



JOINT COMMITTEE
ON GOVERNMENT & FINANCE
INTERIM BOOK

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JOINT COMMITTEE ON GOVERNMENT AND FINANCE

(Speaker Hanshaw)

December 6, 2022

2:00 p.m. – 3:00 p.m.

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

Speaker Hanshaw: “All right, good afternoon. Let’s go ahead and call this afternoon’s committee on Government and Finance to order. You have available in your packets for review the draft minutes of the November 13th, 2022, meeting of this committee. I’ll ask all members to take a moment and review that draft minutes...those draft minutes. If there are no corrections to those minutes, Chair will recognize the President for a motion.”

President Blair: “Yes. Mr. Speaker, I move that the minutes from November the 13th, 2022, meeting of the Joint Committee on Government and Finance as contained in the member’s packets be approved.”

Speaker Hanshaw: “President Blair moves that the draft minutes distributed in the packets for the November 13th, 2022, meeting of the committee be approved. Is there discussion on the motion? If not, those in favor of that motion will please say aye, those opposed will please say no. All right, the ayes have it that draft set of minutes is approved. Let’s jump straight into our monthly and quarterly reports. We’ll take up first the General Revenue and Federal Funds Report.”

Secretary Muchow: “Some extra stuff here in the podium here. In front of you should be some information on revenues for November. November collections were \$112.7 million above estimate, 10.3% ahead of last year. In terms of the months of this fiscal year, the gain in revenue for November would be the slowest month for the year. For the year as a whole, collections are almost \$2.5 billion versus an estimate of \$1.8 billion, that’s six hundred eighty-seven and a half million above estimate, 24.3% ahead of last year or a total of \$488.6 million ahead of last year.

On the individual components, start with the sales tax. Over the course of the fiscal year, the sales tax...with the exception of October...the sales tax growth rate has trended down a little bit over time and that’s to be expected. The Federal Reserve is raising interest rates and the economy has slowed a little bit and in November the collections were 2.7% growth rate versus for the year to date 6% growth rate on sales tax...but sales tax still doing very well. Collections are above estimate by \$85.4 million for the year.

Personal income tax collections actually fell short of estimate in November by \$10.4 million, we collected 158.9, the estimate was 169.3, and that was also 6.4% below last year. I attribute that mostly to timing differences as opposed to anything else. October was extremely strong for personal income tax growth, particularly withholding taxes on wages and salary. The first quarter of this fiscal year, we had growth a little bit more than 10%. In October, we had growth of 20.3%. In November, the withholding tax was down 0.6% but if you go year to date, we're still above 10%. So, you mix November and October together, still a healthy 10% increase. Also, in the month of November we paid out about an extra two and a half million dollars in refunds compared to the estimate, whereas in October we missed the estimate on refunds for personal income by about \$2.8 million. So, again less refunds than we thought went out in October, little bit more went out in November. So, I don't...the change on the income tax is not a big deal. Year to date the income tax is up 14.9% over last year. We have a surplus of \$109.7 million. Now we do believe that once we get into filing season, the numbers are going to come down a little bit because when you get your 1099's at the end of this year the capital gains and the stock market that were there last year may not quite be there as much this year. So, expect a little bit of softening on some of those...I call it non withheld type sources of income. Although not everything...royalties, if you're getting royalty checks your royalty checks this year are probably quite a bit higher than they were last year. So, it's a mixed bag but ultimately you might see a little softness on the income taxes compared to the growth which we've seen in the past during filing season.

Severance tax...which is a major source of revenue growth for us...in November we collected \$112.4 million, that was \$88.4 million above the official estimate, 49% ahead

of last year. By far, the slowest rate of growth we've seen so far, this fiscal year, year to date \$453.6 million. Now, typically \$453.6 million would be what you would see in an entire year, we've seen it in five months. So, we're above estimate by \$370 million dollars, 136% above last year. About a year ago, starting with the collection month of November, we started to see hypergrowth in the severance tax. So, now we're measuring this year against last year's hypergrowth. So, we should see the severance tax growth rates come down quite a bit in the next few months. Still good numbers but part of it is we just had such hypergrowth last year and we're building on last year's growth.

Energy sector is a very much uncertain sector. Don't know what's going to happen in Europe, got problems with Russia...the political scene, there's a lot of uncertainty...China is possibly reopening its economy. So, energy is going to be a wildcard going forward but anybody can tell you what energy prices are going to look like in the next six months is a pretty smart individual and I'm not sure we have them out there that can tell you for certain where we're going to be on energy prices. Certainly, good news for energy producing states and countries, the commodity is in high demand.

Corporate tax, corporate tax in November we collected \$11.8 million, that was \$9.8 million above estimate, 73% ahead of last year, and year to date we collected \$133.9 million, that's almost \$81 million above last...above estimate, and a good \$40 million dollars above last year...42.9%. The income tax, we also believe will slow down considerably in coming months. Usually, higher interest rates and the inflation environment we have pertains for lower profits over time. So, might see a little bit of pressure there but the income tax has been on a tremendous run for several years now. I believe, oh as recently as 2017, we only collected about a little over \$100 million dollars

in an entire year. We're well above that pace with November collections, almost \$134 million through the first five months this year...so, really strong corporate collections.

The only other General Revenue Fund that I want to mention today is the interest income. Certainly, we have surplus monies on hand and short-term interest rates are much higher so the Treasurer's Office is making additional interest income and interest income for the year to date...I'll just mention the year to date on interest income...this year versus last year big contrast, this year \$25.8 million through five months, last year it was \$197,000. So, makes a big difference when those...when those interest rates are up.

Moving to the State Road Fund, State Road Fund is...well, the General Revenue Fund benefits from high inflation. Particularly your sales tax, your income taxes, your severance tax...not so much in the road fund. The motor fuel excise tax collections in November were \$34.9 million, that was \$1.1 million below estimate, year to date \$180.3 million, that's about \$8 million below estimate. Even though we're one and a half percent below last year there's a little bit on timing there that tax is always due on the last calendar day of the month. When I measure through the 5th of the following month...which today's the 5th by the way...we're now at a new high-water mark since COVID at about four hundred and twenty-one and a half million for a twelve-month trailing trend. Prior to COVID, we would have been about \$440 million, so it just gives you an example. Four forty to four twenty-one and a half...we've seen some declining consumption particularly with diesel and with off-road fuel uses that's effected the motor fuel tax. Plus, a number of people who would come to work every day of the week prior to COVID, some of those folks now work remotely and if you work remotely, you're not in your car as much traveling to and from...so, that affects the milage.

Registration fees, November was a pretty good month there, collected eleven and a half million, it was about...almost half a million above estimate. Year to date fifty-six and a half million, twelve and a half million below estimate, and virtually unchanged from last year. Motor vehicle sales tax, collected \$23.6 million in November, that was \$900,000 below estimate, a little bit below last year by 1.7%. Year to date we've collected \$135.8 million, that's \$1.8 million above estimate, about 2.3% ahead of last year.

The miscellaneous account is above last year by \$155.3 million dollars year to date...that's because the legislature appropriated \$150 million dollars a couple months ago. So, that's the bulk of the miscellaneous line in incomes...on the State Road Fund total. So, total State Road Fund gain for the year to date, absent federal funds, is \$155.7 million and \$150 million was due to the legislative appropriation.

Federal reimbursements, record reimbursements are going to the highways, the amount in November was \$46.3 million, that was 6.8 above estimate, 25% ahead of last year. For the year to date, two hundred and sixty-one and a half million dollars of federal funds, compared to \$213.9 million last year, that's ahead by \$47.6 million or 22.3%. So, they are pulling down significant federal funds, more than we've seen in recent years...and with that, I'll open up with any questions you might have."

Speaker Hanshaw: "Okay Mark, thank you very much. Questions of Mr. Muchow? On that report for this month...no?"

Secretary Muchow: "That's good."

Speaker Hanshaw: "All right. Well then Mark, we thank you very much. Let's turn now to the Department of Health and Human Resources. Mr. Secretary?"

Secretary Crouch: “Thank you, Mr. Speaker.”

Speaker Hanshaw: “Yes sir.”

Secretary Crouch: “Yes, I...we have two new Deputy Secretaries today to discuss these issues on the agenda. So, I’m pleased to introduce both of them. We have Cammie Chapman, who is the Deputy Secretary for Children and Adult Services, and we have Christina Mullins, who is Secretary of Mental Health and SUD. These folks have been with the department awhile and are absolutely top-notch folks who are not only top notch in terms of their fields but these are dedicated public servants who have been with the department now for a while and I’m real pleased with these choices. So, I’d like to turn over the first presentation to Cammie Chapman, who is again Deputy Secretary for Department of Health and Human Services.

Deputy Secretary Chapman: “Thank you. Thank you for having us here. My understanding is you would like some more information about the out of state placements that we use for children that are in state’s custody. So, first I want to talk a little bit about that definition when we say children are placed out of state. We have kind of two types of children that are placed out of state.

One placement would be in a family setting. So, that’s a child who may be in state’s custody but is placed in their aunt’s home that perhaps lives in Ohio or Maryland and families don’t know the state borders and that’s a perfectly appropriate setting for that child. It may be leading to a permanency plan, adoption, legal guardianship. So, we have about 118 children that are currently placed in a family setting that are out of state. We also have children placed out of state that are in residential mental health treatment

facilities and that usually falls into two groups. Either a group residential treatment facility or a psychiatric residential treatment facility but we'll just kind of generically lump those together. Currently... and these numbers are from November 30th...we have, let me make sure I have my right numbers...256 children that are placed in those settings that are receiving mental and behavioral health treatment for the children that are in state's custody. Now overall, we think and we've talked about this for a number of years, we would like to serve most of those children in the state and so for the last...I would say since 2019, we really have worked on creating...and this has been a cross bureau effort...to create community based mental health services that are available to children so that they're served in their homes, in their communities...kinship placements, those family settings. So, for the last few years we've worked on building that up, that's included the mobile crisis unit that I've often talked about, Christina Mullins' bureau helped build that. That includes the Children with Serious Emotional Disorder Waiver that BMS put forward and Cindy Beane's bureau built that and so together we've really worked on providing those services that are in the community and those are services that are available for any child not necessarily a child who's in child...has touched the Child Welfare System or the Juvenile Justice System. So, that's been a huge focus.

In the meantime, we have...while building those community-based services out...we've also reduced the overall reliance on residential treatment. So, we have in-state facilities too that we utilize and in 2019...and I went ahead and I pulled the numbers for November because we do have some annual variations, so depending on where you are in the school year depends on where the numbers fluctuate...so, did pull November numbers from 2019. So, in 2019 we had 981 kids overall, youth overall that were in group

residential PRTF or even an acute psych hospital. In November...on November 30th of this year we had 773. So, while we were building out those community-based services and really getting that support built out, we were still able to reduce the overall number of children in residential by just over 200...162 of those...quote unquote beds let's call them...were reduced out of the in-state and then about 46 were out of state. Now, we feel like as we have built out that infrastructure, we're really ready to focus in on eliminating the need for out of state placements. Now, that's not as easy as it sounds, there's no magic to this, it's still going to take a lot of work but some of the efforts that we're doing...and this has actually started for about a year now...any child that's going out of state, there is a process that the Bureau for Social Services uses to make sure that it is appropriate for that child to be served out of state because there's no in-state facility that is available to that child. So, that's...it's what they call the face sheet just for the...for the language but it's actually a document that goes through a number of folks and is actually signed by Commissioner Pack prior to that child being placed out of state.

We have future plans that we're developing. So, as we think about kids that are in these placements, we're looking at those kids that are ready to be returned to a family like setting. We're looking at their discharge plans...through an independent assessment it's clear that on paper they appear to be ready to return to their home and community. Now, we're working with Aetna to make sure that that happens and if there's barriers, we are able to overcome those barriers. So, we're looking at that from a leadership perspective instead of just the field looking at those kids that are ready to come back home. We've partnered with...I'm sorry...partnered with the Casey Family Programs and Casey Family Programs for...I'm sure most of you've heard of that name, Annie Casey is

another foundation that they work with...is a nationally known foundation that serves child welfare agencies. They're a nonprofit, they have worked us on many projects. So, when...they have worked with other states on eliminating the need for out of state placements and so we're devising a plan with them to bring back those...either bring back or avoid sending out children.

Now, I want to make sure that we understand there's a couple of things we need to think about too. We need to always have the motto of do no harm. So, if a child needs an out of state placement because that's the level of care that they need we're not going to arbitrarily bring a child back. Some states have set hard dates and hard lines in the sand and have then done ridiculous things like brought a child back into a hotel room or brought a child back into a detention center. That's not our...what we want to do...so, we want to be methodical and very mindful of how we accomplish this. In addition, we need also to think about...don't be ridiculous because we have facilities that we use and we...that are literally twenty miles outside of the border. So, there's one that is used frequently that's near the Berkely County, Jefferson County, area. It's near...I mean just because it's in Virginia shouldn't make us consider it not an in-state placement because in fact for those children that are in that area, that's the most appropriate placement for that child, it's convenient for the family and is where that child can be...best be served. So, we're really looking at the surrounding areas to make sure that we incorporate when we say in-state and we're even thinking about maybe we use a different term so we don't get real caught up in the borders about how we bring those facilities into our network to say, okay we're going to treat these children...these facilities...just like we treat our in-state facilities, we're going to check their licensing, we're going to do the reviews and so

we're going to feel comfortable using these facilities like we feel comfortable using our in-state providers.

Through the Casey Foundation we've also been working with developing technical assistance for our in-state providers so that as they are changing their business models and are ready to accept these high acuity children that they have the expertise to do that. We're doing that through a peer to peer...so, Casey has identified facilities that are...that have made this transition and our in-state providers are working with those facilities and we've set up meetings to have that peer to peer and then there will be additional technical assistance. So, that's a rough overview of what we're doing with out of state placements and happy to take questions."

Speaker Hanshaw: "Okay you've heard Deputy Secretary Chapman's presentation. Let's start with Delegate Summers."

Delegate Summers: "Thank you. I just have a couple questions. One was you were talking about we shouldn't really consider the borders because it's in a good geographical area. Did they charge then the rates that we charge for in-state or do you have to pay an out of state rate?"

Deputy Secretary Chapman: "My understanding is the rate is the rate and that it would be comparable to the rates that we are utilizing for in-state providers."

Delegate Summers: "So, it doesn't cost us any additional money to have children out of state as it does in-state...is what you're saying?"

Deputy Secretary Chapman: "That's my general understanding."

Delegate Summers: “Okay and you said 256 children. Can you break that down for me again what you’re...I missed the numbers?”

Deputy Secretary Chapman: “Okay.”

Delegate Summers: “You listed like if they’re with a family member...”

Deputy Secretary Chapman: “So, 118 children are currently in what I’m calling a family setting.”

Delegate Summers: “Okay.”

Deputy Secretary Chapman: “And then 256...let me make sure I have that number; I think it’s 256.”

Delegate Summers: “Yeah, that’s what you said but I just missed what it was. 256 were where—”

Deputy Secretary Chapman: “—So, 256 are in what I call a residential mental health treatment facility and that could mean a group residential, a psychiatric residential treatment facility, or even an acute psych hospital.”

Delegate Summers: “Okay, so 374 kids out of state—”

Deputy Secretary Chapman: “—that’s right.”

Delegate Summers: “—but 118 are with family members.”

Deputy Secretary Chapman: “That’s correct.”

Delegate Summers: “Okay, thank you.”

Speaker Hanshaw: “Okay, Senator Tarr...or okay...Senator Trump, then Senator Tarr.”

Senator Trump: “Thank you, Mr. Speaker. Miss Chapman, thank you for being here and congratulations to you on your new role. My question is a little bit off the topic of out of state versus in-state but it’s related. I’m getting calls again from judges about the situation in our eastern panhandle and this has gone through cycles, you know? Where there have been periods where they’re not calling but then periods where it heats up. So, let me ask you, if you know...how many, for the 23rd Judicial Circuit, which is Berkely, Morgan, and Jefferson County, it’s that eastern region...how many child protective service workers are there employed and doing that job right now?”

Deputy Secretary Chapman: “I don’t have that information at my fingertips. We can... I can provide that to you. We have been going to Berkely County. Jeff...Jeff Pack and I have been up there along with the leadership team...I want to say on three different occasions this Fall. So, we are very aware of the situation but I’m happy to provide those numbers to you—”

Senator Trump: “—I assume at the invitation of circuit judges, perhaps? Is—”

Deputy Secretary Chapman: “—That’s where the initial start came from and then when we were there and we were discussing the situation with the judges, we asked to meet with them on a regular basis. So, we...and I can’t give you the dates off the top of my head but we met in the first part of October...Halloween, I do remember that October 31st...and then again on just recently on November 28th. We have another meeting scheduled with them, we’re going to do it virtually just in case of the weather and with

legislative session, in January. So, we are very aware of the issues that are there and Jeff and his leadership team are working hard to try to support those folks.”

Senator Trump: “Well, I appreciate that. I know we worked the last regular session on an allocation bill. I had some concerns that maybe the slots weren’t being allocated properly and...but I came to understand then and I think it’s continuing that the real problem is just vacancies. It’s not that there aren’t enough slots allocated...they’re not filled. So, I’ve been told recently...I’d like to know if this is true...that there, you know, there have been times when there are none, we’re down to two or one people who are in those roles, doing those jobs...”

Deputy Secretary Chapman: “And so, I think what you’re referring to is the youth service workers that’s where the most—”

Senator Trump: “—Well youth service workers and the frontline CPS workers that respond to the calls.”

Deputy Secretary Chapman: “So, the youth service workers, there has been a definite vacancy issue there. There are still vacancy issues, I’m not dismissing, they’re just not as great the youth service worker vacancies. There’s still issues with the CPS vacancies. We can give you the numbers, I agree that there’s—”

Senator Trump: “—Yeah I—”

Deputy Secretary Chapman: “—issues there.”

Senator Trump: “I would like to have the exact numbers on both those and let me just ask you generally maybe, can you address what the department is doing about it... about the problem?”

Deputy Secretary Chapman: “So, we have worked...within our state we’ve pulled some resources so...and Jeff can probably give you a better answer because his staff’s been doing this but we have pulled supervisors from other counties so that they’re also supervising folks within the Berkely/Jefferson/Morgan area. We have assigned cases to other staff in that area, the crisis team is there. So, we’re trying to support the staff that’s there and help them manage the caseload that they have...including taking cases that are assigned to other workers.”

Senator Trump: “So...but it is true I assume that if you had to pull people from other parts of the state and take them over there that’s going to leave voids in the services that are being rendered where they’re working.”

Deputy Secretary Chapman: “Yeah, we’ve been very mindful...you’re absolutely right, there’s a finite pool of people and it is sort of like a balloon, you push on one side it’s going to pop out on the other, right? But what Jeff and his team has done has been very mindful that if...we don’t take resources from other areas that have deficits...so, areas that are stable are the areas that we’re utilizing to help support that region.”

Senator Trump: “And I’m not suggesting that you stop doing it, we appreciate the help. Would you...in addition to providing me with some specific numbers...I’m hoping that come January we could maybe have some specific recommendations from the department for things the legislature can do or might do that are designed to be more

long-term solutions to that...it's a persistent problem up there. You know, we have in those three counties now 200,000 people...it's bigger than Kanawha County and I think we have children at risk, and it's causing me sleepless nights. So, if the department has specific ideas or recommendations, I for one would really like to know what they are and I'm willing to sponsor legislation and if it's a...you know, if it's a budgetary issue we'll work with the Finance Chairs but we can't leave children at risk."

Deputy Secretary Chapman: "I understand. We'll be happy to meet with you and discuss those recommendations."

Senator Trump: "Thank you."

Speaker Hanshaw: "Let's take Senator Tarr, then Senator Baldwin."

Senator Tarr: "Thank you, Mr. Speaker. Cammie, a little bit ago our Finance Committee sent a letter to the Joint Government and Finance Committee and it was on this issue and one of the concerns was is that...it was in February of this past year...is that over the past three years that we've spent around \$140 million dollars on out of state placement. So, Delegate Summers a second ago when she was asking about does it cost any more when you place them out of state versus in-state...is it Medicaid that's paying for the services for these children?"

Deputy Secretary Chapman: "In some cases but not throughout. So, some of these facilities are not within the Medicaid network."

Senator Tarr: "So, how does...how does the federal match with Medicaid play into all this?"

Deputy Secretary Chapman: “So, I might need to call a lifeline from Cindy Beane to talk about that. I mean I think that Medicaid would pay...that it would be the same reimbursement for Medicaid with any other...as any other payment from Medicaid.”

Senator Tarr: “So, the reimbursement going over into Virginia for Medicaid services or the cost there is the same as it is in West Virginia, is that accurate? No, I see Cindy Beane shaking her head no back here.”

Deputy Secretary Chapman: “Okay.”

Senator Tarr: “So yeah...so, a second ago you said it was the same...so, I just...and that just didn’t...didn’t seem right to me. So, maybe we’ll have Director Beane come up in a second. So, I guess something else before we get over to Director Beane maybe to that question—”

Deputy Secretary Chapman: “—So, can I just stop for a second because what I was trying to say and maybe I didn’t say it very clearly, is that the rate is the same. So, we may have reimbursement. So, you may have a Medicaid match or we may be paying BSS through the Bureau for Social Services but the rates might...would...the daily rate would be similar.”

Senator Tarr: “Daily rate is similar. So, for the past three years when we’re spending \$140 million that would come in through that...whatever that match is in West Virginia, that we would be having if that was spent here in state...that’s going to Virginia now. So, at the very least...money that would have been used to be able to develop DHHR services for these children is going out of state at the rate of about \$140 million dollars every three years. So, is there...is there...been a plan...well, let me pull it back a

little bit...as the beds, you said there's beds being developed in-state right now and you've moved the numbers down to around 256, I think is the placement you said you're at presently."

Deputy Secretary Chapman: "256 are kids that are out of state. We have 773 kids that are in residential mental health treatment facilities, both in-state and out of state."

Senator Tarr: "And how many beds are in development to be able to handle those children that are placed out of state...being developed right now?"

Deputy Secretary Chapman: "So, there's ongoing discussions about developing PRTF level...the psychiatric residential treatment level of care...because currently we're using about 43 beds in-state when total we have about nine hundred and...I'm sorry, 95 kids that are in that level of care. So, we really are working on developing PRTF. The plan for the group residential is as we're moving...as kids with lower acuity are being able to utilize our community-based services...these children that have high acuity, they have been historically served out of state.... will then be served by our in-state providers."

Senator Tarr: "So, what I'm getting at is...is there a specific plan to have enough beds so that...that those children who are moved out of state, even if its just across the border...its money that would have been able to come back in to providers within West Virginia to be able to develop the services to keep those children in-state especially for ones that go further out of state and it's been as high as 493 I think is the highest number I've seen over the past few years (...inaudible...). So, we're 256 now which is an improvement but at the same time if we don't have...you know, I'd like to see a specific plan and I would like to know that there's enough placement developed in a specific

timeframe to have these children placed within West Virginia because not only are they being placed away from their homes and the families, they're also...the money that would go to build that infrastructure to serve those children is being lost out of state. So, what is the specific plan and timeframe to have enough beds to put these children in-state?"

Deputy Secretary Chapman: "I don't think I have a date for you...a solid, you know an absolute date...I think that we will have a plan that we're developing in conjunction with the Casey Family Programs that we can present to you within the next 60 days."

Senator Tarr: "So, I can expect next 60 days I'll see a timeframe and a placement for all those children to be able to be served within West Virginia."

Deputy Secretary Chapman: "So, let me make sure that we don't have a misunderstanding. The plan would be in place and then we would over time make sure that children are either coming back when it's appropriate and then also diverting children from out of state to in-state. So, kind of working both ends of that."

Senator Tarr: "And the reason I'm getting very specific with you Cammie is that we've heard from the Secretary of DHHR here before the split that...so many times, there's a plan, there's a plan, there's a plan, and yet we've seen no correction. So, I want to see not just the plan, I want to see the goals and I want to see when we can expect the numbers and I want them to be very specific to this legislature."

Deputy Secretary Chapman: "I understand."

Speaker Hanshaw: "Okay, Senator Baldwin, then Delegate Skaff."

Senator Baldwin: “Thank you, Mr. Speaker. Thank you for your time today, Cammie. I’d like to pick up the thread that Senator Tarr was asking along and then go back to what Senator Trump was asking too because I think that’s really important. So, first on the out of state residential placements...256 right now or as of recently. If memory serves me because I wrote you all about this...it was the end of last year and we eventually got to the \$140 million dollar figure that Senator Tarr is talking about. 256 is less than we were at a year ago, is that right?”

Deputy Secretary Chapman: “Yes.”

Senator Baldwin: “Okay.”

Deputy Secretary Chapman: “Yeah, we are...the numbers I have are from November of 2019 and we were at 302 in 2019, November of 2019 and today we’re...or November 30th we’re at 256.”

Senator Baldwin: “Okay, I’m looking back at that letter trying to make sense of these numbers. Well, at base...as I look to find this...we do have fewer children right now in out of state residential placement than we’ve had recently.”

Deputy Secretary Chapman: “Yes.”

Senator Baldwin: “What happened? Where are those kids?”

Deputy Secretary Chapman: “So, they’ve returned to family-like settings or they have...some may have had to go to a step-down facility that’s in West Virginia but they’re...they’ve either been reunified with their families...they’re back here in West Virginia.”

Senator Baldwin: “Okay. I mean was that the result of a push to try and reduce those numbers? The numbers have been reduced so I...”

Deputy Secretary Chapman: “Right, so it is...we’ve attributed those...that reduction, about 50 kids...that reduction really by the work that the Bureau for Social Services to make people aware that, you know, the preference is children stay in-state...make sure before a child is automatically sent to an out of state facility that we’ve checked to make sure that there...is there availability in-state? Is there a placement in-state that can serve this child? So, through that work that number has gone down. The work that we’re talking about and what I’m proposing to Senator Tarr is a more targeted effort that’s beyond just this natural attrition of having awareness of this.”

Senator Baldwin: “Okay. So, what I hear you saying is there’s...there has been a push to ensure that the needs of the child are met, not just to decrease the numbers. I mean...you know, the cost is important here obviously but each of these lives are important also and I mean I’m really concerned that kids are getting what they need. I’m not sure that’s the case right now.”

Deputy Secretary Chapman: “Oh no I mean I think we do do that...like that is when I say do no harm and don’t be ridiculous like we want to make sure that we’re not harming children by just jerking them out. So, some states and I’m not...this is a bad idea but some states set a hard line and said we’re going to pull all of our kids back into West Virginia by and then set a date...and then ridiculous things happened like they returned from a residential treatment facility where they were receiving treatment to a hotel room. We’re not doing that, that’s not what we want to do, we don’t think it’s appropriate for the child. We want to be methodical and mindful that these kids are receiving treatment.

That's why they're out of state, they need to have that same level of treatment that's available to them in-state and they need to have the services available to them in-state."

Senator Baldwin: "How many children under state's care are living in hotel rooms right now?"

Deputy Secretary Chapman: "I don't have...I mean we sometimes have a handful, very few at any given time. I don't have that number at the moment."

Senator Baldwin: "I wrote a letter asking for that...I don't know I've lost track of time...four to six weeks ago and it was 128 I believe. 128 children living in state's care in hotel rooms in West Virginia."

Deputy Secretary Chapman: "That would be over a period of time not at any...like not at a point in time."

Senator Baldwin: "Over the past year, perhaps? Is that...I don't recall if that's what the letter said—"

Deputy Secretary Chapman: "—That...yeah that might be—"

Senator Baldwin: "—I think that's what the letter said—"

Deputy Secretary Chapman: "—the right number. I'm just wanting to clarify that's not a point in time like we're talking about these numbers."

Senator Baldwin: "Okay, you're saying at a point in time. Today it is probably much less than that."

Deputy Secretary Chapman: "Right. A very small number might have to be in a hotel room for various reasons."

Senator Baldwin: “Okay. Well...back to the thread that Senator Trump was asking about. I’ve just been looking at the foster care dashboard...I mean that’s the information that I have available...to try and find out what the vacancy situation is like. By my count, five counties have zero CPS workers, according to the dashboard. Is that right or is that wrong?”

Deputy Secretary Chapman: “So, the dashboard...if you just look at the county-based information...does show...I know this should be a fact that the current dashboard shows that Morgan County has zero workers.”

Senator Baldwin: “Right.”

Deputy Secretary Chapman: “That’s not that there’s zero workers but that the workers are assigned to the district. So, it’s the district that you should look at instead of individual counties. So, Morgan County...the reason that they’re at zero is that that county office actually does not house any CPS worker...it’s a very small office. So, the workers actually work out of Berkely County and that’s how the county...that’s how the district assigns their workers. So, when we look at the dashboard, we...and I think that there’s a note that says that at the bottom of the dashboard that it’s a district count, not a county count.”

Senator Baldwin: “Yeah, it does but by...I mean just by what’s there...five don’t have any and if you look at my district for example or the majority of the counties that I represent, which is the Greenbrier, Monroe, Pocahontas, Summers, district...50% of the positions are vacant currently and then you’ve got Summers County where there’s no office, where there are no positions, no workers. Folks who are working out of the

Greenbrier County office are serving them as well. So, it...I don't know that that paints a rosier picture is my point."

Deputy Secretary Chapman: "No, it may not I just wanted to...to understand like that there...that if a county says zero it doesn't mean that the county is not being served. The county's still being served by the district."

Senator Baldwin: "A district with a 50% vacancy rate."

Deputy Secretary Chapman: "I understand that that's a district that's struggling at the moment also."

Senator Baldwin: "Have the vacancy rates improved at all as a result of the 15% pay raise?"

Deputy Secretary Chapman: "The best information that I have is that we're seeing a...that it has not decreased. So, it's sort of been...laymen's term we've stopped the bleed. So, but we're not seeing a dramatic increase but we're not seeing any additional decrease."

Senator Baldwin: "Do you attribute any of that to the fact that the funds used to achieve the pay raise were collapsing positions within DHHR CPS such that then you can't help with your vacancy problem?"

Deputy Secretary Chapman: "I don't think so because at this point, we're not close to...so, if I have my numbers right off the top of my head, I think...I think we went from 533 to 518 and we're not bumping up against 518. So, we got a lot of room to hire

additional folks in order to fill those vacancies before we would have to come back to this body and ask for additional positions.”

Senator Baldwin: “Okay. Well, we’ve got districts with 50% vacancy rates and higher.”

Deputy Secretary Chapman: “There are positions available for those folks to be hired. So, if we had people to hire, we could hire them. It’s not that the positions are gone, it’s that we still don’t have people to work there.”

Senator Baldwin: “Right. Right and we’ve been through that exhaustively in the past...the reasons as to why people do not work there and why people have worked there and who leave very quickly because it’s such difficult work and they don’t feel they get the support they need and I’m not going to retread all that ground but I would echo Senator Trump’s comments that we got to do something and we got to do something fast. Thank you, Mr. Speaker.”

Speaker Hanshaw: “Okay, Delegate Skaff’s next.”

Delegate Skaff: “Thank you, Mr. Speaker and thank you for being here. Mine’s a little simpler...sometimes...I mean is there something to be said that the best interest of the student is sometimes to send them out of state?”

Deputy Secretary Chapman: “There are times and there will probably be...I don’t know that we’ll ever get to zero...that we don’t...that we never rely on an out of state facility because there are some very very specialized facilities that do excellent work that we probably won’t have here in West Virginia but I think we can do better than what we’re doing now.”

Delegate Skaff: “No, I don’t disagree that was...you made my point...I mean you asked for change the name you know in-state, just in region, you know? Just call it in region because sometimes it is better to go right across into other counties and neighboring states cause it is better for the children and we have to just...this is just, yeah...everything we’re doing is...is we’re all talking about numbers and its great to have them here in the state and let’s do this and do that but we got to put the children first and sometimes it’s just cause it’s in-state or out of state...if it’s better for the child, I will stand here a hundred percent and say we need to keep them out of state and get them the services they need that maybe do them better and then learn why is it better out of state and then we come back and get our house in order here to make those services better here but until then...just cause it’s out of state, let’s not forget that we got to do what’s best for the children first and that’s my point...and you asked like change the name and I was just sitting here...I’m (...inaudible...) serious you know? If you just change it to in region cause eastern panhandle, we do all the time, we go across the border all the time...southern West Virginia you’re across the border all the time...Ohio...we have five states around us. I mean it might make sense (...inaudible...) do a partnership and everything else around the state. Let’s not reinvent the wheel here, let’s work with our neighboring states so that maybe we don’t have to reinvent the wheel here and services that they provide we can call it in region, they cost us the same, no more....and vice versa, let’s develop services in this state that those states don’t have, then they can bring their people here...so, it’s a win win. Thank you, Mr. Speaker.”

Speaker Hanshaw: “Okay, let’s take Delegate Summers next.”

Delegate Summers: “Thank you, Mr. Speaker. In talking about out of state placements and maybe they’re better, also maybe they’re worse at sometimes...so, talk to me about the abuse and neglect cases that are occurring at out of state facilities...that we’ve had, the issues that we’ve had...talk to me about that.”

Deputy Secretary Chapman: “So, we have a system developed that, you know, if there is a concern from an out of state facility, it gets called in to our centralized intake and then we do our own investigation. So, this would be apart from any of the investigations that might happen by that state’s licensing or that...that state’s equivalent to CPS. We do our own based on our children and make determinations based on that.”

Delegate Summers: “So, has that happened in 2022? Have you had—”

Deputy Secretary Chapman: “It has.”

Delegate Summers: “—to pull any kids back because of abuse and neglect?”

Deputy Secretary Chapman: “It has.”

Delegate Summers: “And do we continue to send children to those facilities?”

Deputy Secretary Chapman: “We are working with those facilities to make sure that if we find it appropriate that they have corrected whatever issue was there. So, we are always in conversation with those facilities that we use on a regular basis and then making a determination on a case-by-case basis.”

Delegate Summers: “Okay.”

Speaker Hanshaw: “Okay, Delegate Howell.”

Delegate Howell: “Thank you, sir. Couple things...you talked about the in region, not in-state, and I totally understand that, I live on the border of Maryland, I literally look out the window into the state of Maryland from my home but two years ago when I was working on part of...a different segment of this same issue, we had people...or children that were placed if I remember...several in Iowa and I think there was one in Oregon. Could you provide this committee at...not now...but at some time, a list of what states we actually have these students in?”

Deputy Secretary Chapman: “Yeah, absolutely we can provide that.”

Delegate Howell: “The other thing, two years ago...and this is why I was working on this...the State Department of Education sends money down for special needs, IEP, which a lot of these children qualify for and it goes to the counties and let’s say a student is from Nicholas County and they go to the Potomac Center in Hampshire County or go to Burlington Children’s Home in Mineral County or (...inaudible...) one in Ohio County. When you take them and place them in an out of state facility, one hundred percent of their educational needs has to come from us and has been taken from those counties they were last in and some of these counties actually had to pay the state back more than what they received to the state for their IEP and special needs population and at that time we were looking at legislation but working with your department, working with the Department of Education believe that they could solve the problem since these students were true wards of the state and we wouldn’t be gutting the budgets of some of these counties that happen to have these facilities. Can you tell me where you are in that process?”

Deputy Secretary Chapman: “I would have to defer to the Department of Ed, that was really an issue that they needed to resolve between the State Department of Ed and the individual board of educations and I haven’t received an update recently on the resolution there.”

Delegate Howell: “But shouldn’t your department also be involved in this cause I mean you’re the one’s that’s pulling them putting them out of state to where that educational money is having to follow that person to an out of state facility?”

Deputy Secretary Chapman: “My understanding from the department...the State Department of Ed is that they were resolving that issue between the Department of Ed and the Board of Eds. I haven’t...that issue hasn’t been brought forward to me recently.”

Delegate Howell: “Thank you.”

Speaker Hanshaw: “Are there others? Other questions for Deputy Secretary Chapman? Okay if not, Cammie, we thank you very much.”

Deputy Secretary Chapman: “Thank you.”

Speaker Hanshaw: “Are we to hear from Deputy Secretary Mullins today?”

Secretary Crouch: “We have two presentations (...inaudible...) either one you like given the time frame. I have one, an update on personnel...contract personnel...may be shorter but we’ll defer to The Speaker.”

Speaker Hanshaw: “Well I think we’ll hear the presentation on facilities first. Is that what we have? Let’s hear that presentation first. Okay.”

Secretary Crouch: “Thank you, Mr. Speaker. Yes, we were asked to update the committee on the cost of hiring staff through staffing companies. It’s been a huge issue for years and years...pandemic exacerbated that issue. The nursing shortage is nationwide, we’ve been following this in other states. There is no answer to this problem...no immediate answer to this problem because the issues really require education of additional folks into the nursing education curriculum and whether that’s RN, LPN, etc. So, we’ve had to hire nurses from staffing agencies in our facilities. It is very very difficult on everyone, on the budget...but we have no choice if we’re going to take good care of people. In 2019...let me get my numbers straight, I’m sorry...we had...we spent about \$20 million dollars on personnel through staffing agencies for our facilities. That had been...that had increased significantly over the previous two years but doubled from 2019 to 2020 to \$20 million dollars...by \$20 million dollars. So, in 2020...we spent in fiscal year 2020 \$40.8, million dollars on...and I should clarify a little bit on nursing staff and clinical staff. So, this includes RNs, it includes LPNs, it also includes certified nursing assistants and individuals who take care of these patients hands on. In fiscal year 2021, that number climbed to \$48 million, that was an \$8 million dollar increase. Now again, it was \$20 million dollars the year before...so, it dropped to \$8 million dollars...and in 2022, fiscal year 2022, it increased another \$8 million dollars. So, at the end of fiscal year 2022, we spent \$56.9 million dollars on nurses through staffing agencies...nurses and clinical staff. In 2023, our estimate is that that will increase by only \$2 million, that’s still an increase unfortunately but it will only increase by \$2 million dollars to \$58 million dollars and the reason for that is we’ve been focusing on trying to reduce those numbers for several years now.

One of the things we started doing...some of you will remember there was a bill...I think it was 4242, I might have my numbers wrong...to try to increase the salaries of staff in these seven areas where we operate state facilities. That bill actually was rescinded, I made a commitment to do exactly what that bill called for and work with DOP to do that. The reason for rescinding that was so that we could work together with DOP rather than...I think we were seen as trying to go around DOP and do this and that wasn't really the intent. We got a great deal of cooperation with DOP and we had a study done to look at the salaries of the private sector for these classifications in each of these seven areas. What we learned was we were way below, which we knew, we were way below the private sector in terms of staffing...paying for these staff. So, we started immediately to increase those numbers in July 2022 and we really had a phased in plan to this. We started with supervisory nurses in our facilities, we increased their salaries and we're trying to do this...frankly, without additional funding...we're trying, we've been working on keeping the budget down. So, we increased staffing...salaries for the staff who supervised nurses to make sure that we could keep and retain supervisors. Then in October 2022, we increased...I'm sorry, date wrong...I believe it was October, I'm sorry...we did that did that in October 2020 where we started the phase in, Nursing Directors I and Nursing Directors II. In October 2021, we increased...implemented special hiring rates for all facilities for Nurse I through IV. Again, special hiring rates, kind of what we did in the panhandle for the CPS workers. We increased their salaries 55% in the last three years in the panhandle to try to impact that problem competing with Virginia and Maryland...we did the same thing with these nurses. So, we've increased their salaries to be comparable or competitive with the private sector. In July of 2022, we implemented the last phase of

this which was a pretty large increase because it was more people. The medical...the CNAs and the medical assistants...there are a lot more of those than there are actually RNs and LPNs. So, we increased those salaries and became more competitive with the private sector there...and keep in mind we don't have to exactly hit the...be competitive...with the benefit package we have we're going to be exactly competitive with the private sector. We have some reasons that folks want to come to work for state government.

The next thing we did and I want to thank the Governor and the Governor's Office for coming up with some funds to help us develop a program to try to retain nurses and what we did there...we had already actually started working on a recruitment incentive whereby we can allow one- or two-months' salary for a nurse to recruit a nurse. So, we allow that, DOP has approved that, our board approved that. So, we're trying to bring on more nurses by providing an incentive for them to come on. We hired a total of thirty-four new nurses by pushing out an incentive program that included not only a sign on bonus but a retention bonus and even moving expenses, relocation expenses. So, we hired thirty-four new nurses since...in the last six months...I'm sorry it might be five months...using this program and then we also through the retention program...and that was about \$2 million dollars...we got a commitment from 176 nurses in writing at our facilities that they will stay there for two years. So, we've impacted this some.

We also came up with...our folks at Sharpe came up with a way to develop a sitter program and the reason that's important is if you're paying folks who you may be paying thirty to forty dollars an hour through a staffing agency to just sit with a patient and that may sound a little strange but again you're in a psychiatric hospital where you have

individuals who need one on one care...they have to have sight and Delegate Summers will understand this in terms of having on eyes of that patient at all times and at times we have at Sharpe thirty or more patients who are one on one. So, we developed a sitter program where these people are trained to sit but we don't have to pay the rates we were paying before to have folks sit with these people. So, we're saving money by doing that at a lower level of payment for folks. So....so, we've impacted the problem...it is not over, it is not going to be over for a while. I wish I could say it was...this is a very very difficult problem to resolve.”

Speaker Hanshaw: “Thank you, Mr. Secretary very much. Let's take a few questions. Delegate Summers first.”

Delegate Summers: “Thank you, Secretary Crouch. When you asked the staff nurses there, what is the issue...say psych hospital for example because that is, you know, thirty minutes from my home so I talk to those nurses a lot but when you reached out and said what is the problem here in this work environment that no one wants to work here, what do they say?”

Secretary Crouch: “Well, first of all and I don't talk to the nurses directly...I've talked to nurses when I go up there on site and the Director of Nursing but I haven't been up there actually since the pandemic. I just have not made it back since the pandemic but we do do exit interviews with folks. With folks who leave we try to do an exit interview for everybody that leaves...we make that offer for everyone. One of the biggest problems at Sharpe is it's a dangerous environment, it is just dangerous. Everybody there is admitted through a court order, civil commitments are a danger to themselves or others or they're

not committed, forensic patients have committed a crime and are not mentally competent to go through judicial system...”

Delegate Summers: “I’m familiar with that I mean I’m very aware of what they do there and all nurses...a lot of these fields are very dangerous nowadays with the type of patients we have but what I’m getting at is for us to hire and retain people we need...it is their compensation package, you know, it is their salary but it’s also their current work environment. So, perhaps maybe we need to talk to them and actually get them on the team to decide what the issues are before they decide to exit...like I think that’s too late.”

Secretary Crouch: “Yeah, no I agree with that, Delegate...and I was going to go on to say salary and so on, which we’ve addressed, so there are other issues and I’ve said before...and by the way have required everybody who manages people in DHHR about six months ago required everybody that manages more than two people to go through supervisory training programs. So, even the folks at the facilities...took a little while with them because of the schedules but part of the issue anywhere with people being unhappy can be management in terms of their supervisors and whether they’re good at that and do a good job at that, support them and make them part of a team. So—”

Delegate Summers: “—Well, I agree it can be management but it could also be, you know, I want to go to the bathroom once during a twelve-hour shift or I want to be able to eat lunch. I mean there’s some things that are just basic that aren’t that hard that...”

Secretary Crouch: “Yeah absolutely, if we’ve got somebody that’s not going to the bathroom for twelve hours, we’ve got a problem but I hear what you say and we’ll go back and do some sort of...we’ll look into that either through some sort of survey or person to person. I actually a few years ago sent a couple of people to Sharpe to interview folks directly...walking into the building, anyone who wanted to walk...talk...we had two people there and they took folks off to the side and asked them how things were going, had a little survey and so we’ve actually done that but now that was pre COVID. We haven’t done that since but I think that’s a great point.”

Delegate Summers: “But once we get the information then we actually need to do something with it. I mean we seem to be aware of what the problems are all the time but I just never hear of any plans. I’m—”

Secretary Crouch: “—Well—”

Delegate Summers: “—I’m just sensing, I’m just frustrated I guess.”

Secretary Crouch: “Yeah. Well, of course if we get information that we can act upon in those surveys we’ll act on it. We’ll absolutely act on it.”

Delegate Summers: “Thank you.”

Speaker Hanshaw: “Senator Tarr is next.”

Senator Tarr: “Thank you, Mr. Speaker. Mr. Secretary, how many staffing agencies are contracted with DHHR for these facilities?”

Secretary Crouch: “Started out at thirteen I think, Senator. I’ve got that here if you give me one second. We actually went back and rebid that out and that’s a pretty

complicated process from the standpoint of staffing agencies bid by those classifications. So, when our folks go to hire...for example, an LPN...they go to the lowest priced staffing agency for an LPN. If that staffing agency does not have an individual they can send to us, they go to the next person on the list. So, it's a hierarchical process in terms of hiring from those different...those different agencies themselves. Part of the problem we had is no one through the pandemic had anybody available in any of those. So, we rebid that, pushed it out again to get more staffing agencies on board...I'm looking for the number, I want to say we had at one time Senator, twenty-six staffing agencies out there to try to meet our needs in those seven facilities."

Senator Tarr: "So, when you put out an RFP, you have up to twenty-six, do you have more than that that are actually responding to the RFP for the contract?"

Secretary Crouch: "I don't know that...the answer to that. I can go back and look and see how many responded."

Senator Tarr: "Who awards the contract? Is that...I mean who has the final say on the award of the contract?"

Secretary Crouch: "DHHR but again—"

Senator Tarr: "—Does that land at your feet?"

Secretary Crouch: "I rarely get into that level of detail. When the staffing agencies, when that's bid my understanding...and again we can get more information for you on that...is we pretty much take any of those because it's...because it's hierarchical you have to...you have to go to the lowest one on the bid first. So, we have no option, we

don't go to the highest person, we keep going down the list until we get somebody. So, we won a number of those agencies on there but I was not involved in the details of that."

Senator Tarr: "Okay. Do you have any personal relationships with any of the staffing agencies as far as outside of DHHR relationship?"

Secretary Crouch: "No. No sir, I wouldn't...I don't think I'd know the names of one if you told me."

Senator Tarr: "You wouldn't know who staffed the nursing contracts?"

Secretary Crouch: "No, I wouldn't."

Senator Tarr: "Can I have you swear him in, please?"

Speaker Hanshaw: "I will if member's want. Mr. Secretary, do you swear to tell the truth, the whole truth, and nothing but the truth, so help you God?"

Secretary Crouch: "I do."

Senator Tarr: "I'm going to repeat the question. You have no personal relationships with anybody with held contracts for staffing nursing with DHHR?"

Secretary Crouch: "Let me answer this way, Senator. If I do, I'm not aware that they work in a staffing agency, own a staffing agency, I'm not...don't...no, okay now that you've said that I do know someone who did own a staffing agency. I've never had any discussions—"

Senator Tarr: "—In contract with DHHR?"

Secretary Crouch: “I don’t think they contract with DHHR. No, I don’t. I knew someone in the nursing home industry who had their own staffing agency. I...we didn’t use them.”

Senator Tarr: “DHHR is not using them or has not used them under your tenure to staff the facilities?”

Secretary Crouch: “If we did Senator, I have no knowledge of that and I’m under oath, Senator. I have no—”

Senator Tarr: “—I know, that’s the reason I put you under oath because your answer changed on me. So...okay.”

Secretary Crouch: “Well Senator, the answer didn’t change and again I said I knew of no one, after I thought about it a minute, I know of someone who...but not one who handled DHHR that I’m aware of. So, no I don’t know...I don’t know anyone who contracted with DHHR. Maybe they did, I don’t know of that. So, if that’s clear...”

Senator Tarr: “Let me go on then. Who has decisions with the utilization of the hours with that staffing agency as far as when...if you have a director of a hospital, CEO of the hospital, and they’re using contract staff versus employed staff...who’s determining which one they’re choosing at the time? Or is...do you have all contract staff at a nursing home? Or at a...not a nursing home but the facilities?”

Secretary Crouch: “Well, if I understand your question, staffing agencies are used when we don’t have enough of our own staff to adequately staff the facility. Leadership of each of the facilities make those decisions. I have no input in that.”

Senator Tarr: “Okay. All right, thank you.”

Speaker Hanshaw: “Okay, Delegate Howell is next.”

Delegate Howell: “Thank you, Mr. Speaker. I just wanted to verify, make sure I heard you correctly. You say you have not visited Sharpe’s Hospital prior to COVID...so, we’re talking three four years?”

Secretary Crouch: “It’s probably...yeah since COVID, since the pandemic first started. I—”

Delegate Howell: “—So, three or four years...that’s the last time you were there.”

Secretary Crouch: “It wouldn’t be four but—”

Delegate Howell: “—Okay.”

Secretary Crouch: “—it would probably be two and a half to three.”

Delegate Howell: “And when you were there you didn’t talk to the boots on the ground, you just heard reports from other people that were there but never actually talked to the people that worked the floor?”

Secretary Crouch: “Last time I was there I actually went through the facility, was on a couple of floors and I did talk to individuals there.”

Delegate Howell: “Okay, thank you.”

Secretary Crouch: “Yeah.”

Speaker Hanshaw: “All right, with that we’re going to have leave it there today. There’s another meeting coming in behind us. We thank everyone for coming today. We’ll

pick back up where we left off at our next meeting. We do have three motions that need to be adopted today before we adjourn. We do need to take action on three pieces of other business. So, the Chair recognize President Blair for purpose of a motion.”

President Blair: “Thank you, Mr. Speaker. I move that all members of the West Virginia Legislature who attended the November 2022 Interim Meetings who attended the tours associated the interim meetings receive reimbursement for expenses for those days that they attended the tours as the standard rate.”

Speaker Hanshaw: “Okay, you’ve heard the motion as offered by President Blair. Is there discussion on that motion? If not, those in favor of that motion will please aye, those opposed will please say no, the ayes have it, that motion is adopted. Mr. President.”

President Blair: “Mr. Speaker, I move that the new members of the West Virginia Legislature who will not be sworn in until the first day of the regular session receive reimbursement expenses for January 8th, 9th, 10th, of 2023, to prepare for the regular session starting on January 11th of 2023 at the standard rate.”

Speaker Hanshaw: “You’ve heard the second motion offered by President Blair. Is there discussion on that motion? If not, those in favor of adoption of that motion will please say aye, those opposed will please say no, the ayes have it, that motion is also adopted. The Chair recognize President Blair for the third and final motion.”

President Blair: “Mr. Speaker, I move that all new members of the legislature who will not be sworn in until the first day of the session receive the standard expense reimbursement for attending the legislative caucuses on December the 4th for the preparation of the 2023 regular session.”

Speaker Hanshaw: “All right and you have now heard the third motion offered by President Blair. Is there discussion on the third motion? Okay if not, those in favor of adoption of this motion will please say aye, those opposed will please say no, the ayes have it, that motion is also adopted. Mr. President.”

President Blair: “Mr. Speaker, I move we adjourn.”

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

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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304-347-4870

January 04, 2023

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

- West Virginia Lottery as of November 30, 2022
Gross profit as of November 30, 2022 was \$244.5 million. Gross profit as of November 30, 2021 was \$235.4 million.
- West Virginia Unemployment Compensation Fund as of November 30, 2022
Total disbursements were \$429 million lower than in fiscal year 2022. Overall ending trust fund balance was \$60.7 million higher on November 30, 2022, than on November 30, 2021.
- General Revenue Fund as of December 31, 2022
The general revenue collections ended the sixth month of fiscal year 2023 at 138% of the estimate for the year. Total collections were \$833.4 million above the estimate for the fiscal year.
- State Road Fund as of December 31, 2022
The road revenue collections ended the sixth month of fiscal year 2023 at 96% of the estimate for the year. Total collections were \$25.9 million below the estimate for the fiscal year.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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MEMORANDUM

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

From: William Spencer, CPA
Director Budget Division
Legislative Auditor's Office

Date: January 3, 2022

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

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

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$547.9 million for July-November of fiscal year 2022-2023. Table games accounted for \$14.4 million of this total. Historic Resort Hotel video lottery accounted for \$2.6 million of total gross receipts. Gross lottery revenue has increased by \$18.5 million or 3.5% when compared with July-November of fiscal year 2021-2022. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July-November was \$244.5 million; for July-November of last fiscal year it was \$235.4 million. Expressed as a percentage, gross profit is 3.9% higher for fiscal year 2023 than for fiscal year 2022.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$233,029,000.00 has been accrued to the state of West Virginia for fiscal year 2022-2023. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.

A schedule of cash transfers follows:

State Lottery Fund

Bureau of Senior Services	\$65,911,000.00
Community and Technical College	\$2,495,000.00
Department of Education	\$13,280,000.00
Library Commission	\$10,639,000.00
Higher Education-Policy Commission	\$6,793,000.00
Tourism	\$6,325,000.00
Department of Natural Resources	\$3,319,000.00
Division of Culture and History	\$7,048,000.00
General Revenue Fund	\$000.00
Economic Development Authority	\$4,998,000.00
School Building Authority	\$9,000,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$129,808,000.00

Lottery continued

Excess Lottery Fund

Economic Development Fund	\$10,508,000.00
Higher Education Improvement Fund	\$7,500,000.00
General Purpose Fund	\$25,330,000.00
Higher Education Improvement Fund	\$11,301,000.00
State Park Improvement Fund	\$587,000.00
School Building Authority	\$9,483,000.00
Refundable Credit	\$1,390,000.00
WV Racing Commission	\$1,579,000.00
WV DHHR	\$000.00
Teacher's Retirement Savings	\$000.00
Division of Human Services	\$16,200,000.00
WV Lottery Statutory Transfers	\$23,779,000.00
Economic Development Authority	\$2,195,000.00
General Revenue Fund	\$000.00
Office of Technology	\$000.00
Excess Lottery Surplus	\$000.00
WV Infrastructure Council Fund	\$18,588,000.00
Total State Excess Lottery Revenue Fund	\$128,440,000.00

Total Budgetary Distributions:	\$258,248,000.00
Veterans Instant Ticket Fund	\$237,000.00
Pension Plan	\$00.00
TOTAL TRANSFERS	*\$258,485,000.00

* CASH BASIS

Lottery continued

Total Accrued last FY 2022:	\$240,181,000.00
Total Cash Distributions FY 2023:	\$258,485,000.00
Applied to FY 2022:	\$240,181,000.00
Applied to FY 2023:	\$18,304,000.00
Accrued for FY 2023 as of November 30:	\$214,725,000.00

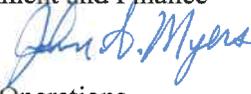


P.O. BOX 2067
CHARLESTON, WV 25327

JOHN A. MYERS
DIRECTOR

PHONE: 304.558.0500
wvlottery.com

MEMORANDUM

TO: Joint Committee on Government and Finance
FROM: John A. Myers, Director 
RE: Monthly Report on Lottery Operations
Month Ending November 30, 2022
DATE: December 16, 2022

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

Financial statements of the Lottery for the month ending November 30, 2022 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, sports wagering, and interactive gaming was \$111,191,939 for the month of November.

Transfers of lottery revenue totaling \$42,643,821 made for the month of November to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 12 on pages 20 and 21 of the attached financial statements.

The number of traditional and limited retailers active as of November 30, 2022 was 1,521 and 1,201 respectively.

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

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

JAM
Attachment

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

WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

November 30, 2022

WEST VIRGINIA LOTTERY

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

ASSETS	November 30, 2022	June 30, 2022
Current Assets:		
Cash and cash equivalents	\$ 250,994	\$ 281,709
Accounts receivable	32,531	32,032
Inventory	1,594	1,436
Other assets	5,919	5,989
Total Current Assets	<u>291,038</u>	<u>321,166</u>
Capital assets	63,170	62,487
Less accumulated depreciation and amortization	<u>(20,859)</u>	<u>(20,161)</u>
Net Capital Assets	<u>42,311</u>	<u>42,326</u>
Total Noncurrent Assets	<u>42,311</u>	<u>42,326</u>
Total Assets	<u>\$ 333,349</u>	<u>\$ 363,492</u>
Deferred outflows of resources	<u>\$ 2,436</u>	<u>\$ 2,436</u>
Total assets and deferred outflows	<u>\$ 335,785</u>	<u>\$ 365,928</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 214,725	\$ 240,181
Estimated prize claims	19,101	16,152
Accounts payable	2,620	4,212
Other accrued liabilities	30,952	36,996
Total Current Liabilities	<u>267,398</u>	<u>297,541</u>
Deferred inflows	<u>\$ 7,491</u>	<u>7,491</u>
Net Position:		
Net Investment in capital assets	42,311	42,326
Unrestricted	<u>18,585</u>	<u>18,570</u>
Total Net Position	<u>60,896</u>	<u>60,896</u>
Total net position, liabilities, and deferred inflows	<u>\$ 335,785</u>	<u>\$ 365,928</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FOUR MONTH PERIOD ENDED NOVEMBER 30, 2022
(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	FY 2022	FY 2021	FY 2022	FY 2021
Lottery revenues				
On-line games	\$ 13,397	\$ 5,333	\$ 45,705	\$ 30,967
Instant games	15,091	15,208	70,502	71,030
Racetrack video lottery	38,042	36,502	204,674	199,588
Limited video lottery	39,102	38,620	200,034	202,117
Table games	2,769	3,483	14,370	15,473
Historic resort	564	666	2,619	3,763
Sports Wagering	546	684	2,348	2,099
Interactive Wagering	1,681	975	7,633	4,361
	<u>111,192</u>	<u>101,471</u>	<u>547,885</u>	<u>529,398</u>
Less commissions				
On-line games	931	375	3,195	2,174
Instant games	1,056	1,064	4,935	4,972
Racetrack video lottery	20,871	20,026	112,293	109,502
Limited video lottery	19,160	18,924	98,017	99,037
Table games	1,177	1,476	6,103	6,556
Historic resort	286	334	1,306	1,874
	<u>43,481</u>	<u>42,199</u>	<u>225,849</u>	<u>224,115</u>
Less on-line prizes	6,908	2,736	23,672	16,346
Less instant prizes	10,251	10,343	48,015	48,356
Less ticket costs	331	228	836	778
Less vendor fees and costs	1,165	796	4,970	4,393
	<u>18,655</u>	<u>14,103</u>	<u>77,493</u>	<u>69,873</u>
Gross profit	<u>49,056</u>	<u>45,169</u>	<u>244,543</u>	<u>235,410</u>
Administrative expenses				
Advertising and promotions	593	232	2,944	2,540
Wages and related benefits	935	829	4,610	4,308
Telecommunications	35	46	288	326
Contractual and professional	530	960	2,824	1,596
Rental	20	17	120	105
Depreciation and amortization	141	138	698	691
Other administrative expenses	107	194	1,029	986
	<u>2,361</u>	<u>2,416</u>	<u>12,513</u>	<u>10,552</u>
Other Operating Income	<u>218</u>	<u>181</u>	<u>2,474</u>	<u>2,179</u>
Operating Income	<u>46,913</u>	<u>42,934</u>	<u>234,504</u>	<u>227,037</u>
Nonoperating income (expense)				
Investment income	695	(34)	2,591	(53)
Distributions to municipalities and counties	(766)	(757)	(3,921)	(3,962)
Distributions -capital reinvestment	(32)	(29)	(145)	(151)
Distributions to the State of West Virginia	(46,810)	(42,114)	(233,029)	(222,871)
	<u>(46,913)</u>	<u>(42,934)</u>	<u>(234,504)</u>	<u>(227,037)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>60,896</u>	<u>57,032</u>	<u>60,896</u>	<u>57,032</u>
Net position, end of period	<u>\$ 60,896</u>	<u>\$ 57,032</u>	<u>\$ 60,896</u>	<u>\$ 57,032</u>

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

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

(In Thousands)

-Unaudited-

	2022	2021
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 549,860	\$ 522,561
Cash payments for:		
Personnel costs	(4,610)	(4,308)
Suppliers	(8,795)	(6,126)
Other operating costs	(300,064)	(293,406)
Cash provided by operating activities	<u>236,391</u>	<u>218,721</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(258,485)	(250,096)
Distributions to municipalities and counties	(3,917)	(3,999)
Distributions to racetrack from racetrack cap. reinv. fund	(6,612)	(4,331)
Cash used in noncapital financing activities	<u>(269,014)</u>	<u>(258,426)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(683)</u>	<u>-</u>
Cash flows from investing activities:		
Investment earnings received	<u>2,591</u>	<u>284</u>
Cash provided by investing activities	<u>2,591</u>	<u>284</u>
Increase (decrease) in cash and cash equivalents	(30,715)	(39,421)
Cash and cash equivalents - beginning of period	<u>281,709</u>	<u>198,583</u>
Cash and cash equivalents - end of period	<u>\$ 250,994</u>	<u>\$ 159,162</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 234,504	\$ 227,037
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	698	691
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(499)	(9,016)
(Increase) decrease in inventory	(158)	(108)
(Increase) decrease in other assets	70	20
Increase (decrease) in estimated prize claims	2,949	606
Increase (decrease) in accounts payable	(1,592)	(271)
Increase (decrease) in other accrued liabilities	419	(238)
Cash provided by operating activities	<u>\$ 236,391</u>	<u>\$ 218,721</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The Lottery is included in the State's basic financial statements as a proprietary fund and business type activity using the accrual basis of accounting. Because of the Lottery's presentation in these financial statements as a special purpose government engaged in business type activities, there may be differences in presentation of amounts reported in these financial statements and the basic financial statements of the State as a result of major fund determination.

USE OF ESTIMATES – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and develop assumptions that affect the amounts reported in the financial statements and related notes to financial statements. Actual results could differ from management's estimates.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

COMPENSATED ABSENCES – The Lottery has accrued \$755,071 and \$835,830 at June 30, 2022 and 2021, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in another postemployment benefits plan.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At November 30, 2022 the carrying amounts of deposits (overdraft) with financial institutions were \$1,428 thousand with a bank balance (overdraft) of \$1,474 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):

	<u>November 30, 2022</u>	<u>June 30, 2022</u>
Deposits with financial institutions	\$ 1,428	\$ 459
Cash on hand at the Treasurer's Office	25,638	24,722
Investments with BTI reported as cash equivalents	<u>223,928</u>	<u>256,528</u>
	<u>\$ 250,994</u>	<u>\$ 281,709</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended November 30, 2022 is as follows (in thousands):

Capital Assets:	Historical Cost At June 30, 2022	Additions	Deletions	Historical Cost At November 30, 2022
Construction in Progress	1,564	502	-	2,066
Buildings	48,243	-	-	48,243
Land	1,681	-	-	1,681
Equipment	10,999	181	-	11,180
	<u>\$ 62,487</u>	<u>\$ 683</u>	<u>\$ -</u>	<u>\$ 63,170</u>
Accumulated Depreciation:	Historical Cost At June 30, 2022	Additions	Deletions	Historical Cost At November 30, 2022
Buildings	\$ 11,398	\$ 514	\$ -	\$ 11,912
Equipment	8,763	184	-	8,947
	<u>\$ 20,161</u>	<u>\$ 698</u>	<u>\$ -</u>	<u>\$ 20,859</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

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

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, LOTTO AMERICA®, and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended November 30, 2022 and fiscal year-to-date is as follows:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 9,101,093	\$ 20,886,132
Lotto America	718,115	3,190,349
Mega Millions	1,532,672	11,800,386
Total	\$ 11,351,880	\$ 35,876,867

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 4,569,022	\$ 10,451,542
Lotto America	359,064	1,587,793
Mega Millions	766,356	5,865,344
Total	\$ 5,694,442	\$ 17,904,679

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

	<u>PowerBall</u>	<u>Lotto America</u>	<u>Mega Millions</u>
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$132,000,000	\$12,000,000	\$110,000,000

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

Game	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 126,346,705	\$ 1,306,448
Lotto America	7,331,519	558,152
Mega Millions	93,219,910	809,902
Total	<u>\$ 226,898,134</u>	<u>\$ 2,674,502</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$18,190,096 at November 30, 2022, of which the Lottery's share was \$1,406,516.

NOTE 6 - RACETRACK VIDEO LOTTERY

The Racetrack Video Lottery legislation stipulates the distribution of racetrack video lottery revenues. This legislation has been amended since inception to restate revenue distribution based on revenue benchmarks and has been amended again by HB 101 as passed during the first extraordinary session of 2014. For a complete summary of the impacts of HB 101, see Note 11 titled "Summary Impact of Recent Legislation." Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. Sixty-six percent (66%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (46.5%); other private entities associated with the racing industry (8.7%); and the local county and municipal governments (2%). The remaining revenues (42.8%) of net terminal revenue is allocated for distribution to State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 11 titled "Nonoperating Distributions to the State of West Virginia."

The first benchmark occurs when the current year net terminal revenue meets the fiscal year 1999 net terminal revenue. The counties and incorporated municipalities split 50/50 the two percent (2%) net terminal revenue.

The second benchmark occurs when the current year gross terminal revenue meets the fiscal year 2001 gross terminal revenue. The four percent (4%) is no longer allocated for lottery administrative costs; instead the State receives this for distribution as specified by legislation or the State budget.

The final benchmark occurs when the current year net terminal revenue meets the fiscal year 2001 net terminal revenue. At this point a 10% surcharge is applied to net terminal revenue, with 58% of the surcharge allocated for distribution to the State as specified by legislation or the State budget, and 42% of the surcharge allocated to separate capital reinvestment funds for each licensed racetrack.

After deduction of the surcharge, 49% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (5%); and the local county and incorporated municipality governments (2%).

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

The remaining net terminal revenue (51%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 12.

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

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

	Current Month		Year-to-Date	
	2023	2022	2023	2022
Total credits played	\$ 441,663	\$ 418,212	\$ 2,364,547	\$ 2,279,883
Credits (prizes) won	(396,798)	(375,832)	(2,125,542)	(2,046,374)
Promotional credits played	(6,823)	(5,878)	(34,331)	(33,921)
Gross terminal income	38,042	36,502	204,674	199,588
Administrative costs	(1,522)	(1,460)	(8,186)	(7,984)
Net Terminal Income	36,520	35,042	196,488	191,604
Less distribution to agents	(20,871)	(20,026)	(112,293)	(109,502)
Racetrack video lottery revenues	<u>\$ 15,649</u>	<u>\$ 15,016</u>	<u>\$ 84,195</u>	<u>\$ 82,102</u>

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

	November 30, 2022	Year-to-Date
State Lottery Fund	\$ 10,956	\$ 58,946
State Excess Lottery Revenue Fund	4,693	25,249
Capital Reinvestment Fund	-	-
Total nonoperating distributions	<u>\$ 15,649</u>	<u>\$ 84,195</u>

NOTE 7 - LIMITED VIDEO LOTTERY

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-**

NOTE 7 - LIMITED VIDEO LOTTERY (continued)

stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. This percentage is 50 percent. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses.

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

	Current Month		Year-to-Date	
	2023	2022	2023	2022
Total credits played	\$ 516,806	\$ 507,825	\$ 2,636,227	\$ 2,625,046
Credits (prizes) won	(477,704)	(469,205)	(2,436,193)	(2,422,929)
Gross terminal income	<u>\$ 39,102</u>	<u>\$ 38,620</u>	<u>\$ 200,034</u>	<u>\$ 202,117</u>
Administrative costs	(782)	(772)	(4,001)	(4,042)
Gross Profit	38,320	37,848	196,033	198,075
Commissions	(19,160)	(18,924)	(98,017)	(99,037)
Municipalities and Counties	(766)	(757)	(3,921)	(3,962)
Limited video lottery revenues	<u><u>\$ 18,394</u></u>	<u><u>\$ 18,167</u></u>	<u><u>\$ 94,095</u></u>	<u><u>\$ 95,076</u></u>

NOTE 8 – TABLE GAMES

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

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

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

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-**

NOTE 8 – TABLE GAMES (continued)

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

The cash transferred to the State Excess Lottery Revenue Fund in the current month is included in Note 12- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year ended November 30, 2022 were \$7,911,750 and \$41,058,460, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2023	2022	2023	2022
Table Games Privilege Tax	\$ 2,769	\$ 3,483	\$ 14,370	\$ 15,473
Interest on Table Games Fund	16	-	60	1
Administrative costs	(237)	(299)	(1,232)	(1,326)
Total Available for Distribution	<u>2,548</u>	3,184	<u>13,198</u>	14,148
<u>Less Distributions:</u>				
Racetrack Purse Funds	178	224	923	995
Thoroughbred & Greyhound Development Funds	142	179	739	796
Racing Association Pension Plan	70	88	364	389
Municipalities/ Counties	787	985	4,077	4,376
Total Distributions	<u>1,177</u>	1,476	<u>6,103</u>	6,556
Excess Lottery Fund	<u>\$ 1,371</u>	<u>\$ 1,708</u>	<u>\$ 7,095</u>	<u>\$ 7,592</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL

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

Historic Resort Video Lottery

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

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

	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Total credits played	\$ 6,118	\$ 6,365	\$ 27,547	\$ 37,052
Credits (prizes) won	(5,631)	(5,850)	(25,361)	(34,216)
Promotional credits played	(110)	(74)	(488)	(391)
Gross terminal income	377	441	1,698	2,445
Capital reinvestment	(18)	(21)	(80)	(115)
Excess Lottery Fund	(3)	(4)	(15)	(22)
Administrative costs	(20)	(24)	(92)	(132)
Hotel commissions	(160)	(186)	(718)	(1,034)
Net terminal income	176	206	793	1,142
Historic Resort Hotel Fund	112	131	504	726
Human Resource Benefit Fund	64	75	289	416

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL (continued)

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month and year ended November 30, 2022 were \$534,813 and \$2,631,513 respectively.

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

	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Table games privilege tax	\$ 187	\$ 225	\$ 921	\$ 1,318
Administrative Costs	<u>(24)</u>	<u>(29)</u>	<u>(118)</u>	<u>(169)</u>
Total Available for Distribution	163	196	803	1,149
Historic Resort Hotel Fund	136	164	671	961
Human Resource Benefit Fund	27	32	132	188

Historic Resort Hotel Fund

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

- 1) Eighty-six percent (86%) is paid to the State Excess Lottery Revenue Fund;
- 2) Four percent (4%) is paid to the county where the gaming facility is located;
- 3) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 4) Two and one-half percent (2.5%) is divided and paid in equal shares to the remaining municipalities in the county where the gaming facility is located;
- 5) Two and one-half percent (2.5%) is divided and paid in equal shares, to each county commission in the state where the gaming facility is not located;
- 6) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

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

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 112	\$ 504
Historic Resort Table Games	136	671
Interest on Historic Resort Hotel Fund	4	15
Historic Resort Hotel Fund Net Income	<u>252</u>	<u>1,190</u>
Municipalities/ Counties	35	167
Excess Lottery Fund	<u>217</u>	<u>1,023</u>
Total Distributions	<u>\$ 252</u>	<u>\$ 1,190</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 10– SPORTS WAGERING

Sports Wagering legislation passed in 2018 per Senate Bill 415. Each racetrack and historic resort hotel licensee is subject to a privilege tax of ten percent (10%) of adjusted gross wagering receipts which will be deposited weekly into the Sports Wagering Fund.

From the privilege tax deposited into the Sports Wagering Fund, the Commission, on a monthly basis shall:

Retain 15% for administrative expenses of which any surplus in excess of \$250,000 shall be reported to the Joint Committee on Government and Finance and remitted to the State Treasurer.

After the reduction for administrative expenses, the net profit shall be deposited into the State Lottery Fund until a total of \$15 million is deposited. The remainder of net profit shall be deposited into the Public Employees Insurance Agency Financial Stability Fund.

The Sports Wagering adjusted gross wagering receipts for the month and year-to-date periods ended November 30, 2022 were \$5,463,729 and \$23,478,570, respectively. The following table shows the month and year-to-date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2023	2022	2023	2022
Sports Wagering Privilege Tax	\$ 546	\$ 684	\$ 2,348	\$ 2,099
Interest on Sports Waging Fund	-	-	-	-
Administrative Costs	(82)	(102)	(352)	(315)
Total Available for Distribution	464	582	1,996	1,784

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11– INTERACTIVE WAGERING

Interactive Wagering legislation passed in 2019 per House Bill 2934. Each racetrack and historic resort hotel licensee is subject to a privilege tax of fifteen percent (15%) of adjusted gross interactive gaming receipts which will be deposited weekly into the Interactive Wagering Fund.

From the privilege tax deposited into the Interactive Wagering Fund, the Commission, on a monthly basis shall:

Retain 15% for administrative expenses of which any surplus in excess of \$250,000 shall be reported to the Joint Committee on Government and Finance and remitted to the State Treasurer.

In each fiscal year, the Lottery Commission shall deposit one-quarter of a percent of the net profit into each of the four special funds established by the Racing Commission, pursuant to §29-22A-10 and §29-22C-27 to be used for payment into the pension plan for the employees of the licensed racing associations in this state.

After the reduction for administrative expenses and the pension plans for the racing associations, the net profit shall be deposited into the State Lottery Fund.

The Interactive Wagering adjusted gross interactive gaming receipts for the month and year-to-date periods ended November 30, 2022 were \$11,208,037 and \$50,889,386 respectively. The following table shows the month and year-to-date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2023	2022	2023	2022
Interactive Wagering Privilege Tax	\$ 1,681	\$ 975	\$ 7,633	\$ 4,361
Interest on Interactive Wagering Fund	14	-	55	-
Administrative Costs	(252)	(146)	(1,145)	(654)
Total Available for Distribution	1,443	829	6,543	3,707

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

	Current Month	Year-to-Date
Pensions	14	66
Lottery Fund	1,429	6,477
Total Distributions	\$ 1,443	\$ 6,543

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 12- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2023 the State Legislature budgeted \$134,132,030 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$1,000,000, and \$500,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$6,536,696 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. For the month ended November 30, 2022 the Lottery has accrued additional distributions of \$214,725,058. The Lottery is a non-appropriated state agency and therefore does not have a legally adopted annual budget.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>November 30, 2022</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 499	\$ 2,495
Bureau of Senior Services	7,046	65,911
Department of Education	1,903	13,280
Library Commission	1,525	10,639
Higher Education-Policy Commission	973	6,793
Tourism	907	6,325
General Revenue	-	-
Natural Resources	476	3,319
Division of Culture & History	566	7,048
Economic Development Authority	1,000	4,998
School Building Authority	1,800	9,000
Total State Lottery Fund	\$ 16,695	\$ 129,808

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 2,102	\$ 10,508
Higher Education Improvement Fund	1,500	7,500
General Purpose Account	6,340	25,330
Higher Education Improvement Fund	2,828	11,301
State Park Improvement Fund	147	587
School Building Authority	1,896	9,483
Refundable Credit	-	1,390
WV Racing Commission	195	1,579
WV Department of Health and Human Resources		
Teacher's Retirement Savings		
Division of Human Services		16,200
WV Lottery Statutory Transfers	5,952	23,779
Economic Development Authority	439	2,195
General Revenue Fund		
Office of Technology		
Excess Lottery Surplus		
West Va. Infrastructure Council	4,501	18,588
Total State Excess Lottery Revenue Fund	<u>\$ 25,900</u>	<u>\$ 128,440</u>
Total Budgetary distributions:	<u>\$ 42,595</u>	<u>\$ 258,248</u>
Veterans Instant Ticket Fund	\$ 49	\$ 237
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 42,644	\$ 258,485
Accrued nonoperating distributions, beginning	(210,559)	(240,181)
Accrued nonoperating distributions, end	<u>214,725</u>	<u>214,725</u>
	<u>\$ 46,810</u>	<u>\$ 233,029</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 13 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancellable operating leases. Rental expense for the fiscal year-to-date ended November 30, 2022 and November 30, 2021 approximated \$121,319 and \$104,462 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the fiscal year-to-date ended November 30, 2022 and November 30, 2021 approximated \$454,424 and \$445,538 respectively.

NOTE 14 – COMMITMENTS

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

NOTE 15 - RETIREMENT BENEFITS

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

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

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

	November 30, 2022	Year-to-Date
Employee contributions	\$ 34	\$ 184
Lottery contributions	61	343
Total contributions	\$ 95	\$ 527

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 16 - RISK MANAGEMENT

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

WORKERS' COMPENSATION INSURANCE

The Lottery carries workers compensation insurance coverage through a commercial insurance carrier. The commercial insurance carrier is paid a monthly rated premium to provide compensation for injuries sustained in the course of employment.

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

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

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

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

**SCHEDULE OF REVENUES AND NET REVENUES OF THE
LOTTERY FUND AND EXCESS LOTTERY FUND
FOR THE FIVE MONTH PERIOD ENDED NOVEMBER 30, 2022
(In Thousands)**

	Current Month		FISCAL YEAR	
	Actual	Projected	Actual	Projected
Gross Revenues				
Instant games	15,091	9,584	70,502	47,917
On-line games	13,397	5,833	45,705	29,166
Racetrack video lottery	38,042	36,838	204,674	191,001
Limited video lottery	39,102	29,874	200,034	151,775
Racetrack table games	2,769	2,045	14,370	10,449
Historic resort	564	634	2,619	3,121
Sports wagering	546	208	2,348	1,042
Interactive wagering	1,681	291	7,633	1,458
Total gross revenues	<u>111,192</u>	<u>85,307</u>	<u>547,885</u>	<u>435,929</u>
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	1,674	1,121	7,636	5,607
On-line games	3,730	1,674	12,616	8,371
Racetrack Video Lottery	11,139	10,609	59,663	55,008
Sports wagering	467	177	2,004	885
Interactive wagering	1,429	246	6,477	1,228
Total Lottery Fund net revenues	<u>18,439</u>	<u>13,827</u>	<u>88,396</u>	<u>71,099</u>
Excess Lottery Fund				
Racetrack Video Lottery	4,764	4,546	25,526	23,561
Limited Video Lottery	18,717	14,053	95,244	71,395
Limited Video Lottery Fees	4	-	1,073	-
Racetrack table games	1,370	1,003	7,095	5,126
Historic resort	221	238	1,039	1,168
Total Excess Lottery Fund Net Revenues	<u>25,076</u>	<u>19,840</u>	<u>129,977</u>	<u>101,250</u>
Total Net Revenues	<u>43,515</u>	<u>33,667</u>	<u>218,373</u>	<u>172,349</u>

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

304-347-4870

Memorandum

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

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

Date: January 04, 2023

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

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

The net collections were 138% of the estimate for the fiscal year. Total collections were \$833.4 million above the estimate for the fiscal year.

Personal Income Tax collections were \$130.2 million above the estimate for the fiscal year.

Consumer sales and use tax collections were \$104.4 million above the estimate for the year.

Severance Tax was \$433.5 million above the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$109.2 million above the estimate for the fiscal year.

State Road Fund

The state road fund collections were 96% of the estimate for the fiscal year. Total collections were \$25.9 million below the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve **Fund A** (Rainy Day Fund) had a cash balance of \$425,909,387.09 as of December 31, 2022.

*Balance July 1, 2022	\$369,264,049.99
**Fiscal year 22 Surplus	00.00
Earnings/(Loss)	\$ 56,645,337.10
Balance December 31, 2022	\$425,909,387.09

*\$69.5 million loan to state General Revenue Fund 6/30/2022 for beginning of the year cash flow, to be repaid within 90 days. Loan paid 9/16/2022.

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

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$497,177,351.03 as of December 31, 2022.

Balance July 1, 2022	\$553,481,351.13
Earnings	(56,304,000.10)
Balance December 31, 2022	\$497,177,351.03

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

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

REVENUE COLLECTIONS
FISCAL YEAR 2023
as of December 31, 2022

GENERAL REVENUE FUND

	MONTH ESTIMATES	ACTUAL MONTH COLLECTIONS	FINAL MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	ACTUAL YTD COLLECTIONS	YTD COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Personal Income Tax	\$ 174,800,000	\$ 195,283,859	\$ 20,483,859	\$ 1,047,290,000	\$ 1,177,489,829	\$ 130,199,829	112%
Consumer Sales Tax & Use Tax	142,500,000	161,118,750	18,618,750	728,239,000	832,661,714	104,422,714	114%
Severance Tax	24,000,000	87,255,455	63,255,455	107,400,000	540,851,697	433,451,697	504%
Corporate Net Income Tax	31,000,000	59,312,537	28,312,537	84,000,000	193,207,496	109,207,496	230%
Insurance Tax	200,000	30,766	(169,234)	35,600,000	50,875,363	15,275,363	143%
Tobacco Products Tax	13,600,000	13,058,855	(541,145)	84,200,000	82,933,486	(1,266,515)	98%
Business and Occupation	7,200,000	8,188,285	988,285	47,800,000	50,849,174	3,049,174	106%
Liquor Profit Transfers	2,000,000	4,010,983	2,010,983	14,000,000	17,046,716	3,046,716	122%
Departmental Collections	1,700,000	1,791,711	91,711	9,500,000	8,903,380	(596,620)	94%
Property Transfer Tax	900,000	1,029,749	129,749	6,700,000	7,857,590	1,157,590	117%
Property Tax	200,000	100,099	(99,901)	5,150,000	4,898,847	(251,153)	95%
Beer Tax and Licenses	450,000	514,609	64,609	3,600,000	3,416,477	(183,523)	95%
Miscellaneous Transfers	180,000	-	(180,000)	1,440,000	262,230	(1,177,771)	18%
Interest Income	520,000	13,170,994	12,650,994	2,880,000	38,950,236	36,070,236	1352%
Refundable Credit Reimb Liability	-	-	-	500,000	1,390,470	890,470	0%
HB 102 - Lottery Transfers	5,900,000	6,069,652	169,652	31,600,000	31,399,620	(200,380)	0%
Miscellaneous	600,000	191,936	(408,064)	1,200,000	1,152,858	(47,142)	96%
Business Franchise Fees	80,000	54,749	(25,251)	400,000	333,826	(66,174)	83%
Estate & Inheritance Tax	-	-	-	-	-	-	0%
Liquor License Renewal	46,000	79,794	33,794	383,000	564,504	181,504	147%
Special Revenue Transfers	-	-	-	-	-	-	0%
Charter Tax	-	1,067	1,067	-	2,823	2,823	0%
Telecommunications Tax	-	-	-	-	-	-	0%
Video Lottery Transfers	-	138,862	138,862	-	208,976	208,976	0%
July-Dec Retro Rev Adj	-	-	-	-	-	-	0%
Cash Flow Transfer	-	-	-	-	-	-	0%
Soft Drink Excise Tax	1,100,000	1,144,634	-	7,300,000	6,966,320	-	-
SUBTOTALS	\$ 406,976,000	\$ 552,547,348	\$ 145,526,714	\$ 2,219,182,000	\$ 3,052,223,631	\$ 833,375,311	
Less: Cash Flow Transfer	-	-	-	-	-	-	
Less: Special Revenue Transfer	-	-	-	-	-	-	
TOTALS	\$ 406,976,000	\$ 552,547,348	\$ 145,526,714	\$ 2,219,182,000	\$ 3,052,223,631	\$ 833,375,311	

Percent of Estimates

136%

138%

Collections this day

\$ 10,073,838

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

January 03, 2023

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

GENERAL REVENUE FUND

	Actual Collections Dec 2021	Actual Collections Dec 2022	Actual Collections 6 Months Jul-Dec 2021	Actual Collections 6 Months Jul-Dec 2022	YTD \$ Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Personal Income Tax	\$ 181,830,774	\$ 195,283,859	\$ 1,036,701,791	\$ 1,177,489,829	\$ 140,788,038	14%
Consumer Sales Tax & Use Tax	153,996,566	161,118,750	787,346,028	832,661,714	45,315,686	6%
Severance Tax	62,575,207	87,255,455	254,193,003	540,851,697	286,658,693	113%
Corporate Net Income Tax	79,144,354	59,312,537	172,852,197	193,207,496	20,355,300	12%
Insurance Tax	269,816	30,766	60,616,785	50,875,363	(9,741,422)	-16%
Tobacco Products Tax	13,743,074	13,058,855	85,010,992	82,933,486	(2,077,506)	-2%
Business and Occupation	3,307,111	8,188,285	44,927,145	50,849,174	5,922,030	13%
Liquor Profit Transfers	2,010,900	4,010,983	13,720,770	17,046,716	3,325,946	24%
Departmental Collections	1,525,998	1,791,711	8,991,863	8,903,380	(88,483)	-1%
Property Transfer Tax	1,384,190	1,029,749	9,442,260	7,857,590	(1,584,670)	-17%
Property Tax	163,385	100,099	4,864,233	4,898,847	34,614	1%
Beer Tax and Licenses	472,602	514,609	3,598,993	3,416,477	(182,516)	-5%
Miscellaneous Transfers	323,866	-	1,320,991	262,230	(1,058,761)	-80%
Interest Income	(176,357)	13,170,994	20,699	38,950,236	38,929,537	188075%
Refundable Credit Reimb Liability	-	-	557,719	1,390,470	832,751.00	149%
HB 102 - Lottery Transfers	5,915,656	6,069,652	31,599,924	31,399,620	(200,304.41)	-1%
Miscellaneous	167,413	191,936	1,140,961	1,152,858	11,897	1%
Business Franchise Fees	86,295	54,749	508,590	333,826	(174,764)	-34%
Estate & Inheritance Tax	-	-	-	-	-	0%
Liquor License Renewal	45,151	79,794	383,138	564,504	181,367	47%
Special Revenue Transfers	-	-	-	-	-	0%
Charter Tax	1,306	1,067	1,109	2,823	1,715	155%
Video Lottery Transfers	41,435	138,862	154,421	208,976	54,555	35%
July-Dec Retro Rev Adj	-	-	-	-	-	0%
Cash Flow Transfer	-	-	-	-	-	0%
Soft Drink Excise Tax	-	1,144,634	-	6,966,320	6,966,320	100%
SUBTOTALS	\$ 506,828,743	\$ 552,547,348	\$ 2,517,953,610	\$ 3,052,223,631	\$ 534,270,021	
Less: Cash Flow Transfer	-	-	-	-	-	
Less: Special Revenue Transfer	-	-	-	-	-	
TOTALS	\$ 506,828,743	\$ 552,547,348	\$ 2,517,953,610	\$ 3,052,223,631	\$ 534,270,021	

Increase/Decrease over Prior Period

\$ 45,718,605

\$ 534,270,021

% Increase/Decrease over Prior Period

9%

21%

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

January 03, 2023

**REVENUE COLLECTIONS
FISCAL YEAR 2023
as of December 31, 2022**

STATE ROAD FUND

	MONTH ESTIMATES	NET MONTH COLLECTIONS	REVISED FINAL COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Motor Fuel Tax	\$ 22,900,000	\$ 35,001,541	\$ 12,101,541	\$ 211,300,000	\$ 215,324,988	\$ 4,024,988	102%
Sales/Privilege Tax	23,000,000	23,792,777	792,777	157,000,000	159,627,429	2,627,429	102%
Licenses & Registration	12,000,000	6,746,762	(5,253,238)	81,000,000	63,262,201	(17,737,799)	78%
Miscellaneous	5,000,000	2,077,954	(2,922,046)	177,000,000	162,259,934	(14,740,066)	92%
Highway Litter Control	105,000	98,461	(6,539)	899,000	807,213	(91,787)	90%
Federal Reimbursement	45,500,000	52,336,186	6,836,186	254,000,000	313,819,100	59,819,100	124%
SUBTOTALS	\$ 108,505,000	\$ 120,053,680	\$ 11,548,680	\$ 881,199,000	\$ 915,100,866	\$ 33,901,866	
Less: Federal Reimbursement	45,500,000	52,336,186	6,836,186	254,000,000	313,819,100	59,819,100	
TOTALS	\$ 63,005,000	\$ 67,717,494	\$ 4,712,494	\$ 627,199,000	\$ 601,281,766	\$ (25,917,234)	

Percent of Estimates

107%

96%

Collections this day

\$ 9,163,094

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of December 31, 2022 : \$ 425,909,387.09

\$69.5 million loan to General Revenue fund 7/1/22 for beginning of the year cash flow, to be repaid within 90 days. Loan paid 9/16/22.

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of December 31, 2022: \$ 497,177,351.03

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

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

January 04, 2023

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

STATE ROAD FUND

	Actual Collections December 2021	Actual Collections December 2022	Actual Collections 6 Months Jul-Dec 2021	Actual Collections 6 months Jul-Dec 2022	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Gasoline & Motor Carrier Rd Tax	\$ 34,046,330	\$ 35,001,541	\$ 217,060,827	\$ 215,324,988	\$ (1,735,839)	-1%
Privilege Tax	23,561,564	23,792,777	156,284,982	159,627,429	3,342,448	2%
Licenses & Registration	5,277,478	6,746,762	61,803,428	63,262,201	1,458,773	2%
Miscellaneous	1,503,070	2,077,954	6,398,470	162,259,934	155,861,464	2436%
Highway Litter Control	93,420	98,461	811,583	807,213	(4,369)	-1%
Federal Reimbursement	51,989,672	52,336,186	265,860,124	313,819,100	47,958,976	18%
SUBTOTALS	\$ 116,471,533	\$ 120,053,680	\$ 708,219,414	\$ 915,100,866	\$ 206,881,452	
Less: Federal Reimbursement	51,989,672	52,336,186	265,860,124	313,819,100	47,958,976	
TOTALS	\$ 64,481,861	\$ 67,717,494	\$ 442,359,290	\$ 601,281,766	\$ 158,922,476	
 Increase/Decrease over Prior Period		\$ 3,235,633		\$ 158,922,476		
 % Increase/Decrease over Prior Period		5%		36%		

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

January 3, 2023

Office of the Legislative Auditor



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

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

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

Date: January 4, 2023

Re: West Virginia Unemployment Compensation Trust Fund

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

As of November 30, 2022 of fiscal year 2022-2023, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2022	\$ 377,973,650.98
Receipts July 1,2022 thru June 30, 2023	\$ 128,265,448.66
Disbursements July 1,2022 thru June 30, 2023	\$ 117,310,154.95
Balance November 30, 2022	\$ 388,928,944.69

ITEMS OF NOTE:

Regular benefits paid for July-November 2022 were \$ 9.9 million less than July-November 2021.

Federal emergency benefits totaled \$105.5 thousand for July-November 2022. For July-November 2021, federal emergency benefits totaled -\$5 thousand.

Total disbursements were \$429.2 million less in July-November 2022 than the preceding July-November 2021.

Receipts as of July-November 2022, were \$666.8 million less than in July-November 2021. Overall ending trust fund balance was \$60.7 million higher on November 30, 2022 than on November 30, 2021.

Seasonally adjusted unemployment rates for November 2022 were 4.1 percent for West Virginia and 3.7 percent nationally.

Since November 2021, employment has increased by 26,000. Employment increases included 8,500 in Government due to election workers, 4,600 in leisure and hospitality, 3,200 in professional and business services, 2,800 in mining and logging, 1,700 in manufacturing, 200 in other services, 4,400 in education and health services, 1,100 in financial activities, and 1,600 in construction. Employment declines included 2,100 in trade, transportation and utilities while in information employment was unchanged.

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

	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	SEPTEMBER 2022	OCTOBER 2022	NOVEMBER 2022	THREE MONTH TOTAL VARIANCE *
Balance Forward	\$ 101,772,631.79	\$ 316,778,091.59	\$ 321,553,825.24	\$ 390,353,159.63	\$ 384,144,017.29	\$ 390,222,220.24	\$ 424,614,848.54
Add Receipts:							
1. Bond Assessment	\$ -	\$ -	\$ -	\$ -			\$ -
2. Regular Contributions:	1,998,882.59	8,487,147.80	15,675,124.97	910,266.89	12,863,071.20	6,411,391.96	(5,976,425.31)
3. Federal Emergency Benefits (PEUC)	321,778.23	130,319.55	76,413.64	28,907.98	(70,175.67)	17,894.88	(551,884.23)
4. Federal Share Extended Benefits (EB)	42,036.71	218.00	1,224.00	42.00	(10,460.57)	(2,371.65)	(56,268.93)
5. Federal Additional Compensation - FPUC	1,718,102.64	652,424.75	66,062.92	89,378.65	(151,948.17)	(110,302.06)	(2,609,461.89)
6. Pandemic Unemployment Assistance PUA	210,549.00	46,952.00	3,327.00	(95,477.32)	(27,323.20)	(28,011.63)	(411,640.15)
7. UCFE (Federal Agencies)	92,270.78	47,241.20	54,657.34	68,109.56	44,853.58	60,995.46	(20,210.72)
8. TSFR From Non-Invstd FUA	-	-	-	-	-	-	-
9. EUISAA - EMER US RELIEF	473,469.00	460,844.00	17,547,465.66	-	-	3,744.75	(18,478,033.91)
10. Treasury Interest Credits	583,614.11	(227,160.07)	-	1,586,713.14	-	-	1,230,259.10
11. UCX (Military Agencies)	31,124.13	34,341.64	32,848.34	28,970.75	30,556.08	25,736.90	(13,050.38)
12. Temporary Compensation	-	-	-	-	-	-	-
13. BT to State UI Account	220,559,606.30	-	-	586.00	(3,537.29)	-	(220,562,557.59)
14. UI Modernization	-	-	-	-	-	-	-
15. Loan Advance	-	-	-	-	-	-	-
16. Return of Overpayments FPUC/PUA/EUO	-	-	-	-	-	-	-
Total Monthly Receipts	\$ 236,522,852.00	\$ 23,642,721.99	\$ 57,549,198.02	\$ 9,274,519.47	\$ 29,373,905.47	\$ 21,420,345.96	\$ (257,646,001.11)
Less Disbursements:							
Debt Bond Repayment	(Retired)						
Regular Benefits:	\$ 8,765,352.20	\$ 7,303,109.28	\$ 8,392,853.19	\$ 5,892,565.61	\$ 6,896,095.12	\$ 7,502,950.29	(4,169,703.65)
Federal Emergency Compensation - PEUC	173,063.31	128,955.54	69,733.10	36,411.98	(79,766.77)	24,998.98	(390,107.76)
Federal Additional Compensation - FPUC	1,486,197.16	(2,029,362.00)	577,631.03	59,240.35	(264,311.23)	72,423.21	(167,113.86)
Pandemic Unemployment Assistance PUA	200,694.00	(626,281.13)	41,321.00	-	(33,778.33)	(27,432.50)	323,055.30
Federal Emergency Benefits (EUC08)	(100.00)	(125.00)	(4,848.00)	-	46,674.95	58,861.62	110,609.57
Federal Extended - 2112	(20,341.00)	218.00	1,224.00	424.00	(2,371.65)	-	16,951.35
Emergency Benefits (TEUC)	-	-	-	-	-	-	-
UCFE (Federal Workers) Benefits	94,449.79	51,747.19	51,893.17	72,679.60	-	33,063.06	(125,410.55)
UCX (Military Workers) Benefits	39,270.27	28,333.34	33,470.55	25,318.45	34,290.92	33,063.06	(8,401.73)
Reed Act Funds	287,387.96	-	-	2,740,000.00	-	-	2,452,612.04
EUISAA Title IX	-	-	-	-	-	3,744.75	3,744.75
Total Monthly Disbursements	\$21,517,392.20	\$ 18,866,988.34	\$50,911,412.41	\$15,483,661.81	\$23,295,702.52	\$22,713,621.51	\$ (29,802,807.11)
Trust Fund Balance	\$316,778,091.59	\$ 321,553,825.24	\$ 328,191,610.85	\$ 384,144,017.29	\$ 390,222,220.24	\$388,928,944.69	\$ 196,771,654.54

* 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.

Indicates prior month values that have been updated

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

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

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

UC TRUST FUND ACTUAL – 2022

Month	Receipts	Disbursements	Trust Fund Balance
2021			
Balance 1/1/2021			\$ 23,544,337
January	\$ 95,188,576	\$ 108,717,538	\$ 10,015,373
February	\$ 133,688,137	\$ 138,034,358	\$ 5,649,152
March	\$ 115,410,886	\$ 104,337,623	\$ 16,722,416
April	\$ 218,662,207	\$ 168,209,884	\$ 67,174,738
May	\$ 158,261,915	\$ 149,664,548	\$ 79,937,020
June	\$ 97,054,348	\$ 98,146,445	\$ 78,844,923
July	\$ 47,555,707	\$ 38,271,882	\$ 88,128,748
August	\$ 429,831,829	\$ 416,716,670	\$ 102,018,654
September	\$ 236,522,852	\$ 21,517,392	\$ 317,033,613
October	\$ 23,642,722	\$ 18,867,073	\$ 321,809,262
November	\$ 57,549,198	\$ 50,911,517	\$ 328,446,942
December	\$ 11,256,246	\$ 18,891,866	\$ 320,721,323
Totals - 2021	\$ 1,624,624,623	\$ 1,332,286,796	\$ 320,721,323
2022			
January	\$ 37,538,718	\$ 36,452,450	\$ 321,552,258
February	\$ 28,916,869	\$ 31,697,188	\$ 318,771,939
March	\$ 12,011,605	\$ 19,158,780	\$ 311,624,765
April	\$ 58,377,090	\$ 38,864,190	\$ 331,141,453
May	\$ 119,518,142	\$ 68,430,700	\$ 382,227,590
June	\$ 10,606,226	\$ 14,860,237	\$ 377,973,650
July	\$ 23,347,631	\$ 21,136,193	\$ 380,185,088
August	\$ 44,849,046	\$ 34,688,784	\$ 390,353,159
September	\$ 9,274,519	\$ 15,483,662	\$ 384,144,017
October	\$ 29,373,905	\$ 23,295,702	\$ 390,222,220
November	\$ 21,420,345	\$ 22,713,621	\$ 388,928,944
December	\$	\$	\$
Totals - 2022	\$	\$	\$

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

	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	SEPTEMBER 2022	OCTOBER 2022	NOVEMBER 2022	THREE MONTH TOTAL VARIANCE *
Balance Forward	\$ 101,772,631.79	\$ 316,778,091.59	\$ 321,553,825.24	\$ 390,353,159.63	\$ 384,144,017.29	\$ 390,222,220.24	\$ 424,614,848.54
Add Receipts:							
1. Bond Assessment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Regular Contributions:	1,998,882.59	8,487,147.80	15,675,124.97	910,266.89	12,863,071.20	6,411,391.96	(5,976,425.31)
3. Federal Emergency Benefits (PEUC)	321,778.23	130,319.55	76,413.64	28,907.98	(70,175.67)	17,894.88	(551,884.23)
4. Federal Share Extended Benefits (EB)	42,036.71	218.00	1,224.00	42.00	(10,460.57)	(2,371.65)	(56,268.93)
5. Federal Additional Compensation - FPUC	1,718,102.64	652,424.75	66,062.92	89,378.65	(151,948.17)	(110,302.06)	(2,609,461.89)
6. Pandemic Unemployment Assistance PUA	210,549.00	46,952.00	3,327.00	(95,477.32)	(27,323.20)	(28,011.63)	(411,640.15)
7. UCFE (Federal Agencies)	92,270.78	47,241.20	54,657.34	68,109.56	44,853.58	60,995.46	(20,210.72)
8. TSFR From Non-Invstd FUA	-	-	-	-	-	-	-
9. EUISAA - EMER US RELIEF	473,469.00	460,844.00	17,547,465.66	-	-	3,744.75	(18,478,033.91)
10. Treasury Interest Credits	583,614.11	(227,160.07)	-	1,586,713.14	-	-	1,230,259.10
11. UCX (Military Agencies)	31,124.13	34,341.64	32,848.34	28,970.75	30,556.08	25,736.90	(13,050.38)
12. Temporary Compensation	-	-	-	-	-	-	-
13. BT to State UI Account	220,559,606.30	-	-	586.00	(3,537.29)	-	(220,562,557.59)
14. UI Modernization	-	-	-	-	-	-	-
15. Loan Advance	-	-	-	-	-	-	-
16. Return of Overpayments FPUC/PUA/EUO	-	-	-	-	-	-	-
Total Monthly Receipts	\$ 236,522,852.00	\$ 23,642,721.99	\$ 57,549,198.02	\$ 9,274,519.47	\$ 29,373,905.47	\$ 21,420,345.96	\$ (257,646,001.11)
Less Disbursements:							
Debt Bond Repayment	(Retired)						
Regular Benefits:	8,765,352.20	7,303,109.28	8,392,853.19	5,892,565.61	6,896,095.12	7,502,950.29	(4,169,703.65)
Federal Emergency Compensation - PEUC	173,063.31	128,955.54	69,733.10	36,411.98	(79,766.77)	24,998.98	(390,107.76)
Federal Additional Compensation - FPUC	1,486,197.16	(2,029,362.00)	577,631.03	59,240.35	(264,311.23)	72,423.21	(167,113.86)
Pandemic Unemployment Assistance PUA	200,694.00	(626,281.13)	41,321.00	-	(33,778.33)	(27,432.50)	323,055.30
Federal Emergency Benefits (EUC08)	(100.00)	(125.00)	(4,848.00)	-	46,674.95	58,861.62	110,609.57
Federal Extended - 2112	(20,341.00)	218.00	1,224.00	424.00	(2,371.65)	-	16,951.35
Emergency Benefits (TEUC)	-	-	-	-	-	-	-
UCFE (Federal Workers) Benefits	94,449.79	51,747.19	51,893.17	72,679.60	-	33,063.06	(125,410.55)
UCX (Military Workers) Benefits	39,270.27	28,333.34	33,470.55	25,318.45	34,290.92	33,063.06	(8,401.73)
Reed Act Funds	287,387.96	-	-	2,740,000.00	-	-	2,452,612.04
EUISAA Title IX	-	-	-	-	-	3,744.75	3,744.75
Total Monthly Disbursements	\$21,517,392.20	\$ 18,866,988.34	\$50,911,412.41	\$15,483,661.81	\$23,295,702.52	\$22,713,621.51	\$ (29,802,807.11)
Trust Fund Balance	\$316,778,091.59	\$ 321,553,825.24	\$ 328,191,610.85	\$ 384,144,017.29	\$ 390,222,220.24	\$388,928,944.69	\$ 196,771,654.54

* 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.

Indicates prior month values that have been updated

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

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

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

FOR RELEASE: December 14, 2022
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State Unemployment Rate Up Slightly in November

West Virginia's seasonally adjusted unemployment rate inched upward one-tenth of a percentage point to 4.1 percent in November 2022. The number of unemployed state residents climbed 500 to 32,700. Total employment declined 1,500 over the month. The national seasonally adjusted unemployment rate was unchanged at 3.7 percent in November 2022.

Total nonfarm payroll employment rose 6,900 in November, with gains of 6,600 in the service-providing sector and 300 in the goods-producing sector.

Within the goods-producing sector, construction added 300 jobs and manufacturing added 100 jobs, while employment in mining and logging slipped 100 over the month.

Within the service-providing sector, employment gains included 8,100 in government due to poll workers in November's general election, 400 in education and health services, and 100 in other services. Employment declines included 700 in trade, transportation, and utilities, 600 in professional and business services, 400 in leisure and hospitality, and 300 in financial activities. Information employment was unchanged over the month.

Since November 2021, total nonfarm payroll employment has increased by 26,000. Employment gains included 8,500 in government due to election workers, 4,600 in leisure and hospitality, 4,400 in education and health services, 3,200 in professional and business services, 2,800 in mining and logging, 1,700 in manufacturing, 1,600 in construction, 1,100 in financial activities, and 200 in other services. Information employment was unchanged, while employment in trade, transportation, and utilities declined 2,100 over the year.

West Virginia's not seasonally adjusted unemployment rate climbed two-tenths of a percentage point to 3.5 percent in November.

The state's seasonally adjusted labor force participation rate slipped slightly to 54.9 percent in November 2022.

WEST VIRGINIA
(In Thousands - Seasonally Adjusted)
November 2022

	Prelim. Nov 2022	Revised Oct 2022	Revised Nov 2021	Change from:	
				Oct 2022	Nov 2021
Civilian Labor Force	793.4	794.5	792.2	-1.1	1.2
Total Employment	760.8	762.3	758.3	-1.5	2.5
Total Unemployment	32.7	32.2	33.9	0.5	-1.2
Unemployment Rate	4.1	4.0	4.3	xx	xx
Labor Force Participation Rate	54.9	55.0	54.9	xx	xx
NONFARM PAYROLL EMPLOYMENT BY INDUSTRY					
Total Nonfarm	717.3	710.4	691.3	6.9	26.0
Total Private	561.7	562.9	544.2	-1.2	17.5
Goods Producing	101.3	101.0	95.2	0.3	6.1
Mining and Logging	20.4	20.5	17.6	-0.1	2.8
Construction	33.6	33.3	32.0	0.3	1.6
Manufacturing	47.3	47.2	45.6	0.1	1.7
Durable Goods	27.9	27.7	26.6	0.2	1.3
Non-Durable Goods	19.4	19.5	19.0	-0.1	0.4
Service-Providing	616.0	609.4	596.1	6.6	19.9
Private Service-Providing	460.4	461.9	449.0	-1.5	11.4
Trade, Transportation, and Utilities	123.3	124.0	125.4	-0.7	-2.1
Wholesale Trade	19.7	20.0	19.2	-0.3	0.5
Retail Trade	78.0	78.0	78.9	0.0	-0.9
Transportation, Warehousing, and Utilities	25.6	26.0	27.3	-0.4	-1.7
Information	7.4	7.4	7.4	0.0	0.0
Financial Activities	30.7	31.0	29.6	-0.3	1.1
Finance and Insurance	24.0	24.2	23.0	-0.2	1.0
Real Estate and Rental and Leasing	6.7	6.8	6.6	-0.1	0.1
Professional and Business Services	71.4	72.0	68.2	-0.6	3.2
Professional, Scientific & Technical Services	27.3	27.1	26.8	0.2	0.5
Administrative and Support and Waste Mgmt	36.5	37.2	34.0	-0.7	2.5
Education and Health Services	130.0	129.6	125.6	0.4	4.4
Educational Services	8.5	8.3	7.8	0.2	0.7
Health Care and Social Assistance	121.5	121.3	117.8	0.2	3.7
Leisure and Hospitality	73.6	74.0	69.0	-0.4	4.6
Arts, Entertainment, and Recreation	10.0	9.8	8.3	0.2	1.7
Accommodation and Food Service	63.6	64.2	60.7	-0.6	2.9
Other Services	24.0	23.9	23.8	0.1	0.2
Government	155.6	147.5	147.1	8.1	8.5
Federal Government	25.0	25.2	25.3	-0.2	-0.3
State Government	45.8	45.7	45.4	0.1	0.4
Local Government	84.8	76.6	76.4	8.2	8.4

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

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	787,600	791,900	785,700	791,300	797,600	811,100	803,400	797,100	793,300	795,300	789,100		
Employment	752,800	756,100	754,000	762,600	770,200	776,400	762,700	762,700	768,000	768,800	761,200		
Unemployment	34,800	35,800	31,700	28,700	27,400	34,600	33,600	24,400	25,400	26,500	27,900		
Rate	4.4	4.5	4.0	3.6	3.4	4.3	4.2	3.3	3.2	3.3	3.5		
Participation Rate	54.6	54.9	54.4	54.8	55.3	56.2	55.6	55.2	54.9	55.1	54.6		
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	771,900	780,100	777,500	786,600	787,100	801,100	798,500	794,400	793,200	795,100	790,900	789,700	788,800
Employment	719,500	727,200	728,900	742,000	746,300	756,100	758,600	755,900	762,800	766,700	764,000	761,800	749,100
Unemployment	52,400	53,000	48,500	44,600	40,800	45,000	39,900	38,500	30,400	28,500	26,900	27,900	39,700
Rate	6.8	6.8	6.2	5.7	5.2	5.6	5.0	4.8	3.8	3.6	3.4	3.5	5.0
Participation Rate	53.5	54.1	53.9	54.5	54.6	55.5	55.4	55.1	55.0	55.1	54.8	54.7	54.7
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	794,900	800,100	788,800	758,700	775,400	786,200	785,000	785,300	783,800	786,500	777,300	774,200	792,200
Employment	749,400	753,700	738,100	642,200	679,200	707,600	709,800	722,100	728,600	739,700	732,500	727,100	726,000
Unemployment	45,500	46,400	50,800	116,600	96,100	78,600	75,300	63,100	55,300	46,800	44,800	47,100	66,100
Rate	5.7	5.8	6.4	15.4	12.4	10.0	9.6	8.0	7.1	5.9	5.8	6.1	8.3
Participation Rate	54.8	55.2	54.4	52.4	53.6	54.4	54.3	54.3	54.2	54.4	53.8	53.6	54.1
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	788,800	792,500	785,200	788,900	792,500	808,100	805,700	802,500	801,700	804,800	796,500	794,100	798,300
Employment	740,500	744,700	742,400	753,700	757,200	767,400	766,300	763,100	768,500	769,300	760,300	756,300	759,000
Unemployment	48,300	47,800	42,900	35,100	35,300	40,600	39,400	39,300	33,200	35,500	36,200	37,800	39,300
Rate	6.1	6.0	5.5	4.5	4.5	5.0	4.9	4.9	4.1	4.4	4.5	4.8	4.9
Participation Rate	54.2	54.5	54.0	54.3	54.5	55.6	55.5	55.3	55.2	55.4	54.9	54.7	54.8
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	779,200	789,300	783,900	791,200	795,000	808,400	804,800	795,200	796,200	800,000	791,500	789,700	793,400
Employment	731,500	737,800	736,300	749,500	756,900	764,700	763,500	756,300	762,500	765,200	757,100	751,300	752,200
Unemployment	47,700	51,500	47,700	41,700	38,100	43,700	41,400	38,900	33,700	34,700	34,400	38,400	41,200
Rate	6.1	6.5	6.1	5.3	4.8	5.4	5.1	4.9	4.2	4.3	4.3	4.9	5.2
Participation Rate	53.3	54.0	53.7	54.2	54.5	55.4	55.2	54.5	54.6	54.9	54.3	54.2	54.4
2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	775,600	779,900	775,100	781,500	780,000	795,200	792,500	790,400	792,900	789,400	784,100	780,400	783,800
Employment	726,200	730,700	731,100	743,000	744,500	753,600	751,500	747,700	757,600	754,300	745,400	739,900	742,700
Unemployment	49,300	49,200	44,000	38,500	35,500	41,600	41,100	42,700	35,300	35,100	38,700	40,400	41,000
Rate	6.4	6.3	5.7	4.9	4.6	5.2	5.2	5.4	4.5	4.4	4.9	5.2	5.2
Participation Rate	52.7	53.0	52.7	53.2	53.1	54.2	54.0	53.9	54.1	53.9	53.5	53.3	53.5
2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	782,600	787,400	782,200	786,200	788,300	796,900	789,000	785,800	784,800	786,700	778,300	773,100	785,100
Employment	726,500	728,800	727,800	737,800	742,300	746,200	741,700	737,600	741,600	744,500	739,100	732,500	737,200
Unemployment	56,100	58,500	54,400	48,400	45,900	50,700	47,300	48,300	43,200	42,200	39,300	40,600	47,900
Rate	7.2	7.4	7.0	6.2	5.8	6.4	6.0	6.1	5.5	5.4	5.0	5.2	6.1
Participation Rate	53.0	53.3	53.0	53.3	53.4	54.0	53.5	53.3	53.3	53.4	52.9	52.6	53.3
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	787,000	789,700	784,900	793,800	797,700	806,900	799,800	793,900	788,100	790,200	783,900	782,400	791,500
Employment	730,400	730,400	727,800	741,200	744,400	750,700	744,400	741,500	743,100	745,900	738,400	735,300	739,500
Unemployment	56,600	59,300	57,100	52,600	53,300	56,200	55,400	52,400	45,000	44,400	45,500	47,100	52,100
Rate	7.2	7.5	7.3	6.6	6.7	7.0	6.9	6.6	5.7	5.6	5.8	6.0	6.6
Participation Rate	53.1	53.3	53.0	53.6	53.9	54.5	54.0	53.6	53.3	53.4	53.0	52.9	53.5
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	789,400	795,700	792,000	795,300	800,800	805,300	800,900	796,900	795,800	799,900	791,000	785,700	795,700
Employment	730,800	732,700	733,300	745,400	750,400	753,500	748,000	744,200	749,900	754,700	745,000	739,600	744,000
Unemployment	58,700	63,100	58,700	49,900	50,400	51,800	52,900	52,700	45,900	45,200	46,000	46,100	51,800
Rate	7.4	7.9	7.4	6.3	6.3	6.4	6.6	6.6	5.8	5.7	5.8	5.9	6.5
Participation Rate	53.1	53.6	53.3	53.5	53.9	54.2	53.9	53.7	53.6	53.9	53.3	53.0	53.6
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	798,800	798,000	790,900	799,200	802,400	814,200	807,700	802,100	800,700	798,100	792,900	788,800	799,500
Employment	734,500	734,900	733,800	747,400	752,100	758,400	754,200	749,400	752,500	749,100	744,500	739,200	745,800
Unemployment	64,300	63,100	57,100	51,800	50,300	55,800	53,500	52,700	48,100	49,000	48,400	49,600	53,600
Rate	8.0	7.9	7.2	6.5	6.3	6.9	6.6	6.6	6.0	6.1	6.1	6.3	6.7
Participation Rate	53.7	53.6	53.2	53.7	54.0	54.8	54.3	53.9	53.8	53.7	53.3	53.1	53.8
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	797,500	802,500	799,100	806,600	815,200	822,700	815,800	809,500	811,600	813,000	802,600	800,200	808,000
Employment	736,100	738,000	738,900	750,500	757,200	760,400	754,300	749,300	757,500	759,400	749,400	744,000	749,600
Unemployment	61,400	64,500	60,200	56,100	58,000	62,300	61,500	60,200	54,100	53,600	53,200	56,100	58,400
Rate	7.7	8.0	7.5	7.0	7.1	7.6	7.5	7.4	6.7	6.6	6.6	7.0	7.2
Participation Rate	53.6	53.9	53.7	54.2	54.8	55.3	54.8	54.4	54.5	54.6	53.9	53.8	54.3

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

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	793,300	793,800	794,200	794,600	795,800	797,000	797,400	796,900	795,800	794,500	793,400		
Employment	761,100	763,000	765,200	766,200	767,900	768,400	767,800	765,900	764,300	762,300	760,800		
Unemployment	32,200	30,800	29,100	28,400	27,900	28,700	29,600	31,000	31,500	32,200	32,700		
Rate	4.1	3.9	3.7	3.6	3.5	3.6	3.7	3.9	4.0	4.0	4.1		
Participation Rate	55.0	55.0	55.0	55.1	55.1	55.2	55.2	55.2	55.1	55.0	54.9		
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	781,400	782,700	785,000	787,200	789,000	790,200	790,600	790,800	791,200	791,900	792,200	792,300	788,800
Employment	734,900	737,700	740,700	743,600	746,300	748,300	750,400	752,600	755,200	757,400	758,300	758,400	749,100
Unemployment	46,400	45,100	44,300	43,600	42,700	41,900	40,200	38,200	36,000	34,400	33,900	33,900	39,700
Rate	5.9	5.8	5.6	5.5	5.4	5.3	5.1	4.8	4.6	4.3	4.3	4.3	5
Participation Rate	54.1	54.2	54.4	54.6	54.7	54.8	54.8	54.8	54.8	54.9	54.9	54.9	55
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	800,300	798,800	796,500	763,900	777,500	775,800	779,600	779,100	780,700	779,800	780,100	781,000	792,200
Employment	759,600	757,800	755,400	645,700	682,900	694,900	706,000	714,600	721,400	726,000	729,500	732,300	726,000
Unemployment	40,800	41,000	41,100	118,200	94,600	80,900	73,600	64,500	59,300	53,800	50,600	48,700	66,100
Rate	5.1	5.1	5.2	15.5	12.2	10.4	9.4	8.3	7.6	6.9	6.5	6.2	8.3
Participation Rate	55.2	55.1	55.0	52.7	53.7	53.6	53.9	53.9	54.0	54.0	54.0	54.1	
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	794,600	794,000	793,600	793,800	794,600	795,800	797,200	798,400	799,300	800,100	800,700	800,900	798,300
Employment	754,700	754,800	755,200	755,900	756,900	757,900	758,500	758,900	759,300	759,900	760,500	760,400	759,000
Unemployment	39,900	39,200	38,400	37,900	37,700	37,900	38,700	39,500	40,000	40,200	40,200	40,400	39,300
Rate	5.0	4.9	4.8	4.8	4.7	4.8	4.9	4.9	5.0	5.0	5.0	5.0	4.9
Participation Rate	54.6	54.6	54.6	54.6	54.7	54.8	54.9	55.0	55.1	55.1	55.2	55.2	
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	788,300	789,800	791,900	793,700	795,000	795,500	795,300	795,000	794,800	794,800	795,000	794,900	793,400
Employment	745,600	747,100	749,300	751,600	753,300	754,400	755,000	755,100	755,000	754,800	754,700	754,600	752,200
Unemployment	42,700	42,700	42,600	42,200	41,600	41,000	40,400	39,900	39,800	40,100	40,300	40,300	41,200
Rate	5.4	5.4	5.4	5.3	5.2	5.2	5.1	5.0	5.0	5.0	5.1	5.1	5.2
Participation Rate	53.9	54.0	54.2	54.4	54.5	54.5	54.5	54.5	54.5	54.5	54.6	54.6	
2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	782,300	781,900	781,700	781,900	782,800	783,900	785,300	786,400	787,200	787,400	787,400	787,500	783,800
Employment	739,900	741,000	741,800	742,500	743,400	744,300	745,000	745,500	745,700	745,500	745,100	745,000	742,700
Unemployment	42,300	40,900	39,900	39,400	39,400	39,700	40,200	40,900	41,500	41,900	42,300	42,500	41,000
Rate	5.4	5.2	5.1	5.0	5.0	5.1	5.1	5.2	5.3	5.3	5.4	5.4	5.2
Participation Rate	53.2	53.2	53.2	53.2	53.3	53.4	53.5	53.6	53.7	53.7	53.8	53.8	
2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	789,400	789,400	788,800	787,500	785,900	784,600	783,600	783,000	782,600	782,300	782,000	781,700	785,100
Employment	739,200	739,300	739,000	738,300	737,300	736,300	735,600	735,300	735,400	735,800	736,700	737,800	737,200
Unemployment	50,200	50,100	49,700	49,200	48,700	48,300	48,000	47,700	47,200	46,400	45,300	44,000	47,900
Rate	6.4	6.3	6.3	6.2	6.2	6.2	6.1	6.1	6.0	5.9	5.8	5.6	6.1
Participation Rate	53.4	53.5	53.4	53.4	53.3	53.2	53.2	53.1	53.1	53.1	53.2	53.2	
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	793,800	793,600	793,800	794,000	794,000	793,300	792,000	790,400	789,000	788,300	788,300	788,800	791,500
Employment	742,900	741,800	740,900	740,200	739,800	739,300	738,700	738,200	737,900	737,900	738,200	738,700	739,500
Unemployment	50,900	51,800	52,900	53,800	54,200	54,000	53,200	52,200	51,200	50,500	50,200	50,100	52,100
Rate	6.4	6.5	6.7	6.8	6.8	6.8	6.7	6.6	6.5	6.4	6.4	6.4	6.6
Participation Rate	53.5	53.5	53.6	53.6	53.6	53.6	53.5	53.4	53.3	53.3	53.3	53.4	
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	797,600	797,900	797,800	797,100	796,000	795,000	794,400	794,300	794,500	794,700	794,600	794,200	795,700
Employment	743,700	744,300	744,600	744,400	743,900	743,400	743,200	743,300	743,700	744,100	744,200	743,800	744,000
Unemployment	53,800	53,700	53,200	52,700	52,100	51,500	51,100	50,900	50,800	50,600	50,400	50,500	51,800
Rate	6.7	6.7	6.7	6.6	6.5	6.5	6.4	6.4	6.4	6.4	6.3	6.4	6.5
Participation Rate	53.7	53.7	53.7	53.7	53.6	53.5	53.5	53.5	53.5	53.5	53.5	53.5	
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	804,800	802,800	801,200	800,300	799,900	799,700	799,500	798,900	798,000	797,100	796,800	797,000	799,500
Employment	747,900	747,100	746,600	746,800	747,100	747,200	746,900	746,200	745,100	744,100	743,400	743,300	745,800
Unemployment	56,900	55,700	54,600	53,500	52,800	52,500	52,600	52,700	52,800	53,000	53,300	53,700	53,600
Rate	7.1	6.9	6.8	6.7	6.6	6.6	6.6	6.6	6.6	6.7	6.7	6.7	6.7
Participation Rate	54.1	54.0	53.9	53.8	53.8	53.8	53.8	53.7	53.7	53.6	53.6	53.6	
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	808,100	807,800	807,900	808,200	808,600	808,900	808,900	808,800	808,700	808,400	807,800	806,600	808,000
Employment	750,900	751,000	750,900	750,300	749,700	749,300	749,000	749,000	749,100	749,200	749,100	748,700	749,600
Unemployment	57,200	56,800	57,000	57,900	58,900	59,600	59,900	59,800	59,600	59,200	58,700	57,900	58,400
Rate	7.1	7.0	7.1	7.2	7.3	7.4	7.4	7.4	7.4	7.3	7.3	7.2	7.2
Participation Rate	54.3	54.3	54.3	54.3	54.3	54.4	54.4	54.3	54.3	54.3	54.3	54.2	

BRIM

January 2023

Interim Packet

West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET AND INCOME STATEMENT
For the Four Months Ending October 30, 2022

Talking Points for Joint Committee on Government and Finance Meeting
January 2023

1. **Premium Revenue** for October reflects the premiums earned for the first four months of the current fiscal year. BRIM premiums in FY'23 reflect an increase in premium revenue including an increase in premium to fund the higher actuarially estimated losses for the current year.
2. **Claims Expense** reflects net claims payments made through October, plus estimated accruals for the first four months of the fiscal year and the September quarterly adjustment to agree our reserves to the actuarial report for the first quarter. Claim payments through October were slightly lower than through October of last year. The September adjustment of our claims reserves to the actuarial report was significantly lower than in the previous quarter.
3. **Investments** for October reflect a loss of nearly 12 million dollars for the four months ended October 31st. While we had slightly under \$1 million in investment income through August, in September we had significant losses in both fixed income and equity investments. In October we had losses in our fixed income investments, but positive returns in our equity investments. Interest rates continue to rise, and the volatility of the equities markets make for an uncertain outlook for investment income for FY'23. These factors contributed to greater investment losses through October than the prior year.
4. BRIM continues to pursue pro-active loss control initiatives.
5. Premium rates – The Boards of Education (BOE) rating group will see liability premium increases for FY'23, which begins July 1, 2022, and for future fiscal years. The increase is the reflection of abuse claim development that has been reported in FY'22 and is driving increases in claim expense payments and in the actuarially estimated IBNR.

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Four Months Ended October 31st

	2022	2021
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,784	\$ 14,129
Advance deposits with insurance company and trustee	242,021	249,267
Receivables	2,872	6,131
Prepaid insurance	5,629	3,134
Restricted cash and cash equivalents	14,772	12,196
Premiums due from other entities	1,222	1,184
Total current assets	278,299	286,041
Noncurrent assets:		
Equity position in internal investments pools	108,012	125,372
Restricted investments	63,441	72,402
Total noncurrent assets	171,453	197,775
Total assets	449,753	483,816
Deferred Outflows of Resources	434	438
Deferred Outflows of Resources - OPEB	61	115
Liabilities		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	103,306	61,326
Unearned premiums	17,602	16,360
Agent commissions payable	795	991
Claims Payable	100	45
Accrued expenses and other liabilities	1,904	1,576
Total current liabilities	123,707	80,298
Estimated unpaid claims and claims adjustment expense net of current portion	187,105	130,270
Compensated absences	167	172
Net pension liability	(894)	533
Total noncurrent liabilities	186,378	130,974
Total liabilities	310,085	211,272
Deferred Inflows of Resources	1,156	35
Deferred Inflows of Resources - OPEB	280	351
Net position:		
Restricted by State code for mine subsidence coverage	75,988	80,155
Unrestricted	75,415	196,713
Net Assets (Deficiency)	(12,677)	(4,158)
Net position	\$ 138,726	\$ 272,710

Unaudited

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

For the Four Months Ended October 31st

	2022	2021
	<i>(In Thousands)</i>	
Operating revenues		
Premiums	\$ 32,214	\$ 27,051
Less coverage/reinsurance programs	(3,340)	(1,622)
Net operating revenues	28,874	25,430
 Operating expenses		
Claims and claims adjustment expense	27,837	29,361
General and administrative	1,895	1,555
Total operating expenses	29,732	30,916
 Operating income (loss)	(858)	(5,487)
 Nonoperating revenues		
Investment income	(11,819)	1,328
Legislative Appropriation	0	0
OPEB Non Operating Income	0	0
Net nonoperating revenues	(11,819)	1,328
Changes in net position	(12,677)	(4,158)
 Total net position, beginning of year	151,403	276,868
 Total net position, end of period	\$ 138,726	\$ 272,710

Unaudited

PEIA

January 2023

Interim Packet

PEIA January Interim Talking Points

- **PEIA and RHBT year to date interim financial statements for October 31, 2022 are available for your review.**
- **PEIA statements indicate PEIA is currently ahead of plan by \$4 million. This is due to lower than forecast claims expense.**
- **RHBT statements indicate RHBT is currently behind plan by \$55 million. This is due to lower than forecast investment income.**
- **The 2023 year-end reserve for the State Fund, non-State Fund and RHBT is projected to be \$76, \$23 and \$282 million respectively.**
- **These reserve levels represent 12%, 14% and 182% of the respective funds' expenses. The required reserve for the State Fund is 12% of expenses.**

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

	ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE	PRIOR YR VARIANCE
	%	\$	%	\$	%	\$
ADDITIONS						
Employer Premiums:						
Health premiums - Non Par	\$680	\$688	\$710	(\$30)	(1%)	(\$30)
Health premiums - RLC Health, Life	3,148	3,164	3,815	(16)	(1%)	(667)
Pay Go Premiums	19,753	20,000	32,989	(247)	(1%)	(13,236)
State appropriation - OPFB	10,000	10,000	10,000	-	0%	-
Total Employer Premiums	33,581	33,852	47,514	(271)	(1%)	(13,933)
Other Additions:						
Retiree Drug Subsidy	267	332	267	-	(20%)	-
Investment Income	(15,418)	45,320	32,740	(48,158)	(134%)	(48,158)
TOTAL ADDITIONS	18,430	79,504	80,521	(61,074)	(77%)	(62,091)
DEDUCTIONS						
Payments to Managed Care Org.	14,500	15,600	31,912	17,412	7%	17,412
Life Insurance Expense	8,771	9,392	8,945	174	7%	174
Medical Claims Expense	16,059	18,532	18,068	2,009	13%	2,009
Pharmacy Claims Expense	7,572	9,816	8,633	1,061	23%	1,061
Administrative Service Fees (External)	529	548	558	29	3%	29
Member Health premiums	(19,611)	(19,908)	(22,476)	(2,865)	1%	(2,865)
Member Life Insurance Premiums	(8,794)	(9,380)	(8,935)	(141)	6%	(141)
Other Operating Expenses	701	996	824	123	30%	123
TOTAL DEDUCTIONS	19,727	25,596	37,529	17,802	23%	17,802
NET POSITION INCREASE (DECREASE)	(1,297)	53,908	42,992	(55,205)	(102%)	(44,289)
Net Position Restricted for Post Employment Benefits						
Beginning of Period Total Net Position	1,624,972	1,624,972	1,673,024	(48,052)	0%	(48,052)
End of Period Net Position - Restricted	1,341,568	1,396,773	1,447,909	(106,341)	(4%)	(106,341)
End of Period Net Position - PSR	282,107	282,107	268,107	14,000	0%	14,000
End of Period Total Net Position	\$1,623,675	\$1,678,880	\$1,716,016	(\$92,341)	(3%)	(\$92,341)
Net Position Restricted for Post Employment Benefits						
Beginning of Period Total Net Position	1,624,972	1,624,972	1,673,024	(48,052)	0%	(48,052)
End of Period Net Position - Restricted	1,341,568	1,396,773	1,447,909	(106,341)	(7%)	(106,341)
End of Period Net Position - PSR	282,107	282,107	268,107	14,000	5%	14,000
End of Period Total Net Position	\$1,623,675	\$1,678,880	\$1,716,016	(\$92,341)	(5%)	(\$92,341)

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

	ACTUAL	BUDGET	PRIOR YR
OPERATING REVENUE			
Premium Revenue	\$145,708	\$147,130	\$136,709
Health Insurance - State Gov. - Employers	39,703	40,205	40,205
Health Insurance - Local Gov. - All	47,078	47,971	42,088
Health Insurance - State Gov. - Employees	1,549	1,553	1,553
Administrative Fees, Net of Refunds	707	635	614
Other Premium Revenue	234,745	237,494	221,169
Total Operating Revenue	269,191	279,400	265,903
NON-OPERATING REVENUE			
Life Insurance	683	809	770
Direct Transfer	17,333	17,333	7,000
Interest and Investment Income	(3,223)	3,764	3,975
WV RHBT Pay Go Premiums	19,753	20,000	32,989
Total Non-Operating Revenue	34,446	41,906	44,734
TOTAL REVENUE	269,191	279,400	265,903
EXPENSES			
Claims Expense - Medical	160,948	160,198	152,147
Claims Expense - Drugs	55,134	67,357	56,311
Payments to Managed Care Org.	18,098	19,324	18,231
Administrative Service Fees	6,526	7,351	7,167
Wellness and Disease Management	12	686	143
Other Operating Expenses	1,601	1,763	1,682
Life Insurance Expense	751	738	703
ACA Comparative Effectiveness Fee	160	238	238
WV RHBT Pay Go Premiums	19,753	20,000	32,989
TOTAL EXPENSES	262,983	277,655	269,611
YTD Surplus (Deficit)	6,208	1,745	(3,708)
Total Net Position, Beginning of Period	93,425	93,425	162,360
Total Net Position, End of Period	\$99,633	\$95,170	\$158,652
OPERATING REVENUE			
Premium Revenue	\$8,999	\$8,999	\$8,999
Health Insurance - State Gov. - Employers	7%	7%	7%
Health Insurance - Local Gov. - All	(1%)	(1%)	(1%)
Health Insurance - State Gov. - Employees	(1%)	(1%)	(1%)
Administrative Fees, Net of Refunds	12%	12%	12%
Other Premium Revenue	(4)	(4)	(4)
Other Premium Revenue	(0%)	(0%)	(0%)
Total Operating Revenue	13,576	13,576	13,576
NON-OPERATING REVENUE			
Life Insurance	(11%)	(87)	(87)
Direct Transfer	148%	10,333	10,333
Interest and Investment Income	(184%)	(7,298)	(7,298)
WV RHBT Pay Go Premiums	(40%)	(13,236)	(13,236)
Total Non-Operating Revenue	(23%)	(10,288)	(10,288)
TOTAL REVENUE	(10,209)	(4%)	3,288
EXPENSES			
Claims Expense - Medical	(750)	(8,801)	(8,801)
Claims Expense - Drugs	12,223	1,177	1,177
Payments to Managed Care Org.	1,226	133	133
Administrative Service Fees	825	641	641
Wellness and Disease Management	674	131	131
Other Operating Expenses	162	81	81
Life Insurance Expense	(13)	(48)	(48)
ACA Comparative Effectiveness Fee	78	78	78
WV RHBT Pay Go Premiums	247	13,236	13,236
TOTAL EXPENSES	14,672	5%	6,628
YTD Surplus (Deficit)	4,463	256%	9,916
Total Net Position, Beginning of Period	0	(68,935)	(42%)
Total Net Position, End of Period	\$4,463	(\$59,019)	(37%)

	BUDGET VARIANCE	PRIOR YR VARIANCE
\$		
%		

Real Estate Division

January 2023

Interim Packet

Department of Administration Real Estate Division Leasing Report

For the period of December 1 - 31, 2022

There are 8 leasing changes for this period, and they are as follows:

- 3 – New Contract of Lease
- 1 – Straight Renewal – DOA Owned
- 3 – Renewal with Increase in Rent
- 1 – Cancellation – DOA Owned

Department of Administration Real Estate Division Leasing Report
For the period of December 1, 2022 through December 31, 2022

NEW CONTRACT OF LEASE

DIVISION OF CORRECTIONS AND REHABILITATION, BUREAU OF JUVENILE SERVICES

BJS-044 New Contract of Lease for 5 years consisting of 4,000 square feet of office space and a youth reporting center at the annual per square foot rate of \$10.00, annual cost \$40,000.00, 325 Willey Street, in the City of Morgantown, Monongalia County, West Virginia.

FLEET MANAGEMENT DIVISION

FMD-002 New Contract of Lease for 2 years, 7 months consisting of 3,220 square feet of office space at the annual per square foot rate of \$15.50, annual cost \$49,910.00, not full service, 2310 Kanawha Boulevard, in the City of Charleston, Kanawha County, West Virginia.

NORTH CENTRAL WV COMMUNITY ACTION ASSOCIATION, INC.

NOC-001 New Contract of Sublease for 1 year consisting of 115 square feet of office space at the monthly rate of \$275.00, annual cost \$3,300.00, full service, 40 Commerce Drive, in the City of Westover, Monongalia County, West Virginia.

STRAIGHT RENEWAL – DOA OWNED

SUPREME COURT OF APPEALS

SCA-005 Renewal for 5 years consisting of 14,530 square feet of storage space at the current annual per square foot rate of \$0.08, annual cost \$1.00, Building #20, 617 Leon Sullivan Way, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-220 Renewal for 10 years consisting of 4,680 square feet of office space with an increase in the annual per square foot rate from \$17.95 to \$18.85, annual cost \$88,218.00 for years 1 – 5, with an increase in the annual per square foot rate to \$19.79, annual cost \$92,617.20 for years 6 – 10, 22 Herbert Avenue, in the City of West Union, Doddridge County, West Virginia.

PUBLIC DEFENDER SERVICES

PDS-001 Renewal for 3 years consisting of 10,957 square feet of office space with an increase in the annual per square foot rate from \$13.29 to \$13.55, annual cost \$148,467.35, full service, One Players Club Drive, Suite 301, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT – CONTINUED

CONSOLIDATED PUBLIC RETIREMENT BOARD

CPR-005 Renewal for 6 months consisting of 22,568 square feet of office space with an increase in the annual per square foot rate from \$10.95 to \$11.45, annual cost \$258,403.60, 4101 MacCorkle Avenue SE, in the City of Charleston, Kanawha County, West Virginia.

CANCELLATION – DOA OWNED

FLEET MANAGEMENT DIVISION

FMD-001 Lease cancellation consisting of 1,944 square feet of office space, at the annual per square foot rate of \$12.10, annual cost \$23,522.40, full service, Building #17, 2101 Washington Street, East, in the City of Charleston, Kanawha County, West Virginia.

Department of Health and Human Resources
Bureau for Medical Services

Medicaid Report
OCTOBER 2022

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

DECEMBER 2022

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2023

MONTH OF OCTOBER 2022

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2022	SFY2023	Current Month Ended 10/31/22	Current Month Ended 10/31/22	Year To-Date Thru 10/31/22	11/01/22 Thru 06/30/23
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	73,343,477	92,540,273	5,367,093	8,328,625	20,906,628	71,633,645
Inpatient Hospital - DSH	68,763,919	53,500,000	1,190,820	4,815,000	14,481,637	39,018,363
Inpatient Hospital - Supplemental Payments	808,013	-	-	-	-	-
Inpatient Hospital - GME Payments	13,553,905	14,786,078	-	1,330,747	3,456,509	11,329,569
Mental Health Facilities	9,025,749	8,892,278	644,280	800,305	2,589,335	6,302,943
Mental Health Facilities - DSH Adjustment Payments	20,710,419	18,887,045	2,950,501	1,699,834	7,672,262	11,214,783
Nursing Facility Services - Regular Payments	829,272,856	844,281,073	68,208,366	75,985,297	273,112,271	571,168,802
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	63,783,478	61,466,617	5,489,067	5,531,996	22,855,814	38,610,803
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	27,358,244	27,442,773	2,754,418	2,469,850	9,063,573	18,379,200
Physicians Services - Supplemental Payments	-	-	-	-	-	-
Physician and Surgical Services - Evaluation and Management	-	-	-	-	-	-
Physician and Surgical Services - Vaccine Codes	-	-	-	-	-	-
Outpatient Hospital Services - Regular Payments	36,113,574	36,323,042	3,607,579	3,269,074	12,836,661	23,486,381
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	863,893,847	887,195,598	99,904,792	79,847,604	308,919,665	578,275,933
Drug Rebate Offset - National Agreement	(492,992,320)	(466,000,000)	(55,083,423)	(41,940,000)	(206,095,364)	(259,904,636)
Drug Rebate Offset - State Sidebar Agreement	(69,893,026)	(48,000,000)	(22,054,249)	(4,320,000)	(44,210,109)	(3,789,891)
Drug Rebate Offset - MCO National	(14,142,519)	(12,600,000)	(1,561,468)	(1,134,000)	(4,244,896)	(8,355,104)
Drug Rebate Offset - MCO State Sidebar Agreement	-	-	-	-	-	-
ODU Medication Assisted Treatment-Drugs	33,307,091	-	9,532,306	-	30,246,087	(30,246,087)
Dental Services	4,519,576	4,388,445	421,711	394,960	1,597,507	2,790,939
Other Practitioners Services - Regular Payments	25,859,285	17,866,132	2,082,974	1,607,952	7,386,922	10,479,210
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	1,896,883	1,912,397	50,698	172,116	289,490	1,622,907
Lab & Radiological Services	5,537,165	6,026,059	584,454	542,345	1,946,917	4,079,141
Home Health Services	21,680,938	31,592,194	2,216,653	2,843,297	8,012,211	23,579,982
Hysterectomies/Sterilizations	25,446	9,816	-	883	3,351	6,465
Pregnancy Terminations ⁽²⁾	7,039	14,326	-	1,289	-	14,326
EPSDT Services	972,247	966,443	110,166	86,980	424,491	541,952
Rural Health Clinic Services	2,194,582	2,226,407	228,240	200,377	724,994	1,501,413
Medicare Health Insurance Payments - Part A Premiums	26,474,671	29,277,144	2,395,994	2,634,943	9,300,920	19,976,224
Medicare Health Insurance Payments - Part B Premiums	143,032,832	161,917,620	12,955,349	14,572,586	51,174,219	110,743,401
120% - 134% Of Poverty	13,677,719	13,803,220	1,337,156	1,242,290	5,308,650	8,494,570
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	12,754,173	12,333,082	1,147,747	1,109,977	4,412,945	7,920,137

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2023

MONTH OF OCTOBER 2022

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2022	SFY2023	Current Month Ended 10/31/22	Current Month Ended 10/31/22	Year To-Date Thru 10/31/22	11/01/22 Thru 06/30/23
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	2,557,486,965	2,516,888,533	196,988,051	226,519,968	884,072,384	1,632,816,149
Medicaid MCO - Evaluation and Management	-	-	-	-	-	-
Medicaid MCO - Vaccine Codes	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	1,806,080	2,102,489	172,102	189,224	946,916	1,155,573
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (IDD)	399,132,220	423,654,313	33,103,836	38,128,888	116,625,373	307,028,941
Home & Community-Based Services (Aged/Disabled)	168,890,148	157,496,579	12,597,176	14,174,692	46,779,071	110,717,508
Home & Community-Based Services (Traumatic Brain Injury)	2,439,619	2,374,251	228,812	213,683	755,182	1,619,069
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-
Personal Care Services - Regular Payments	94,539,187	86,313,057	5,952,448	7,768,175	23,349,248	62,963,809
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	2,705,088	2,114,330	207,276	190,290	993,452	1,120,878
Primary Care Case Management Services	-	-	-	-	-	-
Hospice Benefits	26,947,181	27,674,479	2,775,776	2,490,703	9,885,379	17,789,101
Emergency Services Undocumented Aliens	1,007,796	600,000	80,227	54,000	796,134	(196,134)
Federally Qualified Health Center	6,788,867	6,480,457	996,755	583,241	5,867,114	613,343
Non-Emergency Medical Transportation	37,138,633	44,435,613	3,602,981	3,999,205	14,309,594	30,126,020
Physical Therapy	936,459	979,776	93,441	88,180	335,655	644,121
Occupational Therapy	433,066	431,700	29,761	38,853	133,876	297,824
Services for Speech, Hearing & Language	267,992	267,448	30,504	24,070	102,252	165,196
Prosthetic Devices, Dentures, Eyeglasses	656,807	632,759	70,031	56,948	301,666	331,093
Diagnostic Screening & Preventive Services	59,427	62,899	8,104	5,661	24,293	38,606
Nurse Mid-Wife	108,545	100,733	12,026	9,066	31,797	68,936
Emergency Hospital Services	-	-	-	-	-	-
Critical Access Hospitals	24,146,104	24,081,090	2,002,083	2,167,298	9,453,835	14,627,255
Nurse Practitioner Services	4,052,010	3,834,296	436,257	345,087	1,483,525	2,350,771
School Based Services	34,336,767	29,998,075	234,033	2,699,827	1,347,496	28,650,579
Rehabilitative Services (Non-School Based)	32,559,913	26,684,942	2,865,491	2,223,745	11,155,755	15,529,187
2a) Opioid Treatment Program (OTP) - Methadone services	9,314,229	-	(97,584)	-	(74,021)	74,021
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	2,359,158	-	318,081	-	1,299,926	(1,299,926)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	3,437,675	-	741,850	-	2,210,350	(2,210,350)
2a) OUD Medicaid Assisted Treatment Services	6,551,909	-	1,796,509	-	5,697,427	(5,697,427)
2a) Opioid Treatment Program (OTP) - Other	433,875	-	70,230	-	196,883	(196,883)
Private Duty Nursing	7,276,356	4,783,407	491,496	430,507	1,649,854	3,133,553
Freestanding Birth Centers	-	-	-	-	-	-
Health Home for Enrollees w Chronic Conditions	2,496,573	2,494,799	361,157	224,532	925,401	1,569,398
Other Care Services	23,477,740	24,892,898	2,754,799	2,240,361	8,817,834	16,075,064
Less: Recoupments	-	-	(1,118,379)	-	(1,118,379)	1,118,379
NET MEDICAID EXPENDITURES:	5,173,325,653	5,190,426,986	412,286,554	466,960,529	1,690,527,961	3,499,899,025

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2023

MONTH OF OCTOBER 2022

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

NET EXPENDITURES and CMS-64 ADJUSTMENTS:

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

TOTAL MEDICAID EXPENDITURES

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

TOTAL EXPENDITURES

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2022	SFY2023	Current Month Ended 10/31/22	Current Month Ended 10/31/22	Year To-Date Thru 10/31/22	11/01/22 Thru 06/30/23
	(10,061,843)	-	-	-	(2,241,658)	2,241,658
	(576,955)	-	-	-	(82,495)	82,495
	(79,688)	-	-	-	(400)	400
	(16,141,663)	-	-	-	(10,778,819)	10,778,819
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	5,146,465,505	5,190,426,986	412,286,554	466,960,529	1,677,424,589	3,513,002,397
Plus: Medicaid Part D Expenditures	36,875,489	52,225,540	3,414,882	4,700,299	14,071,997	38,153,543
Plus: State Only Medicaid Expenditures	215,799	296,842	37,483	26,716	73,132	223,710
Plus: Money Follow the Person Expenditures	1,046,209	1,056,776	77,907	95,110	296,928	759,848
TOTAL MEDICAID EXPENDITURES	\$5,184,603,001	\$5,244,006,144	\$415,816,826	\$471,782,653	\$1,691,866,646	\$3,552,139,498
Plus: Reimbursables ⁽¹⁾	4,348,531	-	487,501	-	1,478,451	(1,478,451)
Plus: NATCEP/PASARR/Eligibility Exams	288,102	58,550	28,760	5,269	39,395	19,155
Plus: HIT Incentive Payments	-	-	-	-	-	-
TOTAL EXPENDITURES	\$5,189,239,635	\$5,244,064,693	\$416,333,087	\$471,787,923	\$1,693,384,492	\$3,550,680,201

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

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

(3) Of the amount in the 'Nursing Facility Services - Regular Payments' line \$7,558,710.90 is the amount paid to State Facilities year to date.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2023

MONTH OF OCTOBER 2022	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2022	Current Month Ended 10/31/22	Year-To-Date Thru 10/31/22	11/01/22 Thru 06/30/23	SFY2023
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	139,436,683	75,502,142	81,507,579	-	81,507,579
MATCHING FUNDS					
General Revenue (0403/189)	307,763,411	21,583,263	80,446,705	213,870,508	294,317,213
IDD Waiver (0403/466)	108,541,736	7,959,728	29,668,075	78,873,661	108,541,736
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	865,333	1,730,667	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	2,118,667	4,237,333	6,356,000
Traumatic Brain Injury (0403/835)	800,000	58,667	218,667	581,333	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	996,865	3,715,589	9,878,031	13,593,620
Medical Services Surplus (0403/633)	-	-	8,800,000	-	8,800,000
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	4,015,503	-	3,400,876	10,202,625	13,603,501
Lottery Waiver (0420/539)	29,950,955	-	4,903,239	14,709,718	19,612,957
Lottery Transfer (5405/871)	16,400,070	-	4,100,017	12,300,053	16,400,070
Excess Lottery (5365/189)	16,302,960	-	-	26,697,960	26,697,960
Lottery Surplus (5405/68199)	16,000,000	-	-	14,750,000	14,750,000
Lottery Surplus (5365/68100)	17,000,000	-	-	16,200,000	16,200,000
Trust Fund Appropriation (5185/189)	24,535,507	-	-	54,764,957	54,764,957
Provider Tax (5090/189)	257,437,072	-	63,202,673	503,220,245	566,422,918
NSGO UPL (5084/6717)	-	-	-	-	-
Expirations (5084)	-	-	-	-	-
Certified Match	12,931,908	462,679	2,041,881	9,598,869	11,640,750
Reimbursables - Amount Reimbursed	2,240,609	-	608,258	(608,258)	-
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	1,017	-	-	-	-
CHIP State Share	-	-	-	-	-
CMS - 64 Adjustments	(2,219,739)	-	5,723	(5,723)	-
TOTAL MATCHING FUNDS	\$ 973,683,311	\$ 107,309,345	\$ 285,603,283	\$ 971,001,978	\$ 1,256,605,261
FEDERAL FUNDS	4,294,542,939	351,900,291	1,450,637,674	2,818,634,910	4,269,272,584
TOTAL REVENUE SOURCES	\$ 5,268,226,250	\$ 459,209,635	\$ 1,736,240,957	\$ 3,789,636,889	\$ 5,525,877,846
TOTAL EXPENDITURES:					
Provider Payments	\$ 5,189,239,635	\$ 416,333,087	\$ 1,693,384,492	\$ 3,550,680,201	\$ 5,244,064,693
TOTAL	\$ 78,986,616	\$ 42,876,548	\$ 42,856,465	\$ 238,956,687	\$ 281,813,152

Note: FMAP (80.22% applicable Oct 2022 - Dec 2022)

Department of Health and Human Resources

Bureau for Medical Services

Medicaid Waiver Report OCTOBER 2022

Submitted to

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

DECEMBER 2022

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

Aged & Disabled Waiver Reported October 31, 2022		FY2022	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY2023 YTD
Slots Approved By CMS		8,506	7,500	7,500	7,500	7,500									7,500
-Slots Available for Traditional (ADW-WV) enrollees		8,430	7,424	7,424	7,424	7,424									7,424
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees		76	76	76	76	76									76
-Slots reserved for Money Follows the Person (MFP-WV) enrollees															
Total number of members served YTD (unduplicated slots used) (1) YTD Column reflects most recent month's count		8,418	7,386	7,555	7,786	7,909									7,909
Applicants determined eligible this month and added to MEL (2)		216	246	268	197	229									940
Applicants determined ineligible		113	8	15	10	6									39
ACTIVE MEMBERS															
Active Traditional Members at the end of the month		7,236	7,259	7,384	7,512	7,558									7,558
Active Take Me Home Members at the end of the month		52	50	54	55	55									55
Active Money Follows the Person Members at the end of the month															
Total Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		7,288	7,309	7,438	7,567	7,613									7,613
Active members enrolled during the calendar month		1,793	127	252	230	150									759
-Total Active Traditional members enrolled during the calendar month		1,737	123	247	224	148									742
-Total Active TMH-WV members enrolled during the calendar month		56	4	5	6	2									17
-Total Active MFP-WV members enrolled during the calendar month															
Members discharged during the calendar month		1,480	106	122	101	104									433
ADW Members whose case was closed by reason	Member is deceased	1,036	76	68	65	74									283
	Other (3)	444	30	54	36	30									150
MANAGED ENROLLMENT LIST (MEL)															
# Eligible applicants closed during the calendar month (removed from MEL)		3,668	371	234	150	186									941
ADW Applicants removed from the MEL	Applicant offered a slot (Traditional + MFP)	1,227	255	140	71	105									571
	Applicant became deceased	242	19	10	22	17									68
	Other (4)	2,199	97	84	57	64									302
Applicants on the MEL who are in a nursing facility YTD Column reflects # members in setting during reporting month		4	0	1	2	8									3
Applicants on the MEL receiving Personal Care YTD Column reflects # members receiving service during reporting month		3	4	4	2	5									4
Applicants at some stage in the application process - not released at end of month		525	20	37	12	0									0
Days -Average time spent on the MEL to date Minus MFP Applicants		44	75	88	105	120									97

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

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

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

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

NOTE: July & September data updated subsequent to October report submission. Original data will not match subsequent reports.

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

Intellectual/Developmental Disabilities Waiver Reported October 31, 2022	FY2022	July-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	YTD2023
Slots approved by CMS	6,115	6,115	6,115	6,115	6,115									6,115
Total number of members served YTD (unduplicated slots used) (1)	6,079	5,989	6,002	6,025	6,047									6,047
Total number of members served YTD in Traditional Slots	6,078	5,989	6,002	6,025	6,047									6,047
Total number of members served YTD in Adult Ben H. slots (Active)	1	0	0	0	0									0
Total number of members served YTD in Children Ben H. slots (Active)	0	0	0	0	0									0
Applicants determined eligible (2)	43	28	42	45	53									168
Applicants determined ineligible (3)	55	23	54	51	48									176
ACTIVE MEMBERS														
# of active members at the end of the month (unduplicated slots active) (1)	5,880	5,978	5,972	5,977	5,986									5,986
Discharged members at the end of the calendar month	216	12	19	20	13									64
Discharged members who were discharged by reason	Deceased	106	3	6	10	6								25
	Left program to enter a facility	65	5	7	2	3								17
	a. Hospital	0	0	0	0	0								0
	b. ICF/IID	29	3	2	2	2								9
	c. Nursing Facility	35	2	5	0	1								8
	d. Psychiatric Facility	0	0	0	0	0								0
	e. Rehabilitation Facility	0	0	0	0	0								0
	f. Other Facility	0	0	0	0	0								0
Other (6)	48	4	6	8	4								22	
MANAGED ENROLLMENT LIST (MEL)														
Total number of applicants on the MEL at the end of the month	271	187	213	232	261									261
Number of applicants added to the MEL (4)	421	28	42	45	53									168
Applicants enrolled (removed from the MEL)	337	110	13	25	22									170
Applicants removed from the MEL due to Death (5)	3	1	0	0	0									1
Applicants removed from the MEL due to Other (6)	21	2	3	1	2									8
Applicants on the MEL who are in a Nursing Facility	0	0	0	0	1									0
Applicants on the MEL who are in an ICF/IID Group Home	8	6	7	7	7									0
Applicants on the MEL receiving Personal Care Services each month	8	4	4	4	9									0
Longest on the MEL to date (7)	839	870	901	931	962									962

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

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

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

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

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

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

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

Traumatic Brain Injury Waiver Reported October 31, 2022		FY2022	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY2023 YTD
Slots Approved By CMS (1)		96	96	96	96	96									96
-Slots Available for Traditional (non TMH-WV) enrollees		96	92	92	92	92									92
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees		0	4	4	4	4									4
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count		92	85	85	86	86									86
Applicants determined eligible this month and added to MEL (3)*		8	0	1	1	0									2
Applicants determined ineligible		0	0	0	0	0									0
ACTIVE MEMBERS															
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		84	84	84	85	85									85
Active members enrolled during the calendar month		10	1	0	1	0									2
-Total Active Traditional members enrolled during the calendar month		10	1	0	1	0									2
-Total Active TMH-WV members enrolled during the calendar month		0	0	0	0	0									0
Members discharged during the calendar month		11	1	0	0	0									1
TBIW Members whose case was closed by reason	Member is deceased	5	0	0	0	0									0
	Other (4)	6	1	0	0	0									1
MANAGED ENROLLMENT LIST (MEL)															
# Eligible applicants closed during the calendar month (removed from MEL)		8	0	0	0	0									0
TBIW Applicants removed from the MEL	Applicant offered a slot	8	0	0	0	0									0
	Applicant became deceased	0	0	0	0	0									0
	Other (5)	2	0	0	0	0									0
Applicants on the MEL who are in a nursing facility		1	0	0	0	0									0
Applicants on the MEL receiving Personal Care		1	0	0	0	0									0
Applicants on the MEL at the end of the month		0	0	0	0	0									0
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days		52	0	0	0	0									0

(1) CMS Approved 96 slots. Of the 96 slots approved by CMS, four (4) are reserved for the Money Follows the Person and Rebalancing Demonstration Grant for SFY 2023.

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

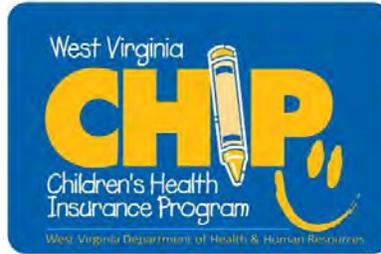
(3) Monthly number added to MEL is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.* NO MEL

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

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

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

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



West Virginia
Department of Health and Human Resources

Children's Health Insurance Program

JANUARY 2023
Report

to

Joint Committee on
Government and Finance

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

	Annual	Budget	Actual	Actual	Actual		Budget	
	Budget 2023	Year-to-Date	September 30, 2022	September 30, 2021	Variance		Variance	
					\$	%	\$	%
Beginning Operating Fund Balance			\$6,699,256	\$7,418,708	(\$719,452)	-10%		
Revenues								
Federal Grants	\$53,211,908	\$13,302,977	\$8,692,939	\$12,210,758	(\$3,517,819)	-29%	(\$4,610,038)	-35%
State Appropriations	\$7,090,665	\$1,772,666	\$1,405,854	\$1,418,899	\$0	0%	(\$366,812)	-21%
Premium Revenues	\$82,500	\$20,625	\$8,377	\$13,511	(\$5,135)	-38%	(\$12,249)	-59%
Investment Earnings (Interest)	\$100,000	\$25,000	(\$24,647)	\$3,878	(\$28,525)	-736%	(\$49,647)	-199%
Total Operating Fund Revenues	\$60,485,073	\$15,121,268	\$10,082,523	\$13,647,046	(\$3,564,523)	-26%	(\$5,038,745)	-33%
Expenditures:								
Claims Expenses:								
Managed Care Organizations			\$8,741,345	\$9,906,415	(\$1,165,070)	-12%		
Prescribed Drugs			\$2,335,071	\$2,681,829	(\$346,758)	-13%		
Physicians & Surgical			\$487,012	\$581,191	(\$94,179)	-16%		
Inpatient Hospital Services			\$73,906	\$202,026	(\$128,120)	-63%		
Dental			\$19,029	\$38,628	(\$19,599)	-51%		
Outpatient Services			\$86,871	\$91,036	(\$4,165)	-5%		
Therapy			\$15,782	\$25,066	(\$9,284)	-37%		
Other Services			\$12,079	\$19,457	(\$7,378)	-38%		
Inpatient Mental Health			\$6,500	\$9,195	(\$2,695)	-29%		
Vision			\$1,776	\$7,688	(\$5,912)	-77%		
Durable & Disposable Med. Equip.			\$1,230	\$3,407	(\$2,177)	-64%		
Outpatient Mental Health			\$898	\$892	\$6	1%		
Medical Transportation			\$3,543	\$23,623	(\$20,080)	-85%		
Less: Other Collections**			(\$9,486)	(\$5,795)	(\$3,691)	64%		
Drug Rebates	(\$2,517,954)	(\$629,489)	(\$295,973)	\$0	(\$295,973)	0%	(\$324,029)	51%
Total Claims Expenses	\$60,430,294	\$15,107,574	\$11,479,584	\$13,584,658	(\$2,105,074)	-15%	(\$3,627,990)	-24%
Administrative Expenses:								
Salaries and Benefits	\$669,704	\$167,426	\$88,498	\$119,891	(\$31,393)	-26%	(\$78,928)	-47%
Program Administration	\$4,393,877	\$1,098,469	\$1,181,951	\$316,160	\$865,791	274%	\$83,481	8%
Outreach & Health Promotion			\$0	\$0	\$0	0%	\$0	0%
Health Service Initiative	\$225,000	\$56,250	\$0	\$0	\$0	0%	(\$56,250)	-100%
Current	\$175,000	\$43,750	\$7,226	\$11,625	(\$4,399)	-38%	(\$36,524)	-83%
Total Administrative Expenses in Operating Fund	\$5,463,581	\$1,365,895	\$1,277,675	\$447,676	\$829,999	185%	(\$88,220)	-6%
Total Operating Fund Expenditures	\$65,893,875	\$16,473,469	\$12,757,259	\$14,032,334	(\$1,275,075)	-9%	(\$3,716,210)	-23%
Adjustments			\$289,614	\$55,502				
Ending Operating Fund Balance			\$4,314,134	\$7,088,922	(\$2,774,788)	-39%		
Money Market			\$3,674,236	\$13,071				
Bond Pool			\$0	\$3,790,031				
Cash on Deposit			\$639,898	\$3,285,820				
Revenues Outside of Operating Funds:								
Federal Grants			\$853,520	\$0	\$853,520	0%		
Total WVCHIP Revenues			\$10,936,043	\$13,647,046	(\$2,711,003)	-20%		
Program Expenses outside of Operating Funds:								
Eligibility	\$500,000	\$125,000	\$853,520	\$103,710	\$749,810	723%	\$728,520	583%
Total Administrative Expenses	\$5,963,581	\$1,490,895	\$2,131,195	\$551,386	\$1,579,809	287%	\$640,300	43%
Total WVCHIP Expenditures	\$66,393,875	\$16,598,469	\$13,610,779	\$14,136,044	(\$525,265)	-4%	(\$2,987,690)	-18%

Footnotes:

- 1) Statement is on cash basis.
- 2) Estimate of Incurred but Not Reported (IBNR) claims on September 30, 2022 is \$360,000. The September 30, 2021 estimate was \$740,000.
- 3) Administrative Accounts Payable balance on September 30, 2022 was \$358,984. The September 30, 2021 balance was \$792,741.
- 4) 2023 and 2022 adjustments to fund balance represent timing issues between the payment of expense and the draw-down of federal revenues.
- 5) Revenues are primarily federal funds. WVCHIP's Federal Matching Assistance Percentage (FMAP) during SFY23 is 85.0% through 9/30/2022 and 81.81% starting 4/1/2023. SFY22 was 85.0%.
- 6) Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills WVCHIP paid - primarily auto).
- 7) Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.
- 8) Other Services include home health, chiropractors, psychologists, podiatrists, and nurse practitioners.
- 9) Eligibility costs outside the fund represent the costs allocated to the WVCHIP for eligibility and enrollment processing (RAPIDS/WVPATH).

Unaudited - For Management Purposes Only
PRELIMINARY STATEMENT

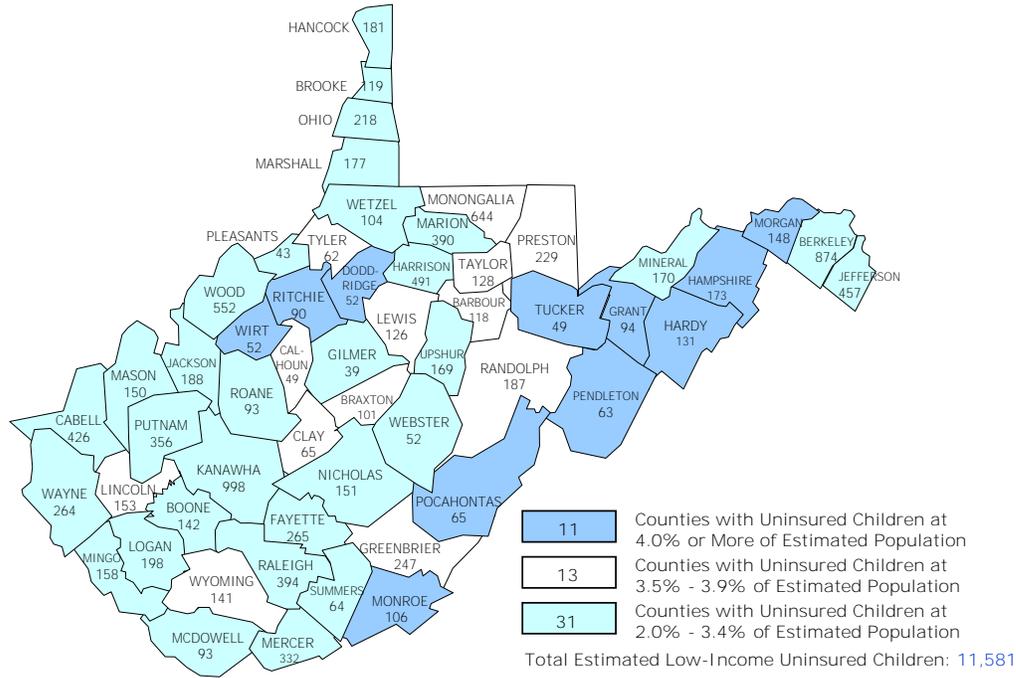
WVCHIP Enrollment Report

DECEMBER 2022

County	County Pop.	MATERNITY					Total CHIP	Total Medicaid	Total	CHIP/Medicaid	2020	2020
	2020 Est. (0-18 Yrs)	BLUE Dec-22	GOLD Dec-22	PREM Dec-22	BLUE Dec-22	PREM Dec-22	Enrollment Dec-22	Enrollment Dec-22	CHIP/Medicaid Enrollment	% of Population	SAHIE Uninsured Est.	SAHIE % Uninsured
Barbour	3,243	95	25	82	2	0	204	2,206	2,410	74.3%	118	3.6%
Berkeley	28,759	931	279	585	15	23	1,833	15,224	17,057	59.3%	874	3.0%
Boone	4,366	81	43	50	1	1	176	3,359	3,535	81.0%	142	3.3%
Braxton	2,579	79	17	41	1	1	139	1,648	1,787	69.3%	101	3.9%
Brooke	3,888	0	0	0	0	0	0	56	56	1.4%	119	3.1%
Cabell	18,302	369	154	227	8	12	770	11,057	11,827	64.6%	426	2.3%
Calhoun	1,265	38	15	11	1	1	66	980	1,046	82.7%	49	3.9%
Clay	1,818	52	8	28	0	2	90	1,545	1,635	89.9%	65	3.6%
Doddridge	1,181	33	7	16	0	1	57	836	893	75.6%	52	4.4%
Fayette	8,609	216	60	182	4	9	471	5,836	6,307	73.3%	265	3.1%
Gilmer	1,142	38	3	17	0	0	58	719	777	68.0%	39	3.4%
Grant	2,261	58	10	38	2	0	108	1,409	1,517	67.1%	94	4.2%
Greenbrier	6,618	232	61	140	5	3	441	4,351	4,792	72.4%	247	3.7%
Hampshire	4,103	108	44	63	2	0	217	2,842	3,059	74.6%	173	4.2%
Hancock	5,501	227	70	110	1	1	409	4,679	5,088	92.5%	181	3.3%
Hardy	2,742	80	31	39	3	1	154	1,762	1,916	69.9%	131	4.8%
Harrison	14,649	369	125	265	6	4	769	7,717	8,486	57.9%	491	3.4%
Jackson	6,156	141	43	78	0	1	263	3,655	3,918	63.6%	188	3.1%
Jefferson	13,252	350	67	175	4	5	601	4,435	5,036	38.0%	457	3.4%
Kanawha	35,737	824	258	602	19	21	1,724	22,788	24,512	68.6%	998	2.8%
Lewis	3,385	87	20	50	1	3	161	2,370	2,531	74.8%	126	3.7%
Lincoln	4,432	94	24	50	2	0	170	3,329	3,499	78.9%	153	3.5%
Logan	6,538	122	60	91	2	4	279	5,051	5,330	81.5%	198	3.0%
Marion	11,397	300	77	204	6	7	594	6,193	6,787	59.6%	390	3.4%
Marshall	5,847	106	29	57	0	4	196	3,118	3,314	56.7%	177	3.0%
Mason	5,492	119	29	53	1	2	204	3,293	3,497	63.7%	150	2.7%
McDowell	3,372	68	38	30	1	0	137	3,163	3,300	97.9%	93	2.8%
Mercer	12,047	342	108	223	1	7	681	9,322	10,003	83.0%	332	2.8%
Mineral	5,365	146	40	66	3	1	256	2,820	3,076	57.3%	170	3.2%
Mingo	5,013	81	38	49	2	2	172	4,357	4,529	90.3%	158	3.2%
Monongalia	18,331	446	102	231	2	6	787	6,935	7,722	42.1%	644	3.5%
Monroe	2,635	76	25	77	1	3	182	1,456	1,638	62.2%	106	4.0%
Morgan	3,167	94	28	79	2	1	204	1,792	1,996	63.0%	148	4.7%
Nicholas	4,952	202	73	111	2	2	390	3,213	3,603	72.8%	151	3.0%
Ohio	8,140	226	63	139	2	1	431	4,559	4,990	61.3%	218	2.7%
Pendleton	1,250	35	13	25	0	1	74	666	740	59.2%	63	5.0%
Pleasants	1,461	28	8	10	0	1	47	776	823	56.3%	43	2.9%
Pocahontas	1,406	41	15	27	0	0	83	913	996	70.8%	65	4.6%
Preston	6,396	227	60	152	2	3	444	3,470	3,914	61.2%	229	3.6%
Putnam	13,000	393	101	228	3	3	728	4,909	5,637	43.4%	356	2.7%
Raleigh	15,247	379	97	280	4	7	767	10,535	11,302	74.1%	394	2.6%
Randolph	5,224	142	45	137	0	3	327	3,451	3,778	72.3%	187	3.6%
Ritchie	1,896	36	4	20	1	0	61	1,230	1,291	68.1%	90	4.7%
Roane	2,757	98	47	110	0	2	257	1,827	2,084	75.6%	93	3.4%
Summers	1,981	66	10	28	1	0	105	1,675	1,780	89.9%	64	3.2%
Taylor	3,413	74	27	55	2	0	158	1,882	2,040	59.8%	128	3.8%
Tucker	946	44	17	30	1	3	95	639	734	77.6%	49	5.2%
Tyler	1,718	34	3	18	0	2	57	974	1,031	60.0%	62	3.6%
Upshur	4,938	147	42	84	0	3	276	3,239	3,515	71.2%	169	3.4%
Wayne	7,913	176	69	89	2	2	338	5,478	5,816	73.5%	264	3.3%
Webster	1,559	45	10	31	0	2	88	1,367	1,455	93.3%	52	3.3%
Wetzel	3,053	48	17	28	1	1	95	2,148	2,243	73.5%	104	3.4%
Wirt	1,209	28	6	17	1	0	52	778	830	68.7%	52	4.3%
Wood	17,613	439	89	206	3	12	749	10,336	11,085	62.9%	552	3.1%
Wyoming	4,086	101	36	77	1	3	218	2,995	3,213	78.6%	141	3.5%
Totals	363,350	9,411	2,790	5,911	124	177	18,413	217,363	235,776	64.9%	11,581	3.2%

WVCHIP Enrollment Report

DECEMBER 2022

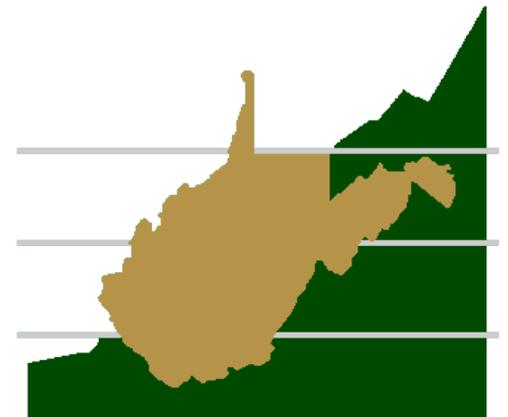


The above map shows the most recent 2020 county level data provided by the U.S. Census Bureau Small Area Health Insurance Estimates (SAHIE) for children under 19 years. While the statewide average for children under 19 is now about 3.2%, the SAHIE data reflects more accurately the variation from county to county depending on the availability of employer-sponsored insurance and should be a more accurate way to target outreach than in previous years.

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

November 30, 2022



Participant Plans Allocation & Performance Net of Fees

Period Ending: November 30, 2022

	6/30/2022		11/30/2022		Performance %							
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
WVIMB Fund Assets	22,991,842	100.0	23,385,437	100.0								
Pension Assets	18,829,116	81.9	19,197,732	82.1								
Public Employees' Retirement System	8,004,835	34.8	8,150,912	34.9	4.5	1.8	3.4	(4.5)	8.3	7.6	8.8	8.2
Teachers' Retirement System	8,980,424	39.1	9,047,732	38.7	4.5	1.8	3.4	(4.5)	8.3	7.5	8.8	8.0
EMS Retirement System	112,407	0.5	116,336	0.5	4.5	1.8	3.4	(4.5)	8.3	7.5	8.8	
Public Safety Retirement System	767,508	3.3	771,221	3.3	4.5	1.8	3.4	(4.4)	8.4	7.6	8.8	8.2
Judges' Retirement System	259,323	1.1	267,343	1.1	4.5	1.8	3.4	(4.5)	8.4	7.6	8.8	8.2
State Police Retirement System	289,417	1.3	301,230	1.3	4.5	1.8	3.4	(4.5)	8.3	7.6	8.8	8.2
Deputy Sheriffs' Retirement System	293,315	1.3	301,977	1.3	4.5	1.8	3.4	(4.5)	8.3	7.6	8.8	8.2
Municipal Police & Firefighter Retirement System	26,796	0.1	29,854	0.1	4.4	1.8	3.4	(4.5)	8.3	7.5	8.6	
Natural Resources Police Office Retirement System	24,467	0.1	25,644	0.1	4.4	1.8	3.4	(4.5)				
Municipal Model A (I)	68,337	0.3	183,095	0.8	4.5	1.8	4.3	(3.3)	8.9	8.0		
Municipal Model B (I)	2,287	0.0	2,388	0.0	5.9	1.3	2.8	(10.6)	3.4			
Insurance Assets	3,007,901	13.1	3,025,751	12.9								
Workers' Compensation Old Fund	881,990	3.8	847,410	3.6	3.6	(0.3)	1.0	(9.0)	2.7	3.3	4.2	
Workers' Comp. Self-Insured Guaranty Risk Pool	35,691	0.1	35,831	0.2	3.6	(0.1)	1.2	(8.1)	3.2	3.5	4.5	
Workers' Comp. Self-Insured Security Risk Pool	48,590	0.2	48,003	0.1	3.6	(0.1)	1.3	(8.1)	3.2	3.5		
Workers' Comp. Uninsured Employers' Fund	15,559	0.1	15,916	0.1	3.6	(0.1)	1.3	(8.1)	3.1	3.4	4.4	
Pneumoconiosis	207,487	0.9	202,666	0.9	3.6	(0.1)	1.3	(8.1)	3.2	3.5	4.5	5.2
Board of Risk & Insurance Management	175,463	0.8	176,599	0.7	3.6	(0.1)	1.2	(8.1)	3.2	3.5	4.5	
Public Employees' Insurance Agency	134,812	0.6	139,497	0.6	3.5	(0.5)	0.8	(8.7)	2.5	3.2	4.3	
WV Retiree Health Benefit Trust Fund	1,508,309	6.6	1,559,829	6.7	4.5	1.8	3.4	(4.5)	8.3	7.5	8.8	
Endowment Assets	1,154,825	5.0	1,161,954	5.0								
Berkeley County Development Authority	7,886	0.0	8,156	0.0	4.5	1.8	3.4	(4.5)	8.3	7.5		
Wildlife Fund	73,641	0.3	72,171	0.3	4.5	1.8	3.4	(4.5)	8.3	7.5	8.8	8.2
WV State Parks and Recreation Endowment Fund	14,770	0.1	24,309	0.1	4.3	2.2	3.8	(3.9)				
Revenue Shortfall Reserve Fund	329,802	1.4	325,180	1.4	3.0	(2.4)	(1.5)	(10.8)	(1.4)	0.7	1.0	
Revenue Shortfall Reserve Fund - Part B	498,719	2.2	497,177	2.1	3.7	(1.3)	(0.3)	(11.5)	1.2	2.4	3.7	
WV DEP Trust	10,357	0.0	10,810	0.1	5.8	2.2	4.4	(8.0)	5.8	5.2	7.3	
WV DEP Agency	219,650	1.0	224,151	1.0	4.4	0.6	2.0	(8.6)	3.6	3.8		

Composite Asset Allocation & Performance Net of Fees

Period Ending: November 30, 2022

	Asset (\$000)	%	Performance %								
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year	
Investment Pools Composite	23,392,602	100.00									
Portable Alpha Composite +/- S&P 500 Index	5,168,314	22.09	5.42 (0.17)	3.31 (0.32)	8.47 (0.09)	(8.89) 0.32					
Large Cap Domestic Equity Composite +/- S&P 500 Index	298,028	1.27	5.52 (0.07)	3.37 (0.26)	8.42 (0.14)	(9.43) (0.22)	10.84 (0.06)	10.59 (0.39)	13.22 (0.11)	9.79 0.00	
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	1,072,787	4.59	5.13 0.91	6.32 2.98	17.91 6.91	(8.16) 2.20	8.89 0.97	7.96 0.70	11.06 0.07	10.61 0.27	
International Equity Composite +/- MSCI AC World ex US IMI Index (b)	4,523,771	19.34	11.18 (0.33)	3.11 (0.19)	1.64 (2.25)	(12.30) (0.16)	2.74 0.42	1.40 (0.51)	5.69 0.86	7.80 0.67	
Fixed Income Composite +/- Bloomberg Universal (c)	3,148,616	13.46	3.70 (0.03)	(1.48) 0.35	(1.33) 0.65	(11.50) 1.26	(1.38) 1.00	0.92 0.58	2.09 0.72	4.00 0.55	
Core Fixed Income Composite +/- Bloomberg US Aggregate	936,186	4.00	3.29 (0.39)	(2.11) (0.02)	(2.56) (0.03)	(11.95) 0.89	(1.70) 0.89	0.92 0.72	1.67 0.58		
Total Return Fixed Income Composite (j) +/- Bloomberg Universal	2,212,430	9.46	3.87 0.14	(1.21) 0.62	(0.80) 1.18	(11.31) 1.45	(1.28) 1.10	0.89 0.55	2.27 0.90	4.37 0.81	
TIPS Composite +/- Bloomberg US TIPS	392,944	1.68	1.82 (0.01)	(3.72) 0.01	(2.17) 0.04	(10.60) 0.06	1.77 0.09	2.58 0.08	1.19 0.04		
Cash Composite +/- FTSE 3 Month US T-Bill (d)	98,760	0.42	0.27 (0.02)	0.70 (0.03)	0.99 0.00	1.12 (0.04)	0.55 (0.09)	1.12 (0.08)	0.71 (0.02)	1.31 (0.03)	
Private Equity Composite +/- Russell 3000 + 3% (e, f)	2,704,267	11.56	0.44 (5.03)	0.35 (3.68)	0.33 (9.67)	1.90 9.70	25.14 11.86	23.59 10.26	18.37 2.34		
Real Estate Composite +/- NCREIF + 1% (e)	2,484,806	10.62	0.51 0.24	(0.08) (1.78)	(0.08) (4.12)	10.85 (7.99)	8.61 (2.41)	8.33 (1.37)	9.22 (1.32)		
Hedge Fund Composite +/- HFRI FOF + 1% (g)	2,576,574	11.02	1.20 0.28	0.29 0.28	1.81 0.33	3.66 7.93	6.53 1.39	5.46 1.33	5.20 1.26		
Private Credit & Income Composite +/- CS Leveraged Loan + 2% (e, k)	923,735	3.95	1.75 0.47	1.69 1.43	1.91 (2.10)	8.15 6.94	7.05 2.29	6.93 1.69			

Participant Plans Allocation vs. Strategy

Period Ending: November 30, 2022

	Equity		Fixed Income		Private Equity		Real Estate		Private Credit & Income		Hedge Funds		Cash	
	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %

Pension Assets

Public Employees' Retirement System	50.1	50.0	10.7	15.0	12.5	10.0	11.5	10.0	4.3	5.0	10.8	10.0	0.1	0.0
Teachers' Retirement System	50.1	50.0	10.7	15.0	12.6	10.0	11.5	10.0	4.3	5.0	10.8	10.0	0.0	0.0
EMS Retirement System	50.0	50.0	10.8	15.0	12.5	10.0	11.5	10.0	4.3	5.0	10.7	10.0	0.2	0.0
Public Safety Retirement System	50.2	50.0	10.5	15.0	12.6	10.0	11.6	10.0	4.3	5.0	10.8	10.0	0.0	0.0
Judges' Retirement System	50.1	50.0	10.8	15.0	12.5	10.0	11.5	10.0	4.3	5.0	10.8	10.0	0.0	0.0
State Police Retirement System	49.9	50.0	10.9	15.0	12.5	10.0	11.4	10.0	4.3	5.0	10.7	10.0	0.3	0.0
Deputy Sheriffs' Retirement System	50.1	50.0	10.8	15.0	12.5	10.0	11.5	10.0	4.3	5.0	10.8	10.0	0.0	0.0
Municipal Police & Firefighter Retirement System	48.9	50.0	10.6	15.0	12.2	10.0	11.2	10.0	4.2	5.0	10.5	10.0	2.4	0.0
Natural Resources Police Office Retirement System	49.8	50.0	10.7	15.0	12.4	10.0	11.4	10.0	4.2	5.0	10.7	10.0	0.8	0.0
Municipal Model A	50.2	50.0	10.4	15.0	12.5	10.0	11.5	10.0	4.3	5.0	10.7	10.0	0.4	0.0
Municipal Model B	57.2	55.0	40.9	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	0.0

Insurance Assets

Workers' Compensation Old Fund	26.7	25.0	41.4	45.0	5.1	4.0	4.7	4.0	1.7	2.0	16.6	15.0	3.8	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	26.4	25.0	41.1	45.0	5.1	4.0	4.7	4.0	1.7	2.0	16.4	15.0	4.6	5.0
Workers' Comp. Self-Insured Security Risk Pool	26.5	25.0	41.3	45.0	5.1	4.0	4.7	4.0	1.7	2.0	16.5	15.0	4.2	5.0
Workers' Comp. Uninsured Employers Fund	26.3	25.0	41.0	45.0	5.1	4.0	4.6	4.0	1.7	2.0	16.4	15.0	4.9	5.0
Pneumoconiosis	26.6	25.0	41.4	45.0	5.1	4.0	4.7	4.0	1.7	2.0	16.5	15.0	4.0	5.0
Board of Risk & Insurance Mgmt.	26.4	25.0	41.0	45.0	5.1	4.0	4.6	4.0	1.7	2.0	16.4	15.0	4.8	5.0
Public Employees' Insurance Agency	21.5	20.0	50.8	55.0	2.5	2.0	2.3	2.0	0.9	1.0	22.0	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	50.1	50.0	11.0	15.0	12.5	10.0	11.5	10.0	4.2	5.0	10.7	10.0	0.0	0.0

Endowment Assets

Berkeley County Development Authority	50.1	50.0	11.0	15.0	12.5	10.0	11.5	10.0	4.2	5.0	10.7	10.0	0.0	0.0
Wildlife Fund	49.6	50.0	11.0	15.0	12.6	10.0	11.5	10.0	4.3	5.0	10.8	10.0	0.2	0.0
WV State Parks and Recreation Endowment Fund	45.6	50.0	9.6	15.0	10.9	10.0	10.0	10.0	3.7	5.0	9.4	10.0	10.8	0.0
Revenue Shortfall Reserve Fund	10.5	10.0	79.8	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.7	10.0
Revenue Shortfall Reserve Fund - Part B	18.9	17.5	69.9	72.5	2.5	2.0	2.3	2.0	0.9	1.0	5.5	5.0	0.0	0.0
WV DEP Trust	67.5	65.0	11.6	15.0	0.0	0.0	0.0	0.0	0.0	0.0	20.9	20.0	0.0	0.0
WV DEP Agency	37.3	35.0	35.4	40.0	2.5	2.0	2.3	2.0	0.9	1.0	21.6	20.0	0.0	0.0

- (a) As of January 2019, the PERS Base is 60% MSCI ACWI Gross and 40% Bloomberg Universal. From January 2014 to December 2018, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (IMI), and 40% Bloomberg Universal. From April 2008 to December 2013, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (Standard), and 40% Bloomberg Universal. Prior periods were 42% Russell 3000, 18% MSCI ACWI ex USA, and 40% Bloomberg US Aggregate.
- (b) Prior to January 2014, the index was the MSCI ACW ex USA (Standard).
- (c) Prior to April 2008, the index was Bloomberg US Aggregate.
- (d) Prior to January 2014, the index was FTSE 3 Month US T-Bill plus 15 basis points.
- (e) Private Equity, Real Estate, and Private Credit & Income consist primarily of private market investments. The time lag in determining the fair value of these investments makes the comparison to their public market benchmarks less meaningful over shorter time periods.
- (f) Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (g) Prior to January 2014, the index was Libor plus 400 basis points.
- (h) As of July 2019, the Franklin Benchmark is 50% JPM EMBI Global Diversified ex GCC and 50% JPM GBIEM Diversified. Prior periods were 50% JPM EMBI Global Diversified and 50% JPM GBIEM Diversified.
- (i) Prior to April 2008, the index was a custom index.
- (j) From October 2015 to March 2017, performance returns from the Opportunistic Income Pool were included in the Total Return Fixed Income Composite.
- (k) Prior to April 2017, the index was CS Leveraged Loan plus 250 basis points.
- (l) In July 2020 the municipal plan potential investment models were condensed to Model A and Model B. The June 30, 2020 asset values for Model C and Model D are included in Model A. Model B was formerly Model F.
- (m) From September 2021 to September 2022, the index was S&P 500 Index 2.5x minus 3 Month Libor minus 15 basis points. From January 2021 to August 2021, the index was S&P 500 Index 2.2x minus 3 Month Libor minus 15 basis points. Prior to January 2021, the index was S&P 500 Index 2.5x minus 3 Month Libor minus 15 basis points.

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

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WEST VIRGINIA OFFICES *OF THE* INSURANCE COMMISSIONER

Allan L. McVey
Insurance Commissioner

Status Report:
Workers' Compensation

Joint Committee on Government & Finance

December 2022

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Introduction

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

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

As of January 2008, there were 47,961 active Old Fund workers' compensation insurance claims. In December 2020, the number of active claims fell to less than 10,000 for the first time and, as of November 2022, there were 7,559 active claims. The first Workers' Compensation Status Report to the Joint Committee on Government and Finance was issued in June 2008. The following pages update the status of the various workers' compensation funds and the activities associated with the administration of the workers' compensation responsibilities transitioned to the Insurance Commissioner by the Legislature.

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

Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

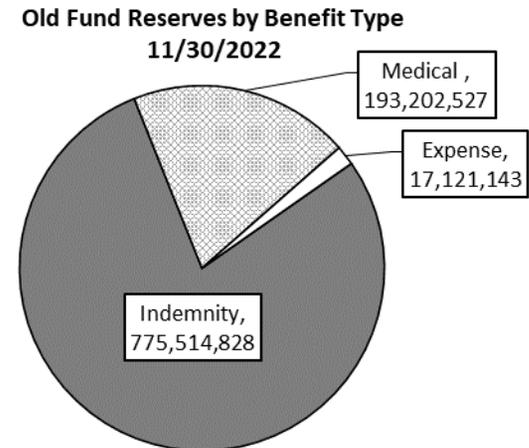
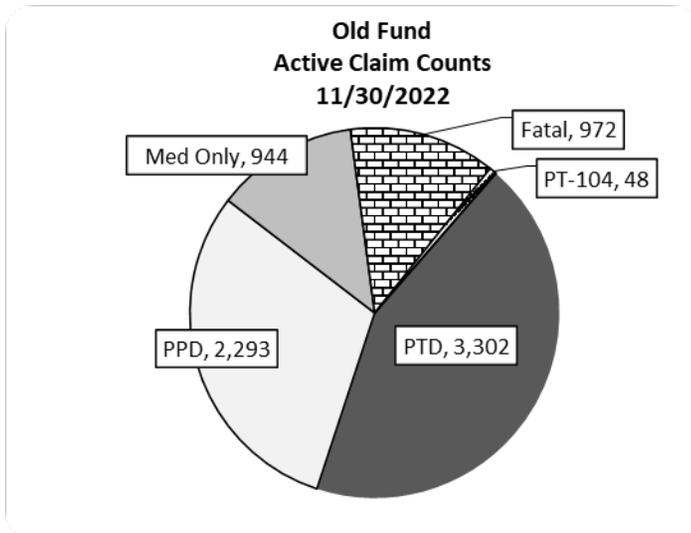
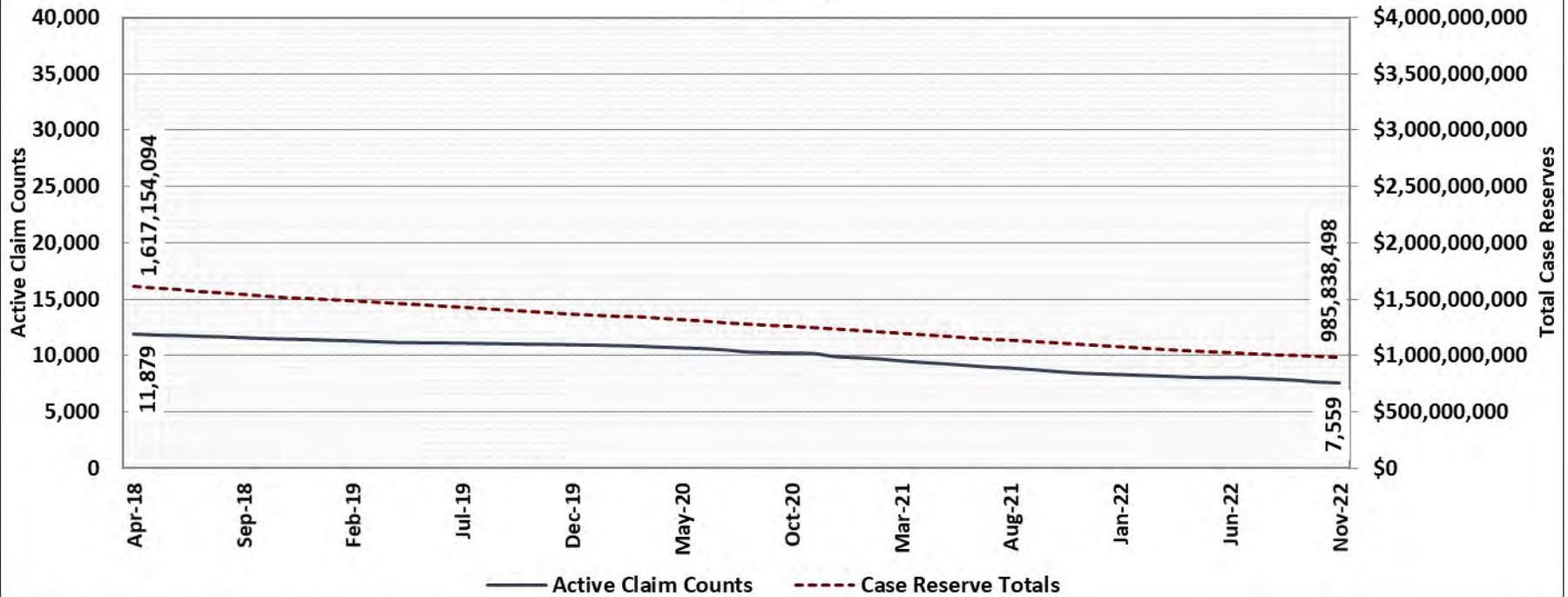
Self-Insured Security Fund: State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last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

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

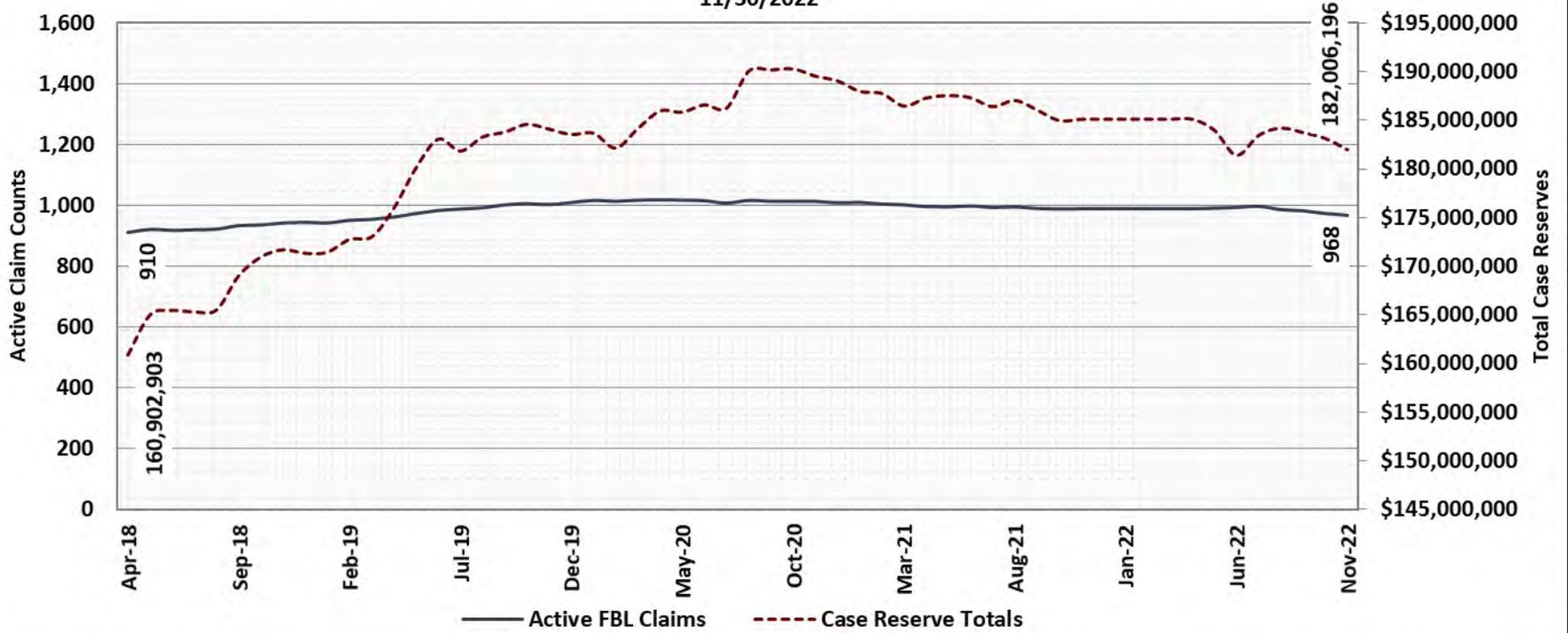
TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified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

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

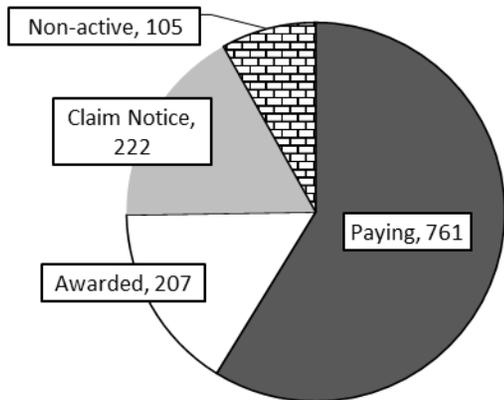
**Old Fund
Active Claim Counts and Case Reserves
11/30/2022**



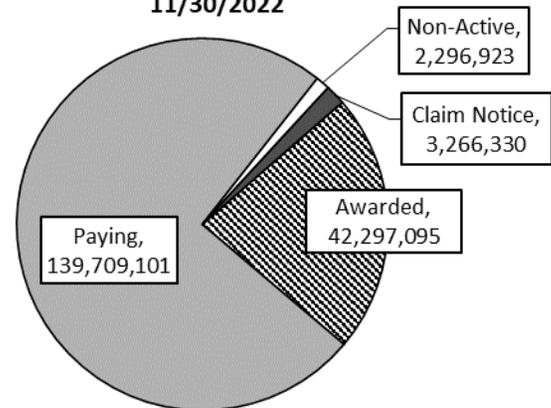
CWP Fund (FBL)
Active Claim Counts and Case Reserves
11/30/2022



CWP Fund (FBL)
Active and Inactive Claims
11/30/2022



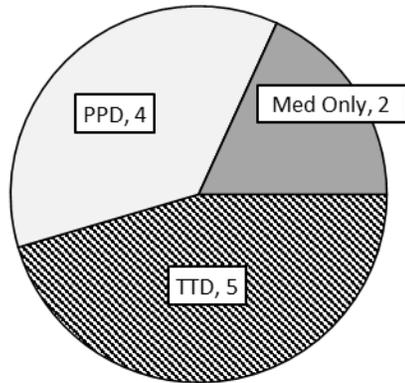
CWP Fund Reserves by Benefit Type
11/30/2022



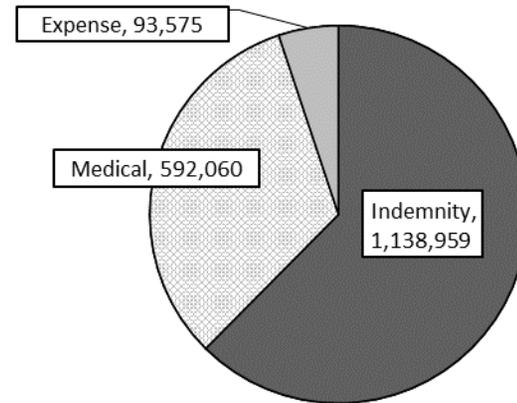
**Uninsured Fund
Active Claim Counts and Case Reserves
11/30/2022**



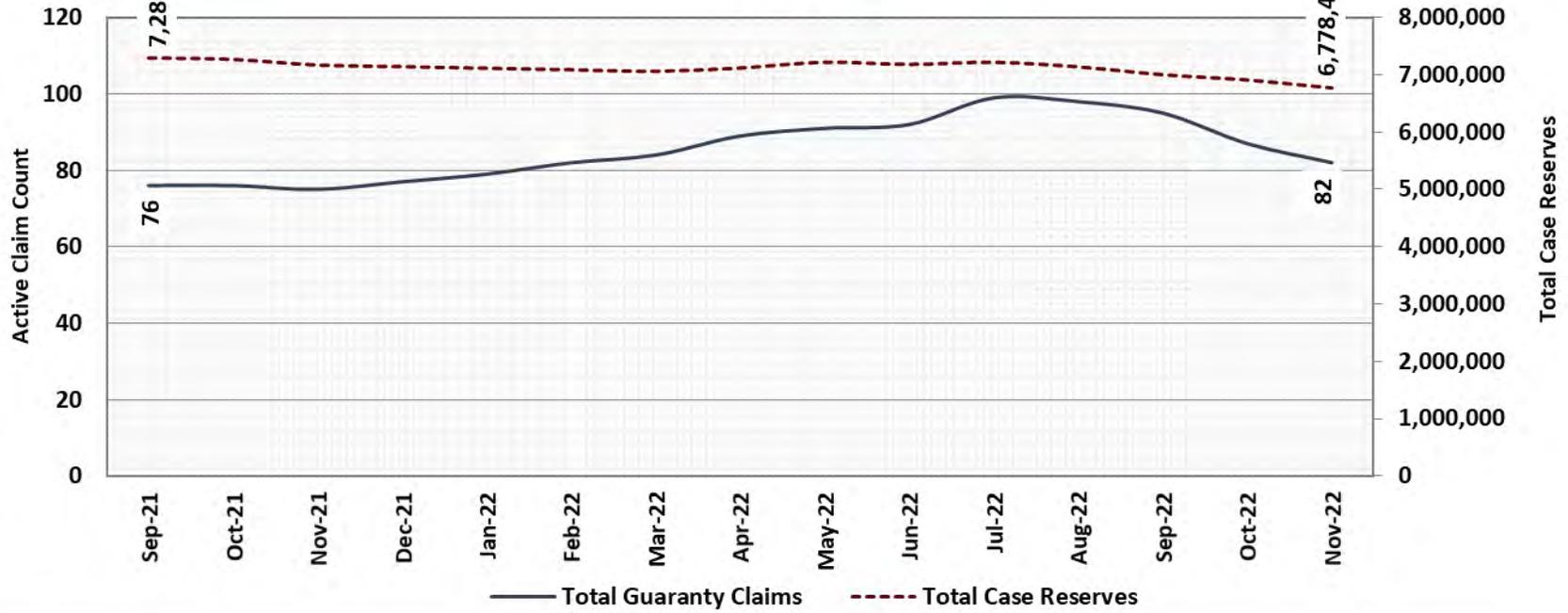
**Uninsured Fund
Active Claim Counts
11/30/2022**



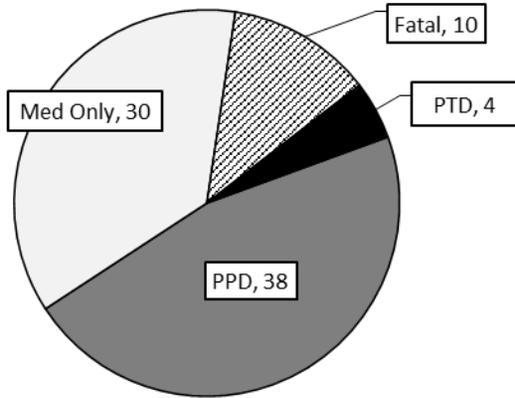
**Uninsured Fund Reserves by Benefit Type
11/30/2022**



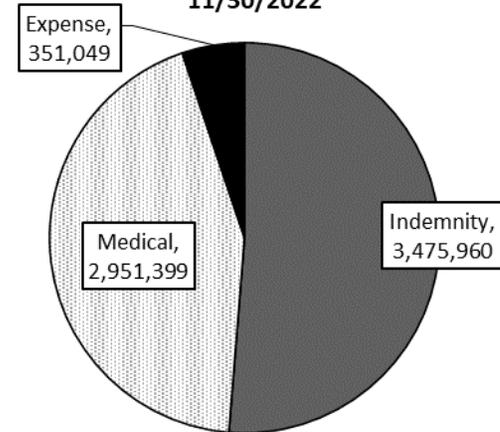
**Guaranty Fund
Active Claim Counts and Case Reserves
11/30/2022**



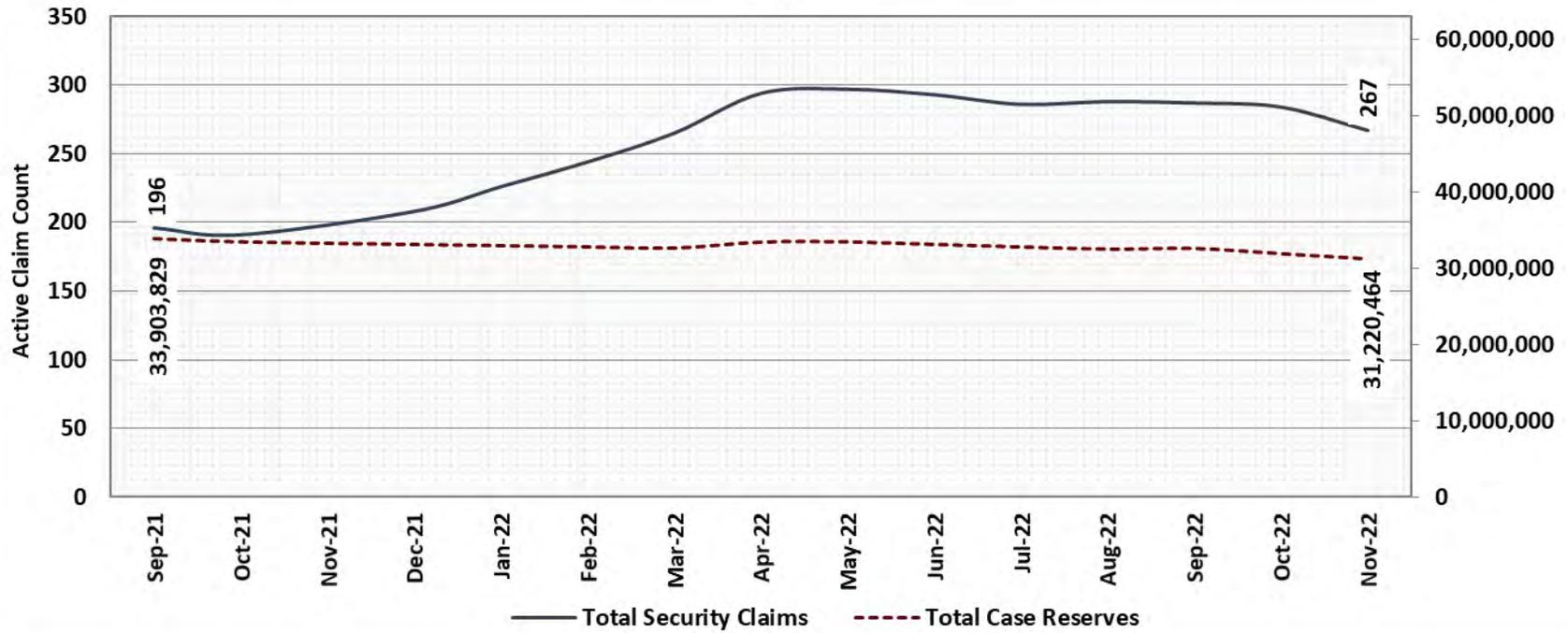
**Guaranty Fund
Active Claim Counts
11/30/2022**



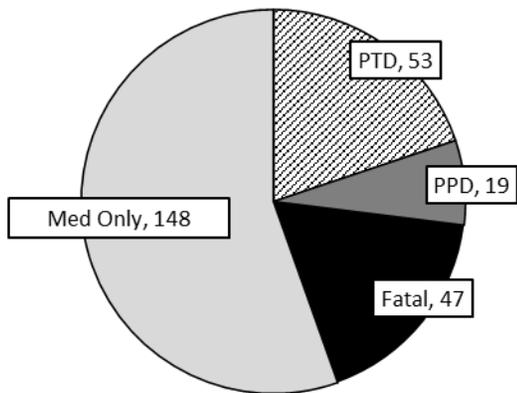
**Guaranty Fund Reserves by Benefit Type
11/30/2022**



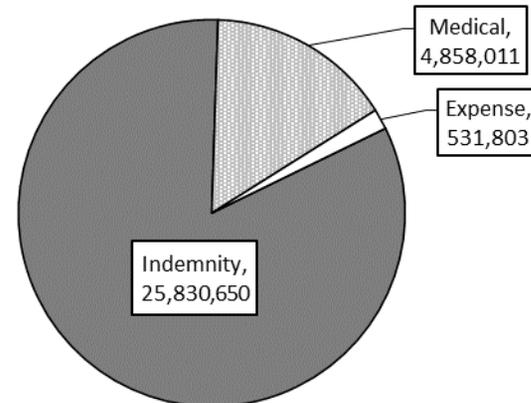
**Security Fund
Active Claim Counts and Case Reserves
11/30/2022**



**Security Fund
Active Claim Counts
11/30/2022**



**Security Fund Reserves by Benefit Type
11/30/2022**



OLD FUND CASH STATEMENT
NOVEMBER 30, 2022

	Three Year History for years ended:					
	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances	919,242,416	1,080,592,100	(161,349,685)	1,080,592,100	993,229,138	1,077,104,966
Revenues						
Personal Income Tax	-	-	-	-	-	-
Severance Tax	-	-	-	-	-	-
Debt Reduction Surcharge	-	-	-	-	-	-
Self-Insured Debt Reduction Surcharge	-	-	-	-	-	-
Video Lottery	-	-	-	-	-	-
Employer Premium	11,573	212,696	(201,123)	238,786	189,298	138,119
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
Operating Revenues	<u>11,573</u>	<u>212,696</u>	<u>(201,123)</u>	<u>238,786</u>	<u>189,298</u>	<u>138,119</u>
Investment / Interest Earnings (Losses)	(58,501,131)	21,463,185	(79,964,316)	(52,668,067)	187,370,470	48,614,936
Total Revenues	<u>(58,489,558)</u>	<u>21,675,881</u>	<u>(80,165,439)</u>	<u>(52,429,280)</u>	<u>187,559,768</u>	<u>48,753,055</u>
Expenditures						
Claims Benefits Paid:						
Medical	6,247,155	6,208,055	39,100	14,588,442	16,509,277	21,141,087
Permanent Total Disability	24,363,868	27,119,923	(2,756,055)	63,031,618	69,561,392	75,310,561
Permanent Partial Disability	35,696	102,150	(66,453)	163,078	112,956	70,989
Temporary Disability	-	-	-	-	-	(486)
Fatals	6,776,147	7,271,319	(495,172)	17,124,757	18,386,146	19,297,908
104 weeks death benefit	2,211,562	2,230,565	(19,003)	6,011,709	6,353,928	5,474,959
Settlements	1,003,076	919,679	83,397	2,382,067	2,708,581	4,452,419
Loss Adjustment Expenses	507,259	711,938	(204,679)	1,284,295	1,095,241	1,603,551
Total	<u>41,144,763</u>	<u>44,563,630</u>	<u>(3,418,867)</u>	<u>104,585,967</u>	<u>114,727,520</u>	<u>127,350,987</u>
Less: Claims credits and overpayments	169,540	187,154	(17,614)	454,800	334,334	982,782
Total Benefits Paid	<u>40,975,223</u>	<u>44,376,475</u>	<u>(3,401,252)</u>	<u>104,131,167</u>	<u>114,393,187</u>	<u>126,368,205</u>
Administrative Expenses	1,253,339	989,336	264,004	4,789,237	5,803,619	6,260,679
Total Expenditures	<u>42,228,562</u>	<u>45,365,811</u>	<u>(3,137,249)</u>	<u>108,920,405</u>	<u>120,196,805</u>	<u>132,628,883</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(100,718,120)</u>	<u>(23,689,930)</u>	<u>(77,028,191)</u>	<u>(161,349,685)</u>	<u>67,362,963</u>	<u>(83,875,828)</u>
Transfer from Operating Fund	-	-	-	-	20,000,000	-
Cash Ending Balances	<u>818,524,295</u>	<u>1,056,902,171</u>	<u>(238,377,875)</u>	<u>919,242,416</u>	<u>1,080,592,100</u>	<u>993,229,138</u>

Note: The purpose of this report is to enhance the user's ability to monitor the cash activities of the Old Fund. The Old Fund assets consist of cash and investments with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The liabilities of the Old Fund consist of the worker's compensation claims and related expenses for all claims, actual and incurred but not reported for claims with dates of injury on or before June 30, 2005. This report is intended to provide a summary of the cash based transactions related to the Fund's assets and liabilities and is not an accrual based presentation. The Old Fund Cash Statement is unaudited information.

COAL WORKERS PNEUMOCONIOSIS FUND
NOVEMBER 30, 2022

Three Year History for years ended:

	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances	215,931,727	246,613,162	(30,681,436)	246,613,162	220,914,521	232,485,887
Revenues						
Investment Earnings (Losses)	(12,823,717)	5,029,863	(17,853,580)	(11,131,323)	43,567,242	9,366,126
Other Income - Return of Unclaimed Property	-	-	-	-	-	-
Total Revenues	(12,823,717)	5,029,863	(17,853,580)	(11,131,323)	43,567,242	9,366,126
Expenditures						
Claims Benefits Paid:						
Medical	1,255,575	2,569,828	(1,314,253)	6,033,252	5,107,159	7,541,269
PTD and Fatal Indemnity	3,831,091	3,697,019	134,072	9,518,418	8,726,207	8,899,722
Settlements	113,877	-	113,877	1,837	-	-
Loss Adjustment Expenses	1,928,679	1,837,643	91,035	3,513,844	3,343,071	3,933,266
Total	7,129,221	8,104,491	(975,269)	19,067,350	17,176,438	20,374,258
Less: Claims Credits and Overpayments	69,912	51,397	18,515	387,376	94,896	360,474
Total Benefits Paid	7,059,310	8,053,094	(993,784)	18,679,974	17,081,541	20,013,784
Administrative Expenses	164,888	340,101	(175,213)	870,138	787,060	923,707
Total Expenditures	7,224,198	8,393,195	(1,168,997)	19,550,112	17,868,601	20,937,491
Excess (Deficiency) of Revenues over Expenditures	(20,047,915)	(3,363,332)	(16,684,584)	(30,681,436)	25,698,641	(11,571,365)
Cash Ending Balances	195,883,811	243,249,830	(47,366,018)	215,931,727	246,613,162	220,914,521

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

SELF-INSURED GUARANTY RISK POOL
NOVEMBER 30, 2022

	Three Year History for years ended:					
	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances	37,187,942	39,659,496	(2,471,554)	39,659,496	33,724,356	33,373,873
Revenues						
Guaranty Risk Pool Assessments	5,000	-	5,000	10,000	-	-
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	(2,212,235)	816,055	(3,028,290)	(1,884,585)	6,763,880	1,367,274
Total Revenues	(2,207,235)	816,055	(3,023,290)	(1,874,585)	6,763,880	1,367,274
Expenditures						
Claims Benefits Paid:						
Medical	86,872	78,429	8,443	178,127	280,185	346,473
Permanent Total Disability	20,669	26,549	(5,880)	63,717	89,242	102,389
Permanent Partial Disability	25,770	56,604	(30,834)	83,562	91,922	225,842
Temporary Disability	-	-	-	-	-	-
Fatals	86,248	86,248	-	206,996	206,996	223,506
104 Weeks Death Benefit	5,880	-	5,880	-	-	-
Settlement Agreements	28,500	62,000	(33,500)	62,000	39,699	10,000
Non Awarded Partial Disability	-	-	-	-	-	-
Loss Adjustment Expenses	46,294	12,669	33,625	31,743	52,455	76,110
Total	300,233	322,499	(22,266)	626,144	760,498	984,319
Less: Claims Credits and Overpayments	9	25,544	(25,535)	53,649	150	45,480
Total Benefits Paid	300,224	296,955	3,269	572,495	760,348	938,840
Administrative Expenses	(2,112)	16,607	(18,719)	24,473	68,392	77,951
Total Expenditures	298,112	313,562	(15,450)	596,968	828,740	1,016,791
Excess (Deficiency) of Revenues over Expenditures	(2,505,346)	502,493	(3,007,839)	(2,471,554)	5,935,140	350,483
Cash Ending Balances	34,682,596	40,161,989	(5,479,393)	37,187,942	39,659,496	33,724,356

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

SELF-INSURED SECURITY RISK POOL
NOVEMBER 30, 2022

Three Year History for years ended:

	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances	50,605,643	55,995,948	(5,390,305)	55,995,948	49,568,499	50,905,481
Revenues						
Security Risk Pool Assessments	-	-	-	-	-	-
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	(3,004,071)	1,140,684	(4,144,755)	(2,592,281)	9,805,453	2,087,341
Total Revenues	(3,004,071)	1,140,684	(4,144,755)	(2,592,281)	9,805,453	2,087,341
Expenditures						
Claims Benefits Paid:						
Medical	348,253	195,211	153,043	585,099	531,814	549,908
Permanent Total Disability	461,497	503,082	(41,585)	1,177,138	1,250,688	1,379,159
Permanent Partial Disability	8,906	1,145	7,761	11,540	4,243	(60)
Temporary Disability	-	-	-	-	-	-
Fatals	372,199	350,151	22,048	838,483	918,152	979,631
104 Weeks Death Benefit	10,746	33,557	(22,811)	50,458	171,468	78,073
Settlement Agreements	-	51,750	(51,750)	61,325	315,463	162,665
Loss Adjustment Expenses	23,053	25,162	(2,110)	36,980	73,223	118,818
Total	1,224,654	1,160,059	64,595	2,761,024	3,265,052	3,268,194
Less: Claims Credits and Overpayments	38,603	7,105	31,498	31,348	84,004	102,299
Total Benefits Paid	1,186,051	1,152,954	33,097	2,729,676	3,181,048	3,165,895
Administrative Expenses	(9,730)	45,806	(55,536)	68,348	196,956	258,428
Total Expenditures	1,176,321	1,198,760	(22,439)	2,798,024	3,378,004	3,424,323
Excess (Deficiency) of Revenues over Expenditures	(4,180,392)	(58,076)	(4,122,316)	(5,390,305)	6,427,449	(1,336,982)
Cash Ending Balances	46,425,252	55,937,873	(9,512,621)	50,605,643	55,995,948	49,568,499

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

UNINSURED EMPLOYERS FUND
NOVEMBER 30, 2022

Three Year History for years ended:

	YTD FY2023	YTD FY2022	Change	FY2022	FY2021	FY2020
Cash Beginning Balances	16,195,294	16,844,759	(649,465)	16,844,759	13,817,714	13,211,915
Revenues						
Fines and Penalties	195,866	152,278	43,588	341,220	322,680	385,577
Investment Earnings (Losses)	(965,789)	339,482	(1,305,270)	(828,855)	2,767,995	517,439
Total Revenues	(769,923)	491,760	(1,261,683)	(487,635)	3,090,675	903,016
Expenditures						
Claims Benefits Paid:						
Medical	27,300	3,943	23,357	118,279	2,096	7,169
Permanent Total Disability	-	-	-	-	-	-
Permanent Partial Disability	4,845	533	4,311	6,929	-	15,617
Temporary Disability	8,687	41,620	(32,933)	64,151	3,048	22,059
Fatals	-	10,667	(10,667)	19,201	25,601	37,816
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	17,000	15,000	2,000	22,000	44,276	82,000
Loss Adjustment Expenses	16,974	14,429	2,545	39,974	26,492	46,867
Total	74,805	86,192	(11,387)	270,534	101,513	211,528
Less: Employer Reimbursement	33,997	-	33,997	-	-	-
Less: Claims Credits and Overpayments	-	7,355	(7,355)	116,115	42,742	7,535
Total Benefits Paid	40,808	78,837	(38,029)	154,419	58,770	203,993
Administrative Expenses	477	2,100	(1,623)	7,410	4,860	93,224
Total Expenditures	41,285	80,937	(39,653)	161,829	63,630	297,217
Excess (Deficiency) of Revenues over Expenditures	(811,208)	410,823	(1,222,030)	(649,465)	3,027,045	605,799
Cash Ending Balances	15,384,087	17,255,582	(1,871,495)	16,195,294	16,844,759	13,817,714

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

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
January 26, 2023

OPERATING REPORT NOVEMBER 2022

Board of Treasury Investments

315 70th Street, SE
Charleston WV
25304
(304) 340-1564
www.wvbt.com

Board of Directors

Riley M. Moore,
State Treasurer,
Chairman

James C. Justice II,
Governor

John B. McCuskey,
State Auditor

Patrick M. Smith,
CPA
Appointed by the
Governor

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

Executive Staff

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

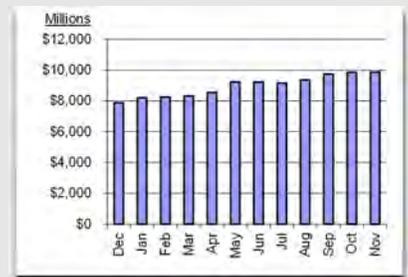
Chief Financial Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$9,874,727,000

Last Month
\$9,855,079,000

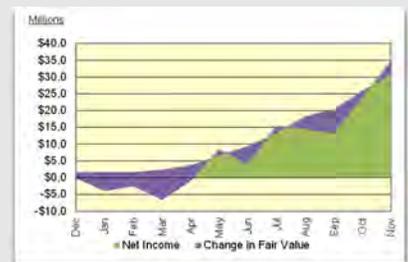
Beginning of Fiscal Year
\$9,234,695,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$101,618,000



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

Money Market Pools

As of November 30, 2022

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	3.9429%	15 Days	\$8.9 Billion
WV Gov't Money Market	3.5761%	19 Days	\$249.5 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 2022

Positive Month for Stock and Bonds

Green on the Screen!

A reprieve? A start to a recovery in the markets? Wish we knew with certainty. But a positive month for both stocks and bonds in November is worthy of an early holiday celebration. The S&P 500 stock index (+5.6%) and Bloomberg U.S. Aggregate bond index (+3.7%) both benefitted from a building consensus that peak inflation has passed, and the Federal Reserve will begin downshifting the magnitude of future interest rate hikes.

Stocks

In a change of direction from earlier in the year, non-U.S. stocks outperformed U.S. stocks in the month, with the developed international index up 11.3% and emerging markets up 14.8%. A decline in the dollar as the risk on environment took hold helped non-US performance as did bargain hunting and smaller (relative) gains in inflation (see chart below). In emerging markets, a rebound in China (+29.7%) during the month amidst hopes of Covid lockdowns easing, contributed to gains in the index.

Stateside, value stocks (+6.2%) outperformed growth stocks (+4.6%) again, with a year-to-date performance differential of nearly 20%. While the focus has been on inflation and the Fed for the entirety of this year, at least some of the market's attention is beginning to turn to the resilience of the U.S. labor market and the outlook for the economy and corporate earnings. As a result, differentiation in stock performance was apparent (positive earnings, positive stock performance and vice versa).

Bonds

Following yet another 75-basis point rate hike in November, recent Fed-official rhetoric has hinted at potentially less aggressive rate hikes moving forward. As a result, bond markets across the board responded positively. Investment grade credit (+5.0%) outperformed Treasuries (+2.7%) and long Government/Credit index was the leader in the month (8.1%), as interest rates dropped across the yield curve. With interest rates materially higher than at the beginning of the year, bonds now offer a more compelling source for portfolio return.

Looking Ahead

Yield curve inversion intensified in November (the 2-year Treasury yield stood at 4.37% at month-end while the 10-year yield was 3.70%), signaling ongoing concern from the bond markets that economic stresses are picking up and that inflation may continue to moderate. While markets were clearly encouraged by the prospect of less aggressive Fed interest rate hikes, "how high" and "how long" remain open questions for the Federal Funds Rate. We continue to wade in largely uncharted territory and without clarity on what this period of tightening monetary policy will ultimately mean for the economy. Meanwhile, the broad U.S. stock market has nearly halved its year-to-date losses since the end of September and has generated a positive return since the end of June.

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

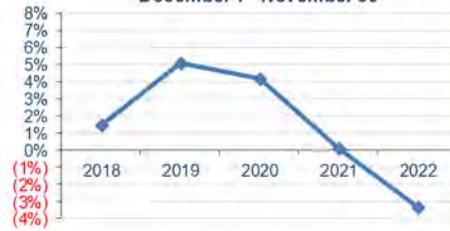
WV Short Term Bond Pool

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

December 1 - November 30	Return	Net Assets At Nov 30 (In Millions)
2022	(3.4%)	\$ 691.0
2021	0.1%	\$ 821.1
2020	4.1%	\$ 817.8
2019	5.1%	\$ 815.6
2018	1.4%	\$ 712.4

WV Short Term Bond Pool Rates of Return

*Past 12 Months
December 1 - November 30*



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

Summary of Value and Earnings *(In Thousands)*

Pool	Net Asset Value	Nov Net Income (Loss)	Fiscal YTD Net Income (Loss)
WV Money Market	\$ 8,868,911	\$ 28,679	\$ 100,162
WV Gov't Money Market	249,493	845	2,801
WV Short Term Bond	690,972	5,313	(1,747)
WV Bank	65	0	9
Loans	22,974	14	279
Reserve	0	0	73
Participant Accounts	42,312	16	41
	<u>\$ 9,874,727</u>	<u>\$ 34,867</u>	<u>\$ 101,618</u>

Percent of Total Net Asset Value

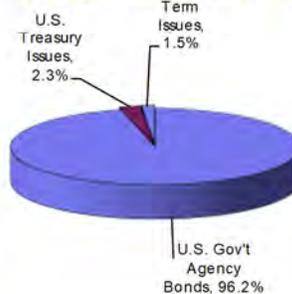


Securities by Type for Operating Pools *(Percentage of Asset Value)*

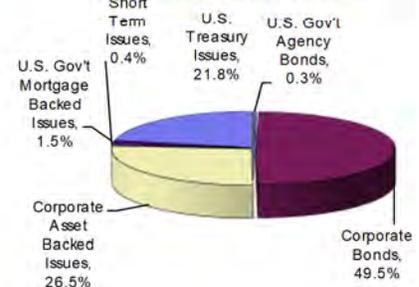
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
NOVEMBER 30, 2022
(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>	<u>Total</u>
Assets							
Investments:							
At amortized cost	\$ 8,877,550	\$ 250,310	\$ -	\$ 65	\$ 22,951	\$ -	\$ 9,150,876
At fair value	-	-	687,500	-	-	42,246	729,746
Other assets	12,210	210	3,523	-	24	67	16,034
Total assets	<u>8,889,760</u>	<u>250,520</u>	<u>691,023</u>	<u>65</u>	<u>22,975</u>	<u>42,313</u>	<u>9,896,656</u>
Liabilities							
Accrued expenses, dividends payable & payables for investments purchased							
	20,849	1,027	51	-	1	1	21,929
Total liabilities	<u>20,849</u>	<u>1,027</u>	<u>51</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>21,929</u>
Net Position							
Held in trust for investment pool participants	8,868,911	249,493	690,972	-	-	-	9,809,376
Held in trust for individual investment account holders	-	-	-	65	22,974	42,312	65,351
Total net position	<u>\$ 8,868,911</u>	<u>\$ 249,493</u>	<u>\$ 690,972</u>	<u>\$ 65</u>	<u>\$ 22,974</u>	<u>\$ 42,312</u>	<u>\$ 9,874,727</u>
Additions							
Investment income:							
Interest and dividends	\$ 16,341	\$ 356	\$ 1,348	\$ -	\$ 14	\$ 16	\$ 18,075
Net (amortization) accretion	12,671	502	(155)	-	-	(1)	13,017
Provision for uncollectible loans	-	-	-	-	-	-	-
Total investment income	<u>29,012</u>	<u>858</u>	<u>1,193</u>	<u>-</u>	<u>14</u>	<u>15</u>	<u>31,092</u>
Investment expenses:							
Investment advisor, custodian bank & administrative fees	333	13	45	-	-	-	391
Total investment expenses	<u>333</u>	<u>13</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>391</u>
Net investment income	28,679	845	1,148	-	14	15	30,701
Net realized gain (loss) from investments	-	-	(1,205)	-	-	-	(1,205)
Net increase (decrease) in fair value of investments	-	-	5,370	-	-	1	5,371
Net increase (decrease) in net position from operations	28,679	845	5,313	-	14	16	34,867
Participant transaction additions:							
Purchase of pool units by participants	1,684,199	21,514	-	-	-	-	1,705,713
Reinvestment of pool distributions	28,679	845	1,102	-	-	-	30,626
Contributions to individual investment accounts	-	-	-	-	9,607	-	9,607
Total participant transaction additions	<u>1,712,878</u>	<u>22,359</u>	<u>1,102</u>	<u>-</u>	<u>9,607</u>	<u>-</u>	<u>1,745,946</u>
Total additions	1,741,557	23,204	6,415	-	9,621	16	1,780,813
Deductions							
Distributions to pool participants:							
Net investment income	28,679	845	1,148	-	-	-	30,672
Net realized gain (loss) from investments	-	-	(1,205)	-	-	-	(1,205)
Total distributions to pool participants	<u>28,679</u>	<u>845</u>	<u>(57)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,467</u>
Participant transaction deductions:							
Redemption of pool units by participants	1,681,770	49,182	737	-	-	-	1,731,689
Withdrawals from individual investment accounts	-	-	-	-	9	-	9
Total participant transaction deductions	<u>1,681,770</u>	<u>49,182</u>	<u>737</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>1,731,698</u>
Total deductions	<u>1,710,449</u>	<u>50,027</u>	<u>680</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>1,761,165</u>
Net increase (decrease) in net position from operations	31,108	(26,823)	5,735	-	9,612	16	19,648
Inter-pool transfers in	-	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-	-
Net inter-pool transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	31,108	(26,823)	5,735	-	9,612	16	19,648
Net position at beginning of period	8,837,803	276,316	685,237	65	13,362	42,296	9,855,079
Net position at end of period	<u>\$ 8,868,911</u>	<u>\$ 249,493</u>	<u>\$ 690,972</u>	<u>\$ 65</u>	<u>\$ 22,974</u>	<u>\$ 42,312</u>	<u>\$ 9,874,727</u>



1♥800♦GAMBLER
The Problem Gambling Help Network of WV

Annual Report

STATE FISCAL YEAR

2022



Executive Summary

The fiscal year 2022 was marked by more people accessing online gambling, especially young people. The Problem Gambling Help Network of West Virginia (PGHNWV) responded by expanding prevention and outreach activities with teenagers and college students. PGHNWV also provided training on recognizing, assessing, and treating increasingly popular gambling types. The 1-800-GAMBLER helpline experienced a 6% increase in intakes. The primary form of problematic gambling cited was limited video lottery terminals in bars and restaurants, as it has been for many years. However, for the first time, internet gambling on casino games (iGaming) was the second most cited form of problematic gambling, followed by sports gambling. Helpline callers are offered immediate crisis counseling and referrals for a free, private consultation with a PGHNWV network clinician. PGHNWV provides additional treatment funds for those who cannot pay for more sessions. This year, PGHNWV expanded telehealth and other telephone and online support services. PGHNWV also offered a weekly in-person support group, an online wellness meeting, and one retreatment weekend™ event.

PGHNWV's relationship with First Choice Services (FCS), the company contracted to operate the program, has provided many growth opportunities. FCS continues to grow and operates 15 helplines and programs, with over 150 staff members and a collective call volume of more than 120,000 calls per year. These programs primarily target West Virginians and offer assistance for mental health counseling, tobacco cessation, substance use disorder treatment, suicidal ideation, crisis counseling, social services, Affordable Care Act health insurance enrollment, employment barriers, and much more. PGHNWV staff members work closely with other FCS staff to provide them with information on how to access help for their callers who are experiencing problem gambling. FCS is additionally contracted to provide helpline services for the Virginia Council on Problem Gambling.

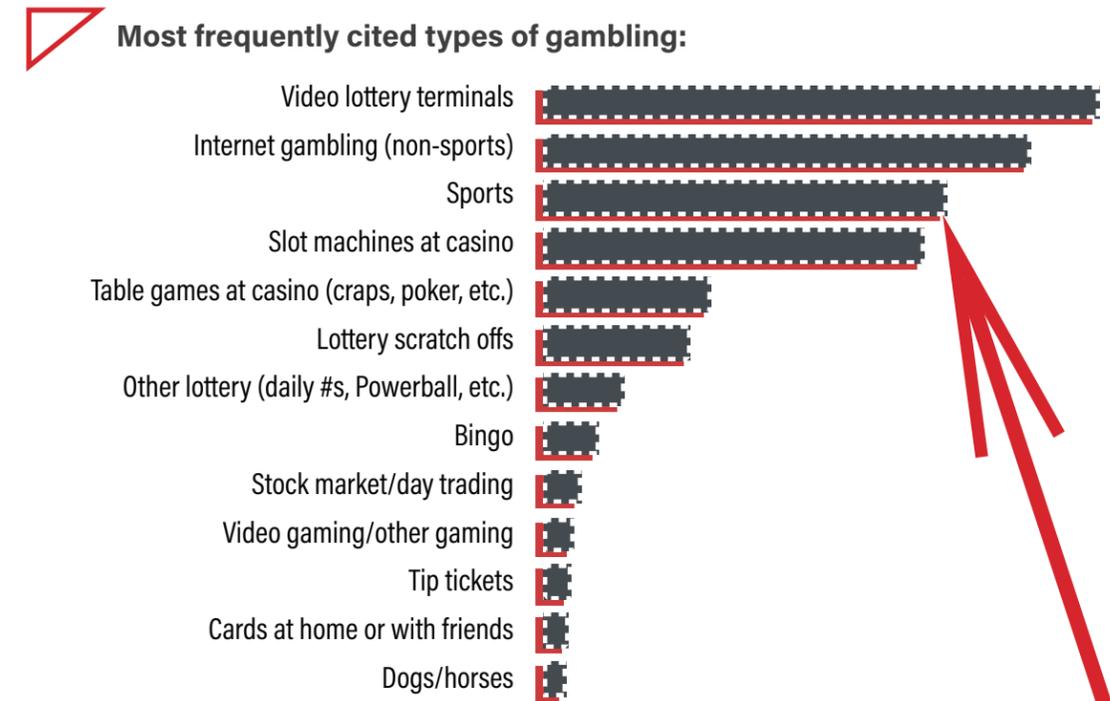
This year, PGHNWV generated 40 earned media stories, presented at 61 conferences and seminars, exhibited information on problem gambling at 87 events, distributed outreach material to 54 sites, awarded 14 new prevention subgrants, and increased the number of helpline coordinators. PGHNWV Program Coordinator Lisa Lewis initiated several partnerships to provide continuing education units on gambling addiction, resulting in 98 hours of professionally accredited training. PGHNWV maintained accreditation for PGHNWV to provide certified training through the International Gambling Counselor Certification Board (IGCCB). PGHNWV is recognized as a leader in the provision of gambling addiction services and has added several valuable national partnerships this year. Program Director Jennifer Davis-Walton chaired the National Council on Problem Gambling (NCPG) Helpline Committee and contributed to several national initiatives. She is also on the National Association of Administrators for Disordered Gambling Services (NAADGS) board. Program Coordinator Maricel Bernardo is active in the Prevention Committee for NCPG.

PGHNWV staff is working closely with NCPG on several initiatives to improve the consistency of services for those seeking help for gambling addiction. The first step in this process is nationalizing the 1-800-GAMBLER helpline, which occurred in June 2021. Another significant step will be the modernization of the helpline, including the ability to receive texts and to collect consistent clinical and demographic data about those seeking help.

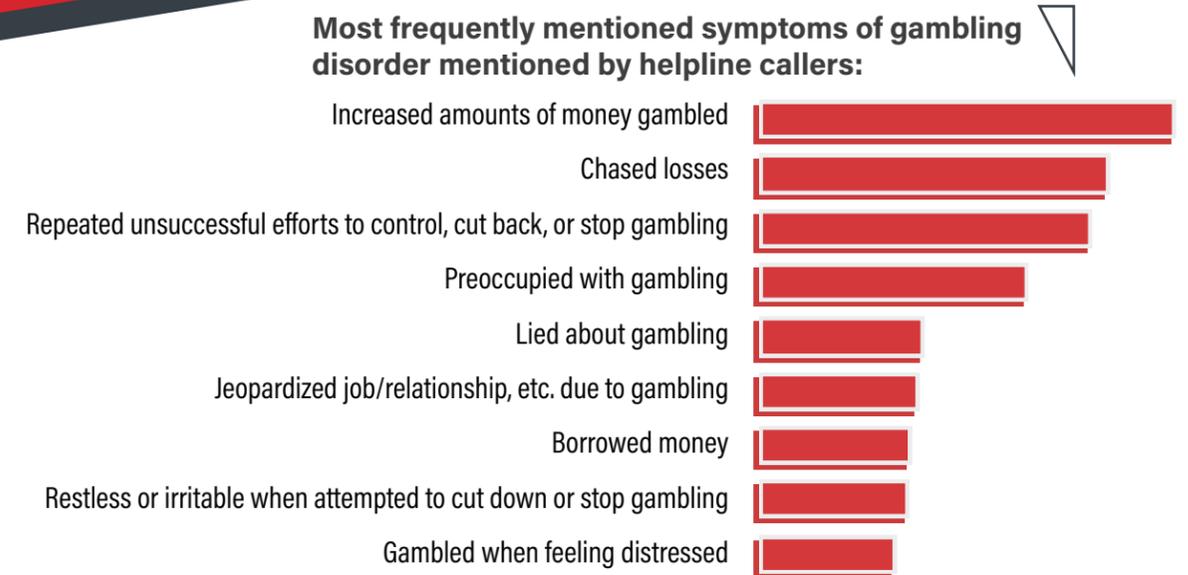


Helpline Data

The 1-800-GAMBLER telephone, text, and chat services are staffed 24/7. This year, 1,759 people contacted the helpline and 691 of those completed an intake. The following is data from callers who provided information during the intake:

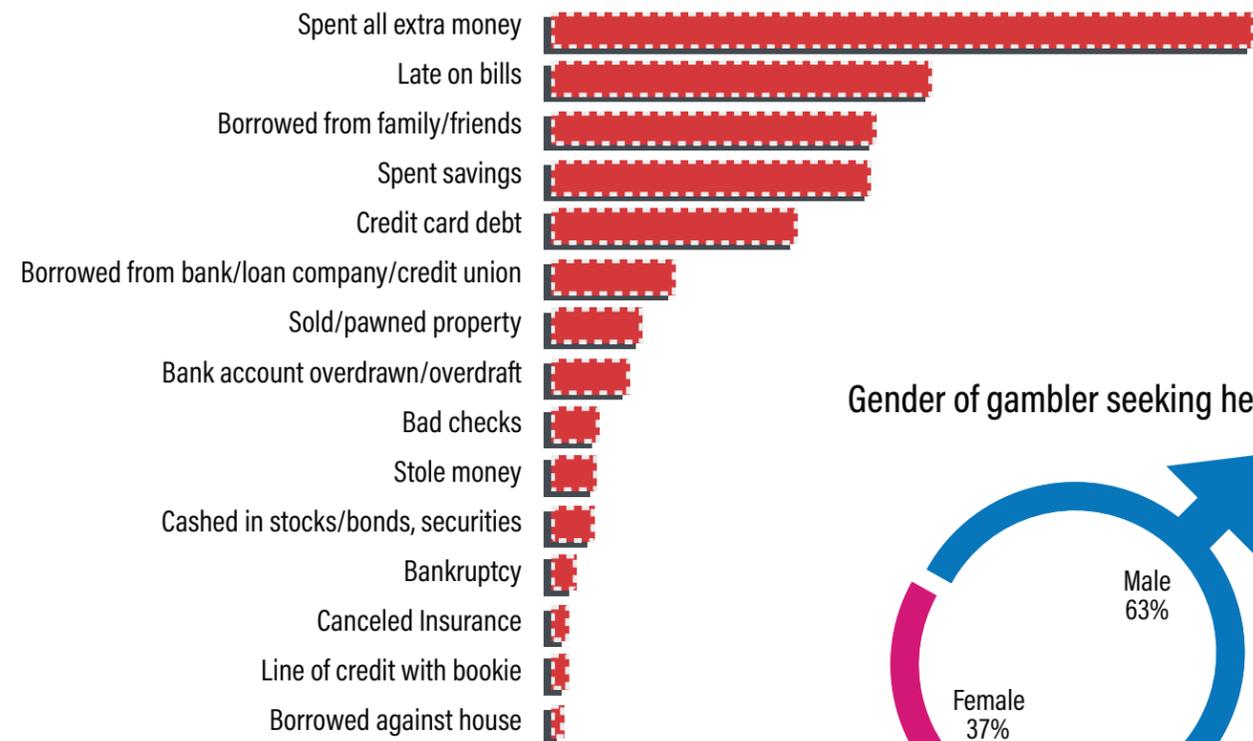


The overwhelming majority of callers who reported **gambling on sports** were doing so **online**

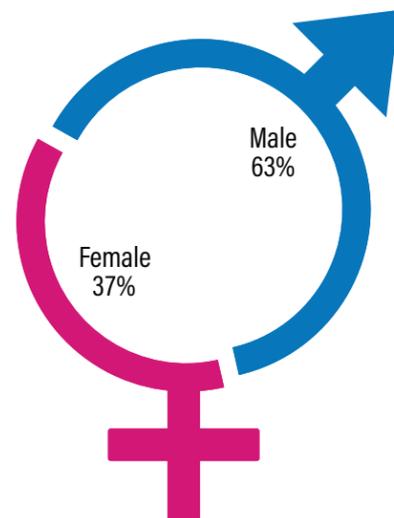


Helpline Data

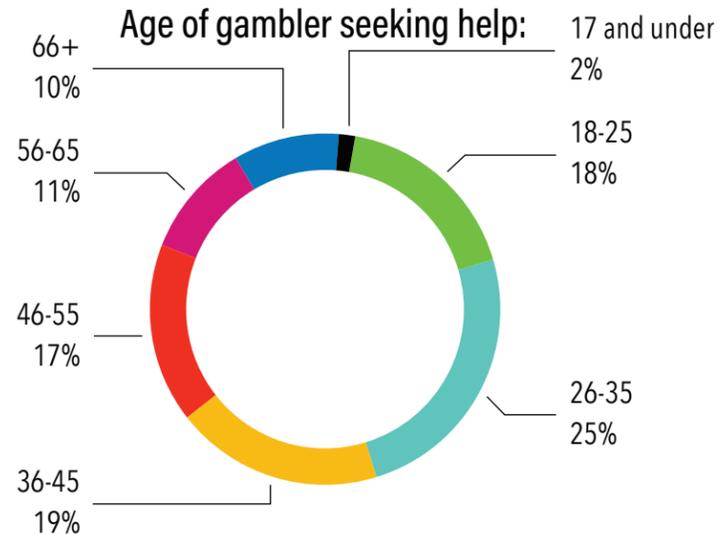
Resources shared with caller:



Gender of gambler seeking help:



Age of gambler seeking help:



Treatment Services

Private Counseling

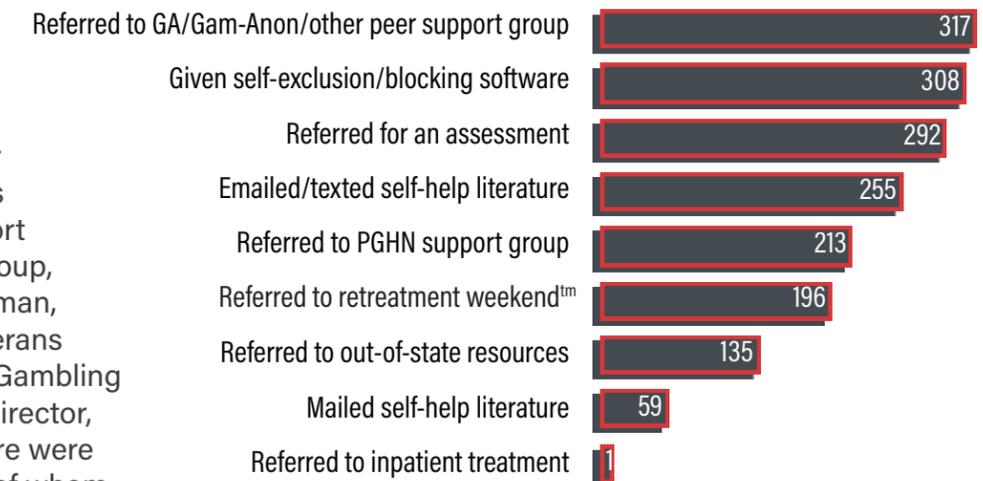
All callers experiencing a gambling problem or who are concerned about the gambling of a loved one are offered a free consultation with a PGHNWV network counselor. This year, 79 people attended an initial consultation. Those unable to pay for additional sessions were offered funds to attend up to 20 therapy sessions. PGHNWV paid for 311 additional sessions of individual therapy.

Support Groups

PGHNWV offers a bi-weekly online wellness call for anyone who wishes to stop gambling or who is in recovery. The wellness call is a combination of a support group and a therapy process group, and is led by Dr. Heather Chapman, the Louis Stokes Cleveland Veterans Administration Medical Center Gambling Addiction Treatment Program Director, along with PGHNWV staff. There were 66 participants this year, many of whom attended each group. This is twice as many participants as last year. Examples of topics addressed include financial recovery, reflections shared in a letter, cross-addiction, relapse, and accountability.

PGHNWV offers a weekly in-person therapy group in Morgantown, West Virginia. Kathy Servian and Vickie Hoffman, PGHNWV network clinicians, lead this free group. There are currently three in-person active Gamblers Anonymous groups in West Virginia. PGHNWV provides each caller information on these meetings, other online and telephone Gamblers Anonymous meetings, and inclusive addiction support groups, such as Celebrate Recovery and Smart Recovery.

Resources shared with caller:



*Many callers received multiple resources

More Resources

Helpline callers are offered many other free resources, including:

- A self-help workbook
- Information on self-exclusion
- Credit counseling and debt relief referrals
- Access to software that blocks gambling sites from computers and mobile devices
- Referrals for psychiatric, counseling, or social services for comorbid conditions

retreatment weekendtm



PGHNWV held a retreatment weekendtm event in Canaan Valley. It featured 26 sessions covering topics such as spirituality, wellness, the importance of exercise, relaxation techniques, and how gambling affects relationships. Individual counseling and support groups were offered to all participants. There were 44 participants, including those experiencing gambling addiction, FCS staff, and clinical staff. The theme was "Planting Seeds in Recovery."



Outcomes

PGHNWV offers follow-up services to all consenting callers. Those who do not attend an appointment, but request emailed or mailed resources, receive a call one week after their initial call. Those who attend an appointment get a reminder call before the appointment and a follow-up after their appointment. All callers can receive follow-up calls at three months, six months, and one year from their initial call.

One Year Recovery Status:

Gambling Behavior:	
Not Gambling	51%
Decreased Gambling	36%
Increased Gambling	4%
Same	9%

Ability to Handle Problems:	
Better	67%
Same	31%
Worse	2%

How Do You Feel About Yourself:	
Better	80%
Same	17%
Worse	3%

Reduced Debt:	
Yes	82%
No	18%

Relationship with Family:	
Better	66%
Same	17%
Worse	17%

Job Performance:	
Better	100%
Same	0%
Worse	0%

Recreational Activity:	
Same	67%
Better	33%
Worse	0%

Six Month Recovery Status:

Gambling Behavior:	
Not Gambling	53%
Decreased Gambling	31%
Increased Gambling	7%
Same	9%

Ability to Handle Problems:	
Better	75%
Same	20%
Worse	5%

How Do You Feel About Yourself:	
Better	79%
Same	17%
Worse	4%

Reduced Debt:	
Yes	78%
No	22%

Relationship with Family:	
Better	83%
Same	17%
Worse	0%

Job Performance:	
Better	88%
Same	12%
Worse	0%

Recreational Activity:	
Better	91%
Same	9%
Worse	0%

Three Month Recovery Status:

Gambling Behavior:	
Not Gambling	53%
Decreased Gambling	37%
Increased Gambling	4%
Same	6%

Ability to Handle Problems:	
Better	75%
Same	19%
Worse	6%

How Do You Feel About Yourself:	
Better	76%
Same	21%
Worse	3%

Reduced Debt:	
Yes	83%
No	17%

Relationship with Family:	
Better	75%
Same	25%
Worse	0%

Job Performance:	
Better	60%
Same	30%
Worse	10%

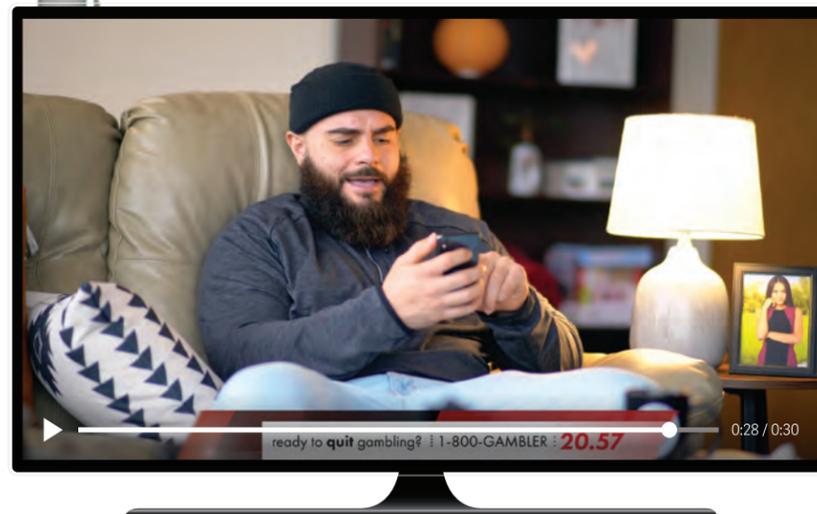
Recreational Activity:	
Better	80%
Same	20%
Worse	0%

Marketing

Billboards are one of the most common ways callers say they learned about the PGHNWV services. This year there were 64 billboards statewide with this message:



PGHNWV aired commercials on network, cable, and streaming television. This year, a basketball-themed ad, "Don't Be Beat By A Game," was produced in-house by PGHNWV.



PGHNWV additionally produced a digital ad campaign that displayed ads to a target audience of people interested in gambling. The target audience included people visiting gambling websites, engaging with gambling content on Facebook, and visiting limited video lottery establishments (according to geolocation data). The ads were shown to over 700,000 people in West Virginia, and nearly 5,000 visited the 1800GAMBLER.net website due to this campaign.



PGHNWV placed posters in 37 restaurants, bars, and video poker locations. These posters were strategically placed at entrances and bathrooms to attract the attention of patrons gambling at these establishments.



Each year, PGHNWV participates, along with the West Virginia Lottery, in the National Council on Problem Gambling's "Gift Responsibly" program, which discourages gambling-themed gifts for children. Flyers were given out to thousands of families at outreach events.

Outreach and Media



Program Coordinator
Maricel Bernardo

Community outreach is a vital part of the program. PGHNWV staff presented information on gambling addiction to 61 groups, including professional conferences, civic clubs, and employee groups. PGHNWV staff distributed information at 87 community events, conferences, health fairs, schools, and medical and social service facilities. Promotional materials were mailed to 54 individuals and organizations.



Network Counselor
Virginia Shelhammer

Work is performed all year to garner local media coverage of problem gambling, highlighting the program as a path to recovery. This year PGHNWV was responsible for generating more than 66 newspaper, radio, or television stories on gambling addiction in West Virginia. Additionally, Program Director Jennifer Davis-Walton was interviewed on HBO's "Real Sports" television program. PGHNWV's successful efforts at generating earned media led to a presentation on how to interact with the media at the July 2022 National Conference on Problem Gambling.



Marketing Director Sheila Moran on WSAZ

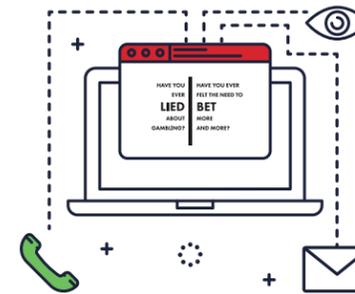


"What happens when somebody calls is one of our trained helpline coordinators picks up, and one of the first things we are going to say is, 'Tell me what's going on!' We want to hear from their perspective what's going on, so we'll ask open-ended questions. Some people are kind of closed and some people tell you pretty much anything and everything. We are as conversational as you and I are today, and we're going to treat the person on the other end of the phone like someone we know. We want to make sure they feel like we're listening or that we know a little bit about what we're talking about and that we care."

Jennifer Davis-Walton, Program Director,
The Problem Gambling Help Network of West Virginia

Website

The PGHNWV website, 1800GAMBLER.net, had 65,000 unique visitors this year. Online presence is optimized, and the program is often at the top of search results for West Virginians seeking help with a gambling problem. Website users can chat online 24/7, search for treatment resources in their area, and view self-help material.



The website highlights an interactive Lie/Bet Questionnaire, a two-question screening tool for Gambling Disorder. Answering "Yes" to either question indicates a possible problem and a need for further assessment. Of the 1,437 people who used the tool, 1,118 said they or their loved one had lied about their gambling, and 1,295 said they or their loved one felt the need to increase their bets. Sixty-six percent (66%) of respondents indicated they were seeking help for themselves, with the remainder indicating they were seeking help for a loved one.

All nine symptoms of Gambling Disorder are listed in a separate interactive quiz. Almost all of the 1,274 people who took this quiz to evaluate their symptoms reported at least one symptom.

Social Media

In addition to the website, PGHNWV also maintains a very active social media presence that helps to educate and promote the services provided. PGHNWV has accounts on Facebook, Twitter, Instagram, and YouTube.



Prevention

According to NCPG, youth are significantly more likely to develop a gambling addiction than adults. Those who start gambling young are more likely to develop gambling problems. Issues contributing to an increase in youth gambling include:

- There has been a convergence of video/mobile gaming and gambling, and both activities are accessible to youth. Gamification, which adds games or game-like elements to encourage participation, is becoming more prominent on gambling platforms. Likewise, mobile and video games often contain gambling themes or actual opportunities to gamble within the game.
- Financial ventures such as cryptocurrency and day trading, which have gambling elements, attract young participants.
- The ubiquity of sports betting ads has created an environment in which youth are constantly exposed to the message that gambling is risk-free.

PGHNWV collaborates with prevention organizations to educate and spread problem gambling awareness. PGHNWV partnered with Southern West Virginia Collegiate Peer Recovery Network to share prevention and treatment information with the campus community. According to NCPG, about 75 percent of college students gamble yearly, and approximately 6 percent have serious gambling problems. PGHNWV also worked to educate younger students about the risks of gaming and gambling addiction. Grants were awarded to the following organizations to assist with youth outreach and prevention work:

- Brooke-Hancock Family Resource Network (FRN)
- Calhoun FRN
- Clay FRN
- Community Connections, Inc.
- Eastern Regional FRN
- Marion County FRN
- Pleasants County Committee on Family Issues/FRN
- Rainelle Medical Center
- Regional FRN
- Taylor County FRN
- Wetzel County Center for Children and Families/FRN
- Williamson Health & Wellness Center
- Clay County Health Department Students Against Destructive Decisions (SADD)
- Mission WV/SADD



This website is youth-oriented and dedicated to providing education about the risks of gambling

Grantees received a full day of training on problem gambling and evidenced-based practices to prevent youth gambling. PGHNWV also provided them with ongoing support throughout the year. The prevention grantees specialize in community prevention, education, and mentorship. The pervasive COVID pandemic continued to present many challenges, but PGHNWV grantees found creative ways to reach out to the youth and communities. Subgrantee organizations worked virtually and in person with youth and educated parents, community members, and other organizations about gaming/gambling addiction and prevention. Most subgrant recipients agreed that before they received the grant and training from 1-800-GAMBLER, they were unaware of the risks of youth problem gambling.



Billboard by Putnam Wellness

PGHNWV prevention activities reached OVER 20,000 students and families through the following activities:

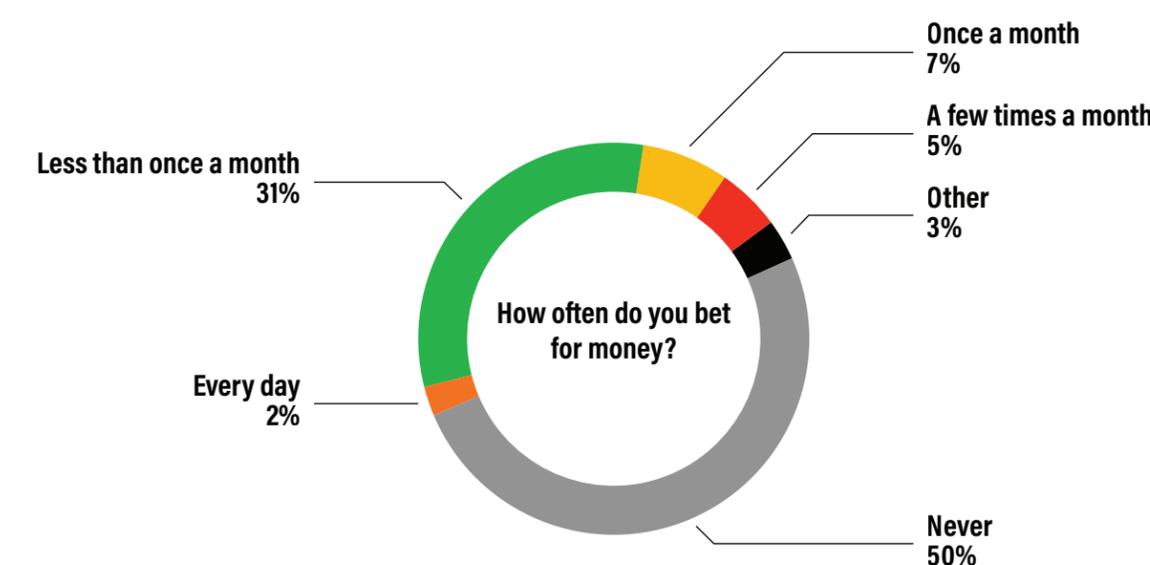
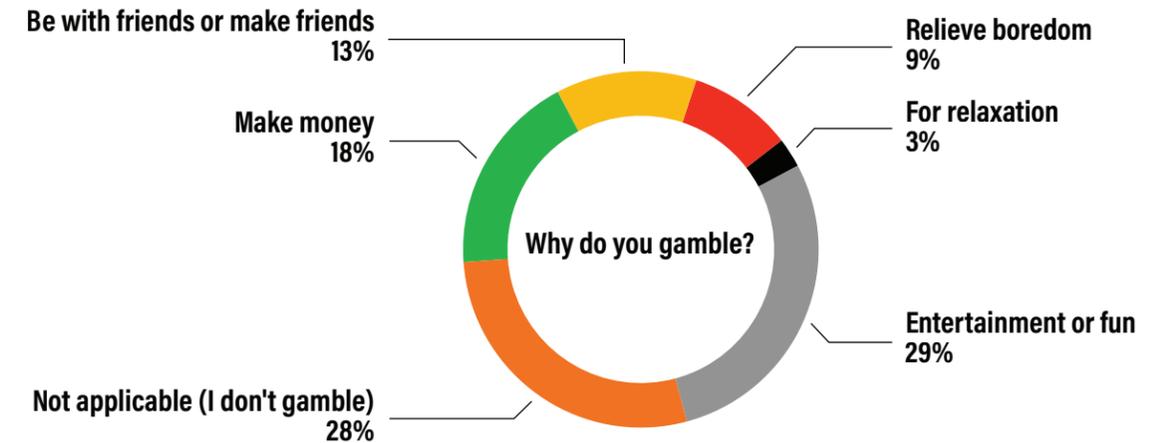
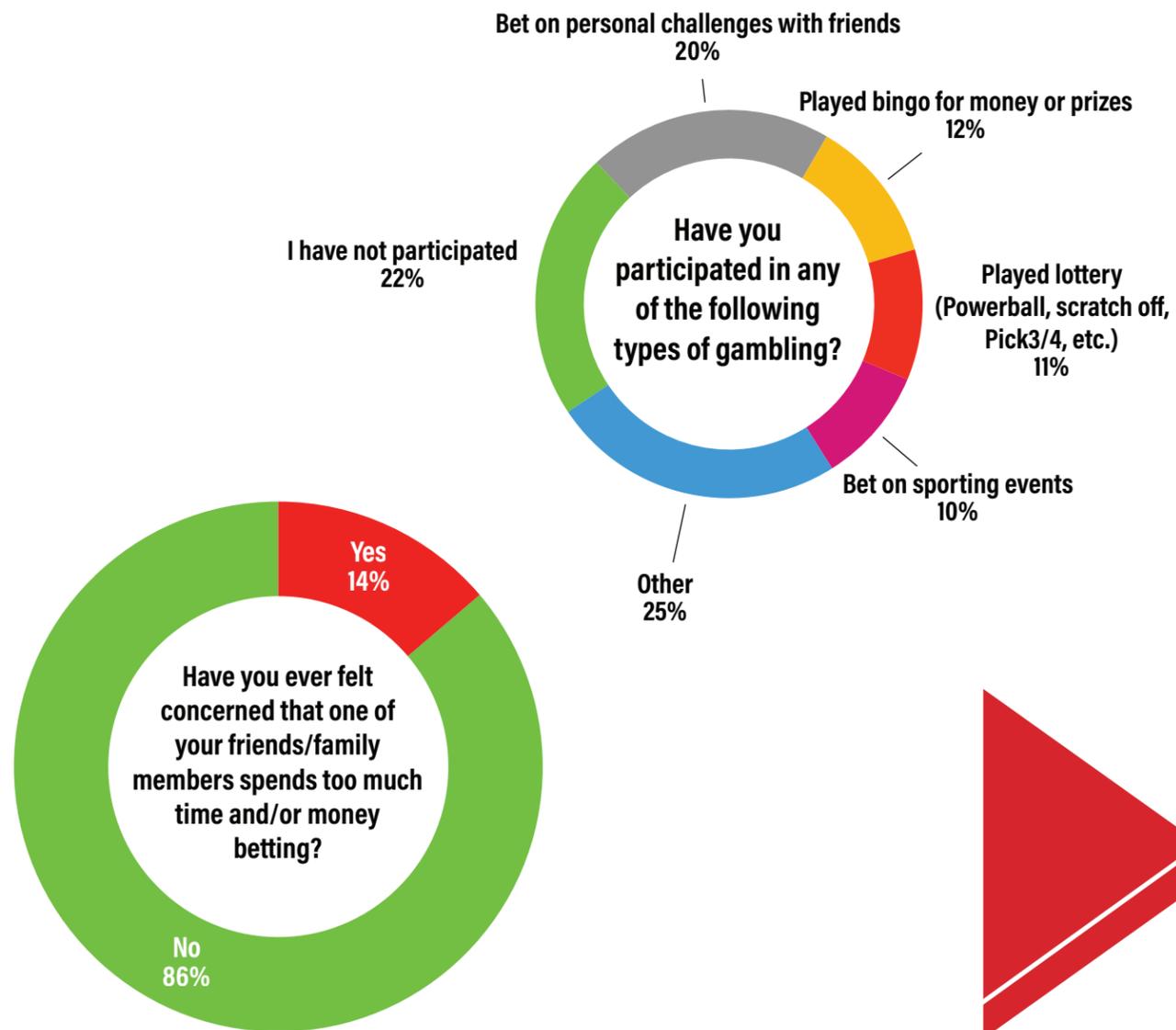
- Distribution of information and giveaways for outreach at sporting/school events, community meetings, local and state fairs, health fairs, malls, open-air markets, and various holiday events
- Distribution of information and giveaways at local food pantries and food drives throughout the year
- Placement of information at libraries, courthouses, health departments, public locations
- Workshops and presentations to high school and college students
- Youth surveys on gambling activities
- Teaching Stacked Deck evidence-based curriculum
- Weekly intercom announcements for one high school
- Poster and door contests
- Active youth participation in creating PSAs
- Messages on social media, radio, newspapers, and neighborhood message boards
- Youth participation in coalition meetings
- Movie night and escape room activities as alternative interests to gaming
- Window displays at FRNs
- Community discussion of problem gambling throughout the year, and especially during Red Ribbon Week, National Prevention Week, Problem Gambling Awareness Month, Mental Health Awareness Month and Prom Promise



Exhibit at Marshall University

Results from youth surveys conducted by prevention grantees

Over 700 youth were asked to rank the following statements:



Of the youth surveyed:

- 128 did not think gambling could become an addiction
- 41 said they gambled "often"
- 21 admitted they hid their gambling from others
- 67 said they would like to stop gambling, but did not know how

National Problem Gambling Awareness Month



Each year, PGHNWV participates in National Problem Gambling Awareness Month in March. This month is an opportunity to bring attention to an often under-recognized and stigmatized disorder that affects millions of Americans.

This year, PGHNWV:

- Presented seminars on gambling disorders
- Mailed promotional materials to schools, colleges, mental health, and social service agencies
- Issued press releases and participated in media interviews
- Exhibited information at the state basketball tournament
- Spoke to high school classes and offered screenings

Program Coordinator Maricel Bernardo and First Choice Services Outreach Coordinator Anita King share a space providing outreach at Concord University



Promotional treats given out to network providers and community partners



Program Coordinator Maricel Bernardo and Helpline Coordinator Errin Bays with Charleston Mayor Amy Goodwin (center) after receiving a proclamation from the city recognizing Problem Gambling Awareness Month



PGHNWV staff with the proclamation from Governor Jim Justice recognizing Problem Gambling Awareness Month

Responsible Gaming Education Week

Each year, Responsible Gaming Education Week (RGEW) is an opportunity for the gambling industry to highlight its efforts to promote responsible gambling. Though PGHNWV works with the gambling facilities throughout the year, providing stickers and posters, extra effort is given this week to supply educational and promotional material. This year, PGHNWV provided staff at Hollywood Casino in Charles Town with literature and buttons for RGEW.



Clinical Training

Despite the ongoing inconveniences of the COVID-19 pandemic, PGHNWV increased the training sessions offered to network clinicians and other professionals. PGHNWV staff presented information in person or through virtual webinars to 69 groups. Presentations and training were offered to treatment centers, recovery houses, medical centers, mental health centers, child care groups, Rotary Clubs, Girl Scout troops, schools, student groups, colleges, family resource centers, community collaboratives, and county offices of the West Virginia Department of Health and Human Resources. In addition, PGHNWV was honored to have been invited to present at several professional conferences throughout the year. PGHNWV offered a special training session to over 300 mental health and social service professionals on how to help Veterans with a gambling disorder.

PGHNWV offered exclusive training to the 50+ network clinicians who treat 1-800-GAMBLER callers. This included a 35-hour training to welcome twelve new counselors to the network. Current clinicians also received clinical consultation training and advanced training specific to trending types of gambling, such as mobile day trading, cryptocurrency, and meme stocks.

PGHNWV provided eight clinicians with the additional, necessary training to obtain their International Gaming Disorder Treatment certificates. As the lines between gaming and gambling have blurred and the comorbidity between these disorders has increased, clinicians must have current treatment knowledge and employ best practice techniques most closely suited to their clients' experience.

Many PGHNWV network clinicians and staff are certified or studying to become certified as Internationally Certified Gambling Counselors (ICGC). Dr. Heather Chapman, Director of the Louis Stokes Cleveland Veterans Administration Medical Center Gambling Addiction Treatment program, continues to act as PGHNWV clinical consultant. This year, Dr. Chapman received the Robert L. Custer Lifetime Award for Direct Service in gambling addiction treatment. She provided ongoing consultation for all network clinicians and provided the additional training necessary for nine network clinicians to obtain their ICGC certifications this year.

In the course of providing training, PGHNWV offered Continuing Education Units (CEUs) to psychologists, social workers, counselors, nurses, and addiction professionals. This year PGHNWV offered a total of 85 CEU hours to more than 1,000 clinicians. Additionally, PGHNWV took steps to become a preferred provider for the International Gambling Counselor Certification Board (ICCCB).



This flyer is from a training session offered by PGHNWV. There were 160 participants, and many agreed to display promotional material to assist in statewide prevention efforts.

Comments from PGHNWV helpline caller satisfaction surveys



“I was very comfortable about a very serious, personal and embarrassing situation. I appreciate having this channel of help. Thank you.”

“Maricel was absolutely fantastic.”

“Heather was very understanding. She made me comfortable and less ashamed. I’m so thankful someone like her was there to answer my call.”

“Heather was a pleasure to talk with. I was really upset the day I called. After talking to her I feel so much better and at peace with myself. She let me know that I wasn’t by myself. Thank you Heather for the support you gave me that day I called.”

Comments from retreatment weekend™ evaluations

“It’s like a booster shot to keep me well.”

“The fellowship and seeing people I haven’t seen in quite awhile. It is like a rejuvenation for my recovery.”

“Thank you! Thank you! Thank you! It was a great experience and I look forward to coming back in the future.”



Financial Report

SFY 2022

<i>INCOME:</i>	
PGHNWV Contract	1,359,223.00
Other Income	45,430.00
Total Income	1,404,653.00
<i>EXPENSE:</i>	
Payroll	465,166.03
Marketing/Media/Outreach	175,480.53
Direct Program Expense	75,771.30
Treatment Services - Direct	91,633.28
Treatment Services - Admin	573.04
Insurance Expense	768.36
Communication	14,486.48
Equipment	5,601.65
Contracting Expense	14,130.30
Supplies	4,975.15
Travel	4,130.07
Rent	9,723.18
Training	44,760.83
Administrative Costs	193,450.50
Total Expense	1,100,650.70
Net Income	304,002.30

Staff

Lata Menon, MSW, LGSW, CEO

David Sheppard, CPA, CFO

Jennifer Davis-Walton, MA, ICGC-II, Program Director

Lisa Lewis, MSW, LGSW, Program Coordinator

Maricel Bernardo, MSM-HCA, Program Coordinator

Sheila Moran, MSW, LSW, ICGC, Director of Marketing

Adam Sypolt, Media Coordinator

Kay Goff, Office Manager

Tammy Samms, Accounting Assistant

Heather Downey-Payne, Helpline Coordinator

Kriston Vanhorn, Helpline Coordinator

Gina Lancianese, Helpline Coordinator

Samantha Perry, Helpline Coordinator

Tara Woods, Helpline Coordinator

Errin Bays, Helpline Coordinator

Doug Squire, Helpline Coordinator



1♥800♦GAMBLER

The Problem Gambling Help Network of WV

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2022

WEST VIRGINIA OFFICE OF BROADBAND
West Virginia Broadband Enhancement Council
Annual Report



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1. Executive Summary

The West Virginia Department of Economic Development, Office of Broadband, and the West Virginia Broadband Enhancement Council jointly submit this 2022 Annual Report to the West Virginia Legislature, in compliance with W. Va. Code §31-G-1A-2(8). The agencies work collaboratively with a shared mission: to expand and improve broadband connectivity in West Virginia.

2021, Governor Justice launched West Virginia's Billion Dollar Broadband Strategy. The Governor announced the State's bold broadband initiative on Friday, October 15, 2021. Learn more about the Governor's announcement here: [Gov.-Justice-announces-Billion-Dollar-Broadband-Strategy](#).

Following the Governor's announcement, the West Virginia Legislature passed House Bill 339 on October 20, 2021. Through this legislation, the Legislature created the West Virginia Broadband Development Fund and allocated \$90 million of State and Local Fiscal Recovery Funds (SLFRF) funds, under the American Rescue Plan Act (ARPA), and \$10 million in General Revenue funds to broadband development.

To carry out the Governor's Billion Dollar Broadband Strategy, the West Virginia Department of Economic Development (WVDED), Office of Broadband, in coordination with the West Virginia Broadband Enhancement Council, developed and launched the West Virginia Broadband Investment Plan (WVBIP). The WVBIP is designed to:

- Leverage Private Investment
- Involve Local Governments
- Encourage Public-Private Partnerships
- Connect the Unconnected

The WVBIP includes four separate programs, each designed to meet West Virginia's broadband development needs through efficient utilization of state and federal funding streams. Briefly, the WVBIP programs include:

- a. Line Extension, Advancement and Development (LEAD): Expansions of existing fiber and cable networks,
- b. GigReady: A state incentive for local governments and organizations to pool local ARPA allocations or other local funding,
- c. Major Broadband Project Strategies (MPBS): Significant new networks or major expansions of existing networks, and
- d. Wireless Internet Networks (WIN): Expansions or upgrades of existing fixed wireless networks.

Project announcements began in 2022, and by the close of 2022, the first West Virginians are being connected to new broadband infrastructure. Additional connections will continue throughout 2022 as this comprehensive strategy is implemented.

1.1 West Virginia’s Billion-Dollar Broadband Strategy: In the News

CHARLESTON, WV – On October 15, 2021, Gov. Jim Justice unveiled a billion-dollar strategy to bring broadband availability to 200,000 more West Virginia homes and businesses. The plan will combine funding from federal, state, and local governments, along with matching investments from private-sector partners, to accelerate the expansion of high-speed internet to underserved areas of the state. The plan represents by far the largest investment in broadband in the state’s history.

The Governor’s strategy will add a \$236 million state broadband program to \$362 million in Federal Communications Commission funding and \$120 million from other state and federal sources, for a total of \$718 million in government funding expected to be allocated by fall 2022. The funds will be allocated through competitive programs that draw matching funds from private-sector and local government partners, generating more than \$1 billion in total broadband investment.

“This is surely a landmark day for West Virginia,” Gov. Justice said. “We’ve been talking for years about how to fix the rural broadband problem. Now we’re finally going to do it.

“West Virginia students deserve to be able to do their homework,” Gov. Justice continued. “Our seniors deserve access to telehealth. Our businesses deserve to be able to reach their customers and suppliers. And all our residents deserve to be able to interact with their government, stay informed as citizens, and do all the hundreds of things that take high-speed internet. Starting today, we’re going to make that possible.

“This couldn’t have been done without the hard work and commitment of our Legislature,” Gov. Justice added. “The state’s legislative leaders, including President Blair and Speaker Hanshaw, along with all their members, deserve tremendous credit for their dedication to extending broadband to all West Virginians. It’s an honor to work with them on this issue.”

Governor Justice’s broadband strategy focuses on coordinating a diverse set of federal, state, local, and private funding sources to maximize broadband expansion. The state has spent more than two years comprehensively mapping broadband access around the state, resulting in a detailed inventory of underserved locations that will allow pinpoint funding allocation.

The primary programs involved in the billion-dollar initiative are as follows:

(1) Rural Digital Opportunity Fund: The Federal Communications Commission’s (FCC) Rural Digital Opportunity Fund (RDOF) offers internet service providers (ISPs) funding to extend service to underserved areas. The program centers on a reverse auction in which ISPs compete for grants to connect underserved census tracts, with each tract awarded to the ISP that can connect it with the least amount of federal subsidization.

Each participating ISP must provide the FCC a letter of credit for a portion of its grant award to ensure that its work is completed. This financial requirement creates a major hurdle for smaller ISPs. In September 2020, however, Gov. Justice issued an executive order, EO 66-20, under which the state provides a financial backstop for ISPs that win RDOF awards, opening the door to vastly expanded RDOF participation in West Virginia.

Thanks to Gov. Justice's financial commitment, West Virginia now has the highest per-capita rate of RDOF funding in the country at \$202 per person, for a total of \$362 million. This RDOF funding will be complemented by private investment from participating ISPs to create a minimum expected RDOF impact of \$500 million. The program is expected to provide broadband availability to approximately 119,000 homes and businesses over five years.

(2) West Virginia State Broadband Initiative: The strategy's second major component will be operated by the state Office of Broadband and Broadband Council, using American Rescue Plan Act (ARPA) and state-budget funding. ARPA's Capital Projects Fund includes \$136 million for broadband in West Virginia. And – earlier today – Governor Justice placed on the Legislature's special session call an additional \$90 million appropriation of ARPA State Fiscal Recovery funds for broadband projects, along with a \$10 million appropriation of state general revenue funds for wireless broadband projects. These sources will provide \$236 million in combined funding for the state's own competitive broadband projects initiative.

Developed by the state Office of Broadband and Broadband Council in concert with leading national broadband experts, the state initiative comprises four award programs, each of which will allocate funds through a competitive application process:

Line Extension Advancement and Development (LEAD): The LEAD program will award competitive grants to ISPs to expand existing fiber and cable networks.

GigReady: Local governments in West Virginia have been allocated more than \$500 million from the ARPA Local Fiscal Recovery Fund, and many of them intend to invest that money in local broadband expansion. The GigReady Initiative will provide matching state funds for local governments that develop projects to pool their broadband investments.

Major Broadband Project Strategies (MBPS): The MBPS program will focus on large-scale multicounty projects that require additional resources to achieve rapid implementation.

Wireless Internet Networks (WIN): The WIN program will use \$10 million in state general revenue funds to expand and improve existing wireless internet networks. Wireless networks are a specialized solution useful in remote or sparsely populated areas that are difficult to reach with fiber optic cable.

All four components of the state-based program will competitively score applications from prospective funding recipients and will award funds based on evaluations by independent national broadband experts. Evaluation criteria include matching-fund contributions, speed to market, technical feasibility, and digital equality (providing service to underserved areas and populations).

Participating ISPs will be required to include a low-price service tier that is affordable for lower-income West Virginians.

The program's matching-funds requirement is expected to generate at least \$150 million in investment beyond the \$236 million state contribution, for a total state-based program impact of at least \$386 million.

(3) Other federal and state funding sources: Other existing funding sources, primarily federal, are expected to contribute at least \$120 million to broadband development in West Virginia over the next five years.

These include the Federal Communications Commission, the United States Department of Agriculture, the Appalachian Regional Commission, and the National Telecommunications and Information Administration. The state Office of Broadband and Broadband Council will coordinate with those programs to ensure that state funds are allocated efficiently, and maximum broadband coverage is obtained.

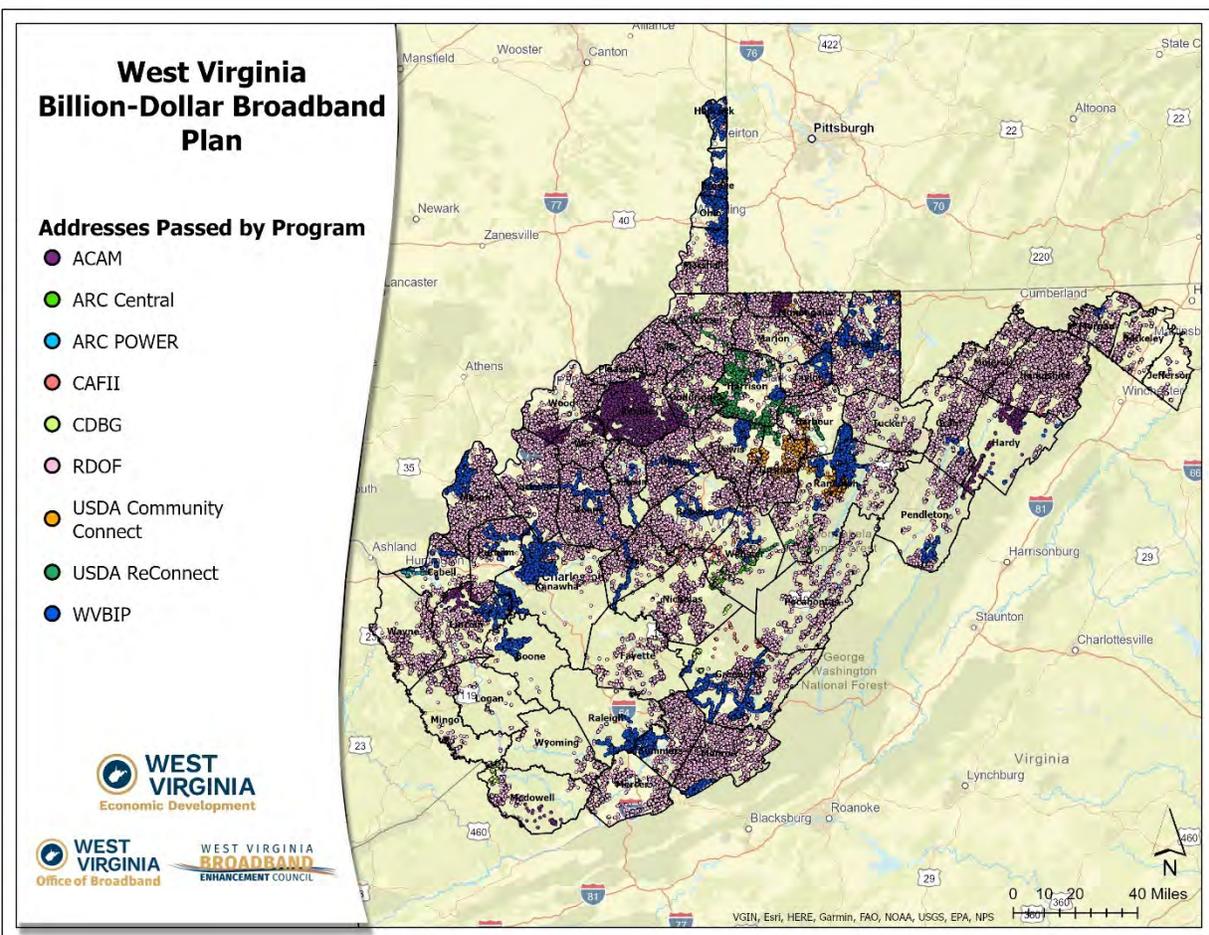


Figure 1.1. Addresses passed by program

1.2 West Virginia Broadband Enhancement Council

The West Virginia Broadband Enhancement Council was created in 2017 under the West Virginia Department of Commerce. In 2020, the Council was transferred to the West Virginia Department of Economic Development for administrative, personnel and technical support services to improve coordination with the West Virginia Office of Broadband.

The Council has 13 voting members; as well as two Senate Appointees and two House of Delegates Appointees, one from each party, to serve as ex officio, nonvoting advisory members. The Council conducts a regular meeting on the second Thursday of each month, at 10:00 a.m., in the West Virginia Department of Commerce offices in Building 3 at the State Capitol Complex or virtually.

The Council builds upon input from numerous state agencies and recognizes the value of representation from urban and rural communities throughout West Virginia. The Council's composition, which includes a cross-section of state agency directors, legislative advisory members, business community leaders and both urban and residential users, ensures that multiple voices are heard, that West Virginia's needs are represented, and that viable solutions are thoughtfully pursued.

The Council is committed to the development of policies, plans, and procedures to expand and enhance broadband access throughout West Virginia. The Council places a primary emphasis on the development of broadband infrastructure in unserved and underserved areas of the State as outlined in West Virginia Code § 31G-1-1, et seq: <http://www.wvlegislature.gov/WVCODE/31G>.

In July 2016, \$1,475,641, was transferred to the newly formed West Virginia Broadband Enhancement Council from the previous Broadband Deployment Fund to the Broadband Enhancement Fund in the West Virginia Department of Commerce. The Fund's beginning balance on July 1, 2021, was \$1,255,086. Fiscal Year 2022 expenses from July 1, 2021 through June, 30 2022 totaled \$839,971. With the addition of a Fiscal Year 2023 appropriation of \$500,000, the Broadband Enhancement Fund balance as of June 30, 2022, was \$915,114.

The Council's annual budget includes the purchase of the licensing necessary to continue speed testing and mapping projects, associated data subscriptions, software, marketing and communications, and other limited expenses to support broadband expansion. Additionally, the Council has approved the expenditure of funding for specific legal services and technical consulting services.

In 2021, House Bill 2002 amended West Virginia Code §31G to outline specific duties and authorities to be shared among West Virginia Broadband Enhancement Council the Office of Broadband.

For more information, visit the Council website at: broadband.wv.gov.

West Virginia Broadband Enhancement Council c/o West Virginia Department of Commerce
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Charleston, West Virginia 25305
304-558-2234 | WVBroadbandCouncil@wv.gov



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** Agency Representative*

1.3 West Virginia Office Of Broadband

The West Virginia Office of Broadband was created within the West Virginia Department of Economic Development upon passage of House Bill 2002 by the West Virginia Legislature in 2021. This legislation amended West Virginia Code §31G to outline specific duties and authorities to the Office of Broadband and the West Virginia Broadband Enhancement Council. This legislation transferred some duties and authority from the Council to the Office, assigned some distinct responsibilities to the Office, and identifies some areas in which the Council and the Office share responsibilities.

Distinct duties of the Office include:

- a. Gathering and report data regarding adoption rates of broadband by speed and community, residential and non-residential
- b. Gathering data regarding prices and fees charged for broadband, residential and non-residential
- c. Public awareness of issues concerning broadband service
- d. Reporting to the Joint Committee on Government and Finance annually
- e. Mapping, including annual publication of a statewide assessment, with the broadband availability map to be available online for public access, and centralized AREA mapping in GIS form for use by the private sector
- f. Creating guidelines and recommendations regarding voluntary donation program for easements for broadband service
- g. Making recommendations to the Legislature

Distinct authority of the Office includes:

- a. Soliciting, receiving, and dispensing funds from funding sources other than the Legislature
- b. Retaining outside expert consultants to assist with mapping
- c. Overseeing the use of conduit
- d. Making recommendations to the Legislature to expand broadband
- e. Making recommendations to the Legislature regarding an easement program
- f. Accepting voluntary donations of easements
- g. Establishing a voluntary data collection program
- h. Coordinating with Consumer Protection Division of the Attorney General's office regarding consumer protections

For more information, visit: broadband.wv.gov.

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2. Introduction

2.1 Key Priorities

West Virginia's leaders understand that broadband has moved beyond optional to essential. Four key priority areas were identified through the development of West Virginia's 2020-2025 Broadband Plan. These priority areas represent the important and essential services and functions related to:

- ❖ Economic Development
- ❖ Education
- ❖ Healthcare
- ❖ Public Safety

With these primary areas in mind, recent policy initiatives indicate that improving broadband and bridging the digital divide is one of the State's highest priorities. Broadband is the essential economic infrastructure that West Virginia needs to compete regionally, nationally and globally.

The West Virginia Broadband Enhancement Council and the West Virginia Office of Broadband continue to advocate for greater connectivity. This mission is strongly supported by the Governor Justice, the West Virginia Legislature, West Virginia Department of Economic Development, West Virginia Department of Commerce, and numerous partners.

Nationally, West Virginia's Congressional representatives continue to support and enhance Federal programs for broadband development. With this shared vision firmly in place, State policy is implemented to address barriers as they are identified.



3. 2022 Highlights

The State of West Virginia has made great strides to advance broadband development in unserved areas, reflecting the State's ongoing commitment to improving broadband services for its citizens. Under the leadership and vision of Governor Jim Justice and the West Virginia Legislature, the State is creating and implementing innovative policies, procedures, and processes for facilitating broadband deployment. While the State faces significant challenges, including mountainous topography and areas of low population density, these challenges are being met with the innovation, vision, and collaboration necessary to create progress.

3.1 Key Partnerships

Communication with and cooperation among West Virginia's Internet Service Provider (ISP) community is essential to the expansion of broadband in West Virginia. Joint ventures and innovative partnerships between public agencies, private companies and investor-owned utilities demonstrate the collaboration needed to improve connectivity. Notably, Internet Service Providers in West Virginia have dedicated matching funds in the amount of \$44 million for a total investment of more than \$147 million in 24 broadband infrastructure projects throughout West Virginia across all projects announced to date.

The West Virginia Broadband Enhancement Council and the West Virginia Office of Broadband strongly support these efforts and will continue working to develop a more connected West Virginia. Working collaboratively, West Virginia is pursuing primary goals to:

- ❖ Encourage the development of broadband infrastructure in the State
- ❖ Evaluate and map the broadband infrastructure and service systems through an Interactive Mapping Program and other data collection methods
- ❖ Eliminate barriers to broadband infrastructure development within the State
- ❖ Engage and mobilize the expertise, funding, and partners to facilitate the creation of reliable and affordable broadband service, and
- ❖ Expand economic development and represent the State in matters related to broadband infrastructure development.

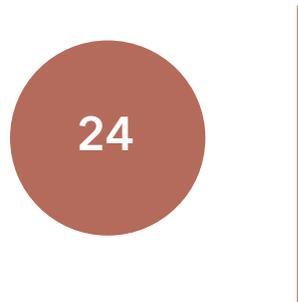
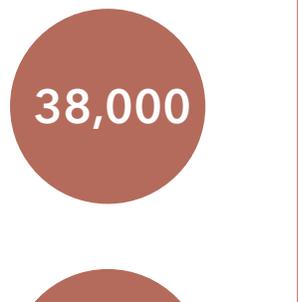
The West Virginia Office of Broadband and West Virginia Broadband Enhancement Council extend appreciation to Tilson Technology Management, Inc., for significant contributions and commitment to broadband development in the State of West Virginia as the State's lead broadband consultant.

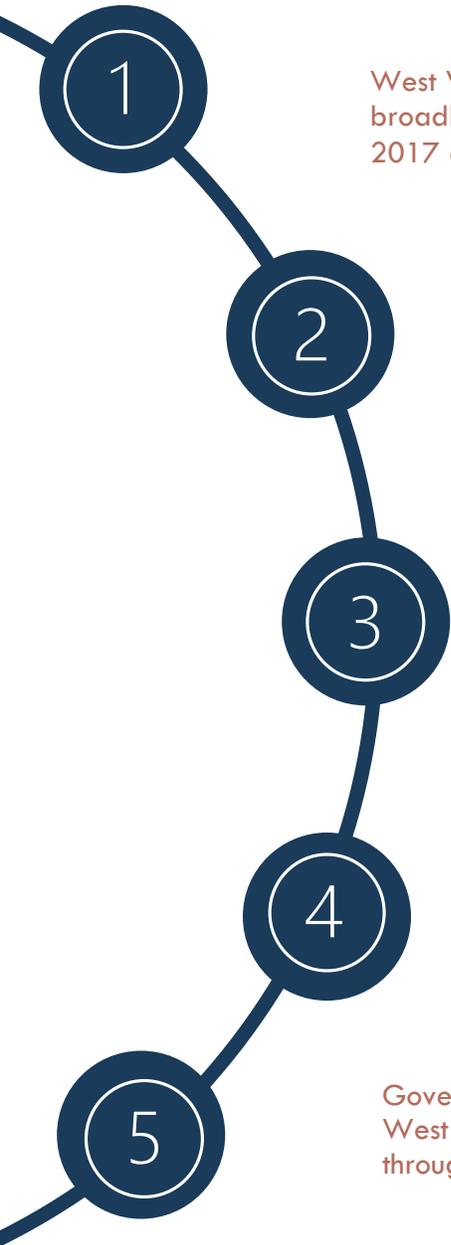
West Virginia's long-standing partnership with Ookla continues to strengthen the State's growing ability to collect, analyze and visualize important broadband consumer speed test data.

2022 Highlights

West Virginia took major steps forward in 2022. West Virginia leaders recognize that broadband connectivity must be part of the State’s overall economic development strategy. Broadband investment in West Virginia has reached historic levels with significant action underway to expand broadband connectivity throughout the State.

The West Virginia Broadband Investment Plan places the highest priority on directing broadband development resources to areas with the greatest need.

	<h3>Announced 24 Broadband Expansion Projects</h3> <p>The West Virginia Office of Broadband launched the West Virginia Broadband Investment Plan (WVBIP). The WVBIP consists of four distinct grant programs designed to meet West Virginia’s broadband development needs. Projects funds have been awarded to 12 companies for projects in 38 West Virginia counties.</p>
	<h3>Invested in 3,000 Miles of Fiber Infrastructure</h3> <p>Projects announced in 2022 will result in the construction of 3,000 miles of high-speed broadband infrastructure in West Virginia, expanding connectivity to unserved locations of the State.</p>
	<h3>Expanding Connectivity to 38,000 Locations</h3> <p>Projects announced in 2022 will provide high-speed broadband access to more than 38,000 targeted homes and business locations in West Virginia.</p>
	<h3>Identifying 237,632 Unserved Locations</h3> <p>The West Virginia Office of Broadband has analyzed more than one million distinct address locations and has identified approximately 237,632 locations in West Virginia that lack broadband internet service.</p>



1

West Virginia project teams compete and win, securing more than \$126 million in broadband infrastructure grant funding through various federal programs between 2017 and 2022, excluding FCC RDOF.

2

West Virginia ranked 16th in the nation for the amount of funding requested by states in the U.S. Department of Commerce, National Telecommunications and Information Administration's (NTIA's) Broadband Infrastructure Program. In 2022, NTIA awarded \$19.6 million to the Logan County Economic Development Authority for broadband expansion to more than 12,000 unserved locations in Logan and Mingo counties.

3

West Virginia was among the first four states in the nation to receive approval by the U.S. Treasury for Capital Projects Funds on June 7, 2022. Treasury approved an allocation of \$136 million for broadband development in West Virginia.

4

West Virginia residents value connectivity and have completed more than 10,000 speed tests and broadband surveys at broadband.wv.gov/speedtest, and 1,152,169 total Ookla speed tests in West Virginia in 2022.

5

Governor Justice announced \$103 million for 24 broadband projects throughout West Virginia in 2022, marking a historic commitment to broadband development throughout the State.

4. West Virginia Broadband Mapping

Accurate data is the cornerstone of solid infrastructure planning and development. Throughout 2022, the West Virginia Office of Broadband refined its address level broadband maps. The focus on broadband availability at the address level and service area levels represents a critical transition from relying on the generalized census block mapping system of the Federal Communications Commission (FCC). West Virginia's mapping initiative is continuously evolving and improving to identify served and unserved areas more precisely in West Virginia.

4.1 West Virginia Broadband Map

The Office of Broadband utilized West Virginia's Statewide Addressing and Mapping System (SAMS)¹ to develop the State's broadband mapping system. While the map represents significant advancement, it is not perfect. This mapping system may not include all address locations. Constituents may report any discrepancy to the Office of Broadband.

For addresses not shown in the maps, or for addresses classified as "Other" that lack access to broadband services (speeds of at least 25/3 Mbps), West Virginia residents may call (304) 352-4163 to provide the following information to the Office of Broadband:

- Full Name
- Full Address
- Address type (residential, commercial, etc.)
- Current Service Provider (if applicable)

Interactive broadband maps can be viewed at broadband.wv.gov.

Target Area Map: The West Virginia Target Area Map, identifies broadband availability at the address level.

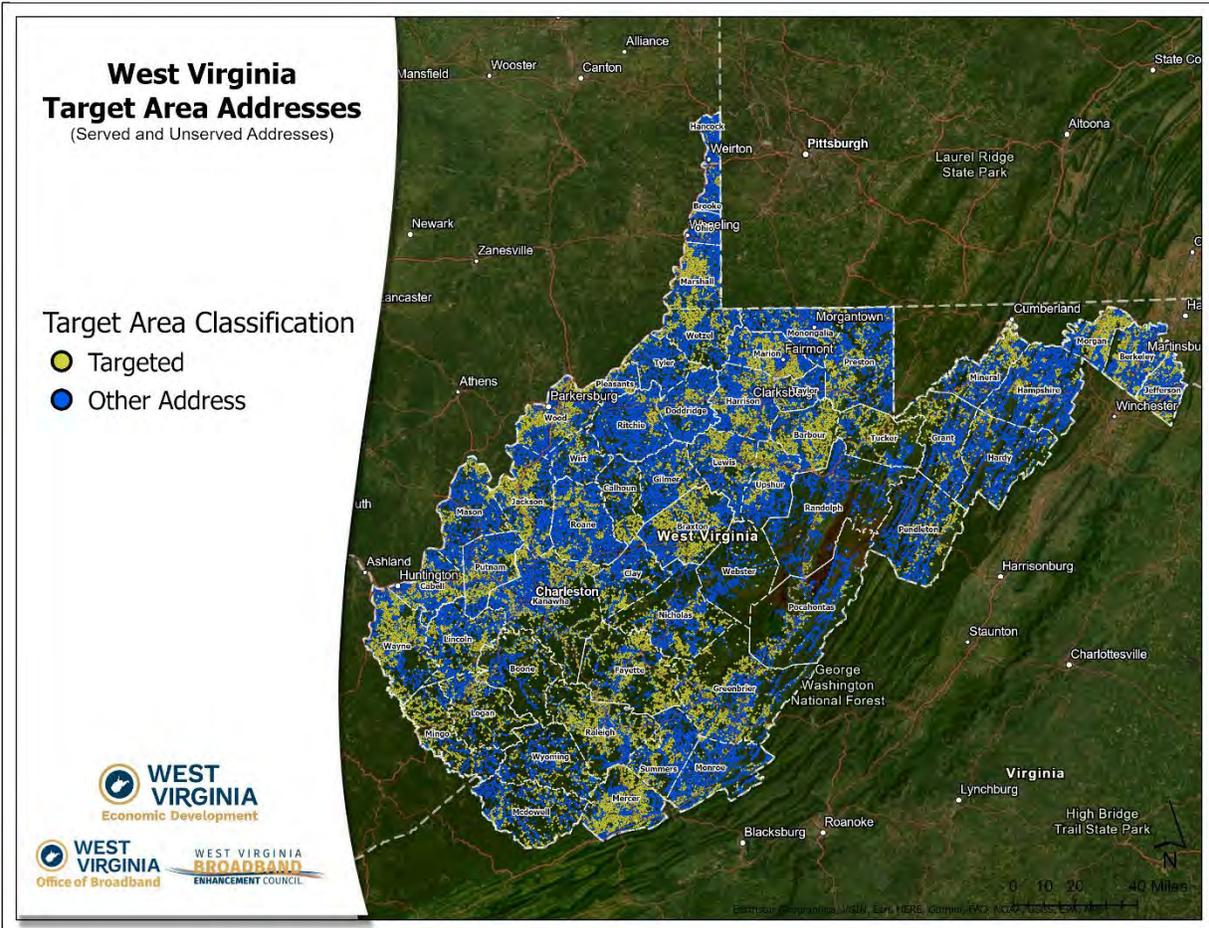
Provider Locator: The West Virginia Provider Locator Map, identifies Internet Service Providers (ISPs) that have reported service to the Federal Communications Commission.

RDOF Map: The Rural Digital Opportunity Fund Map, identifies areas that have been funded by the Federal Communications Commission (FCC). Funding is shown by ISP.

¹ <https://wvgis.wvu.edu/data/dataset.php?ID=483>

The West Virginia Target Area Map, identifies broadband availability at the address level. Broadband availability classifications have been assigned to the SAMS address points that help identify what areas in the State are in need for an investment. The Target Area Map continues to act as the core mapping dataset for grant funding in the West Virginia Broadband Investment Plan.

Figure 4.1: West Virginia Target Area Map



Targeted Addresses

- Addresses that are *estimated* to have no current access to internet service with at least 25 Mbps download and 3 Mbps upload (25/3 Mbps) speeds, not counting access to satellite or mobile wireless internet, and
- Not in an area with a binding commitment to a state, federal, or local entity to deliver mass-market broadband service of at least 25/3 Mbps, not counting commitments to expand access to satellite or mobile wireless internet.

All other addresses not classified as "**Targeted**" are classified as "**Other.**"

4.2 FCC National Broadband Map

The West Virginia Office of Broadband and the West Virginia Broadband Enhancement Council ask that all West Virginians review their location data and broadband availability data on the new National Broadband Map released by the Federal Communications Commission (FCC). The FCC will accept challenges through January 13, 2023, and with each map release going forward.

The new map displays Internet services across the United States, as reported by Internet Service Providers (ISPs) to the FCC. The FCC released the new map on November 18, 2022. States, local governments and consumers are encouraged to submit challenges. The FCC map will be used to calculate the amount of funds allocated to the State of West Virginia by the National Telecommunications and Information Administration (NTIA) through its Broadband Equity, Access, and Deployment (BEAD) program.

“It is vital that all West Virginia addresses are included in the FCC mapping data, especially when funding allocations will be based on the number of unserved locations in our State,” said Governor Jim Justice. “Every West Virginian and every West Virginia address should be counted, especially those that lack real broadband service. I have directed the West Virginia Office of Broadband to challenge the FCC data whenever and wherever possible to ensure that all West Virginians gain access to crucial infrastructure.”

The West Virginia Department of Economic Development, Office of Broadband, submitted more than 138,000 missing addresses to the FCC, as part of the State’s official challenge to the FCC Broadband Serviceable Location (BSL) Fabric, in November 2022. Not all challenges will be accepted. The Office of Broadband anticipates that several cycles will be needed to validate the data.

West Virginians are encouraged to submit a Location Challenge to indicate that an address is missing, or an Availability Challenge to indicate that availability is incorrect. Please follow the instructions below on how to submit a challenge:

How to Find Your Address:

1. Visit <https://broadbandmap.fcc.gov/home>.
2. Using the search bar, type in the address you wish to review. The map should automatically zoom to your location.
3. After finding your location, a side-panel on the right-hand side of the screen will populate location and service information.
4. If your location is missing, ensure to select the building footprint or space of your location to submit a Location Challenge.

How to Submit a Location Challenge to the FCC:

1. After searching a location, select the building footprint or space to where the point location layer is missing.
2. Once the location is found, select “Challenge Location.”
3. You will be required to fill out a form regarding information about your location.

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4. After a challenge is submitted, you will receive a confirmation email informing you that it has been received by the FCC.
5. If a location is available on the map that includes inaccurate information, navigate to “Location Challenge” in the side-panel to complete the form.

How to Submit an Availability Challenge to the FCC:

1. After searching a location, select “Availability Challenge” in the side-panel.
2. Select the provider (ISP) you wish to challenge.
3. Complete the form to dispute the provider's claim on service availability.
4. Submit a separate challenge for each provider, if multiple providers are listed incorrectly.

The map will be updated twice per year through a combination of FCC verification efforts, new data from Internet providers, new location data, and—importantly—information from the public and state broadband offices. To learn more about West Virginia’s ongoing broadband development initiative, visit broadband.wv.gov.

5. West Virginia Broadband Investment Plan

The West Virginia Department of Economic Development (WVDED), Office of Broadband, in coordination with the West Virginia Broadband Enhancement Council, will administer the West Virginia Broadband Investment Plan (WVBIP), utilizing funds allocated to the State of West Virginia through the Capital Projects Fund and State Local Fiscal Recovery Fund of the American Rescue Plan Act (ARPA), according to guidance published by the U.S. Treasury.

The allocation of SLFRF and General Revenue funding provided a historic \$100 million investment that will supplement West Virginia's allocation of funds through the Capital Projects Funds (CPF), also part of the ARPA. The ARPA CPF includes \$136 million for broadband development in West Virginia.

The combination of SLFRF and CPF funding provides a total ARPA broadband investment of \$236 million in West Virginia. This funding represents a major transition to State-led broadband development through which states will oversee the investment of broadband funding.

5.1 Capital Projects Fund (CPF)

The West Virginia Office of Broadband is the administrator of the American Rescue Plan Act (ARPA) Capital Projects Fund (CPF) for broadband development. The Office of Broadband designed programs to align with ARPA rules and guidance and other funds that may become available for broadband development in West Virginia. The U.S. Treasury approved West Virginia's plan for utilization of CPF funding on June 7, 2022. West Virginia was among the first four states in the nation to be approved for funding, along with Louisiana, New Hampshire, and Virginia.

The CPF program provides \$10 billion nationwide for eligible governments to carry out critical capital projects that directly enable work, education, and health monitoring, including remote options, in response to the COVID-19 public health emergency. The CPF Guidance, available at [treasury.gov/CPF](https://www.treasury.gov/CPF), describes how governments may access and use these funds.

According to the U.S. Treasury: "The focus of the Capital Projects Fund on the continuing need for connectivity in response to the COVID-19 pandemic complements the broader range of uses, including for broadband infrastructure, of the American Rescue Plan's separate \$350 billion Coronavirus State and Local Fiscal Recovery Funds."

5.2 State and Local Fiscal Recovery Fund (SLFRF)

While the Capital Projects Fund is specifically for broadband infrastructure, [State and Local Fiscal Recovery Funds](#) (SLFRF) can also be dedicated to broadband development. Recognizing this potential partnership, the WVBIP provides an opportunity to coordinate state and local ARPA funding. The State

Fiscal Recovery Fund (SFRF) includes \$1,355,489,988 allocated to West Virginia. The Local Fiscal Recovery Fund includes funding for cities, counties, and non-entitlement entities in the following amounts:

- a. \$348,103,547 for 55 West Virginia Counties,
- b. \$168,188,715 for Nine West Virginia Cities, and
- c. \$162,490,814 for Non-Entitlement Entities

In October 2021, the West Virginia Legislature created the Broadband Development Fund and allocated \$90 million of SFRF funds and \$10 million in General Revenue funds to this initiative. This total was added to CPF funding for a total investment of \$236 million. The additional SFRF funds will be dedicated to the existing the LEAD, GigReady, and MPBS programs.

The \$10 million allocation from General Revenue funds will be dedicated to the Wireless Internet Networks (WIN) program. The WIN program is in development and will launch in early 2022.

West Virginia is embarking on a mission to bridge the digital divide. The WVBIP is designed to integrate the need for broadband connectivity with practical solutions to help connect communities throughout West Virginia. Working together, West Virginia can achieve a more connected future.

5.3 West Virginia Broadband Development Fund

With the passage of House Bill 339 in 2021, the West Virginia Legislature created the Broadband Development Fund in the State Treasury under West Virginia Code [§31G-1A-7](#). According to this Legislation, the fund shall be administered by the Secretary of the West Virginia Department of Economic Development (WVDED) and shall consist of all moneys made available for the purposes of this article from any source, including, but not limited to, all gifts, grants, bequests or transfers from any source, any moneys that may be appropriated to the fund by the Legislature, and all interest or other return earned from investment of the fund.

The Broadband Development Fund may only be used for the following purposes:

- (1) Expenses for the administration of the Office of Broadband;
- (2) Line extension advancement and development projects, including expansion of existing fiber and cable networks;
- (3) Major broadband project strategies, including new networks or major expansions of existing networks;
- (4) GigReady incentive projects, including a state incentive for ISP and local governments and organizations to pool some of their federal American Rescue Plan Act allocations or other local funding; and
- (5) Wireless Internet Networks, including expansions or upgrades of existing fixed wireless networks.

The WVDED Office of Broadband has identified preliminary allocations under the West Virginia Broadband Investment Plan as shown below. These allocations may be adjusted based upon demonstration of need with the WVBIP programs.

Preliminary Funding Allocations

Program	LEAD	GigReady	MBPS	*WIN
Funding	\$10 Million	\$40 Million	\$40 Million	\$10 Million
Eligible Applicants	ISPs Operating Cable or Fiber Network	County, Municipal Governments, EDCs, EDAs, RPDCs, Private Partnerships Strongly Encouraged	ISPs Local Governments and Affiliated Organizations	ISPs with Existing Wireless Network *Subject to ARPA Rules
Speed Requirements	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 100/20, scalable to 100/100 Mbps 1000/500 Mbps Preferred	At Least 25/3, preferably 100/20 Mbps
Match Requirements	At Least \$500 per Passed Premise	At Least 25 Percent of Project Cost	At Least \$500 per Passed Premise	At Least \$400 per Covered Premise

Table 5.1: WVBIP program funding information

5.4 WVBIP Programs

Under the West Virginia Broadband Investment Plan (WVBIP), the West Virginia Office of Broadband has established four grant programs for broadband infrastructure development. Each program maximizes the potential of broadband availability and adoption in West Virginia. The programs are designed to meet the goals established in the West Virginia Broadband Enhancement Council's 2020-2025 Five-Year Plan and align with state and federal requirements. The WVBIP will also incorporate State funding, and other federal funds allocated or available to West Virginia. The WVBIP may be expanded through the addition of new or modified programs.

- Complete WVBIP program resources are available at: <https://broadband.wv.gov>.
- WVBIP Target Area Maps are available at: <https://wv-capitol-wvbroadband.hub.arcgis.com>.

The WVBIP contains four well defined infrastructure grant programs, each designed to specific broadband development needs. Programs launched in 2021 include:

1. [LEAD: Line Extension Advancement and Development](#)
2. [GigReady: Technical Assistance or Implementation Phases](#)
3. [MBPS: Major Broadband Project Strategies](#)
4. [WIN: Wireless Internet Networks](#)

Each WVBIP program emphasizes last mile connections. According to U.S. Treasury guidelines, each program places an emphasis on locations without access to reliable wireline service of 25/3 Mbps. Funded projects must be capable of delivering, or be scalable to deliver, symmetrical 100 Mbps service while encouraging the deployment of fiber networks.

In keeping with West Virginia's emphasis on public-private partnerships, the programs encourage private investment in cooperation with local development initiatives. To promote greater utilization of broadband service in West Virginia, the programs require participation in federal affordability programs and encourage the availability of a low-cost service.

Under LEAD and GigReady, the need for broadband expansion is analyzed at the individual address level. Conversely, the MBPS data focuses on the need for broadband expansion within eligible service areas as determined by the Office of Broadband. West Virginia's broadband maps can be found at: <https://broadband.wv.gov/>

5.4.1 Line Extension Advancement and Development (LEAD)

The LEAD program is intended to fund service extensions of last-mile cable modem and fiber-to-the-premise broadband networks that can be constructed quickly. The program targets Internet Service Providers (ISPs) as primary applicants to expand existing networks to reach unserved locations at the end of line.

Due to high cost of fiber deployment and extensions of cable modem networks, ISPs have found it economically infeasible to expand into rural communities with low population densities and rugged terrain. The increasing demand for high-speed reliable internet has prevented rural communities from moving forward in receiving the same eco-digital benefits that more urbanized areas have adopted. Implementing LEAD has sparked a significant shift in how the State maps broadband availability. Previously, the State relied on FCC Form 477 data that has made granular mapping difficult due its implications of census block level reporting. The program's core mapping focuses on broadband availability at the address level. The program defines projects and eligibility for funding within two classifications at the address:

- Targeted Addresses: Addresses estimated not to have current access to terrestrial internet service of 25/3 Mbps and not in an area with existing state, federal, or local funding, and
- Other Addresses: Addresses with current or future access to service only by satellite providers or mobile wireless networks are considered Targeted if they are not also served by a terrestrial broadband provider of fixed home broadband service offering serves with a speed of at least 25/3 Mbps. Applicants are required to match at least \$500 per passed address.

5.4.2 GigReady

GigReady is designed to encourage the collaborative partnerships needed for successful broadband development. The program provides an opportunity for local governments and organizations to dedicate funds available through the American Rescue Plan Act (ARPA), or other local funding, to a broadband development initiative in partnership with agencies and offices.

The GigReady program will assist participants in two distinct phases. In Phase One, the program will provide technical assistance to help communities scope projects, select private partners and vendors, and complete other necessary steps in the broadband development process. In Phase Two, upon completion of the technical assistance phase, participants may then be eligible for implementation funding through the GigReady program or other funding sources. Participants with qualifying, shovel ready projects that do not need technical assistance can apply to proceed directly to Phase Two by submitting a complete application, including all information listed as "optional" in the application.

County and municipal governments and affiliated organizations (economic development corporations, regional planning and development councils, etc.) may apply to participate. Regional consortia of local governments may participate. Participating local governments will be strongly encouraged to develop partner or vendor relationships with private for-profit or non-profit companies through the technical assistance program.

Compared to the LEAD program, applicants are required to provide a match of at least 25 percent of the total project costs.

5.4.3 Major Broadband Project Strategies (MBPS)

The Major Broadband Project Strategies Program (MBPS) is designed for projects that can transform broadband availability across a significant extent of coverage in West Virginia. The Program will fund larger scale projects designed to serve large numbers of Targeted addresses.

MBPS focuses on larger projects than LEAD that may consist of new networks or major enlargements of existing networks. Compared to LEAD that focuses on funding for projects at the address level, MBPS defines projects by Eligible Service Areas. The mapping for Eligible Service Areas (ESAs) classified by city locations.

The Target Address map provides an estimate of the unserved addresses within Eligible Service Areas that are not part of another funded project. Winning projects will have an obligation to provide service to any unserved address within the awarded Eligible Service Areas.

Eligible applicants include:

- a. Private for-profit or non-profit corporations
- b. Local governments
- c. Economic Development Authorities
- d. Economic Development Corporations
- e. Regional Planning and Development Councils

Key Program Highlights:

Budget: \$40 Million

Matching Funds: Minimum of \$500 per address passed or 25% of eligible project costs

Size of Project: Approximately 5000 Targeted addresses or \$20 million

Construction Timeline: 24 months, with extension for cause.

Guide to Reporting and Compliance Obligations for West Virginia ARPA Broadband Investment Plan Grant Recipients

To assist project teams in the implementation of federally funded projects, the West Virginia Office of Broadband has issued an [ARPA-Subrecipient-Compliance-and-Reporting-Guidance-Document-for-Awardees](#). This document was developed in cooperation with the West Virginia Broadband Enhancement Council and Tilson Technology Management, Inc. This Guide to Reporting and Compliance Obligations for West Virginia ARPA Broadband Investment Plan Grant Recipients covers three different programs administered by the West Virginia Department of Economic Development, Office of Broadband (WVDED). These programs are the GigReady Incentive Program (GigReady), the Line Extension Advancement and Development Program (LEAD), and the Major Broadband Project Strategies Program (MBPS).

The document is intended as a guide, not as a substitute for a thorough knowledge of state and Federal laws and regulations referenced in this document. This document may be updated to more fully incorporate requirements. In the event of any discrepancy, Federal regulations will prevail. The Grantee is responsible for compliance with the most current and stringent of any applicable local, State or Federal law or regulation(s).

5.5 2022 Project Announcements

Governor Justice has issued project approval announcements throughout 2022. Announced projects will result in nearly 3,000 miles of new fiber infrastructure, providing high-speed broadband access to more than 38,000 targeted homes and businesses. Projects announced in 2022 are funded by the American Rescue Plan Act (ARPA). West Virginia has awarded \$103 million in ARPA funding to date, including:

- \$70 million in Capital Projects Funds, and
- \$33 million in SLFRF funds

As critical partners in West Virginia’s broadband expansion initiative, Internet Service Providers in West Virginia have dedicated matching funds in the amount of \$44 million for a total investment of more than \$147 million in 24 broadband infrastructure projects throughout West Virginia across all projects announced to date. Governor Justice has issued project approvals on a rolling basis throughout 2022, as detailed below:

- LEAD Announcements:** Governor Justice has announced the approval of 12 applications under the Line Extension, Advancement and Development (LEAD) Program in three separate announcements on January 19, March 18, and August 9, 2022.

The 12 LEAD awards to date represent an allocation of \$27,194,177, through which companies will construct 1,189 miles of fiber, serving 14,936 targeted locations in West Virginia. These projects will leverage an additional \$14,308,671 in match contributions for a total infrastructure investment of \$43,502,848.

Table 5.2: LEAD projects announced in 2022

LEAD Applicant	LEAD Project Name	Amount	Matching Funds	Targeted Addresses	Fiber Miles
1. Citynet	Green Valley Line Extension	1,191,535	188,500	265	26
2. Citynet	Shavers Fork, Helvetia, Crestview Line Extension	713,560	162,500	96	10
3. Comcast	Brooke, Hancock, Ohio, Marshall Line Extensions	4,721,590	2,064,978	1,462	59
4. Comcast	Cabell, Kanawha, Morgan, Putnam Line Extensions	2,885,246	1,111,628	716	119
5. Hardynet	East Hardy Line Extension	183,241	64,800	58	10

6. Hardynet	South Mill Creek Line Extension	416,984	140,000	117	5
7. Lingo-MGW Networks	East Pendleton Phase I South Mill Creek	2,257,834	297,000	86	31
8. Prodigy	Northcentral Preston	4,592,645	870,500	1,203	93
9. Prodigy	West Preston-Valley District	3,840,913	803,500	1,455	60
10. Shentel	North Fork, Sunset Drive	420,630	238,500	141	9.5
11. Altice	Greater Sissonville	4,000,000	6,062,482	5,895	538
12. Altice	North Lincoln-Alum Creek	2,000,000	2,304,283	3,442	230
LEAD TOTALS		27,194,177	14,308,671	14,936	1,191

- b. **MBPS Announcements:** Governor Justice has announced the preliminary approval of over \$34.8 million in grant funding for seven broadband infrastructure projects across the state through the Major Broadband Project Strategies (MBPS) program.

The approved projects will result in more than 910 miles of new fiber infrastructure, providing broadband connectivity to 9,840 homes and businesses in West Virginia. These projects will leverage an additional \$16.3 in match contributions for a total infrastructure investment of \$51 million.

The Governor issued the most recent MBPS Preliminary Approval on September 16, 2022. This announcement included the Micrologic Randolph County MBPS project listed below in Table 2, and the GigReady projects listed in Table 3.

Table 5.3: MBPS projects announced in 2022.

MBPS Applicant	MBPS Project Name	Amount	Matching Funds	Targeted Addresses	Fiber Miles
1. Citynet	Thornton, Gladesville, Morgantown South	2,200,635	733,545	376	86
2. Comcast	Northern Panhandle Broadband Expansion	14,726,012	6,265,607	1,402	304
3. DQE	Greater Hepzibah Area FTTH	1,088,276	373,000	650	15

4. Frontier	Boone County-Turtle Creek	671,385	1,993,688	1,566	83
5. Frontier	West Mason	1,039,734	3,447,586	1,398	113
6. Shentel	Lewis County Broadband Expansion	1,119,113	466,500	457	27
7. Micrologic	Randolph County MBPS	13,977,410	2,979,000	3,991	282
MBPS TOTALS		\$34,822,567	\$16,258,926	9,840	910

**Table 1: Preliminary MBPS Announcements 2022*

Table 5.4: GigReady projects announced in 2022

GIGREADY Applicant	MBPS Project Name	Amount	Matching Funds	Targeted Addresses	Fiber Miles
1. Greenbrier County Commission	Greenbrier Co. Broadband Expansion	12,940,988	4,313,663	5,316	177
2. Monroe County Commission	Seneca Trail-Green Valley Road	1,797,904	599,301	633	30
3. Raleigh County Commission	Ghent Fiber Expansion	5,889,198	1,963,066	1,677	106
4. Roane County Economic Development Authority	Multi-County Broadband	17,057,869	5,685,956	4,878	287
5. Summers County Commission	Mountview to Bellepoint	3,703,147	1,234,382	1,036	65
GIGREADY TOTALS		\$41,389,106	\$13,796,368	13,540	665

Figure 5.2: Addresses passed by program

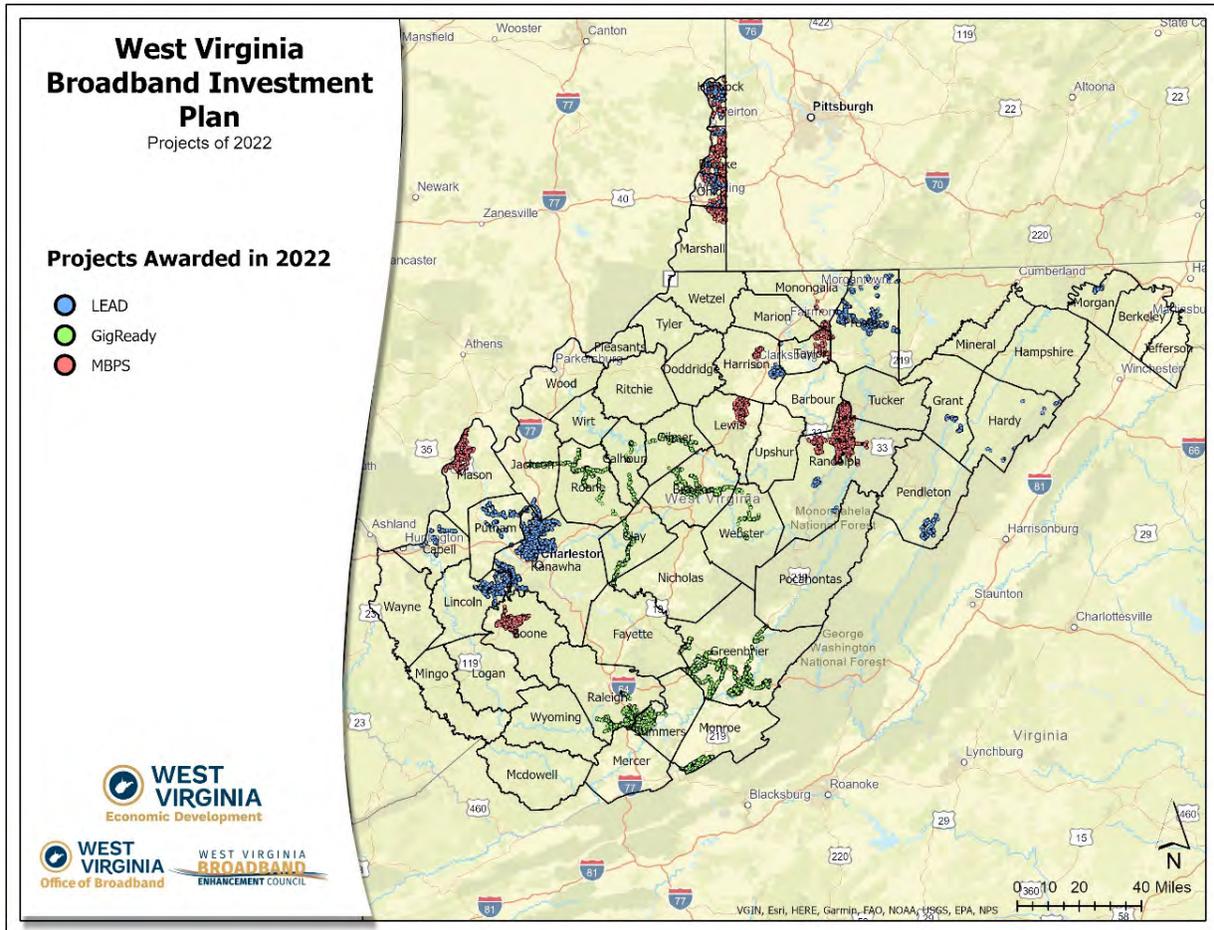


Figure 5 3: LEAD addresses passed for projects announced in 2022.

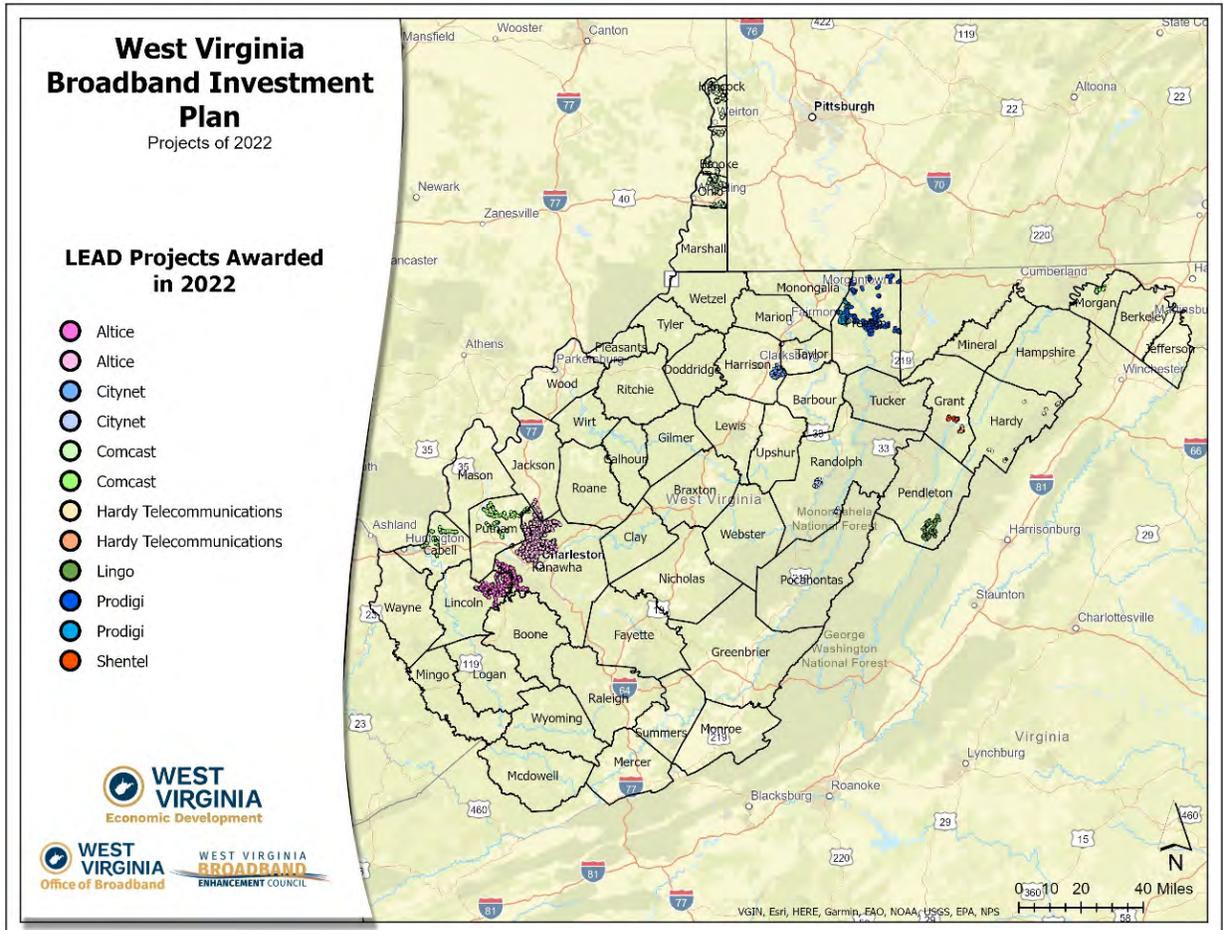


Figure 5.3: GigReady addresses passed for projects announced in 2022

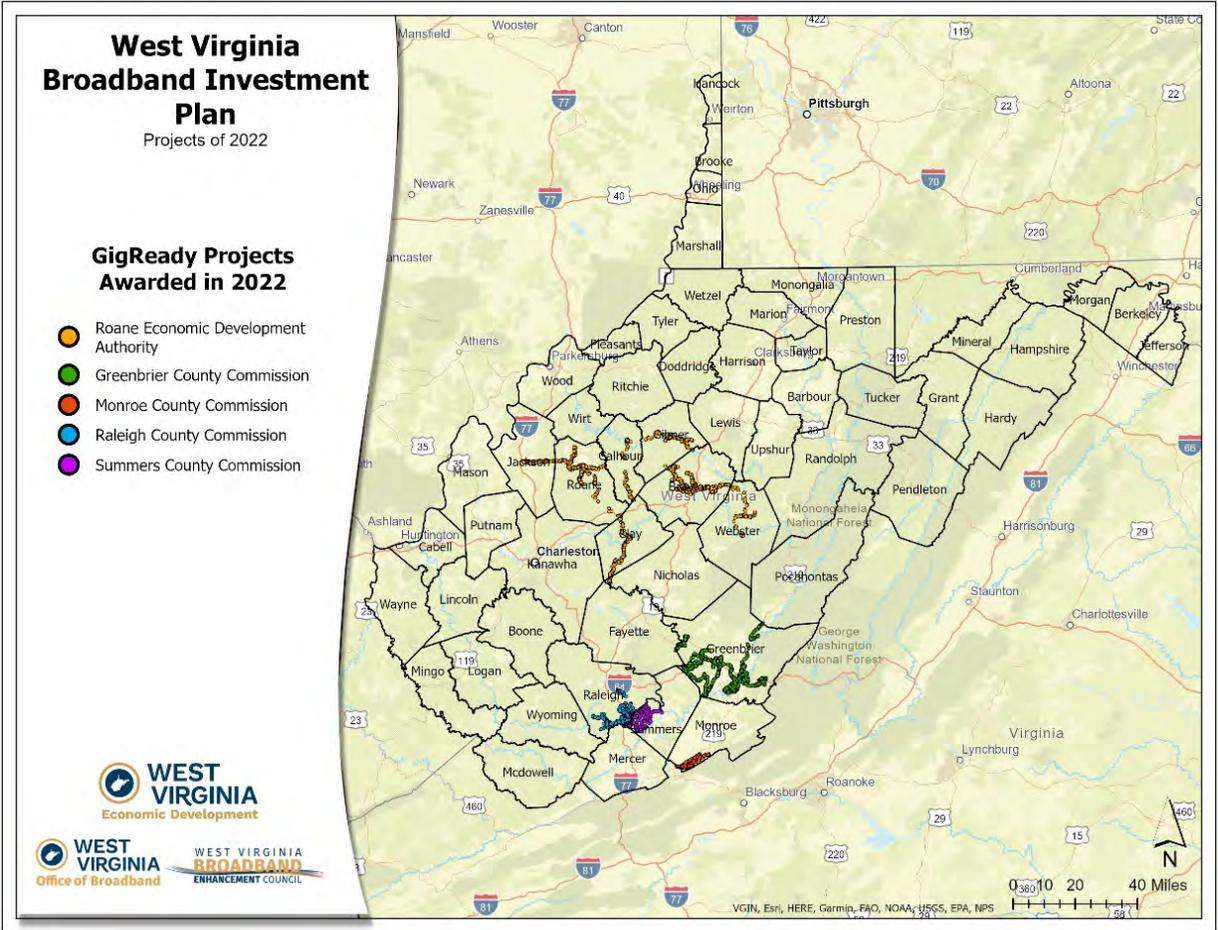


Figure 5.4: MBPS addresses passed for projects announced in 2022.

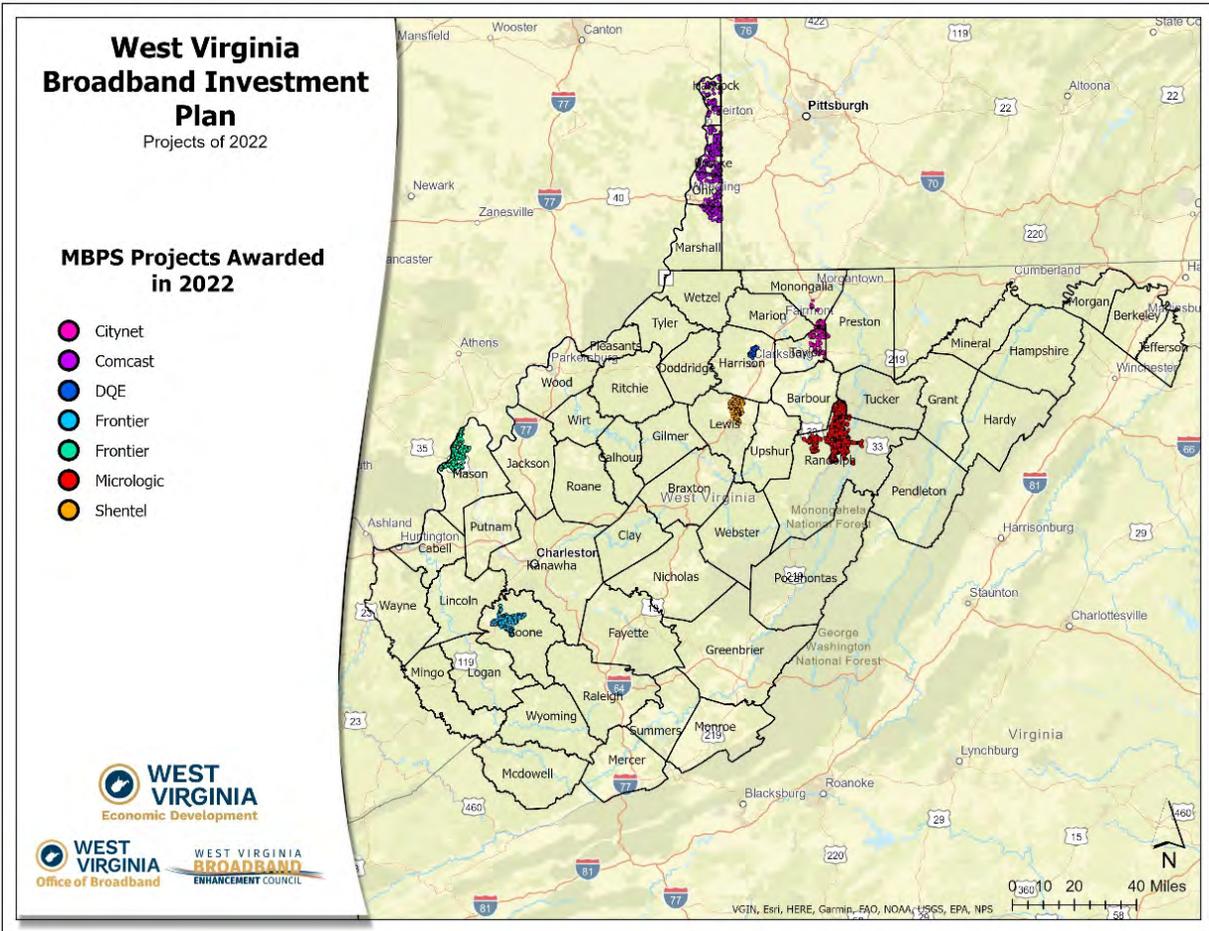
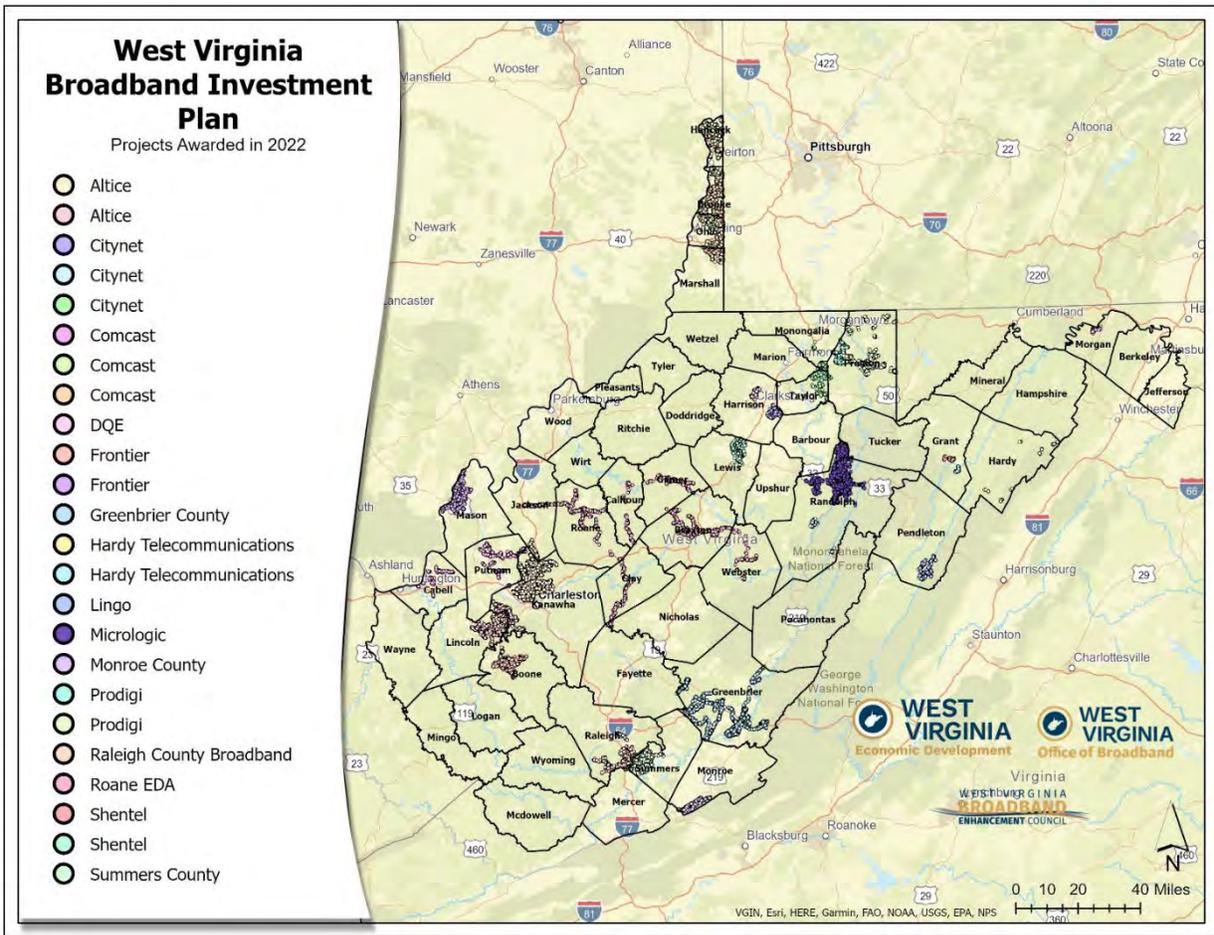


Figure 5.5: Addresses passed for all projects announced in 2022.

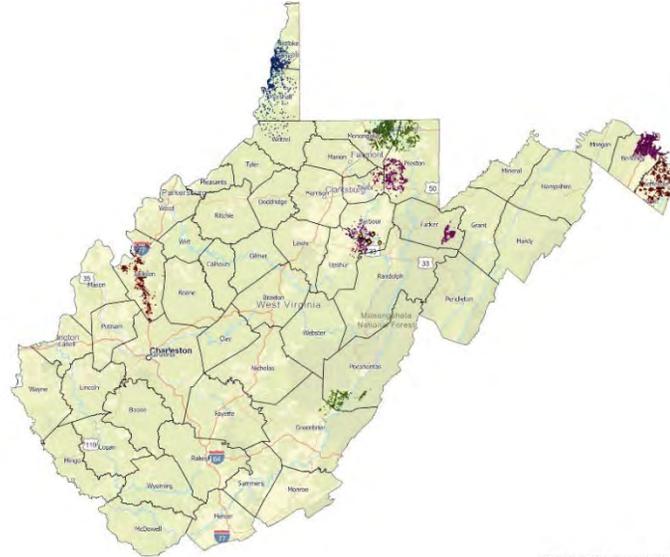


5.6 WIN Program Update

The West Virginia Department of Economic Development, Office of Broadband, launched the Wireless Internet Networks (WIN) Program on May 20, 2022. Funded through a \$10 million allocation from the West Virginia Legislature, the Program is designed to fund full extensions or upgrades of existing last-mile wireless broadband networks that can be constructed quickly.

Figure 5.6: Applications submitted for the WIN program in 2022.

This program is designed to connect unserved locations across West Virginia while also bringing connectivity to the State’s parks and surrounding communities. An interactive map featuring program priority locations is published at <https://broadband.wv.gov/>.



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

The Office of Broadband conducted a webinar to review the WIN program in May 2022. Applications were accepted through June 30, 2022. Five applications from four companies, representing a combined request of \$9.9 million, were received. The applications included 16 counties with proposed service to an estimated 5,800 locations. Applications are currently in final review.

Table 5.2: Applications submitted for the WIN program in 2022.

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

6. Speed Data

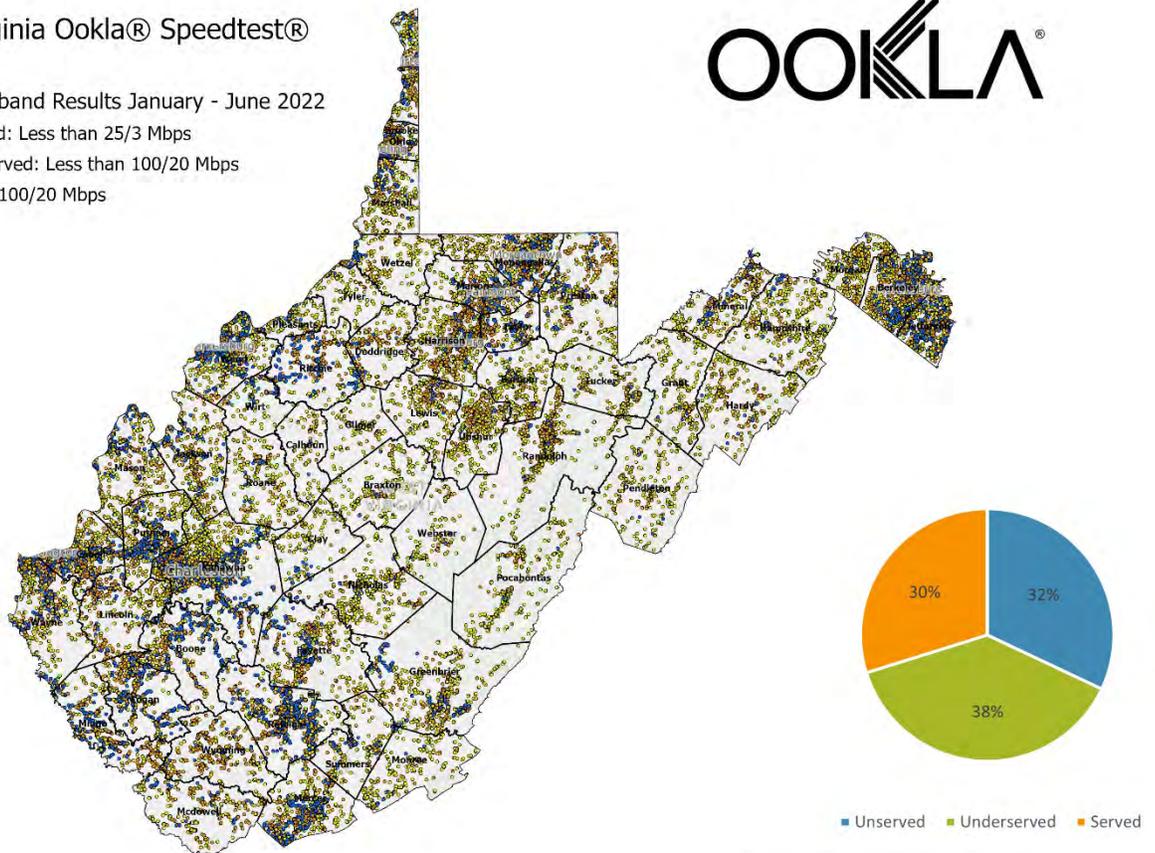
The West Virginia Broadband Enhancement Council maintains a contract with Ookla® to obtain speed test data in West Virginia. Internet performance tests measure the download, upload, and latency speeds of IP addresses. With numerous broadband infrastructure construction projects underway in West Virginia, performance measures can demonstrate progress and the validity of the networks. Speed tests have also been useful for identifying unserved communities where performance drops off which can suggest poor networks or lack of high-speed reliable broadband. In some cases, these locations can be overly reported to have connectivity while speed test data can suggest otherwise.

Figure 6.1: West Virginia Ookla® Speedtest® results for January - June 2022

West Virginia Ookla® Speedtest® Results

Fixed Broadband Results January - June 2022

- Unserved: Less than 25/3 Mbps
- Underserved: Less than 100/20 Mbps
- Served: 100/20 Mbps



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

West Virginia Ookla® Speedtest®
Results

Fixed Broadband Results January - June 2022

● Served: 100/20 Mbps

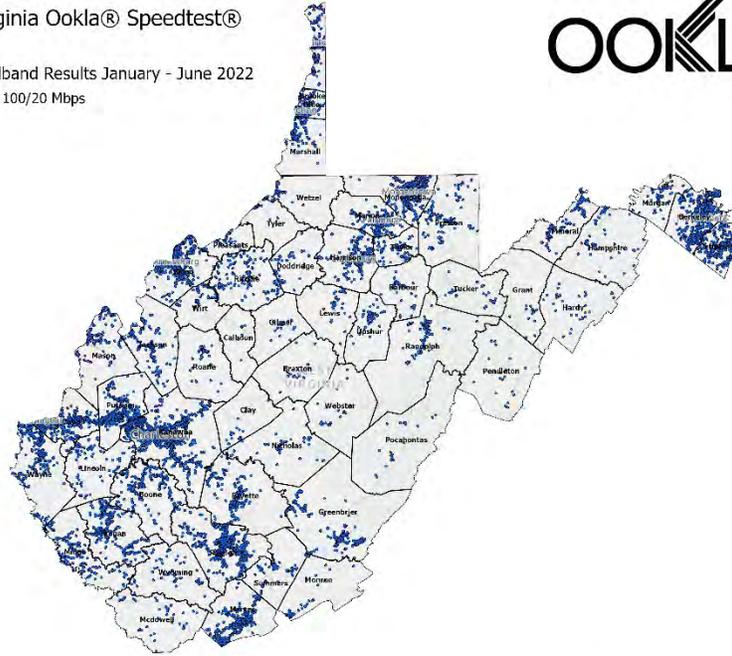


Figure 6.2 West Virginia Ookla® Speedtest® results for January - June 2022

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

West Virginia Ookla® Speedtest®
Results

Fixed Broadband Results January - June 2022

● Underserved: 25/3 - 100/20 Mbps

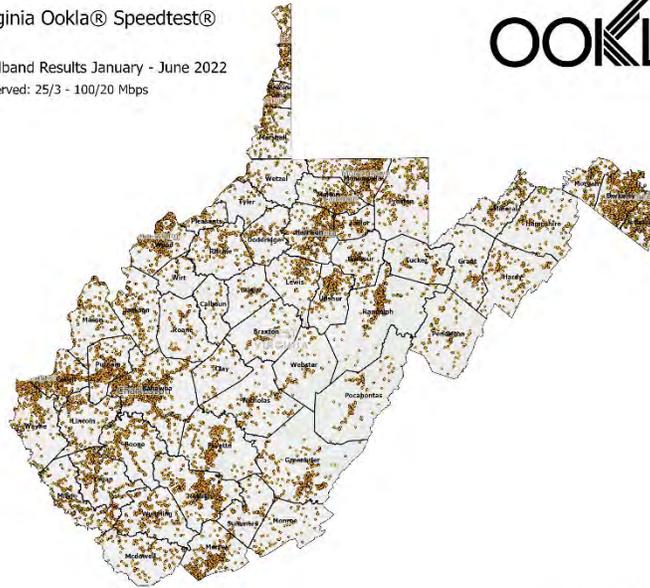


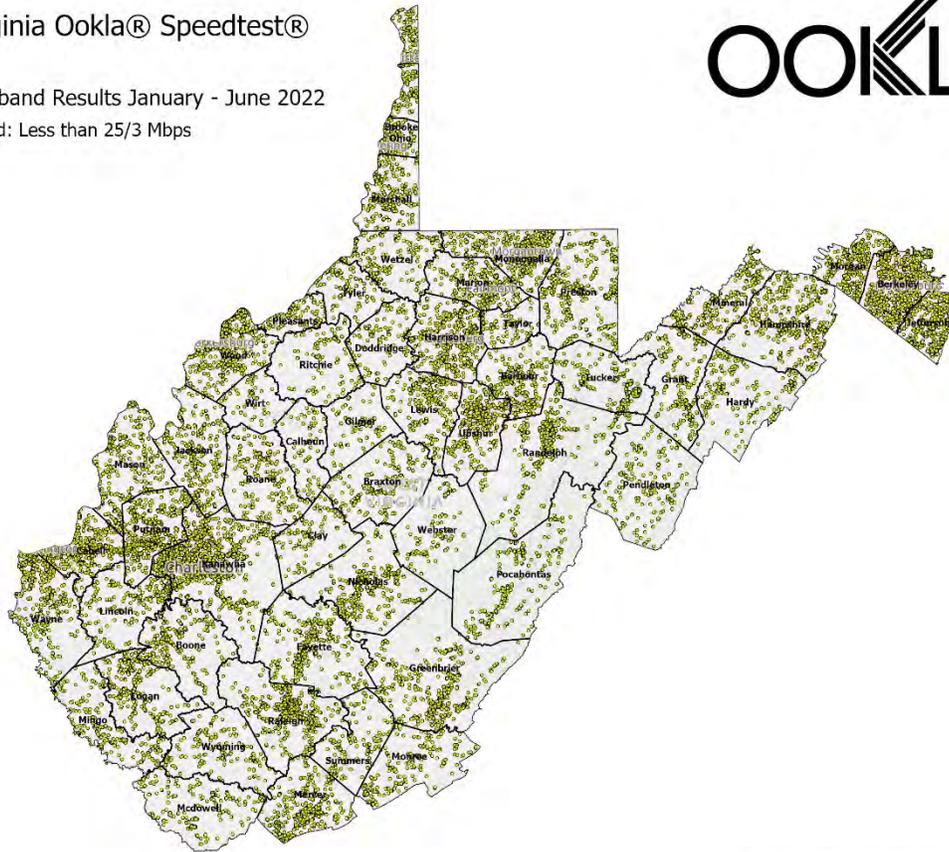
Figure 6.3 West Virginia Ookla® Speedtest® results for January - June 2022

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

West Virginia Ookla® Speedtest® Results

Fixed Broadband Results January - June 2022

● Unserved: Less than 25/3 Mbps



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

Figure 6.4 West Virginia Ookla® Speedtest® results for January - June 2022

Unserved Speed Tests

Performance drops in speed as tests become more rural which could indicate a lack in high-speed networks. However, densities of unserved tests occur in areas where networks such as a cable are available. This could indicate poor connectivity or low adoption-rate due to costs.

7. FCC Broadband Data Collection (BDC)

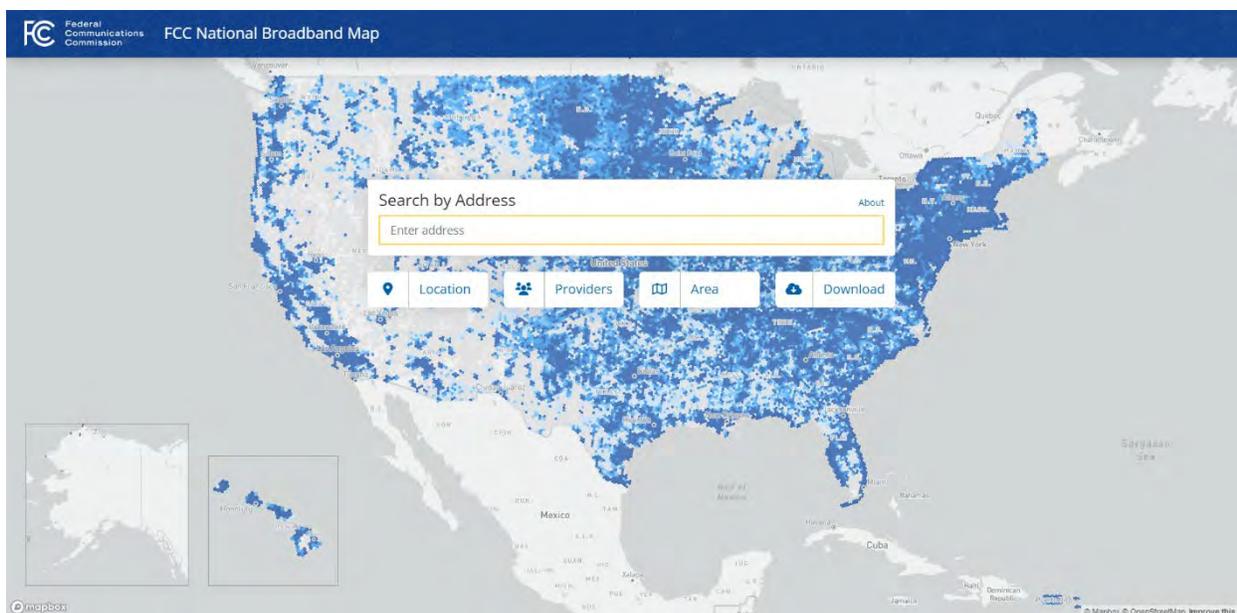
In 2022, the Federal Communications Commission (FCC) revised its system of collecting and reporting broadband availability data through its implementation of the Broadband Data Collection (BDC) program and released the FCC National Broadband Map. On November 18, 2022, the FCC released the *pre-production draft* of the [National Broadband Map](#). The map is designed to identify broadband availability at the address level. Individuals can now view where Internet Service Providers (ISPs) have reported service. Moreover, states and individuals can now challenge reports of service that are inaccurate.

Historically, the FCC has relied on data collected from ISPs twice a year on FCC Form 477, through which ISPs report what census blocks they offer particular services over particular technologies, such as cable, fiber and fixed wireless. This information has been criticized for its lack of accuracy because it aggregates data by census blocks, not by addresses. If even a single location within a particular census block is served by a provider and included in their Form 477 filing, the entire census block was deemed to have service. Additionally, the Form 477 data was never subject to challenges from states, other service providers, or individuals.

ISPs are now required to submit broadband coverage polygons, per service, per technology. These are essentially detailed coverage maps showing a service provider's coverage area for technologies offered and a particular speed. If a provider offers service using cable and fixed wireless, and offers different speed tiers for each technology, each combination of speed and technology requires a separate filing.

Broadband Serviceable Locations (BSL Locations)

These broadband coverage polygons are then laid over a map layer consisting of Broadband Serviceable Locations (BSLs) provided by the FCC. The BSL map layer depicts homes and small businesses (mass market locations) that excludes buildings such as schools and hospitals).



While the underlying service availability information is still self-reported by the ISP, the FCC has introduced a challenge process through which state broadband offices and individuals can submit challenges to the reported information. The FCC also requires that the ISP respond to the challenge. The BSL map layer is also subject to a challenge process from state broadband offices and individuals. If a premise is not included in the current BSL layer of addresses it can be added, and if a multiple dwelling unit has an incorrect unit count, it can be corrected. Non-mass market locations can also be excluded from the BSL fabric.

The current iteration of the BDC map, released for the first time on November 18, 2022, is considerably more detailed than previous FCC broadband maps based only on Form 477 data. However, the BDC map does contain errors that must be addressed during the ongoing challenge process. The FCC has stated that the map will evolve over time and that multiple iterations will be necessary. Subsequent corrections to the FCC map will be incorporated every six months.

While the introduction and ongoing maintenance of the challenge process is a very welcome addition to broadband availability mapping efforts, since data BDC data collection process receives data and releases data twice per year, it will take some time before the more granular data submissions and the subsequent challenge data submissions lead to highly accurate broadband availability mapping.

7.1 Challenges

The West Virginia Office of Broadband is participating in the BDC program by conducting an official challenge under the following categories: Fabric Bulk Challenge and Availability Challenge. The Office submitted a Fabric Bulk Challenge by identifying more than 138,000 missing locations from the FCC Broadband Serviceable Locations (BSL) data set. The BSL dataset consists of 902,609 address locations in West Virginia that are deemed broadband serviceable. The Office currently identifies 1,094,282 locations in West Virginia.

The BSL data is categorized by six different building types: business-only, residential-only, business, and residential, group quarters, community anchor institutions, and enterprise. These locations are identified as building structures that can receive broadband services.

Table 7.1: Locations per BDC building type

Building Type	Locations
Business-only	137,335
Residential-only	732,262
Business and Residential	27,294
Group Quarters	412
Community Anchor Institutions	1,718
Enterprise	3,678

The Office is conducting an Availability Challenge to identify misreported broadband services shown on the Broadband Availability Map. This challenge is a multi-step analytical process that takes both spatial analysis and physical validation into account. According to the BEAD Notice of Funding Opportunity (NOFO)¹ Cable Modem/Hybrid fiber-coaxial technology, fiber-optic technology, DSL technology, and licensed terrestrial fixed wireless technology are all considered as reliable broadband services. The Office assessed locations where reliable broadband services were reported where unserved locations reported by the Office were present. These unserved locations identified by the Office are assessed to not have reliable broadband services from any of the above technologies.

In December 2022, the West Virginia Broadband Enhancement Council authorized a field validation study through which Tilson Technology Management conducted a field validation for over 900 locations in West Virginia. The field validation determines the accuracy of the BDC data and provides a granular plan to be implemented for future challenges. For DSL, the Office has conducted a desktop analysis utilizing speed test data and distance parameters to determine the validity of claims that the services can provide speeds of 25/3 Mbps.

7.2 National Broadband Map Implications

Importantly, the FCC National Broadband Map will be used to calculate the funds allocated to the State of West Virginia by the National Telecommunications and Information Administration (NTIA) Broadband Equity, Access, and Deployment (BEAD) program. This program will provide historic funding for broadband deployment nationwide under the Infrastructure Investment and Jobs Act (IIJA).

The FCC map includes a variety of functions, including a summary of the Internet Service Providers (ISPs) that may serve a specific location. Other details on the map include:

- residential and business service tiers,
- types of service,
- mobile broadband coverage,
- advertised speeds, and
- data downloading speeds.

The first release of the National Broadband Map has features that allows end-users to challenge a Location or Availability Challenge. West Virginians are encouraged to submit a **Location Challenge** to indicate that an address is missing, or an **Availability Challenge** to indicate that availability is incorrect.

The West Virginia Broadband Enhancement Council and the Office of Broadband have encouraged West Virginians to participate in the Location Challenge and the Availability Challenge process <https://broadband.wv.gov/west-virginians-encouraged-to-challenge-the-fcc-broadband-map-before-january-13/>. However, the agencies note that the FCC map presents several confusing implications that may impede individual participation in the challenge process.

¹ <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>

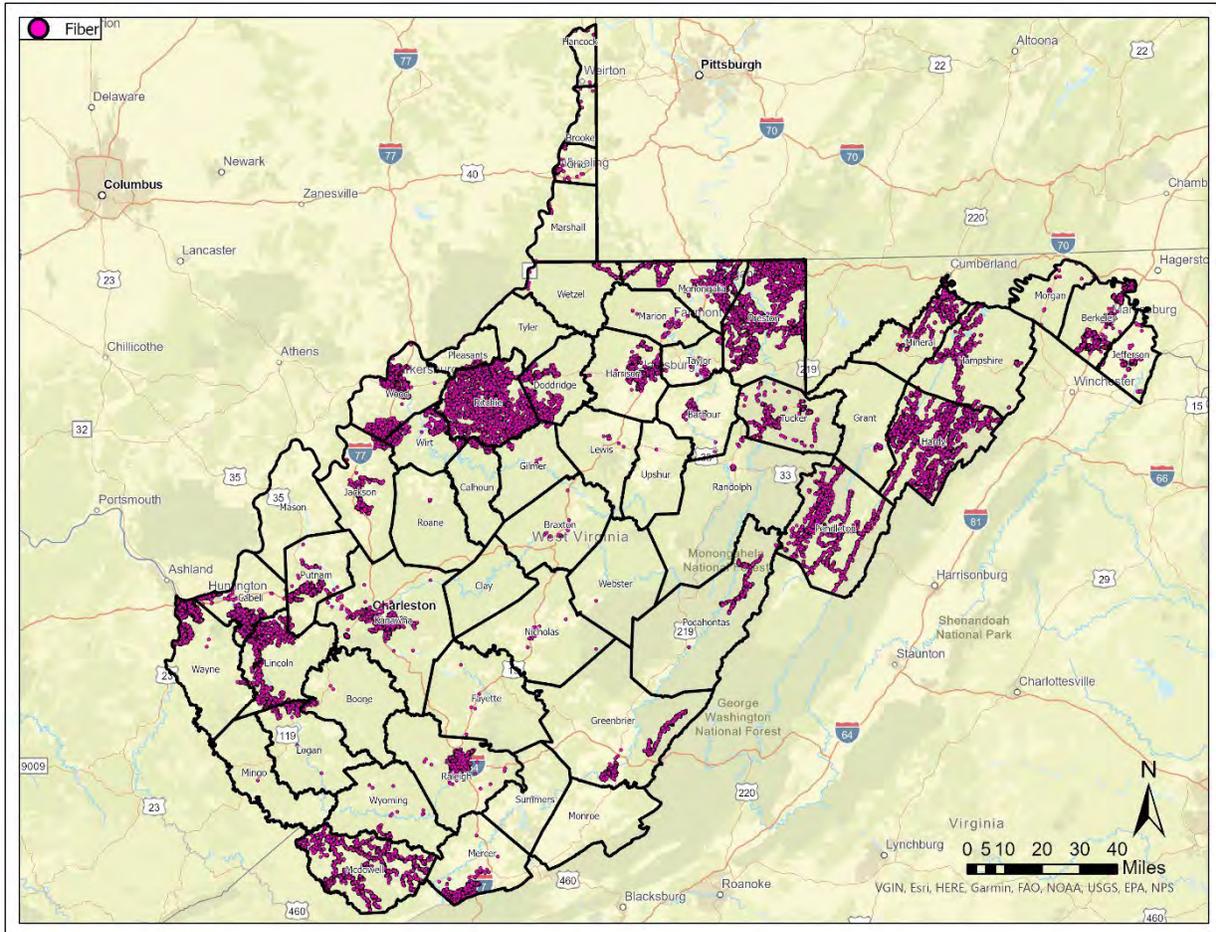
For example, the NTIA BEAD program does not recognize satellite technology as a reliable broadband service; however, most addresses on the map are classified as served due to satellite.

Below list the implications found in the FCC map.

- **Missing addresses:** The map includes a total of 902,699 broadband serviceable locations. The Office of Broadband has identified a minimum of 138,000 locations missing from the map.
- **100% Coverage:** The FCC represents broadband availability both at the address level and area based. Area based coverage consists of hexagon polygons represented by the percent of coverage. Due to satellite coverage, most of West Virginia both at the hexagon and address level appear as 100% served. This representation of West Virginia is misleading to consumers.
 - BEAD NOFO does not correlate with the FCC National Broadband Map
- **Licensed Fixed Wireless:** Licensed fixed wireless is a technology eligible to deem an address as served. This technology that meets the minimum speed threshold of 25/3 Mbps may impact the overall count of unserved locations in the final map. Unlike cable and fiber, fixed wireless requires access to more data specifications, equipment, and time to properly conduct a field analysis.
- **Copper/DSL:** Out-dated legacy technology in West Virginia with many reported cases of failing infrastructure, low speeds, and inability to serve new customers.
- **Satellite:** – Starlink satellite technology shows to offer 834,009 addresses as served with 100/10
- **Consumer challenges:** Consumer challenges are sent to the ISPs for review.

There are 32 fiber providers in West Virginia (including business only services) serving 172,252 locations.

Figure 7.2: BDC addresses reported to be served by fiber.



CABLE	
ISP	Locations
Optimum	261118
Xfinity	215782
Shentel	50695
Charter Communications Inc	32957
Community Antenna Service Inc	23395
Breezeline	21000
Armstrong Utilities Inc	18329
MCTV	2325
Blue Devil Cable	2246
Mikrotec CATV, LLC	1528
Zito West Holding, LLC	1272
Lycom Communications Inc	363
A&A Communications LLC	251
Inter-Mountain Cable Inc	94
SecureNet	88

Table 7.2: Number of locations served by cable per ISP according to the BDC data

Licensed Fixed Wireless Offering 25/3 Mbps	
ISP	Locations
United States Cellular Corporation	278469
T-Mobile US	113596
VERIZON	48715
GigaBeam Networks, LLC	3469
Beam	2141
SkyPacket	1380

Table 7.3: Number of locations served by licensed fixed wireless per ISP according to the BDC data

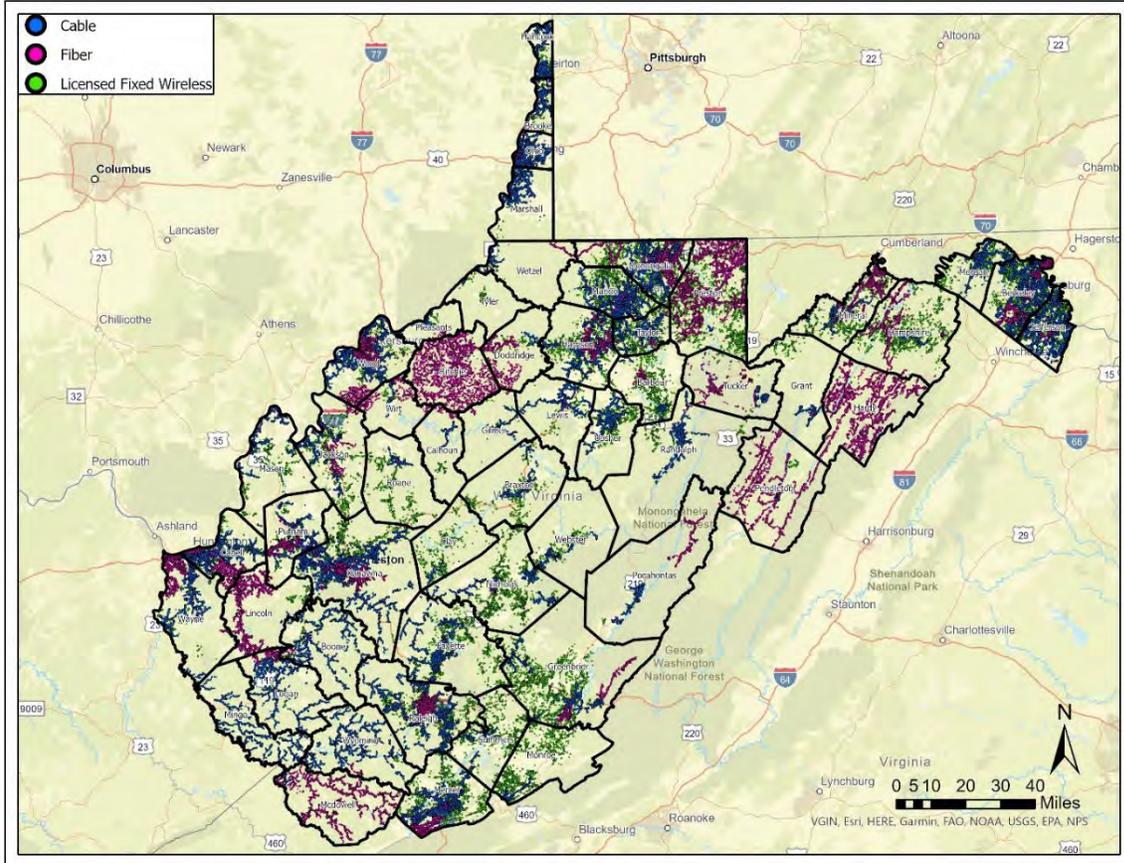
FIBER	
ISP	Locations
Frontier	83854
Breezeline	29195
Armstrong Utilities, Inc.	22273
Shentel	11373
Armstrong Telephone Company - ND	6745
Glo Fiber	6071
Digital Connections, Inc dba Prodigy	5259
Spruce Knob Seneca Rocks Telephone	4294
Hardy Communications Inc	4277
Hardy Communications, INC CLEC	3745
Point Broadband Fiber Holding, LLC	1741
Citynet LLC	1446
SecureNet	995
Crystal Broadband Networks	928

FIBER	
ISP	Locations
Foothills Connect	811
A&A Communications LLC	486
SEGRA	454
QCOL	351
Communications Plus, Inc.	202
Glo Fiber Enterprise	122
MCTV	110
South Carolina Telephone Group	98
Charter Communications Inc	60
Alpha Technologies Inc.	33
Lingo Networks	30
DQE Communications LLC	3
APX Net	1
ENA Healthcare Services, LLC	1
Lycom Communications Inc	1

Table 7.4: Number of locations served by fiber per ISP according to the BDC data

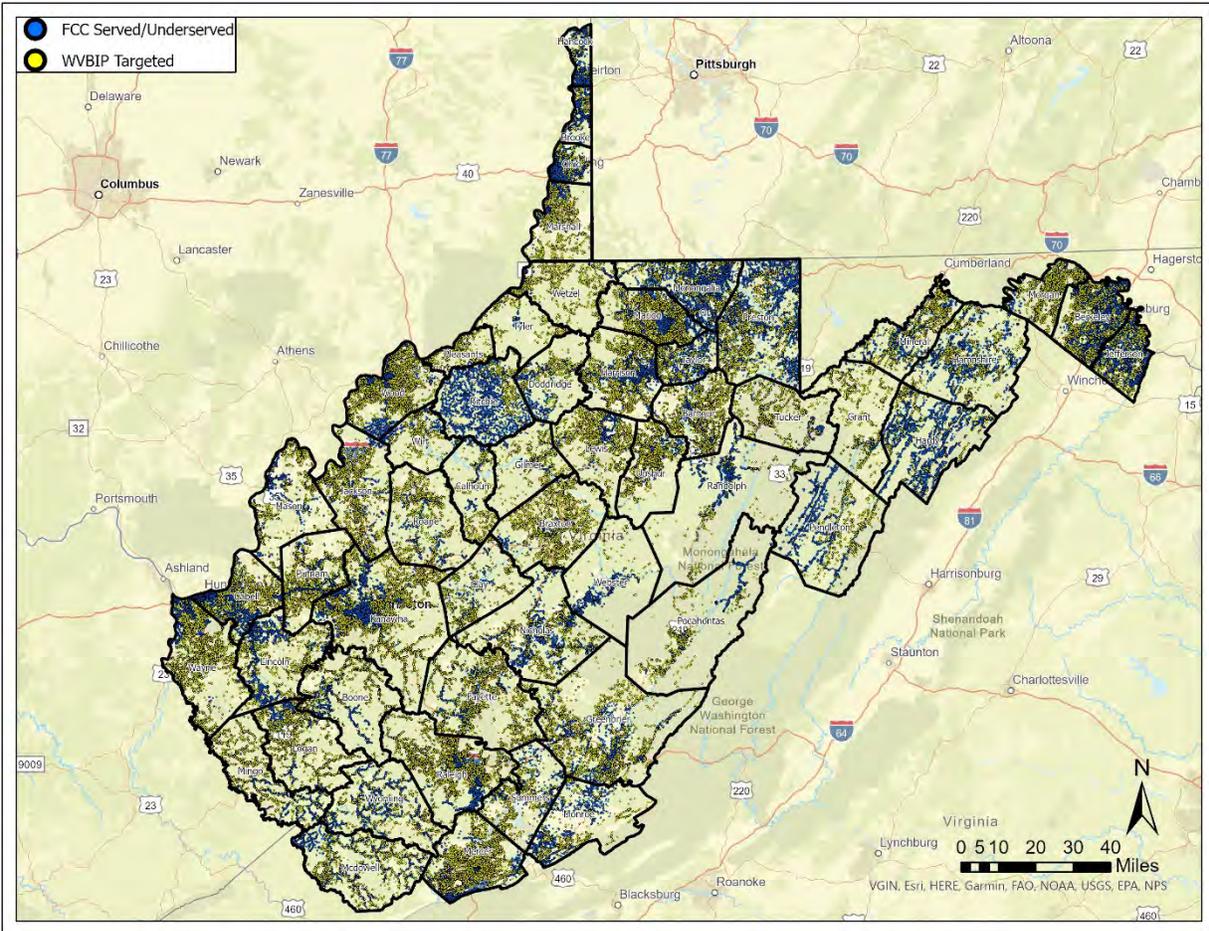
Below demonstrates the layering of addresses reported to have access to broadband services by cable, fiber, and fixed wireless (DSL not shown). 712,539 locations are reported to be served by these technologies including copper. 190,160 locations are reported as unserved.

Figure 7.5: BDC addresses reported to be served by copper.



The overlaying of targeted (unserved) locations identified by the Office, demonstrates the conflicting reports of FCC BDC locations.

Figure 7.6: WVBP targeted addresses overlayed on FCC BDC addresses.



The latest and final release of the FCC Form 477 was in December of 2021. The following maps demonstrate how broadband availability was mapped versus the pre-production draft of the national broadband map.

Figure 7.7: FCC census blocks with reported cable..

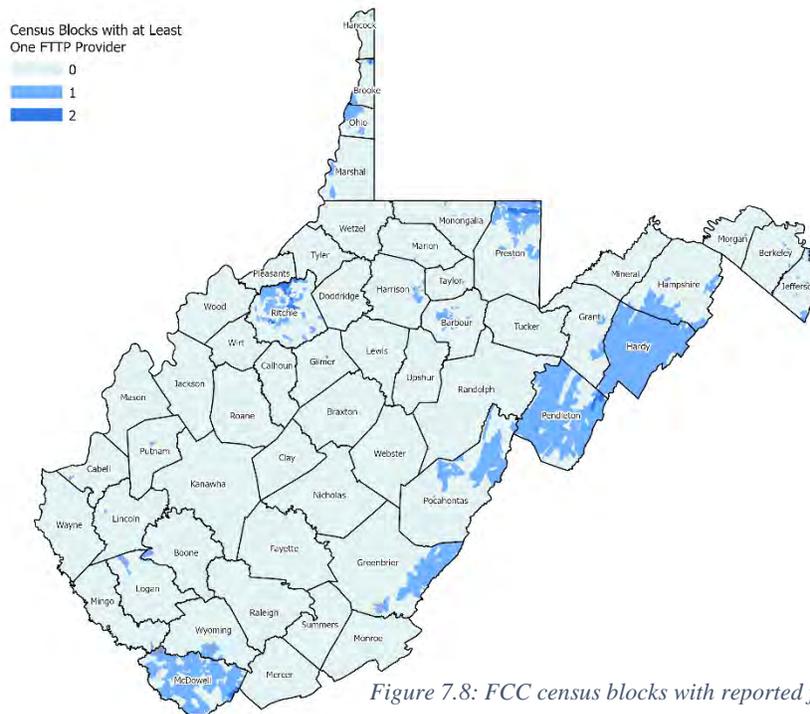
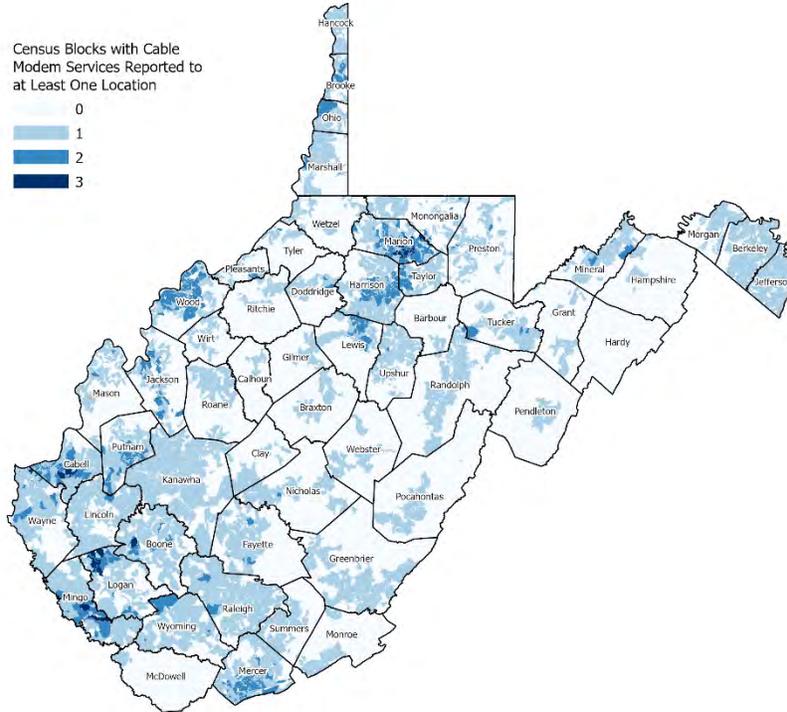


Figure 7.8: FCC census blocks with reported fiber..

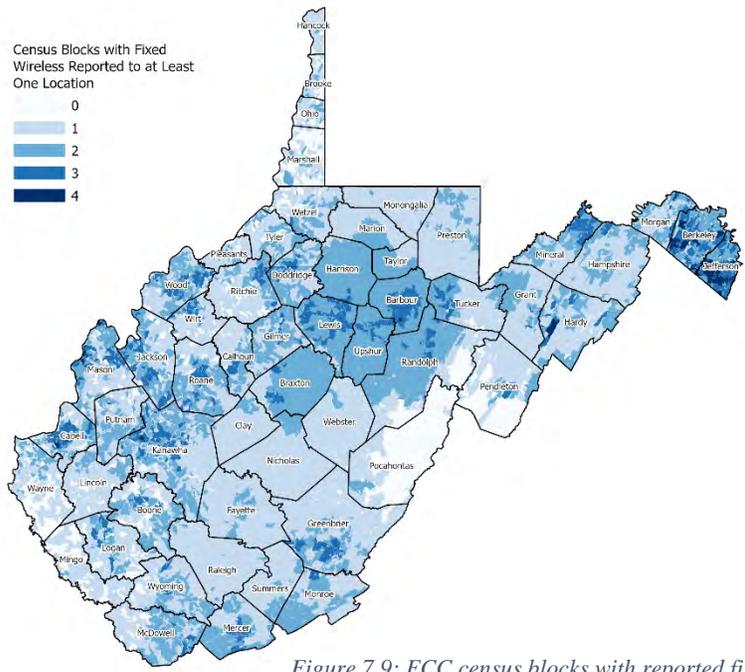


Figure 7.9: FCC census blocks with reported fixed wireless..

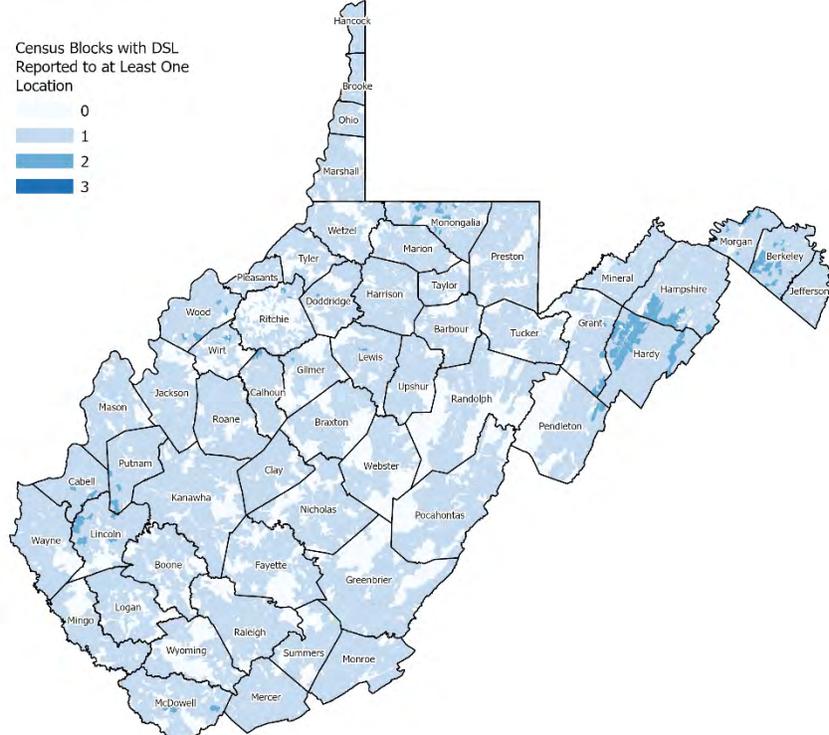


Figure 7.10: FCC census blocks with reported DSL.

8. FCC Rural Digital Opportunity Fund (RDOF)

The FCC conducted Phase 1 of the Rural Digital Opportunity Fund (RDOF) multi-round, reverse auction in October and November 2020. Through the entire RDOF program, the FCC outlined plans to award up to \$20.4 billion to support fixed broadband development nationwide. Phase 1 of the RDOF auction program included \$16 billion in potential funding. Of the \$16 billion, \$9.2 billion, or 57.5 percent, was awarded through a competitive, reverse auction framework designed to reduce costs through repetitive rounds of bidding by location(s). The balance of the initial \$20.4 billion is anticipated to be allocated during a second RDOF round, but the FCC has not released any information about RDOF Phase 2 as of this time.

Provisional winning bidders for Phase 1 were announced on December 7, 2020, at which point these provisional winning bidders started the post auction “Long Form Application” process in order to receive authorization to begin receiving their subsidy payments out of the Universal Service Fund’s High Cost Program, the source of RDOF funding. The Long Form process involved obtaining Eligible Telecommunications Carrier designation from either a state public utility commission or the FCC directly, providing additional financial information and providing additional information in response to questions the FCC posed to provisional auction winners.

Nearly two years later, in 2022, the Long Form process is still not complete for some provisional RDOF winners, including one West Virginia Internet service provider. Nationally, several provisional RDOF winners were ultimately denied final authorization to receive the RDOF High Cost subsidy. Additionally, numerous census blocks that were included in the auction initially and assigned to provisional auction winners were subsequently identified by the FCC as not qualifying for the auction either because they contained no broadband serviceable locations, or it was determined that qualifying broadband service was already present. These census blocks were excluded from receiving auction subsidy funding and categorized as “Defaulted” census blocks. Additionally, some census blocks assigned at the auction were defaulted on by provisional winners for various reasons.

West Virginia’s initial auction eligibility profile, as determined by the FCC, included 120,506 locations. The maximum statewide award possible was slightly more than \$766 million, or \$76 million per year, for ten years. This figure was the maximum potential subsidy to be awarded by the FCC to carriers that competed in the auction process. However, through the reverse auction process, the ultimate subsidy amount awarded in West Virginia was \$362 million, approximately 47.2 percent of the maximum amount. Additionally, of the 120,506 initially eligible locations, 119,267, 98.9 percent, were ‘won’ by auction participants.

After the Long Form process most of West Virginia’s provisional awards remained intact. While there were several census blocks in West Virginia classified as Defaulted, either due to the FCC initiated process of identifying census blocks that did not qualify for the auction or from provisional auction winners intentionally defaulting for various reasons, these were limited.

While several provisional auction winners were not approved by the FCC to receive the auction’s USF High Cost subsidy as a result of the Long Form process, only one of these affected West Virginia census blocks assigned during the auction. SpaceX did not receive final approval by the FCC for any of their RDOF assigned nationwide, including some in West Virginia, because the FCC had concerns about the capacity of their low earth orbit satellite system being able to provide the performance and speed SpaceX committed to during the auction. SpaceX is appealing this decision.

In addition, two provisional auction winners chose to default on a modest number of census blocks they were assigned during the auction including Commnet and Shentel.

Figure 8.1: RDOF Auction 904 winning bidders.

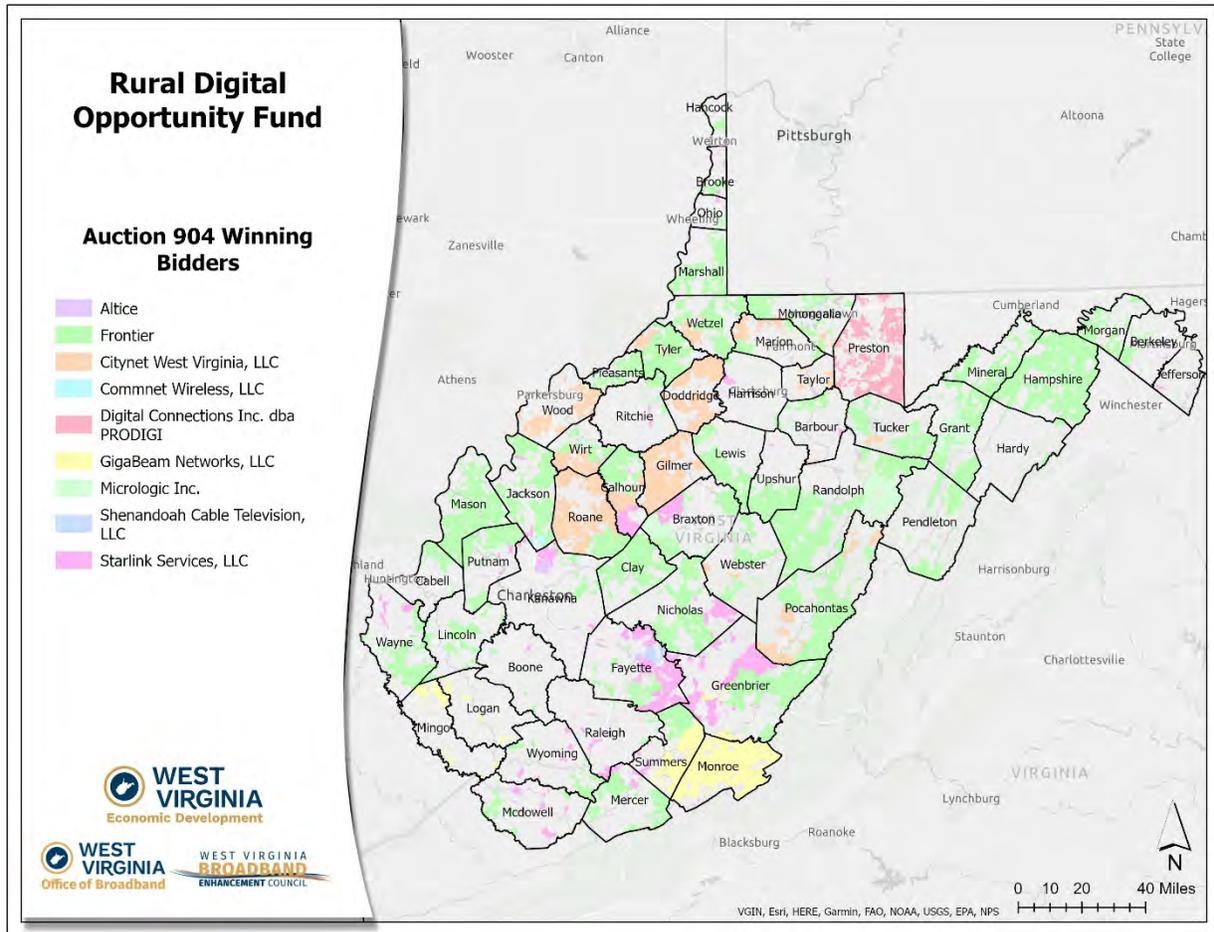


Figure 8.1 visualizes the census blocks that were won during the reverse auction; however, Starlink and Commnet locations are covered by defaults and will not be authorized.

Provisional RDOF Auction results, pre-Long Form process, for West Virginia are detailed below:

West Virginia FCC RDOF Maximum				
Competing Bidders	WV Eligible Locations	Maximum Annual Subsidy	Maximum 10-Year Subsidy	Auction Speed Tier
	120,156	\$76,621,628	\$766,216,280	
West Virginia FCC RDOF Awarded by Bidder				
Winning Bidders	WV Locations Assigned	Announced Annual Subsidy	Announced 10-Year Subsidy	Auction Speed Tier
Altice USA, Inc.	536	12,552.80	125,528	100/20 Mbps
Citynet West Virginia, LLC	13,460	5,351,685.83	53,516,858.3	1000/500 Mbps
CommNet Wireless, LLC	206	19,695.20	196,952	50/5 Mbps
Digital Connections, Inc. dba Prodigy	4,771	858,300.14	8,583,001.4	1000/500 Mbps
Frontier Communications Corporation, DIP	79,391	24,762,639.53	247,626,395.3	1000/500 Mbps
GigaBeam Networks, LLC	9,071	2,806,778.92	28,067,789.2	1000/500 Mbps
MicroLogic, Inc.	2,076	1,003,604.77	10,036,047.7	1000/500 Mbps
Shenandoah Cable Television, LLC	419	9,186.70	91,867	50/5 Mbps
Space Exploration Technologies Corp.	9,337	1,382,222.13	13,822,221.3	100/20 Mbps
TOTAL	119,267	36,206,666.02	362,066,660.2	NA

Table 8.1: Provisional RDOF auction results.

Current (almost final) RDOF Auction results, post Long Form process, for West Virginia are detailed below:

Post Long Form RDOF State Level Summary					
	State	Total Subsidy	Locations	Tier	STATUS
Altice	West Virginia	\$120,968.00	502	Above Baseline	Fully authorized
Frontier	West Virginia	\$247,538,077.60	79,334	Gigabit	Fully authorized
Citynet West	West Virginia	\$53,486,649.80	13,448	Gigabit	Fully authorized
Digital Connections	West Virginia	\$8,583,001.40	4,771	Gigabit	Fully authorized
Micrologic Inc.	West Virginia	\$10,036,047.70	2,076	Gigabit	Fully authorized
GigaBeam Networks	West Virginia	\$27,972,938.90	8,956	Gigabit	Ready to authorize status, 8/31/2022
State Total		\$347,737,683.40	109,087		

Table 8.2: Post Long Form RDOF Auction results

As shown above, of the approximately \$362 million (total amount of subsidy over ten years) in RDOF Phase 1 subsidy awarded in West Virginia, approximately \$247 million was assigned to Frontier. This was the largest award in West Virginia and the third largest award as detailed in Figure 8.1.

Of the 119,267 West Virginia locations provisionally assigned to bidders at the auction, approximately 80,000 of those were assigned Frontier. Notably, Frontier bid and won in the auction’s Gigabit Performance Tier, specifying the use of “Optical Carrier – Fiber to the End-User” as the technology to be utilized to satisfy deployment obligations. All auction winners must fulfill deployment obligations to serve 40 percent of the total locations won in a state by the end of year 3 (starting when the FCC announces final approval of auction winners to receive Universal Service Funds) and an additional 20 percent of auction subsidized locations per year until 100 percent completion by the end of year 6.

The specification of “Optical Carrier – Fiber to the End User” as a technology is presumed to necessitate the deployment of a Gigabit Passive Optical Network (GPON) as a fiber-to-the-home (FTTH) network that is able to provide service to each of the estimated 80,000 subsidized locations in West Virginia. To remain compliant with FCC RDOF auction rules, this GPON FTTH network must reach approximately 32,000 locations within three years after final FCC award approval. The network must then reach an additional 16,000 locations per year for each of the three years after the initial deployment.

These deployment milestones apply to all auction participants and represents a significant investment in broadband infrastructure in West Virginia.

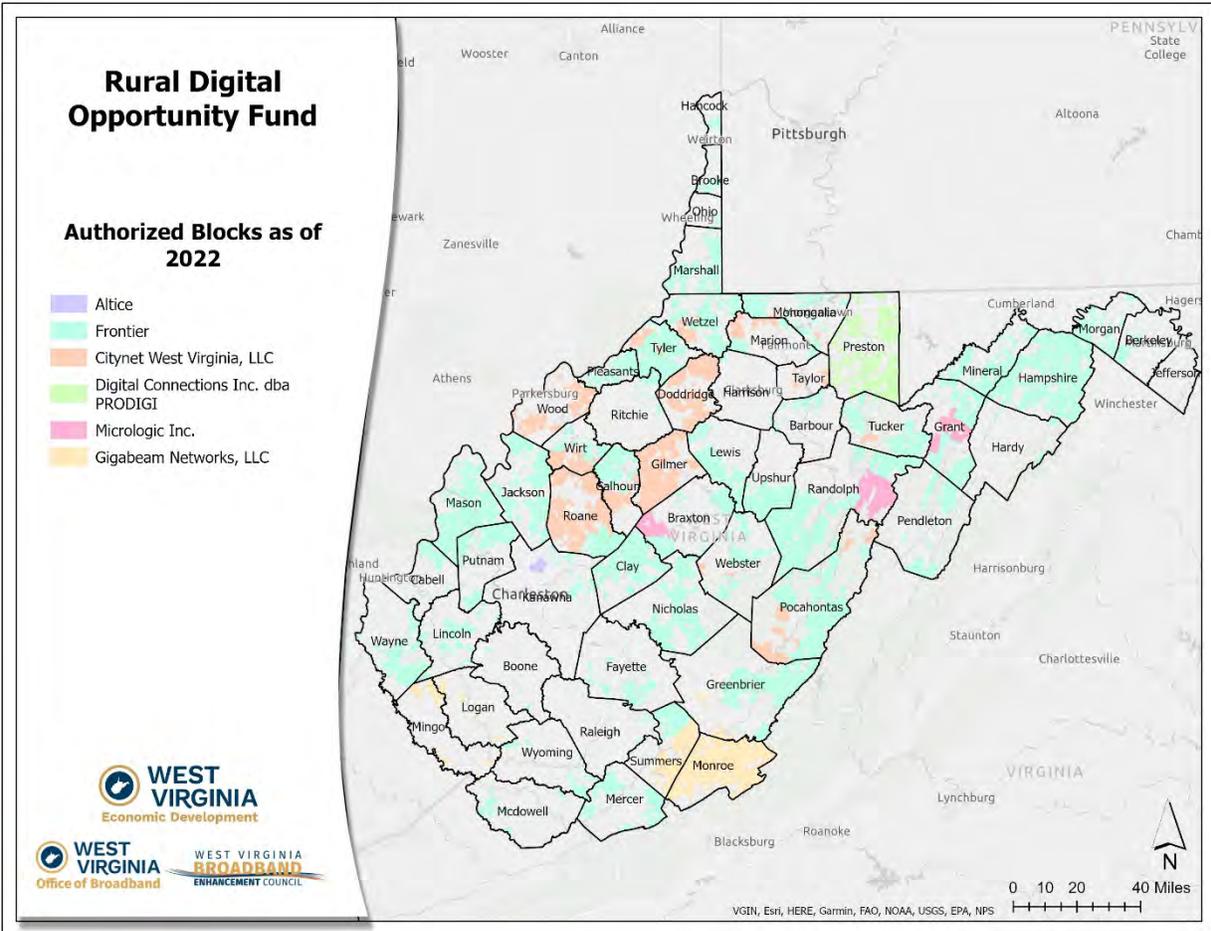
Bidder	State	Annual Support	Locations Assigned
LTD Broadband LLC	MN	\$31,187,793.64	102005
Etheric Communications LLC	CA	\$24,863,496.31	64463
Frontier Communications Corporation, DIP	WV	\$24,762,639.53	79391
Rural Electric Cooperative Consortium	MS	\$22,057,663.18	89505
AMG Technology Investment Group LLC	IL	\$19,309,883.99	68921
LTD Broadband LLC	WI	\$18,927,018.41	88070
Consortium of AEG and Heron Broadband I	MI	\$18,766,912.40	48449
LTD Broadband LLC	CA	\$18,750,605.97	76856
CCO Holdings, LLC	TX	\$18,679,335.99	133993

Table 8.3: Highest RDOF Statewide Awards, pre-Long Form process

A map which details RDOF locations by winning bidder is provided in Figure 8.2.

To assist companies as they prepared to compete in the auction, the WV Broadband Enhancement Council, WV Development Office, and Tilson Technology presented a series of webinars detailing the RDOF auction requirements. The webinars provided an in-depth look at RDOF auction process and eligible areas in West Virginia. The FCC’s Eligible Areas Public Notice and related materials can be found [here](#).

Figure 8.2: RDOF Auction 904 authorized blocks as of 2022.



9. Infrastructure Investment and Jobs Act (IIJA) Broadband Programs

The Infrastructure Investment and Jobs Act of 2021 provides a historic \$65 billion investment to expand internet access and use throughout the United States. Four federal agencies are leading the nation’s Internet for All initiative with programs to support high-speed internet planning, data development, infrastructure, and adoption. These agencies include: the National Telecommunications and Information Administration (NTIA), the Federal Communications Commission (FCC), the Department of the Treasury, and the U.S. Department of Agriculture (USDA). The federal agencies have consolidated funding programs under the national [Internet for All](#) initiative.

NTIA will administer two major programs under this initiative – the \$42.5 billion Broadband Equity, Access, and Deployment (BEAD) program, and the \$2.75 billion Digital Equity Act (DE) programs. The Digital Equity Act includes \$60 million for a State Planning Program, \$1.44 billion for a State Capacity Program, and \$1.25 billion for a Competitive Grant Program.

On May 13, 2022, NTIA released a Notice of Funding Opportunity (NOFO) for three national broadband programs under the Infrastructure Investment and Jobs Act (IIJA):

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

NTIA has awarded initial planning funds to the West Virginia Department of Economic Development, Office of Broadband as follows:

Program	Amount	Date of Award	Due Date
BEAD Planning Grant	\$5,000,000	November 14, 2022	TBD
Digital Equity Planning Grant	\$ 728,065	September 30, 2022	October 1, 2023

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

1. **Broadband, Equity, Access, and Deployment (BEAD)**
 - a. The BEAD program provides funding for broadband planning, deployment, mapping, equity, and adoption activities. Each State is eligible to receive a minimum of \$100 million, of which \$5 million can be allocated as Planning Funds.
 - b. NTIA is expected to release allocation totals for each state in June 2023.

- c. West Virginia was among the 34 initial states that submitted a Letter of Intent (LOI) to participate in [the BEAD Program](#).
- d. West Virginia's BEAD application was submitted to NTIA on August 11, 2022, in advance of the August 15, 2022, application deadline. West Virginia's BEAD application was approved on November 14, 2022.
- e. The State's Five-Year Action Plan must be submitted with 270 days of receiving BEAD Planning Funds.
- f. States that do not complete the BEAD Planning process will not be eligible for BEAD Implementation funds.

2. State Digital Equity Planning Grant Program

- a. The State Digital Equity Planning Grant (<https://broadbandusa.ntia.doc.gov/resources/grant-programs/digital-equity-programs>) will be awarded to States and territories to develop State Digital Equity Plans designed to identify barriers to digital equity and implement strategies to overcome these barriers.
- b. Digital Equity Plans must be included in the BEAD Five-Year Plan.
- c. West Virginia's application was submitted on July 1, 2022, in advance of the July 12, 2022, Digital Equity Planning Grant application deadline. West Virginia's Digital Equity Planning Grant was approved by NTIA on September 30, 2022.
- d. Digital Equity Plans must be submitted with 270 days of receiving Digital Equity Planning Grant funds.
- e. States that do not complete the Digital Equity planning process will not be eligible for Digital Equity Implementation funds.

3. NTIA Middle Mile Broadband Infrastructure Grant

- a. The Middle Mile Broadband Infrastructure Grant Program (<https://broadbandusa.ntia.doc.gov/enabling-middle-mile-broadband-infrastructure-program>) provides funding for the construction, improvement, or acquisition of middle-mile infrastructure. Grant funds will be used to expand middle mile infrastructure to reduce the cost of unserved last-mile networks to connect to the internet backbone.
- b. NTIA will prioritize projects that meet at least two of the following five criteria, as outlined in Section 60401(d)(2) of the Infrastructure Act. Preferred projects will:
 - Adopt "fiscally sustainable middle mile strategies"
 - Commit to offering non-discriminatory interconnect
 - Identify specific, documented and sustainable demand for middle mile interconnections
 - Identify conditions/resources to speed up project

- Demonstrate benefits to national security interests
- c. The Middle Mile Program’s Notice of Funding Opportunity states that applicants must coordinate with the Office of Broadband prior to submitting an application *“to ensure that the proposal is consistent with the State’s broadband plan and priorities.”*¹
 - d. Middle Mile Program grant applications were submitted directly to NTIA in September 2022. NTIA expects to make available awards for grantees ranging from \$5 million to \$100 million, with expected to begin in March 2023.
 - e. The Office of Broadband issued Request for Information (RFI) to gauge interest in potential middle mile grant applications from West Virginia on June 24, 2022. The RFI closed on July 20, 2022. The RFI was later extended, to close on August 31, 2022.
 - f. Eligible applicants are defined as: *“(A) a State, political subdivision of a State, Tribal government, technology company, electric utility, utility cooperative, public utility district, telecommunications company, telecommunications cooperative, nonprofit foundation, nonprofit corporation, nonprofit institution, nonprofit association, regional planning council, Native entity, or economic development authority; or (B) a partnership of two (2) or more entities described in (A).”*²
 - g. The intent of the NTIA Middle Mile Program is to complement other programs focused on internet connectivity and digital equity. Eligible projects funded by this program must be middle mile networks capable of providing backhaul connectivity to facilities such as last mile network networks, community anchor institutions, towers and other facilities.³

9.1 Internet for All West Virginia

Building upon the national Internet for All initiative, the West Virginia Office of Broadband has created [Internet for All West Virginia](#). Through Internet for All West Virginia, the WV Office of Broadband and WV Broadband Enhancement Council will join with residents, businesses, nonprofit organizations, and numerous partners to develop West Virginia’s Digital Equity Plan and BEAD Five-Year Action Plan as directed by the NTIA.

The Internet for All West Virginia initiative is designed to achieve digital equity throughout the Mountain State and to ensure that all communities have access to broadband connectivity.

¹ <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/MIDDLE%20MILE%20NOFO.pdf>, page 22-23

² page 5

³ *Ibid*, page 4

9.2 West Virginia's Core Planning Team

Engagement with covered populations, unserved, and underserved locations, as well as community anchor institutions is an essential part of the planning process.

The Office of Broadband has partnered with key agencies and groups to solidify a Core Planning Team to facilitate stakeholder engagement and develop the West Virginia's Digital Equity and BEAD plans. The Core Planning Team includes the West Virginia Broadband Enhancement Council, Tilson Technology Management (Tilson), West Virginia University's Startup WV (Startup WV), and Marshall University's Center for Business and Economic Research (CBER).

9.3 West Virginia's Key Partners

In addition to the Core Planning Team, West Virginia's 11 Regional Planning and Development Councils (RPDCs) are key partners with direct connections to West Virginia communities. The RPDCs work directly with counties, municipalities, and critical stakeholders throughout West Virginia. Additional Digital Equity and BEAD Partners include:

- WV Department of Education
- WV Economic Development Council
- WV Herbert Henderson Office of Minority Affairs
- Regional Optical Communications
- The Thrasher Group

The Core Planning Team is reaching out to state, regional, and local groups to continuously grow this list of partners.

9.4 West Virginia's Digital Equity Steering Committee

In addition to the Core Planning team, West Virginia has established a Digital Equity Steering Committee. The Steering Committee will provide direction and assistance, leveraging their expertise in public outreach and organizing throughout the Digital Equity planning process. Digital Equity Steering Committee members include representatives from:

- AARP West Virginia
- Generation West Virginia
- West Virginia Broadband Enhancement Council
- West Virginia Library Commission

9.5 Digital Equity Planning

On October 4th, 2022, Governor Justice released a proclamation declaring October 3-7, 2022, as Digital Inclusion Week in West Virginia. Digital Inclusion Week is a national effort to recognize activities that promote digital inclusion around the country. This Proclamation recognizes that many West Virginians lack internet access and the skills necessary to use the internet, displaying the need for a State Digital Equity Plan. The Proclamation also described the Affordable Connectivity Program (ACP), outlined eligibility criteria, and provided resources for enrollment.

West Virginia's Digital Equity Planning team is dedicated to planning, expanding, funding, and building access to reliable and affordable high-speed internet in West Virginia. Digital Equity means enabling all individuals and communities to have access to, and the ability to use, information technology (including Internet access) to fully participate in society, the economy, and perform civic duties.

Under the Digital Equity Planning process, the WV Office of Broadband, together with its partners, will draft a plan to achieve digital equity in West Virginia. This plan will ensure that everyone in the state has access to affordable high-speed internet, affordable or free devices to use the internet, and the opportunity to learn the skills necessary to take full advantage of everything the internet offers.

West Virginia must submit its Digital Equity Plan to NTIA no later than one year after receipt of funds. The State will provide at least 30 days for public comment and will consider all public comments prior to final plan submission to NTIA. States that fail to complete a Digital Equity Plan cannot compete for Digital Equity Implementation funds. Digital Equity Plans must include:

- a. Statewide vision for digital equity
- b. A digital equity framework and scorecard
- c. Plans for digital literacy innovation programs
- d. Proposed technology-related apprenticeship or other workforce opportunities
- e. Integration with the State's Economic Development Strategy, educational and health outcomes, and civic and social engagement
- f. Action steps to implement the Digital Equity Plan that contains all requirements set forth in the [Notice of Funding Opportunity](#).

9.6 Digital Equity Deliverables

Digital Equity Planning Grant deliverables will include:

- a. a printed Digital Equity Plan, with an electronic version hosted on the [Internet for All WV website](#);
- b. an open access, interactive online dashboard and downloadable map displaying the data collected to inform the measurable objectives, and
- c. a Digital Equity asset inventory and community resource library.

West Virginia’s Regional Planning and Development Councils provide an essential connection to each area of the State. Working together, the planning teams will ensure that all West Virginians are represented in the Digital Equity and BEAD planning process.

9.7 Digital Equity Timeline

The WV Office of Broadband and partners are beginning development of the State Digital Equity Plan.

- a. Eligible Entities that receive Initial Planning Funds must submit a Digital Equity Plan to NTIA no later than 1 year after receipt of planning funds (October 1, 2023).
- b. The Application for State Capacity Grants open. (Early 2024).
- c. State Capacity Grants are awarded. Competitive Grant Program is launched within one month of State Capacity Grant Awards (Summer 2024).
- d. Five-Year State Capacity Implementation. Competitive Grant Application process and Four-Year Implementation (2024 - 2026+).

9.8 Broadband Equity, Access, and Deployment (BEAD) Planning

The Broadband Equity, Access, and Deployment (BEAD) Program provides \$42.45 billion to expand high-speed internet access by funding planning, infrastructure deployment, mapping, equity, and adoption activities in all 50 states, Washington D.C., and U.S. Territories. BEAD prioritizes unserved locations that have no Internet access or that have service under 25/3 Mbps. Key requirements are outlined in the [BEAD Notice of Funding Opportunity](#).

West Virginia has received \$5 million in initial planning funds, which will support the development of a Five-Year Action Plan. The Five-Year Action Plan will establish the State’s high-speed internet goals and priorities and serve as a comprehensive needs assessment that will inform infrastructure expansion strategies.

Coordination with the Digital Equity program will be integrated throughout all BEAD planning activities, with a special focus on collaborative community engagement. Building upon recent planning initiatives and working collaboratively with community partners, the West Virginia Office of Broadband intends to invest BEAD planning funds in the following six activities:

- a. Increasing the Capacity of the Office of Broadband to improve connectivity in West Virginia
- b. Identifying Unserved, Underserved, and Underrepresented Communities in West Virginia
- c. Conducting Community Outreach and Stakeholder Engagement in West Virginia
- d. Meeting Local Coordination Requirements through effective partnerships in West Virginia
- e. Providing Technical Assistance to Communities in West Virginia
- f. Developing Strategies for Universal Broadband Coverage in West Virginia

9.9 BEAD Timeline

The WV Office of Broadband and partners are beginning development of the Five-Year Action Plan.

- a. Eligible Entities that receive Initial Planning Funds must submit a BEAD Five-Year Action Plans to NTIA no later than 270 days after receipt of planning funds. (Fall 2023)
- b. Initial Proposals due 180 days after new FCC DATA broadband maps and funding amounts issues, based upon formula. (Late 2023)
- c. Final Proposals must be submitted to NTIA no later than 365 days after the approval of the Initial Proposal. (2024)
- d. Final Funding: Four-Year Implementation. (2024 - 2027+)

9.10 Relevant Links

- West Virginia Office of Broadband Website: <https://broadband.wv.gov/>
- Internet for All West Virginia Website: <https://internetforallwv.wv.gov/>
- Internet for All National Website: <https://www.internet4all.gov/>
- FCC National Broadband Map: <https://broadbandmap.fcc.gov/home>
- FCC Affordable Connectivity Program Information: <https://www.fcc.gov/acp>
- National Digital Inclusion Alliance (NDIA): <https://www.digitalinclusion.org/>

10. Demographic-Adoption Data

Digital equity is fundamentally concerned with promoting full participation in the digital economy and society by all. Achievement of digital equity requires strategic investments in human and community capacity.¹ The Digital Equity Act therefore requires the State of West Virginia, through the West Virginia Office of Broadband, to provide a comprehensive baseline assessment of its covered populations, including identifying areas of higher need across the State.

The Office of Broadband has primarily used American Community Survey (ACS) data to identify areas with higher covered populations (when available). 2019 1-year and 5-year ACS data is available for the following covered populations: covered households, aging individuals, veterans, individuals with disabilities, individuals with language barriers learning English, rural residents, and for racial and ethnic minorities. In all cases, source tables and vintages were chosen to provide as close alignment to the National Telecommunications and Information Administration's *State Total Covered Populations* document as possible.²

The ACS is an ongoing survey conducted by the U.S. Census Bureau that is designed to provide up-to-date information on a yearly basis about the United States and its people.³ ACS provides reliable and timely social, economic, housing, and demographic data every year. Survey results from the ACS are used to learn more about the needs of local communities, as well as to help determine where \$675 billion in federal and State funds are distributed each year.⁴

The Census Bureau selects a random sample of addresses to be included each year. Each address in the United States has about a 1 in 480 chance of being selected in a given month, with no address selected more than once every five years. Each of the 300,000 addresses selected each month receive a mailed questionnaire and instructions to complete the survey online, and additional follow-ups if the questionnaire is not completed within a few weeks. The Census Bureau then releases these data to the public in one-year and five-year increments.⁵

In some instances, data on certain covered populations is not available from the Census Bureau. In these cases, tables were chosen to match National Telecommunications and Information Administration's (NTIA's) *State Total Covered Populations* source data whenever possible. To determine areas with higher rates of those with English language barriers as a result of low English literacy, the most recent Department of Education literacy data was chosen.⁶

Similarly, the Office of Broadband determined areas that contain non-federal incarceration facilities using a mixture of West Virginia Department of Corrections and U.S. Census of Jails and Prisons data.

¹ <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/DE%20PLANNING%20GRANT%20NOFO.pdf>

² <https://www.census.gov/programs-surveys/community-resilience-estimates/partnerships/ntia.html>

³ <https://www.census.gov/programs-surveys/acs/about.html>

⁴ https://www.census.gov/content/dam/Census/programs-surveys/acs/about/ACS_Information_Guide.pdf

⁵ https://www.census.gov/content/dam/Census/programs-surveys/acs/about/ACS_Information_Guide.pdf

⁶ <https://nces.ed.gov/surveys/piaac/skillsmap/>

Overall, data analysis by the Office of Broadband finds that 96.9% of West Virginians fall into at least one covered population under the Digital Equity Act. Please note that these percentages do not add up to 100% — many West Virginians fall into more than one of these covered population categories.

Table 10.1: Digital Equity Act Covered Populations

Covered Population	% of WV Population
Covered Households	26.5%
Aging Individuals	28.8%
Veterans	6.8%
Incarcerated Individuals	0.5%
Individuals with Disabilities	20.3%
Language Barrier: English Learner	0.7%
Language Barrier: Literacy	20.9%
Racial or Ethnic Minority	8.0%
Rural	90.0%
Total	96.9%

Source: U.S. Census Digital Equity Act [Population Viewer](#)

Figure 1 shows the rates of households with incomes of less than 150 percent of the federal poverty line by county in West Virginia scaled to the national average (noted in parentheses). In general, there are higher rates of covered households in the south of West Virginia; most counties have higher rates of covered households than the national average.

Figure 1: Covered Populations

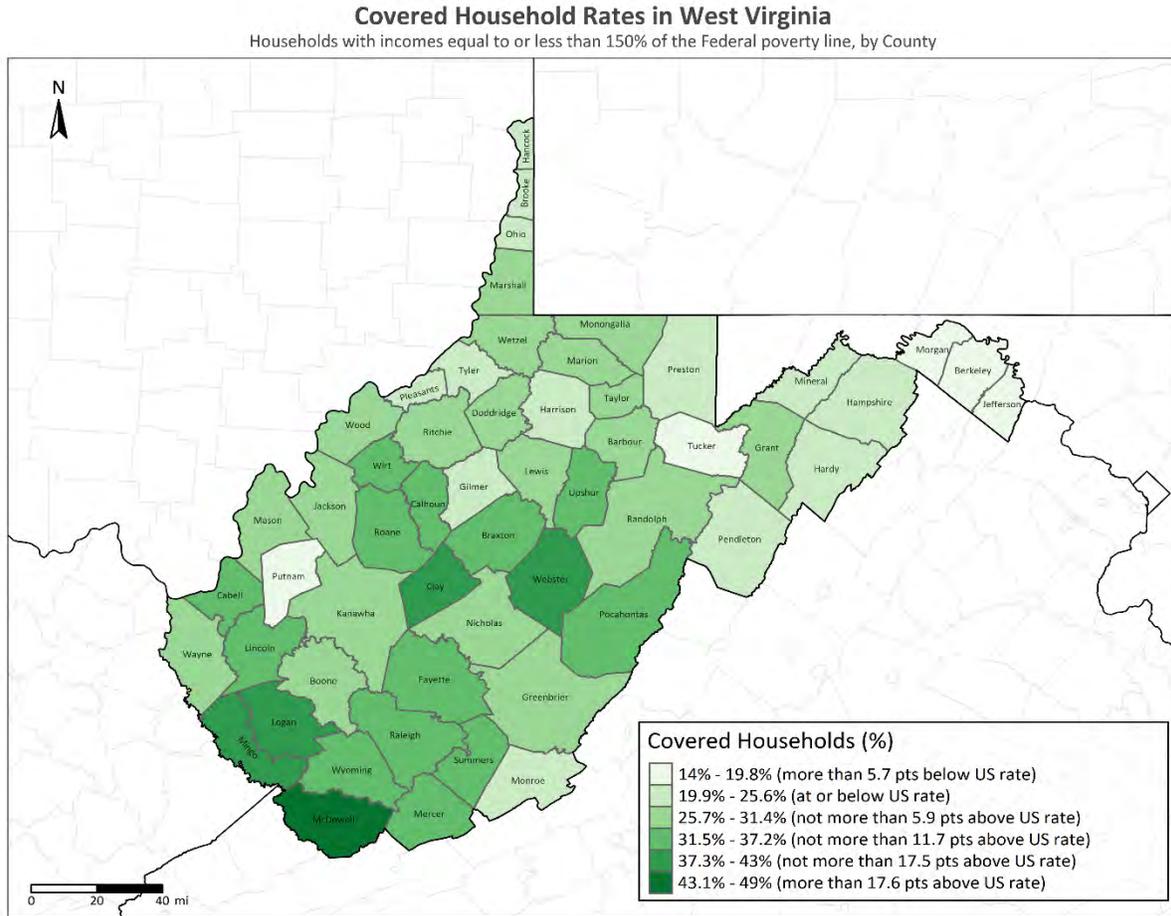


Figure 10.1: Covered household rates in West Virginia.
Source: U.S. Census Bureau, 2019 American Community Survey, 1 & 5-year data.

Figure 2 shows the rates of individuals aged 65 and over by county in West Virginia, scaled to the national average (noted in parentheses). In general, counties to the east and south of the state have older populations than the national rate.

Figure 2: Aging Individuals

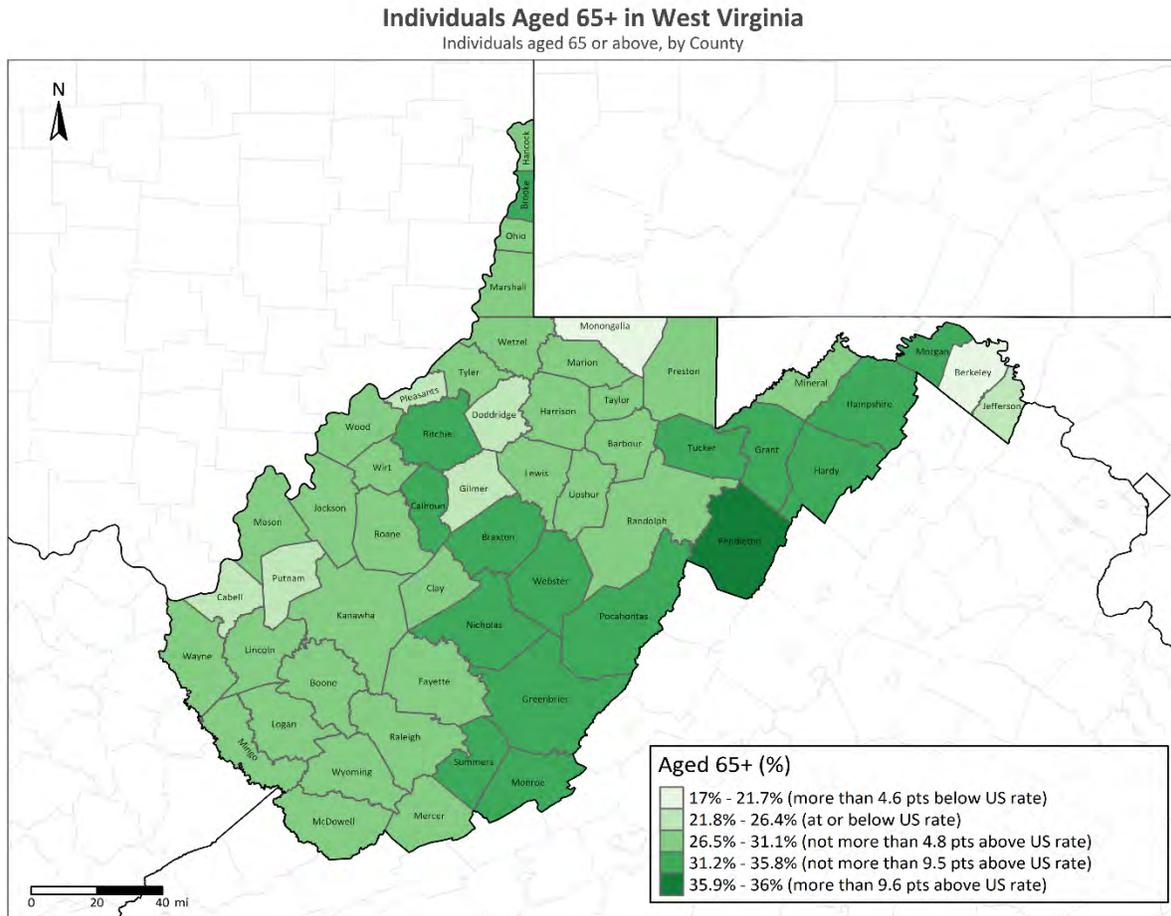


Figure 10.2: Individuals aged 65+ in West Virginia.
Source: U.S. Census Bureau, 2019 American Community Survey, 1 & 5-year data.

Figure 3 shows a graphical representation of all jails, prisons, and joint federal incarceration facilities across the state of West Virginia, including what counties contain at least one incarceration facility.

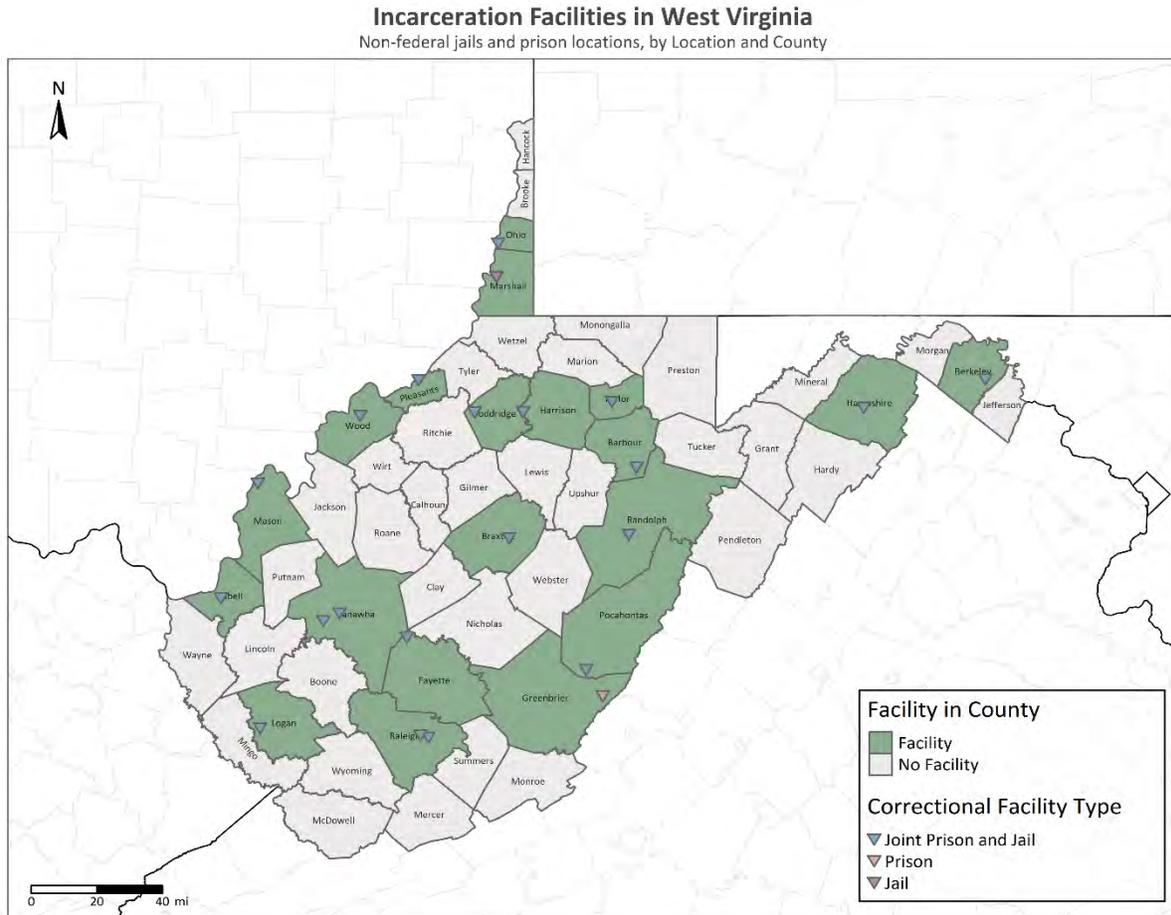


Figure 10.3: Covered household rates in West Virginia.
Source: WV Dept. Corrections; © OpenStreetMap and OpenAddress contributors

Figure 4 shows the rate of veterans in West Virginia by county. In general, West Virginia has a higher rate of veterans than the national average. Counties with the highest percentage of veterans are spread across the state, with the two highest being Taylor County and Hardy County.

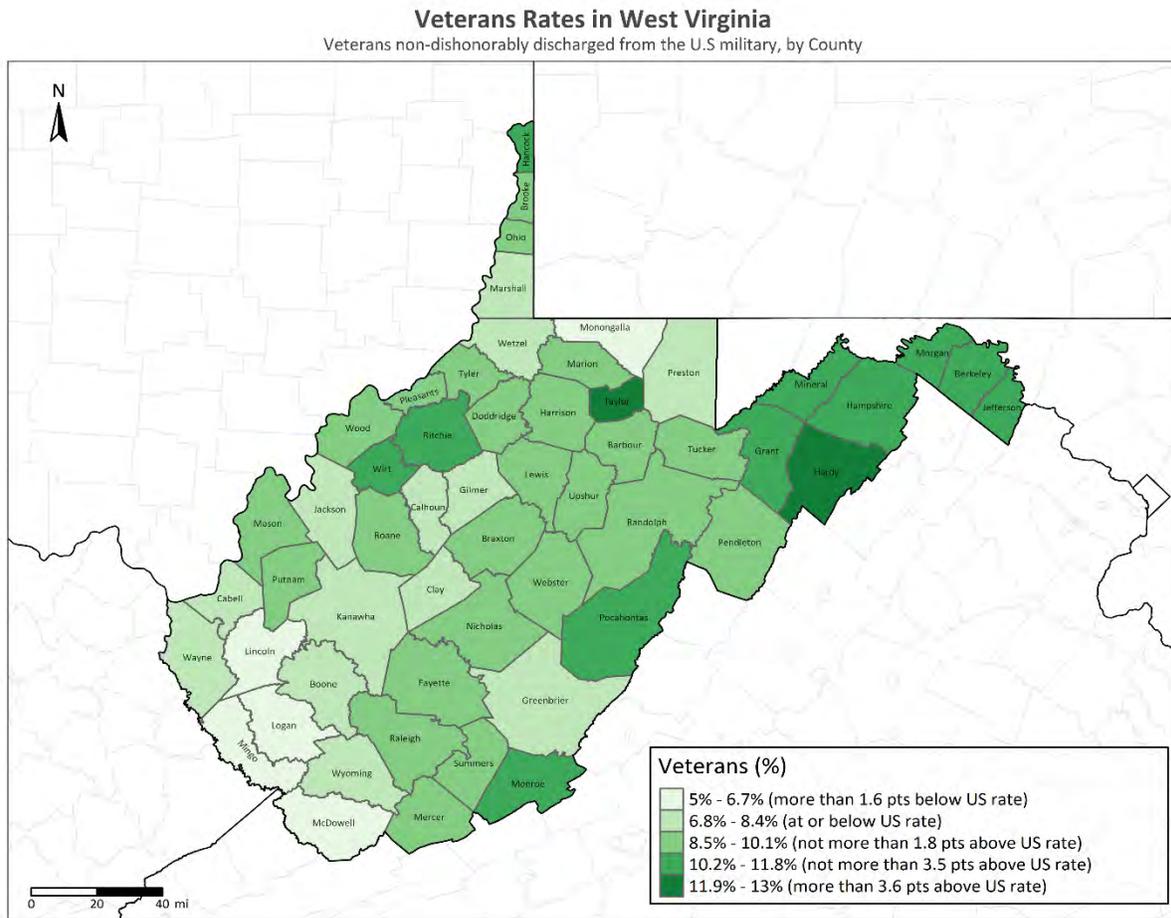


Figure 10.4: Veteran rates in West Virginia.
Source: U.S. Census Bureau, 2019 American Community Survey, 1 & 5-year data.

Figure 5 shows the rates of individuals with disabilities by county across West Virginia. Only six counties in West Virginia fall at or under the national average, with the highest concentration of individuals with disabilities to the south of the state. This map is not dissimilar to the covered households map, as research shows that individuals with disabilities are more than twice as likely to live in poverty.¹

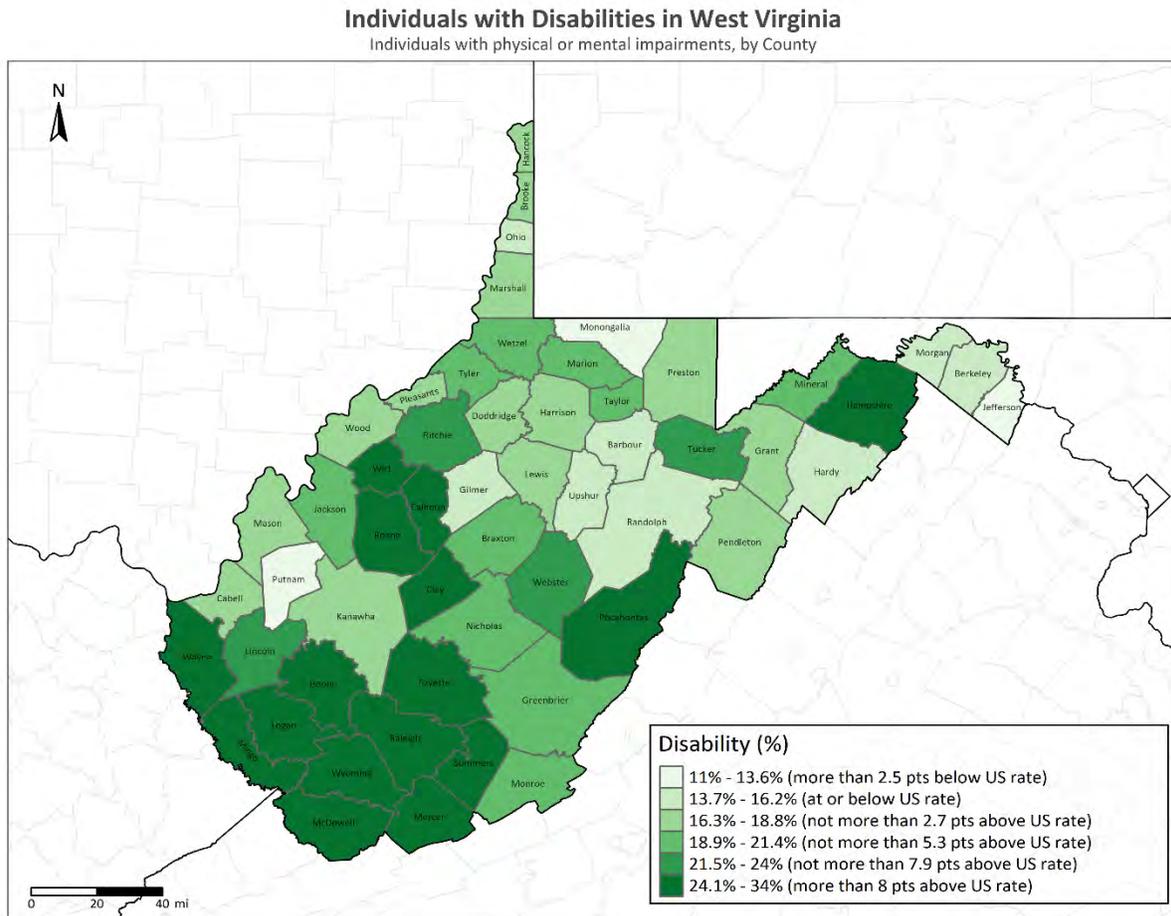


Figure 10.5: Individuals with disabilities in West Virginia.
Source: U.S. Census Bureau, 2019 American Community Survey, 1 & 5-year data.

¹ https://ncd.gov/sites/default/files/NCD_A%20Progress%20Report_508.pdf

Figure 6 shows the first of two components of the language barrier covered population by county—those who are learning English and speak English less than “very well.” Counties close to Hagerstown, Maryland have the most concentrated rate of English learners, with other pockets around Morgantown and Gilmer County in West Virginia. In general, West Virginia has lower rates of English learners than the national average.

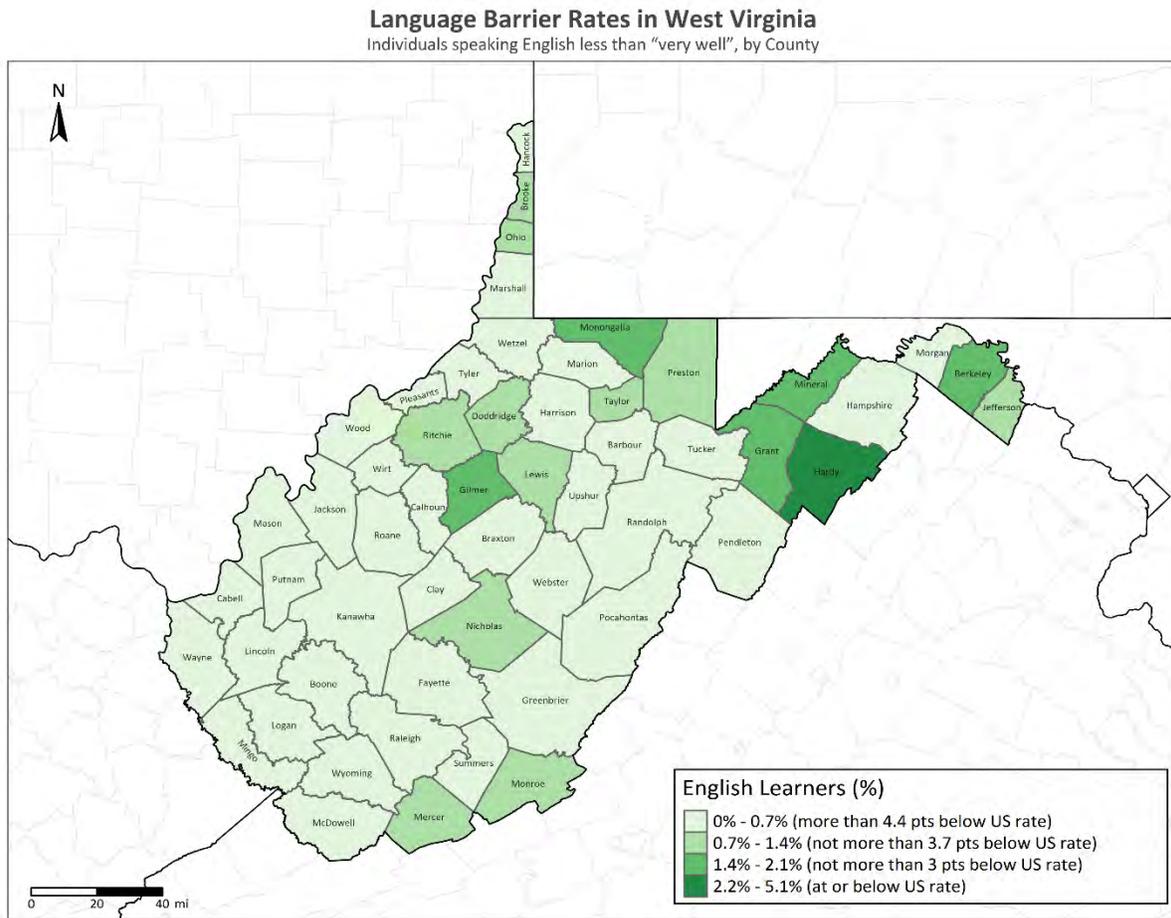


Figure 10.6: Language barrier rates in West Virginia.
Source: U.S. Census Bureau, 2019 American Community Survey, 1 & 5-year data, Department of Education NCES PIAAC.

Figure 7 shows the second of two components of the language barrier covered population by county—those with low levels of English literacy. There are significantly higher rates than the national average in some West Virginia counties, with an elevated rate across the state relative to the national average.

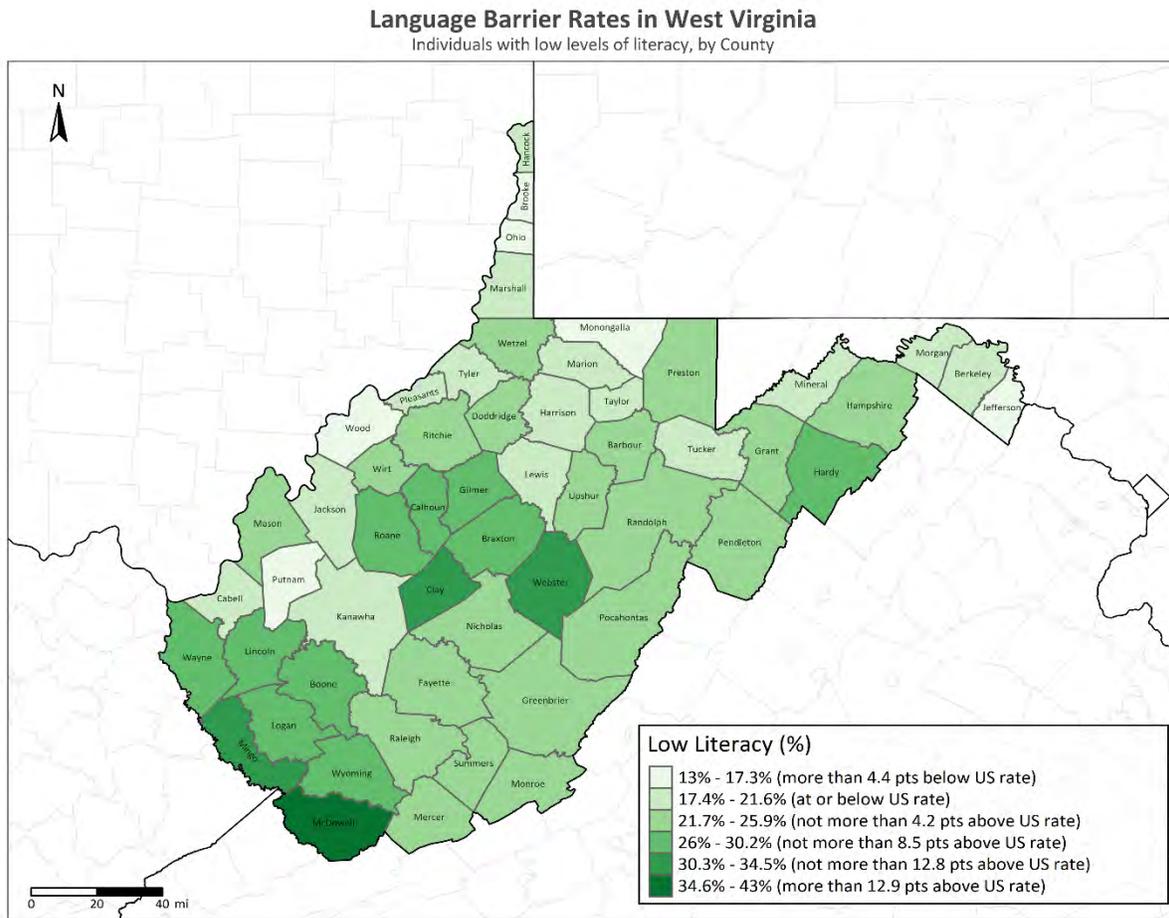


Figure 10.7: Low literacy rates in West Virginia.
Source: U.S. Census Bureau, 2019 American Community Survey, 1 & 5-year data, Department of Education NCES PIAAC year data.

Figure 8 shows the rates of racial and ethnic minorities by county in West Virginia. All counties in West Virginia fall below the national average for the percentage of minority populations living in a county, although larger cities—including Morgantown, Martinsburg, and Charleston—have higher rates relative to the rest of the state.

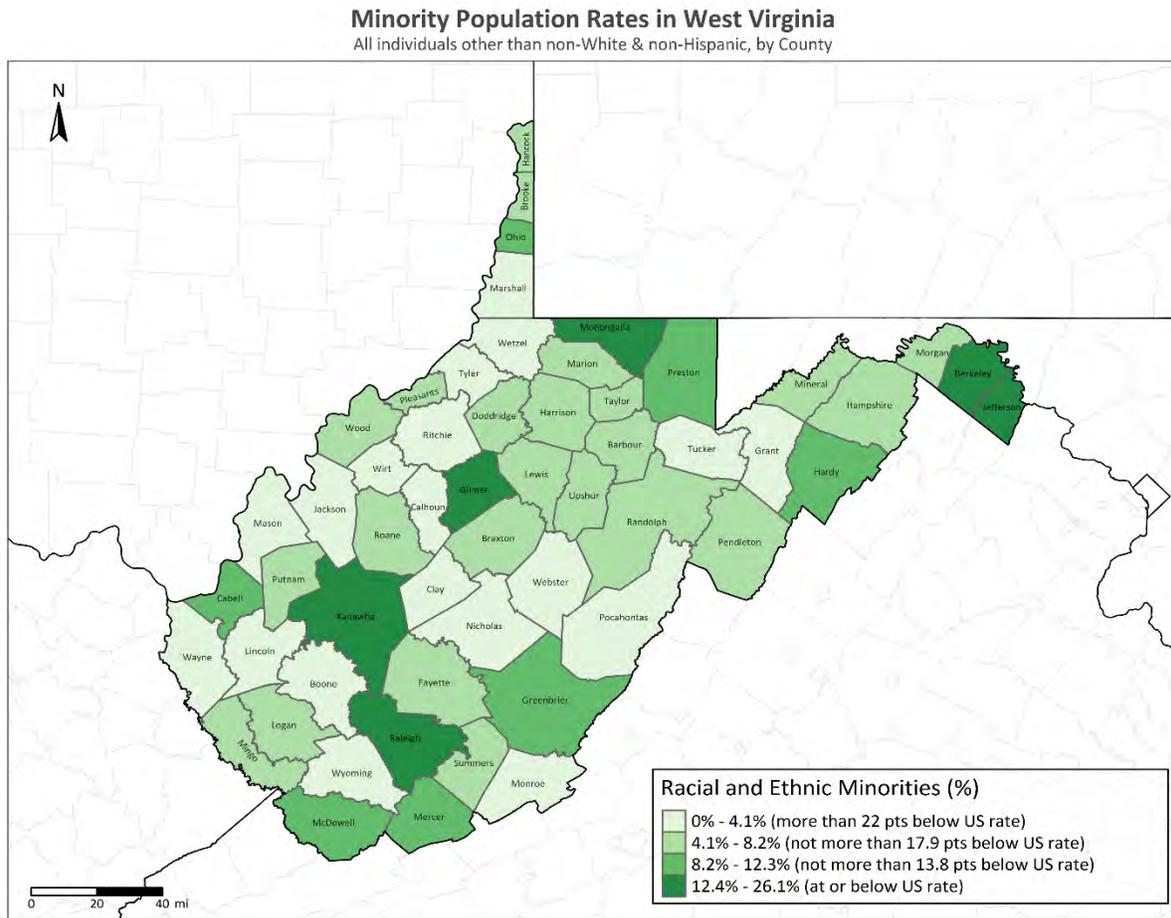


Figure 10.8: minority population rates in West Virginia.
Source: U.S. Census Bureau, 2019 American Community Survey, 1 & 5-year data.

Figure 9 shows the rate of rural residents living by county in West Virginia. This map is derived differently from traditional Census/USDA rural area maps due to the more lenient way the Digital Equity Act classifies rural areas, leading to a 90 percent rural area rate across the state—the highest in the nation by far. Only individuals living inside the municipal city boundaries of Charleston, Huntington, Morgantown, Parkersburg, and Wheeling are not considered rural.

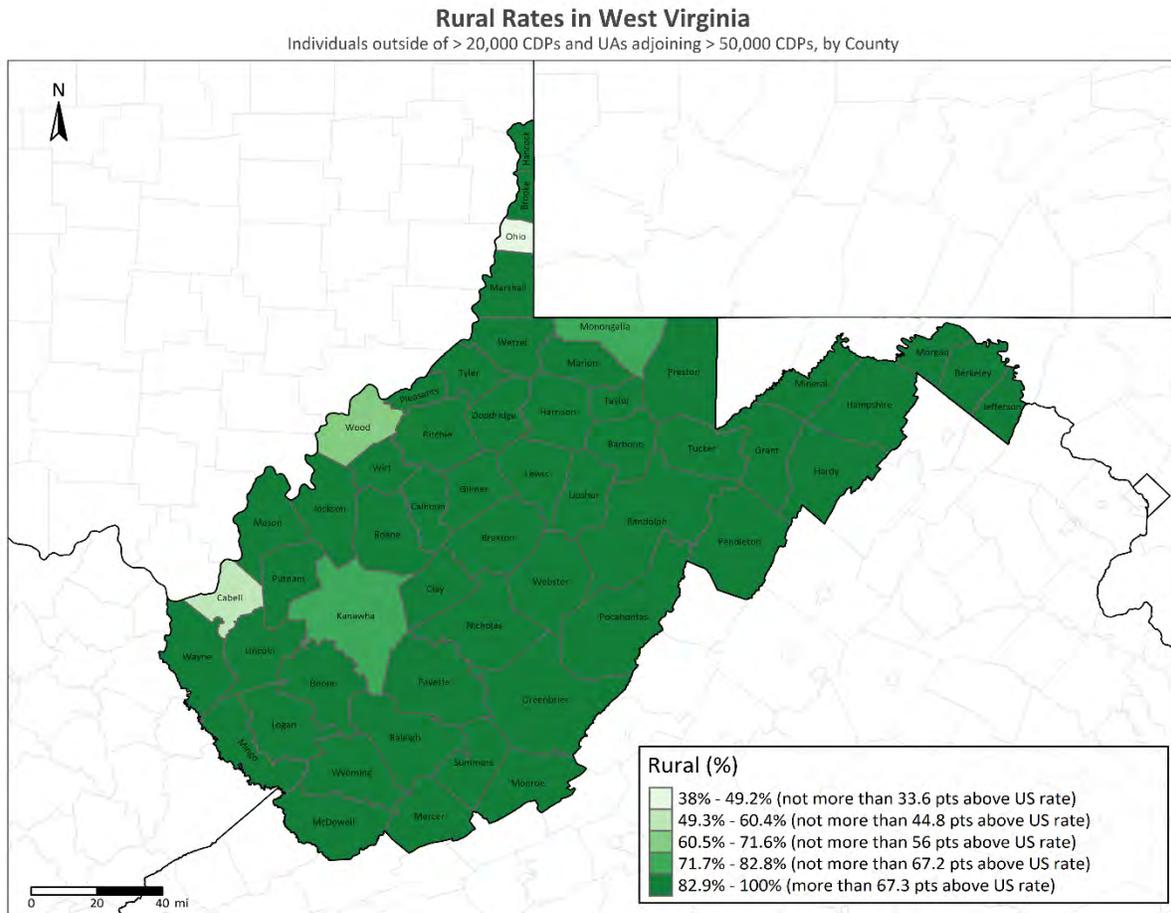


Figure 10.9: rural rates in West Virginia.
Source: U.S. Census Bureau, 2019 American Community Survey, 1 & 5-year data.

25/3 Mbps Broadband Availability by State
 Percent of population with access to at least one 25/3 provider, by state

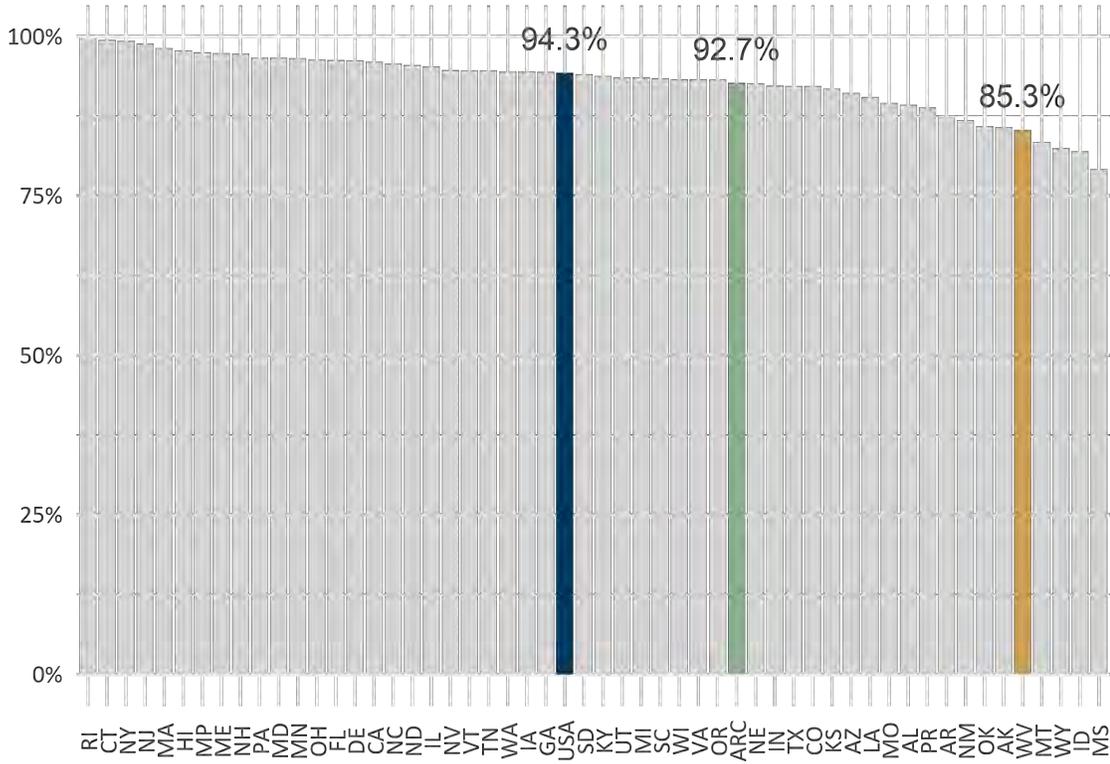


Figure 10.10: Broadband availability rank by State according FCC Form 477.

25/3 Mbps Availability by State

Figure_ shows the rate of 25/3 availability by state, and also adds national and Appalachian Regional Commission (ARC) counties averages.

100/20 Mbps Broadband Availability by State
 Percent of population with access to at least one 100/20 provider, by state

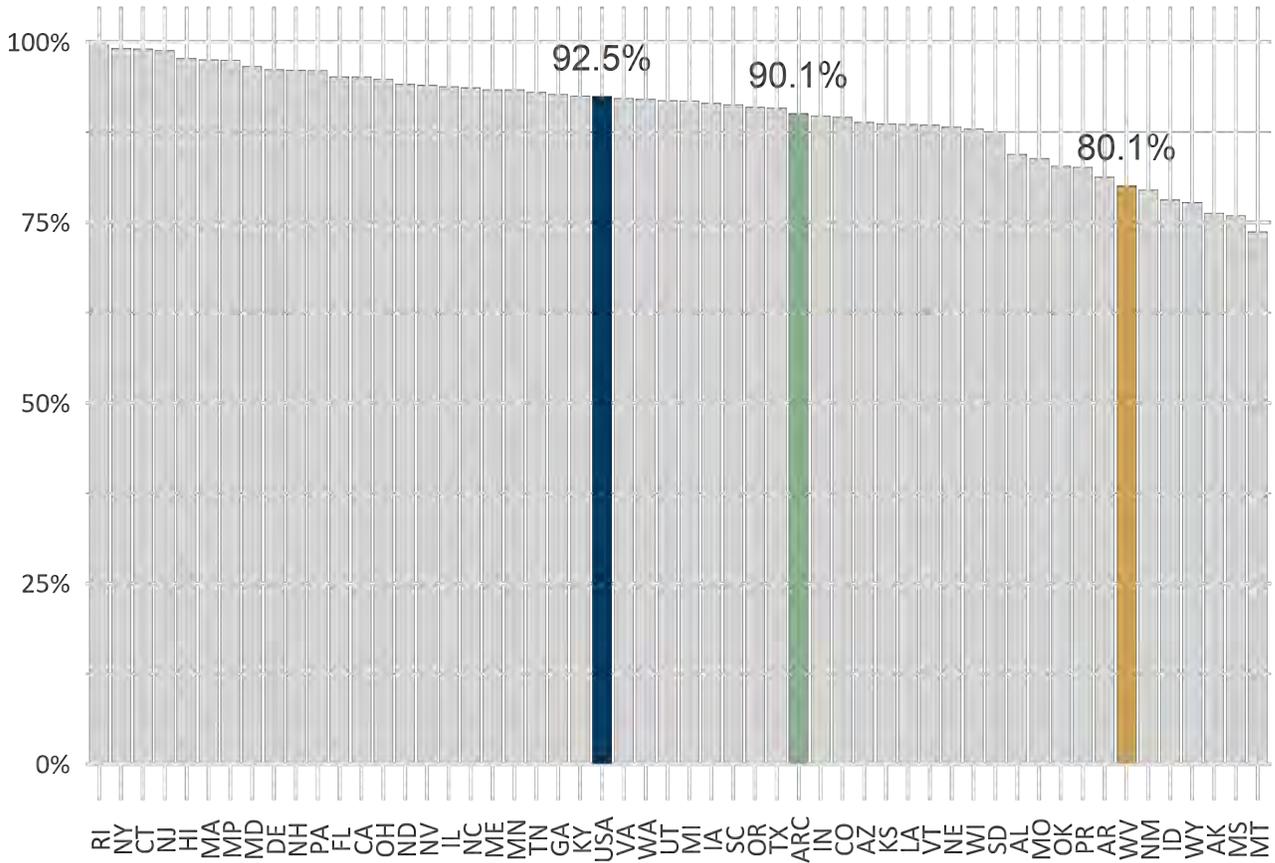


Chart 10.1: 100/20 rank by State according to FCC Form 477.

100/20 Mbps Availability by State

100/20 Mbps broadband availability is the first speed considered wholly sufficient by BEAD
 WV moves up 2 places to 43rd.

25/3 Mbps Broadband Availability
 Percent of population with access to at least one 25/3 provider, by County

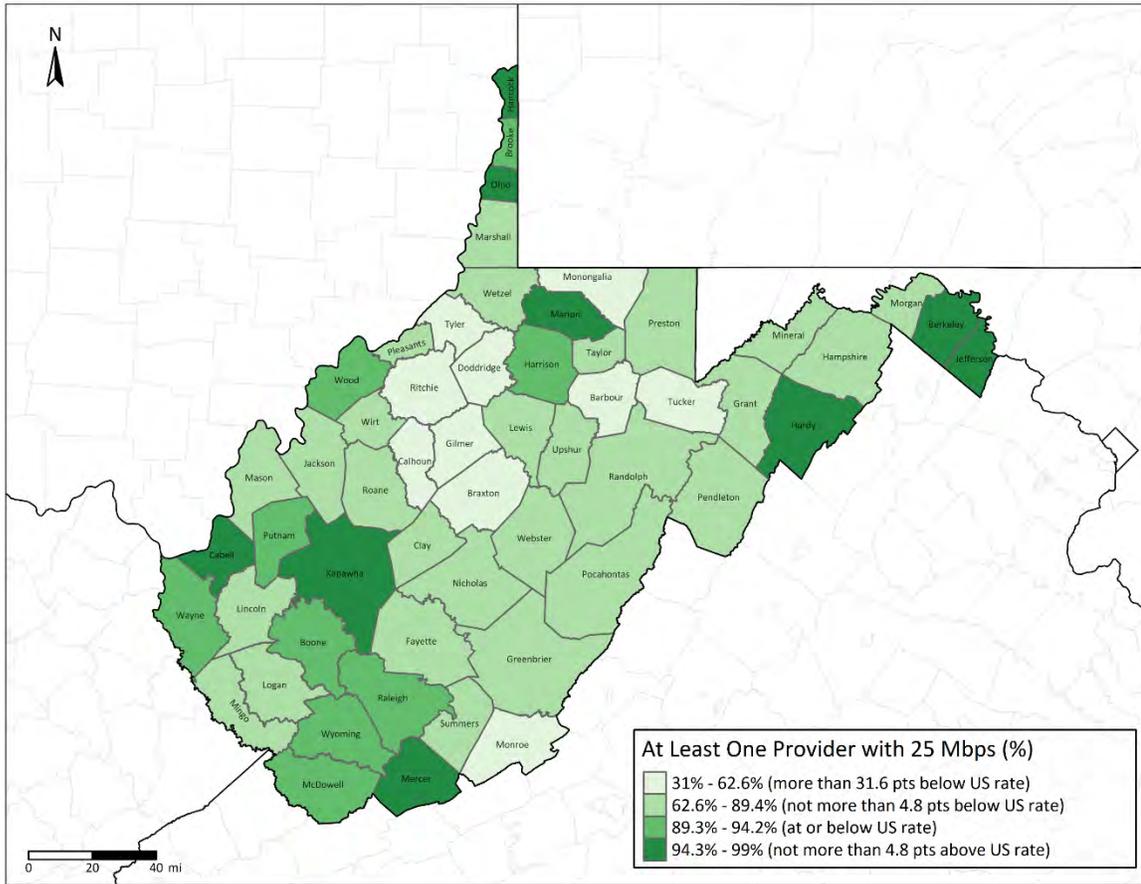


Figure 10.11: Percent of population with access to speeds of 25.3 Mbps.

100/20 Mbps Broadband Availability
 Percent of population with access to at least one 100/20 provider, by County

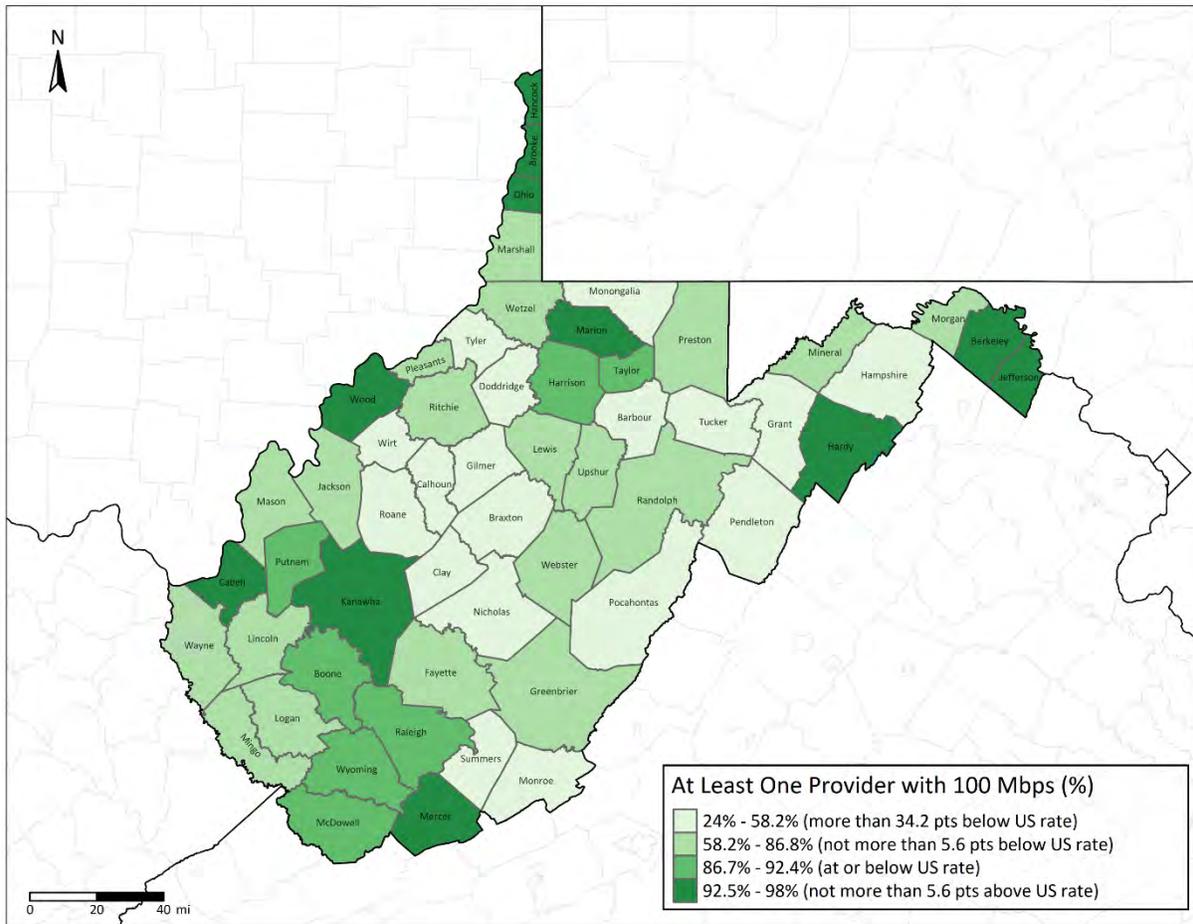


Figure 10.12: Percent of population with access to speeds of 100/20 Mbps.

Affordable Connectivity Plan

Additionally, while not part of the covered populations directly, the Office of Broadband analyzed data from the Affordable Connectivity Plan (ACP), a separate affordability program from the Federal Communications Commission which provides internet subsidies, to assist in planning where existing affordability efforts might overlap with the Digital Equity Plan and Broadband Equity, Access, and Deployment (BEAD) Plan. There are several different ways of qualifying for the ACP—including through eligibility for SNAP, WIC, Medicaid, receiving Free/Reduced Price School Lunch Program benefits, receiving SSI benefits, or if a household income is less than 200% of the Federal Poverty Line guidelines.¹

As of writing, no public data of the total number of individuals qualifying for ACP benefits in each West Virginia county is available. Thus, the State used ACS data from the largest qualifying group (household income at 200% or below of FPL) to estimate where the highest concentrations of Affordable Connectivity Plan using a methodology developed by ISLR and Rural LISC.²

¹ For more information, please see <https://www.affordableconnectivity.gov/>

² <https://acpdashboard.com/>

Figure 10 displays the estimated number of households qualifying with a household income of 200% of the poverty line or less as a percent of the overall population of the county. Overall, West Virginians qualify for ACP benefits at higher rates than the national average.

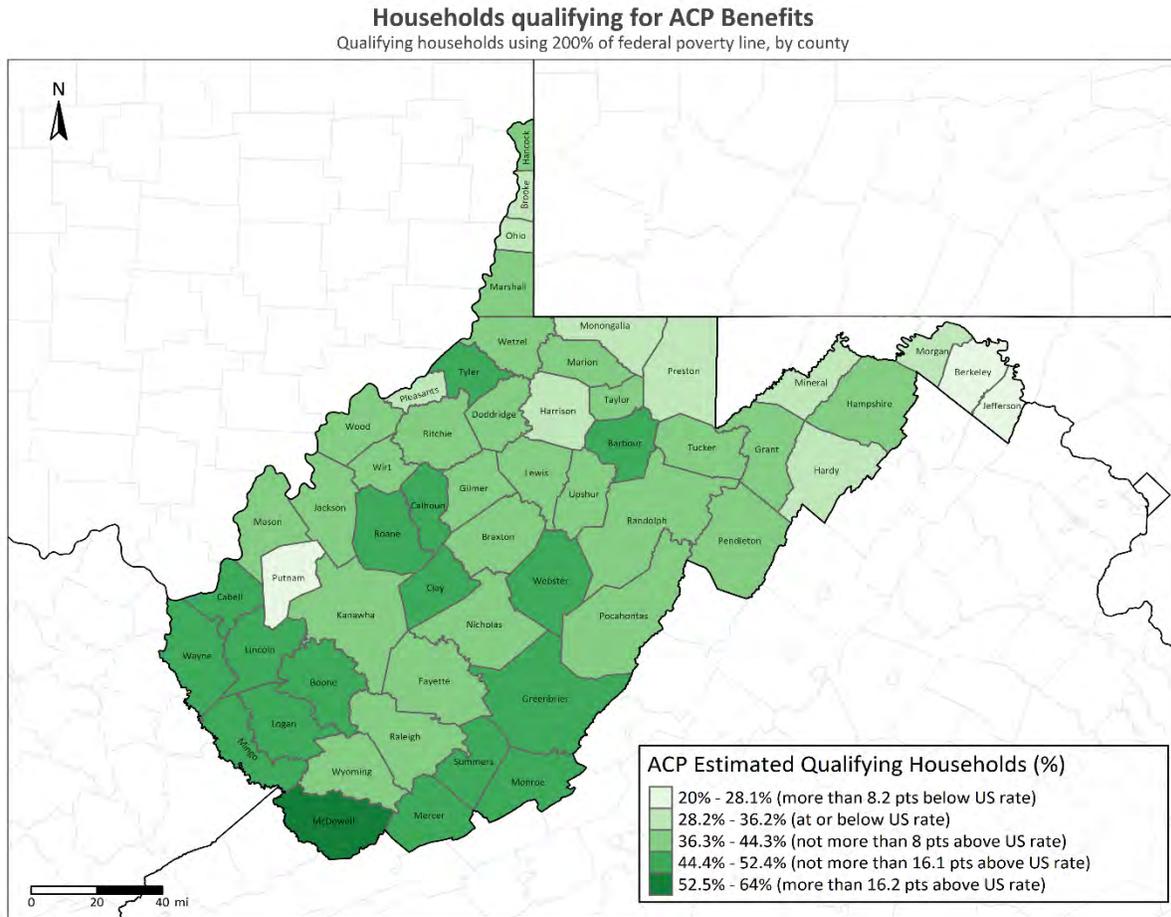


Figure 10.13: Households qualifying for ACP benefits.
Source: USAC ACP Enrollment data

In Figure 11, WVOB then combined the above data with FCC ACP enrollment data by county to highlight counties with high or low rates of ACP uptake relative to the number of households qualified to receive ACP. While parts of West Virginia have higher ACP enrollment rates than the United States overall, most counties in West Virginia lag national enrollment rate averages.

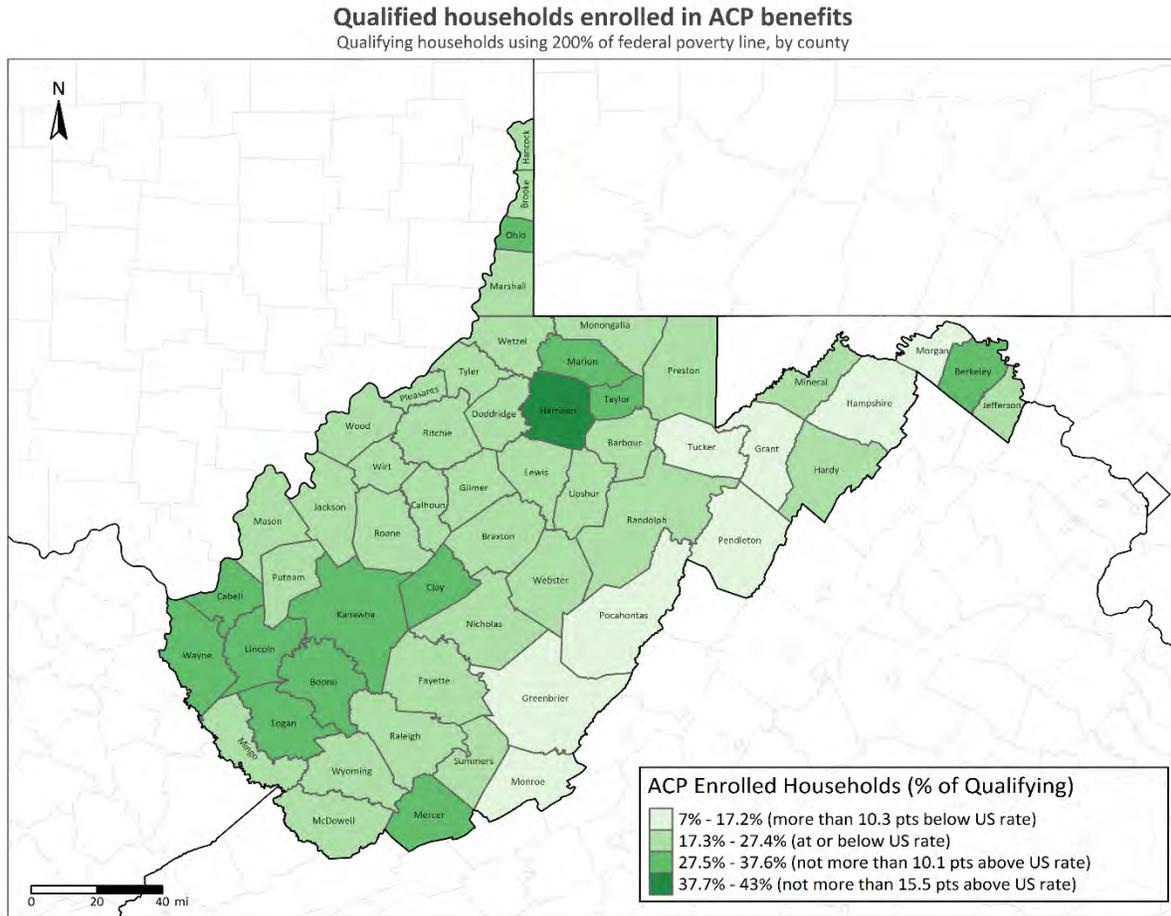


Figure 10.14: Households qualifying for ACP benefits.
 Source: USAC ACP Enrollment data

11. FCC Affordable Connectivity Program (ACP)

The Federal Communications Commission administers the \$14 billion Affordable Connectivity Program (ACP). The ACP helps ensure that households can afford the broadband they need for work, school, healthcare, and more by providing a discount of up to \$30 per month. The FCC estimates that about 48 million families are eligible for the program—nearly 40 percent of households in the United States.

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

In addition, the FCC has launched a new ACP pre-qualification widget to help streamline the application process. As of December 26, 2022, approximately 86,000 West Virginians have registered for this benefit.

A household is eligible if one member of the household meets at least one of the criteria below:

- Income at or below 200% of Federal Poverty Guidelines;
- Assistance programs, such as SNAP, Medicaid, Federal Public Housing Assistance, SSI, WIC, or Lifeline;
- Free and reduced school lunch or school breakfast, such as USDA Community Eligibility Provision;
- Federal Pell Grant during the current award year; or
- Eligibility for provider’s existing low-income program.

There are two steps to enroll in the ACP:

1. Visit <https://www.affordableconnectivity.gov/> to submit online or mail-in application.
2. Contact a participating provider to apply discount.



Additional resources are available at:

Support Contact

ACPSupport@usac.org or 1-877-384-2575

12. AEP Logan-Mingo Broadband Project

Under legislation adopted in 2019, West Virginia electric utilities began reviewing the feasibility of constructing and operating a middle-mile infrastructure project within the electric utility distribution system. The Council and the West Virginia Public Service Commission (WVPSC) are assisting the electric utilities in the preparation of the feasibility studies, which will address:

- a. The route of the middle-mile infrastructure proposed for the project,
- b. The number of fiber strands that would be utilized in connection with the proposed project and dedicated to serve as the middle mile,
- c. The location of the electric utility's distribution infrastructure that will be utilized in connection with the proposed project, and
- d. The capacity of the middle-mile broadband infrastructure that will be available to lease to last-mile broadband Internet providers upon completion of the proposed project;
- e. The estimated cost of the proposed project, including but not limited to engineering costs, construction costs, permitting costs, materials and labor, right-of-way costs, and a reasonable rate of return to the electric utility;
- f. The proposed schedule of construction of the proposed project; and
- g. The method of attachment and connection of the middle-mile broadband fiber assets to the electric utility's distribution infrastructure.

Pursuant to legislation passed by the West Virginia Legislature in 2019, Appalachian Power Company and Wheeling Power Company (AEP) prepared and submitted to the West Virginia Broadband Enhancement Council (Council) a Broadband Feasibility Study for the construction of a middle-mile fiber optic network in Logan and Mingo Counties, known as the Logan-Mingo Broadband Project.

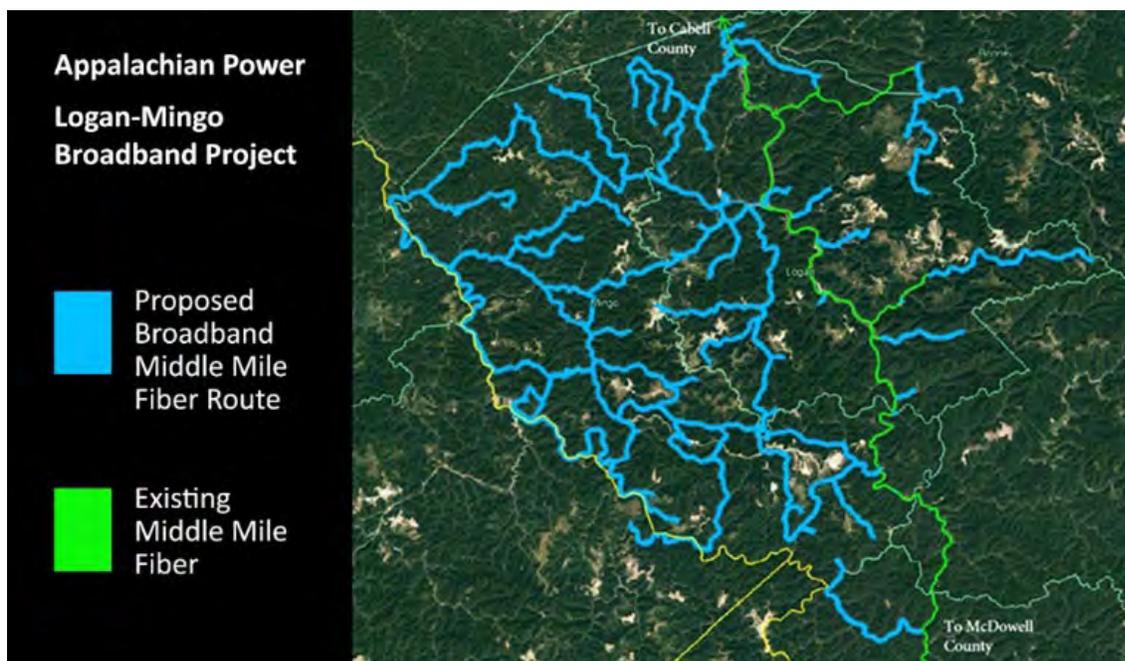


Figure 13.1: AEP Logan-Mingo Project

The proposed network will provide utility communications and contain fiber optic strands that AEP could lease to Internet Service Providers (ISPs) who would provide broadband internet service to end-user, “last-mile” customers through the construction of more than 400 new fiber miles and the utilization of approximately 200 existing fiber miles.

The Council approved the study in December 2019, concluding that the proposed project was feasible and in the interests of both AEP and the citizens of West Virginia. AEP conducted a Request for Proposal process and selected GigaBeam Networks, LLC, as an ISP partner. The project continued with formal submission to the WVPSC, in 2020.

AEP’s study included a review of statutory requirements authorizing electric utilities to prepare such studies. It also identified regulatory and public policy hurdles, a number of which were addressed in legislation enacted into law in 2020. In 2020, the West Virginia Legislature passed HB 4619, which amended §24-2-1 of the W. Va Code and added a new section, §24-2-10, both of which concern the powers and duties of the West Virginia Public Service Commission (PSC). HB 4619 allows electric utilities to install “middle-mile” broadband fiber on their existing infrastructure to facilitate the expansion of broadband service into unserved and underserved areas of the State.

In early 2022, the National Telecommunications Information Administration (NTIA) announced the award of \$19.6 million to complete a fiber to the premise project to bring qualified broadband to more than 12,000 unserved households across the region. This application was submitted by the Logan County Commission in partnership with the Mingo County Commission and GigaBeam Networks, LLC. The project team held an official construction kickoff event in July 2022.

13. U.S. Department of Agriculture (USDA) Broadband Programs

In anticipation of increased funding for broadband expansion in rural areas, the U.S. Department of Agriculture (USDA), West Virginia Rural Development, team partnered with the West Virginia Broadband Enhancement Council to conduct a series of workshops in West Virginia with a focus on increasing the number of USDA project proposals from West Virginia. This focused initiative resulted in numerous successful proposals through which project teams secured USDA funds for broadband expansion projects in West Virginia.

The USDA awarded significant funds to projects in West Virginia through three broadband programs:

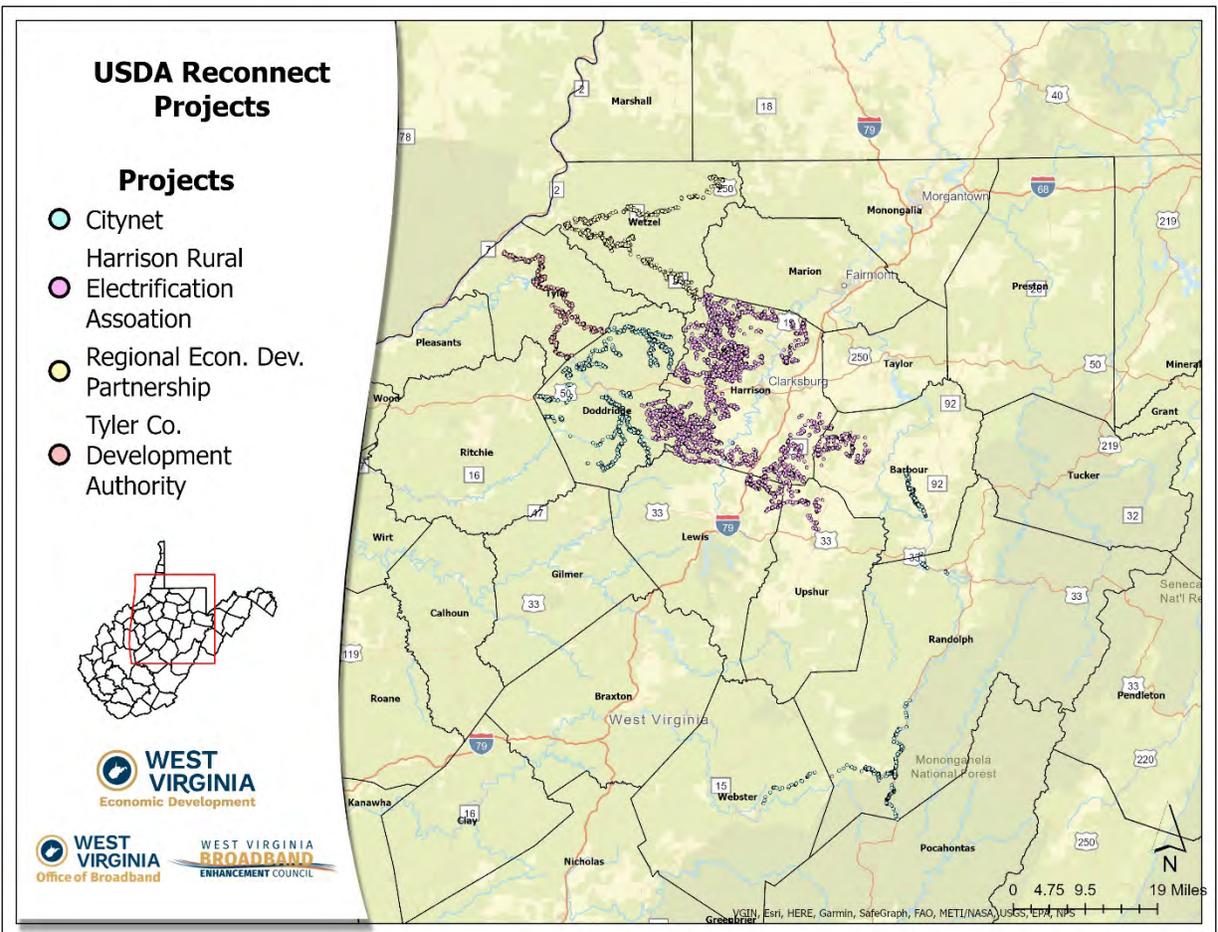
- USDA ReConnect
- USDA Community Connect
- USDA Distance Learning and Telemedicine

Prior to this initiative, West Virginia had not actively pursued USDA funding, having secured just one Community Connect grant in 2017. Building upon this momentum, the USDA continued webinars through 2020, and through 2022, numerous projects are underway.

13.1 USDA Reconnect

In December 2018, the U.S. Department of Agriculture (USDA) launched its \$600 million [ReConnect Loan and Grant Program](#). ReConnect projects in West Virginia are underway.

Figure 13.1: USDA Reconnect projects in West Virginia



USDA ReConnect Projects in West Virginia					
Approved and Administered by U.S. Department of Agriculture					
Applicant	Provider	Counties	Total Project Cost	USDA Award	Year
1. Citynet	Citynet	Doddridge, Barbour, Randolph, Webster	\$8,000,000	\$7,623,651 Grant	2020
2. Harrison Rural Electrification Association (HREA)	Digital Connections-Prodigi	Harrison, Doddridge, Lewis, Upshur, Barbour	\$24,999,920	\$18,700,000 Grant	2020
3. Tyler County Development Authority	Citynet	Tyler	\$3,516,000	50/50 Loan-Grant	2019
4. Regional Economic Development Partnership (RED)	Citynet	Wetzel	\$4,189,000	50/50 Loan-Grant	2019

Table 13.1: USDA Reconnect projects in West Virginia

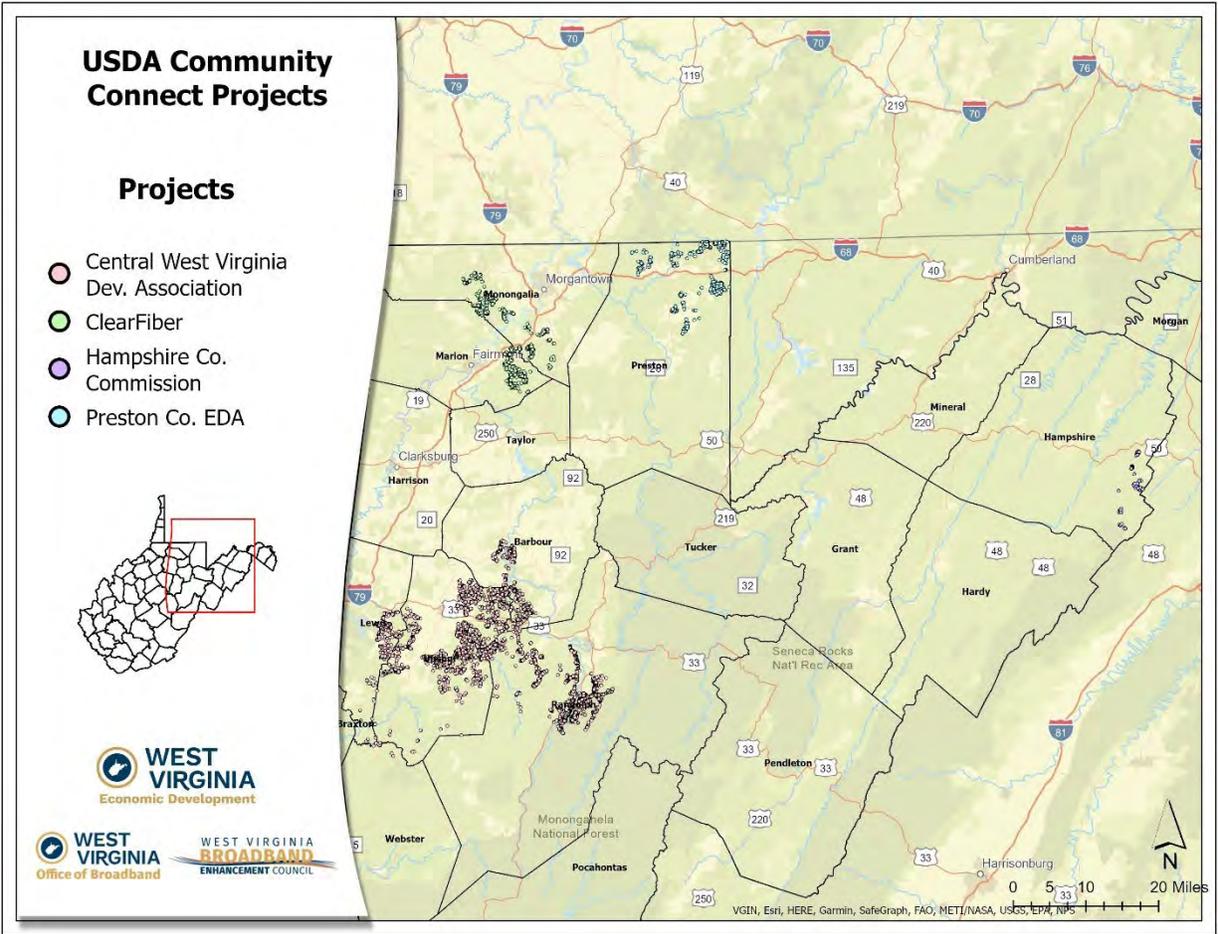
13.2 USDA Community Connect

The USDA [Community Connect](#) program announced the first round of funding in 2017 with projects approved through 2020. The grant program targeted unserved rural, economically challenged communities to build fiber. Four Community Connect projects were awarded in West Virginia that will bring high-speed connectivity to approximately 8,000 households.

USDA Community Connect Projects in West Virginia				
Approved and Administered by U.S. Department of Agriculture				
Applicant	Provider	Counties	Award	Year Awarded
5. Hampshire County Commission	HardyNet	Hampshire	\$3,000,000	2020
6. Preston County Economic Development Authority	Digital Connections-Prodigi	Preston	\$3,000,000	2019
7. ClearFiber	ClearFiber	Marion, Monongalia	\$1,960,000	2019
8. Central West Virginia Development Association	MicroLogic	Randolph, Barbour, Upshur	\$3,000,000	2017

Table 13.2: USDA Community Connect projects in West Virginia

Figure 13.2: USDA Community Connect projects in West Virginia



13.3 USDA Distance Learning and Telemedicine (DLT)

The USDA Distance Learning and Telemedicine (DLT) program helps rural communities use the unique capabilities of telecommunications to connect to each other and to the world, overcoming the effects of remoteness and low population density. West Virginia was strongly represented in recent application cycles and funding announcements. For more information, visit: <https://www.rd.usda.gov/programs-services/telecommunications-programs/distance-learning-telemedicine-grants>. Applications will be accepted through January 30, 2023.

Recent USDA Distance Learning and Telemedicine (DLT) Funding Awards in West Virginia

a. Clay County School District \$464,614

This USDA Rural Development investment will be used to provide distance learning technology and telemedicine stations for each of Clay County's six schools. This project will benefit approximately 2,000 residents in Clay County, West Virginia.

b. Pocahontas County Board of Education \$434,779

This USDA Rural Development investment will be used to purchase distance learning supplies that will connect students K-7 grade and teachers, K-12 grade with Microsoft Surface Go 2 and Microsoft Surface Pro 7 devices. The project will benefit approximately 3,000 residents in rural West Virginia.

c. Shepherd University \$96,891

This USDA Rural Development investment will be used to fund the "Bridges to Degrees" project that creates pathways to postsecondary education for rural high school students by providing high quality distance learning through Shepherd University, located in the Eastern Panhandle of West Virginia. The university proposes to provide distance learning through live-streamed dual enrollment courses to over 400 eligible high school students per calendar year.

d. West Virginia Higher Education Policy Commission \$744,328

This Rural Development investment will be used to purchase distance learning equipment that will develop a statewide network to provide interactive telecommunications links. The West Virginia Higher Education Policy Commission will serve as the hub of the project and will serve approximately 5,600 residents in rural West Virginia.

USDA Distance Learning and Telemedicine (DLT) Projects in West Virginia

Approved and Administered by U.S. Department of Agriculture

Applicant	Awarded Funds	Year
1. Rainelle Medical Center	\$614,048	2021
2. Ohio Valley Physician	\$429,841	2021
3. Morgan County Partnership	\$999,999	2021
4. New River CTC	\$149,789	2021
5. Lincoln County Primary Care	\$686,656	2021
6. Glenville State	\$292,000	2021
7. Garret County* <i>MD applicant with benefit to West Virginia</i>	\$430,000	2020
8. Cabell Huntington Hospital Foundation, Inc.	\$206,000	2019
9. Salem University, LLC	\$231,436	2019
10. Charleston Area Medical Center Health Education and Research Institute	\$163,223	2018
11. CHANGE, Inc.	\$500,000	2018
12. Toronto Board of Education* <i>OH applicant with service benefit in WV</i>	\$500,000	2018
13. Lincoln County Board of Education	\$440,295	2017
14. Charleston Area Medical Center Health Education and Research	\$100,079	2017

Table 13.3: USDA DLT projects in West Virginia.

14. Appalachian Regional Commission (ARC)

The Appalachian Regional Commission (ARC) launched the (Partnerships for Opportunity and Workforce and Economic Revitalization) [POWER Initiative](#) to help communities and regions that have been affected by job losses in coal mining, coal power plant operations, and coal-related supply chain industries due to the changing economics of America's energy production. The West Virginia Department of Economic Development, Office of Broadband, administers ARC POWER broadband projects in West Virginia.

In 2022, ARC awarded POWER funds to the Boone County Economic Development Authority and the Summers County Commission. Projects funded in 2020 and 2021 include the Pocahontas County Commission, Wayne County Commission, and Woodlands Development Group, and the Thundercloud project; a 25-mile fiber loop in downtown Huntington. Recent ARC POWER projects are briefly described below:

- ❖ **Pocahontas County Commission:** received a \$2,500,000 to build FTTH to over 1,000 households in Pocahontas County.
- ❖ **Wayne County Commission:** received \$1,551,000 to build a 16-mile middle-mile route along WV-152 connecting households and businesses along the route with fiber. The project also targets last-mile FTTH in Lavallette, Beech Fork, and Arden. The future potential of this middle-mile route can expand FTTH to rural areas of Wayne County.
- ❖ **Woodlands Development Group:** a non-profit entity received \$2,500,000 to construct a 33-mile middle-mile fiber route along Route 33, from Elkins to Davis.
- ❖ **Boone County Community and Economic Development Corporation:** received \$1,692,507 to build an 8.2 fiber network with one wireless tower. This initiative will support the redevelopment of surface coal mine with businesses that rely on connectivity including a 3,000-acre solar field and other diversified industries.
- ❖ **Summers County Commission:** received \$2,400,000 to build 28 miles of fiber to connect 489 homes and 179 businesses in Summers County.

Appalachian Regional Commission (ARC) Central Appalachian Broadband

In addition to ARC POWER funding, the Office of Broadband administers the ARC Central Appalachian Broadband program through designation as a Responsible State Basic Agency (RSBA).

The goal of this ARC funding initiative is to provide funding for the deployment of broadband that will increase economic and business development or provide service to unserved customers. Funding is limited to ARC-designated distressed counties in West Virginia that have been most negatively impacted by the downturn in the coal industry. Eligible counties are Boone, Clay, Logan, Lincoln, McDowell, Mingo, Webster, and Wyoming.

Current projects include the \$1.9 million Southern West Virginia Broadband Expansion project awarded to the Webster County EDA.

14.1 Community Development Block Grant

Governor Jim Justice announced the first broadband projects funded by Community Development Block Grant (CDBG) funding for broadband development projects in West Virginia in 2018. Through 2020, approximately \$6.3 million in CDBG funding has been dedicated to broadband planning and infrastructure projects, with more than half of West Virginia’s 55 counties actively pursuing broadband development as follows:

1. Broadband Planning: 20 projects including 41 counties, and
2. Broadband Infrastructure: 11 projects that will provide broadband connectivity to more than 3,500 residential and business customers upon completion.

The CDBG program is one of the longest running programs of the U.S. Department of Housing and Urban Development (HUD). The CDBG broadband program has a primary emphasis on the extension of broadband to unserved and underserved communities. These areas often align with CDBG priorities for low- to moderate-income residents. The following chart summarizes CDBG infrastructure projects.

CDBG Broadband Infrastructure In West Virginia					
Applicant	Project	Amount	FY	Date Awarded	Completion
1. Taylor County Commission	Taylor County Broadband Expansion Project	\$131,382	2020		
2. Greenbrier County	Quinwood Fiber Extension Phase II	\$668,227	2020		
3. Greenbrier County	Quinwood Fiber Extension	\$583,000	2019	6/3/2020	2023
4. Meadow Bridge	Fiber Development Project	\$906,600	2019	6/3/2020	2023
5. Monroe County	Keenan-Doss-Shaver Road Fiber	\$50,059	2019	6/3/2020	2023
6. Raleigh County	Airport Industrial Park	\$643,999	2019	6/3/2020	2023
7. Summers County	Talcott Area Fiber Project	\$220,500	2019	6/3/2020	2023
8. Lewis County	Southern Lewis -Walkersville Towers	\$500,000	2018	4/1/2019	2023
9. McDowell County	Bull Creek – Isaban Area Fiber Expansion	\$630,000	2018	4/1/2019	2023
10. Mercer County	Cumberland Industrial Park Fiber Project	\$155,000	2018	4/1/2019	2023
11. Hampshire County	Capon Bridge Industrial Park Fiber	\$434,137	2017	2/1/2018	2021
12. Jackson County	Sandyville Tower Wireless Project	\$137,500	2017	2/1/2018	2021
13. Nicholas County-Richwood	Richwood-Hinkle Mountain Hybrid Fiber-Tower Project	\$600,000	2017	2/1/2018	2023
Total CDBG Infrastructure Awards 2017-2020		\$5,660,404			

Table 14.1: CDBG broadband infrastructure projects in West Virginia.

15. State and Federal Policy Updates

West Virginia’s leaders continue to develop policies that encourage broadband development throughout the State. The West Virginia Legislature has advanced innovative broadband policies, developing an ideal environment for broadband infrastructure expansion. These policies encourage competition, discourage monopolies, and enhance the business environment for Internet Service Providers within the State of West Virginia.

State, federal and local policies and regulations must recognize broadband as essential economic infrastructure and align in support of broadband infrastructure expansion. The West Virginia Broadband Enhancement Council and the West Virginia Office of Broadband will continue to advocate for policies and regulations that support efforts to expand broadband throughout West Virginia.

15.1 West Virginia Economic Development Authority (WVEDA) Broadband Loan Insurance Fund

Since 2018, West Virginia has provided incentives for investors to support deployment of broadband infrastructure, through a non-lapsing fund administered by the West Virginia Economic Development Authority (WVEDA).

The **Broadband Loan Insurance Program** (BLINS) insures the repayment of debt on capital costs related to providing broadband service to unserved or underserved areas of the State, or that links a segment of a network operator’s core network to a local network plant that serves an unserved area or an area with no more than two wireline providers, as outlined in W. Va. Code § 31-15-8, et seq.

The most significant federal program undertaken to date for the expansion of broadband service is the Federal Communication Commission’s Rural Digital Opportunity Fund (“RDOF”) program. The RDOF program rules were announced by a January 2020 FCC order. The phase I RDOF auction concluded on November 24, 2020.

The FCC announced that it would award over \$362 million to nine winning bidders to extend broadband service in West Virginia. One of the requirements of the RDOF process is for winning bidders to post a letter of credit with the FCC for up to 30% of the award amount to secure performance.

Governor Justice issued Executive Order 66-20 on September 3, 2020 pursuant to his authority to suspend statutory regulations during a state of emergency. That Executive Order mentioned the RDOF program, suspended the per recipient and program dollar limits in the BLINS program and directed the WVEDA to make modifications to the BLINS program consistent with the Executive Order.

The WVEDA, in consultation with the Council, has undertaken modifications to its guidelines for the BLINS program. The revised guidelines allow the BLINS program to be used to provide insurance to the banks that will be providing letters of credit to winning RDOF bidders.

When the state of emergency lifts, Executive Order 66-20 will no longer be effective. Statutory changes were implemented in the 2021 Legislative Session to enable the BLINS program to support applicants proposing broadband expansion in West Virginia using funds from RDOF and other federal programs.

Under the BLINS program prior to the Governor's Executive Order, the WVEDA could insure up to 80 percent of a bank loan for a broadband infrastructure or development project. The insured portion could not exceed \$10 million and could be for a maximum term of 20 years. The WVEDA's revised guidelines issued November 2020 permit the BLINS program to insure up to 100 percent of a letter of credit, and the cap of \$10 million per recipient has been eliminated.

Prior to the Governor's Executive Order, the program required the certification of eligibility by the Council. Since the FCC and other federal programs have extensive vetting processes, the Council will not certify eligibility to applicants that have been determined to be eligible under a federal broadband expansion program.

Public notice is required for all projects, except those that plan to provide a downstream data rate of at least one (1) Gigabyte per second throughout the proposed project service area. The process for funding has detailed requirements for as-built plans, mapping, modifications, project completion, and closeout.

15.2 WEST VIRGINIA ATTORNEY GENERAL CONSUMER COMPLAINT PROCEDURE

As directed by House Bill 2002, and in compliance with *W.Va. Code* §31G-1A-2(b)(9), the West Virginia Office of Broadband has coordinated with the West Virginia Attorney General Consumer Complaint Division to establish procedures for consumer complaints related to broadband service.

Consumers who believe that they have been the victim of unlawful practices in the purchases of goods and services are first encouraged to fill out the appropriate form and return it to the West Virginia Attorney General's (WVAGO's) Consumer Protection Division. The office provides three options for submitting complaints:

- Option 1: Download and print the forms, complete and mail (with any copies of documents related to the complaint) to: Office of the Attorney General, Consumer Protection Division, P.O. Box 1789, Charleston, WV 25326-1789.
- Option 2: Download and fill out the appropriate PDF form and email the form and any additional documents related to the complaint in PDF format to complaint@wvago.gov. (25MB limit on attachments)
- Option 3: Complete an online version of the General Consumer Complaint form.

Individuals who need assistance may call the WVAGO Consumer Protection Hotline at 1-800-368-8808. Clicking the links below will download a PDF of the form in a separate tab.

- [Instructions for Filing a Consumer Complaint Form](#)
- [Documents Needed for Filing a General Consumer Complaint Form](#)
- [Broadband Complaint Form](#)

15.3 Dig Once Policy

In 2018, the West Virginia Legislature enacted a Dig Once Policy, passing legislation that will create incentives over the long term to create spare conduit or opportunities to lay fiber in a joint trench. HB 4447 created a new article of code, §17-2E-1 et seq., that established the “Dig Once” policy. It directed the West Virginia Division of Highways (WVDOH) to install vacant broadband conduit during highway construction projects. Interested ISPs apply to the Council for approval to use the conduit. Conduit is leased at cost-based rates.

The Council is also charged with creating a strategy to facilitate the timely and efficient deployment of broadband infrastructure on state-owned lands and buildings, and to assist local governments with development of similar Dig Once and deployment policies.

The West Virginia Division of Highways (WVDOH) has updated [guidance](#) to implementing the State’s Dig Once Policy Act. [The Dig Once Application Submission Checklist](#) is now available online.

In 2019, Senate Bill 270 amended the Dig Once Policy, W. Va. Code § 17-2E-1 et seq., in addition to W. Va. Code § 17-2A-17a, which governs utility accommodation leases. Section 17-2A-17a provides that the Commissioner (Commissioner) of the WVDOH may lease real property held by the Division to accommodate any utility providing telecommunications or broadband services if the Commissioner finds that entering said lease is in the public interest.

The utility is required to pay fair market value for the real property interest under the lease. Senate Bill 270 amends this section to provide that the fair market value of such property interest shall be \$0 in monetary compensation. However, the legislation does not prohibit in-kind compensation if the lease concerns multiple districts within the Division.

Senate Bill 270 amended § 17-2E-3 of the Dig Once Policy to provide that the fair market value of the Division’s spare conduit or related facilities shall be \$0 in monetary compensation. It also amends the Dig Once Policy by eliminating the newspaper notice requirements, and by reducing the notice period from thirty (30) days to fifteen (15) days.

This legislation also provided new exemptions from the Dig Once Policy’s requirements, including:

- ❖ Projects that are less than 1,000 feet in length,
- ❖ Projects that use the direct bury of cable or wire,
- ❖ Projects that are solely for the service of entities involved in national security matters, and

- ❖ Projects where the carrier installs an amount of spare conduit or innerduct equal to what is being installed for its own use and which is made available for lease to competing carriers on a nondiscriminatory basis at rates established by the FCC.

Finally, the legislation permits the WVDOH, with the Governor’s written approval, to transfer or assign ownership, control, or any rights related to any in-kind compensation received by the Division to any other state agency.

15.4 West Virginia Policy Concerning Bridge Attachments

Bridge Attachments are governed by the WVDOH Utility Manual, available at the following link: https://transportation.wv.gov/highways/engineering/files/ACCOMMODATION_OF_UTILITIES.pdf

15.5 West Virginia Public Service Commission: One-Touch Make-Ready

In 2019, Senate Bill 3 provided for the implementation of **One-Touch Make-Ready** rules for utility pole attachments, premised primarily on the FCC’s rules around this process. Senate Bill 3 amended the Make Ready Pole Access Statute. Senate Bill 3 is codified at W. Va Code §31G-4-1 *et seq.* One-Touch Make-Ready requires the pole owners to allow a single crew to make changes to multiple wires, rather than having the owner of each wire or strand send its own crew to move it separately.

The West Virginia Public Service Commission (WVPSC) conducted a proceeding, *General Investigation into Adopting and Implementing Rules Governing Pole Attachments and Assumption of Commission Jurisdiction Over Pole Attachments*, Case No. 19-0551-T-GI, to implement the changes to the Make Ready Pole Access Statute. Providing an affordable and timely pathway for attachment of infrastructure to utility poles has proven to be one of the most effective ways to speed broadband deployment.

The WVPSC adopted new rules implementing One-Touch Make-Ready based on the FCC’s rules on December 5, 2019, 2019.25F25F25F[1].

15.6 West Virginia Public Service Commission: Trench Sharing Rules (150 C.S.R. 40)

On June 16, 2022, the Public Service Commission of West Virginia (“PSC”) entered a Commission Order proposing **Trench Sharing Rules** for the adjudication of trench sharing disputes arising under the Dig Once Policy. The Legislature established the Dig Once Policy in Chapter 17, Article 2E of the West Virginia Code in 2018. A 2021 amendment to the Dig Once Policy requires the PSC to adjudicate trench sharing disputes

between telecommunications carriers. The Commission Order supports this mandate by ordering the Trench Sharing Rules attached thereto and designated as 150 W. Va. C.S.R. to be filed with the West Virginia Secretary of State and promulgated as proposed rules for comment.

The Commission Order advises that the proposed Trench Sharing Rules were developed with feedback received from a PSC-appointed Task Force consisting of representatives from utilities, telecommunications carriers, the Broadband Enhancement Council, the Broadband Office, and the West Virginia Cable Telecommunications Association. The Commission Order reflects the Task Force's unanimous support for the proposed Trench Sharing Rules.

15.7 West Virginia Public Service Commission: Trench Sharing Rules (150 C.S.R. 38)

The June 16, 2022, Commission Order also proposes revisions to the **Rules for the Government of Pole Attachments**, which Rules appear at 150 W. Va. C.S.R. 38. The revisions were necessitated by 2021 legislative amendments to the **Make-Ready Pole Access Act** in Chapter 31G, Article 4 of the West Virginia Code. Among other things, the amendments require the PSC to promulgate rules to address “abandoned cable, conductor, and related facilities attached to utility poles.” They also require the promulgation of rules governing the “timely transfer of facilities from an old pole to a new pole and the removal of utility poles that have had electric facilities moved to new poles but continue to have other facilities attached in the telecommunications space on the old existing poles.” Further, the amendments require the rules to include “the right and mechanism of the pole owner itself to transfer the facilities to the new pole, to remove the old pole, and to recover its costs fully and timely from the owner of the facilities transferred.”

The PSC's proposed revisions to the Rules for the Government of Pole Attachments are attached to the Commission Order, which directs the revised Rules to be filed with the West Virginia Secretary of State and promulgated as proposed rules for comment. The Commission Order notes that the revised Rules do not enjoy the unanimous support of all members of the Task Force with respect to one issue. That issue is whether pole owners are *mandated* by the legislative amendments to the Make-Ready Pole Access Act to transfer abandoned attachments or facilities on an old pole.

The Commission Order notes that PSC staff interprets the amendments to *require* pole owners to make such a transfer, whereas certain telecommunications carriers and utilities on the Task Force read the amendments as being *permissive*. The PSC accepts the view of its staff, and this is reflected in the Commission Order and in the revised Rules for the Government of Pole Attachments attached thereto.

Following the conclusion of the comment periods on the proposed rules, on November 14, 2022, the Commission adopted the rules proposed in its June 16, 2022 orders without modification.

15.8 West Virginia Public Service Commission: Show Cause Petition (Case No. 22-0885-E-T-SC)

On November 30, 2022, the West Virginia Public Service Commission entered a Commission Order in Case No. 22-0885-T-E-SC, a show cause proceeding initiated by PSC staff to require Frontier West Virginia, Inc. (“Frontier”) to show cause why the PSC should not prohibit Frontier from requiring duplicative pole attachment applications, timelines, and fees.

The proceeding arose out of telecommunication carrier complaints about the time and cost impediments they face attempting to attach to poles that are jointly used by Frontier and Monongahela Power Company/Potomac Edison Company (“MP/PE”). These “joint use poles” are subject to a 1988 Joint Use Agreement. The Joint Use Agreement gives Frontier the right to license space on the poles to third-parties for the installation of telecommunications facilities, including broadband fiber. Frontier and MP/PE require the third-party telecommunication carriers to submit applications for attachment to both Frontier and MP/PE, and to pay associated costs and fees to both Frontier and MP/PE. The carriers assert that this duplicative application process, and the duplicative costs and fees, are unreasonable, unnecessary, and are delaying the efficient deployment of broadband.

The Commission Order grants staff’s Petition and requires Frontier and MP/PE to file a proposed new or amended joint use agreement expediting the pole attachment process and reducing the costs and fees imposed on third-party attachers. The Commission Order also requires MP/PE to file with the PSC their policies and procedures for the review of pole attachment applications, and it directs Frontier and MP/PE to file with the PSC information on, among other things, the number of joint use poles the companies operate. Additionally, the Commission Order grants Citynet, LLC’s (“Citynet”) petition to intervene as a third-party telecommunication carrier that has been prejudiced by the 1988 Joint Use Agreement and Frontier’s ineffective responses to Citynet’s pole attachment requests.

On December 15, 2022, MP/PE filed with the PSC proposed amendments to the Joint Use Agreement, amended policies and procedures for the review of pole attachment applications, and the pole count information requested by the PSC.

15.9 Vertical Real Estate Management and Availability Act

In 2020, HB 4015 created a new article of the W. Va Code, § 31G-1-3; §§ 31G-5-1 – 4 , known as the **Vertical Real Estate Management and Availability Act**, which requires the West Virginia Department of Administration to request proposals to manage state-owned Vertical Real Estate. “Vertical Real Estate” is defined as towers or other structures mounted on rooftops or other prominent places, and any facilities associated with that structure, including ground facilities.

All funds in excess of management fees will be deposited by the West Virginia Office of Technology (WVOT) as follows: 50 percent to the Technology Infrastructure Reinvestment Fund for reinvestment in Vertical Real Estate or other infrastructure supporting broadband on state-owned property, and 50 percent to the Broadband Expansion Fund established in § 31G-1-5 and under the control of the Council.

The West Virginia Office of Technology (WVOT) is currently researching opportunities and potential relationship links of the vertical real estate initiative with other state technology initiatives, such as modernization of the State Interoperable Radio Network (SIRN) and the state's Wide Area Network (WAN). A professional services firm has been procured to address the full range of requirements to be completed as part of this project.

15.10 Wireless Technology Business Property Valuation Act

This act of the Legislature creates a new article of the West Virginia Code, designated as § 11-6L-1 *et seq.* and known as the **Wireless Technology Business Property Valuation Act**. It provides for the valuation of towers constructed or erected between July 1, 2019, and July 1, 2024, that host antenna or other equipment used for transmitting cellular or wireless communications signals.

Under this new article, for the five years immediately following the tower's erection, the value of the tower is its "salvage value," or five percent of its original cost. Thereafter, the value of the tower is determined in accordance with existing West Virginia Code § 11-6-1 *et seq.*

Small Wireless Facilities Deployment Act

Senate Bill 3 also creates a new chapter of the West Virginia Code, designated as § 31H-1-1 *et seq.* and known as the **Small Wireless Facilities Deployment Act**. The Legislature found that small wireless facilities, also known as small cells and distributed antenna systems, are often deployed most effectively in public rights-of-way. Therefore, this chapter allows wireless providers to collocate small wireless facilities and install, modify, or replace utility poles for such facilities in public rights-of-way.

This chapter also sets rates for the occupancy and use of the rights-of-way and provides some zoning and permitting guidelines.

15.11 Establishment of Broadband Cooperatives

West Virginia also provides a statutory mechanism for residents, businesses, and political subdivisions in West Virginia who have no good options for service providers to create a cooperative association to address connectivity problems. These coops are authorized to establish a provider focused on their communities, bond or finance the building of infrastructure, and engage in other related activities. W. Va. Code § 31G-2-1 *et seq.*

The West Virginia University Entrepreneurship & Innovation Law Clinic has developed a Broadband Cooperative Toolkit. The toolkit contains a diagram detailing the way a broadband network could be established in West Virginia. The Council will continue its partnership with the Law Clinic to assist communities in the formation of cooperatives.

15.12 Permitting Microtrenching

West Virginia Code § 31G-3-1 *et seq.* establishes the ability of fiber network builders to utilize microtrenching in the State of West Virginia, an innovative lower-cost, lower-impact option for installing underground fiber facilities. It also requires the installation of vacant conduit when a provider is performing microtrenching operations.

15.13 Nonregulation of VoIP Services

West Virginia also has legislation clarifying that the Public Service Commission does not have jurisdiction over companies that offer Voice over Internet Protocol (VoIP) telephony services. W. Va. Code § 24-2-1(e).

15.14 Oversight of Cable Franchising

Cable franchising in West Virginia is subject to licensing by the State or municipality under W. Va. Code § 24D-1-1 *et seq.* The Commission determines the appropriate authority for issuance of a license, prescribes the standards for construction, operation, and safe, adequate, and reliable service to subscribers. The municipality in which the cable system will be located usually serves as the permitting authority.

2022 County Target Address Maps

Appendix A

Available Upon Request

2022 County Speedtest Maps

Appendix B

Available Upon Request

For more information, visit broadband.wv.gov.

West Virginia Department of Economic Development
West Virginia Broadband Enhancement Council
West Virginia Office of Broadband
1900 Kanawha Boulevard East | Building 3, Suite 600
Charleston, West Virginia 25305
304-558-2234

West Virginia Retirement Plans
 Effect of Modernization of Investment Options
 For the Twenty-Five Year Period Ending September 30, 2022

Retirement Plans in operation for the entire period	Actual Value at September 30, 2022	Calculated Value using the bond index	Added Value
Public Employees' Retirement System	\$ 7,640,631,000	\$ 3,375,559,000	\$ 4,265,072,000
Teachers' Retirement System	8,516,590,000	4,000,766,000	4,515,824,000
Judges' Retirement System	249,297,000	114,931,000	134,366,000
Public Safety Retirement System	726,574,000	298,557,000	428,017,000
State Police Retirement System	279,772,000	155,197,000	124,575,000
Total	\$ 17,412,864,000	\$ 7,945,010,000	\$ 9,467,854,000

Note: the effect is calculated by comparing the September 2022 actual account value to the value calculated by growing the September 1997 account value by the Bloomberg Barclays Capital Aggregate bond index. Both methods use the actual cash flows in to or out from the investment pools.