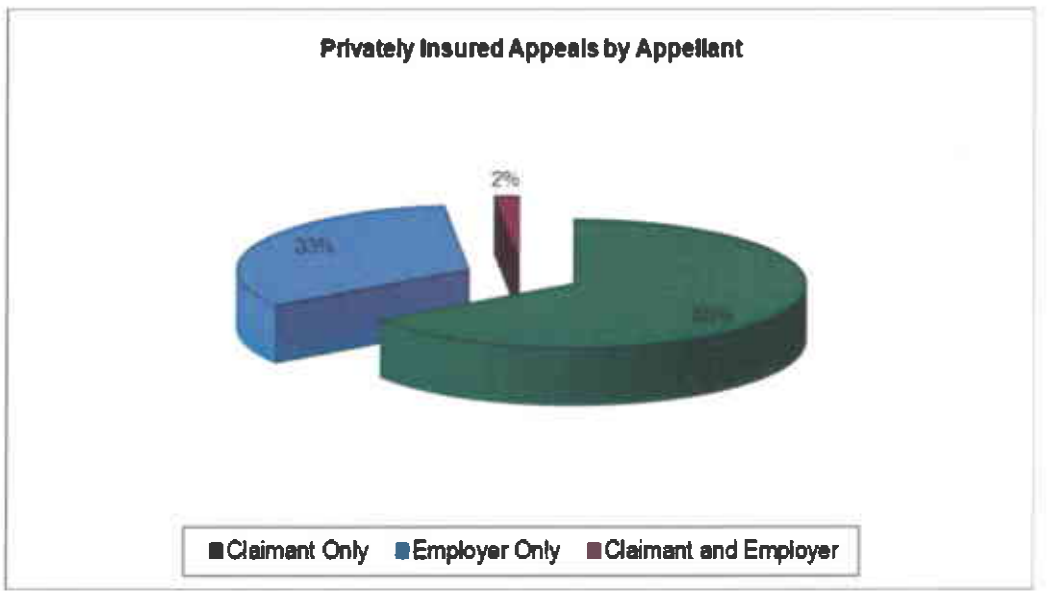
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	24
Employer Only	1
Commission Only	9
Old Fund Total	34



Privately Insured Appeals (DOI > Jun-30-2005)

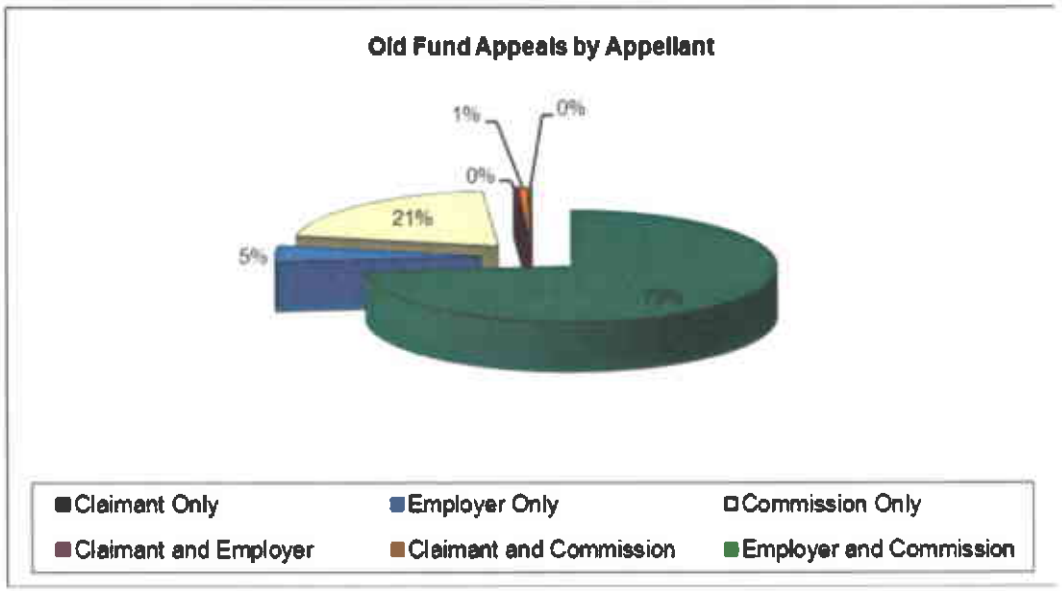
Appellant	Count
Claimant Only	38
Employer Only	19
Claimant and Employer	1
Privately Insured Total	58
Total Appeals	92



Yearly Appeals Received
From January 1, 2011 Thru December 31, 2011

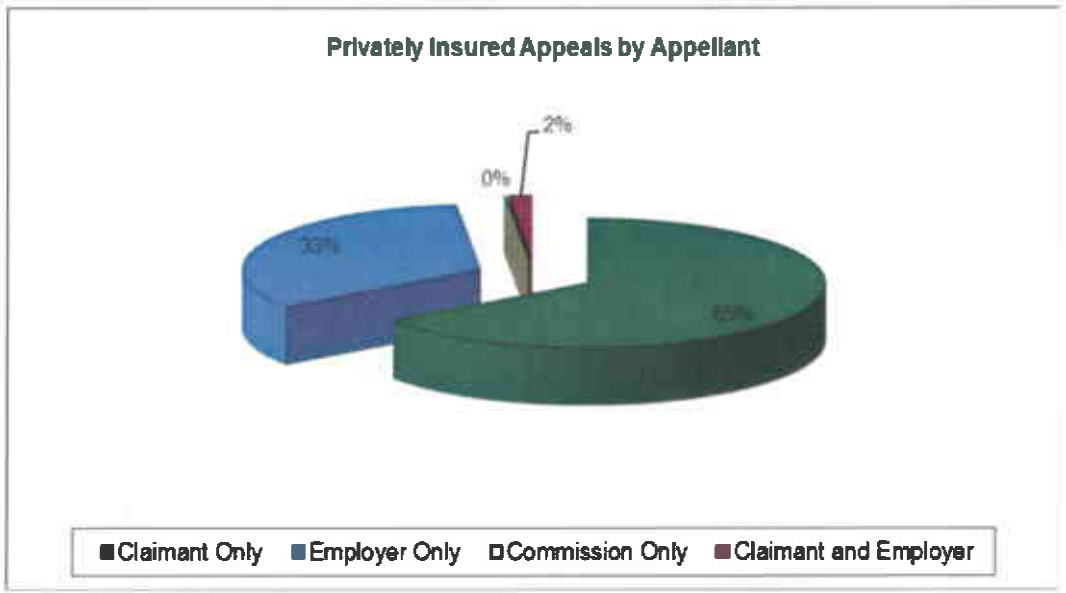
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	302
Employer Only	19
Commission Only	85
Claimant and Employer	1
Claimant and Commission	3
Employer and Commission	1
Old Fund Total	411



Privately Insured Appeals (DOI > Jun-30-2005)

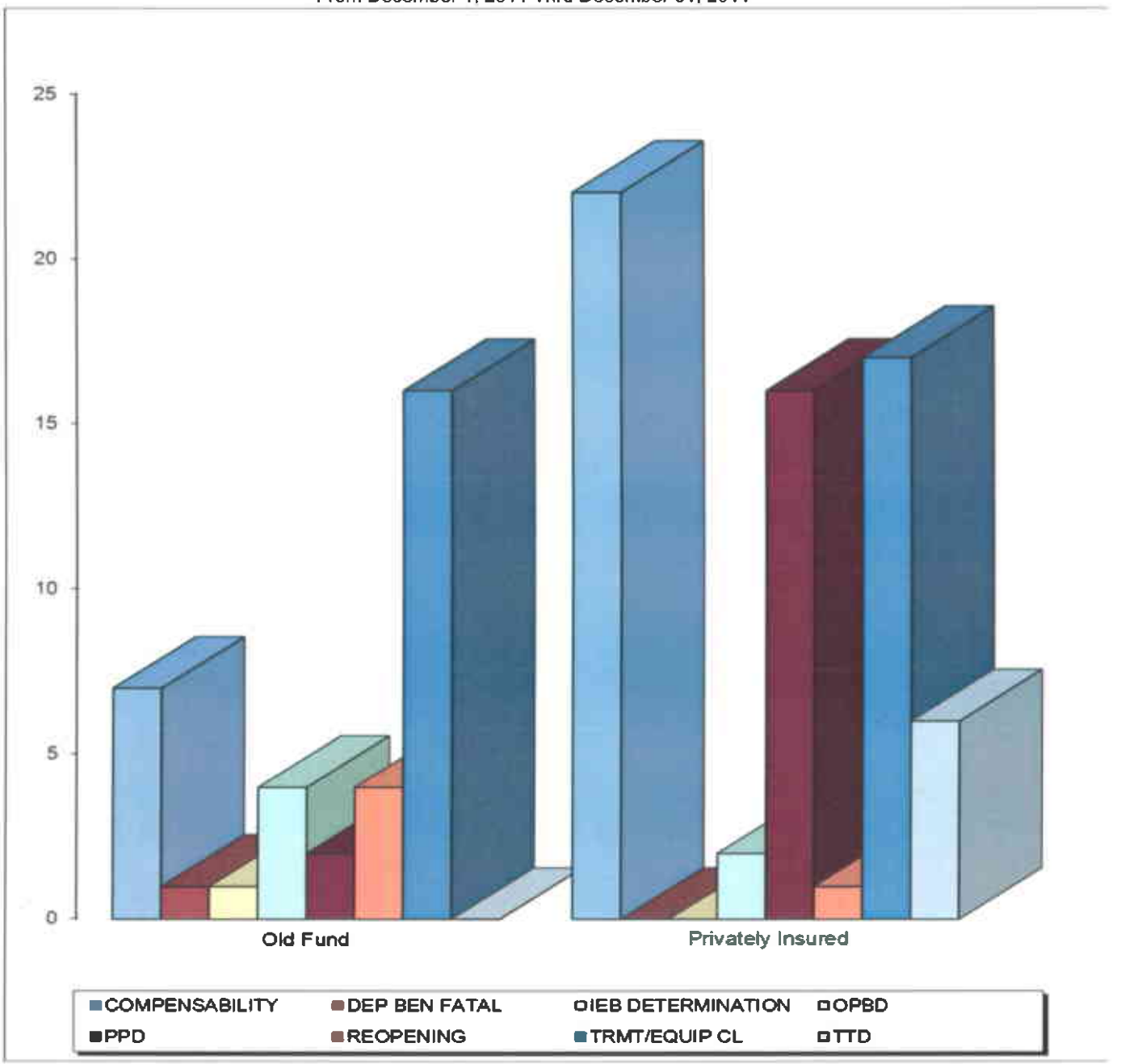
Appellant	Count
Claimant Only	556
Employer Only	284
Commission Only	1
Claimant and Employer	13
Privately Insured Total	854
Total Appeals	1265



Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From December 1, 2011 Thru December 31, 2011

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
COMPENSABILITY	29	7	24.1	22	75.9
DEP BEN FATAL	1	1	100.0	0	0.0
IEB DETERMINATION	1	1	100.0	0	0.0
OPBD	6	4	66.7	2	33.3
PPD	18	2	11.1	16	88.9
REOPENING	5	4	80.0	1	20.0
TRMT/EQUIP CL	33	16	48.5	17	51.5
TTD	6	0	0.0	6	100.0
Totals	99	35	35.4	64	64.6

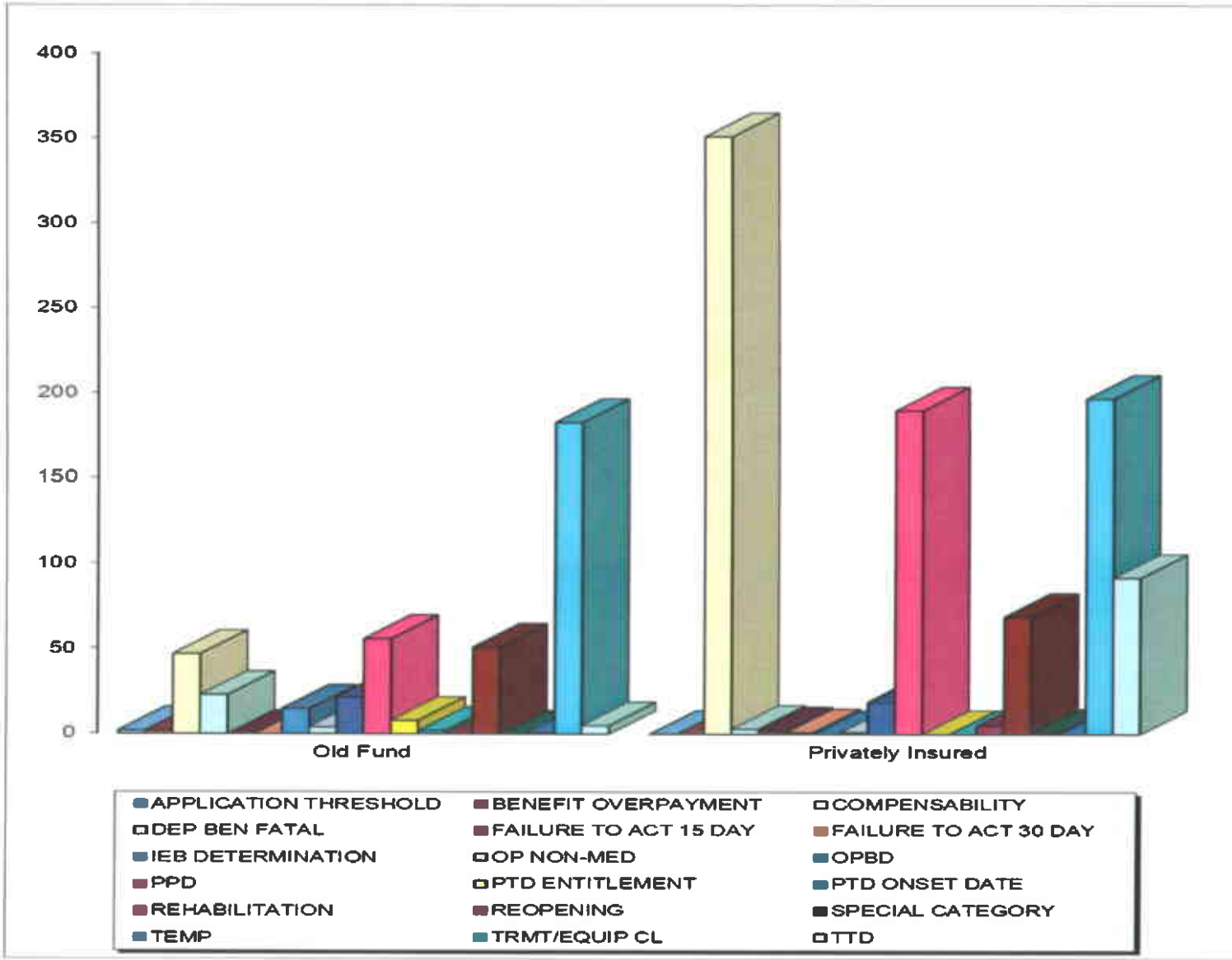
Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From December 1, 2011 Thru December 31, 2011



Yearly Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From January 1, 2011 Thru December 31, 2011

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	2	2	100.0	0	0.0
BENEFIT OVERPAYMENT	2	2	100.0	0	0.0
COMPENSABILITY	398	47	11.8	351	88.2
DEP BEN FATAL	26	23	88.5	3	11.5
FAILURE TO ACT 15 DAY	2	0	0.0	2	100.0
FAILURE TO ACT 30 DAY	1	0	0.0	1	100.0
IEB DETERMINATION	15	15	100.0	0	0.0
OP NON-MED	5	4	80.0	1	20.0
OPBD	41	22	53.7	19	46.3
PPD	246	56	22.8	190	77.2
PTD ENTITLEMENT	8	8	100.0	0	0.0
PTD ONSET DATE	2	2	100.0	0	0.0
REHABILITATION	5	0	0.0	5	100.0
REOPENING	120	51	42.5	69	57.5
SPECIAL CATEGORY	1	0	0.0	1	100.0
TEMP	1	1	100.0	0	0.0
TRMT/EQUIP CL	380	183	48.2	197	51.8
TTD	97	5	5.2	92	94.8
Totals	1352	421	31.1	931	68.9

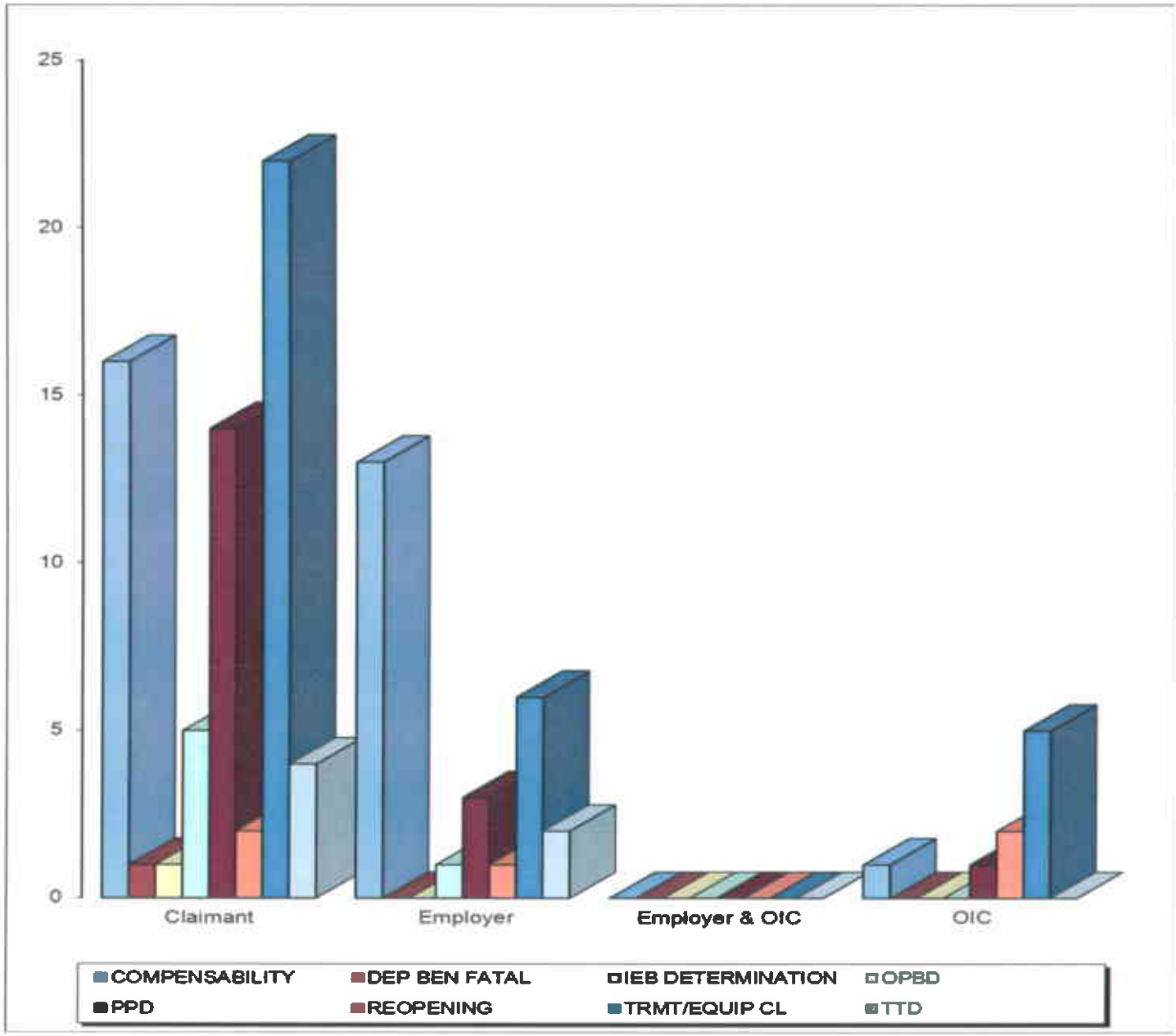
Yearly Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From January 1, 2011 Thru December 31, 2011



Appeals Received By Issue
From December 1, 2011 Thru December 31, 2011

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
COMPENSABILITY	30	16	53.3	13	43.3	0	0.0	1	3.3
DEP BEN FATAL	1	1	100.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0
OPBD	6	5	83.3	1	16.7	0	0.0	0	0.0
PPD	18	14	77.8	3	16.7	0	0.0	1	5.6
REOPENING	5	2	40.0	1	20.0	0	0.0	2	40.0
TRMT/EQUIP CL	33	22	66.7	6	18.2	0	0.0	5	15.2
TTD	6	4	66.7	2	33.3	0	0.0	0	0.0
Totals	100	65	65.0	26	26.0	0	0.0	9	9.0

Appeals Received By Issue
From December 1, 2011 Thru December 31, 2011



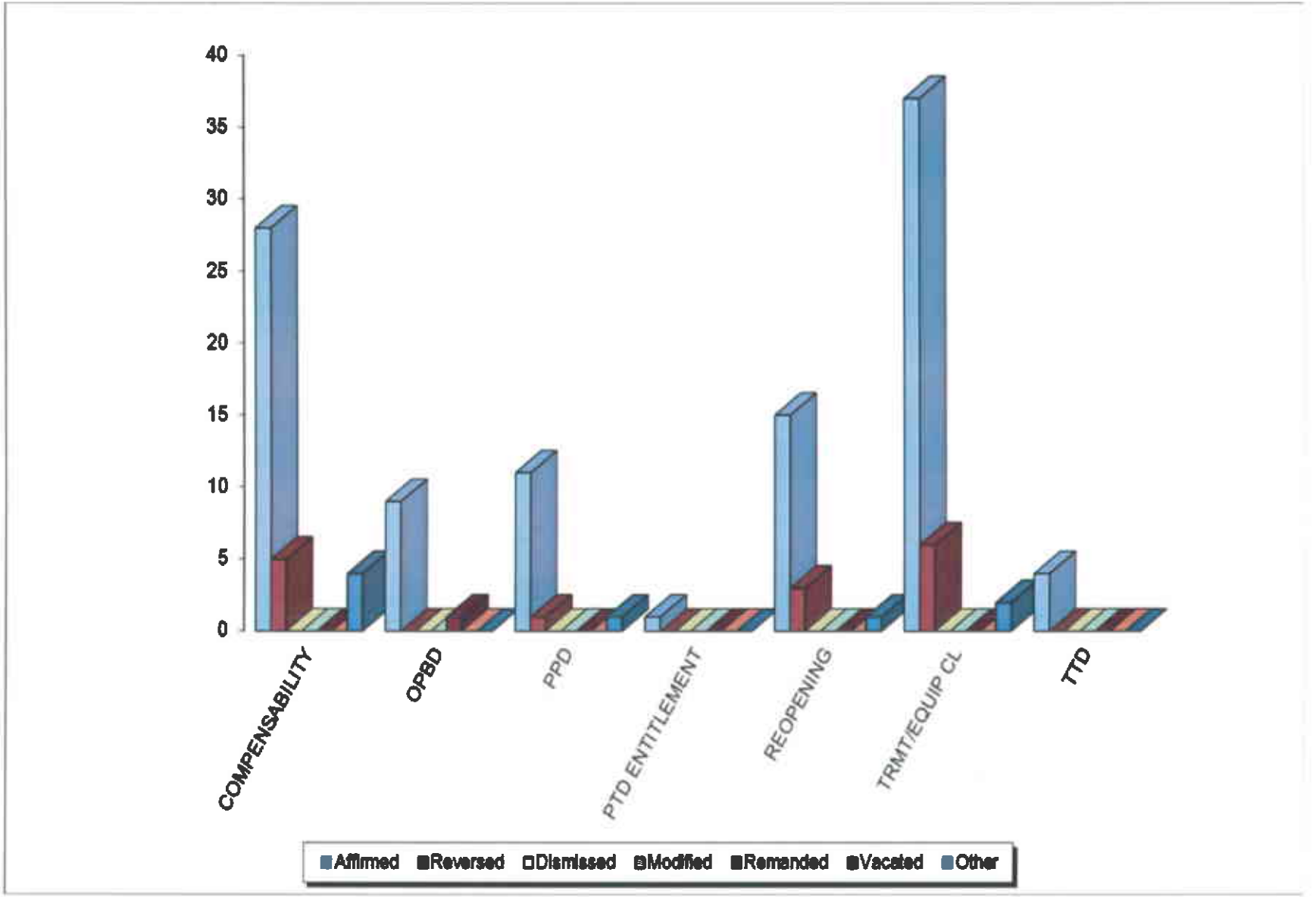
WORKERS' COMPENSATION BOARD OF REVIEW
FOR DECEMBER 2011

Appealed By	BOR Disposition	Disposition Count	Disp %	Total %	Year to Date	Disp %	Total %
CLAIMANT	AFFIRMED	81	89.0%	66.9%	717	89.1%	62.1%
	DISMISSED	3	3.3%	2.5%	32	4.0%	2.8%
	MODIFY				4	0.5%	0.3%
	REMAND	1	1.1%	0.8%	10	1.2%	0.9%
	REVERSE	6	6.6%	5.0%	41	5.1%	3.6%
	VACATE				1	0.1%	0.1%
	Total Dispositions	91			805		
CLAIMANT/EMPLOYER	AFFIRMED				3	60.0%	0.3%
	DISMISSED				1	20.0%	0.1%
	MODIFY				1	20.0%	0.1%
	Total Dispositions				5		
EMPLOYER	AFFIRMED	12	60.0%	9.9%	168	63.4%	14.6%
	DISMISSED	5	25.0%	4.1%	24	9.1%	2.1%
	MODIFY				7	2.6%	0.6%
	REMAND				6	2.3%	0.5%
	REVERSE	3	15.0%	2.5%	60	22.6%	5.2%
	Total Dispositions	20			265		
DIVISION/OIC	AFFIRMED	4	40.0%	3.3%	40	50.6%	3.5%
	DISMISSED				2	2.5%	0.2%
	MODIFY				2	2.5%	0.2%
	REMAND				2	2.5%	0.2%
	REVERSE	6	60.0%	5.0%	33	41.8%	2.9%
	Total Dispositions	10			79		
	Grand Totals	121			1154		

Dispositions By Issues
BOR Orders Mailed From December 1, 2011 Thru December 31, 2011

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
COMPENSABILITY	37	28	75.7	5	13.5	0	0.0	0	0.0	0	0.0	0	0.0	4	10.8
OPBD	10	9	90.0	0	0.0	0	0.0	0	0.0	1	10.0	0	0.0	0	0.0
PPD	13	11	84.6	1	7.7	0	0.0	0	0.0	0	0.0	0	0.0	1	7.7
PTD ENTITLEMENT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	19	15	78.9	3	15.8	0	0.0	0	0.0	0	0.0	0	0.0	1	5.3
TRMT/EQUIP CL	45	37	82.2	6	13.3	0	0.0	0	0.0	0	0.0	0	0.0	2	4.4
TTD	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	129	105	81.4	15	11.6	0	0.0	0	0.0	1	0.8	0	0.0	8	6.2

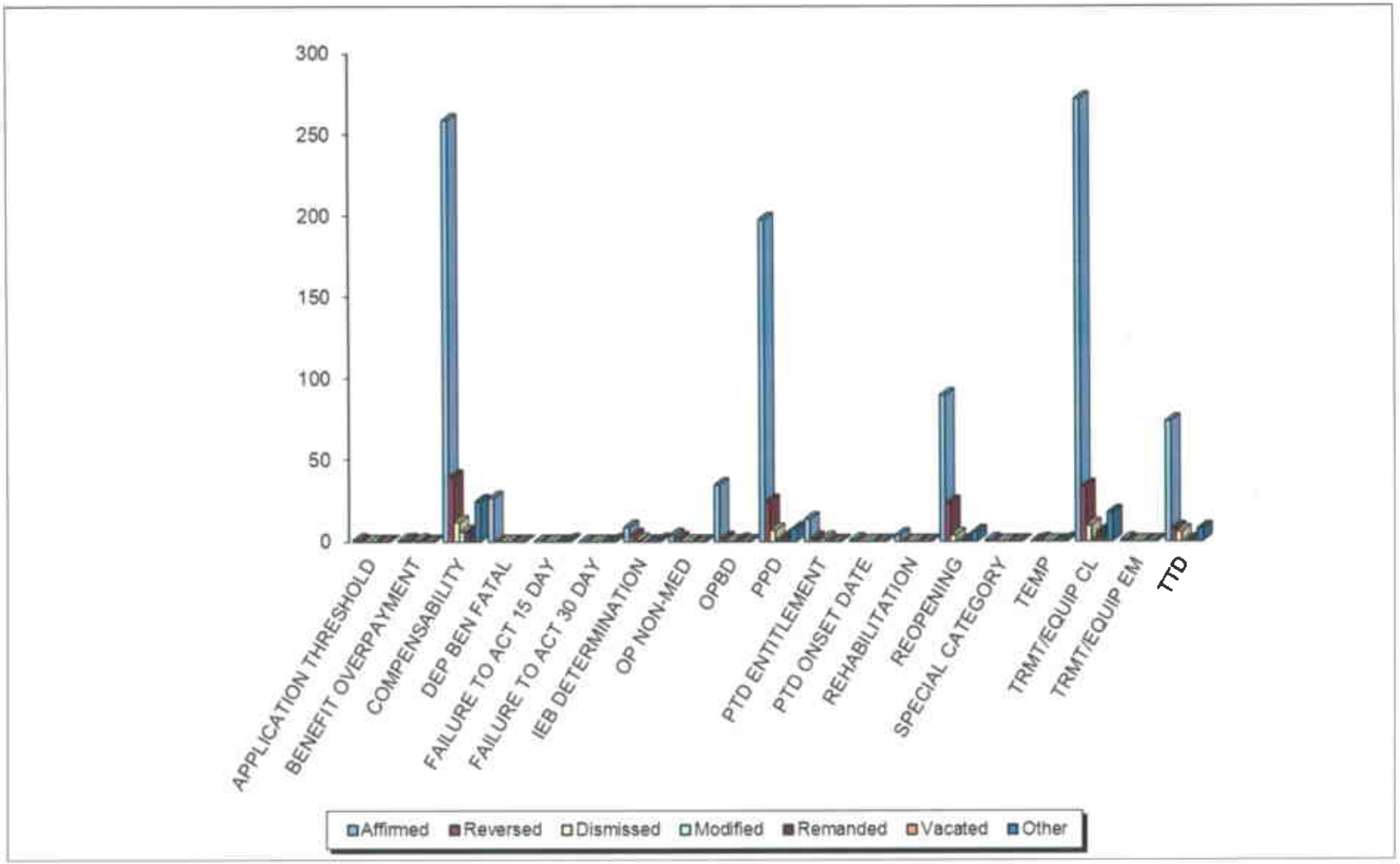
Dispositions By Issues
BOR Orders Mailed From December 1, 2011 Thru December 31, 2011



Dispositions By Issues
BOR Orders Mailed From January 1, 2011 Thru December 31, 2011

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
BENEFIT OVERPAYMENT	3	1	33.3	1	33.3	0	0.0	1	33.3	0	0.0	0	0.0	0	0.0
COMPENSABILITY	349	259	74.2	40	11.5	12	3.4	6	1.7	6	1.7	1	0.3	25	7.2
DEP BEN FATAL	27	27	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
FAILURE TO ACT 15 DAY	1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0
FAILURE TO ACT 30 DAY	1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0
IEB DETERMINATION	15	9	60.0	4	26.7	1	6.7	0	0.0	0	0.0	0	0.0	1	6.7
OP NON-MED	6	4	66.7	2	33.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	38	35	92.1	2	5.3	0	0.0	0	0.0	1	2.6	0	0.0	0	0.0
PPD	242	198	81.8	25	10.3	7	2.9	1	0.4	3	1.2	0	0.0	8	3.3
PTD ENTITLEMENT	18	14	77.8	2	11.1	0	0.0	2	11.1	0	0.0	0	0.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	125	90	72.0	24	19.2	4	3.2	0	0.0	1	0.8	0	0.0	6	4.8
SPECIAL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	2	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	1	50.0
TRMT/EQUIP CL	341	272	79.8	34	10.0	10	2.9	1	0.3	6	1.8	0	0.0	18	5.3
TRMT/EQUIP EM	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TTD	97	74	76.3	8	8.2	6	6.2	0	0.0	1	1.0	0	0.0	8	8.2
Totals	1273	991	77.8	143	11.2	40	3.1	11	0.9	18	1.4	1	0.1	69	5.4

Dispositions By Issues
BOR Orders Mailed From January 1, 2011 Thru December 31, 2011



WV Offices of the Insurance Commissioner
Workers' Compensation – Revenue Recovery
November 2011

COLLECTION ACTIVITY		
Receipts - Old Fund (Employer out of business)	$	10,799.57
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	$	76,058.07
Receipts - Payment Agreements (Old Fund and UEF Combined)	$	22,511.37
# of active accounts uninsured (cumulative)		651
$ of active accounts uninsured (cumulative)	$	2,573,611.43
Telephone contacts		1,606
Walk-ins		2

LIENS	
Liens sent to county clerks for recordation	130
Liens sent to county clerks for release	42
Intent to lien letters sent to employer/owner/officer/member	54

Uninsured Accounts Resolved		255
All Cash Receipts from WC accounts	$	109,369.01

INJUNCTIONS	
Affidavits for injunction submitted to legal	2
Hearings attended	3
# of injunction complaints filed	0
# of injunctions granted	1
# of agreed orders entered	0

PAYMENT AGREEMENTS	
# of repayment agreements applications	10
Agreements set up	7
Total # of agreements on system (cumulative)	71
Intent to void letters mailed	12
Agreements voided	3

MISCELLANEOUS	
Terminations Processed	47
Rule 11 Letters Mailed	212
Rule 11 hearings	0

WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTES

CD Auction
January 11, 2012

Board Meeting
February 8, 2012

OPERATING REPORT
NOVEMBER 30, 2011

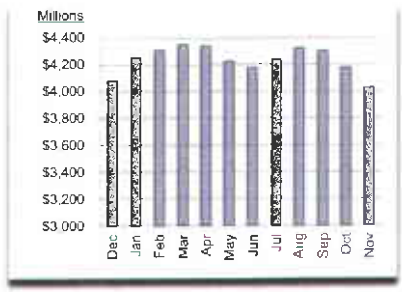
Board of Treasury Investments

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

Total Net Assets Under Management

$4,024,567,000

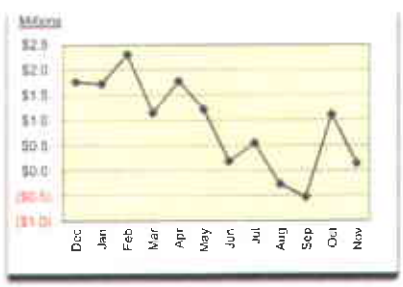
Last Month	Beginning of Fiscal Year
$4,176,011,000	$4,172,779,000



Net Assets for the Past 12 Months

Total Net Income & Gains

Fiscal Year
$1,000,000



Net Income (Loss) for the Past 12 Months

Money Market Pools

As of November 30, 2011

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.0854%	.1001%	.0997%	60 Days	$3.0 Billion
WV Gov't Money Market	.0477%	.0486%	.0398%	60 Days	$323.8 Million

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

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

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
THE ECONOMIC STATE
NOVEMBER 2011

European Financial Crisis Affects U.S. Market Stability

Market Environment

The evolving debt crisis in the Euro-zone drove financial markets in the month of November, as daily headlines and changing political regimes in Greece, Italy and Spain created an intensely volatile environment. Risky asset markets sold off dramatically in the first three weeks of the month as investors appeared to lose confidence that European policy makers could address the problems as funding costs continued to rise. Meanwhile, in the U.S., the failure of the "Super Committee" to deliver tangible change added to negative market sentiment. Late in the month, however, markets rallied strongly in response to aggressive actions by global central banks to support Europe and infuse the global economy with liquidity.

As we consider the prospects for 2012 and beyond, we recognize that economic growth appears to be picking up in the US, though expectations remain muted and plagued with downside risk as an escalation of the European crisis could lead global markets into recession. The risks of an unmanaged country-level default in Europe and a change in the constituency of the Euro are also higher than they have been. As a result, we continue to recommend that clients maintain a patient, risk-balanced approach to asset allocation in this multi-year low-return environment. As we approach the new year, however, we also remind clients to be prepared to make prudent allocations to attractively priced markets such as emerging country debt and equity, as well as investment strategies that can take advantage of dislocations such as those taking place in Europe.

Bond Market Results

Bond investors faced mixed results during the month. In a reverse from the prior month, investor preference for riskier bonds faded during November. U.S. Government bonds saw positive returns, while corporate and other structured securities declined in value. The U.S. Government 1-3 Year index rose 0.06%, while their longer dated counterparts increased more than 2% during the month. Corporate bonds, as measured by the Barclays Capital Credit Index, fell 1.68%. High yield bonds gave up a portion of the strong gains they earned in October, declining 2.5% during the month. Short duration investments, once again, provided investors with little returns, evidenced by the 0.00% return from 3-month Treasury Bills.

Equity Market Results

Returns from riskier assets were muted during November. After falling significantly during the first three weeks of the month, equities staged a strong comeback in the fourth week, trimming their losses significantly. Large cap stocks, measured by the S&P 500 fell 0.22% during November. Small cap stocks, as measured by the Russell 3000 index, declined 0.27%. International equities did not enjoy the rally late in the month and developed international markets fell nearly 5%, while emerging markets declined nearly 7% during November.

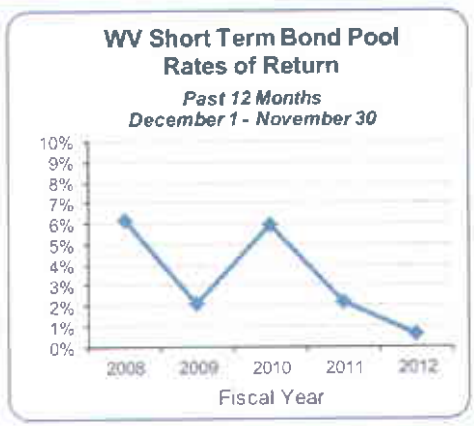
West Virginia Board of Treasury Investments
Financial Highlights as of November 30, 2011

WV Short Term Bond Pool

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

December 1 - November 30	Return	Net Assets At Nov. 30 (In Millions)
2011	0.6%	$ 505.5
2010	2.2%	$ 459.1
2009	5.9%	$ 350.4
2008	2.1%	$ 314.6
2007	6.2%	$ 238.2

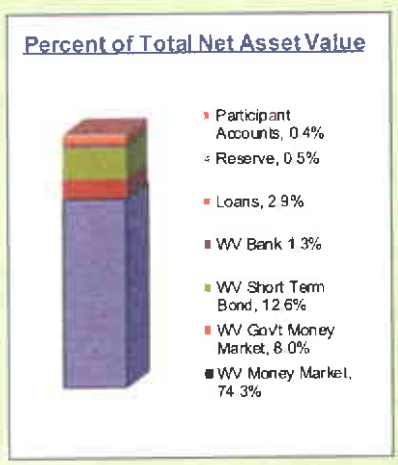
Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool



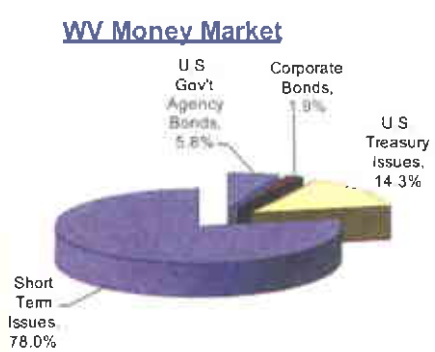
Summary of Value and Earnings *(In Thousands)*

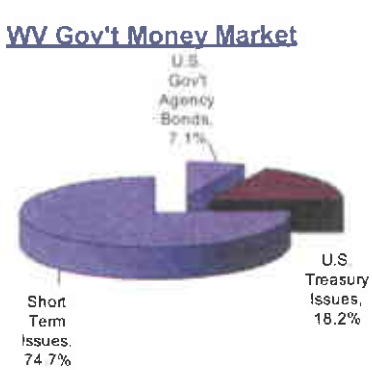
Pool	Net Asset Value	Nov. Net Income (Loss)	Fiscal YTD Net Income (Loss)
WV Money Market	$ 2,988,467	$ 256	$ 1,329
WV Gov't Money Market	323,832	11	72
WV Short Term Bond	505,489	(65)	(1,157)
WV Bank	53,046	11	57
Loss Amortization *	-	-	13
Loans	118,917	(124)	342
Reserve	18,996	6	32
Participant Accounts	15,820	45	312
	$ 4,024,567	$140	$1,000

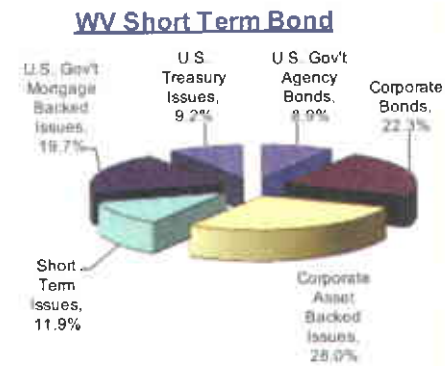
* Closed in August 2011



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







WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

SCHEDULE OF NET ASSETS, OPERATIONS & CHANGES IN NET ASSETS – UNAUDITED

NOVEMBER 30, 2011

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
Assets						
Investments:						
At amortized cost	$ 2,987,207	$ 323,574		$ 53,013	$ 137,802	$ 12,477
At fair value	-	-	$ 505,150	-	-	3,279
Cash	-	-	-	-	-	-
Other assets	1,479	285	740	34	113	65
Total assets	2,988,686	323,859	505,890	53,047	137,915	15,821
Liabilities						
Accrued expenses, dividends payable & payable for investments purchased	219	27	401	1	2	1
Total liabilities	219	27	401	1	2	1
Net Assets	$ 2,988,467	$ 323,832	$ 505,489	$ 53,046	$ 137,913	$ 15,820
Investment income						
Interest and dividends	$ 654	$ 111	$ 533	$ 12	$ 113	$ 33
Net accretion (amortization)	(256)	(84)	(153)	-	-	(13)
Provision for uncollectible loans	-	-	-	-	(229)	-
Total investment income	398	27	380	12	(116)	20
Expenses						
Fees	142	16	59	1	2	-
Total expenses	142	16	59	1	2	-
Net investment income	256	11	321	11	(118)	20
Net realized gain (loss) from investments	-	-	-	-	-	-
Net increase (decrease) in fair value of investments	-	-	(386)	-	-	25
Net gain (loss) from investments	-	-	(386)	-	-	25
Net increase (decrease) in net assets from operations	256	11	(65)	11	(118)	45
Distributions to participants	256	11	321	11	(118)	-
Participant activity						
Purchases, reinvestment of units and contributions	885,255	59,182	50,451	11	106	171
Redemptions and withdrawals	1,095,944	48,054	257	-	1,834	190
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net increase (decrease) in net assets from participant activity	(210,689)	11,128	50,194	11	(1,728)	(19)
Increase (decrease) in net assets	(210,689)	11,128	49,808	11	(1,728)	26
Net assets at beginning of period	3,199,156	312,704	455,681	53,035	139,641	15,794
Net assets at end of period	$ 2,988,467	$ 323,832	$ 505,489	$ 53,046	$ 137,913	$ 15,820

WEST VIRGINIA BOARD OF COAL MINE HEALTH AND SAFETY

1615 Washington Street, E. • Charleston, West Virginia 25311 • Telephone 304-558-1425 • Fax 304-558-6091

30 December 2011

To:
Chairman of the Joint Committee on Government and Finance

From:
Joel L. Watts
Health and Safety Administrator
West Virginia Board of Coal Mine Health and Safety

Re: HB2888

Mr. Chairperson,

During the 2011 Session of the West Virginia Legislature, the Board of Coal Mine Health and Safety (Coal Board) was charged with the following:

> The Board of Coal Mine Health and Safety is directed to conduct a study of the need to expand protections for whistleblowers and other miners who refuse to work in situations they perceive as unsafe in underground mines. The board shall study the benefits and appropriateness of requiring additional protections that will encourage miners to withdrawal from and report unsafe working conditions. The Office shall investigate whether any pattern of retribution exists against these persons, and if so to make recommendations to the Legislature regarding implementing additional protections. The Board shall report to the Legislature's Joint Committee on Government and Finance by December 31, 2011 with recommendations regarding whether it is appropriate to implement any additional protections.

To that end, the Board of Coal Mine Health and Safety would like to recommend to the Legislature the following:

- We recommend that the Legislature codify present practices involving the anonymous tip line which has been established by the Office of Miner's Health, Safety and Training.
- We recommend that the Legislature revise 22A-1-22 to reflect the following:
  - Clarify all language related to "board" or "appeals board" to relate to the Board of Appeals as found in WV Code 22A-5-1.
  - Clarify in 22A-1-22(b) wherein it reads "within thirty days after such violation occurs" to now read "within thirty days after such alleged violation occurs."
  - Add to 22A-1-22(b) language directing that all appeals of termination based on discrimination as defined in 22A-1-22(a), and made in good faith, will be made directly

to the Director of the Office of Miner's Health, Safety and Training or his or her designee. The Director shall then cause the alleged violation to be given to the Board of Appeals.

- We further recommend that the Legislature modify the Board of Miner Training, Education, and Certification's duties (WV Code 22A-7), to charge that body with creating an education and training program for the industry to inform employers, employees, and inspectors of the new rights and duties afforded to them in their respective positions.

The Board of Coal Mine Health and Safety makes these recommendations after months of deliberations and analytical research. The Board of Coal Mine Health and Safety are made up of members of Industry and Labor, with a commitment to creating a safe and non-discriminatory working environment.

WEST VIRGINIA BOARD OF COAL MINE HEALTH AND SAFETY
1615 Washington Street, E. • Charleston, West Virginia 25311 • Phone 304-558-1425 • Fax 304-558-0062

30 December 2011

To:
Chairman of the Joint Committee on Government and Finance

From:
Joel L. Watts
Health and Safety Administrator
West Virginia Board of Coal Mine Health and Safety

Re: HB2437

Mr. Chairman,

During the 2011 Session of the West Virginia Legislature, the Board of Coal Mine Health and Safety (Coal Board) was charged with the following:

> The Board of Coal Mine Health and Safety is directed to conduct a study of the safety of installation of methane detection shut-off devices on machine extraction apparatus, including, but not limited to, long wall sheers and cutter heads. The Office shall study the benefits and appropriateness of requiring the installation of these devices, to determine if there are safety benefits, and whether the Office recommends to the Legislature that requirements regarding mandating these devises in underground mines is warranted. The Office shall report to the Legislature's Joint Committee on Government and Finance by December 31, 2011 with recommendations regarding whether it is appropriate to implement any requirements.

This report is in fulfillment of that obligation. To that end, the Board of Coal Mine Health and Safety voted on 14 December 2011 to recommend to the Legislature that regulations be enacted towards these goals:

- The Coal Board recommends that the methane setting be revised to 1.25% with a weekly recalibration to be performed on all machine mounted methane monitors.

Further, the Coal Board would like to recommend that the Legislature consider three action levels which are meant to increase awareness and safety:

1. At 1% methane detected, a warning light will signal the miner. At this time, the miner will reverse the machine. At this time, if light goes out, the miner will consider the situation safe enough to continue to operate unless a hand held device was to show 1% which would require a manual deenergization of the mining machine until such a time as the methane had been liberated.
2. At 1.25%, power to cutting devices would be automatically de-energized and the miner will reverse the mining machine. If the warning light continues to stay on, the entire machine would be de-energized.
3. At 2.0%, an automatic deenergization of the entire mining machine would occur at which time the usual procedures for ventilating high methane areas would take place.

Attached is a report commissioned by the Coal Board from Dr. Chris Bise of WVU. It was researched and drafted by Dr Mark F. Sindelar which has in part led the members of the Coal Board to make these recommendations.

The Board of Coal Mine Health and Safety wishes to think the members of the West Virginia Legislature for this charge.

Review of Methane Monitoring and Automatic Shut-Down Regulations and Standards for Electrically Powered Underground Coal Mine Face Equipment

Prepared for the
West Virginia Board of Coal Mine Health & Safety

November 14, 2011

Revision 1—December 8, 2011

Mark F. Sindelar, Ph.D., P.E.
Research Assistant Professor
Mining Engineering Department
West Virginia University
Morgantown, WV 26506

Executive Summary

Pursuant to the requirements of House Bill 2437, the West Virginia Board of Coal Mine Health & Safety requested an investigation into methane monitoring systems on electrically powered face equipment and the threshold level at which an automatic equipment de-energization is initiated.

This review considers a scientific rationale underlying the Federal (MSHA) regulations requiring de-energization of equipment at a methane concentration level of one percent and automatic shut-down at a methane concentration of two percent. This rationale is common throughout hydrocarbon processing industries and is applicable to the conditions of underground bituminous coal mining.

The existing West Virginia regulations are compared to other states and regulatory agencies. Only the Commonwealth of Pennsylvania has an automatic de-energization regulation, which is similar to the Federal regulations that are the default for the remaining states.

The causes of methane ignitions are summarized, and data demonstrates that frictional ignition sources, not electrical arcs, are the root causes of most methane ignitions at the face. The special case of roof bolters is also reviewed, and frictional ignitions are found, likewise, to be the predominant cause. In all cases where mechanical equipment cuts coal, worn bits and sandstone are positively correlated to ignitions.

Methane monitor performance, necessary for a reliable monitoring scheme, is discussed based on research studies for continuous miners and longwall shearers. Monitor location and response time are both significant design factors. Improvements in methane monitoring indicate that the results of earlier response time research are likely conservative. Catalytic heat of combustion and infrared sensor types are comparable with the largest impediment to acceptable response time for either being attributable to fouled protective caps on the sensors themselves. Location studies are relevant independent of sensor type considered.

The interaction of methane and coal dust is summarized, providing additional justification for the necessity to limit methane ignitions.

These interrelated areas, viewed together, indicate that elimination of frictional ignitions is the critical element to provide for methane safety at the working face. Thus, de-energization and/or disconnection of the power source, whether manually or automatically, has benefit only insofar as this action eventually stops the rotation of the cutter head, thereby removing its ability to create a source of ignition created by the contact of cutting bits with non-coal rock.

Table of Contents

1.0 Background

Pursuant to H. B. 2437, the Legislature of West Virginia amended the Code of West Virginia, 1931, by adding thereto a new section, designated §22A-6-11, quoted as follows:

> Article 6. Board of Coal Mine Health and Safety.
>
> §22A-6-11. Study of methane detecting shut off devices.
>
> Study of Automatic shut-down of mining machines. –The Board of Coal Mine Health and Safety is directed to conduct a study of the safety of installation of methane detection shut-off devices on machine extraction apparatus, including, but not limited to, long wall sheers and cutter heads. The Office shall study the benefits and appropriateness of requiring the installation of these devices, to determine if there are safety benefits, and whether the Office recommends to the Legislature that requirements regarding mandating these devises in underground mines is warranted. The Office shall report to the Legislature's Joint Committee on Government and Finance by December 31, 2011 with recommendations regarding whether it is appropriate to implement any requirements.

The addition of this section, and the introduction of H. B. 2437 were prompted by the concerns of some West Virginia coal miners, who petitioned their elected officials to modify State law. At issue is the orientation that Federal regulations require that equipment be automatically de-energized when methane levels reach two percent, whereas State requirements do not allow for the mining of coal when methane levels exceed one percent. It was suggested that equipment automatically de-energize when methane levels reach one percent.

To achieve the goals of §22A-6-11, the West Virginia Board of Coal Mine Health and Safety requested an investigation into the following questions:

1) The background for the current standards. What is the science behind using either one percent or two percent methane? Is it the right number?
2) What do accident/incident investigations reveal about methane ignitions?
3) How do other states (and, possibly, countries) address the methane concentration issue?
4) Why does methane seem to be more of an issue at a cutter head (CM/shearer) than with a bolter?
5) In consideration of the methane question, what is the interactive effect, quantitatively, between methane and coal dust?
6) What is the effect of the mounting location for the methane detector on the equipment (note that this is not typically in the 12-inch "window" in which manual readings are taken).
7) How many major methane incidents have been caused by ignition at the cutter head versus other ignition sources such as burning and welding?

These questions have been grouped into five categories of objectives, herein called "Aims," and will be addressed in separate, though necessarily interconnected, sections of this report. This

format will allow for the inclusion of additional information which, hopefully, adds to clarity of understanding of multiple interacting elements.

Aim 1: To determine the appropriateness of the current regulations for automatic de-energization of electrically powered face equipment at a methane concentration of two percent by volume.

Rationale: Following the Federal Coal Mine Health and Safety Act of 1969, MSHA considered some scientific and/or engineering basis for establishing the current regulations of 30 CFR §75.323 and related sections, requiring that equipment was to be de-energized at one percent methane and power was to be automatically disconnected at two percent methane.

Analysis Plan: Flammable gases are present in many industrial processes where forced ventilation, obstructions to ventilation, sources of ignition, and gas concentration monitoring systems are similar to those conditions encountered in underground bituminous coal mining. The engineering design criteria used in the hydrocarbon and petrochemical processing industries, among others, would have process monitoring and shutdown guidelines similar to those that were incorporated in the MSHA regulations for underground bituminous coal mines.

Aim 2: To compare the West Virginia State Code §22A-2-43, regarding methane at the working face, to regulations of other states and agencies.

Rationale: State, Federal, and other agencies may have enacted, for various reasons, more conservative methane regulations since the Federal regulations of 30 CFR §75 were enacted in 1969.

Analysis Plan: Regulators considering methane levels in underground coal mines for those states with such regulations governing active underground bituminous coal mines would, if deemed necessary, enact more conservative methane standards. These would be considered along with related Federal regulations. Additionally, the National Fire Protection Agency, originators of the National Electric Code on which many of the electrical regulations of 30 CFR §75 are based, will also have applicable standards with which to compare those from the State of West Virginia.

Aim 3: To characterize the hazard associated with the interplay of electrically powered face equipment and methane ignitions.

Rationale: De-energizing electrically powered face equipment in the presence of methane must be valuable because it eliminates (or reduces) the hazard of an ignition of methane at the face. Three components are necessary for an ignition to occur: fuel, oxygen, and a source of heat sufficient to cause the ignition. The fuel (methane) must be assumed to be present since this is the topic of question as to actions to take when the methane monitor registers a concentration of the gas. The oxygen must also be assumed to be present since the working place is ventilated to maintain approximately 20% oxygen for human respiration. The remaining factor would be the presence of a heat source sufficient to cause ignition of a methane-air mixture. The hypothesis becomes that this is avoidable by de-energizing the electrically-powered face equipment.

Analysis Plan: Historical studies for decades of methane ignitions, based on MSHA and U. S. Bureau of Mines data, can provide insight in to the nature of ignition sources. This historical data, once ignition sources are identified, would be followed by a trail of research aimed at eliminating or reducing the likelihood of methane ignitions at the face. An historical review would provide insight into the mechanisms responsible for generating sufficient heat to ignite methane and the approaches taken to address the associated concerns. Such an analysis would consider continuous miners, longwall shearers, and bolters, as well as ignitions caused by events such as burning and welding.

Aim 4: To assess the capabilities of machine-mounted sensors with regard to their ability to detect levels of methane and cause an automatic process shutdown (*i.e.* de-energize power to mining operations).

Rationale: In order for guidelines and/or regulations to be appropriate, the methane sensing system on the equipment must be capable of responding appropriately to the selected shutdown threshold.

Analysis Plan: Studies of response time and monitor location have been undertaken for continuous miners and longwall shearers. Some of these analyses were performed for an earlier generation of methane monitors. While the conclusions for monitor locations would be appropriate for current mining environments, those based on response time would likely represent a more conservative view than one based on more recent instrumentation.

Aim 5: To quantitatively assess the interactive effect of coal dust and methane in the event of an ignition.

Rationale: It has been shown that methane ignitions are capable of dispersing coal dust, leading to more serious, violent explosions.

Analysis Plan: Much research has addressed the interaction of methane ignitions and coal dust explosions. Literature exists that reasonably quantifies this relationship.

These aims are addressed in Sections 2-6.

2.0 Monitoring of Flammable Gases

Aim 1: To determine the appropriateness of the current regulations for automatic de-energization of electrically-powered face equipment at a methane concentration of two percent by volume.

The monitoring of hazardous and flammable gases is not unique to the detection of methane in coal mines. Concerns about fire and explosion are prominent in all industries where such gases are present. Methane is a hydrocarbon and the hydrocarbon and petrochemical processing industries have experience with methane and other flammable gases. Natural gas, for example, is primarily methane (CH_4). Their design criteria are applicable to underground bituminous coal mining.

2.1 Choosing the Threshold Value for the Methane Detector

Frequently, there are questions as to the origin of the threshold value of one percent concentration, by volume, of methane at which it is required for operators to de-energize equipment. How does one arrive at one percent? The one percent value is derived by considering the explosive range of methane in air, which is approximately 5-15%. Typically, the low alarm set-point for flammable gas is assigned to that value which represents 20% of the lower explosive limit (LEL) [or lower flammable limit (LFL)] of the gas. The petrochemical and hydrocarbon processing industries have experience with methane and natural gas, for which methane constitutes the largest component, supplemented by other saturated hydrocarbon gases such as ethane. In choosing alarm set-points, the Center for Chemical Process Safety recommends:

> 8.1.3.1. Gas Detection Alarm Levels
> Flammable gas detection systems are typically used to initiate an alarm at a concentration level below the lower flammable limit (LFL). Two gas alarm levels (low and high) are often utilized to allow early warning prior to taking automatic actions. Detection systems may also be used to stop electrical power and initiate process shutdown. The low alarm set point should be ~20% LFL and the high alarm level set point should be between 40%~60% LFL. Where these devices are used to initiate process shutdown or activate fire protection systems, it is common practice to use some form of voting, typically 2 out of 2, such that the frequency of spurious shutdowns or system activation is minimized. (p. 246).

For methane, note that the recommended high alarm level set point would be 40% ~ 60% of the LEL, or between two percent and three percent by volume. The lower value for the high alarm set point, then, corresponds with 30 CFR §27.22(b)(3) which requires automatic shutdown of power at a two percent concentration by volume of methane. Following the guidelines from the chemical processing industry, this would be the more conservative high level alarm point. As Kissel stated in the Handbook for Methane Control in Mining, "Even though methane-air mixtures under 5% are not explosive, worldwide experience with methane in mines has indicated that a considerable margin of safety must be provided" (p. 4).

Writing for *Loss Prevention* on the subject of practical design and operation of combustible gas monitoring systems, and using methane, ethylene, and propylene as examples, Johanson (of Union Carbide) notes:

> Speed of response for a typical application is usually overspecified. Many units provide better service with a two-second time delay which prevents false alarms. Four to six second actuation of a 20% alarm when exposed to 40% LEL material is usually adequate (p.16).

Drawing a direct analogy to underground bituminous coal mining is, perhaps, inappropriate inasmuch as the bits of the cutter head provide an immediate source of frictional ignition—something that would not be present in a chemical processing facility. However, the NEC Class I, Division 1/Division 2 electrical requirements of the hydrocarbon processing industry, and the

use of forced ventilation around the obstructions of process equipment is actually very similar to the conditions found at a coal mine working face. Electrical face equipment must be intrinsically safe or permissible, meaning that it must not release enough energy to the atmosphere that would be sufficient to cause an ignition. Were it not for the immediate presence of the ignition source provided by the bits of the cutter head, the presence of methane around permissible electrical equipment would not warrant a more conservative alarm/shutdown approach considering NEC guidelines. The position that the bits on the cutter head are the ignition source of interest is further supported by the sparse number of ignitions caused by electrical equipment arcing at the working face.

Additional support for the threshold level comes from NIOSH's Guidelines for the Control and Monitoring of Methane Gas on Continuous Mining Operations (2010), which states:

> Methane measurements are made on the mining machine to estimate face methane concentrations. Frictional ignitions are most likely to occur at the face where it is not possible to measure methane concentrations during mining. As long as methane concentrations measure on the machine are less than 1%, methane concentrations at the face are assumed to be less than 5%, the lower explosive limit for methane. Whenever concentrations measured on the machine exceed 1%, the protection provided to the worker is reduced (p. 49).

While the type and location of methane sensor is at the discretion of the mine operator (provided that it is an MSHA-approved), guidelines have been developed in a series of Bureau of Mines and NIOSH studies. These will be considered in Section 5. Taylor *et al.* (2001) have said, "Past experience has shown that when methane concentrations on the mining machine are kept below 1.0 pct it is unlikely that any ignition will occur near the face (p. 683).

2.2 Process Characteristics for Gas Monitoring and Process Control

While the threshold level for alarm and shut-down is one consideration for methane concentration monitors, another is the voting scheme used by the monitoring system. Process industry engineers recommend varying levels of redundancy, depending on the hazard/sensitivity combination of the process. Englund and Grinwis, of Dow Chemical Company, consider applications to extensive, computer-controlled processes, such as ethylene oxide plants, lime kilns, and blast furnaces, as well as smaller facilities such as tanker unloading areas. These design concepts are equally applicable in reduced fashion to simpler processes, such as the automatic de-energization of electric face equipment in a coal mine, and the Center for Chemical Process Safety recommends use of a voting rule to initiate a shut-down action.

While the hydrocarbon and chemical industries typically must balance a tradeoff between process operability and hazard sensitivity, this is not the case with electrically powered coal-cutting equipment. First, consider Englund and Grinwis's example of a continuous polystyrene plant. They note that "if heat is lost in the devolatilization section, it will not be possible to forward material through the process. There are only a few minutes during which action can be taken to avoid a runaway and setup of the reactors that can cause loss of the entire reactor

system" (p. 40). This is an example of a highly sensitive process. By contrast, de-energizing the cutter-heads on a continuous miner or longwall shearer do not cause any harm to the process of cutting coal. Note that the lack of production when equipment is de-energized does not constitute a process upset, as mining may continue as soon as power is restored. Thus, the coal mining process would be defined as having low process sensitivity. In contrast with high sensitivity processes, Englund and Grinwis recommend for low sensitivity processes, "when in doubt, shut down. There may be some false trips, but the consequences are not severe" (p. 40).

Proceeding from this directive, the question then becomes whether or not the methane monitoring system is appropriately responding to concentrations of methane at, or above, the threshold level, and appropriately de-energizing equipment to avoid methane ignitions. This encompasses location of the monitor, and the voting method employed when multiple sensors are employed, the type of sensors used, and the face conditions. These characteristics of methane monitoring have been investigated by several researchers over the past four decades. Location and sensor type are reviewed in Section 5.

An appropriate voting scheme for a low sensitivity process such as that of bituminous coal mining, therefore, would be to have the automatic de-energization feature engage if one of two sensors detects methane at the threshold level.

3.0 Comparison of Existing Agency Regulations

Aim 2: To compare the West Virginia State Code §22A-2-43, regarding methane at the working face, to regulations of other states and agencies.

In considering the various state laws, and in comparing them to the Federal standard in Title 30 CFR §75.323, it is important to make the distinction between three actions. First is the requirement to de-energize equipment at the working face (or other immediate area). Second is the requirement to disconnect power to the entire affected section. Third is the automatic de-energization of the equipment. Table 1 summarizes various state requirements for de-energizing equipment in the presence of methane, each of which is elaborated upon in the following section. The summary data in this table should be viewed with an understanding that additional information is provided in each of the following sections, since some states allow for operation with increased levels of methane, provided that certain minimum ventilation standards are maintained. Only the MSHA, OSHA, and NFPA regulations address *automatic* shutdown of electrically-powered face equipment. In contrast, manual de-energization and/or disconnect at the source is often specified by the various state agencies, thereby supplementing MSHA regulations. Note also that it may be possible that some operating coal mines program their face machinery to automatically shut down power at the level where their regulations require the disconnection of power. However, only the Federal law, 30 CFR §27.24 requires automatic shutdown, at a level of 2.0 percent methane concentration by volume.

Table 1: Comparison of methane regulations and standards. This table does not contain complete information—clarifications can be found in the appropriate sections for each regulating entity.

Regulating Authority	1.0 percent	1.5 percent	2.0 percent	Exceptions
MSHA				
30 CFR §75.323	De-energize	Disconnect at Source		
30 CFR §27.24			Automatic Disconnect	
OSHA				
29 CFR §1926.800	De-energize & Automatic Disconnect			for TBMs/ gassy excav.
NFPA				
Chapter 4.2	De-energize		Automatic Disconnect	
WV	De-energize	Federal	Federal	X
WV (LW & SW)	De-energize & Disconnect at Source	Federal	Federal	
AL	De-energize	Federal	Federal	
IL	Federal	De-energize	Federal	X
IN	Federal	Federal	Federal	
KY	De-energize	Federal	Federal	
MD	Federal	Federal	Federal	
MO	Federal	Federal	Federal	
NM	Federal	Federal	Federal	
OH (CM)	De-energize	Federal	Federal	X
OH (LW)	De-energize & Disconnect at Source	Federal	Federal	X
OK	Federal	Federal	Federal	
PA	De-energize	Disconnect at Source	Automatic Disconnect	
TN	Federal	Federal	Federal	
UT	Federal	Federal	Federal	
VA	De-energize	Disconnect at Source	Federal	X

While MSHA tends to use the vernacular "methane monitor" for continuously operating machine-mounted monitors and "methane detector" for handheld units, this distinction does not appear to have been incorporated into most state regulations.

3.1 MSHA Federal Regulations

Title 30 of the Code of Federal Regulations, Section 75.323, Actions for Excessive Methane, contains regulations pertaining to the allowable content of methane in intake and return air courses and at the face. At a working place or in an intake air course, when methane levels reach 1.0 percent, ". . . electrically powered equipment in the affected area shall be deenergized, and other mechanized equipment shall be shut off." If methane levels at the working place or in an intake air course reach 1.5 percent, there is an additional requirement to withdraw personnel and ". . . electrically powered equipment in the affected area shall be disconnected at the power source." In both situations, intrinsically safe atmospheric monitoring systems may remain energized.

While the aforementioned regulations apply to the working place and to intake air courses, there are slightly different requirements for return air courses. 30 CFR §75.323(c) concerns that split of return air between the working place on a section and the location where said split of air meets another split of air. In such return air splits, if the methane content reaches 1.0 percent, changes to the ventilation system must be made to reduce the methane concentration to below 1.0 percent. If, however, the methane concentration reaches 1.5 percent, then personnel are to be withdrawn and electrical power in the affected area must be disconnected at the power source.

The "Return Air Split Alternative" of 30 CFR §75.323(d)(1) allows operations to continue under certain conditions: (1) that the greater of 27,000 cfm or that which is specified in the approved ventilation plan is present in the last open crosscut; (2) that methane concentration is constantly monitored with a visual and audible alarm sounding at 1.5 percent; and (3) rock dust is applied continuously, to the return immediately outby the most inby monitoring point during coal production. Note that this applies to the return split and not to the working place but may become applicable at the interface where return air begins.

This can be further recognized when viewing 30 CFR §75.323(d)(2) concerning the "return air split between a point in the return opposite the section loading point" where such split of air meets another. In this case, at a concentration of 1.5 percent methane, personnel are to be withdrawn and, except for intrinsically safe atmospheric monitoring equipment, electric power is to be disconnected at the power source and other mechanized equipment is to be shut off. In all cases when withdrawl of personnel is indicated, only certified persons may remain to correct the situation via making changes to the ventilation.

In summary, for the working place, the general interpretation is that, at 1.0 percent methane, electrical equipment is to be deenergized and, at 1.5 percent methane, electrical equipment is to be disconnected at the power source. These are actions to be taken, manually, by the mine personnel.

In addition to these regulations, MSHA further includes requirements for permissible equipment operated in "gassy mines and tunnels" with somewhat less stringent methane ranges. These regulations are encapsulated in 30 CFR §27.22 Methane Detector Component and 30 CFR §27.24 Power Shut-Off Component. While the location of the detector is not specified, it is stated that it must either contain a filter element or be kept free from dust which may inhibit its

proper functioning. The methane detector must be capable of sounding an audible alarm in the range of 1.0 – 1.5% methane, and in greater concentrations of methane. 30 CFR §27.22(b)(3) requires:

> A method for actuating a power-shutoff component, which shall function automatically when the methane content of the mine atmosphere is 2.0 volume percent and at all higher concentrations of methane.

Note that this level for power shut-off is less conservative than the standards in 30 CFR §75.323 but applies to all sections of the mine, not just the working face. For electrical equipment powered by trailing cables, 30 CFR §27.24(b)(1)(i) permits either the machine alone, or both the machine and its trailing cable to be deenergized by the control circuit actuated by the methane detector component.

3.2 OSHA Federal Regulations

While MSHA regulates mining operations, underground tunneling is regulated by OSHA's Standard for the Construction Industries, 29 CFR §1926. This set of regulations concedes that some excavations, including those bored by rapid excavators, or tunnel boring machines (TBMs), may be gassy. OSHA defines a gassy excavation as one in which an ignition of gas has occurred or, for three consecutive days, 10% or more of the LEL for methane or other explosive gases has been measured at a point twelve inches from the roof, face, floor, or walls of the excavation. In the event that the excavation has been determined to be gassy, certain actions similar to those found in mining operations must be taken.

Specifically germane as a comparison to the MSHA standards, 1926.800(j)(1)(ix) outlines the actions to take if 20% or more of the LEL for methane (or other flammable gases) is found in any underground work area or in the return air course. Under these conditions, employees must be withdrawn from the area according to 1926.800(j)(1)(ix)(A) and

> Electrical power, except for acceptable pumping and ventilation equipment, shall be cut off to the area endangered by the flammable gas until the concentration of such gas is reduced to less than 20 percent of the lower explosive limit,

according to 1926.800(j)(1)(ix)(B). Note that 20% of the LEL for methane is one percent (1.0%).

Additionally, rapid excavators (*e.g.* TBMs) are subject to regulations similar to those for longwall shearers and continuous miners. Section 1926.800(j)(2)(ii) states:

> When using rapid excavation machines, continuous automatic flammable gas monitoring equipment shall be used to monitor the air at the heading, on the rib, and in the return air duct. The continuous monitor shall signal the heading, and shut down electric power in the affected underground work area, except for acceptable pumping and ventilation equipment, when 20 percent or more of the lower explosive limit for methane or other flammable gases encountered.

Again, 20% of the LEL for methane is one percent (1.0%). This regulation is more stringent than that found in the MSHA regulations of 30 CFR §27.22(b)(3). However, unlike bituminous coal mining, there is not the continuous expectation of encountering methane during extraction.

3.3 National Fire Protection Association

The National Fire Protection Association (NFPA), issues the National Electric Code (NEC), the 1968 version of which is referenced by 30 CFR for electrical work in underground coal mines. In addition, the NFPA issues the NFPA 120: Standard for Fire Prevention and Control in Coal Mines, recently revised in 2010.[1]

NFPA Standard 120 contains Chapter 4, "Underground Mining Operations." Section 4.2.2 of this chapter states, "Methane monitors shall be provided on equipment used to cut coal from the face." Additionally, Section 4.2.2.1 states:

> The methane monitors shall alarm at 1 percent concentration and be interlocked to shut down the machine at a 2 percent concentration of methane.

This is nearly the same language of 30 CFR §75.323 and, similar to the MSHA regulation, the type of methane monitoring device and the alarming/shutdown voting scheme are not specified.

Although not pertaining directly to the electrically-powered machinery, it is interesting to note that prior to its adoption, the 2009 Fall Revision Cycle, Report on Proposals included a proposed revision that would add "Section 4.2.10 Methane Control. Methane within the coal mine shall be reduced below 250 ft^3/ton before mining can begin in an area." The Committee action was to Accept in Principle instead the addition of the following text, "Section 4.2.10 Methane Control. Methane within the coal mine shall be reduced to not more than 1 percent on the intake air and 2 percent on the return air." The Committee Statement was:

> The Committee is willing to support the concept for providing requirements for managing methane levels within mines, so they modified the submitter's recommendation as shown. Further research on techniques for appropriate methane control needs to be conducted.
>
> The Committee will consider acceptable solutions for methane control for reconsideration at the ROC meeting by means of a public comment.

Of fifteen votes, eleven were affirmative, one was negative, and three were not returned. One representative, of the National Mining Association, explained his vote against adoption of this requirement:

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[1] In Annual 2004, Standard 123: Standard for Fire Prevention and Control in Underground Bituminous Coal Mines was incorporated into NFPA 120: Standard for Fire Prevention and Control in Coal Mines and NFPA 122: Standard for Fire Prevention and Control in Metal/Nonmetal Mining and Metal Mineral Processing Facilities. NFPA 120 had previously been reassigned to the Committee on Mining Facilities at its formation in 1977, and was formerly known as NFPA 653: Coal Preparation Plants which originated with the 1958 NFPA Committee on Dust Explosion Hazards.

> The new test states that "methane within the coal mine shall be reduced to not more than 1 percent on the intake air and 2 percent on the return air." This recommendation is unnecessary as methane concentrations in underground coal mine air courses are already extensively regulated by the Mine Safety and Health Administration (MSHA), see 30 CFR, Part 75.323.

While this comment does not address methane concentration levels at which electrically powered face equipment is to be de-energized, it does address the broader issue of regulation of acceptable methane levels. In short, since the new text of proposed Section 4.2.10 Methane Control was added to the 2010 Revision of NFPA 120 and the text of Sections 4.2.2 and 4.2.2.1 mirrors that of MSHA there is evidently a concurrence between NFPA and MSHA regulations regarding methane safety (in this case from a fire prevention standpoint) in underground coal mining operations.

3.4 West Virginia

West Virginia Code Chapter 22A, Article 2 pertains to underground mines. In §22A-2-43(a) requires that electric equipment shall not be operated in area where methane concentrations exceed one percent methane. Regarding the operation of equipment in working places, §22A-2-43(e) states:

> Indication of gas.—In working places a suitable approved apparatus for the detection of explosive gas shall be provided for use with each mining machine when working, and should any indication of explosive gas in excess of one percent appear on any apparatus used for the detection of explosive gas, the person in charge shall immediately stop the machine, cut off the current at the nearest switch and report the condition to the mine foreman or supervisor.

Power can be restored once the "condition found has been corrected" and so pronounced by a certified person.

The following part, §22A-2-43(f) requires that examinations be made at intervals no less than twenty minutes and, if a one percent concentration of gas is detected, then the "current shall at once be switched off the machine, and the trailing cable shall forthwith be disconnected from the power supply until the place is pronounced safe."

In some respects, the West Virginia Code is more stringent than the Federal regulations, by requiring that the trailing cable be disconnected at the power supply when methane levels reach one percent. However, this part, §22A-2-43(f), appears to apply primarily to situations where periodic, instead of continuous machine-mounted, methane detectors are employed. Continuous monitors would, then, be subject to §22A-2-43(e), requiring deenergization of equipment at one percent methane, with the Federal standard requiring disconnection at the power source when methane levels reach 1.5 percent, and automatic shut-down at two percent.

Regulations of Title 36, Sections 6 and 7, pertaining to longwall and shortwall mining, respectively, have provisions requiring that an approved methane monitor be installed on the face equipment. In both operations (§36-6-8.1 and §36-7-6.1), this methane monitor "shall give warning automatically when the concentration of methane reaches a maximum percentage of not more than 1.0 volume per centum of methane." The longwall regulation requires installation of the methane monitor at the headgate, with a "censoring" unit installed on the return side of the face inby the rib line.[2]

In both of these regulations, a certified person must make a test for methane no less than once every two hours during the operating shift. Regarding these methane tests, §36-6-8.2 and §36-7-6.2 both state:

> Should one percent or more of methane gas be detected, the electrical equipment shall be immediately de-energized and the electrical power circuit then disconnected from the power supply until the place is pronounced safe by a certified person.

This makes the West Virginia code more stringent than the existing Federal Code.

3.5 Alabama

The Code of Alabama of 1975 contains Section 25-9-82, "Standards and Procedures as to Gases and Air Quality," pertaining to methane in underground coal mines. Specifically, 25-9-82(b) states:

> If the air immediately returning from a split that ventilates any active workings contains more than one percent methane or more, the ventilation shall be improved, and, if it contains 1.5 percent or more of methane, the power shall be cut off from the portion of the mine affected, and the employees shall be required to withdraw until ventilation is improved.

In addition to this, 25-9-82(c) states:

> Face work must be stopped, power to face equipment cut off, and the employees ordered and required to withdraw until ventilation is improved, whenever one percent or more of methane can be detected on an approved type methane detector or whenever gas can be detected on a permissible flame safety lamp at any point not less than 12 inches from the roof, face, or rib. This does not apply to other faces in the entry or slope in which work can be safely continued.

Thus, Alabama requires that face equipment must be de-energized when one percent methane is detected. Additionally, it requires that face equipment must be de-energized also "whenever gas can be detected . . . at any point not less than 12 inches from the roof, face, or rib. With the

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[2] By the description given in the regulation, this is assumed to be a sensor head. Type of methane monitor (*e.g.* catalytic heat of combustion or infrared) is not specified.

exception of the periodic gas monitoring, during production, using handheld devices, this tends to indicate that machine-based methane monitors reading one percent would be the signal to de-energize the face equipment and the Federal standard would apply thereafter. Power can be restored on improvement of ventilation.

3.6 Illinois

In Illinois, 225 ILCS 705/31.04 and 225 ILCS 705/31.05 require that, if the methane concentration at a working face or in a split of air returning from an active working place exceeds one percent methane, ventilation changes must be made to reduce the methane concentration below one percent. According to 225 ILCS 705/31.06, if the methane concentration reaches 1.5 percent methane, in a working place or split of air returning from a working place, personnel are to be withdrawn and ". . . all power shall be cut off from such portion of the mine . . ." until the methane level is reduced below 1.5 percent. Note that these regulations do not address the deenergization of power at methane levels of one percent.

Further, and apparently unique to Illinois, is the exception that allows work to continue at methane levels up to two percent under certain controlled ventilation conditions. 225 ILCS 705/31.06 says:

> However, in virgin territory in mines ventilated by exhaust fans, where methane is liberated in large amounts, if the quantity of air in a split ventilating the workings in such territory equals or exceeds twice the minimum volume of air prescribed in Section 31.02 and if only permissible electric equipment is used in such workings and the air in the split returning from such workings does not pass over trolley or other bare power wires, and if a certified person designated by the mine operator is continually testing the gas content of the air in such split during mining operations in such workings, it shall be necessary to withdraw the employees and cut off all power from the portion of the mine endangered by such methane only when the quantity thereof in the air returning from such workings exceeds 2%, as determined by a permissible methane detector, a permissible flame safety lamp, air analysis, or other recognized means of accurately detecting such gas.

This exception is less conservative than the MSHA regulations, in general terms, but represents a special case which must be incorporated into an approved ventilation plan. Considering the special nature of this exception, the State of Illinois generally requires that power be removed from electrical equipment at methane concentrations of 1.5 percent although Federal regulations require de-energization at one percent methane.

3.7 Indiana

Title 22, Article 10 of Indiana Law contains provisions regulating coal mining. Many sections of this article have been repealed and IC 10-3-1-1, "Definitions" currently states that "mining law" encompasses (1) this Article 10; (2) IC 22-1-1-5(a); and (3) 30 CFR part 75. What remains of Article 10 is largely concerned with filing requirements, such as with mine maps. Section 5(a) of

IC 22-1-1 provides the scope of powers and duties for the [Indiana] Bureau of Mines and Mining Safety. In the absence of any specifically defined safety standards regarding methane, Indiana reverts to 30 CFR §75.

3.8 Kentucky

Chapter 352, Mining Regulations, Section 232 Definitions—Safety Requirements Governing Use of Electrical Face Equipment—Examination for Methane Gas, Part (2), requires that electrical face equipment may not be brought into a section if methane concentration levels exceed one percent. In a working place, 352.232(3) requires that examinations for gas be made at least every 20 minutes while equipment is operating and says,

> If methane gas is found in excess of one percent (1%) at any time, the power shall be de-energized from the equipment and left de-energized until the gas is reduced to less than one percent (1%) and the place determined safe by a foreman.

This indicates that Kentucky requires deenergization of electrical face equipment when methane levels reach one percent. This would be the same as the Federal requirement, which would also require that the power be disconnected at the source if methane concentration levels reach 1.5 percent. These Kentucky regulations became effective July 13, 2004.

3.9 Maryland

The Unannotated Code of Maryland and Rules, Title 15 Mines and Mining, Subtitle 4, Rules and Regulations Governing Mining Activity sets forth regulations for permitting and defines the roles of mine employees. Section 15-404, Protection and Safety of Mine Employees does not contain any references to methane nor ventilation. As such, Maryland falls under the Federal standard, 30 CFR §75.

3.10 Missouri

Missouri Revised Statutes, Chapter 293 Mining Regulations, requires under 293.120(4), Air Safety Requirements, that air must be improved if methane exceeds one percent. According to 293.020, this chapter is applicable to all mines in Missouri, except barite, limestone, marble or sand and gravel. For underground bituminous coal mines, Missouri must rely on the Federal regulations pertaining to methane.

3.11 New Mexico

The Annotated Statutes of New Mexico, Chapter 69 pertains to mines. Article 20, Ventilation and Gases in Coal Mines, along with many other Articles pertaining to underground coal mine safety were repealed by Laws 1987, ch. 234 §84. Most of the remaining regulations concern filing requirements. New Mexico 69-8-16, Underground Mine Safety Regulations; Penalties,

contains the language "In addition to requirements pursuant to Federal Law for underground mines . . ." and includes several small requirements, none of which pertain to methane. New Mexico, then, is defaulting to 30 CFR §75.

3.12 Ohio

Ohio Chapter 1567 Division of Mineral Resources Management—Mines and Quarries contains 1567.73 "Methane monitors; safety examinations of working face" containing specific regulations on methane. Part (A) of this regulation requires the installation of a methane monitor on all longwall faces capable of automatically warning a condition where one percent of methane is present. The location for this monitor must be specified by the mine on an approved plan or revision thereof as required by 1567.69 of the Ohio Revised Code, for which 1567.73 (B)(9) and 1567.73 (B)(10), are the ventilation plan and methane control plans, respectively. Should the methane monitor malfunction, electric equipment cannot be operated longer than ten minute intervals without checking manually for methane gas. Additionally, methane checks must be made hourly on the intake side of the longwall working face. Under normal operation of the methane monitor, 1567.73(B) includes:

> If one per cent or more of methane gas is detected along the coal face, the electrical equipment shall be immediately de-energized and the electrical power circuit then disconnected from the power supply until a certified person pronounces the place safe.

Thus, Ohio is using a one percent standard for longwall operations, including disconnection from the power source. Methane regulations not specific to longwall operations are contained in Ohio Revised Code 1567.09 Ventilation of Mines. Any air immediately returning from a split must contain less than one and one-half percent of methane. If not, this regulation requires withdrawl of employees from the mine, or portion thereof, and de-energization of all power to the affected section until ventilation is improved. If the methane levels exceed one and one-half percent but are less than two percent, withdrawl of employees and de-energization of power is not required if certain conditions are met. These include a minimum air volume of 18,000 cfm, that all electrical equipment is permissible, that bare wires (e.g. trolley wires) are not present, that no blasting is performed, and that continuous methane monitoring is performed by a qualified person, and that:

> When the methane content of air in face operations exceeds one per cent at any point twelve or more inches from the roof, face, or rib, as determined by a permissible methane detector, a permissible flame safety lamp, or analysis, such condition shall be corrected by improving the ventilation promptly. The electric face equipment at such point shall be turned off and not turned back on until the methane condition is corrected by improving the ventilation.

While the aforementioned exceptions of 1567.09(D) seem to imply that operations can continue with methane levels exceeding one percent, it should be noted that these are exceptions are for return splits. The last exception applies specifically to the working face and requires that electric face equipment be de-engerized at methane levels of one percent.

Therefore, the one percent standard for de-energization of face equipment applies to both longwall and continuous miner sections in the State of Ohio, with the longwall sections additionally requiring that power be disconnected at the supply. Uniquely, Ohio also requires that the location of methane sensors on the longwall equipment be included in the mining plan and that these sensors automatically alarm at one percent methane.

3.13 Oklahoma

The Oklahoma Administrative Code, Title 460, Department of Mines, Chapter 15 applies to Underground Coal and Asphalt. Ventilation at the face is addressed in §460:15-1-25(k) insomuch as the regulation says, "All mines liberating any dangerous, explosive or noxious gases shall be kept free of standing gas in all working places and roadways." However, the subject of actions to take at specific concentrations of methane is not addressed. Therefore, the Federal regulations would be applied for Oklahoma.

3.14 Pennsylvania

Act 52, SB 949 Session of 2008 revised the Safety Laws of Pennsylvania for Underground Bituminous Coal Mines; these changes became effective January 3, 2009. The Pennsylvania Laws closely adhere to the Federal regulations contained in 30 CFR §75.323. According to Section 230 Ventilation Requirements, in a working place or intake air course, including those in which belt conveyors are installed, if methane levels are detected at one percent, Title 52 §230(d)(2)(i) requires that all electrically powered equipment, except intrinsically safe atmospheric monitoring systems, be deengerized. Personnel may not perform any work until the methane level is reduced below one percent. Title 52 §230(d)(2)(ii) provides for the withdrawl of personnel and disconnection, at the source, of electrically powered equipment (except intrinsically safe atmospheric monitoring equipment) if methane concentration levels reach 1.5%. Requirements mirroring those in the Federal regulations are applied for return air courses.

Electrical Regulations are found in Section 316, with Subsection (i) pertaining to methane monitors. Section 316(i)(2) states:

> When the methane concentrations at any methane monitor reach 1%, the monitor shall give a warning signal. The warning signal of the methane monitor shall be visible to the mining machine operator, who can de-energize electric equipment or shut down diesel equipment on which the monitor is mounted. A gas check shall be completed in accordance with this act if at any time the methane concentrations at any methane monitor reach 1.5%. This shall only apply if the methane monitor maintains a warning signal for methane concentrations of 1.5%.

Under this regulation, a scenario would have the operator manually de-energizing the coal cutting machinery upon seeing a concentration of 1.0% methane displayed on a readout for the machine-mounted methane sensor. At a concentration level of 1.5%, the State requirements of Title 52 §230(d)(2)(ii) and the Federal requirements of 30 CFR §75.323 provide for disconnection of the power at the source.

Furthermore, under Section 316(i)(3),

> The methane monitor shall automatically de-energize electric equipment or shut down diesel-powered equipment when the methane accumulation reaches 2% or the methane monitor is not operating properly.

Essentially, with this language Pennsylvania has also enacted its own version of 30 CFR §27.24 and NFPA 4.2.2.1.

It is worth noting that these revisions supersede older language from Section 316(h)(1), in Electrical Face Equipment, which said:

> In working places where explosive or noxious gas is likely to be encountered, an approved safety lamp for the detection of such gas shall be provided for use with each machine when working, and should any indication of gas appear on the flame of the safety lamp, the person in charge shall immediately stop the machine, cut off the current at the nearest switch, and report the matter to a mine official.

This older version did not specify nominal methane concentration levels, meaning that the Federal regulations took precedence. In viewing the current regulations of the Commonwealth of Pennsylvania, it appears that the Federal standards have been adopted—that is, at 1.0% methane, equipment is de-energized; at 1.5% the power must be disconnected at the source; and, at 2.0% an automatic de-energization must be initiated.

In addition, Pennsylvania is one of the few states to specify acceptable locations for methane monitors. Regarding longwall operations, Section 316(i)(1) says, in part, "The sensing device for methane monitors shall be installed at the return end of the longwall face. An additional sensing device shall also be installed on the longwall shearing machine, down wind and as close to the cutting head as is practicable." For all other machines, the regulation is to install the methane sensing devices ". . . as close to the working face as is practicable." This regulation captures the essence of the recommendations reviewed in Section 5.2 and mirrors 30 CFR §75.342.

3.15 Tennessee

Title 59, Chapters 5 and 6, Regulation of Mines Generally and Commercial Coal Mines, respectively, have been repealed. In consideration of the absence of any specific regulations concerning methane, Tennessee reverts to Title 30 CFR §75.

3.16 Utah

Title 40 of Utah Code, Mines and Mining, contains the Coal Mine Safety Act in Chapter 2. Section 301 of this Title and Chapter delineates the responsibilities of the Commission and Office of mine safety. Under 40-2-30(3)(c), the Commission is to "establish a cooperative

relationship with the Mine Safety and Health Administration to promote coal mine safety in Utah." This Coal Mine Safety Act does not specifically address methane nor ventilation and, for electrical issues, requires compliance with 30 CFR 75.152 for underground operations, under Utah 40-2-402(D). As such, Utah incorporates the methane regulations set forth in 30 CFR §75.

3.17 Virginia

The Code of Virginia, Title 45.1, Mines and Mining, Chapter 14.3, Requirements Applicable to Underground Coal Mines is similar to the Federal standards regarding actions to take for excessive methane concentrations. Section 45.1-161.222(B) Actions for Excessive Methane requires that electrically powered equipment be de-energized, except for intrinsically safe atmospheric monitoring systems, if methane concentrations reach one percent in any working place, intake air course, or belt entry. Personnel may remain, only to reduce methane levels below one percent. If methane levels reach 1.5 percent, Section 45.1-161.222(C) requires withdrawl of personnel and "Electrically powered equipment in the affected area shall be de-energized and other mechanized equipment shall be shut off except for intrinsically safe atmospheric monitoring systems (AMS)." In a return air split coming from a working face, Section 45.1-161.222(E) requires power to be de-energized at the source if methane levels reach 1.5 percent. Work can continue in the area with up to 1.5 percent methane if a minimum 27,000 cfm is maintained in the last open crosscut, per Section 45.1-161.222(F).

Thus, in Virginia, the requirement for both one percent and 1.5 percent methane is to de-energize the electrically powered equipment, but the law does not require disconnection at the power source for the 1.5 percent concentration level unless detected in the return air course coming from the working place.

4.0 Methane Ignitions and Electrically Powered Equipment

Aim 3: To characterize the hazard associated with the interplay of electrically-powered face equipment and methane ignitions.

To determine the value inherent in de-energizing electrically powered face equipment at a threshold level of methane concentration, it is necessary to ascertain the reason(s) why such action would be beneficial. In other words, determining the main causes of methane ignitions is the first step to preventing methane ignitions.

4.1 Causes of Methane Ignitions

Several studies, over the past fifty years, have investigated the causes of methane ignitions and other mine fire phenomena. An objective review of this literature supports the position that frictional ignitions at the face, and not the prevalence of electric-powered equipment, *per se*, is the root problem. As early as 1965, before the act that established MSHA but after electrification of mines was common, summarized statistics showed that friction at the cutter

head was responsible for ninety percent of the ignitions (Blickensderfer, 1972, p. 2). As noted more recently by the Fire Protection Handbook, 17th Edition, published by the National Fire Protection Association:

> About 5 percent of underground coal mine ignitions and explosions result from electric arcs. This figure is surprisingly low in view of the extensive used of electrical equipment in underground coal mine face areas and the low electrical energies required to ignite methane. (p. 8-176)

Their data is sourced from Nagy (1981) and covers the period 1970-1977. During this period, there were 285 frictional ignitions, comprising 85% of the total. It is important to recognize none of the ignitions listed were further partitioned to identify occurrence locations at the face or in some outby location—a fact highlighted by the high percentage attributed to burning and welding operations. Thus, while it is probable that most of the electrically-induced ignitions did not occur at the working face, it is also likely that some of the 285 frictional ignitions were caused in outby areas, such as on belt lines.

This contrasts with the 1960s and 1970s where fully 40% of coal mine fires could be traced to an electrical origin, with half of these caused by faults in electrical trailing cables powering face equipment. The NFPA notes that conversion from DC to AC powered equipment significantly reduced this percentage (pp. 8-174 to 8-175). This level, as noted above, had been reduced to approximately five percent in 1991.

To overcome the limitations of the data available, in 1995, Schatzel segregated those ignition events that were associated with machinery (that did not list other causes, such as a known electrical problem) by co-analyzing the MSHA ignition data with the equipment descriptions in the (former) Health and Safety Analysis Center database and found a 100 percent correlation when randomly testing this method of characterization. Moving forward, Schatzel created a frictional ignition database that also included information on production, working conditions, and coal mine methane emissions. Analyzing the period 1980-1992, Schatzel found that, "Coal production did not show a strong correlation to frictional ignitions. However, a correlation was observed between *high rates of production increase* and frictional ignitions" [emphasis added]. While production was not a significant correlate, the type of mining machinery was, with continuous mining machines outdistancing all other mining methods for the largest number of frictional emissions over the study period. Roof bolters had the lowest percentage for frictional ignitions and this was proposed to be the result of better ventilation in those areas where the bolters operate. Although complete data was not available, another apparent inference is that frictional ignition events are more prevalent in gassy mines than in non-gassy mines, independent of whether or not these mines are in the same coal seam. The upshot of the Schatzel article is that frictional ignitions do not appear to be correlated with production.

In 2006, another review, "Frictional Ignitions in Underground Bituminous Coal Operations 1983-2005," shows that the same trends continue. Krog and Schatzel say that the majority of all ignitions in underground coal mines are due to friction. As compared with the Schatzel study, Krog and Schatzel also found that continuous miners were responsible for the majority of frictional ignitions, representing 1,090 of 1,589, or 68.6% of all ignitions. Longwall shearers

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comprised 383 of the ignitions, or 24.1%. Together, continuous miners and longwall shearers account for 92.7% of the frictional ignitions, as shown in Figure 1. Roof bolters add another 3.1%, with 50 out of 1,589 occurrences. The remaining causes are distributed with 20 (1.3%) in unknown equipment, 23 (1.4%) in other equipment, 19 (1.2%) in cutting machine varieties which do not appear after 1990[3], and 4 (0.3%) for ground falls. The importance of this review is the recognition that frictional ignition, not electrical arcing, is the primary cause of methane ignition.

Krog and Schatzel further explored the data, finding the same as Schatzel that production at any given mine was not correlated to the prevalence of frictional ignitions of methane. They did say, however, that, for a given seam, the production of the total seam was positively correlated with the frequency of friction-induced methane ignitions. Further, Krog and Schatzel presented that longwall operations had a higher frequency of frictional ignitions than room-and-pillar operations. This was attributed to the necessity of having continuous miner sections cutting gateroads, the latter becoming better ventilated and degassed by the time the longwall commences. Another insight was that 75.5% of the total number of frictional ignitions occurred in three states: Alabama (710), Virginia (247), and Pennsylvania (242). Parsed by coalbed, Central and Northern Appalachia, which includes West Virginia, combine to represent 42% of the total, with the Warrior Basin exceeding them at 44.7%. The remaining coalbeds represent less than 10% each. The State of West Virginia reported 8.3%, or 132 of the 1,589 frictional ignitions 1983-2005. Figure 2 depicts this data.

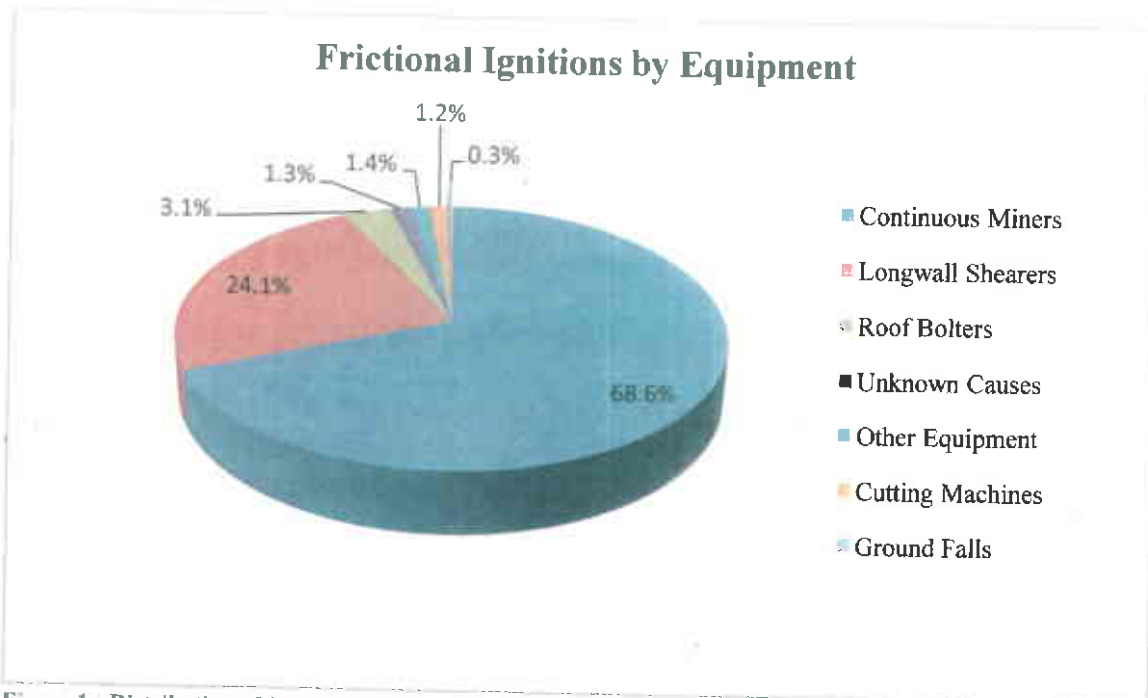

Figure 1: Distribution of frictional ignitions by equipment type, 1983-2005. Data from Krog and Schatzel, 2006.

[3] Primarily equipment used for drill and blast operations.

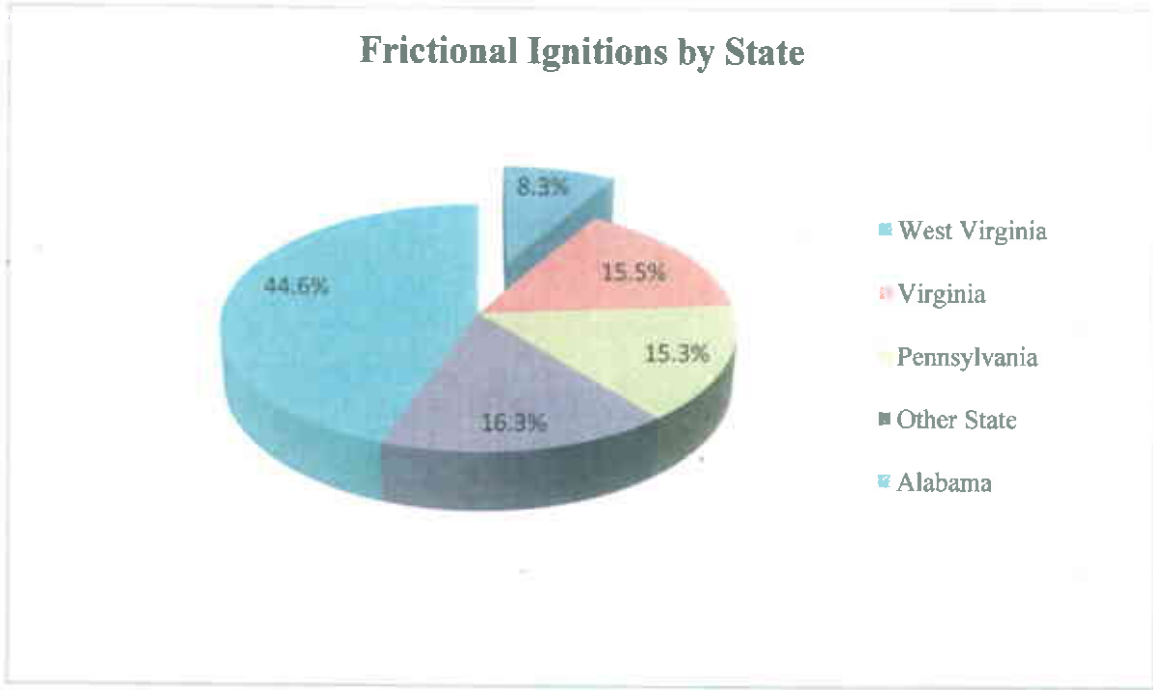

Figure 2: Frictional ignitions by state, 1983-2005. Data from Krog and Schatzel, 2006.

4.2 Ignitions from Roof Bolters

Regarding methane ignitions by roof bolters, both Urosek and Francart (1999) and Taylor *et al.* (1999) have reviewed MSHA roof bolter ignition reports. For the period 1981-1998, the distribution of ignition sources is as shown in Figure 3. Ignoring, for the moment, electrical and unknown causes, the remaining 92% of bolter ignitions can be attributed to frictional sources. Electrical causes comprise only 3% of the total.

Thus, similar to continuous miners and longwall shearers, the primary source of ignitions originates with friction, often caused by dulled cutting bits, and not by arcing of electrical equipment. An automatic shutdown on roof bolters would only be effective if, in the presence of a frictional ignition source, the arresting of drilling would remove this source of heat. Methane ignitions in drill holes usually occur at the roof interface where methane from the hole mixes with air to a flammable composition. Therefore, one would assume the methane monitor that is designed to cause an automatic shutdown would best be located at the hole. However, a study by Talyor *et al.* in 1999 found existing monitor locations sufficient and cautioned that additional testing should be performed to establish the relationship between methane released at the drill hole and that at machine and sweep locations. They conclude with "Methane sampling locations should not be changed unless it can be demonstrated that the change provides the same or greater level of safety for the worker" (p. 178).

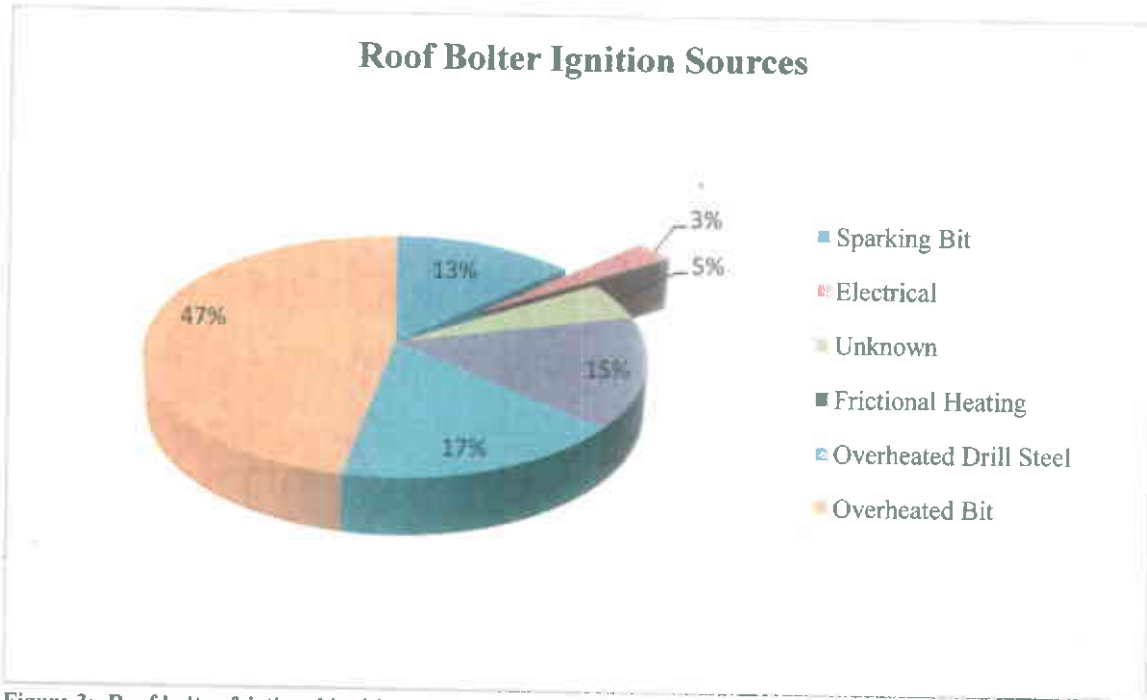

Figure 3: Roof bolter frictional ignitions 1981-1998. Data from Urosek and Francart, 1999.

4.3 Synopsis of Ignition Mechanism

The literature concerned with frictional ignitions concentrates on the prospective that, to reduce the probability of methane ignitions at the face, the source of frictional ignition must be controlled. Along with degasification of the coal seam, the focus is on ventilation, bit selection, and various arrangements of water sprays (see Thakur, 2006). Admittedly, these methods are intended to reduce the occasions of frictional ignitions while maintaining production. Notable by its absence is the concept of de-energizing electrical power to the cutter head to stop rotation and, thereby, eliminate the possibility of a friction ignition.

In 1990, Courtney observed, "The present observation that a lower bit velocity did not appreciably decrease the likelihood of frictional ignition with a worn bit until a very low velocity was used does not agree with previous studies." He mentions some of the possible reasons for this disparity but concludes, "However, the present results indicate that a lower bit velocity probably is not a reasonable alternative to avoiding frictional ignition with worn bits in a practical mining operation" (p. 19). This contrasts with earlier recommendations from a 1974 study by Blickensderfer *et al.*, where various combinations of rock and cutting bit material were compared and it was proposed that the cutting speed should be limited to 300 fpm (p. 16). It was advised that the rate of advance could, instead, be increased to maintain "current production levels."

Note that studies of bit-induced frictional ignitions, both prior to and subsequent to the Courtney study, focus especially on the greater likelihood of worn bits, versus new bits, creating a sustained hot streak on material such as sandstone, with sufficient area to transfer enough heat

for ignition. Courtney says "From a more fundamental viewpoint, the ignition of a methane-air mixture by a hot surface depends upon the temperature and area of the hot surface and the exposure time" (p. 19). This statement is reinforced by the same study by Blickensderfer *et al.* in which the authors say:

> At one time, the sparks produced by frictional rubbing or impact were believed to be the source of frictional ignitions of coal mine gases. However, early investigations by SMRE[4] showed that the sparks themselves were not generally responsible for the ignition of air-methane (p. 2).

These early investigations date to the late 1920s in England and thereafter also consumed many research hours of the U. S. Bureau of Mines. To once again quote Blickensderfer *et al.*:

> To initiate a methane explosion, a minimum combination of time, temperature, and surface area of a source are required in order to heat the necessary minimum volume of gas to a sufficient temperature (p. 2).

For these reasons, showers of sparks, especially when cooled with water sprays, are unlikely to ignite methane. A study by the U. S. Bureau of Mines, investigating incendivity and abrasion sparks was forced into using a hydrogen-air mixture after a 7.4% methane-air mixture failed to ignite. The inability to ignite the methane-air mixture was repeated for most of the cutter bit alloys that were being tested before the researchers resorted to changing the fuel gas to hydrogen in order to promote ignitions to study (Blickensderfer *et al.*, 1972, p. 8).

The combination of time, temperature, and surface area has been studied from various perspectives, mostly related to cutter bit design or the question "how worn is worn?" but the upshot of all these studies, from a practical operating standpoint, continues to be that worn bits need to be replaced to lessen the probability of creating an ignition source for methane. Similarly, other studies have focused on ventilation to control methane and prevent the minimum volume from accumulating near a location where worn cutter bits may be leaving hot streaks on non-coal rock. The non-coal rock most frequently used for these ignition tests is sandstone. In the 1974 study, Blickensderfer *et al.* considered quartzitic sandstone, silty sandstone, limestone, and sulfur balls. Sulfur balls and limestone did not produce any frictional ignitions. They concluded,

> Sandstone appears to be the real culprit in causing ignitions. Bureau experience has shown that ignitions are not started from frictional sparks but are always caused by a "flashing" phenomenon associated with a frictional hotspot that develops on the sandstone (p. 8).

The combination of excessive methane and the presence of sandstone have been called the "two common denominators" of frictional ignitions by Thakur (2006). This combination likely accounts for the larger prevalence of frictional ignitions at the cutter heads of continuous miners and longwall shearers versus roof bolters or other equipment.

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[4] SMRE is the Safety in Mines Research Establishment of Sheffield, England.

One other result of the Bureau of Mines studies is that the hotspot developed very rapidly in the laboratory tests, in about two milliseconds, whereas cooling took twenty times this, or forty milliseconds. Hotspot temperatures ranged between 1,200 °C and 1,400 °C, or an order of magnitude greater than the 150 °C exterior temperature of electrical boxes as permitted under Federal regulations.

Continued research on methane ignition at the face focuses on frictional ignition as the primary source (Taylor *et al.*, 2010; Kissel, 2006; Thakur, 2006).

5.0 Performance of Methane Monitoring Systems

Aim 4: To assess the capabilities of machine-mounted sensors with regard to their ability to detect levels of methane and cause an automatic process shutdown (*i.e.* de-energize power to mining operations).

Historically, there have been many improvements in methane monitoring during this period, so that the sensitivity of the sensors and their response time continues to be a less critical issue. For example, the introduction of digital communication schemes has made an improvement in response times versus some early analog models that required calculations to be performed in a separate bridge circuit and had to be field calibrated based on the length of wire between the sensor head and the monitor circuit. This technology was emerging in 1986 when Kissell *et al.* performed their study of methane monitors and the probability of face ignitions based on a number of the aforementioned characteristics. While primarily concerned with continuous miners, the approach and results of their study continues to be applicable to modern mining methods and will herein serve as a start point for discussion. Their premise was that, if a frictional ignition occurs, then the methane monitor (thereafter checked and found to be fully functional) must have failed to respond appropriately to the methane encountered due either to monitor location or to monitor response time (p. 49-50).

Methane monitors were first used on face equipment in the late 1950s, following a U. S. Bureau of Mines program to develop continuous monitors for such purposes in 1958 (Taylor *et al.*, 2010, p. 5). As research has continued to reduce methane concentration and sources of ignition, this research continues to cite, not challenge, the existing regulations for alarming at one percent and automatic de-energization at two percent methane by volume.

The performance topic is that which is, perhaps, most open to interpretation inasmuch as coal mines generally specify the type and location of methane monitors to be included on the equipment that they purchase from the manufacturer.[5] That being said, recognize some studies have been performed to determine the optimal location for methane sensors on both continuous miners and longwall shearers. Further, earlier studies that were performed considered methane monitoring equipment that was less robust than that currently in use. Still, the concepts

[5] 30 CFR §75.342 requires only that "the sensing device must be installed as close to the working face as practical." Pennsylvania Title 52 Section 316(i)(1) is similar, and Ohio requires that the sensor locations for longwall shearers be included in mining plans submitted to the State.

concerning methane monitor location and methane monitor response time are applicable to today's machinery and there is always the possibility that some mines are using older equipment that has yet to be retrofitted with more modern sensors. More recent research tends to support the earlier research and NIOSH has developed preferred locations for methane monitors on typical coal-cutting machinery, including roof bolters. Continuous miners and longwall shearers will be discussed in this section.

5.1 Methane Monitoring & Sensor Types

Federal (and State) regulations do not incorporate required response times for methane monitors (Taylor, 2002, p. 315). In Sections 2.2 and 5.0 it was noted that the methane sensors originally employed on electrically-powered face equipment have been improved since the time that they were originally employed. Two types of sensors are prevalent.

Most earlier monitoring schemes, and many of those currently in use, employ a catalytic heat of combustion sensor with a separate bridge circuit. The following explanation from General Monitors Corporation provides an explanation of the principle of operation:

> Based upon the simple principle that as combustible gas oxidizes it produces heat and the sensor converts the temperature change via a standard Wheatstone Bridge-type temperature transducer to a sensor signal. The sensor components consist of a pair of platinum heating coils embedded in a catalyst. Since the reactants are all gaseous, the reaction takes place on the surface of this element with the gases reacting exothermically with oxygen in the air to raise its temperature. This results in a change in resistance within the embedded coil, which is linearly proportional to gas concentration (p. 2).

While these time-honored sensors have been in use for over four decades and have fairly fast response times, note that they require oxygen for their operation. In addition, the catalysts can become contaminated by the presence of various substances, degrading sensitivity to the point of inactivity. Prolonged exposure to high concentrations of combustible gas can also degrade performance.

Although comparatively less infrared detectors have been approved for use by MSHA, they are increasingly being considered. Infrared radiation, at specific wavelengths, is absorbed by certain gases, particularly hydrocarbons such as methane, when passing through a volume of gas. Infrared sensors compare absorbed radiation between a source and a detector for both the sample and a standard. They are specific to a particular gas, such as methane, and do not suffer from degradation of the catalyst due to poisoning or overexposure to high concentrations of combustible gases. They are, however, susceptible to dusty environments and environments where high humidity is present. Their optical windows must be kept clean for proper functionality.

The research cited in sections 5.2 and 5.3 expands from that conducted with catalytic sensors to newer, infrared sensors—both can provide reliable readings when properly maintained. In the Kissell *et al.* study, in 1986, at least one digital methane monitor was tested. Note that one aspect of the study was to improve the response time of the existing analog sensors. One of the

attempts to improve the sensors was to add a lead circuit to it, and this did improve the response time somewhat. Of the digital sensor, the authors say, "The evaluation was similar to that of the other monitors. Response was slightly faster than the response using the lead circuit" (p. 54). This can be taken as representative of, what was then, one upcoming technology.

It has been mentioned that one advantage of the digital sensor is that calculations are performed at the sensor head, instead of with a bridge circuit located in a box somewhere else on the equipment. This alleviates the need to calibrate for the resistance of wires between the sensor and the bridge circuit.

Comparisons of infrared absorption sensors with catalytic heat of combustion sensors have been undertaken by NIOSH. In one test, two infrared and one catalytic sensors were compared for response time with the two infrared sensors having a response time of 10 and 33 seconds respectively, and the catalytic sensor between them with a response time of 19 seconds (Taylor *et al.*, 2010, p. 48). Like the catalytic sensors, the infrared sensors have a negative correlation between response time and cleanliness of the sensor head.

Whether a catalytic heat of combustion or infrared absorption sensor is used, the conclusion of all this research shows that proper maintenance of the sensors themselves (*e.g.* cleanliness) is the greatest controllable variable for coal mine operators. Response time should be viewed along with a one-of-two voting scheme as described in Section 2.2.

5.2 Continuous Miners

Kissell *et al.* performed a study on methane monitors for continuous miners in 1986 using a full-scale model mine. In Section 2.2 the use of two sensors for monitoring was advocated. Important in the Kissell *et al.* study was the recognition of using two monitors with a voting scheme that would (in an actual situation) shut down the machine if either of the two sensors attained the threshold concentration. The study, however, considered each of two methane monitors separately to determine overall system robustness. In addition to using four methane monitors approximately twelve inches[6] from the face to determine an average face methane concentration, the following approach was used:

> One measurement with the "brattice-side monitor" was made on the brattice side of the heading, to simulate readings with the brattice and monitor on the same side. The second measurement with the "off-side monitor" simulated the brattice and monitor on opposite sides. Of these two monitor readings, the higher was called the "high-side monitor" to represent a hypothetical dual-head monitor that has heads on both sides of the machine from which it selects the higher readings (p. 50).

Concentration ratios were determined for each of 26 tests, with the machine positioned to represent a standard mining sequence. These ratios compared, for example, the high-side

[6] The study used the Metric system, with a distance of 0.3m, or approximately 12 inches. This distance is commensurate with requirements for taking handheld methane readings at the face.

monitor to the face average and, for another example, the off-side monitor to the face average. By using concentration ratios, a statistical analysis of efficacy could be performed. Results were normally distributed, but the standard deviation was large. The high-side concentration ratios varied from about one-third the face average value to twice the face average value.

Brattice-side concentration ratios were less than the face average, at 0.77 and off-site concentration ratios were less than the face average, at 0.80. However, the high-side monitor had a concentration ratio of 1.1. Thus, the high-side monitor gave a higher reading than the average face reading. In the voting scheme of letting the highest monitor reading cause a shutdown (sometimes called a "peak-picker" scheme), the methane monitor would have de-energized the machine when the methane concentration was actually lower than the setpoint.

Using the statistics, it was determined that the high-side monitor had a concentration ratio of 0.5 (or half the face concentration) only 9% of the time, and that the monitor will "frequently give readings higher than the face concentration, which may lead to unwarranted shutdowns." The authors continue, saying that, "We may arbitrarily select 2.0 as the concentration ratio above which unwarranted shutdowns occur. This value of 2.0 was chosen because it is the reciprocal of 0.5, the value selected to indicate that the monitor was not measuring the face concentration properly." Under this scenario, the concentration ratio is less than 2.0 for 97 percent to 99.8 percent of the tests, corresponding to an unwarranted shutdown rate of 3 percent to 0.2 percent, respectively (p. 51). Note that the value of 2.0 herein refers to the concentration ratio, not the concentration of methane.

The researchers then investigated the response time of the monitors, considering three variables: sample velocity, dust shield design, and condition of shield. Sample velocities were chosen based on typical mining ventilation conditions. As the sample velocity increased, the time required for machine shutdown decreased, when the sensor heads were exposed to five percent methane. However, when dust shields with intricate paths were installed, and the sample had to diffuse through such paths, response time increased. The condition of the shields was also important. Kissell *et al.* elaborate:

> Tests with contaminated shields showed a degradation in response time due to the presence of dust and water. Here the critical factor was the time required for the monitor to display 2 per cent when subjected to a 5 per cent mixture of methane. Depending upon the monitor and filter used, the dust and water could increase the lag time from a minimum of 14 per cent to instrument malfunction.

The authors further concluded that:

> . . . the available dust shields could not be markedly improved without making the monitor more vulnerable to failure due to dust or water accumulation on the shield. More importantly, although dust and water shields added to the total response time of the monitor, the time was not very significant compared with the lag time when the shields were not used.

It is important to recognize that, at the time of this research in 1986, there was considerable interest in improving the response time of methane monitoring equipment, and this research used monitors that were available and in use at the time. Times to display two percent methane, when five percent methane was introduced[7], varied on clean shields from 2.9 seconds to 10.5 seconds, depending on the sample velocity and monitor type.

Building on this research and with a recognition that deeper cuts would affect the methane liberation characteristics of continuous mining, NIOSH has undertaken a number of studies which are summarized in Information Circular 9523, published in 2010.

Regarding location, Taylor *et al.* (2001) state that "Where the methane monitor is located on the machine is one of the most important factors for that determines how effectively face methane levels can be predicted" (p. 2). To comply with the current setpoints (1% warning and 2% automatic shut-down), the researchers propose equations to correct face methane levels for various locations of the methane sensors on the machine. They use a "best straight line" estimate for a scatter plot of methane readings at sensor locations versus the face concentration, as determined from experiments on a full-size model at NIOSH. They say, "The straight-line model is the simplest one for comparing the data and there was no reason to believe a more complex model would fit the data better" (p. 3). While the concept has merit, it should be noted that the authors did not use certain advanced, albeit relatively simple, statistics to test for the influence of potential outliers on their regression lines.[8] Furthermore, neither data splitting nor any other method to validate the efficacy of the equations for making predictions was employed. Thus, they correctly recommend, for the safety of personnel, that any equations developed should be field verified prior to any implementation.

In summary, relying on decades of research, NIOSH recommends the following guidelines for placement of methane monitors:

- Six to 8 ft from the face where damage to the head due to falling rock and moisture is less.

- On the return air side of the mining machine (side opposite the ventilation tubing or curtain) where methane concentrations are usually highest (Taylor *et al.*, 2010, p. 49).

For the return air side, the authors provide additional information which would also be of interest to a mine operator having a continuous miner manufactured for their operation (see also Taylor *et al.*, 2001 and 2004).

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[7] As a step input.

[8] It is assumed from additional information in the paper that the "best straight line" estimate refers to an attempt at a linear regression, although the term "linear regression" is not used.

5.3 Longwall shearers

A study by the Bureau of Mines, by Cecala *et al.*, published in 1994, sought to determine the optimal location for methane monitoring on longwall faces, noting that "It has been the Bureau's experience that in most mines the bulk of the methane on the face comes from the cutting of coal by the shearer" (p. 142). A full-scale model of a shearer and coal face was constructed where controlled methane releases could be monitored, recorded, and analyzed. Sufficient test runs were made for all investigated scenarios so as to be statistically significant when analyzed. Methane monitors were placed along the length of the shearer to determine dispersion characteristics of the methane-air mixture moving along the ventilated face. In addition to seeking an optimal sensor location, the researchers also considered the effect of water sprays on turbulence of the methane release. This latter analysis revealed, "... that water sprays created a substantial amount of turbulence and yielded higher concentrations of methane at the gas sampling locations on the top face side of the shearer machine than when no sprays were used" (p. 143). The significance of this is that the methane readings may be elevated by the presence of the water sprays, even though water sprays are seen as adding a significant contribution to overall safety at the cutting head.

Regarding the optimal location for the methane monitors on the longwall shearer, the authors conclude:

> The first choice for a machine-mounted monitor would be on the top face side of the shearer from at least 1.8m (6 ft) down from the headside cowl to the end of the machine.
>
> At those operations where coal and/or rock accumulations on the front part of the machine are a problem, a monitor near the gob side tail area should be considered. This location is less likely to be damaged by coal or rock, or negatively effected [*sic*] by water sprays. Walkway monitors do not appear to be very beneficial in quickly responding to high gas levels at the shearer. A methane monitoring system on the shearer should be viewed as a safeguard when engineering controls fail to keep gas levels at safe concentrations. (p. 144)

Nowhere in this article was there a discussion about de-energizing the shearer machine when methane was present, nor about the use of multiple monitors employing a voting scheme. However, it should be recognized, in viewing the last sentence quoted above, that the authors' perspective is commensurate with other research that has appeared in the literature, *viz.* the methane monitors are a safeguard when engineering controls, such as well-maintained water sprays and sharp cutter bits, begin to degrade.

6.0 Interaction of Methane and Coal Dust

Aim 5: To quantitatively assess the interactive effect of coal dust and methane in the event of an ignition.

The nuisance of coal dust as a source of explosions in underground coal mines and in coal preparation plants has been long established. The NFPA, aggregating data from the former U. S. Bureau of Mines and MSHA, estimates that methane ignitions outnumber methane explosions at a ratio of seven to one, and methane explosions outnumber coal dust explosions at a ratio of six to one. By extension, the ratio of methane ignitions to coal dust explosions (where methane is not present) is about 40 to 1. The concern with methane ignitions is the potential for a methane explosion which, in turn causes a shock wave through the underground mine which disperses coal dust and results in an explosion.

For a high-volatile bituminous coal dust dispersed in air, the lower explosive limit (LEL) is 0.05 oz. per cubic foot. As the NFPA Fire Protection Handbook notes, in its section on mining, "The presence of methane in the atmosphere increases the hazard by producing a linear reduction in the LEL for coal dust" (p. 8-176). Ever more stringent standards for rock dusting attempt to lessen the possibility of a methane explosion propagating a mine-wide coal dust explosion.

Cashdollar (1996) performed explosibility tests on both high-volatile bituminous coal, such as that from the Pittsburgh seam (which has been the standard for Bureau of Mines tests since the 1900s) as well as for low-volatile bituminous coals such as that from the Pocahontas seam. Particle size was also considered, with finer particles found to be more hazardous than larger particle sizes. As may be anticipated, for equal particle sizes, "more rock dust is required to inert the high-volatile Pittsburgh coal than is required for the low-volatile Pocahontas coal" (p. 74). In the presence of methane, the linear relationship of the explosibility of methane concentration and coal dust concentration, commonly referenced for the high-volatile bituminous coals of classic study, followed Le Chatelier's Law for hydrocarbon gases. The slight non-linearity seen with the low-volatile Pocahontas coal was explained as, "This is probably due to the even greater difference in ignitability between the low-volatile coal and the CH_4, i.e. the dust becomes more easily ignited as more CH_4 is added. Therefore, the curvature is more likely an effect of ignitability rather than an effect of flammability" (pp. 73-74). Figure 4, reproduced from Cashdollar's study, shows these ranges.

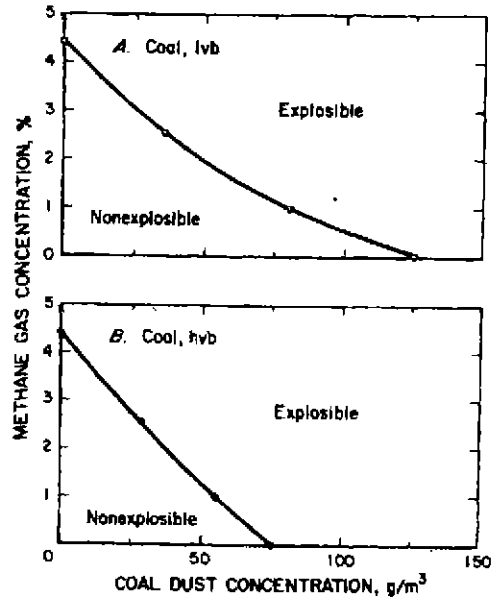

Figure 15 Minimum explosible concentrations of hybrid mixtures of coal dust and methane gas

Figure 4: Explosibility ranges for methane-coal dust mixtures, high- and low-vol bituminous coals [Cashdollar, K. L., "Coal Dust Explosibility, Cashdollar, *Journal of Loss Prevention for Process Industries*, Vol. 9, No. 1 (1996), p. 73].

Recognizing that most coal dust explosions are initiated by a methane ignition provides support for the position that reduction of methane ignitions should be of paramount importance to coal mine operators.

7.0 Discussion

Considering the classic "fire triangle," three conditions must be present for ignition of a methane-air mixture: fuel, oxygen, and heat sufficient to cause the ignition. Some methane will be emitted from the coal face, even if degasification has been performed prior to mining. Oxygen will be present since the face must be ventilated to provide for human occupancy. If a combustible mixture of methane and air exists at the working face, then a source of heat must be present to cause the ignition. Research has led to practical developments, such as degasification, that have limited the potential for methane at the working face. Dissipating that methane which is emitted from the working face is usually best controlled by proper ventilation, another topic that has received much investigation. The question of limiting methane ignitions at the face, then, revolves around eliminating, or reducing, sources of heat which are sufficient to cause ignition of a methane-air mixture.

Notable by its absence is the consideration of arcing by electrically powered mining equipment at the working face. Concentration is placed on the elimination, or reduction, of frictional ignitions, the largest contribution coming from worn bits and/or insufficient water sprays. Most frictional ignitions documented in MSHA field reports have been caused by metal bits cutting

into sandstone, and to a lesser extent, pyritic material. Worn bits have also been a major, if not the major, contributing factor.

Automatic shutdown of permissible electrically powered face equipment provides safety for miners, then, not because of the removal of the potential for electrical arcing, but by arresting the cutting processes and limiting the possibility of frictional ignitions when a combustible mixture of methane-air is detected. The current generation of methane monitoring equipment is more robust, using better sensors and appropriate voting schemes, than that used in the past and, therefore, provides a better response than that anticipated in the late 1950s when regulations regarding equipment-mounted methane sensors were first implemented.

In considering the appropriate threshold value at which machine-mounted methane monitoring systems should automatically de-energize machinery, the focus should be placed on whatever perceived benefit such de-energization would have towards the goal of reducing frictional ignitions by eventual stoppage of the rotational motion of the cutter heads.

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